

ANNUAL REPORT AND  
FINANCIAL STATEMENTS  
2008/2009

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Energy Regulatory Commission

REPUBLIC OF KENYA



KENYA NATIONAL AUDIT OFFICE



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

**ON**

**THE FINANCIAL STATEMENTS OF  
THE ENERGY REGULATORY  
COMMISSION FOR THE YEAR  
ENDED 30 JUNE 2009**



**ANNUAL REPORT**

**AND**

**FINANCIAL STATEMENTS**

**30<sup>TH</sup> JUNE 2009**

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## ENERGY REGULATORY COMMISSION INFORMATION

Established: Under the Energy Act, No. 12 of 2006

### Commissioners:

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

- |                             |   |   |
|-----------------------------|---|---|
| 1. Mr. Hindpal Singh Jabbal | - | Chairman  |
| 2. Eng. Kaburu Mwirichia    | - | Director General  |
| 3. Mr. Patrick M. Nyoike    | - | Permanent Secretary, Ministry of Energy   |
| 4. Eng. Raphael M. Khazenzi | - | Alternate to the Permanent Secretary  |
| 5. Mr. David M. Mutuku      | - | Commissioner  |
| 6. Mr. Mwangi Kariuki       | - | Commissioner  |
| 7. Mr. Noah Chune           | - | Commissioner Retired on 27 <sup>th</sup> February 2009                                    |
| 8. Eng. Makori Bikundo      | - | Commissioner Retired on 24 <sup>th</sup> March 2009                                       |
| 9. Mrs. Jacqueline A Mugo   | - | Commissioner Retired on 24 <sup>th</sup> March 2009                                       |
| 10. Mr. Karanja Kabage      | - | Commissioner Appointed on 3 <sup>rd</sup> April 2009                                      |
| 11. Mr. Acquilino Thilange  | - | Commissioner Appointed on 3 <sup>rd</sup> April 2009                                      |
| 12. Mrs. Mary Waceke Muia   | - | Commissioner Appointed on 3 <sup>rd</sup> April 2009 Retired on 6 <sup>th</sup> July 2009 |
| 13. Eng. Emma Kiilu         | - | Commissioner Appointed on 13 <sup>th</sup> July 2009                                      |

***By order of the Commission***

  
Mueni Mutung'a  
**Commissioner Secretary**

## **PRINCIPAL PLACE OF BUSINESS**

1<sup>st</sup> Floor, Integrity Centre,  
P. O. Box 42681 – 00100  
Nairobi

## **BANKERS**

Kenya Commercial Bank Ltd.  
Moi Avenue Branch  
P.O Box 48400 – 00100  
**NAIROBI**

National Bank of Kenya Ltd.  
Harambee Avenue Branch  
P. O. Box 41862 - 00100  
**NAIROBI**

## **SOLICITORS**

Daly and Figgis Advocates  
8<sup>th</sup> Floor, Lonrho House  
P. O. Box 40034 – 00100  
Nairobi  
**NAIROBI**

## **AUDITORS**

Controller and Auditor General  
Kenya National Audit Office  
Kencom House  
P.O Box 30084 – 00100  
**NAIROBI**

## **REPORT OF THE COMMISSIONERS FOR THE YEAR ENDED 30<sup>TH</sup> JUNE 2009**

The Commissioners submit their report together with the audited financial statements for the year ended 30<sup>th</sup> June 2009, which show the state of the Commission's affairs.

### **INCORPORATION**

ERC is a state corporation established under the Energy Act, No. 12 of 2006.

### **PRINCIPAL ACTIVITIES**

The principal activities of the Commission are

1. To regulate: -
  - i. Importation, exportation, generation, transmission, distribution, supply and use of electrical energy;
  - ii. Importation, exportation, transportation, refining, storage and sale of petroleum and petroleum products;
  - iii. Production, distribution, supply and use of renewable and other forms of energy;
  
2. Protect the interests of consumer, investor and other stakeholder interests

### **VISION**

*"To be a world class energy sector regulator that facilitates and enhances delivery of sustainable, quality and robust energy services."*

### **MISSION**

*"To regulate the energy sector in a fair, transparent and predictable manner"*

### **QUALITY POLICY**

The Energy Regulatory Commission is committed to providing high quality regulatory services that comply with international standards, statutory requirements, the needs and expectations of its stakeholders as well as the Quality Management Systems as set out in ISO 9001: 2008.

In pursuit of this commitment, quality objectives that have been established and communicated to all employees are being implemented and monitored. Further, they shall be reviewed regularly in compliance with ISO 9001 while continuously seeking to understand the needs and requirements of our customers, business stakeholders and partners.

### **CORE VALUES**

ERC employees are guided by the following core values: -

#### **Professionalism**

The Commission shall uphold high standards of professionalism; all members of the Commission and professional staff are expected to adhere to their respective code of ethics

**Predictability**

The Commission shall follow clearly defined rules and regulations in the delivery of its services..

**Responsiveness**

The Commission shall endeavor to be sensitive and expeditious in dealing with stakeholders.'

**Teamwork**

The Commission shall at all times, embrace teamwork, mutual cooperation and appreciation of diverse perspectives in the discharge of its function.

**Transparency**

The Commission shall conduct its work in a transparent manner, making information readily accessible and externally to stakeholders and consulting widely.

**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.

**RESULTS**

The results together with the notes for the year are shown from page 10 to 20



## **CORPORATE GOVERNANCE STATEMENT**

### ***Introduction***

Corporate governance is the process by which companies are directed and controlled. The concept of corporate governance has gained prominence and enshrined in codes of best practice developed by Organization for Economic Co-operation and Development (OECD), Commonwealth Association of Corporate Governance (CACG) and the Centre for Corporate Governance in Kenya.

The Commissioners recognize the need to conduct the business and operations of the ERC with integrity and in accordance with generally accepted corporate practice and endorse internationally developed principles of corporate governance. The Commissioners will continue to focus their attention on maintaining the highest standards of corporate governance and business ethics in the ERC's operations

### **Commissioners**

The members of the ERC are shown on page 3. The Commission is chaired by a non executive chairman (Mr. Hindpal Singh Jabbal) appointed by the President. All Commissioners have extensive business and administrative experience in private and/or public sectors that is applied in the management of the ERC. Commissioners' allowances, honoraria and related transactions are disclosed in note 4 to these financial statements. Commission meetings are held regularly to review the ERC's performance against set targets and business plans as well as to formulate and implement strategy. Various committees whose chairpersons report to the Commission supplement the functions of the Commission.

### **Commission Finance and Administration Committee**

The Commission Finance and Administration Committee is chaired by non executive Commissioner (Mr. Mwangi Kariuki) and meets at least on quarterly basis. The other members are Mr. Karanja Kabage, Mr. David Mutuku, and Eng. Kaburu Mwirichia. The committee's responsibilities are ensuring overall sound financial reporting, internal system of controls, business plans and budgets, procurement, ICT, Public Relations, administration and staff affairs.

### **Commission Audit Committee**

The Audit Committee is chaired by a non executive Commissioner and has not held regular meetings pending the appointment of an internal auditor (appointment in progress). Members, who are non Executive Commissioners, are Mr. Acquilino Thilange, Eng. Emma Kiilu, and Eng. Raphael Khazenzi. The responsibilities of the committee are to review the financial information of the Commission, monitoring the effectiveness of management information and internal control systems, deliberate on significant findings arising from both internal and external audits, and review the overall risks facing the Commission.

### **Commission Technical Committee**

The Technical Committee is chaired by a non executive director and meets at least on quarterly basis. Other Members are, Mr. Karanja Kabage, Eng. Emma Kiilu, Mr. Acquilino Thilange, and Eng. Kaburu Mwirichia. The committee's responsibilities are to provide technical strategic direction of the ERC; and approve technical plans, activities, reports and budgets.

### **Delegation of Responsibilities**

The preparation of ERC's financial statements is a role that has been delegated to management. These financial statements have been prepared in accordance with internationally accepted accounting practice based on appropriate accounting policies which have been consistently applied and supported by reasonable judgment and estimates.

Management ensures that adequate internal financial control systems are developed to provide reasonable certainty in respect of:

- The completeness and accuracy of accounting records
- The integrity and reliability of the ERC's annual financial statements and
- The safeguarding of the ERC's assets

The responsibility for the integrity, reliability and objectivity of the ERC's financial statement lies with the Commissioners.

The external auditors are responsible for independently examining and expressing an opinion on the reasonableness of the financial statements based on their audit.

## STATEMENT OF COMMISSIONERS' RESPONSIBILITIES ON THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 2009

The Energy Act, No. 12 of 2006 requires the Commission to prepare financial statements for each financial year, which includes a Statement of Financial Position showing in detail the assets and liabilities of the Commission, a Statement of Financial Performance showing the income and expenditure, and such other statements that the Commission may deem necessary. The State Corporations Act (Cap 446) requires the Commission to ensure that proper books are kept recording all the property, undertakings, funds, activities, contracts, transactions and other business of the Commission. The Commission is also responsible for safeguarding the assets of the Commission.

The Commissioners 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 Commissioners are of the opinion that the financial statements give a true and fair view of the State of the financial affairs of the Commission and of its operating results. The Commissioners 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 Commissioners to indicate that the Commission will not remain a going concern for at least twelve months from the date of this statement.

Mr. Hindpal Singh Jabbal  
CHAIRMAN



Date. 15/10/09

Eng. Kaburu Mwirichia  
DIRECTOR GENERAL



Date. 15-OCT-2009



## **KENYA NATIONAL AUDIT OFFICE**

### **REPORT OF THE CONTROLLER AND AUDITOR GENERAL ON THE FINANCIAL STATEMENTS OF THE ENERGY REGULATORY COMMISSION FOR THE YEAR ENDED 30 JUNE 2009**

I have audited the financial statements of Energy Regulatory Commission for the year ended 30 June 2009 set out at pages 10 to 20 which comprise the statement of financial position as at 30 June 2009, the statement of financial performance, statement of changes in equity, and 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 belief, were necessary for the purpose of the audit.

#### **Commissioners' Responsibility for the Financial Statements**

The Commissioners are responsible for the preparation of financial statements which give a true and fair view of the Commission's state of affairs 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**

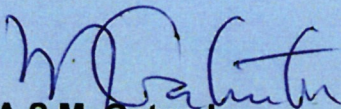
My responsibility is to express an independent opinion on the financial statements based on the audit. The audit was conducted in accordance with the International Standards on Auditing. Those standards require compliance with ethical requirements and that the audit be planned and performed with a view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

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 Commission's internal controls. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the board members, as well as evaluating the overall presentation of the financial statements. I believe the audit provides a reasonable basis for my opinion.

### **Opinion**

In my opinion, proper books of account have been kept and the accompanying financial statements give a true and fair view of the financial position of the Commission as at 30 June 2009 and of its surplus and cash flows for the year then ended in accordance with the International Financial Reporting Standards and the Energy Act, 2006.



**A.S.M. Gatumbu**  
**CONTROLLER AND AUDITOR GENERAL**

**Nairobi**

**11 November 2009**

# STATEMENT OF FINANCIAL PERFORMANCE

## Energy Regulatory Commission Statement of Financial Performance For the year ended 30th June 2009

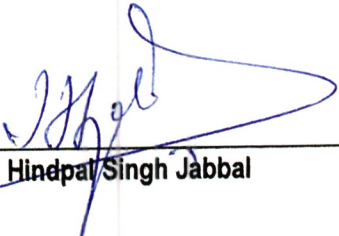
		2009 Kshs	2008 Kshs
<b>Operating Revenue</b>	<b>Note</b>		
ERB Levy		155,366,202	147,093,247
Petroleum Levy		119,123,188	-
Transfers from other government entities	2	49,575,215	14,711,424
Other operating revenue	3	11,908,098	8,697,009
<b>Total Operating Revenue</b>		<b>335,972,702</b>	<b>170,501,680</b>
<b>Operating Expenses</b>			
Board expenses	4	27,572,420	26,333,977
Personnel emoluments	5	74,377,504	58,747,327
Training and other personnel costs	6	22,004,405	21,311,112
Office supplies and expenses	7	4,525,330	3,563,382
Transport and travel	8	7,944,481	5,821,567
Public relations and consumer services	9	20,955,699	7,619,102
Utilities	10	1,734,768	1,757,752
Information and communication technology expenses	11	2,993,321	1,190,760
Office rent and office services	12	6,193,428	6,021,127
Consultancy and other professional services	13	84,646,862	9,269,298
HIV/AIDS prevention related expenses		1,114,422	-
Licensing Electricians		330,379	467,316
Depreciation	14	5,434,297	8,466,878
<b>Total Operating Expenses</b>		<b>259,827,316</b>	<b>150,569,601</b>
Surplus from operating activities		76,145,386	19,932,079
Gain on Sale of Handheld Computer Device-IPAQ			20,511
Total non-operating revenue		-	20,511
<b>Net surplus</b>		<b>76,145,386</b>	<b>19,952,590</b>

## STATEMENT OF FINANCIAL POSITION

### Energy Regulatory Commission Statement of Financial Position As at 30th June 2009

	Note	2009	2009	2008	2008
ASSETS		Kshs	Kshs	Kshs	Kshs
Current Assets					
Cash & cash equivalents	15 & 16	238,350,690		157,161,996	
Receivables	17	<u>50,629,595</u>		<u>6,301,131</u>	
			288,980,285		163,463,127
Non-current assets					
Infrastructure & equipment	14	<u>13,518,598</u>		<u>13,171,307</u>	
			13,518,598		13,171,307
Total assets			<u>302,498,883</u>		<u>176,634,433</u>
LIABILITIES					
Current liabilities					
Payables	18	55,342,769		10,116,242	
Provisions	19	300,000		200,000	
Employee benefits	20	<u>6,129,740</u>		<u>1,737,504</u>	
Total liabilities			<u>61,772,509</u>		<u>12,053,446</u>
Net Assets			<u>240,726,373</u>		<u>164,580,987</u>
NET ASSETS/EQUITY					
Accumulated surplus		240,726,373		164,580,987	
Total net assets/equity			<u>240,726,373</u>		<u>164,580,987</u>

The financial statements were approved by the Commission on 24/09/2009 and signed on its behalf by:

  
Mr. Hindpal Singh Jabbal

  
Eng. Kaburu Mwirichia

## STATEMENT OF CHANGES IN NET ASSETS/EQUITY

### Energy Regulatory Commission Statement of Changes in Net Assets/Equity for the year Ended 30th June 2009

	Revaluation Reserve	Accumulated Surpluses	Total
	Kshs	Kshs	Kshs
<b>Balance as at 30th June, 2007</b>	<b>7,032,500</b>	<b>137,595,897</b>	<b>144,628,397</b>
Adjusted	7,032,500	137,595,897	144,628,397
Net surplus for the period	-	19,952,590	19,952,590
<b>Balance as at 30th June, 2008</b>	<b>7,032,500</b>	<b>157,548,487</b>	<b>164,580,987</b>
Adjusted	7,032,500	157,548,487	164,580,987
Net surplus for the period	-	76,145,386	76,145,386
<b>Balance as at 30th June, 2008</b>	<b>7,032,500</b>	<b>233,693,873</b>	<b>240,726,373</b>



# CASH FLOW STATEMENT

**Energy Regulatory Commission  
Cash Flow statement  
For the year ending 30th June 2009**

	Note	2009	2008
		KSHS	KSHS
<b>Cash flow from operating activities:</b>			
Net surplus from operations		76,145,386	19,932,079
Adjustments:			
Depreciation		5,434,297	8,466,878
Operating surplus before working capital changes		<u>81,576,683</u>	<u>28,398,957</u>
Increase in debtors		(44,328,464)	(4,074,147)
Increase in creditors and accruals		49,719,063	4,946,570
Cash generated from operations		<u>86,970,282</u>	<u>29,271,380</u>
Investing activities:			
Purchase of fixed assets	14	(5,781,588)	(241,104)
Proceeds of Sale of IPAQ		-	67,050
Net Cash outflow from investing activities		<u>(5,781,588)</u>	<u>(174,054)</u>
Net Increase in cash & cash equivalents		81,188,693	29,097,327
Cash & cash equivalents at the beginning of the Period		157,161,996	128,064,670
<b>Cash &amp; cash equivalents at the end of the period represented by:</b>		<u>238,350,689</u>	<u>157,161,996</u>
Short term deposits		213,782,336	134,086,752
Bank balances		24,518,354	23,025,244
Petty cash		50,000	50,000
		<u>238,350,690</u>	<u>157,161,996</u>

## NOTES TO THE ACCOUNTS

### 1. Significant Accounting Policies

#### a) Basis of Accounting

The financial statements comply with International Public Sector Accounting Standards (IPSAS) for accrual accounting. The measurement base is historical cost adjusted for revaluation of assets

The financial statements have been prepared on a going concern basis and the accounting policies have been applied consistently throughout the period.

#### b) Revenue Recognition

Revenue from the levy is recognized when received or receivable. Other sources of revenue are recognized to the extent that related revenue can be reliably measured.

#### c) Fixed Assets and Depreciation

Fixed Assets are stated at cost less accumulated Depreciation

Depreciation is calculated on the cost of the fixed assets on a straight line basis, at annual rates estimated to write off the cost of these assets over the expected useful life. Assets are deemed to be available for use the next accounting month after delivery for purposes of commencing depreciation

The Depreciation rates used are as follows;

- Motor vehicles 25%
- Furniture & Fittings 12.5%
- Computer Equipments 30%
- Equipments 12.5%

#### d) Taxation

No provision has been made for Income Tax. The commission does not operate for gain. Its income is therefore not subject to tax.

#### e) Retirement Benefits

The Commission operates a defined contribution pension scheme for permanent and pensionable employees. The scheme is currently administered by Retirement Benefit Authority (RBA) approved Administrator, namely CFC Insurance Company. The Commission makes a monthly contribution of 10% of the employees basic salary and the employee contributes 5% of their monthly basic salary

The Commission also contributes to a statutory defined contribution plan, National Social Security Fund. Contributions are determined by Local statute and are currently limited to a maximum of KShs.200 per employee per month.

f) **Cash and Cash Equivalents**

For the purposes of the cash flow statements, cash and cash equivalents comprise cash at hand and deposits held at call.

g) **Comparatives**

Where necessary, comparative figures have been adjusted where applicable to conform to changes in the current presentation.

h) **Employee Entitlement**

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.

i) **Incorporation**

The Commission is a state corporation established under The Energy Act NO.12 of 2006

j) **Currency**

These Accounts are presented in Kenya Shillings (KShs.)

## 2. Transfers from Government:

ERC was financed under the Energy Sector Recovery project. The Funds were received from International Development Association Credit agreement Number 3958KE. The funds were utilized as follows:

	2009 KShs	2008 KShs
Consultancy -Organisation Structure, staffing	-	8,013,759
Procedures, Guidelines Licenses and Permits	44,681,215	-
Efficient and Appropriate MIS	4,894,000	-
Study Tour/Training	-	6,697,665
	<b>49,575,215</b>	<b>14,711,424</b>

## 3. Other Operating Revenue

Interest on investments	10,695,020	7,028,009
Miscellaneous revenue	1,213,077	1,669,000
	<b>11,908,098</b>	<b>8,697,009</b>

## 4. Board Expenses

Basic Salary-Director General	4,269,677	3,406,452
House Allowance	960,000	825,806
Other Allowances	720,000	619,355
Monthly Fees (Honoraria)	3,070,452	3,110,323
Sitting allowance - Board Members	7,480,000	7,220,000
Seminars, travel & accommodation	8,283,941	4,818,216
Study Tour G.O.K (I.D.A)	-	4,199,731
Gratuity	1,323,600	1,048,575
Medical	658,351	343,011
Meeting, entertainment & others	806,398	742,508
	<b>27,572,420</b>	<b>26,333,977</b>

## 5. Staff salaries & Benefits

Salaries	45,705,577	36,619,149
House Allowance	16,436,894	10,658,636
Car/Commuting allowance	8,078,381	6,588,881
Pension & gratuity	4,156,653	4,880,661
	<u>74,377,504</u>	<u>58,747,327</u>

## 6. Training & Other Personnel Costs

Medical	5,166,970	5,499,417
Life & accident insurance	792,163	508,153
Training & capacity building - ERC funded	13,394,328	10,625,338
Study Tour G.O.K(I.D.A)	-	2,497,932
Leave Allowance	1,454,434	1,254,000
Acting / special duty allowance	324,200	240,065
Subscriptions-clubs & professional associations	520,579	360,057
Staff welfare & laundry	204,662	156,923
Staff uniforms	147,068	169,227
	<u>22,004,405</u>	<u>21,311,112</u>
Number of employees	39	35

## 7. Office Supplies & Expenses

Stationery ,postage & supplies	2,753,461	1,803,694
Meetings, office tea & miscellaneous	1,296,111	1,158,901
Newspapers, books & periodicals	475,758	600,788
	<u>4,525,330</u>	<u>3,563,382</u>

### 8. Transport & Travel Expenses

Travel-local	3,490,595	2,673,659
Travel-international	1,950,596	1,173,840
Fuel	1,061,042	920,389
Vehicle repair & service	970,315	419,020
Vehicle insurance & licenses	471,933	634,659
	<u>7,944,481</u>	<u>5,821,567</u>

### 9. Public Relations & Consumer Services

Corporate subscriptions	653,797	487,858
Advertisements & public relations	6,929,114	2,804,419
Public seminars/workshops	7,193,416	879,702
Media announcements	3,979,372	447,123
Kenya Energy Environment Programme (KEEP)	2,000,000	2,000,000
Donations- National Humanitarian Fund	200,000	1,000,000
	<u>20,955,699</u>	<u>7,619,102</u>

Kshs                      KShs

### 10. Utilities

Telephone & fax	1,272,797	1,329,135
ISDN line	461,971	428,617
	<u>1,734,768</u>	<u>1,757,752</u>

### 11. Information And Communication Technology Expenses

Bandwidth	727,320	750,764
Web hosting	369,460	375,500
Software licenses	1,896,541	64,496
	<u>2,993,321</u>	<u>1,190,760</u>

### 12. Office Rent & Office Services

Rent	5,253,840	5,253,840
Office cleaning	383,334	347,153
Repair & service-office equipment	500,272	276,270
Insurance & other	55,982	143,865
	<u>6,193,428</u>	<u>6,021,127</u>

### 13. Consultancy & Other Services

Consultancy - ERC funded	34,508,102	865,344
Consultancy - WB funded	49,575,215	8,013,759
Bank charges	263,545	190,195
Audit fees & Expenses	300,000	200,000
	<u>84,646,862</u>	<u>9,269,298</u>

**Infrastructure and Equipment**

Motor Vehicles	Computer Equipment & Software	Furniture & Fittings	Equipment (Telephone, Fax, Other)	Total
----------------	-------------------------------	----------------------	-----------------------------------	-------

Kshs                      Kshs                      Kshs                      Kshs                      Kshs

**Cost:**

At 1st July,2007	22,105,629	18,501,063	35,546,704	6,039,119	82,192,515
Add: additions during the year	-	106,890	81,734	52,480	241,104
Less: disposals during the year	-	67,050	-	-	67,050
<b>At 30th June 2008</b>	<b>22,105,629</b>	<b>18,540,903</b>	<b>35,628,438</b>	<b>6,091,599</b>	<b>82,366,569</b>

**Cost:**

At 1st July,2008	22,105,629	18,540,903	35,628,438	6,091,599	82,366,569
Add: additions during the year	3,232,227	1,365,722	330,041	853,597	5,781,588
Less: disposals during the year	-	-	-	-	-
<b>At 30th June 2009</b>	<b>25,337,856</b>	<b>19,906,625</b>	<b>35,958,479</b>	<b>6,945,196</b>	<b>88,148,157</b>

**Depreciation:**

At 1 July,2008	16,447,963	16,488,420	32,406,410	3,852,469	69,195,262
Charge for the year	2,828,834	1,301,915	798,855	504,693	5,434,297
Disposal	-	-	-	-	-
<b>At 30 June,2009</b>	<b>19,276,797</b>	<b>17,790,335</b>	<b>33,205,265</b>	<b>4,357,162</b>	<b>74,629,559</b>

**Net Book Value:**

At 30 June 2008	11,184,073	3,577,930	3,937,062	2,744,555	21,443,620
<b>At 30 June 2009</b>	<b>6,061,060</b>	<b>2,116,290</b>	<b>2,753,214</b>	<b>2,588,034</b>	<b>13,518,598</b>

Included in the cost of infrastructure and equipment is a carrying amount of Kshs 56,388,544 of fully depreciated property and equipment

	2009 KShs	2008 KShs
<b>15. Short Term Deposits</b>		
Treasury bills	78,782,336	59,086,752
National Bank of Kenya (FDR)	135,000,000	75,000,000
	<b>213,782,336</b>	<b>134,086,752</b>
<b>16. Bank Balances</b>		
National Bank of Kenya	5,496,703	3,296,375
Kenya Commercial Bank	18,993,151	19,728,869
Petty Cash	50,000	50,000
	<b>24,539,853</b>	<b>23,075,244</b>
<b>17. Receivables</b>		
G.O.K (I.D.A project)-Consultancy	36,001,633	3,308,617
Hospital Deposits	650,000	550,000
Petroleum Levy	10,587,970	-
Telephone-Deposits	84,000	84,000
Investment Interest Receivable	1,682,242	1,296,105
Staff Advance	382,825	-
Staff Imprest	1,178,926	656,009
Miscellaneous receivables	2,000	-
Meter Certification	-	233,000
Miscellaneous deposits	60,000	173,400
	<b>50,629,595</b>	<b>6,301,131</b>
<b>18. Payables</b>		
Suppliers invoices	46,629,777	3,811,360
G.O.K-Fees-Electricians & Electrical Contractors	-	2,026,475
G.O.K-Fees-Regulated Utilities	-	783,460
Rural Electrification Authority-Contractors	845,190	2,962,400
Rural Electrification Authority- Utilities	855,260	410,000
Insurance Benefits	6,840,000	-
Other	172,542	122,547
	<b>55,342,769</b>	<b>10,116,242</b>
<b>19. Provisions</b>		
Audit fees	300,000	200,000
	<b>300,000</b>	<b>200,000</b>
<b>20. Employee Benefits</b>		
Gratuity Director General	2,387,775	1,048,575
Gratuity & staff accruals	3,640,494	671,279
Other-payroll deductions	101,470	17,650
	<b>6,129,740</b>	<b>1,737,504</b>





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