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REPORT OF THE CONTROLLER AND AUDITOR-GENERAL

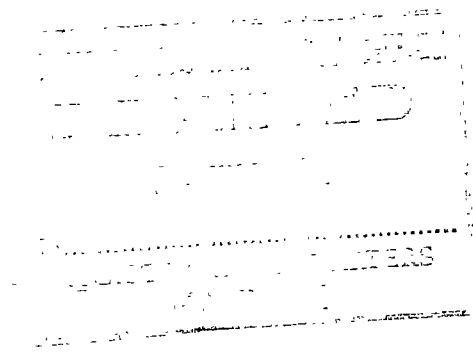
ON

THE FINANCIAL STATEMENTS OF KENYA INSTITUTE FOR PUBLIC POLICY RESEARCH AND ANALYSIS FOR THE YEAR ENDED 30 JUNE 2006

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**KENYA INSTITUTE FOR PUBLIC  
POLICY RESEARCH AND ANALYSIS**

**FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED 30 JUNE 2006**

FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2006

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CORPORATE INFORMATION

**Board of directors\***

John P Mbogua	-	Chairman
Dr. Moses M Ikiara	-	Executive Director (Secretary)
Amb. Francis K Muthaura	-	Alternate: Mr. William M Karari
Dr Edward Sambili	-	Alternate: Mr. Jamshed Ali Abubakar
Joseph Kinyua	-	Alternate: Mrs. Josephine Kanyo
David S O Nalo	-	Alternate: Mr. Seth Otieno
Dr Romano Kiome	-	Alternate: Mr. James Kirigwi
Karanja Kabage		
Betty Maina		
Dave Muumbi		
Nyachienga Nyamache		
Prof. Chris Ackello-Ogutu		

**Management team**

Dr Moses M Ikiara*	-	Executive Director
(Vacant)	-	Programs Co-coordinator
Dr Kulundu Manda	-	Senior Analyst, Head, Social Sector Division
Dr Eric M Aligula	-	Senior Analyst, Head, Infrastructure and Economic Service Division
Dr Rose Ngugi	-	Senior Analyst, Head, Private Sector Development Division
Nicholas O Ogolla	-	Finance and Administration Manager (Acting)
Dr John M Onuti	-	Senior Analyst, Head, Productive Sector Division

\* Dr Moses Ikiara replaced Dr H Nyangito as Executive Director with effect from December 2005.

**Registered office**

Bishops Garden Towers  
Bishops Road  
P O Box 56445  
Nairobi

**Auditors**

Auditor General  
Anniversary Towers  
P O Box 49384, 00100 GPO  
Nairobi

**Bankers**

Commercial Bank of Africa Limited  
P O Box 30437  
Nairobi

# KENYA INSTITUTE FOR PUBLIC POLICY RESEARCH AND ANALYSIS

## REPORT OF THE DIRECTORS

The directors present their report together with the audited financial statements for the year ended 30 June 2006.

### ESTABLISHMENT OF THE INSTITUTE

The Kenya Institute for Public Policy Research and Analysis (KIPPRA) was formally established through Legal Notice No. 56 in the Kenya Gazette of 9 May 1997. KIPPRA is an autonomous public institute whose primary mission is to conduct public policy research and analysis leading to policy advice to the Government of Kenya (GoK) and the private sector.

The main objectives of KIPPRA are:

- To develop capacities in public policy research and analysis and thereby assist the Government of Kenya in the process of policy formulation and implementation;
- To develop adequate analysis and research programmes in areas such as human resource development, social welfare, environment and natural resources, agriculture and rural development, trade and industry, public finance and macroeconomic modeling;
- To strengthen KIPPRA Documentation and Information Centre (KIPDOC) as a referral centre for research and public policy studies; and
- To establish procedures for close working relationships between KIPPRA and other institutions interested in utilising its policy outputs.

### ACTIVITIES

To achieve the above objectives, KIPPRA undertakes the following activities:

- Identifies programmes and topics of public interest including long-term macroeconomic goals and policy issues.
- Conducts objective research and analysis of public issues with the goal of providing advice to policy makers.
- Provides advisory and technical services on public policy issues to the Government and other agencies of Government.
- Collects and analyses relevant data on public policy and disseminates its research findings.
- Serves as a point of contact and encourages exchange of views between the Government the private sector and other bodies.
- Develops and maintains research resources and databases on public policy and related issues, and avails these to the Government, the private sector and academic institutions.
- Undertakes contracted public policy research and analysis for the Government and clients in the private sector.

### RESULTS

	30 June 2006 Ksh 000	30 June 2005 Ksh 000
<b>Income</b>		
Grants from donors	52,368	161,692
Grant from GoK	41,470	50,100
Projects income	43,162	42,879
Other income	120	232
	<hr/>	<hr/>
Total income	137,120	254,902
<b>Expenditure</b>	(188,105)	(205,638)
	<hr/>	<hr/>
Operating (deficit)/surplus	(50,985)	49,264
<b>Net finance income</b>	1,967	1,373
	<hr/>	<hr/>
Net (deficit)/surplus for the period	<u>(49,018)</u>	<u>50,637</u>


KENYA INSTITUTE FOR PUBLIC POLICY RESEARCH AND ANALYSIS

STATEMENT OF DIRECTORS' RESPONSIBILITIES

The directors are responsible for preparing financial statements for each accounting period, which give a true and fair view of the state of affairs of the Institute as at the end of the period and of its operating results for that period. The directors are also required to ensure that the Institute keeps proper accounting records that disclose with reasonable accuracy at any time the financial position of the Institute. The directors are also responsible for safeguarding the assets of the Institute.

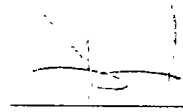
The directors accept responsibility for the financial statements, which have been prepared using appropriate accounting policies supported by reasonable and prudent judgments and estimates, in conformity with International Financial Reporting Standards. The directors are of the opinion that the financial statements give a true and fair view of the state of the financial affairs of the Institute and of the results of its activities. The directors further accept responsibility for the maintenance of accounting records that 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 Institute will not remain a going concern for at least the next twelve months from the date of this statement.



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**MOSES M IKIARA**  
Director



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**DAVE MUUMBI**  
Director

10<sup>th</sup> November 2006



## KENYA NATIONAL AUDIT OFFICE

### REPORT OF THE CONTROLLER AND AUDITOR GENERAL ON THE FINANCIAL STATEMENTS OF KENYA INSTITUTE FOR PUBLIC POLICY RESEARCH AND ANALYSIS FOR THE YEAR ENDED 30 JUNE 2006

I have audited the financial statements of Kenya Institute for Public Policy Research and Analysis for the year ended 30 June 2006 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. The financial statements are in agreement with the books of account.

#### Respective Responsibilities of the Directors and the Controller and Auditor General


The directors are responsible for the preparation of financial statements which give a true and fair view of the state of affairs of the Institute and of its operating results. My responsibility is to express an independent opinion on the financial statements based on the audit.

#### Basis of Opinion

The audit was conducted in accordance with the International Standards on Auditing. Those standards require 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 includes an examination, on a test basis, of evidence supporting the amounts and disclosures in the financial statements. It also includes an assessment of the accounting policies used and significant estimates made by the directors, as well as an evaluation of 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 financial statements give a true and fair view of the state of affairs of the Institute as at 30 June 2006 and of its deficit and cash flows for the year then ended and comply with the Kenya Institute For Public Policy Research and Analysis Order, 1997.

  
P.N KOMORA  
CONTROLLER AND AUDITOR GENERAL

Nairobi

22 January 2007

KENYA INSTITUTE FOR PUBLIC POLICY RESEARCH AND ANALYSIS

INCOME AND EXPENDITURE STATEMENT  
FOR THE YEAR ENDED 30 JUNE 2006

	Note	30 June 2006 Ksh 000	30 June 2005 Ksh 000
<b>INCOME</b>			
Grants from donors	2	52,368	161,692
Project income	3	43,162	42,879
Grant from GoK		41,470	50,100
Other income		120	232
		<hr/>	<hr/>
Total income		137,120	254,902
		<hr/>	<hr/>
<b>EXPENDITURE</b>			
Staff recurrent costs	4	84,021	80,886
Non-staff operating and management costs	5	40,723	42,349
Consultants fees		31,354	33,266
Training & Workshops		23,011	42,035
Depreciation	7	4,538	4,667
Board expenses and other Contingencies		4,458	2,383
EDF funds refunded		-	51
		<hr/>	<hr/>
Total expenditure		188,105	205,638
		<hr/>	<hr/>
Operating (deficit)/surplus		(50,985)	49,264
Net finance income	6	1,967	1,373
		<hr/>	<hr/>
Net (deficit)/surplus for the period		<u>(49,018)</u>	<u>50,637</u>




KENYA INSTITUTE FOR PUBLIC POLICY RESEARCH AND ANALYSIS

BALANCE SHEET  
AS AT 30 JUNE 2006

	Note	30 June 2006 Ksh 000	30 June 2005 Ksh 000
<b>ASSETS</b>			
<b>Non-current assets</b>			
Equipment	7	5,728	8,357
Long term investment (KEF)	8	245,442	279,749
		<u>251,170</u>	<u>288,106</u>
<b>Current assets</b>			
Grants receivable	9	-	38,685
Other receivables and prepayments	10	7,399	3,964
Bank and cash balances	11(b)	83,027	96,069
		<u>90,926</u>	<u>138,718</u>
<b>Total assets</b>		<u><u>342,096</u></u>	<u><u>426,824</u></u>
<b>RESERVES AND LIABILITIES</b>			
<b>Reserves</b>			
Accumulated funds		92,103	138,645
Deferred income		-	936
		<u>92,103</u>	<u>139,581</u>
<b>Non-current liabilities</b>			
KIPPRRA endowment fund	8	245,442	279,749
<b>Current liabilities</b>			
Creditors		4,551	2,951
Leave pay provision		-	4,543
		<u>4,551</u>	<u>7,494</u>
<b>Total reserves and liabilities</b>		<u><u>342,096</u></u>	<u><u>426,824</u></u>

The directors approved the financial statements on pages 5 to 15 on 10<sup>th</sup> November 2006.  
and signed on its behalf by:

  
 ) Moses M Ikiara  
 ) Director  
 ) Dave Muumbi  
 ) Director

KENYA INSTITUTE FOR PUBLIC POLICY RESEARCH AND ANALYSIS

STATEMENT OF CHANGES IN ACCUMULATED FUNDS  
FOR THE YEAR ENDED 30 JUNE 2006

	Ksh 000
As at 1 July 2004	88,008
Net surplus for the year	50,637
	<hr/>
As at 30 June 2005	138,645
	<hr/> <hr/>
As at 1 July 2005	138,645
Refund of KTMM Balance Funds	(2,943)
Net deficit for the year	(49,018)
	<hr/>
Sub Total	86,684
Audit adjustment for Rent Deposits	1,322
Audit adjustment for accrued employee benefits	4,097
	<hr/>
As at June 30 <sup>th</sup> 2006	92,103
	<hr/> <hr/>

CASHFLOW STATEMENT  
FOR THE YEAR ENDED 30 JUNE 2006

	30 June	30 June
	2006	2005
	Ksh 000	Ksh 000
<b>OPERATING ACTIVITIES</b>		
Cash generated from operating activities (Note 11)	(9,347)	8,015
Interest Received	1,176	994
Bank overdraft	(18)	(213)
Refund of KTMM Cash	(2,943)	-
	<u>(11,132)</u>	<u>8,796</u>
<b>INVESTING ACTIVITIES</b>		
Purchase of Equipment	(1,910)	(5,073)
	<u>(13,042)</u>	<u>3,723</u>
(Decrease) / Increase in Cash & Cash equivalent	(13,042)	3,723
Cash and Cash Equivalent at the beginning of The period	96,069	92,346
	<u>96,069</u>	<u>92,346</u>
Cash and Cash equivalent the end of the period (11b)	<u><u>83,027</u></u>	<u><u>96,069</u></u>

## CASH &amp; CASH EQUIVALENT ('000s)

Account Name	A/c #	Currency	Amount	X-rate	KSHS
KIPPRA – EU	152974-019	Kshs.	5,138	1	5,138
KIPPRA – ACBF	152974-027	USD	199	70.15	13,940
KIPPRA – ACBF	152974-035	Kshs.	529	1	529
KIPPRA – Projects	152974-043	USD	163	70.15	11,406
KIPPRA – Projects	152974-051	Kshs.	5,827	1	5,827
KIPPRA – USAID	152974-078	Kshs.	4,615	1	4,615
KIPPRA – DFID	152974-086	Kshs.	5,849	1	5,849
KIPPRA – DFID	152974-558	GBP	87	127.32	11,078
KIPPRA – GOK	152974-094	Kshs.	18,657	1	18,657
Sustainability	152974-116	Kshs.	5,959	1	5,959
Petty Cash			30	1	30
TOTAL					<u><u>83,027</u></u>

KENYA INSTITUTE FOR PUBLIC POLICY RESEARCH AND ANALYSIS

NOTES TO THE FINANCIAL STATEMENTS (Continued)

7 EQUIPMENT	Furniture and Fittings Ksh 000	Computers Ksh 000	Office Equipment Ksh 000	Motor Vehicles Ksh 000	Total Ksh 000
COST					
At 1 July 2005	9,045	16,404	3,908	6,453	35,810
Additions	483	499	363	2,312	3,657
Disposals*				(1,746)	(1,746)
At 30 June 2006	<u>9,528</u>	<u>16,903</u>	<u>4,271</u>	<u>7,019</u>	<u>37,721</u>
DEPRECIATION					
At 1 July 2005	5,366	13,441	2,194	6,453	27,454
Charge for the period	1,191	2,313	534	566	4,604
Prior Year adjustments	16	(291)	210	-	(65)
Net Charge for the period	1,207	2,022	744	566	4,539
At 30 June 2006	<u>6,573</u>	<u>15,463</u>	<u>2,938</u>	<u>7,019</u>	<u>31,993</u>
NET BOOK VALUE					
At 30 June 2006	<u>2,955</u>	<u>1,440</u>	<u>1,333</u>	<u>-</u>	<u>5,728</u>
At 30 June 2005	<u>3,679</u>	<u>2,963</u>	<u>1,715</u>	<u>-</u>	<u>8,357</u>

\*This is the expected and agreed compensation from Heritage Insurance Company, following the disappearance of the Institute's vehicle, Toyota Prado KAT 330X. The amount has been captured among receivables in note 10.

†The acquisition cost of the said vehicle has been excluded in the investment activities section of the cash flow schedule. It now affects movements in current assets, being a receivable.

NOTES TO THE FINANCIAL STATEMENTS (Continued)

			30 June 2006 KSh 000	30 June 2005 KSh 000
8	KIPPRA ENDOWMENT FUND	Euro 000	USD 000	
	Chase Bank Fixed Deposit	1,102	-	96,795
	AIG American Equity Trust	-	269	18,834
	AIG Euro-Optimizer Fund	-	-	84,584
	AIG Global Equities Growth Fund	-	215	15,104
	AIG Global Equities Value	-	448	31,446
		<u>1,102</u>	<u>932</u>	<u>162,179</u>
	Cash	27	1	2,456
	Domestic investment in Treasury Bills, Bonds, Fixed and Call Deposits	920	1,152	80,807
		<u>2,049</u>	<u>2,085</u>	<u>245,442</u>
				<u>148,916</u>
				<u>10,745</u>
				<u>120,089</u>
				<u>279,750</u>

The Endowment Fund was set up in January 2001, using funds allocated by the Government of Kenya and the European Commission out of the 1992-1993 Stabex Framework of Mutual Obligations, to provide budget support to KIPPRA over the period up to 30 June 2011. These funds are invested mainly in stocks, corporate and government bonds and off shore investments in the countries in which they are based. The fund is structured as a sinking fund, which will be drawn-down over 10 financial years beginning on 1 July 2001. The funds are managed by Commercial Bank of Africa Limited, who have contracted AIG Global Investment Company (East Africa) Limited to invest and PricewaterhouseCoopers to audit the funds. The investments, which are stated at market value, were last audited as at 30 June 2006. Gains and losses arising on revaluation of these investments were dealt with in the Endowment Fund. The rates ruling as at 30 June 2006 of Ksh 87.84 to 1 Euro and Ksh 70.15 to 1 US Dollar (30 June 2005 - Ksh 87.96 to 1 Euro and Ksh 78.34 to 1 US Dollar) have been used to convert the Endowment Fund to Kenya shillings.

		30 June 2006 Ksh 000	30 June 2005 Ksh 000
9	GRANTS RECEIVABLE		
	African Capacity Building Foundation (ACBF)	-	17,218
	European Union Development Fund (EDF)	-	16,697
	United States Agency for International Development (USAID)	-	4,770
		<u>-</u>	<u>38,685</u>
		<u>-</u>	<u>38,685</u>
10	OTHER RECEIVABLES AND PREPAYMENTS		
	Prepaid rent	202	202
	Rent Deposits	2,130	3,762
	Staff Advances	221	-
	Bank Guarantee	3,600	-
	Insurance Refund	1,746	-
		<u>7,899</u>	<u>3,964</u>
		<u>7,899</u>	<u>3,964</u>

KENYA INSTITUTE FOR PUBLIC POLICY RESEARCH AND ANALYSIS

NOTES TO THE FINANCIAL STATEMENTS (Continued)

	30 June 2006 Ksh	30 June 2005 Ksh
11 (a) CASH GENERATED FROM OPERATIONS		
Reconciliation of operating surplus For the period to net cash generated From operations		
Operating deficit for the period	(49,018)	(20,411)
Adjustments for:		
Depreciation	4,538	4,667
Exchange gain	809	592
Write off of assets	-	229
	<hr/>	<hr/>
Operating deficit before working capital changes	(43,671)	(14,922)
(Increase)/decrease in grants receivable	38,685	(38,174)
Increase in other receivables and prepayments	(5,833)	(1,550)
Increase in accruals	1,472	62,662
	<hr/>	<hr/>
Net cash generated from operating activities	<u>(9,347)</u>	<u>8,015</u>
	<hr/>	<hr/>
(b) Decrease in cash generated from Operations	(13,042)	
(See cash flow statement)		
Opening cash & Cash Equivalent balances	<u>96,069</u>	
Closing Cash & Cash equivalent Balance	<u>83,027</u>	
	<hr/>	

12 RETIREMENT BENEFIT OBLIGATIONS

The Institute makes contributions to a statutory pension scheme, the National Social Security Fund (NSSF) for all its long-term contract employees. Contributions to the statutory scheme are determined by local statute and were set at Ksh 200 per employee per month for the twelve-month period ended 30 June 2006. In this period, the Institute paid Ksh 81,200 (30 June 2005 – Ksh 93,800) to the NSSF.

13 LEGAL STATUS

The Kenya Institute of Public Policy Research and Analysis is a non-profit making organization and was formally established through Legal Notice No.56 in The Kenya Gazette of 9 May 1997.

14 CURRENCY

The financial statements are presented in Kenya shillings (Ksh).

## KENYA INSTITUTE FOR PUBLIC POLICY RESEARCH AND ANALYSIS

COMBINED DETAILED INCOME AND EXPENDITURE STATEMENT  
(THE OVERALL INSTITUTE'S PICTURE)  
FOR THE YEAR ENDED 30 JUNE 2006

	30 June 2006 Ksh 000	30 June 2005 Ksh 000
<b>INCOME</b>		
From all Sources as previously stated	137,120	255,023
<b>EXPENSES</b>		
<b>Non staff operating &amp; management costs</b>		
Motor vehicle expenses	1,143	2,044
Postage & courier	344	340
Telephone	3,294	2,904
Internet	1,306	1,785
General Insurance	1,174	1,193
Stationery	1,476	1,757
Library	326	396
Publications	6,818	2,946
Repairs and maintenance	2,389	1,357
Rent	7,215	5,797
Legal fees	546	211
Audit fees	250	440
Travel	3,603	1,067
Research costs	10,016	18,116
Others	823	898
	<u>40,723</u>	<u>42,349</u>
<b>Staff recurrent costs</b>		
Salaries	76,271	73,148
Recruitment costs	845	813
Medical	4,743	4,845
Group life	2,162	2,081
	<u>84,021</u>	<u>80,886</u>
<b>Training</b>		
Workshop costs	18,697	29,523
Staff training & Internships	4,314	12,512
	<u>23,011</u>	<u>42,035</u>
<b>Contingencies</b>		
Bank charges	164	209
Board Expenses	4,294	2,322
	<u>4,458</u>	<u>2,531</u>
<b>Consultants' fees</b>	31,354	33,266
<b>Depreciation</b>	4,538	4,667
<b>TOTAL EXPENDITURE</b>	<u>188,105</u>	<u>205,735</u>
Operating (Deficit) / Surplus	(50,985)	49,288
Finance Income	1,967	1,521
<b>Net (Deficit) / Surplus</b>	<u><u>(49,018)</u></u>	<u><u>50,809</u></u>

DETAILED INCOME AND EXPENDITURE STATEMENT  
FOR AFRICA CAPACITY BUILDING FOUNDATION (ACBF) ACCOUNT  
FOR THE YEAR ENDED 30 JUNE 2006

	30 June 2006 Ksh 000	30 June 2005 Ksh 000
<b>INCOME</b>		
Remittance from ACBF	13,809	24,246
<b>EXPENSES</b>		
<b>Non staff operating &amp; management costs</b>		
Motor vehicle expenses	125	128
Postage & courier	44	49
Telephone	228	633
Internet	-	477
Stationery	187	583
Library	4	179
Publications	601	344
Repairs and maintenance	179	269
Rent	126	1,544
Legal fees	-	-
Audit fees	-	-
Travel	1,338	277
Research costs	-	-
Write offs	14	84
	<u>2,846</u>	<u>4,567</u>
<b>Staff recurrent costs</b>		
Salaries	9,350	20,301
Recruitment costs	-	-
Medical	11	4,115
Contingent costs	-	-
Other staff costs: Group life	-	2,081
	<u>9,361</u>	<u>26,496</u>
<b>Training</b>		
Workshop costs	1,123	1,344
Staff training	2,815	5,283
	<u>3,938</u>	<u>6,627</u>
<b>Contingencies</b>		
Bank charges	13	23
Board Expenses	196	149
	<u>209</u>	<u>172</u>
<b>Consultants' fees</b>	-	439
<b>Depreciation</b>	-	52
<b>TOTAL EXPENDITURE</b>	<u>16,354</u>	<u>38,352</u>
Operating (Deficit)	(2,545)	(14,106)
Finance Income	693	602
<b>Net (Deficit)</b>	<u>(1,852)</u>	<u>(13,504)</u>



## KENYA INSTITUTE FOR PUBLIC POLICY RESEARCH AND ANALYSIS

DETAILED INCOME AND EXPENDITURE STATEMENT  
 FOR EUROPEAN UNION DEVELOPMENT FUND (EDF) ACCOUNT  
 FOR THE YEAR ENDED 30 JUNE 2006

	30 June 2006 Ksh 000	30 June 2005 Ksh 000
<b>INCOME</b>		
Remittances from EU	28.699	33.735
<b>EXPENSES</b>		
<b>Non staff operating &amp; management costs</b>		
Motor vehicle expenses	244	306
Postage and courier	84	67
Telephone	899	777
Internet costs	395	416
General insurance	286	492
Stationery	394	269
Library	186	13
Publications	2.528	622
Repairs and maintenance	366	242
Rent	1.513	3.406
Travel	15	-
Research costs	-	-
Write offs	-	66
Other expenses	11	16
	<u>6.921</u>	<u>6.690</u>
<b>Staff recurrent costs</b>		
Salaries	16.902	21.473
Recruitment costs	85	-
Medical	-	-
Contingent staff costs	-	-
Other staff costs: Group life	-	-
	<u>16.987</u>	<u>21.473</u>
<b>Training</b>		
Workshop costs	1.521	2.818
Staff training	-	3.669
	<u>1.521</u>	<u>6.489</u>
<b>Contingencies</b>		
Bank charges		3
Board Expenses	25	
	<u>951</u>	
	<u>976</u>	<u>3</u>
Consultants fees	-	-
Depreciation	-	1.671
EDF funds refunded	-	51
<b>TOTAL EXPENDITURE</b>	<u><b>26.405</b></u>	<u><b>36.375</b></u>
Operating Surplus / (Deficit)	2.294	(2.641)
Finance Income / (Costs)	59	(20)
<b>Net Surplus / (Deficit)</b>	<u><u><b>2.353</b></u></u>	<u><u><b>(2.661)</b></u></u>

## KENYA INSTITUTE FOR PUBLIC POLICY RESEARCH AND ANALYSIS

DETAILED INCOME AND EXPENDITURE STATEMENT  
 FOR UNITED STATES AGENCY FOR INTERNATIONAL DEVELOPMENT (USAID)  
 FOR THE YEAR ENDED 30 JUNE 2006

	30 June 2006 Ksh 000	30 June 2005 Ksh 000
<b>INCOME</b>		
Remittances from USAID	9,860	9,868
<b>EXPENSES</b>		
<b>Non-Staff Operating &amp; Management Costs</b>		
Publications	226	27
Research expenses	-	1,429
Legal Fees	3	-
	229	1,456
<b>Staff recurrent costs</b>		
Salaries	2,208	1,791
<b>Training</b>		
Workshop costs	4,396	1,791
<b>Contingencies</b>		
Overdraft Int		
Bank charges	4	6
<b>Consultants fees</b>	1,050	3,046
<b>Depreciation</b>	-	671
<b>TOTAL EXPENDITURE</b>	7,887	11,916
Operating Surplus / (Deficit)	1,973	(2,230)
Finance Income / (Costs)	34	(79)
<b>Net Surplus / (Deficit)</b>	<b>2,007</b>	<b>(2,309)</b>

## KENYA INSTITUTE FOR PUBLIC POLICY RESEARCH AND ANALYSIS

DETAILED INCOME AND EXPENDITURE STATEMENT  
 FOR THE GOVERNMENT OF KENYA (GoK)  
 FOR THE YEAR ENDED 30 JUNE 2006

	30 June 2006 Ksh	30 June 2005 Ksh
<b>INCOME</b>		
Grant income	41,470	50,100
	<hr/>	<hr/>
<b>EXPENSES</b>		
<b>Non staff operating &amp; management costs</b>		
Motor vehicle expenses	760	864
Postage & courier	50	166
Telephone	400	1,103
Internet	300	762
General insurance	758	701
Stationery	500	892
Library	-	95
Publications	1,050	1,171
Repairs & maintenance	1,262	1,121
Rent	-	838
Legal fees	-	211
Audit fees	-	440
Travel	150	292
Research exps	-	5
Write offs	-	229
Others	-	472
	<hr/>	<hr/>
	5,230	9,362
	<hr/>	<hr/>
<b>Staff recurrent costs</b>		
Salaries	34,354	28,811
Recruitment	760	813
Medical expenses	508	720
Other	618	-
	<hr/>	<hr/>
	36,240	30,344
	<hr/>	<hr/>
<b>Training</b>		
Workshop costs	-	1,291
Staff training	-	2,200
	<hr/>	<hr/>
	-	3,491
	<hr/>	<hr/>
<b>Contingencies</b>		
Bank charges	-	13
Other office costs	-	2,173
	<hr/>	<hr/>
	-	2,186
	<hr/>	<hr/>
<b>Consultants' fees</b>		
	-	984
<b>Depreciation</b>	4,538	1,769
	<hr/>	<hr/>
<b>TOTAL EXPENDITURE</b>	46,008	48,136
	<hr/>	<hr/>
Operating (Deficit) / Surplus	(4,538)	1,964
Finance Income / (Costs)	135	(14)
	<hr/>	<hr/>
<b>Net (Deficit) / Surplus</b>	<u><u>(4,403)</u></u>	<u><u>1,950</u></u>

KENYA INSTITUTE FOR PUBLIC POLICY RESEARCH AND ANALYSIS  
 DETAILED EXPENDITURE STATEMENT  
 FROM RETAINED EARNINGS  
 FOR THE YEAR ENDED 30 JUNE 2006

	30 June 2006 Ksh 000	30 June 2005 Ksh 000
<b>INCOME</b>		
Other Income	26	-
<b>EXPENSES</b>		
<b>Non staff operating &amp; management costs</b>		
General Insurance	-	-
Telephone expenses	1,746	-
Postage and courier	150	-
Internet	611	-
Stationary	333	-
Library	107	-
Publications	1,923	-
Repairs and maintenance	506	-
Rent	4,694	-
Legal fees	493	-
Audit Fees	250	-
Travel	339	-
Research expenses	112	-
Other expenses	764	-
	<u>12,218</u>	<u>-</u>
<b>Staff recurrent costs</b>		
Medical expenses	4,224	-
Salaries	13,457	-
Recruitment costs	-	-
Group Life	1,544	-
	<u>19,225</u>	<u>-</u>
<b>Training</b>		
Workshop costs	2,246	-
Staff training/Internships	1,499	-
	<u>3,745</u>	<u>-</u>
<b>Contingencies</b>		
Bank charges	88	-
Board expenses	3,147	-
	<u>3,235</u>	<u>-</u>
<b>Consultants fees</b>	<u>1,328</u>	<u>-</u>
<b>Depreciation</b>	<u>-</u>	<u>-</u>
<b>TOTAL EXPENDITURE</b>	<u>39,751</u>	<u>-</u>
Operating (Deficit)	(39,725)	-
Finance Income	805	-
<b>Net (Deficit)</b>	<u><u>(38,920)</u></u>	<u><u>-</u></u>

KENYA INSTITUTE FOR PUBLIC POLICY RESEARCH AND ANALYSIS  
 DETAILED INCOME AND EXPENDITURE STATEMENT  
 FOR KIPPRA PROJECTS  
 FOR THE YEAR ENDED 30 JUNE 2006

	30 June 2006 Ksh 000	30 June 2005 Ksh 000
<b>INCOME</b>		
Project income	43,162	42,879
Others	94	232
<b>TOTAL INCOME</b>	<b>43,256</b>	<b>43,110</b>
<b>EXPENSES</b>		
<b>Non staff operating &amp; management costs</b>		
Motor vehicle costs	14	36
Postage & courier	16	59
Telephone	21	391
Stationery	62	130
Library	29	-
Publications	490	5
Repairs and maintenance	16	458
Rent	882	224
Legal fees	50	9
Audit fees	-	-
Travel	1,761	(331)
Research costs	9,904	3,300
Write offs	-	-
Other expenses	34	31
	<b>13,279</b>	<b>4,325</b>
<b>Staff recurrent costs</b>		
Salaries	-	11
Medical	-	4
Other staff costs: Group life	-	-
	<b>-</b>	<b>15</b>
<b>Training</b>		
Workshop costs	9,411	12,966
Staff training	-	1,361
	<b>9,411</b>	<b>14,327</b>
<b>Contingencies</b>		
Bank charges	34	8
Other office costs	-	-
	<b>34</b>	<b>8</b>
<b>Consultants fees</b>	<b>28,976</b>	<b>15,535</b>
<b>Depreciation</b>	<b>-</b>	<b>305</b>
<b>TOTAL EXPENDITURE</b>	<b>51,700</b>	<b>34,514</b>
Operating (Deficit) / Surplus	(8,444)	8,596
Finance Income / (Costs)	241	(676)
<b>Net (Deficit) / Surplus</b>	<b>(8,202)</b>	<b>7,920</b>

## KENYA INSTITUTE FOR PUBLIC POLICY RESEARCH II AND ANALYSIS

INCOME STATEMENT  
FOR THE YEAR ENDED 30 JUNE 2006

(ANALYSED BY SOURCE)

	ACBF	EDF	USAID	GoK	RETAINED EARNINGS	KIPRA PROJECTS	30 June 2006	30 June 2005
	Kshs. 000	Kshs. 000	Kshs. 000	Kshs. 000	Kshs. 000	Kshs. 000	Total	Total
	Kshs. 000	Kshs. 000	Kshs. 000	Kshs. 000	Kshs. 000	Kshs. 000	Kshs. 000	Kshs. 000
<b>INCOME</b>								
Grant from CoK				41,470			41,470	50,100
Grant Income	13,809	28,699	9,860	-	-	-	52,368	161,813
Project Income	-	-	-	-	-	43,162	43,162	42,879
Other income	-	-	-	-	26	94	120	232
Deferred income for asset acquisition	-	-	-	-	-	-	-	936
<b>TOTAL INCOME</b>	<b>13,809</b>	<b>28,699</b>	<b>9,860</b>	<b>41,470</b>	<b>26</b>	<b>43,256</b>	<b>137,120</b>	<b>254,902</b>
<b>EXPENDITURE</b>								
Non staff operating & management costs	2,846	6,921	229	5,230	12,218	13,279	40,723	42,349
Staff recurrent costs	9,361	16,987	2,208	36,240	19,225	-	84,021	81,074
Training	2,815	-	-	-	1,499	-	4,314	12,512
Depreciation	-	-	-	4,538	-	-	4,538	4,667
Contingencies	209	976	4	-	3,235	34	4,458	2,383
Consultants fees	-	-	1,050	-	1,328	28,976	31,354	33,266
Workshop costs	1,123	1,521	4,396	-	2,246	9,411	18,697	29,335
EDF funds refunded	-	-	-	-	-	-	-	51
<b>TOTAL EXPENDITURE</b>	<b>16,354</b>	<b>26,405</b>	<b>7,887</b>	<b>46,008</b>	<b>39,751</b>	<b>51,700</b>	<b>188,105</b>	<b>205,638</b>
<b>Operating (Deficit) / Surplus</b>	<b>(2,545)</b>	<b>2,294</b>	<b>1,973</b>	<b>(4,538)</b>	<b>(39,725)</b>	<b>(8,443)</b>	<b>(50,985)</b>	<b>48,450</b>
Finance Income	693	59	34	135	805	241	1,967	1,373
<b>Net (Deficit) / Surplus</b>	<b>(1,852)</b>	<b>2,353</b>	<b>2,007</b>	<b>(4,403)</b>	<b>(38,920)</b>	<b>(8,202)</b>	<b>(49,018)</b>	<b>50,637</b>