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REPORT OF THE CONTROLLER AND AUDITOR GENERAL ON THE
FINANCIAL STATEMENTS OF KENYA AGRICULTURAL RESEARCH
INSTITUTE FOR THE YEAR ENDED 30 JUNE 2003

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KENYA AGRICULTURAL RESEARCH INSTITUTE
Accounts for the year ended 30 June 2003

Director's Report

The Director has the pleasure in submitting the Financial Statements of the Institute for the year ended 30th June 2003.

Legal Status

The Kenya Agricultural Research Institute (KARI) is statutory agricultural research organization established under the Science and Technology Act chapter 250 revised edition of 1979. KARI is the country's principal national institution responsible for research and technology generation on crops, livestock, soil and water management and the socioeconomics. It falls under the Ministry of Agriculture.

The KARI vision and mission

The vision of the institute is to be an institution of excellence in agricultural research and technology transfer, contributing to an improved quality of life for all Kenyans. The institute's mandate is to conduct appropriate crop, livestock and factor research programmes that are geared towards the sustainable development of national agricultural sector. Its mission is to develop and disseminates appropriate agricultural technologies in collaboration with stakeholders. In pursuit of this mission, KARI seeks to acquire and contribute knowledge and creative solutions that are participatory and client-oriented; holistic and system-oriented; gender-sensitive and affordable to its stakeholders.

The Institute has a computerized Financial Management Information System, which is operational in all research centres and consolidation of financial data done at Headquarters.

Board of Management

The current Board of Management was appointed in February 2002 and comprised of:

(a) Appointed Members

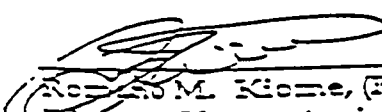
- Prof. Francis J. Gichaga (Chairman – retired on 7th July 2003)
- Dr. Jamleck J.M. Mutungi (Chairman – appointed on 7th July 2003)
- Mr. Nathaniel K. arap Tum (retired on 23rd July 2003)
- Dr. Mohamud A. Jama
- Prof. Julia Gitobu
- Dr. Robert Arunga
- Prof. Adbullahi Aboud
- Prof. Esther M. Kahangi – appointed on 23rd July 2003
- Mrs. Salome C. Korir - appointed on 7th July 2003
- Dr. R.M. Kiome (Secretary)

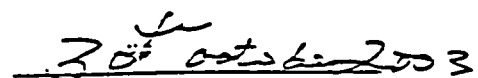


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(b) **Ex-Officio Members**

- Ministry of Agriculture
 - Permanent Secretary
 - Director of Veterinary Services
 - Director of Livestock Production
 - Director of Agriculture
- Ministry of Finance
 - Permanent Secretary
- Ministry of Natural Resources
 - Permanent Secretary
- Department of Water Development
 - Director of Water Development
- Office of the President
 - Inspectorate of State Corporations
- National Council for Science and Technology
 - Secretary


Norman M. Kiome, (PhD, SS)
Director, Kenya Agricultural Research Institute


Date



REPORT OF THE CONTROLLER AND AUDITOR GENERAL ON THE FINANCIAL STATEMENTS OF KENYA AGRICULTURAL RESEARCH INSTITUTE FOR THE YEAR ENDED 30 JUNE 2003

I have examined the financial statements of Kenya Agricultural Research Institute for the year ended 30 June 2003 in accordance with Section 29 of the Exchequer and Audit Act (Cap.412). I have obtained all the information and explanations considered necessary for the purpose of the audit. Proper books of account have been kept and the financial statements which have been prepared under the historical cost convention, are in agreement therewith and comply with the National Council for Science and Technology Act, (Cap.250).

1. Financial Position

During the year ended 30 June 2003 the Institute realized a deficit of Kshs.40,439,000 which brought the accumulated deficit to Kshs.534,525,000. Further, the Balance Sheet as at 30 June 2003 reflected a negative working capital of Kshs.34,956,000 an indication that the Institute was technically insolvent. As previously reported the Institute was unable to remit statutory deductions amounting to Kshs.489,657,000 some of which have remained unpaid for several years. The Institute continues to be in breach of statutes governing such deductions and runs the risk of paying penalties. Accordingly the Institute was facing financial difficulties and its continued operation as a going concern is dependent upon support from Government, creditors and donors.

2. Land and Buildings

The Institute did not manage to acquire any title deed during the year under review leaving the number of titles so far obtained for its land properties to sixteen (16). Meanwhile, thirty nine (39) of its parcels of land remained unsurveyed while allotment letters were held for twenty five (25) parcels and held deed plans for ten (10) other parcels, while Survey was on going in fourteen (14) parcels of land. As previously reported the Institute's portion of land reference No.LR.5212 which was under use by the Naivasha Heifer Research Centre, was allocated to private developers even though the Institute had been issued with a letter of allotment in July, 1997 for the property. Further, the Balance Sheet Net Fixed Assets figure of Kshs.5,666,405,000 as at 30 June 2003 has been overstated by Kshs.53,386,480 being the value of buildings and Kshs.27,263,600 being the value of site works both of which were transferred to Kenya Plant Health Inspectorate Service. In view of the above, it has not been possible to confirm the correctness of the Balance Sheet Net Fixed Assets balance of Kshs.5,666,405,000 as at 30 June 2003 or to confirm the ownership of land properties for which the Institute does not hold title documents.

3. Debtors

The Debtors balance of Kshs.234,037,000 as at 30 June 2003 includes a debt of Kshs.183,380,000 in respect of breeder's rights arising from a Memorandum of Understanding signed on 14 August 1995 between KARI and Kenya Seed Company to the effect that Kenya Seed Company would pay to KARI 2.5% of its gross sale of commercial seeds grown from crop varieties developed by KARI, which has been outstanding since 1997 against the Kenya Seed Company. Although the Institute accrued the debt of Kshs.183,380,000 in its books, the Kenya Seed Company has repudiated the debt on the ground that the levy was to be passed on to the consumer and therefore, needed the approval of Parliament.

Except for the reservations set out in the foregoing paragraphs in my opinion the Accounts when read together with the Notes thereon present fairly the financial state of affairs of the Institute as at 30 June 2003 and of its deficit and cash flow for the year then ended.



E.N. MWAI
CONTROLLER AND AUDITOR GENERAL

NAIROBI

12 July, 2004

KENYA AGRICULTURAL RESEARCH INSTITUTE
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RESEARCH PROGRAMMES ACHIEVEMENTS 2002/2003

Introduction

KARI implemented more than 500 research projects in the financial year 2002/2003. The highlights on achievements during the same year reflected tangible outputs from project activities completed before July 2003. The achievements were realised in several programmes viz; Food Crops, Horticulture and Industrial Crops, Animal Production, Animal Health, Soil and Land Management, KARI Seed Unit and Information and Documentation Services.

Food Crops

Table 1. Improved Food Crop varieties released during the period AD 2002-2003.

Crop	Variety released	Yield (acre) No. of 90-kg bags)	Recommended ecozone	Colour
Bread Wheat	Njoro-BW1	8-15	Semi-arid regions of eastern Kenya	Red brown
	Njoro-BW2	15-30	High potential highlands	Red
Hybrid maize	Muguga-1	28-32	Medium and high altitude	White
	KH600-15A	32-40	High altitude	White
	KH600-16A	35-47	High altitude	White
	KH633A	16-28	Medium -high altitude	White
Sweet potato	Waniugu	80-140	All ecozones	
	Kak/SPK-4	60-100 bags	Western Kenya	
	KEMB1 10	80	All ecozones	
	KEMB-23	70-90	All ecozones	
	Muguga	60-80	All ecozones	

Table 2. New Crop Varieties (to be) presented to the National Variety Released Committee (NVRC) for Official Release.

Crop	Variety	Grain Yield (Bags/Acre)	Altitude/Agro-ecozone	Centre (Type)
OPV Maize	EMCO-92	16-20	Medium altitude	Embu
	KKSyn-1	16-20	Med-High	Kakamega
	KKSyn-2	18-22	Med-High	Kakamega
	KVC-0	14-18	Semi-arid/Med	Katumani
	KVC-H	18-24	Semi-Arid/Med	Katumani
	KAPT941	18-22	Semi-arid/Med	Katumani
Hybrid Maize	KH600-17A	36-50	Moist highlands	
	Muguga-2 (MU-99232)	24-28	Highland Transitional	Muguga
	Muguga-3	26-30	-do-	-do-
	Muguga-4	24-28	-do-	-do-
	Muguga-5	28-32	-do-	-do-



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Sorghum	KARI/Mtama-2 KARI/Mtama-3	10-18 12-18	Sub-humid AEZ Sub-humid AEZ	Katamani Katamani
Dry Beans	Kat-x-16 Kat-x-56 Kat-x-69		Semi-arid areas -do- -do-	Katamani Katamani Katamani
Finger-millet	Kak/FM-2 Nak/FM-1	5-7 3-5	Humid AEZ Cold dry areas	Kakamega Lanet-Seef
Pearl Millet	Kat/PM-2	9-13	Dry land	
Cowpeas	KVU-419	4-6	Semi-arid areas	Katamani
Yellow Gram (Mung Beans)	Kat/Dengu-26	4-6	Semi-arid areas	Katamani
Pigeon peas	Kat/Mbaazi-2	8-12	Semi-arid areas	Katamani
Cassava	KME-1 KME-61 Mucericeri Kak/Muhogo-1 Kak/Muhogo-2	8-9 T/Acre 10-15 8-12 12-16 14-18	Semi-arid areas -do- -do- Humid Humid	Katamani Katamani Katamani Kakamega Kakamega

Horticulture and Industrial Crops

The following achievements or varieties tested/recommended to growers for each commodity under horticulture and industrial crops

Planned Activities	Results/Outputs	Impact
COTTON		
Breeding	2 varieties released – KSA 81M and HART 89 M	Widely grown in Eastern Kenya
Agronomy	Recommendation on manure application document	Grown in Western Kenya. Used in Western Kenya.
Crop Protection	2 predators for bollworm identified	Increase in cotton production in Eastern Kenya
OIL CROPS		
	- 4 soyabeans varieties recommended - 3 crosses of oil palm selected for commercialization - 2 rosette resistant groundnut varieties identified - 2 sunflower varieties recommended	Area under oil crop increased
FRUITS		
	- banana production technology using drenches recommended in drier areas of KARI and Rongai. - 5 mango varieties recommended for wider dissemination - 2 passion fruit lines tolerant to <i>Fusarium</i> wilt identified - 2 strawberry varieties evaluated and recommended for commercialization - citrus – control of gummosis in Kwale district; -----	



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	<p>FFS established to train farmers on citrus and mango management</p> <ul style="list-style-type: none"> - Promotion of avocado growing in Kitale mandate area - Enhanced seed multiplication of papaya variety Solo Sunrise 	
VEGETABLES	<ul style="list-style-type: none"> - one variety of onion commercialized in Perkerra and appropriate agronomic recommendations disseminated to farmers in three irrigation schemes -8 cabbage varieties recommended for commercial cultivation - 12 tomato cultivars recommended for commercialization - 2 carrot cultivars recommended for cultivation - one French bean cultivar recommended for commercialization - runner beans, snap bean, sugar snap. Several cultivars recommended for cultivation; also commercial packages developed and disseminated. - Indigenous vegetables – selection from landraces completed in Kakamega, Kisii, Njoro, Kitale, and Thika; seed bulked for distribution to farmers; ecogeographical surveys completed and databases on the various collections generated by GBK. - four varieties of potato pre-released; two varieties recommended for commercialization; processing technologies developed and disseminated. 	
FLOWERS	<ul style="list-style-type: none"> - 33 lily varieties , 17 gerbera varieties, 12 gladiolus varieties, 5 rose varieties, 4 sunflower varieties, 10 carnation varieties, 3 erygium varieties, 1 ornithogalum variety , 5 lisianthus varieties, 9 alstroemeria varieties, 6 anthurium varieties recommended for commercialization - agronomic technologies for the above flowers developed and disseminated - appropriate control of Erwinia soft rot in arabicum identified - multiplication techniques in lilus developed - 3 wild flowering plants collected for domestication and 1 (Moby Dick) commercialized. 	
Potatoes	<ul style="list-style-type: none"> - 3 varieties (Asante, Tigoni, and Furaha) were released - 4 varieties (Kenya Sifa, Faulu, Kenya Mavuno and Kenya Karibu have been pre-released. 	



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Animal Production/Animal Health

Animal improvement

- Over 800 sahiwal bulls availed to farmers.
- Over 500 sahiwal/friesian crossbred bulls availed to farmers
- Over 500 Kenya dual purpose goats produced and sold to farmers

Feeds and feeding

- Improved technologies for reseeded pastures developed and disseminated.
- Improved fodder technologies (e.g. management of napier grass) and improved fodders (e.g. calliandra) developed and disseminated.

Livestock diseases and management

- 15 technologies for diagnosis of priority livestock diseases developed.
- Commercialization of East Coast Fever immunization accomplished, with over 4000 cattle immunized.
- Biotechnology techniques adopted in crop (e.g. tissue bananas) and livestock (e.g. diagnostic kits) research.
- Better management practices for indigenous chicken produced.
- A helminth control strategy using medicated feedblocks validated for adoption

Post harvest management

- Technologies for value adding of dairy products produced and disseminated.

Land and Water Management

Soil fertility and plant nutrition

- A manure module for the Agricultural Production in Simulator Model (APSIM) was developed.
- A new manure and mineral fertilizer package (5 t manure + 20 kg N ha⁻¹) was developed for maize production in the central Kenya highlands.
- A suitable compound fertiliser (10:30:20) that is superior to Triple Super Phosphate (TSP) and Diammonium Phosphate (DAP) fertilizer for areas where potassium is a limiting nutrient was developed.



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- Geo-referenced fertiliser recommendation maps were developed for Kisii and Trans-Nzoia District.
- Recommendation on *Crotalaria* and *Mucuna* as green manure in Western Kenya were established.
- Developed a Plant and Soil Laboratory Analysis Manual

Land resources management

- Soil surveys were carried out in Meru District (semi detailed), Embu and Moyale districts (detailed) and Kajiado District (site evaluation).
- Approximately 906 soil samples and 46 water samples were analysed.
- 64 GIS based products and 684 maps and databases were produced for the Medium Term Plan.
- Carried out many consultancies.

Irrigation and drainage

- Over 6500 bucket drip irrigation kits and 500 farm kits were sold and more than 30 extension workers trained on the dissemination of drip irrigation technology.
- A drip irrigation extension manual was developed (Technical handbook No 24 - Drip irrigation: options for smallholder farmers in Eastern and Southern Africa) in collaboration with RELMA.
- One thousand four hundred and seven soil samples were analysed.
- Drip irrigation demonstration site was established at KARI - Muguga South.

KARI Seed Unit

About 157 varieties, populations, inbred lines and planting stocks out of recorded 173 pre-releases/releases were maintained. The total amount of seed crop produced and vegetatively propagated planting materials during the year include 135 tons of breeder, pre-basic and basic seed from KSU Karumani, Perkerra, Njoro, Mtwapa, Embu and Masongaleni; 707 (50 kg) bags of pre-basic and basic seed potato, 35,000 seedlings, 15 (50kg) flower seed, 25,000 corms, 180,000 cormels, and 97 flower stems, respectively. This seed was provided to over 400,000 small-scale farmers in semi-arid areas, 2,000 irish potato farmers and 500 flower farmers. Kenya Malting Co., Lagrotech Seed Co., East African Seed Co and Freshco Seed Co signed Licensing agreements to produce, process and market KARI bred varieties and hybrids. Masongaleni farmers were also trained on the alternative methods of using tradition food crops like sorghum and pigeon pea as a direct promotion of use of KSU seed of these crops.

KSU continued to offer, ADSP Winrock International assisted 250 seed growers in Seed Industry Development Units (SIDUs), a trading license which enables their crop seed to be inspected and certified by KEPHIS. KSU staff took part in developing of production and crop variety description brochures that was funded by Winrock International.



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KSU Officers also took part in discussions on harmonized seed policies in East Africa under Seed Traders Association of Kenya, workshops on seed production systems in Kenya held under Moi University and National Variety Release Committee meeting where several KARI varieties and hybrids were released. One study tour was undertaken in South Africa by eight KSU staff. This assisted the team to improve their nursery management and also will give useful suggestions during the review of Seed and Plant Varieties Act (Cap 326).

Information and Documentation Services

IDS being a service-delivering unit supported most of the operation of the main thematic programmes both at KARI Headquarters and at the center level, through:

- Production of over 30 publications (annual report, technical publication, technical notes, proceedings, brochures, newsletters, posters and flyers, calendar and business cards)
- Setting up of e-mail services at five main centers
- Completion of requirements analysis, specification and implementation plan documentation for the payroll and human resources systems
- Training of over one hundred staff on e-mail, network services and basic application packages
- Completion of hardware and software systems audit at all KARI centers
- Dissemination of over 20 KARI technologies to farmers at district level through Factual Films regional circuits all over the country
- Acquisition of crop protection compendium and CAB Abstracts as electronic reference resources at the library
- Acquisition of 1,389 publications for the library
- Participation in the International Network for the Availability of Scientific Publications (INASP) for free online access to more than 20 journals, with specific emphasis to African scholarly journals
- Hosting of Question and Answer Service (QAS) planning and sensitization workshop for Kenya, Uganda, Tanzania and Ethiopia with facilitation from CTA



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Income and Expenditure Account - Year Ended 30 June 2003

		2003	2002
	Notes	Ksh '000	Ksh '000
Income			
AIA	2(a)		
Goods		46,615	40,975
Services		2,815	4,479
Other receipts	2(b)	82,754	43,843
Recurrent Funds	3(a)		
Personal Emoluments		78,453	761,509
Operational		35,000	35,000
Development Funds	3(b)		
GoK		22,232	115,577
IDA		324,515	249,193
Other donors		162,451	192,551
Total Income		1,462,032	1,444,238

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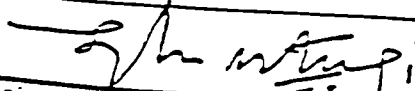
Income and Expenditure Account Cont.


Expenditure	Notes	2003	2002
	2		
		Ksh'000	Ksh'000
Personnel Emoluments			
Casual Wages		402,224	405,184
Gratuity and Pension Contribution		44,693	53,393
House Allowance		57,739	51,209
Other Personal Allowances		256,555	254,056
Medical Allowance		6,164	8,424
Passage and Leave Expenses		35,911	37,522
Medical Expenses		7,651	10,624
Transport Operating Expenses		4,862	7,235
Traveling and Accommodation		89,550	83,170
External Travel and Accommodation		132,599	123,707
Postage and Telegram Expenses		6,972	19,223
Telephone Expenses		1,032	1,275
Official Entertainment		22,651	14,255
Cost of Conferences and Seminars		1,718	3,406
Electricity, Water and Conservancy		8,562	4,769
Purchase of Supplies for Production		33,038	45,417
Purchase of Experimental Animals		26,342	34,485
Farm Development		3,855	1,652
Fungicides, Insecticides and Sprays		20,671	14,720
Purchase of Laboratory Stores		2,245	6,264
Purchase of Food and rations		19,962	15,864
Publishing and Printing Expenses		2,782	1,604
Purchase of Uniforms and Clothing		6,058	4,627
Library Expenses		231	1,203
Purchase of Stationery		1,430	459
Advertising and Publicity		13,814	13,445
Show Expenses		5,455	3,809
Payment of Rents and Residential Rates		4,897	5,104
Contracted Professional Services		2,121	53
Computer Charges		41,230	32,365
Hire of Transport, Plant and Machinery		13,022	5,203
Miscellaneous and Other Charges		1,900	2,399
Vehicles, Insurance and Road Tax		17,319	24,805
Fees, Commission and Honoraria		3,924	30,540
Training		9,055	5,574
Compensation and Ex-gratia Payment		16,919	22,007
Maintenance of Plant, Machinery and Equipment		2,771	1,014
Maintenance of Buildings/Stations		6,635	9,331
Minor Alterations and Maintenance		35,297	33,812
Total		254	6,460
Provision for Depreciation		1,370,383	1,403,604
Grand Total		132,058	151,852
(Deficit) / Surplus of Income over Expenditure		1,502,471	1,555,456
Deficit of Income over Expenditure B/F		(40,439)	(111,218)
Deficit of Income over Expenditure C/F		(494,085)	(494,085)
		(534,525)	(505,304)

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Balance Sheet As At 30 June 2003

	Notes	2003 Ksh' 000	2002 Ksh' 000
Accumulated Reserve			
Capital grants for the year	5	5,543,725	5,552,302
Surplus/(Deficit)		128,163	102,645
Total		(40,439)	(111,215)
		5,631,449	5,543,730
Represented by			
Fixed assets			
Accumulated depreciation	5	7,065,721	6,940,725
Net Fixed Assets		(1,399,315)	(1,266,535)
		5,668,405	5,652,191
Current Assets			
Cash and bank balances			
Debtors	7	205,060	215,706
Stock	8	234,037	207,053
Grants receivable	9	55,959	87,566
Total current assets	10	50,119	30,345
		609,195	540,201
Current Liabilities			
Trade creditors			
Other creditors	11(a)	127,175	124,251
Total liabilities	11(b)	516,973	524,411
		644,151	648,662
Net Current Assets		(34,956)	(108,461)
Total Net Assets		5,631,449	5,543,730


 Chairman, Board of Management of KARI


 Director, KARI

31st October 2003
 Date

30th October 2003
 Date

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Cash Flow Statement As At 30th

	Notes	2003 Ksh' 000	2002 Ksh' 000
Cash Flow From Operating Activities			
Deficit for the year		(40,439)	(111,218)
Adjustment for items not involving movement of cash: Depreciation		132,088	151,852
Cash flow from operating activities before increase/decrease in working capital		91,649	40,634
Working Capital			
(Increase)/Decrease in Stocks		(1,573)	20,537
(Increase)/Decrease in Debtors		(25,974)	2,045
Increase in Grants Receivable		(50,073)	(5,452)
Decrease in Creditors		(4,511)	(291)
Cash flow from operating activities		8,518	57,763
Investment Activities			
Purchase of fixed Assets		(124,995)	(100,575)
Adjustment for disposed assets		(21,305)	-
Cash outflow Before Financing		(137,786)	(42,812)
Financing			
Capital grant		128,160	102,545
Increase/(Decrease) in Cash Flow		(9,626)	59,834
Increase/(Decrease) in Cash & Bank balance		(9,626)	59,834

KENYA AGRICULTURAL RESEARCH INSTITUTE
Accounts for the year ended 30 June 2003

Notes to the accounts

1. Significant Accounting Policies

(a) Accounting Convention

The accounts are prepared under the historical cost convention modified, which include the revaluation of assets.

(b) Revenue Recognition

Grants and other receipts are recognized as income when received.

(c) Fixed Assets

Fixed assets are stated at cost or at revalued cost.

(d) Depreciation

Depreciation is calculated to write off the cost or valuation of fixed assets using the straight-line method at the following annual rates:

Permanent Buildings	2%
Motor Vehicles	25%
Plant and Machinery	12.5%
Office Equipment	12.5%
Furniture & Fittings	12.5%
Laboratory Equipment	12.5%

2. Income

(a) AIA

The Institute generates revenue from sale of farm produce and services offered to clients.

(b) Other Receipts

These include proceeds from sale of tender documents, sale of assets.

3. Grants

(a) Recurrent Grants

The Institute receives grants from the Exchequer for personnel emoluments, operation and maintenance.

(b) Development Grants

These represent grants received from various donors and IDA Credit Agreement including the Government's contribution for research activities.

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4. Recurrent and Development Expenditure

The expenditure is financed by both recurrent and development funds.

5. Accumulated Reserve

Accumulated reserve represent the surplus / deficit brought forward including capital grants and revaluation reserve.

6. Fixed Assets Schedule

Fixed Assets Schedule as at 30.6.2003										
	Land	Buildings	Work in progress	Motor Vehicles	Plant and Machinery	Office Equipment	Furniture and Fittings	Lab Equipment	Motor Cycles and Bicycles	Total
	Kshs'000	Kshs'000	Kshs'000	Kshs'000	Kshs'000	Kshs'000	Kshs'000	Kshs'000	Kshs'000	Kshs'000
Cost of valuation: 1/7/02	3,016,176	2,963,428	52,880	313,121	106,350	207,091	73,548	206,578	1,554	6,940,726
Addition / (Transfers)		32,137	11,807 (28,789)	100,129	23,083	2,925	47	4,064	900	175,092 (28,789)
Disposals	-	-	-	(16,512)	(4,422)	-	-	-	(374)	(21,308)
Cost or valuation 30/6/03	3,016,176	2,995,565	35,898	396,738	125,011	210,016	73,595	210,642	2,080	7,065,721
Accumulated depreciation to 30/6/02	-	558,429	-	285,029	60,092	156,674	72,063	155,009	1,241	1,288,537
Charge for the year	-	59,911	-	30,366	9825,	17,558	1,437	12,765	225	132,087
Adjustment for Disposed assets 30/6/03	-	-	-	(16,512)	(4,422)	-	-	-	(374)	(21,308)
Accumulated depreciation to 30/6/03	-	618,340	-	298,883	65495	174,232	73,500	167,774	1,092	1,399,316
Net book value 30/6/03	3,016,176	2,377,225	35,898	97,855	59,516	35,784	95	42,870	988	5,666,405

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7. Cash and Bank Balances

The Institute maintained its bank accounts at the Kenya Commercial Bank, Kenyatta International Conference Centre branch and the Co-operative Bank of Kenya while some were held by the centres at various branches.

The Fixed Deposits represent funds held on call.

	2003	2002
	Ksh'000	Ksh'000
Recurrent (233 970 076)	25,479	2,929
Development (233 970 099)	2,041	2,792
Deposit (233 970 104)	4,815	4,075
KARI/EU SRP	695	698
IDA (One) NARP II (230 970 448)	(501)	1,775
Water Hyacinth (233 970 294)	242	242
Seed (233 970 431)	4,435	3,425
IDA (Two) NARP II (233 970 606)	1,725	(543)
Fixed Deposit	101,912	135,559
CTA (233 970 826)	5	-
LVEMP (233 970 832)	6,694	-
Conference Account (233 970 454)	83	-
Centre Bank Accounts	59,055	64,745
Total	206,080	215,706

8. Debtors

No provision has been made for bad debts but the management is still making efforts to recover the outstanding debts.

	2003	2002
	Ksh'000	Ksh'000
Trade debtors	6,408	1,333
Imprest	10,504	14,147
Other debtors	9,699	6,988
Salary advances	2,232	1,215
LVEMP	21,814	-
Kenya Seed	183,380	183,380
Total	234,037	207,063

KENYA AGRICULTURAL RESEARCH INSTITUTE
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9. Stock

The Institute obtained a valuation of all livestock and consumable stores in June 2003 of Kshs. 88.9 millions

10. Grants Receivables - Ksh.80 million

These represent the IDA NARP II reimbursement claim outstanding as at 30th June 2003.

11. Creditors

(a) Trade Creditors

These represent amount owing to suppliers for goods and services rendered.

(b) Other Creditors

These represent payroll deductions outstanding as at 30 June 2003 as per the table below.

	2003	2002
	Ksh '000	Ksh '000
Statutory deductions	489,657	504,310
Service charge	15,027	16,307
Co-operative shares/loans	4,738	-
Insurance	2,577	3,794
NHFC	3	-
University loans/AFC loans	144	-
Hire Purchase	417	
Returned salary	284	
Agricultural Research Fund	245	
Welfare Associations	2,781	-
Total	516,973	524,411

KENYA AGRICULTURAL RESEARCH INSTITUTE
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Expenditure By Treasury Line Items

ITEM	Expenditure	Notes	2003	2002
			Ksh'000	Ksh'000
000	Personnel Emoluments			
001	Casual Wages		402,224	405,184
040	Gratuity and Pension Contribution		44,693	53,393
050	House Allowance		57,739	51,209
060	Other Personal Allowances		256,555	254,056
065	Medical Allowance		5,184	6,424
080	Passage and Leave Expenses		35,911	37,522
090	Medical Expenses		7,651	10,844
100	Transport, Operating Expenses		4,852	7,235
110	Traveling and Accommodation		89,550	63,170
112	External Travel and Accommodation		132,599	123,707
120	Postage and Telegram Expenses		6,972	19,223
121	Telephone Expenses		1,032	1,275
130	Official Entertainment		22,561	14,288
131	Cost of Conferences and Seminars		1,718	3,406
140	Electricity, Water and Conservancy		8,562	4,769
150	Purchase of Supplies for Production		33,038	48,417
151	Purchase of Experimental Animals		26,342	34,456
152	Farm Development		3,656	1,632
153	Fungicides, Insecticides and Sprays		20,871	14,720
155	Purchase of Laboratory Stores		2,245	6,254
160	Purchase of Food and rations		19,962	15,894
171	Publishing and Printing Expenses		2,762	1,504
172	Purchase of Uniforms and Clothing		6,058	4,627
173	Library Expenses		231	1,203
174	Purchase of Stationery		1,430	499
175	Advertising and Publicity		13,814	13,445
176	Show Expenses		5,456	3,809
181	Payment of Rents and Residential Rates		4,897	5,104
184	Contracted Professional Services		2121	531
185	Computer Charges		41,230	32,385
185	Hire of Transport, Plant and Machinery		13,022	5,203
190	Miscellaneous and Other Charges		1,900	2,399
192	Vehicles Insurance and Road Tax		17,319	24,806
193	Fees, Commission and Honoraria		3,924	30,540
194	Training		9,055	5,674
198	Compensation and Ex-gratia Payment		16,919	22,007
250	Maintenance of Plant, Machinery and Equipment		2,771	1,014
260	Maintenance of Buildings/Stations		6636	9331
295	Minor Alterations and Maintenance		35,297	33,812
	Total		254	6,460
	Provision for Depreciation		1,370,383	1,403,604
	Grand Total		1,502,471	1,555,456

KENYA AGRICULTURAL RESEARCH INSTITUTE
Accounts for the year ended 30 June 2003

Centres Names: Their Addresses and Telephone Numbers

HEADQUARTERS

Kenya Agricultural Research
Institute
P.O. Box 57811 Nairobi
Tel (020) 58 33 01-20/583720

Alupe
Agricultural Research Sub-
Centre
P.O. Box 278, Busia
Tel. (055)20 65

Buchuma
Range Research Sub-Centre
P.O. Box 389, Voi
Tel. (043)3 02 04

Embu
Regional Agricultural Research Centre
P.O. Box 27, Embu
Tel. (068)2 01 162 08 73

Garissa
Regional agricultural Research Centre
P.O. Box 230, Garissa
Tel. (046)22 23

Kabete
National Agricultural Research
laboratories
P.O. Box 14733, Nairobi
Tel. (020)444144/444029-031

Kakamega
Regional agricultural Research Centre
P.O. Box 169, Kakamega
Tel. (056)30031-9/30049

Katamani
National Dryland Farming
Research Centre
P.O. Box 340, Machakos
Tel. (044)2 06 06-7

Kiboko
National Range Research Centre
P.O. Box 12, Makindu
Tel. (045)2 24 66-7

Kibos
Fibre Research Sub-Centre
P.O. Box 1490, Kisumu
Tel. (057)4 44 01

Kisii
Regional Agricultural Research Centre
P.O. Box 525, Kisii
Tel. (058)3 18 00-3

Kitale
National Agricultural Research Centre
P.O. Box 450, Kitale
Tel. (054)2 01 09.20180.20941-3

Lanet
Beef Research Centre
P.O. Box 1275, Nakuru
Tel. (051)8 53 34/85324

Mariakani
Animal Husbandry Research
Sub-Centre
P.O. Box 30, Mariakani
Tel. (041)3 30 24

Marsabit
National Aridlands Research Centre
P.O. Box 147, Marsabit
Tel. (069)2 22 02040

Matuga
Agricultural Research Sub-Centre
P.O. Box 96246, Mombasa
Tel. (041)5 10 25

Molo
National Pyrethrum Research Centre
P.O. Box 100, Molo
Tel. (051)2 10 30-1

Msabaha
Agricultural Research Sub-Centre
P.O. Box 344, Malindi
Tel. (042)2 05 45.2 08 07

Mtwapa
Regional agricultural Research Centre
P.O. Box 10275, Bamburi
Tel. (040)5485839/5485842

Muguga
National Veterinary Research Centre
P.O. Box 32, Kikuyu
Tel. (066)3 28 80-6

Muguga
Regional agricultural Research Centre
P.O. Box 30148, Nairobi
Tel. (066)3 28 80-6

Mwea Tebere
National Fibre Research Centre
P.O. Box 298, Kerugoya
Tel. (060)4 80 57

Naivasha
National Animal Husbandry Research
Centre
P.O. Box 25, Naivasha
Tel. (050)2 01 65-6

Njoro
National Plant Breeding Research
Centre
Private Bag, Njoro
Tel. (051)5 11 20/61528/61720

Oi Joro Orok
Agricultural Research Sub-Centre
Private Bag, Oi Joro Orok
Tel. (065)2 22 61

Perkerra
Regional Agricultural Research Centre
P.O. Box 32, Marigat
Tel. (053) 51259/8

Thika
National Horticultural Research Centre
P.O. Box 220, Thika
Tel. (067)2 12 81-5

Tigoni
National Potato Research Centre
P.O. Box 338 Limuru
Tel. (066) 73060/1

Transmara
Transmara Research Sub-Centre
P.O. Box 93, Kilgoris
Tel. (058) 2 26 9