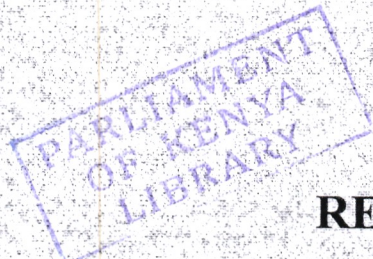


REPUBLIC OF KENYA



KENYA NATIONAL AUDIT OFFICE



REPORT

OF

THE AUDITOR-GENERAL

ON

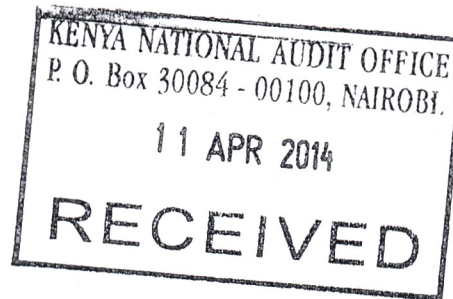
**THE FINANCIAL STATEMENTS
OF NATIONAL HOSPITAL INSURANCE FUND**

**FOR THE YEAR ENDED
30 JUNE 2013**





Afya Yetu. Bima Yetu



National Hospital Insurance Fund
Audited Annual Report and Financial Statements
for the Year Ended 30th June 2013

Dated 21st February 2014

CORPORATE STATEMENTS

OUR VISION

To be a world class Social Health Insurance Scheme.

OUR MISSION

To provide accessible, affordable, sustainable and quality
Social Health Insurance through effective and efficient utilization
of resources to the satisfaction of stakeholders.

CORPORATE VALUES AND PRINCIPLES

- Responsiveness to customer needs.
- Embrace accountability, transparency and good governance.
- Uphold and conform to acceptable moral standards and positive work ethics.
- Create and promote effective and efficient corporate communications.
 - Ensure provision of quality health services.
 - Equal opportunity employer of choice.

NATIONAL HOSPITAL INSURANCE FUND

- | | | | |
|-----|----------------------|---|-----------------------------|
| 7. | Ms. Beatrice Kituyi | - P. S Ministry of Labour | 9 th August 2012 |
| 8. | Mr. Francis Atwoli | -Secretary General,Central
Organization of Trade Unions | 9 th August 2012 |
| 9. | Mrs. Jacqueline Mugo | - Federation Of Kenya Employers | 9 th August 2012 |
| 10. | Mr. Stephen K Kirogo | - Secretary, State Corporations Advisory
Committee, Presidency and Cabinet
Affairs Office | 9 th August 2012 |
| 11. | Ms. Mary W. Ngari | - P. S Ministry of Medical services | 9 th August 2012 |
| 12. | Mr. Peter B. Ondieki | - Inspector General, State Corporations,
Office of The Prime Minister | 9 th August 2012 |
| 13. | Mr. Adan A. Adan | - Secretary/ Ag. Chief Executive Officer | 9 th August 2012 |

BOARD OF MANAGEMENT REPORT

BACKGROUND INFORMATION

The Board of Management submits its report and the financial statements for the financial year ended 30th June 2013, which unveil the results and general state of affairs of the Fund.

The National Hospital Insurance Fund was established through an Act of Parliament in 1966 with its main objective being to provide healthcare financing to all employed persons. The Fund transformed into a State Corporation through an Act of Parliament No. 9 of 1998.

Over the time, the provision of healthcare financing has been expanded to include self-employed persons and voluntary contributors. The membership of the Fund is open to all residents in Kenya aged 18 years and above and whose income exceeds Kshs. 1,000.00. The cover is household based and caters for the contributor and the declared spouse and children.

PRINCIPAL ACTIVITIES

The core business of the Fund is to provide social health insurance to all our members and their dependants. Social Health Insurance is one of the principal methods of healthcare financing.

BENEFITS EXPENSES

The Fund paid out claims totalling to Kshs. 8,236,276,159 out of the total contributions in the year 2012/2013, against a payout of Kshs. 5,999,769,274 in the previous year 2011/2012. This represents a growth in benefits of 37.3%.

CONTRIBUTIONS (REVENUE)

The contributions from members increased to Kshs. 12,229,966,056 in the current financial year from Kshs. 9,595,592,179 in the last financial year. This represents an increase in contribution income of 27.5% compared to the previous financial year 2011/12.

REPUBLIC OF KENYA

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Website: www.kenao.go.ke



P.O. Box 30084-00100
NAIROBI

KENYA NATIONAL AUDIT OFFICE

REPORT OF THE AUDITOR-GENERAL ON NATIONAL HOSPITAL INSURANCE FUND FOR THE YEAR ENDED 30 JUNE 2013

REPORT ON THE FINANCIAL STATEMENTS

I have audited the accompanying financial statements of National Hospital Insurance Fund set out on pages 8 to 26 which comprise the statement of financial position as at 30 June 2013, and the statement of comprehensive income, the statement of changes in equity and statement of cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information in accordance with the provisions of Article 229 of the Constitution of Kenya and 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

Management is responsible for the preparation and fair presentation of these financial statements in accordance with International Financial Reporting Standards and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

The management is also responsible for the submission of its financial statements to the Auditor-General in accordance with the provisions of Section 13 of the Public Audit Act, 2003.

Auditor-General's Responsibility

My responsibility is to express an independent opinion on these financial statements based on the audit and report in accordance with the provisions of Section 15 of the Public Audit Act, 2003 and submit the audit report in compliance with Articles 229(7) of the Constitution of Kenya. The audit was conducted in accordance with International Standards on Auditing. Those standards require compliance with ethical requirements and that the audit be planned and performed to obtain 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 assessments of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk

honoured by the Fund, apparently because the management had not received prior approval for the works from the parent Ministry. This situation resulted in a dispute which was referred to an arbitration.

In addition, information available indicated that the arbitrator after reviewing the matter awarded the consultants a sum of Kshs.352,131,345. Other records showed that the Fund disputed the award and proceeded to the High Court to seek redress. Available records indicates that, the Fund has since paid the consultants a sum of Kshs.407,107,645 representing the principal sum and interest in accordance with the arbitration consent order made in the High Court (Milimani Commercial Court) of 6 April 2009.

- ii. A further review indicates that included in the property, plant and equipment balance of Kshs.12,464,150,044 as at 30 June 2013 is Work in Progress balance of Kshs.1,444,687,484, which includes additions for the year of Kshs.542,547,881 that relate to payment to a consulting Firm for drawings and designs on the Karen Resource Centre. However, there was no evidence that the expenditure incurred of Kshs.542,541,881 was in the budget for 2012/2013 contrary to the State Corporations Act, Cap 446 Section 12 which states that no Corporation shall without the prior approval of the Minister and the Treasury, incur any expenditure for which no provision has been made in an annual estimate prepared and approved in accordance with Section 11. The Fund is in breach of law.

In the circumstances, it has not been possible to ascertain the ownership status of the parcel of land in dispute, and that the property, plant and equipment balance of Kshs.12,252,149,992 as at 30 June 2013 is fairly stated.

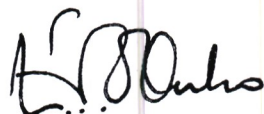
3. Investments in Securities

As previously reported, the investment in securities balance of Kshs.2,468,028,367 as at 30 June 2013 is net of provision for impaired investments of Kshs.1,309,236,859 under note 6 (b) to the financial statements that includes an amount of Kshs.49.5 million which had been deposited by the Fund on 26 June 2001 at the Consolidated Bank Ltd in Nairobi. However, information available indicates that the entire deposit of Kshs.49.5 million was off-set by the Bank against a guarantee executed by the former Fund Chief Executive Officer, on behalf of Euro Bank Ltd. It is not clear and the management has not explained the circumstances under which the Fund's deposit was used as a guarantee by the then Chief Executive Officer.

In the circumstances it has not been possible to confirm that the investment in securities of Kshs.2, 468,028,367 as at 30 June 2013 is fairly stated.

Qualified Opinion

In my opinion, except for the effect of the matters described in the Basis for Qualified Opinion paragraph, the financial statements present fairly, the financial position of the Fund as at 30 June 2013, and of its financial performance and its cash flows for the year then ended, in accordance with International Financial Reporting Standards and comply with the National Hospital Insurance Fund Act, 1998.



Edward R.O. Ouko, CBS
AUDITOR-GENERAL

Nairobi

28 April 2014

NATIONAL HOSPITAL INSURANCE FUND

STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 30TH JUNE 2013

		<u>2013</u>	<u>2012</u>
	<u>Notes</u>	<u>Kshs</u>	<u>Kshs</u>
<u>INCOME</u>			
Contributions	13	12,229,966,056	9,595,592,179
Other Incomes	14	449,479,649	356,983,613
Total Income		12,679,445,705	9,952,575,792
<u>EXPENSES</u>			
Benefits Expenses	15	8,236,276,159	5,999,769,274
Personnel Expenses	16	2,304,499,777	2,103,365,236
Administrative Expenses	17	1,206,904,782	1,151,362,699
Board Expenses	18	16,512,990	32,871,407
Finance Costs	19	23,046,643	20,088,986
Total Expenses		11,787,240,352	9,307,457,601
Surplus for the year		892,205,353	645,118,190
Less Withholding Tax	20	(23,653,002)	(29,230,782)
Net surplus after Tax	21	868,552,351	615,887,408


NATIONAL HOSPITAL INSURANCE FUND

STATEMENT OF FINANCIAL POSITION AS AT 30TH JUNE 2013

	Notes	2013 Kshs	2012 Kshs
Non Current Assets			
Property, Plant & Equipment	3(a)	12,252,149,992	11,872,442,554
Intangible assets	3(b)	15,425,589	45,915,797
South B estate mortgage	3(c)	63,459,022	74,944,632
Long-term Investments	7	133,115,441	54,200,000
		12,464,150,044	12,047,502,983
Current Assets			
Trade and Other Receivables	4	608,057,680	423,546,081
Investment in Securities	6	2,468,028,367	1,968,510,848
Cash & Cash equivalent	8	61,034,734	286,207,094
		3,137,120,781	2,678,264,023
TOTAL ASSETS		15,601,270,825	14,725,767,006
Equity			
Accumulated Fund	9	12,209,923,340	12,209,923,340
Surplus Fund	21	2,137,823,786	1,269,271,434
Total Equity		14,347,747,126	13,479,194,774
Current Liabilities			
Trade and Other Payables	10	692,859,289	346,187,186
Withholding Tax Payable	11	6,640,973	9,381,981
Provisions for liabilities	12	554,023,438	891,003,065
Total Current Liabilities		1,253,523,700	1,246,572,232
TOTAL EQUITY & LIABILITIES		15,601,270,825	14,725,767,006

The Financial Statements were approved by the Board of Management and signed on its behalf by: -

Hon. M. ALI (Chairman).....  (Signature)

J-O Kirgotty (Chief Executive Officer).....  (Signature)

NATIONAL HOSPITAL INSURANCE FUND

NATIONAL HOSPITAL INSURANCE FUND

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 30TH JUNE 2013

	Accumulated Fund	Surplus Fund	Total Equity
	<u>Kshs</u>	<u>Kshs</u>	<u>Kshs</u>
As at 1/07/2011	12,209,923,340	653,384,027	12,863,307,367
Surplus (2011/2012)	-	615,887,408*	615,887,408
At 30/06/2012	<u>12,209,923,340</u>	<u>1,269,271,435</u>	<u>13,479,194,775</u>
As at 1/07/2012	12,209,923,340	1,269,271,435	13,479,194,775
Surplus(2012/2013)	-	868,552,351	868,552,351
At 30/06/2013	<u>12,209,923,340</u>	<u>2,137,823,786</u>	<u>14,347,747,126</u>

*Adjustments made on the 2011/12 financial year's surplus were as result of correction of understated amounts and over accrual of invoices relating to the year ended 30th June 2012.

NATIONAL HOSPITAL INSURANCE FUND

NATIONAL HOSPITAL INSURANCE FUND

STATEMENT OF CASHFLOWS FOR THE YEAR ENDED 30TH JUNE 2013

	2013	2012
	<u>Kshs</u>	<u>Kshs</u>
CASH FLOWS FROM OPERATING ACTIVITIES		
Surplus before Tax & extraordinary items	892,205,353	645,118,190
Adjustments		
Depreciation	228,834,747	232,066,402
Amortization	30,490,208	33,354,208
Tax Paid	(23,653,002)	(29,230,782)
Less: Gain on Disposal of Fixed Assets	(3,865,818)	(9,314,555)
Interest from investments	(197,092,834)	(162,315,205)
Surplus before working capital changes	<u>926,918,654</u>	<u>709,678,258</u>
(Increase)/Decrease in Trade and other receivables	(184,511,599)	(292,584,454)
Increase /(Decrease) in Trade and other payables	346,672,103	(706,504,740)
Increase/(Decrease)in Withholding Tax Payable	(2,741,003)	5,093,963
Increase /(Decrease) in Provisions	(336,979,627)	886,652,844
Cash generated from operations	<u>(177,560,131)</u>	<u>(107,342,387)</u>
NET CASH FROM OPERATING ACTIVITIES	<u>749,358,523</u>	<u>602,335,871</u>
CASH FROM INVESTING ACTIVITIES		
(Purchase)/Redemption of Investments	(499,517,519)	(487,226,427)
Purchase of Non-current assets	(608,542,185)	(149,368,612)
(Purchase)/Redemption of long term investment	(78,915,441)	-
Proceeds from sale of Non-current assets	3,865,818	9,313,355
Proceeds from sale of South B estate	11,485,610	13,675,386
Interest Earned from Investments	197,092,834	162,315,205
NET CASH USED IN INVESTING ACTIVITIES	<u>(974,530,883)</u>	<u>(475,427,912)</u>
Net Increase/(Decrease) in cash and cash equivalents	(225,172,361)	151,044,779
Cash and cash Equivalents at the beginning	286,207,094	135,162,315
Cash and cash Equivalents at the end	<u>61,034,734</u>	<u>286,207,094</u>

**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR
ENDED 30th JUNE 2013**

1. ACCOUNTING POLICIES:

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

a) Basis of Preparation

The financial statements are prepared in accordance with International Financial Reporting Standards.

The statements have been prepared on the historical cost convention. The relevant disclosure requirements have been complied with.

b) Revenue Recognition

Revenue is generally recognized in the income statement on accrual basis. Best estimates of what is receivable are included in the accounts.

c) Claims expenses

These are claims paid out to health providers and general claimants arising from hospitalization and any other goods or services incurred by the Fund for the direct benefit of the contributor in approved and accredited hospitals and nursing homes. Claims held in these institutions in respect of the members are recognized in the subsequent accounting period.

d) Other Expenses

These comprise of personnel emoluments, administrative expenses and depreciation charges accrued by the Fund in discharge of its duties during the period under review. The expenses are matched with the revenue arising from the same period.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 JUNE
2013

g) Contributions

This includes standard contributions as well as self and voluntary contribution by members of the Fund. The amount not paid by the end of the financial year is recognized when there is sufficient degree of certainty that it is collectable and the economic benefits associated with the transaction will flow to the Fund.

h) Taxation

Withholding tax is charged to the financial statement on the basis of the total investments held at the closure of the financial year in accordance with the tax legislation.

i) Computer Software Development Cost

The costs for maintaining computer software programs are recognized as an expense as they are incurred. However expenditure that enhances or extends the benefit of the computer software programs beyond their original value are capitalized. The cumulative value of the software has been recognized as an asset in the current financial year and amortized using straight-line basis over a period of 3 years. Amortization for the year 2012/2013 is illustrated in note 3 (b).

j) Retirement Benefits Obligations:**1) NHIF Staff Retirement Benefit Scheme**

This is a defined contribution retirement scheme, which is managed by Alexander Forbes Financial Services (E A) Ltd while the custodian is Standard Chartered Bank Kenya Ltd. The contribution to the scheme is by both employer and employee at 12.5 % and 7.5 % of the basic salary respectively.

NATIONAL HOSPITAL INSURANCE FUND

3. (a) PROPERTY PLANT AND EQUIPMENT

	NEW MOTOR VEHICLE	BUILDING	OFFICE EQUIPMENT	FURNITURE & FIXTURES	WORK-IN-PROGRESS	COMPUTERS	TOTAL
2012							
COST							
As at 1/07/2011	294,574,589	9,583,454,453	225,658,494	1,691,452,918	838,608,935	923,824,290	13,856,163,343
Additions	17,452,944	-	18,300,102	39,163,291	63,530,668	21,855,835	160,302,840
Disposals	(45,548,630)	-	-	-	-	-	(45,548,630)
Transfers	-	-	-	-	-	-	-
As at 30/06/2012	266,478,903	9,583,454,453	243,958,596	1,730,616,209	902,139,603	945,680,125	13,970,917,554
DEPRECIATION							
As at 1/07/2011	205,936,311	703,526,295	158,286,605	410,784,433	-	433,424,783	1,911,958,427
Charge for the year	32,793,208	136,131,817	8,385,838	37,724,885	-	17,030,654	232,066,402
Depreciation for Disposals	(45,549,830)	-	-	-	-	-	(45,549,830)
As at 30/06/2012	193,179,690	839,658,112	166,672,443	448,509,317	-	450,455,437	2,098,474,999
NBV 30/06/2012	73,299,213	8,743,796,341	77,286,153	1,282,106,892	902,139,603	495,224,687	11,872,442,554
2013							
COST							
As at 1/07/2012	266,478,903	9,583,454,453	243,958,596	1,730,616,209	902,139,603	945,680,125	13,970,917,553
Additions	2,347,000	-	10,225,947	20,814,377	542,547,881	32,606,981	608,542,185
Disposals	-	-	-	-	-	-	-
Transfers	-	-	-	-	-	-	-
As at 30/06/2013	268,825,903	9,583,454,453	254,184,543	1,751,430,586	1,444,687,484	978,287,106	14,579,459,738
DEPRECIATION							
As at 1/07/2012	193,179,690	839,658,112	166,672,443	448,509,317	-	450,455,437	2,098,474,999
Charge for the year	28,125,140	136,131,817	8,326,792	36,628,857	-	19,622,140	228,834,747
Depreciation for Disposals	-	-	-	-	-	-	-
As at 30/06/2013	221,304,829	975,789,929	174,999,235	485,138,175	-	470,077,578	2,327,309,746
NBV 30/06/2013	47,521,074	8,607,664,523	79,185,307	1,266,292,411	1,444,687,484	508,209,528	12,252,149,992

*Adjustments made on the 2011/12 financial year's property, plant & equipment were as result of over accrual of invoices relating to the year ended 30th June 2012. (See note 22).

NATIONAL HOSPITAL INSURANCE FUND

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 JUNE
2013

Cont'd

Rent Deposit	9,097,191	8,366,676
Sundry receivables	37,100	453,563
Supplier Advances	4,660,314	4,660,314
Staff Medical Deposit	3,900,000	3,900,000
Rent Receivable	55,132,683	41,131,950
Staff Receivables	3,639,112	4,020,402
Sundry Prepayments	365,931,543	4,221,697
Electricity deposit	1,304,384	1,286,884
Telephone deposit	253,804	253,804
Fuel deposit	150,000	150,000
Letters of credit	4,744,992	85,541,861
Revenue holding Account	12,441,068	11,970,607
Provision for Bad & Doubtful debts	(176,510,447)	(174,282,209)
Total	608,057,680	423,546,081

5. CONTINGENT ASSET

The Fund has a pending litigation in relation to investment in Equity bank Ltd and Family bank Ltd. As the amount to be awarded by the courts cannot be determined, this contingent asset is hereby disclosed by way of note as per IAS 37.

6. INVESTMENT IN SECURITIES

	2013 Kshs	2012 Kshs
(a). The Performing Investment Portfolio is made up of the following:		
Treasury Bills & bonds	210,000,000	334,000,000
NBK (Call Deposit)	1,036,481,133	257,481,133
COOP (Call Deposit)	691,780,808	855,000,000
NBK (Car Loan)	52,178,493	52,464,718
Savings & Loans	477,587,932	469,564,997
Sub total	2,468,028,367	1,968,510,848

NATIONAL HOSPITAL INSURANCE FUND

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 JUNE 2013

7. LONGTERM INVESTMENT

Kshs 133,115,441

The Fund's balance sheet reflects long-term investments amounting to Kshs. 54,200,000 held in Consolidated Bank of Kenya, and a Hospital advance granted as a soft loan to Moi Teaching and Referral Hospital which as at 30th June 2013 the balance was of Kshs 78,915,441. The investment portfolio is as follows:

- 2,120,000, 4% Non-cumulative preference shares at Kshs 20 each.
- 590,000 ordinary shares at Kshs 20 each.

8. CASH AND CASH EQUIVALENT

	2013 Kshs	2012 Kshs
Cash in hand	967,266	552,735
Cash on transit(transfer to branches)	2,303,642	778,093
Cash at bank	57,763,826	284,876,266
Total	61,034,734	286,207,094

NATIONAL HOSPITAL INSURANCE FUND

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 JUNE
2013

11. WITHHOLDING TAX PAYABLE	2013 Kshs	2012 Kshs
WHT Payable - Investments	6,640,973	9,381,981

12 .PROVISIONS FOR LIABILITIES	2013 Kshs	2012 Kshs
Provision for renal dialysis consumables	9,861,500	9,861,500
Provision for Audit fees	1,740,000	1,740,000
Provision for Civil Servants Scheme	542,421,938	879,401,565
	<u>554,023,438</u>	<u>891,003,065</u>

Provision for Doubtful Debts

Provision for outstanding Contributions	152,730,066	152,730,066
Provision for Imprest not surrendered	4,282,452	1,949,507
Provision for Lost revenue	11,960,900	11,970,607
Provisions for Other Doubtful Receivables	7,537,029	7,632,029
	<u>176,510,447</u>	<u>174,282,209</u>

Provision of Kshs. 542,421,938 for civil servants scheme was created as per IAS 37 to cater for pending fee for service claims, capitation payments relating to the scheme for various hospitals including Clinix and Meridian hospitals and direct administrative costs.

13. CONTRIBUTIONS

This is recognised in accordance with the NHIF Act, through Standard Contributions and Self Employed contributions:

	2013 Kshs	2012 Kshs
Self Employed	957,077,609	620,518,202
Standard Contribution	6,170,499,172	6,061,070,147
Late Contribution	638,419,350	582,715,785
Penalty	139,603,408	168,899,336
PSC scheme contributions	4,324,366,517	2,162,388,709
Total	<u>12,229,966,057</u>	<u>9,595,592,179</u>

NATIONAL HOSPITAL INSURANCE FUND

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 JUNE
2013

16. PERSONNEL EXPENSES	2013 Kshs	2012 Kshs
Basic salary	1,317,963,112	1,166,597,264
Gratuity/Pension Contribution	172,884,612	147,771,252
NSSF Employer Contribution	3,968,200	3,955,200
Other Allowances	809,683,853	785,041,520
Total	<u>2,304,499,777</u>	<u>2,103,365,236</u>

17. ADMINISTRATIVE EXPENSES	2013 Kshs	2012 Kshs
Depreciation Charge	228,,834,747	232,066,402
Amortization Charge	30,490,208	33,354,208
Provisions	87,405,312	93,946,541
Audit fees	1,740,000	1,500,000
Other Administrative Expenses	858,434,516	790,495,548
Total	<u>1,206,904,782</u>	<u>1,151,362,699</u>

18. BOARD EXPENSES	2013 Kshs	2012 Kshs
Sitting allowance	6,000,000	9,446,000
Seminars and Conferences	2,402,390	4,120,179
Accommodation	2,176,045	6,150,930
Honoraria	960,000	960,000
Mileage and per diem	3,887,770	8,644,772
Lunch allowance & refreshments	767,690	1,725,831
Travel - local	319,095	1,823,695
Total	<u>16,512,990</u>	<u>32,871,407</u>

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 JUNE 2013

22. RESTATEMENT

The following are Restatement made during the year:

- Adjustments made on the 2011/12 financial year's surplus and property, plant & equipment were as result of correction of understated amounts and over accrual of invoices relating to the year ended 30th June 2012, that is;
- Kshs 6,098,361 was withholding tax payable for an investment of Kshs 800 m in Co-op Bank in the year ended 30th June 2012 that was redeemed during the year ended 30th June 2013.
- Kshs 7,853,747 relates to various trade creditors over accrued in 2011/12.

ADJUSTMENTS ON:	2011/12 Surplus	P P & E	TOTAL
Trade creditors	7,853,747	10,934,229	18,787,976
Withholding tax payable	(6,098,361)	-	(6,098,361)
Provision for Audit fees	(240,000)	-	(240,000)
TOTAL	1,515,386	10,934,229	12,449,615

Adjustment on P P & E	Trade creditors
Buildings	2,577,580
Furniture	1,987,648
Computers	6,369,000
TOTAL	10,934,229