

KENYA ROADS BOARD

FINANCIAL STATEMENTS FOR THE
FINANCIAL YEAR 2007/2008

*Paper laid the Assistant
Mem. for tabulation
(Prof. Omeny)
Jenki
26/8/09*

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KENYA NATIONAL AUDIT OFFICE

REPORT
OF
THE CONTROLLER
AND AUDITOR GENERAL

ON

THE FINANCIAL STATEMENTS OF
KENYA ROADS BOARD FOR THE
YEAR ENDED 30 JUNE 2008





KENYA NATIONAL AUDIT OFFICE

REPORT OF THE CONTROLLER AND AUDITOR GENERAL ON THE FINANCIAL STATEMENTS OF KENYA ROADS BOARD FOR THE YEAR ENDED 30 JUNE 2008

I have audited the financial statements of Kenya Roads Board for the year ended 30 June 2008 set out on pages 6 to 15 which comprise the balance sheet as at 30 June 2008, the income statement, the 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.

The Board's Responsibility for the Financial Statements

The Board is responsible for the preparation of financial statements which give a true and fair view of the Board'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 misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal controls relevant to the Board'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 Board's internal

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

1. Consolidated Financial Statements and Audited Accounts

As similarly reported in the previous year, the 2007/2008 financial statements are not consolidated and reflect Kshs.380,339,000 in respect of funds disbursed for Kenya Roads Board operations, representing only 3% of the total of Kshs.21,578,531,000 available from Petroleum Levy Fund during the year. As disclosed in Note 9 to the financial statements, the amount of Kshs.19,886,631,000 disbursed to Agencies namely, Ministry of Roads, City Council of Nairobi, Ministry of Local Government, Kenya Wildlife Service, District Roads Committees and Constituencies has not been consolidated with that of Kenya Roads Board. As in the previous year, and with the exception of Kenya Wildlife Service, the other Agencies have not prepared or submitted to the Board, audited financial statements, contrary to Section 25(2) of the Kenya Roads Board Act, 1999.

Further, although the Act requires the Agencies to submit audited accounts to the Board, it is not specific on the requirement for the Board to prepare and submit consolidated financial statements for audit. Consolidation, as explained by the management, is made difficult by the requirement for the Board to prepare accounts within three (3) months after the end of the financial year while its implementing Agencies are supposed to submit audited accounts to the Board within a period of six (6) months after the end of the financial year. In its 14th Report on the Accounts for the financial year 2001/2002, the Public Investments Committee recognized this legal weakness which inhibits consolidation of accounts of the Board with those of the Agencies. It therefore recommended that a review of the Kenya Roads Board Act, 1999 be undertaken, with a view to facilitating and requiring consolidation of the Accounts for Kenya Roads Board with those of its Agencies. The Board has indicated that with the establishment and operationalization of the newly created Road Authorities, Kenya Roads Board will in the coming periods be in a position to prepare consolidated financial statements. Until the aforementioned review is concluded however, it will not possible to confirm the overall financial position, performance and changes in financial position of the total Road Maintenance Levy Fund disbursed, which as at 30 June, 2008 stood at Kshs.20,266,970,000.

2. Cash Fraud Kshs.28,885,756

As disclosed in note 5 to the financial statements, an amount of Kshs.28,885,756 is reflected under receivables from National Bank of Kenya. However this amount relates to a cheque for equivalent amount purportedly issued to Nairobi City Council but fraudulently paid/encashed at Gusii County Council. Although the

Board has indicated that appropriate steps are being taken to recover the funds, the matter was still under investigation by the Banking Fraud Investigation Department of the Central Bank of Kenya, while the case is pending in court. In the circumstances, it has not been possible to confirm whether or not the sum of to Kshs.28,885,756 will be recovered.

3. Un-utilized funds by District Roads Committees

As observed in the report for 2006/2007, the Kenya Roads Board in September 2006 and in June 2007 instructed the District Roads Committees to return un-utilized Road Maintenance Levy funds for 2006/07 for re-voting in 2007/08. Records available however indicate that seven Roads Committees did not return funds totalling Kshs.168,488,928 as at 30 June 2007 and no satisfactory explanation was given for failure to comply with the instructions. Consequently it has not been possible to confirm that funds totalling Kshs.168,488,928 as at 30 June 2008 were properly utilized and accounted for.

4. Advertising and Publicity

As previously reported, the Income and Expenditure Account for the year ended 30 June 2007 reflected Advertising and Publicity expenditure of Kshs.40,425,000 which included unexplained provision of Kshs.12,522,000. The supporting analysis for the balance of Kshs.12,522,000 was not however made available for audit review and as a result, the propriety of the advertising and publicity expenditure of Kshs.40,425,000 as at 30 June 2007 could not be ascertained. A review of the position in 2007/2008 indicated that the matter has not been resolved.

Opinion

Except for the foregoing reservations, in my opinion, proper books of account have been kept and the financial statements give a true and fair view of the state of the financial affairs of the Board as at 30 June, 2008 and of its surplus and cash flows for the year then ended in accordance with the International Financial Reporting Standards and comply with the Kenya Roads Board Act, 1999.



A.S.M. Gatumbu
CONTROLLER AND AUDITOR GENERAL

Nairobi

27 March, 2009

KENYA ROADS BOARD
FINANCIAL STATEMENTS FOR THE YEAR ENDED 30TH JUNE 2008

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KENYA ROADS BOARD
FINANCIAL STATEMENTS FOR THE YEAR ENDED 30TH JUNE 2008

CORPORATE INFORMATION

Kenya Roads Board was formed by an Act of Parliament - No. 7 of 1999.

Registered Office; Kenya Re-Towers
Off Ragati Road, Upper Hill
3rd Floor,
P.O. Box 73718- 00200
NAIROBI

Tel No. 2722865/6/8, 2723166/76

Fax No.254-020-2723161

Website: www.krb.go.ke

E-mail address: roadsboard@kroadsboard.go.ke

Bankers

Central Bank of Kenya
P.O Box 60000
NAIROBI

Citibank N.A
Upper Hill
P.O Box 30711
NAIROBI

Standard Chartered Bank of Kenya Limited
Kenyatta Avenue
P.O Box 30034
NAIROBI

National Bank of Kenya Limited
Hill Branch
P.O Box 41862 - 00100
NAIROBI

Co-operative Bank of Kenya
Co-operative Bank House
P.O Box 48231 - 00100
NAIROBI

KENYA ROADS BOARD
FINANCIAL STATEMENTS FOR THE YEAR ENDED 30TH JUNE 2008

CORPORATE INFORMATION (CONT.)

NIC Bank
NIC House, Masaba Road
P.O Box 44599 -00100
NAIROBI

Housing Finance
Rehani House
P.O Box 30088
NAIROBI

Auditors

Controller and Auditor General
P.O Box 30084 - 00100
NAIROBI

MEMBERS OF KENYA ROADS BOARD

Mr. Alfred C. Juma	-	Chairman	Automobile Association of Kenya
Dr. Francis N. Nyangaga	-	Executive Director	Kenya Roads Board
Amb. (Eng.) Mohamed Mahamud	-	Member	Permanent Secretary Ministry of Roads & Public Works (Up to October, 2007)
Eng. M.S. M Kamau	-	Member	Permanent Secretary Ministry of Roads (from November 2007)
Mr. Joseph Kinyua	-	Member	Permanent Secretary Ministry of Finance
Mrs. Kellen Kariuki	-	Member	Institute of Certified Accountants of Kenya
Mrs. Susan Millie Owino	-	Member	League of Kenya Women Voters
Mr. Silas Muriithi Kinoti	-	Member	Institute of Surveyors of Kenya
Mr. Amir Meralli	-	Member	Kenya Transporters Association
Mr. Robert Cullens	-	Member	Kenya Association of Tour Operators
Ms. Betty Maina	-	Member	Kenya Association of Manufacturers
Eng. Joel Wanyoike	-	Member	Institution of Engineers of Kenya
Dr. Gerrishon Ikiara	-	Member	Permanent Secretary Ministry of Transport (upto April, 2008)
Eng. Abdulrazak Aden Ali	-	Member	Permanent Secretary Ministry of Transport (from April, 2008)
Mr. Solomon Boit	-	Member	Office of DPM and Permanent Secretary Ministry of Local Government (up to March, 2008)
Mr. Sammy Kirui	-	Member	Office of DPM and Permanent Secretary Ministry of Local Government (from April, 2008)
Mr. Hukka Wario	-	Member	Permanent Secretary Ministry of East African Community (up to March 2008)
Mr. David Nalo	-	Member	Permanent Secretary Ministry of East African Community (from April 2008)

MANAGEMENT

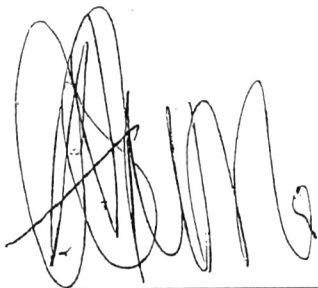
Executive Director	-	Dr. Francis N. Nyangaga
General Manager, Finance	-	Mr. Nicodemus M. Muteti
General Manager, Planning and Programming	-	Eng. Jacob Z. Ruwa
General Manager, Technical Compliance	-	Eng. Stephen W. Ndinika
Manager Human Resources and Administration	-	Mrs. Ruth Moraa Bitu
Manager, Legal and Corporate Affairs	-	Ms Lucy K. Gathika

STATEMENT OF THE BOARD'S RESPONSIBILITIES

The Kenya Roads Board Act, 1999 requires the Board to prepare financial statements of each financial year which give a true and fair view of the state of affairs of the Roads Board as at the end of the financial year and of the Board's Income and Expenditure statement for that period. It also requires the Board to ensure that the Roads Board keeps proper accounting records which disclose with reasonable accuracy at any time the financial position of the Board and to ensure that the Financial Statements comply with the enabling Act. They are also responsible for safeguarding the assets of the Roads Board and taking reasonable steps for prevention and detection of fraud and other irregularities.

The Board accepts responsibility for the financial statements which have been prepared using appropriate accounting policies supported by reasonable accounting policies supported by reasonable and prudent judgments and estimates, in conformity with International Financial Reporting Standards and the requirements of the Kenya Roads Board Act. The Board is of the opinion that the financial statements give a true and fair view of the state of affairs of the Roads Board and of its Income and Expenditure Statement. The Board accepts responsibility for the maintenance of accounting records which may be relied upon in the preparation of the financial statements, as well as adequate systems on internal financial control.

Nothing has come to the attention of the Board to indicate that the Roads Board will not remain a going concern for at least the next twelve months from the date of this statement.



MR. ALFRED C. JUMA, MBS
CHAIRMAN
KENYA ROADS BOARD

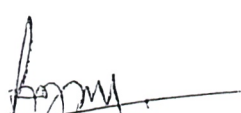


DR. FRANCIS N. NYANGAGA, OGW
EXECUTIVE DIRECTOR
KENYA ROADS BOARD

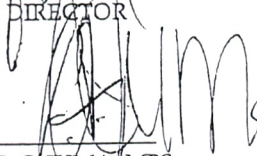
KENYA ROADS BOARD

BALANCE SHEET AS AT 30 JUNE 2008

	Note	2007/08	2006/07
		KShs '000	KShs '000
FIXED ASSETS			
Property Plant & Equipment	2	35,419	25,938
CURRENT ASSETS			
Cash and Bank	3	4,182,608	3,007,771
Other Receivables	4	3,387	6,794
Agency receivable	5	278,726	0
TOTAL		4,464,721	3,014,565
TOTAL ASSETS			
		4,500,140	3,040,503
EQUITY AND LIABILITIES			
EQUITY			
Accumulated Fund - Operational	1(g)	100,014	100,014
KRB Staff Fund	6	100,000	99,057
Surplus from operations		92,818	55,153
TOTAL		292,832	254,224
CURRENT LIABILITIES			
Payables	7	85,384	74,814
Agencies Payable	8	2,810,363	1,223,167
RMLF - Undisbursed funds	9	1,311,561	1,488,299
TOTAL		4,207,308	2,786,279
TOTAL EQUITY & LIABILITIES			
		4,500,140	3,040,503


 DR. FRANCIS N. NYANGAGA, OGW
 EXECUTIVE DIRECTOR

4/3/09
 DATE


 MR. ALFRED C. JUMA, MBS
 CHAIRMAN

4TH MARCH, 2009
 DATE

KENYA ROADS BOARD

INCOME & EXPENDITURE ACCOUNT FOR THE YEAR ENDED 30 JUNE 2008

	NOTE	2007/08	2006/07
		KShs '000	KShs '000
Road Maintenance Levy Fund Receipts	9	18,757,006	16,815,498
INCOME			
Road Maintenance Levy Fund - Current Year	10	380,339	301,620
Prior Year RMLF Surplus		6,009	50,674
Interest Earned - Operational Account		4,338	4,941
Interest Earned - Staff Mortgage Account		3,757	545
Interest Earned - Car Loan Account		919	739
Sale of Tender		287	166
Sale of Fixed Assets		7,105	-
TOTAL INCOME		402,754	358,685
EXPENDITURE			
Directors Emoluments		16,827	18,705
Directors Insurances		696	764
Directors Field Trips		1,731	2,210
Directors Overseas Travel		7,481	4,370
Directors Training		1,557	620
Ministerial Functions		1,045	20
Board Evaluation / Induction		812	1,432
Salaries & Wages		100,484	83,540
Staff Pension		12,924	7,749
Staff Training & Development		22,791	31,861
Staff Welfare		5,134	4,698
Staff Recruitment		232	1,308
Staff Insurance		3,872	2,784
Advertising & Publicity		20,497	40,425
Bank Charges		594	573
Books & Publications		-	43
Conferences & Seminars		4,666	3,354
Consultancies		54,574	31,673
General Insurances		470	680
Legal & Professional fees		-	-
Newspapers & Magazines		389	443
Office Expenses		3,196	5,018
Rent of Premises		12,538	11,747
Security		732	546
Staff Mileage		1,892	843
Stationery		2,226	2,179
Telephone & Postages		5,552	6,922
Vehicle Expenses & Repairs		5,789	6,840
Audit Fees Provision		235	222
Field Activities:			
Executive Director		4,144	4,148
Planning & Programming		5,110	4,194
Technical Compliance		7,345	4,753
Finance		2,145	2,178
ICT		842	1,206
Legal		868	25
Human Resource		3,661	423
Agency Support - ICT		-	22,540
Research & Development		4,497	-
Corporate Social Responsibility		3,917	-
Depreciation		15,296	13,393
Write back of creditors	11	(23,731)	-
TOTAL EXPENSES		313,030	324,429
Surplus of Income over Expenditure		89,724	34,256

KENYA ROADS BOARD

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 30TH JUNE 2008

	Capital Reserves KShs'000	Operations Reserves KShs'000	Staff Fund KShs'000	Total KShs'000
At 1 July 2007	100,014	55,153	99,057	254,224
Agency payable adjustments	-	(51,116)	-	(51,116)
Transfers to Staff fund	-	(943)	943	-
Excess income over expenditure	-	89,724	-	89,724
At 30 June 2008	<u>100,014</u>	<u>92,818</u>	<u>100,000</u>	<u>292,832</u>
At 1 July 2006	100,014	20,895	99,057	219,966
Excess income over expenditure	-	34,258	-	34,258
At 30 June 2007	<u>100,014</u>	<u>55,153</u>	<u>99,057</u>	<u>254,224</u>

KENYA ROADS BOARD

CASH FLOW STATEMENT
FOR THE YEAR ENDED 30TH JUNE 2008

	Note	2007/08 KShs '000	2006/07 KShs '000
Cashflows from Operations			
Surplus of Income over Expenditure			
Adjust for:		89,724	34,256
Depreciation		15,296	13,393
Interest Income		(9,014)	(6,225)
Gain in disposal of assets		(7,105)	-
Operating Income before Capital Changes		88,901	41,424
Decrease in Other Receivables		3,407	(1,258)
Increase in Agency Receivable		(278,726)	-
Increase in Payables		10,570	607,575
Increase in Agencies payable		1,587,196	-
Net Cash flow from operating activities		1,411,349	647,741
Cashflow from Investing Activities			
Net Interest Earned		9,014	6,225
Purchase of assets		(24,777)	(8,190)
Proceeds on Sale of assets		7,105	-
Net Cash used in investing activities		(8,658)	(1,965)
Cash from Financing Activities			
Decrease in Retained surplus		(52,059)	(63)
Increase in staff fund		943	583,840
Decrease in Amount undisbursed funds		(176,738)	-
Net cashflow from financing activities		(227,853)	583,777
Net cash increase in cash and cash equivalents		1,174,837	1,229,553
Cash and cash equivalents at the beginning of the year		3,007,771	1,778,218
Cash and cash equivalents at the end of the year		4,182,608	3,007,771

KENYA ROADS BOARD
FINANCIAL STATEMENTS FOR THE YEAR ENDED 30TH JUNE 2008

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 30TH JUNE 2008

1. SIGNIFICANT ACCOUNTING POLICIES

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

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

a) Basis of Preparation

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

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

b) Critical Accounting Estimates and Assumptions

In the process of applying the accounting policies, directors make certain assumptions about the future events. In practice, the estimated and assumed results differ from the actual results. Such estimates and assumptions, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below:-

Property, Plant & Equipment

The directors make estimates in determining the depreciation rates for property, plant and equipment. The rates used are set out in the accounting policy for property, plant and equipment.

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

KENYA ROADS BOARD
FINANCIAL STATEMENTS FOR THE YEAR ENDED 30TH JUNE 2008

c) Critical Accounting Judgments

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

Provision for doubtful debts

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

d) Revenue Recognition

Revenue for the Kenya Roads Board Fund (KRBF) includes receipts from Road Maintenance Levy Fund (RMLF), Transit Tolls, Coffee Cess, interest income, grants and other income. Revenue is recognized on receipt basis after an adjustment for Kenya Revenue Authority Refunds on upfront taxes for exports.

The Board is allocated 2% of the RMLF receipts for its operations. The income is recognized once the Board approves the receipts for disbursements.

e) Property, Plant & Equipment and Depreciation

Property, plant and equipment are stated at cost or less accumulated depreciation and any impairment losses. Property, Plant & Equipment is depreciated on straight line basis to write down the cost amount of each asset to its residual value over its estimated useful life as follows:-

	<u>Rate</u>
Computer Equipment	33 1/3 %
Office Equipment	12.5%
Motor Vehicles	25.0%
Furniture & Fittings	12.5%

f) Cash and Cash equivalents

For purposes of the cash flow statement, cash equivalents include cash held at the bank.

g) Accumulated Fund - Operational

This consists of funds which have been set aside as initial capital.

2. Property, Plant and Equipment.

KENYA ROADS BOARD
FINANCIAL STATEMENTS FOR THE YEAR ENDED 30TH JUNE 2008

	Computer Equipment	Office equipment	Motor Vehicles	Furniture & Fittings	Total
	KShs'000	KShs'000	KShs'000	KShs'000	KShs'000
Cost					
At start of the year	37,268	11,835	40,801	42,842	132,746
Additions	8,058	3,774	-	12,945	24,777
Disposals	-	-	(15,089)	-	(15,089)
At 30th June 2008	45,326	15,609	25,712	55,787	142,434
Depreciation					
At start of the year	32,548	7,365	39,105	27,790	106,808
Charge for year	4,675	1,951	1,696	6,974	15,296
Disposals	-	-	(15,089)	-	(15,089)
At 30th June 2008	37,223	9,316	25,712	34,764	107,015
Net Book Value					
At 30th June 2008	8,103	6,293	0	21,023	35,419
At 30th June 2007	4,720	4,470	1,696	15,052	25,938

No depreciation has been charged in arriving at the results for the year in respect of certain fully depreciated items of property, plant and equipment with a cost of KShs 57,010,311 (2006/07 - KShs 72,099,435) which are still in use.

3. Cash and Bank

	2007/08	2006/07
	KShs '000	KShs '000
Cash and Bank Balance	4,182,608	3,007,771
	<u>4,182,608</u>	<u>3,007,771</u>

4. Other Receivables

	2007/08	2006/07
	KShs '000	KShs '000
Advances to staff	2,403	6,707
Deposits & Prepayments	985	87
	<u>3,388</u>	<u>6,794</u>

KENYA ROADS BOARD
FINANCIAL STATEMENTS FOR THE YEAR ENDED 30TH JUNE 2008

5. Agencies Receivable

	2007/08	2006/07
	KShs '000	KShs '000
Receivable from National Bank of Kenya Limited	28,886	-
Agency receivable - DRC Equitable	<u>249,840</u>	<u>-</u>
	<u>278,726</u>	<u>-</u>

Amount receivable from National Bank of Kenya Limited relates to loss through fraudulent activities. The Board is positive that the amount will be received from National Bank of Kenya Limited, hence no loss is likely to crystallise in future.

The DRC Equitable receivable represents funds released to districts for emergency works.

6. KRB Staff Fund

	2007/08	2006/07
	KShs '000	KShs '000
Car Loan Staff Fund	25,000	25,000
Mortgage Scheme Fund	75,000	74,057
	<u>100,000</u>	<u>99,057</u>

These are funds that have been set aside to support the Kenya Roads Board Staff.

7. Payables

	2007/08	2006/07
	KShs '000	KShs '000
Creditors	387	23,731
Provisions and accruals	75,776	51,083
Interim Management Committee (IMC)	<u>9,221</u>	<u>-</u>
	<u>85,384</u>	<u>74,814</u>

The creditors' balance in FY 2007/08 relates to amount payable to Kenya Revenue Authority which was subsequently cleared.

8. Agency Payables

	2007/08	2006/07
	KShs '000	KShs '000
Kenya Roads Board	207,106	-
ABC Roads	1,111,431	179,392
Transit Tolls	127,947	-
D, E & Others	244,234	149,986
Constituency Funds	15,651	396,025
KWS	24,000	-
City Council of Nairobi	364,023	-
Urban Development Department	285,842	497,764
Nakuru Municipal Council	6,220	-
Eldoret Municipal Council	18,111	-
Other Local Authorities	128,243	-
Revoted Funds	149,345	-
Coffee Cess	<u>128,210</u>	<u>-</u>
	<u>2,810,363</u>	<u>1,223,167</u>

KENYA ROADS BOARD
FINANCIAL STATEMENTS FOR THE YEAR ENDED 30TH JUNE 2008

10. KRB 2% Road Maintenance Levy Receipts

	2007/08	2006/07
	KShs '000	KShs '000
Tranche 1-12 FY 2007/08	336,893	301,620
Surplus FY 2006/07	43,446	50,674
	<u>380,339</u>	<u>352,294</u>

11. Write back of Creditors

These were unsupported figures in FY 2006/07 amounting to KShs. 23,731,133 which resulted due to mispostings to the accounting system, hence the need to write back the balances in FY 2007/08.

KENYA ROADS BOARD
FINANCIAL STATEMENTS FOR THE YEAR ENDED 30TH JUNE 2008

9. Receipts & Disbursements

		2007/08	2006/07
		KShs '000	KShs '000
Receipts			
Gross fuel Levy receipts FY 07/08		19,280,819	16,815,498
Less: KRA Refunds		(523,812)	(855,370)
<i>Net Fuel Levy</i>		<u>18,757,006</u>	<u>15,960,128</u>
Undisbursed FY 06/07		951,873	497,090
Transit Tolls		343,524	-
Coffee Cess		58,244	-
Interest Earned		187,209	112,081
Revoted Funds		<u>1,280,675</u>	-
		<u>21,578,531</u>	<u>16,569,299</u>
Disbursements			
<i>Kenya Roads Board</i>	Note 10	380,339	301,620
<i>Ministry of Roads</i>			
ABC Roads		11,067,621	8,596,170
Transit Tolls		343,524	-
D,E & Others		1,200,000	1,720,000
DRC Equitable		1,623,441	844,300
Constituencies		2,520,000	2,310,000
<i>Kenya Wildlife</i>		100,000	100,000
<i>Ministry of Local Government</i>			
City Council of Nairobi		802,762	150,810
Urban Development Department		219,539	
Mombasa Municipal Council		203,024	
Kisumu Municipal Council		36,908	
Nakuru Municipal Council		29,931	
Eldoret Municipal Council		20,678	
Other Local Authorities		380,284	
<i>Revoted Funds</i>		1,280,675	-
<i>Coffee Cess</i>		<u>58,244</u>	-
Total Disbursements		<u>20,266,970</u>	<u>15,081,000</u>
Undisbursed Funds		<u>1,311,561</u>	<u>1,488,299</u>

The undisbursed funds were previously erroneously disclosed under equity instead of under current liabilities. The error has been corrected in the financial statements.