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NATIONAL MUSEUMS OF KENYA

ANNUAL ACCOUNTS FOR 1995/96 AND AUDITOR-GENERAL [CORPORATIONS] REPORT

The duly Audited Final Accounts for the year ended 30 June, 1996 are being tabled before the Board of Directors.

COMMENTS ON THE ACCOUNTS

Save for the qualification on valuation of Land and Buildings of the Inland Museums and lack of issue of the Title Deeds by the Commissioner of Lands for the Assets owned by the National Museums of Kenya, the Auditor-General [Corporations] is satisfied that the Accounts do show a true and fair position of the National Museums of Kenya finances and performance.

In the year under review, we registered a surplus of K£.768,084 compared to a deficit of K£.889,795 in 1995. This good performance was made possible by an increase in Government Grant-in-Aid by 57.09%, that is from K£.3,730,000 in 1994/95 to KShs.5,859,353 in 1995/96. The Revenue performance was not encouraging as it increased by only 0.32%, that is from K£.2,730,761 in 1994/95 to K£.2,739,597 in the year under review.

Projects income Increased from K£.976,676 in 1994/95 to K£.1,049,749 in 1995/96, which is an increase of 7.48%.

Development Grant amounting to K£.41,000 allocated for the Regional Museums, Sites and Monuments was not received from the parent Ministry.

FIXED ASSETS

The Management is making all the efforts to obtain the Title Deeds for the Assets owned by the National Museums of Kenya. The Management has already made arrangement with the Commissioner of Lands to undertake the valuation exercise of the Land and Buildings of the Inland Museums.

REPORT OF THE AUDITOR-GENERAL (CORPORATIONS) ON THE ACCOUNTS OF
THE NATIONAL MUSEUMS OF KENYA FOR THE YEAR ENDED 30 JUNE 1996

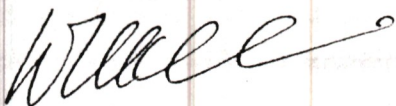
REPORT OF THE AUDITOR-GENERAL (CORPORATIONS) ON THE ACCOUNTS OF
THE NATIONAL MUSEUMS OF KENYA FOR THE YEAR ENDED 30 JUNE 1996

I have examined the accounts of the National Museums of Kenya for the year ended 30 June 1996 in accordance with Section 29 (2) of the Exchequer and Audit Act, (Cap 412). I have obtained all the information and explanations which were considered necessary for the purpose of the audit. Proper books of account have been kept by the National Museums of Kenya and the accounts are in agreement therewith.

Except for the reservation set out herebelow, in my opinion, the accounts when read together with the notes thereon, give a true and fair view of the state of financial affairs of the National Museums of Kenya as at 30 June 1996 and of the excess income over expenditure and its cash flows for the year ended on that date.

FIXED ASSETS

The Balance Sheet fixed assets figure of K£38,539,984 as at 30 June 1996 does not include the value of land and buildings of the inland Museums except for the Museum's Nairobi Headquarters. The Balance Sheet fixed assets are thus understated by the undetermined value of land and buildings so excluded. In addition, although the National Museums of Kenya Headquarters and the Coast areas assets were revalued by the Commissioner of Lands in October 1996 at K£23,339,250 and K£13,500,000 in respect of land and buildings respectively, the Museums do not have title deeds to the land on which the revalued buildings stand. Available evidence however indicates that the Management is making efforts to obtain title deeds for the assets owned by the Museums of Kenya.



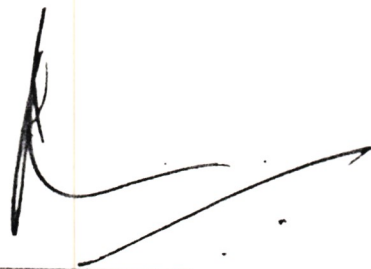
W.K. KEMEI
AUDITOR-GENERAL (CORPORATIONS)

24 June 1997

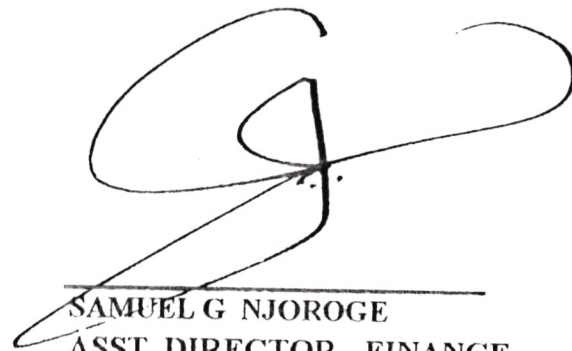
NATIONAL MUSEUMS OF KENYA

BALANCE SHEET AS AT 30TH JUNE, 1996

	<u>NOTES</u>	1996 K.£.	1995 K.£.
<u>FIXED ASSETS</u>	(9A, B & C)	38,539,984	1,164,514
<u>CURRENT ASSETS</u>			
Stock	(5)	60,172	201,309
Debtors, Deposits & Pre-payments		27,655	68,582
Cash at Banks		2,048,543	1,064,936
		2,136,370	1,334,827
<u>CURRENT LIABILITIES</u>			
Creditors & Accrued Charges		298,548	351,362
Projects Deposits	(6)	1,131,350	1,078,417
		1,429,898	1,429,779
<u>NET CURRENT ASSETS/ (LIABILITIES)</u>		706,472	(94,952)
<u>TOTAL NET ASSETS</u>		39,246,456	1,069,562
<u>FINANCED BY:</u>			
General Fund		1,837,646	1,069,562
Capital Reserve		37,408,810	-
		39,246,456	1,069,562



DR MOHAMED A ISAHAKIA
DIRECTOR/CHIEF EXECUTIVE
NATIONAL MUSEUMS OF KENYA



SAMUEL G NJOROGE
ASST. DIRECTOR - FINANCE
NATIONAL MUSEUMS OF KENYA

NATIONAL MUSEUMS OF KENYA

GENERAL FUND ACCOUNT AS AT 30TH JUNE, 1996

	NOTES	1996 K.£.	1995 K.£.
TOTAL INCOME (APPENDIX 1)		11,325,867	8,973,431
<u>LESS EXPENDITURE</u>			
RECURRENT (APPENDIX 2)		10,460,057	9,672,666
DEVELOPMENT (APPENDIX 3)		97,726	190,560
		10,557,783	(9,863,226)
EXCESS OF INCOME OVER EXPENDITURE		768,084	(889,795)
BALANCE AS AT 1ST JULY, 1995		1,069,562	1,959,357
EXCESS/(DEFICIT) OF INCOME OVER EXPENDITURE		768,084	(889,795)
BALANCE AS AT 30TH JUNE 1996		1,837,646	1,069,562

Group Code	NAIROBI MUSEUMS	KITALE MUSEUM	COASTAL MUSEUMS	OTHER DIST MUSEUMS	I.P.R.	L.L.M BUILDING	JOMO K. HOUSE	PRE-HIST. SITES	HERBARIUM	KODBI FORA	MUSEUM PROJECTS	THIS YEAR TOTAL 1996	LAST YEAR TOTAL 1995
	K. POUNDS	K. POUNDS	K. POUNDS	K. POUNDS	K. POUNDS	K. POUNDS	K. POUNDS	K. POUNDS	K. POUNDS	K. POUNDS	K. POUNDS	K. POUNDS	K. POUNDS

	K. POUNDS	K. POUNDS	K. POUNDS	K. POUNDS	K. POUNDS	K. POUNDS	K. POUNDS	K. POUNDS	K. POUNDS	K. POUNDS	K. POUNDS	K. POUNDS	K. POUNDS
ADMINISTRATION													0
501 GRANTS-IN-AID - DEVELOPMENT	0	0	0	0	0	0	0	0	0	0	0	0	(30,000)
502 GRANTS-IN-AID - RECURRENT	(3,759,353)	0	0	0	(2,100,000)	0	0	0	0	0	0	(5,859,353)	(3,730,000)
503 ADMISSION FEES	(1,766,675)	(22,655)	(1,288,522)	(46,118)	0	0	0	0	0	0	0	(2,739,597)	(2,730,761)
504 DONATIONS	(13,388)	(5,090)	2,228	(110)	0	0	0	(15,627)	0	0	0	(21,824)	(132,501)
505 RENTAL INCOME	(13,180)	(11,751)	1,930	(1,693)	(18,108)	0	0	(38)	0	0	0	(46,662)	(32,006)
506 INTEREST EARNED	(75,477)	0	0	0	(88,479)	0	0	0	0	0	0	(163,956)	(145,932)
507 SALE OF PUBLICATIONS & ARTIFAC	(364,820)	(2,569)	(56,067)	(5,326)	0	0	0	448	0	0	0	(430,334)	(495,385)
508 SALE OF SOFT DRINKS	(15,515)	(1,852)	(79,355)	(7,680)	0	0	0	0	0	0	0	(104,402)	(98,458)
509 SALE OF CASTS	(329,384)	0	0	0	0	0	0	0	0	0	0	(329,384)	(221,574)
510 SALE OF ASSETS	0	0	0	0	0	0	0	0	0	0	0	0	(7,701)
511 FILM SHOWS ENTRY	(300)	(860)	0	(1,267)	0	0	0	0	0	0	0	(2,427)	(2,229)
514 SUNDAY INCOME	(59,650)	(347)	(16,379)	(3,941)	(515,058)	(2,693)	0	0	(40)	0	(75)	(578,183)	(270,205)
515 PROJECTS INCOME	0	0	0	0	0	0	0	0	0	0	(1,049,749)	(976,676)	
	(5,977,511)	(46,122)	(1,446,382)	(66,734)	(2,721,644)	(2,693)	0	(15,217)	(40)	0	(1,049,824)	(11,325,867)	(8,973,429)
	(5,977,511)	(46,122)	(1,446,382)	(66,734)	(2,721,644)	(2,693)	0	(15,217)	(40)	0	(1,049,824)	(11,325,867)	(8,973,429)

END OF REPORT

Accounting Period: 13/1/1996

Group Code	NAIROBI MUSEUMS	KITALE MUSEUM	COASTAL MUSEUMS	OTHER DIST MUSEUMS	I.P.R. RESEARCH	E.L.M. BUILDING	JOMO K. HOUSE	PRE-HIST. SITES	HERBARIUM	KODBI FORA	MUSEUM PROJECTS	THIS YEAR TOTAL 1996	LAST YEAR TOTAL 1995
	K. POUNDS	K. POUNDS	K. POUNDS	K. POUNDS	K. POUNDS	K. POUNDS	K. POUNDS	K. POUNDS	K. POUNDS	K. POUNDS	K. POUNDS	K. POUNDS	K. POUNDS
ADMINISTRATION													
101	2,778,469	148,130	799,834	309,362	1,050,734	378,283	23,184	169,566	342,555	34,728	446,898	5,481,743	5,470,237
102	154,789	6,972	79,597	8,785	59,072	2,881	0	1,777	192	4,482	44,594	333,141	429,579
103	79,930	10,911	56,064	4,760	9,013	19,439	446	4,152	3,444	1,843	101,357	301,379	414,421
104	79,792	0	17,049	0	4,242	7,421	0	0	1,346	0	44,971	154,921	111,594
105	33,009	1,049	2,930	1,104	2,998	169	0	186	0	0	11,152	32,597	35,680
106	161,824	3,420	12,189	5,669	17,568	6,650	149	827	2,716	0	44,330	255,342	166,075
107	163,257	6,388	45,284	9,280	49,757	1,297	2,385	393	3,714	297	32,641	314,713	293,478
108	25,297	0	1,000	250	1,105	0	0	0	0	0	31,691	59,743	51,689
109	41,610	0	28,911	218	341	0	0	0	0	0	3,043	74,623	75,772
110	6,335	0	1,467	289	0	1,336	0	0	0	0	1,958	11,385	15,588
111	15,000	0	0	75	0	0	0	0	0	0	0	15,075	7,500
112	35,084	0	1,154	0	13,489	81	0	0	0	0	52,814	102,622	97,569
113	16,368	2,161	3,707	3,529	10,854	0	0	459	0	0	307	67,928	60,928
115	6,063	500	3,064	2,910	1,429	0	0	5	25	0	1,492	16,488	31,429
ESTABLISHMENT													
201	10,213	0	373	168	0	0	0	0	0	0	160	11,414	1,747
202	188,852	3,084	54,922	7,529	81,766	0	704	858	238	0	3,765	346,718	395,228
203	170,561	0	2,070	0	0	0	0	0	0	0	819	173,450	191,685
204	81,785	13,436	62,722	7,071	18,526	7,471	273	9,469	4,017	45	32,756	237,571	340,814
205	37,651	2,581	18,739	7,245	44,542	9,079	347	2,700	386	298	14,494	188,052	301,681
206	263,767	0	0	0	0	0	0	0	0	0	0	263,767	214,229
EQUIPMENT, EXHIBITS & RESEARCH													
301	7,542	465	8,512	4,938	0	0	0	0	0	0	0	21,457	8,473
302	5,167	1,417	4,933	2,231	6,340	0	0	0	1,095	0	1,785	22,968	14,844
303	20,437	2,463	2,413	4,442	56,053	0	0	0	0	0	82,066	167,874	97,265
304	7,693	228	12	79	11,859	84	0	0	2,881	0	32,259	55,095	53,985
305	12,340	220	538	29	0	0	0	0	960	0	462	14,549	21,834
306	5,117	12	573	289	697	345	0	14	0	0	6,460	13,507	16,049
307	15,673	0	0	0	427	344	0	0	0	0	20,612	37,056	25,898
308	69,196	1,070	5,960	3,505	11,481	461	847	1,069	1,732	0	5,213	100,534	106,827
309	16,311	50	316	1,248	3,184	21,874	0	120	0	0	23,497	66,490	113,762
310	2,448	196	1,606	264	840	0	0	0	0	0	5,679	11,153	36,332
312	11,065	0	0	0	0	0	0	0	0	0	0	11,065	4,579
314	401	0	0	0	0	0	0	0	0	0	0	401	0
401	370,298	3,745	89,185	9,262	0	148	0	0	0	0	3,351	476,189	465,875
GRAND TOTALS													
	4,973,341	213,708	1,265,622	415,441	1,456,917	457,362	28,335	191,593	365,301	41,613	1,050,824	10,460,057	9,672,665

NATIONAL MUSEUMS OF KENYA

Development Expenditure for
July-June 1995/96 Appendix III

Accounting Period: 13/1996

EXPENDITURE
K. POUNDS

DESCRIPTION	
NATROBI MUSEUM	84,304
KALENJURIA & LODWAR MUSEUMS	350
PARINGO MUSEUM	13,072
TOTALS	97,726

END OF REPORT

NATIONAL MUSEUMS OF KENYA

CASH FLOW STATEMENT FOR THE YEAR ENDED 30 JUNE, 1996

	1995/96 K£.	1994/95 K£.
CASH FLOW FROM OPERATING ACTIVITIES		
Net Income from Museums Operations	768,084.00	(889,795.00)
<u>Adjustments for:</u>		
Depreciation	263,767.00	214,229.00
Operating Income before Working Capital Changes	1,031,851.00	(675,566.00)
Decrease in Debtors	40,927.00	(6,629.00)
Decrease in Stock	141,137.00	(35,394.00)
Increase in Creditors	119.00	22,798.00
Net Cash from Operating Activities	<u>1,214,034.00</u>	<u>(694,791.00)</u>
CASH FLOW FROM FINANCING ACTIVITIES		
Purchase of Equipment	(151,565.00)	(133,899.00)
Purchase of Motor Vehicles	(78,862.00)	(152,000.00)
Net Cash from Financing Activities	<u>(230,427.00)</u>	<u>285,899.00</u>
Net Increase in Cash	983,607.00	(980,690.00)
Cash at beginning of the Period	1,064,936.00	2,045,626.00
Cash at end of the Period	<u>2,048,543.00</u>	<u>1,064,936.00</u>

NATIONAL MUSEUMS OF KENYA

NOTES ON THE ACCOUNTS FOR THE YEAR ENDING

30TH JUNE, 1996

ACCOUNTING POLICY

1. Basis of Accounting
The accounts are prepared under the Historical Cost Convention.
2. Grants
Government grants are credited to the Income and Expenditure Accounts on the basis of the payment made by the Government of Kenya.
3. As an Accounting Policy, no value has been placed on Exhibits, Study Collection and Fixtures. Museum Exhibits have no Commercial Value, and the Study Collection is Priceless.
4. Purchase of Animals
Purchase of Primates are charged to the Income and Expenditure Account at the time of purchase.
5. Stock
Stocks are stated at the lower of cost or net realisable value.
6. Projects Fund Income and Deposits
These are funds earmarked for specific Projects mostly dealing with Research in particular areas. The Projects are credited to a Deposit Account when received and only transfer the amount spent each month to income. In this case the Income and Expenditure are always the same. The balances remain in the respective Deposit Accounts.
7. Development Grant
Government of Kenya Grants-in-Aid amounting to K£ 41,000 allocated to the National Museums of Kenya for Development was not received in 1995/96 Financial Year from the Parent Ministry.
8. Source and Application of Funds Statement
In accordance with the generally acceptable accounting standards, we have redefined the item "Income from Museum Operations" to read Surplus/Deficit as it appears in the General Fund Account.
9. Taxation
The National Museums of Kenya is exempt from Income Tax and Stamp Duty. VAT and Excise Duty are exempt on case by case on application to the Treasury.
10. (a) Additional Assets - Land, Buildings and Computers
Land, Buildings and Computers were not previously reflected in the Accounts. They have now been valued and brought into the Accounts at Net Values, hence no depreciation has been charged in the current year. The valuation of Land and buildings was done by the Ministry of Lands and Settlement.

NATIONAL MUSEUMS OF KENYA

10. (b) FIXED ASSETS SCHEDULE AS AT 30TH JUNE, 1996

	Kf.	Kf.	Kf.	Kf.	Kf.	
LAND	23,339,250	-	-	13,500,000	2,047,837	-
BUILDINGS	-	-	-	13,500,000	151,565	-
EQUIPMENT/ FURNITURE	-	-	-	2,584,429	385,027	-
COMPUTERS	-	-	-	184,533	-	-
VEHICLES	-	-	-	432,754	78,862	-
TOTAL	23,339,250	23,339,250	23,339,250	23,339,250	2,401,729	2,401,729
As at 1st July, 1995	COST/EVALUATION					
Additional during the 1995/96	Revaluation during the year					
As at 1st July 1995	-	-	-	-	-	-
Charge for the Year 1995/96	-	-	-	-	-	-
DEPRECIATION						
As at 1st July 1995	-	-	-	-	102,581	1,237,215
As at 30th June, 1996	23,339,250	23,339,250	23,339,250	13,500,000	2,584,429	184,533
NET BOOK VALUES						
As at 30th June, 1996	23,339,250	13,500,000	126,857	184,533	247,630	1,164,514
As at 30th June, 1995	-	-	913,203	-	251,311	1,164,514

10. (c) DEPRECIATION

Depreciation on all fixed assets is provided on a reducing balance basis to write-off the cost over their expected useful lives.

The depreciation percentage rates

- i) Motor Vehicles = 25%
 - ii) Equipment and Furniture = 12.50%
 - iii) Computers = 25%
 - iv) Land = 0%
 - v) Buildings = 1%
- These rates are based on reducing balances.