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REPORT
OF
THE CONTROLLER
AND AUDITOR-GENERAL

ON

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

KENYA NATIONAL ASSEMBLY
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FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2006

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CORPORATE INFORMATION

Board of directors*

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

Management team

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

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

Registered office

Bishops Garden Towers
Bishops Road
P O Box 56445
Nairobi

Auditors

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

Bankers

Commercial Bank of Africa Limited
P O Box 30437
Nairobi

REPORT OF THE DIRECTORS

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

ESTABLISHMENT OF THE INSTITUTE

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

The main objectives of KIPPRA are:

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

ACTIVITIES

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

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

RESULTS

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

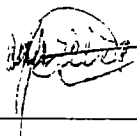
KENYA INSTITUTE FOR PUBLIC POLICY RESEARCH AND ANALYSIS

STATEMENT OF DIRECTORS' RESPONSIBILITIES

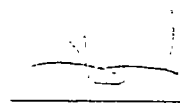
The directors are responsible for preparing financial statements for each accounting period, which give a true and fair view of the state of affairs of the Institute as at the end of the period and of its operating results for that period. The directors are also required to ensure that the Institute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

The directors accept responsibility for the financial statements, which have been prepared using appropriate accounting policies supported by reasonable and prudent judgments and estimates, in conformity with International Financial Reporting Standards. The directors are of the opinion that the financial statements give a true and fair view of the state of the financial affairs of the Institute and of the results of its activities. The directors further accept responsibility for the maintenance of accounting records that may be relied upon in the preparation of financial statements, as well as adequate systems of internal financial control.

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



MOSES MIKIARA
Director



DAVE MUUMBI
Director

10th November 2006



KENYA NATIONAL AUDIT OFFICE

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

I have audited the financial statements of Kenya Institute for Public Policy Research and Analysis for the year ended 30 June 2006 in accordance with the provisions of Section 14 of the Public Audit Act, 2003. I have obtained all the information and explanations which, to the best of my knowledge and belief, were necessary for the purpose of the audit. The financial statements are in agreement with the books of account.

Respective Responsibilities of the Directors and the Controller and Auditor General

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

● Basis of Opinion

The audit was conducted in accordance with the International Standards on Auditing. Those standards require that the audit be planned and performed with a view to obtaining reasonable assurance that the financial statements are free from material misstatement. An audit includes an examination, on a test basis, of evidence supporting the amounts and disclosures in the financial statements. It also includes an assessment of the accounting policies used and significant estimates made by the directors, as well as an evaluation of the overall presentation of the financial statements. I believe the audit provides a reasonable basis for my opinion.

Opinion

● In my opinion, proper books of account have been kept and the financial statements give a true and fair view of the state of affairs of the Institute as at 30 June 2006 and of its deficit and cash flows for the year then ended and comply with the Kenya Institute For Public Policy Research and Analysis Order, 1997.


 P.N. KOMORA
 CONTROLLER AND AUDITOR GENERAL

Nairobi

● 22 January 2007

KENYA INSTITUTE FOR PUBLIC POLICY RESEARCH AND ANALYSIS

INCOME AND EXPENDITURE STATEMENT
FOR THE YEAR ENDED 30 JUNE 2006


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

KENYA INSTITUTE FOR PUBLIC POLICY RESEARCH AND ANALYSIS

BALANCE SHEET
AS AT 30 JUNE 2006

	Note	30 June 2006 Ksh 000	30 June 2005 Ksh 000
ASSETS			
Non-current assets			
Equipment	7	5,728	8,357
Long term investment (KEF)	8	245,442	279,749
		<u>251,170</u>	<u>288,106</u>
Current assets			
Grants receivable	9	-	38,685
Other receivables and prepayments	10	7,899	3,964
Bank and cash balances	11(b)	33,027	96,069
		<u>90,926</u>	<u>138,718</u>
Total assets		<u><u>342,096</u></u>	<u><u>426,824</u></u>
RESERVES AND LIABILITIES			
Reserves			
Accumulated funds		92,103	138,645
Deferred income		-	936
		<u>92,103</u>	<u>139,581</u>
Non-current liabilities			
KIPPRA endowment fund	8	245,442	279,749
Current liabilities			
Creditors		4,551	2,951
Leave pay provision		-	4,543
		<u>4,551</u>	<u>7,494</u>
Total reserves and liabilities		<u><u>342,096</u></u>	<u><u>426,824</u></u>

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



) Moses M Ikiara
) Director
) Dave Muumbi
) Director

KENYA INSTITUTE FOR PUBLIC POLICY RESEARCH AND ANALYSIS

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

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

CASHFLOW STATEMENT
FOR THE YEAR ENDED 30 JUNE 2006

	30 June 2006 Ksh 000	30 June 2005 Ksh 000
OPERATING ACTIVITIES		
Cash generated from operating activities (Note 11)	(9,347)	8,015
Interest Received	1,176	994
Bank overdraft	(18)	(213)
Refund of KTMM Cash	(2,943)	-
	<u>(11,132)</u>	<u>8,796</u>
INVESTING ACTIVITIES		
Purchase of Equipment	(1,010)	(5,073)
	<u>(13,042)</u>	<u>3,723</u>
(Decrease) / Increase in Cash & Cash equivalent	(13,042)	3,723
Cash and Cash Equivalent at the beginning of The period	96,069	92,346
	<u>83,027</u>	<u>96,069</u>
Cash and Cash equivalent the end of the period (11b)	<u><u>83,027</u></u>	<u><u>96,069</u></u>

CASH & CASH EQUIVALENT ('000s)

Account Name	Ac #	Currency	Amount	K-rate	KSHS
KIPPRA – EU	152974-019	Kshs.	5,138	1	5,138
KIPPRA – ACFB	152974-027	USD	199	70.15	13,940
KIPPRA – ACFB	152974-035	Kshs.	529	1	529
KIPPRA – Projects	152974-043	USD	163	70.15	11,406
KIPPRA – Projects	152974-051	Kshs.	5,327	1	5,327
KIPPRA – USAID	152974-078	Kshs.	4,615	1	4,615
KIPPRA – DFID	152974-086	Kshs.	5,849	1	5,849
KIPPRA – DFID	152974-558	GBP	87	127.32	11,078
KIPPRA – GOK	152974-094	Kshs.	18,657	1	18,657
Sustainability	152974-116	Kshs.	5,959	1	5,959
Petty Cash			30	1	30
TOTAL					<u><u>83,027</u></u>

NOTES TO THE FINANCIAL STATEMENTS (Continued)

EQUIPMENT

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

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

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

			30 June 2006 KSh 000	30 June 2005 KSh 000
8	KIPPRA ENDOWMENT FUND	Euro 000	USD 000	
	Chase Bank Fixed Deposit	1,102	-	96,795
	AIG American Equity Trust	-	269	18,354
	AIG Euro-Optimizer Fund	-	-	19,914
	AIG Global Equities Growth Fund	-	215	84,584
	AIG Global Equities Value	-	448	14,506
				29,912
	Cash	1,102	932	162,179
	Domestic investment in Treasury Bills, Bonds, Fixed and Call Deposits	27	1	148,916
		920	1,152	2,456
				80,307
				120,089
		2,049	2,085	245,442
				279,750

The Endowment Fund was set up in January 2001, using funds allocated by the Government of Kenya and the European Commission out of the 1992-1993 Stabex Framework of Mutual Obligations, to provide budget support to KIPPRA over the period up to 30 June 2011. These funds are invested mainly in stocks, corporate and government bonds and off shore investments in the countries in which they are based. The fund is structured as a sinking fund, which will be drawn-down over 10 financial years beginning on 1 July 2001. The funds are managed by Commercial Bank of Africa Limited, who have contracted AIG Global Investment Company (East Africa) Limited to invest and PricewaterhouseCoopers to audit the funds. The investments, which are stated at market value, were last audited as at 30 June 2006. Gains and losses arising on revaluation of these investments were dealt with in the Endowment Fund. The rates ruling as at 30 June 2006 of Ksh 37.84 to 1 Euro and Ksh 70.15 to 1 US Dollar (30 June 2005 - Ksh 37.96 to 1 Euro and Ksh 78.34 to 1 US Dollar) have been used to convert the Endowment Fund to Kenya shillings.

		30 June 2006 Ksh 000	30 June 2005 Ksh 000
9	GRANTS RECEIVABLE		
	African Capacity Building Foundation (ACBF)	-	17,218
	European Union Development Fund (EDF)	-	16,097
	United States Agency for International Development (USAID)	-	4,770
			38,685
10	OTHER RECEIVABLES AND PREPAYMENTS		
	Prepaid rent	202	202
	Rent Deposits	2,130	3,762
	Staff Advances	221	-
	Bank Guarantee	3,600	-
	Insurance Refund	1,746	-
		7,899	3,964

NOTES TO THE FINANCIAL STATEMENTS (Continued)

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

12 RETIREMENT BENEFIT OBLIGATIONS

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

13 LEGAL STATUS

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

14 CURRENCY

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

KENYA INSTITUTE FOR PUBLIC POLICY RESEARCH AND ANALYSIS

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

	30 June 2006 Ksh 000	30 June 2005 Ksh 000
INCOME		
From all Sources as previously stated	137,120	255,023
EXPENSES		
Non staff operating & management costs		
Motor vehicle expenses	1,143	2,044
Postage & courier	344	340
Telephone	3,204	2,904
Internet	1,306	1,785
General Insurance	1,174	1,193
Stationery	1,276	1,757
Library	226	396
Publications	6,818	2,946
Repairs and maintenance	2,389	1,357
Rent	7,215	5,797
Legal fees	546	211
Audit fees	250	110
Travel	2,603	1,567
Research costs	10,016	18,116
Others	823	398
	<u>40,723</u>	<u>42,349</u>
Staff recurrent costs		
Salaries	76,271	73,148
Recruitment costs	845	813
Medical	4,743	4,845
Group life	2,162	2,081
	<u>84,021</u>	<u>80,386</u>
Training		
Workshop costs	18,097	29,523
Staff training & internships	4,314	12,512
	<u>22,911</u>	<u>42,035</u>
Contingencies		
Bank charges	164	209
Board Expenses	4,204	2,322
	<u>4,458</u>	<u>2,531</u>
Consultants' fees	31,354	33,260
Depreciation	4,538	4,067
TOTAL EXPENDITURE	<u>188,105</u>	<u>205,735</u>
Operating (Deficit) / Surplus	(50,985)	49,288
Finance Income	1,967	1,521
Net (Deficit) / Surplus	<u>(49,018)</u>	<u>50,809</u>

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

	30 June 2006 Ksh 000	30 June 2005 Ksh 000
INCOME		
Remittance from ACBF	13,309	24,246
EXPENSES		
Non staff operating & management costs		
Motor vehicle expenses	125	128
Postage & courier	44	49
Telephone	228	633
Internet	-	477
Stationery	187	583
Library	4	179
Publications	601	344
Repairs and maintenance	179	269
Rent	126	1,544
Legal fees	-	-
Audit fees	-	-
Travel	1,338	277
Research costs	-	-
Write offs	14	34
	<u>2,846</u>	<u>4,567</u>
Staff recurrent costs		
Salaries	9,250	20,301
Recruitment costs	-	-
Medical	11	4,115
Contingent costs	-	-
Other staff costs, Group life	-	2,081
	<u>9,261</u>	<u>26,496</u>
Training		
Workshop costs	1,123	1,344
Staff training	2,315	5,283
	<u>3,438</u>	<u>6,627</u>
Contingencies		
Bank charges	13	23
Board Expenses	196	149
	<u>209</u>	<u>172</u>
Consultants' fees	-	439
Depreciation	-	52
TOTAL EXPENDITURE	<u>16,354</u>	<u>38,352</u>
Operating (Deficit)	(2,545)	(14,106)
Finance income	693	602
Net (Deficit)	<u>(1,852)</u>	<u>(13,504)</u>

KENYA INSTITUTE FOR PUBLIC POLICY RESEARCH AND ANALYSIS

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

	30 June 2006 Ksh 000	30 June 2005 Ksh 000
INCOME		
Remittances from EU	28,699	23,735
EXPENSES		
Non staff operating & management costs		
Motor vehicle expenses	244	206
Postage and courier	34	67
Telephone	390	777
Internet costs	395	416
General insurance	286	492
Stationery	204	269
Library	186	13
Publications	2,528	622
Repairs and maintenance	366	242
Rent	1,513	3,406
Travel	15	-
Research costs	-	-
Write offs	-	66
Other expenses	11	16
	<u>6,921</u>	<u>6,690</u>
Staff recurrent costs		
Salaries	16,902	21,473
Recruitment costs	85	-
Medical	-	-
Contingent staff costs	-	-
Other staff costs: Group life	-	-
	<u>16,987</u>	<u>21,473</u>
Training		
Workshop costs	1,521	2,318
Staff training	-	3,009
	<u>1,521</u>	<u>6,489</u>
Contingencies		
Bank charges		3
Board Expenses	25	
	<u>951</u>	
	<u>976</u>	<u>3</u>
Consultants fees	-	-
Depreciation	-	1,071
EDF funds refunded	-	51
TOTAL EXPENDITURE	<u>26,405</u>	<u>36,375</u>
Operating Surplus / (Deficit)	2,294	(2,641)
Finance Income / (Costs)	59	(20)
Net Surplus / (Deficit)	<u>2,353</u>	<u>(2,661)</u>

KENYA INSTITUTE FOR PUBLIC POLICY RESEARCH AND ANALYSIS
 DETAILED INCOME AND EXPENDITURE STATEMENT
 FOR UNITED STATES AGENCY FOR INTERNATIONAL DEVELOPMENT (USAID)
 FOR THE YEAR ENDED 30 JUNE 2006

	30 June 2006 Ksh 000	30 June 2005 Ksh 000
INCOME		
Remittances from USAID	9,860	9,868
EXPENSES		
Non-Staff Operating & Management Costs		
Publications	226	27
Research expenses	-	1,429
Legal Fees	3	-
	<u>229</u>	<u>1,456</u>
Staff recurrent costs		
Salaries	2,208	1,791
Training		
Workshop costs	4,396	1,791
Contingencies		
Overdraft Int		
Bank charges	4	6
Consultants fees	<u>1,050</u>	<u>3,046</u>
Depreciation	-	671
TOTAL EXPENDITURE	<u>7,387</u>	<u>11,916</u>
Operating Surplus / (Deficit)	1,973	(2,230)
Finance Income / (Costs)	34	(79)
Net Surplus / (Deficit)	<u><u>2,007</u></u>	<u><u>(2,309)</u></u>

KENYA INSTITUTE FOR PUBLIC POLICY RESEARCH AND ANALYSIS

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

	30 June 2006 Ksh	30 June 2005 Ksh
INCOME		
Grant income	41,470	50,100
EXPENSES		
Non staff operating & management costs		
Motor vehicle expenses	760	864
Postage & courier	50	166
Telephone	400	1,103
Internet	300	762
General insurance	758	701
Stationery	500	892
Library	-	95
Publications	1,050	1,171
Repairs & maintenance	1,262	1,121
Rent	-	838
Legal fees	-	211
Audit fees	-	40
Travel	150	292
Research exps	-	5
Write offs	-	229
Others	-	472
	<u>5,230</u>	<u>9,362</u>
Staff recurrent costs		
Salaries	34,254	28,811
Recruitment	760	813
Medical expenses	508	720
Other	618	-
	<u>36,240</u>	<u>30,344</u>
Training		
Workshop costs	-	1,291
Staff training	-	2,200
	<u>-</u>	<u>3,491</u>
Contingencies		
Bank charges	-	13
Other office costs	-	2,173
	<u>-</u>	<u>2,186</u>
Consultants' fees	-	984
Depreciation	4,538	1,769
TOTAL EXPENDITURE	<u>46,008</u>	<u>48,136</u>
Operating (Deficit) / Surplus	(4,538)	1,964
Finance Income / (Costs)	135	(14)
Net (Deficit) / Surplus	<u><u>(4,403)</u></u>	<u><u>1,950</u></u>

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

	30 June 2006 Ksh 000	30 June 2005 Ksh 000
INCOME		
Other Income	26	-
EXPENSES		
Non staff operating & management costs		
General Insurance	-	-
Telephone expenses	1,746	-
Postage and courier	150	-
Internet	611	-
Stationary	333	-
Library	107	-
Publications	1,923	-
Repairs and maintenance	566	-
Rent	4,094	-
Legal fees	493	-
Audit Fees	250	-
Travel	330	-
Research expenses	112	-
Other expenses	704	-
	<u>12,218</u>	-
Staff recurrent costs		
Medical expenses	4,224	-
Salaries	13,457	-
Recruitment costs	-	-
Group Life	1,544	-
	<u>19,225</u>	-
Training		
Workshop costs	2,246	-
Staff training/Internships	1,409	-
	<u>3,745</u>	-
Contingencies		
Bank charges	88	-
Board expenses	3,147	-
	<u>3,235</u>	-
Consultants fees	1,328	-
Depreciation	-	-
TOTAL EXPENDITURE	<u>39,751</u>	-
Operating (Deficit)	(39,725)	-
Finance Income	805	-
Net (Deficit)	<u><u>(38,920)</u></u>	-

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

	30 June 2006 Ksh 000	30 June 2005 Ksh 000
INCOME		
Project income	43,162	42,879
Others	94	232
TOTAL INCOME	43,256	43,110
EXPENSES		
Non staff operating & management costs		
Motor vehicle costs	14	36
Postage & courier	16	59
Telephone	21	291
Stationery	62	120
Library	29	-
Publications	490	5
Repairs and maintenance	16	453
Rent	882	224
Legal fees	50	0
Audit fees	-	-
Travel	1,761	(331)
Research costs	9,204	3,300
Write offs	-	-
Other expenses	34	31
	13,279	4,325
Staff recurrent costs		
Salaries	-	11
Medical	-	4
Other staff costs: Group life	-	-
	-	15
Training		
Workshop costs	9,411	12,966
Staff training	-	1,361
	9,411	14,327
Contingencies		
Bank charges	34	8
Other office costs	-	-
	34	8
Consultants fees	28,976	15,535
Depreciation	-	305
TOTAL EXPENDITURE	51,700	34,514
Operating (Deficit) / Surplus	(8,444)	3,596
Finance income / (Costs)	241	(676)
Net (Deficit) / Surplus	(8,202)	7,920

INCOME STATEMENT
FOR THE YEAR ENDED 30 JUNE 2006

(ANALYSED BY SOURCE)

	ACBF		FDF		USAID		GoK		RETAINED EARNINGS		KIPTRA PROJECTS		30 June 2006		30 June 2005	
	Kshs. 000	Kshs. 000	Kshs. 000	Kshs. 000	Kshs. 000	Kshs. 000	Kshs. 000	Kshs. 000	Kshs. 000	Kshs. 000	Kshs. 000	Total	Total	Kshs. 000	Total	Kshs. 000
INCOME																
Grant from GoK				41,170										41,170		50,100
Grant Income	13,309	28,699	9,860											52,368		161,813
Project Income	-	-	-	-	-	-	43,162							43,162		42,879
Other income	-	-	-	-	-	26								120		232
Deferred income for asset acquisition	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	936
TOTAL INCOME	13,309	28,699	9,860	41,170	26	43,256	137,120							188,105		205,638
EXPENDITURE																
Non staff operating & management costs	2,816	6,921	229	5,230	12,218	13,279	40,723							40,723		42,319
Staff recruitment costs	9,361	16,987	2,268	36,240	19,225	-	81,021							81,021		81,071
Training	2,815	-	-	-	1,499	-	1,314							1,314		12,512
Depreciation	-	-	-	4,538	-	-	4,538							4,538		4,667
Contingencies	209	976	4	-	3,235	31	4,158							4,158		2,384
Consultants fees	-	-	1,050	-	1,128	28,976	31,351							31,351		33,260
Workshop costs	1,123	1,521	4,396	-	2,246	9,111	18,697							18,697		29,335
LDI funds refunded	-	-	-	-	-	-	-							-		51
TOTAL EXPENDITURE	16,351	26,405	7,887	46,008	39,751	51,700	188,105							188,105		205,638
Operating (Deficit) / Surplus	(2,515)	2,291	1,973	(1,538)	(39,725)	(8,113)	(50,985)							(50,985)		48,150
Finance Income	693	59	31	135	805	211	1,967							1,967		1,373
Net (Deficit) / Surplus	(1,852)	2,353	2,007	(1,403)	(38,920)	(8,202)	(49,018)							(49,018)		50,637