

PARLIAMENT
OF KENYA
LIBRARY



**KENYA BROADCASTING
CORPORATION**

**Audited
Annual Accounts for the
Year Ended 30th June 2007**

REPUBLIC OF KENYA



KENYA NATIONAL AUDIT OFFICE



**REPORT
OF
THE CONTROLLER
AND AUDITOR-GENERAL**

ON

**THE FINANCIAL STATEMENTS OF
KENYA BROADCASTING
CORPORATION FOR
THE YEAR ENDED
30 JUNE 2007**

KENYA BROADCASTING CORPORATION
FINANCIAL REPORT FOR THE YEAR ENDED 30TH JUNE 2007

BOARD OF DIRECTORS

1. Mr. Charles Muoki - Chairman, Board of Directors
2. Eng. Caleb Olali - Director
3. Mrs. Catherine Kuria - Director
4. Mr. Ben Gituku - Director
5. Mr. Vitalis Musebe - Director
6. Mr. Charles Mwhia - Director
7. Ms. Eunice Muthamia - Alt. to Permanent Secretary,
Ministry of Finance , Director
8. Mr. Onesmus Kibuna - Alt. to Permanent Secretary,
Secretary to the Cabinet and
Head of Public Service
Office of the President, Director
9. Mr. Robert Kungu - For: Attorney General
10. A Representative from the Office of the Auditor General
11. A Representative from Inspector General

MANAGEMENT STAFF

- | | | |
|----------------------|---|-------------------------------|
| 1. David Waweru | - | Chief Executive Officer |
| 2. Hezekiel Oira | - | Corporation Secretary |
| 3. Musa Muthambi | - | Finance Manager |
| 4. Waithera Munyoro | - | Marketing Manager |
| 5. Waithaka Waihenya | - | Editor-in-Chief |
| 6. Samuel Otieno | - | Manager, Technical Services |
| 7. Mary Onyango | - | Television Programmes Manager |
| 8. Moses Koech | - | Radio Programmes Manager |
| 9. Zachary Ochako | - | Administration Manager |
| 10. Arthur Mailo | - | Human Resource Manager |

REGISTERED OFFICES

Broadcasting House
Harry Thuku Road
P.O. Box 30456-00100
NAIROBI

BANKERS

Citi Bank
Upper Hill Branch
A/c No. 300079001

AUDITORS

Kenya National Audit Office
Anniversary Towers
P. O. Box 30084-00100
NAIROBI

KENYA BROADCASTING CORPORATION



STATEMENT OF DIRECTORS RESPONSIBILITIES

The Corporation's Act requires the directors to prepare financial statements for each financial year which give a true and fair view of the state of the financial affairs of the Corporation as at the end of the financial year and its operating results for that period.

It also requires the directors to ensure the Corporation keeps proper accounting records that disclose with reasonable accuracy the financial position of the corporation.

They are also responsible for safeguarding the assets of the Corporation and hence taking reasonable steps for the prevention and detection of fraud and other irregularities.

The Directors accept responsibility for the annual financial statements and in preparing those financial statements, they are required to:

- (i) Select suitable accounting policies and then apply them consistently;
- (ii) Make judgments and estimates that are reasonable and prudent;
- (iii) Ensure conformity with the international accounting standards;
- (iv) Ensure conformity with the international financial reporting standards;
- (v) Prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Authority will continue in operation.

The Directors are of the opinion that the financial statements give a true and fair view of the financial affairs of the Corporation and its operating results. They further accept responsibility for the maintenance of accounting records, which may be relied upon in the preparation of the financial statements as well as adequate systems of internal operation.

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

CHARLES MUOKI
CHAIRMAN

DAVID W. WAWERU
CHIEF EXECUTIVE



KENYA NATIONAL AUDIT OFFICE

REPORT OF THE CONTROLLER AND AUDITOR GENERAL ON THE FINANCIAL STATEMENTS OF THE KENYA BROADCASTING CORPORATION FOR THE YEAR ENDED 30 JUNE 2007

I have audited the financial statements of Kenya Broadcasting Corporation for the year ended 30 June 2007 set out on pages 4 to 14 which comprise the balance sheet as at 30 June 2007, the income statement, statement of changes in equity and cash flow statement for the year then ended, and 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

Directors' Responsibility for the Financial Statements

The directors are responsible for the preparation of financial statements which give a true and fair view of the Corporation'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 entity'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 Corporation's internal controls. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the financial statements. I believe the audit provides a reasonable basis for my opinion.

1. Going Concern

The balance sheet as at 30 June 2007 reflects negative working capital of Kshs. 12,228,224,797 and a negative net worth of Kshs. 14,926,450,080. Further, the income and expenditure account shows a deficit of Kshs. 1,451,987,502 (2006-Kshs. 1,210,619,381), which brought the cumulative deficit to Kshs. 15,854,937,670. The Corporation was unable to service its current maturity of G.O.K loan amounting to Kshs. 11,113,110,675 and could not remit statutory deductions totalling Kshs. 113,587,425, to various institutions thus exposing the Corporation to fines and penalties which have not been provided for in these financial statements. The Corporation is therefore technically insolvent and its continued existence as a going concern is dependent upon the financial support by its creditors and the Government.

2. Cash and Bank Balances

Included in the balance sheet cash and cash equivalents balance of Kshs. 210,119,990 as at 30 June 2007 are KCB bank account, balances for Nakuru, Kisumu, Maralal and Eldama Ravine of Kshs. 17,413,290.90 Dr Kshs. 12,045.95 Cr, Kshs. 23,957.05 and Kshs. 4,151.95 whose cash books were not produced for audit verification. Further the cash and cash equivalents balance includes Citi Bank account No. 0300079001 cash book balance of kshs. 18,102,127.45 Dr which was at variance with the bank reconciliation statement balance of Kshs. 10,130,817.30 Dr by an unreconciled amount of Kshs. 7,971,310.15. Under the circumstances it was not possible to confirm the accuracy and validity of the cash and cash equivalents balance of Kshs. 210,119,990 as at 30 June 2007.

3. Inaccuracies in the Financial Statements


Audit of the financial statements balances as at 30 June 2007 revealed unreconciled variances between the financial statements balances and supporting schedules balances as follows:

| Item | Financial Statements balance (Kshs.) | Supporting Schedules balance (Kshs.) | Variance (Kshs.) |
|---|---|---|-----------------------------|
| Net trade debtors | 553,444,614 | 455,907,876 | 97,536,338 |
| Stocks | 61,385,597 | 77,877,882 | 16,492,285 |
| Cash and cash Equivalent at end year | 210,119,990 | 1,466,159,735 | 1,256,039,745 |

No efforts have been made by management to reconcile the two sets of records. In the circumstances, it was not possible to confirm the accuracy of the above balances reflected in the financial statements as at 30 June 2007.

Opinion

Except for the forgoing 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 affairs of the Corporation as at 30 June 2007 and of its loss and cash flows for the year then ended in accordance with the Kenya Broadcasting Corporation Act, (Cap 221 of the laws of Kenya)



P. N. KOMORA, C.B.S.
CONTROLLER AND AUDITOR GENERAL

Nairobi

25 February 2008

KENYA BROADCASTING CORPORATION

BALANCE SHEET AS AT 30TH JUNE 2007

| ASSETS | Notes | 2006/2007 Kshs. | 2005/2006 Kshs. |
|--|-------|--------------------------------|--------------------------------|
| <u>NON- CURRENT ASSETS</u> | | | |
| Property, plant and Equipment | 2,6 | 3,313,919,574 | 3,411,780,645 |
| Investment | 3 | <u>400,000</u> | <u>400,000</u> |
| | | <u>3,314,319,574</u> | <u>3,412,180,645</u> |
| <u>CURRENT ASSETS</u> | | | |
| Stocks | 4 | 61,385,597 | 71,961,044 |
| Debtors | 5 | 589,074,307 | 478,711,197 |
| Cash & Cash Equivalent | 7 | <u>210,119,990</u> | <u>376,663,408</u> |
| | | <u>860,579,894</u> | <u>927,335,649</u> |
| TOTAL ASSETS | | <u>4,174,899,468</u> | <u>4,339,516,294</u> |
| <u>EQUITY & LIABILITIES</u> | | | |
| Net Equity | | 928,487,590 | 928,487,590 |
| Profit & Loss account | 8 | <u>(15,854,937,670)</u> | <u>(14,378,358,878)</u> |
| | | <u>(14,926,450,080)</u> | <u>(13,449,871,288)</u> |
| <u>NON -CURRENT LIABILITIES</u> | | | |
| OECF (Japan) Loan | 10 | 6,012,544,857 | 6,284,352,806 |
| <u>CURRENT LIABILITIES</u> | | | |
| GOK Loan | 9 | 11,113,110,675 | 9,658,787,226 |
| Creditors | 11 | <u>1,975,694,016</u> | <u>1,846,247,550</u> |
| | | <u>13,088,804,691</u> | <u>11,505,034,776</u> |
| TOTAL EQUITY & LIABILITIES | | <u>4,174,899,468</u> | <u>4,339,516,294</u> |

SIGNED BY:-

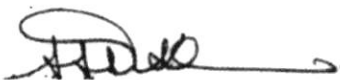
MR. CHARLES MUOKI



DATE 8/1/08

CHAIRMAN

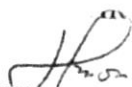
MR. DAVID WAWERU



DATE 7/01/08

MANAGING DIRECTOR

MR. HEZEKIEL OIRA



DATE 7.1.2008

CORPORATION SECRETARY

KENYA BROADCASTING CORPORATION

Statement of changes in Equity

| | Net Equity (Kshs.) | Profit and Loss A/C (Kshs.) | Total (Kshs.) |
|------------------|-----------------------|--------------------------------|-------------------------|
| Opening Balance | 928,487,590 | (14,378,358,878) | (13,449,871,288) |
| Deficit | <u>-</u> | <u>(1,451,987,502)</u> | <u>(1,451,987,502)</u> |
| As at 30-06-2007 | <u>928,487,590</u> | <u>(15,830,346,380)</u> | <u>(14,901,858,790)</u> |
| As at 30-06-2006 | <u>928,487,590</u> | <u>(14,378,358,878)</u> | <u>(13,449,871,288)</u> |

KENYA BROADCASTING CORPORATION
CASH FLOW STATEMENT
FOR THE YEAR ENDED 30TH JUNE 2007

| | 2006/07 | 2005/06 |
|--|----------------------|------------------------|
| | <u>Kshs.</u> | <u>Kshs.</u> |
| <u>Cash flow from operating activities</u> | | |
| Loss for the year | (1,451,987,502) | (1,210,619,381) |
| Adjustments for: | | |
| Prior year | | (1,506,803,506) |
| Interest | (4,486,667) | (31,655) |
| Dividend | (90,000,000) | (132,000,000) |
| Depreciation | 268,088,286 | 297,262,746 |
| Foreign exchange gain | - | 397,323 |
| Provision for bad debts | 23,291,646 | 24,753,141 |
| Interest on GOK Loan | 1,182,515,500 | 1,186,470,402 |
| Operating Gain /Loss before working capital changes | (72,578,736) | (1,340,570,930) |
| Increase/Decrease in Debtors | (110,363,110) | 2,257,433 |
| Increase/Decrease in stocks | 51,440,911 | (4,995,621) |
| Increase in Creditors | 129,446,466 | 119,612,847 |
| Increase in GOK Loan | 1,454,323,449 | 1,186,470,402 |
| Net cash flow from operating activities | 1,452,268,980 | 31,749,493 |
| <u>Cash flow from investing activities</u> | | |
| Purchase of fixed assets | (152,691,875) | (163,185,010) |
| Dividends | 90,000,000 | 132,000,000 |
| Interest | 4,486,667 | 31,655 |
| Net cash flow from investing activities | 1,394,063,771 | 596,138 |
| <u>Cash flow from financing activities</u> | | |
| Japanese loan | | |
| Net cash flow from financing activities | | |
| Net increase/decrease in cash and cash equivalent | (166,543,418) | 244,247,231 |
| Cash & Cash equivalent at the beginning | 376,663,408 | 132,416,177 |
| Cash & cash equivalent at the end | <u>210,119,990</u> | <u>376,663,408</u> |

KENYA BROADCASTING CORPORATION
INCOME AND EXPENDITURE ACCOUNT
FOR THE YEAR ENDED 30TH JUNE 2007

| | NOTES | 2006/2007 | 2005/2006 |
|-------------------------------------|-------|----------------------|----------------------|
| | | KSHS | KSHS |
| INCOME | | | |
| Advertising Radio | | 296,517,877 | 226,546,366 |
| Advertising Television | | 417,391,745 | 266,468,316 |
| Casual & Funeral | | 22,356,202 | 20,227,357 |
| Technical services | | 83,536,193 | 59,996,770 |
| Greeting cards | | 536,794 | 623,236 |
| Miscellaneous income | | 14,983,568 | 9,136,215 |
| Dividend income | 3 | 90,000,000 | 132,000,000 |
| Total gross income | | 925,322,378 | 714,998,260 |
| | | | |
| EXPENDITURE | | | |
| Board expenses | | 11,576,863 | 6,126,484 |
| Personnel emolument | | 477,714,555 | 438,492,789 |
| Insurance premium | | 9,227,063 | 11,558,370 |
| Transport operating expenses | | 11,964,108 | 17,277,703 |
| Travelling & Accommodation Expenses | | 18,310,391 | 13,422,117 |
| Official entertainment | | 4,879,752 | 2,691,180 |
| Seminars & Conferences | | | 121,180 |
| Fees & Commissions | | 17,461,220 | 5,540,542 |
| Postal & Telegrams | | 1,670,077 | 3,535,453 |
| Maintenance of Plant & Machinery | | 17,452,164 | 14,902,002 |
| Financial charges | 9(1) | 1,185,367,457 | 1,187,843,310 |
| Telephone expenses | | 10,959,570 | 10,914,798 |
| Electricity, Water & Conservancy | | 108,074,597 | 96,232,029 |
| Training | | 1,981,697 | 1,232,405 |
| Purchase of consumable Store | | 7,128,729 | 5,246,409 |
| Printing & Stationery | | 3,025,795 | 4,235,101 |
| Advertising & Publicity | | 16,983,185 | 15,630,511 |
| Rent & rates | | 3,172,278 | 4,373,095 |
| Uniforms & Clothing | | 187,807 | 116,583 |
| Agency commission | | 64,581,038 | 56,463,002 |
| Programme production expenses | | 72,938,317 | 84,079,826 |
| Programme telephone lines | | 21,907,642 | 9,875,635 |
| Miscellaneous & other charges | | 1,526,847 | 669,171 |
| Depreciation | 2 | 268,088,286 | 297,262,746 |
| Maintenance land & Buildings | | 5,028,232 | 3,048,998 |
| Bad Debts provision | 5 | 23,291,646 | 24,753,141 |
| Media Survey | | 4,003,740 | 7,003,000 |
| ASK show | | 669,627 | 643,706 |
| Licensing | | 0 | 385,220 |
| News production | | 8,137,196 | 1,543,812 |
| Exchange loss | | 0 | 397,323 |
| TOTAL EXPENDITURE | | 2,377,309,880 | 2,325,617,641 |
| Surplus/ Deficit | 8 | (1,451,987,502) | (1,610,619,381) |

KENYA BROADCASTING CORPORATION

INCOME & EXPENDITURE SUMMARY
FOR THE YEAR ENDED 30 TH JUNE 2007

| | NOTES | 2006/2007 | 2005/2006 |
|---------------------------|----------|-------------------------------|-------------------------------|
| | | <u>Kshs</u> | <u>Kshs</u> |
| Operating income | | 925,322,378 | 1,114,998,260 |
| Less : operating expenses | | <u>2,085,929,947</u> | <u>2,003,601,754</u> |
| Operating income/ loss | | <u>(1,160,607,570)</u> | <u>(888,603,494)</u> |
| Less: _____ | | | |
| Depreciation | 2 | (268,088,286) | (297,262,746) |
| Bad debts provision | 5 | <u>(23,291,646)</u> | <u>(24,753,141)</u> |
| Net income/ loss | 8 | <u>(1,451,987,502)</u> | <u>(1,210,619,381)</u> |

THE ACCOUNTS FOR THE YEAR ENDED 30TH JUNE 2007

1. Accounting Basis

The accounts have been prepared under the historical cost basis of accounting.

2. Depreciation

Depreciation is provided for on the cost/ valuation of assets on reducing balance method with effect from 1 July 1998.

- (i) A full year depreciation charges is provided for on fixed assets acquired at least nine (9) months prior to the end of the financial year.
- (ii) The corporation equipments are divided into ten (10) classes listed below and depreciated at the rates shown against each class.

ASSETS CLASS

DEPRECIATION RATE

| | |
|--------------------------|-------|
| 1. Land & Building | 2.0% |
| 2. Plant & Machinery | 6.5% |
| 3. Transmitter Equipment | 10.0% |
| 4. Studio Equipment | 10.0% |
| 5. OB Equipment | 10.0% |
| 6. Portable Equipment | 10.0% |
| 7. Programmes Links | 6.0% |
| 8. Furniture & Fittings | 12.5% |
| 9. Motor Vehicle | 20.0% |
| 10. Office Equipment | 12.5% |

3. Investment

The corporation owns 40% of the shareholding in Multichoice, which manages KBC Channel 2 Television. The shares are valued at cost.

4. Stocks

The stocks at the end of the financial year were valued at the lower of cost and net realizable value.

They are comprised of:

| | 2006/2007 | 2005/2006 |
|------------------------------------|---------------------|---------------------|
| | <u>KSHS.</u> | <u>KSHS.</u> |
| Stocks | 76,731,996 | 71,961,044 |
| Less provision for obsolete stocks | <u>(15,346,399)</u> | <u>-</u> |
| | <u>61,385,597</u> | <u>71,961,044</u> |

The management is making arrangement to dispose off the obsolete stocks. The provision for obsolete stock is 20 percent of the total stocks.

5. Debtors

The credit policy is strictly enforced though some clients default. Authority has to be obtained from the Board of Directors for any write off after exhausting on chances of uncollectability.

The current debtors are comprised of:

| | 2006/2007 | 2005/2006 |
|-----------------------------------|---------------------------|---------------------------|
| | <u>KSHS.</u> | <u>KSHS.</u> |
| Trade Debtors | 756,616,608 | 631,616,695 |
| Less provision for bad debt | <u>(203,171,994)</u> | <u>(179,880,348)</u> |
| | 553,444,614 | 451,736,347 |
| Imprest | 5,708,662 | 1,112,097 |
| Advances to staff: Salary advance | 8,494,213 | 6,496,385 |
| Car Advance | 14,314,101 | 17,826,291 |
| Prepayments | <u>7,112,717</u> | <u>1,540,077</u> |
| | <u>589,074,307</u> | <u>478,711,197</u> |

6. **Fixed assets**

N/B

- (i) The corporation shall update the value of its assets standing in its books of accounts during any accounting year by enhancing the assets by appropriate factors determined by itself.
- (ii) Provided the physical valuation of fixed assets shall be done at least once in every five (5) years or a lesser period as management may decide.
- (iii) The charges of depreciation to the income and expenditure accounts shall be based on updated values of assets.

7. **Cash And Equivalent**

This is comprised of:

| | 2006/2007 | 2005/2006 |
|--------------|---------------------|---------------------|
| | <u>KSHS.</u> | <u>KSHS.</u> |
| Bank account | 210,093,585 | 376,517,746 |
| Petty Cash | <u>26,405</u> | <u>145,662</u> |
| | <u>210,119,990</u> | <u>376,663,408</u> |

8. **Profit & Loss accounts**

| | 2006/2007 | 2005/2006 |
|---------------------|--------------------------------|--------------------------------|
| | <u>KSHS.</u> | <u>KSHS.</u> |
| Balance B/F | (14,402,950,168) | (13,167,739,497) |
| Profit for the year | <u>(1,451,987,502)</u> | <u>(1,210,619,381)</u> |
| Profit C/F | <u>(15,854,937,670)</u> | <u>(14,378,358,878)</u> |

9. **G.O.K Loan**

The corporation undertook Radio MW Modernization project under the Japanese Loan guaranteed by the G.O.k. However, due to its inability to meet loan repayment obligation, the corporation requests Treasury to pay, once the Treasury pays, it treats it as a loan to KBC and therefore expects reimbursement with interest at market rates. The total accumulated amount paid on behalf of KBC by Treasury amounts to Kshs. 4,297,633,668. This is broken down as follows:-

| <u>YEAR</u> | <u>AMOUNT PAID</u> <u>KSHS.</u> |
|--------------|------------------------------------|
| 1992/93 | 133,911,587 |
| 1993/94 | 208,705,936 |
| 1994/95 | 165,150,778 |
| 1995/96 | 194,427,248 |
| 1996/97 | 174,094,156 |
| 1997/98 | 177,074,545 |
| 1998/99 | 431,617,053 |
| 1999/2000 | 797,090,896 |
| 2000/2001 | NIL |
| 2001/2002 | 881,094,743 |
| 2002/2003 | 702,824,823 |
| 2003/2004 | 159,833,955 |
| 2004/2005 | NIL |
| 2005/2006 | NIL |
| 2006/2007 | <u>271,807,948</u> |
| TOTAL | <u>4,297,633,668</u> |

- (i) Treasury has charged interest of Kshs. 6,815,477,006 in the year on the loan repaid by itself on behalf of KBC. This interest has been charged over the year as follows:-

| <u>YEAR</u> | <u>INTEREST CHARGE</u> <u>KSHS</u> |
|--------------|---------------------------------------|
| 1993/94 | 57,109,634 |
| 1994/95 | 127,337,301 |
| 1995/96 | 179,085,437 |
| 1996/97 | 173,434,820 |
| 1997/98 | 150,220,149 |
| 1998/99 | 172,753,171 |
| 1999/2000 | 225,227,329 |
| 2000/2001 | 329,832,369 |
| 2001/2002 | 499,058,076 |
| 2002/2003 | 624,238,969 |
| 2003/2004 | 876,480,456 |
| 2004/2005 | 1,031,713,393 |
| 2005/2006 | 1,186,470,402 |
| 2006/2007 | 1,182,515,500 |
| TOTAL | <u>6,815,477,006</u> |

10. OECF Loan (Japan)

Kenya broadcasting corporation Modernization project was mooted out of study by the government in 1987. A request was sent to various donors for funding and the Japanese Government agreed to fund it at Japanese Yen 15.441 billion (8,287,588,398). The terms are as follows:-

| | | |
|----------|------------------|------------------|
| 10 Years | Grace period | (1989-June 1999) |
| 20 Years | Repayment period | (1999-2019) |

11. Creditors

This is comprised of:

| | 2006/2007 | 2005/2006 |
|-------------------------------|-----------------------------|-----------------------------|
| | <u>KSHS.</u> | <u>KSHS.</u> |
| Trade creditors | 1,502,337,988 | 1,434,610,479 |
| V.A.T | 350,950,177 | 300,520,830 |
| Statutory Employees deduction | 109,905,865 | 96,328,249 |
| Medical | 25,338 | 2,657,970 |
| Insurance | | 224,760 |
| Coop. shares | 804,228 | 4,268,279 |
| S.A.Y.E | 12,000 | 7,000 |
| Other deductions | 2,281,798 | 1,906,263 |
| Corporation tax | 3,681,560 | 3,681,560 |
| Other accrued liabilities | 5,695,062 | 2,042,160 |
| | <u>1,975,694,016</u> | <u>1,846,247,550</u> |

FIXED ASSETS SCHEDULES AS AT 30TH JUNE 2007

| | LAND & BUILDING | PLANT & MACHINERY | TRANSMITTER EQUIPMENT | STUDIO EQUIPMENT | O.B EQUIPMENT | PORTABLE EQUIPMENT | PROGRAM LINKS | FURNITURE & FITTINGS | MOTOR VEHICLES | OFFICE EQUIPMENTS | TOTALS |
|--------------------------|-----------------|-------------------|-----------------------|------------------|---------------|--------------------|---------------|----------------------|----------------|-------------------|----------------|
| AS AT 30/06/06 | 1,157,983,443 | 279,097,698 | 8,098,980,555 | 290,807,007 | 226,850,629 | 61,597,098 | 76,825,453 | 12,549,833 | 86,121,480 | 85,778,524 | 10,376,591,720 |
| ADDITIONS | - | 24,494,852 | 104,796,123 | 19,297,077 | - | 983,310 | 6,229,187 | 841,598 | 8,223,000 | 5,362,068 | 170,227,215 |
| 30/6/2007 | 1,157,983,443 | 303,592,549 | 8,203,776,678 | 310,104,085 | 226,850,629 | 62,580,408 | 83,054,641 | 13,391,431 | 94,344,480 | 91,140,592 | 10,546,818,936 |
| ACCUMULATED DEPRECIATION | | | | | | | | | | | |
| AS AT 30/6/06 | 269,259,606 | 203,294,790 | 5,883,307,912 | 171,969,075 | 214,753,715 | 45,818,939 | 46,853,831 | 9,319,740 | 72,657,724 | 47,575,743 | 6,964,811,075 |
| CHARGE FOR THE YEAR | 177,745 | 6,519,354 | 232,046,877 | 13,813,501 | 1,209,691 | 1,676,147 | 2,353,053 | 508,961 | 4,337,351 | 5,445,606 | 268,088,286 |
| AS AT 30/6/07 | 269,437,351 | 209,814,145 | 6,115,354,789 | 185,782,576 | 215,963,406 | 47,495,086 | 49,206,883 | 9,828,701 | 76,995,075 | 53,021,349 | 7,232,899,361 |
| NET BOOK VALUE | | | | | | | | | | | |
| AS AT 30/6/07 | 888,546,092 | 93,778,405 | 2,088,421,889 | 124,321,509 | 10,887,223 | 15,085,321 | 33,847,757 | 3,562,730 | 17,349,405 | 38,119,243 | 3,313,919,574 |
| NET BOOK VALUE | | | | | | | | | | | |
| 30/6/2006 | 888,723,837 | 75,802,907 | 2,215,672,643 | 118,837,932 | 12,096,914 | 15,778,158 | 29,971,623 | 3,230,093 | 13,463,757 | 38,202,781 | 3,411,780,645 |

