REPUBLIC OF KENYA

Paper laid by the Leader of Majority on 22/10/14

KENYA NATIONAL AUDIT OFFICE

REPORT

OF

THE AUDITOR-GENERAL

ON

THE FINANCIAL STATEMENTS OF KENYA VETERINARY VACCINES PRODUCTION INSTITUTE

FOR THE YEAR ENDED 30 JUNE 2013

KENYA VETERINARY VACCINES PRODUCTION INSTITUTE

ANNUAL REPORT & FINANCIAL STATEMENTS FOR THE YEAR ENDED 30TH JUNE 2013

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ANNUAL REPORT & FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30TH JUNE 2013

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Corporate Information

Legal Status

The Kenya Veterinary Vaccines Production Institute (KEVEVAPI) was established under Cap 446 of the laws of Kenya on 5th March 1990 through legal notice No. 223 of 4th June, 1990. The Institute was subsequently put under KARI management in July 2003 through Presidential Circular No. 3/2003 until July 2008 when it reverted back to its original status.
It falls under the Ministry of Agriculture, State Department of Livestock.

The KEVEVAPI vision and mission

The vision of the Institute is to be an Institution of excellence and the preferred provider of high quality, affordable veterinary vaccines and services contributing to an improved quality of life for all Kenyans. It's mission is to develop safe, efficacious and affordable veterinary vaccines for the improvement of the livestock industry. It further strives to contribute complementary products and services in control of livestock diseases.

Board of Management

The Board of Management was appointed on 8th may, 2009 by the Minister for Livestock Development through gazette notice No.4791. It was duly inaugurated by the Minster of Livestock Development on 21st June, 2010

(a) Appointed Members
Abdi Adan Suleiman
Aden Abdullah Hussein
Dr. Joseph Litamoi
Sospeter Nyongesa
Isacko Galgalo Mamo
Ms. Asili Halake
Dida Jaldesa
Bernard Saidimu Lenaronkoito
Geoffrey K. Muttai (Secretary)

(b)Ex-Officio Members
- Permanent Secretary, Ministry of Livestock Development
- Permanent Secretary to the Treasury
- Director KARI

Bankers

Kenya Commercial Bank
KICC Branch
P.O.Box 46950-00100
Nairobi.
Tel.020214778, Fax 337650

- Kenya Commercial Bank
  Moi Avenue Branch
  P.O.Box 30081-00100
  Nairobi.
  Tel: 20244939, Fax.20244939

Advocates

- P.K.Mbabu& Company Advocates
  Cannon House, 2nd Floor
  P.O.Box 6728-0100
  Nairobi.

Auditors

- Auditor General
  Kenya National Audit Office
  P.O.Box 30084-00100
  Nairobi.

Registered Office

- Kenya Veterinary Vaccine Production Institute
  Road 'A', Off Enterprise Road, Industrial Area
  P.O.Box 53260-00200
  Nairobi.
  Tel.No.536043/3540071;Fax No. 537744

KENYA VETERINARY VACCINES PRODUCTION INSTITUTE

ANNUAL REPORT & FINANCIAL STATEMENTS FOR THE YEAR ENDED 30TH JUNE 2013

Managing Director's Report

From its inception, the Institute was mandated to perform the following functions:-

1) Co-ordinate and take charge of all veterinary vaccines production in the country.
2) Research, either alone or in collaboration with other research institutions, into new innovations of veterinary vaccines production.
3) Develop and produce chemicals, media and laboratory products for use in the production of vaccines and other veterinary products.
4) Market and distribute veterinary vaccines locally and abroad.
5) Provide information in the field on the suitability and effectiveness of veterinary vaccines.

This mandate has not been altered and is still applicable as a guide to the fundamental facets of the Institute.

The Institute produces 13 different vaccines under two different formulations, viz: freeze dried and liquid types. Due to the failure of our freeze drying machine, only three liquid vaccines were produced in significant amounts during the year under review. These were:-

1. Foot and mouth disease vaccine

This is the major product and accounts for 70% of the revenue to the institute. Although production capacity is estimated at 25 million monoequivalent doses, the highest production after formation of KEVEVAPI was in 1994 when 11.93m monoequivalent doses were produced. During the year under review, 6.456 million doses were produced since we had enough stocks carried over from the previous year.

2. Contagious caprinepleuropneumonia vaccine

CCPP is most prevalent in the northern ASALs of Kenya. Control is mainly regarded as a public good. Demand comes from individual pastoralists and NGOs. During the year under review, a total of 4.703 million doses were produced and sold. Demand for this vaccine is on the rise.

3. Riftvax

Rift valley fever affects cattle, camels, sheep and goats and also human beings where it presents as a hemorrhagic fever and mimicks the dreaded ebola virus disease in humans. It occurs cyclically in explosive episodes soon after heavy rains which follow prolonged dry periods. The disease is particularly important for the arid and semi arid areas.
Riftvax is prepared from Smithburn's attenuated virus. An a virulent strain, clone 13 has now been developed and KEVEVAPI working towards the development of the vaccine using the clone.13.8 million doses were produced during the year under review

RESEARCH AND DEVELOPMENT

1. Oil adjuvanted foot and mouth disease vaccine

The development of an oil based foot and mouth disease vaccine is an adoptive technology project with our collaboration with Biogenesis (SA) of Argentina. A pilot vaccine formulation has been made and tests completed. We are now modernizing our laboratory in terms of equipment and production lines so that we produce the vaccine commercially.

Distribution

With the introduction of County Governments, our focus is now in the Counties so that we make our vaccines available to all farmers at the grassroots level. We are also increasing our marketing activities in the East African Region and beyond.

DR. Geoffrey K. Muttai
Managing Director

Date......9TH JUNE 2014......

Statement of the Board of Management's Responsibilities

The State Corporations Act (Cap.446) requires the Board of Management to prepare financial statements for each financial year, which include a statement of financial position showing in detail the assets and liabilities of the Institute, a statement of comprehensive income, and such other statements that the Board may deem necessary. It also requires the Board to ensure the Institute keeps proper books of account and other books and records in relation to the Institute and to all the undertakings, funds, activities, investments and property of the Institute. They are also responsible for safeguarding the assets of the Institute.

The Board of Management accepts responsibility for the annual financial statements which have been prepared usingappropriate accounting policies supported by reasonable and prudent judgments and estimates in conformity within generally accepted accounting practice and in the manner required by the State Corporations Act Cap 446. The Board of Management is 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 its operating results. The Board of Management 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 control.

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

Director------------------------ Date: 9TH JUNE 2014.

Director------------------------ Date 10/6/2014

REPUBLIC OF KENYA

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NAIROBI

KENYA NATIONAL AUDIT OFFICE

REPORT OF THE AUDITOR-GENERAL ON THE FINANCIAL STATEMENTS OF KENYA VETERINARY VACCINES PRODUCTION INSTITUTE FOR THE YEAR ENDED 30 JUNE 2013

REPORT ON THE FINANCIAL STATEMENTS

I have audited the accompanying financial statements of Kenya Veterinary Vaccines Production Institute set out on pages 8 to 19, which comprise the statement of financial position as at 30 June 2013, and the statement of comprehensive income, statement of changes in reserves and statement of cash flows for the period then ended, and a summary of significant accounting policies and other explanatory information in accordance with the provisions of Article 229 of the Constitution of Kenya and Section 14 of the Public Audit Act, 2003. I have obtained all the information and explanations which, to the best of my knowledge and belief, were necessary for the purpose of the audit.

Management's Responsibility for the Financial Statements

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

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

Auditor-General's Responsibility

My responsibility is to express an opinion on these financial statements based on the audit and report in accordance with the provisions of Section 15 of the Public Audit Act, 2003. The audit was conducted in accordance with International Standards on Auditing. Those standards require compliance with ethical requirements and that the audit be planned and performed to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the 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 control 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 Institute's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the management, as well as evaluating the overall presentation of the financial statements.
I believe the audit evidence obtained is sufficient and appropriate to provide a basis for my qualified audit opinion.

Basis for Qualified Opinion

1. Property, Plant and Equipment

As reported in the previous year, the Government allocated the Institute 98.3 hectares of land registered as L.R. No. 209/11969 on which the Institute headquarters is located. In December 1994, however, a former Managing Director of the Institute applied to the Commissioner of Lands for consent to sub-divide the land into nine separate parcels, without the approval of Treasury and the parent Ministry as required by Section 13 (1) (c) of the State Corporations Act (Cap 446). The subdivided parcels were subsequently disposed of to private developers, again without the approval of the parent Ministry and Treasury. A review of the position during the year under review indicated that the irregularly disposed parcels had not been recovered as at 30 June 2013.

As similarly reported in the previous year, the property, plant and equipment balance of Kshs.581,025,873 as at 30 June 2013 excludes an undermined value of land at the Kibiko holding ground measuring 500 acres and in respect of which no title deed has been issued. In addition, the Institute has not obtained a title deed for the land in Kabete, on which its production plant valued at Kshs.50 million stands.

Under the circumstances, accuracy and ownership of property, plant and equipment balance as at 30 June 2013 could not be confirmed.

2. Creditors Balance

The statement of financial position as at 30 June 2013 reflects a payables balance of Kshs.68,508,379 made up of trade creditors of Kshs.20,178,654 and other creditors of Kshs.48,329,725. However, the balance of Kshs.48,329,725 relating to other creditors was not supported with analyses indicating what it represents. Consequently, the completeness and accuracy of the payables balance of Kshs.68,508,379 as at 30 June 2013 could not be confirmed as fairly stated.

3. Investment in Fixed Deposits

The Statement of financial position also reflects under current assets a balance of Kshs.28,061,072 investments being held in a fixed deposit account at NIC Bank. Available information indicate that the deposit was placed in April 2008 at a negotiated interest rate of 7.75% p.a. However, no evidence has been provided for confirmation that appropriate approval was obtained before investing in fixed deposits as provided under Section 16(2) of the State Corporations Act, (Cap 446).

4. Receivables

The receivables balance as at 30 June 2013 of Kshs.246,151,798 includes amounts of Kshs.104,360,018, Kshs.46,669,683.50 and Kshs.46,194,452 due from the parent Ministry, Cooper Uganda and Rwanda Agriculture Board respectively, out of which, Kshs.20,020,000, Kshs.34,965,683 and Kshs.24,051,722, respectively relate to 2011/2012 and prior years. No efforts appear to have been made to collect the dues and no provision has been made against the debts.

Further, the receivables balance of Kshs.246,151,798 includes other debtors amounting to Kshs.48,927,645 whose dates of occurrence have not been provided. Consequently, the recoverability and accuracy of the receivables balance as at 30 June, 2013 could not be ascertained.

5. Other Income

The statement of comprehensive income for the year ended 30 June 2013 reflects under other income, interest earned of Kshs.2,354,192 which has not been supported by any verifiable document. Consequently, the correctness and accuracy of the income could not be confirmed.

6. Profit on Sale of Assets

During the year, the Institute received Kshs.405,000 from an insurance company, being compensation for a motor vehicle that had been involved in an accident and which had been fully depreciated. However, the proceeds were netted off against administration costs, contrary to the requirements of International Accounting Standards 1. No explanation has been given for contravening the standards.

Qualified Opinion

In my opinion, except for the effect of the matters described in the Basis for Qualified Opinion paragraph, the financial statements fairly present, in all material respects, the financial position of the Institute as at 30 June 2013, and of its financial performance and its cash flows for the year then ended, in accordance with International Financial Reporting Standards and comply with the Kenya Veterinary Vaccines Production Order of 1990.

Edward R. O. Ouko, CBS
AUDITOR-GENERAL

Nairobi

10 July 2014

KENYA VETERINARY VACCINES PRODUCTION INSTITUTE

STATEMENT OF FINANCIAL POSITION AS AT 30TH JUNE, 2013

	Note	30.06.13 KShs	30.06.12 KShs
NON-CURRENT ASSETS			
PROPERTY,PLANT& EQUIPMENT	2	581,025,873	**583,115,565**
CURRENT ASSETS			
Bank	3	15,760,507	50,906,982
Fixed Deposit	4	28,061,072	28,061,072
Guarantees	5	87,004,470	-
Interest receivable	6	3,840,416	1,822,073
Receivables	7	246,151,798	255,781,966
Inventory	8	226,252,947	172,786,972
Deposits	9	1,518,156	1,518,156
Goods In Transit	10	14,844,927	-
TOTAL		**623,434,293**	**510,877,221**
TOTAL ASSETS		**1,204,460,166**	**1,093,992,786**
CURRENT LIABILITIES			
Payables	11	68,508,379	38,361,564
CAPITAL FUND			
Capital Account		367,248,655	367,248,655
Accumulated profits		382,174,305	363,053,740
Revaluation Surplus		272,828,827	272,828,827
Capital Grants	12	113,700,000	52,500,000
TOTAL LIABILITIES		**1,204,460,166**	**1,093,992,786**

SIGNED:
MANAGING DIRECTOR: ------------------------ Date 9TH JUNE 2014

Director: ------------------------ Date 10/6/2014

KENYA VETERINARY VACCINES PRODUCTION INSTITUTE
STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 30TH JUNE 2013

	Note	30.06.13 KShs	30.06.12 KShs
SALE OF VACCINES	**13**	**269,964,915**	**281,264,458**
COST OF PRODUCTION			
Materials		17,947,195	16,966,224
Direct Labor		44,686,805	47,418,923
Operating Expenses		134,674,091	145,051,862
TOTAL	**14**	**197,310,094**	**209,437,009**
GROSS PROFIT		**72,654,821**	**71,827,449**
OTHER INCOME			
Vat refunds		-	6,857,178
Sundry income		890,612	3,296,124
Interest earned		2,354,192	2,478,746
		75,899,625	**84,459,497**
COST OF ADMINISTRATION			
Salaries	15	26,041,117	24,014,815
Traveling & Motor Expenses	16	7,092,847	8,631,528
Marketing Expenses	17	4,702,805	3,150,982
Communication Expenses	18	1,718,947	1,611,559
General Expenses	19	7,178,033	4,733,116
Board Expenses	20	5,157,916	8,131,200
Professional Charges	21	1,824,947	9,498,057
Maintenance & repairs	22	617,179	970,427
Depreciation		2,579,595	2,545,231
Loss on exchange		270,674	1,914,675
Profit on sale of fixed assets		(405,000)	
TOTAL		**56,779,060**	**65,201,590**
PROFIT FOR THE YEAR		**19,120,565**	**19,257,907**

KENYA VETERINARY VACCINES PRODUCTION INSTITUTE

Statement of Changes in Reserves for the Year Ended 30th June 2013

	Capital Fund	Capital Grant	Revaluation Reserve	Accumulated Profits	Totals
	Kshs	Kshs	Kshs	Kshs	Kshs
Opening Balance1.07.11	**367,248,655**	-	**272,828,827**	**343,795,833**	**985,873,315**
GOK Grants		52,500,000			52,500,000
Profits				19,257,907	19,257,90[illegible]
Balance as at 30.06.12	**367,248,655**	**52,500,000**	**272,828,827**	**363,053,740**	**1,055,631,222**
Opening Balance1.07.12	**367,248,655**	**52,500,000**	**272,828,827**	**363,053,740**	**1,055,631,222**
GOK Grants		61,200,000			61,200,000
Profits				19,120,565	19,120,565
Balance as at 30.06.13	**367,248,655**	**113,700,000**	**272,828,827**	**382,174,305**	**1,135,951,787**

KENYA VETERINARY VACCINES PRODUTION INSTITUTE

Statement of Cash flows for the year ended 30.6.2013

	30.06.13 KSHS	30.06.12 KSHS
Cash flows from operating Activities		
Profit for the year	19,120,565	19,257,907
Add: Depreciation	33,472,187	29,948,054
Operating Profit	**52,592,752**	**49,205,961**
Working Capital Changes		
Increase in stocks	(53,465,975)	(25,204,341)
Decrease in Receivables	9,630,168	(59,932,594)
Increase in deposits	-	(320,000)
Increase in Payables	30,146,815	16,424,584
Increase in interest receivable	(2,018,353)	(1,736,325)
Increase in bank Guarantees	(87,004,470)	
Increase in G.I.T	(14,844,927)	
Net cash outflow from operating activities	(64,963,990)	(21,562,715)
Financing Activities		
GOK Capital Grant	61,200,000	52,500,000
Investing Activities		
Purchase of Fixed Assets and net cash used in investing activities	(31,382,495)	(36,302,636)
Net decreasein cash & cash equivalents	(35,146,485)	(5,365,351)
Cash & cash equivalents at the start of year	78,968,054	84,333,405
Cash and cash equivalents at year end	**43,821,579**	**78,968,054**

KENYA VETERINARY VACCINES PRODUCTION INSTITUTE

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 30TH JUNE, 2013

1. ACCOUNTING POLICIES

a) Basis of Accounting

The accounts of the Institute have been prepared under the historical cost convention.

b) Income Recognition

The sale of vaccine which represents the main source of income to the Institute is recognized at the time of sale.

c) Depreciation

Depreciation on fixed assets is provided on a straight line basis and is calculated on cost or valuation at the following rates which are consistent with prior years:-

Land	nil
Buildings	2%
Laboratory Equipment	12.5%
Plant and Machinery	12.5%
Furniture and Fittings	12.5%
Motor Vehicles	25.0%

d) Valuation of Closing Stock

The stocks of bulk, filled vaccines and stores are valued at the lower of cost and net realizable value.

e) Government Grants

Development grants from the GOK for procurement of fixed assets are accounted for using capital approach. The Institute does not receive recurrent grants from the Government.

KENYA VETERINARY VACCINES PRODUCTION INSTITUTE

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 30TH JUNE, 2013

2. PROPERTY, PLANT AND EQUIPMENT

	LAND	BUILDINGS	PLANT &MACHINERY	OFFICE EQUIPMENT	FURNITURE &FITTINGS	MOTOR VEHICLES	TOTAL
Cost as at 1.07.2012	**343,000,000**	**126,030,017**	**182,604,083**	**5,330,352**	**6,024,264**	**12,730,468**	**675,719,184**
Additions	-	**17,462,930**	**13,644,085**	**198,380**	**77,100**		**31,382,495**
Sales	-	-	-	-	-	**(2,802,600)**	**(2,802,600)**
TOTAL	**343,000,000**	**143,492,947**	**196,248,168**	**5,528,732**	**6,101,364**	**9,927,868**	**704,299,079**
DEPRECIATION							
AT 1.07.2012	-	10,160,190	73,739,028	2,226,709	1,248,362	5,229,330	92,603,619
Charge for the year	-	4,304,788	24,531,021	691,091	762,670	3,182,617	33,472,187
Sales						(2,802,600)	(2,802,600)
TOTAL	-	14,464,978	98,270,049	2,917,800	2,011,032	5,609,347	123,273,206
NET BOOK VALUE 30.06.2013	**343,000,000**	**129,027,969**	**97,978,119**	**2,610,932**	**4,090,332**	**4,318,521**	**581,025,873**
NET BOOK VALUE 30.06.2012	**343,000,000**	**115,869,827**	**108,865,055**	**3,103,643**	**4,775,902**	**7,501,138**	**583,115,565**

3 BANK

This represents cash balances held at Kenya Commercial Bank at KICC and Moi Avenue Branches.

4 FIXED DEPOSIT

The amount of **Kshs 28,061,072** represents deposits held at NIC Bank, Nairobi.

5. GUARANTEES

As at 30.6.13, KCB held KShs 87,004,470 in form of bank guarantees to our customers for vaccine delivery. The funds were credited back into our account after year end.

6. INTEREST RECEIVABLE-Kshs 3,840,416

This represents interest receivable from fixed deposit in relation to 2011/12financial year.

7. RECEIVABLES

The figure of **Kshs 246,151,798** is made up of the following: -

	30.06.13	30.06.12
	Kshs	Kshs
Ministry of Livestock	104,360,018	82,714,752
Cooper Uganda	46,669,683	82,006,138
Ministry of Agr. Rwanda	46,194,452	43,665,702
Others	48,927,645	47,395,374
	246,151,798	**255,781,966**

8. STOCKS

The stocks balance of **Kshs 226,252,947** comprises of the following:-

	30.6.13	30.6.12
	Kshs	Kshs
Bulk and filled vaccines	183,815,981	123,258,035
Chemicals, Glassware and Filtration	37,024,890	43,110,144
Engineering and Lab. Equipment	742,152	918,621
Livestock	1,159,400	1,354,200
Others	3,510,523	4,145,972
	226,252,947	**172,786,972**

8. DEPOSITS

Deposits of Shs 1,518,156 are in relation to laboratory gas cylinders of shs 203,000.00, electricity shs 695,156.00 and fuel shs 620,000.00

9. PAYABLES

The Creditors figure of **Kshs 68,508,379** is made up of the following:-

	30.6.13 Kshs	30.6.12 Kshs
Trade Creditors	20,178,654	18,439,764
Other Creditors	48,329,725	19,921,800
	68,508,379	**38,361,564**

10. Goods In Transit

Production inputs paid for and in high seas amounted to Shs 14,844,927.00 as at 31.6.13

11. GOK Capital Grant

During the financial year under review, we received a Capital Grant of Shs 113,700,000 from the GOK for use in the purchase of Laboratory capital equipment.

13. SALES

The Institute manufactures 13 different veterinary vaccines and all sales revenue is derived from the sale of these vaccines:-

	30.03.13	30.06.12
	KShs	KShs.
a) Fortivax	134,501,285	155,043,729
b) Caprivax	32,571,130	36,462,716
c) Riftvax	55,424,990	30,996,470
d) Lumpivax	12,931,030	20,164,800
e) S&Gvax	8,953,800	10,222,110
f) Fowlvax	9,176,400	9,712,400
g) Contavax	6,079,900	8,470,613
h) Pestevax	7,841,000	7,124,500
i) Avivax	2,117,780	2,716,220
j) Poxvax	131,500	126,400
k) Turkeyvax	31,200	30,000
l) Bluvax	164,400	109,000
m) Orfvax	40,500	85,500
Total	**269,964,915**	**281,264,458**

Note		30.6.13 Kshs	30.06.12 (Kshs)
	Materials used	17,947,195	16,966,224
	Direct Labour	44,686,805	47,418,923
	Other staff benefits	11,678,878	4,905,050
14	**General Expenses**		
	Glassware	8,317,080	17,221,241
	Filtration	3,891,782	4,443,305
	Cleaning	1,395,206	1,159,489
	Preparation	1,246,812	1,467,223
	Lab Equipment	1,006,673	2,549,084
	Lab Expenses	-	-
	Animal experimental costs	2,502,410	4,410,409
	Engineering tools	64,186	44,838
	Plant hire	-	-
	Transport	4,969,030	4,470,187
	Insurances	4,033,078	2,582,862
	Residential accomm.	12,406,000	17,463,265
	Stock losses	-	-
	Filling & packing mat.	3,679,766	1,102,515
	Magadi soda	1,016,769	661,200
		44,528,792	57,098,888
	Power & lighting		
	Fuel oil	15,426,643	14,667,465
	Electricity	10,031,794	13,837,363
	Gas	208,902	313,966
	Water	2,225,801	1,910,761
	Incinerator oil	173,700	1,042,124
		28,066,840	31,771,679
	Maintenance& Repairs		
	Premises	1,788,578	3,742,474
	Plant	12,309,676	17,413,289
	Estates & roads	996,950	(892,949)
	Security	4,413,850	3,610,608
		19,509,054	23,873,422
	Depreciation		
	Premises	4,304,788	2,520,600
	Plant	24,531,021	22,825,510
	Motor vehicles	2,056,713	2,056,713
		30,892,522	27,402,823
	Total production and operating Expenses	197,310,086	209,437,009

		30.6.13 Kshs	30.6.12 (Kshs)
15	**Remuneration**		
	Salaries	18,798,169	13,564,015
	Pensions&nssf	3,508,255	5,972,032
	Medical	3,271,038	2,193,594
	Recruitment	-	-
	Training	463,655	2,285,174
	Club exps	-	-
		26,041,117	24,014,815
	No. of staff	**26**	**26**
16	**Traveling&Ent.**		
	Local travel	2,954,685	5,813,207
	Overseas travel	2,920,528	1,933,194
	Motor vehicles	1,217,634	885,127
		7,092,847	**8,631,528**
17	Marketing & publicity	**4,702,805**	**3,150,982**
18	**Communications**		
	Postage	694,057	185,049
	Telephones	528,650	1,067,165
	Cables, Telex&e-mail	496,240	359,345
		1,718,947	1,611,559
19	**General Expenses**		
	Printing& stationery	1,526,405	2,108,376
	Subscriptions	190,199	52,400
	Donations	210,000	240,000
	Insurances	1,438,590	2,145,053
	Bank charges	906,288	104,405
	Sundry off, Exps	1,359,543	1,623,453
	Staff welfare	605,859	683,420
	Limuru farm	941,149	(2,223,991)
		7,178,033	4,733,116
	Total C/F	46,733,749	45,142,000

KENYA VETERINARY VACCINES PRODUCTION INSTITUTE

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 30TH JUNE, 2013

		30.06.13 Kshs	30.06.12 (Kshs)
20	Board Expenses	5,157,916	8,131,200
21	**Professional Charges**		
	Audit fees	680,000	500,000
	Legal fees	-	3,034,800
	Other professional fees	1,144,947	5,963,257
		6,982,863	17,629,257
22	**Maintenance & repairs**		
	Office equipment	599,189	965,867
	Furniture	17,990	4,560
		617,179	970,427
	Depreciation		
	Motor Vehicles	1,125,904	1,125,904
	Office Equipment	691,021	666,294
	Furniture	762,670	753,033
	(profit)/loss on sale		
		2,579,595	2,545,231
	Miscellaneous items		
	(Profit)/loss on exchange	270,674	1,914,675
	Profit on sale of fixed assets	(405,000)	
		(134,326)	1,914,675
	Total Admin. Expenses	**56,779,060**	**65,201,590**

23. All figures have been rounded to the nearest shilling.