

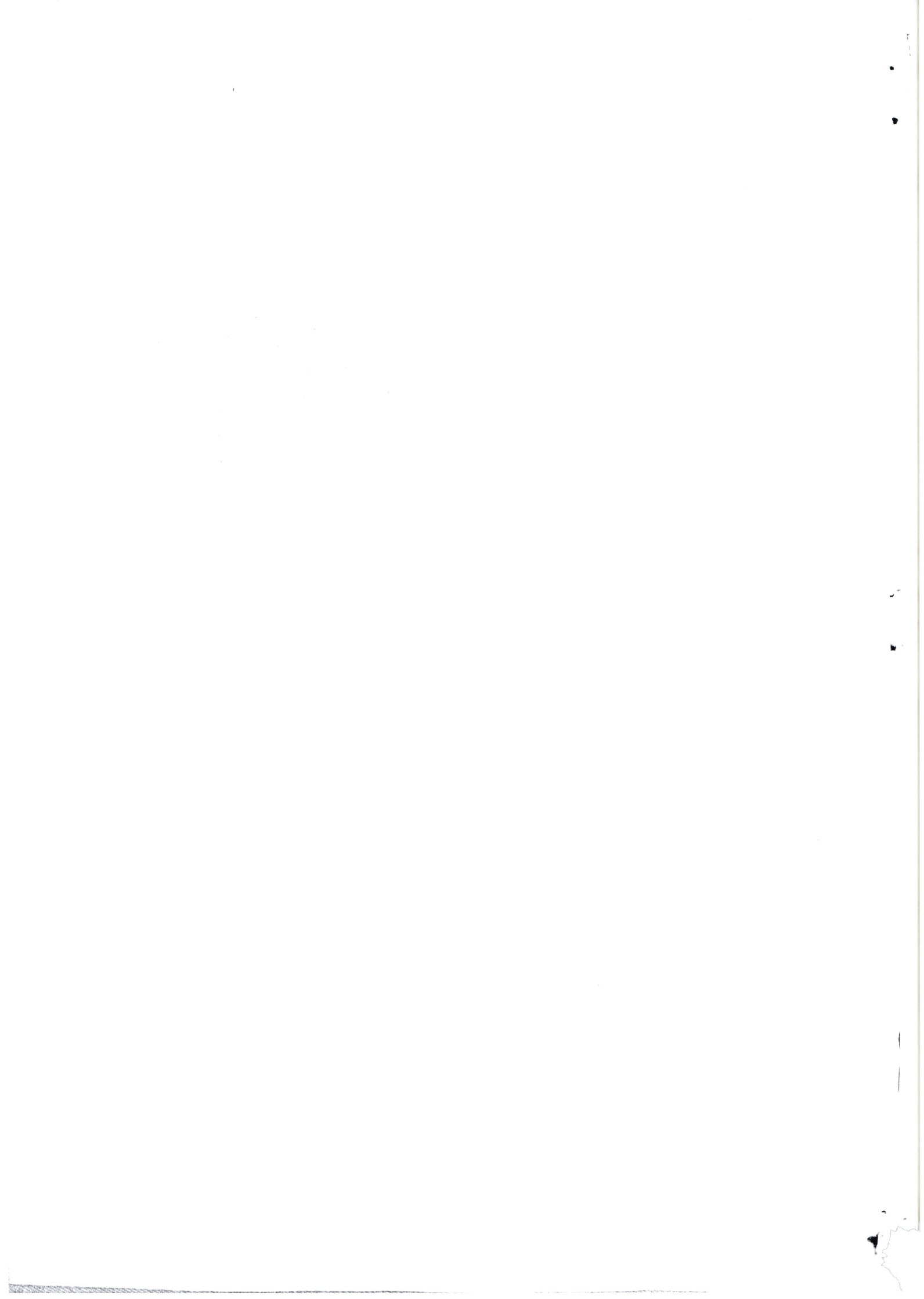


P.O. Box 30121-00100
Tel: 254-020-221211/2044476
Fax: 254-020-340049/224156
Nairobi, Kenya
Email:md@kenyarailways.co.ke

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**REPORT OF THE CONTROLLER AND AUDITOR
GENERAL ON THE ACCOUNTS OF THE KENYA
RAILWAYS CORPORATION FOR THE YEAR ENDED
30TH JUNE 2002.**



REPUBLIC OF KENYA



Telephone: Nairobi: +254-20-335777

Fax: +254-20-330829

E-Mail: cag@kenyaweb.com

P.O. Box 30084-00100

NAIROBI

KENYA NATIONAL AUDIT OFFICE

**REPORT OF THE CONTROLLER AND AUDITOR GENERAL ON THE
FINANCIAL STATEMENTS OF KENYA RAILWAYS CORPORATION FOR THE
YEAR ENDED 30 JUNE 2002**

KENYA RAILWAYS

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KENYA NATIONAL AUDIT OFFICE

REPORT OF THE CONTROLLER AND AUDITOR GENERAL ON THE FINANCIAL STATEMENTS OF KENYA RAILWAYS CORPORATION FOR THE YEAR ENDED 30 JUNE 2002

I have audited the financial statements of Kenya Railways Corporation for the year ended 30 June, 2002 in accordance with the provisions of Section 29 of the Exchequer and Audit Act, Cap 412. 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 Corporation's state of affairs and its operating results. My responsibility is to express an independent opinion on the financial statements based on my 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 statement. I believe my audit provides reasonable basis for the opinion.

Comments

i. Financial Performance

The Corporation incurred a net loss of KShs.1,446,263,458 which brought its accumulated deficit to KShs.11,108,424,377 as at 30 June 2002. Its current liabilities exceeded its total assets by KShs.3,541,317,760. Current year liabilities include bank overdraft of KShs.337,491,962 which exceeds approved bank limit of

KShs.200 million. The Corporation was also not able to service its loan obligations as they fell due. These factors raise substantial doubt that the Corporation will be able to continue as a going concern and its continued operation is dependent upon the support of its lenders, creditors and the Government.

2. General Electric (GE) Inc. Contract

i). Maintenance of locomotives

In 1996, the Corporation without feasibility studies and open tendering procedures entered into a US\$ 65 million (KShs.4.9 billion) contract agreement with General Electric (GE) Inc. for the overhaul and maintenance of 35 locomotives without indicating explicitly in the agreement the post overhaul performance targets (Revenues) to be achieved. However, in what appeared to be post overhaul parameters, the contract performance guarantees provided loosely and in unclear terms for the locomotive overhaul and maintenance of 80% minimum average availability and 50,000 Km. per failure minimum reliability. Available information however indicates that although the locomotive availability has been satisfactory, the minimum reliability of the locomotive at 50,000 Km. per failure has been below par. Consequently, in the absence of feasibility studies and competitive tenders and considering that the minimum reliability of the locomotives at 50,000 Km per failure was one of the fundamental and key objectives of the contract and which was not achieved, it was not possible to express an opinion as to whether the Corporation obtained value for money in respect of US\$65 million (KShs.4.9 billion) contract on the overhaul project.

ii). Contracted staff

It was also noted that the management signed an adversely skewed contract agreement in which the Corporation provided a total of 37 of its staff to assist General Electric in the locomotive rehabilitation exercise at the Corporation's expense. As a result 37 Kenya Railways employees who were paid an undetermined amount of salaries between 1997 to 30 June 2001 were fully engaged in the exercise of overhauling and maintenance of 35 locomotive engines at the Corporation's expense without compensation. The corporation has not provided justification for this arrangement or provided a satisfactory answer to the question whether the undetermined amount of salaries paid by the Corporation to its employees under the terms of the contract was a proper charge to the corporation's funds.

iii). Payments to General Electric (Inc.)

The corporation made payments to General Electric since 1997 amounting to US\$19,322,309.89 as at August, 2002. Available information however show that additional payments of US\$390,566.61 and US\$28,846,865.58 have been made to General Electric since 1997 by Magadi Railways and the Kenya Government respectively for the overhaul and maintenance of the same locomotives. It is not clear whether this additional expenditure has been incorporated in the financial statements of the Corporation. Further it is not clear how the Government and Magadi Railways expenditure totaling US\$28,846,865.58 and US\$390,566.61 respectively should be treated in the Corporations accounts.

3. Inaccuracies of Accounts

During the year under review, it was noted that the opening balances did not agree with the closing balances for the year 2000/2001 as shown below:-

	2001 Closing Balance KShs'000	2002 Opening Balance KShs'000	Difference KShs'000
Land	3,751,485	3,784,145	-32,660
Earth Work Ballast & Fencing	14,999	14,872	127
Building Improvements	2,834,521	2,926,927	-92,406
Locomotives & Rolling Stocks	1,005,391	901,647	103,744
Workshop Plant & Machinery	112,289	114,961	-2,672
Telecommunications	60,034	63,271	-3,237
Water, Transport & Road Services & Other Assets	30,857	4,443	26,414
		Net	-690

Explanation was not given for the differences of KShs.688,419 and a review of the position during 2001/2002 indicated that the differences have not been investigated and adjusted. It was therefore not possible to verify the validity of the opening balances figures and consequently, I am unable to give an opinion as to the accuracy of the financial statements for the year 2001/2002.

4. Fixed Assets

The balance sheet reflected net tangible assets balance of KShs.7,670,558,593 as at 30 June 2002. However, the actual value of the Corporation's net tangible assets could not be confirmed because the computerized assets register reflected a balance of KShs.6,835,229,119 which was not in agreement with the financial statements. Further, the balance sheet figure of KShs.7,670,558 excludes an undetermined value of the Corporation's unsurveyed lands not valued as at 30 June 2002. This situation is indicative of significant impairment on properties but which it is not possible to quantify for incorporation in the financial statements. Consequently, it is possible to confirm whether the carrying values as stated in the financial statements reflect the fair values of the properties as at the balance sheet date.

5. Debtors

The balance sheet reflected debtors balance of KShs.4,391,621,460 as at 30 June 2002 that includes a suspense account figure of KShs.2,110,951,456 (52% of total debtors) which was not supported by adequate documentation to enable determination of what it represents. Under the circumstances, it was not possible to verify the validity, existence and accuracy of debtor's figure of KShs.4,391,621,460 as at 30 June 2002.

6. Stocks

Although the balance sheet reflected a balance of KShs.2,429,180,692 as at 30 June 2002, the Corporation did not carry out physical stock taking exercise to determine the actual quantities and stocks value as at that date. Further, provision for stock obsolescence in the year was KShs.260,487,935 (2001 - KShs.174,987,935) and hence an increase of KShs.85,500,000. However only an amount of KShs.8,800,000 has been charged in the profit and loss account giving rise to unexplained variance of KShs.76,700,000. In view of the above it was not possible to confirm the carrying value of the stock of Ksh 2,429,180,692 stated in the financial statements reflect the fair values of the stocks as at the balance sheet date.

7. Unionisable Staff Medical Identity Cards

The Corporation entered into contractual agreement with M/s Armour Shield Security Services Limited for the supply of approximately 50,000 medical cards for the Corporation's unionisable staff and paid the contractor a down payment of KShs.5,664,000 in February 2002. However, as at 30 June 2002, the Corporation had not received any delivery and no evidence has been seen to show that the

corporation has since received the goods already paid for. In the circumstances, I am unable to confirm whether the carrying value of printing stationery as stated in the financial statements reflect the fair values of the above expenditure as at the balance sheet date.

Opinion

Except for the matters set out in the preceding paragraphs, in my opinion proper books of account have been kept and the financial statements give a true and fair view of the state of the financial affairs of the Corporation as at 30th June 2002 and of its deficit and cash flows for the year then ended and comply with Kenya Railways Corporation Act, (Cap 397).



E.N. MWAI

CONTROLLER AND AUDITOR GENERAL

Nairobi

28 September 2005

KENYA RAILWAYS

INCOME STATEMENT FOR THE PERIOD ENDED JUNE 30, 2002

	<u>NOTES</u>	<u>2000/2001</u>	<u>2001/2002</u>
		<u>Shs.</u>	<u>Shs.</u>
<u>EARNINGS :</u>			
Passenger Traffic		178,914,355	123,037,077
Other Coaching Traffic		10,502,819	8,939,078
Goods Traffic		5,050,065,611	4,505,649,287
Livestock		440,472	1,566,857
Catering Services		43,177,632	31,454,152
Water Transport Services		224,714,345	96,657,778
Railway Training Institute		32,514,440	38,779,052
Miscellaneous Earnings	(16)	302,386,968	392,096,820
Interest on Cash Balances & Advances		35,559,660	38,917,130
Government Grant		0	0
TOTAL		<u>5,878,276,302</u>	<u>5,237,097,231</u>
<u>EXPENDITURE :</u>			
Maintenance of Way and Works		694,834,149	793,434,284
Maintenance of Locomotives, Rolling Stock etc.		337,076,400	301,971,961
Locomotive Running Expenses		1,923,796,295	1,861,770,490
Traffic Expenses		334,347,175	355,186,736
Business Expenses		516,539,150	419,599,967
Catering Services		50,889,545	46,044,016
Water Transport Services		69,686,457	91,709,605
Electrical & Telecommunication Services		78,228,243	66,735,101
Railway Training Institute		34,504,720	55,390,173
General Charges		229,383,575	230,723,121
Miscellaneous Expenditure		1,004,075,401	1,054,145,604
TOTAL		<u>5,273,361,110</u>	<u>5,276,711,058</u>
<u>PROVISIONS :</u>			
Depreciation & Amortization	(2)	273,564,440	305,052,438
Other Provisions	(18)	40,543,069	53,182,870
Total Provisions		<u>314,107,509</u>	<u>358,235,308</u>
Total Expenditure (Including Provisions)		<u>5,587,468,619</u>	<u>5,634,946,366</u>
Net Operating Income - Surplus / (Deficit)		<u>290,807,683</u>	<u>(397,849,135)</u>
Add: GOK Grant		0	438,439,056
Loans Foreign Exchange Adjustments	(2C)	30,073,950	(54,262,969)
Interest on Borrowings	(19)	(962,800,690)	(1,005,751,354)
Add : Gain/(Loss) on Land Sale	(20)	12,700,000	11,600,000
Less : Retrenchments (W - 890)		(4,639,241)	(438,439,056)
Surplus / (Deficit) For the Year		<u>(633,858,298)</u>	<u>(1,446,263,458)</u>
Working Ratios %			
Actual		90	101
Target		85	85

KENYA RAILWAYS

CASHFLOW STATEMENT FOR THE YEAR ENDED JUNE 30, 2002

<u>2000/2001</u>			<u>2001/2002</u>	
<u>Shs</u>	<u>Shs</u>		<u>Shs</u>	<u>Shs</u>
		<u>Cash from Operations</u>		
	(633,855,298)	Surplus / (Deficit) for the Year		(1,446,263,458)
		Add : Items not Involving		
		Movement of Cash		
273,564,440		- Depreciation for the Year	305,052,438	
		- Prior Depreciation Adjustment	0	
<u>273,564,440</u>				<u>305,052,438</u>
	(360,293,858)	Total Cash from Operations		(1,141,211,020)
		<u>Add : Movement In Current Assets</u>		
(180,417,867)		Stores Stocks Decrease/(Increase)	513,139,274	
(27,160,043)		Short T. Invest. Decrease/(Increase)	(38,122,556)	
1,033,176,203		Creditors Increase/(Decrease)	1,002,038,226	
(265,861,678)		Curr. Loan Liab. Increase/(Decrease)	(72,554,165)	
(1,606,073,919)		Debtors Decrease/(Increase)	(833,638,752)	
<u>(7,348,434)</u>		W/Shop Sus. Decease/(Increase)	<u>84,655,896</u>	
	(1,053,685,738)	Net Current Assets Movement		655,517,923
		<u>Less : Investing Activities</u>		
161,290,169		Current Loan Liability Adjustments	88,736,004	
0		East African Loan Stocks	(36,843,776)	
(1,441,070,529)		Long Term Loan Liab. Adjustment	0	
30,073,950		Foreign Exchange Adjustment	(54,262,969)	
(880,544,772)		Interest Charges	(838,604,917)	
357,911,957		Purchase of Fixed Assets	0	
0		Fixed Assets Adjustment	10,063,429	
<u>6,788,965</u>		Capitalisation of Work In Progress	<u>168,828,222</u>	
	(1,765,550,260)	Total Investing Activities		(662,084,007)
		<u>Add : Financing Activities:-</u>		
0		Disposal of Fixed Assets	3,500,000	
(417,348,552)		Provisions Increase/(Decrease)	(255,020,728)	
(99,652,791)		Reserves Increase/(Decrease)	1,596,387	
<u>314,948,792</u>		Prior Year Adjustments	<u>(274,922,022)</u>	
	(202,052,551)	Total Investing Activities		(524,846,363)
		Net Increase/(Decrease) In		
	<u>149,518,113</u>	Cash and Cash Equivalents		<u>(348,455,453)</u>
		<u>Movement in Cash & Cash Equivalents</u>		
		<u>Opening Balances :</u>		
47,884,644		Opening Cash Balance	54,834,359	
<u>(267,989,596)</u>		Opening Bank Balance	<u>(125,421,198)</u>	
	(220,104,952)	Total Opening Balances		(70,586,839)
		<u>Closing Balances :</u>		
54,834,359		Closing Cash Balance.	46,992,004	
<u>(125,421,198)</u>		Closing Bank Balance.	<u>(466,034,296)</u>	
	(70,586,839)	Total Closing Balances		(419,042,292)
		Net Increase/(Decrease) In		
	<u>149,518,113</u>	Cash and Cash Equivalents		<u>(348,455,453)</u>

NOTES TO THE ACCOUNTS

Note 1. ACCOUNTING POLICIES

- (a) **Basis**
Accounts are prepared on a historical cost basis as modified by the revaluation of fixed assets from time to time
- (b) **Compliance**
Accounts are prepared in compliance with the Kenya Railways Corporation Act - Cap 397 , and Exchequer and Audit Act -Cap 412 , Laws of Kenya
- (c) **Depreciation**
Depreciation is charged on a straight line basis based on the estimated useful life of the various classes of assets. Assets are depreciated with effect from the year following commissioning. Details of the useful lives of various classes of assets are shown in Note 2 and Statement No 1 gives the movement of various assets.
- (d) **Stores Stocks**
These are stated at cost less provision for obsolescence and deterioration as shown in Note 4.
- (e) **Short Term Investments**
These consist of Fixed Deposits with various financial institutions stated at market value. They are normally used to provide security for short term borrowings, overdraft facilities and letters of credit. These are detailed in Note 5.
- (f) **Cash-on-Hand**
This is represented by a physical cash count at the close of the Financial Year as shown in Note 6.
- (g) **Bad Debts**
The Corporation provides for bad and doubtful debts at the rate of 5% of the debts that have proved uncollectable. This policy is effective from 1995/96 Financial Year.
- (h) **Workshops : Works-in-Progress**
Workshop works in progress comprises of all materials and labour in the workshops at the various stages of production valued at cost.
- (i) **Creditors and Accrued Charges**
These represent all short term indebtedness of the Corporation that are payable within the next Financial Year and include loan interest charges, arrears of loans, accrued payments and deposits
- (j) **Retention Accounts**
These are accounts maintained in foreign currencies and are converted to Kenya Shillings using the rate ruling at the close of the Financial Year.
- (k) **Loans**
These are denominated in various foreign currencies as shown in Statements No.2 and 2-A and are converted into Kenya Shillings using the closing rate as at June 30, 2002. Arrears of loans and interest charges are transferred to current loan liability at the close of the Financial Year.
- (l) **Provisions**
These are charged to the Accounts based on actual amounts set aside as shown in Statement Number 4.
- (m) **Reserves**
Transfer to reserves include prior-period adjustments and write off/back shown in Statement No. 4

(n) **Working Expenditure**

These are working accounts under various Abstracts as shown in Statement No 3

(o) **Cashflow Statement**

This is provided in compliance with IAS 7

Note 2. TANGIBLE ASSETS

Tangible Assets include Permanent Way, Buildings, Locomotives, Rolling Stock, Plant and Equipment etc. which are required for the on-going operations of the Railways. The table below shows the useful lives and the rates of depreciation for the major classes of Tangible Assets:-

<u>Class of Asset</u>	<u>Average Useful Life (Years)</u>	<u>Rate (%)</u>
(1) Permanent Way and Bridges	50	2
(2) Buildings	50	2
(3) Plant and Machinery	30	4
(4) Signalling Equipment	40	3
(5) Telecommunication Equipment	25	4
(6) Locomotives	30	4
(7) Coaches	25	4
(8) Wagons	20	5
(9) Motor Vehicles	5	20
(10) Office Equipment	5	20

Detailed movements of tangible assets are set out in Statement No 1. The wasting assets are shown at replacement values with subsequent additions at cost. Depreciation is charged on wasting assets based on asset replacement values and calculated on the straight line method over periods related to the useful lives of the assets commencing at the beginning of the year following entry into service

The value of assets brought into service during the year under review was Kshs 168.8million.

The value of tangible assets has been arrived at as follows :-

Tangible Assets as at June 30.	2000/2001 KShs	2001/2002 KShs
Land	3,784,145,000	3,780,645,000
Others	31,093,517,102	31,262,363,324
		<u>35,043,008,324</u>
Less:		
Accumulated Depreciation	(27,067,397,293)	(27,372,449,731)
Net Tangible Assets as at June 30	<u><u>7,810,264,809</u></u>	<u><u>7,670,558,593</u></u>

Note 3. CAPITAL WORKS-IN-PROGRESS - KSHS. 1,441,837,869

This consists of the value, stated at cost, of all the on-going Capital Works which were being undertaken as at June 30, 2002. Detailed movements of works-in-progress are set out in Statement No.1.

Note 4. STORES STOCKS

These are stated at cost less provision for obsolescence and deterioration and comprise the following -

	<u>2000/2001</u> KShs	<u>2001/2002</u> KShs
Stores Unissued	2,728,816,093	2,304,755,572
Capital Stores	55,226,014	50,231,169
Fuel Stocks	4,761,625	0
Materials-in-transit	311,888,260	316,763,259
Claims - Goods	15,935,900	17,238,619
Construction Plant	533,059	568,209
Uniforms	146,950	111,800
GROSS STORES STOCKS	3,117,307,901	2,689,668,627
Less: Provision for Deterioration and Obsolescence of Stores	(174,987,935)	(260,487,935)
NET STORES STOCKS	2,942,319,966	2,429,180,692

Note 5. SHORT TERM INVESTMENTS

These comprise the following :-

	<u>2000/2001</u> KShs	<u>2001/2002</u> KShs
K.C.B Ltd. Fixed Deposit	52,837,243	56,287,455
K.C.F.C Ltd. Fixed Deposit	368,363,894	392,417,212
CITI-BANK - Treasury Bills	-	10,619,026
TOTAL	421,201,137	459,323,693

Note 6. CASH ON HAND

The balance of Cash on Hand consists of the following:-

	<u>2000/2001</u> KShs	<u>2001/2002</u> KShs
Cash on Hand	11,501,540	6,364,374
Cash with Overseas Agents	1,296,991	1,296,991
Imprest Cash	19,423,087	16,590,256
Cash in Transit	22,612,741	22,740,383
TOTAL CASH ON HAND	54,834,359	46,992,004

Note 7. DEBTORS

Details of debtors as at June 30, are as follows -

	<u>2000/2001</u> KShs	<u>2001/2002</u> KShs
Traffic Account -Trade Debtors	371,148,429	880,315,354
Suspense Account -Trade Debtors	2,066,851,778	2,110,951,456
Bad & Doubtful Debts	573,361,138	589,655,817
Advances (General)	67,180,090	67,603,293
Uganda Railways	421,408,178	646,968,646
Numerical Machining Complex Limited	16,285,239	16,293,079
Advances E/S Staff	23,960,577	62,812,887
Car Purchase Scheme	3,131,394	2,367,311
Kenrail Consultants	3,089,221	3,089,221
House Ownership Scheme	11,566,664	11,554,396
GROSS DEBTORS	<u>3,557,982,708</u>	<u>4,391,621,460</u>
Provision for Bad & Doubtful Debts	28,668,057	29,482,791

The provision for bad and doubtful debts is 5% of all debts that proved to be uncollectable for a period exceeding one year as listed in statement No.5

Note 8. WORKSHOPS : WORKS-IN-PROGRESS

This consists of the value, stated at cost, of all the unallocated works which were being undertaken at the underlisted three Kenya Railways workshops as at June 30, 2002

	<u>2000/2001</u> KShs	<u>2001/2002</u> KShs
Central Workshops - Nairobi.	90,111,233	936,785
Marine Workshops - Kisumu	8,522,960	13,002,496
Permanent Way Depot - Nairobi	23,438,158	23,477,174
TOTAL	<u>122,072,351</u>	<u>37,416,455</u>

Note 9. CREDITORS & ACCRUED CHARGES

Details of Creditors and Accrued charges for the year ended June 30, 2002 are as follows -

	<u>2000/2001</u> KShs	<u>2001/2002</u> KShs
(a) Industrial Area Accounts	54,851,993	53,726,213
(b) Loan Interest Charges (Statement No 2-A)	5,850,457,415	6,689,270,020
(c) Deposits	(54,535,877)	72,699,177
(d) Salaries and Wages	11,350,791	6,213,625
(e) Fixed Recoveries	34,936,112	67,794,397
Sub-Total	5,897,090,434	6,889,705,432
(f) Demands Payable		
(i) Accrued Payments	2,345,249,239	2,311,613,373
(ii) Subsidiary Loan Interest Liabilities (GOK & Current Loan Liabilities)	161,270,168	88,736,004
(iii) Uganda Railways	562,889,918	663,596,533
(iv) General Electric International (USA)	469,728,478	42,974,297
(v) GOK - Payment to General Electric	-	130,000,000
(vi) Spornet (SA)	42,100,000	78,729,756
(vii) Audit Fees	2,665,630	3,415,656
(viii) Others	29,339,840	-
Sub-Total	3,613,243,273	3,319,065,619
(viii) Retrenchment costs	0	231,046,717
Sub-Total	3,613,243,273	3,550,112,336
TOTAL	9,510,333,707	10,439,817,768
Less : Current Loan Liabilities (Statement 2B)	161,290,169	88,736,004
GRAND TOTAL	9,349,043,538	10,351,081,764

Note 10. BANK BALANCES

Bank Balances for the year ended June 30, 2001 comprise the following:-

	<u>2000/2001</u> KShs	<u>2001/2002</u> KShs
Main Account (Overdraft)	(347,349,581)	(337,491,962)
Land Account	85,762	225
Passenger Services Account	2,079,807	598,469
Scrap Metal Account	94,939	1,072,191
Collection Accounts	4,680,672	4,882,102
Pension Warrants Account	(2,461,095)	231,047,717
Central Workshops Account	276,496	192,163
Railway Training Institute Account	2,596,628	508,344
K.G I.A Account	9,881	9,881
Letters of Credit - Active Account	(24,743)	483
Retention Accounts	40,816,961	21,895,474
Citibank A/C 300045-006	0	23,297,480
Citibank A/C 300045-014	0	6,014,408
Citibank A/C 300045-022	0	2,126,357
TOTAL BANK BALANCES	(299,194,273)	(45,846,668)
Unpresented cheques	0	400,000,000
	0	(445,846,668)
Add : Miscellaneous Bank Debits	186,241,255	22,571,085
Less : Miscellaneous Bank Credits	(12,468,180)	(42,758,713)
NET BANK BALANCES	(125,421,198)	(466,034,296)

- i) The unpresented cheque for KShs. 400 Million represent drawn cheque payable to the Government for amounts owed in respect of payments to General Electric for maintenance of locomotives.
- ii) Miscellaneous bank debts and credits are amount debited/credited in our bank account without an advice These balances are pursued on a regularity with a view to clearing them. The amounts shown were the balances of as at the end of the year
- iii) The security attached to our overdraft facility a fixed deposit worth KShs. 267 Million and titles to some of our properties

Note 11. LOANS

Details of loans are contained in Statement No 2 The Net Public Debt amounted to KShs 4,723 Million, while accumulated Loan Interest Charges amounted to KShs 6,689 Million as shown in Statement No 2A Loan current liabilities payable are shown separately on Statement No 2-B and amounted to KShs 85.7 Million

Note 12. GOVERNMENT SUBVENTIONS & EQUITY

These consists of the following -

	<u>2000/2001</u> KShs	<u>2001/2002</u> KShs
Kenya Government, 1974	50,000,000	50,000,000
Kenya Government Equity for the purchase of new equipment	468,000,000	468,000,000
TOTAL	<u>518,000,000</u>	<u>518,000,000</u>

Note 13. GRANTS

This consists of the balance brought forward of KShs. 35,555,108.00, being materials paid through grants in the Financial Years 1989/90, 1990/91 & 1991/92

Note 14. MOVEMENT IN PROVISIONS AND RESERVES

Details of movements in Provisions and Reserves are set out in Statement No.4.

Note 15. NET APPROPRIATION ACCOUNT

Movements in the Appropriation Account are as set out below :-

	<u>2000/2001</u> KShs	<u>2001/2002</u> KShs
Cumulative Deficit brought forward	(9,717,283,674)	(9,937,082,941)
Prior years adjustments during the year.	419,699,070	274,922,022
Net Cumulative Deficit brought forward	(9,297,584,604)	(9,662,160,919)
Add: Deficit for the period	(639,498,337)	(1,446,263,458)
Cumulative Deficit carried forward	<u>(9,937,082,941)</u>	<u>(11,108,424,377)</u>

Note 16. MISCELLANEOUS EARNINGS

These consist of the following :-

	<u>2000/2001</u> KShs	<u>2001/2002</u> KShs
Rents & Platform tickets, etc.	180,500,000	133,396,217
Earnings from Uganda Railways	119,263,667	163,315,623
Land Sale & Others	155,361,921	82,271,727
Released and retrieved material	(10,000)	0
Scrap Metal	2,633,301	13,113,253
TOTAL	<u>457,748,889</u>	<u>392,096,820</u>

STATEMENT NO.1

FIXED ASSETS SCHEDULE / DETAILS FOR THE PERIOD ENDED JUNE 30, 2002

	Land	Earth works Ballast and Fencing	Permanent Way Buildings and Other Improvements	Locomotives and Rolling Stock	Workshop Plant and Machinery	Telecommu- nications	Water Transport Road Services Other Assets	TOTAL
	Shs	Shs	Shs	Shs	Shs	Shs	Shs	Shs
ASSETS IN USE								
Balance as at 1-7-2001	3,784,145,000	262,103,209	13,503,094,992	15,393,690,725	1,301,415,960	276,313,906	356,898,310	34,877,662,102
Additions during the period	0	931,330	151,240,580	0	16,509,812	146,500	0	168,828,222
Adjustments during the period	0	0	0	0	0	0	18,000	18,000
Sub-Total	3,784,145,000	263,034,539	13,654,335,572	15,393,690,725	1,317,925,772	276,460,406	356,916,310	35,046,508,324
Disposals during the period	3,500,000	0	0	0	0	0	0	3,500,000
Balance as at 30-6-2002	<u>3,780,645,000</u>	<u>263,034,539</u>	<u>13,654,335,572</u>	<u>15,393,690,725</u>	<u>1,317,925,772</u>	<u>276,460,406</u>	<u>356,916,310</u>	<u>35,043,008,324</u>
DEPRECIATION								
Accumulated Depreciation as at 1-7-2001	0	247,231,330	10,576,168,160	14,492,044,223	1,186,454,712	213,043,359	352,455,509	27,067,397,293
Depreciation Adjustment	0	0	0	0	0	0	0	0
Depreciation during the period	0	1,064,325	164,032,335	126,481,688	7,621,873	5,761,360	90,857	305,052,438
Sub-Total	0	<u>248,295,655</u>	<u>10,740,200,495</u>	<u>14,618,525,911</u>	<u>1,194,076,585</u>	<u>218,804,719</u>	<u>352,546,366</u>	<u>27,372,449,731</u>
Accumulated Depreciation as at 30-6-2002	0	248,295,655	10,740,200,495	14,618,525,911	1,194,076,585	218,804,719	352,546,366	27,372,449,731
Net Value of ———								
Tangible Assets	<u>3,780,645,000</u>	<u>14,738,884</u>	<u>2,914,135,077</u>	<u>775,164,814</u>	<u>123,849,187</u>	<u>57,655,687</u>	<u>4,369,944</u>	<u>7,670,558,593</u>
Net Book Value 30/6/2001	<u>3,751,485,000</u>	<u>14,999,003</u>	<u>2,834,520,788</u>	<u>1,005,391,499</u>	<u>112,288,987</u>	<u>60,034,369</u>	<u>30,856,744</u>	<u>7,609,576,390</u>
WORKS-IN-PROGRESS								
Expenditure as at 1-7-2001	0	53,341,928	277,430,506	676,529,385	76,763,735	353,086,786	163,450,322	1,600,602,662
Add. Exp./Adjustment in 2001/2002	0	0	8,403,679	0	0	0	1,659,750	10,063,429
Sub-Total	0	<u>53,341,928</u>	<u>285,834,185</u>	<u>676,529,385</u>	<u>76,763,735</u>	<u>353,086,786</u>	<u>165,110,072</u>	<u>1,610,666,091</u>
Less: Capitalisation in 2001/2002	0	931,330	151,240,580	0	16,509,812	146,500	0	168,828,222
Net Value of								
Works-in-Progress	0	<u>52,410,598</u>	<u>134,593,605</u>	<u>676,529,385</u>	<u>60,253,923</u>	<u>352,940,286</u>	<u>165,110,072</u>	<u>1,441,837,869</u>

STATEMENT NO 2

LOANS AS AT JUNE 30, 2002

	OPENING BALANCES AS AT JULY 1, 2001 (A)	CURRENT LOAN LIABILITIES (B)	CURRENT UNREDEEMED LIABILITIES ADJUSTMENT (C)	FOREIGN EXCHANGE (GAIN)/LOSS ADJUSTMENT (D)	LOAN LIABILITIES AS AT JUNE 30, 2002 (A+B+C+D)
	Shs	Shs	Shs	Shs	Shs
A. FIXED TERM LOANS RAISED BY PUBLIC					
SUBSCRIPTION EAST AFRICAN LOAN STOCKS					
1954 STG. PD. 5.0 M (1973-76) 4%	90,000	0	0	0	90,000
1957 STG. PD. 8.5 M (1977-83) 5.7%	20,000	0	0	0	20,000
1975 STG. PD. 5.9 M (1977) 9%	24,918,842	0	0	0	24,918,842
1970 KENYA PD. 1.0 M (1990) 6.75%	513,100	0	0	0	513,100
1971 KENYA PD. 3.4 M (1986) 6.75%	11,301,834	0	0	0	11,301,834
	<u>36,843,776</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>36,843,776</u>
LOANS					
B. INTERNATIONAL AGENCIES					
AFDB US\$ 11.031 M. 8 %	460,928,745	0	5,059,369	0	465,988,114
IBRD 1965 US\$ 38.00 M. (428)	93,723,061	0	0	0	93,723,061
IBRD 1970 US\$ 42.40 M. (670)	165,855,789	0	0	0	165,855,789
IBRD 1981 US\$ 58.00 M. (1976-O KE) 9.6	2,014,659,520	0	23,089,848	0	2,037,749,368
LLOYDS BANK STG. 18.79 M.	106,126,421	0	0	0	106,126,421
EXIM BANK 1985 US\$ 15.3 M.	384,826,371	0	0	0	384,826,371
BANQUE INDOSUEZ 1985 US\$ 0.90 M. (1	7,117,090	0	0	0	7,117,090
IDA (1820-O KE) SDR 21.80 M. 8.8 %	412,811,596	42,832,780	42,832,721	58,419,669	471,231,206
ODA £Stg. 7.04 M. 9 %	183,188,767	30,334,825	27,778,507	0	180,632,449
PARIS CLUB RESCHEDULING	611,005,161	0	47,000,399	(4,156,700)	653,848,860
SUB TOTAL	<u>4,440,242,521</u>	<u>73,167,605</u>	<u>145,760,844</u>	<u>54,262,969</u>	<u>4,567,098,729</u>
C. OTHER GOVERNMENTS					
FEDERAL GOVERNMENT OF WEST GERMANY					
K.F.W 1971 DM 8.60 M (1996) 3%	18,199,051	0	0	0	18,199,051
K.F.W. DM 4.5M (2010) 2 %	17,307,064	1,991,051	1,951,820	0	17,267,833
K.F.W DM. 27.00 M (2031) 7.5 %	120,596,124	13,577,348	13,577,348	0	120,596,124
SUB TOTAL	<u>156,102,239</u>	<u>15,568,399</u>	<u>15,529,168</u>	<u>0</u>	<u>156,063,008</u>
TOTAL LOANS (NET PUBLIC DEBT A+B+C)	<u>4,596,344,760</u>	<u>88,736,004</u>	<u>161,290,012</u>	<u>54,262,969</u>	<u>4,723,161,737</u>

STATEMENT NO. 2-A

LOAN INTEREST CHARGES

Loan Particulars	Cumulative Interest as at June 30 2001 Kshs.	Interest for the period 2001-2002 Kshs.	Cumulative Interest as at June 30 2002 Kshs.
1. ODA £Stg. 7.04 M. 9%	308,759,327	47,831,907	356,591,234
2. IDA (1820-O KE) SDR 21.80 M. 8.8%	518,498,034	97,095,687	615,593,721
3. KFW DM. 27.00 M. (2031) 7.5%	473,519,565	62,288,536	535,808,101
4. A.F.D.B. US\$ 11.031M. 8%	874,201,642	137,359	874,339,001
5. K.F.W DM 4.5M. (2031) 7.5%	9,198,779	571,999	9,770,778
6. IBRD 1981 US\$ 58.0M. (1976-0KE) 9.6%	3,192,688,010	536,486,661	3,729,174,671
7. K.F.W 1971 DM 8.6M. (1996) 3%	27,837,747	9,667,726	37,505,473
8. BANQUE INDOSUEZ USD.7758.04 @77.97	2,202,904	694,969	2,897,873
9. PARIS CLUB USD. 974,760.53 @77.97	443,551,407	84,037,761	527,589,168
TOTAL	<u>5,850,457,415</u>	<u>838,812,605</u>	<u>6,689,270,020</u>

STATEMENT NO 2-B

(A) ARREARS OF LOANS AS AT JUNE 30, 2002

<u>LOAN & DETAILS</u>	<u>AMOUNT</u> <u>KShs.</u>
1 ODA £Stg. 7 04 M 9%	14,500,221
2 IDA (1820-O KE) SDR 21.80 M 8.8%	21,416,390
3 KFW DM. 27 00 M (2031) 7 5%	6,788,674
4 A F.D B US\$ 11.031M 8%	0
5 K F.W DM 4.5M. (2031) 7 5%	985,620
6 IBRD 1981 US\$ 58.0M. (1976-0KE) 9 6%	0
7 PARIS CLUB (USD 1,187,628.48 @ KShs 79.15)	0
SUB TOTAL - A	<u>43,690,905</u>

(B) LOANS CURRENT LIABILITIES

<u>LOAN & DETAILS</u>	<u>AMOUNT</u> <u>KShs.</u>
1. ODA £Stg. 7.04 M. 9%	15,834,604
2. IDA (1820-O KE) SDR 21.80 M. 8.8%	21,416,390
3. KFW DM. 27.00 M. (2031) 7.5%	6,788,674
4 A F.D.B US\$ 11 031M. 8%	0
5 K F.W DM 4.5M (2031) 7.5%	1,005,431
6. IBRD 1981 USS 58 0M. (1976-0KE) 9.6%	0
7 PARIS CLUB (USD 1,187,628.48 @ KShs 79.15)	0
SUB TOTAL - B	<u>45,045,099</u>
TOTAL (A + B)	<u>88,736,004</u>

STATEMENT NO. 2-C

CALCULATION OF EXCHANGE GAIN / (LOSS) FOR SERIAL LOANS FOR THE PERIOD ENDING JUNE 30, 2002

	CUMULATIVE DRAWINGS	CUMULATIVE REPAYMENTS	NET TOTAL	CONVERTED APPLYING RATE AS AT 30.6.2002 Shs.	INITIAL LOAN BALANCES AS AT 30.6.2001 Shs.	TOTAL CUMULATIVE EXCHANGE GAIN/ (LOSS) Shs.
1. IBRD 1981 US\$58.00(1976 O KE) 9.6%	25,909,082	0	25,909,082	2,037,749,270	2,037,749,270	0
2. ODA Stg 7.04 M 9%	1,756,304	0	210,967,274	210,967,274	210,967,274	0
3. IDA (1820-O KE) SDR 21.80 M. 8.8%	5,991,497	0	5,991,497	471,231,265	412,011,596	(58,419,669)
4. AFDB (UA.10.0M)	151,784,021	0	151,784,021	465,988,212	465,988,212	0
5. KFW DM. 4.5M.	19,258,884	0	19,258,884	19,258,884	19,258,884	0
6. KFW DM. 27.0M.	135,773,472	1,600,000	134,173,472	134,173,472	134,173,472	0
7. KFW DM. 6.60M. BANQUE INDOSUEZ	18,199,050	0	18,199,050	18,199,050	18,199,050	0
8. 1985 US\$ 0.90 M. (1997) 7.4 % US\$	899,188	809,269	89,919	7,117,089	7,117,089	0
9. PARIS CLUB RESCHEDULED US\$	8,313,399	0	8,313,399	653,848,831	658,005,531	4,156,700
				<u>4,018,533,347</u>	<u>3,964,270,378</u>	<u>(54,262,969)</u>

NOTE

Loan balances, denominated in foreign currency, as at June 30, 2000 were converted using the following exchange rates

	June 30, 2002	June 30, 2001
US \$ 1 = KShs	78 65	US \$ 1 = KShs
£Sig. 1 = KShs	120.12	£Sig. 1 = KShs.
DM. 1 = KShs	34 32	DM 1 = KShs
		79 15
		111 01
		34 32

STATEMENT NO. 3

WORKING EXPENDITURE FOR THE YEAR ENDED JUNE 30, 2002

		2000/2001	2001/2002
		<u>Shs.</u>	<u>Shs.</u>
Abstract A	<u>Maintenance of Way and Works</u>		
100 - 108	CCE's Headquarters and District Staff	138,826,396	137,234,323
109 - 120	Maintenance of Permanent Way	373,243,570	438,139,761
121 - 126	Maintenance of Bridges & Culverts	6,734,589	5,893,575
130 - 136	Maintenance of Works	20,443,259	48,980,707
140 - 145	Water Supply	1,126,532	2,507,427
150	Bush, Gardens Clearing and Conservancy	44,117,334	43,371,771
151	Maintenance of Tools and Plant	6,019,589	13,993,679
152	Purchase of Spares for Tools and Plant	344,430	147,372
153	Fuel Oil And Lubricant	17,854,364	22,890,261
154	Domestic Water Supply	39,603,561	41,110,082
155	Licences and Insurance for Motor Vehicles	1,000	7,395
156	Street Lighting	5,864,034	4,310,792
160	Contingencies for Floods and Accidents	30,041,294	28,151,157
165 - 169	Printing and Stationery	(2,588)	1,249,494
170 - 173	Maintenance of Mechanical Power Signals	12,424	130,454
180 - 186	Office Telephones	4,399,138	4,048,218
190	Minor Works	231,867	73,355
195	Non-Capitalised Major Works	5,924,709	632,803
196 - 199	Work Done for Other Departments	48,648	561,658
	Total - Abstract A	<u>694,834,150</u>	<u>793,434,284</u>
Abstract B	<u>Maintenance of Locomotives, Rolling Stock, etc.</u>		
200 - 208	Central Workshops Manager and Staff	33,119,245	24,420,505
210 - 215	Workshops - Maintenance of Locomotives	76,074,063	87,461,163
220 - 225	Workshops - Maintenance of Coaching Stock	37,417,238	29,484,024
230 - 235	Workshops - Maintenance of Goods Stock	132,015,629	107,846,554
240 - 244	Maintenance of Machinery, Tools and Plant	23,388,299	24,363,979
245	Work Done for Other Departments	109,348	31,485
246	Commercial & Private Work Orders	342,113	1,564,977
248	Departmental Telephone Charges	18,690	226,269
250	Electrical Maintenance	32,196,626	24,256,046
255	Printing and Stationery	1,147,559	1,403,023
270 - 272	Canteen Stores, Equipments, Staff & Uniforms.	1,247,590	289,404
285 - 297	Minor Works	0	624,532
	Total - Abstract B	<u>337,076,400</u>	<u>301,971,961</u>

<u>Abstract C</u>	<u>Locomotive Running Expenses</u>	2000/2001	2001/2002
		<u>KSHS.</u>	<u>KSHS.</u>
300 - 305	CM&EE's Headquarters and District Staff	31,506,141	31,543,344
306	Drawing Office	159,547	194,323
308	Staff Training	5,538,647	15,401,766
310 - 316	Running Repairs	502,910,485	334,832,758
317	Running Expenses	120,423,752	169,988,063
320 - 329	Running Stores	50,216,675	59,179,688
330 - 336	Fuel	1,035,659,688	1,069,760,236
340 - 341	Locomotive Running Sheds	11,764,521	13,805,625
345 - 346	Work Done for Other Departments	8,028,596	5,235,819
350 - 356	Cleaning and Care of Locomotives	11,791,460	11,354,812
360 - 362	Maintenance of Machinery, Tools and Plant	2,441,516	1,296,423
367 - 368	Departmental Telephone Charges	5,595,601	1,810,208
369	Maintenance Repairs and Fuel to Dept. Vehicles	10,018,586	14,704,904
370 - 371	Maintenance of Outside Mech. Handling Equip.	7,279,841	6,336,380
372- 373	Maintenance of Mech. Handling Equipment	85,725	23,308
380 - 382	Running Staff	87,626,285	95,434,815
383 - 384	Electrical Maintenance	17,743,860	18,223,108
385	Printing and Stationery	575,164	989,725
387	Accident Repairs	14,527,005	11,528,190
390	Minor works	0	126,994
Total - Abstract C		1,923,796,295	1,861,770,490

<u>Abstract D(i)</u>	<u>Traffic Expenses</u>	2000/2001	2001/2002
400 - 408	CTM's Headquarters and District Staff	69,302,776	79,996,375
410 - 417	Station Staff	171,600,762	181,969,021
420	Loading and Unloading of Vessels and Trucks	0	5,175
421	Weighing at Ports	110	67,005
422	Shore Works	16,480,709	15,129,582
423	Hire of Buses	(444,035)	0
424	Motor Vehicles Fuel and Maintenance	2,542,058	8,304,820
425	Office Telephone Charges	16,943,103	12,556,793
426 - 435	Running Rooms Staff	30,632,744	30,722,370
440 - 444	Station Stores	16,572,116	13,844,128
445	Accidents	1,579,050	1,372,932
450	Clothing	4,053,558	3,198,828
460 - 465	Printing and Stationery	4,166,080	2,552,467
470 - 490	Collection, Delivery & local Haulage	918,144	5,467,241
Total - Abstract D(i)		334,347,175	355,186,736

<u>Abstract D(ii)</u>	<u>Business Expenses</u>	2000/2001	2001/2002
500 - 506	Business Manager's Headquarters Staff	18,783,188	19,314,412
507 - 511	Station Pier and Shore Working	33,185,858	21,928,893
512	Maintenance Repairs and Other Transport Charges	1,331,092	4,312,856
513 - 515	Station Stores	2,907,446	2,645,732
517	Clothing	155,667	108,072
518	Entertainment	186,815	470,736
519	Commission, Rebates & Discounts	275,950,922	283,464,417
520-521	Printing and Stationery	439,034	131,466
522 - 529	Hire of Uganda Locos	131,952,826	79,470,574
530	Magadi Railways	8,175,268	0
531 - 549	Hire of UR Wagons	43,471,034	7,752,810
Total - Abstract D(ii)		516,539,150	419,599,967

		2000/2001	2001/2002
		<u>Shs.</u>	<u>Shs.</u>
Abstract E	<u>Catering Services</u>		
550 - 559	Superintendence	6,556,808	6,556,068
570 - 573	Refreshment Rooms	35,105,182	34,729,048
574	Hotels Licence Fees	0	0
575 - 576	Hotels Beddings and Laundry	7,939,808	3,982,399
577	Printing and Stationery	7,633	2,140
579	Agency Commission & Motor Maintenance	799,271	514,650
580 - 588	Inland Waterways	212,349	226,704
589	Uniforms	268,494	33,008
	Total - Abstract E	<u>50,889,545</u>	<u>46,044,016</u>

Abstract F	<u>Water Transport Services</u>		
600 - 608	Superintendence	2,641,666	2,447,087
610 - 620	Maintenance and Minor Renewals in Workshops	14,903,903	17,315,254
621 - 631	Running Expenses	50,067,512	69,593,420
632	Repairs, Fuel and Other Transport Charges	722,382	708,038
633	Departmental Telephone Charges	154,715	121,459
635 - 636	Printing and Stationery	68,086	64,267
637	Uniforms	368,262	630,043
640	Minor Works	31,598	3,134
645	Non-Capitalised Major Works	75,991	174,600
646	Insurance	652,342	652,302
	Total - Abstract F	<u>69,686,457</u>	<u>91,709,605</u>

		2000/2001	2001/2002
		<u>Shs.</u>	<u>Shs.</u>
Abstract G	<u>Maintenance of Electrical & Telecommunication Services</u>		
650 - 655	Superintendence	14,831,587	13,417,411
655	Motor Drivers	1,715,975	1,697,716
657	Works & Supervisory Staff	18,188,914	16,740,041
658	Staff Training	695,998	87,295
659	Electrical Maintenance	5,105,571	1,767,189
660 - 665	Station Operations	4,388,505	3,386,116
666 - 669	Signal and Radio Maintenance	28,449,928	20,087,653
670 - 677	Running expenses	4,632,103	4,513,572
678	Electricity Charges	37,477	4,906,413
680 - 689	Telephone Directory	20,700	124,405
690	New Minor Works	6,750	0
695	Non-Capitalised Major Works	154,736	7,291
	Total - Abstract G	<u>78,228,244</u>	<u>66,735,101</u>

Abstract H		<u>Shs.</u>	<u>Shs.</u>
	<u>General Charges</u>		
700 - 701	Board Expenses	1,923,085	4,231,473
702 - 706	Administration	25,626,617	25,999,359
707 - 709	Legal Expenses	12,990,378	40,938,446
710 - 711	Secretariat	1,350,102	1,271,555
712 - 714	Internal Audit	4,048,415	4,814,333
715	Management Services	4,532,540	5,893,814
720 - 722	Data Processing	39,906,636	22,884,484
724 - 738	Personnel	41,117,953	47,000,489
740 - 744	Railway Training Institute	34,530,323	37,822,623
745 - 751	Railway Training Institute Hostels	14,618,775	17,328,679
753 - 755	Staff Training (R.T.I.)	(1,140,503)	238,871
760 - 761	Finance	36,210,815	36,529,177
762 - 763	Audit Expenses	41,412	1,939,981
764	Staff Training (Finance Department)	29,982	29,250
766	Kampala Office - Uganda	713,310	84,046
769 - 774	Supplies	30,600,838	26,845,558
780 - 790	Business Development	18,767,816	12,261,157
	Total - Abstract H	<u>265,868,494</u>	<u>286,113,294</u>

		2000/2001	2001/2002
		<u>Shs.</u>	<u>Shs.</u>
<u>Abstract J</u>	<u>Miscellaneous Expenses</u>		
800 - 804	Pensions and Gratuities	509,820,313	649,542,997
805 - 809	Free Railway Traffic Costs	24,443,951	8,794,748
810	Refund of Fares to Passengers	64,000	0
811	Compensation to Employees	2,645	583,759
812	Refund of Fares to Other persons	1,706,654	22,950,633
814	Loss and Damage to Freight	18,677,679	3,531,080
815	Loss and Damage to Luggages	56,262,054	0
818	Kathekani Train Disaster	4,780	0
820 - 823	Security Services	112,327,471	98,370,405
825 - 827	Fire Precautions	2,500,507	1,498,081
830 - 831	Headquarters Central Despatch Office	1,243,957	818,125
833	Cleaning of Passenger Coaches	184,136	(140,802)
835 - 837	Office Cleaning	134,022	44,228
840 - 844	Staff Housing	120,699,615	112,618,413
845	Free Railway Passenger Costs	0	(362,096)
850 - 859	Staff Allowances	24,200	22,250
860 - 861	Stationery and Printing	13,310,527	11,988,944
864	Cash Shortage Allowance	276,316	0
865	Exchange and Brokerage	21,449,433	10,021,749
866	Professional Subscriptions	520,423	173,511
867	Consulting Services	1,946,300	681,800
868	Municipal Rates	908	253,695
869	Out-patient Medical Services	33,342,130	47,085,289
870	Coffin and transportation Services	1,373,973	3,007,632
871	Agency Services	0	8,044
873	Metric Conversion Services	5,653	0
874	Harambee Projects	407,000	378,050
876	Celebrations Costs	670	0
877	All African Railways	833,175	0
879	R. T. I. General Account	444,247	2,198,681
880	Motor Vehicles Fuel and Maintenance Costs	27,625,902	24,485,739
881	Road Warrants For Staff	38,852,496	32,455,043
883	Telephone Charges	19,861,694	22,094,139
885	Emergency Action Plan Costs	0	27,630
887	Railways House Telephone Charges	0	122,816
888	Union of African Railways	75,905	74,978
890	Retrenchment	0	813,045
	Total - Abstract J	<u>1,008,423,238</u>	<u>1,054,145,604</u>
	TOTAL EXPENDITURE	<u>5,279,689,148</u>	<u>5,276,711,058</u>

STATEMENT NO. 4.

MOVEMENT IN PROVISIONS AND RESERVES

	Staff Pensions	Widows & Orphans Pensions	Fixed Assets Obsolescence	Insurance	Gratuities & Provident Fund	Bad & Doubtful Debts	TOTAL
	Shs.	Shs.	Shs.	Shs.	Shs.	Shs.	Shs.
Balance as at 1st July 2001	692,861,941	181,256,338	97,987,926	(60,306,923)	215,440,132	116,332,451	1,243,571,865
Charges in the Accounts	1,082,750,640	585,200	5,254,857	2,550,000	53,241,749	335,060,536	1,479,442,982
Total	1,775,612,581	181,841,538	103,242,783	(57,756,923)	268,681,881	451,392,987	2,723,014,847
LESS							
Payments/Transfers	1,099,030,863	757,857	293,465,469	11,063,326	299,675,763	31,753,321	1,735,766,619
Balance as at June 30, 2002	676,581,718	181,083,681	(190,242,686)	(68,820,249)	(30,993,902)	419,639,666	987,246,228

A : PROVISIONS

B : RESERVES

	General Reserve	Reserves Adjustment	Asset Revaluation Reserve	Special Depreciation Magadi-L.Inc	Total
	Shs	Shs	Shs	Shs	Shs
Balance as at 1st July 2001	2,692,632,408	(274,299,231)	7,984,838,584	13,962,632	10,417,134,393
Add Adjustments / Charges in the Accounts	633,525	1,267,165	0	10,000	1,910,690
Less Amounts written off / back	0	0	3,507,077	0	3,507,077
Balance as at June 30, 2002	2,693,265,933	(273,032,066)	7,981,331,507	13,972,632	10,415,538,006

STATEMENT NO. 5

BAD AND DOUBTFUL DEBTS AS AT 30TH JUNE, 2002

	<u>MINISTRIES</u>	<u>PARATOTALS</u>	<u>PRIVATE FIRMS</u>	<u>TOTALS</u>
	<u>KSHS.</u>	<u>KSHS.</u>	<u>KSHS.</u>	<u>KSHS.</u>
1 Ledger Accounts	4,650,354	29,000,610	151,424,496	185,075,460
2 Deposit Accounts	0	15,813,278	197,372,232	213,185,510
3 Government Warrants	10,235,937	9,537,560	0	19,773,497
4 Passenger Travel Agencies	0	0	52,818,496	52,818,496
5 Catering	43,919	1,337,119	468,491	1,849,529
6 Water	1,596,070	0	3,758,263	5,354,333
7 Rents	2,272,410	28,293,953	81,032,629	111,598,992
TOTAL	<u>18,798,690</u>	<u>83,982,520</u>	<u>486,874,607</u>	<u>589,655,817</u>