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## KENYA NATIONAL AUDIT OFFICE

### REPORT OF THE CONTROLLER AND AUDITOR GENERAL ON THE FINANCIAL STATEMENTS OF KENYA WILDLIFE SERVICE FOR THE YEAR ENDED 30 JUNE 2005

I have audited the financial statements of Kenya Wildlife Service for the year ended 30 June 2005 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 considered necessary for the purpose of the audit. The financial statements are in agreement with the books of account.

#### Respective Responsibilities of the Trustees and Controller and Auditor General

The Trustees are responsible for the preparation of financial statements which give a true and fair view of the service 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 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 trustees, as well as evaluation of the overall presentation of the financial statements. I believe my audit provides a reasonable basis for my opinion.

#### 1. Salaries, Allowances and Benefits

The Service staff salaries, allowances and benefits increased by Kshs.136,011,000 or 15% from Kshs.924,854,000 in 2003/2004 to Kshs.1,060,865,000 in 2004/2005. The increase was mainly attributed to salary reviews which according to the explanation given by the Service were undertaken with the aim of addressing the problem of unharmonised salaries arising from previous salary awards which were not based on any grading structure. However, contrary to the provision of the State Corporations Act, the



approval of Parent Ministry was not obtained. In the absence of the necessary approvals, the increases totalling Kshs.110,919,180 included in salaries, allowances and benefits balance of Kshs.1,060,865,000 remain irregular.

**2. Training and Development.**

During the year under review, the Service spent a total of Kshs.90,184,000 on Training and Development item thereby incurring an over-expenditure of Kshs.32,300,000 over and above the budgeted provision of Kshs.57,884,000.contrary to sections 11 and 12 of the State Corporations Act. Although the Service has explained that the revised budget for the item was Kshs.120,000,000 for the year, no evidence has been provided for audit showing that the revised budget was approved by the Parent Ministry and the Treasury as provided for under the law.

**3. Short-Term Bank Deposits.**

During the year ended 30 June 2005, the Service invested Kshs.113,845,337 in two financial institutions, the Stanchart - Kshs.5,124,323 and KCB - Kshs.108,721,013 as reflected in the balance sheet. However, authority was not sought before these funds were placed in these financial institutions as required by the Treasury Circular NO.10 of 15 July 1992. In the absence of the necessary approvals, Kenya Wildlife Service was in breach of Treasury's instructions

**Opinion**

Except for the reservations set out in the foregoing 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 financial affairs of the Service as at 30 June 2005 and of its profit and cash flows for the year then ended in accordance with International Financial Reporting Standards and comply with the Wildlife Conservation and Management Act, Cap 376 of the laws of Kenya.



**E.N. MWAI**  
**CONTROLLER AND AUDITOR GENERAL.**

Nairobi

12 April 2006

REPUBLIC OF KENYA



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NAIROBI

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## **KENYA NATIONAL AUDIT OFFICE**

**REPORT OF THE CONTROLLER AND AUDITOR GENERAL ON THE  
FINANCIAL STATEMENTS OF KENYA WILDLIFE SERVICE FOR THE YEAR  
ENDED 30 JUNE 2005**

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**KENYA WILDLIFE SERVICE**

**REPORT AND ACCOUNTS**

**AT**

**30 JUNE 2005**

**Controller and Auditor General,  
Kenya National Audit Office,  
P.O. Box 30084,  
NAIROBI.**

**KENYA WILDLIFE SERVICE**  
**ACCOUNTS FOR THE YEAR ENDED**  
**30 JUNE 2005**

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**MEMBERS OF THE BOARD OF TRUSTEES AND ADMINISTRATION**

**AS AT 30 JUNE 2005**

**MEMBERS OF THE KWS BOARD OF TRUSTEES**

Mr. Daniel Ndonye	(Chairman - Appointed 28/01/05)
Mr. Migot Adhola (Prof)	(Vice chairman - Appointed 22/12/04)
Mr. Julius Kangogo Kipng'etich	(Director - Appointed 21/12/04)
Mr. George Fungo Chengo (Prof)	(Appointed 22/12/2004)
P.S. Secretary to the Cabinet and Head of Public Service	
P.S. Ministry of Finance	
Director, Veterinary Services	
P.S. Ministry of Local Government	
Commissioner of Police	
Chief Conservator of Forests	
Rep. Of P.S. Office of the President (Internal Security)	
Dr. Hellen Gichohi	(Appointed 22/12/04)
Mr. Allan Earnshaw	(Appointed 22/12/04)
Mr. Ololltisatti ole Kamuaro	(Appointed 22/12/04)
Mr. Colin Church	(Chairman - Appointed 25/3/03, left 28/01/05)
Dr. Imre Loeffler	(Appointed 25/3/03, left 21/12/2004)
Ms. Beatrice Nduta Kiarie	(Appointed 25/3/03, left 21/12/2004)
Mr. William Sakataka	(Vice-Chairman--Appointed 25/3/03, left 21/12/2004)
Prof. Frederick Owino	(Appointed 25/3/03, left 21/12/2004)
Dr. Rene Haller	(Appointed 25/3/03, left 21/12/2004)
Mr. Daniel Mungese Somoire	(Appointed 25/3/03, left 21/12/2004)
Mr. Evans Arthur Mukolwe	(Director - Appointed 2/10/03, left 21/12/2004)

**AUDITOR**

Controller and Auditor General  
Anniversary Towers  
University Way  
PO Box 49384  
Nairobi

**BANKERS**

Kenya Commercial Bank Limited  
Moi Avenue Branch  
PO Box 48400  
Nairobi

Standard Chartered Bank Kenya Limited  
Kenyatta Avenue/Langata Branch,  
P.O. Box 30001,  
NAIROBI

KENYA WILDLIFE SERVICE

STATEMENT OF TRUSTEES' RESPONSIBILITIES

The Wildlife Conservation and Management Amendment Act requires the Trustees to prepare financial statements for each financial year which include a balance sheet showing in details the assets and liabilities of the Kenya Wildlife Service, a statement of income and expenditure and such other statements that the Trustees may deem necessary. It also requires the Trustees to ensure the Kenya Wildlife Service keeps proper books of account and other books and records in relation to the Kenya Wildlife Service and to all the undertakings, funds, investments, activities and property of the Kenya Wildlife Service. They are also responsible for safeguarding the assets of the Kenya Wildlife Service.

The Trustees accept responsibility for the annual financial statements, which have been prepared using appropriate accounting policies, supported by reasonable and prudent judgements and estimates, in accordance with International Financial Reporting Standards and in the manner required by the Wildlife Conservation and Management Amendment Act. The Trustees are of the opinion that the financial statements give a true and fair view of the state of the financial affairs of the Kenya Wildlife Service and of its operating result. The Trustees further accept responsibility for the maintenance of accounting records, which may be relied upon in the preparation of financial statements as well as adequate systems of internal financial control.

The financial statements have been prepared on a going concern basis on the assumption that the Government of Kenya and the donors will continue to provide financial support for the foreseeable future to the Kenya Wildlife Service to enable it to meet its obligations as they fall due.

Chairman: DP dy

Director: [Signature]

Date: 25/4/06

**KENYA WILDLIFE SERVICE**  
**INCOME AND EXPENDITURE STATEMENT**  
**FOR THE YEAR ENDED 30 JUNE 2005**

INCOME	Note	2005 KShs'000	2004 KShs'000
Turnover	2	1,260,115	935,800
Other income	3	161,433	176,115
Net interest income	4	<u>2,395</u>	<u>(73)</u>
<b>TOTAL INCOME</b>		<b><u>1,423,943</u></b>	<b><u>1,111,842</u></b>
<b>EXPENDITURE</b>			
Salaries, allowances and benefits	5	1,062,646	924,854
Operating and maintenance expenses	6	796,478	729,923
Depreciation	8	203,558	225,102
Community services		24,748	23,723
Training and development		91,458	44,535
Auditors remuneration		<u>3,006</u>	<u>2,600</u>
<b>TOTAL EXPENDITURE</b>		<b><u>2,181,894</u></b>	<b><u>1,950,736</u></b>
<b>OPERATING DEFICIT</b>		<b>(757,951)</b>	<b>(838,894)</b>
<b>GRANTS ON RECURRENT EXPENDITURE</b>	7	<u>864,614</u>	<u>542,540</u>
<b>NET SURPLUS/(DEFICIT) FOR THE YEAR</b>		<b><u>106,663</u></b>	<b><u>(296,354)</u></b>

The notes set out on pages 7 to 15 form an integral part of these accounts

**KENYA WILDLIFE SERVICE**

**BALANCE SHEET AT 30 JUNE 2005**

		2005	2004
ASSETS	Note	KShs'000	KShs'000
<b>Non current assets</b>			
Property, plant and equipment	8	<u>7,017,347</u>	<u>7,058,872</u>
<b>Current assets</b>			
Inventories	9	149,952	169,953
Receivables	10	156,632	193,947
Short term bank deposits		113,845	-
Cash and bank balances		<u>543,572</u>	<u>151,974</u>
		<u>964,001</u>	<u>515,874</u>
<b>TOTAL ASSETS</b>		<b><u>7,981,348</u></b>	<b><u>7,574,746</u></b>
<b>RESERVES AND LIABILITIES</b>			
<b>RESERVES (Page 6)</b>		<b><u>7,180,900</u></b>	<b><u>6,754,073</u></b>
<b>Non current liabilities</b>			
Long term liability	11	22,544	22,544
Retirement benefits obligations	12	<u>137,912</u>	<u>137,912</u>
		<u>160,456</u>	<u>160,456</u>
<b>Current Liabilities</b>			
Payables	13	232,602	334,030
Unexpended specific donations	14	<u>407,390</u>	<u>326,187</u>
		<u>639,992</u>	<u>660,217</u>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b><u>7,981,348</u></b>	<b><u>7,574,746</u></b>

The Board of Trustees approved the Accounts on pages 3 to 15 on .....and were signed on its behalf by:

CHAIRMAN.....

DIRECTOR.....

Date.....

The notes set out on pages 7 to 15 form an integral part of these accounts

**KENYA WILDLIFE SERVICE**  
**CASH FLOW STATEMENT**  
**FOR THE YEAR ENDED 30 JUNE 2004**

	Note	2005 KShs'000	2004 KShs'000
Cash flows absorbed by operating activities	16(a)	<u>(517,302)</u>	<u>(634,439)</u>
<b>Investing activities</b>			
Additions to property, plant and equipment		(162,032)	(301,984)
Cash outflows from investing activities		<u>(162,032)</u>	<u>(301,984)</u>
Net cash flows before financing activities		<u>(679,334)</u>	<u>(936,423)</u>
<b>Financing activities</b>			
Disposal of fixed asset		-	74,320
Grants on recurrent expenditure		864,614	542,540
Capital donor funds		<u>320,163</u>	<u>264,475</u>
Cash inflows from financing activities		<u>1,184,777</u>	<u>881,335</u>
Increase/(Decrease) in cash and cash equivalents	16(b)	<u><u>505,443</u></u>	<u><u>(55,088)</u></u>

The notes set out on pages 7 to 15 form an integral part of these accounts

**KENYA WILDLIFE SERVICE**

**STATEMENT OF CHANGES IN EQUITY**  
**FOR THE YEAR ENDED 30 JUNE 2005**

	Capital Re serve (MTW) KShs'000	Revaluation reserve KShs'000	Capital grants KShs'000	Revenue reserve KShs'000	Total KShs'000
1 July 2004	1,271,387	3,290,069	3,790,188	(1,598,071)	6,754,073
Capital donor funds Received	-	-	320,164	-	320,164
Net surplus for the year	-	-	-	106,663	106,663
<b>30 June 2005</b>	<b><u>1,271,887</u></b>	<b><u>3,290,069</u></b>	<b><u>4,110,352</u></b>	<b><u>(1,491,408)</u></b>	<b><u>7,180,900</u></b>

Capital reserve represents the aggregate value of the property, plant and equipment taken over from the Wildlife Conservation and Management Department of the Ministry of Tourism and Wildlife (MTW) at a value agreed at that time.

The notes set out on pages 7 to 15 form an integral part of these accounts

# KENYA WILDLIFE SERVICE

## NOTES TO THE ACCOUNTS AT 30 JUNE 2005

### I. SIGNIFICANT ACCOUNTING POLICIES

The principal accounting policies adopted in the preparation of these financial statements are set out below:

(a) Basis of preparation

The financial statements are prepared in accordance with International Financial Reporting Standards. The financial statements are prepared under the historical cost convention as modified by the revaluation of certain property, plant and equipment.

b) Depreciation

Airstrips and roads are not depreciated on the basis that adequate maintenance is carried out to ensure that these assets maintain their value. Depreciation on the property, plant and equipment portfolio revalued as at 30 June 1996 is computed based on the remaining useful life to reduce their values to a 5% residual value. Subsequent additions are depreciated on a straight line basis at the following rates until they are reduced to their residual value of 5%.

Freehold land	Nil
Buildings on long leasehold and freehold land	2%
Buildings on short leasehold land	Over the lease period
Fences and Barriers	10%
Machinery and Water Supplies	10%
Furniture and Equipment	10%
Motor Vehicles and Tractors	20%
Computer and Accessories	20%
Aircraft	7.5%
Boats and Boat engines	10%
Roads and Bridges	Nil
Airstrips	Nil

c) Stores

Stocks are carried at historical cost of acquisition plus any incidental costs incurred to bring them at their present location and condition. Obsolete stocks are segregated and not included in the valuation of stocks. Consumable stores are valued at the lower of cost and net realisable value.

d) Translation of foreign currencies

Transactions during the year are converted into Kenya Shillings at rates ruling at the transaction dates. Assets and liabilities at the balance sheet date that are expressed in foreign currencies are translated into Kenya Shillings at rates ruling at the balance sheet date. The resulting differences from conversion and translation are dealt with in the income and expenditure account in the year in which they arise.

e) **Bad and doubtful debts**

Specific provisions are made in respect of accounts considered to be bad or doubtful.

f) **Income**

Income is accounted for on an accrual basis except for prepaid park entry tickets and smartcard income, which is recognised on a receipt basis.

g) **Capital grants**

In addition to an annual subvention, the Government of Kenya (GOK) has negotiated financing packages with various donors to fund the Service. This finance is in the form of loans and grants to GOK, all of which are passed on to the Service in the form of government grants. Grants received from and through the GOK have been treated as Capital Grants when in respect of either development expenditure or acquisition of fixed assets. Assets acquired from these grants are capitalised and then depreciated in accordance with the depreciation policy per note 1(b). The computed depreciation charge is expensed in the profit and loss account.

h) **Grants on recurrent expenditure**

Grants received from and through the GOK have been treated as revenue receipts when in respect of funding recurrent expenditure. Related operating and maintenance expenses are charged to revenue expenditure.

i) **Employee benefits**

The Service employees are eligible for retirement benefits under a defined benefit plan. The amount in the balance sheet is determined as the present value of the defined past service benefits obligation net of value placed on existing scheme assets as computed by an independent actuarial valuer. The deficit/surplus arising is recognised in the accounts.

j) **Cash and Cash equivalents**

For the purposes of the cash flow statement, cash and cash equivalents comprise cash in hand, bank balances, and deposits held at call with the banks.

k) **Impairment of assets**

The carrying amounts of the organisation's assets are reviewed at each balance sheet date to determine whether there is any indication of impairment. If such indication exists, the assets recoverable amount is estimated and an impairment loss recognised whenever the carrying amount of an asset exceed its recoverable amount.

2. **TURNOVER**

	2005 KShs'000	2004 KShs'000
Park entry fees	1,187,584	885,477
Accommodation	<u>72,531</u>	<u>50,323</u>
	<b><u>1,260,115</u></b>	<b><u>935,800</u></b>

	2005 KShs'000	2004 KShs'000
<b>3. <u>OTHER INCOME</u></b>		
Rental income	40,964	44,055
Game & professional hunters licenses	2,888	2,453
Hire of aircrafts and vehicles	3,830	2,440
Transport, accommodation and hire of training facilities	631	3,599
Insurance compensation	-	57,888
Sebastian's café sales	7,519	6,668
Kifaru Ark sales	9,981	6,603
Accommodation & hire of training facilities – Naivasha	19,043	16,652
Tuition fees	30,091	15,447
Other miscellaneous income	<u>46,486</u>	<u>20,310</u>
	<b><u>161,433</u></b>	<b><u>176,115</u></b>
<b>4. <u>NET INTEREST INCOME</u></b>		
Interest income	2,775	198
Interest on overdraft	(380)	(271)
<b>Net interest income</b>	<b><u>2,395</u></b>	<b><u>(73)</u></b>
<b>5. <u>SALARIES, ALLOWANCES AND BENEFITS</u></b>		
Salaries and allowances	901,310	783,258
Gratuity contributions, pension and NSSF	66,905	59,996
Passage and leave expenses	19,407	4,666
Medical expenses	44,425	35,717
Leave pay accrual	<u>30,599</u>	<u>41,217</u>
	<b><u>1,062,646</u></b>	<b><u>924,854</u></b>
<b>6. <u>OPERATING AND MAINTENANCE EXPENSES - Per page 13</u></b>		
<b>7. <u>GRANTS ON RECURRENT EXPENDITURE</u></b>		
Grants received and receivable on account of recurrent expenditure:-		
	2005 KShs'000	2004 KShs'000
Donor Agencies	38,750	38,330
GOK subventions	729,473	390,146
Donations	<u>96,391</u>	<u>114,064</u>
	<b><u>864,614</u></b>	<b><u>542,540</u></b>
<b>8. <u>PROPERTY, PLANT AND EQUIPMENT - Per page 15</u></b>		

	2005 KShs'000	2004 KShs'000
<b>9. <u>INVENTORIES</u></b>		
Building, water and fencing materials	5,005	4,587
Spare parts and tools	57,819	59,426
Fuel and oils	5,694	6,458
Stationery	1,733	12,759
Aircraft spares	31,549	40,285
Ammunition	25,865	26,313
Telecommunication equipment spares	2,164	1,673
Uniforms and compositions	12,672	11,659
Shop items	5,055	4,783
General	2,056	1,839
Drugs	340	171
	<u>149,952</u>	<u>169,953</u>
<b>10. <u>RECEIVABLES</u></b>		
Trade receivables	67,910	65,959
Less: Provision for doubtful debts	<u>(32,774)</u>	<u>(34,977)</u>
Net trade receivables	35,136	30,982
Imprests	17,583	9,551
Prepayments and staff receivables	43,950	36,091
Grants receivable	15,454	14,787
Mobilisation funds	16,216	21,621
Other receivables	<u>28,293</u>	<u>80,915</u>
	<u>156,632</u>	<u>193,947</u>
<b>11. <u>LONG TERM LIABILITY</u></b>		

This represents unsurrendered revenue to the Service's predecessors, the Ministry of Tourism and Wildlife and is due to the Government of Kenya (GOK). The liability was acquired by the Service in 1989 upon commencement of its operations and has no repayment terms.

**12. RETIREMENT BENEFITS OBLIGATIONS**

Kenya Wildlife Service operates a funded defined benefit scheme whereby it matches contributions to the scheme made by the employees up to 10.5% of the employees gross salary while the employee contribute 5% of their pensionable salaries.

An independent actuarial valuations were conducted by Hymans Robertson (Kenya) Limited as at 30 June 2000 and 31 December 2000 on the Kenya Wildlife Service superannuation scheme and the deficits arising of KShs 111 million and KShs 137.9 million respectively were adjusted against reserves as at 1 July 2000 and 1 July 2001 as follows:-

	KShs'000
Total present value of obligation	
As at 31 December 2000	633,719
Less: Fair value of scheme's assets as at 31 December 2000	<u>(495,807)</u>
Net liability as at 31 December 2000	<u>137,912</u>
<b>Comprising:</b>	
Previously recognised liability as at 30 June 2000	110,996
Prior period adjustment	<u>26,916</u>
As restated at 30 June 2001	<u>137,912</u>

13. **PAYABLES**

	2005 KShs'000	2004 KShs'000
Trade payables	36,403	37,738
Payroll deductions	91,331	135,727
Contract retentions payable	10,867	5,588
Other payables and accruals	63,402	113,760
Leave pay accruals	<u>30,599</u>	<u>41,217</u>
	<u>232,602</u>	<u>334,030</u>

14. **UNEXPENDED SPECIFIC DONATIONS**

	2005 KShs'000	2004 KShs'000
Balance at 1 July	326,187	351,763
Additions	1,090,657	556,470
Utilised in the year	<u>(1,009,454)</u>	<u>(582,046)</u>
Balance at 30 June	<u>407,390</u>	<u>326,187</u>

The amounts relate to unutilised funds for specific projects financed by various donors.

15. **TAXATION**

In accordance with Kenya Gazette Notice dated 15 January 1992, Kenya Wildlife Service was exempted from Income Tax under Section 13(2) of the Income Tax Act (Cap 470) for a period of 5 years commencing 1 January 1992 to 31 December 1996. The exemption was extended for a further five years with effect from 1 January 1997 to December 2001. The exemption has been extended for a further five years with effect from 1 January 2002 as per Kenya Gazette Notice dated 19<sup>th</sup> April 2003.

16. NOTES TO THE CASH FLOW STATEMENT

a) **Reconciliation of the net deficit to cash outflows from operating activities**

	2005 KShs'000	200 KShs'000
Operating deficit for the year	(757,951)	(838,894)
Depreciation	203,558	225,102
Gain on disposal of fixed asset	-	(57,888)
Interest income (net)	<u>(2,395)</u>	<u>73</u>
<b>Operating deficit before working capital changes</b>	<b>(556,788)</b>	<b>(671,607)</b>
Decrease in Inventories	20,001	33,789
Decrease in receivables	37,315	(93,274)
Decrease in payables	(101,428)	122,302
Increase in unexpended specific donations	81,203	(25,576)
<b>Cash utilised by operations</b>	<b>(519,697)</b>	<b>(634,366)</b>
Interest received (net)	2,395	<u>(73)</u>
<b>Cash flows absorbed by operating activities</b>	<b><u>(517,302)</u></b>	<b><u>(634,439)</u></b>

b) **Movement in cash and cash equivalents**

	2005 KShs'000	2004 KShs'000	Change during the year KShs'000
Cash and bank balances	543,572	151,974	390,598
Short-term bank deposits	<u>113,845</u>	<u>0</u>	<u>113,845</u>
	<u>657,417</u>	<u>151,974</u>	<u>505,443</u>

17. INCORPORATION

Kenya Wildlife Service (KWS) is incorporated under the Wildlife Conservation and Management Amendment Act, which came into effect in 1989. A Board of Trustees manages KWS.

18. CURRENCY

The financial statements have been presented in Kenya shillings (KShs).

19. <u>CAPITAL COMMITMENTS</u>	2005 Kshs'000	2004 Kshs'000
Authorised and contracted for	382,630	305,000
20. <u>CONTINGENT LIABILITIES</u>	2005 Kshs'000	2004 Kshs'000
Pending litigations	336,990	370,550
6 <u>OPERATING AND MAINTENANCE EXPENSES</u>	2005 KShs'000	2004 KShs'000
Travel and accommodation	107,575	77,751
Motor vehicle running expenses	157,626	146,663
Plant and machinery maintenance	15,584	13,015
Equipment, boats & furniture maintenance	18,385	29,588
Aircraft running expenses	29,668	25,257
Roads maintenance	75,267	73,233
Other operating and maintenance expenses	74,965	55,226
Office and other related expenses	7,888	5,054
Insurance	55,708	58,650
Legal and professional	37,065	115,738
Advertising and publicity	19,965	8,296
Stationery expenses	27,428	13,281
Bank charges	6,188	4,243
Telephone and postage	20,516	17,333
Electricity and water	21,714	17,890
Maintenance of buildings and bandas	28,993	17,123
BOT Allowances & expenses	6,288	8,006

Food and drinks purchased	29,840	9,981
Food and rations	20,610	16,846
Animal feeds	8,253	5,961
Uniform and clothing	26,952	10,788
	<u>796,478</u>	<u>729,923</u>

## 8. PROPERTY AND EQUIPMENT

### Buildings

	Buildings											Total KShs '000	
	Non-Residential KShs '000	Residential KShs '000	Computers & accessories KShs '000	Machinery & water supplies KShs '000	Motor vehicles & tractors KShs '000	Aircraft KShs '000	Boats and boat engines KShs '000	Roads & bridges KShs '000	Airstrips KShs '000	Fences & barriers KShs '000	Furniture & Equipment KShs '000		Work-in-Progress KShs '000
At 1 July 2004	2,039,898	1,085,448	62,717	389,982	651,254	102,604	7,370	3,377,979	384,225	231,886	344,089	293,185	8,980,637
Additions	-	-	9,248	1,224	29,268	-	-	-	-	-	29,939	92,354	162,032
Disposals	-	-	-	-	-	-	-	-	-	-	-	-	-
Transfers	24,881	-	-	-	-	-	-	-	-	-	-	124,881	-
At 30 June 2005	2,064,779	1,085,448	101,965	391,206	660,522	102,604	7,370	3,377,979	384,225	231,886	374,028	360,658	9,142,669

### COMPRISING

At cost	1,171,973	455,862	90,913	44,814	287,360	16,913	5,482	387,257	-	61,514	151,649	360,658	3,034,394
At valuation	892,806	629,586	11,052	346,392	373,162	85,691	1,888	2,990,722	384,225	170,372	222,379	-	6,108,275
At 30 June 2005	2,064,779	1,085,448	101,965	391,206	660,522	102,604	7,370	3,377,979	384,225	231,886	374,028	360,658	9,142,669

### DEPRECIATION

At 1 July 2004	307,758	209,523	66,382	383,694	486,111	60,554	4,861	-	-	181,065	221,817	-	1,921,765
Disposal	-	-	-	-	-	-	-	-	-	-	-	-	-
Charge for the year	43,379	28,982	12,267	1,814	49,657	8,702	521	-	-	16,890	41,346	-	203,558
At 30 June 2005	351,137	238,505	78,649	385,508	535,768	69,256	5,382	-	-	197,955	263,163	-	2,125,323
NET BOOK VALUE	1,713,642	846,943	23,316	5,698	124,754	33,348	1,988	3,377,979	384,225	33,931	110,865	360,658	7,017,347
At 30 June 2004	1,732,140	875,925	26,335	6,288	145,143	42,050	2,509	3,377,979	384,225	50,821	122,272	293,185	7,058,872

Property and equipment excluding capital work in progress were professionally valued by Lloyd Masika Limited and Messrs. Peter Huu as at 30 June 1996 on the basis of depreciated replacement cost, market value or estimated replacement cost as applicable on the existing circumstances and the results were incorporated in the figures above.