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REPORT OF THE AUDITOR-GENERAL (CORPORATIONS) ON THE ACCOUNTS OF  
COAST DEVELOPMENT AUTHORITY FOR THE YEAR ENDED 30 JUNE 1996

**COAST DEVELOPMENT AUTHORITY  
REPORT AND ACCOUNTS FOR THE YEAR  
ENDED 30 JUNE 1996**

**DIRECTORS REPORT**

**1. PRINCIPAL ACTIVITIES**

Coast Development Authority continued to perform its role as a facilitator and coordinator of development in its areas of jurisdictions as per CDA Act Cap 490.

2. The Directors who held office during the year are as follows:-

1. MR. REPHER NGULI (CHAIRMAN)
2. MR. J. KITI (VICE CHAIRMAN)
3. PROF. J.A. LUGOGO (MANAGING DIRECTOR)
4. PROF. M. HYDER MATANO
5. MR. D. MARAMI
6. MR. IDD GANGUMA
7. MR. H.G. TUJA
8. MR. DUBAT ALI AMEY
9. MR. J. KASE
10. MR. OMAR T. MZEE
11. PS - MINISTRY OF AGRICULTURE
12. PS - MINISTRY OF HEALTH
13. PS - MINISTRY OF TOURISM & WILDLIFE
14. PS - MINISTRY OF FINANCE
15. PS - MINISTRY OF ENVIRONMENTAL & NATURAL RESOURCE
16. PS - MINISTRY OF LAND RECLAMATION, REG.& WATER DEV.
17. PROVINCIAL COMMISSIONER (COAST PROVINCE)

**3. APPROPRIATE IN AID**

The Authority did not remit and appropriation in-aid to the Exchequer as no surplus trading funds were made during the year.

**4. AUDITORS**

The Auditor General (Corporations) remains in office as the Government appointed Auditor for the Authority in accordance to CDA Act Cap 490.



**Prof. J.A. Lugogo  
MANAGING DIRECTOR**

REPORT OF THE AUDITOR-GENERAL (CORPORATIONS) ON THE ACCOUNTS  
OF COAST DEVELOPMENT AUTHORITY FOR THE YEAR ENDED 30 JUNE 1996

I have examined the accounts of Coast Development Authority for the year ended 30 June 1996 in accordance with Section 29 (2) of the Exchequer and Audit Act, (Cap 412). I have obtained all the information and explanations that I have required for the purpose of the audit. Proper books of account have been kept by the Authority and the accounts are in agreement therewith.

Except for the reservations set out here below, in my opinion, the accounts when read together with the notes thereon, give a true and fair view of the Authority's financial state of affairs and of its surplus and source and application of funds for the year then ended.

1. STAFF DEBTORS KSHS.1,003,142

The debtors figure of Kshs.1,908,486 includes imprests owing from staff totalling Kshs.1,003,142 shown in note 3 to the accounts. Some officers of the Authority were holding more than one imprest at the end of the year. The management control over the issuance of the imprests is ineffective since large amounts are held by senior officers of the Authority who would normally be expected to ensure that imprests are issued strictly for services of the Authority and they are promptly brought to account.

2. PAMBAZUKO DEVELOPMENT COMPANY - KSHS.109,639

In the previous years' reports it was pointed out that accounts for Pambazuko Development Company, a subsidiary company which ceased to operate in 1993, have not been approved by Authority's Board. The accounts for four months in 1993 the Company was in operation have since been submitted to me but no meaningful opinion can be expressed on the accounts due to lack of supporting evidence. The liability of Kshs.640,381 reflected in the Authority accounts for the previous year as owing to Pambazuko changed to a debt of Kshs.109,639 apparently due to payments made by the Authority on behalf of the Company. The propriety of the expenditure on behalf of the extinct Company is in doubt. Also in doubt is the recoverability of the debt of Kshs.109,639 reflected in these accounts as owing from Pambazuko Development Company.



W.K. KEMEI  
AUDITOR-GENERAL (CORPORATIONS)

20 November 1997



INCOME AND EXPENDITURE FOR THE YEAR ENDED 20/6/00  
(FINAL COPY)

	1995/1996 KSH	1994/1995 KSH
<b>INCOME</b>		
RECURRENT GRANTS	31,277,800.00	18,327,740.00
OTHER RECEIPTS(NET)	991,011.20	1,130,593.00
FARM SALES	327,719.50	(43,627.00)
TRACTOR HIRE INCOME	12,000.00	
	32,608,530.70	19,414,706.00
<b>EXPENDITURE</b>		
PERS. EMOLUMENTS	13,130,803.95	10,885,603.00
MEDICAL EXPENSES	1,315,348.50	126,604.00
TRANS. OP. EXPENSES	1,922,193.00	787,300.00
TRAV. & ACCOM. EXPENSES	2,599,768.65	2,060,142.00
POSTAGE EXPENSES	85,435.85	58,270.00
BOARD EXPENSES	1,768,901.90	841,258.00
ELEC. WATER & CONSERV.	103,191.43	115,502.00
ENTERT. EXPENSES	130,133.35	115,700.00
STATIONERY EXPENSES	319,837.10	255,928.00
ADVERT. & PUBL. EXPENSES	174,486.90	119,743.00
RENT & RATES	2,423,320.00	396,000.00
COMPUTER MAINT. EXPENSES	74,713.35	19,445.00
MISCEL. & OTHER EXPENSES	256,413.45	105,211.00
PROFESSIONAL FEES	400,792.50	241,330.00
AUDIT FEES	100,000.00	100,000.00
TEL./FAX EXPENSES	1,234,880.42	482,412.00
MAINT. OF BUILDINGS	861,980.25	493,585.00
MAINT. OF PLANT & EQUIPMENT		18,650.00
INSURANCE	296,520.00	174,126.00
UNIFORM EXPENSES		16,500.00
LEAVE ALLOWANCE	139,523.00	355,093.00
DEPRECIATION CHARGE	2,555,615.65	1,451,381.00
BANK CHARGES	674,289.70	654,916.00
PRINTING & PUBLISHING	51,619.55	70,661.00
SECURITY SERVICES	113,821.40	142,640.00
TRAINING EXPENSES	245,798.00	722,030.00
HIRE OF TRANSPORT	87,252.00	17,460.00
CONTRIBUTIONS	839,884.95	138,100.00
SUBSCRIPTIONS	16,000.00	10,630.00
STAFF WELFARE	30,000.00	
UKUNDA FARM EXPENSES	324,366.85	
	32,276,891.70	21,349,623.00
EXCESS OF INCOME OVER EXPENDITURE	331,639.00	(1,934,917.00)

COAST DEVELOPMENT AUTHORITY

NOTES TO THE ACCOUNTS

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1. SIGNIFICANT ACCOUNTING POLICIES

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The Authority's accounts are prepared on the historical cost basis of accounting

FIXED ASSETS

The Fixed Assets are depreciated on a straight line basis commencing the month of purchase.

The rates of depreciation are:-

Computers/Photocopier	30%
Furniture/Fittings	12.5%
Plant and Equipment	12.5%
Motor Vehicles	25%

2. FIXED ASSET SCHEDULE

COST(KSPS)	COMPUTER/ PHOTOCOPIER	FUNITURE/ FITTINGS	PLANT/ EQUIPMENT	MOTOR VEHICLES	TRACTORS	TOTALS
BALANCE ON 1/7/1995	1,503,476.00	2,322,282.00	574,564.00	3,904,250.00		8,271,172.00
ADDITIONS	59,600.00	743,148.00	474,843.00			
BALANCE ON 30/6/1996	1,569,076.00	3,125,030.00	1,049,407.00	3,804,250.00	2,200,000.00	3,477,591.00
DEPRECIATION					2,200,000.00	11,748,763.00
BALANCE ON 1/7/95	691,995.00	458,942.00	88,453.00	634,042.00		1,873,432.00
CHARGE FOR THE YEAR	468,923.00	360,290.00	114,403.00	951,063.00	660,938.00	2,555,617.00
BALANCE ON 30/6/1996	1,160,918.00	819,232.00	202,856.00	1,585,105.00	660,938.00	4,429,049.00
NNBV AT 30/6/1996	408,158.00	2,306,798.00	846,551.00	2,219,145.00	1,539,062.00	7,319,714.00

## 3. DEBTORS

AMOUNT (KSH)

STAFF IMPRESTS	1,003,142.60
MHIF	28,670.00
STAFF TELEPHONE	26,154.98
ADVANCES	9,130.00
KWALE SHOW	24,931.20
STATION IMPRESTS	313,329.60
PLEDGES	3,100.00
TRANSFERS TO UKUNDA	500,000.00
OVERPAYMENT	28.00
	<u>1,908,486.38</u>

## 4. PREPAYMENTS

COMPUTERS	645,122.00
TELEPHONE EXPENSES	11,089.00
RENT	80,000.00
	<u>736,211.00</u>

## 5. CASH AT BANK

MAIN ACCOUNT	6,247,266.00
STATIONS ACCOUNTS	114,385.00
CONSOLIDATED BANK ACCOUNT	49,094.00
	<u>6,410,745.00</u>

## 6. CASH IN HAND

PETTY CASH	2,666.00
CASH IN TRANSIST	50,000.00
	<u>52,666.00</u>

## 7. CREDITORS

CREDITORS COMPRISE OF:	
PAYE	376,102.00
N.S.S.F	44,455.00
D.P.M	38,820.00
AUDITOR GENERAL	200,000.00
L.A.S.C	5,360.00
STAFF CLAIMS	51,863.00
OTHER CREDITORS	1,014,734.00
	<u>1,731,334.00</u>

### 8. DEVELOPMENT GRANTS

Development grants are sourced from the government to finance development projects and they are credited to a non-distributable reserve. Development expenditure is debited to this reserve.

	1995/1996 KSHS	1994/1995 KSH
Balance b/f		
During the year	7,061,894.00	1,348,140.00
	15,080,000.00	6,440,000.00
Less: Development Expend.	22,141,894.00 *	8,388,140.00
Balance c/f	1,331,255.00	1,326,245.00
	20,810,639.00	7,061,894.00

### 9. ACCUMULATED DEFICIT

The accumulated deficit is made up of:-

	1995/1996 KSHS	1994/1995 KSH
Deficit b/f		
Deficit for the year	(6,326,151.00)	4,391,334.00
Surplus for the year	318,979.00	1,934,917.00
Deficit c/f	(6,007,172.00)	6,326,151.00

The deficit for the year has been arrived after charging:-

	1995/1996 KSHS	1994/1995 KSH
Auditors fees	100,000.00	100,000.00
Depreciation	2,555,616.00	1,451,334.00

The accounts have been prepared in Kenya shillings

### 10. INCORPORATION

The Authority was incorporated in Kenya under the CDA Act Cap 490.

STATEMENT OF SOURCES AND APPLICATION OF FUNDS FOR  
THE YEAR ENDED 30.6.96

SOURCES OF FUNDS	1995/1996 KSHS	1994/1995 KSH
Net Surplus/deficit for the year	331,639.00	(1,034,017.00)
Adjustments for items not involving movement of funds - depreciation	2,555,616.00	1,451,021.00
<b>Total generated from operations</b>	<b>2,887,255.00</b>	<b>(182,933.00)</b>
<b>FUNDS FROM OTHER SOURCES</b>		
Development grants	15,080,000.00	6,440,000.00
	<b>17,967,255.00</b>	<b>5,957,067.00</b>
<b>APPLICATION OF FUNDS</b>		
Purchase of Fixed Assets	(3,477,590.00)	(4,847,344.00)
Development expenditure	(1,331,255.00)	(1,326,246.00)
	<b>13,158,410.00</b>	<b>(216,523.00)</b>
<b>INCREASE/DECREASE IN WORKING CAPITAL</b>		
	1995/1996	1994/1995
	KSHS	KSH
Increase in debtors	973,637.00	723,670.00
Decrease/Increase in deposits	(896,225.00)	306,225.00
Increase in balance owing from trading subsidiary	109,639.00	306,501.00
Decrease in balance owing to trading subsidiary	640,361.00	
Increase in prepayments	736,211.00	
Decrease/increase in creditors	4,103,631.00	(796,578.00)
	<b>5,667,254.00</b>	<b>1,139,718.00</b>
<b>MOVEMENT IN LIQUID FUNDS</b>		
Decrease/Increase In Bank O/D	1,131,448.00	(1,103,435.00)
Increase/Decrease in cash at bank	6,348,053.00	(275,780.00)
Decrease/Increase in cash on hand	11,655.00	22,974.00
	<b>7,491,156.00</b>	<b>(1,356,241.00)</b>
	<b>13,158,410.00</b>	<b>(216,523.00)</b>