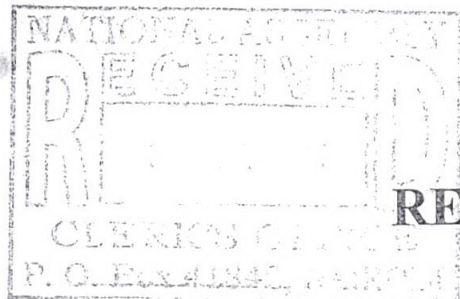
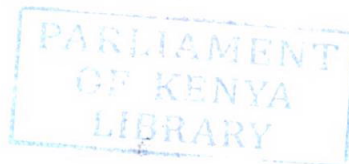
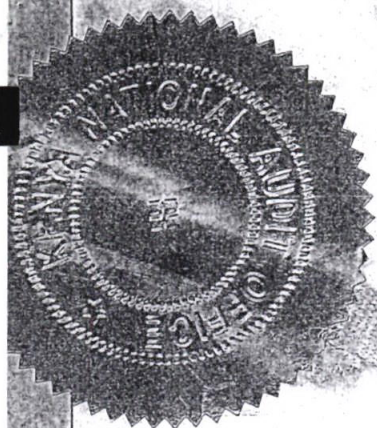




KENYA NATIONAL AUDIT OFFICE



REPORT

OF

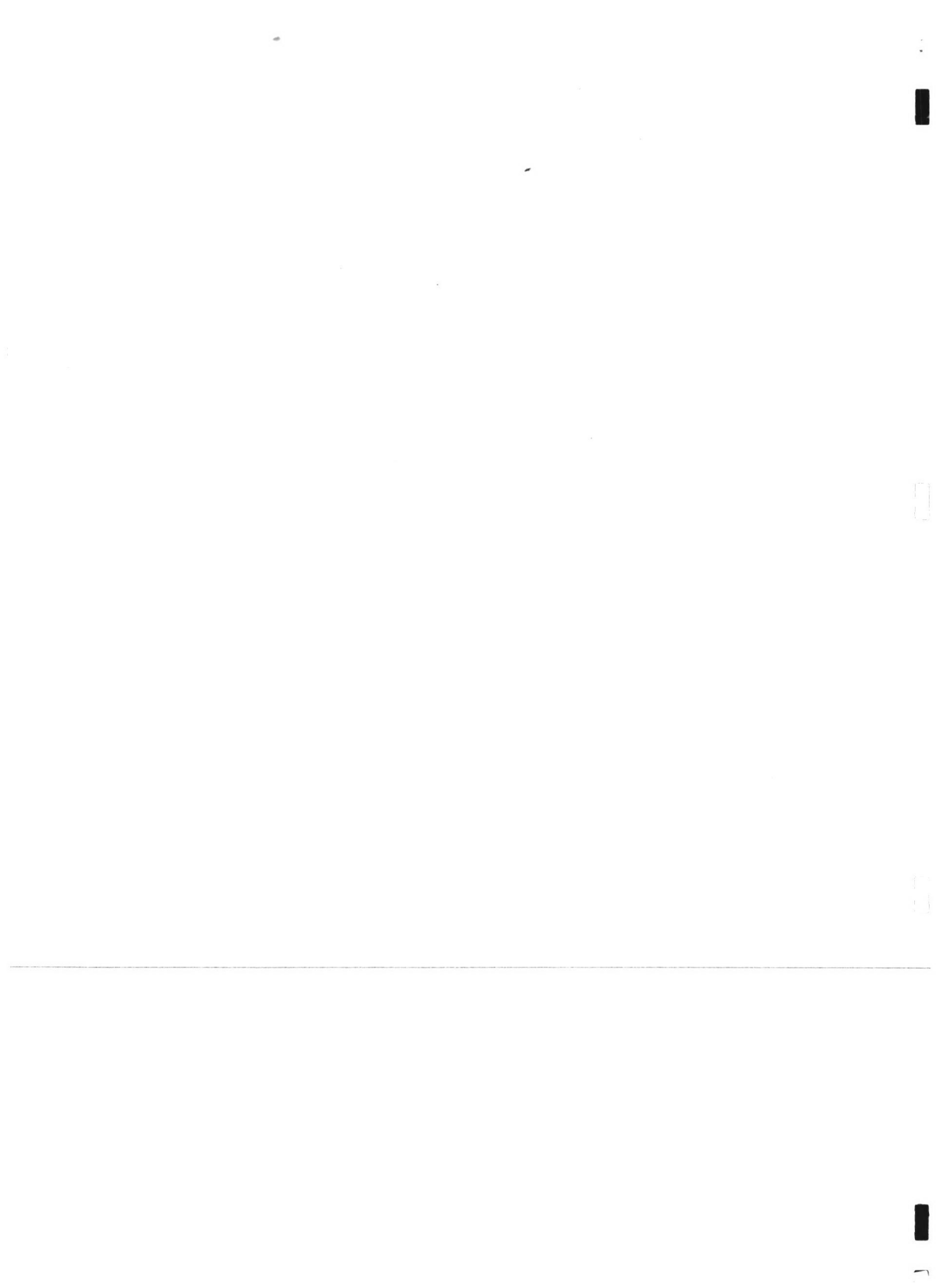
THE AUDITOR-GENERAL

ON

**THE FINANCIAL STATEMENTS OF
PRISONS INDUSTRIES FUND**

FOR THE YEAR ENDED

30 JUNE 2014





KENYA NATIONAL AUDIT OFFICE

REPORT OF THE AUDITOR-GENERAL ON PRISONS INDUSTRIES FUND FOR THE YEAR ENDED 30 JUNE 2014

REPORT ON THE FINANCIAL STATEMENTS

I have audited the accompanying financial statements of Prisons Industries Fund for the year ended 30 June 2014, which comprise the comprehensive statement of financial position as at 30 June 2014, and the comprehensive statement of financial performance, statement of cash flows, statement of changes in net assets and statement of comparison of budget and actual amounts for the year 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 8 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 Public Sector Accounting Standards (Accrual Basis) 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 the financial statements to the Auditor-General in accordance with the provisions of Section 7 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 9 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 misstatements.

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 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 Fund'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 that the audit evidence obtained is sufficient and appropriate to provide a basis for my qualified audit opinion.

Basis for Qualified Opinion

1. Loss of Kshs.231,232,518.46

Examination of records revealed that the Prisons Industries and Farms Funds closing account balance as at 30 June 2013 that were held in the former Vice President and Ministry of Home Affairs' deposit account was Kshs.175,987,430.51 as follows: -

Fund	Source of Information	Account Balance (Kshs)
Prisons Industries Fund	Prior Year Statement	119,965,675.51
Prisons Farms Fund	Prior Year Statement	56,021,755.00
Total		175,987,430.51

During the year 2013/2014, the former Vice President and Ministry of Home Affairs was merged into the Ministry of Interior and Coordination of National Government and these funds continued collecting revenue between 1 July 2013 and 3 October 2013 when a separate but combined account was opened for the fund. Examination of records revealed that the total revenue collected during this period was Kshs. 173,970,762.35 as follows:-

Fund	Source of Information	Account Balance (Kshs)
Prison Industries Fund	PRIS/17/17/VOL.II/154	155,336,405.00
Prison Farms Fund	PRIS/17/17/VOL.II/154	18,634,357.35
Total		173,970,762.35

The total amount of money that ought to have been deposited in the new bank account for the two (2) funds between 1 July and 3 October 2013 is Kshs. 349,958,192.90 comprising of Kshs.175,987,430.51 carried forward from the previous year and Kshs.173,970,762.35 collected in the year under review instead of Kshs.118,725,674.40 deposited and banked as follows: -

Fund	Source of Information	Account Balance (Kshs)
Prisons Industries Fund	PRIS/17/17/VOL.II/154	92,135,930.55
Prisons Farms Fund	PRIS/17/17/VOL.II/154	26,589,743.85
Total		118,725,674.40

No satisfactory explanation has been given for failure to bank the difference of Kshs.231,232,518.50.

2. Sustainability of the Fund

Examination of records maintained for the Fund has revealed that the Fund is not self-sustainable and made losses amounting to Kshs.5,456,354.00 in sampled prisons as follows: -

Prison	Earnings from Sale (Kshs.)	Cost of Materials (Kshs.)	Loss (Kshs.)
Nairobi West	1,610,148.00	1,547,130.00	63,018.00
Mwea	1,870,622.00	1,536,496.00	334,126.00
Nyeri Main	6,338,701.00	2,585,767.00	3,752,934.00
Ruiru	2,190,376.00	1,038,075.00	1,152,301.00
Embu Main	1,148,088.00	1,144,110.00	3,978.00
Eldoret Main	4,690,797.00	4,540,800.00	149,997.00
TOTAL	17,848,732.00	12,392,378.00	5,456,354.00

Further, operational expenses including staff compensation, electricity, rent, water, transport and maintenance costs which were paid through the Ministry's Development Votes were not disclosed in the financial statements, contrary to IPSAS 23. Therefore, it is not possible to objectively assess the Fund's ability to continue meeting its service delivery obligations.

Although the Fund Manager has explained that materials are used for training of prisoners and trade tests, and that these funds are not for revenue generating, the explanation does not consider the fact that when the cost of production is higher than earnings, the Fund cannot meet its purpose and objectives, and is therefore not sustainable.

3. Suspense Account - Kshs.23,965,577.00

The statement of financial position reflects a balance of Kshs.23,965,577.00 against suspense account explained in note 10 as representing a balancing figure in the books of accounts. Although, the management has explained the figure as due to failure to reconcile physical stock take and ledger cards. The Fund management did not avail for audit an analysis of the suspense.

4. Non-Recovery of debts - Kshs.22,304,677.00

The statement of financial position as at 30 June, 2014 reflects a debtors balance of Kshs.22,304,677.00 out of which Kshs.21,835,455.00 relates to Government Agencies dating back to 2012/2013 financial year. There was no evidence seen to show that management has made efforts to recover these debts from the Government Agencies.

5. Non-maintenance of Fixed Assets Register

The statement of financial position reflects fixed assets balance of Kshs.94,524,348.69. However, the management of the Fund did not have in place a Fixed Assets Register. Further, the fixed assets also includes machinery worth Kshs.72,073,023.00 most of which were acquired in 1923 and have since become obsolete. In addition, there is no policy instituted by management on depreciation and replacement of assets.

Qualified Opinion

In my opinion, except for the effect of the matters described in the Basis for Qualified Opinion paragraph, the financial statements present fairly, in all material respects, the financial position of the Fund as at 30 June 2014, and of its financial performance and its cash flows for the year then ended in accordance with International Public Sector Accounting Standards (Accrual Basis) and comply with the Public Finance Management Act, 2012 and the Exchequer and Audit (Prisons Industries Fund) Regulations, 1988.

Other Matters

Cash Management of Prisons Industries Revolving Fund

I would wish to draw your attention to cash management weaknesses which were noted during the audit, in which earnings (money) is transported from various prisons across the country and deposited at Kenya Prisons Headquarters instead of depositing directly to the Prisons Industries Revolving Fund accounts. In addition, the Prisons submit deposit slips to Prisons Accounts' team in Nairobi for reconciliation, issue Miscellaneous Receipt then prepare financial statements. The result of these long and laborious procedures and deposits in a combined account for two (2) separate funds create a high risk in potential loss of earnings which need to be properly safeguarded.



Edward R. O. Ouko, CBS
AUDITOR-GENERAL

Nairobi

5 March 2015



KENYA PRISON SERVICE
(Prison Industries Revolving Fund (P.I.R.F))

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED
JUNE 30, 2014

Prepared in accordance with the Accrual Basis of Accounting Method under the International Public Sector Accounting Standards (IPSAS)

ESTABLISHMENT OF THE PRISONS INDUSTRIES REVOLVING FUND

LEGAL NOTICE No. 314

THE EXCHEQUER AND AUDIT ACT (Cap. 412)

IN EXERCISE of the powers conferred by section 34 of the Exchequer and Audit Act, the Minister for Finance makes the following Regulations:-

THE EXCHEQUER AND AUDIT (PRISONS INDUSTRIES FUND) REGULATIONS, 1988

1. These Regulations may be cited as the Exchequer and Audit (Prison Industries Fund) Regulations, 1988 and shall be deemed to have come into operation on the 1st July, 1987.

2. In these Regulations, unless the context otherwise requires-
“Financial year” means the period from the 1st July in any year to the 30th June in the immediately succeeding year (both days inclusive);

“Fund” means the Prison Industries Fund established by the Treasury under section 32 (1) of the Act;

“Officer administering the fund” means the accounting officer responsible for the vote of the Office of the Vice President and Minister of Home Affairs and National Heritage or any other person appointed by him in writing to administer the fund on his behalf.

3. The purpose and object of the Fund shall be to train and rehabilitate prisoners and inmates and procure necessary raw materials, tools, plants and equipment required thereof; and offer for sale finished products in the open market.

4. The initial capital of the Fund shall be K£ 700,000 appropriated by Parliament in the 1987/88 financial year.

5. The surplus realized in any year from the operations of the Fund shall be retained in the reserve account of the Fund pending Treasury's decision on its disposal, and a deficiency, if realized in any year, shall, subject to Treasury's concurrence, be off-set against the realized surplus.

6. The expenditure on operation of prison industries and maintenance of tools, plants and equipment shall be on the basis of, and be limited to, the annual budget (on receipts and expenditure) which shall be submitted to the Treasury for approval before the beginning of the financial year to which the budget relates.

7. The institutions which may obtain manufactured items from the Prison Industries Fund shall be-

- a) Government Ministries,
- b) Government Departments,
- c) Local Government Authorities,
- d) Parastatal Organizations, and
- e) Private Organizations and Individuals.

8. The selling prices of finished goods shall be reviewed from time to time by the officer administering the Fund in consultation with the Treasury.

9. The Government procurement procedures shall strictly be adhered to when purchasing items referred to under Regulation 3.

10. All the receipts, savings and accruals of the Fund and balance of the Fund at the close of each financial year, shall be retained for the purpose of which the Fund is established subject to the provisions of Regulation 5.

11. The officer administering the Fund shall-

- a) supervise and control the administration of the Fund;
- b) advise and obtain such advice from the Minister for the time being responsible for finance as may from time to time be required;
- c) if he thinks fit, impose conditions as to the use to be made of any expenditure authorized by him or on his behalf and impose any reasonable prohibition, restriction or requirements concerning such use or expenditure;
- d) approve the prices of finished products to be offered for sale;
- e) cause to be kept all proper books of accounts and other books and records in relation to the Fund and to all various activities and undertakings financed by the Fund;
- f) transmit to the Controller and Auditor General, in respect of each financial year within four months after the end thereof, a statement of account relating to the Fund, prepared and signed by him, specifying income to the Fund, and showing the expenditure incurred from the Fund, in such details and with such additional information as he may deem to be proper and sufficient for the purpose of examination and audit by the Controller and Auditor-General in accordance with section 18 (2) of the Act as the Treasury may from time to time direct, and every statement of account shall include details of the balance between the assets and liabilities of the Fund, and indicate the financial status of the Fund, as at the end of the financial year concerned.

Made on the 22nd July, 1988.

GEORGE SAITOTI,
Minister for Finance.

Principal Activities

The principal activity of the *Industries* is to train and rehabilitate prisoners and inmates and procure necessary raw materials, tools, plants and equipment required thereof and offer for sale finished products in the market.

Management

The Directors who served the entity during the year were as follows:

Mr.Mutea Iringo OGW,EBS,CBS	Interior and Coordination of National Government
Isaya M. Osugo,CBS	Commissioner General of Prisons
Josphat K. Ituka,MBS	Director Prison Enterprises
Kennedy A.Aluda MBS	Deputy Director Prison Industry

Registered Office

Teleposta Building
Kenyatta Avenue
P.O. Box 30478
Nairobi, KENYA

Corporate Contacts

Telephone: (254) -20-2722900-6
E-mail: commissioner.prisons.go.ke
Website: www.go.ke

Corporate Bankers

Central Bank of Kenya
Haile Selassie Avenue
P.O. Box 60000
City Square 00200
Nairobi, Kenya

Independent Auditors

Auditor General
Kenya National Audit Office
Anniversary Towers, University Way
P.O. Box 30084
GOP 00100
Nairobi, Kenya

Principal Legal Advisers

The Attorney General
State Law Office
Harambee Avenue
P.O. Box 40112
City Square 00200
Nairobi, Kenya

STATEMENT BY THE OFFICER ADMINISTERING THE FUND



Mr. Mutea Iringo OGW, EBS, CBS
PS- Interior and Coordination of National Government

The establishment of Prison Industries Revolving Fund in 1988 was a great milestone in Kenya penal reforms. The purpose and object of the fund is to train and rehabilitate prisoners and inmates and procure necessary raw materials, tools, plants and equipment required thereof. The finished products from the training process is offered for sale in the open market and surplus realized from the operations of the fund is retained in the fund reserve account pending Treasury's decision on its disposal.

The fund started with initial capital of Kshs.14 million and since then, it has grown to the current net assets base of Kshs. 397,058,991.74 which includes accumulated surplus at Paymaster General Account of kshs. 128,622,093.83. This financial year alone the fund realized a surplus of Kshs. 41,292,510.60.

Since establishment, the fund has continued to meet its purpose and objectives. During the year under review, the fund spent Kshs. 22 million on procurement of Vocational Training Materials and booking of prisoners for trade test. A total of 8,000 prisoners were placed on various vocational training skills and 5,165 were booked for different Government Trade Tests at cost of Kshs.9, 358,500. This is a great contribution to the development of technical skills for the

country's labour market. Between 2005 and 2014, Kenya Prisons Service has trained 65,000 prisoners who qualified in various artisan skills such as carpentry, masonry, tailoring, leather work, metal work and many others. Majority of these prisoners have been released from prisons to the society and have joined the labour market as skilled artisans.

Besides supporting vocational training, prison industries revolving fund has been instrumental in equipping prison industries workshops. Since establishment the fund has build an impressive net assets valued at Kshs . 397,058,991.74 . In 2013/2014, the State Department for Coordination of National Government embarked on a major revamping and revitalization program for prison industries. This is a modernization program for prison industries aimed at procuring modern tools, plants and equipment and embracing modern production technology. In this respect, modern motor vehicles number plates manufacturing machines have been acquired at a cost of Kshs. 15 million. Additionally, leather industry was boosted by procurement of the state- of- art shoe making tools and equipment worth Kshs. 12 million.

I am greatly impressed by the efficient and effective manner the Commissioner General of Prisons and his team has put on the management of the fund. The fund not only achieved its set purpose and objective, but also set a firm foundation for future prosperity. I urge prison department to double its efforts to ensure that the fund not only fulfills its purpose, but also generate adequate funds that can be used for running prison expenditure to make prisons financially self sustainable.

STATEMENT BY THE COMMISSIONER GENERAL OF PRISONS



**ISAYA M. OSUGO, CBS
COMMISSIONER GENERAL OF PRISONS**

The establishment of Prison Industries Revolving Fund in 1988 opened a new chapter in Kenya prisons reform. The operationalisation of the fund which started with seed capital of Kshs. 14 million is a landmark in promoting prisons main mandate of social rehabilitation, reformation and reintegration of prisoners.

During the year under review, the fund supported 93 industrial prisons across the country offering industrial vocational training for over 10,000 prisoners. There is at least one industrial prison in each one of the 47 counties in the country. These industrial prisons not only offer vocational training in different skills to prisoners at the grass root level but also provide employment opportunities to prisoners serving prison sentence and manufacture high quality products for sale in the local market. The main beneficiary of prison industries products are schools, churches, hospitals, county governments, national government department, nongovernmental organizations, private firms and individuals. Once released from prisons, these skilled prisoners are absorbed and integrate in society where they add to the national pool of artisans necessary for national development.

The year under review also coincides with the first year of the implementation of devolved governance in Kenya. Prison industries have played the critical role of manufacturing furniture and other accessories necessary for full functioning of county governments. Besides designing and making personalized number plates for county governors, prison industries have designed and manufactured county assembly mace, coat of arms, sergeant-at-arms uniforms, county Assembly speakers and clerks attire.

I am greatly indebted to the Principal Secretary, State Department for Coordination of National Government who is also the officer administering the fund for the great support and advice accorded us in the operations of the fund. I also take this opportunity to thank National Government ministries, departments, government agencies and in a special way county governments for choosing to do business with prison industries. Every time you buy our products, you help us rehabilitate one offender and make our society safer.

STATEMENT BY THE DIRECTOR OF PRISONS ENTERPRISES



**JOSPHAT K. ITUKA, MBS,DCP
DIRECTOR OF PRISONS ENTERPRISES**

The Kenya Prisons Enterprises comprise of Prisons Farms and Industries. Prisons Industries operate under the Prisons Industries Revolving Fund established by Legal Notice No. 314 of the Exchequer and Audit Act (Cap 412) Regulations, 1988.

During the financial year 2013/2014, the operations of prisons industries revolving fund registered yet again an impressive business report. The fund not only lived true to its purpose and objective but also witnessed tremendous improvement and expansion in vocational training programme and industrial production. The number of prisoners registering for various vocational training increased from 7,600 to 9,700 while those who sat for and passed government trade test in different skills and levels increased from 4,759 to 5,165. No doubt, the fund has continued to operate as a critical pillar in supporting the county establish a critical pool of skilled artisan for the industrial and construction industry in line with vision 2030.

Further, during the year under review, the directorate of prisons enterprises initiated robust measures for re-tooling and equipping of prison industries in order to adopt modern training and

production technology. Key among the targeted sections were motor vehicle number plate manufacturing, Leather Industry and Textile Industry.

Kenya Prisons Industries have been the sole manufacturer of motor vehicle number plates since 1970s. Over the recent years, number plate production technology has undergone many changes rendering our machine and technology obsolete. Consequently, Prison Industries have acquired modern machines and equipment for motor vehicle number plates. This investment will not only introduce use of fourth generation number plates in Kenya but also increase the production capacity to cope with market demand for vehicle number plates.

Another milestone made during the year is acquisition of leather works machines. Prison industries operate one of the well equipped leather tannery at Athi River Prison. The new machines will enhance the capacity of prison industries to make new products including security boots and uniform shoes. Textile industry also received facelift by acquisition of new sewing and knitting machines while 100 technical staff underwent 6 weeks specialized development course on design and making of security services uniforms.

During the year, prisons industries in collaboration with Jomo Kenyatta University of Agriculture and technology opened a chemical manufacturing industry at Machakos Prison. The industry specializes in making paints such as wood glue, thinners, clear wood furnish and sanding sealers which are in high demand in prisons industries.

There is no doubt that 2013/2014 financial year was a year for transformation of prison industries. With the launch of prison industries revamping and revitalization programme, the stage has been set to see prison industries operate more like business enterprises

STATEMENT BY THE DEPUTY DIRECTOR OF PRISONS ENTERPRISES

(INDUSTRIES)



KENNEDY ALUDA, MBS, SACP

The Kenya Prisons Industries provides rehabilitation opportunities to inmates and produces high quality merchandise at competitive prices for sale in the market. The program aids in the rehabilitation of inmates by teaching them job skills that are easily transferable to the private sector upon release. The enterprise operations employs over 700 technical staff with well over 10,000 inmates placed on the program.

The industries has always committed to offering services that exceed the expectations of our customers by producing high quality products and services.

Over the years, the industries has endeavoured to find creative and efficient ways to advance our products and services while reducing costs to the government and providing profit making opportunities to our private sector partners as is elicited in the production of new look parliamentary chambers and the refurbishment of the law courts of Kenya all over the country. Many inmates come to prisons having never held a real job or learnt the value of work. The prison industries is designed to serve Kenyan citizens by providing inmates with hands-on vocational training and teaching them social values that include work ethics, responsibility and a sense of self-worth they missed or never experienced before. The program facilitates inmates' adjustment and reintegration into the society upon release. This means that the inmate work assignment emulates real-life to the greatest extent possible.

It is designed to provide inmates with the vocational training and work experience needed to help ease their transition to life outside the prison walls. Their adjustment and reintegration into society upon release is the program's greatest value.

Prison industries has embarked on establishing eight centres of excellence in all the eight regions (formerly provinces). These centres will serve to demystify and showcase all the activities and programmes that are undertaken within the prison domains. At the core here, is to showcase research based innovations and inventions that meet customer demands. This will also make available services and products closer to the consumers.

This can only be possible if there is support and goodwill from all stake holders.

STATEMENT OF OFFICER ADMINISTERING FUND RESPONSIBILITIES

The Exchequer and Audit Act CAP 412, section 11 of the Legal Notice Act No314, require the Officer administering the Fund to prepare financial statements in respect of that *Prison Industries Revolving Fund*, which give a true and fair view of the state of affairs of the *Fund* at the end of the financial period and the operating results of the *Fund* for that year. The Officer administering the Fund is also required to ensure that the *Prison Industries Revolving Fund* keeps proper accounting records which disclose with reasonable accuracy the financial position of the *Fund*. The Officer administering the Fund is also responsible for safeguarding the assets of the *Fund*.

The Officer administering the Fund is responsible for the preparation and presentation of the *Prison Industries Revolving Fund* financial statements, which give a true and fair view of the state of affairs of the *Fund* for and as at the end of the financial year (period) ended on June 30, 2014. This responsibility includes: (i) maintaining adequate financial management arrangements and ensuring that these continue to be effective throughout the reporting period; (ii) maintaining proper accounting records, which disclose with reasonable accuracy at any time the financial position of the entity; (iii) designing, implementing and maintaining internal controls relevant to the preparation and fair presentation of the financial statements, and ensuring that they are free from material misstatements, whether due to error or fraud; (iv) safeguarding the assets of the *Fund* (v) selecting and applying appropriate accounting policies; and (vi) making accounting estimates that are reasonable in the circumstances.

The Officer administering the Fund accepts responsibility for the *Prison Industries Revolving Fund* financial statements, which have been prepared using appropriate accounting policies supported by reasonable and prudent judgements and estimates, in conformity with International Financial Reporting Standards (IFRS), and in the manner required by the PFM Act. The Officer administering the Fund is of the opinion that the *Prison Industries Revolving Fund* financial statements give a true and fair view of the state of *Fund* transactions during the financial year ended June 30, 2014, and of the *Funds* financial position as at that date. The Officer administering the *Fund* further confirms the completeness of the accounting records maintained for the *Prison Industries Revolving Fund* which have been relied upon in the preparation of the *Funds* financial statements as well as the adequacy of the systems of internal financial control.

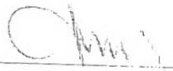
Nothing has come to the attention of the Officer administering the Fund to indicate that the *Prison Industries Revolving Fund* will not remain a going concern for at least the next twelve months from the date of this statement.

Approval of the financial statements

The *Prison Industries Revolving Fund* financial statements were approved by the Principal Secretary Interior and coordination. 15.8 2014


MR. MUTEA IRINGO OGW, EBS, CBS

PS- Interior and Coordination of National Government


ISAYA M. OSUGO, CBS

Commissioner General of Prisons

REPORT OF THE INDEPENDENT AUDITORS
ON THE *PRISON INDUSTRIES REVOLVING FUND*

We have audited the accompanying financial statements of *Prison Industries Revolving Fund* for the year ended June 30, 2014, which comprise: (i) a statement of comprehensive income; (ii) a statement of financial position as at June 30, 2013; (iii) a summary of significant accounting policies; and (iv) other explanatory notes.

Management's responsibility for the financial statements

The Officer administering the Fund is responsible for the preparation and fair presentation of the financial statements which give a true and fair view of the entity's state of affairs and its operating results in accordance with International Financial Reporting Standards, and for such internal control as the Officer determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' responsibility

Our responsibility is to express an opinion on the financial statements based on our audit. We conducted our audit in accordance with the International Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit 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 auditors' 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 entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion


In my opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the *Prison Industries Revolving Fund* as at June 30, 2014, and of its profit and cash flows for the year then ended in accordance with International Financial Reporting Standards, the Public Finance Management Act, the State Corporations Act, and the Companies Act.

Auditor General

Date

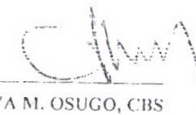
OFFICE OF THE PRESIDENT AND MINISTRY OF INTERIOR AND CO-ORDINATION OF NATIONAL GOVERNMENT
KENYA PRISONS INDUSTRIES REVOLVING FUND
COMPREHENSIVE STATEMENT OF FINANCIAL POSITION FOR THE YEAR ENDED 30TH JUNE 2014

	Notes	2013/2014 KSHS	2012/2013 KSHS
FIXED ASSETS	3		
Motor Vehicles NBV		15,569,317.84	17,299,242.04
Machinery NBV		72,073,023.37	51,626,030.85
Computers		3,955,567.48	3,238,140.24
Scrap Machinery		2,926,440.00	2,926,440.00
Total Fixed Assets		94,524,348.69	75,089,853.13
CURRENT ASSETS			
Raw Materials		92,420,221.22	92,140,464.58
Work in progress	4	108,630,480.74	115,040,963.82
Finished Goods		21,077,444.11	14,564,564.33
Debtors	5	22,304,677.25	6,203,442.25
P.M.G.	6	128,369,320.83	119,965,675.51
Total Current Assets		372,802,144.15	347,915,110.49
LESS CURRENT LIABILITIES			
Customers deposits(Advance Income)	7	10,797,715.00	17,097,881.00
Creditors		51,229,625.00	73,090,082.00
Net Current Assets		310,774,804.15	257,727,147.49
NET ASSETS		405,299,152.84	332,817,000.62
FINANCED BY:			
Capital	8	14,000,000.00	14,000,000.00
Accumulated Revenue	9	316,718,581.06	241,205,584.28
Net Profit/(Loss)		50,614,994.70	75,512,996.78
Suspense Account	10	23,965,577.08	2,098,419.56
		405,299,152.84	332,817,000.62



MR.MUTEA IRINGO OGW,EBS,CBS

FS- Interior and Coordination of National Government



ISAYA M. OSUGO, CBS

Commissioner General of Prisons

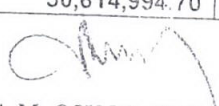


MINISTRY OF INTERIOR AND CO-ORDINATION OF NATIONAL GOVERNMENT
KENYA PRISONS INDUSTRIES FUND ACCOUNT
COMPREHENSIVE STATEMENT OF FINANCIAL PERFORMANCE

FOR THE YEAR ENDED 30TH JUNE, 2014

DETAILS	Notes	2013-2014 Kshs.	2012-2013 Kshs.
Sales			
Less: previous Debts collected during the year	1b/2	424,683,640.32	379,156,856.00
Opening Stock (1-7-2013)		424,683,640.32	31,091,000.00
Raw Materials			
Work in Progress		92,140,464.58	56,607,586.05
Finished goods		115,040,963.82	34,296,176.20
Purchases - (2211023)		14,564,564.33	14,753,058.65
Total Cost of Materials		317,800,538.20	323,849,228.60
Less Closing Stock (30-06-2013)		539,546,530.93	429,506,049.50
Raw Materials			
Work in progress		92,420,221.22	92,140,464.58
Finished goods		108,630,480.74	115,040,963.82
Sub-Total		21,075,444.11	14,564,564.33
Cost of goods sold		222,126,145.07	221,745,992.73
Gross Profit/Loss		317,420,384.86	207,760,056.77
Less Operating Expenses:		107,263,235.46	140,305,799.23
2210101 - Electricity			
2210102 - Water & Sewerage Charges		101,465.00	178,681.00
2210201- Telephone, Telex Mobile Charges			20,000.00
2210301 - Travel Costs		71,000.00	9,200.00
2210302 - Accom. Domestic travel		2,966,790.00	2,326,975.00
2210303 - Daily Subsistence		6,434,791.00	11,566,603.00
2210401- Foreign Travel		11,433,839.00	8,108,930.00
2210402- Foreign Travel Accommodation		5,213.70	
2210403 - Daily Subsistence (foreign)		108,000.00	106,178.00
2210503 - Publications to Newspapers etc			
2210504 - Advertising Awareness & Publicity		128,640.00	73,000.00
2210505 - Trade Shows & Exhibition		560,439.00	752,994.00
2210706- Book Allowance		1,903,535.00	2,785,541.00
2210708 - Project Allowance			21,000.00
2210711 - Tuition Fee		21,925.00	21,000.00
2210801 - Catering Services		382,500.00	31,000.00
2211016 - Purch. Of Uniform & Clothing (Staff)		298,090.00	448,811.00
2211101 - General Office Supplies		874,815.00	1,366,500.00
2211102 - Supplies & Ass. For computer & printer		2,071,072.50	1,637,855.00
2211201 - Refined Fuel & Lubricants for Transport		357,461.00	448,424.00
2211204 - Other Fuel (Wood)		4,410,815.10	6,498,359.45
2211301 - Bank Charges		1,202,840.00	1,495,425.00
2211302 - School Fees Examination			
2220101 - Maint. M/Vehicle		6,000.00	4,500,000.00
2220201 - Maint. Of Plant, Mech. & Equip		3,434,564.00	3,179,797.00
2220205 - Maint. Building & Stations-Non resid.		3,395,578.00	2,216,645.00
2220210 - Maint. Of Computers		5,893,815.00	5,816,424.00
3211201- Overhaul of plant & equipment		132,000.00	203,000.00
Depreciation			
Total Operating costs	3	10,453,674.46	10,980,460.00
Net Profit/(Loss)		56,648,260.76	64,792,802.45
		50,614,994.70	75,512,996.78

MR. MUTEA IRINGO OGW, EBS, CBS
 PS- Interior and Coordination of National Government


 ISAYA M. OSUGO, CBS
 Commissioner General of Prisons

STATEMENT OF CASH FLOWS

CASH FLOWS FROM OPERATING ACTIVITIES (REVENUE COLLECTION)		2013-2014	2012-2013
RECEIPT FROM VARIOUS STATION	Note 2	402,282,239.32	313,951,654.00
PAYMENTS;			
2210101 - Electricity		101,465.00	178,681.00
2210102 - Water & Sewerage Charges		-	20,000.00
2210201-Telephone telex mobile charges		71,000.00	9,200.00
2210301 - Travel Costs		2,996,790.00	2,326,975.00
2210302 - Accom. Domestic travel		6,434,791.00	11,566,603.00
2210303 - Daily Subsistence		11,433,839.00	8,108,930.00
2210401 Foreign travel		5,213.70	
2210402 Foreign travel Accomodation		108,000.00	106,178.00
2210504 - Advertising Awareness & Publicity		560,439.00	752,994.00
2210505 - Trade Shows & Exhibition		1,903,535.00	2,785,541.00
2210503 Subscription to newspapers		128,640.00	73,000.00
2210706 Book Allowance			21,000.00
2210708 Project Allowance		21,925.00	21,000.00
2210711 Tuition Fee		382,500.00	31,000.00
2210801-catering services		298,090.000	448,811.00
2211016 - Purch. Of Uniform & Clothing (Staff)		874,515.00	1,366,500.00
2211023 supplies for production		317,800,538.20	323,849,228.60
2211101 - General Office Supplies		2,071,072.50	1,637,855.00
2211102 Supplies and Accessories for Computers		357,4611.00	448,424.00
2211201 - Refined Fuel & Lubricants for Transport		4,410,515.00	6,498,359.45
2211204 Other fuel (Wood)		1,202,840.00	1,495,425.00
2211302 School Fees Examination		6.000.00	4,500,000.00
2220101 - Maint. M/Vehicle		3,434,564.00	3,179,797.00
2220201 - Maint. Of Plant, Mech. & Equip		3,395,576.00	2,216,645.00
2220205- maint. Of building (Non residential)		5,893,815.00	5,816,424.00
2220210 Maint. Of Computers		132,000.00	203,000.00
SUB-TOTAL PAYMENT		363,995,424.50	377,661,370.60
ADD CASH FLOWS FROM INVESTING ACTIVITIES;			
Purchases of Non Current Asset)		29,883,170.00	27,993,392.70
TOTAL PAYMENT		393,878,594.50	405,654,763.30
NET INCREASE/(DECREASE) IN CASH			
cash equivalent as at 1st July		119,965,675.51	211,668,784.81
cash equivalent as at 30th June		128,369,320.83	119,965,675.51

STATEMENT OF CHANGES IN NET ASSETS
For the year ended 30 June 2014

	Industries account	Accumulated Reserves
Balance as at 30 th June,2012	14,000,000.00	297,808,131.13
Add surplus for the prev.year	(-)	(56,602,546.85)
Balance as at 30 th June, 2013	14,000,000.00	241,205,584.28
Add surplus for the prev.year	-	75,512,996.78
Balance as at 30 th June,2014	14,000,000.00	316,718,581.06

STATEMENT OF COMPARISON OF BUDGET AND ACTUAL AMOUNTS

ITEM	DESCRIPTION	TOTAL ALLOCATION	ADJUSTMENTS 2013-2014	FINAL BUDGET 2013-2014	ACTUAL COMPARABLE BASIS 2014	ACTUAL COMPARABLE 2013-	PERFORMANCE DIFFERENCE 2013-2014
2210101	Electricity Expenses	500,000.00	(350,000.00)	150,000.00	141,465.00		8,535.00
2210102	Water & Sewerage	200,000.00	(200,000.00)		NIL		NIL
2210201	Telephone ,Telex	200,000.00	(140,000.00)	60,000.00	53,000.00		7,000.00
2210301	Travel costs (Domestic)	2,500,000.00	850,000.00	1,650,000.00	3,255,330.00		94,670.00
2210302	Accommodation(Domestic)	5,000,000.00	2,600,000.00	7,600,000.00	6,965,481.00		634,519.00
2210303	Daily Subsistence(Domestic)	5,000,000.00	4,000,000.00	9,000,000.00	10,071,575.00		(1,071,515.00)
2210401	Travel costs(Foreign)	200,000.00	(100,000.00)	100,000.00	5,213.70		94,786.30
2210402	Accommodation (Foreign travel)	1,000,000.00	(500,000.00)	500,000.00	108,000.00		392,000.00
2210403	Daily Subsistence(Foreign)	500,000.00	(450,000.00)	50,000.00	38,754.00		11,245.00
2210503	Subscription Newspapers ,periodicals	150,000.00		150,000.00	128,640.00		21,360.00
2210504	Advertising Awareness,Publicity	1,000,000.00	(400,000.00)	600,000.00	560,444.00		39,556.00
2210505	Trade Shows & Exhibitions	2,500,000.00		2,500,000.00	2,027,680.00		472,320.00
2210706	Book Allowance	80,000.00		80,000.00	NIL		NIL
2210711	Tuition Fee Allowance	2,000,000.00	(1,500,000.00)	500,000.00	382,800.00		117,200.00
2210718	Project Allowance	100,000.00		100,000.00	21,925.00		78,075.00
2210801	Catering Services	300,000.00		300,000.00	298,090.00		1,910.00
2211006	Purchase of W/ship Tools,Spare,Equip	10,000,000.00	(3,000,000.00)	7,000,000.00	6,739,000.00		264,000.00
2211016	Purchase of Uniform & Clothing	1,000,000.00		1,000,000.00	955,000.00		45,000.00
2211023	Supplies for Production	200,386,000.00	112,000,000.00	312,386,000.00	283,645,064.00		28,740,936.00
2211101	General Office Supplies	1,400,000.00		1,400,000.00	1,734,483.00		(334,483.00)
2211102	Supplies & Accessories for Computers	400,000.00		400,000.00	397,461.00		2,539.00
2211201	Refined Fuels & Lubricants for Transport	5,000,000.00	1,090,000.00	6,090,000.00	4,550,144.00		1,539,856.00
2211204	Other Fuel ,Wood,Charcoal etc	1,200,000.00		1,200,000.00	1,202,840.00		(2,840.00)
2211302	School Exam & Invigilation fee	4,500,000.00	(4,000,000.00)	500,000.00	6,000.00		494,000.00
2220101	Maintenance Expenses (Motor Vehicle)	3,500,000.00		3,500,000.00	3,436,923.00		63,077.00
2220201	Maintenance of Plant Machinery & Equip.	2,000,000.00	(1,000,000.00)	1,000,000.00	1,048,014		(48,014.00)
2220205	Maint of Building & Stn -Non Residential	5,000,000.00	(900,000.00)	4,100,000.00	4,066,435.00		33,565.00
2220210	Maint of Computers &	400,000.00		400,000.00	132,000.00		268,000.00

	Comp. Equipment Overhaul of Plant Machinery & Equipment	10,000,000.00	13,000,000.00	23,000,000.00	7,640,000.00	20,360,000.00
311201						
3110701	Purchase of Motor Vehicle	12,000,000.00	(12,000,000.00)	Nil	Nil	Nil
3111002	Purchase of Computers & Printers	10,000,000.00	(9,000,000.00)	1,000,000.00	672,000.00	328,000.00

PRISONS INDUSTRIES REVOLVING FUND AS AT 30TH JUNE 2014

NOTES TO THE ACCOUNTS

Purpose of Establishment

The Prison Industries Revolving Fund was found on the premises of acting as a training ground for inmates. It is aimed at manufacturing products for own use as well as for the market thereby generating revenue for the Fund. It was also aimed at offering some vocational training to prisoners so that they would upon completion of their sentence engage in vocational works as way of training them. More than profit motive, it's driven by need to training and rehabilitation of prisoners on various skills.

Accounting policies

The accounting policies adopted in the preparation of the financial statements are set out as follows

a) Basis of preparation

The financial statements have been prepared under historical cost convention.

b) Revenue recognition

Revenue is recognized to the extent that it is probable that the economic benefits will flow to the Fund and can reliably be measured on accrual basis.

c) Fixed assets

1. Fixed assets are stated at Net Book Value or cost less accumulated depreciation. Depreciation is calculated on reducing

balance as follows:-

- | | |
|-------------------|---------|
| 2. Motor Vehicles | 10% |
| 3. Machinery | 5% |
| 4. Tools | 33 1/3% |
| 5. Computers | 5% |

d)Revenue Reserve

Constitutes retained surpluses from operations to the fund pending Treasury decision on its disposal.Any deficiency realized in any financial year shall,subject to Treasury approval,be set-off against the retained surpluses.

e)The preparation of the Trading,Profit and Loss Account and the Balance sheet for the year ended 30th June, 2014 is based from manual records. Revenue and Expenditure return and stock taking certificates from the stations.

2.Sales

Sales represent revenue collected by respective stations and surrendered at Prison Headquarters.

	2012/2013	2013/2014
Sales	296,853,773.00	391,484,524.32
Credit sales for the year	<u>377,998.00</u>	<u>16,101,235.00</u>
B/F Prepayment	82,681,081.00	17,097,881.00
Previous debt collected during the year	<u>(31,091,000.00)</u>	
	<u>348,065,856.00</u>	<u>424,683,640.32</u>

The amount of 391,484,524.32 excludes 10,797,715 which was a prepayment hence was not included in the sales of the financial year

3.Fixed Asset Schedule

See Schedule Attached.

4. Inventories

Inventories are valued at the lower cost or net realizable value.

	<u>2012/2013</u>	<u>2013/2014</u>
Raw materials	92,140,464.58	92,420,221.22
Work in progress	115,040,963.82	108,630,480.74
Finished goods	<u>14,564,564.33</u>	<u>21,075,444.11</u>
	<u>221,745,992.73</u>	<u>222,126,146.07</u>

5. Debtors

The debtors represent the amount owed to the fund from credit sales. These constitute both Government Departments as well as private individuals.

	<u>2012/2013</u>	<u>2013/2014</u>
Government	5,752,220.75	21,853,455.75
Private	<u>451,221.50</u>	<u>451,221.50</u>
	<u>6,203,442.25</u>	<u>22,304,677.25</u>

DEBTORS RECONCILIATION AS AT 30TH JUNE 2014

Opening balance as at 1 st July, 2013	6,203,442.25
Add New debts during the year	16,101,235.00
Less: debts paid	
Closing balance as at 30th June, 2013	<u>22,304,677.25</u>

6) PMG

PMG Account represents the amount that is held in the Ministry Deposit Account on behalf of the Fund .During the Year; this has been derived as hereunder:

	<u>2012/2013</u>	<u>2013/2014</u>
Opening balance	211,668,784.81	119,965,675.51
Add year sales	<u>313,951,654.00</u>	<u>402,282,239.32</u>
	525,620,438.81	522,247,914.83
Less Total Expenditure	<u>(405,654,763.30)</u>	<u>(378,330,321)</u>
Closing balance	<u>119,965,675.51</u>	<u>143,917,593.83</u>

2013/2014

Operating and Capital Expenditure	60,529,782.80
Direct cost (Raw materials-2211023	<u>317,800,538.20</u>
	<u>393,625,821.00</u>

7) PREPAYMENTS

PREPAID INCOME

Represent customer deposits for work in progress at year end where a customer is supposed to pay a down payment upon placing an order.

	<u>2012/2013</u>	<u>2013/2014</u>
Government	16,266,481.00	7,606,030.00
Private	<u>831,400.00</u>	<u>3,191,685.00</u>
	<u>17,097,881.00</u>	<u>10,797,715.00</u>

8) Capital Fund

Authorized capital is Khs 14,000,000.00 initially appropriated by Parliament vide Legal Notice no. 314 of 1992/93.

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9) Accumulated Revenue

Movement in revenue reserves during the year were as follows:-

	<u>2012/2013</u>	<u>2013/2014</u>
Balance b/f	297,808,131.13	241,205,584.28
Adjustments		
Net Profit/Loss	<u>(56,602,546.85)</u>	<u>75,512,996.78</u>
	<u>241,205,584.28</u>	<u>316,718,581.06</u>

10. SUSPENSE

The suspense account balance represents a balancing figure as the books of accounts were not in agreement. The suspense account has reduced to the current level. Movement in the account is as follows.

	<u>2012/2013</u>	<u>2013/2014</u>
Balance B/F	74,820,325.59	2,098,419.56
Increase/decrease	<u>72,721,906.03</u>	<u>21,867,157.52</u>
	2,098,419.56	23,965,577.08

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S/NO.	CUSTOMERS DEPOSIT 2013 / 2014 STATION	NATURE OF DEPOSIT	TOTAL COST	DEPOSIT PAID	MR./NO.	DATE
1	KAMITI MAIN	PRIVATE	22,000.00	15,000.00	A9430865	
			70,000.00	20,000.00	3410196	
			226,000.00	100,000.00	3898763	
			1,400,000.00	1,400,000.00	4128554/3	
			200,000.00	100,000.00	C3900094	
			80,000.00	80,000.00	C3900083	
		TOTAL:	1,998,000.00	1,715,000.00		
2	LANGATA 'W'	PRIVATE	1,000.00	1,000.00	B716136	17/6/99
			100	100.00	5611520	28/7/2001
			400.00	400.00	516034	21/2/2001
			1000	1000	1000090	28/2/2001
			1,500.00	1,000.00	1597784	10/4/2013
			4,500.00	1000	3410401	5/11/2013
			4000	1,000.00	4127781	11/2/014
			2,000.00	2,000.00	3899870	31/7/2014
			3,000.00	2,000.00	4129177	19/3/014
			2,700.00	2,000.00	3899865	4/4/014
			3,000.00	1,900.00	3899887	5/5/014
			700.00	500.00	4128808	21/5/014
			3,200.00	2,000.00	4127780	4/2/014
			2,000.00	1,000.00	4128811	26/5/014
			2,700.00	2,000.00	3899879	23/4/014
			2,000.00	1,000.00	4128820	3/6/014
			3,700.00	2,000.00	4128829	12/6/014
			1,800.00	1,000.00	4128832	12/6/014
		TOTAL:	39,300.00	22,900.00		
3	NBI/WEST	PRIVATE	15,000.00	15,000.00	A6779594	
			150,000.00	150,000.00	A8167750	
			50,000.00	50,000.00	A8167747	
			56,000.00	56,000.00	38985028/03	
			35,000.00	35,000.00	A3898504	
		TOTAL:	306,000.00	306,000.00	A 5181042	
6	MURANGA MAIN	PRIVATE	29,000	17,000.00	4129951	
		TOTAL:	29,000	17,000.00	9346896	
7	EMBU MAIN	PRIVATE	16,080.00	7,000.00		
			15,000.00	15,000.00	A8969119	
		TOTAL:	31,080.00	22,000.00		
8	THIKA MAIN	PRIVATE	12,500.00	10,000.00	0185668/75	
			16,500.00	14,285.00	185681	
			23,500.00	10,000.00	102655	15/4/2014
		TOTAL:	12,500.00	34,285.00		
10	SHIMO MAIN	PRIVATE	20,300.00	18,000.00	3899471	29/5/014
			70,000.00	30,000.00	3899478	3/6/014
			70,000.00	30,000.00	326555	17/06/014
		TOTAL:	160,300.00	78,000.00	2122603	
	KISUMU MAIN	PRIVATE	62,500.00	35,000.00	3057119	
		TOTAL	62,500.00	35,000.00		
	ELDORET MAIN	PRIVATE	50,000.00	50,000.00	1373924	

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			115,700.00	49,000.00	1373924	3/5/014
			55,000.00	55,000.00	3898878	6/6/014
			60,000.00	60,000.00	3898890	
		TOTAL	280,700.00	214,000.00		
		GOVERNMENT	534,180.00	534,180.00	3898892	24/06/014
		TOTAL	534,180.00	534,180.00		
		PRIVATE	63,200.00	30,000.00	8846765	
		KAKAMEGA MAIN	80,000.00	10,000.00	4127671	11/03/014
			143,200.00	40,000.00		
		PRIVATE	35,000.00	30,000.00	3097114	19/06/014
		VIHIGA	38,000.00	25,000.00	3097115	30/05/014
			30,000.00	30,000.00	3097120	1/7/2014
			103,000.00	85,000.00		
		PRIVATE	5,000.00	5,000.00	9430608	
		11 HOLA	5,500.00	3,000.00	9430609	
		TOTAL:	10,500.00	8,000.00		
		PRIVATE	250,000.00	100,000.00	3408862	
		SIAYA	250,000.00	100,000.00		
		PRIVATE	49,500.00	25,000.00	8655880	
		15 KABARNET	13,400.00	5,000.00	86558851	
			35,000.00	20,000.00	8655888	
			15,000.00	15,000.00	8655887	
			7,831.00	6,000.00	8655891	
			47,340.00	47,000.00	8655890	
		TOTAL:	168,071.00	118,000.00	303896	
		PRIVATE	40,000.00	20,000.00	4129310	2/04/014
		16 ATHI-RIVER	15,000.00	15,000.00	4129314	15/5/014
			30,000.00	3,000.00	9681002	26/06/014
			30,000.00	15,000.00	9681044	15/02/014
			75,000.00	75,000.00	8824862	20/12/013
			70,000.00	35,000.00	4129309	27/03/014
			30,000.00	30,000.00	129310	2/06/014
		TOTAL	290,000.00	193,000.00		
		GOVERNMENT	16,205,300.00	6,205,300.00	2395159	11/08/011
		TOTAL:	16,205,300.00	6,205,300.00		
		PRIVATE	23,000.00	23,000.00	120249	18/9/014
		17 NAIVASHA MAIN	25,500.00	25,500.00	306747	7/11/013
			15,000.00	15,000.00	3067496	18/2/013
			135,000.00	135,000.00	4129608	5/3/014
		TOTAL	198,500.00	198,500.00		
		PRIVATE	5,000.00	5,000.00	3899570	3/6/014
		TOTAL	5,000.00	5,000.00		
		GOVERNMENT	607,050.00	607,050.00	3413598	22/05/014
		15 KISII MAIN	199,500.00	199,500.00	1373093	25/7/014
			60,000.00	60,000.00	1988227	7/5/013
		TOTAL:	866,550.00	866,550.00		
		PRIVATE	3,191,685.00			
		GOVERNMENT	7,606,030.00			
		TOTAL:-	10,797,715.00			

OFFICE OF THE PRESIDENT MINISTRY OF INTERIOR AND COORDINATION OF NATIONAL GOVERNMENT

PRISONS INDUSTRIES REVOLVING FUND

FIXED ASSETS SCHEDULE AS AT 30TH JUNE 2014

Details	Motor Vehicles	Carpentry	Tailoring	Printing	Metal	Number plates	Miscellaneous	Leather	Coconut	Computer	Tools&Equipmt	Total
Balance B/f 1 st Jan. 2013	17,299,242.04	7,240,171.21	12,249,008.63	2,993,750.92	2,796,796.46	4,323,664.18	14,287.25	7,908,354.90	304,278.04	3,238,140.24	13,795,719.28	72,163,413.15
Additions during the year		2,490,500.00	9,137,500.00			15,195,500.00				925,615.00	2,039,555.00	29,788,670.00
Disposal												
Total assets	17,299,242.04	9,730,671.21	21,386,508.63	2,993,750.92	2,796,796.46	19,519,164.18	14,287.25	7,908,354.90	304,278.04	4,163,755.24	15,835,274.28	101,952,083.15
Depreciation	1,729,924.20	486,533.56	1,059,325.43	149,687.55	139,839.82	975,958.21	714.36	395,417.75	15,213.90	208,187.76	5,277,896.92	10,446,699.46
N.B. V. as at 30th June 2014	15,569,317.84	9,244,137.65	20,317,183.20	2,844,063.37	2,656,956.64	18,543,205.97	13,572.89	7,512,937.16	289,064.14	3,955,567.48	10,557,377.36	91,503,383.69
N.B. V. as at 30th June 2013	17,299,242.04	7,240,171.21	12,249,008.63	2,993,750.92	2,796,796.46	4,323,664.18	14,287.25	7,908,354.90	304,278.04	3,238,140.24	13,795,719.28	72,163,413.15

Summary

Carpentry	9,244,137.65
Tailoring	20,317,183.20
Printing	2,844,063.37
Metal	2,656,956.64
Numberplate	18,543,205.97
Miscellaneous	13,572.89
Leather	7,512,937.16
Coconut	289,064.14
Tools&equipment	10,557,377.36
Total	71,978,498.37

PRIVATE OUTSTANDING DEBTS FOR PERIOD ENDED 30-6-2014

PROVINCE	STATION	NAME OF DEBTOR	ITEM DESCRIPTION	QNTY	LPO NO. & DATE	INVOICE & DATE	AMOUNT
Rift Valley	Naivasha 'M'	K.C.C	Kaunda suits	603	PGH 1	17031/9-5-98	84,420.00
	Kapenguria	Mr. Kitui Wakape	Concrete	500		23059 6-3-81	825.00
Coast	Shimo 'M'	Ms Marere Mwachai	D/set,c/table,shoe rack	1		15311 1-11-99	23,000.00
	Shimo 'A'	Mrs Mary Nthurina			0756 8-9-95		1,850.00
Eastern	Embu Main	Mr. Julius Sang	C/table,big stools,4c/stools		F2 01227	0076 /21-8-98	5,500.00
	Meru 'M'	Reuben Miriti	lounge chair	1			1,122.50
	Kitui Rem.	Simon K.Kingor		1		59 13-4-2004	10,400.00
PHQ	Showroom	Mr. Moses Nela	Sofa set	1		4498	4,000.00
		Mr. Nesbit Choka	Side board	1		64280 12-1-78	940.00
		Mr. Thuo	Single Bed	1		94646	800.00
		Mr. Mwakio	House furniture				1,230.00
		Mr. Kirui	Executive sofa sets	2		C 138	60,000.00
		P.M Musumbi	wall unit	1		C15799/21-12-2000	39,500.00
		Oby Oduho	Day Bed	1		15639 5-10-03	8,000.00
		Mr.E.M Guantai	S/bed,D/set,C/set			15633 3-4-2003	67,360.00
		Mr. Nyaribo	D/bed W/mattress	1		0857 30-9-04	20,000.00
		"	C/table,set	1		0857 30-9-04	12,200.00
		Oi/c procurement	detergent	20ltrs		0705 5-4-2005	1,200.00
		"	coat hungers	1		0898 & 0893	1,250.00
		"	detergent	20ltrs		6669 28-8-2006	1,200.00
		Mr. Mogoya(C.P.O)	double bed	1		0873 11-12-04	10,000.00
		Christine Bichage	Sofa set	1		12253 25-9-2009	92,000.00
Nairobi	Kamiti Main						
	"	Mrs.Walube	Sofa set	1	Kam/sh/15/vol.II/51	18057 / 26-07-78	300.00
	"	Mrs. Elizabeth Mibaya	Sugar bow	1	Kam/sh/15/vol.II/51	18059 / 26-7-78	20.00
	"	Amos C. Ngethe	Drinking cabinet	1	C 33725 / 12-11-78	9806 / 21-11-78	534.00
	"	Muturi Ex-DCP	Sign Board	1	5/7/1979	10065 / 7-5-71	20.00
	"	Hon. Paul Ngei	Church pawes	12	449517 / 21-3-74	64021 / 21-3-74	3,550.00
						TOTAL	451,221.50

NEW DEBTS 2013/2014										
	CUSTOMER	ITEM	NO	RATE	STATION	DEPOSIT	INVOICE	DATE	AMOUNT	TOTAL
	GOVERNMENT									
1	KMTC Embu		1	26,500.00	Embu Main		3876	21/6/13	26,500.00	
2	KSOG Embu		1	6000	Embu Main		3877	10/7/2013	6,000.00	
3	Director Medical Serv.	Dinning Chairs	6	4500	PHQ S/R		6217859	20/2/014	27,000.00	
4	Director Medical Serv.	C/Table	1	8000	PHQ S/R		6217859	20/2/014	8,000.00	
5	Ruai Police Station	Various			PHQ S/R				16,033,735.00	16,101,235.00



CREDITORS AS AT 30TH JUNE 2014

SUPPLIER	AMOUNT
Mbame General Merchants	1,727,500
Ration Merchants	775,000
Homes & Abroad Solutions	4,194,500
Tram Technical Services	1,128,500
Donrays General Supplies	331,500
Ketoways General Merchants	387,500
Deja Solutions	499,400
Tropical Technology Ltd	18,160,000
Luckysam Agencies	392,425
Ellest Supplies	320,000
Multi Prode Enterprises	1,672,500
Nderwa Enterprises	675,000
Intertech Construction	475,000
Skyweb Enterprises	1,831,000
Skyweb Enterprises	1,425,000
Ripetch Agencies	250,000
Optimum Logistics	499,800
	34,744,625
PENDING BILLS ON OTHER FUELS	
Jordan Wood Saw Mills	1,189,500
	1,189,500
PENDING ON OVERHAUL OF PLANT & MACHINERY	
Tropical Technologies	15,295,500
	15,295,500

SUMMARY OF TOTAL CREDITORS

Supplies for production	34,744,625
Other Fuels	1,189,500
Overhaul of Plant & Machinery	15,295,500
GRAND TOTAL	51,229,625



PRISOCS INDUSTRIES GOVERNMENT OUTSTANDING DEBTS AS AT 30.6.2014

REGION	STATION	NAME OF DEBTOR	ITEMS DESCRIPTION	QTY	LPO NO	INVOICE NO	AMOUNT
RIFT VALLEY	Navasha	PS MOHA \$ NH	Standard coffin	1	PHM	7322/15/08/98	600,000.00
	"	PS-MOHA \$ NH	Building charges	75	PGG5	5-0028/25-1-97	36,000.00
	"	Distinct Commissioner Nakuru	Executive Chair	1	PPD 83	5819/17-12-98	4,470.00
							640,470.00
NAIROBI	Almi River	Dagorell approved school-Kikuyu	Office chair	4	393336/7-4-81	79754/16-4-81	2,800.00
	"	P.S. M O H.A. - NBI	Coffins	50	P.S. MOHA & N.H	14237 / 15-8-98	400,000.00
	"	Commissioner of Prisons	D/Table with 8 chairs	1		36581/ 18-6-2010	80,000.00
	"		Pocket buttons	2,570		36575/2-10-09	539,700.00
	"		Palm bar	10,000		36574/9-6-2009	730,000.00
	"	Commissioner of Prisons	Bookshelf	1		36585/16-8-2010	60,000.00
	"		Pocket buttons	2,000		93352/16-2-2011	500,000.00
	"	PC Narok	ballast[tonnes]	14		26274/14-11-85	980.00
	"					16290/20-10-86	980.00
	"						1,960.00
NYANZA	Kibos	Distinct Surveyor -Siaya	Jackets & Trousers	26	25286 / 23-11-81	58057 / 15-02-82	6,560.00
	"	Distinct Surveyor -Siaya	Jackets & Trousers	2	252828 / 17-1-82	58058 / 20-02-82	495.00
	"	OCPD Kisumu	Working uniform	4	153283 / 11-06-82	52492 / 04-12-83	160.00
	"	O CPD Siaya	Blue serge	4	12567 /26-06-85	58561 / 25-12-85	300.00
	"	Co-operative officer	Shirts & Trousers	1	339601 / 8-07-78	11442 / 22-2-79	440.00
	"	magistrates	shelves	24	2939853 of 19.5.09		63,072.00
	"	Co-operative officer	Blue serge & Trousers	2	488941 / 9-07-78	11442 / 22-02-79	440.00
	"	OCPD Kisumu	Working uniform	2	1532214 /18-11-82	5708 / 25-12-83	200.00
	"	OCPD Kisumu	Working uniform	4	1532285 / 13-10-85	58491 / 15-07-84	160.00
	"						71,827.00
COAST	Homa Bay	DC Homa Bay	D/combined	1		4079	13,000.00
	"	DC Homa Bay	Dinning Set	1		4079	18,000.00
	"	DC Homa Bay	Dinning Set	1		4079	16,000.00
	"	DC Homa Bay	C/Table with stools	1		4079	10,000.00
						57,000.00	
PHQ	Shimo Main	Supt I/C North coast police division	Uniform	1	907611 / 14-07-75	97947 / 06-07-75	160.00
	"	O/C Sub-dept Kenya Police Msa	Uniform	1	915554 / 10-09-86	98516 / 09-10-86	226.00
	"	DC Kilifi	Uniform	1	635962-10-86	08958/15-4-83	5,642.80
	"						
NAIROBI	Kamiti	Manager Ex Infrashle	Number plate	1	893H / 18/08/77	100929 / 18-08-77	55.00
	"	Commissioner of Police -Traffic	Stickers	400	699539 / 15-6-77	33363 / 15-6-78	100,000.00
	"	Chief Transport officer	Presidential plate	4	5000038 /08-2-89	33395 / 13-02-89	3,600.00
	"	Central store Kenya	Kenya police transfer badges	20	B 503064 / 29-10-92	R0353 / 18-1-92	6,600.00
"	O/C N.Y.S. Mechanical Training	NYS vehicle badges	13	B 051645 / 22-11-90	R 0527 / 26-11-90	780.00	
"	Central store Kenya	Police sign	10	B 503065 / 29-10-92	11/18/1992	5,000.00	
"	Register M/vehicle	stickers validation	31	A 019512 / 17-9-01	C 00015 7-01-2002	372,000.00	
"	V P & MOHA	repair sign board	1	A 320376 09-5-2002	C 00023 29-5-2002	4,995.00	
"	SPO AFOD Kahawa	Leaner plates	40	C405748 / 21/06/96	C02792 / 26/06/96	10,000.00	
"	Forces station Kahawa	Ankle boots	10	A. 559726 / 28-11-91	D. 3750 / 18-12-91	4,600.00	

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CAPITAL EXPENDITURE FOR THE YEAR 2013/2014

	2211006			3111002	TOTAL
	PURCHASE	PURCHASE	OVERHAUL	PURCHASE	
	OF TOOLS	OF MV	OF PLANT	OF COMPS.	
COMPRIS	1,103,000.00		22,935,500.00	72,000.00	24,110,500.00
PHO					
KAMITI 'M'	400,000.00			55,000.00	455,000.00
LANGATA 'W'	19,600.00			68,915.00	88,515.00
NBIWEST	210,000.00				210,000.00
KIAMBU	110,000.00				110,000.00
KERUGOYA	10,000.00				10,000.00
MWEA	197,920.00			68,900.00	266,820.00
T/FALLS 'M'	10,000.00				10,000.00
T/FALLS 'W'	65,000.00				65,000.00
NYERI 'M'	369,935.00				369,935.00
NYERI 'W'	10,000.00			49,950.00	59,950.00
NYERI MED	84,750.00				84,750.00
MURANGA 'M'	20,000.00				20,000.00
MURANGA 'W'	5,000.00				5,000.00
THIKA 'M'					
THIKA 'W'	10,000.00				10,000.00
RURI	200,000.00				200,000.00
MARANJAU	100,000.00				100,000.00
KWALE	10,000.00				10,000.00
KWALE 'W'	10,000.00				10,000.00
KINGORANI	5,000.00				5,000.00
SHIMO 'M'	30,000.00				30,000.00
SHIMO 'W'	10,000.00				10,000.00
SHIMO B.I.	109,700.00				109,700.00
SHIMO 'MED'	10,000.00				10,000.00
MANYANI	25,000.00				25,000.00
KILIFI	45,000.00				45,000.00
HOLA	0.00				
HINDI					
MALINDI 'M'	5,000.00				5,000.00
MALINDI 'W'	5,000.00				5,000.00
VOI S.S.	5,000.00				5,000.00
WUNDANYI 'M'	5,000.00				5,000.00
WUNDANYI 'W'	5,000.00				5,000.00
EMBU 'M'	210,000.00				210,000.00
EMBU 'W'	80,000.00				80,000.00
ISICLO	10,000.00				10,000.00
KITUI 'M'	15,000.00				15,000.00
KITUI 'W'	7,185.00				7,185.00
MACHAKOS 'M'	20,000.00				20,000.00
MACHAKOS 'W'	10,000.00				10,000.00
KANGETA	10,000.00				10,000.00
MERU 'M'	10,000.00				10,000.00
MERU 'W'	5,000.00				5,000.00
URUKU				45,000.00	45,000.00
MAKUENI	15,000.00				15,000.00
GARISSA	0.00				
WAJIR	5,000.00				5,000.00
MANDERA	5,000.00				5,000.00
KISII 'M'	70,000.00				70,000.00
KISII 'W'	10,000.00				10,000.00
KISUMU 'M'	10,000.00				10,000.00
RACHJONYO	5,000.00				5,000.00
SIAYA	150,000.00				150,000.00
KIBOS 'M'					
KISUMU 'W'	10,000.00				10,000.00
HOMA-BAY					
MIGORI 'M'	65,000.00				65,000.00
MIGORI 'W'	23,000.00				23,000.00
LODWAR	5,000.00				5,000.00
KAPENGURIA	10,000.00				10,000.00
MARALAL 'M'	10,000.00				10,000.00
MARALAL 'W'	5,000.00				5,000.00
KITALE 'M'	20,000.00				20,000.00
KITALE 'MED'	120,000.00				120,000.00
KITALE 'W'	10,000.00				10,000.00
KITALE 'A'	5,000.00				5,000.00
ERAVINE	5,000.00				5,000.00
ELDORET 'M'	39,220.00				39,220.00
ELDORET 'W'	30,000.00				30,000.00
KAPSABET	10,000.00				10,000.00
RUMURUTI	5,000.00				5,000.00
NANYUKI 'M'	10,000.00			80,000.00	90,000.00
NANYUKI 'W'	105,000.00				105,000.00
NAKURU 'M'	0.00			90,000.00	90,000.00
NAKURU 'W'	10,000.00				10,000.00
NAIVASHA 'W'	10,000.00			139,850.00	149,850.00
NAIVASHA MED	110,000.00				110,000.00
NAIVASHA 'M'	118,790.00			36,000.00	154,790.00
NAROK	105,000.00				105,000.00
ATHI-RIVER	189,885.00				189,885.00
KERICHO 'M'	10,000.00				10,000.00
KERICHO 'W'	10,000.00				10,000.00
TAMBACH	5,000.00				5,000.00
BOMET	10,000.00				10,000.00
KABARNET	205,000.00				205,000.00
NGERIA FARM	205,000.00				205,000.00
KAJIADO	10,000.00				10,000.00
KAKAMEGA 'M'	160,000.00			100,000.00	260,000.00
SHIKUSA B.I.	329,000.00			70,000.00	399,000.00
SHIKUSA S.S.	9,940.00				9,940.00
KAKAMEGA 'W'	10,000.00				10,000.00
BUNGOMA					
UNHIGA	104,830.00			50,000.00	154,830.00
BUSIA	10,000.00				10,000.00
GRAND TOTAL:-	6,027,055.00	0.00	22,935,500.00	925,615.00	29,883,170.00

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