

REPUBLIC OF KENYA



*Paper laid by
the Leader of
Majority on
30/4/2014
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KENYA NATIONAL AUDIT OFFICE



REPORT
OF
THE AUDITOR-GENERAL
ON
THE FINANCIAL STATEMENTS OF
KENYA RURAL ROADS AUTHORITY
FOR THE YEAR ENDED
30 JUNE 2013





KENYA RURAL ROADS AUTHORITY



Annual Report and Financial Statements

For the year Ended

30 June 2013

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Corporate Information

Kenya Rural Roads Authority (KeRRA) is a State Corporation established under the Kenya Roads Act 2007. The Authority falls under the Ministry of Roads and is headed by a state-appointed Board of Directors led by a chairman with the Director General being the Chief Executive of the Authority. The Authority began its operations in September 2008 and has 47 regions covering all parts of the country.

Mandate

KeRRA is responsible for the management, development, rehabilitation and maintenance of the Rural Road Network in Kenya classified as D, E and others.

Vision

To be a provider of an adequate, quality, safe and efficient rural road network.

Mission

To develop, construct, maintain and manage the rural roads network for sustainable social-economic development

Board Members

Eng. Richard Chepkwony -The Institution of Engineers of Kenya	Chairman
Eng. Mwangi Maingi, MBS, OGW	Secretary
Caroline Nkirote Nyororo - Institute of Surveyors	Member
Dr. Kamau Thugge (Principal Secretary) -Treasury (Alternate: F. Kingori)	Member
Eng. J.K Musonik (Principal Secretary) -Ministry of Transport and Infrastructure (Alternate: Eng Patrick Mwinzi)	Member
Mr. Renson K. Mbwagwa - Kenya Institute of Planners	Member
Dr. Desterio E. Ouma - Institutions of Higher Learning	Member
Karega Mutahi (Principal Secretary) - Ministry of Planning and Devolution. (Alternate: Amb.P.Owade)	Member

Corporate Information (Continued)

Senior Management

Name	Position
Eng. Mwangi Maingi, MBS, OGW	Director General
Eng. Shadrack Osiro	General Manager - Maintenance
Eng. Frank Karanja	General Manager- Planning
Eng. John Ogango	General Manager-Design&Construction
Mr. Peter Rutto	General Manager – Finance
Mr. Justine Rapando	Manager- Legal Affairs

Auditors

The Auditor General
Kenya National Audit Office,
Anniversary Towers, University Way
P.O Box 49384 - 00100
Nairobi GPO

Principal Place of Business

Blue Shield Towers 6th Floor,
Hospital Hill Road, Upper Hill,
PO Box 48151 - 00100
Nairobi GPO

Bankers

Kenya Commercial Bank Limited
Moi Avenue Branch
PO Box 48400
00100 Nairobi GPO

The authority operates one bank account in each of its 47 regional offices and one Constituency Roads Fund bank accounts for each of the 210 constituencies. The Constituency Roads Fund accounts are held in Kenya Commercial Bank branches, Co-operative Bank and Equity Bank. The authority also operates three accounts with NIC bank.

Directors' Report

The directors submit their report together with the financial statements for year ended June 2013, which disclose the state of affairs of the Authority.

1. Principal Activities

The principal activity of the authority is the management, development, rehabilitation and maintenance of the Rural Road Network in Kenya classified as D, E and others.

2. Results

The results for the year are set out on page 8.

3. Directors

The directors who held office during the year and to the date of this report are set out on page 3.

4. Employees

The directors are pleased to record their appreciation for the untiring efforts of all employees of the Authority.

Statement of Directors responsibilities

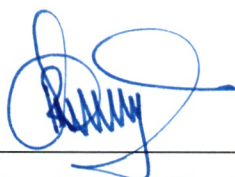
The Kenya Roads Act 2007 requires the Directors of Kenya Rural Roads Authority to prepare financial statements for each financial year end; which include, a balance sheet showing in detail the assets and liabilities of the Kenya Rural Roads Authority, a statement of income and expenditure, a Cash flow statement, and such other statements that the board may deem necessary.

The Act also requires the Directors to ensure the authority keeps proper accounting records which disclose with reasonable accuracy the financial position of the authority. They are also responsible for safeguarding the assets of the Authority and taking reasonable steps for prevention and detection of fraud and other irregularities.

The Directors accept responsibility for the annual 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 and in the manner required by the Kenya Roads Act. The Directors are of the opinion that the financial statements give a true and fair view of the state of the financial affairs of the authority and of its operating results.


The Directors 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 Shall continue to provide financial support in the foreseeable future to Kenya Rural Roads Authority, to enable it discharge its mandate as defined by the Kenya Roads Act 2007, and to meet its obligations as they fall due.



Eng. Richard Chepkwony

Chairman



Eng. Mwangi Maingi, MBS, OGW

Director General

REPUBLIC OF KENYA

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NAIROBI

KENYA NATIONAL AUDIT OFFICE

REPORT OF THE AUDITOR-GENERAL ON KENYA RURAL ROADS AUTHORITY FOR THE YEAR ENDED 30 JUNE 2013

REPORT ON THE FINANCIAL STATEMENTS

I have audited the accompanying financial statements of Kenya Rural Roads Authority set out on pages 7 to 21 which comprise the statement of financial position as at 30 June 2013, and the statement of comprehensive income, statement of changes of reserves and statement of cash flows 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 14 of the Public Audit Act, 2003. I have obtained all the information and explanations which, to the best of my knowledge and belief, were necessary for the purpose of the audit.

Management's Responsibility for the Financial Statements

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

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

Auditor-General's Responsibility

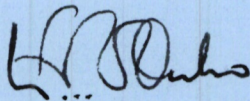
My responsibility is to express an opinion on these financial statements based on the audit and report in accordance with the provisions of Section 15(2) of the Public Audit Act, 2003 and submit the audit report in compliance with Article 229(7) of the Constitution of Kenya. The audit was conducted in accordance with International Standards on Auditing. Those standards require compliance with ethical requirements and that the audit be planned and performed to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Authority'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 audit opinion.

Opinion

In my opinion, the financial statements present fairly, in all material respects, the financial position of the Authority as at 30 June 2013, and of its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards and comply with Kenya Roads Act, 2007.



Edward R. O. Ouko, CBS
AUDITOR-GENERAL

Nairobi

7 April 2014

Statement of Financial Position

As at 30 June 2013

	Notes	As at 30 June 2013 Shs'000	As at 30 June 2012 Shs'000
<u>Non-Current Assets</u>			
Property, Plant and Equipment	5(a)	283,162	333,691
Work In progress	5(b)	11,146	18,706
Contingent Deposits	5(c)	<u>175,996</u>	<u>165,996</u>
		<u>470,304</u>	<u>518,393</u>
<u>Current assets</u>			
Inventories	6	4,080	6,293
Trade and other receivables	7	6,034,488	1,573,428
Cash and cash equivalents	8	5,405,989	6,614,510
Inter Branch balances		-	-
		<u>11,444,557</u>	<u>8,194,231</u>
<u>Less: Current liabilities</u>			
Trade and other payables	9	<u>2,723,407</u>	<u>2,705,850</u>
		<u>2,723,407</u>	<u>2,705,850</u>
Net current assets		<u>8,721,150</u>	<u>5,488,381</u>
NET ASSETS		<u>9,191,454</u>	<u>6,006,774</u>
<u>EQUITY & CAPITAL FUND</u>			
Capital grants	10	80,966	54,337
Revenue Reserve		<u>9,110,488</u>	<u>5,952,437</u>
Total equity		<u>9,191,454</u>	<u>6,006,774</u>



Eng. Richard Chepkwony
Chairman



Eng. Mwangi Maingi, MBS, OGW
Director General

Statement of Comprehensive Income
For the year ended 30 June 2013

		30 June 013 Shs'000	30 June 012 Shs'000
	Notes	Shs'000	Shs'000
<u>Revenue</u>			
Fuel levy fund	2(a)	9,463,834	10,169,382
Exchequer funds	2(b)	12,970,107	13,156,651
Donor funding	2(c)	423,672	1,640,933
Interest Income	2(d)	82,052	38,680
Other Income	2(e)	<u>91,080</u>	<u>169,973</u>
Total Income		<u>23,030,747</u>	<u>25,175,619</u>
<u>Administrative expenses</u>			
Staff costs	3(a)	1,429,358	1,237,776
Directors cost	3(b)	28,745	7,546
Other Operating costs	3(c)	370,696	429,283
Depreciation	3(d)	<u>113,343</u>	<u>103,373</u>
Total Administrative expenses		<u>1,942,142</u>	<u>1,777,978</u>
Road works			
Road works expenditure	4	<u>17,930,554</u>	<u>21,473,812</u>
Total expenditure		<u>19,872,696</u>	<u>23,251,790</u>
Surplus		<u>3,158,051</u>	<u>1,923,829</u>

Statement of Changes in Reserves

For the Year Ended 30 June 2013

	Note	Revenue Reserve Shs'000	Capital Fund Shs'000	Total Shs'000
Period ended 30 June 2012				
At start of Period		4,028,608	54,337	4,082,945
Surplus for the year		<u>1,923,829</u>	<u>-</u>	<u>1,923,829</u>
As at end of Period		<u>5,952,437</u>	<u>54,337</u>	<u>6,006,774</u>
Year ended 30 June 2013				
At start of year		5,952,437	54,337	6,006,774
Surplus from operations		3,158,051	-	3,158,051
Capital Grants		<u>-</u>	<u>26,629</u>	<u>26,629</u>
At end of year		<u>9,110,488</u>	<u>80,966</u>	<u>9,191,454</u>

Statement of Cash Flows
For the Year Ended 30 June 2013

	Note	Ksh"000"	Ksh"000"
		June-13	June-12
Cash From Operations	11	(1,251,947)	(282,264)
Net Cash flow from Operating Activities		(1,251,948)	(282,264)
Cash and Cash Equivalents from Investing Activities			
Purchase of Assets	5(a)	(62,814)	(145,932)
Changes on Work-in-Progress	5(b)	7,560	16,564
Interest on Deposits		82,052	38,680
Cash transfer to Contingent Deposits	5(c)	(10,000)	5
Net Increase/ (Decrease) from Investing Activities		16,798	(90,683)
Capital Grants		26,629	0
Total Capital Grants		26,629	0
Cash and Cash Equivalents at beginning of the year		6,614,510	6,987,457
Cash and Cash Equivalents as at 30 June 2013	8	<u>5,405,989</u>	<u>6,614,510</u>

Notes to the Financial Statements

1. Summary of Significant Accounting Policies

The Financial statements have been prepared in accordance with and comply with International Financial reporting Standards (IFRS's).

The principal accounting policies adopted in the preparation of the financial statements are set out below. These policies have been consistently applied unless otherwise stated.

(a) Basis of Preparation

The financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS). The measurement basis applied is the historical cost basis, except where otherwise stated in the accounting policies below. The financial statements are presented in Kenya Shillings (Ksh), rounded to the nearest thousand.

The preparation of financial statements in conformity with IFRS requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Company's accounting policies. Areas of complexity or that involve a higher degree of judgement or where assumptions and estimates are significant to the Financial Statements are disclosed in note (h) and (i) below.

(b) Revenue Recognition

The Authority's revenue consists of receipts from Roads Maintenance Levy Fund (RMLF), Exchequer, Donor grants and loans and other income. Revenue is recognised on receipt basis. If however an item of revenue is nominated for a specific accounting period, it is credited to income in that period on the accrual basis.

(c) Foreign Currency Translation

(i) Functional and Presentation Currency

The unit of measure is the currency of the primary economic environment in which the Authority operates (the Functional Currency). The Financial Statements are presented in Kenya Shillings (Ksh).

(c) Foreign Currency Translation (Continued)

(ii) Transactions and Balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Any gains or losses on translation are recognised in the income and expenditure account.

(d) Government Grants

In compliance with IAS 20, all government grants are recognised to income when received or when there is reasonable assurance that the grant will be received.

(e) Inventories

Inventories are stated at the lower of cost and net realisable value.

(f) Receivables

Receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method less provision for impairment. A provision for impairment of receivables is established when there is objective evidence that the Authority will not be able to collect all the amounts due according to the original terms of receivables.

(g) Payables

Payables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method.

(h) Property, Plant and Equipment

All categories of property, plant and equipment are initially recorded at cost. They are stated at historical cost less depreciation. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Freehold land is not depreciated. Depreciation on other assets is calculated using the straight-line method to allocate their cost or re-valued amounts less their residual values over their estimated useful lives, as follows:-

Buildings	2.5%
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(h) Property, Plant and Equipment(Continued)

Capitalised Software	33.3%
Furniture and Fittings	12.5%
Technical Equipment	12.5%
Motor Vehicles	25.0%

The assets' residual values and useful lives are reviewed and adjusted if appropriate at each Balance Sheet date.

(i) Critical accounting estimates and judgements

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including experience of future events that are believed to be reasonable under the circumstances.

(j) Comparatives

Where necessary, comparative figures are restated to incorporate changes in the current financial year.

(k) Employee Benefits

The Authority employs and remunerates staff pursuant to Kenya Roads Act, 2007 and provisions of the State Corporations Act (Cap 446) and the employment Act 2007.

These Acts form the basis of the KeRRA "*Human Resource Management and Administration Policies and Procedures Manual*" which contains the details of employee benefit for each cadre of staff.

Kenya Rural Roads Authority
 Financial statements
 For the year ended 30 June 2013
 Notes to the Financial Statements

	30-Jun-13	30-Jun-12
	Ksh “000”	Ksh “000”
2 Revenue		
2(a) Fuel Levy Funding		
KeRRA RMLF- Road works 10% Equitable allocation	1,517,090	2,779,828
KeRRA RMLF- Road works 10% Special allocation	2,407,172	1,945,300
KeRRA RMLF- Road works 22%	5,287,378	5,272,927
Coffee Cess	<u>252,194</u>	<u>171,327</u>
Totals	<u>9,463,834</u>	<u>10,169,382</u>
2(b) Exchequer Funding		
GOK-Development funding	12,688,067	13,156,651
GOK-Recurrent funding	<u>282,040</u>	<u>-</u>
Totals	<u>12,970,107</u>	<u>13,156,651</u>
2(c) Donor Funding		
Development funding- SIDA	2,340	-
KFW Funding	-	872,422
AFD - Funding	-	767,011
TOWA Income_NACC	-	1,500
Direct payments – AFD	153,933	-
KFW-Western	54,971	-
KFW-Central	<u>212,428</u>	<u>-</u>
Totals	<u>423,672</u>	<u>1,640,933</u>
2(d) Interest Income		
Interest Income	<u>82,052</u>	<u>38,680</u>
Totals	<u>82,052</u>	<u>38,680</u>
2(e) Other Income		
Other Income	<u>91,080</u>	<u>169,973</u>
Totals	<u>91,080</u>	<u>169,973</u>
Grand Total Income	<u>23,030,747</u>	<u>25,175,619</u>

3. Administrative expenses

3(a) Staff Expenses

	30-Jun-13	30-Jun-12
	Ksh “000”	Ksh “000”
Staff Remuneration	1,201,539	998,871
Staff welfare & Related cost	60,184	48,996
Staff Training & Recruitment	37,442	51,256
Staff Travel & Subsistence	<u>130,193</u>	<u>138,653</u>
	<u>1,429,358</u>	<u>1,237,776</u>

The organization had a total number of 850 employees as at year end.

3(b) Directors Expenses

<i>Non-Executive directors</i>		
Directors Emoluments	7,685	6,328
Directors traveling expenses	11,721	678
Directors Conference Costs.	<u>1,497</u>	<u>540</u>
	<u>20,903</u>	<u>7,546</u>
<i>Executive director</i>		
Directors Emoluments	<u>7,842</u>	<u>7,566</u>
Totals	<u>28,745</u>	<u>15,112</u>

3(c) Other Operating Expenses

	30-Jun-13	30-Jun-12
	Ksh “000”	Ksh “000”
Administrative & Office running	229,224	246,703
Public relations & Corporate affairs.	4,095	4,863
ICT Charges	12,423	11,943
Consultancy	5,412	14,845
Motor vehicles expenses	104,531	133,937
General Repairs and Maintenance	12,897	12,121
Finance Charges	<u>2,114</u>	<u>4,871</u>
Totals	<u>370,696</u>	<u>429,283</u>

3(d) Depreciation Expenses

	30-Jun-13	30-Jun-12
	Ksh “000”	Ksh “000”
Depreciation Charges.	<u>113,343</u>	<u>103,373</u>
Totals	<u>113,343</u>	<u>103,373</u>
Total Administrative Expenses	<u>1,942,142</u>	<u>1,777,978</u>

4. Roadwork expenses

Particulars	30-Jun-13 Ksh "000"	30-Jun-12 Ksh "000"
Road Works - GoK, Donor funded and 10%	13,683,056	17,371,382
Road Works- Force	429,398	647,555
Road Works- 22%	<u>3,818,100</u>	<u>3,454,875</u>
Totals	<u>17,930,554</u>	<u>21,473,812</u>

5. (a) Non-Current Assets Schedule

	Buildings	Furniture & Fittings	Motor Vehicles	Office Equipment	Computers & Software	Plant & Machinery	Totals
	Ksh '000'	Ksh '000'	Ksh '000'	Ksh '000'	Ksh '000'	Ksh '000'	Ksh '000'
<u>Cost or Valuation</u>							
At start of the year-Head Office -1 July 2012	-	84,281	269,765	8,387	23,190	50,800	436,423
At start of the year-Regions 1 July 2012	55,019	18,076	4,215	5,430	14,603	362	97,705
At start of the year-Totals 1 July 2012	55,019	102,357	273,980	13,816	37,793	51,162	534,128
Additions-Head Office -2012/2013	-	8,379	26,630	2,808	5,942	-	43,758
Additions-Regions -2012/2013	12,645	719	550	2,453	2,428	260	19,056
Total Additions -2012/2013	12,645	9,098	27,180	5,261	8,370	260	62,814
At year end-Head Office -30 June 2013	-	92,660	296,395	11,195	29,131	50,800	480,181
At year end-Regions -30 June 2013	67,664	18,795	4,765	7,883	17,032	622	116,761
At year end-Totals - 30 June 2013	67,664	111,455	301,160	19,078	46,163	51,422	596,943
<u>Depreciation</u>							
At start of year-Head Office 1 July 2012	-	(19,788)	(133,897)	(1,843)	(13,065)	(12,350)	(180,944)
At start of year-Regions 1 July 2012	(1,375)	(4,575)	(2,107)	(1,432)	(9,913)	(90)	(19,494)
At start of the year-Totals 1 July 2012	(1,375)	(24,363)	(136,004)	(3,275)	(22,979)	(12,440)	(200,438)
Charge for the year-Headoffice 30 June 2013	-	(11,582)	(74,099)	(1,399)	(8,553)	(6,350)	(101,983)
Charge for the year - Regions 30 June 2013	(1,692)	(2,349)	(1,191)	(985)	(5,064)	(78)	(11,359)
At year end-Totals - 30 June 2013	(1,692)	(13,932)	(75,290)	(2,385)	(13,617)	(6,428)	(113,343)
Cummulative Depreciation	(3,067)	(38,295)	(211,294)	(5,660)	(36,595)	(18,868)	(313,780)
Net Book Value as at 30 June 2013	64,597	73,160	89,866	13,418	9,568	32,554	283,162
Net Book Value as at 30 June 2012	53,644	77,994	137,976	10,541	14,815	38,721	333,691

5(a) Non-Current Assets Schedule(continued)

Vesting of Ministry of Roads Assets

- i) All Assets belonging to the Ministry of Roads, currently in use by the Authority, have now been vested through Legal Notice No.195 of 2011 apart from the land. However, the Furniture and Fittings, Motor Vehicles, Office Equipment and Computers are fully depreciated with a nominal residual value and hence have not been reported.
- ii) The buildings reported in year 2013 represent the interest KeRRA has in the land held by the Ministry of Roads in the following regions:

REGION	30-Jun-13 Kshs'000	30-Jun-12 Ksh '000
Kiambu	7,313	6,110
Nyeri	2,000	2,000
Isiolo	7,871	6,714
Wajir	9,378	9,378
Mandera	8,865	8,865
Homa Bay	10,232	10,232
Marsabit	8,495	-
Muranga	1,790	-
Migori	9,800	9,800
Bungoma	87	87
Bomet	1,833	1,833
Totals	<u>67,664</u>	<u>55,019</u>

5(b) Work-In-Progress

Particulars	30-Jun-13 Ksh "000"	30-Jun-12 Ksh "000"
Garissa Building	11,146	11,146
Marsabit Building	-	5,770
Muranga Building	-	<u>1,790</u>
Totals	<u>11,146</u>	<u>18,706</u>

The reported Work in Progress relates to the construction of office building in the listed regions. The construction of works were still ongoing as at the year end and the reported amounts represent the value of works certified and paid for as at 30 June 2013. All completed works have been capitalised at the cost of building.

5(c) Contingent deposits

	30-Jun-13	30-Jun-12
	Ksh "000"	Ksh "000"
Staff Mortgage Scheme Deposits-KCB	<u>175,996</u>	<u>165,996</u>

The contingent deposit above relates to the staff housing scheme. The scheme is based on a minimum cash balance at the Kenya Commercial Bank account commensurate with the mortgage amount. This cash balance, built up for the scheme as a revolving fund, is limited to a maximum of Ksh 250 million.

6. Inventory

	30-Jun-13	30-Jun-12
	Ksh "000"	Ksh "000"
Head Office	2,178	1,759
Regions	<u>1,902</u>	<u>4,534</u>
Totals	<u>4,080</u>	<u>6,293</u>

7. Trade and Other Receivables

	30-Jun-13	30-Jun-12
	Ksh "000"	Ksh "000"
Staff debtors	800	601
Imprest	4,878	1,802
Trade Debtors	3,539,116	0
Contract Advance-CRF	27	1,260
Accrued Income	2,489,384	1,566,556
Prepayments	<u>283</u>	<u>3,209</u>
Total	<u>6,034,488</u>	<u>1,573,428</u>

8. Cash and Cash Equivalents

	30-Jun-13 Ksh "000"	30-Jun-12 Ksh "000"
8(a) <u>Cash and Bank Equivalents -Head Office</u>		
RMLF_Operations	10,568	9,235
RMLF_Works	1,129,757	95,836
SIDA_Capacity_building	14	21
GOK_Development	14,961	51,479
AIA_Others	70,626	130,387
Fixed Term Deposits	640,100	-
KeRRA_Staff_Investment_Activity	87,538	23,974
KeRRA_Staff_Gratuity_Deposits	7,729	14,630
SIDA_Development_Works	9,370	7,031
Constituency_Roads_Fund_HOffice	4,359	320
TOWA_Bank_Accounts_Head_Office	831	1,504
NIC_AFD_Account	58,761	317,467
NIC_KeRRA_EU_R2000_prog	23	23
Staff_Salaries	21,392	137,652
Retention_Account	40,219	423,911
Petty Cash- HQ	<u>400</u>	<u>400</u>
Totals - Head Office	<u>2,096,648</u>	<u>1,213,870</u>
8(b) <u>Cash and Bank Equivalents -Regions</u>		
Petty Cash- Regions	913	984
Kenya Youth Empowerment Program	3	23,148
Regional_GoK_Acc_Balances	796,408	1,735,385
Regional_bank_balance	1,617,615	2,466,718
Regional_CRF_Acc_Balances	<u>894,402</u>	<u>1,174,405</u>
Totals - Regions	<u>3,309,341</u>	<u>5,400,640</u>
Grand Total Cash and Cash Equivalents	<u>5,405,989</u>	<u>6,614,510</u>

9. Trade and Other Payables

	30-Jun-13 Ksh "000"	30-Jun-12 Ksh "000"
<u>Trade and Other Payables</u>		
Trade Creditors	1,232,091	8,404
Staff Creditors	356	556
Performance Security Bonds	683	7,612
Contract Retention Money	1,333,481	1,097,716
Accruals and Provisions	149,036	1,591,562
Other payables	<u>7,761</u>	<u>-</u>
Total Trade and Other Payables	<u>2,723,407</u>	<u>2,705,850</u>

10. Capital Grants

	30-Jun-13 Ksh "000"	30-Jun-12 Ksh "000"
Motor Vehicles	77,374	50,745
Computers	2,064	2,064
Furniture and Fittings	<u>1,528</u>	<u>1,528</u>
Totals	<u>80,966</u>	<u>54,337</u>

11 Cash Generated from Operations

	30-Jun-13 Ksh "000"	30-Jun-12 Ksh "000"
Surplus of Income over expenditure	3,158,052	1,923,829
Adjustments for:-		
Depreciation	113,343	103,373
Interest Income	(82,052)	(38,680)
Changes in Working Capital:-		
Debtors & Receivables	(4,461,061)	282,253
Creditors and payables	17,558	(2,553,065)
Inventories	<u>2,213</u>	<u>26</u>
Net Cash generated from Operations	<u>(1,251,947)</u>	<u>(282,264)</u>

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