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KENYA NATIONAL AUDIT OFFICE

REPORT OF THE CONTROLLER AND AUDITOR GENERAL ON THE FINANCIAL STATEMENTS OF LAKE BASIN DEVELOPMENT AUTHORITY FOR THE YEAR ENDED 30 JUNE 2002

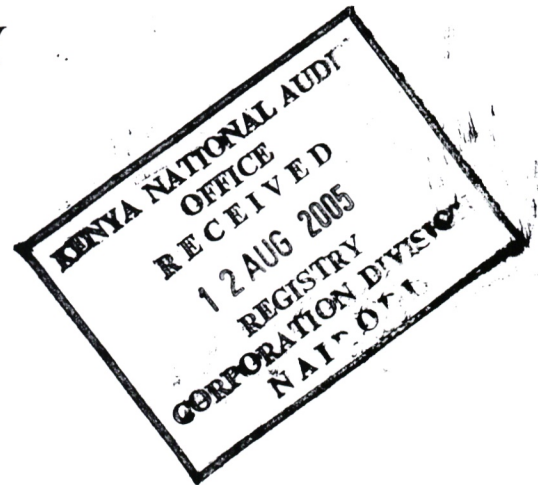
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LAKE BASIN



DEVELOPMENT

AUTHORITY

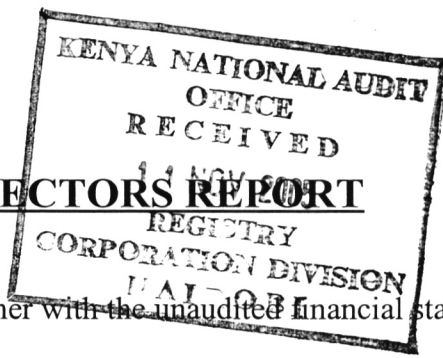


FINAL ACCOUNTS

30TH JUNE 2002

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DIRECTORS REPORT

The directors present their report together with the unaudited financial statements for the year ended 30th June 2002.

Activities: -

The principal activities of the Authority, established under Cap 442 Laws of Kenya are: -

- (a) Agricultural i.e. Crop & Horticultural Production, Fisheries Development, Livestock Multiplication and Poultry Production
- (b) Industrial i.e. Brick & tiles Production, Rice Milling & Honey Production,
- (c) Environmental Conservation i.e. Agroforestry, Monitoring & Effluent Evaluation and Water Catchment Conservation
- (d) Regional Studies

Results: -

Kshs.

Deficit for the year	(84,125,273.20)
Revenue Reserves Balance b/d	<u>(471,979,190.00)</u>
Total	<u>(556,104,463.20)</u>

Auditors: -

The Kenya National Audit Office (KENAO) will continue being our auditors by virtue of the Authority being a State Corporation as per Exchequer Act Cap 412.


Zablon O. Olang
CHAIRMAN


Ferdinand K. Wanyonyi
MANAGING DIRECTOR

Date: 8/11/2005.....

Date: 8/11/2005.....

STATEMENT OF DIRECTORS' RESPONSIBILITIES

As required by law, directors prepare financial statements for each financial year which give a true and fair view of the state of affairs of the Authority at the end of the financial year and of the surplus or deficit of the authority for that year. In preparing these financial statements, directors do: -

- ◆ Comply with the selected accounting procedures and apply them consistently
- ◆ Make judgements and estimates that are reasonable and prudent
- ◆ Comply with the applicable accounting standards.
- ◆ Prepare financial statements on the going concern basis

The directors are responsible for keeping proper accounting records, which disclose with reasonable accuracy the performance for any period and the Authority's financial position at any given time. They are also responsible for ensuring compliance with Government directives, safeguarding assets and taking reasonable steps for prevention and detection of fraud and other irregularities.

The directors accept responsibility for the financial statements for 2002, which have been prepared using appropriate accounting policies in conformity with International Accounting Standards (IAS).

The directors believe that the financial statements give a true and fair picture of the state of the Authority's affairs and performance for the year under review.


Aggrey Busena
DIRECTOR


Ferdinand K. Wanyonyi
MANAGING DIRECTOR

Date:.....02/12/05'.....

Date.....1/12/05'.....



KENYA NATIONAL AUDIT OFFICE

REPORT OF THE CONTROLLER AND AUDITOR GENERAL ON THE FINANCIAL STATEMENTS OF LAKE BASIN DEVELOPMENT AUTHORITY FOR THE YEAR ENDED 30 JUNE 2002

I have audited the financial statements of Lake Basin Development Authority for the year ended 30 June 2002 in accordance with Section 29 of the Exchequer and Audit Act (Cap 412). I have obtained all the information and explanations which to the best of my knowledge and belief were necessary for the purpose of the audit. The financial statements are in agreement with the books of account.

Respective Responsibilities of the Directors and the Controller and Auditor General

As set out in the statement of directors responsibilities, the directors are responsible for the preparation of financial statements which give a true and fair view of the Authority's state of affairs and its operating results. My responsibility is to express an independent opinion on the financial statements based on my audit.

Basis of Opinion

The audit was conducted in accordance with the International Standards on Auditing. Those standards require that the audit be planned and performed with a view to obtaining reasonable assurance that the financial statements are free from material misstatement. An audit includes an examination, on a test basis, of evidence supporting the amounts and disclosures in the financial statements. It also includes an assessment of the accounting policies used and significant estimates made by the directors, as well as an evaluation of the overall presentation of the financial statements. I believe my audit provides a reasonable basis for my opinion.

Comments

1. Financial Position

During the year, the Authority realized a deficit of Kshs.84,125,273 (2001 – Kshs.26,541,535) which brought the cumulated deficit to Kshs.556,104,463 (2000/2001 – Kshs.299,531,362) as at 30 June 2002. The Authority was unable to meet its financial obligations as and when they fell due and in

particular, it was unable to pay its creditors and bank overdraft totalling Kshs.149,233,112 and Kshs.340,192,123 respectively. The authority had exceeded its authorized bank overdraft limit of Kshs.3 million. Further the balance sheet reflects a negative working capital amount of Kshs.424,802,979 as at 30 June 2002. Evidently, the Authority is technically insolvent and the financial statements have been prepared on a going concern basis on the assumption that the Authority will continue to receive financial support from the Government, its creditors and bankers.

2. Fixed Assets

Included in the balance sheet non-current assets balance of Kshs.574,051,820 is Kshs.312,389,212 in respect of work-in-progress as at 30 June 2002. The work-in-progress figure of Kshs.312,389,212 also includes Kshs.156,467,849 in respect of stalled Headquarters buildings and staff housing projects. It is not however possible to confirm this building and the housing project will be completed in the near future or to determine the additional costs, if any that would be necessary to complete the project or the losses that the Authority would suffer in the event the projects are not completed. Consequently, it is not possible to give an opinion on the carrying value of the work in progress as reflect in the financial statements.

3. Irregular Disposal of Authority's Land

The Authority was allocated 300 acres in Muhoroni area by the Parent Ministry out of which 262 acres were illegally allocated to unknown squatters and other personalities without prior approval from the board and Government during the year. Further, the Authority's plot No.Kisumu/Block 11/210, Got Homa Road, was irregularly transferred to an employee and his family on 23 April 2002. In addition, Migosi Plot LR No.112408/8 was sub-divided and a portion valued at Kshs.1.74 million was allegedly sold to Telkom Kenya Limited who have since constructed a building on the plot and have disputed the valuation and price of the plot. No evidence of approval for the sale of plot by the board of directors and Parent Ministry was made available for audit review. In the absence of any approvals, the transfers of the parcels of land are irregular and the Authority has not explained why these parcels of land should not be re-possessed. This situation is indicative of significant impairment on properties. Consequently, it is not possible to give an opinion on the carrying value of the properties as reflected in the financial statements.

4. Poor Cash Management

The cash-in-hand balance of Kshs.5,687,761 as at 30 June 2002 includes a sum of Kshs.3,007,540 held as outstanding imprests which had subsequently increased to Kshs.4.4 million as at 17 March 2003, and the recoverability appears to be doubtful. I am therefore unable to confirm whether the Authority

will be able to recover these imprests and the timescale thereof. Any provision that would have been necessary in relation to this uncertainty has not been incorporated in these financial statements.

5. Staff Advances

Included in the balance sheet staff advances and loans balance of Kshs.9,297,189 is Kshs.4,713,880 in respect of car loans. The amount includes Kshs.1,380,020 being outstanding car loans from ex-employees whose vehicles were not jointly registered with the Authority. No satisfactory explanations were given as to why joint registrations were not done. Further, the Authority apparently recovered irregularly some Kshs.540,901 from twenty nine (29) retrenched employees who decided to seek legal redress against the retrenchment programme. The amount recovered was paid to a firm of advocates to defend the Authority and it is not clear how the Advocates' firm was identified. Under the circumstances, the recoverability of the outstanding loans appear highly doubtful and it is still not clear why the Authority irregularly deducted some Kshs.540,901 from the retrenches.

Opinion

Except for the foregoing reservations, in my opinion, proper books of account have been kept and the financial statements give a true and fair view of the state of the financial affairs of the Authority as at 30 June 2002 and of its deficit and cash flows for the year then ended and comply with the Lake Basin Development Authority Act (Cap 442).


E.N. MWAI
CONTROLLER AND AUDITOR GENERAL

Nairobi

01 December 2005

LAKE BASIN DEVELOPMENT AUTHORITY

BALANCE SHEET AS AT 30TH JUNE 2002

PARTICULARS	NOTE	2002	2001
		KSH	KSH
NON CURRENT ASSETS			
Property, Plant & Equipment	2	574,051,820.51	611,101,755.12
CURRENT ASSETS			
Stock	4 (a)	6,354,597.95	12,198,946.65
Animal Stock	4 (b)	5,272,005.00	4,550,834.50
Debtors	5	22,420,673.45	48,866,731.25
Cash in Hand	6	5,687,760.60	5,573,912.95
Staff Adv/Fridge/Car Loan/Gen	7	9,297,189.10	11,516,660.80
Bank Balances	8	15,590,030.15	7,439,306.15
		64,622,256.25	90,146,392.30
CURRENT LIABILITIES			
Bank Overdraft	9	340,192,123.15	153,106,117.70
Creditors	10	149,233,111.75	142,320,086.35
		489,425,234.90	295,426,204.05
NET CURRENT LIABILITIES			
		(424,802,978.65)	(205,279,811.75)
TOTAL ASSETS			
		149,248,841.86	405,821,943.37
FINANCED BY:			
Capital Grants	11	583,940,768.87	583,940,768.87
Capital Reserves	12	121,412,536.25	121,412,536.25
Revenue Reserves	13	(556,104,463.26)	(299,531,361.75)
		149,248,841.86	405,821,943.37

SIGNED:-

NAME

DESIGNATION

SIGNATURE

DATE

1. ZABLON O. OLANG'

Chairman

11/8/05

2. FERDINAND K. WANYONYI

Managing Director

9/8/05

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 30TH JUNE 2002

	Capital Grants Kshs.	Capital Reserves Kshs.	Revenue Reserves Kshs.	Total Kshs.
As at 1.7.2000	582,448,870.72	121,412,536.25	(173,907,273.00)	529,954,133.97
Prior year adjustment			(99,082,555.00)	(99,082,555.00)
Surplus/(Deficit)				-
for the year			(26,541,536.60)	(26,541,536.60)
Additional	1,491,898.15			1,491,898.15
As at 30.6.2001	583,940,768.87	121,412,536.25	(299,531,361.80)	405,821,943.32
As at 1.7.2001	583,940,768.87	121,412,536.25	(299,531,361.80)	405,821,943.32
Surplus/(Deficit)			(84,125,273.20)	(84,125,273.20)
Adj for Depreciation			(172,447,827.45)	(172,447,827.45)
As at 30.6.2002	583,940,768.87	121,412,536.25	(556,104,463.26)	149,248,841.86

LAKE BASIN DEVELOPMENT AUTHORITY
INCOME AND EXPENDITURE FOR THE YEAR ENDING 30TH JUNE 2002

PARTICULARS	NOTE		
INCOME		2002	2001
		KSH	KSH
GRANTS (DEVELOPMENT/RECURRENT)		147,663,450.60	206,520,242.00
INTEREST EARNED(CAR & FRIDGE LOANS)		475,391.00	-
OTHER INCOME	14	3,677,822.60	6,373,484.75
PROVIDENT FUND INCOME		-	5,374,852.00
SALE OF PRODUCE/LIVESTOCK & BRICKS		9,559,143.90	8,963,253.75
CLOSING STOCK		6,354,597.95	12,198,946.65
CLOSING STOCK - ANIMALS		5,272,005.00	4,550,834.50
TOTALS		173,002,411.05	243,981,613.65
EXPENDITURE			
ADVERTISEMENT		462,399.30	618,294.55
ALLOWANCE STAFF		216,560.00	355,447.00
ANIMAL FEEDS		1,706,940.05	1,463,269.00
ANIMAL STOCK OPENING		4,550,834.50	4,943,204.00
ASK SHOW		829,338.50	754,037.50
AUDIT FEE		250,000.00	250,000.00
BANK CHARGES, INTEREST PAYABLE		385,869.80	312,400.35
BANK OVERDRAFT ACCRUED INTEREST		40,741,805.70	-
BOARD & CONFERENCES		246,538.00	170,720.00
BUILDING REPAIRS- RESIDENTIAL		15,990.00	-
BUILDING REPAIRS-NON RESIDENTIAL		228,286.40	265,706.00
CASUAL WAGES		10,248,129.95	9,156,356.20
CLEANING MATERIALS		-	6,173.00
CONSULTANCY		-	10,776,942.00
COST OVERRUN		-	72,063,330.00
DAIRY EXPENSES		82,756.00	38,186.00
DEPRECIATION		29,100,159.35	27,311,595.09
DONATION & SUBSCRIPTION		187,620.00	165,080.00
DRUGS & CHEMICALS		800,287.00	1,354,721.00
ELECTRICITY, WATER & CONSERVANCY		826,857.10	1,139,399.50
ENTERTAINMENT		734,981.00	737,458.20
EX-GRATIA		-	206,190.00
FARM INPUTS		-	795,900.00
FUMIGATION		-	950.00
GENERAL HARDWARE		186,374.00	271,274.50
GENERAL OFFICE REPAIRS		-	12,768.00
GRATUITY		363,183.50	294,613.75
HIRE OF PLANT & MACHINERY		222,720.00	333,060.00
HIRE OF TRANSPORT		8,900.00	11,400.00
HORTICULTURE		81,635.00	194,600.00
INSURANCE & LICENCE		1,888,572.00	2,607,521.00
LEAVE & PASSAGE		127,300.00	297,600.00
LEGAL CHARGES & FEE		2,151,005.00	1,229,813.00
LIBRARY		71,285.00	48,975.00
MAINT. WATER & SEWAGES		70,170.00	189,477.00

MANUFACTURING EXPENSES	-	1,100.00
MEDICAL-INPATIENT	2,088,083.40	2,365,863.00
MISCELLANEOUS	639,435.00	668,580.00
MOTOR VEHICLE RUNNING & MAINT.	4,046,340.35	4,905,065.90
MOTORCYCLE REPAIRS	66,700.00	56,969.00
NSSF EMPLOYERS	1,167,353.00	890,506.00
PADDY PURCHASE	260,788.00	1,627,974.00
PLANT & MACHINERY REPAIRS	793,593.00	1,119,645.65
POSTAGES & STAMPS	67,895.30	44,946.40
PROVIDENT FUND EMPLOYERS	11,629,960.00	12,940,600.90
PROVIDENT PAYMENTS	-	4,985,851.95
PURCHASE OF BREEDING BULLS	-	250,000.00
PURCHASE OF FIREWOOD & USED OIL	58,100.00	48,330.00
PURCHASE OF HONEY	31,285.00	6,430.00
PURCHASE OF SEEDS	331,081.00	721,518.00
RENT & RATES- RESIDENTIAL	-	17,280.00
RENT & RATES-NON RESIDENTIAL	262,963.90	1,590,563.61
REPAIR OF DOMESTIC EQUIPMENT	4,980.00	31,069.00
REPAIR OF OFFICE EQUIPMENT	376,157.00	287,165.00
REPAIR OF OFFICE FURNITURE	6,500.00	26,700.00
SAFETY NET BENEFIT	21,964,891.20	-
SALARIES	93,371,779.90	74,613,330.45
SECURITY	34,786.25	49,877.70
STAFF HONORARIUM	-	4,400.00
STATIONERY & OFFICE SUPPLIES	1,963,845.50	3,242,957.20
STOCK OPENING	12,198,946.65	12,155,292.80
TELEPHONE, TELEX & TELEGRAMS	1,563,416.10	2,724,941.25
TRAINING	1,211,341.00	545,201.50
TRAVELLING & ACCOMMODATION	5,616,152.75	5,716,997.80
UNIFORMS & CLOTHING	112,410.00	35,882.00
WELFARE	142,730.00	170,450.00
WORKMAN COMPENSATION	329,672.80	301,197.50
TOTAL EXPENSES	257,127,684.25	270,523,148.25
EXCESS INCOME OVER EXPENDITURE	(84,125,273.20)	(26,541,534.60)

LAKE BASIN DEVELOPMENT AUTHORITY
CASH FLOW STATEMENT FOR THE YEAR ENDED 30TH JUNE 2002

	NOTE	2002 KSHS	2001 KSHS
<u>OPERATING ACTIVITIES</u>			
Net surplus/ (Deficit)		(84,125,273.20)	(26,541,534.60)
Adjust for non cash items			
Prior year Adjustments (Understated Dep)		7,997,145.26	
Depreciation		29,100,159.34	27,311,595.10
		(47,027,968.60)	770,060.50
Adjust for changes in operating Receivables & Payables			
Stocks		5,844,348.70	(43,653.85)
Debtors		26,446,057.80	136,218,399.15
Animal stocks		(721,170.50)	392,369.50
Advances		2,219,470.85	1,305,435.55
Creditors		6,913,025.40	5,169,590.10
Housing C/A		-	106,695.60
		(6,326,236.35)	143,918,896.55
Prior year adjustment		(172,447,827.45)	(99,914,337.20)
		(178,774,063.80)	44,004,559.35
<u>INVESTING ACTIVITIES</u>			
Purchase of Fixed Assets		(47,370.00)	(288,511.50)
		(178,821,433.80)	43,716,047.85
<u>NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENT</u>			
Cash at beginning of period	3(a)	(140,092,898.60)	(183,808,946.50)
Cash at the end of the period	(b)	(318,914,332.40)	(140,092,898.60)
		(178,821,433.80)	43,716,047.90

LAKE BASIN DEVELOPMENT AUTHORITY

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDING 30TH JUNE 2002

1. ACCOUNTING POLICIES

The financial statements have been prepared in accordance with International Financial Reporting Standards. The principal accounting policies adapted are set out below:

(a) Basis of Preparation

The financial statements have been prepared on historical cost basis of accounting as modified to include revaluation of certain property, plant and equipments.

(b) Revenue recognition

The Authority receives substantial funding both Recurrent and Development from the Exchequer.

Other Income together with sale of produce/ Livestock and Bricks, earned by the Authority is recognized as it accrues.

(c) Currencies

Assets and liabilities are expressed in local currency i.e. Kenya Shillings (Kshs.)

(d) Retirement Benefits Obligations

(i) Defined benefit scheme

The Authority operates a defined retirement benefit provident fund scheme for all employees. The assets of the scheme are held and administered independently of the Authority's assets. The scheme is funded by contributions from both the Authority and the employees. The Authority's contributions to the fund are charged to the income statements so as to spread the regular cost over the service lives of the employees.

(ii) Defined contribution scheme

The authority contributes to the statutory National Social security Fund. This is a defined contribution a scheme for which the Authority's obligation is limited to a specified contribution per employee per month. Currently the contribution is limited to a maximum of Kshs. 200/= per employee per month. The authority's contributions are charged to the income statement in the year to which they relate.

(iii) Service gratuity

This is in respect of employees whose services were terminated after the expiry of their contract period. Gratuity payments are based on the employee's salary at the time of termination of service.

The service gratuity is provided for in the accounts as it accrues to each employee.

(e) Amortization of leasehold land

The requirement of I.A.S 17 has not been implemented since most of the land owned by the Authority is trust land and no valuation has currently been carried out.

(f) Depreciation

These are stated and recorded at cost or professional valuation with subsequent additions Kshs. 378,387,911.72 formerly for WKRRDP, which, was using reducing balance method as opposed to straight line method. However, the merger with the Headquarters depreciation is calculated to write off the cost of the assets on a straight line method basis over their expected useful lives. The principal annual rates used for this purpose are: -

The Annual rates used are:

	%
a) Tractors	37.5
b) Motor Vehicles/Cycles	25.0
c) Farm Implements	12.5
d) Buildings.....	2.0
e) Loose Tools & Equipment	12.5
f) Furniture, Fittings & Fixtures	12.5
g) Office Machines & Equipment	12.5
h) Rural Access Roads	33.3
i) Computer & Other Class II Equipment	30.0
j) Adaptive Research.....	20.0
k) Plant Property & Equipment.....	12.5

**NOTE 2
PROPERTY PLANT AND EQUIPMENT**

	LAND	BUILDINGS	PLANT PROPERTY & EQUIPMENT	ADAPTIVE RESEARCH	RURAL ACCESS ROADS	WORK IN PROGRESS	FURNITURE & FIXTURES	COMPUTER & OTHERS CLASS II EQUIP.	M/ VEHICLES & TRACTORS	TOTAL
	(KSHS)	(KSHS)	(KSHS)	(KSHS)	(KSHS)	(KSHS)	(KSHS)	(KSHS)	(KSHS)	(KSHS)
COST/VALUATION										
As at 1.7.2001	65,402,786.95	217,998,237.05	152,374,182.99	36,158,175.25	36,065,225.00	312,389,212.42	7,583,155.20	4,211,764.80	62,839,370.04	895,022,109.70
Additions			24,820.00					22,550.00		47,370.00
Disposals			(293,044.40)						(3,464,313.55)	(3,757,357.95)
Transfers										
As at 30.6.2002	65,402,786.95	217,998,237.05	152,105,958.59	36,158,175.25	36,065,225.00	312,389,212.42	7,583,155.20	4,234,314.80	59,375,056.49	891,312,121.75
DEPRECIATION										
Balance b/d										
As at 1.7.2001		33,169,090.33	122,566,061.67	31,938,483.52	36,065,225.00		7,402,806.73	4,129,310.87	56,646,521.73	291,917,499.85
Charge for the year		4,359,964.74	15,133,539.59	4,219,691.73			180,348.47	105,003.93	5,101,610.88	29,100,159.34
Disposal			(293,044.40)						(3,464,313.55)	(3,757,357.95)
Balance as at 30th June 2002	-	37,529,055.07	137,406,556.86	36,158,175.25	36,065,225.00	-	7,583,155.20	4,234,314.80	58,283,819.06	317,260,301.24
NET BOOK VALUE										
At 30th June 2002	65,402,786.95	180,469,181.98	14,699,402.32	-	-	312,389,212.42	-	-	1,091,237.43	574,051,820.51
At 30th June 2001	65,402,786.95	185,028,202.60	30,540,671.95	8,588,495.09		312,389,212.42	1,064,501.79	1,254,733.27	6,833,151.05	611,101,755.12

Adaptive Research and Rural Access Road

Included in the fixed assets figure is the cost of Rural Access RoadS amounting to Kshs. 36,065,225.00, which have been fully depreciated in the prior periods and it is now carried at Nil Book Value. Also included is the cost of Adaptive Research amounting to Kshs. 36,158,175.25 which has also been fully depreciated.

3. CASH AND CASH EQUIVALENTS

The Cash Flow statement is prepared using the in-direct method as specified in I.A.S 7 on Cash Flow Statement. During this financial year, WKRRDP has been merged with Headquarters hence cash flow combines both.

- (a) Cash and cash equivalents at the beginning of the period comprises of Cash on Hand and Bank less prevailing Overdraft.

	2002	2001
	Kshs	Kshs.
i) Cash in Hand	5,573,912.95	5,517,889.25
ii) Net in Bank	7,439,306.15	1,656,210.50
iii) Less Overdraft	<u>(153,106,117.70)</u>	<u>(190,983,046.25)</u>
Total	<u>(140,092,898.60)</u>	<u>(183,808,946.50)</u>

- (b) Cash and Cash equivalents at the end of the period is built as:

	2002	2001
	Kshs	Kshs
a) Cash in Hand	5,687,760.60	5,573,912.95
b) Net in Bank	15,590,030.15	7,439,306.15
c) Less Overdraft	<u>(340,192,123.15)</u>	<u>(153,106,117.70)</u>
Total	<u>(318,914,332.40)</u>	<u>(140,092,898.60)</u>

4 (a) STOCKS

The stock shown in the balance sheet is valued at the lower cost price and net realisable value as per IAS (2)

Stocks	2002	2001
	Kshs.	Kshs.
(a) General Hardware	2,220,013.95	2,610,511.35
(b) Automotive spares	2,260,797.35	6,507,650.20
(c) Animal Feeds	613,309.30	652,253.00
(d) Bricks	133,153.00	395,280.00
(e) Stationery	377,277.30	740,552.00
(f) Drugs & Chemicals	404,033.25	640,200.00
(g) Seed	279,439.70	200,040.00
(h) Fuel & Lubricants	<u>66,574.40</u>	<u>98,560.40</u>
Total	<u>6,354,597.95</u>	<u>12,198,946.65</u>

4. **(b) Animal Stocks**

The livestock have been valued at their fair market value less estimated point of sale costs. The fair value of livestock is determined on prices of livestock of similar age, breed, and genetic merit as per IAS 40.

	2002	2001
	Kshs.	Kshs.
Bulls	320,835.00	190,000.00
Lactating Cows	3,060,725.00	2,875,834.50
Heifers	1,824,445.00	1,450,000.00
Sheep	23,000.00	15,000.00
Pigs	<u>43,000.00</u>	<u>20,000.00</u>
	<u>5,272,005.00</u>	<u>4,550,834.50</u>

5. **DEBTORS**

The figure shown in the balance sheet comprises of trade debtors and other Sundry debtors as shown below: -

	2002	2001
	Kshs	Kshs
Headquarters Debtors	5,985,105.35	32,441,873.00
Former WKRRDP	<u>16,435,568.10</u>	<u>16,424,858.25</u>
	<u>22,420,673.45</u>	<u>48,866,731.25</u>

6 **CASH IN HAND**

This consists of Cash and unretired imprest as per the Cash Survey forms as at 30.06.2002. Included is the balance from former WKRRDP of Kshs. 1,136,569.00

7 **STAFF ADVANCES**

	2002	2001
	Kshs.	Kshs.
Car Loans	4,713,880.05	6,214,707.80
Fridge Loans	330,557.00	451,441.00
Salary Advances	2,269,800.05	2,867,560.00
Former WKRRDP	<u>1,982,952.00</u>	<u>1,982,952.00</u>
	<u>9,297,189.10</u>	<u>11,516,660.80</u>

8 BANK BALANCES

This relates to reconciled and certificate of balances of various Authority bank accounts as at 30.06.2002. This is made up of:-

	2002	2001
	Kshs	Kshs
Headquarters Balance	15,434,140.35	7,283,416.35
Former WKRRDP	<u>155,889.80</u>	<u>155,889.80</u>
	<u>15,590,030.15</u>	<u>7,439,306.15</u>

9 BANK OVERDRAFT

The overdraft amount of Kshs. 340,192,123.15 refers to funds originally borrowed between 1990 and 1991 of Kshs. 14,197,462.00 and the accumulated bank interest and other charges since then.

10 CREDITORS

Creditors of is made up of Trade creditors, Rent and Rates and other Sundry creditors relating to: -

	2002	2001
	Kshs	Kshs
Headquarters	134,766,689.90	117,766,799.85
Former WKRRDP	<u>14,466,421.85</u>	<u>24,553,286.50</u>
	<u>149,233,111.75</u>	<u>142,320,086.35</u>

11 CAPITAL GRANTS

These are direct payments to Suppliers by African Development Bank (ADB) for building, Rural Access Roads, Rice Mill machinery, Adaptive Research, Vehicles, Tractors , Farm Implements, Consultancy , Transit stores and Weir.

12 CAPITAL RESERVES

This relates to valuation of Authority premises and lands carried out by A & D Associates.

13 REVENUE RESERVES

	2002	2001
	Kshs.	Kshs.
Headquarters	(299,531,361.80)	.(100,847,815.00)
Prior Year Adjustment		
Bank Overdraft (146,344,199.70)		
Understated Dep. <u>(26,103,627.75)</u>	(172,447,827.45)	
Loss for the year	<u>(84,125,273.20)</u>	.(198,683,546.80)
Total	<u>(556,104,463.26)</u>	<u>.(299,531,361.80)</u>

14. OTHER INCOME

	2002	2001
	Kshs.	Kshs.
Boarded Stores	2,727,545.00	3,370,480.00
Sale of Tender	290,330.00	370,000.00
Sale of Rice	<u>659,947.60</u>	<u>2,633,004.75</u>
Total	<u>3,677,822.60</u>	<u>6,373,484.75</u>

