

# **SPECIAL ISSUE**



# **THE KENYA GAZETTE**

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GAZETTE NOTICE NO. 4770

## **THE CAPITAL MARKETS ACT**

(Cap. 485A)

### **ANNUAL LICENSEES**

IN EXERCISE of powers conferred by section 11 (3) (e) and (f) and pursuant to section 27 (1) (a) of the Capital Markets Act, it is notified for general information that the Capital Markets Authority has granted the following approvals and licences to the companies set out in the schedule hereto:

#### **SCHEDULE**

##### *Approved Institutions:*

<i>Name of the Company</i>	<i>Address</i>	<i>Nature of Operation</i>
(a) Acacia Fund Limited	P.O. Box 43233 - 00100, Nairobi	Venture Capital.
(b) Central Depositories and Settlement Corporation Limited	P.O. Box 3464 - 00100, Nairobi	Central Depository.
(c) Global Credit Rating Company	P.O. Box 76667, Wendywood 2144, South Africa	Credit Rating Agency.
(d) The Nairobi Stock Exchange	P.O. Box 43633- 00100, Nairobi	Securities Exchange

*Annual Licensees (for the period January 1, 2010 to December 31, 2010)*

##### *Stockbrokers:*

<i>Name</i>	<i>Address</i>	<i>Licence No.</i>
(a) ABC Capital Limited	P.O. Box 34137-00100, Nairobi	02/10
(b) African Alliance Kenya Securities Limited	P.O. Box 27639-00506, Nairobi	03/10
(c) Kingdom Securities Limited	P.O. Box 73253-00200, Nairobi	04/10
(d) Genghis Capital Limited	P.O. Box 28987-00200, Nairobi	05/10
(e) NIC Capital Securities Limited	P.O. Box 63046-00200, Nairobi	06/10

##### *Extended Licenses*

(f) Reliable Securities Limited	P.O. Box 50338 - 00200, Nairobi	069/08
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##### *Investment Banks*

<i>Name</i>	<i>Address</i>	<i>Licence No.</i>
(a) African Alliance Kenya Investment Bank Limited	P.O. Box 27639-00506, Nairobi	07/10
(b) Afrika Investment Bank Limited	P.O. Box 41684-00100, Nairobi	08/10
(c) Apex Africa Investment Bank Limited	P.O. Box 43646-00100, Nairobi	09/10
(d) Barclays Financial Services Limited	P.O. Box 30120 - 00100, Nairobi	10/10
(e) CBA Capital Limited	P.O. Box 30437-00100, Nairobi	11/10
(f) CFC Stanbic Financial Services Limited	P.O. Box 44074 - 00100, Nairobi	12/10
(g) Drummond Investment Bank Limited	P.O. Box 45465-00100, Nairobi	13/10
(h) Dry Associates Limited	P.O. Box 684 - 00606, Nairobi	14/10

<i>Name</i>	<i>Address</i>	<i>Licence No.</i>
(i) Dyer and Blair Investment Bank Limited	P.O. Box 45396 - 00100, Nairobi	15/10
(j) Equatorial Investment Bank Limited	P.O. Box 52467-00200, Nairobi	16/10
(k) Equity Investment Bank Limited	P. O. Box 75104- 00200, Nairobi	17/10
(l) Faida Investment Bank Limited	P.O. Box 45236- 00100, Nairobi	18/10
(m) FCB Capital Limited	P.O. Box 56793 – 00300 Nairobi	19/10
(n) Kestrel Capital (East Africa) Limited	P.O. Box 40005 - 00100, Nairobi	20/10
(o) NIC Capital Limited	P.O. Box 44599-00100, Nairobi	21/10
(p) Renaissance Capital (Kenya) Limited	P.O. Box 40560-00100, Nairobi	22/10
(q) Standard Investment Bank Limited	P.O. Box 13714 - 00800, Nairobi	23/10
(r) Sterling Investment Bank Limited	P.O. Box 45080 - 00100, Nairobi	24/10
(s) Suntra Investment Bank Limited	P.O. Box 74016 - 00200, Nairobi	25/10

*Investment Advisers:*

<i>Name</i>	<i>Address</i>	<i>Licence No.</i>
(a) Alliance Capital Partners Limited	P.O. Box 12181 – 00100, Nairobi	26/10
(b) Citidell Company Limited	P. O. Box 185 – 00606, Nairobi	28/10
(c) Cititrust Kenya Limited	P.O. Box 30711–00100, Nairobi	29/10
(d) Co-operative Consultancy Services (K) Limited	P.O. Box 48231–00100, Nairobi	30/10
(e) Deloitte Financial Advisory Limited	P.O. Box 40092-00100, Nairobi	31/10
(f) Executive & Corporate Advisory Services (K) Limited	P.O. Box 72216–00200, Nairobi	33/10
(g) First Africa E.A Limited	P.O. Box 56179-00200, Nairobi	34/10
(h) Franklin Management Consultants Limited	P. O. Box 61843-00200, Nairobi	35/10
(i) Iroko Securities (Kenya) Limited	P.O. Box 66249–00800, Nairobi	36/10
(j) J.W. Seagon Limited	P.O. Box 634201-00619, Nairobi	37/10
(k) Lifestyle Management Limited	P.O. Box 1342 – 00606, Nairobi	38/10
(l) Loita Asset Management Limited	P.O. Box 39466–00623, Nairobi	39/10
(m) PricewaterhouseCoopers Associates Limited	P.O. Box 43963 – 00100, Nairobi	40/10
(n) Regnum Consultants Limited	P.O. Box 11431-00400, Nairobi	42/10
(o) The Profin Group (Kenya) Limited	P. O. Box 9980 – 00100, Nairobi	43/10
(p) Tsavo Securities Limited	P.O. Box 9000-00100, Nairobi	44/10
(q) VFS International (K) Limited	P.O. Box 4–00621, Nairobi	45/10
(r) Winton Investment Services Limited	P.O. Box 607-00621, Nairobi	46/10

*Extended licenses*

Equilibrium Capital Limited	P.O. Box 9000-00100, Nairobi	071/09
Finconsult Company Limited	P.O. Box 38725- 00623, Nairobi	028/09

*Fund Managers:*

<i>Name</i>	<i>Address</i>	<i>Licence No.</i>
(a) African Alliance Kenya Management Company Limited	P.O. Box 27639-00506, Nairobi	47/10
(b) PineBridge Investments East Africa Limited	P.O. Box 67262–00200, Nairobi	48/10
(c) Amana Capital Limited	P.O. Box 9480-00100, Nairobi	49/10
(d) Apollo Asset Management Company Limited	P.O. Box 30389 – 00100, Nairobi	01/10
(e) Aureos Kenya Managers Limited	P.O. Box 43233- 00100, Nairobi	50/10
(f) British American Asset Managers Limited	P.O. Box 30375–00100, Nairobi	51/10
(g) CIC Asset Management Company Limited	P.O. Box 59485 – 00200, Nairobi	52/10
(h) Co-optrust Investment Services Limited	P.O. Box 48231–00100, Nairobi	53/10
(i) Genesis (K) Investment Management Limited	P.O. Box 79217–00200, Nairobi	54/10
(j) ICEA Asset Management Limited	P.O. Box 46143–00100, Nairobi	55/10
(k) InvesteQ Capital Limited	P.O. Box 56977-00200, Nairobi	56/10
(l) Madison Asset Management Services Limited	P.O. Box 20092 – 00200 Nairobi	57/10
(m) Old Mutual Investment Services (K) Limited	P.O. Box 30059–00100, Nairobi	58/10
(n) Old Mutual Asset Managers (K) Limited	P.O. Box 11589–00400, Nairobi	59/10
(o) Sanlam Investment Management (K) Limited	P.O. Box 7848-00100, Nairobi	60/10
(p) Standard Chartered Investment Services Limited	P.O. Box 30003–00100, Nairobi	61/10
(q) Stanbic Investment Management Services (E.A.) Limited	P.O. Box 30550–00100, Nairobi	62/10
(r) Zimele Asset Management Co. Limited	P.O. Box 76528-00508, Nairobi	63/10

*Authorized Depositories*

<i>Name</i>	<i>Address</i>	<i>Licence No.</i>
(a) African Banking Corporation Limited	P.O. Box 46452–00100, Nairobi	64/10
(b) Barclays Bank of Kenya Limited	P.O. Box 30120–00100, Nairobi	65/10
(c) CFC Stanbic Bank Limited	P.O. Box 72833–00200, Nairobi	66/10
(d) Chase Bank Limited	P.O. Box 66049 – 00800, Nairobi	67/10
(e) Co-operative Bank of Kenya Limited	P.O. Box 48231-00100, Nairobi	68/10
(f) Dubai Bank Kenya Limited	P.O. Box 11129-00400, Nairobi	69/10
(g) Equatorial Commercial Bank Limited	P.O. Box 52467-00200, Nairobi	70/10
(h) Equity Bank Limited	P.O. Box 75104 - 00200, Nairobi	71/10
(i) I & M Bank Limited	P.O. Box 30238-00100, Nairobi	72/10
(j) Kenya Commercial Bank Limited	P.O. Box 48400–00100, Nairobi	73/10

<i>Name</i>	<i>Address</i>	<i>Licence No.</i>
(k) National Bank of Kenya Limited	P.O. Box 72866-00200, Nairobi	74/10
(l) NIC Bank Limited	P.O. Box 44599 - 00100, Nairobi	75/10
(m) Prime Bank Limited	P.O. Box 43825- 00100, Nairobi	76/10
(n) Transnational Bank Limited	P.O. Box 75840 - 00200, Nairobi	77/10
(o) Standard Chartered Bank Kenya Limited	P.O. Box 30003 - 00100, Nairobi	78/10

*Approved Collective Investment Schemes:*

## 1. African Alliance Kenya Unit Trust Scheme:

- (a) African Alliance Kenya Shilling Fund.
- (b) African Alliance Kenya Fixed Income Fund.
- (c) African Alliance Kenya Managed Fund.

## 2. Old Mutual Unit Trust Scheme:

- (a) Old Mutual Equity Fund.
- (b) Old Mutual Money Market Fund.
- (c) Old Mutual Balanced Fund.
- (d) Old Mutual East Africa Fund.
- (e) Old Mutual Bond Fund.
- (f) Old Mutual East African Fund

## 3. British American Unit Trust Scheme:

- (a) British American Money Market Fund.
- (b) British American Income Fund.
- (c) British American Balanced Fund.
- (d) British American Managed Retirement Fund.
- (e) British American Equity Fund.

## 4. Stanbic Unit Trust Scheme:

- (a) Stanbic Money Market Fund.
- (b) Stanbic Flexible Income Fund.
- (c) Stanbic Managed Prudential Fund.

## 5. Commercial Bank of Africa Unit Trust Scheme:

- (a) Commercial Bank of Africa Money Market Fund.
- (b) Commercial Bank of Africa Equity Fund.

## 6. Zimele Unit Trust Scheme:

- (a) Zimele Balanced Fund
- (b) Zimele Money Market Fund

## 7. Suntra Unit Trust Scheme:

- (ii) Suntra Money Market Fund
- (iii) Suntra Equity Fund
- (iv) Suntra Balanced Fund

## 8. ICEA Unit Trust Scheme:

- (a) ICEA Money Market Fund
- (b) ICEA Equity Fund

(c) ICEA Growth Fund

(d) ICEA Bond Fund

## 9. Standard Investment Trust Funds:

- (a) Standard Equity Growth Fund
- (b) Standard Income Fund
- (c) Standard Balanced Fund

## 10. Dyer and Blair Unit Trust Scheme:

- (a) Dyer and Blair Diversified Fund
- (b) Dyer and Blair Bond Fund
- (c) Dyer and Blair Money Market Fund
- (d) Dyer and Blair Equity Fund

## 11. Amana Unit Trust Funds Scheme

- (a) Amana Shilling Fund
- (b) Amana Balanced Fund
- (c) Amana Growth Fund

## 12. CFC Unit Trust Fund

- (a) CFC Stanbic Equity Fund
- (b) CFC Simba Fund

## 11. Diaspora Unit Trust Funds Scheme

- (i) Diaspora Money Markey Fund
- (ii) Diaspora Bond Fund
- (iii) Diaspora Equity Fund

*Approved Employee Share Ownership Plans (ESOPS):*

- (a) EABL Employee Share Ownership Plan.
- (b) Equity Employee Share Ownership Scheme
- (c) KCB Employee Share Option Plan
- (d) AccessKenya Group Employee Share Ownership Plan.
- (e) Scangroup Employee Share Ownership Plan.
- (f) Safaricom Employee Share Ownership Plan.
- (g) Housing Finance Employee Share Ownership Plan.

Dated the 27th April 2010.

MICAH CHESEREM,  
Chairman,  
Capital Markets Authority.

STELLA KILONZO,  
Chief Executive,  
Capital Markets Authority.

GAZETTE NOTICE No. 4771

**KENYA REVENUE AUTHORITY**

**REPORT OF THE CONTROLLER & AUDITOR GENERAL ON THE FINANCIAL STATEMENTS OF KENYA REVENUE  
AUTHORITY FOR THE YEAR ENDED 30 JUNE 2009**

I have audited the accompanying financial statements of Kenya Revenue Authority set out below which comprise the Balance Sheet as at 30 June 2009, the Income Statement, the Statement of Changes in Equity and Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory notes in accordance with the provisions of Section 8 of the Public Audit Act, 2003 and Section 18 of the Kenya Revenue Authority Act, Cap 469. 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**

The management of the Kenya Revenue Authority is responsible for the preparation and fair representation of the financial statements in accordance with the International Standards on Auditing. Those standards require compliance with ethical requirements and 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 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 statement, whether due to fraud or error. In making those risk assessments, the auditor considers internal controls relevant to the entry'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 controls. 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 the audit evidence obtained is sufficient and appropriate to provide a basis for my opinion.

**Comments****Property, Plant and Equipment**

- (i) As disclosed under Note 8 (ii) to the Financial Statements, the Authority does not have title documents for some 11 pieces of leasehold land with buildings, with a carrying value of Kshs 710, 759,591.00. According to the Note, registration of these properties is under process at the Ministry of Lands.
- (ii) As similarly observed in 2007/2008, the Authority has not valued its properties since March 1996 and as a result it has not been possible to ascertain whether the carrying value of the properties as stated in the Financial Statements is fair.

**Opinion**

In my opinion, except for the effect on the financial statements if any, of the matters referred to in the preceeding paragraphs, the accompanying financial statements give a true and fair view of the state of affairs of the Authority as at 30 June 2009 and of its deficit and cash flows for the year then ended, in accordance with the International Financial Reporting Standards and comply with the Kenya Revenue Authority Act, Cap 469 of the Laws of Kenya.

A. S. M. GATUMBU,  
Controller and Auditor General.

Nairobi  
15 March 2010

**STATEMENT OF MANAGEMENT RESPONSIBILITIES ON THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2009**

The Kenya Revenue Authority Act requires Management to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the Authority and its operating results for that year. It also requires Management to ensure that the Authority keeps proper accounting records which disclose, with reasonable accuracy, the financial position of the Authority. Management is also responsible for safeguarding the assets of the Authority and maintenance of adequate system of internal financial control.

Management accepts the responsibility for the annual financial statements, which have been prepared using appropriate accounting policies supported by reasonable and prudent judgements and estimates, in accordance with International Financial Reporting Standards and the requirements of the Kenya Revenue Authority Act. Management is 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.

Nothing has come to the attention of Management to indicate that the Authority will not remain a going concern for at least the next twelve months from the date of this statement.

M. G. WAWERU,  
Commissioner General.

**INCOME STATEMENT FOR THE YEAR ENDED 30 JUNE 200**

	NOTE	2008/2009 Kshs'000	2007/2008 Kshs'000
<b>INCOME</b>			
Agency Income	3	7,197,976	6,674,869
Other Income	4	1,135,638	1,023,129
		<b>8,333,614</b>	<b>7,697,998</b>
<b>EXPENDITURE</b>			
Staff Emoluments	5	5,015,999	4,960,243
Other Operating Expenses	6	2,657,921	2,346,621
Depreciation and Amortisation	7	737,959	511,108
		<b>8,411,879</b>	<b>7,817,972</b>
<b>DEFICIT FOR THE YEAR</b>		<b>(78,265)</b>	<b>(119,974)</b>

The Income and Expenditure statement is to be read in conjunction with the notes to and forming part of the financial statements set out on pages below

**BALANCE SHEET AS AT 30 JUNE, 2009**

	NOTE	2008/2009 Kshs '000	2007/2008 Kshs '000
<b>Non-Current Assets</b>			
Property, Plant & Equipment	8	7,542,808	7,186,272
Intangible Assets	9	22,065	23,049
Amount due from Treasury	11	2,270,219	2,216,742
Security Deposits	12	978,553	834,321
		<b>10,813,645</b>	<b>10,260,384</b>
<b>Current Assets</b>			
Debtors	10	236,376	270,604
Cash and Bank Balances	13	1,090,391	1,205,351
		<b>1,326,767</b>	<b>1,475,955</b>
<b>Current Liabilities</b>			
Creditors	14	274,044	600,831
Provisions	15	400,711	258,979
		<b>674,755</b>	<b>859,810</b>
<b>Net Current Assets</b>		<b>652,012</b>	<b>616,145</b>
<b>Net Assets</b>		<b>11,465,657</b>	<b>10,876,529</b>
<b>Non Current Liabilities</b>			

	NOTE	2008/2009 Kshs '000	2007/2008 Kshs '000
Contribution to Govt Pension Fund	16	27,494	30,145
<b>Represented by:</b>			
<b>Equity</b>			
Contribution by the Treasury	17	9,233,009	8,497,509
Accumulated Fund		2,084,475	2,162,740
Designated Fund	18	120,679	186,135
		<b>11,438,163</b>	<b>10,846,384</b>
		<b>11,465,657</b>	<b>10,876,529</b>

The financial statements set out on pages below were approved by the Board of Directors on 26th August, 2009, and were signed on its behalf by:

L. M. J. MWANGOLA,  
Chairman

M. G. WAWERU  
Commissioner-General

The Balance Sheet is to be read in conjunction with the notes to and forming part of the Financial Statements set out on below

#### STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 30 JUNE 2009

	NOTE	Contribution by Treasury Kshs'000	Accumulated Fund Kshs'000	Designated Fund Kshs'000	Total Fund Kshs'000
<b>At 1 July 2007</b>		7,733,509	2,282,714	180,189	10,196,412
Contribution for the year		764,000	-	-	764,000
Deficit for the Year		-	(119,974)	-	(119,974)
Net Funds Received		-	-	5,946	5,946
<b>At 30 June 2008</b>		<b>8,497,509</b>	<b>2,162,740</b>	<b>186,135</b>	<b>10,846,384</b>
At 1 July 2008		8,497,509	2,162,740	186,135	10,846,384
Contribution for the year	17	651,343	-	-	651,343
Deficit for the year		-	(78,265)	-	(78,265)
Transfer to Contribution by Treasury		84,157	-	(84,157)	
Net Funds Received	18	-	-	18,701	18,701
<b>At 30 June 2009</b>		<b>9,233,009</b>	<b>2,084,475</b>	<b>120,679</b>	<b>11,438,163</b>

The statement of Equity is to be read in conjunction with the notes to and forming part of the Financial Statements set out below

#### CASH FLOW STATEMENT FOR THE YEAR ENDED 30 JUNE 2009

	NOTE	2008/2009 Kshs '000	2007/2008 Kshs '000
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Deficit for the year		(78,265)	(119,974)
<b>Non- cash movements</b>			
Depreciation	8	721,602	481,479
Amortisation	9	16,357	29,629
Gain on disposal of Assets		(5,837)	-
Increase in Security Deposits	12	(144,232)	(58,990)
Increase in Debtors		(19,249)	(77,921)
(Decrease)/Increase in Creditors		(187,708)	28,813
<b>Net cash flows from operating activities</b>		<b>302,668</b>	<b>283,036</b>



**CASH FLOWS FROM INVESTING ACTIVITIES**

Purchase of Fixed Property, Plant & Equipment	(990,052)	(1,793,368)
Proceeds from sale of Property, Plant & Equipment	18,524	-
<b>Net cash flows from investing activities</b>	<b>(971,528)</b>	<b>(1,793,368)</b>

**CASH FLOWS FROM FINANCING ACTIVITIES**

Contribution by the Treasury	17	535,198	764,000
Increase in designated Funds	18	18,702	5,946
<b>Net cash flows from financing activities</b>		<b>553,900</b>	<b>769,946</b>

**NET INCREASE IN CASH AND CASH EQUIVALENTS**

		<b>(114,960)</b>	<b>(740,386)</b>
Cash and cash equivalents at 1 July 2008		1,205,351	1,945,737
<b>CASH AND CASH EQUIVALENTS AT 30 JUNE 2009</b>	<b>13</b>	<b>1,090,391</b>	<b>1,205,351</b>

The cash flow statement is to be read in conjunction with the notes to and forming part of the Financial Statements set out below

**NOTES TO THE FINANCIAL STATEMENTS****1. ESTABLISHMENT**

Kenya Revenue Authority was established by an Act of Parliament, The Kenya Revenue Authority Act, and CAP 469. The Authority's objectives are the assessment and collection of revenue, administration, enforcement of laws relating to and accounting for revenue collected under the Act.

**2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES****(a) Basis of Preparation**

The financial statements are prepared under the historical cost basis of accounting as modified by the revaluation of certain items of property, plant and equipment and fair value adjustments to investments. They are presented in Kenya Shillings (Kshs.) rounded to the nearest thousand shillings and comply with the International Financial Reporting Standards (IFRS).

**(b) Income Recognition****i) Agency Income**

In accordance with the Kenya Revenue Authority Act CAP 469, income to the Authority is "such amounts not exceeding 2% as may be determined by the Minister each financial year" of the total estimated revenue to be collected by the Authority on behalf of the Exchequer. In addition, the Authority is entitled to a Bonus of 3% of the surplus revenue collected above the estimates and also earns income from other activities.

**ii) Other Income**

Interest Income is recognised on a time basis at the effective interest rate applied on the principal amounts outstanding

Rental income is recognised on accrual basis

Other incomes are recognised when earned.

**(c) Development funding and asset Contributions by the Treasury**

Contributions by the Treasury in form of assets or funding for acquisition of major assets or development projects are recognized as a financing reserve when received. No repayment of the financing is expected by the Authority.

**(d) Property, Plant and Equipment**

The value of land is not reflected as prepaid lease rentals as the land was allocated to the Authority at no purchase consideration.

All categories of property, plant and equipment are stated at cost or valuation less accumulated depreciation and annual impairment losses. No depreciation is provided on freehold land. Depreciation is calculated to write off the cost or valuation of each asset to its residual value where applicable, over the expected useful life of the asset in equal instalments. A full year's depreciation is charged in the year of purchase but no charge is made in the year of disposal.

The estimated useful life is as follows:

Plant & Machinery	8 years
Equipment/Furniture/Fittings	8 years
Boats	8 years
Motor Vehicles	5 years (with a 10% residual value)
Computers	3 years
Computer Software	3 Years
Buildings	40 years

Gains or losses on property, plant and equipment are determined by reference to their carrying value and are taken into account in determining the surplus / (deficit) for the year.

**(e) Intangible Assets**

Intangible assets consist of various computer software systems purchased for use by the Authority. The Authority recognises Intangible Assets acquired separately at cost less accumulated amortisation. Amortisation is charged on a straight-line basis over their useful lives as estimated by management from time to time.

**(f) Translation of foreign currencies**

Transactions in foreign currencies during the year are converted into Kenya Shillings at rates ruling at the transaction dates. Assets and liabilities at the balance sheet date, which are expressed in foreign currencies, are translated into Kenya Shillings at the rate ruling on that date. The resulting foreign exchange gains and losses are recognized on a net basis, differences are dealt with in the income and expenditure statement in the financial year in which they arise.

**(g) Retirement Benefits Obligations**

The Authority operates a hybrid pension scheme with a defined benefit section and a defined contribution section for the permanent and pensionable employees. The pension costs relating to this scheme are assessed in accordance with the advice of a qualified actuary. The assets of the scheme are held in a separate trustee-administered fund. The cost of providing pension and other post-retirement benefits for employees is charged to the income and expenditure account.

**(h) Cash and Cash equivalents**

For purposes of the cash flow statement, cash and cash equivalents comprise cash in hand and short-term deposits held with banks.

**(i) Accrued Leave Days Provision**

Employee entitlements to annual leave are recognised when they accrue to employees. A provision is made for the estimated liability for annual leave as a result of services rendered by the employees up to the balance sheet date.

**(j) Taxation**

The Authority is exempt from taxation on investment income.

**(k) Inventories**

All consumable stocks held for use in operations are expensed on purchase

**3. AGENCY INCOME**

	<b>2008/2009</b> <b>Kshs '000</b>	<b>2007/2008</b> <b>Kshs '000</b>
Agency Income	7,144,500	6,273,113
Bonus	53,476	401,756
	<b>7,197,976</b>	<b>6,674,869</b>

The Agency Income and Bonus are provided in accordance with the provisions of the Kenya Revenue Authority Act CAP 469.

**4. OTHER INCOME**

	<b>2008/2009</b> <b>Kshs '000</b>	<b>2007/2008</b> <b>Kshs '000</b>
Road Maintenance Levy Commission	431,396	378,148
Petroleum Development Levy Income	30,730	26,422
Sale of Number Plates	257,708	224,283
Sale of Tamper Proof Seals	36,471	42,269
Public Overtime	16,329	15,117
Document Processing Fees	25,711	19,134
Aviation Revenue Commission	39,330	33,907
Air Passenger Service Charge Commission	42,882	38,427
Sugar Development Levy Commission	33,900	32,728
Interest Income	61,560	72,874
Staff Housing Rental Income	68,314	64,302
Property Rental Income	14,103	12,552
Gain on disposal of Fixed Assets	5,837	-
Insurance Deductions Commission	1,820	1,662
Miscellaneous Income **	69,547	61,306
	<b>1,135,638</b>	<b>1,023,129</b>

\*\* Miscellaneous income consists of income from sale of tender documents, revenue stamps, staff identity cards, PSV Badges, training school activities and road transit toll collections.

**5. STAFF EMOLUMENTS**

	<b>2008/2009</b> <b>Kshs '000</b>	<b>2007/2008</b> <b>Kshs '000</b>
Salaries and Allowances	4,879,556	4,969,782
Staff Leave Days Provision	136,443	(9,539)
	<b>5,015,999</b>	<b>4,960,243</b>

**6. OTHER OPERATING EXPENSES**

	2008/2009 Kshs '000	2007/2008 Kshs '000
Travelling and Accommodation	371,204	304,681
Utilities	306,157	277,815
Staff Welfare	35,421	37,104
Medical Expenses	325,420	231,793
Printing & Stationery	116,928	126,648
Rent & Rates	82,294	53,212
Consultancy	52,465	51,329
Tax Payer Education	49,068	27,566
Computer Expenses	176,898	102,357
Training Expenses	199,196	209,604
Motor Running Expenses	113,539	97,374
Building repairs and maintenance	43,037	41,771
Office Running Expenses	180,229	122,472
Advertising & Public Relations	81,824	60,300
Insurance Expenses	6,670	69,783
Secretarial Expenses	29,822	49,336
Official Entertainment	26,557	28,610
Uniforms & Laundry Expenses	9,657	14,526
Consumable Stores	13,681	10,413
Materials & Supplies	217,286	231,110
Bank Charges	1,846	12,039
Security Expenses	201,933	174,479
Motor Boat Repairs	5,414	1,183
Container Sealing Expenses	8,728	8,574
Laboratory Expenses	2,648	2,541
	-	-
	<b>2,657,921</b>	<b>2,346,621</b>

**7. DEPRECIATION AND AMORTISATION**

	2008/2009 Kshs '000	2007/2008 Kshs '000
Depreciation charge on Fixed Assets	721,602	481,479
Amortisation of Intangible Assets	16,357	29,629
	<b>737,959</b>	<b>511,108</b>

**8. PROPERTY, PLANT AND EQUIPMENT****(i) Movement Schedule**

	Buildings Kshs '000	Plant & Machinery Kshs '000	Motor Vehicles Kshs '000	Office Equipment Furniture Kshs '000	Computers Kshs '000	Motor Boats Kshs '000	Wip Kshs '000	Total Kshs '000
<b><u>COST/VALUATION</u></b>								
1 Jul 2008	5,804,700	661,017	683,731	490,214	1,006,986	23,664	1,829,248	<b>10,499,560</b>
Additions	3,252	-	14,003	39,868	244,347	8,822	780,534	<b>1,090,826</b>
Disposals	-	-	(118,267)	-	-	-	-	<b>(118,267)</b>
Transfer	304,890	1,400,768	-	41,861	-	365,932	(2,113,451)	<b>-</b>
30 June 2009	<b>6,112,842</b>	<b>2,061,785</b>	<b>579,467</b>	<b>571,943</b>	<b>1,251,333</b>	<b>398,418</b>	<b>496,331</b>	<b>11,472,119</b>
<b><u>DEPRECIATION</u></b>								
1 Jul 2008	1,242,817	355,637	493,919	310,824	886,428	23,664	-	<b>3,313,289</b>
Charge for period	152,895	257,723	54,689	53,729	155,722	46,844	-	<b>721,602</b>
Disposals	-	-	(105,580)	-	-	-	-	<b>(105,580)</b>
30 June 2009	<b>1,395,712</b>	<b>613,360</b>	<b>443,028</b>	<b>364,553</b>	<b>1,042,150</b>	<b>70,508</b>	<b>-</b>	<b>3,929,311</b>
<b><u>NET BOOK VALUE</u></b>								
30 June 2009	<b>4,717,130</b>	<b>1,448,425</b>	<b>136,439</b>	<b>207,390</b>	<b>209,183</b>	<b>327,910</b>	<b>496,331</b>	<b>7,542,808</b>
30 June 2008	<b>4,561,883</b>	<b>305,380</b>	<b>189,812</b>	<b>179,390</b>	<b>120,559</b>	<b>-</b>	<b>1,829,248</b>	<b>7,186,272</b>

**(ii) Land & buildings**

There are parcels of leasehold land countrywide which were transferred to the Authority from the Government at no purchase consideration and with no title documents. The value of the leasehold land has not been recognised as an operating lease in the financial statements in accordance with the IAS 17 requirements since they were transferred to the Authority at no cost.

The Authority is yet to receive title documents for some 11 pieces of leasehold land with buildings with carrying values of Kshs. 710,759,591. These properties are at various stages of registration with the Commissioner of Lands.



**(iii) Fully depreciated assets**

Included in the assets are fully depreciated assets comprising of Motor Vehicles whose original cost was Kshs 275,631,074 with a residual value of Kshs 27,563,107, Motor Boats whose cost is Kshs 23,663,422, Computers whose cost is Kshs 783,358,102, Office Equipment of Kshs 92,315,219, Laboratory Equipment Kshs 1,030,466 and Furniture and Fittings of Kshs 48,777,557 whose book value is nil. The total notional depreciation charge for the assets is Kshs 331,456,294 (2008- Kshs 338,748,098). Most of these assets are in use by the Authority.

**(iv) Capital Work In Progress**

	2008/2009 Kshs '000	2007/2008 Kshs '000
Construction of Staff Houses Lokichoggio	-	24,798
Security Installation works at Times Tower	-	15,179
Customs Laboratory Fit Out	-	23,698
Mawenzi Estate Renovation	-	136,282
Soweto Estate Renovation	-	143,810
1 Lake Boat (Damen)	-	86,754
Common Cash Receipting System Project	35,236	4,809
2 Ocean Boats KRA 1 & 2	-	213,067
Electronic cargo system	65,032	20,161
Integrated Tax Management System	281,371	49,491
Customs Revenue Accounting Module	2,692	2,692
Partition Eldoret Offices	1,546	1,546
Times Tower Ventilations	300	300
Support Departments ERP System	180	-
1 ocean Boats - KRA 3 (Sinnautic)	106,795	-
Valuations Database system	3,178	-
6 Cargo Scanners (CATIC)	-	1,106,660
	<b>496,331</b>	<b>1,829,248</b>

**9. INTANGIBLE ASSETS**

	2008/2009 Kshs '000
<b>COST</b>	
1 July	153,895
Additions	15,372
30 June	<b>169,267</b>
<b>AMORTISATION</b>	
1 July	130,846
for the year	16,356
30 June	<b>147,202</b>
<b>NET BOOK VALUE</b>	
30 June	<b>22,065</b>

The intangible assets are made up of different computer software in use by the Authority. Included in the Intangible Assets are fully amortised assets whose original cost was Kshs 32,233,400 (2008- Kshs 30,800,800). The notional annual amortisation on these assets is Kshs 10,744,466 (2008 - Kshs 10,266,933). The fully amortised assets are in use by the Authority.

**10. DEBTORS**

	2008/2009 Kshs '000	2007/2008 Kshs '000
<b>Trade Debtors</b>		
Other Agency debtors	129,805	90,904
Rent Receivable	2,075	17,206
Less: Provision for Bad debt	-	(16,502)
	2,075	704
Interest Receivable	815	395
	<b>132,695</b>	<b>92,003</b>
<b>Other Debtors</b>		
Staff Debtors	79,562	60,549
Prepayments	9,433	9,034
Other Debtors	14,686	109,018
	<b>103,681</b>	<b>178,601</b>
<b>Debtors Total</b>	<b>236,376</b>	<b>270,604</b>

Other agency debtors represent outstanding commission on collection of revenues on behalf of other organisations. The bad debt provision relates to rent arrears on commercial properties based on the Authority's assessment of the irrecoverable amount. Staff debtors mainly comprise of outstanding travel imprests, loans for acquisition of laptops and medical advances.

**11. AMOUNT DUE FROM TREASURY**

	2008/2009 Kshs '000	2007/2008 Kshs '000
1 July 2008	2,216,742	1,814,859
Accrued in the year	7,197,977	6,674,883

Amount received in the year	(7,144,500)	(6,273,000)
30 July 2009	<u>2,270,219</u>	<u>2,216,742</u>

Disclosed as:-

Receivable after one year	<u>2,270,219</u>	<u>2,216,742</u>
	<u>2,270,219</u>	<u>2,216,742</u>

The amount represents outstanding agency commission, bonuses and payments on behalf of the Treasury. The Treasury has repaid the past debts up to a total of Kshs.2,178,030,000 over the years 2004 to 2007. However, the debt has increased due to 3% bonus earned on surplus collections in years 2004, 2005, 2007 2008 and 2009 totalling Kshs.1,870,136,000 as provided for in the KRA Act Section 16.

## 12. SECURITY DEPOSITS

	2008/2009 Kshs '000	2007/2008 Kshs '000
Savings & Loan (k) Ltd	711,877	579,400
Housing Finance	125,859	125,223
National Bank of Kenya Ltd	<u>140,817</u>	<u>129,698</u>
	<u>978,553</u>	<u>834,321</u>

The deposits with Savings & Loans and Housing Finance are placed as security against staff mortgage advances, while the National bank deposits are placements against staff car loans.

## 13. CASH AND BANK BALANCES

	2008/2009 Kshs '000	2007/2008 Kshs '000
Cash in Hand	684	468
Cash at Bank	588,819	547,187
Fixed Deposits	<u>500,888</u>	<u>657,696</u>
	<u>1,090,391</u>	<u>1,205,351</u>

The fixed deposits are made up of one month deposits in commercial banks, which were earning interest at an average rate of 7% per annum. The maturity period for the deposits is between July and August 2009. The deposits are further analysed as follows:

	2008/2009 Kshs '000	2007/2008 Kshs '000
National Bank of Kenya	259,702	341,996
Cooperative Bank of Kenya	205,710	315,700
World Bank project Account - NBK	<u>35,476</u>	<u>-</u>
	<u>500,888</u>	<u>657,696</u>

## 14. CREDITORS

	2008/2009 Kshs '000	2007/2008 Kshs '000
Trade Payables	236,869	228,130
Payroll Deductions Creditors	11,891	132,000
Staff Creditors	5,625	240,140
Withholding Tax	<u>19,659</u>	<u>55,000</u>
	<u>274,044</u>	<u>600,830</u>

Trade payables represent the outstanding payments to suppliers. Payroll deductions include outstanding amounts for statutory deductions, loans SACCOS and others. Staff creditors comprise of outstanding payments and other expense refunds. The figures for year 2007/2008 included accruals for performance bonus granted to staff.

## 15. PROVISIONS

	2008/2009	2007/2008
Staff Leave Days Provision	370,263	233,821
General Provisions	<u>30,448</u>	<u>25,158</u>
	<u>400,711</u>	<u>258,979</u>

The general provisions relate to utilities and staff medical expenses.

## 16. CONTRIBUTION TO GOVERNMENT PENSION FUND

	2008/2009 Kshs '000	2007/2008 Kshs '000
1 July 2006	30,145	31,332
Payment to the Treasury in the year	<u>(2,651)</u>	<u>(1,188)</u>
30 July 2007	<u>27,494</u>	<u>30,144</u>

This amount relates to contributions made to the Government pension during the nine-month secondment period from October 1995 to June 1996 for pensionable staff who were transferred from the Treasury to the Authority. The amount falls due for payment on retirement of an officer and is then transferred to the Treasury to facilitate processing of the pension.

#### 17. CONTRIBUTION BY THE TREASURY

	2008/2009 Kshs '000	2007/2008 Kshs '000
1 July	8,497,509	7,733,509
Funds for X-ray Scanners Procurement	249,100	338,000
Funds for Intergrated Tax Management System	152,400	362,000
Funds for Valuation Data Base	-	64,000
Funds for Motor Boats procurement	121,752	-
Vehicles donated by JICA	9,236	-
World bank funded projects	118,855	-
Transfer From Designated funds	84,157	-
	<b>9,233,009</b>	<b>8,497,509</b>

The amounts represent assets and asset funds provided by the Treasury. The Treasury separately funds the major reform and modernization programmes undertaken by the Authority in all departments for revenue enhancement and efficient service delivery. The Authority is procured Six X-ray Scanners from China at a total cost of US Dollars 17,790,000. The Authority is also procuring four patrol boats from the Netherlands at a cost of Euros 4,314,070. Three Boats have been delivered and are in use. The JICA donations comprise of four Double-Cab Pick-ups and four Motor Cycles for use in border stations patrols. The World Bank funded projects comprise of computer hardware and software and a Contact Center under the Institutional Reform and Capacity Building (IRCBP) and East Africa Trade and Transportation Facilitation (EATTF) Projects. The transfer from Designated Funds relates to assets procured under the EATTF project transferred to Equity.

#### 18. DESIGNATED FUNDS

	LEGAL CLAIM FUND	WORLD BANK FUNDS	TOTAL
	Kshs '000	Kshs '000	Kshs '000
1 July 2008	101,978	84,157	186,135
Funds Received	-	35,336	35,336
Interest Earned	-	49	49
Amount Spent	(16,684)	-	(16,684)
Transfer to Treasury Contribution		(84,157)	(84,157)
	<b>(16,684)</b>	<b>(48,772)</b>	<b>(65,456)</b>
<b>30 June 2009</b>	<b>85,294</b>	<b>35,385</b>	<b>120,679</b>

The legal claim funds are received from the Treasury for settling legal awards against the Authority in revenue related court cases.

The World Bank funds are disbursements to the local account for the East African Trade and Transportation Facilitation Project Fund (EATTF), provided to improve the infrastructure for monitoring movement of goods for the facilitation of trade in East Africa.

#### 19. RETIREMENT BENEFIT COSTS

During the year ended 30th June 2009, Kshs 561.618 Million (2008 Kshs 518.08 Million) was paid as contributions to the staff pensions scheme. The scheme changed from a defined benefit plan to a Hybrid scheme with a defined benefit section and a defined contribution section with effect from 1 July 2005. Under the defined benefit scheme, the employer contribution on actuarial advice was maintained at 13.2% per member while a rate of 14% was adopted for the defined contribution scheme. Employees contribute 7.5% of their salaries for both sections of the scheme. The value placed on the existing final assets per the last valuation of 30th June 2007, was Kshs 3,570 Million while the present value of past service liabilities at that date was Kshs 3,712 Million (2006 Kshs. 3,404.7 Million).

#### 20. CAPITAL COMMITMENTS

	2008/2009 Kshs '000	2007/2008 Kshs '000
Approved and contracted	417,252	539,000
Approved and not contracted	124,221	264,000
	<b>541,473</b>	<b>803,000</b>

#### 21. RECURRENT COMMITMENTS

	2008/2009 Kshs '000	2007/2008 Kshs '000
30 June	474,292	805,620

The above represents items and activities approved and contracted but not yet delivered.

#### 22. EMPLOYEES

The number of employees at the end of the year was,

	2008/2009	2007/2008
30 June	4,311	4,389

**23. CONTINGENT LIABILITIES**

These include:-

- An amount of Kshs. 2 million included in utility deposits representing a bank guarantee to Kenya Power and Lighting for Times Tower power supply.
- An amount of Kshs 1,297,759 representing a guarantee to Telkom Kenya Limited for supply of telephone facilities in the Times Tower building.
- Pending legal cases and court awards against the Authority estimated at Kshs 3,280,892,828 at the financial year end. The Treasury is expected to meet the cost of settling the awards should they materialize.
- Eighteen other court cases where Taxpayers have made Judicial Review applications which do not have monetary claim. The contingent liability in respect of these cases is estimated at Kshs. 18 million.

**24. COMPARATIVES**

Where necessary, comparatives have been adjusted to conform to changes in presentation in the current year.

**25. CURRENCY**

The Financial Statements are presented in Kenya Shillings (Kshs '000).

GAZETTE NOTICE NO. 4772

THE CONSTITUTION OF KENYA

THE NATIONAL ASSEMBLY AND PRESIDENTIAL  
ELECTIONS ACT

(Cap. 7)

THE NATIONAL ASSEMBLY AND PRESIDENTIAL ELECTIONS  
(REGISTRATION OF ELECTORS) REGULATIONS

INSPECTION OF VOTERS REGISTER SOUTH MUGIRANGO

IT IS notified for general information that compilation of the voter register for South Mugirango Constituency is complete. The Interim Independent Electoral Commission will display the list of electors (voters) at all registration centers in the Constituency. This display will take place from 30th April, 2010 to 28th May, 2010, which is for a period of thirty (30) days. The Commission appeals to the public to inspect these lists which will be at the registration centers during these days from 8.00 a.m. to 1.00 p.m. and from 2.00 p.m. to 5.00 p.m.

Members of public should inspect (check) the following:

- (a) that their names are listed in the register if they were duly registered and issued with a voters card;
- (b) that the registration particulars are correct e.g. spelling and order of names, National I.D Number, voters card number, date of birth etc. must also be correct.

- (c) that there are no voters in the register who are not qualified to be so registered in the electoral areas or constituency e.g imported voters, imposters, under-age.
- (d) that the register does not contain names of persons who are known to be dead as at time of inspection of the Register.

When they detect errors or irregularities in the register the members of the public should report to the Registration Officer in the following ways—

- (a) in case of an error with their registration particulars, apply for rectification for the registration particulars.
- (b) in case of names missing file a claim.
- (c) in case of an unqualified voter appearing in the register, file an objection.
- (d) in case they know of any dead voter, furnish the Registration Officer with the details relating to the voter who is dead i.e. the full names and his/her identification Number.

The registration officials will be happy to advice any person on any matter he/she may wish to be clarified and on the right procedures.

Dated the 27th April, 2010.

A. I. HASSAN,  
Chairman,  
Interim Independent Electoral Commission.