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# KENYA RAILWAYS

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DRAFT BALANCE SHEET AND ACCOUNTS  
 FOR THE YEAR ENDED  
 JUNE 30, 2005

30/9



# KENYA RAILWAYS

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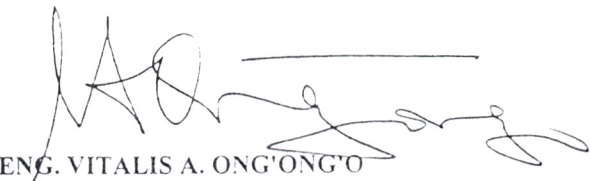
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# KENYA RAILWAYS

## BALANCE SHEET AS AT JUNE 30

<u>JUNE 30, 2004</u>			<u>JUNE 30, 2005</u>	
<u>SHS.</u>	<u>SHS.</u>	<u>NOTES</u>	<u>SHS.</u>	<u>SHS.</u>
<b>FIXED ASSETS</b>				
7,211,898,933			7,043,678,134	
<u>1,399,269,329</u>		(2)	<u>1,387,527,241</u>	
	8,611,168,262			8,431,205,375
<b>FIXED ASSETS - Total</b>				
<b>CURRENT ASSETS</b>				
2,130,000,539		(4)	1,930,667,856	
283,538,084		(5)	283,538,084	
45,187,782		(6)	98,935,771	
5,224,585,690		(7)	5,677,005,958	
<u>46,929,241</u>		(8)	<u>49,533,668</u>	
<u>7,730,241,335</u>			<u>8,039,681,337</u>	
<b>CURRENT ASSETS - Total</b>				
<b>LESS : CURRENT LIABILITIES</b>				
12,474,395,058		(9)	14,017,996,832	
526,881,442		(10)	7,460,754	
82,459,382		(11)	98,922,226	
<u>87,000,000</u>		(11)	<u>19,536,919</u>	
<u>13,170,734,882</u>			<u>14,143,916,731</u>	
	(5,430,493,547)			(6,104,235,395)
				<u>2,326,969,980</u>
	<u>3,180,674,715</u>			
<b>FINANCED BY :</b>				
4,885,250,935		(11)	4,707,520,559	
26,381,271		(11b)		
518,000,000		(12)	518,000,000	
65,855,108		(13)	35,555,108	
524,865,923		(14)	837,511,754	
10,404,502,661		(14)	10,423,998,420	
<u>(13,213,951,182)</u>		(15)	<u>(14,195,621,861)</u>	
	(2,809,378,521)			(3,771,623,441)
	<u>3,180,674,715</u>			<u>2,326,969,980</u>
				<u>2,326,969,980</u>

  
**JONATHAN D. MTURI**  
**CHAIRMAN**

  
**ENG. VITALIS A. ONG'ONG'O**  
**AG. MANAGING DIRECTOR**

  
 30/9



# KENYA RAILWAYS

## INCOME STATEMENT FOR THE PERIOD ENDED JUNE 30

NOTES	<u>2003/2004</u> Shs.	<u>2004/2005</u> Shs.
<b><u>EARNINGS :</u></b>		
Passenger Traffic	207,401,796	200,669,680
Other Coaching Traffic	13,555,828	15,665,218
Goods Traffic	3,737,062,952	3,640,605,454
Livestock	4,664,092	2,798,773
Catering Services	38,958,678	41,830,209
Water Transport Services	133,167,933	97,426,378
Railway Training Institute	105,451,985	72,421,208
Miscellaneous Earnings	(16) 425,786,350	406,366,371
Interest on Cash Balances & Advances	4,132,754	7,043,730
<b>TOTAL</b>	<u>4,670,182,368</u>	<u>4,484,827,020</u>
<b><u>OPERATING EXPENDITURE :</u></b>		
Maintenance of Way and Works	642,011,404	691,713,592
Maintenance of Locos, Rolling Stock etc.	243,814,983	168,776,522
Locomotive Running Expenses	2,267,085,222	1,594,871,848
Traffic Expenses	307,184,891	283,736,207
Business Expenses	121,935,885	184,251,682
Catering Services	46,650,925	37,456,077
Water Transport Services	92,409,581	70,382,827
Electrical & Telecommunication Services	59,319,863	46,257,330
Railway Training Institute	64,841,748	51,135,246
General Charges	222,585,151	201,399,608
Miscellaneous Expenditure	690,866,618	1,149,702,768
<b>TOTAL</b>	<u>4,758,697,272</u>	<u>4,479,683,709</u>
Operating Profit/(Loss)	<u>(88,514,904)</u>	<u>5,143,312</u>
<b><u>NON OPERATING EXPENDITURE :</u></b>		
Depreciation & Amortization	(2) 242,269,852	234,456,000
Loans Foreign Exchange Adj	(11) 290,831,323	(172,155,251)
Interest on Borrowings	(19) 1,229,181,672	1,364,254,339
Other Provisions	(18) 150,086,125	180,821,801
<b>Total Non Operating Expenditure</b>	<u>1,912,368,972</u>	<u>1,607,376,889</u>
<b>Total Expenditure :</b>	<u>6,671,066,243</u>	<u>6,087,060,598</u>
<b>Net Surplus / (Deficit) before extra ord.items</b>	<u>(2,000,883,875)</u>	<u>(1,602,233,577)</u>
<b>Extra Ordinary Items:-</b>		
GOK Grant	60,000,000	750,000,000
<b>Surplus / (Deficit) For the Year</b>	<u>(1,940,883,875)</u>	<u>(852,233,577) +</u>
<b>Working Ratios %</b>	Actual Target	102 86
		100 86

# KENYA RAILWAYS

## CASHFLOW STATEMENT FOR THE YEAR ENDED JUNE 30, 2005

<u>2003/2004</u>			<u>2004/2005</u>	
<u>Shs</u>	<u>Shs</u>		<u>Shs</u>	<u>Shs</u>
		<b><u>Cash from Operations</u></b>		
	(1,940,883,875)	Surplus /(Deficit) for the Year		(852,233,577)
		Add : Items not Involving		
		Movement of Cash		
242,268,861		- Depreciation for the Year	234,456,000	
<u>0</u>		- Prior Depreciation Adjustment		
	<u>242,269,861</u>			<u>234,456,000</u>
	(1,698,614,014)	<b>Total Cash from Operations</b>		<b>(617,777,577)</b>
		<b><u>Add : Movement In Current Assets</u></b>		
476,707,572		Stores Stocks Decrease/(Increase)	199,332,683	
(586,730,564)		Short T. Invest. Decrease/(Increase)	-	
1,411,990,785		Creditors Increase/(Decrease)	1,543,601,774	
0		Curr. Loan Liab. Increase/(Decrease)	6,463,844	
0		KCB current Loan Liab. Increase/(Dec)	(47,463,081)	
(465,897,553)		Debtors Decrease/(Increase)	(452,420,268)	
<u>(5,568,528)</u>		W/Shop Sus. Decease/(Increase)	<u>(2,604,427)</u>	
	830,501,712	<b>Net Current Assets Movement</b>		<b>1,246,910,525</b>
		<b><u>Less : Investing Activities</u></b>		
92,458,382		Current Loan Liability Adjustments	0	
326,684,303		Long Term Loan Liab. Adjustment	0	
36,843,774		Fixed term Loans(Stocks)	0	
-		Short term Loans Received	0	
(60,573,776)		Short term Loans Repaid	(26,381,271)	
(290,831,323)		Foreign Exchange gain	172,155,251	
(1,190,789,065)		Interest Charges	1,253,573,989	
-		Write-off on Disposal	0	
<u>(20,248,990)</u>		Fixed Assets purchases	34,955,113	
	(1,106,456,295)	Capitalisation of Work In Progress	<u>46,697,201</u>	
		<b>Total Investing Activities</b>		<b>1,481,000,293</b>
		<b><u>Add : Financing Activities -</u></b>		
0		Disposal of Fixed Assets	0	
(334,612,169)		Provisions Increase/(Decrease)	312,645,831	
264,296		Reserves Increase/(Decrease)	19,495,759	
<u>22,302,914</u>		Prior Year Adjustments	<u>129,507,101</u>	
	(312,014,954)	<b>Total Financing Activities</b>		<b>461,648,691</b>
	<u>(73,670,961)</u>	<b>Net Increase/(Decrease) In</b>		<b>(390,218,644)</b>
		<b>Cash and Cash Equivalents</b>		<b>(390,218,644)</b>
		<b><u>Movement in Cash &amp; Cash Equivalents</u></b>		
		<b><u>Opening Balances :</u></b>		
27,475,314		Opening Cash Balance	45,187,782	
265,825,883		Cash Book Adjustment	-	
<u>(711,323,896)</u>		Opening Bank Balance	<u>(526,881,442)</u>	
	(408,022,699)	<b>Total Opening Balances</b>		<b>(481,693,660)</b>
		<b><u>Closing Balances :</u></b>		
45,187,782		Closing Cash Balance	98,935,771	
<u>(526,881,442)</u>		Closing Bank Balance	<u>(7,460,754)</u>	
	<u>(481,693,660)</u>	<b>Total Closing Balances</b>		<b>91,475,017</b>
	<u>(73,670,961)</u>	<b>Net Increase/(Decrease) In</b>		<b>(390,218,644)</b>
		<b>Cash and Cash Equivalents</b>		<b>(390,218,644)</b>

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# NOTES TO THE ACCOUNTS

## **Note 1. ACCOUNTING POLICIES**

(a) **Basis**

Accounts are prepared on a historical cost basis as modified by the revaluation of fixed assets from time to time.

(b) **Compliance**

Accounts are prepared in compliance with the Kenya Railways Corporation Act - Cap 397 and Exchequer and Audit Act -Cap 412, Laws of Kenya.

(c) **Depreciation**

Depreciation is charged on a straight line basis based on the estimated useful life of the various classes of assets. Assets are depreciated with effect from the year following commissioning. Details of the useful lives of various classes of assets are shown in Note 2 and Statement No.1 gives the movement of various assets.

(d) **Stores Stocks**

These are stated at cost less provision for obsolescence and deterioration as shown in Note 4.

(e) **Short Term Investments**

These consist of Fixed Deposits with various financial institutions stated at market value. They are normally used to provide security for short term borrowings, overdraft facilities and letters of credit. These are detailed in Note 5.

(f) **Cash-on-Hand**

This is represented by a physical cash count at the close of the Financial Year as shown in Note 6.

(g) **Bad Debts**

The Corporation provides for bad and doubtful debts at the rate of 5% of the debts that have proved uncollectable. This policy is effective from 1995/96 Financial Year.

(h) **Workshops : Works-in-Progress**

Workshop works in progress comprises of all materials and labour in the workshops at the various stages of production valued at cost.

(i) **Creditors and Accrued Charges**

These represent all short term indebtedness of the Corporation that are payable within the next Financial Year and include loan interest charges, arrears of loans, accrued payments and deposits.

(j) **Retention Accounts**

These are accounts maintained in foreign currencies and are converted to Kenya Shillings using the rate ruling at the close of the Financial Year.

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## NOTES TO THE ACCOUNTS

**(k) Loans**

These are denominated in various foreign currencies as shown in Statement 8 is converted into Kenya Shillings using the closing rate as at June 30, 2005. Arrears of loans and interest charges are transferred to current loan liability at the close of the Financial Year.

**(l) Provisions**

These are charged to the Accounts based on actual amounts set aside as shown in Statement Number 9.

**(m) Reserves**

Transfer to reserves include prior-period adjustments and write off/back shown in Statement No. 9

**(n) Working Expenditure**

These are working accounts under various Abstracts as shown in Statement No. 10

**(o) Cashflow Statement**

This is provided in compliance with IAS 7

**Note 2. TANGIBLE ASSETS (See Statement No.1)**

Tangible Assets include Permanent Way, Buildings, Locomotives, Rolling Stock, Plant and Equipment etc. which are required for the on-going operations of the Railways. The table below shows the useful lives and the rates of depreciation for the major classes of Tangible Assets -

<u>Class of Asset</u>	<u>Average Useful Life (Years)</u>	<u>Rate (%)</u>
(1) Permanent Way and Bridges	50	2
(2) Buildings	50	2
(3) Plant and Machinery	30	4
(4) Signalling Equipment	40	3
(5) Telecommunication Equipment	25	4
(6) Locomotives	30	4
(7) Coaches	25	4
(8) Wagons	20	5
(9) Motor Vehicles	5	20
(10) Office Equipment	5	20

Detailed movements of tangible assets are set out in Statement No.1 on page 13. The wasting assets are shown at replacement values with subsequent additions at cost. Depreciation is charged on wasting assets based on asset replacement values and calculated on the straight line method over periods related to the useful lives of the assets commencing at the beginning of the year following entry into service

The value of assets brought into service during the year under review was Kshs. 20.2 Million

The value of tangible assets has been arrived at as follows :-



## NOTES TO THE ACCOUNTS

Tangible Assets as at June 30.	2003/2004 KShs	2004/2005 KShs
Land	3,769,545,000	3,769,545,000
Others	31,326,057,494	31,372,754,695
	<u>35,095,602,494</u>	<u>35,142,299,695</u>
<b>Less:</b>		
Accumulated Depreciation	(27,883,703,561)	(28,098,621,561)
<b>Net Tangible Assets as at June 30</b>	<u><u>7,211,898,933</u></u>	<u><u>7,043,678,134</u></u>

### **Note 3. CAPITAL WORKS-IN-PROGRESS**

This consists of the value, stated at cost, of all the on-going Capital Works which were being undertaken as at June 30, 2005. Detailed movements of works-in-progress are set out in Statement No.1.

	2003/2004 KShs	2004/2005 KShs
Capital Works in Progress	<u>1,399,269,329</u>	<u>1,387,527,241</u>

### **Note 4. STORES STOCKS**

These are stated at cost less provision for obsolescence and deterioration and comprise the following: -

	2003/2004 KShs	2004/2005 KShs
Stores Unissued	2,029,400,925	2,095,283,273
Capital Stores	50,062,227	49,785,323
Materials-in-transit	348,818,722	137,273,122
Claims - Goods	17,306,248	17,306,247
Construction Plant	1,217,152	1,217,152
Uniforms	111,800	111,800
<b>GROSS STORES STOCKS</b>	<u>2,446,917,074</u>	<u>2,300,976,923</u>
Less : Provision for Deterioration and Obsolescence of Stores. - 0938	(316,916,535)	(370,309,067)
<b>NET STORES STOCKS</b>	<u><u>2,130,000,539</u></u>	<u><u>1,930,667,856</u></u>

*My 30/9*

**KENYA RAILWAYS**  
**NOTES TO THE ACCOUNTS**

**Note 5. SHORT TERM INVESTMENTS**

These comprise the following :-

	2003/2004 KShs	2004/2005 KShs
K.C.B. FDR NO.0016796	-	-
K.C.B FDR NO.0018221	-	-
K.C.B FDR NO.0016797	-	-
K.C.B FDR NO.0020629	-	-
K.C.B FDR NO.0020614	60,032,858	60,032,858
CITI GROUP NO. KE/1566/37/91	212,555,226	212,555,226
	10,950,000	10,950,000
<b>TOTAL</b>	<b>283,538,084</b>	<b>283,538,084</b>

**Note 6. CASH ON HAND**

The balance of Cash on Hand consists of the following:-

	2003/2004 KShs	2004/2005 KShs
Cash on Hand	4,321,897	1,642,411
Cash with Overseas Agents	1,296,991	1,296,991
Imprest Cash	27,745,594	28,047,930
Cash in Transit	11,823,300	67,448,439
<b>TOTAL CASH ON HAND</b>	<b>45,187,782</b>	<b>98,935,771</b>

**Note 7. DEBTORS**

Details of debtors as at June 30, are as follows :-

	2003/2004 KShs	2004/2005 KShs
Traffic Account -Trade Debtors - statement 2	4,383,509,254	4,393,065,806
Bad & Doubtful Debts - Statement 3	101,377,835	-
Advances (General)	7,969,706	11,481,505
Uganda Railways	969,393,209	1,086,488,300
Numerical Machining Complex Limited	16,293,629	16,293,629
Advances E/S Staff	133,810,585	165,260,216
Car Purchase Scheme	1,608,635	1,327,281
Kenrail Consultants	3,089,221	3,089,221
<b>GROSS DEBTORS</b>	<b>5,617,052,074</b>	<b>5,677,005,958</b>

Provision for Bad & Doubtful Debts statement 3

The provision for bad and doubtful is based on debt that are not collectible as at June 30, 2005 as detailed in statement 3



## NOTES TO THE ACCOUNTS

### Note 8. WORKSHOPS : WORKS-IN-PROGRESS

This consists of the value, stated at cost, of all the unallocated works which were being undertaken at the underlisted three Kenya Railways workshops as at June 30.

	2003/2004 KShs	2004/2005 KShs
Central Workshops - Nairobi.	4,228,028	6,776,830
Marine Workshops - Kisumu	17,016,227	17,036,853
Permanent Way Depot - Nairobi	25,684,986	25,719,984
<b>TOTAL</b>	<b>46,929,241</b>	<b>49,533,668</b>

### Note 9. CREDITORS & ACCRUED CHARGES

Details of Creditors and Accrued charges for the year ended June 30 are as follows:-

	2003/2004 KShs	2004/2005 KShs
(a) Industrial Area Accounts	52,502,813	52,502,813
(b) Loan Interest Charges (Statement No. 6)	9,092,165,978	10,405,737,492
(c) Statutory Deductions	7,555,054	(261,085,839)
(d) Salaries and Wages	5,440,261	2,672,559
Fixed Recoveries	-	-
<b>Sub-Total</b>	<b>9,157,664,106</b>	<b>10,199,827,024</b>
(f) Demands Payable		
(i) Accrued Payments - statement 4	2,429,488,007	2,866,741,953
(ii) Subsidiary Loan current and Arrears - Statement	92,458,382	98,922,226
(iii) Uganda Railways	800,475,470	880,574,581
(iv) General Electric International (USA)	15,914,202	-
(vi) Spornet (South A)	52,454,175	52,454,175
(vii) Audit Fees	7,288,558	7,288,558
(viii) Municipal Rates	11,110,541	11,110,541
<b>Sub-Total</b>	<b>3,409,189,334</b>	<b>3,917,092,034</b>
(ix) Retrenchment costs	-	-
<b>Sub-Total</b>	<b>3,409,189,334</b>	<b>3,917,092,034</b>
<b>TOTAL</b>	<b>12,566,853,440</b>	<b>14,116,919,058</b>
Less : Loan Liabilities(Arrears & current)- Statement	92,458,382	98,922,226
<b>GRAND TOTAL</b>	<b>12,474,395,058</b>	<b>14,017,996,832</b>

*My 30/9*

## **NOTES TO THE ACCOUNTS**

### **Note 10 BANK BALANCES**

Bank Balances for the year ended June 30 comprise the following:-

	2003/2004 KShs	2004/2005 KShs
Cash Book Balance adjusted(Main Account)	(539,800,995)	(23,704,657)
Land Account	298,919	96,170
Passenger Services Account	1,356,007	1,752,974
* Scrap Metal Account	1,740	1,741
Collection Accounts	8,004,910	1,702,382
Pension Warrants Account	1,543,329	(1,984,654)
* Central Workshops Account	0	0
* Railway Training Institute Account	84,045	49,853
* K.G.I.A. Account	9,881	9,881
* Letters of Credit - Active Account	38,870	38,870
* Escrow Account	811	(189)
Project Account	60,491	29,718,475
Rental Account	1,621,847	258,934
Salary Account	-	(100,937,647)
Retention Accounts KCB	22,272,563	21,079,173
Citibank A/C 300045-006	(412,412)	21,727,450
Citibank A/C 300045-014	10,881,990	21,859
Citibank A/C 300045-022	657,810	-
Citibank A/C 100082-012	-	18
<b>TOTAL BANK BALANCES</b>	<b>(493,380,194)</b>	<b>(50,169,368)</b>
	<b>(493,380,194)</b>	<b>(50,169,368)</b>
Add : Miscellaneous Bank Debits	20,749,737	49,194,052
Less : Miscellaneous Bank Credits	(54,250,985)	(6,485,439)
<b>NET BANK BALANCES</b>	<b>(526,881,442)</b>	<b>(7,460,754)</b>

### **Note 11(a) LOANS**

The Net Public Debt amounted to KShs. 4,714 as detailed on statement No. 7. Current loan liabilities payable amounted to KShs. 91.9 Million compared to KShs. 92.5 Million in the year to 30th J 2004 as detailed on page 17. The interest on Net Public Debt in the year 2005 amounted to KShs. 1.3 and the accumulated unpaid loan interest on Net Public Debt is KShs. 10,406 Million as detailed on statement No. 6. The foreign exchange loss amounted to KShs. 172 Million as detailed in Statement 8

### **Note 11(b) KCB SHORT TERM LOAN**

This is a term loan acquired in August, 2002 from KCB on conversion of an existing Overdraft Facility of Kshs. 200M. The balance as at June 30, 2005 was KShs. 6,499,000. Hardcore overdraft of KShs 120 cc into loan and the balance was KShs. 13,037,918 as at June 30, 2005.

**KENYA RAILWAYS**  
**NOTES TO THE ACCOUNTS**

**Note 12 GOVERNMENT SUBVENTIONS & EQUITY**

These consists of the following:-

	2003/2004 KShs	2004/2005 KShs
Government equipment loan Kenya Government, 1974	50,000,000	50,000,000
Kenya Government Equity for the purchase of new equipment	468,000,000	468,000,000
<b>TOTAL</b>	<b>518,000,000</b>	<b>518,000,000</b>

**Note 13 GRANTS**

This consists of the balance of Capital materials paid through grants in the Financial Years 1989/90, 1990/91 & 1991/92 amounting to KShs. 35,555,108

**Note 14 MOVEMENT IN PROVISIONS AND RESERVES**

Details of movements in Provisions and Reserves are set out in Statement No.9.

**Note 15 NET APPROPRIATION ACCOUNT**

Movements in the Appropriation Account are as set out below :-

	2003/2004 KShs	2004/2005 KShs
Cumulative Deficit brought forward	(11,295,300,226)	(13,213,881,182)
Prior years adjustments during the year.	22,302,919	(129,507,101)
<b>Net Cumulative Deficit brought forward</b>	<b>(11,272,997,307)</b>	<b>(13,343,388,283)</b>
Add: (Deficit) / Surplus for the period	(1,940,883,875)	(852,233,577)
<b>Cumulative Deficit carried forward</b>	<b>(13,213,881,182)</b>	<b>(14,195,621,861)</b>

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**KENYA RAILWAYS**  
**NOTES TO THE ACCOUNTS**

**Note 16 MISCELLANEOUS EARNINGS**

These consist of the following :-

	2003/2004 KShs	2004/2005 KShs
Rents	193,209,129	137,160,308
Earnings from Uganda Railways	142,737,153	104,822,848
Land Sale	25,650,087	29,440,868
Other Misc. Earnings	29,989,541	51,744,761
Magadi Rail	25,131,567	82,241,601
Scrap Metal	9,068,873	955,984
Fixed Deposit Receipt	-	0
<b>TOTAL</b>	<b>425,786,350</b>	<b>406,366,371</b>

**Note 17 EXPENDITURE**

Detailed analysis of expenditure incurred under Working Accounts pertaining to their respective expenditure heads (Abstracts A to J), are as shown in Statement No.10

**Note 18 OTHER PROVISIONS**

These consist of the following :-

	2003/2004 KShs	2004/2005 KShs
1. Provision for Bad & Doubtful Debts	16,887,499.00	33,992,359 ✓
2. Provision for Obsolescence and deterioration	102,910,700	113,459,047 ✓
3. Provision for Write off of Assets	26	35 ✓
Provision for Insurance	30,287,900	33,370,360 ✓
<b>GROSS OTHER PROVISIONS</b>	<b>150,086,125</b>	<b>180,821,801</b> ✓

**Note 19 INTEREST AND ARREARS ON BORROWINGS AND LOANS**

This consists of the following :-

	2003/2004 KShs	2004/2005 KShs
1. Interest on Loans - Statement 6	1,190,789,065	1,313,571,514
2. Interest on Internal Borrowing	16,778,223	17,717,340
3. Interest on Overdraft	21,614,384	32,965,485
<b>TOTAL</b>	<b>1,229,181,672</b>	<b>1,364,254,339</b>

## STATEMENT NO.1

## FIXED ASSETS MOVEMENT SCHEDULE FOR THE PERIOD ENDED JUNE 30, 2005

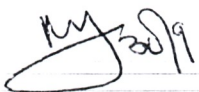
	Shs	Shs	Shs	Shs	Shs	Shs	Shs	Shs	Shs	Shs	TOTAL
<b>ASSETS IN USE</b>											
Balance as at 1-7-2004	3,769,545,000	263,034,539	13,700,973,992	15,393,690,725	1,326,220,532	285,239,426	356,898,310	35,095,602,494			
Additions during the period	0	566,000	37,393,779	0	8,617,422	0	120,000	46,697,201			
Adjustments during the period	0	0	0	0	0	0	0	0			
Sub-Total	3,769,545,000	263,600,539	13,738,367,741	15,393,690,725	1,334,837,954	285,239,426	357,018,310	35,142,299,695			
Disposals during the period	0	0	0	0	0	0	0	0			
Balance as at 30-6-2005	3,769,545,000	263,600,539	13,738,367,741	15,393,690,725	1,334,837,954	285,239,426	357,018,310	35,142,299,695			
<b>DEPRECIATION</b>											
Accumulated Depreciation as at 1-7-2004	0	249,043,362	11,063,888,173	14,781,208,991	1,204,546,754	230,426,737	354,589,544	27,883,703,561			
Depreciation Adjustment	0	0	0	0	5,916,000	6,120,000	7,512,000	234,456,000			
Depreciation during the period	0	366,000	146,592,000	67,920,000	0	0	0	0			
Sub-Total	0	249,439,362	11,210,480,173	14,849,128,991	1,210,462,754	236,546,737	362,101,544	28,118,159,561			
Accumulated Depreciation as at 30-6-2005	0	(33,000)	(12,050,000)	(5,660,000)	(493,000)	(410,000)	(892,000)	(19,538,000)			
Adjustments	0	249,406,362	11,198,430,173	14,843,468,991	1,209,969,754	236,136,737	361,209,544	28,098,621,561			
Net Value of Tangible Assets	3,769,545,000	14,194,177	2,539,937,568	550,221,734	124,868,200	49,102,689	(4,191,234)	7,043,678,134			
<b>WORKS-IN-PROGRESS</b>											
Expenditure as at 1-7-2004	0	52,410,598	118,902,194	666,708,036	51,959,163	344,179,266	165,110,072	1,399,269,329			
Add: Exp./Adjustment in 2004/05	0	0	37,717,265	0	0	(2,762,152)	0	34,955,113			
Sub-Total	0	52,410,598	156,619,459	666,708,036	51,959,163	341,417,114	165,110,072	1,434,224,442			
Less: Capitalisation in 2004/05	0	566,000	37,393,779	0	8,617,422	0	120,000	46,697,201			
Net Value of Works -in- Progress	0	51,844,598	119,225,680	666,708,036	43,341,741	341,417,114	164,990,072	1,387,527,241			

11/11/05

## KENYA RAILWAYS

STATEMENT NO. 2DEBTORS BY CATEGORY AS AT 30TH JUNE, 2005

	TOTAL AMOUNTS	LESS THAN ONE	MORE THAN ONE
	<u>KSHS.</u>	YEAR	YEAR
		<u>KSHS.</u>	<u>KSHS.</u>
1 Ledger Accounts	587,712,965	23,652,450	564,060,515
2 Deposit Accounts - Old	213,185,510	-	213,185,510
- New	-99,997,730	-99,997,730	0
Station Outstanding - Goods	366,644,318	73,310,608	293,333,710
- Coaching	146,623,924	11,626,274	134,997,650
3 Government Warrants	21,412,943	325,675	21,087,268
4 Catering	3,941,671	16,311	3,925,360
5 Water	6,442,363	575,683	5,866,680
6 Rents	548,478,449	91,868,564	456,609,885
7 Passenger Agencies	52,552,789	-	52,552,789
8 Suspense Account	2,536,512,052	-	2,536,512,052
<b>TOTAL</b>	<u><u>4,383,509,254</u></u>	<u><u>101,377,835</u></u>	<u><u>4,282,131,419</u></u>





## KENYA RAILWAYS

STATEMENT NO. 3BAD AND DOUBTFUL DEBTORS BY CATEGORY AS AT 30TH JUNE, 2005

	<u>MINISTRIES</u> <u>KSHS.</u>	<u>PARASTATALS</u> <u>KSHS.</u>	<u>PRIVATE FIRMS</u> <u>KSHS.</u>	<u>TOTALS</u> <u>KSHS.</u>
1 Ledger Accounts	-	9,475,301	398,078,770	587,712,965
2 Deposit Accounts - New	38,511	24,231,794	245,303,579	269,573,884
- Old	-	-	213,185,510	213,185,510
3 <u>Station Outstanding</u>				
- Goods	-	251,948,830	-	366,664,318
- Coaching	-	121,675,310	-	146,623,924
4 Government Warrants	14,421,937	2,658,274	3,287,649	21,412,943
5 Catering	508,915	1,592,656	1,531,189	3,941,671
6 Water	1,600,768	2,622	3,775,362	5,378,752
7 Rents	5,394,471	40,944,510	327,402,306	373,741,287
8 Passenger Services- Note (i)	-	-	52,552,789	52,552,789
9 Suspense Account - Note (ii)	-	-	-	2,536,512,052
<b>TOTAL</b>	<u>21,964,602</u>	<u>452,529,297</u>	<u>1,245,117,154</u>	<u>4,577,300,095</u>

CommentsNote (i)

1) Passenger Agencies - The Corporation lost a case against Arbecrombie and Kent in 1996 and it is unlikely that this amount will ever be recovered.

Note (ii)

2) Suspense Account - KShs. 2,536,512,052 . An exercise undertaken to establish the authenticity of the amount did not yield any results because there were no supporting documents for these amounts. Hence they will be difficult to collect.

## KENYA RAILWAYS

## Statement 4

## Creditors Status Update as at 30 June 2005

	UNDER 30	OVER 30	OVER 60	OVER 90	June 05	June 04	(Increase)/ Decrease
	KShs. 000	KShs. 000	KShs. 000	KShs. 000	KShs. 000	KShs. 000	
<b>A GOVERNMENT/MINISTRIES</b>							
Government Ministries	-	-	-	1,354	1,354	1,306	48
NHIF	2,995	-	-	115,766	118,761	100,261	18,500
N.S.S.F.	-	-	965	44,639	45,604	29,933	15,671
Telkom	1,205	774	542	147,890	150,411	131,713	18,698
Electricity	-	-	-	4,181	4,181	-	4,181
Water & Rates	-	24	67	147,793	147,884	108,119	39,765
<b>SUB-TOTAL</b>	<b>4,200</b>	<b>798</b>	<b>1,574</b>	<b>460,269</b>	<b>466,841</b>	<b>370,026</b>	<b>96,815</b>
<b>B KENYA REVENUE AUTHORITY</b>							
Customs & Excise	-	-	-	30,308	30,308	17,399	12,909
P.A.Y.E	8,172	-	5,939	610,005	624,116	515,598	108,518
Value Added Tax	5,675	28	19,067	693,704	718,474	548,535	169,939
<b>SUB-TOTAL</b>	<b>13,847</b>	<b>28</b>	<b>25,006</b>	<b>1,334,017</b>	<b>1,372,898</b>	<b>1,081,531</b>	<b>291,367</b>
<b>C STAFF DEDUCTIONS</b>							
Check-off payments	81	229	161	35,383	35,854	12,074	23,780
Casuals	26,217	25,367	25,367	-	76,951	52,444	24,507
Cotu subscriptions	275	-	-	3,227	3,502	864	2,638
H.E.L.B.	-	-	-	521	521	480	41
Monthly Pension	31,232	31,957	-	294,481	357,670	260,426	97,244
Railway Co-op Society	-	-	277	203,978	204,255	145,596	58,659
Railway Clubs	-	-	-	376	376	352	25
Railway Housing Co-op	-	110	-	3,830	4,026	4,472	(446)
RTI Part-time Staff	-	-	-	1,100	1,100	3,796	(2,696)
Save As You Earn(postbank)	-	-	-	1,855	1,855	1,783	72
<b>SUB-TOTAL</b>	<b>85,499</b>	<b>57,805</b>	<b>25,805</b>	<b>544,751</b>	<b>686,110</b>	<b>482,286</b>	<b>203,824</b>
<b>D THIRD PARTIES</b>							
Advocates	9,194	-	5,786	1,500,000	1,514,980	57,416	1,457,564
Reimbursement to Stations	1,990	606	684	79,515	82,795	27,426	55,370
Insurance Payables	3,313	-	-	51,609	54,922	49,087	5,835
Medical Services to KR	637	-	300	16,112	17,049	20,771	(3,722)
Miscellaneous Vendors	8,811	95	356	77,959	87,221	41,125	46,096
Security Charges	-	-	-	4,181	4,181	4,181	0
<b>SUB-TOTAL</b>	<b>23,945</b>	<b>701</b>	<b>7,126</b>	<b>1,729,376</b>	<b>1,761,149</b>	<b>200,006</b>	<b>1,561,143</b>
<b>E SUPPLIERS</b>							
Catering	-	74	65	7,605	7,744	5,454	2,290
Fuel and Oil	161,528	8,224	4,909	82,339	257,000	64,944	192,056
Others	5,654	3,162	5,319	189,907	204,042	272,977	(68,935)
<b>SUB-TOTAL</b>	<b>167,182</b>	<b>11,460</b>	<b>10,293</b>	<b>279,851</b>	<b>468,786</b>	<b>343,375</b>	<b>125,411</b>
<b>GRAND TOTALS</b>	<b>294,673</b>	<b>70,792</b>	<b>169,804</b>	<b>4,348,264</b>	<b>4,755,783</b>	<b>2,477,224</b>	<b>2,278,560</b>

KENYA RAILWAYS  
STATEMENT NO. 5

CURRENT AND ARREARS LOAN LIABILITIES

<u>LOAN DETAILS</u>	<u>ARREARS OF LOANS 2003/2004 AMOUNT KShs.</u>	<u>LOANS CURRENT LIABILITIES 2004/2005 AMOUNT KShs.</u>	<u>TOTAL 2004/2005 AMOUNT KShs.</u>
1. ODA £Stg. 7.04 M. 9%	18,883,060	20,620,773	39,503,834
2. IDA (1820-O KE) SDR 21.80 M. 8.8%	21,416,390	21,416,390	42,832,781
3. KFW DM. 27.00 M. (2031) 7.5%	6,788,674	6,788,674	13,577,349
4. K.F.W DM 4.5M. (2031) 7.5%	1,046,256	1,962,006	3,008,263
TOTAL	<u>48,134,382</u>	<u>50,787,845</u>	<u>98,922,226</u>
5. KCB borrowing term loan payable	-	19,536,919	19,536,919
TOTAL	<u>48,134,382</u>	<u>70,324,764</u>	<u>118,459,145</u>



STATEMENT NO 6LOAN INTEREST CHARGES AND ARREARS

Loan Details	Cumulative Interest as at June 30 2004 <u>Kshs.</u>	Interest for the period 2004-2005 <u>Kshs.</u>	Cumulative Interest as at 2004-2005 <u>Kshs.</u>
1. ODA £Stg. 7.04 M. 9%	465,856,021	62,284,289	528,140,310
2. IDA (1820-O KE) SDR 21.80 M. 8.8%	840,314,390	129,278,999	969,593,389
3. KFW DM. 27.00 M. (2031) 7.5%	680,193,317	83,472,596	763,665,913
4. A.F.D.B. US\$ 11.031M. 8%	1,329,994,369	184,088,013	1,514,082,382
5. K.F.W DM 4.5M. (2031) 7.5%	10,949,471	607,388	11,556,859
6. IBRD 1981 US\$ 58.0M. (1976-0KE) 9.6%	4,972,754,103	718,943,435	5,691,697,538
7. K.F.W. 1971 DM 8.6M. (1996) 3%	62,071,164	15,569,969	77,641,133
8. BANQUE INDOSUEZ USD.9490.12 @74.0	4,410,947	834,681	5,245,628
9. PARIS CLUB USD. 1,201,537.28 @74.00	725,622,194	118,492,144	844,114,338
<b>TOTAL</b>	<b>9,092,165,978</b>	<b>1,313,571,514</b>	<b>10,405,737,492</b>

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## STATEMENT NO. 7

## MOVEMENTS OF LOANS BALANCES AS AT JUNE 30, 2005

	OPENING BALANCES AS AT JULY 1,2003 (A) <u>Shs</u>	Note (i) CURRENT LOAN LIABILITIES (B) Note (i) <u>Shs</u>	CURRENT UNREDEEMED LIABILITIES ADJUSTMENT (C) Note (ii) <u>Shs</u>	Note (ii) FOREIGN EXCHANGE (GAIN)/LOSS ADJUSTMENT (D) <u>Shs</u>	LOAN LIABILITIES AS AT JUNE 30,2004 (A-B+C+D) <u>Shs</u>
<b>A. FIXED TERM LOANS RAISED BY PUBLIC</b>					
<b><u>SUBSCRIPTION EAST AFRICAN LOAN STOCKS</u></b>					
1954 STG. PD. 5.0 M (1973-76) 4%	90,000	0	0	0	90,000
1957 STG. PD. 8.5 M (1977-83) 5.7%	20,000	0	0	0	20,000
1975 STG. PD. 5.9 M (1977) 9%	24,918,842	0	0	0	24,918,842
1970 KENYA PD. 1.0 M (1990) 6.75%	513,100	0	0	0	513,100
1971 KENYA PD. 3.4 M (1986) 6.75%	11,301,834	0	0	0	11,301,834
	<u>36,843,776</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>36,843,776</u>
LOANS					
<b>B. <u>INTERNATIONAL AGENCIES</u></b>					
AFDB UA.10.0 M. 8 %	576,192,888	0	0	(23,970,587)	552,222,301
IBRD 1965 US\$ 38.00 M. (428)	93,723,061	0	0	0	93,723,061
IBRD 1970 US\$ 42.40 M. (670)	165,855,789	0	0	0	165,855,789
IBRD 1981 US\$ 58.00 M. (1976-O KE) 9.6 %	2,060,967,541	0	0	(85,499,969)	1,975,467,572
LLOYDS BANK STG 18.79 M.	106,126,421	0	0	0	106,126,421
EXIM BANK 1985 US\$ 15.3 M	384,826,371	0	0	0	384,826,371
BANQUE INDOSUEZ 1985 US\$ 0.90 M. (1997) 7.4 %	7,605,128	0	0	(315,486)	7,289,642
IDA (1820-O KE) SDR 21.80 M. 8.8 %	476,623,554	42,832,781	42,832,780	(19,771,941)	456,851,612
ODA ESTg. 7.04 M. 9 %	119,174,274	39,503,834	34,861,697	(6,480,200)	108,051,937
PARIS CLUB RESCHEDULING	661,330,919	0	0	(27,434,216)	633,896,703
SUB TOTAL	<u>4,652,425,946</u>	<u>82,336,615</u>	<u>77,694,477</u>	<u>(163,472,399)</u>	<u>4,484,311,409</u>
<b>C. <u>OTHER GOVERNMENTS</u></b>					
<b><u>FEDERAL GOVERNMENT OF WEST GERMANY</u></b>					
K.F.W. 1971 DM. 8.60 M. (1996) 3%	21,302,139	0	0	(886,204)	20,415,935
K.F.W. DM. 4.5M. (2010) 2 %	22,351,338	3,008,263	1,186,557	0	20,529,632
K.F.W. DM. 27.00 M. (2031) 7.5 %	152,327,736	13,577,349	13,577,348	(6,901,928)	145,425,807
SUB TOTAL	<u>195,981,213</u>	<u>16,585,612</u>	<u>14,763,905</u>	<u>(7,788,132)</u>	<u>186,371,374</u>
TOTAL LOANS (NET PUBLIC DEBT A-B+C+D)	<u>4,885,250,935</u>	<u>98,922,226</u>	<u>92,458,382</u>	<u>(171,260,531)</u>	<u>4,707,526,559</u>

Note (i) - Computation on Statement No 5

Note (ii) - Computation on Statement No 8

## STATEMENT NO. 8

## CALCULATION OF EXCHANGE GAIN / LOSS FOR SERIAL LOANS FOR THE PERIOD ENDING JUNE 30, 2005

	CUMULATIVE DRAWINGS	CUMULATIVE REPAYMENTS	NET TOTAL	CONVERTED APPLYING RATE AS AT 30.6.2005 Shs.	INITIAL LOAN BALANCES AS AT 30.6.2004 Shs.	TOTAL CUMULATIVE EXCHANGE GAIN/ (LOSS) Shs.
1. IBRD 1981 US\$58.00(1976 O KE) 9.6%	26,724,581	0	26,724,581	1,975,567,474	2,061,067,443	(85,499,969)
2. ODA Stg 7.04 M. 9%	1,531,412	0	210,967,274	147,555,771	154,035,971	(6,480,200)
3. IDA	342,662,246	0	342,662,246	456,851,672	476,623,613	(19,771,941)
4. AFDB (UA.10.0M)	151,784,021	0	151,784,021	552,222,301	576,192,886	(23,970,587)
5. KFW DM. 4.5M.	19,258,884	0	19,258,884	20,612,104	21,506,824	(894,720)
6. KFW DM. 27.0M.	135,773,472	1,600,000	134,173,472	159,003,156	165,905,084	(6,901,928)
7. KFW DM. 8.60M. BANQUE INDOSUEZ	18,199,050	0	18,199,050	20,415,934	21,302,138	(885,204)
8. 1985 US\$ 0.90 M. (1997) 7.4 % US\$	899,188	809,269	89,919	7,289,641	7,605,127	(315,486)
9. PARIS CLUB RESCHEDULING US\$	8,313,399	0	8,313,399	633,898,674	661,330,890	(27,434,216)
				<u>3,973,414,727</u>	<u>4,145,569,978</u>	<u>(172,155,251)</u>

## CALCULATION OF EXCHANGE GAIN / LOSS FOR SERIAL LOANS FOR THE PERIOD ENDING JUNE 30, 2004

	CUMULATIVE DRAWINGS	CUMULATIVE REPAYMENTS	NET TOTAL	CONVERTED APPLYING RATE AS AT 30.6.2003 Shs	INITIAL LOAN BALANCES AS AT 30.6.2002 Shs	CUMULATIVE EXCHANGE GAIN/ (LOSS) Shs
1. IBRD 1981 US\$58.00(1976 O KE) 9.6%	25,615,956	0	25,615,956	2,061,067,443	1,917,272,040	(143,795,403)
2. ODA Stg 7.04 M 9%	1,466,989	0	210,967,274	154,035,971	181,098,946	27,062,075
3. IDA	342,662,246	0	342,662,246	476,623,613	443,370,803	(33,252,810)
4. AFDB (UA.10.0M)	151,784,021	0	151,784,021	576,192,986	507,337,475	(68,855,511)
5. KFW DM. 4.5M.	19,258,884	0	19,258,884	21,506,824	18,936,742	(2,570,082)
6. KFW DM. 27.0M.	135,773,472	1,600,000	134,173,472	165,905,084	146,079,297	(19,825,787)
7. KFW DM. 8.60M. BANQUE INDOSUEZ	18,199,050	0	18,199,050	21,302,138	18,756,516	(2,545,622)
8. 1985 US\$ 0.90 M. (1997) 7.4 % US\$	899,188	809,269	89,919	7,605,127	6,696,308	(908,819)
9. PARIS CLUB RESCHEDULING US\$	8,313,399	0	8,313,399	661,330,890	615,191,520	(46,139,364)
				<u>4,145,570,076</u>	<u>3,854,738,753</u>	<u>(290,831,323)</u>

Loan balances denominated in foreign currency as at June 30, were converted using the following exchange rates

June 30, 2005	June 30, 2004	June 30, 2003
US \$ 1 = KShs. 76.25	US \$ 1 = KShs. 79.55	US \$ 1 = KShs. 74.00
£Stg. 1 = KShs. 137.76	£Stg. 1 = KShs. 143.81	£Stg. 1 = KShs. 122.32
Euro. 1 = KShs. 92.15	Euro 1 = KShs. 96.15	Euro. 1 = KShs. 84.66

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**STATEMENT NO. 9.**

**MOVEMENT IN PROVISIONS AND RESERVES**

	Staff Pensions	Widows & Orphans Pensions	Fixed Assets Obsolescence	Insurance	Gratuities & Provident Fund	Bad & Doubtful Debts	TOTAL
	Shs.	Shs.	Shs.	Shs.	Shs.	Shs.	Shs.
<b>A : PROVISIONS</b>							
Balance as at 1st July 2004	165,183,938	182,120,961	(126,760,586)	(94,277,983)	23,427,132	375,576,119	525,269,581
Charges in the Accounts	938,182,294	1,651,565	60,066,515	33,370,360	175,209,214	33,992,359	1,242,472,308
<b>Total</b>	<b>1,103,366,232</b>	<b>183,772,526</b>	<b>(66,694,071)</b>	<b>(60,907,623)</b>	<b>198,636,346</b>	<b>409,568,478</b>	<b>1,767,741,888</b>
<b>LESS</b>							
Payments/Transfers	745,472,307	636,953	0	5,500,029	178,620,847	0	930,230,135
<b>Balance as at June 30, 2005</b>	<b>357,893,925</b>	<b>183,135,573</b>	<b>(66,694,071)</b>	<b>(66,407,652)</b>	<b>20,015,500</b>	<b>409,568,478</b>	<b>837,511,754</b>
		183,135,573			20,015,535		

**B : RESERVES**

	General Reserve	Reserves Adjustment	Asset Revaluation Reserve	Special Depreciation Magadi-Line	Total
	Shs	Shs	Shs	Shs	Shs
Balance as at 1st July 2003	2,712,819,270	(273,032,066)	7,970,238,584	13,972,632	10,423,998,420
Add: Adjustments / Charges in the Accounts	0	(0)	0	0	(0)
Less: Amounts written off / back	0	0	0	0	0
<b>Balance as at June 30, 2004</b>	<b>2,712,819,270</b>	<b>(273,032,066)</b>	<b>7,970,238,584</b>	<b>13,972,632</b>	<b>10,423,998,420</b>

*[Handwritten signature and date]*

**KENYA RAILWAYS**  
**STATEMENT NO. 10**

**WORKING EXPENDITURE FOR THE YEAR ENDED JUNE 30, 2005**

<b><u>Abstract A</u></b>	<b><u>Maintenance of Way and Works</u></b>	<b>2003/2004</b>	<b>2004/2005</b>
		<b><u>Shs.</u></b>	<b><u>Shs.</u></b>
100 - 108	CCE's Headquarters and District Staff	123,620,178	121,728,749
109 - 120	Maintenance of Permanent Way	404,779,031	489,253,667
121 - 126	Maintenance of Bridges & Culverts	1,536,653	354,363
130 - 136	Maintenance of Works	25,006,221	3,550,786
140 - 145	Water Supply	123,075	0
150	Bush, Gardens Clearing and Conservancy	24,322,627	22,598,614
151	Maintenance of Tools and Plant	7,460,635	3,917,748
152	Purchase of Spares for Tools and Plant	621,164	91,338
153	Fuel Oil And Lubricant	11,672,183	12,122,681
154	Domestic Water Supply	33,222,901	23,988,895
155	Licences and Insurance for Motor Vehicles	82,749	15,100
156 - 157	Street Lighting	3,195,291	1,177
160	Contingencies for Floods and Accidents	272,061	9,706,525
165 - 169	Printing and Stationery	953,396	250,227
170 - 173	Maintenance of Mechanical Power Signals	27,026	531,595
180 - 186	Office Telephones	3,071,366	2,949,849
190	Minor Works	248,767	9,912
195	Non-Capitalised Major Works	1,760,341	664,329
196 - 199	Work Done for Other Departments	35,739	(21,968)
	<b>Total - Abstract A</b>	<b><u>642,011,404</u></b>	<b><u>691,713,592</u></b>
<b><u>Abstract B</u></b>	<b><u>Maintenance of Locomotives, Rolling Stock, etc.</u></b>	<b>2003/2004</b>	<b>2004/2005</b>
200 - 208	Central Workshops Manager and Staff	29,688,461	20,337,101
210 - 215	Workshops - Maintenance of Locomotives	45,650,067	41,250,376
220 - 225	Workshops - Maintenance of Coaching Stock	25,105,026	17,245,436
230 - 235	Workshops - Maintenance of Goods Stock	113,328,658	52,986,155
240 - 244	Maintenance of Machinery, Tools and Plant	19,323,378	17,100,323
245	Work Done for Other Departments	9,136	56,496
246	Commercial & Private Work Orders	258,579	184,583
248	Departmental Telephone Charges	1,190,004	798,676
250	Electrical Maintenance	8,774,526	18,549,046
255	Printing and Stationery	421,737	254,811
270-297	Canteen Stores, Equipments, Staff & Uniforms.	65,412	13,520
	<b>Total - Abstract B</b>	<b><u>243,814,983</u></b>	<b><u>168,776,522</u></b>

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**KENYA RAILWAYS**

<u>Abstract C</u>	<u>Locomotive Running Expenses</u>	<u>2003/2004</u>	<u>2004/2005</u>
		<u>Shs.</u>	<u>Shs.</u>
300 - 305	CM&EE's Headquarters and District Staff	26,431,585	25,470,344
306	Drawing Office	962,459	1,221,730
308	Staff Training	53,779,158	42,019,924
310 - 316	Running Repairs	215,726,107	141,814,323
317	Running Expenses	163,038,817	127,916,435
320 - 329	Running Stores	46,844,563	13,253,069
330 - 336	Fuel	1,555,121,347	1,105,280,801
340 - 341	Locomotive Running Sheds	12,250,721	9,920,652
345 - 346	Work Done for Other Departments	5,709,837	13,538,216
350 - 356	Cleaning and Care of Locomotives	6,931,939	4,147,231
360 - 362	Maintenance of Machinery, Tools and Plant	1,503,959	1,281,636
367 - 368	Departmental Telephone Charges	2,363,421	1,921,753
369	Maintenance Repairs and Fuel to Dept. Vehicles	23,424,145	3,143,589
370 - 371	Maintenance of Outside Mech. Handling Equip.	4,043,589	2,321,028
372- 375	Maintenance of Mech. Handling Equipment	215,846	107,472
380 - 382	Running Staff	124,687,066	80,837,616
383 - 384	Electrical Maintenance	12,198,438	10,484,718
385	Printing and Stationery	611,398	390,571
387	Accident Repairs	11,116,127	9,800,741
390	Minor works	124,700	0
	<b>Total - Abstract C</b>	<b>2,267,085,222</b>	<b>1,594,871,848</b>
		<hr/>	<hr/>
<u>Abstract D(i)</u>	<u>Traffic Expenses</u>		
400 - 408	CTM 's Headquarters and District Staff	68,814,114	58,947,305
410 - 417	Station Staff	159,170,625	151,115,340
420	Loading and Unloading of Vessels and Trucks	6,929	3,028
421	Weighing at Ports	0	0
422	Shore Works	12,209,262	12,041,716
424	Motor Vehicles Fuel and Maintenance	1,570,222	2,165,741
425	Office Telephone Charges	13,390,546	7,623,647
426 - 435	Running Rooms Staff	28,560,111	26,840,053
440 - 444	Station Stores	9,437,465	15,334,322
445	Accidents	774,551	478,575
450	Clothing	3,716,221	757,045
460 - 465	Printing and Stationery	3,355,770	1,380,378
470 - 490	Collection, Delivery & local Haulage	6,179,075	7,049,057
	<b>Total - Abstract D(i)</b>	<b>307,184,891</b>	<b>283,736,207</b>
		<hr/>	<hr/>
<u>Abstract D(ii)</u>	<u>Business Expenses</u>		
500 - 506	Business Manager's Headquarters Staff	17,909,175	15,617,730
507 - 511	Station Pier and Shore Working	30,941,677	31,547,552
512	Maintenance Repairs and Other Transport Charges	3,338,844	632,878
513 - 515	Station Stores	1,558,221	2,355,836
517	Clothing	88,574	193,340
518	Entertainment	72,926	119,102
519	Commission, Rebates & Discounts	0	0
520-521	Printing and Stationery	121,555	332,711
522 - 529	Hire of Uganda Locos	49,200,229	118,221,802
531 - 549	Hire of UR Wagons	18,704,684	15,230,733
	<b>Total - Abstract D(ii)</b>	<b>121,935,885</b>	<b>184,251,682</b>
		<hr/>	<hr/>
<u>Abstract E</u>	<u>Catering Services</u>	<u>Shs.</u>	<u>Shs.</u>
550 - 559	Superintendence	2,933,112	1,783,012
570 - 573	Refreshment Rooms	35,309,055	30,461,678
574	Hotels Licence Fees	343,690	324,365
575 - 576	Hotels Beddings and Laundry	6,945,248	4,597,082
577	Printing and Stationery	4,414	2,452
579	Agency Commission & Motor Maintenance	195,830	127,437
580 - 588	Inland Waterways	170,495	122,925
589	Uniforms	749,081	37,126
	<b>Total - Abstract E</b>	<b>46,650,925</b>	<b>37,456,077</b>
		<hr/>	<hr/>



## KENYA RAILWAYS

<u>Abstract F</u>	<u>Water Transport Services</u>		
600 - 608	Superintendence	2,925,520	2,916,341
610 - 620	Maintenance and Minor Renewals in Workshops	12,138,735	18,642,655
621 - 631	Running Expenses	74,865,183	45,346,683
632	Repairs, Fuel and Other Transport Charges	1,250,413	601,475
633	Departmental Telephone Charges	7,435	0
635 - 636	Printing and Stationery	38,291	68,995
637	Uniforms	50,780	55,316
640			1,633,130
645	Non-Capitalised Major Works	5,992	0
646	Insurance	1,118,232	1,118,232
	<b>Total - Abstract F</b>	<b>92,400,581</b>	<b>70,382,827</b>

<u>Abstract G</u>	<u>Maintenance of Electrical &amp; Telecommunication Services</u>		
650 - 655	Superintendence	13,200,309	11,200,412
656	Motor Drivers	1,160,507	1,377,680
657	Works & Supervisory Staff	14,023,997	14,032,035
658	Staff Training	1,044,448	716,354
659	Electrical Maintenance	2,960	21,570
660 - 665	Station Operations	2,421,889	2,441,091
666 - 669	Signal and Radio Maintenance	17,200,129	13,852,238
670 - 677	Running expenses	9,059,172	2,064,198
678	Electricity Charges	720,301	291,531
680 - 689	Telephone Directory	49,996	48,480
690	New Minor Works	104,081	0
695	Non-Capitalised Major Works	332,072	211,741
	<b>Total - Abstract G</b>	<b>59,319,863</b>	<b>46,257,330</b>

<u>Abstract H</u>	<u>General Charges</u>	<u>2003/2004</u>	<u>2004/2005</u>
		<u>Shs.</u>	<u>Shs.</u>
700 - 701	Board Expenses	15,082,340	14,234,918
702 - 706	Administration	27,502,846	36,401,869
707 - 709	Legal Expenses	34,291,389	10,120,083
710 - 711	Secretariat	839,508	3,834,593
712 - 714	Internal Audit	4,889,710	5,701,739
715 - 718	Management Services	5,292,193	4,723,717
720 - 722	Data Processing	17,735,184	20,324,629
724 - 738	Personnel	34,637,247	37,384,810
740 - 744	Railway Training Institute	34,199,355	21,611,449
745 - 751	Railway Training Institute Hostels	29,975,590	29,220,070
753 - 755	Staff Training (R.T.I.)	666,803	303,728
756	Secretarial Staff Training		10,000
760 - 761	Finance	29,220,217	26,267,954
762 - 763	Audit Expenses	1,944,747	1,981,432
764	Staff Training (Finance Department)	724,000	457,800
769 - 774	Supplies	21,940,442	17,019,858
780 - 790	Corporate Communication	28,485,327	22,936,204
	<b>Total - Abstract H</b>	<b>287,426,900</b>	<b>252,534,854</b>

*My 30/9*

# KENYA RAILWAYS

## Abstract J

800 - 804  
805 - 809  
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## Miscellaneous Expenses

Pensions and Gratuities  
Free Railway Traffic Costs  
Refund of Fares to Passengers  
Compensation to Employees  
Refund of Fares to Other persons  
Loss and Damage to Freight  
Aid Activities & Awareness  
Security Services  
Fire Precautions  
Headquarters Central Despatch Office  
Cleaning of Passenger Coaches  
Office Cleaning  
Staff Housing  
Staff Allowances  
Stationery and Printing  
Exchange and Brokerage and commission  
Professional Subscriptions  
Consulting Services  
Municipal Rates  
Out-patient Medical Services  
sa  
Agency Services  
Metric Conversion Services  
Harambee Projects  
Celebrations Costs  
All African Railways  
Local Authority Service charge  
R. T. I. General Account  
Motor Vehicles Fuel and Maintenance Costs  
Road Warrants For Staff  
Telephone Charges  
Emergency Action Plan Costs  
Union of African Railways  
Retrenchment  
**Total - Abstract J**  
**TOTAL EXPENDITURE**

304,887,096	700,565,673
10,417,360	32,173,773
0	25,470
599,445	79,800
14,254,460	24,563,692
12,881,136	15,813,384
804,408	39,482
80,058,110	70,275,064
2,299,995	1,683,186
712,911	2,131,700
2,556,585	1,818,564
194,266	163,157
78,375,348	68,399,901
30,640	13,200
32,622,114	17,606,921
32,206,441	71,046,023
427,152	0
5,814,079	3,000
6,445,417	953,530
24,440,357	25,953,800
902,328	3,007
11,963	0
0	0
179,000	60,000
5,190	2,486
950,229	0
0	14,800
10,031,142	11,849,731
29,775,597	54,759,463
23,706,100	34,624,598
14,805,894	14,644,004
70,806	9,620
401,078	77,099
0	5,641
690,866,618	1,149,702,768
4,758,697,272	4,479,683,709



✓ Hi for your information & necessary action  
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20/5/09

REPUBLIC OF KENYA

Telephone: +254-20-342330  
Fax: +254-20-311482  
E-mail: eag@kenyaweb.com



P.O. Box 30084-00100  
NAIROBI

**KENYA NATIONAL AUDIT OFFICE**

Ref: KR/166/2008/(35)

15 May 2009



385.09676219

**The Managing Director  
Kenya Railways Corporation  
P.O. Box 30121-00100  
NAIROBI**

Dear Sir,

**KENYA RAILWAYS CORPORATION FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2008**

I enclose two copies of the audited financial statements for the year ended 30 June 2008 duly certified by the Controller and Auditor General for your retention and necessary action.

Similar number of copies of the financial statements have been transmitted to the Minister for Finance in accordance with the Public Audit Act, 2003. You should therefore make arrangements to print the audited financial statements and submit 250 copies to your parent Ministry for tabling before the National Assembly. Please send five (5) copies of the printed financial statements to this office.

Enclosed, please find Audit fee Note No.0000148 for Kshs.1,950,000 in respect of year 2008 audit, payable to the Controller and Auditor General.

Yours faithfully,

**D.M. NJOKA  
For: CONTROLLER AND AUDITOR GENERAL**

**Copy to:** The Permanent Secretary  
Ministry of Transport  
P.O. Box 52692-00100  
**NAIROBI** (NB: This is only for notification)

Handwritten notes: *Handy*, *F7A*, *Shel*, *20/5*

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