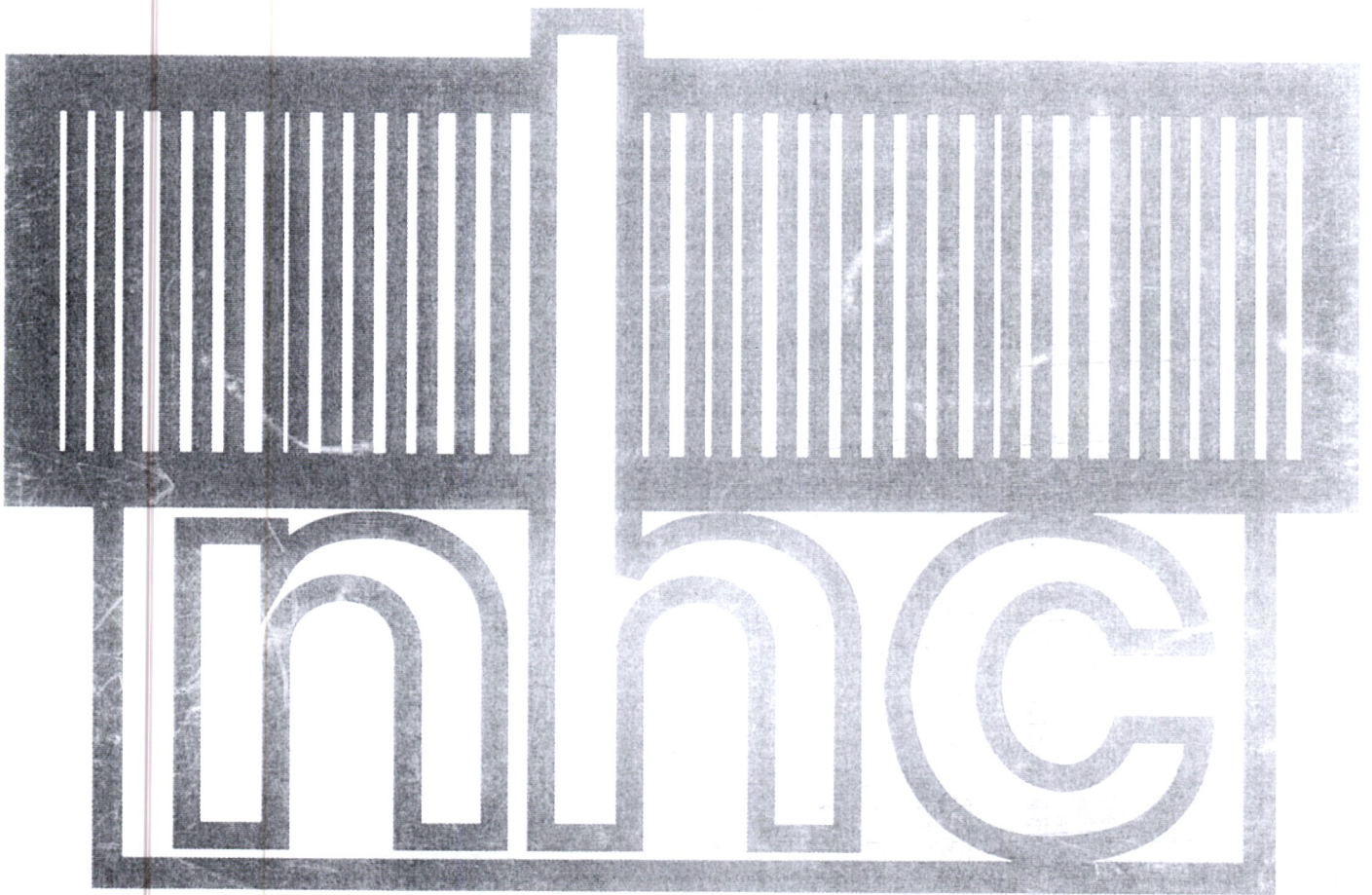


# NATIONAL HOUSING CORPORATION

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ACCOUNTS  
FOR THE YEAR ENDED 30TH JUNE 2003

65745  
NHC

## TABLE OF CONTENTS

Statement of Directors Responsibilities	2
Report of the Controller & Auditor General	3
Profit and Loss Account	4
Balance Sheet	5
Cash Flow Statement	6
Notes to the Accounts	7
Detailed Profit and Loss	12

KENYA NATIONAL ASSEMBLY  
Accession: 10013165

Call No: 657.45 MHC



## STATEMENT OF DIRECTOR'S RESPONSIBILITIES

The State Corporations Act, Cap 446, requires the Directors to prepare financial statements for each financial year, which include a balance sheet showing in detail the assets and liabilities of the Corporation, a statement of income and expenditure, and such other statements that the Directors may deem necessary. It also requires the Directors to ensure the Corporation keeps proper books of account and other books and records in relation to the Corporation and to all the undertakings, funds, investments activities and property of the Corporation. They are also responsible for safeguarding the assets of the Corporation.

The Directors accept responsibility for the annual financial statements, which have been prepared using appropriate accounting policies supported by reasonable and prudent judgments and estimates, in conformity with generally accepted accounting practice and in the manner required by the State Corporations Act, Cap 446. The Directors are of the opinion that the financial statements give a true and fair view of the state of the financial affairs of the Corporation and of its operating results. The Directors further accept responsibility for the maintenance of accounting records which may be relied upon in the preparation of the financial statements, as well as adequate systems of internal financial control.

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

  
**Chairman:** .....

  
**Managing Director:** .....

**Date** ..... 05/07/2005 .....

**REPORT OF THE CONTROLLER  
AND AUDITOR GENERAL ON THE  
FINANCIAL STATEMENTS OF  
NATIONAL HOUSING CORPORATION  
FOR THE YEAR ENDED 30 JUNE, 2003**

GENERAL ACCOUNTS  
SECTION No  
DATE

I have audited the financial statements of National Housing Corporation for the year ended 30 June, 2003 in accordance with the provisions of 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**

The directors are responsible for the preparation of financial statements, which give a true and fair view of the Corporation'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 the opinion.

**COMMENTS**

**1. Financial Position**

During the year ended 30 June 2003 the Corporation recorded a loss of Kshs. 4, 912,730(2002 - Kshs. 22,059,505) bringing adjusted retained reserves to a negative balance of Kshs. 439,044,370. The balance sheet shows excess of current liabilities over current assets of Kshs. 511,484,143. However, as disclosed in note 3 of these financial statements, the Government has agreed to convert long term loans totalling Kshs. 5.3 billion into equity. Evidently, the Corporation's performance has been adversely affected and its continued operation as a going concern is dependent upon the outcome of this arrangement and continued support from creditors.

**2. Debtors**

Included in the debtors and prepayment balance of Kshs. 144,828,024 is an amount of Kshs. 80,184,056 in rent arrears. The arrears include Kshs. 28,244,210 owed by the Kenya Railways and Kshs. 6,559,571 owed by a private hotel and dating as far back as 1996. Also included in the debtors are car loans of Kshs. 1,313,778.55 owed by staff who have ceased to be employees of the Corporation. Further the debtors and prepayments balance is net of several accounts with credit balances amounting to Kshs. 26,775,076.25 which have not been analyzed or explained. Under the circumstances, I am unable to confirm the accuracy of debtors and prepayments balance of Kshs. 144,828,024 or whether the Corporation will be able to recover the debts. Any provision that would have been necessary in relation to this uncertainty has not been incorporated in these financial statements.

**2.1 Gravity Exporters**

A debt of Kshs. 13,397,338 is shown as due from Gravity Exporters. This debt which is over ten years old and is in respect of repairs done by the Corporation on Lower Hill flats after they were sold to Gravity Exporters. Although the Corporation has explained that the cost was to be done by the Government which had rented the flats before the sale, it is not clear under what circumstances the Corporation had to pay for the repairs to the property after its disposal. Consequently, I am unable to ascertain whether the Corporation will be able to recover the debt of Kshs. 13,397,338.

**OPINION**

Except for the foregoing matters, 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 Corporation as at 30 June, 2003 and of the deficit and cash flows for the year then ended and comply with the Housing Act, (Cap 117).

**E.N. MWAI  
CONTROLLER AND AUDITOR GENERAL**

**Nairobi  
04 August, 2005**

**PROFIT AND LOSS ACCOUNT  
FOR THE YEAR ENDED  
30<sup>TH</sup> June 2003**

	Notes	2002/2003 Kshs	2001/2002 Kshs
TURNOVER	1(b)	382,710,686	370,517,021
OPERATING LOSS	2	(8,995,590)	(22,326,058)
FOREIGN EXCHANGE GAIN		4,082,860	266,553
LOSS BEFORE TAX		(4,912,730)	(22,059,505)
TAXATION	3	0	0
LOSS AFTER TAX	4	(4,912,730)	(22,059,505)

The notes on pages 7 to 12 form part of these accounts.

## BALANCE SHEET AS AT 30 JUNE 2003

	Notes	2003 Kshs	2002 Kshs
<b>NON CURRENT ASSETS</b>			
PROPERTY, PLANT & EQUIPMENT	5	118,095,664	119,714,850
TENANT PURCHASE SCHEMES	6	814,543,423	915,742,815
INVESTMENTS	7	5,200,000	5,200,000
PROPOSED FINANCIAL SUBSIDIARY	8		3,912,528
LONG TERM LOANS ADVANCED	9	944,107,668	1,031,784,792
<b>TOTAL NON-CURRENT ASSETS</b>		<b>1,881,946,755</b>	<b>2,076,354,985</b>
<b>CURRENT ASSETS</b>			
HOUSING SCHEMES IN PROGRESS	10	326,771,713	289,822,685
LOAN AMOUNTS RECEIVABLE	11	2,365,229,296	2,246,690,011
CONSUMABLE STOCK	12	6,452,755	4,713,645
STOCK OF UNSOLD HOUSES	13	25,559,051	
SHORT TERM DEPOSITS	14	156,884,395	116,811,348
DEBTORS & PREPAYMENTS	15	144,828,024	194,183,472
BANK & CASH BALANCES	16	140,435,094	27,738,802
<b>TOTAL CURRENT ASSETS</b>		<b>3,166,160,328</b>	<b>2,879,959,963</b>
<b>CURRENT LIABILITIES</b>			
LOAN AMOUNTS PAYABLE	17	(3,537,709,042)	(3,309,019,803)
HOUSE DEPOSITS	18	(61,507,116)	(38,415,028)
DUE TO CONTRACTORS	19	(13,276,315)	(17,670,993)
TAXATION	20	(228,798)	(228,798)
CREDITORS	21	(64,923,200)	(50,952,790)
		<b>(3,677,644,471)</b>	<b>(3,416,287,412)</b>
<b>NET CURRENT ASSETS</b>		<b>(511,484,143)</b>	<b>(536,327,449)</b>
<b>NET ASSETS</b>		<b>1,370,462,612</b>	<b>1,540,027,536</b>
<b>HOUSING FUND</b>			
LONG TERM LOANS	22	2,007,653,923	2,127,783,902
EQUITY	23	17,001,696	17,001,696
GOK FUNDING	24	24,002,736	23,022,708
RESERVES	25	(439,044,370)	(388,629,397)
HOUSE EQUALIZATION ACCOUNT	26	(133,035,868)	(133,035,868)
FOREIGN EXCHANGE LOSSES	27	(106,115,505)	(106,115,505)
<b>TOTAL CAPITAL</b>		<b>1,370,462,612</b>	<b>1,540,027,536</b>

CHAIRMAN.....

DATE ..... 05/07/2005

MANAGING DIRECTOR .....

DATE ..... 30/06/2005

The notes on pages 7 to 12 form part of these accounts.

**CASHFLOW STATEMENT  
FOR THE YEAR ENDED  
30<sup>TH</sup> JUNE 2003**

	2002/2003 sh	2001/2002 sh
<b>CASHFLOW FROM OPERATING ACTIVITIES:</b>		
Loss before Tax	(4,912,730)	(22,059,505)
Adjustments:for items not involving movement of cash		
Depreciation	9,958,354	7,700,716
Amortisation of Fixed Assets	2,856,343	2,452,779
Adjustment on proposed financial subsidiary	3,912,528	
Foreign Exchange (Loss)-unrealised	(4,082,860)	1,061,110
Gain on sale of Motor Vehicles	(1,078,632)	-
Prior Year adjustments	(45,502,242)	(43,609,916)
Tax paid		470,800
<b>Operating profit before working capital adjustments:</b>	<b>(38,849,239)</b>	<b>(53,984,016)</b>
(Decrease) / Increase in debtors & prepayments	49,355,448	(3,219,009)
Increase in stock	(1,739,110)	(1,875,028)
Increase in creditors	13,970,410	20,210,891
Housing schemes in progress	(36,949,028)	609,127,497
Arrears on loan charges	(118,539,285)	(149,346,859)
Short term deposits	(40,073,047)	(37,692,750)
Loans due to Government	144,157,190	172,415,871
House deposits	23,092,088	(87,701,488)
Due to contractors & consultants	(4,394,678)	(14,629,296)
Stock of unsold houses	(25,559,051)	49,358,028
Working capital changes	3,320,937	556,647,857
	<b>(35,528,302)</b>	<b>502,663,841</b>
<b>CASHFLOW FROM RETURN ON INVESTMENTS AND SERVICING OF FINANCE:</b>		
Redemption of Long term loans	91,044,530	87,685,098
Repayment by Tenant Purchasers	86,959,855	50,996,957
	142,476,083	641,345,896
<b>CASHFLOW FROM INVESTING ACTIVITIES:</b>		
Purchase of fixed assets	(11,393,881)	(33,321,439)
Loans advanced	(3,367,406)	(1,045,151)
Tenant purchase	14,239,537	(576,929,151)
Sale of fixed assets	1,277,000	
GOK Funding TRDU	980,028	23,022,708
	144,211,361	53,072,863
<b>CASHFLOW FROM FINANCING ACTIVITIES:</b>		
Repayment of federal loan	(31,515,070)	(30,305,763)
	<b>(31,515,070)</b>	<b>(30,305,763)</b>
<b>NET CASHFLOW FOR THE YEAR</b>	<b>112,696,291</b>	<b>22,767,100</b>
<b>OPENING CASH BALANCE</b>	<b>27,738,803</b>	<b>4,971,703</b>
<b>CLOSING CASH BALANCE</b>	<b>140,435,094</b>	<b>27,738,803</b>

**NOTES TO THE ACCOUNTS  
FOR THE YEAR ENDED  
30TH JUNE 2003**

**1. SIGNIFICANT ACCOUNTING POLICIES**

**(a) Accounting Convention**

The accounts are prepared under the historical cost convention as modified by the revaluation of the fixed assets and computation of related depreciation.

**(b) Turnover**

Turnover comprises the gross revenue from interest, rents professional fees and gain on sale of houses.

**(c) Depreciation**

Depreciation is calculated on a reducing balance basis at annual rates to write off assets over their useful lives.

The annual rates are:-

Computer System	30%
Furniture, fitting & equipment	20%
Motor vehicles	25%

Buildings are amortized at the rate of 6%

**(d) Stock**

Stock is stated at cost. Cost is determined on First-in-First-out basis. Stock of unsold houses is valued at cost.

**2. PROFIT BEFORE TAX**

Profit before tax is stated after charging:

	<b>2002/2003 Kshs.</b>	<b>2001/2002 Kshs.</b>
Depreciation	9,958,354	7,700,718
Director's Fees	1,407,690	2,177,744
Auditors remuneration	666,250	470,250
Foreign Exchange Gain	4,082,860	266,553

- 3.** Tax assessments have been agreed with Income Tax Department upto and including the year ended 31.12.1994.

**4. PROFIT AND LOSS ACCOUNT**

	<b>2002/2003 Kshs.</b>	<b>2001/2002 Kshs.</b>
Balance as at 1.7.2002	(388,629,397)	(322,959,976)
Prior year adjustment	(45,502,243)	(43,609,916)
Balance as restated	(434,131,640)	(366,569,892)
Loss for the year	(4,912,730)	(22,059,505)
Reserves	<b>(439,044,370)</b>	<b>(388,629,397)</b>



## 5. PROPERTY, PLANT & EQUIPMENT MOVEMENT SCHEDULE

	LAND & BUILDING	MOTOR VEHICLE	PLANT EQUIPMENT	FURNITURE & FITTING	COMPUTER SYSTEM	TOTAL AMOUNT
<b>COST</b>						
At 1ST JULY 2002	113,367,667	31,812,155	20,162,119	20,823,157	34,996,820	221,161,918
Additions		9,109,837	392,247	390,454	1,501,343	11,393,881
Disposals/Adjustment		2,508,247	-	-	-	2,508,247
At 30TH JUNE 2003	113,367,667	38,413,745	20,554,366	21,213,611	36,498,163	230,047,552
<b>DEPRECIATION</b>						
At 1ST JULY 2002	32,145,492	24,047,771	7,770,384	16,864,893	20,618,529	101,447,069
Charge for the year		3,120,276	1,916,448	809,389	4,112,241	9,958,354
Amortisation Buildings	2,856,343	-	-	-	-	2,856,343
On disposal	-	2,309,879	-	-	-	2,309,879
At 30TH JUNE 2003	35,001,835	24,858,168	9,686,832	17,674,282	24,730,770	111,951,887
<b>NET BOOK VALUE</b>						
At 30TH JUNE 2003	78,365,832	13,555,577	10,867,534	3,539,329	11,767,393	118,095,665
At 1ST JULY 2002	81,222,175	7,764,385	12,391,735	3,958,265	14,378,290	119,714,850

Amortisation on Buildings is treated as loan charges under Property and Estates in the Profit and Loss. An amount of Shs.2,856,343 has been charged to Profit & Loss.

Depreciation on the other items at Sh.9,958,354 has also been included in the Profit and Loss Account.

## 6. TENANT PURCHASE

	2002/2003 Ksh.	2001/2002 Ksh.
Schemes at cost	1,254,974,707	1,269,214,244
Repayments	( 440,431,284)	(353,471,429)
<b>TOTAL</b>	<b>814,543,423</b>	<b>915,742,815</b>

The Corporation develops and sells estates on tenant purchase terms to allottees. Title to the property passes to the allottees on completion of payment of purchase price. Houses can be repossessed for reallocation in cases where purchasers default in their loan repayments as per the Tenant Purchase Agreement.

## 7. LONG TERM INVESTMENT

The shares are valued at cost, as at the time of take-over.

	2002/2003 Ksh.	2001/2002 Ksh.
4%Non-CumPref. Shares of Kshs.20.00 each	4,100,000	4,100,000
Ordinary shares of Kshs.20.00 each	1,100,000	1,100,000
<b>TOTAL</b>	<b>5,200,000</b>	<b>5,200,000</b>

This investment is held with Consolidated Bank of Kenya. It arose following take-over of some troubled financial institutions by the Government. These institutions were Jimba Credit, Union Bank and Business Finance Ltd.

## 8. PROPOSED FINANCIAL SUBSIDIARY

The Corporation incurred Kshs.3,912,528 as feasibility study for the proposed Financial Subsidiary. This amount has been written off to reserves.

## 9. LONG TERM LOANS ADVANCED

Provision for loss on long term loans advanced is provided on Rural Housing Loans only. The other loans are secured on the property.

	<b>2001/2003</b> <b>Ksh.</b>	<b>2001/2002</b> <b>Ksh.</b>
Nairobi City Council	274,256,223	307,560,776
Other Municipalities	599,587,022	646,900,214
Othe Local Authorities	55,813,196	58,668,517
Rural Housing Loans	9,499,155	12,858,384
Car Loans	4,952,072	5,796,901
<b>TOTAL</b>	<b>944,107,668</b>	<b>1,031,784,792</b>

## 10. HOUSING SCHEMES IN PROGRESS

These are valued at cost.

	<b>2002/2003</b> <b>Ksh.</b>	<b>2001/2002</b> <b>Ksh.</b>
Tenant Purchase	164,157,794	163,419,397
Mortgage schemes	149,415,175	111,668,082
Other projects	13,198,744	14,735,206
<b>TOTAL</b>	<b>326,771,713</b>	<b>289,822,685</b>

## 11. LOAN ARREARS DUE

These are made up of:

	<b>2002/2003</b> <b>Ksh.</b>	<b>2001/2002</b> <b>Ksh.</b>
<b>Rural Housing Loans</b>		
Amounts Due	238,342,450	215,804,708
Repayments	(76,342,248)	(68,962,260)
Provision for Bad Debts	(34,202,482)	(32,080,350)
	127,797,720	114,762,098
<b>Local Authorities</b>	2,235,765,486	2,129,384,323
<b>Staff Car Loans</b>	1,666,090	2,543,590
<b>TOTAL</b>	<b>2,365,229,296</b>	<b>2,246,690,011</b>

A general Provision for Bad debts is provided for Rural Housing Loans only. Local Authority loans and Staff Car Loans are secured on the properties.

## 12. CONSUMABLE STOCK

Stock has been valued at cost, and is made up of:

	<b>2002/2003</b> <b>Ksh.</b>	<b>2001/2002</b> <b>Ksh.</b>
Consumable Stores	3,520,206	3,386,620
Stock of Timber	1,272,094	1,327,025
W.I.P at TRDU	1,660,455	-
<b>TOTAL</b>	<b>6,452,755</b>	<b>4,713,645</b>

## 13. STOCK OF UNSOLD HOUSES

The amount of Kshs.25,559,051 refers to the cost of Sabaki Mortgage scheme which had not been sold by closure of the financial year. Valuation was done at cost.

#### 14. SHORT TERM DEPOSITS

The Corporation made provision for loss on Short Term Deposits held at Prudential Bank, Indo-Africa and Continental Credit Ltd. The losses were written off to the Profit and Loss for the five years to 30.06.2003.

	2002/2003 Kshs.	2001/2002 Kshs.
<b>Short term Deposits</b>		
Central Bank of Kenya	156,884,396	102,191,070
Prudential Bank	73,499,878	73,499,878
Indo-Africa	3,000,000	3,000,000
Continental Credit Ltd	12,215,964	12,215,964
Provisions for loss	(88,715,843)	(74,095,564)
	<b>156,884,395</b>	<b>116,811,348</b>

#### 15. DEBTORS AND PREPAYMENTS

These are made up of:

	2002/2003 Ksh.	2001/2002 Ksh.
Rent Arrears	80,184,056	80,640,506
Sundry Debtors	76,861,036	25,789,907
Conveyancing prepaid	(12,217,068)	(12,246,941)
<b>TOTAL</b>	<b>144,828,024</b>	<b>194,183,472</b>

Conveyancing prepaid refers to amounts paid by house purchasers for conveyancing expenses. The amount had not been paid over to the service provider by NHC at the Balance Sheet date.

#### 16. BANK AND CASH BALANCES

These represent balances at bank per the cash books.

#### 17. LOAN AMOUNTS PAYABLE

These are amounts due to GOK in respect of arrears of loan charges as at the end of each of the financial years.

#### 18. HOUSE DEPOSITS

These are amounts received from prospective house purchasers in respect of the various housing schemes. The amounts are treated as creditors until allocation of the houses is done.

#### 19. CONTRACTORS AND CONSULTANTS

These are amounts outstanding and due to Contractors and Consultants for the following schemes:

	2002/2003 Ksh.	2001/2002 Ksh.
Jonathan Ng'eno Estate	3,819,913.50	10,101,738.30
Eldoret III Scheme	7,655,369.00	5,768,222.20
Kiboko IV Scheme	1,801,032.50	1,801,032.50
<b>TOTAL</b>	<b>13,276,315.00</b>	<b>17,670,993.00</b>

#### 20. TAXATION

This is a provision for taxation pending the finalization of the accounts.

## 21. CREDITORS

These comprise:

	<b>2002/2003</b>	<b>2001/2002</b>
	<b>Ksh</b>	<b>Ksh.</b>
T.P. Service Charge	26,203,162	29,367,306
TRDU Creditors	-	1,363,340
Sundry Creditors	38,720,038	20,222,144
<b>TOTAL</b>	<b>64,923,200</b>	<b>50,952,790</b>

## 22. LONG TERM LOANS

	<b>2002/2003</b>	<b>2001/2002</b>
	<b>Kshs.</b>	<b>Kshs.</b>
Due to GOK	1,939,363,390	2,023,895,439
Federal Home loan Bank	68,290,534	103,888,463
<b>TOTAL</b>	<b>2,007,653,924</b>	<b>2,127,783,902</b>

The Cabinet approved the conversion of long-term GOK loans and Arrears due totaling Kshs.5.3 billion into Equity. The conversion will be incorporated in the 2003/2004 accounts.

## 23. EQUITY

The Kshs.17,001,696 represent an amount of GOK Block Equity to the Corporation.

## 24. GOK FUNDING (RDU)

The amount refers to the net worth of the separable net assets of the Unit at the time it was handed over to the NHC from DFID in March 2002.

The change in the GOK (RDU) Funding is attributable to the fact that the actual DFID Funding to the Unit had not been established as at 30.06.2002. This was fully established by 30.06.2003, and the accounts were adjusted appropriately.

DFID Funding as at 30.06.2003	Sh. 8,091,308.25
DFID Funding as at 30.06.2002	Sh. 7,111,280.25
<b>Adjustment</b>	<b>Sh. 980,028.00</b>

## 25. RESERVES

	<b>2002/2003</b>	<b>2001/2002</b>
	<b>Ksh.</b>	<b>Ksh.</b>
Bal. B/d	(388,629,397)	(322,959,976)
Prior year Adjustments	(45,502,242)	(43,609,916)
Profit (Loss)	(4,912,730)	(22,059,505)
<b>TOTAL</b>	<b>(439,044,369)</b>	<b>(388,629,397)</b>

Prior Year adjustments for 2002/2003 comprise:

	Shs.
Schemes in Progress	8,499,177
Proposed Subsidiary	3,912,528
Due from US Government	31,605,205
TRDU	188,533
Miscellaneous Corrections	1,296,799
<b>Total</b>	<b>45,502,242</b>

## 26. HOUSES EQUALIZATION ACCOUNT

These were amounts that were realized as losses upon closure of schemes upto 1994 when they were taken to reserves. From 1995 such gains or losses have been taken to the profit and loss account.

## 27. EXCHANGE LOSSES

The Corporation borrowed US\$5,000,000 in 1974 at a rate of Kshs.7.00 to US\$1 but is now repaying the same at the ruling rates which stood at Kshs.65.1424 as at 30.6.93 and at Kshs.74.40 as at 30.6.2003.

The figure of Kshs.106,115,505 represents losses accumulated over the years following translation of the amount due into Kenya Shillings at the ruling rates. Foreign exchange losses / gains made after 1993 are recognized annually in the Profit & Loss account.

**DETAILED PROFIT AND LOSS  
FOR THE YEAR ENDED 30<sup>TH</sup> JUNE 2003**

	<b>2002/2003</b>	<b>2001/2002</b>
	<b>Kshs</b>	<b>Kshs</b>
<b>INCOME</b>		
Interest Earned	279,666,869	247,652,355
Rents	90,960,476	87,933,269
Professional Fees	2,237,630	5,274,155
Gain on sale of Houses	0	24,037,112
Gain/(Loss) on sale of trusses	571,428	(313,005)
Other income	9,274,283	5,933,135
<b>TOTAL</b>	<b>382,710,686</b>	<b>370,517,021</b>
<b>EXPENSES</b>		
Interest Expense	166,576,012	178,979,260
Property & Estate Expense	28,550,055	32,606,755
Motor Vehicle Fuel & Repairs	5,877,887	4,204,239
Furniture & Equipment Repairs	4,366,283	2,564,459
Depreciation	9,958,354	7,700,718
Salaries & Allowances	104,780,184	101,720,038
Travelling General	2,599,829	3,069,308
NSSF contribution	816,578	621,852
Printing & Stationery	3,014,188	3,636,164
Office Rents	10,072,008	10,037,778
Postage & Telephone	6,656,431	7,762,001
Board Member Allowances	1,407,690	2,177,744
Advertising	3,376,632	1,767,447
Insurance	2,702,975	2,875,975
Bank charges	769,222	550,743
Audit Fees	666,250	470,250
Library Expenses	492,480	839,742
Staff Uniforms	1,104,135	302,198
Exhibition Expense	1,853,037	2,044,038
Training Expenses	2,621,791	1,708,276
Provision for bad debts:RHL	2,122,132	2,943,410
Debt Collection Expenses	1,784,742	2,015,346
Kibera phII maintenance		
Legal Charges General	7,034,898	2,343,504
Wananyumba Sports Club	683,385	419,630
Miscellaneous Expenses: Legal charges-Rural Loans	1,074	80,745
Consultancy General	338,900	90,000
Technical Research	461,488	221,284
AIDS Awareness Program	703,788	0
Loss on Short term Deposits	14,720,279	14,719,976
Maintenance General	103,576	915,924
Loss on Capital Schemes	1,916,899	0
Donations	50,000	63,000
Entertainment	3,523,094	3,391,275
<b>TOTAL</b>	<b>391,706,276</b>	<b>392,843,079</b>
<b>Loss for the year</b>	<b>(8,995,590)</b>	<b>(22,326,058)</b>