



KENYA URBAN ROADS AUTHORITY(KURA)

Efficient and Safe Urban Roads



Financial Statements for the Year Ended 30th June, 2011



Artistic Impression of Bomas Junction under construction



*Above: Stakeholders Meeting in KIA on way forward on road sector in the Constitution of Kenya 2010.
Below: Members of the Public listen to presentations in Visa Oshwal Hall on Project Affected Persons (PAPs)
on the construction of Nairobi Eastern Missing Links, 21st June, 2012*

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OF KENYA
LIBRARY

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Financial Statements for the Year Ended 30th June, 2011



Efficient and Safe Urban Roads

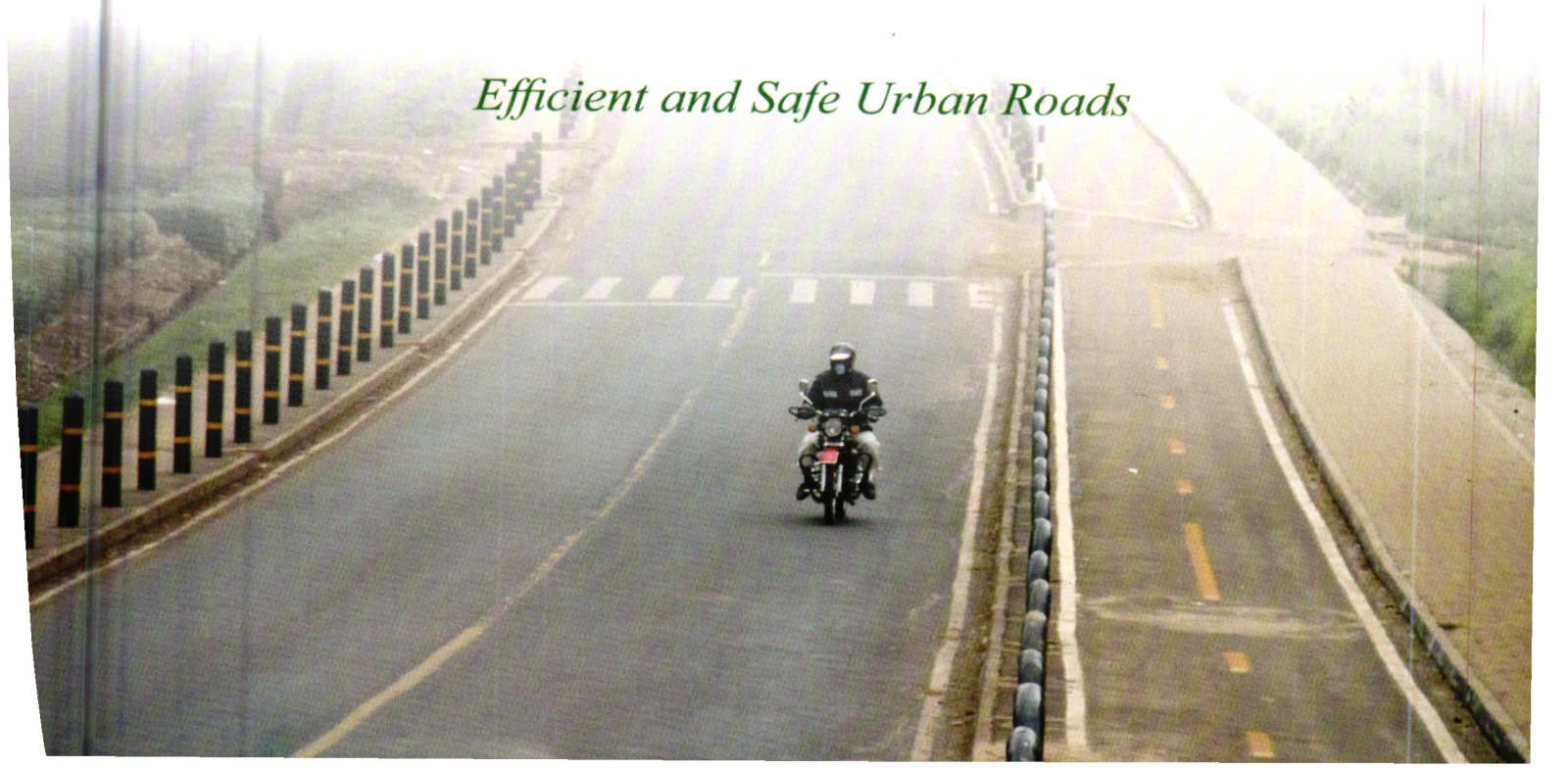


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CORPORATE INFORMATION

MANDATE

The mandate of Kenya Urban Roads Authority (KURA) as defined in the Kenya Roads Act, 2007 is the Management, Development, Rehabilitation and Maintenance of all public roads in the cities and municipalities in Kenya except where those roads are national roads.

OUR VISION.

To be a global leader in the provision and management of urban road network.

OUR MISSION

To professionally provide quality, safe and adequate urban road network that satisfies stakeholder needs.

CORPORATE CORE VALUES

- ◆ Integrity
- ◆ Equity and fairness
- ◆ Professionalism
- ◆ Recognition and personal development
- ◆ Team Spirit
- ◆ Hard Work
- ◆ Visionary Leadership

CORPORATE INFORMATION

BOARD OF DIRECTORS

Board members who served during the Financial Year 2011/2012 were as follows:

Prof. Johnstone M. Kiamba	-	Chairman
Mr Dickson Mbugua Keru	-	Director, Rep. Matatu Welfare Association(MWA)
Mr. Priscilah Mwadime	-	Director Rep. ALGAK
Mr. Githinji Kahuthu	-	Director Rep. Institute of Surveyors of Kenya(ISK)
Eng. Raphael Murimi	-	Alt. Director MOLG
Mr. Wanyambura Mwambia	-	Alt. Director, Permanent Secretary Finance
Mr. Hyslop Ipu	-	Alt. Director MOR, Permanent Secretary Roads
Eng. Daniel N. Njora	-	Director, Rep. Kenya Institute of Engineers of Kenya (IEK)
Eng. Joseph N. Nkadayo, MBS	-	Director General and Secretary to the Board

BOARD OF DIRECTORS



Prof. Johnstone M. Kiamba
Chairman



Mr. Wanyambura Mwambia
Alt. Director MOF



Mrs. Mary Gesare
Director Rep. KAM



Eng. Raphael Murimi
Alt. Director MOLG



Mrs. Priscilah M. Mwadime
Director, Rep ALGAK



Eng. Daniel W. Njora
Director Rep. IEK



Mr. Githinji Kahuthu
Director, Rep ISK



Mr. Hyslop Ipu
Alt. Director MOR



Mr. Dickson Mbugua Keru
Director, Rep. MWA



Eng. Joseph N. Nkadayo, MBS
Director General

MANAGEMENT TEAM



Eng. Joseph N. Nkadayo, MBS,
Director General



Eng. John M. Mwatu,
General Manager
Design and Construction



Eng. Peter M. Mundinia,
General Manager
Maintenance



Mr. Wilson K. Chirchir,
General Manager
Finance and Administration



Eng. Silas M. Kinoti,
General Manager
Planning and Environment

CORPORATE INFORMATION

REGISTERED OFFICES

KENYA URBAN ROADS AUTHORITY, IKM PLACE, BISHOPS ROAD, 5TH NGONG AVENUE,
P. O BOX 41727-00100, NAIROBI.

BANKERS

KENYA COMMERCIAL BANK LTD

P. O BOX 30081-00100

NAIROBI

BRANCHES

KCB MOI AVENUE-NAIROBI-Head office.

KCB INDUSTRIAL AREA-KURA-Nairobi Region.

KCB NYERI-KURA-Central Region.

KCB MERU-KURA-Upper Eastern Region.

KCB GARISSA-KURA-North Eastern Region.

KCB MVITA-KURA-Coast Region.

KCB Machakos-KURA-Lower Eastern Region.

KCB Eldoret-KURA-North Rift Region.

KCB Nakuru-KURA-South Rift Region.

KCB Kakamega-KURA-Western Rift Region.

CO-OPERATIVE BANK OF KENYA LTD, UPPER HILL BRANCH, P. O BOX 48231-00100, NAIROBI.

EQUITY BANK LTD,
COMMUNITY CORPORATE BRANCH,
NAIROBI
NATIONAL BANK OF KENYA,
HILL BRANCH,
P. O BOX 45219-00100,
NAIROBI.

LAWYERS

MANAGER LEGAL & CORPORATE AFFAIRS,
KENYA URBAN ROADS AUTHORITY,
P.O BOX 41727-00100,
NAIROBI.

AUDITORS

THE AUDITOR –GENERAL,
KENYA NATIONAL AUDIT OFFICE,
P. O BOX 30084-00100, NAIROBI.

STATEMENT ON CORPORATE GOVERNANCE

Corporate governance is the process and structure used to direct and manage business affairs of the Authority towards enhancing prosperity and corporate accounting with the ultimate objective of realizing government long-term value while taking into account the interest of other shareholders.

The Authority is committed to business integrity and professionalism in all its activities.

BOARD OF DIRECTORS

The full Board meets at least once every quarter for scheduled meetings and on other occasions to deal with specific matters that may require attention between the scheduled meetings. The Directors are given appropriate and timely information so that they can make well informed and balanced business decisions as well as planning for the future and growth of the Authority. Scheduled meetings include review of annual and half year accounts and annual budgets together with monitoring of business and operational issues. Except for direction and guidance on general policy, the Board has delegated authority for conduct of the day-to-day business to the Director General assisted by a Team of able Managerial Staff.

The Board has established various committees to which it has delegated certain responsibilities with the conveners of the Board committee reporting to the Board.

- Finance Committee.
- Human Resources Committee.
- Audit Committee.
- Environment, Safety and Health Committee.
- Technical and Quality Assurance Committee.

INTERNAL CONTROLS

The Board is responsible for the Authority's system of internal controls and for reviewing their effectiveness. The Authority has defined procedures and financial controls to ensure the reporting of complete and accurate accounting information.

The systems in place are designed to ensure that authority is obtained for any major transaction and that the Authority complies with all Kenya Laws and Regulations, including those that govern sound financial management. Procedures are in place to ensure that all assets are subject to proper physical controls and these are professionally reviewed regularly.

RISK MANAGEMENT

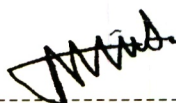
The Authority will continue to recognize risk management as an integral part of internal control and logistically and systematically engage in the process of identifying, evaluating and communicating risks associated with any activity, function or process in a way that will enable it minimize losses and maximize opportunities.

STATEMENT OF DIRECTORS RESPONSIBILITY

The Kenya Roads Act, 2007 requires the directors to prepare financial statements for each financial year that give a true and fair view of the state of affairs of the Authority as at the end of the financial year and of its profit or loss. It also requires the directors to ensure that the Authority keeps proper accounting records that disclose, with reasonable accuracy, the financial position of the Authority. They are also responsible for safeguarding the assets of the Authority.

The directors accept responsibility for the annual financial statements, which have been prepared using appropriate accounting policies supported by reasonable estimates, in conformity with International Financial Reporting Standards and the requirements of the Companies Act. The directors are of the opinion that the financial statements give a true and fair view of the state of the financial affairs of the Authority and of its profit or loss in accordance with International Financial Reporting Standards. The directors further accept responsibility for the maintenance of accounting records that may be relied upon in the preparation of financial statements, as well as designing, implementing and maintaining internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement.

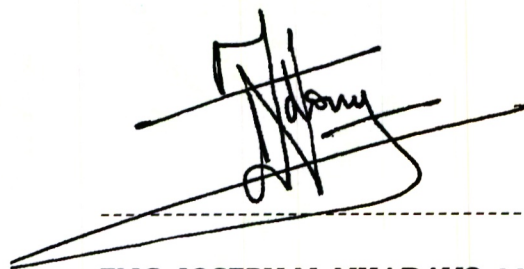
Nothing has come to the attention of the directors to indicate that the Authority will not remain a going concern for at least twelve months from the date of this statement.



PROF. JOHNSTONE M. KIAMBA

CHAIRMAN

BOARD OF DIRECTORS



ENG. JOSEPH N. NKADAYO, MBS

DIRECTOR GENERAL

REPUBLIC OF KENYA



KENYA NATIONAL AUDIT OFFICE

REPORT OF THE AUDITOR-GENERAL ON KENYA URBAN ROADS AUTHORITY FOR THE YEAR ENDED 30 JUNE 2011.

Report on the financial statements

I have audited the accompanying financial statements of Kenya Urban Roads Authority set out on pages 8 to 22, which comprise the statement of financial position as at 30 June 2011, and the statement of comprehensive income, statement of changes in reserves and statement of cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information, in accordance with the provisions of Article 229 of the Constitution of Kenya and Section 14 of the Public Audit Act, 2003. I have obtained all the information and explanations which, to the best of my knowledge and belief, were necessary for the purpose of the audit.

Management Responsibility for the Financial Statements

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

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

Auditor-General's Responsibility

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

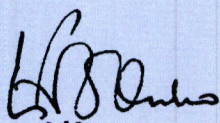
An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's

judgement, including the assessment of the risk of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Authority's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the management, as well as evaluating the overall presentation of the financial statements.

I believe that the audit evidence obtained is sufficient and appropriate to provide a basis for my audit opinion.

Unqualified Opinion

In my opinion, the financial statements present fairly, in all material respects, the financial position of the Authority as 30 June 2011, and of its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards and comply with Kenya Roads Act, 2007.



Edward R. O. Ouko

Auditor-General

Nairobi

5th April 2012

COMPREHENSIVE INCOME STATEMENT FOR YEAR ENDED 30TH JUNE 2011

		2010/11 Kshs	2009/10 Kshs
INCOME	Notes		
GoK (Exchequer Funding)	3	2,159,653,235	826,663,552
RMLF Funds	3	4,177,803,674	922,712,167
AIA-Miscellaneous Income	3	49,744,561	10,079,098
AIA (Loans)- Direct Disbursement by donor to contractor	3	1,759,542,624	1,447,943,040
		8,146,744,094	3,207,397,857
EXPENDITURE			
Board Expenses	4	13,160,883	12,717,393
Personnel Costs	5	283,916,830	100,352,461
Other Operating/ Administration Costs	6	105,382,619	36,814,760
Funding to various Local Authorities	17	764,437,741	628,917,424
Roads Rehabilitation & Maintenance Costs	8	1,218,009,227	43,030,542
Depreciation Costs	7	26,947,224	3,196,476
Audit Costs	7	1,005,200	1,000,000
		2,412,859,724	826,029,056
Roads Design and Construction costs	9	4,194,996,657	1,908,396,602
		6,607,856,381	2,734,425,658
SURPLUS/(DEFICIT)		1,538,887,713	472,972,199

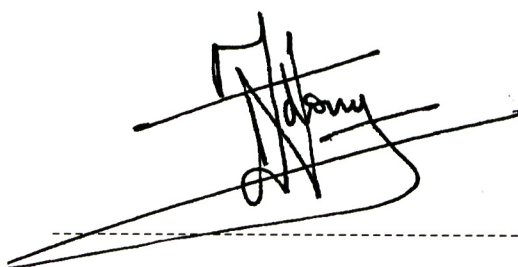
STATEMENT OF FINANCIAL POSITION AS AT 30TH JUNE 2011

		2010/11 Kshs	2009/10 Kshs
NON-CURRENT ASSETS	Notes		
Property, Plant and Equipment	10	192,561,611	9,589,937
CURRENT ASSETS			
Receivables and Prepayments	11	19,409,074	1,154,693
Inventory (HQ)	12	2,141,331	990,745
Cash and Cash Equivalents	13	2,590,569,103	477,821,329
		2,804,681,119	489,556,704
FINANCED BY			
Capital Reserves	15	5,679,000	5,679,000
Revenue Reserves	16	2,011,859,911	472,972,199
Payables & Accruals	14	787,142,208	10,905,505
		2,804,681,119	489,556,704

The financial statements on pages 9 to 22 were approved for issue by the Board of Directors on 27th September, 2011 and signed on its behalf by:



PROF. JOHNSTONE M. KIAMBA
CHAIRMAN
BOARD OF DIRECTORS



ENG. JOSEPH N. NKADAYO, MBS
DIRECTOR GENERAL

STATEMENT OF CHANGES IN RESERVES FOR THE YEAR ENDED 30TH JUNE, 2011

	Capital Reserves Kshs	Revenue Reserves Kshs	Totals Kshs
Period Year Ended 30th June 2010			
Balance at start of the FY	-	-	-
Gov't Grant received during the Year (Assets)	5,679,000	-	5,679,000
Funds used during the Year	-	-	-
Surplus for the Year	-	472,972,199	472,972,199
Balances at end of year	5,679,000	472,972,199	478,651,199
Period Year Ended 30th June 2011			
Balance at start of the FY	5,679,000	472,972,199	478,651,199
Surplus for 12 month period ended 30/06/2011	-	1,538,887,713	1,538,887,713
	-	-	-
Balances at end of year	5,679,000	2,011,859,911	2,017,538,911

STATEMENT OF CASH FLOWS FOR YEAR ENDED 30TH JUNE 2011

	2010/11 Kshs.	2009/10 Kshs.
Cash flows from Operating Activities		
Surplus generated from operating activities	1,538,887,713	478,168,674
Add Depreciation	26,947,224	-
	1,568,834,936	478,168,674
Changes in Working Capital		
Increase / (Decrease) in Receivables	(18,254,381)	(1,154,693)
Increase / (Decrease) in Creditors	776,058,604	10,905,505
Increase / (Decrease) in Inventories	(1,150,586)	(990,745)
Net Change in Working Capital	756,831,736	8,760,067
Net Cash Generated from Operations Activities	2,322,666,672	484,813,741
Investing Activities		
Purchase of Non-Current Assets	(209,918,737)	(7,107,412)
Net Cash from Investing activities	(209,918,737)	(7,107,412)
Net Increase in Cash and Cash Equivalent	2,112,747,935	477,821,329
Cash and Cash Equivalents at start of year	477,821,329	-
Cash and Cash Equivalents at end of year	2,590,569,103	477,821,329

NOTES TO THE ACCOUNTS

1. Summary of Significant Accounting Policies

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

(a) Basis of Preparation

The financial statements are prepared in compliance with International Financial Reporting Standards (IFRS). The measurement basis applied is the historical cost basis, except where otherwise stated in the accounting policies below. The financial statements are presented in Kenya Shillings (Shs.)

The preparation of financial statements in conformity with IFRS requires the use of estimates and assumptions. It also requires management to exercise its judgement in the process of applying the Authority's accounting policies.

The areas involving a higher degree of judgment or complexity, or where assumptions and estimates are significant to the financial statements, are disclosed in Note 4.

(b) Revenue Recognition

Revenue is recognized when funds are received and represent the amount of Funds received from the Government of Kenya's Exchequer and Road Maintenance Levy Fund. All the funds received have been included in the accounts.

(c) Tangible Assets

Motor vehicles and equipment are stated at historical cost less depreciation.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Authority and the cost of the item can be measured reliably. All other repairs and maintenance are charged to the Comprehensive Income Statement account during the financial period in which they are incurred.

Depreciation is calculated using the straight line method to write down their cost or devalued amounts to their residual values over their estimated useful lives, as follows:

Motor Vehicles	- 25%
Furniture, fittings and office Equipment	- 12.5%
Computers	- 33.3%

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at each balance sheet date.

Motor vehicles and equipment are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognized for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash-generating units).

Gains and losses on disposal of motor vehicles and equipment are determined by reference to their carrying amounts and are taken into account in determining operating profit.

(d) Intangible Assets

Costs associated with developing or maintaining computer software programmes are recognized as an expense as incurred. Costs that are directly associated with the production of identifiable and unique software products controlled by the Group, and that will probably generate economic benefits exceeding costs and an appropriate portion of relevant overheads.

Computer software development costs recognized as assets are amortized over three years.

(e) Inventories

Inventories are stated at the lower of cost and net realizable value. Cost is determined by the first-in, first-out (FIFO) method. Net realizable value is the estimate of the selling price in the ordinary course of business, less the costs of completion and selling expenses.

(f) Receivables

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

The Amount of the provision is the difference between the carrying amount and the present value of expected cash flows, discounted at the effective interest rate. The amount of the provision (if any) is recognized in the Comprehensive Income Statement account. In the year 2010/2011 there was no provisioning for impairment.

(g) Employee Benefits

Retirement Benefit Obligation

The Authority operates a defined contribution retirement benefit scheme of its employees under National Social Security fund (NSSF).

A defined Contribution plan is a pension plan under which the Authority pays fixed contributions into a separate entity. The Authority has no legal or constructive obligations to pay further contributions if the fund does not hold sufficient assets to pay all employees the benefits relating to employee service in the current and prior periods.

The assets of all schemes are held in separate trustee administered funds, which are funded by contributions from both the Authority and employees.

The Authority's contributions to the defined contribution schemes are charged to the Comprehensive Income Statement account in the year to which they relate.

(h) Grants

Grants including non-monetary grants at fair value are recognized when there is reasonable assurance that the Authority shall comply with the conditions attaching them and that the grants shall be received. The grants are recognized as income over the periods necessary to match them with the related costs which they intend to compensate, on a systematic basis.

i. Borrowing Costs

Borrowing costs are interest and other costs incurred in connection with borrowing of funds. They are recognized as an expense in the period in which they are incurred, except to the extent they are capitalized if incurred, except to the extent that they are capitalized if incurred in the acquisition of a qualifying asset. Under the year in review, no borrowing costs were incurred.

2. Critical Accounting Estimates and Judgments

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

i. Critical Accounting Estimates and Assumptions

Receivables

Critical estimates are made by the directors in determining the recoverable amount of impaired receivables.

Property Plant and Equipment

Critical estimates are made by the directors in determining depreciation rates for property plant and equipment. The rates used are in Note 2(c.) above.

ii. Critical Judgment in Applying the Entity's Accounting Policies

In the process of applying the Authority's accounting policies, management has made judgements in determining:

- The classification of financial assets and leases.
- Whether assets are impaired.

3. GoK Grants & AIA	2010/11	2009/10
	Kshs.	Kshs.
Development Budget Funding	2,109,653,235	826,663,552
GOK - Recurrent exchequer Funding	50,000,000	-
RMLF - Operational Costs Funding	2,590,482,158	152,784,752
RMLF - Municipalities Funding	170,000,000	759,927,415
RMLF - Special Funding	1,417,321,516	10,000,000
AIA- Interest Income	40,459,648	10,079,098
AIA- Miscellaneous Income	9,284,913	
Donor Funds- Direct Disbursement by donor to contractor	1,759,542,624	1,447,943,040
	8,146,744,094	3,207,397,857
4. Board Expenses		
Chairman Honoraria	435,000	1,280,000
Cost of Board Meetings	4,400,000	6,491,219
Board Members Training & Other Costs	8,325,883	4,946,174
	13,160,883	12,717,393
5. Personnel Costs		
Staff Salaries and Allowances	244,394,986	87,893,697
Staff Gratuities Provision	9,781,089	-
Staff Training & Other benefits	7,107,825	11,673,052
Staff Pensions	1,496,582	785,712
Staff Medical Costs	21,136,348	-
	283,916,830	100,352,461

6. Operating/ Administration Costs

Conferences & Workshops	2,408,052	3,342,385
Communication Costs	6,547,906	5,960,849
Occupancy Costs	27,266,269	6,787,856
Travel Costs	30,949,396	4,554,706
Advertisement & Publicity	14,194,773	7,842,290
Bank Charges & Commissions	447,705	7,250
Other Office Running Expenses	18,687,086	8,319,425
	105,382,619	36,814,760

7. Audit, Provisions & Depreciation Cost

	2010/2011 Kshs.	2009/2010 Kshs.
Annual Audit & Provisions	1,005,200	1,000,000
Depreciation Fixed Assets(NOTE 11)	26,947,244	3,158,143
	27,952,424	4,158,143

8. Road Rehabilitation and Maintenance Costs

	2010/2011 Kshs.	2009/10 Kshs.
Eastleigh-Infrastructure. Development Project Costs	-	28,667,985
Missing Links	-	13,911,690
Other Road Rehabilitation & Maintenance Costs	-	450,868
Routine & Periodic Maintenance	983,925,601	-
Routine Maintenance - Surplus Funds	136,638,078	-
Work Support Activities	56,048,601	-
Kazi Kwa Vijana(KKV)	41,396,947	-
	1,218,009,227	43,030,542

9. Roads Design and Construction costs	2010/2011	2009/10
Northern and Eastern By-pass Project payment- Exchequer	2,051,189,270	456,663,552
Northern and Eastern By-pass- Direct disbursement by donor to contractor	1,759,542,624	1,447,943,040
Missing Link Roads	168,467,757	-
Other Road Design Costs	215,797,005	3,790,010
	4,194,996,657	1,908,396,602

10. Property, Plant and Equipment

	Furniture and fittings	Computers and Technical Equipment	Motor Vehicles	Total
	Shs	Shs		Shs
At 1 July 2010				
Cost or valuation	2,836,926	4,270,486	5,679,000	12,786,412
Accumulated depreciation	-	-	-	-
Net book amount	2,836,926	4,270,486	5,679,000	12,786,412
Year ended 30 June 2010				
Opening net book amount	2,836,926	4,270,486	5,679,000	12,786,412
Additions	-	-	-	-
Depreciation charge	(354,616)	(1,422,109)	(1,419,750)	(3,196,475)
Closing net book amount	2,482,310	2,848,377	4,259,250	9,589,937
At 30 June 2010				
Cost or valuation	2,836,926	4,270,486	5,679,000	12,786,412
Accumulated depreciation	(354,616)	(1,422,109)	(1,419,750)	(3,196,475)
Net book amount	2,482,310	2,848,377	4,259,250	9,589,937
Year ended 30 June 2011				
Opening net book amount	2,482,310	2,848,377	4,259,250	9,589,937
Additions	31,128,088	56,139,421	122,651,388	209,918,897
Depreciation charge	(4,245,627)	(21,281,867)	(1,419,750)	(26,947,244)
Closing net book amount	29,364,772	37,705,951	125,490,888	192,561,611
At 30 June 2011				
Cost or valuation	33,965,014	60,409,927	128,330,388	222,705,309
Accumulated depreciation	(4,600,243)	(22,703,956)	(2,839,500)	(30,143,698)
Net book amount	29,364,772	37,705,951	125,490,888	192,561,611

	2010/11	2009/10
11. Receivables & Prepayments		
Outstanding Imprests-Headquarter	1,371,941	-
Outstanding Imprests-Regional offices	8,593	8,593
Deposits & Other Prepayments	17,565,066	1,086,100
Outstanding Staff Salary Advances	463,475	60,000
	19,409,074	1,154,693
12 Inventory (HQ-Store)	2,141,331	990,745
13. Cash & Cash Equivalent	2010/11	2009/10
Kenya Commercial Bank (KCB)	2,216,426,520	182,975,832
National Bank of Kenya (NBK)	204,400,617	238,006,986
Co-operative Bank	75,178,385	8,775,928
Office Petty Cash (HQ)	1,321	62,583
Office Petty Cash (Regional Offices)	46,489	-
Regional Offices Bank Accounts	19,516,919	8,000,000
Kazi KwaVijana Regional Offices (Cash in Transit)	-	40,000,000
Equity Bank	74,998,850	-
	2,590,569,103	477,821,329
The co-operative bank account holds funds for Retention and Gratuity for employees.		
14. Payables and Accruals	2010/11	2009/10
Contract Staff Gratuity Liability	16,678,583	7,094,329
June PAYE payable	-	4,527
Withholding Tax	6,333,721	-
June 2011 VAT payable	31,451,864	-
Accruals	651,717,204	2,778,736
Provision for Audit Fees	1,005,200	1,000,000
NSSF, NHIF & HELB payable	-	21,320
Provision Contingent Liability)	4,881,432	-
Other Staff deductions	-	6,593.00
Contractors Retention	75,074,204	-
	787,142,208	10,905,505

15. Capital Reserves		
	2010/11	2009/10
Gov't Grant Capitalized- Assets paid for on behalf of Authority by Ministry (Vehicle)	5,679,000	5,679,000
	5,679,000	5,679,000
16. Revenue Reserves		
	2010/11	2009/10
Surplus for 15 month Period Ended 30/06/2010	472,972,199	-
Surplus for 12 month period ended 30/06/2011	1,538,887,713	472,972,199
Balance Carried Forward to Next Quarter	2,011,859,911	472,972,199
17. Municipalities Funding		
	2010/11	2009/10
KCB - Various Municipalities	74,761,389	185,319,240
Urban Development Department	184,765,116	110,000,000
City Council of Nairobi	504,911,236	333,598,184
	764,437,741	628,917,424

18. Contingent Liabilities:

At the end of the year there was no contingent matter that would entail the authority incurring any costs. However, during the year 2010/11 an employee was lawfully discharged from employment but took the authority to court. Management does not foresee any legal liability occurring as there exists sufficient evidence against the employee.



Above: Eng. Peter M. Mundinia, GM Maintenance (right) signs performance contract with Director General Eng. Joseph N. Nkadayo, MBS, (left) as Legal Manager Carolyn Ng'ang'a (centre) witnesses, 6th September 2012.

Below: Mr. Wilson K. Chirchir, GM Finance and Administration (centre) signs Performance Contract with Director General Eng. Joseph N. Nkadayo MBS, (left) as Chairman Prof. Johnstone Kiamba (right) and Legal Manager Carolyn Nga'ng'a witnesses 6th September, 2012.





Above: KURA Chairman Prof. Johnstone Kiamba (left) and Director Dickson Mbugua (right) congratulates Eng. Joseph N. Nkadayo, MBS Director General (Center) following signing of Performance Contract with the Board on 6th September 2012.
Below: Eng. Shakib Mindri, Roads Manager (centre) signs Performance Contract with General Manager, Maintenance Eng. Peter Mundinia (right) as Director General Eng. Joseph N. Nkadayo, MBS (left) and Legal Manager Carolyn Nga'ng'a witness on 6th September 2012.





Above: Tree Planting exercise: Director General Eng. Joseph N. Nkadayo, MBS plants a tree seedling along the Northern bypass on 20th June, 2012 with Runda Residents Association and KURA staff.

Below: KURA and World Bank staff pose for a photo in NUTRIP sensitisation workshop in Meru hotel 13th September, 2012.





Above: A plaque: Launch of the construction of Nairobi Western Ring Roads 12th August, 2011



Middle: Performance contract signing: KURA Chairman Prof. Johnstone M. Kiamba (centre) and Director Mary Gesare (left) witness General Eng. Joseph N. Nkadayo MBS signing Performance Contracts on 6th September, 2011



Below: A section of Rehabilitated UN Avenue showing Non-Motorised traffic: cycle lane, footpath and the carriageway



Upgrading of Poster Road in Voi