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**ANNUAL REPORT
AND
ACCOUNTS**



FOR THE YEAR ENDED 30TH JUNE 2012

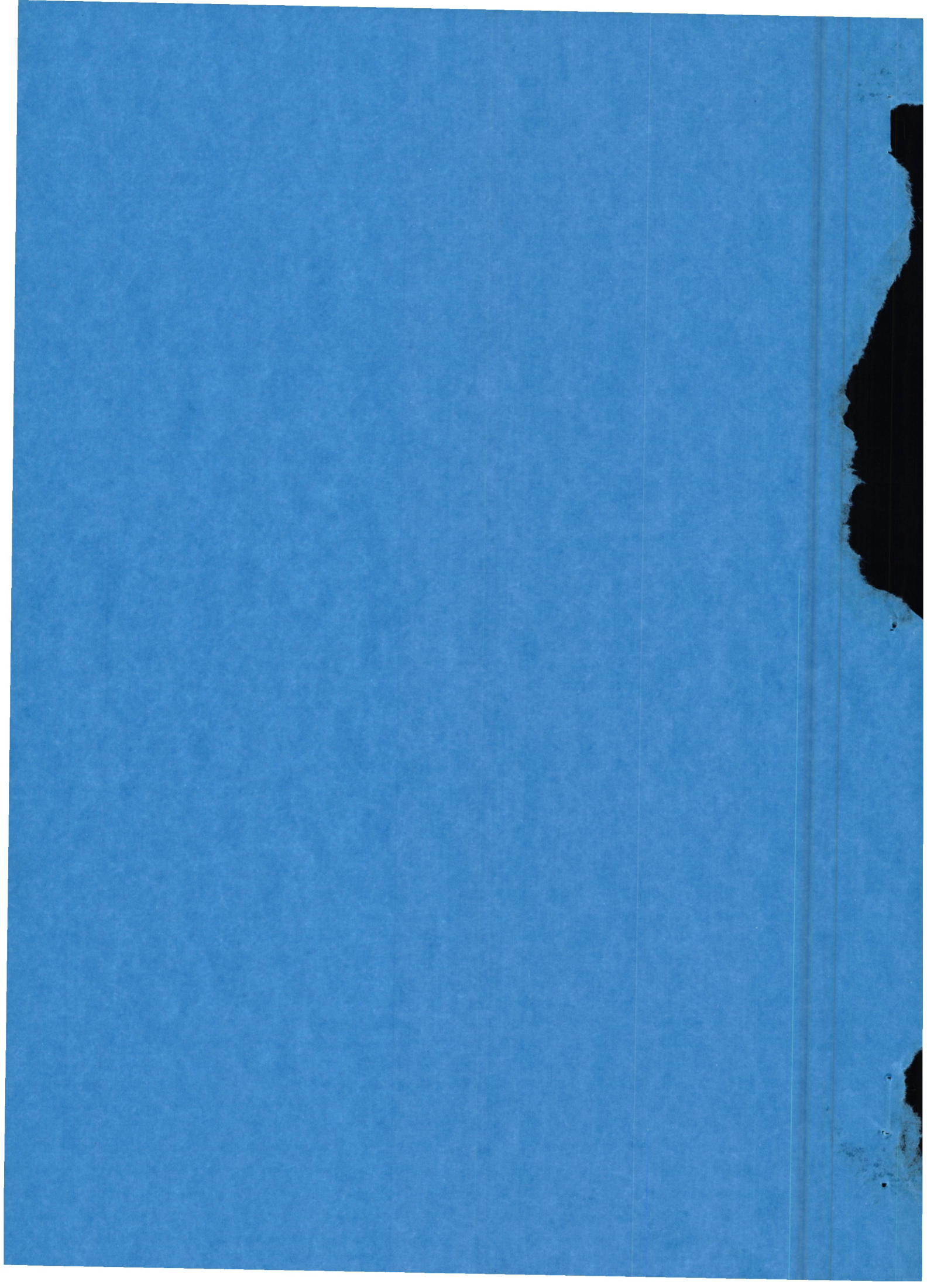
**NATIONAL ENVIRONMENT MANAGEMENT
AUTHORITY (NEMA)**

P.O. Box 67839-00200

Nairobi, Kenya

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*National Environment Management Authority
Annual report and financial statements
For the year ended 30th June 2012*

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*National Environment Management Authority
 Authority information
 For the year ended 30th June 2012*

CORPORATE INFORMATION

Board of directors	Hon Francis Ole Kaparo (Resigned) Prof. Geoffrey Wahungu (Appointed) Ms Kulamo Bullo Mr Sam Ogutha Mr Maluki Mwendwa (Appointed Chairperson) Ms Rosemary Wanjiru Murugu Dr Susan M Mwamlole (Appointed) Dr Edwin Muinga (Resigned) Mr Ali Noor Ismail Mr Malwa Langwen Dr Kennedy Ondimu Dr. Ayub Macharia PS. Ministry of Environment and Mineral Resources PS. Ministry of Finance Attorney General	Chairperson Director General Member Member Chairperson Member Member Member Member Member Director- NEMA Director- NEMA Director- NEMA Member Member Member
Registered office	Eland House Popo Road, Nairobi P. O. Box 67839- 00200 Nairobi Kenya.	
Independent auditor	Auditor General P.O. Box 30084 - 00100 GPO, Nairobi Kenya.	
Principal bankers	Kenya Commercial Bank Ltd. KICC Branch P. O. Box 24030- 00502 Nairobi, Kenya Commercial Bank of Africa Mama Ngina P. O. Box 30437-00100 Nairobi, Kenya Co-operative Bank of Kenya Ltd. Haile Selassie P. O. Box 48231- 00100 Nairobi, Kenya	Kenya Commercial Bank Ltd. Gateway Branch P. O. Box 27616-00506 Nairobi, Kenya National Bank of Kenya Ltd. Harambee Avenue Branch P. O. Box 41862-00100 Nairobi, Kenya Barclays Bank of Kenya Ltd. Bunyala Road Branch P. O. Box 72058-00200 Nairobi, Kenya
Legal advisers	Mohamed & Kinyanjui Advocates Corner House Mama Ngina Street P.O. Box 79692-00200 Nairobi, Kenya M/S Simba & Simba Advocates Finance House Loita Street P. O. Box 74815 Nairobi, Kenya	Mereka & Co Advocates Ukulima Co-operative Haile Selassie Avenue P. O. Box 41620-00100 Nairobi, Kenya

CORPORATE INFORMATION

Committees of the Board of directors

Finance and Human Resources Subcommittee

Mr Sam Ogutha	Chairperson
Mr Maluki Mwendwa	Member
Ms Kulamo Bullo	Member
Mr Ali Noor Ismail	Member
PS. Ministry of Environment and Mineral Resources	Member
PS. Ministry of Finance	Member
Director General	Member

Research and Planning Subcommittee

Mr Ali Noor Ismail	Chairperson
Ms Rosemary Wanjiru Murugu	Member
Dr Susan M Mwamlole	Member
Dr Edwin Muinga (Resigned)	Member
Director General	Member
Director - Research and Planning	Member

Audit, Governance and Risk Subcommittee

Dr Edwin Muinga (Resigned)	Chairperson
Ms Rosemary Wanjiru Murugu	Member
PS. Ministry of Environment and Mineral Resources	Member
PS. Ministry of Finance	Member
Attorney General	

Legal Standards and Enforcement Subcommittee

Mr Maluki Mwendwa	Chairperson
Mr Sam Ogutha	Member
Attorney General	Member
Director General	Member
Director -Environmental Education and Public Participation	Member
Director - Compliance and Enforcement	Member

Publicity and outreach subcommittee

Ms Rosemary Wanjiru Murugu	Chairperson
Dr Susan M Mwamlole (Appointed)	Member
Ms Kulamo Bullo	Member
Director General	Member
Director -Environmental Education and Public Participation	Member
Director - Compliance and Enforcement	Member

Liaison and Implementation subcommittee

Ms Kulamo Bullo	Chairperson
Ms Rosemary Wanjiru Murugu	Member
Mr Maluki Mwendwa	Member
Mr Sam Ogutha	Member
Dr Edwin Muinga (Resigned)	Member
Director General	Member

Principal Officers

Prof. Geoffrey Wahungu	Director General
Ms Esther Chege	Ag. Director, Finance and Administration
Ms Irene Kamunge	Ag. Director, Legal Services
Dr Ayub Macharia	Director , Environmental Education and Public Participation
Dr Kennedy I Ondimu	Director, Research and Planning
Mr Benjamin Langwen	Director, Compliance and Enforcement
Mr Stephen Katua	Deputy Director, Coastal Marine and Fresh Waters

Chairperson's report on the financial statements

It is my pleasure to present to you the financial statements for the year ended 30 June 2012. We have once again continued to manage our environment by strict implementation of the environmental regulations as our revenue collections continue to grow.

Despite the macro-economic shocks of the financial year and the operation challenges that accompanied them, our overall operating environment remained favourable during the year. We have continued to make substantial investment in our infrastructure and training to meet the ever increasing challenges of management of environment in the country.

In the context of operating within a dynamic environment, NEMA is on an exciting journey where relevant issues that dominate both the local and global agenda such as climate change, Ozone layer depletion, desertification, deforestation, Loss of Biodiversity, carbon disclosure and renewable energy are among its priority considerations. It is a time that sustainable development is a global agenda and as the governmental principal environment watchdog, it is vital that the Authority maintains focus in attaining both its vision and mission. The Authority recognizes the right for a clean and healthy environment for all as captured in the new constitution and will accord Kenyans their right. This is despite the challenges facing the world which include rapid globalization and urbanization, pervasive poverty, unsustainable consumption patterns and population growth.


As challenges continue to mar sustainable management of the environment, NEMA will strike a balance between the search for sustainability and the need to accord a clean and healthy environment for all.

On behalf of NEMA board of management, I wish to recognise with gratitude the vital support and trust that we have continued to receive from our lead agencies, customers and other stakeholders. I wish to also thank the Government of Kenya for recognizing the need for sustainable development.

Needless to say, even as the sector continues to play a significant role in economic development, the active backing by the Government and other stakeholders is essential for sustainable development.

As I conclude, I would like to thank the Board for its support and wise counsel. The Board joins me in appreciating the Director General and management team for their hard work and commendable efforts in the management of the environment in the face of operation and economic challenges. I also wish to express our deep appreciation to all members of staff for their commitment and dedication

I therefore wish to present this Annual Report and Accounts as a transparent reflection of NEMA's undertakings in the financial year 2011/2012.


.....
Mr Maluki Mwendwa
Chairperson

Nairobi 4/04/2013 2013

*National Environment Management Authority
Director General's report
For the year ended 30th June 2012*

Director General's report on the financial statements

It gives me great pleasure to present NEMA's Annual Report and Accounts for the year ended 30th June 2012. I take note that the Operations of the Authority declined from a surplus of kshs 40,313,253 to a deficit of ksh 133,294,501 and that Revenue collection rose from ksh. 266,184,691 in the year ended 30 June 2011 to ksh 307,636,560 in the year ended 30th June 2012.

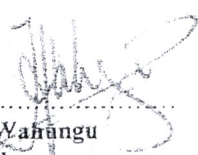
The financial year under review the Authority received authority from treasury to utilize Ksh233 million from reserves. This resulted in the current year deficient of Sh. 133,294,501 as part of the expenditures were funded from reserves while the rest were funded from current year grants and income.

The Authority's government's grants (recurrent) decreased from Kshs 663,127,502 to Kshs 551,789,249 in the year ended June 30th 2012. Donor funds continue to play an integral part in the management of the Environment. Donor funds namely Natural Resource Management (NRM) Programme, Kenya Coastal Development Project (KCDP), The European Union ReCoMaP, National Capacity Self Assessment (NCSA), just mention a few decreased to Ksh 69,174,990 from Kshs 80,005,580

The performance of the Authority is directly related to the adherence to environmental regulations by all. NEMA is not against development but calls on the need of sustainable development. In order to mitigate against environmental degradation, we shall remain focused on timely implementation of our strategies, regulations and plans to improve the environment while at the same time permitting sustainable development.

As we look into the future, we are optimistic that with the strategies and regulations in place, and with the continued support of lead agencies, the Government, customers, development partners and other stakeholders, the Authority's good performance will be sustained.

I wish to express my appreciation to my fellow Directors, Company staff, the Government, lead agencies, stakeholders and our development partners, for their support and contribution to our success.


.....
Prof. Geoffrey Wafungu
Director General

Nairobi 4th April 2012

*National Environment Management Authority
Report of the directors
For the year ended 30th June 2012*

The directors submit their report together with the audited financial statements for the year ended 30th June 2012, which disclose the state of affairs of the Authority.

Principal activities

The principal activities of the Authority are to exercise general supervision and co-ordination over all matters relating to the environment and to be the principal Instrument of Government in the implementation of all policies relating to the environment.

The net deficit for the year of Shs 133,294,501 (2011: surplus of Shs 40,313,253) has been charged to Revenue Reserves.

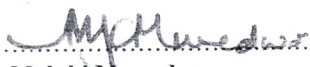
Directorate

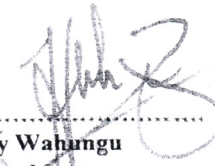
The directors who held office during the year and to the date of this report are set out on page 1.

Auditor

The Auditor General continues in office in accordance with the State Corporations Act.

By order of the board


.....
Mr Maluki Mwendwa
Chairperson


.....
Prof. Geoffrey Wahungu
Director General

Nairobi 4th April 2013

*National Environment Management Authority
Statement of directors' responsibilities
For the year ended 30th June 2012*

The State Corporations Act 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. It also requires the directors to ensure that the authority maintains proper accounting records that disclose, with reasonable accuracy, the financial position of the authority. The directors are also responsible for safeguarding the assets of the authority.


The directors accept responsibility for the preparation and fair presentation of financial statements that are free from material misstatement whether due to fraud or error. They also accept responsibility for:

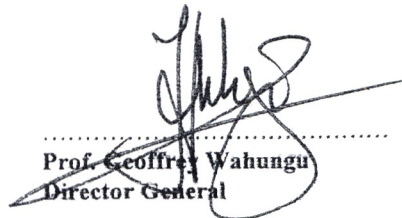
- i) designing, implementing and maintaining internal control relevant to the preparation and fair presentation of the financial statements;
- ii) selecting and applying appropriate accounting policies; and
- iii) making accounting estimates and judgements that are reasonable in the circumstances.

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 as at 30th June 2012 and of its income/expenditure and cash flows for the year then ended in accordance with the International Financial Reporting Standard for Public Sector and the requirements of the State Corporations Act.

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.

Approved by the board of directors on 2012 and signed on its behalf by:


.....
Mr Maluki Mwendwa
Chairperson


.....
Prof. Geoffrey Wahungu
Director General

*National Environment Management Authority
Report of the Auditor General on the Financial Statements
For the year ended 30th June 2012*

Report on the financial statements

AUDITOR-GENERAL

Nairobi..... 2012



REPUBLIC OF KENYA

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E-mail: cnq@kenyaweb.com

P.O. Box 30084-00100
NAIROBI



KENYA NATIONAL AUDIT OFFICE

REPORT OF THE AUDITOR-GENERAL ON NATIONAL ENVIRONMENT MANAGEMENT AUTHORITY FOR THE YEAR ENDED 30 JUNE 2012

REPORT ON THE FINANCIAL STATEMENTS

I have audited the accompanying financial statements of National Environment Management Authority set out on pages 8 to 18, which comprise the statement of financial position as at 30 June 2012, and the statement of comprehensive income, statement of changes in capital fund 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's 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 the 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 opinion on these financial statements based on the audit and report in accordance with the provisions of Section 15(2) of the Public Audit Act, 2003 and submit the audit report in compliance with Article 229(7) of the Constitution of Kenya. 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 risks 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 qualified audit opinion.

1. Property, Plant and Equipment

As previously reported, property, plant and equipment balance of Kshs.139,564,020 includes nine (9) motor vehicles whose log books were not availed for audit review, apparently because the ownership documents had not been transferred to the Authority by the respective Government Ministries and Departments as at 30 June 2012.

In absence of the log books, it has not been possible to ascertain that the property, plant and equipment balance of Kshs.139,564,020 as at 30 June 2012 is fairly stated.

2. Trade and Other Receivables

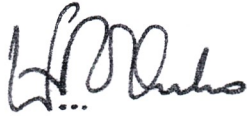
The trade and other receivables balance of Kshs.41,583,121 as at 30 June 2012 includes outstanding imprests of Kshs.23,538,476 out of which Kshs.3,490,118 relate to staff who have since left the Authority and Kshs.675,100 was supposedly accounted for but no evidence was availed for audit verification.

Under the circumstances, it has not been possible to confirm the trade and other receivables balance of Kshs.41,583,121 as at 30 June 2012.

Qualified Opinion

In my opinion, except for the effect of the matters described in the Basis for Qualified Opinion paragraph, the financial statements present fairly, in all material respects, the financial position of the Authority as at 30 June 2012, and of its

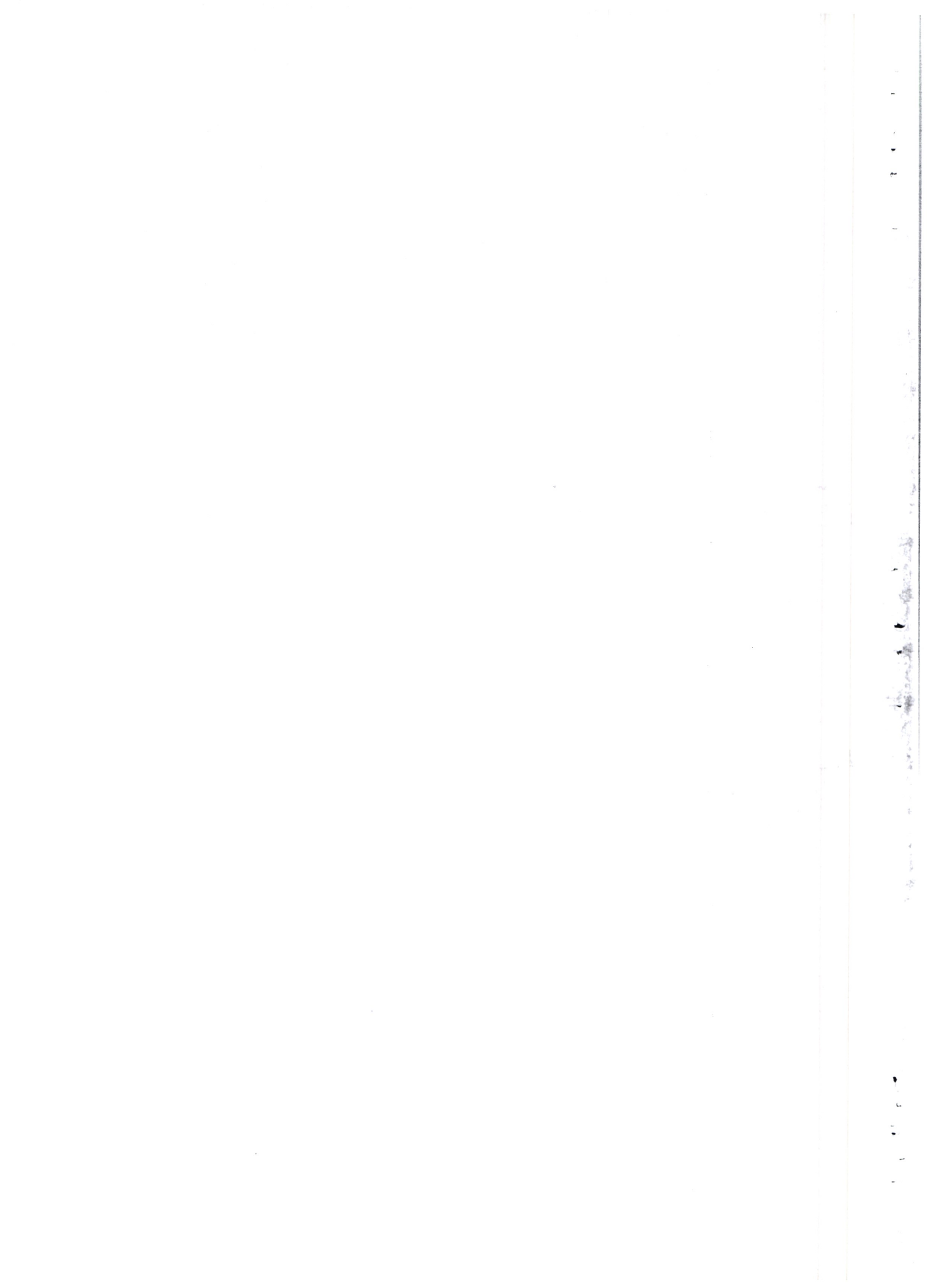
financial performance and its cash flows for the year then ended, in accordance with International Financial Reporting Standards and comply with Environmental Management and Coordination Act, 1999.



Edward R.O. Ouko, CBS
AUDITOR-GENERAL

Nairobi

22 April 2013



STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 30TH JUNE 2012

		2012	2011
	Note	KShs	KShs
Government Grants- recurrent	3(a)	551,789,249	633,127,502
Donor funds	3(c)	69,174,990	80,005,580
Revenue Receipts	3(d)	307,636,560	266,184,691
Interest Received	3(e)	898,480	3,938,106
Other Income	3(f)	6,253,168	2,906,622
		935,752,447	986,162,500
Expenditure			
Staff Costs	4(a)	509,026,235	446,258,771
Administrative expenses	4(b)	407,292,076	328,521,676
Statutory Committee expenses	4(c)	75,118,131	80,739,138
Project expenses	4 (d)	77,610,506	90,329,662
Total Expenditure		1,069,046,948	945,849,247
Surplus/(Deficit)		(133,294,501)	40,313,253

STATEMENT OF FINANCIAL POSITION AS AT 30TH JUNE 2012

		2012	2011
	Note	KShs	KShs
ASSETS			
Non-current assets			
Property, plant and equipment	7	139,564,020	104,007,499
Capital Work in Progress	7	3,936,024	0
		<u>143,500,044</u>	<u>104,007,499</u>
Current assets			
Cash at bank and in hand	10 (a)	288,158,561	461,910,628
Trade and other receivables	8	41,583,121	32,126,500
		<u>329,741,682</u>	<u>494,037,128</u>
TOTAL ASSETS		<u>473,241,726</u>	<u>598,044,627</u>
FUNDS AND LIABILITIES			
Capital Fund	5	175,472,531	171,972,531
Revenue Reserves	5	219,197,851	352,492,352
		<u>394,670,382</u>	<u>524,464,883</u>
Current liabilities			
Bank overdraft	10 (b)	0	309,272
Trade and other payables	9	78,571,344	73,270,471
		<u>78,571,344</u>	<u>73,579,744</u>
TOTAL FUNDS AND LIABILITIES		<u>473,241,726</u>	<u>598,044,627</u>

The financial statements on pages 8 to 18 were approved for issue by the board of directors on 2012 and were signed on their behalf by:

.....
 Mr Maluki Mwendwa
 Chairperson

.....
 Prof. Geoffrey Wahungu
 Director General

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 30TH JUNE 2012

		2012	2011
	Note	KShs	KShs
Cash flows from operating activities			
Surplus / (Deficit) for the year		(133,294,501)	40,313,253
Adjustments for:			
Depreciation of property, plant and equipment	7	34,688,491	21,996,639
Interest received	3(e)	(898,480)	(3,938,106)
Profit on disposal of motor vehicle	3(f)	0	(641,513)
Changes in operating assets and liabilities			
Increase/ Decrease in trade and other receivables		(9,456,620)	(21,242,598)
Increase (decrease) in trade payables		5,300,873	44,620,489
		<u>(103,660,237)</u>	<u>81,108,165</u>
Cash flows from investing activities			
Purchase of property, plant and equipment	7	(70,245,014)	(40,515,869)
Proceeds from disposal of Motor vehicle		0	892,135
Work in Progress		(3,936,024)	0
Interest received	3(e)	898,480	3,938,106
		<u>(73,282,558)</u>	<u>(35,685,628)</u>
Cash flows from financing activities			
Development grant received	3(b)	3,500,000	15,705,000
		<u>3,500,000</u>	<u>15,705,000</u>
Net cash used in financing activities		<u>(73,282,558)</u>	<u>(35,685,628)</u>
Net increase (decrease) in cash and cash equivalents		(173,442,795)	61,127,537
Cash and cash equivalents at start of year		<u>461,601,356</u>	<u>400,473,819</u>
Cash and cash equivalents at end of year		<u><u>288,158,561</u></u>	<u><u>461,601,356</u></u>

STATEMENT OF CHANGES IN CAPITAL FUND FOR THE YEAR ENDED 30TH JUNE 2012

	Note	Accumulated Fund KShs	Revenue Reserve KShs	Total KShs
At 1st July 2010		156,267,531	312,179,098	468,446,629
Development grant received	3 (b)	15,705,000		15,705,000
Net Surplus for the year			40,313,253	40,313,253
At 30th June 2011		171,972,531	352,492,352	524,464,883
At 1st July 2011		171,972,531	352,492,352	524,464,883
Development grant received	3 (b)	3,500,000		3,500,000
Net Deficit for the year			(133,294,501)	(133,294,501)
At 30th June 2012		175,472,531	219,197,851	394,670,382

NOTES

1. General Information

The National Environment Management Authority is a State Corporation established by the Environmental Management and Co-ordination Act No. 8 of 1999 of the Laws of Kenya. The principal activities of the Authority are to exercise general supervision and co-ordination over all matters relating to the environment and to be principal Instrument of Government in implementation of all policies relating to the environment.

2. Significant Accounting Policies

(a) Basis of preparation

These financial statements have been prepared on a going concern basis and in compliance with the International Financial Reporting Standard for Public Sector issued by the International Accounting Standards Board. The measurement basis used is the historical cost basis except where otherwise stated in the accounting policies below.

(b) Property, plant and equipment

All property, plant and equipment are initially recorded at cost and thereafter stated at historical cost less depreciation. Depreciation is calculated on the reducing balance to write down the cost of each asset to its residual value over its residual value over its estimated useful life using the following rates:

Motor Vehicle	25%
Furniture & Fittings	12.5%
Computer & Printers	30%
Office Equipment	12.5%
Land & buildings	2.5%

On disposal, the difference between the net disposal proceeds and the carrying amount of the item sold is recognised in Statement of Comprehensive Income.

(c) Inventories

Stationaries, Computer accessories and other consumable materials are expensed in the year of purchase upon issue from stores.

(d) Cash and cash equivalents

For the purposes of the cash flow statement, cash and cash equivalents comprise cash in hand and deposits held at call with banks, net of bank overdrafts. In the balance sheet, bank overdrafts are included within borrowings in current liabilities.

(e) Financial assets

Trade and other receivables are initially recognised at the transaction price. At the end of each reporting period, the carrying amounts of trade and other receivables are reviewed to determine whether there is any objective evidence that the amounts are not recoverable. If so, an impairment loss is recognised immediately in Statement of comprehensive incomes.

(f) Financial liabilities

Financial liabilities are initially recognised at the transaction price (including transaction costs). Trade payables are obligations on the basis of normal credit terms and do not bear interest.

(g) Employee benefits - post-employment benefits

The company and its employees also contribute to the National Social Security Fund (NSSF), a national defined contribution scheme. Contributions are determined by local statute and the company's contributions are charged to profit or loss in the year to which they relate.

The company contributes to a defined contribution staff retirement benefit scheme for its permanent and pensionable employees. The assets of this scheme are held in a separate trustee administered fund. The company's contributions to the defined contribution retirement benefit scheme are charged to the income statement in the year to which they relate. The scheme is funded by contributions from both the employees and employer. Benefits are paid to retiring staff in accordance with the scheme rules.

(h) Currency

The financial statements are prepared and presented in Kenya Shillings (Kshs.)

National Environment Management Authority
Financial statements
For the year ended 30th June 2012

NOTES (CONTINUED)

3. Government grant

Government grant represents the amounts received during the year from the Kenya Government to meet the operational and development expenditures for the Authority and its EMCA institutions.

	2012	2011
	KShs	KShs
(a) Recurrent		
National Environment Management Authority (NEMA)	435,789,249	547,037,504
Public Complaints Committee (PCC)	30,000,000	20,089,998
National Environment Tribunal (NET)	21,000,000	16,000,000
National Environment Trust Fund (NETF)	<u>65,000,000</u>	<u>50,000,000</u>
	<u>551,789,249</u>	<u>633,127,502</u>
(b) Development		
National Environment Management Authority (NEMA)	0	15,705,000
National Environment Trust Fund (NETF)	<u>3,500,000</u>	<u>0</u>
	<u>555,289,249</u>	<u>648,832,502</u>
(c) Donor Funds		
DANIDA/SIDA-EPS Project	60,012,500	64,282,500
KCDP	4,489,000	0
UNDP- SOE Project	0	2,022,250
ASARECA	0	2,673,025
Padelia	0	147,857
UNEP General	0	4,442,519
Other Donor funds	4,673,490	6,437,429
	<u>69,174,990</u>	<u>80,005,580</u>
(d) Revenue receipts		
EIA Registration fees	9,917,450	7,931,207
Water Quality	29,253,100	41,432,311
Waste Management	9,831,200	12,476,690
Biodiversity	595,000	140,000
Ozone Depleting Substances	272,546	179,500
Noise Pollution	22,973,970	21,168,848
EIA Income	218,419,768	182,856,135
Unreceipted Income	16,373,525	
	<u>307,636,560</u>	<u>266,184,691</u>
(e) Interest received		
	<u>898,480</u>	<u>3,938,106</u>
(f) Other Incomes		
Sale of Tender Documents	1,426,000	1,055,000
Canteen Services	100,000	205,000
Sale of Obsolete Stock/Furn/Eq	115,228	0
Sale of Bonded Motor Vehicles	0	641,512
Surcharges and fines	298,000	0
Donations	2,973,040	0
Miscellaneous Income	1,340,900	1,005,110
	<u>6,253,168</u>	<u>2,906,622</u>

National Environment Management Authority
 Financial statements
 For the year ended 30th June 2012

4. Expenditure

	2012 KShs	2011 KShs
(a) Staff Costs		
Personal Emoluments	446,484,920	393,127,542
Employer's Pension/Gratuity	61,336,055	52,348,629
Employer's NSSF Contribution	1,205,260	782,600
	<u>509,737,500</u>	<u>446,258,771</u>
(b) Administrative expenses		
Electricity Expenses	1,958,069	954,411
Water & Conservancy	508,683	439,043
Telephone Expenses	10,661,194	9,524,374
Internet Services	3,847,277	2,643,760
Postal & Telegrams	4,913,313	4,771,768
Human Resources policy/ISO Implementation	3,545,264	14,380
Local Travelling & Accommodation	45,498,083	20,068,534
Foreign Travelling & Accommodation	9,618,374	12,964,423
Publishing & Printing	5,583,665	6,105,584
Advertising & Publicity	5,902,299	3,141,232
Trade Shows & Exhibitions	4,544,857	1,860,544
Media Profiling & Campaign	2,301,142	702,959
Rent	20,232,974	18,382,034
Training Expenses	13,021,647	18,178,554
National Environment Action Plan	3,701,928	1,244,858
Provincial/Districts Environment Operation Expenses	15,229,670	15,252,412
State of the Environment Expenses	2,515,287	19,720
Celebration of Official Ceremonies	19,211,905	21,835,405
Environment clean-ups	721,490	0
Ex-Gratia payments	150,000	300,000
Staff welfare expenses	9,627,667	15,146,197
EIA Expenses	30,719,173	25,267,306
PEC's and DEC's capacity building	5,900,357	5,224,639
Donations-CSR	0	114,028
General Staff meeting expenses	996,648	346,746
Insurance	35,387,079	29,296,450
Purchase of Uniform	452,980	856,654
Purchase of Photographic Materials	1,200	1,900
Office & General Supplies & Services	20,129,714	18,938,853
Transport Operating Expenses	34,030,097	21,065,213
Bank Charges & Commissions	1,287,694	896,165
Provision for Audit fees	450,000	450,000
Contracted Professional Services	13,699,981	13,924,850
Parking Charges	0	660
Maintenance of Plant, Equipment & Furniture	5,563,432	3,643,443
Maintenance of Buildings & Stations	13,147,152	8,504,620
Subscription to International Organizations	145,750	254,689
Annual Professional Membership fees	302,541	187,500
Restoration Expenses	21,079,292	9,082,021
Corporate Annual Report Expenses	0	643,905
Research Strategy Expenses	0	672,850
Nema Restructuring costs	0	678,000
HIV/AIDS policy Expenses	796,150	390,120
Anti corruption Expenses	708,650	0
ICT Policy expenses	0	120,000
Occupational Health and Safety expenses	264,300	696,290
VAT Expenses-Purchases	2,424,417	11,616,393
Recruitment expenses	1,623,390	101,550
Land use guidelines expenses	198,800	0
Provision for depreciation	34,688,492	21,996,639
Misc expenses		
	<u>407,292,076</u>	<u>328,521,676</u>

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NOTES (CONTINUED)

(c) Statutory Committee Costs

Board and Committee Expenses -NEMA	16,916,810	22,670,468
Committee Expenses -PCC	11,910,031	16,770,500
Committee Expenses-NET	13,079,078	4,725,499
Committee Expenses - Netfund	1,738,125	0
National Environment Council	2,514,138	1,334,156
National Environment Trustfund Expenses	28,248,683	35,238,515
	<u>74,406,865</u>	<u>80,739,138</u>

(d) Project expenses

UNEP NCSA Project expenses	714,500	1,354,635
NRM DANIDA Project expenses	72,931,341	58,211,628
UNDP SOE Project Expenses	0	1,765,780
EU-CBF Project expenses	0	13,389,430
Padelia Project expenses	0	407,000
UNEP/GPA-Minicipal Wastewater expenses	73,520	341,166
UNEP-WIOLab Project Expenses	653,035	2,941,304
UNEP-Clean fuel & Vehicles	15,360	4,242,350
GTZ Ozone Depleting Substances	0	48,000
Recomap project Expenses	1,317,886	1,223,390
Small Scale Funding for E-Learning	0	0
Nairobi River Basin Project	1,153,841	1,550,855
Kenya Coastal Development Program-World Bank Proje.	550,117	0
ASARECA Project	121,523	1,199,162
Research Grant-(IFS Project)	0	261,298
UNIDO grant - CMF	63,444	688,157
UNFCCC Climate Change	0	88,400
UNFCC TUNFCC-Tech Needs Asses.	450	2,617,107
UNEP - SSFA E-Learning	15,490	0
	<u>77,610,506</u>	<u>90,329,662</u>

5 Reserves

	2012	2011
	KShs	KShs
Accumulated Fund		
At start of the year	171,972,531	156,267,531
GOK development grant - NEMA	0	15,705,000
GOK development grant - NETFUND	3,500,000	0
At end of the year	<u>175,472,531</u>	<u>171,972,531</u>

Revenue Reserve

At start of the year	352,492,353	312,179,099
Prior year Adjustment		
Deficit/Surplus	(133,294,501)	40,313,253
At end of the year	<u>219,197,852</u>	<u>352,492,353</u>

6 Borrowings

	2012	2011
	KShs	KShs
Current		
Bank overdraft	<u>0</u>	<u>309,272</u>

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for the year ended 30th June 2012

NOTES (CONTINUED)

Property, plant and equipment

	Capital Work in KShs	Land and buildings KShs 2.5%	Motor Vehicles KShs 25%	Furniture & Fittings KShs 12.5%	Computers printers & KShs 30%	Office & othe r equipments Kshs 12.50%	Total KShs
Cost							
1st July 2010	17,527,950		103,254,953	31,463,243	54,427,749	15,327,827	222,001,722
Additions	2,323,440		15,722,189	7,823,306	5,924,069	8,722,865	40,515,869
Transfers	(19,851,390)	19,851,390					0
disposals			(2,503,395)				(2,503,395)
30th Jun-11	0	19,851,390	116,473,747	39,286,549	60,351,818	24,050,692	260,014,196
Accumulated depreciation							
1st July 2010			75,884,126	11,097,708	42,924,877	6,356,120	136,262,831
Additions		496,285	10,710,599	3,522,668	5,228,082	2,039,005	21,996,639
disposals			(2,252,773)				(2,252,773)
30 Jun-11	0	496,285	84,341,952	14,620,376	48,152,959	8,395,125	156,006,697
Carrying amount							
30th June 2011	0	19,355,105	32,131,796	24,666,173	12,198,859	15,655,566	104,007,499
Cost							
1st July 2011	0	19,851,390	116,473,747	39,286,549	60,351,818	24,050,692	260,014,196
Additions	3,936,024		54,753,900	3,425,305	10,553,858	1,511,951	74,181,038
Transfers							0
Disposals							0
30th June 2012	3,936,024	19,851,390	171,227,648	42,711,854	70,905,676	25,562,643	334,195,234
Accumulated depreciation							
1st July 2011	0	496,285	84,341,952	14,620,376	48,152,959	8,395,125	156,006,697
Additions	0	483,878	21,721,424	3,511,435	6,825,815	2,145,940	34,688,491
Disposals							0
30th June 2012	0	980,162	106,063,376	18,131,810	54,978,774	10,541,065	190,695,188
Carrying amount							
30th June 2012	3,936,024	18,871,228	65,164,272	24,580,043	15,926,901	15,021,578	143,500,046
30th June 2011	0	19,355,105	32,131,796	24,666,173	12,198,859	15,655,566	104,007,499

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NOTES (CONTINUED)

8. Trade and other receivables

	2012	2011
	KShs	KShs
NEMA- Outstanding Imprest	23,538,746	29,305,990
PCC Outstanding Imprest	675,510	675,510
Other debtors	14,043,195	0
Skytop Restaurant	0	235,000
Deposit Account	1,910,000	1,910,000
Netfund debtors	<u>1,415,670</u>	<u> </u>
	<u><u>41,583,121</u></u>	<u><u>32,126,500</u></u>

9. Trade and other payables

	2012	2011
	KShs	KShs
Auditor General	900,000	900,000
VAT Payable (Comm of VAT)	1,777,267	5,645,666
Ozone Project	4,001	4,001
Asili Sacco	2,166,608	2,166,608
NEMA Staff Welfare	43,200	28,800
NEMA BBF	1,015,000	320,400
NEMA Staff Housing Scheme	746,500	176,500
NEMA Pension Fund	2,827,108	5,372,067
Sundry Creditors	65,466,563	58,656,430
Salaries Control - Net Salary	423,673	0
Paye - commissioner of Income tax	518,940	0
Moi university	16,188	0
Amiair	10,000	0
Provision for gratuity	2,656,296	0
	<u> </u>	<u> </u>
	<u><u>78,571,344</u></u>	<u><u>73,270,471</u></u>

