

REPUBLIC OF KENYA



*Paperland by  
leader gongora  
30/7/2014*

**KENYA NATIONAL AUDIT OFFICE**

**REPORT**

PARLIAMENT  
OF KENYA  
LIBRARY

**OF**

**THE AUDITOR-GENERAL**

**ON**

**THE FINANCIAL STATEMENTS OF  
KENYA WILDLIFE SERVICE**

**FOR THE YEAR ENDED  
30 JUNE 2013**



**KENYA WILDLIFE SERVICE**

**FINANCIAL STATEMENTS**

**AS AT**

**30 JUNE 2013**



**KENYA WILDLIFE SERVICE**

**FINANCIAL STATEMENTS AS AT 30 JUNE 2013**

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# KENYA WILDLIFE SERVICE

## CORPORATE INFORMATION

### 1. INCORPORATION

Kenya Wildlife Service (KWS) is a state corporation established by an Act of Parliament Cap 376 which came into effect in 1989. A Board of Trustees manages KWS.

### 2. PRINCIPAL ACTIVITY

The activity of Kenya Wildlife Service (KWS) is to conserve and manage Kenya's wildlife for the Kenyan people and the world and to enforce related laws and regulations.

### 3. BOARD OF TRUSTEES

#### Date Appointed

1. Hon. David Mwiraria, EGH	Board Chairman	25/10/11
2. Mr. William Kibet Kiprono	Board Secretary	1/10/2012
3. Principal Secretary-The National Treasury		
4. Principal Secretary -Environment, Water and Natural Resources		
5. Director of Veterinary Services		
6. Principal Secretary- Devolution and Planning		
7. Inspector General Kenya Police Service		
8. Director of Kenya Forest Service		
9. Principal Secretary- Interior Coordination of National Government		
10. Ms. Winnie Kiiru		28/10/11
11. Ms. Margaret W. Mwakima		28/10/11
12. Mr. Nicholas Ole Kamwaro - Ceased to be a member		28/10/11
13. Mr. Adil Khawaja		28/10/11
14. Ms. Patricia Awori		28/10/11
15. Mr. Ian Craig		28/10/11
22. Mr. Julius Kipng'etich, EBS, CBS	Resigned	30/09/12

### 4. REGISTERED OFFICE

KWS Complex  
Langata Road  
P.O. Box 40241-00100  
**NAIROBI**

### 5. AUDITOR

Auditor General  
Kenya National Audit Office  
Anniversary Towers  
P.O. Box 30084-00100  
**NAIROBI**

**KENYA WILDLIFE SERVICE**

**CORPORATE INFORMATION**

**6. BANKERS**

a) Kenya Commercial Bank Limited  
P.O. Box 484000-00100  
Moi Avenue Branch  
**NAIROBI**

b) Standard Chartered Bank Kenya Limited  
P.O. Box 30003-00100  
Langata Branch  
**NAIROBI**

c) Equity Bank Limited  
Upper Hill  
P.O. Box 75104-00200  
**NAIROBI**

d) Cooperative Bank of Kenya  
Business Centre, Ngong Road  
P.O. Box 30415-00100  
**NAIROBI**

e) Citi Bank  
Upper hill  
P.O. Box 30711-00100  
**NAIROBI**

f) Commercial Bank of Africa Ltd  
Upper Hill  
P.O. Box 30437-00100  
**NAIROBI**

## KENYA WILDLIFE SERVICE

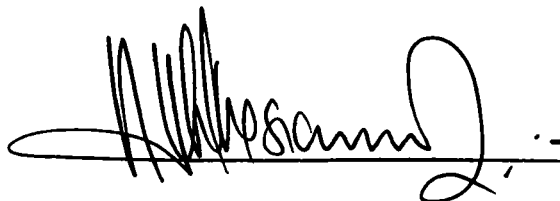
### STATEMENT OF TRUSTEES' RESPONSIBILITIES

The Wildlife Conservation and Management Amendment Act requires the Trustees to prepare financial statements for each financial year which include a balance sheet showing in details the assets and liabilities of the Kenya Wildlife Service, a statement of income and expenditure and such other statements that the Trustees may deem necessary. It also requires the Trustees to ensure the Kenya Wildlife Service keeps proper books of account and other books and records in relation to the Kenya Wildlife Service and to all the undertakings, funds, investments, activities and property of the Kenya Wildlife Service. They are also responsible for safeguarding the assets of the Kenya Wildlife Service.

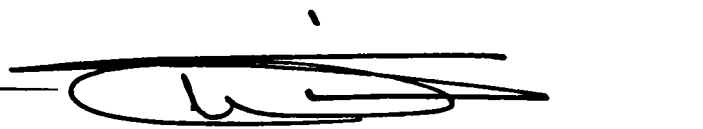
The Trustees accept responsibility for the annual financial statements, which have been prepared using appropriate accounting policies, supported by reasonable and prudent judgements and estimates, in accordance with International Financial Reporting Standards and in the manner required by the Wildlife Conservation and Management Amendment Act. The Trustees are of the opinion that the financial statements give a true and fair view of the state of the financial affairs of the Kenya Wildlife Service and of its operating result. The Trustees further accept responsibility for the maintenance of accounting records, which may be relied upon in the preparation of financial statements as well as adequate systems of internal financial control.

The financial statements have been prepared on a going concern basis on the assumption that the Government of Kenya and the donors will continue to provide financial support for the foreseeable future to the Kenya Wildlife Service to enable it to meet its obligations as they fall due.

Signed on behalf of the Trustees by



**DR. RICHARD LESIYAMPE, MBS  
FOR CHAIRMAN**



**WILLIAM K. KIPRONO, MBS  
BOARD SECRETARY**

DATE: 3.06.2014

3.06.2014

# REPUBLIC OF KENYA

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P.O. Box 30084-00100  
NAIROBI

## KENYA NATIONAL AUDIT OFFICE

### REPORT OF THE AUDITOR-GENERAL ON KENYA WILDLIFE SERVICE FOR THE YEAR ENDED 30 JUNE 2013

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#### REPORT OF THE FINANCIAL STATEMENTS

I have audited the accompanying financial statements of Kenya Wildlife Service set out on pages 6 to 20, which comprise the statement of financial position as at 30 June 2013, and the statement of comprehensive income, statement of changes in equity 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.

#### **Trustees' Responsibility for the Financial Statements**

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

The Trustees are 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 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 judgment, 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 Service's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Trustees, 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.

### **Basis for Qualified Opinion**

#### **1. Property, Plants and Equipment**

The property, plant and equipment balance of Kshs.8,202,884,000 as at 30 June 2013 excludes value of various parcels of land across the country without title documents on which the Service has put up various developments including buildings. These comprise twelve (12) National Parks, twenty nine (29) National Reserves, nine (9) Sanctuaries, nine (9) Marine Parks and one hundred and twenty seven (127) field plots. This situation is indicative of significant impairment on properties. Consequently, it is not possible to confirm whether the carrying values as stated in the financial statements reflect the fair values of the properties as at the statement of financial position date.

#### **2. Irregular Inter-vote Transfers**

The Service during the year under review received an amount of Kshs.1,186,174,130 as development funding on various capital projects. This amount included Kshs.897,214,130 that was earmarked for the construction and rehabilitation of non-classified roads and other related civil works (construction of bridges, ferry and airstrips). However, out of the Kshs.897,214,130, only Kshs.112,679,768 or 13% was used for the intended purpose while the balance of Kshs.784,534,362 or 87% was irregularly reallocated and expended as recurrent expenditure. No justification has been provided for the irregular inter-vote transfers which also hampered the development of essential infrastructure for effective conservation and management and protection of wildlife during the year.

### **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 the all material respects, the financial position of Kenya Wildlife Service as at 30 June 2013 and of its financial

performance and its cash flow for the year then ended, in accordance with International Financial Reporting Standards and comply with the Wildlife Conservation Act, Cap 376 of the Laws of Kenya.



**Edward R. O. Ouko, CBS**  
**AUDITOR-GENERAL**

**Nairobi**

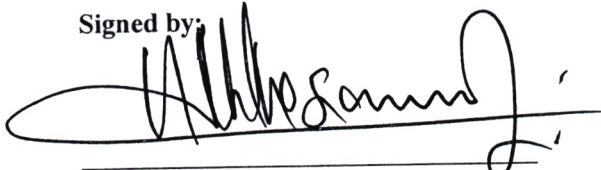
**25 June 2014**

**KENYA WILDLIFE SERVICE**

**STATEMENT OF FINANCIAL POSITION AS AT 30TH JUNE 2013**

ASSETS	Note	2013 KShs'000	2012 KShs'000
<b>Non Current Assets</b>			
Property, plant and equipment	2	<u>8,202,884</u>	<u>8,145,137</u>
<b>Current Assets</b>			
Inventories	11	353,366	321,174
Receivables	12	534,743	371,271
Cash and Cash Equivalents	13	<u>810,660</u>	<u>966,500</u>
		<u>1,698,769</u>	<u>1,658,945</u>
<b>TOTAL ASSETS</b>		<b><u>9,901,653</u></b>	<b><u>9,804,082</u></b>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
Capital Reserve		1,271,887	1,271,887
Revaluation Reserve		2,805,102	2,805,102
Capital Grants		7,853,019	7,371,845
Revenue Reserve		<u>(3,301,626)</u>	<u>(3,150,945)</u>
		<b><u>8,628,382</u></b>	<b><u>8,297,889</u></b>
<b>Current Liabilities</b>			
Payables	14	817,052	903,335
Unexpended specific donations	15	273,219	347,558
Retirement benefit obligation	16	<u>183,000</u>	<u>255,300</u>
		<u>1,273,271</u>	<u>1,506,193</u>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b><u>9,901,653</u></b>	<b><u>9,804,082</u></b>

Signed by:



**DR. RICHARD LESIYAMPE, MBS  
FOR CHAIRMAN**



**WILLIAM K. KIPRONO, MBS  
BOARD SECRETARY**

DATE: 3.06.2014

Date: 3.06.2014.

The notes set out on pages 10 to 20 form an integral part of these financial statements

## KENYA WILDLIFE SERVICE

### STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 30 JUNE 2013

	Note	2013 KShs'000	2012 KShs'000
<b>INCOME</b>			
Turnover	3	3,742,917	4,286,892
Other income	4	557,708	429,904
Net interest income		<u>61,287</u>	<u>58,321</u>
<b>TOTAL INCOME</b>		<b><u>4,361,912</u></b>	<b><u>4,775,117</u></b>
<b>EXPENDITURE</b>			
Salaries, allowances and benefits	5	3,309,959	2,755,276
Operating and maintenance expenses	6	2,750,934	2,951,778
Depreciation	7	470,414	432,991
Community services	8	139,204	122,557
Training and development	9	150,955	197,268
Auditor's remuneration		<u>5,000</u>	<u>3,543</u>
<b>TOTAL EXPENDITURE</b>		<b><u>6,826,467</u></b>	<b><u>6,463,414</u></b>
<b>OPERATING DEFICIT</b>		<b>(2,464,554)</b>	<b>(1,688,297)</b>
<b>GRANTS FOR RECURRENT EXPENDITURE</b>	10	<u>2,313,873</u>	<u>1,959,714</u>
<b>NET SURPLUS / (DEFICIT) FOR THE YEAR</b>		<b><u>(150,681)</u></b>	<b><u>271,417</u></b>

The notes set out on pages 10 to 20 form an integral part of these financial statements

## KENYA WILDLIFE SERVICE

### STATEMENT OF CASH FLOW FOR THE YEAR ENDED 30TH JUNE 2013

	Note	2013 KShs'000	2012 KShs'000
<b>Cash flows absorbed by operating activities</b>	17(a)	(2,362,196)	(1,276,892)
<b>Investing activities</b>			
Additions to property, plant and equipment		(528,901)	(725,756)
<b>Cash outflows from investing activities</b>		<u>(528,901)</u>	<u>(725,756)</u>
<b>Net cash flows before financing activities</b>		<b><u>(2,891,097)</u></b>	<b><u>(2,002,648)</u></b>
Grants for recurrent expenditure		2,313,873	1,959,714
Pension Actuarial Deficit		(72,300)	(148,600)
Disposal of Assets		12,510	-
Capital donor funds Received		<u>481,174</u>	<u>357,545</u>
<b>Cash inflows from financing activities</b>		<b><u>2,735,257</u></b>	<b><u>2,168,659</u></b>
<b>Increase /(Decrease) in cash and cash equivalents 17(b)</b>		<b><u>(153,840)</u></b>	<b><u>166,011</u></b>
<b>Cash &amp; Cash Equivalent at the begging of the year</b>		<b>966,500</b>	<b><u>800,489</u></b>
<b>Cash &amp; Cash Equivalent at the end of the year</b>		<b><u>810,660</u></b>	<b><u>966,500</u></b>

The notes set out on pages 10 to 20 form an integral part of these financial statements

## KENYA WILDLIFE SERVICE

### STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 30TH JUNE 2013

	<u>Capital Reserve</u> KShs'000	<u>Revaluation Reserve</u> KShs'000	<u>Capital Grants</u> KShs'000	<u>Revenue Reserve</u> KShs'000	<u>Total</u> KShs'000
<b>1 July 2011</b>	1,271,887	2,805,102	7,014,300	(3,303,762)	7,787,527
Adjustment – Pension Actuarial Deficit				(118,600)	(118,600)
Capital Donor Funds Received	-	-	357,545	-	357,545
Net Surplus for the year	-	-	-	271,417	271,417
<b>30 June 2012</b>	<b>1,271,887</b>	<b>2,805,102</b>	<b>7,371,845</b>	<b>(3,150,945)</b>	<b>8,297,889</b>
=====					
<b>1 July 2012</b>	1,271,887	2,805,102	7,371,845	(3,150,945)	8,297,889
Capital Donor Funds Received	-	-	481,174	-	481,174
Net Deficit for the year	-	-	-	(150,681)	(150,681)
<b>30 June 2013</b>	<b>1,271,887</b>	<b>2,805,102</b>	<b>7,853,019</b>	<b>(3,301,626)</b>	<b>8,628,382</b>
=====					

Capital reserve represents the aggregate value of the property, plant and equipment taken over from the Wildlife Conservation and Management Department of the Ministry of Tourism and Wildlife (MTW) at the value agreed at that time.

The notes set out on pages 10 to 20 form an integral part of these financial statements

## KENYA WILDLIFE SERVICE

### NOTES TO THE FINANCIAL STATEMENTS AS AT 30TH JUNE 2013

#### 1. SIGNIFICANT ACCOUNTING POLICIES

The principal accounting policies adopted in the preparation of these financial statements are set out below:

##### a) Basis of preparation

The financial statements are prepared in accordance with International Financial Reporting Standards. The financial statements are prepared under the historical cost convention as modified by the revaluation of certain property, plant and equipment.

##### b) Depreciation

Airstrips and roads are not depreciated because adequate maintenance is carried out to ensure that these assets maintain their value. Depreciation on the property, plant and equipment portfolio revalued as at 23<sup>rd</sup> October, 2008 is computed based on the remaining useful life to reduce their values to a 5% residual value. Subsequent additions are depreciated on a straight line basis at the following rates until they are reduced to their residual value of 5%.

Freehold land	Nil
Buildings on long leasehold and freehold land	2%
Buildings on short leasehold land	Over the lease period
Fences and Barriers	10%
Machinery and Water Supplies	10%
Furniture and Equipment	10%
Motor Vehicles and Tractors	20%
Computer and Accessories	20%
Aircraft	7.5%
Boats and Boat engines	10%
Roads and Bridges	Nil
Airstrips	Nil

##### c) Stores

Stocks are carried at historical cost of acquisition plus any incidental costs incurred to bring them at their present location and condition. Obsolete stocks are segregated and not included in the valuation of stocks. Consumable stores are valued at the lower of cost and net realizable value.

##### d) Translation of foreign currencies

Transactions during the year are converted into Kenya Shillings at rates ruling at the transaction dates. Assets and liabilities at the balance sheet date that are expressed in foreign currencies are translated into Kenya Shillings at rates ruling at the balance sheet date. The resulting differences from conversion and translation are dealt with in the income and expenditure account in the year in which they arise.

## **KENYA WILDLIFE SERVICE**

### **NOTES TO THE FINANCIAL STATEMENTS AS AT 30TH JUNE 2013**

#### **e) Bad and doubtful debts**

Specific provisions are made in respect of accounts considered to be bad or doubtful.

#### **f) Income**

Income is accounted for on an accrual basis except for prepaid park entry tickets and smartcard income, which is recognized on a receipt basis.

#### **g) Capital grants**

In addition to an annual subvention, the Government of Kenya (GOK) has negotiated financing packages with various donors to fund the Service. This finance is in the form of loans and grants to GOK, all of which are passed on to the Service in the form of government grants. Grants received from and through the GOK have been treated as Capital Grants whether in respect of either development expenditure or acquisition of fixed assets. Assets acquired from these grants are capitalized and then depreciated in accordance with the depreciation policy per note 1(b). The computed depreciation charge is expensed in the profit and loss account.

#### **h) Grants for recurrent expenditure**

Grants received from and through the GOK have been treated as revenue receipts when in respect of funding recurrent expenditure. Related operating and maintenance expenses are charged to revenue expenditure.

#### **i) Employee benefits**

The Service employees are eligible for retirement benefits under defined benefit and defined contribution schemes. The funds are administered independently of the Service's assets.

##### **(a) Defined Benefit Scheme – KWS Staff Superannuation Scheme**

The Scheme operates on a defined benefits basis and has been closed to new entrants and to future accrual of benefits with effect from 31 December 2006.

The closure of the scheme to new entrants and to future accruals benefits followed a fundamental review by Kenya Wildlife Service of its retirement benefits arrangements. As part of this review, KWS also set up a new defined contribution scheme with effect from 1 January 2007 in which all the pensionable employees participate in with effect 1 January 2007.

To this end, KWS discontinued contributions to the Scheme with effect from 31 December 2006.

## **KENYA WILDLIFE SERVICE**

### **NOTES TO THE FINANCIAL STATEMENTS AS AT 30TH JUNE 2012**

#### **(b) Defined Benefit Scheme – KWS Staff Superannuation Scheme (Continued)**

The amount in the balance sheet is determined as the present value of the defined past service benefits obligation net of value placed on existing scheme assets as computed by an independent actuary. The deficit/surplus arising is recognized in the accounts.

#### **(c) Defined Contribution Scheme – KWS Staff Retirement Benefits Scheme 2006**

The service operates a defined contribution scheme whereby it matches contributions to the scheme made by the employees up to 10.57% of the employee's gross salary while the employees contribute 5% of their pensionable salaries.

The Service's contributions to the fund are charged in the income statement in the year to which it relate.

The Service also contributes to the statutory National Social Security Fund for its non pensionable employees. The Service's obligation is limited to a specified contribution per employee per month. Currently, the contribution is limited to a maximum of Kshs. 200.00 per employee per month. The Service's contributions are charged to the income statement in the year to which they relate. The Service has no legal obligation to pay further contributions if the fund does not hold sufficient assets to pay all the employees benefits relating to employee service in the current and prior periods.

#### **(d) Provision for Staff Leave**

A provision is made to recognize staff entitlements in respect of annual leave not taken at the end of financial year.

#### **j) Cash and Cash equivalents**

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

#### **k) Impairment of assets**

The carrying amounts of the organisation's assets are reviewed at each balance sheet date to determine whether there is any indication of impairment. If such indication exists, the assets recoverable amount is estimated and an impairment loss recognised whenever the carrying amount of an asset exceed its recoverable amount. No impairment loss has been recognised as at 30<sup>th</sup> June, 2012.

#### **l) Currency**

The financial statements have been presented in Kenya shillings (Kshs).

**KENYA WILDLIFE SERVICE**

**NOTES TO THE FINANCIAL STATEMENTS AS AT 30TH JUNE 2013**

**2. PROPERTY PLANT AND EQUIPMENT**

	Buildings		Computers & Accessories	Machinery & Water Supplies	Motor Vehicles & Tractors	Aircraft	Boats & Boat Engines	Roads & Bridges	Airstrips	Fences & Barriers	Furniture & Equipments	Work-in-Progress	Total
	Non-Residential	Residential											
At 30th June 2011	1,150,176	1,541,990	216,782	613,400	1,771,632	335,968	14,356	3,735,872	384,225	429,034	703,651	545,054	11,442,140
Additions	-	-	4,934	13,113	89,262	301,931	1,506	-	-	109,573	82,102	123,334	725,756
At 30th June 2012	1,150,176	1,541,990	221,716	626,513	1,860,894	637,899	15,862	3,735,872	384,225	538,607	785,753	668,388	12,167,896
At 1st July 2012	1,150,176	1,541,990	221,716	626,513	1,860,894	637,899	15,862	3,735,872	384,225	538,607	785,753	668,388	12,167,896
Additions	-	-	15,429	17,984	148,245	-	20,678	-	-	99,867	70,679	156,019	528,901
Disposals	-	-	-	-	(14,814)	-	-	-	-	-	-	-	(14,814)
At 30th June 2013	1,150,176	1,541,990	237,145	644,497	1,994,325	637,899	36,540	3,735,872	384,225	638,474	856,432	824,407	12,681,983
DEPRECIATION													
At 30 June 2011	592,433	380,224	175,957	418,052	1,097,246	102,679	13,079	-	-	269,743	540,356	-	3,589,768
Charge for the year	46,023	22,140	27,796	6,530	219,716	25,278	1,943	-	-	21,867	61,698	-	432,991
At 30 June 2012	638,456	402,364	203,753	424,582	1,316,962	127,957	15,022	-	-	291,610	602,054	-	4,022,759
At 1 July 2012	638,456	402,364	203,753	424,582	1,316,962	127,957	15,022	-	-	291,610	602,054	-	4,022,759
Disposal	-	-	-	-	(14,074)	-	-	-	-	-	-	-	(14,074)
Charge for the year	46,021	22,140	30,320	8,720	237,211	28,950	2,061	-	-	26,882	68,109	-	470,414
At 30th June 2013	684,477	424,504	234,073	433,302	1,540,099	156,907	17,083	-	-	318,492	670,163	-	4,479,099
NET BOOK VALUE At 30th June 2013	465,699	1,117,486	3,072	211,195	454,226	480,993	19,458	3,735,872	384,225	319,982	186,269	824,407	8,202,884
At 30th June 2012	511,720	1,139,626	17,963	201,931	543,932	509,943	841	3,735,872	384,225	246,997	183,699	668,388	8,145,137

Property and equipment excluding capital work in progress were professionally valued by CB Richard Ellis as at 23<sup>rd</sup> October, 2008 on the basis of depreciated replacement cost, market value or estimated replacement cost applicable in the existing circumstances and the results were incorporated in the figures above.

## KENYA WILDLIFE SERVICE

### NOTES TO THE FINANCIAL STATEMENTS AS AT 30TH JUNE 2013

<b>3. TURNOVER</b>	<b>2013</b>	<b>2012</b>
	<b>KShs'000</b>	<b>KShs'000</b>
Park entry fees	3,694,385	4,216,756
Accommodation	<u>48,532</u>	<u>70,136</u>
	<u>3,742,917</u>	<u>4,286,892</u>
<b>4. OTHER INCOME</b>	<b>2013</b>	<b>2012</b>
	<b>KShs'000</b>	<b>KShs'000</b>
Rental income	153,800	72,267
Hire of aircrafts and vehicles	41,412	64,405
Airwing Sales	48,630	51,802
Telecommunication Facilities	6,485	8,956
Insurance Compensation	3,824	12,580
Training Services	113,421	24,866
Tuition fees – KWSTI	38,725	34,268
KWS Officers Mess	8,400	6,020
Accommodation & hire of training facilities – KWSTI	58,175	74,555
KWS Shops	18,943	21,621
Other miscellaneous income	<u>65,893</u>	<u>58,564</u>
	<b><u>557,708</u></b>	<b><u>429,904</u></b>
<b>5. SALARIES, ALLOWANCES AND BENEFITS</b>	<b>2013</b>	<b>2012</b>
	<b>Kshs'000</b>	<b>Kshs'000</b>
Salaries and allowances	2,791,550	2,227,975
Leave pay accrual	<u>70,761</u>	<u>138,539</u>
	<b><u>2,862,311</u></b>	<b><u>2,366,514</u></b>
Gratuity contributions, pension and NSSF	200,723	161,390
Passage and leave expenses	39,027	46,387
Medical expenses	<u>207,898</u>	<u>180,985</u>
	<b><u>3,309,959</u></b>	<b><u>2,755,276</u></b>

## **KENYA WILDLIFE SERVICE**

### **NOTES TO THE FINANCIAL STATEMENTS AS AT 30TH JUNE 2013**

#### **6. OPERATING AND MAINTENANCE EXPENSES**

	<b>2013</b>	<b>2012</b>
	<b>KShs'000</b>	<b>KShs'000</b>
Food and Rations	151,722	132,922
Office and Other Related Expenses	14,201	31,539
Motor Vehicle Running Expenses	273,252	258,627
Animal Feeds	36,450	31,340
Uniform and Clothing	40,303	82,877
Specimens Veterinary Supplies	7,468	11,788
Fence Running Expenses	447	1,661
Insurance	146,683	182,166
Legal and Professional Fee	30,099	21,397
Cleaning and Sanitary Expenses	12,954	7,520
Radio Licenses	1,618	1,557
Estates Maintenance Expenses	16,702	19,741
Motor Vehicle Maintenance	129,659	100,179
Maintenance of Computer Software	18,046	21,029
Maintenance of Water Supplies	3,937	3,835
Maintenance of Game Proof Defenses	10,154	3,083
Maintenance of Bandas and Camp Sites	27,812	20,520
External Training – MFTS	70,305	41,561
Purchase of Tyres	39,652	38,119
Travel and Accommodation	235,950	194,796
External Travel	41,460	41,830
Field Allowance	83,525	74,638
Hospital Referral Expenses	6,116	10,418
Transfer Expenses	12,467	12,068
Court Case Expenses	6,490	4,456
Entertainment	24,451	18,592
Advertising and Publicity	27,194	39,957
Sports and Recreation Expenses	1,854	27,238
Special Events / Public Affairs	33,673	38,279
Signage and Display	6,637	7,221

## KENYA WILDLIFE SERVICE

### NOTES TO THE FINANCIAL STATEMENTS AS AT 30TH JUNE 2013

#### 6. OPERATING AND MAINTENANCE EXPENSES (CONTINUED)

	2013	2012
	Kshs'000	Kshs'000
Staff Tea	10,921	12,285
Subscriptions	23,402	12,674
Printing and Publishing	13,301	13,846
DSTV Subscription	6,300	7,134
Bank Charges	12,953	18,591
Wildlife Compensation	92,580	72,145
Endowment Fund	473	20,604
Plant and Machinery Maintenance	33,302	32,351
Aircraft Running Expenses	155,332	72,262
Equipment, Boats & Furniture Maintenance	21,975	24,489
Shop Merchandise	13,905	12,532
Maintenance of Buildings and Bandas	86,410	103,951
Roads Maintenance	425,745	746,361
Telephone and Postage	55,248	61,395
Electricity and Water	62,164	70,508
Stationery Expenses	27,431	27,550
Consultancy and Professional fees	15,425	19,653
BOT Allowances & Expenses	17,413	10,388
Food and Drinks	54,301	40,694
Other Operating and Maintenance Expenses	<u>111,072</u>	<u>91,411</u>
	<b><u>2,750,934</u></b>	<b><u>2,951,778</u></b>

## KENYA WILDLIFE SERVICE

### NOTES TO THE FINANCIAL STATEMENTS AS AT 30TH JUNE 2013

<b>7. DEPRECIATION</b>	<b>2013</b>	<b>2012</b>
	<b>Kshs'000</b>	<b>Kshs'000</b>
Buildings – Non Residential	46,021	46,023
Buildings – Residential	22,140	22,140
Computers and Accessories	30,320	27,796
Machinery & Water Supplies	8,720	6,530
Motor Vehicles and Tractors	237,211	219,717
Aircrafts	28,950	25,278
Boats and Boat Engines	2,061	1,943
Fences and Barriers	26,882	21,867
Furniture and Equipments	<u>68,109</u>	<u>61,697</u>
	<b><u>470,414</u></b>	<b><u>432,991</u></b>
<b>8. COMMUNITY SERVICES</b>	<b>2013</b>	<b>2012</b>
	<b>Kshs '000</b>	<b>Kshs'000</b>
Community Projects Support	134,187	113,538
Tree Nurseries Support	<u>5,017</u>	<u>9,019</u>
	<b><u>139,204</u></b>	<b><u>122,557</u></b>
<b>9. TRAINING AND DEVELOPMENT</b>	<b>2013</b>	<b>2012</b>
	<b>Kshs '000</b>	<b>Kshs'000</b>
In-service Training	13,908	14,072
Seminars, Conferences & Meetings	84,357	74,729
Other Training s	<u>52,690</u>	<u>108,467</u>
	<b><u>150,955</u></b>	<b><u>197,268</u></b>
<b>10. GRANTS FOR RECURRENT EXPENDITURE</b>	<b>2013</b>	<b>2012</b>
	<b>KShs'000</b>	<b>KShs'000</b>
Donor Agencies	594,023	419,555
Donations	80,042	83,223
GOK subvention	<u>1,639,808</u>	<u>1,456,936</u>
	<b><u>2,313,873</u></b>	<b><u>1,959,714</u></b>

## KENYA WILDLIFE SERVICE

### NOTES TO THE FINANCIAL STATEMENTS AS AT 30TH JUNE 2013

11. INVENTORIES	2013 KShs'000	2012 KShs'000
Spare parts and tools	44,868	48,413
Aircraft spares	38,300	68,040
Ammunition	103,948	74,650
Stationery	6,825	6,655
Telecommunication equipment spares	2,633	2,119
Building, water and fencing materials	42,763	36,608
Uniforms and compositions	92,762	54,544
Shop items	8,977	6,385
Fuel and oils	7,377	12,842
General stores and tools	4,913	10,918
	<b><u>353,366</u></b>	<b><u>321,174</u></b>
12. RECEIVABLES	2013 Kshs'000	2012 Kshs'000
Trade receivables	241,616	189,473
Staff receivables	117,002	79,774
Grants receivable	118,078	5,156
Prepayments and deposits	117,112	152,272
Mobilization funds	7,758	10,893
	<b>601,566</b>	<b>437,568</b>
Less Provision for bad debts	<u>(66,823)</u>	<u>(66,297)</u>
	<b><u>534,743</u></b>	<b><u>371,271</u></b>
13. CASH AND CASH EQUIVALENTS	2013 Kshs'000	2012 Kshs'000
Bank balances – KWS Operations	213,101	212,120
Bank balances – Projects	279,127	327,173
Cash in Hand – KWS Operations	76,036	41,585
Short-term Deposits	242,396	385,622
	<b><u>810,660</u></b>	<b><u>966,500</u></b>

## KENYA WILDLIFE SERVICE

### NOTES TO THE FINANCIAL STATEMENTS AS AT 30TH JUNE 2013

#### 14. PAYABLES

	2013	2012
	KShs'000	KShs'000
Trade Payables	321,766	358,452
Accruals	<u>190,720</u>	<u>298,757</u>
	<b><u>512,486</u></b>	<b><u>657,209</u></b>
Payroll Deductions	145,288	67,632
Contract Retentions Payable	55,795	61,750
Other Payables	<u>103,483</u>	<u>116,744</u>
	<b><u>817,052</u></b>	<b><u>903,335</u></b>

#### 15. UNEXPENDED SPECIFIC DONATIONS

	2013	2012
	KShs'000	KShs'000
Balance at 1 July	347,558	351,769
Additions	297,742	249,379
Utilized in the year	<u>(372,081)</u>	<u>(253,590)</u>
	<b><u>273,219</u></b>	<b><u>347,558</u></b>

The amounts relate to unutilized funds for specific projects financed by various donors.

#### 16. RETIREMENT BENEFITS OBLIGATIONS

This represents the amount due to KWS Staff Superannuation Scheme (Defined Benefit) from the sponsor (KWS).

	2013	2012
	KShs'000	KShs'000
Balance at the beginning of the year	255,300	285,300
Actuarial Revaluation adjustments	-	118,600
Paid during the year	<u>(72,300)</u>	<u>(148,600)</u>
	<b><u>183,000</u></b>	<b><u>255,300</u></b>

## KENYA WILDLIFE SERVICE

### NOTES TO THE FINANCIAL STATEMENTS AS AT 30TH JUNE 2013

#### 17. NOTES TO THE CASH FLOW STATEMENT

a) Reconciliation of the net deficit to	2013	2012
Cash outflows from operating activities	KShs'000	KSh'000
Operating deficit for the year	(2,464,554)	(1,688,296)
Depreciation	470,414	432,991
Gain on Disposal	(11,770)	-
Interest Income	(61,287)	(58,321)
<b>Operating Deficit before Working Capital Changes</b>	<b><u>(2,067,197)</u></b>	<b><u>(1,313,626)</u></b>
Increase in Inventories	(32,192)	(82,949)
(Increase) / Decrease in receivables	(163,472)	(11,605)
Increase in payables	(86,283)	77,179
(Decrease) / Increase in unexpended specific donations	<u>(74,339)</u>	<u>(4,211)</u>
<b>Cash utilized by operations</b>	<b><u>(2,423,483)</u></b>	<b><u>(21,586)</u></b>
Interest received (net)	<u>61,287</u>	58,321
<b>Cash flows absorbed by operating activities</b>	<b><u>(2,362,196)</u></b>	<b><u>(1,276,891)</u></b>

#### b) Movement in cash and cash equivalents Change

	2013	2012
	KShs'000	KShs'000
Opening balance	966,500	800,489
Closing balance	<u>810,660</u>	<u>966,500</u>
Increase/(Decrease) in cash and cash equivalents	<b><u>(153,840)</u></b>	<b><u>166,011</u></b>

#### 18. CONTINGENT LIABILITIES

	2013	2012
	KShs'000	KShs'000
Pending Litigations	<u>44,927</u>	<u>32,097</u>

#### 19. CAPITAL COMMITMENTS

	2013	2012
	Kshs '000	Kshs'000
Authorized and contracted for	151,515	256,117
Authorized but not contracted for	<u>36,731</u>	<u>98,525</u>
	<b><u>188,246</u></b>	<b><u>354,642</u></b>

