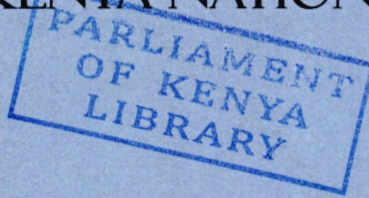


REPUBLIC OF KENYA



KENYA NATIONAL AUDIT OFFICE



*Paper laid by Hon. Mbeti
(Majority Whip) on 15.04.2015
(Afternoon). Mmw*

REPORT



OF

THE AUDITOR-GENERAL

ON

THE FINANCIAL STATEMENTS OF
PUBLIC COMPLAINTS COMMITTEE ON
ENVIRONMENT

FOR THE YEAR ENDED
30 JUNE 2014



**PUBLIC COMPLAINTS COMMITTEE
ON ENVIRONMENT (PCC)**

**ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED
JUNE 30, 2014**

Prepared in accordance with the Cash Basis of Accounting Method under the International Public Sector
Accounting Standards (IPSAS)

Public Complaints Committee on Environment
Annual Report and Financial Statements

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I. KEY ENTITY INFORMATION AND MANAGEMENT

(a) Background Information

The Public Complaints Committee (PCC) was formally constituted and inducted by the then Minister for Environment and Natural Resources in August 2001 and that is when it started operations. At Cabinet level, the Public Complaints Committee is represented by the Cabinet Secretary for Environment, Water and Natural Resources, Prof. Judy Wakhungu who is responsible for the general policy and strategic direction of the PCC. The ministry was formed by merging the Ministry of Environment and Mineral Resources, Ministry of Water and Ministry of Forestry and Wildlife.

(b) Principal Activities

The Principal activity of the Public Complaints Committee is to conduct in-depth investigation of any allegations against any person in relation to the condition of the environment in Kenya or on its own motion; any suspected case of environmental degradation. Further, parliament through Section 32 of EMCA mandates PCC to: prepare and submit to the NEC periodic reports of its activities which report shall form part of the annual report on the state of the environment and to perform such other functions and exercise such powers as may be assigned to it by the NEC.

The Vision of PCC is to be the leading environmental ombudsman in Africa. Its Mission is to facilitate access to environmental justice to the public by providing a forum for expeditious and affordable environmental conflict resolution and to contribute to environmental policy development.

(c) Key Management

The Public Complaints Committee's day-to-day management is under the following key organs.

1. Chairman, and
2. Committee Secretary

(d) Fiduciary Management

The key management personnel who held offices during the financial year ended 30th June 2013/2014 and who had direct fiduciary responsibility were.

1. Chairman	Mr. Robert Limo
2. Committee Secretary	Mr. Fredrick Olendo
3. Committee Member	Ms. Felicity Biriri
4. Committee Member	Mrs. Pauline Matu Mureithi
5. Committee Member	Mr. Antony Mulekyo

(e) Entity Headquarters

Public Complaints Committee Headquarters
P. O. Box 36256 - 00200
Bellevue Area, Popo Road off Mombasa Road
DRSRS Building
Nairobi, KENYA

(f) Entity Contacts

Telephone (254) 0202405782
Email: pcc.environment@gmail.com
Website: www.pccenvironment.or.ke

(g) Entity Bankers

Kenya Commercial Bank
KCB Capital Hill Branch
P. O. Box 69695 – 00400
Nairobi, KENYA

(h) Independent Auditors

Auditor General
Kenya National Audit Office
Anniversary Towers, University Way
P. O. Box 30084
GOP 00100
Nairobi, KENYA

(i) Principal Legal Adviser

The Attorney General
State Law Office
Harambee, Avenue
P. O. BOX 40112
City Square 00200
Nairobi, KENYA

II. THE COMMITTEE MEMBERS

<p>Robert K. Limo</p>	<p>Advocate of the High Court</p>
 <p>Fredrick Olendo</p>	<p>Date of Birth: 6th November, 1975 Qualification: Bachelor of Commerce (Accounting) Experience: 12 years Financial Management</p>
 <p>Felicity Biriri</p>	<p>Date of Birth: 11th October, 1968 Qualification: BA HRM (Kenyatta University), Master in Peace Management and Conflict Resolution. (Kenyatta University) Experience: 16 years.</p>
 <p>Pauline Matu Mureithi</p>	<p>Date of Birth: 5th June, 1955 Qualification: LLB (UON) and Dip Law (KSL) Experience: 30 years</p>
 <p>Antony Mulekyo</p>	<p>Date of Birth: 13th December, 1970 Qualification: LLB (Hons) (Nairobi) Dip Law (KSL) Experience: 20 years as an Advocate of High court of Kenya</p>

III. CHAIRMAN'S STATEMENT

This Report of the Public Complaints Committee (hereinafter referred to as the Committee and or PCC) covers activities and achievements both of the 4th Committee (2010- October, 2013) and 5th Committee (May 2014) and challenges encountered.

On its core mandate of investigating complaints on environmental degradation, the Committee investigated about 300 complaints in various parts of the country and rendered solutions by way of recommendations on the environmental issues unique to each region. The Committee has assisted the members of the public in various parts of the Country to identify and implement amicable and cost effective solutions to a great number of environmental complaints.

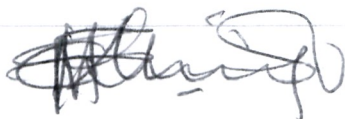
The Committee has also succeeded in sensitizing a large section of the public on the importance and benefits of best environmental practices. This has been done through public hearings and distribution of published material.

Still as part of carrying out its mandate, the Committee participated in international programmes that enhance environmental management and conservation such as the World Environment Days (WEDs), World Days to Combat Desertification (WDCDs) and the Nairobi International Trade Fairs, among others.

Having recognized the importance of team work in environmental conservation and management, the Committee also ensured the enhancement of linkages with the parent Ministry, the EMCA institutions, lead agencies, other stakeholders and communities.

However, the achievements above stated have not been without some challenges as will appear in this report. It is the hope of the Committee that those challenges will be addressed to make the PCC even more effective in the discharge of its mandate, taking cognisance of the inalienable rights of a clean and healthy environment for each person in the Republic of Kenya as enshrined in the Constitution.

On the whole, the future of the PCC is bright and wishes to thank the Committee Members and staff for their continued effort towards the achievement of the Committee's mandate.



for **MR. ROBERT K LIMO**
CHAIRMAN

IV. CORPORATE GOVERNANCE STATEMENT

The Public Complaints Committee on Environment (PCC) was established under Sections 31 to 36 of the Environmental Management and Co-ordination Act (No 8 of 1999) with the mandate of investigating allegations or complaints regarding the condition of the environment in Kenya, or on its own motion, suspected cases of environmental degradation. The PCC prepare reports of its findings and recommendations thereon and submits the same to the National Environment Council, chaired by the Minister responsible for Environmental matters. According to the Act, every person is entitled to a clean and healthy environment.

PCC is composed of seven members appointed by the Cabinet Secretary for Environment, Water and Natural Resources headed by a Chairman who is qualified to be appointed as a judge of the High Court of Kenya and composes members nominated by the office of the Attorney-General, the NGO Council of Kenya, the Law Society of Kenya and the business community. There are two other members who are appointed by the Minister for their role in environmental management.

The Constitution of Kenya, 2010 outlines that every person has the right to a clean and healthy environment, a provision that creates the right to have the environment protected for intergenerational benefits. The State has the core responsibility of ensuring sustainable utilization, management and conservation of the environment and natural resources.

The PCC strives to maintain the following core values;

- Professional integrity
- Team work
- Transparency and accountability
- Equity
- Commitment to excellence and timely responsiveness;
- Continuous learning
- Effective and efficient service delivery
- Application of best environmental practices
- Continuous staff development

These values are grounded on professional integrity, personal orientation, team work, equity, transparency, accountability, commitment to excellence, learning, applying best environmental practices, public service, and sustainable environmental management activities.

PCC operates under the Ministry of Environment, Water and Natural Resources (MEWNR). The Ministry has elaborated its vision and mission clearly in the context of its mandate which is to protect, conserve and manage the environmental and natural resources through exploitation for socio-economic development aimed at eradication of poverty, improved living standards and ensuring that a clean environment is sustained now and in the future in line with the country's aspirations as found in Vision 2030.

PCC has a significant role to play in all the pillars in Vision 2030 in view of the nature of its role and involvement in national development. The economic pillar aims to achieve an economic growth rate of 10 per cent per annum by 2012, the social pillar seeks to build a just, cohesive and equitable social development in a clean and secure environment whereas the political pillar aims to realize issue-based,

Public Complaints Committee on Environment
Annual Report and Financial Statements

people centered, result-oriented and a transparent and accountable democratic system that respects the rule of law, and protects the rights and freedoms of every individual in Kenyan society. The role of PCC in matters of environment permeates into all the pillars because of the significant nature of the environment and its importance and special place in national development. PCC provides the necessary back up services to all the stakeholders involved in the pursuance of the Medium Term Plan (MTP) aspirations.

In the execution of its mandate, the PCC is committed to collaboration with various lead agencies, the private sector and civil society to enhance efficiency of the PCC and to achieve strategic objectives set out in its Strategic Plan. Since its inception in 2003, the Committee has received over 1,000 environmental complaints from all parts of the country. In its investigations, the committee has managed, in some cases to reverse the ill-effects of environmental degradation. For example, in the area of air pollution, the Committee has managed to investigate and intervene where factories have been accused of causing air pollution due to their emissions. As a result, such factories have put in place emission control measures which have significantly improved the level of air quality in those areas.

The Committee has worked in partnership with other environmental organizations, government departments, and stakeholders, especially the National Environment Management Authority (NEMA) in the preparation of the State of Environment reports, as well as participating in national and international environmental events and conferences. As an environmental ombudsman, the Committee intends to intensify its operations nationwide and to enhance the public's sense of environmental justice.

V. REPORT OF THE COMMITTEE FOR THE YEAR 2013/2014

Principal activities

The principal activities of the Public Complaints Committee on Environment are:-

- a) In-depth investigations:
 - i) Any allegations or complaints against any person or the Authority (NEMA) on issues of the state of the environment which includes environmental pollution and degradation or destruction.
 - ii) On its own motion, any suspected cases of environmental degradation
 - iii) And to make a report of its findings together with its recommendations thereon to the National Environment Council.
- b) PCC submits its reports and recommendations to the National Environment Council. The reports and recommendations forms part of the annual reports on the state of the Environment and assist the Government in formulation of environmental policy.
- c) To perform such other functions and exercise such powers as may be assigned to it by the Council.

COMMITTEE MEMBERS

The members of the Committee who served during the year are shown above in accordance with the Public Complaints Committee Articles of Association.

Auditors

The Auditor General is responsible for the statutory audit of the Public Complaints Committee in accordance with the Public Finance Management (PFM) Act, 2012, which empowers the Auditor General to nominate other auditors to carry out the audit on his behalf.

By Order of the Committee



Committee Secretary
Nairobi

Date:.....9th January, 2015

VI. STATEMENT OF COMMITTEE MEMBER'S RESPONSIBILITIES

The Public Finance Management Act, 2012 and the State Corporations Act, require the Chairman to prepare financial statements in respect of that *Public Complaint Committee (PCC)*, which give a true and fair view of the state of affairs of the *PCC* at the end of the financial 2013/2014 and the operating results of the *PCC* for the same year. The members are also required to ensure that the *PCC* keeps proper accounting records which disclose with reasonable accuracy the financial position of the *PCC*. The members are also responsible for safeguarding the assets of the *PCC*.

The members are responsible for the preparation and presentation of the *PCC* financial statements, which give a true and fair view of the state of affairs of the *PCC* for and as at the end of the financial year (period) ended on June 30, 2014. This responsibility includes: (i) maintaining adequate financial management arrangements and ensuring that these continue to be effective throughout the reporting period; (ii) maintaining proper accounting records, which disclose with reasonable accuracy at any time the financial position of the entity; (iii) designing, implementing and maintaining internal controls relevant to the preparation and fair presentation of the financial statements, and ensuring that they are free from material misstatements, whether due to error or fraud; (iv) safeguarding the assets of the *PCC* (v) selecting and applying appropriate accounting policies; and (vi) making accounting estimates that are reasonable in the circumstances.

The chairman accept responsibility for the *PCC* financial statements, which have been prepared using appropriate accounting policies supported by reasonable and prudent judgements and estimates, in conformity with International Financial Reporting Standards (IFRS), and in the manner required by the PFM Act and the State Corporations Act. The members are of the opinion that the *PCC* financial statements give a true and fair view of the state of *PCC* transactions during the financial year ended June 30, 2014, and of the *PCC* financial position as at that date. The Chairman further confirm the completeness of the accounting records maintained for the *entity*, which have been relied upon in the preparation of the *PCC* financial statements as well as the adequacy of the systems of internal financial control. Nothing has come to the attention of the members to indicate that the *PCC* will not remain a going concern for at least the next twelve months from the date of this statement.

REPUBLIC OF KENYA

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NAIROBI

KENYA NATIONAL AUDIT OFFICE

REPORT OF THE AUDITOR-GENERAL ON PUBLIC COMPLAINTS COMMITTEE ON ENVIRONMENT FOR THE YEAR ENDED 30 JUNE 2014

REPORT ON THE FINANCIAL STATEMENTS

I have audited the accompanying financial statements of Public Complaints Committee on Environment set out on pages 11 to 21, which comprise the statement of financial position as at 30 June 2014, and the statement of financial performance, statement of changes in net assets, statement of cash flows for the year then ended, and statement of comparison of budget and actual amounts, and a summary of significant accounting policies and other explanatory information in accordance with the provisions of Article 229 of the Constitution of Kenya, 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 Public Sector Accounting 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 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.

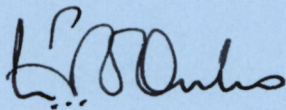
An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or 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 Committee'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.

Opinion

In my opinion, the financial statements present fairly, in all material respects the financial position of the Committee as at 30 June 2014, and of its financial performance and its cash flows for the year then ended, in accordance with International Public Sector Accounting Standards and comply with the Environment Management and Coordination Act, 1999.



Edward R. O. Ouko, CBS
AUDITOR-GENERAL

Nairobi

6 March 2015

VIII. STATEMENT OF FINANCIAL PERFORMANCE

For the year ended 30 June 2014

	Note	2013-2014 Kshs	2012-2013 Kshs
Governments – Grants	3	<u>48,510,000</u>	<u>28,512,000</u>
		<u>48,510,000</u>	<u>28,512,000</u>
Expenses			
Employee costs	4	9,052,212	14,179,238
Depreciation and amortization expense	5	2,355,009	1,081,049
Repairs and maintenance	6	511,293	946,348
General expenses	7	2,235,547	12,188,227
Finance costs	8	<u>20,650</u>	<u>8,700</u>
Total expenses		<u>14,174,711</u>	<u>28,403,562</u>
Surplus before tax		<u>34,335,289</u>	<u>108,438</u>
Taxation		-	-
Surplus for the period		<u>34,335,289</u>	<u>108,438</u>
Attributable to:			
Surplus attributable to owners of the controlling entity		<u>34,335,289</u>	<u>108,438</u>

(b)

The notes set out on pages 16 to 21 form an integral part of the Financial Statements

IX. STATEMENT OF FINANCIAL POSITION

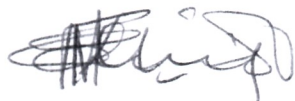
As at 30 June 2014

	Note	2013-2014 Kshs	2012-2013 Kshs
Assets			
Non-Current Assets			
	10	<u>7,816,428.00</u>	4,012,594.00
		<u>7,816,428.00</u>	<u>4,012,594.00</u>
Current Assets			
Cash and cash equivalents	9	32,376,869.00	1,563,414.00
Receivables from non-exchange contracts		<u>393,510.00</u>	<u>675,510.00</u>
		<u>32,770,379.00</u>	<u>2,238,924.00</u>
Total net assets and liabilities		<u>40,586,807.00</u>	<u>6,251,518.00</u>

Represented by;

Surplus for the year;	34,335,289.00	108,438.00
Accumulated surplus	<u>6,251,518.00</u>	<u>6,143,080.00</u>
	<u>40,586,807.00</u>	<u>6,251,518.00</u>

Committed by:-



Fredrick O. Olendo
Secretary

Date.....9th January, 2015



Duncan Kombo
For: Chairman

Date...9/1/2015.....

X.STATEMENT OF CHANGES IN NET ASSETS
For the year ended 30th June 2014

	Accumulated Surplus Kshs
Balance as at 30th June 2012	4,889,080.00
Surplus /(deficit) for the period	108,438.00
Transfers to/from accumulated surplus	<u>1,254,000.00</u>
Balance as at 30th June 2013	<u>6,251,518.00</u>
Surplus for the period	34,335,289.00
Transfers to/from accumulated surplus	<u>6,251,518.00</u>
Balance as at 30th June 2014	<u>40,586,807.00</u>

XI. STATEMENT OF CASH FLOWS
For the year ended 30th June 2014

	Note	2013-2014 Kshs	2012-2013 Kshs
<u>Cash flows from operating activities</u>			
Receipts			
Government grants		48,510,000	28,512,000
		48,510,000	28,512,000
Payments			
Compensation of employees		9,052,212	14,179,238
Goods and services		2,746,840	13,134,575
Finance cost		20,650	8,700
		11,819,702	27,322,513
Decrease in Receivables		282,000	-
Net cash flows from operating activities	11	<u>36,972,298</u>	<u>1,189,487</u>
<u>Cash flows from investing activities</u>			
Purchase of equipment and property		(6,158,843)	(2,646,330)
Net cash flows used in investing activities		<u>(6,158,843)</u>	<u>(2,646,330)</u>
<u>Cash flows from financing activities</u>			
Net increase in cash and cash equivalents		30,813,455	1,456,843
Cash and cash equivalents at 1 JULY	9	1,563,414	3,020,2570
Cash and cash equivalents at 30 June	9	<u>32,376,869</u>	<u>1,563,414</u>

XII. STATEMENT OF COMPARISON OF BUDGET AND ACTUAL AMOUNTS

	Original budget	Adjustments	Final budget	Actual on comparable basis	Performance difference
	2013-2014	2013-2014	2013-2014	2013-2014	2013-2014
	Kshs	Kshs	Kshs	Kshs	Kshs
Revenue					
Government grants and subsidies	<u>49,000,000</u>		<u>49,000,000</u>	<u>48,510,000</u>	<u>490,000</u>
Total income	49,000,000		49,000,000	48,510,000	490,000
Expenses					
Compensation of employees	21,835,000		21,835,000	9,052,212	12,782,788
Goods and services	12,140,000		12,140,000	5,101,849	7,038,151
Finance cost	25,000		25,000	20,650	4,350
Other payments	<u>15,000,000</u>		<u>15,000,000</u>	<u>0</u>	<u>15,000,000</u>
Total expenditure	49,000,000		49,000,000	14,174,711	34,825,289
Surplus for the period	0		0	34,335,289	(34,335,289)

XIII. NOTES TO THE FINANCIAL STATEMENTS

1. Statement of compliance and basis of preparation – IPSAS 1

PCC financial statements have been prepared in accordance with and comply with International Public Sector Accounting Standards (IPSAS). The financial statements are presented in Kenya shillings, which is the functional and reporting currency of the entity and all values are rounded to the nearest thousand (Ksh000). The accounting policies have been consistently applied to all the years presented.

The financial statements have been prepared on the basis of historical cost, unless stated otherwise. The cash flow statement is prepared using the direct method. The financial statements are prepared on accrual basis.

2. Summary of significant accounting policies

a) Revenue recognition

i) Revenue from non-exchange transactions

Fees, taxes and fines

The entity recognizes revenues from fees, taxes and fines when the event occurs and the asset recognition criteria are met. To the extent that there is a related condition attached that would give rise to a liability to repay the amount, deferred income is recognized instead of revenue. Other non-exchange revenues are recognized when it is probable that the future economic benefits or service potential associated with the asset will flow to the entity and the fair value of the asset can be measured reliably.

Transfers from other government entities

Revenues from non-exchange transactions with other government entities are measured at fair value and recognized on obtaining control of the asset (cash, goods, services and property) if the transfer is free from conditions and it is probable that the economic benefits or service potential related to the asset will flow to the entity and can be measured reliably.

b) Budget information – IPSAS 24

The annual budget is prepared on the accrual basis, that is, all planned costs and income are presented in a single statement to determine the needs of the entity. As a result of the adoption of the cash basis for budgeting purposes, there are no basis, timing or entity differences that would require reconciliation between the actual comparable amounts and the amounts presented as a separate additional financial statement in the statement of comparison of budget and actual amounts.

e) Property, plant and equipment – IPSAS 17

All property, plant and equipment are stated at cost less accumulated depreciation. Cost includes expenditure that is directly attributable to the acquisition of the items. When significant parts of property, plant and equipment are required to be replaced at intervals, the entity recognizes such parts

as individual assets with specific useful lives and depreciates them accordingly. Likewise, when a major inspection is performed, its cost is recognized in the carrying amount of the plant and equipment as a replacement if the recognition criteria are satisfied. All other repair and maintenance costs are recognized in surplus or deficit as incurred. Where an asset is acquired in a non-exchange transaction for nil or nominal consideration the asset is initially measured at its fair value.

j) Provisions – IPSAS 19

Provisions are recognized when the Entity has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits or service potential will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

Where the Entity expects some or all of a provision to be reimbursed, for example, under an insurance contract, the reimbursement is recognized as a separate asset only when the reimbursement is virtually certain.

The expense relating to any provision is presented in the statement of financial performance net of any reimbursement.

l) Changes in accounting policies and estimates – IPSAS 3

The Entity recognizes the effects of changes in accounting policy retrospectively. The effects of changes in accounting policy are applied prospectively if retrospective application is impractical.

r) Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and cash at bank, short-term deposits on call and highly liquid investments with an original maturity of three months or less, which are readily convertible to known amounts of cash and are subject to insignificant risk of changes in value. Bank account balances include amounts held at the Kenya commercial Bank at the end of the financial year. For the purposes of these financial statements, cash and cash equivalents also include short term cash imprests and advances to authorised public officers and/or institutions which were not surrendered or accounted for at the end of the financial year.

s) Comparative figures

Where necessary comparative figures for the previous financial year have been amended or reconfigured to conform to the required changes in presentation.

t) Significant judgments and sources of estimation uncertainty – IPSAS 1

The preparation of the PCC's financial statements in conformity with IPSAS requires management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the disclosure of contingent liabilities, at the end of the reporting period. However, uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of the asset or liability affected in future periods.

Useful lives and residual values

The useful lives and residual values of assets are assessed using the following indicators to inform potential future use and value from disposal:

- The condition of the asset based on the assessment of experts employed by the Entity
- The nature of the asset, its susceptibility and adaptability to changes in technology and processes
- The nature of the processes in which the asset is deployed
- Availability of funding to replace the asset
- Changes in the market in relation to the asset

u) Subsequent events – IPSAS 14

There have been no events subsequent to the financial year end with a significant impact on the financial statements for the year ended June 30, 2014.

3. Transfers from other governments

	2014 Shs	2013 Shs
Unconditional grants		
Operational grant	48,510,000	28,512,000
Total	<u>48,510,000</u>	<u>28,512,000</u>

4. Employee costs

	2014 Shs	2013 Shs
Employee related costs - salaries and wages	788,248	11,078,808
Travel, motor car, accommodation, subsistence and other allowances	<u>8,263,964</u>	<u>13,071,430</u>
Total	<u>9,052,212</u>	<u>14,179,238</u>

5. Depreciation and amortization expense

	2014 Shs	2013 Shs
Property, plant and equipment	<u>2,355,009</u>	<u>1,081,049</u>
Total	<u>2,355,009</u>	<u>1,081,049</u>

6. Repairs and maintenance

	2014 Shs	2013 Shs
Property	60,760	400,000
Equipment	86,480	
Vehicles	364,053	546,348
Other	-	-
Total	<u>511,293</u>	<u>946,348</u>

7. General expenses

The following are included in general expenses:

	2014	2013
	Shs	Shs
Airticket	255,700	56,000
Airtime	300,000	413,998
Consultancy	50,000	-
Entertainment	332,217	1,673,146
Fuel	523,660	429,650
Insurance	46,900	531,570
Internet	382,800	407,010
Newspapers	78,870	370,000
Postages	89,180	121,680
Sanitation	24,000	114,380
Stationery	134,300	2,046,690
Training	17,920	-
Others	-	8,050,103
Totals	2,235,547	14,214,227

8. Finance costs

	2014	2013
	Shs	Shs
Bank charges	20,650	8,700
Total	20,650	8,700

9. Cash and cash equivalents

	2014	2013
	Shs	Shs
Bank Recurrent 24,632,729.00	32,374,046	1,272,700.
Development 7,741,317.00		-
Cash-on-hand and in transit	2,823	290,714
Total	32,376,869	1,563,414

10. Property, Plant and Equipment Schedule

DETAILS	MOTOR VEHICLES Kshs.	FURNITURE FITTINGS & EQUIP. Kshs.	COMPUTERS & PRINTERS Kshs.	TOTAL Kshs.
DEPRECIATION RATES	25%	12.5%	33.3%	
COST/VALUATION				
As at 1 st July 2013	1,672,000.00	2,797,109.00	2,441,744.00	6,910,853.00
Addition during the year	<u>6,158,843.00</u>	=	=	<u>6,158,843.00</u>
As at 30th June, 2014	7,830,843.00	2,797,109.00	2,441,744.00	13,069,696.00
PROVISION FOR DEPRECIATION				
Accumulated Depreciation				
As at 1 st July, 2013	418,000.00	793,197.00	1,687,062.00	2,898,259.00
Charge for the year	<u>1,853,211.00</u>	<u>250,489.00</u>	<u>251,309.00</u>	<u>2,355,009.00</u>
As at 30th June, 2013	2,271,211.00	1,043,686.00	1,938,371.00	5,253,268.00
Carrying Amounts as at :				
As at 30 th June, 2014	<u>5,559,632.00</u>	<u>1,753,423.00</u>	<u>503,374.00</u>	<u>7,816,428.00</u>
As at 30 th June, 2013	1,254,000.00	2,003,912.00	754,628.00	4,012,594.00

Assets are valued on historical cost basis. A full year's depreciation is charged in the year of purchase. Depreciation is on reducing balance method and the rates shown above have been applied.

11. Cash generated from operations

	2014	2013
	Shs	Shs
Surplus for the year before tax	34,335,289.00	108,438.00
Adjusted for:		
Depreciation	2,355,009.00	1,081,049.00
Working capital adjustments:		
Decrease in receivables	<u>282,000.00</u>	
Net cash flows from operating activities	<u>36,972,298.00</u>	<u>1,189,487.00</u>

12. Events after the reporting period

There are no material non-adjusting events after the reporting date.