

REPUBLIC OF KENYA



OFFICE OF THE AUDITOR-GENERAL

THE NATIONAL ASSEMBLY PAPERS LAID	
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**THE AUDITOR-GENERAL**

**ON**

**THE FINANCIAL STATEMENTS OF  
IMARISHA NAIVASHA TRUST**

**FOR THE YEAR ENDED**

**30 JUNE 2013**

Imarisha Naivasha Trust  
Financial Statements for the year ended 30<sup>th</sup> June 2013



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# **IMARISHA NAIVASHA TRUST**

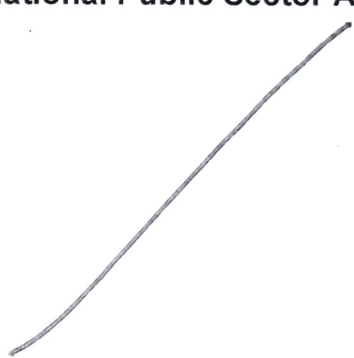
## **FINANCIAL STATEMENTS**

### **FOR YEAR ENDED**

### **30<sup>TH</sup> JUNE 2013**

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



Imarisha Naivasha Trust  
Financial Statements for the year ended 30<sup>th</sup> June 2013

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## **I. KEY ENTITY INFORMATION AND MANAGEMENT**

### **WHO WE ARE**

The Imarisha Naivasha Trust is Public Private Partnership government initiative under the Ministry of Environment, and Natural Resources, State Department of Environment. It was established in 2011 vide Kenya Gazette No: 5368, on 20<sup>th</sup> May, 2011, with the sole mandate of the restoration of Lake Naivasha and its catchment to ensure sustainable development and natural sources management within the basin.

**Vision:** "To be the acknowledged authority and resource on restoration, wise use, and sustainable management of the Lake Naivasha Basin"

**Mission:** To effectively monitor and coordinate restoration activities within the Lake Naivasha Basin by ensuring enforcement of and compliance to regulations, and institutional strengthening

### **CORE VALUES**

We shall be guided by the following core values, which provide an integrated focus towards enhancing provision of acceptable quality service. They are summarised in an acronym DEPITS.

- Diligence
- Equity
- Professionalism
- Integrity
- Teamwork
- Commitment to Sustainability

#### **i) Strategic Objectives**

The key strategic objective as outlined in the Imarisha Naivasha Sustainable Development Action Plan (SDAP) is to restore the ecosystem functions, biodiversity and natural attractions of the Lake Naivasha Basin as the foundation for sustainable development and adaptation to climate change.

#### **ii) Key Management**

The day-to-day management of Imarisha Naivasha Trust is entrusted to the Chief Executive Officer who is the Secretary to the Board. The Chief Executive Officer is assisted by a management team of three Managers.

### iii) Fiduciary Management

Imarisha Naivasha is run by an eleven (11) member Board of Directors and the Chief Executive Officer of the Trust who is the Secretary to the Board.

### iv) Fiduciary Oversight Arrangements

#### BOARD OF DIRECTORS

1. Mr. Richard Fox – representing the Lake Naivasha Growers Group (Chairman)
2. Mr. Andrew Ole Koisamou –representing Pastoralists
3. Mr. Paul Ruoya –representing the Catchment Water Resource Users' Associations
4. Ms. Sarah Higgins –representing the Lake Naivasha Riparian Association
5. Mr. Mark Kariuki – representing Naivasha local business community and tourism industry
6. Ms. Mary Njuguna –representing Community Forest Association
7. Mr. Raphael Ikiba –representing Beach Management Units
8. Mr. Karanja Njoroge -representing civil society organizations
9. The Mayor of the Municipal Council of Naivasha
10. The Permanent Secretary in the Ministry responsible for the Environment
11. The District Commissioner, Naivasha District

The Board of Directors is responsible for formulating the Trust's vision, realisation of its mission and achievement of strategic objectives in an effective manner as well as providing strategic oversight.

#### Committees

The board has an inter-Ministerial Technical Committee which comprise of –

- a) The Permanent Secretary, Ministry of Environment and Mineral Resources, Who is the Chairperson;
- b) The Economic Advisor to the Prime Minister, who is the co-chairperson;
- c) The Assistant Director of programmes in the Ministry responsible for the environment, who shall be the Secretary'
- d) One representative each from the Ministries responsible for –
  - i) Finance;
  - ii) Local government;
  - iii) Water and irrigation;
  - iv) Agriculture;
  - v) Tourism;
  - vi) Forestry and wildlife;
  - vii) Energy;
  - viii) Fisheries;
  - ix) Livestock development;
  - x) Public health and sanitation; and

Imarisha Naivasha Trust  
Financial Statements for the year ended 30<sup>th</sup> June 2013

xi) Lands.

The main function of the committee is policy and technical guidance to the board and facilitating implementation of the Imarisha Naivasha Programme.

**e) Headquarters**

Post Office Box 2122 – 20117,  
Maryland Complex, 1<sup>st</sup> floor,  
Mbaria Kaniu Road,  
Naivasha - Kenya.

**f) Contacts**

Telephone: (254) 050 2030456  
E-mail: imarishanaivasha  
@gmail.com

**g) Principal Bankers**

CFC Stanbic Bank  
CFC Heritage House, Moi Rd  
P.O. Box 1053-20117,  
Tel: 020 -3268000

**h) Independent Auditors**

Auditor General  
Anniversary Towers, University Way  
P.O. Box 30084 – 00100,  
GPO, Nairobi.  
Tel: +254-20-2227383,  
Fax: +254-20-311482  
E-mail: [cag@kenao.go.ke](mailto:cag@kenao.go.ke),  
Website: [www.kenao.go.ke](http://www.kenao.go.ke)

**xi) Principal Legal Adviser**

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

## II. THE BOARD OF DIRECTORS

1. Mr. Richard Fox – (Chairman)
2. Mr. Andrew Ole Koisamou
3. Mr. Paul Ruoya
4. Ms. Sarah Higgins
5. Mr. Mark Kariuki
6. Ms. Mary Njuguna
7. Mr. Raphael Ikiba
8. Mr. Karanja Njoroge
9. The Mayor of the Naivasha Municipal Council
10. The Permanent Secretary in the Ministry responsible for the Environment
11. The District Commissioner, Naivasha District

## THE KEY MANAGEMENT TEAM

**Anderson Koyo:** Chief Executive Officer/ Secretary to the board

### ***Kamau Mbogo***

Is the **Technical officer, environemtna and natural Resource**. He is a trained aquatic biologist with vast experience in integrated watershed management striding over 20 years. He has over the years served in diverse positions both in ecosystems research and management. He holds an MSc (hydrobiology) and BSc (Botany and Zoology) degrees from the University of Nairobi.

### **Vitalis Ochieng**

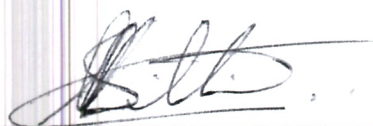
Mr. Vitalis Ochieng is the Accountant and office Administrator of Imarisha Naivasha. He is a trained accountant with experience spanning over twenty-eight years. He has exposure in Human Resource Management, general Administration and Accounting both at Supervisory and Middle Management level from the private sector.

### III. CHAIRMAN'S STATEMENT

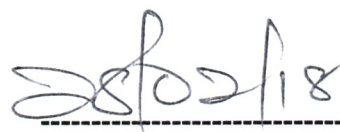
During the Financial year 2012/2013, we received a total donation of 60.6 million Kenya shillings; 39% coming from the Government of Kenya, 32% from UK Retailers and 25% from WWF for IWRAP programme.

This is the second year of the Imarisha Naivasha program. With the financial support from GoK and the private sector Imarisha was able to embark on initiating diverse project activities within the basin towards the implementation of the sustainable Development Action Plan (SDAP). During the same period we have been able to attract collaborative initiatives largely promoting water stewardship and capacity development of the water resources users associations (WRUAs) within the Basin.

The financial statement is the reflection of the financial status of Imarisha Naivasha.



Chairman, Board of Directors



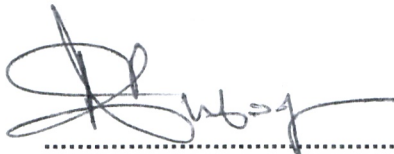
Date

**IV. REPORT OF THE CHIEF EXECUTIVE DIRECTOR**

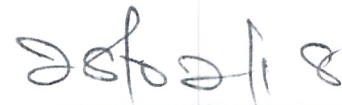
I am pleased to announce the financial results of the Trust for the financial period ended on 30<sup>th</sup> June 2013.

During this period, the Trust received Kshs. 23,850,000/= from the Government of Kenya, Kshs. 19,650,000/= from UK Retailers, Kshs. 15,401,750/= from WWF for IWRAP programme and Kshs. 530,000/= from World Wide Fund for Nature

Overall, the performance of the Trust was in line with our strategic focus of the institution as outlined in the Sustainable Development Action Plan 2012-2017. In this financial year, we were able to implement diverse project activities ranging from River riparian zones rehabilitation through tree planting, community earth dam desilting rainwater harvesting in line with the envisaged outcomes in the SDAP. commitment of the Government to the program has attracted other partners such as WWF in supporting Imarisha and its activities within the basin



.....  
**Chief Executive Officer**



.....  
**Date**

## V. CORPORATE GOVERNANCE STATEMENT

We believe in good corporate governance as an organisation. The Board provides leadership through oversight, review and guidance whilst setting the strategic direction. The Board is the primary decision-making body for all matters considered as material to the Trust. The Board has the appropriate mix of skills, knowledge and experience to perform its role effectively.

Board meetings are held quarterly. The Board has a formal schedule of matters specifically reserved for deliberation. The Trust ensures that it provides the necessary resources and expertise to the Board of directors to assist them in their decision-making and as such, they are regularly consulted on key policy matters.

### **General Responsibilities**

The Board has a duty to the people of Kenya to ensure that Imarisha Naivasha Trust achieves its objectives efficiently and effectively and in compliance with the Legal Notice No 5368. Statutory powers of the Imarisha Naivasha Board include:

1. Develop a programme ('Imarisha Naivasha Programme') to co-ordinate the activities of various players engaged in the conservation of the Lake and its catchment, and for that purpose to review and approve projects;
2. Monitor compliance with the laws and regulations governing the environment of the lake and its catchment in collaboration with relevant Ministries;
3. Develop and enforce codes of conduct to be observed by the players in order to improve the environment and establish sustainability of the lake and its catchment in partnership with the relevant stakeholders;
4. Develop, adopt and execute a Trust or other instrument to receive financial resources from within or outside Kenya to finance the implementation of programmes, for which the board shall be fully accountable for proper and prudent management and for the loss of which it shall be liable'
5. Collaborate with all the stakeholders, including research institutions and promote their active participation in the Imarisha Naivasha Programme within the lake and its catchment.

In working to meet its obligations, the Board shall focus on matters of corporate governance, ensure that personal and private interest are put aside for the good of the Trust, and delegate matters of management to staff.

### **Specific Responsibilities**

Given the powers afforded above and taking into consideration matters of corporate governance, the Imarisha Naivasha Board will execute the following specific responsibilities;

- Determine a clear statement of Trust's vision, mission, purpose and values.
- Make recommendations for appointment of the Chief Executive Officer
- Monitor and appraise the performance of the Chief Executive Officer
- Appoint and appraise other senior managers
- Ensure accountability through quality management systems
- Ensure adequate strategic planning
- Ensure adequate operational planning
- Ensure Trust has adequate financial resources
- Ensure adequate financial reporting
- Ensure adequate standards of internal controls
- Approve staff employment policies and practices
- Assess corporate performance through external evaluations
- Manage, protect and enhance Trust's reputation
- Ensure an efficient and effective functioning Board

Except for direction and guidance on general policy, the Board has delegated the authority for the conduct of day-to-day business to the Chief Executive Officer and the Management.

### **Directors' remuneration**

The remuneration of all directors is subject to regular review to ensure that levels of remuneration and compensation are appropriate as provided for by law. The directors are paid a sitting allowance for meetings attended.

### **Internal Controls**

The Trust has in place a system of internal controls with defined procedures, financial and operational controls to ensure that resources are safeguarded; transactions authorised, validated and reported in line with International Financial Reporting Standards.

### **Committees**

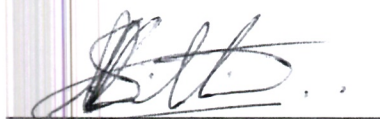
The Board has an Inter-Ministerial Technical Committee (IMTC) that guides it on technical and policy issues and provides linkage with the government. All directors are subject to a three-year term renewable once (for independent members appointed by name) in accordance with the Legal Notice. On first appointment, the directors go through an induction program covering the organisation's operations and an appreciation of the key risk therein. The directors are advised of the legal, regulatory and other obligations of a director of a listed company on an ongoing basis.

**Conflicts of interest**

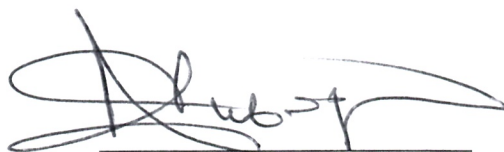
The directors are under a duty to avoid conflicts of interest. This entails not engaging, directly or indirectly in any business that competes or conflicts with the Trust's business. The Trust has established a robust process requiring directors to disclose outside business interests before they are entered into. Any potential or actual conflicts of interest are reported to the Chief Executive officer.

**Compliance**

The Board confirms that it is satisfied that the Trust has adequate resources to continue in operating for the foreseeable future. For this reason, it continues to adopt the going concern basis when preparing the financial statements. The Board is satisfied that the Trust has to the best of their knowledge complied with all relevant laws and conducted its business affairs in accordance with the law in particular to the State Corporations Act and the Gazette Notice no: 5368. Further disclosures on compliance are set out in the Directors statement of responsibilities and notes to the financial statements.



**Chair, Board of Directors**



**Chief Executive Officer**

## **VI. CORPORATE SOCIAL RESPONSIBILITY STATEMENT**

Imarisha Naivasha Trust is a Public Private Partnership that epitomizes the aspirations of Kenyans in environmental conservation and Lake Naivasha management. The Trust recognizes its obligations to act professionally, ethically, and with integrity in its dealings with stakeholders including staff, neighbours, customers and the environment at large.

## **VII. REPORT OF THE DIRECTORS**

The Directors submit their report together with the audited financial statements for the year ended June 30, 2013 which show the state of the Imarisha Naivasha Trust affairs.

### **Principal activities**

The principal activities of the trust as outlined in the sustainable development action Plan continue to be;

1. Ensuring the Lake Naivasha and its Riparian Zone (as legally defined) are protected and managed according to "wise use" principles
2. Ensuring Land use and management in the Basin contribute to sustainable development
3. Ensuring Water resource institutions, mechanisms and facilities across the Basin function to regulate water use sustainability
4. Ensuring Imarisha Naivasha is recognized and functioning effectively as a coordinating institution

### **Results**

The results of the trust for the year ended June 30, 2013 are set out on page 1 to 5.

### **Directors**

The term of the board of Directors expires on 2<sup>nd</sup> March 2013. All the board members will be retiring at the same time

### **Auditors**

The Auditor General is responsible for the statutory audit of the Imarisha Naivasha Trust in accordance with section 81 of the Public Finance Management (PFM) Act, 2012, and section 69 of the Public Audit Act which empowers the Auditor General to nominate other auditors to carry out the audit on his behalf.

# REPUBLIC OF KENYA

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P.O. Box 30084-00100  
NAIROBI

## OFFICE OF THE AUDITOR-GENERAL

### REPORT OF THE AUDITOR-GENERAL ON IMARISHA NAIVASHA TRUST FOR THE YEAR ENDED 30 JUNE 2013

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#### REPORT ON THE FINANCIAL STATEMENTS

#### Qualified Opinion

I have audited the accompanying financial statements of Imarisha Naivasha Trust set out on pages 1 to 17, which comprise the statement of financial position as at 30 June 2013, and the statement of financial performance, statement of changes in net assets, statement of cash flows and statement of comparison of budget and actual amounts 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 35 of the Public Audit Act, 2015. 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.

In my opinion, except for the effect of the matters described in the Basis for Qualified Opinion section of my report, the financial statements present fairly, in all material respects, the financial position of Imarisha Naivasha Trust as at June 30 2013, and of its financial performance and its cash flows for the year then ended, in accordance with International Public Sector Accounting Standards (Accrual Basis) and comply with the Gazette Notice No.5368 of May 2011.

#### Basis for Opinion

##### 1. Legal Status

The Imarisha Naivasha Trust was established under the Gazette Notice No. 5368 of May 2011 as a Board and not as full Institution. In National Treasury records, the Board is captured as a Project under the Ministry of Environment and Natural resources and not as an independent Institution for separate funding. This unclear legal status has resulted to the Board missing out in budgetary allocation.

##### 2. Luck of Funding Agreement

The Trust received a total of Kshs.35,581,750 during the year as donor funding from three different donors. However, Kshs.19,650,000 received from UK Retailers was without any Financing Agreements. It was therefore not possible to ascertain the basis of funding and for how long it will be available to the Board. This may lead to unpredictable revenue leading to difficulties in budgeting and long term planning.

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*Report of the Auditor-General on the Trust Financial Statements of Imarisha Naivasha for the year ended 30 June 2013*

In the circumstance, it has not been possible to ascertain the basis of funding for Kshs.19,650,000 received by the Trust as at 30 June 2013.

### **3. Employee Compensation**

The Board incurred Kshs.8,210,173 as at 30 June 2013 as employee compensation. However, the Board did not have clear salary structure for its staff. It was therefore not possible to ascertain the propriety of the expenditure of Kshs.8,210,173. Further, management deducted 10% as Income tax from the staff salaries contrary to Income Tax Act which recommends graduated scale. This amounts to denying the Government revenue.

In consequence, the propriety of the expenditure of Kshs.8,210,173 as at 30 June 2013 on employee compensation could not be ascertained.

### **4. Non-current Assets**

The Trust received assets valued at Kshs.5,000,000 from the office of Prime Minister during the financial year 2011/2012 as the starting capital. The assets were not accompanied with the purchase documents other than delivery notes. They were not valued as required under IPSAS 17.

Consequently, it has not possible to ascertain the basis of the value of Kshs.5,000,000 included in the non-current assets as at 30 June 2013.

### **5. Retention Money**

The Trust implemented its projects through contracts. During the year under review, the Trust paid various contactors a total of Kshs.19,172,610. Some of those contracts had retention money which was not provided for in the books of the Trust. The Trust liabilities are therefore understated by the retention money not included in the books of accounts as at 30 June 2013.

## **Emphasis of Matter**

### **1. Internal Controls and Staff Establishment**

Due to budgetary constraints, the Board has a very lean staff of four which included the CEO, the Accountant, the driver and support staff. Due to that effect, the accountant has to perform all the receiving, recording and authorizing payments.

This leaves no other person to check his work. Further, the Board does not have any staff in the technical department to enable it perform its functions.

## **2. Board Meetings**

The Board held seven (7) meetings during the year for which there were no minutes taken and signed as required under Section 8 of the State Corporations Act Cap 446. The Board did not have a calendar of activities as required and the Board minute book was not kept as required. It was therefore not possible to ascertain whether the meetings actually took place.

### **Key Audit Matters**

Key audit matters are those matters that, in my professional judgment, were of most significance in the audit of the financial statements of the current year. There were no Key Audit Matters to report in the year under review.

### **Responsibilities of Management and Those Charged with Governance 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 (Accrual Basis) 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.

In preparing the financial statements, management is responsible for assessing the Board's ability to continue as a going concern sustain services, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the management either intends to liquidate the Board's or to cease operations, or have no realistic alternative but to do so.

Management is also responsible for the submission of the financial statements to the Auditor-General in accordance with the provisions of Section 47 of the Public Audit Act, 2015.

Those charged with governance are responsible for overseeing the Board's financial reporting process.

### **Auditor-General's Responsibilities for the Audit of the Financial Statements**

The audit objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion in accordance with the provisions of Section 48 of the Public Audit Act, 2015 and submit the audit report in compliance with Article 229(7) of the Constitution.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISSAIs will always detect a material misstatement and weakness when it exists.

Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

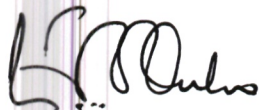
As part of an audit in accordance with ISSAIs, I exercise professional judgement and maintain professional skepticism throughout the audit. I also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances and for the purpose of giving an assurance on the effectiveness of the Board's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the management.
- Conclude on the appropriateness of the management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Board's ability to continue as a going concern or to sustain its services.  
If I conclude that a material uncertainty exists, I am required to draw attention in the auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my audit report. However, future events or conditions may cause the Board's to cease to continue as a going concern or to sustain its services.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information and business activities of the Board have to express an opinion on the financial statements.

- Perform such other procedures as I consider necessary in the circumstances.

I communicate with the management regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that are identified during the audit.

I also provide management with a statement that I have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on my independence, and where applicable, related safeguards.



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

**Nairobi**

**6 March 2019**

Imarisha Naivasha Trust  
Financial Statements for the year ended 30<sup>th</sup> June 2013

**STATEMENT OF FINANCIAL PERFORMANCE FOR THE YEAR ENDED 30<sup>TH</sup> JUNE 2013**

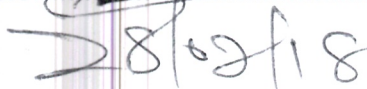
**INCOME**

	Note	2012 / 2013 Kshs	2011/ 2012 Kshs
<b>Revenue from non-exchange transactions</b>			
Donation in kind -Government of Kenya	3a	0	5,000,000
Funds from Government of Kenya	3b	23,850,000	14,000,000
Funds from other Donors	3c	35,581,750	31,706,950
		<b>59,431,750</b>	<b>50,706,950</b>
Finance Income -Interest received	4	1,149,269	266,463
<b>Total Revenue</b>		<b>60,581,019</b>	<b>50,973,413</b>
 <b>EXPENSES</b>			
Compensation of Employees	5	8,210,173	6,297,363
Administration expenses	6	545,608	595,274
Board expenses	7	2,215,000	1,725,000
Operation & Maintenance	8	1,974,295	1,160,416
Projects expenses	9	19,172,610	10,015,513
Depreciation	11	3,382,138	1,071,380
<b>Total</b>		<b>35,499,824</b>	<b>20,864,946</b>
<b>Surplus for the year</b>		<b>25,081,195</b>	<b>30,108,467</b>
Surplus brought forward		30,108,467	0
<b>Surplus carried forward</b>		<b>55,189,662</b>	<b>30,108,467</b>

The notes set out on pages 19 to 30 form an integral part of the Financial Statements

**Chairman, Board of Directors**

Date:  .....



**Chief Executive Officer**

Date:  .....

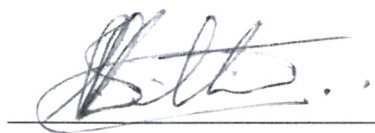


Imarisha Naivasha Trust  
Financial Statements for the Year Ended 30<sup>th</sup> June 2012

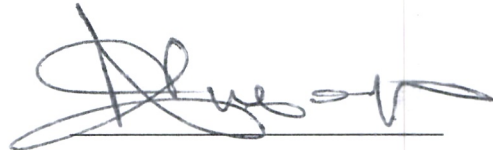
**XII. STATEMENT OF FINANCIAL POSITION AS AT 30<sup>th</sup> JUNE 2013**

	Note	2012 / 2013 Kshs	2011 / 2012 Kshs
<b>Current Assets</b>			
Cash & cash equivalent	10	45,400,147	26,179,847
		<b>45,400,147</b>	<b>26,179,847</b>
<b>Non-Current Assets</b>			
Property, Plant & Equipment	11	9,789,515	3,928,620
<b>Total Assets</b>		<b>55,189,662</b>	<b>30,108,467</b>
Current liabilities		0	0
Accumulated surplus		55,189,662	30,108,467
<b>Total net Assets and Liabilities</b>		<b>55,189,662</b>	<b>30,108,467</b>

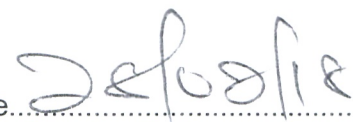
The Financial Statements set out on pages 13 to 18 were signed on behalf of the Board of Directors by:

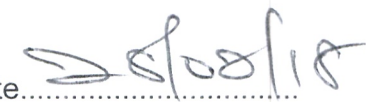


**Chairman, Board of Directors**



**Chief Executive Officer**

Date... 

Date... 

Imarisha Naivasha Trust  
Financial Statements for the year ended 30<sup>th</sup> June 2013

**STATEMENT OF CHANGES IN NET ASSETS FOR THE YEAR ENDED 30TH JUNE 2013**

	<b>Capital Reserves</b>	<b>Revenue Reserves</b>	<b>Total</b>
Balance b/f as at 1 <sup>st</sup> July 2011	0	0	0
Adjustment for the year	0	0	0
Addition for the Year	0	0	0
Surplus /(Deficit for the Year)	0	30,108,467	30,108,467
<b>Balance c/f as at 30<sup>th</sup> June 2012</b>	<b>0</b>	<b>30,108,467</b>	<b>30,108,467</b>

	<b>Capital Reserves</b>	<b>Revenue Reserves</b>	<b>Total</b>
Balance b/f as at 1 <sup>st</sup> July 2012	0	30,108,467	30,108,467
Surplus for the Year	0	25,081,195	25,081,195
<b>Balance c/f as at 30<sup>th</sup> June 2013</b>	<b>0</b>	<b>55,189,662</b>	<b>55,189,662</b>

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**STATEMENT OF CASH FLOWS THE YEAR ENDED 30TH JUNE 2013**

	2012/2013	2011 / 2012
	Kshs	Kshs.
<b>Cash flow from operating activities</b>		
Receipts:		
Donations –Government of Kenya	3a 0	5,000,000
Transfer from –Government of Kenya	3b 23,850,000	14,000,000
Transfer from donors	3c 35,581,750	31,706,950
Finance Income –Interest received	4 1,149,269	266,463
	<b>60,581,019</b>	<b>50,973,413</b>
<b>Payments</b>		
Employee Cost	(8,210,173)	(6,297,363)
Office rent / Utilities	(517,484)	(577,391)
Finance cost	(28,124)	(17,883)
Other payments	(23,361,905)	(12,900,930)
	<b>(32,117,686)</b>	<b>(19,793,567)</b>
<b>Net cash flow from operating activities</b>	<b>28,463,333</b>	<b>31,179,846</b>
<b>Cash flow from investing activities</b>		
Purchase of property, Plants and equipment and intangible assets	(9,243,033)	(5,000,000)
Proceeds from sale of Property, plants and equipment	0	0
Decrease in non current receivable	0	0
Increase in investments	0	0
<b>Net cash flow from investing activities</b>	<b>(9,243,033)</b>	<b>(5,000,000)</b>
<b>Cash flow from financing activities</b>		
Proceeds from borrowing	0	0
Repayment of borrowing	0	0
Increase in deposits	0	0
<b>Net cash flow from financing activities</b>	<b>0</b>	<b>0</b>
<b>Net increase/decrease in cash and cash equivalent</b>	<b>19,220,300</b>	<b>26,179,846</b>
Cash and cash equivalent as at 30 <sup>th</sup> June 2012	19,220,300	26,179,846
Cash and cash equivalent at the beginning of the period	26,179,847	0
<b>Cash and cash equivalent a the end of the period</b>	<b>45,400,146</b>	<b>0</b>

Imarisha Naivasha Trust  
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**STATEMENT OF COMPARISON OF ACTUAL AND BUDGET AS AT 30<sup>TH</sup> JUNE 2013**

	FINAL BUDGET	ACTUAL ON COMPARABLE BASIS	PERFORMANCE DIFFERENCE
<b>REVENUE</b>			
Donation -Government of Kenya	0	0	0
Transfer from Government of Kenya	31,700,000	23,850,000	(7,850,000)
Transfer from donors	35,581,750	35,581,750	0
Finance income	1,149,269	1,149,269	0
<b>Total income</b>	<b>68,431,019</b>	<b>60,581,019</b>	<b>(7,850,000)</b>
<b>EXPENSES</b>			
Compensation to employees	11,340,000	8,210,173	(3,129,827)
Administration expenses	836,000	545,608	(290,392)
Board expenses	3,000,000	2,215,000	(785,000)
Operation & Maintenance	2,874,000	1,974,295	(899,705)
Project expenses	18,192,233	19,172,610	980,377
Depreciation	3,382,138	3,382,138	0
<b>Total expenditure</b>	<b>39,624,371</b>	<b>35,499,824</b>	<b>(4,124,547)</b>
Surplus / (deficit) for the year	28,806,648	25,081,195	(3,725,453)

## NOTES TO THE FINANCIAL STATEMENTS

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

### 1. Statement of compliance and basis of preparation

The financial statements are prepared in accordance with & 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 Trust and all values are rounded to the nearest shilling (Kshs). The accounting policies have been consistently applied to all the years presented. The cash flow statement is prepared using the indirect method. The financial statements have been prepared on the basis of historical cost basis of measurement as modified by fair value adjustments where necessary.

### 2. Summary of significant accounting policies

The Trust is a going concern with there being no intention to liquidate or curtail its operations materially. The preparation of these financial statements conforms to Generally Accepted Accounting Principles (GAAP) which requires the use of estimates and assumptions that affect the reporting amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reporting amounts of revenues and expenses during the reporting period.

#### a) Revenue recognition

##### i) Revenue from non-exchange transactions

##### Fees, taxes and fines

The Trust 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 Trust and the fair value of the asset can be measured reliably.

Revenue is recognised when it is probable that future economic benefits will flow to the Trust and the amount of revenue can be measured reliably. Interest income is recognized on an accruals basis in the Statement of Comprehensive Income. When financial assets become impaired, any inherent income/revenue is thereafter recognized at rates used to discount future cash flows for the purpose of measuring the recoverable amount. Fees income is generally recognized on an accrual basis.

**ii) Revenue from exchange transactions**

***Rendering of services***

The Trust recognizes revenue from rendering of services by reference to the stage of completion when the outcome of the transaction can be estimated reliably. The stage of completion is measured by reference to labour hours incurred to date as a percentage of total estimated labour hours. Where the contract outcome cannot be measured reliably, revenue is recognized only to the extent that the expenses incurred are recoverable.

***Interest income***

Interest income is accrued using the effective yield method. The effective yield discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount. The method applies this yield to the principal outstanding to determine interest income each period.

**b) Budget information**

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 Trust. As a result of the adoption of the accrual basis for budgeting purposes, there are no basis, timing or organisational 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.

**c) Property, plant and equipment**

All property, plant and equipment is initially recorded at cost and thereafter stated at historical cost less accumulated depreciation and accumulated impairment losses. Cost includes expenditure directly attributable to acquisition of the assets. Increases in the carrying amount arising on revaluation are recognized in other comprehensive income and accumulated in equity under revaluation surplus.

The assets residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period. Property, plant and equipment are periodically reviewed for impairment. Where the carrying amount of property and equipment is greater than its estimated recoverable amount, it is written down immediately to its recoverable amount. Gains or losses on disposal of property and equipment are determined by reference to their carrying amount and are taken into account in determining the surplus. Tools and other minor office equipments are fully (100%) depreciated in the year of acquisition.

Depreciation is calculated on a pro-rata straight-line basis to the date of acquisition to write down the cost of each asset to its residual value over its estimated useful life using the following annual rates.

Motor Vehicles	25%
Furniture & Fittings	12.5%
Computers & related accessories	33.3%

**d) 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 various commercial banks at the end of the financial year.

**e) Comparative figures**

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

**f) Significant judgments and sources of estimation uncertainty**

The preparation of the Trust's financial statements in conformity with IPSAS requires, its Directors to make certain 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, that are continuously evaluated and assessed for adjustments based on prior experience and other determinants, including expectations of future events that are believed to be reasonable under the prevailing circumstances. Although these estimates are based on the Directors' best knowledge of current events and actions, in practice actual results may differ from these estimates. Such estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities are reviewed at the end of each reporting period, and any revisions to such estimates are recognised in the year in which the revision is made and are described in these notes to the Financial Statements.

***Estimates and assumptions***

The Trust is a going concern with there being no intention to liquidate or curtail its operations materially. The preparation of these financial statements conforms to Generally Accepted Accounting Principles (GAAP) which requires the use of estimates and assumptions that affect the reporting amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reporting amounts of revenues and expenses during the reporting period.

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below. The Trust based its assumptions and estimates on parameters available when the consolidated financial statements were prepared. However, existing circumstances and assumptions about future developments may change due to market changes or circumstances arising beyond the control of the Service. Such changes are reflected in the assumptions when they occur.

**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 engaged
- 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

**Provisions**

Provisions are recognized when the Trust 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 Trust 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.

Provisions were raised and management determined an estimate based on the information available. Additional disclosure of these estimates of provisions is included in Note 22. Provisions are measured at the management's best estimate of the expenditure required to settle the obligation at the reporting date, and are discounted to present value where the effect is material. The estimates are discounted at a pre-tax discount rate that reflect current market assessments of the time value of money.

**g) NEW AND REVISED STANDARDS**

**(i) Adoption of new and revised standards**

The following new and revised standards have been adopted for the first time in the financial year and have been adopted by the Trust where relevant to its operations;

**Standard Title**

IPSAS 1	Presentation of Financial Statements
IPSAS 2	Cash Flow Statements
IPSAS 3	Net Surplus or Deficit for the Period - Fundamental Errors and Changing in Accounting Policies
IPSAS 4	The Effects of changes in Foreign Exchange Rates
IPSAS 9	Revenue from Exchange Transactions
IPSAS 10	Financial Reporting in Hyperinflationary Economies

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IPSAS 12	Inventories
IPSAS 14	Events after the Reporting Date
IPSAS 15	Financial Instruments: Disclosure and Presentation
IPSAS 16	Investment Property
IPSAS 17	Property, Plant and Equipment
IPSAS 18	Segment Reporting
IPSAS 19	Provisions, Contingent Liabilities, Contingent Assets
IPSAS 20	Related Party Disclosures
IPSAS 21	Impairment of Non-cash-generating Assets
IPSAS 23	Revenue from Non-Exchange Transactions (Taxes and Transfers)
IPSAS 24	Presentation of Budget Information in Financial Statements
IPSAS 25	Employee Benefits
IPSAS 26	Impairment of Cash-Generating Assets
IPSAS 27	Agriculture
IPSAS 28	Financial Instruments: Presentation.
IPSAS 29	Financial Instruments: Recognition and Measurement
IPSAS 26	Impairment of Cash-Generating Assets
IPSAS 30	Financial Instruments: Disclosures.
IPSAS 31	Intangible Assets.

- **IPSAS 1, Presentation of Financial Statements**, sets out the overall considerations for the presentation of financial statements, guidance for the structure of those statements and minimum requirements for their content under the accrual basis of accounting.
- **IPSAS 2, Cash Flow Statements**, requires the provision of information about the changes in cash and cash equivalents during the period from operating, investing and financing activities.
- **IPSAS 3, Net Surplus or Deficit for the Period, Fundamental Errors and Changes in Accounting Policies**, specifies the accounting treatment for changes in accounting estimates, changes in accounting policies and the correction of fundamental errors, defines extraordinary items and requires the separate disclosure of certain items in the financial statements.
- **IPSAS 4, The Effects of Changes in Foreign Exchange Rates**, deals with accounting for foreign currency transactions and foreign operations. It sets out the requirements for determining which exchange rate to use for the recognition of certain transactions and balances and how to recognise in the financial statements the financial effect of changes in exchange rates.
- **IPSAS 9, Revenue from Exchange Transactions**, establishes requirements for the accounting treatment of revenue from exchange transactions. Non-exchange revenue, such as taxation, is not addressed in this standard.
- **IPSAS 10, Financial Reporting in Hyperinflationary Economies**, describes characteristics of an economy that indicate whether it is experiencing a period of hyperinflation and provides guidance on restating the financial statements in a hyperinflationary environment to ensure useful information is provided.

- **IPSAS 12, Inventories**, establishes the accounting treatment of inventories held by public sector entities and deals with inventories held for sale in an exchange transaction and certain inventories held for distribution at no or nominal charge. The IPSAS excludes from its scope work-in progress of services to be provided at no or nominal charge from recipients because they are not dealt with by IAS 2 Inventories and because they involve public sector specific issues which require further consideration.
- **IPSAS 14, Events After the Reporting Date**. The IPSAS is based on IAS 10, Events after the Balance Sheet Date (revised 1999) but has been amended where necessary to reflect the public sector operating environment. The Standard establishes criteria for deciding whether the financial statements should be adjusted for an event occurring after the reporting date. It distinguishes between adjustable events (those that provide evidence of conditions that existed at the reporting date) and non-adjustable events (those that are indicative of conditions that arose after the reporting date).
- **IPSAS 15, Financial Instruments: Disclosure and Presentation**. The IPSAS is based on IAS 32 *Financial Instruments: Disclosure and Presentation* (Revised 1998). The Standard includes requirements for disclosures about both on-balance sheet and off-balance sheet (statement of financial position) instruments, and the classification of financial instruments as financial assets, liabilities or equity.
- **IPSAS 16, Investment Property**. Based on IAS 40 *Investment Property* (issued 2000) and provides guidance on identifying investment properties in the public sector. The Standard:
  - requires that investment property initially be recognised at cost and explains that where an asset is acquired at no or nominal cost, its cost is its fair value as at the date it is first recognised in the financial statements;
  - requires that subsequent to initial recognition investment property be measured consistent with either the fair value model or the cost model; and
  - Includes transitional provisions for the initial adoption of the IPSAS.
- **IPSAS 17, Property, Plant and Equipment**. Establishes the accounting treatment for property, plant and equipment, including the basis and timing of their initial recognition, and the determination of their ongoing carrying amounts and related depreciation. It does not require or prohibit the recognition of heritage assets.
- **IPSAS 18, Segment Reporting**. Establishes principles for reporting financial information about distinguishable activities of a government or other public sector entity appropriate for evaluating the entity's past performance in achieving its objectives and for making decisions about the future allocation of resources.
- **IPSAS 19, Provisions, Contingent Liabilities and Contingent Assets**. This Standard defines provisions, contingent liabilities and contingent assets; and identifies the circumstances in which provisions should be recognised, how they should be measured and the disclosures that should be made about them. The Standard also requires that certain information be disclosed about contingent

liabilities and contingent assets in the notes to the financial statements to enable users to understand their nature, timing, and amount.

- **IPSAS 20, Related Party Disclosures.** Requires disclosure of the existence of related party relationships where control exists and the disclosure of information about transactions between the entity and its related parties in certain circumstances. This information is required for accountability purposes and to facilitate a better understanding of the financial position and performance of the reporting entity.
- **IPSAS 21, Impairment of Non-Cash-Generating Assets.** Prescribes the procedures that an entity applies to determine whether a non-cash-generating asset is impaired and to ensure that impairment losses are recognised. The standard also specifies when an entity would reverse an impairment loss and prescribes disclosures.
- **IPSAS 23, Revenue from Non-Exchange Transactions (Taxes and Transfers).**  
Addresses:
  - Recognition and measurement of revenue from taxes
  - Recognition of revenue from transfers, which include grants from other governments and international organisations, gifts and donations
  - How conditions and restrictions on the use of transferred resources are to be reflected in the financial statements.
- **IPSAS 24, Presentation of Budget Information in Financial Statements.** Applies to entities that adopt the accrual basis of financial reporting. It identifies disclosures to be made by public sector entities that make their approved budgets publicly available. Also, it requires public sector entities to include a comparison of budget and actual amounts in the financial reports and an explanation of any material differences between budget and actual amounts.
- **IPSAS 25 Employee Benefits.** Sets out the reporting requirements for the four categories of employee benefits. These are short-term employee benefits, such as wages and social security contributions; post-employment benefits, including pensions and other retirement benefits; other long-term employee benefits; and termination benefits. It also deals with specific issues for the public sector, including the discount rate related to post-employment benefits, treatment of post-employment benefits provided through composite social security programs, and long-term disability benefits.
- **IPSAS 26 Impairment of Cash-Generating Assets.** Some public sector entities (other than government business enterprises, which would already be using full IFRSs) may operate assets with the main purpose of generating a commercial return (rather than providing a public service). It sets out the procedures for a public sector entity to determine whether a cash-generating asset has lost future economic benefit or service potential and to ensure that impairment losses are recognised in its financial reports. Non cash-generating assets, those used primarily for service delivery, are addressed separately in IPSAS 21 Impairment of Non-Cash-Generating Assets.

- **IPSAS 27 Agriculture.** Prescribes the accounting treatment and disclosures related to agricultural activity, a matter not covered in other standards. Agricultural activity is the management by an entity of the biological transformation of living animals or plants (biological assets) for sale, or for distribution at no charge or for a nominal charge or for conversion into agricultural produce or into additional biological assets. It addresses biological assets held for transfer or distribution at no charge or for a nominal charge to other public sector bodies or to not-for-profit organisations. It also includes disclosure requirements that are aimed at enhancing consistency with the statistical basis of accounting that governs the Government Finance Statistics Manual.
- **IPSAS 28 Financial Instruments: Presentation.** It establishes principles for presenting financial instruments as liabilities or equity, and for offsetting financial assets and financial liabilities.
- **IPSAS 29 Financial Instruments: Recognition and Measurement.** It establishes principles for recognising and measuring financial assets, financial liabilities, and some contracts to buy or sell non-financial items.
- **IPSAS 30 Financial Instruments: Disclosures.** Requires disclosures for the types of loans described in IPSAS 29. It enables users to evaluate: the significance of the financial instruments in the entity's financial position and performance; the nature and extent of risks arising from financial instruments to which the entity is exposed; and how those risks are managed.
- **IPSAS 31 Intangible Assets.** Covers the accounting for and disclosure of intangible assets. It also adds application guidance and illustrations that have not yet been incorporated into the relevant IAS. At this point, IPSAS 31 does not deal with uniquely public sector issues, such as powers and rights conferred by legislation, a constitution, or by equivalent means; the IPSASB will reconsider the applicability of the standard to these powers and rights in the context of its conceptual framework project, which is currently in progress.

There are other amendments and interpretations to standards which became mandatory for years beginning on or after 1<sup>st</sup> July 2014 but had no significant effect on the Agency's financial statements.

**(ii) Standards, amendments and interpretations to existing standards that are not yet effective or have not been adopted**

Numerous new standards, amendments and interpretations to existing standards have been issued but are not yet effective. Below is the list of standards that are likely to be relevant to the Agency for the year beginning 1<sup>st</sup> July 2014.

**Standard Title**

- IPSAS 5, Borrowing Costs,
- IPSAS 6, Consolidated Financial Statements and Accounting for Controlled Entities

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- IPSAS 7, Accounting for Investments in Associates,
  - IPSAS 8, Financial Reporting of Interests in Joint Ventures
  - IPSAS 11, Construction Contracts
  - IPSAS 13, Leases
  - IPSAS 22, Disclosure of Financial Information about the General Government Sector.
  - IPSAS 32 Service Concession Arrangements: Grantor
- 
- **IPSAS 5, Borrowing Costs**, prescribes the accounting treatment for borrowing costs and requires either the immediate expensing of borrowing costs or, as an allowed alternative treatment, the capitalisation of borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset.
  - **IPSAS 6, Consolidated Financial Statements and Accounting for Controlled Entities**, requires all controlling entities to prepare consolidated financial statements which consolidate all controlled entities on a line by line basis. The Standard also contains a detailed discussion of the concept of control as it applies in the public sector and guidance on determining whether control exists for financial reporting purposes.
  - **IPSAS 7, Accounting for Investments in Associates**, requires all investments in associate to be accounted for in the consolidated financial statements using the equity method of accounting, except when the investment is acquired and held exclusively with a view to its disposal in the near future in which case the cost method is required.
  - **IPSAS 8, Financial Reporting of Interests in Joint Ventures**, requires proportionate consolidation to be adopted as the benchmark treatment for accounting for such joint ventures entered into by public sector entities. However, IPSAS 8 also permits - as an allowed alternative - joint ventures to be accounted for using the equity method of accounting.
  - **IPSAS 11, Construction Contracts**, deals with both commercial and non-commercial contracts and provides guidance on the allocation of contract costs and, where applicable, contract revenue to the reporting periods in which construction work is performed.
  - **IPSAS 13, Leases**. The IPSAS establishes requirements for financial reporting of leases and sale and leaseback transactions by public sector entities, whether as lessee or lessor.
  - **IPSAS 22, Disclosure of Financial Information about the General Government Sector**. Establishes requirements for governments that choose to disclose information about the general government sector and that prepare their financial statements under the accrual basis of accounting.
  - **IPSAS 32 Service Concession Arrangements: Grantor**. Provides for the recognition, measurement, and disclosure of service concession assets and related liabilities, revenues, and expenses by the grantor. The criteria for determining whether the operator controlled the asset used in a service concession arrangement are also used in IPSAS 32 to assess whether the grantor controlled the asset.

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None of the existing standards above have been adopted in preparing these financial statements. There are no other IPSAS's or interpretations that are not yet effective that would be expected to have a material impact on the Agency.

The Board of Directors has assessed the potential impact of the above and expects that they will not have a significant impact on the financial statements for the year ending 30<sup>th</sup> June 2013 of the Trust.

**Subsequent events**

There have been no events subsequent to the financial year end with a significant impact on the financial statements for the year ended 30<sup>th</sup> June 2013.

**3. Public Contributions and other Donations**

These are funds received by the Agency from Treasury through the Ministry of Environment, Water and Natural resources and other donors. In the financial year under consideration the Trust received a total of Ksh 60,581,019/30 for development. The breakdown of the funds received is given below.

	2012/2013	2011/2012
<b>3a Donation in kind</b>		
Donation in kind (furniture & computers)		5,000,000
<b>3b Funds from Government of Kenya</b>		
First disbursement	15,850,000	10,000,000
Second disbursement	8,000,000	4,000,000
<b>Total disbursement</b>	<b>23,850,000</b>	<b>14,000,000</b>
<b>3c Funds from other donors</b>		
Donation from UK Retailers	19,650,000	28,820,000
Donation from WWF	530,000	2,886,950
Donation from WWF for IWRAP program	15,401,750	0
<b>Donation from external donors</b>	<b>35,581,750</b>	<b>31,706,950</b>
<b>4 Interest earned</b>		
First fixed deposit	157,017	131,790
Second fixed deposit	162,431	134,674
Third fixed deposit	153,978	0
Fourth fixed deposit	209,356	0
Fifth fixed deposit	193,862	0
Sixth fixed deposit	117,179	0
Seventh fixed deposit	155,445	0
<b>Total finance income</b>	<b>1,149,269</b>	<b>266,463</b>

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	<b>2012/2013</b>	<b>2011/2012</b>
<b>5 Compensation to Employees</b>		
Net pay	7,490,648	5,721,767
Withholding tax deducted	330,750	575,596
PAYE deducted	375,895	0
NHIF deducted	5,680	0
NSSF deducted	7,200	0
<b>Total employees compensation</b>	<b>8,210,173</b>	<b>6,297,363</b>
<b>6 Administrative expenses</b>		
Rent	360,000	330,000
Bank charges	28,124	17,883
Others	157,484	247,390
<b>Total administrative expenses</b>	<b>545,608</b>	<b>595,273</b>
<b>7 Board expenses</b>		
Sitting allowance	1,605,000	1,131,750
Honoraria	494,000	434,000
Withholding tax deducted	116,000	159,250
<b>Total board expenses</b>	<b>2,215,000</b>	<b>1,725,000</b>
<b>8 Operation and Maintenance</b>		
Stationery and consumables	113,986	355,262
Communication	1,036,604	188,275
Travel and representation	814,905	355,604
ICT and computers	8,800	260,879
<b>Total operation and maintenance costs</b>	<b>1,974,295</b>	<b>1,160,020</b>
<b>9 Projects</b>		
Specialized studies	2,390,931	4,450,003
Grant support	16,717,096	5,565,510
IWRAP Program	64,582	0
<b>Total community projects costs</b>	<b>19,172,609</b>	<b>10,015,513</b>
<b>10 Cash and Cash Equivalent</b>		
Cash in hand	(7,582)	34,269
Cash at bank	45,407,729	26,145,578
<b>Total Cash and cash equivalent</b>	<b>45,400,147</b>	<b>26,179,847</b>

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**11 Property, Plants and Equipments**

	Motor vehicle Kshs	Furniture & fittings Kshs	Computers and related accessories	Total Kshs
Rate of depreciation	25%	12.50%	33.30%	
<b>Cost</b>				
<b>1st July 2012</b>	-	2,853,942	2,146,058	5,000,000
Adjustments:				
Additions	9,243,033	-	-	9,243,033
<b>30th June 2013</b>	<b>9,243,033</b>	<b>2,853,942</b>	<b>2,146,058</b>	<b>14,243,033</b>
<b>Accumulated depreciation</b>				
<b>1st July 2012</b>	-	(356,743)	(714,637)	(1,071,380)
Adjustments:				
Charge for the year	(2,310,758)	(356,743)	(714,637)	(3,382,138)
<b>30th June 2013</b>	<b>(2,310,758)</b>	<b>(713,486)</b>	<b>(1,429,275)</b>	<b>(4,453,518)</b>
<b>NET BOOK VALUE</b>				
<b>30TH JUNE 2013</b>	<b>6,932,274</b>	<b>2,140,457</b>	<b>716,783</b>	<b>9,789,514</b>
<b>30TH JUNE 2012</b>	<b>-</b>	<b>2,497,199</b>	<b>1,431,421</b>	<b>3,928,620</b>