MARA ELEPHANT PROJECT TRUST

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2018

CONTENTS

TRUST INFORMATION

BOARD OF TRUSTEES	: Richard Roberts
	: Brian Heath
	: Marc Goss
	: Fred Fehsenfeld III
	: Beatrice Karanja
	: Moses Kamau
	: Colin Church
	: Brian Kearney Grieve (Appointed on 20.07.2018)

REGISTERED OFFICE AND	: Marula Lane, Gate 40C Karen
PRINCIPAL PLACE BUSINESS	: P.O. Box 2606 - 00502
	: Nairobi, Kenya
INDEPENDENT AUDITOR	: PKF Kenya
	: Certified Public Accountants
	: P.O. Box 14077, 00800
	: Nairobi
PRINCIPAL BANKER	: I & M Bank Limited
	: Lavington Mall Branch
	: P.O. Box 30238
	: Nairobi
LEGAL ADVISORS	: Kamau, Lando & Associates Advocates
	: 1st floor suites 15B
	: The Karen Triangle, Karen road
	: P.O. Box 460 - 00502
	: Nairobi, Kenya

REPORT OF THE BOARD OF TRUSTEES

The board submit their report and the audited financial statements for the year ended 31 December 2018, which disclose the state of affairs of the trust.

INCORPORATION

The Mara Elephant Project Trust was incorporated on 1 May 2015 and registered under the Trustees Act.

PRINCIPAL ACTIVITIES

The principal activity of the trust is wildlife conservation and poverty alleviation to the public through reduction of human wildlife conflicts and conservation education.

MISSION

Protecting elephants to conserve the greater Mara ecosystem.

DEVELOPMENT PARTNERS

The success of Mara Elephant Project Trust programmes for 2018 was made possible by the contribution and support from the following Organisations and individuals:

a) **Financial supporters for the last three years**

Sidekick Foundation (formerly Escape Foundation), David Sheldrick Wildlife Trust, Oak Foundation, Karen Lo, The O'Brien Foundation Ltd, Tusk Trust, Harilal Dhanji, Foreiningen Fosvara Elefanterna, Space for Giants, Cheli and Peacock Mngt, Kicheche Camp, Rhino Africa Safaris, KK Srinivas and Safari Conservation.

b) **Conservation Partners**

Kenya Wildlife Service, Narok County Government, National Police Service, Kenya Forest Service, Tanzania National Parks Authority, Tanzania Wildlife Research Institute, Save the Elephants, Shedrick Wildlife Trust, WWF, Kenya Seeds of Change, Richard's Camp, Karen Blixen Camp, Ree Park and the conservancies in the Maasai Mara.

BOARD OF TRUSTEES

The trustees who held office during the year and to the date of this report are shown on page 1.

RESULTS FOR THE YEAR

The results for the year ended 31 December 2018 are set out on page 8 - 12.

REPORT OF THE BOARD OF TRUSTEES (CONTINUED)

TERMS OF APPOINTMENT OF THE AUDITOR

The trust's auditor, PKF Kenya, was appointed during the year and has indicated its willingness to continue in office.

BY ORDER OF THE BOARD

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CHAIR - BOARD OF TRUSTEES
NAIROBI

________________________ 2019

STATEMENT OF THE TRUSTEES' RESPONSIBILITIES

The Trust deed requires the trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the trust as at the end of the financial year and of its surplus or deficit for that year. It also requires the trustees to ensure that the trust keeps proper accounting records that are sufficient to show and explain the transactions of the trust; that disclose, with reasonable accuracy, the financial position of the trust and that enable them to prepare financial statements of the trust that comply with the International Financial Reporting Standards. The trustees are also responsible for safeguarding the assets of the trust and for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The trustees accept responsibility for the preparation and fair presentation of the financial statements in accordance with the International Financial Reporting Standards. They also accept responsibility for:

i. Designing, implementing and maintaining such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error;
ii. Selecting and applying appropriate accounting policies; and
iii. Making accounting estimates and judgements that are reasonable in the circumstances.

The trustees are of the opinion that the financial statements give a true and fair view of the financial position of the trust as at 31 December 2018 and of the trust's financial performance and cash flows for the year then ended in accordance with International Financial Reporting Standards.

In preparing these financial statements, the trustees have assessed the trust's ability to continue as a going concern. Nothing has come to the attention of the trustees to indicate that the trust will not remain a going concern for at least the next twelve months from the date of this statement.

The trustees acknowledge that the independent audit of the financial statements does not relieve them of their responsibilities.

So far as the trust is aware, there is no relevant audit information which the auditor is unaware of, has taken all the steps that ought to have been taken in order to become aware of any relevant audit information and to establish that the auditor is aware of that information.

Authorised by the trustees of trustees on ________________ 2019 signed on its behalf by:

____________________	____________________
CHAIRMAN	**TRUSTEE**

REPORT OF THE INDEPENDENT AUDITOR
TO THE BOARD MEMBERS OF MARA ELEPHANT PROJECT TRUST

Opinion

We have audited the accompanying financial statements of Mara Elephant Project Trust set out on pages 8 to 26 which comprise the statement of financial position as at 31 December 2018, statement of income and expenditure, statement of changes in fund balances, statement of cash flows for the year then ended and a summary of significant accounting policies and other explanatory information.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of Mara Elephant Project Trust as at 31 December 2018, and of its financial performance and cash flows for the year then ended in accordance with the International Financial Reporting Standards for Small and Medium-sized Entities (IFRS for SMEs).

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the organisation in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code) together with the ethical requirements that are relevant to our audit of the financial statements in Kenya, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other information

The trustees are responsible for the other information. The other information comprises the report of the trustees, statement of the trustees responsibilities but does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

REPORT OF THE INDEPENDENT AUDITOR
TO THE BOARD MEMBERS OF MARA ELEPHANT PROJECT TRUST (CONTINUED)

Responsibilities of the trustees for the financial statements

The trustees are responsible for the preparation of financial statements in accordance with IFRS for SMEs, and for such internal control as the trustees determine is necessary to enable the preparation of the financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the trustees are responsible for assessing the trust's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the trustees either intend to liquidate the trust or to cease operations, or has no realistic alternative but to do so.

Auditor’s responsibilities for the audit of the financial statements

Our 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 our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with International Standards on Auditing will always detect a material misstatement 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 International Standards on Auditing, we exercise professional judgement and maintain professional scepticism throughout the audit. We 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 our 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, but not for the purpose of expressing an opinion on the effectiveness of the trust’s internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the trustees.

- Conclude on the appropriateness of trustee'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 organisation’s ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor’s report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor’s report. However, future events or conditions may cause the trust to cease to continue as a going concern.

- 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.

REPORT OF THE INDEPENDENT AUDITOR
TO THE BOARD MEMBERS OF MARA ELEPHANT PROJECT TRUST (CONTINUED)

Auditor’s responsibilities for the audit of the financial statements (continued)

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Certified Public Accountants
NAIROBI

___________________________2019

CPA Mike Kimundu, Practising certificate No.
Signing partner responsible for the independent audit

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STATEMENT OF INCOME AND EXPENDITURE

	Notes	2018 USD	2018 Kshs	2017 USD	2017 Kshs
Income					
Restricted grant income	4	265,560	27,046,277	385,362	39,692,541
Other income	5	476,460	48,525,590	221,588	22,823,267
Transfer from capital grant	6	49,375	5,028,629	26,217	2,700,375
Release on disposal	6	35,441	3,609,562	-	-
		826,837	84,210,058	633,168	65,216,183
Expenditure					
Administrative expenses	7	(116,989)	(11,914,842)	(149,145)	(15,361,978)
Other operating expenses	8	(615,636)	(62,700,152)	(483,564)	(49,807,037)
Total expenditure		(732,625)	(74,614,994)	(632,709)	(65,169,015)
Surplus before tax		94,212	9,595,064	459	47,168
Tax		(926)	(94,313)	-	-
Surplus for the year		93,286	9,500,751	459	47,168

The notes on pages 13 to 26 form an integral part of these financial statements.

Report of the independent auditor - pages 5 to 7.

STATEMENT OF FINANCIAL POSITION

	Notes	2018 USD	2018 Kshs	2017 USD	2017 Kshs
FUND BALANCE					
Capital reserve		10	1,000	10	1,000
General funds		214,224	22,006,694	138,114	14,225,668
Capital fund	9	145,536	14,912,524	78,185	8,053,125
Translation reserve		-	(369,274)	-	-
		359,770	36,550,945	216,308	22,279,793
REPRESENTED BY					
ASSETS					
Non-current assets					
Property and equipment	10	142,561	14,430,546	76,895	7,920,125
Intangible assets	11	3,861	391,770	1,291	133,000
		146,422	14,822,316	78,186	8,053,125
Current assets					
Cash and cash equivalents	12	305,502	31,114,151	169,385	17,446,631
Trade and other receivables	13	20,129	2,050,075	39	4,000
Grant receivable	14	138,628	14,118,713	-	-
		464,259	47,282,939	169,424	17,450,631
Current liabilities					
Trade and other payables	15	50,570	5,150,334	31,302	3,223,963
Deferred income	16	200,000	20,369,220	-	-
Tax payable		341	34,757	-	-
		250,911	25,554,311	31,302	3,223,963
Net current assets		213,348	21,728,628	138,122	14,226,668
		359,770	36,550,945	216,308	22,279,793

The financial statements on pages 8 to 26 were approved and authorised for issue by the

Chief Executive Officer on ____________________ 2019 and were signed on its behalf by:

________________________ ________________________

CHIEF EXECUTIVE OFFICER TREASURER

The notes on pages 13 to 26 form an integral part of these financial statements.

Report of the independent auditor - pages 5 to 7.

STATEMENT OF CHANGES IN FUND BALANCES

	Notes	Capital reserve Kshs	General reserve Kshs	Translation reserve Kshs	Total Kshs
Year ended 31 December 2018					
As previously stated	9	1,000	24,634,054	-	24,635,054
Prior year adjustment:					
- Depreciation adjustment	17	-	(2,700,376)	-	(2,700,376)
- Petty cash adjustment	17	-	156,649	-	156,649
- Software cost adjustment	17	-	188,465	-	188,465
- Accounting for capital grant	17	-	(8,053,125)	-	(8,053,125)
At start of year - restated		1,000	14,225,667	-	14,226,667
Transfer to capital fund	6	-	(1,998,790)	-	(1,998,790)
Surplus for the year		-	9,779,817	(369,274)	9,410,544
At end of year		1,000	22,006,694	(369,274)	21,638,421
Year ended 31 December 2017					
As previously stated	9	1,000	46,913,848	-	46,914,848
Prior year adjustment:					
- Income reversal	17	-	(23,481,848)	-	(23,481,848)
- Capital appropriated from general fund	17	-	(8,821,500)	-	(8,821,500)
At start of year - restated		1,000	14,610,500	-	14,611,500
Transfer to capital fund	6	-	(432,000)	-	(432,000)
Surplus for the year		-	47,168	-	47,168
At end of year		1,000	14,225,668	-	14,226,668

The notes on pages 13 to 26 form an integral part of these financial statements.

Report of the independent auditor - pages 5 to 7.

STATEMENT OF CHANGES IN FUND BALANCES

	Notes	Capital reserve USD	General reserve USD	Total USD
Year ended 31 December 2018				
As previously stated	9	10	241,875	241,885
Prior year adjustment:				
- Depreciation adjustment	17	-	(26,514)	(26,514)
- Petty cash adjustment	17	-	1,538	1,538
- Software cost adjustment	17	-	1,850	1,850
- Accounting for capital grant	17	-	(78,185)	(78,185)
At start of year - restated		10	140,564	140,574
Transfer to capital fund	6	-	(19,626)	(19,626)
Surplus for the year		-	93,286	93,286
At end of year		10	214,224	214,234
Year ended 31 December 2017				
As previously stated	9	10	455,472	455,482
Prior year adjustment:				
- Income reversal	17	-	(227,978)	(227,978)
- Capital appropriated from general fund	17	-	(85,645)	(85,645)
At start of year - restated		10	141,849	141,859
Transfer to capital fund	6	-	(4,194)	(4,194)
Surplus for the year		-	459	459
At end of year		10	138,114	138,123

The notes on pages 13 to 26 form an integral part of these financial statements.

Report of the independent auditor - pages 5 to 7.

STATEMENT OF CASH FLOWS

	Note	2018 Kshs	2017 Kshs
Operating activities			
Surplus for the year		9,595,064	47,168
Adjustments for non cash expenses:			
Amortisation of intangible assets		168,540	57,000
Depreciation on property and equipment		2,603,839	2,700,375
Operating surplus before working capital changes		12,367,443	2,804,543
Adjustments for changes in working capital:			
(Decrease) in trade and other receivables		(2,039,821)	(4,000)
Increase in grant receivable		(14,118,713)	-
Increase in trade and other payables		1,926,371	2,843,963
Increase in deferred income		20,369,220	-
Net cash flow from operating activities		18,504,500	5,644,506
Cash flows from investing activities			
Transfer to capital grant	6	(1,998,790)	-
Increase in capital grants	9	6,859,399	-
Cash paid for property and equipment	10	(9,268,790)	(1,742,000)
Cash paid for intangible assets	11	(428,800)	(190,000)
Net cash flow (used in) investing activities		(4,836,981)	(1,932,000)
Increase in cash and cash equivalents		13,667,519	3,712,506
Movement in cash and cash equivalents			
At start of year		17,446,631	21,159,137
Increase		13,667,519	3,712,506
At end of year	12	31,114,150	17,446,631

The notes on pages 13 to 26 form an integral part of these financial statements.

Report of the independent auditor - pages 5 to 7.

NOTES

1. **General Information**

Mara Elephant Project Trust is incorporated in Kenya under the Kenyan Trustees (Perpetual Succession) Act, and is domiciled in Kenya. The address of its registered office and principal place of business is Marula Lane, Gate 40C Karen. The principal activity is wildlife conservation and poverty alleviation to the public through reduction of human wildlife conflict and conservation education.

2. **Basis of preparation**

These financial statements have been prepared on the historical cost basis in accordance with International Financial Reporting Standard for Small and Medium-sized Entities (IFRS for SMEs) issued by the International Accounting Standards Board. The financial statements are presented in United States Dollar (US $) which is the functional currency and Kenya Shillings (Kshs) for local presentation purpose.

3. **Summary of significant accounting policies**

a) **Basis of preparation**

These project financial statements are prepared under the historical cost convention on a modified cash basis of accounting. On this basis, funds are recognised when received rather than when earned, and expenditure is recognised when incurred.

b) **Revenue recognition**

i) Grants from donors are recognised when the organisation's right to receive the funds is established.
ii) Interest income is accrued by reference to time.
iii) Other income is recognised upon performance of the services rendered.

c) **Deferred income**

Grant income is deferred where it has been received to fund specific future expenditure.

d) **Expenditure**

Cost allocation between expenditure lines is made based on the approved project budgets at the discretion of the management of the project. These financial statements include only costs allocated by the project teams to the funds received from the donors.

e) **Capital funds**

This represents funds received for purchase of equipment. The initial amount is credited to a deferred income account known as capital grants. The grant balance is amortised annually at an amount equal to that of depreciating the assets purchased with the grants.

f) **General reserve fund**

These are unrestricted funds and represent the accumulated reserve that is available for use at the discretion of management in furtherance of the objectives of the organisation.

NOTES (CONTINUED)

3. **Summary of significant accounting policies (continued)**

g) **Taxation**

The nature of the programme is not for profit and is not expected to be subject to taxation. The organisation however does not have a tax exemption certificate.
The interest earned from the company's bank accounts is taxed at a rate of 30% and no expenses are allowed against such interest.

h) **Grant and other receivables**

Grant receivable is the excess expenditure over income as at year end is only recognised where there is commitment of additional funds from grant providers.

Other receivables include deposits and prepayment for services/goods to be delivered in future and advances to staff. Other receivables are only accounted for if there is tangible evidence that the service/goods will be performed/delivered in future or a refund will be made in the event the service/goods is not performed/delivered.

i) **Payables**

Payables arise in the ordinary course of business where the company receives goods and services and pays for them at a later date. Payables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest rate method.

j) **Property and Equipment**

All property and equipment is initially recorded at cost and thereafter stated at historical cost less depreciation. Historical cost comprises expenditure initially incurred to bring the asset to its location and condition ready for its intended use.

Depreciation is calculated on reducing balance basis to write down the cost of each asset, to its residual value over its estimated useful life using the following annual rates:

	Rate %
Computer equipment	30
Motor vehicles	25
Software	30

An asset’s carrying amount is written down immediately to its recoverable amount if the asset’s carrying amount is greater than its estimated recoverable amount.

Gains and losses on disposal of equipment are determined by comparing the proceeds with the carrying amount and are taken into account in determining operating profit or loss.

k) **Cash and cash equivalents**

For the purposes of the statement of cash flows, cash and cash equivalents comprise cash in hand and deposits held at call with banks.

l) **Retirement benefit obligations**

The company employees contribute to the National Social Security Funds (NSSF) a statutory defined contribution scheme registered under NSSF Act. The Company's contributions to the defined contribution scheme are charged to the income statement in the year to which they relate.

NOTES (CONTINUED)

3. **Summary of significant accounting policies (continued)**

m) **Translation of foreign currencies**

The company maintains the project funds in USD which is the functional currency. Transactions in USD during the year are converted into Kenya Shilling (the reporting currency), at the rates ruling at the transaction date. Assets and liabilities at the reporting date are translated into Kenya Shilling at rates ruling at that date.

The resulting differences from conversion and translation are dealt with in the receipts and payment in the year in which they arise.

n) **The trust as a lessee**

Leases of assets under which a significant portion of the risks and rewards of ownership are effectively retained by the lessor are classified as operating leases. Payments made under operating leases are charged to statement of income and expenditure on a straight line basis over the period of the lease.

o) **Comparatives**

Where necessary, comparative figures have been adjusted to conform with changes in presentation in the current year.

NOTES (CONTINUED)

4. **Restricted donations received**

For year ended 31.12.2018	**Deferred income B/Fwd Shs**	**Grants receivable B/Fwd Shs**	**Receipts during the year Shs**	**Grants receivable C/Fwd Shs**	**Deferred income C/Fwd Shs**	**Grant income Shs**	**Capital grants Shs**	**Revenue grants Shs**
Name of donor	**b**	**d**	**f**	**l**	**n**	**q=(b-d+f+l-n+p)**	**s**	**u=(q-s)**
Sidekick foundation	-	-	27,498,447	9,166,149	20,369,220	16,295,376	2,020,000	14,275,376
Sheldrick Wildlife Trust	-	-	2,649,444	2,406,411	-	5,055,855	-	5,055,855
Oak foundation	-	-	-	2,546,153	-	2,546,153	-	2,546,153
Karen Lo	-	-	-	-	-	-	11,258,800	-
Tusk Trust	-	-	-	-	-	-	220,000	-
Donations through Sidekick								
Individual donations to support helicopter for MEP	-	-	54,997	-	-	54,997	-	54,997
Internship Evans Imboma Jan-Aug	-	-	122,215	-	-	122,215	-	122,215
McCormick family donation	-	-	2,647,999	-	-	2,647,999	-	2,647,999
Wildaid, Inc. donation	-	-	2,343,682	-	-	2,343,682	-	2,343,682
Totals - year 2018	-	-	35,316,784	14,118,713	20,369,220	29,066,277	13,498,800	27,046,277

For year ended 31.12.2017	**Deferred income B/Fwd Shs**	**Grants receivable B/Fwd Shs**	**Receipts during the year Shs**	**Grants receivable C/Fwd Shs**	**Deferred income C/Fwd Shs**	**Grant income Shs**	**Capital grants Shs**	**Revenue grants Shs**
Name of donor	**b**	**d**	**f**	**l**	**n**	**q=(b-d+f+l-n+p)**	**s**	**u=(q-s)**
Escape foundation	-	-	33,629,747	-	-	33,629,747	-	33,629,747
Helicopter donation	-	-	391,197	-	-	391,197	-	391,197
Sheldrick Wildlife Trust - car donation	-	-	1,500,000	-	-	1,500,000	1,500,000	-
Donations through Escape								
Unknown donor -helicopter	-	-	2,467	-	-	2,467	-	2,467
Bart Stevens - helicopter	-	-	49,924	-	-	49,924	-	49,924
Bessemer trust	-	-	2,678,020	-	-	2,678,020	-	2,678,020
Eric Deniseroy helicopter license	-	-	123,601	-	-	123,601	-	123,601
Eric Hong and John Dillow for helicopter	-	-	1,030,008	-	-	1,030,008	-	1,030,008
Rita Cabasas - helicopter	-	-	251,528	-	-	251,528	-	251,528
USAID	-	-	1,536,050	-	-	1,536,050	-	1,536,050
Totals - year 2017	-	-	41,192,541	-	-	41,192,541	1,500,000	39,692,541

NOTES (CONTINUED)

4. **Restricted donations received (continued)**

For year ended 31.12.2018	**Deferred income B/Fwd US $**	**Grants receivable B/Fwd US $**	**Receipts during the year US $**	**Grants receivable C/Fwd US $**	**Deferred income C/Fwd US $**	**Grant income US $**	**Capital grants US $**	**Revenue grants US $**
Name of donor	**a**	**c**	**e**	**k**	**m**	**o=(a-c+e+k-m)**	**r**	**t=(o-r)**
Sidekick foundation	-	-	270,000	90,000	200,000	160,000	19,834	140,166
Sheldrick Wildlife Trust	-	-	26,014	23,628	-	49,642	-	49,642
Oak foundation	-	-	-	25,000	-	25,000	-	25,000
Karen Lo	-	-	-	-	-	-	110,547	-
Tusk Trust	-	-	-	-	-	-	2,160	-
Donations through Sidekick								
Individual donations to support helicopter for MEP	-	-	540	-	-	540	-	540
Internship at MEP - Evans Imboma (Jan - Aug)	-	-	1,200	-	-	1,200	-	1,200
McCormick family donation	-	-	26,000	-	-	26,000	-	26,000
Wildaid, Inc. donation	-	-	23,012	-	-	23,012	-	23,012
Totals - year 2018	-	-	346,766	138,628	200,000	285,394	132,541	265,560

For year ended 31.12.2017	**Deferred income B/Fwd US $**	**Grants receivable B/Fwd US $**	**Receipts during the year US $**	**Grants receivable C/Fwd US $**	**Deferred income C/Fwd US $**	**Grant income US $**	**Capital grants US $**	**Revenue grants US $**
Name of donor	**a**	**c**	**e**	**k**	**m**	**o=(a-c+e+k-m)**	**r**	**t=(o-r)**
Escape foundation	-	-	326,500	-	-	326,500	-	326,500
Helicopter donation	-	-	3,798	-	-	3,798	-	3,798
Sheldrick Wildlife Trust - car donation	-	-	14,563	-	-	14,563	14,563	-
Donations through Sidekick								
Unknown Donor - helicopter	-	-	24	-	-	24	-	24
Bart Stevens - helicopter donation	-	-	485	-	-	485	-	485
Bessemer Trust	-	-	26,000	-	-	26,000	-	26,000
Eric Deniseroy helicopter license	-	-	1,200	-	-	1,200	-	1,200
Eric Hong and John Dillow for helicopter	-	-	10,000	-	-	10,000	-	10,000
Rita Cabasas - helicopter donation	-	-	2,442	-	-	2,442	-	2,442
USAID	-	-	14,913	-	-	14,913	-	14,913
Totals - year 2017	-	-	399,925	-	-	399,925	14,563	385,362

NOTES (CONTINUED)

5. **Other incomes**

	2018 USD	2018 Kshs	2017 USD	2017 Kshs
Unrestricted income - Karen Lo	239,443	24,386,317	-	-
Unrestricted income through Sidekick foundation	220,927	22,500,473	83,236	8,573,005
Unrestricted income - other donors	26,717	2,721,022	130,390	13,430,157
Interest income (gross)	4,145	422,200	2,256	232,334
Loss on foreign exchange	(7,469)	(760,671)	5,706	587,771
Loss on disposal	(7,303)	(743,750)	-	-
	476,460	48,525,590	221,588	22,823,267

6. **Capital Fund**

	2018 USD	2018 Kshs	2017 USD	2017 Kshs
As previously stated	-	-	-	-
Prior year adjustments				
- 2016 and prior	85,645	8,821,500	85,645	8,821,500
- 2017	(7,460)	(768,375)	-	-
As restated	78,185	8,053,125	85,645	8,821,500
Addition during the year:				
Capital grant	132,541	13,498,800	14,563	1,500,000
Utilisation of general fund	19,626	1,998,790	4,194	432,000
Amortisation of capital fund	(49,375)	(5,028,629)	(26,217)	(2,700,375)
Disposal of capital grant	(35,441)	(3,609,562)	-	-
At end of year	145,536	14,912,524	78,185	8,053,125

Summarised as below:	**2018 Shs**	**2017 Shs**
Capital grant	10,967,850	1,125,000
General funds	3,944,674	6,928,125
Total	14,912,524	8,053,125

7. **Administrative expenses**

	Notes	2018 USD	2018 Kshs	2017 USD	2017 Kshs
a) **Employment expenses**					
Salaries and wages	19(b)	34,709	3,534,927	29,666	3,055,678
b) **Other administrative expenses**					
Administration fees	19(a)	24,333	2,478,229	42,058	4,331,975
Bank charges and commissions	19(f)	3,873	394,401	1,804	185,836
Legal and professional fees	19(j)	41,967	4,274,219	62,754	6,463,640
Postage and telephone	19(k)	5,803	591,061	7,261	747,848
Printing and stationery	19(l)	6,304	642,006	5,602	577,001
		82,280	8,379,915	119,479	12,306,300
Total administrative expenses		116,989	11,914,842	149,145	15,361,978

NOTES (CONTINUED)

8. **Operating expenses**

	Note	2018 USD	2018 Kshs	2017 USD	2017 Kshs
Salaries and wages	19(b)	265,158	27,005,313	210,932	21,725,957
Staff welfare and medical	19(c)	108,394	11,039,499	49,824	5,131,912
Vehicle running expenses	19(r)	82,267	8,378,579	54,987	5,663,709
Aircraft running expenses	19(d)	50,728	5,166,472	58,952	6,072,095
Gifts and donations	19(h)	-	-	680	70,000
Animal care expenses	19(e)	21,023	2,141,146	27,340	2,815,995
Security expenses	19(n)	3,792	386,162	10,620	1,093,896
Corporate social responsibility	19(g)	4,309	438,842	1,381	142,300
Equipment expenses	19(s)	4,544	462,782	10,817	1,114,080
Travelling expenses	19(m)	5,733	583,894	5,250	540,710
		545,948	55,602,689	430,783	44,370,654
Establishment expenses:					
Insurance	19(o)	2,020	205,764	2,177	224,222
Licences and Permits	19(p)	1,936	197,204	-	-
Rent and rates	19(q)	2,455	250,000	-	-
Governance meeting expenses	19(i)	10,413	1,060,512	24,139	2,486,286
Repairs and maintenance	19(t)	3,489	355,355	248	25,500
Depreciation	19(u)	49,375	5,028,628	26,217	2,700,375
		69,688	7,097,463	52,781	5,436,383
Total operating expenses		615,636	62,700,152	483,564	49,807,037

9. **Trust deed**

The trust was incorporated on 1 May 2015. The first trustees on incorporation deposited into the trust fund an initial sum of Kshs. 1,000 and thereafter any further funds or asset given to the trust will be held by trustees as part of these trust fund.

The trust deed:

i. allows the trustees to participate in charitable purposes and projects in the East Africa and particular emphasis to the Kenya's greater Mara ecosystem and Tanzania's greater Serengeti ecosystem. The activities include conservation and effective management of the environment and of its indigenous fauna and flora;

ii. also requires the trustees to accumulate and capitalise the whole or any part of the income of the trust fund by investing in authorised investments.

NOTES (CONTINUED)

10. **Property and equipment - Kshs**

	Computers Kshs	Motor Vehicles Kshs	Motor cycles Kshs	Total Kshs
Cost:				
At start of year	50,000	13,056,000	398,000	13,504,000
Additions	269,990	14,578,800	220,000	15,068,790
Disposal	-	(5,800,000)	-	(5,800,000)
Transfer to donations	-	-	(208,000)	(208,000)
Translation reserve	(560)	(146,247)	(4,458)	(151,266)
At end of year	319,430	21,688,553	405,542	22,413,524
Depreciation:				
At start of year	15,000	5,430,750	138,125	5,583,875
Charge for the year	91,497	4,665,075	103,517	4,860,089
Transfer to donations	-	-	(142,188)	(142,188)
Translation reserve	(168)	(60,833)	(1,547)	(62,548)
On disposal	-	(2,256,250)	-	(2,256,250)
At end of year	106,329	7,778,742	97,907	7,982,978
Net book value:				
At 31 December 2018	213,101	13,909,810	307,635	14,430,546
At 31 December 2017	35,000	7,625,250	259,875	7,920,125

10. **Property and equipment - USD**

	Computers USD	Motor Vehicles USD	Motor cycles USD	Total USD
Cost:				
At start of year	485	126,757	3,864	131,107
Additions	2,656	144,581	2,204	149,442
Disposal	-	(56,949)	-	(56,949)
Transfer to donation	-	-	(2,042)	(2,042)
At end of year	3,142	214,390	4,026	221,558
Depreciation:				
At start of year	146	52,726	1,341	54,212
Charge for the year	900	46,402	1,032	48,334
Transfer to donation	-	-	(1,396)	(1,396)
On disposal	-	(22,154)	-	(22,154)
At end of year	1,046	76,975	977	78,997
Net book value:				
At 31 December 2018	2,096	137,415	3,049	142,561
At 31 December 2017	340	74,032	2,523	76,895

NOTES (CONTINUED)

11. **Intangible assets**

	2018 USD	2018 Kshs	2017 USD	2017 Kshs
Cost				
At start of year	1,845	190,000	-	-
Additions	4,231	428,800	1,845	190,000
Translation reserve	-	(2,128)	-	-
At the end of year	6,076	616,672	1,845	190,000
Amortization				
At start of year	553	57,000	-	-
Charge for the year	1,661	168,540	553	57,000
Translation reserve	-	(638)	-	-
At end of year	2,215	224,902	553	57,000
Net book value	3,861	391,770	1,291	133,000

12. **Cash and cash equivalents**

Cash at bank	305,488	31,112,747	169,359	17,443,965
Cash in hand	14	1,404	26	2,666
	305,502	31,114,151	169,385	17,446,631

13. **Trade and other receivables**

Account receivable	4,900	499,056	-	-
Other receivables	15,229	1,551,019	39	4,000
	20,129	2,050,075	39	4,000

14. **Grant receivable**

Grant receivable	138,628	14,118,713	-	-

15. **Trade and other payables**

Account payables	27,643	2,815,301	21,123	2,175,704
Other payables and accruals	22,927	2,335,034	10,178	1,048,259
	50,570	5,150,334	31,301	3,223,963

16. **Deferred income**

Deferred income	200,000	20,369,220	-	-

NOTES (CONTINUED)

17. **Prior year adjustment**

	2018 USD	2018 Kshs	2017 USD	2017 Kshs
Restricted MNC received in 2016	-	-	(293,715)	(30,252,816)
Expenses paid on behalf of MNC 2016	-	-	65,737	6,770,968
Depreciation adjustment	(26,514)	(2,700,376)	-	-
Petty cash adjustment	1,538	156,649	-	-
Software cost adjustment	1,850	188,465	-	-
Accounting for capital grant	(78,185)	(8,053,125)	-	-
	(101,311)	(10,408,387)	(227,978)	(23,481,848)

18. **Related party transactions**

	2018 Shs	2017 Shs
The following transactions were carried out with related parties:		
i) **Key management personnel compensation**		
a) Short term employee benefits	10,232,103	9,213,422

NOTES (CONTINUED)

19. **Schedule of expenditure**

	2018 USD	2018 Kshs	2017 USD	2017 Kshs
a) **Administration fees**				
Charged by Seiya Ltd	24,333	2,478,229	42,058	4,331,975
	24,333	2,478,229	42,058	4,331,975
b) **Salaries and wages**				
Charge to administrative expense				
CEO MEP salary	17,408	1,772,892	15,648	1,611,761
CEO medical allowance	5,529	563,133	4,097	422,017
CEO MEP pension	1,580	160,902	1,423	146,520
Administrators salary	9,367	954,000	7,689	792,000
Administrators pension	825	84,000	699	72,000
Entertainment	-	-	110	11,380
	34,709	3,534,927	29,666	3,055,678
Charge to operating expense				
Staff salaries	203,834	20,759,746	161,760	16,661,258
Wages	35,402	3,605,545	25,715	2,648,619
Responsibility allowance	-	-	97	10,000
NSSF	1,172	119,400	843	86,800
Pension	16,816	1,712,669	14,359	1,478,957
Leave allowance	7,495	763,287	6,600	679,823
Bonus allowance	439	44,666	1,558	160,500
	265,158	27,005,313	210,932	21,725,957
Total salaries and wages	299,867	30,540,239	240,598	24,781,635
c) **Staff welfare and medical**				
Staff rations	41,055	4,181,284	24,736	2,547,857
Gas	1,421	144,721	401	41,300
Staff training	785	80,000	855	88,055
Staff uniforms	18,201	1,853,683	97	9,995
Staff medical	2,388	243,198	2,063	212,493
Ranger recruitment	-	-	214	22,050
Staff accommodation	4,146	422,278	78	8,000
Staff transport and allowance	2,991	304,624	3,558	366,500
NITA levy	211	21,510	142	14,650
Field utilities	19,880	2,024,701	7,884	812,012
NTSA	-	-	368	37,915
Intelligence	17,315	1,763,500	9,428	971,085
	108,394	11,039,499	49,824	5,131,912

19. **Schedule of expenditure (cont.)**

	2018 USD	2018 Kshs	2017 USD	2017 Kshs
d) **Aircraft running expense**				
Aircraft repair	12,169	1,239,340	370	38,133
Helicopter expenses	4,326	440,614	2,689	276,970
tracking device	2,563	261,027	606	62,400
AV gas	31,670	3,225,491	25,287	2,604,560
Contribution to buffer funds	-	-	30,000	3,090,032
	50,728	5,166,472	58,952	6,072,095
e) **Animal care expenses (Collaring program)**				
VET expenses	2,995	305,000	-	-
Collaring expenses	18,029	1,836,146	27,340	2,815,995
	21,023	2,141,146	27,340	2,815,995
f) **Bank charges and commissions**				
Bank charges	3,851	392,239	1,804	185,836
M pesa charges	21	2,162	-	-
	3,873	394,401	1,804	185,836
g) **Corporate social responsibility / Community engagement**				
Donations and bursaries	4,309	438,842	1,381	142,300
	4,309	438,842	1,381	142,300
h) **Gifts and donations**				
Organizational development	-	-	680	70,000
	-	-	680	70,000
i) **Governance**				
Allowances	4,651	473,700	5,076	522,805
Meals	5,762	586,812	4,034	415,485
Governance expense	-	-	15,029	1,547,996
	10,413	1,060,512	24,139	2,486,286
j) **Legal and professional fees**				
Audit fees	8,621	878,000	3,971	408,996
Consultancy fees	33,347	3,396,219	58,783	6,054,644
	41,967	4,274,219	62,754	6,463,640

NOTES (CONTINUED)

16. **Schedule of expenditure (cont.)**

	2018 USD	2018 Kshs	2017 USD	2017 Kshs
k) Postage and telephone				
Phone bills	4,869	495,909	2,471	254,500
Internet costs	934	95,152	4,790	493,348
	5,803	591,061	7,261	747,848
l) Printing and stationery				
Printing and stationery	3,774	384,326	4,234	436,145
ICT expense	120	12,180	-	-
Postage and deliveries	2,410	245,500	1,368	140,856
	6,304	642,006	5,602	577,001
m) Travel and entertainment				
Air tickets	2,911	296,517	4,128	425,230
Taxi hires	1,936	197,220	724	74,600
Meals and entertainment	885	90,157	398	40,880
	5,733	583,894	5,250	540,710
n) Security expenses				
Chilli fence	134	13,600	5,972	615,096
Operations expenses	3,658	372,562	4,391	452,300
External security cost	-	-	257	26,500
	3,792	386,162	10,620	1,093,896
o) Insurance expense				
WIBA	1,010	102,861	1,997	205,722
AMREF flying doctors	1,010	102,903	180	18,500
	2,020	205,764	2,177	224,222
p) Licence and permits				
Software permits	1,936	197,204	-	-
	1,936	197,204	-	-
q) Rent and rates				
Rent	2,455	250,000	-	-
	2,455	250,000	-	-

NOTES (CONTINUED)

19. **Schedule of expenditure (cont.)**

	2018 USD	2018 Kshs	2017 USD	2017 Kshs
r) **Vehicle running expenses**				
Motor vehicle repairs	59,831	6,093,531	33,306	3,430,524
Tracking device	269	27,376	797	82,200
Diesel	14,946	1,522,242	13,923	1,434,026
Petrol	5,124	521,850	4,226	435,277
Motor vehicle insurance	2,097	213,581	2,735	281,682
	82,267	8,378,579	54,987	5,663,709
s) **Equipment expense**				
Drone project	351	35,797	2,857	294,212
Licence and radio	-	-	2,058	211,998
Office furniture	178	18,100	240	24,740
M & E tablets	2,802	285,395	2,037	209,700
Solar equipment	933	94,995	3,208	330,430
Cameras	280	28,495	417	43,000
	4,544	462,782	10,817	1,114,080
t) **Repairs and Maintenance**				
Tents repairs	3,138	319,555	224	23,000
Computer	352	35,800	24	2,500
	3,489	355,355	248	25,500
u) **Depreciation and amortisation**				
Depreciation on property and equipment	47,720	4,860,088	26,217	2,700,375
Amortisation of intangible assets	1,655	168,540	-	-
	49,375	5,028,628	26,217	2,700,375
Total expenditure	732,625	74,614,994	632,709	65,169,015

TAX COMPUTATION
PIN NO : P051554970Z
PERIOD COVERED: 12 MONTHS

	2018
	Kshs
Taxable income	
Interest income (gross)	314,377
Tax @ 30%	(94,313)
	220,064
Tax payable	94,313
Less: Taxes paid (as shown below)	(59,557)
Net tax payable	34,757
Tax paid during the year	
Advance tax	12,400
WHT tax	47,157
	59,557