

REPUBLIC OF KENYA



OFFICE OF THE AUDITOR-GENERAL



PARLIAMENT
OF KENYA
LIBRARY

REPORT

Laid by Hon.
ADEM DUANE, EGH,
MP UNDER ORDER
HO- 05 OR 01/03/16
IBM

OF

THE AUDITOR-GENERAL

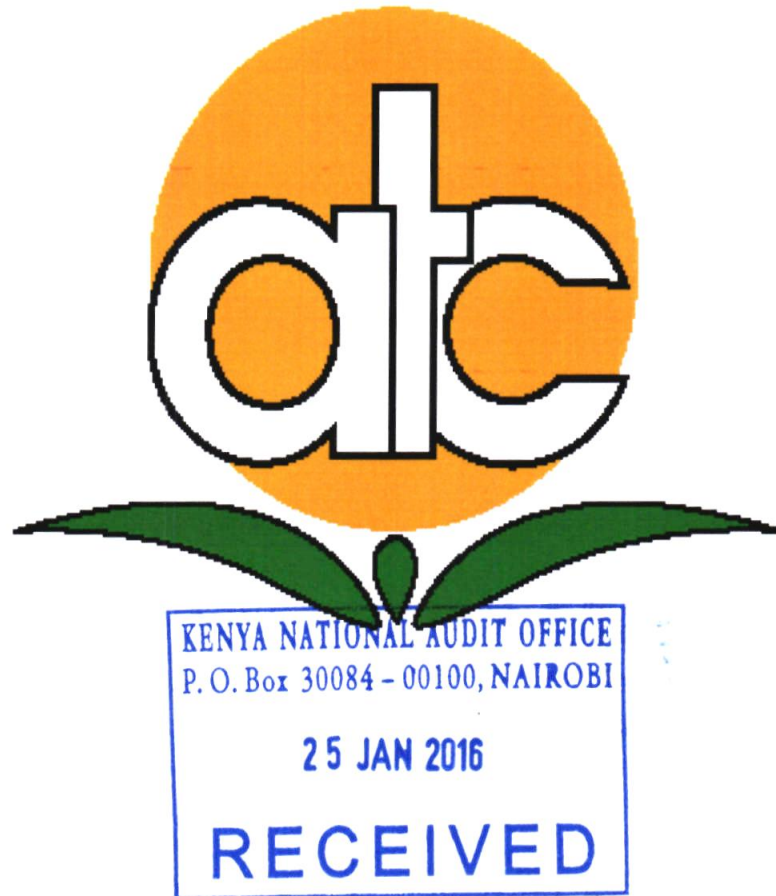
ON

THE FINANCIAL STATEMENTS OF
AGRI AND CO-OPERATIVE TRAINING AND
CONSULTANCY SERVICES LIMITED

FOR THE YEAR ENDED
30 JUNE 2015



AGRI AND CO-OPERATIVE TRAINING AND CONSULTANCY SERVICES LTD



REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED
30th JUNE 2015

TABLE OF CONTENT

COMPANY PROFILE	3
CORPORATE GOVERNANCE & QUALITY STATEMENT	5
DIRECTORS' RESPONSIBILITIES STATEMENT	7
CHAIRPERSON'S STATEMENT	8
CHIEF EXECUTIVE OFFICER'S STATEMENT	10
AUDITORS REPORT	12
STATEMENT OF FINANCIAL POSITION	13
STATEMENT OF COMPREHENSIVE INCOME	14
STATEMENT OF CHANGES IN FUND BALANCES.....	15
STATEMENT OF CASHFLOWS	16
1. <i>Accounting Policies</i>	17
2a. <i>Property Plant and Equipment for 2014/2015 Financial Year</i>	18
2b. <i>Property Plant and Equipment for 2013/2014 Financial Year</i>	19
3. <i>Trade & Other Receivables</i>	20
4. <i>Cash & Cash Equivalent</i>	21
5. <i>Co-operative University College of Kenya Control Account</i>	21
6. <i>Development Partners Fund Account</i>	21
7. <i>Trade & Other Payables</i>	22
8. <i>Seminar Income</i>	22
9. <i>Grants Income</i>	22
10. <i>Other Income</i>	23
11. <i>Operating Expenses</i>	23
12. <i>Board Expenses</i>	23
13. <i>Provision for Audit Fees</i>	24
14. <i>Tax Payable</i>	24
15. <i>ATC Students Convenient Store Accounts</i>	24
16. <i>Profit on Disposal of Bonded Stores</i>	25
17. <i>Dividends Payable</i>	25
18. <i>Financial Costs</i>	25
19. <i>General Reserve</i>	25
20. <i>Valuation of Assets</i>	26

COMPANY PROFILE

ATC, the Agri and Co-operative Training and Consultancy Services, was launched in July 2004 as the then Agribusiness Training Centre. The then Co-operative College of Kenya teamed up with five other organizations to establish ATC. The founding partners are:-

1. Co-operative University College of Kenya
2. German Technical Co-operation
3. German Technical Service
4. American Co-operative Development International
5. Kenya Agricultural Commodity Exchange
6. Hanns-Seidel- Foundation

The purpose of ATC is to ensure the outreach of Co-operative University College's academic knowledge and fulfilling the needs of diverse groups within and outside the co-operative movement to improve their business by providing capacity development, training, consultancy & research.

ATC was formally registered as a private company wholly owned by CUCK, by guarantee in August 2007. It operates on a commercial and cost-recovery basis and enjoys a great deal of institutional autonomy in order to deliver competitive services in a fast and cost-effective manner, in line with the expectations of clients. However, it works within the overall framework set by the Co-operative University College Governing Council.

Vision

To be a globally competitive solution provider for entrepreneurial development

Mission

To provide innovative and competitive trainings, consultancy and applied research and develop commercial enterprises to meet the commercial expectations of the CUCK, cooperatives, agribusiness and the associated economies

Principal Activity

ATC conducts training and consultancy services to governmental and non-governmental organizations such as co-operative movement and the associated sectors of the economy, farmers and their associations, small and medium enterprises, Development Partners, Community Based Organizations and other related clientele.

DIRECTORS

The directors, who held office as at 30th June, 2015 were:

1.	Prof. Douglas Shitanda (PhD)	Co-operative University College- Principal and Board Chairperson
2.	Prof. Esther Njoki Gicheru (Mrs.) HSC	Co-operative University College
3.	Mr. David Otiende	Co-operative University College
4.	Mr. K.G. Waruingi	Co-operative University College
5.	Mr. S. Miringu	Co-operative University College
6.	Mr. Timothy Mutwiri	We Effect – Representative
7.	Mr. Daniel Marube	Co-operative Alliance of Kenya – CEO
8.	Pauline Ngari	Hand In Hand - Eastern Africa – CEO (From April 2015)
9.	Mr. Stanley Wanjohi Migwi	Chief Executive Officer and Secretary to the Board

REGISTERED OFFICE & PRINCIPAL PLACE OF BUSINESS

Agri and Co-operative Training and Consultancy Services Ltd
Co-operative University College of Kenya
Ushirika Road Karen
P O Box 465 -00502
KAREN – NAIROBI

BANKERS

Standard Chartered Bank Karen Branch P O Box 24601 – 0502 KAREN – NAIROBI	Kenya Commercial Bank Karen Branch P O Box 4042 - 00502 KAREN – NAIROBI	Co-operative Bank Of Kenya Karen Branch KAREN – NAIROBI
---	---	--

AUDITORS

Auditor General
Anniversary Towers
P.O. Box 30084 – 00100
NAIROBI

CORPORATE GOVERNANCE & QUALITY STATEMENT

ATC is committed to good corporate governance through its Board of Directors. In an effort to uphold this, each activity of the company is monitored from the Board down to the staff. The Board of Directors is responsible for the long-term strategic direction for profitable growth of the company, whilst being accountable to the Co-operative University College of Kenya Governing Council for legal compliance and maintenance of the highest corporate governance standards and business ethics.

The Board of Directors

The Board is made up of nine directors. The directors are, the Co-operative University College of Kenya Principal as the chairperson of the Board, two members from the Co-operative University College academic staff, one member from the Co-operative University College senior management staff, one member from the Co-operative University College non teaching staff, two members from the ATC's Development Partners, one member from the Private Sector and the ATC Chief Executive Officer as the secretary to the Board. The composition of the Board is guided by the provisions of the Company's Articles and Memorandum of Association.

The day to day running of the business of the company is delegated to the Chief Executive Officer who is responsible for establishing and maintaining the company internal control systems so that the objectives of profitable growth and owner value is realized.

Quality Management

For effective & efficient systems and procedures, the management operates within the existing procedures which are regularly reviewed in order to strengthen the systems. The company is ISO 9001:2008 Certified by Bureau Veritus-Germany.

The management, through the company's quality manual & policies is committed to operate and continually improve the company quality management system. The management strives to achieve the following quality objectives:

- To provide high quality and up-to-date co-operative education, training, research and consultancy services.
- To meet or exceed customer expectations and necessary requirements, at a price that represents value for money, and to deliver products or services when they need it.

- To continually improve our processes and business results based on measurable and regularly reviewed quality objectives.
- To continually improve the quality of our products and services and to adopt technological solutions that enhance customer satisfaction.
- To train our employees to empower them to make quality conscious decisions and obtain commitment of all employees in the organization.
- To provide a safe and conducive working environment for all employees, and to maintain a good corporate responsibility.
- To establish and maintain mutually beneficial business relationships with our clients and suppliers.
- To provide adequate resources to establish, maintain, review and continually improve our quality management system.



DIRECTORS' RESPONSIBILITIES STATEMENT

The Kenya Companies Act requires the Directors to prepare financial statements for each financial year that give a true and fair view of the state of affairs of the Company as at the end of the financial year and of the operating results of the company for that year. It also requires the Directors to ensure that the company keeps proper accounting records that disclose, with reasonable accuracy, the financial position of the Company. The directors are also responsible for safeguarding the assets of the Company.

The Directors accept responsibility for the annual financial statements that have been prepared using appropriate accounting policies supported by reasonable and prudent judgments and estimates, in conformity with International Financial Reporting Standards. The Directors are of the opinion that the financial statements give a true and fair view of the state of the financial affairs of the company. The Directors further accept responsibility for the maintenance of accounting records that may be relied upon in the preparation of financial statements, as well as adequate systems of internal financial controls.

Nothing has come to the attention of the Directors to indicate that the company will not remain a going concern for at least the twelve months from the date of this statement.



.....
Prof. Douglas Shitanda (PhD)
Director



.....
Stanley Migwi Wanjohi
Director

CHAIRPERSON'S STATEMENT

Introduction

The Board of Directors is pleased to present Annual Report and Financial Statements for the 2014/2015 Financial Year.

The Financial Year 2014/2015

The Financial Year 2014/2015 has shown some improvement as the loss has decreased to ksh 636,387 from ksh 3,049,078 posted in the last Financial Year 2013/2014. The envisaged turnaround of the company during this period was hard to come by because of a lot of changes in the internal and external business environment which depressed the uptake of our flag-ship products such as training, research and consultancy services.

Externally, the development partners we had worked with are still yet to come on board although we are still working with a few of them. During the period we experienced constrained businesses from the Development Partners and stiff competition from competitors who under-costed their services. In the process, we lost some clients from the central government and Development Partners, but, slowly gained some clients specifically from the co-operative and SACCO sub-sectors.

Internally, the restructuring journey started during the first half of 2014 is still on course and bearing fruits as seen by the 79.1% decrease in loss. This positive progress has been achieved through improved efficiency in operations and adoption of performance management system attitude among the staff. In addition to this, we now have a clear guidance from the newly developed 2015/2019 strategic plan which was approved during the second quarter of this calendar year, 2015.

Outlook for 2015/2016 financial year

The Company's economic outlook is very positive in that the company has shown positive impact from the restructuring.

The Board and staff will continue to work hard in a number of areas which will improve further the performance of 2015/2016 financial year: First, we will continue to pursue our 2015-2019 Strategic Plans. Secondly, we continue with the restructuring process by embracing fully the performance based management that will see the company back in the profit zone by the end of the second half of 2015. Thirdly; we will deliver superior

value to our customers, shareholders and stakeholders. Fourthly, invest further in marketing activities to take advantage of the growth in agribusiness and value chain training services demand at the counties. Fifth, invest further in marketing activities to take advantage of the partnerships we have with the SACCOs and Cooperative stakeholders. Sixth, develop strategic partnerships with the counties. Lastly, develop business strategic partnerships with some like-minded organizations within the East African region.

Conclusion

Finally, I would like to thank the Board and ATC staff for their hard work and passion, through which, the company is showing a reversing trend in its performance. I wish each and every one of us a prosperous 2015/2016 financial year.



Prof. Douglas Shitanda (PhD)
Board Chairperson

CHIEF EXECUTIVE OFFICER'S STATEMENT

ATC, guided by the current Strategic Plan (2015/2019), is on a high gear of pursuing its vision of being "a globally competitive solution provider for entrepreneurial development" by providing innovative and competitive trainings, consultancy and applied research and by developing commercial enterprises to meet the commercial expectations of CUCK, Co-operatives, Agribusiness and the associate economies. In so doing, the company is endeavoring to deliver superior value to its customers, shareholders and stakeholders. This is a journey that started way back in the first half of 2014 with the development of the Company's Business Plan that saw the company initiate the process of restructuring to mitigate on the fast changes taking place in the business environment. Such changes included, but not limited to the stiff competition from "brief –case consultants", devolution of major activities and functions from the Central Government to the counties and dwindling businesses from the Development Partners.

The company, although still operating in the loss zone, posted improved performance during the 2014/2015 financial Year. The loss decreased by 79.1% from ksh 3,049,078.95 (2013/2014) to ksh 636,387(2014/2015). However, during the same period, the gross income decreased by 20.4% from ksh 29,958,712 (2013/2014) to ksh 23,750,384(2014/2015). Total expenses decreased by 26.1% from ksh 33,007,790 (2013/2014) to ksh 24,386,771(2014/2015). This shows the increase in efficiency in undertaking business activities.

The improved performance is attributed to one of the three restructuring strategies which is Low cost operation strategy. This resulted in the decrease of non-income-earning expenses .However, the other two restructuring strategies, the market development and penetration strategies need a lot of focus in order to reverse the decreasing income behavior.

During the period, we created and maintained new partners / customers alongside the old partners / customers. Such partner / customers include: Ministry of Agriculture, Livestock and Fisheries, Meru KAPAP, Agricultural Sector Development Support Programme, SACCOS, SASRA/FSD, CUCK, ACDI/VOCA, WE EFFECT, County Government of Nairobi; County Government of Mandera, County Government of Isiolo and County Government of Wajir, Hand In Hand – Eastern Africa, Umwalimu SACCO of Rwanda, GIZ Kyrgyzstan and Uganda Cooperative Savings and Credit Union Ltd.

The future of ATC is bright and with the three growth strategies, performance based management and the implementation of the 2015-2019 Strategic Plan during the second Half of the 2015, we will bounce back into the profit zone by the end of 2015. New products will be developed and offered to the old and new markets during the coming period. Of great significance, we will work closely with CUCK to create and maintain new markets at the counties.

Lastly, I would like to thank The Cooperative University College of Kenya's Governing Council, Board of Directors and Staff for their continued support.



.....
Stanley Wanjohi Migwi
Chief Executive Officer

AUDITORS REPORT

REPORT OF THE AUDITOR GENERAL ON THE FINANCIAL STATEMENTS FOR
THE AGRI AND CO-OPERATIVE TRAINING AND CONSULTANCY SERVICES LTD
FOR THE YEAR ENDED 30TH JUNE 2015



REPUBLIC OF KENYA

Telephone: +254-20-342330
Fax: +254-20-311482
E-Mail: oag@oagkenya.go.ke
Website: www.kenao.go.ke



P.O. Box 30084-00100
NAIROBI

OFFICE OF THE AUDITOR-GENERAL

REPORT OF THE AUDITOR-GENERAL ON AGRI AND CO-OPERATIVE TRAINING AND CONSULTANCY SERVICES LIMITED FOR THE YEAR ENDED 30 JUNE 2015

REPORT ON THE FINANCIAL STATEMENTS

I have audited the accompanying financial statements of Agri and Co-operative Training and Consultancy Services Limited set out on pages 13 to 26, which comprise the statement of financial position as at 30 June 2015, statement of comprehensive income, statement of changes in fund balances and statement of cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information in accordance with the provisions of Article 229 of the Constitution of Kenya and Section 14 of the Public Audit Act, 2003. I have obtained all the information and explanations which, to the best of my knowledge and belief, were necessary for the purpose of the audit.

Management's Responsibility for the Financial Statements

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

The management is also responsible for the submission of the financial statements to the Auditor-General in accordance with the provisions of Section 13 of the Public Audit Act, 2003.

Auditor-General's Responsibility

My responsibility is to express an opinion on these financial statements based on the audit and report in accordance with the provisions of section 15(2) of the Public Audit Act, 2003 and submit the audit report in compliance with Article 229(7) of the Constitution of Kenya. The audit was conducted in accordance with International Standards of Supreme Audit Institutions (ISSAIs). Those standards require compliance with ethical requirements and that the audit be planned and performed to obtain reasonable assurance about whether the financial statements are free from material misstatements.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statement, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstance, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the management, as well as evaluating the overall presentation of the financial statements.

I believe that the audit evidence obtained is sufficient and appropriate to provide a basis for my audit opinion.

Opinion

In my opinion, the financial statements present fairly, in all material respects the financial position of the Company as at 30 June 2015, and of its financial performance and its cash flows for the year then ended, in accordance with International Financial Reporting Standards and comply with the Companies Act, Cap.486 of the Laws of Kenya.

Emphasis of Matter

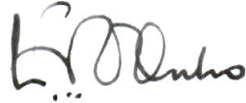
I draw attention to Note 19 to the financial statements which reflects a loss of Kshs.636,387 (2013/2014 loss of Kshs.3,049,078) which reduced the general reserves to negative Kshs.3,565,775 (2013/2014 negative Kshs.2,929,388) as at 30 June 2015. Although the Company recorded a favorable working capital of Kshs.338,140 as at 30 June 2015, if strategies are not put in place to reverse the loss trend, the Company's future operations are likely to be adversely affected. My opinion is not qualified in respect of this matter.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

As required by the Kenya Companies Act, I report based on my audit, that:

- i. 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;
- ii. In my opinion, proper books of account have been kept by the Company, so far as appears from my examination of those books; and,

- iii. The company's statement of financial position and statement of comprehensive income are in agreement with books of account.



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

Nairobi

07 January 2016

STATEMENT OF FINANCIAL POSITION

AS AT 30 JUNE 2015

ASSETS	Notes	Ksh	
		2014 - 2015	2013 - 2014
NON-CURRENT ASSETS			
Property Plant & Equipments	2(a)	1,302,063	1,955,969
		<u>1,302,063</u>	<u>1,955,969</u>
CURRENT ASSETS			
Trade & other receivables	3	5,534,387	6,857,115
Cash & Bank Balances	4	1,532,475	1,541,693
		<u>7,066,862</u>	<u>8,398,808</u>
TOTAL ASSETS		8,368,925	10,354,777
EQUITY & LIABILITIES			
FUND BALANCES			
General Reserve	19	(3,565,775)	(2,929,388)
Co-operative University College Control Account	5	2,870,870	2,870,870
Development Partners Fund Account	6	745,400	745,400
Revaluation Reserve	20	1,589,708	1,589,708
		<u>1,640,203</u>	<u>2,276,590</u>
CURRENT LIABILITIES			
Trade & Other Payables	7	6,728,722	8,078,187
		<u>6,728,722</u>	<u>8,078,187</u>
TOTAL EQUITY & LIABILITIES		8,368,925	10,354,777

The financial statements were approved by the Board of Directors on 18th September 2015 and signed on their behalf by:-

Stanley Wanjohi Migwi

Prof. Douglas Shitanda (PhD)



Chief Executive Officer



Board Chairperson

STATEMENT OF COMPREHENSIVE INCOME

FOR THE YEAR ENDED 30TH JUNE 2015

	Notes	Ksh	
		2014 - 2015	2013 - 2014
INCOMES			
Seminar	8	22,630,788	25,167,198
Grants	9	1,075,700	4,302,000
Other	10	223,896	597,614
Total Income		23,930,384	30,066,812
Other Gains and Losses			
Loss on Disposal	16	(180,000)	(108,100)
Gross Income		23,750,384	29,958,712
EXPENSES			
Operating Expenses	11	23,587,866	31,425,186
Board Expenses	12	246,967	475,371
AGM Expenses		0	329,741
Depreciation charge for the year	2(a)	338,906	554,611
Provisions for Audit Fees	13	150,000	150,000
Financial costs	18	63,032	72,881
Tax payable	14	0	0
Total expenses		24,386,771	33,007,790
Profit / Loss		(636,387)	(3,049,078)

STATEMENT OF CHANGES IN FUND BALANCES

FOR THE YEAR ENDED 30TH JUNE 2015

	Ksh	Ksh	Ksh	Ksh	Ksh
	General Reserve	Co-operative University College Control Account	Development Partners Fund Account	Revaluation Reserve	TOTAL
2013/2014					
Balance as at 01/07/2013	119,690	2,870,870	745,400	1,589,708	5,325,668
Additions	0	0	0	0	0
Adjustments	0	0	0	0	0)
Profit / (Loss) for the year	(3,049,078)	0	0	0	(3,049,078)
Balance C / Forward as at 30/06/2014	(2,929,388)	2,870,870	745,400	1,589,708	2,276,590
2014/2015					
Balance as at 01/07/2014	(2,929,388)	2,870,870	745,400	1,589,708	2,276,590
Additions	0	0	0	0	0
Adjustments	0	0	0	0	0)
Profit / (Loss) for the year	(636,387)	0	0	0	(636,387)
Balance C / Forward as at 30/06/2015	(3,565,775)	2,870,870	745,400	1,589,708	1,640,203

STATEMENT OF CASHFLOWS			
AS AT 30 JUNE 2015			
		Ksh	
CASHFLOW FROM OPERATING ACTIVITIES	Notes	2014 - 2015	2013 - 2014
Profit after tax		(636,387)	(3,049,078)
Adjustment for			
Depreciation	2(a)	338,906	554,611
Profit / Loss on disposal of assets	16	180,000	108,100
Income from student convenient Store	15	0	4,928
Working capital adjustments			
Decrease /(Increase) in account receivables	3	1,322,728	(2,630,716)
Increase / (Decrease)in account payables	7	(1,349,465)	2,010,536
Decrease /(Increase) in shop stock		0	9,072
Net Cash From Operating Activities		(144,218)	(2,992,547)
CASH FLOW FROM INVESTING ACTIVITIES			
Increase in capital assets	2	0	0
Cash from disposal of bonded Items	16	135,000	451,900
Income from student convenient store	15	0	(4,928)
Dividend paid		0	0
NET CASH GENERATED / USED IN INVESTING ACTIVITIES		135,000	446,972
CASH FLOW FROM FINANCING ACTIVITIES			
Development partners fund account	6	0	0
Increase in revaluation reserve	20	0	0
Net cash received in financing activities		<u>0</u>	<u>0</u>
NET INCREASE / (DECREASE) IN CASH AND CASH EQUIVALENT		(9,218)	(2,545,575)
Opening cash and cash equivalent		1,541,693	4,087,268
Closing Cash And Cash Equivalent		1,532,475	1,541,693

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 30TH JUNE 2015

1. Accounting Policies

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

a. Basis of Preparation

The company accounts have been prepared under historical cost convention which is in compliance with the international Finance Reporting Standards.

b. Property Plant & Equipment

Property plant & equipment is stated at cost less accumulated depreciation. Depreciation is calculated using reducing balance method in all categories of assets and the applied depreciation rate is as shown below;

I. Motor Vehicles	25%
II. Furniture & Fittings	12.5%
III. Computers & Office Machines	33.3%
IV. Loose Tools	33.3%

c. Inventories

Inventories are stated at lower of cost and net realizable value

d. Revenue Recognition

Revenue is recognized on accrual basis in accordance with international financial reporting standards. Grants received from: Sacco Society Regulatory Authority for support of launching Sacco Trainings, ACDI/VOCA for support of Co-operative Information Resource Centre and support from CUCK for 6 months rent are all recognized as income since they are not of capital nature.

e. Cash & Cash Equivalent

For purpose of cash flow statement, cash and cash equivalent comprises of cash at hand and deposit held with banks.

f. Comparatives

Where applicable comparative figures have been provided

g. Principal Activities

To conduct training and consultancy services to governmental and non-governmental organizations such as co-operative movement and the associated economies, farmers and their associations, small and medium enterprises, institutions, donors, community Based Organizations and other clients

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 30TH JUNE 2015

2a. Property Plant and Equipment for 2014/2015 Financial Year

DETAILS	MOTOR VEHICLES	EQUIPMENTS	COMPUTER & OFFICE ELECTRONICS	FURNITURE & FITTINGS	LOOSE TOOLS	TOTAL
	Ksh 25.0%	Ksh 12.5%	Ksh 33.3%	Ksh 12.5%	Ksh 33.3%	Ksh
COST / VALUATION						
As at 01/07/2014	1,529,039	603,080	2,009,000	845,635	136,567	5,123,321
ADDITIONS	0	0	0	0	0	0
VALUATION	0	0	0	0	0	0
DISPOSAL	(548,339)	0	0	0	0	(548,339)
As at 30/06/2015	980,700	603,080	2,009,000	845,635	136,567	4,574,982
DEPRECIATION						
As at 01/07/2014	621,539	237,414	1,736,622	449,959	121,818	3,167,352
Charge for the year	148,125	45,708	90,702	49,460	4,911	338,906
Disposal	(233,339)	0	0	0	0	(233,339)
As at 30/06/2015	536,325	283,122	1,827,324	499,419	126,729	3,272,919
NET BOOK VALUE						
As at 30/06/2015	444,375	319,958	181,676	346,216	9,838	1,302,063
As at 01/07/2014	907,500	365,666	272,378	395,676	14,749	1,955,969

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 30TH JUNE 2015

2b. Property Plant and Equipment for 2013/2014 Financial Year

DETAILS	MOTOR VEHICLES	EQUIPMENTS	COMPUTER &OFFICE ELECTRONICS	FURNITURE & FITTINGS	LOOSE TOOLS	TOTAL
	Ksh 25.0%	Ksh 12.5%	Ksh 33.3%	Ksh 12.5%	Ksh 33.3%	Ksh
COST /VALUATION						
As at 01/07/2013	2,089,039	603,080	2,009,000	845,635	136,567	5,683,321
ADDITIONS	0	0	0	0	0	0
VALUATION	0	0	0	0	0	0
DISPOSAL	(560,000)	0	0	0	0	(560,000)
As at 30/06/2014	1,529,039	603,080	2,009,000	845,635	136,567	5,123,321
DEPRECIATION						
As at 01/07/2013	319,039	185,176	1,600,637	393,434	114,455	2,612,741
Charge for the year	302,500	52,238	135,985	56,525	7,363	554,611
Disposal	0	0	0	0	0	0
As at 30/06/2014	621,539	237,414	1,736,622	449,959	121,818	3,167,352
NET BOOK VALUE						
As at 30/06/2014	907,500	365,666	272,378	395,676	14,749	1,955,969
As at 01/07/2013	1,770,000	417,904	408,363	452,201	22,112	3,070,580

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 30TH JUNE 2015

3. Trade & Other Receivables

CLIENT	2014 - 2015	2013 - 2014
ACDI/VOCA	0	150,000
AFFA	180,000	0
Agricultural Sector Co-ordination Unit (ASCU)	0	2,270,770
CAFOSA	70,000	0
Co-operative University College of Kenya	0	239,679
EAFF	392	392
Egerton University Sacco	380,000	0
Financial Sector Deepening (FSD)	15,000	365,000
Gusii Teachers Sacco	136,000	0
Harambee Sacco Society Ltd	151,000	0
Imarisha Sacco Society Ltd	136,000	0
Kenya Highlands Sacco Society Ltd	136,000	0
Mandera County Government	861,592	0
Meru - Kenya Agricultural Productivity and Agribusiness Project	951,673	0
Mombasa Port Sacco Society Ltd	30,655	0
Njaa Marufuku Kenya (NMK-ASDSP)	0	2,435,147
Nyati Sacco Society Ltd	12,517	0
Sacco Society Regulatory Authority (SASRA)	15,000	0
Southern Star Sacco Society Ltd	142,800	0
Ukulima Sacco Society Ltd	136,000	0
Unisson Sacco Society Ltd	7,759	0
United Nation Sacco Society Ltd	440	0
Wajir County Government	70,000	0
Wareng Teachers Sacco	0	190,000
Washa Sacco Society Ltd	70,000	0
Winas Sacco Society Ltd	780,640	0
Deposits paid	14,138	14,138
Staff Debtors	167,030	160,146
Corporate Tax paid in advance	1,085,143	1,031,843
Total	<u>5,549,779</u>	<u>6,857,115</u>
Less Provision For Doubtful Debt		
East African Farmers Federation (EAFF)	392	
Financial Sector Deepening (FSD)	15,000	
Total Provision for Doubtful Debt	<u>15,392</u>	<u>0</u>
Net Trade & Other Receivables	<u>5,534,387</u>	<u>6,857,115</u>

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 30TH JUNE 2015

4. Cash & Cash Equivalent

DETAILS	2014 - 2015	2013 - 2014
Cash at Bank		
Standard Chartered Account	310,630	354,477
Kenya Commercial Bank Account	594,689	332,694
Kenya Commercial Bank Privilege Account (Shop)	444,755	6,438
Co-operative Bank Of Kenya (USD 1,445.77@ ksh 98.64)	142,611	770,134
Cash at Hand Office	39,790	77,950
TOTAL	1,532,475	1,541,693

5. Co-operative University College of Kenya Control Account

This refers to the net of assets and liabilities that the company had when it started to prepare financial statements independently, which was credited to Co-operative College of Kenya Control Account as Capital.

DETAILS	2014 - 2015	2013 - 2014
Balance C/F	2,870,870	2,870,870
TOTAL	2,870,870	2,870,870

6. Development Partners Fund Account

This refers to Capital grants received which cannot be written off immediately.

DETAILS	2014 - 2015	2013 - 2014
Balance C/F	745,400	745,400
TOTAL	745,400	745,400

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 30TH JUNE 2015

7. Trade & Other Payables

DETAILS	2014 - 2015	2013 - 2014
	Ksh	Ksh
Trade Payables	4,270,001	6,346,249
Payments Received in Advance / Refundable Deposit Received	6,000	0
Provisions For Audit Fees	174,000	174,000
Provisions for Gratuities Payable	1,313,052	1,280,390
VAT Liability	476,914	0
Withholding Tax Liability	44,000	
Leadership for Change Grant Fund	444,755	
Provisions for Salary top up Payable	0	277,548
TOTAL	6,728,722	8,078,187

8. Seminar Income

Details	2014 - 2015	2013 - 2014
Training Income	14,202,620	13,539,145
Consultancy Income	7,723,056	10,697,561
Project Income	699,127	0
Symposium Income	0	930,492
Resource Centre Income	5,985	0
TOTAL	22,630,788	25,167,198

9. Grants Income

	2014 - 2015	2013 - 2014
Sacco Society Regulatory Authority (SASRA)	364,000	0
Co-operative University College of Kenya	300,000	1,000,000
ACDI/VOCA	411,700	150,000
Co-operative Insurance Company	0	500,000
Co-operative Bank of Kenya	0	1,000,000
Financial Sector deepening (FSD)	0	1,652,000
TOTAL	1,075,700	4,302,000

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 30TH JUNE 2015

10. Other Income

INCOMES	2014 - 2015	2013 - 2014
Income from Student Convenient Store (Note 15)	0	(4,928)
Sale of Disposal Tender Documents	12,000	2,000
Experts Subscription Fee Income	112,500	185,000
Sale of Mpesa services to CUCK	0	224,588
Miscellaneous Income (Photocopying Services, binding and others)	30,732	0
Foreign Exchange Gain	68,664	190,954
	223,896	597,614

11. Operating Expenses

EXPENSES	2014 - 2015	2013 - 2014
Direct Expenses - Seminar Expenses	10,994,036	19,948,645
Staff Costs	9,064,177	9,280,537
Motor Vehicle Running Cost	229,861	204,895
Office Administration Expenses	579,231	731,000
Marketing and Promotions	1,470,288	326,856
Quality Management & System Expenses	607,494	291,348
General Repairs & Maintenance	27,387	41,905
Provision For Bad Debt	15,392	0
Rent & Water	600,000	600,000
Total Expenses	23,587,866	31,425,186

12. Board Expenses

Details	2014 - 2015	2013 - 2014
Sitting Allowance	160,000	225,000
Travelling Allowance	21,000	26,000
Honoraria Payment	-	-
Others (Tea & Snacks, Lunch, Stationeries and secretariat)	65,967	224,371
	246,967	475,371

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 30TH JUNE 2015

13. Provision for Audit Fee

DETAILS	2014 - 2015	2013 - 2014
Provision for Audit Fee (VAT exclusive)	150,000	150,000
TOTAL	150,000	150,000

As an expense provision for audit fee has been provided for as Ksh 150,000 exclusive of VAT. However under account payable the amount is captured VAT inclusive as Ksh 174,000.

14. Tax Payable

DETAILS	2014 - 2015	2013 - 2014
Profit / (Loss) for the year	(636,387)	(3,049,078)
Less adjustment for loss B/F	(21,780,151)	(14,429,073)
Less. Non Taxable Income (Grants & realized revaluation)	(1,075,700)	(4,302,000)
Add: Disallowable		
Depreciation	338,906	554,611
Donations	0	0
Less Allowable		
Wear and tear	(338,906)	(554,611)
Taxable profit / (Loss)	(23,492,238)	(21,780,151)
Tax at Applicable rate (30%)	0	0

15. ATC Students Convenient Store Accounts

DETAILS	2014 - 2015	2013 - 2014
Shop stock sales	-	4,144
Less Cost of goods sold	-	(9,072)
Gross Profit / (Loss) from Sale of stock items	-	(4,928)
Less Expenses		
	-	<u>0</u>
Net Profit / (Loss)	-	(4,928)

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 30TH JUNE 2015



16. Profit on Disposal of Bonded Stores

DISPOSAL OF BONDED STORES 2013/2014						
No	Item Description	Cost / Valuation	Accumulated Depreciation	Net Book value	Amount Disposed	Loss/ Profit on Disposal
1	Sale of Motor Vehicle- land rover Discovery – KAD 076E	560,000	0	560,000	451,900	(108,100)
Sub Total		560,000	0	560,000	451,900	(108,100)
Net Profit / (Loss) on Disposal						(108,100)
DISPOSAL OF BONDED STORES 2014/2015						
No	Item Description	Cost / Valuation	Accumulated Depreciation	Net Book value	Amount Disposed	Loss/ Profit on Disposal
1	Sale of Motor Vehicle- ISUZU TROOPER –KAK 423C	548,339	233,339	315,000	135,000	(180,000)
Sub Total		548,762	233,339	315,000	135,000	(180,000)
Net Profit / (Loss) on Disposal						(180,000)

17. Dividends Payable

No dividend that was paid in the last financial year given the company operated at a loss.

18. Financial Costs

DETAILS	2014 - 2015	2013 - 2014
Bank charges and interests	63,032	72,881

19. General Reserve

DETAILS	2014 - 2015	2013 - 2014
Balance B / Forward	<u>(2,929,388)</u>	<u>119,690</u>
Adjustments		
Profit / (Loss) for the year	(636,387)	(3,049,078)
Balance C / Forward	(3,565,775)	(2,929,388)

20. Valuation of Assets

DETAILS	2014 - 2015	2013 - 2014	2012 - 2013
Motor Vehicle- KAD 076E - Landrover Discovery	0	0	560,000
Motor Vehicle- KAP 274N – Mitsubishi Pajero	0	0	644,015
Motor Vehicle- KAK 423C – Isuzu Trooper	0	0	385,693
Total	0	0	1,589,708

