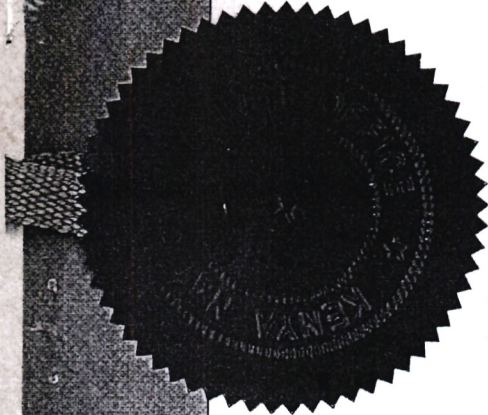


REPUBLIC OF KENYA



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KENYA NATIONAL AUDIT OFFICE

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REPORT
OF
THE AUDITOR-GENERAL
ON
THE FINANCIAL STATEMENTS OF
SCHOOL EQUIPMENT PRODUCTION UNIT
FOR THE YEAR ENDED
30 JUNE 2013

REPUBLIC OF KENYA

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P.O. Box 30084-00100
NAIROBI

KENYA NATIONAL AUDIT OFFICE

REPORT OF THE AUDITOR-GENERAL ON SCHOOL EQUIPMENT PRODUCTION UNIT FOR THE YEAR ENDED 30 JUNE 2013

REPORT ON THE FINANCIAL STATEMENTS

I have audited the accompanying financial statements of School Equipment Production Unit set out on pages 6 to 14, which comprise the statement of financial position as at 30 June 2013, and the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information in accordance with the provisions of Article 229 of the Constitution of Kenya and Section 14 of the Public Audit Act, 2003. I have obtained all the information and explanations which, to the best of my knowledge and belief, were necessary for the purpose of the audit.

Directors' Responsibility for the Financial Statements

The Board of Directors 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 the Board determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

The Board 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. The audit was conducted in accordance with International Standards on Auditing. Those standards require compliance with ethical requirements and that the audit be planned and performed to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected

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

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

Basis for Qualified Opinion

1. Trade and Other Receivables

The trade and other receivables balance of Kshs.84,593,021.00 as at 30 June 2013 includes a balance of Kshs.23,405,305.00 due from debtors that has been outstanding for more than five (5) years and whose recoverability is doubtful. Further, the balance of Kshs.84,593,021.00 also includes Kshs.825,934.00 in respect of staff advances due from deceased employees and those who have since left the Unit and whose recoverability is doubtful.

In the circumstances, it was not possible to ascertain that the trade and other receivables balance of Kshs.84,593,021.00 as at 30 June 2013 is fairly stated.

2. Audit Fees

Included in other payables balance of Kshs.14,040,873.00 and as disclosed in note 9 to the financial statements, is unpaid audit fees totalling Kshs.1,098,000.00 for six consecutive years with effect from 30 June 2007. This is in contravention of Section 19 of the Public Audit Act, 2003 which requires state corporations to pay for the costs of examination and audit to the Auditor-General.

3. Trade and Other Payables

The Trade and other payables balance of Kshs.287,686,645.00 as at 30 June 2013 includes liabilities of Kshs.10,596,820.00 that have been outstanding for more than five years. Further, except for the ledger, no documents including invoices and demand notes were availed in support of trade payables balance of Kshs.12,319,240.00.

In the circumstances, it was not possible to ascertain the accuracy and authenticity of the trade and other payables balance of Kshs.287,686,645.00 as at 30 June 2013.

4. Supply of School Equipment

As reported in the previous years, the Unit entered into a contract in the year 2006 with a local company for the supply of various pieces of laboratory equipments, chemicals and teaching aids to 1,457 secondary schools across the country, at a contract price of Kshs.226,772,450.00. According to records available, the Unit in 2008/2009 financial year received an amount of Kshs.261,326,532.00 from the parent Ministry of Education for the purpose. However, and despite availability of other suitable methods, the Unit used direct procurement to identify the supplier, besides making an advance payment of Kshs.75,086,880.00 to the supplier.

Additional information indicates that the officials of the Ethics and Anti-Corruption Commission intercepted the funds immediately after the advance payment was made and various officers of the unit have since been arraigned in a Court of Law and charged over the contract. Although management has indicated that the Supplier made a refund of Kshs.70,000,000.00 to the National Treasury after the year end, no documentary evidence was availed to support this position.

Further and as indicated in note 8 to the financial statements, out of the Kshs.261,326,532.00 received from the parent Ministry for acquiring laboratory equipments, chemicals and teaching aids, Kshs.40,044,282.00 was paid to Kenya Revenue Authority to cover tax arrears and penalties. It was therefore not possible to ascertain whether the amount of Kshs. Kshs.261,326,532.00 was expended as appropriated.

5. Land

The property, plant and equipment balance of Kshs.86,341,694.00 includes land at a cost of Kshs.63,000,000.00. This land identified as plot No.LR.209/14009, measuring 5.1 hectares, is situated at Imara Daima Estate, Industrial Area and is registered under the Unit's name. However, although the land was allocated to the Unit in 1996, the Unit has not been able to develop it due to subsequent invasion by squatters. Under the circumstances, the immediate and future availability of the land for development cannot be ascertained.

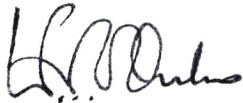
Qualified Opinion

In my opinion, except for the effect of the matters described in the Basis for Qualified Opinion paragraph, the financial statements present fairly, in all material respects, the financial position of the Unit as at 30 June 2013, 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.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

As required by the Companies Act Cap. 486, 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; and,
- ii) In my opinion, proper books of account have been kept by the Unit, so far as appears from my examination of those books; and,
- iii) The Unit's statements of financial position and statement of comprehensive income are in agreement with the books of account.



Edward R. O. Ouko, CBS
AUDITOR-GENERAL

Nairobi

9 July 2014

SCHOOL EQUIPMENT PRODUCTION UNIT

ANNUAL REPORT &

FINANCIAL STATEMENTS

FOR THE

FINANCIAL YEAR ENDED

30 JUNE 2013

School Equipment Production Unit

A company limited by guarantee and not having a share capital

Annual report & Financial Statement
for the year ended 30 June 2013

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School Equipment Production Unit

A Company limited by guarantee and not having a share capital.

The Unit is incorporated under the company's Act cap. 486.

Directors Report

The directors submit their report together with audited accounts for the year ended 30 June 2013

Principal Activity:-

The Principal activity of the Company continue to be designing, producing and selling science educational equipment.

Reserves:-

The Directors propose to carry forward the balance of the accumulated loss amounting to **(44,464,389)** .

Dividends:-

The company's Articles of Association prohibits payment of dividends.

Directors:-

The Directors who served during the year were:

| | | | |
|---|-------------------------------|--|---------------------|
| 1 | Dr. Lydia Nzomo, OGW | Kenya Institute of Curriculum Development | - Chairperson |
| 2 | Mrs .Nancy Karimi , MBS | The Jomo Kenyatta Foundation | - Member |
| 3 | Mr. Charles I. Imbali, OGW | Kenya Technical Teachers College | - Member |
| 4 | Mr. Robert Masese | Ministry of Education, Science & Technology | - Member |
| 5 | Mrs .Teresia Nyawira | National Commission for Science, Technology and Innovation | - Member |
| 6 | Mrs. Elvine Apiyo | Kenya Industrial Property Institute | - Member |
| 7 | Mrs. Lucy Kariuki | National Treasury | - Member |
| 8 | Mrs. Perpetua S. Wanaswa, OGW | School Equipment Production Unit | - Managing Director |

Registered Office

University of Nairobi
Kenya Science Campus
 Ngong Road,
P.O Box 25140-00603
 Nairobi, Kenya.

Bankers

National Bank of Kenya Limited,
 Harambee Avenue Branch,
 P.O Box 41862,
 Nairobi, Kenya.

Co-operative Bank Of Kenya Limited
 Haile Selassie Avenue,
 P.O.BOX 48231-00100
 Nairobi, Kenya.

Kenya Commercial Bank Limited,
 Milimani Branch,
P.O Box 69695,
 Nairobi, Kenya.

Auditors:-

The Auditor is the Auditor General
 P.o.Box 30084-00100
 NAIROBI.

SCHOOL EQUIPMENT PRODUCTION UNIT

Statement of Directors Responsibilities For the year ended 30th June, 2013

The Companies Act requires the Directors to prepare Financial Statements for each financial year that gives a true and fair view of the state of affairs of the Company as at the end of the financial year and of its profit or loss. 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;
- Safeguarding the assets of the Company;
- Preparation of Annual Financial Statements, which have been prepared using appropriate accounting policies supported by reasonable and prudent judgments and estimates, in conformity with International Financial Reporting Standards (IFRS) and the requirements of the Companies Act.

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 and of its profit or loss. The Directors further accept responsibility for the maintenance of accounting records that may be relied upon in the preparation of the financial statements, as well as adequate systems of Internal Financial Control.

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

Approved by the Board of Directors on 30th Sept, 2013 and signed on its behalf by:

[Signature]

**CHAIRMAN BOARD OF
DIRECTORS**

[Signature]

**MANAGING DIRECTOR/
SECRETARY TO THE BOARD**

DATE 27th March, 2014

DATE 27th March, 2014

School Equipment Production Unit

A company limited by guarantee and not having share capital

Auditors Report

School Equipment Production Unit

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STATEMENT OF THE FINANCIAL POSITION AS AT 30 JUNE 2013

| | Note | 30 JUNE 2013 | 30 JUNE 2012 |
|-------------------------------------|------|--------------------|--------------------|
| | | Kshs. | Restated Kshs. |
| ASSETS | | | |
| Non-current assets | | | |
| Property, Plant and Equipment | 2 | 86,341,694 | 78,417,485 |
| Current assets | | | |
| Inventories | 3 | 17,165,619 | 14,287,663 |
| Investment | 4 | 173,017,374 | 156,965,368 |
| Trade receivables | 5 | 84,593,021 | 86,528,137 |
| Cash and cash equivalents | 6 | 9,039,262 | 272,587 |
| Total assets | | 370,156,970 | 336,471,241 |
| EQUITY AND LIABILITIES | | | |
| Capital Reserves | 7 | 59,301,064 | 50,301,064 |
| Retained Earnings | | (44,464,389) | (59,804,622) |
| Revaluation Reserve | | 67,633,650 | 67,633,650 |
| Total Equity | | 82,470,325 | 58,130,092 |
| Current liabilities | | | |
| Trade and other payables | 9 | 287,686,645 | 278,341,149 |
| Total Liabilities | | 287,686,645 | 278,341,149 |
| Total Equity and Liabilities | | 370,156,970 | 336,471,241 |

[Signature]

..... DIRECTOR

DATE:

27th March 2014

Bidi

..... DIRECTOR / SECRETARY

DATE:

27th March, 2014.

School Equipment Production Unit

Statement of Comprehensive Income

for the financial year ended 30 June 2013

| | | 30 JUNE 2013 | 30 JUNE 2012 |
|----------------------------|----|-------------------|-------------------|
| | | Kshs | Kshs |
| Turnover | | 16,985,950 | 17,995,874 |
| Less sales return | | (66,464) | (118,927) |
| | | <u>16,919,487</u> | <u>17,876,948</u> |
| Less cost of sales | 11 | (5,706,602) | (9,348,040) |
| Gross Profit | | 11,212,885 | 8,528,908 |
| Grants | | 18,000,000 | 10,000,000 |
| Finance income | 12 | 16,052,006 | 10,770,320 |
| | | <u>45,264,891</u> | <u>29,299,228</u> |
| Expenditure | 13 | | |
| Establishment Expenses | | 1,074,929 | 983,945 |
| Board Expenses | | 2,954,920 | 2,241,165 |
| Administration Expenses | | 10,523,630 | 7,221,857 |
| Selling Expenses | | 3,387,049 | 2,200,965 |
| Staff costs | | 11,878,160 | 10,928,534 |
| Finance costs | | 106,967 | 132,397 |
| Total expenses | | <u>29,925,655</u> | <u>23,708,863</u> |
| Profit for the year | | <u>15,339,235</u> | <u>5,590,365</u> |

School Equipment Production Unit

STATEMENT OF CASH FLOW for the year ended 30th June 2013

| | 30 June 2013 | 30 June 2012 |
|--------------------------------------|---------------------------|---------------------------|
| | Kshs | Kshs |
| | Notes | |
| Operating Activities | | |
| Profit/ Loss before Tax | 15,339,235 | 5,590,365 |
| Investment Income (Note 12) | (16,052,006) | (10,770,320) |
| Provision for doubtful debts | - | 732,145 |
| Depreciation | 1,036,205 | 965,306 |
| | <u>323,434</u> | <u>(3,482,504)</u> |
| Working Capital | | |
| Increase/Decrease in Stock | (2,877,956) | (3,093,708) |
| Increase/Decrease in Debtors | 1,935,116 | 49,839 |
| Increase/Decrease in Creditors | 9,345,496 | 1,361,053 |
| | 8,402,656 | (5,165,320) |
| Investing Activities | | |
| Property, Plant and Equipment | (8,959,415) | (3,192,468) |
| Interest received from investment | 16,052,006 | |
| Grant from MOE | 9,000,000 | 10,000,000 |
| | <u>16,092,591</u> | <u>6,807,532</u> |
| Net Increase / Decrease in Cash | 24,818,681 | 1,642,212 |
| Balance at the beginning of the year | <u>157,237,955</u> | <u>155,595,743</u> |
| Cash and Cash Equivalents | <u><u>182,056,636</u></u> | <u><u>157,237,955</u></u> |

School Equipment Production Unit

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Statement of changes in Equity

for the year ended 30 June, 2013

| | Retained earnings | Revaluation Reserve | Capital Reserve | Totals |
|-----------------------------|----------------------|------------------------|--------------------|------------|
| Restated | Kshs | Kshs | Kshs | Kshs |
| Bal b/f as at 1st July,2012 | -59,804,622 | 67,633,650 | 50,301,064 | 58,130,092 |
| Development Grant | - | - | 9,000,000 | 9,000,000 |
| Profit for the year | 15,339,235 | - | - | 15,339,235 |
| As at 30th June, 2013 | (44,464,389) | 67,633,650 | 59,301,064 | 82,470,325 |

| | Retained earnings | General Reserve | Revaluation Reserve | Capital and other reserve | Totals |
|-----------------------------|----------------------|--------------------|------------------------|------------------------------|-------------|
| | Kshs | Kshs | Kshs | Kshs | Kshs |
| Bal b/f as at 1st July,2011 | (65,394,987) | 261,326,532 | 67,633,650 | 50,301,064 | 313,866,259 |
| Profit for the year | 5,590,365 | - | - | - | 5,590,365 |
| As at 30th June, 2012 | (59,804,622) | 261,326,532 | 67,633,650 | 50,301,064 | 319,456,624 |

a). **Capital reserve represents:**

The accumulated grants and loans received from / or through the Kenya Government net of accumulated trading losses prior to incorporation in 1976.

b). **Retained Earnings**

The Retained Loss has reduced from Kshs. (59,804,622) to Kshs. (44,464,389) as a result of profit for the year of Kshs.15,339,235.

School Equipment Production Unit

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Notes to the Financial Statements for the year ended 30th June 2013

1 ACCOUNTING POLICIES

The financial statements are prepared in accordance with the international accounting standards. The principal accounting policies adopted are set out below.

Basis of accounting

The Accounts are prepared under the Historic cost basis of accounting.

Depreciation

Fixed Assets are depreciated on a reducing balance basis to write the cost of the asset down to their residue value over their expected useful lives at the following rates:-

| | |
|---------------|------|
| Land | Nil |
| Buildings | 2.5% |
| Machinery | 15% |
| Motor vehicle | 25% |
| Computers | 30% |

NB: The Land is under lease hold.

Turnover

Turnover represents the invoices value of goods and services less returns.

2 PROPERTY, PLANT & EQUIPMENT

| Cost | Land Kshs. | Building Kshs. | Computers & Accessories Kshs. | Machinery & others Kshs. | Motor vehicle Kshs. | Total Kshs. |
|---|-------------------|-------------------|-------------------------------------|--------------------------------|---------------------------|-------------------|
| as at 1-7-2012 | 63,000,000 | 13,138,950 | - | 9,811,162 | 3,321,155 | 89,271,267 |
| Transfer of Computers. Additions | | 8,940,915 | 644,010 18,500 | -644,010 | | - 8,959,415 |
| as at 30th June 2013 | 63,000,000 | 22,079,865 | 662,510 | 9,167,152 | 3,321,155 | 98,230,682 |
| Depreciation as at 30th June 2012 | | 703,294 | - | 8,757,971 | 1,391,518 | 10,852,783 |
| Transfer of Computers. charge for the year as at 30th June 2013 | | 310,891 | 418,062 85,175 | -418,062 157,979 | | - 1,036,205 |
| 30th June 2013 | | 1,014,185 | 503,237 | 8,497,888 | 1,873,678 | 11,888,988 |
| Net Book Value | | | | | | |
| as at 30th June 2012 | 63,000,000 | 12,435,656 | - | 1,053,191 | 1,928,638 | 78,417,485 |
| as at 30th June 2013 | 63,000,000 | 21,065,680 | 159,273 | 669,264 | 1,447,477 | 86,341,694 |

(i) Buildings constructed on land leased to the company from University of Nairobi Kenya science campus at a peppercorn rental.

(ii) Computers and Accessories have been separated from Machinery and are depreciated at the rate of 30% and 15% respectively.

**Notes to the Financial Statements
for the year ended 30th June 2013**

3 INVENTORIES

Stock and work in progress are stated at the lower of cost and net realisable value.

Cost comprises the cost of raw materials and attributable production, overheads appropriate to the location and condition of stock at the balance sheet date.

Stock consists of stock taking as at 30th June 2013

| | 30 June 2013 | 30 June 2012 |
|--------------------------------------|-----------------------|-----------------------|
| Chemical Stocks | 2,519,863 | 2,421,981 |
| Equipment stock | 10,939,270 | 10,579,355 |
| Work shop stocks | <u>1,531,728</u> | <u>1,286,327</u> |
| | 14,990,861 | 14,287,663 |
| Work in progress | 2,174,758 | - |
| | <u>17,165,619</u> | <u>14,287,663</u> |
| 4 INVESTMENT | 30th June 2013 | 30th June 2012 |
| Co-operative Bank of Kenya | 173,017,374 | 156,965,368 |
| 5 TRADE RECEIVABLES | | |
| Trade Receivables | 28,452,539 | 30,354,144 |
| OTHER CURRENT ASSETS | | |
| Staff Advances | 838,434 | 871,945 |
| | <u>29,290,973</u> | <u>31,226,089</u> |
| Less Provision for doubtful debts | <u>-19,784,833</u> | <u>-19,784,833</u> |
| | 9,506,140 | 11,441,256 |
| Down payment to Vulcan Lab Equipment | <u>75,086,881</u> | <u>75,086,881</u> |
| Total Debtors | <u>84,593,021</u> | <u>86,528,137</u> |

School Equipment Production Unit

Notes to the Financial Statements for the year ended 30th June 2013

6 CASH AND CASH EQUIVALENTS

| | 30th June 2013 | 30th June 2012 |
|-----------------------|------------------|----------------|
| | Kshs | Kshs |
| Cash in Hand | 70,496 | 4,149 |
| National Bank | 126,354 | 189,369 |
| Kenya Commercial Bank | 8,842,412 | 79,069 |
| | <u>9,039,262</u> | <u>272,587</u> |

7 OTHER RESERVES

The Capital reserves represents the accumulated grants and loans received from / or through the Kenya Government net of accumulated trading losses prior to incorporation in 1976 and after incorporation.

| | 30th June 2013 | 30th June 2012 |
|---|-------------------|-------------------|
| | Kshs. | Kshs. |
| Government grants net of accumulated loss before incorporation (1976) | 8,468,564 | 8,468,564 |
| Government grants after incorporation | 41,832,500 | 41,832,500 |
| Development Grant | 9,000,000 | - |
| | <u>59,301,064</u> | <u>50,301,064</u> |

8 GRANT FROM MINISTRY OF EDUCATION (SPECIAL GRANT)

a) A special grant of Kshs. 261,326,532.00 was given by the Ministry of Education for purpose of producing/purchasing school equipment for schools in Kenya

b) The special grant has been expended as below:-

| | Kshs. | Kshs. |
|--|--------------------|--------------------|
| Downpayment of equipment to Vulcan Lab Equip.Ltd | 75,086,880 | 75,086,880 |
| Payment to Kenya Revenue Authority KRA | 40,044,282 | 40,044,282 |
| Co-operative Bank of Kenya - Fixed deposit | 146,195,370 | 146,195,370 |
| | <u>261,326,532</u> | <u>261,326,532</u> |

School Equipment Production Unit

Notes to the Financial Statements for the year ended 30th June 2013

| | 30th June 2013 | 30th June 2012 |
|---|---------------------------|---------------------------|
| | Kshs. | Restated Kshs. |
| 9 TRADE AND OTHER PAYABLES | | |
| Trade Payables | 12,319,240 | 9,801,273 |
| Other Payables | <u>275,367,405</u> | <u>268,539,876</u> |
| | <u>287,686,645</u> | <u>278,341,149</u> |
| 10 Other Payables constitutes:- | | |
| Start General Contractors | 8,940,915 | - |
| Retirement benefits (Pensions) | 1,751,958 | 2,007,102 |
| Auditor General Corporations | 1,098,000 | 1,550,000 |
| Terminal benefits | - | 206,242 |
| SEPU SACCO Interest | 2,250,000 | 3,450,000 |
| Ministry of Education (Unsupplied Equipment) | <u>261,326,532</u> | <u>261,326,532</u> |
| | <u>275,367,405</u> | <u>268,539,876</u> |
| 11 COST OF SALES | | |
| Opening stock | 14,287,663 | 11,193,955 |
| Add - purchases | 8,584,558 | 12,441,748 |
| less - closing stocks | <u>(17,165,619)</u> | <u>(14,287,663)</u> |
| | <u>5,706,602</u> | <u>9,348,040</u> |
| 12 FINANCE INCOME | | |
| Finance income comprise of investment of Interest on investment | | |
| Invested Amount | 146,195,370 | 146,195,370 |
| Interest earned | <u>16,052,006</u> | <u>10,770,320</u> |
| | <u>162,247,376</u> | <u>156,965,690</u> |

Other payables

Included in other payables is Kshs.8,940,915 owed to Start General Contractors for the Renovation of the building roof but was not paid by the end of the June 2013.

Professional & Legal fees.

Consultancy fees increased from Kshs.366,400 to Kshs.1,506,000 as a result of increased number of consultancy services offered in this financial year.

School Equipment Production Unit

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13 Expenditure for the year ended 30 June 2013

| | 30 June 2013 | 30 June 2012 |
|--|-------------------|-------------------|
| | Kshs | Kshs |
| ESTABLISHMENT EXPENSES | | |
| Repairs and maintenance of Equipment & Buildings | 302,100 | 262,396 |
| Motor Vehicle running expenses & repairs | 772,829 | 721,549 |
| | <u>1,074,929</u> | <u>983,945</u> |
| BOARD EXPENSES | | |
| Director Allowances | 2,954,920 | 2,241,165 |
| STAFF COSTS | | |
| Salaries and Wages | 10,784,218 | 10,286,616 |
| Staff welfare | 594,027 | 391,355 |
| Staff uniform | 171,073.0 | - |
| Terminal Benefits | 206,242 | 177,805 |
| Leave travelling allowance | 119,800 | 65,200 |
| Medical- for Staff | 2,800 | 7,558 |
| | <u>11,878,160</u> | <u>10,928,534</u> |
| ADMINISTRATION EXPENSES | | |
| Telephone and Faxes | 156,291 | 129,754 |
| Printing and Stationery | 363,592 | 256,276 |
| Insurance premiums | 485,562 | 384,797 |
| Local Travelling & Subsistence allowance | 1,775,280 | 882,460 |
| Subscriptions and Donations | 40,000 | 10,500 |
| Audit Fees-KENAO | 600,000 | 300,000 |
| Office Expenses | 880,997 | 1,206,426 |
| Depreciation | 1,036,205 | 965,306 |
| Training\$recruitment | 92,800 | 50,000 |
| Entertainment Expenses | 246,380 | 160,742 |
| Water and Electricity | 471,572 | 238,929 |
| Broken glass wares & Equipment | 1,109,952 | - |
| Provision for bad debts | - | 732,145 |
| Secondary School science kit | 983,168 | 966,099 |
| IT Expenses | 129,528 | 46,492 |
| Security services | 646,303 | 488,127 |
| Professional & Legal Fee | 1,506,000 | 366,400 |
| Penalty KRA | - | 37,404 |
| | <u>10,523,630</u> | <u>7,221,857</u> |
| SELLING EXPENSES | | |
| Advertising, sales promotion & Marketing | 2,522,050 | 1,485,320 |
| Debt Collection Expenses | - | 93,264 |
| Packing Materials (stores) | 2,618 | 39,559 |
| Refund to Customers | 119,800.00 | 17,200 |
| Transport - Despatch & Postage | 742,581 | 565,622 |
| | <u>3,387,049</u> | <u>2,200,965</u> |
| FINANCE COSTS | | |
| Bank Charges | <u>106,967</u> | <u>132,397</u> |