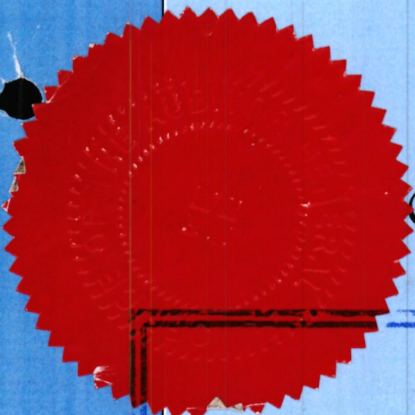

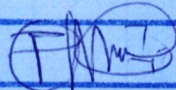


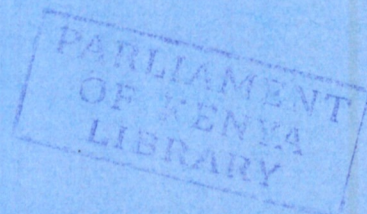
REPUBLIC OF KENYA



OFFICE OF THE AUDITOR-GENERAL



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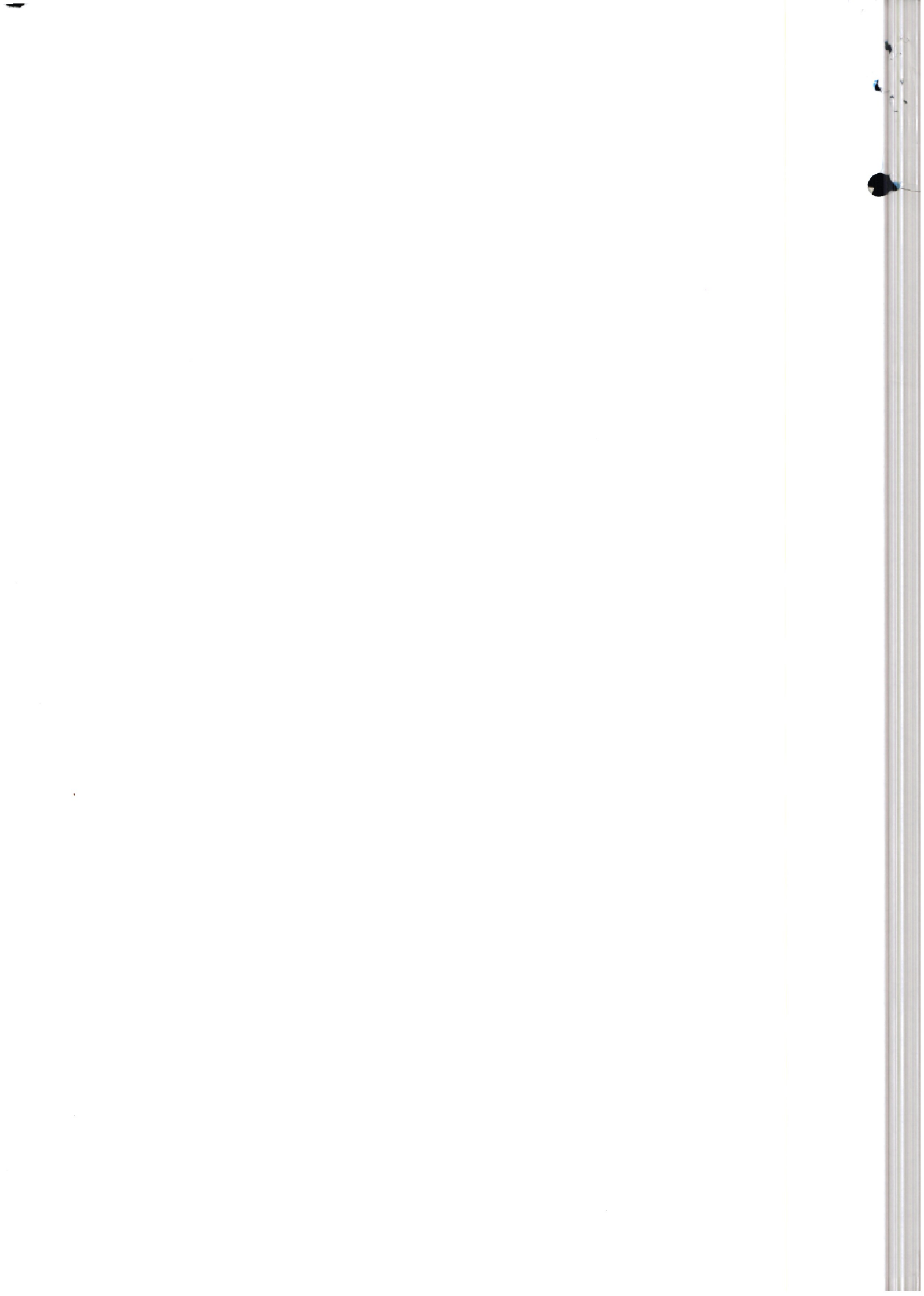
OF

THE AUDITOR-GENERAL

ON

**THE FINANCIAL STATEMENTS OF
KENYA MEDICAL LABORATORY
TECHNICIANS AND TECHNOLOGISTS BOARD**

**FOR THE YEAR ENDED
30 JUNE 2018**





REPUBLIC OF KENYA
MINISTRY OF HEALTH



KENYA MEDICAL LABORATORY TECHNICIANS AND TECHNOLOGISTS BOARD

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED

JUNE 30, 2018

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





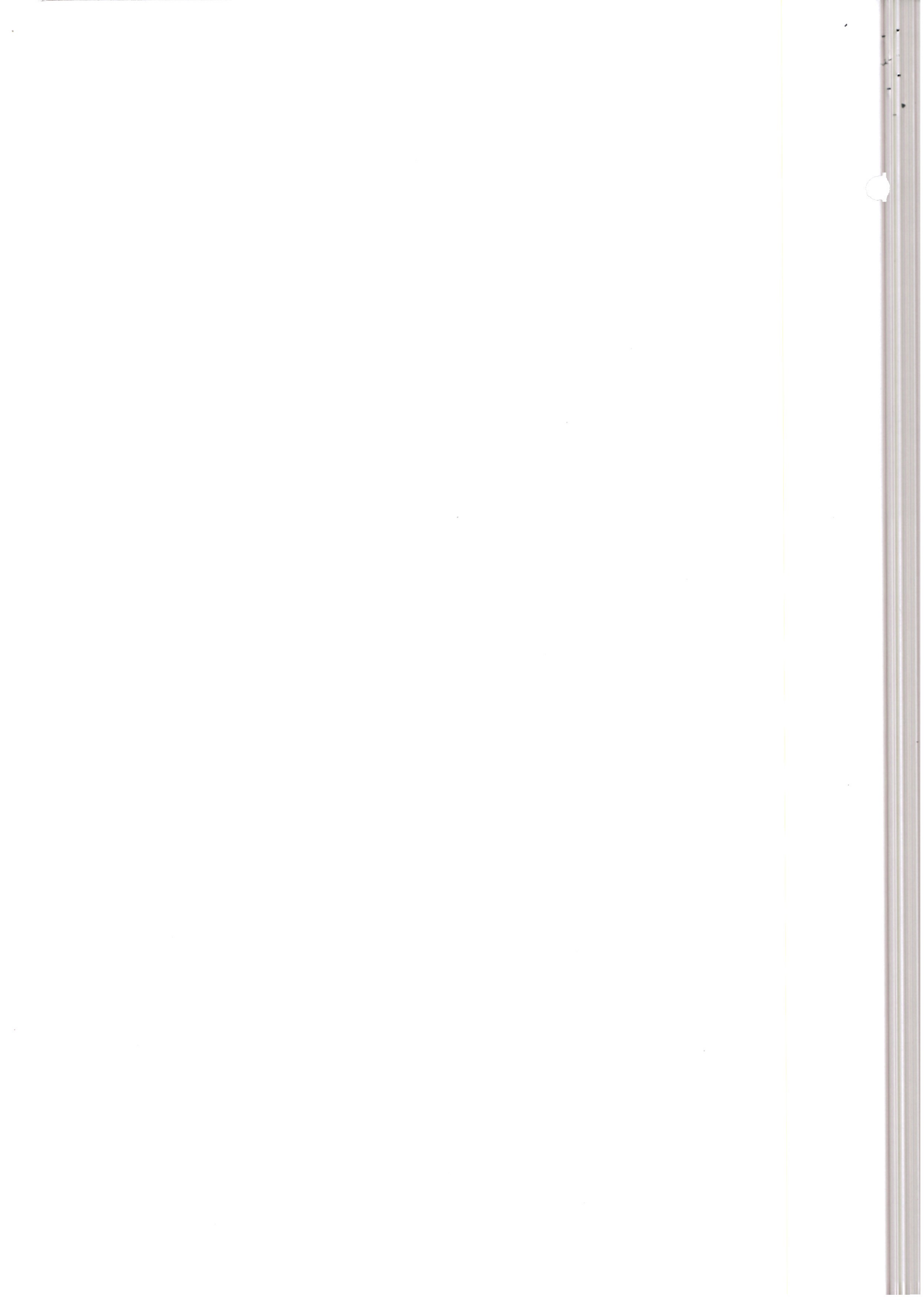
REPUBLIC OF KENYA
MINISTRY OF HEALTH



**KENYA MEDICAL LABORATORY TECHNICIANS AND TECHNOLOGISTS BOARD
ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2018**

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REPUBLIC OF KENYA
MINISTRY OF HEALTH



KENYA MEDICAL LABORATORY TECHNICIANS AND TECHNOLOGISTS BOARD ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2018

I. KEY ENTITY INFORMATION AND MANAGEMENT

Background information

The Board was established by an act of parliament, Medical Laboratory Technologists and Technicians Act No. 10 of 1999, to amongst other functions to regulate the operations of medical laboratory function in the country.

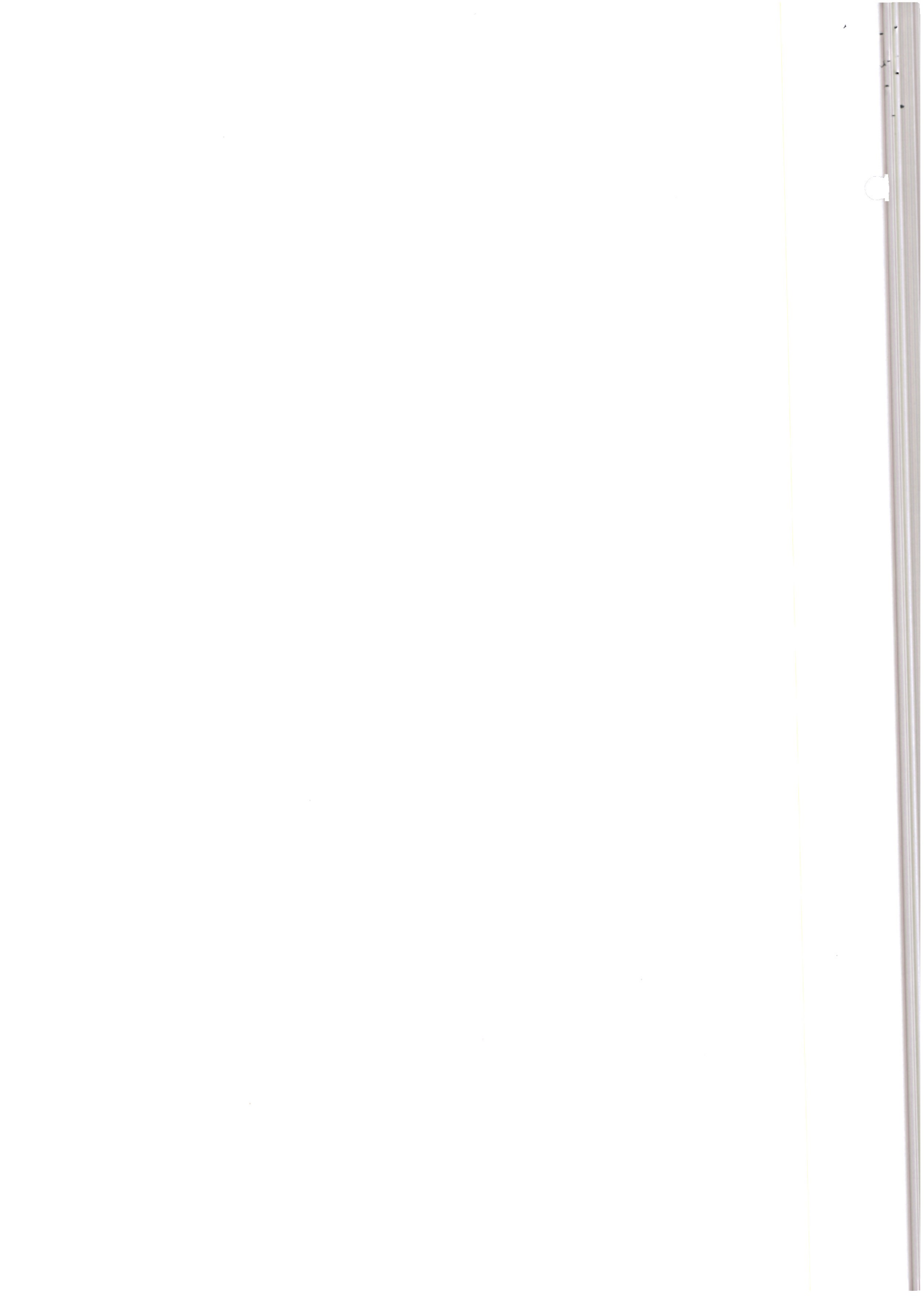
The first Board was inaugurated in the year 2000.

Functions of the Board

The board functions are as enumerated below, and include:

- Regulate the professional conduct of Registered Laboratory Technicians and Technologists.
- Licence and regulate business practices of Technologists and Technicians.
- Approve institutions for Training Technologists.
- Register Technicians and Technologists.

Approve courses of institutions for laboratory technologists and technicians



**KENYA MEDICAL LABORATORY TECHNICIANS AND TECHNOLOGISTS BOARD
ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2018**

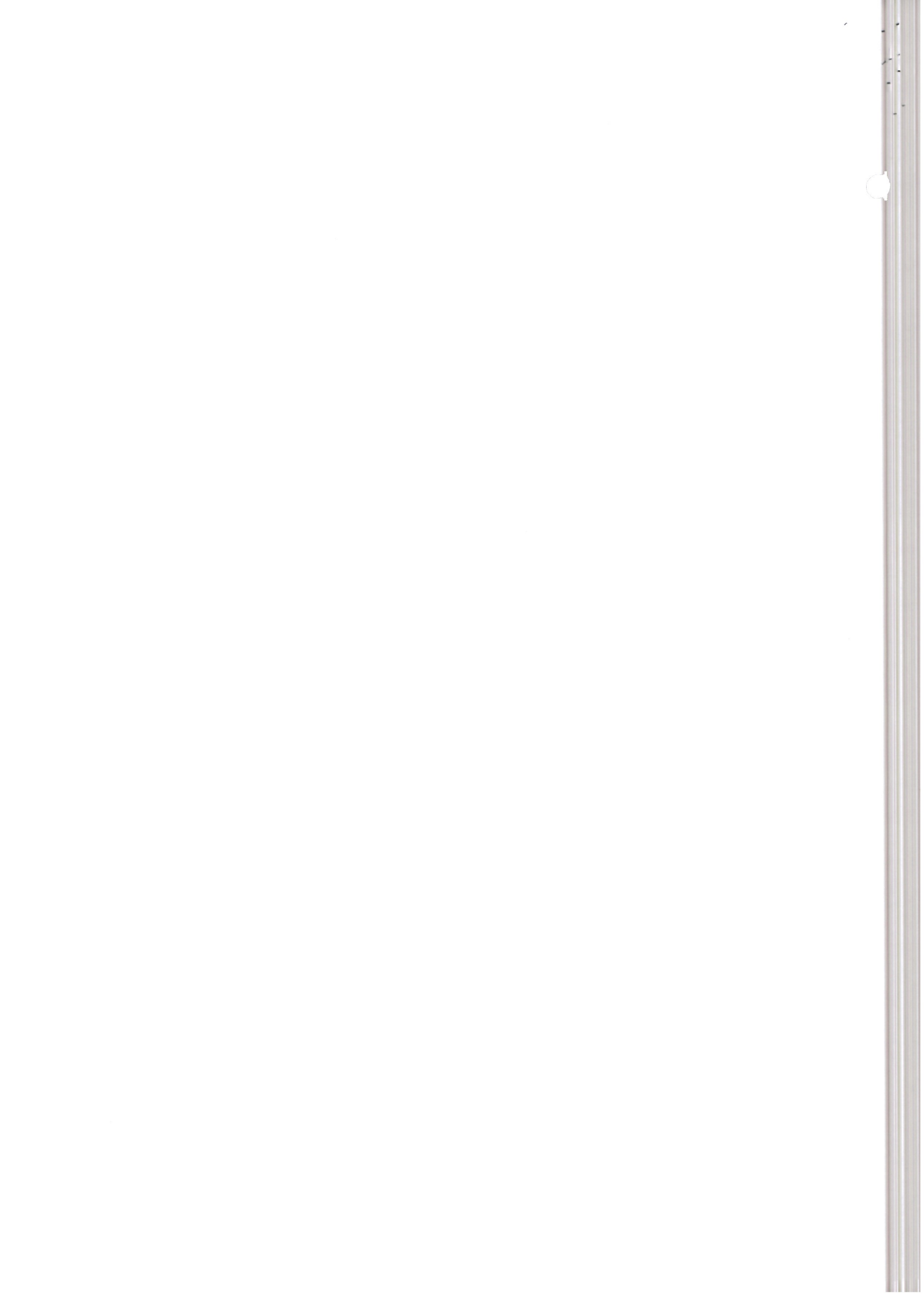
THE BOARD MEMBERS

The following were the members of the current board inaugurated on 14.08 2015 for a period of 3 years




BOARD MEMBERS

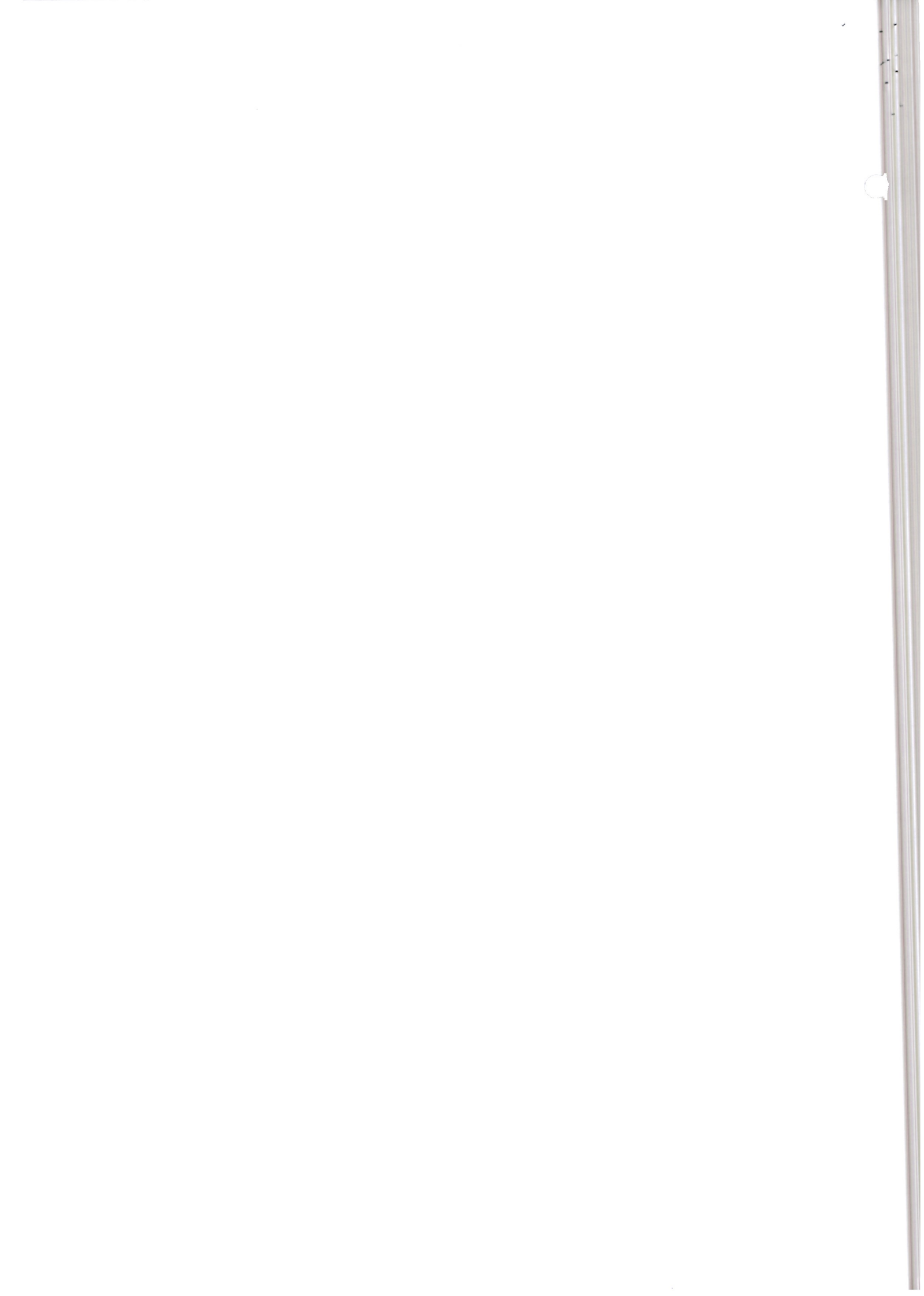
Below is a tabulation of the Board membership inaugurated on 18/08/2015

S.No	PASSPORT PHOTO	BRIEF PROFILE
1.	 Abel O. Onyango - Chairman	PhD Masters in Medical Laboratory Science – Medical Biochemistry Medical Laboratory Technologist
2.	 Abdulatif Ali – Director Diagnostic Service /Registrar	Masters in Medical Laboratory Science – Infectious Diseases Medical Laboratory Technologist
3.	 Wilson Njeru Kaaria - Member	Higher National Diploma – Medical Laboratory Sciences Medical Laboratory Technologist





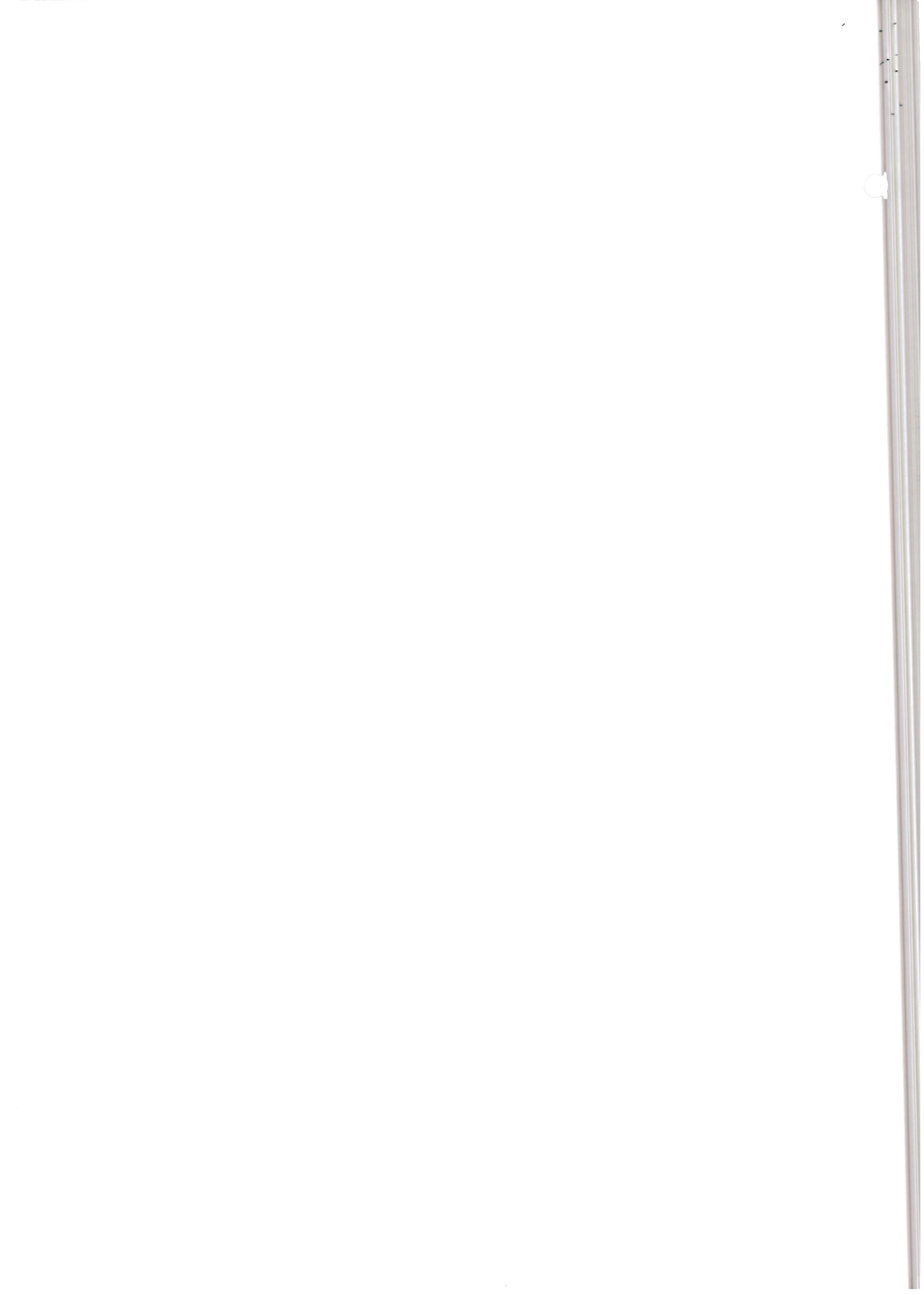
**KENYA MEDICAL LABORATORY TECHNICIANS AND TECHNOLOGISTS BOARD
ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2018**

4.	 <p>Benadette Tipiana Nkukuu - Member</p>	<p>Diploma in Medical Laboratory Science Medical Laboratory Technologist</p>
5.	 <p>Dr. Stanley Waithaka Kinge - Member</p>	<p>PhD in Medical Laboratory Sciences Medical Laboratory Technologist</p>
6.	 <p>Everlyne Nyawira Macharia - Member</p>	<p>MSc in Medical Laboratory Science – On going BSc in Medical Laboratory Science Diploma in Medical Laboratory Science Medical Laboratory Technologist</p>



**KENYA MEDICAL LABORATORY TECHNICIANS AND TECHNOLOGISTS BOARD
ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2018**

7.		Masters in Medical Laboratory Science Infectious Diseases Medical Laboratory Technologist
8.	 Mamo Umuro - Member	Diploma in Medical Laboratory Science Medical Laboratory Technologist
9.	 Ali Hassan Noor - Member	Law Degree – University of Nairobi Diploma in Law – Kenya School of Law State Counsel
	Susan W. Murage - Member	





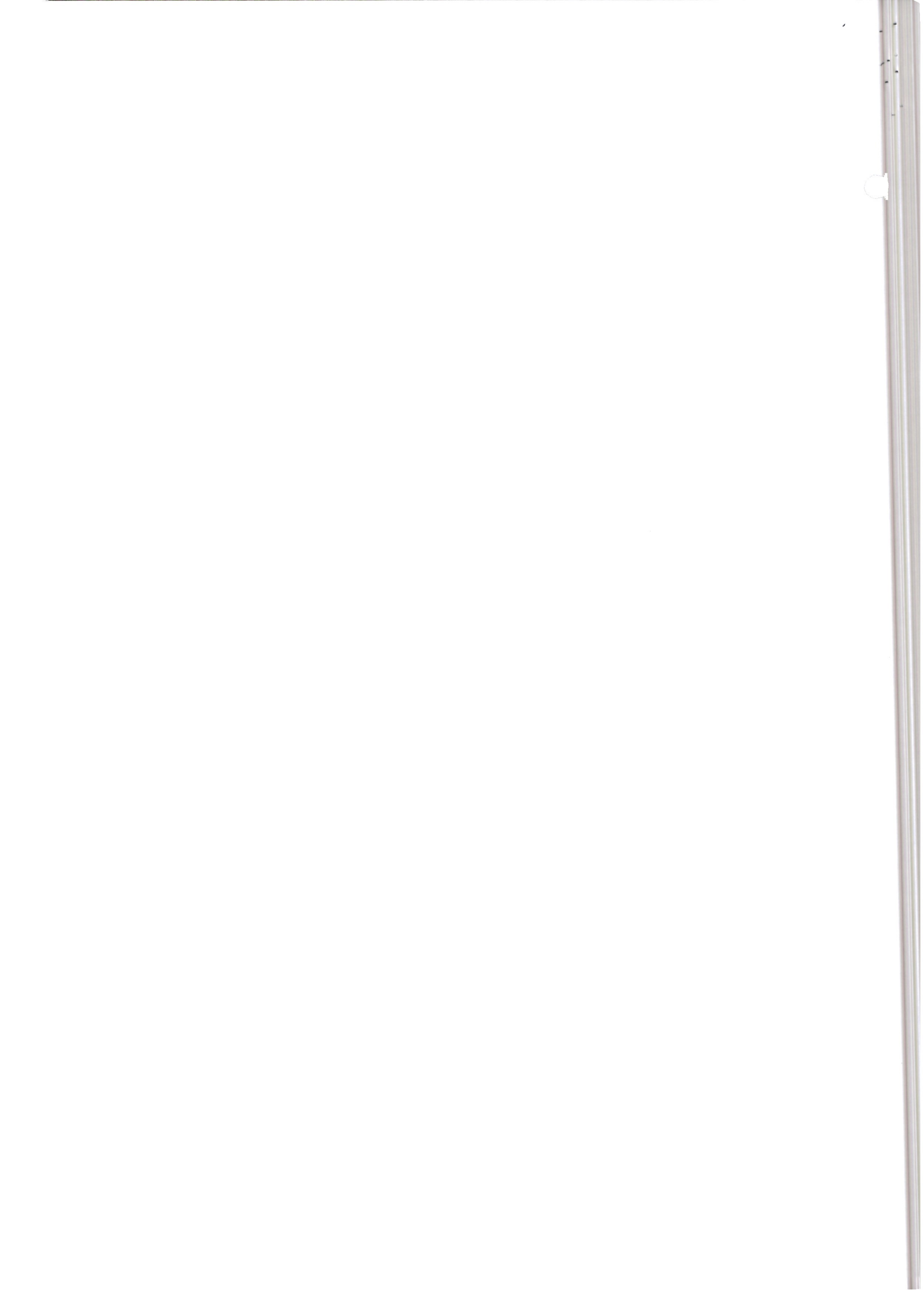


REPUBLIC OF KENYA
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**KENYA MEDICAL LABORATORY TECHNICIANS AND TECHNOLOGISTS BOARD
ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2018**

10.		Masters in Medicine – Internal Medicine (MMED) Medical Laboratory Technologist
	Dr. Izaq Odongo - Member	
11.		PhDc - Medical Laboratory Science Masters in Medical Laboratory Science - Parasitology Medical Laboratory Technologist
	John O. Nyamuni - Member	
12.		Bachelor of Education – Building Construction Technology – UoN Master of Education – Education Planning and Administration – UoN MBA – KU PhD in TVET – University of Newcastle Australia
	Dr. Meshack Opwora	



**KENYA MEDICAL LABORATORY TECHNICIANS AND TECHNOLOGISTS BOARD
ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2018**

Management Team

The Board's management team comprises of the following members:

1. Abdulatif Ali - Registrar
2. Patrick Kisabei - Executive Officer
3. Carren Kavere Ang'alika - Human Resource Officer
4. Kipkemoi Koech - Finance Officer

S.No	PASSPORT PHOTO	BRIEF PROFILE
1.	 Abdulatif Ali - Registrar	PhDe - Medical Laboratory Science - Parasitology Medical Laboratory Technologist
2.	 Patrick Kisabei - Executive Officer	Masters in Medical Laboratory Science - Clinical Chemistry Medical Laboratory Technologist



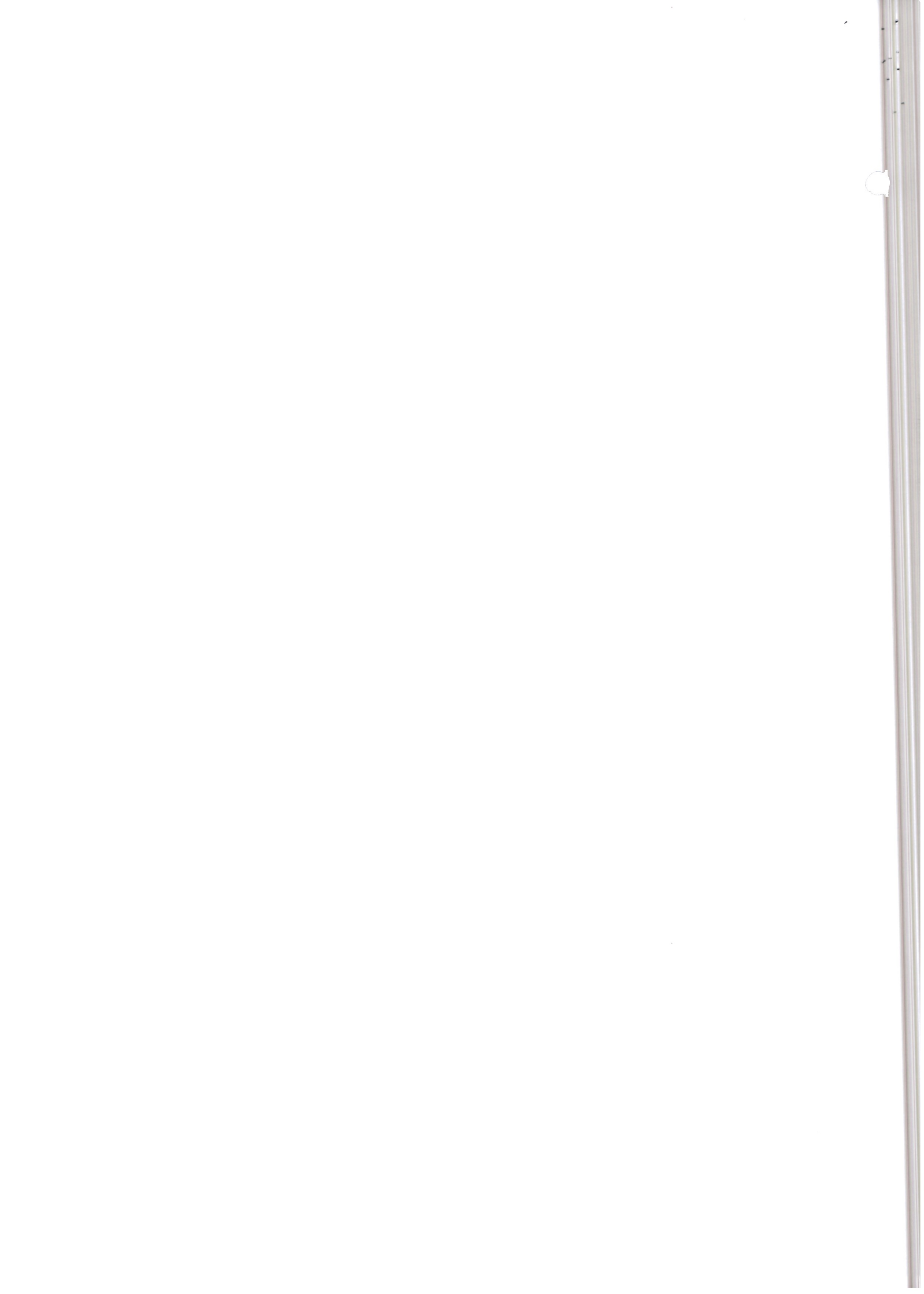


REPUBLIC OF KENYA
MINISTRY OF HEALTH



**KENYA MEDICAL LABORATORY TECHNICIANS AND TECHNOLOGISTS BOARD
ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2018**

3.	 Carren K. Ang'alika – Human Resource Officer	MBA (HRM) – KU BA (Sociology) – KU HDip (Counseling Psychology) – KIPC CPA 2
4.	 Kipkemoi Koech – Finance Officer	MBA (Finance)- ongoing Bachelor in Business Administration – Finance CPA 5





REPUBLIC OF KENYA
MINISTRY OF HEALTH



**KENYA MEDICAL LABORATORY TECHNICIANS AND TECHNOLOGISTS BOARD
ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2018**

Entity Headquarters

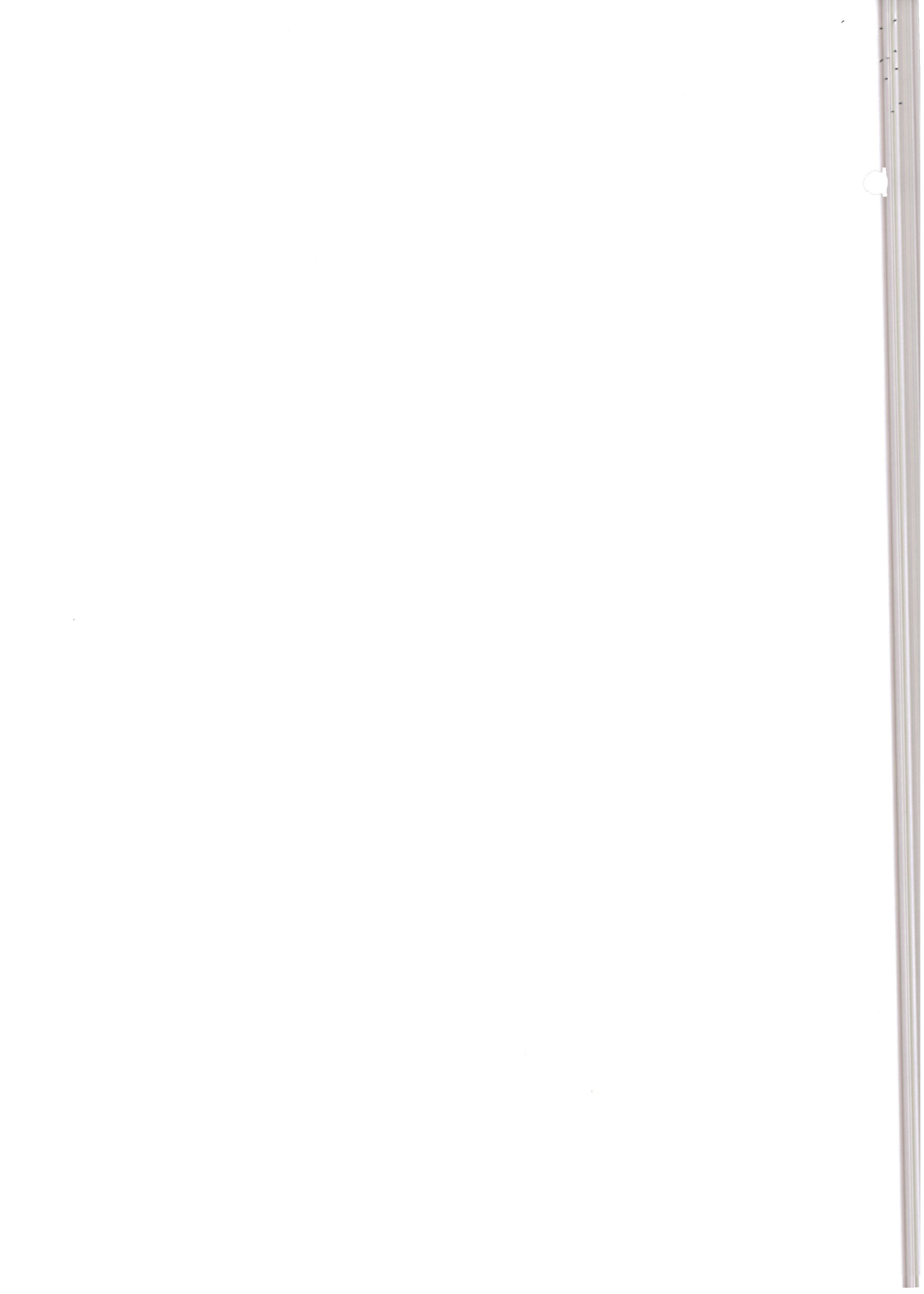
P.O. Box 20889 – 00202
K.N.H
A.C.K Garden house
1ST NGONG Avenue
4th Floor
Nairobi, KENYA

Entity Contacts

Telephone: (254) 020 273 1391
E-mail: info@kmlttb.org
Website: www.kmlttb.org

Entity Bankers

1. Equity Bank
A/C NO. **0170296759439** Community Branch
P.O. Box 8181
GPO 00100
Nairobi, Kenya
2. NATIONAL Bank Of KENYA
A/C NO. **010200581935000** HOSPITAL BRANCH.
P.O BOX 30763, NAIROBI.
3. NATIONAL Bank Of KENYA
A/C NO. **012420581935000** HOSPITAL BRANCH.
P.O BOX 30763, NAIROBI.
4. CO OPERATIVE BANK OF KENYA
A/C NO. **02120128867800** UPPER HILL BRANCH.
P.O BOX 19555 - 00202 NAIROBI.





REPUBLIC OF KENYA
MINISTRY OF HEALTH



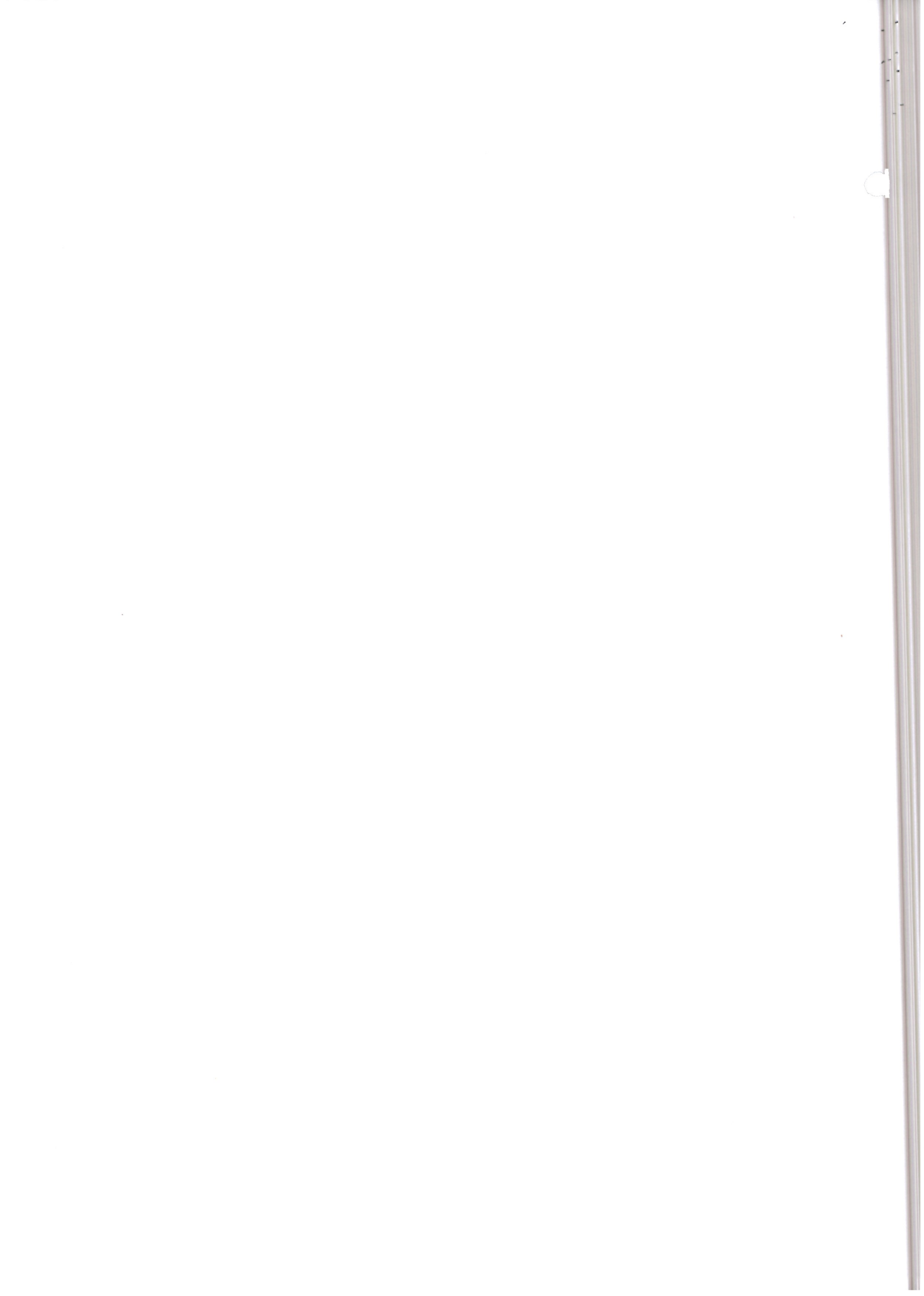
**KENYA MEDICAL LABORATORY TECHNICIANS AND TECHNOLOGISTS BOARD
ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2018**

Independent Auditors

Auditor General
Office of the Auditor General
Anniversary Towers, University Way
P.O. Box 30084
GOP 00100
Nairobi, Kenya

Principal Legal Adviser

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



**KENYA MEDICAL LABORATORY TECHNICIANS AND TECHNOLOGISTS BOARD
ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2018**

II. CHAIRMAN'S STATEMENT

CHAIRMAN'S STATEMENT ON CORPORATE GOVERNANCE AT KMLTTB

The Kenya Medical Laboratory Technicians and Technologists Board (KMLTTB) is a state health regulatory agency established through Cap 253A to exercise general supervision and control over the training, business, practice and employment of laboratory technicians and technologists in Kenya and to advise the Government in relations to all aspects thereof. KMLTTB also validates diagnostic equipment and reagents used in all medical laboratories of Kenya.

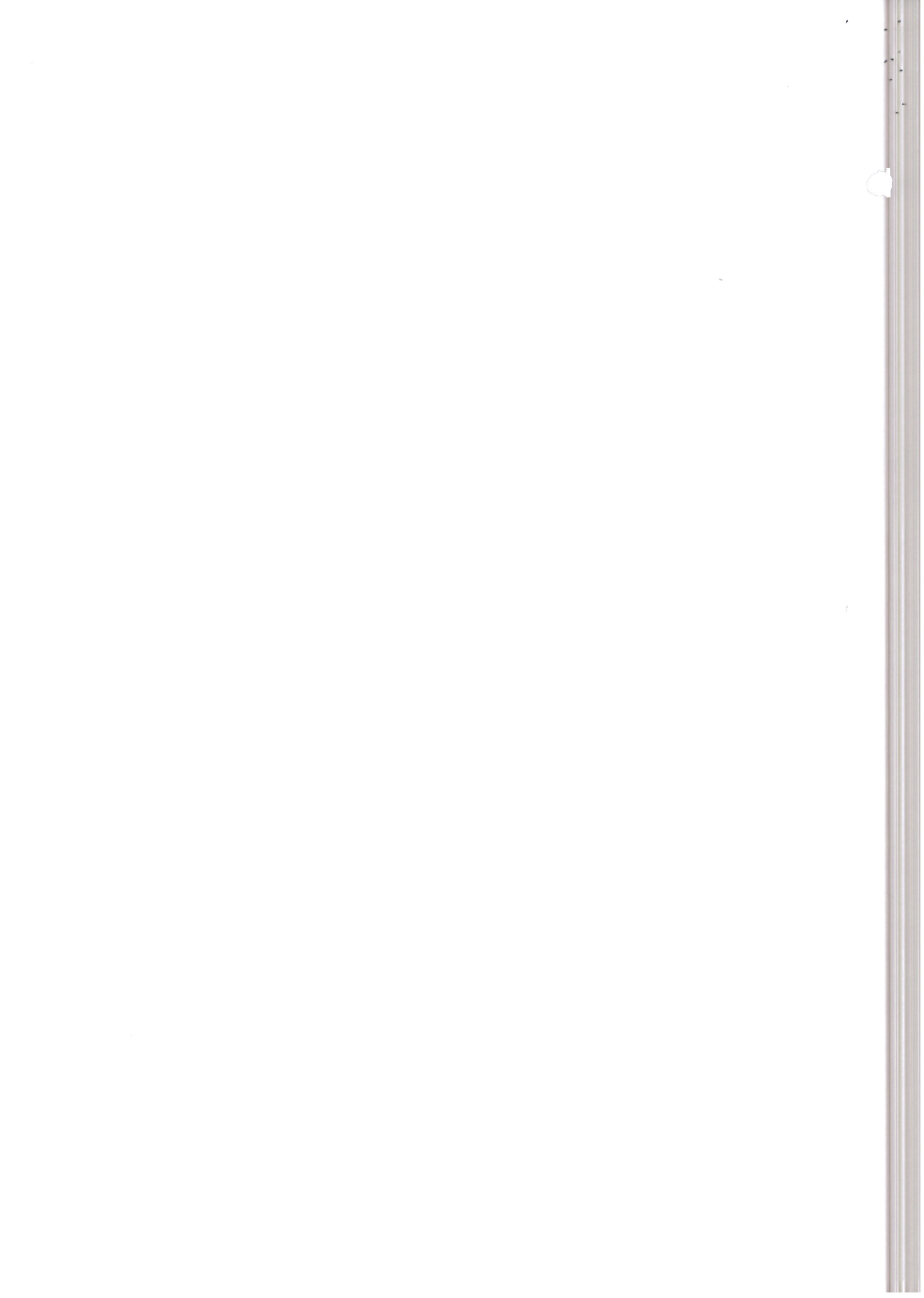
On behalf of the Board of Directors, I am delighted to present the Annual Report and Financial Statements of the Medical Laboratory Technicians & Technologists Board (KMLTTB) for the financial year 2017/2018. The current Board was appointed under a reform platform in August 2015 with a mandate of implementing the Task Force report that was submitted to the Minister of Medical services after dissolution of the previous Board for non-performance.

Despite numerous operational challenges including protracted Court battles against illegal medical laboratories and quacks, KMLTTB through the enormous goodwill and support of leadership at the Ministry of Health managed to achieve average performance targets for the year ended 30th June 2018. As part of routine responsibilities for prudent Corporate Governance the Kenya Medical Laboratory Technicians and Technologists Board (KMLTTB) prepared and submitted timely financial audit reports to the Kenya National Audit Office in the year under review. KMLTTB also strengthened its core mandate of regulating invitro diagnostics by publishing the regulations in the Kenya Gazette.

Another remarkable achievement was the establishment of quick books program to support prudent financial management in line with Corporate Governance strategy for accountability with utmost level of integrity. In tandem with the organization's mission strategy, KMLTTB registered significant progress to ensure that members of the Board suspected of corrupt practices including conflict of interest, step down to give room for investigations.



**ABEL O. ONYANGO, MSc, PhD,
CHAIRMAN, KMLTTB**



**KENYA MEDICAL LABORATORY TECHNICIANS AND TECHNOLOGISTS BOARD
ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2018**

III. REPORT OF THE CHIEF EXECUTIVE OFFICER

Establishment of KMLTTB

The Kenya Medical Laboratory Technicians and Technologists Board (KMLTTB) is mandated by *CAP 253 A* Laws of Kenya to exercise general supervision and control over training, business, employment and practice of Medical Laboratory Technicians and Technologists in Kenya. Additional mandate for KMLTTB gazetted through Legal Notice No. 113 deals with Medical Laboratory Equipment and Reagents Validation Regulations. The Board further advises the government in relation to all aspects thereof.

Organization structure of KMLTTB

The Board is composed of the Board members and secretariat. The members are appointed and gazetted by the Cabinet Secretary for Health and are tasked with policy functions while the secretariat implement the policies by undertaking the day to day activities at the Board offices. The Chief Medical Laboratory Technologist in the Ministry of Health is the Registrar and also the secretary to the Board. He is the head of the KMLTTB secretariat and provides a crucial link with the Board. The Registrar is assisted by the executive officer in daily tasks of the secretariat.

Functions of KMLTTB

KMLTTB regulates medical laboratory institutions, professionals and tools of the profession by:

1. Registration of medical laboratory training institutions
2. Registration of students undergoing medical laboratory courses
3. Designing and review of medical laboratory curricula
4. Examination of medical laboratory candidates
5. Registration of medical laboratory professionals
6. Inspection and registration of medical laboratories
7. Validation of medical laboratory reagents, equipment and in-vitro diagnostic devices

The main activities of KMLTTB among those listed above are inspections and examinations.

Inspections.

These are categorized as scheduled and impromptu, they target training institutions approved by KMLTTB, diagnostic/research laboratories and premises that are used for production of medical laboratory reagents as well as equipment.

Scheduled inspections are carried out following invitation by the institutions that intend to engage in medical laboratory activity while impromptu are done to check compliance.

Inspections are done quarterly and reports generated are utilized to address challenges in both KMLTTB and the institutions.



**KENYA MEDICAL LABORATORY TECHNICIANS AND TECHNOLOGISTS BOARD
ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2018**

Examinations.

The indexed students at KMLTTB approved institutions apply for Board examinations for purposes of registrations. They must sit and pass their universities'/colleges' qualifying examinations. The Board administers registration examinations to about 1000 candidates in May and November every year.

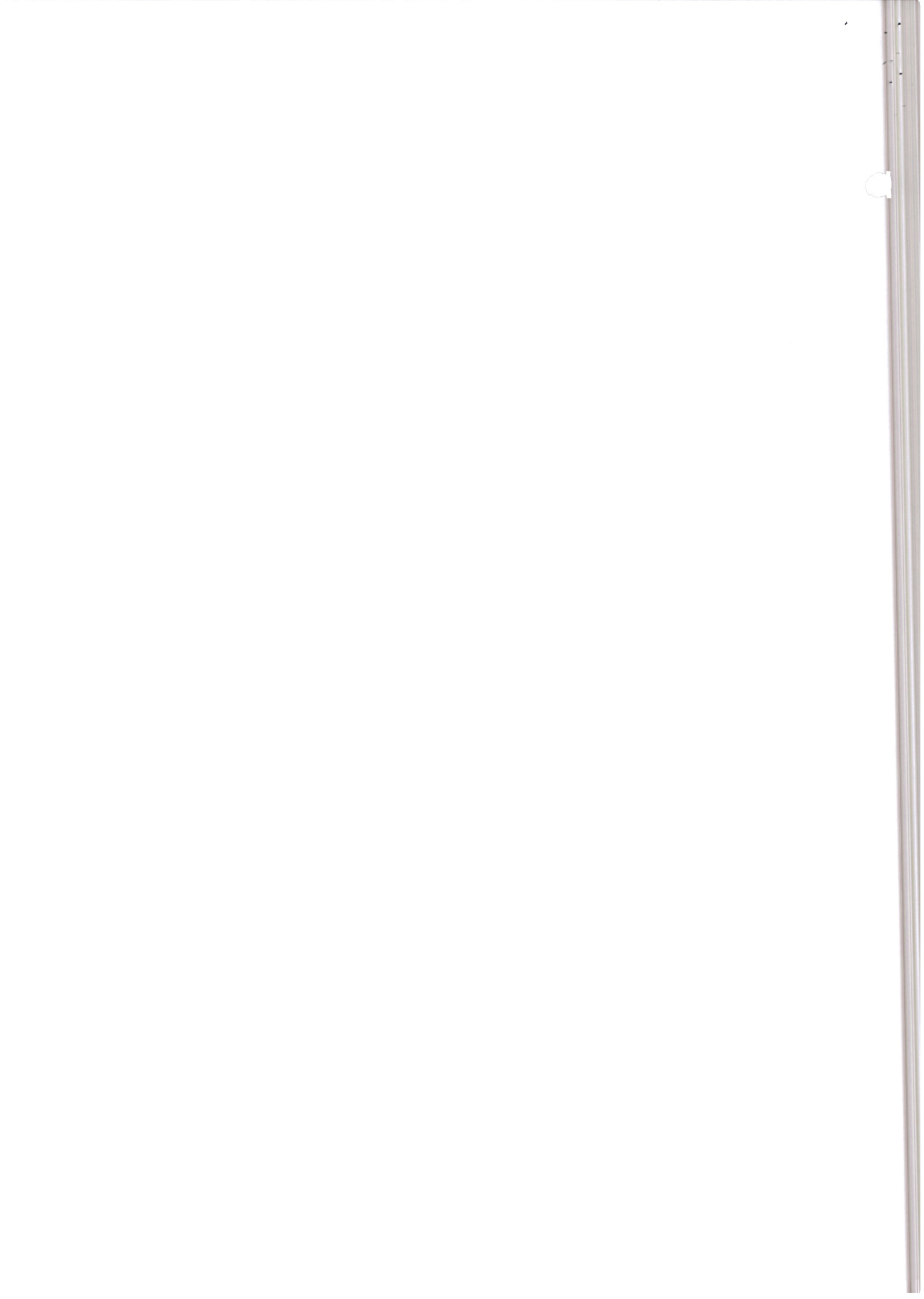
Challenges

Just like any other growing organization, KMLTTB has had its fair share of challenges which include:

1. Infrastructural - KMLTTB offices are in rented building
2. Compliance – A number of personnel and facilities have not fully abided by the required regulations by KMLTTB
3. Legal – A number of cases involving errand persons and institutions are affecting the Boards operations



Patrick M. Kisabei
Ag. Executive Officer-KMLTTB



**KENYA MEDICAL LABORATORY TECHNICIANS AND TECHNOLOGISTS BOARD
ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2018**

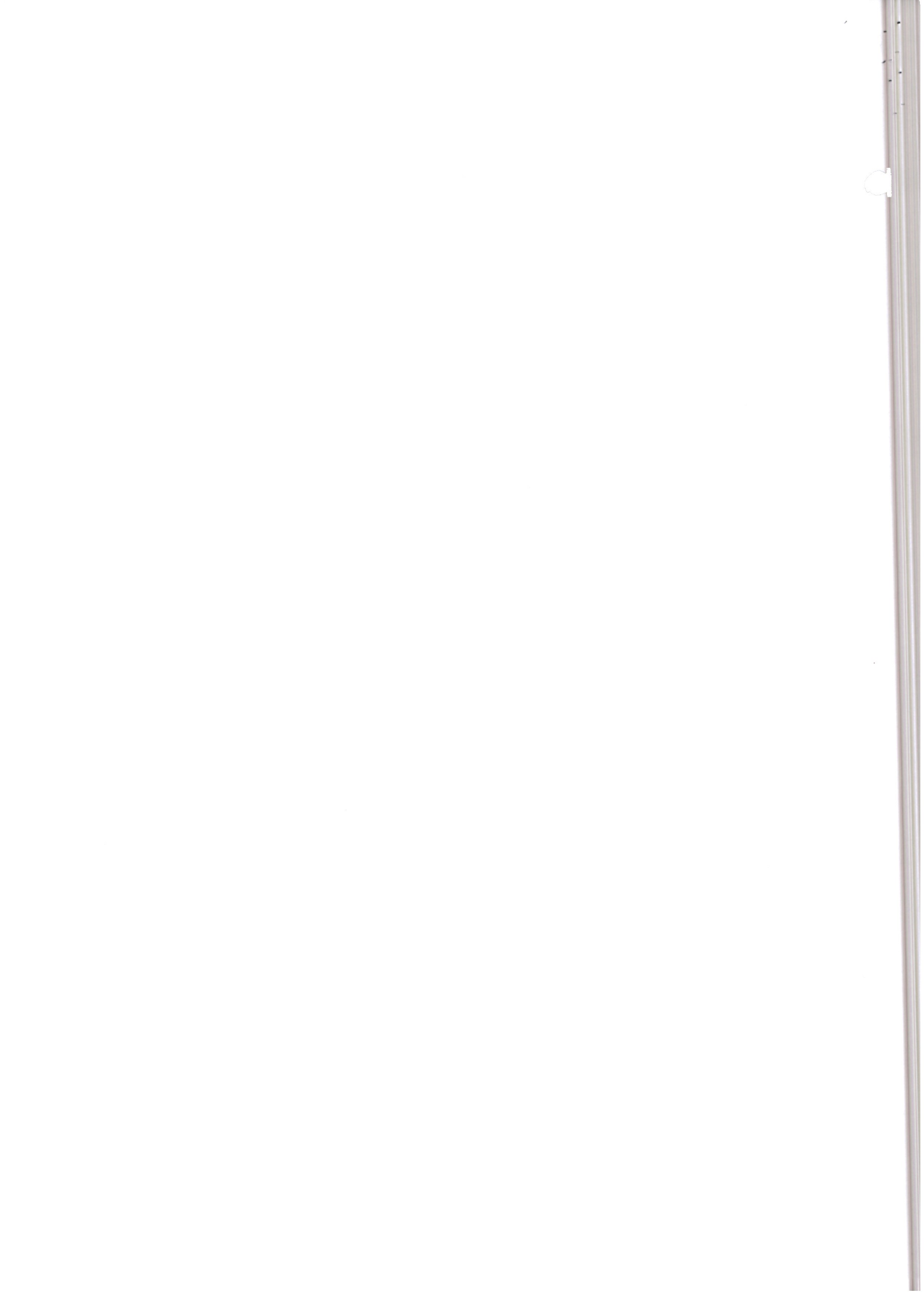
IV. CORPORATE GOVERNANCE STATEMENT

To ensure effective and efficient service delivery to customers, KMLTTB developed policy guidelines and standard operating procedures for all our business processes.

Among key business processes for which the documents were developed and ready for implementation are:

- Accreditation of training institutions
- Student indexing
- Support supervision for training institutions
- Pre-examination
- Administration of Exams
- Examination process
- Professional registration
- Professional retention
- Medical laboratory registration
- Medical laboratory inspection
- Medical laboratory retention

Together with these and through support from partners and stakeholders, the Board also developed and launched a Continuous Professional Development program as part of career development plan to be linked to annual renewal licenses for medical laboratory personnel in Kenya. As a Health Regulatory State Agency, KMLTTB endeavours to efficiently establish and implement high-end regulatory standards for laboratory infrastructure with embedded focus on safety for both practitioners and patients. In the period under review, we rolled out the first graded National Infrastructural Design for medical laboratory facilities. In the 2017/2018 year, KMLTTB continued to be a secure source of 'value-for-money' regulatory authority by enlisting more vendors/suppliers of diagnostic reagents and equipment. Through stakeholder workshops, elaborate validation procedures and protocols for were established and implemented thereby contributing positively to the Ministry's goal of providing the highest attainable quality healthcare to the citizens especially for diagnostics.

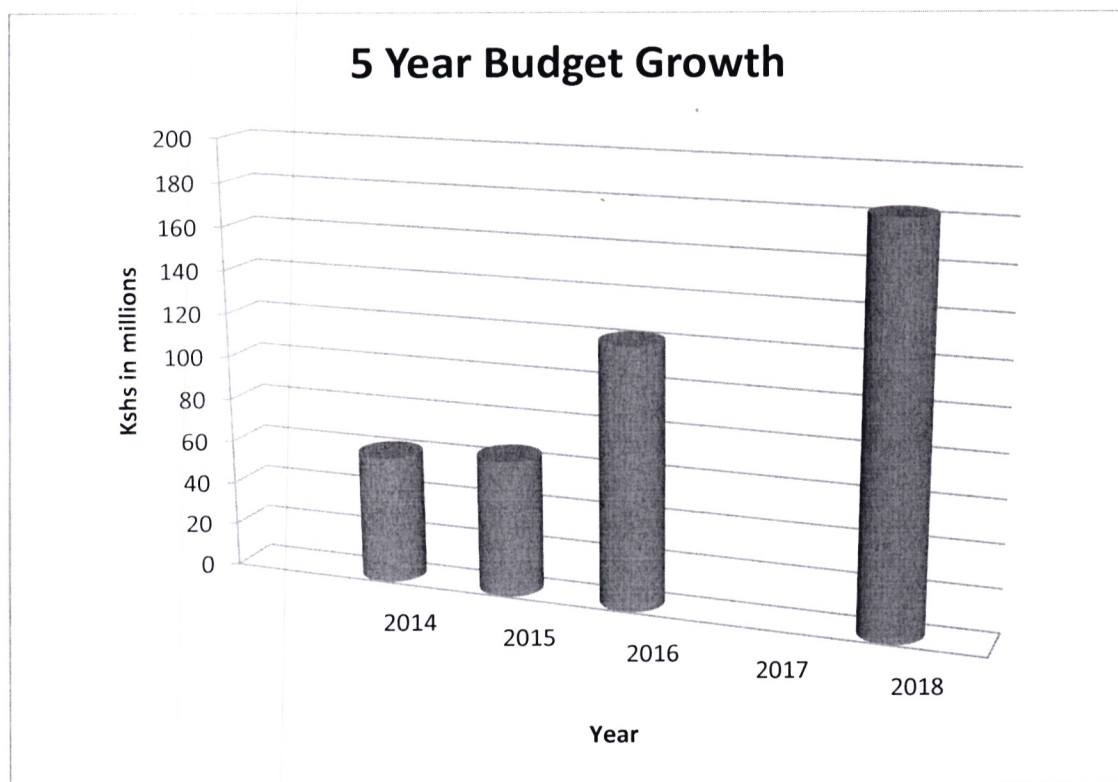


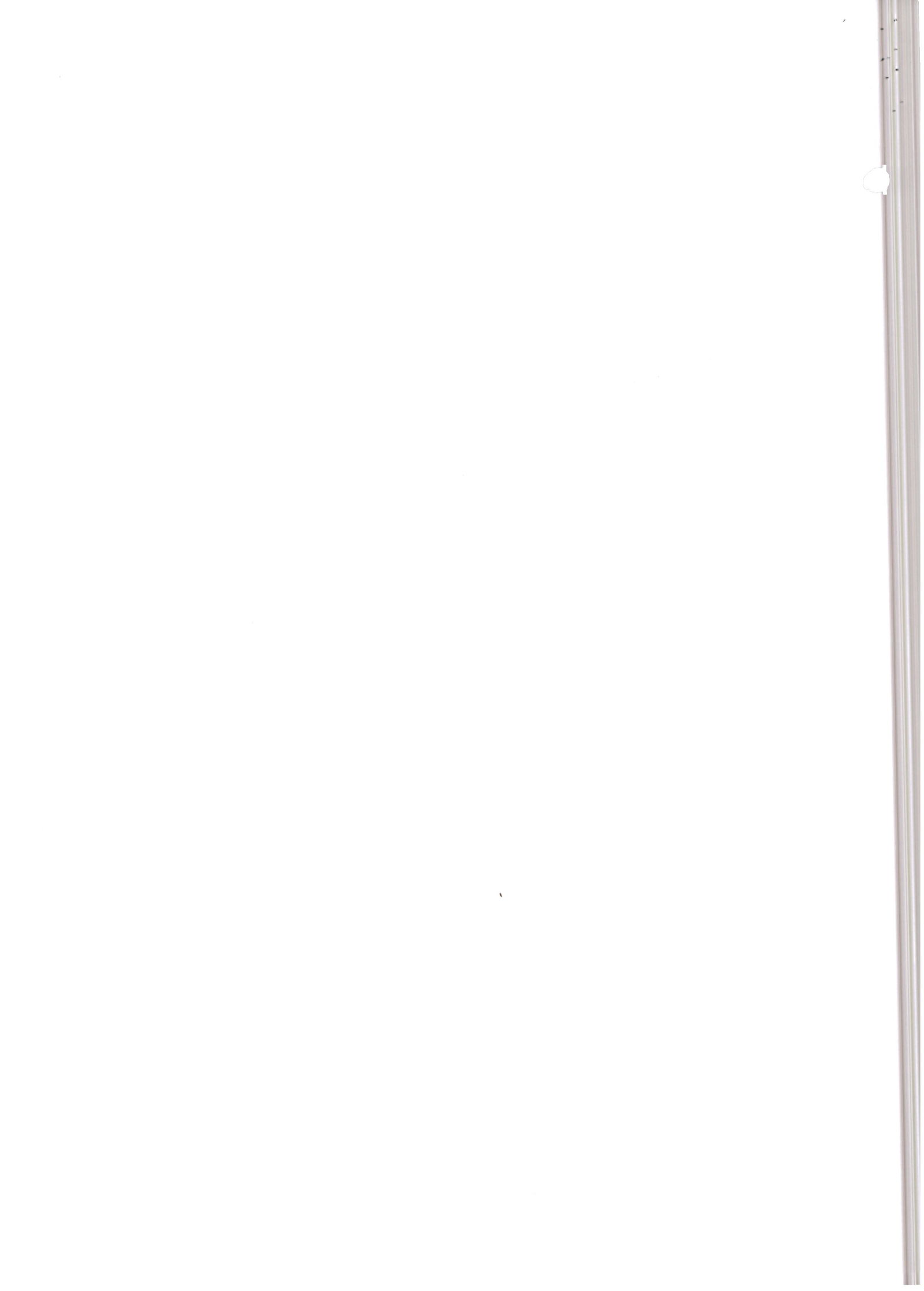
**KENYA MEDICAL LABORATORY TECHNICIANS AND TECHNOLOGISTS BOARD
ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2018**

V. GROWTH ANALYSIS

The yearly Growth of the board.

YEAR	2018	2017	2016	2015	2014
	Million	Million	Million	Million	Million
INCOME	182.952	166.53	120	63.80	59
EXPENDITURE	<u>172.969</u>	<u>161.78</u>	<u>110</u>	<u>60.15</u>	<u>57</u>
SURPLUS	9.982	4.75	10	3.65	2





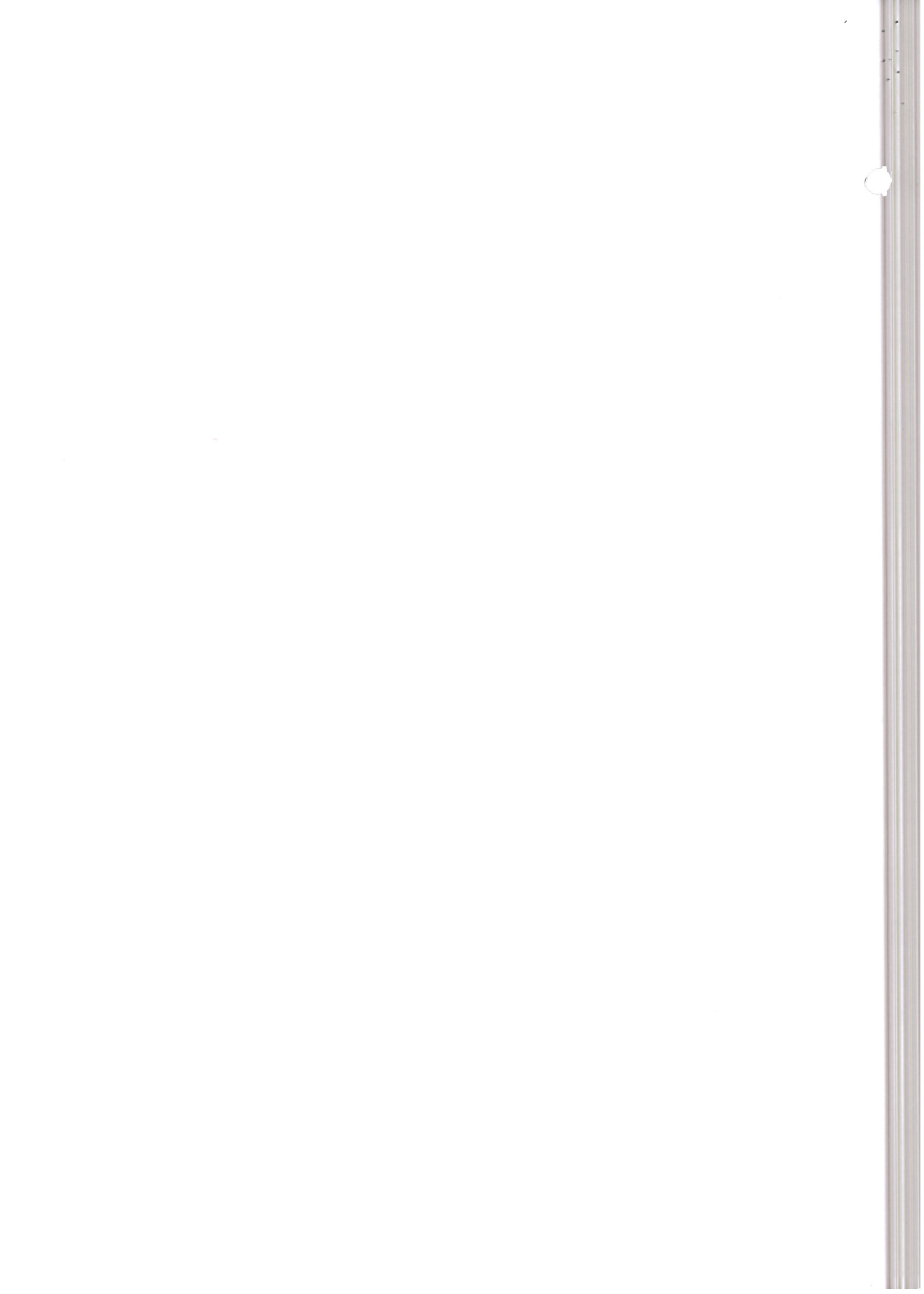
**KENYA MEDICAL LABORATORY TECHNICIANS AND TECHNOLOGISTS BOARD
ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2018**

VI. CORPORATE SOCIAL RESPONSIBILITY STATEMENT

During the financial year under review, the Board in collaboration with the parent ministry and its key stakeholder's purposes to initiate the following reforms intended to enhance the Board's strategic position in fulfilling its core mandate of regulating training of medical laboratory professionals to improve competencies for delivery of quality health care system in Kenya. The Board will increasingly but firmly:

- a) Sensitize stakeholders and enforce implementation of CPD policy guidelines
- b) Review/revise of curriculum for Bachelor of Medical Laboratory Sciences
- c) Verify professional qualifications for all lecturers involved in the training of MLS programs;
- d) Develop and cascade an internship model for BMLS graduates;
- e) Initiate partnership with KENTRADE under the Ministry of Finance to list laboratory commodities in the single window system (SWS) to improve efficiency in the online issuance of import permit for vendors of laboratory reagents and equipment;
- f) Roll out of National Standards for laboratory physical infrastructure guidelines to the Counties;
- g) Draft and publish in the Kenya Gazette, the Regulations for conduct Elections of members of AKMLSO to the Board as prescribed under Section 40 of the Act;
- h) Design and procure new generation license and registration certificates for facilities and professional;
- i) Implement Human Resource Policy for grading with staff establishment for existing positions with harmonized terms of employment;
- j) Adopt the Code of Best Practice for Corporate Governance issued by the Centre of Corporate Governance (Kenya) as its benchmark in developing its corporate governance principles.
- k) Identify a consultant to facilitate ISO certification for KMLTTB

With this exciting opportunity and responsibility, I remain optimistic and wish to reaffirm the commitment of the members of the Board to provide effective leadership for the continued efficiency and visibility of Kenya Medical Laboratory Technicians and Technologists Board.



**KENYA MEDICAL LABORATORY TECHNICIANS AND TECHNOLOGISTS BOARD
ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2018
VII. REPORT OF THE DIRECTORS' RESPONSIBILITIES.**

State Corporations Act; require the Board members to prepare financial statements in respect of that board, which give a true and fair view of the state of affairs of the board at the end of the financial year and the operating results of the board for that period. The board members are also required to ensure that the board keeps proper accounting records which disclose with reasonable accuracy the financial position of the board. The board members are also responsible for safeguarding the assets of the Board.

The board members are responsible for the preparation and presentation of the Board financial statements, which give a true and fair view of the state of affairs of the board for and as at the end of the financial year ended on June 30, 2018. This responsibility includes: (i) maintaining adequate financial management arrangements and ensuring that these continue to be effective throughout the reporting period; (ii) maintaining proper accounting records, which disclose with reasonable accuracy at any time the financial position of the entity; (iii) designing, implementing and maintaining internal controls relevant to the preparation and fair presentation of the financial statements, and ensuring that they are free from material misstatements, whether due to error or fraud; (iv) safeguarding the assets of the board (v) selecting and applying appropriate accounting policies; and (vi) making accounting estimates that are reasonable in the circumstances.

The board members accept responsibility for the board financial statements, which have been prepared using appropriate accounting policies supported by reasonable and prudent judgements and estimates, in conformity with International Public Sector Accounting Standards (IPSAS), and in the manner required by the PFM Act and the State Corporations Act. The Directors are of the opinion that the board financial statements give a true and fair view of the state of board transactions during the financial year ended June 30, 2018 and of the board financial position as at that date. The Board members further confirm the completeness of the accounting records maintained for the board, which have been relied upon in the preparation of the board's financial statements as well as the adequacy of the systems of internal financial control.

Approval of the financial statements.

The Board's financial statements were approved by the Board on 13th July 2018 and signed on its behalf by:

Registrar of the Board:

Name: Abdulatif Ali.

Sign:.....

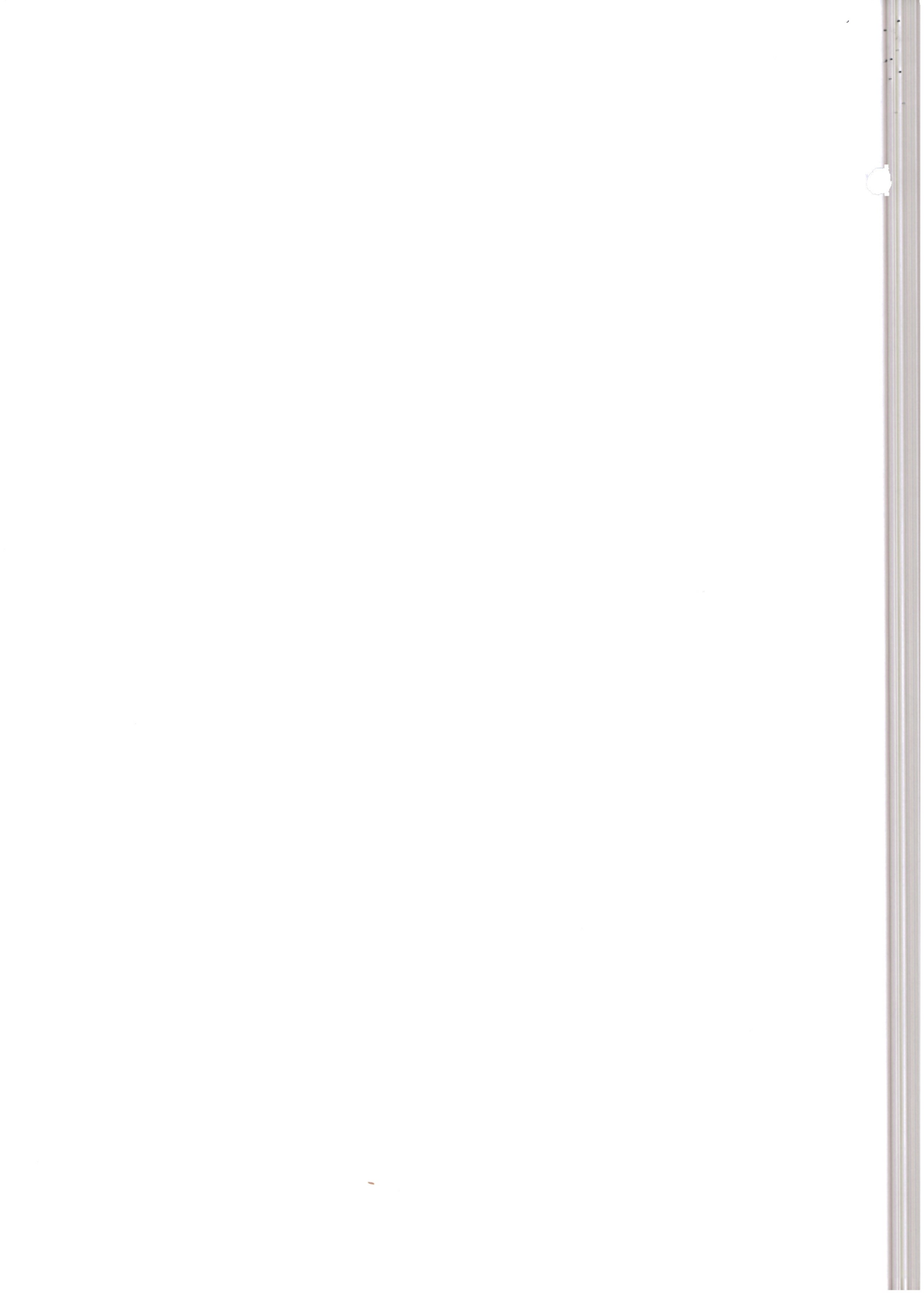

Date: 25.2.18.....

Chairman of the Board:

Name: Abel O. Onyango

Sign:.....


Date: 25.2.18.....



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 KENYA MEDICAL LABORATORY TECHNICIANS AND TECHNOLOGISTS BOARD FOR THE YEAR ENDED 30 JUNE 2018

REPORT ON THE FINANCIAL STATEMENTS

Qualified Opinion

I have audited the accompanying financial statements of Kenya Medical Laboratory Technicians and Technologists Board set out on pages 18 to 34, which comprise the statement of financial position as at 30 June 2018, and the statement of financial performance, statement of changes in net assets, statement of cash flows and statements of comparison of budget and actual amounts for the year then ended, and a summary of significant accounting policies and other explanatory information in accordance with the provisions of Article 229 of the Constitution of Kenya and Section 35 of the Public Audit Act, 2015. I have obtained all the information and explanations which, to the best of my knowledge and belief, were necessary for the purpose of the audit.

In my opinion, except for the effect of the matters described in the Basis for Qualified Opinion section of my report, the financial statements present fairly, in all material respects, the financial position of Kenya Medical Laboratory Technicians and Technologists Board as at 30 June 2018, and of its financial performance and its cash flows for the year then ended, in accordance with International Public Sector Accounting Standards (Accrual Basis) and comply with Medical Laboratory Technicians and Technologists Act, 1999.

Basis for Qualified Opinion

1. Receivables from Exchange Transactions

As previously reported, note 9 to the financial statements reflects receivables from exchange transactions amounting to Kshs.13,798,500 as at 30 June 2018 due from Kenya Medical Training College (KMTC) in respect of inspection fee which has been outstanding for more than twelve (12) years. However, no provision for bad and doubtful debts has been made in the books of accounts in respect of this balance. Consequently, it has not been possible to confirm the validity and full recoverability of receivables from exchange transactions balance of Kshs.13,798,500 as at 30 June 2018.

2. Trade and other Payables from Exchange Transactions

As previously reported, note 11 to the financial statements reflects trade and other payables from exchange transactions balance of Kshs.4,487,270 as at 30 June 2018 out of which Kshs.3,554,266 relate period between 2011/2012 and 2016/2017 financial

Report of the Auditor-General on the Financial Statements of Kenya Medical Laboratory Technicians and Technologists Board for the year ended 30 June 2018

years. Management has not given reasons for not settling the long outstanding amounts. Consequently, it has not been possible to confirm that trade and other payables from exchange transaction balance of Kshs.4,487,270 included in the statement of financial position as at 30 June 2018 is fairly stated.

The audit was conducted in accordance with International Standards of Supreme Audit Institutions (ISSAIs). I am Independent of Kenya Medical Laboratory Technicians and Technologists Board in accordance with ISSAIs 30 on Code of Ethics. I have fulfilled other ethical responsibilities in accordance with the ISSAI and in accordance with other ethical requirements applicable to performing audits of financial statements in Kenya. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

Key Audit Matters

Key audit matters are those matters that, in my professional judgement, are of most significance in the audit of the financial statements. Except for the matter described in the Basis for Qualified Opinion section on my report, I have determined that there are no other key audit matters to communicate in my report.

REPORT ON LAWFULNESS AND EFFECTIVENESS IN USE OF PUBLIC RESOURCES

Conclusion

As required by Article 229(6) of the Constitution, based on the audit procedures performed, except for the matter described in the Basis for Qualified Opinion section of my report, I confirm that, nothing else has come to my attention to cause me to believe that public resources have not been applied lawfully and in an effective way.

The audit was conducted in accordance with ISSAI 4000. The standard requires that I comply with ethical requirements and plan and perform the audit to obtain assurance about whether the activities, financial transactions and information reflected in the financial statements are in compliance, in all material respects, with the authorities that govern them.

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

REPORT ON EFFECTIVENESS OF INTERNAL CONTROLS, RISK MANAGEMENT AND GOVERNANCE

Conclusion

As required by Section 7(1)(a) of the Public Audit Act, 2015, based on the audit procedures performed, except for the matter described in the Basis for Qualified Opinion section of my report, I confirm that, nothing else has come to my attention to cause me to believe that internal controls, risk management and overall governance were not effective.

The audit was conducted in accordance with ISSAI 1315 and ISSAI 1330. The standards requires that I plan and perform the audit to obtain assurance about whether effective processes and systems of internal control, risk management and governance were operating effectively, in all material respects. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my conclusion.

Responsibilities of Management and Those Charged with Governance

Management is responsible for the preparation and fair presentation of these financial statements in accordance with International Public Sector Accounting Standards (Accrual Basis) and for maintaining effective 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 and for its assessment of the effectiveness of internal control, risk management and governance.

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

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

In addition to the responsibility for the preparation and presentation of the financial statements described above, management is also responsible for ensuring that the activities, financial transactions and information reflected in the financial statements are in compliance with the authorities which govern them, and that public resources are applied in an effective way.

Those charged with governance are responsible for overseeing the Board's revenue reporting process, reviewing the effectiveness of how the entity monitors compliance with relevant legislative and regulatory requirements, ensuring that effective processes and systems are in place to address key roles and responsibilities in relation to governance and risk management, and ensuring the adequacy and effectiveness of the control environment.

Auditor-General's Responsibilities for the Audit

The audit objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion in accordance with the provisions of Section 48 of the Public Audit Act, 2015 and submit the audit report in compliance with Article 229(7) of the Constitution. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISSAIs will always detect a material misstatement and weakness when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could

reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

In addition to the audit of the financial statements, a compliance audit is planned and performed to express a conclusion about whether, in all material respects, the activities, financial transactions and information reflected in the financial statements are in compliance with the authorities that govern them in accordance with the provisions of Article 229(6) of the Constitution and submit the audit report in compliance with Article 229(7) of the Constitution.

Further, in planning and performing the audit of the financial statements and review of compliance, I consider internal control in order to give an assurance on the effectiveness of internal controls, risk management and governance processes and systems in accordance with the provisions of Section 7(1) (a) of the Public Audit Act, 2015 and submit the audit report in compliance with Article 229(7) of the Constitution. My consideration of the internal control would not necessarily disclose all matters in the internal control that might be material weaknesses under the ISSAIs. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements caused by error or fraud in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions.

Because of its inherent limitations, internal control may not prevent or detect misstatements and instances of non-compliance. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the Board's policies and procedures may deteriorate.

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

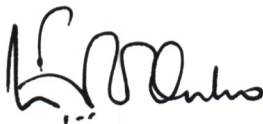
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the management.
- Conclude on the appropriateness of the management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Board's ability to continue to sustain its services. If I conclude that a material

uncertainty exists, I am required to draw attention in the auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my audit report. However, future events or conditions may cause the Board's to cease to continue to sustain its services.

- Evaluate the overall presentation, structure and content of the revenue statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information and business activities of the Board's to express an opinion on the financial statements.
- Perform such other procedures as I consider necessary in the circumstances.

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

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



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

Nairobi

27 February 2019



**KENYA MEDICAL LABORATORY TECHNICIANS AND TECHNOLOGISTS BOARD
ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2018**

IX. STATEMENT OF FINANCIAL PERFORMANCE

For the year ended 30 June 2018

	Note	2017-2018 Kshs	2016-2017 Kshs
Revenue from exchange transactions			
Rendering of services	3	147,394,958	150,548,766
Other income	4	23,000	30,500
Total revenue		147,417,958	150,579,266
Expenses			
Employee costs	5	15,481,137	11,928,736
Remuneration of board members	6	1,909,350	2,862,250
Depreciation and amortization expense	10	837,254	1,063,215
General expenses	7	122,796,844	129,468,015
Total expenses		141,024,585	145,322,216
Surplus for the period		6,393,373	5,257,050

The notes set out on pages 23 to 33 form an integral part of the Financial Statements





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KENYA MEDICAL LABORATORY TECHNICIANS AND TECHNOLOGISTS BOARD
ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2018
X. STATEMENT OF FINANCIAL POSITION

As at 30TH June 2018

	Note	2017-2018 Kshs	2016-2017 Kshs
Assets			
Current assets			
Cash and cash equivalents	8	1,826,894	6,184,283
Receivables from exchange transactions	9	<u>13,798,500</u>	<u>1,656,000</u>
		<u>15,625,394</u>	<u>7,840,283</u>
Non-current assets			
Property, plant and equipment	10	3,675,908	4,405,262
		<u>3,675,908</u>	<u>4,405,262</u>
Total assets		<u>19,301,302</u>	<u>12,245,545</u>
Liabilities			
Current liabilities			
Trade and other payables from exchange transactions	11	<u>4,487,270</u>	<u>3,824,886</u>
Total liabilities		<u>4,487,270</u>	<u>3,824,886</u>
Net assets		14,814,032	8,420,659
Accumulated Reserves	12	<u>14,814,032</u>	<u>8,420,659</u>
Total net assets and liabilities		<u>14,814,032</u>	<u>8,420,659</u>

The Financial Statements set out on pages 18 to 23 were signed on behalf of the Board of Directors by:

Registrar of the Board:

Name: Abdulatif Ali.

Sign:.....

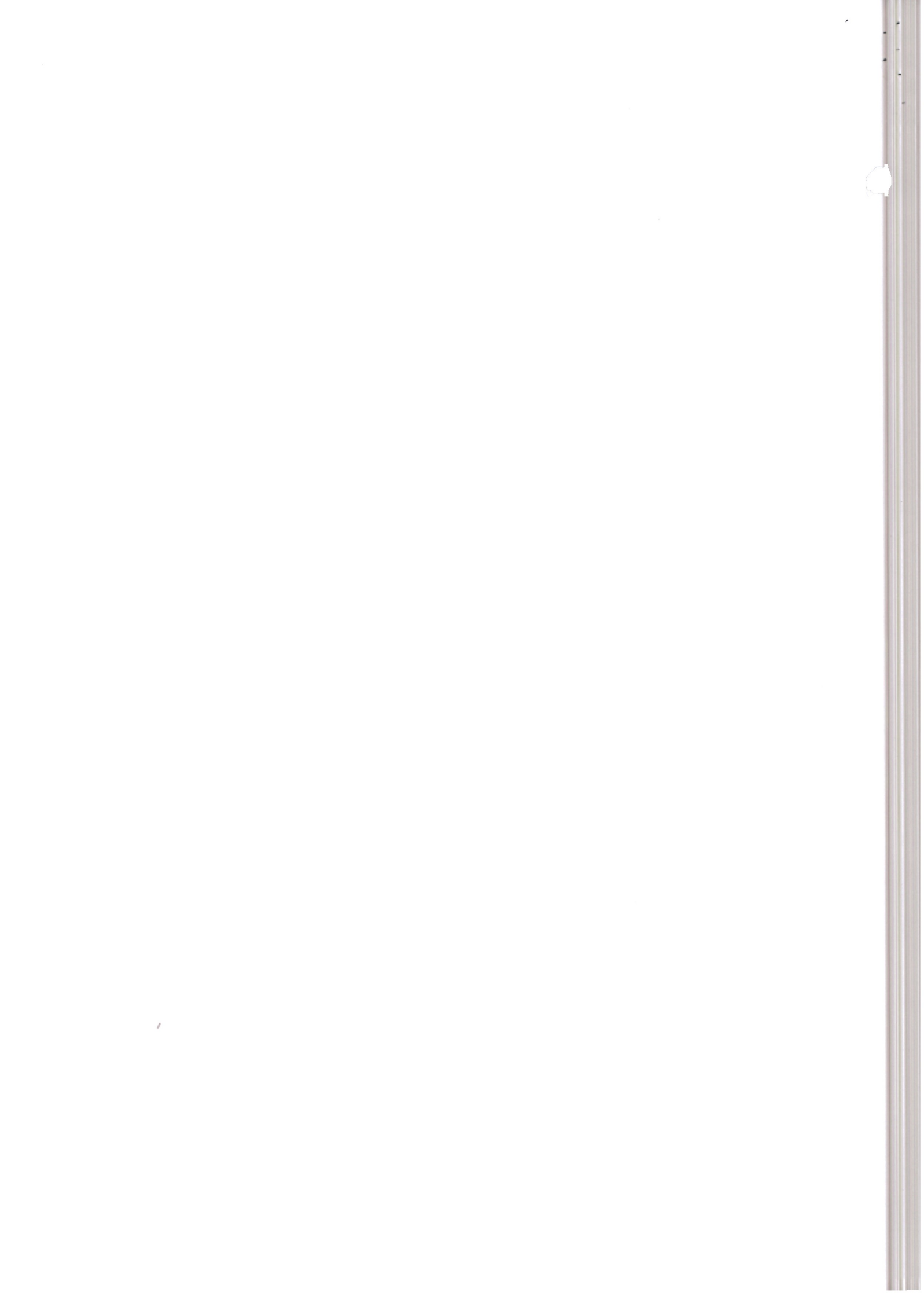
Date: 25.2.19.....

Chairman of the Board:

Name: Abel. O. Onyango

Sign:.....

Date: 25.2.19.....



**KENYA MEDICAL LABORATORY TECHNICIANS AND TECHNOLOGISTS BOARD
ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2018**

**XI. STATEMENT OF CHANGES IN NET ASSETS
For the year ended 30TH June 2018**

	Accumulated surplus Kshs	Total Kshs
Balance as at 30 JUNE 2014	(3,618,856)	(3,618,856)
Surplus for the period	1,366,624	1,366,624
Balance as at 30 JUNE 2015	(2,252,232)	(2,252,232)
Surplus for the period	5,415,841	5,415,841
Balance as at 30 JUNE 2016	3,163,609	3,163,609
Surplus for the period	5,257,050	5,257,050
Balance as at 30 JUNE 2017	8,420,659	8,420,659
Surplus for the period	6,393,373	6,393,373
Balance as at 30 JUNE 2018	14,814,032	14,814,032



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ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2018

XII. STATEMENT OF CASH FLOWS
For the year ended 30TH June 2018

	Note	2017-2018 Kshs	2016-2017 Kshs
Cash flows from operating activities			
Receipts			
Rendering of services	3	147,394,958	150,548,766
Other income	4	<u>23,000</u>	<u>30,500</u>
		<u>147,417,958</u>	<u>150,579,266</u>
Payments			
Compensation of employees	5	15,481,137	11,928,736
Other payments	7	<u>124,706,194</u>	<u>132,330,265</u>
		140,187,331	144,259,001
Net cash flows from operating activities		7,230,627	6,320,265
Cash flows from investing activities			
Purchase of property, plant, equipment and intangible assets	10	<u>(107,900)</u>	<u>(1,395,352)</u>
Net cash flows used in investing activities		(107,900)	(1,395,352)
Cash flows from financing activities			
Repayment of borrowings (payables)	11	662,384	<u>(7,249,998)</u>
Increase in Debtors	9	<u>(12,142,500)</u>	0
Net cash flows used in financing activities		(11,480,116)	(7,249,998)
Net increase/(decrease) in cash and cash equivalents		<u>(4,357,389)</u>	<u>(2,325,085)</u>
Cash and cash equivalents at 1 JULY	8	6,184,283	8,509,368
Cash and cash equivalents at 30 JUNE	8	<u>1,826,894</u>	<u>6,184,283</u>



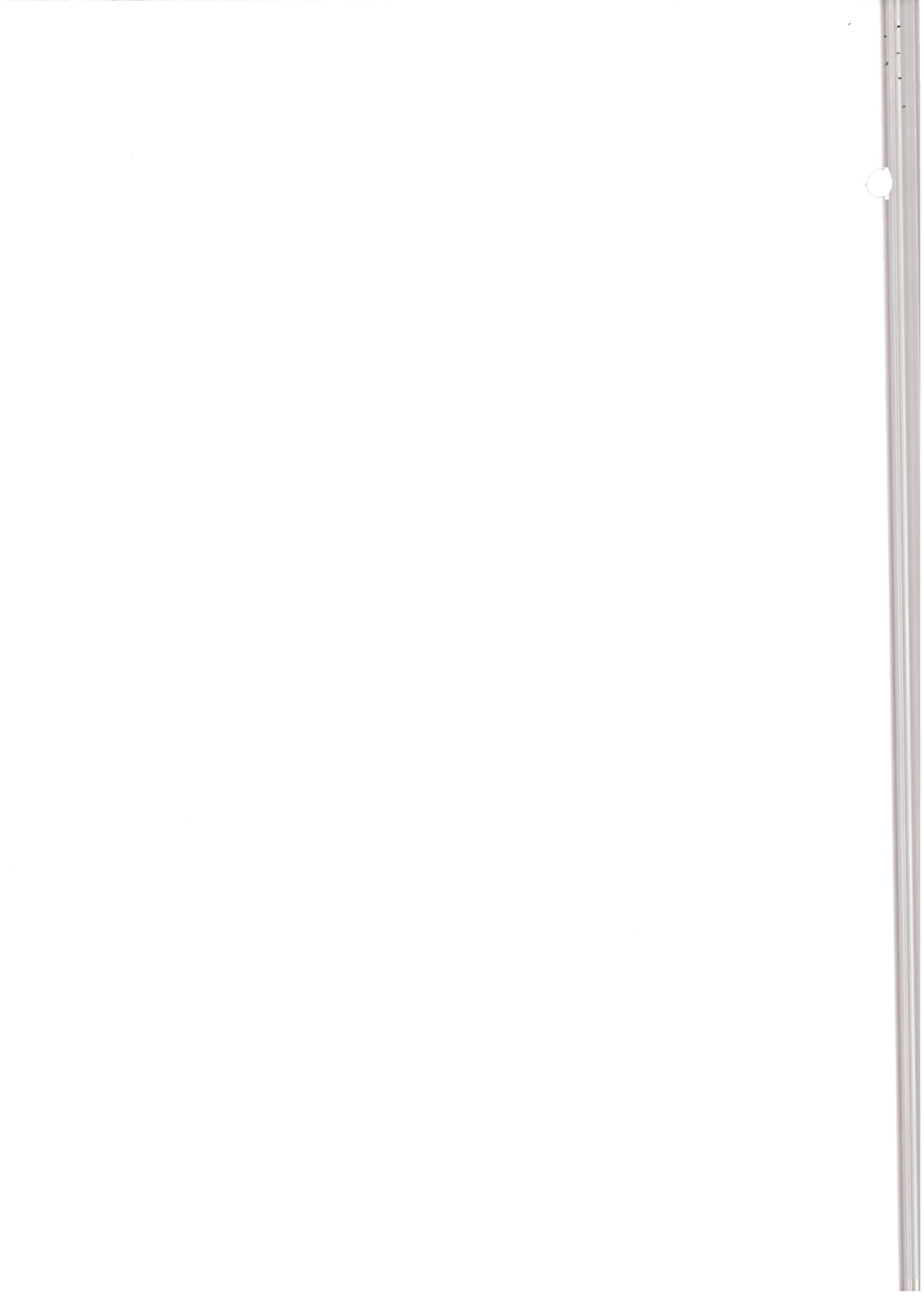
KENYA MEDICAL LABORATORY TECHNICIANS AND TECHNOLOGISTS BOARD
ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2018

XIII. STATEMENT OF COMPARISON OF BUDGET AND ACTUAL AMOUNTS
For the year ended 30TH June 2018

	Original budget	Actual on comparable basis	Performance difference	% Difference
	2017-2018	2017-2018	2017-2018	
	Kshs	Kshs	Kshs	
Revenue	184,852,000	147,417,958	37,434,042	20%
<u>Expenses</u>				
Employee Costs	16,880,000.00	15,481,137.00	1,398,863	0.08%
Board Expenses	5,562,000.00	1,909,350	3,652,650	64%
General expenses	130,000,00	122,796,844	7,267,906	5.5%
Depreciation	1,000,000	837,254	162,746	16%

Explanation for variances

1. The Board's main Revenue is from the inspections of Laboratory facilities. During the year under review the board did not managed to inspect some facilities due to budgetary constraints hence we could not manage to collect as budgeted.
2. The expenditures incurred during the year were also lower. This is because the budgeted expenses were not incurred because the revenue expected was not realise





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**KENYA MEDICAL LABORATORY TECHNICIANS AND TECHNOLOGISTS BOARD
ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2018**

XIV. NOTES TO THE FINANCIAL STATEMENTS

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

The Financial statements have been prepared in accordance with and comply with International Public Sector Accounting Standards (IPSAS). The financial statements are presented in Kenya shillings, which is the functional and reporting currency of the entity.

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

2. Summary of significant accounting policies

a) Revenue recognition

- i) Revenue from exchange transactions – IPSAS 9**
Rendering of services

b) Budget information – IPSAS 24

The annual budget is prepared on the accrual basis, that is, all planned costs and income are presented in a single statement to determine the needs of the entity.

c) Property, plant and equipment – IPSAS 17

All property, plant and equipment are stated at cost less accumulated depreciation.

d) Employee benefits – IPSAS 25

Retirement benefit plans

The board has NSSF Pension plan for retirement benefits for its employees.

e) Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and cash at bank.





**KENYA MEDICAL LABORATORY TECHNICIANS AND TECHNOLOGISTS BOARD
ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2018**

3. Summary of significant accounting policies

a) Revenue recognition

i) Revenue from non-exchange transactions – IPSAS 23

Fees

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

ii) Revenue from exchange transactions – IPSAS 9

Rendering of services

The entity recognizes revenue from rendering of services by reference to the stage of completion when the outcome of the transaction can be estimated reliably. The stage of completion is measured by reference to labour hours incurred to date as a percentage of total estimated labour hours.

Where the contract outcome cannot be measured reliably, revenue is recognized only to the extent that the expenses incurred are recoverable.

Interest income

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

Dividends

Dividends or similar distributions must be recognized when the shareholder's or the entity's right to receive payments is established.





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**KENYA MEDICAL LABORATORY TECHNICIANS AND TECHNOLOGISTS BOARD
ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2018**

b) Budget information – IPSAS 24

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

c) Investment property – IPSAS 16

Investment properties are measured initially at cost, including transaction costs. The carrying amount includes the replacement cost of components of an existing investment property at the time that cost is incurred if the recognition criteria are met and excludes the costs of day-to-day maintenance of an investment property.

Investment property acquired through a non-exchange transaction is measured at its fair value at the date of acquisition. Subsequent to initial recognition, investment properties are measured using the cost model and are depreciated over a 30-year period.

Investment properties are derecognized either when they have been disposed of or when the investment property is permanently withdrawn from use and no future economic benefit or service potential is expected from its disposal. The difference between the net disposal proceeds and the carrying amount of the asset is recognized in the surplus or deficit in the period of de-recognition.

Transfers are made to or from investment property only when there is a change in use.

d) Property, plant and equipment – IPSAS 17

All property, plant and equipment are stated at cost less accumulated depreciation and impairment losses. The depreciation is calculated based on reducing balance.

The 12.5 % rate p.a on furniture and fittings and 30 % rate p.a on computers and equipments is applicable. Cost includes expenditure that is directly attributable to the acquisition of the items. Likewise, when a major inspection is performed, its cost is recognized in the carrying amount of the plant and equipment as a replacement if the recognition criteria are satisfied. All other repair and maintenance costs are recognized in surplus or deficit as incurred. Where an asset is acquired in a non-exchange transaction for nil or nominal consideration the asset is initially measured at its fair value.





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ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2018**

e) Intangible assets – IPSAS 31

Intangible assets acquired separately are initially recognized at cost. The cost of intangible assets acquired in a non-exchange transaction is their fair value at the date of the exchange. Following initial recognition, intangible assets are carried at cost less any accumulated amortization and accumulated impairment losses. Internally generated intangible assets, excluding capitalized development costs, are not capitalized and expenditure is reflected in surplus or deficit in the period in which the expenditure is incurred.

The useful life of the intangible assets is assessed as either finite or indefinite.

f) Financial instruments – IPSAS 29

i) Financial assets

Initial recognition and measurement

Financial assets within the scope of IPSAS 29 Financial Instruments: Recognition and Measurement are classified as financial assets at fair value through surplus or deficit, loans and receivables, held-to-maturity investments or available-for-sale financial assets, as appropriate. The Entity determines the classification of its financial assets at initial recognition.

ii) Financial liabilities

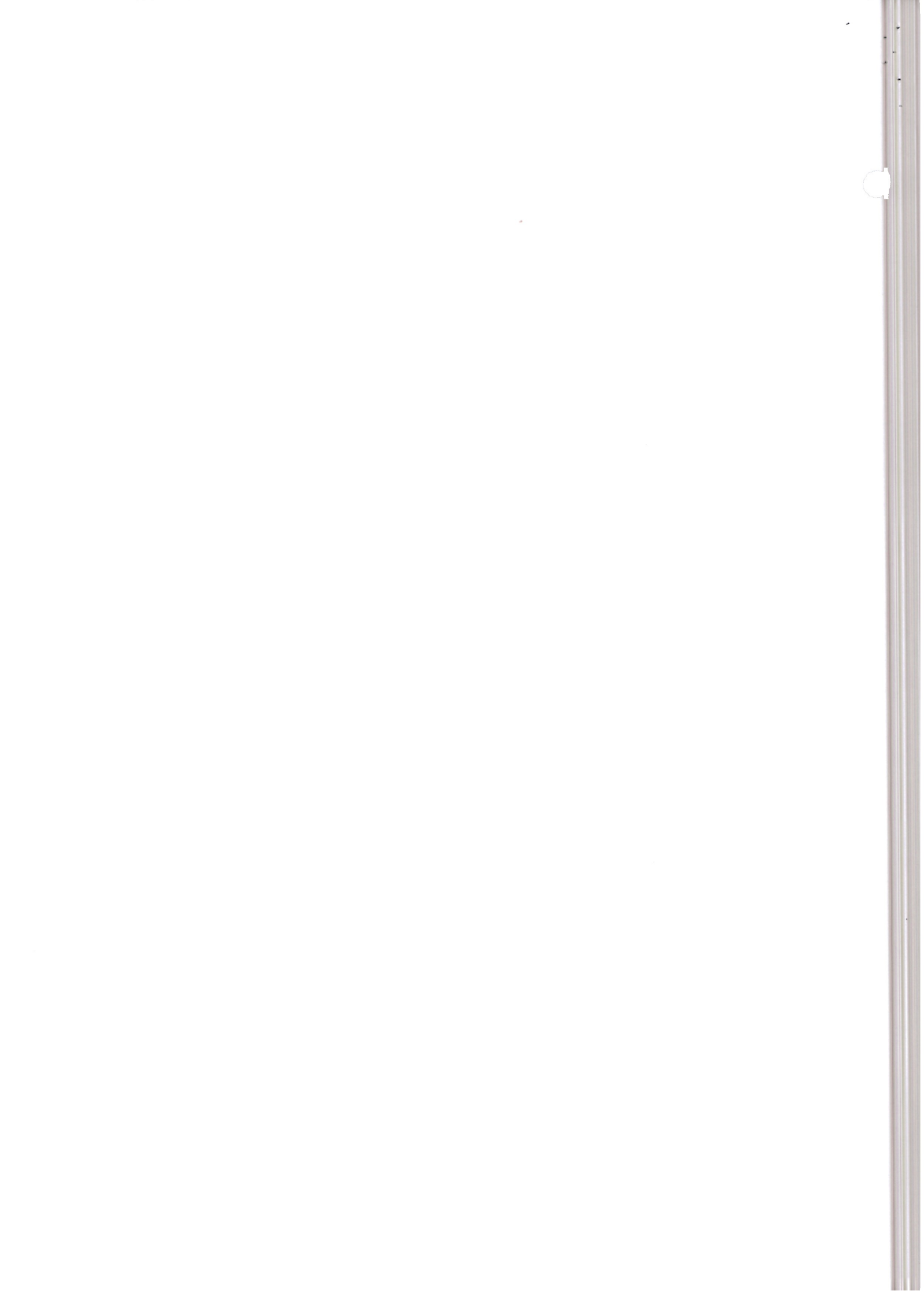
Initial recognition and measurement

Financial liabilities within the scope of IPSAS 29 are classified as financial liabilities at fair value through surplus or deficit or loans and borrowings, as appropriate. The Entity determines the classification of its financial liabilities at initial recognition.

All financial liabilities are recognized initially at fair value and, in the case of loans and borrowings, plus directly attributable transaction costs.

Loans and borrowing

After initial recognition, interest bearing loans and borrowings are subsequently measured at amortized cost using the effective interest method. Gains and losses are recognized in surplus or deficit when the liabilities are derecognized as well as through the effective interest method amortization process.





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**KENYA MEDICAL LABORATORY TECHNICIANS AND TECHNOLOGISTS BOARD
ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2018**

g) Inventories – IPSAS 12

Inventory is measured at cost upon initial recognition. To the extent that inventory was received through non-exchange transactions (for no cost or for a nominal cost), the cost of the inventory is its fair value at the date of acquisition.

Costs incurred in bringing each product to its present location and condition is accounted for, as follows:

- Raw materials: purchase cost using the weighted average cost method
- Finished goods and work in progress: cost of direct materials and labour and a proportion of manufacturing overheads based on the normal operating capacity, but excluding borrowing costs

After initial recognition, inventory is measured at the lower of cost and net realizable value. However, to the extent that a class of inventory is distributed or deployed at no charge or for a nominal charge, that class of inventory is measured at the lower of cost and current replacement cost.

Net realizable value is the estimated selling price in the ordinary course of operations, less the estimated costs of completion and the estimated costs necessary to make the sale, exchange, or distribution.

Inventories are recognized as an expense when deployed for utilization or consumption in the ordinary course of operations of the Entity.

h) Provisions – IPSAS 19

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

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





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**KENYA MEDICAL LABORATORY TECHNICIANS AND TECHNOLOGISTS BOARD
ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2018**

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

i) Nature and purpose of reserves

The Entity creates and maintains reserves in terms of specific requirements. Entity to state the reserves maintained and appropriate policies adopted.

j) Changes in accounting policies and estimates – IPSAS 3

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

k) Employee benefits – IPSAS 25

Retirement benefit plans.

The N.S.S.F Pension Plan is available benefits for the Board employees.

l) Cash and cash equivalents

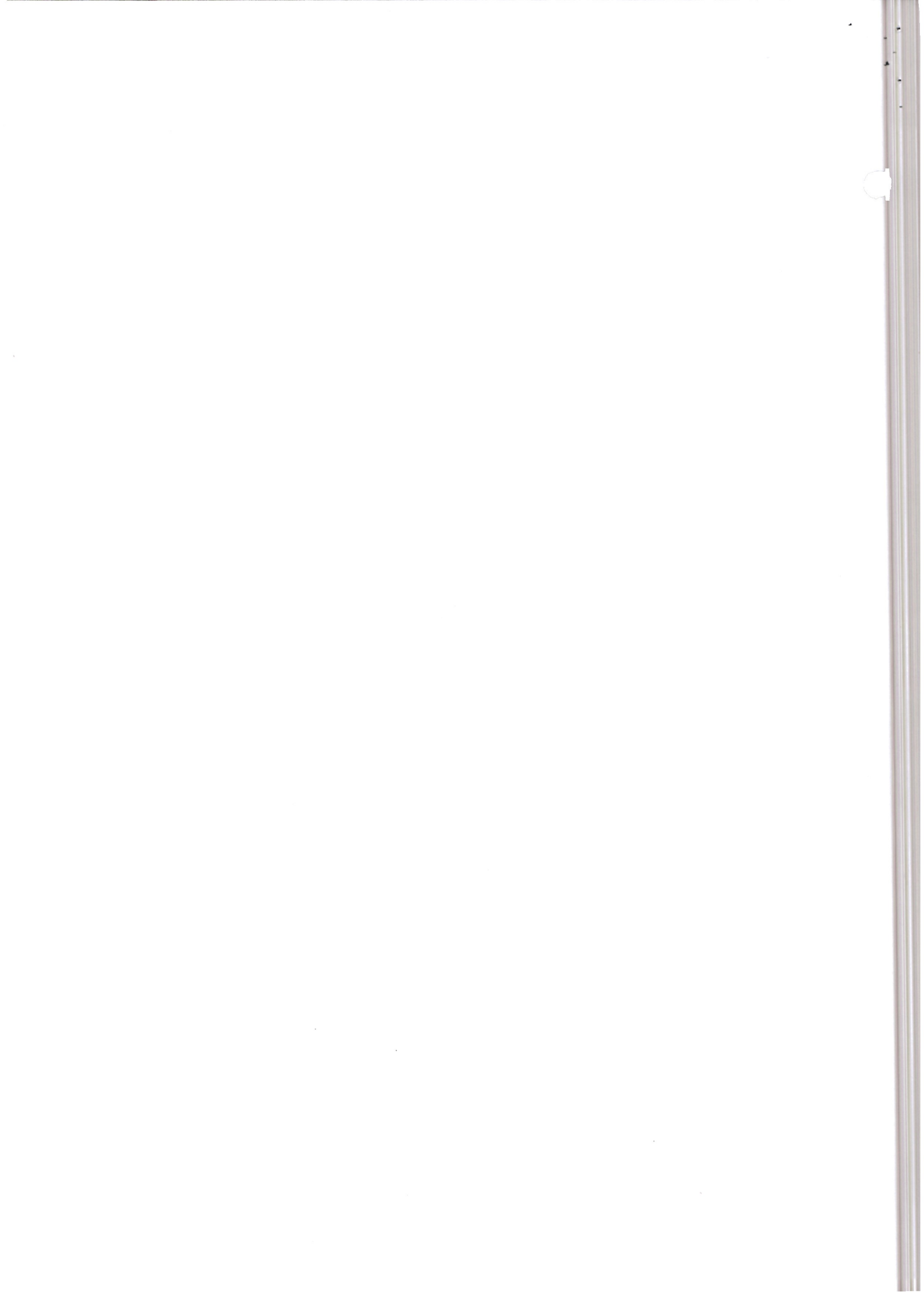
Cash and cash equivalents comprise cash on hand and cash at bank, short-term deposits on call and highly liquid investments with an original maturity of three months or less, which are readily convertible to known amounts of cash and are subject to insignificant risk of changes in value.

m) Comparative figures

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

n) Subsequent events – IPSAS 14

There have been no events subsequent to the financial year end with a significant impact on the financial statements for the year ended June 30, 2018





**KENYA MEDICAL LABORATORY TECHNICIANS AND TECHNOLOGISTS BOARD
ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2018**

3. Rendering of Services

	2018	2017
	Shs	Shs
Application	1,632,250	594,125
Registration	4,101,075	834,805
Inspection - Colleges	4,085,700	3,152,100
Inspection-Labs	79,840,363	93,756,173
Exams	21,613,000	19,010,740
Attachment	1,550,200	112,950
Certificate of practice	29,053,777	25,874,242
Indexing	3,425,650	5,930,030
Validation	<u>2,092,943</u>	<u>1,283,601</u>
Total revenue from the rendering of services	<u>147,394,958</u>	<u>150,548,766</u>

4. Other income

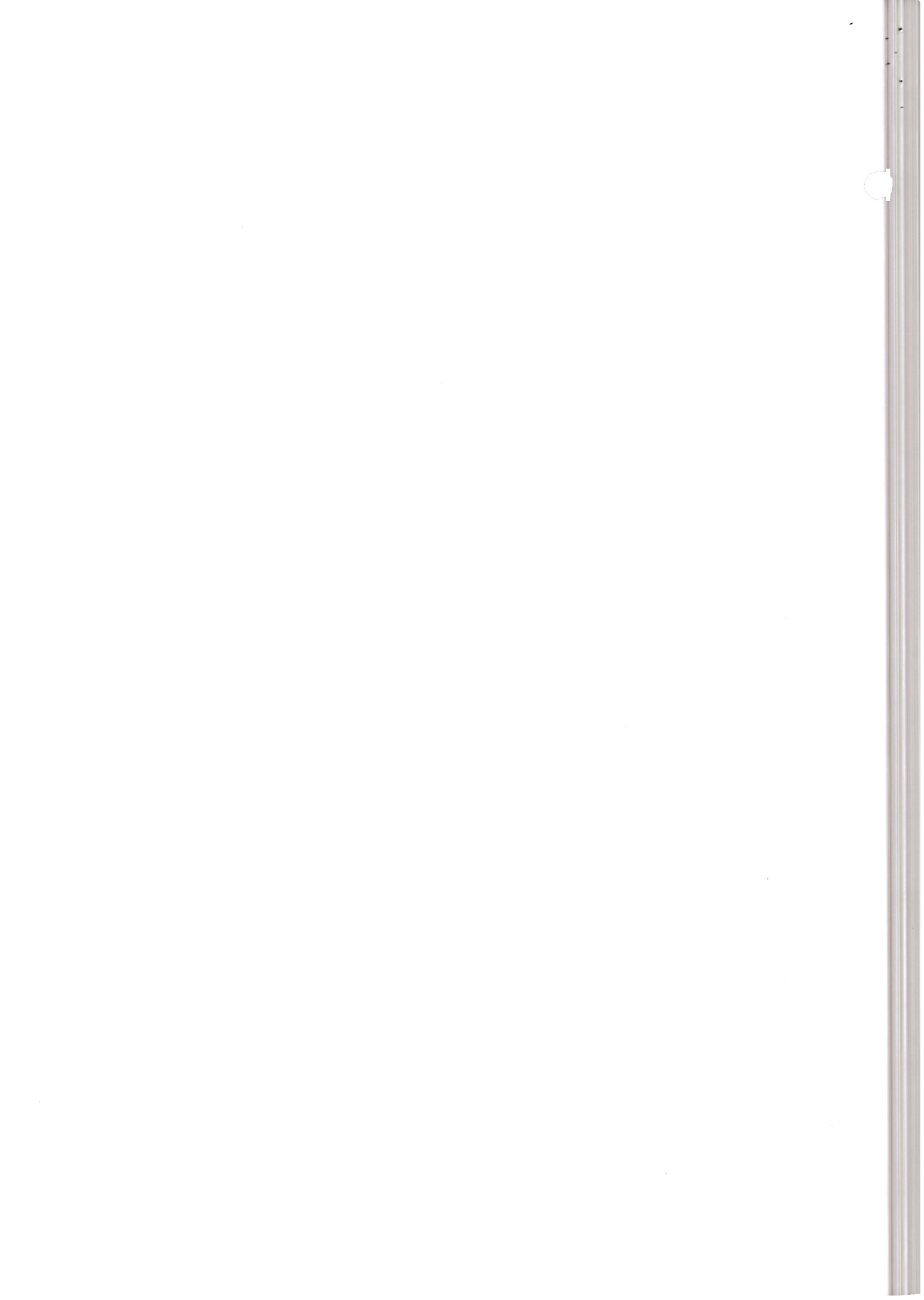
	2018	2017
	Shs	Shs
Miscellaneous income	23,000	30,500
Interest earned	-	-
Total revenue from the other income	<u>23,000</u>	<u>30,500</u>

5. Employee Costs

	2018	2017
	Shs	Shs
Gross Salary	14,641,137	11,524,336
Interns Allowance	840,000	404,400
	<u>15,481,137</u>	<u>11,928,736</u>

6. Board expenses

	2018	2017
	Shs	Shs
Sitting Allowances	340,000	1,200,000
Travelling	9,350	62,250
Per Diem	60,000	100,000
CEO Allowances	540,000	540,000
Honoraria	<u>960,000</u>	<u>960,000</u>
Total board expenses	<u>1,909,350</u>	<u>2,862,250</u>





**KENYA MEDICAL LABORATORY TECHNICIANS AND TECHNOLOGISTS BOARD
ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2018**

7. General expenses

a. Administrative expenses

	<u>2018</u>	<u>2017</u>
	Shs	Shs
1. Stationery	6,893,014	6,971,870
2. Audit fees	446,000	406,000
3. Postage	147,515	41,680
4. Telephone	405,200	237,935
5. Local Transport	5,942,770	3,869,345
6. External Transport	4,253,250	3,095,419
7. Legal fees	457,500	14,034,700
8. Seminars & Conference	442,200	1,196,670
9. Internet Services	689,436	689,436
10. Miscellaneous Other expenses	1,462,094	2,655,068
11. Rental Expenses	5,043,644	5,043,645
12. Office Expenses	1,496,970	1,889,266
13. Repairs and Maintenance	<u>1,514,706</u>	<u>933,951</u>
Total	29,194,299	41,064,985
b. Bank charges	<u>367,019</u>	<u>433,868</u>
Total	<u>29,561,318</u>	<u>41,498,853</u>
c. Operating expenses		
Regulatory affairs expenses	2,039,000	2,703,400
Quality assurance	76,606,005	58,769,650
Examination expenses	13,897,521	14,075,612
Validation expense	693,000	12,420,500
Total	<u>93,235,526</u>	<u>87,969,162</u>
Total general expenses	<u>122,796,844</u>	<u>129,468,015</u>



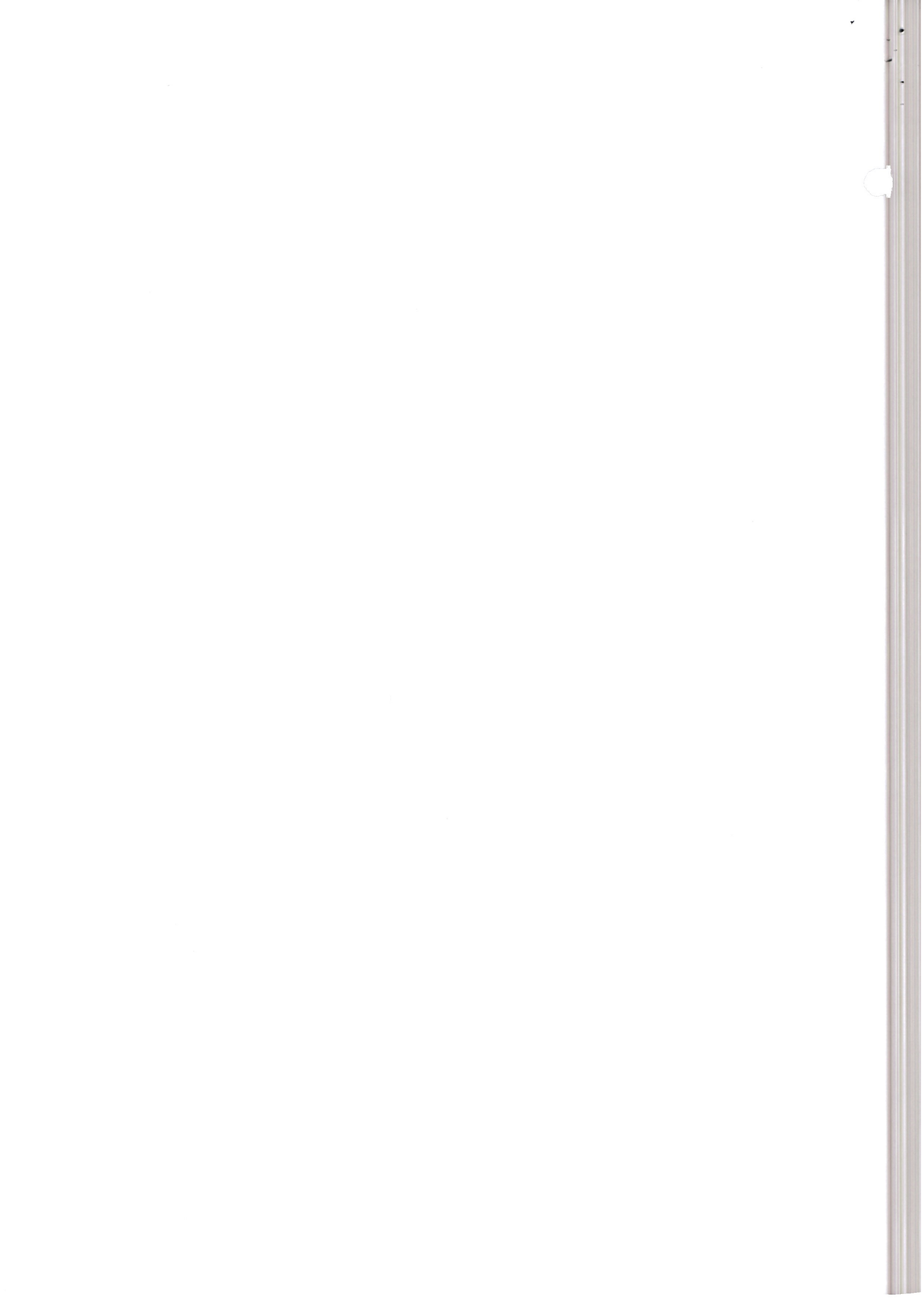
**KENYA MEDICAL LABORATORY TECHNICIANS AND TECHNOLOGISTS BOARD
ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2018**

8. Cash and cash equivalent

	<u>2018</u>	<u>2017</u>
	Shs	Shs
Cash in hand	13,500	25,635
Savings account NBK	9,940	17,425
Current account NBK	633,923	3,242,287
Current account Equity	373,492	1,345,310
Current account Cooperative	723,737	1,526,107
Mpesa account	72,302	27,519
Total	<u>1,826,894</u>	<u>6,184,283</u>

9. Receivables from exchange transactions

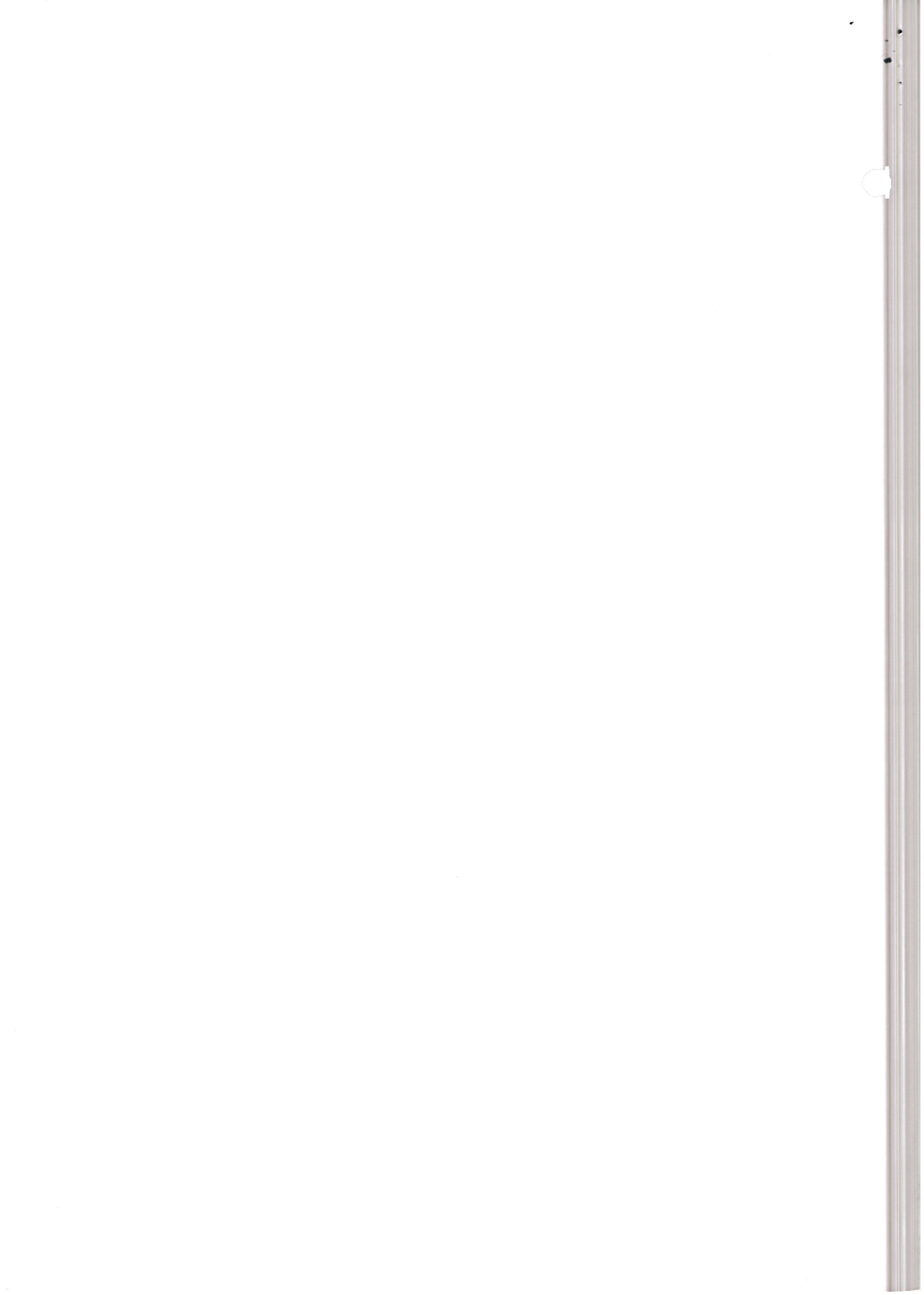
	<u>2018</u>	<u>2017</u>
	Shs	Shs
Current receivables		
Service receivables	13,798,500	1,656,000
Total current receivables	<u>13,798,500</u>	<u>1,656,000</u>



KENYA MEDICAL LABORATORY TECHNICIANS AND TECHNOLOGISTS BOARD
ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2018

10. Property, Plant and Equipment

	Furniture & fittings	Computer Equipments	
Depreciation rate	0.125	0.300	
	Shs	Shs	Shs
At 30 June 2016	5,827,472	5,629,333	11,456,805
Additions	532,170	863,182	1,395,352
At 30 June 2017	<u>6,359,642</u>	<u>6,492,515</u>	<u>12,852,157</u>
At 30 June 2017	6,359,642	6,492,515	12,852,157
Additions	65,900	42,000	107,900
At 30 June 2018	<u>6,425,542</u>	<u>6,534,515</u>	<u>12,960,057</u>
Depreciation			
At 1st July 2016	3,060,624	4,323,056	7,383,680
Charge for the Year	412,377	650,838	1,063,215
At 30 June 2017	<u>3,473,001</u>	<u>4,973,894</u>	<u>8,446,895</u>
At 1 st July 2017	<u>3,473,001</u>	<u>4,973,894</u>	<u>8,446,895</u>
Charge for the Year	369,068	468,186	837,254
At 30 TH June 2018	<u>3,842,069</u>	<u>5,442,080</u>	<u>9,284,149</u>
At 30 TH June 2018	<u>2,583,473</u>	<u>1,092,435</u>	<u>3,675,908</u>
At 30 TH June 2017	<u>2,886,641</u>	<u>1,518,621</u>	<u>4,405,262</u>



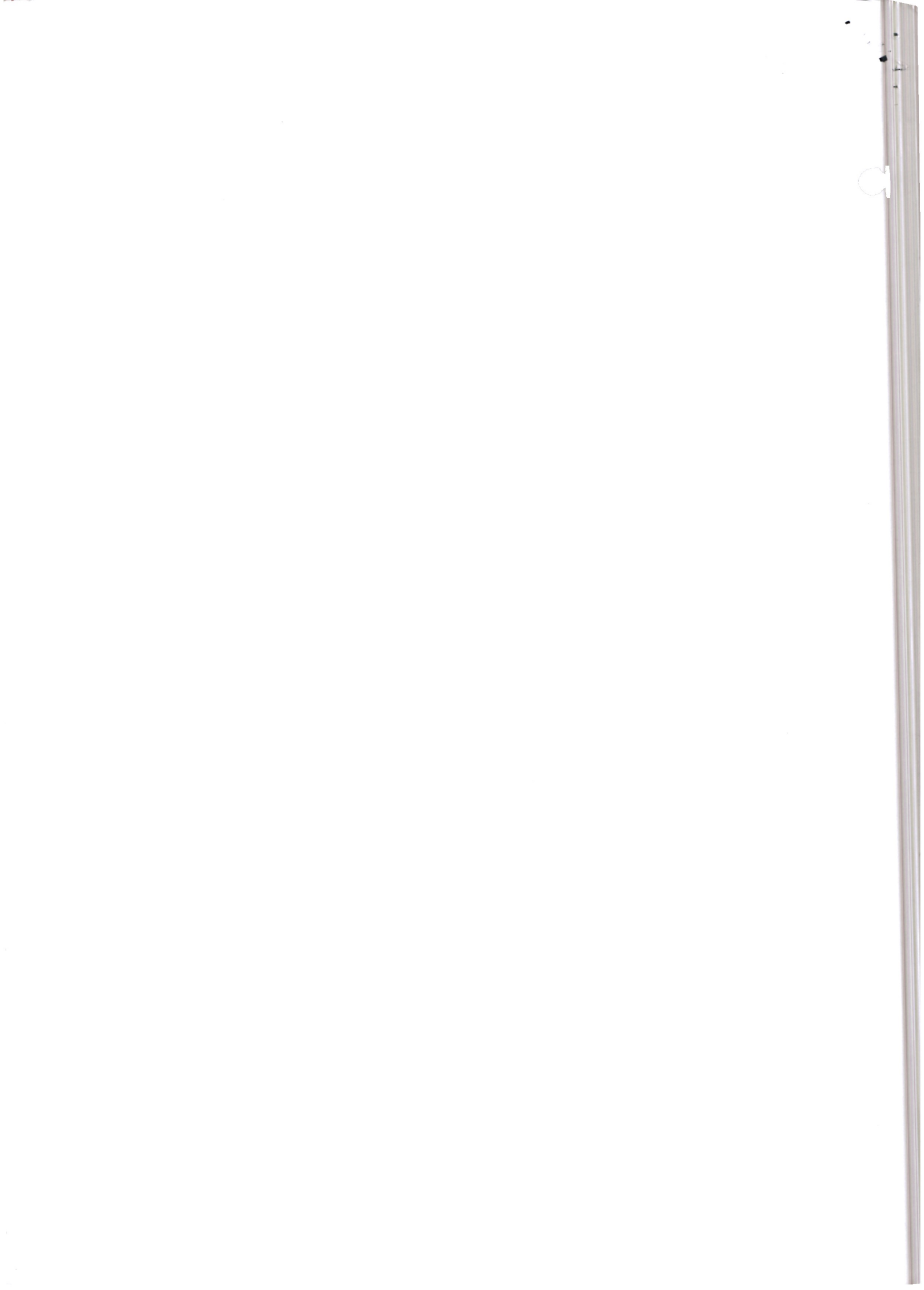
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11. Trade and other payables

	<u>2018</u> Shs	<u>2017</u> Shs
Other payables	4,041,270	3,418,886
Provision for Audit fee	446,000	406,000
Total Payable	<u>4,487,270</u>	<u>3,824,886</u>

12. Accumulated Reserve

Accumulated Surplus	<u>2018</u> Shs	<u>2017</u> Shs
Balance b/f	8,420,659	3,163,609
Results for the year	6,393,373	5,257,050
Balance c/d	14,814,032	8,420,659



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13. Progress on follow up of Auditor Recommendations

The following is the summary of issues raised by the external auditor, and management comments that were provided to the auditor. We have nominated focal persons to resolve the various issues as shown below with the associated time frame within which we expect the issues to be resolved.

Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Focal Point person to resolve the issue (Name and designation)	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
	Receivables from exchange Transactions	The meeting with the KMTC MANAGEMENT WAS INITIATED so that Modalities of how payment would be effected.	CEO - Abdulatif Ali	Partly Paid	June 2019
	Payables from exchange Transactions	The management will pay the liabilities which has been long outstanding	CEO - Abdulatif Ali	Partly Paid	June 2019

