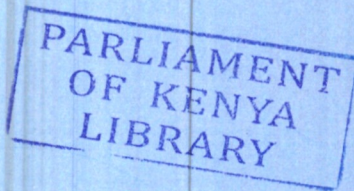


REPUBLIC OF KENYA



*Papers laid by the
Hon. Dada Duale
mpf
Thru 20.6.2018*

OFFICE OF THE AUDITOR-GENERAL



REPORT

OF

THE AUDITOR-GENERAL

ON

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

**FOR THE YEAR
ENDED 30 JUNE 2017**

**AGRI AND CO-OPERATIVE TRAINING
AND CONSULTANCY SERVICES LTD**



**REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED
30th JUNE 2017**

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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 University of Kenya teamed up with five other organizations to establish ATC. The founding partners are:-

1. Co-operative University 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 of Kenya 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 CUK, 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 of Kenya 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 CUK, 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, 2017 were:

1.	Prof. Kamau Ngamau (PhD)	Co-operative University of Kenya – AG. Vice Chancellor and Board Chairperson
2.	Prof. Esther Njoki Gicheru (Mrs.) HSC	Co-operative University of Kenya
3.	Prof. Esther Magiri (Mrs.)	Co-operative University of Kenya
4.	Mr. David Otiende	Co-operative University of Kenya
5.	Mr. S. Miringu	Co-operative University of Kenya
6.	Mr. Timothy Mutwiri	We Effect – Representative
7.	Mr. Daniel Marube	Co-operative Alliance of Kenya – CEO
8.	Mr. Stanley Wanjohi Migwi	Chief Executive Officer and Secretary to the Board

SENIOR MANAGEMENT

1.	Mr. Stanley Wanjohi Migwi	Chief Executive Officer and Secretary to the Board
2.	Edith Atieno Kagumba	Business Development Officer

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
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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 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 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 Colleges senior management staff, one member from the Co-operative University of Kenya 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

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

AGRI AND CO-OPERATIVE TRAINING AND CONSULTANCY SERVICES

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. Kamau Ngamau (PhD)
Board Chairperson



.....
Stanley MigwiWanjohi
Director

CHAIRPERSON'S STATEMENT

Introduction

The Board of Directors is pleased to present Annual Report and Financial Statements for the Financial Year 2016/2017.

The Financial Year 2016/2017

The Financial Year 2016/2017 shows considerable improvement of the ATC performance as the company was able to increase its income from Kshs.13,112,310 in the Financial Year 2015/2016 to Ksh 29,803,029 in the Financial Year 2016/2017. This improvement in income generation and cost rationalization resulted in the Company posting the highest profit ever of Kshs.2,237,443 in the Financial Year 2016/2017. This is a commendable performance taking into consideration that the company had posted a loss of Kshs.6,095,741 in the Financial Year 2015/2016. Indeed, this is a turning point for the company as the company has been turned around.

The good performance was achieved through strict implementation of the restructuring strategies. These brought in a lot of dedication from the Board of Directors and Staff, efficient and effective operations, aggressive marketing of the products, market growth, change of products offering strategies and enhanced performance management.

Outlook for 2017/2018 financial year

The ATC's economic outlook is very positive in that the company is now in the profit zone. In 2017/2018 Financial Year, the company will focus on strengthening the profit trajectory and on doubling the profit to at least ksh 4,000,000 by the end of the financial year in June 2018.

Conclusion

Finally, I would like to thank the Board, ATC staffs and the Stake holders for their hard work and passion, through which, the company is showing a positive trend in its performance. I wish each and every one of us a prosperous 2017/2018 financial year.



.....
Prof. Kamau Ngamau (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 CUK, Co-operatives, Agribusiness and the associate economies. In so doing, the company will endeavor to deliver superior value to its customers, shareholders and stakeholders. Am not in doubt, this mandate will be achieved in the year Financial 2017/2018.

Am happy to report that through the support of the Staff and the Board of Directors, the company is no longer in losses and hence, it has been turned around. In the Financial Year 2016/2017, the company posted an exemplary performance by emerging from the loss of ksh 6,071,741 in the Financial Year 2015-2016 to the highest profit ever of ksh 2,261,442. This exemplary performance was achieved through tremendous increase in income generation from ksh 13,112,310 in 2015/2016 to ksh 29,803,029 in Financial Year 2016/2017 and strict expenses rationalization.

The improved performance is attributed to the strict implementation of the three restructuring strategies during the Financial Year 2016/2017:

1. Low cost -operation strategy. This was achieved through cost rationalization where we ensured there was effective and efficient incurring of expenses. The result was, there was great improvement in value -for- money.
2. Market Development and penetration. A few new markets and products were developed while the old products were aggressively marketed. However, more need be done on this
3. Diversification: New products were designed for associated economy

Specifically, during the year, the following strategies were implemented:

1. Strict performance management system which resulted in more income generation
2. Aggressive marketing
3. New products development
4. Cost management

During the period, we created and maintained new partners / customers alongside the old partners / customers. Such partners / customers include: SACCOs, SASRA, CUK,

AGRI AND CO-OPERATIVE TRAINING AND CONSULTANCY SERVICES

ACDI/VOCA, WE EFFECT, County Government of Nairobi; County Government of Mandera, County Government of Kajiado, County Government of Kwale, County Government of Wajir, Umwalimu SACCO of Rwanda, Uganda Cooperative Savings and Credit Union Ltd.

The future of ATC is bright. During the year 2017/2018, we will focus to grow our incomes by 30 % and post a net profit of at least ksh 4,000,000. This we will be achieved by:

1. Pursuing our mandate in our 2015-2019 Strategic Plan.
2. Strict implementation of the performance based management
3. Delivering superior value to our customers, shareholders and stakeholders.
4. Investing further in marketing activities to take advantage of the growth in Agribusiness and Value chain training services demands at the counties.
5. Investing further in marketing activities and product development to take advantage of the partnerships we have with the SACCOs and Co-operative stakeholders
6. Developing strategic partnerships with the counties.
7. Developing business strategic partnerships with some like-minded organizations within the East African region.

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



.....
Stanley Wanjohi Migwi
Chief Executive Officer

REPUBLIC OF KENYA

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Fax: +254-20-311482
E-mail: oag@oagkenya.go.ke
Website: www.oagkenya.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 LTD FOR THE YEAR ENDED 30 JUNE 2017

REPORT ON THE FINANCIAL STATEMENTS

Opinion

I have audited the accompanying financial statements of Agri and Co-Operative Training and Consultancy Services Ltd set out on pages 12 to 26, which comprise the statement of financial position as at 30 June 2017, and the statement of comprehensive income, statement of changes in equity, statement of cash flows and statement of comparison of budget and actual amounts for the year then ended, and a summary of significant accounting policies and other explanatory information in accordance with the provisions of Article 229 of the Constitution of Kenya and Section 35 of the Public Audit Act, 2015. I have obtained all the information and explanations which, to the best of my knowledge and belief, were necessary for the purpose of the audit.

In my opinion, the financial statements present fairly, in all material respects, the financial position of Agri and Co-operative Training and Consultancy Services Ltd as at 30 June 2017, 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 Kenyan Companies Act, 2015.

In addition, as required by Article 229(6) of the Constitution, except for the matter described in the Emphasis of Matter section of my report, based on the procedures performed, I confirm that, nothing has come to my attention to cause me to believe that public money has not been applied lawfully and in an effective way.

Basis for Opinion

The audit was conducted in accordance with International Standards of Supreme Audit Institutions (ISSAIs). I am independent of Agri and Co-Operative Training and Consultancy Services Ltd in accordance with ISSAI 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 opinion.

Emphasis of Matter

Going concern

I draw attention to note 1(k) to the financial statements which describes the rationale upon which the directors have prepared the financial statements on a going concern basis. The Company registered profit of Kshs.2,237,443 (2016 loss: Kshs.6,095,741)

Report of the Auditor-General on the Financial Statements of Agri and Co-Operative Training and Consultancy Services Ltd for the year ended 30 June 2017

thereby reducing general reserves from negative Kshs.8,811,823 to negative Kshs.6,574,380 as at 30 June 2017. The total current liabilities of Kshs.11,284,413 exceeded the current assets of Kshs.8,125,116 resulting in a negative working capital of Kshs.3,159,297 as at the same time. The company has attributed the negative working capital to liabilities which were carried over from previous years. These condition together with other matters set in note 1(k), indicate the existence of a material uncertainty which may, among others, raise substantial doubt about the Company's ability to continue as a going concern.

Key Audit Matters

Key audit matters are those matters that, in my professional judgment, are of most significance in the audit of the financial statements. Except for the matter described in the Emphasis of Matter section of my report, I determine that there were no Key Audit Matters to communicate in my report.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with International 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.

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

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

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

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

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

or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit 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.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures which are appropriate in the circumstances and for the purpose of giving an assurance on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the management.
- Conclude on the appropriateness of the management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern or to sustain its services. If I conclude that a material uncertainty exists, I am required to draw attention in the auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my audit report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information and business activities of the Company 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.

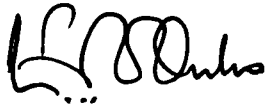
I also provide management with a statement that I have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships

and other matters that may reasonably be thought to bear on my independence, and where applicable, related safeguards.

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, adequate accounting records have been kept by the Company, so far as appears from the examination of those books; and,
- (iii) The Company's financial statements are in agreement with the accounting records.



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

Nairobi

08 May 2018

STATEMENT OF FINANCIAL POSITION

AS AT 30 JUNE 2017

ASSETS	Notes	Ksh	
		2016 - 2017	RESTATED 2015- 2016
NON-CURRENT ASSETS			
Property Plant & Equipments	2(a)	845,202	1,043,923
		845,202	1,043,923
CURRENT ASSETS			
Trade & other receivables	3	6,717,778	4,707,437
Cash & Bank Balances	4	1,407,338	849,376
		8,125,116	5,556,813
TOTAL ASSETS		8,970,318	6,600,736
EQUITY & LIABILITIES			
FUND BALANCES			
General Reserve	18	(6,574,380)	(8,811,823)
Co-operative University College Control Account	5	2,870,870	2,870,870
Development Partners Fund Account	6	745,400	745,400
Revaluation Reserve	19	644,015	644,015
		(2,314,095)	(4,551,538)
CURRENT LIABILITIES			
Trade & Other Payables	7	11,284,413	11,152,274
		11,284,413	11,152,274
TOTAL EQUITY & LIABILITIES		8,970,318	6,600,736

The financial statements were approved by the Board of Directors on 30th September 2017 and signed on their behalf by:-

Stanley Wanjohi Migwi



Chief Executive Officer

Prof. Kamau Ngamau (PhD)



Board Chairperson

STATEMENT OF COMPREHENSIVE INCOME				
FOR THE YEAR ENDED 30TH JUNE 2017				
		Notes	Ksh	
INCOMES			2016 - 2017	RESTATED 2015 - 2016
Seminar		8	29,097,245	12,882,102
Other		9	705,783	230,208
Total Income			29,803,029	13,112,310
Other Gains and Losses				
Gross Income			29,803,029	13,112,310
EXPENSES				
Operating Expenses		11	19,426,522	8,875,709
Staff Cost		10	7,515,792	9,024,479
Board Expenses		12	156,990	616,497
AGM Expenses		13	0	190,000
Depreciation charge for the year		2(a)	198,720	258,140
Provisions for Audit Fees		14	174,000	174,000
Financial costs		17	93,562	69,226
Tax payable		15	0	0
Total expenses			27,565,586	19,208,051
Profit / Loss			2,237,443	(6,095,741)

STATEMENT OF CHANGES IN EQUITY					
FOR THE YEAR ENDED 30TH JUNE 2017					
	Ksh	Ksh	Ksh	Ksh	Ksh
	General Reserve	Co-operative University College Control Account	Development Partners Fund Account	Revaluation Reserve	TOTAL
2015/2016					
Balance as at 01/07/2015	(3,661,775)	2,870,87	2048	2048	1,544,203
Additions	0	0	0	0	0
Write off of Revaluation reserve	945,693	0	0	(945,693)	0
Profit / (Loss) for the year	(6,071,741)	0	0	0	(6,095,741)
Balance C / Forward as at 30/06/2016	(8,811,823)	2,957	2048	644,015	(4,551,538)
2016/2017					
Balance as at 01/07/2016	(8,811,823)	5,915	4097	644,015	(4,551,538)
Additions	0	0	0	0	0
Adjustment	0	0	0	0	0
Profit / (Loss) for the year	2,237,443	0	0	0	2,237,443
Balance C / Forward as at 30/06/2017	(6,574,380)	5,915	4097	644,015	(2,314,095)

STATEMENT OF CASHFLOWS			
FOR THE YEAR ENDED 30 JUNE 2017			
		Ksh	
CASHFLOW FROM OPERATING ACTIVITIES	Notes	2016- 2017	2015 - 2016
Profit after tax		2,237,443	(6,095,741)
Adjustment for			
Depreciation	2(a)	198,720	258,140
Working capital adjustments			
Decrease /(Increase) in account receivables	3	(2,010,341)	850,950
Increase / (Decrease) in account payables	7	132,140	4,303,552
Decrease /(Increase) in shop stock		0	0
Net Cash From Operating Activities		<u>557,962</u>	<u>(683,099)</u>
CASH FLOW FROM INVESTING ACTIVITIES			
Increase in capital assets	2	0	0
Income from student convenient store		0	0
Dividend paid		0	0
NET CASH GENERATED / USED IN INVESTING ACTIVITIES		<u>0</u>	<u>0</u>
CASH FLOW FROM FINANCING ACTIVITIES			
Development partners fund account	6	0	0
Increase in revaluation reserve	19	0	0
Net cash received in financing activities		<u>0</u>	<u>0</u>
NET INCREASE / (DECREASE) IN CASH AND CASH EQUIVALENT		<u>557,962</u>	<u>(683,099)</u>
Opening cash and cash equivalent		849,376	1,532,475
Closing Cash And Cash Equivalent		<u>1,407,338</u>	<u>849,376</u>

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 30TH JUNE 2017

1. GENERAL INFORMATION

Agri and Co-operative Training and Consultancy Services entity is established by and derives its authority and accountability from Company Act. The entity is wholly owned by the Co-operative University of Kenya and is domiciled in Kenya. The entity's principal activity is Training, Consultancy and Research.

For Kenyan Companies Act reporting purposes, the balance sheet is represented by the statement of financial position and the profit and loss account by the statement of profit or loss and other comprehensive income in these financial statements

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

a. Statement of compliance and basis of preparation

The financial statements have been prepared on a historical cost basis except for the measurement at re-valued amounts of certain items of property, plant and equipment, marketable securities and financial instruments at fair value, impaired assets at their estimated recoverable amounts and actuarially determined liabilities at their present value. The preparation of financial statements in conformity with International Financial Reporting Standards (IFRS) allows the use of estimates and assumptions. It also requires management to exercise judgement in the process of applying the entity's accounting policies. The areas involving a higher degree of judgement or complexity, or where assumptions and estimates are significant to the financial statements, are disclosed in Note xx. The financial statements have been prepared and presented in Kenya Shillings, which is the functional and reporting currency of the entity.

The financial statements have been prepared in accordance with the PFM Act, the State Corporations Act (include any other applicable legislation), and International Financial Reporting Standards (IFRS). The accounting policies adopted have been consistently applied to all the years presented.

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;

Motor Vehicles	25%
Furniture & Fittings	12.5%
Computers & Office Machines	33.3%
Loose Tools	33.3%

c. Trade and other receivables

Trade and other receivables are recognized at fair values less allowances for any uncollectible amounts. These are assessed for impairment on a continuing basis. An estimate is made of doubtful receivables based on a review of all outstanding amounts at the year end. Bad debts are written off after all efforts at recovery have been exhausted.

d. Revenue Recognition

Revenue is recognized on accrual basis in accordance with international financial reporting standards. Revenue is recognized at the fair value of consideration received or expected to be received in the ordinary course of the entity's activities, net of value-added tax (VAT), where applicable. 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. Taxation

Current income tax assets and liabilities for the current and prior periods are measured at the amount expected to be recovered from or paid to the tax authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantially enacted as at the reporting date. Current income tax relating to items recognized directly in equity is recognized in equity and not in the income statement.

Deferred income tax is provided using the liability method on temporary differences at the reporting date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

h. Trade and other payables

Trade and other payables are non-interest bearing and are carried at amortized cost, which is measured at the fair value of contractual value of the consideration to be paid in future in respect of goods and services supplied, whether billed to the entity or not, less any payments made to the suppliers.

i. Exchange rate differences

The accounting records are maintained in the functional currency of the primary economic environment in which the entity operates, Kenya Shillings. Transactions in foreign currencies during the year/period are translated into the functional currency using the exchange rates prevailing at the dates of the transactions or valuation where items are re-measured. Any foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognized in profit or loss

j. Subsequent events

There have been no events subsequent to the financial year end with a significant impact on the financial statements for the year ended June 30, 2017.

k. Going Concern

The accompanying financial statements have been prepared assuming that the Company will continue as a going concern, which contemplates the realization of assets and the liquidation of liabilities in the normal course of business. As of 30 June 2017, the Company had an accumulated deficit of Kshs.6,574,380 arising from periods of successive losses, negative working capital of Kshs.3,159,297 but has now managed to break-even posting a profit of Kshs.2,237,443 from a loss of Kshs.6,095,741 in the previous year.

The Company intends to fund its operations through revenues earned from 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, which may be insufficient to fund its expenditures, working capital and other cash requirements. These factors, among others, raise substantial doubt about the Company's ability to continue as a going concern. The accompanying financial statements do not include any adjustments that might result from the outcome of this uncertainty.

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 30TH JUNE 2016

2a. Property Plant and Equipment for 2016/2017 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 01/07/2016	980,700	603,080	2,009,000	845,635	136,567	4,574,982
ADDITIONS	0	0	0	0	0	0
VALUATION	0	0	0	0	0	0
DISPOSAL	0	0	0	0	0	0
As at 30/06/2017	980,700	603,080	2,009,000	845,635	136,567	4,574,982
DEPRECIATION						
As at 01/07/2016	647,417	323,118	1,887,824	542,695	130,005	3,531,059
Charge for the year	83,321	34,995	40,352	37,867	2,185	198,720
Disposal	0	0	0	0	0	0
As at 30/06/2017	730,738	358,113	1,928,176	580,562	132,190	3,729,779
NET BOOK VALUE						
As at 30/06/2017	249,962	244,967	80,824	265,073	4,377	842,203
As at 01/07/2016	333,281	279,953	121,178	302,939	6,562	1,043,923

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 30TH JUNE 2017

2b. Property Plant and Equipment for 2015/2016 Financial Year

DETAILS	MOTOR VEHICLES Ksh 25.0%	EQUIPMENTS Ksh 12.5%	COMPUTER & OFFICE ELECTRONICS Ksh 33.3%	FURNITURE & FITTINGS Ksh 12.5%	LOOSE TOOLS Ksh 33.3%	TOTAL Ksh
COST VALUATION						
As at 01/07/2015	980,700	0	0	0	0	980,700
ADDITIONS	0	0	0	0	0	0
VALUATION	0	0	0	0	0	0
DISPOSAL	0	0	0	0	0	0
As at 30/06/2016	980,700	0	0	0	0	4,574,982
DEPRECIATION						
As at 01/07/2015	536,325	283,122	1,827,324	499,419	126,729	3,167,352
Charge for the year	111,094	39,995	60,498	43,277	3276	258,140
Disposal	0	0	0	0	0	0
As at 30/06/2016	647,417	323,118	1,887,824	542,695	130,005	3,531,059
NET BOOK VALUE						
As at 30/06/2016	333,281	279,963	121,178	302,939	6562	1,043,923
As at 01/07/2015	444,375	319,958	181,676	346,216	9,838	1,302,063

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 30TH JUNE 2017

3. Trade & Other Receivables

CLIENT	2016 - 2017	2015 - 2016
Ardhi Sacco	28,500	0
CAFOSA	70,000	70000
Comm of Domestic Tax(VAT) - Receivable	589,879	9,019
Capital Sacco Ltd		20000
Bandari Sacco	128,750	0
EAFF		392
Egerton University Sacco		10000
Fintea Growers Sacco Society Ltd	10,000	10,000
Financial Sector Deepening (FSD)	15000	15000
FAO	2975	2,975
Githunguri Dairy & Community Sacco Ltd	171,870	0
Gusii Mwalimu Sacco Society Ltd	75,000	0
Harambee Sacco Society Ltd	18,750	15000
Imarisha sacco		10,000
Isiolo County Government	40,000	40000
K-Unity Sacco	75,000	0
Kathirime Sacco	68,000	68000
Kenya Bankers Sacco Ltd	3,879	75000
Kajiando County		40,000
Kenya Highlands Sacco Society Ltd	8,189	345
Kimisitu Sacco Ltd		2500
KITE Sacco Society Ltd	15,200	0
Magandi Sacco Society	171,000	0
Maina Ndugire	258,000	0
Mandera County Government	597,592	597,592
Miliki Sacco	732,730	932,730
Mombasa Port Sacco	102,011	137,405.00
mwito Sacco	75000	0
Nation Sacco		255000
Nairobi City County	95,000	0
Ndege Chai Sacco Society Ltd	3,233	75000
New Fortis sacco Ltd	27,500	0
Nyati Sacco	19,680.05	14473
Patnas		20,000
Ollin Sacco Society Ltd	65,000	0
SASRA	15000	15000
Safaricom Sacco	94,607	0
Siraji Sacco Society Ltd	190,000	0

AGRI AND CO-OPERATIVE TRAINING AND CONSULTANCY SERVICES

Simba chai		30,000
Sukari Sacco Society Ltd	3,750	75000
Southern Star		125000
Tai Sacco Society Ltd	78,500	0
Tower Sacco Society Ltd	624,000	0
Ukulima Sacco	14,000	14000
Unisson Sacco	7759	7759
United Nations Sacco	6,690	2595
Wajir County Government	165,000	70,000
Ukwala Traders Sacco	68,000	68,000
Wanandegge Sacco	171,000	0
We Effect	372,192	104
Winas Sacco	25,862	500,000
Deposits paid	14138	14,138
Staff Debtors	107,546	107,546
Unaccounted imprest	157,700	181,700
Corporate Tax paid in advance	1,450,689	1,246,556
Total	7,034,171	4,877,829
Less Provision For Doubtful Debt		
Fintea Growers Sacco Society Ltd	10000	0
Kithirime Dairy F.C.S	68000	0
Ukwala Traders Sacco	68000	0
CAFOSA	70,000	70,000
Sacco Society Regulatory Authority (SASRA)	15,000	15,000
Wajir County Government	70,000	70,000
EAFF	392	392
Financial Sector Deepening (FSD)	15,000	15,000
Net Trade & Other Receivables	<u>316,392</u>	<u>170,392</u>
Net Trade & Other Receivables	6,717,779	4,707,437

4. Cash & Cash Equivalent

DETAILS	2016 - 2017	2015 - 2016
Cash at Bank		
Standard Chartered Account	6,866	19,406
Kenya Commercial Bank Account	1,150,468	123,801
Kenya Commercial Bank Privilege Account	14,958	671,801

AGRI AND CO-OPERATIVE TRAINING AND CONSULTANCY SERVICES

(Shop)		
Co-operative Bank Of Kenya (USD5483.80@ ksh 103.7117)	568,734	13,100
Cash at Hand Office	9,537	21,828
TOTAL	1,750,563	849,376

5. Co-operative University 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 University of Kenya Control Account as Capital.

DETAILS		2016- 2017	2015- 2016
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		2016 - 2017	2015- 2016
Balance C/F		745,400	745,400
TOTAL		745,400	745,400

7. Trade & Other Payables

DETAILS		2016 - 2017	2015- 2016
		Ksh	Ksh
Trade Payables		6,329,218	6,456,346
Payments Received in Advance / Refundable Deposit Received		40,000	45,000
Provisions For Audit Fees		174,000	174,000
Provisions for Gratuities Payable		2,087,642	1,022,582
Provisions for Rent and water		2,350,000	1,450,000
VAT Liability		50,241	620,448

AGRI AND CO-OPERATIVE TRAINING AND CONSULTANCY SERVICES

Withholding Tax Liability		262,372	32,500
Paymaster General		175,301	1,277,796
Leadership for Change Grant Fund		14,865	73,602
TOTAL		11,483,639	11,152,274

8. Seminar Income

Details	2016- 2017	2015- 2016
Training Income	24,049,072	7,596,708
Consultancy Income	4,026,496	4,694,310
Project Income	1,021,677	580,739
Symposium Income	0	0
Resource Centre Income	0	10,345
TOTAL	29,097,245	12,882,102

9. Other Income

INCOMES	2016 - 2017	2015- 2016
Sale of Disposal Tender Documents	0	4000
Experts Subscription Fee Income	125,000	90,000
CIC Insurance -Credit Note	0	12,644
Miscellaneous Income (Photocopying Services, binding and others)	0	916
Foreign Exchange Gain	580,783	122,648
	705,783	230,208

10. Staff Cost

DETAILS	2016 - 2017	2015- 2016
Salaries and Wages	6,440,731	7,661,328
Gratuity	1,065,061	1,215,051
Training and Development	0	10,000
Staff Welfare	10,000	55,710
Insurance and Medical Scheme	0	3085
Recruitment and Hiring Cost	0	79,305
Total	7,515,792	9,024,479

11. Operating Expenses

AGRI AND CO-OPERATIVE TRAINING AND CONSULTANCY SERVICES

EXPENSES	2016 - 2017	2015- 2016
Direct Expenses - Seminar Expenses	16,370,197	6,195,205
Motor Vehicle Running Cost	130,633	129,474
Office Administration Expenses	803,213	544,193
Marketing and Promotions	744,128	355,946
General Repairs & Maintenance	32,350	45,891
Provision For Bad Debt	146,000	155,000
Rent & Water	1,200,000	1,450,000
Total Expenses	19,426,522	8,875,709

12.Board Expenses

Details	2016- 2017	2015 - 2016
Sitting Allowance	129,000	415,000
Travelling Allowance	21000	66,000
Others (Tea & Snacks, Lunch, Stationeries and secretariat)	6990	135,497
	156,990	616,497

13.AGM Expenses

Details	2016 - 2017	2015 - 2016
Others (Tea & Snacks, Lunch, Stationeries and secretariat)	0	55,000
Share holder allowances	0	135,000
	0	190,000

14.Provision for Audit Fee

DETAILS	2016 - 2017	2015- 2017
Provision for Audit Fee (VAT exclusive)	174,000	174,000
TOTAL	174,000	174,000

As an expense provision for audit fee has been provided for as Ksh 174,000 inclusive of VAT.

15. Tax Payable

DETAILS	2015 - 2016	2014 - 2015
Profit / (Loss) for the year	2,261,442	(6,071,741)
Less adjustment for loss B/F	(29,563,979)	(23,492,238)
Less. Non Taxable Income (Grants & realized revaluation)	0	0
Add: Disallowable		
Depreciation	198,720	258,140
Donations	0	0
Less Allowable		
Wear and tear	198,720	(258,140)
Taxable profit / (Loss)	(26,905,097)	(29,563,979)
Tax at Applicable rate (30%)	0	0

16. Dividends Payable

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

17. Financial Costs

DETAILS	2016 - 2017	2015- 2016
Bank charges and interests	93,562	69,226

18. General Reserve

DETAILS	2016- 2017	2015 - 2016
Balance B / Forward	(8,691,823)	(3,565,775)
Adjustments		
Profit / (Loss) for the year	2,261,442	(6,071,741)
Correcting revaluation Reserve Balance for Disposed assets which overstated previous profits	0	945,693
Balance C / Forward	(6,430,381)	(8,691,823)

19.Revaluation Reserve

	DETAILS	2016-2017	2015 - 2016
	Revaluation A/c	644,015	644,015