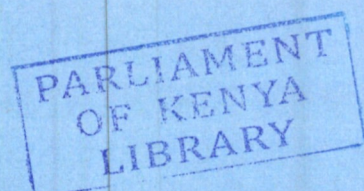


REPUBLIC OF KENYA



OFFICE OF THE AUDITOR-GENERAL

REPORT



OF

THE AUDITOR-GENERAL

ON

**THE FINANCIAL STATEMENTS OF
CENTRE FOR MATHEMATICS, SCIENCE AND
TECHNOLOGY EDUCATION IN AFRICA**

**FOR THE YEAR ENDED
30 JUNE 2016**



CENTRE FOR MATHEMATICS, SCIENCE AND TECHNOLOGY EDUCATION IN AFRICA

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED

JUNE 30, 2016

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

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I. KEY CEMASTEIA INFORMATION AND MANAGEMENT

(a) Background information

CEMASTEIA is government owned entity under Ministry of Education Science and Technology, State Department of Basic Education formed under legal notice no.96 of 2006 as body corporate with perpetual succession and a common seal, and which may in its corporate name sue or be sued, own and dispose of property, and do all such other things or acts as may be done by a body corporate entity.

CEMASTEIA is fully funded by the government and its mandate is to build capacity of teachers for effective delivery of curricula and providing In –Service Education and Training (INSET) .CEMASTEIA is headed by Director, who is responsible for the general policy and strategic direction in realizing its mandate.

(b) Principal Activities

The principal mission of CEMASTEIA is capacity building through INSET for both primary and secondary levels in Kenya and Africa.

(c) Key Management

The day-to-day management is under the following key persons:

- Director
- Deputy Director
- Coordinator Training and Academic Affairs(CTAA)
- Coordinator Student and Support Services(CSSA)

(d) Fiduciary Management

The key management personnel who held office during the financial year ended 30th June 2016 and who had direct fiduciary responsibility were:

No.	Designation	Name
1.	- Director	-Stephen M. Njoroge
2.	- Deputy Director	-M.O. Kawa
3.	- Coordinator Training and Academic Affairs(CTAA)	-Joseph Mathenge
4.	- Coordinator Student and Support Services(CSSA)	-Lydia Mureithi

(e) Fiduciary Oversight Arrangements

The term of the board of management expired on 31st August 2015, hence the centre has operated without board of management in financial year 2015-2016. The centre wrote to ministry of Education which has not appointed to date. However the key fiduciary oversight arrangements are;

- Audit Committee
- Finance Committee
- Training Committee
- Business & Strategy
- Human Resource Committee

(f) CEMASTE A Headquarters

P.O. Box 24214-005202`
CEMASTE A
Karen, Bogani Road
Nairobi, KENYA

(g) CEMASTEА Contacts

Telephone : (254) -20-3873811/3874830/882632

E-mail: cemastea@education.go.ke

(h) CEMASTEА Bankers

1. Kenya Commercial Bank
Karen Branch
P.O Box 24410 - 100300
Karen
2. Co Operative Bank
Nairobi Business Centre Branch
P.O Box 19555 –00202, Nairobi
3. NIC Bank
Junction Branch
P.O Box 24214 -00502
Nairobi Kenya

(i) Independent Auditors

Auditor General
Anniversary Towers, University Way
P.O. Box 30084-00100
Nairobi, Kenya



(j) Principal Legal Adviser



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

II. THE BOARD OF MANAGEMENT

The term of the board of management expired on 31st August 2015, hence the centre has operated without board of management in financial year 2015-2016. The centre wrote to ministry of Education which has not appointed to date, however at the time of expire ,members of board of management were;

 <p>Dr Wanjiru Kariuki, Chairperson, Board of Management</p>	<p>Holds a PhD in Education Management from University of Cape Town South Africa and M.Ed. (Education Administration and Planning) and B.Ed. degrees from the University of Nairobi.</p> <p>Also a research fellow of the University of Chongqing, China. She has a wide experience in Education Management and training having worked for the Kenya School of Government, Directorate of Personnel Management/Office of the President, Winrock International and McGill University(Canada)</p> <p>Responsible with spear heading Board of Management in achieving CEMASTEAs objectives</p>
 <p>Mr Stephen M. Njoroge Director & Secretary of Board of Management</p>	<p>He is pursuing PhD , Holds Ex.MBA , M.Ed. in Education Administration & Planning and Bachelor of Education(Science)</p> <p>Director and Secretary to the board of management. C.E.O, SMASSE Africa Association.</p> <p>Responsible for the running of the centre affairs and ensures that the vision and mandate of the centre is achieved. He is the Secretary to the Board of Management and Chairperson of the Senior Management Committee. Also responsible for spearheading partnerships of the centre.</p>

	<p>She was the Director Field and other Services State Department of Education, Ministry of Education Science And Technology.</p> <p>She represents the Ministry of Education at the Board of Management.</p> <p>Member of Finance and General purpose and Training Committee.</p>
<p>Mrs Margaret Murage, Director field and other services,Ministry of Education</p>	<p>Holds BA,CPS(K) and MBA</p> <p>She is the deputy manager (Training and Human Resource) NSSF.</p> <p>She was an Independent Board Member and Chairlady Human Resource Committee.</p>
	<p>Holds B.COM and MBA</p> <p>She is a Certified Public Accountant of Kenya and former CEO Institute of Certified Public Accountants of Kenya</p> <p>She was advising Board of Management on Finance and Accounting matters.</p> <p>She was the chairlady Finance & General purpose committee representing ICPAK.</p>
<p>Mrs Milkah Bwondara Deputy manager(Training and Human Resources)NSSF.</p>	<p>CPA,Mrs. Caroline Jebet Kigen Certified Public Accountant of Kenya</p>

	<p>Holds Ph D in Mathematics</p> <p>A Senior Lecturer in Kenyatta University in the Department Of Maths.</p> <p>He has a wide experience in Education thus advises the Board on training matters and He was the chair of the training committee and a member Finance and General purpose committee of the Board.</p>
<p>Dr . David Mumo Malonza Senior Lecturer Kenyatta University</p>	<p>Holds LL.B and MBA</p> <p>She is the Secretary and Principal Legal officer Kenya National Assurance Company.</p> <p>She has a broad experience on Legal matters having worked in the state law office.</p> <p>She was advising the Board on Legal issues.</p> <p>She was the chair of audit committee, a member Human Resource and Business Development committees of the Board.</p>
<p>Mrs. Tabitha Mumbi Mutero Mwaniki, Secretary and Principal Legal Office in Kenya National Assurance Company</p>	<p>Former Director, KICD.</p> <p>She has a wide experience in Education and Management.</p> <p>She was an Independent Board Member.</p> <p>She was the Chairlady Business Development and strategy.</p>
	<p>Mrs. Mercy Karogo, Acting Former Director KICD</p>






Mrs. Nancy Macharia, Chief Executive Officer (CEO) Teachers Service Commission (TSC)

Holds a PhD

She was a Board Member representing the Teachers Service Commission.

She was a member of Human Resource and Training Committee of the Board.

III. MANAGEMENT TEAM

 <p>Mr. Stephen Njoroge, Director CEMASTE A</p>	<p>He is pursuing PhD. He holds Ex.MBA, M.Ed. in Education Administration & Planning and, B.Ed. (Science).</p> <p>Responsible for the running of the centre affairs to ensure that the mission is achieved and efficiency of the Centre is achieved. He is the secretary to the Board of Management and chairperson of the Senior Management Committee. Also responsible for spearheading partnerships of the centre. He directs the centre to achieve its mandate.</p>
 <p>Mr .Moses O. Kawa, Deputy Director</p>	<p>Holds MSc. (SC&Env) &B.Ed.</p> <p>Deputy Director. He is Responsible for administrative operations of the Centre. Assists the Director in Management of the centre In charge of optimized operational programs to guarantee quality service delivery. In addition, He chairs the Tender Committee on behalf of the Director. Departments and ISO management representative</p>
 <p>Mrs. Lydia N. Muriithi, Coordinator Student and Support Services</p>	<p>Holds MBA & B.Ed. (Science)</p> <p>She is the Coordinator Student & Support Services since January 2014. She was the Acting Deputy Director CEMASTE A from September 2012 to January 2014. She is a National Trainer Biology since June 2003</p>



CPA Mr. Bradon Musyoki Sila,
Finance Officer

He holds MBA Finance, B.Com (Finance), CPA (K) .He has experience of 11 years in the field of Finance and Accounting
In charge of planning, sourcing and managing financial resources to achieve corporate objectives.



Mr. Joseph K Mathenge,
Deputy Coordinator Training and Academic Affairs





He holds a Bachelor of Education Degree (B.Ed. Science) (Hons.) and a Masters of Education in Education Management).
Coordinator Training and Academic Affairs (CTAA) in planning, organizing and coordinating In-service Education and Training (INSET) activities in all programs areas in the Centre .He has 11 years experience as National Trainer.






Ms. Irene Mwangi, Human Resource Officer

She is pursuing MSc (HRM), She holds BBM (HRM) & Diploma (HRM)
Responsible for human capital planning, recruitment, performance management, reward, wellness and employee relations.

Centre for Mathematics, Science and Technology Education in Africa

 <p>Mr. Joseph Ngugi ,Internal Auditor</p>	<p>He holds BBA(Accounting) & CPA 1 He Responsible for the provision of Internal Auditing and advisory services to internal Management, assisting in controlling risk and monitoring compliance. He is also the secretary Internal Audit Committee of the Board</p>
 <p>Mr. Paul Waibochi, ICT department.</p>	<p>He holds M.Ed., B.Ed. & Diploma in project management He Responsible for managing the ICT programs of the Institute. In charge of planning, sourcing and implementing the ICT programs.</p>
 <p>Mr. Earnest Ngeny</p>	<p>He holds B.Ed. and M.Sc. (Sc) Head of Physic department</p>
 <p>Mr Samuel Gachui, Dean Chemistry Department</p>	<p>He holds M.Ed., Admin& Planning B.ED(Science) He is the Dean Chemistry Department materials</p>

 <p>Mr. Mary Kariuki, Dean Biology Department</p>	<p>She holds a Master of Arts in project Planning Bachelor of Education (Science)</p> <p>Responsible for capacity development programmes in Biology Department and also in charge of training, planning designing and implementing trainings. Oversees the implementation of performance contract in CEMASTEА.</p> <p>She has 33yrs of working experience in training</p>
 <p>Ms. Nancy Nui, Dean Mathematics</p>	<p>She holds M.Ed. (Mathematics Education)&B.Ed.</p> <p>Responsible for capacity development programmes in Secondary level CEMASTEА also in charge of training, planning designing and implementing trainings at secondary level. Oversees the administration of mathematics department.</p>
 <p>Dr. Grace Orado, Coordinator ,Research and Development Programme</p>	<p>She is the Coordinator, Research & Development (R&D) Department</p> <p>She holds a PhD (Science Education), M. Ed (Science Education), B.Ed (Science)</p> <p>She has been a Teacher of mathematics and chemistry for 12 years (1989 - 2000) Teacher educator in science education and chemistry education in particular for 15 years (2001- to date)</p>

 <p>Ms. Mirriam Delaila , Ag. Head of Hospitality</p>	<p>She is the acting head of hospitality. She holds a diploma in food and beverages, artisan in catering. She has a wealth experience of 10 yrs in hospitality.</p>
 <p>Mr. Robert Aura, Estate Officer</p>	<p>He Holds a Diploma Building & Civil Engineering Diploma Technical Education Diploma Community Health Craft III Carpentry & Joinery Responsible for safeguarding of CEMASTEAs properties to ensure they are in good condition and are well maintained.</p>
 <p>Pauline Njiru Ag. Supply Chain Management Officer I</p>	<p>She is the acting Supply Chain Management Officer. She holds a Diploma in Purchasing and Supplies management from Kenya Institute of Management Degree in Business Management (Purchasing and Supplies Management Option) - Moi University (Ongoing) Diploma in Communications from Kenya Institute of Mass Communication. Responsible for all procurement process.</p>

IV. REPORT OF THE DIRECTOR

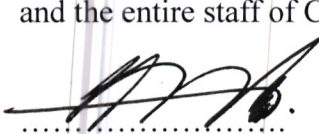
Governments of Kenya and Japan entered a bilateral Technical Cooperation agreement to implement the Strengthening of Mathematics and Science in Secondary Education (SMASSE) as a pilot project in 1998.

The good INSET practices and promising approach of the SMASSE Kenya model have been replicated elsewhere in Africa, making Kenya a beneficiary of JICA's South-South technical cooperation with the Philippines (UP NISMED) and Malaysia (SEAMEO-RECSAM).

In 2004, countries in Western, Eastern, Central and Southern Africa (WECSA) began to benefit from Kenya, through the SMASE-WECSA Association, making Kenya a pivotal country in the South-South and Triangular cooperation. CEMASTEА, established to respond to the expansion in scope, now implements INSET Programmes in Primary and Secondary mathematics and science education for Kenyan personnel, and INSET for SMASE-WECSA member countries.

Guided by our strategic plan, CEMASTEА aspires to implement programmes that will up-skill and up-grade teaching, while responding to development in student- focused strategies, and in line with Vision 2030. Our implementation efforts will benefit from recent developments in ICT, both at the Ministry headquarters and in field offices.

The success of the centre in Financial Year 2015-2016 came from efforts of many individuals and collaborating institutions that I may not possibly single out. I wish to thank the Ministry of Education, for its support to participation throughout the financial year, Development partners and the entire staff of CEMASTEА, for their commitment and team work.



Stephen M. Njoroge

Director

V. CORPORATE GOVERNANCE STATEMENT

Separation of Powers & Duties of the Chairman and Director

The independence of the Board from the Centre corporate management is ensured by the separation of the functions of the Chairman and Director and a clear definition of their responsibilities. This helps the Centre in achieving an appropriate balance of power, increased accountability and improved decision making.

Responsibilities of Directors

The responsibilities of members of the Board are clearly spelt out in the Legal Notice No.96 of 2006.

The Board sets the financial intent of the Centre, its objectives and values. It ensures that procedures and practices are in place to protect the Centre assets and reputation. The Board reviews the strategic direction and adopts business plans proposed by Management, reviews processes for the identification and management of business risks and compliance with key regulatory and legal issues. It reviews succession planning for the management team and endorses senior executive appointments, organisational changes and remuneration issues. It also provides oversight of performance against targets and objectives. The Board also; oversees reporting to stakeholders on the direction, governance and performance of the Centre, as well as processes that need reporting and other disclosure requirement.

Conflict and Declaration of Interest

Board members have a statutory duty to avoid situations in which they have or may have interests that conflict with those of the centre.

Each member of the Board is obligated to fully disclose to the Board of management any real or potential conflict of interest, which comes to his/her attention, whether directly or indirectly.

Board members must declare any conflict of interest they may have, and in certain circumstances, they must abstain from the participating in any discussion or voting on matters in which they have a material personal interest.

VI. BOARD AND OVERSIGHT COMMITTEE(S)

Remuneration of Board of Management

The term of the board of management expired on 31st August 2015, hence the centre has operated without board of management in financial year 2015-2016. The centre wrote to ministry of Education which has not appointed to date, however at the time of expiry, members of board of management were paid sitting allowances in line with the State Corporations Regulations, as follows:

Position	Current Gross Allowance (Kshs)
Chairperson	15,000 per sitting
Chairperson/Committee	10,000 per sitting
Members	10,000 per sitting

VII. CORPORATE SOCIAL RESPONSIBILITY STATEMENT

Corporate social responsibility

Corporate Social Responsibility is highly acceptable in the creation of the centres image in respect of what we give back to the community that matters, hence the communities involved with and by CEMASTEAM are considered to be important parties to the institution, and the key reason as to why CEMASTEAM exists and will live to be in the generations to come.

The year that ended is considered to be an integral part of the institution activities. What happened then is what will lead us to the incoming year and hence the communities where the institution operated are considered to be important stakeholders in the way the institution conducts its activities.

In the year ended, the CEMASTEAM was involved in various Corporate Social Responsibility initiatives that aimed at impacting positively on the lives of the respective parties where it operates.

Thus this year, the key Corporate Social Responsibility activities will focus on healthcare, education and response to distress calls. While we partner with JICA we aim at going to a greater and higher level of giving our best to the community at large.

CEMASTEAM is committed to the highest standards of professionalism in its activities and the welfare of the society at large. Thus, the Board came up with a CSR policy that will strengthen its efforts for the common good of the community by building and sustaining strong bonds developed with them so as to achieve the above mentioned objectives. Ahead of us, we look forward to measuring our accomplishments not only in terms of financial performance but also by the impact we have made towards the social-economic well-being in our community. The following the activities were done by the centre in respect of corporate social responsibility;

Education

The Centre continues to support various schools on their efforts to achieve academic excellence through offering training in primary and secondary schools to both their teachers and students so as to increase their capacity in learning. Our teachers go to the various schools and take an ample time training them on how to learn some of the hard things in mathematics and sciences.

There have been some programmes developed to enhance learner understand ability and also the integration of technology in learning. The centre has helped various schools to become INSET centers by offering financial and material support

Health care

Healthcare is a Corporate Social Responsibility activity taken care of in CEMASTEА; hence it has been given its respective priority CEMASTEА has health care services in the housing and catering department. There is a first aid kit that takes the initial first action when people get injured around.

Our diet is set in and arranged in a healthy manner to both our staff, the participants who take training at CEMASTEА and when we go outside to the rest of the communities. During the year, the institution has been treating their participants who fall sick during training at the Karen Hospital. CEMASTEА offers an insurance policy to protect the staff and a part of the community involved in its programmes.

Environment and beautification

The Centre has continued its involvement in the beautification and maintenance of the area within CEMASTEА. The centre is looking forward to enhancing the beauty of other areas for a clear view and landscape.

The centre is sensitive to the conservation of environmentally protected or threatened areas, species and scenic aesthetics. CEMASTEА also aims to achieve the enhancement of the landscape, wherever possible, by means of indigenous plant material reinforcement and has planted a thousand trees to our INSET centres all over Kenya.

Working with local community

The centre works with the local community to enhance the preservation of environment and thus has adopted one of its members from Karengata which is an association that is working hand in hand with CEMASTEА.

Youth support

The institution is involved in finding more youth and getting them to work. There is training services like internship and more youth are employed based on temporal services available. The institution is also creating more work and opportunities which will lead to employment of the youth. The institution also offers career talks and recreational activities especially to students that encourages them on the need to study mathematics, sciences and technology that makes them a beneficiary to the competitive world.

VIII. REPORT OF THE MANAGEMENT

The management submit the annual report and financial statements for the year ended June 30, 2016 which show the state of the CEMASTEAs affairs.

Principal activities

The principal activity of the CEMASTEAs is capacity building for teachers both primary and secondary (INSET) both in Kenya and Africa.

Results

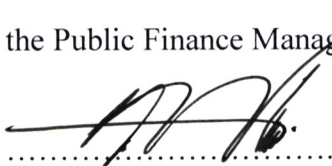
The results of the centre for the year ended June 30, 2016 are set out on page 24 to 28.

Board of Management

The term of the board expired on 31st August 2015 and has not been renewed .The centre wrote to the Ministry of Education requesting new Board of Management which has not been appointed as at 30th June 2016.

Auditors

The Auditor General is responsible for the statutory audit of the CEMASTEAs in accordance with the Public Finance Management (PFM) Act, 2012.



.....

Stephen M. Njoroge

Date..... 28/04/2017

IX. STATEMENT OF BOARD OF MANAGEMENT RESPONSIBILITIES

Public Finance Management Act, 2012 and State Corporations Act, require the Directors to prepare financial statements in respect of CEMASTE A, which give a true and fair view of the state of affairs of CEMASTE A at the end of the financial year and the operating results of CEMASTE A for that year. The Directors are also required to ensure that CEMASTE A keeps proper accounting records which disclose with reasonable accuracy the financial position of CEMASTE A. The Directors are also responsible for safeguarding the assets of the CEMASTE A.

The Directors are responsible for the preparation and presentation of CEMASTE A's financial statements, which give a true and fair view of the state of affairs of the CEMASTE A for and as at the end of the financial year ended on June 30, 2016. This responsibility includes: (i) maintaining adequate financial management arrangements and ensuring that these continue to be effective throughout the reporting year; (ii) maintaining proper accounting records, which disclose with reasonable accuracy at any time the financial position of the CEMASTE A; (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 CEMASTE A; (v) selecting and applying appropriate accounting policies; and (vi) making accounting estimates that are reasonable in the circumstances.

The Directors accept responsibility for the CEMASTE A's 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 CEMASTE A's financial statements give a true and fair view of the state of CEMASTE A's transactions during the financial year ended June 30, 2016, and of the CEMASTE A's financial position as at that date. The Directors further confirm the completeness of the accounting records maintained for the CEMASTE A, which have been relied upon in the preparation of the CEMASTE A's financial statements as well as the adequacy of the systems of internal financial control.

Centre for Mathematics, Science and Technology Education in Africa

The term of the board of management expired on 31st August 2015, hence the centre has operated without board of management in financial year 2015-2016. The centre wrote to ministry of Education which has not appointed to date.

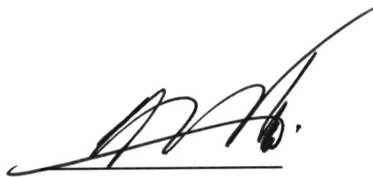
Nothing has come to the attention of the Management to indicate that the CEMASTEAM will not remain a going concern for at least the next twelve months from the date of this statement.

Approval of the financial statements

CEMASTEAM's financial statements were approved by the Management on 26.09.2016 and signed on its behalf by:



Finance Officer



Director



OFFICE OF THE AUDITOR-GENERAL

REPORT OF THE AUDITOR-GENERAL ON CENTRE FOR MATHEMATICS, SCIENCE AND TECHNOLOGY EDUCATION IN AFRICA FOR THE YEAR ENDED 30 JUNE 2016

REPORT ON THE FINANCIAL STATEMENTS

I have audited the accompanying financial statements of Centre for Mathematics, Science and Technology Education in Africa set out on pages 24 to 45, which comprise the statement of financial position as at 30 June 2016, 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.

Management's Responsibility for the Financial Statements

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 such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor-General's Responsibility

My responsibility is to express an opinion on these financial statements based on the audit and report in accordance with the provisions of Section 48 of the Public Audit Act, 2015 and submit the audit report in compliance with Article 229(7) of the Constitution. The audit was conducted in accordance with International Standards of Supreme Audit Institutions. Those standards require compliance with ethical requirements and that the audit be planned and performed to obtain reasonable assurance about whether the financial statements are free from material misstatement.

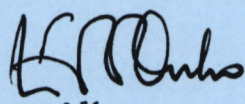
An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk

assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Centre internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the management, as well as evaluating the overall presentation of the financial statements.

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

Opinion

In my opinion the financial statements present fairly, in all material respects, the financial position of Centre for Mathematics, Science and Technology Education in Africa as at 30 June, 2016, 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 legal notice number 96 of 15 June 2006, and the Education Act Cap 211.



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

Nairobi

29 May 2017

X. STATEMENT OF FINANCIAL PERFORMANCE

For the year ended 30 June 2016

	Note	2015-2016 Kshs 000	2014-2015 Kshs 000
Revenue from non-exchange transactions			
Grants-Ministry of Education	10	645,831	262,233
Transfers from other governments	11	33,976	42,024
Sub-Total		<u>679,807</u>	<u>304,257</u>
Revenue from exchange transactions			
Catering services	12	11,184	11,046
Interest Income	13	92	4,164
Other income	14	2,115	1,569
Sub-Total		<u>13,391</u>	<u>16,779</u>
Total revenue		<u>693,198</u>	<u>321,036</u>
Expenses			
Training expenses(INSET)	15	530,183	134,754
Employee Costs	16	32,392	27,351
Depreciation	25	8,838	8,416
Repairs and maintenance	17	17,498	22,483
Cleaning and security	18	12,631	9,393
Water & Electricity	19	8,021	10,084
Audit Fees	27	800	800
General expenses	20	79,160	70,052
Bank charges	21	377	223
Board Expenses	22	947	1,226
Total expenses		<u>690,847</u>	<u>284,782</u>
Surplus/Deficit		<u>2,351</u>	<u>36,254</u>

The notes set out on pages 29– 45 form an integral part of the Financial Statements.

XI. STATEMENT OF FINANCIAL POSITION
As at 30 June 2016

		2015-2016	2014-2015
	Note	Kshs 000	Kshs 000
Assets			
Current assets			
Cash and cash equivalents	23	273,551	157,581
Trade Receivables	24	5,316	2,691
Total Current Assets		<u>278,867</u>	<u>160,272</u>
Non –Current Assets			
Property, Plant and Equipment	25	<u>1,011,791</u>	<u>1,018,520</u>
Total assets		<u>1,290,658</u>	<u>1,178,792</u>
Non-current liabilities			
Revaluation reserve	26(a)	385,642	385,642
Accumulated Reserves	26(b)	129,481	127,130
Capital Reserves	26 (c)	640,126	640,126
Current liabilities			
Trade and other payables	27	<u>135,409</u>	<u>25,894</u>
Total liabilities		<u>1,290,658</u>	<u>1,178,792</u>

The Financial Statements set out on pages 24-28 were approved by the Management on 26.09.2016 and signed on their behalf by:

Bradon M. Sila
Finance Officer

Stephen M. Njoroge
Director

XIII. STATEMENT OF CHANGES IN NET ASSETS

For the year ended 30 June 2015

	Revaluation Reserve	Capital Reserve	Accumulated Reserve	Total
	Kshs. (000)	Kshs. (000)	Kshs. (000)	Kshs. (000)
Balance as at 1 st July 2014	385,642	637,826	90,876	1,114,344
Capital reserve	-	2,300	-	2,300
Surplus/(Deficit)for the year	-	-	36,254	36,254
Balance as at 30 JUNE 2015	<u>385,642</u>	<u>640,126</u>	<u>127,130</u>	<u>1,152,898</u>

For the year ended 30 June 2016

	Revaluation Reserve	Capital Reserve	Accumulated Reserve	Total
	Kshs. (000)	Kshs. (000)	Kshs. (000)	Kshs. (000)
Balance as at 1 July 2015	385,642	640,126	127,130	1,152,898
Capital Reserve	-	-	-	-
Surplus/(Deficit)for the year	-	-	2,351	2,351
Balance as at 30 June 2016	<u>385,642</u>	<u>640,126</u>	<u>129,481</u>	<u>1,155,249</u>

Centre for Mathematics, Science and Technology Education in Africa

XIV. STATEMENT OF CASHFLOWS

For the year ended 30 June 2016

	Note	2015-2016 Shs 000	2014-2015 shs 000
Cash flows from operating activities			
Surplus/Deficit for the year		2,351	36,254
Adjustments for :			
Depreciation		8,838	8,416
(Increase)/Decrease of receivables		(2,625)	(266)
Increase/(Decrease) of payables		109,514	(6214)
Net cash flows from operating expenses		<u>118,078</u>	<u>(38,190)</u>
Cash flows from investing activities			
Property, plant, equipment		(2,108)	(1,167)
Net cash flows used in investing activities		<u>(2,108)</u>	<u>(1,167)</u>
Cash flows from financing activities		-	-
Net cash flows used in financing activities		-	-
Net increase/(decrease) in cash and cash equivalents		115,970	37,023
Cash and cash equivalents at 1 July		<u>157,581</u>	<u>120,558</u>
Cash and cash equivalents at 30 June	23	<u>273,551</u>	<u>157,581</u>

XV. STATEMENT OF COMPARISON OF BUDGET AND ACTUAL AMOUNTS

For the year ended 30 June 2016

	Budget	Actual on	Performance
	2015-2016	comparable 2015-2016	difference 2015-2016
Revenue	Kshs '000	Kshs '000	Kshs '000
Receipts from other Governments	31,139	33,976	2,837
Government grants	732,233	645,831	(86,402)
Catering services	10,000	11,184	1,184
Interest Income	-	92	92
Other Incomes	1,404	2,115	711
Total income	774,776	693,198	(81,578)
Expenses			
Training-INSET	625,800	530,183	95,617
Compensation of employees	37,000	32,392	4,608
Depreciation	5,815	8,838	(3,023)
Goods and services	22,568	38,950	(16,380)
Bank charges	120	377	(257)
General expenditure	67,788	79,160	(11,372)
Board Expenses	2,000	947	1,053
Total expenditure	761,091	690,847	70,246
Surplus for the period	13,685	2,351	(11,332)

See note 5 for explanation of variance

XVI. NOTES TO THE FINANCIAL STATEMENTS

1. Statement of compliance and basis of preparation

CEMASTEAs 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 CEMASTEAs. The accounting policies have been consistently applied to all the years presented.

First time adoption of International Public Sector Accounting Standards

The entity adopted the *International Public Sector Accounting Standards* for the first time in 2014.

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

2. Summary of significant accounting policies

Revenue recognition

Revenue from non-exchange transactions

Transfer from governments

Revenues from non-exchange transactions with government entities are measured at fair value and recognized on obtaining control of the asset if the transfer is free from conditions and it is probable that the economic benefits or service potential related to the asset will flow to the entity and can be measured reliably.

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.

3. Revenue from exchange transaction

a) Rendering of services

The CEMASTEAs recognizes revenue from rendering of services by reference to the stage of completion when the outcome of the transaction can be estimated reliably.

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

NOTES TO THE FINANCIAL STATEMENTS *(Continued)*

b) 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.

c) Rental income

Rental income arising from operating leases on investment properties is accounted for over the lease terms and included in revenue.

d) Budget

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 CEMASTEAM. As a result of the adoption of the accrual basis for budgeting purposes, there is no timing or 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.

e) Property, plant and equipment

The entity has adopted this standard for the first time in 2013-2014.

Most of the assets were donated by JICA to CEMASTEAM. Recording of all assets as per IPSAS 17 has been applied in financial year 2015-2016. The entity has not sold any asset during the financial year 2015-2016

f) Intangible assets

Most of the assets were transferred by JICA to CEMASTEAM. Recording of all assets as per IPSAS 17 has been applied in financial year 2015-2016. The entity has not sold any asset during the financial year 2015-2016

NOTES TO THE FINANCIAL STATEMENTS *(Continued)*

g) Depreciation –The entity has charged depreciation on straight line basis and where applicable apportioned in respect of the year of purchase. Depreciations charge has been applied using the following rates; Buildings 2%, Furniture& Fittings 12.5%, Motor Vehicles 25% , Computer software 20% & Equipment’s 12.5%.

h)Provisions-Provisions are recognized when the CEMASTEAM 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 CEMASTEAM 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. The expense relating to any provision is presented in the statement of financial performance net of any reimbursement.

i) Contingent liabilities

The CEMASTEAM does not recognize a contingent liability, but discloses details of any contingencies in the notes to the financial statements, unless the possibility of an outflow of resources embodying economic benefits or service potential is remote.

j) Contingent assets

CEMASTEAM does not recognize a contingent asset, but discloses details of a possible asset whose existence is contingent on the occurrence or non-occurrence of one or more uncertain future events not wholly within the control in the notes to the financial statements. Contingent assets are assessed continually to ensure that developments are appropriately reflected in the financial statements. If it has become virtually certain that an inflow of economic benefits or service potential will arise and the asset’s value can be measured reliably, the asset and the related revenue are recognized in the financial statements of the period in which the change occurs.

NOTES TO THE FINANCIAL STATEMENTS *(Continued)*

k) Nature and purpose of reserves

CEMASTEА creates and maintains reserves in terms of specific requirements. Revaluation reserve is created to record increase or decrease in value of property. In financial year 2015-2016 land has been recorded as property and no gain or loss was recorded in respect of this assets.

l) Changes in accounting policies and estimates

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

m) 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. Bank account balances include amounts held at the Kenya Commercial Bank of Kenya and Cooperative Banks of Kenya at the end of the financial year

n) Comparative figures

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

o) Significant judgments and sources of estimation uncertainty

The preparation of the CEMASTEА's financial statements in conformity with IPSAS requires management to makes judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the disclosure of contingent liabilities, at the end of the reporting period.

p) Estimates and assumptions

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below. The CEMASTEА based its assumptions and estimates on parameters available when the consolidated financial statements were prepared. However, existing circumstances and assumptions about future developments may change due to market changes or circumstances arising beyond the control of the CEMASTEА. Such changes are reflected in the assumptions when they occur.

NOTES TO THE FINANCIAL STATEMENTS *(Continued)*

q) Useful lives and residual values

The useful lives and residual values of assets are assessed using the following indicators to inform potential future use and value from disposal:

- The condition of the asset based on the assessment of experts employed by the CEMASTEIA
- The nature of the asset, its susceptibility and adaptability to changes in technology and processes
- The nature of the processes in which the asset is deployed
- Availability of funding to replace the asset
- Changes in the market in relation to the asset

r) Provisions

Provisions were raised and management determined an estimate based on the information available

Provisions are measured at the management's best estimate of the expenditure required to settle the obligation at the reporting date, and are discounted to present value where the effect is material

s) 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, 2016.

t) Related party

The entity regards a related party as a person or entity with the ability to exert control individually or jointly, or to exercise significant influence over the entity and vice versa. Members of key management are regarded as related parties and comprise of the following:

- Director
- Deputy Director
- Coordinator Training and Academic Affairs

NOTES TO THE FINANCIAL STATEMENTS (Continued)

u) Segment reporting

The entity does not have any branches/reporting segments. All the operations of the entity are managed from the registered office. The core business of CEMASTEAM continues to be INSET training both in Kenya and Africa.

v) Bad debt provision

The entity provides 10% for debts over one year and 5% in the preceding year. If there is high probability that the debt is not recoverable it is written off. There were no bad debts in the financial year 2015-2016.

4) Financial Risk Management Disclosure

The centre did not have investments in financial instruments in financial year 2014-2015 and 2015-2016

5) Budget Variances in financial year 2015-2016

During the financial year 2015-2016 Ksh 86 Million was not received as per allocated budget and hence centre did not carry on all training activities as planned in financial year 2015-2016 due reduction in Budget. Ksh 471 Million was received in the third quarter for secondary capitation which was paid to the 47 counties.

6) Related party disclosures

Key management personnel

The Key management personnel receives salaries and other benefits from TSC

2015-2016 2014-2015

Number of persons	46	44
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7) Commitments and contingencies

There were no capital commitments during the financial year 2015-2016

8) Operating lease rentals

The Board does not let properties under operating leases

9) Contingencies

There were no contingent liabilities and contingent assets reported during and after Audit process.

NOTES TO THE FINANCIAL STATEMENT (Continued)

10) Grants-Ministry of Education

The centre received grants as follows;

	2015-2016	2014-2015
	Shs 000	Shs 000
Recurrent Expenditure -q1	-	26,608
Recurrent Expenditure -q2	63,216	26,608
Recurrent Expenditure -q3	10,000	26,608
Recurrent Expenditure -q4	31,608	26,608
Development Expenditure -q1	-	38,950
Development Expenditure-q2	470,897	38,950
Development Expenditure-q3	-	77,900
Development Expenditure-4q4	<u>70,110</u>	-
Total Government grants	<u>645,831</u>	<u>262,233</u>

11) Transfers from other governments- JICA

	2015-2016	2014-2015
	Shs 000	Shs 000
ADEA(Peace Education)-(Quarter 1)	7,660	9,588
Grant-SMASSE –TCTP –(Quarter 2)	14,830	7,729
Grant-SMASSE –TCTP –(Quarter 3)	-	-
Grant-SMASSE –TCTP –(Quarter 4)	<u>11,486</u>	<u>32,436</u>
Total Transfers	<u>33,976</u>	<u>42,024</u>

The Government of Kenya, CEMASTE A and JICA signed an agreement on TCTP Program in the year 2014. JICA funds the activity and CEMASTE A provides facilities and other resources on behalf of

NOTES TO THE FINANCIAL STATEMENTS(Continued)

Government of Kenya. Association for the Development of Education in Africa (ADEA) have partnered CEMASTEAM for peace education from financial year 2015-2016.

12) Catering services

	2015-2016	2014-2015
	Shs 000	Shs 000
Catering Income –Quarter 1	3,893	927
Catering Income –Quarter 2	191	4,339
Catering Income –Quarter 3	1,289	2,775
Catering Income –Quarter 4	<u>5,811</u>	<u>3,004</u>
Total revenue from the Catering services	<u>11,184</u>	<u>11,046</u>

13) Interest Income

	2015-2016	2014-2015
	Shs 000	Shs 000
Interest on call /current account	<u>92</u>	4,164
Total Interest Income	<u>92</u>	<u>4,164</u>

Interest income in 2015/2016 is from NIC on account balances monthly and in 2014/2015 the centre held a Call Deposits with KCB Karen Branch and Interest rates were average 9.2%. Withholding Tax has been deducted from the interest earned in 2014/2015

Centre for Mathematics, Science and Technology Education in Africa

NOTES TO FINANCIAL STATEMENTS (*continued*)

14) Other income

	2015-2016	2014-2015
	Shs 000	Shs 000
Rent income	1,345	1,248
Tender income	53	88
Sundry income	<u>717</u>	<u>197</u>
Total other income	<u>2,115</u>	<u>1,569</u>

15) Training expenses

Training expenses entails all expenditure incurred while facilitating INSET for primary and secondary programs. The centre received Ksh 471 Million for secondary capitation. The centre did not carry out all its activities as planned in financial year 2015-2016 as the budget allocated was not fully received.

Training Expenses

	2015-2016	2014-2015
	Shs 000	Shs 000
SMASE funds	405,024	-
Training Materials	16,223	12,120
Training Subsistence & Venue(s)	<u>108,936</u>	<u>122,634</u>
Total	<u>530,183</u>	<u>134,754</u>

NOTES TO THE FINANCIAL STATEMENTS(Continued)

16) Employment costs

	2015-2016	2014-2015
	Shs 000	Shs 000
Salaries and wages	22,276	16,677
Gratuity	1,789	2,296
HELB contribution	180	199
Jamii Sacco	2,103	1,988
Rent deduction	90	87
Insurance	288	275
N.H.I.F	905	211
N.S.S.F	293	2,021
P.A.YE	4,384	3,496
NITA	84	=
Employment cost	<u>32,392</u>	<u>27,351</u>

17) Repairs and maintenance

	2015-2016	2014-2015
	Shs. 000	Shs. 000
Buildings&smallworks	7,399	6,105
Plant, Machines &Equipment	2,515	7,691
Computers	1,325	3,340
Environmental conservations	4,333	2,362
Vehicles	1,926	3,301
Total	<u>17,498</u>	<u>22,483</u>

NOTES TO THE FINANCIAL STATEMENTS*(Continued)*

18) Cleaning & Security

	2015-2016	2014-2015
	Shs 000	Shs 000
Cleaning	7,181	6,066
Security	<u>5,450</u>	<u>3,327</u>
Total contracted services	<u>12,631</u>	<u>9,393</u>

19) Water & Electricity

	2015-2016	2014-2015
	Shs. 000	Shs.000
Water	2,094	3,110
Electricity	<u>5,927</u>	<u>6,974</u>
Total	<u>8,021</u>	<u>10,084</u>

NOTES TO THE FINANCIAL STATEMENTS(Continued)

20) General expenses

	2015-2016	2014-2015
	Shs 000	Shs 000
Advertising	1,866	3,559
Legal fees	-	651
Subscriptions & Newspapers	185	560
Food & Other	27,083	20,653
Internet services	992	1,657
Travel & accommodation	24,622	18,729
Fuel ,Gas and oil	4,838	6,219
Insurance	8,770	6,332
Temporary committee	39	38
Postage & courier	1,032	1,655
Printing& stationery	4,056	214
Office expenses	5,127	5,615
Telecommunication	<u>550</u>	<u>715</u>
Total general expenses	<u>79,160</u>	<u>70,052</u>

NOTES TO THE FINANCIAL STATEMENTS (Continued)

21) Bank Charges

	2015-2016	2014-2015
	Shs 000	Shs 000
KCB Karen Branch	308	171
Co-operative ,NBC Branch	15	15
NIC Bank	39	37
NIC Bank (dollar)	<u>15</u>	=
Total bank charges	<u>377</u>	<u>223</u>

22) Board Expenses

	2015-2016	2014-2015
	Shs 000	Shs 000
Sitting allowance	-	506
Honoraria	760	720
Transport	-	-
Others	<u>187</u>	-
Total Board expenses	<u>947</u>	<u>1,226</u>

23) Cash and cash equivalents

	2015-201	2014-2015
	Shs 000	Shs 000
KCB Karen Branch	193,872	112,357
Co-operative ,NBC Branch	61,510	25,571
NIC Bank (Ksh Account)	186	8,763
NIC Bank (Dollar Account)	<u>17,983</u>	<u>10,890</u>
Total	<u>273,551</u>	<u>157,581</u>

NOTES TO THE FINANCIAL STATEMENTS(Continued)

24) Trade Receivables	2015-2016	2014-2015
	Shs 000	Shs 000
Catering Services	<u>5,316</u>	<u>2,691</u>
Total receivables	<u>5,316</u>	<u>2,691</u>

25 a) Property , Plant & Equipment– 2014-2015

	Land	Building	Equipment	Motor Vehicles	Furniture and fittings	
					Assets	Total
Cost	Shs 000	Shs 000	Shs 000	Shs 000	Shs 000	Shs 000
At 1 July 2014	385,642	600,382	12,812	45,601	15,632	1,060,069
Additions	-	-	610	2,300	558	3,467
Disposals	-	-	-	-	-	-
Transfers/adjustments	-	-	-	-	-	-
At 30 June 2015	385,642	600,382	13,422	47,901	16,190	1,063,536
Depreciation and impairment						-
At 1 July 2014	-	916	1,746	38,288	1,465	42,415
Depreciation	-	1,201	2,387	2,825	2,003	8,416
Disposals	-	-	-	-	-	-
Impairment	-	-	-	-	-	-
Transfer/adjustment	-	-	-	-	-	-
At 30 June 2015	-	2,116	4,133	41,113	3,468	50,831
Net book values						
At 30 June 2014	385,642	599,466	11,066	7,313	14,166	1,017,653
At 30 June 2015	385,642	598,265	9,288	6,788	12,721	1,018,520

NOTES TO THE FINANCIAL STATEMENTS(Continued)

25) b) Property , Plant & Equipment – 2015-2016

31.Property, plant and equipment							
	Land	Building	Equipment	Motor Vehicles	Furniture and fittings assets	Computer Software	Total
Cost	Shs 000	Shs 000	Shs 000	Shs 000	Shs 000	Shs 000	Shs 000
At 1 July 2015	385,642	600,382	19,237	47,901	16,190	-	1,069,352
Additions	-	-	748	-	503	857	2,108
Disposals	-	-	-	-	-	-	-
Transfers/adjustments	-	-	-	-	-	-	-
At 30 June 2016	385,642	600,382	19,985	47,901	16,693	857	1,071,460
Depreciation and impairment							
At 1 July 2015 B/F	-	2,116	4,133	41,113	3,469	-	50,831
Depreciation	-	1,201	2,554	2,825	2,087	171	8,838
Disposals	-	-	-	-	-	-	-
Impairment	-	-	-	-	-	-	-
Transfer/adjustment	-	-	-	-	-	-	-
At 30 June 2016	-	3,317	6,687	43,938	5,556	171	59,670
Net book values							
At 30 June 2015	385,642	598,265	15,104	6,788	12,721	-	1,018,520
At 30 June 2016	385,642	597,065	13,297	3,963	11,137	686	1,011,791

NOTES TO THE FINANCIAL STATEMENTS*(Continued)*

26. Reserves	2015-2016	2014-2015
a) Revaluation Reserve	Shs 000	Shs 000
Balance as at 1 st July 2015	385,642	385,642
Additions during the year	—	—
Balance as at 30 June 2016	<u>385,642</u>	<u>382,642</u>
b) Accumulated Reserve		
Balance as at 1 st July 2015	127,130	90,876
Additions during the	<u>2,351</u>	<u>36,254</u>
Balance as at 30 June 2016	<u>129,481</u>	<u>127,130</u>
c) Capital Reserve		
Balance as at 1 st July 2015	640,126	637,826
Additions during the year	—	<u>2,300</u>
Balance as at 30 June 2016	<u>640,126</u>	<u>640,126</u>

NOTES TO THE FINANCIAL STATEMENTS(Continued)

27. Trade Payables

	2015-2016	2014-2015
	Shs. 000	Shs. 000
Training expenses-Secondary Capitation Funds	125,147	5,396
Other Payables	9,462	19,698
Audit Fees (stated inclusive of VAT)	<u>800</u>	<u>800</u>
Total Payables	<u>135,409</u>	<u>25,894</u>

Reporting Currency

The centre's principal activities are carried out in the Republic of Kenya and the accounts are reported in Kenya Shillings (Sh.)