

REPUBLIC OF KENYA



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**REPORT**

THE NATIONAL ASSEMBLY PAPERS LAID	
DATE: 08 JUN 2023	DAY: Thursday
TABLED BY:	Hon. Kimani Ichungwah, MP Leader, Majority Party
CLERK-AT-THE-TABLE:	Anne Shubuko

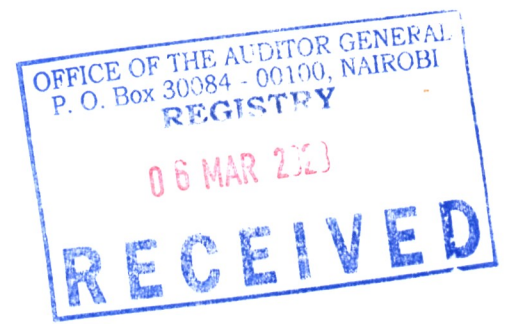
**OF**

**THE AUDITOR-GENERAL**

**ON**

**AGRI & CO-OPERATIVE TRAINING AND  
CONSULTANCY LIMITED**

**FOR THE YEAR ENDED  
30 JUNE, 2022**



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

**ANNUAL REPORT AND FINANCIAL STATEMENTS**

**FOR THE FINANCIAL YEAR ENDED**

**JUNE 30, 2022**

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## 1. Key Entity Information

### a) Background information

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

1. The Co-operative University of Kenya (CUK)
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 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.

### b) Principal Activities

The principal activity of the ATC is to 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.

### Vision

To be the most sought-after Consultancy firm in the region.

### 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

**VALUES**

Quality  
 Equity

- Quality
- Teamwork
- Innovation

**c) Directors**

The Directors who served the entity during the year/period were as follows:

1.	Prof. Kamau Ngamau (PhD)	CUK– Vice Chancellor and Board Chairperson Appointed on Oct 2019 (Last AGM)
2.	Dr. Moses Gweyi	Ag. Chief Executive Officer and Secretary Appointed on Oct 2020
3.	Prof. Esther Njoki Gicheru (Mrs.) HSC	CUK- Deputy Vice Chancellor (Finance and Planning) Appointed on Oct 2019 (Last AGM)
4.	Prof. Isaac Nyamongo	CUK - Deputy Vice Chancellor (Cooperative Development, Research and Innovation) – Appointed on Oct 2019 (Last AGM)
5.	Mr. David Otiende	CUK- Registrar Academic Affairs – Appointed on Oct 2019 (Last AGM)
6.	Mr. Stanley Miringu	CUK - Tutorial Fellow - Appointed on Oct 2019 (Last AGM)
7.	Mr. Timothy Mutwiri	Regional Financial Manager-We Effect- Appointed on Oct 2019 (Last AGM)
8.	Mr. Daniel Marube	CEO - Co-operative Alliance of Kenya- Appointed on Oct 2019 (Last AGM)

**d) Registered Office**

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

**e) Corporate Headquarters**

Co-operative University of Kenya  
 Ushirika Road Karen  
 P O Box 465 -00502  
 KAREN – NAIROBI

**f) Corporate Contacts**

Telephone: (254) 0735 866

E-mail: [info@atc.co.ke](mailto:info@atc.co.ke)

Website: [www.atc.co.ke](http://www.atc.co.ke)

**g) Corporate Bankers**

Kenya Commercial Bank

Karen Branch

P O Box 4042 - 00502

KAREN – NAIROBI

**h) Independent Auditors**

Auditor-General

The Office of the Auditor General

Anniversary Towers, University Way

P.O. Box 30084

GPO 00100

Nairobi, Kenya

**i) Principal Legal Advisers**

The Attorney General



State Law Office



Harambee Avenue




P.O. Box 40112

City Square 00200 Nairobi, Kenya

II. The Board of Directors

Ref	Directors	Details
1.	 <p>Prof. Kamau Ngamau</p> <ul style="list-style-type: none"> <li>• Vice Chancellor – The Co-operative University of Kenya.</li> <li>• Board Chairperson ATC</li> </ul>	<ul style="list-style-type: none"> <li>• Full Professor, Horticulture – Jomo Kenyatta University of Agriculture and Technology (JKUAT).</li> <li>• Doctor of Philosophy, Horticultural Sciences – The University of Hanover, Germany.</li> <li>• Master of Science, Horticulture – University of Nairobi (UON).</li> <li>• Master’s degree, Organizational Development – United States International University, Kenya</li> <li>• Bachelor of Science, Agriculture – The University of Nairobi.</li> <li>• Founder Member of Kenya Society of Professional Co-operators (KSPC)</li> </ul>
2.	 <p>Prof. Esther N. Gicheru (Mrs) OGW</p> <ul style="list-style-type: none"> <li>• Deputy Vice Chancellor (Finance and Planning) – The Co-operative University of Kenya.</li> <li>• ATC Board Member and Chair HR, Finance Committee and Member of Business Promotion Committee.</li> </ul>	<ul style="list-style-type: none"> <li>• Associate Professor in Cooperative Management and Organization Development</li> <li>• Doctor of Philosophy, Organization Development and Transformation – Cebu Doctors’ University, the Philippines.</li> <li>• Master’s Degree, Co-operative Management and Organization Development – Leicester University, United Kingdom.</li> <li>• Bachelor of Science Agriculture – University of Nairobi (UON)</li> <li>• Diploma in Counselling Psychology – Tangaza University College.</li> <li>• Founder Member of Kenya</li> </ul>




		<p>Society of Professional Co-operators (KSPC)</p>
<p>3.</p>	 <p>Mr. David Otiende</p> <ul style="list-style-type: none"> <li>• Registrar Academic Affairs – The Co-operative University of Kenya.</li> <li>• ATC Board Member, Chairperson Business and Promotion Committee and Member Audit and Risk Committee.</li> </ul>	<ul style="list-style-type: none"> <li>• PhD Candidate – The Catholic University of Eastern Africa.</li> <li>• Master of Education, Administration – Kenyatta University.</li> </ul> <p>Bachelor of Education, Arts – Kenyatta University.</p>
<p>4.</p>	 <p>Mr. Stanley Miringu.</p> <ul style="list-style-type: none"> <li>• Tutorial Fellow - The Co-operative University of Kenya.</li> <li>• ATC Board Member, Business and Promotion</li> </ul>	<ul style="list-style-type: none"> <li>• MSc. in Entrepreneurship – Jomo Kenya University of Agriculture and Technology (JKUAT).</li> <li>• Bachelor's Degree in Agricultural Business Management -Penn State University, USA</li> </ul>

	Committee member and Audit and Risk Committee Member	
5.	 <p>Mr. Timothy Mutwiri</p> <ul style="list-style-type: none"> <li>• Regional Financial Manager-We Effect.</li> <li>• ATC Board Member, Chairperson Audit and Risk Committee and member Business and Promotion Committee</li> </ul>	<ul style="list-style-type: none"> <li>• Master of Business Administration (Finance) - University of Nairobi (UON)</li> <li>• Bachelor of Commerce (Accounting) (UON) - University of Nairobi (UON)</li> <li>• CPA-K</li> </ul>
6.	 <p>Mr. Daniel Marube</p> <ul style="list-style-type: none"> <li>• Executive Director of the CAK council.</li> <li>• ATC Board Member and Member of HR and Finance Committee.</li> </ul>	<ul style="list-style-type: none"> <li>• Co-operative Alliance of Kenya – CEO</li> </ul>
7.	 <p>Dr. Moses Gweyi, PhD. CCOP.</p> <ul style="list-style-type: none"> <li>• Secretary to the Board</li> </ul>	<ul style="list-style-type: none"> <li>• PhD in Business Administration (Finance) – Jomo Kenya University of Agriculture and Technology (JKUAT)</li> <li>• Master's in Business (Finance) – Kenyatta University.</li> <li>• Bachelors of Co-operative Business (Finance) – Jomo Kenya University of Agriculture and</li> </ul>

**Annual Report and Financial Statements for the year ended June 30, 2022**

	<ul style="list-style-type: none"><li>• Ag. Chief Executive Officer-ATC</li></ul>	Technology (JKUAT) <ul style="list-style-type: none"><li>• Diploma in Co-operative Management – Co-operative College of Kenya</li><li>• Founder Member of Kenya Society of Professional Co-operators (KSPC)</li></ul>
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III. Management Team

Ref	Management	Details
1.	 <p>Dr. Moses Gweyi, PhD. CCOP.</p> <ul style="list-style-type: none"> <li>Secretary to the Board</li> <li>Ag. Chief Executive Officer – ATC</li> </ul>	<ul style="list-style-type: none"> <li>PhD in Business Administration (Finance) – Jomo Kenya University of Agriculture and Technology (JKUAT)</li> <li>Master’s in Business (Finance) – Kenyatta University.</li> <li>Bachelors of Co-operative Business (Finance) – Jomo Kenya University of Agriculture and Technology (JKUAT)</li> <li>Diploma in Co-operative Management – Co-operative College of Kenya</li> <li>Founder Member of Kenya Society of Professional Co-operators (KSPC)</li> </ul>
2.	 <p>Stanley Kibet Ngeno Finance Officer –ATC</p>	<ul style="list-style-type: none"> <li>Bachelor of Business Management (Accounting) - Maasai Mara University.</li> <li>Diploma In Co-operative Banking – Co-operative College Of Kenya</li> <li>CPA-K</li> </ul> <p>Member of Kenya Society of Professional Co-operators (KSPC)</p>
3.	 <p>Joel Mahinda Administrator –ATC</p>	<ul style="list-style-type: none"> <li>Bachelors in Co-operative Business (Finance Option) - The Co-operative University of Kenya</li> <li>Diploma in Co-operative Management – Co-operative University College of Kenya</li> <li>Member of Kenya Society of Professional Co-operators (KSPC)</li> </ul>

**IV. Chairman's Statement**

**Introduction**

The Board of Directors is pleased to present the Annual Report and Financial Statements for the 2021/2022 Financial Year.

**The Financial Year 2021/2022**

The financial year 2021/2022 was characterized by harsh economic and effects of COVID - 19 which had adverse impact on economy, it has adversely impacted on our performance. The commercial service industry was particularly negatively affected by the sustained financial constraints on most organizations.

Given the above challenges the company's performance went down with revenue reducing by 14% from the previous year, thus reducing the company profit to a deficit of Ksh 290,624 during the financial year under review.

**Outlook for 2022/2023 financial year**

The Company's economic outlook is very promising considering general election was peaceful and over. Our Board and management team continue to work hard in a number of areas that ought to contribute positively to further improvements in 2022/2023 financial year: First and foremost, we continue to focus on delivering the best value for money, service and reliability to our clients to drive our revenue growth and positively impact both revenue and profit. Secondly, we are investing further in our marketing activities to take advantage of the growth in Co-operative movement in Kenya.

Finally, I would like to thank the ATC staff for their hard work and passion in carrying out their business mandate despite the economic challenges that saw the Company reverse the growing trend from the previous years. It is through their persistent effort to deliver results that made us keep afloat.



.....  
**Prof. Kamau Ngamau (PhD)**

**Board Chairperson**

**V. Report of the Chief Executive Officer**

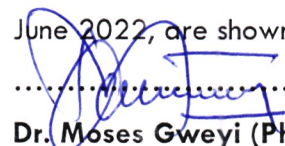
The ATC Management continues to derive advice and direction from our supportive Board of Directors. We remain internally focused on two key drivers of long-term value for the business – execution and excellence. We continue to focus on these, ensuring that we deliver to our customers the best value for money in a timely and reliable customer service.

The 2021/2022 financial year was full of a myriad of challenges, with a highly unpredictable business environment since the outbreak and second wave of Covid 19. These challenges, among others, adversely affected our operations in the financial year, where the company recorded a decline of 14% in Revenue income from Ksh 10,128,500 in 2020/2021 to Ksh 8,717,461 in 2021/2022 financial year. The net profit also reduced to a deficit of Ksh 290,624 compared to profit of Ksh 1,386,453 in 2020/2021 financial year.

Despite the challenges and financial constraints, the company engaged in aggressive marketing whose results are expected to be realized both in the short and long term in future years. During the year we were able to bring on board new clients such as Kenya Police Sacco, Tembo Sacco, Blues Eagles Sacco and Acumen Sacco from whom we expect improved future business. Given the current business dynamics and trends, and in order to have an upper hand against our competitors, ATC continues to enter into partnerships with potential clients, Government Agencies as well as with Development Partners.

Though the year registered unsatisfactory financial results, the company is looking forward with great expectation, to accelerated growth in the financial year 2022/2023 as it plans to benefit from the expected economic growth and opportunities arising from post Covid -19 and the marketing done during this and the past years.

The directors submit their report together with the financial statements for the year ended 30th June 2022, which disclose the state of affairs of the company. The company's financial results for the year ended 30th June 2022, are shown from page one to twenty-five.

  
.....  
Dr. Moses Gweyi (PhD).

**Aq. Chief Executive Officer**

**VI. Statement of Performance against Predetermined Objectives for FY 2021-2022**

Section 81 Subsection 2 (f) of the Public Finance Management Act, 2012 requires the accounting officer to include in the financial statement, a statement of the national government entity's performance against predetermined objectives.

ATC has three strategic pillars and objectives within its Business Plan for the FY 2021/2022

Strategic pillars are as follows:

1. Pillar 1: Cost Management
2. Pillar 2: Stakeholder Engagement
3. Pillar 3: Capacity building

ATC develops its annual work plans based on the above three pillars. Assessment of the Board's Performance against its annual work plan is done on a quarterly basis. The ATC achieved its Performance targets set for the 2021/2022 period for its five strategic pillars, as indicated in the Diagram below:

<b>Strategic Pillar/Theme/Issues</b>	<b>Objective</b>	<b>Key Performance Indicators</b>	<b>Activities</b>	<b>Achievements</b>
Pillar 1: Cost Management	-Operation expenses rationalization - Development multi-year operating budgets that integrate strategic plan objectives and initiatives	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.	-Budgeting for projects and regularly reviewing. -Maximising number of participants in our training schedules	Attained 50% cost on programmes successfully implanted.

**Annual Report and Financial Statements for the year ended June 30, 2022**

<p>Pillar 2: Stakeholder Engagement</p>	<p>Engage and consult with all key stakeholders for effective relationships.</p>	<p>KPI 1. No. of quality stakeholder interactions thought the year. KPI 2. Renewal of Existing MOU and new ones e.g SASSRA, IOD, and KETSA</p>	<p>KPI 1-Stakeholder engagement with the SASSRA on implementation of new guidelines and Implementation KUSCO /ATC MOU on Non DTS Sacco's. -Consultative meeting with SASRA and CUK on possibility of Having Governance Conference in the future. -Visits to SASRA Offices for further discussion on existing MOU with CUK which being implemented by ATC. -Consultative meeting CEO of various Sacco's in region e.g. Mt Kenya, Nairobi, Rift valley, Eastern, Coast and Western</p>	<p>Official meeting with SASRA in process. Rollout None DTS SACCO'S programme ATC has reach out to new Sacco's we have never interacted before e.g. Kenya Police, Tembo Sacco Accumen Sacco and Kingdom Sacco.</p>
<p>Pillar 3: Capacity building</p>	<p>Develop and implement training programme for Deposit and none Deposits Sacco. Develop and disseminate appropriate training / capacity building for In-house especially for small Sacco's .</p>	<p>KPI 1: % of training programme completed. KPI 2: Number of board of directors and Staff in co-operative trained training</p>	<p>Strictly implementing the training calendar roll out in the beginning year by marketing the training programmes across the country. Net working with already trained Sacco's to reach out untrained sacco's.</p>	<p>6Successful Sacco Directors programmes. 3successful Sacco Staff Development programme. % in-house trainings One None. Deposit Sacco Training –Blues eagles sacco. One Corporate Training-KNH Customer care staff Training.</p>

## **VII. Corporate Governance 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 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 eight directors who include the Co-operative University of Kenya Vice Chancellor as the chairperson of the Board, four members from the Co-operative University of Kenya Management, one member from one of the ATC's Development Partners, one member from the Co-operative 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 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.

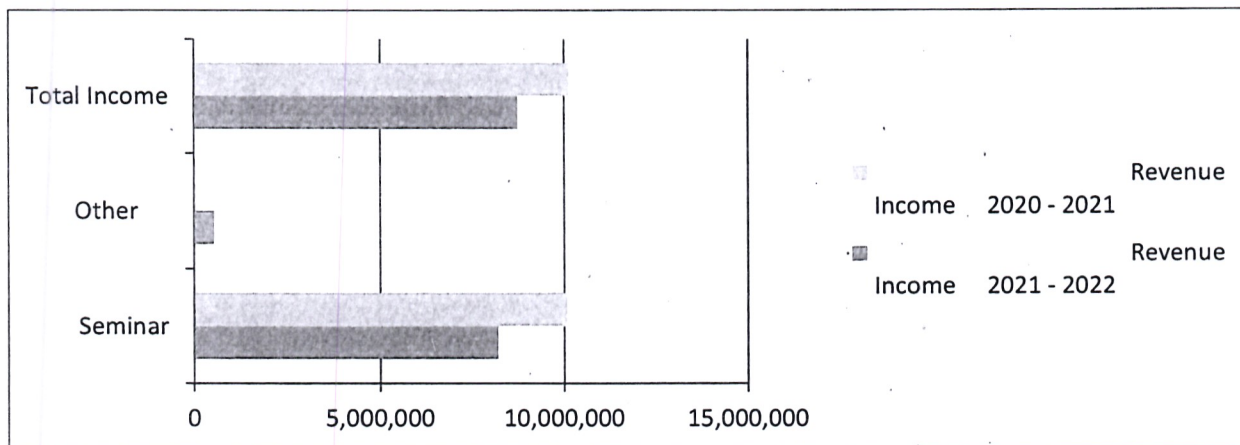
**Annual Report and Financial Statements for the year ended June 30, 2022**

- 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.

**VIII. Management Discussion and Analysis**

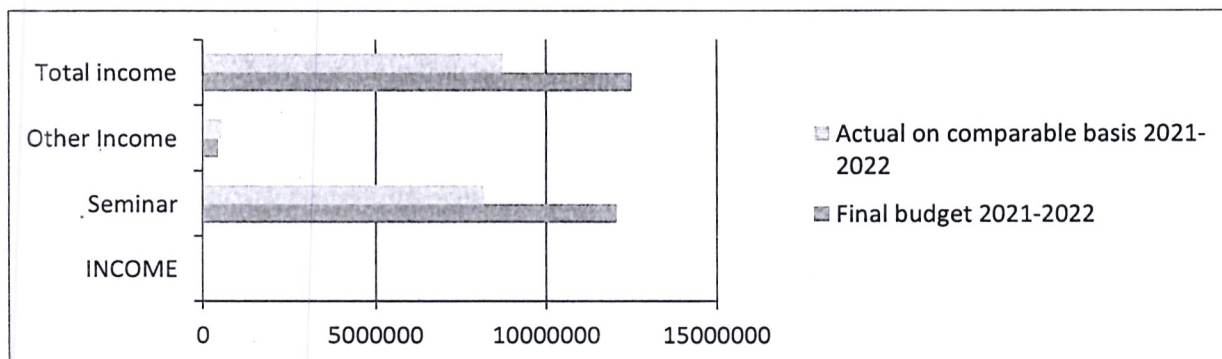
**Revenue**

The table bellows show comparison of income realised in FY 2021/2022 and last FY 2020/2021.



As an institution we entirely depend on generated income funds from activities implemented in the year, each year ATC rollout a Training Calendar to market to various Sacco's in Kenya during the year. From the chart FY 2021/2022 had a low income realised compared to FY 2020/2021, ATC realised low income from consultancy services due reduce activities by our partners like SOLIDARIDAD,AMCOS,HIVOS East Africa and GDRV Kenya due to effects of Convid 19.

**Comparison between Actual Revenue and Budgeted Revenue Table**



From the chart the revenue target was not achieved even after being reviewed in the start of the year 2022. The total revenue target was not achieved by 30%. The missed revenue was attributed to effects of covid19 which lead to most organization reduce the funding on trainings.

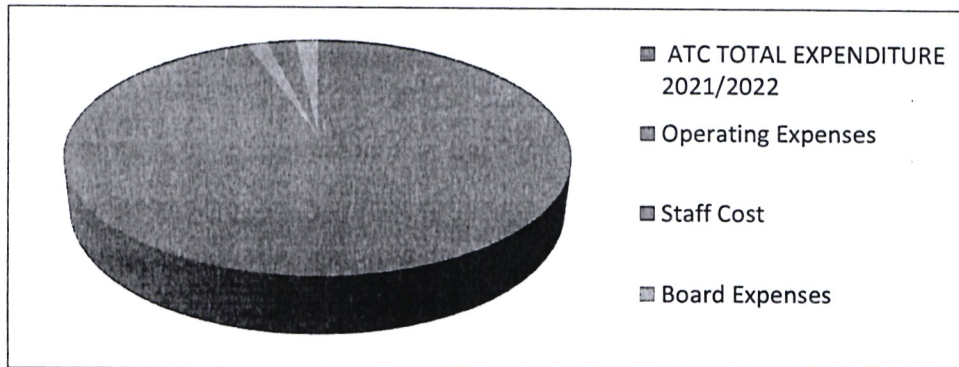
**Annual Report and Financial Statements for the year ended June 30, 2022**

Other income went up by 20% compared to budgeted target due partnership with IOD Kenya in mobilization of membership from trained Board of directors trained on Governance.

**Expenditure**

ATC incurred expenses on various categories analysis of the different categories as outline below pie chart.

**FY 2021/2022 Actual expenditure by categories**



**Loss for the period**

ATC made a loss of ksh 290,624 as compared to a profit of Ksh 1,386,45 made in last year 2020/2021

**IX.Environmental and Sustainability Reporting**

**Two-to-three pages**

ATC exists to transform lives. This is our purpose; the driving force behind everything we do. It's what guides us to deliver our strategy, putting the customer/Citizen first, delivering relevant goods and services, and improving operational excellence. Below is an outline of the organisation's policies and activities that promote sustainability.

**i) Sustainability strategy and profile -**

ATC ensures the outreach of the University's academic knowledge and fulfils the needs of diverse groupings within and outside the co-operative movement and the agricultural sector at large. It provides business solutions that meet the country's social and economic developmental needs in line with the Agricultural Sector Development Strategy and the Kenya Vision 2030. ATC plays a critical role in promoting employability by providing internship programmes to students.

**ii) Environmental performance**

The strategy of the Board is to collaborate with like-minded institutions to conserve the environment through tree planting. Although due to limited resources ATC was not able to actualise however ATC CEO participate by representing ATC during CUK tree planting 2021/2022. ATC seeks to conserve, water, and electricity through effective use these resources to conserve the environment and its elements.

**iii) Employee welfare**

ATC endeavours to create conducive environment where each of our employees feels valued as a member of the team. Last year when COVID-19 was threat, ATC provided essential supplies such as masks, sanitizers and staff to be vaccinated. The office was also cleaned regularly in line with the Ministry of Health guidelines.

**iv) Market place practices-**

**Suppliers**

Ensured there was no pending bill as at the close of the financial year. This is to enhance working capital of suppliers by paying them within three days of submission of comprehensive support documentation.

**Customers/ constituents**

ATC's key stakeholders who can also be termed as Co-operatives, Agribusiness and associated economies. The following strategies were applied to ensure customer satisfaction:

- a) Positioned ATC as the go –to service provider of Training, consultancy and research in the Co-operative movement.
- b) Collaborated with various units of CUK to build synergy
- c) Ensured Quality products and services are delivered to clients
- d) Ensured constant communication to our key stakeholders on any areas of development

**X. Report of the Directors**

The Directors submit their report together with the audited financial statements for the year ended June 30, 2022, which show the state of the ATC's affairs.

**i) Principal activities**

The principal activity of the ATC is to conduct 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.

**ii) Results**

The results of the entity for the year ended June 30, 2022, are set out on page 1 below is summary of the profit or loss made during the year.

**iii) Dividends**

Since ATC is formed through Guarantee, it does not declare dividends.

**iv) Directors**

The members of the Board of Directors who served during the year are shown on page v In accordance with Regulation of the ATC's Articles of Association.

**v) Auditors**

The Auditor-General is responsible for the statutory audit of the ATC in accordance with Article 229 of the Constitution of Kenya and the Public Audit Act 2015 for the year/period ended June 30, 2022, in accordance with section 23 of the Public Audit Act, 2015 which empowers the Auditor General to appoint an auditor to audit on his behalf.

By Order of the Board



.....  
**Dr. Moses Gweyi (PhD)**

**A.g Chief Executive Officer**

**Date 27<sup>th</sup> Sept 2022**

### **XI.Statement of Directors' Responsibilities**

Section 81 of the Public Finance Management Act, 2012 and (section 14 of the State Corporations Act, - (entities should quote the applicable legislation under which they are regulated)) require the Directors to prepare financial statements in respect of that entity, which give a true and fair view of the state of affairs of the entity at the end of the financial year/period and the operating results of the entity for that year/period. The Directors are also required to ensure that the entity keeps proper accounting records which disclose with reasonable accuracy the financial position of the entity. The Directors are also responsible for safeguarding the assets of the entity.

The Directors are responsible for the preparation and presentation of the entity's financial statements, which give a true and fair view of the state of affairs of the entity for and as at the end of the financial year (period) ended on June 30, 2022. This responsibility includes: (i) Maintaining adequate financial management arrangements and ensuring that these continue to be effective throughout the reporting period, (ii) maintaining proper accounting records, which disclose with reasonable accuracy at any time the financial position of the entity, (iii) Designing, implementing and maintaining internal controls relevant to the preparation and fair presentation of the financial statements, and ensuring that they are free from material misstatements, whether due to error or fraud, (iv) Safeguarding the assets of the entity, (v) selecting and applying appropriate accounting policies, and (vi) Making accounting estimates that are reasonable in the circumstances.

The Directors responsibility for the entity's financial statements, which have been prepared using appropriate accounting policies supported by reasonable and prudent judgements and estimates, in conformity with International Financial Reporting Standards (IFRS), and in the manner required by the PFM Act, 2012 and (the State Corporations Act) – (entities should quote applicable legislation as indicated under which they are regulat

### **Statement of Directors' Responsibilities (Continued)**

The Directors are of the opinion that the entity's financial statements give a true and fair view of the state of entity's transactions during the financial year ended June 30, 2022, and of the entity's financial position as at that date. The Directors further confirm the completeness of the accounting records maintained for the entity, which have been relied upon in the preparation of the entity's financial statements as well as the adequacy of the systems of internal financial control.

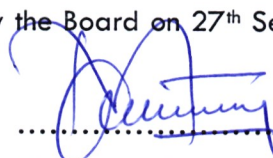
Nothing has come to the attention of the Directors to indicate that the entity will not remain a going concern for at least the next twelve months from the date of this statement.

### **Approval of the financial statements**

The ATC financial statements were approved by the Board on 27<sup>th</sup> September 2022 and signed on its behalf by:

.....  


**Prof. Kamau Ngamau (PhD)**  
Chairperson of the Board

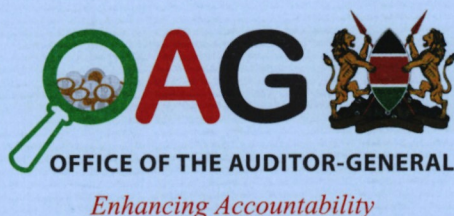
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**Dr. Moses Gweyi (PhD)**  
Ag. Chief Executive Officer



# REPUBLIC OF KENYA

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E-mail: info@oagkenya.go.ke  
Website: www.oagkenya.go.ke



HEADQUARTERS  
Anniversary Towers  
Monrovia Street  
P.O. Box 30084-00100  
NAIROBI

## **REPORT OF THE AUDITOR-GENERAL ON AGRI & CO-OPERATIVE TRAINING AND CONSULTANCY LIMITED FOR THE YEAR ENDED 30 JUNE, 2022**

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### **PREAMBLE**

I draw your attention to the contents of my report which is in three parts:

- A. Report on the Financial Statements that considers whether the financial statements are fairly presented in accordance with the applicable financial reporting framework, accounting standards and the relevant laws and regulations that have a direct effect on the financial statements.
- B. Report on Lawfulness and Effectiveness in Use of Public Resources which considers compliance with applicable laws, regulations, policies, gazette notices, circulars, guidelines and manuals and whether public resources are applied in a prudent, efficient, economic, transparent and accountable manner to ensure Government achieves value for money and that such funds are applied for the intended purpose.
- C. Report on Effectiveness of Internal Controls, Risk Management and Governance which considers how the entity has instituted checks and balances to guide internal operations. This responds to the effectiveness of the governance structure, the risk management environment and the internal controls, developed and implemented by those charged with governance for orderly, efficient and effective operations of the entity.

An unmodified opinion does not necessarily mean that an entity has complied with all relevant laws and regulations, and that its internal controls, risk management and governance systems are properly designed and were working effectively in the financial year under review.

The three parts of the report are aimed at addressing the statutory roles and responsibilities of the Auditor-General as provided by Article 229 of the Constitution, the Public Finance Management Act, 2012 and the Public Audit Act, 2015. The three parts of the report, when read together constitute the report of the Auditor-General.

### **REPORT ON THE FINANCIAL STATEMENTS**

#### **Qualified Opinion**

I have audited the accompanying financial statements of Agri & Co-operative Training and Consultancy Limited set out on pages 1 to 23, which comprise of the statement of financial position as at 30 June, 2022, statement of profit or loss and other comprehensive income, statement of changes in equity, statement of cash flows and the statement of

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*Report of the Auditor-General on Agri & Co-operative Training and Consultancy Limited for the year ended 30 June, 2022*

comparison of budget and actual amounts for the year then ended, and a summary of significant accounting policies and other explanatory information in accordance with the provisions of Article 229 of the Constitution of Kenya and Section 35 of the Public Audit Act, 2015. I have obtained all the information and explanations which, to the best of my knowledge and belief, were necessary for the purpose of the audit.

In my opinion, except for the effect of the matters described in the Basis for Qualified Opinion section of my report, the financial statements present fairly, in all material respects, the financial position of the Agri & Co-operative Training and Consultancy Limited as at 30 June, 2022, and of its financial performance and its cash flows for the year then ended, in accordance with International Financial Reporting Standards (IFRS) and comply with the Companies Act, 2015, and the Public Finance Management Act, 2012.

## **Basis for Qualified Opinion**

### **1. Doubtful Trade and Other Receivables**

The statement of financial position reflects a balance of Kshs.2,601,922 in respect of trade and other receivables as disclosed in Note 16 to the financial statements. However, the schedule in support of the trade and other receivables includes long outstanding receivables, some dating back to year 2015 and no corresponding confirmations were provided from the entities to verify existence of the balances. In addition, Management did not make any provision for bad and doubtful debts.

In the circumstances, the existence and recoverability of the trade and other receivables of Kshs.2,601,922 as at 30 June, 2022 could not be confirmed.

### **2. Material Uncertainty Related to Going Concern**

The statement of profit or loss and other comprehensive income indicates that the Company made a loss of Kshs.290,624, in the year under review. Further, the current liabilities balance of Kshs.4,075,360 exceeds the current assets balance of Kshs.3,865,052, resulting to a negative working capital of Kshs.210,308 or a ratio of 0.9:1, an increase from Kshs.113,150 in the previous year. This is an indication that the Company was experiencing financial difficulties. This material uncertainty casts significant doubts on the Company's ability to continue as a going concern.

Measures put in place to turn around the Company to profits have not been disclosed. It was further observed that the Company was in the final stages of its operational mandate and shareholding structure changes, including change in the name of the Company. The information on the proposed changes was not disclosed in the financial statements.

In the circumstances, it has not been possible to ascertain the appropriateness of use of the going concern basis of reporting and the survival of the Company depends on support from its stakeholders.

The audit was conducted in accordance with International Standards of Supreme Audit Institutions (ISSAIs). I am independent of the Agri & Co-operative Training and Consultancy Services Limited Management in accordance with ISSAI 130 on Code of Ethics. I have fulfilled other ethical responsibilities in accordance with the ISSAI and in

accordance with other ethical requirements applicable to performing audits of financial statements in Kenya. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my qualified opinion.

### **Emphasis of Matter**

#### **Budgetary Control and Performance**

The statement of comparison of budget and actual amounts reflects final receipts budget and actual amount on comparable basis of Kshs.12,500,000 and Kshs.8,717,461 respectively resulting to an under-funding of Kshs.3,782,539 or 30% of the budget. Similarly, the Company expended Kshs.9,012,821 against an approved budget of Kshs.10,916,864 resulting to an under-expenditure of Kshs.1,904,043 or 17% of the budget.

The underfunding and underperformance affected the planned activities and may have impacted negatively on service delivery to the public.

### **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. There were no key audit matters to report in the year under review.

## **REPORT ON LAWFULNESS AND EFFECTIVENESS IN USE OF PUBLIC RESOURCES**

### **Conclusion**

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

### **Basis for Conclusion**

#### **Failure to Convene an Annual General Meeting**

During the year under audit and as reported in the financial statements, the Company did not hold an annual general meeting. This is contrary to the provisions of Section 275A (1) of the Companies Act, 2015 which provides that every company shall convene a general meeting once a year.

In the circumstances, Management was in breach of the law.

The audit was conducted in accordance with ISSAI 4000. The standard requires that I comply with ethical requirements and plan and perform the audit to obtain assurance about whether the activities, financial transactions and information reflected in the financial statements are in compliance, in all material respects, with the authorities that govern them. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my conclusion.

## REPORT ON EFFECTIVENESS OF INTERNAL CONTROLS, RISK MANAGEMENT AND GOVERNANCE

### **Conclusion**

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

### **Basis for Conclusion**

The audit was conducted in accordance with ISSAI 2315 and ISSAI 2330. The standard requires that I plan and perform the audit to obtain assurance about whether effective processes and systems of internal control, risk management and overall governance were operating effectively, in all material respects. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my conclusion.

## REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

As required by the Companies Act, 2015, 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 my audit;
- ii. In my opinion, adequate accounting records have been kept by the Company, so far as appears from the examination of those records; and,
- iii. The Company's financial statements are in agreement with the accounting records and returns.

### **Responsibilities of Management and the Board of Directors**

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

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 going concern and using the going concern basis of accounting unless Management is aware of the intention to liquidate the Company or cease operations.

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

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

The Board of Directors is responsible for overseeing the Company's financial reporting process, reviewing the effectiveness of how Management monitors compliance with relevant legislative and regulatory requirements, ensuring that effective processes and systems are in place to address key roles and responsibilities in relation to overall governance and risk management, and ensuring the adequacy and effectiveness of the control environment.

### **Auditor-General's Responsibilities for the Audit**

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

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

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

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

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls.
- 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. 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 controls 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.

  
**CPA Nancy Gathungu, CBS**  
**AUDITOR-GENERAL**

**Nairobi**

**19 April, 2023**

**XIII. Statement of Profit or Loss and Other Comprehensive Income for the year ended 30 June 2022.**


<b>Description</b>	<b>Note</b>	<b>2021-2022</b>	<b>2020-2021</b>
		<b>Kshs</b>	<b>Kshs</b>
<b>Revenues</b>			
Seminar	6	8,178,461	10,068,500
Gross profit		8,178,461	10,068,500
<b>Other income</b>			
Other income	7	539,000	60,000
<b>Total revenues</b>		<b>8,717,461</b>	<b>10,128,500</b>
<b>Expenses</b>			
Operating Expenses	8	6,097,865	6,904,456
Staff Cost	9	2,428,100	1,437,999
Board Expenses	10	140,000	43,500
AGM Expenses	11	0	-
Depreciation charge for the year	12	193,467	96,952
Provisions for Audit Fees	13	100,000	208,800
Financial costs	14	48,653	50,340
<b>Total expenses</b>		<b>9,012,821</b>	<b>8,742,047</b>
<b>Profit/(loss) before taxation</b>		<b>-290,624</b>	<b>1,386,453</b>
Income tax expense/(credit)	15	0	0
<b>Profit/(loss) after taxation</b>		<b>-290,624</b>	<b>1,386,453</b>
<b>Profit/ (loss) after taxation</b>		<b>-290,624</b>	<b>1,386,453</b>


**XIV.Statement of Financial Position as at 30 June 2022**

Description	Note	2021-2022	2020-2021
		Kshs	Kshs
<b>Assets</b>			
<b>Non-Current Assets</b>			
Property, Plant And Equipment	12(a)	711,351	433,906
<b>Total Non-Current Assets</b>		<b><u>711,351</u></b>	<b><u>433,906</u></b>
<b>Current Assets</b>			
Trade And Other Receivables	16	2,601,922	3,041,922
Bank And Cash Balances	17	1,263,130	1,557,645
<b>Total Current Assets</b>		<b><u>3,865,052</u></b>	<b><u>4,599,567</u></b>
<b>Total Asset</b>		<b><u>4,576,403</u></b>	<b><u>5,033,473</u></b>
<b>Equity And Liabilities</b>			
<b>Capital And Reserves</b>			
General Reserve	18	-9,830,153	(9,539,529)
Co-operative University of Kenya Control Account	19	8,470,870	8,470,870
Development Partners Fund Account	20	745,400	745,400
Revaluation Reserve	21	1,114,926	644,015
		<b><u>501,043</u></b>	<b><u>320,756</u></b>
<b>Current Liabilities</b>			
Trade & Other Payables	22	4,075,360	4,712,717
		<b><u>4,075,360</u></b>	<b><u>4,712,717</u></b>
<b>Total Equity &amp; Liabilities</b>		<b><u>4,576,403</u></b>	<b><u>5,033,473</u></b>

The financial statements were approved by the Board on **27<sup>th</sup> September 2022** and signed on its behalf by:

  
 .....  
**Dr. Moses Gweyi (PhD)**  
**A.g C.E.O**

  
 .....  
**CPA Stanley Ngeno**  
**Finance Officer**  
**ICPAK M/NO:290059**

  
 .....  
**Prof. Kamau Ngamau (PhD)**  
**Chairman of the Board**

XV. Statement of Changes in Equity for the year ended 30 June 2022

	Ksh	Ksh	Ksh	Ksh	Ksh	Ksh
	General Reserve	CUK	Development Partners Fund Account	Revaluation Reserve	TOTAL	
<b>2021-2022</b>						
<b>Balance as at 01/07/2021</b>	(9,539,529)	8,470,870	745,400	644,015	320,756	
Revaluation KAP 271D	-	-		470,911	470,911	
Profit / (Loss) for the year	(290,624)	-	-	0	(290,624)	
<b>Balance as at 30/06/2022</b>	(9,830,153)	8,470,870	745,400	1,114,926	501,043	
<b>2020-2021</b>						
<b>Balance as at 01/07/2020</b>	(10,925,982)	8,470,869	745,400	644,015	(6,665,697)	
Conversion Rent arrears to capital by CUK		5,600,000	-		5,600,000	
Profit / (Loss) for the year	1,386,453	-	-	-	1,386,453	
<b>Balance as at 30/06/2021</b>	(9,539,529)	8,470,870	745,400	644,015	320,756	

**XVI. Statement of Cash Flows for the year ended 30 June 2022**

<b>Description</b>	<b>Note</b>	<b>2021-2022</b>	<b>2020-2021</b>
		<b>Kshs</b>	<b>Kshs</b>
<b>Cash flows from operating activities</b>			
Cash generated from/(used in) operations	23	(294,515)	(4,331,409)
Dividends paid		-	-
Taxation paid		-	-
<b>Net cash generated from/(used in) operating activities</b>		<b>(294,515)</b>	<b>(4,331,409)</b>
<b>Cash flows from investing activities</b>			
Purchase of property, plant and equipment	0	0	0
Proceeds from disposal of property, plant and equipment		0	0
Purchase of intangible assets		0	0
Purchase of investment property		0	0
The Co-operative University -Investment	19	0	5,600,000
<b>Net cash generated from/(used in) investing activities</b>		<b>(294,515)</b>	<b>1,268,591</b>
<b>Cash flows from financing activities</b>			
Dividends paid	0	0	0
<b>Net cash generated from/(used in) financing activities</b>		<b>(294,515)</b>	<b>1,268,591</b>
<b>Increase/(decrease) in cash and cash equivalents</b>		<b>(294,515)</b>	<b>1,268,591</b>
<b>Cash and cash equivalents at beginning of year</b>		<b>1,557,645</b>	<b>289,054</b>
		0	0
<b>Cash and cash equivalents at end of the year</b>	42	<b>1,263,130</b>	<b>1,557,645</b>

**XVII. Statement of Comparison of Budget and Actual amounts for the period ended 30 June 2022**

	Original budget	Adjustments	Final budget	Actual on comparable basis	Performance difference	%Difference	Explanation for difference amounts (10% over/ under)
	2021-2022 Kshs	2021-2022 Kshs	2021-2022 Kshs	2021-2022 Kshs	2021-2022 Kshs		
<b>INCOME</b>							
Seminar	16,387,967	4,337,967	12,050,000	8,178,461	-3,871,539	-32%	ATC had low business in consultancy activities.
Other Income	200,000	-250,000	450,000	539,000	89,000	20%	Increased IOD membership fees mobilization.
<b>Total income</b>	<b>16,587,967</b>	<b>4,087,967</b>	<b>12,500,000</b>	<b>8,717,461</b>	<b>-3,782,539</b>	<b>-30%</b>	<b>ATC had low business in consultancy activities.</b>
<b>Expenditure</b>							
Operation cost	10,313,850	2,291,350	8,022,500	6,097,865	-1,924,636	-24%	Low business in Consultancy activities
Staff Cost	2,580,466	259,569	2,320,897	2,428,100	107,203	5%	
Board Expenses	400,000	180,000	220,000	140,000	-80,000	-36%	Board members were not paid in Q1
AGM Expenses	400,000	400,000	400,000	0	-400,000	-100%	AGM didn't take place, it will be held on Q2 2022/2023
Depreciation	120,000	-73,467	193,467	193,467	0	0%	
Audit Fees	208,800	108,800	100,000	100,000	0	0%	
Financial costs	150,000	90,000	60,000	53,389	-6,611	-11%	Few transactions undertaken in the period
<b>Total expenses</b>	<b>14,053,116</b>	<b>3,136,252</b>	<b>10,916,864</b>	<b>9,012,821</b>	<b>-1,904,043</b>	<b>-17%</b>	<b>Low business in Consultancy activities</b>
<b>Surplus</b>	<b>2,534,851</b>	<b>951,715</b>	<b>1,583,136</b>	<b>-290,624</b>	<b>-1,873,760</b>	<b>-118%</b>	<b>Low business in Consultancy activities</b>

## **XVIII. Notes to the Financial Statements**

### **1. General Information**

ATC is established and derives its authority and accountability from company Act. The ATC is wholly owned by the Co-operative University of Kenya and is domiciled in Kenya. Its 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. 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 ATC. 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 present.

**Notes to the Financial Statements (Continued)**

**3. Application of New and Revised International Financial Reporting Standards (IFRS)**

**i. New and amended standards and interpretations in issue but not yet effective in the year ended 30 June 2022.**

<b>Title</b>	<b>Description</b>	<b>Effective Date</b>
Amendments to IAS 16 titled Property, Plant and Equipment: Proceeds before Intended Use (issued in May 2020)	The amendments, applicable to annual periods beginning on or after 1 January 2022, prohibit a company from deducting from the cost of property, plant and equipment amounts received from selling items produced while the company is preparing an asset for its intended use. Instead, a company will recognise such sales proceeds and related cost in profit or loss	The amendments are effective for annual periods beginning on or after January 1, 2022. Early application is permitted.
Amendments to IAS 37 titled Onerous Contracts - Cost of Fulfilling a Contract (issued in May 2020)	The amendments clarify that for the purpose of assessing whether a contract is onerous, the cost of fulfilling the contract includes both the incremental costs of fulfilling that contract and an allocation of other costs that relate directly to fulfilling contracts. They are effective for contracts for which an entity has not yet fulfilled all its obligations on or after 1 January 2022.	The amendments are effective for annual periods beginning on or after January 1, 2022. Early application is permitted
Amendment to IFRS 1 titled Subsidiary as a First-time Adopter	The amendment, applicable to annual periods beginning on or after 1 January 2022, provides a subsidiary that becomes a first-time adopter later than its parent with an exemption relating to the measurement of its assets and liabilities. The exemption does not apply to components of equity.	The amendments are effective for annual periods beginning on or after January 1, 2022. Early application is permitted.
Amendment to IFRS 9 titled Fees in the '10 per cent' Test for De-	The amendment, applicable to annual periods beginning on or after 1 January 2022, to IFRS 9 clarifies the fees that a company includes when assessing whether the terms of a new or modified	The amendments are effective for annual periods beginning on or after January 1, 2022. Early

*Agri & Co-operative Training and Consultancy Services Ltd*  
**Annual Report and Financial Statements for the year ended June 30, 2022**

<b>Title</b>	<b>Description</b>	<b>Effective Date</b>
recognition of Financial Liabilities	financial liability are substantially different from the terms of the original financial liability.	application is permitted
Amendment to IAS 41 titled Taxation in Fair Value Measurements (issued in May 2020 as part of the Annual Improvements to IFRS Standards 2018-2020)	The amendment, applicable to annual periods beginning on or after 1 January 2022, to IAS 41 removed the requirement to exclude taxation cash flows when measuring fair value. This amendment aligned the requirements in IAS 41 on fair value measurement with those in other IFRS	The amendments are effective for annual periods beginning on or after January 1, 2022. Early application is permitted.

*(The Directors have assessed the applicable standards and amendments. Based on their assessment of impact of application of the above, they do not expect that there will be a significant impact on the company's financial statements. Or the following has been assessed to be significant for the company and has been addressed as follows....)*

**Application of New and Revised International Financial Reporting Standards (IFRS)**

- ii. *New and amended standards and interpretations in issue but not yet effective in the year ended 30 June 2022.*

*Agri & Co-operative Training and Consultancy Services Ltd*  
**Annual Report and Financial Statements for the year ended June 30, 2022**

Title	Description	Effective Date
IFRS 17 Insurance Contracts (issued in May 2017)	The new standard, effective for annual periods beginning on or after 1st January 2023, establishes principles for the recognition, measurement, presentation and disclosure of insurance contracts issued. It also requires similar principles to be applied to reinsurance contracts held and investment contracts with discretionary participation features issued. The objective is to ensure that entities provide relevant information in a way that faithfully represents those contracts. The Company does not issue insurance contracts.	The amendments are effective for annual periods beginning on or after January 1, 2023. Earlier application is permitted
Amendments to IAS 1 titled Classification of Liabilities as Current or Non-current (issued in January 2020)	The amendments, clarify a criterion in IAS 1 for classifying a liability as non-current: the requirement for an entity to have the right to defer settlement of the liability for at least 12 months after the reporting period.	The amendments are effective for annual periods beginning on or after January 1, 2023. Earlier application is permitted.
Amendments to IAS 1 titled Disclosure of Accounting Policies (issued in February 2021)	The amendments, applicable to annual periods beginning on or after 1st January 2023, require entities to disclose their <b>material</b> accounting policy information rather than their <b>significant</b> accounting policies	The amendments are effective for annual periods beginning on or after January 1, 2023. Earlier application is permitted.
IAS 12 — Income Taxes	IAS 12, "Income Taxes" implements a so-called 'comprehensive balance sheet method' of accounting for income taxes which recognizes both the current tax consequences of transactions and events and the future tax consequences of the future recovery or settlement of the carrying amount of an entity's assets and liabilities. Differences between the	The amendments are effective for annual reporting periods beginning on or after January 1, 2023. Early adoption is permitted.

*Agri & Co-operative Training and Consultancy Services Ltd*  
**Annual Report and Financial Statements for the year ended June 30, 2022**

<b>Title</b>	<b>Description</b>	<b>Effective Date</b>
IFRS 17 Insurance Contracts (issued in May 2017)	The new standard, effective for annual periods beginning on or after 1st January 2023, establishes principles for the recognition, measurement, presentation and disclosure of insurance contracts issued. It also requires similar principles to be applied to reinsurance contracts held and investment contracts with discretionary participation features issued. The objective is to ensure that entities provide relevant information in a way that faithfully represents those contracts. The Company does not issue insurance contracts.	The amendments are effective for annual periods beginning on or after January 1, 2023. Earlier application is permitted
	carrying amount and tax base of assets and liabilities, and carried forward tax losses and credits, are recognized, with limited exceptions, as deferred tax liabilities or deferred tax assets, with the latter also being subject to a 'probable profits' test.	
IAS 8- Accounting Policies, Errors and Estimates	The amendments, applicable to annual periods beginning on or after 1st January 2023, introduce a definition of 'accounting estimates' and include other amendments to IAS 8 to help entities distinguish changes in accounting policies from changes in accounting estimates.	The amendments are effective for annual reporting periods beginning on or after January 1, 2023. Early adoption is permitted.

*(The Directors do not plan to apply any of the above until they become effective. Based on their assessment of the potential impact of application of the above, they do not expect that there will be a significant impact on the company's financial statements).*

**iii. Early adoption of standards**

ATC did not early – adopt any new or amended standards in year 2021-2022

**Notes to the Financial Statements (Continued)**

**4. Summary of Significant Accounting Policies**

The principle accounting policies adopted in the preparation of these financial statements are set out below:

**a) Revenue recognition**

Revenue is measured based on the consideration to which the entity expects to be entitled in a contract with a customer and excludes amounts collected on behalf of third parties. The entity recognizes revenue when it transfers control of a product or service to a customer, net of value-added tax (VAT), where applicable.

i) **Other income** is recognized as it accrues.

**b) In-kind contributions**

In-kind contributions are donations that are made to the ATC in the form of actual goods and/or services rather than in money or cash terms. These donations may include vehicles, equipment or personnel services. Where the financial value received for in-kind contributions can be reliably determined, the ATC includes such value in the statement of comprehensive income both as revenue and as an expense in equal and opposite amounts; otherwise, the contribution is not recorded.

**c) Property, plant and equipment**

All categories of property, plant and equipment are initially recorded at cost less accumulated depreciation and impairment losses.

Certain categories of property, plant and equipment are subsequently carried at re-valued amounts, being their fair value at the date of re-valuation less any subsequent accumulated depreciation and impairment losses.

Increases in the carrying amounts of assets arising from re-valuation are credited to other comprehensive income. Decreases that offset previous increases in the carrying amount of the same asset are charged against the revaluation reserve account; all other decreases are charged to profit or loss in the income statement. Gains and losses on disposal of items of property, plant and equipment are determined by comparing the proceeds from the disposal with the net carrying amount of the items, and are recognized in profit or loss in the income statement.

**Notes to the Financial Statements (Continued)**

**Summary of Significant Accounting Policies**

**d) Depreciation and impairment of property, plant and equipment**

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

i. Motor Vehicles	25%
ii. Furniture & Fittings	12.5%
iii. Computers & Office Machine	33.3%
iv. Loose Tools	33.3%

**e) 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.

**f) 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.

**g) 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 Central Bank of Kenya and at

various Commercial Banks at the end of the reporting period. For the purposes of these financial statements, cash and cash equivalents also include short term cash imprests and advances to authorised public officers and/or institutions which were not surrendered or accounted for at the end of the financial year.

**h) Trade and other payables**

Trade and other payables are non-interest bearing and are carried at amortised 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) Provision for staff leave pay**

Employees' entitlements to annual leave are recognized as they accrue at the employees. A provision is made for the estimated liability for annual leave at the reporting date.

**j) 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.

**k) Service concession arrangements**

The Entity analyses all aspects of service concession arrangements that it enters into in determining the appropriate accounting treatment and disclosure requirements. In particular, where a private party contributes an asset to the arrangement, the Entity recognizes that asset when, and only when, it controls or regulates the services the operator must provide together with the asset, to whom it must provide them, and at what price. In the case of assets other than 'whole-of-life' assets, it controls, through ownership, beneficial entitlement or otherwise – any significant residual interest in the asset at the end of the arrangement. Any assets so recognized are measured at their fair value. To the extent that an asset has been recognized, the Entity also recognizes a corresponding liability, adjusted by a cash consideration paid or received.

**l) Comparative figures**

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

**m) Going Concern**

The accompanying financial statements have been prepared based on the principals of a going concern. As of 30 June 2022,

In order to improve the future outlook, the company will undertake the following strategies:

- Revamping online trainings of all flag-ship products
- Reorganization of the business model for more income generation on both training and Consultancy
- Revamping of training and consultancies through concerted marketing initiatives.
- Collaborative and partnership initiatives with KUSCCO and SASSRA
- Creating synergies and leveraging on the existing partnership/MOU's created by the Co-operative University.

Agri Co-op Training and Consultancy was formally registered as a private company wholly owned by CUK, by guarantee in August 2007, since the company was registered by guarantee it was not able attract investors who can assist the company to grow. The company is in the transition to new identity call Institute of Agri Co-op Training and Consultancy which is expected to take over ATC by assignment in the course of the year. IATC is registered by shares and is wholly owned by CUK. It's believed the company will be able to attract more investors and development partner who can propel the company to greater heights in future.

**n) 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, 2022.

**5. Significant Judgments and Sources of Estimation Uncertainty**

The preparation of the Entity's financial statements in conformity with IFRS requires management to make 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. However, uncertainty about these assumptions and estimates could result in

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outcomes that require a material adjustment to the carrying amount of the asset or liability affected in future periods.

State all judgements, estimates and assumptions made: e.g.

**a) 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 Entity based its assumptions and estimates on parameters available when the 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 Entity. Such changes are reflected in the assumptions when they occur.

**b) Provisions**

Provisions were raised and management determined an estimate based on the information available. Additional disclosure of these estimates of provisions is included in Note 22.

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.

(include provisions applicable for your organization e.g. provision for bad debts, provisions of obsolete stocks and how management estimates these provisions)

**6. Revenue**

Description	2021-2022	2020-2021
	Kshs	Kshs
Training Income	6,792,728	5,626,167
Consultancy Income	1,385,734	4,442,333
<b>Total</b>	<b>8,178,461</b>	<b>10,068,500</b>

**7. Other Income**

Description	2021-2022	2020-2021
	Kshs	Kshs
Experts Subscription Fee Income	15,000	60,000
IOD fees Mobilization	524,000	-

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<b>Total</b>	<b>539,000</b>	<b>60,000</b>
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IOD fees were due to mobilization for membership of IOD Kenya after Directors have been trained on Governance Program me.

### 8. Operating Expenses

Description	2021-2022	2020-2021
	Kshs	Kshs
Direct Expenses - Seminar Expenses	3,923,905	5,218,526
Motor Vehicle Running Cost	37,360	25,071
Office Administration Expenses	872,000	435,859
Marketing and Promotions	51,600	5,000
General Repairs & Maintenance	13,000	20,000
Rent & Water	1,200,000	1,200,000
<b>Total</b>	<b>6,097,865</b>	<b>6,904,456</b>

### 9. Staff Cost

Description	2021-2022	2020-2021
	Kshs	Kshs
Salaries and Wages	2,098,899	1,437,999
Gratuity	329,201	-
<b>Total</b>	<b>2,428,100</b>	<b>1,437,999</b>

The staff cost increased from 1,437,999 to 2,428,100 since in last financial year Salaries were not paid in Q1 due to closure of office after outbreak of Covid 19.

### 10. Board Expenses

Description	2021-2022	2020-2021
	Kshs	Kshs
Sitting Allowance	140,000	43,500
<b>Total</b>	<b>140,000</b>	<b>43,500</b>

### 11. AGM Expenses

Description	2021-2022	2020-2021
	Kshs	Kshs
Share holder allowances	-	-
Transport Allowance	-	-
<b>Total</b>	<b>-</b>	<b>-</b>

N/B AGM not Held during financial year.

Notes to the Financial Statements (Continued)

12. (a) Property, Plant and Equipment

DETAILS	MOTOR VEHICLES	EQUIPMENTS	COMPUTER & OFFICE ELECTRONICS	FURNITURE & FITTINGS	LOOSE TOOLS	TOTAL
	Ksh	Ksh	Ksh	Ksh	Ksh	Ksh
<b>COST / VALUATION</b>	25.00%	12.50%	33.30%	12.50%	33.30%	
As at 01/07/2021	550,000	603,080	2,082,500	845,635	142,120	5,204,035
As at 30/06/2022	550,000	603,080	2,082,500	845,635	142,120	5,204,035
<b>DEPRECIATION</b>						
As at 01/07/2021	0	438,970	2,003,373	668,056	137,526	4,123,173
Charge for the year	137,500	17,949	17,575	19,423	1,020	193,467
As at 30/06/2022	137,500	456,920	2,020,948	687,479	138,546	4,316,640
<b>NET BOOK VALUE</b>						
As at 30/06/2022	412,500	125,646	35,203	135,959	2,043	711,351
As at 01/07/2021	550,000	143,596	52,778	155,382	3,063	767,317

**12 b. Property Plant and Equipment**

DETAILS	MOTOR VEHICLES	EQUIPMENTS	COMPUTER & OFFICE ELECTRONICS	FURNITURE & FITTINGS	LOOSE TOOLS	TOTAL
	Ksh	Ksh	Ksh	Ksh	Ksh	Ksh
<b>COST / VALUATION</b>	<b>25.00%</b>	<b>12.50%</b>	<b>33.30%</b>	<b>12.50%</b>	<b>33.30%</b>	
As at 01/07/2020	980,700	603,080	2,082,500	845,635	142,120	<b>4,580,535</b>
As at 30/06/2021	980,700	603,080	2,082,500	845,635	142,120	<b>4,654,035</b>
<b>DEPRECIATION</b>						
As at 01/07/2020	875,247	438,970	2,003,373	668,056	137,526	<b>4,123,173</b>
Charge for the year	26,363	20,514	26,349	22,197	1,529	<b>96,952</b>
As at 30/06/2021	<b>901,610</b>	<b>459,484</b>	<b>2,029,722</b>	<b>690,254</b>	<b>139,055</b>	<b>4,220,125</b>
<b>NET BOOK VALUE</b>						
As at 30/06/2021	<b>79,089</b>	<b>143,595</b>	<b>52,778</b>	<b>155,382</b>	<b>3,062</b>	<b>433,906</b>
As at 01/07/2020	<b>105,452</b>	<b>164,109</b>	<b>79,127</b>	<b>177,579</b>	<b>4,591</b>	<b>530,858</b>
<b>COST / VALUATION</b>	<b>25.00%</b>	<b>12.50%</b>	<b>33.30%</b>	<b>12.50%</b>	<b>33.30%</b>	

Notes To The Financial Statements (Continued)

13. Provision for Audit Fee

Description	2021-2022	2020-2021
	Kshs	Kshs
Land Provision for Audit Fee (VAT exclusive)	100,000	208,800
<b>Total</b>	<b>100,000</b>	<b>208,800</b>

As an expense provision for audit fee has been provided for as Ksh 100,000 inclusive of VAT.

14. Financial Costs

Description	2021-2022	2020-2021
	Kshs	Kshs
Bank charges and interests	48,653	50,340
<b>Total</b>	<b>48,653</b>	<b>50,340</b>

15. Tax Payable

Description	2021-2022	2020-2021
	Kshs	Kshs
Profit / (Loss) for the year	(290,624)	1,386,453
Less adjustment for loss B/F	(29,885,638)	(31,272,091)
<b>Add: Disallowable</b>		
Depreciation	193,467	96,952
<b>Less Allowable</b>		
Wear and tear	(193,467)	(96,952)
Taxable profit / (Loss)	<b>(30,176,262)</b>	<b>(29,885,638)</b>
<b>Tax at Applicable rate (30%)</b>	<b>-</b>	<b>-</b>

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**16. Trade & Other Receivables**

Description	2021-2022	2020-2021
	Kshs	Kshs
Trade Receivables (Note 16 (a))	2,601,922	3,041,922
<b>Gross Trade and Other Receivables</b>	<b>2,601,922</b>	<b>3,041,922</b>
Provision for Bad And Doubtful Receivable	0	0
<b>Net Trade and Other Receivables</b>	<b>2,601,922</b>	<b>3,041,922</b>

**16 (a) Trade Receivables**

Description	2021-2022	2020-2021
	Kshs	Kshs
Gross Trade Receivables	2,601,922	3,041,922
Provision for Doubtful Receivables	0	0
Net Trade Receivables	2,601,922	3,041,922
<b>At June 30, the ageing analysis of gross Trade Receivables was as follows:</b>		
Less than 30 Days	0	740,000
Between 30 and 60 Days	435,000	0
Between 61 and 90 Days	0	0
Between 91 and 120 Days	0	0
Over 120 Days	2,166,922	2,301,922
<b>Total</b>	<b>2,601,922</b>	<b>3,041,922</b>

**17. Cash & Cash Equivalent**

Description	2021-2022	2020-2021
	Kshs	Kshs
Kenya Commercial Bank Account	957,138	881,999
Kenya Commercial Bank Privilege Account	293,544	670,662
Co-operative Bank Of Kenya (USD 42.77 @ ksh 107.8500)	-	4,613
Cash at Hand Office	12,449	371
<b>Total</b>	<b>1,263,130</b>	<b>1,557,645</b>

### 18. General Reserve

Description	2021-2022	2020-2021
	Kshs	Kshs
Balance B / Forward	(9,539,529)	(10,925,982)
<b>Adjustments</b>		
Profit / (Loss) for the year	(290,624)	1,386,453
Balance C / Forward	(9,830,153)	(9,539,529)

### 19. 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.

Description	2021-2022	2020-2021
	Kshs	Kshs
Balance C/F	8,470,870	2,870,870
Conversion of Rent Arrears to Capital	-	-5,600,000
<b>TOTAL</b>	<b>8,470,870</b>	<b>8,470,870</b>

**Notes to the Financial Statements (Continued)**

**20. Development Partners Fund Account**

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

Description	2021-2022	2020-2021
	Kshs	Kshs
Balance C/F	745,400	745,400
<b>TOTAL</b>	<b>745,400</b>	<b>745,400</b>

**21 . Revaluation Reserve**

Description	2021-2022	2020-2021
	Kshs	Kshs
Revaluation A/c B/f	644,015	644,015
Revaluation of KAP 271D	470,911	
	<b>1,114,926</b>	<b>644,015</b>

**22. Trade & Other Payables**

Description	2021-2022	2020-2021
	Kshs	Kshs
Trade payables	1,747,696	2,484,307
Provisions	1,888,007	1,580,228
Withholding Tax Liability	155,526	315,048
Paymaster General	284,131	333,133
<b>Total</b>	<b>4,075,360</b>	<b>4,712,717</b>

**23. Notes to the Statements of Cash Flows**

<b>STATEMENT OF CASHFLOWS</b>			
<b>AS AT 30 JUNE 2022</b>			
		Ksh	
<b>CASHFLOW FROM OPERATING ACTIVITIES</b>	<b>Notes</b>	<b>2021 - 2022</b>	<b>2020 - 2021</b>
Profit after tax		-290,624	1,386,453
<b>Adjustment for</b>			
Depreciation	2(a)	193,467	96,952
<b>Working capital adjustments</b>			
Decrease /(Increase) in account receivables	3	440,000	-496,988
Increase / (Decrease) in account payables	7	-637,358	-5,317,826
<b>Net Cash from Operating Activities</b>		<b>-294,515</b>	<b>-4,331,409</b>
<b>CASH FLOW FROM INVESTING ACTIVITIES</b>			
Increase in capital assets			0
NET CASH GENERATED / USED IN INVESTING ACTIVITIES		-	<u>0</u>
<b>CASH FLOW FROM FINANCING ACTIVITIES</b>			
The Co-operative University -Investment		0	5,600,000
NET INCREASE / (DECREASE) IN CASH AND CASH EQUIVALENT		<b>-294,515</b>	<b>1,268,591</b>
Opening cash and cash equivalent		1,557,645	289,054
<b>Closing Cash and Cash Equivalent</b>		<b>1,263,130</b>	<b>1,557,645</b>