

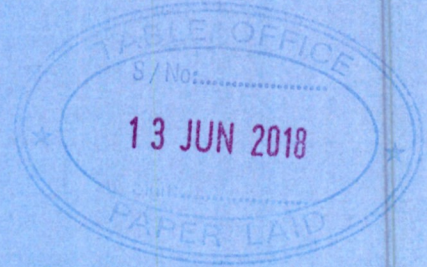
REPUBLIC OF KENYA



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OFFICE OF THE AUDITOR-GENERAL

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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 2017**





**CENTRE FOR MATHEMATICS, SCIENCE AND TECHNOLOGY EDUCATION
IN AFRICA
(CEMASTEА)**

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED

JUNE 30, 2017

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

I. Table of Contents`

II.	KEY ENTITY INFORMATION AND MANAGEMENT	3
III.	STATEMENT OF MANAGEMENT RESPONSIBILITIES.....	14
III.	MANAGEMENT DISCUSSION AND ANALYSIS	16
IV.	REPORT OF THE AUDITOR-GENERAL ON CEMASTEVA FINANCIAL STATEMENTS...	23
V.	STATEMENT OF FINANCIAL PERFORMANCE	25
VI.	STATEMENT OF FINANCIAL POSITION.....	26
VI.	STATEMENT OF CHANGES IN NET ASSETS.....	27
VII.	STATEMENT OF CASH FLOWS	28
VIII.	STATEMENT OF COMPARISON OF BUDGET AND ACTUAL AMOUNTS	29
VII.	SIGNIFICANT ACCOUNTING POLICIES	30
VIII.	NOTES TO THE FINANCIAL STATEMENTS.....	38
IX.	PROGRESS ON FOLLOW UP OF AUDITOR RECOMMENDATIONS	43

II. KEY ENTITY INFORMATION AND MANAGEMENT

(a) Background information and Legal framework

CEMASTE A 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.

CEMASTE A 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) .CEMASTE A 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 CEMASTE A is capacity building through INSET for both primary and secondary levels in Kenya and Africa.

(c) Entity Headquarters

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

(d) Entity Contacts

Telephone :(254) -20-3873811/3874830/882632
E-mail: cemastea@education.go.ke
Website: www.cemastea.ac.ke

(e) Entity Bankers

1. Kenya Commercial Bank
Karen Branch
P.O Box 24410 - 100300
Karen

KEY ENTITY INFORMATION AND MANAGEMENT (Continued)

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

(f) Independent Auditors

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

KEY ENTITY INFORMATION AND MANAGEMENT (Continued)

(g) Principal Legal Adviser

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


(h) Board Members



The term of the board of management expired on 31st August 2015, hence the centre operated without board of management in financial year 2016-2017. The centre wrote to ministry of Education which is mandated to appoint board of management and no response to date.

(i) Board Committees

Due absence of the board of management, there has not been board committees during the financial year 2016-2017

KEY ENTITY INFORMATION AND MANAGEMENT (Continued)**(a) Key Management**

Name of the Staff	Responsibility
 <p data-bbox="204 1137 612 1173">Mr .Stephen M. Njoroge, HSC.</p>	<p data-bbox="938 450 1509 723">Chief Executive Officer/ Managing Director He is pursuing PhD. He holds Ex.MBA,M.Ed. in Education Administration& Planning and, B.Ed. (Science).</p> <p data-bbox="938 741 1509 1160">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 data-bbox="204 1709 464 1744">Mr.Moses O. Kawa</p>	<p data-bbox="938 1225 1350 1261">Holds MSc. (SC&Env) &B.Ed.</p> <p data-bbox="938 1279 1509 1749">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 data-bbox="938 1787 1347 1823">Holds MBA & B.Ed. (Science)</p> <p data-bbox="938 1841 1509 1989">She is the Coordinator Student & Support Services since January 2014. She was the Acting Deputy Director CEMASTEAM from</p>

<p>Mrs . Lydia Muriithi</p>	<p>September 2012 to January 2014.She is a National Trainer Biology since June 2003</p>
 <p>Mr. Joseph Mathenge</p>	<p>He holds a Bachelor of Education Degree (B.Ed. Science) (Hons.) and a Masters of Education in Education Management). He is 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 11years experience as National Trainer.</p>
 <p>Mr. Bradon Sila</p>	<p>He holds MBA Finance, B.Com (Finance), CPA (K). He is the Finance Officer .He has experience of 11years in the field of Finance and Accounting In charge of planning, sourcing and managing financial resources to achieve corporate objectives.</p>






Mr.Patrcik Kogolla

He is the Coordinator Special Programmes Holds a M.Ed (Teacher Education) ,14Years experience as Chemistry/Mathematics Teacher ,6 Years Head of Science Department ,Months Experience as a Deputy Principal ,2 Year National Trainer-SMASE Project ,14 years as Head of Programmes at SMASE Project and CEMASTEAM



Mrs. Mary Sichangi

A graduate of the University of Nairobi with Masters in Project Planning and Management class of 2010 and Kenyatta University with BEd (Science) double mathematics 1990. Her experience in education fields spans over twenty two years with over a decade of hands-on experience as a teacher trainer providing Teacher Professional Development in Mathematics and Science Education (TPD-MSE) for educators from Kenya, other African countries and on the international scene. Currently she is the head of Partnerships and Linkages Department that works to expand centre's collaborative TPD-MSE programmes

 <p>Ms. Irene Mwangi, Human Resource Officer</p>	<p>She is pursuing MSc (HRM), She holds BBM (HRM) & Diploma (HRM)</p> <p>Responsible for human capital planning, recruitment, performance management, reward, wellness and employee relations.</p>
 <p>Mr. Joseph Ngugi, Internal Auditor</p>	<p>He holds BBA (Accounting) & CPA 1</p> <p>He is 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, Head ICT department.</p>	<p>He holds M.Ed., B.Ed. & Diploma in project management</p> <p>He is Responsible for managing the ICT programs of the Institute. In charge of planning, sourcing and implementing the ICT programs.</p>



Mr. John Makanda , Coordinator Secondary Program

Master of education(science)
Working experience 27 years in training out
which 14 years has worked as national Trainer
in Physics at CEMASTEAM.
Current he also Coordinator, Secondary
Programmes



Mr. George Kiruja Coodinator Primary Program

Master's in Education, 14 years' experience in
training working in CEMASTEAM as National
Trainer in Biology. He coordinates all training
activities in Primary Programme



Mr. Earnest Ngeny, Head Physics Department

He holds B.Ed. and M.Sc.in Education
Head of Physic department.

 <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) 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 CEMASTEAM. She has 33yrs of working experience in training</p>
 <p>Ms. Nancy Nui, Dean Mathematics and Coordinator Secondary Programme</p>	<p>She holds M.Ed. (Mathematics Education) & B.Ed. Responsible for capacity development programmes in Secondary level CEMASTEAM also in charge of training, planning designing and implementing trainings at secondary level. Oversees the administration of mathematics department.</p>



Dr. Grace Orado, Coordinator ,Research and Development Programme

She is the Coordinator, Research & Development (R&D) Department
 She holds a PhD (Science Education), M. E.D (Science Education), B.E.D (Science)
 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)



Ms. Mirriam Delaila, Ag. Head of Hospitality

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.



Mr. Robert Aura, Estate Officer

He Holds a Diploma Building & Civil Engineering
 Diploma Technical Education
 Diploma Community Health
 Craft III Carpentry & Joinery
 Responsible for safeguarding of CEMASTEAM properties to ensure they are in good condition and are well maintained.



Pauline Njiru
Ag. Supply Chain Management Officer

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.

II. STATEMENT OF MANAGEMENT RESPONSIBILITIES

Section 81 of the 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, 2017. 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.

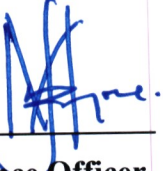
The Directors accept responsibility for the CEMASTE A's financial statements, which have been prepared using appropriate accounting policies supported by reasonable and prudent judgements and estimates, in conformity with International Public Sector Accounting Standards (IPSAS), and in the manner required 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.

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 CEMASTE A will not remain a going concern for at least the next twelve months from the date of this statement.

Approval of the financial statements

CEMASTEА's financial statements were approved by the Management on 7 September 2017 and signed on its behalf by:



Finance Officer



Director

III. MANAGEMENT DISCUSSION AND ANALYSIS

SECTION A

The performance of management and centre in general has improved as compared to this year majorly in the following areas;

- a) **ISO 9001:2015 certification** –The centre has attained the ISO quality management systems from ISO 9001:2008 to ISO 9001:2015 standards in June 2017, certified by Kenya Bureau of Standards (KEBS). This is through the effort of all managers ensuring the entity came up with procedures for operations of each process, quality management policy, quality manuals, service charter and departmental quality objectives. Through this the institution has been ranked as one of the top ten institutions that have achieved the ISO 9001:2015 in Kenya. Through this achievement the centre intends to satisfy its customers as it gears towards its vision.
- b) **Science Technology Engineering and Mathematics Program (STEM)**-The centre launched STEM program through the Ministry of Education .The program is fully funded by ministry of education to support programs that will increase uptake of sciences in schools leading graduates to can use science skills to come up with innovative Kenya.

The Ministry of Education has charged CEMASTEА with the responsibility of transforming some selected schools into STEM Education Model Schools. A STEM Education Model school is one where science and mathematics are translated into practical activities focused on problem solving and that inculcates values. Students in a STEM school are empowered to try out things and nurture ideas that can be commercialized in future. To implement these activities in the 2016/2017 Financial Year, the Ministry allocated CEMASTEА KSh. 32 Million.

To systematically roll-out the STEM Education Model Schools Program, CEMASTEА has carried out several activities. The Centre selected the first batch of 47 schools in 2016 and the second batch in early 2017. CEMASTEА also conducted a baseline study in the first batch of schools. The findings revealed the need to improve laboratories (both in terms of structures, equipment and materials), supporting students' innovations, enhance capacity of teachers in integrating ICT in teaching and learning and educating students for sustainability. In addition, the study established the need to improve the overall school climate in five aspects: people or inter-personal relationships within the schools, process, programs, policies and place or external environment with regard to cleanliness, adequacy and maintenance

In order to address the challenges identified through the baseline study, CEMASTEAM has adopted a multi-pronged strategy which entails:

- 1) **Provision of STEM equipment to the schools:** In this regard, the the 1st batch of STEM equipment for the 1st batch of 47 schools were purchased. Purchase of the 2nd batch of STEM equipment and materials is underway. The purpose of providing the equipment and materials is to improve experiential learning and to encourage schools to allow students to interact with this equipment as much as possible rather than restricting access by learners. The equipment that has been provided are for Biology, Chemistry, Mathematics, Physics, and ICT. Among the major equipment provided are Laptop Computers, LCD Projectors, Digital Cameras, White-boards, Light Microscopes, Potometers, Biological Models, Preserved specimens, Liebig Condensers, Hoffmans Apparatus, Atomic Models, Fractionating Columns, Electronic Balance, Cathode Ray Oscilloscopes, Ammeters, Volmeters, Micrometer Screw Gauges, Thermometers, Stop Watches, Galvanometers, Magnets, Lenses, Scientific Calculators Mobile Graph Boards, Chalkboard Geometry Sets, Globes, Mathematical shapes, Wire Models and nets, etc.
- 2) **Sensitization of key stakeholders and training of STEM teachers:** Besides provision of equipment, CEMASTEAM also developed a STEM training module for rolling out training of teachers and sensitization of stakeholders in July and August 2017. The Centre is also building synergy in STEM education by collaborating with various partners among them IBM, Global Peace Foundation, Global Supply, NACOSTI, Vocational Technical Centres, Kenya Vision 2030 among others to promote STEM. The collaborations are intended to support students' innovations to becoming viable enterprises and to nature students' ideas to the level of commercialization
CEMASTEAM has also trained two National Trainers on STEM in Israel to strengthen programme implementation

c) Teacher Professional Capacity Building

CEMASTEA has trained 12,201 teachers' national and county levels for both primary and secondary schools despite limitation in financial resources in the financial year 2016/2017

Training Statistics

Programme/Training	Number of Teachers Trained			
	2015/2016		2016/2017	
	At CEMASTE A	At County Level	At CEMASTE A	At County Level
Primary	28	2544	54	1281
Secondary	1,323	7301	1286	7800
ICT integration	-	1520	-	1700
International Trainings- Primary	51	-	40	-
International Trainings- Secondary	60	-	40	-

d) Partnerships and Linkages

The Center for Mathematics Science and Technology Education in Africa (CEMASTEA) through Partnership and Linkages (P&L) has been working with local, regional and international organizations and partners to promote Mathematics and Science Education. Since inception of CEMASTE A her programs have grown and hence attracted various partners and stakeholders with varying supportive functions. Such support has been in form of funding, human or material resources, and consultant expertise. It is envisaged that CEMASTE A programs will continue to expand and therefore more partners both at national and international levels will continue showing interest to work with CEMASTE A.

This envisioned status of the Centre activities led to the establishment of partnerships and linkages department. The department exists to create, use, and sustain partnerships and linkages that support transformation of teaching competencies for effective delivery of Mathematics and Science curriculum for improved quality of education in Africa

Below are some of the achievements and contributions of the department in terms of partner inputs:

No.	CEMASTEA PROGRAMME	PARTNER TYPE OF AGREEMENT	P&L SUPPORT: PARTNER RESOURCES	PARTNER INPUT (KSH)	CEMASTEA INPUT
1.	Primary INSET Prog.	Letter of Agreement with Mwalimu Plus	Integration of MwalimuPlus technological teaching and learning tools in primary mathematics courses for teachers	2,160,000.00	1,881,600
		MOU: WB, TSC, MOE & CEMASTE A	SEQUIP programme	The activities have not started	In-Kind contribution
2.	Secondary INSET Prog	UNESCO-EA	Partner support to STEM programme	Yet to be concluded	
3.	International INSET Prog	Contractual agreement with USUNESCO-Paris	Partner support on TPD-MSE: TeachHer 2017 on STEAM education	6,003,049.60	In-Kind contribution
		Contractual agreement with JICA	Partner support on TPD-MSE	USD. 450,000	In-kind contribution
4.	R&D and International INSET Prog	Contractual agreement with ADEA Secretariat	ADEA support on conducting Training Needs Assessment for Francophone countries	USD. 45,483	In-Kind contribution
5.	ICT Integration Prog	Contractual agreement with CASIO	ICT integration in mathematics education	Income through training and resources	In-kind contribution
6.	Human resource capacity dept.	Israel - MASHAV courses	PISGA, ESD, & STEM edn courses to enhance staff capacity to train teachers	Cost of courses for 5pax	Ticket & ¼ per diem for 5pax
7.	SMASE AFRICA Secretariat	Hosted COMSTEDA 15	Conference paper presentations benefit all centre programmes	Income from full board costs for 60pax	In-Kind Contribution

8.	African Union Commission	Contractual agreement with African Union Commission	Support to ALL programmes & Supportive youth volunteer programme: 2officers seconded to CEMASTEAM	Benefit from skills and knowledge	Office and house housing
9.	ADEA ICQN-MSE Secretariat	Host and coordination of secretariat activities	Coordinated Triennale 2017 and participated in regional meetings	Benefit from skills and knowledge	In-kind contribution
10	UNESCO-Paris		Participation in Bangkok conference on STEAM education contributed to STEM courses	Ticket and full board accommodation 751,900.00	¼ per diem

SECTION B

compliance with statutory requirements

The Centre has complied with statutory requirements and there is no court case that has arisen from non-compliance

SECTION C

Key projects and investment decisions the entity is planning/implementing

The Centre did not have no project or investments on course during the year of reporting

III. MANAGEMENT DISCUSSION AND ANALYSIS (Continued)

SECTION D

Major risks facing the Centre

The major risks the Centre is facing is Operational and Liquidity risks. The Centre is fully finance by the government and sometimes there is delay in receipt of budgeted funds .the causes liquidity risk as cash flows may be low to support the center's mandate.

SECTION E

Material arrears in statutory/financial obligations

There is a court case between the Centre and Apex Security limited on pending payments of security services offered in the year 2014/2015.A provision of Ksh 5million is provided in the financial statements.

SECTION F

The Centre's financial probity and serious governance issues

During the financial year 2016-2017 there were no governance issues reported and there is no audit issues or queries outstanding.

REPORT OF THE MANAGEMENT

The management submit their annual report and financial statements for the year ended June 30, 2017 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

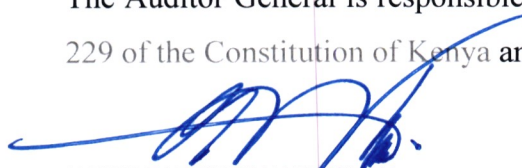
The results of the centre for the year ended 30th June 2017 are set out on page 25 to 29.

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 2017.

Auditors

The Auditor General is responsible for the statutory audit of the CEMASTEAs in accordance with Article 229 of the Constitution of Kenya and the Public Audit Act 2015 year ended June 30, 2017.



.....
Stephen M. Njoroge

Date..... 30/9/2017

REPUBLIC OF KENYA

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NAIROBI

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 2017

REPORT ON THE FINANCIAL STATEMENTS

Opinion

I have audited the accompanying financial statements of Centre for Mathematics, Science and Technology Education in Africa set out on pages 25 to 43, which comprise the statement of financial position as at 30 June 2017, and the statement of financial performance, statement of changes in net assets, statement of cash flows and statement of comparison of budget and actual amounts for the year ended, and a summary of significant accounting policies and other explanatory information in accordance with the provisions of Article 229 of the Constitution of Kenya and Section 35 of the Public Audit Act, 2015. I have obtained all the information and explanations which, to the best of my knowledge and belief, were necessary for the purpose of the audit.

In my opinion, the financial statements present fairly, in all material respects, the financial position of Centre for Mathematics, Science and Technology Education in Africa as at 30 June 2017 and of its financial performance and its cash flows for the year then ended, in accordance with International Public Sector Accounting Standards (Accrual Basis) and comply with the Public Finance Management Act, 2012.

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

Basis for Opinion

The audit was conducted in accordance with International Standards of Supreme Audit Institutions (ISSAIs). I am independent of Centre for Mathematics, Science and Technology Education in Africa in accordance with ISSAI 30 on Code of Ethics. I have fulfilled other ethical responsibilities in accordance with the ISSAI and in accordance with other ethical requirements applicable to performing audits of financial statements in Kenya. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

Key Audit Matters

Key audit matters are those in my professional judgment, are of most significance in the audit of the financial statements of the current year. There were no Key Audit Matters to report in the year under review.

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 2017

Responsibility of Management and those charged with Governance for the Financial Statements

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

In preparing the financial statements, management is responsible for assessing the Centre'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 the management either intends to liquidate the Centre or to cease operations, or have no realistic alternative but to do so.

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

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

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

The audit objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion in accordance with the provisions of Section 48 of the Public Audit Act, 2015 and submit the audit report in compliance with Article 229(7) of the Constitution of Kenya. 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 when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

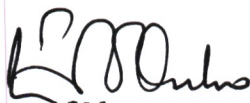
As part of an audit conducted in accordance with ISSAIs, I exercise professional judgement and maintain professional skepticism throughout the audit. I also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances and for the purpose of giving an assurance on the effectiveness of the Centre's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the management.
- Conclude on the appropriateness of the management's use of the going concern basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Centre's ability to continue to sustain its services. If I conclude that a material uncertainty exists, I am required to draw attention in the auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my audit report. However, future events or conditions may cause the Centre to cease to sustain its services.
- 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 Centre to express an opinion on the financial statements.
- Perform such other procedures as I consider necessary in the circumstances.

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

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



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

Nairobi

17 May 2018

V. STATEMENT OF FINANCIAL PERFORMANCE

		2016-2017	2015-2016
	Note		Restated
		Kshs	Kshs.
Revenue from non-exchange transactions			
Government grants-Ministry of Education	1	829,579,287	645,831,000
Transfers from other governments	2	23,075,268	33,976,000
Sub-total		852,654,555	679,807,000
Revenue from exchange transactions			
Catering services	3	12,972,966	11,183,899
Interest Income	4	91,717	92,136
Other income	5	3,301,614	2,114,877
Sub-total		16,366,297	13,390,912
Total revenue		869,020,852	693,197,912
Expenses			
Training cost (INSET)	6	686,470,462	530,183,000
Employee costs	7	30,940,687	32,392,000
Repairs and maintenance	8	32,667,227	17,498,000
Cleaning services	9	11,248,000	12,631,000
Water and electricity	10	6,455,330	8,021,000
General expenses	11	65,385,649	79,160,299
Audit and consultancy	12	2,659,804	800,000
Bank Charges	13	332,588	377,000
Board expenses	14	415,000	946,890
Depreciation and amortization expense	15	21,312,654	17,468,220
Total expenses		857,887,400	699,477,409
Surplus /(Deficit) for the period		11,133,451	(6,279,497)

The notes set out on pages **38** to **43** form an integral part of the annual Financial Statements.

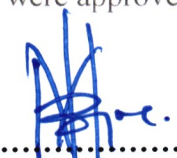
I. STATEMENT OF FINANCIAL POSITION

		2016-2017	2015-2016
	Note		Restated
Assets		Kshs	Kshs
Current assets			
Cash and cash equivalents	16	166,772,745	273,551,000
Trade & Receivables	17	11,218,860	5,316,000
Total current assets		177,991,605	278,867,000
Non-current assets			
Property, plant and equipment	18	1,005,788,326	1,003,160,780
Total assets		1,183,779,932	1,282,027,780
Liabilities			
Non-Current liabilities			
Revaluation Reserve	19(a)	385,642,480	385,642,480
Accumulated Reserves	19(b)	131,984,452	120,850,503
Capital Reserve	19(c)	640,126,000	640,126,000
Current liabilities			
Trade & Other Payables	20	26,027,000	135,408,797
Total liabilities		1,183,779,932	1,282,027,780

The annual Financial Statements set out on pages 25 to 29 were approved on 30th September, 2016 and signed by:



Stephen Njoroge
Director



Bradon Sila
Finance Officer

VI. STATEMENT OF CHANGES IN NET ASSETS**For the year ended June, 30 2016 (restated)**

	Note	Revaluation Reserve	Capital Reserve	Accumulated reserve	Total
		Ksh	Kshs	Kshs	Ksh
As at July , 1 st 2015		385,642,480	640,126,000	127,130,497	1,152,898,977
Surplus /(deficit) for the year		-	-	(6,279,497)	(6,279,497)
As at June , 30 th 2016		385,642,480	640,126,000	120,851,000	1,146,619,480

For the year ended June, 30 2017

	Note	Revaluation Reserve	Capital Reserve	Accumulated reserve	Total
		Ksh	Kshs	Kshs	Ksh
As at July , 1 st 2016		385,642,480	640,126,000	120,851,000	1,146,619,480
Surplus /(deficit) for the year		-	-	11,133,451	11,133,451
As at June , 30 th 2017		385,642,480	640,126,000	131,984,451	1,157,752,931

VII. STATEMENT OF CASH FLOWS

	Note(s)	2016-2017 Kshs 000	2015-2016 Kshs 000
Cash flows from operating activities			
Surplus / deficit for the year		11,133,451	(6,279,497)
Adjustments for;			
Depreciation	15	21,312,654	17,468,220
Increase / Decrease in Receivables	17	(5,902,860)	(2,625,000)
Increase / Decrease in Payables	20	109,381,797	109,514,000
Net cash flow from operating activities		(82,838,552)	118,077,723
Cash flows from investing activities			
Property, plant, equipment and intangible assets	18	(23,940,200)	(2,108,000)
Net cash flows used in investing activities		(23,940,200)	(2,108,000)
Cash flows from financing activities			
Net cash flows used in financing activities		-	-
Net increase/(decrease) in cash and cash equivalents		(106,778,752)	115,969,723
Cash and cash equivalents at beginning of the year	16	273,551,000	157,581,277
Cash and cash equivalents at end of the year	16	166,772,248	273,551,000

VIII. STATEMENT OF COMPARISON OF BUDGET AND ACTUAL AMOUNTS

	Budget	Actual		Explanation of material variances
	2016-2017	2016-2017	Variance	
	Kshs 000	Kshs 000	Kshs 000	
Revenue				
Government grants	761,603,000	829,579,287	(67,976,287)	Movement due to Capitation funds increased funds from 470M to 499M
Receipts from Partners	31,139,000	23,075,268.00	8,063,732	Movement is due to change of objective of the partners(JICA)
Catering services	10,000,000	12,972,966.41	(2,972,966)	Movement due to hospitality activities in the year
Interest income	-	91,716.58	91,716.58	Movement due to interest from current account balances (NIC accounts)
Other income	1,404,000	3,301,614.00	1,898,000	Movement due to increase in activities offered by the centre
Total income	804,146,000	869,020,852	(64,874,851.99)	
Expenses				
Training cost (INSET)	655,170,000	686,470,462.01	(31,300,462)	Movement due to increased level of training activities done in year
Employee costs	37,000,000	30,940,686.69	6,059,313	Movement due to reduction of employment costs hence a positive variance
Goods and services	22,568,000	53,030,361.00	(30,462,361)	Movement due to increased level of training activities done in year
General expenses	67,788,000	65,385,649.36	2,402,350	Movement due to increased level of training activities done in year
Bank Charges	120, 000	332,587.50	(212,587)	Movement due to increased level of training activities done in year
Board expenses	2,000,000	415,000.00	1,585,000	The board of Management has not been appointment .The centre has paid honoraria for cheque signatories which where former member board of management
Depreciation and amortization expense	5,815,000	21,312,653	(15,497,653)	Movement due to increase in depreciation. Due to purchase of two new vehicles
Total expenses	790,461,000	857,887,400	(67,426,400)	Movement due to increased level of training activities done in year
Surplus /(Deficit) for the period	13,685,000	11,133,451	2,551,548	There is a slight change due to level of activities

VII. SIGNIFICANT ACCOUNTING POLICIES**1. 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. ADOPTION OF NEW AND REVISED STANDARDS

Standard	Impact
IPSAS 33: First time adoption of Accrual Basis IPSAS	The entity adopted IPSAS in the year ended 30 June 2014 and therefore provisions of first time adoption of accrual basis does not apply to the entity.
IPSAS 34: Separate Financial Statements	The entity does not have any subsidiaries , joint ventures or investments and therefore the standard does not apply/ the entity is a parent company and has prepared consolidated financial statements and therefore the standard does not apply/ the entity is a parent company and has prepared separate financial statements and the following is the impact of application of the new standard:
IPSAS 35: Consolidated Financial Statements	The entity does not have any subsidiaries, joint ventures or investments and therefore the standard does not apply/ the entity has prepared consolidated financial statements.
IPSAS 36: Investments in Associates and Joint Ventures	The entity does not have investments in associates or joint ventures/ the entity hold investments in associates and joint ventures.
IPSAS 38: Disclosure of Interests in Other Entities	CEMASTEVA does not have an interests in other entities and therefore the standard does not apply/ the entity has an interest in other entities that are consolidated in these financial statements.

SIGNIFICANT ACCOUNTING POLICIES (continued)

3. 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.

4. Revenue from exchange transaction

a) Rendering of services

The CEMASTEА 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.

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 CEMASTEА. 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.

SIGNIFICANT ACCOUNTING POLICIES (continued)

e) Property, plant and equipment

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

All property, plant and equipment are stated at cost less accumulated depreciation and impairment losses. Cost includes expenditure that is directly attributable to the acquisition of the items. When significant parts of property, plant and equipment are required to be replaced at intervals, the entity recognizes such parts as individual assets with specific useful lives and depreciates them accordingly. Likewise, when a major inspection is performed, its cost is recognized in the carrying amount of the plant and equipment as a replacement if the recognition criteria are satisfied. All other repair and maintenance costs are recognized in surplus or deficit as incurred. Where an asset is acquired in a non-exchange transaction for nil or nominal consideration the asset is initially measured at its fair value.

Most of the assets were donated by JICA to CEMASTEAM. Recording of all assets as per IPSAS 17 has been applied in financial year 2016-2017. The entity has not sold any asset during the financial year 2016-2017

f) Intangible assets

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

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

Most of the assets were transferred by JICA to CEMASTEAM. Recording of all assets as per IPSAS 17 has been applied in financial year 2016-2017. The entity has not sold any asset during the financial year 2016-2017

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%.

SIGNIFICANT ACCOUNTING POLICIES (continued)

- h) Provisions**-Provisions are recognized when the CEMASTEА 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 CEMASTEА 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 CEMASTEА 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

CEMASTEА 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.

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.

SIGNIFICANT ACCOUNTING POLICIES (continued)

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 CEMASTEAs financial statements in conformity with IPSAS 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.

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 CEMASTEAs 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 CEMASTEAs. Such changes are reflected in the assumptions when they occur.

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 CEMASTEAs
- 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

SIGNIFICANT ACCOUNTING POLICIES (continued)

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 30th June 2017.

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

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 2016-2017.

4) Financial Risk Management Disclosure

The centre did not have investments in financial instruments in financial year 2015-2016 and 2016-2017.

SIGNIFICANT ACCOUNTING POLICIES (continued)**5) Budget Variances in financial year 2016-2017**

The summary of variances were as follows;

No.	Item of Variance	Explanations
a.	Training	During the financial year 2016-2017 the centre carried out various activities which arose from emerging issues in education. They include support of innovations in Science and Maths, Education for sustainable development where CEMASTEAM is the centre, Initialization of STEM program, Initial Planning costs for SEQUIP etc. Which resulted to a variance of Ksh 56million.The centre spend from reserves.
b.	Goods and Services	Due to various activities that arose during the financial year related to innovations, STEM and ESD the centre increased in purchase goods and services which include renovations of buildings and environment to accommodate more teachers. CCTV cameras were installed to increase security hence a deviation of 24Million.
C	Appropriation in Aid	The centre did not achieve target income due to reduction of clients for hospitality and reduction of income from TCTP programme hence a deviation of Ksh 7Million.

6) Related party disclosures

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

The Key management personnel receives salaries and other benefits from TSC

	2016-2017	2015-2016
Number of persons	46	46

SIGNIFICANT ACCOUNTING POLICIES (continued)

7) Commitments and contingencies

There were no capital commitments during the financial year 2016-2017

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.

VIII. NOTES TO THE FINANCIAL STATEMENTS

1. Transfers from other governments	2016-2017	2015-2016
	Ksh	Ksh
Recurrent	225,012,287	104,824,000
Development	105,220,000	541,007,000
SMASE Capitation	499,347,000	-
Total government grants and subsidies	829,579,287	645,831,000

2. Transfers from partners-JICA/ADEA	2016-2017	2015-2016
	Ksh	Ksh
JICA/ADEA-ICQN	23,075,268	33,976,000
Total partner grants	23,075,268	33,976,000

The Government of Kenya, CEMASTEА and JICA signed an agreement on TCTP Program in the year 2014. JICA funds the activity and CEMASTEА provides facilities and other resources on behalf of Government of Kenya. Association for the Development of Education in Africa (ADEA) have partnered CEMASTEА for peace education from financial year 2016-2017.

	2016-2017	2015-2016
	Kshs	Kshs
3. Rendering of services-catering services		
Catering income	12,972,966	11,183,899
Total revenue from the rendering of services	12,972,966	11,183,899

4. Interest income	2016-2017	2015-2016
	Ksh	Ksh
Interest income	91,717	92,136
Total interest income	91,717	92,136

Interest income in 2016/2017 and 2015/2016 is from balances of funds held in NIC Bank current account and its remitted monthly

VIII. NOTES TO THE FINANCIAL STATEMENTS (Continued)

	2016-2017	2015-2016
	Kshs	Kshs
5. Other income		
Rent income	1,330,500	1,344,500
Tender	1,902,114	53,000
Sundry income	69,000	717,377
Total other	3,301,614	2,114,877

	2016-2017	2015-2016
	Ksh	Ksh
6. Training cost		
Capitation/SMASE funds	374,529,000	405,024,000
Training Materials	59,647,104	16,223,000
Training subsistence ,venues, accommodation & development	252,294,358	108,936,000
Total Training costs	686,470,462	530,183,000

Training expenses entails all expenditure incurred while facilitating INSET for primary and secondary programs. The centre received Ksh 499 Million for secondary capitation. The centre did not carry out all its activities as planned in financial year 2016-2017 as the budget allocated was not fully received.

	2016-2017	2015-2016
	Ksh	Ksh
7. Employment cost		
Salaries and wages	18,574,878.96	22,276,000
Gratuity	1,797,071.28	1,789,000
HELB contributions	163,572.70	180,000
Jamii Sacco deductions	2,260,899.00	2,103,000
Rent deductions	99,000.00	90,000
Insurance deductions	446,284.00	288,000
N.H.I.F	678,500.00	905,000
N.S.S.F	2,005,750.00	293,000
P.A.Y.E	3,554,040.75	4,384,000
Barclays loan deductions	1,275,405.00	-
Elimu SACCO deductions	64,885.00	-
N.I.T.A	20,400.00	84,000
Total employment costs	30,940,687	32,392,000

VIII. NOTES TO THE FINANCIAL STATEMENTS (Continued)

8. Repairs & Maintenance	2016-2017	2015-2016
	Ksh	Ksh
Buildings and Small works	8,717,000	7,399,000
Plant , Machines & Equipment	19,581,252	2,515,000
Computers hard & soft ware	618,734	1,325,000
Environmental conservations	779,492	4,333,000
Motor vehicles	2,970,749	1,926,000
Total repairs & maintenance	32,667,227	17,498,000

9. Cleaning services	2016-2017	2015-2016
	Ksh	Ksh
Cleaning services	6,382,199	7,181,000
Security & other contracted services	4,865,801	5,450,000
Total cleaning services	11,248,000	12,631,000

10. Water & electricity	2016-2017	2015-2016
	Ksh	Ksh
Water	463,413	2,094,089
Electricity	5,991,917	5,926,911
Total water & electricity	6,455,330	8,021,000

	2016-2017	2015-2016
	Ksh	Ksh
11. General expenses		
Advertising	2,093,720	1,866,000
Subscriptions & newspapers	246,449	185,000
Food & other	24,415,096	27,083,300
Internet services	3,658,588	991,848
Travel & accommodation	11,573,749	24,622,155
Fuel , gas and oil	4,694,059	4,838,427
Insurance	10,063,232	8,770,000
Temporary committees	-	39,000
Postage & courier	706,166	1,032,000
Printing & stationery	355,660	4,056,000
Other General office expenses	7,230,693	5,127,000
Telephone expenses	348,236	549,569
Total general expenses	65,385,649	79,160,299

VIII. NOTES TO THE FINANCIAL STATEMENTS (Continued)

12. Audit & Consultancy	2016-2017	2015-2016
	Ksh	Ksh
Other Professionals	1,859,804	-
Audit Fee	800,000	800,000
Total Audit & Consultancy	2,659,804	800,000

13. Bank charges	2016-2017	2015-2016
	Ksh	Ksh
KCB Karen	255,966	308,000
Co-operative bank	15,043	15,000
NIC –Ksh	47,868	39,000
NIC-Dollar	13,711	15,000
Total Bank charges	332,588	377,000

14. Board expenses	2016-2017	2015-2016
	Ksh	Ksh
Sitting allowance	-	-
Honoraria	415,000	760,000
Transport	-	-
Others	-	186,890
Total Board expenses	415,000	946,890

15. Depreciation expense	2016-2017	2015-2016
	Ksh	Ksh
Property, plant and equipment	21,312,654	17,468,220
Total Depreciation expense	21,312,654	17,468,220

16. Cash & Cash equivalents	2016-2017	2015-2016
	Ksh	Ksh
KCB Karen	93,696,858	193,871,596
Co-operative bank	65,156,566	61,509,703
NIC –Ksh	133,510	186,503
NIC-Dollar	7,785,811	17,983,198
Cash in Hand/Mpesa	-	-
Total Cash & Cash equivalents	166,772,745	273,551,000

17. Trade receivables	2016-2017	2015-2016
	Ksh	Ksh
Catering receivables	11,218,860	5,316,000
Total Trade receivables	11,218,860	5,316,000

VIII. NOTES TO THE FINANCIAL STATEMENTS (Continued)

18. Property, plant and equivalents

	Lands Kshs	Buildings Kshs	Equipment Kshs	Motor Vehicles Kshs	Furniture and Fittings	Computer Software	Total Kshs
Depreciation Rates	0.0%	2.0%	12.5%	25.0%	12.5%	20.0%	
COST/VALUATION:							
At 1 July 2015	385,642,000	600,382,000	19,237,000	47,901,000	16,190,000	0	1,069,352,000
Valuation/Additions	0	0	748,000	0	503,000	857,000	2,108,000
As at 30 June 2016	385,642,000	600,382,000	19,985,000	47,901,000	16,693,000	857,000	1,071,460,000
Valuation/Additions	0	1,768,500	3,865,517	17,518,000	788,183	0	23,940,200
As at 30 June 2017	385,642,000	602,151,000	23,851,000	65,419,000	17,481,000	857,000	1,095,401,000
DEPRECIATION:							
At 1 July 2015	0	2,116,000	4,133,000	41,113,000	3,469,000	0	50,831,000
Charges for the year	0	11,965,320	1,981,500	1,697,000	1,653,000	171,400	17,468,220
As at 30 June 2016	0	14,081,320	6,114,500	42,810,000	5,122,000	171,400	68,299,220
Charges for the year	0	11,761,394	2,217,063	5,652,250	1,544,875	137,120	21,312,654
As at 30 June 2017	0	25,842,714	8,331,563	48,462,250	6,666,875	308,520	89,611,921
NET BOOK VALUE:							
At 30 June 2017	385,642,000	576,308,286	15,519,438	16,956,750	10,814,125	548,480	1,005,788,326
At 30 June 2016	385,642,000	586,300,680	13,870,500	5,091,000	11,571,000	685,600	1,003,160,780

VIII. NOTES TO THE FINANCIAL STATEMENTS (Continued)

19. Reserves	2016-2017	2015-2016
	Ksh	Ksh
a) Revaluation reserve		
Balance as July ,1 st	385,642,480	385,642,480
Additions	-	-
Balance as June , 30th	385,642,480	385,642,480
b) Accumulated reserve		
Balance as July ,1 st	120,851,000	127,130,000
Additions	11,133,451	- 6,279,497
Balance as June , 30th	131,984,452	120,850,503
c) Capital reserve		
Balance as July ,1 st	640,126,000	640,126,000
Additions	-	-
Balance as June , 30th	640,126,000	640,126,000

a) Revaluation reserve –this is maintained to capture gains on revaluation i.e. when the fair value is higher than book value. It is also a caution on loss on revaluation .gains reserved can be used to buy new assets

b) Capital reserve - this is maintained as a reserve to finance capital projects or write off capital expenses

c) Accumulated reserves - this is maintained as a reserve to write off deficits, reserve surplus if any for contingent expenses and improve the centres financial position.

20. Trade & Other payables	2016-2017	2015-2016
	Ksh	Ksh
Training Payables	8,132,024	9,462,000
Supplies	17,094,976	127,146,797
Audit	800,000	800,000
Total payables	26,027,000	135,408,797

IX. PROGRESS ON FOLLOW UP OF AUDITOR RECOMMENDATIONS

Reference No. on the external audit Report	Focal Point person to resolve the issue (Name and designation)	Status: (Resolved / Not Resolved)

Reporting Currency

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

