

REPUBLIC OF KENYA



KENYA NATIONAL AUDIT OFFICE



REPORT

OF

THE AUDITOR-GENERAL

ON

**THE FINANCIAL STATEMENTS OF
KENYA INSTITUTE OF CURRICULUM
DEVELOPMENT**

**FOR THE YEAR ENDED
30 JUNE 2013**

REPUBLIC OF KENYA

Telephone: +254 20-342330

Fax: +254-20-311482

E-mail: cag@kenyaweb.com

P.O. Box 30084-00100

NAIROBI



KENYA NATIONAL AUDIT OFFICE

REPORT OF THE AUDITOR-GENERAL ON KENYA INSTITUTE OF CURRICULUM DEVELOPMENT FOR THE YEAR ENDED 30 JUNE 2013

REPORT ON THE FINANCIAL STATEMENTS

I have audited the accompanying financial statements of Kenya Institute of Curriculum Development set out on pages 10 to 29, which comprise the statement of financial position as at 30 June 2013 and statement of comprehensive income, statement of changes in reserves and statement of cash flows 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 14 of the Public Audit Act, 2003. I have obtained all the information and explanations which, to the best of my knowledge and belief, were necessary for the purpose of the audit.

Management's Responsibility for the Financial Statements

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

The management is also responsible for the submission of the financial statements to the Auditor-General in accordance with the provisions of Section 13 of the Public Audit Act, 2003.

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Auditor-General's Responsibility

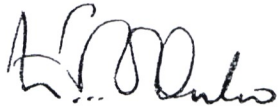
My responsibility is to express an opinion on these financial statements based on the audit and report in accordance with the provisions of Section 15(2) of the Public Audit Act, 2003 and submit the audit report in compliance with Article 229(7) of the Constitution of Kenya. The audit was conducted in accordance with International Standards on Auditing. Those standards require compliance with ethical requirements and that the audit be planned and performed to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Institute's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the management, as well as evaluating the overall presentation of the financial statements.

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

Opinion

In my opinion, the financial statements present fairly, in all material respects, the financial position of the Institute as at 30 June 2013, and of its financial performance and its cash flows for the year then ended, in accordance with International Financial Reporting Standards and comply with the Kenya Institute of Curriculum Development Act, 2013.



Edward R. O. Ouko, CBS
AUDITOR-GENERAL

Nairobi

17 February 2014



Kenya Institute of Curriculum Development

KENYA NATIONAL AUDIT OFFICE
P. O. Box 30084 - 00100, NAIROBI.

15 JAN 2014

RECEIVED

**KENYA INSTITUTE OF
CURRICULUM DEVELOPMENT**

**FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2013**

Kenya Institute of Curriculum Development
Financial Statements For the year ended 30 June 2013

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Kenya Institute of Curriculum Development

Corporate Information

Principal Activities

The Institute is mandated through KICD Act no 4 of 2013 to develop curriculum and curriculum support materials informed by research for basic and tertiary education and training.

Our Vision

A centre of excellence in transformative and globally competitive curricula.

Our Mission

To provide quality curricula and curriculum support materials responsive to the needs of the society.

Core Values

Professionalism

Accountability

Transparency

Integrity

Courtesy

Diligence

Teamwork

Registered Office

Desai Road, Off Murang'a Road

P.O. Box 30231-00100

NAIROBI

Telephone: (020) 3749900-3

Email: info@kicd.ac.ke

Website: www.kicd.ac.ke

**Kenya Institute of Curriculum Development
Corporate Information (Continued)**

Auditors

Auditor General,
Kenya National Audit Office
P.O. Box 30084 -00100
NAIROBI

Bankers

Kenya Commercial Bank
Moi Avenue Branch
P.O. Box 30081 - 00100
NAIROBI

Co-operative Bank of Kenya
Stima Plaza Branch
P.O. Box 48231 – 00100
NAIROBI

Kenya Institute of Curriculum Development Corporate Information (Continued)

Council Members

Prof. Peter Erastus Kinyanjui	-	Chairman
Mr Enos O. Oyaya (OGW)	-	Representing Principal Secretary, Ministry of Education, science & Technology - Member
Mr. Ndungu Gakungu	-	Representing Principal Secretary, Ministry of Education Science and Technology – Member- Retired March 2013
Mr. Mutinda Mwaa	-	Representing Principal Secretary, Ministry of Education Science and Technology – Member-Appointed March 2013
Mrs. Purity Karabai Mbabu	-	Member
Mr. Matano Mwalimu Ndaró	-	Communication Commission of Kenya - Member
Dr. Nicholas Kibiwot Letting'	-	The Management University of Africa - Member
Mr. Paul Wasanga (MBS)	-	Secretary/CEO Kenya National Examination Council – Member
Mr. Ontweka Onderi	-	Representing Principal Secretary, The National Treasury
Mr. John Matonda	-	Member
Prof. Agnes M. W. Gathumbi PhD	-	Kenyatta University- Member
Dr. Mark Matunga	-	Microsoft East Africa – Member Resigned September 2012
Dr. Lydia Nzomo, OGW	-	Director/ Chief Executive Officer, KICD/Council Secretary

**Kenya Institute of Curriculum Development
Corporate Information (continued)**

Council Committees

The Committees include:

(a) Academic Committee

Mr. Enos Oyaya	-	Chairperson
Mr. Paul Wasanga	-	Member
Dr Mark Matunga	-	Resigned
Mr. Ndungu Gakungu	-	Retired
Mr. Mutinda Mwaa	-	Member
Prof. Agnes M. W. Gathumbi	-	Member
Mr. John Matonda	-	Member
Dr. Lydia Nzomo	-	Director/Chief Executive Officer

(b) The Finance Committee

Dr. Nicholas Letting'	-	Chairperson
Dr. Mark Matunga	-	Resigned
Mr. Enos Oyaya	-	Member
Mr. Paul Wasanga	-	Member
Mr. Ontweka Onderi	-	Member
Prof. Agnes M. W. Gathumbi	-	Member
Dr. Lydia Nzomo	-	Director/Chief Executive Officer

(c) The Audit Committee

Mr. Mutinda Mwaa	-	Chairperson
Mr. Ndungu Gakungu	-	Retired
Mr. Enos Oyaya	-	Member
Mr. Ontweka Onderi	-	Member
Mr. Paul Wasanga	-	Member
* Dr. Nicholas Letting'	-	Member
Mrs. Purity Karabai Mbabu	-	Member
Dr. Lydia Nzomo	-	Director/Chief Executive Officer

**Kenya Institute of Curriculum Development
Corporate Information (continued)**

Council Committees (Continued)

(d) The Human Resource and Integrity Committee

Mr. Paul Wasanga	-	Chairperson
Dr. Mark Matunga	-	Resigned
Mr. Enos Oyaya	-	Member
Mr. Ontweka Onderi	-	Member
Mrs. Purity Karabai Mbabu	-	Member
Mr. Ndungu Gakungu	-	Retired
Mr. Mutinda Mwaa	-	Member
Mr. Matano Mwalimu Ndaro	-	Member
Dr. Lydia Nzomo	-	Director/Chief Executive Officer

(e) National Centre for Early Childhood Education(NACECE) Resource Centre Committee

Mr. John Matonda	-	Chairperson
Mr. Enos Oyaya	-	Member
Mrs. Purity Karabai Mbabu	-	Member
Dr. Nicholas Letting'	-	Member
Mr. Matano Mwalimu Ndaro	-	Member
Mr. Ndungu Gakungu	-	Retired
Mr. Mutinda Mwaa	-	Member
Dr. Lydia Nzomo	-	Director/Chief Executive Officer

(f) Building and Development Committee

Mr. Matano Mwalimu Ndaro	-	Chairperson
Dr. Mark Matunga	-	Resigned
Mr. Enos Oyaya	-	Member
Mr. Paul Wasanga	-	Member
Mr. Ontweka Onderi	-	Member
Mr. Ndungu Gakungu	-	Retired
Mr. Mutinda Mwaa	-	Member
Prof. Agnes M. W. Gathumbi	-	Member
Dr. Lydia Nzomo	-	Director/Chief Executive Officer

**Kenya Institute of Curriculum Development
Corporate Information (Continued)**

(g) Resource Mobilization Committee

Prof. Agnes M. W. Gathumbi	-	Chairperson
Mr. Ndungu Gakungu	-	Retired
Mr. Mutinda Mwaa	-	Member
Dr. Nicholas Letting'	-	Member
Mr. Matano Mwalimu Ndaro	-	Member
Dr. Lydia Nzomo	-	Director/Chief Executive Officer

Senior Management

Dr. Lydia Nzomo, OGW	-	Director/Chief Executive Officer
Ms. Mercy Karogo	-	Senior Deputy Director (Curriculum & Research Services)
Mr. Charles Mugambi	-	Senior Deputy Director Corporate Services
Mr. John Kimotho	-	Senior Deputy Director (Media & Extension Services)

Kenya Institute of Curriculum Development Corporate Governance Statement

The adoption of good corporate governance practice is integral in helping the Institute interact with both internal and external stakeholders. Corporate governance entails the processes and structures used to direct and manage the Institute affairs, the respective roles of the Council and management and the framework of internal controls. The Council and the management of the Institute regard corporate governance as pivotal to the success of the Institute and are committed to ensuring that good corporate governance is practiced by the Institute.

The Institute achieves this by using a risk based approach to establish a system of internal controls and by reviewing the effectiveness of the system of internal controls on a regular basis. The Kenya Institute of Curriculum Development has formulated and applies sound internal corporate governance guidelines which address the responsibilities of management, the Council and its composition.

The Council has established Committees to assist in the implementation of its policy guidelines and strategy. These Committees meet regularly and are chaired by non-executive Council members. The Committees submit their report to the Full Council for adoption and approval. All the non executive Council members of the Council are independent of management and free from any business or other relationship which could materially interfere with the exercise of their judgment.

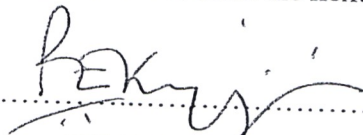
The Council meets regularly and has a formal schedule of its matters. Currently, the Council comprises of eleven (11) non-executive members and the Director/CEO. The Full Council meets at least four times each year.

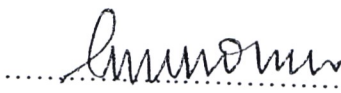
Kenya Institute of Curriculum Development Statement of Council's Responsibilities

The State Corporation Act Cap 446 of the Laws of Kenya requires that the Council prepares financial statements for each financial year which give a true and fair view of the state of affairs of the Institute as at the end of the financial year and of the operating results of the Institute for that year. It also requires the Council to ensure that the Institute keeps proper accounting records, which disclose with reasonable accuracy at any time the financial position of the Institute. The Council is also responsible for safeguarding the assets of the Institute.

The Council members accept responsibility for the annual financial statements, which have been prepared using appropriate accounting policies supported by reasonable and prudent judgments and estimates, in conformity with International Financial Reporting Standards, Government Financial Management Act and the requirements of the Government Financial Regulations and Procedures.

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


.....
CHAIRMAN

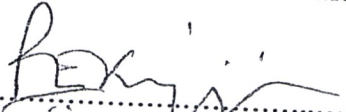

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DIRECTOR/CHIEF EXECUTIVE OFFICER

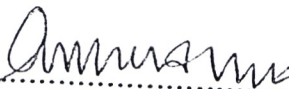
**Kenya Institute of Curriculum
Development
Statement of Comprehensive Income
For the year ended 30 June, 2013**

REVENUE	NOTES	2013 Kshs.	2012 Kshs.
Government Grant	5	729,882,810	722,384,810
Other Income	6	<u>170,116,744</u>	<u>95,361,753</u>
		899,999,554	817,746,563
 LESS EXPENDITURE			
Staff Costs	7	487,620,858	458,484,922
Administration Expenses	8	165,591,557	150,093,011
Operating Expenses	9	108,693,746	94,872,816
Board Expenses	10	4,615,000	5,348,000
Provision for Audit Fee	11	1,136,000	800,000
Provision for Depreciation	12	<u>52,839,025</u>	<u>44,893,344</u>
Total Operating Expenses		<u>820,496,186</u>	<u>754,492,093</u>
Net Surplus For The Year		<u>79,503,368</u>	<u>63,254,470</u>

Kenya Institute of Curriculum
Development
Statement of Financial Position
As at 30 June, 2013

ASSETS	NOTES	2013 <u>Kshs.</u>	2012 <u>Kshs.</u>
Non Current Assets			
Property, Plant and Equipment	13	1,259,491,412	1,144,691,081
Intangible Assets	14	<u>2,642,402</u>	<u>4,624,204</u>
Total Non Current Assets		1,262,133,814	1,149,315,285
Current Assets			
Trade and Other Receivables	15	328,524,008	67,159,657
Prepayments & Deposits	16	7,048,532	29,135,713
Short Term Investments	17	78,224,964	121,715,597
Cash and Bank	18	168,121,780	270,570,787
Total Current Assets		<u>581,919,284</u>	<u>488,581,754</u>
Total Assets		1,844,053,098	1,637,897,039
REPRESENTED BY:			
Reserves and Liabilities			
Reserves			
Revenue Reserve	19	520,732,222	437,088,854
Capital Reserve	20	<u>1,167,250,800</u>	<u>1,058,350,800</u>
		1,687,983,022	1,495,439,654
Current Liabilities			
Donor Project Funds	21	24,807,061	64,837,785
Trade and other Payables	22	129,251,540	75,606,125
Bank Overdraft	23	<u>2,011,475</u>	<u>2,013,475</u>
Total Current Liabilities		<u>156,070,076</u>	<u>142,457,385</u>
Total Reserves and Liabilities		<u>1,844,053,098</u>	<u>1,637,897,039</u>


.....
PROF. PETER E. KINYANJUI
CHAIRMAN


.....
DR.L.N. NZOMO, OGW (MRS.)
DIRECTOR/CHIEF EXECUTIVE
OFFICER

Kenya Institute of Curriculum
Development
Statement of Changes in Reserves
For the year ended 30 June 2013

	<u>CAPITAL RESERVES</u> <u>Kshs.</u>	<u>REVENUE RESERVE</u> <u>Kshs.</u>	<u>TOTAL</u> <u>Kshs.</u>
Restated Balance as at 1 st July, 2011	977,950,800	373,834,384	1,351,785,184
Development Grant-ERC2011/12	80,400,000	-	80,400,000
Surplus for the year	<u>-</u>	<u>63,254,470</u>	<u>63,254,470</u>
Balance as at 30 th June, 2012	<u>1,058,350,800</u>	<u>437,088,854</u>	<u>1,495,439,654</u>
Balance as at 1 st July, 2012	1,058,350,800	437,088,854	1,495,439,654
Prior year adjustment-bank guarantee		4,140,000	
Development Grant-ERC 2012/13	108,900,000	-	108,900,000
Surplus for the year	<u>-</u>	<u>79,503,368</u>	<u>79,503,368</u>
Balance as at 30 th June, 2013	<u>1,167,250,800</u>	<u>520,732,222</u>	<u>1,683,843,022</u>

**Kenya Institute of Curriculum
Development
Statement of Cashflows
For the year ended 30 June, 2013**

	2013	2012
	<u>Kshs.</u>	<u>Kshs.</u>
Cashflows from Operating Activities		
Surplus for the year	79,503,368	63,254,470
Add back Depreciation	<u>56,333,587</u>	<u>46,787,983</u>
Operating surplus before working capital changes	135,836,955	110,042,453
(Increase)/Decrease in Trade receivables	(261,364,351)	14,630,870
(Increase)/Decrease in Prepayments	22,087,181	(1,491,901)
Increase in Trade payables	<u>53,645,416</u>	<u>19,668,319</u>
Net cashflows from operating activities	(185,631,754)	142,849,741
Cashflow from Investing Activities		
Work In Progress(ERC)	(44,159,577)	(83,939,848)
Purchase of property , Plant and Equipment_ NRC	(12,741,393)	(28,533,945)
Purchase of property , Plant and Equipment- KIE	(112,251,146)	(97,198,250)
Purchase of property , Intangible Assets-KIE	-	(5,738,955)
Prior Year bank guarantee amount	4,140,000	
Net cashflows from investing activities	(165,012,116)	(215,410,997)
Cash from Financing Activities		
Increase/(Decrease) in donor project fund	(40,030,724)	15,208,738
Development Grant for ERC	<u>108,900,000</u>	<u>80,400,000</u>
Net cashflows from Financing activities	68,869,276	95,608,738
Net increase in the bank	(145,937,640)	23,047,482
Cash and cash equivalents at the beginning of the year	<u>390,272,909</u>	<u>367,225,428</u>
Cash and cash equivalents at the end of the year	<u>244,335,269</u>	<u>390,272,909</u>

Kenya Institute of Curriculum Development
Notes to the Accounts
For the year ended 30 June 2013

1. Principal Accounting Policies

The financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS). The Institute adopted the following accounting policies;

a) Basis of preparation

The financial statements are prepared under the historical cost basis of accounting modified to include the valuation of non-current assets. The presentation currency used in the preparation of the financial statements is Kenya Shillings (Kshs.).

b) Revenue recognition/ Government Grant

Revenue is measured at the fair value of the consideration received or receivable excluding discounts and value added taxes or other taxes. Interest income is recognized on a time basis using the effective interest method less withholding taxes where appropriate. Government Grants are recognized in the year they are received from the Ministry of Education.

c) Property, plant and equipment

The Institute has recognized its property, plant and equipment in the financial statements at valuation values and at cost for the additional assets during the year less accumulated depreciation and accumulated impairment losses. The plant, property and equipment were valued for the purposes of recognition in the Institute's books of accounts by professional valuer in the financial year 2010/2011.

Property in the course of construction for administrative or other purposes is held in the books of account as work-in-progress at historical cost. The cost of such assets includes professional fees and costs directly attributable to the asset. Such assets are not depreciated until they are ready for the intended use.

Kenya Institute of Curriculum Development
Notes to the Accounts (continued)

d) Depreciation

Depreciation is calculated using the straight line method to write down the cost or the valued amount of each asset to its residual value over its estimated useful life using the following annual rates. Work-in-progress is not subjected to depreciation.

Asset	Depreciation Rate (%)
Buildings	2.5%
Motor Vehicles	25%
Furniture and Fittings	20%
Computers and Printers	30%
Studio Equipments	5%
Digital Equipment	10%
Hotel Equipments	10%
Tools and Equipment	20%
Office Equipment	20%
Printing Machinery	5%
Generators	10%

e) Intangible Assets

Software licence costs and computer software that is not an integral part of the related hardware are initially recognized at cost, and subsequently carried at cost less accumulated amortization and accumulated impairment losses. Costs that are directly attributable to the production of identifiable computer software products controlled by the Institute are recognized as intangible assets. Amortization is calculated using the straight line method to write down the cost of each licence or item of software to its residual value over its estimated useful life using an annual rate of 30%.

Kenya Institute of Curriculum Development
Notes to the Accounts (continued)

f) Bad and Doubtful Debts Provision and Write Offs

The Institute effects specific and general provisions on doubtful debts. A specific provision for bad debts shall be made when the debtor is deceased, declared bankrupt, untraced debtors or the debt is outstanding for more than two years. A general provision of 5% of the remaining debtors shall be made.

g) Financial instruments

The Institute's principal financial instruments include fixed deposits investments, trade and other receivables, bank and cash balances and trade and other payables.

i) Fixed Deposit Investments

Fixed deposits are investments that give the Institute termly residual interest after deducting the withholding taxes. The carrying values of the investments are the principal amount plus earned interest net of withholding taxes.

ii) Trade and other receivables

Trade receivables are carried at their original invoiced amount less an estimate made for bad and doubtful receivables based on a review of all outstanding amounts, on an account by account basis, at the year end.

iii) Cash and cash equivalents

For the purpose of the statement of cash flow, cash equivalents include short term liquid investments which are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value, net of any outstanding overdrafts.

iv) Accounts payable

Accounts payable are financial liabilities and are carried at fair or contractual value of the consideration to be paid in future in respect of goods and services supplied by the suppliers, whether billed to the Institute or not, less any payments made to the suppliers.

Kenya Institute of Curriculum Development
Notes to the Accounts (continued)

h) Foreign currency transactions

Transactions in foreign currency are translated into Kenya shillings at the rate of exchange ruling on the date of the transaction.

i) Employee benefits

(i) Defined contribution scheme

The Institute holds a defined contributory pension scheme for its employees which is overseen by the Board of Trustees. The Institute and the employees contribute 20% and 10% of the basic pay respectively. It also contributes to the statutory National Social Security Fund (NSSF) whose rates are determined by Kenyan statutes.

The Institute's contributions to the retirement benefit schemes are charged to the income statement in the year to which they relate.

ii) Gratuity

Entitlements to gratuity are recognized when they accrue to qualifying employees at 31 % of the basic pay.

2) Comparatives

The previous year's comparative figures have been adjusted to take into account the prior year adjustments in the financial statements.

3) Interpretation and Amendments to the Financial Statements

The Council has adopted the previous year's format of reporting consistent with the International Financial Reporting Standards.

Kenya Institute of Curriculum Development
Notes to the Accounts (continued)

4) Critical Judgments and Use of Accounting Estimates

The preparation of financial statements in conformity with International Financial Reporting Standards requires the use of certain critical accounting estimates. It also requires Council members to exercise their judgment in the process of applying the accounting policies. The areas involving a higher degree of judgment or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed in the relevant sections of the financial statements. Although these estimates are based on Council members' best knowledge of current events and actions they may undertake in the future, actual results may differ from those estimates.

Kenya Institute of Curriculum Development
Notes to the Accounts (continued)

5 Government Grant

The Institute operations are mainly funded by Government of Kenya. Amount of Kshs. 729,882,810 and Kshs. 722,384,810 were received from the Government in the financial years 2012/2013 and 2011/2012 respectively. The Institute also received Kshs. 108,900,000 and Kshs 80,400,000 as development grant for construction of Education Resource Centre in the financial years 2012/2013 and 2011/2012 respectively.

6 Other income	2013 <u>Kshs.</u>	2012 <u>Kshs.</u>
House Rent	1,708,500	1,672,500
Miscellaneous Revenue	949,279	390,781
Royalty	907,023	746,305
Income from Printing/equipment	54,898,180	2,452,575
Sale of Curriculum Support Material	49,735,152	30,507,220
Sale of Bonded Items	-	877,600
Sale of Tenders	1,656,800	1,631,000
Surplus from NRC Operations	45,943,740	34,919,742
Interest Income	<u>14,318,070</u>	<u>22,164,030</u>
	<u>170,116,744</u>	<u>95,361,753</u>

Kenya Institute of Curriculum Development
Notes to the Accounts (continued)

The above amount of Ksh 45,943,740 for surplus from NRC operations was derived as follows;

Revenues	Kshs
Accommodation	33,266,216
Hiring	5,158,840
Food and Beverages	91,712,361
Business Centre	1,116,406
Other Incomes	516,471
	131,770,294
Less. Expenditure	
Staff Cost	5,156,322
Administration Expenses	9,760,496
Board Expenses	257,000
Operating Expenses	64,064,499
Provision for bad debts	3,093,675
Provision for Depreciation	3,494,563
	85,826,554
Net Surplus For The Year	45,943,740

	2013	2012
	<u>Kshs.</u>	<u>Kshs</u>
7 Staff Cost		
Salaries and Wages	266,701,314	237,282,622
Director's Remunerations	6,288,000	6,288,000
House Allowance	82,372,933	85,045,767
Commuter Allowance	33,361,000	34,228,200
Leave Expenses And Passage	2,790,155	2,810,000
Ex-Gratia	-	201,251
Gratuity	5,887,738	4,960,179
N S S F Contribution	1,061,400	1,058,000
Pensions Contributions 20%	47,955,470	45,810,068
Medical Cover	36,183,896	34,284,558
Training Expenses	<u>5,018,952</u>	<u>6,516,277</u>
	<u>487,620,858</u>	<u>458,484,922</u>

The Institute's staff population stood at 427 and 438 as at 30th June 2013 and 2012 respectively.

Kenya Institute of Curriculum Development
Notes to the Accounts (continued)

§ Administration Expenses	2013 <u>Kshs.</u>	2012 <u>Kshs.</u>
Electricity Expenses	5,799,055	6,628,686
Water & Conservancy	14,212	28,700
Postal & Telegrams Expenses	1,561,377	211,484
Telephone Expenses	896,139	1,483,803
Airtime Expenses	3,154,329	3,090,457
Travel and accommodation	4,571,523	7,249,052
Publishing & Printing	5,981,277	6,028,236
Computer Expenses	9,874,005	11,881,236
Library Expenses	4,640	583,101
Advertising	2,767,431	1,880,617
Subscription to Newspapers & Magazines	988,440	931,980
Official Entertainment Allow.	-	26,000
Funeral Expenses	20,000	83,940
Vehicle Insurance	1,154,752	1,261,092
Group Personal Accident	2,138,886	2,414,378
Other Covers	1,123,393	1,119,884
School Broadcast	34,422,400	32,440,000
Purchase of Suppl. for Product	4,619,000	4,210,860
E-Content Learning/Artists Fee	250,100	568,625
Purchase of Uniforms	44,400	283,013
Stationery	8,560,337	5,788,882
KIE Broadcasting Channel	31,126,983	23,787,534
Maintenance of VCT	938,092	456,000
Bank Charges	170,234	645,946
Provision for Doubtful Debts	(387,300)	1,480,730

**Kenya Institute of Curriculum Development
Notes to the Accounts (continued)**

	2013	2012
	<u>Kshs.</u>	<u>Kshs.</u>
Motor vehicle Expenses	13,342,554	12,430,742
Building Maintenance	3,690,711	1,246,606
Fungicides	137,400	72,150
Ems Equipment Maintenance	419,980	841,500
Office Equipment Maintenance	2,441,419	1,228,146
Asset Valuation	-	652,500
Maintenance of Print Equipment	2,704,496	
Maintenance Workshop Equipment	120,229	-
Software Licences	1,862,684	3,382,578
KIE Policy and Bill	1,239,744	4,678,623
Corporate Social Responsibility	432,750	741,190
Legal Fees	1,297,533	209,627
Administration-Division – Expenses	16,175,295	8,025,115
Human Resources-Division – Expenses	468,750	885,216
Finance and Accounts-Division - Expenses	<u>1,464,307</u>	<u>1,134,782</u>
	<u>165,591,557</u>	<u>150,093,011</u>
9 Operating Expenses	2013	2012
	<u>Kshs.</u>	<u>Kshs.</u>
Basic Education	13,784,108	21,327,371
Corporate Communication & Marketing	1,413,757	388,518
Curriculum, Orientation and Field Services	4,406,168	4,833,078
TIVET	5,941,174	8,607,741
Education Resources	5,470,177	5,086,018
Electronic and Emerging Media	26,953,561	21,175,303
Text Book Evaluation	47,157,683	29,767,454
Research Monitoring & Evaluation	3,567,118	3,687,333
	<u>108,693,746</u>	<u>94,872,816</u>

Kenya Institute of Curriculum Development
Notes to the Accounts (continued)

	2013 <u>Kshs.</u>	2012 <u>Kshs.</u>
10 Board Expenses		
Board Expenses	4,615,000	5,348,000
	<u>4,615,000</u>	<u>5,348,000</u>

11 Provision for Audit Fees

The amount of Kshs. 1,136,000 includes Kshs. 928,000 being provision for audit fees for the year 2012/2013.

12 Provision for Depreciation

	2013 <u>Kshs.</u>	2012 <u>Kshs.</u>
Buildings	10,585,875	10,585,875
Motor Vehicles	11,798,500	9,798,500
Furniture and Fittings	4,130,156	3,483,298
Computers and Printers	8,798,102	8,743,508
Studio Equipments	5,816,627	1,274,462
Digital Equipment	625,550	619,300
Hotel Equipments	364,800	364,800
Tools and Equipment	1,580,814	1,315,000
Office Equipment	1,026,900	1,026,900
Printing Machinery	5,153,400	4,723,400
Generators	976,500	976,500
Intangible Asset	1,981,801	1,981,801
	<u>52,839,025</u>	<u>44,893,344</u>

Kenya Institute of Curriculum Development
Notes to the Accounts (continued)

13 Property, Plant and Equipment

Valuation/cost as at 01/07/2012	LAND Kshs.	BUILDINGS Kshs.	FURN & FITTINGS Kshs.	MOTOR VEHICLES Kshs.	COMPUTERS Kshs.	STUDIO EQUIP Kshs.	DIGITAL EQUIP Kshs.	HOTEL EQUIP Kshs.	TOOLS & EQUIP Kshs.	OFFICE EQUIP Kshs.	PRINTING MACHINE Kshs.	GENERATORS Kshs.	WIP Kshs.	TOTAL Kshs.
	416,000,000	441,949,557	18,503,798	39,194,000	29,145,026	25,489,234	6,193,000	9,369,030	9,707,000	5,213,550	94,468,000	9,765,000	84,500,068	1,189,497,263
Additions During the year	-	869,619	4,834,979	8,000,000	708,560	90,843,311	2,459,348	6,091,442	2,469,345	115,935	8,600,000	-	44,159,577	169,152,116
Total Cost	416,000,000	442,819,176	23,338,777	47,194,000	29,853,586	116,332,545	8,652,348	15,460,472	12,176,345	5,329,485	103,068,000	9,765,000	128,659,645	1,358,649,379
Dep. As at 01/07/12	-	11,048,739	3,700,760	9,798,500	8,743,508	1,274,462	619,300	936,903	1,941,400	1,042,710	4,723,400	976,500	-	44,806,181
Deprec charge	-	11,070,479	4,667,755	11,798,500	8,956,076	5,816,627	865,235	1,546,047	2,435,269	1,065,897	5,153,400	976,500	-	54,351,785
Accumulated depr	-	22,119,218	8,368,515	21,597,000	17,699,584	7,091,089	1,484,535	2,482,950	4,376,669	2,108,607	9,876,800	1,953,000	-	99,157,966
NBV AS AT 30/06/2012	416,000,000	430,900,818	14,803,038	29,395,500	20,401,518	24,214,772	5,573,700	8,432,127	7,765,600	4,170,840	89,744,600	8,788,500	84,500,068	1,144,691,081
NBV AS AT 30/06/2013	416,000,000	420,699,958	14,970,262	25,597,000	12,154,002	109,241,456	7,167,813	12,977,522	7,799,676	3,220,878	93,191,200	7,812,000	128,659,645	1,259,491,412

Work in Progress amount of Kshs. 44,159,577 relates to amount spent during the financial year for the professional fees in relation to the construction of Education Resource Centre and cost of Renovations of buildings.

Kenya Institute of Curriculum Development
Notes to the Accounts (continued)

14 Intangible Assets

	<u>Kshs.</u>
Cost of Intangible asset as at 01/07/2012	6,606,005
Additions during the year	=
Total	6,606,005
Less amortization charge for the year	<u>(3,963,603)</u>
Net Book Value as at 30/06/12	<u>2,642,402</u>

The intangible assets related to cost on upgrade of the Accounting system to Sage ACCPAC version 5.0 which was done in the financial year 2010/2011 and Biometric HR System implemented in the financial year 2011/2012.

15 Trade and Other Receivables

	2013	2012
	<u>Kshs.</u>	<u>Kshs.</u>
a) Staff Receivables		
Staff Imprest	1,415,507	4,909,185
Staff Advances	56,503	825,182
Car Loans	-	68,906
	1,472,010	5,803,273
Less Provision for Doubtful debts	<u>(86,539)</u>	<u>(4,530,683)</u>
	<u>1,385,471</u>	<u>1,272,590</u>
b) Other Receivables		
KIE other Receivables	103,025,362	-
Ministry of Education	192,820,203	28,400,000
Statutory Deductions	19,960	55,502
Trade receivable	51,388,302	54,840,479
	347,253,827	83,295,981
Less Provision for Doubtful debts	<u>(20,115,290)</u>	<u>(17,408,914)</u>
	<u>327,138,537</u>	<u>65,887,067</u>
TOTAL	<u>328,524,008</u>	<u>67,159,657</u>

Kenya Institute of Curriculum Development
Notes to the Accounts (continued)

The accumulated provision amount of Kshs. 20,201,829 was specific provision as well as general provision for debtors for the year 2012/2013.

16 Prepayments and Deposits

	2013	2012
	<u>Kshs.</u>	<u>Kshs.</u>
Prepaid Insurances	5,091,031	3,940,429
Prepaid Software Licenses	-	487,783
Electricity Deposit	1,057,501	1,057,501
Fuel Deposit	100,000	100,000
MPESA	300,000	300,000
Equity Agency	500,000	500,000
Broadcasting Equipment	=	<u>22,750,000</u>
Total	<u>7,048,532</u>	<u>29,135,713</u>

	2013	2012
	<u>Kshs.</u>	<u>Kshs.</u>
17 Short term Investments Balances		
Continental Credit	4,922,865	4,922,865
Bank Indosuez	120,000	120,000
Fixed Deposit – Co-op Bank	73,350,383	121,715,597
Bank Guarantee-Co-op Bank	<u>4,874,581</u>	-
Less Provision for doubtful debts	83,267,829	126,758,462
	<u>(5,042,865)</u>	<u>(5,042,865)</u>
	<u>78,224,964</u>	<u>121,715,597</u>

Short term investment balances of Kshs. 4,922,865 and Kshs. 120,000 represents investment at cost with Continental Credit Bank (under receivership) and Bank Indosuez respectively in which the recovery is doubtful thus the provision in full.

The Bank Guarantee-Co-op Bank of Kshs. 4,874,581 relates to Fuel and LPG gas in favour of Total Kenya Limited.

Kenya Institute of Curriculum Development
Notes to the Accounts (continued)

18 Cash and Bank

	2013	2012
	<u>Kshs.</u>	<u>Kshs.</u>
Kenya Commercial Bank		
Main Account	16,042,737	47,970,975
Account No 2	30,884,261	33,080,636
Cash collection	24,252	122,403
Petty cash	71,350	-
 Cooperative Bank Ltd		
KIE Income Generating Account-	52,242,159	89,724,905
Elimination of Child Labour	1,604,326	-
KIE Foreign Account	2,664,228	2,669,261
TIVET	1,791,195	5,781,545
Curriculum Innovation	2,370,213	3,994,605
NACECE Resource Centre	59,467,694	87,226,457
Equity Bank Ltd		
KIE Uraia Trust Account	959,365	-
	<u>168,121,780</u>	<u>270,570,787</u>

19 Revenue Reserve

	2013	2012
	Kshs	Kshs
Balance at the Start of the Period	437,088,854	373,834,384
Prior Year Adjustment-Bank Guarantee	4,140,000	-
Surplus/(Deficit)for the year	<u>79,503,368</u>	<u>63,254,470</u>
Balance as at end of the Period	<u>520,732,222</u>	<u>437,088,854</u>

**Kenya Institute of Curriculum Development
Notes to the Accounts (continued)**

20 Capital Reserve

The Institute valued its Non-Current assets for the first time during the financial year 2010/2011. The amount of Kshs. 1,167,250,800 is carried in the books as capital reserves. This amount includes valuation of assets of Kshs. 977,950,800 and cumulative development grant of Kshs. 189,300,000.

	<u>2013</u> <u>Kshs.</u>	<u>2012</u> <u>Kshs.</u>
21 Donor Projects Funds		
Mindset Network (Tafakari Project)	-	3,871,059
TIVET MOYA	1,113,572	5,342,772
Safaricom Teachers Laptop	-	157,600
TIVET-Catering Levy Devt. Trustee	1,253,700	1,253,700
Faraja Trust	1,569,120	1,569,120
C.C.K. Project	-	3,954,856
KIE PPOA	912,000	912,000
UNICEF /ECD Consultancy	2,104,460	-
UNICEF Life Skill/ Peace	-	2,097,230
TIVET Insurance	2,720,022	2,524,750
KIE/ Kenya School of Monetary Studies	1,004,893	1,004,893
KIE/ Prisons Training	-	74,205
TIVET /KAFTEC	453,000	453,000
TIVET /Aviation	495,000	495,000
World Food Programme	-	763,000
KIE Police Training	204,898	663,259
TIVET/KASNEB	347,760	347,760
TIVET/KPA	3,019,445	2,625,445
KIE/Intel	887,779	3,246,379
ICL/Peer Support	-	197,600
TIVET/Petroleum	465,868	682,336

Kenya Institute of Curriculum Development
Notes to the Accounts (continued)

	2013 <u>Kshs.</u>	2012 <u>Kshs.</u>
TIVET IIEBC	1,322,114	813,660
Hope World Wide	-	163,000
TIVET Kesi	153,860	153,860
TIVET Livestock	-	172,414
TIVET/Computers	500,000	500,000
TIVET Prison Curriculum	919,070	919,070
KIE Nema	1,184,525	1,944,525
TIVET KWS	2,124,185	904,115
UNICEF DRR	-	25,480,412
NFE Save the Children Fund	-	73,640
NACADA	668,041	1,000,165
Mathare Youth Sports Association	103,236	356,960
ECDE Curriculum	-	120,000
Financial Literacy	1,256,578	-
Sense International	23,935	-
	<u>24,807,061</u>	<u>64,837,785</u>

22 Trade and other Payables	2013 <u>Kshs.</u>	2012 <u>Kshs.</u>
Trade & Other Payables	115,520,004	71,716,111
Retention	1,048,316	237,913
Provision for Gratuity	2,541,083	3,096,583
Statutory and Other Remittances	<u>10,142,137</u>	<u>555,518</u>
	<u>129,251,540</u>	<u>75,606,125</u>

23 Bank Overdrafts	2013 <u>Kshs.</u>	2012 <u>Kshs.</u>
Continental Credit	<u>2,011,475</u>	<u>2,011,475</u>
Elimination of Child Labour	-	<u>2,000</u>
	<u>2,011,475</u>	<u>2,013,475</u>

The bank overdraft of Kshs. 2,011,475 relates to the amount overdrawn on KIE current Account held with the Continental Credit bank under receivership.