

**REPORT**

**OF**

**THE AUDITOR-GENERAL**

**ON**

**CENTRE FOR MATHEMATICS, SCIENCE AND  
TECHNOLOGY EDUCATION IN AFRICA**

**FOR THE YEAR ENDED  
30 JUNE, 2019**





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

**REPORTS AND FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED  
30 JUNE, 2019**

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



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**I. KEY ENTITY INFORMATION AND MANAGEMENT**

**(a) Background Information and Legal framework**

Centre for Mathematics, Science and Technology Education in Africa (CEMASTEА) is a 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.

CEMASTEА 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). CEMASTEА is headed by Director, who is responsible for the general policy and strategic direction in realizing its mandate.

**(b) Principal Activities**

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

**(c) Entity Headquarters**

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

**(d) Entity Contacts**

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

**KEY ENTITY INFORMATION AND MANAGEMENT (Continued)**

**(e) Entity Bankers**

1. Kenya Commercial Bank  
Karen Branch  
P.O Box 24410 - 100300  
Karen
  
2. Co-operative Bank  
Nairobi Business Centre Branch  
P.O Box 19555-00202  
Nairobi
  
3. NIC Bank  
Junction Branch  
P.O Box 24214 -00502  
Nairobi Kenya
  
4. National Bank of Kenya  
Times Tower Branch  
P.O.BOX 24214 - 00502  
Nairobi

**(f) Independent Auditors**

Auditor-General  
Anniversary Towers, University Way  
P.O. Box 30084  
GPO 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 31<sup>st</sup> August 2015, hence the centre operated without board of management in financial year 2018-2019. The centre wrote to ministry of Education which is mandated to appoint board of management and no response to date.

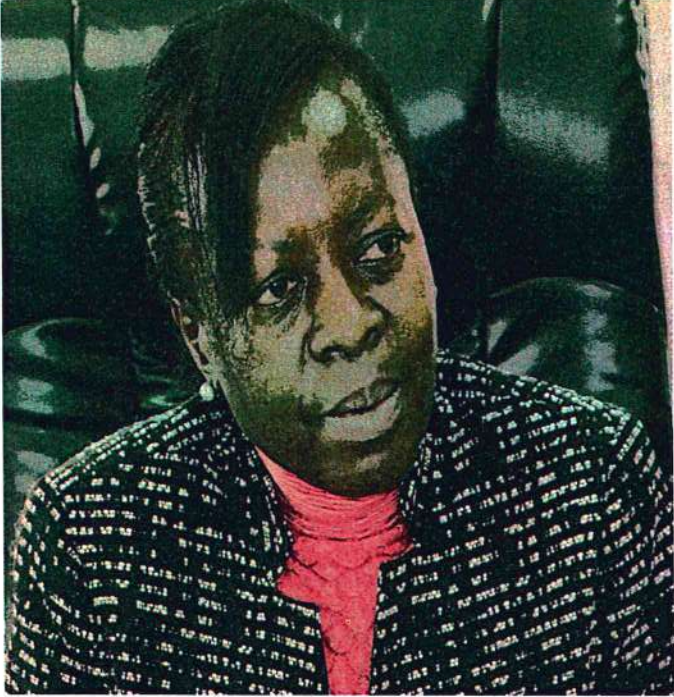
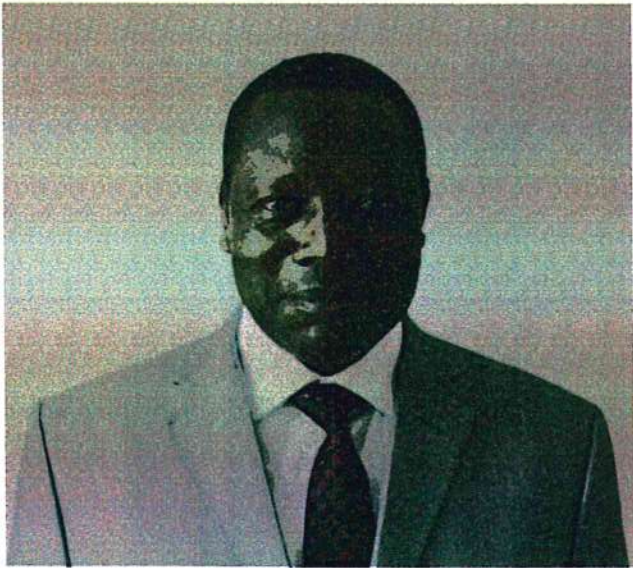
**(i) Board Committees**




Due absence of the board of management, there has not been board committees during the financial year 2018-2019. The management has been requiring from principal secretary on all key decisions.

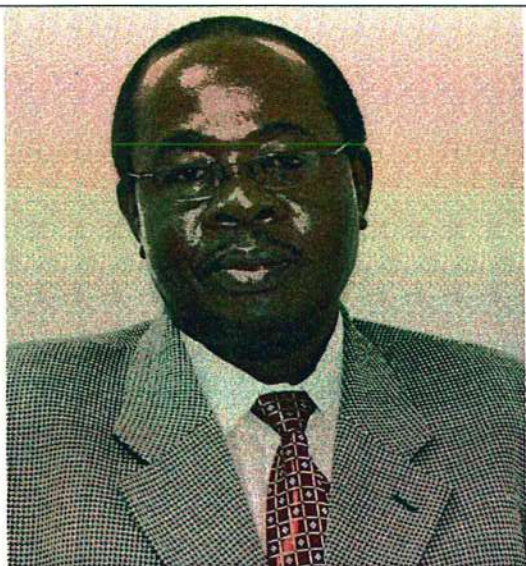


**KEY ENTITY INFORMATION AND MANAGEMENT (Continued)**

**(a) Key Management**

Name of the Staff	Responsibility
 <p data-bbox="225 1261 595 1294">Mrs. Jacinta L. Akatsa , HSC</p>	<p data-bbox="949 607 1508 707">She is the incoming Chief Executive Officer/ Managing Director. Reported on July 2019.</p> <p data-bbox="949 712 1417 745">She holds Ex. MBA, B.Ed. (Science).</p> <p data-bbox="949 768 1508 1171">Responsible for the running of the Centre affairs to ensure that the mission is achieved and efficiency of the Centre is achieved. She is the secretary to the Board of Management and chairperson of the Senior Management Committee. Also responsible for spearheading partnerships of the Centre. She directs the Centre to achieve its mandate.</p>
 <p data-bbox="229 1917 544 1951">Mr. Stephen M. Njoroge</p>	<p data-bbox="949 1424 1508 1563">He is the outgoing Director. He has been the Director of the Centre from the year 2014-2019.</p> <p data-bbox="949 1585 1508 1832">He was responsible for the running of the Centre affairs to ensure that the mission is achieved and efficiency of the Centre is achieved. He was the secretary to the Board of Management</p>

 <p>Mrs. Lydia Muriithi</p>	<p>Holds MBA &amp; B.Ed. (Science)</p> <p>She is the Coordinator Student &amp; Support Services since January 2014. She was the Acting Deputy Director CEMASTEAM from 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).</p> <p>He is Coordinator Science, Technology Engineering and Mathematics program) He has 13 years' experience as National Trainer.</p>
 <p>Mr. Bradon Sila</p>	<p>He holds MBA Finance, B.Com (Finance), CPA (K).</p> <p>He is the Finance Officer. He has experience of 12 years in the field of Finance and Accounting</p> <p>In charge of planning, sourcing and managing financial resources to achieve corporate objectives.</p>




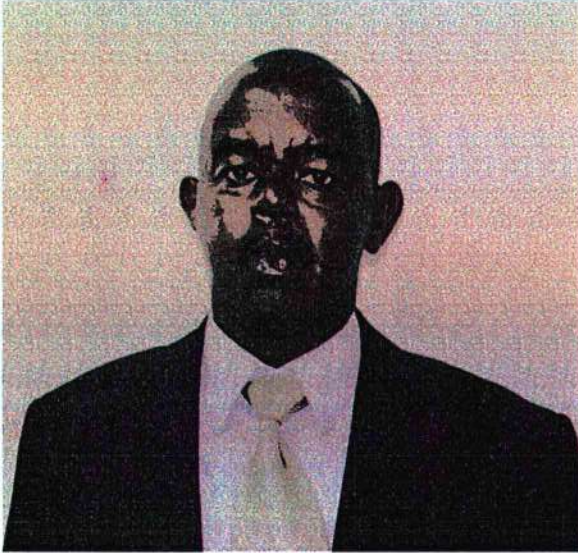
Mr. Patrcik Kogolla

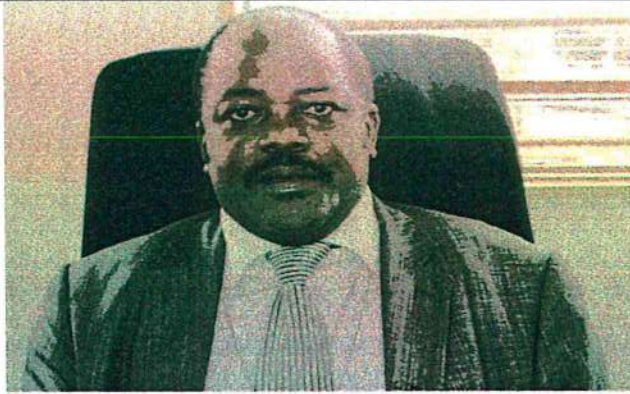
He is the Coordinator Training and academic affairs. Holds a M.Ed (Teacher Education) ,15 Years' experience as Chemistry/Mathematics Teacher ,6 Years Head of Science Department ,Months Experience as a Deputy Principal ,2 Year National Trainer-SMASE Project ,14 years as Head of Programmes at SMASE Project and CEMASTE A



Mrs. Mary Sichangi

A graduate of the University of Nairobi with Masters in Project Planning and Management class of 2010 and Kenyatta University with B-Ed (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

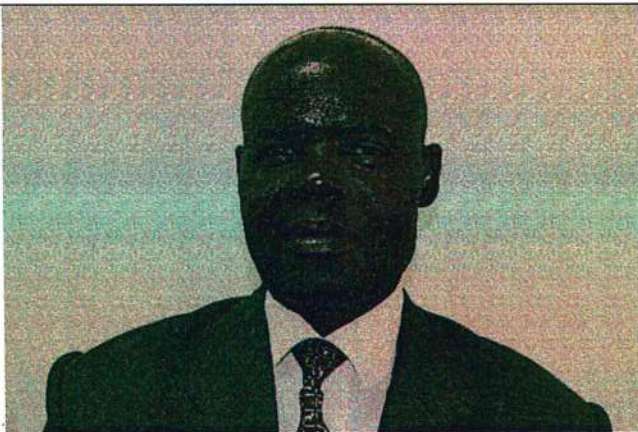
 <p>Mr. Victor Oduk</p>	<p>Acting Head of HRM Department who currently is pursuing Masters of Science in Human Resource Management. Am a holder of Bachelor of Commerce (HRM Option), CPS 1. Am a member of the IHRM body. Years of experience: 4years</p>
 <p>Mr. Joseph Ngugi , Internal Auditor</p>	<p>He holds BBA (Accounting) &amp; CPA 1 He Responsible for the provision of Internal Auditing and advisory services to internal Management, assisting in controlling risk and monitoring compliance. He is also the secretary Internal Audit Committee of the Board</p>



Mr. Paul Waibochi, Head ICT department.

He holds M.Ed., B.Ed. & Diploma in project management

He is Responsible for managing the ICT programs of the Institute. In charge of planning, sourcing and implementing the ICT programs.



Mr. John Makanda, Coordinator Secondary Program

Master of education (science)

Working experience of over 30 years in training out of which 14 years has worked as national Trainer in Physics at CEMASTE A.

Current he also Coordinator, Secondary Programmes



Mr. George Kiruja, Coordinator Primary Program

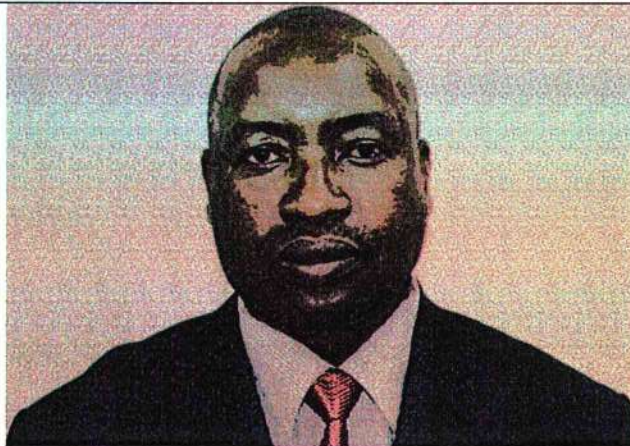
Master's in Education, over 14 years'

experience in training working in CEMASTE A 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  
He is Dean, Physics Department.



Mr.Samuel Gachui, Dean Chemistry Department

He holds M.Ed., Admin& Planning  
B.ED(Science)  
He is the Dean Chemistry Department  
Materials.



Makoba Edmond Kizito , Dean Biology



He is the dean of Biology department with 30 year years of teaching experience. His responsibilities include coordination of departmental activities such as preparation of work plans, Supervision of implementation of work plans, development of training materials for teachers, implementation of training for teachers of math and science education as well as preparation of training reports. He also conducts research in innovative teaching and learning strategies in mathematics and science education.





Ms.Nancy Nui,  
Dean Mathematics Department

She holds M.Ed. (Mathematics Education) & B.Ed.

She is the Dean, mathematics department.

 <p>Dr. Grace Orado, Coordinator ,Research and Development Programme</p>	<p>She is the Coordinator, Research &amp; Development (R&amp;D) Department</p> <p>She holds a PhD (Science Education), M. E.D (Science Education), B.E.D (Science)</p> <p>She has been a Teacher of mathematics and chemistry for 12 years (1989 - 2000) Teacher educator in science education and chemistry education in particular for 19 years (2001- to date)</p>
 <p>Mary Namunyak, Head of Hospitality</p>	<p>She is the head of hospitality. She holds a B.Sc. in Hospitality Management and Diploma in Catering and accommodation management .she has 5 years' experience in Hospitality</p>



 <p>Mr. Robert Aura, Estate Officer</p>	<p>He Holds a Diploma Building &amp; Civil Engineering Diploma Technical Education Diploma Community Health Craft III Carpentry &amp; Joinery Responsible for safeguarding of CEMASTEAs properties to ensure they are in good condition and are well maintained.</p>
 <p>Ms Lydia Kang'ara , Supply Chain Management Officer 1</p>	<p>She is the Supply Chain Management Officer 1 and head of procurement department. Currently undertaking the CIPS professional Course. She is responsible for all procurement processes.</p>

## **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, 2019. 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, 2019, 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 31<sup>st</sup> August 2015, hence the centre has operated without board of management in financial year 2018-2019. The Centre wrote to Ministry of Education which has not appointed to date.

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

**Approval of the financial statements**

CEMASTEAM's financial statements were approved by the Management on 31 August 2019 and signed on its behalf by:



**Director**



**Finance Officer**

**ICPAK NO: 9121**

### **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) 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 CEMASTEAM 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 systematically roll-out the STEM Education Model Schools Program, CEMASTEAM has carried out several activities. The Centre selected the first batch of 47 schools in 2016 and the second batch in early 2017. CEMASTEAM 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 1<sup>st</sup>, 2<sup>nd</sup> and 3<sup>rd</sup> batch of STEM equipment for the of 102 schools were purchased. 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, Robotic Kits (Lego), White-boards, Light Microscopes, Potometers, Biological Models, Preserved specimens, Liebig Condensers, Hoffmans Apparatus, Atomic Models, Fractionating Columns, Electronic Balance, Cathode Ray Oscilloscopes, Ammeters, Voltmeters, 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, CEMASTEА also developed a STEM training module which was rolled out for training of teachers and sensitization of stakeholders in the financial year 2018-2019. 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

CEMASTEА has also trained two National Trainers on STEM in Israel to strengthen programme implementation.

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**b) Teacher Professional Capacity Building**

CEMASTEА has trained 17,663 teachers at national and county levels for both primary and secondary schools despite limitation in financial resources in the financial year 2018/2019.

**Training Statistics**

	Trainees	Number of Teachers Trained			
		2017/2018		2018/2019	
		At National Level	At County Level	At National Level	At County Level
Primary	Number of County Trainers trained	-	-	82	N/A
	Number of primary mathematics and science teachers trained	-	-	1,458	N/A
	Number of stakeholders sensitized		210	190	
Secondary	Number of County Trainers trained	1,000	-	1,132	N/A
	Number of mathematics and science teachers trained	6,680	-	N/A	9,482
	Number of INSET centre Principals trained	-	108	110	N/A
	Number of County Trainers Representatives trained	-	47	45	N/A
	No of teachers trained on Lesson Study	-	-	-	1,200
ICT integration	Number of teachers trained on ICT integration	-	1,800	N/A	3,547
International Trainings-	Number of secondary mathematics and science teachers and educators trained	113	-	-	N/A
	Number of primary mathematics and science teachers and educators trained	43	-	-	N/A
Field Services	Number of teachers trained	-	-	N/A	319
	Number of Principals and BOM chairs trained	-	-	98	N/A

**c) Partnerships and Linkages**

The Center for Mathematics Science and Technology Education in Africa (CEMASTEА) 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 CEMASTEА 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

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expertise. It is envisaged that CEMASTEAs programs will continue to expand and therefore more partners both at national and international levels will continue showing interest to work with CEMASTEAs.

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	Performance Objective	Partner	Program	Budget (USD)	Type of contract	Date / duration	Remarks / Output
	PO 1	UNESCO-Paris, France	Quality gender responsive STEM education for M&S teachers from Francophone African countries:	45,991.00. Plus in-kind	Implementation partners agreement	20/07/2018 to 30/11/2018	9TOTs from three countries trained in NBI and 69 educators from 12 countries trained in Dakar, Senegal
	PO 1	Institute of International Education, USA	Quality gender responsive STEM education for M&S teachers from Francophone African countries	12,000	Subcontract or agreement	10/07/2018 to 30/10/2018	9 ToTs trained in NBI in readiness to cascade training in Dakar Senegal
	PO 3	UNESCO-EA	Advocacy platform: Pan African High Level conference on Education (PACE), Nairobi		UNESCO-KNATCOM linkage	April 2018	Conference report / In kind support

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PO 3	AFTRA forum	Advocacy platform Paper presentation and showcase CEMASTE A programs in Nigeria		The centre is an Associate member	May 2018	Book of abstracts / In kind support
PO 3	AIMS and NEF forum	Advocacy platform: Next Einstein Forum in Rwanda		ADEA's ICQN-MSE linkage	March 2018	Report / In kind support
PO 3	African Confederation of Principals	Advocacy Forum: Held in Mombasa Kenya		KESSHA Linkage	August, 2018	Report / In kind support
PO 1	AUC-HRST	African Union Commission – Youth Volunteer program		Co-coordinator, CESA STEM cluster	Annually	Report / Officer funded by partner in kind
PO 4	JICA, Zambia	Knowledge Co Creation Training Program (KCCP 2018) TCTP - Zambia		SMASE Africa linkage	May-June 2018	Report / 2 officers trained (INT & ICT) by partner in kind
PO 2 &	AUC-HRST	Launch of CESA curriculum cluster and Coordination meeting		Co-coordinator, CESA STEM cluster	December 2018	Report / Funds paid by partner in kind
PO 4	MASHAV ISRAEL	International seminar on: "education for science and math - stem framework"		MOE – Israel agreement	January to February 2018	Report / Funds paid by partner in kind
PO 1	MWLAIMU -PLUS	Partnership on		Letter of agreement		Report / Funds



			integration of ICT in teaching mathematics training for teachers since 2017				paid to schools and officers in kind
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**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 any 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 financed by the government and sometimes there is delay in receipt of budgeted funds. During the financial year 2018-2019 the Centre did not receive a total of Ksh. 52M contrary to the approved estimates. This caused liquidity risk as leading to very low cash flows available to support the center's mandate.

**SECTION E**

**Material arrears in statutory/financial obligations**

There were no material obligations or arrears in the year of reporting and therefore no major provisions made in the financial year 2018-2019

**SECTION F**

**The Centre's financial probity and serious governance issues**

During the financial year 2018-2019 there were no governance issues reported and there is no audit issues or queries outstanding except the outstanding appointments of Board Members by Ministry of Education.

**REPORT OF THE MANAGEMENT**

The management submit their annual report and financial statements for the year ended June 30, 2019 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 30 June 2019 are set out on page 1 to 26.

**Board of Management**

The term of the board expired on 31 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 30 June 2019.

**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 30 June 2019.

  
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**Jacinta L. Akatsa**

Date..... 

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**IV. REPORT OF THE AUDITOR-GENERAL ON CEMASTEAM FINANCIAL STATEMENTS**



# REPUBLIC OF KENYA

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P.O. Box 30084-00100  
NAIROBI

## REPORT OF THE AUDITOR-GENERAL ON CENTRE FOR MATHEMATICS, SCIENCE AND TECHNOLOGY EDUCATION IN AFRICA FOR THE YEAR ENDED 30 JUNE, 2019

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### 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 1 to 25, which comprise the statement of financial position as at 30 June, 2019, 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, 2019 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.

#### Basis for Opinion

The audit was conducted in accordance with International Standards of Supreme Audit Institutions (ISSAIs). I am independent of the Centre for Mathematics, Science and Technology Education in Africa Management in accordance with ISSAI 130 on Code of Ethics. I have fulfilled other ethical responsibilities in accordance with the ISSAI and in accordance with other ethical requirements applicable to performing audits of financial statements in Kenya. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

#### Emphasis of Matter

##### Financial Performance

The statement of financial performance as at 30 June, 2019 reflects a deficit of Kshs.58,586,914 (2017/2018: Deficit of Kshs.98,393,985) thereby reducing the revenue

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reserve to a negative balance of Kshs.24,996,447 as at 30 June, 2019. Although the Management has attributed this to non-release of adequate Exchequer allocations by The National Treasury, if strategies are not put in place to reverse the trend, the entity is likely to face financial challenges in the near future.

### **Key Audit Matters**

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

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

### **Conclusion**

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

### **Basis for Conclusion**

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

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

### **Conclusion**

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

### **Basis for Conclusion**

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



## **Responsibility of Management and those Charged with Governance**

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 maintaining effective internal control as Management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error and for its assessment of the effectiveness of internal control, risk management and governance.

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 Management is aware of the intention to terminate the Centre or to cease operations.

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

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

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

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

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

In addition to the audit of the financial statements, a compliance audit is planned and performed to express a conclusion about whether, in all material respects, the activities, financial transactions and information reflected in the financial statements are in

compliance with the authorities that govern them and that public resources are applied in an effective way, in accordance with the provisions of Article 229(6) of the Constitution and submit the audit report in compliance with Article 229(7) of the Constitution.

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

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

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

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



**Nancy Gathungu**  
**AUDITOR-GENERAL**

**Nairobi**

**11 February, 2021**



**V. STATEMENT OF FINANCIAL PERFORMANCE  
FOR YEAR ENDED 30 JUNE 2019**

	Note	2018-2019	2017-2018 ( Restated)
		Kshs	Kshs
<b>INCOME</b>			
<b>Revenue from non-exchange transactions</b>			
Grants from Ministry	1	730,494,834	694,466,900
Transfers from Partners	2	20,206,823	24,559,562
<b>Sub-Total</b>		<b>750,701,657</b>	<b>719,026,462</b>
<b>Revenue from exchange transactions</b>			
Rendering Services	3	15,109,957	33,493,982
Finance Income	4	54,587	132,956
Other Income	5	3,353,782	1,467,290
<b>Sub-Total</b>		<b>18,518,326</b>	<b>35,094,228</b>
<b>Total Revenues</b>		<b>769,219,983</b>	<b>754,120,690</b>
<b>EXPENSES</b>			
Training expenses	6	619,626,964	694,798,391
Employee Costs	7	42,856,504	37,133,504
Repairs and Maintenance	8	18,888,428	17,157,752
Cleaning Services	9	8,486,607	8,657,764
Water & Electricity	10	6,430,711	7,241,802
General Expenses	11	99,586,702	64,055,724
Audit & Consultancy	12	10,674,068	2,993,279
Bank Charges	13	371,911	369,753
Depreciation Expense	14	20,885,003	20,106,706
<b>Total Expenses</b>		<b>827,806,897</b>	<b>852,514,675</b>
<b>Surplus/Deficit for the period</b>		<b>(58,586,914)</b>	<b>(98,393,985)</b>

The notes set out on pages 16 to 26 form an integral part of the annual Financial Statements.

**CENTRE FOR MATHEMATICS, SCIENCE AND TECHNOLOGY EDUCATION IN AFRICA**  
**Reports and Financial Statements**  
**For the year ended 30 June 2019**

**VI. STATEMENT OF FINANCIAL POSITION**  
**AS AT 30 JUNE 2019**

	Note	2018-2019	2017-2018
		Kshs	Kshs
<b>ASSETS</b>			
<b>Current Assets</b>			
Cash and Cash Equivalents	15	25,211,718	57,290,625
Trade Receivables	16	6,214,963	18,351,606
		<b>31,426,681</b>	<b>75,642,231</b>
<b>Non-Current Assets</b>			
Property, Plant and Equipment	17	990,522,368	1,001,007,372
<b>Total Assets</b>		<b>1,021,949,050</b>	<b>1,076,649,603</b>
<b>LIABILITIES</b>			
<b>Non-Current Liabilities</b>			
Revaluation Reserves	18A	385,642,480	385,642,480
Accumulated Reserves	18B	(24,996,447)	33,590,467
Capital Reserves	18C	640,126,000	640,126,000
<b>Current Liabilities</b>			
Trade and Other Payables	19	21,177,017	17,290,656
<b>Total Liabilities</b>		<b>1,021,949,050</b>	<b>1,076,649,603</b>

The annual Financial Statements set out on pages 1 to 26 were approved on 7th September, 2019 and signed by:



.....  
**Jacinta L. Akatsa HSC**  
**Director**

Date: **30<sup>th</sup> Sept 2019**



.....  
**Brandon Sila**  
**Finance Officer**  
**ICPAK No.9121**

Date: **30.09.2019**

**VII. STATEMENT OF CHANGES IN NET ASSETS  
FOR THE YEAR ENDED 30 JUNE 2019**

	<b>Attributable to the owners of controlling Commission</b>			
	<b>Reserves</b>			
	<b>Capital Reserve</b>	<b>Revaluation Reserve</b>	<b>Accumulated Surplus</b>	<b>Total</b>
<b>Balance as at 1 July 2017</b>	640,126,000	385,642,480	131,984,451	<b>1,157,752,932</b>
Transfers to/from accumulated surplus	-	-	(98,393,985)	<b>(98,393,985)</b>
<b>Balance as at 30 June 2018</b>	<b>640,126,000</b>	<b>385,642,480</b>	<b>33,590,467</b>	<b>1,059,358,947</b>
<b>Balance as at 1 July 2018</b>	<b>640,126,000</b>	<b>385,642,480</b>	<b>33,590,467</b>	<b>1,059,358,947</b>
Transfers to/from accumulated surplus	-	-	(58,586,914)	<b>(58,586,914)</b>
<b>Balance as at 30 June 2019</b>	<b>640,126,000</b>	<b>385,642,480</b>	<b>(24,996,447)</b>	<b>1,000,772,033</b>

**CENTRE FOR MATHEMATICS, SCIENCE AND TECHNOLOGY EDUCATION IN AFRICA**  
**Reports and Financial Statements**  
**For the year ended 30 June 2019**

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**VIII. STATEMENT OF CASH FLOWS**  
**FOR THE YEAR ENDED 30 JUNE 2019**

	Note	2018-2019	2017-2018
		Kshs	Kshs
Surplus/Deficit for the period		(58,586,914)	(98,393,985)
<b>Adjustments for:</b>			
Depreciation and Amortization Expense	14	20,885,003	20,106,706
Increase/Decrease of Receivables	16	12,136,643	(7,132,746)
Increase/Decrease of Payables	19	3,886,361	(8,736,344)
<b>Net Cash Flows from Operating Activities</b>		<b>(21,678,907)</b>	<b>(94,156,369)</b>
<b>Cash Flows from Investing Activities</b>			
Purchase of Property, Plant and equipment	17	(10,400,000)	(15,325,751)
<b>Net Cash Flows from Investing Activities</b>		<b>(10,400,000)</b>	<b>(15,325,751)</b>
<b>NET INCREASE IN CASH AND CASH EQUIVALENT</b>		<b>(32,078,907)</b>	<b>(109,482,120)</b>
<b>Cash and cash equivalent at BEGINNING of the year</b>		<b>57,290,625</b>	<b>166,772,745</b>
<b>Cash and cash equivalent at END of the year</b>	15	<b>25,211,718</b>	<b>57,290,625</b>



**CENTRE FOR MATHEMATICS, SCIENCE AND TECHNOLOGY EDUCATION IN AFRICA**  
**Reports and Financial Statements**  
**For the year ended 30 June 2019**

**IX. STATEMENT OF COMPARISON OF BUDGET AND ACTUAL AMOUNTS  
 FOR THE YEAR ENDED 30 JUNE 2019**

	<b>Original Budget</b>	<b>Adjustment</b>	<b>Final budget</b>	<b>Actual on comparable basis</b>	<b>Performance difference</b>	<b>% Utilization</b>
<b>Revenue</b>	<b>Kshs</b>	<b>Kshs</b>	<b>Kshs</b>	<b>Kshs</b>	<b>Kshs</b>	
Grants from Ministry	757,684,000	-	757,684,000	730,494,834	(27,189,166)	96%
Transfers from Partners	9,700,000	-	9,700,000	20,206,823	10,506,823	208%
Rendering Services	15,267,786	-	15,267,786	15,109,957	(157,829)	99%
Finance Income	54,587	-	54,587	54,587	-	100%
Other Income	4,000,000	-	4,000,000	3,353,782	646,218	84%
<b>Total income</b>	<b>786,706,373</b>	<b>0</b>	<b>786,706,373</b>	<b>769,219,983</b>	<b>(17,486,390)</b>	<b>98%</b>
<b>Expenses</b>						
Training-INSET	622,750,000	-	622,750,000	619,626,964	(3,123,036)	99%
Compensation of employees	44,260,000	-	44,260,000	42,856,504	(1,403,496)	97%
Goods and services	39,373,700	5,792,460	45,166,160	44,479,814	(686,346)	98%
Bank charges	408,000	-	408,000	371,911	(36,090)	91%
General expenditure	79,896,300	3,634,118	83,530,418	82,225,228	(1,305,190)	98%
<b>Total expenditure</b>	<b>786,688,000</b>	<b>9,426,578</b>	<b>796,114,578</b>	<b>789,560,421</b>	<b>(6,554,157)</b>	
<b>Surplus for the period</b>	<b>-</b>		<b>-</b>	<b>(20,340,438)</b>		

## X. 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
<b>IPSAS 33:</b> 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.
<b>IPSAS 34:</b> 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:
<b>IPSAS 35:</b> 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.
<b>IPSAS 36:</b> 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.
<b>IPSAS 38:</b> Disclosure of Interests in Other Entities	CEMASTEА does not have an interest 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.

### 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

## **SIGNIFICANT ACCOUNTING POLICIES (continued)**

presented as a separate additional financial statement in the statement of comparison of budget and actual amounts.

### **e) Property, Plant and Equipment**

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

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 CEMASTEVA. Recording of all assets as per IPSAS 17 has been applied in financial year 2018-2019. The entity has not sold any asset during the financial year 2018-2019.

**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

**SIGNIFICANT ACCOUNTING POLICIES (continued)**

Most of the assets were transferred by JICA to CEMASTEVA. Recording of all assets as per IPSAS 17 has been applied in financial year 2018-2019. The entity has not sold any asset during the financial year 2018-2019

**g) Depreciation**

The entity has charged depreciation on reducing balance method. Depreciations charge has been applied using the following rates; Buildings 2%, Furniture & Fittings 12.5%, Motor Vehicles 25% , Computer software 20% & Equipment's 12.5%.

**h) Provisions**

Provisions are recognized when the CEMASTEAM has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits or service potential will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

Where the CEMASTEAM expects some or all of a provision to be reimbursed, for example, under an insurance contract, the reimbursement is recognized as a separate asset only when the reimbursement is virtually certain. The expense relating to any provision is presented in the statement of financial performance net of any reimbursement.

**i) Contingent Liabilities**

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

**SIGNIFICANT ACCOUNTING POLICIES (continued)**

**j) Contingent Assets**

CEMASTEAM does not recognize a contingent asset, but discloses details of a possible asset whose existence is contingent on the occurrence or non-occurrence of one or more uncertain future events not wholly within the control in the notes to the financial statements. Contingent assets are assessed continually to ensure that developments are appropriately

reflected in the financial statements. If it has become virtually certain that an inflow of economic benefits or service potential will arise and the asset's value can be measured reliably, the asset and the related revenue are recognized in the financial statements of the period in which the change occurs.

**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.

**SIGNIFICANT ACCOUNTING POLICIES (continued)**

**q) Useful Lives and Residual Values**

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

- The condition of the asset based on the assessment of experts employed by the 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

**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 30 June 2019.

**SIGNIFICANT ACCOUNTING POLICIES (continued)**

**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 CEMASTEVA 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 full provision is made.

**4) Financial Risk Management Disclosure**

The centre did not have investments in financial instruments in financial year 2017-2018 and 2018-2019.

**SIGNIFICANT ACCOUNTING POLICIES (continued)**

**5) Budget Variances in financial year 2018-2019**

The summary of variances was as follows;

No.	Item of Variance	Explanations
a.	Government Grants	During the financial year 2018-2019 the centre was allocated Ksh 251Million as per printed estimates in the budget. Out of Ksh 251 Million the centre did not receive 52Million for training (Development) by end of June, 30 2019, hence the variance.
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 food, renovations of buildings and environment to accommodate more teachers.

C	Compensation of Employees	The centre budget on employees overshoot by Ksh 2Million due employment of temporary staff in hospitality and casuals to assist in training activities and repairs and maintenance of buildings and environment.
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**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.

**SIGNIFICANT ACCOUNTING POLICIES (continued)**

The Key management personnel receives salaries and other benefits from TSC

	<b>2018-2019</b>	<b>2017-2018</b>
Number of persons	46	46

**7) Commitments and Contingencies**

There were no capital commitments during the financial year 2018-2019

**8) Operating Lease Rentals**

The Board does not let properties under operating leases

**9) Contingencies**

There were no contingent liabilities and contingent assets.

## XI. NOTES TO THE FINANCIAL STATEMENTS

### 1. Grants from Ministry

	2018-2019	2017-2018
	Kshs	Kshs
Recurrent Grants	127,824,634	146,433,300
Development Grants	52,610,000	26,305,000
SMASE Capitation	550,060,200	521,728,600
<b>Total</b>	<b>730,494,834</b>	<b>694,466,900</b>

### 2. Transfers from Partners

	2018-2019	2017-2018
	Kshs	Kshs
Education Development Trust	20,206,823	24,559,562
	<b>20,206,823</b>	<b>24,559,562</b>

### 3. Rendering Services

	2018-2019	2017-2018
	Kshs	Kshs
Catering Income	15,109,957	33,493,982

<b>Total</b>	<b>15,109,957</b>	<b>33,493,982</b>
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**NOTES TO THE FINANCIAL STATEMENTS (Continued)**

**4. Finance Income**

	<b>2018-2019</b>	<b>2017-2018</b>
	<b>Kshs</b>	<b>Kshs</b>
Interest Income	54,587	132,956
<b>Total</b>	<b>54,587</b>	<b>132,956</b>

**Note:** Interest income in 2019/2018 and 2018/2017 is from balances of funds held in NIC Bank current account and its remitted monthly

**5. Other Income**

	<b>2018-2019</b>	<b>2017-2018</b>
	<b>Kshs</b>	<b>Kshs</b>
Rent Income	788,000	1,344,000
Sundry Income	2,565,782	123,290
<b>Total</b>	<b>3,353,782</b>	<b>1,467,290</b>

## NOTES TO THE FINANCIAL STATEMENTS (Continued)

### 6. Training Expenses

	2018-2019	2017-2018
	Kshs	Kshs
SMASE Funds	454,285,933	507,103,335
Training Materials	47,746,511	29,506,254
Training Subsistence & Venue(s)	117,594,520	158,188,802
<b>Total</b>	<b>619,626,964</b>	<b>694,798,391</b>

Training expenses entails all expenditure incurred while facilitating INSET for primary and secondary programs. The centre received Ksh 550 Million for secondary capitation. The centre did not carry out all its activities as planned in financial year 2019-2018 as the budget allocated was not fully received.

**NOTES TO THE FINANCIAL STATEMENTS (Continued)**

**7. Employee Costs**

	<b>2018-2019</b>	<b>2017-2018</b>
	<b>Kshs</b>	<b>Kshs</b>
Salaries for Staff on 3 Years contract	16,765,430	17,682,710
Staff on 1 Year contract and below	19,808,971	17,790,664
NSSF contribution- Employer	885,560	401,760
Gratuity	4,599,137	313,217
NITA contribution	75,000	77,700
Other Benefits	722,406	867,453
<b>Total</b>	<b>42,856,504</b>	<b>37,133,504</b>

NOTES TO THE FINANCIAL STATEMENTS (Continued)

**8. Repairs and Maintenance**

	2018-2019	2017-2018
	Kshs	Kshs
Buildings & Small Works	9,152,699	3,639,504
Plant, Machines & Equipment	6,660,772	9,867,905
Computers, Hard and Software	515,879	1,463,509
Environmental conservations	25,000	299,189
Motor Vehicles	2,534,078	1,887,645
<b>Total</b>	<b>18,888,428</b>	<b>17,157,752</b>

**9. Cleaning Services**

	2018-2019	2017-2018
	Kshs	Kshs
Cleaning Services	6,938,588	8,657,764
Security Services	1,548,019	-
<b>Total</b>	<b>8,486,607</b>	<b>8,657,764</b>

NOTES TO THE FINANCIAL STATEMENTS (Continued)

**10. Water & Electricity**

	2018-2019	2017-2018
	Kshs	Kshs
Water	21,000	1,377,812
Electricity	6,409,711	5,863,990
<b>Total</b>	<b>6,430,711</b>	<b>7,241,802</b>

#### 11. General Expenses

	2018-2019	2017-2018
	Kshs	Kshs
Advertising & Periodicals	2,189,542	1,293,786
Food & Other	25,838,404	17,651,550
Fuel, Gas and Oil	5,296,337	4,754,311
Insurance	17,461,321	10,899,262
Internet Services	2,175,114	2,478,498
Office General Expenses	13,083,786	4,983,076
Postage & Courier	1,927,252	846,676
Printing and Stationery	7,621,960	356,009
Subscriptions	247,200	272,760
Telephone Expenses	236,200	207,433
Travel & Accommodation	6,148,112	20,312,363
Provision for Doubtful Debts	17,361,474	-
<b>Total</b>	<b>99,586,702</b>	<b>64,055,724</b>

#### NOTES TO THE FINANCIAL STATEMENTS (Continued)

#### 12. Audit & Consultancy

	2018-2019	2017-2018



	Kshs	Kshs
Other Professionals	9,874,068	2,193,279
Audit Fee	800,000	800,000
<b>Total</b>	<b>10,674,068</b>	<b>2,993,279</b>

### 13. Bank Charges

	2018-2019	2017-2018
KCB-Karen	260,157	267,723
KCB- Capitation	21,060	
Cooperative Bank	37,572	42,235
NIC-Ksh	47,311	31,283
NIC-Dollar	5,361	17,350
National Bank	450	-
Exchange loss	-	11,162
<b>Total</b>	<b>371,911</b>	<b>369,753</b>

### 14. Depreciation

	2018-2019	2017-2018
	Kshs	Kshs
Property, Plant and Equipment	20,885,003	20,106,706

<b>Total</b>	<b>20,885,003</b>	<b>20,106,706</b>
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### 15. Bank & Cash

	<b>2018-2019</b>	<b>2017-2018</b>
	<b>Kshs</b>	<b>Kshs</b>
KCB-Karen –Operating	13,449,592	103,983
KCB-Karen Capitation	2,382,592	518,620
Co-operative Bank	3,146,999	41,739,698
NIC-Kes	710,935	3,915,664
NIC-Dollar	1,706,300	11,012,660
National Bank	3,815,300	-
<b>Total</b>	<b>25,211,718</b>	<b>57,290,625</b>

### 16. Trade Receivables

	<b>2018-2019</b>	<b>2017-2018</b>
	<b>Kshs</b>	<b>Kshs</b>
Catering Receivables & other	23,576,437	18,351,606
Provision for Doubtful debts	(17,361,474)	-
<b>Total</b>	<b>6,214,963</b>	<b>18,351,606</b>

The Centre has provided for Ksh 17, 361,474 all debts relating to Ministry of Education that relate to 2014, 2015, 2016, 2017 and have not been acknowledged by the State Department of Basic Education.

## NOTES TO THE FINANCIAL STATEMENTS (Continued)

### 17. Property, Plant and Equivalents

	<b>Lands</b>	<b>Buildings</b>	<b>Equipment</b>	<b>Motor Vehicles</b>	<b>Furniture and Fittings</b>	<b>Computer Software</b>	<b>Total</b>
	<b>Kshs</b>	<b>Kshs</b>	<b>Kshs</b>	<b>Kshs</b>	<b>Kshs</b>	<b>Kshs</b>	<b>Kshs</b>
<b>Depreciation Rates</b>	0.0%	2.0%	12.5%	25.0%	12.5%	20.0%	
<b>COST/VALUATION:</b>							
At 1 July 2016	385,642,000	600,382,000	19,985,000	47,901,000	16,693,000	857,000	1,071,460,000
Valuation/Additions	-	1,768,500	3,865,517	17,518,000	788,183	-	23,940,200
As at 30 June 2017	385,642,000	602,150,500	23,850,517	65,419,000	17,481,183	857,000	1,095,400,200
Valuation/Additions	-	9,292,521	4,902,124	-	1,131,106	-	15,325,751
As at 30 June 2018	385,642,000	611,443,021	28,752,641	65,419,000	18,612,289	857,000	1,110,725,951

Valuation/Additions	-	-	-	10,400,000	-	-	10,400,000
As at 30 June 2019	385,642,000	611,443,021	28,752,641	75,819,000	18,612,289	857,000	1,121,125,951
<b>DEPRECIATION:</b>							
At 1 July 2016	-	14,081,320	6,114,500	42,810,000	5,122,000	171,400	68,299,220
Charges for the year	-	11,761,384	2,217,002	5,652,250	1,544,898	137,120	21,312,654
As at 30 June 2017	-	25,842,704	8,331,502	48,462,250	6,666,898	308,520	89,611,874
Charges for the year	-	11,712,006	2,552,642	4,239,188	1,493,174	109,696	20,106,706
As at 30 June 2018	-	37,554,710	10,884,144	52,701,438	8,160,072	418,216	109,718,580
Charges for the year	-	11,477,766	2,233,562	5,779,391	1,306,527	87,757	20,885,003
As at 30 June 2019	-	49,032,476	13,117,707	58,480,828	9,466,599	505,973	130,603,583
<b>NET BOOK VALUE:</b>							
At 30 June 2018	385,642,000	573,888,311	17,868,497	12,717,563	10,452,217	438,784	1,001,007,371
At 30 June 2017	385,642,000	576,307,796	15,519,015	16,956,750	10,814,285	548,480	1,005,788,326
As at 30 June 2018	385,642,000	573,888,311	17,868,497	12,717,563	10,452,217	438,784	1,001,007,371
As at 30 June 2019	385,642,000	562,410,545	15,634,934	17,338,172	9,145,690	351,027	990,522,368

## NOTES TO THE FINANCIAL STATEMENTS (Continued)

### 18. Reserves

		2018-2019	2017-2018
18A	Revaluation Reserves	Kshs	Kshs
	Balance as at 1 <sup>st</sup> July 2018	385,642,480	385,642,480
	Additions during the year	-	-
	<b>Balance as at 30 June 2019</b>	<b>385,642,480</b>	<b>385,642,480</b>

<b>18B</b>	<b>Accumulated Reserves</b>		
	Balance as at 1 <sup>st</sup> July 2018	33,590,467	131,984,452
	Additions during the year	(58,586,914)	(98,393,985)
	<b>Balance as at 30 June 2019</b>	<b>(24,996,447)</b>	<b>33,590,467</b>
<b>18C</b>	<b>Capital Reserves</b>		
	Balance as at 1 <sup>st</sup> July 2018	640,126,000	640,126,000
	Additions during the year	-	-
	<b>Balance as at 30 June 2019</b>	<b>640,126,000</b>	<b>640,126,000</b>

- 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.

#### NOTES TO THE FINANCIAL STATEMENTS (Continued)

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.

#### 19. Trade and Other Payables

	2018-2019	2017-2018
	Kshs	Kshs
Training Payables	16,177,717	11,436,161
Supplies	4,199,300	5,054,495

Audit Fees	800,000	800,000
<b>Total</b>	<b>21,177,017</b>	<b>17,290,656</b>

## XII. 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: <i>(Resolved / Not Resolved)</i>

### Reporting Currency

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

