



**TECHNICAL EDUCATION, VOCATIONAL AND
ENTREPRENEURSHIP TRAINING AUTHORITY**

ANNUAL REPORT

2007



Technical Education, Vocational and Entrepreneurship Training Authority



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1. VISION AND MISSION

VISION

A World-class Technical Education, Vocational and Entrepreneurship Training (TEVET) System Contributing to the Development of Zambia

MISSION

In Support of the Technical Education, Vocational and Entrepreneurship Training (TEVET) Policy of the Government of the Republic of Zambia, the Technical Education, Vocational and Entrepreneurship Training Authority (TEVETA) will:

- **Develop and maintain** a TEVET system that operates to internationally accepted standards;
- **Promote** efficient, effective and equitable TEVET delivery, through support services to Training Providers;
- **Source and optimize** the utilization of resources for TEVET;
- **Facilitate** improved interactions and communication between TEVET stakeholders;

In order to contribute to the development of Zambia.

2. REGISTERED OFFICE

The Technical Education, Vocational and
Entrepreneurship Training Authority
(TEVETA)
Plot No. 4751
Birdcage Walk, Longacres
Private Bag RW16X
Lusaka.
ZAMBIA

Bankers:

(i) Citibank Zambia Limited
Citibank House
Cha Cha Cha Road
Lusaka
Zambia

(ii) Standard Chartered Bank (Z) Plc
Cairo Road
Lusaka
Zambia

(iii) Stanbic Bank Zambia Limited
Woodgate House
Cairo Road
Lusaka
Zambia

Auditors:

The Auditor General
P.O. Box 50071
Lusaka - Zambia

Mr. Maxwell D. Sichula
Chairperson
Zambia Chamber of
Small and Medium
Business Association
(ZCSMBA)



3. Board Members



Mrs Lillian E.L. Kapulu
Permanent Secretary
Ministry of Education
Vice Chairperson



Prof. Mutale M. Musonda
Copperbelt University
Member



Mr. Raphael Mungole
NIPA
Member



Dr. Rhoda Zulu
NISIR
Member



Mr. Smart M. Phiri
Zambia Federation of Employers
Member



Mr. Stephen.C. Mumbi
Zambia Congress
of Trade Unions
Member



Mrs Josephine Shamwana Lungu
Catholic Secretariat
Member



Mr. Wamulume Kalabo
Zambia Association of
Chambers of Commerce
and Industry
Member



Dr Paul Zambezi
Permanent Secretary
Ministry of Science and Technology
and Vocational Training
Member



Mr. Ngosa Chisupa
Permanent Secretary
Ministry of Labour and
Social Security



Dr. Patrick.K. Nkanza
Director General
Secretary

4. COMMITTEES OF THE BOARD

Finance and Administration Committee

Mrs Lilian E.L. Kapulu - Permanent Secretary Ministry of Education

Chairperson

Mr. Stephen. C. Mumbi - ZCTU

Permanent Secretary - Ministry of Science, Technology and Vocational Training

Ms. Joyce Muwo - (Accountant) Choice Corporate

Mrs. Matilda M. Nsemani - Director Finance and Administration - TEVETA

Secretary

Technical Committee

Mr. Wamulume Kalabo - Zambia Association of Chambers of Commerce and Industry

Chairperson

Dr. Rhoda Zulu - NISIR

Mrs Josephine Shamwana Lungu - Catholic Secretariat

Mr. Fred Bantubonse - Chambers of Mines of Zambia.

Prof. Mutale M. Musonda - Copperbelt University

Mr. Orphan Hachinene - Director Training Standards Division- TEVETA

Secretary(1)

Mr. David Chakonta - Director Development Division- TEVETA

Secretary(2)

TEVET FUND COMMITTEE

Mr. Smart M. Phiri

Chairperson

Permanent Secretary - Ministry of Science, Technology and Vocational Training

Permanent Secretary - Ministry of Labour and Social Security

Mr. Fred Bantubonse - Chambers of Mines of Zambia.

Mr. Reginald Mfula - Zambia Business Forum

5. TEVETA Senior Management



Dr. Patrick K. Nkanza
Director General



Mr. David Chakonta
Director
Development Division



Mrs Matilda Nsemani
Director
Finance & Administration
Division



Mr. Orphan Hachinene
Director
Training Standards
Division

6. Chairman's Statement



Mr. Maxwell D. Sichula
Board Chairman



On behalf of the Technical Education, Vocational and Entrepreneurship Training Authority (TEVETA), I have the pleasure to present the Annual Report and Audited Accounts for the Year 2007.

2007 marked the ninth year of operations of the Authority, in the context of the Technical Education, Vocational and Entrepreneurship Training Act No. 13 of 1998 and the Technical Education, Vocational and Entrepreneurship Training (Amendment) Act No.11 of 2005.

During 2007, TEVETA continued to record significant progress towards the implementation of the policy of the Government of the Republic of Zambia to establish a TEVET System that is responsive to labour market skills demands in both the formal and informal sectors.

During the year, TEVETA introduced the TEVET Qualifications Framework (TQF). The TQF is needed in order to create a system or structure that is able to recognise and mitigate between different types of skills qualifications obtainable in TEVET. The TQF sets the boundaries - a set of principles and guidelines - that provide an organisational structure for construction of a qualifications system. It is a framework of principles and guidelines by which records of learner or trainee achievement are registered to enable national recognition of acquired skills and knowledge.

During the same year, TEVETA registered two hundred and sixty-nine (269) training institutions throughout Zambia. The Authority continued to provide advisory and support services to all these institutions. Particular emphasis was placed on the capacity building for training institutions in terms of human resource development and training standards.

TEVETA held several workshops to publicise the TEVET Fund. These workshops were aimed at enhancing the participation of registered training providers in the TEVET Fund. Consequently, there was an increase in the number of training institutions participating in the operations of the TEVET Fund, through the four financing windows. The TEVET Fund Unit in the Finance and Administration Division continued to disburse and monitor the progress of projects in various beneficiary institutions.

The Board expresses its gratitude to the Government of the Republic of Zambia and the co-operating partners for the continued support to the operations of TEVETA during the year.

A handwritten signature in black ink, which appears to read 'M. D. Sichula'. The signature is fluid and cursive, with a long horizontal stroke at the end.

Mr. Maxwell D. Sichula
CHAIRMAN

**TECHNICAL EDUCATION, VOCATIONAL AND ENTREPRENEURSHIP TRAINING
AUTHORITY (TEVETA)**

7. Operational Review by the Director General



7.1 MANDATE OF TEVETA

The Technical Education, Vocational and Entrepreneurship Training Authority (TEVETA) is an institution created under the Technical Education, Vocational and Entrepreneurship Training Act (No.13 of 1998), read together with Technical Education, Vocational and Entrepreneurship Training (Amendment) Act No. 11 of 2005. Its general function is to regulate, co-ordinate and monitor technical education, vocational and entrepreneurship training in consultation with industry, employers, employees and other stakeholders. The specific functions are that TEVETA shall:

- (a) administer and manage the Technical Education, Vocational and Entrepreneurship Training Fund;
- (b) advise the Minister on the development of the quality of human resources in Zambia through technical education, vocational and entrepreneurship training;
- (c) regulate and advise institutions established or registered under this Act;
- (d) regulate and coordinate apprenticeship and trade testing systems;
- (e) facilitate the provision of technical consultancy to institutions established or registered under this Act;
- (f) facilitate the development of technical capacity in institutions established or registered under this Act;
- (g) develop national curricula in consultation with stakeholders;
- (h) set minimum standards and qualifications for any occupation, skill, technology or trade in accordance with trends in industry;
- (i) provide guidelines for the development of institutional curricula;
- (j) accredit local and foreign examinations to be taken by persons attending courses at an institution established or registered under this Act;
- (k) regulate and conduct national examinations and assessments relating to technical education, vocational and entrepreneurship training;
- (l) charge and collect fees in respect of examinations, assessments and other services provided by the Authority;
- (m) award certificates to persons who succeed in examinations and assessments undertaken under this Act;
- (n) approve curricula and standards of certificates in institutions established or registered under this Act;
- (o) register institutions;
- (p) cancel the registration of an institution established or registered under this Act;
- (q) collect, manage and disseminate labour market information relating to technical education, vocational and entrepreneurship training;
- (r) initiate, monitor and evaluate development programmes for continued advancement of technical education, vocational and entrepreneurship training;
- (s) determine the equivalencies of local and foreign examinations;
- (t) accredit and register trainers, examiners and assessors;
- (u) in conjunction with the Minister---
- (i) determine priority skills areas in technical education, vocational and entrepreneurship training for the purpose of enhancing social and economic development in Zambia; and
- (ii) mobilize financial and material resources for the provision of technical education, vocational and entrepreneurship training; and
- (v) do all such things connected with or incidental to the functions of the Authority under this Act.

7.2 GOVERNANCE

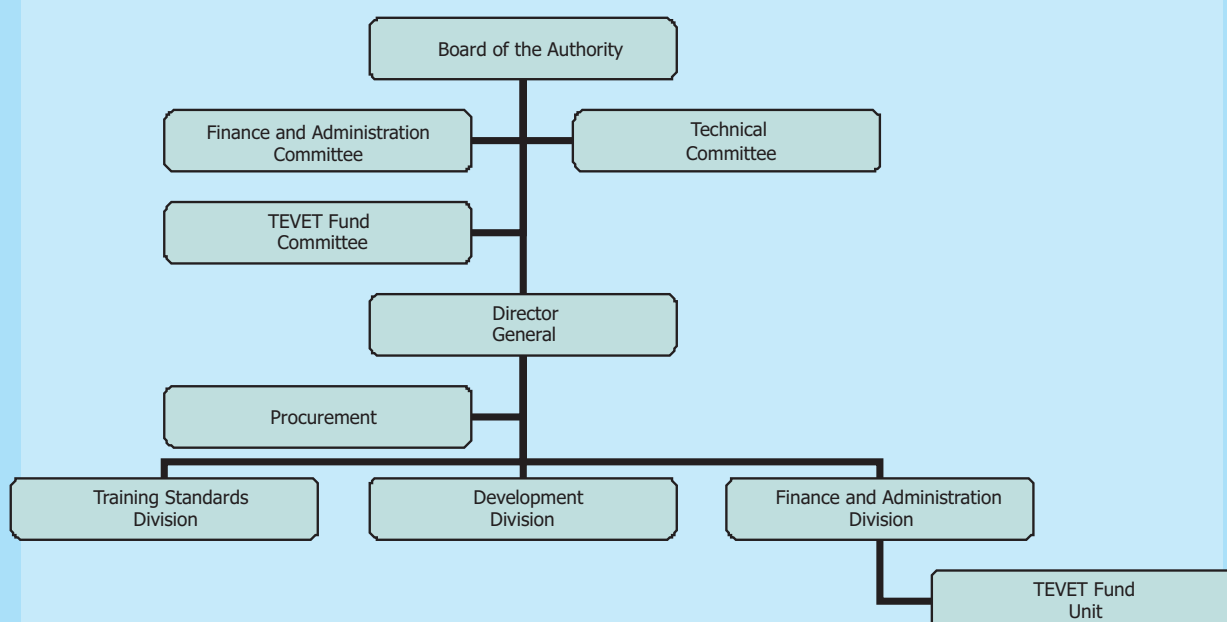
TEVETA is governed by a Board of Directors, appointed by the Minister, in accordance with Section 6(1) of the Technical Education, Vocational and Entrepreneurship Training (Amendment) Act No. 11 of 2005. The Board consists of representation from the following:

1. a representative of a federation of trade unions;
2. a representative of the Zambia Association of Chambers of Commerce and Industry;
3. one representative from a University established under the University Act;
4. a representative from a federation of employers' organizations;
5. a representative of the Zambia Chamber for Small and Medium Business Associations;
6. a representative of a research and development institution established under the Science and Technology Act;
7. a representative of a religious organization involved in providing technical education, vocational and entrepreneurship training;
8. a representative of the Ministry responsible for technical education, vocational and entrepreneurship training;
9. a representative of the Ministry responsible for labour;
10. a representative of the Ministry responsible for education; and
11. one other person

The members elect a Chairman and a Vice Chairman from among their number.

Figure 1 shows the governance structure for the Authority.

Figure 1: Structure of TEVETA



7.3 THE ROLE OF TEVETA

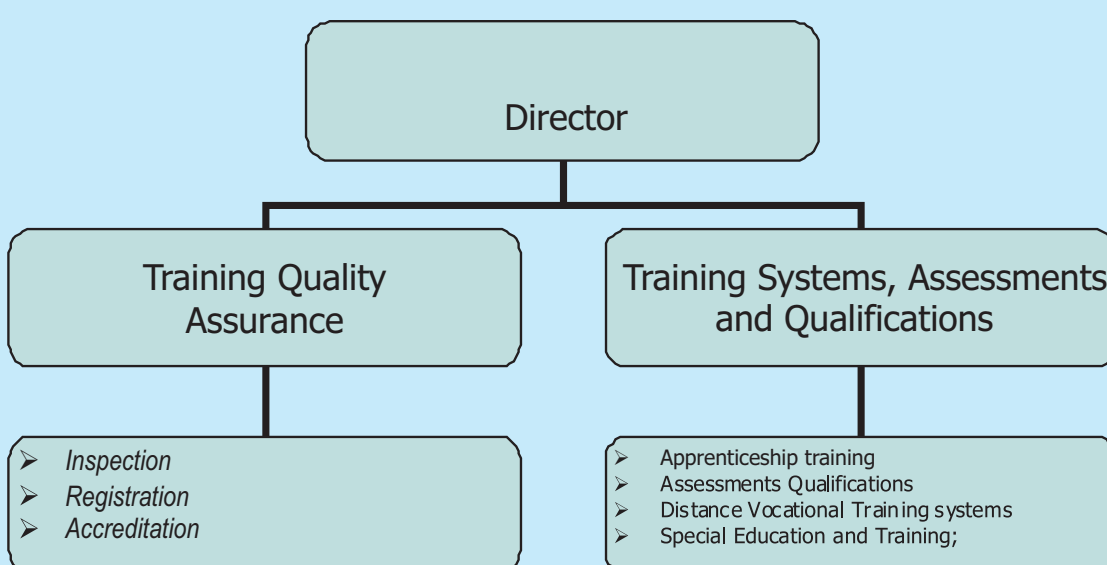
The Technical Education, Vocational and Entrepreneurship Training Authority (TEVETA) is organised around three Divisions, under the supervision of the Director General. These are: Development Division, Training Standards Division, and Finance and Administration Division. Each Division is further structured into specialised operational Units. This report covers the activities carried out by the Authority in the course of implementing the Annual Work Plan and Budget approved by the Board for the period 1st January to 31st December 2007.

During 2007 TEVETA was re-organised resulting in transfer of the Curriculum Development Unit from Training Standards Division to the Development Division; mainstreaming of the Entrepreneurship and Informal Sector Development Unit (EISDU) through the re-distribution of its functions, and integrating them into the various Units of the three (3) Divisions. Labour Market Information, Curriculum Development, Stakeholder Linkages/Liaison; Career and related Vocational Guidance functions remained in the Development Division. The re-organisation also saw the creation of a Training Provider Support Services Unit with a focus on measures to enhance management of training in registered training institutions. The Training Standards Division focussed on Training Quality Assurance, Assessments, Qualifications and the development of Training Systems.

7.4 The Training Standards Division

7.4.1 Structure

Figure 2: The Training Standards Division



7.4.2 Training Quality Assurance

During 2007, TEVETA registered inspected 511 training institutions that had applied for registration, resulting in the registration of 268 training institutions.

Table1 and Figure 2 show the numbers of training institutions registered during the period 2000 to 2007.

Table 1 : Registered Training Institutions (2000 - 2007)

Year	2002		2003		2004		2005		2006		2007	
Applications for registration	274		367		479		430		550		550	
Institutions inspected	258	94%	349	95%	448	94%	429	99%	515	94%	511	93%
Institutions registered	231	84%	254	69%	314	70%	319	74%	351	64%	268	49%

Figure 3 : Registered Training Institutions (2000 - 2007)

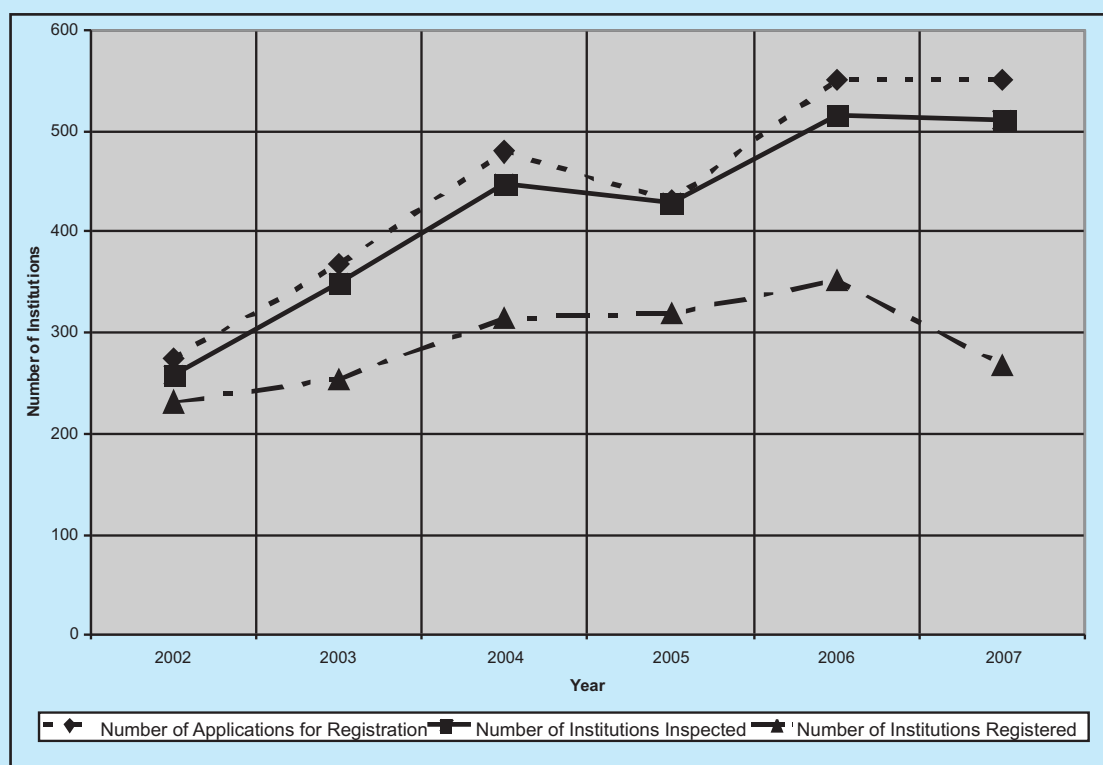


Chart 1: Registered Institutions by Ownership : 2007

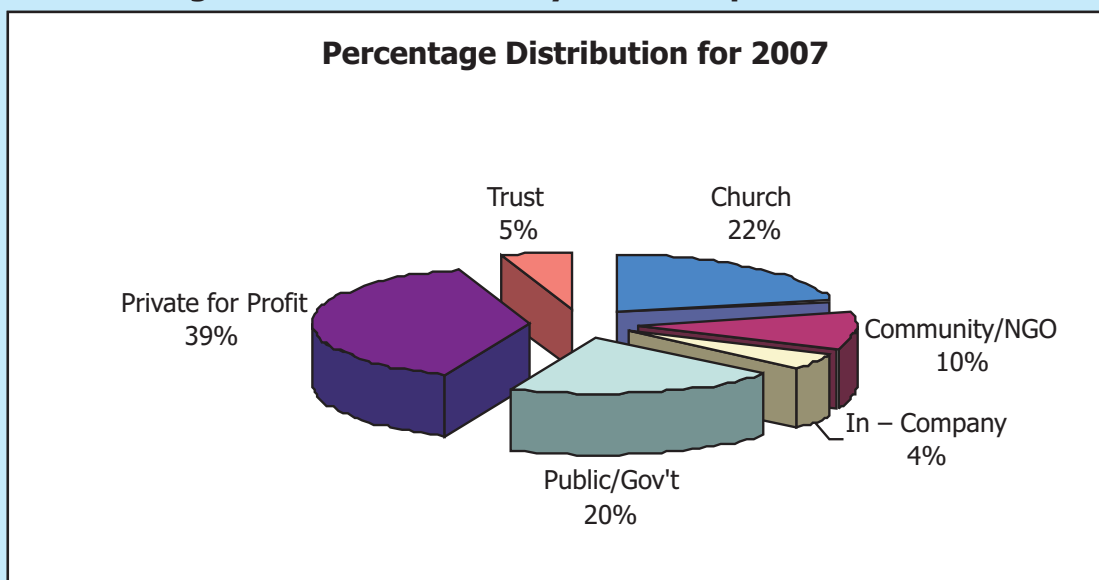


Chart 2 : Percentage Distribution of Registered Training Institutions by Province : 2007

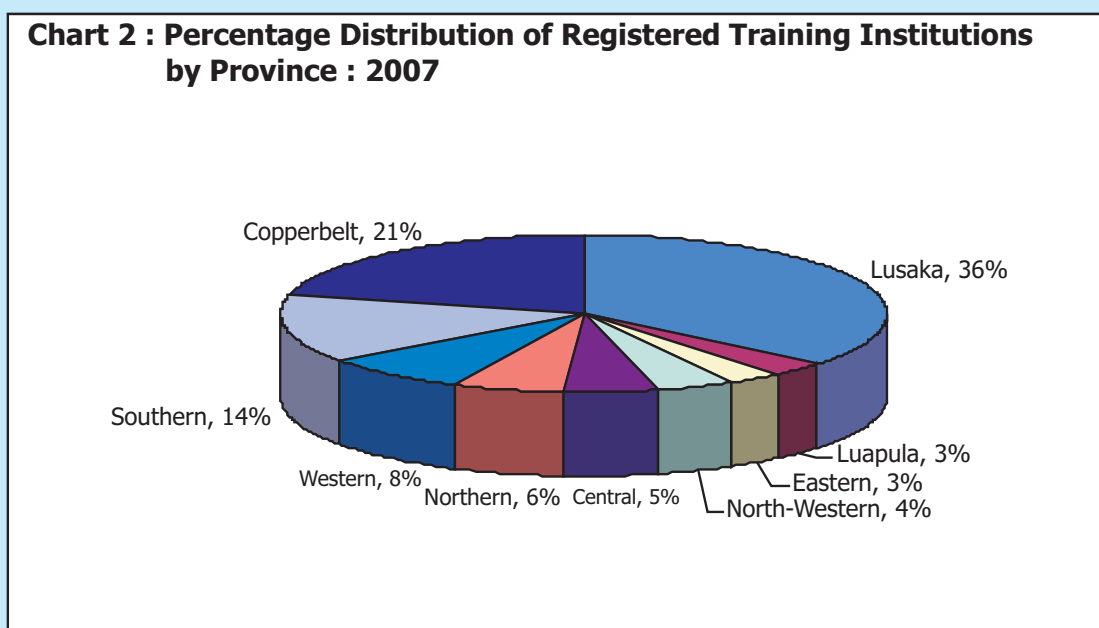


Table 2: Quality of Training Provision

Province	Number of Training Providers in Grade 1	Number of Training Providers in Grade 2	Number of Training Providers in Grade 3
Lusaka	17	38	44
Copperbelt	9	19	30
Southern	10	9	18
Western		9	12
Northern		4	11
Central	1	2	10
North Western		1	10
Eastern			7
Luapula			7
TOTAL	37 (13.8%)	82 (30.6%)	149 (55.6%)

GRADE DESCRIPTORS

Grade One - Very Good [75%-100%]
Very good institutions in terms of management, staff, facilities etc. Very few weaknesses identified.

Grade Two - Good [60%-74%]
Good institutions with a lot of basic quality training requirements in place but have some problems in management or trainers or facilities There are more strengths than weaknesses but with certain critical areas requiring attention.

Grade Three - Satisfactory [45%-59%]
Institutions with a mixture of strengths and weaknesses in the above-named quality elements. They barely meet the minimum training standards.

Institutions graded below Grade Three are not registered.

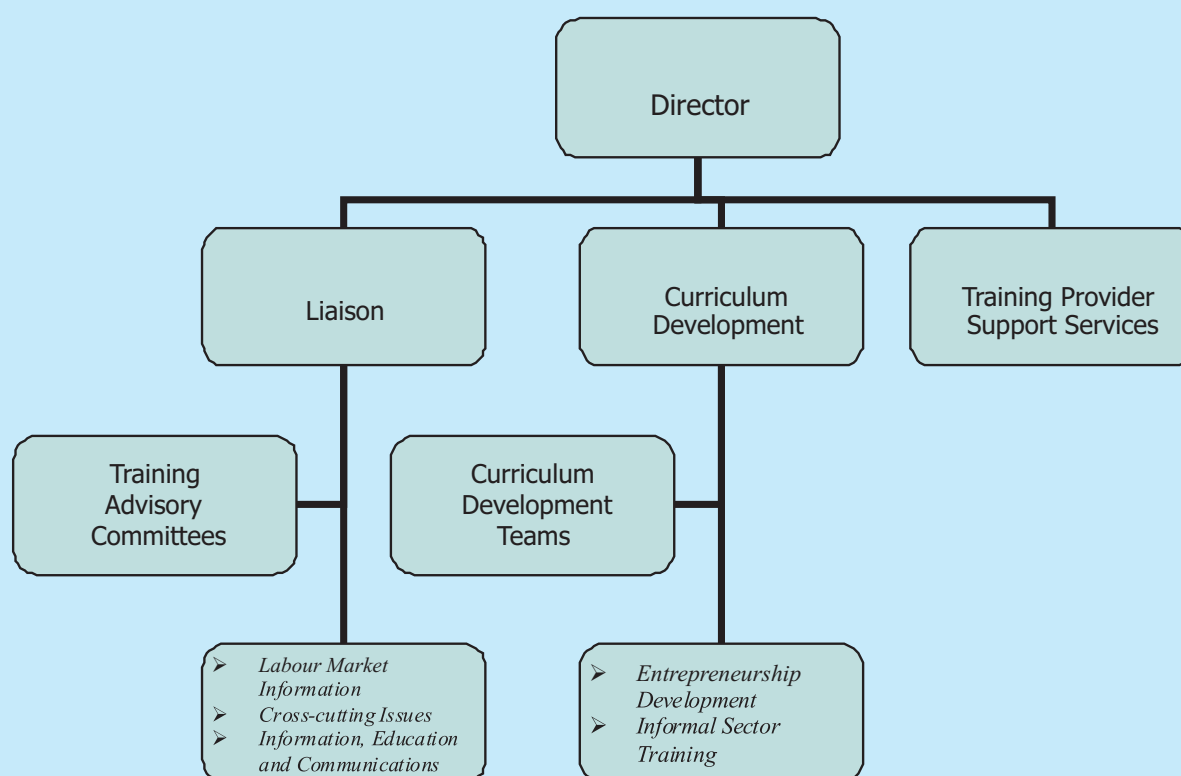
7.4.3 Training Systems, Assessments and Qualifications.

The Training Systems, Assessments and Qualifications Unit received the final report of Consultants commissioned to develop an operational model for the establishment and operations of the TEVET Qualifications Framework. The Unit commenced work for the establishment of a national registration system for Qualifications and Skills Awards for learning outcome standards falling within the Trade and Diploma certification bands. It is envisaged that the TEVET Qualification Framework will be integrated into the National Qualification Framework structure.

The Unit also carried out quality audits, for examination sessions during the year, covering centres in all the nine (9) provinces.

7.5 The Development Division

7.5.1 Structure



7.5.2 Liaison

The Division worked with the Road Traffic and Safety Agency and other stakeholders, through the Logistics and Transport Sector Training Advisory Committee, to develop Job Profiles for Professional Drivers as input into national curricula for use in professional driver training. The new curricula is aimed at contributing towards reducing accidents, improve road safety and general productivity of the Road Transportation sub-sector.

The Division also developed Job Profiles for Instrumentation Programme at Craft, Advanced Certificate and Diploma qualification levels. This was in response to the need for personnel in this occupational area expressed by the Mining and Mineral Processing Sector Training Advisory Committee. The Northern Technical College (NORTEC) enrolled the first intake of students for the Advanced Technician Certificate in Instrumentation towards the end of the third Quarter of 2007. Job profiles covering a number of job clusters were also developed to support development or review of the following national curricula:

- Computer Studies/Information Technology
- Child and Youth Care Worker Training
- Curriculum Developers or Short Course designers for the TEVET sector
- Gemstone Cutting and Polishing

- Jewellery Manufacturing
- Agri-business Management
- Co-operative Development and Management;
- Rigging

The Division collaborated with the Ministry of Education to develop Career Promotion Materials for the print and electronic media, and also developed and mounted the Website, in preparation for the hosting of the All Africa Regional Conference of the International Vocational Education and Training Association (IVETA) that was scheduled to be held in August 2008.

7.5.3 Training Provider Support Services

The Division conducted “clinics” to promote the development and use of Strategic Plans, as tools for training institution management. Training was conducted for Training Providers in the Eastern, Copperbelt, North-Western, and Southern Provinces respectively.

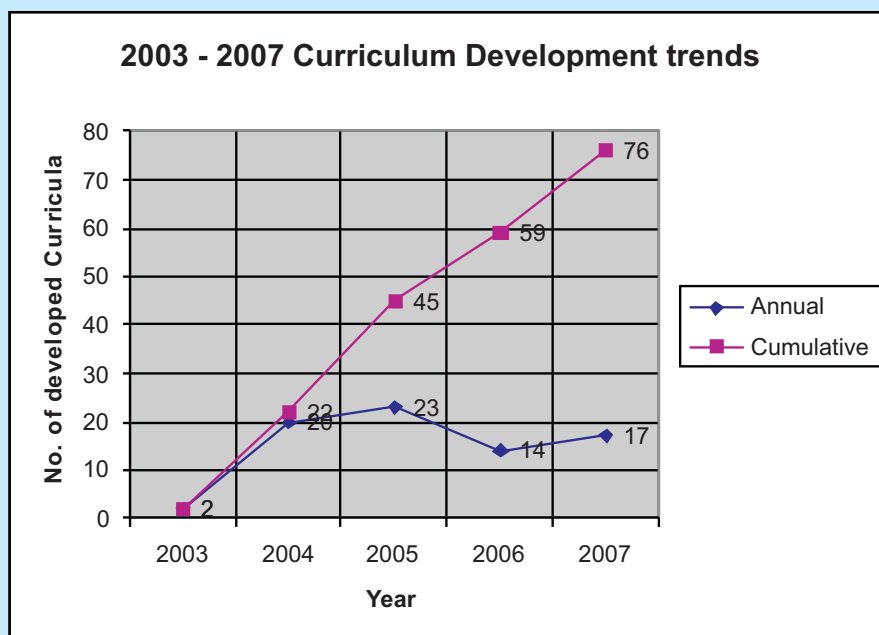
7.5.4 Curriculum Development

Table 3 shows the curricula were approved.

No.	Programme	Certification/Qualification Level
1.	Metal Fabrication	Craft Certificate
2.	Welding	Craft Certificate
3.	Para-Legal	Diploma (<i>New programme</i>)
4.	Instrumentation	Advanced Certificate (<i>New programme</i>)
5	Hospitality Management	Diploma
6	Hospitality Management	Advanced Certificate
7	Non-Professional Driving (<i>For Class B Licence</i>)	Trade Test Certificate Level (II) (<i>New programme</i>)
8	Professional Driving (<i>For Driving Licence Classes: BE/CIE/CE</i>)	Trade Test Certificate Level (I) (<i>New programme</i>)
9	Cutting and Tailoring	Craft Certificate;
10	Cutting and Tailoring	Trade Test Level (I)
11	Cutting and Tailoring	Trade Test Level (II)
12	Cutting and Tailoring	Trade Test Level (III)
13	Carpentry and Joinery	Craft Certificate
14	Carpentry and Joinery	Trade Test Level (I)
15	Carpentry and Joinery	Trade Test Level (II)
16	Carpentry and Joinery	Trade Test Level (III)

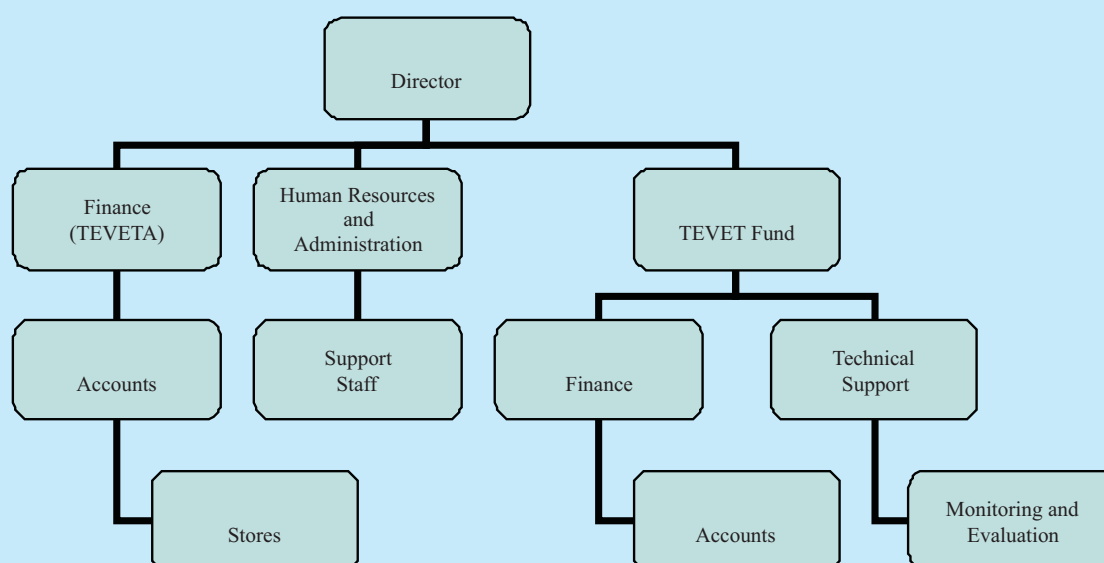
Figure 3 shows the trends in Curriculum development for the period 2003 to 2007. The general trends corresponds with increased investments in the mining, agricultural, tourism, and transport sectors with saw increased demand for revision of existing curricula or development of new ones.

Figure 4: TEVET Curriculum Development trends : 2003 - 2007



7.6 The Finance and Administration Division

7.6.1 Structure



7.6.2 Human Resources and Administration

The Authority had a total staff complement of thirty- seven at the end of the period under review. Table 4 shows a summary of the staff movement during the period under review.

Table 4: TEVETA Staff - 2007

Category	At 31 st Dec '06	Recruited	Promoted	Separated	At 31 st Dec '07	Approved Levels
Director General and Directors	4	0	1	(1)	4	4
Managers	8	0	0	(1)	7	8
Specialists	11	4	(1)	(1)	13	22
Officers	5	3	0	(2)	6	7
Support Staff	7	1	0	(1)	7	8
Net Totals	35	8	0	(6)	37	49

During the year, the Director of Finance and Administration Division, Mrs M. M. A. Chiyaba resigned. She was replaced by the Manager for Finance, Mrs M. M. Nsemani who was promoted to the position of Director. Other separations through resignation were that of the Procurement Specialist, Procurement Officer and Stores Officer. Further, the Authority separated with two members of staff through death. Positions recruited during the year included those of Procurement Specialist, Procurement Officer, Stores Officer, Information Technology Officer, Inspector, Assessments and Qualifications Specialist, and Accountant.

During the year, the Human Resources and Administration Unit, in conjunction with NUFFIC and CINOP of the Netherlands, conducted a number of workshops as part of the on-going capacity building project. The purpose of these workshops was to ensure that all members of staff received updated information which was applicable to their work environments. The workshops conducted were in the following areas:

- Monitoring and Evaluation
- Consultancy Skills
- Training Systems Development
- Apprenticeship and Trade Testing Assessment
- Curriculum Evaluation
- Team building.

In addition, 7 members of staff that had enrolled on various Masters' Degree programmes in the previous year made steady progress towards achieving their qualifications.

7.6.3 Finance

In order to improve operational efficiency of TEVETA and to facilitate performance improvement in at least 60% of all registered Training Providers, the Finance Unit developed and printed guidelines for use by TEVET Providers in areas of Financial Management, Human Resource Management, Procurement Management and Organisational Management. In addition, the Finance Unit conducted a Financial Management System Assessment at Nkhrumah College of Education and Copperbelt Secondary Teachers' College. This was done under the consultancy in conjunction with CINOP and Fonty's University of the Netherlands.

7.6.4 TEVET Fund

In order to improve accessibility of Training Providers to the TEVET Fund support, several capacity building workshops were held in all the Provinces except for Lusaka and Central Provinces. The workshops mainly focused on proposal writing which had been identified as a major weakness on the part of the Training Providers.

During the year a total of 37 Training Providers benefited from the TEVET Fund. This included 32 contracts signed in 2007 and 18 contracts carried forward from 2006. Table 5 shows the disbursements made during the year.

Table 5 : The Summary of TEVET Fund Disbursements : 2007

Window Description	Number of Contracts	Total Value of Contracts (ZMK'000)	Amount disbursed (ZMK'000)
Window 1 Pre-Employment	18	6,850,320	1,556,469
Window 2 In-Service Training	13	1,913,250	858,770
Window 3 SME/Informal Sector Training	15	3,863,852	981,702
Window 4 Investment and Development Funding	7	355,446	303,969
TOTAL	43	12,982,868	3,700,910

During the year the Monitoring and Evaluation Unit of the TEVET Fund conducted quarterly monitoring and evaluation missions to all beneficiaries of the Fund. The objective was to ensure that financing of TEVET was on course and that the desired outputs were achieved. The monitoring and evaluation was also seen as a tool to measure the extent to which the TEVET Fund was contributing to the overall goal of developing a TEVET system that would improve the skills of both the formal and informal sectors of the Zambian economy.

8. OUTLOOK FOR 2008

The TEVET Fund was established in 2005 and continued to be a major financing mechanism to support pre-determined learning outcomes in priority skills areas. The TEVET Fund has also facilitated capacity building for teaching staff in our registered training institutions.

Significant achievements have been made during the year 2007 with respect to training contracts under for the TEVET Fund and these will continue to be consolidated in the year 2008. TEVETA will continue with stringent supervision, monitoring and evaluation of progress of projects supported by the TEVET Fund in all the beneficiary institutions to ensure effective delivery within the agreed budgets and time frames.

In 2008, TEVETA will continue to consolidate the procedures and processes needed to promote the participation of the private sector in skills development.

The development of the TEVET Qualifications Framework (TQF) in 2007 marked a significant milestone towards the establishment of the National Qualifications Framework (NQF) in Zambia. In 2008, TEVETA intends to implement the TQF, as an important tool towards the creation of a training system that is able to recognize and equate different types of skills qualifications obtained in the Zambian market and outside the country.

Table 6: TEVET Fund Disbursements 31st December 2007

Technical Education, Vocational and Entrepreneurship Training Authority TEVET FUND FUND DISBURSEMENTS AS AT 31st December 2007						
	Institution	Programme	Contract value K	Amount Outstanding at 1 January 2007	Amount Disbursed K	Amount Outstanding at 31 December 2007 K
1.	Window 3: SME/Informal Sector training-PILOT					
	Association of CISEP Users	Informal Sector Training to unemployed and Retrenched in CISEP centres	415,569,677.00	26,360,000.00	26,360,000.00	-
	Choma Trades Training Institute	Entrepreneurship Skills to Mukuni Curio Makers	49,100,228.00	1,737,018.20	-	1,737,018.20
			464,669,905.00	28,097,018.20	26,360,000.00	1,737,018.20
2.	Window 1: Pre-employment training-PILOT					
	Northern Technical College	Mechanical Technician; & Computer Systems Eng.	473,238,798.00	236,619,399.00	236,619,399.00	-
	Zambia Institute of Management	NATECH	553,217,844.00	286,407,672.00	-	286,407,672.00
			1,026,456,642.00	523,027,071.00	236,619,399.00	286,407,672.00
3.	Window 1: Pre-employment training-2006 PROGRAM					
	Northern Technical College	Electrical Technician; Heavy Duty Technician; & Mechanical Fitting	589,426,797.00	294,713,398.50	29,047,000.00	265,666,398.50
	St Ambrose Trade Centre	Metal Fabrication Craft Certificate, Certificate in Information Technology, Electrical Craft	194,739,732.00	122,283,979.00	116,468,651.00	5,815,328.00
	Kasiya Business & Technical College	Certificate in Information Technology, Certificate in Front Office Operations	158,780,729.00	79,390,364.00	-	79,390,364.00
	Zambia Institute of Business and Industrial Practice	Certificate in Information Technology, Food Production	105,876,570.00	52,938,285.00	52,938,285.00	-
	Hotel and Tourism Training Institute Trust	Diploma in Hotel Management, Food Production, Tourism and Travel, Food and Beverage Sales Service	319,448,874.00	159,724,437.00	-	159,724,437.00
	Choma Trades Training Institute	Metal Fabrication Craft Certificate, Electrical Craft	213,204,254.00	142,136,169.00	142,136,169.00	-
	Lusaka Vocational Training Centre	Metal Fabrication Craft Certificate, Electrical Craft	71,149,035.00	35,574,517.00	35,574,518.00	(1.00)
	Life Skills Training Centre	Electrical Craft	35,891,638.00	17,945,819.00	-	17,945,819.00
	Kabwe Trades Training Centre	Metal Fabrication Craft Certificate, Electrical Craft, Plumbing Certificate	111,868,530.00	94,881,653.00	60,907,899.00	33,973,754.00
	Mongu Trades Training Institute	Certificate in Information Technology, Electrical Craft	87,817,773.00	51,688,355.00	51,688,355.00	-
	NDRC/ZEGAT Training Trust	Diploma in Export Horticulture	145,223,214.00	72,611,607.00	-	72,611,607.00
	Palabana Dairy Training Institute	Certificate in Dairy Processing	141,884,049.00	70,942,025.00	-	70,942,025.00
	Gemstone Processing & Lapidary Training Centre	Certificate in Gemstone Processing, Jewellery manufacture	300,344,224.00	150,172,112.00	113,488,848.00	36,683,264.00
	Makeni Ecumenical Centre	Certificate in Food Production, Electrical Craft, General Agriculture	183,006,753.00	91,503,377.00	-	91,503,377.00
			2,658,662,172.00	1,436,506,097.50	602,249,725.00	834,256,372.50
	Window 1: Pre-employment training-2007 PROGRAM					
	NIEC School of Business Management	Certificate in Information Technology, Diploma in Information Technology	112,798,291.95	-	56,399,146.00	56,399,145.95
	Livingstone Institute of Business and Engineering Studies	Electrical Craft	169,069,689	-	84,534,844.00	84,534,844.70
	Evelyn Hone College	Diploma in Environmental Health, Pharmacy, Radiography, Biomedical & Physiotherapy	957,704,070	-	191,540,814.00	766,163,256.00
	Northern Technical College	Electrical Technician; Heavy Duty Technician; & Mechanical Fitting, Instrumentation, Mechanical Drafting & Certificate in Information Technology	1,188,327,170	-	237,665,437.00	950,661,733.00
	Lusaka Vocational Training Centre	Metal Fabrication Craft Certificate, Electrical Craft	351,737,165	-	70,347,433.00	281,389,732.00
	Choma Trades Training Institute	Machining Craft Certificate, Electrical Craft	385,564,820	-	77,112,964.00	308,451,856.00
			3,165,201,205.65	-	717,600,638.00	2,447,600,567.65
			5,823,863,377.65	1,436,506,097.50	1,556,469,762.00	3,281,856,940.15
4.	Window 2: In-Service training -2006 PROGRAM					
	Katele District Farmers Co-operative Union/ In-service Training Trust	Grain Management	49,362,500.00	14,175,000.00	14,175,000.00	-
	Zambia Agricultural Commodity Agency (ZACA)/ In-service Training Trust	Grain Management	196,037,500.00	35,625,000.00	35,625,000.00	-
	Lusaka Business and Technical College/Chambeshi Water	Water Production; Safety and Maintenance management	29,500,000.00	-	-	-
	Lusaka Business and Technical College/Western Water	Water treatment; plant operation & Quality control; Leak detection and repairing; Plant maintenance and Trouble shooting	71,250,000.00	7,460,340.00	-	7,460,340.00
	Lusaka Business and Technical College/Southern Water	Water treatment; plant operation & Quality control; Leak detection and repairing; Plant maintenance and Trouble shooting	40,000,000.00	-	-	-
	Mopani Copper Mines/Choann Skills Training Centre	Lead Burning; Furnace Masonry; HER/Automotive Mechanical Rigging & Machining	144,000,000.00	55,200,000.00	55,200,000.00	-
	Mopani Copper Mines/Mufulira Technical Training Institute	Plant Fitting; Power/Electrical; Instrumentation & Metal Fabrication	240,000,000.00	118,800,000.00	118,800,000.00	-
			770,150,000.00	231,260,340.00	223,800,000.00	7,460,340.00
	Window 2: In-Service training -2007 PROGRAM					
	Lusaka Business & Technical College/ Chipata Water Sewerage Company	Plumbing and Sheet Metalworking, Machine Fitting and Plumbing, Water operations and Supply	24,000,000.00	-	19,200,000.00	4,800,000.00
	Lusaka Business & Technical College/ Nkana Water & Sewerage Company	Pump/Plant Maintenance and Trouble shooting, Water Treatment and Quality Control, Leak Detection and Repairing, Determining UFW	53,675,000.00	-	40,075,000.00	13,600,000.00
	Lusaka Business & Technical College/ Southern & Water Sewerage Company	Pump/Plant Maintenance and Trouble shooting, Water Treatment and Quality Control, Leak Detection and Repairing, Determining UFW	171,675,000.00	-	116,425,000.00	55,250,000.00
	Lusaka Business & Technical College/ Lusaka Water & Sewerage Company	Water Operations and Supply, Plant and Industrial Maintenance	25,000,000.00	-	18,200,000.00	6,800,000.00
	Lusaka Business & Technical College/ Chambeshi Water & Sewerage Company	Advanced Plumbing, Advanced Pump Fitting & Supervisory Management	79,000,000.00	-	53,800,000.00	25,200,000.00

	Kafue Gorge Regional Training Centre/ Nkana Water & Sewerage Company	Maintenance Management Systems & Customer Care	93,600,000.00	-	46,800,000.00	46,800,000.00
	Kafue Gorge Regional Training Centre/ ZESCO	Maintenance Management Systems, Power Plant Operations, Safety Management & Customer Care	265,200,000.00	-	132,600,000.00	132,600,000.00
	Kafue Gorge Regional Training Centre/ Lusaka Water & Sewerage Company	Industrial Occupational Health and Safety Management, Fluid Flow & Centrifugal Pumps & Maintenance Management Systems	339,300,000.00	-	162,045,000.00	177,255,000.00
	Kafue Gorge Regional Training Centre/ Konkola Copper Mines	Machinery Vibration Monitoring and Analysis & Microprocessor Logic Controls	91,650,000.00	-	45,825,000.00	45,825,000.00
			1,143,100,000.00	-	634,970,000.00	508,130,000.00
			1,913,250,000.00	231,260,340.00	858,770,000.00	515,590,340.00
5	Window 3: SME/Informal Sector training-2006 PROGRAM					
	Choma Trades Training Institute	Entrepreneurship Skills to Mukuni Curio Makers	204,291,800.00	29,067,400.00	29,067,400.00	-
	Kasiya Business & Technical College	Livestock Disease Control and Prevention; Fabric Dyeing (Batik) & Entrepreneurship and Business Skills	234,012,000.00	110,647,000.00	-	110,647,000.00
	Mukwela Youth Resource Centre	Metal work; Carpentry & Joinery; General Agriculture; Tailoring and Entrepreneurship	140,375,000.00	38,225,000.26	38,225,001.00	-
	Solwezi Skills Training Institute	Food Production; Restaurant services; Suit Making & Roof Construction	119,948,000.00	55,020,000.00	-	55,020,000.00
	Palabana Dairy Training Institute	Pig & Poultry production; Small & medium scale Dairy farming and Milk processing	127,572,600.00	66,209,900.00	-	66,209,900.00
	St Ambrose Trades Centre	Carpentry and Joinery, Metal Fabrication, Cutting and Tailoring	174,974,050.00	84,338,820.00	-	84,338,820.00
	Ndola Polytechnic	Chicken and Pig Rearing, Tailoring, Hair plating & Entrepreneurship	155,339,000.00	118,499,000.00	-	118,499,000.00
	Life Skills Training Centre	Domestic Electrical House wiring and repair, Hygiene and Entrepreneurship, Furniture Making, Roof thatching and Joinery & Dress making and Design	189,462,000.00	167,462,000.00	-	167,462,000.00
	Kabushi Entrepreneurship & Vocational Training Centre	Wood Finishing and Entrepreneurship Courses	248,938,000.00	206,667,000.00	-	206,667,000.00
	National Council For Construction Vocational Training Centre For Commerce	Building Inspection and Construction, Construction Management	122,595,575.00	61,483,250.00	35,834,454.00	25,648,796.00
		Design & Tailoring	63,000,000.00	48,400,000.00	-	48,400,000.00
			1,780,508,025.80	986,019,370.26	103,126,854.26	882,892,516.00
	Window 3: SME/Informal Sector training-2007 PROGRAM					
	Association of CISEUsers	Vegetable Leather Tanning, Gender & Entrepreneurship Training, Meat Processing, Tourism Photography, Tourism Photography and Start Your Business Training	214,575,000.00	-	190,975,000.00	23,600,000.00
	Dzithandeni Trades School	Wood Product Finishing	98,625,000.00	-	56,150,000.00	42,475,000.00
	Zambia Chamber for Small Medium Business Association	Agro Processing, Cashew Nut Processing and Agri Business Management	183,534,810.00	-	113,203,544.00	70,331,266.00
	Zambia Chamber for Small Medium Business Association	Skills enhancement for Crafts and Pottery Producers	201,367,700.00	-	49,909,600.00	151,458,100.00
	Livingstone Institute of Business and Engineering Studies	Design, Cutting and Tailoring	70,402,500.00	-	15,991,425.00	54,411,075.00
	Northern Technical College	Electrical Installation & Refrigerant Management	192,000,000.00	-	96,000,000.00	96,000,000.00
	Industrial Training Centre	Metal Fabrication & Mechanical Fitting	180,000,000.00	-	90,000,000.00	90,000,000.00
	Gemstone Processing & Lapidary Training Centre	Rough gemstone identification, Materials Preparation, Cabochon, Tumbling & Bead Making	118,400,900.00	-	59,253,075.00	59,147,825.00
	Thornpark Construction Training Centre	House wiring, Wood Finishing, Make & Fit a Framed, Ledged, Braced & Battened Door, Construct 'L' Shaped Timber Roof, Lay Floor & Wall Tiles, Build in Door & Window Frames, Set out a Building using a Dumpy Level, Plastering	156,834,450.00	-	79,892,393.00	76,942,057.00
	Choma Trades Training Institute	Wood Finishing	40,346,000.00	-	23,046,000.00	17,300,000.00
	Zambia Co-operation Federation/ In-service Training Trust	Grain Management	162,587,500.00	-	77,793,750.00	84,793,750.00
			1,618,673,860.00	-	852,214,787.00	681,665,323.00
			3,399,181,885.80	986,019,370.26	981,701,641.26	1,564,557,839.00
6	Window 4: Investment and Development Funding-2006 PROGRAM					
	HUMAN RESOURCES DEVELOPMENT					
	Choma Trades Training Institute	Diploma in Electrical-Copperbelt University	10,380,000.00	-	10,380,000.00	-
	Chipata Trades Training Institute	Technical Teaching Diploma-TVTC	8,270,000.00	-	-	-
	Zambia Institute of Business and Industrial Practice	CISCO and Web Site Development	7,920,000.00	-	-	-
	Kabwe Trades Training Institute	Automotive Technologist	13,420,000.00	-	-	-
	Kasiya Business & Secretarial College	Technical Teaching Diploma-TVTC	8,060,000.00	-	-	-
	Northern Technical College	Power Systems Protection	13,807,500.00	-	-	-
			61,857,500.00	-	10,380,000.00	-
	Window 4: Investment and Development Funding-2007 PROGRAM					
	Zambia Institute of Business and Industrial Practice	Hotel Management	8,960,000.00	-	8,960,000.00	-
	Northern Technical College	Teaching Methodology	19,160,000.00	-	19,160,000.00	-
	Dzithandeni Trades School	Teaching Methodology	9,980,000.00	-	9,980,000.00	-
	Monze Youth Projects	Certificate in Management Accountancy, Technical Teachers Diploma, 2 X Craft Certificate in Carpentry & Joinery	42,036,800.00	-	42,036,800.00	-
	Zambia Air Services Training Institute	Degree in Computing & Information Systems	54,452,000.00	-	54,452,000.00	-
	Kabwe Skills Training Institute, Kasiya Secretarial College, Northern Technical College, Zambia Institute of Business Studies	Supply of IT Equipment	159,000,000.00	-	159,000,000.00	-
			293,588,800.00	-	293,588,800.00	-
			355,446,300.00	-	303,968,800.00	-
	GRAND TOTAL		12,982,868,110.45	3,204,909,896.96	3,700,910,203.26	5,650,149,809.35

**TECHNICAL EDUCATION, VOCATIONAL AND
ENTREPRENEURSHIP TRAINING AUTHORITY
(TEVETA)
FINANCIAL STATEMENTS
For the Year ended 31 December 2007**



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**AUDIT OF FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31ST
DECEMBER 2007**

Auditor's Report

In accordance with the provisions of Article 121 of the Constitution of Zambia, Public Finance Act No: 15 of 2004 and Public Audit Act of 1980, I have audited the financial statement set out on pages 3 to 5 which were prepared on a cash basis under the historical cost convention.

Responsibilities of the Programme Management

The management of TEVETA is responsible for the preparation of financial statements for each year which presents a true and fair view. In preparing the financial statements, management select suitable accounting policies and then applies them consistently, makes judgments that are reasonable, prudent and follows generally accepted accounting principles.

The Management is also responsible for the system of internal control, safeguarding of the assets and taking reasonable steps for the prevention and detection of errors, fraud and other irregularities.

Responsibility of the Auditor

It is my responsibility to form an independent opinion, on those financial statements based on the audit.

Basis of Opinion

The audit was conducted in accordance with the Office of the Auditor General Auditing Standards, International Standards on Auditing and generally accepted auditing standards. It included examination of evidence relevant to the amounts and disclosures in the financial statements. It also included an assessment of the significant estimates and judgments made by the Authority in the preparation of the financial statements and whether the accounting policies are appropriate to the institution's circumstances, consistently applied and adequately disclosed.

The audit was planned and conducted so as to obtain all the information and explanations, which were considered necessary in order to provide sufficient evidence to give reasonable assurance that the financial statements are free from material misstatements, whether caused by error, fraud or other irregularities. I considered that my audit procedures were appropriate in the circumstance to support my opinion presented below.

In my opinion, the statement on pages 3 to 5 give a true and fair view of the financial affairs of the Authority as at 31st December 2007 and of its excess income over expenditure for the year then ended.



Anna O. Chifungula (FCCA, FZICA)
AUDITOR-GENERAL

..... 10 / 10 / 2008.

TECHNICAL EDUCATION, VOCATIONAL AND ENTREPRENEURSHIP TRAINING AUTHORITY (TEVETA) FINANCIAL STATEMENTS For the Year ended 31 December 2007



STATEMENT OF RESPONSIBILITIES

The TEVETA Management is responsible for the preparation of financial statements for each financial period, which gives a true and fair view of the state of affairs of TEVETA for that year. In preparing the financial statements, the management is required to:

- Select suitable accounting policies and then apply them consistently,
- Make judgments and estimates that are reasonable and prudent; and
- Follow Generally Accepted Accounting Practice for the cash basis of accounting

The TEVETA Management is responsible for ensuring that proper accounting records are kept, which disclose with reasonable accuracy at any time the financial position of the entity. It is also responsible for safeguarding the assets of the entity and taking reasonable steps for the prevention and detection of errors, fraud and other irregularities.

The TEVETA Management is also responsible for the systems of internal control. These are designed to provide reasonable, but not absolute, assurance as to the reliability of the financial statements and to adequately safeguard, verify and maintain accountability for assets, and to prevent and detect material misstatements.

The systems are implemented and monitored by suitably trained personnel with an appropriate segregation of authority and duties. Nothing has come to the attention of the TEVETA management to indicate that any material breakdown in the functioning of these controls, procedures and systems has occurred during the year under review.

In the opinion of TEVETA Management the financial statements give a true and fair view of the state of the entity as affairs at 31st December 2007 and of its Surplus / (Deficit) and cash flows for the year then ended.

Signed on behalf of the TEVETA Management by:

A handwritten signature in black ink, appearing to read 'H. Deligulsa', is written over a dotted line.

Board Chairperson
Date:

A handwritten signature in black ink, appearing to read 'R. M. M. M.', is written over a dotted line.

Board Secretary
Date: 18 July 2008

**TECHNICAL EDUCATION, VOCATIONAL AND
ENTREPRENEURSHIP TRAINING AUTHORITY
(TEVETA)
INCOME AND EXPENDITURE STATEMENT
For the Year ended 31 December 2007**



	Note	31 December 2007 K	31 December 2006 K
Income	3	15,463,224,904	11,114,477,186
Direct Expenditure	Appendix I	(5,879,413,459)	(6,980,765,192)
Administration Expenditure	Appendix II	(5,374,666,382)	(5,471,450,207)
Exchange Differences	Appendix III	(51,332,861)	32,783,730
(Deficit)/Surplus of income Over expenditure	4	<u>(4,157,812,202)</u>	<u>(1,304,954,483)</u>

The notes on pages 6 to 12 form part of these financial statements.

TECHNICAL EDUCATION, VOCATIONAL AND ENTREPRENEURSHIP TRAINING AUTHORITY (TEVETA)

BALANCE SHEET


For the Year ended 31 December 2007

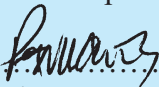


	Note	31 December 2007 K	31 December 2006 K
Assets			
Non Current Assets			
Tangible fixed assets	5	<u>704,413,077</u>	<u>525,325,897</u>
Current Assets			
Inventory	6	100,477,598	68,394,745
Debtors	7	492,421,748	285,494,020
Cash and Bank	8	<u>4,895,318,547</u>	<u>1,451,135,184</u>
		<u>5,488,217,893</u>	<u>1,805,023,949</u>
Total Assets		<u>6,192,630,970</u>	<u>2,330,349,846</u>
Funds and Liabilities			
Accumulated fund	9	4,898,245,033	740,432,831
Non Current Liabilities			
Capital Grant	10	274,483,934	504,571,434
Current liabilities			
Creditors	11	1,019,902,003	1,085,345,581
Total Funds and liabilities		<u>6,192,630,970</u>	<u>2,330,349,846</u>

The financial statements of TEVETA were approved by the Directors
on 18 July 2008

And signed on its behalf by:


.....
Board Chairperson


.....
Board Secretary

The notes on pages 6 to 12 form part of these financial statements.

TECHNICAL EDUCATION, VOCATIONAL AND ENTREPRENEURSHIP TRAINING AUTHORITY (TEVETA)

CASH FLOW STATEMENT

For the Year ended 31 December 2007



	Note	31 December 2007 K	31 December 2006 K
Operating Activities			
(Deficit)/Surplus of income over Expenditure		4,157,812,202	(1,304,954,483)
Adjustments for:			
Loss on disposal of fixed assets		-	31,270,518
Depreciation	5	276,178,796	333,101,270
Interest received	3	(2,876,021)	(2,654,834)
Amortisation of capital grants	10	<u>(230,087,500)</u>	<u>(197,797,429)</u>
		4,201,027,477	1,141,034,958
(Increase)/Decrease in stock	6	(32,082,853)	20,279,090
Increase in debtors	7	(206,927,728)	225,069,095
(Increase)/Decrease in creditors	11	<u>(65,443,578)</u>	<u>(123,881,440)</u>
Net cash (outflow)/inflow from Operating activities		<u>3,896,573,318</u>	<u>1,019,568,213</u>
Investing Activities			
Interest received	3	2,876,021	2,654,834
Purchase of fixed assets	5	<u>(455,265,975)</u>	<u>(105,936,233)</u>
Net cash outflow from investing Activities		<u>(452,389,954)</u>	<u>(103,281,400)</u>
Financing Activities			
Capital grants received		-	124,006,481
Net cash inflow from financing Activities			<u>124,006,481</u>
Net increase in cash and cash Equivalents		<u>3,444,183,364</u>	<u>998,843,132</u>
Analysis of changes in cash and cash equivalents:			
Cash and Cash equivalent at beginning of year		1,451,135,184	2,449,978,316
(Decrease)/Increase during the year		<u>3,444,184,364</u>	<u>(998,843,132)</u>
Cash and Cash equivalent at end of year		<u>4,895,318,548</u>	<u>1,451,135,184</u>

The notes on pages 6 to 12 form part of these financial statements.

TECHNICAL EDUCATION, VOCATIONAL AND ENTREPRENEURSHIP TRAINING AUTHORITY (TEVETA)

NOTES TO THE FINANCIAL STATEMENTS

For the Year ended 31 December 2007



1 Principal Activities

The functions of the Authority are to regulate, monitor and coordinate technical education, vocational and entrepreneurship training in consultation with industry, employers, workers and other stakeholders.

2 Principal Accounting Policies

Basis of Accounts Preparation

The accounts are prepared under the historical cost convention and have been prepared in accordance with applicable accounting standards.

Depreciation

Depreciation is provided on a straight-line basis at annual rates estimated to write off the cost of each asset over the period of their expected useful lives at the following annual rates:

Motor Vehicles	25%
Office Furniture and Fittings	20%
Office Equipment	25%
Computer Equipment	25%
Computer Software	25%

Inventory

Inventory is stated at the lower of cost and net realizable value. Cost includes all expenses incurred in bringing the inventory to its present location and condition. Cost is determined by the First in First out (FIFO) method. Net realizable value is the estimate of the selling price in the ordinary course of business, less selling expenses.

Foreign Currencies

Assets and liabilities denominated in foreign currencies are expressed in Kwacha at the rates of exchange ruling at the Balance Sheet date. Receipts and payments in foreign currencies are translated to Kwacha at the actual rate ruling at the date of the transaction. Exchange differences arising on translation are included in the surplus/ (deficit) of income over expenditure.

Government Grants

Government Grants are recognized as income over the periods necessary to match them with the related costs they are intended to compensate on a systematic basis. Government Grants related to assets, including non-monetary grants at fair value, are presented in the balance sheet by setting up the grant as a deferred income, which is recognized as income on a systematic and rational basis over the useful life of the asset.

TECHNICAL EDUCATION, VOCATIONAL AND ENTREPRENEURSHIP TRAINING AUTHORITY (TEVETA)

NOTES TO THE FINANCIAL STATEMENTS

For the Year ended 31 December 2007



3 Income

	31 Dec 2007 K	31 Dec 2006 K
Government grants	3,401,862,874	1,018,416,670
Grants-Danida	314,331,200	1,710,451,492
Grant-EKN	5,255,029,633	3,051,350,826
Grant-IDA	960,671,240	1,303,542,850
Grant-NUFFIC/NPT	1,237,205,960	459,159,600
Grant-IDA, TEVET FUND	3,704,055,031	2,876,879,820
Registration Fees	164,688,000	174,620,000
Amortization of Capital Grant	230,087,500	197,797,429
Interest	2,876,021	2,654,834
Other Income	154,006,259	305,197,915
Application Fees		200,000
Sale of Syllabi	38,411,186	14,205,750
	<u>15,463,224,904</u>	<u>11,114,477,186</u>

Government Grants are accounted for on receipt basis rather than accrual basis.

**TECHNICAL EDUCATION, VOCATIONAL AND
ENTREPRENEURSHIP TRAINING AUTHORITY
(TEVETA)**

NOTES TO THE FINANCIAL STATEMENTS

For the Year ended 31 December 2007



4 Surplus of Income over Expenditure

The surplus of income over Expenditure is stated after charging the following:-

	31 December 2007	31 December 2006
	K	K
Audit Fees	40,727,500	53,908,750
Depreciation	276,178,795	333,101,270
Board expenses	<u>99,834,393</u>	<u>92,225,600</u>

**TECHNICAL EDUCATION, VOCATIONAL AND ENTREPRENEURSHIP TRAINING AUTHORITY
(TEVETA)
NOTES TO THE FINANCIAL STATEMENTS
For the Year ended 31 December 2007**

5 Tangible Fixed Assets	Motor Vehicles K	Office Equipment K	Furniture & Fittings K	Computer Equipment K	Computer Software K	TOTALS K
Cost						
Balance at 01.01.2007	380,246,639	115,205,920	152,243,244	563,589,425	197,945,154	1,409,230,382
Additions	264,981,600	115,714,500	74,569,875	-	-	455,265,975
Disposals	-	-	-	-	-	-
Balance at 31.12.2007	<u>645,228,239</u>	<u>230,920,420</u>	<u>226,813,119</u>	<u>563,589,425</u>	<u>197,945,154</u>	<u>1,864,496,357</u>
Depreciation						
Balance at 01.01.2007	272,559,252	69,705,795	99,417,562	352,960,519	89,261,357	883,904,485
Charge for the year	82,474,362	30,930,211	20,623,996	95,308,129	46,842,098	276,178,796
Disposals	-	-	-	-	-	-
Balance at 31.12.2007	<u>355,033,614</u>	<u>100,636,006</u>	<u>120,041,558</u>	<u>448,268,648</u>	<u>136,103,455</u>	<u>1,160,083,281</u>
Net Book value						
Balance at 31.12.2007	<u>290,194,625</u>	<u>130,284,414</u>	<u>106,771,561</u>	<u>115,320,777</u>	<u>61,841,699</u>	<u>704,413,076</u>
Balance at 31.12.2006	<u>107,687,387</u>	<u>45,500,125</u>	<u>52,825,682</u>	<u>210,628,906</u>	<u>108,683,797</u>	<u>525,325,897</u>

**TECHNICAL EDUCATION, VOCATIONAL AND
ENTREPRENEURSHIP TRAINING AUTHORITY (TEVETA)
NOTES TO THE FINANCIAL STATEMENTS
For the Year ended 31 December 2007**



	31 December 2007 K	31 December 2006 K
6. Stock		
Stationery and Office Consumables	<u>100,477,598</u>	<u>68,394,745</u>
7 Debtors		
Staff receivables	58,589,188	141,605,020
Prepayments	285,985,567	20,496,516
Other receivables	<u>147,846,993</u>	<u>123,392,484</u>
	<u>492,421,748</u>	<u>285,494,020</u>
8 Cash and Bank		
Citibank-Danida		99,917,653
Citibank-Danida Informal Sector		64,071,368
Citibank-IDA	861,831,663	422,633,156
Citibank-EKN	2,785,458,419	531,685,105
Citibank-TEVETA/GRZ	146,051,924	194,919,112
Standard Chartered bank-Nuffic/NPT	740,172,814	92,739,765
Stanbic-TEVET fund	361,341,827	45,140,425
Cash in hand	<u>461,900</u>	<u>28,600</u>
	<u>4,895,318,547</u>	<u>1,451,135,184</u>
9 TEVETA Accumulated Fund		
Balance at 1 January	695,292,406	1,993,207,484
(Deficit)/Surplus for the year	<u>3,841,610,800</u>	<u>(1,297,915,078)</u>
Balance at 31 December	<u>4,536,903,206</u>	<u>695,292,406</u>
TEVET Fund Accumulated Fund		
Balance at 1 January	45,140,425	52,179,830
(Deficit)/Surplus for the year	<u>316,201,402</u>	<u>(7,039,405)</u>
Balance at 31 December	<u>361,341,827</u>	<u>45,140,425</u>
Consolidated Accumulated Fund		
Balance at 1 January	740,432,831	2,045,387,314
(Deficit)/Surplus for the year	<u>4,157,812,202</u>	<u>(1,304,954,483)</u>
Balance at 31 December	<u>4,898,245,033</u>	<u>740,432,831</u>

**TECHNICAL EDUCATION, VOCATIONAL AND
ENTREPRENEURSHIP TRAINING AUTHORITY (TEVETA)
NOTES TO THE FINANCIAL STATEMENTS
For the Year ended 31 December 2007**



	31 December 2007 K	31 December 2006 K
10 Capital Grants		
Balance at 1 January	504,571,434	578,362,382
Grants received during the year	-	124,006,481
Amortisation of Capital Grants	<u>(230,087,500)</u>	<u>(197,797,429)</u>
Balance at 31 December	<u>274,483,934</u>	<u>504,571,434</u>
Capital Grants are amortised systematically over the useful lives of the relevant assets acquired using the Capital Grants.		
11 Creditors		
Sundry Creditors	201,358,061	57,657,768
Accruals (Note 14)	143,523,874	415,246,572
Gratuity Provision	374,678,950	360,184,273
Leave Pay Provision	281,292,600	237,354,000
Interest payable to Danida	5,476,082	5,471,935
Other Creditors	<u>13,572,436</u>	<u>9,431,033</u>
	<u>1,019,902,003</u>	<u>1,085,345,581</u>
12 Accruals		
Consultancy	16,767,000	42,485,225
Communication Costs	6,596,442	1,029,829
Necor-Computer Expenses	31,232,738	31,232,738
Printing Calendars	43,500,000	35,250,000
Electricity and Water	2,510,063	1,261,951
PAYE	(15,047,428)	22,318,750
Withholding Tax	5,625,000	23,445,000
Training Workshop	-	62,722,500
CISEP Users	-	400,000
Audit fees	10,000,000	36,600,000
Others	<u>42,340,059</u>	<u>158,500,579</u>
	<u>143,523,874</u>	<u>415,246,572</u>

**TECHNICAL EDUCATION, VOCATIONAL AND
ENTREPRENEURSHIP TRAINING AUTHORITY (TEVETA)
NOTES TO THE FINANCIAL STATEMENTS
For the Year ended 31 December 2007**



-
- 13 Capital commitments**
There were no capital commitments as at 31 December 2007.
- 14 Contingent liabilities**
There were no contingent liabilities as at 31 December 2007.
- 15 Comparative figures**
Comparative figures have been reclassified to allow for a meaningful comparison.
- 16 Subsequent events**
There were no subsequent events subsequent to the balance sheet date requiring adjustments to the financial statements.

TECHNICAL EDUCATION, VOCATIONAL AND ENTREPRENEURSHIP TRAINING AUTHORITY (TEVETA) DIRECT EXPENSES For the Year ended 31 December 2007



I Appendix

	31 December 2007 K	31 December 2006 K
Facilitate Performance Improvement	50,994,030	13,059,376
Operationalise TEVET Fund	4,133,674,162	3,651,600,847
Workshop-Contract Development	-	7,488,503
Sixteen National Curricular Revised & Approved	195,858,800	267,774,156
Staff Training in Strategic Management	-	4,200,000
Staff Training in Monitoring & Evaluation	-	16,492,000
Staff Training W/shop in Following up C/Dev.	-	5,127,800
Regional Meetings	-	35,679,080
Training, Assessment and Qualification	-	144,031,276
Team Building Sessions-TEVETA Annual Act	-	40,582,557
Establish & Maintain S/holder links to LMI	-	32,560,940
Promote Formation & Operation of DTAC's	39,671,503	77,023,825
Upgrade skills of master crafts persons	-	2,464,460
Promote Innovation skills	7,157,500	996,000
Strengthen Quality A/S in TEVETA Institutions	-	294,491,083
Improve Acceptable levels of TEVETA	110,347,524	174,521,663
TEVET Institutions Registered	100,476,362	72,056,047
Establish Quality Assurance System Gr2 & Gr3	-	5,858,500
Conduct 300 Inspections & TPs Adherence	87,801,156	42,405,802
TEVETA Qualification Framework	-	16,008,140
Facilitate Training of Trainers & B/Counselors	8,053,105	119,173,161
Implement strategy for mainstreaming CCI	2,465,000	349,941,186
Enhance networking on CCI	-	1,231,500
Knowledge & Awareness	-	1,499,393
Improve Knowledge S/holders TEVETA	-	17,832,770
Promote and Implement IEC Strategy	145,709,821	160,499,213
Establish & Improve Org.MSTP with F & A	143,312,587	32,823,255
Facilitate Awareness Campaign	-	(1,140,825)
Utilise advisory committees	7,268,030	6,670,356
Facilitate Technical skill Upgrade	114,139,786	589,062,304
Labour Market Information Management	15,530,390	30,413,841
Enhance Capacity in TI FM HR & Procurement	-	99,644,680
Training System Development	609,648,613	596,467,609
Internal Income generation Costs	-	10,997,930
System Cont.Prof Dev.-Trainer Acc.Fund	-	53,864,425
Balance carried down	5,772,108,369	6,367,439,574

TECHNICAL EDUCATION, VOCATIONAL AND ENTREPRENEURSHIP TRAINING AUTHORITY (TEVETA) DIRECT EXPENSES

For the Year ended 31 December 2007



	31 December 2007	31 December 2006
	K	K
Balance brought forward	5,772,108,369	6,367,439,574
Establish Sys.-Prof.Dev.& Entre.Trainer	-	7,362,339
Carry out Linkages with Stakeholders	330,000	-
National Quality Assurance Network Established	17,691,280	-
Develop Uptodate TAQS and Methods	66,469,810	-
Training Assessment & Quality System	22,814,000	-
	<u>5,879,413,459</u>	<u>6,374,800,913</u>

Appendix i

TECHNICAL EDUCATION, VOCATIONAL AND ENTREPRENEURSHIP TRAINING AUTHORITY (TEVETA) ADMINISTRATION EXPENSES

For the Year ended 31 December 2007



Appendix ii

	31 December 2007 K	31 December 2006 K
Audit fees	40,727,500	53,908,750
Bank charges	17,976,335	18,124,761
Cleaning expenses	16,851,475	15,157,308
Depreciation	276,178,795	333,101,270
Board expenses	99,834,393	92,225,600
Electricity and Water	4,930,020	1,873,704
Preparation of Accounts Budgets	29,087,320	15,363,290
General Expenses	44,000,028	17,222,599
Insurance and Licenses	146,051,117	175,273,867
Leave and Gratuity	963,299,522	1,029,837,885
Local Travel	5,600,000	3,560,000
Motor vehicles expenses	202,391,937	188,917,796
Office expenses	14,153,225	10,740,280
Other personnel costs	422,000	1,527,903
Printing and Stationery	75,524,652	64,392,344
Repair and maintenance	9,605,362	21,965,342
Salaries and wages	3,040,667,502	2,968,892,661
Overtime-Fin. & Admin	18,501,330	13,749,536
Security	62,124,600	62,274,600
Project Management	112,344,216	145,287,357
Settling in allowance	14,325,000	7,950,000
Subscription and Donations	10,345,132	10,210,144
Telephone and postage	90,759,930	73,192,383
Internet	47,285,074	45,689,725
Computer expenses	29,859,517	27,508,642
Utilization of tender committees	1,820,400	6,240,000
Bad debts written off	-	18,790,631
Stock adjustment	-	14,175,811
Loss on disposal of fixed assets	-	31,270,518
Other expenses	-	3,025,500
Total	5,374,666,382	5,471,450,207

TECHNICAL EDUCATION, VOCATIONAL AND ENTREPRENEURSHIP TRAINING AUTHORITY (TEVETA) EXCHANGE DIFFEENCES

For the Year ended 31 December 2007



Appendix III

January Currency Adjustment (Stanchart)	723,255
February Currency Adjustment (Stanchart)	(3,860)
March Currency Adjustment (Stanchart)	(15,399,792)
April Currency Adjustment (Stanchart)	4,664,348
May Currency Adjustment (Stanchart)	27,855,736
September Currency Adjustment (Stanchart)	(3,555,428)
October Currency Adjustment (Stanchart)	2,377,110
December Currency Adjustment (Stanchart)	(542,796)
Blue Crest-Accommodation & Meals	17,893
March Currency Adjustment (Citibank)	17,003,955
April Currency Adjustment (Citibank)	6,517,902
May Currency Adjustment (Citibank)	10,739,680
June Currency Adjustment (Citibank)	4,503,867
Oblate Radio Lisele-Advertisement	(3)
Adoni Technical Work-Office Accommodation	(3)
August Currency Adjustment (Citibank)	(348,901)
September Currency Adjustment (Citibank)	11,731
October Currency Adjustment (Citibank)	12,544,193
November Currency Adjustment (Citibank)	9,587,678
December Currency Adjustment (Citibank)	(22,924,855)
TEVET Fund Adjustment(Stanbic)	<u>(2,438,849)</u>
	<u>51,332,861</u>

**TECHNICAL EDUCATION, VOCATIONAL AND
ENTREPRENEURSHIP TRAINING AUTHORITY (TEVETA)
TEVET FUND INCOME AND EXPENDITURE STATEMENT
For the Year ended 31 December 2007**



	31 December 2007 K	Appendix IV 31 December 2006 K
INCOME		
Grant-EKN	-	595,700,400
Grant-IDA	3,704,055,031	2,876,879,820
Grant- DANIDA	314,331,200	-
Interest Bank	359,664	10,990
	<u>4,018,745,895</u>	<u>3,472,591,210</u>
EXPENDITURE		
Direct Expenses		
Window 1: Pre-employment Training	1,556,469,763	1,764,532,034
Window 2: In Service Training	858,770,000	538,889,660
Window 3: SME/Informal Sector Training	981,701,641	1,102,867,050
Window 4: Investment & Development Funding	303,968,800	61,857,500
	<u>3,700,910,204</u>	<u>3,468,146,244</u>
Administration Expenses		
Bank Charges	4,073,138	3,498,356
Exchange differences	(2,438,849)	7,986,015
	<u>1,634,289</u>	<u>11,484,371</u>
SURPLUS/(DEFICIT) FOR THE PERIOD	<u>316,201,402</u>	<u>(7,039,405)</u>

**TECHNICAL EDUCATION, VOCATIONAL AND
ENTREPRENEURSHIP TRAINING AUTHORITY (TEVETA)
IDA INCOME AND EXPENDITURE STATEMENT
For the Year ended 31 December 2007**



Appendix v

	31 December 2007 K	31 December 2006 K
INCOME		
Grant-IDA	960,671,240	1,303,542,850
Amortisation of Grant	97,314,903	98,161,940
Other Income	-	650,500
	<u>1,057,986,143</u>	<u>1,402,355,290</u>
EXPENDITURE		
Direct Expenses		
Facilitate Technical Skills Upgrade	114,139,786	196,406,132
Human Resource Dev.Plan for TEVETA	81,914,190	124,274,798
Request for Funding Proposals & Evaluations	111,133,671	70,325,740
Monitoring & Evaluation Visits	17,422,900	-
Sixteen National Curricular Rev.& Approved	33,442,120	242,973,156
TEVET Institutions Registered	16,822,645	14,170,000
At Least 300 Inspected TPs adhere to Quality	250,000	13,482,800
Utilising Advisory Committees	7,268,030	6,670,356
Improve Training Assessment & Qualif.Sys.	89,339,251	135,236,233
Develop up to date TAQS and methods	4,268,350	-
Strengthen Quality A/S in TEVET Institution	-	37,365,000
Establish Quality Assurance Sys.Gr 2 & 3	-	5,858,500
TEVET Qualification Framework	-	4,186,780
System Cont.prof.Dev-Trainer Acc. Fund	-	(3,756,400)
Facilitate Awareness Campaign	-	(13,645,500)
Promote & Implement IEC Strategy	-	84,802,900
	<u>476,000,943</u>	<u>918,350,495</u>
Administration Expenses		
Exchange Difference	37,653,137	68,317,889
Insurance – Motor Vehicles	-	678,376
Motor Vehicle Expenses	-	339,121
Depreciation	97,314,903	97,314,913
	<u>134,968,040</u>	<u>166,650,289</u>
SURPLUS OF INCOME OVER EXPENDITURE	<u>447,017,160</u>	<u>317,354,506</u>

**TECHNICAL EDUCATION, VOCATIONAL AND
ENTREPRENEURSHIP TRAINING AUTHORITY (TEVETA)
NUFFIC/NPT INCOME AND EXPENDITURE STATEMENT
For the Year ended 31 December 2007**



Appendix IV

	31 December 2007 K	31 December 2006 K
INCOME		
Nuffic-Grant	1,237,205,960	459,159,600
Sundry	-	63
	<u>1,237,205,960</u>	<u>459,159,663</u>
EXPENDITURE		
Direct Expenses		
Human Resources Dev.Plan for TEVETA	443,365,350	403,461,904
	<u>443,365,850</u>	<u>403,461,904</u>
Administration Expenses		
Project Management	83,068,216	145,287,357
Subscriptions	-	270,830
Bank Charges	2,241,134	1,755,561
Adherence to reporting requirement	2,203,750	4,200,000
Exchange Difference	<u>16,118,573</u>	<u>(109,087,634)</u>
SURPLUS OF INCOME OVER EXPENDITURE	<u>690,208,437</u>	<u>13,271,646</u>

**TECHNICAL EDUCATION, VOCATIONAL AND
ENTREPRENEURSHIP TRAINING AUTHORITY (TEVETA)
EMBASSY OF THE KINGDOM OF NETHERLANDS
INCOME AND EXPENDITURE STATEMENT
For the Year ended 31 December 2007**



Appendix VII

	31 December 2007 K	31 December 2006 K
INCOME		
Grant-EKN Funds	5,255,029,633	3,051,350,827
Amortisation of Grant	4,169,507	2,305,319
Bank Interest	515	
	<u>5,259,199,655</u>	<u>3,053,656,146</u>
EXPENDITURE		
Direct Expenses		
Facilitate Performance Improvement	50,994,030	98,294,690
Human Resource Dev. Plan for TEVETA	20,602,875	406,095,334
Operationalise TEVET Fund	229,059,495	707,657,783
Sixteen National Curricular Rev. & Approved	107,398,130	-
TEVET Institutions Registered	19,312,000	-
At Least 300 Inspected TPs adhere to Quality	32,852,140	15,442,480
Develop Uptodate TAQS and Methods	(12,000)	-
Training Assessment & Quality System	22,814,000	-
Facilitate TOTs & Careers Counsellors	1,908,560	89,599,717
Promote Formation & Operation of DTACs	(101,702)	74,265,825
Establish & Maintain Stakeholder Linkage	15,545,640	32,460,940
Establish & Improve Org. Mgt. System-TP	86,026,738	30,968,255
Knowledge & Awareness of TEVET Systems	114,416,581	1,469,393
Strengthen Quality A/S in TEVET Institution	-	1,180,000
Facilitate Awareness Campaign	-	3,175,196
Implement Strategy for Mainstreaming CCI	-	172,492,496
Enhance Networking on CCI Among TEVET St	-	156,500
Improve to Acceptable Levels of TEVETA	-	96,683,557
Promote & Implement IEC Strategy	-	75,696,312
Improve Knowledge to Stakeholder-TEVET	-	17,832,770
Improve to Acceptable Levels of TEVETA	-	72,554,808
	<u>700,816,487</u>	<u>1,896,026,056</u>

**TECHNICAL EDUCATION, VOCATIONAL AND
ENTREPRENEURSHIP TRAINING AUTHORITY (TEVETA)
EMBASSY OF THE KINGDOM OF NETHERLANDS
INCOME AND EXPENDITURE STATEMENT
For the Year ended 31 December 2007**



Appendix VIII

	31 December 2007 K	31 December 2006 K
Administration Expenses		
Adherence to Reporting Requirements	29,599,900	53,992,405
Stationery & Consumables	25,915,000	3,744,500
Cleaning Expenses	598,025	567,995
Office Refreshment	30,000	-
General Expenses	15,855,874	1,310,688
Telephone Charges	26,952,541	57,784,072
Electricity	2,382,020	-
Water	1,162,400	1,873,704
Internet Services	20,014,737	34,450,762
Computer Expenses	20,840,617	13,811,143
Security Services	25,885,250	46,743,450
Postage	1,755,500	8,095,833
Insurance-Motor Vehicle	21,954,539	3,743,014
Insurance-Computer	498,684	698,163
Insurance-Health	22,468,008	11,327,547
Group Life Assurance	34,936,854	-
Repairs & Maintenance-Office Equipment	4,860,000	6,455,000
Repairs & Maintenance-General	1,933,000	8,834,625
Motor Vehicles Expenses	117,128,533	137,390,745
Other Expenses	-	3,025,500
Depreciation	4,169,507	2,234,792
Bank Charges	3,935,635	2,685,000
Overtime-Finance & Administration	6,725,384	4,212,231
Leave	126,592,800	185,422,080
Gratuity	238,774,250	412,578,852
Staff Allowances	-	732,903
Settling in Allowance	4,657,750	-
Personal Emoluments	1,003,017,120	1,232,367,250
	<u>1,762,643,928</u>	<u>2,234,082,254</u>
SURPLUS/(DEFICIT) OF INCOME OVER EXPENDITURE	<u>2,795,739,240</u>	<u>(1,076,452,164)</u>

**TECHNICAL EDUCATION, VOCATIONAL AND
ENTREPRENEURSHIP TRAINING AUTHORITY (TEVETA)
DANIDA INCOME AND EXPENDITURE STATEMENT
For the Year ended 31 December 2007**



Appendix IX

	31 December 2007 K	31 December 2006 K
INCOME		
Grant-SPS Danida	(776,119)	1,710,451,492
Amortisation of Grant	128,603,091	97,330,170
Income Other	17	26,617,500
Sundry Income	-	11,158,003
	<u>127,826,989</u>	<u>1,845,557,165</u>
EXPENDITURE		
Direct Expenses		
Request for Funding Proposals & Evaluation	27,391,871	
Promote Formation & Operation of DTACs	39,773,205	2,758,000
Establish & Improve Org.Mgt System-TP	33,431,000	1,795,000
Strengthen Quality A/S in TEVET Institutions	-	2,000,000
TEVET Institutions Registered	-	4,192,500
Facilitate TOTs & Careers Counsellors	-	29,503,444
System Cont.Prof Dev.-Trainer Acc.Fund	-	57,620,825
Establish Sys.-Prof.Dev.& Entre.Trainer	-	978,000
Upgrade skills -master crafts persons	-	2,464,460
Promote Innovation Skills-Product	-	996,000
Facilitate Awareness Campaign	-	9,329,479
Implement Strategy for Mainstreaming CCI	-	177,448,690
Enhance Networking on CCI Among TEVET St	-	1,075,000
Improve to Acceptable Levels of TEVETA	-	5,283,298
	<u>100,596,076</u>	<u>295,444,696</u>

**TECHNICAL EDUCATION, VOCATIONAL AND
ENTREPRENEURSHIP TRAINING AUTHORITY (TEVETA)
DANIDA INCOME AND EXPENDITURE STATEMENT
For the Year ended 31 December 2007**



	31 December 2007 K	Appendix X 31 December 2006 K
Administration Expenses		
Stationery & Consumables	-	59,927,844
Cleaning Expenses	-	10,386,788
Office Refreshment	-	10,054,780
General Expenses	-	162,410
Telephone Charges	-	872,000
Computer Expenses	-	13,377,500
Security Services	-	10,354,100
Insurance	-	26,668,391
Repairs & Maintenance-General	-	155,600
Insurance-Motor Vehicle	-	26,158,470
Depreciation	127,859,044	223,257,200
Leave & Gratuity	-	432,066,953
Settling in Allowance	-	5,517,500
Disposal of Assets	-	31,270,518
Personal Emoluments	-	1,077,009,620
Adherence to Reporting Requirements	-	79,710
Bank Charges	663	3,801,744
Overtime-Finance & Administration	-	5,592,056
Stock Adjustment	-	10,497,595
Utilisation of Tender Committees	-	1,380,000
	<u>127,859,707</u>	<u>1,948,590,809</u>
SURPLUS/(DEFICIT) OF INCOME OVER EXPENDITURE	<u>(100,628,794)</u>	<u>(398,478,340)</u>

**TECHNICAL EDUCATION, VOCATIONAL AND
ENTREPRENEURSHIP TRAINING AUTHORITY (TEVETA)
TEVETA INCOME AND EXPENDITURE STATEMENT
For the Year ended 31 December 2007**



Appendix xi

	31 December 2007 K	31 December 2006 K
INCOME		
Grant-GRZ	3,401,862,874	1,018,416,670
Registration Fees	164,688,000	174,620,000
Application Fees	-	200,000
Curriculum/Syllabus	38,411,186	14,205,750
Loan Interest	375,713	1,454,796
Bank Interest	2,140,111	1,026,137
Income Other	168,741,659	253,620,063
Interest Received	-	162,911
Sundry Income	(13,959,280)	13,151,786
	<u>3,762,260,263</u>	<u>1,476,858,113</u>
EXPENDITURE		
Direct Expenditure		
Improve Operational Efficiency of TEVETA	1,820,400	-
Internal Income Generation Costs	29,276,000	10,997,930
Human Resource Dev.Plan for TEVETA	63,766,198	172,655,824
Operationalise TEVET Fund	47,756,021	1,171,481
Sixteen National Curricular Rev. & Approved	55,018,550	24,801,000
Carryout Linkages with Stakeholders	330,000	35,679,080
TEVET Institutions Registered	64,341,717	53,693,547
At Least 300 Inspected TPs adhere to Quality	54,699,016	13,480,522
National Quality Assurance Network Established	17,691,280	-
Training Assessment & Quality System	21,008,273	8,795,043
Develop Uptodate TAQS and Methods	62,213,460	-
Facilitate TOTs & Careers Counsellors	6,144,545	70,000
Promote Product & Process Innovation Skills	7,157,500	-
Establish & Maintain Stakeholder Linkage	(15,250)	100,000
Establish & Improve Org.Mgt.System-TP	23,854,849	60,000
Implement Strategy for Mainstreaming CCI	2,465,000	-
Knowledge & Awareness of TEVET Systems	31,293,240	30,000
Enhance Capacity in TI,FM,HR & Procurement	-	1,349,990
Strengthen Quality A/S in TEVET Institutions	-	253,946,083
TEVET Qualification Framework	-	11,821,360
Establish Sys.-Prof.Dev.& Entre.Trainer	-	6,384,339
	<u>488,820,799</u>	<u>595,036,199</u>

**TECHNICAL EDUCATION, VOCATIONAL AND
ENTREPRENEURSHIP TRAINING AUTHORITY (TEVETA)
TEVETA INCOME AND EXPENDITURE STATEMENT
For the Year ended 31 December 2007**



Appendix XII

	31 December 2007 K	31 December 2006 K
Administration Expenses		
Adherence to Reporting Requirements	137,845,563	103,225,525
Stationery & Consumables	49,609,152	720,000
Cleaning Expenses	16,253,450	4,202,525
Office Refreshment	14,123,225	685,500
General Expenses	28,144,154	15,749,501
Telephone & postage	62,051,890	6,440,478
Water	1,385,600	1,873,704
Internet Services	27,270,337	11,238,963
Computer Expenses	9,018,900	320,000
Security Services	36,239,350	5,177,050
Insurance & Licenses	66,193,032	132,158,376
Repairs & Maintenance-Office Equipment	1,983,620	-
Repairs & Maintenance-General	828,742	6,520,117
Motor Vehicles Expenses	85,263,404	25,029,460
Depreciation	46,835,342	10,294,376
Local Travel	5,600,000	3,560,000
Subscriptions	10,345,132	9,939,314
Bank Charges	7,725,765	6,384,069
Overtime-Finance & Administration	11,775,946	3,945,249
Utilisation of Tender Committees	-	4,860,000
Leave & Gratuity	597,932,472	(230,000)
Staff Allowances	422,000	315,000
Settling in Allowance	9,667,250	2,912,500
Stock Adjustment	-	3,678,216
Bad Debts written off	-	18,790,631
Personal Emoluments	2,037,650,382	659,515,791
	<u>3,264,164,708</u>	<u>1,035,432,641</u>
SURPLUS/(DEFICIT) OF INCOME OVER INCOME OVER EXPENDITURE	<u>9,274,756</u>	<u>(153,610,727)</u>

**TECHNICAL EDUCATION, VOCATIONAL AND
ENTREPRENEURSHIP TRAINING AUTHORITY (TEVETA)
NUFFIC/NPT COMPONENT FINANCIAL STATEMENTS
For the Year ended 31 December 2007**



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Auditor's Report

In accordance with the provisions of Article 121 of the Constitution of Zambia, Public Finance Act No: 15 of 2004 and Public Audit Act of 1980, have audited the financial statement set out on pages 3 to 5 which were prepared on a cash basis under the historical cost convention.

Responsibilities of the Project Management

The management of TEVETA is responsible for the preparation of financial statements for each year and the certified expenditures on Appendix I to the amount of EURO which have been submitted by TEVETA as the costs of the project entitled "Capacity building at TEVETA for the promotion of Technical Education, Vocational and Entrepreneurship Training (TEVET) for formal and non formal sector employment in Zambia with grant number CF 1923 and project number NPT/ZMB/095 presents a true and fair view. In preparing the financial statements, management select suitable accounting policies and then applies them consistently, makes judgments that are reasonable, prudent and follows generally accepted accounting principles.

The Management is also responsible for the system of internal control, safeguarding of the assets and taking reasonable steps for the prevention and detection of errors, fraud and other irregularities.

Responsibility of the Auditor

It is my responsibility to form an independent opinion, on those financial statements based on the audit.

Basis of Opinion

The audit was conducted in accordance with the Office of the Auditor General Auditing Standards, International Standards on Auditing and generally accepted auditing standards. It included examination of evidence relevant to the amounts and disclosures in the financial statements. It also included an assessment of the significant estimates and judgments made by the Authority in the preparation of the financial statements and whether the accounting policies are appropriate to the institution's circumstances, consistently applied and adequately disclosed.

The audit was planned and conducted so as to obtain all the information and explanations, which were considered necessary in order to provide sufficient evidence to give reasonable assurance that the financial statements are free from material misstatements, whether caused by error, fraud or other irregularities. I considered that my audit procedures were appropriate in the circumstance to support my opinion presented below.

In my opinion, the statement on pages 3 to 5 give a true and fair view of the financial affairs of the Authority as at 31st December 2007 and of its excess income over expenditure for the year then ended.



Anna O. Chifungula (FCCA, FZICA)
AUDITOR-GENERAL 2008.

10/10/2008

TECHNICAL EDUCATION, VOCATIONAL AND ENTREPRENEURSHIP TRAINING AUTHORITY (TEVETA) NUFFIC/NPT COMPONENT FINANCIAL STATEMENTS For the Year ended 31 December 2007



STATEMENT OF RESPONSIBILITIES

The Project Outline for capacity building for TEVETA staff funded under the Netherlands Programme for Institutional Strengthening of Post Secondary Education and Training Capacity (NUFFIC)/ (NPT) requires the Directors' to prepare financial statements for each financial year that a grant is given which give a true and fair view of the utilization of the grant and of the surplus or deficit for the period.

In the opinion of the directors:-

- The Income and expenditure statement is drawn up so as to give a true and fair view of the surplus for the year period;
- The balance sheet is drawn up so as to give a true and fair view of the state of affairs of the NUFFIC/NPT component at 31 December 2007 ; and
- There are reasonable grounds to believe that the Authority will be able to pay the debts relating to the NUFFIC/NPT component as and when they fall due.

Consequently, the financial statements on pages 3 to 8 were approved by the directors at a board meeting held

On...18 July 2008.....and signed on its behalf by:

Board Chairperson

Board Secretary

Date: 18 July 2008

Date: 18 July 2008

**TECHNICAL EDUCATION, VOCATIONAL AND
ENTREPRENEURSHIP TRAINING AUTHORITY (TEVETA)
NUFFIC/NPT COMPONENT
INCOME AND EXPENDITURE STATEMENT
For the Year ended 31 December 2007**



	Note	31 December 2007 K	31 December 2007 Euro	31 December 2006 K	31 December 2006 Euro
Income	5	1,237,205,960	221,000	459,159,663	120,000
Direct Expenditure	Appendix I	(443,365,350)	(78,327)	(403,461,914)	(92,333)
Administration Expenditure	Appendix I	(87,513,600)	(15,459)	(151,513,748)	(26,269)
Exchange Differences	Appendix I	<u>(16,118,573)</u>	<u>(5,279)</u>	<u>109,087,634</u>	<u>(2,281)</u>
(Deficit)/Surplus of income Over expenditure		<u>690,208,437</u>	<u>121,935</u>	<u>13,271,645</u>	<u>(883)</u>

The notes on pages 6 to 8 form part of these financial statements.

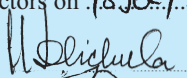
TECHNICAL EDUCATION, VOCATIONAL AND ENTREPRENEURSHIP TRAINING AUTHORITY (TEVETA) NUFFIC/NPT COMPONENT BALANCE SHEET

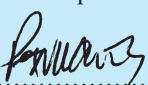
For the Year ended 31 December 2007



	Note	31 December 2007 K	31 December 2007 Euro	31 December 2006 K	31 December 2006 Euro
ASSETS					
Current Assets					
Debtors	5	5,051,166	892	14,700,989	2,539
Cash and Bank	6	740,172,814	130,762	92,739,765	16,013
Total Assets		<u>745,223,980</u>	<u>131,654</u>	<u>107,440,754</u>	<u>18,552</u>
FUNDS AND LIABILITIES					
Accumulated fund	7	750,291,174	132,549	60,082,736	10,375
Current Liabilities					
Creditors	8	(5,067,194)	(895)	47,358,018	8,177
Total Funds and Liabilities		<u>745,223,980</u>	<u>131,654</u>	<u>107,440,754</u>	<u>18,552</u>

The financial Statement of the TEVETA-NUFFIC/NPT Component were approved by the Board of Directors on 18 Dec 2008 and were signed on its behalf by:


.....
Board Chairperson


.....
Board Secretary

The notes on pages 6 to 8 form part of these financial statements.

**TECHNICAL EDUCATION, VOCATIONAL AND
ENTREPRENEURSHIP TRAINING AUTHORITY (TEVETA)
NUFFIC/NPT COMPONENT
CASH FLOW STATEMENT
For the Year ended 31 December 2007**



Note	31 December 2007 K	31 December 2007 Euro	31 December 2006 K	31 December 2006 Euro
Operating Activities				
Surplus/ (Deficit) of Income over Expenditure	690,208,437	121,935	13,271,645	(883)
Adjustments for:				
Decrease in debtors	9,649,823	2,094	(12,493,816)	(2,008)
Decrease in creditors	(52,425,212)	(9,280)	41,952,793	6,877
Net cash inflow from Operating activities	<u>647,433,048</u>	<u>114,749</u>	<u>42,730,622</u>	<u>3,986</u>
Analysis of changes in cash And cash equivalent: Kwacha	Closing Balance K	Opening Balance K	Change in Year K	
Cash and Bank balances	<u>740,172,814</u>	<u>92,739,766</u>	<u>647,433,048</u>	
	Euro	Euro	Euro	
Cash and Bank balances	<u>130,762</u>	<u>16,013</u>	<u>114,749</u>	

The notes on pages 6 to 8 form part of these financial statements.

TECHNICAL EDUCATION, VOCATIONAL AND ENTREPRENEURSHIP TRAINING AUTHORITY (TEVETA) NOTES TO THE FINANCIAL STATEMENTS For the Year ended 31 December 2007



1 Principal Activities

The purpose of the grant provided under the NUFFIC/NPT component is for building the capacity of TEVETA staff to enable them to develop strategies and systems for linking training with the labour market, to introduce a Competence-Based Modular Training (CBMT) system and to introduce a qualifications framework.

2 Principal Accounting Policies

Basis of Accounts Preparation

The accounts are prepared under the historical cost convention and have been prepared in accordance with applicable accounting standards.

Foreign Currencies

Assets and liabilities denominated in foreign currencies are expressed in Kwacha at the rates of exchange ruling at the Balance Sheet date. Receipts and payments in foreign currencies are translated to Kwacha at the actual rate ruling at the date of the transaction. Exchange differences arising on translations are included in the surplus/ (deficit) of income over expenditure.

Grants

Grants are recognized as income over the periods necessary to match them with the related costs they are intended to compensate on a systematic basis.

TECHNICAL EDUCATION, VOCATIONAL AND ENTREPRENEURSHIP TRAINING AUTHORITY (TEVETA) NOTES TO THE FINANCIAL STATEMENTS For the Year ended 31 December 2007



3 Income

	31 December 2007 K	31 December 2007 Euro	31 December 2006 K	31 December 2006 Euro
NUFFIC /NPT Grant	<u>1,237,205,960</u>	<u>221,000</u>	<u>459,159,663</u>	<u>120,000</u>

Government Grants are accounted for on receipt basis rather than accrual basis.

4 Surplus of Income over Expenditure

The surplus of income over expenditure is stated after charging the following:-

	31 December 2007 K	31 December 2007 Euro	31 December 2006 K	31 December 2006 Euro
Audit Fees			<u>4,200,000</u>	<u>725</u>

5 Debtors

Staff receivables	<u>3,092,086</u>	<u>546</u>	4,626,639	799
Other receivables	<u>1,959,080</u>	<u>346</u>	<u>10,074,350</u>	<u>1,740</u>
	<u>5,051,166</u>	<u>892</u>	<u>14,700,989</u>	<u>2,539</u>

6 Cash and Bank

StanChart-Euro	692,640,185	122,364	15,504,028	2,677
Stanchart-ZMK	<u>47,532,629</u>	<u>8,397</u>	<u>77,235,737</u>	<u>13,336</u>
	<u>740,172,814</u>	<u>130,761</u>	<u>92,739,765</u>	<u>16,013</u>

TECHNICAL EDUCATION, VOCATIONAL AND ENTREPRENEURSHIP TRAINING AUTHORITY (TEVETA) NOTES TO THE FINANCIAL STATEMENTS For the Year ended 31 December 2007



	31 December 2007 Euro	31 December 2007 K	31 December 2006 Euro	31 December 2006 K
7 Accumulated funds				
Opening balance	60,082,736	10,614	46,811,091	11,258
Surplus/(Deficit) of Income over Expenditure	<u>690,208,437</u>	<u>121,935</u>	<u>13,271,645</u>	<u>(644)</u>
Closing balance	<u>750,291,173</u>	<u>132,549</u>	<u>60,082,736</u>	<u>10,614</u>
8 Creditors				
Other creditors	(100,000)	(18)	40,752,793	7,037
Accruals	<u>5,167,194</u>	<u>913</u>	<u>6,605,225</u>	<u>1,140</u>
	<u>5,067,194</u>	<u>895</u>	<u>47,358,018</u>	<u>8,177</u>
9 Capital commitments				
There were no capital commitments as at 31 December 2007.				
10 Contingent liabilities				
There were no contingent liabilities as at 31 December 2007.				
11 Comparative figures				
Comparative figures have been reclassified to allow for a meaningful comparison.				
12 Subsequent events				
There were no subsequent events subsequent to the balance sheet date requiring adjustments to the financial statements.				

TECHNICAL EDUCATION, VOCATIONAL AND ENTREPRENEURSHIP TRAINING AUTHORITY (TEVETA) NUFFIC/NPT COMPONENT STATEMENT OF EXPENDITURE

For the Year ended 31 December 2007



Appendix i

	31 December 2007 K	31 December 2007 Euro	Budget 2007 Euro	Variance 2007 Euro
EXPENDITURE				
Direct Expenses				
Human Resources Dev.Plan for TEVETA	<u>443,365,350</u>	<u>78,327</u>	<u>143,921</u>	<u>65,594</u>
	<u>443,365,350</u>	<u>78,327</u>	<u>143,921</u>	<u>65,594</u>
Administration Expenses				
Project Management	83,068,216	14,675		
Subscriptions	-			
Bank Charges	2,241,634	397		
Adherence to reporting requirement	2,203,750	389		
Exchange Difference	<u>16,118,573</u>	<u>2,848</u>		
Total	<u>103,632,173</u>	<u>18,309</u>		

**TECHNICAL EDUCATION, VOCATIONAL AND
ENTREPRENEURSHIP TRAINING AUTHORITY (TEVETA)
TEVET FUND COMPONENT FINANCIAL STATEMENTS
For the Year ended 31 December 2007**



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4 Cash flow statement	5
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6 Appendices	9

**AUDIT OF FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31ST
DECEMBER 2007**

Auditor's Report

In accordance with the provisions of Article 121 of the Constitution of Zambia, Public Finance Act No: 15 of 2004 and Public Audit Act of 1980, I have audited the financial statement set out on pages 3 to 5 which were prepared on a cash basis under the historical cost convention.

Responsibilities of the Programme Management

The management of TEVETA is responsible for the preparation of financial statements for each year which presents a true and fair view. In preparing the financial statements, management select suitable accounting policies and then applies them consistently, makes judgments that are reasonable, prudent and follows generally accepted accounting principles.

The Management is also responsible for the system of internal control, safeguarding of the assets and taking reasonable steps for the prevention and detection of errors, fraud and other irregularities.

Responsibility of the Auditor

It is my responsibility to form an independent opinion, on those financial statements based on the audit.

Basis of Opinion

The audit was conducted in accordance with the Office of the Auditor General Auditing Standards, International Standards on Auditing and generally accepted auditing standards. It included examination of evidence relevant to the amounts and disclosures in the financial statements. It also included an assessment of the significant estimates and judgments made by the Authority in the preparation of the financial statements and whether the accounting policies are appropriate to the institution's circumstances, consistently applied and adequately disclosed.

The audit was planned and conducted so as to obtain all the information and explanations, which were considered necessary in order to provide sufficient evidence to give reasonable assurance that the financial statements are free from material misstatements, whether caused by error, fraud or other irregularities. I considered that my audit procedures were appropriate in the circumstance to support my opinion presented below.

In my opinion, the statement on pages 3 to 5 give a true and fair view of the financial affairs of the Authority as at 31st December 2007 and of its excess income over expenditure for the year then ended.



Anna O. Chifungula (FCCA, FZICA)
AUDITOR-GENERAL

.....10/10/.....2008.

**TECHNICAL EDUCATION, VOCATIONAL AND
ENTREPRENEURSHIP TRAINING AUTHORITY (TEVETA)
TEVET FUND COMPONENT FINANCIAL STATEMENTS
For the Year ended 31 December 2007**



DIRECTOR'S STATEMENT

Technical Education, Vocational and Entrepreneurship Training Act No. 13 of 1998 requires the Directors' to prepare financial statements for each year which give a true and fair view of the state of affairs of the Authority and of the surplus or deficit for the period.

In the opinion of the Directors:-

The income and expenditure statement of the TEVET FUND component is drawn up so as to give a true and fair view of the surplus for the one year period;

There are reasonable grounds to believe that the Authority will be able to pay the debts relating to the TEVET FUND component as and when they fall due.

Signed on behalf of the TEVETA Management by:

A handwritten signature in black ink, appearing to read 'H. D. D. D.', is written over a dotted line.

Board Chairperson

A handwritten signature in black ink, appearing to read 'P. M. M. M.', is written over a dotted line.

Board Secretary

Date: 18 July 2008

Date: 18 July 2008

**TECHNICAL EDUCATION, VOCATIONAL AND
ENTREPRENEURSHIP TRAINING AUTHORITY (TEVETA)
INCOME AND EXPENDITURE STATEMENT
For the Year ended 31 December 2007**




	Note	31 December 2007 K	31 December 2006 K
Income	3	4,018,745,895	3,472,591,210
Direct Expenditure	Appendix I	(3,700,910,204)	(3,468,146,244)
Administration Expenditure	Appendix II	(4,073,138)	(3,498,356)
Exchange Differences	Appendix III	2,438,849	(7,986,015)
(Deficit)/Surplus of income Over expenditure		<u>316,201,402</u>	<u>(7,039,405)</u>


**TECHNICAL EDUCATION, VOCATIONAL AND
ENTREPRENEURSHIP TRAINING AUTHORITY (TEVETA)
BALANCE SHEET
For the Year ended 31 December 2007**



	Note	31 December 2007 K	31 December 2006 K
Current Assets			
Cash and Bank	4	<u>361,341,827</u>	<u>45,140,425</u>
Total Assets		<u>361,341,827</u>	45,140,425
Funds and Liabilities			
Accumulated fund	5	<u>361,341,827</u>	45,140,425

The financial statements of the TEVETA- TEVET Fund Component were approved by the Directors on 18 July 2008, and signed on its behalf by:


.....
Board Chairperson


.....
Board Secretary

The notes on pages 5 to 8 form part of these financial statements.

**TECHNICAL EDUCATION, VOCATIONAL AND
ENTREPRENEURSHIP TRAINING AUTHORITY (TEVETA)
CASH FLOW STATEMENT
For the Year ended 31 December 2007**



CASH FLOW STATEMENT

	Notes	31 December 2007 K	31 December 2006 K
Operating Activities (Deficit)/Supplus of income over expenditure		316,201,402	(7,039,405)
Net cash (outflow)/inflow from operating activities		316,201,402	(7,039,405)
Net (decrease)/increase in cash and cash equivalents		316,201,402	(7,039,405)
Analysis of changes in cash and cash equivalents:			
Cash and cash equivalents at Beginning of the year		45,140,425	52,179,830
(Decrease)/Increase during the year		316,201,402	(7,039,405)
Cash and Bank Balances		361,341,827	45,140,425

The notes on pages 5 to 8 form part of these Financial Statements.

**TECHNICAL EDUCATION, VOCATIONAL AND
ENTREPRENEURSHIP TRAINING AUTHORITY (TEVETA)
NOTES TO THE FINANCIAL STATEMENTS
For the Year ended 31 December 2007**



NOTES TO THE FINANCIAL STATEMENTS

1. Principal Activities

The purpose of the grant provided under the TEVET Fund component is to provide finance to Registered Training Institutions and Employers through disbursements of funds under the following windows:

Window 1: Pre-employment training

Window 2: In-Service training

Window 3: Small and Micro Enterprise and Informal Sector Training

Window 4: Investment and Development Funding

2. Principal Accounting Policies

Basis of Accounting

The Financial Statements are prepared under the historical cost convention and have been prepared in accordance with applicable accounting standards.

Foreign Currencies

Assets and liabilities denominated in foreign currencies are expressed in Kwacha at the rates of exchange ruling at the Balance Sheet date. Receipts and payments in foreign currencies are translated to Kwacha at the actual rate ruling on the date of the transaction. Exchange differences arising on translation are included in the surplus/(deficit) of income over expenditure.

Government Grants

Government Grants are recognized as income over the periods necessary to match them with the related costs they are intended to compensate on a systematic basis. Government Grants related to assets, including non-monetary grants at fair value, are presented in the balance sheet by setting up the grant as a deferred income, which is recognized as income on systematic and rational basis over the useful life of the asset.

**TECHNICAL EDUCATION, VOCATIONAL AND
ENTREPRENEURSHIP TRAINING AUTHORITY (TEVETA)
NOTES TO THE FINANCIAL STATEMENTS
For the Year ended 31 December 2007**



NOTES TO THE FINANCIAL STATEMENTS (Continued)

3 Income

	31 Dec 2007 K	31 Dec 2006 K
International Development Association	3,704,055,031	2,876,879,820
Royal Netherlands Embassy	-	595,700,400
Bank Interest	359,664	10,990
Danida	<u>314,331,200</u>	<u> </u>
TOTAL	<u>4,018,745,895</u>	<u>3,472,591,210</u>

Grants are accounted for on receipt basis rather than accrued basis.

**TECHNICAL EDUCATION, VOCATIONAL AND
ENTREPRENEURSHIP TRAINING AUTHORITY (TEVETA)
NOTES TO THE FINANCIAL STATEMENTS
For the Year ended 31 December 2007**



NOTES TO THE FINANCIAL STATEMENTS (Continued)

4. Cash and Bank

	31 December 2007 K	31 December 2006 K
Stanbic IDA US\$ Account	326,232,735	6,185,889
Stanbic IDA ZMK Account	2,815,648	25,768,345
Stanbic Main US\$ Account	854,393	1,579,540
Stanbic Main ZMK Account	<u>31,439,051</u>	<u>11,606,651</u>
	<u>361,341,827</u>	<u>45,140,425</u>

5. Accumulated Fund

Balance at 1 January	45,140,425	52,179,830
Deficit/(Surplus) for the year	<u>316,201,402</u>	<u>(7,039,405)</u>
Balance at 31 December	<u>361,341,827</u>	<u>45,140,425</u>

6. Comparative Figures

Comparative figures have been reclassified to allow for meaningful comparison with current year figures.

7. Subsequent events

There were no events subsequent to the balance sheet date requiring adjustments to the Financial Statements.

Government Grants are accounted for on receipt basis rather than accrual basis.

**TECHNICAL EDUCATION, VOCATIONAL AND
ENTREPRENEURSHIP TRAINING AUTHORITY (TEVETA)
TEVET FUND INCOME AND EXPENDITURE STATEMENT
For the Year ended 31 December 2007**



DETAILED INCOME AND EXPENDITURE

	31 December 2007 K	31 December 2006 K
INCOME		
International Development Association	3,704,055,031	2,876,879,820
Royal Netherlands Embassy	-	595,700,400
Bank Interest	359,664	10,990
DANIDA	<u>314,331,200</u>	
	4,018,745,895	3,472,591,210
Director Expenditure		
Disbursements		
Window 1: Pre-employment training	1,556,469,763	1,764,532,034
Window 2: In-Service training	858,770,000	538,889,660
Window 3: SME/Informal Sector Training	981,701,641	1,102,867,050
Window 4: Investment and Development Funding	303,968,800	61,857,500
	<u>3,700,910,204</u>	<u>3,468,146,244</u>
Administration Expenses		
Bank Charges	4,073,138	2,830,400
Bank Interest	-	667,956
	<u>4,073,138</u>	<u>3,498,356</u>
Exchange Difference	2,438,849	7,986,015
Exchange Loss		
(Deficit)/Surplus of income over Expenditure	<u>316,201,402</u>	<u>(7,039,405)</u>