



TEVETA ANNUAL REPORT 2010

SKILLS FOR DEVELOPMENT

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1. Vision, Mission and Values

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 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 utilisation of resources for TEVET;
- Facilitate improved interactions and communication between TEVET stakeholders;

In order to contribute to the development of Zambia.

VALUES

T	E	V	E	T	A
We at TEVETA adhere to these fundamental values in the conduct of our functions and in our internal and external relationships.		A	Accommodating different opinions		
		L	Loyalty		
		U	Up-right in all our dealings		
		E	Equity and Empathy in all our decisions		
		S	Service above self		



2. Registered Office

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

Bankers:

1. Citibank Zambia Limited
Citibank House
Cha Cha Cha Road
Lusaka, Zambia
2. Standard Chartered Bank (Z) Plc
Cairo road
Lusaka, Zambia
3. Stanbic Bank Zambia Limited
Woodgate House
Cairo Road
Lusaka, Zambia
4. Zambia National Commercial Bank Limited
Civic Centre Branch
Independence Avenue
Lusaka, Zambia

Auditors

CYMA Chartered Public Accountants and Management Consultants
4th Floor, Electra House, Cairo Road
P. O Box 38298,
Lusaka, Zambia



3. Board Members

Mr. Wamulume Kalabo
Zambia Association of Chambers
of Commerce and Industry
(ZACCI)
Chairperson

Professor Mutale M. Musonda
Copperbelt University
Vice Chairperson

Mrs. Josephine Shamwana-Lungu
Catholic Secretariat
Member

Mr. Andrew Phiri
Permanent Secretary
Ministry of Education
Member

Ms. Bridget M.S. Muyambango
National Institute of Public Administration
(NIPA)
Member

Mr. Chriticles Mwansa
Permanent Secretary
Ministry of Science, Technology
and Vocational Training
Member

Ms. Patience Sakuringwa
Zambia Chamber of Small and Medium
Business Associations (ZCSMBA)
Member

Dr. Winnie Mwenda
Permanent Secretary
Ministry of Labour and Social Security
Member

Dr. Patrick K. Nkanza
Director General
TEVETA
Secretary

Dr. Elder Moonga
National Institute for Scientific
and Industrial Research
(NISIR)
Member

Ms. Nyangu Kayamba
Zambia Federation of Employers
Member

Mr. Leonard Hikaumba
Zambia Congress of Trade Unions
Member



4. Committee of the Board

Finance and Administration Committee

Professor M. M. Musonda

Chairperson

Mr. L. Hikaumba - Zambia Congress of Trade Unions

Permanent Secretary - Ministry of Science, Technology and Vocational Training

Permanent Secretary - Ministry of Labour and Social Security

Ms. J. Muwo - (Accountant) Choice Corporate

Mrs. A. Kalulu - Bankers Association of Zambia

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

Secretary

Technical Committee

Mrs. Bridget Muyambango - National Institute of Public Administration

Chairperson

Dr. E. Moonga - National Institute for Scientific and Industrial Research

Mrs. J. Shamwana Lungu - Catholic Secretariat

Mr. F. Bantubonse - Chamber of Mines of Zambia

Mrs. P. Sakuringwa - Zambia Chamber of Small and Medium Business Associations

Representative - Ministry of Education

Mr. M. A. K. Simumba - Director VET, Ministry of Science, Technology and Vocational Training

Professor S. Simukanga - University of Zambia

Mr. S. Patel - Zambia Association of Chambers of Commerce and Industry

Mr. O. A. Hachinene - Director Training Standards Division - TEVETA

Secretary (1)

Mr. D. C. Chakonta - Director Development Division - TEVETA

Secretary (2)

Audit Committee

Ms. N. Kayamba - Zambia Federation of Employers.

Permanent Secretary - Ministry of Education

Permanent Secretary - Ministry of Science, Technology and Vocational Training

A representative of the Accounting profession

A representative of the Purchasing and Supply profession



5. TEVETA Senior Management



Dr. Patrick K. Nkanza
Director General



Mr. David Chakonta
Director Development Division

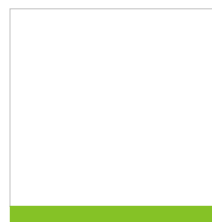


Mrs Matilda Nsemani
Director Finance and Administration
Division



Mr Orphan Hachinene
Director Training Standards
Division

6. Statement from the Chairman



Mr. Wamulume Kalabo

Chairman



On behalf of the Technical Education, Vocational and Entrepreneurship Training Authority (TEVETA), I have the pleasure to present the Annual Report and Audited Financial Statements for the year 2010.

2010 marked the tenth year of operations of the Authority, in the context of the Technical Education, Vocational and Entrepreneurship Training Act No. 11 of 1998, and the Technical Education, Vocational and Entrepreneurship Training (Amendment) Act No. 11 of 2005.

During the year, the Technical Education, Vocational and Entrepreneurship Training (TEVET) Qualifications Framework (TQF) was approved by the Government of the Republic of Zambia. The TQF is a sub-frame of the Zambia Qualifications Framework.

During 2010, TEVETA registered 308 Training Institutions throughout the country. A total of 32,911 learners (55% male and 45% female) were undergoing training at the registered training institutions. During the year, the Accreditation of Trainers, Assessors and Examiners was further strengthened as a total of 936 individuals were accredited as Trainers, 264 were accredited as Assessors and 424 were accredited as Examiners.

The transfer of TEVET examinations from the Examinations Council of Zambia to TEVETA proceeded during the year, and the process is expected to be completed in 2011.

The Board express their gratitude to the Government of the Republic of Zambia and all partners for their support to the operations of TEVETA during the year.

Mr. Wamulume Kalabo

Chairman

Technical Education, Vocational And Entrepreneurship Training Authority



6. 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 the Technical Education, Vocational and Entrepreneurship Training (Amendment) Act No. 11 of 2005. Its general function is to regulate, coordinate 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 quality of the human resources in Zambia through the 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 the 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 undertaken under this Act;
- m) award certificates to persons who succeeded 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 registration of an institution established 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, vocational and entrepreneurship training;
- s) determine the equivalences of local and foreign examinations;
- t) accredit and register trainers, examiners and assessors;
- u) in conjunction with the Minister:
- v) determine priority skills areas of technical education, vocational and entrepreneurship training for the purpose of enhancing social and economic development in Zambia; and
- w) mobilise financial and material resources for the provision of technical education, vocational and entrepreneurship training; and
- x) do all such things connected to or incidental to the functions of the Authority under this Act

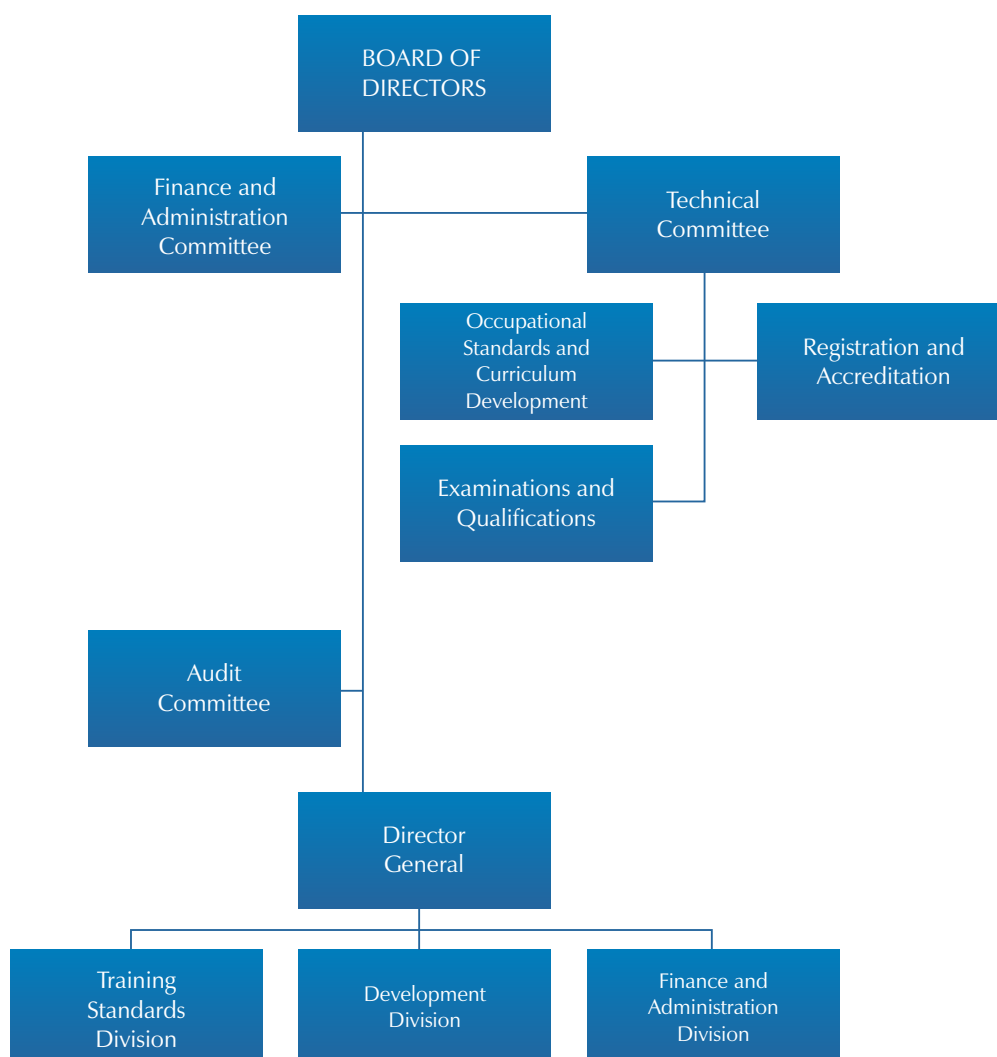
7.2 Governance

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:

- i. a representative of a federation of trade unions;
- ii. a representative of the Zambia Association of Chambers of Commerce and Industry;
- iii. one representative from the university established under the University Act;
- iv. one representative from a federation of employers' organisations;
- v. a representative of the Zambia Chamber of Small and Medium Business Associations;
- vi. a representative of a research and development institution established under the Science and Technology Act;
- vii. a representative of a religious organisation involved in providing technical education, vocational and entrepreneurship training;
- viii. a representative of the Ministry responsible for technical education, vocational and entrepreneurship training;
- ix. a representative of the Ministry responsible for labour;
- x. a representative of the Ministry responsible for education; and
- xi. one other person

Figure 1: shows the governance structure for the Authority

Figure 1: Structure of TEVETA



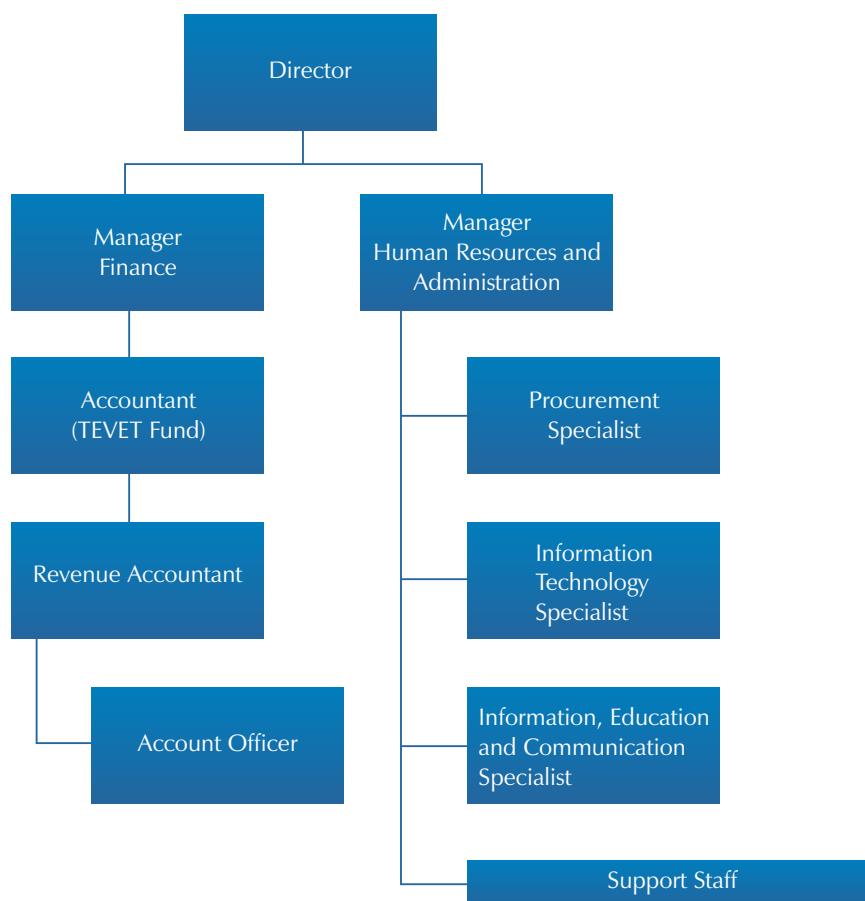
7.3 The Role of TEVETA

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. The 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 2010.

7.3.1 The Finance and Administration Division

(a) Structure

Figure 2 : The Finance and Administration Division



(b) Human Resources and Administration

The Authority had a total staff complement of thirty- nine at the end of the period under review. The table below gives a summary of the staff movement during the period under review.

Table 1: TEVETA Staff 2010

Category	At 31 st Dec. 2009	Recruited	Promoted	Separated	At 31 st Dec. 2010	Approved Establishment
Director General and Directors	4	0	0	0	4	4
Managers	9	0	0	2	7	8
Specialists	14	0	0	0	14	22
Officers	5	2	0	0	7	7
Support Staff	7	0	0	0	7	8
TOTAL	39	2	0	2	39	49

During the year, the Authority recruited Information, Education & Communication (IEC) Specialist and a Training Systems Development Specialist.

(c) Finance Unit

With the revision of registration fees, and introduction of accreditation fees, the Unit conducted verification visits to all the nine provinces. These visits were aimed at verifying the actual programmes that were offered by all the registered Training Providers in order to enable the Authority charge the correct fees. The visits were also a way of verifying that all teaching staff were accredited as required by the Authority.

(d) TEVET Fund Unit

The Financing Strategy introduced by the Ministry of Science, Technology and Vocational training through the TEVET Fund aims at financing technical skills training in public training institutions. A total of seven (07) public training institutions were financed through the TEVET Fund.

These were:

- (i) Evelyn Hone College of Applied Arts and Commerce (EHCAAC),
- (ii) Gemstone Processing and Lapidary Training Centre (GPLTC),
- (iii) Kabwe Trades Training Institute (KTTI),
- (iv) Livingstone Institute of Business and Engineering Studies (LIBES),
- (v) Lusaka Business and Technical College (LBTC)
- (vi) Northern Technical College (NORTEC),
- (vii) Zambia Air Services Training Institute (ZASTI),

Disbursements during the year were as shown below:

Table 2 : The TEVET Fund Unit Disbursements in 2010

	Amount Disbursed [ZMK' 000]
Evelyn Hone College of Applied Arts and Commerce (EHCAAC),	3,000,000.00
Gemstone Processing and Lapidary Training Centre (GPLTC),	640,200.00
Kabwe Trades Training Institute (KTTI),	675,610.00
Livingstone Institute of Business and Engineering Studies (LIBES),	1,050,000.00
Lusaka Business and Technical College (LBTC)	615, 551.00
Northern Technical College (NORTEC),	1,782,903.00
Zambia Air Services Training Institute (ZASTI),	1,260,137.00
TOTAL	9,024,401.00

In addition, the Authority procured books on behalf of the institutions under the Financing strategy to be used to improve learning standards. Further, the Unit conducted Monitoring and Evaluation missions on a quarterly basis to all beneficiary institutions. This was to ensure that the desired outputs were achieved.

(e) Information, Education and Communications (IEC) Unit

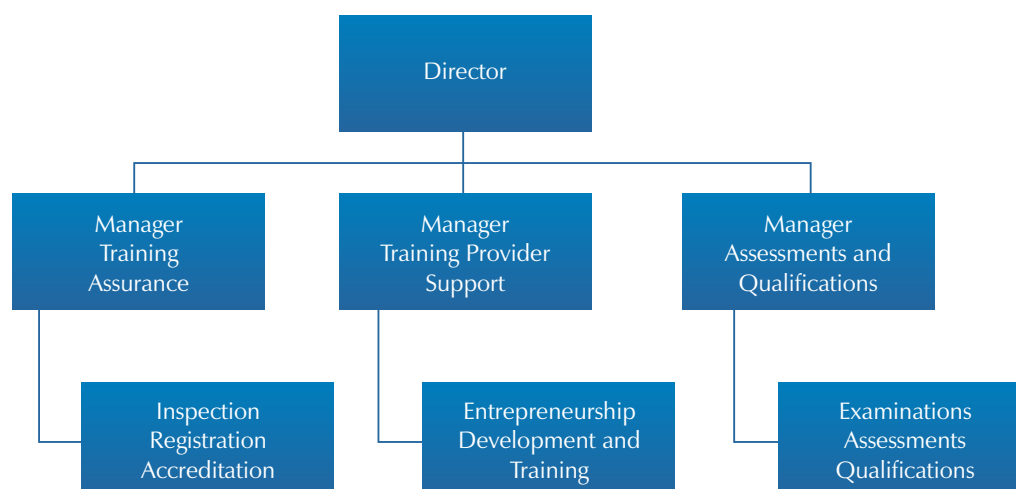
The main objective of the Information, Education and Communication (IEC) programmes for the year under review was to improve public awareness and understanding of TEVET reforms and programmes in response to market demands and skills demand in the country. The unit was actively involved in the dissemination of TEVET information through various media. Key activities towards the unit's objective included broadcasting TEVET information through Radio programmes on Radio Phoenix and community Radio stations in Eastern, Copperbelt and Luapula Provinces respectively.

The unit further produced a documentary on **“TEVETA at 10 Years”** in commemoration of the Authority's ten (10) years of existence. The documentary highlighted key strategies TEVETA pursued in the past ten years aimed at improving skills training in TEVET, which included funding strategies, synergies to combine industry and entrepreneurial requirements in skills training and collaboration with stakeholders in the TEVET sector. The documentary was broadcast on Zambia National Broadcasting Corporation Television. The IEC unit also spearheaded the re-designing of the website and continued updating it. In addition, the unit participated in the Zambia International Trade Fair, the Lusaka Agriculture and Commercial Show, the Business Enterprise Exhibition and Lusaka Career Counselling Fair. These activities gave the unit an opportunity to interact with members of the public to enhance their understanding of TEVETA operations and mandate in the context of demands for skills by the labour market.

7.3.2 The Training Standards Division

(a) Structure

Figure 3: The Training Standards Division



The Training Standards Division is responsible for monitoring and enforcing set standards for TEVET provision. This is done through the following functions:

- a) Training activity Quality Assurance
- b) Assessments and Qualifications administration
- c) Training Provider Support Services

(a) Registration of Training Institutions

Inspections of Training Institutions were conducted during the year, with the purpose of registering new training institutions and for ensuring compliance with the Minimum Training Standards. A total of **308** training institutions were registered as at 31st December 2010, and the related number of full time students enrolled was 32,911. Refer to Table 1 and Table 2 for details:

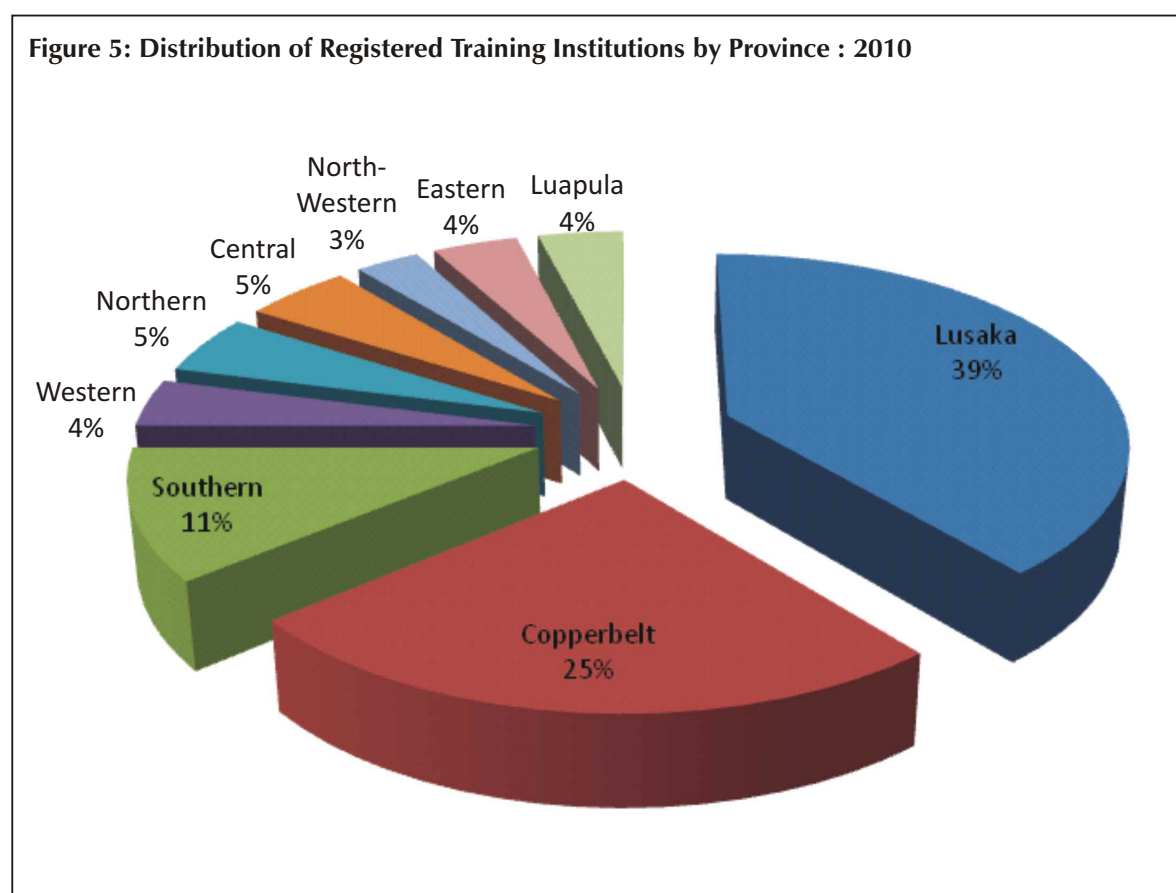
Table 3: Number of Registered Training Institutions by Type of Ownership (2008-2010)

OWNERSHIP	NUMBER OF REGISTERED TRAINING INSTITUTIONS		
	2008	2009	2010
Public/Government	58	78	80
Private	107	107	107
Church	59	66	66
Community	8	6	10
Trust	14	14	16
Company	10	14	14
NGO	20	18	15
TOTAL	276	304	308

Table 4: Student Enrollment by Programme by Gender (2008 - 2010)

PROGRAMME	2008		2009		2010	
	Male	Female	Male	Female	Male	Female
Business Studies	6,300	5,918	6,930	6,509	7,338	6,990
Secretarial Studies	3	1,428	0	1,499	0	1,574
Hotel and Tourism	1,120	2,542	1,176	2,669	1,234	2,194
Media and Applied Arts	1,010	1,990	1,061	2,089	1,113	2,194
Paramedical	160	180	168	189	176	199
Aviation	95	7	110	10	135	12
Craft Programmes	6,702	900	6,903	950	7,148	992
Advanced Certificate/ Technician Programmes	4,000	567	354	55	414	80
Diploma/Technologist Programmes	460	17	483	18	490	20
TOTAL	19,850	13,549	17,185	13,988	18,048	14,683
Percentage	59%	41%	55%	45%	55%	45%
TOTAL	30,521		31,173		32,911	

Figure 5 shows the distribution of Registered Training Institutions by Province.



(c) Accreditation of Examination Bodies, Trainers, Examiners and Assessors

In the overall context of improving the quality of training, TEVETA introduced the Accreditation System for

Trainers, Examiners and Assessors in TEVET. In 2010, the following numbers of Trainers, Examiners and Assessors were accredited by TEVETA.

Table 5: Accreditation summary for Trainers, Assessors and Examiners (2010)

Accreditation Status	Category for Accreditation		
	Trainer	Assessor	Examiner
Full Accreditation	794	252	399
Provisional Accreditation	142	12	25
TOTAL	936	264	424

(d) Administration and Conduct of TEVET Examinations and Assessments

TEVET examinations were conducted for all the three sessions of April, August and December respectively. The Trade Test System was further strengthened by adopting a national standard for the assessment instruments and session dates. Over 2,000 candidates were assessed for the Trade Test Qualification over three sessions during the year. These comprised candidates who had acquired their competences from both formal and non-formal learning environments.

(e) Training Provider Support Services

Advisory services were provided to Registered Training Institutions through the following initiatives:

- Management of Training and Training Institutions,
- Finance, Procurement and Human Resource Management

During these activities, TEVETA also carried out a survey to establish the application of Information and Communications Technologies (ICTs) in training institutions, with respect to instruction, learning, and training institution management. A total of 25 training institutions made up the sample representing about 8% of the registered training institutions in 2010. The number of students associated with this sample was 11,630 which accounted for 35% of the total enrolment of the year. The survey revealed among other things that the average number of students per available computer ranged between seven (7) students per available computer to fifty-three (53) students per available computer. Computer-to-staff ratio was equally high. The summary results for student access are shown below:

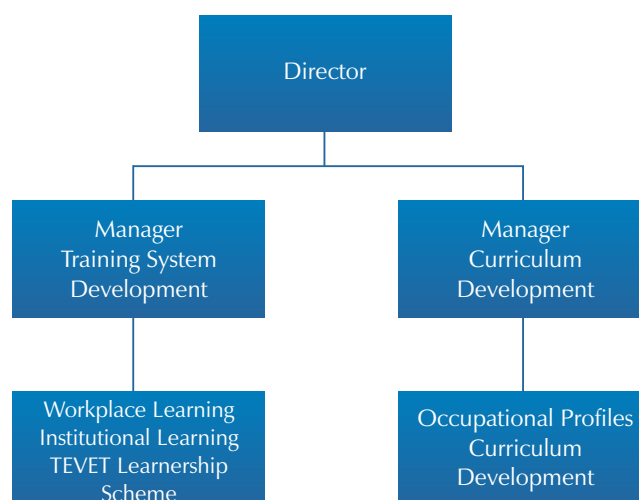
Table 6: Student Access to Computer in TEVET Institutions

District	No. of TEVETA Registered Training Institutions Sampled	No. of Students in the Sample	No. of Computers Available to Students	No. of Students per Available Computer
Kitwe	5	2,694	117	23
Chingola	5	530	74	7
Mufulira	4	1,287	31	42
Lusaka	11	7,119	135	53
TOTAL	25	11,630	357	125

7.3.3 Development Division

(a) Structure

Figure 6: Development Division



(b) Training Systems Development

In the development of Training Systems, emphasis was placed on the following areas:

(i) Increased Access to Training

In view of the high social and economic demand for skills, particularly by the youth, one of the strategic objectives of TEVETA for the period 2010 to 2012, in relation to increasing access to training, is to develop a variety of alternative training and learning pathways in order to accommodate the training needs of different learner groups. Among these are the TEVET Learnership Scheme and Workplace Learning and Training.

(ii) TEVET Learnership Scheme

The TEVET Learnership Scheme is a structured learning programme based on a dual training model that consists of a combination of institution and workplace based training, leading to a qualification that is registered on the TEVET Qualification Framework (TQF).

A TEVET Learnership is regulated by a formal agreement (TEVET Learnership Agreement) involving an Employer, a Learner and a Training Provider. The programme expanded from the pilot initiated in 2009 which had only involved one (1) employer, three (3) training institutions, and 51 learners. During the year 2010, the TEVET Learnership Scheme involved three (3) employers, four (4) training institutions and one hundred and thirty three (133) learners, in the sectors of finance and banking and mining and mineral processing.

(iii) Workplace-Based Learning : Community Infrastructure Development Projects

Community projects, particularly those involving infrastructure developments, provide opportunities for skills development. The concept of Workplace-based Learning (WPBL) has potential to provide citizens, particularly the youth, with opportunities to acquire skills which can be assessed and certified. The curriculum guiding the learning and training is structured around the various competences required at the various stages of the construction project, complemented by theory instruction provided by a registered training institution. Students who complete the whole

curriculum or a significant portion of it were then at liberty to sit for the relevant national examination. During the year, TEVETA developed the Guidelines for this model of Workplace-Based Learning. These were then tested at three construction sites in Lusaka, Kafue and Kaoma Districts. A total of 48 learners (33 male and 15 female) participated.

(a) Curriculum and Qualifications Development

A total of eleven (11) curricula were approved during the year bringing the cumulative total of approved curricula to 120. The TEVET curriculum development process involves the following stages: (i) Development of Occupational /Job Profiles, (ii) Curriculum Development, (iii) Validation, and (iv) Approval. Table 7 presents a summary of approved curricula.

Table 7 : Approved Curricula : 2010

<i>Qualification Level</i>	<i>No. of Approved Curricula</i>	<i>No. of Curricula due for review as at 31st December 2010</i>
Diploma (TQF Level 6)	32	20
Advanced Certificate (TQF Level 5)	17	8
Craft Certificate/Certificate (TQF Level 4)	42	24
Trade Certificates (TQF Level 3)	29	6
TOTAL	120	58

The TEVET Qualification Framework (TQF) was approved during the year 2010, as a sub-frame of the Zambia Qualification Framework. TEVETA was also involved in the development of the Southern African Development Community (SADC) Regional Qualification Portal. Thirty-one (31) Qualification Descriptors and Twelve (12) Descriptors for Skills Awards were developed and posted on SADC Qualification Portal.



8. Outlook for 2011

The growth of the economy of Zambia in all sectors will result in increased demand for skilled human resources. Further, the training system will be required to deliver graduates who will have been sufficiently prepared for the world of work. The high proportion of youth in the population and the consequent problems of youth unemployment will present demand for the design and development of variety learning and training methods in order to increase access to skills development for employment in both the formal and non-formal sectors. Policy measures and strategies that index financing of skills development programmes by the TEVET sector in response to the continued growth of the economy would be a welcome initiative.

**TECHNICAL EDUCATION, VOCATIONAL AND ENTREPRENEURSHIP TRAINING
AUTHORITY (TEVETA)****Financial Statements**For the year ended 31ST December 2010

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TECHNICAL EDUCATION, VOCATIONAL AND ENTREPRENEURSHIP TRAINING AUTHORITY (TEVETA)

Financial Statements

For the year ended 31ST December 2010

MANAGEMENT AND CORPORATE DATA

Board of Directors

Name	Position	Institution
Mr. W. Kalabo	Chairperson	ZACCI
Prof. M. Musonda	V/Chairperson	CBU
Ms P. Sakuringwa	Member	ZACSMBA
Mr. L. Hikaumba	Member	ZCTU
Permanent Secretary	Member	Ministry of Education
Ms B. M. S. Muyambango	Member	NIPA
Dr. E. Moonga	Member	NISIR
Mrs. J. S. Lungu	Member	Catholic Secretariat
Mr. N. Kayamba	Member	ZFE
Permanent Secretary	Member	Ministry of Science Technology & Vocational Training
Permanent Secretary	Member	Ministry of Labour and Social Security
Dr. P. K. Nkanza	Board Secretary	TEVETA

Senior Management

Dr. P. K. Nkanza	Director General
Mrs. M. M. Nsemani	Director Finance and Administration
Mr. D. C. Chakonta	Director Development Division
Mr. O. A. Hachinene	Director Training Standards Division

Bankers

Standard Chartered Bank Plc
CITI Bank Zambia Limited
Stanbic Bank
Zambia National Commercial Bank Plc

Auditors

CYMA - Chartered Accountants and Management Consultants

Registered Office

Plot 4751,
Birdcage Walk Longacres
Private Bag RW 16X
Lusaka.



TECHNICAL EDUCATION, VOCATIONAL AND ENTREPRENEURSHIP TRAINING AUTHORITY (TEVETA)

Financial Statements

For the year ended 31ST December 2010

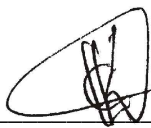
DIRECTORS' STATEMENT

The Technical Education, Vocational and Entrepreneurship Training Act No. 13 of 1998 requires the Directors to prepare financial statements for each financial 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:-

- (a) The Income and Expenditure Statement is drawn up so as to give a true and fair view of deficit for the year ended 31st December 2010;
- (b) The Statement of Financial Position is drawn up so as to give a true and fair view of the state of affairs of the Authority at 31st December 2010;
- (c) At the date of these statements there were reasonable grounds to believe that the Authority will be able to pay its debts as and when they fall due; and
- (d) The financial statements have been prepared in accordance with the International Financial Reporting Standards and are in compliance with the Technical Education, Vocational and Entrepreneurship Training Act No. 13 of 1998.

Consequently, the financial statements on Pages 5 to 8 were approved by the Directors at a Board meeting held on 12TH MAY 2011.....and signed on its behalf by:

Signature : 
Board Chairperson

Signature: 
Board Secretary

CYMA

Chartered Accountants & Management Consultants

LUSAKA
4th flr, Electra house
Cairo Road
Lusaka

Postal Address
P O Box 38298
Tel: 231960
Fax: 236779
Zambia

LIVINGSTONE
2nd floor, old wing
Musi-O-Tunya House
Livingstone
Email: cyma@zamtel.zm

Postal Address
P O Box 60740
Tel: 323316
Livingstone
Zambia

AUDITORS' REPORT

To the Members of: **TECHNICAL EDUCATION, VOCATIONAL AND
ENTREPRENEURSHIP TRAINING AUTHORITY (TEVETA)**

REPORT ON THE FINANCIAL STATEMENTS

We have audited the financial statements of Technical Education, Vocational and Entrepreneurship Training Authority (TEVETA) for the ended 31 December 2010 set out on page 5 to 19. These financial statements comprise the statement of financial position at 31 December 2010, statement of comprehensive income, statement of changes in capital and reserves and statement of cashflow for the year then ended and a summary of significant accounting policies and other explanatory notes to the financial statements.

RESPONSIBILITIES OF THE DIRECTORS

The Board of Directors are responsible for the preparation and fair presentation of the financial statements in accordance with International Financial Reporting Standards and are in compliance with the Technical Education, Vocational and Entrepreneurship Training Act No. 13 of 1998. This responsibility includes: designing, implementation and maintain internal controls relevant to the preparation and fair presentation of financial statements that are free from material misstatements, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

AUDITOR'S RESPONSIBILITY

Our responsibility is to express an opinion on the financial statements based on our audit. We conducted our audit in accordance with the International Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the financial statements are free from material misstatements.

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

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

OPINION

In our opinion, the financial Statements give a true and fair view of the financial position of the Authority as at 31st December 2010 and of its financial performance and its cashflows for the year then ended, in accordance with International Financial Reporting Standards and are in compliance with the Technical Education, Vocational and Entrepreneurship Act No. 13 of 1998 & TEVET (Amendment) Act No.11 of 2005 and the Public Finance Act of 2004.

CYMA



.....
Chintu Mulendema
Managing Partner

.....29/6/2011.....
Date



TECHNICAL EDUCATION, VOCATIONAL AND ENTREPRENEURSHIP TRAINING AUTHORITY (TEVETA)

STATEMENT OF FINANCIAL POSITION as at 31ST December 2010

	NOTES	2010	2009
ASSETS			
Non – Current assets			
Property, plant and equipment	5	<u>1,102,488,558</u>	<u>1,076,984,038</u>
		<u>1,102,488,558</u>	<u>1,076,984,038</u>
Current Assets			
Inventories	2.6	151,782,117	163,359,179
Receivables	7	1,277,873,405	964,531,039
Cash and cash equivalents	8	<u>1,486,653,376</u>	<u>3,596,567,989</u>
		<u>2,916,308,898</u>	<u>4,724,458,207</u>
TOTAL ASSETS		<u>4,018,797,456</u>	<u>5,801,442,245</u>
CAPITAL RESERVES AND LIABILITIES			
Capital and reserves			
Capital fund		2,495,425,221	4,352,476,253
Capital grant		<u>204,181,848</u>	<u>330,877,780</u>
		<u>2,699,607,069</u>	<u>4,683,354,033</u>
Non current liabilities			
Current liabilities			
Other payables and short term provision	9	<u>1,319,190,387</u>	<u>1,118,088,212</u>
TOTAL CAPITAL RESERVES AND LIABILITIES		<u>4,018,797,456</u>	<u>5,801,442,245</u>

The responsibility of the Authority's Board of Directors with regard to the preparation of the Financial statements are set out on page 2. The financial statements on pages 5 to 8 were approved by the Board of Directors on12TH MAY 2011..... and were signed on its behalf by:

TECHNICAL EDUCATION, VOCATIONAL AND ENTREPRENEURSHIP TRAINING AUTHORITY (TEVETA)



STATEMENT OF COMPREHENSIVE INCOME

For the year ended 31ST December 2010

		ZMK <u>31 December 2010</u>	ZMK <u>31 December 2009</u>
	<i>Notes</i>		
Income	2.3	17,946,464,207	23,899,684,650
Expenditure			
Direct Expenses	Appendix 1	(12,360,529,328)	(16,751,822,032)
Administration Expenses	Appendix II	(7,444,872,037)	(7,363,782,648)
Exchange Differences		<u>1,886,126</u>	<u>10,791,750</u>
(Deficit)/Surplus of Income over expenditure	3	<u>(1,857,051,032)</u>	<u>(205,128,280)</u>



TECHNICAL EDUCATION, VOCATIONAL AND ENTREPRENEURSHIP TRAINING AUTHORITY (TEVETA)

STATEMENT OF CHANGES IN CAPITAL AND RESERVES

For the year ended 31ST December 2010

	ZMK Capital fund	ZMK Capital Grant	ZMK Total
Balance at 1 st January 2009	4,557,604,533	382,711,287	4,940,315,820
Capital Grants received during the year	-	122,636,528	122,636,528
Amortisation of Capital Grant	-	(174,470,035)	(174,470,035)
Less: Excess of expenditure over income 31 st December 2009	<u>(205,128,280)</u>	<u>-</u>	<u>(205,128,280)</u>
At 31 December 2009	<u>4,352,476,253</u>	<u>330,877,780</u>	<u>4,683,354,033</u>
Balance at 1 st January 2010	4,352,476,253	330,877,780	4,683,354,033
Capital Grants received during the year	-	-	-
Amortisation of Capital Grant	-	(126,695,932)	(126,695,932)
Less: Excess of expenditure over income 31 st December 2010	<u>(1,857,051,032)</u>	<u>-</u>	<u>(1,857,051,032)</u>
At 31 December 2010	<u>2,495,425,221</u>	<u>204,181,848</u>	<u>2,699,607,069</u>

Capital Fund

The Capital Fund represents surplus income which the Authority has retained from Government funding for its operations.

Capital Grant

Capital grants are deferred and credited to the income and expenditure statement in equal annual installments over the expected useful lives of the related assets.



TECHNICAL EDUCATION, VOCATIONAL AND ENTREPRENEURSHIP TRAINING AUTHORITY (TEVETA)

STATEMENT OF CASH FLOWS

For the year ended 31ST December 2010

	NOTES	2010	2009
CASHFLOW FROM OPERATING ACTIVITIES			
Excess of expenditure over income for the year		(1,857,051,032)	(205,128,280)
Adjustment in for non cash items			
Interest income	2.3	(8,896,462)	(4,342,145)
Depreciation	5	406,012,353	394,585,893
Amortization of capital grant		<u>(126,695,932)</u>	<u>(174,470,035)</u>
		(1,586,631,073)	10,645,433
Changes in working capital			
Decrease (Increase) in inventories		11,577,063	(9,201,905)
Increase in receivables	7	(313,342,366)	(670,409,950)
Increase in other payables	9	<u>201,102,175</u>	<u>102,243,493</u>
Net cash outflow from operations		<u>(1,687,294,201)</u>	<u>(566,722,929)</u>
CASHFLOWS FROM INVESTING ACTIVITIES			
Interest income	2.3	8,896,462	4,342,145
Purchase of property, plant and machinery	5	<u>(431,516,874)</u>	<u>(526,459,366)</u>
Net cash outflows to investing activities		<u>(422,620,412)</u>	<u>(522,117,221)</u>
CASHFLOWS FROM FINANCING ACTIVITIES			
Capital Grants received		-	<u>122,636,528</u>
Net cash inflow from financing activities		-	<u>122,636,528</u>
NET CASH OUTFLOWS		<u>(2,109,914,613)</u>	<u>(966,203,622)</u>
Analysis of changes in cash and cash equivalents:			
Cash and cash equivalents at the beginning of the year		3,596,567,989	4,562,771,611
(Decrease)Increase during the year		<u>(2,109,914,613)</u>	<u>(966,203,622)</u>
Cash and Cash equivalents at end of the year	8	<u>1,486,653,376</u>	<u>3,596,567,989</u>



TECHNICAL EDUCATION, VOCATIONAL AND ENTREPRENEURSHIP TRAINING AUTHORITY (TEVETA)

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31ST December 2010

1. Establishment

The Technical Education, Vocational and Entrepreneurship Training Authority (TEVETA) was established under the Technical Education, Vocational Entrepreneurship Training (TEVET) Act No. 13 of 1998, as amended by the Technical Education, Vocational and Entrepreneurship Training (Amendment) Act No. 11 of 2005, to regulate, monitor and co-ordinate the provision of TEVET in Zambia.

2. Significant Accounting Policies

2.1 Basis of Accounting

These are the Financial Statements of the Technical Education, Vocational and Entrepreneurship Training Authority (TEVETA) established in terms of the Technical Education, Vocational Entrepreneurship Training (TEVET) Act No. 13 of 1998, as amended by the Technical Education, Vocational and Entrepreneurship Training (Amendment) Act No. 11 of 2005 for the period 1 January 2008 to 31st December 2008. These Financial Statements comply with Generally Accepted Accounting Practice (GAAP) and the requirements of International Financial Reporting Standards (IFRS) and with the Public Finance Act of 2004. The financial statements are prepared under the historic cost convention and have been prepared in accordance with applicable accounting standards.

2.2 Functional and presentation currency

These financial statements are presented in Zambian Kwacha.

2.3 Income

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.

The following amounts were received for each component of the TEVETA activities.



TECHNICAL EDUCATION, VOCATIONAL AND ENTREPRENEURSHIP TRAINING AUTHORITY (TEVETA)

NOTES TO THE FINANCIAL STATEMENTS (Cont.)

For the year ended 31ST December 2010

Component	ZMK <u>31 December 2010</u>	ZMK <u>31st December 2009</u>
Government Grants Revenue	5,944,166,666	5,353,907,800
Government Grants-Tevet Fund	8,319,306,352	10,721,591,665
Grant – EKN	(727,763,107)	3,129,817,124
Government Grants Examination	545,800,000	(394,469,400)
Grant – NUFFIC/NPT	(415,126,212)	-
Grant – IDA, TEVET FUND	-	750,154,690
TEVET Fund Administrative Fee	222,161,004	550,000,000
Registration Fees	60,233,334	1,476,284,499
Accreditation Fees	1,235,492,877	1,151,650,000
Enrolment Fees	-	73,342,940
Examination Fees	2,185,789,000	531,258,390
Amortization of the Capital Grant	126,695,932	174,470,035
Interest	8,896,462	4,342,145
Other Income	386,010,899	261,702,962
Sale of Syllabi	<u>54,801,000</u>	<u>115,631,800</u>
TOTAL	<u>17,946,464,207</u>	<u>23,899,684,650</u>

2.4 Property, plant and equipment and 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%

Capital work - in progress is not depreciated.

2.5 Assets impairment

Tangible fixed assets and other assets are reviewed for impairment when events or changes in the economic circumstances indicate that the carrying amount of such assets may not be recoverable by the business. An estimate of the future discounted net cash flows of the related asset over the remaining useful life is used to determine whether the assets are recoverable and to measure any impairment by reference to fair value. Fair value is generally estimated using the Authority's expectation of discounted net cash flows.



TECHNICAL EDUCATION, VOCATIONAL AND ENTREPRENEURSHIP TRAINING AUTHORITY (TEVETA)

NOTES TO THE FINANCIAL STATEMENTS (Cont.)

For the year ended 31ST December 2010

2.6 Inventories

Inventories consist of consumables. Inventories are stated in the balance sheet at the lower of cost and net realisable value. Cost is calculated using the weighted average method and includes those costs that have been incurred in bringing the inventories to their present location and condition. Cost is determined by First in First out method. Net realisable value takes into account all directly related costs to be incurred in selling the inventories.

2.7 Financial Assets

The Authority's principal financial assets are staff indebtedness and other receivables. These are stated at their nominal value reduced by appropriate allowances for estimated irrecoverable amounts.

2.8 Financial liabilities

The Authority's principal financial liabilities are amounts due to employees, trade and other payables. Financial liabilities are classified according to the substance of the contractual agreements entered into. Amounts due to employees, trade and other payables are stated at their nominal value.

a) Liquidity risk

The Authority is not believed to be exposed to significant liquidity risk, being inability to sell financial assets quickly at close to their fair value.

b) Cash flow risk

The Authority is not exposed to the risk that future cash flows associated with monetary financial instruments will fluctuate in amounts. It has no instruments that include a floating interest rate.

2.9 Adoption of new and revised standards

A number of new standards, amendments to standards and interpretations are not yet effective for the year ended 31 December 2010, and have not been applied in preparing these financial statements:

IFRS 8 Operating Segments

The IFRS specifies how an entity should report information about its operating segments in annual financial statements and requires an entity to report selected information about its operating segments in interim financial reports. It also sets out requirements for related disclosures about products and services, geographical areas and major customer.



TECHNICAL EDUCATION, VOCATIONAL AND ENTREPRENEURSHIP TRAINING AUTHORITY (TEVETA)

NOTES TO THE FINANCIAL STATEMENTS (Cont.)

For the year ended 31ST December 2010

This standard is not expected to have an impact on Technical Education, Vocational and Entrepreneurship Training Authority (TEVETA).

IAS 23 Borrowing Costs

Before the Standard was revised entities had the option to capitalize or expense borrowing costs relating to qualifying assets. This option is no longer available.

The revised IAS 23 now requires that borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset are included in the cost of that asset. Such borrowing costs are capitalized as part of the cost of the asset when it is probable that they will result in future economic benefits to the entity and the costs can be measured reliably. The standard was also revised to exclude certain assets as qualifying assets.

IAS 1 Presentation of Financial Statements (Revised)

The main changes are as follows:

- Change of the titles of primary statements. The revised Standard replaces the term 'Balance Sheet' with 'Statement of financial position' and 'Cash flow statement' with 'Statement of Cash Flows'.
- Separation of items previously disclosed in the statement of changes in equity between 'other comprehensive income' and 'statement of changes in equity' in order to separate owner and non-owner changes in equity.
- Statement of comprehensive income to include profit or loss for the period (previously the income statement) plus all income and expense items that go directly to equity i.e. items that have by-passed the income statement but have nothing to do with the owners.
- Revised Standards requires dividends recognized as distributions to owners and related amounts per share to be presented in the statement of changes in equity or in the notes. The presentation of such disclosures in the statement of comprehensive income is not permitted.

IFRIC 12 Service Concession Arrangements

This Interpretation gives guidance on the accounting by operators for public-to-private service concession arrangements.

It applies to public-to-private service concession arrangements if:



TECHNICAL EDUCATION, VOCATIONAL AND ENTREPRENEURSHIP TRAINING AUTHORITY (TEVETA)

NOTES TO THE FINANCIAL STATEMENTS (Cont.)

For the year ended 31ST December 2010

The interpretation does not specify the accounting for infrastructure that was held and recognized as property, plant and equipment by the operator before entering the service arrangement. The recognition requirements of IFRSs (set out in IAS 16) apply to such infrastructure. This Interpretation does not specify the accounting by grantors.

This standard is not expected to have any impact on TEVETA.

IFRIC 14 IAS 19 Defined Benefit Asset, Minimum Funding Requirements and their interaction

This interpretation addresses when refunds or reductions in future contributions should be regarded as available in accordance with paragraph 58 of IAS 19, how a minimum funding requirement might affect the availability of reductions in future contributions and when a minimum funding requirement might affect the availability of reductions in future contributions and when a minimum funding requirement might give rise to a liability.

This standard is not expected to have any impact on TEVETA.

2.10 Provisions

Provisions are recognized when the Authority has a present legal and constructive obligation as a result of past events, for which it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and a reliable estimate of the amount of the obligation can be made.

2.11 Revaluation reserve

The surplus arising on tangible assets transferred to the Authority is credited to a non distributable Capital Reserve.

2.12 Capital grants

Capital grants represent the value of assets vested in the Authority by foreign agencies without charge to the Authority. Capital grants are deferred and credited to the income and expenditure statement in equal annual installments over the expected useful lives of the related assets.

2.13 Transaction of foreign currencies

Transactions denominated in foreign currencies are translated into Zambian Kwacha at the rates of exchange ruling at the date of the transaction.



TECHNICAL EDUCATION, VOCATIONAL AND ENTREPRENEURSHIP TRAINING AUTHORITY (TEVETA)

NOTES TO THE FINANCIAL STATEMENTS (Cont.)

For the year ended 31ST December 2010

Assets and Liabilities denominated in foreign currencies are translated in Zambian Kwacha at the rates of exchange ruling at the balance sheet date. Gains and losses arising on translation are included in the income and expenditure statement in the year in which they arise.

2.14 Retirement benefits

The Authority provides for Pension benefits for all employees as provided for by terms provided in the statutory instrument No.119, and in line with the Authority's conditions of service. On 1 February 2000, the National Pensions Authority (NAPSA) also came into effect. Membership with exception of expatriate employees, is compulsory and monthly contributions by both employer and employees are made.

The Authority's employees are entitled to end of contract gratuity. Provision is made for past service on the basis of past conditions and earnings.

3. Excess of expenditure over income for year

Excess of expenditure over income for year is stated after charging:

	ZMK <u>31 December 2010</u>	ZMK <u>31 December 2009</u>
Audit fees	38,298,120	53,048,972
Gratuities	929,107,327	963,791,453
Leave	456,018,895	319,314,944
Depreciation	406,012,354	394,585,893
Board fees and expenses	182,292,610	121,512,853

4. Taxation

The Technical Education, Vocational and Entrepreneurship Training Authority is a statutory body exempt from corporate tax.

TECHNICAL EDUCATION, VOCATIONAL AND ENTREPRENEURSHIP TRAINING
AUTHORITY (TEVETA)

NOTES TO THE FINANCIAL STATEMENTS (Cont.)

For the year ended 31ST December 2010

5. Property, Plant and Equipment

ZMK

Cost	Land & Buildings	Motor Vehicles	Office Equipment	Furniture & Fittings	Computer Equipment	Computer Software	TOTALS
Balance at 01.01.2009	-	909,487,280	379,181,054	226,813,129	747,584,719	217,330,054	2,480,396,236
Additions	73,297,230	317,262,508	40,162,600	80,447,028 -		15,290,000	526,459,366
Balance at 31.12.2009	<u>73,297,230</u>	<u>1,226,749,788</u>	<u>419,343,654</u>	<u>307,260,157</u>	<u>747,584,719</u>	<u>232,620,054</u>	<u>3,006,855,602</u>
Depreciation							
Balance at 01.01.2009	-	517,330,282	154,352,675	154,420,038	533,160,433	176,022,242	1,535,285,670
Charge for the year	953,438	171,930,472	80,016,537	39,083,748	79,281,691	23,320,009	394,585,895
Balance at 31.12.2009	<u>953,438</u>	<u>689,260,754</u>	<u>234,369,212</u>	<u>193,503,786</u>	<u>12,442,124</u>	<u>199,342,251</u>	<u>1,929,871,565</u>
Net Book Value							
Balance at 31.12.2009	<u>72,343,792</u>	<u>537,489,034</u>	<u>184,974,442</u>	<u>113,756,371</u>	<u>135,142,595</u>	<u>33,277,803</u>	<u>1,076,984,037</u>
Balance at 31.12.2008	-	<u>392,156,998</u>	<u>224,828,378</u>	<u>72,393,090</u>	<u>214,424,286</u>	<u>41,307,812</u>	<u>945,110,565</u>

TECHNICAL EDUCATION, VOCATIONAL AND ENTREPRENEURSHIP TRAINING
AUTHORITY (TEVETA)

NOTES TO THE FINANCIAL STATEMENTS (Cont.)

For the year ended 31ST December 2010

Property, Plant and Equipment (Cont)								
ZMK		Land & Buildings	Motor Vehicles	Office Equipment	Furniture & Fittings	Computer Equipment	Computer Software	TOTALS
Cost	Balance at 01.01.2010	73,297,230	1,226,749,788	419,343,654	307,260,157	747,584,719	232,620,054	3,006,855,602
	Additions	-	240,000,000	5,450,000	178,527,848	7,539,026	-	431,516,874
	Balance at 31.12.2010	<u>73,297,230</u>	<u>1,466,749,788</u>	<u>424,793,654</u>	<u>485,788,005</u>	<u>755,123,745</u>	<u>232,620,054</u>	<u>3,438,372,476</u>
Depreciation	Balance at 01.01.2010	953,438	689,260,745	234,369,212	193,503,786	612,442,124	199,342,251	1,929,871,565
	Charge for the year	<u>1,465,945</u>	<u>211,625,787</u>	<u>80,674,769</u>	<u>36,569,660</u>	<u>60,847,306</u>	<u>14,828,886</u>	<u>406,012,353</u>
	Balance at 31.12.2010	<u>2,419,383</u>	<u>900,886,541</u>	<u>315,043,981</u>	<u>230,073,446</u>	<u>673,289,430</u>	<u>214,171,137</u>	<u>2,335,883,918</u>
Net Book Value								
Balance at 31.12.2010		<u>70,877,847</u>	<u>565,863,247</u>	<u>109,749,673</u>	<u>255,714,559</u>	<u>81,834,315</u>	<u>18,448,917</u>	<u>1,102,488,558</u>
Balance at 31.12.2009		<u>72,343,792</u>	<u>565,863,247</u>	<u>184,974,442</u>	<u>113,756,371</u>	<u>135,142,595</u>	<u>33,277,803</u>	<u>1,076,984,038</u>



TECHNICAL EDUCATION, VOCATIONAL AND ENTREPRENEURSHIP TRAINING AUTHORITY (TEVETA)

NOTES TO THE FINANCIAL STATEMENTS (Cont.)

For the year ended 31ST December 2010

6. Capital commitments

The Authority did not have any capital commitments at 31 December 2010

7. Receivables

Receivables principally comprise amounts receivable in respect of employee advances, miscellaneous receivables and prepaid amounts.

The Directors consider that the carrying amount of receivable approximates their fair value.

The make up of the receivables at the balance sheet was as follows:

	ZMK <u>31 December 2010</u>	ZMK <u>31 December 2009</u>
Staff Receivables	241,647,151	243,113,190
Prepayments	44,356,100	55,047,654
Other Receivables	<u>991,870,154</u>	<u>666,370,195</u>
	<u>1,277,873,405</u>	<u>964,531,039</u>

Employees loans and advances

Employee advances are considered to be non-derivative financial assets as they have fixed and determinable conditions attached to repayment, and are not quoted in an active market. No interest is charged on advances.



TECHNICAL EDUCATION, VOCATIONAL AND ENTREPRENEURSHIP TRAINING AUTHORITY (TEVETA)

NOTES TO THE FINANCIAL STATEMENTS (Cont.)

For the year ended 31ST December 2010

8. Cash and Cash Equivalents

	ZMK <u>31 December</u> <u>2010</u>	ZMK <u>31 December</u> <u>2009</u>
Citibank - IDA	831,450	804,713
Citibank - EKN	1,124,847	560,975,518
Citibank – TEVETA/GRZ	741,703,512	24,888,043
Citibank - IVETA	-	-
Standard Chartered Bank – Nuffic/NPT	-	413,277,933
Stanbic – IDA US\$	-	4,571,292
Stanbic – IDA Kwacha	2,195,405	7,417,203
Stanbic – Main ZMK	-	109,530,607
Stanbic – Main US\$	-	-
Stanbic – GRZ ZMK	219,636,206	1,483,996,224
Zanaco	520,288,556	39,347,056
Zanaco-Fixed Deposit	-	950,000,000
Cash in Hand	873,400	1,759,400
	<u>1,486,653,376</u>	<u>3,596,567,989</u>

9. Other payables

Other payables principally comprise amounts outstanding in respect of Employee related accruals, purchases and ongoing costs, as well as amounts accrued in respect of operating costs.

The Directors consider that the carrying amount of other payables approximates their fair value.

The make up of the other payables at the balance sheet date was as follows:

	ZMK <u>31 December 2010</u>	ZMK <u>31 December 2009</u>
Employees related accruals	953,051,820	714,173,088
Local suppliers	189,329,043	182,106,365
Sundry payables and accrued expenses	176,809,524	221,808,759
	<u>1,319,190,387</u>	<u>1,118,088,212</u>

The make up of employee related accruals at the balance sheet date was as follows:

	ZMK <u>31 December 2010</u>	ZMK <u>31 December 2009</u>
Gratuity	533,422,177	443,149,410
Leave Pay	419,629,643	271,023,678



TECHNICAL EDUCATION, VOCATIONAL AND ENTREPRENEURSHIP TRAINING AUTHORITY (TEVETA)

NOTES TO THE FINANCIAL STATEMENTS (Cont.)

For the year ended 31ST December 2010

10. Contingent liabilities

The Authority is not involved in any claims or lawsuits incidental to its business.

11. Related party transactions

In the context of the Authority, related party transactions include any transactions made by any of the following:

- The Government of the Republic of Zambia
- The Board of Directors of the Authority
- Government ministries and parastatals.

The transactions to be reported are those that affect the Authority in making financial and operating decisions.

Examples of such transactions include:

- Funding
- Investment
- Financial (loans)
- Procurement and investment contracts; and
- Disposal of assets

The Authority undertakes to disclose the nature of related party relationships, types of transactions necessary for the understanding of the annual financial statements.

Transactions

The effects of related party transactions on the results for the year are as follows:

	2010	2009
Government Funding received	5,944,166,666	5,353,907,800

Compensation of key management

Compensation of key management

The remuneration of the Authority is determined by the Board of Directors having regard to the Government funding received and market trends.



TECHNICAL EDUCATION, VOCATIONAL AND ENTREPRENEURSHIP TRAINING AUTHORITY (TEVETA)

DIRECT EXPENSES

For the year ended 31ST December 2010

Appendix I

	31 December 2010 K	31 December 2009 K
Improve Operational Efficiency of TEVETA	7,280,000	7,400,000
Develop Accreditation Systems	250,673,054	-
Operationalise TEVET Fund	9,442,894,694	13,419,482,011
Sixteen National Curricular Revised & Approved	135,538,527	545,458,790
Human Resource Development Plan	365,470,358	-
Implement TQF to Improve TAQS	25,945,927	46,398,440
Improve Acceptable levels of TEVETA	-	-
TEVET Institutions Registered	26,922,209	177,666,460
Conduct 300 Inspections & TPs Adherence	126,557,658	188,216,519
Conduct & Administer Exams	1,327,360,039	659,298,430
Improve Trade Testing Systems	47,968,757	53,603,184
Promote and Implement IEC Strategy	281,461,670	472,208,025
Establish & Improve Org. MSTP with F & A	20,196,375	-
Increase ICT Application in TEVET	5,256,000	-
Facilitate Technical skill Upgrade	-	-
Labour Market Information Management	-	-
Training System Development	55,768,008	788,296,678
Carry out Linkages with Stakeholders	-	150,066,562
Projects	241,236,052	55,701,098
Develop Uptodate TAQS and Methods	-	113,279,299
Training Assessment & Quality System	-	74,746,536
	<u>12,360,529,328</u>	<u>16,751,822,032</u>



TECHNICAL EDUCATION, VOCATIONAL AND ENTREPRENEURSHIP TRAINING AUTHORITY (TEVETA)

ADMINISTRATION EXPENSES

For the year ended 31ST December 2010

Appendix II

	31 December 2010 K	31 December 2009 K
Audit fees	38,298,120	58,830,972
Bank charges	19,249,212	28,719,030
Cleaning expenses	33,624,648	22,393,344
Depreciation	406,012,354	394,585,893
Board expenses	142,600,610	90,984,190
Electricity and Water	9,828,644	15,045,814
Preparation of Accounts Budgets	22,439,000	14,851,500
Produce Annual Reports	39,692,000	33,361,600
General Expenses	92,422,712	60,353,922
Insurance and Licenses	274,360,094	230,850,033
Leave and Gratuity	1,385,126,223	1,283,106,398
Local Travel	1,385,000	3,700,000
Motor vehicles expenses	332,365,615	312,376,539
Office expenses	31,066,260	31,335,970
Staff Relocation Costs	8,000,000	12,800,000
Printing and Stationery	96,672,022	83,885,146
Repair and maintenance	46,385,206	80,964,048
Salaries and wages	3,952,842,449	3,696,221,290
Overtime-Fin. & Admin	6,256,240	21,437,600
Security	106,647,500	103,705,133
Management Fees-TEVETA	222,161,004	550,000,000
Settling in allowance	6,268,750	18,878,750
Subscription and Donations	16,479,231	17,747,416
Telephone and postage	85,813,770	96,748,772
Internet	33,998,142	74,926,104
Computer expenses	34,877,231	15,608,584
Utilization of tender committees	-	-
Other expenses	-	10,364,600
Total	7,444,872,037	7,363,782,648



TECHNICAL EDUCATION, VOCATIONAL AND ENTREPRENEURSHIP TRAINING AUTHORITY (TEVETA)

TEVET FUND INCOME AND EXPENDITURE STATEMENT

For the year ended 31ST December 2010

Appendix III

	2010 K	2009 K
INCOME		
TEVET Fund Support-GRZ	8,319,306,352	10,721,591,665
TEVET Fund Support-EKN	(147,763,107)	1,216,548,780
TEVET Fund Support-IDA	-	750,154,690
Other Income	39,051,000	433,648
	<u>8,210,594,245</u>	<u>12,688,728,783</u>
EXPENDITURE		
Direct Expenses		
Window 1:Pre-employment Training	-	2,437,278,881
Window 2:In-service Training	-	-
Window 3:SME/Informal Sector Training	116,500	1,222,296,733
Window 3:Investment & Development	341,949,308	932,081,829
Subsidy	5,890,516,975	6,514,571,547
Bursary	3,133,884,084	2,170,800,000
	<u>9,366,466,867</u>	<u>13,277,028,990</u>
Administration Expenses		
Exchange Difference	(11,110)	168,964
Bank Charges	5,661,200	8,333,059
Bank Interest	-	-
Management Fees	222,161,004	550,000,000
Refund of misapplied Funds	-	-
	<u>227,811,094</u>	<u>558,502,023</u>
(DEFICIT)/SURPLUS FOR THE PERIOD	<u>(1,383,683,716)</u>	<u>(1,146,802,230)</u>



TECHNICAL EDUCATION, VOCATIONAL AND ENTREPRENEURSHIP TRAINING AUTHORITY (TEVETA)

IDA INCOME AND EXPENDITURE STATEMENT

For the year ended 31ST December 2010

Appendix IV

	31 December 2010 K	31 December 2009 K
Grant-IDA	-	(394,469,400)
Amortisation of Grant	50,508,907	82,876,129
Other Income	-	881,357
	<u>50,508,907</u>	<u>(310,711,914)</u>
EXPENDITURE		
Direct Expenses		
Facilitate Technical Skills Upgrade	-	-
Sixteen National Curricular Rev.& Approved	-	-
Improve Training Assessment & Qualif.Sys.	-	-
Develop uptodate TAQS and methods	-	-
	<u>-</u>	<u>-</u>
Administration Expenses		
Exchange Difference	(26,737)	(26,730,228)
Depreciation	51,976,572	92,090,004
	<u>51,949,835</u>	<u>65,359,776</u>
DEFICIT/(SURPLUS) FOR THE PERIOD	<u>(1,440,928)</u>	<u>(376,071,690)</u>



TECHNICAL EDUCATION, VOCATIONAL AND ENTREPRENEURSHIP TRAINING AUTHORITY (TEVETA)

NUFFIC/NTP INCOME AND EXPENDITURE STATEMENT

For the year ended 31ST December 2010

Appendix V

	31 December 2010 K	31 December 2009 K
INCOME		
Nuffic-Grant	(415,126,212)	-
Sundry	-	-
	<u>-</u>	<u>-</u>
EXPENDITURE		
Direct Expenses		
Distance Learning-Unit Managers & Specialists	-	-
Quality Assurance Workshop	-	-
Team Building Sessions	-	6,199,080
TQF Rollout Workshop	-	-
Dissemination Conference	-	-
Evaluation of TEVET Fund	-	-
Advanced Contract Management Workshop	-	-
	<u>-</u>	<u>6,199,080</u>
Administration Expenses		
Project Management	-	-
Bank Charges	-	1,650,000
Adherence to reporting requirement	-	5,000,000
Exchange Difference	<u>1,848,279</u>	<u>16,596,772</u>
EXCESS OF EXPENDITURE OVER INCOME	<u>(413,277,933)</u>	<u>(29,445,852)</u>



TECHNICAL EDUCATION, VOCATIONAL AND ENTREPRENEURSHIP TRAINING AUTHORITY (TEVETA)

EKN - EMBASSY OF THE KINGDOM OF NETHERLANDS INCOME AND EXPENDITURE STATEMENT

For the year ended 31ST December 2010

Appendix VI

	31 December 2010 K	31 December 2009 K
INCOME		
Grant-EKN Funds	(580,000,000)	3,129,817,124
Amortisation of Grant	54,198,430	62,232,910
Bank Interest	-	-
	<u>(525,801,570)</u>	<u>3,192,050,034</u>
EXPENDITURE		
Direct Expenses		
Facilitate Performance Improvement	-	2,650,000
Human Resource Dev.Plan for TEVETA	4,119,000	329,920,926
Operationalise TEVET Fund	9,198,492	1,319,199,862
Sixteen National Curricular Rev. & Approved	3,760,444	197,321,586
TEVET Institutions Registered	(516,000)	119,348,940
At Least 300 Inspected TPs adhere to Quality	4,083,094	34,803,169
Develop Uptodate TAQS and Methods	-	17,606,000
Training Assessment & Quality System	159,916	100,254,870
Improve Trade Testins Systems	3,077,157	12,813,825
Dev/Review Guidelines-Workplace/STACs	-	113,503,326
Establish & Improve Org.Mgt.System-TP	-	51,811,000
Facilitate Dev.of Tech.Capacity-Institutions	-	20,894,618
Promote & Implement IEC Strategy	4,872,000	240,978,974
	<u>28,754,103</u>	<u>2,561,017,096</u>



TECHNICAL EDUCATION, VOCATIONAL AND ENTREPRENEURSHIP TRAINING AUTHORITY (TEVETA)

EKN - EMBASSY OF THE KINGDOM OF NETHERLANDS (CONT) INCOME AND EXPENDITURE STATEMENT

For the year ended 31ST December 2010

Appendix VII

	31 December 2010 K	31 December 2009 K
Administration Expenses		
Adherence to Reporting Requirements	-	56,712,272
Stationery & Consumables	-	81,531,146
Cleaning Expenses	-	12,129,769
Office Refreshment	-	27,006,390
General Expenses	3,062,400	31,903,500
Telephone Charges	-	33,740,254
Electricity	-	2,943,144
Internet Services	-	47,058,490
Computer Expenses	2,303,158	2,022,317
Security Services	-	57,689,133
Postage	119,667	5,612,039
Insurance-Motor Vehicle	-	54,867,696
Insurance-Health	-	61,769,300
Group Life Assurance	-	52,618,015
Repairs & Maintenance-Office Equipment	-	11,834,200
Repairs & Maintenance-General	-	43,556,510
Motor Vehicles Expenses	10,436,432	161,877,312
Other Expenses	-	10,364,600
Depreciation	82,617,130	81,289,233
Subscriptions	-	950,000
Bank Charges	-	1,096,000
Revenue, Registration, AccreditationVisits	250,814	
	<u>98,789,601</u>	<u>838,571,320</u>
SURPLUS/(DEFICIT) OF INCOME OVER EXPENDITURE	<u>(653,345,274)</u>	<u>(207,538,382)</u>



TECHNICAL EDUCATION, VOCATIONAL AND ENTREPRENEURSHIP TRAINING AUTHORITY (TEVETA)

TEVETA STATEMENT OF INVOICE AND EXPENDITURE INCOME AND EXPENDITURE STATEMENT

For the year ended 31ST December 2010

Appendix VIII

	31 December 2010 K	31 December 2009 K
INCOME		
Grant-GRZ	5,944,166,666	5,353,907,800
Grant-Examination	545,800,000	-
Registration Fees	60,233,334	1,476,284,499
Accreditation Fees	1,235,492,877	1,151,650,000
TEVET Fund Administrative Fees	222,161,004	550,000,000
Curriculum/Syllabus	15,750,000	115,631,800
Enrollment Fees	-	73,342,940
Examination Fees	2,185,789,000	531,258,390
Bank Interest	8,896,462	4,342,145
Other Income	386,010,899	235,319,207
Sundry Income	-	25,068,750
Amortisation of Grant	21,988,595	29,360,995
	<u>10,626,288,837</u>	<u>9,546,166,527</u>
EXPENDITURE		
Direct Expenditure		
Improve Operational Efficiency of TEVETA	7,280,000	4,750,000
Revenue, Registration, Accreditation Visits	32,390,300	-
Human Resource Dev.Plan for TEVETA	361,351,357	452,176,642
Operationalise TEVET Fund	67,229,335	39,801,940
Sixteen National Curricular Rev. & Approved	131,778,083	348,227,203
TEVET Institutions Registered	27,438,209	66,931,520
At Least 300 Inspected TPs adhere to Quality	122,474,564	144,799,350
Develop Accreditation System	218,031,940	-
Assessment & Qualifications System	1,398,037,650	713,112,218
Develop Uptodate TAQS and Methods	55,768,008	28,792,440
Facilitate Dev.Technical Capacity-Institution	-	8,811,000
Regular & Continous Linkages-STAC & DTAC	-	28,183,054
Establish & Improve Org.Mgt.System-TP	25,452,375	1,610,100
Projects	241,236,052	55,701,098
Implement IEC Strategy	276,589,670	231,229,051
	<u>2,965,057,543</u>	<u>2,124,125,616</u>



TECHNICAL EDUCATION, VOCATIONAL AND ENTREPRENEURSHIP TRAINING AUTHORITY (TEVETA)

TEVETA STATEMENT OF INVOICE AND EXPENDITURE INCOME AND EXPENDITURE STATEMENT

For the year ended 31ST December 2010

Appendix XI

	31 December 2010 K	31 December 2009 K
Administration Expenses		
Adherence to Reporting Requirements	243,029,730	136,315,990
Stationery & Consumables	96,672,022	2,354,000
Cleaning Expenses	33,624,648	10,263,574
Office Refreshment	31,066,260	4,329,580
General Expenses	89,360,312	28,450,422
Telephone	80,258,426	51,866,985
Electricity	9,004,394	12,038,670
Water	824,250	64,000
Internet Services	33,998,142	27,867,614
Computer Expenses	32,574,073	13,586,269
Security Services	106,647,500	46,016,000
Postage	5,435,677	5,529,494
Insurance & Licenses	274,360,095	61,595,022
Repairs & Maintenance-Office Equipment	20,640,208	5,323,750
Repairs & Maintenance-General	25,744,998	20,249,588
Motor Vehicles Expenses	321,929,183	150,499,227
Depreciation	271,418,652	221,206,656
Local Travel	1,385,000	3,700,000
Subscriptions	16,479,231	16,797,416
Bank Charges	13,588,012	17,639,971
Overtime-Finance & Administration	6,256,240	21,437,600
Leave & Gratuity	1,385,126,223	1,283,106,398
Staff Relocation Costs	8,000,000	12,800,000
Settling in Allowance	6,268,750	18,878,750
Personal Emoluments	<u>3,952,842,449</u>	<u>3,696,221,290</u>
	<u>7,066,534,475</u>	<u>5,868,138,266</u>
Exchanges Differences	-	(827,258)
Total	<u>10,031,592,018</u>	<u>7,991,436,624</u>
 SURPLUS/(DEFICIT) OF INCOME OVER INCOME OVER EXPENDITURE	 <u>594,696,819</u>	 <u>1,554,729,903</u>

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



Financial Statements

For the year ended 31ST December 2010

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

**Technical Education, Vocational and Entrepreneurship Training Fund
(TEVET FUND)**

FINANCIAL STATEMENTS

For the year ended 31st December 2010

**TECHNICAL EDUCATION, VOCATIONAL AND ENTREPRENEURSHIP TRAINING
AUTHORITY (TEVETA)****Financial Statements**For the year ended 31ST December 2010

Contents	Pages
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Statement of Responsibilities	2
Report of the Auditors	3
Fund Accountability Statement	5
Accounting policies	6
Notes to the financial statements	7- 8



TECHNICAL EDUCATION, VOCATIONAL AND ENTREPRENEURSHIP TRAINING AUTHORITY (TEVETA)

Financial Statements

For the year ended 31ST December 2010

GENERAL INFORMATION

1. NATURE OF BUSINESS

The purpose of the grants provided under the TEVET Fund are to provide financing 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. DIRECTORS

Name	Position	Institution
Mr. W. Kalabo	Chairperson	ZACCI
Prof. M. Musonda	V/Chairperson	CBU
Ms P. Sakuringwa	Member	ZACSMBA
Mr. L. Hikaumba	Member	ZCTU
Permanent Secretary	Member	Ministry of Education
Ms B. M. S. Muyambango	Member	NIPA
Dr. E. Moonga	Member	NISIR
Mrs. J. S. Lungu	Member	Catholic Secretariat
Mr. N. Kayamba	Member	ZFE
Permanent Secretary	Member	Ministry of Science Technology & Vocational Training
Permanent Secretary	Member	Ministry of Labour and Social Security
Dr. P. K. Nkanza	Board Secretary	TEVETA

3. REGISTERED OFFICE

TEVETA Building
Birdcage walk, Longacres,
Private Bag RW16X,
LUSAKA

4. AUDITORS

CYMA Chartered Accountants

5. BANKERS

Stanbic Bank Zambia Limited



TECHNICAL EDUCATION, VOCATIONAL AND ENTREPRENEURSHIP TRAINING AUTHORITY (TEVETA)

Financial Statements

For the year ended 31ST December 2010

STATEMENT OF RESPONSIBILITY FOR FINANCIAL STATEMENTS

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

The Authority's directors are responsible for the preparation and fair presentation of the financial statements, comprising the Fund Accountability statement as at 31 December 2010 for the year then ended, and the notes to the financial statements, which include a summary of significant accounting policies and other explanatory notes, in accordance with International Financial Reporting Standards; and the TEVET Act

The director's responsibility includes: designing, implementing and maintaining internal controls relevant to the preparation and fair presentation of these financial statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

In the opinion of the Directors:

- (i) The fund accountability statement is drawn up so as to give a true and fair view of the state of affairs of the Authority as at 31 December 2010; and
- (ii) The directors have made an assessment of the Authority's ability to continue as a going concern and believe that there are reasonable grounds to believe that the Authority will be able to pay its debts as and when they fall due.
- (iii) The financial statements have been prepared in accordance with the International Financial Reporting Standards and are in compliance with the Technical Education, Vocational and Entrepreneurship Training Act No. 13 of 1998.

Consequently, the Fund Accountability Statement on Page 5 was approved by the Directors at a Board meeting held on...12TH MAY 2011...and signed on its behalf by:

Signature :

Signature:

Designation:

DIRECTOR GENERAL
(SECRETARY TO THE BOARD)

Designation:

CHAIRPERSON

TECHNICAL EDUCATION, VOCATIONAL AND ENTREPRENEURSHIP TRAINING AUTHORITY (TEVETA)



Financial Statements

For the year ended 31ST December 2010

CYMA

Chartered Accountants & Management Consultants

LUSAKA

4th flr, Electra house
Cairo Road
Lusaka

Postal Address
P O Box 38298
Tel: 231960
Fax: 236779
Zambia

LIVINGSTONE

2nd floor, old wing
Musi-O-Tunya House
Livingstone
Email: cyma@zamtel.zm

Postal Address
P O Box 60740
Tel: 323316
Livingstone
Zambia

AUDITORS' REPORT

TO: THE MEMBERS ON

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

REPORT ON THE FINANCIAL STATEMENTS

We have audited the financial statements of the TEVET - FUND for the ended 31 December 2010 set out on page 5 to 8. These financial statements comprise the Fund Account ability Statement for the year then ended and a summary of significant accounting policies and other explanatory notes to the financial statements.

RESPONSIBILITIES OF THE DIRECTORS

The Board of Directors are responsible for the preparation and fair presentation of the financial statements in accordance with International Financial Reporting Standards and are in compliance with the Technical Education, Vocational and Entrepreneurship Training Act No. 13 of 1998. This responsibility includes: designing, implementation and maintain internal controls relevant to the preparation and fair presentation of financial statements that are free from material misstatements, whether due to fraud or error ; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

AUDITOR'S RESPONSIBILITY

Our responsibility is to express an opinion on the financial statements based on our audit. We conducted our audit in accordance with the International Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the financial statements are free from material misstatements.



TECHNICAL EDUCATION, VOCATIONAL AND ENTREPRENEURSHIP TRAINING AUTHORITY (TEVETA)

Financial Statements

For the year ended 31ST December 2010

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

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

OPINION

In our opinion, the financial Statements give a true and fair view of the financial position of the Authority as at 31st December 2010 and of its financial performance and its cashflows for the year then ended, in accordance with International Financial Reporting Standards and are in compliance with the Technical Education, Vocational and Entrepreneurship Act No. 13 of 1998 and the Public Finance Act of 2004.

CYMA

.....
Chintu Mulendema
Managing Partner

29/6/2011
.....
Date



TECHNICAL EDUCATION, VOCATIONAL AND ENTREPRENEURSHIP TRAINING AUTHORITY (TEVETA)

Financial Statements

For the year ended 31ST December 2010

FUND ACCOUNTABILITY STATEMENT

	Notes	2010 K	2009 K
Fund balance brought forward	1	1,605,515,326	2,752,317,555
Add: Prior year adjustments		-	-
Adjusted fund balance brought forward		1,605,515,326	2,752,317,555
FUNDS RECEIVED			
Funds received	2	8,210,594,245	12,688,728,783
Total funds available		9,816,109,571	15,441,046,338
DISBURSEMENTS			
Fund Disbursements	Appex I	9,366,466,866	13,277,028,990
Administrative and other expenses	Appex I	227,822,204	558,333,059
Exchange differences	Appex I	(11,110)	168,963
		9,594,277,960	13,835,531,012
Fund balancecarriedforward		<u>221,831,611</u>	<u>1,605,515,326</u>
Represented by:			
Cash and Bank Balances	3	<u>221,831,611</u>	<u>1,605,515,326</u>

The Fund Accountability Statement was approved by the Directors at a meeting held on...12TH MAY 2011..... and signed on its behalf by:

Signature: _____

Signature: _____



TECHNICAL EDUCATION, VOCATIONAL AND ENTREPRENEURSHIP TRAINING AUTHORITY (TEVETA)

Accounting Policies

For the year ended 31ST December 2010

The principal accounting policies adopted in the preparation of the Fund Accountability statement are set out below:

(a) Basis of preparation of the financial statements

The Fund Accountability Statement is prepared on a cash basis under the historical cost convention. The cash basis of accounting differs from generally accepted accounting principles in that transactions and other events are not recognized when they occur but when cash or its equivalent is received or paid.

New Standards and interpretations not yet adopted

The Authority has not adopted the following amendments to existing standards and the other new standards and interpretations that are mandatory for the organisation for accounting periods beginning on or after 1 January 2007; 1 January 2008; and 1 January 2009.

- IAS 1-Capital disclosures-from 1 January 2007
- IAS 23 amended-Borrowing costs-from 1 January 2007
- IFRS 7-Financial instruments disclosures-from 1 January, 2007
- IFRIC 12 Service Concession agreements-from 1 January 2008
- IFRC 13 Customer loyalty programmes-from 1 January 2009
- IFRS 8-Operating segments-from 1 January 2009

The directors have assessed the relevance of these amendments and interpretations with respect to the Authority's operations and concluded that they are not relevant to the Authority and in particular to the TEVET Fund.

(b) Funds Received

Receipts represent funds received and are recognised when received.

(c) Foreign currencies

Transactions in foreign currencies are converted into Zambian kwacha at monthly average rates ruling during the period. The resulting differences from conversion and translation are recognised in the Fund Accountability statement in the period in which they arise.

TECHNICAL EDUCATION, VOCATIONAL AND ENTREPRENEURSHIP TRAINING AUTHORITY (TEVETA)



Notes to the Financial Statements

For the year ended 31ST December 2010

1. OPENING FUND BALANCES	2010	2009
	K	K
Stanbic IDA US\$ account	4,571,292	5,935,615
Stanbic IDA ZMK account	7,419,203	15,735,355
Stanbic Main US\$ account	-	288,976
Stanbic Main ZMK account	109,530,607	2,752,357,609
Stanbic GRZ ZMK account	1,483,996,224	-
	<u>1,605,515,326</u>	<u>2,752,317,555</u>
2. FUNDS RECEIVED		
International Development Association	-	750,154,690
Embassy of the Kingdom of Netherlands	(147,763,107)	1,216,548,780
MSTVT-GRZ	8,319,306,352	10,721,591,665
Bank Interest	-	-
Other Income	39,051,000	433,648
	<u>8,210,594,245</u>	<u>12,688,728,783</u>
Grants received are accounted for on a receipt basis rather than accruals basis.		
3. CLOSING FUND BALANCES		
Stanbic IDA US\$ account	-	4,571,292
Stanbic IDA ZMK account	2,195,405	7,417,203
Stanbic Main ZMK account	-	109,530,607
Stanbic GRZ ZMK account	219,636,206	1,483,996,224
	<u>221,831,611</u>	<u>2,752,317,555</u>



TECHNICAL EDUCATION, VOCATIONAL AND ENTREPRENEURSHIP TRAINING AUTHORITY (TEVETA)

Notes to the Financial Statements

For the year ended 31ST December 2010

4. COMPARATIVE FIGURES

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

5. REVENUE EXPENDITURE COMMITMENTS

There were no revenue expenditure commitments at 31st December 2010.

6. CAPITAL COMMITMENTS

There were no capital commitments at 31st December 2010.

7. CURRENCY

These financial statements are prepared in Zambian Kwacha.

8. SUBSEQUENT EVENTS

There has not arisen at the end of the financial year any item transaction or event of a material and unusual nature likely, in the opinion of the Fund Management, to affect substantially the Fund Accountability Statement in subsequent financial year.

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

Detailed Fund Accountability Statement

 For the year ended 31ST December 2010

Appendix 1

	2010 K	2009 K
Funds brought forward	1,605,515,326	2,752,317,555
Revised brought forward balance	1,605,515,326	2,752,317,555
FUNDS RECEIVED		
International Development Association	-	750,154,690
Embassy of the Kingdom of Netherlands	(147,763,107)	1,216,548,780
MSTVT	8,319,306,352	10,721,591,665
Other Income	39,051,000	-
Reimbursements from Training institutions	-	433,648
Defects liability period security deposits	-	-
Exchange Gain	-	-
	<u>8,210,594,245</u>	<u>12,688,728,783</u>
AVAILABLE FUNDS	9,816,109,571	15,441,046,338
DISBURSEMENTS		
Window 1: Pre-employment training	-	(2,437,278,881)
Window 2: In-service training	-	-
Window 3: SME/Informal Sector training	(116,500)	(1,222,296,733)
Window 4: Investment and Development funding	(341,949,308)	(932,081,829)
Subsidy	(5,890,516,975)	(6,514,571,547)
Bursary	(3,133,884,084)	(2,170,800,000)
	<u>(9,366,466,866)</u>	<u>(13,277,028,990)</u>
Total Disbursements		

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



Detailed Fund Accountability Statement (Cont)

For the year ended 31ST December 2010

Appendix 1

ADMINISTRATIVE EXPENSES

Bank Charges	(5,661,200)	(5,183,450)
Bank Interest	-	(1,917,270)
Refund of misapplied funds to TDP	-	(5,973,000)
Management Fees - TEVETA	(222,161,004)	
Exchange loss	11,110	(9,308,400)
Total Administrative expenses	(227,811,094)	(22,382,120)
Fund Balance	221,831,611	2,752,317,555
Represented By:		
Bank and Cash balances	221,831,611	2,752,317,555

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

Tevet Fund Income and Expenditure Statement

 For the year ended 31ST December 2010

Appendix II

	2010 K	2009 K
INCOME		
TEVET Fund Support-GRZ	8,319,306,352	10,721,591,665
TEVET Fund Support-EKN	(147,763,107)	1,216,548,780
TEVET Fund Support-IDA	-	750,154,690
Other Income	39,051,000	433,648
	<u>8,210,594,245</u>	<u>12,688,728,783</u>
EXPENDITURE		
Direct Expenses		
Window 1:Pre-employment Training	-	2,437,278,881
Window 2:In-service Training	-	-
Window 3:SME/Informal Sector Training	116,500	1,222,296,733
Window 4:Investment & Development	341,949,308	932,081,829
Subsidy	5,890,516,975	6,514,571,547
Bursary	3,133,884,084	2,170,800,000
	<u>9,366,466,866</u>	<u>13,277,028,990</u>
Administration Expenses		
Exchange Difference	(11,110)	168,964
Bank Charges	5,661,200	8,333,059
Bank Interest	-	-
Management Fees	222,161,004	550,000,000
Refund of misapplied Funds	-	-
	<u>227,811,094</u>	<u>558,502,023</u>
(DEFLICIT)/SURPLUS FOR THE PERIOD	<u>(1,383,683,716)</u>	<u>(1,146,802,230)</u>

