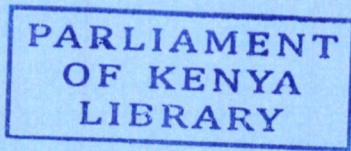


REPUBLIC OF KENYA



OFFICE OF THE AUDITOR-GENERAL



**REPORT**

**OF**

**THE AUDITOR-GENERAL**

**ON**

**THE FINANCIAL STATEMENTS OF  
EGERTON UNIVERSITY INVESTMENT  
COMPANY**

**FOR THE YEAR  
ENDED 30 JUNE 2015**







**EGERTON**



**UNIVERSITY**

P.O. BOX 536-20115 - EGERTON

Email: [euic@egerton.ac.ke](mailto:euic@egerton.ac.ke)

Tel: (051) 51-211 3382, 020-2588772

**INVESTMENT COMPANY**

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**ANNUAL REPORT**

**AND**

**FINANCIAL STATEMENTS**

**FOR**

**THE YEAR ENDED 30<sup>TH</sup> JUNE 2015**



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## **Establishment and Incorporation**

Egerton University Investment Company was incorporated on the 30<sup>th</sup> June, 2010 is a Company by Guarantee Established through the Company's Act Cap 486 of the Laws of Kenya.

### **Registered Office and Principal Place of Business**

Egerton University-ARC Hotel  
P.O. Box 536 - 20115,  
**EGERTON**  
**KENYA**

### **Bankers**

Kenya Commercial Bank Ltd,  
Egerton University Branch  
P.O. Box 248 - 20115,  
**EGERTON**

### **Independent Auditors**

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

### **Core Business of Egerton University Investment Company**

The Core business of the company as provided by the Company's Act Cap 486 of the Laws of Kenya includes:

Farming  
Hotel Hospitality and Tourism

### **Vision**

A vibrant business firm that strengthens the financial framework of Egerton University.

### **Mission**

The firm exists to identify, establish and develop profitable businesses with efficient systems in support of the Egerton University mission.

### **Core Values**

The Company's activities and decisions will be guided by the following core values:  
Passion for Excellent Customer Service  
Professionalism  
Integrity, transparency and accountability



## **Members of the Company Board of Directors**

- |                           |                     |
|---------------------------|---------------------|
| 1. Mr. Josiah O. Okumu    | - Chairman          |
| 2. Dr. William K.T. Chong | - Director          |
| 3. Prof. J.K.Tuitoek      | - Director          |
| 4. Prof. Njenga Munene J  | - Director          |
| 5. Ms. Joy Murithi        | - Director          |
| 6. Mr. Camillus Ahuya     | - Managing Director |

## **THE CHAIRMAN OF BOARD OF DIRECTORS' REPORT**

### **THE CHAIRMAN'S REPORT FOR THE YEAR ENDED 30<sup>TH</sup> JUNE 2015**

This is the second report, by Chairman Board of Directors to the 2<sup>nd</sup> Annual General Meeting of the Egerton University Investments Company (EUICO). EUICO is a subsidiary company wholly owned by Egerton University and was incorporated on 30<sup>th</sup> June 2010. The company started its operations in the last half of 2012/2013 financial year. This therefore is its second report presented during its second annual general meeting. The company has held 20 Board meetings. These many meetings have been necessary because the company is in the final stages of setting up structures and systems of management.

The Company is composed of ARC Hotel, Ngongongeri Farm and Lord Egerton Castle. ARC Hotel is located within Njoro Campus of Egerton University and offers services in Hotel and Hospitality Industry. The company's main offices are located in ARC Building. Ngongongeri farm is a large scale commercial farm 2,728 acres. The main enterprises are Crop Production i.e. commercial maize, seed wheat, barley and Horticultural Crops; Livestock i.e. cattle, sheep and poultry. Lord Egerton Castle was the home of the founder of Egerton University and is maintained as a museum for the development of agriculture in the country.

#### **1. Ngongongeri Farm**

##### **1.1. Crop Production**

Main crops grown at Ngongongeri farm during the period under review were commercial maize, barley, commercial and seed wheat. A total of 32635 bags of ninety kilograms each harvested. This comprised of 16,807 maize, 6367 barley, 6835 commercial wheat and 2626 seed wheat. Despite this good harvest the market price at the time of sale was at its lowest, fluctuating between Kshs. 1500 and Kshs. 2150.

##### **1.2. Horticultural crops.**

This includes a variety of vegetables grown within the horticultural unit in Ngongongeri farm. These are mainly cabbages, kales, spinach, peas, capsicums, indigenous vegetables. Strawberry is also grown. For now, most of the vegetables we grow are consumed at the ARC hotel and

catering department of the University. However we have introduced snaps and other vegetables to be grown for export.

### **1.3. Livestock production**

Dairy cattle, Corriedale sheep and poultry form the livestock enterprises in Ngongongeri Farm. Products from these enterprises are milk, wool and broiler meat. Dairy cattle kept on the farm are Friesians (75%) and Aryshires (25%). Improvements on feeding and general husbandry have been intensified to increase daily milk production per animal and overall herd average.

### **1.4 Farm machinery**

We have heavily invested in farm machinery in order to improve our efficiency both in livestock and crop production. We have acquired a combine harvester with two headers for wheat and maize, a 165HP tractor, a total feed ration mixer and a 24 meter Boom sprayer among other machines. We however still intend to acquire a baler and rake for baling hay and straws of wheat and barley.

## **2. ARC Hotel**

**2.1** ARC Hotel is a medium sized hotel located within Egerton University main campus Njoro. It is a perfect destination for individuals, families, groups and institutions looking for a serene environment for workshops, seminars and Holidays. With a ca

We have recorded improved performance in crop production. We have achieved an average of 25 bags per acre for wheat and maize compared to 10 to 12 bags in the previous year. Milk production has also improved from 8 litres to over 15 litres per cow per day. Since we started, we have reared about 100,000 broilers. Other units are sheep and horticulture.

### **2.2 Personnel**

The Company has 83 staff members for both Ngongongeri and ARC Hotel, supported by 126 casual workers from time to time.



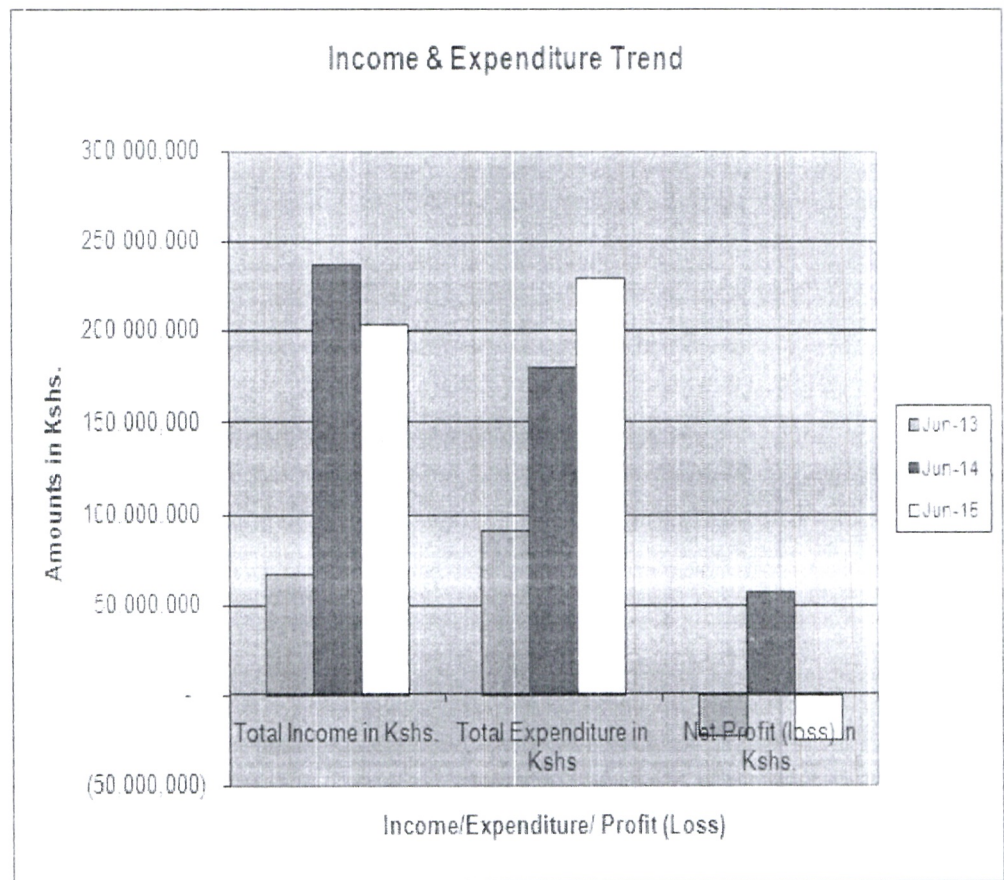
## MANAGING DIRECTOR'S REPORT

I have the pleasure to present the Annual Report and Financial Statements of Egerton University Investment Company for the year ended June 30, 2015 as per the Company's Act 486.

### Income & Expenditure

During the year under review the Company Posted a net loss of Ksh. 25,432,010.

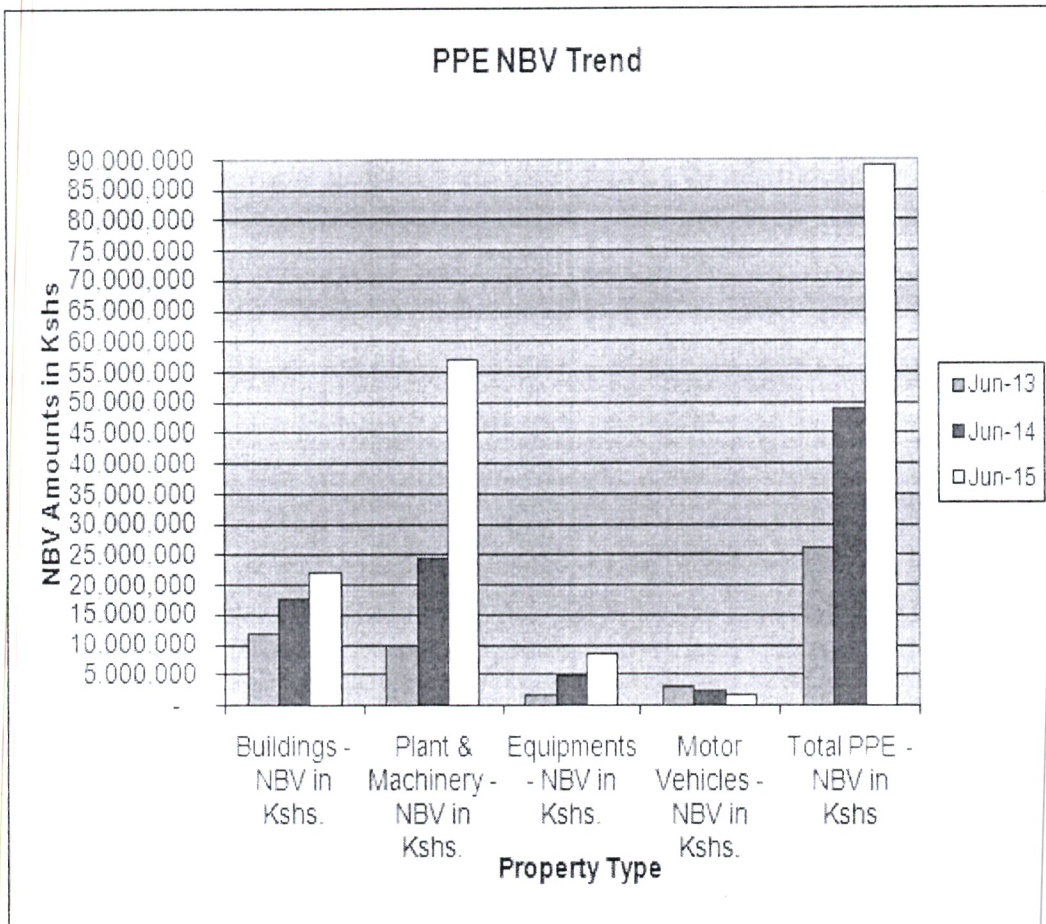
INCOME & EXPENDITURE TRENDS FOR THE LAST THREE YEARS IN KSHS.			
YEAR	Jun-13	Jun-14	Jun-15
Total Income in Kshs.	67,556,546	237,232,635	203,751,050
Total Expenditure in Kshs	90,332,974	179,477,207	229,183,060
Net Profit (loss) in Kshs.	(22,776,428)	57,755,428	(25,432,010)



**Property, Plant & Equipment**

The net Book Values of the Company's Property Plant and Equipment stood at ksh. 88,806,068

PROPERTY, PLANT & EQUIPMENTS Net Book (NBV) Values in Kshs.				Jun-15 %
Type of Property	Jun-13	Jun-14	Jun-15	Proportion
Buildings - NBV in Kshs.	11,799,234	17,506,488	21,805,391	25%
Plant & Machinery - NBV in Kshs.	9,764,607	24,409,508	56,992,299	64%
Equipments - NBV in Kshs.	1,513,194	4,615,193	8,458,707	10%
Motor Vehicles - NBV in Kshs.	3,036,450	2,277,338	1,549,670	2%
<b>Total PPE - NBV in Kshs</b>	<b>26,113,485</b>	<b>48,808,527</b>	<b>88,806,068</b>	<b>100%</b>

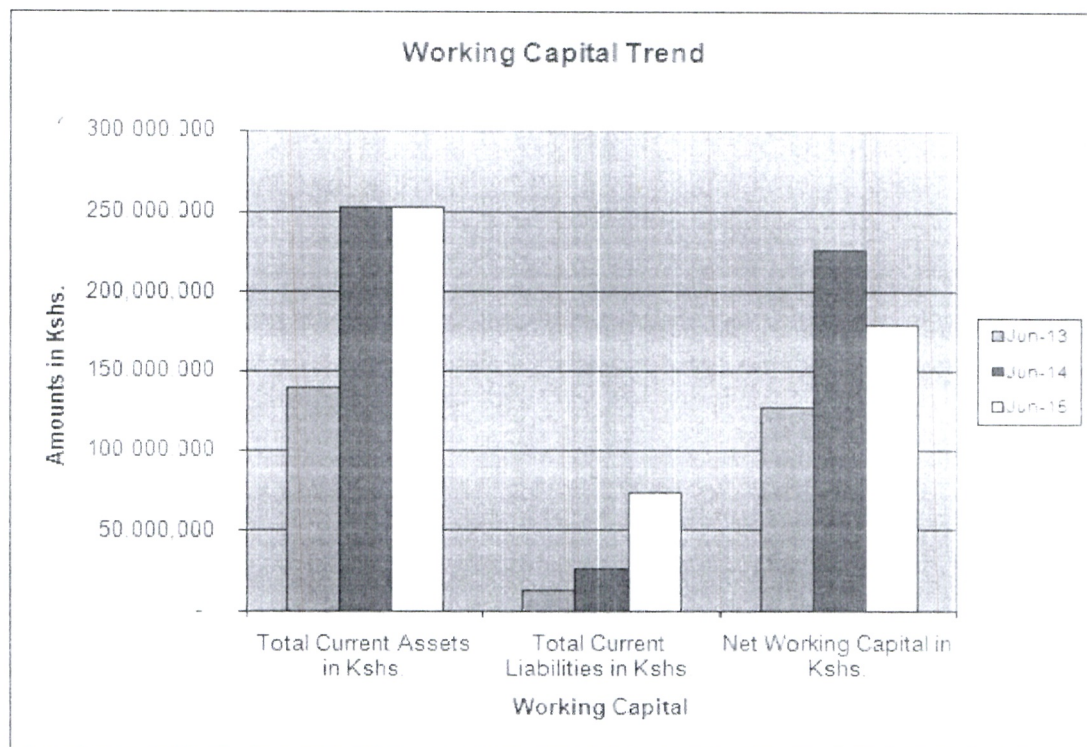




### Working Capital

The Company had a healthy working Capital position as at 30 June 2015, with current assets exceeding current liabilities by Kshs 178,916,672 as shown below.

WORKING CAPITAL TRENDS FOR THE LAST THREE YEARS IN KSHS.			
YEAR	Jun-13	Jun-14	Jun-15
Total Current Assets in Kshs.	139,661,212	252,429,024	252,590,268
Total Current Liabilities in Kshs.	12,318,416	26,025,842	73,673,596
Net Working Capital in Kshs.	127,342,796	226,403,182	178,916,672



### WORKING CAPITAL CATEGORIES FOR THE LAST THREE YEARS IN KSHS.

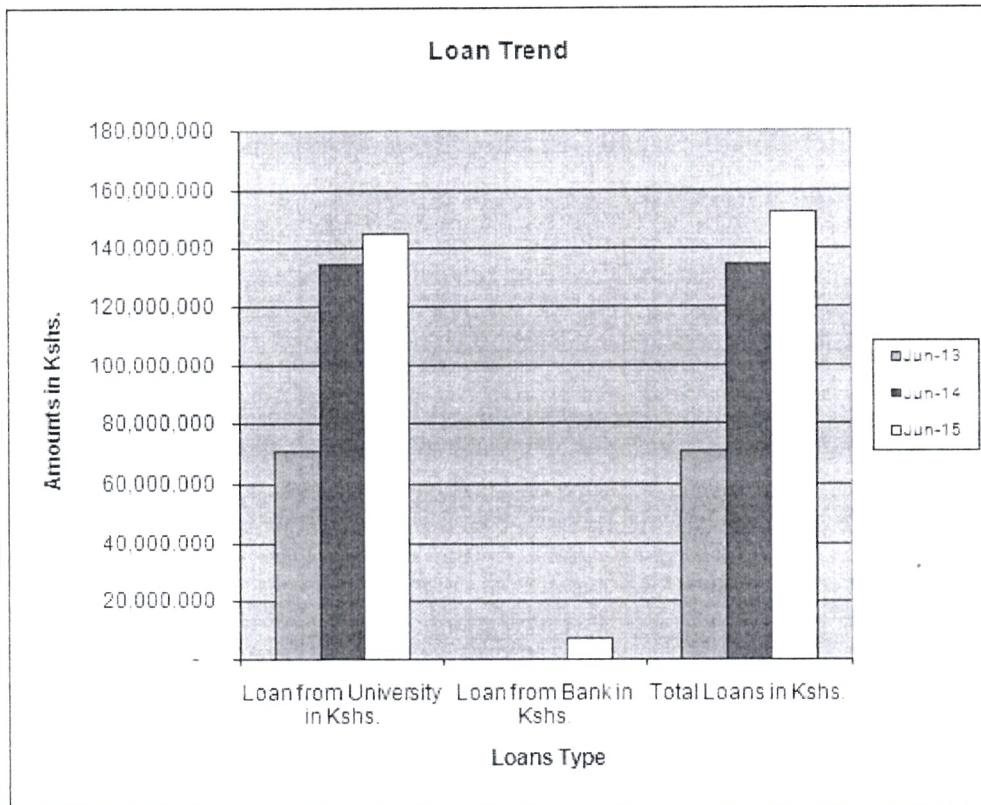
YEAR	Jun-13	Jun-14	Jun-15
Cash in Bank and in Hand	11,515,689.00	7,921,728.47	4,518,408.26
Accounts Receivables	37,095,994.00	54,355,359.41	112,099,073.09
Inventories	11,871,809.00	69,912,286.44	16,321,715.00
Agricultural Assets	79,177,720.00	120,239,650.00	119,651,072.00
Negative Bank Balances	-	-	(27,916,975.57)
Trade and Other Payables	(12,318,416.00)	(26,025,841.78)	(45,756,620.43)
Net Working Capital in Kshs.	127,342,796	226,403,183	178,916,672



**Loan Financing**

The company has been financed by University through loans over the year. In the year ended 30<sup>th</sup> June 2015, the company was also financed through a bank loan. The details as below:-

LOAN TRENDS FOR THE LAST THREE YEARS IN KSHS.			
YEAR	Jun-13	Jun-14	Jun-15
Loan from University in Kshs.	70,800,000	134,800,000	145,400,000
Loan from Bank in Kshs.	-	-	7,343,042
Total Loans in Kshs.	70,800,000	134,800,000	152,743,042



Finally I would like to express my gratitude to the University Council, The Company Board of Directors and the entire Company staff who worked tirelessly to ensure successful and smooth operations of the Company.

Thank you.

**Mr. Camillus Ahuya**

**Managing Director**

## **STATEMENT OF BOARD OF DIRECTORS' RESPONSIBILITY**

The Company's Act 486 requires the Company to prepare Financial Statements for each financial year, which gives a true and fair view of the state of affairs of the Company as at the end of the financial year and of the Company's surplus, or deficit for the year. The Act also requires the Board Members to ensure that the Company keeps proper accounting records that disclose, with reasonable accuracy, the financial position of the Company. They are also responsible for safeguarding the Company's assets.

The Board Members accept responsibility for the annual report and financial statements, which have been prepared using appropriate accounting policies supported by reasonable and prudent judgments and estimates, in conformity with International Financial Reporting Standards, the International Accounting Standards and the requirements of Company's Act Cap486. The Board Members are of the opinion that the financial statements give a true and fair view of the state of financial affairs of the University as at June 30, 2015.

The Board Members further accept responsibility for the maintenance of accounting records that may be relied upon in the preparation of the financial statements, as well as adequate systems of internal financial controls.

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

This statement was approved by Board and it is signed on their behalf by:

**Mr. J. O. Okumu**

**Chairman, Company Board of Directors**



**Mr. Camillus Ahuya**

**Managing Director**



# REPUBLIC OF KENYA

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Website: www.kenao.go.ke



P.O. Box 30084-00100  
NAIROBI

## OFFICE OF THE AUDITOR-GENERAL

### REPORT OF THE AUDITOR-GENERAL ON EGERTON UNIVERSITY INVESTMENT COMPANY FOR THE YEAR ENDED 30 JUNE 2015

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#### REPORT ON THE FINANCIAL STATEMENTS

I have audited the accompanying financial statements of the Egerton University Investment Company set out on pages 11 and 27, which comprise the statement of financial position as at 30 June 2015, and the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information in accordance with the provisions of Article 229 of the Constitution of Kenya and Section 14 of the Public Audit Act, 2003.

#### Management's Responsibility for the Financial Statement

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

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

#### Auditor-General's Responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors judgement, including the assessment of the risks of material misstatement of the financial statements, whether to due fraud or error. In making those risk

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*Egerton University Investment Company Limited – Annual Report and Financial Statements for the year ended 30 June 2015*



assessments the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the financial statements.

Because of the matters described in the Basis for Disclaimer of Opinion paragraph, however, I am not able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion.

## **Basis for Disclaimer of Opinion**

### **1.0 Income**

Egerton University Investment Company operates three main revenue generating segments namely Ngongongeri Farm, ARC hotel and Lord Egerton Castle. The statement of comprehensive income for the year ended 30 June 2015 reflects total income of Kshs.209,980,980 made up of Kshs.4,365,980 from Castle, Kshs.91,204,568 from ARC Hotel, Kshs.114,408,432 from Ngongongeri Farm and other incomes of Kshs.55,303. However, the Company's income from Ngongongeri Farm could not be ascertained in the absence of accurate opening stock balances, adequate record of units sold during the year, closing stock balance and proper stock control, valuation and accounting policy.

### **2.0 Cash in Hand and Bank**

The statement of financial position as at 30 June 2015 shows negative bank balance of Kshs.27,916,976 and cash in hand balance of Kshs.4,518,408. The cashbooks presented for audit did not show details on the source of receipts and payments as the activity logs which had the details of the payees were not linked to the cash book. It was also observed that suppliers were coded to hide their identities and other details in the cash book.

The ARC Hotel cashbook had double posting of Kshs.3,418,106, comprising Kshs.1,100,575 and Kshs.2,317,531 double posted in the months of March and April 2015 respectively. In addition, there was no Board of Survey report to confirm actual closing cash balances.

Further, the Ngongongeri Farm cash book reflected a cashbook balance of Kshs.19,098,601.97 as at 30 June 2015. However, the statement of financial position under Note 21 shows a negative cash and bank balance of Kshs.14,117,969 resulting to unexplained variance of Kshs.4,980,633.



Further, the statement of financial position under Note 21 shows ECO bank overdraft balance of Kshs.6,050,689 while the bank reconciliation statement reported a cash book bank overdraft balance as Kshs.5,145,775 resulting to unexplained variance of Kshs.904,914.

In the circumstance, the accuracy and validity of the reported cash in hand balance of Kshs.4,518,408 and the bank overdraft balance of Kshs.27,916,976 as at 30 June 2015 could not be confirmed.

### 3.0 Inaccuracies in the Financial Statements

The statement of comprehensive income for the year ended 30 June 2015 reflects staff costs of Kshs.61,808,234 and repairs and a maintenance balance of Kshs.14,359,941. However, the following variances were noted:

Item	Detailed	Amount per Statement (Kshs.)	Amount Payroll/ Recomputation (Kshs.)	Variance (Kshs.)
1	Total Staff costs	61,808,234	41,209,187	20,599,047
2	EUICO Staff costs	10,165,465	9,751,800	413,656
3	ARC Hotel staff costs	28,126,842	27,309,292	817,550
4	Ngongongereri Farm Staff costs	23,515,936	22,818,428	697,508
5	EUICO Repairs & Maintenance	2,571,227	762,830	1,808,397
6	ARC Repairs & Maintenance	1,017,422	115,403	902,019
7	Ngongongereri Repairs & Maintenance	10,771,292	10,528,191	243,101

In the circumstances, the accuracy and completeness of staff costs and repairs and maintenance costs could not be ascertained.

### 4.0 Ngongongereri Farm Performance

The farm's total revenue for the year stood at Kshs.114,408,432 against total expenditure of Kshs.128,820,727 resulting to a deficit of Kshs.14,412,295. Further, the farm posted a negative cash balance of Kshs.31,320,296 as at 30 June 2015 while unpaid suppliers balance stood at Kshs.29,735,020 on the same date.

Evidently, the going concern of the farm is in doubt and it may deplete the resources of the University unless the farm business operations become profitable.

## **5.0 Egerton University Investment Company's Performance**

The company's main business is Castle Inn. During the year, a sum of Kshs.4,365,980 was generated against a total expenditure of Kshs.21,727,478, resulting to a loss of Kshs.16,939,499. In the circumstances, the business is a drain on the University's resources and is hurting its operations.

## **6.0 ARC Hotel Performance**

The hotel generated income totaling to Kshs.91,206,568 against total expenditure of Kshs.78,634,354 resulting to surplus of Kshs.12,571,713. However, the surplus is not supported by actual cash inflow because largely, the business was conducted on credit as evidenced by huge outstanding receivables of Kshs.80,101,496 as at 30 June 2015. Further, evidence of working capital difficulties is depicted by negative cash balance of Kshs.7,748,318. Therefore, the investment is not contributing to the University's cash resources.

## **7.0 Advances by Egerton University**

Egerton Investment Company was incorporated on 30 June 2010 under the Companies Act (Cap.486). The Company is limited by guarantee which entitles it to borrow funds in the course of its operations. The expectation in forming the Company was that it would become financially independent. It was however observed that the Company has continued to borrow funds from the University totaling Kshs.145,400,000 as at 30 June 2015 without support of any agreement. In the circumstance, the financial viability of the Company is doubtful.

### **Disclaimer of Opinion**

Because of the significance of the matters described in the Basis for Disclaimer of Opinion paragraph, I have not been able to obtain sufficient appropriate audit evidence to provide for an audit opinion. Accordingly, I do not express an opinion on the financial statements.

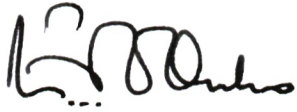
### **REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS**

As required by the Kenyan Companies Act, I report based on my audit that:

- i) I have not obtained all the information and explanations which, to the best of my knowledge and belief, were necessary for the purpose of the audit,
- ii) In my opinion, proper books of account have not been kept by the Company, so far as appears from my examination of those books; and,



- iii) The Company's statement of financial position and statement of comprehensive income are not in agreement with the books of account.



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

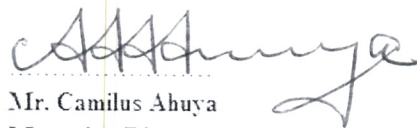
**Nairobi**

**09 January 2017**

## STATEMENT OF FINANCIAL POSITION

EGERTON UNIVERSITY INVESTMENT CO. LTD.  
STATEMENT OF FINANCIAL POSITION  
AS AT 30 JUNE 2015

Particulars	Note	EUICO Kshs.	ARC Hotel Kshs.	Ngongongeri Farm Kshs.	Total 30-Jun-15 Kshs.	Total 30-Jun-14 Kshs.
<b>ASSETS</b>						
<b>Current Assets</b>						
Cash in Bank and in Hand	21	1,812,432	1,438,687	1,267,289	4,518,408	7,921,728
Accounts Receivables	22	623,450	80,101,496	31,374,127	112,099,073	54,355,359
Inventories	23	-	1,173,625	15,148,090	16,321,715	69,912,286
Agricultural Assets	24	-	-	119,651,072	119,651,072	120,239,650
		2,435,882	82,713,808	167,440,578	252,590,268	252,429,024
<b>Non Current Assets</b>						
Property, Plant & Equipment	25	5,637,419	9,268,441	73,900,208	88,806,068	48,808,526
		5,637,419	9,268,441	73,900,208	88,806,068	48,808,526
<b>Total Assets</b>		<b>8,073,301</b>	<b>91,982,250</b>	<b>241,340,785</b>	<b>341,396,336</b>	<b>301,237,551</b>
<b>LIABILITIES</b>						
<b>Current Liabilities</b>						
Negative Bank Balances	21	6,050,689	7,748,318	14,117,969	27,916,976	-
Trade and Other Payables	26	8,609,359	7,412,241	29,735,020	45,756,620	26,025,842
		14,660,048	15,160,559	43,852,989	73,673,596	26,025,842
<b>Non Current Liabilities</b>						
Loans	27	152,743,042	-	-	152,743,042	134,800,000
		152,743,042	-	-	152,743,042	134,800,000
<b>Total Liabilities</b>		<b>167,403,089</b>	<b>15,160,559</b>	<b>43,852,989</b>	<b>226,416,638</b>	<b>160,825,842</b>
<b>Net Assets</b>		<b>(159,329,789)</b>	<b>76,821,691</b>	<b>197,487,797</b>	<b>114,979,699</b>	<b>140,411,709</b>
General fund		(142,390,290)	64,249,977	218,552,021	140,411,709	82,656,280
Accumulated Surplus(Deficit)		(16,939,499)	12,571,713	(21,064,225)	(25,432,010)	57,755,428
<b>Total Capital and Liabilities</b>		<b>(159,329,789)</b>	<b>76,821,691</b>	<b>197,487,797</b>	<b>114,979,699</b>	<b>140,411,709</b>

  
Mr. Camilus Ahuya  
Managing Director

.....  
Mr. J.O. Okumu  
Chairman, Company Board of Directors



## STATEMENT OF COMPREHENSIVE INCOME

EGERTON UNIVERSITY INVESTMENT CO. LTD.  
STATEMENT OF COMPREHENSIVE INCOME  
FOR THE YEAR ENDED 30 JUNE 2015

Particulars	Note				Total	Total
		EUICO Kshs.	ARC Hotel Kshs.	Ngongongeni Farm Kshs.	30-Jun-15 Kshs.	30-Jun-14 Kshs.
<b>Income</b>						
Accommodation & Conference Income	2	-	32,880,517	-	32,880,517	31,786,310
Sale of Meals & Beverages	3	-	58,324,129	-	58,324,129	68,401,934
Castle Income	4	4,365,980	-	4,345	4,370,324	3,563,770
Sale of Livestock & their Products	5	-	-	8,170,768	8,170,768	5,400,605
Sale of Poultry & their Products	6	-	-	9,642,066	9,642,066	12,340,387
Sale of horticultural Produce	7	-	-	1,094,795	1,094,795	1,083,731
Sale of farm produce	8	-	-	95,443,078	95,443,078	35,941,400
Other Incomes	9	-	1,922	53,381	55,303	-
<b>Total Revenue</b>		<b>4,365,980</b>	<b>91,206,568</b>	<b>114,403,432</b>	<b>209,980,980</b>	<b>158,518,135</b>
<b>Expenditure</b>						
Staff Costs	11	10,165,456	28,126,842	23,555,936	61,808,234	50,739,525
Administrative and Central Services	12	2,043,515	11,896,744	8,962,905	22,903,165	19,080,153
Hotel Expenses	13	46,138	30,052,437	-	30,098,575	29,415,699
Farm Expenses	14	2,649,112	-	71,465,183	74,118,295	30,262,129
Utility Expenses ( Heating, lighting & Water)	15	699,960	3,526,941	6,539,064	10,765,965	15,695,503
Repairs and Maintenance Expenses	16	2,571,227	1,017,422	10,771,292	14,359,941	25,162,243
Board Expenses	17	1,233,275	-	422,692	1,655,968	831,858
Printing & stationeries	18	281,778	427,612	124,144	833,534	1,263,276
Telecommunication & Postage expenses	19	415,112	167,891	90,569	673,572	598,848
Depreciation Expenses	20	1,621,905	3,418,965	6,924,942	11,965,812	6,427,973
<b>Total Expenditure</b>		<b>21,727,478</b>	<b>78,634,854</b>	<b>118,810,727</b>	<b>229,183,060</b>	<b>179,477,207</b>
<b>Other gains (Losses)</b>						
Gain (Loss) on Biological Assets	10	-	-	(6,651,930)	(6,651,930)	78,714,500
Gain/(Loss) on Disposal of Assets	10	422,000	-	-	422,000	-
		422,000	-	(6,651,930)	(6,229,930)	78,714,500
<b>Surplus for the Period</b>		<b>(16,939,499)</b>	<b>12,571,713</b>	<b>(21,064,225)</b>	<b>(25,432,010)</b>	<b>57,755,428</b>
<b>Attributable to:</b>						
Owners of the controlling entity		<b>(16,939,499)</b>	<b>12,571,713</b>	<b>(21,064,225)</b>	<b>(25,432,010)</b>	<b>57,755,428</b>

**STATEMENT OF CHANGES IN EQUITY**

**EGERTON UNIVERSITY INVESTMENT CO. LTD.**

STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 30 JUNE 2015

Particulars	Note	Capital Reserves Kshs.	Revenue Reserves Kshs.	Total Kshs.
<b>Period ended 30 June 2014</b>				
Balance as at 01/07/2013			82,656,280	82,656,280
Surplus from operations			57,755,428	57,755,428
<b>Balance as at 30/06/2014</b>		-	<b>140,411,709</b>	<b>140,411,709</b>
<b>Period ended 30 June 2015</b>				
Balance as at 01/07/2014		-	140,411,709	140,411,709
Prior Year Adjustments			-	-
Surplus from operations			(25,432,010)	(25,432,010)
<b>Balance as at 30/06/2015</b>		-	<b>114,979,698</b>	<b>114,979,698</b>



## STATEMENT OF CASH FLOWS

EGERTON UNIVERSITY INVESTMENT CO. LTD.  
STATEMENT OF CASH FLOWS  
FOR THE YEAR ENDED 30 JUNE 2015

Particulars	Note	30-Jun-15 Kshs.	30-Jun-14 Kshs.
<b>Operating Activities</b>			
Surplus for the year		(25,432,010)	57,755,428
<b>Adjustments for</b>			
Depreciation	20	11,965,812	6,427,973
Interest Expense	12	278,407	
		<b>(13,187,792)</b>	<b>64,183,402</b>
<b>Changes in Working Capital</b>			
(Increase)/Decrease in Biological Assets	24	583,578	(41,061,930)
(Increase)/Decrease in Receivables	22	(57,743,714)	(17,259,365)
(Increase)/Decrease in Inventories	23	53,590,571	(58,040,477)
Increase/(Decrease) in Payables	26	19,730,779	13,707,426
		<b>16,166,214</b>	<b>(102,654,347)</b>
<b>Cash Generated from Operations</b>		<b>2,978,423</b>	<b>(38,470,945)</b>
<b>Investing Activities</b>			
Interest Expense	12	(278,407)	-
Purchase of Property, Plant and Equipment	25	(51,988,911)	(29,123,015)
Assets Adjustments	25	25,558	-
Differences in General Fund		-	-
		<b>(52,241,760)</b>	<b>(29,123,015)</b>
<b>Financing Activities</b>			
Loan from University	27	10,600,000	64,000,000
Loan from Bank	27	7,343,042	-
<b>Net Cash from Financing Activities</b>		<b>17,943,042</b>	<b>64,000,000</b>
<b>Net Increase/(Decrease) in Cash and Cash Equivalents</b>		<b>(31,320,296)</b>	<b>(3,593,960)</b>
Cash and Cash Equivalents at the start of the year		7,921,729	11,515,689
<b>Cash and Cash Equivalents at the Close of the year</b>		<b>(23,398,567)</b>	<b>7,921,729</b>

## NOTES TO THE FINANCIAL STATEMENT

### 1. ACCOUNTING POLICIES

The financial statements have been prepared in accordance with International Financial Reporting Standards and International Accounting Standards. The principle accounting policies adopted are as follows:-

#### a) Basis of preparation

The financial statements have been prepared under the historical cost convention.

#### b) Revenue and expenditure recognition.

Income including Sale Proceeds is recognized in the period in which it is earned, while expenditure is recognized when it is incurred.

#### c) Property, Plant and Equipment

Property, plant and equipment are stated at cost less any recognized impairment loss.

Costs include professional fee.

Land is not depreciated as it is deemed to have an infinite life. Depreciation on other property is charged so as to write off the assets during their estimated useful life, using the straight- line method. Assets acquired during the year attract full depreciation charge.

The annual rates used are:-

Buildings	-	2.5%
Machinery & equipment	-	20%
Furniture & fittings	-	12.5%
Dairy equipment / plant / tractors	-	10%
Motor vehicles	-	25%
Computers and Appliances	-	33.3%

#### d) Inventories

Inventories are stated at the lower of cost and net realizable value. Cost includes direct material and where applicable direct labour and those overheads that have been incurred to bring the inventories to their present location and condition. Costs of issues are calculated using 'First in First Out' (FIFO)



method. Net realizable value represents the estimated selling prices less all estimated costs of disposal (IAS 2).

**e) Biological assets**

Biological assets are measured on initial recognition at each balance sheet date at its fair value less estimated point of sale costs as per IAS 41 (12).

**f) Receivables**

Receivables are recognized when the commitments are effected

**i) Cash flow Statement**

(a)Cash and cash equivalents

For the purpose of the financial statements, cash and cash equivalent include short term liquid investments which are readily convertible into known amounts of cash and which are within three months to maturity when acquired, less advances (overdrafts) from the banks repayable within three months from dates of the advances.

**j) Retirement benefits obligations**

The Company contributes to the statutory National Social Security Fund (NSSF). This is a defined contribution scheme registered under the NSSF Act. The Company's obligations under this scheme are limited to specific contributions legislated from time to time and are currently limited to a maximum of 200/= per employee per month while the employee contributes Kshs 200/= per month. The Company's obligation to staff retirement benefit schemes are charged to the income statements in the year to which they relate.

**K) The number of employees as at June 30th 2015 was 83.**

**L) Audit Fees**

The Company's financial statements are audited by the Auditor General. The Audit fees were paid by the University for the Year under Review.

Note 2 - Accomodation & Conference Income					
Particulars	EUICO	ARC HOTEL	NGONGONGERI FARM	Total	30-Jun-14
				30-Jun-15	Ksh
Accommodation - Rooms	-	27,045,457	-	27,045,457	27,604,289
Conference	-	5,143,046	-	5,143,046	3,027,786
Laundry Sales	-	692,014	-	692,014	1,154,235
	-	<b>32,880,517</b>	-	<b>32,880,517</b>	<b>31,786,310</b>

Note 3 - Sale of Meals & Beverages					
Particulars	EUICO	ARC HOTEL	NGONGONGERI FARM	Total	30-Jun-14
				30-Jun-15	Ksh
Restaurant Meals Sales	-	49,346,089	-	49,346,089	60,228,085
Bread sales	-	1,503,719	-	1,503,719	2,632,409
Beverages Sales	-	7,474,321	-	7,474,321	5,541,440
	-	<b>58,324,129</b>	-	<b>58,324,129</b>	<b>68,401,934</b>

Note 4 - Castle Income					
Particulars	EUICO	ARC HOTEL	NGONGONGERI FARM	Total	30-Jun-14
				30-Jun-15	Ksh
Ground Hire	413,200	-	-	413,200	2,155
Gate Collection	3,952,780	-	-	3,952,780	3,561,614
Lord Egerton Castle	-	-	4,345	4,345	
	<b>4,365,980</b>	-	<b>4,345</b>	<b>4,370,324</b>	<b>3,563,770</b>

Note 5 - Sale of Livestock & their Products					
Particulars	EUICO	ARC HOTEL	NGONGONGERI FARM	Total	30-Jun-14
				30-Jun-15	Ksh
Livestock Sales	-	-	182,650	182,650	160,000
Dairy Product Sales	-	-	7,337,968	7,337,968	3,535,335
Sheep sales	-	-	650,150	650,150	1,705,270
	-	-	<b>8,170,768</b>	<b>8,170,768</b>	<b>5,400,605</b>



Note 6 - Sale of Poultry & their Products

Particulars	EUICO	ARC HOTEL	NGONGONGERI FARM	Total	30-Jun-14
				30-Jun-15	Ksh
Poultry Sales	-	-	9,642,066	9,642,056	12,354,387
Poultry Litter	-	-	-	-	6,000
	-	-	<b>9,642,066</b>	<b>9,642,056</b>	<b>12,340,387</b>

Note 7 - Sale of Horticultural Produce

Particulars	EUICO	ARC HOTEL	NGONGONGERI FARM	Total	30-Jun-14
				30-Jun-15	Ksh
Horticulture Potatos	-	-	133,052	133,052	322,395
Horticulture Cabbages	-	-	182,399	182,399	309,495
Horticulture Kales	-	-	55,485	55,485	31,735
Horticulture Spider Plant	-	-	9,570	9,570	14,760
Horticulture Carrots	-	-	50,059	50,059	83,585
Horticulture Capsicum	-	-	21,650	21,650	34,100
Horticulture Tomatoes	-	-	78,350	78,350	151,050
Horticulture Spinach	-	-	128,850	128,850	75,096
Horticulture Onions	-	-	41,220	41,220	13,880
Horticulture Strawberry	-	-	226,980	226,980	28,368
Horticulture Beetroot	-	-	13,425	13,425	3,725
Horticulture Kunde	-	-	13,870	13,870	595
Horticulture Courgette	-	-	14,305	14,305	4,487
Horticulture Managu	-	-	17,775	17,775	7,190
Horticulture Lettuce	-	-	12,880	12,880	-
Horticulture French Beans	-	-	52,630	52,630	-
Horticulture Peas	-	-	32,295	32,295	-
Horticulture Cucumber	-	-	10,000	10,000	3,270
	-	-	<b>1,094,795</b>	<b>1,094,795</b>	<b>1,083,731</b>

Note 8 - Sale of Farm Produce

Particulars	EUICO	ARC HOTEL	NGONGONGERI FARM	Total	
				30-Jun-15	30-Jun-14
					Ksh
Seed Wheat	-	-	5,819,960	5,819,960	-
Sale of Hay	-	-	1,673,561	1,673,561	364,000
Sale of Straws	-	-	1,959,610	1,959,610	-
Sale of Silage	-	-	-	-	720,000
Commercial Wheat	-	-	24,762,180	24,762,180	-
Commercial Maize	-	-	42,109,150	42,109,150	28,637,400
Barley Sale	-	-	19,118,617	19,118,617	6,210,000
Yellow Maize	-	-	-	-	10,000
	-	-	<b>95,443,078</b>	<b>95,443,078</b>	<b>35,941,400</b>

Note 9 - Other Incomes

Particulars	EUICO	ARC HOTEL	NGONGONGERI FARM	Total	
				30-Jun-15	30-Jun-14
					Ksh
Hire Charges	-	-	34,881	34,881	-
Catalogue Sale	-	-	7,500	7,500	-
Other Service Sales	-	1,922	-	1,922	-
Miscellaneous Income	-	-	11,000	11,000	-
	-	<b>1,922</b>	<b>53,381</b>	<b>55,303</b>	-

Note 10 - Gain (Loss) in Biological Assets

Particulars	EUICO	ARC HOTEL	NGONGONGERI FARM	Total	
				30-Jun-15	30-Jun-14
					Ksh
Sales of Assets	422,000	-	-	422,000	-
Gain (Loss) in Biological Assets	-	-	(6,651,930)	(6,651,930)	78,714,500
	<b>422,000</b>	-	<b>(6,651,930)</b>	<b>(6,229,930)</b>	<b>78,714,500</b>



Note 11 - Staff Costs					
Particulars	EUICO	ARC HOTEL	NGONGONGERI FARM	Total	30-Jun-14
				30-Jun-15	Ksh
Workers Compensation	-	70,000	-	70,000	50,000
Staff Salaries	7,802,722	17,511,578	11,038,975	36,353,275	36,703,150
Wages	490,479	2,212,089	10,593,418	13,295,986	9,062,248
Gratuities	1,183,407	2,485,064	754,800	4,423,271	1,562,589
Employer Contribution to N.S.S.F	22,327	86,242	122,962	231,531	674,082
Staff Medical Expenses	84,454	595,208	15,345	695,007	255,687
Staff Uniforms	17,846	365,721	88,905	472,473	371,790
Staff Meals	150,565	3,606,150	204,023	3,960,738	1,583,274
Staff transport	-	377,240	-	377,240	476,706
	<b>10,165,456</b>	<b>28,126,842</b>	<b>23,515,936</b>	<b>61,808,234</b>	<b>50,739,525</b>

Note 12 - Administrative & Central Expenses					
Particulars	EUICO	ARC HOTEL	NGONGONGERI FARM	Total	30-Jun-14
				30-Jun-15	Ksh
Cleaning materials	-	-	69,219	69,219	-
Sales Promotions & Advertising	-	533,465	-	533,465	376,971
Advertising & Promotion	140,000	134,640	819,264	1,093,904	137,685
P.R. (Literature & Brochures)	20,000	-	-	20,000	-
Complimentary food and Beverages	-	12,900	-	12,900	-
DSTV Subscription	-	221,966	-	221,966	383,456
Miscellaneous Expenses	-	29,000	-	29,000	7,200
Accommodation Hire Charges	-	6,590,174	-	6,590,174	8,965,051
Conference Hire Charges	-	19,138	-	19,138	89,063
Transport Hire Charges	1,500	334,789	-	336,289	610,757
Staff training and Development	107,250	185,000	167,000	459,250	335,825
Licences	-	238,740	-	238,740	65,950
Travelling - Transport Cost	17,530	37,600	68,060	123,190	135,330
Car Hire	19,300	-	-	19,300	18,000
Staff Gifts	62,000	165,000	93,000	320,000	-
Subsistence	1,093,503	747,674	761,535	2,602,712	1,448,173
Conference	-	-	-	-	269,300
Legal Fees	-	15,852	-	15,852	-
Consultancy Fees	-	-	391,700	391,700	1,813,570
Professional Fees	17,000	-	591,760	608,760	34,040
Security	-	450,000	-	450,000	1,131,165
Equipment Hire	-	161,090	-	161,090	-
Bank Charges	95,305	81,419	32,390	209,114	264,092
Loan Interest Paid	278,407	-	-	278,407	-
Credit Charges	-	4,097	-	4,097	-
Insurance	63,524	-	5,959,277	6,022,801	1,676,586
Taxes and Levies Paid	-	1,797,400	-	1,797,400	1,317,938
Loan Arrears Penalty	128,197	-	-	128,197	-
Newspapers	-	-	9,700	9,700	-
Membership & Subscriptions	-	136,800	-	136,800	-
	<b>2,043,515</b>	<b>11,896,744</b>	<b>8,962,905</b>	<b>22,903,165</b>	<b>19,080,153</b>

Note 13 - Hotel Expenses

Particulars	EUICO	ARC HOTEL	NGONGONGERI FARM	Total	30-Jun-14
				30-Jun-15	Ksh
Food Purchases	-	17,676,631	-	17,676,631	20,786,972
Beverages Purchases	-	8,191,832	-	8,191,832	4,805,852
Cleaning Materials	16,123	27,113	-	43,236	562,061
Fuel Gas Kitchen	-	2,503,115	-	2,503,115	2,779,651
Tools and Equipment	28,215	-	-	28,215	-
Plates, Glassware and Cutlery	-	16,386	-	16,386	-
Linen, Towels and Laundry	-	434,333	-	434,333	-
Toiletries Purchases	1,800	336,448	-	338,248	157,287
Guests' Stationery Costs	-	513,898	-	513,898	20,948
Spirit	-	196,811	-	196,811	192,086
pest Control	-	37,931	-	37,931	88,001
Charcoal	-	117,938	-	117,938	22,840
	<b>46,138</b>	<b>30,052,437</b>	<b>-</b>	<b>30,098,575</b>	<b>29,415,699</b>

Note 14 - Farm Expenses

Particulars	EUICO	ARC HOTEL	NGONGONGERI FARM	Total	30-Jun-14
				30-Jun-15	Ksh
Irrigation Costs	-	-	378,668	378,668	3,576,080
Landscaping Costs	-	-	986,400	986,400	-
Livestock and Vet Costs	-	-	8,853,648	8,853,648	1,336,510
Horticulture expenses	-	-	1,837,060	1,837,060	-
Seed and Fertilizers	-	-	11,564,843	11,564,843	2,158,880
Chemicals Costs	2,612,402	-	8,610,540	11,222,942	9,543,906
Dairy Hygeine and Other Expenditu	-	-	1,177,708	1,177,708	135,081
Harvesting Expenditure	-	-	3,747,114	3,747,114	1,574,346
Bailing expenditure	-	-	3,688,030	3,688,030	-
Poultry expense	36,710	-	14,551,648	14,588,358	9,261,480
Wheat expense	-	-	2,748,085	2,748,085	-
Barley expense	-	-	4,488,476	4,488,476	-
Maize expense	-	-	2,568,311	2,568,311	-
Grass expense	-	-	3,280,000	3,280,000	-
Tree, Bush and Shrub Costs	-	-	-	-	96,136
Storage Costs	-	-	-	-	1,418,352
Transport cost farm	-	-	423,280	423,280	1,161,357
Animal Feeds Cost	-	-	1,044,763	1,044,763	-
	<b>2,649,112</b>	<b>-</b>	<b>71,469,183</b>	<b>74,118,295</b>	<b>30,262,129</b>



Note 15 - Utility Expenses (Heating, Lighting & Water)

Particulars	EUICO	ARC HOTEL	NGONGONGERI FARM	Total	30-Jun-14
				30-Jun-15	Ksh
Water Rates	14,000	-	-	14,000	6,000
Electricity	-	3,358,501	746,793	4,105,294	4,254,268
Generator Diesel	-	107,640	-	107,640	283,645
Fuel and Oil	685,960	60,800	5,792,272	6,539,032	11,151,590
	<b>699,960</b>	<b>3,526,941</b>	<b>6,539,064</b>	<b>10,765,965</b>	<b>15,695,503</b>

Note 16 - Repairs & Maintenance

Particulars	EUICO	ARC HOTEL	NGONGONGERI FARM	Total	30-Jun-14
				30-Jun-15	Ksh
Repairs and Servicing	484,205	115,403	3,911,778	4,511,387	6,105,382
Plumbing services	-	-	2,076,360	2,076,360	59,135
Office Equipment	68,300	-	-	68,300	14,266,580
Premises Expenses	131,550	-	-	131,550	181,165
Building materials	-	-	146,700	146,700	1,822,645
Electrical materials	-	-	19,650	19,650	1,781,115
Building materials	-	-	4,373,703	4,373,703	946,221
Tools Expenses	78,775	-	-	78,775	-
	<b>2,571,227</b>	<b>1,017,422</b>	<b>10,771,292</b>	<b>14,359,941</b>	<b>25,162,243</b>

Note 17 - Board Expenses

Particulars	EUICO	ARC HOTEL	NGONGONGERI FARM	Total	30-Jun-14
				30-Jun-15	Ksh
Board Allowance	1,233,275	-	422,692	1,655,968	831,858
	<b>1,233,275</b>	<b>-</b>	<b>422,692</b>	<b>1,655,968</b>	<b>831,858</b>

Note 18 - Printing & Stationery Expenses

Particulars	EUICO	ARC HOTEL	NGONGONGERI FARM	Total	
				30-Jun-15	30-Jun-14
					Ksh
Printing	18,444	-	-	18,444	-
Office Stationery	251,389	427,612	124,144	803,145	1,263,276
Newspapers	11,945	-	-	11,945	-
	<b>281,778</b>	<b>427,612</b>	<b>124,144</b>	<b>833,534</b>	<b>1,263,276</b>

Note 19 - Telecommunication & Postage Expenses

Particulars	EUICO	ARC HOTEL	NGONGONGERI FARM	Total	
				30-Jun-15	30-Jun-14
					Ksh
Postage	1,600	-	1,280	2,880	16,476
Telephone ,Fax Email and Internet	-	167,891	6,639	174,530	-
Mobile Phone Airtime	413,512	-	82,650	496,162	582,372
	<b>415,112</b>	<b>167,891</b>	<b>90,569</b>	<b>673,572</b>	<b>598,848</b>

Note 20 - Depreciation Expenses

Particulars	EUICO	ARC HOTEL	NGONGONGERI FARM	Total	
				30-Jun-15	30-Jun-14
					Ksh
Plant/Machinery Depreciation	-	779,319	6,097,611	6,876,931	4,328,493
Furniture/Fitting Depreciation	51,510	217,520	-	269,030	100,161
Motor Vehicle Depreciation	1,012,150	94,828	-	1,106,978	759,113
Software Depreciation	404,960	-	-	404,960	350,458
Computers & Accessories Deprecia	82,085	66,786	76,091	224,961	388,445
Building Depreciation	-	-	592,775	592,775	206,745
Small Tools Depreciation	-	961,303	-	961,303	-
Equipments Depreciation	71,200	1,299,208	158,466	1,528,874	294,559
	<b>1,621,905</b>	<b>3,418,965</b>	<b>6,924,942</b>	<b>11,965,812</b>	<b>6,427,973</b>



21 - Cash & Cash Equivalents

Note 21 a - Cash in Bank					
Particulars	EUICO	ARC HOTEL	NGONGONGERI FARM	Total	30-Jun-14
				30-Jun-15	Ksh
KCB ARC Bank Account -110190733	-	(7,748,318)	-	(7,748,318)	3,954,476
KCB EUICO Bank Account -1136869	(6,050,689)	-	-	(6,050,689)	2,725,142
KCB Bank Account -1109628668	-	-	(14,117,969)	(14,117,969)	1,242,110
	<b>(6,050,689)</b>	<b>(7,748,318)</b>	<b>(14,117,969)</b>	<b>(27,916,976)</b>	<b>7,921,728</b>

Note 21 b - Cash in Hand					
Particulars	EUICO	ARC HOTEL	NGONGONGERI FARM	Total	30-Jun-14
				30-Jun-15	Ksh
Undeposited Funds Account	1,812,432	-	-	1,812,432	-
Undeposited Funds Account	-	-	1,267,289	1,267,289	-
Reception Cash Register	-	1,437,799	-	1,437,799	-
	<b>1,812,432</b>	<b>1,438,687</b>	<b>1,267,289</b>	<b>4,518,408</b>	<b>-</b>
<b>Total Cash &amp; Cash Equivalent</b>	<b>(4,238,257)</b>	<b>(6,309,631)</b>	<b>(12,850,679)</b>	<b>(23,398,567)</b>	<b>7,921,728</b>

Note 22 - Accounts Receivables					
Particulars	EUICO	ARC HOTEL	NGONGONGERI FARM	Total	30-Jun-14
				30-Jun-15	Ksh
Debtors Control Account	-	80,101,496	30,731,317	110,832,813	54,355,359
Staff Debtors Imprests	623,450	-	642,810	1,266,260	-
	<b>623,450</b>	<b>80,101,496</b>	<b>31,374,127</b>	<b>112,099,073</b>	<b>54,355,359</b>

Note 23 - Inventories

Particulars	EUICO	ARC HOTEL	NGONGONGERI FARM	Total	
				30-Jun-15	30-Jun-14
					Ksh
Fertilizer and Chemical Stocks	-	-	6,610,076	6,610,076	56,212,580
Food Stock for use in Kitchens	-	583,123	-	583,123	878,504
Food Stocks For Resale	-	-	-	-	414,175
Cleaning detergents stock	-	90,909	-	90,909	76,226
Stationery Stock	-	60,144	-	60,144	112,651
Beverage Stocks	-	377,727	-	377,727	370,867
Seed & Grain stock	-	-	-	-	633,120
Animal Feeds & Minerals	-	-	536,890	536,890	1,861,310
Small Farm Tools	-	-	375,624	375,624	146,200
Building Materials	-	-	99,000	99,000	2,381,450
Horticulture Stock	-	-	2,285,000	2,285,000	6,625,636
Boma Rhodes Stock	-	-	3,600,000	3,600,000	-
Broiler Chicken Stock	-	-	1,641,500	1,641,500	-
Repairs & Maintenance Stock	-	61,722	-	61,722	199,567
	-	1,173,625	15,148,090	16,321,715	69,912,286

24 -Agricultural Assets

Note 24 a - Farm Produce & Planting Seeds

Particulars	EUICO	ARC HOTEL	NGONGONGERI FARM	Total	
				30-Jun-15	30-Jun-14
					Ksh
Seed and Grain Stocks	-	-	3,007,632	3,007,632	-
	-	-	3,007,632	3,007,632	-

Note 24 b - Biological Assets - Consumable Assets

Particulars	EUICO	ARC HOTEL	NGONGONGERI FARM	Total	
				30-Jun-15	30-Jun-14
					Ksh
Commercial Wheat	-	-	32,977,800	32,977,800	11,298,000
Commercial Maize	-	-	33,323,400	33,323,400	38,655,000
Wheat Seed	-	-	-	-	12,921,150
Commercial Barley	-	-	21,792,240	21,792,240	16,699,500
Seed Grass	-	-	-	-	3,240,000
	-	-	88,093,440	88,093,440	82,813,650

Note 24 c - Biological Assets - Bearer Assets

Particulars	EUICO	ARC HOTEL	NGONGONGERI FARM	Total	
				30-Jun-15	30-Jun-14
					Ksh
Livestock Cattle	-	-	25,225,000	25,225,000	35,000,000
Livestock Sheep	-	-	3,325,000	3,325,000	2,426,000
	-	-	28,550,000	28,550,000	37,426,000
<b>Total Agricultural Assets</b>	-	-	119,651,072	119,651,072	120,239,650



Note 25 a - Property, Plant & Equipment

Particulars	Buildings	Dairy Equipments/ Plant./Tractors	Other Equipments	Motor Vehicles	Totals
	Kshs.	Kshs.	Kshs.	Kshs.	Kshs.
<b>Cost or Valuation</b>					
As at 01/07/2013	12,088,215	11,245,323	1,718,290	4,048,600	29,100,428
Additions During the year 2014	5,914,000	18,973,394	4,235,621		29,123,015
As at 01/07/2014	18,002,215	30,218,717	5,953,911	4,048,600	58,223,443
Adjustments 2015	5,308,700	(5,960,215)	620,515		(31,000)
Additions During the year 2015	400,080	44,271,617	6,937,904	379,310	51,988,911
<b>As at 30/06/2015</b>	<b>23,710,995</b>	<b>68,530,119</b>	<b>13,512,330</b>	<b>4,427,910</b>	<b>110,181,354</b>
<b>Depreciation</b>					
As at 01/07/2013	288,981	1,480,716	205,096	1,012,150	2,986,943
Charge for the year 2014	206,745	4,328,493	1,133,622	759,113	6,427,973
As at 01/07/2014	495,727	5,809,209	1,338,718	1,771,263	9,414,917
Adjustments 2015	817,102	(1,148,320)	325,776		(5,442)
Charge for the year 2015	592,775	6,876,931	3,389,129	1,106,978	11,965,812
<b>Current Dep Net of Disposals</b>	<b>1,905,604</b>	<b>11,537,820</b>	<b>5,053,623</b>	<b>2,878,240</b>	<b>21,375,286</b>
<b>NBV-30 June 2015</b>	<b>21,805,391</b>	<b>56,992,299</b>	<b>8,458,707</b>	<b>1,549,670</b>	<b>88,806,068</b>
<b>NBV-30 June 2014</b>	<b>17,506,488</b>	<b>24,409,508</b>	<b>4,615,193</b>	<b>2,277,338</b>	<b>48,808,526</b>

Note 25 b - Accumulated Depreciation - Properties, Plant & Equipments

Particulars	EUICO	ARC HOTEL	NGONGONGERI FARM	Total	30-Jun-14
				30-Jun-15	Ksh
Plant & Machinery Accumulated Depreciation	-	1,884,001	9,653,819	11,537,820	5,809,209
Buildings Accumulated Depreciation	-	-	1,905,604	1,905,604	495,727
Furniture/Fixture Accumulated Depreciation	53,887	315,305	-	369,191	100,161
Motor Vehicles Accumulated Depreciation	2,783,413	94,828	-	2,878,240	1,771,263
Software Accumulated Depreciation	732,883	79,649	-	812,533	350,458
Computers & Accessories Accumulated Depreciation	219,190	193,628	76,091	488,909	388,445
Small Tools Accumulated Depreciation	-	961,303	-	961,303	-
Equipment Accumulated Depreciation	998,433	1,251,039	172,215	2,421,687	499,655
	<b>4,787,806</b>	<b>4,779,753</b>	<b>11,807,728</b>	<b>21,375,286</b>	<b>9,414,917</b>

Note 26 - Accounts Payables

Particulars	EUICO	ARC HOTEL	NGONGONGERI FARM	Total	30-Jun-14
				30-Jun-15	Ksh
Creditors Control Account	8,609,359	6,926,330	29,735,020	45,270,710	25,733,673
Purchase Tax Control Account	-	-	-	-	-
VAT Liability	-	485,911	-	485,911	292,169
	<b>8,609,359</b>	<b>7,412,241</b>	<b>29,735,020</b>	<b>45,756,620</b>	<b>26,025,842</b>

Note 27 - LOANS

Particulars	EUICO	ARC HOTEL	NGONGONGERI FARM	Total	30-Jun-14
				30-Jun-15	Ksh
Loans From University	145,400,000	-	-	145,400,000	134,800,000
Bank Loan KCB	7,343,042	-	-	7,343,042	-
	<b>152,743,042</b>	<b>-</b>	<b>-</b>	<b>152,743,042</b>	<b>134,800,000</b>



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