



# Kirinyaga University College

*(A Constituent College of JKUAT)*



REPORT OF THE  
AUDITOR GENERAL

ON

THE FINANCIAL STATEMENTS FOR  
THE YEAR ENDED 30 JUNE 2013



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## GENERAL INFORMATION

### REGISTERED OFFICE AND PRINCIPAL PLACE OF BUSINESS

Kirinyaga University College  
Sagana-Embu-Highway in Kutus Town  
P. O. Box 143-10300,  
**Kerugoya.**

### 1. BANKERS

- 1) Kenya Commercial Bank Kerugoya Branch  
P.O Box 405090 -10300,  
**Kerugoya-Kenya.**
- 2) Equity Bank Kerugoya Branch  
P.O. Box 1056 - 10300,  
**Kerugoya-Kenya.**
- 3) Co-operative Bank Kutus Branch  
P.O. Box 218 - 10304,  
**Kutus - Kenya.**
- 4) Bingwa Sacco Ltd.  
P.O. Box 434 - 10300,  
**Kerugoya - Kenya.**

### 2. AUDITORS

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

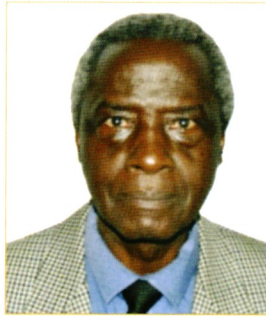
### 3. LOCATION

The University College is located approximately 115 Km North East of Nairobi off Nairobi Sagana-Embu-Highway in Kutus Town, the headquarters of Kirinyaga County.

## MEMBERS OF THE UNIVERSITY COLLEGE COUNCIL AND THE MANAGEMENT TEAM

- |                             |   |   |
|-----------------------------|---|---|
| 1. Prof. Gideon B. Hanjari  | - | Council Chairman                        |
| 2. Prof. Mary Ndung'u       | - | Principal/Council Secretary             |
| 3. Dr. Indeje Wanyama       | - | Rep. PS National Treasury               |
| 4. Prof. Christopher Nyagah | - | Council Member                          |
| 5. Mr. Alfred Ejem Lokangae | - | Council Member                          |
| 6. Mr. Gerald Macharia      | - | Council Member                          |
| 7. Mrs. Nancy Wachira       | - | Rep. PS MOEST                           |
| 8. Mrs. Mary Rotich         | - | Council Member                          |
| 9. Dr. Elizabeth Odera      | - | Council Member                          |
| 10. Mr. Maingi Inoti        | - | Rep. Inspectorate of State Corporations |
| 11. Mr. Phineas Munyi       | - | Ag. Registrar A&F                       |
| 12. CPA. Peter Kagika       | - | Finance Officer                         |
| 13. Ms. Joyce Kiragu        | - | Ag. Human Resource Officer              |
| 14. Mr. Wallace Kamau       | - | Ag. Registrar AA                        |
| 15. Rev. Allan Maina        | - | Ag. Dean of students                    |
| 16. Ms. Esther Ndirangu     | - | Ag. Procurement Officer                 |
| 17. Mr. Joel Kimani         | - | Ag. Chief Security Officer              |

# MEMBERS OF THE UNIVERSITY COLLEGE COUNCIL AND THE MANAGEMENT TEAM



**Prof. G. B. Hanjari**  
Council Chairman



**Prof. Mary Ndung'u**  
Principal/Council Secretary



**Dr. Indeje Wanyama**  
Rep- PS National Treasury



**Prof. Gathu Nyaga**  
Council Member



**Mr. Alfred Lokangae**  
Council Member



**Mr. Gerald Macharia**  
Council Member



**Ms. Nancy Wachira**  
Rep. PS MOEST



**Mrs. Mary Rotich**  
Council Member



**Dr. Elizabeth Odera**  
Council Member



**Mr. Phineas Munyi**  
Ag. Registrar A&F



**CPA Peter Kagika**  
Finance Officer



**Ms. Joyce Kiragu**  
Ag. Human Resource Officer



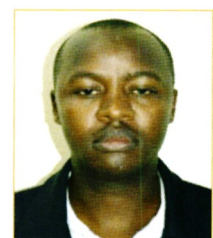
**Mr. Wallace Kamau**  
Ag. Registrar AA



**Rev. Allan Maina**  
Ag. Dean of Students



**Ms. Esther Ndirangu**  
Ag. Procurement Officer



**Mr. Joel Kimani**  
Ag. Chief Security Officer

## CORE BUSINESS OF THE UNIVERSITY COLLEGE



**K**irinyaga University College was established by the Kenya Government through the Kirinyaga University College Order, Legal Notice No. 108 of August 2011 as a constituent college of Jomo Kenyatta University of Agriculture and Technology. The successor to the Kirinyaga Technical Institute (KTI), the University College aims at becoming a world class university of science and technology specializing in industry oriented innovation and entrepreneurship in engineering, science, technology and ICT.

The University College is located approximately 115 Km North East of Nairobi off Nairobi Sagana-Embu-Highway in Kutus Town, the headquarters of Kirinyaga County.

### **Objective of the University**

The main objective of the university is to provide, directly or in direct through collaboration with other institutions of higher learning, university education including technology transfer, scientific and professional education and effective application of knowledge and skills in life work and welfare of the citizens of Kenya. The University will aim to play a leading role in the development and expansion of the opportunities for higher education and research.

The University is expected to provide and advance university education and training to appropriately qualified candidates leading to the conferment of degree and awards of diplomas and certificates.

## STATEMENT OF THE COUNCIL MEMBERS RESPONSIBILITIES

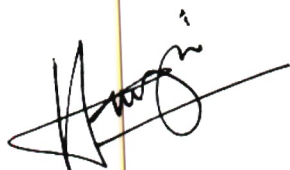
On the Financial Statements for the year ended 30 June 2013

The Kirinyaga University College order, 2011 requires University College Council to prepare statements for each financial year, which give a true and fair view of the state of affairs of the University College at the end of the financial year and its operating results for that year. It also requires the council to ensure that the University College keeps proper accounting records, which disclose, with reasonable accuracy, the financial position of the University College. The University Council is also responsible for safeguarding the Assets of the University College.

The University College Council accepts the responsibility for the financial statement, which has been prepared using appropriated accounting policies supported by reasonable and prudent judgments and estimates, in conformity with International Accounting Standards. The University College Council is of the opinion that the statements give a true and fair view of the state of the financial affairs of the University College at 30 June 2013 and of its operating results. The University College Council further accepts responsibility for the maintenance of accounting records, which may be relied upon in the preparation of financial statement, as well as adequate systems of Internal Financial Control.

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

This statement is approved by the University College Council and is signed on its behalf by:



Prof. Gideon B. Hanjari  
**Chairman of Council**



Prof. Mary Ndung'u  
**Principal**



## CHAIRMAN'S REPORT

I am pleased to present Annual report and Financial Statement of Kirinyaga University College for the year ending 30 June 2013. This was a great year being the first year of operation as a University College from the former Kirinyaga Technical Institute. The demand for higher education in the country has continued to rise prompting the University College to continually review the programmes in line with the market demand. The main objective of the Council is to reposition its main programmes within the context of the market requirements, cost rationalization and customer satisfaction.

To achieve this objective, Kirinyaga University College has several Infrastructural developments such as the twin workshop, Library, tuition classes, playground and covered walkways in line with the GOK policy of increasing access to higher education. This has led to increase in the operation costs and need for more physical facilities.

During the year under review, the University College geared its financial commitments towards provision of teaching facilities, development of new curricula and recruitment of staff. The members of academic and non-academic staff have grown since the inception of the University College. The University Council is in the process of recruiting additional senior management staff to enable the institution implement new programmes and offer quality services to its stakeholders.

### **Corporate Governance and Ethics**

The council is responsible for the governance of the University College and is accountable to the citizens of this country for ensuring that it complies with the law and it maintains the highest standard of corporate governance, academic standards and ethics. The council also attaches great importance to the need of conducting the activities and operations of the university with Integrity, social fairness and transparency.

The council appreciates the significant growth of the university college infrastructure that has promoted a good teaching and learning environment for both students and staff. I sincerely thank the Government for the financial support so far. However, I would like to appeal for more funding in the capital developments to ensure new infrastructure which will support the growing student population.

I wish to thank the management, staff, parents, guardians and students for their continued support towards building a better Kirinyaga University College.



Prof. Gideon B. Hanjari  
**Chairman of Council**

## PRINCIPAL'S REPORT

**W**e present the Annual Report and Financial Statements of Kirinyaga University College for the year ended 30 June 2013 as required by the University Act number 42 of 2012 and Public Audit Act 2003. Kirinyaga University College was established as a constituent college of Jomo Kenyatta University of Agriculture and Technology (JKUAT) through a Legal Order No. 108 of August 2011. The main objective of the University College is to train and equip Kenyans with knowledge and innovative skills through quality academic programmes and research.

During the financial year 2012/2013, the University College generated Kshs 26,536,171.00 from students fees, Kshs 46,542,117.00 from the government of Kenya to support capital developments and Kshs 161,500,000.00 for recurrent expenditure.

The current student population is 585 students and is expected to increase to 1800 students in the year 2013/2014. Staff population stood at 130 for both academic and non-academic divisions and is expected to increase to 200 in the next financial year.

On behalf of the management and staff of the University College, I wish to express my appreciation to the University College Council for providing strategic guidelines, the government of Kenya, our development partners, JKUAT our mentoring university and all the stake holders for their continued support.



Prof. Mary Ndung'u  
Principal

## AUDITOR'S REPORT



## KENYA NATIONAL AUDIT OFFICE

REPORT OF THE AUDITOR-GENERAL ON KIRINYAGA UNIVERSITY COLLEGE  
FOR THE YEAR ENDED 30 JUNE 2013**REPORT ON THE FINANCIAL STATEMENTS**

I have audited the accompanying financial statements of the Kirinyaga University College of Technology set out on pages 13 to 26 which comprise the statement of financial position as at 30 June 2013 and the statement of comprehensive income, the statement of changes in accumulated funds and reserves, statement of cash flows for the year then ended, and a summary of significant accounting policies and other explanatory notes in accordance with the Provisions of Article 229 of the Constitution of Kenya and Section 14 of the Public Act, 2003. I have obtained all the information and explanations which, to the best of my knowledge and belief, were necessary for the purpose of the audit.

**Management's Responsibility for the Financial Statements**

Management is responsible for the preparation and fair presentation of the financial statements in accordance with the International Financial Reporting Standards and for such internal control as the Council 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 (2) of the Public Audit Act, 2003. The audit was conducted in accordance with the International Standards on Auditing. Those standards require compliance with ethical requirements and that the audit be planned and performed to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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

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

## **Basis for Qualified Opinion**

### **1. Property, Plant and Equipment**

The statement of financial position reflects property, plant and equipment balance of Kshs. 161,144,841 as at 30 June, 2013, which includes undetermined value of assets inherited from Kirinyaga Technical Institute at the time of inception of the University College. Further, the balance includes parcels of land whose title are still in the name of Kirinyaga Technical Institute. In the circumstances, the accuracy of the property, plant and equipment balance of Kshs. 161,144,841 as at 30 June, 2013 could not be confirmed.

### **2. Trade and Other Payables**

The statement of financial position reflects trade and other payables balance of Kshs. 28,355,224 as at 30 June 2013 which includes an amount of Kshs. 23,008,040 in respect of trade creditors. However, the schedules of trade creditors made available for audit reflects a balance of Kshs. 5,967,652 resulting in a variance of Kshs. 17,040,388. In the Circumstances, the accuracy of the trade and other payables balance of Kshs. 28,355,224 as at 30 June 2013 could not be confirmed.

### **Qualified Opinion**

In my opinion, except for the effect of the matters described in the Basis for Qualified Opinion paragraph, the financial statements present fairly, in all material respects, the financial position of Kirinyaga University College as at 30 June 2013, and of its financial performance and its cash flows for the year then ended, in accordance with International Financial Reporting Standards and comply with Kirinyaga University College Order No. 108 of 2011 .



**Edward R.O. Ouko, CBS**

**AUDITOR -GENERAL**

Nairobi

24 December 2014

## STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2013

		<u>2013</u>	<u>2012</u>
		<u>KSHS</u>	<u>KSHS</u>
<b><u>NON-CURRENT ASSETS</u></b>	<b>NOTES</b>		
Property Plant and Equipments	2	161,144,841	77,809,633
Investments	4	758,180	758,180
Biological assets	5	<u>3,205,400</u>	<u>3,389,400</u>
		<b>165,108,421</b>	<b>81,957,213</b>
<b><u>CURRENT ASSETS</u></b>			
Inventories	6	-	594,391
Trade and other receivables	7	2,517,424	29,149,990
Cash & Bank Balances	8	<u>72,970,630</u>	<u>6,136,074</u>
		<b>75,488,054</b>	<b>35,880,456</b>
<b>TOTAL ASSETS</b>		<b><u>240,596,475</u></b>	<b><u>117,837,669</u></b>
<b><u>FUNDS , RESERVES AND LIABILITIES</u></b>			
<b><u>FUNDS</u></b>			
Capital fund	9	90,059,849	88,517,732
Accumulated fund	10	<u>120,374,893</u>	<u>4,665,400</u>
		<b>210,434,743</b>	<b>93,183,132</b>
<b><u>CURRENT LIABILITIES</u></b>			
Trade and other payables	11	28,355,224	23,248,665
Bus loan	12	1,056,508	1,405,871
Provision for audit fee	13	<u>750,000</u>	-
		<b>30,161,732</b>	<b>24,654,536</b>
<b>TOTAL FUNDS , RESERVES AND LIABILITIES</b>		<b><u>240,596,475</u></b>	<b><u>117,837,669</u></b>



Prof. Gideon B. Hanjari  
Chairman of Council



Prof. Mary Ndung'u  
Principal

## STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 30 JUNE 2013

<u>INCOME</u>	<u>NOTE</u>	<u>2013</u> <u>KSHS</u>	<u>2012</u> <u>KSHS</u>
Ministry grant - Recurrent	15	123,750,000	-
-Development	15	45,000,000	
- Special	15	49,000,000	-
Tuition & other fees	14	26,536,171	20,519,755
Other income	16	3,859,405	408,645
Farm surplus	24	<u>7,958,634</u>	<u>5,154,472</u>
<b>TOTAL</b>		<b>256,104,210</b>	<b>26,082,872</b>
 <b><u>LESS EXPENDITURE</u></b>			
Personnel cost	17	82,902,089	3,275,227
Central services	18	15,364,494	3,611,201
Council allowance	19	5,516,650	1,440,000
Maintenance cost	20	10,609,747	697,581
Student welfare	21	2,550,986	313,328
Academic costs	22	9,034,393	7,255,121
Administrative cost	23	<u>5,286,946</u>	<u>3,965,013</u>
		<b>131,265,305</b>	<b>20,557,471</b>
 Add provision for depreciation	 2	 8,379,412	 1,605,190
Add provision for Audit Fee	12	<u>750,000</u>	<u>-</u>
<b>TOTAL EXPENDITURE</b>		<b>140,394,717</b>	<b>22,162,661</b>
<b>SURPLUS(DEFICIT)</b>		<b><u>115,709,493</u></b>	<b><u>3,920,211</u></b>

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 30 JUNE 2013

	<u>2013</u>	<u>2012</u>
	<u>KSHS</u>	<u>KSHS</u>
Surplus/(Deficit) for the period	115,709,493	3,920,211
Adjustment for:		
Provision for audit fees	750,000	-
Depreciation	<u>8,379,412</u>	<u>1,605,190</u>
<b><u>Operating Activities</u></b>	<b>124,838,905</b>	<b>5,525,401</b>
<b>Change in;</b>		
Inventories	594,391	268,007
Receivables	26,632,566	(3,623,187)
Payables	<u>5,106,559</u>	<u>2,627,790</u>
Net cash generated from operating activities	<b>32,333,516</b>	<b>(727,390)</b>
<b><u>Cash flow from investing activities</u></b>		
Purchase of Machinery	-	(2,400,000)
Purchase of motor vehicles	(17,764,222)	(4,975,000)
Asset disposal	-	3,020
Purchase of computers	(6,633,680)	(4,545,871)
Purchase of furnitures	(2,744,500)	(181,360)
Work in progress	(64,572,217)	(50,453,183)
Disposal of Biological assets	<u>184,000</u>	-
Net cash used in investing activities	<b>(91,530,619)</b>	<b>(62,552,394)</b>
<b><u>Cash flow from financing activities</u></b>		
Capital fund	1,542,117	61,731,188
Loan repayments	<u>(349,363)</u>	<u>(569,129)</u>
Net change in cash and cash equivalent	<b>1,192,754</b>	<b>61,162,059</b>
Opening cash and cash equivalent	66,834,556	3,407,675
Closing cash and cash equivalent	<u>6,136,074</u>	<u>2,728,399</u>
	<b><u>72,970,630</u></b>	<b><u>6,136,074</u></b>



## STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 30 JUNE 2013

	<u>CAPITAL FUND</u>	<u>REVALUATION RESERVE</u>	<u>ACCUMULATED FUND</u>	<u>TOTAL</u>
Balance as at 1/7/2011	26,786,544	-	745,189	27,531,733
Additions in the year surplus/deficit	61,731,188	-	-	61,731,188
As at 30/06/2012	<u>88,517,732</u>	<u>-</u>	<u>4,665,400</u>	<u>93,183,132</u>
Balance as at 1/7/2012	88,517,732	-	4,665,400	93,183,132
Add capital grants	1,542,117	-	-	1,542,117
surplus/deficit	<u>90,059,849</u>	<u>-</u>	<u>115,709,493</u>	<u>115,709,493</u>
As at 30/06/2013	<u>90,059,849</u>	<u>-</u>	<u>120,374,893</u>	<u>210,434,743</u>

## MOVEMENT OF FIXED ASSET AS AT 30 JUNE 2013

**PROPERTY, PLANT & EQUIPMENTS**

Note 2

	LAND	BUILDING	MOTOR VEHICLES	COMPUTER & ACCESSORIES	PLANT & MACHINERY	FURNITURE & EQUIPMENTS	WORK IN PROGRESS	TOTAL
VALUATION AS AT 1/7/2012	NIL	2%	25%	30%	12.5%	12.5%	-	86,282,183
	12,782,000	18,072,000	4,975,000	-	-	-	50,453,183	86,282,183
ADDITIONS IN THE PERIOD	-	-	17,764,222	6,633,680	-	2,744,500	64,572,217	91,714,620
DISPOSAL IN THE PERIOD	-	-	-	-	-	-	-	-
AS AT 30/6/2013	<u>12,782,000</u>	<u>18,072,000</u>	<u>22,739,222</u>	<u>6,633,680</u>	<u>-</u>	<u>2,744,500</u>	<u>115,025,401</u>	<u>177,996,803</u>
DEPRECIATION	-	-	-	-	-	-	-	-
AS AT 1/7/2012	-	7,228,800	1,243,750	-	-	-	-	8,472,550
DEPRECIATION OF DISPOSED ASSET	-	-	-	-	-	-	-	-
CHARGE FOR THE PERIOD	-	361,440	5,684,806	1,990,104	-	343,063	-	8,379,412
AS AT 30/6/2013	-	7,590,240	6,928,556	1,990,104	-	343,063	-	16,851,962
Net Book Value AS AT 30- 6-2013	<u>12,782,000</u>	<u>10,481,760</u>	<u>15,810,667</u>	<u>4,643,576</u>	<u>-</u>	<u>2,401,438</u>	<u>115,025,401</u>	<u>161,144,841</u>
Net Book Value AS AT 30- 6-2012	<u>12,782,000</u>	<u>10,843,200</u>	<u>3,731,250</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>50,453,183</u>	<u>77,809,633</u>

NB: The University college is in the process of revaluing the assets because the last valuation was done in 1993 for land and building only. The other figures represent the assets procured during the year 2012/2013 only.

**Note 1****Accounting policies**

The accounts have been prepared in accordance with International Financial Reporting Standards. The principles therefore adopted are as follows:

**Basis of Preparation**

The Financial statements have been prepared under historical cost convention and the figures are presented in Kenya Shillings (Kshs)

**Government Grants**

Government grants are recognized as incomes of the relevant periods to match with the related costs on systematic basis.

**Property Plant and Equipment**

Property, Plant and Equipment are stated at cost less any recognized impairment loss. The university college was established through a legal notice no. 108 of August 2011 and according to the Legal notice it was supposed to inherit all the assets of the Former Kirinyaga Technical Institute. The university college is in the process of valuing all the assets so that they can be incorporated in the accounts in their valued amounts.

**Depreciation**

The University College land is a freehold property and not subjected to amortization. Fixed assets have been depreciated using straight line method to write off the costs of the assets over their useful economic life at the following rates;

Land	Nil
Building	2%
Furniture and Fittings	12.5%
Motor Vehicles	25%
Computers and Accessories	30%
Plant and Machinery	12.5%

**Revenue and Expenditure recognition**

Revenue including fees is recognized in the period which they are earned while expenditure is recognized in the period in which it is incurred.

**Inventories**

Inventories are stated at the lower of cost and net realizable value. The costs of issues are calculated using 'First In First Out' (FIFO) method. Net realizable value represents the estimated selling price less all the estimated costs as per IAS 2

**Foreign currency transactions**

Transactions during the year in foreign currency are converted into Kenya Shillings at the rates ruling on the transaction date.

**Receivables**

Receivables are recognized when commitments are effected at their nominal value.

**Sales**

Sales represent the invoiced value of goods supplied by the farm during the financial year.

**Cash and cash equivalents**

Cash and Cash equivalents are defined as Cash balances, bank balances and short term investments. For the purposes of the cash flow statements cash and cash equivalent consist of Cash and Bank balances.

**Retirement benefits obligations**

The pension fund of the university college is funded by contributions from both employees and the employer at a rate of 10% and 20% respectively. The university college also contributes to National Social Security Fund up to a maximum of Kshs 200.00 per employee per month for all the employees employed on casual terms. The University College's obligation to the staff retirement benefit is expensed in the income statement in the year they relate.

**Biological assets**

The University College is in the process of valuing all its biological assets so that they can be recognized in their true value at the date of the financial position as per IAS 41. For the purposes of this Financial Year Financial Statements, coffee trees have been valued at Kshs 50.

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2013

	<u>2012</u>		<u>2013</u>
3 <u>WORK-IN-PROGRESS</u>	<u>KSHS</u>	<u>ADDITIONS</u>	<u>KSHS</u>
Tuition Block	16,996,723	36,497,829	53,494,552
Twin workshop	10,226,385	9,285,357	19,511,742
Library	12,833,545	3,946,575	16,780,120
Lounges - ladies	-	1,818,694	1,818,694
Covered walkways	-	1,058,681	1,058,681
Lounges - men	-	1,818,694	1,818,694
Hostel	10,396,530	7,140,353	17,536,883
Septic tank	-	1,636,117	1,636,117
Playground	-	1,369,917	1,369,917
Bal c/d	<u>50,453,183</u>	<u>64,572,217</u>	<u>115,025,401</u>
		<u>2013</u>	<u>2012</u>
4 <u>INVESTMENT</u>		<u>KSHS</u>	<u>KSHS</u>
i) Bigwa sacco housing shares		3,180	3,180
ii) Bigwa sacco shares		5,000	5,000
Bigwa sacco unwithdrawable			
ii) deposits		<u>750,000</u>	<u>750,000</u>
		<u>758,180</u>	<u>758,180</u>
		<u>2013</u>	<u>2012</u>
5 <u>BIOLOGICAL ASSETS</u>			
i) <u>Livestock</u>		-	184,000
ii) <u>Coffee trees</u>			
Number of Coffee trees 64,108@50		<u>3,205,400</u>	<u>3,205,400</u>
Total		<u>3,205,400</u>	<u>3,389,400</u>
This was at net realisable value			
		<u>2013</u>	<u>2012</u>
6 <u>INVENTORIES</u>			
Stationery items		-	300,313
Kitchen Items		-	108,652
Maintenance items		-	185,426
		<u>-</u>	<u>594,391</u>

NB: The inventory in the University College as at 30.6.2013 included stationery only which was expensed when they were purchased.

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2013

<u>TRADE AND OTHER</u>	<u>2013</u>	<u>2012</u>
7 <u>RECEIVABLES</u>	<u>KSHS</u>	<u>KSHS</u>
Student debtors	2,348,885	1,882,510
Overdrawn Accounts	-	27,098,941
K.P.L.C. deposits	168,539	168,539
<b>Totals</b>	<b><u>2,517,424</u></b>	<b><u>29,149,990</u></b>

<u>8 CASH AND BANK BALANCES</u>	<u>2013</u>	<u>2012</u>
<u>Kenya comercial bank</u>		
Current Account A/C	1135935173	50,392,213
Fees collection A/C	1104016028	3,844,213
<u>Equity bank</u>		
KyUC Fee collection A/C	0100299420333	1,317,060
<u>Cooperative bank</u>		
Fees collection A/C	01129489220000	8,041,331
<u>Bingwa Sacco Ltd</u>		
Tea farm Account A/C	4107-02-09505	9,329,080
Cash balances	46,732	58,304
<b>Total balance</b>	<b><u>72,970,630</u></b>	<b><u>6,136,074</u></b>

9 CAPITAL FUND

The Capital fund comprise of the Capital grants released by the Government during the financial year 2012/2013

	<u>2013</u>	<u>2012</u>
Bal as at 1/7/2012	88,517,732	26,786,544
Development fund	1,542,117	61,731,188
	<b><u>90,059,849</u></b>	<b><u>88,517,732</u></b>

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2013

**10 ACCUMULATED FUND**

The Reserve fund comprise of the accumulated surplus for the financial year

	<u>2013</u>	<u>2012</u>
	<u>KSHS</u>	<u>KSHS</u>
Bal as at 1/7/2012	4,665,400	745,189
Surplus/loss for the period	<u>115,709,493</u>	<u>3,920,211</u>
	<u><b>120,374,893</b></u>	<u><b>4,665,400</b></u>

**11 TRADE AND OTHER PAYABLES**

	<u>2013</u>	<u>2012</u>
Student creditors	424,823	235,230
Uniform account	58,517	58,517
Production units	679,046	679,046
Trade Creditors	23,008,040	18,841,074
Giachai farm	3,434,798	3,434,798
Other trade payables	<u>750,000</u>	-
<b>Total</b>	<u><b>28,355,224</b></u>	<u><b>23,248,665</b></u>

**12 BUS LOAN**

Balance as at 1.7.2012	1,405,871	1,975,000
Less repayments	<u>(349,363)</u>	<u>(569,129)</u>
Balance as at 30.6.2013	<u><b>1,056,508</b></u>	<u><b>1,405,871</b></u>

**13 AUDIT FEES**

This comprises of fees expected to be paid to the Auditor general for the audit of the current period

	<u>2013</u>	<u>2012</u>
Audit fees	<u>750,000</u>	-
	<u>750,000</u>	-

**14 TUITION AND OTHER FEES**

	<u>2013</u>	<u>2012</u>
Tuition and other fees	<u>26,536,171</u>	<u>20,519,755</u>
	<u><b>26,536,171</b></u>	<u><b>20,519,755</b></u>

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2013

	<u>2013</u>	<u>2012</u>
<b>15 INCOME</b>		
<b>15 CAPITATION GRANT</b>	<b><u>KSHS</u></b>	<b><u>KSHS</u></b>
July	-	-
August	11,250,000.00	-
September	11,250,000.00	-
October	11,250,000.00	-
November	11,250,000.00	-
December	11,250,000.00	-
December	49,000,000.00	-
January	11,250,000.00	-
February	11,250,000.00	-
March	45,000,000.00	-
March	11,250,000.00	-
April	11,250,000.00	-
May	11,250,000.00	-
June	<u>11,250,000.00</u>	-
	<b><u>217,750,000.00</u></b>	<b><u>-</u></b>
<b>16 OTHER INCOMES</b>		
Sale of tenders forms	689,000	149,500
Rent	241,600	213,000
Gain on disposal	-	46,145
Kitchen sales	<u>2,928,805</u>	-
<b>TOTAL INCOME</b>	<b><u>3,859,405</u></b>	<b><u>408,645</u></b>
<b>17 PERSONNEL COSTS</b>		
Basic Salaries	34,695,132	1,537,011
Casual workers	2,614,797	1,079,497
House allowances	22,644,310	658,719
Part time teaching	3,020,700	-
Gratuity and pension	2,019,062	-
House to Office allowance	7,374,325	-
Other personal allowances	<u>10,533,762</u>	-
	<b><u>82,902,089</u></b>	<b><u>3,275,227</u></b>



## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2013

	<u>2013</u>	<u>2012</u>
	<u>KSHS</u>	<u>KSHS</u>
<b>18 <u>CENTRAL SERVICES</u></b>		
Electricity expenses	2,190,432	1,435,845
Water expenses	732,180	436,325
Internet expenses	827,402	58,000
Vehicle licenses & insurance	51,792	68,254
Insurance premiums	219,584	152,300
Vehicle fuel and oil	415,416	343,563
Advertisement	1,020,322	-
Telephone expenses	2,596,556	899,201
Bank charges/ interest	145,360	82,257
Tenders	4,900	13,370
Open & Public celebrations	-	97,416
Catering expenses	7,160,550	-
Rent expenses	-	<u>24,670</u>
	<u><b>15,364,494</b></u>	<u><b>3,611,201</b></u>
<b>19 <u>COUNCIL ALLOWANCE</u></b>		
Chairman Allowance	990,000	-
Sitting Allowance	4,282,000	1,440,000
Travelling & Accommodation	<u>244,650</u>	-
	<u><b>5,516,650</b></u>	<u><b>1,440,000</b></u>
<b>20 <u>MAINTENANCE COSTS</u></b>		
Vehicle repairs	290,045	358,791
Maintenance of Buildings	10,232,591	279,032
Machine repairs	<u>87,111</u>	<u>59,758</u>
	<u><b>10,609,747</b></u>	<u><b>697,581</b></u>

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2013

	<u>2013</u>	<u>2013</u>
	<u>KSHS</u>	<u>KSHS</u>
<b>21 <u>STUDENTS WELFARE</u></b>		
Students games	281,227	197,522
Students medical expenses	76,242	60,626
Fees refunds	271,050	-
student bursary	1,430,067	-
Students Entertainment	-	55,180
KYUC Students union	<u>492,400</u>	<u>-</u>
	<u><b>2,550,986</b></u>	<u><b>313,328</b></u>
<b>22 <u>ACADEMIC COSTS</u></b>		
Academic Field trips	15,400	13,200
Boarding expenses	2,024,046	1,790,587
Students Traveling	6,000	10,200
Sports and games	175,077	458,127
Teaching materials	6,676,950	4,853,037
Students admission expenses	<u>136,920</u>	<u>129,970</u>
	<u><b>9,034,393</b></u>	<u><b>7,255,121</b></u>
<b>23 <u>ADMINISTRATIVE COSTS</u></b>		
Travelling and accommodation	3,398,399	2,115,940
Stationery and stores	<u>1,888,547</u>	<u>1,849,073</u>
	<u><b>5,286,946</b></u>	<u><b>3,965,013</b></u>
Add depreciation	8,379,412	1,605,190
Provision for Audit Fee	<u>750,000</u>	<u>-</u>
<b>TOTAL EXPENDITURE</b>	<u><b>140,394,717</b></u>	<u><b>22,162,661</b></u>

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2013

## 24 FARM ACCOUNTS

	<u>2013</u>	<u>2012</u>
<u>Revenue</u>	<u>KSHS</u>	<u>KSHS</u>
Coffee	1,085,000	848,530
Tea income	8,699,861	7,534,381
KTDA Dividends	11,537	109,352
Interests	91,326	14,836
Firewood	28,100	-
Land leasing	-	6,000
Disposal of asset	-	3,020
Horticulture	410,868	720,617
Livestock Sales	<u>184,000</u>	<u>40,000</u>
	<b><u>10,510,692</u></b>	<b><u>9,276,736</u></b>
<u>Expenditure</u>		
Tea picking casuals	1,313,965	1,460,498
Fertilizers & Inputs	477,974	550,918
Horticulture expenses	170,440	59,560
Wages	344,911	817,480
Supervision	1,870	411,035
Water connections	-	252,956
Livestock expenses	-	216,220
Fish expenses	28,260	-
Travelling charges	20,345	20,610
Beehives	-	83,000
Tea Pruning	63,575	73,837
Tea cess	87,539	70,315
Buildings Maintenance	28,289	10,350
PC Target	-	46,000
Pests & Diseases	-	49,485
Irrigation	14,890	-
<b>Total expenditure</b>	<b><u>2,552,058</u></b>	<b><u>4,122,264</u></b>
<b>Farm profit(loss)</b>	<b><u>7,958,634</u></b>	<b><u>5,154,472</u></b>









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