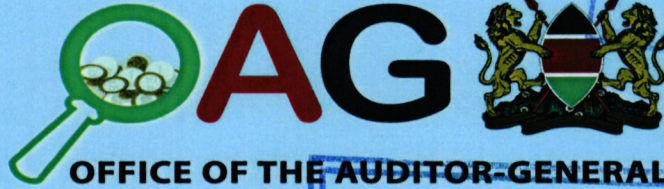


REPUBLIC OF KENYA



OFFICE OF THE AUDITOR-GENERAL

Enhancing Accountability

THE NATIONAL ASSEMBLY
PARDUCIATD

DATE: 24 MAR 2022

DAY:

11:12 (PM)

REPORT

TABLED
BY:

L-O-MI

DATE AT
THE TABLE:

11/20/22

OF

THE AUDITOR-GENERAL

ON

FRIENDS COLLEGE KAIMOSI

**FOR THE YEAR ENDED
30 JUNE, 2018**

FRIENDS COLLEGE KAIMOSI



(KAIMOSI COLLEGE OF RESEARCH & TECHNOLOGY)

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED

JUNE 30, 2018

Prepared in accordance with the Accrual Basis of Accounting Method under the International Public Sector

Accounting Standards (IPSAS)



FRIENDS COLLEGE KAIMOSI
Reports and Financial Statements
For the year ended 30th June 2018

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KEY ENTITY INFORMATION AND MANAGEMENT

(a) Background information

Friends College Kaimosi is located in Vihiga County, western region of Kenya within Kaimosi Mission Complex along the Kisumu –Kapsabet Road, on 40 acre piece of land. As early as 1971, East African Yearly Meeting of Friends Church (Quakers), the local community and friends in USA and UK appreciated the value of vocational oriented education with specific emphasis on practical Agriculture, rural leadership, small Business management and entrepreneurship Training hence the founding of Friends College Kaimosi (FCK).

The institution is now focusing its training programmes towards meeting the challenges arising from rapid technological advancement, education policy and labour market changes. As a training institute of technology under the Ministry of Education (MOE) FCK has prioritized institutional capacity building; collaborations and partnerships; good governance and corporate image in line with MOE goals and other Governmental policies.

The college is ISO 9001:2008 certified with the following academic departments; Engineering , Food and beverage, Applied Science, Business, Secretarial, Food Science & Nutrition, Hair beauty, Fashion and Design. Other departments include Finance, Procurement, sports, Guiding and counselling, Research and development.

(b) Principal Activities

Mission: To provide quality Technical Training and research in science and technology to meet changing society needs.

Vision: To be a leading institute of skills training in science and Technology

FRIENDS COLLEGE KAIMOSI
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Core Values:

- **Professionalism:** consistently offer quality training and related services that are market driven
- **Team Work:** Encourage positive team work and positive contribution from its motivated and innovative workforce
- **Honesty:** Conduct its business with employees, parents, sponsors, customers and other stakeholders in an honest, fair and caring manner.
- **Evidence based decision making:** Observe good corporate at all times
- **Competitiveness:** Practicing fair competition
- **Excellence:** Uphold excellence in performance in national examinations and co-curricular activities
- **Health and safety:** Embrace internationally accepted health and safety practices in its operations
- **Respect for religious affiliation:** Respect the principles and philosophies of the Quaker faith and other religions
- **Innovation and creativity:** Promote innovation and creativity in its training programs, service delivery and governance

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OBJECTIVES:

- i) To provide increased training opportunities for school leavers that will enable them to be self supporting
- ii) To develop practical skills and attitudes that will lead to income earning activities in the rural and urban areas
- iii) To provide technical knowledge, vocational skills and attitudes necessary for manpower development
- iv) To produce skilled artisans, craftsmen, technicians and technologists for both formal and informal sectors of the economy

(c) Key Management

The Friends College Kaimosi day-to-day management is under the following key organs:

- Board of Governors
- Principal
- Senior Management team

(d) Fiduciary Management

The key management personnel who held office during the financial year ended 30th June 2018 and who had direct fiduciary responsibility were:

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No.	Designation	Name
1.	Principal	-Mr. Clerkson Barasa
2.	Deputy Principal	-CPA Gilbert Mwavali
3.	Head of Finance	-CPA Hesborn Ehaji
4.	Head of Procurement	-Emily Mikhago
5.	Registrar	-Mable Wanjala
6.	Dean of Students	- Charles Mureka

(e) Fiduciary Oversight Arrangements

1. Finance and Budgeting Committee
2. Human Resource, Research and Training Committee
3. Infrastructure committee
4. Executive BOG Committee
5. Kenya Revenue Authority
6. Office of the Auditor General
7. National Social Security Fund

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f) Entity Headquarters

Kaimosi Complex,
Along Kisumu- Chavakali-Kapsabet Road
P.O. Box 150-50309
Tiriki, KENYA

g) Entity Contacts

Telephone:(254) 735818311
E-mail: friendscollegekaimosi@yahoo.com
Website: www.go.ke

h) Entity Bankers

1. KCB Bank Kenya Limited
Kakamega Branch
P.O. Box 152-50100
Kakamega

**FRIENDS COLLEGE KAIMOSI
Reports and Financial Statements
For the year ended 30th June 2018**

Independent Auditors

Office of the Auditor General

Anniversary Towers, University Way

P.O. Box 30084

GOP 00100

Nairobi, Kenya

i) Principal Legal Adviser

The Attorney General

State Law Office,

Harambee Avenue



PO BOX 40112

City Square 00200

Nairobi, Kenya

FRIENDS COLLEGE KAIMOSI
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THE BOARD OF GOVERNORS

<p>1.</p>  <p>PETER ANJEYO VUHYA (Chairperson BOG)</p>	<p>From Sept 2017</p>	<p>-Date of Birth:02.08.1971</p> <p>-Masters in Business Administration</p> <p>-CEO- Invest and Grow Sacco Over 15 years of experience.</p> <p>-Member of ICPAK</p> <p>-A member of BOG Executive committee</p>
<p>2.</p>  <p>GRACE ONG' AYO NAMAI (Member BOG)</p>	<p>From Sept 2017</p>	<p>-Date of Birth:1st June 1953</p> <p>-Bachelor of Education</p> <p>-Former principal, Bunyore Girls High 5years</p> <p>-Teacher 22years</p> <p>-Executive Member of the BOG</p>



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<p>3.</p>  <p>BERNICE NASIMIYU KASAYA (Member, BOG)</p>	<p>From Sept 2017</p>	<p>-Date of Birth:8th February 1968 -Masters in Business Administration-HRM -Chairperson BOG Human Resource and Research & Training Committee -Experience of over 20years in Human resource</p>
 <p>4.WANYONYI NEKESA JESCAH (Member BOG)</p>	<p>From Sept 2017</p>	<p>-Date of Birth 29th June 1970 -Masters of Science- Procurement -PHD On-going -Experience of over 10years in Procurement Matters -A member of the BOG Finance and Budgeting</p>


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 <p>5. RODGERS OTIENO OWITI (Member , BOG)</p>	<p>From Sept 2017</p>	<p>-Date of birth: 20th April 1987</p> <p>-Masters in Telecommunication and Information Engineering</p> <p>Engineer with Enterprise Platinum Support Safaricom Limited.</p> <p>-Over 10years of experience in ICT</p> <p>-BOG Sub –Committee member of HR, Research, Education and Training</p>
 <p>6. GEOFFREY KIPROTICH KOROS (Member , BOG)</p>	<p>From Sept 2017</p>	<p>-Date of Birth 22nd December 1977.</p> <p>-Masters of science9 Urban Environmental Planning and Management-On-going</p> <p>-Bachelor of Art</p> <p>-A member of BOG subcommittee on Infrastructure, and Finance and Budgeting Committee</p> <p>-Has experience of over 10years in matters of Valuations, Investment appraisal</p>

FRIENDS COLLEGE KAIMOSI
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 <p>7.CPA, JULIUS KIPLETING RUTTO (Member, BOG)</p>	<p>From Sept 2017</p>	<p>-Date of Birth 1.1 1983 -MBA ongoing. -Bachelor of Commerce. -A member of ICPAK. -Has experience of over 13 years of experience in forensic audits, tax planning, and Business planning and investment appraisals. -Chairperson BOG subcommittee on Finance and Budgeting.</p>
<p>8. CLERKSON N BARASA (Principal, Secretary BOG)</p> 	<p>From Sept 2017</p>	<p>-Date of Birth 1962 -Took over FCK as Principal on 31st December 2015. -MSC in Applied Science -Over 10years of experience in Technical Training</p>

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9		<p>From Sept 2017</p>	<p>-Born in 1963</p> <p>-He is the TVET regional Director , kaka mega</p> <p>-Masters in Education</p> <p>-Experience of over 10years in TVET</p> <p>-Executive Member of BOG</p>
<p>JOSEPH SUNGUTI</p> <p>A member, BOG)</p>			

FRIENDS COLLEGE KAIMOSI
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For the year ended 30th June 2018

I. MANAGEMENT TEAM.

 <p>1. CLERKSON BARASA MSC, BED</p>	<p>-THE PRINCIPAL -Accounting Officer -Secretary BOG</p>
 <p>2.CPA GILBERT MWAVALI BCOM,CPAK</p>	<p>-DEPUTY PRINCIPAL -Head of academic matters -Chairperson Disciplinary committee</p>
 <p>3.CPA HESBORN EHAJI BCOM, CPAK</p>	<p>-FINANCE OFFICER -Financial Management overseer -Budgeting and Control -Preparation of Financial statements and reports</p>

FRIENDS COLLEGE KAIMOSI
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 <p>4.MABEL WANJALA MSC -Biology</p>	<p>-</p> <p>-Registrar -Admissions and Marketing</p>
 <p>5.CHARLES MUREKA BBM</p>	<p>-Dean Of Students -Students welfare</p>
 <p>6.EMILY MIKHAGO DSCM</p>	<p>-Head of procurement. -Advisor in Procurement matters</p>

FRIENDS COLLEGE KAIMOSI
Reports and Financial Statements
For the year ended 30th June 2018

II. CHAIRMAN'S STATEMENT

It is with great pleasure that I present the Friends College Kaimosi Financial Report for the year ended 30th June, 2018. The College this year endeavoured to increase the number of programmes to enhance access technical education. The vision of the College is to be a leading institute of skills training in Science and Technology that produces qualified and competent graduates of world class standards. Various structures have been developed by the College which include; Academic board, Deans Committee and management to ensure effective and efficient stewardship of the College functions.

The College seeks linkages with the private and public sectors to enhance quality of teaching, particularly during attachments.

I wish to appreciate the support of the Government and organizations like the Higher Education Loans Board for continuing to support our students in paying their fees. During the FY 2017/2018, the Government started the Capitation programme which has resulted into an increase of trainees in different courses. An increasing number of students have difficulties in meeting the cost of education and HELB as well as other bursary providers have assisted in ensuring our students pursue their studies. I appeal for further support from the private sector and Non-Governmental organizations.

The College Board would like to appeal to the Government to consider enhancing our recurrent and capital development grants to enable the College meet its financial obligations and accommodate the ever increasing number of trainees. The College faces huge challenges in putting up critical infrastructure including learning and accommodation facilities.

FRIENDS COLLEGE KAIMOSI
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For the year ended 30th June 2018

I thank all our students, parents, and other stakeholders for choosing to invest in our institution and urge that together we should strive to achieve higher levels of excellence in the coming years and be able to achieve the Vision 2030.

SIGNATURE.....*PA*.....DATES.....*24.4.2019*.....

PETER ANJEYO VUHYAH

CHAIRMAN, BOARD OF GOVERNORS

FRIENDS COLLEGE KAIMOSI
Reports and Financial Statements
For the year ended 30th June 2018

II. REPORT OF THE PRINCIPAL

During the FY 2017/2018 the College continued to execute its mandate as outlined in its strategic plan. One of the key ingredients of the plan is a system of academic commitment by fostering a climate of Productivity, professionalism, excellence, accountability and transparency, equity, and Innovation in order to be competitive. The strategic plan provides for regular review of curricula and the establishment of linkages with institutions in the public and private sectors. We have training programmes designed to operate within a framework which leads to lifelong education and training, and which facilitates innovativeness and creativity, continuation of training for improvement of professional qualifications and a updating of knowledge, skills and Understanding; Complementary education for those receiving technical, vocational education . We have adopted appropriate national and international standards in training by establishing, Implementing and managing credible quality assurance systems. We have established and promoted appropriate collaborative arrangements with national and international agencies on standards and quality assurance .We continue to establish systems and processes for the continuous review and improvement of standards and quality assurance.

Financial Performance Highlights

The College recorded an improved revenue base because of the expansion of programmes and introduction of January, May and September intakes which increased the number of students. However, the expansion of programmes also resulted in an increase in operational costs. Our challenge is to develop a way of instituting cost reduction measures while implementing quality assurance systems to ensure quality of programmes is not compromised.

FRIENDS COLLEGE KAIMOSI
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For the year ended 30th June 2018

The College received Kshs. **203,261,069.00** in Recurrent and non-recurrent revenue.. The GOK grants of ksh. **24,500,000.00** accounted for 12% of the total receipts by the College while 88% was generated through internal sources.

There was enhanced income from Rendering of services of ksh. **8,941,975.00** compared to 2016/2017 where we generated ksh.**8,489,066.00**. The same was experienced in tuition fees where we generated ksh.**97, 180,750.00** compared to the 2016/2017 tuition fees of 4,974,843.00, and this was more than 100% increase. This has been due to the increased number of students we received from the National Youth Service and our enhanced production units.

We had an expenditure of ksh. 157,188,488.00 against an income of ksh. 203,261,069.00 resulting into a Surplus of ksh. 46,060,401.00. However when we critically examine the statement of finance performance we realise that we have some non-cash payment expenditure (eg Depreciation and amortization) which are included in the expenditure. Generally to our own assessment the college remains to be a going concern

Although there has been progress, the College still has shortcomings as a result of lack of adequate teaching space, Laboratories as well as offices for academic and administrative staff. This is due to low funding by the Exchequer, delayed release of tuition fees from our collaborators eg NYS and negative attitude of parents that TVET education is free, when actually is not totally free. We also have a bigger number of BOG employed trainers; these trainers drain the college through their wages.

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For the year ended 30th June 2018

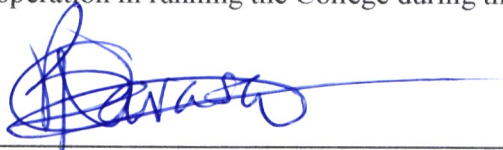
In the FY 2018/2019 Friends College Kaimosi intends to establish an internal Audit unit which will advise the board on pertinent Internal Control issues and assurance matters

With the looming Government capitation with effect from September 2018, we anticipate an increase in trainee population but worried about the timely disbursement of full capitation funding from the government.

I would like to thank the Government of Kenya and other stakeholders for their continued financial support during the year under consideration.

Lastly, I would like to thank the BOG , staff, students and other stakeholders for their overwhelming co-operation in running the College during the year under review.

SIGNATURE: _____



DATE: _____

24/4/19

MR. CLERKSON BARASA

RINCIPAL, FRIENDS COLLEGE KAIMOSI

FRIENDS COLLEGE KAIMOSI
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VI. CORPORATE GOVERNANCE STATEMENT

The members of the Board have committed themselves to the service of Friends College Kaimosi and to uphold the tenets of good corporate governance by being innovative, transparent, accountable, persons of integrity, socially responsive, as well as promote excellence and exercise fairness in all their dealings.

The Board

The Board consists of nine members inclusive of the Principal as the Secretary. The Board members consist of the following;

NO.	NAME	TITLE
1.	Mr. Peter A. Vuhya	Chairman
2.	Mr. Joseph Sunguti	Member- County TVET Director
3.	Mr. Geoffrey Koros	Member
4.	Ms. Grace Namai	Member
5.	Mr. Julius Kipleting	Member
6.	Ms. Jescah Nekesa	Member
7.	Ms. Bernice Nasimiyu	Member
8.	Mr. Rodgers Owiti	Member- Governor Represemtative
9.	Mr. Charles Avedi	Member
10.	Mr. Clerkson N. Barasa	Principal/Secretary

FRIENDS COLLEGE KAIMOSI
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For the year ended 30th June 2018

The biographies of the Board Members are published on page v-vi. These Board Members possess a broad range of skills, qualifications and experiences required to direct the affairs of the College.

Board Responsibilities

The College Board undertakes the following responsibilities.

1. The Board is the governing body of the College through which the College acts and undertakes the following;
 - a) Administers the property and funds of the College in a manner and for the purposes which promote the interest of the College; but the Board does not charge or dispose of immovable property of the College except in accordance with the procedures laid down by the Government of Kenya.
 - b) Receives, on behalf of the College donations, endowments, gifts, grants or other moneys and make disbursements there from the College or other bodies or persons.
 - c) Provides for the welfare of the staff and students of the College.
 - d) May enter into association with other Colleges, training Colleges or other institutions of learning, whether within Kenya or otherwise, as the Board may deem necessary and appropriate and
 - e) May, after consultation with the Academic Board, make regulations governing the conduct and discipline of the students of the College.
2. All documents, other than those required by law to be under seal, made on behalf of the Board, and all decisions of the Board may be signed under the hand of the Chairman, the

FRIENDS COLLEGE KAIMOSI
Reports and Financial Statements
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Principal or any other members of the Board generally or specifically authorized by the Board in that behalf.

3. Ensures that a proper management structure is in place and that the structure functions to maintain corporate integrity, reputation and responsibility.
4. Monitors and evaluates the implementation of strategies, policies and management criteria and plans of the College.
5. Constantly reviews the viability and financial sustainability of the College and does so once every year.
6. Ensures that the College complies with all the relevant laws, regulations, governance practices,; accounting and auditing standards.

Board Committees

The Board Committees facilitates decision-making to assist the Board in the execution of its duties, powers and authority, however delegation of authority to the Committees does not in any way mitigate or dissipate the discharge by the Board of its duties and responsibilities. Board Committees have been established with formal written terms of reference and observe the same rules of conduct and procedures as the Board.

In the financial year 2017/2018 the following Board Subcommittees were in place.

FRIENDS COLLEGE KAIMOSI
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1. EXECUTIVE COMMITTEE

Membership:

NO.	NAME	TITLE
1.	Mr. Peter A. Vuhya	Chairman
2.	Mr. Joseph Sunguti	Member
3.	Mr. Geoffrey Koros	Member
4.	Ms. Grace Namai	Member
5.	Mr. Clerkson N. Barasa	Principal/Secretary

Mandate

The role of the Executive Committee considers and makes appropriate recommendations to the Board.

2. FINANCE AND BUDGETING COMMITTEE

Membership:

NO.	NAME	TITLE
1.	Mr. Julius Kipleting	Chairman
2.	Ms. Jescah Nekesa	Member
3.	Mr. Geoffrey Koros	Member
4.	Mr. Clerkson N. Barasa	Principal/Secretary

FRIENDS COLLEGE KAIMOSI
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Mandate

The role of Finance and Budgeting Committee is to advise the Board on better financial practices, funding, cost reduction, monitor production units and submit a draft budget to the full board for adoption and approval.

3. HUMAN RESOURCE, EDUCATION AND RESEARCH COMMITTEE

Membership:

NO.	NAME	TITLE
1.	Ms. Bernice Nasimiyu	Chairperson
2.	Ms. Grace Namai	Member
3.	Mr. Rodgers Owiti	Member
4.	Mr. Clerkson N. Barasa	Principal/Secretary

Mandate

The mandate of Human Resource, education and research committee is to advise the full board on all matters concerning personnel, training and teaching and research.

4. INFRASTRUCTURE AND INVESTMENT COMMITTEE

Membership:

NO.	NAME	TITLE
1.	Mr. Geoffrey Koros	Chairman
2.	Mr. Rodgers Owiti	Member
3.	Mr. Charles Avedi	Member

FRIENDS COLLEGE KAIMOSI
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For the year ended 30th June 2018

5.	Mr. Clerkson N. Barasa	Principal/Secretary
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Mandate

The core mandate of the Infrastructure and investment committee is to oversee all projects and investments of the college and advise the Board accordingly

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Reports and Financial Statements
For the year ended 30th June 2018

VII. MANAGEMENT DISCUSSION AND ANALYSIS

During the Financial period ending 30th June 2018, the College continued with the process of transiting from ISO 9001:2008 to ISO 9001:2015, the college trained its Process owners on the new Quality management system and documented its processes. We anticipate to be certified in the coming two years. During the financial 2017/ 2018 the college was able to generate ksh **202,492,228.00** from its two spheres, i.e. Revenue from non exchange transaction and Revenue from exchange transactions. The following projects are in progress, Ebukanga TTI project which we are mentoring project and is 90% complete

During the Financial year under audit, complied with the following statutory requirements among others; TVET Act 2013, PFM Act 2012, Education Act 2012, Public Audit Act 2015, TSC Act 2015.

We have been able to submit the National Social Security Funds (NSSF), Pay As You Earn (PAYE), National Hospital Insurance Fund(NHIF) dues on behalf of our BOG workers in time and there are no any pending dues which are in arrears.

The Board has also complied with trade union relations regulations by allowing its BOG workers to be members of KUDHEIHA. In the financial year 2017/2018 the college started the process of reviewing the BOG Collective Bargaining Agreement and hope by the end of the FY 2018/2019 the process should be over. The management is implementing this agreement and it will be start reviewing it before the end of FY 2017

FRIENDS COLLEGE KAIMOSI
Reports and Financial Statements
For the year ended 30th June 2018

VIII. CORPORATE SOCIAL RESPONSIBILITY STATEMENT/SUSTAINABILITY REPORTING

Friends College Kaimosi continued to dedicate part of its revenue to social responsibility activities aimed at enhancing the livelihoods of those living close to the institution and all Kenyans in general. During the year under review, the College focused on activities aimed at making a positive impact on various communities while creating a cordial relation shop and raising the institutions profile. Areas of focus included education, provision of water, Training locals on issues of procurement, research, environmental conservation, support to sporting activities and health care provision.

Water provision

Today, Kenya is classified as a water-stressed country. Like in many African countries, lack of safe drinking water is the cause of socio-economic problems including starvation and disease. The challenge is even more pronounced in rural areas where women and children walk long distances daily in search of water, which is sometimes polluted. Waterborne diseases are still a concern as many people succumb to them annually. One of Friends College Kaimosi corporate social responsibility programme areas of focus is the provision of water to communities through the establishment of water collection points through construction of underground water tanks and installation of water harvesting tanks within the College. During the last financial year 2016/2017, we dug a borehole and installed water tanks for water harvesting to ensure a steady water supply to the stakeholders, in the financial year 2017/2018 we endeavoured to expand the water distribution.

FRIENDS COLLEGE KAIMOSI
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Education

With a focus on education as part of its corporate social responsibility, the College witnessed the initiation of new courses in Hair dressing and Therapy, Fashion and Design, Mechanical and electrical, artisan courses etc. We have also set up an internal desk where students are assisted to apply for HELB loans and bursaries.

Environmental Conservation.

In Kenya, the effects of climate change and other environmental challenges are having an enormous impact not only on human life, but also on businesses. The pressure on natural resources and the environment in general is huge and calls for concerted efforts to alleviate the situation. Friends College Kaimosi has actively participated in environmental conservation initiatives aimed at conserving catchments areas and other delicate ecosystems. Last financial year, environmental initiatives the College participated in tree planting activities and distributed free seedlings in various schools, churches and local community.

Sports and Culture

During the FY 2017/2018, the College gave out its football fields to the local teams at a very subsidized fee. This enhanced talents among the young people translating to a healthy and talented nation.

We also participated in the regional and national ball games, athletics, Music and Drama festivals; this gave chance to the trainees to expose their talent.

FRIENDS COLLEGE KAIMOSI
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IX. REPORT OF THE BOARD OF GOVERNORS

The Board of Governors submit their report together with the audited financial statements for the year ended 30th June 2018 which show the state of Friends College Kaimosi affairs

Principal activities

The principal activities of the College are to provide quality technical training in science and technology to meet changing market needs

Results

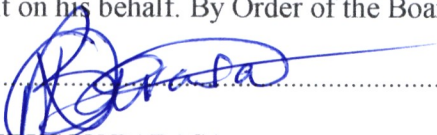
The results of the College for the year ended June 30, 2018 are set out on page 1 to 16

Board Of Governors

The members of the Board of Governors who served during the year are shown on page v to vi..

Auditors

The Auditor General is responsible for the statutory audit of the Friends College Kaimosi in accordance with Article 229 of the Constitution of Kenya , Public Audit Act 2015 and TVET Act 2013 or Certified Public Accountants nominated by the Auditor General to carry out the audit of the Friends College Kaimosi for the year/period ended 30th June 2018 in accordance to section 23 of the Public Audit Act, 2015 which empowers the Auditor General to appoint an auditor to audit on his behalf. By Order of the Board

.....


CLERKSON BARASA

SECRETARY BOG

TIRIKI

Date:.....


FRIENDS COLLEGE KAIMOSI
Reports and Financial Statements
For the year ended 30th June 2018

XI. STATEMENT OF BOARD OF GOVERNORS' RESPONSIBILITIES

Section 81 of the Public Finance Management Act, 2012 and TVET Act, 2013 (Section 29) require the Board of Governors to prepare financial statements in respect of that the college, which give a true and fair view of the state of affairs of Friends College Kaimosi at the end of the financial year/period and the operating results of the Friends College Kaimosi for that year/period. The Board of Governors are also required to ensure that the College keeps proper accounting records which disclose with reasonable accuracy the financial position of the College. The Board of Governors are also responsible for safeguarding the assets of the College.

The Board of Governors are responsible for the preparation and presentation of the College financial statements, which give a true and fair view of the state of affairs of the College for and as at the end of the financial year (period) ended on June 30, 2018. This responsibility includes: (i) maintaining adequate financial management arrangements and ensuring that these continue to be effective throughout the reporting period; (ii) maintaining proper accounting records, which disclose with reasonable accuracy at any time the financial position of the entity; (iii) designing, implementing and maintaining internal controls relevant to the preparation and fair presentation of the financial statements, and ensuring that they are free from material misstatements, whether due to error or fraud; (iv) safeguarding the assets of the College (v) selecting and applying appropriate accounting policies; and (vi) making accounting estimates that are reasonable in the circumstances.

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Reports and Financial Statements
For the year ended 30th June 2018

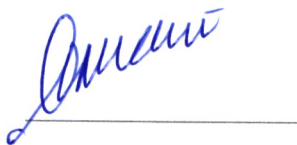
The Directors accept responsibility for the College financial statements, which have been prepared using appropriate accounting policies supported by reasonable and prudent judgements and estimates, in conformity with International Public Sector Accounting Standards (IPSAS), and in the manner required by the PFM Act, 2012 and (the TVET Act) – .The Board of Governors are of the opinion that the College financial statements give a true and fair view of the state of College’s transactions during the financial year ended June 30, 2018, and of the College’s financial position as at that date. The Directors further confirm the completeness of the accounting records maintained for the College, which have been relied upon in the preparation of the College’s financial statements as well as the adequacy of the systems of internal financial control.

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

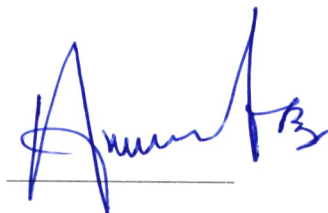
Approval of the financial statements

The Friends College Kaimosi financial statements were approved by the Board on

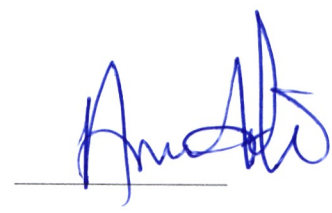
24th April 2019 and signed on its behalf by:



BOG Member



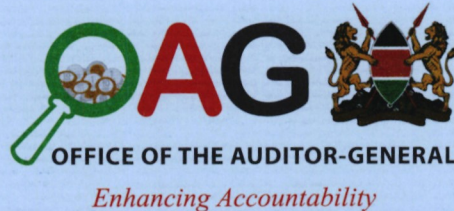
BOG Member



BOG Member

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HEADQUARTERS
Anniversary Towers
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NAIROBI

REPORT OF THE AUDITOR-GENERAL ON FRIENDS COLLEGE KAIMOSI FOR THE YEAR ENDED 30 JUNE, 2018

REPORT ON THE FINANCIAL STATEMENTS

Adverse Opinion

I have audited the accompanying financial statements of Friends College Kaimosi as set out on pages 1 to 16, which comprise of the statement of financial position as at 30 June, 2018, statement of financial performance, statement of changes in net assets, statement of cash flows and the statement of comparison of budget and actual amounts 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 35 of the Public Audit Act, 2015. I have obtained all the information and explanations which, to the best of my knowledge and belief, were necessary for the purpose of the audit.

In my opinion, because of the significance of the matters discussed in the Basis for Adverse Opinion section of my report, the financial statements do not present fairly the financial position of the Friends College Kaimosi as at 30 June, 2018, and of its financial performance and its cash flows for the year then ended, in accordance with International Public Sector Accounting Standards (Accrual Basis) and do not comply with Technical and Vocational Education Training Act, 2013, the Public Finance Management Act, 2012, and the Education Act, 2012.

Basis for Adverse Opinion

1.0 Inaccuracies in the Financial Statements

1.1 Un-Confirmed Opening Balances

The financial statements reflect comparative balances for 2016/2017. However, the balances were not confirmed as Management did not submit for audit financial statements for financial year 2016/2017. Failure to submit financial statements for audit is a contravention of Section 68(2)(k) of the Public Finance Management Act, 2012 which require the Accounting Officer to prepare annual financial statements for each financial year within three months after the end of the financial year, and submit them to the Controller of Budget and the Auditor-General for audit, and in the case of a national government entity, forward a copy to the National Treasury.

Under the circumstances, the accuracy, validity and completeness of the opening balances could not be confirmed and Management was in breach of the law.

1.2 Misstatements in the Financial Statements

- i. The Management discussion analysis at page xxvi indicates that the College generated total revenues of Kshs.202,492,228 instead of Kshs.203,261,069 reflected in the statement of financial performance.
- ii. The statement of changes in net assets incorrectly indicate the retained earnings opening balance as at 01 July, 2017 as nil instead of Kshs.38,526,236, while the development grants as Kshs.639,500,179 instead of Kshs.580,504,649. The net assets balance is therefore, misstated at Kshs.690,700,580 which differs with the correct net assets balance of Kshs.670,231,282 by Kshs.20,469,298.
- iii. The statement of financial position reflects total assets balance of Kshs.698,585,818. However, the balance is represented by total liabilities and reserves totalling to Kshs.678,116,520. This results in understatement of liabilities and reserves by Kshs.20,469,298.
- iv. The journal entries supporting changes of payables from exchange transactions from Kshs.6,639,457 to Kshs.7,885,238 and intangible assets from Kshs.7,456,260 to Kshs.5,091,240 were not provided for audit. Further, movement in cash and cash equivalents balance of Kshs.1,400,090 (Ebukanga TTI account Kshs.1,395,347; KCB gratuity account Kshs.4,743) shown at Note 14 to financial statements was also not supported and the amended trial balance was also not provided for audit review.
- v. The following inconsistencies were noted between comparative balances indicated in the financial statements and those reflected in the respective Notes to the financial statements.

Item	Balance Reflected in the Statement Kshs	Note	Balance Reflected in the Note Kshs	Difference Kshs
Other Income	31,373,325	7	30,766,347	606,978
Use of Goods and Services	-	8	1,603,020	(1,603,020)
Employee Cost	-	9	17,276,844	(17,276,844)
Repairs and Maintenance	-	11	3,349,412	(3,349,412)
General Expenses	-	12	66,933,853	(66,933,853)
Receivables from Exchange Transactions	30,579,233	15	31,451,233	(872,000)

In the circumstances, the accuracy of the financial statements could not be confirmed.

2.0 Receivables from Exchange Transactions

The statement of financial position reflects receivables from exchange transactions balance of Kshs.138,195,504. The balance includes outstanding imprests from staff members amounting to Kshs.1,328,789 which is wrongly accounted as exchange transactions instead of non-exchange transactions. Further, the Management did not provide an imprest register.

In the circumstances, the accuracy of outstanding imprest of Kshs.1,328,789 could not be confirmed.

3.0 Trade Payables

The statement of financial position reflects trade payables from exchange transactions balance of Kshs.7,885,238 which includes an opening balance of Kshs.7,582,913. However, the supporting schedule reflected a balance of Kshs.12,406,729 resulting in an un-explained variance of Kshs.4,823,816. In addition, caution money balance of Kshs.365,385 reflected in the ledger was not included in the financial statements as a payable.

Consequently, the accuracy and completeness of the payables balance of Kshs.7,885,238 could not be confirmed.

4.0 Property, Plant and Equipment

The statement of financial position and as disclosed in Note 17 to the financial statements reflects property, plant and equipment net book value balance of Kshs.542,231,352. However, fixed assets register was not provided. Further, additions balance of Kshs.3,146,462 includes construction of food and beverage classroom at a total cost of Kshs.2,076,212 and construction of college gate at a total cost of Kshs.912,250. However, Bills of Quantities for the two projects were not provided for audit.

In the circumstances, the accuracy of property, plant and equipment balance of Kshs.542,231,352 could not be confirmed.

5.0 Transfer from Government

The statement of financial performance reflects recurrent grants from the Ministry of Education amounting to Kshs.24,500,000. However, included in this amount is Kshs.19,500,000 which was disbursed but did not have corresponding authority from the Ministry to indicate whether it was for development or recurrent.

In the circumstances, the accuracy of transfer from Government balance of Kshs.24,500,000 could not be confirmed.

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

Key Audit Matters

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

Other Matter

Budgetary Control and Performance

The statement of comparison of budget and actual amounts reflects budgeted income of Kshs.104,347,400 against actual on comparable basis amount of Kshs.203,261,069 resulting in budget over-collection of Kshs.98,913,669. Similarly, the statement reflects budgeted expenses of Kshs.95,757,146 against actual expenditure of Kshs.112,054,709 resulting in an over expenditure of Kshs.16,297,563. However, explanations for the variance were not included in the financial statements.

REPORT ON LAWFULNESS AND EFFECTIVENESS IN USE OF PUBLIC RESOURCES

Conclusion

As required by Article 229(6) of the Constitution, based on the audit procedures performed, except for the matter described in the Basis for Conclusion on Lawfulness and Effectiveness in Use of Public Resources section of my report, I confirm that, nothing else has come to my attention to cause me to believe that public resources have not been applied lawfully and in an effective way.

Basis for Conclusion

Non-Compliance with the One Third of Basic Salary Rule

During the year under review, a sample of payroll analysis revealed that 11 employees earned a net salary of less than a third of the basic salary contrary to Section C.1(3) of the Public Service Commission (PSC) Human Resource Policies, 2016. The Management has not given explanation for failure to comply with the policy.

In the circumstances, the Management is in breach of the law.

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

REPORT ON EFFECTIVENESS OF INTERNAL CONTROLS, RISK MANAGEMENT AND GOVERNANCE

Conclusion

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

Basis for Conclusion

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

Responsibilities of Management and the Board of Governors

Management is responsible for the preparation and fair presentation of these financial statements in accordance with International Public Sector Accounting Standards (Accrual Basis) and for maintaining effective internal control as Management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error and for its assessment of the effectiveness of internal control, risk management and governance.

In preparing the financial statements, Management is responsible for assessing the College's ability to continue to sustain services, disclosing, as applicable, matters related to sustainability of services and using the applicable basis of accounting unless Management is aware of the intention to terminate the College or to cease operations. Management is also responsible for the submission of the financial statements to the Auditor-General in accordance with the provisions of Section 47 of the Public Audit Act, 2015.

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

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

Auditor-General's Responsibilities for the Audit

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

In addition to the audit of the financial statements, a compliance audit is planned and performed to express a conclusion about whether, in all material respects, the activities, financial transactions and information reflected in the financial statements are in compliance with the authorities that govern them and that public resources are applied in an effective way, in accordance with the provisions of Article 229(6) of the Constitution and submit the audit report in compliance with Article 229(7) of the Constitution.

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


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

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Management.
- Conclude on the appropriateness of the Management's use of the applicable basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability to continue to sustain its services. If I conclude that a material uncertainty exists, I am required to draw attention in the auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my audit report. However, future events or conditions may cause the College to cease to continue to sustain its services.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information and business activities of the College to express an opinion on the financial statements.
- Perform such other procedures as I consider necessary in the circumstances.

I communicate with the Management regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that are identified during the audit.

I also provide Management with a statement that I have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on my independence, and where applicable, related safeguards.



CPA Nancy Gathungu, CBS
AUDITOR-GENERAL

Nairobi

11 February, 2022

FRIENDS COLLEGE KAIMOSI
Reports and Financial Statements
For the year ended 30th June 2018

STATEMENT OF FINANCIAL PERFORMANCE
FOR THE YEAR ENDED 30 JUNE 2018

	Notes	2017-2018 Kshs	2016-2017 Kshs
<u>Revenue from non-exchange transactions</u>			
Transfers from Government -Grants	1	24,500,000.00	63,347,457.00
<u>Revenue from exchange transactions</u>			
Rendering of services	2	8,941,975.00	8,489,066.00
Tuition fees	3	97,180,750.00	4,974,843.00
Rental revenue from facilities and equipment	4	1,403,100.00	1,808,091.00
Finance income - external investments	5	34,008.00	41,336.00
Income Generating Activities	6	5,158,792.00	12,275,171.00
Other income	7	66,042,444.00	31,373,325.00
<u>Total revenue</u>		203,261,069.00	122,309,290.00
<u>Expenses</u>			
Administrative expenses		-	89,222,739.00
Use of goods and services	8	3,695,986.00	-
Employee costs	9	22,828,482.00	-
Depreciation and amortization expense	10	45,137,719.00	26,401,355.00
Repairs and maintenance	11	3,454,253.00	-
General expenses	12	81,866,072.00	-
Finance Costs	13	218,156.00	95,500.00
Total expenses		157,200,668.00	115,719,594.00
<u>SURPLUS/(DEFICIT)</u>	-	<u>46,060,401.00</u>	<u>6,589,696.00</u>


FRIENDS COLLEGE KAIMOSI
Reports and Financial Statements
For the year ended 30th June 2018

STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2018


	Notes	2017-2018 Kshs	2016-2017 Kshs
CURRENT ASSETS			
Cash and cash equivalents	14	10,906,128.00	9,300.00
Receivables from exchange transactions	15	138,195,504.00	30,579,233.00
Inventories	16	1,188,919.00	1,118,935.00
		<u>150,290,551.00</u>	<u>41,401,772.00</u>
NON-CURRENT ASSETS			
Property, plant and equipment	17	542,231,352.00	580,504,649.00
Biological Assets	20	972,675.00	0
Intangible assets	18	5,091,240.00	4,872,000.00
		<u>548,295,267.00</u>	<u>585,376,649.00</u>
Total assets		<u>698,585,818.00</u>	<u>626,778,421.00</u>
LIABILITIES			
Current liabilities			
Trade and other payables from exchange transactions	19	7,885,238.00	7,582,913.00
Total liabilities		<u>7,885,238.00</u>	<u>7,582,913.00</u>
Net assets		<u>690,700,580.00</u>	<u>619,195,508.00</u>
Capital Fund		690,700,580.00	580,504,649.00
Revenue Reserves		-	38,690,859.00
		<u>690,700,580.00</u>	<u>619,195,508.00</u>

The Financial statements set out on pages 1 to 6 were signed on behalf of the Board of Governors by;


PRINCIPAL

.....

CLERKSON BARASA
 DATE..... 24/4/19

HEAD OF FINANCE

.....

HESBORN EHAJI (ICPAK.11369)
 DATE..... 24/4/2019

CHAIRMAN-BOG

.....

PETER VUHYAH
 DATE..... 24-4-19

FRIENDS COLLEGE KAIMOSI
Reports and Financial Statements
For the year ended 30th June 2018

STATEMENT OF CHANGES IN NET ASSETS
FOR THE YEAR ENDED 30 JUNE 2018

	Ordinary share capital	Revaluation reserve	Fair Value adjustment reserve	Retained earnings/	Proposed Dividends	Capital/ Development Grants/Fund (Revenue reserves)	TOTAL
At July 1, 2016	-	-	--	-	-	52,405,834.00	52,405,834.00
Revaluation Gain	-	-	-	-	-	-	-
Transfer of excess depreciation on revaluation	-	-	-	-	-	-	-
Deferred tax on excess depreciation	-	-	-	-	-	-	-
Fair value adjustment on Quoted investments	-	-	-	-	-	-	-
Total accumulated Surplus	-	-	-	-	-	6,589,696.00	6,589,696.00
Capital/ Development grants received during the year	-	-	-	-	-	580,504.649.00	580,504.649.00
Dividends Paid-2016	-	-	-	-	-	-	-
Interim Dividends paid-2017	-	-	-	-	-	-	-
Proposed final dividends	-	-	-	-	-	-	-
At June 30, 2017		-	-			639,500,179.00	639,500,179.00

FRIENDS COLLEGE KAIMOSI
Reports and Financial Statements
For the year ended 30th June 2018

	Ordinary share capital	Revaluation reserve		Retained earnings/	Proposed Dividends	Capital/	TOTAL
At July 1, 2017	-	-		-		639,500,179.00	639,500,179.00
Revaluation Gain	-	-	-	-	-	-	-
Transfer of excess depreciation on revaluation	-	--	-	-	-	-	-
Deferred tax on excess depreciation		-		-	-	-	-
Fair value adjustment on Quoted investments		-	-	-	-	-	-
Total comprehensive income	-	-	-	46,060,401.00			46,060,401.00
Capital/ Development grants received during the year	-	-	-	-	-	5,140,000.00	5,140,000.00
Dividends Paid-2017	-	-	-	-	-	-	-
Interim Dividends paid-2018	-	-	-	-	-	-	-
Proposed final dividends	-	-	-	-	-	-	-
At June 30,2018	-	-	-	46,060,401.00	-	644,640,179.00	690,700,580.00

FRIENDS COLLEGE KAIMOSI
Reports and Financial Statements
For the year ended 30th June 2018

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 30 JUNE 2018

CASH FLOWS FROM OPERATING ACTIVITIES		2017/18	2016/17
		Kshs	Kshs
Receipts			
Tuition fees and other incomes		29,916,619.00	62,191,904.00
Total Receipts		29,916,619.00	62,191,904.00
Payments			
Administrative and other operational payments		51,757,632.00	91,639,968.00
Total Payments		51,757,632.00	91,639,968.00
Net cash flows from operating activities		-21,841,013.00	(29,448,064.00)
CASH FLOWS FROM INVESTING ACTIVITIES			
Property Plant and Equipment(Computer & Equip)			0
PPE		6,596,462.00	-12,136,728.00
Net cash flows used in investing activities		-6,596,462.00	-12,136,728.00
CASH FLOWS FROM FINANCING ACTIVITIES			
PTA Income			2,535,630.00
Grants and other funds income- Development		5,140,000.00	35,431,873.00
PTA Expenses			-1,983,719.00
Savings accounts			7,120,778.00
Recurrent & Capitation grants		24,500,000.00	-3,809,243.00
Net cash inflow from Financing Activities		29,640,000.00	39,295,317.00
Net increase/(decrease) in cash and cash equivalents		1,202,525.00	-2,289,476.00
Cash and cash equivalents 1 July		9,703,603.00	11,993,079.00
Cash and cash equivalents 30 June	14	10,906,128.00	9,703,603.00

FRIENDS COLLEGE KAIMOSI
Reports and Financial Statements
For the year ended 30th June 2018

**STATEMENT OF COMPARISON OF BUDGET AND ACTUAL
BUDGET FOR THE YEAR ENDED 30TH JUNE 2018**

	Original budget	Adjustment	Final budget	Actual on comparable basis	Performance difference
	2017-2018	2017-2018	2017-2018	2017-2018	2017-2018
INCOME					
Transfers from Government	24,500,000.00	-	24,500,000.00	24,500,000.00	-
Rendering services	8,431,000.00	-	8,431,000.00	8,941,975.00	-510,795.00
Tuition fees	9724500	-	9,724,500.00	97,180,750.00	-87,456,250.00
Rental revenue from Facilities and equipment	1,786,400.00	-	1,786,400.00	1,403,100.00	383,300.00
Finance income- external investments	-	-	-	34,008.00	-34,008.00
Income Generating Activities	17,592,000.00	-	17,592,000.00	5,158,792.00	12,433,208.00
Other Income	42,313,500.00	-	42,313,500.00	66,042,444.00	-22,960,103.00
Total Income	104,347,400.00	0.00	104,347,400.00	203,261,069.00	-98,144,648.00
EXPENSES					
Use of Goods and Services	3,969,000.00	-	3,969,000.00	3,695,986.00	273,014.00
Employee costs	23,266,576.00	-	23,266,576.00	22,828,482.00	438,094.00
Repairs and Maintenance	3,132,000.00	-	3,132,000.00	3,446,013.00	-314,013.00
General expenses	65,389,570.00	-	65,389,570.00	81,866,072.00	-16,476,502.00
Finance Costs	-	-	-	218,156.00	-218,156.00
Total Expenditure	95,757,146.00	0.00	95,757,146.00	112,054,709.00	-16,297,563.00
SURPLUS	8,590,254.00	0.00	8,590,254.00	91,206,360.00	-114,442,211.00

FRIENDS COLLEGE KAIMOSI
Reports and Financial Statements
For the year ended 30th June 2018

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2018

1. TRANSFERS FROM GOVERNMENT-GRANTS

(TRANSFERS FROM THE MINISTRY OF EDUCATION)

Description	2017-2018	2016-2017
	KShs	KShs
SEPTEMBER	-	23,547,464.00
OCTOBER	-	4,500,000.00
NOVEMBER	5,000,000.00	8,576,664.00
DECEMBER	7,500,000.00	-
JANUARY		4,320,000.00
FEBRUARY	-	4,000,000.00
MARCH	-	-
APRIL	12,000,000.00	9,826,664.00
MAY		-
JUNE	-	8,576,665.00
Total government grants and subsidies	24,500,000.00	63,347,457.00

2. RENDERING OF SERVICES

Description	2017-2018	2016-2017
	KShs	KShs
Catering PAYE	6,540,175.00	4,881,562.00
Boarding Services	2,401,800.00	3,607,504.00
Total revenue from the rendering of services	8,941,975.00	8,489,066.00

3. TUITION FEES

Description	2017-2018	2016-2017
	KShs	KShs
FEES		
Students tuition fees collections	18,961,035.00	4,974,843.00
Outstanding NYS a fees arrears	78,219,715.00	
Total revenue from the sale of goods	97,180,750.00	4,974,843.00

FRIENDS COLLEGE KAIMOSI
Reports and Financial Statements
For the year ended 30th June 2018

4.RENTAL REVENUE FROM FACILITIES AND EQUIPMENT

Description	2017-2018	2016-2017
	KShs	KShs
Hire of Facilities- Service charge	991,500.00	1,560,091.00
Rental income	411,600.00	248,000.00
Total rentals	1,403,100.00	1,808,091.00

5. FINANCE INCOME - EXTERNAL INVESTMENTS

Description	2017-2018	2016-2017
	KShs	KShs
Interest income from Farm Savings account	249.00	2,423.00
Interest income from PTA savings account	33,758.00	38,913.00
Total finance income – external investments	34,008.00	41,336.00

6. INCOME GENERATING ACTIVITIES

Description	2017-2018	2016-2017
	KShs	KShs
Farm income	1,957,836.00	1,888,882.00
Holiday Part time tuition	861,936.00	6,460,916.00
Computer part time	116,600.00	103,300.00
Town Campus income	1,258,240.00	2,960,270.00
Business Department PU	964,180.00	861,803.00
Total other income	5,158,792.00	12,275,171.00

7.OTHER INCOME

Description	2017-2018	2016-2017
	KShs	KShs
Local Travel and Transport fee	7,484,135.00	3,015,815.00
Electricity, water and \conservancy fees	3,301,016.00	1,601,984.00
Personal emoluments fee	12,364,230.00	6,380,422.00
Contingencies fee	16,236,819.00	6,554,744.00

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Repair and maintenance fees	2,604,531.00	1,234,883.00
Medical fees	1,029,832.00	369,887.00
Activity fees	5,286,425.00	1,348,508.00
Student council fees	602,745.00	233,647.00
PTA fees	7,664,433.00	2,535,630.00
Gratuity fees	198,563.00	104,278.00
Examination fees	7,611,212.00	6,832,270.00
Attachment fees	376,181.00	367,580.00
Sale of tender fees	6,000.00	46,000.00
Library overdue penalty	338,281.00	3,899.00
Application fees	169,200.00	136,800.00
ICT fees	720,541.00	593,928.00
Driving school income	48,300.00	13,050.00
	66,042,444.00	30,766,347.00

8. USE OF GOODS AND SERVICES

Description	2017-2018	2016-2017
	KShs	KShs
Electricity and water	3,695,986.00	1,603,020.00
Total good and services	3,695,986.00	1,603,020.00

9. EMPLOYEE COSTS

	2017-2018	2016-2017
	KShs	KShs
Salaries and wages	16,454,056.00	10,977,520.00
Travel, motor car, accommodation, subsistence and other allowances	6,374,426.00	6,299,324.00
Employee costs	22,828,482.00	17,276,844.00

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10. DEPRECIATION AND IMPAIRMENT EXPENSE

Description	2017-2018	2016-2017
	KShs	KShs
Property, plant and equipment	44,869,759.00	26,401,355.00
Intangible assets	267,960.00	-
Total depreciation and amortization	45,137,719.00	26,401,355.00

11 REPAIRS AND MAINTENANCE

Description	2017-2018	2016-2017
	KShs	KShs
Property Plant and equipment	3,454,253.00	3,349,412.00
Total repairs and maintenance	3,454,253.00	3,349,412.00

12 GENERAL EXPENSES

Description	2017-2018	2016-2017
	KShs	KShs
Teaching expenses	18,253,307.00	13,023,202.00
Boarding expenses	3,275,485.00	2,652,203.00
Students medical expenses	940,712.00	447,928.00
Contingencies	12,649,930.00	11,170,562.00
Activity expenses	6,110,961.00	5,229,493.00
Student council expenses	1,004,760.00	763,540.00
PTA expenses	479,462.00	1,983,719.00
Retirement- Gratuity	288,938.00	659,641.00
Examination remittances	8,769,640.00	7,305,660.00
ICT expenses (Internet connectivity)	832,050.00	1,100,350.00

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Attachment expenses	561,717.00	477,060.00
Farm expenses	1,754,958.00	2,956,667.00
Holiday part time expenses	4,182,552.00	5,151,876.00
Hire of facilities expenses	589,065.00	1,337,751.00
Computer part time expenses	94,270.00	41,820.00
Tendering expenses	172,345.00	138,375.00
Town campus operational expenses	2,425,937.00	3,477,654.00
PAYE Catering expenses	13,360,149.00	6,253,381.00
Business department production unit expenses	546,427.00	678,331.00
Rental houses repairs	41,611.00	74,850.00
Research and development operational expenses	1,043,930.00	843,705.00
Staff Training	411,750.00	-
Marketing	211,880.00	170,500.00
Insurance	345,931.00	-
Performance contracting	361,300.00	995,584.00
Training materials	549,550.00	-
NYS Upkeep	2,607,455.00	-
Total general expenses	81,866,072.00	66,933,853.00

13 FINANCE COSTS

Description	2017-2018	2016-2017
	KShs	KShs
Bank Charges	218,156 00	95,500 00
Total finance costs	218,156.00	95,500.00

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14 CASH AND CASH EQUIVALENTS

Description	2017-2018	2016-2017
	KShs	KShs
Current account-KCB.1101755652	6,584,485.00	290,449.00
KCB Savings account. 1102330329	2,534,461.00	9,253,652.00
KCB Savings account. 1106471253	109,091.00	84,218.00
KCB Savings Account 1103284290	4,743.00	
EQUITY BANK ACCOUNT	1,395,347.00	
Cash at Hand	278,000.00	75,285.00
	10,906,129.00	9,703,604.00

15 RECEIVABLES FROM EXCHANGE TRANSACTIONS

Description	2017-2018	2016-2017
	KShs	KShs
Current receivables		
Balance B/f	31,451,233.00	22,749,420.00
Students fees arrears	27,267,168.00	11,505,022.00
Rent Debtors	73,000.00	307,900.00
less Fees Arrears received	-144,401.00	-3,111,109.00
Outstanding Imprests	1,328,789.00	0
NYS Arrears	78,219,715.00	0
Total current receivables	138,195,504.00	31,451,233.00

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16. INVENTORIES

Description	2017-2018	2016-2017
	KShs	KShs
Stationeries	511,810.00	493,234.00
stores- Dry stores	298,454.00	-
Cleaning materials	104,555.00	94,225.00
Catering	206,595.00	531,476.00
Medicines	67,505.00	-
Total inventories at the lower of cost and net realizable value	1,188,919.00	1,118,935.00

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17. PROPERTY PLANT AND EQUIPMENT (PPE)

	LAND		BUILDINGS		FURNITURE AND FITTINGS		MOTOR VEHICLES		COMPUTERS		PLANT AND EQUIPMENT		CAPITAL WORK IN PROGRESS EBUKANGA		CAPITAL W.I.P		TEXT BOOKS		TOTAL			
	Shs	Shs	Shs	Shs	Shs	Shs	Shs	Shs	Shs	Shs	Shs	Shs	Shs	Shs	Shs	Shs	Shs	Shs	Shs	Shs		
Cost At 1 July 2016	65,000,000.00	299,916,000.00	5,695,250.00	9,120,000.00	4,935,600.00	170,223,900.00	0	0	0	0	0	0	0	0	0	0	0	0	0	606,906,004.00		
Additions	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	0.00	
Disposals	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	0.00	
Transfers/adjustments	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	0.00	
At 30 th June 2017	65,000,000.00	299,916,000.00	5,695,250.00	9,120,000.00	4,935,600.00	170,223,900.00	0	0	0	0	0	0	0	0	0	0	0	0	0	606,906,004.00		
Additions	0	3,146,462.00	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	6,596,462.00	
Disposals	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	0.00	
At 30 th June 2018	65,000,000.00	303,062,462.00	5,695,250.00	9,120,000.00	4,935,600.00	170,223,900.00	0	0	0	0	0	0	0	0	0	0	0	0	0	0	6,596,462.00	
Depreciation and impairment At 1 July 2017	-	2%	20%	20%	30%	20%	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0.00
Depreciation	-	5,998,320.00	569,525.00	1,824,000.00	987,120.00	17,022,390.00	0	0	0	0	0	0	0	0	0	0	0	0	0	0	26,401,355.00	
Impairment	-	6,061,249.00	1,139,050.00	1,824,000.00	1,480,680.00	34,044,780.00	0	0	0	0	0	0	0	0	0	0	0	0	0	0	44,869,759.00	
At 30 June 2018	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	0.00	
NBV 30.7.2017	65,000,000.00	293,917,680.00	5,125,725.00	7,296,000.00	3,948,480	153,201,510.00	0	0	0	0	0	0	0	0	0	0	0	0	0	0	71,271,114.00	
NET BOOK VALUE 30.06.18	65,000,000.00	291,002,893.00	3,986,675.00	5,472,000.00	2,467,800.00	119,156,730.00	0	0	0	0	0	0	0	0	0	0	0	0	0	0	580,504,649.00	
																						542,231,352.00

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18 INTANGIBLE ASSETS-SOFTWARE- MIS & QMS

Description	2017-2018	2016-2017
	KShs	KShs
Cost	4,872,000.00	4,872,000.00
At beginning of the year		-
Additions	0	-
At end of the year		4,872,000.00
Additions-internal development	487,200.00	-
At end of the year	5,359,200.00	4,872,000.00
Amortization and impairment		
At beginning of the year	0	-
Amortization (@ 5%)	267,960.00	0
At end of the year	267,960.00	0
NBV	5,091,240.00	4,872,000.00

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