



12 NOV 2015

# Kirinyaga University College

(A Constituent College of JKUAT)

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*137 Hon. A. Duale (200)*  
*on Thurs 12-11-15 (pm)*



## REPORT OF THE AUDITOR GENERAL ON THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2014





# Kirinyaga University College

*(A Constituent College of JKUAT)*

## REPORT OF THE AUDITOR GENERAL ON THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2014

Prepared in accordance with the Accrual Basis of Accounting Method  
under the International Public Sector Accounting Standards (IPSAS)

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KyUC is ISO 9001:2008 certified

<b>Contents</b>	<b>Page</b>
1. KEY ENTITY INFORMATION AND MANAGEMENT.....	1
2. THE MEMBERS OF THE UNIVERSITY COUNCIL AND MANAGEMENT TEAM .....	4
3. REPORT OF THE CHAIRMAN .....	6
4. REPORT OF THE PRINCIPAL .....	7
5. CORPORATE GOVERNANCE STATEMENT .....	8
6. CORPORATE SOCIAL RESPONSIBILITY STATEMENT .....	9
7. REPORT OF THE UNIVERSITY COUNCIL MEMBERS.....	10
8. STATEMENT OF COUNCIL MEMBERS RESPONSIBILITIES.....	11
9. AUDITORS REPORT .....	12
10. STATEMENT OF COMPREHENSIVE INCOME.....	14
11. STATEMENT OF FINANCIAL POSITION .....	15
12. STATEMENT OF CHANGES IN NET ASSETS .....	16
13. STATEMENT OF CASH FLOWS .....	17
14. STATEMENT OF COMPARISON OF BUDGET AND ACTUAL AMOUNTS .....	18
15. NOTES TO THE FINANCIAL STATEMENTS.....	19

## KEY ENTITY INFORMATION AND MANAGEMENT

### a) BACKGROUND INFORMATION

**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 University College aims at becoming a world class university of science and technology specializing in industry oriented teaching, research, 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.



### Objective of the University

The main objective of the university is to provide, directly or indirectly through collaboration with other institutions of higher learning, university education including scientific and professional education, and technology transfer for effective application of knowledge and skills in life work and welfare of the citizens of Kenya. The University aims 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 degrees and award of diplomas and certificates.

**(b) PRINCIPAL ACTIVITIES**

The principal activity/mission of the University College is to train and develop world class human resource equipped with innovative technology and skills in the fields of engineering, ICT, health and business enterprise, to meet the demands of a dynamic world.

**(c) KEY MANAGEMENT**

The Principal, College Management Board and Heads of Departments / Sections are responsible for management of the day-to-day operations of the University College.

**(d) FIDUCIARY MANAGEMENT**

The key management personnel who held office during the financial year ended 30<sup>th</sup> Jun 2014 and who had direct fiduciary responsibility were:

<b>Name</b>	<b>Designation</b>
Prof. Gideon B. Hanjari	Chairman of Council
Prof. Mary Ndung'u	Principal

**(e) KIRINYAGA UNIVERSITY COLLEGE HEADQUARTERS**

P.O. Box 143-10300  
Sagana – Embu Highway Kutus Town  
Kerugoya, Kenya.

**(f) KIRINYAGA UNIVERSITY COLLEGE CONTACTS**

Telephone: (254) 728499650  
E-mail: principal@kyuc.ac.ke  
Website: www.kyuc.ac.ke

**(g) KIRINYAGA UNIVERSITY COLLEGE 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.**

(h) **INDEPENDENT AUDITORS**

Auditor General  
Kenya National Audit Office  
Anniversary Towers, University Way  
P.O. Box 30084  
Nairobi  
Nairobi, Kenya

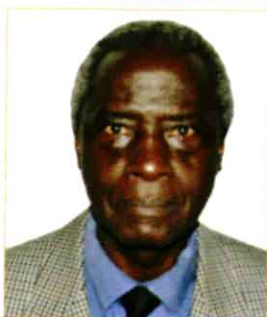
(i) **PRINCIPAL LEGAL ADVISOR**

Principal Legal Officer  
Kirinyaga University College  
P.O. Box 143 - 10300  
Nyeri  
Nyeri, Kenya

## 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 APD                       |
| 12. CPA. Peter Kagika       | - | Finance Officer                         |
| 13. Ms. Joyce Kiragu        | - | Ag. Human Resource Officer              |
| 14. Mr. Wallace Kamau       | - | Ag. Registrar ARSA                      |
| 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



**Prof. Gathu Nyaga**  
Council Member



**Mr. Gerald Macharia**  
Council Member



**Mr. Alfred Lokangae**  
Council Member



**Dr. Elizabeth Odera**  
Council Member



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



**Mrs. Mary Rotich**  
Council Member



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



**Mr. Phineas Munyi**  
Ag. Registrar APD



**CPA Peter Kagira**  
Finance Officer



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



**Mr. Wallace Kamau**  
Ag. Registrar ARSA



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



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



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

## CHAIRMAN'S STATEMENT

I am pleased to present the Annual report and Financial Statements of Kirinyaga University College for the year ending 30 June 2014. This was the second year of operation as a University College.

The demand for relevant higher education in the country has continued to rise prompting the University College to continually develop programmes that respond to the demand of the market. The main objective of the Council is to position the University College main programmes within the context of the market requirements, cost rationalization, equity and customer satisfaction.

To achieve this objective, Kirinyaga University College has undertaken several infrastructural projects including the construction of the Twin workshop, Library building, tuition buildings sports fields, students hostel, secured car parks , and support services and facilities as outlined in this financial statements. This is in embracing the GoK policy on increasing access to higher education. As the University College strives to increase capacity in teaching and learning facilities there has been commensurate increase in the operations costs.

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



Prof. Gideon B. Hanjari  
Chairman of Council

## PRINCIPAL'S REPORT

**P**resented herein is the Annual Report and Financial Statements of Kirinyaga University College for the year ended 30 June 2014 as per requirements of the Universities Act, No. 42 of 2012 and Public Audit Act, 2003.


The University College started the year with cash and bank balance of Kshs 72,970,630.00. During the financial year 2013/2014, the University College generated Kshs 46,895,099.00 in A-in-A vide student tuition and other fees, and received Kshs 8,852,186.00 for capital developments and Kshs 259,297,299.60.00 for recurrent expenditure, from the Government of Kenya.

The current student population is 837 and is expected to increase to 1200 students in the year 2014/2015. Staff population stood at 197 for both academic and non-academic divisions and is expected to increase to 250 in the next financial year.

During the year under review, the University College embarked on developing a number of academic programmes at Bachelors, Diploma and certificate levels in all the seven schools. The University College has also embarked on an intensive marketing programme aimed at increasing student enrolment.

On behalf of the management and staff of the University College, I take this opportunity to thank the council for the support accorded to the management board and for its visionary direction in development of this young institution of higher learning. The support by the Government of Kenya throughout the year under review is highly appreciated. I appeal for more support especially for the purposes of establishing suitable facilities required towards becoming a fully-fledged University.

I thank the management board, staff and students of KyUC for their continued cooperation in this challenging but noble task of building the University College and look forward to the same cooperation and enthusiastic participation in our upcoming development strategies.



Prof. Mary Ndung'u  
Principal.

## CORPORATE GOVERNANCE STATEMENT

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 adequate infrastructure which will support the growing student population.

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



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

## CORPORATE SOCIAL RESPONSIBILITY STATEMENT

**A**t Kirinyaga University College we consider the broader interests of society by taking responsibility for the impact of our activities. We believe our responsibility extends beyond the statutory obligation to comply with legislation, to voluntarily take action to improve the quality of life among our employees and their families, local communities and society at large as well as to protect the environment.

We are dedicated to creating a workplace that is safe, fair and enriching. Safety procedures and programs are constantly monitored and improved to help ensure that our employees work safely. We foster a workplace culture in which the rights, needs and unique contributions of each employee are respected. We also support professional development opportunities for every employee.

The KyUC is located in the community. Because we believe that strong neighbourhoods, towns, and cities are vital to the well-being of our society and to the economy, we acknowledge that we have both a special responsibility and role to play in helping the communities thrive. We participate in environmental and health care initiatives to help conserve the environment and save lives, and create stability in local communities. Our University College blood donor club's contribution towards building a sustainable blood bank in Kenya benefits community members needing blood transfusions.

We contribute support to local community endeavours which help provide for a better quality of life. We also contribute substantially to local employment, training and skills development. In addition, our employees and students participate in community outreach programmes to educate on Alcohol Drugs and Substance Abuse and HIV/AIDS prevention and other volunteer services.

We are committed to enhancing the quality of life for our employees, students and the communities in which they live and work by encouraging, educating, engaging and ultimately spreading good by involving more of us in volunteerism and community service.

## REPORT OF THE UNIVERSITY COUNCIL MEMBERS

The University Council members submit their report together with the financial statements for the year ended June 30, 2014.

### **Principal activities**

The principal activities of Kirinyaga University College are set out on page 2

### **Results**

The financial results of Kirinyaga University College for the year ended June 30, 2014 are set out on page 7.

## STATEMENT OF THE RESPONSIBILITIES OF THE COUNCIL MEMBERS

The Kirinyaga University College Legal Order no. 108 of 2011 requires the University College Council to prepare financial 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/period and the operating results for that year/period.

The responsibilities of Council include:

- 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 University College;
- 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 University College,
- v) Selecting and applying appropriate accounting policies; and
- vi) Making accounting estimates that are reasonable in the circumstances.

The Council members accept responsibility for Kirinyaga University 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 Public Finance Management Act, 2012 and the State Corporations Act, revised 2012.

The Council members are of the opinion that the Kirinyaga University financial statements give a true and fair view of the state of the University College transactions during the financial year ended June 30, 2014, and of the University College's financial position as at that date. The Council members further confirm the completeness of the accounting records maintained for the University College, which have been relied upon in the preparation of the financial statements as well as the adequacy of the systems of internal financial control.

Nothing has come to the attention of the University College Council members to indicate that Kirinyaga University 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

Kirinyaga University College financial statements were approved by the University Council and signed on its behalf by:



Prof. Gideon B. Hanjari  
Chairman of Council.



Prof. Mary Ndung'u  
Principal.

# AUDITOR'S REPORT



## OFFICE OF THE AUDITOR-GENERAL

### REPORT OF THE AUDITOR-GENERAL ON KIRINYAGA UNIVERSITY COLLEGE FOR THE YEAR ENDED 30 JUNE 2014

#### REPORT ON THE FINANCIAL STATEMENTS

I have audited the accompanying financial statements of Kirinyaga University College set out on pages 14 to 31, which comprise the statement of financial position as at 30 June 2014, and the statement of financial performance, statement of cash flows and statement of changes in net assets for the year then ended, and a summary of significant accounting policies and other explanatory information in accordance with the provisions of Article 229 of the Constitution of Kenya and Section 14 of the Public Audit Act, 2003. 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 these financial statements in accordance with International Public Sector Accounting Standards and for such 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.

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 and submit the audit report in compliance with Article 229 (7) of the Constitution of Kenya. 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 judgement, 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 Council, 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**

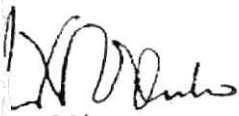
#### **. Property, Plant and Equipment**

The statement of financial position reflects property, plant and equipment balance of Kshs. 1,061,144,181 as at 30 June, 2014, which excludes undetermined value of library books.

In the circumstances, the accuracy of the property, plant and equipment balance of Kshs. 1,061,144,181 as at 30 June, 2014 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 2014, 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. 08 of 2011 .



Edward R.O. Ouko, CBS

AUDITOR -GENERAL

Nairobi

21 September 2015

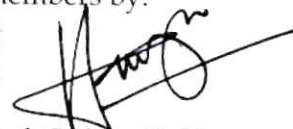
## STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 30 JUNE 2013

	Notes	2014 KSHS	2013 KSHS
<b>Revenue from non-exchange transactions</b>			
Transfers from the government	18	268,149,486	217,750,000
		<b>268,149,486</b>	<b>217,750,000</b>
<b>Revenue from exchange transactions</b>			
Rendering of services	19	46,895,099	26,536,171
Rental revenue from facilities and equipment	20	1,084,300	241,600
Farm Surplus	32	8,457,197	7,958,634
Other income	21	4,985,452	3,617,805
		<b>61,422,048</b>	<b>38,354,210</b>
<b>Total revenue</b>		<b>329,571,534</b>	<b>256,104,210</b>
<b>Expenses</b>			
Bulk purchases of water and electricity	22	4,525,259	2,922,612
Employee costs	23	206,951,388	82,902,089
Remuneration of council	24	3,412,454	5,516,650
Depreciation and amortization expense	2	13,681,975	8,379,412
Repairs and maintenance	25	13,055,502	10,609,747
Contracted services	26	296,128	-
Student Welfare	27	863,800	2,550,986
Academic cost	28	7,662,250	9,034,390
Administrative costs	29	8,958,710	5,286,940
Finance costs	30	1,824,296	145,360
General expenses	31	23,042,999	12,296,520
Audit fees provision	12	750,000	750,000
<b>Total expenses</b>		<b>285,024,761</b>	<b>140,394,710</b>
<b>Other gains/(losses)</b>			
<b>Surplus before tax</b>		<b>44,546,773</b>	<b>115,709,493</b>
Taxation		-	-
<b>Surplus for the period</b>		<b>44,546,773</b>	<b>115,709,493</b>

## STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2014

ASSETS	NOTES	2014	2013
Current assets		KSHS	KSHS
Cash and cash equivalents	4	44,809,768	72,970,630
Receivables from exchange transactions	5	6,747,305	2,517,424
Receivables from non exchange transactions	6	5,657,813	-
Inventories	7	3,547,276	-
		<b>60,762,163</b>	<b>75,488,054</b>
<b>Non-current assets</b>			
Property, plant and equipment	2	1,061,144,181	161,144,841
Investments	8	20,500,000	758,180
Biological assets	9	63,206,500	3,205,400
		<b>1,144,850,681</b>	<b>165,108,421</b>
<b>Total assets</b>		<b>1,205,612,844</b>	<b>240,596,475</b>
<b>LIABILITIES</b>			
<b>Current liabilities</b>			
Trade and other payables from exchange transactions	10	20,467,075	28,355,224
Bus Loan	11	-	1,056,508
Provision for audit fee	12	750,000	750,000
Staff Pension liability	13	17,623,228	-
		<b>38,840,303</b>	<b>30,161,732</b>
<b>FUNDS AND RESERVES</b>			
Revaluation Reserves - PPE	14	865,399,026	-
Revaluation Reserves - Biological Assets	15	46,392,000	-
Accumulated surplus	16	164,921,666	120,374,893
Capital fund	17	90,059,849	90,059,849
		<b>1,166,772,541</b>	<b>210,434,743</b>
<b>Total Funds, Reserves &amp; Liabilities</b>		<b>1,205,612,844</b>	<b>240,596,475</b>

The Financial Statements set out on pages 14 to 31 were signed on behalf of the Council members by:



of. Gideon B. Hanjari  
Chairman of Council



Prof. Mary Ndung'u  
Principal

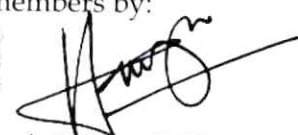
## STATEMENT OF CHANGES IN NET ASSETS FOR THE YEAR ENDED 30 JUNE 2014

	CAPITAL FUND	REVALUATION RESERVE (PPE)	REVALUATION RESERVE (BIOLOGICAL ASSETS)	ACCUMULATED FUNDS	TOTAL
	KSHS	KSHS	KSHS	KSHS	KSHS
Balance as at 30 June 2012	88,517,732	-	-	4,665,400	93,183,132
Additions in the year	1,542,117	-	-	-	1,542,117
Surplus/(deficit) for the period	-	-	-	115,709,493	115,709,493
Balance as at 30 June 2013	<u>90,059,849</u>	<u>-</u>	<u>-</u>	<u>120,374,893</u>	<u>210,434,742</u>
					-
Balance as at 1 July 2013	90,059,849	-	-	120,374,893	210,434,742
Additions in the year	-	865,399,026	46,392,000	-	911,791,026
Surplus/(deficit) for the period	-	-	-	44,546,773	44,546,773
Balance as at 30 June 2014	<u>90,059,849</u>	<u>865,399,026</u>	<u>46,392,000</u>	<u>164,921,666</u>	<u>1,166,772,541</u>

## STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2014

ASSETS	NOTES	2014	2013
Current assets		KSHS	KSHS
Cash and cash equivalents	4	44,809,768	72,970,630
Receivables from exchange transactions	5	6,747,305	2,517,424
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Inventories	7	3,547,276	-
		<b>60,762,163</b>	<b>75,488,054</b>
Non-current assets			
Property, plant and equipment	2	1,061,144,181	161,144,841
Investments	8	20,500,000	758,180
Biological assets	9	63,206,500	3,205,400
		<b>1,144,850,681</b>	<b>165,108,421</b>
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Accumulated surplus	16	164,921,666	120,374,893
Capital fund	17	90,059,849	90,059,849
		<b>1,166,772,541</b>	<b>210,434,743</b>
<b>Total Funds, Reserves &amp; Liabilities</b>		<b>1,205,612,844</b>	<b>240,596,475</b>

The Financial Statements set out on pages 14 to 31 were signed on behalf of the Council members by:



of. Gideon B. Hanjari  
Chairman of Council



Prof. Mary Ndung'u  
Principal

# STATEMENT OF CHANGES IN NET ASSETS FOR THE YEAR ENDED 30 JUNE 2014

	CAPITAL FUND	REVALUATION RESERVE (PPE)	REVALUATION RESERVE (BIOLOGICAL ASSETS)	ACCUMULATED FUNDS	TOTAL
	KSHS	KSHS	KSHS	KSHS	KSHS
Balance as at 30 June 2012	88,517,732	-	-	4,665,400	93,183,132
Additions in the year	1,542,117	-	-	-	1,542,117
Surplus/(deficit) for the period	-	-	-	115,709,493	115,709,493
Balance as at 30 June 2013	<u>90,059,849</u>	-	-	<u>120,374,893</u>	<u>210,434,742</u>
Balance as at 1 July 2013	90,059,849	-	-	120,374,893	210,434,742
Additions in the year	-	865,399,026	46,392,000	-	911,791,026
Surplus/(deficit) for the period	-	-	-	44,546,773	44,546,773
Balance as at 30 June 2014	<u>90,059,849</u>	<u>865,399,026</u>	<u>46,392,000</u>	<u>164,921,666</u>	<u>1,166,772,541</u>

## STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 30 JUNE 2014

	NOTES	2014 KHS	2013 KHS
Surplus / (Deficit) for the period		44,546,773	115,709,493
<b>Adjustments for:</b>			
Depreciation	2	13,681,975	8,379,412
Provision for audit fees	12	750,000	750,000
		<b>58,978,748</b>	<b>124,838,905</b>
<b>Cash flows from operating activities</b>			
<b>Change in;</b>			
Receivables - Exchange transactions	5	(4,229,881)	26,632,566
Receivables - Non - exchange transactions	6	(5,657,813)	-
Inventory	7	(3,547,276)	594,391
Payables	10	(7,888,149)	5,106,559
<b>Net cash flows used in operating activities</b>		<b>(21,323,119)</b>	<b>32,333,516</b>
<b>Cash flows from investing activities</b>			
Purchase of Motor vehicles	2	(10,664,041)	(17,764,222)
Construction of Building	2	(6,976,197)	-
Purchase of Computers	2	(9,827,888)	(6,633,680)
Purchase of Furniture	2	(6,868,889)	(2,744,500)
Purchase of Plant & Machinery	2	(11,708,470)	-
Work in progress	2	(18,714,498)	(64,572,217)
Disposal of Biological assets		-	184,000
<b>Net cash flows used in investing activities</b>		<b>(64,759,983)</b>	<b>(91,530,619)</b>
<b>Cash flows from financing activities</b>			
Capital fund	17	-	1,542,117
Loan repayments	11	(1,056,508)	(349,363)
<b>Net cash flows used in investing activities</b>		<b>(1,056,508)</b>	<b>1,192,754</b>
<b>Net increase/(decrease) in cash and cash equivalents</b>		<b>(28,160,862)</b>	<b>66,834,556</b>
Cash and cash equivalents at 1 July 2013		72,970,630	6,136,074
<b>Cash and cash equivalents at 30 June 2014</b>	4	<b>44,809,768</b>	<b>72,970,630</b>

STATEMENT OF COMPARISON OF BUDGET AND ACTUAL AMOUNTS FOR THE YEAR ENDED 30 JUNE 2014

	ORIGINAL BUDGET	ADJUSTMENT	FINAL BUDGET	ACTUAL ON COMPARABLE BASIS	PERFORMANCE DIFFERENCE
	2013-2014	2013-2014	2013-2014	2013-2014	2013-2014
	Kshs	Kshs	Kshs	Kshs	Kshs
<b>REVENUE</b>					
Transfers from government	602,500,000	(252,852,700)	349,647,300	268,149,486	81,497,814
Other Income	35,099,000	(16,415,200)	18,683,800	13,442,649	5,241,151
Rendering of services	38,198,106	-	38,198,106	46,895,099	(8,696,993)
Rental income and agency fees	500,000	-	500,000	1,084,300	(584,300)
<b>Total Income</b>	<b>676,297,106</b>	<b>(269,267,900)</b>	<b>407,029,206</b>	<b>329,571,534</b>	<b>77,457,672</b>
<b>EXPENSES</b>					
Compensation of employees	142,523,000	-	142,523,000	206,951,388	(64,428,388)
Repairs & Maintenance	30,000,000	(22,630,000)	7,370,000	13,055,502	(5,685,502)
Finance cost	86,000	1,014,000	1,100,000	1,824,296	(724,296)
Contracted services	4,000,000	-	4,000,000	296,128	3,703,872
Remuneration to the council	2,050,000	-	2,050,000	3,412,454	(1,362,454)
Students welfare	1,300,000	-	1,300,000	863,800	436,200
Depreciation	-	13,542,452	13,542,452	13,542,452	-
Academic cost	7,730,000	-	7,730,000	7,662,250	67,750
Administrative Costs	9,000,000	-	9,000,000	8,958,710	41,290
General expenses	9,663,000	27,778,900	37,441,900	23,042,999	14,398,901
Water & Electricity	2,424,000	-	2,424,000	4,525,259	(2,101,259)
Audit fee	-	-	-	750,000	
<b>Total expenditure</b>	<b>208,776,000</b>	<b>19,705,352</b>	<b>228,481,352</b>	<b>284,885,238</b>	<b>(56,403,886)</b>
<b>Surplus for the period</b>	<b>467,521,106</b>	<b>(288,973,252)</b>	<b>178,547,854</b>	<b>44,686,296</b>	

## STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 30 JUNE 2014

	NOTES	2014 KHS	2013 KHS
Surplus / (Deficit) for the period		44,546,773	115,709,493
<b>Adjustments for:</b>			
Depreciation	2	13,681,975	8,379,412
Provision for audit fees	12	750,000	750,000
		<b>58,978,748</b>	<b>124,838,905</b>
<b>Cash flows from operating activities</b>			
<b>Change in;</b>			
Receivables - Exchange transactions	5	(4,229,881)	26,632,566
Receivables - Non - exchange transactions	6	(5,657,813)	-
Inventory	7	(3,547,276)	594,391
Payables	10	(7,888,149)	5,106,559
<b>Net cash flows used in operating activities</b>		<b>(21,323,119)</b>	<b>32,333,516</b>
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Finance cost	86,000	1,014,000	1,100,000	1,824,296	(724,296)
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Remuneration to the council	2,050,000	-	2,050,000	3,412,454	(1,362,454)
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Depreciation	-	13,542,452	13,542,452	13,542,452	-
Academic cost	7,730,000	-	7,730,000	7,662,250	67,750
Administrative Costs	9,000,000	-	9,000,000	8,958,710	41,290
General expenses	9,663,000	27,778,900	37,441,900	23,042,999	14,398,901
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<b>Surplus for the period</b>	<b>467,521,106</b>	<b>(288,973,252)</b>	<b>178,547,854</b>	<b>44,686,296</b>	

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2014

### 1. Statement of compliance and basis of preparation

Kirinyaga University College financial statements have been prepared in accordance with and comply with International Public Sector Accounting Standards (IPSAS). The financial statements are presented in Kenya shillings, which is the functional and reporting currency of the entity.

The financial statements have been prepared on the basis of historical cost. The cash flow statement is prepared using the indirect method. The financial statements are prepared on accrual basis.

#### Summary of significant accounting policies

##### (a) Revenue recognition

##### Revenue from exchange transactions

##### *Rendering of services*

The entity recognizes revenue from rendering of services by reference to the stage of completion when the outcome of the transaction can be estimated reliably.

Where the contract outcome cannot be measured reliably, revenue is recognized only to the extent that the expenses incurred are recoverable.

##### b) Budget information

The annual budget was prepared on the accrual basis where all planned costs and income were presented in a single statement to determine the needs of the entity. As a result of the adoption of the accrual basis for budgeting purposes, there are no basis, timing or entity differences that would require reconciliation between the actual comparable amounts and the amounts presented as a separate additional financial statement in the statement of comparison of budget and actual amounts.

Out of Kshs 349,647,300.00 budgeted to be received as transfers from the government; Kirinyaga University College received only Kshs 268,149,486.00 resulting to a variance of Kshs 81,497,814.00. The University College received an excess of Kshs 8,696,993.00 against the budgeted income from rendering of services. This surplus is attributable to the accelerated students' intake.

Staff salaries increased from Kshs 142,523,000.00 to Kshs 206,951,388.00. This increase is attributable to the University College recruiting more staff as a result of increase in the students and filling of vacant management positions. The cost of repairs increased from the budgeted figure of Kshs 7,370,000.00 to Kshs 13,055,502.00 giving a variance of Kshs 5,685,502.00. This is because most of the University College buildings were old and needed to be renovated.

In the general expenses vote, the University College saved Kshs 14,398,901.00 as a result of prudent use of resources. The cost of electricity and water increased from the budgeted Kshs 2,424,000.00 to Kshs 4,525,259.00 as result of increased power charges.

### (c) Property, plant and equipment

All property, plant and equipment are stated at cost less accumulated depreciation and impairment losses. Cost includes expenditure that is directly attributable to the acquisition of the items. All other repair and maintenance costs are recognized in surplus or deficit as incurred. Where an asset is acquired in a non-exchange transaction for nil or nominal consideration the asset is initially measured at its fair value.

#### 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%

### (d) Inventories

Inventory is measured at cost upon initial recognition. To the extent that inventory was received through non-exchange transactions (for no cost or for a nominal cost), the cost of the inventory is its fair value at the date of acquisition.

Costs incurred in bringing each product to its present location and conditions are accounted for, as follows:

- Raw materials: purchase cost using the weighted average cost method
- Finished goods and work in progress: cost of direct materials and labour and a proportion of manufacturing overheads based on the normal operating capacity, but excluding borrowing costs

After initial recognition, inventory is measured at the lower of cost and net realizable value. However, to the extent that a class of inventory is distributed or deployed at no charge or for a nominal charge, that class of inventory is measured at the lower of cost and current replacement cost.

Net realizable value is the estimated selling price in the ordinary course of operations, less the estimated costs of completion and the estimated costs necessary to make the sale, exchange, or distribution.

Inventories are recognized as an expense when deployed for utilization or consumption in the ordinary course of operations of the Entity.

**(e) Employee benefits****Retirement benefit plans**

Kirinyaga University College provides retirement benefits for its employees. Defined contribution plans are post-employment benefit plans under which an entity pays fixed contributions into a separate entity (a fund), and will have no legal or constructive obligation to pay further contributions if the fund does not hold sufficient assets to pay all employee benefits relating to employee service in the current and prior periods. The contributions to fund obligations for the payment of retirement benefits are charged against income in the year in which they become payable.

Defined benefit plans are post-employment benefit plans other than defined-contribution plans. The contributions and lump sum payments reduce the post-employment benefit obligation.

**(f) Foreign currency transactions**

There were no foreign currency transactions during the period under review.

**(g) Cash and cash equivalents**

Cash and cash equivalents comprise cash on hand and cash at bank, short-term deposits on call and highly liquid investments with an original maturity of three months or less, which are readily convertible to known amounts of cash and are subject to insignificant risk of changes in value.

**(h) Subsequent events**

The University College had subsequent event in the year under review.

**(i) Receivables**

Receivables are recognized when commitments are effected at their fair value and their no policies in place for their provisions.

**(j) Trade payables**

Trade payables are nearly always classified as current liabilities, since they are usually payable within one year. If that is not the case, then such payables can be classified as long-term liabilities. A longer-term liability typically has an interest payment associated with it, and so is more likely to be classified as long-term debt.

**(k) Nature and purpose of reserves**

Kirinyaga University College creates and maintains reserves in terms of specific requirements. The entity has the following reserves:

**Pension Reserve.** This reserve represents the pension for the permanent and pensionable employee.

**Revaluation Reserve.** This reserve was occasioned by the fact that the University College valued all its assets. It represents the difference between the net book value as at 30<sup>th</sup> June 2014 and the revalued amount.

Accumulated Surplus. This reserve represents the accumulated surplus over years.

**(l) Changes in accounting policies and estimates**

Kirinyaga University College recognizes the effects of changes in accounting policy retrospectively. The effects of changes in accounting policy are applied prospectively if retrospective application is impractical.

**(m) Biological assets**

Kirinyaga University College accounting treatment and disclosures related to Agricultural activity is provided for in these financial statements. These activities have been measured at fair value less estimated cost to sell at the point of harvest.

**(n) Significant judgements and sources of estimation uncertainty**

The preparation of Kirinyaga University College financial statements in conformity with IPSAS requires management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the disclosure of contingent liabilities, at the end of the reporting period. However, uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of the asset or liability affected in future periods. Nothing has come to the attention of the University Council that can result to contingent liability or asset.

**(o) Related parties disclosures**

In accordance to IPSAS 20, Kirinyaga University College regards a related party as a person or an entity with the ability to exert control individually or jointly, or to exercise significant influence over the University College. Members of key management are regarded as related parties and comprise the Principal, Deputy Principals, Registrars, Chairmen of Departments and Heads of sections in the University College.

**(p) Disclosure on financial risk management**

In accordance to IPSAS 20, Kirinyaga University College regards a related party as a person or an entity with the ability to exert control individually or jointly, or to exercise significant influence over the University College. Members of key management are regarded as related parties and comprise the Principal, Deputy Principals, Registrars, Chairmen of Departments and Head of sections in the University College.

**Credit risk** - Credit risk refers to the risk that the students will default fees by failing to make required payments. To manage this risk, the University College ensures that students with fees balances are not issued with examination cards hence they cannot sit for examinations .

**Liquidity risk** - Liquidity risk is the risk to an institution's financial condition or safety and soundness arising from its inability (whether real or perceived) to meet its contractual obligations. To manage this risk, Kirinyaga University College ensures availability of funds before committing an expenditure or collateral to fulfil those needs at the appropriate time.

**Market risk** - Market risk is the risk that the value of an investment will decrease due to moves in market factors. Kirinyaga University has embarked on hedging strategies to manage this risk.

# MOVEMENT OF FIXED ASSET AS AT 30 JUNE 2014

## PROPERTY, PLANT & EQUIPMENTS

### Note 2

	LAND NIL KSHS	BUILDING 2% KSHS	MOTOR VEHICLES 25% KSHS	COMPUTER & ACCESSORIES 30% KSHS	PLANT & MACHINERY 12.5% KSHS	FURNITURE & EQUIPMENTS 12.5% KSHS	WORK IN PROGRESS NOTE 3 KSHS	TOTAL KSHS
Net Book Value as at 1/7/2012	12,782,000	18,072,000	4,975,000	-	-	-	50,453,183	86,282,183
Additions for the period	-	-	17,764,222	6,633,680	-	2,744,500	64,572,217	91,714,619
Disposal for 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>115,025,400</u>	<u>177,996,802</u>
Net Book Value as at 1/7/2013	12,782,000	10,481,760	15,810,667	4,643,576	-	2,401,438	115,025,400	161,144,841
Additions for the period	-	6,976,197	10,664,041	9,827,888	11,708,470	6,868,889	18,714,498	64,759,983
Disposal for the period	-	-	-	-	-	-	-	-
As at 30/6/2014	<u>12,782,000</u>	<u>17,457,957</u>	<u>26,474,708</u>	<u>13,639,302</u>	<u>11,708,470</u>	<u>9,270,327</u>	<u>133,739,898</u>	<u>225,904,824</u>
Accumulated Depreciation								
As at 1/7/2012	-	7,228,800	1,243,750	-	-	-	-	8,472,550
Depreciation of the disposed asset	-	-	-	-	-	-	-	-
Charge for the period	-	361,440	5,684,806	1,990,104	-	343,062	-	8,379,412
As at 30/6/2013	-	7,590,240	6,928,556	1,990,104	-	343,062	-	16,851,962
As at 1/7/2013	-	7,590,240	6,928,556	1,990,104	-	343,062	-	16,851,962
Depreciation of the disposed asset	-	-	-	-	-	-	-	-
Charge for the period	-	349,158	6,618,677	4,091,791	1,463,559	1,158,791	-	13,681,975
As at 30/6/2014	-	7,939,398	13,547,233	6,081,895	1,463,559	1,501,853	-	30,533,937
Book value as at 30-6-2014	12,782,000	9,518,559	12,927,475	7,557,407	10,244,911	7,768,474	134,946,328	195,745,155
Revaluation Reserve	664,718,000	144,664,413	18,543,766	1,910,593	22,260,559	13,301,696	-	865,399,026
Valuation as at 30- 6-2014	<u>677,500,000</u>	<u>154,182,972</u>	<u>31,471,241</u>	<u>9,468,000</u>	<u>32,505,470</u>	<u>21,070,170</u>	<u>134,946,328</u>	<u>1,061,144,181</u>
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>115,025,400</u>	<u>161,144,841</u>

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2014

3 <u>WORK-IN-PROGRESS</u>	<u>BAL B/F</u>	<u>ADDITIONS</u>	<u>RETENTION</u>	<u>2014</u>
Tuition Block	53,494,552	3,280,312	3,021,740	59,796,604
Twin workshop	19,350,177	5,092,032	4,574,217	29,016,426
Library	16,780,120	3,829,765	415,460	21,025,345
Covered walkways	1,058,681	-	-	1,058,681
Hostel	17,536,883	4,839,280	-	22,376,163
Mitooni Project	-	1,673,109	-	1,673,109
Bal c/d	<b>108,220,413</b>	<b>18,714,498</b>	<b>8,011,417</b>	<b>134,946,328</b>

4 <u>CASH AND BANK BALANCES</u>		<u>KSHS</u>	<u>KSHS</u>
		<u>2014</u>	<u>2013</u>
<b><u>Kenya Commercial bank</u></b>			
Current Account	A/C 1135935173	19,585,960	50,392,213
Fees collection A/C	A/C 1104016028	4,328,968	3,844,213
<b><u>Equity bank</u></b>			
KyUC Fee collection A/C	A/C 0100299420333	4,789,377	1,317,060
<b><u>Cooperative bank</u></b>			
Fees collection A/C	A/C 01129489220000	10,464,243	8,041,331
Farm Account	A/C 01120489220000	5,588,563	-
<b><u>Bingwa Sacco Ltd</u></b>			
Tea farm Account	A/C 4107-02-09505	-	9,329,080
Cash balances		52,657	46,732
		<b>44,809,768</b>	<b>72,970,630</b>

5 <u>RECEIVABLES FROM EXCHANGE TRANSACTIONS</u>			
Student debtors		6,450,205	2,348,885
K.P.L.C. deposits		297,100	168,539
Totals		<b>6,747,305</b>	<b>2,517,424</b>

**6 RECEIVABLES FROM NON EXCHANGE TRANSACTIONS**

MOHEST		5,657,813	-
Totals		<b>5,657,813</b>	<b>-</b>

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2014 (Cont...)

	KSHS 2014	KSHS 2013
<b>7 INVENTORIES</b>		
Stock	3,547,276	-
	<b>3,547,276</b>	<b>-</b>
<b>8 INVESTMENT</b>		
Bigwa sacco housing shares	-	3,180
Bigwa sacco shares	-	5,000
Bigwa sacco unwithdrawable deposits	-	750,000
Fixed Deposit	20,500,000	-
	<b>20,500,000</b>	<b>758,180</b>
<b>9 BIOLOGICAL ASSETS</b>		
Livestock - 7 goats	35,000	-
64,108 Coffee trees	37,500,000	3,205,400
148,052 Tea bushes	19,500,000	-
4.5 acres Banana Plantation	1,250,000	-
28 Avocado trees	140,000	-
15 Macandamia trees	172,500	-
1.5 acres Nappier grass	24,000	-
10 Bee hives mounted on trees	185,000	-
5 Fish ponds	1,200,000	-
2.5 acres Agroforest	3,200,000	-
	<b>63,206,500</b>	<b>3,205,400</b>
This was at net realisable value		
<b>10 TRADE AND OTHER PAYABLES</b>		
Student creditors	2,031,903	424,823
Uniform account	58,517	58,517
Production units	679,046	679,046
Trade Creditors	6,251,393	23,008,040
Retention funds	8,011,417	-
Giachai farm	3,434,798	3,434,798
Other trade payables	-	750,000
<b>Total</b>	<b>20,467,075</b>	<b>28,355,224</b>

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2014 (Cont...)

	KSHS 2014	KSHS 2013
<b>11 <u>BUS LOAN</u></b>		
Balance as at 1.7.2013	1,056,508	1,405,871
Less repayments	(1,056,508)	(349,363)
Balance as at 30.6.2014	<u>-</u>	<u>1,056,508</u>
<b>12 <u>AUDIT FEES</u></b>		
This comprises of audit fees expected to be paid to the Auditor General for the audit.		
Audit fees	750,000	750,000
	<u>750,000</u>	<u>750,000</u>
<b>13 <u>PENSION</u></b>		
Bal as at 1/7/2013	-	-
Additions for the year	17,623,228	-
Bal as at 30/6/2014	<u>17,623,228</u>	-
<b>14 <u>REVALUATION RESERVE - PPE</u></b>		
Bal as at 1/7/2013	-	-
Additions for the year	865,399,026	-
Bal as at 30/6/2014	<u>865,399,026</u>	-
<b>15 <u>REVALUATION RESERVE (BIOLOGICAL ASSETS)</u></b>		
Bal as at 1/7/2013	-	-
Additions for the year	46,392,000	-
Bal as at 30/6/2014	<u>46,392,000</u>	-

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2014 (Cont...)

	<b>KSHS</b>	<b>KSHS</b>
	<b><u>2014</u></b>	<b><u>2013</u></b>
<b>16 <u>ACCUMULATED SURPLUS</u></b>		
Bal as at 1/7/2013	120,374,893	4,665,400
Surplus/(loss) for the period	44,546,773	115,709,493
	<b><u>164,921,666</u></b>	<b><u>120,374,893</u></b>
<b>17 <u>CAPITAL FUND</u></b>		
Bal as at 1/7/2013	90,059,849	88,517,732
Development fund	-	1,542,117
	<b><u>90,059,849</u></b>	<b><u>90,059,849</u></b>
<b>18 <u>TRANSFER FROM THE GOVT</u></b>		
July	11,250,000	-
August	79,040,000	11,250,000
September	14,330,000	11,250,000
October	17,506,400	11,250,000
November	14,236,822	11,250,000
December	14,236,822	11,250,000
December	-	49,000,000
January	-	11,250,000
February	18,181,048	11,250,000
March	-	45,000,000
March	28,473,644	11,250,000
April	21,777,989	11,250,000
May	19,990,294	11,250,000
June	29,126,467	11,250,000
	<b><u>268,149,486</u></b>	<b><u>217,750,000</u></b>
<b>19 <u>RENDERING SERVICES</u></b>		
Tuition and other fees	46,895,099	26,536,171
	<b><u>46,895,099</u></b>	<b><u>26,536,171</u></b>
<b>20 <u>RENTAL REVENUE</u></b>		
Rental Income	1,084,300	241,600
	<b><u>1,084,300</u></b>	<b><u>241,600</u></b>

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2014 (Cont...)

	<b><u>KSHS</u></b>	<b><u>KSHS</u></b>
	<b><u>2014</u></b>	<b><u>2013</u></b>
<b>21 <u>OTHER INCOMES</u></b>		
Sale of tenders forms	56,880	689,000
Disposal of Assets Income	134,503	-
Medical Income	29,400	-
Kitchen sales	4,764,669	2,928,805
<b>TOTAL INCOME</b>	<b><u>4,985,452</u></b>	<b><u>3,617,805</u></b>
<b>22 <u>BULK PURCHASE OF WATER AND ELECTRICITY</u></b>		
Electricity expenses	2,661,710	2,190,432
Water expenses	1,863,549	732,180
	<b><u>4,525,259</u></b>	<b><u>2,922,612</u></b>
<b>23 <u>EMPLOYEE COSTS</u></b>		
Basic Salaries	82,044,061	34,695,132
Casual workers	4,064,981	2,614,797
House allowances	57,717,221	22,644,310
Part time teaching	11,644,606	3,020,700
Gratuity and pension	5,989,541	2,019,062
House to Office allowance	20,778,054	7,374,325
Other personal allowances	15,442,768	10,533,762
Staff Medical Cover	9,270,156	-
	<b><u>206,951,388</u></b>	<b><u>82,902,089</u></b>
<b>24 <u>RENUMERATION OF COUNCIL</u></b>		
Chairman's Allowance	720,000	990,000
Sitting Allowance	2,604,002	4,282,000
Travelling & Accommodation	88,452	244,650
	<b><u>3,412,454</u></b>	<b><u>5,516,650</u></b>
<b>25 <u>REPAIRS AND MAINTENANCE</u></b>		
Vehicle repairs	309,863	290,045
Maintenance of Buildings	12,710,639	10,232,591
Machine repairs	35,000	87,111
	<b><u>13,055,502</u></b>	<b><u>10,609,747</u></b>
<b>26 <u>CONTRACTED SERVICES</u></b>		
Bal as at 1/7/2013	-	-
Additions for the year	296,128	-
Bal as at 30/6/2014	<b><u>296,128</u></b>	<b><u>-</u></b>

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2014 (Cont...)

	<b>KSHS</b>	<b>KSHS</b>
	<b><u>2014</u></b>	<b><u>2013</u></b>
<b>27 <u>STUDENTS WELFARE</u></b>		
Students games	285,616	281,227
Students medical expenses	26,854	76,242
Fees refunds	175,130	271,050
Student bursary	-	1,430,067
Students Entertainment	251,700	-
KYUC Students union	124,500	492,400
	<b><u>863,800</u></b>	<b><u>2,550,986</u></b>
<b>28 <u>ACADEMIC COSTS</u></b>		
Academic Field trips	6,949	15,400
Boarding expenses	-	2,024,046
Examination expenses	3,137,027	-
Students Traveling		6,000
Curriculum Development	456,931	-
Attachment expenses	60,900	-
Sports and games	121,655	175,077
Teaching materials	3,878,788	6,676,950
Students admission expenses	-	136,920
	<b><u>7,662,250</u></b>	<b><u>9,034,393</u></b>
<b>29 <u>ADMINISTRATIVE COSTS</u></b>		
Travelling and accommodation	2,200,196	3,398,399
Stationery and stores	6,758,514	1,888,547
	<b><u>8,958,710</u></b>	<b><u>5,286,946</u></b>
<b>30 <u>FINANCE COSTS</u></b>		
Bank charges	1,824,296	145,360
	<b><u>1,824,296</u></b>	<b><u>145,360</u></b>

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2014 (Cont...)

	<b>KSHS</b>	<b>KSHS</b>
	<b><u>2014</u></b>	<b><u>2013</u></b>
<b>31 GENERAL EXPENSES</b>		
Conferences & Seminars	691,350	-
Internet expenses	472,550	827,402
Vehicle licenses & insurance	357,441	51,792
Purchase of Uniforms	117,740	-
Insurance premiums	1,670,489	219,584
Security Services	1,519,166	-
Vehicle fuel and oil	2,101,713	415,416
Training Expenses	46,632	-
Performance Contracting	876,114	-
Advertisement	4,254,175	1,020,322
Staff Welfare	527,452	-
News papers	179,340	-
Telephone expenses	45,278	2,596,556
Subscription to Professional bodies	925,856	-
Cleaning materials	290,090	-
Tenders	48,650	4,900
Show Expenses and Exhibitions	256,000	-
Public celebrations/Demise	120,000	-
Catering expenses	8,459,458	7,160,550
Corporate Social Responsibility	58,040	-
Postal & Courier Services	25,465	-
	<b><u>23,042,999</u></b>	<b><u>12,296,522</u></b>

32 FARM ACCOUNTS

	<u>2014</u>	<u>2013</u>
<u>Revenue</u>	<u>KSHS</u>	<u>KSHS</u>
Coffee	1,378,800	1,085,000
Tea income	9,800,679	8,699,861
KTDA Dividends	105,450	11,537
Interests	91,866	91,326
Firewood	176,300	28,100
Horticulture	252,465	410,868
Livestock Sales	22,050	184,000
	<u>11,827,610</u>	<u>10,510,692</u>
<u>Expenditure</u>		
Tea picking casuals	1,990,323	1,313,965
Fertilizers & Inputs	499,901	477,974
Horticulture expenses	630,295	170,440
Wages	150,700	344,911
Supervision	-	1,870
Fish expenses	-	28,260
Travelling charges	15,510	20,345
Tea Pruning	73,800	63,575
Tea cess	9,884	87,539
Buildings Maintenance	-	28,289
Irrigation	-	14,890
<b>Total expenditure</b>	<u>3,370,413</u>	<u>2,552,058</u>
<b>Farm profit(loss)</b>	<u>8,457,197</u>	<u>7,958,634</u>











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