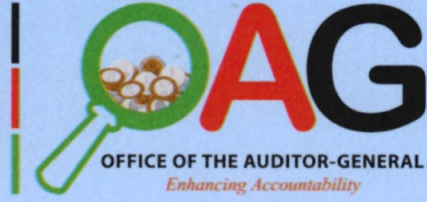


REPUBLIC OF KENYA



OFFICE OF THE AUDITOR-GENERAL  
*Enhancing Accountability*



# REPORT

PARLIAMENT  
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OF


## THE AUDITOR-GENERAL

ON

## KENYA UTALII COLLEGE

### FOR THE YEAR ENDED

### 30 JUNE, 2025

 THE NATIONAL ASSEMBLY PAPERS LAID	
DATE: 11 MAR 2026	DAY: WED
TABLED BY:	DEPUTY MAJORITY PARTY WOTP
CLERK-AT THE-TABLE:	OBIERO



Kenya Utalii College



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Website: [www.utalii.co.ke](http://www.utalii.co.ke)

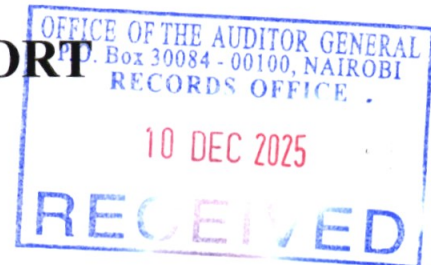
**ANNUAL REPORT**

**AND**

**FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED 30<sup>TH</sup> JUNE 2025**

**PREPARED IN ACCORDANCE WITH THE  
ACCRUAL BASIS OF ACCOUNTING  
METHOD UNDER THE INTERNATIONAL  
PUBLIC SECTOR ACCOUNTING  
STANDARDS (IPSAS) ACCRUALS**



Kenya Utalii College,  
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Ended 30<sup>th</sup> June 2025

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Kenya Utalii College,  
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Ended 30<sup>th</sup> June 2025

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## 1. Acronyms, Abbreviations and Glossary of Terms

### A: Acronyms and Abbreviation

CEO	Chief Executive officer
IPSAS	International Public Sector Accounting Standards
NT	National Treasury
OCOB	Office of the Controller of Budget
OAG	Office of the Auditor General
PFM	Public Finance Management
PSASB	Public Sector Accounting Standard Board
SAGAs	Semi –Autonomous Government Agencies
SC	State Corporation
MOT	Ministry of Tourism
ITK	Individual Training Kitchen
KUC	Kenya Utalii College
GDP	Gross Domestic Product
CSR	Corporate Social Responsibility
Y.O.B	Year of Birth
MA	Masters of Arts
USIU	United States International University

### B: Glossary of Terms

**Fiduciary Management-** Members of Management are directly entrusted with the responsibility of financial resources of the organisation.

**Comparative Year** – Means the prior period.

# Kenya Utalii College, Annual Report and Financial Statements For The Year Ended 30<sup>th</sup> June 2025

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## 2. Key Entity Information and Management

### (a) Background information

The Kenya Utalii College is a public hospitality & Tourism training institution established under the Tourism Act, of 2011. The College Council is responsible for the general policy and strategic direction of the College.

### (b) Principal Activities

The principal activity/mission is to develop a highly qualified human resource base for the hospitality and tourism industry through training, research, consultancy and related services.

### (c) Key Management

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

- Ministry of Tourism(State Department of Tourism);
- College Council
- Management

### (d) Fiduciary Management

The key management personnel who held office during the financial year ended 30<sup>th</sup> June 2025 and who had direct fiduciary responsibility were:

<u>No.</u>	<u>Designation</u>	<u>Name</u>
1.	Principal & Chief Executive Officer	Mr. Mark R. Ogendi
2.	Director Academic Affairs	Mr. Peter M.Muindi
3.	Director, Finance and Accounting	Mr. Benard K.Chepkwony
4.	Ag.Director, Utalii Hotel	Ms. Rosalind Gicheru
5.	Ag.Director,Human Resources and Administration.	Mr. Moses Nyagundi
6.	Ag. Diretor Strategy and Enterprise Development	Dr. Lilian Gikutha
7.	Ag. Deputy Director Internal Audit and Risk Assurance	Ms. Jane Kawira

# Kenya Utalii College, Annual Report and Financial Statements For The Year Ended 30<sup>th</sup> June 2025

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## (e) Fiduciary Oversight Arrangements

The College oversight role is vested in various offices as follows;

➤ **Audit and Finance Committee of the Council:**

The committee provide oversight and advice on the financial activities of the College and the financial reporting process to ensure balance, transparency and integrity of published financial information.

➤ **Parliamentary Public Accounts and Public Investments Committees:**

These committees review reports and recommendations of the Auditor General on the state of affairs of the College.

They have powers to interrogate any adverse findings by the Auditor General and prescribe a remedy.

## (f) Headquarters

P.O.Box 31052 - 00600  
Thika Road, Ruaraka  
Nairobi.

## (g) Contacts

Telephone :( 254) - 020-2458627, 0722205891, 0733410005  
E-mail: info@utalii.ac.ke  
Website: www.utalii.ac.ke

## (h) Bankers

ABSA Bank Kenya Plc  
Queensway House Branch  
P.O Box 30011 - 00200  
Nairobi.

Co-operative Bank of Kenya Limited  
Stima Plaza Branch  
P.O.Box 38764 - 00600  
Nairobi.

## (i) Independent Auditors

Auditor General  
Office of the Auditor General  
Anniversary Towers, University Way  
P.O Box 30084-00100  
Nairobi, Kenya

## (j) Principal Legal Adviser

The Attorney General  
State Law Office  
Harambee Avenue  
P.O. Box 40112-00200  
Nairobi.


# Kenya Utalii College, Annual Report and Financial Statements For The Year Ended 30<sup>th</sup> June 2025

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## 3. The College Council

According to the Tourism Act 2011, management of the College is vested in the Council, the chairman is appointed by H.E the president of Republic of Kenya, other council members are appointed by the cabinet secretary. The following are the members of College Council;

### COLLEGE COUNCIL -INDEPENDENT MEMBERS (FY 2024/2025)

	<p style="text-align: center;"><b>Qualifications &amp; Experience</b></p> <ul style="list-style-type: none"><li>▪ Bachelor of Science ( Biochemistry) Kenyatta University</li><li>▪ Esiko NGC JV Company Limited ( Director/Managing Patner) 2010-present</li><li>▪ Esiko Kenya Enterprises Limited (Managing Director/Chief Executive Officer) 2010-Present</li><li>▪ Geo-Intel Company Limited (Managing Director) 2010-present</li><li>▪ Wan &amp; Barnhill Company Limited (Managing Director)</li><li>▪ Brookside Dairies Limited (Attache) May, 2002 to August , 2002</li></ul>
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**Omusotsi D. Wamatsi**  
Chairman  
Y.O.B: 1978

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Ms. Rose Polyne Nyambura  
Member  
(Vice Chairperson,Council)  
Y.O.B:1966

**Qualifications & Experience**

- Bachelor of Commerce ( BusinessManagement)
- Strategic Entrepreneur
- Thought Leader and Community Empowerment Lead/implementation
- Safari park Hotel ( 1988 to 1993)-Guest Relations



Mr. Bryan Waruhiu  
Member  
(Chairperson , Finance & Human Resource Committee)  
Y.O.B: 1963

**Qualifications & Experience**

- Degree in Hospitality and Tourism Management
- Food & Beverage Diploma
- Ecolife Conultium ( January,2004 to date)- Associate Consultant
- Piccolo Beach Hotel , Mombasa (August,1988 to January, 1996)-General Manager
- Hotel du Rhone , Switzerland (December, 1987 to July, 1988)-Hotel Management Trainee, Front Office Department
- Hotel au Lac, Switzerland ( December, 1986 to July, 1987)-Hotel Management Trainee, Food and Beverage department
- Hotel du Rhone, Switzerland (December, 1985 to July, 1986-Service Department.

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**Ms. Jane Adam**  
Member  
Chairperson , Technical & Strategy  
Committee  
Y.O.B :1960

**Qualifications & Experience**

- Bachelor of Science in Hospitality
- Diploma in Hotel Management
- Kenya Association of Women In Tourism-  
KAWT(October,2019 to  
October,2024)Chairperson
- Kenyatta International Convention Centre-  
KICC( October, 2015 to  
February,2022Independent Non-Executive  
Board Director.
- Tour operators society of Kenya-  
TOSK(December,2021 to December,2024)-  
Trustee



**Ms. Mary Saende**  
Member  
(Chairperson, Council Audit  
Committee)  
Y.O.B :1977

**Qualifications & Experience**

- MA international Relations
- Bachelor of Science International Business  
Adminisration.
- Diploma ,Non-Govermental Organisations
- Certificate ,Events Management
- Enterpreneur ( Catering,Bakery and Events-  
Organising Company)
- USIU-A-Lecturer
- Commercial Bank of Africa-Persoanal Banker
- Kenya Rural Enterprise Program

# Kenya Utalii College, Annual Report and Financial Statements For The Year Ended 30<sup>th</sup> June 2025



**Mr. Mark Charles Rabudi**  
Member  
Y.O.B :1972

## Qualifications & Experience

- Masters of Business Administration (Media & Communication)
- Bachelor of Arts (Sociology)
- Certified M&E Professional




**Mr. Peter S. Ngori**  
Member  
(Chairperson, Governance & Compliance Committee)  
Y.O.B:1954


## Qualification & Experience

- Advanced Hotel Management Diploma (Hotel College Munich, Germany)
- Diploma in Hotel Management (Kenya Utalii College)
- Eka Hotel Nairobi-Operations Director/Shareholder of the Management Company
- Abercrombie and Kent (2015 to date)- Executive Vice Chairman
- Technical Hospitality Consultant
- Abercrombie & Kent (2001 to 2015)- Managing Director.
- 1996-to 2000-Operations Director
- Windsor Golf & Country Club (1988 to 1995)- Operations Manager
- Jacaranda Nairobi (1986 to 1988)-General Manager.

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	<ul style="list-style-type: none"> <li>▪ Nyali Beach Hotel (1982 to 1986)-Deputy General Manager</li> <li>▪ Outspan Hotel/ Treetops ( 1981-to 1982)- General Manager</li> <li>▪ Maseru Hotel,Lesotho (1979 to 1981)- Assistant General Manager.</li> </ul>
 <p>Mr . John Odek Odek Member YOB: 1978</p>	<p><b>Qualifications &amp; Experience</b></p> <ul style="list-style-type: none"> <li>▪ Degree in Business Management</li> <li>▪ Sign Language Interpreter</li> <li>▪ Business Manager</li> </ul>

**MEMBERS OF THE COUNCIL WHO ARE PUBLIC OFFICERS- FY 2023/2024**

 <p><b>Mr.David Mwangi</b> Member Y.O.B :1981</p>	<p><b>Qualifications &amp; Experience</b></p> <ul style="list-style-type: none"> <li>▪ Ag. Chief Executive Officer, Tourism Fund <b>From- (10.07.2020)</b></li> </ul>
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Kenya Utalii College,  
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**Mr. John Karanja Waigi**  
Member  
Y.O.B:1984

**Qualifications & Experience**

- Masters in Economic Policy Management
- Bachelor of Arts Degree (Economic & Mathematics)
- CPA Section 3 & 4
- 17 Years Working Experience



**Mr. Brian Cheruiyot**  
Member  
Y.O.B: 1983

**Qualifications & Experience**

- Master of Arts in Economic Policy Management
- Bachelor of Arts (Economics)
- CPA Part 1 Sec. 1
- 18 Years working experience




**Mr. Michael Muturi**  
Member  
Y.O.B: 1981

**Qualification & Experience**

- Master of Business Administration (Strategic Management)
- Bachelor's Degree in Economics
- CPA(K)
- Diploma in ICT
- 18 years Working experience

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 <p><b>Mr.Darius Mogaka Ogutu</b> Member Y.O.B :1972</p>	<p><b>Qualification &amp; Experience</b></p> <ul style="list-style-type: none"><li>▪ Alternate for Principal Secretary, Ministry of Education <b>From-( 05.04.2016)</b></li></ul>

# Kenya Utalii College, Annual Report and Financial Statements For The Year Ended 30<sup>th</sup> June 2025



Mr. Robert Kamau Kamiti  
Member  
YOB: 1968

- Alternate for Principal Secretary State Department of Tourism

### Qualification & Experience

- Master's Degree in Public Administration
- Post Graduate Diploma in international Relations
- Bachelor of Arts (Economics and Government)
- Ministry of Tourism, Wildlife & Heritage-State Department for Tourism (2019 to date)-Assistant Director, Tourism
- Ministry of Tourism-State Department for Tourism (2015 to 2018)-principal



**Mr. Mark R. Ogedi**  
Principal and CEO  
YOB: 1975

- MBA Strategic Marketing
- MSC. Organization Development
- BSC Hotel & Restaurant Management
- Diploma Hotel Operations & Management
- Diploma office Management /Administration
- Diploma Principal of Modern Management
- 28 years of marketing Experience

Kenya Utalii College,  
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Corporation Secretary	
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# Kenya Utalii College, Annual Report and Financial Statements For The Year Ended 30<sup>th</sup> June 2025

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## **Council Committees:**

### **Finance and Human Resource Committee**

The following members served in the Committee:

Mr. Bryan Waruhiu	: Chairperson
Mr. David K. Mwangi	: Member
Mr. Rose P. Nyambura	: Member
Mr. Brian Cheruiyot	: Member
Mr. Mark C. Rabudi	: Member

### **Council Audit Committee**

The following members served in the Committee:

Ms. Mary Saende	: Chairperson
Mr. Michael Muturi	: Member
Mr. Brian Cheruiyot	: Member
Mr. Karanja Waigi	: Member

### **Technical and Strategy Committee**

The following members served in the Committee:

Ms. Jane Adam	: Chairperson
Mr. Bryan Waruhiu	: Member
Mr. Darius Mogaka	: Member
Mr. Peter S. Ngori	: Member
Ms. Mary Saende	: Member
Mr. John Karanja Waigi	: Member

### **Governance & Compliance Committee**

The following Members served in the Committee

Mr. Peter S. Ngori	: Chairperson
Ms. Rose P. Nyambura	: Member
Mr. John Odek Odek	: Member
Mr. Robert K. Kamiti	: Member

# Kenya Utalii College, Annual Report and Financial Statements For The Year Ended 30<sup>th</sup> June 2025

## 4. Key Management Team

 <p>Mr. Mark Rachuonyo Ogendi Principal and Chief Executive Officer.</p>	<ul style="list-style-type: none"> <li>▪ MBA Strategic Marketing</li> <li>▪ MSC. Organization Development</li> <li>▪ BSC Hotel &amp; Restaurant Management</li> <li>▪ Diploma Hotel Operations &amp; Management</li> <li>▪ Diploma office Management /Administration</li> <li>▪ Diploma Principal of Modern Management</li> <li>▪ 28 years of marketing Experience</li> </ul>
 <p>Mr. Peter M. Muindi Ag. Director of Academic Affairs</p>	<ul style="list-style-type: none"> <li>• Master's in Business Administration (Strategic Management)</li> <li>• Bachelor of Science (Hospitality Management)</li> <li>• Diploma in Hotel Management</li> <li>• YOB: 1966</li> </ul>
 <p>Mr. Bernard K. Chepkwony Director, Finance and Accounting</p>	<ul style="list-style-type: none"> <li>• Master's in Business Administration (Finance)</li> <li>• Bachelor of Arts (Economics)</li> <li>• Certified Public Secretaries (K)</li> <li>• Certified Public Accountant(K)</li> <li>• YOB:1978</li> </ul>

# Kenya Utalii College, Annual Report and Financial Statements For The Year Ended 30<sup>th</sup> June 2025



Ms. Rosalind Gicharu  
Ag. Director, Utalii Hotel



- Masters in International Hospitality Management (United Kingdom)
- Diploma in Hotel Management
- Instructors Training Programme (Kenya Technical Teachers College)
- YOB: 1972



Mr. Moses Nyagundi  
Ag. Director, Human Resource and  
Administration

- Bachelor of Science in Human Resource Management
- Higher Diploma in Human Resource Management
- Diploma in Human Resource management
- Diploma in Business Management
- YOB: 1968

# Kenya Utalii College, Annual Report and Financial Statements For The Year Ended 30<sup>th</sup> June 2025

 <p>Dr. Lilian Gikutha Ag. Director Strategy and Enterprise Development</p>	<ul style="list-style-type: none"> <li>• Doctor of phillosophy Business Administration</li> <li>• Masters of Business Administration</li> <li>• Bachelor of Science Hospitality &amp; Restaurant Mgmt</li> <li>• Diploma Hospitality &amp; Information Technology.</li> <li>• Diploma Hotel</li> <li>• YOB-1972</li> </ul>
 <p>Ms. Jane Kawira Ag. Deputy Director Internal Audit and Risk Assurance</p>	<ul style="list-style-type: none"> <li>• Master's in Business Administration (Finance)</li> <li>• Bachelor of Commerce</li> <li>• Certified Public Accountant(K)</li> <li>• YOB:1974</li> </ul>
<p>Corporation Secretary</p>	

# Kenya Utalii College, Annual Report and Financial Statements For The Year Ended 30<sup>th</sup> June 2025

## **5. Chairman's Statement**

On behalf of the Kenya Utalii College (KUC) Council, I am pleased to present the annual accounts for the financial year 2024/2025 that ended 30<sup>th</sup> June 2025. These accounts have been prepared in accordance with International Public Sector Accounting Standards (IPSAS). The financial performance of the past year has faced challenges. Despite these challenges Kenya Utalii College Council is proud of the achievements that the College has made. Among these is the placement of our alumni to opportunities for work in the United Kingdom and cruise ships among others.

The country's hospitality industry has made great strides in recent time-especially the latest positive developments. According to the World Bank, Kenya's economy is set to be among the top five economies in sub-Saharan Africa. Our hospitality industry contributes an average of 10% to the country's GDP, which is higher than the continents average of 8.1%.It is also worth mentioning that the travel and hospitality sector in Kenya is the country's second foreign exchange earner after agriculture. As key players in the hospitality industry, we need to position ourselves for this growth by thinking internationally.

The need for new generation of workers in tourism and hospitality sector and emerging opportunities in the industry, call for capacity building programs that deliver knowledge and skills necessary to serve in the industry. Consequently, we have deliberately and carefully identified strategic objectives that will ensure that the College effectively plays its role in meeting these demands by aligning our strategy for realization of the National Tourism Blueprint and Sustainable Development Goals.

We are charting a path and building a foundation for successful execution of long-term strategies through strengthening of corporate governance systems, policy reviews, enhanced stakeholder management and enhanced accountability and decision- making processes.

I thank the Government of Kenya, College Council, Management team, Members of Staff and other Stakeholders for their respective contribution towards the performance of the College.

We look forward to a more positive 2024/2025.

  
**WAMATSI DAVID OMUSOTSI**  
**CHAIRMAN, KENYA UTALII COLLEGE GOVERNING COUNCIL**

# Kenya Utalii College, Annual Report and Financial Statements For The Year Ended 30<sup>th</sup> June 2025

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## **6. Report of the Principal and Chief Executive Officer**

On behalf of Kenya Utalii College Management, I wish to present the annual accounts for the financial year 2024/2025 as at 30<sup>th</sup> June 2025. The College managed to push through all its programs despite the harsh economic situation and reduced funding from our partners.

The College is a leading African hospitality and tourism institution, having trained over 70,000 graduates who work within the continent and around the World.

As a management, we are determined to improve the level of training in hospitality and tourism industry. Achievement of this priority areas will ensure the College continues to produce highly qualified professionals to serve in the ever-changing service industry locally, regionally and internationally. They will serve as ambassadors for the College and country thus enhancing our brand image; and sustainability of the institution over the long-term.

In the course of their training, College graduates have been equipped with skills and knowledge in their respective areas of specialization that will enable them to meet the challenges and expectations of the industry. These graduates are professionals that are very adept in the use of technology and they use this advantage to take the industry to the next level, one of excellent service delivery. The College graduates bring fresh new ideas, skills, energy and vibrancy to the industry. May integrity, humility and service be their core values each step of the way as they join the industry.

We had great plans and aspirations for this esteemed institution at the beginning of year 2024. We have conducted refresher courses in the four regions, management development programs, and other tailor-made training programs, among many other activities.

I am nevertheless glad to report that during the year, the construction of the Individual Training Kitchen Block project is now 95% complete.

I sincerely thank the College Council, the Management Team, Staff and all our stakeholders for the support and commitment to the institution.



**Mr. Mark R. Ogendi**

**PRINCIPAL/CHIEF EXECUTIVE OFFICER**

# Kenya Utalii College, Annual Report and Financial Statements For The Year Ended 30<sup>th</sup> June 2025

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## **7. Statement of Performance against Predetermined Objective for FY 2024/2025**

The Strategic Plan for 2021-2026 period, sets out the strategic direction for the development of Kenya Utalii College( KUC) in the medium term. Over this period, the Tourism and Hospitality landscape will continue to change – and so the Strategic Plan will be reviewed and adapted, to ensure its ongoing relevance. The strategy will also be supported by specific shorter annual work plans.

The Strategy is developed and designed to unite efforts across all areas of KUC’s operation with priorities and actions targeted towards shifting the current performance of the College to one of sustainable growth over the plan period and beyond. Five priority objectives are identified that, if delivered, will make a material impact on the trajectory of Tourism and Hospitality training in Kenya. These key priority areas are:

- i. Improving the quality of Tourism & Hospitality industry training and capacity building;
- ii. Ensuring financial sustainability of the College
- iii. Enhancing research, consultancy & collaboration portfolio
- iv. Repositioning the KUC Brand as a market leader
- v. Developing Human Capital and operational excellence

Within each priority objective are specific actions to achieve identified goals in the short and medium term. Implementing the strategy’s actions through to 2026 will create the momentum to attract collaborations and prepare the College to deliver high quality programmes in an increasingly diverse stakeholder environment.

KUC has three Strategic pillars and objectives within the current strategic plan for the financial year 2024/2025. These strategic pillars are as follows.

- Training
- Enterprise
- Partnership and Collaboration

Kenya Utalii College develops its work plans based on the above three pillars. KUC achieved its performance targets set out for the Financial Year 2024/2025 period for its three strategic pillars as indicated in the Diagram below

# Kenya Utalii College, Annual Report and Financial Statements For The Year Ended 30<sup>th</sup> June 2025

Strategic Pillar	Objective	Key performance Indicators	Activities	Achievements
Training	<ul style="list-style-type: none"> <li>Develop Human Capital and Operational Excellence</li> </ul>	<ul style="list-style-type: none"> <li>No of Staff Trained</li> </ul>	<ul style="list-style-type: none"> <li>Staff Development</li> </ul>	<ul style="list-style-type: none"> <li>Trained 3 members of Staff- Diploma</li> <li>Trained 67 Members of Staff for various individual Courses</li> <li>Trained 140 Members of Staff for various Group Courses</li> </ul>
Partnership and Collaboration	<ul style="list-style-type: none"> <li>Enhancing Research, Consultancy &amp; Collaboration Portfolio</li> </ul>	<ul style="list-style-type: none"> <li>No of Research, collaboration &amp; Consultancies Done</li> </ul>	<ul style="list-style-type: none"> <li>Research</li> </ul>	<ul style="list-style-type: none"> <li>Signed an MOU with Bandari Maritime Academy</li> <li>Carried out Consultancies with:- Nairobi Hospital, Kenyatta National Hospital, National College of Tourism. KDF, Sirikoi Lodge,</li> </ul>
Enterprise	<ul style="list-style-type: none"> <li>Ensure Financial Sustainability</li> </ul>	<ul style="list-style-type: none"> <li>Grants</li> </ul>	<ul style="list-style-type: none"> <li>Grants</li> </ul>	<ul style="list-style-type: none"> <li>Gok Grants – Kshs 51,270,000</li> <li>Tourism Grants-Kshs 643,000,000</li> </ul>

# Kenya Utalii College, Annual Report and Financial Statements For The Year Ended 30<sup>th</sup> June 2025

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## **8. Corporate Governance Statement**

Corporate governance is the manner in which the power of a corporation is exercised in the stewardship of its total portfolio of assets and resources with the primary objective of increasing and sustaining shareholders value while satisfying the needs of all stakeholders in the context of the mission and vision of that corporation. The College Council is committed to ensuring that the College is run in a Professional, transparent just and equitable manner. The College endeavours to adhere to good corporate governance by adhering to guideline issued by centre of corporate governance and benchmarking its activities with the best practices in the industry.

### **a) Board Attendance**

A record of attendance of council meetings and council committee meetings was kept during the period under review. The provisions of the corporations Act and the Mwongozo Code of Governance for State Corporation pertaining to attendance and absence from meetings have been adhered to.

- Almanac for the College Council

# Kenya Utalii College,

## Annual Report and Financial Statements For The Year Ended 30<sup>th</sup> June 2025

### COUNCIL AND COUNCIL COMMITTEE MEETINGS FY 2024/2025

	Details of the meeting	Date
<b>FULL COUNCIL</b>		
1	Special Council Meeting	Thursday, 11 <sup>th</sup> July, 2024
2	Council Evaluation	Tuesday, 20 <sup>th</sup> August, 2024
3	137 <sup>th</sup> Council Meeting	Monday, 26 <sup>th</sup> August, 2024
4	138 <sup>th</sup> Council Meeting	Monday, 30 <sup>th</sup> September, 2024
5	Special Council Meeting	Monday, 7 <sup>th</sup> October, 2024
6	139 <sup>th</sup> Council Meeting	Monday, 2 <sup>nd</sup> December, 2024
7	140 <sup>th</sup> Council Meeting (1)	Wednesday, 29 <sup>th</sup> January, 2025
8	140 <sup>th</sup> Council Meeting (2)	Tuesday, 4 <sup>th</sup> February, 2025
9	Special Council Meeting	Friday, 4 <sup>th</sup> April, 2025
10	141 <sup>st</sup> Council Meeting	Monday, 19 <sup>th</sup> May, 2025
<b>FINANCE AND HUMAN RESOURCE (F &amp; HR) COMMITTEE</b>		
1	89 <sup>th</sup> F & HR Meeting	Tuesday, 30 <sup>th</sup> July, 2024
2	90 <sup>th</sup> F & HR Meeting	Thursday, 19 <sup>th</sup> September, 2024
3	91 <sup>st</sup> F & HR Meeting	Tuesday, 22 <sup>nd</sup> October, 2024
4	92 <sup>nd</sup> F & HR Meeting	Wednesday, 15 <sup>th</sup> January, 2025
5	93 <sup>rd</sup> F & HR Meeting	Friday, 9 <sup>th</sup> May, 2025
<b>TECHNICAL AND STRATEGY (T &amp; S) COMMITTEE</b>		
1	27 <sup>th</sup> T & S Meeting	Monday, 5 <sup>th</sup> August, 2024
2	28 <sup>th</sup> T & S Meeting	Monday, 28 <sup>th</sup> October, 2024
3	29 <sup>th</sup> T & S Meeting	Monday, 20 <sup>th</sup> January, 2025
4	30 <sup>th</sup> T & S Meeting	Tuesday, 6 <sup>th</sup> May, 2025
<b>AUDIT COMMITTEE</b>		
1	46 <sup>th</sup> Audit Committee Meeting	Wednesday, 7 <sup>th</sup> August, 2024
2	47 <sup>th</sup> Audit Committee Meeting	Wednesday, 30 <sup>th</sup> October, 2024
3	48 <sup>th</sup> Audit Committee Meeting	Wednesday, 22 <sup>nd</sup> January, 2025
4	49 <sup>th</sup> Audit Committee Meeting	Wednesday, 30 <sup>th</sup> April, 2025
<b>GOVERNANCE AND COMPLIANCE (G&amp;C) COMMITTEE</b>		
1	4 <sup>th</sup> G & C Meeting	Wednesday, 31 <sup>st</sup> July, 2024
2	5 <sup>th</sup> G & C Meeting	Wednesday, 23 <sup>rd</sup> October, 2024
3	6 <sup>th</sup> G & C Meeting	Monday, 13 <sup>th</sup> January, 2025

# Kenya Utalii College, Annual Report and Financial Statements For The Year Ended 30<sup>th</sup> June 2025

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## **b) Conflict of Interest**

Council members are required to disclose any conflict of interest in relation to matters that are brought before them for deliberations. The corporation secretary maintains a register of conflict of interest which is updated where a conflict is declared.

## **c) Statement of Compliance**

The College conducted its business affairs in full compliance with all applicable laws, rules, regulations, relevant executive orders and circulars.

## **d) Council Oversight**

The Council is responsible for the formulation, implementation and monitoring of the College strategic plan thus providing appropriate strategic direction for the College.

The Council ensures that the College espouses proper corporate governance, practices and is also responsible for managing the College risks. The Council recognises and is committed to delivering its responsibility to all stakeholders.

## **e) Council Remuneration**

The Council is remunerated in accordance with the approved terms and condition of service prescribed under various Government circulars

## **f) Corporation Secretary**

The Council is assisted by a qualified, competent and experience Corporation Secretary. The Corporation Secretary coordinates the Council activities and ensures in consultation with the Chairman and Principal & Chief Executive Officer that the board meetings are held procedurally and as per the approved calendar.

## **g) Separation of Roles**

The roles of the Council is separate from that of the Management; the office of the Chairperson and that of the Principal & Chief Executive Officer are held by different persons; Also the office of the Chief Executive Officer and that of the Corporation Secretary are held by different persons.

# Kenya Utalii College, Annual Report and Financial Statements For The Year Ended 30<sup>th</sup> June 2025

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## **COLLEGE VISION**

To be a globally recognized and transformative premier tourism and hospitality training centre.

## **MISSION STATEMENT**

To develop a highly qualified and globally competitive human resource for the Hospitality and Tourism Industry by providing quality tourism and hospitality education, purposeful research and consultancy.

# Kenya Utalii College, Annual Report and Financial Statements For The Year Ended 30<sup>th</sup> June 2025

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## 9. Management Discussion and Analysis

### a) The College Operational & Financial Performance

KUC develops highly qualified and globally competitive human resource for the Tourism and hospitality industry by providing quality Training on Tourism, Hospitality Education, purposeful research and Consultancy.

KUC has a weak cash flow position unable to meet obligations as they fall due as earlier stated by the office of the Auditor General.

### b) College Compliance with Statutory Requirements

The College has complied with all statutory obligations including PAYE, NHIF, NSSF, and HELB, except for VAT which is outstanding in the financial year 2024/2025.

### c) Key Projects and Investment Decision the College is implementing

The College is in the final stage of construction of the practical training block which consists of; Individual Training kitchen and food and beverage laboratory.

The stages are as follows.

#### Phase One

1) Construction of practical training block which is ongoing and is currently at 95% completion rate. The works include;

- Main Builders
- Mechanical
- Electrical
- Structural Cabling, Fire Suppression and Extractor hoods.

#### Phase Two

2) Equipping of the practical training block which has not started will involve;

- Complete Cooking range
- Operations tools
- Cold storage equipment
- Food Processing Equipment's
- Equipment for Food and service Practical

### Proposed Project Outputs

- i) Increased number of student intake by 300% (percent) in food production & hospitality management
- ii) Increase in revenue of internally generated revenue

# Kenya Utalii College,

## Annual Report and Financial Statements For The Year Ended 30<sup>th</sup> June 2025

iii) Improve the quality of tourism training by using the modern facilities to acquire new skills which will meet the demand for the industry.

### 10. Environmental and Sustainability Reporting

The Tourism and Hospitality industry has positioned itself to lead the country into sustainable economic growth and development in the next few decades.

This comes at a time when the country is striving to ensure sustained economic growth despite the global economic meltdown. Kenya's Tourism and Hospitality sector requires accelerated usage of specialized knowledge, information, and innovativeness to support and expand its contribution to the country's GDP.

The Kenya Utalii College is critical for the realization of the country's tourism and hospitality objectives through provision of the much needed skills by the industry on: promotion and marketing of domestic tourism, development and promotion of conference tourism, development of cultural tourism, standardization and diversification of tourism products, as well as development of modern tourism infrastructure e.g. development of ultra-modern conference facility among others.

#### i) Sustainability Strategy and Profile

For KUC to realize its strategic goals sustainably, it should;-

- Ensure growth of teaching and other staffs both in capacity and numbers along with the College's growth.
- Commit to embrace a robust financial management system through diversification of income generation for sustainability and self-reliance.
- Willingness to facilitate all the KUC's programmes identified.
- Institute-wide commitment to implementing the strategic plan activities in phases through performance contracting and evaluation. This will be demonstrated through communication, cooperation, and coordination.

#### ii) Environmental Performance

The College offers training in hospitality and Tourism; accommodation as well as conferencing services at the hotel. However, the College has inadequate facilities ranging from: inadequate tuition blocks with a deficit of 220 students per sitting; inadequate training lab capacities with a deficit of 90 students capacity per sitting for the language lab, 40 student capacity per sitting for computer lab, 47 and 46 student capacities per sitting for front office and tourism labs

# Kenya Utalii College, Annual Report and Financial Statements For The Year Ended 30<sup>th</sup> June 2025

respectively. The College's library also lacks about 75,000 volumes of books as well as e-book resources.

The College administration block lacks adequate offices and the need for optimal use of the College grounds is also evident while the Utalii Village on the other hand does not have adequate houses to accommodate all the College Staff members.

## **iii) Corporate Social Responsibility/ Community Engagements**

The College as part of its obligation to the Society and fulfilment of the performance contract supports various Corporate Social Responsibility (CSR) activities aimed at positively impacting the vulnerable and less disadvantaged members of the society. The College received invitations to support activities targeting the vulnerable and disadvantaged members of our Society.

### **I.Period: July 2024 - June 2025**

Under the auspices of the Ministry of Tourism and Wildlife, the College undertook several impactful Corporate Social Responsibility (CSR) initiatives aligned with its commitment to community development and social welfare.

#### **I.Tourism Sanitation and Beach Clean-Up Activities**

The College partnered with the Ministry of Tourism and Wildlife to execute a Memorandum of Understanding (MOU) targeting improved sanitation facilities along the coastal region. This included the development of a Code of Conduct for beach operators and the facilitation of a beach clean-up exercise. The activities were carried out in Kilifi and Kwale counties from 8th to 11th July 2024.

#### **II.Support to Maa Girl Foundation**

In response to a request from the Maa Girl Foundation, the College contributed KES 30,000 in support of a Mentorship and Empowerment Program aimed at uplifting and inspiring young girls from marginalized communities.

#### **III.Wings of Compassion Rescue Home**

On 19th July 2024, the College provided KES 30,000 to Wings of Compassion Rescue Home. The support covered basic needs and sanitary supplies, helping provide a dignified and supportive environment for vulnerable children.

#### **IV.Support to Drive-In Primary School KCPE/KEPSEA Candidates**

The College allocated KES 110,500 to support pupils from Drive-In Primary School sitting their national exams from 28th to 30th October 2024. The funds ensured the provision of meals during the examination period, especially for children from underprivileged backgrounds.

# Kenya Utalii College, Annual Report and Financial Statements For The Year Ended 30<sup>th</sup> June 2025

## V. Donation to Sta Benedict Parish

The College responded to a request from the neighboring Stu Benedict Parish by donating firewood. This supported their school feeding program and general institutional operations.

## VI. Support to Dream Children's Home

The College donated KES 32,500 to Dream Children's Home, a charitable organization that provides shelter, education, and care to vulnerable children.

## VII. Summary Table of CSR Activities (July 2024 — June 2025)

Noa	Activity Description	QUARTER	Date(s)	Amount Kes
1.	Tourism sanitation project, beach clean-up in Kilifi & Kwale Counties	1	8 <sup>th</sup> -11 <sup>th</sup> July 2024	In-Kind
2.	Support to Maa Girl Foundation - Mentorship and Empowerment Pro ram	1	July 2024	30,000
3.	Support to Wings of Compassion Rescue Home	1	19 <sup>th</sup> July, 2024	30,000
4.	Meals for KCPE/KEPSEA candidates at Drive-In Prima School	2	28th-30th October, 2024	110,500
5.	Donation of firewood to St. Benedict Parish	3	11 <sup>th</sup> March, 2025	In Kind
6.	Support to Dream Children's Home	4	4th June, 2025	32,500
	<b>TOTAL</b>			<b>203,000</b>

# Kenya Utalii College, Annual Report and Financial Statements For The Year Ended 30<sup>th</sup> June 2025

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## 11. Report of the College Council

The College Council submit their report together with the financial statements for the year ended June 30, 2025 which show the state of Kenya Utalii College affairs.

### Principal Activities

The Principal activity/mission is to develop a highly qualified human resource base for the Hospitality and Tourism Industry through Training, Research, Consultancy and related services.

### Results.

The results of the entity for the year ended June 30, 2025 are set out on page 1-4.

### Council

The members of the Council who served during the year are shown on page (v-xi) and were appointed by the Cabinet Secretary of the Ministry of Tourism, Wildlife & Heritage.

### Surplus remission

Kenya Utalii College did not make any surplus during the financial year 2024/2025 and hence no remittance to the Consolidated Fund.

### Auditors

The auditor General is responsible for the statutory audit of the entity in accordance with the Public Finance Management (PFM) Act, 2012.

Office of the Auditor General shall carry out Audit of Kenya Utalii College Financial Statements for the year ended 30<sup>th</sup> June 2025.

By Order of the Board

.....

Corporation Secretary

Nairobi

Date.....

# Kenya Utalii College, Annual Report and Financial Statements For The Year Ended 30<sup>th</sup> June 2025

## 12) Statement of the College Council Responsibilities

Section 81 of the Public Finance Management Act, 2012 and State Corporations Act, require the Council to prepare financial statements in respect of Kenya Utalii College, which give a true and fair view of the state of affairs of the College at the end of the financial year and the operating results of Kenya Utalii College for that year/period. The Kenya Utalii College Council is also required to ensure that the College keeps proper accounting records which disclose with reasonable accuracy the financial position of the College. The Council are also responsible for safeguarding the assets of the College.

The Council is responsible for the preparation and presentation of the Kenya Utalii College's 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 ended on June 30, 2025. 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 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 College;
- (v) Selecting and applying appropriate accounting policies; and
- (vi) Making accounting estimates that are reasonable in the circumstances.

The Council accepts responsibility for the Kenya Utalii College's 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 and the State Corporations Act. The Council is 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, 2024, and of the College's financial position as at that date. The Council 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 Council to indicate that the Kenya Utalii 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 College 's financial statements were approved by the College Council on..... and signed on its behalf by:

.....  
Name *Mandeguchi*  
**Chairman-KUC Council**  
*9/12/2025*

*26/12/2025*  
*J. K. Ochieng'*  
.....  
Name  
**Principal and CEO**  
*9/12/2025*

# REPUBLIC OF KENYA



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NAIROBI

## REPORT OF THE AUDITOR-GENERAL ON KENYA UTALII COLLEGE FOR THE YEAR ENDED 30 JUNE, 2025

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### PREAMBLE

I draw your attention to the contents of my report which is in three parts:

- A. Report on Financial Statements that considers whether the financial statements are fairly presented in accordance with the applicable financial reporting framework, accounting standards and the relevant laws and regulations that have a direct effect on the financial statements;
- B. Report on Lawfulness and Effectiveness in the Use of Public Resources which considers compliance with applicable laws, regulations, policies, gazette notices, circulars, guidelines and manuals and whether public resources are applied in a prudent, efficient, economic, transparent and accountable manner to ensure the Government achieves value for money and that such funds are applied for the intended purpose; and,
- C. Report on Effectiveness of Internal Controls, Risk Management and Governance which considers how the entity has instituted checks and balances to guide internal operations. This responds to the effectiveness of the governance structure, risk management environment and internal controls, developed and implemented by those charged with governance for orderly, efficient and effective operations of the entity.

A Qualified Opinion is issued when the Auditor-General concludes that, except for material misstatements noted, the financial statements are fairly presented in accordance with the applicable financial reporting framework. The Report on the Financial Statements should be read together with the Report on Lawfulness and Effectiveness in the Use of Public Resources, and the Report on Effectiveness of Internal Controls, Risk Management and Governance.

The three parts of the report are aimed at addressing the statutory roles and responsibilities of the Auditor-General as provided by Article 229 of the Constitution, the Public Finance Management Act, 2012, and the Public Audit Act, 2015. The three parts of the report when read together constitute the report of the Auditor-General.

### REPORT ON THE FINANCIAL STATEMENTS

#### Qualified Opinion

I have audited the accompanying financial statements of Kenya Utalii College set out on pages 1 to 39, which comprise of the statement of financial position as at 30 June, 2025,

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*Report of the Auditor-General on Kenya Utalii College for the year ended 30 June, 2025*

and the statement of financial performance, statement of changes in net assets, statement of cash flows and 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, except for the effect of the matters discussed in the Basis for Qualified Opinion section of my report, the financial statements present fairly, in all material respects, the financial position of Kenya Utalii College as at 30 June, 2025, 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 comply with the Tourism Act, 2011 and the Public Finance Management Act, 2012.

### **Basis for Qualified Opinion**

#### **1. Inaccuracies in the Financial Statements**

The following inaccuracies were noted from the review of the financial statements,

##### **1.1 Inaccuracies in Property, Plant and Equipment**

The statement of financial position reflect Kshs.6,437,473,773 being property, plant and equipment as detailed in Note 28 to the financial statements. However, the following anomalies were noted in the schedules,

- i) Motor vehicles under Note 28 are fully depreciated but were still in use during the year. This was contrary to International Public Sector Accounting Standard No.17 which requires that revaluations be done with sufficient regularity such that the carrying amount of assets does not differ materially from that which would be determined using fair value at the reporting date.
- ii) The property, plant and equipment net book values excludes fourteen (14) mature dogs and eight (8) puppies of varied breeds owned by the College which had not been recognized as biological assets.

##### **1.2 Inaccuracies in Statement of Cash Flows**

The statement of cashflows reflects net cash flows from operating activities of Kshs.107,044,335. However, a recast of Note 20 to the financial statements sums up to an amount of Kshs.81,153,980 resulting in variance of Kshs.25,890,355 that has not explained or reconciled.

##### **1.3 Unsupported Prior Year Adjustment**

The statement of changes in net assets reflects Kshs.19,366,058 as prior year adjustment which was not supported.

In the circumstances, the accuracy and completeness of the above balances included in these financial statements could not be confirmed.

## **2. Inaccuracies in Trade and Other Payables from Exchange Transactions**

Note 17 to the financial statements reflects a balance of Kshs.1,266,383,778 as trade and other payables from exchange transactions. However, review of records revealed the following exceptions,

- i) The payables comprise of unremitted statutory and staff deductions NHIF, NSSF, PAYE, Pension, Saccos, and Staff Loans of Kshs.93,510,532.
- ii) Included in Hotel suppliers balance of Kshs.64,885,280 are entries amounting to Kshs.28,900,500 for goods and services accrued but not delivered.
- iii) Payables totalling Kshs.573,815,154 have been outstanding for over three (3) years contrary to Section 53(8) of the Public Procurement and Asset Disposal Act, 2015.

In the circumstances, the accuracy and completeness of the trade payables balance of Kshs.1,266,382,077 could not be confirmed.

## **3. Material Uncertainty Related to Sustainability of Services**

The statement of financial performance reflects deficit before tax of Kshs.22,082,227. In addition, the College was operating on a negative working capital of Kshs.589,925,046 as the current liabilities of Kshs.1,469,408,866 exceeded the current assets of Kshs.879,483,820 by the same amount. This increases the risk of defaulter which may lead to poor credit rating and higher interest costs.

In the circumstances, the College's ability to continue offering services is doubtful. Further, the ability of the College to meet its short-term obligations as and when they fall due is dependent on Government and suppliers.

The audit was conducted in accordance with International Standards of Supreme Audit Institutions (ISSAIs). I am independent of the Kenya Utalii College Management in accordance with ISSAI 130 on the 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 qualified opinion.

### **Emphasis of Matter**

#### **Budgetary Control and Performance**

The statement of comparison and budget actual amounts reflects final budgeted receipts and actual receipts of Kshs.1,393,716,753 and Kshs.1,143,499,468 respectively resulting to underfunding of Kshs.250,217,285 or 18 % of the budget. Similarly, the College spent

Kshs.917,274,387 against actual receipts of Kshs.1,143,499,468 resulting in underutilization of Kshs.226,225,081 or 20% of the actual receipt.

The underfunding and underutilization may have affected the planned activities and may have impacted negatively on service delivery to the public.

My opinion is not modified in respect of this matter.

### **Key Audit Matters**

Key audit matters are those matters that, in my professional judgement, are of most significance in the audit of the financial statements. Except for the effect of the matters discussed in the Basis for Qualified Opinion section, I have determined that there are no other key audit matters to communicate in my report.

### **Other Matter**

### **Unresolved Prior Year Matters**

In the audit report of the previous year several issues were raised under the Report on Financial Statements, Report on Lawfulness and Effectiveness in use of Public Resources and Report on Effectiveness of Internal Controls, Risk Management and Governance.

Review of the status during audit of the College in 2024/2025 revealed that the following matters remained unresolved.

	<b>Financial Year</b>	<b>Audit Issue</b>
1	2023/2024	Inaccuracies and Presentation of the Financial Statements
2	2023/2024	Inaccuracies in Staff Loans Fund
3	2023/2024	Inaccuracies in Cash and Cash Equivalents
4	2023/2024	Inaccuracies in Property, Plant and Equipment
5	2023/2024	Inaccuracies in Trade and Other Payables
6	2023/2024	Emphasis of Matter
7	2023/2024	Unbalanced Budget
8	2023/2024	Irregular Payment of Risk Allowances
9	2023/2024	Violation of One-Third Rule on Basic Salary
10	2023/2024	Delay in Settlement of Trade and Other Payables
11	2023/2024	Under Banking in Hotel Operations
12	2023/2024	Unauthorized Over Expenditures
13	2023/2024	Irregularities in Air Travel Expenses
14	2023/2024	Late Remittance of Statutory Deductions and Other Deductions
15	2023/2024	Staff Over establishment
16	2023/2024	Meetings Not in the Approved Board Work Plan
17	2023/2024	Cash Purchases Using Temporary Imprest
18	2023/2024	Invalid Tax Compliance Certificate
19	2023/2024	Invalid Single Business Permits

	<b>Financial Year</b>	<b>Audit Issue</b>
20	2023/2024	Invalid AGPO Certificate
21	2023/2024	Award of Tender to Non-Registered Bidder
22	2023/2024	Delay in Installation, Testing and Commissioning of Individual Training Kitchen Equipment
23	2023/2024	Long Outstanding Receivables
24	2023/2024	Staff on Acting Positions for More than Six -Months
25	2023/2024	Irregular Promotions
26	2023/2024	Non-Compliance With Board Approved Promotion List
27	2023/2024	Weakness in Administration of Staff Loan Fund
28	2023/2024	Incomplete Fixed Asset Register
29	2023/2024	Failure to Replace Hazardous Asbestos Roofing
30	2023/2024	Undisbursed Bursaries
31	2023/2024	Irregularities in Bursaries Disbursements

### **Other Information**

The Management are responsible for the Other Information set out on page iii to xxxii which comprise of Key Entity Information and Management, The College Council, Management Team, Chairman's Statement, Report of the Chief Executive Officer, Corporate Governance Statement, Management Discussion and Analysis, Environmental and Sustainability Reporting, Report of the Directors, Statement of Directors Responsibilities, Statement of Performance Against Predetermined Objectives. The Other Information does not include the financial statements and my audit report thereon.

In connection with my audit on the College's financial statements, my responsibility is to read the other information and in doing so, consider whether the other information is materially inconsistent with the financial statements or my knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work I have performed, I conclude that there is a material misstatement of this other information and I am required to report that fact. Based on the audit procedures performed, because of the significance of the matters described in my Basis for Qualified Opinion, I confirm that the Other Information is materially inconsistent with the financial statements.

My opinion on the financial statements does not cover the Other Information and accordingly, I do not express an audit opinion or any form of assurance conclusion thereon.

### **REPORT ON LAWFULNESS AND EFFECTIVENESS IN THE USE OF PUBLIC RESOURCES**

#### **Conclusion**

As required by Article 229(6) of the Constitution, based on the audit procedures performed, except for the effect of the matters described in the Basis for Conclusion on Lawfulness and Effectiveness in the Use of Public Resources sections of my report, I confirm that, nothing 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**

### **1. Irregular Procurement of Goods and Services Using Imprests**

The statement of financial performance and Note 11 to the financial statements reflects general expenses of Kshs.305,992,692. Examination of a sampled surrender vouchers, cash book and the ledgers for the College revealed that the College procured items by use of cash amounting to Kshs.6,685,491. The cash purchases of various goods/ services exceeded the approved threshold matrix contrary to Section 107 of the Public Procurement and Asset Disposal Act, 2015 and the National Treasury Circular No. 14 of 2013 which prohibits the use of temporary imprests for procurement of goods and services. The procurements covered goods and services in the framework agreement and authorization from the head of supply chain management was not provided.

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

### **2. Installation, Testing and Commissioning of Individual Training Kitchen Equipment**

The College entered into a contract (tender number KUC/44/2022/2023 and 2023/2024) with a local Company for supply, installation, testing and commissioning of individual training kitchen equipment dated 17 July, 2023 at a contract price of Kshs.297,742,105. The commencement date was 16 July, 2023 and completion date of 30 October, 2025. However, as per interim payment certificate No.7 dated 07 October, 2025, the following anomalies were noted;

- i) Outstanding works of Kshs.85,561,292 representing 29% of the contract,
- ii) Failure to deliver furniture and teaching aids even though approval was given to use contingency sum of Kshs.19,000,000,
- iii) IPC 7 indicate imposed penalty of Kshs.565,710 for delayed completion of work for 38 days and not 90 days leading to undercharging of Kshs.279,679.

In the circumstances, value for money of Kshs.187,082,361 so far paid to the Contractor could not be confirmed.

### **3. Failure to Deduct and Remit Public Procurement Capacity Building Levy**

Note 11 to the financial statement reflects expenditure of Kshs.305,992,692 on general expenses. However, review of payments for signed contracts of Kshs.68,796,431 revealed that Kshs.20,636 being procurement capacity building levy of 0.03% was not deducted and remitted to Public Procurement and Regulatory Authority as required by Legal Notice No. 206 of 2023.

In the circumstances, Management was in breach of Legal Notice No 206 of 2023.

### **4. Long Outstanding Trade Payables**

The statement of financial position and as disclosed in Note 17 to the financial statements reflects payables balance of Kshs.1,266,383,778. However, included in the balance are

trade payables balance of Kshs.890,691,615 which had been outstanding for more than one (1) year. This was contrary to Section 53 (8) of the Public Procurement and Asset Disposal Act, 2015 which states that 'an Accounting Officer shall not commence any procurement proceedings until satisfied that sufficient funds to meet the obligations of the resulting contracts are reflected in approved budget estimates.

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

The audit was conducted in accordance with ISSAI 3000 and ISSAI 4000. The standards require 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 comply 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, except for the effect of the matters described in the Basis for Conclusion on Effectiveness of Internal Controls, Risk Management and Governance sections of my report, I confirm that, nothing else has come to my attention to cause me to believe that internal controls, risk management and governance were not effective.

### Basis for Conclusion

#### 1. Ineffective System of Internal Control on Management of Revenue and Other Receipts

Review to confirm efficiency and effectiveness of system of internal controls on revenue management revealed, cash payments of Kshs.18,545,879 at Utalii Hotel. However, instances of late banking of cash collected by up to 30 days and failure to link the Hotel system accounting system to banks was noted.

In the circumstances, internal controls to secure revenue collections against fraud and errors could not be confirmed.

#### 2. Council Expenditures

Note 7 to the financial statements reflects Council's expenditure of Kshs.23,586,339. However, the following matters were noted from the review of Council operations,

##### 2.1 Unauthorized Special Sitings

Examination of the Board expenditure revealed that committees held nine (9) special meetings at a total cost of Kshs.1,092,266. However, there was no evidence that the special sittings were approved by the Cabinet Secretary in consultation with State Corporations Advisory Council (SCAC).

## **2.2 Irregular Council Engagement in Management Functions**

Included in the Council expenses is an amount of Kshs.1,218,226 relating to sitting allowance, mileage and daily subsistence allowance paid to Board members for field inspection visits. This was contrary to Chapter 1.22 of Mwongozo code of governance for State Corporations which stipulates that the role of the Board should clearly be separated from that of Management.

In the circumstances, the Council was in breach of the Mwongozo guidelines and may have usurped Management functions and thereby limiting its oversight responsibilities.

The audit was conducted in accordance with ISSAI 2315 and ISSAI 2330. The standards require that I plan and perform the audit to obtain assurance about whether effective processes and systems of internal controls, risk Management and overall governance were operating effectively in all material respects. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my conclusion.

### **Responsibilities of the Management and Colleges Council**

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 controls 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 controls, risk management and governance.

In preparing the financial statements, Management is responsible for assessing the College's ability to continue as a going concern , disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless Management is aware of the intention 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 comply with the authorities which govern them and that public resources are applied in an effective way.

The College's Council 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**

My responsibility is to conduct an audit of the financial statements in accordance with Article 229(4) of the Constitution, Section 35 of the Public Audit Act, 2015 and the International Standards of Supreme Audit Institutions (ISSAIs). The standards require that, in conducting the audit, I obtain reasonable assurance about whether the financial statements as a whole are free from material misstatements, whether due to fraud or error and to issue an auditor's report that includes my opinion in accordance with Section 48 of the Public Audit Act, 2015. 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 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 conducting the audit, Article 229(6) of the Constitution also requires that I express a conclusion on whether or not 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 addition, I consider the entity's control environment 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.

Further, I am required to submit the audit report in accordance with Article 229(7) of the Constitution.

Detailed description of my responsibilities for the audit is located at the Office of the Auditor-General's website at: <https://www.oagkenya.go.ke/auditor-generals-responsibilities-for-audit/>. This description forms part of my auditor's report.

  
FCPA Nancy Gathungu, CBS  
**AUDITOR-GENERAL**

**Nairobi**

**15 December, 2025**

**Kenya Utalii College,**

**Annual Report and Financial Statements For The Year Ended 30th June 2025**

**STATEMENT OF FINANCIAL PERFORMANCE FOR THE YEAR ENDED 30TH JUNE 2025**

	Note	2024/2025	2023/2024
		Kshs	Kshs
<b>Revenue from non-exchange transactions</b>			
Incomes from non commercial transact	3	699,349,262	658,349,262
		<b>699,349,262</b>	<b>658,349,262</b>
<b>Revenue from exchange transactions</b>			
Revenue From Commercial Activities	4	57,573,773	45,049,537
Utalii Hotel Net Profit(Loss)	4b	(54,520,714)	(55,854,804)
Revenue From Commercial Activities	4a	77,555,705	50,295,317
Fees From Students	5	134,014,676	119,782,897
		<b>214,623,439</b>	<b>159,272,946</b>
<b>Total revenue</b>		<b>913,972,701</b>	<b>817,622,207</b>
<b>Expenses</b>			
Employee costs	6	500,114,989	462,939,370
College Council Expenses	7	23,586,339	28,007,736
Depreciation and amortization expense	8	53,051,844	45,697,579
Repairs and maintenance	9	24,751,811	37,688,010
Contracted services	10	28,557,254	34,458,039
General expenses	11	305,992,692	309,625,065
<b>Total expenses</b>		<b>936,054,929</b>	<b>918,415,801</b>
<b>Deficit before tax</b>		<b>(22,082,227)</b>	<b>(100,793,593)</b>
Taxation (Note Kenya Utalii College is a training Institution hence exempted from Corporate tax)			
<b>Deficit before tax</b>		<b>(22,082,227)</b>	<b>(100,793,593)</b>

The notes on page 6 - 29 form an integral part of the financial statements

**Approval of the financial statements**

The College's financial statements were approved by the College Council and signed on its behalf by:

Name:  
Principal & CEO

*Mamogendi*

Date

*9/12/2025*

Name: *Benzid K. Chikwony*  
Head of Finance  
ICPAK M/No:

Date

*7192*  
*8/12/2025*

Name:  
Chairman, College Council

Date

*9/12/2025*

Kenya Utalii College,  
Annual Report and Financial Statements For The Year Ended 30th June 2025  
**STATEMENT OF FINANCIAL POSITION AS AT 30TH JUNE 2025**

	Note	2024/2025 Kshs	2023/2024 Kshs
<b>Assets</b>			
<b>Current assets</b>			
Cash and cash equivalents	12	322,258,748	342,465,832
Receivables from exchange transactions	13	331,987,464	335,460,932
Receivables from non-exchange transactions	14	200,245,661	180,351,681
		<b>854,491,872</b>	<b>858,278,445</b>
Inventories	15	24,991,948	17,259,484
		<b>879,483,820</b>	<b>875,537,929</b>
<b>Non-current assets</b>			
Staff Loans Fund	21	24,666,385	24,018,122
Property, plant and equipment	28	6,437,473,773	6,366,981,339
Intangible Assets	26	2,561,687	4,269,480
		<b>6,464,701,846</b>	<b>6,395,268,941</b>
<b>Total assets</b>		<b>7,344,185,666</b>	<b>7,270,806,870</b>
<b>Liabilities</b>			
<b>Current liabilities</b>			
Refundable deposits to customers	16	4,147,108	4,980,056
Trade and other payables from exchange trans	17	1,266,383,778	1,214,423,037
Provisions	18	198,877,981	180,747,696
		<b>1,469,408,866</b>	<b>1,400,150,789</b>
<b>Non-current liabilities</b>			
Borrowings (GOK Loan)	19	122,000,000	122,000,000
Staff Loans Fund	21	24,666,385	24,018,123
<b>Total Non -Current Liabilities</b>		<b>146,666,385</b>	<b>146,018,123</b>
<b>Total Liabilities</b>		<b>1,616,075,252</b>	<b>1,546,168,912</b>
<b>Net Assets</b>			
Capital Reserve - Refurbishment of Utalii Ho	22	137,505,984	142,585,246
Revaluation Reserve	27	3,467,289,445	3,548,331,988
Accumulated Fund	24	1,651,314,984	1,611,720,723
Capital Grants	25	472,000,000	422,000,000
<b>Total Net Assets</b>		<b>5,728,110,413</b>	<b>5,724,637,957</b>
<b>Total Net Assets and Liabilities</b>		<b>7,344,185,666</b>	<b>7,270,806,870</b>

The notes on page 6 - 29 form an integral part of the financial statements

**Approval of the financial statements**

The College's financial statements were approved by the College Council and signed on its behalf by:

Name  
Principal & CEO

*Munyandi*

Date

*9/12/2025*

Name  
Head of Finance  
ICPAK M/No

*Bernard K. Chepkwony*  
*7192*

Date

*8/12/2025*

Name  
Chairman, College Council

*[Signature]*  
*9/12/2025*

Date

**Kenya Utalii College,**

**Annual Report and Financial Statements For The Year Ended 30th June 2025**

**STATEMENT OF CHANGES IN NET ASSETS FOR THE YEAR ENDED JUNE 2025**

**Attributable to the owners of the controlling entity**

**Reserves**

	Staff Loan	Accumulated	Capital	Capital Grants	Revaluation	TOTAL
	Fund	Surplus	Reserve		Reserve	
	Kshs	Kshs	Kshs	Kshs.	Kshs	Kshs
<b>As at 1st July 2023</b>	<b>23,369,700</b>	<b>1,631,471,773</b>	<b>147,664,508</b>	<b>125,000,000</b>	<b>3,629,374,532</b>	<b>5,556,880,513</b>
Hotel Reverses Account		-				-
Funds received during the year	648,423					648,423
Amortization on Revaluation Reserve charge for the year		81,042,544			(81,042,544)	-
Capital Grants				297,000,000		297,000,000
Grants Amortized			(5,079,262)			(5,079,262)
Deficit for the year		(100,793,593)				(100,793,593)
<b>Balance as at 30 June 2024</b>	<b>24,018,123</b>	<b>1,611,720,723</b>	<b>142,585,246</b>	<b>422,000,000</b>	<b>3,548,331,989</b>	<b>5,748,656,080</b>
As at 1st July 2024	24,018,123	1,611,720,723	142,585,246	422,000,000	3,548,331,989	5,748,656,080
Funds received during the year	648,262					648,262
Amortization on Revaluation Reserve charge for the year		81,042,544			(81,042,544)	-
Prior Year end Adjustment		(19,366,058)				
Capital Grants	-	-		50,000,000	-	50,000,000
Grants Amortized			(5,079,262)			(5,079,262)
Deficit for the year		(22,082,227)				(22,082,227)
<b>Balance as at 30 June 2025</b>	<b>24,666,385</b>	<b>1,651,314,981</b>	<b>137,505,984</b>	<b>472,000,000</b>	<b>3,467,289,446</b>	<b>5,772,142,853</b>

\* Prior Year end Adjustments: The figure Relates to Suppliers and Accruals for financial Year 2023/2024 who supplied in the current Financial year

Kenya Utalii College,  
Annual Report and Financial Statements For The Year Ended 30th June 2025

**STATEMENT OF CASHFLOW FOR THE YEAR ENDED 30TH JUNE 2025**

	Note	2024/2025 Kshs	2023/2024 Kshs
<b>Cash flows from operating activities</b>			
<b>Receipts</b>			
Grants from Government of Kenya -Recurrent	3	51,270,000	101,270,000
Revenue from Tourism Fund	3	643,000,000	552,000,000
Grants from Tourism Promotion Fund-Development	25	50,000,000	297,000,000
Rent Income Staff Housing Units	4	4,506,470	30,695,261
Finance income( Gain on Foreign Exchange)	4	-	99,605
Call Account -Accrued Interest	4	20,673,573	11,382,037
Other Income Receipts	4	7,265,547	2,872,633
Fees from Students	5	236,078,208	119,782,897
Revenue from Commercial Activities		77,555,705	50,295,317
Utalii Hotel Net Profit		(54,520,714)	(55,854,804)
<b>Total Receipts</b>		<b>1,035,828,789</b>	<b>1,109,542,945</b>
<b>Payments</b>			
Employee Cost		500,114,989	462,939,370
Board Expenses		23,586,339	28,007,736
Repairs and Maintainance		24,751,811	37,688,010
Contracted Services		28,557,254	34,458,039
Use Of Goods and Services		351,774,061	309,625,065
<b>Total Payments</b>		<b>928,784,454</b>	<b>872,718,222</b>
<b>Deficit for the year before tax</b>		<b>107,044,335</b>	<b>236,824,724</b>
<b>Adjusted for:</b>			
Contribution to provisions			3,204,031
Working capital adjustments:		-	-
Increase/Decrease in inventory		-	(2,103,928)
Increase/Decrease in receivables		-	(64,080,624)
Increase/Decrease in payables		-	186,755,847
<b>Net cash flows from/ ( Used in) operating activities</b>	20	<b>107,044,335</b>	<b>360,600,050</b>
<b>Cash flows from investing activities</b>			
Purchase of property, plant, equipment and intangible assets		(127,251,420)	(70,740,220)
<b>Net cash flows used in investing activities</b>	25	<b>(127,251,420)</b>	<b>(70,740,220)</b>
<b>Cash flows from financing activities</b>			
Repayment of borrowings		-	-
<b>Net cash flows used in financing activities</b>		<b>-</b>	<b>-</b>
<b>Net increase/(decrease) in cash and cash equivalents</b>		<b>(20,207,085.29)</b>	<b>289,859,830</b>
Cash and cash equivalents at 1 July 2024	12	342,465,833	128,660,176
<b>Cash and cash equivalents at 30 June 2025</b>	12	<b>322,258,748</b>	<b>342,465,833</b>

The notes on page 6 - 29 form an integral part of the financial statements

**Annual Report and Financial Statements For The Year Ended 30th June 2025**  
**Consolidated statement of comparison of budget and actual amounts for the year ended 30th June 2025**

	Original budget '2024/2025 Kshs	Adjustments Kshs	Final budget '2024/2025 Kshs	Actual on comparable basis '2024/2025 Kshs	Performance '2024/2025 Kshs	Utilisation	Reasons for Variances
<b>Revenue</b>							
Revenue from Tourism Fund	700,000,000	26,846,894	726,846,894	643,000,000	(83,846,894)	88	* Under funding by Tourism Fund
Revenue from Staff Housing	29,708,400	-	29,708,400	29,634,652	(73,748)	100	
Revenue from Government of Kenya	51,270,000	-	51,270,000	51,270,000	-	100	
Revenue from Obsolete & Discarded Equipment	2,600,000	-	2,600,000	27,939,120	25,339,120	1,075	
Revenue from Local Students	179,556,538	-	179,556,538	118,475,066	(61,081,472)	66	* Students Enrolled were not as per the Budget
Revenue from Foreign Students	68,520,000	-	68,520,000	15,539,610	(52,980,390)	23	* Students Enrolled were not as per the Budget
Revenue from commercial activities	113,547,892	-	113,547,892	114,715,548	1,167,656	101	* Increase in the no of Students Enrolled in pioneer courses
Revenue from hotel	221,667,029	-	221,667,029	138,836,317	(82,830,712)	63	* Increase in Conference sales( Food and Beverage)
<b>Total Revenue</b>	<b>1,366,869,859</b>	<b>26,846,894</b>	<b>1,393,716,753</b>	<b>1,143,469,893</b>	<b>(250,246,860)</b>	<b>82</b>	
<b>Expenses</b>							
Employee costs	578,050,435	-	578,050,435	500,114,989	77,935,446	87	*It includes Salaries for the Hotel
College Council Expenses	18,000,000	7,000,000	25,000,000	23,586,339	1,413,661	94	
Contracted services	23,557,722	5,000,000	28,557,722	28,557,254	468	100	
Repairs and maintenance	17,417,294	15,000,000	32,417,294	24,751,811	7,665,483	76	* It includes Repairs from the Hotel
Staff Medical Expenses	24,527,090	-	24,527,090	25,181,565	(654,475)	103	* Budget was Rationi;ized, and College Had Committed.
Insurance General	12,931,115	5,500,000	18,431,115	17,369,217	1,061,898	94	
Research Expenses	5,520,500	4,500,000	10,020,500	6,382,368	3,638,132	64	* Budget was Rationi;ized, and College Had Committed.
Traveling and Subsistence Expenses	3,863,519	6,000,000	9,863,519	11,338,284	(1,474,765)	115	* Budget was Rationi;ized, and College Had Committed.
Water & Sewerage	23,142,972	4,000,000	27,142,972	24,838,649	2,304,323	92	
Water, Light & power	30,241,406	5,000,000	35,241,406	32,621,287	2,620,119	93	
Printing and Stationery	2,408,934	5,190,967	7,599,901	4,326,088	3,273,813	57	
Postage and Telephone	2,783,626	-	2,783,626	2,635,896	147,730	95	
Entertainment and Public Relation	8,566,915	10,000,000	18,566,915	20,121,712	(1,554,797)	108	* Budget was Rationi;ized, and College Had Committed.
Professional Clothes & Uniforms	2,415,435	-	2,415,435	2,476,220	(60,785)	103	* Budget was Rationi;ized, and College Had Committed.
Publicity Assurance	1,424,850	-	1,424,850	1,253,196	171,654	88	
Repairs and Professional Services	9,562,854	-	9,562,854	5,046,331	4,516,523	53	
Renewal and Replacement	17,226,274	-	17,226,274	13,398,524	3,827,750	78	
Staff Development	6,742,300	4,000,000	10,742,300	22,883,932	(12,141,632)	213	* Budget was Rationi;ized, and College Had Committed.
Printing Fees	464,000	-	464,000	464,000	-	100	
Library Books	1,900,021	2,000,000	3,900,021	-	3,900,021	-	* Budget was Rationi;ized, and College Had Committed.
Staff and Students Recreation Activities	2,114,033	2,000,000	4,114,033	2,609,636	1,504,397	63	
Printing Materials	3,898,864	1,500,000	5,398,864	2,003,576	3,395,288	37	
Staff Welfare	4,546,534	2,000,000	6,546,534	2,744,625	3,801,909	42	* Budget was Rationi;ized, and College Had Committed.
Students Training Expenses	62,725,980	36,500,000	99,225,980	89,517,043	9,708,937	90	* Budget was Rationi;ized, and College Had Committed.
Depreciation	9,269,477	-	9,269,477	53,051,844	(43,782,367)		
<b>Total Expenditure</b>	<b>873,302,150</b>	<b>115,190,967</b>	<b>979,223,640</b>	<b>917,274,387</b>	<b>71,218,730</b>		
<b>Surplus for the period</b>	<b>493,567,709</b>	<b>(88,344,073)</b>	<b>414,493,113</b>	<b>226,195,506</b>	<b>(321,465,589)</b>		
Finance Charges-Interest on Loans	1,956,150	500,000	2,456,150	796,825	1,659,325		
Capital Expenditure	152,634,094	-	152,634,094	94,750,640	57,883,454		
Hotel Expenses	152,634,094	-	152,634,094	94,750,640	57,883,454		
Employee Cost				1,482,231			
Repairs and Maintenance				2,165,302			
Contracted Services				67,195,593			
Cost of Sales				26,588,006			
General Expenses				37,159,843			
Expenses from Commercial Activities				18,130,284			
Increase in Provision for Bad and Doubtful Debts				248,277,733			
				<b>(22,082,227)</b>			

<b>Balance as per Comprehensive income</b>				
<b>Budget Reconciliation</b>	Operating	Financing	Investing	Total
<b>Actual amounts on comparable basis presented</b>	(22,082,227)			(22,082,227)
<b>Difference between the budget and actual comparative Statement</b>				
Timing Difference	342,465,832			342,465,832
Classification Difference				
Analysis Differences	1,875,143			1,875,143
<b>Actual in the statement of Cashflows</b>	<b>320,383,605</b>			<b>322,258,748</b>

**Kenya Utalii College,**  
**Notes to the Financial Statements for the year ended 30<sup>th</sup> June 2025**

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**I. NOTES TO THE FINANCIAL STATEMENTS**

**1. Statement of compliance and basis of preparation –IPSAS 1**

The entity's 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 (Kshs), which is the functional and reporting currency of the entity. The accounting policies have been consistently applied to all the years presented.

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

The Institution will be in existence for the next one year and will meet its short term obligations as they arise.

**2. Summary of significant accounting policies**

**a) Revenue recognition IPSAS 23**

**i) Revenue from non-exchange transactions**

**a) Related party transactions**

**i. Revenue from Tourism Fund**

This is the revenue collected by Tourism Fund from hotels and restaurants to cater for both training and marketing needs in the hotel and tourism sector. It is shared between Kenya Utalii College, Kenya Tourism Board and Tourism Fund in accordance with approved budgets. The College Received Ksh. 643,000,000.

**ii. Grants from Government of Kenya**

This is in respect of assistance from the Government of Kenya During the year, through the Ministry of Tourism and Wildlife. It is recognized as revenue when received. The College received Kshs. 51,270,000 for recurrent. Where an official commitment is received from the government or timing differences occur between the time the Government sends the funds and actual receipt, the grants are accrued / deferred.

# **Kenya Utalii College,**

## **Notes to the Financial Statements for the year ended 30<sup>th</sup> June 2025**

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### **iii. Rent Income from Housing Units**

This is the income arising from rent charged to members of staff occupying the College's housing units. The college managed to generate ksh. 29,634,652 in the Year

### **ii) Revenue from exchange transactions –IPSAS 9**

#### **Rendering of Services-Fees revenue.**

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. The stage of completion is measured by reference to labour hours incurred to date as a percentage of total estimated labour hours.

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

Students' fees are recognized at the beginning of the term and cover the whole term. Fees paid in advance are treated as liabilities to the College whereas fees in arrears are treated as receivables. Other revenues are recognized in the period they are earned net of VAT and discounts.

#### **Revenue from Commercial Activities**

This represents revenue generated from part-time courses and other revenue generating activities by the various departments. This amount is shown net of direct expenses.

#### **Sale of Goods and Services -Utalii Hotel**

Revenue from the sale of goods and services is recognized when the significant risks and rewards of ownership have been transferred to the buyer, usually on delivery of the goods and services and when the amount of revenue can be measured reliably and it is probable that the economic benefits or service potential associated with the transaction will flow to the entity.

### **b) Budget Information IPSAS 24**

The annual budget is prepared on the accrual basis, that is, all planned costs and income are presented in a single statement to determine the needs of the College. 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.

## Kenya Utalii College,

### Notes to the Financial Statements for the year ended 30<sup>th</sup> June 2025

The original budget for FY 2024-2025 was approved by the National Assembly. Subsequent revisions or additional appropriations were made to the approved budget in accordance with specific approvals from the appropriate authorities.

#### c) Property, plant and equipment IPSAS 17

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. When significant parts of property, plant and equipment are required to be replaced at intervals, the entity recognizes such parts as individual assets with specific useful lives and depreciates them accordingly. Likewise, when a major inspection is performed, its cost is recognized in the carrying amount of the plant and equipment as a replacement if the recognition criteria are satisfied. 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 is calculated on straight line basis, at annual rates estimated to write-off carrying values of the assets over their expected useful lives.

The annual depreciation rates in use are:-

	Acres	Rate	Estimated Useful Life
Freehold Land		Nil	
Leasehold Land			
Main College	24.76		50 Years
Library Complex	7.004		66 Years
Utalii Sports Club	9.85		65 Years
Utalii Village	22.768		52 Years
Ronald Ngala Utalii College	60		73 Years
Buildings		2.5%	40 Years
Plant and Machinery		10%	10 Years
Furniture, Technical & Teaching Equipment		20%	5 Years
Motor Vehicles		25%	4 Years
Computers		30%	3 <sup>1</sup> / <sub>3</sub> Years
Intangible Assets		20%	5 Years

The assets residual values and useful lives are reviewed, and adjusted if appropriate, at each balance sheet date.

#### d) Inventories IPSAS 12

Inventories comprising of food, beverage and general merchandise together with returnable containers and drugs have been measured at the lower of cost and net realisable value.

## Kenya Utalii College,

### Notes to the Financial Statements for the year ended 30<sup>th</sup> June 2025

Net realisable 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.

#### e) Provisions –IPSAS 19

Provisions are recognized when the College has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits or service potential will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

f) A specific provision amounting to **Kshs 180,747,696** has been recognized. In addition a 5% general provision for doubtful debts has been created in the financial statement.

	<b>PROVISION FOR BAD AND DOUBFUL DEBTS</b>		
DETAILS	ACCOUNTS RECEIVABLE	SPECIFIC ACCOUNTS	TOTAL
SPECIFIC	68,744,746	112,002,950	<b>180,747,696</b>
5% 2024-2025 PROVISION	13,756,424	4,373,861	<b>18,130,285</b>
5% 2023-2024 PROVISION	14,007,583	3,301,676	<b>17,309,259</b>

#### g) Nature and Purpose of Reserves

The College creates and maintains reserves in terms of specific requirements. The following are the reserves that are maintained by the College and their appropriate policies adopted.

##### Revaluation Reserve

The College's Assets were revalued in October 2014 by an independent Valuer, Nile Real Appraisers (EA) Ltd. The Revaluation exercise was carried out in order to establish the fair carrying value of the assets. This resulted in a revaluation surplus of kshs 4,320,753,492. Depreciation on the revaluation surplus is charged to the revaluation Reserve Account

**Kenya Utalii College,**  
**Notes to the Financial Statements for the year ended 30<sup>th</sup> June 2025**

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**Capital Reserve – Refurbishment of Utalii Hotel and Individual Kitchen**

During the 2003/2004, 2005/2006 and 2007/2008 financial years, the College received capital grants from the Government of Kenya and Special Capital Grant from Catering and Tourism Development Levy Trustees to refurbish Utalii Hotel and Individual Training Kitchen amounting to Kshs.113,170,486, 15,000,000 and 30,000,000 respectively. These grants are amortized over the expected useful life of the building and useful life of the Equipment on a straight line basis.

The balance has been arrived at as follows:

	<b>2024/2025</b>	<b>2023/2024</b>
	<b>Kshs.</b>	<b>Kshs.</b>
Balance at beginning of year	142,585,246	147,664,508
Less: Amortization	5,079,262	5,079,262
<b>Balance at end of year</b>	<b>137,505,984</b>	<b>142,585,246</b>

**h) Employee benefits IPSAS 25**

**Retirement Benefit Obligations**

The College operates a defined contribution benefits scheme for its permanent employees. The assets of the scheme are held in a separate trustee administered fund that is funded by both the College and employees.

The contribution by the Employer and Employee depends on the grade and it varies from one grade to the other.

The College also contributes to a statutory defined contribution pension scheme, the National Social Security Fund (NSSF). Contributions are determined by NSSF Act and are currently limited to Kshs.200 per employee per month. The College’s contributions to the above schemes are charged to the income and expenditure account in the year to which they relate.

**i) 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. Bank account balances include amounts held at various commercial banks at the end of the financial year.

## Kenya Utalii College,

### Notes to the Financial Statements for the year ended 30<sup>th</sup> June 2025

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#### i) Taxation

Kenya Utalii College is exempted from taxation under the first schedule of the Income Tax Act Cap 470.

#### j) Contingent Liabilities and Assets

##### Contingent Asset

There were no contingent assets that could lead to possible inflow of resources embodying economic benefits or service potential for the period.

##### Contingent Liability

There were contingent liabilities that could lead to possible outflow of resources as indicated below:

NO	Name	Amount
1	Unispan Vs KUC	45,567,795.44
2	Obura Mbeche & Company Advocates VS KUC	5,000,000
3	Quality Meat packers Vs KUC	1,135,488.9
4	KRA VS KUC	70,158,622.93
5	Christopher Wesambe Maende Vs KUC	363,110
	<b>Total</b>	<b>122,225,017.27</b>

#### k) Capital Commitments

There were no capital commitments During the Year.

#### l) Financial Instruments-IPSAS 29

##### Financial Assets

##### Staff Loans Scheme Fund and Receivables

Loans and receivables are non- derivative financial assets with fixed or determinable payments that are not quoted in an active market. The receivables include trading debtors, student debtors and the staff loan scheme fund.

After initial measurement the financial assets are subsequently measured at amortized cost using the effective interest method less impairment. Losses arising from impairment are recognized in the surplus or deficit.

## **Kenya Utalii College,**

### **Notes to the Financial Statements for the year ended 30<sup>th</sup> June 2025**

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The Entity assesses at each reporting date whether there is objective evidence that a financial asset is impaired. A financial asset is deemed to be impaired if, and only if, there is objective evidence of impairment as a result of one or more events that has occurred after the initial recognition of the asset (an incurred 'loss event') and that loss event has an impact on the estimated future cash flows of the financial asset that can be reliably estimated. Evidence of impairment may include the following indicators:

- The debtors or an entity of debtors are experiencing significant financial difficulty
- Default or delinquency in interest or principal payments
- The probability that debtors will enter bankruptcy or other financial reorganization
- Observable data indicates a measurable decrease in estimated future cash flows (e.g. changes in arrears or economic conditions that correlate with defaults)

#### **Financial Liabilities**

##### **Staff Loans Scheme Fund and GOK Loan**

Financial liabilities are classified as financial liabilities at fair value through surplus or deficit or loans and borrowings, as appropriate. The Entity determines the classification of its financial liabilities at initial recognition. The liabilities include GOK loan and the staff loan scheme fund

All financial liabilities are recognized initially at fair value and, in the case of loans and borrowings, plus directly attributable transaction costs.

After initial recognition, interest bearing loans and borrowings are subsequently measured at amortized cost using the effective interest method. Gains and losses are recognized in surplus or deficit when the liabilities are derecognized as well as through the effective interest method amortization process.

Amortized cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the effective interest rate.

##### **m) Subsequent Events IPSAS 14**

There have were no events subsequent to the financial year end with a significant impact on the financial statements for the year ended 30<sup>th</sup> June 2025

##### **n) Significant Judgements and Sources of Estimation Uncertainty**

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. When significant parts of property, plant and equipment are required to be replaced at intervals, the entity recognizes such parts as individual assets with specific useful lives and depreciates them accordingly. Likewise, when a major inspection is performed, its cost is recognized in the carrying amount of the plant and equipment as a replacement if the recognition

## Kenya Utalii College,

### Notes to the Financial Statements for the year ended 30<sup>th</sup> June 2025

criteria are satisfied. 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 is calculated on straight line basis, at annual rates estimated to write-off carrying values of the assets over their expected useful lives.

The annual depreciation rates in use are:-

	Acres	Rate	Estimated Useful Life
Freehold Land		Nil	
Leasehold Land			
Main College	24.76		50 Years
Library Complex	7.004		66 Years
Utalii Sports Club	9.85		65 Years
Utalii Village	22.768		52 Years
Ronald Ngala Utalii College	60.00		73 Years
Buildings		2.5%	40 Years
Plant and Machinery		10%	10 Years
Furniture, Technical & Teaching Equipment		20%	5 Years
Motor Vehicles		25%	4 Years
Computers		30%	3 <sup>1</sup> / <sub>3</sub> Years

The assets residual values and useful lives are reviewed, and adjusted if appropriate, at each balance sheet date.

Inventories comprising of food, beverage and general merchandise together with returnable containers and drugs have been measured at the lower of cost and net realisable value.

Provisions are recognized when the College has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits or service potential will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

A specific provision amounting to Kshs 180,747,696 has been recognized. In addition a 5% general provision for doubtful debts has been created in the financial statement.

DETAILS	PROVISION FOR BAD AND DOUBFUL DEBTS		TOTAL
	ACCOUNTS RECEIVABLE	SPECIFIC ACCOUNTS	
SPECIFIC	68,744,746	112,002,950	180,747,696
5% 2024-2025	13,756,423	4,373,861	18,130,285

# Kenya Utalii College,

## Notes to the Financial Statements for the year ended 30<sup>th</sup> June 2025

PROVISION			
5% 2023-2024 PROVISION	14,007,583	3,301,676	17,309,259

### o) Related Parties IPSAS 20

The key management personnel are the members of College management and College Council. The College Council consists of members appointed by the Cabinet Secretary Ministry of Tourism & Wildlife as set out in the Tourism Act of 2011.

The key management personnel who held office during the financial year ended 30<sup>th</sup> June 2024 and who had direct fiduciary responsibility were:

#### College Management;

<u>No.</u>	<u>Designation</u>	<u>Name</u>
1.	Principal /Chief Executive Officer	Mr. Mark R.Ogendi
2.	Ag. Director Academic Affairs	Mr. Peter M. Muindi
3.	Director Finance & Accounting	Mr. Bernard K. Chepkwony
4.	Ag. Director Utalii Hotel	Ms. Rosalind Gicheru
5.	Ag.Human Resource& Administration	Mr. Moses Nyagundi
6.	Ag.Director strategy and Enterprise Development.	Dr. Lilian Gikutha
7.	Ag.Deputy Director Internal Audit and Risk Assurance.	Ms. Jane Kawira

#### College Council;

<u>No.</u>		<u>Name</u>
1.	David Omusotsi Wamatsi	Chairman
2.	Ms. Jane Adam	Member
3.	Mr. Bryan Waruhiu	Member
4.	Ms. Mary Sande	Member
5.	Mr. Peter Simon Ngori	Member
6.	Ms.Rose polyne Nyambura	Member
7.	Mr. Darius Mogaka ogutu	Member
8.	Mr.David k. Mwangi	Member
9.	Mr. John Odek Odek	Member
10.	Mr. Robert Kamau kamiti	Member

**Kenya Utalii College,**  
**Notes to the Financial Statements for the year ended 30<sup>th</sup> June 2025**

The following transactions were carried out with related parties;

	<b>2024/2025</b>	<b>2023/2024</b>
i) College Council remuneration		
Allowances paid to Council	23,586,339	26,150,873
ii) Grants from related parties		
Grants from Government (GOK)	51,270,000	101,270,000
Grants from Tourism Fund (TF)	643,000,000	552,000,000

**p) Comparative Figures**

Where necessary comparative figures for the previous financial year have been amended or reconfigured to conform to the required changes in presentation.

**q) Intangible Assets IPSAS 31**

Intangible assets acquired separately are initially recognized at cost. The cost of intangible assets acquired in a non-exchange transaction is their fair value at the date of the exchange. Following initial recognition, intangible assets are carried at cost less any accumulated amortization and accumulated impairment losses. Internally generated intangible assets, excluding capitalized development costs are not capitalized and expenditure is reflected in surplus or deficit in the period in which the expenditure is incurred.

The useful life of the intangible assets is assessed as either finite or indefinite. Amortization is calculated on a straight line basis over estimated useful lives not exceeding period of 5 years.

**r) Changes in accounting policies and estimates-IPSAS 3**

The entity recognizes the effects of changes in accounting policy retrospectively. The effect of changes in accounting policy are applied prospectively if retrospective application is impractical

**s) Ultimate and Holding Entity**

The entity is a State Corporation under the Ministry of Tourism and Wildlife. Its ultimate parent is the Government of Kenya

**t) Currency**

The Financial Statements are presented in Kenya Shillings (Kshs)

**u) Events after the reporting period**

There are no material non-adjusting events after the reporting date

**Kenya Utalii College,**

Annual Report and Financial Statements For The Year Ended 30th June 2025

Notes to the Financial Statements for the year ended 30th June 2025

**3. Incomes From Non Commercial (Exchange) Activities/Transactions**

	2024/2025 Kshs	2023/2024 Kshs
Grants from Government of Kenya -Recurrent	51,270,000	101,270,000
Revenue from Tourism Fund	643,000,000	552,000,000
Capital Grants from Government of Kenya - amortization	5,079,262	5,079,262
<b>Total</b>	<b>699,349,262</b>	<b>658,349,262</b>

**4) Revenue from Commercial ( Exchange Activities)**

Rent Income from Staff housing	29,634,652	30,695,261
Other Income Receipts	7,265,547	2,872,633
Gain On Foreign Exchange	-	99,605.37
Call Account-accrued Interest	20,673,573	11,382,036.8
	<b>57,573,773</b>	<b>45,049,537</b>

**Other Incomes**

This comprises of

	2024/2025 Kshs	2023/2024 Kshs
Sale of Discarded items	57,961	921,386
Identity cards & Lost items	476,440	476,421
Sale of Meal vouchers	911,350	657,935
Food Fair	511,545	560,320
Other Miscellaneous Income	2,625,300	158,551
Decrease in Provision for Bad Debts	-	-
Graduation fee	2,682,951	98,020
<b>Total</b>	<b>7,265,547</b>	<b>2,872,633</b>

**3b) Transfers from Ministries , Departments and Agencies (MDAs)**

Name of the Entity Sending the Grant	Amount recognized to Statement of Financial Performance	
	2024/2025 Kshs	2023/2024 Kshs
Ministry of Tourism	51,270,000	101,270,000
Tourism Fund	643,000,000	552,000,000

**Kenya Utalii College,**

Annual Report and Financial Statements For The Year Ended 30th June 2025

Notes to the Financial Statements for the year ended 30th June 2025

**4a. Revenue from Commercial (Exchange) Activities**

This represents revenue generated from part-time courses and other revenue generating activities by the various departments. This amount is shown net of direct expenses, and is summarized as follows:

	2024/2025	2023/2024
	Kshs	Kshs
Self Sponsored Courses	7,001,747	14,101,363
Pioneer Courses	53,699,784	44,229,016
MDP & Refresher Courses	1,314,950	1,646,050
Bakery Sales	21,204	40,895
Laundry Services	8,051,000	5,600,289
Sports Club Bar Sales	1,251,929	996,572
Jifunze Bar Sales	70,000	65,665
Hire of facilities - Grounds and Hostels	30,567,029	36,417,304
Bookshop Sales & Photocopying	48,600	333,927
Degree Programmes	670,800	-
Consultancy	12,018,505	3,742,350
<b>Sub-Total</b>	<b>114,715,548</b>	<b>107,173,431</b>
Less: Direct Expenses	37,159,843	56,878,115
<b>Total</b>	<b>77,555,705</b>	<b>50,295,317</b>

**Note:**

Direct Expenses

Expenses that are incurred in Generation of the above Revenues. ( commercial activities, degree programme, Rent expenses)

**Kenya Utalii College,**

Annual Report and Financial Statements For The Year Ended 30th June 2025

Notes to the Financial Statements for the year ended 30th June 2025

Kenya Utalii College,

Notes to the Financial Statement for the year ended 30th June 2025

<b>UTALII HOTEL TRADING. ACCOUNT</b>					
<b>4.b FOR THE YEAR ENDED 30TH JUNE 2025</b>					
			2024/2025	2023/2024	
			Kshs	Kshs	
<b>Revenue from exchange transactions</b>					
Hotel Room sales			21,765,013		21,435,321
Hotel Food Sales			86,051,010		110,839,691
Hotel Beverage Sales			20,269,738		25,160,717
Other Income Receipts			6,879,536		9,438,493
GYM			3,871,020		4,602,164
<b>Total revenue</b>			<b>138,836,317</b>		<b>171,476,386</b>
<b>Less: Cost of Sales</b>			<b>67,195,593</b>		<b>74,654,665</b>
<b>Gross Profit</b>			<b>71,640,724</b>		<b>96,821,721</b>
<b>Expenses</b>					
Employee costs			94,759,649		109,681,799
Repairs and maintenance			1,482,231		4,049,974
Contracted services			2,165,302		4,236,339
General expenses			26,588,006		33,566,827
Finance costs			1,166,250		1,141,586
<b>Total expenses</b>			<b>126,161,438</b>		<b>152,676,525</b>
Surplus / Deficit before tax			(54,520,714)		(55,854,804)
<b>Surplus / Deficit for the period</b>			<b>(54,520,714)</b>		<b>(55,854,804)</b>
Number of staff	Permanent	65			68
	Contract	4			4
<b>5. Fees From Students</b>					
			2024/2025	2023/2024	
			Kshs	Kshs	
<b>Actual</b>					
Fees From Local Students			114,415,486		103,261,585
Fees From Foreign Students			15,539,610		11,752,546
Application Fees			116,530		1,248,781
Examination & First Aid Fee			3,943,050		3,519,985
<b>Total</b>			<b>134,014,676</b>		<b>119,782,897</b>
<b>Grand Revenue Total</b>			<b>913,972,701</b>		<b>772,572,671</b>

**Kenya Utalii College,**

Annual Report and Financial Statements For The Year Ended 30th June 2025

Notes to the Financial Statements for the year ended 30th June 2025

**6. Employee costs**

		2024/2025		2023/2024	
		Kshs		Kshs	
<b>Employee related costs</b>					
Salaries - Expatriate Staff		2,253,691		4,749,360	
Salaries - Permanent Academic Staff		214,550,804		164,503,644	
Salaries - Part-time Academic		4,375,588		2,680,579	
Salaries - Administrative Staff		278,934,906		291,005,786	
<b>Total</b>		<b>500,114,989</b>		<b>462,939,370</b>	
<b>Number of staff</b>					
	Permanent	320		345	
	Contracts	30		20	
	Interns	6		4	

**7. College Council Expenses**

		2024/2025		2023/2024	
		Kshs		Kshs	
Sitting Allowance		9,480,000		9,613,440	
Travelling And Subsistence		6,875,250		8,588,165	
Honararia		880,000		960,000	
Mileage Allowance		1,878,416		2,571,643	
Other Allowance		4,472,673		6,274,488	
<b>Total</b>		<b>23,586,339</b>		<b>28,007,736</b>	

**8. Depreciation and amortization expense**

		2024/2025		2023/2024	
		Kshs		Kshs	
Property, plant and equipment		53,051,844		45,697,579	
<b>Total</b>		<b>53,051,844</b>		<b>45,697,579</b>	

**9. Repairs and Maintenance**

		2024/2025		2023/2024	
		Kshs		Kshs	
Maintenance and Repair of Buildings		4,310,213		5,060,156	
Maintenance and Repair of Equipment		4,240,945		11,941,227	
Maintenance and Repair of Vehicles		16,200,653		20,686,627	
<b>Total</b>		<b>24,751,811</b>		<b>37,688,010</b>	

**10. Contracted Services**

		2024/2025		2023/2024	
		Kshs		Kshs	
Contracted Services		28,557,254		34,458,039	
<b>Total</b>		<b>28,557,254</b>		<b>34,458,039</b>	

**Kenya Utalii College,**

Annual Report and Financial Statements For The Year Ended 30th June 2025

Notes to the Financial Statements for the year ended 30th June 2025

**11. General Expenses**

The following are included in General expenses

	2024/2025	2023/2024
	Kshs	Kshs
Medical Expenses	25,181,565	22,101,804
Staff Development	22,883,932	12,255,113
Staff and Students' Recreation Activities	2,609,636	4,024,553
Staff Welfare	2,744,625	9,590,683
Travelling and Subsistence Expenses	11,338,284	12,133,137
Industrial Training Expenses	5,234,688	7,975,994
Special Courses	7,822,039	10,250,926
Class Text Books, Library Books, & Periodicals	-	1,520,211
External Examination Expenses	671,434	1,356,253
Research Expenses	6,382,368	6,682,024
Bursaries Expenses	1,473,210	1,910,997
Professional Clothes and Uniforms	2,476,220	7,276,552
Food and Beverage	68,796,431	74,303,792
Printing and Stationery	4,326,088	4,961,790
Cleaning Materials	2,003,576	4,756,668
Entertainment and Public Relations	20,121,712	18,533,171
Renewal and Replacement	13,398,524	8,795,843
Heat, Light and power	32,621,287	42,085,939
Water, Sewerage and Land Rates	24,838,649	26,061,387
Food fair Expenses	38,900	-
Postage and Telephone	2,635,896	2,169,410
Licences and Professional Services	5,046,331	7,165,792
Quality Assurance	1,253,196	1,451,642
Alumni, Placement & Collaboration	5,333,772	5,254,711
Finance Costs	796,825	831,009
Increase in Provision for Bad and Doubtful Debts	18,130,284	3,204,031
Insurances	17,369,217	12,507,633
Audit fee	464,000	464,000
<b>Total</b>	<b>305,992,692</b>	<b>309,625,065</b>

**Kenya Utalii College,**

Annual Report and Financial Statements For The Year Ended 30th June 2025

Notes to the Financial Statements for the year ended 30th June 2025

**Provision For Bad and Doubful Debts for the year Ended 30th June 2025**

	2024/2025 Kshs	2023/2024 Kshs
Increase(Decrease in Provision for bad and doubtful debts)	18,130,284	3,204,031
<b>Total</b>	<b>18,130,284</b>	<b>3,204,031</b>

**Finance costs for the year ended 30th June 2025**

	2024/2025 Kshs	2023/2024 Kshs
Bank Charges	788,846	831,009
(Loss)Gain on Foreign Exchange	7,979	(99,605)
<b>Total</b>	<b>796,825</b>	<b>731,403</b>
<b>Grand Expenses Total</b>	<b>936,054,929</b>	<b>918,415,801</b>

**12. Cash and cash equivalents**

	2024/2025 Kshs	2023/2024 Kshs
Cash in Hand -College		
Cash in Hand -Hotel		103,085
<b>Cash at Bank -College</b>		
Co-Operative -Nairobi	12,644,233	3,466,598
Co-Operative -Mombasa	-	3,143
Co-Operative -Kisumu	50,071	14,517
Co-Operative -Development Account	250,294,210	296,138,972
ABSA - Shillings	21,346,357	4,482,421
ABSA - Foreign	4,689,990	1,810,839
KCB-Main-Shillings	2,100,346	
KCB-Foreign	106,800	
<b>Cash at Bank -Hotel</b>		
Co- Operative - Shillings	3,472,446	10,634,367
Co- Operative - Foreign	4,835,969	2,464,758
Floats -College	5,130,948	5,703,628
Floats & M-Pesa	3,686,644	4,362,248
E-Citizen Fee	13,900,734	13,281,257
	<b>322,258,748</b>	<b>342,465,832</b>

**Kenya Utalii College,**

Annual Report and Financial Statements For The Year Ended 30th June 2025

Notes to the Financial Statements for the year ended 30th June 2025

<b>12(a). Cash and cash equivalents</b>			
<b>a) Current account</b>			
ABSA-Shillings	0945027746	21,346,357	4,482,421
ABSA-Foreign	022700324	4,689,990	1,810,839
Co-operative Bank of Kenya	01129070937100	12,644,233	3,466,598
Co-operative Bank of Kenya	01129070937101	-	3,143
Co-operative Bank of Kenya	01129070937102	50,071	14,517
Co-operative Bank of Kenya-Hotel	01136070937100	3,472,446	10,634,367
Co-operative Bank of Kenya-Hotel	02120070070937100	4,835,969	2,464,758
KCB-Main-Shillings	1336306580	2,100,346	
KCB-Foreign	1336338687	106,800	
			<b>22,876,642</b>
<b>c) On- Call Deposits</b>			
Co-operative Bank of Kenya	01150070937102	250,294,210	296,138,972
		<b>250,294,210</b>	<b>296,138,972</b>
<b>d) Others</b>			
Cash In Hand-College			-
Cash In Hand-Hotel			103,085
Floats-College		5,130,948	5,703,628
Floats -Hotel		3,686,644	4,362,248
E-Citizen Fee		13,900,734	13,281,257
		22,718,326	23,450,218
<b>Grand Total</b>		<b>273,012,536</b>	<b>342,465,832</b>

**13. Receivables from exchange transactions/Trade and other receivables**

	2024/2025	2023/2024
	Kshs	Kshs
<b>Current receivables</b>		
College Accounts Receivable College	44,605,767	40,611,944
Project Debtors-Bomas	45,566,676	45,566,676
Hotel Accounts Receivable	177,313,229	184,080,646
Students' Accounts Receivable	63,389,690	64,316,838
Hotel Staff Debtor	1,112,102	884,828
<b>Total current receivables</b>	<b>331,987,464</b>	<b>335,460,932</b>
<b>Non-current receivables</b>		
<b>Total non-current receivables</b>		
<b>Total receivables</b>	<b>331,987,464</b>	<b>335,460,932</b>

**Kenya Utalii College,**

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Notes to the Financial Statements for the year ended 30th June 2025

Ageing analysis:( Trade and Other Payables)	2024/2025	% of the Total	2023/2024	% of the Total
	Kshs		kshs	
Under one Year	1,112,102.00	0	884,828	0
1-2 Years	63,389,690	19	64,316,838	19
2-3 Years	267,485,671.89	81	184,080,646	55
Over 3 Years	-	-	86,178,619	26
<b>Total</b>	<b>331,987,464</b>		<b>335,460,932</b>	

**14. Receivables from non-exchange contracts/Special accounts receivables**

Current receivables	2024/2025	2023/2024
	Kshs	Kshs
Staff Advances Account College	3,716,799	955,483
Staff Advances Account Hotel	710,652	166,126
Imprests Account College	-	3,741,976
Medical Advances Account College	222,089	703,070
Imprest Account Hotel	153,300	304,115
Medical Advance-Hotel	143,290	
Curtain & Furniture Advances College	381,773	5,762,936
Curtain & Furniture Advances Hotel	328,659	1,482,019
Hospitalization Deposit	242,349	523,134
AHTSA	872,683	872,683
Warwick International	3,116,184	3,116,184
Kenya Revenue Authority	96,422,078	96,422,078
Total Taxes	22,181,753	-
Prepayments College and COD	-	911,515
Trade prepayments	59,548,421	59,548,421
Income From Gok	4,272,500	-
Prepayments Hotel and COD	4,890,037	3,598,846
Deposits	3,043,094	2,243,094
<b>Total current receivables</b>	<b>200,245,661</b>	<b>180,351,681</b>

14a) Aging analysis for Receivables from Exchange Transactions	2024/2025		2023/2024	% of the Total
	kshs		Kshs	
Description				
Under one Year	14,207,726	7	10,904,265	6
1-2 Years	82,440,606	41	66,793,376	37
2-3 Years	3,043,094	2	2,243,094	1
Over 3 Years	100,410,945	50	100,410,945	56
	<b>200,102,371</b>		<b>180,351,681</b>	

**Kenya Utalii College,**

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Notes to the Financial Statements for the year ended 30th June 2025


15. Inventories		2024/2025	2023/2024
		Kshs	Kshs
Food Stores -College		2,435,485	1,980,270
Food Stores -Hotel		2,856,985	3,068,405
Beverage Stores- College		1,987,174	1,058,772
Beverage Stores -Hotel		2,975,902	1,942,319
General and Maintenance -College		10,266,241	6,185,696
General and Maintenance -Hotel		1,579,417	1,747,131
Containers Stores- College		395,703	352,452
Containers Stores- Hotel		266,191	318,781
Zawadi Shop		68,414	68,414
Drugs Stores -College		2,160,436	537,245
<b>Total inventories at the lower of cost and net realizable value</b>		<b>24,991,948</b>	<b>17,259,484</b>

16. Refundable Deposits to Customers		2024/2025	2023/2024
		Kshs	Kshs
Hotel Deposits Account		4,147,108	4,980,056
<b>Total</b>		<b>4,147,108</b>	<b>4,980,056</b>

Ageing Analysis: Refundable Deposits	2024/2025		2023/2024	
	Kshs/2025	% of the Total	Kshs	% of the Total
Under one Year	1,850,710	45	2,340,000	47
1-2 years	921,798	22	334,516	7
2-3 years	472,200	11	623,140	13
Over 3 years	902,400	22	1,682,400	34
<b>Total</b>	<b>4,147,108.00</b>	<b>100</b>	<b>4,980,056</b>	<b>100</b>

**Kenya Utalii College,**

Annual Report and Financial Statements For The Year Ended 30th June 2025

Notes to the Financial Statements for the year ended 30th June 2025

17. Trade and other payables from exchange transactions	2024/2025	2023/2024
	Kshs	Kshs
	180,641,162	149,303,577
Accrued Expenses College	15,387,954	26,941,677
Accrued Expenses Hotel	227,943,346	204,531,189
Suppliers' Accounts College	64,885,280	73,574,120
Suppliers' Accounts Hotel	1,187,191	799,650
NHIF	15,612,398	30,054,435
P. A. Y. E	10,323,321	8,324,640
Affordable Housing	7,156,924	139,960
N S S F	15,000	459,073
Staff Shortages	784,318	362,223
Kenyuco Sacco	435,476	25,606,943
Kenyuco Housing Sacco	21,607,618	20,016
Pension Deductions	80,000	539,895
Select Management Services Ltd	1,168,714	12,150,122
Faulu Kenya Ltd	32,929,455	292,089
Other Staff Co-operative Societies	2,277,008	(25,879)
Barclays Bank Staff Loans Deductions	13,109	3,120,455
Standard Chartered Bank Loan Deduction	4,598,880	2,710,232
Staff Loans Scheme Deduction Account	2,621,670	3,659,481
Staff Service Charge Account College	909,384	24,808,408
Staff Service Charge Account Hotel	18,179,757	12,324,637
Salaries Control Account College	11,370,082	919,670
Payroll deduction Hotel	2,472,370	328,565
Utalii hotel	389,397	2,835,333
External exams (IATA) Contra	1,169,757	2,290,211
Insurance Claims and Others	2,871,761	
Staff Welfare Fund Account( SWACO)		

**Kenya Utalii College,**

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Notes to the Financial Statements for the year ended 30th June 2025

Pension Scheme Refunds Account			1,957,585			1,957,585
Deceased Special Fund Account			13,807,511			17,374,196
Prepaid Fees Account			21,350,401			26,341,999
University of Surrey			351,931			351,931
Total Taxes			-			(14,196,291)
Training Levy college			386,641			386,641
Catering Levy College			1,021,286			1,021,286
Catering Levy Hotel			14,151,193			11,247,602
Students' Caution Money			9,896,642			9,220,642
Prepayments College and COD			1,421,971			-
Students' Council Account KUCSA			114,771			357,190
Degree program identity card and Food Handiers			778,404			778,404
Students class funds & clubs			298,954			302,994
Watalamu Renovation Hotel-hotel			8,999,833			8,392,815
Watalamu Renovation Hotel-college			(6,325,382)			(6,325,382)
Deferred Revenue/ Income- College			14,710,066			14,710,066
Accrued Interest for GOK			556,430,637			556,430,637
<b>Total trade and other payables</b>			<b>1,266,383,778</b>			<b>1,214,423,037</b>
<b>Ageing Analysis: ( Trade and other Payables)</b>	<b>2024-2025</b>	<b>% of the Total</b>	<b>2023-2024</b>	<b>% of the Total</b>		
	<b>Kshs</b>		<b>kshs</b>			
Under one Year	375,692,163	30	342,641,349	28		
1-2 years	292,828,626	23	278,105,309	23		
2-3 years	24,047,835	2	20,468,244	2		
Over 3 years	573,815,154	45	573,208,136	47		
	<b>1,266,383,778</b>		<b>1,214,423,037</b>	<b>100</b>		

**Kenya Utalii College,**

Annual Report and Financial Statements For The Year Ended 30th June 2025  
 Notes to the Financial Statements for the year ended 30th June 2025

**18 Current Provisions**

Year 2024	Trade receivables	Specific Accounts		Total
	Kshs.	Kshs		Kshs
Balance at the beginning of the year	54,737,163	108,701,274		163,438,437
Additional provisions raised	14,007,583	3,301,676		17,309,259
<b>Balance as at 30 June 2024</b>	<b>68,744,746</b>	<b>112,002,950</b>		<b>180,747,696</b>

Year 2025	Trade receivables	Specific Accounts		Total
	Kshs.	Kshs.		Kshs
Balance at the beginning of the year	68,744,746	112,002,950		180,747,696
Additional provisions raised	13,833,910	4,296,375		18,130,284.47
<b>Balance as at 30 June 2025</b>	<b>82,578,656</b>	<b>116,299,325</b>		<b>198,877,980</b>

**19. Borrowings**

Domestic Borrowings	2024/2025	2023/2024
	Kshs	Kshs
Balance at the Beginning of the year	122,000,000	122,000,000
Domestic Borrowing During The year		
Repayment During the Year		
<b>Total non-current borrowings</b>	<b>122,000,000</b>	<b>122,000,000</b>

Note: The borrowings is Domestic

**Kenya Utalii College,**

Annual Report and Financial Statements For The Year Ended 30th June 2025

Notes to the Financial Statements for the year ended 30th June 2025

	2024/2025		2023/2024
<b>20. Cash generated from operations</b>	<b>Kshs</b>		<b>Kshs</b>
Deficit/Surplus before Tax for the year	(22,082,227)		
<b>Adjusted for:</b>			
Depreciation	53,051,844		
Amortization	5,079,262		
Contribution to provisions	18,130,284		3,204,031.20
<b>Working capital adjustments:</b>			
Increase/Decrease in inventory	(7,732,464)		(2,103,928)
Increase/Decrease in receivables	(16,420,512)		(64,080,624)
Increase/Decrease in payables	51,127,793		186,755,847
<b>Net cash flows from operating activities</b>	<b>107,044,335</b>		<b>360,600,050</b>

**Kenya Utalii College,**

Annual Report and Financial Statements For The Year Ended 30th June 2025

Notes to the Financial Statements for the year ended 30th June 2025

**21. INCOME AND EXPENDITURE ACCOUNT FOR THE YEAR ENDED 30TH JUNE 2025**

					2023/2024
					Kshs
<b>INCOME</b>					
Interest earned from staff loans			655,787		652,260
Bank interest earned					
			655,787		652,260
<b>LESS: EXPENDITURE</b>					
Bank charges			7,525		3,838
<b>Surplus</b>			<b>648,262</b>		<b>648,423</b>
					2023/2024
					Kshs
Staff Loans Scheme Fund			24,018,123		23,369,700
Surplus			648,262		648,423
Amount received from Kenya Utalii College					
			<b>24,666,385</b>		<b>24,018,123</b>
<b>REPRESENTED BY:</b>					
Loan Scheme Principal Advances			18,387,596		15,950,306
Bank Account balance			556,505		4,947,361
Amount Receivable from Kenya Utalii College			5,722,285		3,120,455
			<b>24,666,385</b>		<b>24,018,122</b>
<b>NOTE:</b> The staff loans is in relations to Car,Housing and Car Insurance Loan to Members of staff					
					2024/2025
					Kshs
<b>Workings.</b>					
Interest	Car loan		524,564		523,001.37
	House loan		131,223		129,258.91
			<b>655,787</b>		<b>652,260</b>
Less Bank Charges			7,525		3,837.50
			<b>648,262</b>		<b>648,423</b>

**Kenya Utalii College,**

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Notes to the Financial Statements for the year ended 30th June 2025

**22. Capital Reserve – Refurbishment of Utalii Hotel and Individual Kitchen**

During the 2003/2004, 2005/2006 and 2007/2008 financial years, the College received capital grants from the Government of Kenya and Special Capital Grant from Catering and Tourism Development Levy Trustees to refurbish Utalii Hotel and Individual Training Kitchen amounting to Kshs 113,170,486, 15,000,000 and 30,000,000 respectively. These grants are amortized over the expected useful life of the building and useful life of the Equipment on a straight line basis.

The balance has been arrived at as follows:

	2024/2025	2023/2024
	Kshs	Kshs
Balance at beginning of year	142,585,246	147,664,508
Add: Development Grants		
Less: Amortization	5,079,262	5,079,262
<b>Balance at end of year</b>	<b>137,505,984</b>	<b>142,585,246</b>

**23. Revaluation Reserve**

The College's Assets were revalued in October 2014 by an independent Valuer, Nile Real Appraisers (EA) Ltd. The Revaluation exercise was carried out in order to establish the fair value of the assets. This resulted in a revaluation surplus of kshs 4,320,753,492. Amortisation on the revaluation surplus is charged to the revaluation Reserve Account.

**24. Accumulated Fund as at 30th June 2025**

**ACCUMULATED FUND AS AT 30TH JUNE 2025**

	2024/2025	2023/2024
	Kshs	Kshs
Balance Brought Forward	1,611,720,723	1,631,471,773
Amortization of Revaluation Reserves	81,042,544	81,042,544
Prior Year Adjustments	(19,366,055)	-
<b>Total</b>	<b>1,673,397,211</b>	<b>1,712,514,316</b>
Deficit for the Year	(22,082,227)	(100,793,593)
<b>Balance carried Forward</b>	<b>1,651,314,984</b>	<b>1,611,720,723</b>

**\* Prior Year Adjustment**

The figure Relates to Suppliers and Accruals for financial Year 2023/2024 who supplied in the current Financial year

**25. Capital Grants**

This relates to the development grants received in relation to the practical training block.

	2024/2025	2023/2024
	Kshs	Kshs
<b>Balance Brought Forward</b>	<b>422,000,000</b>	<b>125,000,000</b>
Capital Grants received during the year	50,000,000	297,000,000
<b>Total</b>	<b>472,000,000</b>	<b>422,000,000</b>

**Kenya Utalii College,**

Annual Report and Financial Statements For The Year Ended 30th June 2025

Notes to the Financial Statements for the year ended 30th June 2025

26. Intangible Assets					
Cost/Valuation					4,269,480
Depreciation/Armotization					
Charge for the year					
<b>Net Book Values as at 30th June 2024</b>					<b>4,269,480</b>

Cost /Valuation		14,039,216			
Depreciation/Armotization as at 1st July 2024		10,623,633			
Charge for the year		853,896			
<b>Net Book Values as at 30th June 2025</b>		<b>2,561,687</b>			

27a Depreciation and armotization Expense	2024-2025		2023-2024	
	Description	Depreciation and Armotization Expense Kshs	Description	Depreciation and Armotization Expense Kshs
Property plant and Equipment		53,051,844		45,697,579
Intangible Assets		853,895.95		853,896
<b>Total Depreciation and armotization</b>		<b>53,905,740</b>		<b>46,551,475</b>

28a. Property ,Plant and Equipment at Cost				
Description	2024-2025	2024-2025	2023-2024	2023-2024
	Cost Kshs	Accumulated Depreciation Kshs	Cost Kshs	Accumulated Depreciation Kshs
Land	4,900,000,000	-	4,900,000,000	-
Buildings	1,721,005,668	435,192,832	1,613,955,272	392,900,017
Plant & Machinery	30,815,991	29,386,521	30,815,991	26,304,922
Motor Vehicles	79,665,790	79,665,790	79,665,790	79,665,790
Computer and Related Equipment	63,255,282	52,391,334	51,832,398	48,964,468
Office Equipment,Furniture & Fittings	138,492,531	116,634,767	128,387,939	113,238,098
	<b>6,933,235,262</b>	<b>713,271,243</b>	<b>6,804,657,390</b>	<b>661,073,295</b>

Property Plant and Equipment includes the Following Assets that are Fully Depreciated				
Description	2024-2025	2024-2025	2023-2024	2023-2024
	Cost or Valuation Ksh	Normal Annual Depreciation Charge Kshs	Cost or Valuation Kshs	Normal Annual Depreciation Charge Kshs
Motor Vehicles	79,665,790	-	79,665,790	19,916,448
Computer and Related Equipment	63,255,282	3,426,865	47,735,355	1,432,060.65
<b>Total</b>	<b>142,921,072</b>	<b>3,426,865</b>	<b>127,401,145</b>	<b>21,348,508</b>

## Annual Report and Financial Statements For The Year Ended 30th June 2025

## Notes to the Financial Statements for the year ended 30th June 2025

<b>REVALUATION RESERVE AS AT 30TH JUNE 2025</b>							
<b>Note. 27</b>							
<b>ITEM</b>	<b>LAND</b>	<b>BUILDINGS</b>	<b>PLANT AND MACHINERY</b>	<b>FURNITURE TECHNICAL AND EQUIPMENT</b>	<b>MOTOR VEHICLES</b>	<b>COMPUTERS HARDWARE</b>	<b>TOTAL</b>
	<b>KSHS</b>	<b>KSHS</b>	<b>Kshs</b>	<b>KSHS</b>	<b>KSHS</b>		<b>KSHS</b>
<b>COST / VALUATION</b>							
Revaluation Account College as at 1st July 2023	4,216,634,500	184,271,396	(37,862,769)	(18,133,580)	(11,748,001)	(33,548,722)	4,299,612,824
Revaluation Account Hotel as at 1st July 2023			(1,968,352)	23,394,320	(285,300)	-	21,140,668
							-
<b>At 30th June 2023</b>	<b>4,216,634,500</b>	<b>184,271,396</b>	<b>(39,831,121)</b>	<b>5,260,740</b>	<b>(12,033,301)</b>	<b>(33,548,722)</b>	<b>4,320,753,492</b>
<b>DEPRECIATION/ARMOTIZATION</b>							
Balance as at 1st July 2023	631,202,439	41,461,065	-	18,715,456	-	-	691,378,960
Charge for the Year to Revaluation Reserve Account	76,435,759	4,606,785	-	-	-	-	81,042,544
							-
<b>Accumulated Depreciation as at 30th June 2024</b>	<b>707,638,198</b>	<b>46,067,850</b>	<b>-</b>	<b>18,715,456</b>	<b>-</b>	<b>-</b>	<b>772,421,504</b>
<b>Net Book Value as at 30.6.2024 (Revalued figure)</b>	<b>3,508,996,302</b>	<b>138,203,546</b>	<b>(39,831,121)</b>	<b>(13,454,716)</b>	<b>(12,033,301)</b>	<b>(33,548,722)</b>	<b>3,548,331,988</b>
<b>COST / VALUATION</b>							
Revaluation Account College as at 1st July 2024	4,216,634,500	184,271,396	(37,862,769)	(18,133,580)	(11,748,001)	(33,548,722)	4,299,612,824
Revaluation Account Hotel as at 1st July 2024			(1,968,352)	23,394,320	(285,300)	-	21,140,668
							-
<b>At 30th June 2025</b>	<b>4,216,634,500</b>	<b>184,271,396</b>	<b>(39,831,121)</b>	<b>5,260,740</b>	<b>(12,033,301)</b>	<b>(33,548,722)</b>	<b>4,320,753,492</b>
<b>DEPRECIATION/ARMOTIZATION</b>							
Balance as at 1st July 2024	707,638,198	46,067,850	-	18,715,456	-	-	772,421,504
Charge for the Year to Revaluation Reserve Account	76,435,759	4,606,785	-	-	-	-	81,042,544
							-
<b>Accumulated Depreciation as at 30th June 2025</b>	<b>784,073,957</b>	<b>50,674,635</b>	<b>-</b>	<b>18,715,456</b>	<b>-</b>	<b>-</b>	<b>853,464,047</b>
<b>Net Book Value as at 30.6.2025 (Revaluation A/c)</b>	<b>3,432,560,543</b>	<b>133,596,761</b>	<b>(39,831,121)</b>	<b>(13,454,716)</b>	<b>(12,033,301)</b>	<b>(33,548,722)</b>	<b>3,467,289,445</b>
<b>Net Book Value as at 30.6.2024 (Revaluation A/c)</b>	<b>3,508,996,302</b>	<b>138,203,546</b>	<b>(39,831,121)</b>	<b>(13,454,716)</b>	<b>(12,033,301)</b>	<b>(33,548,722)</b>	<b>3,548,331,988</b>

# Annual Report and Financial Statements For The Year Ended 30th June 2025

Notes to the Financial Statements for the year ended 30th June 2025

28. Property, plant and equipment	LAND	BUILDINGS	W.LP WORK IN PROGRESS	PLANT AND MACHINERY	FURNITURE TECHNICAL AND EQUIPMENT	MOTOR VEHICLES	COMPUTERS HARDWARE	INTANGIBLE ASSETS	TOTAL
	KSHS	KSHS	KSHS	KSHS	KSHS		KSHS	KSHS	KSHS
<b>COST / VALUATION</b>									
Balance as at 1st July 2023 -College	4,900,000,000	1,587,629,890	155,605,657	28,768,919	78,084,945	69,740,790	37,751,386		6,857,581,587
Balance as at 1st July 2023-Hotel	-	26,325,382	13,161,650	2,047,072	39,143,650	9,925,000	9,983,969		100,586,723
Revaluation College	-	-	-	-	-	-	-	-	-
Revaluation Hotel	-	-	-	-	-	-	-	-	-
Additions College	-	-	51,214,353	-	3,515,585	-	4,097,043	4,269,480	63,096,461
Additions Hotel	-	-	-	-	7,643,759	-	-	-	7,643,759
Transfers/adjustments- COLLEGE	-	-	-	-	-	-	-	-	-
Transfers/adjustments- HOTEL	-	-	-	-	-	-	-	-	-
Less Disposal	-	-	-	-	-	-	-	-	-
<b>At 30 June 2024</b>	<b>4,900,000,000</b>	<b>1,613,955,272</b>	<b>219,981,660</b>	<b>30,815,991</b>	<b>128,387,939</b>	<b>79,665,790</b>	<b>51,832,398</b>	<b>4,269,480</b>	<b>7,028,908,530</b>
<b>DEPRECIATION / ARMOTIZATION</b>									
Balance as at 1st July 2023	-	353,209,270	-	23,370,103	112,249,094	75,665,790	47,735,355		616,229,612
Charge for the Year	-	39,690,747	-	2,934,819	989,004	-	1,229,113	853,896	45,697,579
Disposai	-	-	-	-	-	-	-	-	-
Impairment	-	-	-	-	-	-	-	-	-
<b>Accumulated Denpreciation At 30 June 2024</b>	<b>-</b>	<b>392,900,017</b>	<b>-</b>	<b>26,304,922</b>	<b>113,238,098</b>	<b>79,665,790</b>	<b>48,964,468</b>	<b>853,896</b>	<b>661,927,192</b>
Net book values as at 30.6.2024	4,900,000,000	1,221,055,255	219,981,660	4,511,069	15,149,841	-	2,867,930	3,415,584	6,366,981,339
Net book values as at 30.6.2023	4,900,000,000	1,260,746,002	164,869,646	7,445,888	4,979,501	-	-	-	6,338,041,036
<b>COST / VALUATION</b>									
Balance as at 1st July 2024 -College	4,900,000,000	1,587,629,890	206,820,010	28,768,919	81,600,530	69,740,790	41,848,429	14,039,216	6,930,447,784
Balance as at 1st July 2024-Hotel	-	26,325,382	13,161,650	2,047,072	46,787,409	9,925,000	9,983,969	-	108,230,482
Revaluation College	-	-	-	-	-	-	-	-	-
Revaluation Hotel	-	-	-	-	-	-	-	-	-
Additions College	-	104,082,696	117,686,723	0	8,516,452	(0)	11,422,884	-	241,708,754
Additions/Hotel	-	2,967,700	-	-	1,588,140	-	-	-	4,555,840
Less Transfer-College	-	-	(116,869,928)	-	-	-	-	-	(116,869,928)
Lees: Transfer-Hotel	-	-	(3,288,700)	-	-	-	-	-	(3,288,700)
<b>At 30 June 2025</b>	<b>4,900,000,000</b>	<b>1,721,005,668</b>	<b>217,509,755</b>	<b>30,815,991</b>	<b>138,492,531</b>	<b>79,665,790</b>	<b>63,255,282</b>	<b>14,039,216</b>	<b>7,164,784,232</b>
<b>DEPRECIATION / ARMOTIZATION</b>									
Balance as at 1st July 2024	-	392,900,017	-	26,304,922	113,238,098	79,665,790	48,964,468	10,623,633	671,696,928
Charge for the Year	-	42,292,815	-	3,081,599	3,396,669	-	3,426,865	853,896	53,051,844
<b>Accumulated Depreciation At 30 June 2025</b>	<b>-</b>	<b>435,192,832</b>	<b>-</b>	<b>29,386,521</b>	<b>116,634,767</b>	<b>79,665,790</b>	<b>52,391,334</b>	<b>11,477,529</b>	<b>724,748,772</b>
Net book values as at 30.6.2025	4,900,000,000	1,285,812,836	217,509,755	1,429,470	21,857,764	(0)	10,863,948	2,561,687	6,440,035,460
Net book values as at 30.6.2024	4,900,000,000	1,221,055,255	219,981,660	4,511,069	15,149,841	-	2,867,930	3,415,584	6,366,981,338
<b>Revaluation Reserve</b>									
The College's assets were revalued in October 2014 by an independent Valuer, Nile Real Appraisers (EA) Ltd. The revaluation exercise was carried out in order to establish the fair value of the assets. This resulted in a revaluation surplus of Kshs. 4,320,753,492									
<b>NOTE: W.I.P (Work in progress)</b>									
This is in relation to equipments and other items that will be delivered in the financial year 2025/2026									

## Other Notes

### Financial Risk Management

The Council maintains investment guidelines it uses to ensure that risks related to investment is well managed. The Council also have risk safeguards to assist in mitigating the business and market environment risks. The risk safeguards cover all areas of instruments such as payables, receivables, cash and cash Equivalents.

The current risks that the Council is exposed to are liquidity risk, foreign exchange risk and market risk.

Types of risk	Low	Medium	High
Liquidity risk	✓		
Foreign Currency Risk	✓		
Market risk	✓		

- **Foreign Currency Risk**

KUC has transactional currency exposure. Such exposure arises through purchase of goods and services that are done in currencies other than the local currency. Invoices denominated in foreign currencies are paid after 30 days from the date of the invoice and conversion at the time of payment is done using the prevailing exchange rate.

- **Market Risk**

KUC has put in place an internal audit function to assist it in assessing the risk faced by the entity on an ongoing basis, evaluate and test the design and effectiveness of its internal accounting and operational controls.

- **Liquidity risk management**

Ultimate responsibility for liquidity risk management rests with the entity's directors, who have built an appropriate liquidity risk management framework for the management of the entity's short, medium and long-term funding and liquidity management requirements. KUC manages liquidity risk through continuous monitoring of forecasts and actual cash flows.

**PROGRESS ON FOLLOW UP OF AUDITOR RECOMMENDATIONS FY 2022/2023**

The following is the summary of observation raised by the external auditor, and management comments that were provided to the auditor. We have nominated focal persons to resolve the various issues as shown below with the associated time frame within which we expect the issues to be resolved.

**Appendix i**

<b>Reference No. on the External Audit Report</b>	<b>Issue/ Observations from Auditor</b>	<b>Management comments</b>	<b>Focal Point person to resolve the issue (Name and designation )</b>	<b>Status: (Resolved /Not Resolved)</b>	<b>Timeframe: (Put a date when you expect the issue to be resolved)</b>
1.	Material Uncertainty Related to Going Concern	Request sent to Min of Tourism and Wildlife for waiver of accrued interest on GOK loan	National Treasury	In Progress	Ongoing
2.	Long Outstanding Trade and other payables	This is as a result of interest accrued on GOK Loan	National Treasury	In progress	Ongoing
3.	Delay in Remittance of Car and House Loan Deductions	Management has remitted the car & House loan in instalments	Management	In progress	Funds has been Remitted to the Fund
4.	Budgetary Control and Performance	Request sent to Tourism Fund to Remit funds as per the Budget.	Management	In progress	Request sent

## Kenya Utalii College,

5.	Irregular payment of Long Service Awards	The management has stopped payment of Long Service award going forward	Management	In progress	The Management Has Stopped payment of Long Service award
6.	Staff Acting for More Than Six Months	Request awaiting Council approval to fill the vacancies.	Management	In progress	Has been Implemented
7.	Non Functioning Library Management and Security System	The Management has contracted the supplier to sort out the issue with the system	Management	In progress	In 6 Months
8.	Inaccuracies On Current Provisions	The Report was adjusted when presenting The draft	Management	Done	
9.	Inaccuracies In Statement Of Changes in Net Assets	The changes arose as result of changes in Accrued Gok Interest	Management	Done	
10.	Understatement of Income from Commercial Transactions	The management is following up with the bank	Management	In progress	Ongoing
11.	Revenue from Exchange Transactions	Management following up with the system developer .	Management	In Progress	Ongoing

# Kenya Utalii College,

12.	Inaccuracies in General Expenses	The college adopted IPSAS Accrual system of Accounting which allows the use of Lpos and contracts to recognise expenditure	Management	In Progress	Ongoing
13.	Fully Depreciated Assets	The College plans to carry out assets valuation	Management	In Progress	Ongoing
14.	Unsupported Trade and Other Payables	The accrued interest from Gok was adjusted as per the National Treasury Circular	Management	Done	
15.	Long Outstanding Deposits	The management has contacted the customers/ vendors	Management	On-Going	
16.	Failure to Remit VAT Withholding Taxes	The management has remitted the taxes	Management	Ongoing	
17.	Construction Of Gym and Utalii Renovations	The management has taken note of the advisory	Management	In progress	On going
18.	Delayed implementation of contract for supply, Delivery, Installation, Testing and Commissioning of Kitchen Extract and Fire Suppression Systems Installation Works	The management has contacted the supplier. site inspection minutes available	Management	In Progress	On going

## Kenya Utalii College,

19.	Cash purchases using temporary imprests	The management has stopped purchases using imprest	Management	Done	Done
20.	Incomplete Fixed Assets Register	The management has a plan of valuing asset in FY 2024/25. Asset Register will be Updated	Management	In Progress	Ongoing
21.	Management of Scholarships Grants	The management has deffered the balance of the Grants. The balance will be offered to the students in the current financial year.	Management	In Progress	Ongoing
22.	Staff on Acting Positions for more than Six Months	The management has implemented the Approved Staff Establishment	Management	Done	Done
23.	Long Outstanding Receivables	The management has engaged the services of a Debt Collector and has also propose write off to the Council	Management	In progress	On going
24.	Inaccuracies and Presentation of the Financial Statements	The management Corrected the report but was Retained	Management	Done	Done
25.	Inaccuracies in Staff Loans Fund	The fund has its own income and Expenditure account and Balance sheet hence the treatment	Management	In Progress	In Progress

# Kenya Utalii College,

26.	Inaccuracies in Cash and Cash Equivalents	The management is following up on the issues raised	Management	In Progress	In progress
28.	Inaccuracies in Property, Plant and Equipment	The management is following up on the issues raised	Management	In progress	In Progress
29.	Unbalanced Budget	Budget balanced. Kshs 2,500,000 was finance charges	Management	Done	Done
30	Irregular payment of Risk Allowance	Management is working on it	Management	On going	On going
31	Violation of one -Third Rule Basic Salary	Management Stopped Processing payments which are below one - Third Rule	Management	Done	Done
32.	Delay in Settlement of Trade and other payables	As a result of Budget Cuts , the management was unable to settle the liability	Management	Ongoing	On going
33.	Under Banking in Hotel Operations		Management	Ongoing	

**Principal & CEO**

*Munira*  
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Date 9/12/2025

**Chairman KUC Council**

*J. K. O. O.*  
.....

Date 9/12/2025

Kenya Utalii College,

Annual Report and Financial Statements For The Year Ended 30th June 2025

Appendix -Inter-Entity Confirmation Letter

Confirmation of amounts received by Kenya Utalii College as at 30th June 2025								
Amount Disbursed by Government of Kenya (Kshs) as at 30th June 2025								
Reference Num	Date Disbursed	Recurrent (A)	Development	Inter-Ministeri	Total (D) = (A+B+C)	Amount Received by (Kenya Utalii College) as at 30th June 2025	Differences (Kshs) (F) = (D-)	
RPT-C4308	21/08/2024	4,272,500.00	-	-	4,272,500	4,272,500	-	
JV-247	30/9/2024	4,272,500.00	-	-	4,272,500	4,272,500	-	
RPT-C24596	29/10/2024	4,272,500.00	-	-	4,272,500	4,272,500	-	
RPT-C24903	13/11/2024	4,272,500.00	-	-	4,272,500	4,272,500	-	
RPT-C6428	9/1/2025	4,272,500.00	-	-	4,272,500	4,272,500	-	
RPT-C26430	10/1/2025	4,272,500.00	-	-	4,272,500	4,272,500	-	
RPT-C26919	20/02/2025	4,272,500.00	-	-	4,272,500	4,272,500	-	
JV-478	31/03/2025	4,272,500.00	-	-	4,272,500	4,272,500	-	
RPT-C27844	5/6/2025	4,272,500.00	-	-	4,272,500	4,272,500	-	
RPT-C28030	19/5/2025	4,272,500.00	-	-	4,272,500	4,272,500	-	
RPT-C28405	11/6/2025	4,272,500.00			4,272,500	4,272,500	-	
JV-480	30/6/2025	4,272,500.00			4,272,500	4,272,500	-	
	TOTAL	51,270,000	-	-	51,270,000	51,270,000	-	

I confirm that the amounts shown above are correct as of the date indicated

Head of finance and accounting directorate of beneficiary Entity:

Name..... Bernard K. Chekenony

Sign.....



Date.....

8/12/2025

Kenya Utalii College,

Annual Report and Financial Statements For The Year Ended 30th June 2025

Appendix IV: Transfers from other Government Entities

Name of MDA/Donor Transferring the Funds	Date received as per bank statement	Nature: Recurrent/Development	Total Amount-Kshs	Statement of Financial performat	Where Recorded/Recognized				Total Transfers During Year
					Capital Fund	Defered Income	Receivable	Others-Must be Specific	
Tourism Fund		Recurrent	50,000,000	Yes	-	-	-	-	50,000,000
Tourism Fund		Recurrent	58,000,000	Yes	-	-	-	-	58,000,000
Tourism Fund		Recurrent	58,000,000	Yes	-	-	-	-	58,000,000
Tourism Fund		Recurrent	58,000,000	Yes	-	-	-	-	58,000,000
Tourism Fund		Recurrent	68,000,000	Yes	-	-	-	-	68,000,000
Tourism Fund		Recurrent	73,000,000	Yes	-	-	-	-	73,000,000
Tourism Fund		Recurrent	55,000,000	Yes	-	-	-	-	55,000,000
Tourism Fund		Recurrent	55,000,000	Yes	-	-	-	-	55,000,000
Tourism Fund		Recurrent	55,000,000	Yes	-	-	-	-	55,000,000
Tourism Fund		Recurrent	55,000,000	Yes	-	-	-	-	55,000,000
Tourism Fund		Recurrent	58,000,000	Yes	-	-	-	-	58,000,000
			643,000,000						643,000,000

Kenya Utalii College,

Annual Report and Financial Statements For The Year Ended 30th June 2025

Appendix II: Projects implemented by Kenya Utalii College

Project Title	Project Number	Donor	Period/Duration	Donor Commit	Separate donor reporting required as per the donor agreement (yes/No)	Consolidated in these financial Statements ( Yes/No)
Individual Training Kitchen		GOK	3 Years			Yes
						91.648256

Status of Projects Completion

SN	Project	Total Project Cost	Total expended to date	Completion %	Budget	Actual	Source of funds
1	Individual Training Kitchen	125,000,000	114,560,320.00	95%	225,000,000	225,000,000	National Treasury
2	Equiping of ITK	297,000,000	117,720,440	40	297,000,000	297,000,000	Tourism Promotion Fund