



*Paper laid  
by leader of  
Majority Party  
Tuesday 20/9/16  
Morning sitting  
Aide*

# Kirinyaga University College

(A Constituent College of JKUAT)

PARLIAMENT  
OF KENYA  
LIBRARY

UNIVERSITY  
OF KENYA



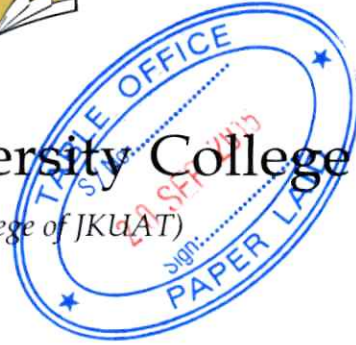
## REPORT OF THE AUDITOR GENERAL ON THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2015





# Kirinyaga University College

(A Constituent College of JKUAT)



## REPORT OF THE AUDITOR GENERAL ON THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2015

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



KyUC is ISO 9001:2008 certified



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## KEY ENTITY INFORMATION AND MANAGEMENT

### (a) BACKGROUND INFORMATION

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

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



### Objective of the University

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

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



## (b) PRINCIPAL ACTIVITIES

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

## (c) KEY MANAGEMENT

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

## (d) FIDUCIARY MANAGEMENT

The key management personnel who held office during the financial year ended 30<sup>th</sup> June 2015 and who had direct fiduciary responsibility were:

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

## (e) KIRINYAGA UNIVERSITY COLLEGE HEADQUARTERS

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

### **Kerugoya Campus**

P.O Box 143-10300  
Kerugoya  
Building

## (f) KIRINYAGA UNIVERSITY COLLEGE CONTACTS

Telephone: (254) 728499650  
E-mail: [principal@kyuc.ac.ke](mailto:principal@kyuc.ac.ke)  
Website: [www.kyuc.ac.ke](http://www.kyuc.ac.ke)

## (g) KIRINYAGA UNIVERSITY COLLEGE BANKERS

- 1) Kenya Commercial Bank Kerugoya Branch  
P.O Box 405090 -10300,  
**Kerugoya-Kenya.**

2) Equity Bank Kerugoya Branch  
P.O. Box 1056 - 10300,  
**Kerugoya-Kenya.**

3) Co-operative Bank Kutus Branch  
P.O. Box 218 - 10304,  
**Kutus - Kenya.**

**(h) INDEPENDENT AUDITORS**

Auditor General  
Kenya National Audit Office  
Anniversary Towers, University Way  
P.O. Box 30084  
GPO 00100  
**Nairobi, Kenya**

**(i) PRINCIPAL LEGAL ADVISOR**

The Legal Officer  
Kirinyaga University College  
P.O. Box 143 - 10300  
**Kerugoya, Kenya**



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

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

# MEMBERS OF THE UNIVERSITY COLLEGE COUNCIL AND THE MANAGEMENT TEAM



Prof. G. B. Hanjari  
Council Chairman



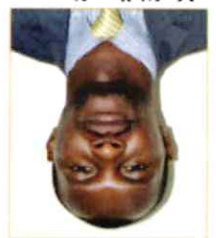
Prof. Mary Ndung'u  
Principal/Council Secretary



Mr. Gerald Macharia  
Council Member



Prof. Charles O. Omandho  
Deputy Principal (ARSA)



Mr. Wallace Kaman  
Ag. Registrar ARSA



Prof. Gathu Nyagah  
Council Member



Mrs. Nancy Wachira  
Rep. PS MOEST



Mr. Phineas Munyi  
Ag. Registrar APD



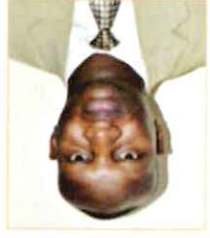
Rev. Allan Maina  
Ag. Dean of Students



Dr. Indeje Wanyama  
Rep- PS National Treasury



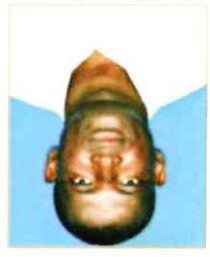
Mrs. Mary Rotich  
Council Member



CPA Peter Kagika  
Finance Officer



Ms. Esther Ndirangu  
Ag. Procurement Officer



Mr. Alfred Lokangae  
Council Member



Dr. Elizabeth Odera  
Council Member



Ms. Joyce Kiragu  
Ag. Human Resource Officer



Mr. Joel Kimani  
Chief Security Officer



## CHAIRMAN'S STATEMENT

I am pleased to present the Annual report and Financial Statements of Kirinyaga University College for the year ended 30 June 2015. This was the third year of operation as a University College.

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

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

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

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



## PRINCIPAL'S REPORT

**P**resented herein is the Annual Report and Financial Statements of Kirinyaga University College for the year ended 30 June 2015 as per requirements of the Universities Act, No. 42 of 2012 and Public Audit Act, 2003.

The University College started the year with cash and bank balance of Kshs 44,809,768.00. During the financial year 2014/2015, the University College generated Kshs 95,798,288.00 in A-in-A vide student tuition and other fees, and received Kshs 118,260,000.00 for capital developments and Kshs 277,233,967.00 for recurrent expenditure, from the Government of Kenya.

The current student population is 1367 and is expected to increase to 2000 students in the year 2015/2016. Staff population stood at 215 for both academic and non-academic divisions and is expected to increase to 300 in the next financial year.

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

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

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



Prof. Mary Ndung'u  
**Principal.**



## CORPORATE GOVERNANCE STATEMENT

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

University Council is the governing body of the University College through which the University College shall:

- Administer the property and funds of the University College in a manner and for the purposes which shall promote the interest of the University College; but the Council shall not charge or dispose of immovable property of the University College except in accordance with the procedures laid down by the Government of Kenya;
- Receive, on behalf of the University College, donations, endowments, gifts, grants or other moneys and make disbursements therefrom to the University College or other bodies or persons;
- Approve the appointment criteria and the terms and conditions of service of staff;
- Provide for the welfare of the staff and students of the University College;
- May enter into association with other universities, university colleges or other institutions of learning, whether within Kenya or otherwise, as the Council may deem necessary and appropriate;
- May, after consultation with the Academic Board, make regulations governing the conduct and discipline of the students of the University College.

To execute this mandate the university college has various committee tasked with different duty in their field of their operation. This includes:

- Finance, Human resource and General purpose committee of the council.
- Audit committee of the council
- Academic committee of the council

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

University College has a management board which is responsible for:

- Efficient management of the human ,physical and financial resources of the university college
- Making proposal to the university council and the Academic board on policies that have application across the entire University College.
- Coordination of the University College strategic and development plan.
- Any other matters related to the management of the University College.

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



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



## CORPORATE SOCIAL RESPONSIBILITY STATEMENT

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

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

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

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

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

## REPORT OF THE UNIVERSITY COUNCIL MEMBERS

The University Council members submit their report together with the financial statements for the year ended 30 June 2015.

### **Principal activities**

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

### **Results**

The financial results of Kirinyaga University College for the year ended 30 June 2015 are set out on page 7

### **University Council Members**

The members of the council who served during the year are shown on page iv, served the university college for the entire financial period.

### **Auditors**

The Auditor General is responsible for the statutory audit of the University College in accordance with the Section 81 of the Public Finance Management (PFM) Act, 2013.



## STATEMENT OF THE RESPONSIBILITIES OF THE COUNCIL MEMBERS

The Kirinyaga University College Legal Order no. 108 of 2011 requires the University College Council to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the University College at the end of the financial year/period and the operating results for that year/period.

The responsibilities of Council include:

- (i) Maintaining adequate financial management arrangements and ensuring that these continue to be effective throughout the reporting period;
- (ii) Maintaining proper accounting records, which disclose with reasonable accuracy at any time the financial position of the University College;
- (iii) Designing, implementing and maintaining internal controls relevant to the preparation and fair presentation of the financial statements, and ensuring that they are free from material misstatements, whether due to error or fraud;
- (iv) Safeguarding the assets of the University College;
- (v) Selecting and applying appropriate accounting policies; and
- (vi) Making accounting estimates that are reasonable in the circumstances.

The Council members accept responsibility for Kirinyaga University College financial statements, which have been prepared using appropriate accounting policies supported by reasonable and prudent judgements and estimates, in conformity with International Public Sector Accounting Standards (IPSAS), and in the manner required by the Public Finance Management Act, 2012 and the State Corporations Act, revised 2012.

The Council members are of the opinion that the Kirinyaga University financial statements give a true and fair view of the state of the University College transactions during the financial year ended June 30, 2015, and of the University College's financial position as at that date. The Council members further confirm the completeness of the accounting records maintained for the University College, which have been relied upon in the preparation of the financial statements as well as the adequacy of the systems of internal financial control.

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

### Approval of the financial statements

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

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

Prof. Mary Ndung'u  
**Principal.**

# AUDITOR'S REPORT



## OFFICE OF THE AUDITOR-GENERAL

### REPORT OF THE AUDITOR-GENERAL ON KIRINYAGA UNIVERSITY COLLEGE FOR THE YEAR ENDED 30 JUNE 2015

#### REPORT ON THE FINANCIAL STATEMENTS

I have audited the accompanying financial statements of Kirinyaga University College set out on pages 15 to 35, which comprise the statement of financial position as at 30 June 2015, and the statement of financial performance, statement of cash flows, statement of changes in net assets 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 14 of the Public Audit Act, 2003. I have obtained all the information and explanations which, to the best of my knowledge and belief, were necessary for the purpose of the audit.

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

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

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

#### Auditor-General's Responsibility

My responsibility is to express an opinion on these financial statements based on the audit and report in accordance with the provisions of Section 15 (2) of the Public Audit Act, 2003 and submit the audit report in compliance with Article 229 (7) of the Constitution. The audit was conducted in accordance with International Standards of Supreme Audit Institutions (ISSAIs). Those standards require compliance with ethical requirements and that the audit be planned and performed to obtain reasonable assurance about whether the financial statements are free from material misstatement.



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

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

### **Opinion**

In my opinion, the financial statements present fairly, in all material respects, the financial position of Kirinyaga University College as at 30 June 2015, 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 Universities Act, 2012.

**FCPA Edward R. O. Ouko, CBS**  
**AUDITOR - GENERAL**  
Nairobi  
22 June 2016

## STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 30 JUNE 2015

	Notes	2015 KSHS	2014 KSHS
<b>Revenue from non-exchange transactions</b>			
Transfers from the government	18	277,233,967	268,149,486
		<b>277,233,967</b>	<b>268,149,486</b>
<b>Revenue from exchange transactions</b>			
Rendering of services	20	82,327,856	46,895,099
Rental revenue from facilities and equipment	21	705,000	1,084,300
Farm Surplus	33	6,381,956	8,457,197
Other income	22	6,383,476	4,985,452
		<b>95,798,288</b>	<b>61,422,048</b>
<b>Total revenue</b>		<b>373,032,255</b>	<b>329,571,534</b>
<b>Expenses</b>			
Bulk purchases of water and electricity	23	8,434,749	4,525,259
Employee costs	24	263,836,272	206,951,388
Remuneration of council	25	2,460,641	3,412,454
Depreciation and amortization expense	2	25,518,703	13,681,975
Repairs and maintenance	26	12,064,670	13,055,502
Contracted services	27	2,275,875	296,128
Student Welfare	28	6,087,524	863,800
Academic cost	29	4,021,123	7,662,250
Administrative costs	30	16,551,696	8,958,710
Finance costs	31	397,898	1,824,296
General expenses	32	30,925,586	23,042,999
Audit fees	12	696,000	750,000
<b>Total expenses</b>		<b>373,270,738</b>	<b>285,024,761</b>
<b>Other gains/(losses)</b>			
<b>Surplus/Deficit before tax</b>		<b>(238,483)</b>	<b>44,546,773</b>
Taxation		-	-
<b>Surplus/deficit for the period</b>		<b>(238,483)</b>	<b>44,546,773</b>



## STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2015

ASSETS	NOTES	2015 KShs	2014 KShs
<b>Current assets</b>			
Cash and cash equivalents	4	43,597,856	44,809,768
Receivables from exchange transactions	5	7,259,913	6,747,305
Receivables from non exchange transactions	6	20,672,275	5,657,813
Inventories	7	15,799,985	3,547,277
Investments	8	72,000,000	20,500,000
		<b>159,330,029</b>	<b>81,262,163</b>
<b>Non-current assets</b>			
Property, plant and equipment	2	1,095,121,242	1,061,144,181
Biological assets	9	63,171,500	63,206,500
		<b>1,158,292,742</b>	<b>1,124,350,681</b>
<b>Total assets</b>		<b>1,317,622,770</b>	<b>1,205,612,844</b>
<b>LIABILITIES</b>			
<b>Current liabilities</b>			
Trade and other payables from exchange transactions	10	31,436,712	20,467,075
Provision for audit fee	12	1,392,000	750,000
Staff Pension Liability	13	-	17,623,228
		<b>32,828,712</b>	<b>38,840,303</b>
<b>FUNDS AND RESERVES</b>			
Revaluation Reserves - PPE	14	865,399,026	865,399,026
Revaluation Reserves - Biological Assets	15	46,392,000	46,392,000
Accumulated surplus	16	164,683,183	164,921,666
Capital fund	17	208,319,849	90,059,849
		<b>1,284,794,058</b>	<b>1,166,772,541</b>
<b>Total Funds, Reserves &amp; Liabilities</b>		<b>1,317,622,770</b>	<b>1,205,612,844</b>

The Financial Statements set out on pages 15 to 19 were signed on behalf of the Council members by:

Prof. Gideon B. Hanjari  
Chairman of Council

Prof. Mary Ndung'u  
Principal

## STATEMENT OF CHANGES IN NET ASSETS FOR THE YEAR ENDED 30 JUNE 2015

## ATTRIBUTABLE TO THE OWNERS OF THE CONTROLLING ENTITY

	CAPITAL FUND	REVALUATION RESERVE (PPE)	REVALUATION RESERVE (BIOLOGICAL ASSETS)	ACCUMULATED FUNDS	TOTAL
	KSHS	KSHS	KSHS	KSHS	KSHS
Balance as at 30 June 2013	90,059,849	-	-	120,374,893	210,434,742
Additions in the year	-	865,399,026	46,392,000	-	911,791,026
Surplus/(deficit) for the period	-	-	-	44,546,773	44,546,773
Balance as at 30 June 2014	<b>90,059,849</b>	<b>865,399,026</b>	<b>46,392,000</b>	<b>164,921,666</b>	<b>1,166,772,541</b>
					-
Balance as at 1 July 2014	90,059,849	865,399,026	46,392,000	164,921,666	1,166,772,541
Additions in the year	118,260,000	-	-	-	118,260,000
Surplus/(deficit) for the period	-	-	-	(238,483)	(238,483)
Balance as at 30 June 2015	<b>208,319,849</b>	<b>865,399,026</b>	<b>46,392,000</b>	<b>164,683,183</b>	<b>1,284,794,058</b>



## STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 30 JUNE 2015

	NOTES	2015 KHS	2014 KHS
Surplus / (Deficit) for the period		(238,483)	44,546,773
<b>Adjustments for:</b>			
Depreciation	2	25,518,703	13,681,975
Provision for audit fees	12	696,000	750,000
		<b>25,976,220</b>	<b>58,978,748</b>
<b>Cash flows from operating activities</b>			
<b>Change in:</b>			
Receivables - Exchange transactions	5	(512,608)	(4,229,881)
Receivables - Non - exchange transactions	6	(15,014,462)	(5,657,813)
Inventory	7	(12,252,706)	(3,547,276)
Payables	10	(6,707,591)	(7,888,149)
<b>Net cash flows used in operating activities</b>		<b>(34,487,367)</b>	<b>(21,323,119)</b>
<b>Cash flows from investing activities</b>			
Purchase of Motor vehicles	2	(6,242,894)	(10,664,041)
Construction of Building	2	-	(6,976,197)
Purchase of Computers	2	(6,866,747)	(9,827,888)
Sale of biological assets		35,000	-
Purchase of Furniture	2	(7,669,011)	(6,868,889)
Purchase of Plant & Machinery	2	(3,604,037)	(11,708,470)
Work in progress	2	(35,113,075)	(18,714,498)
Increase in Fixed Deposit account		(51,500,000)	-
<b>Net cash flows used in investing activities</b>		<b>(110,960,764)</b>	<b>(64,759,983)</b>
<b>Cash flows from financing activities</b>			
Capital fund	17	118,260,000	-
Loan repayments	11	-	(1,056,508)
<b>Net cash flows used in investing activities</b>		<b>118,260,000</b>	<b>(1,056,508)</b>
<b>Net increase/(decrease) in cash and cash equivalents</b>		<b>(1,211,911)</b>	<b>(28,160,862)</b>
Cash and cash equivalents at 1 July 2014		44,809,768	72,970,630
<b>Cash and cash equivalents at 30 June 2015</b>	4	<b>43,597,857</b>	<b>44,809,768</b>

# STATEMENT OF COMPARISON OF BUDGET AND ACTUAL AMOUNTS FOR THE YEAR ENDED 30 JUNE 2015

	ORIGINAL BUDGET	ADJUSTMENT	FINAL BUDGET	ACTUAL ON COMPARABLE BASIS	PERFORMANCE DIFFERENCE
	2014-2015	2014-2015	2014-2015	2014-2015	2014-2015
	Kshs	Kshs	Kshs	Kshs	Kshs
<b>REVENUE</b>					
Transfers from government	290,000,000	(7,906,242)	297,906,242	277,233,967	(20,672,275)
Other Income	12,753,100	-	12,753,100	12,765,432	12,332
Rendering of services	46,446,900	-	46,446,900	82,327,856	35,880,956
Rental income and agency fees	500,000	300,000	800,000	705,000	(95,000)
<b>Total Income</b>	<b>349,700,000</b>	<b>(8,206,242)</b>	<b>357,906,242</b>	<b>373,032,255</b>	<b>15,126,013</b>
<b>EXPENSES</b>					
Compensation of employees	216,000,000	32,067,300	248,067,300	263,836,272	(15,768,972)
Repairs & Maintenance	12,585,000	-	12,585,000	12,064,670	520,330
Finance cost	200,000	-	200,000	397,898	(197,898)
Contracted services	2,000,000	-	2,000,000	2,275,875	(275,875)
Remuneration to the council	2,760,000	-	2,760,000	2,460,641	299,359
Students welfare	4,000,000	1,300,000	5,300,000	6,087,524	(787,524)
Depreciation	13,815,000	13,021,121	26,836,121	25,518,703	1,317,418
Academic cost	4,000,000	(500,000)	3,500,000	4,021,123	(521,123)
Administrative Costs	15,000,000	(130,798)	14,869,202	16,551,696	(1,682,494)
General expenses	30,000,000	1,038,619	31,038,619	30,925,587	113,032
Water & Electricity	12,000,000	(2,000,000)	10,000,000	8,434,749	1,565,251
Audit fee	750,000	-	750,000	696,000	54,000
<b>Total expenditure</b>	<b>313,110,000</b>	<b>44,796,242</b>	<b>357,906,242</b>	<b>373,270,739</b>	<b>(15,364,497)</b>
<b>Surplus for the period</b>	<b>36,590,000</b>	<b>(36,590,000)</b>	<b>-</b>	<b>(238,484)</b>	





## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2015

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

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

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

#### Summary of significant accounting policies

##### (a) Revenue recognition

##### Revenue from exchange transactions

###### *Rendering of services*

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

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

###### *Rental income*

Rental income arising from operating leases on investment properties is accounted for on a straight-line basis over the lease terms and included in revenue.

###### *Interest income*

This relates to held-to-maturity investments with the commercial bank. The Entity determines the classification of its financial assets at initial recognition.

###### *Farm*

University College operate a farm for coffee tea and horticulture. The proceeds of the farm are normally recognised in the financial statement net of related cost.

##### Revenue from non-exchange transactions

The University College recognizes revenue from transfers from government once they are included in the printed estimates and the outcome of the transaction can be estimated reliably.

##### b) Budget information

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

### (c) Property, plant and equipment

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

#### Depreciation

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

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

Depreciation is charged fully in the year of acquisition and no depreciation charged in the year of disposal

### (d) Inventories and Library books

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

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

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

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

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

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

Library books relate to books purchase by the college valued at cost. This are deemed to be used by the student hence represented by in the financial statements.



## (e) Employee benefits

### Retirement benefit plans

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

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

### (f) Foreign currency transactions

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

### (g) Cash and cash equivalents

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

### (h) Subsequent events

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

### (i) Receivables

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

### (j) Trade payables

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

### (k) Nature and purpose of reserves

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

**Revaluation Reserve.** This reserve was occasioned by the fact that the University College valued all its assets. It represents the difference between the net book value as at 30th June 2015 and the revalued amount.

**Accumulated Surplus.** This reserve represents the accumulated surplus over years. Capital fund relate to fund inherited from the Technical Institute

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

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

**(m) Biological assets**

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

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

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

**(o) Related parties disclosures**

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

National government is also related to the university by the factual of it being formed by the act of the parliament through the legal notice 108 of august 2011.

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

The University college overall risk management programme focuses on unpredictability of changes in the business environment and seeks to minimise the potential adverse effect of such risks on its performance by setting acceptable levels of risk. The University does not hedge any risks and has in place policies to ensure that credit is extended to students and customers with an established credit history.

**Credit risk** -Credit risk refers to the risk that a counter party will default on its contractual obligations resulting in financial loss to the University. The University's credit risk is primarily attributable to its receivables. The amounts presented in the statement of financial position are net of allowances for doubtful receivables, estimated by the University's management based on prior experience and their assessment of the current economic environment. The credit risk on liquid funds with financial institutions is low, because the counter parties are banks with high credit-ratings and students whose balances are manageable since the student is not issued with examination cards if they have a fee balance hence they cannot sit for examinations.



The amount that best represents the University's maximum exposure to credit risk is made up as follows:

	Fully performing Sh	Past due Sh	Impaired Sh	Total Sh
<b>At 30 June 2015</b>				
Student receivables	4,612,444	-	-	6,952,476
Accrued Interest	307,437	-	-	307,437
Deposits with financial institutions	72,000,000	-	-	72,000,000
Bank balances	<u>43,571,985</u>	-	-	<u>43,571,985</u>
	120,491,808	-	-	120,491,808
	=====	=====	=====	=====
<b>At 30 June 2014</b>				
Student receivables	6,747,304	-	-	6,747,304
Deposits with financial institutions	20,500,000	-	-	20,500,000
Bank balances	44,757,111	-	-	44,757,111
	<u>72,004,415</u>	-	-	<u>72,004,415</u>
	=====	=====	=====	=====

**Liquidity risk** - Liquidity risk is the risk to an institution's financial condition or safety and soundness arising from its inability (whether real or perceived) to meet its contractual obligations. To manage this risk, Kirinyaga University College ensures availability of funds before committing an expenditure or collateral to fulfil those needs at the appropriate time. Ultimate responsibility for liquidity risk management rests with the University management board, which has built an appropriate liquidity risk management framework for the management of the University's short, medium and long-term funding and liquidity management requirements. The University manages liquidity risk by maintaining banking facilities and through continuous monitoring of forecasts and actual cash flows.

Prudent liquidity risk management includes maintaining sufficient cash to meet the University obligations. Senior management reviews the cash forecasts monthly and determines the University cash requirement.

The table below analyses the University's financial liabilities into relevant maturity based on the remaining period at the end of reporting period to the contractual maturity date.

The amounts disclosed in the table below are the contractual undiscounted cash flows.

	Less than 1 month Sh	Between 1-3 months Sh	Over 5 months Sh	Total Sh
<b>At 30 June 2015</b>				
Trade payables	2,008,957	17,873,513	11,554,242	31,436,712
	=====	=====	=====	=====
<b>At 30 June 2014</b>				
Trade payables	2,031,903	6,251,394	12,183,778	20,467,075
	=====	=====	=====	=====

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

**(q) Fixed Deposit Ksh. 72,000,000.00**

Ksh. 63,000,000.00 is fixed with Kenya commercial bank for three month at an interest of 9% starting 9<sup>th</sup> June, 2015 maturing on 8<sup>th</sup> September, 2015.

Ksh. 9,000,000.00 is fixed with Cooperative for three month at an interest of 8% starting 11<sup>th</sup> June, 2015 maturing on 11<sup>th</sup> September, 2015.

**(r) Comparative information**

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

**s) Related party disclosures**

During the financial year the university college paid Ksh: 2,223,559.00 to the Board Members and Ksh: 16, 007,847.00 to the top management

**(t) Contingencies Liabilities**

University College had no contingent liability of asset during the Financial period

**(u) Capital Commitment**

University college had the following capital commitment as follows

Approved and contracted - Ksh 59,929,094.00  
Approved and not contracted - Ksh 62,258,608.00

**(v) Holding entity**

The university college is wholly owned by the government of Kenya.

**(W) Currency**

The financial statements are presented in Kenya shillings

**(X) Notes to Budget**

In these financial statements, any variance above one million is considered significant and explained as follows;

- The university college submitted a budget of Ksh. 290,000,000.00 to the national treasury through the line ministry. However the ministry allocated Kshs 297,906,242.00 as transfer from the government; Kirinyaga University College received only Kshs 277,233,967.00 resulting to a variance of Kshs 20,672,275.00.
- The University College received an excess of Kshs 35,880,956.00 against the budgeted income from rendering of services. This surplus is attributable to the accelerated students' intake.
- University College submitted a budget of Ksh. 216,000,000.00, however the ministry adjusted to 248,067,000.00 resulting to a variance of Ksh 32,067,300.00. Staff salaries increased from Kshs 248,067,300.00 to Kshs 263,836,272.00 giving a variance of Ksh 15,768,972.00. This increase is attributable to the University College recruiting more staff as a result of increase in the students and filling of vacant management positions.
- The depreciation budget was adjusted upward to Ksh 25,518,703.00. This was due to revaluation of the non-current asset during the year.
- The administrative costs increased from the budgeted figure of Kshs 14,869,202.00 to Kshs 16,551,696.00 giving a variance of Kshs 1,682,494.00. This variance is attributable to a circular issued from salaries and remuneration commission increasing subsistence allowances for public officers.

## MOVEMENT OF FIXED ASSET AS AT 30 JUNE 2015

### PROPERTY, PLANT & EQUIPMENTS

#### Note 2

	LAND NIL KSHS	BUILDING 2% KSHS	MOTOR VEHICLES 25% KSHS	COMPUTER & ACCESSORIES 30% KSHS	PLANT & MACHINERY 12.5% KSHS	FURNITURE & EQUIPMENTS 12.5% KSHS	WORK IN PROGRESS NOTE 3 KSHS	TOTAL KSHS
Net Book Value as at 1/7/2013	12,782,000	10,481,760	15,810,667	4,643,576	-	2,401,438	115,025,400	161,144,841
Additions for the period	-	6,976,197	10,664,041	9,827,888	11,708,470	6,868,889	18,714,498	64,759,983
Revaluation Reserve	664,718,000	144,664,413	18,543,766	1,910,593	22,260,559	13,301,696	-	865,399,027
Disposal for the period	-	-	-	-	-	-	-	-
As at 30/6/2014	<b>677,500,000</b>	<b>162,122,370</b>	<b>45,018,474</b>	<b>16,382,057</b>	<b>33,969,029</b>	<b>22,572,023</b>	<b>133,739,898</b>	<b>1,091,303,851</b>
Valuation as at 1/7/2014	677,500,000	154,182,972	31,471,241	9,468,000	32,505,470	21,070,170	134,946,328	1,061,144,181
Additions for the period	-	-	6,242,894	6,866,747	3,604,037	7,669,011	35,113,075	59,495,764
Transfer to Building	-	-	-	-	-	-	-	-
Disposal for the period	-	-	-	-	-	-	-	-
As at 30/6/2015	<b>677,500,000</b>	<b>154,182,972</b>	<b>37,714,135</b>	<b>16,334,747</b>	<b>36,109,507</b>	<b>28,739,181</b>	<b>170,059,403</b>	<b>1,120,639,945</b>
Accumulated Depreciation								
As at 1/7/2013	-	7,590,240	6,928,556	1,990,104	-	343,062	-	16,851,962
Depreciation of the disposed asset	-	-	-	-	-	-	-	-
Charge for the period	-	349,158	6,618,677	4,091,791	1,463,559	1,158,791	-	13,681,976
As at 30/6/2014	-	7,939,398	13,547,233	6,081,895	1,463,559	1,501,853	-	30,533,938
As at 1/7/2014	-	7,939,398	13,547,233	6,081,895	1,463,559	1,501,853	-	30,533,938
Depreciation of the disposed asset	-	-	-	-	-	-	-	-
Charge for the period	-	3,083,659	9,428,534	4,900,424	4,513,688	3,592,398	-	25,518,703
As at 30/6/2015	-	11,023,057	22,975,767	10,982,319	5,977,247	5,094,251	-	56,052,641
Book value as at 30-6-2015	677,500,000	151,099,313	28,285,601	11,434,323	31,595,819	25,146,783	170,059,403	1,095,121,242
Net Book Value as at 30- 6-2014	<b>677,500,000</b>	<b>154,182,972</b>	<b>31,471,241</b>	<b>9,468,000</b>	<b>32,505,470</b>	<b>21,070,170</b>	<b>134,946,328</b>	<b>1,061,144,181</b>





NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2015

<b>3 WORK-IN-PROGRESS</b>	<b>BAL B/F</b>	<b>ADDITIONS</b>	<b>RETENTION</b>	<b>2015</b>
Library	21,025,345	-	2,336,149	23,361,494
Tuition block	58,479,187	1,679,390	6,644,067	66,802,644
Hostel	22,376,163	-	2,486,240	24,862,403
Twin workshop	30,333,843	-	-	30,333,843
Mitooni Project	1,673,109			1,673,109
Office Partitioning	1,058,681			1,058,681
Dinning Hall	-	840,084	-	840,084
ERP & ICT Infrastructure	-	20,249,283	-	20,249,283
Mbeti Farm Office	-	790,076	87,786	877,862
<b>Bal c/d</b>	<b>134,946,328</b>	<b>23,558,833</b>	<b>11,554,242</b>	<b>170,059,403</b>

<b>4 CASH AND BANK BALANCES</b>		<b>2015</b>	<b>2014</b>
		<b>KSHS</b>	<b>KSHS</b>
<b><u>Kenya commercial bank</u></b>			
Current Account	A/C 1135935173	3,052,887	19,585,960
Fees collection A/C	A/C 1104016028	2,474,714	4,328,968
Development A/C	A/C 1164419137	10,915,304	-
<b><u>Equity bank</u></b>			
KYUC Fee collection A/C	A/C 0100299420333	7,606,756	4,789,377
<b><u>Cooperative bank</u></b>			
Fees collection A/C	A/C 01129489200000	18,033,008	10,464,243
Farm Account	A/C 01120489200000	1,489,316	5,588,563
Cash balances		25,871	52,657
		<b>43,597,856</b>	<b>44,809,768</b>
<b>5 RECEIVABLES FROM EXCHANGE TRANSACTIONS</b>			
Student debtors		6,612,976	6,450,205
K.P.L.C. Deposits		339,500	297,100
Accrued Interest - Cooperative Bank		275,137	-
Accrued Interest - Kenya Commercial Bank		32,300	-
		<b>7,259,913</b>	<b>6,747,305</b>
<b><u>RECEIVABLES FROM NON EXCHANGE</u></b>			
<b>6 TRANSACTIONS</b>			
MOEST		20,672,275	5,657,813
		<b>20,672,275</b>	<b>5,657,813</b>

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2015 (Cont...)

	<u>2015</u>	<u>2014</u>
	<u>KSHS</u>	<u>KSHS</u>
<b>7 INVENTORIES</b>		
Stock	5,821,345	3,547,276
Library Books	9,978,640	-
	<u>15,799,985</u>	<u>3,547,276</u>
<b>8 INVESTMENT</b>		
Fixed Deposit	72,000,000	20,500,000
	<u>72,000,000</u>	<u>20,500,000</u>
<b>9 BIOLOGICAL ASSETS</b>		
Livestock - 7 goats	-	35,000
64,108 Coffee trees	37,500,000	37,500,000
148,052 Tea bushes	19,500,000	19,500,000
4.5 acres Banana Plantation	1,250,000	1,250,000
28 Avocado trees	140,000	140,000
15 Macadamia trees	172,500	172,500
1.5 acres Nappier grass	24,000	24,000
10 Bee hives mounted on trees	185,000	185,000
5 Fish ponds	1,200,000	1,200,000
2.5 acres Agroforest	3,200,000	3,200,000
<b>Total</b>	<u>63,171,500</u>	<u>63,206,500</u>
This was at net realisable value		
<b>10 TRADE AND OTHER PAYABLES</b>		
Student creditors	2,008,957	2,031,903
Uniform account	-	58,517
Production units	-	679,046
Trade Creditors	17,873,513	6,251,393
Retention funds	11,554,242	8,011,417
Giachai farm	-	3,434,798
<b>Total</b>	<u>31,436,712</u>	<u>20,467,075</u>



## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2015 (Cont...)

	<u>2015</u>	<u>2014</u>
	<u>KSHS</u>	<u>KSHS</u>
<b>11 <u>BUS LOAN</u></b>		
Balance as at 1.7.2014	-	1,056,508
Less repayments	-	(1,056,508)
Balance as at 30.6.2015	-	-
<b>12 <u>PROVISION FOR AUDIT FEES</u></b>		
Provision Audit fees	1,392,000	750,000
	<b>1,392,000</b>	<b>750,000</b>
<b>13 <u>STAFF PENSION LIABILITY</u></b>		
Balance as at 1/7/2014	17,623,228	-
Transfers to Jubilee Insurance	(17,623,228)	-
Balance as at 30/6/2015	-	<b>17,623,228</b>
<b>14 <u>REVALUATION RESERVE - PPE</u></b>		
Bal as at 1/7/2014	865,399,026	-
Additions for the year	-	865,399,026
Bal as at 30/6/2015	<b>865,399,026</b>	<b>865,399,026</b>
<b>15 <u>REVALUATION RESERVE</u> <u>(BIOLOGICAL ASSETS)</u></b>		
Bal as at 1/7/2014	46,392,000	-
Additions for the year	-	46,392,000
Bal as at 30/6/2015	<b>46,392,000</b>	<b>46,392,000</b>
<b>16 <u>ACCUMULATED SURPLUS</u></b>		
Bal as at 1/7/2015	164,921,666	120,374,893
Surplus/(loss) for the period	(238,483)	44,546,773
	<b>164,683,183</b>	<b>164,921,666</b>
<b>17 <u>CAPITAL FUND</u></b>		
Bal as at 1/7/2014	90,059,849	90,059,849
Development fund	118,260,000	-
	<b>208,319,849</b>	<b>90,059,849</b>

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2015 (Cont...)

	<u>2015</u>	<u>2014</u>
	<u>KSHS</u>	<u>KSHS</u>
<b>18 <u>TRANSFER FROM THE GOVT - RECURRENT</u></b>		
July	20,672,275	11,250,000
August	20,672,275	79,040,000
September	20,672,275	14,330,000
October	20,672,275	17,506,400
November	20,672,275	14,236,822
December	20,672,275	14,236,822
January	41,344,550	-
February	-	18,181,048
March	20,672,275	28,473,644
April	20,672,275	21,777,989
May	49,838,942	19,990,294
June	20,672,275	29,126,467
	<b><u>277,233,967</u></b>	<b><u>268,149,486</u></b>
<b>19 <u>TRANSFER FROM THE GOVT - DEVELOPMENT</u></b>		
October	59,130,000	-
January	59,130,000	-
	<b><u>118,260,000</u></b>	<b><u>-</u></b>
<b>20 <u>RENDERING SERVICES</u></b>		
Tuition and other fees	82,327,856	46,895,099
	<b><u>82,327,856</u></b>	<b><u>46,895,099</u></b>
<b>21 <u>RENTAL REVENUE</u></b>		
Rent Income	705,000	1,084,300
Bal as at 30/6/2015	<b><u>705,000</u></b>	<b><u>1,084,300</u></b>



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

	<u>2015</u>	<u>2014</u>
	<u>KSHS</u>	<u>KSHS</u>
<b>22 <u>OTHER INCOMES</u></b>		
Sale of tenders forms	477,069	56,880
Disposal of Assets	-	134,503
Medical Income	47,300	29,400
Kitchen sales	3,538,040	4,764,669
Interest Income	2,321,067	-
<b>TOTAL INCOME</b>	<b>6,383,476</b>	<b>4,985,452</b>
<b>23 <u>BULK PURCHASE OF WATER AND ELECTRICITY</u></b>		
Electricity expenses	5,106,008	2,661,710
Water expenses	3,328,741	1,863,549
	<b>8,434,749</b>	<b>4,525,259</b>
<b>24 <u>EMPLOYEE COSTS</u></b>		
Basic Salaries	98,355,973	82,044,061
Casual workers	6,525,135	4,064,981
House allowances	64,494,452	57,717,221
Part time teaching	19,544,260	11,644,606
Gratuity and pension	21,713,707	5,989,541
House to Office allowance	19,529,586	20,778,054
Other personal allowances	18,050,842	15,442,768
Passage & Baggage	540,568	-
Staff Medical Cover	15,081,751	9,270,156
	<b>263,836,272</b>	<b>206,951,388</b>
<b>25 <u>RENUMERATION OF COUNCIL</u></b>		
Chairman's Allowance	1,080,000	720,000
Sitting Allowance	1,233,559	2,604,002
Traveling & Accommodation	147,082	88,452
	<b>2,460,641</b>	<b>3,412,454</b>

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2015 (Cont...)

	<u>2015</u>	<u>2014</u>
	<u>KSHS</u>	<u>KSHS</u>
<b>26 REPAIRS AND MAINTENANCE</b>		
Vehicle repairs	1,231,830	309,863
Maintenance of Buildings	10,535,958	12,710,639
Machine & Equipment repairs	296,882	35,000
	<b>12,064,670</b>	<b>13,055,502</b>
<b>27 CONTRACTED SERVICES</b>	2,275,875	296,128
	<b>2,275,875</b>	<b>296,128</b>
<b>28 STUDENTS WELFARE</b>		
Students games	2,564,473	285,616
Students medical expenses	1,534,687	26,854
Fees refunds	688,247	175,130
Students Entertainment	890,539	251,700
KYUC Students union	409,578	124,500
	<b>6,087,524</b>	<b>863,800</b>
<b>29 ACADEMIC COSTS</b>		
Academic Field trips	-	6,949
Curriculum Development	477,304	456,931
Attachment expenses	182,192	60,900
Sports and games	-	121,655
Teaching materials	3,361,627	7,015,815
	<b>4,021,123</b>	<b>7,662,250</b>
<b>30 ADMINISTRATIVE COSTS</b>		
Traveling and accommodation	3,800,975	2,200,196
Stationery and stores	12,750,721	6,758,514
	<b>16,551,696</b>	<b>8,958,710</b>
<b>31 FINANCE COSTS</b>		
Bank charges	397,898	1,824,296
	<b>397,898</b>	<b>1,824,296</b>



## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2015 (Cont...)

	<u>2015</u>	<u>2014</u>
	<u>KSHS</u>	<u>KSHS</u>
<b>32 GENERAL EXPENSES</b>		
Conferences & Seminars	139,200	691,350
Internet expenses	327,993	472,550
Vehicle licenses & insurance	4,399,445	2,027,930
Purchase of Uniforms	242,950	117,740
Security Services	1,615,033	1,519,166
Vehicle fuel and oil	1,840,902	2,101,713
Training Expenses	-	46,632
Performance Contracting	679,105	876,114
Advertisement	6,960,971	4,254,175
Staff Welfare	582,144	527,452
News papers	289,680	179,340
Telephone & Postage expenses	74,637	70,743
Subscription to Professional bodies	1,028,510	925,856
Cleaning materials	2,035,978	290,090
Sewerage expenses	226,320	-
Tenders	-	48,650
Show Expenses and Exhibitions	-	256,000
Public celebrations/Demise	280,000	120,000
Catering expenses	8,457,136	8,459,458
Corporate Social Responsibility	107,582	58,040
Kerugoya Campus Rent	638,000	-
Assets Valuation expenses	1,000,000	-
<b>Totals</b>	<b><u>30,925,586</u></b>	<b><u>23,042,999</u></b>

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2015 (Cont...)

## 33 FARM ACCOUNTS

Revenue

	<u>2015</u> <u>KSHS</u>	<u>2014</u> <u>KSHS</u>
Coffee	1,378,800	1,378,800
Tea income	6,833,626	9,800,679
KTDA Dividends	16,275	105,450
Interests	213,779	91,866
Firewood	20,457	176,300
Horticulture	763,712	252,465
Livestock Sales	30,500	22,050
	<u>9,257,149</u>	<u>11,827,610</u>

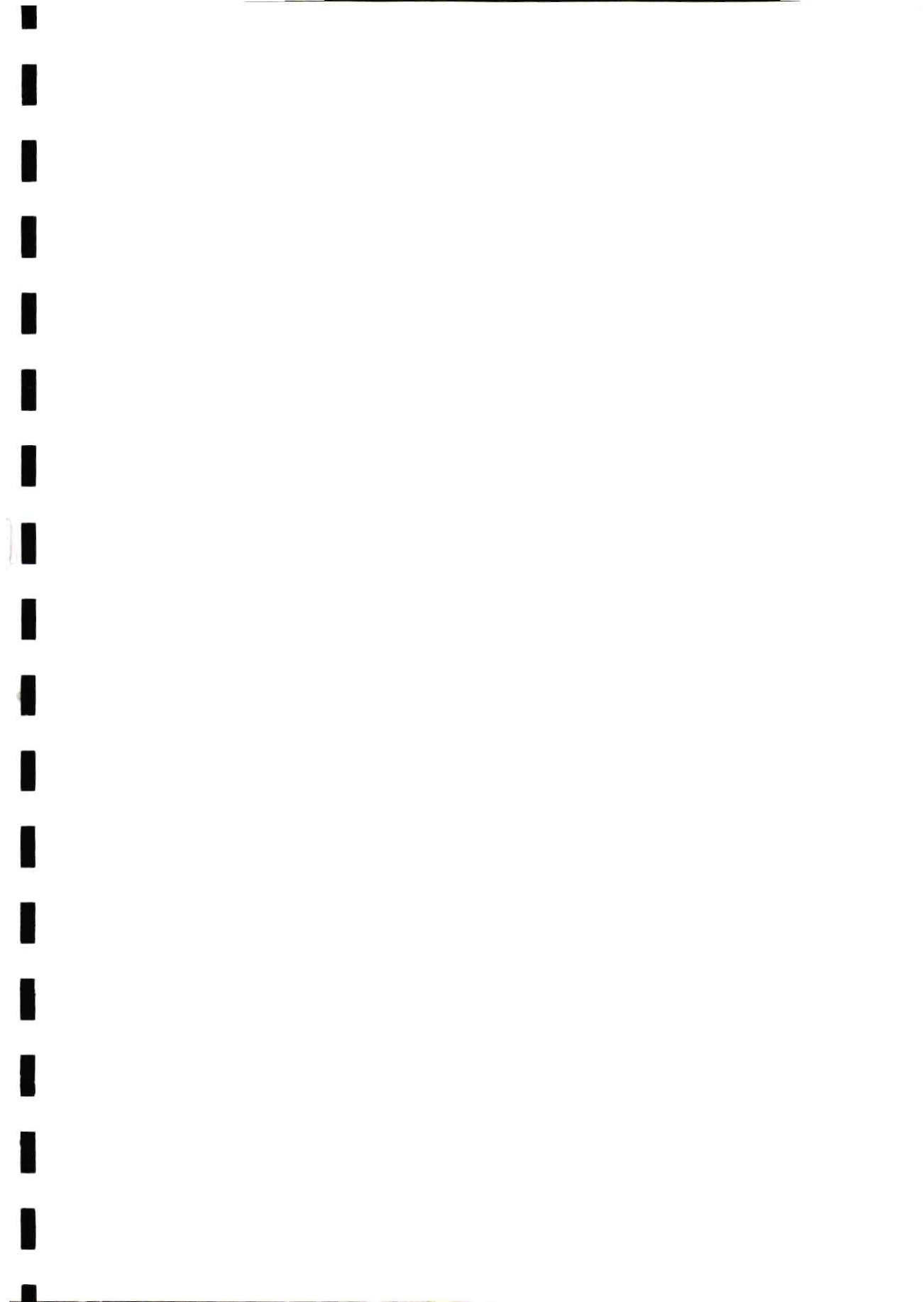
Expenditure

Tea picking casuals	1,516,352	1,990,323
Fertilizers & Inputs	416,260	499,901
Horticulture expenses	757,366	630,295
Wages	-	150,700
Traveling charges	11,880	15,510
Tea Pruning	104,416	73,800
Tea cess	64,329	9,884
Farm staff welfare	4,590	-
<b>Total expenditure</b>	<u>2,875,193</u>	<u>3,370,413</u>
<b>Farm profit(loss)</b>	<u>6,381,956</u>	<u>8,457,197</u>











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