

PARLIAMENT
OF KENYA
LIBRARY



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

TAITA TAVETA

UNIVERSITY COLLEGE

(A Constituent College of Jomo Kenyatta University of Agriculture and Technology)

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED JUNE 30, 2015

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

Home of Ideas

Handwritten text, possibly a signature or initials, in blue ink.



**ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 30TH JUNE, 2015**



TAITA TAVETA UNIVERSITY COLLEGE

(A Constituent College of Jomo Kenyatta University of Agriculture and Technology)

ANNUAL REPORT AND FINANCIAL STATEMENTS

**FOR THE FINANCIAL YEAR ENDED
JUNE 30, 2015**

**ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 30TH JUNE, 2015**



Table of Contents

I	KEY TTUC INFORMATION AND MANAGEMENT	1
II	UNIVERSITY COLLEGE COUNCIL (THE BOARD OF DIRECTORS)	4
III	MANAGEMENT TEAM	6
IV	CHAIRMAN'S STATEMENT	7
V	REPORT OF THE CHIEF EXECUTIVE OFFICER	8
VI	CORPORATE GOVERNANCE STATEMENT	9
VII	CORPORATE SOCIAL RESPONSIBILITY STATEMENT	10
VIII	REPORT OF THE DIRECTORS	11
IX	STATEMENT OF CO UNCIL MEMBERS' RESPONSIBILITIES	12
X	REPORT OF THE INDEPENDENT AUDITORS ON THE (TAITA TAVETA UNIVERSITY COLLEGE)	13
XI	STATEMENT OF FINANCIAL PERFORMANCE	14
XII	STATEMENT OF FINANCIAL POSITION	15
XIII	STATEMENT OF CHANGES IN NET ASSETS	16
XIV	STATEMENT OF CASHFLOWS	17
XV	STATEMENT OF COMPARISON OF BUDGET AND ACTUAL AMOUNTS	15
XVI	SIGNIFICANT ACCOUNTING POLICIES	20
XVII	NOTES TO THE FINANCIAL STATEMENTS	25
XVIII	PROGRESS ON FOLLOW UP OF AUDITOR RECOMMENDATIONS	37

ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 30TH JUNE, 2015



I. KEY TTUC INFORMATION AND MANAGEMENT

a. Background information

Taita Taveta University College (TTUC) was elevated to a Constituent College of Jomo Kenyatta University of Agriculture and Technology (JKUAT) on 18th October, 2011 via legal notice Number 156. Since then, and particularly over the financial year 2014/2015, the University College Council, Management, staff and students have collectively embarked on a transformative journey aimed at positioning TTUC as a strategic player in national and regional development, and an academic centre of excellence with a special focus on Mining and Mineral Processing Engineering (MMPE).

b. Principal Activities

The principal activity of Taita Taveta University College is teaching, research and outreach. The vision, mission and core values that underpin our principal activity are:

c. Vision Statement

To be a premier institution in education, training, research, innovation and community outreach for sustainable development.

d. Mission Statement

To produce leaders and professionals in engineering, science and entrepreneurship through knowledge creation, dissemination and application for socio-economic development.

e. Core Values

- i) **Result oriented** - Budgeting and planning is geared toward achieving desired objectives.
- ii) **Quality** - All work is done to ensure products of the highest quality are achieved.
- iii) **Transparency and Accountability** - All dealings should be open and accountable to stakeholders.
- iv) **Innovativeness** - In the face of many challenges, innovation is championed to ensure set targets are achieved.
- v) **Professionalism and ethical conduct** - Staff are required to uphold the highest professional and ethical standards.

f. Key Management

The Taita Taveta University College's day-to-day management falls under the following three key organs:

- Principal/CEO
- Deputy Principal (Administration, Finance & Planning) - Divisional Head
- Deputy Principal (Academic, Research & Outreach) - Divisional Head

**ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 30th JUNE, 2015**



Key TTUC Information and Management (continued.....)

g. Fiduciary Management

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

Designation	Name
Principal	- Prof Hamadi Iddi Boga
Deputy Principal (Administration, Finance & Planning)	- Prof Fred Simiyu Barasa
Deputy Principal (Academic Research & Outreach)	- Prof Christine A. Onyango

h. Fiduciary Oversight Arrangements

A. University College Council
Membership is as listed under Board of Directors

B. Finance and General Purpose Committee	
1 Ms Jane Kimbwarata	Chairman
2 Dr Moses Chesang Kiptui	Member
3 Dr Morompi Ole Ronkei	Member
4 Ms Ronnie Mugoin - Representing PS MOI S1 ²	Member
5 Mr Geoffrey Kibanda - Representing PS The National Treasury	Member
6 Prof Hamadi Iddi Boga -Principal (Ex -Officio)	

C Audit Committee	
1 Dr Moses Chesang Kiptui	Chairman
2 Mr Hamid Morowa	Member
3 Ms Ronnie Mugoin - Representing PS MOI S1	Member
4 Mr Geoffrey Kibanda - Representing PS the National Treasury	Member

D. Human Resource Committee	
1 Mr Hamid Morowa	Chairman
2 Ms Jane Kimbwarata	Member
3 Prof Mabel O. Imbuga-Vice Chancellor, JKUAT ¹	Member
4 Ms Ronnie Mugoin - Representing PS MOI S1	Member
5 Mr Geoffrey Kibanda - Representing PS the National Treasury	Member
6 Prof Hamadi Iddi Boga-Principal (Ex -Officio)	Member

¹MOESI Ministry of Education, Science and Technology

²JKUAT Jomo Kenyatta University of Agriculture and Technology

**ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 30TH JUNE, 2015**



Key TTUC Information and Management (continued.....)

i. TTUC Head quarters

Taita Taveta University College
Main Campus (off Voi-Mwatate Road)
P O Box 635 - 80300
VOI, KENYA

j. TTUC Contacts

Telephone (254) 020 2437266
E-mail principal@ttuc.ac.ke
Website www.ttuc.ac.ke

k. TTUC Bankers

Kenya Commercial Bank Ltd
Voi Branch
P O Box 137 - 80300
Voi, Kenya

Equity Bank Ltd
Voi Branch
P O Box 325 - 80300
Voi, Kenya

l. Independent Auditors

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






m Principal Legal Adviser

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

**ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 30TH JUNE, 2015**




**II. UNIVERSITY COLLEGE COUNCIL
(THE BOARD OF DIRECTORS)**

<p>1. Prof. Lucia N. Omondi, PhD, FKNAS, MBS</p> 	<p>Born:1943 Doctor of Philosophy, Linguistics, University of London. Over 30 years' experience at the University of Nairobi and was at one time the Principal of Kikuyu Campus.</p>
<p>2. Ms. Jane Kimbwarata</p> 	<p>Born: 1972 Master of Science, Information Science, Moi University. She is the Chair of the Finance, Development and General Purpose Committee. Has 19 years' experience working in the Public Sector</p>
<p>3. Dr. Moses ChesangKiptui</p> 	<p>Born: 1962 Doctor of Philosophy, Economics, University of Nairobi. Many years teaching experience at Egerton University and University of Nairobi, the central Bank of Kenya and is currently at the Kenya School of Monetary Studies, as an Assistant Director. Chairman of the Audit Committee.</p>
<p>4. Mr. Hamid Morowa</p> 	<p>Born: 1948 Masters of Science, Agriculture, USA Retired from the Ministry of Agriculture after many years of Service. He is the Chair of the Human Resource and Development Committee of the Council.</p>
<p>5. Dr. Morompi Ole Ronkei</p> 	<p>Born:1960 Doctor of Philosophy (Univ. Of Oregon) Worked at Daystar University, Was CEO of Compassion International for years. Currently working as a communications consultant.</p>

**ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 30TH JUNE, 2015**



University College Council (The Board Of Directors) continued...

<p>6. Prof. Mabel O. Imbuga</p> 	<p>Born: 1951 Doctor of Philosophy, Biochemistry, University of Nairobi. Has served in various Capacities at JKUAT and is currently the Vice -Chancellor serving her second term. The Academic Career spans over 25 years including other National and regional obligations in the Higher Education Sector.</p>
<p>7. Ms. Ronnie Mugoiri</p> 	<p>Born: 1970 Masters of Education, Kenyatta University (on-going), Bachelor of Education, Egerton University. Works in the Ministry of Education, Science and Technology as Assistant Director of Education and represents the Principal Secretary MOEST in the Council.</p>
<p>8. Mr. Geoffrey Kibanda</p> 	<p>Born: 1967 Master of Business Administration (HR) Works in the National Treasury in the Pensions Departments and represents the Principal Secretary to the National Treasury. Has vast experience in personnel and HR issues</p>
<p>9. Prof. Hamadi Iddi Boga</p> 	<p>Born 1967 PhD in Microbial Ecology, University of Konstanz, Germany. Has over 20 years' experience working in the University Sector. Is currently the Principal and Secretary to the Council</p>

ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 30TH JUNE, 2015



III. MANAGEMENT TEAM

 <p>1. Prof. Hamadi Iddi Boga PhD in Microbial Ecology, University of Konstanz, Germany</p>	<p>Principal Accounting Officer/ Chief Administrative and Academic Head of the Institution</p>
 <p>2. Prof. Fred Simiyu Barasa PhD, Comparative and International Education, University of Natal, RSA</p>	<p>Deputy Principal (Administration, Finance and Planning) Head of Division and responsible for Administration, Finance and Planning functions of the institution.</p>
 <p>3. Prof. Christine Onyango PhD in Food Science and Post-Harvest Technology, JKUAT</p>	<p>Deputy Principal (Academic, Research and Outreach) Head of Division and responsible for Academic, Research and Outreach functions of the institution.</p>

ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 30TH JUNE, 2015



IV. CHAIRMAN'S STATEMENT

Taita Taveta University College (TTUC) was elevated to a Constituent College of Jomo Kenyatta University of Agriculture and Technology on 18th October, 2011 via the Taita Taveta Legal Order Legal Number 156. Since then, and particularly over the financial year 2014/2015, the University College Council, Management, staff and students have collectively embarked on a transformative journey aimed at positioning TTUC as a strategic player in national and regional development, and as an academic Centre of Excellence with special focus on Mining and Mineral Processing Engineering.

Conscious of our mandate and guided by our motto of "Home of Ideas", we endeavour to prudently manage resources at our disposal in addition to offering the highest quality of service to our clients and all stakeholders. TTUC continues to ensure strict financial discipline, focused execution of the management agenda and resolute pursuit of agreed strategies.

TTUC received direct government capitation for the first time in the financial year 2012/2013 making this report for the FY 2014/2015 the 3rd annual report and financial statement. The resources received have been instrumental in facilitating infrastructure development to enhance clean water supply through construction of a water treatment plant, laying the foundation for a state of the art Centre for Mining, Fuels and Mineral Processing and a Hostel. The University College is still on a growth path and continues with staff recruitment and training. In the year under review, the university recruited 12 academic staff and 75 administrative staff. The University College is also delivering academic programmes prudently while maintaining and securing her assets. There has also been effort to improve planning and policy development as we creatively manage both student and staff welfare services.

Despite the significant progress made towards the realization of the University College's Mission and Strategic Objectives, the College still faces many challenges, largely attributed to increasing student numbers as well as spiralling public demands and expectations at both County and National levels, against inadequate financial resources realized in the year under review. Critical among these challenges is the need to significantly increase staffing levels, expand office and classroom space, equip and modernize laboratories and workshops, and expand as well as diversify academic programmes. Mitigation of these challenges will continue being the College's priority in the next financial year.

The University College has met all the requirements as per the commission of education requirements and is poised to be issued with a charter as a fully-fledged university. The University College Council is committed to continuous improvement in the governance and management of TTUC.

Sincerely,

Professor (Mrs) Lucia N Omondi PhD, FKNAS, MBS
Chairman of Council

ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 30TH JUNE, 2015



V. REPORT OF THE CHIEF EXECUTIVE OFFICER

Introduction and Financial Performance

During the Financial Year 2014/2015, the University College received the from the Government of Kenya a total of Ksh 295,589,066 for recurrent expenditure and Kshs 174,426,667 for development expenditure and was able to generate Appropriation-in-Aid of Ksh 128,277,202. In the year under review, the University College has made remarkable progress including the completion of academic and classroom block, substantial completion of phase one of mines and fuels center opening of Ngerenyi School of Agriculture and Horticulture Campus completion of water treatment plant, substantial completion of an additional hostel with capacity of 156 beds, hiring of 11 academic and administrative staff and staff training towards realization of ISO certification.

During the year under review, the University realized a deficit of Ksh 101,268,447. The deficit was contributed by settlement of liabilities accrued from the previous financial year and unremitted June 2015 Government recurrent capitation. It is also worthy to note that part of the deficit is contributed by our depreciation charge on University College's property plant and equipments of Kshs 55,233,543 for the financial year under review.

To facilitate increased access to University Education, the University is almost completing phase one(1) of the construction of the Center of Mines, Fuels and Mineral Processing and a 156 bed capacity Hostel to cater for increasing student enrolment. The University College is also aggressively developing new programs in readiness for upgrading of status to a fully-fledged University.

Conclusion

The University is grateful to the Government of Kenya and the Ministry of Education, Science and Technology for their continued support. The TTUC community will continue to work hard to meet targets as set in the Strategic Plan as TTUC continues to fulfill her obligations provided in the Universities Act 2012 and the Taita Taveta University College Order no. 156 of 2011.

Prof. Hamadi Iddi Boga, PhD
Principal, Taita Taveta University College

ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 30TH JUNE, 2015



VI. CORPORATE GOVERNANCE STATEMENT

The University College is being managed by a Council constituted as per University Act 2012. The Council members were appointed and gazetted on diverse dates vide Gazette Notice Number 799 of 25th January 2013 - Chairman, for a four (4) year term with effect from 22nd January 2013, and Gazette Notice Number 1841 of 15th February 2013 - other members, for a four (4) year term with effect from 18th February 2013.

Taita Taveta University College is required to prepare financial statements, which give a true and fair view of the state of affairs of the College as at the end of financial year, and of its surplus or deficit for the year.

The University College is required to ensure that proper accounting records that disclose, with reasonable accuracy, at any time the financial position of the University College, are maintained. The Council is also responsible for safeguarding the assets of the University College. The Council accepts responsibility for annual financial statements, which have been prepared using appropriate accounting policies supported by reasonable and prudent judgment and estimates, in conformity with International Financial Reporting Standards.

The Council confirms that the financial statements give a true and fair view of the state of financial affairs of the University College as at 30th June 2015 and its deficit for the year that ended. The Council further confirms the accuracy and completeness of the accounting records maintained by the University College, which may be relied upon in the presentation of the financial statements, as well as on the accuracy of the systems of internal controls.

Nothing has come to the attention of the Council to indicate that the University College will not remain a going concern for at least twelve months from the date of this statement. The Council thanks the Staff for their dedication and hard work in the last financial year.

The statement is approved by the University Council and signed by/or on its behalf

Prof. Hamadi Iddi Boga, PhD
Principal, Taita Taveta University College

ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 30TH JUNE, 2015



VII. CORPORATE SOCIAL RESPONSIBILITY STATEMENT

Taita Taveta University College is committed to continuous engagement with the local communities, the county Government of Taita Taveta and the National Government to fight poverty, ignorance and environmental degradation so as to contribute to sustainable development. Some of the strategies deployed at TTUC towards Corporate Social Responsibility are anchored in our Strategic Plan that covers the period (2013-2018)

- 1 Short Courses in relevant subjects targeting community needs, like Gemology
- 2 Employing an open door policy towards members of the community and other stakeholders so as to provide an opportunity for continuous engagement
- 3 Offering scholarship programs for students from the community in collaboration with the Taita Taveta County Government
- 4 Introducing more tailor made courses for capacity building of the community
- 5 Identifying and researching on challenges and problems afflicting the community
- 6 Entering into collaborations with local communities and the Taita Taveta County Government on various developmental issues
- 7 Engaging the community and other stakeholders in the provision of services to the College and vice-versa

In this respect, during this financial year, the College conducted various capacity building workshops involving teachers, students, local gemstone traders, secondary school students within Taita Taveta County and senior officials of the Taita Taveta County Government. The University also hosted the Coastal Region Music and drama festivals between 1st to 4th July, 2015 hence taking part in promotion of national cohesion and integration.

**ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 30TH JUNE, 2015**



VIII. REPORT OF THE DIRECTORS

The Directors submit their report together with the draft Financial Statements for the year ended June 30, 2015 which show the state of the TTUC affairs

Principal activities

The principal activities of the TTUC are Teaching, Research and Community Outreach

Results

The results of the TTUC for the year ended June 30, 2015 are set out on page 14 to page 37

Directors

The members of the Board of Directors (University College Council) who served during the year are shown on page 4 and 5

Auditors

The Auditor General is responsible for the statutory audit of the TTUC in accordance with the Section 89 of the Public Finance Management (PFM) Act, 2012 and Public Audit Act, 2015

By Order of the Board

Principal
Tanta University College
Y03
Date 2nd March 2016

ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 30TH JUNE, 2015



IX. STATEMENT OF COUNCIL MEMBERS' RESPONSIBILITIES

Section 89 of the Public Finance Management Act, 2012 and cap 446 section 14 of the State Corporations Act, require the Council Members to prepare financial statements in respect of TTUC, which give a true and fair view of the state of affairs of the TTUC at the end of the financial year/period and the operating results of the TTUC for that year/period. The Council Members are also required to ensure that the TTUC keeps proper accounting records which disclose with reasonable accuracy the financial position of the TTUC. The Council Members are also responsible for safeguarding the assets of the TTUC.

The Council Members are responsible for the preparation and presentation of the TTUC financial statements, which give a true and fair view of the state of affairs of the TTUC for and as at the end of the financial year (period) ended on June 30th, 2015. 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 TTUC; (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 TTUC; (v) selecting and applying appropriate accounting policies; and (vi) making accounting estimates that are reasonable in the circumstances.

The Council Members accept responsibility for the TTUC financial statements, which have been prepared using appropriate accounting policies supported by reasonable and prudent judgments 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 Members are of the opinion that the TTUC financial statements give a true and fair view of the state of TTUC transactions during the financial year ended June 30th, 2015, and of the TTUC financial position as at that date. The Council Members further confirm the completeness of the accounting records maintained for the TTUC, which have been relied upon in the preparation of the TTUC financial statements as well as the adequacy of the systems of internal financial control.

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

The TTUC financial statements were approved by the Board on 2nd March 2016 and signed on its behalf by:


Mr. Hamid Murowa


Ms. Jane Kimbwenia


Dr. Moses C. Kiptui



OFFICE OF THE AUDITOR-GENERAL

REPORT OF THE AUDITOR-GENERAL ON TAITA TAVETA UNIVERSITY COLLEGE FOR THE YEAR ENDED 30 JUNE 2015

REPORT ON THE FINANCIAL STATEMENTS

I have audited the accompanying financial statements of Taita Taveta University College set out on pages 14 to 37, which comprise the statement of financial position as at 30 June 2015, and the statement of financial performance, statement of changes in net assets, statement of cash flows, 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 of the Public Audit Act, 2003 and submit the report in compliance with Article 229(7) of the Constitution of Kenya. 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 judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Taita Taveta University College internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the management, as well as evaluating the overall presentation of the financial statements.

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

Basis of Qualified Opinion

1.0 Cash and Cash Equivalents

The statement of financial position as at 30 June 2015 reflects cash and cash equivalents balance of Kshs.5,177,451 of which the following observations were noted:

1.1 Kenya Commercial Bank Ltd Fee Collections A/c

The bank reconciliation statement as at 30 June 2015 for Kenya Commercial Bank Ltd A/C reflects unidentified credits of Kshs.110,000 and un-posted income of Kshs.22,000 of which the dates of subsequent clearance were not indicated as at the date of this report.

1.2 Kenya Commercial Bank Catering A/c

The bank reconciliation statement as at 30 June 2015 for Kenya Commercial Bank Ltd Catering A/C reflects unidentified credits of Kshs.208,074. whose dates of subsequent clearance or entry in cash book have not been indicated as at the date of this report.

1.3 Equity Bank Ltd Fee Collection A/c

The bank reconciliation statement as at 30 June 2015 for Equity Bank Ltd Fee Collection A/C reflects a figure of Kshs.810,210 in respect of unrepresented cheques and unidentified credits of Kshs.423,448 whose dates of subsequent clearance or entry in cash book have not been indicated as at the date of this report.

1.4 Kenya Commercial Bank Salary Account A/C

The bank reconciliation statement as at 30 June 2015 for Kenya Commercial Bank Ltd Salary A/C reflects unidentified credits of Kshs 8 651 whose dates of subsequent clearance or entry in cash book have not been indicated

Consequently, the validity, accuracy and completeness of the cash and cash equivalents balance of Kshs 5,177,451 as at 30 June 2015 could not be confirmed as at 30 June 2015

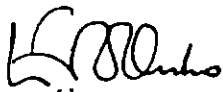
2. Bank Overdraft

The statement of financial position as at 30 June 2015 reflects a bank overdraft of Kshs 51,076,533 at Kenya Commercial Bank Ltd. However, the bank reconciliation statement as at the same date reflects unidentified debits of Kshs 3,692 and unidentified credits of Kshs 627,798 whose dates of subsequent clearance have not been provided for audit review as at the date of this report

Consequently, the accuracy, validity and completeness of the bank overdraft balance of Kshs 51,076,533 as at 30 June 2015 could not be confirmed

Qualified Opinion

In my opinion, except for the effect of the matters described in the Basis for Qualified Opinion paragraph, the financial statements present fairly, in all material respects, the financial position of Taita Taveta 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 Universities Act, 2012



FCPA Edward R. O. Ouko, CBS
AUDITOR-GENERAL

Nairobi

07 April 2016

**ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 30TH JUNE, 2015**



**XI. STATEMENT OF FINANCIAL PERFORMANCE
FOR THE YEAR ENDED 30TH JUNE, 2015**

INCOME	NOTE	2014/2015	2013/2014
		KSHS	Restated KSHS
Revenue from non-exchange transactions			
Government Grant Income	3	295,589,066	217,560,705
Other Incomes (Donations)	4	822,480	168,000
		296,411,546	217,728,705
Revenue from exchange transactions			
Tuition Fees Income	5	105,154,007	78,929,144
Income from Other Services Rendered	6	21,621,789	22,816,051
Income from other activities	7	1,501,407	85,384
		128,277,202	101,830,580
Total revenue		424,688,749	319,559,285
Expenses			
Personnel Emoluments	8	319,434,136	229,329,117
Academic Departments Costs	9	22,762,230	13,350,503
Administrative Departments Costs	10	8,838,739	9,063,874
Students Welfare Costs	11	20,651,268	29,713,422
Maintenance Work Costs	12	4,483,133	4,875,386
Central Services Costs	13	128,095,087	109,695,127**
Council Expenses	14	7,257,723	8,702,426
Finance Cost	15	14,434,879	2,155,268
Total expenses		525,957,195	406,885,122**
(Deficit) / Surplus for the year		(101,268,447)	(87,325,837)**
Taxation Charge*		0	0
(Deficit) / Surplus for the year		(101,268,447)	(87,325,837)**

*-Taxation charge

The University College is a public institution hence exempted from paying corporate tax

** - Restated, see note 25

**ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 30TH JUNE, 2015**



**VII. STATEMENT OF FINANCIAL POSITION
AS AT 30TH JUNE 2015**

		2014 / 2015	2013 / 2014 (Restated)
ASSETS	NOTE	KSHS	KSHS
CURRENT ASSETS			
Cash and cash equivalent	16	5,177,451	3,712,351
Receivables from Exchange transactions	17	56,974,407	26,279,822
Inventories	18	7,003,038	5,369,792
		69,154,896	35,361,965
NON CURRENT ASSETS			
Property, Plant and Equipment	19	2,891,058,527	2,760,082,386
Intangible Assets	20	252,793	361,134
		2,891,311,320	2,760,443,520
TOTAL NET ASSETS		2,960,466,216	2,795,805,485
FUNDS, GRANTS AND LIABILITIES			
FUNDS AND GRANTS			
Capital fund		596,996,561	422,569,894
Reserve fund		(249,308,017)	(148,039,570)*
Revaluation Reserve		2,363,430,497	2,358,845,745
Total		2,711,119,041	2,633,376,069
LONG TERM LIABILITIES			
IPUCCF (GoK)	21	35,200,000	96,776,930
KCB Loan	22	51,776,989	18,172,406
Total		86,976,989	114,949,336
CURRENT LIABILITIES			
KCB Loan	22	35,720,942	-
Trade and other Payables from exchange transactions	23	75,572,711	43,920,418*
Bank Overdraft	24	51,076,533	3,559,662
Total		162,370,186	47,480,080
TOTAL FUNDS, GRANTS AND LIABILITIES		2,960,466,216	2,795,805,485

* - Restated, see note 25

Prof Lucia N Omondi, PhD MBS
COUNCIL CHAIR

Prof Hamadi Boga, PhD
PRINCIPAL

**ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 30TH JUNE, 2015**



**XIII STATEMENT OF CHANGES IN NFT ASSETS
AS AT 30TH JUNE 2015**

Particulars	Capital development replacement reserve	Accumulated Reserve Fund (Restated)	Revaluation Reserve	Total
Balance as at 01.07.12	360,142,877			360,142,877
Additions in the year	75,000,000			75,000,000
Surplus for the period		8,886,267		8,886,267
Balance as at 30 June 2013	435,142,877	8,886,267		444,029,144
Surplus / (Deficit) for the period		(87,325,837)**		(87,325,837)
Prior Year Adjustment	(12,572,983)*	(69,600,000)		(82,172,983)
Additions in the year			2,358,845,745	2,358,845,745
As at 30.06.14	422,569,894	(148,039,570)**	2,358,845,745	2,633,376,069
Surplus / (Deficit) for the period		(101,268,447)		(101,268,447)
Additions in the year	174,426,667		4,584,752	179,011,419
As at 30.06.15	596,996,561	(249,308,017)	2,363,430,497	2,711,119,041

*- This relates to the financial year 2012/2013 Capital Grant that had been recognized in the capital fund based on the printed estimates. The University did not meet the condition as required in IPSAS 23 therefore it has been adjusted.

** - Restated see note 25

**ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 30TH JUNE, 2015**



**XIV. STATEMENT OF CASHFLOWS
FOR THE YEAR ENDED 30TH JUNE, 2015**

Particulars	Note	2014/2015	2013/2014 Restated
Surplus/(Deficit) for the year		(101,268,447)	(87,325,837)**
Adjustment for :			
Interest expenses	15	-	2,155,268
Depreciation Charge	19	55,233,543	45,997,635
Amortization of SAGE Software	20	108,340	154,772
Prior Year Adjustment			12,572,983
Operating Profit before working capital changes		(45,926,564)	(26,445,179)
Working capital changes			
Decrease(increase) in Trade Receivables	17	(30,694,585)	76,402,502
Decrease(increase) in Inventories	18	(1,633,245)	(2,936,207)
Increase(Decrease) in Trade Payables	23	31,652,294	20,280,060**
Net cash generated from Operating Activities		(46,602,100)	67,301,176
<u>CASH FLOWS FROM INVESTING ACTIVITIES</u>			
Interest paid		(2,262,067)	(2,323,199)
Investment of software		-	(205,000)
Purchase of Furniture & fixtures	19	(2,964,778)	(2,460,779)
Additions in Work In Progress	19	(129,127,570)	(55,628,663)
Development of master plan	19	-	(9,681,376)
Purchase of Computers and Equipment	19	(4,447,448)	(5,497,511)
Net cash used in Investing Activities		(138,801,863)	(75,796,528)
<u>CASH FLOWS FROM FINANCING ACTIVITIES</u>			
Capital fund		174,426,667	-
Repayment of KCB loan	22	(35,074,475)	- 2,198,896 -

**ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 30TH JUNE, 2015**



KCB Asset Finance Facility			6,601,032
Net Cash from Financing Activities		139,352,193	8,799,928
Net Increase or decrease		(46,051,771)	304,576
Net Increase (Decrease) in cash and cash equivalents			
Cash and cash equivalents at 1 July		152,689	(151,887)
Cash and cash equivalents as at 30th June,2015		(45,899,082)	152,689
<u>SUMMARY OF CASH AND BANK BALANCES</u>			
Cash Book Balance		5,177,451	3,712,351
(Negative) Cash and Bank Balance		(51,076,533)	(3,559,662)
TOTAL		(45,899,082)	152,689

** - Restated, see note 25.

ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 30¹¹ JUNE, 2015



IV STATEMENT OF COMPARISON OF BUDGET AND ACTUAL AMOUNTS

Particulars	Original budget (A) (Kshs)	Adjustments (B) (Kshs)	Final budget (C = A+B) (Kshs)	Actual on comparable basis (Kshs)	Performance difference (Kshs)
	2014/2015		2014/2015	2014/2015	2014/2015
	Kshs	Kshs	Kshs	Kshs	Kshs
Government grant income	322 460 800	0	322 460 800	295 589 066	26 871 734
Tuition fees income	97,340 000	26 953 721	124 293 721	105 154 007	19 139 714
Income from other services rendered	25,005 877		25 005 877	23 945 676	1 060 201
Total income	444,806,677	26,953,721	471,760,398	424,688,749	47,071,649
Expenses					
Personal emoluments	356 180 073	35 039 750	391 219 823	319 434 136	71 785 657
Academic costs	19 176 550	(817 465)	18 359 085	22 762,230	(1 403 145)
Administrative cost	9 200 000	(1 090 000)	8 110 000	8 838,739	(728 739)
Students welfare cost	32 687 000	(4 421 953)	28 265 047	20 651 268	7 613 779
Maintenance work cost	7 850 651	(3 146 602)	4 704,049	4 483,133	220 916
Central services cost	102 712 403	28 138 740	130 850 743	128 095 087	2 536 614
Council Activities	9 000 000	(1 200 000)	7 800 000	7 257 723	542 277
Finance Cost	10 000 000	1 349,120	11,349 120	14 434 879	(5,347 820)
Total expenditure	546,806,677	53,851,190	600,657,867	525,957,195	74,700 672
Surplus/(Deficit)for the year*	(102,000,000)*	(26,897 469)	(128,897,469)	(101,268,447)	(27 629,022)

* During the year under review, Tanta Taveta University College took a loan of Kshs 104 400,000 to facilitate in refund of funds received from Inter Public University Councils Consultative Forum for the repayment of Collective Bargaining Agreement. The same has been reflected in the notes 22 and 23 of the financial statements.

ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 30TH JUNE, 2015



XVI SIGNIFICANT ACCOUNTING POLICIES

1. Statement of compliance and basis of preparation

The TTUC financial statements have been prepared in accordance with International Public Sector Accounting Standards (IPSAS). The financial statements are presented in Kenya Shillings, which is the functional and reporting currency of the TTUC. The accounting policies have been consistently applied to all the years presented. 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.

2. Summary of significant accounting policies

2.1 Revenue Recognition

Revenues are recognized as income during the actual period in which such revenues become due. If such revenue are not received, a debtor is created in the ledger.

2.2 Revenue from non-exchange transactions – IPSAS 23

Other incomes, donations

The TTUC recognizes revenues from donations when the event occurs and the asset recognition criteria are met. To the extent that there is a related condition attached that would give rise to a liability to repay the amount, deferred income is recognized instead of revenue.

Government grants

Non-exchange transactions revenue from government entities are recognized as an asset when, and only when it is probable that the future economic benefits or service potential related to the asset will flow to TTUC and the fair value of the asset can be measured reliably.

2.3 Revenue from exchange transactions – IPSAS 9

Rendering of services

The TTUC 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 fees payable.

Sale of goods and services

Revenue from the sale of goods is recognized when the significant risks and rewards of ownership have been transferred to the buyer, usually on delivery of the goods 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 TTUC.

ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 30TH JUNE, 2015



Significant accounting policies continued...

2.4 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 entity. During the year TTUC Budget was prepared using historical cost but during adoption it was apportioned on cash basis based on printed estimated allocated to the university college therefore there are differences that would require reconciliation between the actual comparable amounts in the statement of budget and actual and statement of Financial performance amounts presented.

Original budget is the initial approved budget for the budget period

2.5 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 TTUC recognizes such parts as individual assets with specific useful lives and depreciates them accordingly. All other repair and maintenance costs are recognized as recurrent expenses (in surplus or deficit) as incurred.

2.6 Depreciation and impairment of property, plant and equipment

Assets are usually depreciated, using the reducing balance approach, in order to offset the impact of increasing maintenance costs occasioned by wear and tear as the asset grows old. However, where an asset's maintenance does not greatly vary with age such assets are depreciated on an even basis e.g. land and building. In the case of investment properties, no depreciation is provided as such properties are often maintained in good shape in order to attract good business. Investment properties are normally stated at their market value. With the exception of investment property therefore, assets are depreciated evenly over its useful life.

Depreciation on property, plant and equipment is recognised in the income statement on a straight-line basis to write down the cost of each asset or the re-valued amount to its residual value over its estimated useful life. The annual rates in use are:

CATEGORY	RATE	ASSET LIFE EST.	BASIS
Land & Building	2%	50yrs	Even
Motor Vehicles	20%	5yrs	Even
Office Equipment	30%	3yrs	Even
Furniture	10%	10yrs	Even
Tools	10%	10yrs	Even
Computers	30%	3yrs	Even

A full year's depreciation charge is recognised both in the year of asset purchase and in the year of asset disposal.

ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 30TH JUNE, 2015



Significant accounting policies continued...

Items of property, plant and equipment are reviewed annually for impairment. Where the carrying amount of an asset is assessed as greater than its estimated recoverable amount, an impairment loss is recognised so that the asset is written down immediately to its estimated recoverable amount.

2.7 Intangible assets

Intangible assets acquired are initially recognized at cost. Following initial recognition, intangible assets are carried at cost less any accumulated amortization and accumulated impairment losses.

Intangible assets comprise purchased computer software licences, which are capitalised on the basis of costs incurred to acquire and bring to use the specific software. These costs are amortised over the estimated useful life of the intangible assets from the year that they are available for use, usually over three years.

2.8 Amortisation and impairment of intangible assets

Amortisation is calculated on the straight-line basis over the estimated useful life of computer software of three years.

All computer software is reviewed annually for impairment. Where the carrying amount of an intangible asset is assessed as greater than its estimated recoverable amount, an impairment loss is recognised so that the asset is written down immediately to its estimated recoverable amount.

2.9 Borrowing costs- IPSAS 5

Taita Taveta University College capitalize borrowing costs that are directly attributable to the acquisition or construction of a qualifying asset.

All other borrowing costs that do not satisfy the conditions for capitalization are expensed when incurred.

2.10 Inventories – IPSAS 12

Stock are stated at the lower of the cost or their net realizable value IPSAS (12). Library Books and Perishables are written off to expenditure as incurred.

2.11 Changes in accounting policies and estimates – IPSAS 3

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

2.12 Pension

TTUC has established a pension scheme for her staff which has now been operationalized. The employer contributes 20% while the employee remits 10% of the basic pay. Additionally a contribution of Ksh. 200 for staff on contract is submitted to NSSF.

ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 30TH JUNE, 2015



Significant accounting policies continued

2.1 Taxation

Current income tax assets and liabilities for the current period are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date in the area where the Entity operates and generates taxable income.

TTUC, as a public entity, is exempted from corporate tax of 30%.

2.2 RELATED PARTY DISCLOSURES

i. Government of Kenya

The Government of Kenya is the principal shareholder of the University College. The Government of Kenya has provided full guarantees to all long-term lenders of the entity.

ii. Inter Public Universities Consultative Council Forum (IPUCCF)

TTUC benefited from Collective Bargaining Agreements between Trade Unions and IPPUCF in the year 2012/2013, Ksh 69,600,000 and the year 2013/2014, Ksh 69,600,000 which totaled to Ksh 139,200,000. The University College refunded Kshs 42,423,070 in the financial year 2013/2014 and Kshs 61,576,930 in the year under review.

2.3 Comparative

This is the third year of preparing financial statements. Comparison is made with the second year, financial year 2013/2014.

2.4 Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and cash at bank. Bank account balances include amounts held at the commercial banks at the end of the financial year and reconciled bank balances.

2.5 Significant judgments and sources of estimation uncertainty

(a). Going concern

The financial statements of the University were prepared on the assumptions that it is a going concern. The Accrual method of income and expenditure recording was also applied in maintaining the books of accounts.

(b). Estimates and assumptions

TTUC based its assumptions and estimates on parameters available when the financial statements were prepared. It assumed that learning sessions will go on uninterrupted and the government, through Ministry of Education, Science & Technology, will remit the amounts due to the University College in time. However, existing circumstances and assumptions about future developments may change due to

**ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 30TH JUNE, 2015**



Significant accounting policies continued.

market changes or circumstances arising beyond the control of the Entity. Such changes shall be reflected in the assumptions when they occur.

(c) Useful lives and residual values

The useful lives and residual values of assets are assessed using the following indicators to inform potential future use and value from disposal:

- The date the asset is put into use
- The condition of the asset based on the assessment of experts employed by the Entity
- The nature of the asset, its susceptibility and adaptability to changes in technology and processes
- The nature of the processes in which the asset is deployed
- Availability of funding to replace the asset
- Changes in the market in relation to the asset

(d) Provision for bad debts

Provisions for bad debts are measured at the management's best estimate of the expenditure required to settle the obligation at the reporting date, and are discounted to present value where the effect is material.

Provision is made for the estimated cost to be incurred in case the debtors failed to honour its obligations in full. The provision is based on the advice and judgment of Finance officer.

**ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 30TH JUNE, 2015**



XVII. NOTES TO THE FINANCIAL STATEMENTS

3. Revenue from Non Exchange Transactions

Particulars	2014 / 2015	2013 / 2014
	Kshs	Kshs
Capitation (Recurrent Grant)	295 589 066	217 560,705
Total	295,589,066	217,560,705

4. Other Incomes

Particulars	2014 / 2015	2013 / 2014
	Kshs	Kshs
Bursary Grants	-	108,000
Donations	822,480	60,000
Total	822,480	168,000

5. Tuition Fees Income

Particulars	2014 / 2015	2013 / 2014
	Kshs	Kshs
Tuition Fees Incomes		
Tuition Fee	52 249,598	67,300 484
Residential Fees	15,089,250	3,240,683
ID/Registration Fees	1,649,654	393,956
Examination Fees	11,703,464	2,861,813
Medical Fees	6,998,903	1,658,676
Internet Fees	3,785,717	798,224
Computer Fees	3,807,718	794 093
Library Fees	2,584,970	580,250
Field Trip/Attachment	4,177,525	501,759
Student Activity Fees	2,239,708	541 275
Brdging Course	360 500	-
SOTTUC	384 000	167,931
CISCO	123 000	-
Total	105,154,007	78,929,144

**ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 30TH JUNE, 2015**



Notes to the financial statements continued....

6. Income from other services rendered		
<u>Particulars</u>	<u>2014 / 2015</u>	<u>2013 / 2014</u>
	<u>Kshs</u>	<u>Kshs</u>
Application Fees	115,000	129,000
Hire Of Graduation Gowns		-
Accommodation Charges	25,450	655,170
Rental Income- Staff	147,500	652,374
Students P.A.Y.E.	16,441,317	16,703,082
Staff cafeteria	2,018,047	1,241,801
Shop Rent	54,000	30,000
Disposal Of Fixed Assets	-	-
TTUC Hospital Cost Sharing	253,979	288,263
Sale Of Tenders	-	350,250
Seminar Charges	290,678	304,950
Miscellaneous Income	2,275,818	2,461,161
<u>Total</u>	<u>21,621,789</u>	<u>22,816,051</u>
7. Income from other activities		
<u>Particulars</u>	<u>2014 / 2015</u>	<u>2013 / 2014</u>
	<u>Kshs</u>	<u>Kshs</u>
Green House	22,255	18,215
Bookshop	6,918	31,669
Guest House	16,700	35,500
Interest income	1,455,534	-
<u>Total</u>	<u>1,501,407</u>	<u>85,384</u>
<u>TOTAL AIA</u>	<u>128,277,202</u>	<u>101,998,580</u>

**ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 30TH JUNE, 2015**



Notes to the financial statements continued....

8. Personnel Emoluments

Particulars	2014 / 2015	2013 / 2014
	Kshs	Kshs
Staff Salary	240,369,962	167,922,456
Casual Wages	23,346,119	23,137,233
Part Time Teaching	31,363,691	25,611,560
Gratuity & Pension Contributions	24,354,364	12,453,734
CBA Provision		204,134
Total	319,434,136	229,329,117
9. Academic Departments Costs		
Particulars	2014 / 2015	2013 / 2014
	Kshs	Kshs
Purchase of Teaching/Production Materials	2,569,290	2,727,141
Field Attachment Expenses	16,255,870	7,322,649
Joint Admission Board	825,000	130,250
Examination Expenses	2,603,570	2,408,208
Research Expenses	508,500	762,255
Total	22,762,230	13,350,503

10. Administrative Departments Costs		
Particulars	2014 / 2015	2013 / 2014
	Kshs	Kshs
Travelling and accommodation	8,342,725	7,844,583
Telephone Expenses	387,800	436,917
Entertainment	108,214	782,374
Total	8,838,739	9,063,874

**ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 30TH JUNE, 2015**



Notes to the financial statements continued....

11. Students Welfare		
Particulars	2014 / 2015	2013 / 2014
	Kshs	Kshs
Gas and Cooking fuel	2,340,410	2,353,100
Food and rations	15,065,366	24,904,232
Crockery and utensils	94,495	498,975
Inter- university games	1,316,250	898,895
SOTTUC	1,368,097	1,051,725
Dean of Students	466,650	6,495
Total	20,651,268	29,713,422

12. Maintenance Costs		
Particulars	2014 / 2015	2013 / 2014
	Kshs	Kshs
Maintenance of plant/mach/equip	1,743,329	2,195,046
Repair & Maintenance of Furniture	710,160	1,074,163
Maintenance of buildings	1,015,616	941,989
Maintenance of water/sewage	543,398	539,018
Maintenance of Roads/Grounds	391,060	125,170
Maintenance of Ngerenyi Campus	79,570	
Total	4,483,133	4,875,386

**ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 30TH JUNE, 2015**



Notes to the financial statements continued.

13. Central Services	2014/2015	2013/2014 Restated
	KSHS	KSHS
Cleaning Materials	1,419,347	3,598,859
Uniforms/ Clothing's	127,400	434,700
Stationary	1,649,258	953,612
Medical Expenses	10,814,853	4,419,988
IGU Investment (Seed Money)	36,390	17,600
External travelling	3,196,122	2,440,398
Postal & telegrams expenses	334,566	163,401
Official entertainment	1,011,766	488,399
Conference & seminars	2,763,007	1,517,275*
Public celebrations/ funerals	166,100	326,660
Publishing & printing	741,765	657,504
Advertising & Publicity	2,351,210	3,396,311
Audit fees	548,000	922,200
ISO Expenses	437,896	35,750
Rent and Rates	4,772,600	1,359,620
Contracted professional services	985,951	1,341,613
Hire of transport & machinery	648,050	602,020
Motor vehicle insurance	1,699,603	699,279
General Insurance	3,491,074	386,853
Fees, Commissions And Out of Pocket	226,500	
Staff Training expenses	5,360,482	2,823,402
Principal award	405,900	
Show expenses	1,981,248	1,887,641
Graduation expenses	120,735	165,750
Work Study	153,240	51,255
Subscription to Professional Bodies	389,465	100,000
Strategic Plan	-	213,700
Contingence& Disaster Mgt	105,011	40,000
Miscellaneous charges	42,749	
Internet Connectivity	5,780,725	2,168,211
Computer Accessories & Software	131,199	832,435
Electricity & Water expenses	5,929,416	9,089,308
Fuel for Generator	136,000	627,205
Transport Operating expenses	6,222,969	4,624,553
Library Expenses	1,355,777	1,357,783
Sundry Expenditure	-	13,072,831
Depreciation	55,233,543	45,997,635

**ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 30TH JUNE, 2015**



Notes to the financial statements continued....

Amortization of Software	108,340	154,772
Bank charges	4,944,007	1,343,455
Provision for bad debts	1,558,110	1,383,149
Pension Board of trustee	23,750	-
Administration of Taveta Land	340,593	-
Farm works expenses	141,665	-
Animal Expenses	46,755	-
Due diligence on ERP System	161,950	-
Total	128,095,087	109,695,127*

* - Restated, see note 25

14. Council Expenses

<u>Particulars</u>	2014/2015	2013/2014
	KSHS	KSHS
Allowance/Honoraria	7,257,723	8,702,426
Total	7,257,723	8,702,426

15. Finance Costs	2014/2015	2013/2014
	KSHS	KSHS
Interest on KCB Loan	14,434,879	2,155,268
Total	14,434,879	2,155,268

16. Cash and Bank Balances

Particulars	2014/ 2015	2013 / 2014
	Kshs	Kshs
KCB TTUC Student Fees account	1,099,315	366,988
KCB TTUC Catering account	708,388	1,449,618
Equity Student Fees account	2,636,953	1,839,296
Equity Call Account	-	-
Schedule Account	831	478
KCB TTUC Salary account	731,964	55,971
Total	5,177,451	3,712,351

**ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 30TH JUNE, 2015**



Notes to the financial statements continued....

17. Receivables from Exchange Transactions

Particulars	2014 / 2015	2013 / 2014
Student fees balance	31,162,195	26,953,721
Staff Debtors - Rent	64,000	69,000
Other debtors -Shop rent	434,588	640,250
MOEST - Revenue	26,871,734	-
Provision for bad debts	(1,558,110)	(1,383,149)
Total	56,974,407	26,279,822

18. Inventories

Particulars	2014 / 2015	2013 / 2014
	Kshs	Kshs
Stationary Store	1,349,683	932,722
Catering Store	1,089,268	616,911
Maintenance Store	3,309,300	2,335,738
Cleaning Store	477,989	220,738
Drug Store	776,799	1,263,684
	7,003,038	5,369,793

**ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 30TH JUNE, 2015**



Notes to the financial statements continued....

19. Property, Plant & Equipment (Kshs)								
Particulars	WORK IN PROGRESS	LAND	BUILDINGS	FURNITURE, FIXTURES & FITTINGS	COMPUTERS & EQUIPMENTS	MOTOR VEHICLE	PLANT & MACHINERY	TOTAL
DEPN. RATES			2%	10%	30%	20%	10%	
COST								
At 1 July 2013	102,994,377	15,000,000	227,485,440	14,539,686	14,767,690	11,516,963	443,520	386,747,676
Additions	55,628,662	985,000,000	1,373,845,745	2,460,779	5,497,511	9,681,376	-	2,432,114,073
Disposal								-
Transfer/adjustments	(95,369,208)		95,369,208					-
As at 30 June 2014	63,253,831	1,000,000,000	1,696,700,393	17,000,465	20,265,201	21,198,339	443,520	2,818,861,749
As at 1 st July, 2014	63,253,831	1,000,000,000	1,696,700,393	17,000,465	20,265,201	21,198,339	443,520	2,818,861,749
Additions	129,127,570	-	-	2,964,778	4,447,448	-	-	136,539,796
Disposal	-	-	-	-	-	-	-	-
Transfer adjustments	31,976,726	-	-	-	9,069,017	8,624,144	-	49,669,887
Transfer adjustments (Buildings)	(63,381,537)	-	56,624,281	-	6,757,256	-	-	-
As at 30/06/2015	<u>160,976,590</u>	<u>1,000,000,000</u>	<u>1,753,324,674</u>	<u>19,965,243</u>	<u>40,538,922</u>	<u>29,822,483</u>	<u>443,520</u>	<u>3,005,071,433</u>
Accumulated Depreciation and Impairment								

**ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 30TH JUNE, 2015**



Notes to the financial statements continued....

As at 30th June, 2013	-	4,549,709	1,453,969	4,430,307	2,303,393	44,352	12,781,729
As at 30th June, 2014	-	33,934,008	1,700,047	6,079,560	4,239,668	44,352	45,997,634
Charge for the year	-	35,066,493	1,996,524	12,161,677	5,964,497	44,352	55,233,543
As At 30 June, 2015	-	73,550,210	5,150,539	22,671,544	12,507,557	133,056	114,012,907
Net book values							
As at 30th June, 2015	1,000,000,000	1,679,774,464	14,814,704	17,867,378	17,314,926	310,464	2,891,058,527
As at 30th June, 2014	63,253,831	1,000,000,000	1,658,216,676	13,846,450	9,755,334	354,816	2,760,082,386

**ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 30TH JUNE, 2015**



Notes to the financial statements continued....

WORK IN PROGRESS SCHEDULE

DETAILS	2012/2013 B/F	2013/2014 Additions	Additions 2014/2015	TOTAL
	KSH	KSH		KSH
Refurbishment of Buildings - TAITA	10,198,989			
Construction of Hostels - TAITA	79,178,075			
Construction of Water tank	5,992,144			
Construction of Admin/Classroom	6,178,705	26,926,153	12,835,955	
Construction of Water tank	1,446,464	9,867,298	1,634,284	12,948,046
Construction of Water Treatment Plant		6,539,750	7,011,960	13,551,710
Construction of MFG		7,343,552	80,023,489	87,367,041
Construction of Hostel		4,951,910	25,203,282	30,155,192
Development of 50 year Master plan			2,418,600	2,418,600
TOTAL	102,994,377	55,628,663	129,127,570	146,440,589

**ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 30TH JUNE, 2015**



Notes to the financial statements continued....

20. Intangible Assets – Software	2014/2015	2013/2014
	Kshs	Kshs
Balance b/d	361,134	310,905
Investment in Finance Software	-	205,000
Amortization	108,340	(154,772)
Balance c/d	252,793	361,134

21. Inter Public University Councils Consultative Forum (IPUCCF)

	2014/2015	2013/2014
	Kshs	Kshs
Balance b/f	96,776,930	69,600,000
Addition within the year	-	69,600,000
Total Loan	96,776,930	139,200,000
Repayment made in year	61,576,930	42,423,070
Balance c/d	35,200,000	96,776,930

22. Financing Lease/KCB Loan

Particulars	2014/2015	2013/2014
	Kshs	Kshs
Finance Lease(a)		
Balance B/F*	18,172,406	11,571,374
Addition within the year	-	9,328,958
Total Loan	18,172,406	20,900,332
Loan Repayment	3,438,154	2,727,926
Balance c/d	14,734,252	18,172,406
KCB Loan(b)		
	2014/2015	2013/2014
	Kshs	Kshs
Balance b/d	-	-
Additions During the year**	104,400,000	-
Total	104,400,000	-
Loan Repayment	31,636,321	-
Balance c/d	72,763,679	-
Total (a+b)	87,497,931	18,172,406

**ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 30TH JUNE, 2015**



Notes to the financial statements continued

Loan Balance Reclassification

Item	Current Liability	Long Term Liability	Total
Asset Based Finance	3,103,786	11,630,466	14,734,252
KCB Loan	32,617,156	40,146,523	72,763,679
TOTAL	35,720,942	51,776,989	87,497,931

*TTUC has a revolving Asset Based financing of Kshs 30 000 000

** TTUC also took a loan of kshs 104 400,000, to facilitate in refund of the IPUCCI funds of Kshs 139 200 000 initially allocated to the Institution

23. Trade and other Payable from Exchange transaction

Particulars	2014/2015	2013 / 2014
	Kshs	Restated Kshs
Sundry creditors	30,149,480	12,264,044*
JKUAT Arrears	2,829,286	
TUM Arrears	2,089,313	
Hospital Bills	1,129,122	
Part-time lecturers	14,338,000	2,500,000
Provision for retention	15,715,643	18,835,212
Other contractors Provision	2,418,600	9,741,162
Provision for Audit fees	600,000	580,000
Fees prepayment	6,303,267	
Total	75,572,711	43,920,418

* - Restated see note 25

24. Bank Overdraft

Particulars	2014/2015	2013 / 2014
	Kshs	Kshs
KCB TTUC Main account	51,076,533	3,559,662

25. Restated figures

The restated figures as reflected in the financial year 2013 / 2014 column are as a result of an overcast of Kshs 149 034 on the Central Services Note total now corrected

ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 30TH JUNE, 2015



Notes to the financial statements continued....


XVIII PROGRESS ON FOLLOW UP OF AUDITOR RECOMMENDATIONS

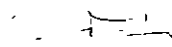
The following is the summary of issues raised by the external auditor, and management comments that were provided to the auditor. We have nominated focal persons to resolve the various issues as shown below with the associated time frame within which we expect the issues to be resolved.

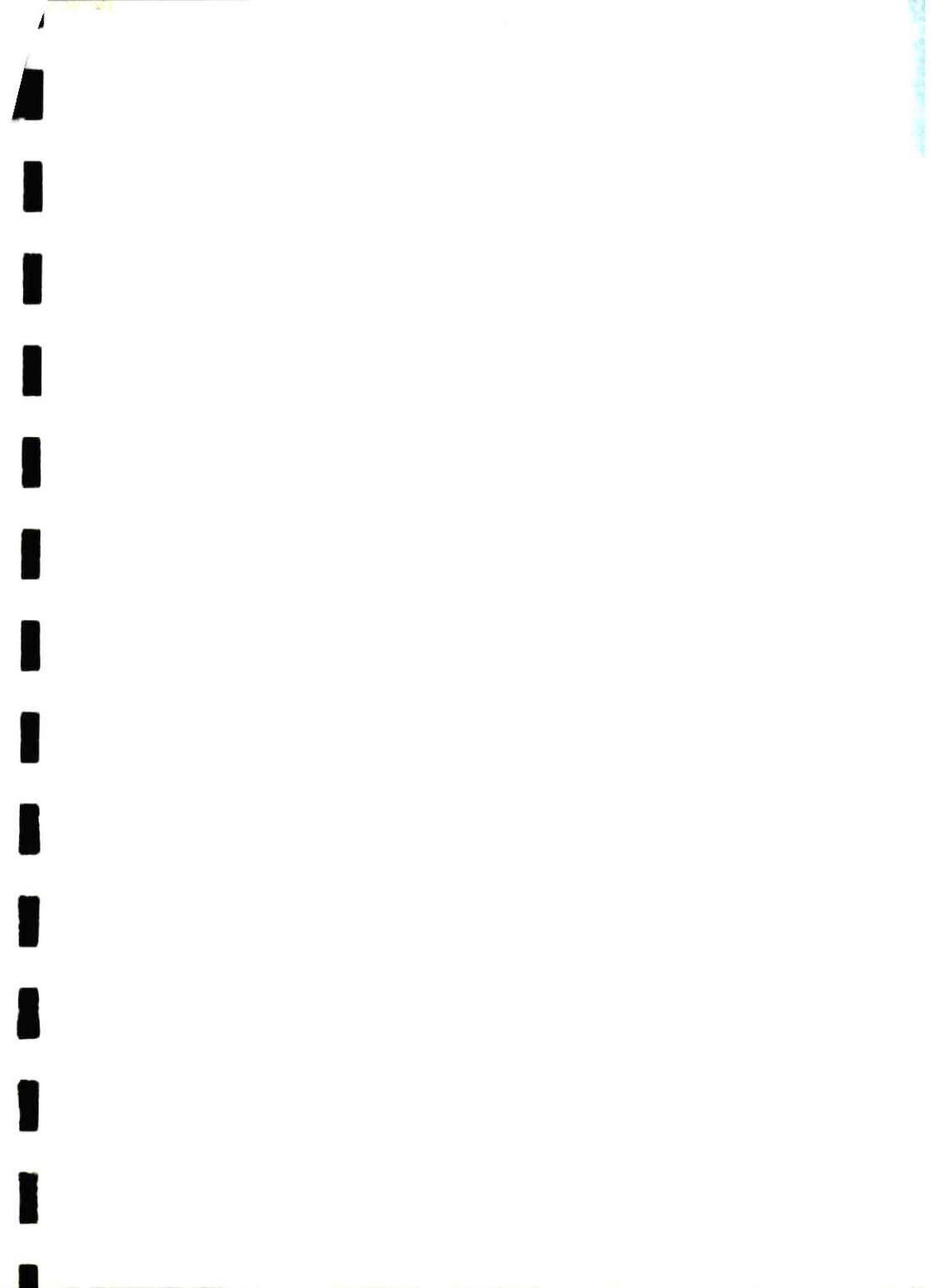
Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Focal Point person to resolve the issue (<i>Name and designation</i>)	Status (<i>Resolved / Not Resolved</i>)	Timeframe (<i>Put a date when you expect the issue to be resolved</i>)

Guidance Notes

- (i) Use the same reference numbers as contained in the external audit report,
- (ii) Obtain the "Issue/Observation" and "management comments", required above, from final external audit report that is signed by Management,
- (iii) Before approving the report, discuss the timeframe with the appointed Focal Point persons within TTUC responsible for implementation of each issue,
- (iv) Indicate the status of "Resolved" or "Not Resolved" by the date of submitting this report to National Treasury.

Principal (TTUC) 
Date 20/6/2015

Chairman of the Council 
Date 20/6/2015





TAITA TAVETA UNIVERSITY COLLEGE

(A Constituent College of Jomo Kenyatta University of Agriculture and Technology)

Home of Ideas

P.O. Box 635-80300 Voi Kenya. Telephone : (020 8150257)

Website: www.ttuc.ac.ke