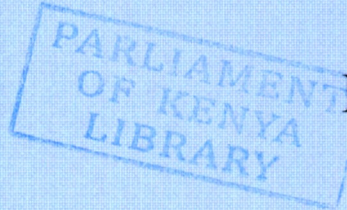


REPUBLIC OF KENYA



KENYA NATIONAL AUDIT OFFICE



REPORT

OF

THE AUDITOR-GENERAL

ON

THE FINANCIAL STATEMENTS OF  
JOMO KENYATTA UNIVERSITY OF  
AGRICULTURE AND TECHNOLOGY  
ENTERPRISE LIMITED

FOR THE YEAR ENDED  
30 JUNE 2013

*Handwritten notes:*  
Leader of  
Majumty, Hon  
Jalen Juel  
on Wednesday  
12/11/2014  
*Signature*

**JKUAT ENTERPRISES LTD**

**ANNUAL REPORT AND**

**FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED 30 JUNE 2013**

**JOMO KENYATTA UNIVERSITY OF AGRICULTURE &  
TECHNOLOGY ENTERPRISES LIMITED**

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**JOMO KENYATTA UNIVERSITY OF AGRICULTURE & TECHNOLOGY  
ENTERPRISES LIMITED**

**GENERAL INFORMATION**

**BOARD OF DIRECTORS**

The directors who served during the year and to the date of this report were:

- |                                    |                                                                |
|------------------------------------|----------------------------------------------------------------|
| <b>1. Dr. Ekuru Aukot</b>          | Director, Chairman JKUAT Council-Appointed on 12 February 2013 |
| <b>2. Eng. Julius Riungu</b>       | Director, Chairman JKUAT Council-Retired on 12 February 2013   |
| <b>3. Prof. Mabel Imbuga</b>       | Director, Vice Chancellor                                      |
| <b>4. Mrs. W.N. Karugu</b>         | Managing Director, JKUAT Enterprises Ltd.                      |
| <b>5. Prof. E.M. Kahangi</b>       | Director, Deputy Vice Chancellor (RPE)                         |
| <b>6. Prof. Francis Njeruh</b>     | Director, Deputy Vice Chancellor (APD)                         |
| <b>7. Prof. R. Odhiambo Otieno</b> | Director, Deputy Vice Chancellor (AA)                          |
| <b>8. Ms Bertha J. Dena</b>        | Director, Representing JKUAT Council                           |
| <b>9. Mr. Abraham Koech</b>        | Director, Representing Permanent Secretary, Treasury           |
| <b>10. Mr. Kimathi Mugambi</b>     | Director, Representing Ministry of Higher Education            |

**SENIOR MANAGERS**

- |                                |                                                      |
|--------------------------------|------------------------------------------------------|
| <b>1. Mrs. Winifred Karugu</b> | Managing Director                                    |
| <b>2. Mr Erastus Mvuria</b>    | General manager-Appointed on 1 May 2013              |
| <b>3. Mr. Charles Nduati</b>   | General Manager-Retired on 28 Feb 2013               |
| <b>4. Mr. Kelvin Muoki</b>     | Business Development Manager-Appointed on 1 May 2013 |

**JOMO KENYATTA UNIVERSITY OF AGRICULTURE & TECHNOLOGY  
ENTERPRISES LIMITED**

**PHYSICAL ADDRESS**

Jomo Kenyatta University College of Agriculture  
& Technology  
Main Campus – Juja  
P.O. Box 62000 – 00200  
NAIROBI

**AUDITORS**

The Auditor General  
Kenya National Audit Office  
Anniversary Towers  
P.O. Box 30084 – 00100  
NAIROBI

**BANKERS**

Barclays Bank of Kenya Limited  
Juja Branch  
P.O. Box 580 – 01001  
KALIMONI

Kenya Commercial Bank Ltd,  
Moi Avenue Branch  
P.O. Box 30081 - 00100  
NAIROBI

**LEGAL ADVISORS**

Legal Officer  
JKUAT  
P.O Box 62000-00200  
NAIROBI

**JOMO KENYATTA UNIVERSITY OF AGRICULTURE AND TECHNOLOGY  
ENTERPRISES LIMITED**

**CORPORATE GOVERNANCE STATEMENT**

**Corporate Governance:**

The Board of Directors is responsible for the governance of the Company and is accountable to the University which is the main shareholder in ensuring that the company complies with the law and the highest standards of corporate governance and business ethics. The Board attaches great importance to the need to conduct business with integrity and in accordance with the generally accepted corporate practice.

**The Board of Directors:**

The Board is made up of a substantial majority of Independent, non-executive Directors, including the Chairman. The Directors are given appropriate and timely information so that they can maintain full and effective control over all strategic, financial, operational and compliance issues.

**Board Meetings:**

The Board meets quarterly for scheduled meetings and on other occasions to deal with any specific matter that requires attention in between the quarterly meetings.

Scheduled meetings review the quarterly performance against targets as well as monitoring of business and operational issues.

**Composition of Board:**

Eight out of the nine members of the Board are non-executive, including the Chairman of the Board.

Majority of the directors are drawn from the main university or related fields. However, they are considered to be independent and free from any business, interest or other relationship that could interfere with the exercise of their independent judgment.

**Board Meetings:**

In accordance with the requirements of company's act, the company's board meets regularly where need arises to deliberate and act on operational, finance compliance and strategic issues as per the requirements.

**Directors' Benefits and Loans:**

In the last financial year of the Company, no Director has received or become entitled to receive any benefit other than amounts received under employment contracts for executive directors, sitting allowances and benefits accruing from published academic works.

The aggregate of emoluments for Directors' services rendered in the financial year is disclosed in the detailed financial report.

**JOMO KENYATTA UNIVERSITY OF AGRICULTURE AND TECHNOLOGY  
ENTERPRISES LIMITED**

**MANAGING DIRECTOR'S REPORT**

**FINANCIAL YEAR-1 JULY 2012 TO 30 JUNE 2013**

**Performance during the Financial year**

**Financial**

Performance during twelve months of the last financial year tremendously improved to a historical record turnover of **Ksh 241.55 m** up from **Ksh 151 m** during the previous year. However gross profit fell to **Ksh 27.5m** down from Ksh 33 m in the previous year while net profit fell to Ksh 8.68 m down from Ksh 13.4 m. This represents a 60% growth in turnover, with 19% decline in gross profit and 35% decline in net profit. The growth in turnover was achieved by increased activity in the consultancy division in particular Architectural Consultancy which grew from negligible to at Ksh 117 m during the year under view. In addition to this there was consultancy work with COHES. Efforts to secure consultancy work together with COETEC did not succeed during the year in question but the effort is continuing into the current financial year. The company plays a brokerage role in such consultancy mostly providing secretariat support for 5% of the fee. The other major items in the income stream were fruit seedlings worth Ksh 40 m delivered to Rwanda government and ICT support Services to KRA worth 44 m.

The reason for the decline in gross and net profit is the increased cost of raw materials as well as investment in the proposed instant porridge called Inspo where we have invested Ksh 3.1 m in product development and research.

The company intends to commence production of Inspo by the first week of January 2014, and it's in this regard that the management will soon request the Board of Directors for approval of the facility required to start production and set up the factory. In addition the company has outgrown the current office and has thus provided much needed temporary office space and computer laboratory at the cost of Ksh 3.2 m where part of these costs were incurred in the same year. Management will also be requesting approval for a facility to set up an office building. Without designated the space will be very difficult indeed.

Below is an excerpt from the historical financial analysis of the company from the time it commenced operations in 2005/2006 to 2012/2013 (Ksh Millions)

Item	2005 /6	2006/7	2007/8	2008/9	2009/20	2010/11	2011/12	2012/13	Total
<b>Income</b>	16.67	23.11	35.11	51.47	56.38	56.78	151.08	241.55	632
<b>Net Income</b>	(15.060)	(6.499)	0.788	0.716	1.634	1.260	13.417	8.688	4.95
<b>Cumulative Earnings</b>	(15.06)	(21.55)	(20.76)	(20.05)	(18.41)	(17.15)	(3.738)	4.950	4.95

The company's cumulative earnings are now in the black for the first time and management is confident that this positive trend will continue provided that the requisite capital investment is attained.

**JOMO KENYATTA UNIVERSITY OF AGRICULTURE AND TECHNOLOGY  
ENTERPRISES LIMITED**

**PERFORMANCE OF COMPANY'S DIVISIONS**

**Products Division**

*The Products unit specialises in propagation materials and convenience food products and is positioning itself as the provider of choice for propagation materials to government, parastatals, NGOs and corporations, and as a small manufacturer of innovative food products.*

The products division generated an income of Ksh 58 m down from 86.9 m in the previous financial year. The main reason for the decline in revenue was the fact that the Rwandese government decided to split the order for seedlings into two, with the first consignment being delivered in March 2013, while the second consignment will be delivered in November 2013. Half the projected income will thus be payable then. Bananas brought in Ksh 9.4 m while the revenue from horticulture was Ksh 6.35 m.

This division has also been working on the modalities for manufacturing Instant porridge, and is now at the procurement stage of the equipment needed. Prior to that the product had been successfully developed and market tested. Initial production will be in rented premises but it is desirable for the company to build its own factory on campus to save on rental costs which are substantial, as well as enabling continued innovation on new convenience food products. Management is working towards commencement of production within the next four months.

**ICT DIVISION**

*The ICT Unit engages in ICT support services, training, software development & maintenance, digitalisation and computer assembly. The division focuses on corporate, parastatal and governmental clients.*

The ICT division brought an income of Ksh 57.98 million during the year compared to Ksh 51.2 million the previous year. Most of this income (Ksh 44m) came from ICT support services to Kenya Revenue Authority, while Ksh 14m came from training and computer accessories.

The unit is currently engaged in enlisting similar clients to diversify their client base, and thus grow their income stream.

**Enterprise Development Centre**

*EDC engages in entrepreneurship and business management training, business counselling, consultancy, and market research activities.*

The division achieved an income of Ksh 5.13 m, down from Ksh 13.3 m the previous year. The division developed a major training product for Faulu Kenya during the year but commencement was delayed due to logistical problems. It is expected to kick off in 2013/2014 financial year.

**Consultancy Division**

*The Consultancy Unit generally undertakes mutually beneficial joint projects with schools, faculties and institutes within the University and/or outside entities on a voluntary basis.*

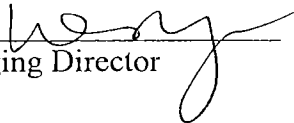
**JOMO KENYATTA UNIVERSITY OF AGRICULTURE AND TECHNOLOGY  
ENTERPRISES LIMITED**

The division brought in Ksh 120.21 m as opposed to Ksh 4.96 m during the previous financial year. The main income came from Architectural consultancy projects for the Judiciary, Kenya School of Law and Karatina University College in collaboration with Architects from the School of Architecture and Building Science. Some Architectural consultancy work is expected during the 2013/2014 financial year.

The division is in the process of developing a new line of consultancy in Business Process Modelling.

### **Conclusion**

Overall revenue exceeded the target of Ksh 180 m and is the best so far in the history of the Company. This was achieved despite severe constraints caused by lack of space and resources. However gross profit and net profit were lower than projected due to capital and production investment, expected to improve the bottom line in the future. Management believes that this momentum can be maintained given adequate support from the Board of Directors. As underscored in the current strategic plan, the key to success will be a Central Hub to develop more demand driven unique products. Management eagerly looks forward to the allocation of designated land where the factory and adequate office space can be erected.

Signature   
Managing Director

Date 3<sup>rd</sup> December 2013

**JOMO KENYATTA UNIVERSITY OF AGRICULTURE & TECHNOLOGY  
ENTERPRISES LIMITED**

**STATEMENT OF DIRECTORS RESPONSIBILITIES FOR THE  
YEAR ENDED 30 JUNE 2013**

The JKUAT enterprises board is required to prepare statements, which give a true and fair view of the state of affairs of the company at the end of financial year and the results of the operations for the year. The board is required to ensure that the company keeps proper accounting records, which disclose with reasonable accuracy the financial position of the company. They are responsible for safeguarding the assets of the company.

The company's board accepts responsibilities for the financial statements, which have been prepared using appropriate accounting policies supported by reasonable and prudent judgments and estimates in conformity with International Financial Reporting Standards and in a manner required by the companies Act. The company's board is of the opinion that the Financial Statements give a true and fair view of the state of financial affairs of the company as at 30<sup>th</sup> June 2013 and of its profit for the year ended. The board further confirms the accuracy and completeness of the accounting records, which have been relied upon in the preparation of financial statements, as well as on adequate systems of internal financial control.

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

This statement is approved by the company's Board and is signed on its behalf by



Mrs. Winifred Karugu  
**MANAGING DIRECTOR**



Prof. Mabel Imbuga, PhD  
**DIRECTOR**

# REPUBLIC OF KENYA

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Fax: +254-20-311482  
E-Mail: oag@oagkenya.go.ke  
Website: www.kenao.go.ke



P.O. Box 30084-00100  
NAIROBI

## KENYA NATIONAL AUDIT OFFICE

### REPORT OF THE AUDITOR-GENERAL ON JOMO KENYATTA UNIVERSITY OF AGRICULTURE AND TECHNOLOGY ENTERPRISES LIMITED FOR THE YEAR ENDED 30 JUNE, 2013

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#### REPORT ON THE FINANCIAL STATEMENTS

I have audited the accompanying financial statements of Jomo Kenyatta University of Agriculture and Technology Enterprises Limited set out on pages 10 to 21, which comprise the statement of financial position as at 30 June, 2013 and the statement of comprehensive income, statement of changes in equity and statement of cash flows 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.

#### **Managements' Responsibility for the Financial Statements**

Management of Jomo Kenyatta University of Agriculture and Technology Enterprises Limited is responsible for the preparation and fair presentation of these financial statements in accordance with International Financial Reporting Standards and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

#### **Auditor-General's Responsibility**

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

An audit involves performing procedures to obtain evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risk of material misstatement of

the financial statement, 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 circumstance, but not for the purpose of expressing an opinion on the effectiveness of the Company's 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 the audit evidence obtained is sufficient and appropriate to provide a basis for my audit opinion.

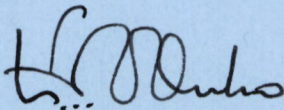
### **Opinion**

In my opinion, the financial statements present fairly, in all material respects the financial position of the Company as at 30 June, 2013 and of its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards and comply with the Companies Act, Cap 486 of the Laws of Kenya.

### **REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS**

As required by the Kenya Companies Act, I report based on my audit, that:

- (i) 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;
- (ii) In my opinion, proper books of account have been kept by the Company, so far as appears from my examination of those books; and,
- (iii) The Company's statement of financial position and statement of comprehensive income are in agreement with books of account.



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

**Nairobi**

**6 March, 2014**


**JOMO KENYATTA UNIVERSITY OF AGRICULTURE AND TECHNOLOGY ENTERPRISES  
LIMITED**

**STATEMENT OF FINANCIAL POSITION  
AS AT 30 JUNE 2013**

	NOTES	30-Jun-13	30-Jun-12
		Kshs.	Kshs.
<b>ASSETS</b>			
<b>NON CURRENT ASSET</b>			
Property Plant and Equipment	9	2,030,615	1,722,712
<b>CURRENT ASSETS</b>			
Trade and Other Receivables	10	61,990,980	31,132,956
Inventories	11	13,616,355	7,610,600
Cash and Bank Balances	12	17,945,689	31,554,823
		<u>93,553,024</u>	<u>70,298,380</u>
<b>TOTAL ASSETS</b>		<u><u>95,583,639</u></u>	<u><u>72,021,091</u></u>
<b>EQUITY</b>			
Issued Share Capital	13	102,040	102,040
Capital Fund	14	25,644,004	25,644,004
Revenue reserves	15	4,950,565	(3,737,961)
		<u>30,696,609</u>	<u>22,008,083</u>
<b>CURRENT LIABILITIES</b>			
Trade and Other Payables	16	64,887,029	50,013,007
		<u>95,583,639</u>	<u>72,021,091</u>



**MRS. WINIFRED KARUGU  
MANAGING DIRECTOR**



**PROF. MABEL IMBUGA, PhD  
DIRECTOR**

**JOMO KENYATTA UNIVERSITY OF AGRICULTURE AND TECHNOLOGY ENTERPRISES  
LIMITED**

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

	NOTES	2012-2013	2011-2012
		<u>Kshs.</u>	<u>Kshs.</u>
<b>INCOME</b>			
Revenue	<b>17</b>	241,550,177	151,082,740
<b>TOTAL INCOME</b>		<u>241,550,177</u>	<u>151,082,740</u>
 <b>COST OF GOOD SOLD</b>			
Cost of Sales	<b>18</b>	214,045,962	117,222,775
<b>TOTAL COGS</b>		<u>214,045,962</u>	<u>117,222,775</u>
 <b>GROSS PROFIT</b>		27,504,214	33,859,965
 <b>OVERHEADS</b>			
Staff Costs	<b>19</b>	11,499,749	11,912,869
Director's Allowances	<b>20</b>	430,000	450,000
Administration Expenses	<b>21</b>	4,566,411	5,600,603
Finance costs	<b>22</b>	134,589	516,116
Advertising and sales Promotion	<b>23</b>	108,925	122,885
Telephone and Internet	<b>24</b>	73,420	87,089
Utilities/Maintenance	<b>25</b>	271,243	231,734
Professional fees	<b>26</b>	411,900	455,120
Depreciation	<b>27</b>	1,319,451	1,065,984
Total Overheads		<u>18,815,689</u>	<u>20,442,399</u>
 <b>NET PROFIT</b>		<u><u>8,688,526</u></u>	<u><u>13,417,566</u></u>

**JOMO KENYATTA UNIVERSITY OF AGRICULTURE AND TECHNOLOGY ENTERPRISES  
LIMITED**

**STATEMENT OF CHANGES IN EQUITY  
FOR THE YEAR ENDED 30 JUNE 2013**

	<b>Share Capital</b>	<b>Capital Funding</b>	<b>Revenue Reserve</b>	<b>Total</b>
<b>As at 1st July 2011</b>	102,040	25,644,004	(17,155,527)	8,590,517
Share Capital				-
Capital Funding				-
Surplus for the year			13,417,566	13,417,566
<b>As at 30.6.2012</b>	<b>102,040</b>	<b>25,644,004</b>	<b>(3,737,961)</b>	<b>22,008,083</b>

	<b>Share Capital</b>	<b>Capital Funding</b>	<b>Revenue Reserve</b>	<b>Total</b>
<b>As at 1st July 2012</b>	102,040	25,644,004	(3,737,961)	22,008,083
Share Capital				-
Capital Funding				-
Surplus for the year			8,688,526	8,688,526
<b>As at 30.6.2013</b>	<b>102,040</b>	<b>25,644,004</b>	<b>4,950,565</b>	<b>30,696,609</b>



**JOMO KENYATTA UNIVERSITY OF AGRICULTURE & TECHNOLOGY  
ENTERPRISES LIMITED**

**NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 30 JUNE 2013**

**SIGNIFICANT ACCOUNTING POLICIES**

**1. BASIS OF ACCOUNTING**

The accounts are prepared on historical cost convention to include valuation of certain Fixed Assets.

**2. INCOME**

Revenue is on accrual basis. Income was earned from ICT training, software development, computer sales, mushroom training and spawn production, sale of printed books, engineering consultancy, sale of honey, sale of products from the Food Science, engineering and chemistry departments, sale of tissue culture bananas and training in entrepreneurship and human resource development.

**3. PROPERTY PLANT AND EQUIPMENTS**

Fixtures and equipment are stated at cost or valuation less depreciation. Depreciation of fixtures and equipment are calculated on the straight line basis using the following annual rates:

Furniture and Fitting	10%
Computer and Electronic Equipment	33.3%
Office Equipment	10%
Production Structures and Equipment	25%

**4. INVENTORY**

The company stocks are valued at the lower of cost or net realizable value.

**5. FINANCIAL YEAR**

The accounts have been prepared for 12 months from July 1<sup>st</sup> 2012 to June 2013

**JOMO KENYATTA UNIVERSITY OF AGRICULTURE & TECHNOLOGY  
ENTERPRISES LIMITED**

**ESTATE EXPRESS:**

In regard with the status of the Estate Xpress software, the system was fully implemented to all clients to whom we concluded all the implementation phases to all of them. However there was need and request for some system upgrade and re-engineering to the following two clients:

- Josekinyaga Enterprise in kitengela
- Masterways Properties Limited

This request was meant to add more extra system requirements that they found necessary to integrate with the existing system. However, the upgrade to the above two clients is in the testing phase as we conclude on their new upgraded requirements

**JOMO KENYATTA UNIVERSITY OF AGRICULTURE AND TECHNOLOGY ENTERPRISES LIMITED**

**NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 30TH JUNE 2013**

**ASSET MOVEMENT SCHEDULE**

**9 PROPERTY PLANT & EQUIPMENT SCHEDULE**

	<u>33.33%</u>	<u>10%</u>	<u>10%</u>	<u>25%</u>	
	<u>COMPUTERS</u>	<u>FURNITURES</u>	<u>OFFICE</u>	<u>PRODUCTION</u>	
<u>COST</u>	<u>KSHS</u>	<u>KSHS</u>	<u>EQUIPMENTS</u>	<u>STRUCTURES &amp; EQUIPMENTS</u>	<u>TOTAL</u>
As at 01-07-2012	2,547,460	1,020,163	1,355,804	1,301,238	6,224,665
Addition in the year	4,446		15,475		19,921
<b>As at 30th June 2012</b>	<b>2,551,906</b>	<b>1,020,163</b>	<b>1,371,279</b>	<b>1,301,238</b>	<b>6,244,586</b>
<b>DEPRECIATION</b>					
As at 01-07-2012	1,655,158	605,015	609,413	586,304	3,455,890
Charge for the year	501,530	102,016	137,128	325,309	1,065,983
<b>As at 30th June 2012</b>	<b>2,156,688</b>	<b>707,031</b>	<b>746,541</b>	<b>911,613</b>	<b>4,521,873</b>
<b>NET BOOK VALUE-30/06/2012</b>	<b>395,218</b>	<b>313,131</b>	<b>624,738</b>	<b>389,625</b>	<b>1,722,713</b>
<b>COST</b>					
As at 01-07-2012	2,551,906	1,020,163	1,371,279	1,301,238	6,244,586
Disposal-Photocopier			(337,560)		-337,560
Addition in the year	961,496		761,500		1,722,996
<b>As at 30th June 2013</b>	<b>3,513,402</b>	<b>1,020,163</b>	<b>1,795,219</b>	<b>1,301,238</b>	<b>7,630,022</b>
<b>DEPRECIATION</b>					
As at 01-07-2012	2,156,688	707,032	746,541	911,613	4,521,874
Disposal-photocopier			(241,918)		-241,918
Charge for the year	712,603	102,016	179,522	325,310	1,319,451
<b>As at 30th June 2013</b>	<b>2,869,291</b>	<b>809,048</b>	<b>684,145</b>	<b>1,236,923</b>	<b>5,599,407</b>
<b>NET BOOK VALUE-30/06/2013</b>	<b>644,111</b>	<b>211,115</b>	<b>1,111,074</b>	<b>64,316</b>	<b>2,030,615</b>

**JOMO KENYATTA UNIVERSITY OF AGRICULTURE TECHNOLOGY  
ENTERPRISES LIMITED**

**NOTES TO ACCOUNTS FOR THE YEAR ENDED 30 JUNE 2013**

	<u>2012-2013</u>	<u>2011-2012</u>
<b>10 TRADE AND OTHER RECEIVABLES</b>		
Trade Receivables	53,742,588	27,783,633
Sundry Deposit	14,000	14,000
Staff Advances	-	-
Withholding Tax	7,649,755	2,998,665
Insurance Prepayment	584,637	336,658
	<u>61,990,980</u>	<u>31,132,956</u>
<b>11 INVENTORIES</b>		
Networking Items	6,960	6,960
Mushroom Spawn	10,860	17,018
Books:		
Basics of Geometry	59,041	21,360
Basics of Calculus	40,886	7,649
Algebra And Maths	55,190	19,800
Statistics and Probability	32,960	2,944
Basics of Graphs	49,631	13,684
Honey-Lemon	-	7,410
Honey-Plain	-	27,195
Assorted Thika Road Products	-	5,571
Chuff Cutters	16,682	16,682
Paw paw seedlings	68,280	65,420
Foodscience Products	-	13,192
Banana	4,854,047	4,328,490
Aloe Vera Seedlings	305,440	637,320
Mango Seedlings	3,701,650	311,945
Avocado Seedlings	878,530	816,855
Soda & Water	5,393	-
Templates Seedlings	943,400	405,500
Orange seedlings	654,335	348,315
Lemon Seedlings	676,825	136,575
Guava Seedlings	288,800	329,800
Other Assorted Seedlings	967,445	70,915
Total Stock	<u>13,616,355</u>	<u>7,610,600</u>
<b>12 CASH &amp; BANK BALANCES</b>		
KCB Moi Av-Bank Current Account	(1,226,828)	22,815,208
BARCLAYS Juja-Bank Current Account	2,464,461	142,638
KCB Moi Av-USD Account	16,708,056	8,596,977
Petty Cash	-	-
Total Cash & Bank Balances	<u>17,945,689</u>	<u>31,554,823</u>

**JOMO KENYATTA UNIVERSITY OF AGRICULTURE TECHNOLOGY  
ENTERPRISES LIMITED**

**NOTES TO ACCOUNTS FOR THE YEAR ENDED 30 JUNE 2013**

	<u>2012-2013</u>	<u>2011-2012</u>
<b>13</b> -Authorized Share capital-10,000 ordinary shares of Kshs 20.00 each		
-Issued Share Capital 5102 @ 20	<u>102,040</u>	<u>102,040</u>
<b>14</b> Capital Funding	<u>25,644,004</u>	<u>25,644,004</u>
capital Funding represents funds injected to the company by the university during the initial years. The board has now authorized the funds to be converted to ordinary share capital.		
<b>15 REVENUE RESERVE</b>		
Bal B/F	-3,737,961	-17,155,527
Net Profit for the year	<u>8,688,526</u>	<u>13,417,566</u>
	4,950,565	-3,737,961
<b>16 TRADE AND OTHER PAYABLES</b>		
Trade Payables	48,368,831	34,741,339
PAYE Control	258,773	201,140
NHIF Control	6,720	5,760
NSSF Control	8,400	7,200
Sundry Deductions	104,468	140,527
Net Salary Control	-	657,279
Provision for Audit Fee	400,000	464,000
Provision for Gratuity	1,579,059	877,207
Staff Welfare	80,700	53,000
Casual Control	37,300	511,871
Prov for Distribution of Project Earnings	300,161	300,161
Other Provisions	-	1,526,329
Customers, Credit Balances	7,694,348	239,350
Provision for MD's Salary	4,946,400	4,946,400
VAT on Debtors	673,129	2,833,606
Prov for Motor Vehicle Expenses	-	967,837
KRA IT Support	428,739	1,540,000
Total Current Liabilities	<u>64,887,029</u>	<u>50,013,007</u>

**JOMO KENYATTA UNIVERSITY OF AGRICULTURE AND TECHNOLOGY  
ENTERPRISES LIMITED**

**NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 30 JUNE 2013**

<b>17 INCOME</b>	<b>2012-2013</b>	<b>2011-2012</b>
<b>ICT DEPARTMENT</b>		
IT Training and Computer accessories	10,864,421	15,985,820
Computer Short Courses	3,119,800	2,053,100
KRA-IT Support Services	44,000,000	33,150,000
<b>Total ICT Department</b>	<b>57,984,220</b>	<b>51,188,920</b>
<b>PRODUCTS</b>		
Food Products	296,389	230,220
Chemistry Products	-	820
Mushroom Products	1,072,410	1,231,780
Horticultural products	6,353,796	3,994,207
Rwanda Project	40,796,391	74,130,395
Banana Products	9,406,046	7,939,810
OTHER IBR Products	113,285	402,703
<b>Total Products Division</b>	<b>58,038,317</b>	<b>87,929,935</b>
<b>CONSULTANCY</b>		
Consultancy	3,085,077	4,960,345
Architectural Commission	117,130,252	-
<b>Total consultancy</b>	<b>120,215,329</b>	<b>4,960,345</b>
<b>ENTERPRISE DEVELOPMENT CENTRE</b>		
Publishing	689,900	461,000
SME Project	4,622,410	6,542,540
<b>Total for EDC</b>	<b>5,312,310</b>	<b>7,003,540</b>
<b>TOTAL INCOME</b>	<b>241,550,177</b>	<b>151,082,740</b>
<b>18 COST OF SALE</b>		
<b>ICT DEPARTMENT</b>		
IT Training and Computer accessories	8,672,330	12,823,628
Computer Short Courses	1,426,434	819,643
KRA-IT Support Services	37,964,927	28,498,800
<b>Total ICT Department</b>	<b>48,063,691</b>	<b>42,142,071</b>
<b>PRODUCTS</b>		
Food Products	3,141,266	943,164
Chemistry Products	-	1,800
Mushroom Products	1,078,687	702,904
Horticultural products	5,395,469	2,580,095
Rwanda Project	29,106,333	56,170,988
Banana Products	7,053,580	6,299,891
Other IBR Products	1,102,077	1,233,556
<b>Total Products Division</b>	<b>46,877,413</b>	<b>67,932,398</b>

**JOMO KENYATTA UNIVERSITY OF AGRICULTURE AND TECHNOLOGY  
ENTERPRISES LIMITED**

**NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 30 JUNE 2013**

	<u>2012-2013</u>	<u>2011-2012</u>
Consultancy	2,893,003	4,373,233
Architectural Commission	112,168,230	
<b>Total consultancy</b>	<u>115,061,233</u>	<u>4,373,233</u>
<b>ENTERPRISE DEVELOPMENT CENTRE</b>		
Publishing	315,729	148,758
SME Project	3,727,897	2,626,316
<b>Total for EDC</b>	<u>4,043,626</u>	<u>2,775,074</u>
<b>TOTAL COST OF SALE</b>	<u>214,045,962</u>	<u>117,222,775</u>
<b>19 STAFF COSTS</b>		
Gratuity	803,347	906,019
N.S.S.F CO. Contribution	23,400	31,600
Staff Training	-	10,440
NSSF Staff Contribution	27,800	31,600
NHIF Staff Contribution	37,440	50,240
PAYE Staff Deduction	2,401,999	2,334,138
NET Salary	7,004,475	7,196,632
Staff Other Deduction	1,201,288	1,352,200
	<u>11,499,749</u>	<u>11,912,869</u>
<b>20 DIRECTORS ALLOWANCES</b>		
Director's Sitting Allowances	430,000	450,000
<b>21 ADMINISTRATION EXPENSES</b>		
Staff Mileage Claim	359,386	305,119
Medical expenses	394,987	486,483
Staff Welfare	307,858	158,637
Travel And Subsistence	202,445	944,546
Motor Vehicle Expenses	1,121,613	1,518,400
Generator Fuel	10,000	19,200
Stationery Ordinary	478,333	498,954
Computer Stationery	396,718	128,718
Photocopying	14,168	16,500
Insurance	531,537	522,758
Subscription to Prof Org	-	16,952
Newspaper and Periodicals	-	15,369
Exchange Loss	654,000	6,191
Loss on disposa; of photocping machin	75,642	-
Strategic Planning	19,725	962,776
	<u>4,566,411</u>	<u>5,600,603</u>

**JOMO KENYATTA UNIVERSITY OF AGRICULTURE AND TECHNOLOGY  
ENTERPRISES LIMITED**

**NOTES TO THE AACOUNTS FOR THE YEAR ENDED 30 JUNE 2013**

	<u>2012-2013</u>	<u>2011-2012</u>
<b>22 FINANCE CHARGES</b>		
Bank Charges	134,589	516,116
<b>23 ADVERTISING AND SALES PROMOTION</b>		
Field Promotion	101,739	122,580
Misc Postages	7,186	305
	<u>108,925</u>	<u>122,885</u>
<b>24 TELEPHONE AND INTERNET</b>		
Telephone	48,824	50,046
Internet Services	24,596	37,042
	<u>73,420</u>	<u>87,089</u>
<b>25 MAINTENANCE/UTILITY COST</b>		
Electricity and Water	125,779	170,042
Cleaning	32,744	59,492
Repair and Maint-Building	95,800	-
Repair and Maint-EQUIP	16,920	2,200
	<u>271,243</u>	<u>231,734</u>
<b>26 PROFESSIONAL SERVICES</b>		
Audit Fees	400,000	368,000
Legal fees	11,900	37,120
Other fees	-	50,000
	<u>411,900</u>	<u>455,120</u>
<b>27 DEPRECIATION</b>		
Depreciation Comp Equipments	712,603	501,530
Depreciation Furniture	102,016	102,016
Depreciation Office Equipment	179,522	137,128
Depreciation Prodn Structures & Equip	325,310	325,309
	<u>1,319,451</u>	<u>1,065,984</u>
<b>NET INCOME</b>	<u><u>8,688,526</u></u>	<u><u>13,417,566</u></u>