

REPUBLIC OF KENYA



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**REPORT**

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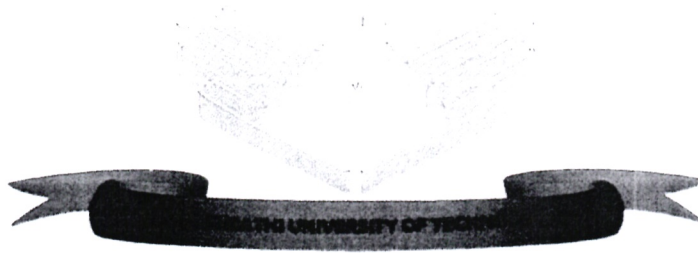
**THE AUDITOR-GENERAL**

**ON**

**THE FINANCIAL STATEMENTS OF  
DEDAN KIMATHI UNIVERSITY  
OF TECHNOLOGY**

**FOR THE YEAR ENDED  
30 JUNE 2016**





# DEDAN KIMATHI UNIVERSITY OF TECHNOLOGY

## FINANCIAL STATEMENT

FOR THE YEAR ENDED 30<sup>TH</sup> JUNE 2016.

NYERI-MWEIGA ROAD  
P. O. BOX 657, 10100-NYERI KENYA  
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*Better Life Through Technology*

# DEDAN KIMATHI UNIVERSITY OF TECHNOLOGY

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# DEDAN KIMATHI UNIVERSITY OF TECHNOLOGY

## GENERAL INFORMATION

### **REGISTERED OFFICE AND PRINCIPAL PLACE OF BUSINESS**

Dedan Kimathi University of Technology  
Along Nyeri Mweiga road  
P. O. Box 657, 10100  
Nyeri.

### **1.BANKERS**

- 1) Consolidated Bank Nyeri Branch  
P. O. Box 935-10100,  
Nyeri-Kenya.
- 2) Kenya Commercial Bank Nyeri Branch  
P.O Box 215-10100,  
Nyeri-Kenya.
- 3) Standard Chartered Bank Nyeri Branch  
P. O. Box 1-10100,  
Nyeri-Kenya.
- 4) Equity Bank Nyeri Kimathi Way Branch  
P.O. Box75104-10100,  
Nyeri-Kenya.
- 5) Family Bank Nyeri Branch  
P.O. Box 74145-10100  
Nyeri-Kenya.

### **2.AUDITORS**

Auditor - General  
Kenya National Audit Office  
P. O. Box 30084-00100,  
Nairobi.

### **LEGAL OFFICER**

Ms. Nelius Mwangi

### **LOCATION**

Dedan Kimathi University of Technology is located six kilometers from Nyeri town along Nyeri Mweiga Road.

# DEDAN KIMATHI UNIVERSITY OF TECHNOLOGY

## UNIVERSITY CHANCELLOR

<u>Name</u>	<u>Date of Appointment</u>
Prof. Shellemiah Keya	12/1/2013

## UNIVERSITY COUNCIL MEMBERS

<u>Current Council Members</u>	<u>Designation</u>	<u>Date of Appointment</u>
a) Prof. Dulacha Galgallo-	Chairman	12/1/2013
b) Prof. Collette Suda-	PS.State Dept. of Universities Education	12/1/2013
c) Dr. Kamau Thuge-	PS.The National Treasury	12/1/2013
d) Ms. Mercy Mwatua-	Member	12/1/2013
e) Mr. Ishard Ibrahim-	Member	12/1/2013
f) Eng. John Kisenga-	Member	12/1/2013
g) Mrs. Sophia Yiega-	Member	12/1/2013
h) Prof. P.Ndirangu Kioni –	Vice Chancellor	15/6/2013

**DEDAN KIMATHI UNIVERSITY OF TECHNOLOGY**  
**THE UNIVERSITY CHANCELLOR AND COUNCIL MEMBERS**

**Prof. Shellemiah Okoth Keya** –University Chancellor



BSc (Makerere), MSc, PhD (Cornell)

**Prof. Dulacha Galgalo Barako** - Council Chairman



BCom. MBA (UoN), Ph.D. Uni. Of

**Mr. Irshad Ibrahim** - Council Member



B.A Political Science, BSc. Economics

**Ms. Mercy Mwatua** - Council Member



Bsc Accounting Tuskeyee University, USA  
MBA (Strategic Management) UoN, Certified SAP  
Consulting in Accounting and Controlling Certificate Course  
South Africa.

**Eng. John Kisenga** - Council Member



Bsc Electrical Engineering (UoN) Western Australia  
M.Sc. Digital Communication Systems U.K.

**Mrs. Sophia Yiega** - Council Member



B.Ed (Geography, History & Education)M.Sc Economics.  
M.Ed (Psychology) Kenyatta University.

**Prof. Eng. P. Ndirangu Kioni** - Vice Chancellor



Bsc Mechanical Engineering (UoN)  
PhD Cambridge University, England

# DEDAN KIMATHI UNIVERSITY OF TECHNOLOGY

## UNIVERSITY MANAGEMENT BOARD

**Prof. Eng. P.N.Kioni** - Vice Chancellor



Bsc Mechanical Engineering (UoN)  
PhD from Cambridge University, England

**Prof. M.K. Gachari** - Deputy Vice Chancellor  
(Administration & Finance)



BSc (UoN), MSc, PhD (Oxford), MBA (KeMJ)

**Prof. Gerald Muthakia** -  
Deputy Vice Chancellor (Academic Affairs)



Bed, MSc (UoN), PhD (Exeter, UK)

**Prof. (Eng.) Paul M. Wambua** - Deputy Vice  
Chancellor (Research, Technology Management and  
Community linkages (RTMCL))



BSc (Uni. Of Eng & Tech, Lahore, Pakistan), MSc  
(University of Leeds, UK), PhD (Katholieke Uni, Belgium)

**Mr. Andrew Muriuki** - Registrar  
(Administration & Finance)



BA (KU), MSc. CBIS (Sunderland)

**Prof. J.W. Khamasi** - Registrar  
(Academic Affairs)



BEd (UoN), MEd. (Uni. Of New Brunswick, CA), PhD (UBC. CA)

**CPA. Beatrice Mwangi**



Ag. Finance Officer  
BCom, MBA (JKUAT), CPA (K)

## UNIVERSITY MANAGEMENT BOARD

## DEDAN KIMATHI UNIVERSITY OF TECHNOLOGY

- |                             |  |
|-----------------------------|--|
| 1) Prof. P. Ndirangu Kioni  | Vice Chancellor                                  |
| 2) Prof. Moses K. Gachari   | Deputy Vice Chancellor, Administration & Finance |
| 3) Prof. Gerald K. Muthakia | Deputy Vice Chancellor, Academic Affairs         |
| 4) Prof. Paul Wambua        | Deputy Vice Chancellor, RTMCL                    |
| 5) CPA. Beatrice Mwangi     | Finance Officer                                  |
| 6) Prof. J. W. Khamasi      | Registrar , Academic Affairs                     |
| 7) Mr. Andrew Muriuki       | Registrar, Administration & Finance.             |
| 8) Dan Ongor                | Registrar RTMCL                                  |

### DEAN AND DIRECTORS

- |                          |   |
|--------------------------|---|
| 1) Prof. Keraita         | Dean, School Of Engineering                     |
| 2) Mr. Muriithi Kaimoe   | Dean, of students.                              |
| 3) Mr. Anthony Maina     | Dean, School Of Computer Science                |
| 4) Prof. Matthew Theuri  | Dean, School Of Business.                       |
| 5) Dr. Douglas Onyancha  | Dean, School Of Science.                        |
| 6) Prof. P. N. Muchiri   | Director, Nairobi Town Campus                   |
| 7) Dr. Eddy Owanga       | Director, IFBT                                  |
| 8) Dr. Murimi Ngigi      | Director, IGGRoS                                |
| 9) Dr. Juma Misiko       | Director, IToHM                                 |
| 10) Dr. Nicholas Mariita | Director, GeTRI                                 |
| 11) Mr. Richard Gatembu  | Director, ITPS                                  |
| 12) Prof. Marwa Mwita    | Director, PHD, BA&M and MBA Progs, SBME.        |
| 13) Mr. Michael Muchiri  | Director, E-Learning                            |
| 14) Ms. Wanjiku Wanjiru  | Director, Gender, Equity and Disability Affairs |
| 15) Prof. F. Waweru      | Director Quality Assurance.                     |
| 16) Prof. Mugendi        | Director Post Graduate Studies.                 |

### LIBRARIAN

- |                       |                      |
|-----------------------|----------------------|
| 1) Mr. Fredrick Olike | University Librarian |
|-----------------------|----------------------|

**CORE BUSINESS OF THE UNIVERSITY**

The main objective of the University is stipulated in the Universities Act 2012 (No. 42 of 2012) which provides the functions and objectives of the University which include:

- a) Provide education directly, or in collaboration with other institutions, and in so doing provide for the integration of teaching, research and effective application of knowledge and skills to the life, work and welfare of the citizens of Kenya;
- b) Participate in scholarly work, the discovery, transmission, utilization, preservation and enhancement of knowledge and to stimulate the intellectual participation of students in the economical, social, cultural, scientific and technological development of Kenya.
- c) Offer continuing professional development courses;
- d) Determine the curriculum and its mode of delivery and to specify the admission criteria ;
- e) Conduct examination for and to grant and confer such academic awards as may be provided for in the Act and the Statutes.
- f) Establish new colleges, faculties, schools, institutes, departments, other resource and administrative units and centres;
- g) Promote the general welfare of staff and students.

## CHAIRMAN'S STATEMENT

The demand for higher education in the country has continued to rise prompting the University to continually review its programmes in line with the market demand. The University will continue to reposition its main brands within the context of market requirements, customer satisfaction and cost rationalization. The need to meet this objective over years has remained the central focus of the University council.

Since inception, the University growth and expansion policy continue to focus on product diversification. Our current management focuses on expansion of the University while maintaining quality in line with our vision to be a premier technological University Excelling in Quality Education, Research and Technology Transfer.

In line with the Government of Kenya Policy, the University has increased access to higher education through additional admission of students. This in effect has led to increase in operation costs and need for more physical facilities. The university has continued to improve on its existing facilities and adding new ones using the already constrained resources.

### **Corporate Governance and Ethics**

The Council is responsible for the governance of the University and is accountable to the Citizens of this country for ensuring that the University complies with the Law and maintain the highest standard of corporate governance, academic standards and ethics.

The council attaches great importance to the need to conduct the activities and operations of the University with Integrity, Social fairness and transparency.

### **Appreciation**

Finally, I want to thank the Kenya Government and other organizations for the support they have continued to offer the University. On behalf of the Council, I thank the University staff for their dedication and commitment to the University.

**Prof. Dulacha Galgalo**

**CHAIRMAN OF THE UNIVERSITY COUNCIL**

# DEDAN KIMATHI UNIVERSITY OF TECHNOLOGY

## VICE CHANCELLORS REPORT FOR THE YEAR ENDED 30<sup>TH</sup> JUNE 2016

I have the pleasure to present the annual report and accounts for Dedan Kimathi University of Technology for the year ended 30<sup>th</sup> June, 2016

### 1. FINANCES

The University started the year with a cash balance of Kshs. 84,313,462 and was allocated Kshs. 543,641,159 by the Government during the year under review. The University managed to collect Kshs. 521,818,446 in tuition and other charges, Kshs. 71,483,437 from Income Generating Activities (IGU's) and Kshs 11,964,380 from farm income. In total therefore, the University had Kshs. 1,148,907,421 at its disposal during the year for its recurrent expenditures.

### 2. ACADEMIC PROGRAMMES

During the quarter under review, the University embarked on developing a number of academic programmes including PhD, Masters, Bachelor's, diplomas and Certificate Courses

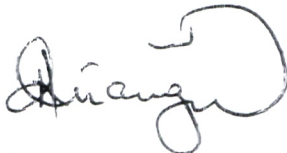
The University also embarked on an intensive marketing programme to increase the student's population especially self-sponsored students.

### 3. CONCLUSION

I would like to take this opportunity to thank Council for the support it has been giving to the Management Board and for its visionary direction in the development of this new institution of higher learning.

I would also like to thank the Government for its support throughout the quarter under review and also appeal for more support especially for purposes of establishing suitable facilities required by a University of Technology.

Last but not least, I would like to thank staff and students for their continued cooperation in this difficult task of building a University of Technology. And look forward to their cooperation and enthusiastic participation in the future development of the University.



Prof. P. Ndirangu. Kioni Ph.D, R.Eng  
**Vice Chancellor.**

**STATEMENT ON CORPORATE GOVERNANCE**

**Responsibility of the University Council**

The council comprises of eight members, six of whom are appointed by the Cabinet Secretary Ministry of Education while the rest are ex-officio members. It is responsible for ensuring that the University complies with the law and best practices in corporate governance as promulgated by the relevant statutory and regulatory authorities.

**Functions of the University Council**

- To administer the property and funds of the University, donations, endowments, gifts, grants or other monies and to make legitimate disbursements there from.
- To provide for the welfare of the staff and students of the University.
- To generate and raise funds for the purposes of the University from within and outside the country.
- To determine, on the advice of the senate, the maximum number of students to be admitted to the university at any one time from amongst those qualified for admissions.
- To enter into association with other Universities, Colleges or Institutions of higher learning within or outside Kenya as the council may deem necessary in the interest of the University.

The council meets at least four times in each calendar year at such a place and time as the chairman may determine.

**University Council Committees**

The following are the committees of the University Council

- i. Audit, Risk and Compliance Committee
- ii. Finance Committee
- iii. Sealing Committee
- iv. Human Resource and Staff Welfare Committee
- v. Strategic, Development and Planning Committee

The University Council nominates the Chairman of each committee.

## CORPORATE SOCIAL RESPONSIBILITY

The University acknowledges her responsibility to the society by playing an active role on public issues. The University contributed to the community support initiatives and in the quarter under review, the University was in involved in the following activities,

- Establishment of a Kshs. 1,000,000 bursary fund for needy students.
- Establishment of an endowment fund with an aim to help the needy students.
- Participated Nyeri Hospice Charity Walk

The University has also partnered with College of Rockies (CoTR) and Ministry of health to run a programme which is supported by the Canadian Government, in Maternal Access and Infant Survival for Health Advancement (MAISHA). MAISHA serves to improve maternal, newborn, and child health services at the community level by strengthening community health units and rural health facilities in Kenya.

The University continues to be a caring partner in our Community and endeavors to give back to the community.

## 1. ACCOUNTING POLICIES

The 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 entity. The accounting policies have been consistently applied through out the periods. The principal accounting policies adopted are as follows:-

### a) Basis of preparation

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

### b) Revenue from non-exchange transactions

Revenue and expenditure have been accounted for using the accrual concept of accounting.

Income is recognized in the period in which it is earned while expenditure is recognized when it is incurred. The revenue recognition is as follows:

#### i). Government Grants

Government grants are recognized as income in the period when received. Government grant is recognized only when there is a reasonable assurance that the entity will comply with any condition attached to the grant and that the grant will be received

### c) Revenue from exchange transactions

#### i). Tuition and Fees

Revenue from tuition and fees is recognized prorata over the relevant period. The entity applies accrual concept in relation to tuition and fees receivable in a particular financial period.

#### ii). Rental income

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

#### iii). Other incomes

Grants and donations in form of research grants and donations are recognized as income in the period it is received. The entity does not accrue un-received grants and donations unless there is a reasonable assurance to receive the funds. Income from collaborations is treated the same way tuition and fees are treated.

## d) Property, plant and equipment

All property, plant and equipment are stated at cost less accumulated depreciation and impairment losses. Cost includes expenditure that is directly attributable to the acquisition of the items. When significant parts of property, plant and equipment are required to be replaced at intervals, the entity recognizes such parts as individual assets with specific useful lives and depreciates them accordingly.

Likewise, when a major inspection is performed, its cost is recognized in the carrying amount of the plant and equipment as a replacement if the recognition criteria are satisfied. All other repair and maintenance costs are recognized in surplus or deficit as incurred. Where an asset is acquired in a non-exchange transaction for nil or nominal consideration the asset is initially measured at its fair value.

The following depreciation rates are applied

Buildings	2%
Tractor	37.5%
Motor Vehicles	25%
Computer & Accessories	30%
Plant and machinery	12.5%
Furniture and fittings	12.5%
Equipments	12.5%

## e) Inventories

Inventories are stated at the lower of cost or net realizable value. Costs include direct materials and where applicable direct labour and those direct overheads that have been incurred to bring the inventories to their present location and condition. Costs of issues are calculated using 'First In First Out' (FIFO) method. Net realizable value represents the estimated selling price less any estimated cost of disposal.

## f) Receivables

Receivables are recognized at their nominal value as reduced by appropriate allowances. Receivables comprises of both exchange and non-exchange transactions.

## g) Retirement Benefit Costs

The University operates a contributory pension scheme for eligible employees. The assets of the scheme are held separately in a trustee administered fund that is funded by both employees and the University. The University also contributes to the National Social Security Fund (NSSF). Contributions to this fund are determined by the local statutes. The contributions made to the above schemes by the University are charged to the income statement during the year in which they relate

## h) Agriculture.

Biological assets have been measured at fair value. Following IPSAS 27 Agriculture, Prescribes the accounting treatment and disclosures related to agricultural activity, a matter not covered in other standards. Agricultural activity is the management by an entity of the biological transformation of living animals or plants (biological assets) for sale, or for distribution at no charge or for a nominal charge or for conversion into agricultural produce or into additional biological assets. It is primarily drawn from the IASB's IAS 41 Agriculture, with limited changes dealing with public sector-specific issues.

## DEDAN KIMATHI UNIVERSITY OF TECHNOLOGY

Statistics Manual was effective for annual financial statements covering periods beginning on or after 1 April 2011, with earlier application encouraged.

### **i) Research and Development**

Research and development expenditure is charged to income statement in the year it is incurred

### **j) Cash and Cash Equivalents**

These are defined as cash on hand, bank balances, demand deposits and short term highly liquid investments readily convertible to known amounts of cash and are not subject to any risks and changes in value. For the purposes of the cash flow statement, cash and cash equivalent consist of cash, bank balances and short term investments.

### **k) Bank overdraft**

The University has an overdraft facility with Consolidated bank of kshs 50,000,000. Interest on overdraft has been charged as expenses in the period they have been incurred. The policy is to accrue all un-paid interest relating to the period under review.

### **l) Tax Exemption**

The University by virtue of being a Public University and classified under the Public Benefit Organizations (PBOs) have been exempted from income tax. PBOs are exempted from income tax on income received from the activities of the organization, if the income is wholly used to support the public benefit purposes for which the organization was established and in this case to advance education by Public Universities.

### **m) Basis of Consolidation**

The consolidated financial statement comprises the financial statements of the University and its subsidiary (Farm) as at 30th June 2016. The farm is a subsidiary of the University, 100% owned by the university. Subsidiary is fully consolidated from the date of acquisition being the date on which the university obtains control and continue to be consolidated until the date when such control ceases. The financial statement of the subsidiary is prepared for the same reporting period as the parent entity using consistent accounting policies. All intra group balances, transactions, unrealized gains or losses resulting from intra group transactions are eliminated in full according to IPSAS 6

### **n) Foreign transactions**

Transactions during the year in foreign currency are converted into Kenya shillings at the rate ruling on the tra

### **o) Risk disclosure**

Dedan Kimathi University applies Risk Management concept in its operations and has developed a Risk M: continuous and

The University has exposure to the following financial risks arising from the operations which have been facto

#### **1) Credit risk**

This is the risk that there is

(a) Potential for loss on receivables on the reported creditors filling to pay the required payments for services r

(b) Accumulation of accounts payables beyond the credit period stipulated in the service charter

## DEDAN KIMATHI UNIVERSITY OF TECHNOLOGY

To mitigate this, the University management has established a credit policy that regulates and defines the credit quality of trade and other receivables is assessed based on credit policy and University's payables.

### 2) Liquidity Risk

This is the risk that the University

- (a) May encounter some difficulty in meeting obligations associated with its financial liabilities.
- b) Potential loss or fraud of cash and cash equivalent due to the nature of the assets being most liquid and vulnerable.
- c) The University approach to managing liquidity risk is by providing for expenditure in the budget in order to meet its liabilities damage of its reputation. without incurring unacceptable losses or risking
- d) The university also pays for insurance premiums for cash held in safe and on transit while holding all other

### 3) Market Risk

There is a risk of foreign exchange rates fluctuating and affecting the value of donor funds provisions on the books. To manage this the University records donor funds in its books based on the transaction rates at the date of recording.

### p) Related party disclosures

It requires the disclosure of the existence of related parties and information about the transactions between related parties. These disclosures are required for accountability purposes and to allow a better understanding of financial performance and position of the entity. The standard provides guidance on the identification of related parties and what information should be disclosed.

In DeKUT the related parties includes ,

- i) Government of Kenya capitation grant kshs 137,895,163
- ii) University Council Allowances 2,041,986

### q) Budgetary information

The budgetary information have been disclosed on page 13 and 14 of financial statement. It is the policy of the University to explain all the material difference with a variance above 10% and below (10%) The explanation of material difference between the actual and budget are explained in the Annex 1

### r) Reserves

Note 10 page 10 of the financial statement shows the accumulated reserves for the university. The reserves consist of accumulated surplus and deficit made by the University and its subsidiary.

### s) University investment to the farm

The university advance money to the farm for its operations. This is until when the farm will start to breakeven. The University advances the money at 10% interest and it recovers it from all the proceeds of the farm income.

### t) Payables

It is the University policy to make payments to the suppliers within 90 days

### u) Long Term Loan

The university took a loan of 77,500,000 from Coffee Development Fund. The loan is for rehabilitating university farm. It is payable within three years at an interest of 10%. Family bank guaranteed the loan for the three years.

# REPUBLIC OF KENYA

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Website: www.oagkenya.go.ke



P.O. Box 30084-00100  
NAIROBI

## OFFICE OF THE AUDITOR-GENERAL

### REPORT OF THE AUDITOR-GENERAL ON DEDAN KIMATHI UNIVERSITY OF TECHNOLOGY FOR THE YEAR ENDED 30 JUNE 2016

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#### REPORT ON THE FINANCIAL STATEMENTS

I have audited the accompanying financial statements of Dedan Kimathi University of Technology set out on pages 1 to 19, which comprise the statement of financial position as at 30 June 2016, and the statement of financial performance, statement of changes in reserves, statement of cash flows and statement of comparison of budget and actual amounts for the year then ended, and a summary of significant accounting policies and other explanatory information in accordance with the provisions of Article 229 of the Constitution of Kenya and Section 35 of the Public Audit Act, 2015. I have obtained all the information and explanations which, to the best of my knowledge and belief, were necessary for the purpose of the audit.

#### 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 financial statements to the Auditor-General in accordance with the provisions of Section 47 of the Public Audit Act, 2015.

#### Auditor-General's Responsibility

My responsibility is to express an opinion on the financial statements based on the audit and report in accordance with the provisions of Section 48 of the Public Audit Act, 2015 and submit the audit report in compliance with Article 229 (7) of the Constitution. The audit was conducted in accordance with International Standards of Supreme Audit Institutions. Those standards require compliance with ethical requirements and that the audit be planned and performed to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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

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*Report of the Auditor-General on the Financial Statements of Dedan Kimathi University of Technology for the year ended 30 June 2016*

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

## **Opinion**

In my opinion, the financial statements present fairly, in all material respects, the financial position of Dedan Kimathi University of Technology as at 30 June 2016, 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.

## **Other Matter**

### **1.0 Weaknesses in the Electronic Resource Planning (ERP) system**

#### **1.1 Delay in commissioning of ERP system**

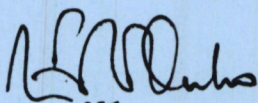
The university entered into contract agreement for implementation of an Electronic Resource Planning (ERP) system with CoreTEC Systems and Solution Limited on 18 February 2011 at a contract sum of Kshs.9,315,211.75. As at 30 June 2016, the University had paid Kshs.9,287,909 to the consultant. The implementation period was to take 12 weeks commencing on 18 February 2011 yet the system was still incomplete on 30 June 2016, five (5) years after the contract period lapsed. Further, the short messages, email interface and Mpesa functionalities had not been installed despite these being part of the contract agreement. In addition, the bank reconciliation, fixed assets, examination processing and hospital modules were not being utilized.

In the circumstances, the proprietary of the expenditure amounting to Kshs.9,284,909 incurred on the ERP system could not be confirmed.

#### **1.2 Maintenance Service contract for the ERP system**

In addition, the University entered into a maintenance service contract agreement for the ERP system with CoreTEC Systems and Solutions Limited on 29 December 2014 at a cost of Kshs.1,580,000 per year. As at 30 June 2016, the University had paid a total of Kshs.3,160,000 for maintenance of the system even though the installation process had not been completed and agreed on between the University and the consultant since the same firm had been contracted to install the system, it was not clear how the firm would maintain the system before completing its installation. Therefore, the proprietary of the expenditure amounting to Kshs.1,580,000 for the year ended 30 June 2016 cannot be confirmed.

My opinion is not qualified in respect of this matters.



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

**Nairobi**

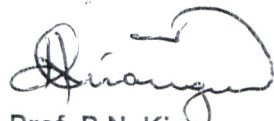
**27 July 2017**

DEDAN KIMATHI UNIVERSITY OF TECHNOLOGY  
STATEMENT OF FINANCIAL PERFORMANCE  
FOR THE YEAR ENDED 30TH JUNE 2016

	<u>NOTE</u>	<u>Consolidated 2015/2016 KSHS</u>	<u>Consolidated 2014/2015 KSHS</u>
<b><u>REVENUE</u></b>			
<b><u>Revenue from non-exchange transactions</u></b>			
Ministry grant - Recurrent	16	543,641,159	512,580,648
		<b>543,641,159</b>	<b>512,580,648</b>
<b><u>Revenue from exchange transactions</u></b>			
Tuition & other fees	17	521,818,446	533,748,839
Other income	18	71,483,437	45,388,793
Farm income	26	11,964,380	17,270,014
		<b>605,266,263</b>	<b>596,407,646</b>
<b>Total Revenue</b>		<b>1,148,907,421</b>	<b>1,108,988,294</b>
<b><u>EXPENSES</u></b>			
Personnel cost	19	792,719,649	751,845,424
Central services	20	242,309,501	199,568,438
Council allowance	21	6,810,652	7,497,010
Maintenance cost	22	15,829,050	13,111,391
Student welfare	23	7,670,285	7,539,345
Academic costs	24	45,035,094	45,939,009
Administrative cost	25	17,592,471	15,791,412
<b>Farm expenses</b>			
Cost of sales	31	28,423,303	33,914,896
Overhead expenses	30	19,757,497	18,647,973
<b>TOTAL EXPENSES</b>		<b>1,176,147,502</b>	<b>1,093,854,898</b>
Add provision for depreciation	2	80,307,920	86,802,798
Add provision for Audit Fee	13	870,000	870,000
<b>TOTAL EXPENSES</b>		<b>1,257,325,422</b>	<b>1,181,527,696</b>
Surplus/deficit for the year		(72,201,581)	(37,246,547)
Share of farm loss		(36,216,420)	(35,292,855)
<b>DEFICIT FOR THE PERIOD</b>		<b>(108,418,001)</b>	<b>(72,539,402)</b>

DEDAN KIMATHI UNIVERSITY OF TECHNOLOGY  
STATEMENT OF FINANCIAL POSITION  
AS AT 30TH JUNE 2016

ASSETS		<u>2015/2016</u> <u>KSHS</u>	<u>2014/2015</u> <u>KSHS</u>
		CONSOLIDATED	CONSOLIDATED
<b><u>CURRENT ASSETS</u></b>			
	<b>NOTE</b>		
Cash & Bank Balances	8	232,468,856	84,313,462
Trade and other receivables (exchange Transactions)	7.a	197,166,653	161,161,510
Trade and other receivables (non-exchange Transactions)	7.b	-	42,715,054
Inventories	6	<u>6,110,861</u>	<u>2,133,233</u>
		<b>435,746,369</b>	<b>290,323,259</b>
 <b><u>NON-CURRENT ASSETS</u></b>			
Property Plant and Equipments	2	2,292,992,897	2,313,068,130
Investments	4	-	-
Biological assets	5	<u>9,679,151</u>	<u>9,151,151</u>
		<b>2,302,672,048</b>	<b>2,322,219,281</b>
<b>TOTAL ASSETS</b>		<b><u>2,738,418,418</u></b>	<b><u>2,612,542,540</u></b>
 <b><u>LIABILITIES</u></b>			
<b>Current liabilities</b>			
Trade and other payables (exchange transactions)	13.a	245,759,433	210,012,120
Trade and other payables (non-exchange transactions)	13.b	91,908,451	14,702,505
Bank overdraft	14	<u>41,719,817</u>	<u>1,555,135</u>
		<b>379,387,701</b>	<b>226,269,760</b>
<b>Non-current liabilities</b>			
Long Term Borrowings (Loan)		<u>37,719,900</u>	<u>57,494,320</u>
		<b>37,719,900</b>	<b>57,494,320</b>
 <b><u>NET ASSETS</u></b>			
Capital fund	9	1,758,277,110	1,657,854,753
Reserve fund	10	(27,362,233)	81,055,768
Revaluation reserve	11	<u>590,395,938</u>	<u>589,867,938</u>
		<b>2,321,310,815</b>	<b>2,328,778,459</b>
<b>Total net assets and liabilities</b>		<b><u>2,738,418,418</u></b>	<b><u>2,612,542,540</u></b>



Prof. P.N. Kiomi  
Vice Chancellor



CPA. Beatrice Mwangi  
Ag. Finance Officer

Date

DEDAN KIMATHI UNIVERSITY OF TECHNOLOGY  
STATEMENT OF CHANGES IN NET ASSETS FOR THE YEAR ENDED 30 JUNE 2016

	ACCUMULATED FUND		REVALUATION RESERVE		RESERVE FUND		TOTAL		CONSOLIDATED
	University	Farm	University	Farm	University	Farm	University	Farm	
Balance as at 30/6/2014	1,173,294,709	(9,990,246)	588,962,938	374,500	191,667,961	(38,072,792)	1,953,925,608	(47,688,538)	1,906,237,070
surplus/deficit for the period				530,501	(37,246,547)	(35,292,855)	(37,246,547)	(35,292,855)	(72,539,402)
Revaluation additions		-	-	530,501				530,501	530,501
Increase in capital fund	494,550,290	-	-	-	-	-	494,550,290	-	494,550,290
<b>Balance as at 30/06/2015</b>	<b>1,667,844,999</b>	<b>(9,990,246)</b>	<b>588,962,938</b>	<b>905,001</b>	<b>154,421,414</b>	<b>(73,365,647)</b>	<b>2,411,229,351</b>	<b>(82,450,892)</b>	<b>2,328,778,459</b>
Balance as at 30/6/2015	1,667,844,999	(9,990,246)	588,962,938	905,001	154,421,414	(73,365,647)	2,411,229,351	(82,450,892)	2,328,778,459
surplus/deficit for the period				528,000	(72,201,581)	(36,216,420)	(72,201,581)	(36,216,420)	(108,418,001)
Revaluation additions		-	-	528,000				528,000	528,000
Increase in capital fund	100,422,357	-	-	-	-	-	100,422,357	-	100,422,357
<b>Balance as at 30/06/2016</b>	<b>1,768,267,356</b>	<b>(9,990,246)</b>	<b>588,962,938</b>	<b>1,433,001</b>	<b>82,219,834</b>	<b>(109,582,067)</b>	<b>2,439,450,128</b>	<b>(118,139,312)</b>	<b>2,321,310,816</b>

NB The biological assets were measured at fair value .

DEDAN KIMATHI UNIVERSITY OF TECHNOLOGY  
STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 30 JUNE 2016

	PAGE	NOTE	2015/2016 KSHS	2014/2015 KSHS
University Deficit for the period	1		(108,418,001)	(72,539,402)
<u>Adjustment for:</u>				
Depreciation	7		80,307,920	86,802,798
			<b>(28,110,081)</b>	<b>14,263,396</b>
<b><u>Change in working capital</u></b>				
Increase/(decrease) in inventories	8	6	(3,977,628)	3,664,359
Increase/(decrease) in receivables	8	7	6,709,911	(59,427,787)
Increase/(decrease) in payables	9	13	112,953,260	(29,160,428)
Net cash generated from operating activities			<b>115,685,543</b>	<b>(84,923,856)</b>
<b><u>Cash flow from investing activities</u></b>				
Investing in fixed assets	7		(60,232,687)	(396,883,636)
Loan repayment			(19,774,420)	(20,005,679)
Net cash used in investing activities			<b>(80,007,107)</b>	<b>(416,889,315)</b>
<b><u>Cash flow from financing activities</u></b>				
Capital fund	9	9	100,422,357	120,230,000
Supplementary budget Grant			-	29,166,667
Capital Grant			-	345,153,623
Loan			-	77,500,000
			<b>100,422,357</b>	<b>572,050,290</b>
Net change in cash and cash equivalent			107,990,712	84,499,514
Opening cash and cash equivalent	8&9	8&14	82,758,327	(1,742,187)
Closing cash and cash equivalent	8&9	8&14	<b>190,749,039</b>	<b>82,757,327</b>

DEDAN KIMATHI UNIVERSITY OF TECHNOLOGY  
STATEMENT OF BUDGET COMPARISON

<u>INCOME</u>	<u>NOTE</u>	<u>2015/2016</u>	<u>2015/2016</u>	<u>2015/2016</u>	<u>2015/2016</u>
		<u>BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE</u>	<u>% VARIANCE</u>
		<u>KSHS</u>	<u>KSHS</u>	<u>KSHS</u>	<u>KSHS</u>
Ministry grant - Recurrent	16	551,580,650	543,641,159	(7,939,492)	(1)
Tuition & other fees	17	517,891,000	521,818,446	3,927,446	1
Other income	18	<u>65,029,410</u>	<u>71,483,437</u>	6,454,027	9
<b>TOTAL</b>		<b>1,134,501,060</b>	<b>1,136,943,041</b>		
<b><u>LESS EXPENDITURE</u></b>					
Personnel cost	19	812,129,560	792,719,649	19,409,911	2
Central services	20	225,080,000	242,309,501	(17,229,501)	(8)
Council allowance	21	6,900,000	6,810,652	89,348	1
Maintenance cost	22	15,950,000	15,829,050	120,950	1
Student welfare	23	7,702,500	7,670,285	32,215	0
Academic costs	24	45,023,000	45,035,094	(12,094)	(0)
Administrative cost	25	<u>17,492,000</u>	<u>17,592,471</u>	(100,471)	(1)
<b>EXPENDITURE</b>		<b>1,130,277,060</b>	<b>1,127,966,702</b>		
Add provision for depreciation	2		80,307,920		
Add provision for Audit Fee	13		<u>870,000</u>		
<b>TOTAL EXPENDITURE</b>			<b>1,209,144,622</b>		
Surplus/deficit for the year			<u>(72,201,581)</u>		

**1. ACCOUNTING POLICIES**

The 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 entity. The accounting policies have been consistently applied to all the years presented. The principal accounting policies adopted are as follows:-

**a) Basis of preparation**

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

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

Revenue and expenditure have been accounted for using the accrual concept of accounting. Income is recognized in the period in which it is earned while expenditure is recognized when it is incurred. The revenue recognition is as follows:

**i). Government Grants**

Government grants are recognized as income in the period when received. Government grant is recognized only when there is a reasonable assurance that the entity will comply with any condition attached to the grant and that the grant will be received.

**c) Revenue from exchange transactions**

**i). Tuition and Fees**

Revenue from tuition and fees are recognized prorate over the relevant period. The entity applies accrual concept in relation to tuition and fees receivable in a particular financial period.

**ii). Rental income**

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

**iii). Other incomes**

Grants and donations in form of research grants and donations are recognized as income in the period it is received. The entity does not accrue un-received grants and donations unless there is a reasonable assurance to receive the funds. Income from collaborations is treated the same way tuition and fees are treated.

**d) Property, plant and equipment**

All property, plant and equipment are stated at cost less accumulated depreciation and impairment losses. Cost includes expenditure that is directly attributable to the acquisition of the items. When significant parts of property, plant and equipment are required to be replaced at intervals, the entity recognizes such parts as individual assets with specific useful lives and depreciates them accordingly. Likewise, when a major inspection is performed, its cost is recognized in the carrying amount of the plant and equipment as a replacement if the recognition criteria are satisfied. All other repair and maintenance costs are recognized in surplus or deficit as incurred. Where an asset is acquired in a non-exchange transaction for nil or nominal consideration the asset is initially measured at its fair value.

The following rates are applied

Buildings	2%
Tractor	37.5%
Motor Vehicles	25%
Computer & Accessories	30%
Plant and machinery	12.5%
Furniture and fittings	12.5%
Equipments	12.5%

**e) Inventories**

Inventories are stated at the lower of cost or net realizable value. Costs include direct materials and where applicable direct labour and those direct overheads that have been incurred to bring the inventories to their present location and condition. Costs of issues are calculated using 'First in First Out' (FIFO) method. Net realizable value represents the estimated selling price less any estimated cost of disposal.

**f) Receivables**

Receivables are recognized at their nominal value as reduced by appropriate allowances. Receivables comprises of both exchange and non-exchange transactions.

**g) Retirement Benefit Costs**

The University operates a contributory pension scheme for eligible employees. The assets of the scheme are held separately in a trustee administered fund that is funded by both employees and the University. The University also contributes to the National Social Security Fund (NSSF). Contributions to this fund are determined by the local statutes.

The contributions made to the above schemes by the University are charged to the income statement during the year in which they relate

**h) Agriculture.**

Biological assets have been measured at fair value. IPSAS 27 Agriculture. Prescribes the accounting treatment and disclosures related to agricultural activity, a matter not covered in other standards. Agricultural activity is the management by an entity of the biological transformation of living animals or plants (biological assets) for sale, or for distribution at no charge or for a nominal charge or for conversion into agricultural produce or into additional biological assets. It is primarily drawn from the IASB's IAS 41 Agriculture, with limited changes dealing with public sector-specific issues. Statistics Manual. It is effective for annual financial statements covering periods beginning on or after 1 April 2011, with earlier application encouraged.

**i) Research and Development**

Research and development expenditure is charged to income statement in the year it is incurred

**j) Cash and Cash Equivalents**

These are defined as cash on hand, bank balances, demand deposits and short term highly liquid investments readily convertible to known amounts of cash and are not subject to any risks and changes in value. For the purposes of the cash flow statement, cash and cash equivalent consist of cash, bank balances and short term investments.

**k) Bank overdraft**

The University has an overdraft facility with Consolidated bank to a tune of kshs 50,000,000 Interest on overdraft has been charged as expenses in the year they have been incurred. The policy is to accrue all un-paid interest relating to the year under review.

**l) Tax Exemption**

The University by virtue of being a Public University and classified under the Public Benefit Organizations (PBOs) have been exempted from income tax. PBOs are exempted from income tax on income received from the activities of the organization, if the income is wholly used to support the public benefit purposes for which the organization was established and in this case to advance education by Public Universities.

**m) Basis of Consolidation**

The consolidated financial statement comprises the financial statements of the university and subsidiary (Farm) as at 30<sup>th</sup> June 2016. The farm is a subsidiary of the university, 100% owned by the university. Subsidiary is fully consolidated from the date of acquisition being the date on which the university obtains control and continues to be consolidated until the date when such control ceases. The financial statement of the subsidiary is prepared for the same reporting period as the parent entity using consistent accounting policies. All intra group balances, transactions, unrealized gains or losses resulting from intra group transactions are eliminated in full according to IPSAS 6

**n) Foreign transactions**

Transactions during the year in foreign currency are converted into Kenya shillings as the rate ruling on the transaction date.

**o) Risk disclosure**

DeKUT applies risk management concept in its operations and has developed a risk Management policy that ensures that there is reliable and timely risk reporting process that provides credible information of the University's risks and that employees are able to make better decisions and accelerate continuous and breakthrough University's achievements.

The University has exposure to the following financial risks arising from the operations which have been factored in preparation of these accounts:

**1) Credit risk**

This is the risk that there is

- (a) Potential for loss on receivables on the reported creditors failing to pay the required payments for services rendered and also the students failing to pay the total fees due from them.
- (b) Accumulation of accounts payables beyond the credit period stipulated in the service charter

To mitigate this, the University management has established a credit policy that regulates and defines debt payment period for both external customers and the students as well Provisions are made in the final accounts for any bad debts that may arise.

The credit quality of trade and other receivables is assessed based on credit policy and University's payables are settled on age-ing basis.

**2) Liquidity Risk**

This is the risk that the University

- (a) May encounter some difficulty in meeting obligations associated with its financial liabilities.
- (b) Potential loss or fraud of cash and cash equivalent due to the nature of the assets being most liquid and vulnerable to theft and thus affecting cash flows and eventual liquidity position of the university
- (c) The University approach to managing liquidity risk is by providing for expenditure in the budget in order to meet its liabilities damage of its reputation. without incurring unacceptable losses or risking
- (d) The university also pays for insurance premiums for cash held in safe and on transit while holding all other cash and cash equivalents in the bank for safe custody. There are also elaborate internal control measures under watch of the internal audit department.

**3) Market Risk**

There is a risk of foreign exchange rates fluctuating and affecting the value of donor funds provisions on the donor funded projects (MAISHA project) due to volatility of Kenya shilling against the dollar.

To manage this the University records donor funds in its books based on the transaction rates at the date of receipt and disbursement recorded at the rate of the date of disbursement and a foreign exchange fluctuation account is maintained and charged accordingly in the accounts.

**p) Related party disclosures**

It requires the disclosure of the existence of related parties and information about the transactions between related parties. These disclosures are required for accountability purposes and to allow a better understanding of the financial performance and position of the entity. The standard provides guidance on the identification of related parties and what information should be disclosed.

In DeKUT the related parties includes ,

- i) Government of Kenya capitation grant kshs 543,641,159
- ii) Government of Kenya Development grant kshs 107,607,357
- iii) University Council Allowances 8,873,356

**q) Budgetary information**

The budgetary information have been disclosed on page 13 and 14 of financial statement. It is the policy of the University to explain all the material difference with a variance above 10% and below (10%) The explanations on material difference between the actual and budget are explained in the annex I

**r) Reserves**

Note 10 page 10 of the financial statement shows the accumulated reserves for the university. The reserves comprises accumulated surplus and deficit made by the University its subsidiary.

**s) University investment to the farm**

The university advance money to the farm for its operations. This is until when the farm will start to breakeven. The university advances the money at 10% interest and it recovers it from all the proceeds of the farm income.

**t) Payables**

It is the University policy to make payments to the suppliers within 90

**u) Long Term Loan**

The university took a loan of 77,500,000 from Coffee Development Fund. The loan is for rehabilitating university farm. It is payable within three years at an interest of 10%. Family bank guaranteed the loan for the three years.

DEDAN KIMATHI UNIVERSITY OF TECHNOLOGY  
MOVEMENT OF FIXED ASSET AS AT 30 JUNE 2016

PROPERTY, PLANT & EQUIPMENTS

Note 2

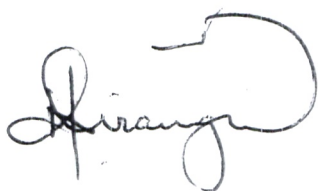
	<u>LAND</u>	<u>BUILDING</u>	<u>MOTOR VEHICLES</u>	<u>COMPUTER &amp; ACCESSORIES</u>	<u>PLANT &amp; MACHINERY</u>	<u>TRACTOR</u>	<u>FURNITURE &amp; EQUIPMENTS</u>	<u>WORK IN PROGRESS NOTE 3</u>	<u>TOTAL</u>
	NIL	2%	25%	30%	12.5%	37.5%	12.5%		
Valuation as at 30/6/2014	435,000,000	521,363,726	69,121,193	66,221,523	24,120,766	8,882,572	182,463,209	914,850,222	2,222,023,211
Additions in the Period	-	-	-	2,635,140	-	-	350,979,908	43,268,588	396,883,636
Transfer in the period	-	289,070,353	-	-	-	-	-	(289,070,353)	-
As at 30/6/2015	435,000,000	810,434,079	69,121,193	68,856,663	24,120,766	8,882,572	533,443,117	669,048,456	2,618,906,847
Depreciation									
Depreciation as at 30/6/2014	-	32,477,562	47,927,380	49,548,504	12,568,602	6,953,496	69,560,374	-	219,035,917.71
Charge for the Period	-	15,559,130	5,298,453	5,792,448	1,444,021	723,403	57,985,343	-	86,802,798.06
Depreciation as at 30/6/2015	-	48,036,692	53,225,833	55,340,951	14,012,622	7,676,899	127,545,717	-	305,838,715.78
Net Book Value as at 30- 6-2015	<u>435,000,000</u>	<u>762,397,387</u>	<u>15,895,359</u>	<u>13,515,711</u>	<u>10,108,144</u>	<u>1,205,672</u>	<u>405,897,400</u>	<u>669,048,456</u>	<u>2,313,068,130</u>
Net Book Value as at 30- 6-2014	<u>435,000,000</u>	<u>488,886,164</u>	<u>21,193,813</u>	<u>16,673,019</u>	<u>11,552,164</u>	<u>1,929,076</u>	<u>112,902,835</u>	<u>914,850,222</u>	<u>2,002,987,292</u>
Valuation as at 30/6/2015	435,000,000	810,434,079	69,121,193	68,856,663	24,120,766	8,882,572	533,443,117	669,048,456	2,618,906,847
Additions in the Period	-	-	7,992,500	1,368,800	872,000	4,005,000	4,471,672	41,522,715	60,232,687
As at 30/6/2016	435,000,000	810,434,079	77,113,693	70,225,463	24,992,766	12,887,572	537,914,789	710,571,172	2,679,139,534
Depreciation as at 30/6/2015	-	48,036,692	53,225,833	55,340,951	14,012,622	7,676,899	127,545,717	-	305,838,715.78
Charge for the Period	-	15,247,948	5,971,965	4,465,353	1,372,518	1,954,002	51,296,134	-	80,307,920
Depreciation as at 30/6/2016	-	63,284,640	59,197,798	59,806,305	15,385,140	9,630,902	178,841,851	-	386,146,636
Net Book Value as at 30- 6-2016	<u>435,000,000</u>	<u>747,149,439</u>	<u>17,915,895</u>	<u>10,419,158</u>	<u>9,607,626</u>	<u>3,256,670</u>	<u>359,072,938</u>	<u>710,571,172</u>	<u>2,292,992,897</u>
Net Book Value as at 30- 6-2015	<u>435,000,000</u>	<u>762,397,387</u>	<u>15,895,359</u>	<u>13,515,711</u>	<u>10,108,144</u>	<u>1,205,672</u>	<u>405,897,400</u>	<u>669,048,456</u>	<u>2,313,068,130</u>

	Description	BAL O/F	ADDITIONS	TOTAL
<b>3 WORK-IN-PROGRESS</b>				
Hostels	Buildings	14,619,741		14,619,741
Academic Block P1	Buildings	354,973,819	10,579,820	365,553,639
Academic Block P2	Buildings	14,148,757	3,062,292	17,208,049
Dining Hall	Buildings	199,863,482	2,088,870	201,952,352
link Road	Land Improvements	85,445,658		85,445,658
Farm projects	Buildings	-		-
Engineering ANNEX		-	20,184,974	20,184,974
Extension of medical center		-	2,410,563	2,410,563
Consevaney Phase 11		-	2,585,245	2,585,245
University Gate		-	610,951	610,951
Bal c/d		669,048,456	41,522,715	710,571,172
		Main University	University Farm	Consolidated
		KSHS	KSHS	KSHS
		2015/2016	2015/2016	2015/2016
				2014/2015
<b>4 INVESTMENT</b>				
i) One (1) ordinary shares of Ksh 20.00 in Kenya Farmers Association			20	20
ii) 130175 redeemable ordinary shares of ksh 10.00 each with Kenya Planters Co-operative Union Ltd			1,301,750	1,301,750
Impairment of investment			(1,301,770)	(1,301,770)
				1,301,770
Kenya planters co-operative union Limited is under receivership We have impaired the assets awaiting the outcome of receivership				
<b>5 BIOLOGICAL ASSETS</b>				
		Main University	University Farm	Consolidated
				2015/2016
				2014/2015
i) Livestock			4,259,000	4,259,000
ii) Coffee trees	106,403 @ 50.00		5,420,151	5,420,151
Total			9,679,151	9,679,151
This was at net realisable value				
<b>6 INVENTORY</b>				
Farm stocks			6,110,861	6,110,861
				2,133,233
		Main University	University Farm	Consolidated
				2015/2016
				2014/2015
<b>7 TRADE AND OTHER RECEIVABLES</b>				
<b>a Exchange transactions</b>				
Student debtors	Main campus	74,555,116	-	74,555,116
Student debtors	Nairobi Campus	109,535,243	-	109,535,243
Student debtors	Nyeri Campus	13,600,116	-	13,600,116
Provision for doubtful debt		(9,884,524)	-	(9,884,524)
		187,805,952	-	187,805,952
Deposits		2,294,143	-	2,294,143
Sundry debtors		1,310,324	-	1,310,324
Farm debtors (coffee sales)		-	2,950,514	2,950,514
Staff debtors		2,805,720	-	2,805,720
Interest on farm investment		12,383,832	-	12,383,832
Investment on KUCT farm		123,838,316	-	123,838,316
V.A.T. arrears		2,985,164	-	2,985,164
Impairment of VAT receivables		(2,985,164)	-	(2,985,164)
Total Exchange transactions		330,438,287	2,950,514	197,166,653
<b>b Non exchange transactions</b>				
MOEST				42,715,054
Total Non-Exchange transactions				42,715,054
Total Trade and Other Receivables		330,438,287	2,950,514	197,166,653
Nb VAT arrears has been incurred since it had accrued for a long time.				
<b>8 CASH AND BANK BALANCES</b>				
		Main University	University Farm	Consolidated
				2015/2016
				2014/2015
<b>Standard chartered bank</b>				
	A/C NO	KSHS	KSHS	KSHS
Nyeri town campus A/C	0102045131200	-	-	2,708,397
Premium investment A/C	0102045131201	175,147	-	211,812
DEKUT Farm Operating A/C	0102045131202	1,070,611	-	193,563
DEKUT Fee collection A/C	0102045131203	1,835,953	-	-
<b>Consolidated bank</b>				
DEKUT Payment main A/C	10061200000061	-	-	-
DEKUT Fee collection A/C	10061200000062	745,303	-	745,303
DEKUT Bursery A/C	10061203000002	206,392	-	206,392
DEKUT Economic Stimulus	10061302000142	378,046	-	378,046
Fixed Deposit		8,943,113	-	8,943,113
Fixed Deposit		4,270,509	-	4,270,509
Fixed Deposit		40,000,000	-	40,000,000
Fixed Deposit		3,069,164	-	3,069,164
Fixed Deposit		70,518,875	-	70,518,875
<b>Family Bank</b>				
DEKUT Payment A/C	055000028807	1,790,429	-	1,790,429
DEKUT A/C	055000031309	813,684	-	813,684
DEKUT Payment A/C	055000032397	152,941	-	152,941
Fixed Deposit: (Farm loan)		38,000,000	-	38,000,000
Fixed Deposit Mathira TTI		5,200,000	-	5,200,000
Fixed Deposit		27,807,357	-	27,807,357
Fixed Deposit Mathira TTI		16,190,177	-	16,190,177
Fixed Deposit Mathira TTI		10,000,000	-	10,000,000
<b>Kenya commercial bank</b>				
DEKUT Fee collection A/C	1121318274	115,975	-	115,975
DEKUT Coffee research	1158874847	657,689	-	657,689
<b>Equity bank</b>				
DEKUT Fee collector A/C	1150297300480	527,491	-	527,491
Cash balances				-
Total balance		232,468,856	-	232,468,856
				84,313,462

		Main University	University Farm	Consolidated 2015/2016	Consolidated 2014/2015
<b>9 CAPITAL FUND</b>					
Bal as at 1/7/2015		1,667,844,999	(9,990,246)	1,657,854,753	1,163,304,463
Development fund		100,422,357	-	100,422,357	120,230,000
Supplimentary budget		-	-	-	29,166,667
Development grants		-	-	-	345,153,623
		<u>1,768,267,356</u>	<u>(9,990,246)</u>	<u>1,758,277,110</u>	<u>1,657,854,753</u>
<b>10 RESERVE FUND</b>					
Bal as at 1/7/2015		154,421,415	(73,365,647)	81,055,768	153,595,170
University Surplus/deficit for the period		(72,201,581)	(36,216,420)	(108,418,001)	(72,539,402)
Bal as at 30/6/2016		<u>82,219,834</u>	<u>(109,582,067)</u>	<u>(27,362,233)</u>	<u>81,055,768</u>
<b>11 REVALUATION ACCOUNTS</b>					
Bal as at 1/7/2015		588,962,938	905,000	589,867,938	589,337,438
Addition in the year		-	528,000	528,000	530,500.00
Bal as at 30/6/2016		<u>588,962,938</u>	<u>1,433,000</u>	<u>590,395,938</u>	<u>589,867,938</u>
<b>12 RESEARCH GRANTS</b>					<u>2013/2014</u>
CIDA ( College of rockies)					3,529,664
					<u>3,529,664</u>
<b>13 TRADE AND OTHER PAYABLES</b>					
<b>a. Exchange transactions</b>					
Student creditors	Main campus	12,674,869		12,674,869	11,924,614
Student creditors	Nairobi Campus	3,256,513		3,256,513	2,539,885
Student creditors	Nyeri Campus	3,316,966		3,316,966	3,420,816
Trade and other payables		224,983,395	657,690	225,641,085	188,481,864
Farm creditors (Internal)			123,838,316		-
Interest on investment(internal)			12,383,832		-
Provisions (audit fees)		870,000		870,000	1,620,000
Research grants		-	-	-	2,024,941
<b>Total Exchange transactions</b>		<u>245,101,743</u>	<u>136,879,838</u>	<u>245,759,433</u>	<u>210,012,120</u>
<b>b. Non exchange transactions</b>					
Prepayment (AFDB, HELB,LAPSET,TVET)		78,279,425		78,279,425	
Capital Development Retention Funds		13,629,026	-	13,629,026	14,702,505
<b>Total Non-Exchange transactions</b>		<u>91,908,451</u>	<u>-</u>	<u>91,908,451</u>	<u>14,702,505</u>
<b>Total Trade and Other Payables</b>		<u>337,010,194</u>	<u>136,879,838</u>	<u>337,667,884</u>	<u>224,714,625</u>
<b>NB:</b> The retention money amount is accumulated figure since the projects started.					
<b>14 BANK OVERDRAFT</b>					
DeKUT Payment main A/C	10061200000061	41,702,267	-	41,702,267	1,381,798
Stanchart	0102045131200	17,550	-	17,550	173,337
		<u>41,719,817</u>	<u>-</u>	<u>41,719,817</u>	<u>1,555,135</u>
<b>NB:</b>					
The university applied for an overdraft facility of Kshs 50 million from Consolidated Bank. The facility is issued with an interest of 19% p.a.					
The security for the facility are:					
a) University Council resolution to borrow Kshs 50 million from Consolidated Bank of kenya					
b) Letter of set off					
c) Letter of Deposit of securities					
<b>15 MATHIRA TTI</b>				<u>2015/2016</u>	<u>2014/2015</u>
Bal B/F				7,762,940	-
Funds received				24,719,957	33,250,000
Expenditure in the period				6,274,620	23,024,711
Retention money				-	2,462,349
Balance in the bank				<u>26,208,278</u>	<u>7,762,940</u>

DEDAN KIMATHI UNIVERSITY OF TECHNOLOGY  
UNIVERSITY STATEMENT OF FINANCIAL POSITION AS AT 30TH JUNE 2016

		<u>2015/2016</u>	<u>2014/2015</u>
		KSHS	KSHS
<b><u>NON-CURRENT ASSETS</u></b>			
Property Plant and Equipments	NOTE 2	2,292,992,897	2,313,068,130
		<u>2,292,992,897</u>	<u>2,313,068,130</u>
<b><u>CURRENT ASSETS</u></b>			
Trade and other receivables (Exchange Transactions)	7.a	330,438,287	256,875,449
Trade and other receivables (Non-Exchange Transactions)	7.b	-	42,715,054
Cash & Bank Balances	8	232,468,856	84,313,462
		<u>562,907,142</u>	<u>383,903,965</u>
<b>TOTAL ASSETS</b>		<u><u>2,855,900,040</u></u>	<u><u>2,696,972,095</u></u>
<b><u>FUNDS , RESERVES AND LIABILITIES</u></b>			
<b><u>FUNDS</u></b>			
Capital fund	9	1,768,267,356	1,667,844,999
Reserve fund	10	82,219,834	154,421,415
Revaluation reserve	11	588,962,938	588,962,938
		<u>2,439,450,128</u>	<u>2,411,229,352</u>
<b><u>CURRENT LIABILITIES</u></b>			
Trade and other payables (Exchange Transactions)	13.a	245,101,743	211,990,783
Trade and other payables (Non-Exchange Transactions)	13.b	91,908,451	14,702,505
Bank overdraft	14	41,719,817	1,555,135
		<u>378,730,011</u>	<u>228,248,423</u>
<b><u>NON CURRENT LIABILITIES</u></b>			
Long term borrowings (loan)		<u>37,719,900</u>	<u>57,494,320</u>
		<u>37,719,900</u>	<u>57,494,320</u>
<b>TOTAL FUNDS , RESERVES AND LIABILITIES</b>		<u><u>2,855,900,040</u></u>	<u><u>2,696,972,095</u></u>



Prof. P.N. Kioni  
Vice Chancellor



CPA. Beatrice Mwangi  
Ag. Finance Officer

DEDAN KIMATHI UNIVERSITY OF TECHNOLOGY  
UNIVERSITY STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 30 JUNE 2016

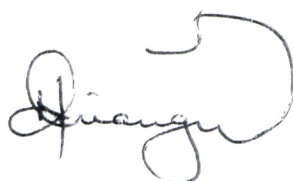
<u>INCOME</u>	<u>NOTE</u>	2015/2016 <u>KSHS</u>	2014/2015 <u>KSHS</u>
<b><u>Revenue from exchange transactions</u></b>			
Ministry grant - Recurrent	16	543,641,159	512,580,648
<b><u>Revenue from non-exchange transactions</u></b>			
Tuition & other fees	17	521,818,446	533,748,839
Other income	18	<u>71,483,437</u>	<u>45,388,793</u>
<b>TOTAL</b>		<b>1,136,943,041</b>	<b>1,091,718,280</b>
<b><u>LESS EXPENDITURE</u></b>			
Personnel cost	19	792,719,649	751,845,424
Central services	20	242,309,501	199,568,438
Council allowance	21	6,810,652	7,497,010
Maintenance cost	22	15,829,050	13,111,391
Student welfare	23	7,670,285	7,539,345
Academic costs	24	45,035,094	45,939,009
Administrative cost	25	<u>17,592,471</u>	<u>15,791,412</u>
<b>EXPENDITURE</b>		<b>1,127,966,702</b>	<b>1,041,292,029</b>
Add provision for depreciation	2	80,307,920	86,802,798
Add provision for Audit Fee	13	<u>870,000</u>	<u>870,000</u>
<b>TOTAL EXPENDITURE</b>		<b><u>1,209,144,622</u></b>	<b><u>1,128,964,827</u></b>
Surplus/deficit for the year		<b><u>(72,201,581)</u></b>	<b><u>(37,246,547)</u></b>

	2015/2016 BUDGET	2015/2016 ACTUAL	2014/2015 ACTUAL	VARIANCE	VARIANCE %
<b>INCOME</b>					
<b>REVENUE FROM EXCHANGE TRANSACTIONS (NOTE 16)</b>					
16 <b>CAPITATION GRANT</b>	<b>KSHS</b>	<b>KSHS</b>	<b>KSHS</b>	<b>KSHS</b>	<b>KSHS</b>
Ministry grant - Recurrent	551,580,650	543,641,159	512,580,648	(7,939,492)	(1)
	551,580,650	543,641,159	512,580,648		
<b>REVENUE FROM NON-EXCHANGE TRANSACTIONS (NOTE 17 &amp; 18)</b>					
17 <b>TUITION AND OTHER FEES</b>					
Tuition and other fees (Main Campus)	320,000,000	319,678,970	353,947,123	(321,030)	(0)
Tuition and other fees (Nairobi Campus)	140,000,000	140,767,748	120,526,273	767,748	1
Tuition and other fees (Nyeri Campus)	61,891,000	61,371,726	59,275,443	(519,272)	(1)
	521,891,000	521,818,446	533,748,839		
18 <b>OTHER INCOMES</b>					
Sale of admission forms	1,000,000	1,044,159	1,038,500	44,159	4
Sale of tenders forms	55,000	54,000	6,000	(2,000)	(2)
Rent	430,000	437,426	567,622	7,426	2
Miscellaneous income	17,544,410	17,817,406	12,255,370	272,998	2
Research Grants	15,000,000	14,605,758	7,597,555	(394,242)	(3)
Interest on KUCT farm investment	12,000,000	12,383,832	8,729,829	383,832	3
Kitchen sales	19,000,000	16,866,234	15,193,917	(133,766)	(1)
Mathira TTI	-	6,274,620	-	-	-
<b>TOTAL OTHER INCOME</b>	<b>65,029,410</b>	<b>71,483,437</b>	<b>45,386,793</b>		
<b>TOTAL INCOME</b>		<b>1,136,943,041</b>	<b>1,091,718,280</b>		
19 <b>PERSONNEL COSTS</b>					
Basic Salaries	321,061,593	313,906,326	284,492,867	7,155,267	2
Casual workers	32,400,000	30,374,693	26,478,320	2,025,307	6
Part time teaching	85,500,000	84,556,560	122,349,000	943,440	1
Gratuity and pension	57,000,000	56,441,841	39,353,716	558,159	1
House to Office allowance	40,300,000	38,375,145	29,987,842	1,924,855	5
Other personal allowances	72,887,500	72,357,937	64,752,054	529,563	1
Passage and Baggage	540,000	537,751	495,213	2,249	0
Group life (pension) insurance	1,850,000	1,881,404	2,293,359	(31,404)	(2)
House allowances	197,990,467	191,772,302	179,597,922	6,218,165	3
Leave allowance	2,600,000	2,515,690	2,045,130	84,310	3
	781,942,060	792,719,649	751,845,424		
20 <b>CENTRAL SERVICES</b>					
Electricity expenses	11,660,000	11,407,883	12,400,877	252,117	2
Water expenses	8,000,000	8,168,686	8,010,206	(168,686)	(2)
Misc. other charges	-	-	22,730	-	-
Vehicle licenses & insurance	1,600,000	1,632,348	3,297,565	(32,348)	(2)
Insurance premiums	5,200,000	5,228,887	2,343,298	(28,887)	(1)
Vehicle fuel and oil	9,400,000	8,983,183	7,823,169	416,817	4
Publishing & Printing	2,200,000	2,198,702	3,894,079	1,298	0
Advertising and Publicity	11,650,000	11,785,694	9,168,438	(135,694)	(1)
Marketing Expenses	2,100,000	2,134,245	2,776,387	(34,245)	(2)
Telephone expenses	2,500,000	2,553,297	2,157,240	(53,297)	(2)
Postal expenses	150,000	141,270	279,148	8,730	6
Bank charges/ interest	5,800,000	5,841,843	4,303,565	(41,843)	(1)
Bank loan interest	5,000,000	4,895,440	8,353,094	104,560	2
Purchase of uniforms	130,000	131,520	513,864	(1,520)	(1)
Conferences and seminars	4,750,000	4,754,027	5,156,080	(4,027)	(0)
Public celebrations/Demise	250,000	250,710	697,370	(710)	(0)
Purchase of Drugs	2,500,000	2,478,601	1,840,546	21,399	1
Medical expenses	24,000,000	24,027,639	21,291,598	(27,639)	(0)
Optical and Dental	3,100,000	3,144,026	2,381,570	(44,026)	(1)
University Public Functions	1,800,000	1,800,273	346,236	(273)	(0)
Contracted professional services	260,000	260,850	465,918	(850)	(0)
Legal expenses	630,000	598,971	721,826	31,029	5
Catering	21,320,000	21,308,019	20,223,356	11,981	0
Utensils and Crokery	180,000	179,851	334,393	149	0
Cleaning materials	2,300,000	2,324,440	2,369,162	(24,440)	(1)
Hygiene services	630,000	629,940	239,200	60	0
Fumigation Services	250,000	245,784	876,274	4,216	2
Internet services	19,900,000	19,780,177	15,964,525	119,823	1
Set up of ICT infrastructure	1,600,000	1,562,284	2,087,271	37,716	2
External travelling	6,000,000	6,082,851	4,329,520	(82,851)	(1)
Gas and fuel	840,000	835,071	958,961	4,929	1
Training expenses	7,000,000	7,077,896	4,509,934	(77,896)	(1)
Subscription to professional bodies	550,000	542,656	671,971	7,344	1
Security services	5,300,000	5,294,744	5,096,516	5,256	0
Book shop expenses	650,000	641,589	795,054	8,411	1
Booked meals	2,350,000	2,333,415	1,271,800	16,585	1
Maisha Project	-	6,523,671	3,656,722	(6,523,671)	-
Nyeri Town campus Expenses	6,170,000	6,021,549	9,178,575	148,451	2
Nairobi Campus Expenses	34,500,000	34,554,919	15,637,292	(54,919)	(0)
Mau mau establishment centre	-	-	327,050	-	-
Generator expenses	170,000	169,360	513,026	640	0
Performance Contract	1,000,000	1,031,937	230,539	(31,937)	(3)
Show and Exhibitions Expenses	950,000	929,326	827,742	20,674	2
Linkages	300,000	315,320	102,850	(15,320)	(5)
Newspapers	550,000	541,850	731,364	8,150	1
Provision for doubtful debt (student fee)	9,890,000	9,884,524	8,190,494	5,476	0
Geo-power Africa project	-	4,805,613	2,200,043	(4,805,613)	-
Mathira TTI	-	6,274,620	-	(6,274,620)	-
	219,730,000	242,309,501	199,568,438		

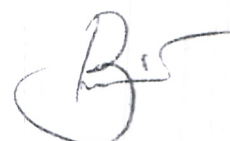
	<u>2015/2016</u>	<u>2015/2016</u>	<u>2014/2015</u>	<u>VARIANCE</u>	<u>VARIANCE</u>
	<u>BUDGET</u>	<u>ACTUAL</u>	<u>ACTUAL</u>		<u>%</u>
	<u>KSHS</u>	<u>KSHS</u>	<u>KSHS</u>	<u>KSHS</u>	<u>KSHS</u>
<b>21 CHANCELLOR/COUNCIL ALLOWANCE</b>					
Chancellor Allowance	1,284,000	1,289,500	1,284,000	(5,500)	(0)
Chairman Allowance	1,044,000	1,044,000	1,044,000	-	-
Sitting Allowance	2,572,000	2,542,000	2,872,000	30,000	1
Travelling & Accomodation	<u>2,000,000</u>	<u>1,935,152</u>	<u>2,297,010</u>	64,848	3
	<b>6,900,000</b>	<b>6,810,652</b>	<b>7,497,010</b>		
<b>22 MAINTENANCE COSTS</b>					
Maintenance Vehicle	4,950,000	4,855,020	3,569,395	94,980	2
Maintenance of equipment	4,000,000	4,154,460	3,455,423	(154,460)	(4)
Maintenance Water and sewerage	530,000	523,726	343,540	6,274	1
Maintenance of Buildings	4,850,000	4,664,920	3,611,332	185,080	4
Maintenance of roads/grounds	555,000	583,574	890,829	(28,574)	(5)
Maintenance of computers/printer	115,000	111,500	1,240,872	3,500	3
Asset tagging	<u>950,000</u>	<u>935,850</u>	<u>-</u>	14,150	1
	<b>15,950,000</b>	<b>15,829,050</b>	<b>13,111,391</b>		
<b>23 STUDENTS WELFARE</b>					
Inter university games	-	-	-	-	-
Sports and Games	2,950,000	2,923,028	3,101,733	26,972	1
Students insurance	-	-	63,960	-	-
Student benovelent fund	400,000	395,250	308,000	4,750	1
Students conference/workshops	2,500	2,500	61,700	-	-
Student Awards	400,000	398,455	319,500	1,545	0
Student bursary	950,000	961,272	1,300,000	(11,272)	(1)
Counselling expenses	225,000	222,762	551,193	2,238	1
Entertainment	1,275,000	1,273,848	694,447	1,152	0
Kimathi students union allow	1,285,000	1,281,620	345,924	3,380	0
Sports equipments	<u>215,000</u>	<u>211,550</u>	<u>792,888</u>	3,450	2
	<b>7,702,500</b>	<b>7,670,285</b>	<b>7,539,345</b>		
<b>24 ACADEMIC COSTS</b>					
External examination	4,420,000	4,434,161	2,853,435	(14,161)	(0)
Examination materials	3,935,000	3,935,000	3,065,000	-	-
Attachment expenses	4,150,000	4,149,845	1,437,407	155	0
Traveling and accommodation	2,680,000	2,681,030	2,113,864	(1,030)	(0)
Payment of use of lab	140,000	137,600	217,150	2,400	2
Library	3,500,000	3,497,140	3,657,645	2,860	0
Outreach programs	200,000	197,150	229,715	2,850	1
Field courses	1,170,000	1,167,790	898,462	2,210	0
Coffee Centre Expenses	71,000	70,955	1,045,823	45	0
Graduation expenses	6,150,000	6,146,808	3,613,387	3,192	0
Teaching materials	3,042,000	3,110,412	9,703,205	(68,412)	(2)
Research, production & extension	3,400,000	3,316,460	1,109,181	83,540	2
KUCCPS admission expenses	2,000,000	1,925,880	1,637,500	74,120	4
Conservancy Expenses	1,350,000	1,414,742	1,267,865	(64,742)	(5)
Work-study	900,000	875,543	230,090	24,457	3
Purchase of software	1,090,000	1,087,512	-	2,488	0
Hire of teaching facilities	1,500,000	1,575,360	1,017,240	(75,360)	(5)
Purchase of Gowns	500,000	488,700	129,535	11,300	2
Launch of MBA & PHD Programmes	645,000	641,750	3,200,000	3,250	1
Curriculum Development	615,000	613,323	67,945	1,677	0
Innovation and technology	200,000	199,090	161,180	910	0
Wind energy	380,000	380,151	220,200	(151)	(0)
Final year project	1,040,000	1,037,326	2,690,777	2,674	0
Mt. Kenya expension climb to educate	1,550,000	1,563,339	3,565,211	(13,339)	(1)
Servir project	110,000	103,637	581,750	6,363	6
DeHub	115,000	114,098	1,138,292	902	1
Internship	<u>170,000</u>	<u>170,292</u>	<u>87,150</u>	(292)	(0)
	<b>45,023,000</b>	<b>45,035,094</b>	<b>45,939,009</b>		
<b>25 ADMINISTRATIVE COSTS</b>					
Travelling and accommodation	5,850,000	5,878,966	4,379,962	(28,966)	(0)
Staff Welfare	1,700,000	1,757,001	3,026,843	(57,001)	(3)
Staff Entertainment	335,000	324,280	26,794	10,720	3
Guest house Expenses	220,000	219,862	395,367	138	0
Corporate social responsibilities	450,000	446,700	248,850	3,300	1
Alumini Assosiation	70,000	71,200	35,600	(1,200)	(2)
Recrutment expenses	17,000	16,808	-	192	1
ISO Expenses	350,000	357,346	543,959	(7,346)	(2)
Stationery and stores	<u>8,500,000</u>	<u>8,520,308</u>	<u>7,134,037</u>	(20,308)	(0)
	<b>17,492,000</b>	<b>17,592,471</b>	<b>15,791,412</b>		

DEDAN KIMATHI UNIVERSITY OF TECHNOLOGY  
 FARM STATEMENT OF FINANCIAL POSITION AS AT 30TH JUNE 2016

		<u>2015/2016</u>	<u>2014/2015</u>
		<u>KSHS</u>	<u>KSHS</u>
<b><u>NON-CURRENT ASSETS</u></b>			
Investments	NOTE 4	-	-
Biological assets	5	9,679,150	9,151,150
		<u>9,679,150</u>	<u>9,151,150</u>
<b><u>CURRENT ASSETS</u></b>			
Inventories	6	6,110,861	2,133,233
Trade and other receivables	7	2,950,514	10,268,297
		<u>9,061,375</u>	<u>12,401,530</u>
<b>TOTAL ASSETS</b>		<u><u>18,740,525</u></u>	<u><u>21,552,680</u></u>
<b><u>FUNDS , RESERVES AND LIABILITIES</u></b>			
<b>FUNDS</b>			
Capital fund	9	(9,990,246)	(9,990,246)
Revaluation reserve		1,433,000	905,000
Reserve fund	10	(109,582,067)	(73,365,647)
		<u>(118,139,313)</u>	<u>(82,450,893)</u>
<b><u>CURRENT LIABILITIES</u></b>			
Trade and other payables	13	136,879,838	104,003,573
		<u>136,879,838</u>	<u>104,003,573</u>
<b>TOTAL FUNDS , RESERVES AND LIABILITIES</b>		<u><u>18,740,525</u></u>	<u><u>21,552,680</u></u>



Prof. P.N. Kioni  
 Vice Chancellor



CPA. Beatrice Mwangi  
 Ag. Finance Officer

DEDAN KIMATHI UNIVERSITY OF TECHNOLOGY  
 FARM TRADING ACCOUNTS FOR THE YEAR ENDED 30 JUNE 2016

		<u>2015/2016</u>	<u>2014/2015</u>
	<u>NOTE</u>	<u>KSHS</u>	<u>KSHS</u>
Gross sales income	26	11,964,380	17,270,014
		<b>11,964,380</b>	<b>17,270,014</b>
<b>LESS COST OF SALES</b>			
Stock 1/7/2015		2,133,233	5,797,592
Add			
Horticulture expenses	27	1,669,835	1,892,148
Coffee expenses	28	27,267,196	25,324,978
Livestock expenses	29	3,463,900	3,033,411
		<b>34,534,164</b>	<b>36,048,129</b>
Less stock 30/6/2016	6	6,110,861	2,133,233
Cost of sales	31	28,423,303	33,914,896
Gross profit/ Loss		<b>(16,458,923)</b>	<b>(16,644,882)</b>
Less overhead expenses	30	19,757,497	18,647,973
Net farm profit/ Loss		<b><u>(36,216,420)</u></b>	<b><u>(35,292,855)</u></b>

DEDAN KIMATHI UNIVERSITY OF TECHNOLOGY  
 NOTES TO THE FINANCIAL STATEMENT FOR THE YEAR ENDED 30 JUNE 2016  
 FARM ACCOUNTS

NOTE		2015/2016	2014/2015
		ACTUAL	ACTUAL
		KSHS	KSHS
26	<u>Revenue</u>		
	Coffee	3,494,129	9,545,916
	Milk	3,268,124	2,474,313
	Horticulture	2,136,383	1,871,152
	Livestock Sales	553,460	764,255
	Miscellaneous	3,300	18,185
	Charcoal Sales	1,407,747	1,112,942
	Grant	722,747	1,483,250
	Coffee seedlings	378,490	-
		<u>11,964,380</u>	<u>17,270,014</u>
	<u>Expenditure</u>		
27	<u>HORTICULTURE EXPENSES</u>		
	Seeds-Hort	481,120	316,967
	Horticulture - Labour	1,037,255	1,284,898
	Chemicals-Hort	125,350	201,943
	Fertilizers-Hort	26,110	56,840
	Irrigation equipments	-	31,500
		<u>1,669,835</u>	<u>1,892,148</u>
28	<u>COFFEE EXPENSES</u>		
	Certified coffee seeds	80,000	120,000
	Farm inputs	272,680	202,600
	Coffee Labour	7,452,714	8,910,578
	Coffee hole digging	739,200	1,038,380
	Coffee picking expenses	45,000	41,730
	Fertilisers-coffee	1,377,600	724,485
	Organic manure	2,077,110	2,192,505
	Herbicides-Coffee	1,033,500	436,000
	Fungicides-coffee	103,500	-
	Insecticides-coffee	264,000	195,600
	Coffee nyllex & sisal twine	206,663	53,582
	Farm tools	-	61,610
	Gratuity and Pension	1,640,305	-
	Administration salaries	11,974,924	11,347,908
		<u>27,267,196</u>	<u>25,324,978</u>

DEDAN KIMATHI UNIVERSITY OF TECHNOLOGY  
 NOTES TO THE FINANCIAL STATEMENT FOR THE YEAR ENDED 30 JUNE 2016  
 FARM ACCOUNTS

	<u>2015/2016</u>	<u>2014/2015</u>
29 <u>LIVESTOCK EXPENSES</u>	<u>ACTUAL</u>	<u>ACTUAL</u>
Feeds/Fodder	1,866,797	1,358,281
Labour - Livestock	982,067	883,062
vetinary bills & A.I	136,676	200,023
Grooming and local treatment	52,520	18,720
Acaricides	58,380	52,480
piggery feeds	350,160	499,845
Polythene & Twine-Dairy	17,300	21,000
	<u>3,463,900</u>	<u>3,033,411</u>
30 <u>OVERHEAD EXPENSES</u>		
Buildings maintenance	299,592	1,001,353
Machinery maintenance	162,442	728,563
Electricity-irrigation	3,548,578	3,026,846
Electricity-wet mill	-	80,117
Electricity- office/stores/dairy	112,762	118,091
Travel & Subsist	217,869	140,491
Stationery & printing	67,078	158,213
Security	4,000	4,000
Licences and legal fees	37,500	38,400
Seminars & Workshops	-	70,900
Insurance	410,425	47,993
Hired transport	36,221	33,500
Staff entertainment	144,125	150,840
Fuel and oils	815,641	573,484
Telephone	-	1,100
Protective clothing	-	25,744
Internet connections	56,200	60,500
Postal & Courior charges	6,960	6,960
Cleaning Materials	16,949	26,113
Packaging materials	38,707	16,780
Printing & Publishing	17,000	67,200
Exhibition cost	21,060	2,550
Interest on investment	12,383,832	8,729,828
Impairment of investment	-	-
Valuation Fees	-	-
Coffee Nursery project	402,847	1,483,250
Green house expenses	-	690,000
Advisory	-	1,000
Indirect labour	954,734	1,355,607
Drying and picking materials	2,975	8,550
	<u>19,757,497</u>	<u>18,647,973</u>