

REPUBLIC OF KENYA

Vol. 9



KENYA NATIONAL AUDIT OFFICE

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**REPORT**

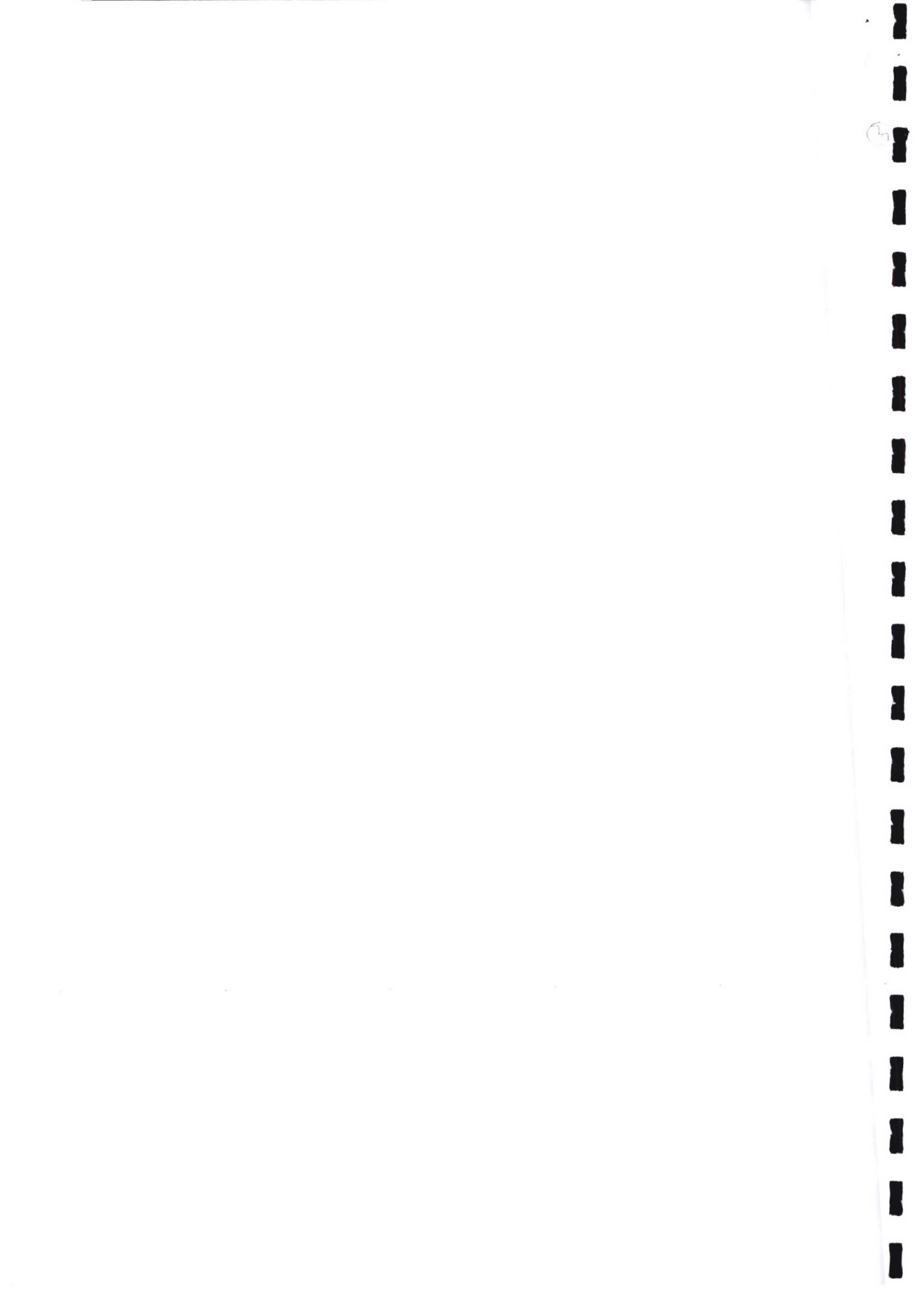
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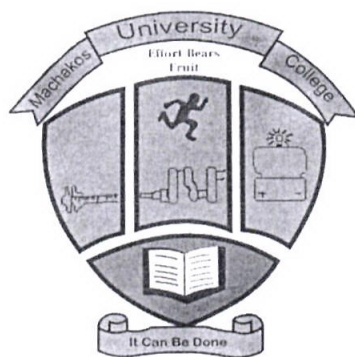
**THE AUDITOR-GENERAL**

**ON**

**THE FINANCIAL STATEMENTS OF  
MACHAKOS UNIVERSITY COLLEGE**

**FOR THE YEAR ENDED  
30 JUNE 2013**





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# MACHAKOS UNIVERSITY COLLEGE

ISO 9001:2008 Certified



(A Constituent College of Kenyatta University)

## FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 30<sup>TH</sup> JUNE, 2013

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# MACHAKOS UNIVERSITY COLLEGE

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# MACHAKOS UNIVERSITY COLLEGE

## **CORPORATE PHILOSOPHY**

Machakos University College philosophy is to create wealth through appropriate technology and innovation for the good of society.

## **MOTTO**

It Can Be Done.

## **OUR VISION**

A model Institution of Higher Learning, Science, Technology and Innovation.

## **OUR MISSION**

To provide high level manpower through Quality Training, Research, Consultancy and Community Service.

## **CORE VALUES:**

- Integrity
- Trust
- Responsibility
- Professionalism
- Creativity
- Team Work
- Equity

# MACHAKOS UNIVERSITY COLLEGE

## COUNCIL MEMBERS

NO.	NAME	DESIGNATION
1.	Dr. Charles Maranga	Chairman
2.	Prof .Godfrey Mse	Member
3	Mr. Tom MboyaWambua	Member
4.	Ms. Nancy Macharia	Member
5.	Mrs. Leah Kaburu	Rep. Ministry of Education
6.	Mr. Joseph Onguto	Member
7.	Prof. Marion Mutugi	Member
8.	Ms. Gladys Kianji	Member
9.	Mr. Joseph K. Mwaura	Rep. Ministry of Finance

# MACHAKOS UNIVERSITY COLLEGE

## PRINCIPAL PLACE OF BUSINESS

Machakos University  
Konza Road, Machakos  
P.O. Box 136-90100  
Machakos.

## REGISTERED OFFICE

Machakos University  
Konza Road, Machakos  
P.O. Box 136-90100  
Machakos.

## BANKERS

National Bank of Kenya  
P.O. Box 274  
Machakos.

KCB  
P.O. Box 30  
Machakos

Co-operative Bank  
P.O. Box 1250  
Machakos.

Standard Chartered  
P.O. Box 29  
Machakos.

## AUDITORS

Kenya National Audit Office  
P.O. Box 30084 – 00100  
Nairobi

## MACHAKOS UNIVERSITY COLLEGE

### MACHAKOS UNIVERSITY COLLEGE

#### CHAIRMAN'S REPORT

It is my great pleasure to present the University College Annual Report and Financial Statements for the year ended 30<sup>th</sup> June 2013. During this financial year the University College celebrated its first year since it started operating as a University college on October 2012.

It is worth to note that as from then the University College has embarked on a programme to transform the University College with a view of attaining a fully-fledged status. To do so the University developed a 5 year strategic plan that has enabled the University to achieve the enormous growth.

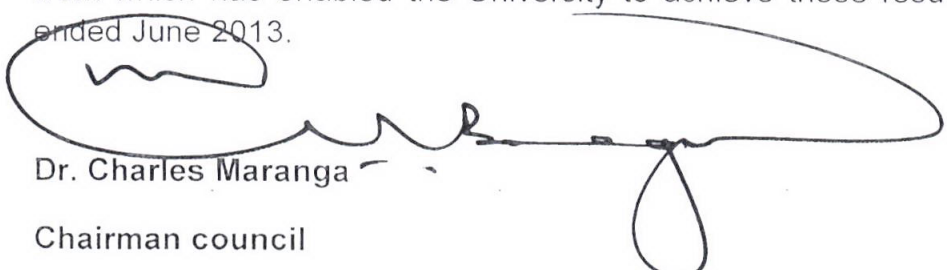
In line with its mission of providing high level manpower through quality research consultancy and community service, the University College has set up structures in place to construct new infrastructure and refurbish the existing ones in order to enroll for academic programs and provide an ample studying and teaching environment.

We are pleased by the achievements so far realized these despite the enormous challenges faced especially on set up of management and modes of teaching that focus on both innovation and technology.

This has seen a steady increase in student population which has exerted a lot of pressure on the existing infrastructure thereby need for putting up more facilities. The council in collaboration with the relevant stakeholders is committed towards delivering the same.

I take this opportunity to thank the Government of Kenya and all collaborating partners, both external and internal for their continued support.

Last but not least, I want to thank my fellow members of council, members of staff, students, the local community and all the stakeholders for their tireless efforts and team work which has enabled the University to achieve these results in the initial year just ended June 2013.



Dr. Charles Maranga

Chairman council

# MACHAKOS UNIVERSITY COLLEGE

## PRINCIPAL'S REPORT

I am pleased to present the financial statements of Machakos University College for the year ended 30<sup>th</sup> June 2013. During the year under review, the University College has remained in course by developing the maiden 2012-2017 Strategic vision Plan; the main focus being quality, relevance and sustainability intended to enable a smooth transition from a technical institute to a fully-fledged University.

During the year, the University College put in place the necessary financial, procurement and internal control structures on resources to ensure that we meet the targets of revenue collection and cost control.

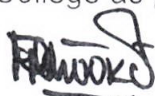
Despite the many challenges related to transition and set-up that the university college has faced, I am glad to report that the university college has remained on course towards establishing a model institution of higher learning.

In order to achieve the afore said Machakos University College is set to embark on various projects geared towards achieving these objectives. These include but not limited to; construction of the proposed ultra- modern lecture halls, library, hostels, ICT integration Centre and administration block.

I am humbled to convey my appreciation and gratitude to the University College Council, Management, all the members of staff for their commitment and dedication to their work and their timeless and splendid efforts that have seen Machakos University College move towards attaining stability after transition.

Finally, I would like to thank the Government of Kenya, the local community, donor agencies, our bankers, suppliers and service providers for their support and cooperation.

Special recognition is made to all the students who have chosen Machakos University College as place of study.



Prof .Francis M. Mathooko

**Principal**

MACHAKOS UNIVERSITY COLLEGE

STATEMENT OF MACHAKOS UNIVERSITY COLLEGE COUNCIL MEMBERS RESPONSIBILITIES FOR THE YEAR ENDED 30<sup>TH</sup> JUNE 2013

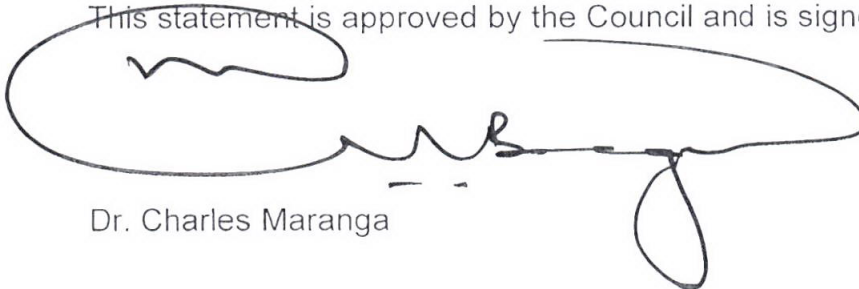
Machakos University College is required to prepare statements and give a true and fair view of the state of affairs of the University College as at the end of the financial year, and of its surplus or deficit for that year. The University College Council is required to ensure that the University College maintains proper accounting records, which disclose, with reasonable accuracy, the financial position of the University College. The Council is also responsible for safeguarding the assets of the University College.

Council accepts responsibility for the financial statements, which have been prepared using appropriate accounting policies supported by reasonable and prudent judgments and estimates, and in conformity with International Financial Reporting Standards. The Council is of the opinion that financial statements give a true and fair view of the state of the financial affairs of the University College as at 30<sup>th</sup> June 2013 and of its statement of income for the ended 30<sup>th</sup> June 2013.

The Council further confirms the accuracy and completeness of the accounting records maintained by the University College, which have been relied upon in the preparation of the financial statements, as well as on the adequacy of the system of internal financial control.

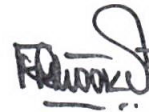
Nothing has come to the attention of the Council that the University College will not remain a going concern for at least twelve months from the date of this statement.

This statement is approved by the Council and is signed on its behalf by:



Dr. Charles Maranga

Chairman of council



Prof. Francis M. Mathooko

Principal

## MACHAKOS UNIVERSITY COLLEGE

Being a constituent college of Kenyatta University, the core business of the University College is provided in the University of Kenyatta Act. 1985. The Act provides in section 4 (i) the functions and objectives of the University which includes;-

- To provide directly or in collaboration with other institutions of higher learning, facilities' for University education including technological and professional education research.
- To provide and advance University education and training to appropriately qualified candidates leading to the award of degrees, diplomas and certificates as council and senate shall from time to time determine and in so doing contribute to the manpower needs of Kenya.
- To conduct examinations for and to grant such academics awards as may be provided for in the statutes.
- To participate in the discovery, transmission and presentation of knowledge and to stimulate cultural and intellectual life of the society.
- To determine who may teach and what may be taught and how it may be taught in the University.
- To play an effective role in the development and expansion of opportunities to Kenyans wishing to continue with their education.

## MACHAKOS UNIVERSITY COLLEGE

The council is the governing body of the University. Its responsibilities are:

- To administer the property and funds of the University.
- Shall receive gifts, grants or other moneys on behalf of the University and make disbursement there from.
- May enter into association with other Universities.
- Shall provide for the welfare of the students and other institutions of learning
- Make regulations governing the conduct and discipline of staff and students of the University.

# REPUBLIC OF KENYA

Telephone: +254-20-342330  
Fax: +254-20-311482  
E-Mail: [oag@oagkenya.go.ke](mailto:oag@oagkenya.go.ke)  
Website: [www.kenao.go.ke](http://www.kenao.go.ke)



P.O. Box 30084-00100  
NAIROBI

## OFFICE OF THE AUDITOR-GENERAL

### REPORT OF THE AUDITOR-GENERAL ON MACHAKOS UNIVERSITY COLLEGE FOR THE YEAR ENDED 30 JUNE 2013

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#### REPORT ON THE FINANCIAL STATEMENTS

I have audited the accompanying financial statements of Machakos University College as set out on pages 10 to 26, which comprise the statement of financial position as at 30 June 2013, 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.

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

Management 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 misstatements.

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 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 University College'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 that the audit evidence obtained is sufficient and appropriate to provide a basis for my qualified opinion.

### **Basis for Qualified Opinion**

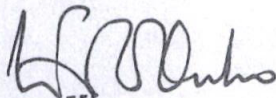
#### **Property, Plant and Equipment**

Property, plant and equipment balance of Kshs.1,082,064,392 as at 30 June 2013 includes the value of land-Kshs.360,000,000, buildings-Kshs.369,350,000, motor vehicles-Kshs.10,025,000, computer and software-Kshs.8,514,619 and furniture and equipment of Kshs.97,881,765 which were inherited from the defunct Machakos Teachers Training Institute (M.T.T.I) whose supporting documents were not availed for audit verification. In addition, the opening balance of work in progress balance of Kshs.188,604,606 includes Kshs.70,287,002 in respect of civil building workshop which was based on the contract value and no actual valuation certificates were availed for audit verification.

In the circumstances it has not been possible to establish the ownership status and that the accuracy of property plant and equipment balance of Kshs.1,082,064,392 is fairly stated as at 30 June 2013.

### **Qualified Opinion**

In my opinion, except for the effects of matter described in the Basis for Qualified Opinion paragraph, the financial statements present fairly, in all material respects the financial position of the University College as at 30 June 2013, its financial performance and its cash flows for the year then ended, in accordance with International Financial Reporting Standards and comply with the Universities Act, 2012.



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

**Nairobi**

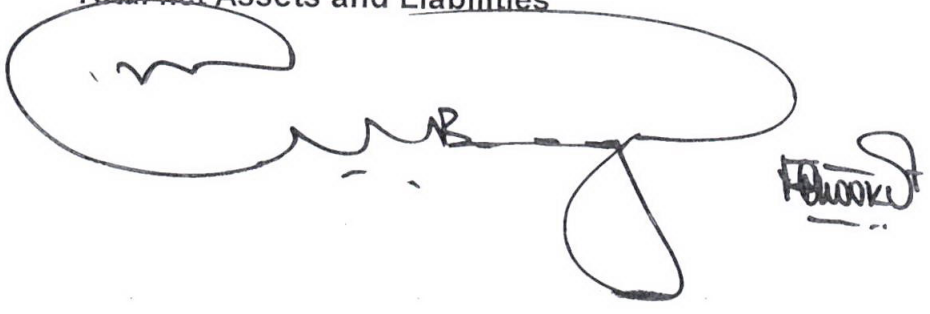
20 March 2015

MACHAKOS UNIVERSITY COLLEGE

MACHAKOS UNIVERSITY COLLEGE

STATEMENT OF FINANCIAL POSITION AS AT 30th JUNE 2013

ASSETS	Note	Ksh
<b>Non-Current Assets</b>		
Property, plant and Equipment	2 (a)	1,082,064,392.00
Biological Assets	2 (b)	340,000.00
		<b>1,082,404,392.00</b>
<b>Current Assets</b>		
Inventories	3 (a)	2,516,724.00
Book Inventories	3 (b)	3,411,944.00
Loose tools Inventories	3 (c)	403,832.00
Trade and Other receivables	4	21,854,412.00
Cash and Bank balances	5	86,378,600.00
		<b>114,565,512.00</b>
<b>Total assets</b>		<b>1,196,969,904.00</b>
<b>RESERVES</b>		
Capital reserve	7	1,092,752,895.00
Revenue reserve	8 (a)	61,485,671.00
Deferred Income	8 (b)	21,474,425.00
		<b>1,175,712,991.00</b>
<b>CURRENT LIABILITIES</b>		
Trade and Other payables	6	21,256,913.00
<b>Total net Assets and Liabilities</b>		<b>1,196,969,904.00</b>



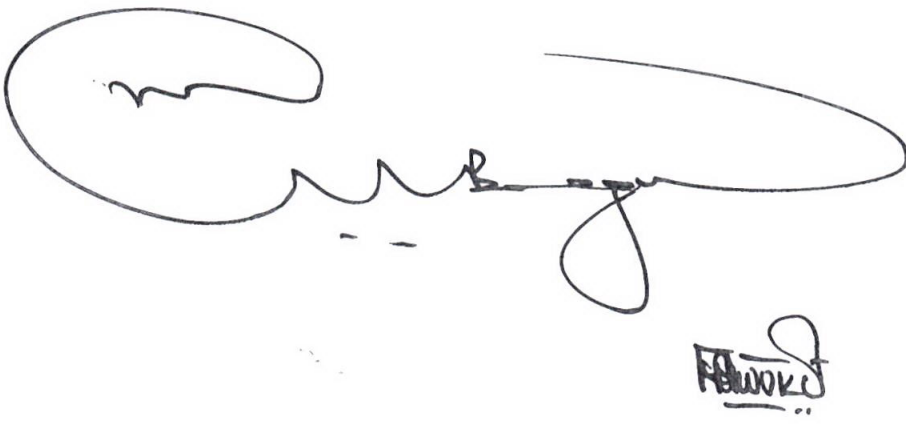
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MACHAKOS UNIVERSITY COLLEGE

MACHAKOS UNIVERSITY COLLEGE

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

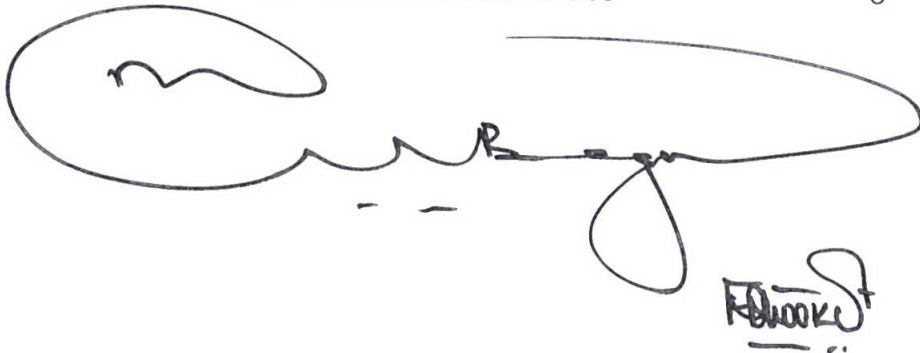
<b>INCOME</b>	<b>Note</b>	<b>Ksh</b>
Government Grants	9	203,687,513.00
Tuition and Other Fees	10	110,934,554.00
IGA and Other Incomes	11	45,280,153.00
Amortized grants in Kind	12	3,471,607.00
		<b>363,373,827.00</b>
<b>EXPENDITURE</b>		
Personell Emolument	13	150,657,210.00
Operations and Maintenance	14	75,214,247.00
Administrative and Academic expenses	15	48,154,903.00
Other expenses	16	27,861,796.00
		<b>301,888,156.00</b>
<b>SURPLUS/DEFICIT</b>		<b>61,485,671.00</b>



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**STATEMENT OF CASHFLOWS FOR THE YEAR**  
**ENDED 30th JUNE 2013**

<b>OPERATING ACTIVITIES</b>	<b>Note</b>	<b>Ksh</b>
Surplus		61,485,671.00
<b>Adjustment for non cash items</b>		
Depreciation	2	33,966,688.00
Grants in Kind		(3,471,607.00)
		<b>91,980,752.00</b>
Change in Inventories	3	(2,516,724.00)
Change in Debtors & Receivables	4	43,581,878.00
Cash in Trade & other payables	6	(740,410.00)
		<b>40,324,744.00</b>
<b>Net cash from operating activities</b>		<b>132,305,496.00</b>
<b>INVESTING ACTIVITIES</b>		
Property, plant & equipment		(57,112,891.00)
<b>Net cash from Investing activities</b>		<b>(57,112,891.00)</b>
<b>FINANCING ACTIVITIES</b>		
Net Increase in Cash & Cash Equivalents		75,192,605.00
Net Cash & Cash Equivalents b/f	16	11,185,995.00
<b>Cash &amp; Bank Balances as at 30.06.2013</b>	<b>5</b>	<b>86,378,600.00</b>



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**STATEMENT OF CHANGES IN EQUITY AS AT 30th JUNE 2013**

	Capital Reserve Ksh	Revenue Reserve Ksh	Deferred Income Ksh	Total Ksh
Balance as at 1 <sup>st</sup> July 2012	1,092,752,895.00		24,542,200.00	1,117,295,095.00
Surplus for the year 2012/13	-	61,485,671.00		61,485,671.00
Amortized for the year 2012/2013			(3,067,775.00)	(3,067,775.00)
<b>Balance as at 30.06.2013</b>	<b>1,092,752,895.00</b>	<b>61,485,671.00</b>	<b>21,474,425.00</b>	<b>1,175,712,991.00</b>

Note

a. Net Assets

Assets

	Kshs
Land	360,000,000.00
Buildings	369,350,000.00
W.I.P	188,604,606.00
Motor vehicles	10,025,000.00
Computer & Software	8,514,619.00
Furniture & Equipment	97,881,765.00
Biological Assets	340,000.00
Omitted Books	914,397.00
Cash & bank balances	13,616,964.00
Investments	2,508,999.00
Sundry Debtors	65,436,290.00
<b>Total assets</b>	<b>1,117,192,640.00</b>
<u>Liabilities</u>	
sundry creditors	21,997,323.00
Overdraft	2,442,421.65
<b>Total Liabilities</b>	<b>24,439,744.65</b>
<b>Net Assets</b>	<b>1,092,752,895.35</b>

b. Deferred income

DEFERRED INCOME - Note 8 b

	Ksh
Fixed assets donated from Netherlands (note 18)	24,542,200.00
Amortized amount during 2012/2013 (Depreciation @ 12.5%)- Note 12	(3,067,775.00)
<b>Balance as at 30.06.2013</b>	<b>21,474,425.00</b>

# MACHAKOS UNIVERSITY COLLEGE

## 1. SIGNIFICANT ACCOUNTING POLICIES AND NOTES TO THE FINANCIAL STATEMENTS AS AT 30<sup>TH</sup> JUNE 2013

### (i) Basis of Preparation

The financial statements are prepared in accordance with the International Financial Reporting Standards promulgated by the International Standards Board. The Financial Statements are prepared under historical costs convention to include revaluation of certain assets.

### (ii) Fees income

Fees revenue is recognized as and when received and balance accrued at the end of the year.

### (iii) Assets

-All assets valued less than Ksh 1000.00 are expensed and categorized as inventories and monitored by inventories register.

-Biological assets are reported in accordance with IAS 41 i.e at their market value in addition to all cost incurred to point of sale.

### (iv) Stocks

-Stocks are stated at lower cost net realizable value.

-Donated loose tools inventories are valued at the market price in accordance with IAS 20.

### (v) Property, Equipment, and Depreciation

Property and equipment are stated at cost or valuation less accumulated depreciation. Depreciation is calculated on straight line basis over the estimated useful lives of the assets.

The annual rates in use are:

Land	0%
Buildings	2.5%
Motorvehicles	25%
Property, plant and Equipment	12.5%
Computers & computer softwares	33.33%

## MACHAKOS UNIVERSITY COLLEGE

### **(vi) Retirement Benefits**

The University College is yet to determine a defined contribution benefits scheme, however Machakos University College Pensions Fund contributions for its employees for the ended 30th June 2013 is held in a separate bank account awaiting the resolution.

### **(vii) Assets and Liabilities**

The financial statements are reported in Kenya shilling currency.

### **(viii) Grants and Donations**

-Values for grants and donations related to property, equipment and other assets are estimated by the University or as advised by donors.

-Donations in Kind of current nature are recognized in the year received and categorized as inventories while those of capital nature are prorated in their useful life in a systematic manner and categorized as deferred income in the financial statements in accordance with IAS 20.

2 (a) PROPERTY PLANT AND EQUIPMENT

SCHEDULE OF FIXED ASSETS

	LAND	BUILDINGS	WORK IN PROGRESS	MOTOR VEHICLES	COMPUTER & SOFTWARE	FURNITURE & EQUIPMENT	TOTAL
	KSH	KSH	KSH	KSH	KSH	KSH	KSH
COST/ VALUATION	0%	2.50%	0%	25%	33.33%	12.50%	
Balance as at 01.07.2012	360,000,000	369,350,000	188,604,606	10,025,000	8,514,619	97,881,765	1,034,375,990
Additions	-	20,892,537	21,973,660	5,871,000	5,034,782	3,340,912	57,112,891
Grants in Kind	-	-	-	-	-	-	-
Balance as at 30.06.2013	360,000,000	390,242,537	210,578,266	15,896,000	13,549,401	24,542,200	24,542,200
						125,764,877	1,116,031,081
<b>DEPRECIATION</b>							
Provision as at 01.07.2012							
Charge for the year	0	9,756,063	0	3,974,000	4,516,015	15,720,610	33,966,688
Accumulated Depreciation	0	9,756,063	0	3,974,000	4,516,015	15,720,610	33,966,688
Net Book value as at 30.06.2013	360,000,000	380,486,474	210,578,266	11,922,000	9,033,386	110,044,267	1,082,064,392

**2(b) BIOLOGICAL ASSETS**

The University College had opening and Closing balance of kshs 340,000.00 which comprise of six cows as outlined below;

Biological Assets (Livestock)- 2012/2013							
Acquisition Date	SUPPLIER	Livestock (Dairy Cow) Name	Code/Tag Number	Payment Voucher No.	Amount (Ksh)	Account Details	Remarks
01.07.2012	MTTI	Maridadi	None	Opening Balance	50,000.00	Biological Assets	Taken over from MMTI
01.07.2012	MTTI	Mary (Heifer)	None	Opening Balance	65,000.00	Biological Assets	Taken over from MMTI
01.07.2012	MTTI	Kailu (Meat Cow)	None	Opening Balance	30,000.00	Biological Assets	Taken over from MMTI
01.07.2012	MTTI	Maua (Breeding)	None	Opening Balance	60,000.00	Biological Assets	Taken over from MMTI
01.07.2012	MTTI	Mrembo (Heifer Breeding)	None	Opening Balance	80,000.00	Biological Assets	Taken over from MMTI
01.07.2012	MTTI	Maluvya (Breeding)	None	Opening Balance	55,000.00	Biological Assets	Taken over from MMTI
<b>TOTAL- Cost Opening</b>					<b>340,000.00</b>		

**NOTES TO THE FINANCIAL STATEMENTS**

**3(a) INVENTORIES**

Ksh

Kitchen Consumables	113,825.00
Office and administration consumables	1,454,721.00
Cleaning Materials	294,583.00
Construction Materials	48,940.00
Electrical Materials	21,520.00
Closing stock- Le Technisch	583,135.00
	<b>2,516,724.00</b>

**3(b) BOOKS INVENTORIES**

Ksh

Balance as at 01.07.2012	914,397.00
Purchases during the year 2012/2013	2,497,447.00
Balance as at 31.06.2013	<b>3,411,844.00</b>

**3(c) LOOSE TOOLS INVENTORIES**

Loose tools donated from Netherlands (Note 18)	Ksh
	403,832.00

**4. TRADE AND OTHER RECEIVABLES**

Ksh

Student Fee Arrears	14,568,590.00
Trade Debtors	6,826,334.00
Rent Arrears	47,051.00
Other debtors	31,837.00
Staff gratuity advance	16,000.00
Outstanding Imprests	364,600.00
	<b>21,854,412.00</b>

**NOTES TO THE FINANCIAL STATEMENTS**  
**5. CASH & BANK BALANCES**

				Ksh
Cash in hand				
Cash at Bank:				278,011.00
Bank Name	Account Name	Account number	Branch	
Standard Chartered Bank	Machakos University College	0102016845600	Machakos	3,396,256.00
Standard Chartered Bank	Machakos University College	0102016845601	Machakos	72,239.00
Standard Chartered Bank	Machakos University College	0102016845602	Machakos	2,916,518.00
Standard Chartered Bank	Machakos University College	0102016845603	Machakos	17,364.00
Standard Chartered Bank	Machakos University College	0102016845604	Machakos	8,683,036.00
KCB-Savings	Machakos University College	1137145064	Machakos	7,393,906.00
Standard Chartered Savings	Machakos University College	0152016845600	Machakos	178,131.00
Standard Chartered Savings	Machakos University College	0152016845601	Machakos	56,914.00
Standard Chartered Savings	Machakos University College	0152016845602	Machakos	1,649,979.00
NBK-Fee Collection	Machakos University College	01020078499400	Machakos	19,785,852.00
NBK-Operations	Machakos University College	01020078499401	Machakos	16,085,451.00
NBK-Development	Machakos University College	01020078499402	Machakos	16,951,477.00
Co-operative Bank of Kenya	Machakos University College	01129277651100	Machakos	8,913,466.00
				86,100,589.00
				<b>86,378,600.00</b>

**6. TRADE & OTHER PAYABLES**

Sundry trade payables	Ksh
Prepaid Fees	18,532,350.00
Refundable caution fees	655,563.00
Audit fees	1,569,000.00
	500,000.00
	<b>21,256,913.00</b>

NOTES TO THE FINANCIAL STATEMENTS

**7. REVALUATION RESERVE**

Balance as at 01.07.2012

The balance comprise of assets taken over from defunct MTTI as follows:

Land	360,000,000.00
Buildings	369,350,000.00
W.I.P	188,604,606.00
Motor vehicles	10,025,000.00
Computer & Software	8,514,619.00
Furniture & Equipment	97,881,765.00
Biological Assets	340,000.00
Omitted Books	914,397.00
Current Assets net of current liabilities taken up	57,122,508.00
	<b>1,092,752,895.00</b>

**8(a) REVENUE RESERVE**

Balance b/f	Ksh
Surplus for the year	-
<b>Balance as at 30.06.2013</b>	<b>61,485,671.00</b>
	<b>61,485,671.00</b>

**8(b) DEFERRED INCOME**

Fixed assets donated from Netherlands		Ksh
Amortized amount during 2012/2013 (Depreciation @ 12.5%)	Note 18	24,542,200.00
<b>Balance as at 30.06.2013</b>	Note 12	(3,067,775.00)
		<b>21,474,425.00</b>

**9. GOVERNMENT GRANT**

Recurrent grant	Ksh
Capital grant (Utilized during the year 2012/2013)	188,556,810.00
<b>Balance as at 30.06.2013</b>	<b>15,130,703.00</b>
	<b>203,687,513.00</b>

NOTES TO THE FINANCIAL STATEMENTS

10. TUITION AND OTHER FEES

<b>(a) Operations and Maintenance</b>	<b>Ksh</b>
Repairs, Maintenance and Improvement	3,447,635.00
Electricity, Water and Conservancy	4,996,176.00
Administration	1,865,349.00
Parents teachers association	5,927,652.00
Local travel and transport	1,920,701.00
General damages	84,360.00
Material development	19,800.00
	<b>18,261,673.00</b>
<b>(b) Administrative and Academics</b>	<b>Ksh</b>
Tuition fee	20,234,208.00
Boarding, equipment and Stores/Catering	9,764,384.00
Training equipment and Repairs	5,816,806.00
Activity	2,252,557.00
Director of Industrial Training	285,600.00
Information Communication Technology	3,716,150.00
Insurance and Attachment	3,775,941.00
KASNEB	213,280.00
KNEC	19,494,832.00
Library fee	2,078,181.00
Medical fee	2,246,187.00
Machakos Technical Training Institute Student Association	1,462,540.00
Machakos University Students association	230,480.00
Referral fee	25,950.00
Project fee	1,898,210.00
Registration fee	1,802,007.00
Graduation fee	205,500.00
Application fee	491,550.00
Center fee	5,000.00
JAB Exam	871,200.00
Bursary	1,187,000.00
Students ID	171,200.00
	<b>78,228,763.00</b>

MACHAKOS UNIVERSITY COLLEGE

NOTES TO THE FINANCIAL STATEMENTS

(c) Personnel Emoluments:

Ksh

Staff Gratuity	1,847,142.00
Staff Salaries	12,596,976.00
	<b>14,444,118.00</b>

**TOTAL**

**110,934,554.00**

**11. IGA AND OTHER INCOMES**

Ksh

Le- Technisch Restaurant Income	35,681,641.00
Production unit	274,730.00
Production unit- Food and Beverage	273,208.00
Production unit- Computer and applied Sciences	293,800.00
Production unit- Mechanical	4,900.00
Production unit- Clothing and Textile	35,560.00
Production unit- Entrepreneureship Management Studies	6,380.00
Production unit- Environment, Transport and security	31,299.00
Production unit- Accounting and secretarial	25,740.00
Livestock	296,839.00
Auction Income	89,080.00
Seminar Income	4,090,757.00
Driving School Income	93,875.00
Mlolongo campus income	2,016,570.00
Interest -Fixed account	1,033.00
Rent income	976,200.00
Tender	1,081,000.00
Photocopy income	7,241.00
Production unit- Building and Civil Engineering	300

**TOTAL**

**45,280,153.00**

NOTES TO THE FINANCIAL STATEMENTS

**12. GRANTS IN KIND**

Loose Tools - Note 18		Ksh
Furniture, Fittings and Equipment	(24,542,200 X 12.5%)	403,832.00
		3,067,775.00
		<b>3,471,607.00</b>

**13. PERSONNEL EMOLUMENTS**

Net pay		Ksh
Gross Deduction		81,886,840.50
Other Personnel Costs		67,176,834.50
		1,593,535.00
		<b>150,657,210.00</b>

**14. OPERATIONS AND MAINTAINANCE EXPENSES**

Repairs, Maintenance and Improvement		Ksh
Electricity, Water and Conservancy		11,138,539.00
Other Administrative expenses/contigencies		3,342,086.00
Parents Teachers association		12,571,762.00
Funeral Expenses/staff welfare expenses		798,212.00
Staff quarters Maintenance		147,302.00
Depreciation charge		115,533.00
Local Travels and Transport		33,966,688.00
General damages		7,628,527.00
Audit Fees		73,080.00
Repairs and Maintenance		500,000.00
Board Expenses		2,578,860.00
<b>TOTAL</b>		<b>75,214,247.00</b>

# MACHAKOS UNIVERSITY COLLEGE

## NOTES TO THE FINANCIAL STATEMENTS

### 15. ADMINISTRATIVE AND ACADEMIC EXPENSES

	Ksh
Tuition	4,039,008.00
Boarding, equipment and Stores/Catering	12,773,530.00
Training equipment and Repairs	360,820.00
Activity	2,527,991.00
Directorate of Industrial Training	283,535.00
Information Communication Technology	78,300.00
Insurance and Attachment	1,875,918.00
KASNEB	334,150.00
KNEC	13,374,685.00
Library	324,900.00
Medical	1,087,429.00
MTTISA	972,565.00
Referral	1,850.00
Project	1,221,220.00
Registration	186,475.00
Graduation	144,909.00
Staff Training	1,420,835.00
Advertisement	6,103,538.00
KATTI/CAPA	829,935.00
Application	5,310.00
Center fee	208,000.00
	<b>48,154,903.00</b>

NOTES TO THE FINANCIAL STATEMENTS

16. OTHER EXPENSES

	<b>Ksh</b>
Production unit	
Production unit- Food and Beverage	2,949,219.00
Production unit- Computer and applied Sciences	230,481.00
Production unit- Clothing and Textile	201,281.00
Production unit- Accounting and secretarial	95,261.00
Production unit- Electrical	155,443.00
Production unit- Motor vehicle Engineering	140,060.00
Livestock	50,436.00
Seminar	172,360.00
Driving School	2,999,939.00
Mlolongo Campus	104,050.00
Le technisch cost of sales	1,181,368.00
Le technisch other expenses	14,029,608.00
	5,552,290.00
	<b>27,861,796.00</b>

17. NET CASH & CASH EQUIVALENT B/F

<b>Bank Name</b>	<b>Account Name</b>	<b>Account Number</b>	<b>Ksh</b>
Standard Chartered Bank	Machakos University College	0102016845600	11,445.00
Standard Chartered Bank	Machakos University College	0102016845601	254,732.00
Standard Chartered Bank	Machakos University College	0102016845602	850,611.00
Standard Chartered Bank	Machakos University College	0102016845603	5,705,685.00
Standard Chartered Bank	Machakos University College	0152016845600	592,696.00
Standard Chartered Bank	Machakos University College	0152016845601	2,864,767.00
Standard Chartered Bank	Machakos University College	0152016845602	2,734,793.00
Standard Chartered Bank- Fixed account	Machakos University College	0144065729800	613,680.00
			<b>13,628,409.00</b>
<b>Less:</b>			
Overdraft account			-2,442,412.00
Rounding off differences			-2.00
<b>TOTAL</b>			<b>11,185,995.00</b>

**MACHAKOS UNIVERSITY COLLEGE**  
**NOTES TO THE FINANCIAL STATEMENTS**

**18. SUMMARY OF DONATED EQUIPMENT & LOOSE TOOLS**

**Equipment & Loose tools Inventory (Donation from GOK/ Netherlands)  
2012/2013**

<b>Department</b>	<b>Fixed Assets (KSH)</b>	<b>Inventory (KSH)</b>
<b>Mechanical Engineering</b>		
Machine workshop wing A	8,870,000.00	-
Machine workshop wing B	1,999,000.00	-
Welding & Fabrication Workshop	395,000.00	-
Measuring Tools	106,500.00	17,400.00
Marking Tools	177,000.00	12,960.00
Cutting Tools	89,500.00	148,800.00
Junior Workshop	1,673,000.00	-
<b>Sub-Total</b>	<b>13,310,000.00</b>	<b>179,160.00</b>
<b>Motor Vehicle Engineering Department</b>		
Equipment and tools	3,089,800.00	59,650.00
<b>Electrical Department</b>		
BCE/Carpentry section	3,984,400.00	69,332.00
BCE - Masonary& Plumbing	32,000.00	82,390.00
<b>TOTAL</b>	<b>24,542,200.00</b>	<b>403,832.00</b>