

REPUBLIC OF KENYA



2015

PAPER CARD
By the leader of
majority party
for: Aden Duale
on 27.7.16
2015



OFFICE OF THE AUDITOR-GENERAL

REPORT



OF

THE AUDITOR-GENERAL

ON

THE FINANCIAL STATEMENTS OF
KENYA UTALII COLLEGE

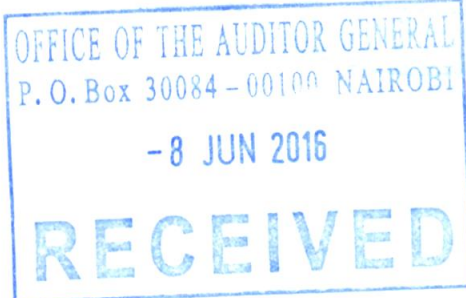
FOR THE YEAR
ENDED 30 JUNE 2015





Kenya Utalii College

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ANNUAL REPORT

AND

FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30TH JUNE 2015

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I. KEY ENTITY INFORMATION AND MANAGEMENT

(a) Background information

The Kenya Utalii College is a public hospitality training institution established in 1975 under the Tourism Act, 2011 No.28 of 2011. The College is represented by the Cabinet Secretary for Ministry of East African Affairs, Commerce & Tourism who is responsible for the general policy and strategic direction of the College.

(b) Principal Activities

The principal activity/mission is to develop a highly qualified human resource base for the Hospitality and Tourism Industry through Training, Research, Consultancy and related services.

(c) Key Management

The College day-to-day management is under the following key organs:

- Principal Secretary;
- College Management ;and
- Ministry of East African Affairs, Commerce & Tourism

(d) Fiduciary Management

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

<u>No.</u>	<u>Designation</u>	<u>Name</u>
1.	Principal	Kenneth Ombongi
2.	Deputy Principal	Charles K.Gitonga
3.	Financial Controller	Sudi Ndinyo
4.	General Manager Utalii Hotel	Florence Njau
5.	Human Resource Manager	Abdalla .Randani
6.	Director of Studies	Duncan Mutua
7.	Director of Research & Corporate Planning	Kazungu Mwangi
8.	Head of Internal Audit	Rodah M.Musyoki

(e) Fiduciary Oversight Arrangements

The College oversight role is vested in various officers among them the following:

➤ **Audit and Finance committees of the Council:**

The committees provide oversight and advice on the financial activities of the College and the financial reporting process to ensure balance, transparency and integrity of published financial information.

Kenya Utalii College,

➤ **Parliamentary public Accounts and Public Investments Committees:**

These review reports and recommendations of the Auditor general on the state of affairs of the College.

The committees have power to interrogate any adverse findings by the Auditor General

(f) Headquarters

P.O.BOX 31052 - 00600
Thika Road, Ruaraka
Nairobi, KENYA

(g) Contacts

Telephone :(254) - 020-2458627
E-mail: infor@utalii.co.ke
Website: www.utalii.co.ke

(h) Bankers

Barclays Bank of Kenya Limited
Queensway House Branch
P.O Box 30011 - 00200
Nairobi.

Co-operative Bank of Kenya Limited
Stima Plaza Branch
P.O.Box 38764 - 00600
Nairobi.

(i) Independent Auditors

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

(j) Principal Legal Adviser




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

Kenya Utalii College,





II. THE COLLEGE COUNCIL

According to the Act, the running of the College is vested in a council appointed by the Cabinet Secretary as set out in the Act.





The following members served in the council during the year

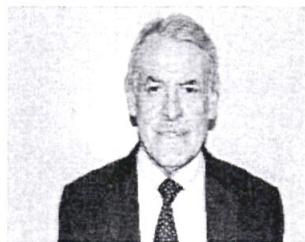
 <p>Leonard Mudachi</p>	<ul style="list-style-type: none">• Member
 <p>Said Athman Mtwana</p>	<ul style="list-style-type: none">• Alternate to PS, Ministry of Tourism
 <p>Darius Mogaka</p>	<ul style="list-style-type: none">• Alternate to PS, Ministry of Education

Kenya Utalii College,

 <p>Richard Gakuya</p>	<ul style="list-style-type: none">• Alternate PS, Ministry of Finance (Treasury)
 <p>Joseph Cherutoi</p>	<ul style="list-style-type: none">• Chief Executive, Tourism Fund
 <p>Osman Mohamed</p>	<ul style="list-style-type: none">• Rep. for Inspector General, Inspectorate of State Corporation
 <p>Dr. Anthony Getambu</p>	<ul style="list-style-type: none">• Member

Kenya Utalii College,

 <p>Michael Muia Kisilu</p>	<ul style="list-style-type: none">• Member
 <p>Philemon Mwavala</p>	<ul style="list-style-type: none">• Member
 <p>Eva Karimi Munene</p>	<ul style="list-style-type: none">• Member
 <p>Rosemary Mugambi</p>	<ul style="list-style-type: none">• Member



David William Stogdale

- Member

Board Committees:

Finance and HR Committee

The following members served in the Committee:

Dr. Anthony Getambu : Chairman
Mr. Michael Muia Kisilu : Member
Mr. Richard Gakunya : Member
Mr. Darius Mogaka : Member
Mr. Osman Mohammed : Member
Mr. Joseph Cherutoi : Member

Audit Committee

The following members served in the Committee:

Ms. Rosemary Mugambi : Chairman
Mr. Michael Muia Kisilu : Member
Mr. Leonard Mudachi : Member
Mr. Richard Gakunya : Member
Mr. Said Athman : Member




Technical and Strategy Committee

The following members served in the Committee:

Mr. David Stogdale : Chairman
Ms. Eva Karimi Munene : Member
Mr. Philemon Mwavala : Member
Mr. Said Athman : Member
Mr. Leonard Mudachi : Member

III. MANAGEMENT TEAM

 <p>Mr. Kazungu Mwango Ag. Principal</p>	<ul style="list-style-type: none">• MSC (Environmental and Development Economics)• YOB: 1973
 <p>Mr. Charles Gitonga Ag. Deputy Principal</p>	<ul style="list-style-type: none">• MBA (Strategic Management)• CPS(K)• Diploma in Hotel Management• YOB:1962
 <p>Mr. Sudi Ndinyo Ag. Financial Controller</p>	<ul style="list-style-type: none">• MBA (Finance)• CPA(K)• YOB:1973
 <p>Mrs. Florence Njau Ag. General Manager – Hotel</p>	<ul style="list-style-type: none">• MSC (International Hospitality Management)• Diploma in Hotel Management• YOB:1964

 <p>Mr. Abdalla Randani Ag. Human Resource Manager</p>	<ul style="list-style-type: none">• MSC (Human Resource Management)• Higher National Diploma –Human Resource Management• YOB:1968
 <p>Mr. Duncan Mutua Ag. Director of Studies</p>	<ul style="list-style-type: none">• MA (German Studies)• Diploma in Hotel Management• Diploma in German Language• YOB:1958
 <p>Ms. Rodah Musyoki Head of Internal Audit</p>	<ul style="list-style-type: none">• MBA (Finance)• CPA(K)• YOB:1960

IV. CORPORATE GOVERNANCE STATEMENT

Corporate governance is the manner in which the power over and the power of a corporation is exercised in the stewardship of its total portfolio of assets and resources with the primary objective of increasing and sustaining shareholders value while satisfying the needs of all stakeholders in the context of the mission and vision of that corporation. The College Council is committed to ensuring that the College is run in a Professional, transparent just and equitable manner. The College endeavours to adhere to good corporate governance by adhering to guideline issued by centre of corporate governance and benchmarking its activities with the best practices in the industry.

COLLEGE VISION

To be a globally recognized and transformative premier tourism and hospitality training centre.

MISSION STATEMENT

To develop a highly qualified and globally competitive human resource for the Hospitality and Tourism Industry by providing quality tourism and hospitality education, purposeful research and consultancy.

V. CORPORATE SOCIAL RESPONSIBILITY STATEMENT

The College undertook several Corporate Social Responsibility (CSR) activities over the 2014/2015 financial year. Some of the activities include:

	ITEM	DATE	AMOUNT (KSHS)
1	Volunteering at the Mombasa Cultural Festival	August 2014	NIL
2	Wangari Maathai Memorial Day Tree planting ceremony	25 th September, 2014	NIL
3	Visit to Likoni Children's Home	November 2015	NIL
4	Joyful Women Organization (JOYWO) National Thanksgiving Ceremony	13 th December, 2014	NIL
5	Beach clean-up in Mombasa County	21 st February, 2015	62,000
6	Visit to Amazing Grace Children's Home	8 th March, 2015	NIL
7	Kenyatta Trust Sponsorship	April 2015	100,000

Kenya Utalii College,

of affairs of the College at the end of the financial year/period and the operating results of the College for that year/period. The College Council is also required to ensure that the College keeps proper accounting records which disclose with reasonable accuracy the financial position of the College. The Management are also responsible for safeguarding the assets of the College

The Council is responsible for the preparation and presentation of the College's financial statements which give a true and fair view of the state of affairs of the College for and as at the end of the financial year (period) ended on June 30, 2015. This responsibility includes:

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

The Council accept responsibility for the College's financial statements, which have been prepared using appropriate accounting policies supported by reasonable and prudent judgements and estimates, in conformity with International Public Sector Accounting Standards (IPSAS), and in the manner required by the PFM Act and the State Corporations Act. The Council is of the opinion that the College financial statements give a true and fair view of the state of College's transactions during the financial year ended June 30, 2015, and of the College's financial position as at that date. The Council further confirm the completeness of the accounting records maintained for the College, which have been relied upon in the preparation of the College's financial statements as well as the adequacy of the systems of internal financial control.

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

Approval of the financial statements

The College's financial statements were approved by the College Council, and signed on its behalf by:



PRINCIPAL

22/06/16
Date



Chairman College Council

22/06/16
Date

REPUBLIC OF KENYA

Telephone: +254-20-342330
Fax: +254-20-311482
E-mail: oag@oagkenya.go.ke
Website: www.kenao.go.ke



P.O. Box 30084-00100
NAIROBI

OFFICE OF THE AUDITOR-GENERAL

REPORT OF THE AUDITOR-GENERAL ON KENYA UTALII COLLEGE FOR THE YEAR ENDED 30 JUNE 2015

REPORT ON THE FINANCIAL STATEMENTS

I have audited the accompanying financial statements of Kenya Utalii College set out on pages 1 to 23, which comprise the statement of financial position as at 30 June 2015, and the statement of financial performance, statement of changes in net assets, statement of cash flows for the year then ended, statement of comparison of budget and actual amounts and a summary of significant accounting policies and other explanatory information in accordance with the provisions of Article 229 of the Constitution of Kenya and Section 14 of the Public Audit Act, 2003. I have obtained all the information and explanations which, to the best of my knowledge and belief, were necessary for the purpose of the audit

Management's Responsibility for the Financial Statements

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

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

Auditor-General's Responsibility

My responsibility is to express an opinion on these financial statements based on the audit and report in accordance with the provisions of Section 15 of the Public Audit Act, 2003 and to 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

Kenya Utalii College – Annual Report and Financial Statements for the year ended 30 June 2015

preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the College's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the management, as well as evaluating the overall presentation of the financial statements.

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

Basis for Qualified Opinion

1. Financial Performance

During the year under review, the College reported a deficit of Kshs.375,257,704 leading to an accumulated fund with a deficit of Kshs.264,431,866 (2014 – deficit of 865,604,400) while current liabilities balance of Kshs.2,685,563,446 exceeded current assets figure of Kshs.480,107,115 resulting in a negative working capital of Kshs.2,205,456,331 as at 30 June 2015. The College is therefore technically insolvent and its continued existence as a going concern is dependent on financial support from the Government and its creditors.

2. Loan from Government of Kenya

As previously reported, the College has not been able to comply with the loan agreement signed between the College and the Government of Kenya for a loan of Kshs.140 million advanced to the College in February 1996 to refurbish the Kenya Utalii Hotel since the College had repaid only Kshs.7 million as at 30 June 2015. As indicated under Note 17, accumulated interest as at 30 June 2015 stood at Kshs.2,175,586,831. Further, and although the previous year's accounts indicated that the College had entered into negotiations with the Government to have the loan together with accumulated interest written off, no meaningful progress in this regard had been recorded as at 30 June 2015.

3. Defects on Completed Gymnasium

The College entered into a contract Ref OK.12.07 with a contractor for the upgrading of Utalii Hotel façade and construction of the gymnasium phase II at a contract sum of Kshs.15,609,484 whose scheduled completion date was March 2013. However, an audit inspection done on 12 February 2016 revealed major defects including incomplete alucobonds works which have stained tiles around the swimming pool, stained wall due to leaking rooftop, slippery shower floors in all the bath rooms and at the gymnasium floor as well as water fountain and pool deck floor joins which were noted not to be properly functional. The manhole cover around the gymnasium needs to be replaced with proper lids and there are no warm showers. The condition of the gymnasium makes it apparently uncompetitive with other facilities around and hence the risk of loss of revenue in business. The College management intends to use 10% retention to rectify the defects in case the contractor fails to rectify them.

In view of the foregoing it is doubtful that the College obtained value for money from this contract since the gymnasium was commissioned in October 2015.

4. Payment for Goods not supplied

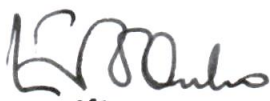
Expenditure records at the College revealed that there was a loss of Kshs.2,235,800 which arose due to collusion between the College's procurement department, operations control, ICT personnel and two (2) suppliers. This was apparently occasioned by the College's staff who manipulated the system resulting in a payment made for unsupplied goods. No recovery has been made of the amount of funds lost through collusion of its staff and the suppliers. Further, three suppliers were about to be paid before their intentions were discovered. This would have led to a further loss of Kshs.1,154,704. Suppliers involved in the fraudulent activities still transact business with the College. The system in use has no set maximum or minimum re-order levels for quantities of items needed in the store which led to misuse of the business development manager's password in placing requisitions, raising issue notes and receiving of items by the stores' personnel.

Though management asserts that the employees involved have been dismissed and the system is being reviewed, the issue of amount lost and continued transacting of business with suppliers involved has not been addressed.

Consequently, the College stands a high risk of fraudulent activities due to weak internal controls.

Qualified Opinion

In my opinion, except for the effect of the matters described in the Basis for Qualified Opinion paragraph, the financial statements present fairly, in all material respects, the financial position of Kenya Utalii College as at 30 June 2015, and of its financial performance and its cash flows for the year then ended, in accordance with International Public Sector Accounting Standards (Accrual Basis) and comply with the Tourism Act, 2011 of the Laws of Kenya.



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

Nairobi

14 July 2016

Kenya Utalii College,

STATEMENT OF FINANCIAL PERFORMANCE FOR THE YEAR ENDED 30TH JUNE 2015

	Note	2014/2015	2013/2014
		Kshs	Kshs
Revenue from non-exchange transactions			
Other income	3	606,084,512	531,255,915
		<u>606,084,512</u>	<u>531,255,915</u>
Revenue from exchange transactions			
Fees From Students	5	54,574,154	58,700,297
Revenue From Commercial Activities	4	83,765,271	108,968,584
Utalii Hotel Net Profit/Loss	4	(5,884,793)	7,346,706
KCB Hospitality Net Profit	4	-	3,689,007
		<u>132,454,632</u>	<u>178,704,594</u>
Total revenue		<u>738,539,144</u>	<u>709,960,509</u>
Expenses			
Employee costs	6	378,754,395	372,091,248
Remuneration of College Council/B.O.G	7	-	-
Depreciation and amortization expense	8	150,357,257	65,145,252
Repairs and maintenance	9	21,822,376	26,125,768
Contracted services	10	14,444,118	11,479,813
General expenses	11	548,418,701	634,909,259
Total expenses		<u>1,113,796,847</u>	<u>1,109,751,340</u>
Deficit before tax		<u>(375,257,704)</u>	<u>(399,790,831)</u>
Taxation (Note Kenya Utalii College is a training Institution hence exempted from taxation)			
			-
Deficit before tax		<u>(375,257,704)</u>	<u>(399,790,831)</u>


Kenya Utalii College.

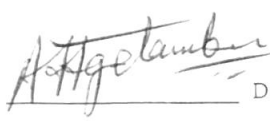
STATEMENT OF FINANCIAL POSITION AS AT 30TH JUNE 2015

	Note	2014/2015	2013/2014
		Kshs	Kshs
<u>Assets</u>			
<u>Current assets</u>			
Cash and cash equivalents	12	69,526,161	85,937,319
Receivables from exchange transactions	13	207,115,568	180,061,837
Receivables from non-exchange transactions	14	184,471,136	141,845,801
Inventories	15	18,994,250	17,648,742
		<u>480,107,115</u>	<u>425,493,699</u>
<u>Non-current assets</u>			
Property, plant and equipment	22	6,536,002,536	2,102,441,247
Staff Loans Fund	21	19,013,949	18,483,570
		<u>6,555,016,485</u>	<u>2,120,924,817</u>
Total assets		7,035,123,600	2,546,418,516
<u>Liabilities</u>			
<u>Current liabilities</u>			
Trade and other payables from exchange transactions	17	2,507,547,301	1,971,717,492
Refundable deposits from customers	16	319,400	674,710
Provisions	18	177,696,745	177,356,096
		<u>2,685,563,446</u>	<u>2,149,748,298</u>
<u>Non-current liabilities</u>			
Borrowings (GOK Loan)	19	133,125,028	133,000,000
Staff Loans Fund	21	19,013,949	18,483,570
Accumulated Fund	24	(264,431,866)	(865,604,401)
Revaluation Reserve	23	4,273,554,438	917,413,184
Capital Reserve - Refurbishment of Utalii Hotel	22	188,298,604	193,377,866
		<u>4,349,560,153</u>	<u>396,670,219</u>
Total liabilities		7,035,123,600	2,546,418,516

Approval of the financial statements

The College's financial statements were approved by the College Council and signed on its behalf by:

 Date: 22/06/16
Principal

 Date: 22/06/16
Chairman, College Council

Kenya Utalii College,

STATEMENT OF CASHFLOW FOR THE YEAR ENDED 30TH JUNE 2015

	Note	2014/2015 Kshs	2013/2014 Kshs
Cash flows from operating activities			
<u>Receipts</u>			
Fees From Students	5	54,574,154	58,700,297
Revenue From Tourism Fund	3	315,000,000	305,000,000
Rent Income from staff housing units	3	24,349,493	23,456,579
Grants from Government of Kenya -Recurrent	3	126,000,000	140,370,000
Grants from Government of Kenya -Development	3	113,780,000	42,250,000
Revenue from Commercial Activities & Consultancy Services	4	83,765,270	108,968,584
Other Income Receipts	3	21,875,756	15,100,074
Capital Grants from Government of Kenya - amortization	22	5,079,262	5,079,262
Utalii Hotel Net Profit	4	(5,884,793)	7,346,706
KCB Hospitality Centre Net Profit	4	-	3,689,007
		738,539,143	709,960,509
<u>Payments</u>			
Employee costs	6	378,754,395	372,091,248
Remuneration of College Council	7	-	-
Repairs and maintenance	9	21,822,376	26,125,768
Contracted services	10	14,444,118	11,479,813
General expenses	11	548,418,701	634,909,259
		963,439,591	1,044,606,088
Surplus /deficit for the year		(224,900,448)	(334,645,579)
Net cash flows from operating activities	20	61,005,226	77,022,752
Cash flows from investing activities			
Purchase of property, plant, equipment and intangible assets		(77,541,412)	(22,809,352)
Net cash flows used in investing activities		(77,541,412)	(22,809,352)
Cash flows from financing activities			
Repayment of borrowings		125,028	(1,000,000)
Net cash flows used in financing activities		125,028	(1,000,000)
Net increase/(decrease) in cash and cash equivalents		(16,411,157)	53,213,400
Cash and cash equivalents at 1 JULY 2014	12	85,937,319	32,723,919
Cash and cash equivalents at 30 JUNE 2015	12	69,526,162	85,937,319

Kenya Utalii College,

STATEMENT OF CHANGES IN NET ASSETS FOR THE YEAR ENDE JUNE 2015 Attributable to the owners of the controlling entity

	Reserves				TOTAL
	Staff Loan Fund Kshs	Accumulated Surplus Kshs	Capital Reserve Kshs	Revaluation Reserve Kshs	
As at 1st July 2013	17,934,441	(631,145,991.2)	198,457,128	941,130,833	526,376,410
Hotel Reserves Account		18,840,591			18,840,591
Funds received during the year	549,130				549,130
Amortization on Revaluation Reserve change for the year		23,717,650		(23,717,650)	
Grants Amortized			(5,079,262)		(5,079,262)
Surplus for the year		(399,790,831)			(399,790,831)
As at 30 June 2014	18,483,571	(865,604,402)	193,377,866	917,413,183	263,670,218
As at 1st July 2014	18,483,571	(865,604,402)	193,377,866	917,413,183	263,670,218
Hotel Reserves Account		(39,646,191)			(39,646,191)
Transfer of revaluation and depreciation figure		1,336,487,213		(917,413,183)	419,074,030
Revaluation on oct 2014				4,320,753,492	4,320,753,492
Funds received during the year	530,379				530,379
Amortization on Revaluation Reserve change for the year		47,199,053		(47,199,053)	
Grants Amortized			(5,079,262)		(5,079,262)
Transfers/adjustments		(367,609,835)			(367,609,835)
Deficit for the year		(375,257,704)			(375,257,704)
Balance as at 30 June 2015	19,013,950	(264,431,866)	188,298,604	4,273,554,439	4,216,435,127

N/B Transfers of revaluation, depreciation and transfers /adjustments are figures as a result of transfers from revaluation account and accumulated depreciation as a result of New revalued figure and reconciliation of figures between Kenya Utalii College and Treasury ,Loan amount and accumulated interest on GOK Loan.

**Kenya Utalii College,
Consolidated statement of comparison of budget and actual amounts for the year ended 30 June 2015**

	Original budget		Final budget		Actual on comparable basis		Performance difference		Remarks
	2014/2015 Kshs	2014/2015 Kshs	2014/2015 Kshs	2014/2015 Kshs	2014/2015 Kshs	2014/2015 Kshs	2014/2015 Kshs		
Revenue									
Revenue from non-exchange transactions									
Other income	826,561,214.00	826,561,214.00	826,561,214.00	606,084,511.52	(220,476,702)	Some courses didn't take off			
Revenue from exchange transactions									
Fees From Students	74,347,500.00	74,347,500.00	54,574,154.35	(19,773,346)	Few Foreign students				
Revenue From Catering & Tourism Development Levy	370,000,000.00	370,000,000.00	83,765,270.74	(286,234,729)	Short fall form TF				
Total Income	1,270,908,714.00	744,423,937							
Expenses									
Employee costs	578,230,657.00	578,230,657.00	378,754,394.74	199,476,262.26	No employment or promotions				
Remuneration of College Council/B.O.G	10,862,250.00	10,862,250.00	-	10,862,250.00	No Board				
Repairs and maintenance	32,355,600.00	32,355,600.00	21,822,376.08	10,533,223.92	Cut down on expenditure				
Contracted services	28,724,640.00	28,724,640.00	14,444,118.47	14,280,521.53	Cut down on expenditure				
General expenses	534,560,767.00	534,560,767.00	548,418,701.14	13,857,934.14	Interest on GOK Loan				
Total Expenses	1,184,733,914.00	963,439,590.43		221,294,323.57					
Surplus before tax				(219,015,654)					
Taxation									
Surplus for the period	86,174,800.00	(375,257,704)							

I. NOTES TO THE FINANCIAL STATEMENTS

1. Statement of compliance and basis of preparation

The entity's financial statements have been prepared in accordance with and comply with International Public Sector Accounting Standards (IPSAS). The financial statements are presented in Kenya shillings (Kshs), which is the functional and reporting currency of the entity and all values are rounded to the nearest thousand (Ksh000). The accounting policies have been consistently applied to all the years presented.

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

The Institution will be in existence for the next one year.

2. Summary of significant accounting policies

a) Revenue recognition

i) Revenue from non-exchange transactions

a) Related party transactions

i. Revenue from Tourism fund

This is the revenue collected by Tourism Fund from hotels and restaurants to cater for both training and marketing needs in the hotel and tourism sector. It is shared between Kenya Utalii College, Kenya Tourist Board and Tourism Fund in accordance with approved budgets.

ii. Grants from Government of Kenya

This is in respect of assistance from the Government of Kenya, through the Ministry of Tourism. It is recognized as revenue when received. The college received Ksh.126M for recurrent expenditure and Ksh113.78M for development expenditure.

iii. Rent Income from Housing Units

This is the income arising from rent charged to members of staff occupying the College's housing units

ii) Revenue from exchange transactions

Rendering of services-Fees revenue.

The entity recognizes revenue from rendering of services by reference to the stage of completion when the outcome of the transaction can be estimated reliably. The stage of completion is measured by reference to labour hours incurred to date as a percentage of total estimated labour hours.

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

Students' fees are recognized at the beginning of the term and cover the whole term. Fees paid in advance are treated as liabilities to the College whereas fees in arrears are treated as receivables. Other revenues are recognized in the period they are earned net of VAT and discounts.

Revenue from Commercial Activities

This represents revenue generated from part-time courses and other revenue generating activities by the various departments. This amount is shown net of direct expenses.

Sale of goods and Services -Utalii Hotel

Revenue from the sale of goods and services is recognized when the significant risks and rewards of ownership have been transferred to the buyer, usually on delivery of the goods and services and when the amount of revenue can be measured reliably and it is probable that the economic benefits or service potential associated with the transaction will flow to the entity.

b) Budget information

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

c) Property, plant and equipment

All property, plant and equipment are stated at cost less accumulated depreciation and impairment losses. Cost includes expenditure that is directly attributable to the acquisition of the items. When significant parts of property, plant and equipment are required to be replaced at

Kenya Utalii College,

Notes to the Financial Statements for the year ended 30th June 2015

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.

Depreciation is calculated on straight line basis, at annual rates estimated to write-off carrying values of the assets over their expected useful lives.

The annual depreciation rates in use are:-

	Rate	Estimated Useful Life
Freehold Land	Nil	
Leasehold Land		
Main College		59 Years
Library Complex		75 Years
Utalii Sports Club		74 Years
Utalii Village		61 Years
Vipingo		82 Years
Buildings	2.5%	40 Years
Plant and Machinery	10%	10 Years
Furniture, Technical & Teaching Equipment	20%	5 Years
Motor Vehicles	25%	4 Years
Computers	30%	3 ¹ / ₃ Years

The assets residual values and useful lives are reviewed, and adjusted if appropriate, at each balance sheet date.

d) Inventories

Inventories comprising of food, beverage and general merchandise together with returnable containers and drugs have been valued at cost calculated on average basis.

e) Provisions

Provisions are recognized when the College has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits or service potential will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

f) A specific provision amounting to **Kshs 169,627,435.00** has been recognized. In addition a 5% general provision for doubtful debts has been created in the financial statement.

DETAILS	PROVISION FOR BAD AND DOUBFUL DEBTS		TOTAL
	ACCOUNTS RECEIVABLE	SPECIFIC ACCOUNTS	
SPECIFIC	55,309,271.00	114,318,164.05	169,627,435.05
5% 2012-14 PROVISION	6,325,097.45	1,403,563.00	7,728,660.47
5% 2014/15 PROVISION	1,162,454.00	(821,805.00)	340,649.00

g) Nature and purpose of reserves

The College creates and maintains reserves in terms of specific requirements. The following are the reserves that are maintained by the College and their appropriate policies adopted.

Revaluation Reserve

The College's Assets were revalued in October 2014 by an independent Valuer, Nile Real Appraisers (EA) Ltd. The Revaluation exercise was carried out in order to establish the fair carrying value of the assets. This resulted in a revaluation surplus of kshs 4,305,467,999. Depreciation on the revaluation surplus is charged to the revaluation Reserve Account

Capital Reserve – Refurbishment of Utalii Hotel and Individual Kitchen

During the 2003/2004, 2005/2006 and 2007/2008 financial years, the College received capital grants from the Government of Kenya and Special Capital Grant from Catering and Tourism Development Levy Trustees to refurbish Utalii Hotel and Individual Training Kitchen amounting to Kshs.113,170,486, 15,000,000 and 30,000,000 respectively. These grants are amortized over the expected useful life of the building and useful life of the Equipment on a straight line basis.

The balance has been arrived at as follows:

	2014/2015	2013/2014
	Kshs.	Kshs.
Balance at beginning of year	193,337,866	198,457,128
Less: Amortization	5,079,262	5,079,262
Balance at end of year	188,298,604	193,337,866

h) Employee benefits

Retirement Benefit Obligations

The College operates a defined contribution benefits scheme for its permanent employees. The assets of the scheme are held in a separate trustee administered fund that is funded by both the College and employees.

The College also contributes to a statutory defined contribution pension scheme, the National Social Security Fund (NSSF). Contributions are determined by local statute and are currently limited to Kshs.200 per employee per month. The College's contributions to the above schemes are charged to the income and expenditure account in the year to which they relate.

i) Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and cash at bank, short-term deposits on call and highly liquid investments with an original maturity of three months or less, which are readily convertible to known amounts of cash and are subject to insignificant risk of changes in value. Bank account balances include amounts held at various commercial banks at the end of the financial year.

Kenya Utalii College,

Notes to the Financial Statements for the year ended 30th June 2015

3. Other Incomes

Actual	2014/2015	2013/2014
	Kshs.	Kshs.
Rent Income from staff housing units	24,349,493	23,456,579
Grants from Government of Kenya -Recurrent	126,000,000	140,370,000
Grants from Government of Kenya -Development	113,780,000	42,250,000
Revenue from Tourism Fund	315,000,000	305,000,000
Other Income Receipts	21,875,756	15,100,074
Capital Grants from Government of Kenya - amortization	5,079,262	5,079,262
Total	606,084,512	531,255,915

Other Incomes

This comprises of:

	2014/2015	2013/2014
	Kshs.	Kshs.
Sale of Discarded items	71,843	236,862
Interest on Fixed Deposit Account	-	88,685
Sale of Tender Documents	173,146	1,251,195
Gain or loss on disposal	449,250	(8,100)
Jifunze Bar Sales	181,710	215,966
Surplus/ Loss from Food fair	(1,236,570)	(918,433)
Hire of facilities	15,231,656	11,867,283
Identity cards & Lost items	793,445	339,539
Sale of Meal vouchers	351,591	172,845
Other Miscellaneous Income	4,142,350	608,018
Graduation fee	1,717,336	1,246,214
Total	21,875,756	15,100,074

Kenya Utalii College,

Notes to the Financial Statements for the year ended 30th June 2015

4.Revenue from Commercial Activities

This represents revenue generated from part-time courses and other revenue generating activities by the various departments. This amount is shown net of direct expenses, and is summarized as follows:

	2014/2015	2013/2014
	Kshs	Kshs
Self Sponsored Courses	49,403,714	56,343,390
Pioneer Courses	35,942,728	40,869,834
MDP & Refresher Courses	2,020,398	5,237,282
Bakery Sales	1,432,403	1,211,635
Laundry Services	13,504,420	11,218,517
Sports Club Bar Sales	229,925	331,510
Cyber café services	284,076	23,200
Bookshop Sales & Photocopying	595,198	651,044
Barber Shop Rent	240,000	220,000
Degree Programmes	42,815,300	35,890,030
Consultancy	1,759,500	-
Sub-Total	148,227,662	151,996,442
Less: Direct Expenses	64,462,392	43,027,858
Total	83,765,270	108,968,584

Kenya Utalii College,

Notes to the Financial Statement for the year ended 30th June 2015.

UTALII HOTEL TRADING. ACCOUNT FOR THE YEAR ENDED 30TH JUNE 2015

	2014/2015	2013/2014
	Kshs	Kshs
Revenue from exchange transactions		
Hotel Room sales	67,644,730	72,805,238
Hotel Food Sales	119,838,013	116,639,721
Hotel Beverage Sales	22,896,213	22,736,457
Other Income Receipts	8,548,927	7,830,018
House Rent	3,480,400	-
Total revenue	222,408,283	220,011,433
Less: Cost of Sales	77,773,938	69,647,200
Gross Profit	144,634,345	150,364,233
Expenses		
Employee costs	91,123,226	94,172,134
Repairs and maintenance	6,298,166	6,275,099
Contracted services	2,205,806	2,883,803
General expenses	50,358,093	39,074,736
Finance costs	533,847	611,755
Total expenses	150,519,138	143,017,527
Surplus / Deficit before tax	(5,884,793)	7,346,706
Surplus / Deficit for the period	(5,884,793)	7,346,706
Number of staff		
Permanent	94	87
Contract	21	20

Kenya Utalii College,

Notes to the Financial Statements for the year ended 30th June 2015

KCB HOSPITALITY CENTRE TRADING ACCOUNT
FOR THE YEAR ENDED 30TH JUNE 2015

	2014/2015	2013/2014
	Kshs.	KShs.
<u>Sales:</u>		
Rooms	-	16,930,467
Beverages	-	10,594,305
Food	-	75,243,796
Other Miscellaneous Income	-	673,192
		103,441,760
<u>Less: Cost of Sales</u>	-	33,992,801
Gross Profit		69,448,959
<u>Expenses</u>		
Salaries and Wages	-	48,322,824
Medical Expenses	-	1,396,707
Professional Clothes and Uniforms	-	569,712
Staff development	-	35,300
Heat, Light and Power	-	8,923,308
Water, sewerage & land rates	-	449,610
Maintenance and Repair of Buildings	-	8,537
Maintenance and Repair of Motor Vehicles	-	1,117,369
Maintenance and Repair of Equipment	-	154,835
Renewal and Replacement	-	1,009,405
Printing and Stationery	-	356,049
Newspapers and Magazines	-	44,895
Cleaning Materials	-	1,823,235
Travelling and Subsistence Expenses	-	-
Postage and Telephone	-	378,779
Licences and Professional Services	-	-
Insurance	-	-
Bank Charges	-	185,951
Staff Meals	-	780,397
Entertainment and public Relations	-	119,038
Staff welfare Expenses	-	-
House Rent	-	84,000
Total	-	65,759,951
Net Profit	-	3,689,007

Kenya Utalii College,

Notes to the Financial Statements for the year ended 30th June 2015

Provision For Bad and Doubful Debts for the year Ended 30th June 2015

	2014/2015 Kshs.	2013/2014 Kshs.
Increase/Decrease in Provision for bad and doubtful debts	340,649	1,106,876
Total	340,649	1,106,876

Finance costs for the year ended 30th June 2015

	2014/2015 Kshs.	2013/2014 Kshs.
Bank Charges	1,350,174	1,438,902
Loss/Gain on Foreign Exchange	157,166	(49)
Interest on Loan from G.O.K	333,736,361	424,809,854
Total	335,243,701	426,248,707

Grand Expenses Total	1,113,796,849	1,109,751,340
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12. Cash and cash equivalents

	2014/2015 Kshs.	2013/2014 Kshs.
Cash in Hand -College	68,893	145,688
Cash in Hand -Hotel	136,411	373,038
Cash at Bank -College	34,610,646	64,361,379
Cash at Bank -Hotel	30,097,018	17,392,214
Floats -College	2,800,000	2,980,000
Floats -Hotel	1,813,193	685,000
	69,526,161	85,937,319

13. Receivables from exchange transactions/Trade and other receivables

	2014/2015 Kshs.	2013/2014 Kshs.
Current receivables		
College Accounts Receivable College	46,835,933	31,757,038
Hotel Accounts Receivable	116,417,470	95,899,380
KSMS Accounts Receivable	17,046,823	17,046,823
KCB Leadership Centre Accounts Receivable	-	13,861,403
Students' Accounts Receivable	24,524,624	21,337,401
Hotel Staff Debtor	235,443	159,792
Money on transit for Hotel	2,055,274	-
Total current receivables	207,115,568	180,061,837
Non-current receivables		
Total non-current receivables	-	-
Total receivables	207,115,568	180,061,837

Kenya Utalii College,

Notes to the Financial Statements for the year ended 30th June 2015

14. Receivables from non-exchange contracts/Special accounts receivables

Current receivables	2014/2015	2013/2014
	Kshs.	Kshs.
Staff Advances Account College	1,006,571	1,453,507
Staff Advances Account Hotel	536,415	738,259
Imprests Account College	1,731,008	2,250,654
Imprests Account Hotel	25,833	9,850
Medical Advances Account College	305,555	268,935
Medical Advances Account Hotel	33,521	13,395
Curtain & Furniture Advances College	5,244,253	78,444
Curtain & Furniture Advances Hotel	2,415,108	-
Hospitalization Deposit	-	-
Income from GOK	50,000,000	-
KUC Investments	-	-
AHTSA	285,862	407,848
Warwick International	3,116,184	3,116,184
Kenya Revenue Authority	105,611,681	129,311,951
Prepayments College and COD	121,704	402,132
Prepayments Hotel and COD	415,568	314,574
Deposits	5,104,069	3,480,069
Watalamu Renovation Hotel	8,517,804	-
Total current receivables	184,471,136	141,845,801

15. Inventories

	2014/2015	2013/2014
	Kshs.	Kshs.
Food Stores -College	3,687,330	1,724,034
Food Stores -Hotel	2,719,330	1,749,252
Beverage Stores- College	677,057	977,744
Beverage Stores -Hotel	1,893,537	2,313,013
General and Maintenance -College	6,373,738	7,178,434
General and Maintenance -Hotel	1,952,185	1,792,414
Containers Stores- College	312,855	322,076
Containers Stores- Hotel	186,220	179,629
Tobacco	33,933	32,110
Zawadi Shop	104,404	120,290
Drugs Stores -College	1,053,661	1,259,746
Total inventories at the lower of cost and net realizable value	18,994,250	17,648,742

Kenya Utalii College,

Notes to the Financial Statements for the year ended 30th June 2015

16. Refundable Deposits from Customers

	2014/2015	2013/2014
	Kshs.	Kshs.
Hotel Deposits Account	319,400	674,710
Total	319,400	674,710

17. Trade and other payables from exchange transactions

	2014/2015	2013/2014
	Kshs.	Kshs.
Accrued Expenses College	98,932,936	79,541,995
Accrued Expenses Hotel	21,929,516	6,400,230
Suppliers' Accounts College	97,892,155	97,327,334
Suppliers' Accounts Hotel	49,033,544	36,938,843
NHIF	611,670	157,760
P. A. Y. E	6,266,449	6,097,573
N.S.S.F	347,350	342,950
Staff Shortages	-	87,094
Woodventure (K) Ltd.	-	2,125
Kenyuco Sacco	-	1,689,180
Kenyuco Housing Sacco	-	448,339
Pension Deductions	3,605,564	2,884,881
Higher Education Loans Board	35,455	32,012
Education Levy	1,613,208	1,550,905
Amedo Centres (K) Ltd.	7,101	10,991
Select Management Services Ltd	129,937	46,354
Faulu Kenya Ltd	189,948	310,250
African Retail Traders	6,125	6,390
Other Staff Co-operative Societies	1,655,015	1,804,831
Co-operative Bank Staff Loans Deductions	-	45,987
Barclays Bank Staff Loans Deductions	591,753	795,701
KCB Staff Loan deductions	506,392	187,779
Standard Chartered Bank Loan Deduction	1,805,159	1,845,613
Staff Loans Scheme Deduction Account	5,891,127	4,186,217
Staff Service Charge Account Hotel	912,206	1,434,705
Salaries Control Account College	1,308,935	266,592
Payroll deduction Hotel	3,936,586	7,445,353
External exams (IATA) Contra	187,171	325,465
Insurance Claims	8,690,979	5,267,444
Staff Welfare Fund Account	2,005,788	1,831,298
Pension Scheme Refunds Account	4,768,407	5,471,983
Deceased Special Fund Account	1,116,125	1,116,125
Unclaimed Students Allowances	156,030	156,030
Prepaid Fees Account	7,004,635	11,981,885
University of Surrey	351,931	351,931
V.A.T	4,707,884	2,582,303
Training Levy Hotel	809,958	612,282
Students' Caution Money	4,840,342	4,393,342
Students' Council Account KUCSA	19,069	141,600
Degree program identity card	-	165,400
Students Control Account	94,019	99,119
Accrued Interest for GOK	2,175,586,831	1,685,333,300
Total trade and other payables	2,507,547,301	1,971,717,492

Kenya Utalii College,**Notes to the Financial Statements for the year ended 30th June 2015****18. Current provisions**

	Trade receivables	Specific Accounts	Total
	Kshs.	Kshs.	Kshs.
Balance at the beginning of the year	61,634,368	115,721,728	177,356,096
Additional provisions raised	1,162,454	(821,805)	340,649.00
Balance as at 30 June 2015	62,796,822	114,899,923	177,696,745

19. Borrowings

	2014/2015	2013/2014
	Kshs.	Kshs.
Loan from G.O.K	133,125,028	133,000,000
Total non-current borrowings	133,125,028	133,000,000

N/B Change of figure is as a result of reconciliation between Kenya Utalii College and Treasury

20. Cash generated from operations

	2014/2015	2013/2014
	Kshs.	Kshs.
Deficit for the year before tax	(375,257,704)	(399,790,831)
Adjusted for:		
Depreciation	150,357,257	65,145,252
Revenue reserve Hotel	(17,518,751)	2,927,603
Amortized Reserves	(5,079,262)	(5,079,262)
Prior Year Adjustment	(156,642,198)	-
Contribution to provisions	340,649	1,106,876
Working capital adjustments:		
Increase/Decrease in inventory	(1,345,508)	2,936,091
Increase/Decrease in receivables	(70,209,445)	(15,125,592)
Increase/Decrease in payables	536,360,188	424,902,616
Net cash flows from operating activities	61,005,226	77,022,753

Kenya Utalii College,
Notes to the Financial Statements for the year ended 30th June 2015

21. Staff Loan Scheme Fund

STAFF LOANS SCHEME

INCOME AND EXPENDITURE ACCOUNT
FOR THE YEAR ENDED 30TH JUNE 2015

	2014/2015 KShs.	2013/2014 KShs.
INCOME		
Interest earned from staff loans	527,121	548,471
Bank interest earned	5,552	4,916
	532,674	553,387
LESS: EXPENDITURE		
Bank charges	2,295	4,258
Surplus	530,379	549,130

STAFF LOANS SCHEME FUND AS AT 30TH JUNE 2015

	2014/2015 KShs.	2013/2014 Restated KShs.
Staff Loans Scheme Fund	18,483,570	17,934,440
Surplus	530,379	549,130
Amount received from Kenya Utalii College		
	19,013,949	18,483,570

REPRESENTED BY:

Loan Scheme Principal Advances	9,599,640	13,067,224
Bank Account balance	3,523,182	1,230,129
Amount Receivable from Kenya Utalii College	5,891,128	4,186,217
	19,013,949	18,483,571

NOTE: The staff loans is in relations to Car.Housing and Car Insurance Loan to Members of staff

Kenya Utalii College,

Notes to the Financial Statements for the year ended 30th June 2015

REVALUATION AS AT 30TH JUNE 2015

Note. 23

ITEM	LAND	BUILDINGS	PLANT AND MACHINERY	FURNITURE TECHNICAL AND EQUIPMENT	MOTOR VEHICLES	COMPUTERS HARDWARE	TOTAL
COST / VALUATION	KSHS	KSHS	Kshs	KSHS	KSHS		KSHS
Revaluation Account College	4,216,634,500	184,271,396	(37,862,769)	(18,133,580)	(11,748,001)	(33,548,722)	4,299,612,824
Revaluation Account Hotel			(1,968,352)	23,394,320	(285,300)	-	21,140,668
TOTAL	4,216,634,500	184,271,396	(39,831,121)	5,260,740	(12,033,301)	(33,548,722)	4,320,753,492
DEPRECIATION/ARMOTIZATION							
Balance as at 1st July 2014	-	-	-	-	-	-	-
Charge for the Year to Revaluation Reserve Account	42,592,268	4,606,785	-	-	-	-	47,199,053
Accumulated Depreciation as at 30th June 2015	42,592,268	4,606,785	-	-	-	-	47,199,053
Net Book Value as at 30.6.2015 (Revalued figure)	4,174,042,232	179,664,611	-	-	-	-	4,273,554,439

Kenya Utalii College,
Notes to the Financial Statements for the year ended 30th June 2015

22. Capital Reserve – Refurbishment of Utalii Hotel and Individual Kitchen

During the 2003/2004, 2005/2006 and 2007/2008 financial years, the College received capital grants from the Government of Kenya and Special Capital Grant from Catering and Tourism Development Levy Trustees to refurbish Utalii Hotel and Individual Training Kitchen amounting to Kshs.113,170,486, 15,000,000 and 30,000,000 respectively. These grants are amortized over the expected useful life of the building and useful life of the Equipment on a straight line basis.

The balance has been arrived at as follows:

	2014/2015	2013/2014
	Kshs.	Kshs.
Balance at beginning of year	193,377,866	198,457,128
Add: Development Grants		
Less: Amortization	5,079,262	5,079,262
Balance at end of year	188,298,604	193,377,866

23. Revaluation Reserve

The College's Assets were revalued in October 2014 by an independent Valuer, Nile Real Appraisers (EA) Ltd. The Revaluation exercise was carried out in order to establish the fair value of the assets. This resulted in a revaluation surplus of kshs 4,320,753,492. Depreciation on the revaluation surplus is charged to the revaluation Reserve Account

24. Accumulated Fund as at 30th June 2015

ACCUMULATED FUND AS AT 30TH JUNE 2015

	2014/2015	2013/2014
	KShs.	KShs.
Balance Brought Forward	(865,604,401)	(492,709,500)
Amortization of Revaluation Reserve	47,199,053	23,717,650
Total	(818,405,349)	
Transfers and adjustments (Revaluation Reserve Account, GOK interest)	968,877,377	(484,654,161)
Deficit for the Year	(375,257,704)	(399,790,831)
Revenue Reserves- Hotel	(39,646,191)	18,840,591
Balance carried Forward	(264,431,866)	(865,604,401)

ACCUMULATED FUND AS AT 30TH JUNE 2015

DETAILS		KSHS	
30/06/2015	Accumulate Depreciation	377,330,673	-
30/06/2015	Reveluation Reserve	959,055,689	-
30/06/2015	GOK Interest for the FY 2014/2015	(156,517,171)	-
30/06/2015	Car Loan Fund	(549,130)	-
30/06/2015	Adjusting GOK Interst to equal to treasury	(210,567,711)	-
Total		968,752,349	-

Kenya Utalii College,

Notes to the Financial Statements for the year ended 30th June 2015

25. Property, plant and equipment

	LAND	BUILDINGS	W.I.P WORK IN PROGRESS	PLANT AND MACHINERY	FURNITURE TECHNICAL AND EQUIPMENT	MOTOR VEHICLES	COMPUTERS HARDWARE	TOTAL
	KSHS	KSHS	KSHS	KSHS	KSHS	KSHS	KSHS	KSHS
COST / VALUATION								
Balance as at 1st July 2013 -College	683,365,500	1,355,728,604	242,324,314	51,962,769	65,435,592	44,908,001	44,943,374	2,488,668,153
Balance as at 1st July 2013-Hotel	-	6,818,008	-	1,968,352	1,737,361	4,385,300	2,880,105	17,789,125
Additions College	-	-	14,358,029	-	740,988	-	4,049,348	19,148,365
Additions Hotel	-	518,928	-	-	2,806,078	-	335,981	3,660,987
Less Disposal	-	-	-	-	-	-	-	-
Transfers/adjustments	-	-	-	-	-	-	-	-
At 30 June 2014	683,365,500	1,363,065,539	256,682,342	53,931,121	70,720,019	49,293,301	52,208,808	2,529,266,630
DEPRECIATION / ARMOTIZATION								
Balance as at 1st July 2013	34,560,223	168,946,002	-	21,074,430	52,053,862	44,238,882	40,206,733	361,680,131
Charge for the Year	6,902,682	34,076,638	-	5,393,112	14,144,004	1,263,605	3,365,211	65,145,252
Accumulated Depreciation At 30 June 2014	41,462,905	203,022,640	-	27,067,542	66,197,866	45,502,487	43,571,944	426,825,383
Net book values as at 30.6.2014	641,902,595	1,160,042,899	256,682,342	26,863,579	4,522,153	3,790,815	8,636,864	2,102,441,247
Net book values as at 30.6.2013	648,805,277	1,193,600,609	242,324,314	32,256,691	15,119,091	5,054,420	7,616,746	2,144,777,147
COST / VALUATION								
Balance as at 1st July 2014 -College	683,365,500	1,355,728,604	256,682,342	51,962,769	66,176,580	44,908,001	48,992,722	2,507,816,518
Balance as at 1st July 2014-Hotel	-	-	1,968,352	-	4,543,439	4,385,300	3,216,086	14,113,177
Revaluation College	4,216,634,500	184,271,396	(1,968,352)	(37,862,769)	(18,133,580)	(11,748,001)	(33,548,722)	4,299,612,824
Revaluation Hotel	-	-	(1,968,352)	-	23,394,320	(285,300)	-	21,140,668
Additions College	-	-	40,491,486	-	1,467,635	13,180,000	1,592,624	56,731,745
Additions Hotel	-	-	17,633,131	-	1,625,680	-	1,550,856	20,809,667
Transfers/adjustments	-	-	(230,914,806)	-	-	-	-	(230,914,806)
Less Disposal	-	-	-	-	-	-	-	(2,950,000)
At 30 June 2015	4,900,000,000	1,540,000,000	83,892,153	14,100,000	79,074,074	47,490,000	21,803,566	6,686,359,793
DEPRECIATION / ARMOTIZATION								
Balance as at 1st July 2014	-	-	-	-	-	-	-	-
Change for the Year	76,218,873	38,500,000	-	1,410,000	15,814,815	11,872,500	6,541,070	150,357,257
Disposal	-	-	-	-	-	-	-	-
Impairment	-	-	-	-	-	-	-	-
Accumulated Depreciation At 30 June 2015	76,218,873	38,500,000	-	1,410,000	15,814,815	11,872,500	6,541,070	150,357,257
Net book values as at 30.6.2015	4,823,781,127	1,501,500,000	83,892,153	12,690,000	63,259,259	35,617,500	15,262,496	6,536,002,536
Net book values as at 30.6.2014	641,902,595	1,160,042,899	256,682,342	26,863,579	4,522,153	3,790,815	8,636,864	2,102,441,247
Revaluation Reserve								
The college's assets were revalued in October 2014 by an independent Valuer, Nile Real Appraisers (EA) Ltd. The revaluation exercise was carried out in order to establish the fair value of the assets. This resulted in a revaluation surplus of Kshs. 4,320,753,492								
NOTE: W.I.P (Work in progress)								
This is in relation to equipments and other items that will be delivered in the financial year 2015/2016								