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REPORT

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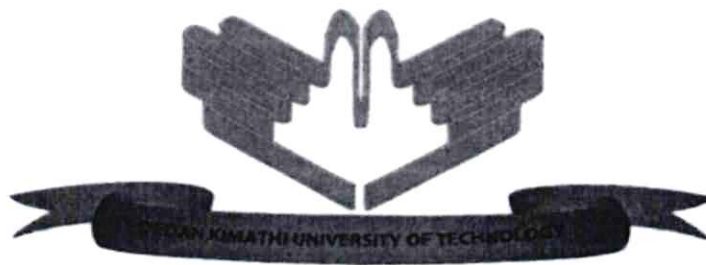
THE AUDITOR-GENERAL

ON

THE FINANCIAL STATEMENTS OF
DEDAN KIMATHI UNIVERSITY OF
TECHNOLOGY

FOR THE YEAR ENDED
30 JUNE 2015





DEDAN KIMATHI UNIVERSITY OF TECHNOLOGY

FINANCIAL STATEMENT

FOR THE YEAR ENDED 30TH JUNE 2015.

NYERI-MWEIGA ROAD
P O BOX 657, 10100-NYERI KENYA TELEPHONE (061)2034616/2034046
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Better Life Through 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,
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 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

Nelius Mwangi

LOCATION

Dedan Kimathi University is located six kilometers from Nyeri town along Nyeri Mweiga road.

DEDAN KIMATHI UNIVERSITY OF TECHNOLOGY

UNIVERSITY CHANCELLOR

Name

Prof. Shellemiah Keya

Date of Appointment

12/1/2013

UNIVERSITY COUNCIL MEMBERS

Current Council Members

Designation

Date of Appointment

a) Dr. Dulacha Galgallo-	Chairman	12/1/2013
b) Mr. Justus Mutiga-	Vice Chairman	12/1/2013
c) Prof. Collette Suda-	PS. Moest	12/1/2013
d) Dr. Kamau Thuge-	PS. National Treasury	12/1/2013
e) Ms. Mercy Mwatua-	Member	12/1/2013
f) Mr. Ishard Ibrahim-	Member	12/1/2013
g) Eng. John Kisenga-	Member	12/1/2013
h) Ms. Sophia Yega-	Member	12/1/2013
i) Prof. P.N Kioni –	Vice Chancellor	12/1/2013

UNIVERSITY MANAGEMENT BOARD

- | | |
|----------------------------|--------------------------------|
| 1) Prof. P. Ndirangu Kioni | Vice Chancellor |
| 2) Prof. Moses K. Gachari | Deputy Vice Chancellor A. & F. |
| 3) Prof. Gerald Muthakia | Deputy Vice Chancellor A. A. |
| 4) Prof. Paul Wambua | Deputy Vice Chancellor RTMCL |
| 5) Ms. Beatrice Mwangi | Finance Officer |
| 6) Prof. J. W. Khamasi | Registrar A. & A. |
| 7) Mr. Andrew Muriuki | Registrar A. & F. |
| 8) Dr. Sabina Wachira | Registrar RTMCL |

DEAN AND DIRECTORS

- | | |
|--------------------------|----------------------------------|
| 1) Mr. John kamunga | Director, Town Campus. |
| 2) Prof. P. N. Muchiri | Director, Nairobi Town Campus |
| 3) Dr. Nderitu Kanyogoro | Dean, School Of Engineering |
| 4) Mr. Muriithi Kaimoe | Dean, of students. |
| 5) Mr. Sammy Kamundi | Dean, School Of Computer Science |
| 6) Prof. Matthew Theuri | Dean, School Of Business. |
| 7) Dr. Emma Marigi | Dean, School Of Science. |

LIBRARIAN

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

CORE BUSINESS OF THE UNIVERSITY

The main objective of the University is stipulated in the University Act 2012 no 42. Part II section 7 of Act 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.

DEDAN KIMATHI UNIVERSITY OF TECHNOLOGY

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 of being a premier technological University excelling in quality training, research and technology transfer.

In line with the GOK 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.

Dr. Dulacha Galgalo

CHAIRMAN OF THE UNIVERSITY COUNCIL

DEDAN KIMATHI UNIVERSITY OF TECHNOLOGY

VICE CHANCELLORS REPORT FOR THE YEAR ENDED 30TH JUNE 2015

I have the pleasure to present the annual report and accounts for Dedan Kimathi University for the year ended 30th June, 2015

1. FINANCES:

The University started the year with a cash balance of Kshs. (1,742,187) and was allocated Kshs. 512,580,648 by the Government during the year under review. The University managed to collect Kshs. 533,748,839 in tuition and other charges, Kshs. 45,388,793 from the small income generating activities is trying to establish and Kshs 17,270,014 from farm income. In total therefore, the University had Kshs 1,108,988,294 at its disposal during the year for its recurrent expenditures.

The University was allocated Kshs. 149,396,667 by the Government for its capital projects during the year.

2. ACADEMIC PROGRAMMES:

During the year under review, the University has embarked developing a number of academic programmes including PHD, Masters, Bachelor's, diplomas and Certificate Courses

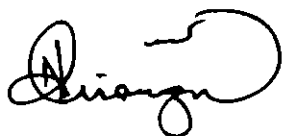
The University has also embarked on an intensive marketing programme to increase the student's population.

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 year 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 new University of Technology. And look forward to their cooperation and enthusiastic participation in the future development of the University.



Prof. P. N. Kioni Ph.D, R.Eng
Vice Chancellor.

DEDAN KIMATHI UNIVERSITY OF TECHNOLOGY

STATEMENT OF THE COUNCIL MEMBERS RESPONSIBILITIES

On the Financial Statements for the year ended 30th June 2015

The Dedan Kimathi University of Technology order No 42 of 2012 of the universities act requires University Council to prepare statements for each financial year, which give a true and fair view of the state of affairs of the University at the end of the financial year and its operating results for that year. It also requires the council to ensure that the University keeps proper accounting records, which disclose with reasonable accuracy, the financial position of the University. The University Council is also responsible for safeguarding the Assets of the University.

The University accepts the responsibility for the financial statement, which has been prepared using appropriated accounting policies supported by reasonable and prudent judgments and estimates, in conformity with International Accounting Standards. The University Council is of the opinion that the statements give a true and fair view of the state of the financial affairs of the University at 30th June 2015 and of its operating results. The University Council further accepts responsibility for the maintenance of accounting records, which may be relied upon in the preparation of financial statement, as well as adequate systems of Internal Financial Control.

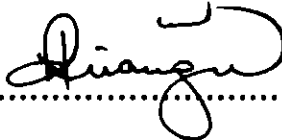
Nothing has come to the attention of the University Council to indicate that the University will not remain a going concern for at least the next twelve months from the date of this statement.

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

Signed by:

Chairman of the Council

Vice Chancellor DeKUT



DEDAN KIMATHI UNIVERSITY OF TECHNOLOGY

STATEMENT ON CORPORATE GOVERNANCE

Responsibility of the University Council

The council comprises of nine persons, six of who are appointed by the President 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 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.

DEDAN KIMATHI UNIVERSITY OF TECHNOLOGY

CORPORATE SOCIAL RESPONSIBILITY

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

- Establishment of a Kshs. 1,000,000 bursary fund for needy students
- participated Matter Heart Run
- participated Standard Chartered Nairobi Marathon
- participated Nyeri Hospice Charity Walk

The University is also a partner in Maternal Access and Infant Survival for Health Advancement (MAISHA) partnership. 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.

Other project partners include College of the Rockies and Kenya's Ministry of Health.

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



OFFICE OF THE AUDITOR-GENERAL

REPORT OF THE AUDITOR-GENERAL ON DEDAN KIMATHI UNIVERSITY OF TECHNOLOGY FOR THE YEAR ENDED 30 JUNE 2015

REPORT ON THE FINANCIAL STATEMENTS

I have audited the accompanying financial statements of the Dedan Kimathi University of Technology set out on pages 1 to 19, which comprise the statement of financial position as at 30 June 2015, and the statement of financial performance, the statement of changes in net assets, the statement of cash flows for the year then ended, and a summary of significant accounting policies and other explanatory notes in accordance with the provisions of Article 229 of the Constitution of Kenya and Section 14 of the Public 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 the 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. The audit was conducted in accordance with International Standards of Supreme Audit Institutions (ISSAIs). Those standards require compliance with ethical requirements and that the audit be planned and performed to obtain reasonable assurance about whether the financial statements are free from material misstatement.

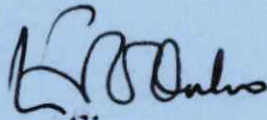
An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk

assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the 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.

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

Opinion

In my opinion, the financial statements present fairly, in all material respects, the financial position of Dedan Kimathi University of Technology 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 University's Act, 2012.



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

Nairobi

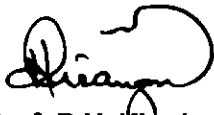
10 August 2016

**DEDAN KIMATHI UNIVERSITY OF TECHNOLOGY
STATEMENT OF FINANCIAL PERFORMANCE
FOR THE YEAR ENDED 30TH JUNE 2015**

	<u>NOTE</u>	<u>Consolidated 2014/2015 KSHS</u>	<u>Consolidated 2013/2014 KSHS</u>
<u>REVENUE</u>			
<u>Revenue from non-exchange transactions</u>			
Ministry grant - Recurrent	16	512,580,648	512,580,655
		512,580,648	512,580,655
<u>Revenue from exchange transactions</u>			
Tuition & other fees	17	533,748,839	436,156,113
Other income	18	45,388,793	34,163,780
Farm income	26	17,270,014	17,550,578
		596,407,646	487,870,471
Total Revenue		1,108,988,294	1,000,451,126
<u>EXPENSES</u>			
Personnel cost	19	751,845,424	671,543,139
Central services	20	199,568,438	187,257,672
Council allowance	21	7,497,010	7,498,811
Maintenance cost	22	13,111,391	21,771,059
Student welfare	23	7,539,345	8,978,240
Academic costs	24	45,939,009	39,610,518
Administrative cost	25	15,791,412	12,579,460
Farm expenses			
Cost of sales	31	33,914,896	33,245,020
Overhead expenses	30	18,647,973	16,083,286
TOTAL EXPENSES		1,093,854,898	998,567,203
Add provision for depreciation	2	86,802,798	43,124,183
Add provision for Audit Fee	13	870,000	750,000
TOTAL EXPENSES		1,181,527,696	1,042,441,387
Surplus/deficit for the year		(37,246,547)	(10,212,533)
Share of farm loss		(35,292,855)	(31,777,728)
DEFICIT FOR THE PERIOD		(72,539,402)	(41,990,261)

DEDAN KIMATHI UNIVERSITY OF TECHNOLOGY
STATEMENT OF FINANCIAL POSITION
AS AT 30TH JUNE 2015

ASSETS	NOTE	2014/2015	2013/2014
		KSHS Consolidated	KSHS Consolidated
<u>CURRENT ASSETS</u>			
Cash & Bank Balances	8	84,313,462	21,885,328
Trade and other receivables (exchange Transactions)	7 a	161,161,510	144,448,777
Trade and other receivables (non-exchange Transactions)	7 b	42,715,054	
Inventories	6	<u>2,133,233</u>	<u>5,797,592</u>
		290,323,259	172,131,697
<u>NON-CURRENT ASSETS</u>			
Property Plant and Equipments	2	2,313,068,130	2,002,987,292
Investments	4	-	-
Biological assets	5	<u>9,151,151</u>	<u>8,620,650</u>
		2,322,219,281	2,011,607,942
TOTAL ASSETS		<u>2,612,542,540</u>	<u>2,183,739,639</u>
<u>LIABILITIES</u>			
Current liabilities			
Trade and other payables (exchange transactions)	13 a	210,012,120	253,875,053
Trade and other payables (non-exchange transactions)	13 b	14,702,505	
Bank overdraft	14	<u>1,555,135</u>	<u>23,627,515</u>
		226,269,760	277,502,568
Non-current liabilities			
Long Term Borrowings (Loan)		<u>57,494,320</u>	<u>-</u>
		57,494,320	-
<u>NET ASSETS</u>			
Capital fund	9	1,657,854,753	1,163,304,463
Reserve fund	10	81,055,768	153,595,170
Revaluation reserve	11	<u>589,867,938</u>	<u>589,337,438</u>
		2,328,778,459	1,906,237,071
Total net assets and liabilities		<u>2,612,542,540</u>	<u>2,183,739,639</u>


Prof. P.N. Kioni
Vice Chancellor


Ms. Beatrice Mwangi
Ag. Finance Officer

Date

Date

DEDAN KIMATHI UNIVERSITY OF TECHNOLOGY
STATEMENT OF CHANGES IN NET ASSETS FOR THE YEAR ENDED 30 JUNE 2015

	ACCUMULATED FUND		REVALUATION RESERVE		RESERVE FUND		TOTAL		CONSOLIDATED
	University	Farm	University	Farm	University	Farm	University	Farm	
Balance as at 30/6/2013	1,071,548,204	(9,990,246)	588,962,938	-	201,880,494	(6,295,064)	1,862,391,636	(16,285,310)	1,846,106,326
surplus/deficit for the period	-	-	-	-	(10,212,533)	(31,777,728)	(10,212,533)	(31,777,728)	(41,990,261)
Revaluation	-	-	-	374,500	-	-	-	374,500	374,500
Increase in capital fund	101,746,505	-	-	-	-	-	101,746,505	-	101,746,505
Balance as at 30/06/2014	1,173,294,709	(9,990,246)	588,962,938	374,500	191,667,961	(38,072,792)	1,953,925,608	(47,688,838)	1,906,237,070
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	(47,688,838)	1,906,237,070
surplus/deficit for the period	-	-	-	530,501	(37,248,547)	(35,292,855)	(37,248,547)	(35,292,855)	(72,539,402)
Revaluation	-	-	-	530,501	-	-	-	530,501	530,501
Increase in capital fund	494,550,290	-	-	-	-	-	494,550,290	-	494,550,290
Balance as at 30/06/2015	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

NB The biological assets were measured at fair value

DEDAN KIMATHI UNIVERSITY OF TECHNOLOGY
STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 30 JUNE 2015

	PAGE	NOTE	2014/2015 KSHS	2013/2014 KSHS
University Deficit for the period	1		(72,539,402)	(41,990,261)
<u>Adjustment for:</u>				
Restated balance	3		-	(70,759,232)
Depreciation	7		86,802,798	43,124,183
			14,263,396	(69,625,309)
<u>Change in working capital</u>				
Increase/(decrease) in inventories	8	6	3,664,359	2,621,022
Increase/(decrease) in receivables	8	7	(59,427,787)	19,064,031
Increase/(decrease) in payables	9	13	(29,160,428)	82,109,494
Increase/(decrease) research grants		12		(3,868,086)
Net cash generated from operating activities			(84,923,856)	99,926,461
<u>Cash flow from investing activities</u>				
Investing in fixed assets	7		(396,883,636)	(106,051,468)
Impairment of investment			-	1,301,770
Loan repayment			(20,005,679)	-
Biological assets			-	(374,500)
Net cash used in investing activities			(416,889,315)	(105,124,198)
<u>Cash flow from financing activities</u>				
Capital fund	9	9	120,230,000	101,746,505
Supplementary budget Grant			29,166,667	-
Capital Grant			345,153,623	-
Loan			77,500,000	-
			572,050,290	101,746,505
Net change in cash and cash equivalent			84,499,514	26,923,458
Opening cash and cash equivalent	8&9	8&14	(1,742,187)	(28,665,645)
Closing cash and cash equivalent	8&9	8&14	82,757,327	(1,742,187)

**DEDAN KIMATHI UNIVERSITY OF TECHNOLOGY
STATEMENT OF BUDGET COMPARISON**

<u>INCOME</u>	<u>NOTE</u>	<u>2014/2015</u>	<u>2014/2015</u>	<u>2014/2015</u>	<u>2014/2015</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	512,580,650	512,580,648	(2)	(0)
Tuition & other fees	17	488,207,520	533,748,839	45,541,319	9
Other income	18	<u>44,517,645</u>	<u>45,388,793</u>	<u>871,148</u>	2
TOTAL		1,055,305,815	1,091,718,280	36,412,465	
<u>LESS EXPENDITURE</u>					
Personnel cost	19	728,996,815	751,845,424	(22,848,609)	(3)
Central services	20	236,580,000	199,568,438	37,011,562	16
Council allowance	21	7,828,000	7,497,010	330,990	4
Maintenance cost	22	13,050,000	13,111,391	(61,391)	(0)
Student welfare	23	8,860,000	7,539,345	1,320,655	15
Academic costs	24	48,370,000	45,939,009	2,430,991	5
Administrative cost	25	<u>16,020,000</u>	<u>15,791,412</u>	<u>228,588</u>	1
EXPENDITURE		1,059,704,815	1,041,292,029	18,412,786	2
Add provision for depreciation	2		86,802,798	-	
Add provision for Audit Fee	13	870,000	<u>870,000</u>	-	
TOTAL EXPENDITURE			<u>1,128,964,827</u>		
Surplus/deficit for the year			<u>(37,246,547)</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 College. 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 into 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 30,000,000 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 30th June 2015. 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 report 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 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 ageing 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 512,580,655
- ii) Government of Kenya Development grant kshs 101,746,505
- iii) University Council Allowances 7,610,011

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 1

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 2015

PROPERTY, PLANT & EQUIPMENTS

Note 2

	LAND	BUILDING	MOTOR VEHICLES	COMPUTER & ACCESSORIES	PLANT & MACHINERY	TRACTOR	FURNITURE & EQUIPMENTS	WORK IN PROGRESS	TOTAL
		2%	25%	30%	12.50%	37.50%	12.50%	NOTE 3	
Valuation as At 30/6/2013	435,000,000	521,363,726	69,121,193	66,067,523	24,120,766	8,882,572	169,513,853	821,902,109	2,115,971,742
Additions in the Period	-	-	-	154,000	-	-	12,949,356	92,948,113	106,051,468
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
Depreciation									
Depreciation as at 30/6/2013	-	22,500,293	40,862,776	42,402,924	10,918,293	5,796,051	53,431,398	-	175,911,734
Charge for the Period	-	9,977,269	7,064,604	7,145,580	1,650,309	1,157,445	16,128,976	-	43,124,183
Depreciation as at 30/6/2014	-	32,477,562	47,927,380	49,548,504	12,568,602	6,953,496	69,560,374	-	219,035,918
Net Book Value as at 30 6-2014	435,000,000	488,886,164	21,193,813	16,673,019	11,552,164	1,929,076	112,902,835	914,850,222	2,002,987,292
Restated Balance	435,000,000	498,863,433	28,258,417	23,664,599	13,202,473	3,086,521	116,082,456	821,902,109	1,940,060,007
Adjustment	-	-	885,874	-	-	-	-	-	885,874
Net Book Value as at 30 6-2013	435,000,000	498,863,433	27,372,543	23,664,599	13,202,473	3,086,521	116,082,456	821,902,109	1,939,174,133
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	435,000,000	762,397,387	15,895,359	13,515,711	10,108,144	1,205,672	405,897,400	669,048,456	2,313,068,130
Net Book Value as at 30 6-2014	435,000,000	488,886,164	21,193,813	16,673,019	11,552,164	1,929,076	112,902,835	914,850,222	2,002,987,292

3	WORK-IN-PROGRESS	Description	BAL B/F	ADDITIONS	BUILDINGS	TOTAL
	Resource centre II	Buildings	168,358,357		168,358,357	-
	Oxidation ponds	Buildings	35,512,914		35,512,914	-
	Trunk sewer	Buildings	34,065,618		34,065,618	-
	Hostels	Buildings	31,885,124		17,265,383	14,619,741
	Academic Block P1	Buildings	341,098,078	13,875,741		354,973,819
	Academic Block P2	Buildings	-	14,145,757		14,145,757
	Sports field	Land improvements	16,329,587	387,579	16,717,166	-
	Conservancy	Equipments	6,208,411		6,208,411	-
	Dining Hall	Buildings	187,644,588	12,218,894		199,863,482
	Covered Walkway	Buildings	5,812,464		5,812,464	-
	Fibre Optic	Equipments	2,445,645		2,445,645	-
	link Road	Land improvements	82,805,040	2,640,618		85,445,658
	Farm projects	Buildings	2,684,395		2,684,395	-
	Bal c/d		<u>914,850,222</u>	<u>43,268,588</u>	<u>289,070,353</u>	<u>669,048,456</u>

4	INVESTMENT	Main University	University Farm	Consolidated	
		KSHS	KSHS	KSHS	KSHS
		2014/2015	2014/2015	2014/2015	2013/2014
i)	One (1) ordinary shares of Ksh 20.00 in Kenya Farmers Association	-	20	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	1,301,750
	Impairment of investment	-	(1,301,770)	(1,301,770)	-
		<u>-</u>	<u>-</u>	<u>-</u>	<u>1,301,770</u>

Kenya planters co-operative union Limited is under receivership. We have impaired the assets awaiting the outcome of receivership.

5	BIOLOGICAL ASSETS	Main University	University Farm	Consolidated	
		University	Farm	2014/2015	2013/2014
i)	Livestock	-	3,731,000	3,731,000	3,200,500
ii)	Coffee trees				
	Number of Coffee trees	108,403 @ 50.00	-	5,420,150	5,420,150
	Total	-	-	<u>9,151,150</u>	<u>8,620,650</u>

This was at net realisable value

6	INVENTORY	Main University	University Farm	Consolidated	
		University	Farm	2014/2015	2013/2014
	Farm stocks	-	2,133,233	2,133,233	5,797,592

7	TRADE AND OTHER RECEIVABLES	Main University	University Farm	Consolidated	
		University	Farm	2014/2015	2013/2014
a.	Exchange transactions				
	Student debtors	Main campus	-	62,905,744	63,496,236
	Student debtors	Nairobi Campus	-	85,283,629	-
	Student debtors	Nyeri Campus	-	15,620,515	-
	Provision for doubtful debt		-	(8,190,494)	(3,174,812)
				<u>155,619,394</u>	<u>60,321,424</u>
	K.P.L.C. deposits			2,294,143	2,028,350
	Sundry debtors		50,462	1,493,556	2,953,533
	Farm debtors (coffee sales)		263,703	263,703	765,919
	Staff debtors		-	1,490,714	184,322
	Interest on farm investment		-	-	-
	Investment on KUCT farm		9,954,132.00	-	-
	V.A.T. arrears		-	2,985,164	2,985,164
	Impairment of VAT receivables		-	(2,985,164)	(2,985,164)
	Total Exchange transactions		<u>10,268,297</u>	<u>161,161,510</u>	<u>66,253,548</u>
b.	Non exchange transactions				
	MOEST		-	42,715,054	78,195,229
	Total Non-Exchange transactions		-	<u>42,715,054</u>	<u>78,195,229</u>
	Total Trade and Other Receivables		<u>10,268,297</u>	<u>203,876,564</u>	<u>144,448,777</u>

Nb. VAT arrears has been impaired since it had accrued for a long time.

8	CASH AND BANK BALANCES	Main University	University Farm	Consolidated	
		University	Farm	2014/2015	2013/2014
		KSHS	KSHS	KSHS	KSHS
	Standard chartered bank				
	Nyeri town campus A/C	0102045131200	2,708,397	2,708,397	2,380,921
	Premium investment A/C	0102045131201	211,812	211,812	534,285
	DEKUT Farm Operating A/C	0102045131202	193,563	193,563	905,075
	DEKUT Fee collection A/C	0102045131203	-	-	7,711,250
	Consolidated bank				
	DEKUT Payment main A/C	10061200000061	-	-	-
	DEKUT Fee collection A/C	10061200000062	1,031,124	1,031,124	5,238,565
	DEKUT Bursary A/C	0120325312600	120,222	120,222	1,530,902
	DEKUT Economic Stimulus	0130225373700	374,348	374,348	369,737
	Fixed Deposit		8,413,819	8,413,819	-
	Fixed Deposit		4,000,000	4,000,000	-
	Family Bank				
	DEKUT Payment A/C	055000028807	980,115	980,115	541,109
	DEKUT A/C	055000031309	1,344,238	1,344,238	-
	DEKUT Payment A/C	055000032397	2,023,961	2,023,961	-
	Fixed Deposit (Farm loan)		50,000,000	50,000,000	-
	Fixed Deposit		10,500,000	10,500,000	-
	Kenya comercial bank				
	DEKUT Fee collection A/C	1121318274	636,308	636,308	-
	DEKUT Coffee research	1158874847	1,362,470	1,362,470	-
	Equity bank				
	DEKUT Fee collection A/C	1150297300480	413,086	413,086	2,673,484
	Cash balances		-	-	-
	Total balance		<u>84,313,462</u>	<u>84,313,462</u>	<u>21,885,328</u>

	Main University	University Farm	Consolidated 2014/2015	Consolidated 2013/2014
9 CAPITAL FUND				
Bal as at 1/7/2014	1,173,294,709	(9,990,246)	1,163,304,463	1,061,557,958
Development fund	120,230,000	-	120,230,000	101,746,505
Supplementary budget	29,166,667	-	29,166,667	-
Development grants	345,153,623	-	345,153,623	-
	1,667,844,999	(9,990,246)	1,657,854,753	1,163,304,463

	Main University	University Farm	Consolidated 2014/2015	Consolidated 2013/2014
10 RESERVE FUND				
Bal as at 1/7/2014	191,667,962	(38,072,792)	153,595,170	195,585,430
University Surplus/deficit for the period	(37,246,547)	(35,292,855)	(72,539,402)	(41,990,261)
Bal as at 30/6/2015	154,421,415	(73,365,647)	81,055,768	153,595,170

	Main University	University Farm	Consolidated 2014/2015	Consolidated 2013/2014
11 REVALUATION ACCOUNTS				
Bal as at 1/7/2014	588,962,938	374,500	589,337,438	588,962,938
Addition in the year	-	530,500	530,500.00	374,500
Bal as at 30/6/2015	588,962,938	905,000	589,867,938	589,337,438

		2014/2015	2013/2014
12 RESEARCH GRANTS			
CIDA (College of rockies)			3,529,664
			3,529,664

	Main University	University Farm	Consolidated 2014/2015	Consolidated 2013/2014
13 TRADE AND OTHER PAYABLES				
a. Exchange transactions				
Student creditors Main campus	11,924,614		11,924,614	24,022,359
Student creditors Nairobi Campus	2,539,885		2,539,885	
Student creditors Nyeri Campus	3,420,816		3,420,816	
Trade and other payables	181,912,785	6,569,079	188,481,864	211,317,883
Farm creditors (Internal)	9,954,132	87,298,276	-	-
Interest on investment(internal)	-	8,729,828	-	-
Provisions (audit fees)	1,620,000		1,620,000	750,000
Research grants	618,551	1,406,390	2,024,941	3,529,664
Total Exchange transactions	211,990,783	104,003,573	210,012,120	239,619,906
b. Non exchange transactions				
Capital Development Retention Funds	14,702,505	-	14,702,505	14,255,147
Total Non-Exchange transactions	14,702,505	-	14,702,505	14,255,147
Total Trade and Other Payables	226,693,288	104,003,573	224,714,625	253,875,053

NB. The retention money amount is accumulated figure since the projects started.

	Main University	University Farm	Consolidated 2014/2015	Consolidated 2013/2014
14 BANK OVERDRAFT				
KUCT Payment main A/C 1o06120000061	1,381,798	-	1,381,798	23,489,429
Stanchart o102045131203	173,337	-	173,337	138,086
	1,555,135	-	1,555,135	23,627,515

NB:

The university applied for an overdraft facility of Kshs 30 million from Consolidated Bank. The facility is issued with an interest of 19% p.a.

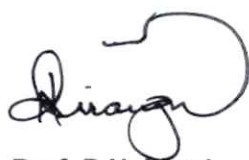
The security for the facility are:

- University Council resolution to borrow Kshs 31 million from Consolidated Bank of Kenya
- Letter of set off
- Letter of Deposit of securities


15 MATHIRA TTI	
Funds received	33,250,000
Expenditure in the period	23,024,711
Retention money	2,462,349
Balance in the bank	7,762,940

DEDAN KIMATHI UNIVERSITY OF TECHNOLOGY
UNIVERSITY STATEMENT OF FINANCIAL POSITION AS AT 30TH JUNE 2015

		<u>2014/2015</u>	<u>2013/2014</u>
		<u>KSHS</u>	<u>KSHS</u>
<u>NON-CURRENT ASSETS</u>			
Property Plant and Equipments	NOTE 2	2,313,068,130	2,002,987,292
		2,313,068,130	2,002,987,292
<u>CURRENT ASSETS</u>			
Trade and other receivables (Exchange Transactions)	7.a	256,875,449	212,250,318
Trade and other receivables (Non-Exchange Transactions)	7.b	42,715,054	
Cash & Bank Balances	8	84,313,462	21,885,328
		383,903,965	234,135,646
TOTAL ASSETS		<u>2,696,972,095</u>	<u>2,237,122,938</u>
<u>FUNDS , RESERVES AND LIABILITIES</u>			
<u>FUNDS</u>			
Capital fund	9	1,667,844,999	1,173,294,709
Reserve fund	10	154,421,415	191,667,962
Revaluation reserve	11	588,962,938	588,962,938
		2,411,229,352	1,953,925,609
<u>CURRENT LIABILITIES</u>			
Trade and other payables (Exchange Transactions)	13.a	211,990,783	259,569,814
Trade and other payables (Non-Exchange Transactions)	13.b	14,702,505	
Bank overdraft	14	1,555,135	23,627,515
		228,248,423	283,197,329
<u>NON CURRENT LIABILITIES</u>			
Long term borrowings (loan)		57,494,320	-
		57,494,320	-
TOTAL FUNDS , RESERVES AND LIABILITIES		<u>2,696,972,095</u>	<u>2,237,122,938</u>



Prof. P.N. Kioni
Vice Chancellor



Ms. Beatrice Mwangi
Ag. Finance Officer

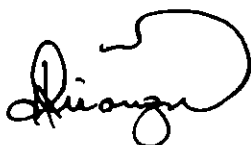
<u>INCOME</u>	<u>NOTE</u>	2014/2015 <u>KSHS</u>	2013/2014 <u>KSHS</u>
<u>Revenue from exchange transactions</u>			
Ministry grant - Recurrent	16	512,580,648	512,580,655
<u>Revenue from non-exchange transactions</u>			
Tuition & other fees	17	533,748,839	436,156,113
Other income	18	<u>45,388,793</u>	<u>34,163,780</u>
TOTAL		1,091,718,280	982,900,548
<u>LESS EXPENDITURE</u>			
Personnel cost	19	751,845,424	671,543,139
Central services	20	199,568,438	187,257,672
Council allowance	21	7,497,010	7,498,811
Maintenance cost	22	13,111,391	21,771,059
Student welfare	23	7,539,345	8,978,240
Academic costs	24	45,939,009	39,610,518
Administrative cost	25	15,791,412	<u>12,579,460</u>
EXPENDITURE		1,041,292,029	949,238,897
Add provision for depreciation	2	86,802,798	43,124,183
Add provision for Audit Fee	13	<u>870,000</u>	<u>750,000</u>
TOTAL EXPENDITURE		<u>1,128,964,827</u>	<u>993,113,081</u>
Surplus/deficit for the year		<u>(37,246,547)</u>	<u>(10,212,533)</u>

	<u>ACTUAL</u>	<u>ACTUAL</u>
INCOME		
REVENUE FROM EXCHANGE TRANSACTIONS (NOTE 15)	KSHS	KSHS
16 CAPITATION GRANT		
Ministry grant - Recurrent	512,580,648	512,580,655
Special grant	-	-
	512,580,648	512,580,655
REVENUE FROM NON-EXCHANGE TRANSACTIONS (NOTE 16 & 17)		
17 TUITION AND OTHER FEES		
Tuition and other fees (Main Campus)	353,947,123	436,156,113
Tuition and other fees (Nairobi Campus)	120,526,273	-
Tuition and other fees (Nyeri Campus)	59,275,443	-
	533,748,839	436,156,113
18 OTHER INCOMES		
Sale of admission forms	1,038,500	941,000
Sale of tenders forms	6,000	156,000
Rent	567,622	725,600
Miscellaneous income	12,255,370	3,802,834
Research Grants	7,597,555	3,494,228
Interest on KUJCT farm investment	8,729,829	6,233,977
Kitchen sales	15,193,917	18,810,141
TOTAL OTHER INCOME	45,388,793	34,163,780
TOTAL INCOME	1,091,718,280	982,900,548
19 PERSONNEL COSTS		
Basic Salaries	284,492,867	244,273,506
Salaries arrears	-	20,293,202
Casual workers	26,478,320	23,901,326
Part time teaching	122,349,000	93,419,423
Gratuity and pension	39,353,716	37,965,279
House to Office allowance	29,987,842	25,707,353
Other personal allowances	84,752,054	55,987,422
Passage and Baggage	495,213	-
Group life (pension) insurance	2,293,359	-
House allowances	179,597,922	168,045,872
Leave allowance	2,045,130	1,949,756
	751,845,424	671,543,139
20 CENTRAL SERVICES		
Electricity expenses	12,400,877	11,045,636
Water expenses	8,010,206	7,117,391
Misc. other charges	22,730	-
Vehicle licenses & insurance	3,297,565	2,149,984
Insurance premiums	2,343,298	2,784,595
Vehicle fuel and oil	7,823,169	9,347,509
Publishing & Printing	3,894,079	3,336,514
Advertising and Publicity	9,168,438	8,992,854
Marketing Expenses	2,776,387	4,147,963
Telephone expenses	2,157,240	2,020,368
Postal expenses	279,148	194,343
Bank charges/ interest	4,303,585	4,670,935
Bank loan interest	8,353,094	-
Purchase of uniforms	513,864	966,921
Conferences and seminars	5,156,080	3,360,820
Public celebrations/Demise	697,370	693,070
Purchase of Drugs	1,840,546	1,195,152
Medical expenses	21,291,598	14,741,128
Optical and Dental	2,381,570	1,028,399
University Public Functions	346,236	-
Contracted professional services	465,918	1,438,216
Legal expenses	721,826	793,875
Catering	20,223,356	25,080,062
Utensils and Crockery	334,393	527,705
Cleaning materials	2,369,162	2,613,439
Hygiene services	239,200	453,360
Fumigation Services	876,274	599,016
Internet services	15,964,525	12,668,947
Set up of ICT infrastructure	2,087,271	128,770
External travelling	4,329,520	2,446,189
Gas and fuel	958,961	711,847
Training expenses	4,509,934	12,344,766
Subscription to professional bodies	671,971	1,818,300
Security services	5,096,516	5,008,327
Book shop expenses	795,054	670,877
Booked meals	1,271,800	1,848,618
Maisha Project	3,656,722	3,494,228
Towa Project	-	428,733
Nyeri Town campus Expenses	9,178,575	9,485,780
Nairobi Campus Expenses	15,637,292	16,079,242
Mau mau establishment centre	327,050	214,800
New campuses	-	213,140
Generator expenses	513,026	271,160
Performance Contract	230,539	190,850
Show and Exhibitions Expenses	827,742	1,639,469
Linkages	102,850	632,939
Newspapers	731,364	1,501,460
Provision for doubtful debt (student fee)	8,190,494	3,174,812
Impairment of receivables (VAT)	-	2,985,164
Geo-power Africa project	2,200,043	-
	199,568,438	187,267,672

	<u>2014/2014</u>	<u>2013/2014</u>
	<u>ACTUAL</u>	<u>ACTUAL</u>
	<u>KSHS</u>	<u>KSHS</u>
21 CHANCELLOR/COUNCIL ALLOWANCE		
Chancellor Allowance	1,284,000	1,426,026
Chairman Allowance	1,044,000	1,044,000
Sitting Allowance	2,872,000	3,668,000
Travelling & Accomodation	<u>2,297,010</u>	<u>1,360,785</u>
	7,497,010	7,498,811
22 MAINTENANCE COSTS		
Maintenance Vehicle	3,569,395	4,910,068
Maintenance of equipment	3,455,423	5,021,291
Maintenance Water and sewerage	343,540	715,867
Maintenance of Buildings	3,611,332	4,665,317
Maintenance of roads/grounds	890,829	1,771,532
Maintenance of computers/printer	<u>1,240,872</u>	<u>4,686,984</u>
	13,111,391	21,771,089
23 STUDENTS WELFARE		
Inter university games	-	1,529,200
Sports and Games	3,101,733	2,206,590
Students insurance	63,960	384,000 00
Student benevolent fund	306,000	279,250 00
Students conference/workshops	61,700	342,550 00
Student Awards	319,500	419,000 00
Student bursary	1,300,000	1,000,000 00
Counselling expenses	551,193	554,886
Entertainment	694,447	992,948
Kimathi students union allow	345,924	1,106,966
Sports equipments	<u>792,868</u>	<u>162,830</u>
	7,639,348	8,978,240
24 ACADEMIC COSTS		
External examination	2,853,435	5,006,365
Examination materials	3,065,000	2,576,060
Attachment expenses	1,437,407	1,663,440
Traveling and accommodation	2,113,864	1,379,378
Payment of use of lab	217,150	1,126,162
Library	3,657,645	3,503,677
Outreach programs	229,715	73,800
Field courses	898,462	1,185,527
Coffee Centre Expenses	1,045,823	704,064
Graduation	3,613,367	3,305,066
Teaching materials	9,703,205	7,550,084
Research, production & extension	1,109,181	7,538,925
KUCCPS admission expenses	1,637,500	200,785
Conservancy Expenses	1,267,865	920,350
Work-study	230,090	330,135
Purchase of software	-	996,672
Hire of teaching facilities	1,017,240	1,257,100
ITPS	-	28,800
Purchase of Gowns	129,535	-
Launch of MBA & PHD Programmes	3,200,000	-
Cumculum Development	67,945	262,126
Innovation and technology	161,180	-
Wind energy	220,200	-
Final year project	2,690,777	-
Mt Kenya expedition	3,565,211	-
Servir project	561,750	-
D HUB	1,138,292	-
Internship	<u>87,150</u>	<u>-</u>
	45,939,009	39,610,818
25 ADMINISTRATIVE COSTS		
Travelling and accommodation	4,379,962	3,553,518
Staff Welfare	3,026,843	2,097,590
Staff Entertainment	26,794	43,614
Guest house Expenses	395,367	344,787
Corporate social responsibilities	248,850	305,200
Alumni Association	35,600	231,650
Recruitment expenses	-	143,269
ISO Expenses	543,959	174,597
Stationery and stores	<u>7,134,037</u>	<u>5,685,236</u>
	15,791,412	12,578,480

DEDAN KIMATHI UNIVERSITY OF TECHNOLOGY
 FARM STATEMENT OF FINANCIAL POSITION AS AT 30TH JUNE 2015

		<u>2014/2015</u>	<u>2013/2014</u>
		<u>KSHS</u>	<u>KSHS</u>
<u>NON-CURRENT ASSETS</u>			
Investments	4	-	-
Biological assets	5	9,151,150	8,620,650
		9,151,150	8,620,650
<u>CURRENT ASSETS</u>			
Inventories	6	2,133,233	5,797,592
Trade and other receivables	7	10,268,297	7,346,271
Cash & Bank Balances	8	-	-
		12,401,530	13,143,863
TOTAL ASSETS		<u>21,552,680</u>	<u>21,764,513</u>
<u>FUNDS , RESERVES AND LIABILITIES</u>			
FUNDS			
Capital fund	9	(9,990,246)	(9,990,246)
Revaluation reserve		905,000	374,500
Reserve fund	10	(73,365,647)	(38,072,792)
		(82,450,893)	(47,688,538)
<u>CURRENT LIABILITIES</u>			
Trade and other payables	13	104,003,573	69,453,051
		104,003,573	69,453,051
TOTAL FUNDS , RESERVES AND LIABILITIES		<u>21,552,680</u>	<u>21,764,513</u>



Prof. P.N. Kioni
 Vice Chancellor



Ms. Beatrice Mwangi
 Ag. Finance Officer

DEDAN KIMATHI UNIVERSITY OF TECHNOLOGY
 FARM TRADING ACCOUNTS FOR THE YEAR ENDED 30 JUNE 2015

		<u>2014/2015</u>	<u>2013/2014</u>
	<u>NOTE</u>	<u>KSHS</u>	<u>KSHS</u>
Gross sales income	26	<u>17,270,014</u>	<u>17,550,578</u>
		17,270,014	17,550,578
LESS COST OF SALES			
Stock 1/7/2014		5,797,592	8,418,614
Add			
Horticulture expenses	27	1,892,148	2,689,281
Coffee expenses	28	25,324,978	26,162,017
Livestock expenses	29	<u>3,033,411</u>	<u>1,772,700</u>
		36,048,129	39,042,612
Less stock 30/6/2015	6	2,133,233	5,797,592
Cost of sales	31	<u>33,914,896</u>	<u>33,245,020</u>
Gross profit/ Loss		(16,644,882)	(15,694,442)
Less overhead expenses	30	<u>18,647,973</u>	<u>16,083,286</u>
Net farm profit/ Loss		<u>(35,292,855)</u>	<u>(31,777,728)</u>

NOTE	<u>2014/2015</u>		<u>2013/2014</u>	
	<u>ACTUAL</u>		<u>ACTUAL</u>	
	<u>KSHS</u>		<u>KSHS</u>	
26	<u>Revenue</u>			
	Coffee	9,545,916	11,679,252	
	Milk	2,474,313	1,775,746	
	Horticulture	1,871,152	2,999,964	
	Livestock Sales	764,255	258,410	
	Miscellaneous	18,185	2,400	
	Charcoal Sales	1,112,942	834,806	
	Grant	1,483,250	-	
		<u>17,270,014</u>	<u>17,550,578.0</u>	
	<u>Expenditure</u>			
27	<u>HORTICULTURE EXPENSES</u>			
	Seeds-Hort	316,967	606,590	
	Horticulture - Labour	1,284,898	1,847,591	
	Chemicals-Hort	201,943	191,130	
	Fertilizers-Hort	56,840	12,660	
	Irrigation equipments	31,500	31,310	
	Coffee nylex & sisal twine	-	-	
		<u>1,892,148</u>	<u>2,689,281</u>	
28	<u>COFFEE EXPENSES</u>			
	Certified coffee seeds	120,000	80,000	
	Farm inputs	202,600	144,550	
	Coffee Labour	8,910,578	11,008,794	
	Coffee hole digging	1,038,380	732,000	
	Coffee picking expenses	41,730	9,975	
	Fertilisers-coffee	724,485	703,342	
	Organic manure	2,192,505	1,203,840	
	Herbicides-Coffee	436,000	459,900	
	Fungicides-coffee	-	1,975	
	Insecticides-coffee	195,600	33,940	
	Coffee nylex & sisal twine	53,582	56,280	
	Farm tools	61,610	62,578	
	Administration salaries	11,347,908	11,664,843	
	Mulching	-	-	
		<u>25,324,978</u>	<u>26,162,017</u>	

NOTES TO THE STATEMENTS

FARM ACCOUNTS

	<u>2014/2015</u>	<u>2013/2014</u>
<u>PENSES</u>	<u>ACTUAL</u>	<u>ACTUAL</u>
29 <u>LIVESTOCK EXPENSES</u>	1,358,281	744,548
Feeds/Fodder	883,062	654,739
Labour - Livestock	200,023	196,553
Veterinary bills & local treatment	18,720	12,970
Grooming and	52,480	31,210
Acaricides	499,845	11,800
Piggery feeds -Dairy	21,000	120,880
Polythene &	<u>3,033,411</u>	<u>1,772,700</u>
30 <u>OVERHEAD EXPENSES</u>		
Buildings maintenance	1,001,353	1,351,363
Machinery maintenance	728,563	1,253,596
Electricity-irrigation	3,026,846	925,732
Electricity-wet mill	80,117	71,978
Electricity- office/stores/dairy	118,091	140,005
Travel & Subsist	140,491	102,625
Stationery & printing	158,213	163,358
Security	4,000	15,000
Licences and legal fees	38,400	34,848
Seminars & Workshops	70,900	30,000
Insurance	47,993	195,249
Hired transport	33,500	37,000
Staff entertainment	150,840	126,314
Fuel and oils	573,484	622,627
Telephone	1,100	38,552
Protective clothing	25,744	110,095
Internet connections	60,500	4,750
Postal & Courier charges	6,960	6,000
Cleaning Materials	26,113	37,578
Packaging materials	16,780	17,043
Printing & Publishing	67,200	1,040,575
Exhibition cost	2,550	47,000
Interest on investment	8,729,828	6,233,977
Impairment of investment	-	1,301,770
Valuation Fees	-	2,176,250
Coffee Nursery project	1,483,250	
Green house expenses	690,000	
Advisory	1,000	
Indirect labour	1,355,607	
Drying and picking materials	8,550	-
	<u>18,647,973</u>	<u>16,083,286</u>