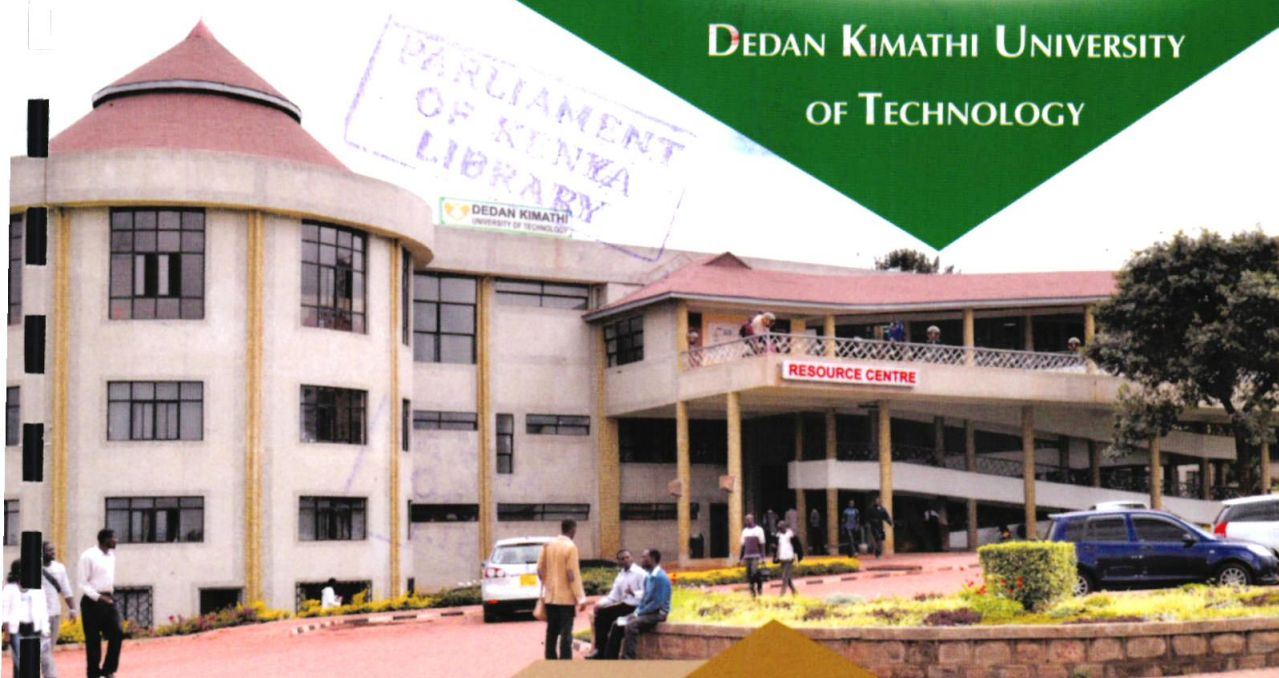


10 April 2014
By the Hon. Prof. Hon.
Dedan Kimathi



Dedan Kimathi University of Technology

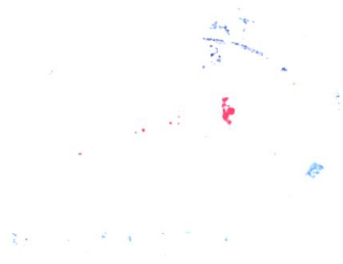
DEDAN KIMATHI UNIVERSITY
OF TECHNOLOGY



REPORT OF THE
AUDITOR GENERAL

ON

THE FINANCIAL
STATEMENTS FOR THE YEAR
ENDED 30 JUNE 2014





DEDAN KIMATHI UNIVERSITY OF TECHNOLOGY

NYERI-MWEIGA ROAD
P.O. Box 657, 10100-NYERI KENYA
Telephone: (061) 2034616 / 2034046
Fax: (061) 2032060 Cell Phone: 0770 899 234, 0736 456 391
Telkom Wireless: 020-2327092 Website: www.dkut.ac.ke

Financial Statement for the Year ended 30th June 2014

DeKUT is ISO 9001:2008 Certified



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GENERAL INFORMATION

REGISTERED OFFICE AND PRINCIPAL PLACE OF BUSINESS

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

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. Box 75104-10100,
Nyeri - Kenya.
- 5) Family Bank Nyeri Branch
Nyeri - Kenya.

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.



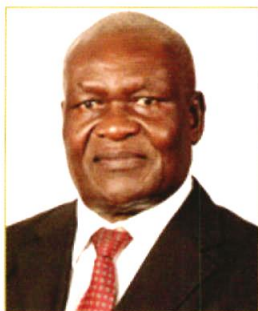
UNIVERSITY CHANCELLOR

Name	Date of Appointment
Prof. Shellemiah Keya	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) Dr. Richard Kipsang	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 CHANCELLOR



Prof. Shellemiah Keya
Chancellor

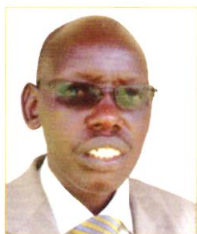
UNIVERSITY COUNCIL MEMBERS



Dr. Dulacha Galgalo
Chairman



Justus Mutiga
Member



Dr. Richard Kipsang
P.S. MOEST



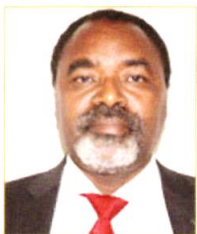
Dr. Kamau Thuge
P.S. National Treasury



Ms. Mercy Mwatua
Member



Ishard Ibrahim
Member



Eng. John Kisenga
Member



Ms. Sophia Yega
Member



Prof. P.N Kioni
Vice Chancellor/
Secretary to Council



UNIVERSITY MANAGEMENT BOARD



Prof. P.N Kioni
Vice Chancellor/
Secretary to Council



Prof. Moses K. Gachari
Deputy Vice Chancellor
A. & E.



Prof. Gerald Muthakia
Deputy Vice Chancellor
A. A.



Prof. Paul Wambua
Deputy Vice Chancellor
RTMCL



Ms. Beatrice Mwangi
Finance Officer



Prof. J. W. Khamasi
Registrar A. & A.



Mr. Andrew Muriuki
Registrar A. & F.



Dr. Sabina Wachira
Registrar RTMCL



PRINCIPAL OFFICERS OF DEDAN KIMATHI UNIVERSITY OF TECHNOLOGY

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, Nyeri Town Campus |
| 2) Prof. P. N. Muchiri | Director, Nairobi CBD 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

- | | |
|--------------------|-----------|
| 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.

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 Galgallo

Chairman of the University Council



VICE CHANCELLORS REPORT FOR THE YEAR ENDED 30TH JUNE 2014

I have the pleasure to present the annual report and accounts for Dedan Kimathi University for the year ended 30th June, 2014

1. FINANCES:

The University started the year with a cash balance of Kshs. (28,665,645) and was allocated Kshs. 512,580,655 by the Government during the year under review. The University managed to collect Kshs. 436,156,113 in tuition and other charges and Kshs. 34,163,780 from the small income generating activities it is trying to establish. In total therefore, the University had Kshs. 982,900,548 at its disposal during the year for its recurrent expenditures.

The University was allocated Kshs. 101,746,505 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.

A handwritten signature in black ink, appearing to read 'P. N. Kioni'.

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



STATEMENT OF THE COUNCIL MEMBERS RESPONSIBILITIES

On the Financial Statements for the year ended 30th June 2014

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 2014 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



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.

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 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.



AUDITORS REPORT



KENYA NATIONAL AUDIT OFFICE

REPORT OF THE AUDITOR-GENERAL ON DEDAN KIMATHI UNIVERSITY OF TECHNOLOGY FOR THE YEAR ENDED 30 JUNE 2013

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 26 which comprise the statement of financial position as at 30 June 2014 and the statement of comprehensive income, the statement of changes in accumulated funds and reserves, 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.

The Council Members' Responsibility for the Financial Statements

The University Council is responsible for the preparation and fair presentation of the financial statements in accordance with the International Financial Reporting Standards and for such internal control as the Council determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

The Council 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 Provision of Section 15 (2) of the Public Audit Act, 2003 and submit the audit report in compliance with the provisions of Article 229 (7) of the Constitution of Kenya. The audit was conducted in accordance with International Standards on Auditing. Those Standards require compliance with ethical requirements and that the



STATEMENT OF FINANCIAL POSITION AS AT 30TH JUNE 2014

		<u>2013/2014</u>	<u>2012/2012</u>	<u>2012/2013</u>
		<u>KSHS</u>	<u>KSHS</u>	<u>KSHS</u>
<u>NON-CURRENT ASSETS</u>				
	<u>NOTE</u>		<u>Restated balance</u>	
Property Plant and Equipments	2	2,002,987,292	1,939,174,133	1,939,174,133
		2,002,987,292	1,939,174,133	1,939,174,133
<u>CURRENT ASSETS</u>				
Trade and other receivables	7	212,250,318	200,568,166	200,568,166
Cash & Bank Balances	8	21,885,328	30,352,594	30,352,594
		234,135,646	230,920,759	230,920,759
TOTAL ASSETS		2,237,122,938	2,170,094,892	2,170,094,892
<u>FUNDS , RESERVES AND LIABILITIES</u>				
<u>FUNDS</u>				
Capital fund	9	1,173,294,709	1,071,548,204	1,071,548,204
Reserve fund	10	191,667,960	201,880,493	272,128,353
Revaluation reserve	11	588,962,938	588,962,938	588,962,938
Research grants	12	-	-	3,868,086
		1,953,925,607	1,862,391,635	1,936,507,581
<u>CURRENT LIABILITIES</u>				
Trade and other payables	13	259,569,814	248,652,060	174,536,114
Bank overdraft	14	23,627,515	59,051,197	59,051,197
		283,197,329	307,703,257	233,587,311
TOTAL FUNDS , RESERVES AND LIABILITIES		2,237,122,937	2,170,094,892	2,170,094,892

NB. The restated balance is for salaries areas for year 2011,2012 and 2013 but paid in the current year.

Prof. P.N. Kioni
Vice Chancellor

Ms. Beatrice Mwangi
Ag. Finance Officer



STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 30 JUNE 2014

<u>INCOME</u>	<u>NOTE</u>	2013/2014	2012/2013	2011/2012
		<u>KSHS</u>	<u>Restated balance</u>	<u>KSHS</u>
Ministry grant - Recurrent	15	512,580,655	397,165,207	397,165,207
Special grant	15	-	63,900,000.00	63,900,000.00
Tuition & other fees	16	436,156,113	441,257,771	441,257,771
Other income	17	34,163,780	29,117,645	29,117,645
TOTAL		982,900,548	931,440,623	931,440,623
<u>LESS EXPENDITURE</u>				
Personnel cost	18	671,543,139	628,811,944	605,100,699
Central services	19	187,257,672	154,550,630	154,550,630
Council allowance	20	7,498,811	7,027,680	7,027,680
Maintenance cost	21	21,771,059	21,918,855	21,918,855
Student welfare	22	8,978,240	5,403,047	5,403,047
Academic costs	23	39,610,518	39,601,302	39,601,302
Administrative cost	24	12,579,460	19,152,437	19,152,437
EXPENDITURE		949,238,897	876,465,895	852,754,650
Add provision for depreciation	2	43,124,183	49,768,226	49,768,226
Add provision for Audit Fee	13	750,000	750,000	750,000
TOTAL EXPENDITURE		993,113,081	926,984,121	903,272,876
Surplus/deficit for the year		(10,212,533)	4,456,502	28,167,746

NB. The restated balance is for salaries areas for year 2011,2012 and 2013 but paid in the current year.



NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 30TH JUNE 2014 (Cont:...)

	<u>2013/2014</u>	<u>2013/2014</u>	<u>2012/2013</u>	<u>2012/2013</u>	<u>2013/2014</u>	<u>2013/2014</u>
	<u>BUDGET</u>	<u>ACTUAL</u>	<u>Restated</u>	<u>ACTUAL</u>	<u>VARIANCE</u>	<u>VARIANCE</u>
	<u>KSHS</u>	<u>KSHS</u>	<u>balance</u>	<u>KSHS</u>	<u>KSHS</u>	<u>%</u>
15 INCOME						
CAPITATION GRANT						
Ministry grant - Recurrent	512,580,650	512,580,655	397,165,207	397,165,207	5	0.0
Special grant	-	-	63,900,000	63,900,000	-	
	512,580,650	512,580,655	461,065,207	461,065,207	5	0.0
16 TUITION AND OTHER FEES						
Tuition and other fees	422,364,749	436,156,113	441,257,771	441,257,771	13,791,364	3.3
	422,364,749	436,156,113	441,257,771	441,257,771		-
17 OTHER INCOMES						
Sale of admission forms	1,000,000	941,000	353,688	353,688	(59,000)	(5.9)
Sale of tenders forms	150,000	156,000	1,613,000	1,613,000	6,000	4.0
Rent	725,000	725,600	715,200	715,200	600	0.1
Miscellaneous income	4,000,000	3,802,834	672,825	672,825	(197,166)	(4.9)
Research Grants	3,500,000	3,494,228	3,520,069	3,520,069	(5,772)	(0.2)
Interest on KUCT farm investment	4,500,000	6,233,977	3,655,891	3,655,891	1,733,977	38.5
Kitchen sales	16,125,000	18,810,141	18,586,972	18,586,972	2,685,141	16.7
TOTAL OTHER INCOME	30,000,000	34,163,780	29,117,645	29,117,645		-
TOTAL INCOME	964,945,399	982,900,548	931,440,623	931,440,623		
18 PERSONNEL COSTS						
Basic Salaries	268,595,652	244,273,506	209,343,027	209,343,027	24,322,146	9.1
Salaries arrears		20,293,202	23,711,244	-	-	
Casual workers	25,000,000	23,901,326	26,913,942	26,913,942	1,098,674	4.4
Part time teaching	100,000,000	93,419,423	113,535,421	113,535,421	6,580,577	6.6
Gratuity and pension	40,000,000	37,965,279	24,473,552	24,473,552	2,034,721	5.1
House to Office allowance	30,000,000	25,707,353	26,503,541	26,503,541	4,292,647	14.3
Other personal allowances	60,000,000	55,987,422	52,224,406	52,224,406	4,012,578	6.7
Group life (pension) insurance	2,500,000	-	1,823,560	1,823,560	2,500,000	100.0
House allowances	174,810,650	168,045,872	148,162,122	148,162,122	6,764,778	3.9
Leave allowance	2,000,000	1,949,756	2,121,128	2,121,128	50,244	2.5
	702,906,302	671,543,139	628,811,944	605,100,699		-

NB. The restated balance is for salaries areas for year 2011,2012 and 2013 but paid in the current year.



NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 30TH JUNE 2014 (Cont:...)

	<u>2013/2014</u>	<u>2013/2014</u>	<u>2012/2013</u>	<u>2012/2013</u>	<u>2013/2014</u>	<u>2013/2014</u>
	<u>BUDGET</u>	<u>ACTUAL</u>	<u>Restated</u>	<u>ACTUAL</u>	<u>VARIANCE</u>	<u>VARIANCE</u>
	<u>KSHS</u>	<u>KSHS</u>	<u>balance</u>	<u>KSHS</u>	<u>KSHS</u>	<u>%</u>
			<u>KSHS</u>			
19 CENTRAL SERVICES						
Electricity expenses	11,000,000	11,045,636	11,877,898	11,877,898	(45,636)	(0.4)
Water expenses	7,700,000	7,117,391	7,690,664	7,690,664	582,609	7.6
Misc. other charges	110,000	-	459,100	459,100	110,000	100.0
Vehicle licenses & insurance	2,000,000	2,149,984	4,440,627	4,440,627	(149,984)	(7.5)
Insurance premiums	3,000,000	2,784,595	943,625	943,625	215,405	7.2
Vehicle fuel and oil	10,000,000	9,347,509	9,338,613	9,338,613	652,491	6.5
Publishing & Printing	3,500,000	3,336,514	4,665,961	4,665,961	163,486	4.7
Advertising and Publicity	9,000,000	8,992,854	8,639,399	8,639,399	7,146	0.1
Marketing Expenses	4,000,000	4,147,963	1,666,781	1,666,781	(147,963)	(3.7)
Telephone expenses	2,200,000	2,020,368	2,115,737	2,115,737	179,632	8.2
Postal expenses	550,000	194,343	834,885	834,885	355,657	64.7
Bank charges/ interest	4,500,000	4,670,935	3,617,593	3,617,593	(170,935)	(3.8)
Purchase of uniforms	1,000,000	966,921	757,090	757,090	33,079	3.3
Conferences and seminars	3,500,000	3,360,820	4,782,892	4,782,892	139,180	4.0
Public celebrations/ Demise	700,000	693,070	445,550	445,550	6,930	1.0
Purchase of Drugs	1,200,000	1,195,152	3,254,121	3,254,121	4,848	0.4
Medical expenses	15,000,000	14,741,128	13,969,998	13,969,998	258,872	1.7
Optical and Dental	1,000,000	1,028,399	680,058	680,058	(28,399)	(2.8)
University Public Functions	500,000	-	532,400	532,400	500,000	100.0
Contracted professional services	1,500,000	1,438,216	2,157,163	2,157,163	61,784	4.1
Legal expenses	1,000,000	793,875			206,125	20.6
Catering	25,000,000	25,080,062	18,877,886	18,877,886	(80,062)	(0.3)
Utensils and Crockery	500,000	527,705	90,020	90,020	(27,705)	(5.5)
Cleaning materials	2,500,000	2,613,439	1,804,263	1,804,263	(113,439)	(4.5)
Hygiene services	500,000	453,360	521,340	521,340	46,640	9.3
Fumigation Services	600,000	599,016	299,620	299,620	984	0.2
Internet services	13,000,000	12,668,947	6,874,222	6,874,222	331,053	2.5
Set up of ICT infrastructure	200,000	128,770	1,108,919	1,108,919	71,230	35.6
External travelling	2,500,000	2,446,189	2,100,727	2,100,727	53,811	2.2
Gas and fuel	1,000,000	711,847	721,821	721,821	288,153	28.8
Training expenses	12,500,000	12,344,766	8,109,249	8,109,249	155,234	1.2
Subscription to professional bodies	2,000,000	1,818,300	533,626	533,626	181,700	9.1
Security services	5,000,000	5,008,327	6,016,602	6,016,602	(8,327)	(0.2)
Book shop expenses	750,000	670,877	52,789	52,789	79,123	10.5
Booked meals	2,000,000	1,848,618	1,837,220	1,837,220	151,382	7.6
Maisha Project	3,500,000	3,494,228	2,520,069	2,520,069	5,772	0.2
Towa Project	500,000	428,733	1,632,150	1,632,150	71,267	14.3
Nyeri Town campus Expenses	10,000,000	9,485,780	7,956,003	7,956,003	514,220	5.1
Nairobi Campus Expenses	16,000,000	16,079,242	8,001,989	8,001,989	(79,242)	(0.5)

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 30TH JUNE 2014 (Cont:...)

Mau mau establishment centre	200,000	214,800			(14,800)	(7.4)
New campuses	200,000	213,140			(13,140)	(6.6)
Generator expenses	300,000	271,160			28,840	9.6
Performance Contract Show and Exhibitions	200,000	190,850	136,017	136,017	9,150	4.6
Expenses	1,500,000	1,639,469	1,105,710	1,105,710	(139,469)	(9.3)
Linkages	750,000	632,939	111,636	111,636	117,061	15.6
Newspapers	1,500,000	1,501,460	1,268,595	1,268,595	(1,460)	(0.1)
Provision for doubtful debt (student fee)	-	3,174,812	-	-	-	-
Impairment of receivables (VAT)	-	2,985,164	-	-	-	-
	185,660,000	187,257,672	154,550,630	154,550,630		

	<u>2013/2014</u> <u>BUDGET</u>	<u>2013/2014</u> <u>ACTUAL</u>	<u>2012/2013</u> <u>ACTUAL</u>	<u>2013/2014</u> <u>VARIANCE</u>	<u>2013/2014</u> <u>VARIANCE</u>
CHANCELLOR/COUNCIL					
20 ALLOWANCE	KSHS	KSHS	KSHS	KSHS	%
Chancellor Allowance	1,500,000	1,426,026	0	73,974	4.9
Chairman Allowance	1,250,000	1,044,000	1,198,232	206,000	16.5
Sitting Allowance	4,000,000	3,668,000	3,841,227	332,000	8.3
Travelling & Accommodation	<u>1,500,000</u>	<u>1,360,785</u>	<u>1,988,221</u>	139,215	9.3
	8,250,000	7,498,811	7,027,680		
21 MAINTENANCE COSTS					
Maintenance Vehicle	5,000,000	4,910,068	3,947,346	89,932	1.8
Maintenance of equipment	5,000,000	5,021,291	4,594,764	(21,291)	(0.4)
Maintenance Water and sewerage	750,000	715,867	105,970	34,133	4.6
Maintenance of Buildings	5,000,000	4,665,317	9,513,005	334,683	6.7
Maintenance of roads/grounds	2,000,000	1,771,532	1,704,591	228,468	11.4
Maintenance of computers/printer	<u>5,000,000</u>	<u>4,686,984</u>	<u>2,053,180</u>	313,016	6.3
	22,750,000	21,771,059	21,918,855		
22 STUDENTS WELFARE					
Inter university games	1,500,000	1,529,200	928,640	(29,200)	(1.9)
Sports and Games	2,500,000	2,206,590	1,213,565	293,410	11.7
Students insurance	500,000	384,000.00	-	116,000	23.2
Student benevolent fund	300,000	279,250.00	-	20,750	6.9
Students conference/workshops	500,000	342,550.00	-	157,450	31.5
Student Awards	500,000	419,000.00	-	81,000	16.2
Student bursary	1,000,000	1,000,000.00	-	-	-
Counselling expenses	500,000	554,886	1,521,135	(54,886)	(11.0)
Entertainment	1,000,000	992,948	516,762	7,052	0.7
Kimathi students union allow	1,000,000	1,106,986	769,225	(106,986)	(10.7)
Sports equipments	<u>200,000</u>	<u>162,830</u>	<u>453,720</u>	37,170	18.6
	9,500,000	8,978,240	5,403,047		



NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 30TH JUNE 2014 (Cont:...)

	<u>2013/2014</u> <u>BUDGET</u> <u>KSHS</u>	<u>2013/2014</u> <u>ACTUAL</u> <u>KSHS</u>	<u>2012/2013</u> <u>ACTUAL</u> <u>KSHS</u>	<u>2013/2014</u> <u>VARIANCE</u> <u>KSHS</u>	<u>2013/2014</u> <u>VARIANCE</u> <u>%</u>
23 ACADEMIC COSTS					
External examination	5,000,000	5,006,365	5,841,192	(6,365)	(0.1)
Examination materials	2,500,000	2,576,060	1,012,100	(76,060)	(3.0)
Attachment expenses	1,750,000	1,663,440	668,200	86,560	4.9
Traveling and accommodation	1,500,000	1,379,378	2,435,553	120,622	8.0
Payment of use of lab	1,250,000	1,128,162	1,257,236	121,838	9.7
Library	3,500,000	3,503,677	7,212,411	(3,677)	(0.1)
Outreach programs	100,000	73,800	17,050	26,200	26.2
Field courses	1,000,000	1,185,527	446,920	(185,527)	(18.6)
Coffee Centre Expenses	750,000	704,064	417,400	45,936	6.1
Graduation	3,500,000	3,305,066	3,342,250	194,934	5.6
Teaching materials	7,500,000	7,550,084	5,801,722	(50,084)	(0.7)
Research, production & extension	7,500,000	7,538,925	2,487,724	(38,925)	(0.5)
JAB admission expenses	200,000	200,785	90,450	(785)	(0.4)
Conservancy Expenses	1,000,000	920,350	417,390	79,650	8.0
Work-study	350,000	330,135	521,823	19,865	5.7
Purchase of software	1,000,000	996,672	4,821,172	3,328	0.3
Hire of teaching facilities	1,250,000	1,257,100	675,000	(7,100)	(0.6)
ITPS	50,000	28,800	-	21,200	42.4
Purchase of Gowns	1,500,000	-	1,527,840	1,500,000	100.0
Launch of MBA & PHD Programmes	50,000	-	68,000	50,000	100.0
Curriculum Development	<u>250,000</u>	<u>262,128</u>	<u>539,870</u>	(12,128)	(4.9)
	41,500,000	39,610,518	39,601,302		
24 ADMINISTRATIVE COSTS					
Travelling and accommodation	3,500,000	3,553,518	2,807,912	(53,518)	(1.5)
Staff Welfare	2,000,000	2,097,590	2,060,547	(97,590)	(4.9)
Staff Entertainment	50,000	43,614	50,600	6,386	12.8
Guest house Expenses	350,000	344,787	485,008	5,213	1.5
Charter Expenses	-	-	3,340,100	-	
Corporate social responsibilities	350,000	305,200	886,795	44,800	12.8
Alumni Association	250,000	231,650	-	18,350	7.3
Recruitment expenses	150,000	143,269	33,235	6,731	4.5
ISO Expenses	200,000	174,597	-	25,403	12.7
Stationery and stores	<u>6,000,000</u>	<u>5,685,236</u>	<u>9,488,240</u>	314,764	5.2
	12,850,000	12,579,460	19,152,437		



FARM STATEMENT OF FINANCIAL POSITION AS AT 30TH JUNE 2014

		<u>2013/2014</u>	<u>2012/2013</u>
		<u>KSHS</u>	<u>KSHS</u>
<u>NON-CURRENT ASSETS</u>			
	<u>NOTE</u>		
Investments	4	-	1,301,770
Biological assets	5	8,620,650	8,246,150
		8,620,650	9,547,920
<u>CURRENT ASSETS</u>			
Inventories	6	5,797,592	8,418,614
Trade and other receivables	7	7,346,271	5,408,622
Cash & Bank Balances	8	-	32,959
		13,143,863	13,860,195
TOTAL ASSETS		21,764,513	23,408,115
<u>FUNDS , RESERVES AND LIABILITIES</u>			
FUNDS			
Capital fund	9	(9,990,246)	(9,990,246)
Revaluation reserve		374,500	-
Reserve fund	10	(38,072,792)	(6,295,064)
		(47,688,538)	(16,285,310)
<u>CURRENT LIABILITIES</u>			
Trade and other payables	13	69,453,051	39,693,425
		69,453,051	39,693,425
TOTAL FUNDS , RESERVES AND LIABILITIES		21,764,513	23,408,115

Prof. P.N. Kioni
Vice Chancellor

Ms. Beatrice Mwangi
Ag. Finance Officer



FARM TRADING ACCOUNTS FOR THE YEAR ENDED 30 JUNE 2014

		2013/2014	2012/2013
	NOTE	<u>KSHS</u>	<u>KSHS</u>
Gross sales income	26	17,550,578	5,270,518
		17,550,578	5,270,518
LESS COST OF SALES			
Stock 1/7/2013		8,418,614	2,520,999
Add			
Horticulture expenses	27	2,689,281	8,219,161
Coffee expenses	28	26,162,017	2,775,645
Livestock expenses	29	1,772,700	1,265,659
		39,042,612	14,781,464
Less stock 30/6/2014	6	5,797,592	8,418,614
Cost of sales	31	33,245,020	6,362,850
Gross profit/ Loss		(15,694,442)	(1,092,332)
Less overhead expenses	30	16,083,286	2,702,767
Net farm profit/ Loss		(31,777,728)	(3,795,099)

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 30TH JUNE 2014 (Cont:...)

NOTE		<u>2013/2014</u>	<u>2012/2013</u>
		<u>ACTUAL</u> <u>KSHS</u>	<u>ACTUAL</u> <u>KSHS</u>
26	<u>Revenue</u>		
	Coffee	11,679,252	1,688,737
	Milk	1,775,746	1,354,953
	Horticulture	2,999,964	1,524,595
	Livestock Sales	258,410	702,233
	Miscellaneous	2,400	-
	Charcoal Sales	834,806	-
		<u>17,550,578</u>	<u>5,270,518</u>
	<u>Expenditure</u>		
27	<u>HORTICULTURE EXPENSES</u>		
	Seeds-Hort	606,590	498,663
	Horticulture - Labour	1,847,591	-
	Chemicals-Hort	191,130	-
	Fertilizers-Hort	12,660	-
	Irrigation equipments	31,310	-
	Fertilizers/Manure	-	1,147,800
	Dursban/Alfatox	-	281,780
	Spray suits	-	268,347
	Fastac	-	25,780
	Touchdown	-	512,025
	Coffee nylex & sisal twine	-	41,250
		<u>2,689,281</u>	<u>2,775,645</u>



NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 30TH JUNE 2014 (Cont:...)

	<u>2013/2014</u>	<u>2012/2013</u>
	<u>ACTUAL</u> <u>KSHS</u>	<u>ACTUAL</u> <u>KSHS</u>
28 COFFEE EXPENSES		
Certified coffee seeds	80,000	-
Farm inputs	144,550	-
Coffee Labour	11,008,794	-
Coffee hole digging	732,000	-
Coffee picking expenses	9,975	1,222,635
Fertilisers-coffee	703,342	-
Organic manure	1,203,840	-
Herbicides-Coffee	459,900	-
Fungicides-coffee	1,975	-
Insecticides-coffee	33,940	-
Coffee nylax & sisal twine	56,280	-
Farm tools	62,578	-
Administration salaries	11,664,843	564,612
Wages	-	1,285,686
Supervision	-	896,395
Security	-	3,000
Bush clearing	-	294,480
Pruning	-	686,101
Weed control	-	652,440
Factory drying	-	337,840
Roads Maintenance	-	176,660
Maintenance Machinery	-	514,769
Buildings Maintenance	-	727,773
Infilling	-	244,950
Fertilizers	-	64,800
Pests and Diseases	-	126,840
Nursery establishment	-	347,080
Irrigation	-	38,560
Mulching	-	34,540
	26,162,017	8,219,161

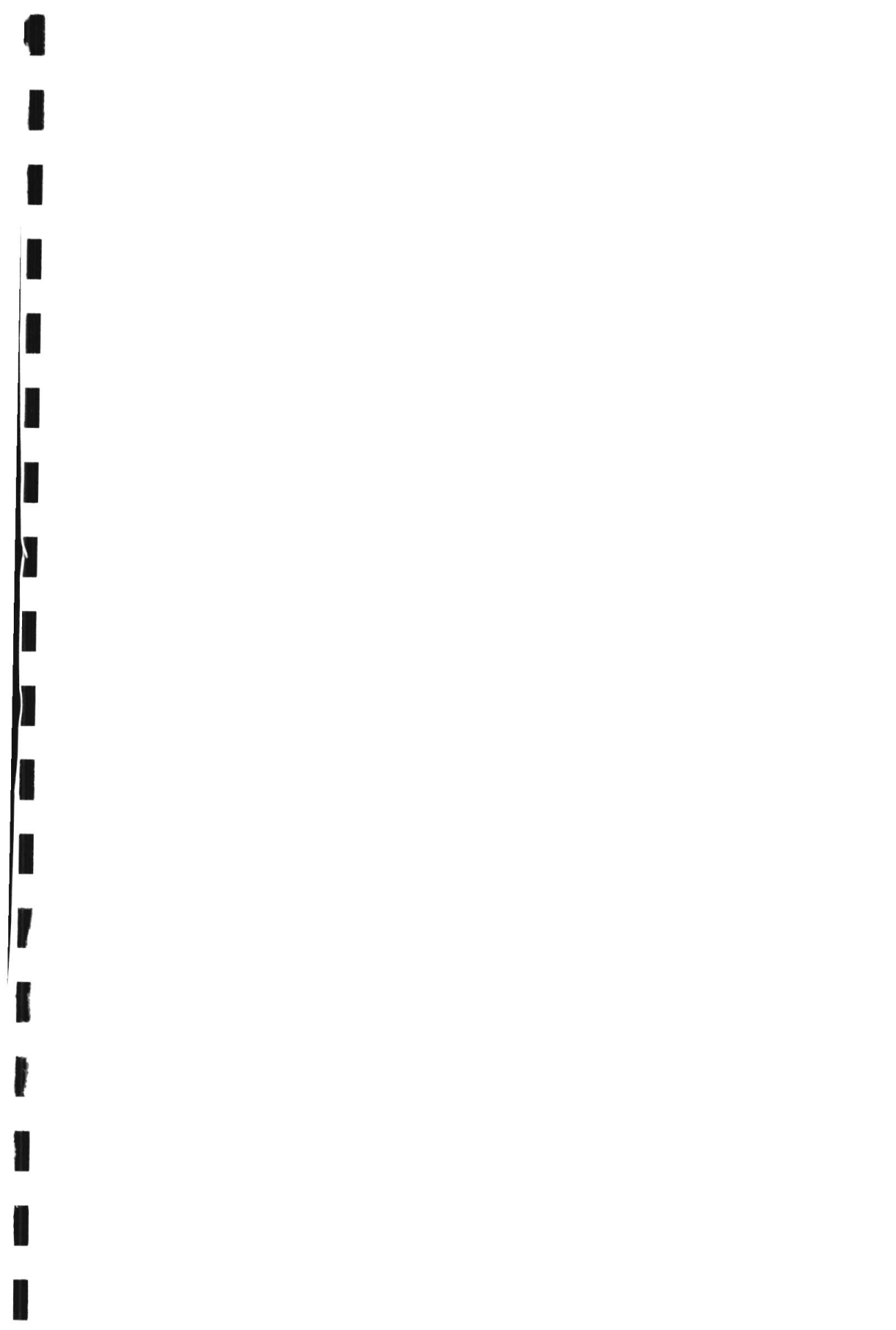
NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 30TH JUNE 2014 (Cont:...)

	<u>2013/2014</u>	<u>2012/2013</u>
	<u>ACTUAL</u>	<u>ACTUAL</u>
29 LIVESTOCK EXPENSES		
Feeds/Fodder	744,548	1,127,972
Labour - Livestock	654,739	-
Veterinary bills & A.I	196,553	129,712
Grooming and local treatment	12,970	-
Acaricides	31,210	7,975
Piggery feeds	11,800	-
Polythene & Twine-Dairy	120,880	-
	1,772,700	1,265,659
30 OVERHEAD EXPENSES		
Buildings maintenance	1,351,363	424,681
Machinery maintenance	1,253,596	683,802
Electricity-irrigation	925,732	288,000
Electricity-wet mill	71,978	200,040
Electricity- office/stores/dairy	140,005	-
Travel & Subsist	102,625	408,680
Stationery & printing	163,358	45,822
Security	15,000	-
Licences and legal fees	34,848	1,000
Seminars & Workshops	30,000	80,150
Insurance	195,249	-
Hired transport	37,000	25,700
Staff entertainment	126,314	84,706
Fuel and oils	622,627	424,176
Telephone	38,552	-
Protective clothing	110,095	-
Internet connections	4,750	15,500



NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 30TH JUNE 2014 (Cont:...)

	<u>2013/2014</u>	<u>2012/2013</u>
	<u>ACTUAL</u>	<u>ACTUAL</u>
	<u>KSHS</u>	<u>KSHS</u>
Postal & Courier charges	6,000	-
Telephone & Postage	-	15,100
Cleaning Materials	37,578	-
Packaging materials	17,043	-
Printing & Publishing	1,040,575	-
Exhibition cost	47,000	-
Interest on investment	6,233,977	-
Impairment of investment	1,301,770	-
Valuation Fees	2,176,250	-
Coffee picking expenses	-	5,410
	<u>16,083,286</u>	<u>2,702,767</u>



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