

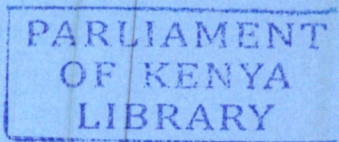
REPUBLIC OF KENYA



OFFICE OF THE AUDITOR-GENERAL



Paper Laid on the
Table of the House
by the Leader of
the Majority Party
on Wednesday
OF 22nd August 2018
(Afternoon)



REPORT

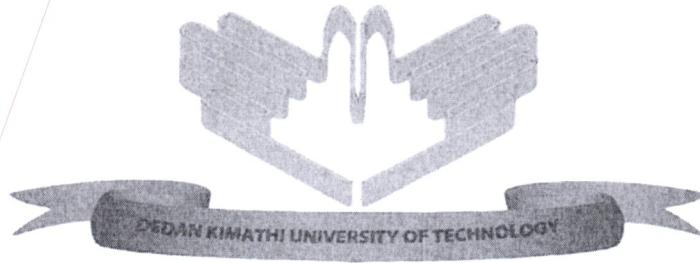
OF

THE AUDITOR-GENERAL

ON

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

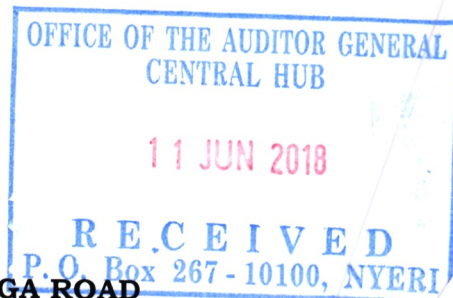
**FOR THE YEAR
ENDED 30 JUNE 2017**



DEDAN KIMATHI UNIVERSITY OF TECHNOLOGY

FINANCIAL STATEMENT

FOR THE YEAR ENDED 30TH JUNE 2017.



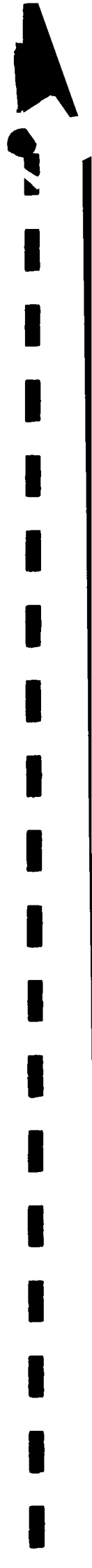
NYERI-MWEIGA ROAD

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Better Life Through Technology



DEDAN KIMATHI UNIVERSITY OF TECHNOLOGY

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DEDAN KIMATHI UNIVERSITY OF TECHNOLOGY **GENERAL INFORMATION**

REGISTERED OFFICE AND PRINCIPAL PLACE OF BUSINESS

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

1. BANKERS

- i). Consolidated Bank Nyeri Branch
P. O. Box 935-10100,
Nyeri-Kenya.
- ii) Kenya Commercial Bank Nyeri Branch
P.O Box 215-10100,
Nyeri-Kenya.
- iii) Standard Chartered Bank Nyeri Branch
P. O. Box 1-10100,
Nyeri-Kenya.
- iv) Equity Bank Nyeri Kimathi Way Branch
P.O. Box75104-10100,
Nyeri-Kenya.
- v) 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.

3. LEGAL OFFICER

Ms. Nelius Mwangi

4. UNIVERSITY CHARTER

Dedan Kimathi University of Technology was established by the universities ACT, 2012
(No. 42 of 2012).

5. LOCATION

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

DEDAN KIMATHI UNIVERSITY OF TECHNOLOGY

UNIVERSITY CHANCELLOR

Name

Date of

Appointment

Prof. Shellemiah Keya

12/1/2013

UNIVERSITY COUNCIL MEMBERS

Current Council Members

Designation

Date of

Appointment

a) Dr. Jane Nyakang'o	Chairperson	10/3/2017
b) Prof. Collette Suda	PS.State Dept. of Universities Education	10/3/2017
c) Dr. Kamau Thuge	PS.The National Treasury	10/3/2017
d) Dr. Janet Kabeberi Macharia	Member	10/3/2017
e) Mr. Raphael Anampiu	Member	10/3/2017
f) Eng. John Kisenga	Member	10/3/2017
g) Prof. Ruthie C. Rono	Member	10/3/2017
h) Mr. Kennedy Adongo	Member	10/3/2017
i) Prof. P.Ndirangu Kioni	Vice Chancellor	15/6/2013

DEDAN KIMATHI UNIVERSITY OF TECHNOLOGY

THE UNIVERSITY CHANCELLOR AND COUNCIL MEMBERS

Prof. Shellemiah Okoth Keya –University Chancellor



BSc (Makerere), MSc, PhD (Cornell)

Dr. Jane Nyakang'o - Council Chairperson



B.Sc. (KU) MSC, MBA and PHD (UoN)

Eng. John Kisenga - Council Member



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

Dr. Janet Kabeberi Macharia - Council Member



Dip (law), Dip (women law), LLB, Masters (law), PHD (law),

Mr. Kennedy Adongo- Council Member



B.Ed (Moi University), MSc (International studies).

Prof. Ruthie C. Rono-
Council Member



MA (Educational psychology),
PHD (KU)

Mr. Raphael Anampiu
Council Member



B.Com (finance option)
MBA Strategic Management (UoN)

Prof. Eng. P. Ndirangu Kioni
Vice Chancellor



BSc Mechanical Engineering (UoN)
PhD Cambridge University, England

DEDAN KIMATHI UNIVERSITY OF TECHNOLOGY

UNIVERSITY MANAGEMENT BOARD

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



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

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



BSc (UoN), MSc, Phd (Oxford), MBA (KeMU)

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



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

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



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

Mr. Andrew Muriuki - Registrar
(Administration & Finance)



BA (KU), MSc, CBIS (Sunderland)

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



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

CPA. Beatrice Mwangi
Ag. Finance Officer



BCom, MBA (JKUAT), CPA (K)

DEDAN KIMATHI UNIVERSITY OF TECHNOLOGY

UNIVERSITY MANAGEMENT BOARD

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

DEAN AND DIRECTORS

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

LIBRARIAN

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

DEDAN KIMATHI UNIVERSITY OF TECHNOLOGY

CORE BUSINESS OF THE UNIVERSITY

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

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

DEDAN KIMATHI UNIVERSITY OF TECHNOLOGY

Chairperson's Statement

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

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

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

Corporate Governance and Ethics

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

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

Appreciation

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

Dr. Jane Nyakang'o

CHAIRPERSON OF THE UNIVERSITY COUNCIL

DEDAN KIMATHI UNIVERSITY OF TECHNOLOGY

VICE CHANCELLORS REPORT FOR THE YEAR ENDED 30TH JUNE 2017

I have the pleasure to present the annual report and accounts for Dedan Kimathi University of Technology for the year ended 30th June 2017

1. FINANCES

The University started the year with a cash balance of Kshs. 190,749,039 and was allocated capitation of Kshs. 551,580,649 and salary arrears grant Kshs.70,643,644 by the Government during the year under review. The University managed to collect Kshs. 521,030,149 in tuition and other charges, Kshs. 65,476,780 from Income Generating Activities (IGU's) and Kshs 17,497,972 from farm income. The University was also allocated Kshs. 240,917,965 for development projects. In total therefore, the University had Kshs. 1,657,896,197 at its disposal during the year

2. ACADEMIC PROGRAMMES

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

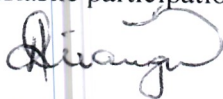
The University also embarked on an intensive marketing programme to increase the student's population especially self-sponsored students.

3. CONCLUSION

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

I would also like to thank the Government for its support throughout the 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 University of Technology. And look forward to their cooperation and enthusiastic participation in the future development of the University.



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

DEDAN KIMATHI UNIVERSITY OF TECHNOLOGY

UNIVERSITY MANAGEMENT BOARD DISCUSSION AND ANALYSIS

Performance

The University income for the year was Kshs. 1,226,229,193, expenditures for the year was Kshs.1,333,666,240 generating a deficit of Kshs. 107,437,046. This was mainly due to fact that the University specializes in Science, Technology, Engineering and Mathematics (STEM) programmes which are very expensive to run. The University has therefore put a lot of capital and human resources to support this programmes which is far more costly than the resources allocated for other University programmes

Capital Projects

During the year 2016/2017, the University started four new capital projects and continued with ongoing work in progress from the year 2015/2016. When these buildings are complete, there will be ample lecturer rooms and laboratory spaces which will accommodate the rising number of students.

These are:

New projects

- i. Academic Block Phase 2
- ii. Resource Centre
- iii. Lecture Hall
- iv. Engineering annex

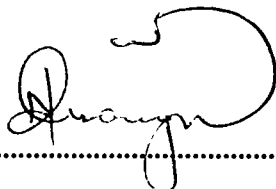
Work in progress

- i. Engineering workshop
- ii. Tharmodynamic laboratory
- iii. Fibre optic project
- iv. Dining hall
- v. Extension of medical centre
- vi. Link road
- vii. University frontage gate

University's compliance with statutory

The University has fully complied with the payment of statutory deductions such as PAYE, NSSF, NHIF, VAT NITA and Withholding Tax. During the financial year 2016/2017 all the statutory deductions were paid on time and there no cases of delay or non payment.

Signed on behalf by:



Vice Chancellor.....Date.....

DEDAN KIMATHI UNIVERSITY OF TECHNOLOGY

REPORT OF THE UNIVERSITY COUNCIL

The University Council submit the financial statements for the year ended June 30, 2017 which show the state of the University's affairs.

Principal activities

The principal activities of the University are

- i. 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;
- ii. 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.
- iii. Offer continuing professional development courses;
- iv. Determine the curriculum and its mode of delivery and to specify the admission criteria ;
- v. Conduct examination for and to grant and confer such academic awards as may be provided for in the Act and the Statutes.
- vi. Establish new colleges, faculties, schools, institutes, departments, other resource and administrative units and centres;
- vii. Promote the general welfare of staff and students.

Results

The results of the University for the year ended June 30, 2017 are set out on page 1 and 2 of the financial statement.

University Council Members

The members of the University Council who served during the year are shown on page iii and iv of the financial statement.

Auditors

The Auditor General is responsible for the statutory audit of the University in accordance with Article 229 of the Constitution of Kenya and the Public Audit Act 2015.

Signed on behalf by:



Dr. Jane Nyakang'o
Chairperson of the University Council

DEDAN KIMATHI UNIVERSITY OF TECHNOLOGY

STATEMENT OF UNIVERSITY COUNCIL MEMBERS RESPONSIBILITIES

Section 81 of the Public Finance Management Act, 2012 and (section 14 of the State Corporations Act), - require the University Council to prepare financial statements in respect of that University, which give a true and fair view of the state of affairs of the University at the end of the financial year and the operating results of the University for that year. The University Council is also required 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 Council is responsible for the preparation and presentation of the University's financial statements, which give a true and fair view of the state of affairs of the University for and as at the end of the financial year ended on June 30, 2017. This responsibility includes: (i) maintaining adequate financial management 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 University; (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 University; (v) selecting and applying appropriate accounting policies; and (vi) making accounting estimates that are reasonable in the circumstances.

The University Council accept responsibility for the University'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, 2012 and (the State Corporations Act) The University Council is of the opinion that the University's financial statements give a true and fair view of the state of University's transactions during the financial year ended June 30, 2017, and of the University's financial position as at that date. The University Council further confirm the completeness of the accounting records maintained for the University, which have been relied upon in the preparation of the University's financial statements as well as the adequacy of the 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.

Approval of the financial statements

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

Chairperson of the Council Date.....

Vice Chancellor Date.....

DEDAN KIMATHI UNIVERSITY OF TECHNOLOGY

STATEMENT ON CORPORATE GOVERNANCE

Responsibility of the University Council

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

Functions of the University Council

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

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

University Council Committees

The following are the committees of the University Council

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

The University Council nominates the Chairman of each committee.

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 contributed 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.
- Establishment of an endowment fund with an aim to help the needy students.
- Participated Nyeri Hospice Charity Walk
- Participated in The Mater Heart run Nyeri

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

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

DEDAN KIMATHI UNIVERSITY OF TECHNOLOGY
NOTES TO THE FINANCIAL STATEMENT FOR THE YEAR ENDED 30 JUNE 2017

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

ii). Rental income

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

iii). Other incomes

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

d) Property, plant and equipment

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

The following rates are applied

DEDAN KIMATHI UNIVERSITY OF TECHNOLOGY
NOTES TO THE FINANCIAL STATEMENT FOR THE YEAR ENDED 30 JUNE 2017

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

e) Inventories

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

f) Receivables

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

g) Retirement Benefit Costs

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

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

h) Agriculture.

Biological assets have been measured at fair value (IPSAS 27, Agriculture) which prescribes the accounting treatment and disclosures related to agricultural activity, which is 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 is effective for annual financial statements covering periods beginning on or after 1st April 2011, with earlier application encouraged.

i) Research and Development

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

j) Cash and Cash Equivalents

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

DEDAN KIMATHI UNIVERSITY OF TECHNOLOGY
NOTES TO THE FINANCIAL STATEMENT FOR THE YEAR ENDED 30 JUNE 2017

k) Bank overdraft

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

l) Tax Exemption

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

m) Basis of Consolidation

The consolidated financial statement comprises the financial statements of the University and subsidiary (Farm) as at 30th June 2017. The farm is a subsidiary of the University, 100% owned by the University.

Subsidiary is fully consolidated from the date of acquisition being the date on which the University obtains control and continue to be consolidated until the date when such control ceases. The financial statement of the subsidiary is prepared for the same reporting period as the parent entity using consistent accounting policies. All intra group balances, transactions, unrealized gains or losses resulting from intra group transactions are eliminated in full according to IPSAS 6

n) Foreign transactions

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

o) Risk disclosure

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

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

1) Credit risk

This is the risk that there is

(a) Potential for loss on receivables on the reported creditors falling to pay the required payments for services rendered and also the students failing to pay the total fees due from them.

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

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

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

2) Liquidity Risk

This is the risk that the University

1

DEDAN KIMATHI UNIVERSITY OF TECHNOLOGY
NOTES TO THE FINANCIAL STATEMENT FOR THE YEAR ENDED 30 JUNE 2017

- (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 551,580,649
- ii) Government of Kenya Development grant kshs 240,917,965
- iii) Government of Kenya special grant(Salary Arrears) kshs 70,643,644
- iii) University Council Allowances 8,736,167

q) Budgetary information

The budgetary information has 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 comprise 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

DEDAN KIMATHI UNIVERSITY OF TECHNOLOGY
NOTES TO THE FINANCIAL STATEMENT FOR THE YEAR ENDED 30 JUNE 2017

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.

v) Salary Arrears

Both basic salaries and house allowance for University staff were increased by the Government in the collective bargaining agreement for the year 2013 to 2017. These funds were received by the University on the month of July 2017, using the accrual concept, the salary arrears have to be recognized in the years 2016/2017 of ksh.70,643,644 and prior year adjustment was done for the years 2013/2016 of Ksh. 93,891,995. (Page 12)

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NAIROBI

OFFICE OF THE AUDITOR-GENERAL

REPORT OF THE AUDITOR-GENERAL ON DEDAN KIMATHI UNIVERSITY OF TECHNOLOGY FOR THE YEAR ENDED 30 JUNE 2017

REPORT ON THE FINANCIAL STATEMENTS

Opinion

I have audited the accompanying financial statements of Dedan Kimathi University of Technology set out on pages 1 to 18, which comprise the statement of financial position as at 30 June 2017, and the statement of financial performance, statement of changes in net assets, statement of cash flows and statement of comparison of budget and actual amounts for the year then ended, and a summary of significant accounting policies and other explanatory information in accordance with the provisions of Article 229 of the Constitution of Kenya and Section 35 of the Public Audit Act, 2015. I have obtained all the information and explanations which, to the best of my knowledge and belief, were necessary for the purpose of the audit

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, 2017, 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 Universities Act, 2012.

In addition, as required by Article 229(6) of the Constitution, based on the procedures performed, I confirm that, nothing has come to my attention to cause me to believe that public money has not been applied lawfully and in an effective way.

Basis for Opinion

The audit was conducted in accordance with International Standards of Supreme Audit Institutions (ISSAIs). I am independent of Dedan Kimathi University of Technology in accordance with ISSAI 30 on Code of Ethics. I have fulfilled other ethical responsibilities in accordance with the ISSAI and in accordance with other ethical requirements applicable to performing audits of financial statements in Kenya. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

Key Audit Matters

Key audit matters are those matters that, in my professional judgement, are of most significance in the audit of the financial statements. There were no Key Audit Matters to communicate in my report.

Report of the Auditor-General on the Financial Statements of Dedan Kimathi University of Technology for the year ended 30 June 2017

Other Matter

Delay in Delivery of Coffee Processing Equipment

Included in the trade and other receivables exchange transactions figure of Kshs.362,841,967 and as further disclosed in note 4.a to the financial statements is prepayments of Kshs.4,510,943 in respect of deposit for farm equipment. Records indicated that the contract for supply, installation and commissioning of assorted coffee processing equipment and Eco pulpier was awarded to M/s BrazAfric Enterprises Limited. According to the contract agreement signed on 4 September 2016, the contract for coffee processing equipment and Eco pulpier was awarded at a contract sum of Kshs.17,895,590 and Kshs.4,659,129 respectively.

Upon signing the contract, the company requested to be paid advance payments of 20% of the contract sum totaling Kshs.4,510,943 which was paid on 17 February 2017. However, the contract agreement did not include a clause on contract duration or when the equipment was to be delivered. Further, an inspection carried out in April 2018 revealed that the Eco pulpier had been delivered but was yet to be installed, while coffee processing equipment had not been delivered 19 months after signing the contract.

The management has not provided explanation for the delay and action being taken to compel the supplier to supply the equipment as per the contract agreement.

Responsibilities of Management and Those Charged with Governance 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.

In preparing the financial statements, management is responsible for assessing the University's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the management either intends to liquidate the University or to cease operations, or have no realistic alternative but to do so.

Management is also responsible for the submission of the financial statements to the Auditor-General in accordance with the provisions of Section 47 of the Public Audit Act, 2015.

Those charged with governance are responsible for overseeing the University's financial reporting process.

Auditor-General's Responsibilities for the Audit of the Financial Statements

The audit objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion in accordance with the

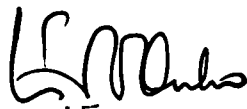
provisions of Section 48 of the Public Audit Act, 2015 and submit the audit report in compliance with Article 229(7) of the Constitution. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISSAIs will always detect a material misstatement and weakness when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit conducted in accordance with ISSAIs, I exercise professional judgement and maintain professional skepticism throughout the audit. I also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances and for the purpose of giving an assurance on the effectiveness of the University's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the management.
- Conclude on the appropriateness of the management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the University's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in the auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my audit report. However, future events or conditions may cause the University to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information and business activities of the University to express an opinion on the financial statements.
- Perform such other procedures as I consider necessary in the circumstances.

I communicate with the management regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that are identified during the audit.

I also provide management with a statement that I have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on my independence, and where applicable, related safeguards.



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

Nairobi

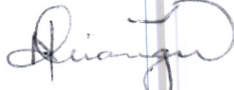
30 July 2018

DEDAN KIMATHI UNIVERSITY OF TECHNOLOGY
STATEMENT OF FINANCIAL PERFORMANCE
FOR THE YEAR ENDED 30TH JUNE 2017

	<u>NOTE</u>	<u>Consolidated</u> <u>2016/2017</u> <u>KSHS</u>	<u>Restated balance</u> <u>2015/2016</u> <u>KSHS</u>	<u>Consolidated</u> <u>2015/2016</u> <u>KSHS</u>
<u>REVENUE</u>				
<u>Revenue from non-exchange transactions</u>				
Ministry grant - Recurrent	17	551,580,649	543,641,159	543,641,159
Special grant (Salary Arrears)	17	70,643,644	93,891,995	-
		622,224,293	637,533,154	543,641,159
<u>Revenue from exchange transactions</u>				
Tuition & other fees	18	521,030,149	521,818,446	521,818,446
Other income	19	65,476,780	71,483,437	71,483,437
Farm income	27	17,497,972	11,964,380	11,964,380
		604,004,901	605,266,263	605,266,263
Total Revenue		1,226,229,194	1,242,799,416	1,148,907,421
<u>EXPENSES</u>				
Personnel cost	20	886,124,952	886,611,644	792,719,649
Central services	21	209,663,377	242,309,501	242,309,501
Council allowance	22	8,736,167	6,810,652	6,810,652
Maintenance cost	23	10,459,835	15,829,050	15,829,050
Student welfare	24	8,380,633	7,670,285	7,670,285
Academic costs	25	67,799,922	45,035,094	45,035,094
Administrative cost	26	19,226,060	17,592,471	17,592,471
Farm expenses				
Cost of sales		30,463,973	28,423,303	28,423,303
Overhead expenses	31	21,122,810	19,757,497	19,757,497
TOTAL EXPENSES		1,261,977,728	1,270,039,497	1,176,147,502
Add provision for depreciation	2	70,818,512	80,307,920	80,307,920
Add provision for Audit Fee	10	870,000	870,000	870,000
TOTAL EXPENSES		1,333,666,240	1,351,217,417	1,257,325,422
Surplus/deficit for the year		(73,348,235)	(72,201,581)	(72,201,581)
Share of farm loss		(34,088,811)	(36,216,420)	(36,216,420)
DEFICIT FOR THE PERIOD		(107,437,046)	(108,418,001)	(108,418,001)

DEDAN KIMATHI UNIVERSITY OF TECHNOLOGY
STATEMENT OF FINANCIAL POSITION
AS AT 30TH JUNE 2017

ASSETS	NOTE	2016/2017	2015/2016	2015/2016
		KSHS CONSOLIDATED	KSHS RESTATE BALANCE	KSHS CONSOLIDATED
CURRENT ASSETS				
Cash & Bank Balances	5	126,530,152	232,468,856	232,468,856
Trade and other receivables (exchange Transactions)	4.a	362,841,967	197,166,653	197,166,653
Trade and other receivables (non-exchange Transactions)	4.b	201,307,678	93,891,995	-
Inventories	16	3,051,213	6,110,861	6,110,861
		693,731,010	529,638,364	435,746,369
NON-CURRENT ASSETS				
Property Plant and Equipments	2	2,516,539,054	2,292,992,897	2,292,992,897
Investments	14	-	-	-
Biological assets	15	14,214,850	9,679,151	9,679,151
		2,530,753,904	2,302,672,048	2,302,672,048
TOTAL ASSETS		3,224,484,915	2,832,310,411	2,738,418,418
LIABILITIES				
Current liabilities				
Trade and other payables (exchange transactions)	10.a	459,184,770	245,759,433	245,759,433
Trade and other payables (non-exchange transactions)	10.b	266,810,703	185,800,446	91,908,451
Bank overdraft	11	29,179,382	41,719,817	41,719,817
		755,174,855	473,279,696	379,387,701
Non-current liabilities				
Long Term Borrowings (Loan)		9,982,628	37,719,900	37,719,900
		9,982,628	37,719,900	37,719,900
NET ASSETS				
Capital fund	6	1,999,195,075	1,758,277,110	1,758,277,110
Reserve fund	7	(134,799,279)	(27,362,233)	(27,362,233)
Revaluation reserve	8	594,931,638	590,395,938	590,395,938
		2,459,327,434	2,321,310,815	2,321,310,815
Total net assets and liabilities		3,224,484,915	2,832,310,411	2,738,418,418


Prof. P.N. Kioni
Vice Chancellor


CPA. Beatrice Mwangi
Ag. Finance Officer

Date

Date

DEDAN KIMATHI UNIVERSITY OF TECHNOLOGY
STATEMENT OF CHANGES IN NET ASSETS FOR THE YEAR ENDED 30 JUNE 2017

Notes	ACCUMULATED FUND		REVALUATION RESERVE		RESERVE FUND		TOTAL		CONSOLIDATED	
	University	Farm	University	Farm	University	Farm	University	Farm	University	Farm
	Ksh	Ksh	Ksh	Ksh	Ksh	Ksh	Ksh	Ksh	Ksh	Ksh
	1,667,844,999	(9,990,246)	588,962,938	905,001	154,421,414	(73,365,847)	2,411,229,351	(82,450,892)	2,328,778,459	(108,418,001)
7				528,000	(72,201,581)	(36,216,420)	(72,201,581)	(36,216,420)	(108,418,001)	
8								528,000	528,000	
6	100,422,357	-	-	-	-	-	100,422,357	-	100,422,357	-
	1,768,267,356	(9,990,246)	588,962,938	1,433,001	82,219,834	(109,582,067)	2,439,450,128	(118,139,312)	2,321,310,816	
	1,768,267,356	(9,990,246)	588,962,938	1,433,001	82,219,834	(109,582,067)	2,439,450,128	(118,139,312)	2,321,310,816	
7				4,535,700	(73,348,235)	(34,088,811)	(73,348,235)	(34,088,811)	(107,437,046)	
8								4,535,700	4,535,700.00	
6	240,917,965	-	-	-	-	-	240,917,965	-	240,917,965	
	2,009,185,321	(9,990,246)	588,962,938	5,968,701	8,871,599	(143,670,878)	2,607,019,858	(147,692,423)	2,459,327,435	

NB The biological assets were measured at fair value .

DEDAN KIMATHI UNIVERSITY OF TECHNOLOGY
STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 30 JUNE 2017

	PAGE	NOTE	<u>Restated balance</u>		
			<u>2016/2017</u>	<u>2015/2016</u>	<u>2015/2016</u>
			<u>KSHS</u>	<u>KSHS</u>	<u>KSHS</u>
University Deficit for the period	1		(107,437,046)	(108,418,001)	(108,418,001)
<u>Adjustment for:</u>					
Depreciation	6		<u>70,818,512</u>	<u>80,307,920</u>	<u>80,307,920</u>
			(36,618,534)	(28,110,081)	(28,110,081)
<u>Change in working capital</u>					
Increase/(decrease) in inventories	9	16	3,059,648	(3,977,628)	(3,977,628)
Increase/(decrease) in receivables	7	4	(273,090,998)	(87,182,084)	6,709,911
Increase/(decrease) in payables	8	10	<u>294,435,594</u>	<u>225,906,520</u>	<u>112,953,260</u>
Net cash generated from operating activities			24,404,244	115,685,543	115,685,543
<u>Cash flow from investing activities</u>					
Investing in fixed assets	6		(294,364,669)	(60,232,687)	(60,232,687)
Loan repayment			<u>(27,737,273)</u>	<u>(19,774,420)</u>	<u>(19,774,420)</u>
Net cash used in investing activities			(322,101,942)	(80,007,107)	(80,007,107)
<u>Cash flow from financing activities</u>					
Capital fund	8	6	<u>240,917,965</u>	<u>100,422,357</u>	<u>100,422,357</u>
			240,917,965	100,422,357	100,422,357
Net change in cash and cash equivalent			(93,398,269)	107,990,712	107,990,712
Opening cash and cash equivalent	7&8	5&11	<u>190,749,039</u>	<u>82,758,327</u>	<u>82,758,327</u>
Closing cash and cash equivalent	7&8	5&11	<u>97,350,770</u>	<u>190,749,039</u>	<u>190,749,039</u>

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**DEDAN KIMATHI UNIVERSITY OF TECHNOLOGY
STATEMENT OF BUDGET COMPARISON
AS AT 30TH JUNE 2017**

<u>INCOME</u>	<u>NOTE</u>	<u>2016/2017</u>	<u>2016/2017</u>	<u>2016/2017</u>	<u>2016/2017</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	17	551,580,650	551,580,649	(1)	(0)
Special grant (Salary Arrears)	17	-	70,643,644	-	-
Tuition & other fees	18	562,653,742	542,278,811	(14,174,931)	(3)
Other income	19	<u>38,980,881</u>	<u>65,476,780</u>	26,495,899	68
TOTAL		1,153,215,273	1,229,979,884		
<u>LESS EXPENDITURE</u>					
Personnel cost	20	854,239,560	886,124,952	(31,885,392)	(4)
Central services	21	187,517,500	209,572,111	(22,054,611)	(12)
Council allowance	22	9,300,000	8,896,687	403,313	4
Maintenance cost	23	10,278,213	10,573,367	(295,154)	(3)
Student welfare	24	8,350,000	8,267,101	82,899	1
Academic costs	25	64,675,000	67,799,922	(3,124,922)	(5)
Administrative cost	26	<u>18,855,000</u>	<u>19,156,807</u>	(301,807)	(2)
EXPENDITURE		1,153,215,273	1,210,390,946		
Add provision for depreciation	2		70,818,512		
Add provision for Audit Fee			<u>870,000</u>		
TOTAL EXPENDITURE			1,282,079,458		
Surplus/deficit for the year			<u>(52,099,574)</u>		

PROPERTY, PLANT & EQUIPMENTS

Note 2

	LAND	BUILDING	MOTOR VEHICLES	COMPUTER & ACCESSORIES	PLANT & MACHINERY	TRACTOR	FURNITURE & EQUIPMENTS	WORK IN PROGRESS	TOTAL
	NIL	2%	25%	30%	12.5%	37.5%	12.5%		
Valuation as at 30/6/2015	435,000,000	810,434,079	69,121,193	68,856,663	24,120,766	8,882,572	533,443,117	669,048,456	2,618,906,847
Additions in the Period	-	-	7,992,500	1,368,800	872,000	4,005,000	4,471,672	41,522,715	60,232,687
As at 30/6/2016	435,000,000	810,434,079	77,113,693	70,225,463	24,992,766	12,887,572	537,914,789	710,571,172	2,679,139,534
Depreciation as at 30/6/2015	-	48,036,682	53,228,833	55,340,951	14,012,622	7,876,899	127,545,717	-	305,838,715.78
Charge for the Period	-	15,247,948	5,971,965	4,465,353	1,372,518	1,954,002	51,296,134	-	80,307,920
Depreciation as at 30/6/2016	-	63,284,640	59,197,798	59,806,305	15,385,140	9,630,902	178,841,851	-	386,146,636
Net Book Value as at 30- 6-2016	435,000,000	747,149,439	17,915,895	10,419,158	9,607,626	3,256,670	359,072,938	710,571,172	2,292,992,897
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
Valuation as at 30/6/2016	435,000,000	810,434,079	77,113,693	70,225,463	24,992,766	12,887,572	537,914,789	710,571,172	2,679,139,534
Additions in the Period	-	-	-	583,472	-	-	4,248,414	289,532,783	294,364,669
Transferred From WIP	-	12,919,333	-	-	-	-	-	(12,919,333)	-
As at 30/6/2017	435,000,000	823,353,412	77,113,693	70,808,935	24,992,766	12,887,572	542,163,203	987,184,621	2,973,504,203
Depreciation	-	-	-	-	-	-	-	-	-
Depreciation as at 30/6/2016	-	63,284,640	59,197,798	59,806,305	15,385,140	9,630,902	178,841,851	-	386,146,636
Charge for the Period	-	15,201,375	4,478,974	3,300,789	1,200,953	1,221,251	45,415,169	-	70,818,512
Depreciation as at 30/6/2017	-	78,486,016	63,676,772	63,107,094	16,586,094	10,852,153	224,257,020	-	456,965,148
Net Book Value as at 30- 6-2017	435,000,000	744,867,396	13,436,921	7,701,841	8,406,673	2,035,419	317,906,183	987,184,621	2,516,539,054
Net Book Value as at 30- 6-2016	435,000,000	747,149,439	17,915,895	10,419,158	9,607,626	3,256,670	359,072,938	710,571,172	2,292,992,897

NOTE 3

DEDAN KIMATHI UNIVERSITY OF TECHNOLOGY
NOTES TO THE STATEMENT FINANCIAL POSITION FOR THE YEAR ENDED 30 JUNE 2017

3 WORK-IN-PROGRESS	Description	BAL B/F	ADDITIONS	TRANSFERRED TO BUILDING	TOTAL
Hostels	Buildings	14,619,741	-	-	14,619,741
Academic Block P1	Buildings	365,553,639	-	-	365,553,639
Academic Block P2	Buildings	17,208,049	71,645,182	-	88,853,231
Dining Hall	Buildings	201,952,352	22,972,207	-	224,924,560
Resource III	Buildings	-	105,211,196	-	105,211,196
Lecture Hall	Buildings	-	26,386,545	-	26,386,545
Engineering workshop	Buildings	-	8,003,736	(8,003,736)	-
Tharmodynamic labs	Buildings	-	322,391	(322,391)	-
Fibre Optic	Buildings	-	1,874,683	(1,874,683)	-
Extension of medical center	Buildings	2,410,563	307,960	(2,718,523)	-
link Road	Land improvements	85,445,658	-	-	85,445,658
Engineering ANNEX	Buildings	20,184,974	48,317,743	-	68,502,717
Consevancy Phase 11	Buildings	2,585,245	2,690,423	-	5,275,668
University Gate	Buildings	610,951	1,800,716	-	2,411,667
Bal c/d		<u>710,571,172</u>	<u>289,532,783</u>	<u>(12,919,333)</u>	<u>987,184,622</u>

4 TRADE AND OTHER RECEIVABLES		Main University	University Farm	Consolidated 2016/2017	RESTATED BALANCE 2015/2016	Consolidated 2015/2016
a. Exchange transactions						
Student debtors	Main campus	103,626,130	-	103,626,130	74,555,116	74,555,116
Student debtors	Nairobi Campus	90,449,525	-	90,449,525	109,535,243	109,535,243
Student debtors	Nyeri Campus	-	-	-	13,600,116	13,600,116
Provision for doubtful debt		(9,703,783)	-	(9,703,783)	(9,884,524)	(9,884,524)
		<u>184,371,872</u>	<u>-</u>	<u>184,371,872</u>	<u>187,805,952</u>	<u>187,805,952</u>
Deposits		2,294,143	-	2,294,143	2,294,143	2,294,143
Sundry debtors		1,255,986	-	1,255,986	1,310,324	1,310,324
Prepayments (Deposit for farm equipments)		4,510,943	-	4,510,943	-	-
Farm debtors (coffee sales)		-	2,462,454	2,462,454	2,950,514	2,950,514
Staff debtors		695,258	-	695,258	2,805,720	2,805,720
Interest on farm investment		15,204,665	-	15,204,665	-	-
Investment on KUCT farm		152,046,647	-	152,046,647	-	-
V.A.T. arrears		2,985,164	-	2,985,164	2,985,164	2,985,164
Impairment of VAT receivables		(2,985,164)	-	(2,985,164)	(2,985,164)	(2,985,164)
Total Exchange transactions		<u>360,379,513</u>	<u>2,462,454</u>	<u>362,841,967</u>	<u>197,166,653</u>	<u>197,166,653</u>
b. Non exchange transactions						
MOEST Capital development		36,772,039	-	36,772,039	-	-
MOEST Salary Arrears		164,535,639	-	164,535,639	93,891,995	-
Total Non-Exchange transactions		<u>201,307,678</u>	<u>-</u>	<u>201,307,678</u>	<u>93,891,995</u>	<u>-</u>
Total Trade and Other Receivables		<u>561,687,191</u>	<u>2,462,454</u>	<u>564,149,645</u>	<u>291,058,648</u>	<u>197,166,653</u>

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

5 CASH AND BANK BALANCES		Main University	University Farm	Consolidated 2016/2017	2015/2016
Standard chartered bank					
	<u>A/C NO</u>	<u>KSHS</u>	<u>KSHS</u>	<u>KSHS</u>	<u>KSHS</u>
DEKUT Fee collection A/C	0102045131200	954,868	-	954,868	-
DEKUT Fee collection A/C	0102045131201	1,459,405	-	1,459,405	175,147
DEKUT Farm Operating A/C	0102045131202	1,107,516	-	1,107,516	1,070,611
DEKUT Fee collection A/C	0102045131203	3,737,572	-	3,737,572	1,835,953
Call Deposit		33,181,836	-	33,181,836	-
Consolidated bank					
DEKUT Payment main A/C	10061200000061	-	-	-	-
DEKUT Fee collection A/C	10061200000062	1,228,514	-	1,228,514	745,303
DeKUT Project A/C	10061203000002	2,557,599	-	2,557,599	206,392
DEKUT TIVET A/C	10061302000142	386,938	-	386,938	378,046
Call Deposit		47,201,589	-	47,201,589	126,801,661
Family Bank					
DEKUT Payment A/C	055000028807	3,010,789	-	3,010,789	1,790,429
DEKUT Mathira TTI A/C	055000031309	70,700	-	70,700	813,684
DEKUT Farm Operating A/C	055000032397	106,587	-	106,587	152,941
Call Deposit (Farm loan)		-	-	-	38,000,000
Call Deposit Mathira TTI		25,807,950	-	25,807,950	31,390,177
Call Deposit		-	-	-	27,807,357
Kenya comercial bank					
DEKUT Fee collection A/C	1121318274	1,869,085	-	1,869,085	115,975
DEKUT Coffee research Fund A/C	1158874847	169,629	-	169,629	657,689
Equity bank					
DEKUT Fee collection A/C	1150297300480	3,679,576	-	3,679,576	527,491
Cash balances		-	-	-	-
Total balance		<u>126,530,152</u>	<u>-</u>	<u>126,530,152</u>	<u>232,468,856</u>

DEDAN KIMATHI UNIVERSITY OF TECHNOLOGY
NOTES TO THE STATEMENT FINANCIAL POSITION FOR THE YEAR ENDED 30 JUNE 2017

	Main University	University Farm	Consolidated 2016/2017	RESTATED BALANCE 2015/2016	Consolidated 2015/2016
6 CAPITAL FUND					
Bal as at 1/7/2016	1,768,267,356	(9,990,246)	1,758,277,110	1,657,854,753	1,657,854,753
Development fund	240,917,965	-	240,917,965	100,422,357	100,422,357
	<u>2,009,185,321</u>	<u>(9,990,246)</u>	<u>1,999,195,075</u>	<u>1,758,277,110</u>	<u>1,758,277,110</u>
7 RESERVE FUND					
Bal as at 1/7/2016	82,219,834	(109,582,067)	(27,362,233)	(27,362,233)	81,055,768
Prior year adjustment (salary arrears)	-	-	-	-	-
University Surplus/deficit for the period	(73,348,235)	(34,088,811)	(107,437,046)	-	(108,418,001)
Bal as at 30/6/2017	<u>8,871,599</u>	<u>(143,670,878)</u>	<u>(134,799,279)</u>	<u>(27,362,233)</u>	<u>(27,362,233)</u>
8 REVALUATION ACCOUNTS					
Bal as at 1/7/2016	588,962,938	1,433,000	590,395,938	589,867,938	589,867,938
Addition in the year	-	4,535,700	4,535,700	528,000	528,000
Bal as at 30/6/2017	<u>588,962,938</u>	<u>5,968,700</u>	<u>594,931,638</u>	<u>590,395,938</u>	<u>590,395,938</u>
9 RESEARCH GRANTS				2016/2017	
CIDA (College of rockies)				4,285,938	
Brigit project				650,150	
Geopower Africa				1,550,365	
VLIR Belgium project				1,825,650	
				<u>8,312,103</u>	
10 TRADE AND OTHER PAYABLES					
a. Exchange transactions				2015/2016	
Student creditors Main campus	24,191,148		24,191,148	12,674,869	12,674,869
Student creditors Nairobi Campus	2,013,914		2,013,914	3,256,513	3,256,513
Student creditors Nyeri Campus	-		-	3,316,966	3,316,966
Trade and other payables	261,357,162	-	261,357,162	225,641,085	225,641,085
Farm creditors (Internal)		152,046,647	152,046,647		
Interest on investment(internal)		15,204,665	15,204,665		
Provisions (audit fees)	870,000	-	870,000	870,000	870,000
Research grants	3,331,605	169,629	3,501,234	-	-
Total Exchange transactions	<u>291,763,829</u>	<u>167,420,941</u>	<u>459,184,770</u>	<u>245,759,433</u>	<u>245,759,433</u>
b. Non exchange transactions					
Prepayment (AFDB,CUE, HELB)	57,647,740	-	57,647,740	78,279,425	78,279,425
Salary arrears	164,535,639	-	164,535,639	93,891,995	-
Capital Development Retention Funds	44,627,324	-	44,627,324	13,629,026	13,629,026
Total Non-Exchange transactions	<u>266,810,702</u>	<u>-</u>	<u>266,810,703</u>	<u>185,800,446</u>	<u>91,908,451</u>
Total Trade and Other Payables	<u>558,574,531</u>	<u>167,420,941</u>	<u>725,995,473</u>	<u>431,559,879</u>	<u>337,667,884</u>
NB. The retention money amount is accumulated figure since the projects started.					
11 BANK OVERDRAFT					
DeKUT Payment main A/C 10061200000061	29,179,382	-	29,179,382	41,702,267	41,702,267
Stanchart 0102045131200	-	-	-	17,550	17,550
	<u>29,179,382</u>	<u>-</u>	<u>29,179,382</u>	<u>41,719,817</u>	<u>41,719,817</u>

NB:

The university applied for an overdraft facility of Kshs 50 million from Consolidated Bank. The facility is issued with an interest of 19% p.a.

The security for the facility are:

- University Council resolution to borrow Kshs 50 million from Consolidated Bank of Kenya
- Letter of set off
- Letter of Deposit of securities

DEDAN KIMATHI UNIVERSITY OF TECHNOLOGY
 NOTES TO THE STATEMENT FINANCIAL POSITION FOR THE YEAR ENDED 30 JUNE 2017

12 <u>MATHIRA TTI</u>	<u>2016/2017</u>	<u>2015/2016</u>
Bal B/F	26,208,278	7,762,940
Funds received	-	24,719,957
Expenditure in the period	10,827,371	6,274,620
Retention money	-	-
Balance in the bank	<u>15,380,907</u>	<u>26,208,278</u>

13 <u>MISCELLANEOUS INCOME</u>	<u>2016/2017</u>
Interest From Fixed Deposit	4,000,016
Nyandarua Institute Of Technology	374,196
Bookshop Sales	509,263
Conservancy Sales	58,185
Coffee Sales	293,800
Detergent Sales	6,890
Hawking	18,600
Library	54,411
Medical Fee	60,500
utility fee	85,285
Transport Hire	4,464
ITOHM sale	437,305
Sewer charges	134,570
Conference income	870,766
Sale of treeseedlings	6,350.00
Total	<u>6,914,600.58</u>

	<u>Main University</u>	<u>University Farm</u>	<u>Consolidated</u>	
	<u>KSHS</u>	<u>KSHS</u>	<u>KSHS</u>	<u>KSHS</u>
14 <u>INVESTMENT</u>	<u>2016/2017</u>	<u>2016/2017</u>	<u>2016/2017</u>	<u>2015/2016</u>
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)	(1,301,770)
	-	-	-	-

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

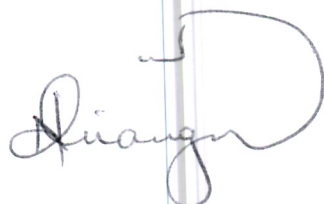
15 <u>BIOLOGICAL ASSETS</u>	<u>Main University</u>	<u>University Farm</u>	<u>Consolidated</u>	
	<u>2016/2017</u>	<u>2016/2017</u>	<u>2016/2017</u>	<u>2015/2016</u>
i) <u>Livestock</u>	-	5,507,000	5,507,000	4,259,000
ii) <u>Coffee trees</u>				-
Number of 174,157 @ 50.00	-	8,707,850	8,707,850	5,420,151
Total	-	<u>14,214,850</u>	<u>14,214,850</u>	<u>9,679,151</u>

This was at net realisable value

16 <u>INVENTORY</u>	<u>Main University</u>	<u>University Farm</u>	<u>Consolidated</u>	
	<u>2016/2017</u>	<u>2016/2017</u>	<u>2016/2017</u>	<u>2015/2016</u>
Farm stocks	-	<u>3,051,213</u>	<u>3,051,213</u>	<u>6,110,861</u>

DEDAN KIMATHI UNIVERSITY OF TECHNOLOGY
UNIVERSITY STATEMENT OF FINANCIAL POSITION AS AT 30TH JUNE 2017

		<u>2016/2017</u> <u>KSHS</u>	<u>2015/2016</u> <u>RESTATED</u> <u>BALANCE</u>	<u>2015/2016</u> <u>KSHS</u>
<u>NON-CURRENT ASSETS</u>				
Property Plant and Equipments	NOTE 2	2,516,539,054	2,292,992,897	2,292,992,897
		<u>2,516,539,054</u>	<u>2,292,992,897</u>	<u>2,292,992,897</u>
<u>CURRENT ASSETS</u>				
Trade and other receivables (Exchange Transactions)	4.a	360,379,513	424,330,282	330,438,287
Trade and other receivables (Non-Exchange Transactions)	4.b	201,307,678	-	-
Cash & Bank Balances	5	126,530,152	232,468,856	232,468,856
		<u>688,217,343</u>	<u>656,799,138</u>	<u>562,907,142</u>
TOTAL ASSETS		<u>3,204,756,398</u>	<u>2,949,792,035</u>	<u>2,855,900,040</u>
<u>FUNDS , RESERVES AND LIABILITIES</u>				
<u>FUNDS</u>				
Capital fund	6	2,009,185,321	1,768,267,356	1,768,267,356
Reserve fund	7	8,871,599	82,219,834	82,219,834
Revaluation reserve	8	588,962,938	588,962,938	588,962,938
		<u>2,607,019,858</u>	<u>2,439,450,128</u>	<u>2,439,450,128</u>
<u>CURRENT LIABILITIES</u>				
Trade and other payables (Exchange Transactions)	10.a	291,763,829	245,101,743	245,101,743
Trade and other payables (Non-Exchange Transactions)	10.b	266,810,702	185,800,446	91,908,451
Bank overdraft	11	29,179,382	41,719,817	41,719,817
		<u>587,753,913</u>	<u>472,622,006</u>	<u>378,730,011</u>
<u>NON CURRENT LIABILITIES</u>				
Long term borrowings (loan)		9,982,628	37,719,900	37,719,900
		<u>9,982,628</u>	<u>37,719,900</u>	<u>37,719,900</u>
TOTAL FUNDS , RESERVES AND LIABILITIES		<u>3,204,756,398</u>	<u>2,949,792,035</u>	<u>2,855,900,040</u>



Prof. P.N. Kioni
Vice Chancellor



CPA. Beatrice Mwangi
Ag. Finance Officer

DEDAN KIMATHI UNIVERSITY OF TECHNOLOGY
UNIVERSITY STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 30 JUNE 2017

<u>INCOME</u>	<u>NOTE</u>	<u>2016/2017</u> <u>KSHS</u>	<u>2015/2016</u> <u>RESTATED</u> <u>BALANCE</u>	<u>2015/2016</u> <u>KSHS</u>
<u>Revenue from exchange transactions</u>				
Ministry grant - Recurrent	16	551,580,649	543,641,159	543,641,159
Special grant (Salary Arrears)	16	70,643,644	93,891,995	-
<u>Revenue from non-exchange transactions</u>				
Tuition & other fees	17	521,030,149	521,818,446	521,818,446
Other income	18	65,476,780	71,483,437	71,483,437
TOTAL		1,208,731,222	1,230,835,036	1,136,943,041
<u>LESS EXPENDITURE</u>				
Personnel cost	19	886,124,952	886,611,644	792,719,649
Central services	20	209,663,377	242,309,501	242,309,501
Council allowance	21	8,736,167	6,810,652	6,810,652
Maintenance cost	22	10,459,835	15,829,050	15,829,050
Student welfare	23	8,380,633	7,670,285	7,670,285
Academic costs	24	67,799,922	45,035,094	45,035,094
Administrative cost	25	19,226,060	17,592,471	17,592,471
EXPENDITURE		1,210,390,945	1,221,858,697	1,127,966,702
Add provision for depreciation	2	70,818,512	80,307,920	80,307,920
Add provision for Audit Fee	13	870,000	870,000	870,000
TOTAL EXPENDITURE		1,282,079,457	1,303,036,617	1,209,144,622
Surplus/deficit for the year		(73,348,235)	(72,201,581)	(72,201,581)

DEDAN KIMATHI UNIVERSITY OF TECHNOLOGY
NOTES TO THE FINANCIAL STATEMENT FOR THE YEAR ENDED 30 JUNE 2017

	<u>2016/2017</u>	<u>2016/2017</u>	<u>2015/2016</u>	<u>2015/2016</u>	<u>VARIANCE</u>	<u>VARIANCE</u>
	<u>BUDGET</u>	<u>ACTUAL</u>	<u>RESTATED</u>	<u>ACTUAL</u>		<u>%</u>
<u>INCOME</u>						
<u>REVENUE FROM NON EXCHANGE</u>						
<u>TRANSACTIONS (NOTE 16)</u>	<u>KSHS</u>	<u>KSHS</u>	<u>BALANCE</u>	<u>KSHS</u>	<u>KSHS</u>	<u>KSHS</u>
17 CAPITATION GRANT						
Ministry grant - Recurrent	551,580,650	551,580,649	543,641,159	543,641,159	(1)	(0)
Special grant (Salary Arrears)	-	70,643,644	93,891,995	-	70,643,644	
	<u>551,580,650</u>	<u>622,224,293</u>	<u>637,533,154</u>	<u>543,641,159</u>		
REVENUE FROM EXCHANGE						
TRANSACTIONS (NOTE 17 & 18)						
18 TUITION AND OTHER FEES						
Tuition and other fees (Main Campus)	431,453,742	396,813,735	319,678,970	319,678,970	(34,640,007)	(8)
Tuition and other fees (Nairobi Campus)	90,000,000	87,647,960	140,767,748	140,767,748	(2,352,040)	(3)
Tuition and other fees (Nyeri Campus)	-	-	61,371,728	61,371,728	-	
TIVET FEES	41,200,000	36,568,454	-	-		
	<u>562,653,742</u>	<u>521,030,149</u>	<u>521,818,446</u>	<u>521,818,446</u>		
19 OTHER INCOMES						
Sale of admission forms	-	-	1,044,159	1,044,159	-	
Sale of tenders forms	-	-	54,000	54,000	-	
Rent	450,000	427,200	437,426	437,426	(22,800)	(5)
Miscellaneous income (Note 13)	6,530,881	6,914,601	17,817,408	17,817,408	383,720	6
Research Grants (Note 9)	8,000,000	8,312,103	14,605,758	14,605,758	312,103	4
Kitchen sales	24,000,000	23,790,840	18,866,234	18,866,234	(209,160)	(1)
Interest on KUCT farm investment	-	15,204,665	12,383,832	12,383,832	15,204,665	-
Mathira TTI (Note 12)	-	10,827,371	6,274,620	6,274,620	10,827,371	-
TOTAL OTHER INCOME	38,980,881	65,476,780	71,483,437	71,483,437		
TOTAL INCOME	601,634,623	1,208,731,222	1,230,835,036	1,136,943,041		
20 PERSONNEL COSTS						
Basic Salaries	356,531,593	336,130,097	313,906,326	313,906,326	20,401,496	6
Salary Arrears	-	70,643,644	93,891,995	-	(70,643,644)	
Casual workers	30,250,000	30,637,877	30,374,693	30,374,693	(387,877)	(1)
Part time teaching	78,000,000	76,839,220	84,556,560	84,556,560	1,160,780	1
Gratuity and pension	53,600,000	49,202,655	56,441,841	56,441,841	4,397,346	8
House to Office allowance	43,377,500	39,037,632	38,375,145	38,375,145	4,339,868	10
Other personal allowances	74,000,000	75,880,539	72,357,937	72,357,937	(1,880,539)	(3)
Passage and Baggage	200,000	202,340	537,751	537,751	(2,340)	(1)
Group life (pension) insurance	3,700,000	3,699,827	1,881,404	1,881,404	173	0
House allowances	209,080,467	198,573,336	191,772,302	191,772,302	10,507,131	5
Graduate sponsorship programme	3,000,000	2,750,000	-	-	250,000	8
Leave allowance	2,500,000	2,527,785	2,515,690	2,515,690	(27,785)	(1)
	<u>854,239,560</u>	<u>886,124,952</u>	<u>886,611,644</u>	<u>792,719,649</u>		
21 CENTRAL SERVICES						
Electricity expenses	12,500,000	12,025,949	11,407,883	11,407,883	474,051	4
Water expenses	7,100,000	6,381,897	8,168,686	8,168,686	718,103	10
Misc. other charges	2,500	2,650	-	-	(150)	(6)
Vehicle licenses & insurance	1,100,000	1,111,306	1,632,348	1,632,348	(11,306)	(1)
Insurance premiums	5,100,000	4,917,640	5,228,887	5,228,887	182,360	4
Vehicle fuel and oil	9,400,000	9,213,576	8,983,183	8,983,183	186,424	2
Publishing & Printing	2,200,000	2,176,686	2,198,702	2,198,702	23,314	1
Advertising and Publicity	7,000,000	6,901,685	11,785,694	11,785,694	98,315	1
Marketing Expenses	1,700,000	1,775,728	2,134,245	2,134,245	(75,728)	(4)
Telephone expenses	2,550,000	2,341,009	2,553,297	2,553,297	208,991	8
Postal expenses	140,000	135,879	141,270	141,270	4,121	3
Bank charges/ interest	7,000,000	6,547,794	5,841,843	5,841,843	452,206	6

DEDAN KIMATHI UNIVERSITY OF TECHNOLOGY
NOTES TO THE FINANCIAL STATEMENT FOR THE YEAR ENDED 30 JUNE 2017

	<u>2016/2017</u>	<u>2016/2017</u>	<u>2015/2016</u>	<u>2015/2016</u>	<u>VARIANCE</u>	<u>VARIANCE</u>
	<u>BUDGET</u>	<u>ACTUAL</u>	<u>RESTATED</u>	<u>ACTUAL</u>		<u>%</u>
	<u>KSHS</u>	<u>KSHS</u>	<u>BALANCE</u>	<u>KSHS</u>	<u>KSHS</u>	<u>KSHS</u>
Bank loan interest	2,600,000	2,558,403	4,895,440	4,895,440	41,598	2
Purchase of uniforms	150,000	152,550	131,520	131,520	(2,550)	(2)
Conferences and seminars	5,000,000	5,386,400	4,754,027	4,754,027	(386,400)	(8)
Public celebrations/Demise	300,000	308,500	250,710	250,710	(8,500)	(3)
Purchase of Drugs	2,000,000	1,852,739	2,478,601	2,478,601	147,261	7
Medical expenses	22,500,000	23,580,388	24,027,639	24,027,639	(1,080,388)	(5)
Optical and Dental	2,900,000	2,943,926	3,144,026	3,144,026	(43,926)	(2)
University Public Functions	700,000	637,300	1,800,273	1,800,273	62,700	9
Contracted professional services	900,000	882,895	260,850	260,850	17,105	2
Legal expenses	2,500,000	2,356,511	598,971	598,971	143,489	6
Catering	23,470,000	23,240,358	21,308,019	21,308,019	229,642	1
Utensils and Crockery	40,000	35,840	179,851	179,851	4,160	10
Cleaning materials	1,500,000	1,587,979	2,324,440	2,324,440	(87,979)	(6)
Hygiene services	300,000	300,300	629,940	629,940	(300)	(0)
Fumigation Services	15,000	16,000	245,784	245,784	(1,000)	(7)
Internet services	14,000,000	14,457,279	19,780,177	19,780,177	(457,279)	(3)
Set up of ICT infrastructure	1,400,000	1,359,932	1,562,284	1,562,284	40,068	3
External travelling	3,500,000	3,401,182	6,082,851	6,082,851	98,818	3
Gas and fuel	800,000	839,880	835,071	835,071	(39,880)	(5)
Training expenses	8,000,000	7,594,692	7,077,896	7,077,896	405,308	5
Subscription to professional bodies	600,000	592,241	542,656	542,656	7,759	1
Security services	5,700,000	5,764,909	5,294,744	5,294,744	(64,909)	(1)
Book shop expenses	400,000	389,135	641,589	641,589	10,865	3
Booked meals	-	-	2,333,415	2,333,415	-	-
Maisha Project	-	4,285,938	6,523,671	6,523,671	(4,285,938)	-
Nyeri Town campus Expenses	-	-	6,021,549	6,021,549	-	-
Nairobi Campus Expenses	30,050,000	27,195,497	34,554,919	34,554,919	2,854,503	9
Generator expenses	-	-	169,360	169,360	-	-
Performance Contract	200,000	201,056	1,031,937	1,031,937	(1,056)	(1)
Show and Exhibitions Expenses	1,200,000	1,230,978	929,326	929,326	(30,978)	(3)
Linkages	-	-	315,320	315,320	-	-
Newspapers	1,000,000	897,252	541,850	541,850	102,748	10
Provision for doubtful debt (student fee)	-	9,703,783	9,884,524	9,884,524	(9,703,783)	-
Geo-power Africa project	-	1,550,365	4,805,613	4,805,613	(1,550,365)	-
Mathira TTI	-	10,827,371	6,274,620	6,274,620	(10,827,371)	-
	187,517,500	209,663,377	242,309,501	242,309,501		
22 CHANCELLOR/COUNCIL ALLOWANCE						
Chancellor Allowance	1,289,500	1,284,000	1,289,500	1,289,500	5,500	0
Chairman Allowance	1,044,000	1,032,774	1,044,000	1,044,000	11,226	1
Sitting Allowance	3,900,000	4,130,000	2,542,000	2,542,000	(230,000)	(6)
Travelling & Accommodation	3,066,500	2,289,393	1,935,152	1,935,152	777,107	25
	9,300,000	8,736,167	6,810,652	6,810,652		
23 MAINTENANCE COSTS						
Maintenance Vehicle	3,500,000	3,457,400	4,855,020	4,855,020	42,600	1
Maintenance of equipment	3,000,000	2,965,842	4,154,460	4,154,460	34,158	1
Maintenance Water and sewerage	250,000	238,990	523,726	523,726	11,010	4
Maintenance of Buildings	2,878,213	2,730,405	4,664,920	4,664,920	147,808	5
Maintenance of roads/grounds	500,000	464,942	583,574	583,574	35,058	7
Maintenance of computers/printer	150,000	162,756	111,500	111,500	(12,756)	(9)
Asset tagging	-	439,500	935,850	935,850	(439,500)	-
	10,278,213	10,459,835	15,829,050	15,829,050		

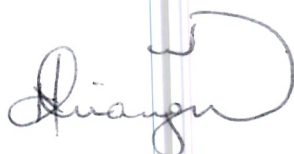
DEDAN KIMATHI UNIVERSITY OF TECHNOLOGY

NOTES TO THE FINANCIAL STATEMENT FOR THE YEAR ENDED 30 JUNE 2017

	<u>2016/2017</u>	<u>2016/2017</u>	<u>2015/2016</u>	<u>2015/2016</u>	<u>VARIANCE</u>	<u>VARIANCE</u>
	<u>BUDGET</u>	<u>ACTUAL</u>	<u>RESTATE</u>	<u>ACTUAL</u>		<u>%</u>
	<u>KSHS</u>	<u>KSHS</u>	<u>BALANCE</u>	<u>KSHS</u>	<u>KSHS</u>	<u>KSHS</u>
24 STUDENTS WELFARE						
Sports and Games	3,000,000	3,022,780	2,923,028	2,923,028	(22,780)	(1)
Students insurance	1,000,000	903,381	-	-	96,619	10
Student benovelent fund	450,000	442,680	395,250	395,250	7,320	2
Students conference/workshops	-	-	2,500	2,500	-	-
Student Awards	400,000	378,055	398,455	398,455	21,945	5
Student bursary	300,000	292,920	961,272	961,272	7,080	2
Counselling expenses	430,000	426,010	222,762	222,762	3,990	1
Entertainment	800,000	823,901	1,273,848	1,273,848	(23,901)	(3)
Kimathi students union allow	1,470,000	1,453,419	1,281,620	1,281,620	16,581	1
Sports equipments	500,000	637,487	211,550	211,550	(137,487)	(27)
	8,350,000	8,380,633	7,670,285	7,670,285		
25 ACADEMIC COSTS						
External examination	5,200,000	5,186,463	4,434,161	4,434,161	13,537	0
Examination materials	4,000,000	3,819,750	3,935,000	3,935,000	180,250	5
Attachment expenses	4,500,000	4,697,827	4,149,845	4,149,845	(197,827)	(4)
Traveling and accommodation	2,000,000	1,919,733	2,681,030	2,681,030	80,267	4
Payment of use of lab	190,000	177,400	137,600	137,600	12,600	7
Library	1,250,000	1,211,132	3,497,140	3,497,140	38,868	3
Outreach programs	270,000	252,883	197,150	197,150	17,117	6
Field courses	1,500,000	1,525,841	1,167,790	1,167,790	(25,841)	(2)
Coffee Centre/Yought expenses	80,000	82,318	70,955	70,955	(2,318)	(3)
Graduation expenses	13,045,000	13,352,794	6,146,808	6,146,808	(307,794)	(2)
Teaching materials	3,300,000	3,601,153	3,110,412	3,110,412	(301,153)	(9)
Research funds	3,000,000	2,995,819	3,316,460	3,316,460	4,181	0
KUCCPS admission expenses	2,900,000	2,760,775	1,925,880	1,925,880	139,225	5
Conservancy Expenses	20,000	18,084	1,414,742	1,414,742	1,916	10
Work-study	900,000	851,043	875,543	875,543	48,957	5
Purchase of software	1,500,000	1,501,639	1,087,512	1,087,512	(1,639)	(0)
Hire of teaching facilities	3,500,000	3,458,417	1,575,360	1,575,360	41,583	1
Purchase of Gowns	1,500,000	1,535,040	488,700	488,700	(35,040)	(2)
Launch of MBA & PHD Programmes	2,500,000	2,463,990	641,750	641,750	36,010	1
Curriculum Development	900,000	836,953	613,323	613,323	63,047	7
Innovation and technology	250,000	261,230	199,090	199,090	(11,230)	(4)
Wind energy (Nairutia)	1,500,000	1,600,981	380,151	380,151	(100,981)	(7)
Science park	2,500,000	2,520,163	-	-	(20,163)	(1)
Simens	2,200,000	2,254,037	-	-	(54,037)	(2)
TIVET	2,500,000	2,617,150	-	-	(117,150)	(5)
Final year project	2,000,000	2,195,136	1,037,326	1,037,326	(195,136)	(10)
Mt. Kenya expedition climb to educate	1,250,000	1,140,225	1,563,339	1,563,339	109,775	9
Servir project	-	81,640	103,637	103,637	(81,640)	-
Brigit project	-	650,159	-	-	(650,159)	-
VLIR-Belgium project	-	1,825,650	-	-	(1,825,650)	-
DeHub	300,000	287,093	114,098	114,098	12,907	4
Internship	120,000	117,403	170,292	170,292	2,597	2
	64,675,000	67,799,922	45,035,094	45,035,094		
26 ADMINISTRATIVE COSTS						
Travelling and accommodation	5,450,000	5,313,422	5,878,966	5,878,966	136,578	3
Committee Facilitation	2,000,000	1,842,670	-	-	157,330	8
Staff Welfare	2,450,000	2,392,475	1,757,001	1,757,001	57,525	2
Staff Entertainment	200,000	215,990	324,280	324,280	(15,990)	(8)
Guest house Expenses	300,000	292,048	219,862	219,862	7,952	3
Corporate social responsibilities	180,000	178,000	446,700	446,700	2,000	1
Alumini Assosiation	-	17,490	71,200	71,200	(17,490)	-
Recrutment expenses	75,000	76,000	16,808	16,808	(1,000)	(1)
ISO Expenses	200,000	212,224	357,346	357,346	(12,224)	(6)
Stationery and stores	8,000,000	8,685,741	8,520,308	8,520,308	(685,741)	(9)
	18,855,000	19,226,060	17,592,471	17,592,471		

DEDAN KIMATHI UNIVERSITY OF TECHNOLOGY
 FARM STATEMENT OF FINANCIAL POSITION AS AT 30TH JUNE 2017

		<u>2016/2017</u>	<u>2015/2016</u>
		<u>KSHS</u>	<u>KSHS</u>
<u>NON-CURRENT ASSETS</u>			
	<u>NOTE</u>		
Investments	14	-	-
Biological assets	15	14,214,850	9,679,150
		14,214,850	9,679,150
<u>CURRENT ASSETS</u>			
Inventories	16	3,051,213	6,110,861
Trade and other receivables	4	2,462,454	2,950,514
		5,513,667	9,061,375
TOTAL ASSETS		<u>19,728,517</u>	<u>18,740,525</u>
<u>FUNDS , RESERVES AND LIABILITIES</u>			
FUNDS			
Capital fund	6	(9,990,246)	(9,990,246)
Revaluation reserve		5,968,700	1,433,000
Reserve fund	7	(143,670,877)	(109,582,067)
		(147,692,423)	(118,139,313)
<u>CURRENT LIABILITIES</u>			
Trade and other payables	10	167,420,940	136,879,838
		167,420,940	136,879,838
TOTAL FUNDS , RESERVES AND LIABILITIES		<u>19,728,517</u>	<u>18,740,525</u>



Prof. P.N. Kioni
 Vice Chancellor



CPA. Beatrice Mwangi
 Ag. Finance Officer

DEDAN KIMATHI UNIVERSITY OF TECHNOLOGY
 FARM TRADING ACCOUNTS FOR THE YEAR ENDED 30 JUNE 2017

		<u>2016/2017</u>	<u>2015/2016</u>
	<u>NOTE</u>	<u>KSHS</u>	<u>KSHS</u>
Gross sales income	27	17,497,972	11,964,380
		17,497,972	11,964,380
LESS COST OF SALES			
Stock 1/7/2016		6,110,861	2,133,233
Add			
Horticulture expenses	28	1,321,360	1,669,835
Coffee expenses	29	23,205,609	27,267,196
Livestock expenses	30	2,877,356	3,463,900
		33,515,186	34,534,164
Less stock 30/6/2017	16	3,051,213	6,110,861
Cost of sales		30,463,973	28,423,303
Gross profit/ Loss		(12,966,001)	(16,458,923)
Less overhead expenses	31	21,122,810	19,757,497
Net farm profit/ Loss		(34,088,811)	(36,216,420)

DEDAN KIMATHI UNIVERSITY OF TECHNOLOGY
 NOTES TO THE FINANCIAL STATEMENT FOR THE YEAR ENDED 30 JUNE 2017
 FARM ACCOUNTS

NOTE	2016/2017	2015/2016	
	<u>ACTUAL</u> KSHS	<u>ACTUAL</u> KSHS	
27	<u>Revenue</u>		
	Coffee	8,528,363	3,494,129
	Milk	3,513,516	3,268,124
	Horticulture	1,967,870	2,136,383
	Livestock Sales	372,440	553,460
	Miscellaneous	14,160	3,300
	Charcoal Sales	1,740,123	1,407,747
	Grant	443,100	722,747
	Coffee seedlings	918,400	378,490
		<u>17,497,972</u>	<u>11,964,380</u>
	<u>Expenditure</u>		
28	<u>HORTICULTURE EXPENSES</u>		
	Seeds-Hort	85,800	481,120
	Horticulture - Labour	1,069,525	1,037,255
	Chemicals-Hort	109,020	125,350
	Fertilizers-Hort	4,015	26,110
	Organic manure	53,000	-
		<u>1,321,360</u>	<u>1,669,835</u>
29	<u>COFFEE EXPENSES</u>		
	Certified coffee seeds	80,000	80,000
	Farm inputs	160,995	272,680
	Coffee Labour	6,893,752	7,452,714
	Coffee hole digging	184,000	739,200
	Coffee picking expenses	-	45,000
	Fertilisers-coffee	1,708,200	1,377,600
	Organic manure	447,850	2,077,110
	Herbicides-Coffee	163,540	1,033,500
	Fungicides-coffee	79,000	103,500
	Insecticides-coffee	302,785	264,000
	Coffee nylex & sisal twine	18,930	206,663
	Farm tools	-	-
	Gratuity and Pension	988,813	1,640,305
	Administration salaries	12,177,744	11,974,924
		<u>23,205,609</u>	<u>27,267,196</u>

DEDAN KIMATHI UNIVERSITY OF TECHNOLOGY
 NOTES TO THE FINANCIAL STATEMENT FOR THE YEAR ENDED 30 JUNE 2017
 FARM ACCOUNTS

	<u>2016/2017</u>	<u>2015/2016</u>
30 <u>LIVESTOCK EXPENSES</u>	<u>ACTUAL</u>	<u>ACTUAL</u>
Feeds/Fodder	1,520,850	1,866,797
Labour - Livestock	907,270	982,067
vetinary bills & A.I	205,437	136,676
Grooming and local treatment	16,059	52,520
Acaricides	-	58,380
piggery feeds	95,740	350,160
Polythene & Twine-Dairy	132,000	17,300
	<u>2,877,356</u>	<u>3,463,900</u>
31 <u>OVERHEAD EXPENSES</u>		
Buildings maintenance	105,783	299,592
Machinery maintenance	597,388	162,442
Elecricity-irrigation	2,115,634	3,548,578
Elecricity-wet mill	31,925	-
Elecricity- office/stores/dairy	98,861	112,762
Travel & Subsist	152,877	217,869
Stationery & printing	65,866	67,078
Security	10,000	4,000
Licences and legal fees	40,103	37,500
Seminars & Workshops	8,950	-
Insurance	95,066	410,425
Hired transport	-	36,221
Staff entertainment	168,160	144,125
Fuel and oils	1,051,438	815,641
Telephone	200	-
Protective clothing	450	-
Internet connections	10,000	56,200
Postal & Courior charges	7,480	6,960
Cleaning Materials	19,823	16,949
Packaging materials	65,070	38,707
Printing & Publishing	25,500	17,000
Exhibition cost	-	21,060
Interest on investment	15,204,665	12,383,832
Coffee Nursery project	363,100	402,847
Indirect labour	884,471	954,734
Drying and picking materials	-	2,975
	<u>21,122,810</u>	<u>19,757,497</u>