

REPUBLIC OF KENYA



KENYA NATIONAL AUDIT OFFICE

REPORT

OF

THE AUDITOR-GENERAL

ON

THE FINANCIAL STATEMENTS OF
RONGO UNIVERSITY COLLEGE

FOR THE YEAR ENDED
30 JUNE 2014

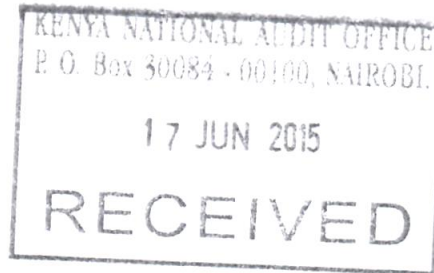
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magnity party
Hon. Aden
Duale
on Tuesday
25/8/2014
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(A constituent College of Moi University)



ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED
JUNE 30, 2014

Prepared in accordance with the Accrual Basis of Accounting Method under the International Public Sector Accounting Standards (IPSAS)

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RONGO UNIVERSITY COLLEGE FINANCIAL STATEMENTS FOR THE YEAR 2013-2014

I. KEY ENTITY INFORMATION AND MANAGEMENT

(a) Background information

Rongo University College is a public institution which was established by the Government of Kenya through Legal Notice NO.70, Kenya Gazette Supplement NO.51, on 17th June 2011 as a Constituent College of Moi University. Prior to the gazettelement, it was a Satellite Campus of Moi University from the year 2008 and formally an Institute of Science and Technology, otherwise known as Moi Institute of Technology, (MIT).

VISION

To be a world class technology driven university in learning and practice.

MISSION

To provide high quality education through teaching, research, community service and nurture innovative graduates.

CORE VALUES

1. Integrity
2. Equity
3. Professionalism
4. Teamwork
5. Innovation and adaptability
6. Social responsibility

(b) Principle Activities

The principle activities of the University College are stipulated in the Legal Notice no. 70 of June 2011.

Part 2 section 4(1) of legal notice provides the functions and objectives of the University College which include:

- a) To provide directly , or in collaborations with other institutions of higher learning, facilities for university education (including technological, scientific and professional education) the integration of teaching research and effective application of knowledge and skills to the life work and welfare of the citizens of Kenya;
- b) To participate in the research, transmission, preservation and enhancement of knowledge and to stimulate the intellect participation of students in the economic, social, cultural, scientific and technological development of Kenya;
- c) To provide and advance university education and training to appropriately qualified candidates, leading to the conferment of degrees and award of diplomas and certificates and such other qualifications as the council and the senate shall from time to time determine and in so doing contribute to manpower needs;
- d) To conduct examinations for such academic awards as may be provided in the statutes pertaining to the university college;
- e) To examine and make proposals for new faculties, schools, institutes departments, resource and research centers, degree courses and subjects of study;
- f) To play a leading role in the development and expansion of the opportunities for higher education and research;
- g) To contribute to industrial and technological development through innovations and technology transfer;
- h) To develop as an institution of excellence in teaching, training, scholarships, entrepreneurship, innovation, research and consultancy services;
- i) To participate in commercial ventures and other activities for the benefit of the institution, the community and stakeholders;
- j) To contribute to agriculture, industrial and technological development in Kenya in collaboration with industrial and other institutions through the transfer of appropriate technology;

(c) Key Management

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

1. Management Board
2. Academic Board
3. School Management Boards
4. School Academic Board
5. Departmental Boards

(d) Fiduciary Management

The key management personnel who held office during the financial year ended 30th June 2014 and who had direct fiduciary responsibility were:

- | | |
|----------------------------------|---|
| 1. Mr. Julius Kipkeny Kolil | Member/ Ag. Chairperson |
| 2. Dr. Nathan Kitio Psiwa | Member |
| 3. Mrs. Beatrice Muthoni Mwaniki | Member |
| 4. Mrs. Anna Ngibuini Mwaure | Member |
| 5. Mrs. Jacinta Aluoch Odhiambo | Member |
| 6. Mr. Archer Arina Omolo | Rep. PS, Ministry of Education Science and Technology |
| 7. Mr. Shem Nyakutu | Rep. PS, National Treasury |
| 8. Prof. Samuel Gudu | CEO& Secretary to the Council |

(e) Fiduciary Oversight Arrangements

I. Human Resource, Finance & Resource Mobilization Committee (HFRC)

Committee Members:

- | | | | |
|----|------------------------------|---|---------------------|
| 1. | Mrs. Jacinta Aluoch Odhiambo | - | Chairperson |
| 2. | Mr. Archer Arina Omolo | - | Member |
| 3. | Mr. Julius Kipkeny Kolil | - | Member |
| 4. | Prof. Samuel Gudu | - | Secretary/Principal |

Roles of HFRC

1. To consider qualified candidates for filling vacant positions in the University College in accordance with the job descriptions for the various positions.
2. To recommend to Council the appointment of suitable candidate(s) after considering all the requirements for the position or in case of there being no suitable candidates to recommend re-advertisement of the position
3. To recommend to Council, improvements in the job grading classifications as the Committee may consider appropriate
4. To review and make recommendations to Council on Terms and Conditions of Service as and when necessary or when directed to do so by Council from time to time
5. To examine and make recommendations to Council on salaries, Terms and Conditions of Service for all University Employees
6. To consider and advise Council on actions to be taken in regard to disciplinary matters for staff on academic and non-academic terms of service
7. To explore ways of raising funds for the University College, both internally and externally

RONGO UNIVERSITY COLLEGE FINANCIAL STATEMENTS FOR THE YEAR 2013-2014

8. To act on behalf of Rongo University College (RUC) on all issues concerning Resource Mobilization and Income Generating Activities
9. To provide linkages and synergy amongst all Income Generating Activities
10. To develop appropriate and conducive policies to guide and promote Resource Mobilization and income Generating Activities in the University College
11. To recommend to Council the provision of Capital for potential Income Generating Activities
12. To approve performance contract report on behalf of Council
13. To be in charge of overall University College Planning, including University College Master Plan and Strategic Plan
14. To take charge of all arrangement for erection of new buildings once the finances have been made available
15. To receive and consider the report on the performance of various contractors for the proceeding tender of contract period
16. To be responsible for authorizing expenditure for all maintenance work with the provision that the Committee will have authority to delegate the minor maintenance work to an executive sub-committee of the University College
17. To recommend and to effect as appropriate any modification in physical facilities as may be necessary
18. To recommend to Council on acquisition of new fixed assets including land and to advise council on utilization of such assets and land

II. Academic Affairs & Appeals Committee (AAC)

Committee Members:

- | | | | |
|----|------------------------------|---|-------------|
| 1. | Dr. Nathan Kitio Psiwa | - | Chairperson |
| 2. | Mrs. Anna Ngibuini Mwaure | - | Member |
| 3. | Mrs. Jacinta Aluoch Odhiambo | - | Member |
| 4. | Mr. Archer Arina Omolo | - | Member |

Roles of AAC

1. To advise the University College on Policy for Research and Training
2. To develop and review statutes for the University College
3. To approve requests for use of the University College Seal
4. To approve recommendations for award of Honorary Degrees of the University College
5. To receive and consider any appeals of staff who decide to appeal disciplinary decisions made by the HFRC against them
6. To receive and consider appeals from students who decide to appeal decisions made by Senate; except decisions concerning examination matters
7. To make recommendations to Council on the Appeal cases

III. Audit Committee (AC)

Committee Members

- | | | | |
|----|-------------------------------|---|-------------|
| 1. | Mrs. Beatrice Muthoni Mwaniki | - | Chairperson |
| 2. | Mrs. Anna Ngibuini Mwaure | - | Member |
| 3. | Mr. Shem Nyakutu | - | Member |
| 4. | Dr. Nathan Kitio Psiwa | - | Member |

Roles of AC:

1. Assisting the Accounting Officer/Chief Executive Officer in enhancing internal controls in order to improve efficiency, transparency and accountability
2. Reviewing audit issues raised by both internal and external auditors
3. Resolving unsettled and unimplemented Public Accounts and Public Investment Committees (PAC/PIC) recommendations
4. Enhancing communication between management, internal and external audit and fostering an effective internal audit function.
5. Risk management

IV. Executive Committee (EC)

Committee Members:

- | | | | |
|----|-------------------------------|---|---------------------|
| 1. | Mr. Julius Kipkeny Kolil | - | Chairperson |
| 2. | Mr. Shem Nyakutu | - | Member |
| 3. | Mr. Archer Arina Omollo | - | Member |
| 4. | Mrs. Beatrice Muthoni Mwaniki | - | Member |
| 5. | Prof. Samuel Gudu | - | Secretary/Principal |

Roles of EC

1. To handle urgent business on behalf of Council
2. To pay due regard to necessity to refer matters of major importance to the Council for final approval. For instance, the Committee shall not have power to approve the Annual Estimates and Expenditure

(f) Rongo University College Headquarter

Rongo University College
Along Rongo- Migori Road
P.O. Box 103-40404
Rongo

(g) Rongo University College Contacts

Telephone :(254) 770308253
E-mail: principal@ruc.ac.ke
Website: www.ruc.ac.ke

(h) Entity Bankers

- 1) National Bank of Kenya
P.O. Box 200 Sare,
Awendo
- 2) Kenya Commercial Bank
P.O. Box 266-40404,
Rongo
3. Cooperative Bank of Kenya
P.O. Box40560 - 4040
Rongo

(i) Independent Auditors




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




(j) Principal Legal Adviser

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



RONGO UNIVERSITY COLLEGE FINANCIAL STATEMENTS FOR THE YEAR 2013-2014

II. THE COUNCIL MEMBERS




MEMBER	DETAILS
<p>1. Mrs. Beatrice Muthoni Mwaniki</p> 	<p>Date of Birth: 4th October, 1953</p> <p>Work Experience: Served in the Teachers Service Commission for over 10 years in different capacities including:</p> <ul style="list-style-type: none"> ▪ Principal Human Resource Development (HRD) Officer; ▪ Assistant Deputy Secretary HRD; ▪ Deputy Secretary HRD. <p>Qualifications:</p> <ul style="list-style-type: none"> ▪ MSc. Human Resource Development—University of Manchester, UK. ▪ Bachelor of Education Arts—Kenyatta University College ▪ East Africa Advance Certificate of Education (EAACE) ▪ East Africa Certificate of Education (EACE) ▪ Kenya Certificate of Primary Education (KCPE)
<p>2. Mr. Julius Kipkeny Kolil</p> 	<p>Date of Birth: 1st January, 1955</p> <p>Work Experience: Mr. Kolil is a career banker who has worked in the Kenya Commercial Bank for 25 years in various capacities including:</p> <ul style="list-style-type: none"> ▪ Group Head of Operational Risk and Compliance ▪ Area Director, Nairobi Region ▪ Area Director, Mount Kenya Region ▪ Branch Manager in 6 different branches <p>Qualifications:</p> <ul style="list-style-type: none"> ▪ MBA, Strategic Management—University of Manstretch at Eastern & Southern Africa Management Institute, Tanzania ▪ BCom. Accounting Option—University of Nairobi ▪ EAACE ▪ EACE ▪ Certificate of Primary Education (CPE)
<p>3. Dr. Nathan Kitio Psiwa</p> 	<p>Date of Birth: 18th April, 1966</p> <p>Work Experience: Over 20 years working at the Ministry of Health and Kenyatta National Hospital as a Dentist & Consultant Orthodontist (2006-2011)</p> <p>Qualification:</p> <ul style="list-style-type: none"> ▪ Msc. Dental Surgery—University of Western Cape, South Africa ▪ Bachelor of Dental Surgery—University of Nairobi ▪ A-Level

<p>4. Mrs. Jacinta Aluoch Odhiambo</p> 	<p>Date of Birth: 20th June, 1969</p> <p>Work Experience:</p> <ul style="list-style-type: none"> ▪ Partnership and Advocacy Manger Forum for African Women, FAWE (2014 to date) ▪ Program Manager, Forum for African Women Educationalist Regional Secretariat (2010 to date) ▪ Senior Teacher, French Language in various institutions (1995-2010) ▪ Pearl House Services Ltd (2006-2008) ▪ Founder Director, Mobile Education for Life International (MELI) <p>Qualification:</p> <ul style="list-style-type: none"> ▪ MA, Sustainable International Development—Brandeis University, Heller School for Social Policy & Management, Waltham, MA, USA. ▪ B.A Education, French & Business Studies—Kenyatta University
<p>5. Mrs. Anna Ngibuini Mwaure</p> 	<p>Date of Birth: 14th April, 1959</p> <p>Work Experience:</p> <ul style="list-style-type: none"> ▪ Has worked as a Magistrate in Makadara and Nairobi Law Courts for over 4 years ▪ An Advocate of the High Court ▪ General Counsel for World Vision Kenya (2003-2005) ▪ Lecturer in Legal and Leadership seminars ▪ Founder Member and Partner at Mwaure&MwaureWaihiga Advocates <p>Qualifications:</p> <ul style="list-style-type: none"> ▪ MA in Communication—Daystar University ▪ Diploma in Legal Education—Kenya School of Law ▪ LLB Hons.—University of Nairobi ▪ A-Level ▪ CPS(K) ▪ Member of LSK
<p>6. Mr. Shem Nyakutu</p> 	<p>Date of Birth: 1967</p> <p>Work Experience:</p> <p>Has worked in the Public Service for over 23 years at the Ministry of Lands and The National Treasury</p> <ul style="list-style-type: none"> ▪ Currently Acting Senior Deputy Director of Pensions at the National Treasury ▪ Deputy Director of Pensions at The National Treasury ▪ Secretary Defence Forces Pensions Assessment Board ▪ Deputizes the CEO at the National Treasury ▪ Representative of the PS, National Treasury at Rongo University College, Pwani University Council <p>Qualification:</p> <ul style="list-style-type: none"> ▪ Msc. Finance ▪ BA Geography & Sociology ▪ LLB ▪ A-Level

RONGO UNIVERSITY COLLEGE FINANCIAL STATEMENTS FOR THE YEAR 2013-2014

<p>7. Mr. Archer ArinaOmollo</p> 	<p>Date of Birth: 23RD April, 1967</p> <p>Work Experience: Mr. Arina has over 16 years of administrative work at the Ministry of Education, currently Ministry of Education, Science and Technology (MoEST) in various capacities:</p> <ul style="list-style-type: none"> ▪ Representative of the PS, MoEST at Rongo University College ▪ Assistant Director of Education, MoEST ▪ Senior Education Officer, MoEST, ▪ Deputy District Officer in various Districts <p>Qualifications:</p> <ul style="list-style-type: none"> ▪ Msc. In Technological Economics & Management—Southwest Jiaotong University, China ▪ Bsc. Agricultural Education & Extension—Egerton University ▪ A-Levels ▪ O-Levels ▪ CPE
<p>8. Prof. Samuel Gudu</p> 	<p>Date of Birth: 16th August, 1956</p> <p>Work Experience: Prof. Samuel Gudu is a world renowned scientist who has worked in the University for over 30 years rising steadily within the ranks from a Graduate Assistant to Professor. He has held the following positions over his University Career:</p> <ul style="list-style-type: none"> ▪ Principal Rongo University College since 2012 to date ▪ Ag. VC, Moi University on Several occasions ▪ DVC, Planning & Development, Moi University for 10 years ▪ Ag. Principal Chepkoilel Campus for 1 year ▪ Director of Research Moi ▪ Ag. Dean Faculty of Sciences at Moi University ▪ HoD, Botany, Moi University. <p>Qualifications:</p> <ul style="list-style-type: none"> ▪ PhD, Genetics & Biotechnology – Guelph, Canada ▪ Msc. Genetics & Plant Breeding – University of Nairobi ▪ Bsc. Agriculture (Hons) – Moi University ▪ A-Levels ▪ O-Levels

III. MANAGEMENT TEAM

MEMBER	RESPONSIBILITY
 <p>1. Prof. Samuel Gudu BSc (Agric), MSc (Genetics and Plant Breeding), PhD (Genetics in Molecular Biology)</p>	<p>Principal</p> <ul style="list-style-type: none"> (i) Provide an innovative and visionary leadership; (ii) Create and sustain a highly motivated and participatory management team; (iii) Follow-up the strategic and vision plan of the University College (iv) Maintain and promote the academic standard of the University College and its public relations; (v) Mobilize financial support (vi) Maintain and promote international linkages with other institutions of higher learning; (vii) Promote efficiency and good management
 <p>2. Prof. Stanley Shitote BSc (Civil Eng.), MSc (Civil Eng.), PhD (Civil Eng.), Member of the Institution of Engineers of Kenya (MIEK), Registered Engineer (R.Eng), Member of the Kenya Institute of Management (MKIM)</p>	<p>Deputy Principal (Administration, Finance and Planning)</p> <ul style="list-style-type: none"> (i) Management of Human Resource Planning and Development (ii) Management of Planning, Physical infrastructure and Development (iii) Coordination of Financial functions
 <p>3. Prof. Augustino Onkware</p>	<p>Deputy Principal (Academic and Students Affairs)</p> <ul style="list-style-type: none"> (i) Management of Research (ii) Management of Extension (iii) Management of External Liaison (iv) Management of academic and student affairs

RONGO UNIVERSITY COLLEGE FINANCIAL STATEMENTS FOR THE YEAR 2013-2014

<p>PhD, Plant Physiology MSc Botany, Plant Physiology and Biochemistry BSc (Biology)</p>	
<div data-bbox="217 344 525 758" data-label="Image"> </div> <p>4. Ms. Janet Chumba Master of Business Administration (Finance), Bachelor of Business Administration (Accounting), Certified Public Accountant CPA (K)</p>	<p>Finance Officer</p> <ul style="list-style-type: none"> (i) The organization structure of the accounting and finance unit that facilitate communication, delegation of authority and the scope of responsibility and segregation of duties. (ii) Implementation of an adequate accounting system as a means of maintaining sound financial records, which must recognize, classify, post, summarize and report transactions. (iii) Overall operation and supervision of finance function in the system. (iv) Maintenance of high accounting standards within the department.
<div data-bbox="201 982 529 1304" data-label="Image"> </div> <p>5. Mr. John Oluoch B.Ed. (Hons), PG. Dip (Public Relations), MPhil. (Communication Studies), DPhil. (Communication Studies), MPRSK</p>	<p>Director, Privately Sponsored Students Programme</p> <ul style="list-style-type: none"> (i) Ensuring steady growth and sustainability of the Privately Sponsored Student Programme. (ii) Developing policies and Strategic Plans for the management of Privately Sponsored Student Programme. (iii) Facilitating admission of students in liaison with Deputy Principal (ASA) and Deans of Schools. (iv) Facilitating provision of necessary resources for the operation of the Privately Sponsored Student Programme (v) Providing regular briefs to the Principal on Privately Sponsored Student Programme issues.

IV. CHAIRMAN'S STATEMENT

The demand for higher education in the country has continued to rise prompting the University College to continually review its programs in line with the market demand. The University College will continue to reposition its academic programs to meet market requirements, ensure customer satisfaction and cost rationalization in delivery of service to its stakeholders. The need to meet this objective remains the central focus of the University College Council.

Since inception, the institution's growth and expansion policy focuses on its mission "to provide high quality education through teaching, research, community service and nurture innovative graduates" for the labor market. The Council is also guided by the University College vision which is, to be a world class technological driven University in learning and practice.

In line with the G.o.K policy, the University College has increased access to higher education through additional admission of students. This in effect has led to increase in operational costs and hence the need for more resources in terms of physical facilities and human capital. The University College has continued to improve on existing facilities and adding new ones using the already constrained resources. It is the hope of Council that additional resources will be availed to help cope with the rapid expansion and growth of the University College.

Corporate Governance and Ethics

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

The Council attaches great importance to the need to conduct the activities and operations of the University with integrity, 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 College. On behalf of the Council, I thank the University staff for their dedication and commitment to the University College.

Mr. Julius Arap Kolil



CHAIRMAN OF THE UNIVERSITY COLLEGE COUNCIL

RONGO UNIVERSITY COLLEGE FINANCIAL STATEMENTS FOR THE YEAR 2013-2014

V. REPORT OF THE CHIEF EXECUTIVE OFFICER

I have the pleasure to present the annual report and accounts of Rongo University College for the year ended 30th June, 2014

1. FINANCES

Rongo University College started the financial year 2013/2014 with a cash balance of Kshs. 73,222,793 and was allocated Kshs. 260,845,382.80 by the Government during the year under review.

The University College managed to collect Kshs. 298,358,247.97 in tuition and other charges and Kshs. 6,795,441.00 from the small income generating activities. In total therefore, the University College had Kshs. 639, 221,863 at its disposal during the year 2013/2014 for its recurrent expenditure.

2. ACADEMIC PROGRAMMES:

During the year under review, the University College embarked on developing a number of academic programs ranging from Certificate Courses to Master's Degree Programs to be launched in new academic year. The University also launched ODEL in some of its programs and embarked on marketing it to increase the student's population from the current 4387 to 5500 in the next academic year.

3. CONCLUSION

I would like to take this opportunity to thank Council for the support it has given 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 of Kenya for its support throughout the year under review and also appeal for more support, especially for purposes of establishing infrastructural facilities required for the rapidly growing academic institution

Last but not least, I would like to thank staff and students for their continued cooperation in the difficult task of building a new University College inclined to Science and Technology. I look forward to a continued support, cooperation and enthusiasm for a rapid development of Rongo University College.



Prof. Samuel Gudu
PRINCIPAL

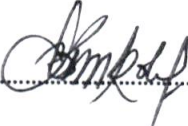
**VI. STATEMENT OF THE COUNCIL MEMBERS RESPONSIBILITIES
ON THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30TH JUNE 2014**

The Rongo University College order, 2011 requires University College Council to prepare statements for each financial year, which give a true and a fair view of the state of affairs of the University College at the end of the financial year and its operating results for that year. It also requires the Council to ensure that the University College keeps proper accounting records, which disclose, with reasonable accuracy, the financial position of the University College. The University Council is also responsible for safeguarding the Assets of the University College.

The University College Council accepts the responsibility for the Financial Statements, which has been prepared using the appropriate accounting policies supported by reasonable and prudent judgment and estimates, in conformity with International Public Sector Accounting Standards (IPSAS). The University College Council is of the opinion that the statements give a true and fair view of the state of the financial affairs of the University College at 30th June 2014 and of its operating results. The University College 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 system of internal Financial Control.

Nothing has come to the attention of the University College Council to indicate that the University College 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 College Council and is signed on its behalf by:

Chairman of the Council 

Principal, Rongo University College 

REPUBLIC OF KENYA

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NAIROBI

OFFICE OF THE AUDITOR-GENERAL

REPORT OF THE AUDITOR-GENERAL ON RONGO UNIVERSITY COLLEGE FOR THE YEAR ENDED 30 JUNE 2014

REPORT ON THE FINANCIAL STATEMENTS

I have audited the accompanying financial statements of Rongo University College set out on pages 14 to 30, which comprise the statement of financial position as at 30 June 2014, the statement of financial performance, statement of changes in net assets, statement of cash flows and statement of comparison of budget and actual amount for the year then ended, and a summary of significant accounting policies and other explanatory information in accordance with the provisions of Article 229 of the Constitution of Kenya and Section 14 of the Public Audit Act, 2003. I have obtained all the information and explanations which, to the best of my knowledge and belief, were necessary for the purpose of the audit.

Management's Responsibility for the Financial Statements

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

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

Auditor-General's Responsibility

My responsibility is to express an opinion on these financial statements based on the audit and report in accordance with the provisions of section 15(2) of the Public Audit Act, 2003 and submit the audit report in compliance with Article 229(7) of the Constitution of Kenya, 2010. The audit was conducted in accordance with International Standards on Auditing. Those standards require compliance with ethical requirements and that the audit be planned and performed to obtain reasonable assurance about whether the financial statements are free from material misstatement.

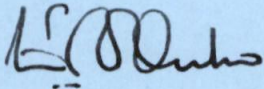
An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the

circumstances, but not for the purpose of expressing an opinion on the effectiveness of the University College's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the management, as well as evaluating the overall presentation of the financial statements.

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

Opinion

In my opinion, the financial statements present fairly, in all material respects, the financial position of the University College as at 30 June 2014, and of its financial performance and its cash flows for the year then ended, in accordance with International Public Sector Accounting Standards (IPSAS) accrual basis and comply with the Rongo University College Order, 2013 and the Universities Act, 2012.



Edward R. O. Ouko, CBS
AUDITOR-GENERAL

Nairobi

10 June 2015

RONGO UNIVERSITY COLLEGE FINANCIAL STATEMENTS FOR THE YEAR 2013-2014

**RONGO UNIVERSITY COLLEGE
STATEMENT OF FINANCIAL PERFORMANCE
For the year ended 30 June 2014**

	Notes	2013-2014	2012-2013
Revenue			
Government Grants	3	260,845,382.80	232,600,000.00
Other income	4	305,153,688.97	172,508,682.00
Total revenue		565,999,071.77	405,108,682.00
Expenses			
Employee costs	5	310,958,137.55	168,873,786.00
Depreciation and amortization expense	6	40,564,667.83	33,546,253.00
Repairs and maintenance	7	3,102,526.00	-
General expenses	8	110,510,845.73	86,330,000.00
Council Expenses	9	11,864,028.00	13,729,862.00
Academic Expense	10	82,643,066.10	37,942,589.00
Total expenses		559,643,271.21	385,822,490.00
Provision For Doubtful Debts		1,951,683.91	21,700,000.00
Provision For Audit Fees		500,000.00	1,000,000.00
Surplus for the period		3,904,116.65	41,986,192.00

**RONGO UNIVERSITY COLLEGE
STATEMENT OF FINANCIAL POSITION
AS AT 30TH JUNE 2014**

Assets	Notes	2013-2014	2012-2013
Current assets			
Cash and cash equivalent	11	(3,852,106.42)	73,222,793.00
Receivables	12	115,327,609.57	51,000,000.00
Biological Assets	13	578,800.00	-
Inventories	14	7,670,682.50	10,408,084.00
		119,724,985.65	134,630,877.00
Non-current assets			
Property, plant and equipment	15	384,199,397.95	351,545,377.00
Intangible assets	16	1,550,400.00	-
W.I.P	17	101,260,720.00	
		487,010,517.95	351,545,377.00
Total assets		606,735,503.60	486,176,254.00
Liabilities			
Current liabilities			
Payables	18	43,478,670.31	35,905,066.00
Provisions	19	2,451,683.91	-
Retention W.I.P	20	8,948,112.10	1,177,960.00
Payments received in advance	21	10,055,680.00	13,603,823.00
Taxation	22	8,600,873.00	3,817,526.00
		73,535,019.32	54,504,375.00
Net Assets			
Reserves		487,310,176.62	389,685,688.00
Accumulated surplus		45,890,307.65	41,986,191.00
Total Net Assets & Liabilities		606,735,503.60	486,176,254.00

The Financial Statements set out on pages 14 to 30 be signed on behalf of the Board of Directors by:

C.E.O (RONGO UNIVERSITY COLLEGE)

Chairman of the Board

Date..... 30th Sept 2014

Date..... 30th Sept 2014

STATEMENT OF CHANGES IN NET ASSETS
For the year ended 30 June 2014

	Capital replacement reserve Kshs '000	Reserves		Total Kshs '000
		development reserve Kshs '000	Accumulated surplus Kshs '000	
Balance at 30 JUNE 2012	-	-	-	-
Surplus/(deficit) for the period	22,450,378.00	-	354,656,888.92	377,107,266.92
Transfers to/from accumulated surplus	-	41,986,191.00	-	41,986,191.00
Balance at 30 JUNE 2013	22,450,378.00		354,656,888.92	419,093,457.92
Surplus for the period		3,904,116.65	-	3,904,116.65
Transfers to/from accumulated surplus	110,202,909.70	-	-	110,202,909.70
Balance at 30 JUNE 2014	132,653,287.70		354,656,888.92	533,200,484.27

**RONGO UNIVERSITY COLLEGE
STATEMENT OF CASHFLOW
AS AT 30TH JUNE 2014**

	Notes	2013-2014	2012-2013
Cash generated from operations			
Receipts			
Government Grants	3	260,845,382.80	232,600,000.00
Other Incomes	4	305,153,688.97	172,508,682.00
Total Receipts		565,999,071.77	405,108,682.00
Payments			
Compensation of employees	6	310,958,137.55	168,873,786.00
Rent Paid		15,435,419.00	5,750,125.00
Other Payments		233,249,714.66	188,498,579.00
Total Payments		559,643,271.21	363,122,490.00
Surplus/Deficit		6,355,800.56	41,986,192.00
Net Cash flows From operating activities	23	1,909,220.90	23,190,914.78
Cash flows from investing activities			
Purchase of property, plant, equipment and intangible assets	15	(73,643,201.00)	34,205,564.00
Decrease in non-current receivables			-
Increase in investments	15	(1,938,000.00)	-
Net cash flows used in investing activities		(75,581,201.00)	34,205,564.00
Cash flows from financing activities			
Proceeds from borrowings			22,444,057.00
Repayment of borrowings		(3,402,919.15)	-
Net cash flows used in financing activities		(3,402,919.15)	22,444,057.00
Net increase/(decrease) in cash and cash equivalents	11	(77,074,899.25)	57,867,228.00
Cash and cash equivalents at 1 JULY		73,222,793.00	15,355,565.00
Cash and cash equivalents at 30 JUNE		(3,852,106.42)	73,222,793.00

RONGO UNIVERSITY COLLEGE FINANCIAL STATEMENTS FOR THE YEAR 2013-2014

STATEMENT OF COMPARISON OF BUDGET AND ACTUAL AMOUNTS

	Initial Budget	Adjustments	Finalbudget	Actualon comparable basis	Performance difference
	2013-2014	2013-2014	2013-2014	2013-2014	2013-2014
	Kshs '000	Kshs '000	Kshs '000	Kshs '000	Kshs '000
Revenue					
Exchequer Grants	224,483,450.00	-	224,483,450	260,845,382.80	36,361,933
Fees and Related Charges	185,488,240.00	-	185,488,240	305,153,688.97	119,665,449
Farm Income	198,484.00	-	198,484	0	-198,484
Other Income	2,827,230.00	-	2,827,230	0	-2,827,230
Totalincome	412,997,404.00	-	412,997,404	565,999,072	153,001,668
Expenses					
Medical Expenses	2,500,000.00	3,000,000.00	5,500,000	8,028,678.58	2,528,678.58
Part-time payments	10,361,000.00	3,139,000.00	13,500,000	34,836,295.00	21,336,295.00
Fuel & Gas	500,000.00	-	500,000	5,032,793.00	4,532,793.00
E.W.C	2,900,897.00	333,000.00	3,233,897	6,997,838.00	3,763,941.00
Telephone & Communication	1,262,000.00	(219,950.00)	1,042,050	2,200,078.00	1,158,028.00
Travelling & Accommodation	4,428,000.00	4,211,850.00	8,639,850	9,796,190.00	1,156,340.00
External Travel & Accommodation	1,000,000.00	15,650.00	1,015,650	2,956,360.00	1,940,710.00
External Examiners	1,261,050.00	399,950.00	1,661,000	5,421,323.00	3,760,323.00
Transport Expenses	2,685,000.00	2,390,620.00	5,075,620	1,303,438.58	(3,772,181.42)
Postal Expenses	435,000.00	-	435,000	340,718.00	(94,282.00)
Official Entertainment	685,000.00	-	685,000	1,239,461.00	554,461.00
Public celebrations and Funerals	495,500.00	-	495,500	403,825.00	(91,675.00)
Publishing & Printing Expenses	413,560.00	-	413,560	1,356,755.00	943,195.00
Exhibitions & Shows	644,530.00	(144,530.00)	500,000	1,153,088.00	653,088.00
Workshops & Forums	-	862,000.00	862,000	743,450.00	(118,550.00)
Catering Expenses	3,500,000.00	11,500,000.00	15,000,000	33,119,879.58	18,119,879.58
Stationery	3,196,500.00	(996,500.00)	2,200,000	7,969,081.58	5,769,081.58
Advertising & Publishing	1,700,000.00	38,920.00	1,738,920	7,968,894.00	6,229,974.00
Rent, Leases & Rates	12,000,000.00	(9,124,000.00)	2,876,000	15,435,419.00	12,559,419.00
Student Union Expenses	1,200,000.00	(200,000.00)	1,000,000	1,832,775.00	832,775.00
Student Entertainment	-	286,150.00	286,150	1,609,190.00	1,323,040.00
Inter -university games	1,050,000.00	(200,000.00)	850,000	4,518,780.00	3,668,780.00
Student Elections Expenses	1,000,000.00	(350,000.00)	650,000	281,500.00	(368,500.00)
Insurance expenses	2,270,000.00	1,100,000.00	3,370,000	1,346,841.00	(2,023,159.00)
Maintenance & Repairs	2,340,000.00	(1,990,000.00)	350,000	110,025.00	(239,975.00)
Maintenance of plant & Machinery	350,000.00	-	350,000	44,557.00	(305,443.00)
Maintenance of computers	350,000.00	-	350,000	106,966.00	(243,034.00)
Maintenance of roads & Grounds	862,000.00	-	862,000	983,428.00	121,428.00
Maintenance of Motor Vehicles	1,565,000.00	(565,000.00)	1,000,000	1,857,549.80	857,549.80
Farm expenses	650,000.00	200,000.00	850,000	264,064.00	(585,936.00)
Performance Contract	1,500,000.00	(323,750.00)	1,176,250	1,747,130.00	570,880.00
Strategic Planning Expenses	1,500,000.00	(1,213,850.00)	286,150	897,350.00	611,200.00
Admission Expenses	3,000,000.00	(2,350,000.00)	650,000	59,999.10	(590,000.90)

RONGO UNIVERSITY COLLEGE FINANCIAL STATEMENTS FOR THE YEAR 2013-2014

Graduation Expenses	1,500,000.00	-	1,500,000	5,766,260.00	4,266,260.00
Student I.D	225,000.00	(225,000.00)		97,380.00	97,380.00
Exam Registration Expenses	3,000,000.00	1,000,000.00	4,000,000	2,117,640.00	(1,882,360.00)
Academic Trips	1,000,000.00	(150,000.00)	850,000	433,400.00	(416,600.00)
Field Attachments	1,850,000.00	760,000.00	2,610,000	2,486,779.00	(123,221.00)
Exam Materials	844,000.00	1,996,000.00	2,840,000	1,801,619.00	(1,038,381.00)
Student Fee Refund	286,150.00	(286,150.00)		555,721.00	555,721.00
Training Expenses	645,000.00	(4,950.00)	640,050	2,689,717.00	2,049,667.00
Seminars & Conferences	1,420,000.00	85,600.00	1,505,600	2,518,939.00	1,013,339.00
Security Expenses	1,000,000.00	(150,000.00)	850,000	179,960.00	(670,040.00)
Tender Expenses	500,000.00	144,530.00	644,530	1,403,192.00	758,662.00
Legal Expenses	640,000.00	-	640,000	201,693.00	(438,307.00)
Library Expenses	2,619,000.00	(1,619,000.00)	1,000,000	2,281,343.00	1,281,343.00
Teaching Materials	3,250,000.00	(2,609,950.00)	640,050	50,500.00	(589,550.00)
Cleaning Materials	59,050.00	505,950.00	565,000	1,827,642.90	1,262,642.90
Subscription Fees	210,000.00	-	210,000	1,371,112.55	1,161,112.55
Books, Newspapers, Magazines	978,777.00	521,223.00	1,500,000	5,642,028.00	4,142,028.00
Council Expenses	8,060,650.00	-	8,060,650	11,864,028.00	3,803,378.00
Salaries & Wages	212,462,669.00	61,331,067.00	273,793,736	288,981,022.85	15,187,286.85
Research Expenses	600,000.00	2,010,000.00	2,610,000	547,300.00	(2,062,700.00)
Textile & Uniforms	1,189,475.00	(1,039,475.00)	150,000	1,090,691.00	940,691.00
Purchase of Non-Current Assets	38,605,221.00	(22,346,021.00)	16,259,200	-	(16,259,200.00)
Depreciation & Amortization		50,566,430.00	50,566,430	40,564,667.83	(10,001,762.18)
IPUCCF	-	-	0	21,977,114.70	21,977,114.70
Bank Charges		435,000.00	435,000	1,229,799.97	794,799.97
TOTAL EXPENSES	348,550,029	100,724,814	449,274,843	559,643,271.02	110,368,428.02

NOTES TO THE FINANCIAL STATEMENTS

1) Statement of compliance and basis of preparation – IPSAS 1

The financial statements are prepared in accordance with International public Sector Accounting Standards (IPSAS). The financial statements are prepared on the historical cost basis. The financial statements are presented in Kenya Shillings (Kshs).

The financial statements have been prepared on accrual basis & the cash flow statement has been prepared using indirect method.

2) Summary of Significant Accounting Policies

a) Property , Plant & 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. Fixed assets have been depreciated on the reducing balance method to write off the costs of the assets over their useful lives at the following rates:

Land	NIL
Building	2.5%
Tractor	37.5%
Motor Vehicle	25%
Computer	30%
Plant and machinery	12.5%
Furniture and Fittings	12.5%

b) Sale of goods - IPSAS 9

Revenue from the sale of goods is recognized when the significant risks and rewards of ownership have been transferred to the buyer, usually on delivery of the goods and when the amount of revenue can be measured reliably and it is probable that the economic benefits or service potential associated with the transaction will flow to the entity. In this case, sales represent the invoiced value of goods supplied by the farm & Cafeteria during the year.

c) Foreign currency transactions – IPSAS 4

Transactions in foreign currencies are initially accounted for at the ruling rate of exchange on the date of the transaction. Trade creditors or debtors denominated in foreign currency are reported at the statement of financial position reporting date by applying the exchange rate on that date. Exchange differences arising from the settlement of creditors, or from the reporting of creditors at rates different from those at which they were initially recorded during the period, are recognized as income or expenses in the period in which they arise.

d) Revenue and Expenditure Recognition

Income from students is recognized as it accrues unless collectability is in doubt.
Expenditure is recognized when it is incurred.

e) Employee Benefits – IPSAS 25

The University College operates a contributory pension scheme for eligible employees through the Moi University Pension Scheme. The scheme operates a defined contribution plan. . Defined contribution plans are post-employment benefit plans under which an entity pays fixed contributions into a separate entity (a fund), and will have no legal or constructive obligation to pay further contributions if the fund does not hold sufficient assets to pay all employee benefits relating to

employee service in the current and prior periods. The contributions to fund obligations for the payment of retirement benefits are charged against income in the year in which they become payable.

F) Cash and Cash Equivalent

Cash and cash equivalents comprise cash on hand and cash at bank, short-term deposits on call and highly liquid investments with an original maturity of three months or less, which are readily convertible to known amounts of cash and are subject to insignificant risk of changes in value. Bank account balances include amounts held at the Central Bank of Kenya and at various commercial banks at the end of the financial year. For the purposes of these financial statements, cash and cash equivalents include short term cash imprest and advances to authorised public officers and/or institutions which were not surrendered or accounted for at the end of the financial year.

G) Comparative figures

Where necessary comparative figures for the previous financial year have been amended or reconfigured to conform to the required changes in presentation.

H) Government Grants

Government grants are recognized when there is reasonable assurance that the University College will comply with conditions attached to them and that the grants will be received.

The grants are recognized as income in the period to which they relate and presented as credit in the statement of financial performance.

I) Budget information – IPSAS 24

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

g) Intangible assets – IPSAS 31

Intangible assets acquired separately are initially recognized at cost. The cost of intangible assets acquired in a non-exchange transaction is their fair value at the date of the exchange. Following initial recognition, intangible assets are carried at cost less any accumulated amortization and accumulated impairment losses. Internally generated intangible assets, excluding capitalized development costs, are not capitalized and expenditure is reflected in surplus or deficit in the period in which the expenditure is incurred.

The useful life of the intangible assets is assessed as either finite or indefinite.

h) Inventories – IPSAS 12

Inventory is measured at cost upon initial recognition. To the extent that inventory was received through non-exchange transactions (for no cost or for a nominal cost), the cost of the inventory is its fair value at the date of acquisition.

j) Provisions – IPSAS 19

Provisions are recognized when the Entity has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits or service potential will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. Provision for doubtful debts has been set at 2.5%.

RONGO UNIVERSITY COLLEGE FINANCIAL STATEMENTS FOR THE YEAR 2013-2014

k) Nature and purpose of reserves

The Entity creates and maintains reserves in terms of specific requirements. Entity to state the reserves maintained and appropriate policies adopted.

l) Changes in accounting policies and estimates – IPSAS 3

The Entity recognizes the effects of changes in accounting policy retrospectively. The effects of changes in accounting policy are applied prospectively if retrospective application is impractical.

U)Subsequent events – IPSAS 14

There have been no events subsequent to the financial year end with a significant impact on the financial statements for the year ended June 30, 2014.

3	GOVERNMENT GRANTS	2013-2014	2012-2013
	Recurrent Received	232,089,432.20	171,350,000
	Recurrent Accrued	28,755,950.60	11,250,000
	Development Received		22,450,378
	Development Accrued		27,549,622
	TOTAL	260,845,382.80	232,600,000
4	Other income	2014	2013
	Fees & Related Charges Received	220,290,891.50	167,744,746.00
	Fees & Related Charges Accrued	78,067,356.47	-
	Tender Incomes	140,000.00	454,000.00
	Cafeteria Charges	6,653,891.00	2,085,810.00
	Library Charges	1,550.00	-
	Other Incomes	-	1,144,356.00
	Total other income	305,153,688.97	171,428,912.00
5	Employee costs	2014	2013
	Employee related costs-salaries and wages	137,676,879.25	75,520,936.00
	Employee related costs-contributions to pensions and Medical aids	15,006,822.65	19,272,684.00
	Travel, motorcar, accommodation ,subsistence and other Allowances	44,221,642.75	15,634,559.00
	Housing benefits and allowances	81,831,260.20	32,131,470.00
	IPUCCF- Refund	21,977,114.70	
	Part time Lecturers		23,395,137.00

RONGO UNIVERSITY COLLEGE FINANCIAL STATEMENTS FOR THE YEAR 2013-2014

	Casual Wages	10,244,418.00	2,919,000.00
	Employee costs	310,958,137.55	168,873,786.00
6	Depreciation and amortization expense	2014	2013
	Property, plant and equipment	40,177,067.83	33,546,252.78
	Intangible assets	387,600.00	-
	Total depreciation and amortization	40,564,667.83	33,546,252.78
7	Repairs and maintenance	2014	2013
	Property	110,025.00	4,126,894.00
	Equipment	151,523.00	930,384.00
	Vehicles	1,857,550.00	1,412,947.00
	Other	983,428.00	569,830.00
	Total repairs and maintenance	3,102,526.00	7,040,055.00
8	General expenses		
	The following are included in general expenses:		
		2014	2013
	Advertising	7,968,894.00	5,127,724.00
	Travel & Accommodation	9,796,190.00	7,800,383.00
	External Travel	2,956,360.00	1,831,368.00
	Books, Newspapers, Magazines	5,642,028.00	1,595,136.00
	Bank Charges	1,229,799.96	368,203.00
	Conferences and delegations	3,262,389.00	1,721,940.00
	Medical Expenses	8,028,678.58	14,512,648.00
	Subscriptions	1,371,112.55	52,000.00
	Electricity, Water & Conservancy	6,997,838.00	4,094,076.00
	Transport Expenses	1,303,438.58	3,324,772.00
	Fuel and oil	5,032,793.00	692,070.00
	Catering Expense	33,119,879.58	23,963,176.00
	Insurance	1,346,841.00	997,889.00
	Legal expenses	201,693.00	45,675.00
	Strategic Planning Expenses	897,350.00	840,000.00
	Farm Expenses	264,064.00	541,040.00
	Performance Contract	1,747,130.00	184,643.00
	Postage	340,718.00	415,000.00
	Stationery	7,969,081.58	2,963,916.00

RONGO UNIVERSITY COLLEGE FINANCIAL STATEMENTS FOR THE YEAR 2013-2014

Security Expense	179,960.00	372,500.00
Public Celebrations	403,825.00	309,180.00
Tender Expenses	1,403,192.00	467,712.00
Cleaning Materials	1,827,642.90	2,115,315.00
Textile & Uniform	1,090,691.00	312,050.00
Telecommunication	2,200,078.00	1,068,331.00
Handing over expense	2,689,717.00	4,227,340.00
Rent paid	1,239,461.00	5,750,125.00
Training	7,968,894.00	-
Official Entertainment	9,796,190.00	635,789.00
Total general expenses	110,510,845.73	86,330,001.00

9 Council Expenses	2014	2013
Sitting Allowance	3,229,000.00	11,201,802.00
Insurance Expenses	448,981.00	-
Honoraria	-	1,009,900.00
Travel & Accommodation Expenses	5,635,880.00	1,518,160.00
Other Expenses (Meals)	2,550,167.00	-
Total Council Expense	11,864,028.00	13,729,862.00

10 ACADEMIC COSTS	2014	2013
Publishing & Printing Expense	1,356,755.00	624,985.00
Student Union Expense	3,820,845.00	3,782,782.00
Field Trips & Attachments	2,920,179.00	2,379,400.00
Part-time Lecturers	34,836,295.00	-
Graduation Expenses	5,766,260.00	6,060,742.00
Admissions Expense	59,999.10	2,196,000.00
External Examiners	5,421,323.00	1,140,019.50
Student fee refund	555,721.00	131,000.00
Rental	15,435,419.00	583,930.00
Library Expenses	2,281,343.00	494,130.00

RONGO UNIVERSITY COLLEGE FINANCIAL STATEMENTS FOR THE YEAR 2013-2014

Teaching Materials	50,500.00	2,402,426.00
Inter-university Games	4,518,780.00	1,285,050.00
Exam Materials	1,801,619.00	4,518,877.00
Shows & Exhibitions	1,153,088.00	617,445.00
Research Expenses	547,300.00	491,153.00
Exam Registration	2,117,640.00	4,194,595.00
Total Academic Costs	82,643,066.10	30,902,534.50

11 Cash and cash equivalents

	2014	2013
Bank	(3,852,106.42)	73,222,793.00
Cash-on-hand and in transit	-	-
Short-term deposits	-	-
Total cash and cash equivalents	(3,852,106.42)	73,222,793.00

12 Receivables from non-exchange contracts

Current receivables	2014 Shs	2013 Shs
Accrued Incomes	28,755,950.60	11,250,000.00
Staff Debtors	505,838.60	-
Prepaid Rental Incomes	297,000.00	-
Student Debtors	84,283,646.47	62,700,000.00
Less Unidentified Fees	-	-
K.C.B Pssp	3,480,490.00	-
K.C.B Gssp	685,700.00	-
N.B.K Gssp	53,700.00	-
N.B.K Main	277,300.00	-
N.B.K Pssp	1,108,000.00	-
Co-op Pssp	611,100.00	-
	78,067,356.47	-
Provision for Doubtful Debts	1,951,683.91	21,700,000.00
	105,674,461.76	-
Receivables b/f	9,653,147.81	-
Total current receivables	115,327,609.57	52,250,000.00

13 Biological Assets

	2014	2013
Dairy Cattles	578,800.00	-
TOTAL	578,800.00	-

RONGO UNIVERSITY COLLEGE FINANCIAL STATEMENTS FOR THE YEAR 2013-2014

14 Inventories

	2014 Shs	2013 Shs
Consumable stores	2,458,100.00	6,107,833.00
Medical supplies	1,196,665.00	1,903,956.00
Spare parts and meters	1,601,055.00	1,005,450.00
Catering	2,414,862.50	1,390,845.00
Total inventories at the lower of cost and net realizable value	7,670,682.50	10,408,084.00

RONGO UNIVERSITY COLLEGE FINANCIAL STATEMENTS FOR THE YEAR 2013-2014

1 5	Property, plant and equipment									
	Land	Buildings	Motor Vehicles	Computers & Accessories	Plant & Machinery	Tractor	Furniture & Fittings	Motor Bikes	Total	
Cost	Shs	Shs	Shs	Shs	Shs	Shs	Shs	Shs	Shs	
	0%	3%	25%	30%	12.50%	37.50%	12.50%	25%		
At 1 July 2012	58,494,795.00	162,422,490.00	27,830,872.00	13,702,000.00	51,070,686.00	-	37,365,223.00	-	350,886,066.00	
Additions	-	-	20,573,335.00	2,429,337.00	-	3,610,000.00	7,592,892.00	-	34,205,564.00	
Disposals	-	-	-	-	-	-	-	-	-	
Transfers/adjustments	-	-	-	-	-	-	-	-	-	
At 30 June 2013	58,494,795.00	162,422,490.00	48,404,207.00	16,131,337.00	51,070,686.00	3,610,000.00	44,958,115.00	-	385,091,630.00	
Additions	8,863,713.00	36,081,815.00	-	7,111,132.00	4,006,179.00	-	16,900,362.00	680,000.00	73,643,201.00	
Disposals	-	-	-	-	-	-	-	-	-	
Transfer/adjustment	-	-	-	-	-	-	-	-	-	
At 30 June 2014	67,358,508.00	198,504,305.00	48,404,207.00	23,242,469.00	55,076,865.00	3,610,000.00	61,858,477.00	680,000.00	458,734,831.00	
Depreciation and impairment										
At 1 July 2012	-	-	-	-	-	-	-	-	-	
Depreciation	-	4,060,562.25	12,101,051.75	4,839,401.10	6,383,835.75	1,353,750.00	5,619,764.38	-	34,358,365.23	
Impairment	-	-	-	-	-	-	-	-	-	
At 30 June 2013	-	4,060,562.25	12,101,051.75	4,839,401.10	6,383,835.75	1,353,750.00	5,619,764.38	-	34,358,365.23	
Depreciation	-	4,962,607.63	12,101,051.75	6,972,740.70	6,884,608.13	1,353,750.00	7,732,309.63	170,000.00	40,177,067.83	
Disposals	-	-	-	-	-	-	-	-	-	
Impairment	-	-	-	-	-	-	-	-	-	
Transfer/adjustment	-	-	-	-	-	-	-	-	-	
At 30 June 2014	-	9,023,169.88	24,202,103.50	11,812,141.80	13,268,443.88	2,707,500.00	13,352,074.00	170,000.00	74,535,433.05	
Net book values										
At 30 June 2014	67,358,508.00	189,481,135.13	24,202,103.50	11,430,327.20	41,808,421.13	902,500.00	48,506,403.00	510,000.00	384,199,397.95	
At 30 June 2013	58,494,795.00	159,174,040.75	36,303,155.25	11,291,935.90	44,686,850.25	2,256,250.00	39,338,350.63	-	351,545,377.00	

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16	Intangible assets-software		
		20%	
	Cost	Shs	
	At1July2012	-	
	Additions	-	
	At30 June2013	-	
	Additions-internaldevelopment	1,938,000.00	
	At30 June2014	1,938,000.00	
	Amortizationandimpairment		
	At1July2012	-	
	Amortization	-	
	At30 June2013	-	
	Amortization	387,600.00	
	Impairmentloss	-	
	At30 June2014	387,600.00	
	Netbookvalues		
	At30 June2014	1,550,400.00	
	At30 June 2013	-	
17	Work in Progress		
		2014	2013
	Phase one	29,334,720.95	-
	Phase two	28,389,666.00	-
	Other Expenses	43,536,334.00	-
	TOTAL	101,260,720.95	-
18	Payables		
		2014	2013
	Trade payables	43,478,670.31	31,453,437.00
	Total Payables	43,478,670.31	31,453,437.00
19	Provision		
		2,014.00	2,013.00
	Audit fees	500,000.00	1,000,000.00

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	Doubtful Debts	1,951,683.91	21,700,000.00
	Total	2,451,683.91	22,700,000.00
20	Retention Fees		
		2014	2013
	Retention Fees	8,948,112.10	1,177,960.00
	Total	8,948,112.10	1,177,960.00
21	Prepayments		
		2014	2013
	School of Education	4,751,321	6,737,580
	School of Inforcoms	0	0
	School of Arts & Social Sciences	1,123,145	2,123,145
	School of Science & Engineering	760,320	550,780
	School of Agriculture	231,457	440,997
	School of Business	3,189,437.5	3,751,321
	TOTAL	10,055,680	13,603,823
22	TAX		
		2014	2013
	PAYE	8,600,873.00	-
	TOTAL	8,600,873.00	-
23	Cash generated from operations		
		2014	2013
	Surplus for the year before tax	3,904,116.65	
	Adjusted for:		
	Depreciation	40,564,668	33,546,253
	Non-cash grants received	-	-
	Contributed assets	-	-
	Tax Paid	(4,451,629)	-
	Gains and losses on disposal of assets	-	-
	Contribution to provisions	2,451,683.91	1,000,000.00
	Contribution to impairment allowance	-	-
	Finance income	-	-
	Finance cost	-	-
	Working capital adjustments:		
	Increase in inventory	2,737,401.50	(10,408,084.00)
	Increase in receivables	(64,327,609.57)	(51,000,000.00)

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Increase in payables	12,025,233.31	31,453,437.00
Increase in payments received in advance	(3,548,143.00)	13,603,823.00
Increase in retention fee	7,770,152.10	1,177,960.00
Increase in tax	4,783,347.00	3,817,526.00
Net cash flows from operating activities	1,909,220.90	23,190,914.78

24 **Events after the reporting period**

There is no material adjusting events after the reporting date. However, in the previous year's records, buildings were depreciated at 2% while in the current years; depreciation of buildings has been adjusted to 2.5%.