

REPUBLIC OF KENYA



**KENYA NATIONAL AUDIT OFFICE**



*Paper Laid*  
*By Hon. A. Duake MP*  
*on Wed. 08.07.2015 (PM)*  
*[Signature]*

**REPORT**



**OF**

**THE AUDITOR-GENERAL**

**ON**

**THE FINANCIAL STATEMENTS OF  
KENYA MEDICAL TRAINING COLLEGE**

**FOR THE YEAR ENDED  
30 JUNE 2014**

# REPUBLIC OF KENYA

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NAIROBI

## OFFICE OF THE AUDITOR-GENERAL

### **REPORT OF THE AUDITOR-GENERAL ON KENYA MEDICAL TRAINING COLLEGE FOR THE YEAR ENDED 30 JUNE 2014**

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#### REPORT ON THE FINANCIAL STATEMENTS

I have audited the accompanying financial statements of Kenya Medical Training College as set out on pages 15 to 31 which comprise the statement of financial position as at 30 June 2014, 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 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 (IPSAS) 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. The audit was conducted in accordance with the 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 assessments 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 College's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the management, as well as evaluating the overall presentation of the financial statements.

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

### **Basis for Qualified Opinion**

#### **1. Cash and Cash Equivalents**

The College bank reconciliation statements as at 30 June 2014 produced for audit review include receipts in the cash book not recorded in bank statement of Kshs.5,959,932.40 out of which Kshs.1,380,400 (indicated as untraceable) and Kshs.433,330 for Central collection and Homa Bay IGA accounts respectively that have remained outstanding for over one year. The management has not explained why these receipts were not banked. Further, the reconciliation statements also includes payments of Kshs.45,030 in the cash book not reflected in the bank statement in respect of stale cheques. The reconciliation statements also includes payments amounting to Kshs.351,201 in bank statements not recorded in the cash book. No reason has been given for failure to update the cash book.

In the circumstances, it has not been possible to confirm that the cash and cash equivalents balance of Kshs.120,088,421 as at 30 June 2014 is fairly stated.

#### **2. Receivables**

- 2.1. As previously reported, the receivables balance of Kshs.385,165,593 includes brought forward amounts of Kshs.19,812,181 and Kshs.21,831,115 due from Ministry of Health and Kenyatta National Hospital respectively and which although according to information available the board has recommended for write off, approval in this respect had not been obtained from the parent Ministry as at 30 June 2014.
- 2.2. Further, the receivables balance of Kshs.385,165,593 also includes an amount of Kshs.56,247,040 in respect of accumulated rent arrears due from the University of Nairobi for 96 rooms occupied by University's medical students. Records available show the rent has been accumulated at the rate of Kshs.2,803,200 per annum over the last 20 years. However, no lease agreement between the college and the University was produced for audit verification, consequent upon which it

has not been possible to establish the basis upon which the arrears have accumulated to stand at 56,247,040 as at 30 June 2014.

- 2.3. As similarly reported in year 2012/2013, the receivable amounts of Kshs.21,831,155 in respect of fees arrears from both Government sponsored and local/foreign students remained outstanding for more than two years. The general provision of Kshs.24,967,528 made in the financial statement appears inadequate.

In the circumstances, it has not been possible to confirm the accuracy and validity of the receivables balance of Kshs.385,165,593 as at 30 June 2014 and that the same is fairly stated.

### **3. Property, Plant and Equipment**

As similarly reported in year 2012/2013, the property, plant and equipment balance of Kshs.5,313,773,731 as at 30 June 2014 includes 22 parcels of land at Headquarters and the constituent Colleges valued at Kshs.502,485,000 and whose title documents were not availed for audit review.

Consequently, it has not been possible to confirm the ownership status of the 22 parcels of land and that property, plant and equipment balance of Kshs.5,313,773,731 as at 30 June 2014 is fairly stated.

#### **Qualified opinion**

In my opinion, except for the effect of matters described in the Basis for the Qualified Opinion paragraph, the financial statements present fairly in all material respects, the financial position of the College as at 30 June 2014 and of its financial performance and its cash flows for the year then ended in accordance with the International Public Sector Accounting Standards (IPSAS) accrual basis and comply with the Kenya Medical Training College Act, Cap 261 of the Laws of Kenya.

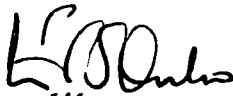
#### **Other Matter**

##### **Opening of New Constituent Colleges**

The college opened eight (8) new constituent colleges during the 2013/2014 financial year contrary to Part 4.0 of the expansion and policy guidelines Section 1 and 3 which states that there should be an approved concept paper and proposal in line with Kenya Medical Training College strategic plan and source of financing identified to develop needed infrastructure. The colleges include; Makueni, Vihiga, Chwele, Kapenguria, Migori, Bomet, Kitale and Nyandarua. These new constituent colleges were not budgeted for during the year and the total expenditure of Kshs.104,870,204 incurred on them was not included in the annual estimates for 2013/2014 contrary to Section 12 of the State Corporations Act, Cap 446 which states that no corporation shall without the

prior approval in writing of the Minister and The Treasury incur any expenditure for which provision has not been made in an annual estimates.

No reason has been provided for failure to comply with the Expansion Policy and the State Corporations Act Cap 446. My opinion is not qualified in respect to this matter.



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

**Nairobi**

**12 June 2015**



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**KENYA MEDICAL TRAINING COLLEGE**

***ANNUAL REPORT AND FINANCIAL STATEMENTS***

**FOR THE FINANCIAL YEAR ENDED**  
**JUNE 30, 2014**

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

## KENYA MEDICAL TRAINING COLLEGE

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## **KENYA MEDICAL TRAINING COLLEGE**

### **I INSTITUTIONAL DETAILS/INFORMATION**

#### **Incorporation/Establishment**

Kenya Medical Training College is a body corporate established under the provisions of the Kenya Medical Training College Act, (Cap 261) of the laws of Kenya and it is domiciled in Kenya.

#### **Registered Office and Principal Place of Business**

Kenya Medical Training College  
Off – Ngong Road  
P. O. Box 30195  
Nairobi  
Kenya

#### **Bankers**

National Bank of Kenya  
Kenyatta National Hospital Branch  
P. O. Box 30763  
Nairobi  
Kenya






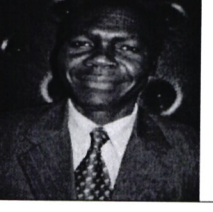
Kenya Commercial Bank  
Moi Avenue Branch  
P. O. Box 30081  
Nairobi  
Kenya









#### **Independent Auditor**





Auditor General  
Kenya National Audit Office  
Anniversary Towers  
P. O. Box 30084  
Nairobi  
Kenya

## KENYA MEDICAL TRAINING COLLEGE

### II BOARD OF MANAGEMENT







NAME	PHOTO	DATE OF BIRTH	PROFESSIONAL/ ACADEMIC QUALIFICATIONS	KEY WORK EXPERIENCE
Prof. Philip Kaloki		10.12.1960	PhD (Business Administration)	Chairman (w.e.f 10 <sup>th</sup> January 2014)
Eng. David N. Muthoga		26.03.1954	Bachelors of Science (Civil Engineering)	Vice Chairman
Caroline N. Lentupuru		15.12.1970	Masters Degree in International Development and Social Change	Honorary Treasurer
Peter K. Tum  Dr. Charles Onudi – to retire on 30 <sup>th</sup> June 2015		27.06.1956	Master of Science (Energy) Bachelor of Industrial Technology	Director K.M.T.C
Mrs Grace Thitai		10.05.1950	Masters Degree in Plant Pathology	Member
Dr. Nicodemus Hongo Omogo		12.08.1954	Bachelors Degree in Medicine	Member








Mrs Beth Syengo		00.00.1968	Bachelors Degree in Education (Arts)	Member
Alt.: Dr. Joseph Sitienei		31.12.1965	Masters in Business Administration (MBA) Masters degree in Public Health (MPH)	Principal Secretary Ministry of Health Afya House
Alt.: Mrs. Dorothy Kimeu		23.11.1959	Masters of Arts (International Studies)	Principal Secretary Ministry of Finance National Treasury
Alt.: Ms. Peris Adema			Ministry Representative	Principal Secretary Ministry of Education Jogoo House
Alt.: Mr. David N. Kanji – 26.03.2014 Mrs Jane Cindy Songole			Ministry Representative	Principal Secretary Ministry of Devolution and National Planning
Lily Koros Tare Dr. Monda		1973	Master of Business Administration (Finance)	Director Kenyatta National Hospital Nairobi
Alt.: Dr. Evans Amukoye		18.01.1059	Masters in Medicine (Paediatric)	Director KEMRI Nairobi
Prof. Isaac O. Kibwage		1954	PhD in Pharmaceutical Chemistry	Principal College of Health Sciences, UoN, Nairobi.

<p>Dr. Pacifica Onyancha</p> <p>Alt.: Dr. Wycliffe Mogo</p>			<p>Masters of Medicine (Psychiatry)</p>	<p>Director of Medical Services Ministry of Health Afya House</p>
<p>Mrs Susan Otieno Mr. C. P. Rakuom (retired on 15<sup>th</sup> April 2015)</p>			<p>Ministry Representative</p>	<p>Director of Nursing Services Ministry of Health Afya House</p>
<p>Mrs. Caren Oyugi</p>		<p>29.10.1955</p>	<p>Bachelors Degree (Nursing)</p>	<p>Principal Medical Training College Homa Bay</p>
<p>Dr. John Nyaga</p>		<p>05.09.1966</p>	<p>Masters of Science in Public Health</p>	<p>Principal Medical Training College Thika</p>

## KENYA MEDICAL TRAINING COLLEGE

### III. MANAGEMENT TEAM

NAME	PHOTO	PROFESSIONAL/ACADEMIC QUALIFICATIONS	MAIN AREAS OF RESPONSIBILITY
<p>Peter K. Tum – Acting Director</p> <p>Dr. Charles Onudi – To retire on 30<sup>th</sup> June 2015</p>		<p>Master of Science (Energy)</p> <p>Bachelor of Industrial Technology</p>	Director
<p>Mr. John Anyira</p> <p>Dr. J. Karanja – term expired on 27<sup>th</sup> February 2015</p>		Bachelor of Science (Nursing)	Acting Deputy Director Finance and Administration
<p>Dr. Lea Bii</p> <p>Mr. F. Okonji - term expired on 27<sup>th</sup> February 2015</p>		Masters of Public Health	Acting Deputy Director Academic Affairs
<p>Mrs. Lucy Waweru</p> <p>Mrs M. W. Kanyottu – retired on 14<sup>th</sup> December 2014</p>		Masters of Science (Nursing)	Acting Registrar (Academic Affairs)
Ms. Caroline Musango		Bachelor of Law (LLB)	Legal Officer
Mr. Richard Kolute		Masters of Science in Pharmacy	Principal, KMTC Nairobi

Jacob O. Ombayo		Bachelor of Commerce (Accounting) Masters of Business Administration (MBA) - Finance	Chief Finance Officer
Silas E. Njeru		Bachelor of Commerce Masters of Science PhD (Procurement)	Procurement Manager
David O. Ondeng		Masters of Business Administration	Administration Manager
John I. Obiye		Bachelor of Commerce (Business Administration) Masters of Business Administration (MBA) - HR	Human Resource Manager
Callen Nyabuto		Bachelor of Commerce (BCOM)	Chief Internal Auditor
Kamau Maina		Masters of Arts	Public Relations Manager
Lilian Obinju		Bachelor of Science (Computer)	Information Technology Manager

## KENYA MEDICAL TRAINING COLLEGE

### IV CHAIRMAN'S STATEMENT

On behalf of the Kenya Medical Training College Board of Management, I am delighted to present the 2013-2014 Annual Report.

I note with pride that in the year, KMTC registered many achievements in its pursuit to produce competent health professionals. During the year under review, the College released its Five-Year Strategic Plan, developed in line with Kenya's Vision 2030. The Board believes the Plan will strategically position the College to take its rightful place in the cultivation of a great Kenya for our citizens of today and the future. It will also help the country contribute to the promotion of health across the continent.

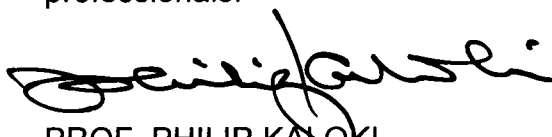
In line with our mandate to train for human resource development, we have engaged top gear towards making KMTC degree awarding. This, the Board hopes, will further consolidate KMTC's leadership position in the region. However the College will maintain its mandate of producing technicians and technologists at certificate, diploma and higher diploma level.

Working closely with both the County and the National Government, we plan to not only open at least one college in each county but also revolutionize training options by introducing parallel and open, distance and e-learning programmes. Towards this end, five new colleges were opened in the year leading our student population to an unprecedented total of 22,000. The new colleges are Manza, Lake Victoria, Bomet, Vihiga and Migori.

Now the college has 36 campuses spread in 29 out of 47 Counties. This unique and unmatched strength will form a strong foundation on which the Jubilee Government under the leadership of His Excellency Uhuru Muigai Kenyatta will set a sturdy base for improved health care provision in the country.

The Board promises to mobilize resources to improve the College and further increase the training opportunities available to Kenyan and international students. We have committed ourselves to working closely with all stakeholders to explore ways of enhancing capacity without compromising the quality of training.

The Board of Management has resolved to ensure continued improvement of the College to make it more resoundingly contribute to the social- economic growth of this country. It is this renewed commitment that has enabled us place the College firmly on the path of excellence in training health professionals.



PROF. PHILIP KALOKI  
CHAIRMAN OF THE BOARD

DATE..... May 28, 2015 .....

## KENYA MEDICAL TRAINING COLLEGE

### V. REPORT OF THE CHIEF EXECUTIVE OFFICER

I am pleased to present to you the 2013 - 2014 Annual Report. This report covers key achievements in academics, staff development, administration and student affairs, among other areas.

In the year under review, KMTC registered many achievements. Key among the achievements was the unveiling of a five-year Strategic Plan, developed in line with Kenya's Vision 2030, to chart a new path for the College in its pursuit for improved contribution in the health sector.

Plans to make KMTC degree awarding status received a boost when two universities signed agreements to collaborate with KMTC to offer Bachelor of Science degrees in nursing and Environmental Health Sciences. This new status, the College believes, will further consolidate KMTC's leadership position in the region.

We went a notch higher in aggressively seeking to provide the world, and especially Kenya and other African countries, with the relevant and critical human resource needed to effectively address the immediate health challenges of their people.

Opening new training opportunities remained at the heart of the College; an unprecedented five new colleges – Manza, Lake Victoria, Bomet, Vihiga and Migori – were opened in different counties in the year under review.

Thanks to these conscious efforts, today, more than 22,000 students are pursuing various courses in the 36-constituent colleges countrywide.

Despite many achievements registered for the College within the year, a number of challenges still existed. These included shortage of staff, inadequate training and teaching materials and infrastructure, all brought about by inadequate funding.

Given the support from the Board, the Kenya Government, donors and all other stakeholders, there is every indication that the College is on track to surmount these challenges and achieve its short and long-term targets.



PETER K. TUM  
DIRECTOR

DATE... 28/5/15 .....

## **KENYA MEDICAL TRAINING COLLEGE**

### **VI. CORPORATE GOVERNANCE STATEMENT**

Kenya Medical Training College (KMTC) is a state corporation under the Ministry of Health. The college was started in 1927 as a training depot at the Kenya Institute of Administration - Kabete. KMTC became a state corporation through an act of Parliament in 1990 vide Cap. 261, of 1991 and the name Kenya Medical Training College was adopted.

The college operates as a Semi-Autonomous Government Agency (SAGA) under a Board of Management and with one of the directors as the Chief Executive Officer. The Board Chairman is appointed by the President.

The college has grown into a regional multi-disciplinary college health training institution with a network of 36 constituent colleges spread out in every part of Kenya. It has grown from four students at inception to over 22,000 students attending over 50 courses in 17 departments.

#### **KMTC Management**

The CEO is in charge of operations at the college assisted by two Deputy Directors. The two Deputy Directors – Deputy Director Academic Affairs and Deputy Director Finance and Administration - are charged with day to day management of the College's financial, physical and human operations. All the KMTC campuses are headed by Principals who report to the Director/ CEO.

## **KENYA MEDICAL TRAINING COLLEGE**

### **VII CORPORATE SOCIAL RESPONSIBILITY STATEMENT**

In the year under review, Kenya Medical Training College continued with its noble duty of training health workers to serve the health needs of mankind. During the year, more than 6,700 new students joined the College for training while a similar number graduated with their special skills to serve Kenyans. And as part of efforts to generate new knowledge that was aimed at advancing the health of Kenyans, the College held its third bi-annual scientific conference in May 2014.

KMTC President's Award club received eight gold awards during the President's award ceremony held at state house. The eight were selected at a week-long medical camp held at Muusine village of Mwala District on May 20<sup>th</sup> 2013. The camp was organized by Nairobi MTC.

In the same period, more than 200 Nairobi MTC's students and staff donated blood during a two-day event organized as part of efforts to stock blood for emergencies in Kenyan hospitals. Led by senior lecturer at KMTC's Medical Laboratory Sciences Mr. David Ndirangu, the event was jointly organized by National Blood Transfusion Service (NBTS), KMTC and Home World Wide Kenya, a non-profit organization.

Students and staff from MTC Lodwar showed compassion when they contributed more than 44,000 for their colleague to sit for final exams. Mr. Milton Mnala, a student taking Diploma in Nutrition had difficulties paying school fees on time.

Kapkatet MTC launched an environmental club on 9<sup>th</sup> May 2013 to steer the College and the immediate community in preserving the environment. The new club conducted a tree planting exercise in the campus on June 8<sup>th</sup> 2013 presided over by Principal Mr. Richard Korir. During the event, more than 150 seedlings were planted.

## KENYA MEDICAL TRAINING COLLEGE

### VIII. REPORT OF THE BOARD OF MANAGEMENT

The Board of Management hereby submits its report together with the audited financial statements for the year ended 30 June 2014 which show the state of the college's affairs.

#### **Principal Activities:-**

The principal activity of the college continues to be the training of middle level health professionals who will offer quality health care in the sector. Our commitment to this core mandate is reflected in the establishment of five new constituent campuses during the year under review, thereby raising students population to 22,000. The Board undertakes to continue mobilising resources to improve training and enhance capacity without compromising the quality of training. This will mainly be achieved by working closely with development partners, Country and National Government and other stakeholders.

#### **Results:-**

The results of the college for the year ended 30 June 2014 are set out on page 15 to page 19. Explanatory notes to the financial statements are given at pages 20 to 31.

#### **Directors:-**

The members of the Board of Management who served during the year are shown on pages 3 to 5.

#### **Auditors:-**

The Auditor General is responsible for the statutory audit of the college in accordance with the Public Finance Management (PFM) Act, 2012.

## KENYA MEDICAL TRAINING COLLEGE

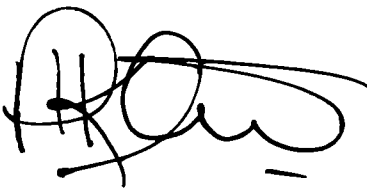
### IX STATEMENT OF BOARD OF MANAGEMENT RESPONSIBILITIES

The Board of Management is required to prepare financial statements which give a true and fair view of the state of affairs of the college as at the end of each financial year and of its surplus or deficit for that year. The Board of Management is required to ensure that the college maintains proper accounting records which disclose, with reasonable accuracy, the financial position of the college. They are also responsible for safeguarding the assets of the college.

The Board of Management accepts responsibility for the financial statements, which have been prepared using appropriate accounting policies supported by reasonable and prudent judgments and estimates, consistent with previous years, and in conformity with International Financial Reporting Standards. The Board of Management is of the opinion that the financial statements give a true and fair view of the state of the financial affairs of the college as at 30<sup>th</sup> June 2014 and of its surplus for the year then ended. The Board of Management further confirms the accuracy and completeness of the accounting records maintained by the college which have been relied upon in the preparation of the financial statements, as well as on the adequacy on the internal financial controls.

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

This statement is approved by the Board Members and it is signed on their behalf by:



PETER K. TUM  
DIRECTOR

DATE..... 28/5/15 .....



PROF. PHILIP KALOKI  
CHAIRMAN OF THE BOARD

DATE..... May 28, 2015 .....

**KENYA MEDICAL TRAINING COLLEGE**

**X REPORT OF THE AUDITOR GENERAL**

**KENYA MEDICAL TRAINING COLLEGE**

**STATEMENT OF FINANCIAL PERFORMANCE  
FOR THE YEAR ENDED 30 JUNE 2014**

	Note	2013-2014 Kshs	2012-2013 Kshs
<b>Revenue from Non-Exchange Transactions</b>			
Grants and donations	3	1,979,165,104	2,083,511,167
		<b>1,979,165,104</b>	<b>2,083,511,167</b>
<b>Revenue From Exchange Transactions</b>			
Boarding, tuition and application fees	4	1,586,335,292	1,399,663,198
Rental revenue from facilities and equipment	5	27,543,210	28,376,972
Other income	6	<u>23,022,997</u>	<u>18,722,824</u>
		<b><u>1,636,901,499</u></b>	<b><u>1,446,762,995</u></b>
<b>Total Revenue from Exchange Transactions</b>		<b><u>3,616,066,603</u></b>	<b><u>3,530,274,162</u></b>
<b>Expenses</b>			
Employee costs	7	1,865,104,789	1,781,783,880
General expenses	8	748,039,872	634,269,675
Repairs and maintenance	9	161,041,993	141,352,788
Operational expenses	10	375,660,328	495,616,166
Depreciation and amortization expense	11	282,928,696	262,743,587
Expenses of the boards, committees & conferences	12	17,696,468	17,192,790
Finance costs	13	<u>7,356,500</u>	<u>7,591,299</u>
<b>Total Expenses</b>		<b><u>3,457,828,646</u></b>	<b><u>3,341,550,185</u></b>
<b>Surplus for the Period</b>		<b><u>158,237,957</u></b>	<b><u>188,723,977</u></b>

The notes set out on pages 20 to 31 form an integral part of the Financial Statements

**KENYA MEDICAL TRAINING COLLEGE**

**STATEMENT OF FINANCIAL POSITION  
AS AT 30 JUNE 2014**

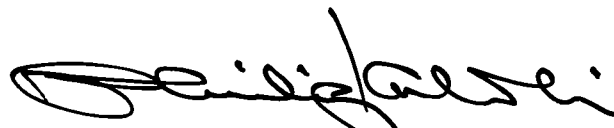
	Note	2013-2014 Kshs	2012-2013 Kshs
<b>Assets</b>			
<b>Current Assets</b>			
Cash and cash equivalents	14	120,088,421	87,037,574
Receivables from exchange transactions	15	224,369,819	195,053,526
Receivables from non-exchange transactions	16	160,795,774	138,299,708
Inventories	18	<u>37,071,396</u>	<u>22,627,792</u>
<b>Total Current Assets</b>		<b><u>542,325,410</u></b>	<b><u>443,018,600</u></b>
<b>Non-Current Assets</b>			
Property, plant and equipment	17	5,313,773,731	5,129,941,375
<b>Total Assets</b>		<b><u>5,856,099,141</u></b>	<b><u>5,572,959,975</u></b>
<b>Current Liabilities</b>			
Trade and other payables from exchange transactions	19	522,210,940	369,063,824
Bank overdraft	20	<u>172,495</u>	<u>28,418,402</u>
<b>Total Liabilities</b>		<b><u>522,383,435</u></b>	<b><u>397,482,226</u></b>
<b>Net assets</b>		<b><u>5,333,715,706</u></b>	<b><u>5,175,477,749</u></b>
<b>Equity</b>			
Capital fund	21	4,727,538,005	4,727,538,005
Accumulated fund	22	<u>606,177,701</u>	<u>447,939,744</u>
<b>Total Equity</b>		<b><u>5,333,715,706</u></b>	<b><u>5,175,477,749</u></b>

The Financial Statements set out on pages 20 to 31 were signed on behalf of the Board of Management by:



PETER K. TUM  
DIRECTOR

DATE... 28/6/15 .....



PROF. PHILIP KALOKI  
CHAIRMAN OF THE BOARD

DATE... May 28, 2015 .....

**KENYA MEDICAL TRAINING COLLEGE**

**STATEMENT OF CASHFLOWS  
FOR THE YEAR ENDED 30 JUNE 2014**

	Note	2014 (Kshs.)	2013 (Kshs.)
<b><u>Cash Flows from Operating Activities</u></b>			
Surplus for the year		158,237,957	188,723,977
<b><u>Adjustments for:</u></b>			
Depreciation	11	282,928,696	262,743,587
<b>Surplus before working capital changes</b>		<b>441,166,653</b>	<b>451,467,56 .</b>
(Increase) in trade and other receivables	15	(51,812,359)	(151,497,569)
(Increase) in inventory	18	(14,443,604)	(1,907,091)
Increase in trade and other payables	19	153,147,116	89,151,653
<b>Net cash flow from operating activities</b>		<b>528,057,806</b>	<b>387,214,557</b>
<b><u>Cash Flows from Investing Activities</u></b>			
Purchase of non-current assets	17	(466,761,052)	(387,232,155)
<b>Net Cash flows Used in Investing Activities</b>		<b>(466,761,052)</b>	<b>(387,232,155)</b>
<b><u>Cash Flows from Financing Activities</u></b>			
Increase/(decrease) in Bank Overdraft	20	(28,245,907)	17,128,061
Net increase in cash and cash equivalents	14	33,050,847	17,110,463
Cash and cash equivalents at the beginning of period	14	87,037,574	69,927,11
<b>Cash and Cash Equivalents at the end of Period</b>	<b>14</b>	<b>120,088,421</b>	<b>87,037,574</b>

**KENYA MEDICAL TRAINING COLLEGE**

**STATEMENT OF CHANGES IN NET ASSETS/EQUITY  
FOR THE YEAR ENDED 30 JUNE 2014**

	<b>Capital Fund Kshs.</b>	<b>Accumulated Funds Kshs.</b>	<b>Total Kshs.</b>
Balance as at 01.07.2012	4,727,538,005	259,215,767	4,986,753,772
Surplus for the year	-	188,723,977	188,723,977
<b>Balance as at 30.06.2013</b>	<b>4,727,538,005</b>	<b>447,939,744</b>	<b>5,175,477,749</b>
Balance as at 01.07.2013	4,727,538,005	447,939,744	5,175,477,749
Surplus for the year	-	158,237,957	158,237,957
<b>Balance as at 30.06.2014</b>	<b>4,727,538,005</b>	<b>606,177,701</b>	<b>5,333,715,706</b>

**KENYA MEDICAL TRAINING COLLEGE**

**STATEMENT OF COMPARISON OF BUDGET AND ACTUAL AMOUNTS  
FOR THE YEAR ENDED 30 JUNE 2014**

	Original budget	Adjustments	Final budget	Actual on comparable basis	Performance difference
	2013-2014	2013-2014	2013-2014	2013-2014	2013-2014
	Kshs	Kshs	Kshs	Kshs	Kshs
<b>Revenue from Non-Exchange Transactions</b>					
Grants and donations	4,906,511,330	(2,927,346,226)	1,979,165,104	1,979,165,104	Nil
<b>Revenue from Exchange Transactions</b>					
Boarding, tuition and application fees	1,427,281,470	-	1,427,281,470	1,586,335,292	159,053,822
Rental revenue from facilities and equipment	31,181,200	-	31,181,200	27,543,210	(3,637,990)
Other income	<u>53,206,000</u>	-	<u>53,206,000</u>	<u>23,022,997</u>	<u>(30,183,003)</u>
<b>Total Revenue from Exchange Transactions</b>	<b><u>6,418,180,000</u></b>	<b><u>(2,927,346,226)</u></b>	<b><u>3,490,833,774</u></b>	<b><u>3,616,066,603</u></b>	<b><u>125,232,829</u></b>
<b>Expenses</b>					
Employee costs	4,697,662,265	(2,915,577,702)	1,782,084,563	1,865,104,789	(83,020,226)
General expenses	546,828,414	-	546,828,414	748,039,872	(201,211,458)
Repairs and maintenance	125,271,952	-	125,271,952	161,041,993	(35,770,041)
Operational expenses	552,634,869	-	552,634,869	375,660,328	176,974,541
Depreciation and amortization expense	269,155,000	-	269,155,000	282,928,696	(13,773,696)
Expenses of the boards, committee & conferences	26,914,000	-	26,914,000	17,696,468	9,217,532
Finance costs	<u>12,036,500</u>	-	<u>12,036,500</u>	<u>7,356,500</u>	<u>4,680,000</u>
<b>Total Expenses</b>	<b><u>6,230,503,000</u></b>	<b><u>(2,915,577,702)</u></b>	<b><u>3,314,925,298</u></b>	<b><u>3,457,828,646</u></b>	<b><u>(142,903,348)</u></b>
<b>Surplus for the Year</b>	<b><u>187,677,000</u></b>	<b>-</b>	<b><u>175,908,476</u></b>	<b><u>158,237,957</u></b>	

**KENYA MEDICAL TRAINING COLLEGE**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 JUNE 2014**

**1. Statement of Compliance and Basis of Preparation**

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

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

**2. Summary of Significant Accounting Policies**

**a) Revenue Recognition**

**i) Revenue from Non – Exchange Transactions – IPSAS 23**

**Transfers from Other Government Entities**

Revenues from non-exchange transactions with other government entities are measured at fair value and recognized on obtaining control of the asset (cash, goods, services and property) if the transfer is free from conditions and it is probable that the economic benefits or service potential related to the asset will flow to the entity and can be measured reliably.

**ii) Revenue from Exchange Transactions – IPSAS 9**

***Rendering of Services***

The entity recognizes revenue from rendering of services by reference to the stage of completion when the outcome of the transaction can be estimated reliably. The stage of completion is measured by reference to labor hours incurred to date as a percentage of total estimated labor hours. Where the contract outcome cannot be measured reliably, revenue is recognized only to the extent that the expenses incurred are recoverable.

***Sale of Goods***

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.

## KENYA MEDICAL TRAINING COLLEGE

### NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 JUNE 2014

#### ***Interest Income***

Interest income is accrued using the effective yield method. The effective yield discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount. The method applies this yield to the principal outstanding to determine interest income each period.

#### ***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.

#### **b) 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.

#### **c) Property, Plant and Equipment – IPSAS 17**

- (i) 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.
- (ii) Basis of Depreciation: Non-current assets are fully depreciated in the year of acquisition and no depreciation is provided for in the year of disposal.

#### **d) 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,

## KENYA MEDICAL TRAINING COLLEGE

### NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 JUNE 2014

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.

#### **e) Financial Instruments – IPSAS 29**

##### ***Financial Assets***

##### ***Initial Recognition and Measurement***

Financial assets within the scope of IPSAS 29 Financial Instruments: Recognition and Measurement are classified as financial assets at fair value through surplus or deficit, loans and receivables, held-to-maturity investments or available-for-sale financial assets, as appropriate. The Entity determines the classification of its financial assets at initial recognition.

##### ***Loans and Receivables***

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. After initial measurement, such financial assets are subsequently measured at amortized cost using the effective interest method, less impairment. Amortized cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the effective interest rate. Losses arising from impairment are recognized in the surplus or deficit.

##### ***Impairment of Financial Assets***

The Entity assesses at each reporting date whether there is objective evidence that a financial asset or an entity of financial assets is impaired. A financial asset or a entity of financial assets is deemed to be impaired if, and only if, there is objective evidence of impairment as a result of one or more events that has occurred after the initial recognition of the asset (an incurred 'loss event') and that loss event has an impact on the estimated future cash flows of the financial asset or the entity of financial assets that can be reliably estimated. Evidence of impairment may include the following indicators:

- The debtors or a entity of debtors are experiencing significant financial difficulty
- Default or delinquency in interest or principal payments
- The probability that debtors will enter bankruptcy or other financial reorganization
- Observable data indicates a measurable decrease in estimated future cash flows (e.g. changes in arrears or economic conditions that correlate with defaults)

## KENYA MEDICAL TRAINING COLLEGE

### NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 JUNE 2014

#### ***f) Financial Liabilities***

##### ***Initial Recognition and Measurement***

Financial liabilities within the scope of IPSAS 29 are classified as financial liabilities at fair value through surplus or deficit or loans and borrowings, as appropriate. The Entity determines the classification of its financial liabilities at initial recognition.

All financial liabilities are recognized initially at fair value and, in the case of loans and borrowings, plus directly attributable transaction costs.

##### ***Loans and Borrowing***

After initial recognition, interest bearing loans and borrowings are subsequently measured at amortized cost using the effective interest method. Gains and losses are recognized in surplus or deficit when the liabilities are derecognized as well as through the effective interest method amortization process.

IPSAS 29.65

Amortized cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the effective interest rate.

#### ***g) 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.

Costs incurred in bringing each product to its present location and condition are accounted for, as follows:

- Raw materials: purchase cost using the weighted average cost method
- Finished goods and work in progress: cost of direct materials and labor and a proportion of manufacturing overheads based on the normal operating capacity, but excluding borrowing costs

After initial recognition, inventory is measured at the lower of cost and net realizable value. However, to the extent that a class of inventory is distributed or deployed at no charge or for a nominal charge, that class of inventory is measured at the lower of cost and current replacement cost.

Net realizable value is the estimated selling price in the ordinary course of operations, less the estimated costs of completion and the estimated costs necessary to make the sale, exchange, or distribution.

Inventories are recognized as an expense when deployed for utilization or consumption in the ordinary course of operations of the Entity.

## KENYA MEDICAL TRAINING COLLEGE

### NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 JUNE 2014

#### **h) 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.

#### **i) 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.

#### **Employee Benefits – IPSAS 25**

##### **Retirement Benefit Plans**

The Entity provides retirement benefits for its employees and councilors. Defined contribution plans are postemployment 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.

Defined benefit plans are post-employment benefit plans other than defined-contribution plans. The defined benefit funds are actuarially valued tri-annually on the projected unit credit method basis. Deficits identified are recovered through lump sum payments or increased future contributions on proportional basis to all participating employers. The contributions and lump sum payments reduce the post-employment benefit obligation.

#### **j) Related Parties – IPSAS 20**

The Entity regards a related party as a person or an entity with the ability to exert control individually or jointly, or to exercise significant influence over the Entity, or vice versa. Members of key management are regarded as related parties.

#### **l) Cash and Cash Equivalents**

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

## KENYA MEDICAL TRAINING COLLEGE

### NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 JUNE 2014

#### m) Comparative Figures

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

#### n) Significant Judgments and Sources of Estimation Uncertainty – IPSAS 1

The preparation of the Entity's financial statements in conformity with IPSAS requires management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the disclosure of contingent liabilities, at the end of the reporting period. However, uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of the asset or liability affected in future periods.

##### ***Estimates and Assumptions***

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below. The Entity based its assumptions and estimates on parameters available when the consolidated financial statements were prepared. However, existing circumstances and assumptions about future developments may change due to market changes or circumstances arising beyond the control of the Entity. Such changes are reflected in the assumptions when they occur IPSAS 1.140

##### ***Useful Lives and Residual Values***

The useful lives and residual values of assets are assessed using the following indicators to inform potential future use and value from disposal:

- The condition of the asset based on the assessment of experts employed by the Entity
- The nature of the asset, its susceptibility and adaptability to changes in technology and processes
- The nature of the processes in which the asset is deployed
- Availability of funding to replace the asset
- Changes in the market in relation to the asset

#### o) 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.

#### p) Taxation

The statement of financial performance for the year ended 30 June 2014 does not include a taxation charge since the institution is exempted from corporation tax.

**KENYA MEDICAL TRAINING COLLEGE**

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)  
FOR THE YEAR ENDED 30 JUNE 2014**

**Note 3:**

**Revenue from Non Exchange Transactions**

**Grants and Donations**

	<b>2014 (Kshs.)</b>	<b>2013 (Kshs.)</b>
(i) Government of Kenya grants	1,945,784,604	2,074,942,572
(ii) Funzo Kenya Project grant	26,536,028	-
(iii) JHPIEGO grant	6,844,472	164,500
(iv) Sight Savers International grant	-	973,545
(v) DOMC Malaria grant	-	2,077,550
(vi) National Aids Control Council grant	-	2,500,000
(vii) National Council for Science & Technology grant	-	2,853,000
<b>Total</b>	<b><u>1,979,165,104</u></b>	<b><u>2,083,511,167</u></b>

**Note 4:**

**Revenue from Exchange Transactions**

	<b>2014 (Kshs.)</b>	<b>2013 (Kshs.)</b>
i. Boarding and tuition fees	1,574,564,705	1,374,646,631
ii. Application fees	<u>11,770,587</u>	<u>25,016,567</u>
<b>TOTAL</b>	<b><u>1,586,335,292</u></b>	<b><u>1,399,663,198</u></b>

**Note 5:**

**Rental Revenue from Facilities and Equipment**

	<b>2014 Kshs.</b>	<b>2013 Kshs.</b>
i. Rental income	-	-
	<b><u>27,543,210</u></b>	<b><u>28,376,973</u></b>

**Note 6:**

**Other Income**

	<b>2014 (Kshs.)</b>	<b>2013 (Kshs.)</b>
i. Sale of tender documents	-	1,430,150
ii. Sale of non-capital goods	-	-
iii. Miscellaneous Income	<u>19,921,592</u>	<u>17,292,674</u>
<b>TOTAL</b>	<b><u>23,022,997</u></b>	<b><u>18,722,824</u></b>

**KENYA MEDICAL TRAINING COLLEGE**

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)  
FOR THE YEAR ENDED 30 JUNE 2014**

**Note 7:**

**Employee Costs**

	<b>2014 (Kshs.)</b>	<b>2013 (Kshs.)</b>
Employee related costs – salary and wages	838,954,963	746,034,633
Employee related costs – contribution to pension	171,130,695	156,130,492
Housing benefits and allowances	296,035,181	283,138,904
Transport allowance	135,093,444	189,119,568
Non practicing allowance	19,913,432	23,196,438
Extraneous duty allowance	190,489,992	165,755,000
Medical risk allowance	21,083,741	32,109,314
Medical allowance	21,711,429	32,108,374
Staff inpatient allowance	134,897,590	117,972,232
Other personal allowances	35,794,322	36,218,925
<b>Total</b>	<b><u>1,865,104,789</u></b>	<b><u>1,781,783,880</u></b>

**Note 8:**

**General Expenses:**

	<b>2014 Kshs.</b>	<b>2013 Kshs.</b>
Travelling and accommodation – local	189,659,917	122,363,628
Travelling and accommodation – external	1,191,214	544,579
Purchase of uniforms and clothing	4,310,085	5,797,822
Fees, commission and honoraria	121,477,220	94,327,770
Staff training expenses	190,849	5,919,340
Postal and telegrams	13,304,467	11,171,908
Telephone	15,816,108	17,843,194
Electricity	66,103,790	50,242,883
Water and conservancy	37,149,020	39,061,512
Stationery	54,907,818	50,732,011
Rent and rates	1,893,952	2,613,902
Contracted professional services	92,738,365	58,092,458
Insurance	70,498,116	68,848,063
Internet Expenses	6,034,565	6,095,771
Advertising, printing and publicity	47,649,239	77,751,384
Official entertainment	5,665,616	4,112,387
Computer expenses	15,003,784	14,881,830
Audit Fee	1,160,000	1,000,000
Increase in provision for bad debts	3,285,747	3,869,233
<b>Total</b>	<b><u>748,039,872</u></b>	<b><u>634,269,675</u></b>

**KENYA MEDICAL TRAINING COLLEGE**

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)  
FOR THE YEAR ENDED 30 JUNE 2014**

**Note 9:**

<b>Repairs and Maintenance</b>	<b>2014</b>	<b>2013</b>
	<b>Kshs.</b>	<b>Kshs</b>
Maintenance of plant and machinery	63,735,314	39,427,501
Maintenance of buildings and stations	<u>97,306,679</u>	<u>101,925,287</u>
	<b><u>161,041,993</u></b>	<b><u>141,352,788</u></b>

**Note 10:**

<b>Operational Expenses:-</b>	<b>2014</b>	<b>2013</b>
	<b>Kshs.</b>	<b>Kshs.</b>
Transport operating	50,243,126	44,172,648
Food and rations	128,077,023	290,217,213
Library expenses	22,944,884	16,814,630
Cleansing materials	15,474,561	11,973,606
Teaching materials	96,623,245	72,748,786
Students activity and sports	27,863,282	27,710,538
Fuel, gas and firewood	14,772,342	18,071,385
Insecticides and pesticides	5,659,008	1,567,744
Drugs and dressings	<u>14,002,857</u>	<u>12,339,616</u>
<b>Total</b>	<b><u>375,660,328</u></b>	<b><u>495,616,166</u></b>

**Note 11:**

<b>Depreciation and Amortization Expense</b>	<b>2014</b>	<b>2013</b>
	<b>Kshs.</b>	<b>Kshs</b>
Depreciation expenses	<b><u>282,928,696</u></b>	<b><u>262,743,587</u></b>

**Note 12:**

**Expenses of Boards, Committees and Conferences: -**

	<b>2014</b>	<b>2013</b>
	<b>Kshs.</b>	<b>Kshs.</b>
Sitting allowances	8,997,000	9,648,000
Honoraria (Chairman's)	1,044,000	850,517
Lunch allowances	822,000	554,000
Mileage	1,515,443	1,262,218
Travelling and accommodation (local)	4,823,000	3,651,950
Medical insurance	<u>495,025</u>	<u>1,226,105</u>
<b>Total</b>	<b><u>17,696,468</u></b>	<b><u>17,192,790</u></b>

**KENYA MEDICAL TRAINING COLLEGE**

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)  
FOR THE YEAR ENDED 30 JUNE 2014**

**Note 13:**

**Finance Costs**

	<b>2014</b>	<b>2013</b>
	<b>Kshs.</b>	<b>Kshs.</b>
Bank charges	7,356,500	6,296,253
Interest charges	-	<u>1,295,046</u>
<b>Total</b>	<b><u>7,356,500</u></b>	<b><u>7,591,299</u></b>

**Note 14:**

**Cash and Cash Equivalents**

	<b>2014</b>	<b>2013</b>
	<b>Kshs.</b>	<b>Kshs.</b>
Cash at Hand	1,525,446	867,428
Cash at Bank	<u>118,562,975</u>	<u>86,170,146</u>
<b>Total</b>	<b><u>120,088,421</u></b>	<b><u>87,037,574</u></b>

**Note 15:**

**Receivables from Exchange Transactions**

	<b>2014</b>	<b>2013</b>
<b><u>Particulars</u></b>	<b><u>Kshs.</u></b>	<b><u>Kshs.</u></b>
Trade receivables (outstanding fee balances)	169,803,895	141,523,791
Rent receivable	60,059,202	55,481,840
Outstanding imprests	5,598,311	6,736,386
Salary advances	1,044,942	974,950
Prepayments	12,830,997	12,018,340
Provision for bad debts	<u>(24,967,528)</u>	<u>(21,681,781)</u>
<b>Total</b>	<b><u>224,369,819</u></b>	<b><u>195,053,526</u></b>

**Note 16:**

**Receivables from Non-Exchange Transactions**

	<b>2014</b>	<b>2013</b>
	<b>Kshs.</b>	<b>Kshs.</b>
Government of Kenya grant	140,983,593	118,487,527
Ministry of Health	<u>19,812,181</u>	<u>19,812,181</u>
	<b><u>160,795,774</u></b>	<b><u>138,299,708</u></b>

**KENYA MEDICAL TRAINING COLLEGE**

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)  
FOR THE YEAR ENDED 30 JUNE 2014**

Note 17:

**PROPERTY, PLANT AND EQUIPMENT**

	Land Kshs.	Buildings Kshs.	Work in Progress Kshs.	Motor Vehicles Kshs.	Plant, Office and Other Equipment Kshs.	Furniture and Fittings Kshs.	Computers and Accessories Kshs.	Totals Kshs.
<b>COST:</b>								
Balance b/f (01.07.2012)	1,165,920,000	3,267,527,074	20,766,600	220,791,870	1,295,743,814	129,825,031	149,345,496	6,249,919,885
Additions during the year	-	-	130,200,484	46,541,275	108,606,534	51,597,673	50,286,190	387,232,155
<b>Balance as at 30.06.2013</b>	<b>1,165,920,000</b>	<b>3,267,527,074</b>	<b>150,967,084</b>	<b>267,333,145</b>	<b>1,404,350,348</b>	<b>181,422,703</b>	<b>199,631,686</b>	<b>6,637,152,040</b>
<b>DEPRECIATION:</b>								
Balance as at 01.07.2012	Nil	420,349,874	Nil	134,613,644	567,602,212	44,536,146	77,365,202	1,244,467,078
Charge for the year	Nil	71,179,430	Nil	33,179,875	104,593,517	17,110,820	36,679,945	262,743,587
<b>As at 30.06.2013</b>	<b>Nil</b>	<b>491,529,304</b>	<b>Nil</b>	<b>167,793,519</b>	<b>672,195,729</b>	<b>61,646,966</b>	<b>114,045,147</b>	<b>1,507,210,665</b>
<b>Net Book Value (as at 30.06.2013)</b>	<b>1,165,920,000</b>	<b>2,775,994,770</b>	<b>150,967,084</b>	<b>99,539,626</b>	<b>732,154,619</b>	<b>119,775,737</b>	<b>85,586,539</b>	<b>5,129,941,375</b>
<b>COST:</b>								
Balance b/f (01.07.2013)	1,165,920,000	3,267,527,074	150,967,084	267,333,145	1,404,350,348	181,422,703	199,631,686	6,637,152,040
Additions during the year	-	-	123,286,174	-	216,490,520	49,600,195	77,384,163	466,761,052
<b>Balance as at 30.06.2014</b>	<b>1,165,920,000</b>	<b>3,267,527,074</b>	<b>274,253,258</b>	<b>267,333,145</b>	<b>1,620,840,868</b>	<b>231,022,898</b>	<b>277,015,849</b>	<b>7,103,913,092</b>
<b>DEPRECIATION:</b>								
Balance as at 01.07.2013	Nil	491,529,304	Nil	167,793,519	672,195,729	61,646,966	114,045,147	1,507,210,665
Charge for the year	Nil	69,399,944	Nil	24,884,907	118,580,642	21,171,992	48,891,211	282,928,696
<b>As at 30.06.2014</b>	<b>Nil</b>	<b>560,929,248</b>	<b>Nil</b>	<b>192,678,426</b>	<b>790,776,371</b>	<b>82,818,958</b>	<b>162,936,358</b>	<b>1,790,139,361</b>
<b>Net Book Value (as at 30.06.2014)</b>	<b>1,165,920,000</b>	<b>2,706,597,826</b>	<b>274,253,258</b>	<b>74,654,719</b>	<b>830,064,497</b>	<b>148,203,940</b>	<b>114,079,491</b>	<b>5,313,773,731</b>

NB The figure for work in progress relates to additions to buildings during the year.

**KENYA MEDICAL TRAINING COLLEGE**

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)  
FOR THE YEAR ENDED 30 JUNE 2014**

**Note 18:  
Inventory**

	<b>2014</b>	<b>2013</b>
	<b>Kshs.</b>	<b>Kshs.</b>
Consumable stores	33,982,695	20,817,569
Catering	<u>3,088,701</u>	<u>1,810,223</u>
	<b><u>37,071,396</u></b>	<b><u>22,627,792</u></b>

**Note 19:**

**Trade and other Payables from Exchange Transactions**

	<b>2014</b>	<b>2013</b>
	<b>Kshs.</b>	<b>Kshs.</b>
	<u>522,210,940</u>	<u>369,063,824</u>

**Note 20:**

**Bank Overdraft**

	<b>2014</b>	<b>2013</b>
	<b>Kshs.</b>	<b>Kshs.</b>
	<u>172,495</u>	<u>28,418,402</u>

**Note 21:**

**Capital Fund**

This represents initial GOK capital investment in the college.

	<b>2014</b>	<b>2013</b>
	<b>Kshs.</b>	<b>Kshs.</b>
	<u>4,727,538,005</u>	<u>4,727,538,000</u>

**Note 22:**

**Accumulated Fund**

Balance at start of the year  
Surplus for the year  
**Balance at end of year**

	<b>2014</b>	<b>2013</b>
	<b>Kshs.</b>	<b>Kshs.</b>
	447,939,744	259,215,767
	<u>158,237,957</u>	<u>188,723,977</u>
	<b><u>606,177,701</u></b>	<b><u>447,939,744</u></b>