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REPORT OF THE CONTROLLER AND AUDITOR GENERAL ON THE  
ACCOUNTS OF KENYA UTALII COLLEGE FOR THE YEAR ENDED 30  
JUNE 2000.

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## **REPORT OF THE CONTROLLER AND AUDITOR GENERAL ON THE ACCOUNTS OF KENYA UTALII COLLEGE FOR THE YEAR ENDED 30 JUNE 2000.**

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I have examined the Accounts of Kenya Utalii College for the year ended 30 June 2000 in accordance with the provisions of Section 29 of the Exchequer and Audit Act (Cap. 412). I have obtained all the information and explanations considered necessary for the purpose of the audit. Proper books of account have been kept by the College and the accounts, which have been prepared under the historical cost convention, are in agreement therewith and comply with the Hotel and Restaurants Act (Cap 494).

Except for the matters referred to in the ensuing paragraphs, the accounts when read together with the notes thereon, present fairly, the financial state of affairs of the College as at 30 June, 2000 and of its deficit and cash flow for the year then ended.

### **1. FINANCIAL PERFORMANCE**

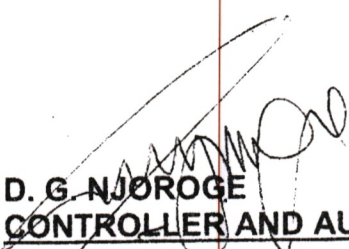
During the year under review the College realized a deficit of Kshs.7,809,832 which would have been higher if the College had accrued the interest amounting to Kshs.21,026,836 on Government loan as per the signed agreement. This together with a prior year adjustments of Kshs. 126,446,671 reduced the College's accumulated fund of Kshs.594,921,667 in 1999 to Kshs.460,665,164 as at 30 June 2000. The College was also not servicing the Government loan as per the agreement and the use of overdraft facility by the College has become regular. The College is therefore, apparently, facing financial problems and its continued operations as a going concern will continue to depend on the support of the Government and its lenders.

### **2. LOAN FROM THE GOVERNMENT OF KENYA**

The Balance Sheet as at 30 June 2000 reflects an amount of Kshs.140,000,000 being a loan given to the college by Government in February 1996 for refurbishment of Kenya Utalii Hotel. The final portion of Kshs.34,867,320 of the loan of Kshs.140,000,000 from Government during the year under review was received. The College, however, utilized the amount of Kshs.34,867,320 in financing some of its outstanding recurrent expenses instead of refurbishing the Hotel as provided in the loan agreement. Although the loan agreement signed in 1996, provided that the loan would be repaid together with interest at the rate of 20% per annum in twenty (20) semi annual consecutive instalments, available records show that the College has not been servicing the loan together with the accrued interest and has also, over the years, failed to reflect the accrued interest in the College's books of account. The College has not given satisfactory reasons for non servicing of the capital loan as well as its failure to accrue interest on the loan in its books of account.

**3. FIXED ASSETS**

The College has not been able to obtain title deeds for its two parcels of land situated along Thika Road. In the absence of title deeds, it has not been possible to confirm that the College owns the two parcels of land.



**D. G. NJOROGE**  
**CONTROLLER AND AUDITOR GENERAL**

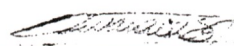
**NAIROBI**

**1 April 2003**

# KENYA UTALII COLLEGE, NAIROBI.

## BALANCE SHEET AS AT 30TH JUNE 2000

POSITION	STATEMENT	1999/2000	1998/99
		KSHS	KSHS
<b>FIXED ASSETS</b>	8	<u>605,937,956</u>	<u>603,094,380</u>
<b><u>CURRENT ASSETS</u></b>			
Car Loan Scheme	2	8,919,855	8,469,077
Housing Loan Scheme	3	2,234,142	2,091,199
Debtors, Deposits & Special Accounts	9	85,236,740	173,380,810
Stocks	10	11,348,134	11,507,970
Floats	11	561,600	556,600
Cash and Bank Balances	12	776,866	338,829
Utalii Football Club	15	139,553	126,493
Furniture Loan Scheme	16	1,767,212	1,757,300
		<u>110,984,102</u>	<u>198,828,278</u>
<b><u>CURRENT LIABILITIES</u></b>			
Provision for Unpaid Expenses	6	15,466,293	14,465,601
Short-term Liabilities, Provisions & Special Accounts	7	73,453,404	61,221,961
Cash and Bank Balances	12	14,276,435	13,736,680
		<u>103,196,132</u>	<u>89,424,242</u>
<b>NET CURRENT ASSETS</b>		<u>7,787,970</u>	<u>109,404,036</u>
		<b>613,725,926</b>	<b>712,498,416</b>
<b><u>FINANCED BY:</u></b>			
Car Loan Fund	2	8,919,855	8,469,077
Housing Loan Fund	3	2,234,142	2,091,199
Accumulated Fund	13	460,665,164	594,921,667
Loan from Government of Kenya		140,000,000	105,132,680
Utalii Football Club Fund	15	139,553	126,493
Furniture Loan Fund	16	1,767,212	1,757,300
		<u>613,725,926</u>	<u>712,498,416</u>



PRINCIPAL  
KENYA UTALII COLLEGE



CHAIRMAN  
BOARD OF GOVERNORS -KENYA UTALII COLLEGE

**KENYA UTALII COLLEGE,  
NAIROBI.**

**STATEMENT 1**

**INCOME AND EXPENDITURE ACCOUNT FOR THE YEAR ENDED 30TH JUNE 2000**

POSITION	1999/2000	1998/99
	KSHS	KSHS
Revenue From Training Levy	228,473,939	267,500,000
Net Rent Income from staff housing units	305,600	318,633
Net Scholarship Revenue	29,238,182	26,782,261
Miscellaneous Receipts	8,141,120	8,627,730
Revenue from Outside catering & Special Functions	7,956,414	1,718,206
Grants from Government of Kenya	4,000,000	5,400,000
Revenue from Management Development Programmes	3,045,827	4,103,950
Revenue from Consultancy Services	523,923	1,369,420
School Fees	17,235,365	8,948,010
Swiss Government Bilateral Assistance	-	232,709
European Union Assistance	22,647,379	5,830,205
	<hr/>	<hr/>
	321,567,749	330,831,124
Utalii Hotel Gross Profit: Statement 4	41,115,661	45,971,705
	<hr/>	<hr/>
	362,683,410	376,802,829
<b>LESS:</b>		
Recurrent expenditure: Statement 5	354,602,012	350,907,893
	<hr/>	<hr/>
Surplus before provision for Depreciation	8,081,398	25,894,936
Depreciation Charge for the year: Statement 8	15,891,230	15,046,863
	<hr/>	<hr/>
<b>Net Surplus/(Deficit) for the Year</b>	<b>(7,809,832)</b>	<b>10,848,073</b>
	<hr/>	<hr/>

**CAR LOAN SCHEME**

**INCOME AND EXPENDITURE ACCOUNT  
FOR THE YEAR ENDED 30TH JUNE 2000**

	<b>1999/2000</b>	<b>1998/99</b>
<b><u>INCOME</u></b>	<b><u>KSHS</u></b>	<b><u>KSHS</u></b>
Interest earned	468,878	569,183
<b>Less:</b>		
<b><u>EXPENDITURE</u></b>		
Bank charges	18,100	12,950
<b>Surplus</b>	<b>450,778</b>	<b>556,233</b>

**CAR LOAN SCHEME FUND AS AT 30TH JUNE 2000**

	<b>1999/2000</b>	<b>1998/99</b>
<b><u>FUND</u></b>	<b><u>KSHS</u></b>	<b><u>KSHS.</u></b>
Car Loan Scheme Fund	8,469,077	7,912,844
Surplus	450,778	556,233
	<b>8,919,855</b>	<b>8,469,077</b>
<b><u>REPRESENTED BY:</u></b>		
Staff Car Loan Principal advances	8,204,462	10,323,957
Staff Insurance Loan advances	382,181	298,908
Bank Account balance	172,965	739,199
Amount advanced by Kenya Utalii College	(4,491,623)	(4,491,623)
Amount advanced by Housing Loan Scheme	(150,000)	(150,000)
Amount with KUC	4,801,870	1,748,636
	<b>8,919,855</b>	<b>8,469,077</b>

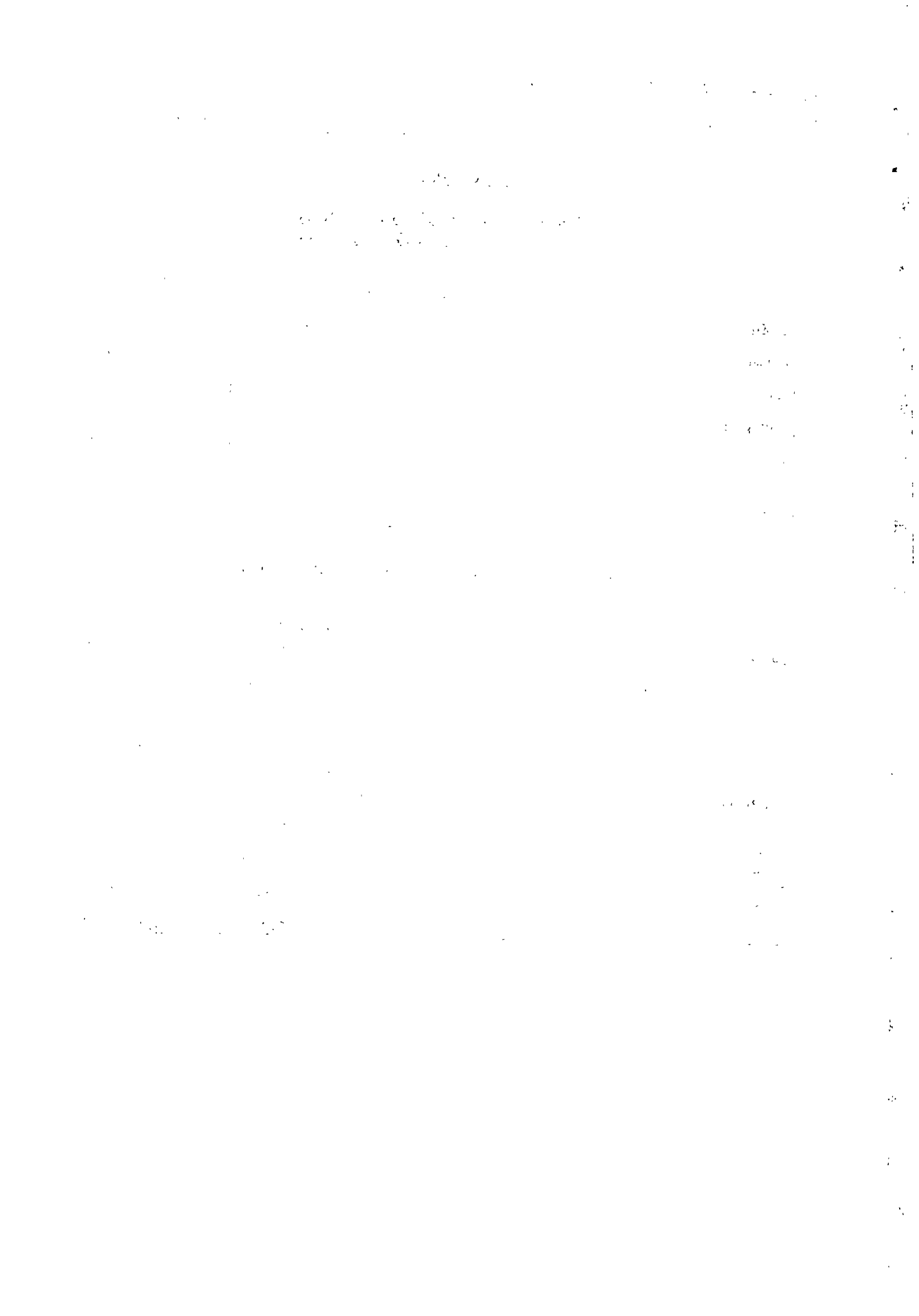
**HOUSING LOAN SCHEME**

**INCOME AND EXPENDITURE ACCOUNT  
FOR THE YEAR ENDED 30TH JUNE 2000**

	<b>1999/2000</b>	<b>1998/99</b>
<b>INCOME</b>	<b>KSHS</b>	<b>KSHS</b>
Interest earned	149,274	232,890
<b>Less:</b>		
<b>EXPENDITURE</b>		
Bank charges	6,331	18,058
<b>Surplus</b>	<b>142,943</b>	<b>214,832</b>

**HOUSING LOAN SCHEME FUND AS AT 30TH JUNE 2000**

	<b>1999/2000</b>	<b>1998/99</b>
<b>FUND</b>	<b>KSHS</b>	<b>KSHS</b>
Housing Loan Scheme Fund	2,091,199	1,876,367
Surplus	142,943	214,832
	<b>2,234,142</b>	<b>2,091,199</b>
<b>REPRESENTED BY:</b>		
Staff Housing Loan Principal Advances	3,199,209	3,500,737
Bank Account Balance	730,506	781,383
Amount advanced to Car loan Fund	150,000	150,000
Amount advanced by Kenya Utalii College.	(2,500,000)	(2,500,000)
Amount with KUC	654,427	159,079
	<b>2,234,142</b>	<b>2,091,199</b>





**UTALII HOTEL TRADING ACCOUNT FOR THE YEAR ENDED 30TH JUNE 2000**

	<b>1999/2000</b>	<b>1998/99</b>
<b><u>INCOME</u></b>	<b><u>KSHS</u></b>	<b><u>KSHS.</u></b>
Room Sales	25,843,506	21,112,106
Beverage Sales	7,811,568	10,502,879
Food Sales	18,401,568	28,242,355
Swimming Pool Receipts	816,717	865,271
Miscellaneous Receipts	2,166,214	3,533,073
Kenya School of Monetary Studies Revenue	17,328,001	13,324,467
	72,365,574	77,580,151
<b><u>LESS:</u></b>		
Cost of Sales	31,249,913	31,608,446
<b>Gross Profit</b>	<b>41,115,661</b>	<b>45,971,705</b>

**KENYA UTALII COLLEGE,  
NAIROBI.**

**STATEMENT 5**

**EXPENDITURE FOR THE YEAR ENDED 30TH JUNE 2000**

<b>ITEM</b>	<b>1999/2000</b>	<b>1998/99</b>
	<b>KSHS</b>	<b>KSHS.</b>
Salaries - Expatriate Staff	623,142	980,639
Salaries - Permanent Academic Staff	55,974,716	48,011,071
Salaries - Part-time Academic Staff	781,565	816,460
Salaries - Administrative Staff	105,918,661	100,020,712
Industrial Training Expenses	325,089	205,682
Professional Clothes and Uniforms	889,190	342,746
Food and Beverages	38,587,583	36,078,100
Inservice Students' Accomodation and Travel	987,127	881,110
Students' Selection	-	34,975
Students' Allowances	1,846,809	2,298,522
Special Courses	307,272	504,733
Printing and Stationery	4,752,134	5,895,529
Medical Expenses	17,906,512	22,551,923
Class Text Books, Library Books & Periodicals	967,719	682,366
Heat, Light and Power	27,403,580	24,289,332
Water, Sewerage, Dustbins and Land Rates	3,139,128	2,892,827
Cleaning Materials	4,533,030	4,064,543
Maintenance and Repair of Buildings	2,757,798	5,432,332
Maintenance and Repair of Equipment	5,915,779	5,582,510
Maintenance and Repair of Vehicles	15,330,480	13,021,736
Travelling and Subsistence Expenses	4,782,364	11,646,109
Entertainment and Public Relations	2,577,017	3,063,471
Postage, Telex and Telephone	4,761,768	5,583,446
Licences, Audit Fees and Professional Services	1,185,465	613,772
Owner Occupier House Allowance & Rental of Staff Houses	11,538,453	10,619,675
Advertising and Promotion	1,983,403	1,240,685
Insurances	6,633,487	5,606,400
Staff Development	3,951,065	5,805,707
Renewal and Replacement of Equipment	12,314,974	7,770,449
External Examination Expenses	857,071	1,238,329
Board of Governors Expenses	270,169	258,238
Clearing, Forwarding & Other Miscellaneous Expenses	1,702,449	2,115,909
Research Expenses	297,671	133,540
Staff and Students' Welfare Expenses	3,026,197	3,576,376
Finance Charges	1,414,149	961,639
Apprenticeship Pilot Project Expenses	1,626,880	2,803,374
Expenses as per Swiss Government Budget	-	232,709
Expenses as per European Union Approved Budget	5,881,313	5,713,118
Bad and Doubtful Debts	850,803	7,337,099
	<b>354,602,012</b>	<b>350,907,893</b>

**KENYA UTALII COLLEGE,  
NAIROBI.**

**STATEMENT 6**

**PROVISION FOR UNPAID EXPENSES AS AT 30TH JUNE 2000**

<b>ITEM</b>	<b>1999/2000</b>	<b>1998/99</b>
	<b><u>KSHS</u></b>	<b><u>KSHS.</u></b>
Special Courses	120,000	153,700
Printing & Stationery	-	57,583
Medical Expenses	1,456,315	4,321,472
Class Text Books, Library Books & Periodicals	-	5,000
Heat, Light & Power	1,801,249	2,035,780
Water, Sewerage, Dustbins & Land Rates	5,819,607	3,433,175
Cleaning Materials	143,820	123,694
Maintenance and Repair of Buildings	-	15,000
Maintenance and Repair of Equipment	99,784	592,550
Maintenance and Repair of Vehicles	804,105	1,755,047
Travelling And Subsistence Expenses	-	92,620
Postage, Telex and Telephone	-	33,737
Licences, Audit Fees & Professional services	1,500,000	1,200,000
Advertising and Promotion	334,797	212,809
Insurances	2,975,601	397,434
Renewal & replacement of equipment	411,015	
Clearing, Forwarding & Other Miscellaneous Expenses	-	36,000
	<b>15,466,293</b>	<b>14,465,601</b>
	=====	=====

# KENYA UTALII COLLEGE, NAIROBI.

STATEMENT 7

## SHORT TERM LIABILITIES, PROVISIONS AND SPECIAL ACCOUNTS AS AT JUNE 2000

ITEM	1999/2000	1998/99
	KSHS	KSHS.
Suppliers' Account	9,163,529	15,434,554
Sportlight Account	250	250
Contra Account	16,735,918	10,694,552
Unpaid Pension Account	16,786,744	16,786,744
National Tourism Competitions	93,000	93,000
Nairobi City Council Service Charge	163,460	453,120
Staff Welfare Fund Account	245,102	219,342
NHIF	241,440	812,030
P. A. Y. E	940,155	142,666
N.S.S.F	221,120	975,141
Government Tax	825,307	-
Training Levy	90,740	-
Amedo Centres (K) Ltd	211,123	-
Woodventure	22,704	32,751
Mortgage Deductions	25,561	61,248
Kenyuco Savings & Credit Society Ltd	4,709,096	3,840,264
S. A. Y. E	3,800	5,300
Staff Service Charge Account	6,005,870	1,069,507
Personal Insurances Account	231,416	138,301
Salary Attachment Account	68,606	-
Pension Scheme Account	4,350,096	2,495,849
Pension Deductions	687,752.00	2,046,163
Hotel Deductions	1,734,449	338,282
Hotel Deposits Account	1,178,368	1,403,568
Macho Credit	2,895	2,895
KUC Football Club	27,729	27,729
C.D.G Medical Account	90,648	85,188
Students' Caution Money	1,028,592	822,546
Class Funds	185,250.00	214,717
Fund Raising Walk Account	198,427	198,427
Deceased Special Fund Account	282,545	646,080
Sports Fund	4,615	23,150
Overdrawn Students' allowances	47,693	12,878
Overdrawn Salaries	23,645	-
Unclaimed Salaries	188,050	122,760
Students' Council	41,769	-
Unclaimed Students Allowances	92,191	-
Car Loan Scheme	4,801,870	1,748,637
Housing Loan Scheme	654,427	159,079
Furniture Loan Scheme	1,047,452	115,243
	<b>73,453,404</b>	<b>61,221,961</b>

# KENYA UTALII COLLEGE NAIROBI.

STATEMENT 8

## FIXED ASSETS SCHEDULE AS AT 30TH JUNE 2000

ITEM	LAND AND BUILDING KSHS	REFURBISHMENT OF UTALII HOTEL KSHS	MONUMENT FOR 10TH ANNIVERSARY KSHS	PLANT AND MACHINERY KSHS	TECHNICAL AND TEACHING EQUIPMENT KSHS	FURNITURE AND OTHER TEACHING EQUIPMENT KSHS	MOTOR VEHICLES KSHS	TOTAL KSHS
<b>COST / VALUATION</b>								
Balance as at 1st July 1999	409,485,838	159,930,594	252,000	46,725,506	45,493,278	36,253,967	30,691,926	728,833,109
Additions/Revaluation/Transfers	-	-	-	-	8,253,900	100,215	10,380,691	18,734,806
Disposals/Write-offs	-	-	-	-	-	-	(225,000)	(225,000)
<b>TOTAL</b>	<b>409,485,838</b>	<b>159,930,594</b>	<b>252,000</b>	<b>46,725,506</b>	<b>53,747,178</b>	<b>36,354,182</b>	<b>40,847,617</b>	<b>747,342,915</b>
<b>DEPRECIATION</b>								
Balance as at 1st July 1999	-	-	63,000	30,154,035	33,295,093	32,615,675	29,610,926	125,738,729
Charge for the Year	-	-	6,300	3,442,479	7,278,072	1,488,205	3,676,174	15,891,230
Accumulated Depreciation Before Write-offs	-	-	69,300	33,596,514	40,573,165	34,103,880	33,287,100	141,629,959
Less: Write-offs	-	-	-	-	-	-	(225,000)	(225,000)
Accumulated Depreciation as at 30th June 2000	-	-	69,300	33,596,514	40,573,165	34,103,880	33,062,100	141,404,959
<b>Net Book Value as at 30.6.2000</b>	<b>409,485,838</b>	<b>159,930,594</b>	<b>182,700</b>	<b>13,128,992</b>	<b>13,174,013</b>	<b>2,250,302</b>	<b>7,785,517</b>	<b>605,937,956</b>
<b>Net Book Value as at 30.6.1999</b>	<b>409,485,838</b>	<b>159,930,594</b>	<b>188,000</b>	<b>16,571,471</b>	<b>12,198,185</b>	<b>3,638,292</b>	<b>1,081,000</b>	<b>603,094,380</b>

# KENYA UTALII COLLEGE, NAIROBI.

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The following rates have been applied in the determination of depreciation charge for the year :-

- (a) Land and Buildings - Nil
- (b) Monument for 10th Anniversary - 2.5%
- (c) Plant and Machinery - 10%
- (d) Technical and Teaching Equipment - 20%
- (e) Furniture and other Teaching Equipment - 20%
- (f) Motor Vehicles - 25%

**KENYA UTALII COLLEGE,  
NAIROBI.**

**STATEMENT 9**

**DEBTORS, DEPOSITS AND SPECIAL ACCOUNTS AS AT 30TH JUNE 2000**

ITEM	1999/2000	1998/99
	<u>KSHS</u>	<u>KSHS.</u>
College Debtors Account	42,655,659	31,876,485
Hotel Debtors Account	17,748,076	11,511,205
Deposits Account	995,570	995,570
Staff Advances Account	2,717,900	2,102,373
Imprest Account	2,298,170	905,897
Losses Account	-	567,235
Catering Levy Trustees Account	18,177,343	101,589,383
Proposed Study Account	-	68,968
Scholarship Fund Account	8,120,939	9,405,409
Prepayments Account	351,500	47,001
Medical Advances Account	1,511,105	1,051,908
Suspense Account	-	18,916
Swiss Sponsees Contra Account	468,962	-
Salary in Advance	211,703	216,068
Overdrawn Salaries Account	-	74,576
Students Council Account	-	13,159
Government of Kenya	-	22,000,000
Pledges	-	26,337
Salary Attachments	-	77,155
Unclaimed Students Allowances	-	2,549
	-----	-----
	95,256,927	182,550,194
<b>Less:</b>		
Bad and Doubtful Debts	10,020,187	9,169,384
	-----	-----
	<b>85,236,740</b>	<b>173,380,810</b>
	=====	=====

**KENYA UTALII COLLEGE,  
NAIROBI.**

**STATEMENT 10**

**STOCKS AS AT 30TH JUNE 2000**

ITEM	1999/2000	1998/99
	<u>KSHS</u>	<u>KSHS.</u>
Food Stores	1,405,915	1,549,786
Beverage Stores	1,942,523	2,088,455
General Stores	7,361,796	7,132,229
Containers Stores	446,853	592,919
Drugs	191,047	144,581
	<b>11,348,134</b>	<b>11,507,970</b>



**FLOATS AS AT 30TH JUNE 2000**

<b>ITEM</b>	<b>1999/2000</b>	<b>1998/99</b>
	<b><u>KSHS</u></b>	<b><u>KSHS.</u></b>
Dining Room	200	200
Stamp Charge	500	500
Postage	100	100
Hotel	489,800	489,800
Engineering	20,000	20,000
Purchasing	10,000	10,000
Petty Cash	25,000	25,000
Transport	1,000	1,000
Principal's office	10,000	10,000
Physical Education	5,000	-
	<b>561,600</b>	<b>556,600</b>

**KENYA UTALII COLLEGE,  
NAIROBI.**

**STATEMENT 12**

**CASH AND BANK BALANCES AS AT 30TH JUNE 2000**

ITEM	1999/2000	1998/99
		<b><u>KSHS.</u></b>
Cash on Hand	772,171	745,884
Cash at Bank	4,695	192,945
	-----	-----
	776,866	938,829
Overdrawn bank balance	(14,276,435)	(13,736,680)
	-----	-----
	<b>(13,499,569)</b>	<b>(12,797,851)</b>
	=====	=====

**KENYA UTALII COLLEGE,  
NAIROBI.**

STATEMENT 13

**ACCUMULATED FUND AS AT 30TH JUNE 2000**

ITEM	1999/2000	1998/99
	<b><u>KSHS</u></b>	<b><u>KSHS.</u></b>
Balance Brought Foward Prior Year Adjustments	594,921,667 (126,446,671)	585,478,044 (1,404,450)
Surplus/(Deficit) for the Year	468,474,996 (7,809,832)	584,073,594 10,848,073
<b>Balance carried Foward</b>	<b>460,665,164</b>	<b>594,921,667</b>

**CASH FLOW STATEMENT FOR THE YEAR ENDED 30TH JUNE 2000**

ITEM	1999/2000	1998/99
	<u>KSHS</u>	<u>KSHS</u>
<b>Cash Flows from operating activities</b>		
Net surplus/(deficit)	(7,809,832)	10,848,073
<b>Adjustments for :-</b>		
Depreciation	15,891,230	15,046,863
Prior year adjustments	(126,446,671)	(1,404,450)
Operating surplus/(deficit) before working capital changes	(118,365,273)	24,490,486
Decrease in trade and other debtors	88,144,070	(42,981,046)
Increase/decrease in stocks	159,836	751,576
Increase in trade and other creditors	13,232,135	18,668,543
Cash generated from operations	(16,829,232)	929,559
<b>Net cash flow from operating activities</b>	<b>(16,829,232)</b>	<b>929,559</b>
<b>Cash flows from investing activities</b>		
Acquisition of fixed assets	(18,734,806)	(8,702,868)
<b>Cash flows from financing activities</b>		
Proceeds from Government loan	34,867,320	5,000,000
Net cash from operating activities	(696,718)	(2,773,309)
Cash and cash equivalents at beginning of period	(12,241,251)	(9,467,942)
<b>Cash and cash equivalents at end of period</b>	<b>(12,937,969)</b>	<b>(12,241,251)</b>

**UTALII FOOTBALL CLUB FUND AS AT 30TH JUNE 2000**

	<b>1999/2000</b>	<b>1998/99</b>
<b>FUND</b>	<b><u>KSHS</u></b>	<b><u>KSHS</u></b>
Receipts	139,553	126,493
	<b>139,553</b>	<b>126,493</b>
<b><u>REPRESENTED BY:</u></b>		
Bank Balance	139,553	126,493
	<b>139,553</b>	<b>126,493</b>

**KENYA UTALII COLLEGE,  
NAIROBI.**

STATEMENT 16

**FURNITURE LOAN SCHEME AS AT 30TH JUNE 2000**

**INCOME AND EXPENDITURE ACCOUNT  
FOR THE YEAR ENDED 30TH JUNE 2000**

	1999/2000	1998/99
<b><u>INCOME</u></b>	<b><u>KSHS</u></b>	<b><u>KSHS</u></b>
Interest earned	10,412	-
<b>Less:</b>		
<b><u>EXPENDITURE</u></b>		
Bank charges	500	-
<b>Surplus</b>	<b>9,912</b>	<b>-</b>

	1999/2000	1998/1999
<b><u>FUND</u></b>	<b><u>KSHS</u></b>	<b><u>KSHS</u></b>
Furniture Loan Scheme Fund	1,757,300	1,757,300
Surplus	9,912	-
	<b>1,767,212</b>	<b>1,757,300</b>
<b><u>REPRESENTED BY:</u></b>		
Furniture Loan Outstanding Account	158,270	1,133,523
Bank Account Balance	561,490	508,534
Amount With Kenya Utalii College	1,047,452	115,243
	<b>1,767,212</b>	<b>1,757,300</b>

# KENYA UTALII COLLEGE, NAIROBI.

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## NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 30TH JUNE, 2000

### ACCOUNTING POLICIES

#### a) Accounting Convention

The accounts of the college have been prepared under the historical cost convention modified by the valuation of certain assets, where specified.

#### b) Depreciation

Fixed Assets are depreciated on straight line basis over their expected useful lives. Rates of depreciation applied have been indicated in the relevant schedules.

#### c) Bad and Doubtful Debts

A 5% general provision for bad and doubtful debts has been created in the accounts to cater for College and Hotel debtors that are considered doubtful.

#### d) Stocks

Stocks comprising of Food and Beverage merchandise together with returnable containers and drugs have been valued at cost calculated on average basis.

