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REPORT
OF
THE AUDITOR-GENERAL
ON
FINANCIAL STATEMENTS OF
KISII UNIVERSITY

FOR THE YEAR ENDED
30TH JUNE 2014



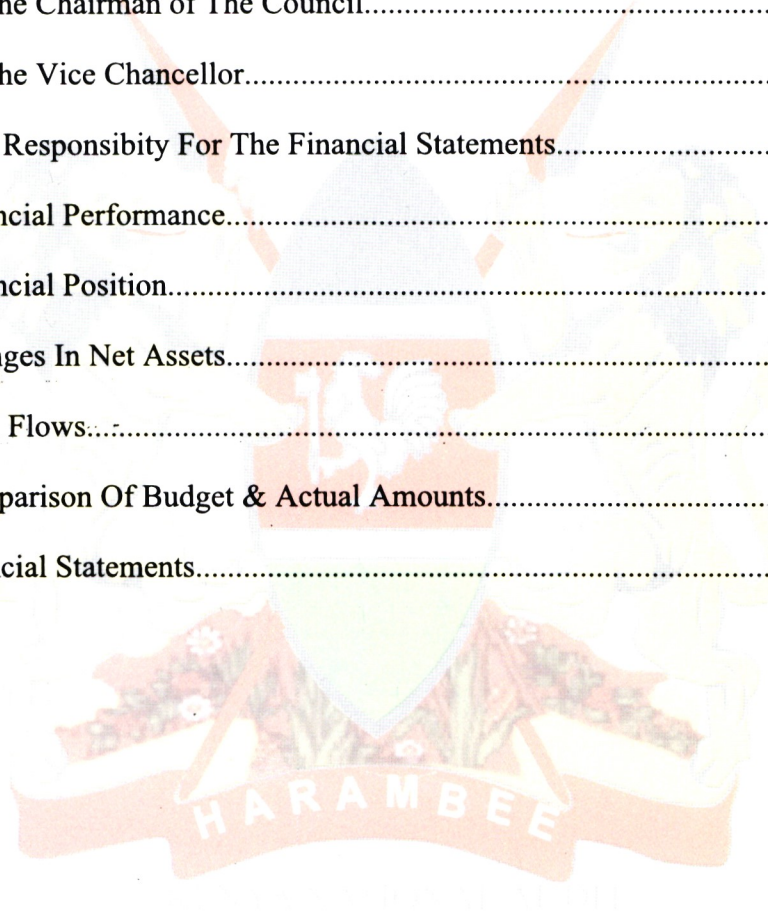
KISII UNIVERSITY

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED
30th JUNE, 2014

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

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I. KEY ENTITY INFORMATION AND MANAGEMENT

(a) Back Ground Information

Kisii University is a body corporate established through the Kisii University Charter of 2013 and the University's Act No 42 of 2012.

(b) Principal Activity

(i) The university's core activity is to provide University Education and conduct research.

(ii) Vision

To be a world class university in advancement of Academic Excellence, Research and Social welfare.

(iii) Mission

To train high level human resource that meets the development needs of the country and International labour market, sustain production of quality and relevant research and consultancy; disseminate knowledge, skills, values and competencies for the advancement of humanity.

(c) Registered Office and Principal Place Of Business

Kisii University
Along Kisii-Kilgoris Road
P.O. Box 408 - 40200
Kisii, Kenya.

(d) University Contacts

Kisii University
P.o. Box 408- 40200
Kisii, Kenya.
Tel.058-30826
Website: www.kisiiuniversity.ac.ke
Email: info@kisiiuniversity.ac.ke

(e) University Bankers

- (i) National Bank of Kenya
P.O. Box 4566-40200
Kisii .

- (ii) Kenya Commercial Bank
P.O. Box 3684-40200
Kisii .

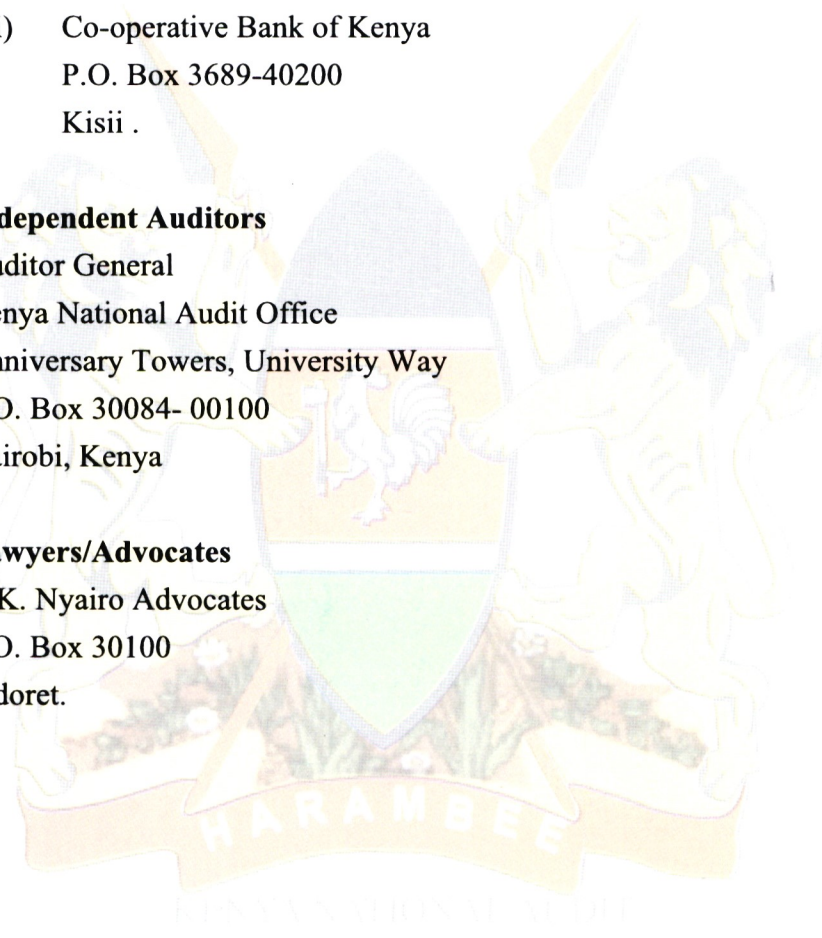
- (iii) Co-operative Bank of Kenya
P.O. Box 3689-40200
Kisii .

(f) Independent Auditors

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

(g) Lawyers/Advocates

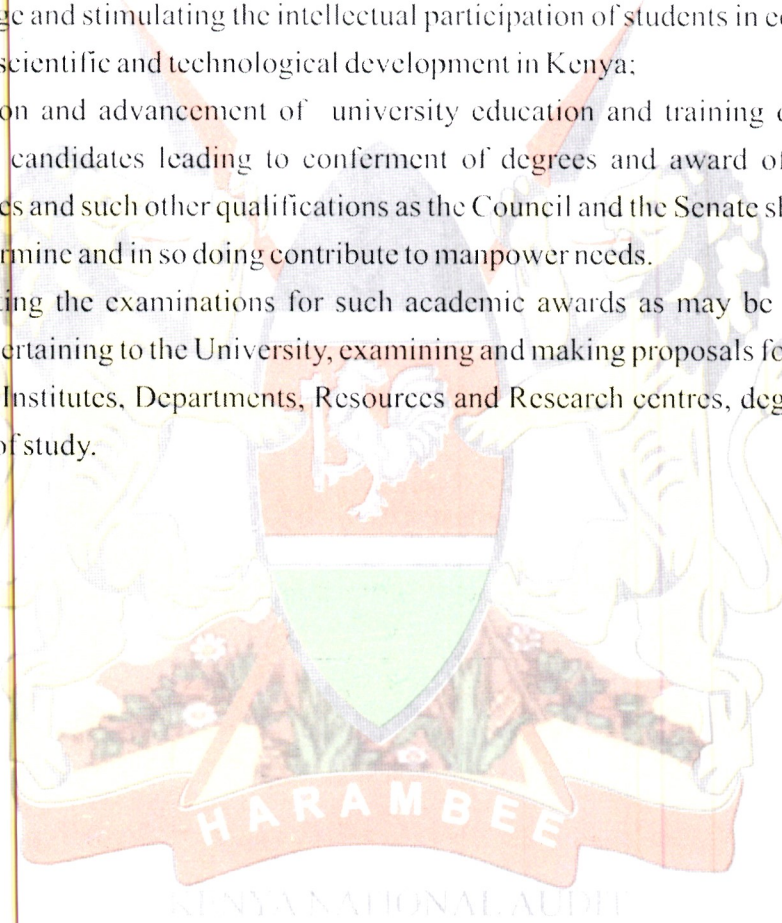
A.K. Nyairo Advocates
P.O. Box 30100
Eldoret.



II. CORE BUSINESS OF THE UNIVERSITY

The Core business of the University as provided by Kisii University Charter and the University's Act no 42 of 2012 include:

- Provision directly or in collaboration 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;
- Participation in the discovery, transmission and preservation and enhancement of knowledge and stimulating the intellectual participation of students in economic, social, cultural, scientific and technological development in Kenya;
- Provision and advancement of university education and training of appropriately qualified candidates leading to 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.
- Conducting the examinations for such academic awards as may be provided in the statutes pertaining to the University, examining and making proposals for new Faculties, Schools, Institutes, Departments, Resources and Research centres, degree courses and subjects of study.



III. UNIVERSITY COUNCIL MEMBERS

Chairperson	Dr. Eng. Sebastian Mwarania
Vice Chancellor	Prof. John S. Akama
Members	Prof. Mary Getui, MBS Member
	Mr. Nimrod Waweru REP.PS. National Treasury
	Mr. James Kiburi REP.PS. Ministry of Education Science & Technology
	Mr. Joseph Ndubi Kesa, HSC Member
	Mr. Abdulhamid A. Saleh Said Member
	Ms. Sonje Angeline Wawuda Member

IV. UNIVERSITY MANAGEMENT TEAM

Vice Chancellor	Prof. John S. Akama
D.V.C (Administration, Planning And Finance)	Prof. Joseph T. Mailutha
D.V.C (Academic And Student Affairs)	Prof. Maurice Nyamanga Amutabi
Registrar Academic Affairs	Prof. Philip Owino
Director Research And Extension	Prof. Anakalo Shitandi
Registrar Administration	Mr. Christopher Nyenze
Ag. Finance Officer	Mr. Johnson M. Mwaura

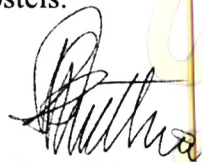
V. STATEMENT FROM THE CHAIRMAN OF THE COUNCIL

The University Council was constituted by his Excellency the President of the Republic of Kenya on 4th February 2013. The mandate of the Council amongst other responsibilities is to give policy guidelines in order to ensure the smooth operations of university activities.

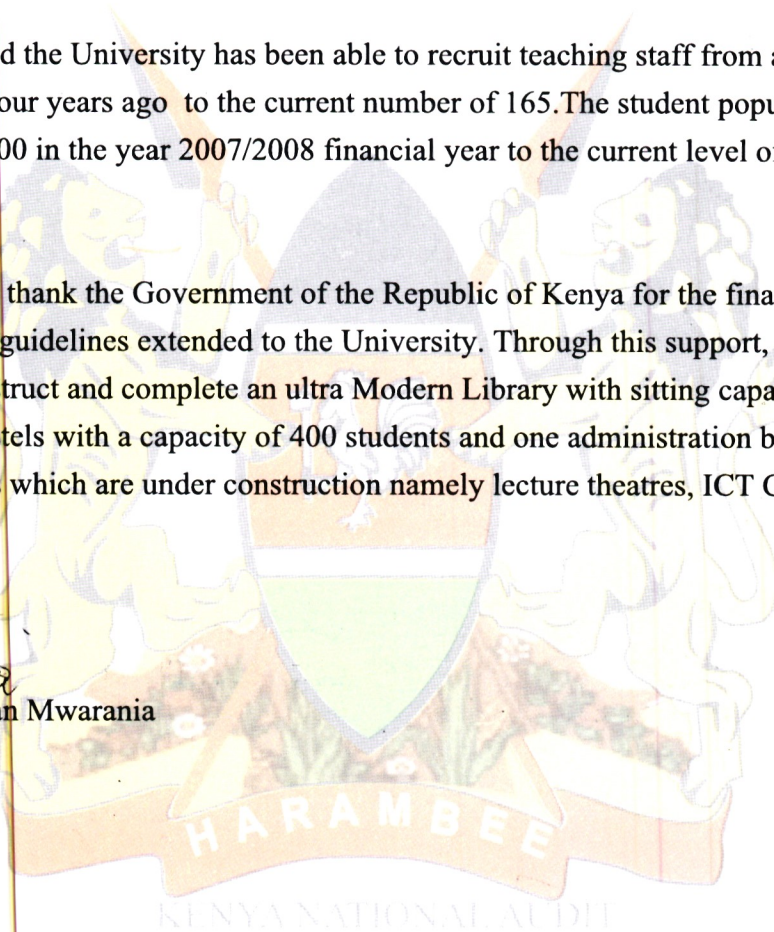
It is my pleasure to note that the staff members of this University, under the able leadership of the Vice Chancellor, had worked hard during the last financial year towards attaining this objective.

During this period the University has been able to recruit teaching staff from as low as 7 staff members about four years ago to the current number of 165. The student population has also increased from 300 in the year 2007/2008 financial year to the current level of 10,800 students.

Finally, I wish to thank the Government of the Republic of Kenya for the financial support and other procedural guidelines extended to the University. Through this support, the University has been able to construct and complete an ultra Modern Library with sitting capacity of about 3,500 students, two hostels with a capacity of 400 students and one administration block in addition to the other projects which are under construction namely lecture theatres, ICT Center, and Hostels.



Dr. Eng. Sebastian Mwarania



VI. STATEMENT FROM THE VICE CHANCELLOR.

I have the pleasure to present the Annual Report and Financial Statements of Kisii University for the year ended 30th June, 2014

During the year under review the University realized a surplus of Kshs. 22,806,000 as compared to a surplus of Kshs. 28,896,000 for the year ended 30th June, 2013. The reduction in surplus is attributed to use of more funds in the physical expansion which took place during the year, resulting in opening of new campuses in Eldoret, Nairobi, Kitale, Kisumu and Kabarnet.

The University intensified income generating activities especially the self sponsored programmes. This resulted in an increase in tuition fee collected from Kshs.672,553,000 in the year 2012/2013 to Kshs. 870,165,000 during the year 2013/2014.

The University continued with its Core business of teaching, training and Research. The students total population rose from 7,500 to 10,800 during the year under review.

On behalf of Kisii University I wish to take this opportunity to thank the Government for financial support accorded to the university.

Finally, I would like to express my thanks to the University Council for providing policy guidelines and the entire University community for working tirelessly to ensure successful and smooth operations of the University.



KENYA NATIONAL AUDIT

Prof. John S. Akama
Vice Chancellor

VII STATEMENT OF COUNCIL MEMBER'S RESPONSIBILITIES

The Public Financial Management Act of 2012, Kisii University Charter of 2013 and the universities' Act No 42 of 2012 requires the university council to prepare Financial Statements of Kisii University which give a True and Fair view of the state of affairs of the university as at the end of the financial year and the operating results of the university for the year. The Council members are also required to ensure that the university keeps proper accounting records which disclose with reasonable accuracy the financial position of the university. The council members are also responsible for safeguarding the assets of the university.

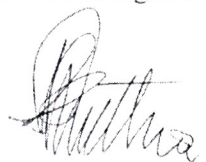
The Council members accept responsibility for the annual financial statements, which have been prepared using appropriate accounting policies supported by reasonable and prudent judgements and estimates, in conformity with International Public Sector Accounting Standards (IPSAS) and in the manner provided by the public PFM Act of 2012 and the Universities' Act of 2012. The Council members are of the opinion that the financial statements give a true and fair view of the state of university's transactions during the financial year ended on 30th June 2014, and the university's financial position as at that date. The Council members further confirm the completeness of the accounting records maintained for the university, which have relied upon in the preparation of the financial statements, as well as adequate systems of internal financial controls.

Nothing has come to the attention of the Council members to indicate that the university will not remain a going concern for at least the next twelve months from the date of this statement.

Approval of the financial statements

The university's financial statement were approved by the by the council on 22nd Sept

2014 and signed on its behalf by:



Dr. Eng. Sebastian Mwarania
Chairman of the Council



Prof. John S. Akama
Vice Chancellor

VIII. STATEMENT OF FINANCIAL PERFORMANCE

For the year ended 30th June 2014

	Note	2013-2014	2012-2013
		Kshs '000	Kshs '000
Revenue from non-exchange transactions			
Exchequer Allocations	3	<u>538,527</u>	<u>449,400</u>
Revenue from exchange transactions			
Tuition Fees	4	870,165	672,553
Income Generating Units	5	22,433	18,578
		892,598	691,131
Total revenue		<u>1,431,125</u>	<u>1,140,531</u>
Expenses			
Employee costs	6	887,021	644,862
Council Expenses	7	15,524	15,575
Depreciation Expense	8	23,716	21,057
Contracted services	9	117,898	113,606
General expenses	10	358,705	315,955
Provision For Audit Fees	11	580	580
Provision For Service Gratuity	11	4,875	
Total expenses		1,408,319	1,111,635
Surplus for the period		<u>22,806</u>	<u>28,896</u>

HARAMBEE
KENYA NATIONAL AUDIT

IX STATEMENT OF FINANCIAL POSITION

As at 30th June 2014

	Note	2013-2014	2012-2013
		Kshs '000	Kshs '000
Assets			
Non-current assets			
Property, plant and equipment	15	2,070,877	1,994,511
Biological assets	16	922	907
		<u>2,071,799</u>	<u>1,995,418</u>
Current assets			
Cash and cash equivalents	12	59,867	13,717
Receivables from exchange transactions	13	232,651	290,240
Inventories	14	5,832	4,841
		<u>298,350</u>	<u>308,798</u>
Total assets		<u>2,370,149</u>	<u>2,304,216</u>
Liabilities			
Current liabilities			
Trade and other payables from exchange transactions	17	498,102	570,578
Provisions	11	7,080	2,205
Total liabilities		<u>505,182</u>	<u>572,783</u>
Total Net Assets		<u>1,864,967</u>	<u>1,731,433</u>
Financed By			
Capital Development		1,571,183	1,460,455
Accumulated surplus		293,784	270,978
Total Nets Assets and Liabilities		<u>1,864,967</u>	<u>1,731,433</u>

The Financial Statements set out on pages 1 to 4 were signed on behalf of the council by.

Vice Chancellor

Chairman of the Council

Date.....

Date.....

Sign.....

Sign.....

X STATEMENT OF CHANGES IN NET ASSETS

For the year ended 30th June 2014

	Capital Development Funds	Accumulated Surplus	Total
	Kshs '000	Kshs '000	Kshs '000
Balance as at 30/06/12	1,187,266	242,083	1,429,349
Capital Development funds from the government.	273,189		273,189
Surplus	-	28,895	28,895
Balance as at 30 JUNE 2013	<u>1,460,455</u>	<u>270,978</u>	<u>1,731,433</u>
Capital Development funds from the government.	110,728		110,728
Surplus		22,806	22,806
Balance as at 30 JUNE 2014	<u>1,571,183</u>	<u>293,784</u>	<u>1,864,967</u>

XI STATEMENT OF CASH FLOWS

For the year ended 30th June 2014

	Note	2013-2014	2012-2013
		Kshs '000	Kshs '000
Surplus for the year		22,806	28,896
Adjusted for:			
Increase in provision for Audit fee			80
Depreciation		23,716	21,057
Provision		4,875	
Gain on Disposal of Assets			(895)
		51,396	49,137
Changes in Working Capital			
Increase In Biological assets		(15)	2,078
Increase in Inventories		(991)	1,958
Decrease in Receivables		57,589	(90,584)
Decrease in Payables		(72,476)	116,785
Net cash flow from operating Activities		35,503	79,374
Cash flows from investing activities			
Purchase of Property, plant and equipment	15	(100,081)	(365,480)
Proceeds from disposal of assets			3,100
Capital Development Funds		110,728	273,189
Net cash flows used in investing activities		10,647	(89,191)
Net increase in cash and cash equivalents		46,150	(9,817)
Cash and cash equivalents at 1 st July 2013	12	13,717	23,534
Cash and cash equivalents at 30th June 2014	12	59,867	13,717



OFFICE OF THE AUDITOR-GENERAL

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

REPORT ON THE FINANCIAL STATEMENTS

I have audited the accompanying financial statements of Kisii University set out on pages 1 to 16, which comprise the statement of financial position as at 30 June 2014, and the statement of financial performance, statement of cash flows, statement of changes in net assets 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 judgment, 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'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. Financial Position

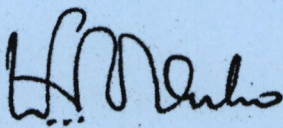
As similarly reported in the previous year, the University's current liabilities totaling to Kshs 505,182,000 as at 30 June 2014 exceeded the current assets of Kshs.298,350,000 as at the same date resulting to a negative working capital of Kshs.206,832,000 (2013:Kshs.263,985,000). The University is therefore technically insolvent and its continued operation as a going concern is dependent on the financial support from the Government and creditors.

2. Land

The property, plant and equipment balance of Kshs.2,070,877,000 includes freehold land valued at Kshs.94,350,000. The land balance only includes four (4) pieces of land owned by the University. However, there are five (5) other parcels of land that had been donated to the University by various defunct Local Authorities whose titles and ownership have not been transferred to the University. The five parcels of land have not been included in the land balance as at 30 June 2014 pending the confirmation and conclusion of the transfer process.

Qualified Opinion

In my opinion, except for the effect the matters discussed in the Basis for Qualified Opinion paragraphs, the financial statements present fairly, in all material respects, the financial position of the University 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 (accrual basis) and comply with the Universities Act, 2012.



Edward R. O. Ouko, CBS
AUDITOR-GENERAL

Nairobi
19 May 2015

XII STATEMENT OF COMPARISON OF BUDGET & ACTUAL AMOUNTS

	Original Budget	Adjustment	Final Budget	Actual on 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					
Government grants & subsidies	491,166	-	491,166	538,527	47,361
Tuition	780,065		780,065	870,165	90,100
Other Incomes				22,433	22,433
Total Income	1,271,231	-	1,271,231	1,431,125	(159,894)
Expenses					
Employee expenses	662,080	-	662,080	853,841	(191,761)
Staff medical scheme	33,132	-	33,132	5,627	27,505
Passage and Baggage	24,464	-	24,464	3,197	21,266
Purchase of drugs	10,601	-	10,601	3,488	7,112
Staff Hospitalisation	9,245	-	9,245	4,356	4,889
Repair of vehicles	8,656	-	8,656	8,860	(204)
Travelling and accommodation	35,785	-	35,785	57,145	(21,360)
Council Expenses	25,250	-	25,250	15,524	9,726
Library Expenses	23,500	-	23,500	3,865	19,635
Advertisement	11,200	-	11,200	26,289	(15,089)
Rent and rates	56,475	-	56,475	68,190	(11,715)
Teaching and Practice	15,750	-	15,750	10,029	5,721
Electricity	31,255	-	31,255	17,221	14,034
Other expenses	323,838	-	323,838	330,687	6,749
Total Expenditure	1,271,231	-	1,271,331	1,408,319	(137,088)
Surplus for the period				22,806	22,806

XIII NOTES TO THE FINANCIAL STATEMENTS

1. Statement of Compliance and Basis of Preparation.

The university's financial statements for the year ended 30th June 2014 have been prepared in compliance with International Public Sector Accounting Standards (IPSAS) accrual. This is the first year of adoption and the previous years have been restated accordingly. The financial statements are presented in Kenya shillings, which is the functional and reporting currency of the university and all values are rounded to the nearest thousand (Ksh000). 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 is prepared using the direct method. The financial statements are prepared on accrual basis.

2. Summary of Significant Accounting Policies

a) Revenue recognition

i) Revenue from non-exchange transactions

Exchequer Allocations

The university receives government capitation for recurrent expenditure and is recognised in the statement of financial performance. The University recognises the grants when the budget estimates are approved hence they are no accrued grants at the end of the year. The capital development grants are recognised and credited to the development funds.

ii) Revenue from exchange transactions

Tuition

The university recognizes tuition revenue in the period in which it is earned.

Income generating Units

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.

b) Budget Information

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

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. Land is not depreciated as it is deemed to have an infinite life. Depreciation on the other property is charged so as to write off the assets during their estimated useful life, using reducing balance method.

Assets acquired during first six months of the year attract full depreciation while those acquired in the last six months of the year are not depreciated.

The annual rates are: (Reducing Balance Method.)

Buildings	-	2.5%
Machinery & Equipment	-	20%
Furniture & Fittings	-	12.5%
Motor Vehicles	-	25%
Library Books	-	20%
Cutlery	-	33.3%

d) Inventories

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.

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

e) Biological Assets

Biological assets are measured on initial recognition at each balance sheet date at its fair value.

f) Provisions

Provisions are measured at the management's best estimate of the expenditure required to settle the obligation at the reporting date.

g) Employee benefits

Retirement benefit plans

The University operates a defined contribution scheme for its employees. The assets of this scheme are held in a separate trustee administered fund. The scheme is funded by contributions based on the basic salary from both employees and employer at a rate of 10% and 20% respectively. Benefits are paid to retiring employees in accordance with the scheme rules.

The University also contributes to the statutory National Social Security Fund (NSSF). This is a defined contribution scheme registered under the NSSF Act. The University's obligations under this scheme are limited to specific contributions legislated from time to time and are currently limited to a maximum of 200/= per employee per month. The University's obligation to staff retirement benefit schemes are charged to the statement of financial performance in the year to which they relate.

h) Related parties

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. The university's parent ministry is the Ministry of Education Science and Technology. The university gets its grants through this ministry. Other related parties include the council members and the senior management.

i) Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and cash at bank, as the university does not have any short-term deposits or liquid investments with an original maturity of three months or less, which are readily convertible to known amounts of cash.

Bank account balances include amounts held at various commercial banks at the end of the financial year. For the purpose of these financial statements cash and cash equivalents does not include imprests and advances which were not surrendered at the end of the financial year.

j) Comparative figures

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

k) Receivables

Receivables are recognised when commitments are effected. A provision of 5% of total receivables has been provided to take care of the receivables, which may not be recovered in full.

l) Subsequent events

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. (i) Exchequer Allocations (Recurrent Grants)

Date	Rec No	2013/2014	Month	Rec No	2012/2013
		Kshs.000		Kshs.000	
July 2013	67509	40,930	July 2012	51318	32,333
Aug 2013	67525	32,333	Aug 2012	54824	32,333
Sept 2013	67100	96,750	Sept 2012	57196	32,333
Oct 2013	67047	38,140	Oct 2012	58243	32,333
Nov 2013	66986	35,311	Nov 2012	67696	93,733
Dec 2013	58693/13	35,311	Dec 2012	67697	32,333
Jan 2014	59496/13	35,310	Jan 2013	70686	32,333
Feb 2014	62237/14	35,310	Feb 2013	68752	32,333
Mar 2014	62218/14	35,310	Mar 2013	68772	32,333
Apr 2014	62283/14	35,310	Apr 2013	68791	32,333
May 2014	62809/14	73,241	May 2013	65073	32,333
June 2014	63040/14	45,271	June 2013	65121	32,333
	Total	<u>538,527</u>		Total	<u>449,400</u>

(ii) Exchequer Allocations (Development Grants)

Date	Rec No	2013/2014	Month	Rec No	2012/2013
		Kshs.000			Kshs.000
Aug 2013	67527	9,883	Aug 2012	37634	62,339
Aug 2013	67528	10,687	Nov 2012	54824	113,536
Aug 2013	67529	24,937	Feb 2013	57196	70,502
Mar 2014	62217	41,731	April 2013	58243	26,812
May 2014	62807	23,490			
Total		<u>110,728</u>	Total		<u>273,189</u>

4. Tuition Fees

Details	2013/2014	2012/2013
	Kshs.000	Kshs.000
Tuition fees	663,690	559,917
Registration fees	17,860	12,627
Student ID	2,656	1,356
Library use	25,096	14,662
Examination	53,580	44,550
Material development	26,790	18,124
Activity fees	6,274	2,579
Helb funds	61,554	13,600
Medical	12,548	5,138
Teaching practice	117	
Total	<u>870,165</u>	<u>672,553</u>

5. Income Generating Units

Details	2013/2014	2012/2013
	Kshs.000	Kshs.000
Application Forms	9,186	7,181
Accommodation	2,899	2,668
Staff mess Sales	2,441	2,660
Student Mess Sales	3,082	3,553
Student Id Replacement	218	146
Rent	102	56
Medical Charges	214	317
Farm Sales	566	606
Disposal Income		74
Tender Form Sales	22	39
Graduation Fee And Gowns Hire	1,742	128
Exam Retake	368	82
Transcripts	142	11
Exam Card Replacement	10	
Hire Of Hall	4	

Hire Of Playing Ground	46	27
Hire Of Bus	123	22
Tailoring Fees	36	67
Library Charges	45	40
Key Replacement	1	1
Conference Charges	1,131	
Graduation Donation	10	
Interest From Bank	18	
Interest From Advances	27	
Gain From Disposal		5
Total	<u>22,433</u>	<u>18,578</u>

6. Employee Costs

Details	2013/2014 Kshs.000	2012/2013 Kshs.000
Salaries And Wages	842,817	612,432
Staff Education Fund	137	
Casual Labour Expenses	16,932	15,899
Salary Locum Appointees	1,809	2,233
Gratuity Services	10,664	4,135
Passage And Baggage	3,197	1,752
Staff Id	980	930
Staff Medical Scheme	5,627	
Staff Hospitalization	4,356	7,481
Staff Development	502	
Total	<u>887,021</u>	<u>644,862</u>

7. Council Expenses

Details	2013/2014 Kshs.000	2012/2013 Kshs.000
Sitting Allowances	258	214
Subsistence Allowances	560	535
Mileage, Honoraria and other Misc Expenses	14,706	14,826
Total	<u>15,524</u>	<u>15,575</u>

8. Depreciation and Amortization Expense

Details	Accumulated C/F30/06/2014 Kshs.000	Depreciation for The year ended 30/06/2014 Kshs.000	Balance B/F 1/07/2013 Kshs.000
Buildings	19,915	5,020	14,895
Motor Vehicles	19,156	5,428	13,728
Furniture & Fittings	9,566	3,456	6,110
Office Equipments	12,079	3,532	8,547
Plant and Mach	6,284	1,709	4,575
Library Books	10,485	4,243	6,242
Cutlery	1,072	329	743
Total	<u>78,556</u>	<u>23,716</u>	<u>54,840</u>

9. Contracted Services (Part Time Lecturers)

Details	2013/2014	2012/2013
	Kshs.000	Kshs.000
Faculty of Commerce	26,992	35,879
BLINS	3,892	7,371
Education	36,782	62,393
Law	1,650	837
Agriculture	5,742	6,416
Health Science	2,091	800
Eldoret & Education	40,749	
Total	<u>117,898</u>	<u>113,606</u>

10. General Expenses

The following are included in general expenses.

Details	2013/2014	2012/2013
	Kshs.000	Kshs.000
Advertising	26,289	19,313
Audit fees	580	580
Conferences and delegations	2,268	2,934
Electricity	17,221	22,221
Fuel and oil	8,860	6,286
Insurance	7,812	5,799
Legal expenses	329	3,908
Postage	1,722	2,101
Printing and stationery	12,298	9,921
Rental	68,190	53,709
Travelling and subsistence	57,145	74,362
Repairs and Maintenance	13,747	17,386
Others	142,244	97,435
Total	<u>358,705</u>	<u>315,955</u>

11. Provisions

Details	2013/2014	2012/2013
	Kshs.000	Kshs.000
Provision For Audit Fees	580	580
Provision For Gratuity	6,500	1,625
Total	<u>7,080</u>	<u>2,205</u>

12. Cash and Cash Equivalents

Details	2013/2014	2012/2013
	Kshs.000	Kshs.000
Cash At Hand	1,430	69
Cash At Bank (NBK Current A/C)	19,336	1,848
Cash At Bank (NBK Savings A/C)	673	11,277
Cash At Bank (KCB Development)	36,994	49
Cash At Bank (Co-Op Bank)	953	451
Cash At Bank (KCB Fee Coll A/C)	248	23
Cash At Bank (KCB Eldoret)	233	
Total	<u>59,867</u>	<u>13,717</u>

13. Receivables from Exchange Transactions

Details	2013/2014	2012/2013
	Kshs.000	Kshs.000
House Rent	9	0
Salary Advance	415	28
General Debtors	360	11
Imprests Outstanding	4,297	2,139
Fees Balances	239,799	303,253
Farm Dues	0	43
Medical Bills	16	41
Provision	(12,245)	(15,275)
Total	<u>232,651</u>	<u>290,240</u>

14. Inventories

Details	2013/2014	2012/2013
	Kshs.000	Kshs.000
Farm	578	288
Nyosia Farm	289	142
Town Campus		46
Finance Town Campus	97	
Down Town Campus		4
Kisumu Campus	45	
Keroka Campus	89	32
Nyamira Campus	1	1
Kitale Campus	6	
Kehanacha Campus		39
Ogembo Campus	8	25
Isebania Campus		22
Nairobi Campus	28	
Faculty of Health Science	2	
Faculty of Agriculture	6	
School of Law	1	
Post Graduate	17	
Halls Department	173	218
Medical Department	937	801
Estates Department	1453	2029
Examination & Timetabling Dept	704	235

Library Department	136	14
Central Stores	960	733
Security Office		17
Central Registry	32	2
Dean Of Students		9
Planning Office	270	183
Games		1
Total	<u>5,832</u>	<u>4,841</u>



15. Property, Plant and Equipment

	Land	Buildings	W.I.P	Motor Veh.	Furniture & fittings	Office Equipment	Plant & Machinery	Library	Cutlery	Total
Cost	Kshs 000	Kshs 000	Kshs 000	Kshs 000	Kshs 000	Kshs 000	Kshs 000	Kshs 000	Kshs 000	Kshs 000
At July 2013	140,901	215,682	1,562,818	33,490	32,844	24,857	12,309	24,720	1,731	2,049,352
Additions			75,422	5,780	4,126	6,166	4,722	3,865		100,081
At 30 June 2014	140,901	215,682	1,638,240	39,270	36,970	31,023	17,031	28,585	1,731	2,149,433
Acquisition after 30/12/13				3,830	3,214	4,818	3,912	1,129		16,903
Qualifying asset for depreciation	140,901	215,682	1,638,240	35,440	33,756	26,205	13,119	27,456	1,731	2,132,530
Accrued depreciation b/f		14,895		13,728	6,110	8,547	4,575	6,242	743	54,840
Net cost for depreciation	140,901	200,787	1,638,240	21,712	27,646	17,658	8,554	21,214	988	2,077,690
Depreciation for the year		5,020		5,428	3,456	3,532	1,709	4,243	329	23,716
Total Depreciation		19,915		19,156	9,566	12,079	6,284	10,485	1,072	78,556
Net Book Value as at 30/06/14	140,901	195,767	1,638,240	20,114	27,404	18,944	10,747	18,100	659	2,070,877
Net Book Value as at 30/06/13	140,901	200,787	1,562,818	19,762	26,734	16,310	7,734	18,478	988	1,994,511
Cost										
At July 2012	140,901	215,682	1,246,979	24,478	18,680	17,687	8,914	13,948	1,013	1,688,282
Additions			315,839	13,422	14,164	7,170	3,395	10,772	718	365,480
Disposal				(4,410)						(4410)
At 30 June 2013	140,901	215,682	1,562,818	33,490	32,844	24,857	12,309	24,720	1,731	2,049,352
Acquisition after 30/12/12				9,892	9,464	1,953	642	42	626	(22,619)
Qualifying asset for depreciation	140,901	215,682	1,562,818	23,598	23,380	22,904	11,667	24,678	1,105	2,026,733
Accrued depreciation b/f		9,747		10,438	3,643	4,958	2,802	1,633	562	33,783
Net cost for depreciation	140,901	205,935	1,562,818	13,160	19,737	17,946	8,865	23,045	543	1,992,950
Depreciation for the year		5,148		3,290	2,467	3,589	1,773	4,609	181	21,057
Total Depreciation		14,895		13,728	6,110	8,547	4,575	6,242	743	54,840
Net Book Value as at 30/06/13	140,901	200,787	1,562,818	19,762	26,734	16,310	7,734	18,478	988	1,994,511
Net Book Value as at 30/06/12	140,901	205,935	1,246,979	11,835	15,038	12,729	6,112	12,135	451	1,652,294

16. Biological Assets

Details	2013/2014	2012/2013
	Kshs.000	Kshs.000
Cows	80	70
Anne 2	60	70
Susan 1	60	70
Susan 2	50	50
Heifer Susan 4	80	60
Karende 3	90	70
Bull Sakawa	60	100
Heifer Anne 5		48
Kioko	80	80
Anne 4		62
Otenyo 2		
Susan 5 (Calf)	25	30
Ochieng (Calf)	40	10
Susan 6 (Calf)	24	30
Ondieki (Bull Calf)	20	10
Ann 6 (Heifer)	40	85
Benadatte 1 Heifer	20	
Onyancha 1 Bull	6	
Rabbits	24	35
Fish		
Pond 1	35	7
Pond 2	13	8
Pond 3	7	4
Pond 4	2	7
Pond 5	18	
Pond 6	23	
Goats		
No 1095	10	
B5304	25	
W2401	30	
Total	<u>922</u>	<u>907</u>

17. Trade and Other Payables from Exchange Transactions.

Details	2013/2014	2012/2013
	Kshs.000	Kshs.000
Fee Prepayments	28,870	12,192
Caution Money	20,123	17,093
Prepaid Rents And Rates	4	
Sundry Creditors	99,275	156,167
Student Union	999	2,398
Retention	3,117	3,117
Contractors And Consultants	318,714	352,611
Lease Hold	27,000	27,000
Total	<u>498,102</u>	<u>570,578</u>