

REPUBLIC OF KENYA



KENYA NATIONAL AUDIT OFFICE

**REPORT OF
THE
AUDITOR-GENERAL**



ON

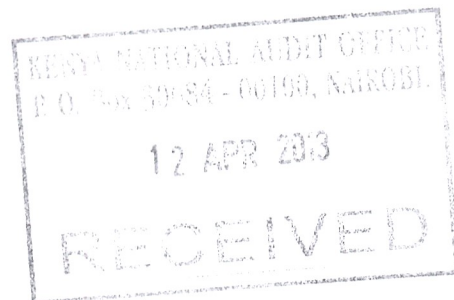
**THE FINANCIAL STATEMENTS OF
PWANI UNIVERSITY COLLEGE FOR THE
YEAR ENDED 30 JUNE 2012**



A CONSTITUENT COLLEGE OF KENYATTA UNIVERSITY



**TWELVE MONTHS REPORT
&
ACCOUNTS**



AS AT 30TH JUNE 2012



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THE PRINCIPAL OFFICERS OF THE UNIVERSITY COLLEGE

Chancellor

PROF. ONESMUS MUTUNGI Ph.D

Chairman of the University College Council

PROF. JUSTIN IRINA Ph.D, B.Sc (LONDON), M.Sc (ST. FRANCIS XAVIER, CANADA)
Ph.D (NAIROBI) –. PERIOD: JULY 2011 – MARCH 2012

PROF FRANCIS ARAP SANG Ph.D(NAIROBI) MSc (TORONTO) BSc (ABERDEEN)
PERIOD: April 2012 – To Date

Vice Chancellor

PROF. OLIVE M. MUGENDA C.B.S E.B.S. B.Ed, (NAIROBI) MSc. Ph.D (IOWA STATE,
USA)

Principal

PROF. M. S. RAJAB B.Sc (NAIROBI), Ph.D (MAINE – USA)

Deputy Principal (Academic Affairs)

PROF. GABRIEL KATANA B.Ed, M.Sc, Ph.D (NAIROBI)

Deputy Principal (Administration and Finance)

PROF. MWAKIO P. TOLE B.Sc (NAIROBI) M.Sc (Pennstate) Ph.D (Pennstate)



CORE BUSINESS OF PWANI UNIVERSITY COLLEGE

The core business of the University College is provided for in Pwani University College Order 2007. Legal Notice No. 164.

The functions and objectives of the University College are:

- a) To provide directly or in collaboration with other institutions of higher learning, facilities for university education including technological and professional education research.
- b) To provide and advance university education and training to appropriately qualified candidates leading to the award of degrees, diplomas and certificates and such other qualifications as the Council and Senate shall from time to time determine and in so doing contribute to the manpower needs of Kenya;
- c) To conduct examinations for and to grant such academic awards as may be provided for in the statutes;
- d) To participate in the discovery, transmission and preservation of knowledge and to stimulate cultural and intellectual life of the society.
- e) To determine who may teach and what may be taught and how it may be taught in the University.
- f) To play an effective role in the development and expansion of opportunities to Kenyans wishing to continue with their education.



CHAIRMAN OF COUNCIL REPORT AS AT 30TH JUNE 2012

The University Council notes with appreciation the continued support of the government and other partners both local and international in the development of the institution. Having being appointed during the last quarter of financial year we will however endeavour to continue restructuring the various programmes in order to achieve efficiency in the management of academic and other operations.

The Council will also endeavour to work with industries and other strategic partners in order to provide the necessary facilities to meet emerging challenges.

I am pleased to note that despite challenges of access, equity, globalization and internationalization of higher learning among others, Pwani University College has embraced modes of teaching and learning focusing on both traditional and new ICT based approaches. The University College will continue to pursue, adopt and create the requisite environment to support innovative teaching and learning and promote industrial linkages

During the fiscal year, the University College embarked on and completed three (3) major development projects and several smaller ones. The University has also launched its master Plan.

At the beginning of the new financial year 2011/2012, the Council signed its 3rd Performance Contract with the Government and is determined to achieve all set targets for the period under the review.

I finally wish to acknowledge with gratitude, the vital support that we have continued to receive from the government, the development partners, students, staff and sponsors without which, the University College would not have been able to meet its targets.

Prof. Francis Arap Sang Ph.D
COUNCIL CHAIRMAN

DATE.....02/04/2013.....



STATEMENT OF CORPORATE GOVERNANCE

Pwani University, like other public bodies, has a duty to conduct affairs in a responsible and transparent way, and to take into account the requirements of funding bodies, mainly the Ministry of Higher Education Science and Technology.

The Council

The Council has the following committees: Audit Committee; Finance and General Purposes Committee, Staff Appointment and Promotion Committee. The council Committee and the main Council conduct annual effectiveness reviews.

As the Council of the Pwani University, we have responsibility for maintaining a sound system of internal control that supports the achievement of policies, aims and objectives, while safeguarding the public and other funds and assets for which we are responsible, in accordance with the responsibilities assigned to by Pwani University College order 2007.

Internal Control and Risk Management

A strategic risk register has been in place all year up to 30 June 2012 designed to identify the principal risks to the achievement of policies, aims and objectives, to evaluate the nature and extent of those risks and to manage them efficiently, effectively and economically. Risk management and control processes have been in place throughout the period and risk review is embedded within the management culture and applied to the risks on the register and to all new initiatives identified during the year. These processes have been applied up to the date of approval of the financial statements.

As the Council, we have responsibility for reviewing the effectiveness of the system of internal control risk management and compliance

. The following processes have been established:

- We meet at regular intervals to consider the plans and strategic direction of the University
- We receive periodic reports from the Chair of the Audit Committee concerning internal control and we require regular reports from managers on the steps they
- are taking to manage risks in their areas of responsibility, including progress reports on key projects and issues
- We have requested the Audit Committee to provide oversight of the University's management of risks

- The Audit Committee receives regular reports from the independent internal audit department, which include the internal audit's independent opinion on the adequacy and effectiveness of the University's system of internal control, together with recommendations for improvement

Statement of Corporate Governance Continued,

- A programme of facilitated workshops is held for section heads, senior and other managers to identify and keep up to date the key issues and risks for the University, including the anticipation and appropriate response to risks emerging/associated with changing social, environmental and legislation requirements
- The University-wide risk register is maintained and a system of reporting on risk management has been agreed by the Council and Audit Committee. This involves a range of formal reports received during the year
- At the end of the year the Chair of the Audit Committee formally reports to the full Council on the Committee's activities during the year in accordance with relevant guidance. This report includes an assessment of the effectiveness of the Internal Control System (including risk management) during the year

Our review of the effectiveness of the system of internal control is informed by internal audit, which operates in conformity to standards for the professional practice of Internal Auditing.

Our review of the effectiveness of the system of internal control is also informed by the work of the management board within the University, who have responsibility for the development and maintenance of the internal control framework and by comments made by the external auditors in their management letter and other reports from external bodies such as the Kenya National Audit Office. There were no issues arising during 2011/12 in respect of corporate governance and council is committed to fully embracing the principles of good corporate governance.

Prof. Francis Arap Sang Ph.D
COUNCIL CHAIRMAN

DATE...02/04/2013.....



PRINCIPAL'S REPORT AS AT 30TH JUNE 2012

I am delighted to present the 4th Annual Report and Financial Statements of Pwani University College for the year ending 30th June 2012. During the year under review, the University College made remarkable improvements in its performance in terms of engaging new personnel and the improvement of infrastructure. This has resulted in the achievement of outstanding visible results.

The university operated on a Government Recurrent Grant of Kshs. 286,324,140 supplemented by income from other activities of Kshs 250,803,539 and development grants of Kshs 242,606,904. During the year under review, the University realized a deficit of Kshs 6, 839,689 which was offset by surplus from the previous period as budgeted in 2011/2012

To facilitate increased access to University education, the University planned for and embarked on projects geared towards attaining this objective by construction of staff offices, lecture halls, and students hostels and improvement of other facilities in order to prepare for increased student enrolment and appointment of new staff.

In conclusion, I take this opportunity to convey my appreciation and gratitude to the University College Council, Management and all members of staff for their commitment to work and their timeless and splendid efforts that have seen Pwani University College move towards its goal of becoming a fully fledged University.

Finally, I would like to thank the government and local donor agencies, suppliers and service providers for the trust, guidance and continued co-operation.

Prof. Mohamed S. Rajab, Ph.D
PRINCIPAL, PWANI UNIVERSITY COLLEGE

DATE.....



**STATEMENT OF PWANI UNIVERSITY COLLEGE COUNCIL MEMBERS
RESPONSIBILITIES FOR THE YEAR ENDED 30TH JUNE 2012.**

Pwani University College is required by law to prepare statements, which give a true and fair view of the state of affairs of the University College as at the end of the financial year, and of its surplus or deficit for that year. The University College Council is required to ensure that the College maintains proper accounting records, which disclose, with reasonable accuracy, the financial position of the College. The Council is also responsible for safeguarding the assets of the University College.

The Council 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 Council is of the opinion that financial statements give a true and fair view of the state of the financial affairs of the University College as at 30th June 2012 and of its surplus for the year then ended.

The Council further confirms the accuracy and completeness of the accounting records maintained by the University College, which have been relied upon in the preparation of the financial statements, as well as on the adequacy of the system of internal financial control.

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

This statement is approved on behalf of the Council by:

**PROF M. S. RAJAB, Ph.D.
PRINCIPAL**

**PROF M. P. TOLE Ph.D
Deputy Principal Administration & Finance**



**UNIVERSITY COLLEGE INFORMATION
PRINCIPAL PLACE OF BUSINESS**

Pwani University College
P. O. Box 195

KILIFI

REGISTERED OFFICE

Pwani University College
P. O. Box 195

KILIFI

BANKERS

Equity Bank Ltd
Kilifi Branch
P. O. Box 381

KILIFI

Barclays Bank
Kilifi Branch
P. O. Box 423

KILIFI

Kenya Commercial Bank
Kilifi Branch
P. O. Box 528

KILIFI

CO-Operative Bank
Kilifi Branch
P.O Box

KILIFI

Housing Finance Company of Kenya
Mombasa Branch
P.O Box 84839 - 80100

MOMBASA



AUDITORS

Auditor General
Kenya National Audit Office
P. O. Box 30084-00100

NAIROBI

ADVOCATES

Lawrence Mungai & Co and Advocates
P. O. Box 10130-00100

NAIROBI



MEMBERS OF THE UNIVERSITY COLLEGE COUNCIL

1.	Prof Justin Irina	Chairman	01.07.2011-30.03.2012
2.	Prof Francis Arap Sang	Chairman	01.04.2011-.30.06.2012
3.	Dr Abdi Yakub Guliye	Vice-Chairman	
4.	Prof. Olive Mugenda	Vice-Chancellor	
5.	Prof. Mohamed S. Rajab	Principal	
6.	Prof. Gabriel Katana	Deputy Principal (Academic Affairs)	
7.	Prof. Mwakio P. Tole	Deputy Principal (Admin& Finance)	
8.	Ms Fenny Mwakisha	Representative Permanent Secretary MOHEST	
9.	Mr Shem Nyakutu	Representative Permanent Secretary Ministry of Finance.	
10.	Ms Susan Mucheru	Representative Permanent Secretary Ministry of Agriculture	
11.	Prof. Helen O. Mondoh	Academic Board Representative	
12.	Dr Halimu Shauri	Academic Board Representative	
13.	Prof. Paul K. Wainaina	Senate Representative	
14.	Mr Jonathan W. Sulubu	Appointed Member	01.07.2011-30.03.2012
15.	Dr Kaendi Munguti	Appointed Member	01.04.2012-30.06.2012
16.	Mr Daniel Kitivo	Appointed Member	
17.	Stephen Chengo	Non-Academic representative	
18.	Mr Vincent Olima	Student Representative	01.07.2011-30.03-2012
19.	Ayub Were	Student Representative	01.04-2012-30.06-2012



FUNCTIONS AND RESPOSIBILITIES OF THE UNIVERSITY COLLEGE COUNCIL

- (1) Subject to the Order establishing the college, the Council shall be the governing body of the University College through which the corporation of the University College shall act and;-
 - a) shall administer the property and funds of the College in a manner and for purposes which shall promote the best interests of the College, but the Council shall not charge or dispose off immovable property of the University College without prior approval of the Chancellor;
 - b) shall receive, on behalf of the college, donations, endowments, gifts, grants or other moneys and make disbursements there from to the constituent college or other bodies or 'persons';
 - c) Shall provide for the welfare of the students of the College;
 - d) May enter into association with other universities, or other institutions of learning, whether within Kenya or otherwise, as the Council may deem necessary and appropriate.
 - e) May, after consultation with the Senate, make regulations governing the conduct and discipline of the students of the University.
- (2) All documents, other than those required by law to be under seal, made on behalf of the Council and all decisions of the Council, may be signed under the hand of the Chairman, the Principal, or any other member of the Council generally or specially authorized by the Council in that behalf.



KENYA NATIONAL AUDIT OFFICE

REPORT OF THE AUDITOR-GENERAL ON PWANI UNIVERSITY COLLEGE FOR THE YEAR ENDED 30 JUNE 2012

REPORT ON THE FINANCIAL STATEMENTS

I have audited the accompanying financial statements of Pwani University College set out on pages 14 to 28, which comprise the statement of financial position as at 30 June, 2012 and the statement of comprehensive income, statement of changes in equity and reserves and statement of cash flows 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 Financial Reporting Standards 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 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 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

Property, Plant and Equipment

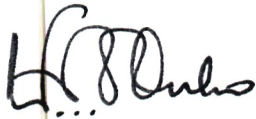
- (i) As previously reported, the property, plant and equipment balance of Kshs.1,035,089,286 as at 30 June 2012, includes an amount of Kshs.47,000,000, for an un-surveyed parcel of land measuring approximately 239 hectares owned by the University College. Although according to information available the University College had initiated a survey of the land, the process was however halted pending of a legal case on illegal encroachment of the property by other parties.
- (ii) Further, according to the information availed, three parcels of land measuring at least 22.3 acres situated at Kilifi town have been encroached upon by third parties including private individuals, jua kali sheds and a benevolent fund.

In the circumstances, it has not been possible to confirm the ownership status of the un-surveyed land and the three parcels of land at Kilifi and that the property, plant and equipment balance of Kshs.1,035,089,286 is fairly stated as at 30 June, 2012.

Qualified Opinion

In my opinion, except for the effects of the matter described in the Basis for Qualified Opinion paragraph, the financial statements present fairly, in all material respects, the financial position of University College as at 30 June,

2012 and of its financial performance and its cash flows for the year then ended, in accordance with International Financial Reporting Standards and comply with the Pwani University College Order, 2007.



Edward R. O. Ouko, CBS
AUDTOR-GENERAL

Nairobi


29 April 2013

STATEMENT OF FINANCIAL POSITION

AS AT 30TH JUNE 2012

		Kshs	Kshs
ASSETS			
NON-CURRENT ASSETS	NOTES	2012	2011
Property Plant and Equipment	2	1,035,089,286	604,470,098
Biological assets	3	3,268,500	3,341,900
TOTAL NON-CURRENT ASSETS		1,038,357,786	607,811,998
CURRENT ASSETS			
Inventories	4	5,103,184	3,322,160
Trade and Other Receivables	5	27,367,451	9,274,966
Short Term Deposit	6	85,000,000	116,267,390
Cash and Bank Balance	7	43,021,121	51,349,379
TOTAL CURRENT ASSETS		160,491,756	180,213,895
TOTAL ASSETS		1,198,849,542	788,025,893
FUND AND LIABILITIES			
Capital/Fund Balance	8	869,962,842	627,355,938
Revenue Reserve		75,584,017	82,423,772
FUND BALANCE		945,546,859	709,779,710
LONG TERM LIABILITIES			
Bank Loan	9A	97,696,717	
Current Liabilities			
Trade and Other Payables	9B	120,300,721	78,246,183
Bank Loan/Bank Overdraft	9C	35,305,245	
Total Current Liabilities		155,605,966	78,246,183
TOTAL FUNDS AND LIABILITIES		1,198,849,542	788,025,893


PROF. M.S. RAJAB
PRINCIPAL


PROF MWAKIO TOLE
DEPUTY PRINCIPAL A&F

**STATEMENT OF COMPREHENSIVE INCOME
 FOR THE YEAR ENDED 30 JUNE 2012**

		2012	2011
RECEIPTS	NOTES		AMOUNT
Recurrent Government Grant	10	286,324,140	266,324,140
Tuition fees	11	170,248,545	116,769,826
Other IGAs	12	80,554,994	52,442,699
TOTAL INCOME		537,127,679	435,536,664
EXPENDITURE			
Personal Emoluments	13	344,259,006	295,067,117
Operating Expenses	14a	45,537,529	40,560,417
Administrative Expenses	14b	10,146,531	14,485,543
Teaching Expenses	14c	17,903,335	18,150,311
Catering and Guest house Expenses	14d	33,958,959	23,063,770
Library Expenses	14e	3,511,321	1,884,872
Students Expenses	14f	4,718,688	2,198,909
Health Centre Expenses	14g	1,120,794	2,132,838
Farm Expenses	14h	4,772,046	5,289,026
Other Administrative Expenses	14i	78,039,225	78,950,115
TOTAL EXPENDITURE		543,967,434	481,782,918
SURPLUS (DEFICIT)		(6,839,755)	(46,246,254)

PWANI UNIVERSITY COLLEGE
STATEMENTS OF CASH FLOWS FOR THE YEAR ENDED 30 JUNE 2012

	2012	2011
Cash Flow from Operating Activities		
Surplus for the period	(6,839,755)	(46,246,254)
Add back non cash		
Depreciation	37,198,603	31,328,450
Fair value Gain on Biological Assets	73,400	1,909,450
Interest Income	8,203,032	
	22,229,216	(13,008,354)
Increases Decreases Inventory	(1,781,024)	212,046
Increases Decreases Debtors	(18,092,485)	6,683,838
Increases Decreases Creditors	42,054,538	41,552,121
Loan Interest	56,033,572	
	78,214,601	48,448,005
Net Cash Flow Generated From Operation	100,443,815	35,439,651
Cash flow from financing activities		
Development Grants	242,606,904	120,000,086
Borrowings	100,000,000	
Loan Repayment	25,771,281	
Net Cash from Financing Activities	316,835,623	120,000,000
Cash flow from investing activities		
Purchase of Assets	(467,817,790)	(195,031,783)
Interest Income	8,203,032	
Biological Assets		347,571
Net Cash in Investing Activities	(459,614,753)	(194,684,212)
Net change in cash	(42,335,320)	(39,244,475)
Cash at the beginning of the period	167,616,769	206,861,244
Cash at the end of the period	125,281,449	167,616,769



**PWANI UNIVERSITY COLLEGE
STATEMENT OF CHANGES IN EQUITY AND RESERVES
FOR THE YEAR ENDED 30TH JUNE 2012**

	Capital Fund	Revenue Reserve	Total
Balance as at 30 th June 2010	507,355,852	128,670,026	636,025,878
Additions in the year	120,000,086	(46,246,254)	73,753,746
Balance as at 30th June 2011	627,355,938	82,423,772	709,779,710
Additions in the year	242,606,904	(6,839,755)	235,767,149
Balance as at 30th June,2012	869,962,842	75,584,017	945,546,859

NOTES

The figure of Kshs 242,606,904 represent development grants received from Ministry of Higher Education Science and Technology during the year under review 2011/2012.



NOTES TO THE FINANCIAL STATEMENTS.
NOTE 1

SIGNIFICANT ACCOUNTING POLICIES

1. Basis of Preparation

The financial statements are prepared in accordance with the International Financial Reporting Standards as stipulated by the International Standards Board. Financial statements are prepared under historical cost convention to include Revaluation of certain assets.

2. INCOME RECOGNITION

Government Grants were recognized on a cash basis.
Fees Income was recognized when charged to students' accounts.

3. Depreciation of Property, and Equipment was expensed to Income and Expenditure statement from the month of acquisition in the following manner.

Land (Freehold)	Not Depreciable
Buildings	2%
Motor Vehicles	25%
Furniture and Equipment	12.5%
Computers and Software	33.3%

4. Major Capital Developments from Recurrent Funds were Capitalized to non current assets. All development Capitation was treated to non asset accounts.

5. Donated Equipments are valued and capitalized at a current market value.

6. The valuation of Inventories was done at general cost prices.

Notes to the Financial Statements Continuous

NOTE 2. PROPERTY, PLANT & EQUIPMENT	LAND	WORK IN PROGRESS	BUILDING	MOTOR VEHICLES	GENERAL EQUIPMENT	FURNITURE & FITTINGS	COMPUTERS & SOFTWARE	TOTALS
COST/VALUATION								
Balance as at 1 July 2010	47,000,000	64,977,283	271,257,322	35,553,025	38,559,330	13,244,086	17,154,888	487,745,934
Disposal				(893,750)				(893,750)
Additions		147,404,998		13,165,199	14,986,804	6,518,385	12,956,396	195,031,782
Total	47,000,000	212,382,281	271,257,322	47,824,474	53,546,134	19,762,471	30,111,284	681,883,966
Acc Depreciation B/F								
Adjustments			12,785,293	13,326,397	11,473,785	3,101,866	5,944,257	46,631,598
				(546,180)				(546,180)
Charge For The Year			5,425,147	9,194,614	6,427,429	1,937,227	8,344,032	31,328,450
Total			18,210,440	21,974,831	17,901,214	5,039,093	14,288,289	77,413,868
NBV 30 June 2011								
	47,000,000	212,382,281	253,046,882	25,849,642	35,644,919	14,723,377	15,822,994	604,470,098
NBV 30 June 2010								
	47,000,000	64,977,283	258,472,029	22,226,628	27,085,545	10,142,220	11,210,631	441,114,335

NOTE 2. PROPERTY, PLANT & EQUIPMENT	LAND	WORK IN PROGRESS	BUILDING	MOTOR VEHICLES	GENERAL EQUIPMENT	FURNITURE & FITTINGS	COMPUTERS & SOFTWARE	TOTALS
COST/VALUATION								
Balance as at 1 July 2011	47,000,000	212,382,281	271,257,322	47,824,474	53,546,134	19,762,471	30,111,284	681,883,966
Transfers		(288,224,191)	288,224,191					
Additions	69,044,524	226,808,581	138,089,048		17,974,055	5,670,211	10,231,371	467,817,790
Total	116,044,524	150,966,671	697,570,561	47,824,474	71,520,189	25,432,682	40,342,655	1,149,701,756
Acc Deprecation B/F								
Charge For The Year			18,210,440	21,974,831	17,901,214	5,039,093	14,288,289	77,413,867
Total	-	-	23,607,123	33,248,583	26,601,366	7,687,377	23,468,021	114,612,470
NBV 30 June 2012	116,044,524	150,966,671	673,963,438	14,575,891	44,918,823	17,745,305	16,874,634	1,035,089,286
NBV 30 June 2011	47,000,000	212,382,281	253,046,882	25,849,642	35,644,919	14,723,377	15,822,994	604,470,098

NOTES TO THE ACCOUNTS

NOTE 3	BIOLOGICAL ASSETS	2012	2011
	CATTLE		
	PIGS	3,045,000	3,136,000
	GOATS	51,000	116,000
	SHEEP	156,000	82,100
	BROILERS	16,500	7,800
	LOCAL CHICKEN		
	GUINEA FOWL		
	LAYERS		
	RABBITS		
	SUB TOTAL	3,268,500	3,341,900
NOTE 4.		2012	2011
INVENTORIES	CENTRAL STORES – STATIONERY		
	FINANCE STORES - STATIONERY	1,876,895	1,462,389
	FINANCE STORES GENERAL		
	MAINTENANCE STORES GENERAL	465,131	518,049
	MAIN KITCHEN STORES	904,387	356,932
	FARM STORES - ANIMAL DRUGS		21,985
	HEALTH UNIT	1,218,108	511,920
	CLEANING MATERIALS	444,067	266,365
	FARM IMPUTS AND FEEDS	194,596	184,520
	SUB TOTAL	5,103,184	3,322,160
NOTE 5. TRADE AND OTHER RECEIVABLE		2012	2011
	STUDENT DEBTORS	17,093,154	7,453,740
	STAFF DEBTORS		
	EXTERNAL DEBTORS	2,425,486	
	IMPREST DEBTORS	2,418,882	628,710
	ACCRUED INTEREST	1,425,113	
	OTHER UNIVERSITY DEBTORS	1,177,172	1,192,516
	DEPOSITS	2,827,644	
	SUB TOTAL	27,367,451	9,274,966

NOTES TO THE ACCOUNTS

NOTE 6. SHORT-TERM DEPOSITS

	2012	2011
EQUITY FIXED DEPOSITS	70,000,000	100,214,247
EQUITY SHORT TERM DEPOSIT	0	11,053,143
KCB FIXED	10,000,000	5,000,000
HOUSING FINANCE FIXED	5,000,000	
Total Short Term	85,000,000	116,267,390
Total Short term deposits		

NOTE 7. CASH AND BANK BALANCES

EQUITY BANK MAIN A/C	0	5,018,930
EQUITY BANK COLLECTION A/C	29,471,462	22,483,117
BARCLAYS -COLLECTIONS	3,055,779	2,339,008
BARCLAYS - SAVINGS CAUTION MONEY	2,074,667	2,062,401
KENYA COMMERCIAL BANK	483,084	5,253,750
KCB RESEARCH	5,467,278	8,211,193
CO-OPERATIVE BANK OF KENYA	273,905	
EQUITY PUC TOWA SUB PROJECT	73,515	
PETTY CASH	127,703	
CASH IN HAND		9,865
BIOINOVATE	1,993,728	5,971,115
Total Cash and Bank	43,021,121	51,349,379

NOTE 8. CAPITAL FUND

	2012	2011
As at 1st July 2011	627,355,938	507,355,852
CAPITAL DEVELOPMENT FUND	242,606,904	120,000,086
LESS: PRIOR YEAR ADJUSTMENT		
As at 30th June 2012	869,962,842	627,355,938
Revenue Reserve		
balance as at July 2011	82,423,772	128,670,026
Surplus(Deficit) for the Period	(6,839,755)	(46,246,254)
Balance as at 30th June 2012	75,584,017	82,423,772



NOTE 9A. BANK LOAN LONG TERM LIABILITIES		
BANK LOAN	2012	2011
	97,696,717	
TOTAL	97,696,717	
NOTE 9B. TRADE AND OTHER LIABILITIES		
TRADE CREDITORS	2012	2011
	75,772,604	16,583,910
STUDENT DEPOSITS	13,247,697	8,402,191
VAT PAYABLE		806,293
PROVISION FOR AUDIT FEE	350,000	350,000
OTHER CONTROL ACCONTS	2,064,632	20,049,843
PAYROLL CONTROL	17,224,998	13,392,551
CAUTION MONEY FEES	2,189,967	2,056,400
PUC RESEARCH GRANTS	9,450,823	16,604,995
TOTAL	120,300,721	78,246,183
NOTE 9C. BANK OVERDRAFT.		
BANK OVERDRAFT	2012	2011
	2,739,672	
BANK LOAN	32,565,573	
TOTAL	35,305,245	
NOTE 10. GOVERNMENT GRANTS	2012	2011
RECURRENT GRANTS	286,324,140	266,324,140
TOTAL GOVERNMENT GRANTS	286,324,140	266,324,140
NOTE 11. TUITION AND OTHER FEES		
TUITION FEES (JAB)	19,365,075	8,501,517
TUITION FEES (SSP)	119,485,625	86,982,954
ACTIVITY FEES	2,312,600	1,515,000
EXAMINATION FEES	9,261,900	6,084,790
LIBRARY FEES	2,479,735	1,664,750
REGISTRATION FEES	2,797,150	2,125,250
IDENTITY CARD FEES	629,150	297,900
MEDICAL FEES	4,674,150	2,777,065
P.U.S.A.STUDENTS ASSOCIATION	1,467,110	251,750
CAUTION MONEY FEES	0	
MATERIAL DEVELOPMENT	3,722,750	2,986,150
ALUMNI STUDENTS INCOME	41,000	263,700
TEACHING PRACTICE AND ATTACHMENTS	2,016,500	2,516,000
FIELD ATTACHEMENT	804,800	803,000
FACILITIES AND MATERIALS	565,000	
THESIS DEVELOPMENT	202,500	
THESIS EXAMINATION	202,500	
COMPUTER FEES	30,000	
TRANSPORT	41,000	
PLACEMENT FEES	150,000	
FEES INCOME TOTAL	170,248,545	116,769,826

	2012	2011
INCOME I.G.A STUDENTS		
APPLICATION FEES	1,269,000	975,050
ACCOMODATION FEES	6,779,835	4,806,100
SALE OF FOOD - STUDENTS	15,912,592	8,889,460
FIELD COURSE FEES	11,482	5,000
INCOME I.G.A STUDENTS	23,972,909	14,675,610

NOTE 12. FARM, GUESTHOUSE AND OTHER IGAS

	2012	2011
INCOME I.G.A FARM		
SALE OF CROP PRODUCTS	448,308	778,768
NURSARY PLANT SALES	238,032	579,786
SALE OF LIVE STOCK	1,179,596	142,500
SALE OF ANIMAL PRODUCTS	2,875,285	2,260,814
SALE OF CHICKEN	1,388,506	1,096,008
SALE OF EGGS	534,224	468,874
PILOT FARM	240,172	130,114
SALE OF MUSHROOM	26,935	2,835
SALES OF PIGS AND PIGS PRODUCTS	236,938	183,425
SALES OF SHEEP /GOATS	39,955	277,100
MISCELLANEOUS FARM INCOME	122,465	34,040
BIOFERTILIZER PROJECT	27,350	
J.B NDISO RESEARCH INCOME	10,963	
INCOME I.G.A FARM TOTAL	7,368,728	5,954,264
INCOME I.G.A GUEST HOUSE		
2012	2011	
HIRE OF CONFERENCE CENTRE	105,095	47,840
SALE OF FOOD - GUEST HOUSE	18,551,134	14,441,658
HIRE OF ROOMS - GUEST HOUSE	7,040,578	4,385,170
SALE OF FOOD - CONFERENCE	236,510	215,170
SALE OF FOOD - HTM	3,498,410	2,118,986
CYBER SHOP	414,566	334,021
INCOME I.G.A GUEST H	29,846,292	21,542,845
INCOME I.G.A GENERAL		
2012	2011	
HIRE OF MOTOR VEHICLES	90,440	60,000
HIRE OF OTHER HALLS	493,240	128,980
HIRE OF SPORTS GROUND	20,000	3,000
HIRE OF EQUIPMENT	65,980	11,480
CAMPUS TOUR FEES	35,000	24,000
HIRE OF GOWNS	495,000	123,000
INCOME I.G.A GENERAL	1,199,660	350,460



INCOMES I.G.A OTHERS	2012	2011
RESEARCH INCOME	16,000	
RENT INCOME	7,593,549	3,405,525
INTEREST INCOME	8,203,032	4,047,128
SALE OF TENDER	1,591,100	1,060,900
SALE OF OBSOLETE ITEMS	377,620	598,800
INCOMES I.G.A OTHERS	17,781,302	9,112,353
OTHER INCOMES	2012	2011
MSC INCOME	232,703	266,236
GAIN ON DISPOSAL		527,430
CONFERENCE AND WORKSHOP	120,950	13,500
ETHICS REVIEW INCOME	32,450	
TOTAL OTHER INCOMES	386,103	807,166
OTHER IGAs	80,554,994	52,442,699

NOTE 12(a) Fair value Gain on biological assets **569,509**

NOTES TO THE ACCOUNTS

NOTE 13. PERSONAL EMOLUMENTS	2012	2011
BASIC SALARIES	144,340,829	121,512,344
HOUSE ALLOWANCE	94,601,833	82,158,410
ENTERTAINMENT ALLOWANCE	3,432,116	2,933,840
RESPONSIBILITY ALLOWANCE	6,953,556	6,292,875
CAR ALLOWANCE	660,000	660,000
COMMUTING ALLOWANCE	10,636,360	8,161,623
DOMESTIC SERVANT ALLOWANCE	1,461,396	697,620
LEAVE TRAVELLING ALLOWANCE	1,427,781	1,101,023
GRATUITY AND PENSION EXPENSES	1,579,751	1,758,983
CASUAL WAGES	9,327,607	9,667,100
PARTTIME PAYMENTS	32,783,627	19,515,435
PASSAGE AND BAGGAGE	190,307	387,710
PENSION - EMPLOYER CONTRIBUTION	13,454,200	15,339,879
NSSF EMPLOYER CONTRIBUTION	445,200	2,355,258
TELEPHONE ALLOWANCE	1,985,000	1,855,000
ACTING ALLOWANCE	38,310	
ELECTRICITY AND WATER	360,000	358,000
OVERTIME ALLOWANCE	301,112	131,252
MEDICAL ALLOWANCE	18,432,190	19,877,314



EX GRATIA		12,000
SALARY ARREARS		
PER DIEM ALLOWANCE	58,790	291,450
BOOK ALLOWANCE	404,000	
DEATH IN SERVICE BENEFITS	1,385,042	
TOTAL PERSONAL EMOLUMENTS	344,259,006	295,067,117

14. (a) Operating Expenditures	2012	2011
STATIONERY EXPENSES	7,743,812	6,111,791
PROTECTIVE CLOTHING	387,422	316,650
DUPLICATING AND PHOT EXP	0	3,050
PUBLISHING AND PRINTING	1,202,205	1,961,534
CLEANING MATERIAL	1,259,639	2,078,373
OFFICE EXPENSES	495,236	272,325
OFFICE CONSUMABLES	1,021,765	951,277
TELEPHONE	1,633,564	3,069,002
COURIER AND POSTAGE	501,466	305,576
ELECTRICITY EXPENSES	3,381,739	1,946,540
SANITARY SERVICES	657,024	2,105,532
WATER AND SEWARAGE	9,442,361	7,747,396
SECURITY	3,763,570	2,376,574
SUBSCRIPTIONS	39,500	560,505
ADMISSIONS EXPENSE	69,600	176,836
CONF, SEMINARS AND W/SHOPS	1,122,931	1,023,519
EXTERNAL TRAVEL	376,817	1,605,425
GRADUATION EXPENSES	2,990,450	3,190,553
FUELING OF MOTOR VEHICLES	4,986,939	3,368,176
SANATE AFFAIRS	346,240	348,500
TENDER NOTICE EXPENSES	480,423	518,320
DRINKING WATER	5,875	-
CORPORATE SOCIAL RESPONSIBILTY	634,009	522,963
CLEANING SERVICES	2,994,943	
OPERATING EXPENSES TOTAL	45,537,529	40,560,417



14. (b) Administrative Expenses	2012	2011
MAINTENANCE OF EQUIPMENT	1,591,650	802,888
MAINTENANCE OF MOTOR VEHICLE	1,650,309	2,783,464
MAINTENANCE OF BUIL AND STAT	3,843,556	7,572,552
MAINTENANCE OF RESIDENTIAL QUARTERS	569,773	198,155
MAINT OF PLANT AND MACHINERY	387,839	267,554
MAINTENANCE OF SEWARAGE SYSTEM	81,965	568,920
MAINTENANCE OF GRO. AND ROADS	314,622	348,918
MOMBASA SHOW	803,699	1,025,880
PURC OF BEDS, BEDDINGS & LINEN	548,008	70,176
MAINTENANCE OF COMPUTERS	338,850	414,816
ISO CERTIFICATION	16,260	432,220
ADMINISTRATIVE EXPENSES Total	10,146,531	14,485,543

14.(c) Teaching Expenses	2012	2011
TEACHING EXPENSES		
TEACHING MATERIAL	738,030	528,214
FIELD COURSES EXPENSES	1,063,399	517,003
LABORATORY MATERIALS	1,217,714	779,322
TOOLS AND APPARATUE	332,198	558,240
TRAVELLING AND ACCOMODATION	5,528,859	4,299,901
EXAMINATION EXPENSE	1,163,797	1,131,317
EXTERNAL EXAMINERS	657,550	1,065,392
TEACHING PRACTISE	2,861,310	3,866,120
FIELD ATTACHMENT	2,149,479	1,158,539
RESEARCH EXPENSES	2,191,000	4,246,263
TEACHING EXP TOTAL	17,903,335	18,150,311

14.(d) Catering and Guest House Expenses

	2012	2011
GAS AND FUEL - KITCHEN	1,863,530	551,540
GAS AND FUEL-GUEST HOUSE	628,850	1,499,600
FOOD STUFF - MAIN KITCHEN	21,177,347	11,688,972
FOOD STUFF - GUEST HOUSE	6,019,889	6,218,571
CUTLERY AND CROCKERY - MAIN	499,335	297,120
CUTLERY AND CROCKERY - G/HOUSE	139,918	80,115
BEDS, BEDDINGS ,LINEN GH	402,524	75,000
CONSUMABLES KITCHEN	160,543	75,865
CONSUMABLES G/H	313,349	174,426
HTM EXPENSES	2,683,754	2,402,561
EXTERNAL ACCOMODATION-G/HSE	69,920	
CATERING/GUEST H EXPENSES TOTAL	33,958,959	23,063,770

14. (e) Library Expenses

	2012	2011
NEWS PAPERS AND MAGAZINES	1,049,324	786,554
LIBRARY BOOKS AND JOURNALS	2,461,997	1,098,318
LIBRARY EXPENSES TOTAL	3,511,321	1,884,872

14. (g) Health Centre Expenses

	2012	2011
DRUGS	881,414	1,776,348
OTHER MEDICAL EXPENSES	239,380	356,490
HEALTH CENTRE EXPENSES	1,120,794	2,132,838

14. (f) Students Expenses

	2012	2011
SPORTS, GAMES AND TOURNAMENTS	709,490	612,529
STUDENTS WELFARE	780,143	418,220
STUDENTS ACTIVITIES	342,985	211,933
AMENITIES	507,476	287,341
PUSA ALLOWANCES	1,042,377	193,737
STUDENT MEDICAL EXPEENSES	45,100	42,850
CAUTION REFUND	269,968	-
FEE REFUND	72,450	
BURSARY AWARD	500,740	432,300
AIDS CONTROL UNIT	447,960	
STUDENTS EXPENSES TOTAL	4,718,688	2,198,909



NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 30TH JUNE 2011

14. (h) Farm Expenses	2012	2011
FARM MAINTENANCE	924,355	595,341
PURCHASE OF ANIMAL FEEDS	2,610,937	2,279,514
FUNGICIDES, INSE, AND SPRAYS	6,380	93,690
PURCHASE OF AGRI INPUTS	995,585	2,075,494
VET SERVICES AND SUPPLIES	234,790	244,987
FARM EXPENSES TOTAL	4,772,046	5,289,026
14. (I) Other Administrative Expenses		
COUNCIL EXPENSES	7,376,606	8,384,216
INSURANCE EXPENSES	6,128,283	4,614,744
PUBLIC CELEBRATIONS	171,000	
LEGAL SERVICES	126,152	604,475
CONSULTANCY FEES	5,979,703	16,173,373
AUDIT FEES EXPENSES	350,000	700,000
BANK CHARGES	308,430	331,023
ADVERTISING AND PUBLICITY	11,392,625	10,045,258
NETWORKING AND SOFTWARE	55,730	
INTERNET CONNECTION	3,364,942	1,257,769
HONORARIA	38,000	98,400
SENATE EXPENSES	242,750	120,107
DEPARTMENTAL MEETINGS	3,271,299	2,778,611
FUNERAL EXPENSES	13,600	140,620
STAFF DEVELOPMENT	1,091,198	609,488
LOSS ON DISPOSAL		
DEPRECIATION EXPENSE	37,198,603	31,328,450
STAFF FEES SUBSIDY	730,000	
FINES & PENALTIES		1,254,712
MISC EXPENSES& GEN EXPE	52,391	352,363
OFFICE FURNISHING	121,430	25,493
CLEARING & FORWARDING	-	131,013
ETHICS REVIEW EXPENSES	25,750	
TOTAL EXPENSES	78,039,225	78,950,115