

REPUBLIC OF KENYA



KENYA NATIONAL AUDIT OFFICE

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REPORT

OF

THE AUDITOR-GENERAL

ON

**THE FINANCIAL STATEMENTS OF
EGERTON UNIVERSITY**

**FOR THE YEAR ENDED
30 JUNE 2013**



EGERTON



UNIVERSITY

**ANNUAL REPORT
AND
FINANCIAL STATEMENTS
FOR
THE YEAR ENDED 30TH JUNE 2013**

Egerton University

P.O. Box 536 - 20115

EGERTON, Kenya

Telephone: (051) 2217781, 2217891/2

Fax: (051) 2217827

Email: vc@egerton.ac.ke

Website: www.egerton.ac.ke.

Establishment

Egerton University is a body Corporate Established through an Act of Parliament: The Kenya Universities Act 2012 and domiciled in Kenya.

Registered Office and Principal Place of Business

Egerton University

P.O. Box 536 - 20115,

EGERTON

KENYA

Bankers

Kenya Commercial Bank Ltd,

Egerton University Branch

P.O. Box 248 - 20115,

EGERTON

Barclays Bank of Kenya Ltd.

P.O. Box 66- 20100

NAKURU

Co-operative Bank of Kenya Ltd.

P.O. Box 2982 - 20100

NAKURU

Standard Chartered Bank Ltd

P.O Box 10- 20100,

NAKURU.

Lawyers/ Advocates

Seth & Wathigo Advocates

Vickers Building

P.O. Box 611 – 20100

NAKURU

Independent Auditors

The Auditor General,

Kenya National Audit Office

P.O. Box 30084 - 00100

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Core Business of Egerton University

The Core business of the University as provided by the Universities Act 2012 of the Laws of Kenya includes:

- Teaching
- Discovery, transmission, and preservation of knowledge.
- Corporate social responsibility
- Promotion of social fairness in all matters affecting students and staff
- Cooperation with Government in the planned development of university education
- Advisory and consultancy services

Vision

A world class University for the advancement of humanity.

Mission

To generate and disseminate significant knowledge and offer exemplary education that contributes to national and global development.

Core Values

The university's activities and decisions will be guided by the following core values:

- Passion for excellence and devotion to duty
- Professionalism
- Integrity, transparency and accountability
- Social fairness

Members of the University Council

Dr. Reardon Olubayo	Chairman
Mr. J. O. Okumu	Member
Mr. D. N. Nguchu	Member
Mrs. M. K. Kilonzo	Member
Mr. Alasa O. Hirsi	Member
Dr. William K.T. Chong	Member
Mr. Paul M. Maina	Rep. P.S. Min. of Education Science & Technology
M/s Joy Murithi	Rep. P.S. the National Treasury
Prof. J. K. Tuitoek	Vice Chancellor

Chancellor and Chief Officers of the University

Chancellor

Prof. Shem Oyoo Wandiga,
B.Sc., (Howard University), M.Sc. (Maryland), Ph.D (Case Western Reserve), FRSC

Chairman of Council

Dr. Reardon Olubayo
D.V.M. (Kiev), M.Sc. (Nairobi), Ph.D. (Utrecht)

Vice Chancellor

Prof. J. K. Tuitoek,
B.Sc. Agric. (Nairobi), M.Sc. (Manitoba), Ph.D. (Guelph)

Deputy Vice-Chancellor (Academic Affairs)

Prof. R.A. Mwonya,
Dip (Egerton), B.Sc., M.Sc, Ph.D. (Iowa)

Deputy Vice-Chancellor (Administration & Finance)

Prof. Njenga Munene J
B.V.M., M.Sc., Ph.D. (U.O.N)

Deputy Vice-Chancellor (Research & Extension)

Prof. J. Gowland Mwangi
Dip.(Egerton), B.Sc. M.Sc. (Georgia), Ph.D. (Ohio State).

Principal (Nakuru Town Campus College)

Prof. L.N. Nakhone-Wati
B. Sc., M.Sc. (U.O.N), Ph.D. (Nottingham)

Registrar (Academic Affairs)

Prof.S. F. O. Owido
B.Sc., M. Sc. (U.O.N), Ph.D. (Illinois)

Registrar (Administration)

Dr. T. K. Serrem,
B.Ed (Nairobi), M.Ed. (Manchester), D.Ed. (Bristol)

Director (Research & Extension)

Prof. A.C. Kibor
B.V.M., M.Sc. (U.O.N), Ph.D. (Edinburgh)

Finance & Accounts Controller

Mr. M.O. Ouma
C.P.A (K), B.Agbm (Egerton), MBA (KU)

University Librarian

M/s Janegrace Kinyanjui

THE CHAIRMAN OF COUNCIL REPORT FOR THE YEAR ENDED 30TH JUNE, 2013

It is my honor, duty and privilege to present you an overview of the University performance for the year ended 30th June 2013. Despite the many challenges facing the University's operating environment especially the presence and continuous entry of public and private universities in Nakuru and other major towns in Kenya, Egerton University continues to implement and focus on its objectives.

Governance

The University is focused in enhancement of Egerton as a centre of excellence in agriculture through training, research; extension services and policy formulation to promote food security as part the University's contribution towards the achievement of vision 2030 through flagship projects.

The University has put initiatives for the turnaround of Ngongongeri and the ARC Hotel to make them viable commercial enterprises now run as Egerton University Investment Company under the management of a Managing Director.

Financing and Policies

Egerton University was mainly funded through the Government Capitation (62%) and Appropriation in Aid (A-I-A) (38 %) for its recurrent expenditure.

Finally, let me thank the Government of Kenya, Council members, Management and Staff for their dedication and participation over the year in striving to make Egerton a world class University for the advancement of Humanity.

Dr. Reardon Olubayo, Ph.D

Chairman, Egerton University Council

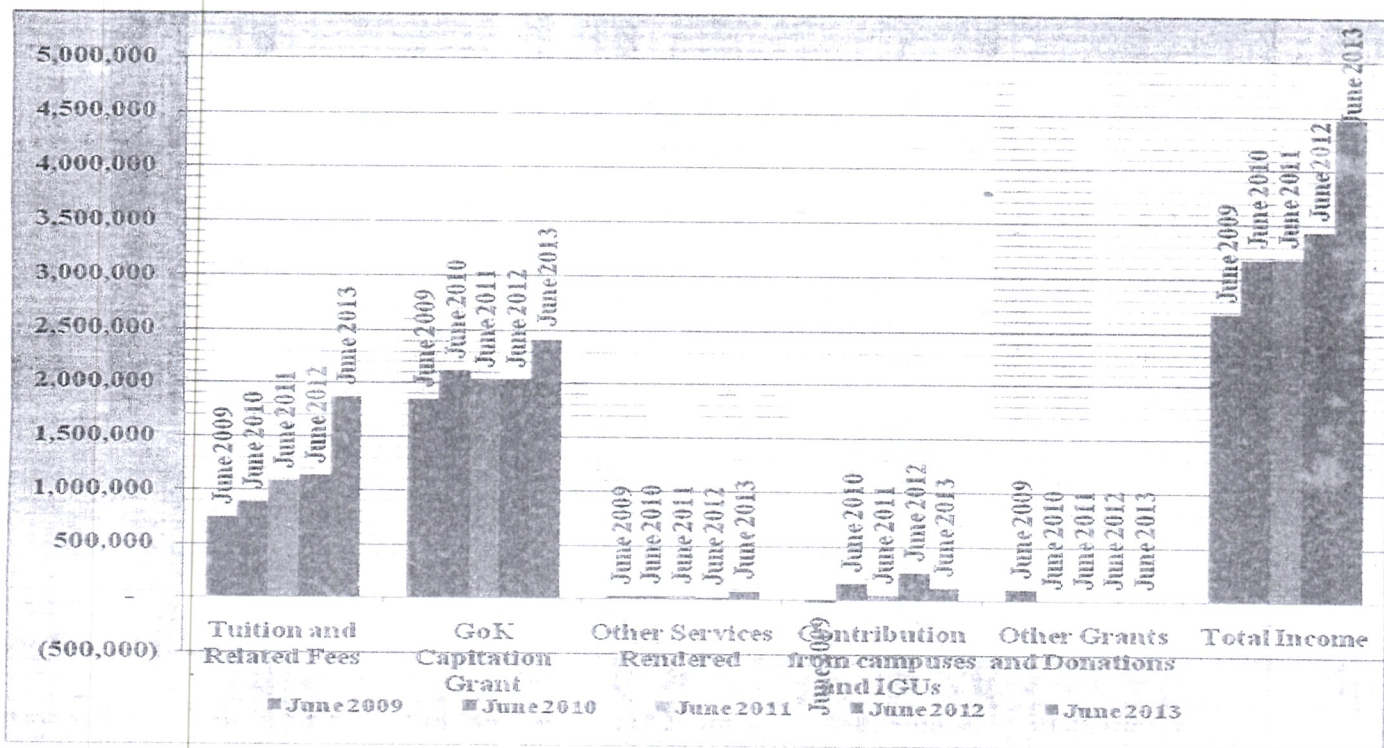
VICE-CHANCELLOR'S REPORT

I have the pleasure to present the Annual Report and Financial Statements of Egerton University for the year ended June 30, 2013 as per the Universities Act 2012 and the Public Audit Act 2003.

During the year under review the University realized a surplus of Ksh. 565,438,752 as compared with Ksh. 8,722,558 for the year ended June 30, 2012. The University has continued to expand its financial resource base and generated increased levels of appropriation in Aid (A-I-A) over the last five years as shown in the table and figure below:

Income Trends over last five years – Kshs “000”

Income Type	June 2009	June 2010	June 2011	June 2012	June 2013	Proportion
Tuition and Related Fees	733,840	880,268	1,073,944	1,127,887	1,863,687	34%
GoK Capitation Grant	1,840,209	2,109,977	2,035,981	2,035,971	2,410,281	62%
Other Services Rendered	22,041	27,807	28,004	16,197	76,843	4%
Contribution from campuses and IGUs	(24,267)	154,136	45,504	254,613	113,280	
Other Grants and Donations	100,414	1,160	753	100	2,140	
Total Income	2,672,237	3,173,348	3,184,186	3,434,769	4,466,231	

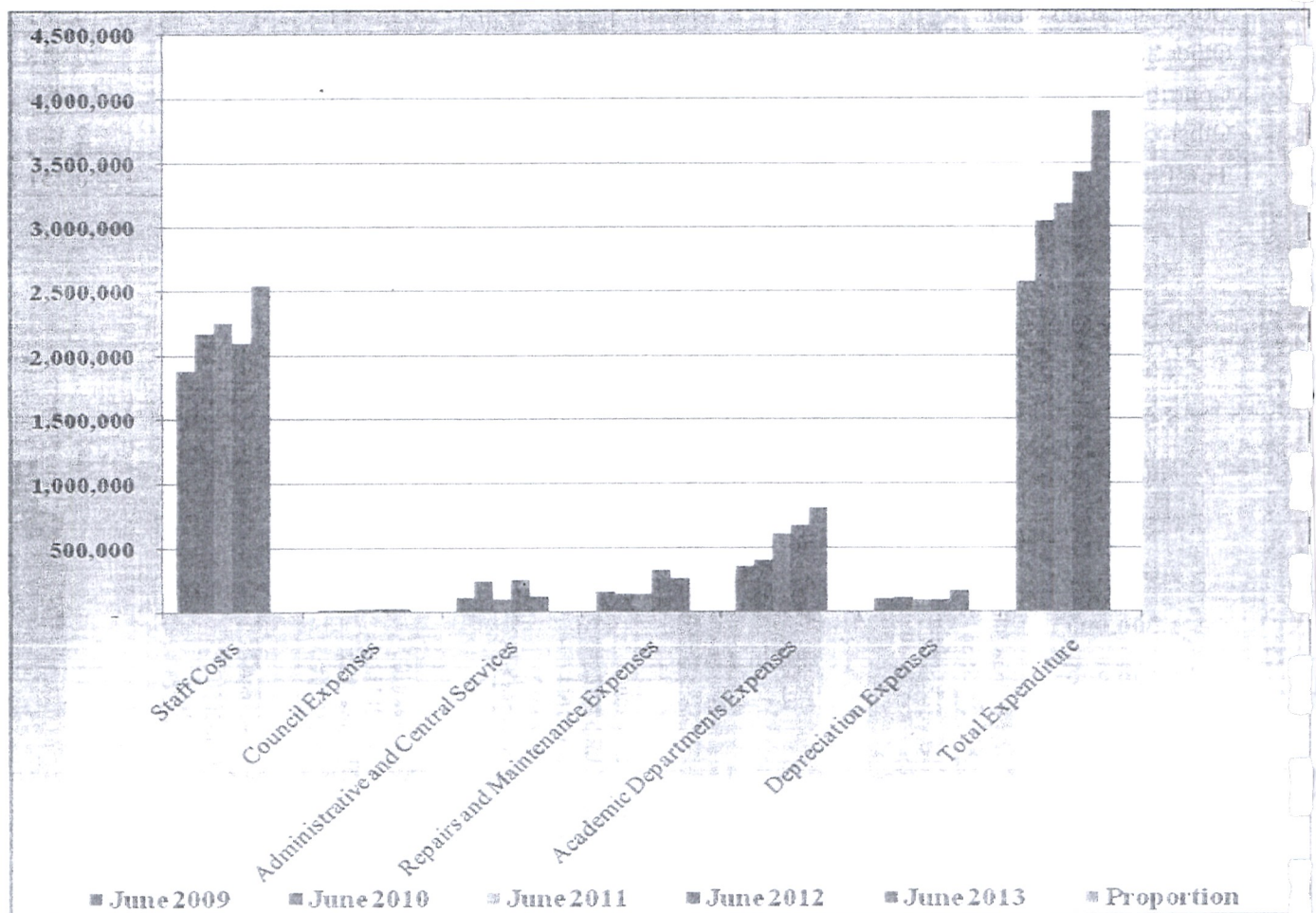


Total University income has shown a steady rise over last five years as shown above. On average, government capitation has been the University’s main source of income averaging 62% followed by tuition fees at 34% while the other sources amounted to 4%.

Expenditure Trends during the Last Five Years-Kshs “000”

Total Expenditure been on a steady upward trend over last five years as shown above. The bulk of the expenditure has been on staff costs averaging 68% in the last five years followed by academic expenditure at 17% while the others account for the remaining 15%.

Expenditure Type	June 2009	June 2010	June 2011	June 2012	June 2013	Proportion
Staff Costs	1,879,421	2,174,833	2,257,314	2,093,121	2,548,111	68%
Council Expenses	7,386	11,864	17,974	22,475	15,176	0%
Administrative and Central Services	101,373	235,807	89,445	241,797	117,401	5%
Repairs and Maintenance Expenses	146,756	131,549	134,764	317,234	252,487	6%
Academic Departments Expenses	347,343	391,922	605,125	663,465	810,519	17%
Depreciation Expenses	91,727.00	101,243.00	84,230	87,954	157,098	3%
Total Expenditure	2,574,006	3,047,218	3,188,852	3,426,046	3,900,792	

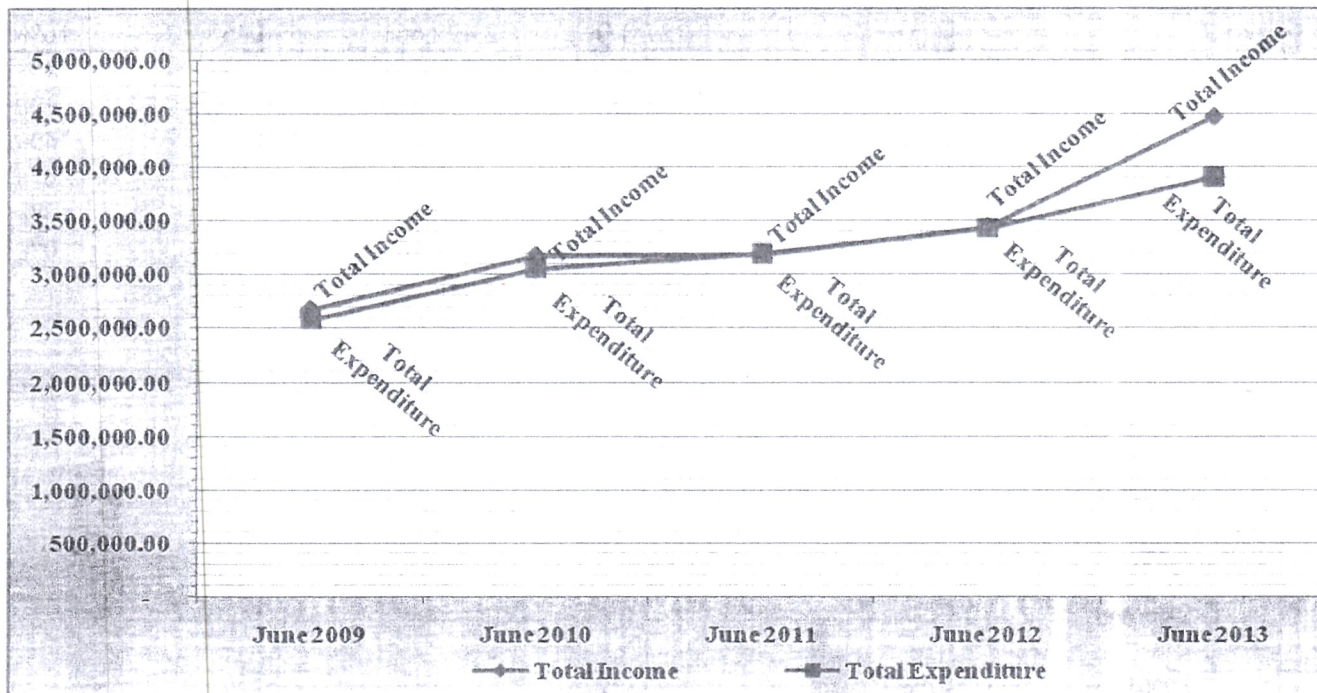


The significant rise in staff costs during the year ended 30 June 2013 was as a result of the 2010/2013 collective bargaining Agreement between the government and the Trade Unions that was effected during the year 2012/2013.

Income & Expenditure Trends during the Last Five Years-Kshs “000”

The table and graph below shows the relationships between income and expenditure during the last five years.

Income/Expenditure	June 2009	June 2010	June 2011	June 2012	June 2013
Total Income	2,672,237.00	3,173,348.00	3,184,186	3,434,769	4,466,231
Total Expenditure	2,574,006.00	3,047,218.00	3,188,852	3,426,046	3,900,792

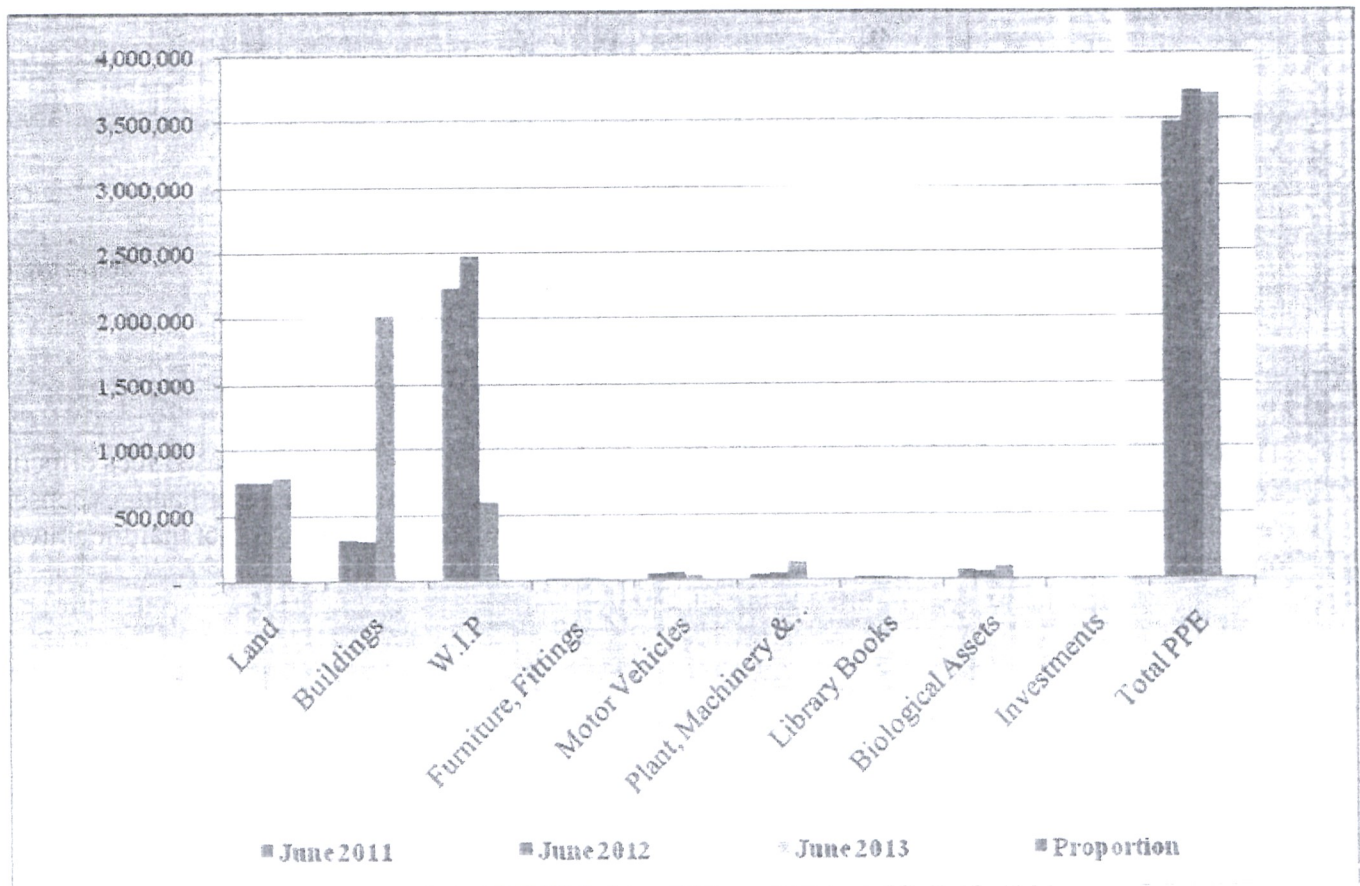


The big surplus in the 2012/2013 emanates from the fact that the University increased fees effective September 2012. This resulted into increased income during the year. On the other hand, expenses remained low due to strict austerity measures that were instituted as well as the fact that the university operated strictly within the approved budget.

Property, Plant & Equipment – Kshs “000”

The net Book Values of the University’s Property Plant and Equipment declined slightly from Kshs 3,718,723,000 to Kshs 3,669,698,000. This reduction resulted from the extra depreciation charge occasioned by reclassification of property previously held as Work-in-Progress amounting to Kshs 1,988,039,726 to Assets. This reclassification also explains the increase in the asset of buildings and the reduction in the asset of Work-in-Progress.

Type of Property	June 2011	June 2012	June 2013	Proportion
Land	753,262	753,262	777,648	21%
Buildings	315,674	302,564	2,018,644	55%
W.I.P	2,227,871	2,472,661	590,458	16%
Furniture, Fittings	12,969	15,061	27,991	1%
Motor Vehicles	50,486	56,410	30,392	1%
Plant, Machinery & Equipment	34,221	50,621	138,367	4%
Library Books	10,742	14,155	12,947	0%
Biological Assets	66,470	52,884	98,756	3%
Investments	2,425	1,105	940	0%
Total PPE	3,474,120	3,718,723	3,696,144	



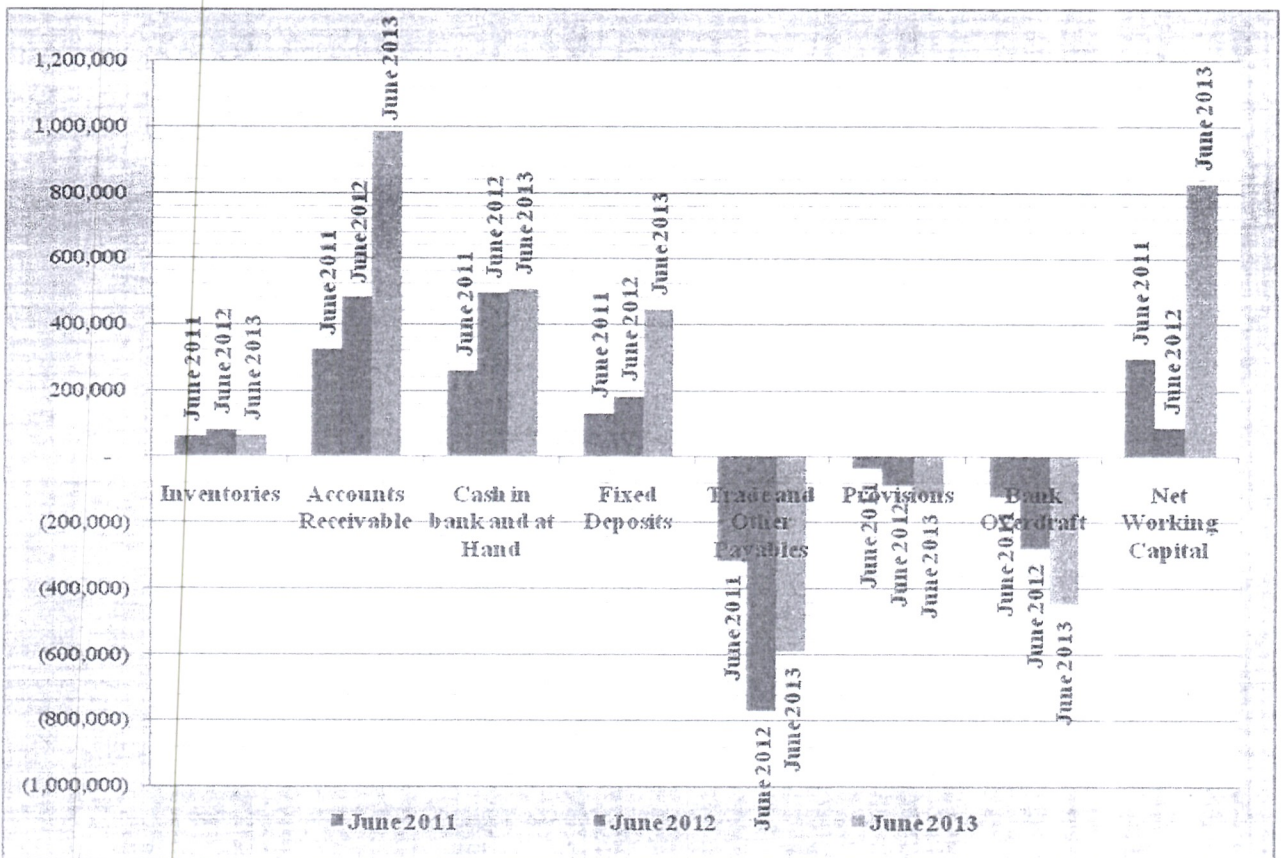
Working Capital – Kshs “000”

The University had a healthy working Capital position as at 30 June 2013, with current assets exceeding current liabilities by Kshs 807,747,000 as shown below. This was better than the two previous years.

The high increase in accounts receivables is attributable to the increases in students’ fees during the year. Three academic semesters fall within the same financial year i.e. September-December, January-April and May-August. The financial year ends on June 30, in the middle of May-August session, a time when not all the fees invoiced at the beginning of that semester in May will have been fully recovered.

The University endeavored to reduce its indebtedness to third parties, explaining the reduction in accounts payable.

Working Capital	June 2011	June 2012	June 2013
Inventories	60,191	80,393	64,396
Accounts Receivable	322,008	476,263	985,748
Cash in bank and at Hand	255,901	491,093	503,000
Fixed Deposits	130,237	180,413	439,923
Trade and Other Payables	(317,640)	(771,991)	(591,797)
Provisions	(35,566)	(91,114)	(125,920)
Bank Overdraft	(119,853)	(278,256)	(449,873)
Net Working Capital	295,278	86,801	825,477



The University continued with its Core business of Teaching, Training and Research. The University held its 27th graduation ceremony in December 2012 in which a total of 3,771 students graduated at various levels.

On behalf of Egerton University I wish to take this opportunity to thank the Government and all our development partners who have continued to support the University in its endeavor to expand its teaching facilities, research, academic exchange programmes and industrial linkages.

Finally I would like to express my gratitude to the University Council for providing enabling Policies, Guidelines and the entire University staff and Students who worked tirelessly to ensure successful and smooth operations of the University.

Thank you.



Prof. J. K. Tuitoek, Ph.D, EBS.
VICE-CHANCELLOR

COMMITTEES OF COUNCIL

The University Council is responsible and accountable to the Government of Kenya through the Ministry of Education, Science and Technology for ensuring that the University complies with the Universities Act 2012, the University Statutes (2013) and adheres to the highest standards of corporate governance as prescribed in the State Corporations Act and the University Council Charter.

The Council consists of nine members- the Chairman & five other members, representative of the National Treasury, Representative of the Principal Secretary Ministry of Education Science & Technology and the Vice Chancellor. The functions of the Council are:

- (i) Administer the property and funds of the University in a manner and for purposes which shall promote the best interests of the University; but the Council shall not charge or dispose of immovable property of the University without prior approval of the Chancellor;
- (ii) Receive on behalf of the University or a constituent college, donations, endowments there from to the constituent college or other bodies or persons;
- (iii) Provide for the welfare of the staff and students of the University;
- (iv) Enter into association with other Universities or other institutions of learning, whether within or outside Kenya as the Council may deem necessary and appropriate; and
- (v) After consultation with the Senate, make regulations governing the conduct and discipline of the students of the University.

The Council has six committees namely: Building, Planning and Development Committee; Academic and Research Committee; Finance, Investment and General Purposes Committee; Audit, Governance & Risk Management Committee; Sealing and Honorary Degree Committee and Grievances, Handling & Appeals Committee. The Adhoc Committees are called as and when need arises.

The Committees have delegated authority to assist the Council effectively carry out its obligations.

The University Council and its Committees are supported by the University Management Board which consists of ten members.

The Terms of Reference for the Committees of Council are:

1. Finance, Investment and General Purposes Committee

The Committee recommends to the Council for its approval the annual estimates and expenditure and to oversee University investments and endowment funds and shall pay due regard to the necessity to refer matters of major importance to the Council for final approval.

2. Audit, Governance and Risk Management Committee

The Committee oversee safeguarding of assets; operations of adequate systems; control processes; preparation of accurate financial reporting of results; operations and statements in compliance with legal and statutory requirements and standards; internal and external audits; risk management strategies; institutional governance; monitoring of performance contract; and quality assurance.

3. Building, Planning & Development Committee

The Committee is charged with all arrangements for construction of new buildings; responsible for authorizing expenditure for capital work with the provision to delegate minor maintenance work to University Management; and report progress to University Council.

4. Academic and Research Committee

The Committee advises on the development and implementation of academic and research programmes and policies; make recommendations for the sourcing, administration and distribution of scholarship; oversee a reward scheme for excellence in teaching, research and extension; receive regular reports from and provide advice to the Deputy Vice-Chancellor (Academic Affairs) and the Deputy Vice-Chancellor (Research and Extension) on the development of policy and procedures relating to academic and research; and consider and report any matter referred to it by the Council and Senate.

5. Grievances, Handling and Appeals Committee

The Committee oversees staff, students and other stakeholder's grievances; and staff and students appeal against disciplinary action.

6. Sealing and Honorary Degree Committee

The Committee authorizes affixing of the University seal to appropriate documents on behalf of the Council; and nomination of distinguished personalities in various fields for the conferment of honorary degrees of the University.

7. Appointments Committee

The Committee appoints Professors and Staff in Grade 15; search candidates for position of Principal's; Deputy Vice-Chancellors and Vice-Chancellor and make recommendations to the Council; and consider disciplinary matters for Principals and Deputy Vice-Chancellor's and recommend to Council.

8. Tegemeo Institute of Agricultural Policy and Development Committee

The Committee has the responsibility to: Provide stewardship and ensure alignment of Institute Objectives with those of the University; Implement and review annually the Institute Strategic plan; approve the Institute annual budgets, business plans and policies; ensure good management and identify risks and internal controls in the institute; monitor and evaluate management performance against approved plans and programmes; approve organizational structures and staffing levels; promote and integrate good corporate governance at the leadership, management and in all levels of the organization; strategize on the institute development and sustainability; advocate on behalf of and enhance the visibility of Tegemeo institute locally and internationally and assist in mobilizing resources for the institute.

Meetings:

a. Council Meetings Attendance – 1st July 2012 To 30th December, 2012

Council Member	Committee														Attendance of	
	BP&D 13.7.12	A&R 16.7.12	FR&GP 20.7.12	AG&RM 27.7.12	GH&A 30.7.12	CES 2.8.12	CM 3.8.12	GH&A 21.8.12	CM 3.9.12	FR&GP 6.9.12	IS&IS 10.12.12	CM 11.12.12	SC 11.12.12	GC 21.12.12	Full Council	Committee Meetings
1 Mr. Mohamed Awer	✓								✓		✓	✓		✓	2	3
2 Mr. Josiah O. Okumu	✓			✓	✓	✓	✓	✓	✓	✓	✓	✓		✓	4	6
3 Prof. Abdullah N. Said		✓				✓	✓	✓	✓						2	1
4 Mrs. Monica K. Kilonzo		✓			✓	✓	✓	✓	✓	✓	✓	✓		✓	3	5
5 Mrs. Charity Mawene		✓				✓	✓	✓							1	2
6 Mr. Samuel Ndung'u			✓	✓		✓	✓	✓	✓						2	3
7 Mrs. Joy Muriithi			✓			✓	✓	✓			✓				3	3
8 Mr. Dan N. Ngunjiri			✓	✓		✓	✓	✓						✓	2	3
9 Mr. Elly O. Ongong'a			✓		✓	✓	✓	✓							2	3
10 Col. Bishop Alfred K. Rohich					✓		✓	✓							0	2
11 Dr. Thomas N. Kibua						✓	✓	✓							1	1
12 Mr. Samuel G. Karicho						✓	✓	✓			✓	✓		✓	4	2
13 Ms. Mithile Muniyao								✓			✓	✓		✓	1	2
14 Mrs. Sophy Kirirei											✓	✓		✓	1	3
15 Mr. Daniel Rono											✓	✓			1	1
16 Mr. Bernard Ondanje											✓	✓			1	1
17 Mrs. Helen Cheramboss														✓	0	1

b. Council Meetings Attendance – 1st January 2013 to 22nd April, 2013

Council Member	Committee														Attendance of Meetings	
	AC 4.1.13	BP&D 21.1.13	FHR& GP 21.1.13	AG& RM 23.1.13	CM 29.1.13	IS 21.3.13	CM 22.3.13	AC 25.3.13	AC 3.4.13	AC 4.4.13	AC 17.4.13	AC 18.4.13	TA&R 19.4.13	AC 22.4.13	Full Council	Committee Meetings
1. Mr. Mohamed Awer	✓	✓	✓		✓	✓	✓	✓	✓	✓				1	Retired	
2 Mr. Jostiah O. Okumu														2	7	
3 Prof. Abdullah N. Said							✓							0	1 Retired	
4 Mrs. Monica K. Kilonzo	✓					✓	✓						✓	1	4	
5 Mrs. Joy Muthi		✓	✓		✓	✓								2	3	
6 Mr. Dan N. Ngunjiri		✓	✓		✓	✓								2	2	
8 Mr. Samuel G. Karicho			✓		✓	✓								1	1 Retired	
9 Ms. Mufite Muniyao	✓			✓	✓	✓								1	3 Retired	
10 Mrs. Sophy Kiroeti		✓	✓		✓	✓								1	1 Retired	
11 Mr. Daniel Rono				✓	✓	✓								1	1 Retired	
12 Mr. Bernard Ondanje					✓	✓								1	Retired	
13 Mrs. Helen Cheramboss				✓	✓	✓								1	1 Retired	
14 Mr. Charles Obiero			✓		✓	✓	✓			✓			✓	2	6	
15 Dr. Priscilla Nguni			✓		✓	✓								1	Retired	
16 Dr. Reardon Ohubayo					✓	✓								1	2	
17 Dr. William K. T. Chong					✓	✓							✓	1	3	
18 Mrs. Alasa O. Hirsi					✓	✓				✓				1	4	

c. Council Meetings Attendance – 26th April, 2013 to 28th June, 2013

Council Member	Committee										Attendance of Meetings	
	AG&RM 26.4.13	CM 29.4.13	GH&A 24.5.13	AC 27.5.13	CM 28.5.13	FHRB&GP and AG&RM 10.6.13	CR 20.6.13	CM 21.6.13	FP 27.6.13	O&RD	Full Council	Committee Meetings
1 Mr. Josiah O. Okumu	✓	✓				✓	✓	✓	✓	✓	2	5
2 Mrs. Monica K. Kilonzo		✓	✓				✓	✓	✓	✓	2	4
3 Mrs. Joy Murithi		✓					✓	✓			2	1
4 Mr. Dan N. Nguchu		✓				✓	✓	✓			2	4
5 Mr. Charles Obiero		✓					✓				1	Retired
7 Dr. Reardon Oubayo		✓				✓	✓	✓	✓	✓	2	4
8 Dr. William K. T. Chong		✓	✓				✓	✓		✓	2	4
9 Mrs. Alasa O. Hirsi	✓	✓		✓	✓		✓	✓	✓	✓	2	5
10 Mr. Paul M. Mwangi	✓	✓			✓		✓	✓	✓	✓	2	6

Key

1. BP&D - Building, Planning and Development Committee
2. A&R - Academic and Research Committee
3. FI&GP - Finance, Investment and General Purposes Committee
4. AG&RM - Audit, Governance & Risk Management Committee
5. GH&A - Grievances, Handling & Appeals Committee
6. CES - Council Evaluation Session
7. CM - Council Meeting
8. I&I - Inauguration and Induction Seminar
9. SC - Sealing Committee
10. GC - Graduation Ceremony
11. FHR&GP - Finance, Human Resources and General Purposes
12. IS - Induction Seminar
13. TA&R - Tegemeo, Academic and Research Committee
14. CR - Council Retreat
15. FP - Farewell Party
16. O&RD - Open and Recognition Day



STATEMENT OF UNIVERSITY COUNCIL RESPONSIBILITY


The Universities Act 2012 requires the Council to prepare Financial Statements for each financial year, which gives a true and fair view of the state of affairs of the University as at the end of the financial year and of the University's surplus, or deficit for the year. The Act also requires the Council Members to ensure that the University keeps proper accounting records that disclose, with reasonable accuracy, the financial position of the University. They are also responsible for safeguarding the University's assets.

The Council Members accept responsibility for the annual report and financial statements, which have been prepared using appropriate accounting policies supported by reasonable and prudent judgments and estimates, in conformity with International Financial Reporting Standards, the International Accounting Standards and the requirements of Kenya Universities Act 2012. The Council Members are of the opinion that the financial statements give a true and fair view of the state of financial affairs of the University as at June 30, 2013 and the University's surplus.

The Council Members further accept responsibility for the maintenance of accounting records that may be 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.

This statement was approved by Council and it is signed on their behalf by:



Mr. Dan N. Nguchu
Chairman, Council Finance Committee



Prof. J. K. Tuitoek, PhD, EBS.
Vice-Chancellor

REPUBLIC OF KENYA

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Website: www.kenao.go.ke



P.O. Box 30084-00100
NAIROBI

OFFICE OF THE AUDITOR-GENERAL

REPORT OF THE AUDITOR-GENERAL ON EGERTON UNIVERSITY FOR THE YEAR ENDED 30 JUNE 2013

REPORT ON THE FINANCIAL STATEMENTS

I have audited the accompanying financial statements of Egerton University set out on pages 20 to 41, which comprises the statement of financial position as at June 30, 2013, and the statement of comprehensive income, statement of changes in 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

The Council Members of Egerton University are responsible for the preparation and fair presentation of these financial statements in accordance with International Financial Reporting Standards and for such internal control as the Council determines is necessary to enable the preparation of financial statements that are free from material misstatements, whether due to fraud or error.

The Council 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 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

assessment, 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 Council, 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. Property Plant and Equipment

i. Land and building

As previously reported, the non-current assets balance of Kshs.3,596,448,259 as at 30 June 2013 includes thirteen (13) parcels of land in various places for which the University has no titles of ownership. Further, the parcel of land on which the main campus is located is not registered in the name of the University.

In the circumstances, the accuracy and ownership of the non-current assets balance of Kshs.3,596,448,259 as at 30 June 2013 could not be confirmed.

ii. Stalled Projects

The non-current assets balance of Kshs.3,596,448,259 also includes Work In Progress balance of Kshs.590,457,919 out of which an amount of Kshs.286,052,737 is in respect of four projects which stalled more than 20 years ago. Further, the University has paid contract termination fees of Kshs.343,649,905 for the projects. In the circumstances, the accuracy of the non-current assets balance of Kshs.3,596,448,259 as at 30 June 2013 could not be confirmed.

2. Accounts Receivables

The Account Receivables balance of Kshs. 985,747,607 as at 30 June 2013 includes a balance of Kshs.85,035,842 in respect of unsurrendered staff imprests. Out of this balance, Kshs.57,703,502 was issued in the financial year 2012/2013 while the balance of Kshs.27,332,340 has been outstanding for the period between 1994 to 2012. The management has not explained why the imprests were not surrendered or accounted for before the due dates.

3. Trade and Other payables

The trade and other payables balance of Kshs.591,797,085 includes a balance of Kshs.15,377,655 owed to the Kenya Institute of Professional Counselling (KIPC) in

respect of tuition fees and Kshs.25,005,359 owed to lecturers teaching at KIPC with whom the University entered into a memorandum of understanding (MOU) in April 2007 to offer courses on the University's behalf for 5 years. However, the records relating to student bio-data, fees structures and other revenue collected which served as a basis for the liability were not availed for audit verification. Therefore, the accuracy and legitimacy of the balance of trade and other payables of Kshs.591,797,085 as at 30 June, 2013 could not be confirmed.

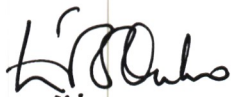
4. Acquisition of Land

On 3 September 2012, the University entered into an agreement with African Inland Church (AIC) Kenya, to buy three (3) acres of land, registered as LR No 16672/37 at a price of Kshs.1,500,000 per acre. The University paid a deposit of Kshs.1,500,000 on 18 October, 2012 with the balance of Kshs. 3 million being payable within 90 days from the date of agreement, subject to the vendor issuing the University with ownership documents.

However, as at 30 June 2013, the University had not received the ownership documents and a third party, a local Self Help group, had laid claim on part of the land.

Qualified Opinion

In my opinion, except for the effect of the matters described in the Basis for Qualified Opinion paragraph, the financial statements present fairly, in all material respects, the financial position of the University as at 30 June 2013, and of its financial performance and its cash flows for the year then ended and comply with International Financial Reporting Standards and Egerton University Act, Cap 214 of the Laws of Kenya.





Edward R.O. Ouko, CBS
AUDITOR-GENERAL

Nairobi

10 April 2015

EGERTON UNIVERSITY
STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2013

	Note	30-Jun-13 Kshs.	30-Jun-12 Kshs.
ASSETS			
Non Current Assets			
Property, Plant & Equipment	2	3,596,448,259	3,664,734,256
		<u>3,596,448,259</u>	<u>3,664,734,256</u>
Biological Assets	3	98,755,670	52,883,340
Investments	4	939,957	1,104,801
		<u>99,695,627</u>	<u>53,988,641</u>
		<u>3,696,143,886</u>	<u>3,718,722,877</u>
Current Assets			
Inventories	5	64,395,615	80,393,373
Accounts Receivables	6	985,747,607	476,262,776
Cash in bank and at Hand	7	503,000,376	491,093,000
Short Term Fixed Deposits	7	439,922,731	180,412,906
		<u>1,993,066,328</u>	<u>1,228,162,054</u>
Current Liabilities			
Trade and Other Payables	8(a)	591,797,085	771,990,594
Provisions	8(b)	125,919,627	91,113,771
Bank Overdraft	7	449,872,805	176,255,335
		<u>1,167,589,527</u>	<u>1,141,360,699</u>
Net Current Assets		<u>825,476,802</u>	<u>86,801,355</u>
Total Assets		<u>4,521,620,688</u>	<u>3,805,524,233</u>
FUNDS AND LIABILITIES			
Capital and Reserves			
General fund		3,632,624,551	3,520,396,674
Accumulated Surplus(Deficit)		388,996,137	285,125,558
Total Capital and Liabilities		<u>4,521,620,688</u>	<u>3,805,524,233</u>
Total Capital and Liabilities		<u>4,521,620,688</u>	<u>3,805,524,233</u>
 Mr Dan N. Ngũcha Chairman, Council Finance Committee		 Prof. J. K. Tuitoeke, Ph. D., ERS Vice Chancellor	



EGERTON UNIVERSITY
STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 30 JUNE 2013

Particulars	Note	Total 30-Jun-13 Kshs.	Total 30-Jun-12 Kshs.
<u>Income</u>			
Tuition and Related Fees	9	1,863,687,120	1,127,887,474
GoK Capitation Grant	10	2,410,280,658	2,035,970,650
Other Services Rendered	11	76,843,111	16,197,397
Contribution from campuses and IGUs	12	113,280,397	254,613,000
Other Grants and Donations	13	2,140,230	100,000
		<u>4,466,231,516</u>	<u>3,434,768,521</u>
<u>Expenditure</u>			
Staff Costs	14	2,548,111,035	2,093,120,697
Council Expenses	15	15,176,388	22,475,468
Administrative and Central Services	16	117,401,440	241,797,420
Repairs and Maintenance Expenses	17	252,486,701	317,233,745
Academic Departments Expenses	18	810,518,700	663,464,691
Depreciation Expenses	19	157,098,500	87,953,942
		<u>3,900,792,764</u>	<u>3,426,045,963</u>
Net Surplus/(Deficit)		<u>565,438,752</u>	<u>8,722,558</u>

EGERTON UNIVERSITY
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 30 JUNE 2013

Particulars	Note	30-Jun-13 Kshs.	30-Jun-12 Kshs.
Operating Activities			
Surplus for the year		565,438,752	8,722,558
Adjustments for			
Depreciation	19	157,098,500	87,953,942
Depreciation-EUICO		2,986,943	
Movement in Provisions for the year	8(b)	34,805,866	55,547,771
Prior year motor vehicles		(3,969,000)	
Profit/(Loss) on disposal of Assets	11	(289,450)	
Investment Income	11	(11,569,658)	(4,833,397)
Interest Expense	16	8,061,893	12,192,680
		<u>785,820,722</u>	<u>159,583,554</u>
Changes in Working Capital			
(Increase)/Decrease in Biological Assets		(45,871,830)	13,586,160
(Increase)/Decrease in Receivables		(509,484,831)	(154,254,776)
(Increase)/Decrease in Inventories		15,997,758	(20,202,373)
Increase/(Decrease) in Payables		(180,193,509)	454,350,594
		<u>(719,552,412)</u>	<u>293,479,605</u>
Cash Generated from Operations		<u>66,268,310</u>	<u>453,063,159</u>
Investing Activities			
Interest/Bank Charges Paid	16	(8,061,893)	(12,192,680)
Purchase of Property, Plant and Equipment	2 (a)	(54,573,590)	(347,463,100)
Tegemeo Assets Additions		(33,256,876)	
Adjustments Prior year items		42,400,827	
Decrease in investments	4	164,844	1,320,199
Interest earned from Investments	11	11,569,658	4,833,397
Cash on Disposal of Assets	11	289,450	
		<u>(41,467,579)</u>	<u>(353,502,184)</u>
Financing Activities			
GoK Capital Grants	10(b)	75,000,000	27,403,674
Net Cash from Financing Activities		<u>75,000,000</u>	<u>27,403,674</u>
Net Increase/(Decrease) in Cash and Cash Equivalents		99,800,731	126,964,650
Cash and Cash Equivalents at the start of the year		393,249,572	266,284,922
Cash and Cash Equivalents at the Close of the year		<u>493,050,302</u>	<u>393,249,572</u>

EGERTON UNIVERSITY
STATEMENT OF CHANGES IN RESERVES
FOR THE YEAR ENDED 30 JUNE 2013

Particulars	Note	Capital Reserves Kshs.	Revenue Reserves Kshs.	Total Kshs.
Period ended 30 June 2012				
Balance as at 01/07/2011		3,492,995,000	276,403,000	3,769,398,000
Capital Gants		27,403,674		27,403,674
Surplus for the year			8,722,558	8,722,558
Balance as at 30/06/2012		3,520,398,674	285,125,558	3,805,524,233
Period ended 30 June 2013				
Balance as at 01/07/2012		3,520,398,674	285,125,558	3,805,524,233
Tegemeo Assets		33,256,876	-	33,256,876
Adjustments Prior year items		3,969,000	38,431,827	42,400,827
Capital Grants	10(b)	75,000,000		75,000,000
Surplus from operations			565,438,752	565,438,752
Balance as at 30/06/2013		3,632,624,551	888,996,137	4,521,620,688

NOTES TO THE FINANCIAL STATEMENT FOR THE YEAR ENDING 30TH JUNE 2013

NOTE 1: ACCOUNTING POLICIES

The financial statements have been prepared in accordance with International Financial Reporting Standards and International Accounting Standards. The principle accounting policies adopted are as follows:-

a) Basis of preparation

The financial statements have been prepared under the historical cost convention.

b) Revenue and expenditure recognition.

Income including tuition fee is recognized in the period in which it is earned, while expenditure recognized when it is incurred.

c) Government Grants

(i) Capitation

The government capitation grants are recognized as income in the Income Statement as per IAS 20, i.e. income approach treatment.

(ii) Capital development grants

The capital grants are treated under the capital approach system as per IAS 20 Paragraph 13 and 14.

d) Translation of foreign currencies

Transactions in currencies other than the Kenyan Shilling are recorded at the exchange rates ruling on the dates of the transactions. Exchange gains or losses as at the end of the year are accounted for in the income and expenditure account.

e) Property, Plant and Equipment

Property, plant and equipment are stated at cost less any recognized impairment loss.

Costs include professional fee.

Land is not depreciated as it is deemed to have an infinite life. Depreciation on other property is charged so as to write off the assets during their estimated useful life, using the straight-line method. Assets acquired during the year attract full depreciation charge.

The annual rates used are:-

Buildings	-	2.5%
Machinery & equipment	-	20%
Furniture & fittings	-	12.5%
Dairy equipment / plant / tractors	-	10%
Motor vehicles	-	25%
Library books	-	20%
Computers and Appliances	-	33.3%

f) Inventories

Inventories are stated at the lower of cost and net realizable value. Cost includes direct material and where applicable direct labour and those overheads that have been incurred to bring the inventories to the present location and condition. Costs of issues are calculated using 'First in First Out' (FIFO) method.

Net realizable value represents the estimated selling prices less all estimated costs of disposal (IAS 2).

g) Biological assets

Biological assets are measured on initial recognition at each balance sheet date at its fair value less estimated point of sale costs as per IAS 41 (12).

h) Receivables

Receivables are recognized when the commitments are effected. A provision of 1% of total receivables (except staff imprests which a specific provision is made when unrecoverable) has been provided to take care of the receivables, which may not be recovered in full.

i) Cash flow Statement**(a) Cash and cash equivalents**

For the purpose of the financial statements, cash and cash equivalent include short term liquid investments which are readily convertible into known amounts of cash and which are within three months to maturity when acquired, less advances (overdrafts) from the banks repayable within three months from dates of the advances.

(b) Investments

Investments are reflected in the Balance Sheet at fair market values as per IAS 40.

j) Retirement benefits obligations

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 while the employee contributes Kshs 200/= per month. The University's

Note 2a. Property Plant & Equipment

Particulars	Land Kshs.	Buildings Kshs.	W.L.P Kshs.	Furniture, Fittings Shs Kshs.	Motor Vehicles Shs Kshs.	Plant & Machinery & Equipment Kshs.	Library Books Kshs.	Totals Kshs.
Cost or Valuation								
As at 01/07/2012	753,262,000	524,386,000	2,472,660,685	120,293,519	180,702,293	707,900,872	89,907,858	4,849,113,227
Additions During the year	1,578,300	1,787,253,358	105,836,960	9,947,240	14,138,457	95,408,342	4,550,346	2,018,713,003
Additions During the year-EUICO		12,088,215			4,048,600	12,963,613		29,100,428
Additional Tegemeo Assets	22,800,000	7,200,000		1,428,763	12,734,213	9,603,049		53,766,025
WIP Transferred To Assets Year 2013			1,839,439,339					1,839,439,339
WIP Transferred To Prior Year expenses			148,600,386					148,600,386
Transfers			1,988,039,726					1,988,039,726
Additions Prior year (Motor vehicles)				220,816	15,548,000	90,788	7,702,416	15,548,000
Disposal During the year	8,000	756,547		3,302,671	(58,409,095)	40,425,374		311,604
Adjustments During the year								(6,214,087)
As at 30/06/2013	777,648,300	2,331,684,120	590,457,919	134,751,377	168,762,468	866,210,462	102,160,620	4,971,675,266
Depreciation								
As at 01/07/2012		221,821,650		105,232,132	124,292,433	657,279,815	75,752,961	1,184,378,991
As at 01/07/2012 (TEGEMEO)				780,742	11,993,713	7,734,693		20,509,148
Additions Prior year (Motor vehicles)					11,579,000			11,579,000
Charge for the year		58,021,648		7,119,982	20,088,668	65,080,672	6,787,530	157,098,500
Adjustments During the year				(1,520)		110,377	(108,857)	
Charge for the year-EUICO		288,981			1,012,150	1,685,812		2,986,943
Cummulative Depreciation (Gross)		280,132,279		113,131,336	168,965,964	731,891,370	82,431,633	1,376,552,582
Acc Depr on Disposed Assets				220,816		90,788		311,604
Adjustments During the year				(6,150,466)	(30,595,439)	(3,956,996)	6,781,540	(1,013,971)
Cumm Dep Net of Disposed Assets				106,760,053	138,370,526	727,843,586	89,213,173	1,375,227,007
Net Book Value as at 30 June 2013	777,648,300	2,018,644,451	590,457,919	27,991,324	30,391,942.29	138,366,876	12,947,447	3,596,448,259
Net Book Value as at 30 June 2012	753,262,000	302,564,350	2,472,660,685	15,061,388	56,409,860	50,621,056	14,154,897	3,664,734,236

obligation to staff retirement benefit schemes are charged to the income statements in the year to which they relate.

k) Capitalization Policy

The University consistently has been capitalizing all capital works when they are tendered for and expensing all works carried out by Estates department in the income statement in the year in which the expense is incurred.

Buildings under construction remain as work in progress until complete when they are recognized as assets.

l) Interest Income

The University's main source of interest income is from short term fixed deposits with the banks.

m) The number of employees as at June 30 2013 was 1,944.

n) Audit Fees

The University financial statements are audited by the Auditor General who currently charges K 1,500, 000/= per year plus 16% VAT.

Particulars	30-Jun-12		30-Jun-13	30-Jun-1
	Bal B/F Ksh)	Additions	Transfers	Ksh
CONSTR. OF ADMIN. BUILDING	20,096,000	-	-	20,096,000
CONSTR. OF A. R. C. & CMRT COMPL	9,178,938	-	(9,178,938)	-
TENANT PURCHASE	12,745,000	-	(12,745,000)	-
CONSTR. OF UTAFITI HOSTELS	79,457,000	-	(79,457,000)	-
CONSTR. OF FASS COMPLEX	1,826,200	-	(1,826,200)	-
CONSTRUCTION OF SCIENCE COMPI	820,417,000	4,707,632	(687,456,081)	137,668,551
CONSTRUCTION OF AGRONOMY &H	177,377,480	-	-	177,377,480
Senior Staff Housing	22,498,000	-	(22,498,000)	-
Const. Of ICT Infrastructure	79,750,449	5,998,875	(79,750,449)	5,998,875
CONSTR. OF STUDENTS HOUSING CC	199,656,976	19,735,694	(132,235,295)	87,157,375
CONSTR. OF FAC. OF EDUCATION	495,226,000	-	(495,226,000)	-
Faculty of Law-NTC	97,999,535	17,570,718	8,346,228	123,916,481
CONSTR. OF DINING/ KITCHEN	66,974,000	-	(66,974,000)	-
WATER DAM	11,191,981	14,588,407	-	25,780,388
ABLUTION BLOCKS & LANDSCAPIN	2,840,704	-	(2,840,704)	-
HEALTH SCIENCES	102,375,344	3,621,457	(105,996,800)	-
Students Centre	35,693,391	-	(23,230,623)	12,462,768
WATER & SEWERAGE	32,795,000	-	(32,795,000)	-
FACULTY OF AGRICULTURE	25,208,521	-	(25,208,521)	-
FACULTY OF COMMERCE BUILDING	8,346,228	-	(8,346,228)	-
RENOVATION OF BUILDINGS-NJORC	48,266,497	-	(48,266,497)	-
HEALTH SCIENCES-MORTUARY	102,523,070	38,628,343	(141,151,413)	-
PROCUREMENT COMPLEX	20,217,371	985,834	(21,203,205)	-
Total	2,472,660,685	105,836,960	(1,988,039,726)	590,457,919

Note 3. Biological Assets

Particulars	30-Jun-13	30-Jun-12
	Ksh	Ksh
Biological Assets-EUICO		
Biological Stocks TDU	79,177,720	38,128,750
Biological Stocks Kenyatta Campus	16,707,950	13,372,110
Biological Stocks Chemeron Field Station	1,168,000	1,263,000
Biological Stocks Lord Egerton Castle	1,220,000	
Security - Dogs	282,000	
Total	200,000	120,000
	98,755,670	52,883,840

Note 4 Investments

Particulars	30-Jun-13	30-Jun-12
	Ksh	Ksh
Kenya Farmers Association shares - 8982	179,000	179,000
Kenya Co-op Creameries shares - 1040	235,000	235,000
Kenya Airways- Ordinary Shares- 52468	522,057	686,901
Pyrethrum Board of Kenya- Ordinary Shares- 75	3,000	3,000
Mercat Limited Ordinary Shares - 254	900	900
Total	939,957	1,104,801

Note 5. Inventories

Particulars	30-Jun-13	30-Jun-12
	Ksh	Ksh
Stocks IGUs (Excluding Biological assets)	13,308,977	18,094,722
Stocks-Main (Central & Substore)	2,875,506	
Stocks Engineering & Technology	1,205,621	2,037,836
Stocks Education & Human Resources	664,103	687,753
Stocks Environment & Resources Development (F.E.R.D.)	276,447	209,397
Stocks Arts & Social Sciences (F.A.S.S.)	91,913	137,233
Stocks Health Sciences	637,946	481,089
Stocks-EUICO	11,871,809	704,786
Stocks Nakuru Town Campus (N.T.C)	947,423	1,496,664
Administrative Departments	26,406,160	47,194,392
Stocks Faculty of Commerce	36,472	81,247
Stocks Science (Chemicals & Consumables)	4,217,568	6,997,637
Stocks Agriculture (Chemicals & Consumables)	1,855,672	2,270,619
Total	64,395,615	80,393,373

Note 6. Accounts Receivable

Particulars	30-Jun-13 Ksh	30-Jun-12 Ksh
Outstanding Imprest	85,035,842	93,266,22
Due from Government (June Capitation)	169,665,055	-
ECCOSACS Debtors	195,000	195,00
General Debtors	7,969,987	12,466,00
Student Debtors	686,438,947	369,114,00
Debtors Suspense	723,000	723,00
Rent Arrears	100,353	55,55
Debtors-EUICO	34,876,795	-
Total	985,004,977	475,819,77
Deposits with service providers		
	Ksh	Ksh
Deposits E A O Cyliders	56,000	56,00
Deposits KPL CO Ltd	686,630	387,00
Total	742,630	443,00
Grand Total Accounts Receivables	985,747,607	476,262,77

Note 7. Cash and Cash Equivalents

Particulars	30-Jun-13 Ksh	30-Jun-12 Ksh
<u>Main Bank Balances</u>		
Main Bank Balances	43,387,056	142,845,93
IGU Bank Balances	125,640,611	48,597,02
Research & Extension Bank Balances	258,830,594	194,126,00
Cash at Bank-EUICO	10,905,753	36,252,50
NTC Bank Balances	63,324,607	69,149,12
Cash at Bank	502,088,621	490,970,59
<u>Cash in Hand</u>		
Main Pettycash Balances	300,000	(283,20)
Research & Extension Pettycash Balances	-	146,60
Cash in Hand-EUICO	609,936	259,01
NTC Pettycash Balances	1,819	-
Cash in Hand	911,755	122,40
Total	503,000,376	491,093,00
Fixed deposit Account	439,922,731	180,412,90
Total	439,922,731	180,412,90

Bank Overdraft		
Particulars	30-Jun-13	30-Jun-12
	Ksh	Ksh
Main Bank Overdraft	449,827,179	258,153,577
Research & Extension Bank Overdraft	45,626	-
NTC Bank Overdraft	-	20,102,798
Total	449,872,805	278,256,335

Summary of Cash and Cash Equivalents above (Cash Flow)

Particulars	30-Jun-13	30-Jun-12
	Ksh	Ksh
Fixed Deposits	439,922,731	180,412,906
Cash at Bank	502,088,621	490,970,591
Cash in Hand	911,755	122,409
Total	942,923,106	671,505,906
Bank Overdrafts	(449,872,805)	(278,256,335)
Net Cash & Cash Equivalent (Cash flow)	493,050,301	393,249,571

Bank Overdrafts are book entries and not actual borrowing from the banks

Note 8. Trade and Other Payables

Particulars	30-Jun-13	30-Jun-12
	Ksh	Ksh
Contractors Certificates	52,575,107	107,000,000
COTU AMT. PAYABLE	-	340
YEAR END ACCRUALS	217,293,176	-
Due to KIPC	15,377,655	-
Due to AICO	2,078,644	-
E.U. KHUDHEIHA AMT. PAYABLE	-	1,920
E.U. Pension Scheme	-	1,600,000
HOUSE PURCHASE LOAN PAYABLE	-	6,150
Insurance Amt Payable	-	4,205
Net Salaries Payable	-	23,580,000
Other Payables	61,876,268	40,642,546
Other Societies Ded. Payable	-	30,443
STAFF UNIONS AMT PAYABLE	-	3,000
Student Union Fees	9,122,690	1,354,790
Students Caution Money	43,549,300	31,508,200
Students Prepaid Fees	139,410,321	14,738,000
Creditors -EUICO	12,318,416	12,781,563
Trade Creditors IGUs	4,413,404	60,216,455
Trade Creditors MAIN Campus	33,062,342	433,554,813
Trade Creditors - Nakuru Town Campus	719,762	42,069,145
Trade Creditors R & E	-	2,899,023
Total	591,797,085	771,990,594

Provisions

Particulars	30-Jun-13	30-Jun-12
	Ksh	Ksh
Provision For Bad And Doubtful Debts	125,919,637	87,873,771
Provision For Audit Fees	-	3,240,000
Total	125,919,637	91,113,771

Total Trade and Other Payables

717,716,722	863,104,365
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Break Down of Provision For Bad And Doubtful debts Breakdown

Particulars	30-Jun-13 Ksh	30-Jun K
1% provision for Doubtful Debts	5,751,589	2,976,5
Deceased Students Bad & Irrecoverable Debts Provision	230,580	1,358,5
Discontinued Students Bad & Irrecoverable Debts Provision	3,330,296	8,014,9
Withdrawn Students Bad & Irrecoverable Debts Provision	296,840	2,519,4
Students who Never Reported Bad & Irrecoverable Debts Provision	-	72,086,2
graduated	3,072,033	-
academic leave	27,819,799	-
Other Bad & Irrecoverable Student Debts	84,500,500	-
Debtors Suspense	723,000	723,0
ECCOSACS Debtors	195,000	195,0
Total	125,919,637	87,873,7

Note 9: Tuition and Related Income

Particulars	30-Jun-13 Ksh	30-Jun K
Student I/D	2,960,675	4,243,36
Examination Fee	86,641,550	54,743,00
Course Application Fee	6,987,100	14,713,00
Registration Fee	32,331,300	18,491,00
Activity Fees	26,248,200	15,717,00
Academic Gowns	16,124,780	12,153,85
Field Attachment fee	56,628,982	8,139,00
Student Laboratory fee	28,577,500	
Academic Trascripts	221,600	268,35
Academic Certificate Storage Charges	56,400	6,20
Student Damages Charges	48,550	59,00
Library Fine	1,074,726	1,901,16
Library Fee	55,662,300	36,023,00
Tuition Fee	1,405,394,822	880,306,00
Tuition Fees- Bridging Course	1,121,935	1,372,25
Student medical fee	43,566,200	27,505,50
Material Development	92,361,000	47,437,00
Student Supervision Fee	7,679,500	4,808,80
Accomodation		
Total	1,863,687,120	1,127,887,47

Note 10: GoK Grants

Particulars	30-Jun-13 Ksh	30-Jun-12 Ksh
Recurrent Grants	2,410,280,658	2,035,970,650
Development Grants from GoK	75,000,000	27,403,674
	<u>2,485,280,658</u>	<u>2,063,374,324</u>

Recurrent grants were received at Ksh 169,665,055 per month except Dec 2012 when Ksh 543,965,055 was received

Note 11. Other Services Rendered Income

Particulars	30-Jun-13 Ksh	30-Jun-12 Ksh
Ambulance Fee	-	200
Photocopying Charges	-	160,077
Service Charge	1,000	1,000
House Rent	16,802,217	11,139,109
Training Fees	230,000	-
Tendering Charges	226,000	351,000
FUNDS RETURNED	202	424,700
Disposal Of Assets	289,450	(325,576)
Hire Of Furniture	-	29,500
Sale of Water	8,695	9,010
Hire Of Transport	-	8,850
Miscellaneous Income	27,267,205	1,200
STAFF ID	5,600	10,100
Alumni Membership Fees	1,000	867,400
Consultancy Fees	1,230	7,430
Gain of Biological Assets	362,000	-
Income 30% Share from AICO	7,592,555	-
Lab Test	2,447,700	-
Sale of Wheat	3,000	-
Research Income	9,120,237	-
Manpower Development	1,080,206	-
Loss on Investment-Shares	(164,844)	(1,320,000)
Interest from Investment (fixed deposits)	11,569,658	4,833,397
Total	<u>76,843,111</u>	<u>16,197,397</u>

Note 12. Contribution from Income Generating Units

Particulars	30-Jun-13 Ksh	30-Jun-1 Ksh
Research & Extension Income	306,483,378	231,957,64
Research and Extension Expenses	257,627,727	175,320,61
Net Income from R&E	<u>48,855,651</u>	<u>56,637,033.0</u>
Income-Tegemeo Institute	100,017,100	163,959,65
Expenses-Tegemeo Institute	113,091,966	110,819,38
Net Income from Tegemeo	<u>(13,074,867)</u>	<u>53,140,27</u>
Income-Egerton University Investment Company (EUICO)	67,556,546	63,531,19
Expenses-Egerton University Investment Company (EUICO)	90,332,974	39,337,90
Net Income from Egerton University Investment Company	<u>(22,776,428)</u>	<u>24,193,28</u>
Income from Other IGUs	153,786,262	199,126,69
Expenses of Other IGUs	53,510,221	78,484,28
Net Income-Other IGUs	<u>100,276,041</u>	<u>120,642,40</u>
Net Total Income from IGUs, EUICO and R&E	<u>113,280,397</u>	<u>254,613,00</u>

Note 13. Other Grants and Donations

Particulars	30-Jun-13 Ksh	30-Jun-1 Ksh
Other Donor Project Income	-	100,000
Grants & Donations Income	2,140,230	
Total	<u>2,140,230</u>	<u>100,000</u>
Grand Total Income	<u>4,466,231,516</u>	<u>3,434,768,521</u>

Note 14. Staff Costs

Personell Emoluments

Particulars	30-Jun-13	30-Jun-
	Ksh	Ks
Salaries and wages	1,175,499,027	963,174,00
Nssf Employer Expense	2,084,400	2,061,60
Medical Allowances	37,739,726	21,360,00
Pension Employers Expense	183,454,834	146,659,08
Responsibility Allowances	50,000	60,00
House Allowances	660,676,700	604,680,00
Gratuities	39,271,811	40,480,16
Professional Allowance	3,815,624	3,460,00
Leave Travelling Allowances	17,011,605	9,559,00
Duty Allowances	54,914,076	16,276,00
Honorarium	1,791,853	23,310,00
Acting Allowance	645,913	72,288
Commuting/Car Allowance	181,657,256	147,077,77
Entertainment Allowances	72,000	72,00
Taxable Benefits	48,946,191	35,357,35
Hardship Allowance	163,920	143,80
SSP ALLOWANCE (STAFF)	56,863,368	-
BOOK JOURNAL / ICT ALLOWANCE (TEACHING STAFF)	7,245,000	-
Call Allowance (Medical Staff)	14,624,827	-
ENDOWMENT FUND (Student Sponsorship)	436,980	1,474,19
Prior Year items Pool		226,00
PRIOR - YEARS TRADE CREDITORS		-
PRIOR - YEARS STAFF CLAIMS		2,504,048
Casual Labour Expences	8,913,741	29,864,732
Total	2,495,878,851	2,047,877,037

Staff Welfare, Travel and Subsistence Expenses

Particulars	30-Jun-13	30-Jun-1-
	Ksh	Ksh
TRAVELLING AND SUBS. STAFF	34,998,188	31,364,895
PassageAnd Baggage	3,621,187	1,847,687
EXTERNAL TRAVELLING	10,215,254	7,002,269
ACCOMMODATION	-	119,500
FUNERALS EXPENSES	3,397,555	4,909,308
Total	52,232,184	45,243,660
Grand Total Staff Costs	2,548,111,035	2,093,120,697

Note 15. Council Expenses

Particulars	30-Jun-13	30-Jun-12
	Ksh	Ksh
EXPENSES OF COUNCIL	15,176,388	22,475,468
Total	15,176,388	22,475,468

Note 16. Administrative and Central Services

Particulars	30-Jun-13	30-Jun-12
	Ksh	Ksh
POSTAGE AND TELEPHONE	5,300,814	5,622,958
OFFICIAL ENTERTAINMENT	732,150	2,447,088
VEHICLE - INSURANCE	-	9,403,280
CLEANING MATERIALS	10,914,696	20,098,954
STAFF UNIFORMS	1,490,586	1,162,819
Security Cash on Transit	-	948,640
Contracted Security Services	1,055,600	3,587,388
Contracted Services	304,588	-
GENERAL INSURANCES - PROPERTIES	5,782,851	23,366,575
Group Policy Insurance	14,410,148	-
LEGAL CHARGES	5,491,501	2,748,116
GENERAL LICENCES	-	183,330
AUDIT FEES AND EXPENSES	2,520,000	2,734,755
BAD DEBTS	38,210,237	62,962,770
ACCOUNTANCY EXPENSE	-	125,002
Subscription	-	370
SHOWS EXPENSES	5,909,140	6,290,819
Flagship projects - Vision 2030 Expenses	11,010,000	-
PRIOR - YEARS TRADE CREDITORS	-	87,836,876
STUDENTS UNION FUNDS	6,207,236	70,000
COMPUTER MAINTAINANCE	-	15,000
BANK CHARGES , INTEREST & COMMISSION	8,061,893	12,192,680
Total	117,401,440	241,797,420

Note 17. Repairs and Maintenance Expenses

Particulars	30-Jun-13	30-Jun-12
	Ksh	Ksh
REPAIRS & MAINT. - EQUIPMENTS	4,690,393	4,757,409
VEHICLE REPAIRS	725,587	404,196
REPAIRS & MAINT. -FENCING	-	7,000
MAINTENANCE OF FURNITURE	-	63,608
MAINTENANCE OF STATIONS- MPEKETONI	3,089,491	-
WATER AND CONSERVANCY	-	-
MAINT. OF WATER SUPPLY & SEWERAGE	8,336,783	11,403,187
REPAIRS & MAINT. -Building	6,588,473	66,126,583
MAINTENANCE OF STATIONS	35,899,257	14,369,904
FUEL AND OILS -VEHICLES(Transport operating expenses)	27,193,361	15,764,460
MACHINERY REPAIRS	18,340	-
ELECTRICITY	97,375,788	133,040,206
RENT AND RATES	68,569,228	71,297,192
Total	252,486,701	317,233,745

Note 18. Academic Departments Expenses

Particulars	30-Jun-13	30-Jun-
	Ksh	Ksh
Teaching Claims (Part time Lecturers)	165,332,858	111,960,49
Uniform Allowance	-	540,00
PRINTING AND PUBLISHING	861,538	4,733,07
TEACHING MATERIALS	52,483,315	23,000,18
GRADUATION EXPENSES	14,070,805	12,776,01
STUDENTS PROJECT & RESEARCH MATERIALS	-	32,30
STUDENTS TRAINING	793,111	-
External Examiners Claims	235,199	-
School based Allowances, Claims/Expenses	277,577,781	117,199,92
SPORTS EXPENSES (STUDENTS)	3,189,595	2,358,00
TEACHING PRACTICE & FIELD ATTACHMENT	9,088,303	11,772,25
STUDENTS WORK STUDY EXP.	7,566,762	7,406,32
ACADEMIC FIELD TRIPS	799,480	409,01
SPORTS (INTER-UNIVERSITIES)	6,551,317	5,715,62
Students Choir Expenses	51,110	77,14
Students Registration Expenses	13,002	-
RESEARCH EXPENSES	2,274,990	7,395,95
SUB. & ACCOM. -PART-TIME LECTURES	7,328,330	29,630,09
SUB. & ACCOM. -EXTERNAL EXAMINERS	76,920	959,64
OFFICE STATIONERY	27,288,999	44,566,07
ADVERTISING AND PUBLICITY	24,476,865	26,691,83
STAFF DEVELOPMENT	135,500	222,94
GRADUATE SCHOLARSHIPS	1,706,000	4,050,33
Staff Education Fund	35,670	588,37
Fees Waiver	12,521,800	8,955,45
HOSPITALISATION (STAFF)	81,991,112	109,123,05
GRANTS AND DONATIONS & STRATEGIC INITIATIVE	28,753,699	21,537,40
COMPUTER STATIONERY	6,937,610	2,271,51
CONFERENCE AND SEMINARS	9,998,289	8,990,10
SUBSCRIPTION	7,457,302	3,614,80
NEWS PAPERS, JOURNALS & VIDEOS	2,931,810	1,625,48
INTERNET SERVICES & OTHER SOFTWARE CHARGES	13,392,138	7,704,27
OFFICE RUNNING EXPENSES	7,784,761	58,237,45
OTHER BOARD COMMITTEES - JAB, FAC., DEPT. MEETINGS	3,485,604	4,280,70
Cleaning and Sanitary Services	33,327,125	25,438,83
Total	810,518,700	663,464,691

Note 19. Depreciation Expenses

Particulars	30-Jun-13	30-Jun-13
	Ksh	Ksh
Depreciation Expense - Building	58,021,648	13,109,650.00
Depreciation Expense - Furniture & Fitting	7,119,982	5,942,050.76
Depreciation Expense - Motor Vehicles	20,088,668	14,885,340.04
Depreciation Expense - Plant & Equipments	65,080,672	46,805,940.55
Depreciation Expense - Library Books	6,787,530	7,210,960.72
Total	157,098,500	87,953,942.07