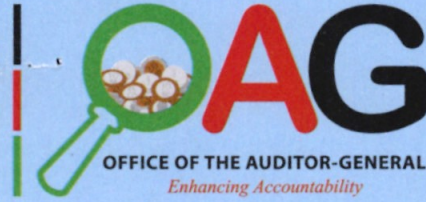


REPUBLIC OF KENYA



OFFICE OF THE AUDITOR-GENERAL
Enhancing Accountability



REPORT

THE NATIONAL ASSEMBLY
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V. WAMBUI

THE AUDITOR-GENERAL

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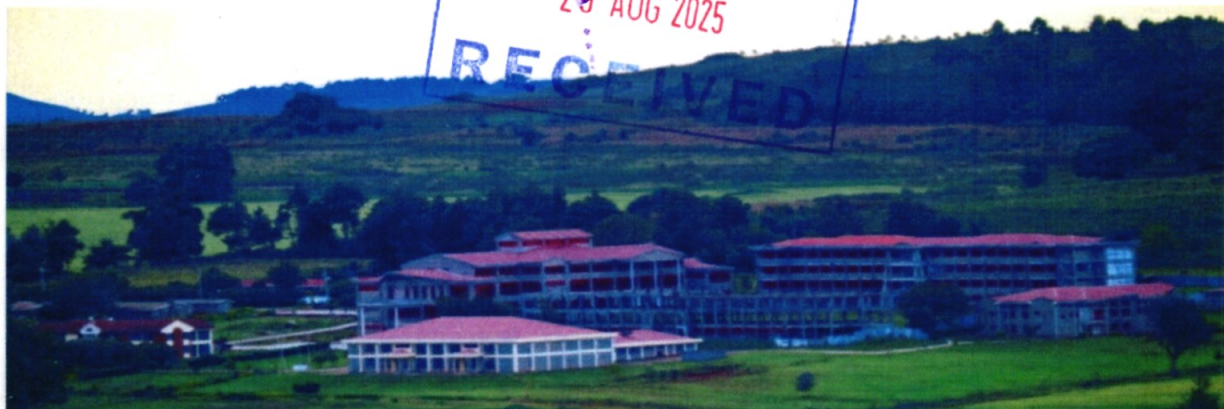
LAIKIPIA UNIVERSITY

**FOR THE YEAR ENDED
30 JUNE, 2025**





LAIKIPIA UNIVERSITY



Annual Report & Financial Statements for the Year Ended 30th June 2025

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

(AUGUST, 2025)



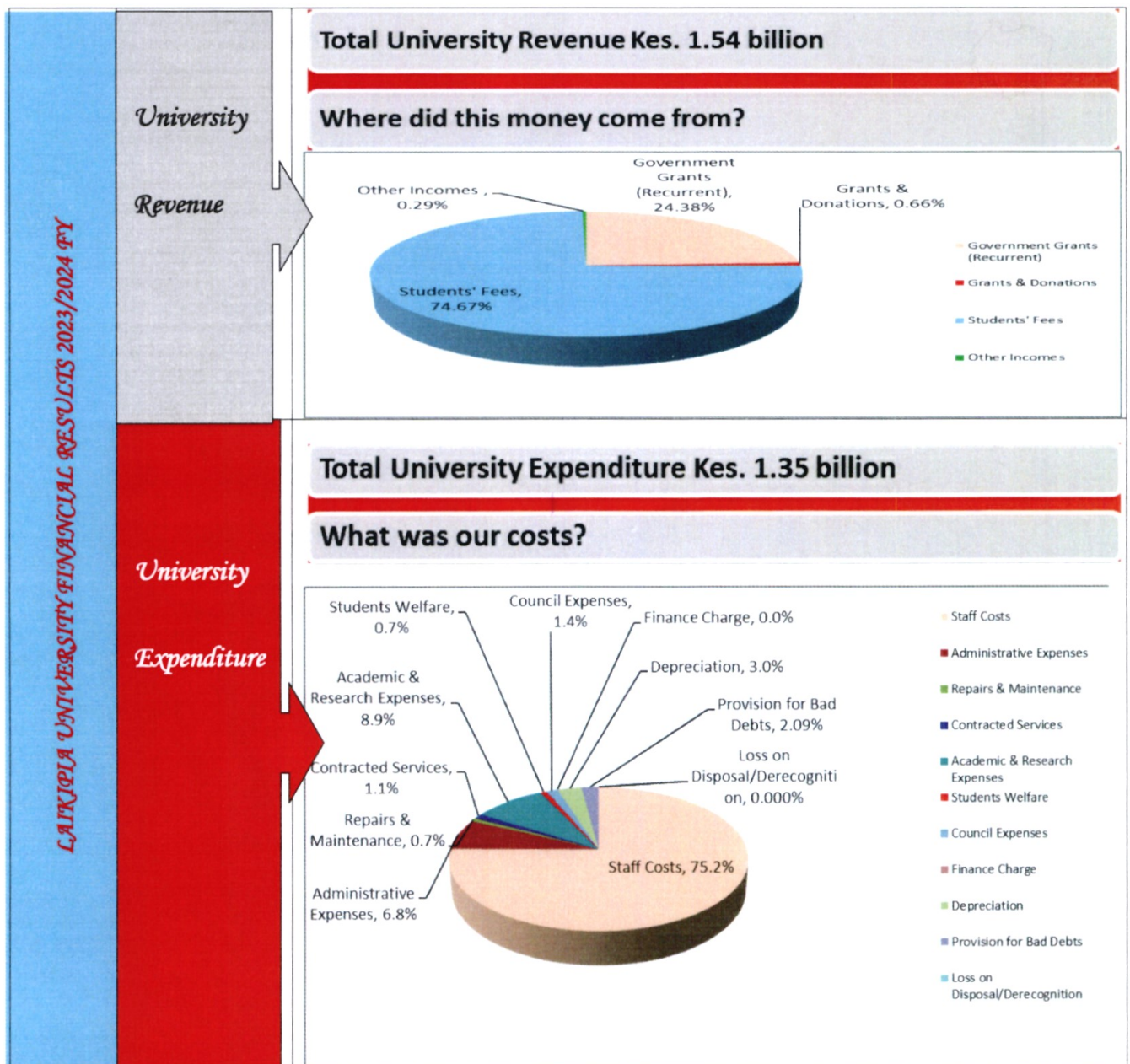
Vision : Nurture and Transform for the World

Mission: To Contribute to the World through Education, Research, Training, Consultancy, Innovation, Outreach and Collaboration

FOREWORD

Laikipia University (LU) is a body corporate established through the Laikipia University Charter of 19th February 2013. As the University continues to grow in leaps and bounds, there is need to give full disclosures to the Government, staff and other stakeholders in line with principles of good governance and statutory mandate.

This Annual Report highlights major achievements in the programmes and activities in line with the core mandate of education, research, training, consultancy, innovation, outreach and collaboration. The Report provides a factual presentation of the University’s activities for the year ended 30th June, 2025. The Report also contains financial statements of the University and discloses the most important items within Income, Expenses, Assets, Liabilities and Reserves.



ABOUT US

Laikipia University was founded in 1929 as a primary school by William Thomas Alfred Levet. Between 1965 and 1970, the Institution served as a Large-Scale Farmers Training College (LSFTC). The LSFTC was administered by the defunct Ministry of Agriculture and Animal Husbandry. In October 1979, it was converted into an Animal Husbandry and Industry Training Institute (AHITI) offering a two-year course leading to a Certificate in Animal Health. In 1990, Laikipia University was established as a Campus of Egerton University. It remained a campus of Egerton University between 1990 till 2010 offering BEd. Arts courses. In 2011 it became a Constituent University College of Egerton University until 19th February, 2013.

Laikipia University was awarded Charter on 19th February, 2013 by the then President of the Republic of Kenya; his Excellency Hon. Mwai Kibaki. This made the institution be a fully-fledged University.



Award of Charter (19th February, 2013)

Currently, the University has four (4) schools offering various programmes. The schools are;

- ❖ School of Education (SoE),
- ❖ School of Science and Applied Technology (SSAT),
- ❖ School of Business and Economics (SoBE) and
- ❖ School of Humanities and Development Studies (SHDS)

FUNDAMENTAL UNIVERSITY STATEMENTS



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ACRONYMS, ABBREVIATIONS AND GLOSARY OF TERMS

a. Acronyms and abbreviations

ADA	Alcohol & Drug Abuse
AHC	Administration & Human Capital
AHITI	Animal Husbandry and Industry Training Institute
AIA	Appropriation-In-Aid
AMPATH	Academic Model Providing Access to Healthcare
ASARECA	Association for Strengthening Agricultural Research in Eastern and Central Africa
ASK	Agricultural Society of Kenya
BSc	Bachelor of Science
CA	Current Assets
CBA s	Collective Bargaining Agreements
CBET	Competency-Based Education and Training
CDC	Centers for Disease Control and Prevention
CEO	Chief Executive Officer
CIFOR-ICRAF	The Centre for International Forestry and World Agroforestry
CL	Current Liabilities
CMAAE	Collaborative Masters in Agricultural and Applied Economics
CPA	Certified Public Accountant
CSR	Corporate Social Responsibility
CUE	Commission for University Education
DoB	Date of Birth
DVC (AFP)	Deputy Vice Chancellor, Administration, Finance & Planning
DVC (ARSA)	Deputy Vice Chancellor, Academic Research and Students Affairs
FIFO	First in First out
FOSA	Front Office Service Activity
FY	Financial Year
GROOTS	Grassroots Organizations Operating Together in Sisterhood
GSSP	Government-Sponsored Students Programme
HELB	Higher Education Loans Board
ICPAK	Institute of Certified Public Accountants of Kenya
ICT	Information & Communications Technology
IMS	Integrated Management Systems
Inc.	Incorporated

IPSAS	International Public Sector Accounting Standards
IPUCCF	Inter-Public Universities Council Consultative Forum
IUPS	International University of Professional Studies
JKUAT	Jomo Kenyatta University of Agriculture & Technology
KCB	Kenya Commercial Bank of Kenya
KRA	Kenya Revenue Authority
KUCCPS	Kenya Universities and Colleges Central Placement Services
KWS	Kenya Wildlife Service
LAN	Local Area Network
LSFTC	Large-Scale Farmers Training College
LU	Laikipia University
LUSA	Laikipia University Students Association
MAICS	Master of Arts in Intercultural Studies
MBA	Master in Business Administration
MoE	Ministry of Education
MPIDO	Mainyoito Pastoralists Integrated Development Organization
NACOSTI	National Commission for Science, Technology and Innovation
NBV	Net Book Value
NCDs	Non-Communicable Diseases
NG-CDFs	National Government-Constituency Development Funds
NHIF	National Health Insurance Fund
NITA	National Industrial Training Authority
NSSF	National Social Security Fund
OP	Office of President
OSHA	Occupational Safety and Health Act of 2007
PAYE	Pay-As-You-Earn
PFM	Public Finance Management
PhD	Doctor of Philosophy
PIC	Public Investment Committee
PPADA	Public Procurement & Assets Disposal Act
PPE	Property Plant & Equipment
PS	Principal Secretary
PSSP	Privately-Sponsored Students Programme
SCAC	State Corporation Advisory Committee

SDGs	Sustainable Development Goals
SDHE&R	State Department for Higher Education and Research
SHDS	School of Humanities and Development Studies
SMEs	Small Medium Enterprises
SoBE	School of Business and Economics
SoE	School of Education
SOPs	Standard Operating Procedures
SSAT	School of Science and Applied Technology
TVET	Technical Education Vocational Training
UK	United Kingdom
UMB	University Management Board
UNDP	United Nations Development Programme
UoN	University of Nairobi
USA	United States of America
VC	Vice Chancellor

b. Glossary of Terms

Fiduciary Management- Members of Management directly entrusted with the responsibility of financial resources of the University

Comparative Year- Means the prior period.

The University - Refers to Laikipia University

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KEY ENTITY INFORMATION

a) Background Information

Laikipia University is a body corporate established through the Laikipia University Charter of 19th February 2013. The University is located in Laikipia County, along the Nyahururu-Nakuru Highway. It is situated approximately 11KM from Nyahururu town and 50KM from Nakuru town. Laikipia University has one Campus, with a total enrolment of approximately 8,000 students

b) Principal Activities

The principal activity of the University is as stipulated in the Laikipia University Charter of 19th February 2013 Part II Sec 7(1) which is to provide directly, or in collaboration with other institutions, integration of teaching, research and effective application of knowledge and skills.

c) Key Management

Laikipia University organs and their functions are anchored in the University Charter of 2013. The main management organs of the University are;

1. University Council
2. Vice Chancellor
3. University Management Board
4. University Senate

d) Fiduciary Management

The key management personnel who held office during the financial period ended 30th June 2025 and who had direct responsibility were;

S/No.	Designation	Name
1	Vice Chancellor	Prof. Kibett Rotich, PhD
2	Deputy Vice Chancellor (AF&P)	Prof. Patience Mshenga, PhD
3	Ag. Deputy Vice Chancellor (ARSA)	Prof. John Kanjogu, PhD
4	Registrar, Academics Affairs	Prof. Robert Mwebi, PhD
5	Registrar (A&HC)	Dr. Hezron N. Nyamwega, PhD
6	Chief Finance Officer	CPA. Geoffrey K. Langat
7	Ag. Senior Procurement Officer	Ms. Violet Mideva

e) Fiduciary Oversight Arrangements

Laikipia University has the following fiduciary oversight arrangements;

(i) Internal Audit Function

Functions of Internal Audit include and not limited to verification and review of periodic financial statements and expressing an opinion on whether they represent the true financial position of the University before the accounts are submitted to other users.

(ii) Audit, Governance, Compliance & Risk Management Committee of Council

The Committee reviews financial statements before submission to the University Council focusing on changes of accounting policies, compliance with legal requirements and strengthening the effectiveness of the internal audit function.

(iii) Office of the Auditor General

The Office of the Auditor General is charged with the primary oversight role of ensuring accountability within public institutions. It is mandated to audit and report on the use and management of public resources by public entities. In addition, Article 229(6) of the Constitution requires the Auditor-General to confirm whether public money has been applied lawfully and in an effective way.

The financial statements of Laikipia University are subject to audit by the Auditor-General in accordance with the provisions of Article 229 of the Constitution of Kenya and Section 35 of the Public Audit Act, 2015.

(iv) Public Investment Committee (PIC) of National Assembly

The University submits annual audited financial statements to the Public Investment Committee of National Assembly for deliberation and oversight on whether the funds were applied to the intended purpose.

f) Entity Headquarters

Laikipia University
P. O. Box 1100-20300
Nyahururu
Along Nyahururu -Nakuru Road

g) Entity Contacts

TEL: +254-(0) 20 2696596;
Cell: +254 713-552761/ (0)736-299961
www.laikipia.ac.ke

h) Laikipia University Bankers

i) KCB Bank Kenya Limited
Nyahururu Branch
P.O.Box 64-20300
NYAHURURU

ii) KCB Bank Kenya Limited
Nakuru Branch
P.O. Box 18-20100
NAKURU

iii) Co-operative Bank of Kenya
Nyahururu Branch
P.O.Box 307-20300
NYAHURURU

iv) Equity Bank
Nyahururu Branch
P.O. Box 1048-20300
NYAHURURU

i) Independent Auditors

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

j) Principal Legal Adviser

The Attorney General
State Law Office
Harambee Avenue
P.O. Box 40112
City Square 00200
NAIROBI

LAIKIPIA UNIVERSITY COUNCIL



Name: Dr. Lemein Korei, PhD
Position: Chairman of Council
DoB: 27/12/1971
Date of Appointment: 15/12/2023

Key Responsibilities

Serving as Chairman of the Council.

Qualification

Dr. Lemein Korei holds a PhD in Business (Entrepreneurship Development) from Kenyatta University, Master of Science in Entrepreneurship and Innovations Management from the University of Nairobi, Master of Business Administration (Finance option) from the Canadian School of Management, South Asia, Master of Commerce in Business Studies from Shivaji University, and Bachelor of Commerce from Karnatak University.

Work Experience

Dr. Lemein Korei has served as a Member of Parliament for Narok South Constituency in the Kenya National Assembly and has been a member of various Parliamentary Committees. He has also worked as Lecturer at Moi University, Financial Controller at Moi Teaching and Referral Hospital, and FOSA Manager at the Narok Teachers Savings and Credit Cooperative.



Name: Dr. CPA. Charles Anyanga Malalah
Position: Independent Member
DoB: 28/01/1966
Date of Appointment: 23/05/2023

Key Responsibilities

Serving as Chairman of the Finance, Investment and General Purposes and a member of Human Resource Management Committees of Council.

Qualification

Dr. CPA Charles Anyanga Malalah holds a Doctorate of Jurisprudence (Law) from North Carolina Central University, USA, MBA from North Carolina Central University, USA; Bachelor of Science in Accounting from William Paterson University, USA; Diploma in Law from the Kenya School of Law; and is Certified Public Accountant (CPA), licensed in the Commonwealth of Virginia.

Work Experience

Dr. CPA Malalah is a Professional Law Practitioner at Malalah and Company Advocates. He has held several positions, including Director of Corporate Communication and Legal Affairs at Mt. Kenya University; Director at Mt. Kenya University; Academic Registrar at Mt. Kenya University Parklands School of Law Campus; and Acting Vice Chancellor at the International University of Professional Studies (IUPS). He has also served as Deputy Vice-Chancellor (Finance and Administration) at IUPS and as a Senior Lecturer at Mt. Kenya University. His experience extends internationally, having been the General Manager/CEO at the Suburban Maryland Water and Sanitation Commission, where he also served as Director of Finance, Administration, and Legal Affairs. In the United States, he held roles as Finance Controller (Accounting and Revenue/Chief Internal Auditor) at GTSI, Inc., Chantilly, VA; Director of Accounting, Revenue, and Reporting at XM Satellite Radio, Inc., Washington, DC; Senior Accountant (International GL Accountant) at WorldSpace Management Corporation, Washington, DC; and Revenue Accountant at The Nasdaq Stock Market, Inc., Princeton.



Name: Mr. Paul Kiplagat Bore
Position: Independent Member
DoB: 01/01/1965
Date of Appointment: 23/05/2023

Key Responsibilities

Serving as Chairman of the Audit, Governance, Compliance and Risk Management and a member of the Academic and Research Committees of the Council.

Qualification

Mr. Paul Kiplagat Bore holds a Master of Business Administration from Cavendish University, Zambia; a Master of Science in Appropriate Technology from Kenyatta University; and Bachelor of Science in Technology from the University of Eastern Africa, Baraton.

Work Experience

Mr. Bore served as Transport Supervisor/Manager – Kenutco Llc, Fort Worth, Texas; General Manager, Family Distributors Limited, Lusaka Zambia; Sales and Marketing Director, Natural Valley Limited, Lusaka Zambia; Director (Marketing and Operations), Kobil Zambia Limited; Business Development Manager, Kobil Petroleum Limited; Operations Manager, Mid-Oil Africa Limited; Retail Sales Supervisor, Kobil Petroleum Limited; Sales Representative, Kobil Petroleum Limited and Lecturer at Rift Valley Technical Training Institute, Eldoret.



Name: Ms. Sereya Beatrice Maitoyo
Position: Independent Member
DoB: 07/06/1977
Date of Appointment: 23/05/2023

Key Responsibilities

Serving as Chairperson of the Human Resource Management and a member of Finance, Investment and General Purposes Committees of the Council.

Qualification

Ms. Sereya Beatrice Maitoyo holds a Master of Arts in Intercultural Studies (MAICS) from Fuller Theological Seminary, Pasadena, California, USA, and Bachelor of Arts in Community Development and Business Administration from Daystar University.

Work Experience

Ms. Maitoyo has held various positions, including Gender Specialist Consultant for Mainyito Pastoralist Integrated Development Organisation (MPIDO) and Vice Chairperson of the Plan Implementation Committee for Maasai Mara National Reserve. She has served as an Independent Trustee on the Kenya Wildlife Services (KWS) Board of Trustees and as an Independent Consultant in Kenya. Additionally, she worked as Consultant for Advocacy and Child Protection at World Vision in South Africa, Life Skills Trainer at Oasis South Africa (Green Light Project), and a Research Assistant in the Children at Risk Department at Fuller Theological Seminary in Los Angeles, California. Her experience also includes part-time consulting in the Policy and Advocacy Department at World Vision International in Los Angeles, Community Capacity Building Manager at ChildFund International in Kenya, Programme Officer at MPIDO, and UNV Electoral Observer for UNDP in Kenya.



Name: Ms. Marie Wanjari Mugo
Position: Independent Member
DoB: 17/06/1967
Date of Appointment: 23/05/2023

Key Responsibilities

Serving as Chairperson of the Academic and Research and a member of Audit, Governance, Compliance and Risk Management Committees of Council.

Qualification

Ms. Marie Mugo is pursuing a PhD in Gender and Development at Kenyatta University, with a focus on empowering differently abled individuals. She holds an MA in Gender and Development, a Postgraduate Diploma in Education, and a BA from Kenyatta University, along with KACE and KCE certifications. She has also received specialized training in senior management, financial management, inclusive education, strategic leadership, and policy development through various professional programs.

Work Experience

Ms. Marie Mugo has over 25 years of experience in education, gender development, public administration, and community empowerment. She has held senior roles in the County Government of Kiambu, including Fund Administrator for the Youth, Women, and Persons with Disabilities Fund and Chief Officer for Youth Affairs, Sports, and Communication. In these roles, she led policy formulation, program implementation, and infrastructure development. She has served on boards of various institutions, contributing to educational and institutional management, governance, and strategic planning. Ms. Mugo has extensive experience in resource mobilization, partnership building, and stakeholder engagement, and has successfully led numerous community-led initiatives. In addition, she has lectured part-time at the University of Nairobi and St. Paul's University and consulted for organizations such as Save the Children, CARE International, and the Gender Violence Recovery Centre. She brings strong competencies in policy development, strategic leadership, and gender advocacy.



Name: Ms. Susan Ngigi
Position: Alternate Director - PS, The National Treasury and Planning
DoB: 22/11/1972
Date of Appointment: 28/03/2024

Key Responsibilities

Serving as a member of the Finance, Investment and General Purposes, Audit, Governance, Compliance and Risk Management and Human Resource Management Committees of the Council.

Qualification

Ms. Susan Ngigi holds a Bachelor of Arts from Kenyatta University and a Diploma in Business Management from the Kenya Institute of Management.

Work Experience

Ms. Susan Ngigi serves as an Assistant Director of Human Resource Management and Development at the National Treasury and Planning. Previously, she was a Human Resource Management Officer at the Ministry of Roads.



Name: Dr. Frank Ndakala

Position: Alternate Director - PS, SDHE&R- Ministry of Education

DoB: 1974

Date of Appointment: 01/10/2021

Key Responsibilities

Serving as a member of the Finance, Investment and General Purposes, Audit, Governance, Compliance and Risk Management and Academic and Research Committees of Council.

Qualification

Dr. Frank Ndakala holds a PhD in Infection Biology, MSc in Applied Parasitology and Immunology, and BSc in Biomedical Sciences from the University of Nairobi. He also holds a Postgraduate Diploma in Translational Medicine from the University of Edinburgh, Scotland. In addition, he has undertaken specialized training in strategic leadership, senior management, project planning, innovation systems, infectious diseases, health systems management, and research ethics.

Work Experience

Dr. Frank Ndakala has over 25 years of experience in research, science policy, innovation, and higher education governance. He currently serves as Deputy Director for Research and Innovation at the State Department for Science, Research and Innovation. He has previously held senior roles at the Kenya National Innovation Agency, Kenya Industrial Property Institute, and served on the Councils of the University of Nairobi and Kirinyaga University. Dr. Ndakala has led and contributed to numerous national and international research, policy, and innovation initiatives.



Name: Prof. Kibett Rotich

Position: Vice Chancellor and Council Secretary

DoB: 11/02/1958

Date of Appointment: 12/06/2018

Key Responsibilities

Secretary to the Council and following Committees of Council: Finance, Investment and General Purposes; Human Resource Management; and Academic and Research.

Qualification

Prof. Kibett Rotich holds a PhD in Mathematics from Shanghai University of Science and Technology, Master of Business Administration from Jomo Kenyatta University of Science and Technology, Postdoctoral degree in Medical Informatics from Indiana University, USA, Master of Science in Statistics from the University of Southampton, UK, and Bachelor of Science in Mathematics and Statistics from the University of Nairobi.

Work Experience

Prof. Rotich is the Vice Chancellor of Laikipia University. Previously, he served as Deputy Vice-Chancellor (Administration and Finance) at Masinde Muliro University of Science and Technology, Deputy Principal (Academic and Student Affairs) at Rongo University College, Acting Principal at both Garissa University College and Kabianga Campus. He has also been the Dean of the School of Public Health at Moi University, Professor of Biostatistics at Moi University, Statistician at the CDC in Entebbe, Uganda, and Consultant Biostatistician for the Academic Model for Providing Access to Health Care (AMPATH).

UNIVERSITY MANAGEMENT BOARD



Name: Prof. Kibett Rotich

Position: Vice Chancellor and Council Secretary

DoB: 11/02/1958

Date of

Appointment: 12/06/2018

Key Responsibilities

Serving as the University Chief Executive Officer/ Vice Chancellor and the Chairman of both the University Management Board and University Senate.

Qualification

Prof. Kibett Rotich holds a PhD in Mathematics from Shanghai University of Science and Technology, Master of Business Administration from Jomo Kenyatta University of Science and Technology, Postdoctoral degree in Medical Informatics from Indiana University, USA, Master of Science in Statistics from the University of Southampton, UK, and Bachelor of Science in Mathematics and Statistics from the University of Nairobi.

Work Experience

Prof. Rotich is the Vice Chancellor of Laikipia University. Previously, he served as Deputy Vice-Chancellor (Administration and Finance) at Masinde Muliro University of Science and Technology, Deputy Principal (Academic and Student Affairs) at Rongo University College, Acting Principal at both Garissa University College and Kabianga Campus. He has also been the Dean of the School of Public Health at Moi University, Professor of Biostatistics at Moi University, Statistician at the CDC in Entebbe, Uganda, and Consultant Biostatistician for the Academic Model for Providing Access to Health Care (AMPATH).



Name: Prof. John Kanjogu

Position: Acting Deputy Vice-Chancellor (Academic Research and Student Affairs).

DoB: 22/12/1959

Date of

Appointment: 01/01/2025

Key Responsibilities

Serving as acting Deputy Vice-Chancellor (Academic, Research and Student Affairs). Representing the Academic, Research and Student Affairs Division in the Academic and Research Committee of the Council.

Qualification

Prof. John Kanjogu holds a Doctor of Philosophy (PhD) in Educational Administration from Egerton University, Kenya. He also holds a Master of Educational Administration, Planning and Economics of Education degree and a Bachelor of Education from the University of Nairobi.

Work Experience

Prof. Kanjogu is the acting Deputy Vice-Chancellor (Academic, Research and Student Affairs) with over 20 years of teaching and research experience in several Kenyan universities. He has 15 years of leadership at Laikipia University, having served as Director of Research, Dean of the School of Education, Chairman of the Department of Curriculum and Educational Management, and Examination Officer. He has also contributed to governance in Kenya's Basic Education sector, including serving as Chair of the Laikipia County Education Board and on multiple secondary school Boards. Prof. Kanjogu is widely recognized for his expertise in academic program development and quality assurance, both nationally and internationally.



Name: Prof. Patience Mshenga

Position: Deputy Vice-Chancellor (Administration, Finance and Planning)

DoB: 17/05/1971

Date of Appointment: 01/12/2024

Key Responsibilities

Serving as Deputy Vice-Chancellor (Administration, Finance and Planning). Representing the Administration, Finance and Planning Division in Finance, Investment and General Purposes Committee of Council.

Qualification

Prof. Mshenga holds a PhD in Agribusiness Management from Egerton University, Masters of Business Administration from the University of Nairobi and a Bachelor's Degree in Agribusiness Management from Egerton University.

Work Experience

Prof. Mshenga is the Deputy Vice-Chancellor (Administration, Finance and Planning). Prior to this appointment, she served in various academic and administrative capacities at Egerton University's Faculty of Agriculture, including: Professor, Dean of School, Chairperson of Department, Associate Professor, Senior Lecturer, Lecturer, Assistant Lecturer, and Teaching Assistant. Prof Mshenga has also served as Board of Farming Systems (K) and has been the Chairperson of the CMAAE Academic Board. She is serving as an Executive Board Member of the Association for Strengthening Agricultural Research in Eastern and Central Africa (ASARECA).



Name: Prof. Robert Mwebi

Position: Registrar (Academics Affairs)

DoB: 12/03/1978

Date of Appointment: 01/02/2023

Key Responsibilities

Serving as Registrar (Academic Affairs) and secretary to the University Senate.

Qualification

Prof. Robert Mwebi holds a PhD in Education from the University of Pune, Master of Business Administration from Sikkim Manipal University, Master of Education from the University of Pune, and Bachelor of Education from Egerton University.

Work Experience

Prof. Mwebi currently serves as the Registrar (Academic Affairs) at Laikipia University. His previous roles include Director of Quality Assurance and Standards, Senior Lecturer, Lecturer, Departmental Examination Officer and Teaching Practice Coordinator at Laikipia University. He has also been a Tutor at Kabete Technical Training Institute and a teacher at Kisii High School.



Name: Dr. Hezron Nyamwega

Position: Registrar (Administration and Human Capital)

DoB: 13/06/1970

Date of

Appointment: 02/11/2020

Key Responsibilities

Serving as Registrar (Administration and Human Capital) and secretary to the University Management Board.

Qualification

Dr. Hezron Nyamwega holds a PhD from the Catholic University of Eastern Africa, Master of Business Administration from the University of Nairobi, Master's in Educational Psychology from Moi University, and Bachelor of Education in Arts from Moi University.

Work Experience

Dr. Nyamwega is the Registrar (Administration and Human Capital) at Laikipia University. Previously, he has served as Assistant Director of Human Resources (Remuneration) at the Salaries and Remuneration Commission, HR and Capacity Building Advisor for the Government of South Sudan, Principal HR and Development Officer at the Ministry of Environment, Water, and Irrigation, and Chief HR Management and Development Officer in the Office of the President. He also has experience as a teacher at Paul Boit Kaplong Secondary School.



Name: CPA. Geoffrey K. Langat

Position: Chief Finance Officer

DoB: 10/10/1968

Date of Appointment: 16/12/1991

Key Responsibilities

Serving as the Chief Finance Officer and secretary to the University Budget Formulation and Implementation Committee.

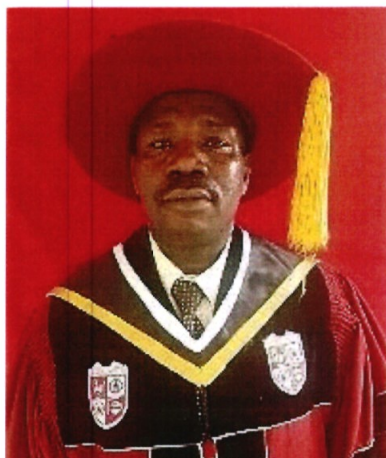
Qualification

CPA. Geoffrey K. Langat is a Certified Public Accountant (CPA-K) and a member of the Institute of Certified Public Accountants of Kenya (ICPAK). He holds Master of Business Administration (MBA) from Egerton University and Bachelor of Business Administration from Kenya Methodist University.

Work Experience

CPA. Langat is the Chief Finance Officer at Laikipia University. Previously, he served as Deputy Finance Officer at Laikipia University, Senior Accountant at Egerton University - Laikipia Campus and Assistant Accountant at Egerton University.

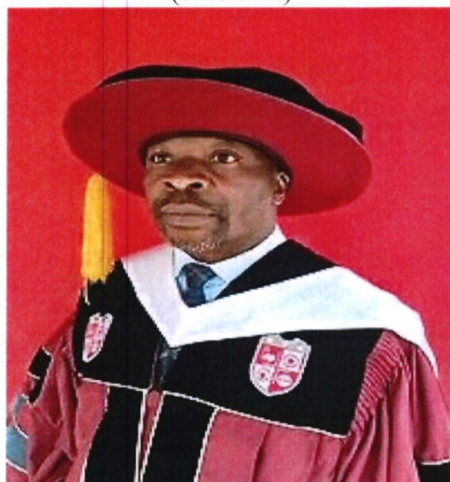
DEANS OF SCHOOLS



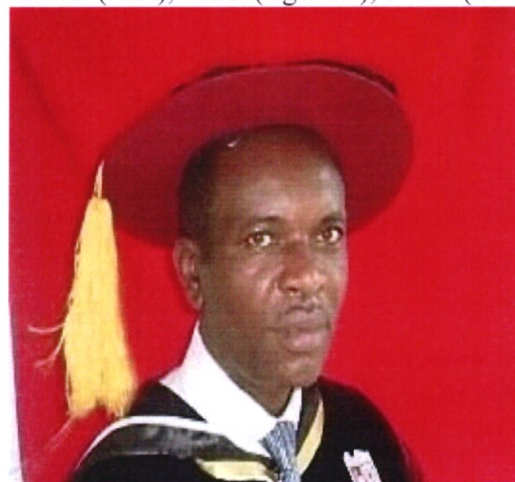
Prof. Enos Barasa Mukadi
Dean, School of Education,
B. Ed. (Maseno), M.Ed. (Egerton), Ph.D.
(Kabarak)



Dr. Sheila Pamela Wandera-Simwa
Dean, School of Humanities and Development
Studies,
B.Ed. (Moi), M.A. (Egerton), Ph.D. (Laikipia)



Dr. Poti O. Abaja,
Dean, School of Science and Applied
Technology,
B.Sc., M.Sc. (Egerton), Ph.D. (Kabarak)



Prof. Peter Mwaura
Dean, School of Business and Economics,
B. Com. (UoN), MBA (Egerton), Ph.D.
(JKUAT)

CORE BUSINESS OF LAIKIPIA UNIVERSITY

The main objectives of the University are stipulated in the Laikipia University Charter of 19th February, 2013. Part II Sec 7(1) of the Charter provides the functions and objectives of the University which are;

- a) To provide directly, or in collaboration with other institutions, integration of teaching, research and effective application of knowledge and skills;
- b) Participate in scholarly work, discovery, transmission, utilization, preservation and enhancement of knowledge with a view to stimulating intellectual participation of students in the economic, social, cultural, scientific and technological development of Kenya;
- c) Establish centers of excellence, colleges, schools, faculties, institutes, departments, and other resource and administrative units as may be appropriate;
- d) Facilitate student and staff mobility between programmes of study at local, regional, and international universities and institutions;
- e) Participate in commercial ventures and activities that promote the objectives of the institutions;
- f) Foster the general welfare of staff and students;
- g) Develop and provide educational, cultural and professional services that foster corporate social responsibility in the University and collaborating institutions;
- h) Promote equity and social justice;
- i) Offer continuing professional development opportunities;
- j) Conduct examinations for and to grant and confer such academic awards as may be provided for in the Act and the Statutes;
- k) Establish a High Altitude International Sports Training Centre for training, teaching, research, and recreation;
- l) Contribute to sustainable development of Arid, and Semi-Arid Lands resources of Kenya;
- m) Engage in action research, extension and outreach; and
- n) Establish an Information, Communication and Technology hub in teaching, research, training, innovation, outreach and consultancy in the region and globally.

STATEMENT FROM THE CHAIRMAN OF COUNCIL

I am honoured to present the Annual Report and Financial Statements for the year ended 30th June 2025. This report highlights notable achievements, financial performance, challenges faced, and future priorities, reflecting the Council's diligent oversight and commitment to strong governance, academic excellence and institutional progress.



Key Activities and Achievements

The University served a student population of 9,376 across its four Schools. This was made possible through the dedicated efforts of a workforce comprising 422 staff members drawn from teaching, technical, and administrative cadres.

During the year, the University achieved significant milestones, including the successful hosting of its 12th Graduation Ceremony, the digitalization of key services to improve efficiency, and the advancement of environmental conservation in line with national directives. Notably, 1,412 students graduated, and the University strengthened academic quality by retooling staff to align with the Competency-Based Education and Training (CBET) model, reinforcing its commitment to excellence in teaching and research.

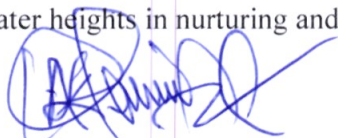
However, the University faced some challenges which included but not limited to inadequate teaching staff; cash flow challenges leading to stalled capital projects & inadequate infrastructure and persistent financial constraints, declining resources, and rising cost of operations.

University Strategic Focus and Way Forward

The University remains committed to financial sustainability, infrastructural expansion, impactful research innovation, academic relevance and excellence, and student success. Our strategic priorities include diversifying revenue streams, completing stalled projects, embracing digital transformation, strengthening partnerships, enhancing staff capacity, and aligning academic programs with market needs to drive growth, relevance, and long-term institutional resilience.

Appreciation

On behalf of the Council, I sincerely thank the Ministry of Education and all stakeholders whose steadfast support enabled the University to overcome challenges, achieve key milestones, in advancement of its strategic agenda. Together, we remain committed to steering the University to greater heights in nurturing and transforming lives.

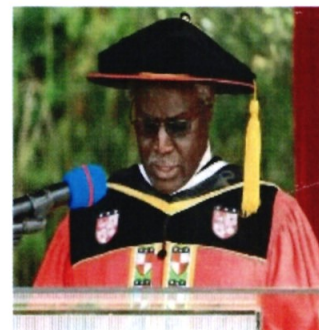


Dr. Lemein Korei, PhD.

CHAIRMAN, LAIKIPIA UNIVERSITY COUNCIL

STATEMENT FROM THE VICE CHANCELLOR

It is with great honour that I present the Annual Report and Financial Statements for the year ended 30th June 2025. This report offers a clear account and key achievements, both financial and non-financial, in fulfilment of the University's mission. Throughout the year, our initiatives were purposefully aligned to enhance service delivery, produce high-quality graduates, and contribute meaningfully to the national development blueprint.



In fulfilling its mandate and aligning with national development priorities, the University implemented key initiatives that enhanced academic delivery, operational efficiency, and developmental impact. Through partnerships with organizations such as CIFOR-ICRAF and GROOTS Kenya, the university championed environmental sustainability through offering training in agroforestry and climate-smart practices, affirming its role as a progressive institution driving educational excellence, climate action, and socio-economic transformation.

Key Activities

During the year, the University focused on strategic interventions that reinforced its academic, financial, operational, and social priorities and responsibilities. These activities encompassed the successful hosting of the 12th Graduation Ceremony, enhanced digital service delivery, strengthened student support systems, environmental conservation efforts, and institutional quality assurance. These efforts created a foundation that enabled the notable achievements recorded during the year.

Operational and Financial Performance

The University had a workforce of 422 staff members, comprising teaching, technical and administrative cadres, who supported a student population of 9,376 across its four Schools and Institute. This workforce played a pivotal role in driving the University's operational and financial achievements during the year.

To finance University operations during the year, the University prepared a consolidated budget of Kes 1.29 billion. This comprised of Kes 1.26 billion for recurrent expenditure and Kes 30 million to finance capital projects. However, there were emerging expenditures that led to the realignment and re-prioritization of spending within the available resources. The University therefore revised the budget to Kes 1.37 billion comprising of Kes 1.31 billion for recurrent expenditure and Kes 61 million for capital expenditure.

In financial performance, the university registered total revenue of Kes 1.54 billion during the year in comparison with Kes 1.41 billion in the 2023/2024 financial year. The increase in revenue was as a result of the implementation of the Student-Centered Funding Model. Included in total revenue was government capitation at Kes 374.6 million and students' fees at Kes 1.14 billion. In addition, the University registered growth in net assets by 28.9% from Kes 2.3 billion in 2023/2024 financial year to Kes 2.95 billion in 2024/2025 financial year.

The University successfully held its 12th Graduation Ceremony, during which 1,412 students were conferred with degrees, diplomas, and certificates in recognition of their academic achievements. The event marked a significant milestone in the University's commitment to nurturing skilled and competent graduates.

In the front of research and innovation, the University successfully hosted the 6th Biennial International Conference, providing a valuable platform for scholarly exchange, collaboration, and dissemination of research findings. The University further demonstrated its commitment to knowledge advancement by publishing 52 peer-reviewed journal articles. Research dissemination was also strengthened through school-level forums and community outreach initiatives.

Additionally, 70 academic staffs were re-tooled on Competency-Based Education and Training (CBET), thus improving instructional delivery.

In line with the Presidential directives on environmental conservation to increase forest cover in order to enhance environmental sustainability, the University planted 26,840 trees, and mobilised stakeholder for climate action.

Further, the University demonstrated strong inclusivity in procurement by awarding tenders worth Kes 28,349,771 to youth, women, and persons with disabilities, while local content procurement was at Kes 61,952,587, affirming support for national economic empowerment goals.

Challenges

The University faced various challenges during the year, including inadequate teaching staff and financial constraints. The limited infrastructure further restricted learning space and student placement.

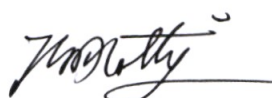
University Strategic Focus and Way Forward

Looking ahead, the University is committed to academic excellence and innovation. Strategic priorities include diversifying revenue streams, boosting research output, expanding infrastructure, advancing digital transformation, and strengthening partnerships. Emphasis is also placed on

governance and staff-student welfare as key pillars of institutional strength. These focus areas are vital for sustaining growth, improving service delivery, and ensuring the University's long-term relevance, competitiveness, and impact in a dynamic global higher education landscape.

Appreciation

I sincerely thank the Ministry of Education, National Treasury, University Council, Management, staff, students, industry partners, and all stakeholders for the unwavering support to the University. Your collective efforts made it possible to achieve the milestones in this report and continue driving the University toward excellence, sustainability, and transformative impact.



Prof. Kibett Rotich, PhD
Professor of Biostatistics and Informatics
VICE CHANCELLOR

STATEMENT OF UNIVERSITY PERFORMANCE AGAINST PREDETERMINED OBJECTIVES FOR FY 2024/2025

The Strategic Plan 2023-2027 informed the University Performance Contract in generation of annual targets and activities as required by the Performance Contracting Guidelines. The Strategic Plan is hence one of the requisite documents during the performance contracting negotiation and vetting process.

Laikipia University has Six (6) strategic issues within the Strategic Plan for the FY 2023/2024-2027/2028.

These strategic issues are as follows:

Strategic Issue 1: Academic Programmes;

Strategic Issue 2: Research, Innovation and Consultancy;

Strategic Issue 3: Human Capital;

Strategic Issue 4: Physical Infrastructure;

Strategic Issue 5: Investment and Resource Mobilization; and

Strategic Issue 6: Quality Assurance and Standards.

The University develops its Annual Work Plans based on the above Six (6) Strategic Issues. Assessment of the Council's performance against its Annual Work Plan is done on a quarterly basis. The University achieved its performance targets set for the FY 2024/2025 period for its Six (6) Issues as indicated in the table below;

Strategic Issue	Strategic Objective	Strategy	Key Activities	Output Indicators	Achievement/Remarks
Academic Programmes	To improve academic services, teaching and learning experience	Review and develop market driven programmes	Develop market-driven programmes	No. of programmes	6 new academic programmes developed
		Revamp student academic advising and career placement services	Conduct academic and career advising	No. of sessions	9 academic and career advising sessions held
		Enhance student exchange programmes	Enrol students for exchange programme	Enrolled students on exchange programme	12 students enrolled on exchange programme

Research, Innovation and Consultancy	To increase research, innovation and consultancy activities	Boost community service	Conduct community services	Number of services	5 community outreach services conducted
		Enhance dissemination of research output	Hold school forums and conferences	Number of sessions	1 international conference and 3 school research forums held
		Enhance grant proposal writing and consultancy services	Bid for 20 grants and consultancies	No. of bids	2 successful bids
Human Capital	To attract and retain competent staff	Ensure adequate staffing	Conduct staff training	No. of staff	Staff training and development conducted for 7 staff
			Sensitize staff on productivity mainstreaming	No. of staff	108 staff sensitized on productivity mainstreaming
Physical Infrastructure	To improve built environment and utility services	Facilities improvement and small works	Install Comp. lab equipment	Kes value of equipment	Computer lab equipment worth Kes 1,807,500 installed.
Quality Assurance and Standards	To improve quality standards and service delivery	Ensure quality and timeliness in operation	Re-engineer Business Processes	% of business processes	40% of University business processes re-engineered.
			Digitalize University services	Formulate workplace digitalization and automation strategy	No. formulated
			Capacity build on digital skills	No. of staff trained	156 staff trained on digital skills

CORPORATE GOVERNANCE STATEMENT

Laikipia University's governance structure is firmly anchored in a comprehensive legal framework that includes the Universities Act (2012), the University Charter (2013), University Statutes (2021), the Laikipia University Council Charter (2023), and other relevant regulations. These instruments provide the foundation for governance, decision-making, and institutional accountability. Governance, control, and administration of the University are exercised through three core organs; the University Council, University Management Board (UMB) and the University Senate as outlined below:

University Council

The University Council is the supreme governing organ of the University. The Cabinet Secretary responsible for the Ministry of Education appoints five members of the Council and the Chairperson. It is mandated with strategic leadership, policy oversight, and upholding the University's mission and core values. Its roles are anchored in the Universities Act (2012) and the *Mwongozo* Code (2015). Council members are appointed through a competitive, merit-based process, considering professional competence, gender equity, and regional balance. Despite the Council lacking one member to be fully constituted, the eight members that served in the year formed a quorum and effectively conducted business.

Council operations are guided by the Council Charter and aligned with the *Mwongozo* Code for State Corporations. The Council Charter defines responsibilities and governance mechanisms. New members undergo structured induction upon their appointment to assist them, in executing their mandate in Council. Further, capacity development programmes are undertaken annually for the existing members. Annual performance evaluations for the members are conducted by the State Corporations Advisory Committee (SCAC) to assess governance standards, ethics, legal compliance, and strategic alignment. The succession planning of the members is managed through staggered tenures and formal transition frameworks.

The Council members receive remuneration based on government guidelines, which include sitting allowances, mileage, accommodation, and lunch. The Chairperson is entitled to a monthly honorarium and airtime allowance.

The University upholds the highest standards of ethics and integrity through robust governance instruments, including the Conflict of Interest Policy, Code of Conduct, and the Ethics and Anticorruption Policy. These policies apply to all members of the University Council, Management Board, and Senate, requiring the declaration of interests, maintenance of a conflict register, and recusal from any decision-making where a conflict exists.

1. Council Meetings

The University Council conducts its business through meetings every quarter as scheduled in the approved Council Calendar. The calendar is formulated as per the guidelines by the State Corporation Advisory Committee (SCAC), taking into consideration the statutory requirements. On the other hand, Special Council meetings are held as the need arises to address emerging issues that require urgent interventions and may not wait until the next scheduled meeting.

Below is the analysis of the Committee meetings held during the 2024/25 financial year, as guided by the key provided:

- a. ✓ Means member attended the meeting
- b. * Means member did not attend the meeting

During the period under review, the University Council held eight (8) Council meetings as indicated below:

S/N	Council Member	Date of Meeting							
		12/07/2024	09/08/2024	20/09/2024	18/10/2024	22/11/2024	30 & 31/01/2025	28/02/2025	17/04/2025
1.	Dr. Lemein Korei - Chairperson	✓	✓	✓	✓	✓	✓	✓	✓
2.	Dr. Charles Malalah	✓	✓	✓	✓	✓	✓	✓	✓
3.	Mr. Paul Bore	✓	✓	✓	✓	✓	✓	✓	✓
4.	Ms. Marie Mugo	✓	✓	✓	✓	✓	✓	✓	✓
5.	Ms. Sereya Maitoyo	✓	✓	✓	✓	✓	✓	✓	✓
6.	Dr. Frank Ndakala	✓	✓	✓	✓	✓	✓	✓	✓
7.	Ms. Susan Ngigi	✓	✓	✓	✓	✓	✓	✓	✓

Notably, as guided by *Mwongozo* and a circular on Management of State Corporations referenced OP/CAB.9/1A, the Council should hold a maximum of six (6) meetings in a financial year. In the 2024/2025 financial year, eight (8) Council meetings were conducted, exceeding the mandated maximum of six (6) meetings by two (2). In compliance with the guidance, effectively, the University sought authorization from the Ministry of Education to convene these additional meetings. The rationale for holding these two extra meetings is as follows:

S/No.	Date of the Meeting	Justification
1.	09/08/2024	The meeting was held to approve budget rationalization for the 2024/2025 financial year after the budget cuts by the National Government.
2.	28/02/2025	The meeting was held to review Human Resource instruments for Public Universities, and subsequently forward comments to the Inter-Public Universities Councils' Consultative Forum (IPUCCF).

2. Committees of the University Council

The University Council functions through Committees, with four (4) Committees with each of them specifically tasked to support the execution of the Council's mandate. These Committees are established in accordance with the governance code for State Corporations. In accordance with this framework, the following four (4) Committees were established and operationalized by the Council:

- a. Audit, Governance, Compliance and Risk Management Committee,
- b. Finance, Investment and General Purposes Committee,
- c. Human Resource Management Committee,
- d. Academic and Research Committee.

In addition to the four established standing committees, the Council reserves the authority to establish an *Ad-Hoc* Committees as circumstances demand. These temporary committees are constituted to handle specific or emerging issues that do not fall within the mandates of the existing standing committees. Each *Ad-Hoc* Committee is guided by clearly defined terms of reference and operates within a limited timeframe, concluding its mandate upon completion of the assigned task. Following deliberations on various matters at committee level, reports from both regular quarterly committee meetings and ad hoc committees are presented to the Council for further action.

(a) Audit, Governance, Compliance and Risk Management Committee

The Committee assists the University Council to fulfill its corporate governance responsibilities and in particular to:

- (i) Review financial statements focusing on changes of accounting policies, compliance with the International Public Sector Accounting Standards and legal requirements and the going concern assumption;
- (ii) Strengthen the effectiveness of the internal audit function;
- (iii) Maintain oversight on internal control systems; and
- (iv) Review and make recommendations regarding the University's risk management.

During the period under review, the Audit, Governance, Compliance and Risk Management Committee held four (4) meetings as indicated below:

S/No.	Council Member	Date of Meeting			
		05/07/2024	04/10/2024	09/01/2025	04/04/2025
1.	Mr. Paul Bore - Chairperson	√	√	√	√
2.	Ms. Susan Ngigi	√	√	√	√
3.	Ms. Marie Mugo	√	√	√	√
4.	Dr. Frank Ndakala	√	√	√	√

(b) Finance, Investment and General Purposes Committee

The mandate of the Committee is to oversee; planning, preparation of annual estimates and expenditures, resource mobilization, university investments, policy and regulation development, construction of new infrastructure and ensuring accurate financial reporting in compliance with

legal requirements. It also handles general matters outside the scope of other University Council Committees. During the year under review, the Committee of the Council held seven (7) meetings during the year as shown below:

S/No.	Council Member	Date of Meeting						
		11/07/2024	08/08/2024	19/09/2024	11/10/2024	14/01/2025	29/01/2025	11/04/2025
1.	Dr. Charles Malalah - Chairperson	√	√	√	√	√	√	√
2.	Ms. Sereya Maitoyo	√	√	√	√	√	√	√
3.	Dr. Frank Ndakala	√	√	√	√	√	√	√
4.	Ms. Susan Ngigi	√	√	√	√	√	√	√

As guided by *Mwongozo* and the other relevant circulars, Council Committees are permitted to hold a maximum of six (6) meetings within a financial year. In the 2024/2025 financial year, the Finance Committee held seven (7) meetings, thus exceeding the prescribed limit by one. Prior to convening the additional meeting, the University sought authorization from the Ministry of Education. The extra meeting was held on 29th January 2025 to deliberate and recommend the Proposed 2025/2026 Recurrent and Development Budget for Council approval.

(c) Human Resource Management Committee

The Committee reviews and makes recommendations on matters related to staff training & development, staff recruitment, promotions, staff disciplinary matters and staff welfare. During the year, the Human Resource Management Committee convened four (4) meetings as outlined below:

S/No.	Council Member	Date of Meeting			
		06/09/2024	14/11/2024	06/02/2025	28/03/2025
1.	Ms. Sereya Maitoyo - Chairperson	√	√	√	√
2.	Dr. Charles Malalah	√	√	√	√
3.	Ms. Susan Ngigi	√	√	√	√

(d) Academic and Research Committee

The Committee reviews and makes recommendations on matters related to academics and research. It provides strategic direction for scholarly activities and oversees the establishment of centres of excellence, schools, faculties, institutes, and academic departments as necessary. During the 2024/2025 financial year, the Academic and Research Committee convened three (3) meetings as detailed below:

S/No.	Council Member	Date of Meeting		
		13/09/2024	15/11/2024	22/05/2025
1.	Ms. Marie Mugo - Chairperson	√	√	√
2.	Mr. Paul Bore	√	√	√
3.	Dr. Frank Ndakala	√	√	√

Additionally, in the year under review, the following meetings and activities were undertaken by the Council:

S/No.	Date	Meeting
1	2/8/2024	<i>Ad Hoc</i> Staff Appointment Committee Meeting.
2	13/08/2024	Meeting on New Funding Model.
3	21/08/2024	Inter-Public Universities Council Consultative Forum (IPUCCF) Meeting attended by the Chairperson of the Council.
4	02-06/09/2024	Capacity Building Training attended by the Chairman of the Council.
5	27/09/2024	Negotiation of the Performance Contract for the 2024/2025 financial year.
6	27/09/2024	Inter-Public Universities Council Consultative Forum (IPUCCF) Meeting attended by the Chairperson of the Council.
7	15-17/10/2024	Resources Mobilization Training for Council members.
8	31/10/2024	Meeting with the Cabinet Secretary, Ministry of Education.
9	1/11/2024	The Chairman of Council attended the Swearing-in Ceremony of the Deputy President.
10	1/11/2024	Appeals and Grievances Handling <i>Ad-Hoc</i> Committee Meeting.
11	3/11/2024	Chairpersons of Council Meeting.
12	11/11/2024	Consultative Meeting with Universities' Academic Staff Unions (UASU), Laikipia University Chapter.
13	21/11/2024	State of the Nation Address.
14	26/11/2024	Inter-Public Universities Council Consultative Forum (IPUCCF) Meeting attended by the Chairperson of the Council.
15	05-07/12/2024	Meeting on Inaugural Cultural Festivals.
16	17-18/12/2024	University's 12 th Graduation Ceremony
17	28/01/2025	Signing of the Performance Contract for the 2024/2025 financial year.
18	5/2/2025	Strategic meeting between the University Council and the Governor of Laikipia County.
19	17/02/2025	Evaluation of the Performance Contract for the 2023/2024 Financial Year
20	18/02/2025	Inter-Public Universities Council Consultative Forum (IPUCCF) Meeting attended by the Chairperson of the Council.
21	20-21/02/2025	<i>Ad Hoc</i> Staff Appointment Committee Meeting.
22	5/3/2025	Inter-Public Universities Council Consultative Forum (IPUCCF) Meeting attended by the Chairperson of the Council.
23	17-21/03/2025	Financial Management for Non-Finance Managers Training for Council members.
24	7/5/2025	Inter-Public Universities Council Consultative Forum (IPUCCF) Meeting attended by the Chairperson of the Council.
25	8/5/2025	Meeting on the Strategic Direction of Public Universities.
26	13/05/2025	Meeting on Principles of Leadership and Accountability and Management of State Corporations.
27	13/05/2025	Inter-Public Universities Council Consultative Forum (IPUCCF) Meeting attended by the Chairperson of the Council.
28	19/05/2025	Meeting on Zero Fault Audit achievements for Chairpersons of the Audit Committee of Council.
29	19-21/05/2025	Risk Management Training for Council members.
30	28-29/05/2025	6 th Biennial International Conference and Commission for University (CUE) Audit Sessions.
31	9/6/2025	Inter-Public Universities Council Consultative Forum (IPUCCF) Meeting attended by the Chairperson of the Council.
32	10/6/2025	<i>Ad Hoc</i> Staff Appointment Committee Meeting.
33	16-20/06/2025	National Retreat for Chairpersons of Council.

University Management Board (UMB)

The University Management Board (UMB) chaired by the Vice-Chancellor, is a central governance organ responsible for implementing University policies and supporting day-to-day management. Its membership includes Deputy Vice-Chancellors, Registrars, the Chief Finance Officer, and other senior managers. The Registrar in charge of Administration and Human Capital serves as Secretary. The UMB provides strategic direction, oversees financial and administrative operations, and promotes accountability. Members of the Board contribute expert guidance within their respective areas of responsibility, including planning, budgeting, resource management, academic affairs, human capital, and institutional development, thereby ensuring holistic and effective governance of the University.

University Senate

The University Senate is the primary academic authority at Laikipia University, tasked with overseeing all academic matters. Chaired by the Vice-Chancellor, its membership includes Deputy Vice-Chancellors, Deans, Directors, Heads of Departments, Professors, and student representatives. The Registrar (Academic Affairs) serves as Secretary. The Senate develops academic policies, approves programs, and oversees academic standards, quality assurance, research, and student welfare. It also recommends the conferment and revocation of degrees and the establishment of academic units. The Senate meets monthly, operates by consensus or majority vote, and can form committees to support its functions.

ENVIRONMENTAL AND SUSTAINABILITY REPORTING

In an era of escalating climate change, environmental degradation and social inequalities, environmental and sustainability reporting has emerged as a critical tool for tracking, communicating and improving an institution's environmental and social performance.

i. Sustainability strategy and profile

Laikipia University views sustainability as a strategic priority and is committed to environmental stewardship, social inclusion and economic responsibility. This commitment is embedded in its 2023–2027 Strategic Plan, aligning with Kenya Vision 2030, the Climate Change Act (2016), and other regulatory frameworks. The University's strategy is anchored on the United Nations Sustainable Development Goals (SDGs), with particular focus on SDG 4 (Quality Education), SDG 13 (Climate Action), SDG 15 (Life on Land), and SDG 17 (Partnerships for the Goals).

Key achievements include large-scale tree planting, agroforestry, climate-smart agriculture training, and collaborations with institutions such as CIFOR-ICRAF and Terra Fund. Despite progress, challenges such as limited funding and climate variability persist. In response, the University is actively sourcing for funds from, among others, collaborations with organisations that focus on environmental conservation, Community ownership models where the local community is encouraged to co-own tree planting projects for better maintenance and survival.

The University also upholds a strong Service Delivery Charter promoting transparency, fairness, and efficiency. In line with **Public Procurement and Asset Disposal Act (PPADA), 2015** and the **presidential directive on 30% procurement reservation**, the university has actively pursued inclusive procurement strategies. During the period under review (2024/25), 34% procurement contracts were awarded to special groups (youth, women and people living with disabilities) and 75% of all tenders were provided by local contractors and suppliers.

ii. Environmental performance

Laikipia University is guided by a clear *Environmental Policy* that affirms its commitment to sustainable development, responsible resource use and environmental protection. The policy is embedded in the university's **Strategic Plan**, and it outlines objectives such as conservation of biodiversity, promotion of green infrastructure, pollution control, and alignment with national and international environmental regulations.

The successes include the establishment of a central seedling nursery to support biodiversity and long-term restoration. Waste management is upheld with bins installed across the compound. Additionally, the University ensures that motor vehicle maintenance is done routinely to minimize carbon dioxide emissions. However, shortcomings persist in areas such as funding limitations. To

mitigate these gaps, partnerships are being sought to mobilize technical and financial support for further improvements in biodiversity conservation.

iii. Employee welfare

Laikipia University's hiring process is guided by the *Human Resources Management Policies and Procedures Manual*, which emphasizes merit, fairness, and inclusivity. The policy ensures gender balance in appointments and regularly incorporates stakeholder engagements, including representation from relevant departments and staff unions. To support staff growth, the university invests in continuous professional development through workshops, trainings, and sponsorship for further studies. Career progression is managed through structured performance appraisal systems, while an established reward and promotion framework ensures staff are recognized. The university also upholds a strong commitment to staff safety, guided by its *Occupational Health and Safety Policy*, aligned with the *Occupational Safety and Health Act (OSHA), 2007*.

iv. Market place practices

Laikipia University has outlined its efforts to:

a) Responsible competition practice

The University upholds responsible competition practices by implementing anti-corruption measures, guided by the *Public Officer Ethics Act* and regularly monitored by internal audit systems. Procurement and tendering processes are open, competitive, and follow the *PPADA, 2015*, to prevent favoritism or fraud. The university maintains neutrality in political matters, avoiding any form of partisan involvement while respecting lawful political rights of individuals. It promotes fair competition by benchmarking academic programs and services based on quality and innovation rather than negative comparison with peer institutions. Additionally, the university fosters mutual respect for competitors through collaborations, joint research, and inter-university academic exchanges.

b) Responsible supply chain and supplier relations

Laikipia University promotes responsible supply chain management by adhering to transparent procurement procedures guided by the *PPADA, 2015*. The university maintains fair and competitive tendering processes, ensuring equal opportunity for all qualified suppliers. Suppliers are treated with professionalism and respect, with the university committed to honoring contractual agreements and ensuring timely delivery of services and goods. Efforts are made to process payments promptly despite limitations in funds, in line with agreed terms, to support healthy supplier relationships and business sustainability. Regular supplier evaluations and feedback mechanisms help improve service quality and strengthen long-term partnerships.

c) Responsible marketing and advertisement

Laikipia University upholds ethical marketing practices by ensuring that all promotional content is truthful, transparent, and non-deceptive. The Directorate of Corporate Affairs plays a crucial role in ensuring all internal and external communications are professionally reviewed, uphold the dignity of competitors, and are directed at appropriate audiences through reputable platforms such as official website, newsletters, educational fairs, and mainstream media. Marketing materials are designed to reflect the university's actual offerings, achievements, and values, avoiding exaggeration or misleading claims. The university adheres to relevant communication and advertising guidelines set by regulatory bodies such as the Commission for University Education (CUE). In doing so, Laikipia University maintains integrity, accuracy, and fairness in all outreach and promotion efforts.

d) Product stewardship

Laikipia University demonstrates product stewardship by ensuring that its core services are delivered with a focus on quality, transparency, and accountability. The university safeguards the rights and interests of its stakeholders, particularly students, by offering accredited programs, maintaining academic integrity, and ensuring fair assessment and grievance mechanisms. Efforts to protect consumer interests are also reflected in the student support services provided, including clear and transparent admission processes, fair grading systems, and accessible grievance redress mechanisms. The university also ensures data privacy for students and staff, aligning with applicable laws and ethical standards to prevent misuse of personal information. By prioritizing student welfare and academic excellence, the University demonstrates a strong commitment to ethical stewardship and safeguarding the rights and interests of its stakeholders.

v. Corporate social responsibility/ Community engagements

Laikipia University implemented various Community social responsibility (CSR) initiatives focused on environmental sustainability, public health, peace building, and social welfare. The CSR activities during the period under review included;

- ❖ **Peace building and tree planting for environmental conservation** – Through four (4) tree-growing events involving staff, students and community members, Laikipia University planted and donated 5,000 trees to support ecosystem restoration and greening efforts. A notable initiative was the peace and environmental mission in Tiaty, Baringo County, where tree planting was integrated with peace building outreach to promote conservation as a tool for social cohesion in a conflict-prone area.
- ❖ **Annual health week** – Held a community health event themed “*Re-Examining Non-Communicable Diseases, Reproductive Health, and Mental Health,*” offering free

health services and public sensitization to the local residents hence supporting improved health outcomes.

- ❖ **Drug awareness campaign** – Laikipia University conducted a sensitization event themed “*My Community, My Pillar: Telling the Drug Use Struggle Story*”, aimed at addressing drug and substance abuse among students and the surrounding community. The awareness campaign included a walk from the University grounds to Karuga Trading Centre, passing through Cherika, Nyumba Tatu, and neighboring estates, to engage the public and highlight the impact of drug use.
- ❖ **International Women’s Day (Nyahururu Women’s Prison)** – The day was marked under the theme “*Accelerate Action*” by offering counseling services aimed at promoting dignity and inclusion. Donations were also made, including sanitary towels and other essential items.

REPORT OF THE COUNCIL

The University Council submits this report for the year ended 30th June, 2025 together with the audited financial statements for the year ended 30th June, 2024 that shows the state of Laikipia University's affairs.

a. Principal activities

The principal activities of Laikipia University continue to be teaching, training, innovation, research and outreach

b. Results for the Year

The results of Laikipia University for the year ended 30th June, 2025 are set out on pages 1-7.

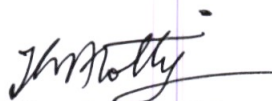
c. Directors

The members of the University Council who served during the year are shown on page xi.

d. Auditors

The Auditor General is responsible for the statutory audit of Laikipia University in accordance with Article 229 of the Constitution of Kenya and the Public Audit Act 2015 for the year ended 30th June, 2025.

By Order of the University Council



Prof. Kibett Rotich, PhD
Vice Chancellor/Council Secretary

Date: 29/8/2025

STATEMENT OF COUNCIL MEMBERS' RESPONSIBILITIES ON THE FINANCIAL STATEMENTS

Section 81 of the Public Finance Management Act, 2012 and Section 47 of the University Act, 2012 require University Council to prepare financial statements in respect of the university, which give a true and fair view of the state of affairs of the university at the end of the financial period and the operating results of the university for that period.

The Laikipia University Council is responsible for the preparation and presentation of the university's financial statements, which give a true and fair view of the state of affairs of the university for and as at the end of the financial year ended on 30th June 2025. This responsibility includes: (i) Maintaining adequate financial management arrangements and ensuring that these continue to be effective throughout the reporting period; (ii) Maintaining proper accounting records, which disclose with reasonable accuracy at any time the financial position of the university; (iii) Designing, implementing and maintaining internal controls relevant to the preparation and fair presentation of the financial statements, and ensuring that they are free from material misstatements, whether due to error or fraud; (iv) Safeguarding the assets of the university; (v) Selecting and applying appropriate accounting policies; and (vi) Making accounting estimates that are reasonable in the circumstances.

The Council accepts responsibility for the university's financial statements, which have been prepared using appropriate accounting policies supported by reasonable and prudent judgments and estimates, in conformity with International Public Sector Accounting Standards (IPSAS), and in the manner required by the PFM Act, 2012 and the University's Act, 2012. The Council is of the opinion that the financial statements give a true and fair view of the state of university's transactions during the financial year ended 30th June 2025 and of the university's financial position as at that date. The Council further confirms the completeness of the accounting records maintained for the university, which have been relied upon in the preparation of the university's financial statements as well as the adequacy of the systems of internal financial control.

In preparing the financial statements, the Council has assessed the university's ability to continue as a going concern and nothing has come to the attention of the Council to indicate that the university will not remain a going concern for at least the next twelve months from the date of this statement.

Approval of the financial statements

The University financial statements were approved by the University Council on 29th August 2025 and signed on its behalf by:


Dr. Lemein Korei, PhD.

CHAIRMAN OF COUNCIL

Prof. Kibett Rotich, Ph.D.

VICE CHANCELLOR

MANAGEMENT DISCUSSION AND ANALYSIS

Section A: Laikipia University’s Operational and Financial Performance

Laikipia University is a body corporate established through the Laikipia University Charter of 19th February 2013. The University mandate is teaching, research and innovation. The University’s main source of funds is students’ fees and the Government through the Ministry of Education.

Laikipia University has a responsibility to nurture and transform for the world through education, research, training, consultancy, innovation, outreach and collaboration. The University’s ongoing sustainability is dependent upon the generation of a sufficient surplus to invest in the maintenance, renewal and replacement of the infrastructure to support academic endeavor, such as libraries, tuition rooms, laboratories, ICT infrastructure and research equipment.

This section of the report therefore highlights our operational and financial performance in support of the core business of the University; Academic and Research. This overview provides some highlights of the University as follows;

1. Operational Highlights

The University is committed to achieving its core mandate of Nurturing and Transforming for the World through enhanced service delivery, process improvements and a commitment to quality that have driven efficiency and customer loyalty. To support this noble course, the University budgeted a total of Kes. 1.29 billion in 2024/2025 FY which was later revised to Kes. 1.37 billion. Operational highlights for the year are as indicated below;

a) Human Capital

The University endeavor to attract, select, develop and retain competent staff to improve service delivery and increase productivity in serving its customers. At the close of the period ended 30th June, 2025, the University had a force of 422 members of staff comprising of 6 members of University Management Board, 89 teaching staff and 327 non-teaching staff to help achieve its mandate.

Staff Distribution by Category & Gender			
Staff Category	Male	Female	Total
UMB	5	1	6
Teaching Staff	51	38	89
Non-Teaching Staff	193	134	327
Total	249	173	422

b) Academic Activities

During the year under review, the University purposed to improve academic programmes, teaching and learning experience through quality of teaching, and learning efficiency by undertaking the following activities:

i) Students Enrolment

The University admitted 2,824 new students during the year under review in various schools. The University students' population for the year stood at 9,376 distributed across the four schools. Out of the total number of students, 4,638 were male while 4,738 were female representing a gender ratio of 49:51.

2024/2025 Students' Statistics by School, Gender and Category

Gender Category	Male			Female			Total
	GSS P	PSS P	Sub-Total	GSS P	PSS P	Sub-Total	
1 School of Education	2282	40	2322	2738	44	2782	5104
2 School of Business & Economics	277	16	293	193	6	199	492
3 School of Humanities & Development Studies	808	55	863	969	38	1007	1870
4 School of Science & Applied Technology	922	3	925	351	1	352	1277
5 TVET	233	2	235	394	4	398	633
Total	4522	116	4638	4645	93	4738	9376

ii) University Graduation

During the year under review, the University held its 12th Graduation ceremony in December, 2024 at a cost of Kes 6,146,581. The ceremony witnessed the conferment of degrees and award of diplomas to 1,412 graduands out of which 721 were male and 691 were female representing a gender ratio of 51:49. The University graduands statistics was as given below;

2024 Graduands Statistics per Category

Category	Male	Female	Total
1 Doctorate (PhD)	4	4	8
2 Masters	4	6	10
3 Post Graduate Diploma	4	1	5
4 Bachelors	703	676	1379
5 Diploma	6	4	10
Total	721	691	1412

2024 Graduands Statistics per School

School	Male	Female	Total
1 School of Education	300	368	668
2 School of Business & Economics	109	91	200
3 School of Humanities & Development Studies	135	158	293
4 School of Science & Applied Technology	177	74	251
Total	721	691	1412

iii) Quality of Education

In the year under review, Laikipia University endeavored to deliver exceptional education that empowers the students to excel academically, professionally and personally. Key activities were:

- Conducted capacity building on Competency-Based Education and Training (CBET) for academic staff.
- Collaborated with the Commission for University Education (CUE) to host a forum for its international postgraduate students that highlighted the university's growing commitment to internationalization and global academic engagement.
- Further, the University held 9 career advising sessions for the students that aimed at equipping them with the right skills for the job market and entrepreneurial space.

c) Research, Innovation and Consultancy Activities

The University is committed to advancing knowledge and driving innovation through research, innovation and consultancy. In the year under review, the University enhanced research, technology innovation and Consultancy through the highlighted activities below;

- The University held its 6th Biennial International Conference under the theme "*Research and Innovations: Navigating Global Challenges and Building Resilience.*" The theme underscored the University's ongoing commitment to addressing complex global issues through knowledge creation, collaborative engagement, and innovative solutions.
- Participated in the Kenya National Research Festival organized by the National Research Fund (NRF) under the theme: *Research Partnerships and Collaborations for Socio-Economic Transformation.* Researchers, innovators and entrepreneurs showcased their innovative solutions to societal needs.
- Participated in the Nanyuki County ASK Show to showcase its crucial role in food security research and innovation through its agribusiness programmes and their potential to drive sustainable farming practices for regional development.
- The University increased research output by publishing 52 articles in peer reviewed journals.
- Laikipia University in conjunction with NACOSTI conducted Research Ethics Training for university academic staff to facilitate quality research in the areas of science, technology, and innovation through regulation, promotion, and provision of advisory services.

d) Institutional Quality Assurance and Standards

Laikipia University Quality Assurance and Standards is designed to maintain academic excellence, enhance student experience, foster culture of quality and meet external standards. During the year under review, the University trained all staff members on Emerging Technologies and Digital Skills to enhance efficiency in service delivery.

e) Student Welfare.

Laikipia University student welfare initiatives are designed to support academic success, foster a sense of community, promote physical and mental well-being, and empower student voice.

The following activities improved the student's welfare during the year under review;

- i) **Games & Sports:** Laikipia University encourages games and sports to promote physical fitness, foster teamwork, develop life skills and nurture talent. During the period under review, the University provided support for students to participate in KUSA Regional games.
- ii) **Clubs and Societies:** The University provided support for students to participate in the National drama festivals held in Nakuru where they performed their cultural dance, titled "Unyakhana".
- iii) **Financial Support to needy students:** During the year under review, the University provided student financial support through award of bursaries at a cost of Kes. 1,000,000; and placed needy students on Work Study Programme at a cost of Kes. 1,535,100.
- iv) **Students Counseling Services:** Trained Peer Counselors to help address mental health issues affecting fellow students. These mental health issues majorly emanate from drug and substance abuse, cohabitation and unhealthy relationships, financial challenges, and dysfunctional family issues among others.
- v) **Promoted Cohesion and Diversity through culture and talent exposition.**

The University sponsored Cultural and Innovation week event for the students from different communities to showcase their Innovative ideas, talents, and diverse cultural skits. The theme of the event was: "*Embracing Art as a Tool for Human Advocacy*".

f) Community Outreach and Mentorship Programmes

- i) Organized career advising forum to students themed, "Academic Mentorship for a Transformative Agenda," The forum helped students explore career opportunities, understand job market trends, and find internships or research opportunities, ensuring that students are on track for their professional aspirations.
- ii) Participated in peacekeeping mission in Tiaty Constituency, Baringo County that exemplified the power of education, collaboration, and community engagement in fostering peace and environmental sustainability, setting a solid foundation for future development in the region.
- iii) During the year, the University held its 11th Annual Health Week that was attended by partners, students, staff and community at large. The theme for the year was "*Reexamining Non-Communicable Diseases, Reproductive Health, and Mental Health for Enhanced Well-being*," aimed to raise awareness, promote early disease detection, and encourage individuals to take proactive steps towards better health.
- iv) Held a Drug and Substance Awareness Campaign that aimed to educate and create awareness to the community in Karuga and its environs on the dangers and consequences of drug and

substance abuse while reinforcing the institution's commitment to promoting student health and well-being.

- v) Held the World Environment Day that focused on tree planting, sustainability and climate action where over 900 farmers neighboring the University were trained on agroforestry, quality tree seed systems, and sustainable tree growing techniques.
- vi) Conducted mentorship sessions to 16 secondary schools within Baringo County where they interacted with more than 8,000 students to create awareness to the students of the available degree programmes offered in Laikipia University as well as the other universities in Kenya and abroad; inform the students of the programme requirements; promote Laikipia University as university of first choice and create an interaction and linkages with students and staff of Schools visited.

g) Collaborations and Partnership

The University is focused in building strong relationships with industry partners, academic institutions, community organizations, Alumni and stakeholders. During the year under review, the University entered into partnership with two (2) major new partners namely: Nyandarua National Polytechnic and **Groots Kenya**

- i) Laikipia University and the Nyandarua National Polytechnic signed a collaboration agreement in the areas of research, innovation, and technical support for the mutual benefits to students from both institutions as the world today is driven by innovation, research and technical skills.
- ii) Laikipia University and **Groots Kenya** signed a strategic partnership that focused on Agroforestry Training and Tree Planting Techniques, blending theory with practical skills to promote sustainable land use, ecosystem restoration, and climate-smart agriculture. The collaboration will further spearhead innovative solutions to challenges faced at the grassroots level, particularly in areas of education, women empowerment, and community leadership. The partnership is a testament of the two institutions' dedication to empowering communities through knowledge-sharing, skill development, and collective action.

2. Financial Highlights

Financial performance of Public Universities in Kenya still remain a challenge as often reported by Office of the Auditor General where a majority have been found to; be operating on negative working capital, excessive outstanding fees, uncontrolled capital expenditure, fraud among others.

Over the years, the increasing cost of providing university education has been accompanied by a widening funding gap. Additionally, public universities have been witnessing decreased self-sponsored student enrolment following reforms introduced by the Ministry of Education in 2016, wherein all students who scored C+ and above were admitted to universities under government sponsorship (Kenya National Bureau of Statistics, 2019). This was a big blow to public universities'

revenue from self-sponsored student fees. It further widened the budget deficit and led to a financial crisis among universities.

Financial sustainability for Laikipia University has been an issue of concern owing to the increasing cost of providing higher education. Declining amounts of government grants and module II students' enrollment rate are critical challenges facing the University. The University has been operating on a negative working capital due to prior years accumulated deficits making it difficult for the University to meet its financial obligations as they fall due.

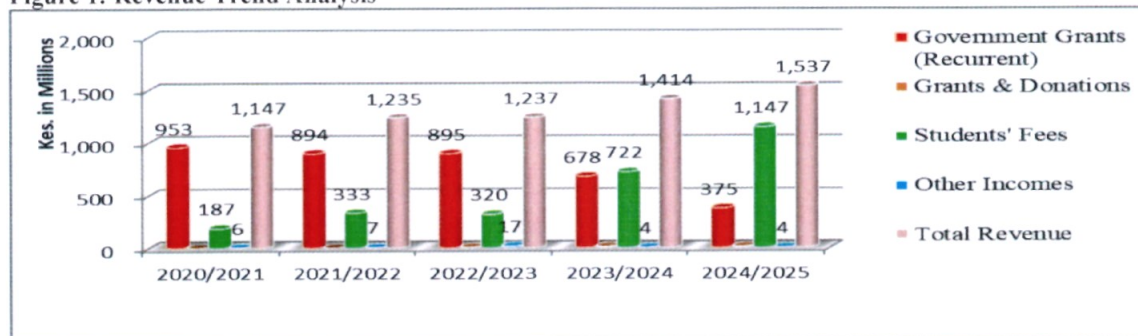
Financial Analysis

During the financial year ended 30th June 2025, the University registered a surplus of Kes. 186.77 million compared to a Kes. 158.84 million in the previous financial year 2023/2024. This was derived from total revenue of Kes. 1.537 billion in the year ended 30 June 2025 compared to Kes. 1.414 billion in fiscal year 2023/2024 translating to an increase by 8.7%. The higher revenue performance for the year ended 30th June 2025 is as a result of new financing model where total fees payable is loaded to students' accounts and financed through government scholarships, HELB loans and household.

University Revenue Analysis

A trend analysis of University financial performance shows that the University revenue has grown over the last five years by 34% from Kes. 1.147 billion in 2020/2021 FY to Kes. 1.537 billion in 2024/2025 financial year. Due to policy shifts in financing higher education, government capitation is declining while students fees is increasing as a result of implementation of the students-centered model in public universities.

Figure 1: Revenue Trend Analysis



Over the years, government grants have been declining as a result of policy shifts in financing higher education in Kenya. The university recorded an overall decline in government recurrent grants by 61% since 2020/2021 financial year from Kes. 953 million in 2020/2021 FY to Kes. 375 million in 2024/2025 FY.

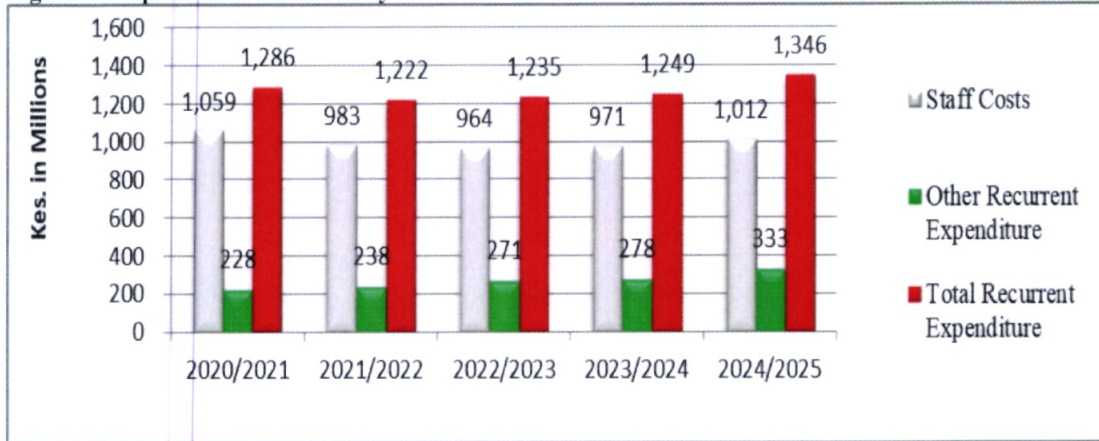
On the other hand, students fees have grown by 512% for the last five years from Kes. 187.5 million in 2020/2021 to Kes. 1,147.5 million in 2024/2025 FY.

University Expenditure Analysis

The university registered total expenditure of Kes. 1,345,688,668 in the period ended 30th June 2025 compared to Kes. 1,248,658,629 in 2023/2024 FY translating an increase by 7.8%.

A trend analysis on university expenditure for the past five years indicates an overall growth by 5% from Kes. 1.286 billion in 2020/2021 to Kes. 1.346 billion in 2024/2025 FY.

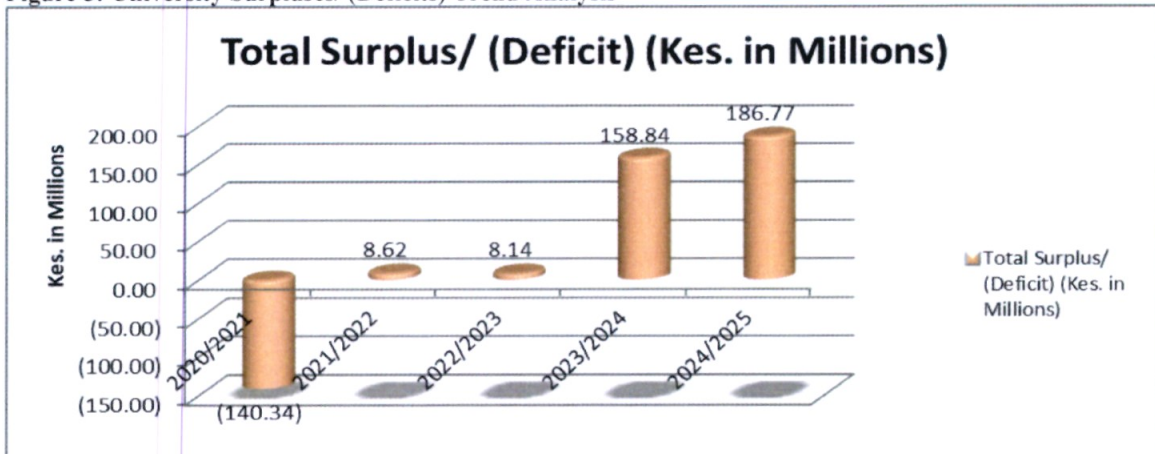
Figure 2: Expenditure Trend Analysis



University Surpluses/ (Deficits)

Analysis of university surpluses/ (deficits) indicates an improving trend for the last five years from a deficit of Kes. 140.34 million in 2020/2021 to a surplus of Kes. 186.77 million in 2024/2025. During the period under review, the University registered a cumulative surplus of Kes. 186,774,268 for the year ended 30th June, 2025 compared to Kes. 158,841,473 in similar period ended 30th June, 2024 resulting to an improvement by 17.6%.

Figure 3: University Surpluses/ (Deficits) Trend Analysis



Five Years' Key Statistics

Five Years Statement of Financial Performance

REVENUE	2024/2025	2023/2024	2022/2023	2021/2022	2020/2021
	(30.06.2025)	(30.06.2024)	(30.06.2023)	(30.06.2022)	(30.06.2021)
	Kes.	Kes.	Kes.	Kes.	Kes.
Revenue from Non-exchange Transactions					
Government Grants (Recurrent)	374,620,749	677,860,351	894,695,904	893,749,307	953,402,997
Grants & Donations	10,139,412	9,753,565	5,693,229	837,780	40,000
	384,760,161	687,613,916	900,389,133	894,587,087	953,442,997
Revenue from Exchange Transactions					
Students' Fees	1,147,453,166	722,073,659	319,625,060	333,349,073	187,479,717
Other Incomes	4,481,509	4,082,091	17,338,422	6,601,237	6,310,697
	1,151,934,675	726,155,749	336,963,482	339,950,310	193,790,414
Total Revenue	1,536,694,836	1,413,769,665	1,237,352,615	1,234,537,397	1,147,233,411
EXPENDITURE					
Staff Costs	1,012,416,718	970,584,324	964,139,821	983,360,407	1,058,791,260
Administrative Expenses	91,924,051	94,377,974	85,922,807	69,578,551	50,407,603
Repairs & Maintenance Expenses	9,397,087	11,273,031	6,560,739	8,506,247	7,939,245
Contracted Services	15,356,165	11,869,632	7,101,926	3,999,537	5,311,163
Academic & Research Expenses	119,182,625	98,995,099	102,754,404	91,607,101	113,316,980
Students Welfare	10,048,114	10,193,863	8,958,304	7,846,197	4,819,224
Council Expenses	19,407,446	12,192,092	10,938,033	11,785,134	9,505,033
Finance Charge	0	0	0	0	0
Depreciation	39,809,387	32,645,292	48,329,609	43,778,557	37,487,318
Provision for Bad Debts	28,147,076	6,519,223	535,374	(881,333)	(1,121,933)
Loss on Disposal/De-recognition	0	8,100	24,450	1,979,600	0
Total	1,345,688,668	1,248,658,629	1,235,265,467	1,221,559,998	1,286,455,893
Operating Surplus/(Deficit)	191,006,168	165,111,036	2,087,148	12,977,398	(139,222,482)
Other Service Units					
Farm Surplus/(Deficit)	(5,821,853)	(6,496,376)	4,721,592	(3,777,952)	(1,186,753)
Catering Surplus/(Deficit)	1,240,838	(8,341)	1,050,087	(991,207)	(127,034)
Bookshop Surplus/(Deficit)	349,115	234,974	279,560	413,390	191,652
Total Surplus/(Deficit)- Other Service Units	(4,231,901)	(6,269,743)	6,051,238	(4,355,770)	(1,122,136)
Total Surplus/(Deficit)	186,774,268	158,841,293	8,138,386	8,621,628	(140,344,618)

Five Years Statement of Financial Position

DETAILS	2024/2025	2023/2024	2022/2023	2021/2022	2020/2021
	(30.06.2025)	(30.06.2024)	(30.06.2023)	(30.06.2022)	(30.06.2021)
ASSETS	Kes.	Kes.	Kes.	Kes.	Kes.
Current Assets					
Cash & Cash Equivalents	89,657,789	66,393,714	90,175,164	102,782,903	42,263,023
Receivables from Exchange Transactions	493,980,090	240,656,409	181,983,404	177,165,038	185,097,033
Receivables from Non-exchange Transactions	0	56,488,363	11,688,825	0	0
Inventories	12,835,669	16,088,513	15,671,678	15,077,444	17,019,907
Total Current Assets	596,473,547	379,626,999	299,519,070	295,025,385	244,379,964
Non- Current Assets					
Property, Plant and Equipment	2,796,663,895	2,313,950,886	2,294,765,068	2,216,372,567	2,119,595,133
Library Books	10,021,177	2,688,468	3,189,419	5,566,490	7,050,166
Intangible Assets (ERP Software)	30,159,908	24,510,660	29,693,140	34,525,620	30,406,820
Biological Assets	2,986,500	4,072,593	3,804,600	6,920,326	6,640,000
Total Non- Current Assets	2,839,831,480	2,345,222,607	2,331,452,227	2,263,385,002	2,163,692,120
Total Assets	3,436,305,027	2,724,849,606	2,630,971,297	2,558,410,387	2,408,072,083
LIABILITIES					
Current Liabilities					
Overdrawn Cashbooks	0	0	0	0	0
Accounts Payables	484,297,577	434,726,200	533,782,434	497,747,009	519,346,661
Total Current Liabilities	484,297,577	434,726,200	533,782,434	497,747,009	519,346,661
Non-Current Liabilities					
Long Term Liabilities	0	0	0	0	0
Total Non- Current Liabilities	0	0	0	0	0
Total Liabilities	484,297,577	434,726,200	533,782,434	497,747,009	519,346,661
NET ASSETS	<u>2,952,007,450</u>	<u>2,290,123,406</u>	<u>2,097,188,863</u>	<u>2,060,663,378</u>	<u>1,888,725,422</u>
Financed By:					
Capital Reserve	1,866,333,879	1,867,162,482	1,860,441,989	1,832,054,890	1,667,834,564
Revenue Reserves (Surplus/(Deficit))	624,023,870	(57,658,157)	(260,695,749)	(285,657,677)	(310,198,850)
Revaluation Reserve (Unrealized Gain)	461,649,701	480,619,082	497,442,624	514,266,166	531,089,708
Total	<u>2,952,007,450</u>	<u>2,290,123,406</u>	<u>2,097,188,863</u>	<u>2,060,663,378</u>	<u>1,888,725,422</u>

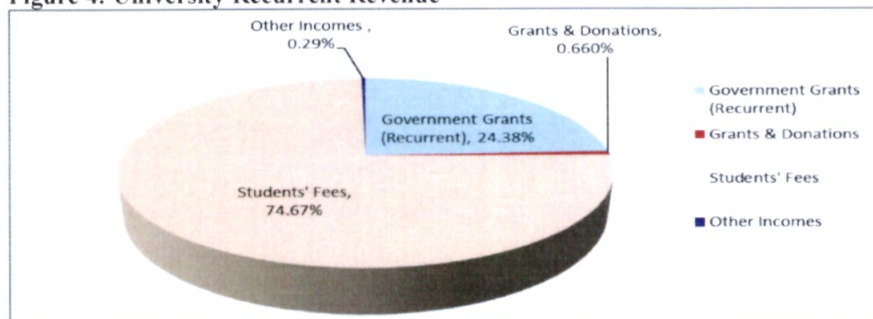
(a) Statement of Financial Performance Analysis

Statement of financial performance focuses on how much revenue was earned by the business in a given period. The Statement list the total amount of revenue generated by the business for the period minus the expenses incurred during the period.

i) Revenue Analysis

Revenue is the amount received or receivable within the accounting period from the sale of a firm’s goods or services. During the period under review, the University reported total revenue of Kes. 1,536,694,836 for period ended 30th June 2025 compared to Kes. 1,413,769,665 for similar period ended 30th June 2025 in 2023/2024 financial year. Total Revenue for current period was composed of recurrent government grants at Kes. 374,620,749, grants & donations at Kes. 10,139,412, students’ fees at Kes. 1,147,453,166 and other income at Kes. 4,481,509. Students fees were the highest contributor of revenue at 74.67% of the total revenue. Revenue composition percentages are as highlighted in the diagram below;

Figure 4: University Recurrent Revenue



A comparison of the current period ended 30th June 2025 with similar period ended 30th June 2025 indicates an overall increase in total revenue by 8.7%. Government grants decreased by 44.7% from Kes. 677.87 million to Kes. 374.62 million in a similar period for 2023/24. Students’ fees had the highest increase by 58.9% to Kes. 1,147.45 million from Kes. 722.07 million in similar period last financial Year 2023/2024 as a result of implementation of the student-centered model. Grants & Donations increased by 4% from Kes. 9,753,565 to Kes. 10,139,412 in the current 2024/2025 financial year. Other incomes increased by 9.8% compared to a similar period of 2023/2024. Revenue comparisons for the two periods are highlighted as follows;

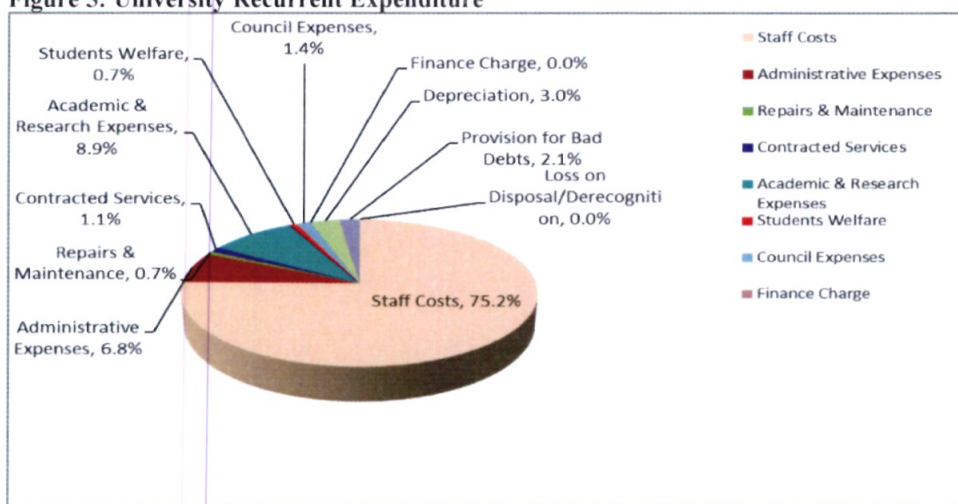
Revenue Comparison

Revenue Category	2024/2025 (30.06.2025) Kes.	2023/2024 (30.06.2024) Kes.	% Change %
Government Grants (Recurrent)	374,620,749	677,860,351	-44.7%
Grants & Donations	10,139,412	9,753,565	4.0%
Students' Fees	1,147,453,166	722,073,659	58.9%
Other Incomes	4,481,509	4,082,091	9.8%
Total Revenue	1,536,694,836	1,413,769,665	8.7%

ii) Expenditure Analysis

Expenditure is the amount paid or payable within an accounting period. During the period under review, the University incurred a total expenditure of Kes. 1,345,688,668 at the close of the period ended 30th June 2025. Staff cost had the highest expenditure of Kes. 1,012,416,718 translating to 75.2% of the total recurrent expenditure. Academic and research expenses took Kes. 119.18 million (8.9%) while administrative expenses took Kes. 91.92million (6.8%) of the total expenditure. Depreciation on Property, Plant and Equipment (PPE) was Kes. 39.81 million translating to 3.0% of the total expenditure. The University did not incur any expenditure on finance charge as there was no long term liability to incur loan interests. Council expenditure for the period ended 30th June 2025 was recorded at Kes. 19.41 million translating to 1.4% of the total expenditure. Provision for bad & doubtful debts increased by Kes. 28.15 million (2.1%) during the period as a result of increase in receivables. The total recurrent expenditure is as highlighted in the following diagram;

Figure 5: University Recurrent Expenditure



A comparison of recurrent expenditure for the period ended 30th June 2025 with similar period for 2023/2024 FY indicates an overall increase in total expenditure by 7.8%. Staff costs increased by 4.3% from Kes. 970.58 million in the period ended 30th June 2024 to Kes. 1,012.42 million for the period ended 30th June 2025 as a result of implementation of 2021/2025 National CBA. Administrative expenses decreased by 2.6% from Kes. 94.38 million in the 2023/2024 financial year to Kes. 91.92 million in 2024/2025 financial year. Repairs and maintenance expenses decreased by 16.6% from Kes. 11.27 million in 2023/2024 FY to Kes. 9.40 million in the 2024/2025 FY with major changes recorded under general repairs on buildings, at Kes. 1.55 million from Kes. 7.8 million in 2023/2024 FY to Kes. 6.3 million in the 2024/2025 FY. Academic & research expenses increased by 20.4% from Kes. 99.0 million in 2023/2024 financial year to Kes. 119.18 million in the current financial year 2024/2025 as a result of increase in part time teaching costs by Kes. 17.43 million from Kes. 26.57 million in 2023/2024 FY to Kes. 44.00 million in 2024/2025 FY. Contracted services increased by 29.4 % due to increase in legal charges by Kes.

5.07 million from Kes. 3.30 million in 2023/2024 FY to Kes.8.37 million in 2024/2025 FY. Council expenses increased by 59.2% from Kes. 12.19 million to Kes. 19.41 million as a result of training and induction expenses for council members during the period. The council trainings included Resource Mobilization & Investment and Financial Management for Non-Finance Managers among others. Provision for bad and doubtful debts increased by 331.8% as a result of increase in receivables from Kes. 267.40 million in 2023/2024 FY to Kes. 548.87 million in 2024/2025 FY thereby increasing the provision from Kes. 26.74 million to Kes. 54.89 million during the period under review. Comparison of recurrent expenditure for similar periods of the two financial years is highlighted as follows;

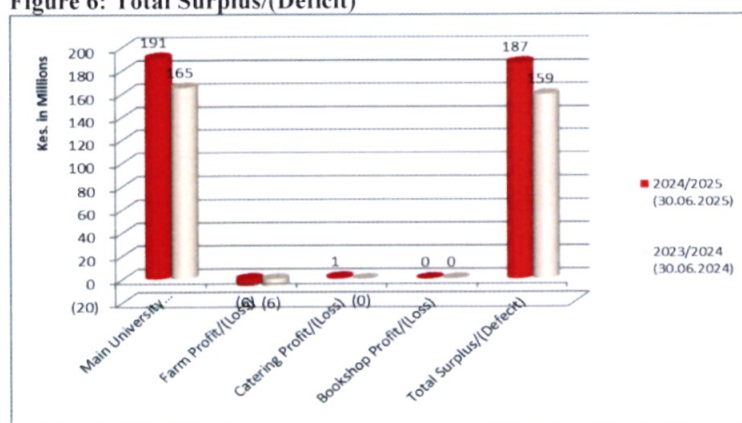
Recurrent Expenditure Comparison

Expenditure Category	2024/2025	2023/2024	Percentage Change
	(30.06.2025)	(30.06.2024)	
	Kes.	Kes.	%
Staff Costs	1,012,416,718	970,584,324	4.3%
Administrative Expenses	91,924,051	94,377,974	-2.6%
Repairs & Maintenance	9,397,087	11,273,031	-16.6%
Contracted Services	15,356,165	11,869,632	29.4%
Academic & Research Expenses	119,182,625	98,995,099	20.4%
Students Welfare	10,048,114	10,193,863	-1.4%
Council Expenses	19,407,446	12,192,092	59.2%
Finance Charge	0	0	***
Depreciation	39,809,387	32,645,292	21.9%
Provision for Bad Debts	28,147,076	6,519,223	331.8%
Loss on Disposal/De-recognition	0	8,100	-100.0%
Total	1,345,688,668	1,248,658,629	7.8%

iii) University Surplus/(Deficit)

The University reported a cumulative surplus of Kes. 186,774,268 for the period ended 30th June 2025 compared to Kes. 158,841,293 in the period ended 30th June 2024. Included in total surplus for 2024/2025 FY is Kes. 191,006,168 from University operations, deficit of Kes. 5,821,853 from Farm operations and surpluses of Kes. 1,240,838 and Kes. 349,115 from Catering and Bookshop operations respectively. This is as highlighted in the figure below;

Figure 6: Total Surplus/(Deficit)



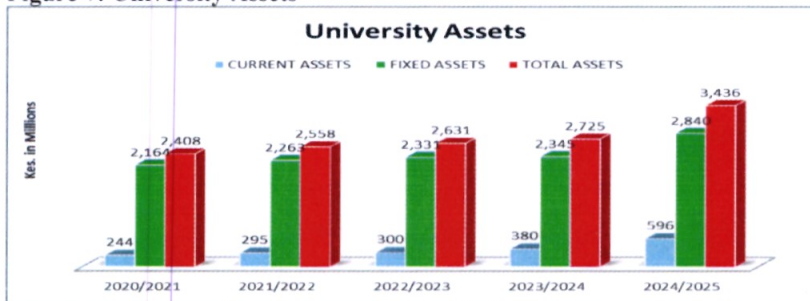
(b) Statement of Financial Position

The statement of financial position provides a snapshot of a company’s value or worth as at the time at which it is produced. The statement indicates the financial condition of a firm at a specific point of time. It contains information about the firm’s: assets, liabilities and equity. An analysis of Financial Position items is as follows;

i) University Assets Analysis

An analysis of the statement of financial position for the past 5 years shows that the University Net Assets have grown by approximately 56% from Kes. 1.889 billion in 2020/2021 to Kes. 2.952 billion as at 30th June 2025. Total assets have cumulatively grown by 43% from Kes. 2.408 billion in 2020/2021 FY to Kes. 3.436 billion in 2024/2025 FY. The huge growth recorded in 2024/2025 is as a result of revaluation gain of Kes. 477.050 million arising from revaluation of Non-current assets from Kes. 2.341 billion (Net Book Value) in 2023/2024 to Kes. 2.818 billion at the close of period ended 30th June 2025. Assets trend is as shown below;

Figure 7: University Assets

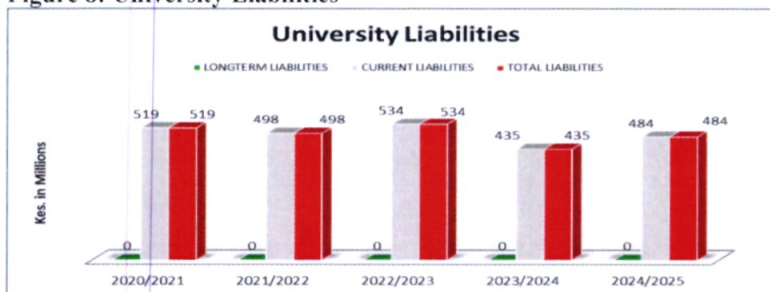


ii) University Liabilities Analysis

A liability is a quantity of value that a financial entity owes. It is value that an entity is expected to deliver in the future to satisfy a present obligation arising from past events. The value delivered to settle a liability may be in the form of assets transferred or services performed.

During the period under review, the university recorded total liabilities amounting to Kes. 484 million at the close of financial period ended 30th June 2025. Cumulatively, University liabilities have decreased by 6.7% since 2020/2021 FY. However there was an increase in total liabilities in 2022/2023 and current financial year due to shortage of funds to meet financial obligations. Trend analysis on University liabilities is as indicated in the following figure;

Figure 8: University Liabilities



iii) **Ratio Analysis**

Ratio analysis is the analysis of balance sheet items to interpret a company's results on a quantitative basis. It is a valuable metric that gives the management and stakeholders important insight into the financial health of the organization. They help to decide whether the company meets some important criteria like liquidity, solvency and efficiency among others.

❖ **Liquidity Ratio**

An analysis of university financials ratio indicates an improved liquidity for the period ended 30th June 2025 of the 2024/2025 financial year. An ideal position should have a liquidity ratio of 2:1 and a quick ratio of 1:1. Currently, the University is able to meet 121% of its financial obligations compared to 84% at the close of the financial period ended 30th June 2024 as indicated by the quick ratio. The inability of the University current assets to fully cover its current liabilities in the previous financial periods led to a high level of payables to suppliers of goods & services and part-time teaching costs. Ratio analysis is as shown below

Balance Sheet Ratio Analysis

	2024/2025 (30.06.2025)	2023/2024 (30.06.2024)
Item	Kes.	Kes.
Assets		
Current Assets (CA)	596,473,547	379,626,999
Fixed Assets (FA)	2,839,831,480	2,345,222,607
Total Assets	3,436,305,027	2,724,849,606
Liabilities		
Current Liabilities (CL)	484,297,577	434,726,200
Long-term Liabilities	0	0
Total Liabilities	484,297,577	434,726,200
Inventory	12,835,669	16,088,513
Liquidity Ratio (CA/CL)	1.23	0.87
Quick Ratio (CA-Inventory/CL))	1.21	0.84

❖ **Working Capital**

Working capital, also called net working capital (NWC), is the difference between a company's current assets and current liabilities. It measures a company's liquidity and short-term financial health, indicating the ability to fund operations and respond to financial stress or opportunities. During the period under review, the University recorded a positive working capital of Kes. 112.18 million compared to a negative working capital of Kes. 55 million in the 2023/2024 FY.

Working Capital

	2024/2025 (30.06.2025)	2023/2024 (30.06.2024)
Item	Kes.	Kes.
Current Assets (CA)	596,473,547	379,626,999
Current Liabilities (CL)	484,297,577	434,726,200
Working Capital (CA-CL)	112,175,970	(55,099,201)

❖ **Gearing (Debt-Equity) Ratio.**

This ratio highlights how a company’s capital structure is tilted either towards debt or equity financing. During the period under review, the University recorded a gearing ratio of 16% compared to 19% in 2023/2024 FY. This implies that for every shilling in equity, the University has 16 cents in leverage. A ratio of one (1) would imply that creditors and investors are on equal footing in the company’s assets. Computation of University gearing ratio is as indicated below;

Gearing Ratio (Total Debts to Equity)	2024/2025 (30.06.2025)	2023/2024 (30.06.2024)
Total Liabilities	484,297,577	434,726,200
Total Equity	2,952,007,450	2,290,123,406
Gearing Ratio	16%	19%

(c) Statement of Cash Flow

A statement of cash flow depicts a company’s sources and uses of funds in an accounting period. The statement shows reconciliation between the opening and closing cash balances. There are three components of cash flow classified as cash generated from operations, investing and financing activities.

The University recorded an increase in Cash & Cash Equivalents by 35% from Kes. 66.4 million in 2023/2024 FY to Kes. 89.7 million in 2024/2025 FY. Movement in cash flows for the current period indicated net increase of Kes. 23.3 million in cash and cash equivalents compared to net decrease of Kes. 23.8 million at the close of financial year ended 30th June 2024.

The University generated net cash inflows from operations of Kes. 69.78 million during the period ended 30th June, 2025 compared to Kes. 11.38 million in similar period ended 30th June 2024. The net cash flow from operation was a s result of receipts and payments during the period. The University received a total of Kes. 1,331,158,445 from various sources of funds during the 2024/2025 FY. Included in this was receipt of Kes. 431.1 million from the Government through the Ministry of Education, Students fees received at Kes. 250.3 million. Also included in this was money received from Higher Education Loans Board and Universities fund at Kes. 153.7 million and Kes. 420.4 million to service students fees during the year. The received money was used to pay for various university expenses at Kes. 1,261,397,434 out-of-which staff costs utilized Kes. 994.9 million, administrative expenses used Kes. 91 million while academic and research expenses utilized Kes. 84.3 million among other university expenses.

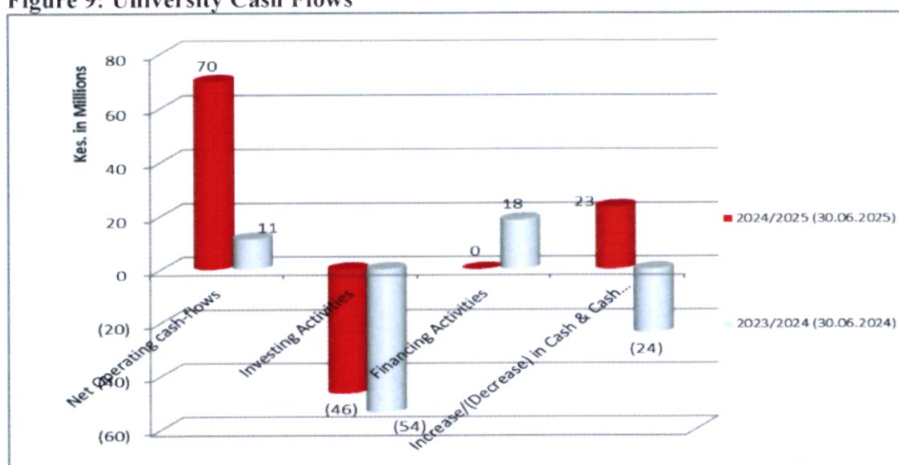
On investing activities, the University used Kes. 46.5 million during the 2024/2025 FY compared to Kes. 53.6 million in similar period of 2023/2024 FY. The current investing expenditure

included payment to contractors for the ongoing capital projects at Kes. 41.1 million and payment for purchase of plant and equipment at Kes. 5.2 million during the period.

On financing cash-flows, the University did not receive any funding from the government in the 2024/2025 FY compared to Kes. 18.4 million in 2023/2024 FY from the National Government through the Ministry of Education to finance the ongoing capital projects.

The cash flow results are presented graphically as shown in the following figure:

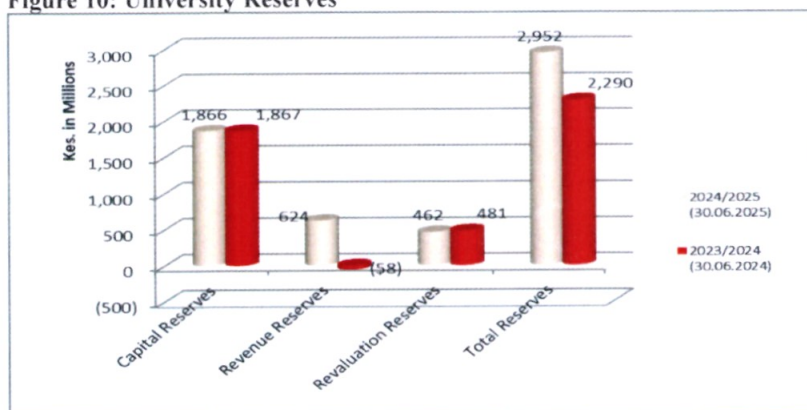
Figure 9: University Cash Flows



(d) Statement of Changes in Reserves

Laikipia University maintains three types of reserves, i.e. capital, revenue and revaluation reserves. The total reserves as at 30th June, 2025 were Kes. 2.95 billion compared to Kes. 2.29 billion at the close of 2023/2024 financial year. Total Reserves comprised of capital reserves at Kes. 1,866,333,879, revenue reserve at Kes. 624,023,870 and revaluation reserve at Kes. 461,649,701. The change in revenue reserve includes unrealized gain written off of Kes. 480,619,082 after revaluation of assets in the 2024/2025 FY. The unrealized gain in the revaluation reserve is amortized annually by transferring excess depreciation on revaluation through revenue reserve at Kes. 15,400,078. An analysis of University reserves for period ended 30th June, 2025 was as indicated below;

Figure 10: University Reserves



Section B: Compliance with Statutory Requirements

Section 82 of the Public Finance Management Act, 2012, requires that an Accounting Officer for a National Government owned Entity to prepare annual report of the financial year in respect of the entity. Laikipia University complies with this statutory requirement on submission of reports to the Ministry of Education, the National Treasury & Planning and Office of the Auditor General.

The University financial statements have been prepared in compliance with International Public Sector Accounting Standards (IPSAS) accrual basis.

Section C: Key Projects and Investment Decisions

The on-going development projects at the University are Tuition Block and Science Laboratories Complex among others.

Section D: Major Risks Facing Laikipia University

The outlook for risks related to Universities indicates that risks will continue to increase in type and number in the coming years. The University continuously monitors high-risk areas and implements a programme of activities to mitigate risks and cushion their impact through a holistic approach that builds risk management into its structures and processes with a framework comprising governance, a defined risk appetite and an underlying policy and control environment.

The University's activities expose it to a variety of risks, which include credit risk, liquidity risk, compliance risk and commodity price risk among others.

Section E: Material Arrears in Statutory/Financial Obligations

Total payables at the close of period ended 30th June 2025 amounted to Kes. 484,297,577. This includes part time Lecturers payable at Kes. 119.9 million, trade payables at Kes. 45.5 million, Contractors' money at Kes. 114.2 million and accrued salary deductions for the month of June 2025 amounting to Kes. 35.4 million that had not been paid at the close of 2024/2025 financial year. Accrued pension fund was reported at Kes. 27.4 million comprising of Kes. 9.8 million that had not been paid by close of the accounting period. In addition accrued taxes amounted to Kes. 33.97 million out of which Kes.15.66 million was PAYE for the month of June 2025 that had not been paid at the close of period. The University is committed to clearing pending bills but its affected by shortage of funds.

Section F: Financial Probity and Serious Governance Issues

The University has no financial probity nor governance issues.

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REPORT OF THE AUDITOR-GENERAL ON LAIKIPIA UNIVERSITY FOR THE YEAR ENDED 30 JUNE, 2025

PREAMBLE

I draw your attention to the contents of my report which is in three parts:

- A. Report on Financial Statements that considers whether the financial statements are fairly presented in accordance with the applicable financial reporting framework, accounting standards and the relevant laws and regulations that have a direct effect on the financial statements;
- B. Report on Lawfulness and Effectiveness in the Use of Public Resources which considers compliance with applicable laws, regulations, policies, gazette notices, circulars, guidelines and manuals and whether public resources are applied in a prudent, efficient, economic, transparent and accountable manner to ensure the Government achieves value for money and that such funds are applied for the intended purpose; and,
- C. Report on Effectiveness of Internal Controls, Risk Management and Governance which considers how the entity has instituted checks and balances to guide internal operations. This responds to the effectiveness of the governance structure, risk management environment and internal controls, developed and implemented by those charged with governance for orderly, efficient and effective operations of the entity.

A Qualified Opinion is issued when the Auditor-General concludes that, except for material misstatements noted, the financial statements are fairly presented in accordance with the applicable financial reporting framework. The Report on Financial Statements should be read together with the Report on Lawfulness and Effectiveness in the Use of Public Resources, and the Report on Effectiveness of Internal Controls, Risk Management and Governance.

The three parts of the report are aimed at addressing the statutory roles and responsibilities of the Auditor-General as provided by Article 229 of the Constitution, the Public Finance Management Act, 2012, and the Public Audit Act, 2015. The three parts of the report when read together constitute the report of the Auditor-General.

REPORT ON THE FINANCIAL STATEMENTS

Qualified Opinion

I have audited the accompanying financial statements of Laikipia University set out on pages 1 to 55, which comprise of the statement of financial position as at 30 June, 2025

and the statement of financial performance, statement of changes in reserves, statement of cash flows and statement of comparison of budget and actual amounts for the year then ended and a summary of significant accounting policies and other explanatory information in accordance with the provisions of Article 229 of the Constitution of Kenya and Section 35 of the Public Audit Act, 2015. 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.

In my opinion, except for the effect of the matters described in the Basis for Qualified Opinion section of my report, the financial statements present fairly, in all material respects, the financial position of Laikipia University as at 30 June, 2025 and of its financial performance and its cash flows for the year then ended, in accordance with International Public Sector Accounting Standards (Accrual Basis) and comply with the Universities Act, 2012 and the Public Finance Management Act, 2012.

Basis for Qualified Opinion

1. Inaccuracies in Catering Operations Income

Note 22 to the financial statements indicates catering operations sales of Kshs.9,405,462 in the year under review. However, review of the sales revealed an unexplained discrepancy in the sales figures received through the E-citizen Paybill as reported in the daily sales analysis from the catering department, the E-citizen Pesaflo report, the cashbook and general Ledger. All the four records provided different balances for the sales received through the E-citizen platform as shown in the table below:

Month	Daily Sales Analysis Amount (Kshs.)	E-citizen Pesaflo Report Amount (Kshs.)	E-citizen Receipts on General Ledger Amount (Kshs.)	E-citizen Submissions in the Cashbook Amount (Kshs.)
Jul-24	113,220	108,105	222,505	64,230
Aug-24	338,930	320,775	317,975	289,550
Sept-24	207,995	202,305	204,470	278,454
Oct-24	257,590	241,154	237,796	243,016
Nov-24	140,465	124,379	121,841	131,422
Dec-24	164,910	151,995	151,995	177,960
Jan-25	139,895	128,875	128,875	75,595
Feb-25	250,055	250,336	306,055	258,116
Mar-25	234,890	229,990	230,990	217,250
Total	1,847,950	1,757,914	1,922,502	1,735,593

In the circumstances, accuracy and completeness of catering operations income of Kshs.9,405,462 could not be confirmed.

2. Un-Receipted Direct Deposits

The statement of financial position and Note 24 to the financial statements disclose cash and cash equivalents balance of Kshs.89,657,789. However, direct deposits amounting to Kshs.2,606,161 were excluded from this balance and remained un-receipted at year-end. Audit review further revealed that the University did not maintain adequate supporting records identifying the payers or purpose of these deposits, leading to a variance of Kshs.2,606,161 between the bank and ledger balances.

In the circumstances, the accuracy and completeness of cash and cash equivalents balance of Kshs.89,657,789 could not be confirmed.

3. Long Outstanding Accounts Receivables

The statement of financial position and Note 25 to the financial statements disclose receivables from exchange transactions balance of Kshs.493,980,090. However, the following observations were noted;

3.1. Long Outstanding Fee Balances

Analysis of student debtors' account provided revealed that the University had fee receivable totalling Kshs.471,733,958 comprising of student fee balances as follows;

	Description	Amount (Kshs.)
1	Fee arrears for current year (2024-2025)	351,630,445
2	Fee arrears for the previous year	11,079,966
3	Fee arrears for 2 to 3 years	6,001,675
4	Fee arrears for over 3 years	103,021,871
	Total	471,733,958

However, details of the student's current status showing details of continuing students, dropped out or students who had already completed their studies.

Further, the recoverability of school fees arrears for over three years of Kshs.103,021,871 from students is doubtful and Management had not put measures in place to enhance their recovery. There was a possibility some of the students had dropped out of the University hence recoverability of the arrears is doubtful. The buildup of student fee balances affected service delivery and accumulation of accounts payable. The student debtors increased by 246% from Kshs.191,429,469 to Kshs.471,733,958. In addition, the University had no effective fee policy in place leading to challenges in enforcement of fee collection.

3.2. Receivables from Closed Down Campuses

Receivables totalling Kshs.62,999,287 had been outstanding for more than eight (8) years. These balances relate to the University's closed campuses, comprising of Kshs.2,794,068, Kshs.57,005,320 and Kshs.3,199,899 from Eldoret, Embu and Nakuru campuses.

3.3. Outstanding Deposits and Leasehold

As previously reported, included in the receivables from exchange transactions is an amount of Kshs.4,504,784 which related to deposits and leasehold for renting out the University's premises. However, an amount Kshs.1,717,099 relating to closed down campuses remained outstanding for more than three years. No explanation was given as to why the deposits remained outstanding despite the closure of the campuses.

In the circumstances, the accuracy and recoverability of receivables from exchange transactions balance of Kshs.493,980,090 could not be confirmed.

4. Long Outstanding Accounts Payables

The statement of financial position and Note 31(i) reflect accounts payables totalling Kshs.484,297,577. Review of the ageing analysis revealed that Kshs.257,721,722 had been outstanding for more than one (1) year, out of which Kshs.210,991,903 had remained unsettled for over three (3) years. Further, trade payables increased significantly from Kshs.34,119,203 to Kshs.45,497,244, an increase of Kshs.11,378,041 (or 33%), while part-time teaching costs rose from Kshs.88,858,073 to Kshs.119,921,591, representing an increase of Kshs.31,063,518 (or 35%).

Additionally, part-time lecturers' claims amounting to Kshs.82,118,411 remained unpaid for several years, some dating back to 2015, resulting in legal suits against the University. The University also had outstanding CBA salary arrears of Kshs.7,889,420 owed to former employees, with no evidence of active recovery or settlement efforts by Management. This is contrary to Regulation 42(a) of the Public Finance Management (National Government) Regulations, 2015, which requires that debt service payments be treated as a first charge.

In the circumstances, the accuracy, completeness and regularity of the account's payables balance of Kshs.484,297,577 could not be confirmed.

The audit was conducted in accordance with International Standards of Supreme Audit Institutions (ISSAIs). I am independent of the Laikipia University Management in accordance with ISSAI 130 on the Code of Ethics. I have fulfilled other ethical responsibilities in accordance with the ISSAI and in accordance with other ethical requirements applicable to performing audits of financial statements in Kenya. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my qualified opinion.

Emphasis of Matter

Budgetary Control and Performance

The statement of comparison of budget and actual amounts reflects final receipts budget and actual amounts on comparable basis of Kshs.1,368,821,195 and Kshs.1,536,694,836 respectively, resulting to a shortfall of Kshs.167,873,641, or 12% of the budget. Similarly, the University spent a balance of Kshs.1,345,688,668 against

actual receipts of Kshs.1,536,694,836 resulting to under absorption of Kshs.191,006,168 or 12% of the actual receipts.

The shortfall and under-absorption may have impacted negatively on the implementation of the University's planned programs and service delivery to the public.

My opinion is not modified in respect of this matter.

Key Audit Matters

Key audit matters are those matters that, in my professional judgement, are of most significance in the audit of the financial statements. Except for the effect of the matters described in the Basis for Qualified Opinion section, I have determined that there are no other key audit matters to communicate in my report.

Other Matter

Unresolved Prior Year's Matters

In the prior year's audit report, several issues were raised under the Report on Financial Statements, Lawfulness and Effectiveness in Use of Public Resources, and Effectiveness of Internal Controls, Risk Management and Governance. Review of the status during audit of the University in the year 2024-2025 revealed that the following matters remained unresolved;

1. Long Outstanding Student Fees Balances
2. Long Outstanding Receivables
3. Delay in Completion of Projects
4. Budgetary Controls and Performance
5. Unsustainable Expenditure on Employee Cost
6. Long Outstanding Payables
7. Irregular Payment of Allowances (Responsibility and Entertainment Allowances)
8. Over Commitment of Salaries
9. Non-Compliance of Ethnic Distribution Requirement
10. Irregular Management of Temporary Imprest
11. Irregular management of Standing Imprests
12. Unverified New University Funding Model
13. Lack of Appointment Letters for External Examiners
14. Acting Appointments Beyond Six Months

Other Information

Management is responsible for the Other Information set out on page ix to Liv which comprise of Key Entity Information and Management, Laikipia University Council, University Management Board, Core Business of Laikipia University, Statement from the Chairman of the Council, Statement from the Vice Chancellor, Statement of University Performance Against Predetermined Objectives, Corporate Governance Statement, Environmental and Sustainability Reporting, Report of the Council, Statement of Council Members' Responsibilities and Management Discussion and Analysis. The Other Information does not include the financial statements and my audit report thereon.

In connection with my audit of the University's financial statements, my responsibility is to read the Other Information and in doing so, consider whether the Other Information is materially inconsistent with the financial statements or my knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work I have performed, I conclude that there is a material misstatement of this other information and I am required to report that fact. Based on the audit procedures performed and the matters described in my Basis for Qualified Opinion, I confirm that Other Information is not materially inconsistent with the financial statements.

My opinion on the financial statements does not cover the Other Information and accordingly, I do not express an audit opinion or any form of assurance conclusion thereon.

REPORT ON LAWFULNESS AND EFFECTIVENESS IN THE USE OF PUBLIC RESOURCES

Conclusion

As required by Article 229(6) of the Constitution, based on the audit procedures performed, except for the effect of the matters described in the Basis for Conclusion on Lawfulness and Effectiveness in the Use of Public Resources section of my report, I confirm that, nothing else has come to my attention to cause me to believe that public resources have not been applied lawfully and in an effective way.

Basis for Conclusion

1. Acting Appointments Exceeding the Statutory Six-Month Limit

The statement of financial performance and Note 10 to the financial statements reflect staff costs of Kshs.1,012,416,718. Review of personnel records and minutes of the Council revealed that four (4) officers, Senior Procurement officer, Transport Officer, Medical Officer and Farm Manager had been serving in acting positions for periods exceeding six (6) months of between eight (8) and eleven (11) months. No justification or approvals were provided to support the prolonged acting appointments. This is contrary

to Section 34(3) of the Public Service Commission Act, 2017, which permits acting appointments for a minimum of thirty days but not exceeding six months.

In the circumstances, Management was in breach of the law.

2. Non-Compliance with Public Finance Management Fiscal Responsibility Principles

The statement of financial performance and Note 10 to the financial statements reflect staff costs of Kshs.1,012,416,718. The wage bill represents about 66% of the University's total receipts of Kshs.1,536,694,836, contrary to Regulation 26(1)(a) of the Public Finance Management (National Government) Regulations, 2015, which requires that expenditure on compensation of employees shall not exceed 35% of revenue.

In the circumstances, Management was in breach of the law.

3. Irregular Responsibility and Entertainment Allowances

The statement of financial performance and Note 10 to the financial statements reflect staff costs of Kshs.1,012,416,718. As previously reported, it was noted that responsibility allowances and entertainment allowances totalling Kshs.846,710 were disbursed to senior management staff without the requisite approval from the Salaries and Remuneration Commission (SRC), as required by applicable regulations. In addition, these allowances were not provided for under any Collective Bargaining Agreement applicable to the University. This is contrary to Article 230 of the Constitution of Kenya 2010 that gives the SRC the power to set remuneration and benefits to National and county Government Public officers.

In the circumstances, Management was in breach of the law.

4. Unremitted Payroll Deductions

The statement of financial position and Note 31 to the financial statements reflect accounts payables amounting to Kshs.484,297,577. Included in this balance are unremitted pension deductions totalling Kshs.27,360,527, out of which Kshs.17,562,574 have remained outstanding for more than three (3) years. Also included are unremitted accrued payroll deductions amounting to Kshs.35,364,301. This is contrary to Section 19 of the Employment Act, 2007, which obligates employers to remit all authorized deductions, including pension contributions, within the prescribed timelines.

In the circumstances, Management was in breach of the law.

5. Irregular Procurement of Fuel

The statement of financial performance and Note 11 to the financial statements reflect administrative expenses of Kshs.91,924,051, which includes transport operating expenses of Kshs.9,036,392. Out of this expenditure, fuel amounting to Kshs.6,668,634 was procured from a local fuel service station. However, the University did not enter into a signed contract agreement, service order, or purchase order with the fuel station during the period under review. This is contrary to Regulation 166(1) of the Public Procurement

and Asset Disposal Regulations, 2020, which mandates that procurement of goods and services be supported by a valid contract or order and properly recorded in inventory.

In the circumstances, Management was in breach of the law.

6. Non-Compliance with Law on Ethnic Composition

The statement of financial performance and Note 10 to the financial statements reflect staff costs of Kshs.1,012,416,718. Examination of personnel records provided for audit indicated that the University had a total of four hundred and twenty-five (425) employees, out of whom one hundred and forty-eight (148), or 35% were from one dominant community. This was contrary to Section 7(1) and (2) of the National Cohesion and Integration Act, 2008, which states that all public offices shall seek to represent the diversity of the people of Kenya in the employment of staff and that no public institution shall have more than one-third of its staff establishment from the same ethnic community.

In the circumstances, Management was in breach of the law.

7. Delay in Completion of Projects

The statement of financial position and Note 27 to the financial statements reflect property, plant and equipment valued at Kshs.2,796,663,895, which includes work-in-progress totalling Kshs.1,119,487,731 for various ongoing capital projects. However, it was noted that projects valued at Kshs.685,032,302 had exceeded their expected completion timelines, as detailed below;

- i. The main gate project whose cumulative payments amounted to Kshs.31,129,169 was at 98% completion level but was originally due for completion in December, 2016.
- ii. The Science Complex building whose cumulative payments as at audit date amounted to Kshs.159,190,724 was 87% complete despite an expected completion date of June, 2018.
- iii. The tuition blocks whose cumulative payments amounted to Kshs.493,802,609 was at 84% completion rate despite a planned completion date of June, 2018.
- iv. During the year under review the University incurred an amount of Kshs.909,800 on the administration block, which was occupied and in use despite lack of the completion certificates, handover report. Further, the project had not been transferred from work in progress to buildings owned by the University despite it being in use.

In the circumstances, validity and completeness of Kshs.1,199,487,731 work-in-progress could not be confirmed.

The audit was conducted in accordance with ISSAI 3000 and ISSAI 4000. The standards require that I comply with ethical requirements and plan and perform the audit to obtain assurance about whether the activities, financial transactions and information reflected in the financial statements comply in all material respects, with the authorities that govern

them. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my conclusion.

REPORT ON EFFECTIVENESS OF INTERNAL CONTROLS, RISK MANAGEMENT AND GOVERNANCE

Conclusion

As required by Section 7(1)(a) of the Public Audit Act, 2015, based on the audit procedures performed, except for the effect of the matters described in the Basis for Conclusion on Effectiveness of Internal Controls, Risk Management and Governance section of my report, I confirm that, nothing else has come to my attention to cause me to believe that internal controls, risk management and governance were not effective.

Basis for Conclusion

1. Lack of Substantive Appointment for Deputy Vice-Chancellor (Academic, Research and Student Affairs)

The University operated without a substantive Deputy Vice-Chancellor (Academic, Research and Student Affairs) for a period exceeding four (4) years. Instead, the Vice-Chancellor and the University Council have been appointing various staff members to serve in this role on renewable acting terms of six (6) months. However, no evidence including job advertisements or recruitment records was provided to demonstrate the University's efforts or intention to substantively fill this key position in line with the approved staff establishment.

In the circumstances, the absence of substantive holders to the above position the University faces the risk of having leadership and governance gaps.

2. Poor Implementation of the University's Procurement Plan

During the year under review, the University developed a Consolidated Procurement Plan for the 2024/2025 financial year outlining intended procurements for goods, works, and services. However, the plan was not prepared in the standard format prescribed in the Third Schedule of the Public Procurement and Asset Disposal Regulations, 2020, specifically, it did not indicate the units and quantities of the items to be procured, increasing the risk of misallocation or misappropriation of funds due to undefined procurement scope. Further, there was no evidence provided to demonstrate that the University undertook quarterly reviews of the plan and reported on its implementation progress, as required under Regulation 40(6) of the Public Procurement and Asset Disposal Regulations, 2020.

In these circumstances, the effectiveness of procurement planning could not be confirmed.

3. Deficit in Farm Input Operations

The statement of financial performance and Note 21 reflect a deficit of Kshs.5,821,853 arising from farm inputs operations. The farm has reported losses for the last two

consecutive years, despite the University incurring input costs totalling Kshs.15,876,211. Management did not provide explanation for the continued underperformance, nor was there evidence of a corrective action plan or feasibility assessment to evaluate the farm's operational viability given the recurring deficits.

In the circumstances, the effectiveness and sustainability of the farm inputs operations could not be confirmed.

The audit was conducted in accordance with ISSAI 2315 and ISSAI 2330. The standards require that I plan and perform the audit to obtain assurance about whether effective processes and systems of internal controls, risk management and overall governance were operating effectively in all material respects. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my conclusion.

Responsibilities of Management and the University Council

Management is responsible for the preparation and fair presentation of these financial statements in accordance with International Public Sector Accounting Standards (Accrual Basis) and for maintaining effective 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 and for its assessment of the effectiveness of internal control, risk management and overall governance.

In preparing the financial statements, the Council is responsible for assessing the University's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Management is aware of the intention to dissolve the University or to cease operations.

The Council is also responsible for the submission of the financial statements to the Auditor-General in accordance with the provisions of Section 47 of the Public Audit Act, 2015.

In addition to the responsibility for the preparation and presentation of the financial statements described above, Management is also responsible for ensuring that the activities, financial transactions, and information reflected in the financial statements are in compliance with the authorities which govern them, and that public resources are applied in an effective way.

The Council is responsible for overseeing the University's financial reporting process, reviewing the effectiveness of how the Management monitors compliance with relevant legislative and regulatory requirements, ensuring that effective processes and systems are in place to address key roles and responsibilities in relation to governance and risk management, and ensuring the adequacy and effectiveness of the control environment.

Auditor-General's Responsibilities for the Audit


My responsibility is to conduct an audit of the financial statements in accordance with Article 229(4) of the Constitution, Section 35 of the Public Audit Act, 2015 and the

International Standards of Supreme Audit Institutions (ISSAIs). The standards require that, in conducting the audit, I obtain reasonable assurance about whether the financial statements as a whole are free from material misstatements, whether due to fraud or error and to issue an auditor's report that includes my opinion in accordance with Section 48 of the Public Audit Act, 2015. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISSAIs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

In conducting the audit, Article 229(6) of the Constitution also requires that I express a conclusion on whether or not in all material respects, the activities, financial transactions and information reflected in the financial statements are in compliance with the authorities that govern them and that public resources are applied in an effective way. In addition, I consider the entity's control environment in order to give an assurance on the effectiveness of internal controls, risk management and governance processes and systems in accordance with the provisions of Section 7(1)(a) of the Public Audit Act, 2015.

Further, I am required to submit the audit report in accordance with Article 229(7) of the Constitution.

Detailed description of my responsibilities for the audit is located at the Office of the Auditor-General's website at: <https://www.oagkenya.go.ke/auditor-generals-responsibilities-for-audit/>. This description forms part of my auditor's report.


FCPA Nancy Gathungu, CBS
AUDITOR-GENERAL

Nairobi

08 December, 2025

**STATEMENT OF FINANCIAL PERFORMANCE
FOR THE PERIOD ENDED 30TH JUNE 2025**

REVENUE	Notes	Page	2024/2025 (30.06.2025) Kes.	2023/2024 (30.06.2024) Kes.	Percentage Change %
Revenue from Non-exchange Transactions					
Government Grants (Recurrent)	6	22	374,620,749	677,860,351	-44.7%
Grants & Donations	7	22	10,139,412	9,753,565	4.0%
Sub-Total			384,760,161	687,613,916	-44.0%
Revenue from Exchange Transactions					
Students' Fees	8	23	1,147,453,166	722,073,659	58.9%
Other Miscellaneous Incomes	9	24	4,481,509	4,082,091	9.8%
Sub-Total			1,151,934,675	726,155,749	58.6%
Total Revenue			1,536,694,836	1,413,769,665	8.7%
EXPENDITURE					
Staff Costs	10	25	1,012,416,718	970,584,324	4.3%
Administrative Expenses	11	27	91,924,051	94,377,974	-2.6%
Repairs & Maintenance Expenses	12	28	9,397,087	11,273,031	-16.6%
Contracted Services	13	28	15,356,165	11,869,632	29.4%
Academic & Research Expenses	14	29	119,182,625	98,995,099	20.4%
Students Welfare Expenses	15	30	10,048,114	10,193,863	-1.4%
Council Expenses	16	30	19,407,446	12,192,092	59.2%
Finance Charge	17	31	0	0	**
Depreciation & Amortization	18	31	39,809,387	32,645,292	21.9%
Provision for Bad Debts	19	32	28,147,076	6,519,223	331.8%
Loss on Disposal/De-recognition	20	32	0	8,100	-100.0%
Total Expenditure			1,345,688,668	1,248,658,629	7.8%
Operating Surplus/(Deficit)			191,006,168	165,111,036	15.7%
Other Service Units					
Farm Surplus/(Deficit)	21	33	(5,821,853)	(6,496,376)	-10.4%
Catering Surplus/(Deficit)	22	33	1,240,838	(8,341)	-14976.4%
Bookshop Surplus/(Deficit)	23	33	349,115	234,974	48.6%
Total Other Service Units			(4,231,901)	(6,269,743)	-32.5%
Total Surplus/(Deficit)			186,774,268	158,841,293	17.6%

The notes set out on pages 8 to 48 form an integral part of these Financial Statements. The Financial Statements set out on pages 1 to 7 were signed on behalf of the University Council by:


Dr. Lemein Korei, PhD.

CHAIRMAN OF COUNCIL


Prof. Kibett Rotich, PhD.

VICE CHANCELLOR


CPA Geoffrey K. Langat

ICPAK No. 4980

FINANCE OFFICER


STATEMENT OF FINANCIAL POSITION AS AT 30TH JUNE, 2025

DETAILS	Notes	Page	2024/2025 (30.06.2025) Kes.	2023/2024 (30.06.2024) Kes.	Percentage Change %
ASSETS					
Current Assets					
Cash & Cash Equivalents	24	34	89,657,789	66,393,714	35.0%
Receivables from Exchange Transactions	25(i)	35	493,980,090	240,656,409	105.3%
Receivables from Non-exchange Transactions	25(ii)	35	0	56,488,363	0.0%
Inventories	26	37	12,835,669	16,088,513	-20.2%
Total Current Assets			596,473,547	379,626,999	57.1%
Non- Current Assets					
Property, Plant and Equipment	27	38	2,796,663,895	2,313,950,886	20.9%
Library Books	28	41	10,021,177	2,688,468	272.7%
Intangible Assets (ERP Software)	29	42	30,159,908	24,510,660	23.0%
Biological Assets	30	43	2,986,500	4,072,593	-26.7%
Total Non- Current Assets			2,839,831,480	2,345,222,607	21.1%
Total Assets			3,436,305,027	2,724,849,606	26.1%
LIABILITIES					
Current Liabilities					
Accounts Payables	31 (i)	44	484,297,577	434,726,200	11.4%
Total Current Liabilities			484,297,577	434,726,200	11.4%
Non-Current Liabilities					
Long Term Liabilities	31(ii)	44	0	0	0.0%
Total Non- Current Liabilities			0	0	0.0%
Total Liabilities			484,297,577	434,726,200	11.4%
NET ASSETS			2,952,007,450	2,290,123,406	28.9%
Financed By:					
Capital Reserve			1,866,023,889	1,867,162,482	-0.1%
Revenue Reserves (Surplus/(Deficit))			624,333,860	(57,658,157)	-1182.8%
Revaluation Reserve			461,649,701	480,619,082	-3.9%
Total			2,952,007,450	2,290,123,406	28.9%

The notes set out on pages 8 to 48 form an integral part of these Financial Statements. The Financial Statements set out on pages 1 to 7 were signed on behalf of the University Council by:


Dr. Lemein Korei, PhD.
CHAIRMAN OF COUNCIL


Prof. Kibett Rotich, PhD.
VICE CHANCELLOR


CPA Geoffrey K. Langat
ICPAK No. 4980
FINANCE OFFICER

**STATEMENT OF CHANGES IN RESERVES
FOR THE YEAR ENDED 30TH JUNE, 2025**

Details	Capital Reserve	Revenue Reserve	Revaluation Reserve	Total Reserves
2023/2024	Kes.	Kes.	Kes.	Kes.
As at 1st July, 2023	1,860,441,989	(260,695,749)	497,442,624	2,097,188,863
Government Development Grants	6,750,000	0	0	6,750,000
Adjustment for Opening Reserves	0	27,372,757	0	27,372,757
Capital Assets Donation (Land)	0	0	0	0
Revaluation Gain during the year	0	0	0	0
Excess Depreciation on Revaluation	0	16,823,542	(16,823,542)	0
Capital Gain on Biological Assets	(29,507)	0	0	(29,507)
Funds used during the year	0	0	0	0
Total Surplus/(Deficit)	0	158,841,293	0	158,841,293
As at 30th June, 2024	1,867,162,482	(57,658,157)	480,619,082	2,290,123,406

Details	Capital Reserve	Revenue Reserve	Revaluation Reserve	Total Reserves
2024/2025	Kes.	Kes.	Kes.	Kes.
As at 1st July, 2024	1,867,162,482	(57,658,157)	480,619,082	2,290,123,406
Government Development Grants	0	0	0	0
Adjustment for Opening Reserves	0	(1,111,400)	0	(1,111,400)
Capital Assets Donation (Land)	0	0	0	0
Capital Assets Donation (PPE)	0	309,990	0	309,990
Revaluation Gain written off during the year	0	480,619,082	(480,619,082)	0
Revaluation Gain during the year	0	0	477,049,779	477,049,779
Excess Depreciation on Revaluation	0	15,400,078	(15,400,078)	0
Capital Gain on Biological Assets	(1,138,593)	0	0	(1,138,593)
Funds used during the year	0	0	0	0
Total Surplus/(Deficit)	0	186,774,268	0	186,774,268
As at 30th June, 2025	1,866,023,889	624,333,860	461,649,701	2,952,007,450

**STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 30TH JUNE, 2025**

Details	2024/2025 (30.06.2025)	2023/2024 (30.06.2024)
	Kes.	Kes.
Cash-flows from Operating Activities:		
Receipts		
Government Grants (Recurrent)	431,109,112	621,371,988
Grants & Donations	10,495,707	9,873,565
Receipts from Students	250,276,893	259,324,330
HELB Receipts	153,693,925	175,210,456
Bursaries Receipts	36,979,370	40,103,747
Universities Fund	420,416,634	221,783,312
Receipts from Customers	4,395,377	5,383,098
Farm Receipts	10,019,046	9,070,091
Catering Receipts	8,429,337	7,912,978
Bookshop Receipts	1,690,689	1,694,349
Other Miscellaneous Receipts	3,652,356	4,039,297
Total Receipts	1,331,158,445	1,355,767,210
Payments		
Staff Costs	994,932,026	1,012,986,086
Administrative /Operation Costs	91,004,182	99,262,127
Repairs & Maintenance	8,404,048	8,377,155
Contracted Services	14,022,716	12,801,378
Academic & Research Expenses	84,255,856	152,517,810
Students Welfare	9,476,644	9,882,753
Council Expenses	19,236,196	9,699,377
Farm Expenses	12,446,340	15,520,068
Catering Expenses	9,031,838	9,289,320
Bookshop Expenses	1,452,978	1,243,676
Students Caution Money	2,732,000	2,528,000
Excess Fees Refunds	2,919,948	403,285
HELB Refunds	1,770,765	118,000
Bursaries Refunds	42,460	2,555,100
Laikipia University Students' Association (LUSA)	5,507,947	4,133,610
Alumni Account	1,303,000	540,000
External Examining Bodies	333,100	0
Customers Refunds	0	0
Other Miscellaneous Payments	2,525,391	2,531,159
Total Payments	1,261,397,434	1,344,388,905
Net Cash-flows from Operating Activities:	69,761,010	11,378,306
Cash flows from Investing Activities		
Payment to Contractors for Capital Projects	41,120,422	41,186,381
Purchases of Plant & Equipment	5,192,251	10,067,867

Purchase of Intangible Assets	0	1,206,886
Purchase of Library Books	131,762	839,947
Purchase of Biological Assets	52,500	297,500
Proceeds from disposal/De-recognition	0	0
Net cash used in investing Activities	46,496,935	53,598,581
Cash Flows from Financing Activities:		
Government Development Grants	0	18,438,825
Proceeds from Long Term Liabilities	0	0
Repayments of Long Term borrowings	0	0
Net cash generated from Financing Activities	0	18,438,825
Increase/(decrease) in cash and Cash Equivalents	23,264,075	(23,781,450)
Cash & Cash Equivalents at Beginning of the Year	66,393,714	90,175,164
Cash & Cash Equivalents at the end of the period	89,657,789	66,393,714
Reconciliation of Cash & Cash Equivalents		
Cash & Cash Equivalents as per Cash Flow Statement	89,657,789	66,393,714
ADD: Overdrawn Accounts	0	0
Cash & Cash Equivalents as per Balance Sheet	89,657,789	66,393,714
Actual Cash & Cash Equivalents as per Balance Sheet	89,657,789	66,393,714

**STATEMENT OF COMPARISON OF BUDGET AND ACTUAL AMOUNTS
FOR THE YEAR ENDED 30TH JUNE, 2025**

DETAILS	Approved Budget 2024/2025 Kes.	Virement (Adjustments) 2024/2025 Kes.	Revised Budget 2024/2025 Kes.	Actual on Comparable Basis 2024/2025 Kes.	Performance Difference 2024/2025 Kes.	Notes
REVENUE						
Government Grants (Recurrent)	311,745,345	62,875,405	374,620,750	374,620,749	(1)	
Grants & Donations	10,500,000	0	10,500,000	10,139,412	(360,588)	
Students' Fees	961,624,340	16,126,055	977,750,395	1,147,453,166	169,702,771	i
Other Incomes	5,950,050	0	5,950,050	4,481,509	(1,468,541)	
Total	1,289,819,735	79,001,460	1,368,821,195	1,536,694,836	167,873,641	
EXPENDITURE						
Staff Costs	1,014,553,735	9,841,101	1,024,394,836	1,012,416,718	11,978,118	ii
Administrative Expenses	77,996,000	11,749,602	89,745,602	91,924,051	(2,178,449)	
Repairs & Maintenance Expenses	8,700,000	2,165,270	10,865,270	9,397,087	1,468,184	
Contracted Services	9,700,000	782,895	10,482,895	15,356,165	(4,873,270)	
Academic & Research Expenses	94,030,000	2,811,158	96,841,158	119,182,625	(22,341,467)	iv
Students Welfare	9,020,000	627,350	9,647,350	10,048,114	(400,764)	
Council Expenses	14,000,000	3,945,656	17,945,656	19,407,446	(1,461,790)	
Finance Charge	0		0	0	0	
Depreciation & Amortization	15,000,000		15,000,000	39,809,387	(24,809,387)	
Provision for Bad Debts	3,000,000		3,000,000	28,147,076	(25,147,076)	v
Loss on Disposal/ De-recognition	0		0	0	0	
Total	1,245,999,735	31,923,032	1,277,922,767	1,345,688,668	(67,765,901)	
Operating Deficit	43,820,000	47,078,428	90,898,428	191,006,168	235,639,541	
Other Service Units						
Sales						
Farm	21,000,000	0	21,000,000	10,403,668	(10,596,332)	vi
Catering	11,000,000	0	11,000,000	9,405,462	(1,594,538)	
Bookshop	2,200,000	0	2,200,000	1,648,774	(551,226)	
Total Sales	34,200,000	0	34,200,000	21,457,904	(12,742,096)	
Expenses						
Farm	20,280,000	0	20,280,000	16,225,521	(4,054,479)	
Catering	10,680,000	0	10,680,000	8,164,624	(2,515,376)	
Bookshop	2,000,000	0	2,000,000	1,299,659	(700,341)	
Total Expenses	32,960,000	0	32,960,000	25,689,805	(7,270,195)	
Total Profit/Loss for Service Units	1,240,000	0	1,240,000	(4,231,901)	(5,471,901)	
Total Surplus/(Deficit)	45,060,000	47,078,428	92,138,428	186,774,268	230,167,641	
ADD: Other Receipts (Non P&L)						
Government Grants (Capital)	0		0	0	0	
Deficit Financing- Bank Loan	0	0	0	0	0	
	0	0	0	0	0	
LESS: Other Payments (Non P&L)						
Plant & Equipment	14,560,000	131,628	14,691,628	12,501,174	2,190,454	vii
Capital Development	15,500,000	31,120,745	46,620,745	46,005,900	614,845	
Debt Management	15,000,000	15,826,055	30,826,055	85,544,351	(54,718,296)	viii
	45,060,000	47,078,428	92,138,428	144,051,425	(51,912,997)	
Surplus/(Deficit) for the Year	(0)	0	0	42,722,843	42,722,843	

EXPLANATORY NOTES TO STATEMENT OF COMPARISON OF BUDGET AND ACTUAL AMOUNTS

IPSAS 24 requires disclosure of an explanation of the reasons for material differences between the budget and actual amounts. During the period under review, there were performance differences between the actual and budgeted amounts which are explained as follows:

- i. Students Fees – The line item recorded a favorable variance as a result of implementation of new funding model where the total cost of programmes is invoiced to the students in total and financed through government scholarship, HELB loans and Household.
- ii. Staff costs – The University had planned to have two (2) substantive Deputy Vice Chancellors employed during the year under review but only the slot of DVC AFP was filled. The position of DVC ARSA is yet to be filled and therefore the allocated budget remained un-utilized.
- iii. Academic & Research Expenses – The variance in this line item was majorly as a result of recognition of part time teaching costs at Kes. 44 million compared to budgeted amount of Kes. 20 million leaving to an over-expenditure of Kes. 24 million. The University reviewed rates for part-timers from Kes. 850 to Kes. 1,200 per hour thereby increasing the expenditure.
- iv. Provision for Bad Debts – The variance in this line item was as a result of increase in accounts receivable than previously anticipated.
- v. Farm sales – The unfavorable variance in this line item was as a result of poor harvest on farm items witnessed during the period.
- vi. Plant & Equipment – The University was not able to procure the planned equipment due to shortage of funds.
- vii. Debt Management – The University managed to surpass the planned debt management in compliance with the National Treasury guidelines to prioritize and clear pending bills.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30TH JUNE, 2025**

1. General Information

Laikipia University is a body corporate established through the Laikipia University Charter of 19th February, 2013. The University is established and derives its authority and accountability from the Universities Act 2012. The University is wholly owned by the Government of Kenya and is domiciled in Kenya. The University's principal activities are; research, education, scholarship, training, innovation, outreach and consultancy.

2. Statement of Compliance and Basis of Preparation

The financial statements have been prepared on a historical cost basis except for the measurement at re-valued amounts of certain items of property, plant and equipment. The financial statements have been prepared in accordance with and comply with International Public Sector Accounting Standards (IPSAS) Accrual. The preparation of financial statements in conformity with International Public Sector Accounting Standards (IPSAS) allows the use of estimates and assumptions. It also requires management to exercise judgment in the process of applying the Entity's accounting policies. The areas involving a higher degree of judgment or complexity, or where assumptions and estimates are significant to the financial statements, are disclosed in Note 5 of these financial statements.

The financial statements are presented in Kenya shillings, which is the functional and reporting currency of the University.

The financial statements have been prepared in accordance with the PFM Act, the State Corporations Act and International Public Sector Accounting Standards (IPSAS). The accounting policies adopted have been consistently applied to all the years presented.

3. Adoption of New and Revised Standards

(a) New and Amended Standards and interpretation in issue effective in the year ended 30th June 2025

There were no new or amended standards in issue effective in the year ended 30th June 2025.

(b) New and Amended Standards and interpretation in issue but not yet effective in the year ended 30th June 2025

New and amended Standards in issue but not yet effective in the year ended 30th June 2025 were as follows;

Notes to the Financial Statements (Continued)
For the Year Ended 30th June, 2025

i) IPSAS 43: Leases

The standard sets out the principles for the recognition, measurement, presentation and disclosure of leases. The new standard requires entities to recognize, measure and present information on right of use of assets and lease liabilities. The University does not have lease assets or liabilities and therefore the standard is not applicable.

ii) IPSAS 44: Non-Current Assets Held for Sale and Discontinued Operations

The standard specifies the accounting treatment for assets held for sale and the presentation and disclosure of discontinued operations. The University does not hold any asset for sale to apply this standard.

iii) IPSAS 45: Property Plant and Equipment (PPE)

This standard supersedes IPSAS 17 and aims to enhance the principles from IPSAS 17 by incorporating new guidance on heritage assets, infrastructure assets, and the measurement of property, plant, and equipment (PPE). Heritage assets were previously excluded from the scope of IPSAS 17 and shall be included if they meet the criteria in the standard. IPSAS 45 has additional application guidance for infrastructure assets and implementation. During the year under review, the University did not have any unrecognized and/or additional heritage assets that requires disclosure under this IPSAS,

iv) IPSAS 46: Measurement

The purpose of this standard is to enhance measurement guidance in IPSAS by offering additional instructions on applying commonly used measurement bases and specifying when they should be utilized. Further, the standard is meant to provide clearer guidance on transaction costs to improve consistency across IPSAS as well as revise guidance across IPSAS related measurement at recognition, subsequent measurement and measurement-related disclosures.

v) IPSAS 47: Revenue

IPSAS 47 combines three revenue standards into one i.e IPSAS 9, Revenue from Exchange Transactions and IPSAS 11, Construction Contracts, and IPSAS 23, Revenue from Non-Exchange Transactions. The standard provides a single source for revenue accounting guidance in the public sector. The new revenue standard introduces two accounting models based on the existence of a binding arrangement.

Revenue transactions without binding arrangements.

This is income recognized when (or as) the entity satisfies any enforceable obligations associated with the inflow of resource that meet the definition of a liability or immediately, if there are no enforceable obligations associated with the inflow.

Notes to the Financial Statements (Continued)

For the Year Ended 30th June, 2025

Government grants fall into the 'transactions without binding arrangements' model since whilst the recipient of grants may well have enforceable obligations it is unlikely to be able to compel the grant giving body to make payments. The University receives government grants and research grants recognized as income in the period they are received. Accrued Government grant and research grants are recognized only when there is a reasonable assurance that the entity will comply with any condition attached to the grant and that the grant will be received.

Revenue transactions with binding arrangements

Revenue transactions with binding arrangements are transfers underpinned by a binding arrangement where one entity receives assets or services, or has liabilities extinguished, and directly gives approximately equal value (primarily in the form of cash, goods, services, or use of assets) to another entity in exchange. Revenue is recognized at the amount allocated to a compliance obligation when (or as) the entity satisfies that compliance obligation. The amount recognized depends on how much the entity expects to be compensated for each compliance obligation.

The University receives revenue from binding arrangements through fees charged to students recognized prorata over the relevant period. The entity applies accrual concept in relation to tuition and fees receivable in a particular year. Revenue from tuition fees are accounted for over the period in which they relate. Revenues from other sources are recognized depending on how much the University expects to be compensated for each compliance obligation.

vi) IPSAS 48: Transfer Expenses

This is a new standard for public sector entities geared to provide guidance to entities on reporting useful information to users of financial statements about the nature, amount, timing and uncertainty of expenses and cash flow arising from transfer expense transactions. A transfer expense is one that arises from a transaction, other than taxes, in which an entity provides a good, service or other service to another entity, without directly receiving any good, service or other asset in return.

The University does not incur transfer expenses that require disclosure under the standard.

vii) IPSAS 49: Retirement Benefit Plans

The standard prescribes the accounting and reporting requirements for the public sector retirement benefit plans, which provide retirement to public sector employees and other eligible participants. The University does not fall under retirement benefit plans and therefore does not require disclosure under this standard.

Notes to the Financial Statements (Continued)
For the Year Ended 30th June, 2025

viii) **IPSAS 50: Exploration For & Evaluation of Mineral Resources**

The objective of this standard is to provide guidance for the exploration and evaluation of mineral resources. This includes the measurement, presentation and disclosure requirements for exploration and evaluation assets recognized and to account for the benefits that may arise from the waste removal activity of a surface mine.

The University does not engage in mining activities therefore the standard is not applicable.

(c) Early Adoption of Standards

Early adoption of standards applies to new and revised standards in issue but not yet effective in the year ended 30th June 2025. The University did not early-adopt any new or amended standards in financial year 2024/2025.

4. Summary of Significant Accounting Policies

The principle accounting policies applied in the preparation of the University's financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

a. Revenue Recognition

Revenue comprises the fair value of the consideration received or receivable for the sale of services in the ordinary course of the University's activities. The University recognizes revenue when the amount of revenue can be reliably measured, it is probable that future economic benefits will flow to the University and when specific criteria have been met for each of the University's activities as described below. Revenue has been accounted for using the accrual concept of accounting. Income is recognized in the period in which it is earned. The revenue recognition is as follows:

i) Revenue from non-exchange transactions

The accounting treatment on university's revenue from non-exchange transactions are outlined as follows:

❖ **Government Grants** – These are recognized as income in the period they are received.

Accrued Government grant is recognized only when there is a reasonable assurance that the entity will comply with any condition attached to the grant and that the grant will be received.

❖ **Other Grants & Donations** - Grants and donations in form of research grants and donations from National Government-Constituency Development Funds (NG-CDFs) are recognized as income in the period it is received. The entity does not accrue un-received grants and donations unless there is a reasonable assurance to receive the funds.

Notes to the Financial Statements (Continued)
For the Year Ended 30th June, 2025

ii) Revenue from exchange transactions

Revenue from exchange transactions for the University are accounted for as follows:

- ❖ **Tuition and Fees** - Revenue from tuition and fees are recognized prorata over the relevant period. The entity applies accrual concept in relation to tuition and fees receivable in a particular year. Revenue from tuition fees are accounted for over the period in which they relate. Fees paid in advance are carried forward under trade and other payables as fees prepayment.
- ❖ **Other Miscellaneous incomes** - Revenues from other sources are recognized when the amount of revenue can be measured reliably.

b. Budget Information

IPSAS 24 requires a comparison of budget amounts and the actual amounts arising from execution of the budget to be included in the financial statements of entities which are required to, or elect to, make publicly available their approved budget(s) and for which they are, therefore, held publicly accountable. Compliance with the requirements of this standard ensures that public sector entities discharge their accountability obligations and enhance the transparency of their financial statements by demonstrating compliance with the approved budget(s) for which they are held publicly accountable and, where the budget(s) and the financial statements are prepared on the same basis, their financial performance in achieving the budgeted results.

c. Reserves

Laikipia University maintains three types of reserves as indicated on the Statement of changes in reserves of the financial statements:

Capital reserve: - This is a type of fund that is set aside for long term projects in the University.

Revenue reserve: - This is a type of fund created from University surplus generated from operating activities for future use.

Revaluation Reserve: - This is an account created by companies to account for the fluctuations of a long-term asset to reflect the fair value of the assets.

Notes to the Financial Statements (Continued)
For the Year Ended 30th June, 2025

d. Property, Plant and Equipment

The University recognizes all its property, plant and equipment at cost less accumulated depreciation and impairment losses. In case of revaluation of long term assets, the University maintains the assets at fair value using revalued amounts less accumulated depreciation and impairment losses. The University conducts revaluation on all fixed assets after every five years. The University charges annual depreciation on all assets at the close of financial period. 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 the estimated useful life, using the straight line method. Assets acquired during the year will attract full year depreciation while assets disposed during the year will not be charged the depreciation. The annual depreciation rates used are as follows:-

Buildings	-	2.5%
Office Equipment	-	20%
Furniture & Fittings	-	12.5%
Plant, Machinery & Tractors	-	10%
Motor Vehicles & Motor Bikes	-	25%
Computer & Accessories	-	20%
Library Books	-	20%

Reserves transfer

The depreciation charge on the revalued asset will be different to the depreciation that would have been charged based on the historical cost of the asset. The University makes annual transfer of an amount equal to the excess depreciation from the revaluation reserve to retained earnings.

Disposal of Assets

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are included in the income statement. When revalued assets are sold, the amounts included in the revaluation reserve relating to that asset are transferred to retained earnings.

e. Intangible Assets

Intangible assets acquired separately are initially recognized at cost. The cost of intangible assets acquired in a non-exchange transaction is their fair value at the date of the exchange. Following initial recognition, intangible assets are carried at cost less any accumulated amortization and accumulated impairment losses. These costs are amortized on the basis of the expected useful lives. Software is amortized on a straight line basis over the expected/estimated useful life. The University amortizes intangible assets at a rate of 20% per year.

Notes to the Financial Statements (Continued)
For the Year Ended 30th June, 2025

f. Biological Assets

Livestock are valued at the prevailing market rates. Crops are valued at fair value less estimated point of sale costs. Formula for calculating the value of crops in the field is as follows:

$$V_c = \frac{D \times A \times YP \times SP}{MP}$$

Where:
V_c – Value of crop **YP** – Yield Potential of the crop
D – Age in Days **SP** – Selling Price per 90 Kg Bag
A – Area in Acres **MP** – Maturity Period

g. Cash & Cash Equivalents

Cash and cash equivalents comprise cash on hand and cash at bank, short-term deposits on call and highly liquid investments with an original maturity of three months or less, which are readily convertible to known amounts of cash and are subject to insignificant risk of changes in value. Bank account balances include amounts held at various commercial banks at the end of the financial year. For the purposes of these financial statements, cash and cash equivalents also include short term petty cash imprests and money orders with post office not cleared at the end of the financial year.

h. Inventories

Inventories are stated at the lower of cost or net realizable value. Costs of issues are calculated using 'First in First Out' (FIFO) method. Net realizable value represents the estimated selling price less any estimated cost of disposal. Inventories are recognized as an expense when deployed for utilization or consumption in the ordinary course of operations of the University.

i. Provisions

Provisions are recognized when the Entity has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits or service potential will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. Where the Entity expects some or all of a provision to be reimbursed, for example, under an insurance contract, the reimbursement is recognized as a separate asset only when the reimbursement is virtually certain. The expense relating to any provision is presented in the statement of financial performance net of any reimbursement.

The University makes a general provision for bad and doubtful debts at 10% on carrying amounts of receivable at the close of financial period.

j. Contingent liabilities

The University does not recognize a contingent liability, but discloses details of any contingencies in the notes to the financial statements, unless the possibility of an outflow of resources embodying economic benefits or service potential is remote.

Notes to the Financial Statements (Continued)
For the Year Ended 30th June, 2025

k. Contingent assets

The University does not recognize a contingent asset, but discloses details of any contingent asset in the notes to financial statements whose existence is contingent on the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Entity. If it has become virtually certain that an inflow of economic benefits or service potential will arise and the asset's value can be measured reliably, the asset and the related revenue are recognized in the financial statements of the period in which the change occurs.

l. Related Parties

IPSAS 20 requires an entity to disclose the existence of related party relationships where control exists, and the disclosure of information about transactions between the entity and its related parties in certain circumstances. The principal issues in disclosing information about related parties are (a) identifying which parties control or significantly influence the reporting entity, and (b) determining what information should be disclosed about transactions with those parties.

Parties are considered to be related if one party has the ability to (a) control the other party, or (b) exercise significant influence over the other party in making financial and operating decisions. The University's related parties include the members of University Council, Management Board and the Government.

Laikipia University Council is the governing body of the University and therefore a related party to the University. Remuneration to University Council members is analyzed on Note 15 of the financial statements.

In addition, Members of the University Management Board (UMB) are the key management personnel in the University and regarded as related parties. The UMB comprise of the Vice Chancellor, Deputy Vice Chancellor (AF&P), Deputy Vice Chancellor (ARSA), Registrar (Administration & Human Capital), Registrar (Academic Affairs) and Finance Officer. IPSAS 20 stipulates that remuneration of key management personnel falls under related party transactions and therefore shall be disclosed in the financial report for the year. Remuneration of University Management Board is indicated under staff costs in Note 10 of the financial statements.

The Government of Kenya is also a related party to the University especially in terms of financing and policies. Government financing through Ministry of Education is analyzed in appendix 4 of the financial statements.

**Notes to the Financial Statements (Continued)
For the Year Ended 30th June, 2025**

m. Employee Benefits (Retirement Benefit Costs)

Laikipia University, jointly with Egerton, Kisii and Chuka Universities operates a contributory pension scheme for eligible employees. The assets of the scheme are held separately in a trustee administered fund that is funded by both employees and the University.

The University obligation to the scheme is the contribution of 20% of basic Salary whereas the employees contribute 10% of their basic Salary. The University also contributes to the National Social Security Fund (NSSF) for staff in all cadres as guided by the new NSSF act effective February 2023

The University contributions to the above schemes are charged to the Statement of Financial Performance in the year to which they relate. The University has no further obligation once the contributions have been remitted to the pension fund. The University has no legal or constructive obligations to pay further contributions if the fund does not hold sufficient assets to pay all employees the benefits relating to employee service in the current and prior periods. The University's contributions to the defined contribution schemes are recognized as an employee benefit expense in the year which it relates.

All employees are expected to take their annual leave as and when it matures during the year, otherwise, forfeit it. Hence there is no accrued annual leave at the statement of financial position date.

Employee's entitlements to gratuity are recognized when they accrue to contractual employees. A provision is made for the liability for such entitlements as a result of services rendered by employees up to the statement of financial position date. Such employees become entitled to the gratuity at the end of every financial year in their contracts and the payments out of this are charged to the accrued gratuity account.

n. Risk Management in Laikipia University

The University's activities expose it to a variety of financial risks. Effective risk management and control are essential pillars for the sustainable growth of the University. To mitigate risks the University has a Risk Management Policy that defines the University's risk management processes, methodology, risk appetite, communication and reporting. The University has also put in place the Integrated Management Systems (IMS) in all functional areas on risk management to evaluate, respond to and monitor risks in the execution of our strategy.

Notes to the Financial Statements (Continued)
For the Year Ended 30th June, 2025

The University's financial risk management types and exposures are detailed below;

❖ **Credit Risk Management**

Credit risk is the risk that counterparty will default on its contractual obligations resulting in financial loss to the University. Credit risk arises from cash and cash equivalents and deposits with banks and financial institutions as well as credit exposures to students, and other outstanding receivables. The University's credit risk is primarily attributable to its receivables. To mitigate the credit risk the University provides provision for doubtful debts at 10%. The amounts presented in the statement of financial position are net of allowances for doubtful receivables. The University's policy is payment on invoicing and reporting and thus students' receivables are categorized as either past, due or impaired. The amount that best represents the University's maximum exposure to credit risk is made up as follows;

Details	Total	Fully Performing	Past due	Impaired
	Kes.	Kes.	Kes.	Kes.
As at 30 June, 2025				
Students Receivables	424,560,563		424,560,563	
Other Receivables	69,419,527		69,419,527	
GOK Capitation Receivable	0		0	
Bank Balances	<u>89,657,789</u>	<u>89,657,789</u>	<u>0</u>	<u>0</u>
	<u>583,637,878</u>	<u>89,657,789</u>	<u>493,980,090</u>	<u>0</u>
As at 30 June, 2024				
Students Receivables	172,286,522		172,286,522	
Other Receivables	68,369,887		68,369,887	
GoK Capitation Receivable	56,488,363		56,488,363	
Bank Balances	<u>66,393,894</u>	<u>66,393,894</u>	<u>0</u>	<u>0</u>
	<u>363,538,666</u>	<u>66,393,894</u>	<u>297,144,772</u>	<u>0</u>

❖ **Liquidity risk management**

Liquidity risk is the risk that the University will not be able to meet its financial obligations as they fall due. Prudent liquidity risk management includes maintaining sufficient cash to meet the University's obligations. Ultimate responsibility for liquidity risk management rests with the University Management Board which has built an appropriate liquidity risk management framework for the management of the University's short, medium and long-term funding and liquidity management requirements. The risk exposes the University to litigations and denial of services. To mitigate the risk the University Management Board prepares and reviews the cash forecasts regularly and determines the University's cash requirement. The table below analyses the University's financial liabilities into relevant maturity period based on the remaining period at the end of reporting period to the contractual maturity date.

Notes to the Financial Statements (Continued)
For the Year Ended 30th June, 2025

Liquidity risk Analysis				
Details	Less than one Month Kes.	Between 1-12 Months Kes.	Over 12 Months Kes.	Total Kes.
As at 30th June,2025				
Trade Payables	8,406,188	20,579,849	16,511,207	45,497,243
Contractors	14,597,073	3,767,900	95,844,797	114,209,770
SSP Claims	16,393,260	21,409,920	82,118,411	119,921,591
Prepaid Fees	0	42,998,351	4,067,894	47,066,245
Other Payables	67,486,908	22,923,954	40,835,183	131,246,046
Caution Money	0	5,426,448	20,930,234	26,356,682
	<u>106,883,429</u>	<u>117,106,421</u>	<u>260,307,727</u>	<u>484,297,577</u>
As at 30th June,2024				
Trade Payables	8,273,058	10,569,195	15,276,950	34,119,202
Contractors	17,578,796	1,132,208	92,186,733	110,897,737
SSP Claims	6,161,246	2,687,550	80,009,277	88,858,073
Prepaid Fees	0	43,585,287	23,531,330	67,116,618
Other Payables	66,815,340	14,062,316	29,194,680	110,072,336
Caution Money	0	5,675,000	17,987,234	23,662,234
	<u>98,828,440</u>	<u>77,711,556</u>	<u>258,186,204</u>	<u>434,726,200</u>

❖ **Compliance risks**

These are risks that arise from the University's failure to comply with the statutory, regulatory and regulations as set out by the relevant governing bodies. Failure to meet compliance requirements can expose the University to consequences ranging from loss of funding, loss of accreditation of academic programmes by the Commission on University Education and, Technical and Vocational Training Authority, or, in extreme cases, lawsuits and/or criminal charges against the University. To mitigate compliance risks the University ensures compliance with regulatory, and regulations requirements. The University further is regulated by the Commission for University Education guidelines and other educational laws and regulations.

(i) **Governance risk**

These are risks that might arise from unethical management of an organization by its leaders in accordance with approved University policies and strategies. If not well managed, the University can be exposed to the risk of high cost of operation; ineffective leadership across all aspects of governance; reduced visibility into risks, threats and vulnerabilities; unprotected and unfavorable internal audits, financial penalties and litigations and lastly increased risks across the entire organization including financial risks, operational risks, security risks and compliance risks. To mitigate the adverse effects of governance risk the University has developed and implemented policies, put in place strong internal control mechanisms and strengthened the internal audit department unit.

Notes to the Financial Statements (Continued)
For the Year Ended 30th June, 2025

o. Research and Development Costs

Research and development expenditure is charged to income statement in the year it is incurred.

p. Interest on Loans

Interest on loan has been charged as expenses in the year they have been incurred. The policy is to accrue all un-paid interest relating to the year under review.

q. Tax Exemption

All public Universities are classified under Not-for-Profit Organizations (NPOs) and they enjoy tax exemptions and incentives from Government because they provide services that positively influence social welfare. These services should be provided free of charge, below cost or at the very minimum cost. The NPOs include Charities/NGOs/Trusts, Churches/Religious Organizations, Hospitals, Schools/Universities among others.

For NPOs to be exempt from Income Tax, they must have been established solely to;

- Relief poverty or distress of the Public
- Advance religion or education.

r. Events after Reporting Date

Events after the end of the reporting period are those events, favorable and unfavorable, that occur between the end of the reporting period and the date when the financial statements are authorized for issue. The events can either be adjusting or non-adjusting. Adjusting events are those providing evidence of conditions existing at the end of the reporting period, whereas non-adjusting events are indicative of conditions arising after the reporting period (the latter being disclosed where material). There have been no events subsequent to the financial year end with a significant impact on the financial statements for the year ended 30th June 2025.

**Notes to the Financial Statements (Continued)
For the Year Ended 30th June, 2025**

5. Significant Judgments and Sources of Estimation Uncertainty

The preparation of the University's financial statements in accordance with IPSAS 1, requires disclosure of information regarding the assumptions made about the future and other major sources of estimation uncertainty as of the reporting date. These estimates and assumptions involve significant uncertainty and may result in material adjustments to the carrying amounts of assets and liabilities within the next financial year.

a) Estimates and assumptions

The preparation of the financial statements involves the use of assumptions and estimates that affect the reported amounts of revenue, expenditure, assets, liabilities and contingent liabilities. These estimates are based on parameters available at the time the financial statements are prepared. However, existing circumstances and assumptions about the future developments may change due to market fluctuations or unforeseen events beyond the control of the University.

- Accounting assumptions refer to beliefs or opinions adopted during the preparation of financial statements to provide a consistent framework for interpretation and reporting.
- Accounting estimates represent monetary amounts subject to measurement uncertainty. These are developed using judgment based on the most recent and reliable information available to management.

The estimate and assumptions that may result in a material adjustments carrying amounts of assets and liabilities during the financial year under review are discussed below:

i) Going concern

The Council has assessed the University's operational environment and found no indication of financial distress that would suggest a risk of liquidation or cessation of operations. Subsequently, it is confident that the University will continue as a going concern for at least the next twelve months from the date of this statement.

ii) Materiality

The university relies on a professional's judgment to assess materiality of transactions and transactional errors while preparing its financial statements.

iii) Reliability assumption

The University only record transactions with provable documentation using accurate reporting procedures. This prevents the university from recognizing false revenues or fabricating transactions to produce more favorable or attractive short-term reports.

Notes to the Financial Statements (Continued)
For the Year Ended 30th June, 2025

b) Useful lives and residuals value

The useful life of an asset is defined in terms of the asset's expected utility to the Entity. The estimation of the useful life of the asset is a matter of judgment based on the experience of the Entity with similar assets.

Based on judgment, the University's PPEs and intangible assets have a finite useful life and are depreciated to their residual values. 'Residual value' is the amount that could currently be received from disposal of the asset, after deducting the estimated costs of disposal, if the asset were already of the age and in the condition that it will be in at the end of its useful life.

c) Provisions

Provisions are recognized when the Entity has a present legal or constructive obligation resulting from a past event, and it is probable that an outflow of resources embodying economic benefits or service potential will be required to settle the obligation. A reliable estimate of the amount must also be possible.

Where the Entity expects some or all of a provision to be reimbursed, for example, under an insurance contract, the reimbursement is recognized as a separate asset only when the reimbursement is virtually certain. The management therefore, estimates a provision based on exposure precedents and industry best practice. University has provided for the following provisions:

- Provision for bad debts – University policy on provision for bad debts is to provide for 10% of carrying amounts for bad and doubtful debts.

Provision for Depreciation & Amortization - The University policy is to apply full year depreciation at the year of purchase with no depreciation on disposal of an asset.

**Notes to the Financial Statements (Continued)
For the Year Ended 30th June, 2025**

6. Government Grants

Transfers from government entities are classified under revenue from non-exchange transactions as there are no services expected in return. In a non-exchange transaction, an entity either receives value from another entity without directly giving approximately equal value in exchange, or gives value to another entity without directly receiving approximately equal value in exchange.

During the year under review the University received a total of Kes. 374,620,749 in 2024/2025 FY compared to Kes. 677,860,351 in 2023/2024 FY as recurrent capitation. This was a decrease by 44.7% during the year and accounted for as revenue in the statement of financial performance. Contribution of the Government through Ministry of Education (MoE) to total revenue was registered at 24.38% during the 2024/2025 financial year.

Government Grants		2024/2025 (30.06.2025)	2023/2024 (30.06.2024)
Code	Description	Kes.	Kes.
40-01-001	GOK Recurrent	374,620,749	677,860,351
	Sub-Total	374,620,749	677,860,351

7. Grants & Donations

The University registered grants and donations totaling to Kes. 10,139,412 in 2024/2025 FY compared to Kes. 9,753,565 recorded in 2023/2024 financial year. This comprises research grants amounting to Kes. 10.13 million recognized at 100% as per University policy. Donations to students by Higher Education Loans Board (HELB) and National Government-Constituency Development Funds (NG-CDFs) are posted directly to students accounts to reduce receivables but not revenue to the University. Grants and donations to the University during the year were as follows:

Grants & Donations		2024/2025 (30.06.2025)	2023/2024 (30.06.2024)
Code	Description	Kes.	Kes.
40-01-002	Research Grants	10,129,412	9,753,565
40-01-003	Other Grants & Donations	10,000	0
	Sub-Total	10,139,412	9,753,565

Notes to the Financial Statements (Continued)
For the Year Ended 30th June, 2025

8. Students' Fees

The primary issue in accounting for revenue is determining when to recognize revenue. Revenue is recognized when it is probable that future economic benefits or service potential will flow to the entity and these benefits can be measured reliably.

Revenue from students' fees is classified under revenue from exchange transaction and is accounted for over the period in which they relate. Fees paid in advance are carried forward as excess/prepayments under accounts payables. Students' fees were the highest contributor of revenue at 74.67% during the year. The University recorded students' fees amounting to Kes. 1,147,453,166 in 2024/2025 FY compared to Kes. 722,073,659 in the last financial year 2023/2024, resulting to an increase by 58.9%. Higher fees in current financial period is as a result of higher number of students under new funding model in 2024/2025 than previous year 2023/2024 where total cost for each programme is invoiced to the student and financed through Government scholarships, HELB Loans and Household. Details of students' fees are as follows:

Students' Fees		2024/2025	2023/2024
		(30.06.2025)	(30.06.2024)
Code	Description	Kes.	Kes.
40-02-001	Tuition	887,572,942	486,723,663
40-02-002	Application Fee	308,059	344,555
40-02-003	Students ID	1,559,500	1,584,000
40-02-004	Registration	25,106,500	22,896,800
40-02-005	Examination Fee	25,287,000	21,885,500
40-02-006	Material Development	25,167,000	21,891,000
40-02-007	Activity Fee	25,830,600	22,635,900
40-02-008	Students Medical Fee	17,440,150	15,335,400
40-02-009	Library Fee	17,530,600	15,478,400
40-02-010	Students Supervision Fee	46,932,000	49,928,040
40-02-011	Laboratory Charges	21,600,000	18,727,500
40-02-012	Convocation/Graduation Fee	6,461,000	5,649,500
40-02-013	Computer Charges	22,065,170	19,405,380
40-02-014	Accommodation	5,123,500	5,637,500
40-02-015	Internal Attachment Charges	1,515,000	0
40-03-001	Retakes & Supplementary Exams	11,105,905	8,539,000
40-03-002	Examination Remarketing fees	151,000	8,000
40-03-003	Students ID Card Replacement	62,000	76,500
40-03-006	Certificates Late Collection	157,000	210,300
40-03-007	Academic Transcripts	758,000	684,392
40-03-032	Academic Field Trips Charges	5,720,240	4,432,328
	Sub-Total	1,147,453,166	722,073,659

Notes to the Financial Statements (Continued)
For the Year Ended 30th June, 2025

9. Other Miscellaneous Income

The University recorded a total of Kes. 4,481,509 translating to 0.29% of the total income during the 2024/2025 financial period. This was an increase by 9.8% compared to 2023/2024 FY which recorded a total of Kes. 4,082,091 in miscellaneous income. An analysis of other incomes for the year is as follows;

Other Sundry Income		2024/2025 (30.06.2025)	2023/2024 (30.06.2024)
Code	Description	Kes.	Kes.
40-03-004	Library Fines	4,215	9,415
40-03-005	Students' Damages	0	17,400
40-04-003	Medical Charges - Guests	194,424	248,568
40-04-004	NHIF Rebates	174,825	618,595
40-04-006	Tendering Income	3,500	0
40-04-007	Hire of Hall	80,000	10000
40-04-009	Hire of Transport	462,922	753,690
40-04-012	Hire of Furniture	4,500	0
40-04-014	Conference Charges	1,121,955	0
40-04-016	Rent & Leasehold Income	429,500	647,583
40-04-019	Sale of Detergents	80,000	121,500
40-04-021	Other Sundry Income	92,431	260,473
40-04-022	Hire of Gowns	13,000	394,500
40-04-025	Inter-Faculty Transfers	250,000	278,000
40-04-026	Guest House Income	979,361	323,000
40-04-029	Sale of Mineral Water	32,850	177,772
40-04-030	Ethics Review Charges	207,500	101,596
40-04-032	Online Journal Publications	132,000	120,000
40-04-034	Staff Surcharge & Penalties	218,526	0
	Sub-Total	4,481,509	4,082,091

Notes to the Financial Statements (Continued)
For the Year Ended 30th June, 2025

10. Staff Costs

The average number of employees during the period was 422 with a composition of 6 members of the University Management Board, 89 teaching staff and 327 non-teaching staff. The University incurred a total of Kes. 1,012,416,718 translating to 75.2% of total recurrent expenditure to cater for staff salaries and benefits for the financial year ended 30th June, 2025 compared to Kes. 970,584,324 for similar period ended 30th June, 2024. Included in staff costs is compensation to University Management Board amounting to Kes. 62,128,414 in 2024/2025 FY compared to Kes. 55,705,662 for 2023/2024 FY as detailed below;

Name	Designation	2024/2025 Kes.	2023/2024 Kes.
Prof. Kibett Rotich	Vice Chancellor	18,909,431	16,097,287
Prof. John Kanjogu	Ag. Deputy Vice Chancellor - ARSA (Jan.-June 2025)	4,969,414	0
Prof. Charles Nguta	Former Ag. Deputy Vice Chancellor - ARSA (Jan-Dec 2024)	4,175,708	4,199,134
Prof. Jacinta Ndambuki	Former Ag. Deputy Vice Chancellor - ARSA (Jan-Dec 2023)	0	4,114,837
Prof. Patience Mshenga	Deputy Vice Chancellor - AF&P	5,204,766	0
Prof. James Ogolla	Former Ag. Deputy Vice Chancellor – AF&P (Jan-Dec 2024)	3,807,408	4,565,632
Prof. Nicholas Kamau	Former Ag. Deputy Vice Chancellor – AF&P (Jan-Dec 2023)	0	4,114,837
Prof. Robert Mwebi	Registrar AA	7,557,408	7,174,270
Dr. Hezron Nyamwenga	Registrar (A&HC)	9,164,285	7,767,358
CPA. Geoffrey K. Langat	Chief Finance Officer	8,339,994	7,672,309
	Total	62,128,414	55,705,662

There were no other related party transactions by the University Management Board members such as loans or advances or any other item described under IPSAS 20.

The University together with Egerton, Kisii and Chuka Universities operates a defined contribution staff provident scheme. The University contributes 20% of basic salary to pensionable staff in grade 5-15 which amounted to Kes. 75,186,998 in 2024/2025 FY compared to Kes. . 66,649,901 in 2023/2024 financial year. The University has no legal or constructive obligations to pay further contributions if the fund does not hold sufficient assets to pay all employees the benefits relating to employee service in the current and prior periods.

Employees on contract are entitled to contract gratuity annually. In addition staffs in grade I-IV are entitled to service gratuity upon retirement at 31% on current basic salary for every year worked. The University incurred gratuity amounting to Kes. 32,927,507 in the year ended 30th June, 2025 compared to Kes. 39,413,632 in the last financial year ended 30th June, 2024.

Notes to the Financial Statements (Continued)
For the Year Ended 30th June, 2025

All employees are expected to take their annual leave as and when it matures during the year, otherwise, forfeit it. Hence there is no accrued annual leave at date of the statement of financial position. Detailed breakdown of staff costs during the 2024/2025 financial year is as follows;

Staff Costs		2024/2025	2023/2024
Code	Description	(30.06.2025)	(30.06.2024)
		Kes.	Kes.
50-01-001	Basic salary	478,451,413	430,412,244
50-01-002	House Allowance	161,339,688	167,152,932
50-01-003	Hardship Allowance	73,556,063	75,150,401
50-01-004	Medical Allowances	10,927,609	11,378,385
50-01-005	Commuting Allowance	57,869,881	61,210,513
50-01-006	NSSF (Employer)	8,821,979	8,037,622
50-01-007	Pension (Employer)	75,186,998	66,649,901
50-01-008	National Housing Levy	12,321,848	9,282,793
50-01-009	Leave Travel	4,601,040	4,866,750
50-01-010	Salary Market Adjustment Allowance	984,200	0
50-01-011	Other Personal Allowances	40,494,388	41,529,468
50-02-001	Gratuity	32,927,507	39,413,632
50-02-002	Passage & Baggage	200,694	238,673
50-02-003	Internship	0	755,645
50-02-004	Locum Salary	2,774,105	2,234,277
50-02-005	Sabbatical Expenses	1,354,164	2,085,379
50-02-006	Book Allowance	34,210	20,890
50-02-007	National Industrial Training Authority (NITA)	269,850	290,250
50-02-008	Overtime & Leave Payment	0	415,994
50-02-009	Group Life insurance	13,412,203	13,910,957
50-02-010	Casual Labour	4,473,485	3,887,168
50-02-011	Staff Med. Expenses (Hospitalization)	21,991,970	20,671,156
50-02-012	Staff (Dental & Optical) Expenses	843,945	1,336,741
50-02-013	Staff Development/Training	7,327,617	6,373,392
50-02-014	Tuition Fee Waiver	334,480	543,660
50-02-016	Staff Funeral Expenses	303,800	208,000
50-02-018	Staff Uniforms & Clothing Allowance	1,361,081	2,322,100
50-02-019	Subscription to Professional Bodies	252,500	205,400
	Total Staff Costs	1,012,416,718	970,584,324

Notes to the Financial Statements (Continued)

For the Year Ended 30th June, 2025

11. Administrative Expenses

The University incurred a total of Kes. 91,924,051 as administrative expenses in 2024/2025 compared to Kes. 94,377,974 in 2023/2024 FY as itemized below;

Administrative Expenses		2024/2025 (30.06.2025)	2023/2024 (30.06.2024)
Code	Description	Kes.	Kes.
50-03-001	Travel & Subsistence	31,767,117	34,024,363
50-03-002	Transport Operating Expenses	9,036,392	8,374,390
50-03-003	Electricity Expenses	23,575,310	22,038,626
50-03-004	Office Stationery	1,106,647	1,204,988
50-03-005	Audit Fees	696,000	696,000
50-03-006	Security Infrastructure	2,318,486	2,283,000
50-03-007	Advertising & Publicity	1,157,199	815,290
50-03-008	Publishing & Printing	352,900	524,000
50-03-009	Postage & Telephone	1,240,902	1,220,265
50-03-010	Photocopying Expenses	0	4,845
50-03-011	Computer charges & Stationery	1,863,830	2,203,380
50-03-012	Bank Charges	769,312	734,610
50-03-014	Public Celebrations	115,500	269,415
50-03-015	Revaluation of Assets	1,248,860	0
50-03-016	General Licenses, Permits & Levies	697,042	400,492
50-03-017	Rents & Rates	46,570	236,655
50-03-019	Tendering Expenses	203,700	396,900
50-03-020	Quality Assurance	92,080	414,000
50-03-021	Strategic Plan/Charter Launch	260,615	1,832,395
50-03-022	Maintenance of water & Sewerage	42,240	50,450
50-03-023	ISO Expenses/Launch	464,700	570,300
50-03-024	Performance Contracting	1,242,580	2,215,672
50-03-025	Software Maintenance Expenses	897,447	1,299,556
50-03-026	Health Week	160,500	105,210
50-03-027	Subscription to University Memberships/Regulatory Bodies	973,250	981,695
50-03-028	Cleaning Materials	256,235	485,617
50-03-029	Meeting Expenses	4,318,120	5,397,660
50-03-030	Detergent Expenses	99,027	0
50-03-031	Accommodation/Guest House Expenses	3,700	0
50-03-032	Office Operating Expenses	1,380,090	1,468,030
50-03-033	Tax Penalties & Interests Expenses	198,916	0
50-03-034	Students' Registration Exp.	849,160	1,216,174
50-03-036	Students' ID Cards Expenses	675,000	703,302
50-03-038	Corporate Affairs & Marketing	319,660	490,725
50-03-039	Ethics Review Expenses	211,825	147,200
50-03-040	Disability Mainstreaming	197,385	336,500
50-03-041	HIV Aids Control Unit Expenses	0	236,665
50-03-042	Resource Mobilization Expenses	289,287	506,903
50-03-045	Disaster Management & Emergency Response	0	37,950
50-03-046	General & Rental Income Taxes	100,759	0
50-03-047	Gender Mainstreaming	27,500	54,800
50-03-048	Water Bottling Expenses	12,029	74,340
50-03-049	Environmental Conservation	149,500	143,610
50-03-050	Cloud Hosting Service & Renewal Fees	0	182,000
50-03-051	Court Penalties & Awards	2,506,680	0
	Sub Total	91,924,051	94,377,974

Notes to the Financial Statements (Continued)

For the Year Ended 30th June, 2025

12. Repairs & Maintenance Expenses

An analysis on repairs and maintenance expenses indicated that the University incurred a total of Kes. 9,397,087 in 2024/2025 FY compared to Kes. 11,273,031 in 2023/2024 FY. Included in the current expenditure is Kes. 6,259,089 on general repairs, Motor vehicle repairs at Kes. 1,652,198 while machinery repairs took Kes. 1,455,640 as indicated below;

Repairs & Maintenance Expenses		2024/2025 (30.06.2025)	2023/2024 (30.06.2024)
Code	Description	Kes.	Kes.
50-04-001	General Repairs	6,259,089	7,812,318
50-04-002	Motor Vehicle repairs & Maintenance	1,652,198	1,892,583
50-04-003	Machinery repairs	1,455,640	1,385,650
50-04-005	Computer Repairs & Maintenance	30,160	182,480
	Sub Total	9,397,087	11,273,031

13. Contracted Services

The University contracted various companies and organizations to offer various services during 2024/2025 FY. The services included insurance, legal services and cleaning and sanitary. During the period under review, the University incurred a total of Kes. 15,356,165 on various contracted services compared to Kes. 11,869,632 in the 2023/2024 financial year. Included in this was expenditure of Kes. 8.37 million on legal representation for various on-going court cases and Kes. 4.87 million for outsourced cleaning services. Details of expenditure on contracted services are as follows;

Contracted Services		2024/2025 (30.06.2025)	2023/2024 (30.06.2024)
Code	Description	Kes.	Kes.
50-05-001	Legal Charges	8,372,270	3,301,882
50-05-002	Cleaning & Sanitary Services	4,868,000	4,147,389
50-05-003	General Insurance -Property	997,479	997,479
50-05-004	Vehicles Insurance	985,416	996,787
50-05-006	Other Contracted Professional Services	133,000	2,426,094
	Sub Total	15,356,165	11,869,632

Notes to the Financial Statements (Continued)
For the Year Ended 30th June, 2025

14. Academic & Research Expenses

The University's core mandate is teaching and research. During the period under review, a total of Kes. 119,182,625 was incurred compared to Kes. 98,995,099 in similar period of 2024/2025 FY. Included in academic and research expenses was Kes. 44.0 million for part time lecturers and Kes. 6.15 million for graduation expenses. In addition the University paid Kes. 14.52 million on teaching practice and industrial attachment during the period. Detailed breakdown on academic and research expenses are as follows;

Academic & Research Expenses		2024/2025 (30.06.2025)	2023/2024 (30.06.2024)
Code	Description	Kes.	Kes.
50-06-001	Part-time Teaching Costs	44,001,923	26,572,415
50-06-002	Graduation Expenses	6,146,581	5,517,432
50-06-003	Teaching Materials	328,420	208,865
50-06-004	Laboratory Materials & Reagents	757,151	400,479
50-06-005	Teaching Practice & Industrial Attachment	14,521,300	14,554,800
50-06-007	Internal Research Grant Expenses	2,559,865	299,500
50-06-008	External Research Grants Expenses	7,442,744	8,771,267
50-06-009	Internet Services	7,433,884	7,635,258
50-06-010	Subscription to e-Journals	1,327,750	1,837,250
50-06-011	Academic Exhibitions	473,350	533,550
50-06-012	Conference & Seminars	9,593,661	6,761,251
50-06-014	Senate Expenses	0	59,700
50-06-015	International Travel	0	338,179
50-06-016	KUCCPS Expenses	4,005,000	6,039,000
50-06-017	CUE Expenses	5,132,000	5,672,000
50-06-018	Examination Stationery	4,626,542	3,983,528
50-06-019	Graduation Gowns	483,200	464,000
50-06-020	External Examiners (Exam Moderation)	3,261,081	4,183,957
50-06-021	Community Outreach & Extension Services	620,651	460,255
50-06-022	Open & Distance Learning	339,217	154,300
50-06-023	Endowment Fund	300,000	0
50-06-024	Academic Field Trips	4,205,910	2,923,444
50-06-025	Mentorship Programme	635,840	322,050
50-06-027	Newspapers, Journals & Videos	259,430	231,500
50-06-028	Botanical Garden Expenses	12,200	85,019
50-06-029	Curriculum Review & Development	714,925	986,100
	Sub Total	119,182,625	98,995,099

**Notes to the Financial Statements (Continued)
For the Year Ended 30th June, 2025**

15. Students Welfare Expenses

Over the years, the University Management Board has made a deliberate decision to improve students' welfare through a number of ways, among them, Students' bursaries and work-study programmes. During the period under review, the University incurred a total of Kes. 10,048,114 compared to Kes. 10,193,863 in similar period 2023/2024 fiscal year. Current expenditure includes Kes. 1.54 million for Students' Work-study and Kes.1 million for students' bursaries in support of needy students in the University during the year. Detailed students' welfare expenses are as follows;

Students Welfare		2024/2025 (30.06.2025)	2023/2024 (30.06.2024)
Code	Description	Kes.	Kes.
50-07-001	Students Medical Supplies	3,077,919	3,743,431
50-07-002	Students Work-study	1,535,100	1,642,800
50-07-003	Games & Sports Expenses	1,483,490	1,214,000
50-07-004	Students Choir/Drama Festivals	693,765	544,350
50-07-005	Students' Innovation & Cultural Week	443,600	400,000
50-07-007	Students' Counseling Expenses	329,840	476,800
50-07-008	Students' Bursaries	1,000,000	1,000,000
50-07-009	Students Miscellaneous A/c	1,267,350	1,057,100
50-07-010	Subscription to DSTV	217,050	115,382
	Sub Total	10,048,114	10,193,863

16. Council Expenses

The University approves formal and transparent remuneration policies to Council members. These policies clearly stipulate remuneration elements such as sitting allowance, transport reimbursements and honorarium to the Chancellor and members of Council in line with the industry. All Council members are paid a taxable sitting allowance of Kes.20,000 for every meeting attended. The University Council holds meetings in line with their mandate as stipulated in the University statutes and the Charter. During the period under review, the University incurred a total of Kes. 19,407,446 on compensation to Council members compared to Kes. 12,192,092 in similar period of 2023/2024 FY as detailed below;

Council Expenses		2024/2025 (30.06.2025)	2023/2024 (30.06.2024)
Code	Description	Kes.	Kes.
50-08-001	Council Sitting Allowance	5,755,000	4,400,000
50-08-002	Council Mileage Allowance	4,517,646	3,039,592
50-08-003	Council Honoraria	1,044,000	565,500
50-08-004	Council Accommodation Allowance	7,716,800	3,913,000
50-08-005	Council Lunch Allowance	374,000	274,000
	Sub Total	19,407,446	12,192,092

Notes to the Financial Statements (Continued)
For the Year Ended 30th June, 2025

IPSAS 20 requires an entity to disclose the existence of related party relationships where control exists, and the disclosure of information about transactions between the entity and its related parties in certain circumstances. During the year under review, remuneration to Council members was the main related party transactions where the members were remunerated based on meetings attendance. Details of council remuneration to individual council members are as indicated below:

Payee	Sitting Allowance	Mileage Allowance	Lunch Allowance	Accommodation	Honorarium	Gross Earnings
Dr. Lemein Korei	1,153,000	920,864	74,000	1,456,000	1,044,000	4,647,864
Ms. Sereya Maitoyo	846,000	775,124	60,000	1,146,600	0	2,827,724
Dr. Charles Malalah	806,000	770,000	54,000	1,110,200	0	2,740,200
Dr. Frank Ndakala	759,000	460,978	48,000	1,001,000	0	2,268,978
Ms. Marie Mugo	726,000	516,572	44,000	1,019,200	0	2,305,772
Mr. Paul Bore	686,000	582,540	40,000	928,200	0	2,236,740
Ms. Susan Ngigi	779,000	491,568	54,000	1,055,600	0	2,380,168
Total	5,755,000	4,517,646	374,000	7,716,800	1,044,000	19,407,446

17. Finance Charge

Finance charge is any fee representing the cost of credit, or the cost of borrowing. It is interest accrued on, and fees charged for, some forms of credit. It includes not only interest but other charges as well, such as financial transaction fees. The University had no outstanding loan balance in 2024/2025 FY hence no expenditure was incurred.

18. Depreciation & Amortization

The University policy is to apply full year depreciation at the year of purchase with no depreciation on disposal of an asset. The University provided a total of Kes. 39,809,387 as depreciation and amortization on University assets in the 2023/2024 FY compared to Kes. 32,645,292 in the 2023/2024 financial year. Included in provisions for depreciation and amortization for the 2024/2025 FY was Kes. 32.12 million on PPE, Kes. 2.51 million on library books and amortization on ERP at Kes. 5.19 million for intangible assets. Break down of depreciation and amortization expenses are as detailed below:

Depreciation & Amortization		2024/2025 (30.06.2025)	2023/2024 (30.06.2024)
Code	Provision for Depreciation & Amortization	Kes.	Kes.
50-10-001	Depreciation on PPE	32,117,421	26,500,078
50-10-002	Depreciation on Library Books	2,505,294	962,733
50-10-003	Amortization of Intangible Assets	5,186,672	5,182,480
	Sub Total	39,809,387	32,645,292

Notes to the Financial Statements (Continued)
For the Year Ended 30th June, 2025

19. Bad Debts & Provisions

Bad debt is an expense that a business incurs once the repayment of credit previously extended to a customer is estimated to be uncollectible. Bad debt is a contingency that must be accounted for by all businesses that extend credit to customers, as there is always a risk that payment will not be received. As a result, a provision for bad and doubtful debts needs to be included in the income statement. Laikipia University made a general provision for bad and doubtful debts on receivables from exchange transaction at the close of 2024/2025 FY. Irrecoverable debts are also written off as an expense in the income statement. Details of this line item are as follows;

	2024/2025 (30.06.2025)	2023/2024 (30.06.2024)
Bad Debts	Kes.	Kes.
(i) Provision for Bad Debts		
Receivables from Exchange Transactions	548,866,766	267,396,010
Less Provision for Bad & Doubtful Debts @ 10%	54,886,677	26,739,601
Net Receivables from Exchange Transactions	493,980,090	240,656,409
Receivables from Non- Exchange Transactions	0	56,488,363
Total Net Receivables	493,980,090	297,144,772
Increase/(Decrease) in Provision for Bad Debts	28,147,076	(1,121,933)
(ii) Bad Debts Written-off		
Item	Kes.	Kes.
Farm Dues	0	0
Bookshop Dues	0	0
Medical Dues	0	0
Imprests	0	0
Total Debts Written off	0	0

20. Loss on Assets Disposal/De-recognition

The University did not record any loss arising from de-recognized or disposed asset during the period under review compared to Kes. 8100 recorded in previous financial year 2023/2024 as indicated below;

Loss on Disposal/De-recognition of Assets		2024/2025 (30.06.2025)	2023/2024 (30.06.2024)
Code	Description	Kes.	Kes.
50-12-001	Loss on Disposal of Assets	0	0
50-12-002	Loss on De-recognition of Assets	0	8,100
	Sub Total	0	8,100

Notes to the Financial Statements (Continued)
For the Year Ended 30th June, 2025

21. Farm Operations

The University is in the process of revitalizing the Farm. During the period under review, Farm incurred a total of Kes. 15.88 million as cost of inputs. The University farm recorded a deficit of Kes. 5,821,853 compared to a surplus of Kes. 6,496,376 in similar period of the 2023/2024 FY as indicated below;

Farm Financial Performance
For the Year Ended 30th June, 2025

Details	2024/2025 (30.06.2025) Kes.	2023/2024 (30.06.2024) Kes.
Sales	10,403,668	9,465,032
Less:		
Cost of Sales	15,876,211	15,607,527
Operating Expenses	349,310	353,881
Surplus/(Deficit)	(5,821,853)	(6,496,376)

22. Catering Operations

The University Catering Unit recorded a surplus of Kes. 1,240,838 at the close of the financial period ended 30th June 2025 compared to a deficit of Kes. 8,341 in similar period of the 2023/2024 fiscal year as indicated below;

Catering Financial Performance
For the Year Ended 30th June, 2025

Details	2024/2025 (30.06.2025) Kes.	2023/2024 (30.06.2024) Kes.
Sales	9,405,462	10,169,144
Less:		
Cost of Sales	6,922,326	8,766,329
Operating Expenses	1,242,298	1,411,156
Surplus/(Deficit)	1,240,838	(8,341)

23. Bookshop Operations

The bookshop reported a surplus of Kes. 349,115 during the period compared to Kes. 234,974 in 2023/2024 FY as indicated below;

Bookshop Financial Performance
For the Year Ended 30th June, 2025

Details	2024/2025 (30.06.2025) Kes.	2023/2024 (30.06.2024) Kes.
Sales	1,648,774	1,370,347
Less:		
Cost of Sales	1,277,617	1,115,318
Operating Expenses	22,042	20,055
Surplus/(Deficit)	349,115	234,974

**Notes to the Financial Statements (Continued)
For the Year Ended 30th June, 2025**

24. Cash & Cash Equivalents

Cash and cash equivalents includes cash in hand, deposits held at call with banks and other short term highly liquid investments with original maturities of three months or less. Public Finance Management regulations of 2015, section 90 (3) states that an Accounting Officers shall ensure any discrepancies noted during bank reconciliation exercise, are investigated immediately and appropriate action taken including updating the relevant cash books.

The University reported cash and cash equivalents of Kes. 89,657,789 at the close of financial period ended 30th June 2025 compared to Kes. 66,393,714 at the close of financial year ended 30th June 2024. Included in cash and cash equivalent for 2024/2025 FY was cash on hand at Kes. 627,395 out of which Kes. 511,860 were receipted money orders held at the post office awaiting clearance. Breakdown of cash and cash equivalents at the close of period ended 30th June, 2025 was as detailed below;

Cash & Cash Equivalents

Code	Bank Account Name	Account Number	2024/2025 (30.06.2025) Kes.	2023/2024 (30.06.2024) Kes.
10-01-001	KCB Main Account	1102161683	34,770,036	12,723
10-01-002	KCB Nakuru Account	1101909080	6,966,824	5,613,869
10-01-003	KCB Development Account	1120980534	366,665	2,165,032
10-01-004	KCB Research Account	1125437723	5,513,306	6,414,199
10-01-005	KCB Farm Account	1102161551	1,133,061	255,349
10-01-006	KCB Catering Account	1102168688	55,003	142,022
10-01-007	KCB Bookshop Account	1102161829	1,807,567	1,512,624
10-01-011	Co-operative Bank Fees Account	1129501778000	571,572	5,437,323
10-01-015	Co-operative Bank - Gratuity/Caution Money Account	1100036453400	35,211,499	42,214,279
10-01-016	Equity Fees Account	160295840456	926,395	253,511
10-01-017	Equity Chancellors & Alumni Endowment Fund Account	160264998833	1,596,460	1,596,640
10-01-018	E-Citizen	222222	112,006	262,226
	Total		89,030,394	65,879,797
	Cash in Hand		627,395	513,917
	Total		89,657,789	66,393,714

Excluded in the cash and cash equivalent balances were direct deposits amounting to Kes. 2,606,161 remaining un-receipted at the close of 2024/2025 financial year. The source of the direct deposits were receipts from students and other customers but their details were missing hence we were not able to do the receipting. The deposits therefore forms part of bank reconciliation statement as reconciling items but they disappear once they are receipted. Details of direct deposits by bank account are as indicated below;

Notes to the Financial Statements (Continued)
For the Year Ended 30th June, 2025

Summary of Direct Deposits as at 30.06.2025

Code	Bank Account	Account No.	As at 30th June 2025	As at 30th June 2024
10-01-001	KCB Main Account	1102161683	1,000.00	208,780.00
10-01-002	KCB Fees Account	1101909080	1,591,811.00	2,170,951.00
10-01-004	KCB Research Account	1125437723	-	23,500.00
10-01-005	KCB Farm Account	1102161551	500.00	-
10-01-006	KCB Catering Account	1102168688	-	4,000.00
10-01-007	KCB Bookshop Account	1102161829	1,250.00	10,100.00
10-01-011	Cooperative Bank Fees Account	1129501778000	399,340.00	1,374,501.00
10-01-016	Equity Fees Account	160295840456	312,260.00	744,996.00
10-01-018	Equity Chancellor & Alumni Account	160264998833	300,000.00	-
	Total		2,606,161.00	4,536,828.00

25. Accounts Receivables

The University recognizes revenue when the amount of revenue can be reliably measured; it is probable that future economic benefits will flow to the University and when specific criteria have been met for each of the University's activities Revenue from exchange transactions for the University includes tuition and related fees which are recognized prorata over the relevant period. Revenue from tuition fees are accounted for over the period in which they relate upon invoicing. Any amount remaining un-received at the close of accounting period is recorded as a receivable.

During the period under review, the University recorded receivables amounting to Kes. 493,980,090 net of provision for bad and doubtful debts. Included in this were students fees balance at gross amounting to Kes. 471,733,958 at the close of financial year ended 30th June, 2025. Deposits and prepayments relate to meter deposits held with Kenya Power and Lighting Company at Kes. 1,447,604, Rent Deposits for former satellite campuses in Nairobi, Naivasha and Nyahururu at Kes. 2,045,180 and fuel cards deposits with Oil-Libya at Kes. 1,012,000.

In addition, receivables included an amount of Kes. 62,999,287 from former collaborating colleges (Eldoret, Nakuru and Embu) which have been outstanding for a long time due to recoverability challenges. The highest debt was from Embu College collaboration amounting to Kes. 57,005,320. This includes Kes. 52,873,000 for fees receivable and Kes. 4,132,320 for accrued Director's salary. The University has been making follow-up with the Campus but with little progress. The matter was referred for arbitration and an arbitrator appointed by the Chartered Institute of Arbitrators and the process is still on-going.

Notes to the Financial Statements (Continued)

For the Year Ended 30th June, 2025

Details of receivables during the period as indicated below:

Accounts Receivable

(i) Receivable from Exchange Transactions		2024/2025 (30.06.2025)	2023/2024 (30.06.2024)
Code	Details	Kes.	Kes.
10-02-001	Student Debtors (Fee Balances)	471,733,958	191,429,469
10-02-002	Fee Receivable Egerton University	1,862,823	1,862,823
10-02-004	Eldoret Campus (Elgon View) Students' Account	2,794,068	2,794,068
10-02-006	Embu Campus Students' Account	52,873,000	52,873,000
10-02-007	Nakuru Campus Director's Salary Account	3,199,899	3,787,094
10-02-008	Embu Campus Director's Salary Account	4,132,320	4,132,320
10-02-009	Farm Debtors	708,726	491,056
10-02-010	Bookshop Debtors	13,297	13,297
10-02-011	Medical Debtors	117,498	178,407
10-02-012	Salary Advance	61,708	84,754
10-02-013	Rent & Leasehold	2,263,525	2,239,025
10-02-014	Imprest Debtors (Un-surrendered Imprests)	179,833	455,168
10-02-015	General Debtors	2,820,106	2,301,746
10-02-016	Deposits & Pre-payments	4,504,784	4,644,784
10-02-017	KRA Receivable	1,444,222	0
10-02-018	Students' Union Receivable	157,000	109,000
	Total	548,866,766	267,396,010
10-03-001	Less Provision for Bad & Doubtful Debts @ 10%	54,886,677	26,739,601
	Net Receivable from Exchange Transactions	493,980,090	240,656,409
(ii) Receivable from Non-exchange Transactions		2024/2025 (30.06.2025)	2023/2024 (30.06.2024)
	Details	Kes.	Kes.
10-04-001	GoK Recurrent Capitation Receivable	-	56,488,363
10-04-002	GoK Development Capitation Receivable	0	0
	Total Net Receivables	493,980,090	297,144,772

Aged analysis for accounts receivables was as tabulated below:

(a) Receivable from Exchange Transactions				
Description	2024/2025 (30.06.2025)		2023/2024 (30.06.2024)	
	Kes.	% of the Total	Kes.	% of the Total
Less than 1 Year	356,611,273	65%	81,103,604	30%
Between 1-2 Years	11,496,893	2%	8,111,495	3%
Between 2-3 Years	6,085,176	1%	5,647,809	2%
Over 3 Years	174,673,426	32%	172,533,102	65%
Sub-Total	548,866,766	100%	267,396,010	100%
(b) Receivable from Non-exchange Transactions				
Description	2024/2025 (30.06.2025)		2023/2024 (30.06.2024)	
	Kes.	% of the Total	Kes.	% of the Total
Less than 1 Year	-	0%	56,488,363	100%
Between 1-2 Years	-	0%	-	0%
Between 2-3 Years	-	0%	-	0%
Over 3 Years	-	0%	-	0%
Sub-Total	-	0%	56,488,363	100%
Total (a+b)	548,866,766		323,884,373	

Notes to the Financial Statements (Continued)
For the Year Ended 30th June, 2025

26. Inventories

The accounting for inventory involves determining the correct unit counts comprising ending inventory, and then assigning a value to those units. The University conducts a physical count/stock taking on inventories held at the close of each financial year. The resulting costs are then used to record an ending inventory value for recognition in the statement of financial position. The University recorded closing inventory of Kes. 12,835,669 at the close of the year ended 30th June 2025 compared to Kes. 16,088,513 in 2023/2024 FY as follows:

Inventory Stores Summary By Classification as at 30th June, 2025

Code	Inventory Category	2024/2025 (30.06.2025) Kes.	2023/2024 (30.06.2024) Kes.
10-05-001-01	Office Stationery	1,503,225	1,051,047
10-05-001-02	Computer Stationery	1,846,100	1,335,670
10-05-001-03	Cleaning Materials	140,803	3,150
10-05-001-04	Science Lab. Materials & Reagents	981,912	1,228,486
10-05-001-05	Motor Vehicle Tools & Spare Parts	390,500	395,900
10-05-002-01	Carpentry Materials	303,866	590,523
10-05-002-02	Electrical Appliances	212,275	346,205
10-05-002-03	Masonry Materials	102,160	384,405
10-05-002-04	Painting Materials	769,965	1,130,463
10-05-002-05	Plumbing Materials	906,435	731,673
10-05-002-06	Welding Materials	153,860	160,660
10-05-003-01	Medical Drugs & Apparatus	1,329,755	1,999,412
10-05-004-01	Cattle Feeds & Drugs	719,250	2,191,063
10-05-004-02	Poultry Feeds & Drugs	45,500	261,490
10-05-004-03	Pig Feeds & Drugs	0	270,720
10-05-004-05	Wheat Crop Inputs	2,507,480	2,633,699
10-05-004-06	Maize/Silage Inputs	186,050	177,500
10-05-004-07	Oat Crop Inputs	0	297,500
10-05-004-08	Horticulture Inputs	0	0
10-05-004-09	Harvested Crop/Seeds	134,300	527,250
10-05-005-01	Catering Dry & Perishable Foodstuff	266,463	89,380
10-05-006	Bookshop Stationery for Resale	335,769	282,317
	Total	12,835,669	16,088,513

**Notes to the Financial Statements (Continued)
For the Year Ended 30th June, 2025**

27. Property, Plant & Equipment (PPE)

The University policy on recognition and measurement of Property, Plant and Equipment (PPE) is to initially report them at cost. Subsequently PPEs are shown at revalued amounts, based on periodic, but at least every five years valuations by external independent valuers less subsequent depreciation. Any accumulated depreciation at the date of revaluation is eliminated against the gross carrying amount of the asset and the net amount is restated to the revalued amount of the asset.

The university conducted a revaluation on all classes of non-current assets in the 2024/2025 FY. The revalued assets had Cost and valuation of Kes. 1,398,636,998, accumulated depreciation of Kes. 210,968,824 and net book value of Kes. 1,187,668,174 at the start of financial year 2024/2025. The assets were revalued to Kes. 1,664,717,954 resulting to a revaluation gain of Kes. 477 million. Valuations were made on the basis of the recent market transactions on arm's length terms (i.e. open market value). The book values of the properties were adjusted to the revaluations and the resultant surplus was treated as un-realized gain and recognized in the revaluation reserve under university reserves /accumulated fund.

Summary of revaluation is as indicated below;

Summary of Assets Revaluation 2024/2025 FY

Class of PPE	Cost & Valuation b/f 01.07.2024	Accumulated Depreciation b/f	NBV b/f	Revaluation	Revaluation Gain/(Loss)
	Kes.	Kes.	Kes.	Kes.	Kes.
Land	611,088,000	0	611,088,000	1,061,100,000	450,012,000
Buildings	587,413,957	69,830,807	517,583,151	463,843,701	(53,739,450)
Plant & Machinery	9,953,635	4,632,011	5,321,624	6,815,714	1,494,090
Motor Vehicles	27,710,054	27,710,054	0	20,370,000	20,370,000
Equipment	57,219,206	44,629,762	12,589,444	35,903,211	23,313,767
Furniture & Fittings	12,997,280	8,292,772	4,704,508	8,450,810	3,746,302
Computers & Appliances	42,687,208	33,504,889	9,182,319	25,765,198	16,582,879
Library Books	14,242,038	11,553,570	2,688,468	12,106,100	9,417,632
Intangible Assets	35,325,620	10,814,960	24,510,660	30,363,220	5,852,560
Total	1,398,636,998	210,968,824	1,187,668,174	1,664,717,954	477,049,779

The university recorded total value of PPE at cost & valuation of Kes. 2.83 billion and accumulated depreciation of Kes. 32.12 million resulting to a net book value of PPE of Kes. 2.796 billion at the close of accounting period ended 30th June 2025.

Notes to the Financial Statements (Continued)
For the Year Ended 30th June, 2025

Included in the PPE is an amount of Kes. 1,061,100,000 for all University's parcels of land. This comprises of two parcels of land L.R. No. 8808/1 (20 acres) revalued to Kes. 21,000,000 and L.R. No.2912/12 (927 acres) revalued to Kes 932,000,000. Further, the University has 16 parcels of land in Nyahururu town valued at Kes. 35.1 million.

In addition, Laikipia University owns two parcels of land in Rumuruti and Maralal totaling to 396 acres, land reference numbers 30170 and 32376 respectively. This comprises 100 acres allocated by defunct Town Council of Rumuruti and 296 acres allocated by the defunct County Council of Samburu. The two (2) parcels of land were revalued to Kes. 38 million and Kes. 35 million for Rumuruti and Maralal land respectively.

Also included under the Property Plant and Equipment during the year is work-in-progress amounting to Kes. 1,199,487,739 for various capital projects ongoing in the University. Some projects are complete and in use but not capitalized due to lack of completion certificates. The University Management Board is following up the project consultants to finalize on the projects and have completion certificates for capitalization.

Additional PPE during the 2024/2025 financial year amounted to Kes. 53,050,843. This comprises of additional Work-in-Progress on capital projects at Kes. 46.0 million and acquisition of other PPEs at Kes. 7.04 million.

Net Book Value on University Property, Plant & Equipment stood at Kes. 2,796,663,895 as indicated on the movement below;

**Notes to the Financial Statements (Continued)
For the Year Ended 30th June, 2025**

Movement on Property, Plant and Equipment

Cost/Valuation	Land Kes.	Buildings Kes.	Work-in- Process Kes.	Plant Machinery & Tractors Kes.	Motor Vehicles Kes.	Equipment Kes.	Furniture & Fittings Kes.	Computers & Accessories Kes.	Total Kes.
As at 1 st July, 2023	611,088,000	587,413,958	1,116,728,057	9,793,635	27,710,054	51,107,819	12,307,295	40,765,366	2,456,914,183
Disposal/De-recognition	0	0	0	0	0	0	0	81,499	81,499
Cost written off on Revaluation	0	0	0	0	0	0	0	0	0
Revaluation	0	0	0	0	0	0	0	0	0
Additions	0	0	36,753,783	160,000	0	6,111,387	689,985	2,003,341	45,718,497
Capitalization	0	0	0	0	0	0	0	0	0
As at 30th June, 2024	611,088,000	587,413,958	1,153,481,840	9,953,635	27,710,054	57,219,206	12,997,280	42,687,208	2,502,551,181
As at 1 st July, 2023	0	55,145,458	0	3,636,648	27,287,467	40,633,550	6,668,112	28,777,882	162,149,116
Accumulated Depreciation on Assets Disposed/Derecognized	0	0	0	0	0	0	0	48,899	48,899
Accumulated Depreciation Written off on Revaluation	0	0	0	0	0	0	0	0	0
Depreciation Charge for the Year	0	14,685,349	0	995,363	422,588	3,996,212	1,624,660	4,775,906	26,500,078
As at 30th June, 2024	0	69,830,807	0	4,632,011	27,710,054	44,629,762	8,292,772	33,504,889	188,600,295
Net Book Value as at 30th June, 2024	611,088,000	517,583,151	1,153,481,840	5,321,624	0	12,589,444	4,704,508	9,182,319	2,313,950,886
Cost/Valuation									
As at 1 st July, 2024	611,088,000	587,413,958	1,153,481,840	9,953,635	27,710,054	57,219,206	12,997,280	42,687,208	2,502,551,181
Disposal/De-recognition	0	0	0	0	0	0	0	0	0
Cost written off on Revaluation	611,088,000	587,413,958	0	9,953,635	27,710,054	57,219,206	12,997,280	42,687,208	1,349,069,341
Revaluation	1,061,100,000	463,843,701	0	6,815,714	20,370,000	35,903,211	8,450,810	25,765,198	1,622,248,634
Additions	0	0	46,005,900	470,844	0	2,392,100	62,400	4,119,599	53,050,843
Capitalization	0	0	0	0	0	0	0	0	0
As at 30th June, 2025	1,061,100,000	463,843,701	1,199,487,739	7,286,558	20,370,000	38,295,311	8,513,210	29,884,797	2,828,781,316
Accumulated Depreciation									
As at 1 st July, 2024	0	69,830,807	0	4,632,011	27,710,054	44,629,762	8,292,772	33,504,889	188,600,295
Accumulated Depreciation on Assets Disposed/Derecognized	0	0	0	0	0	0	0	0	0
Accumulated Depreciation Written off on Revaluation	0	69,830,807	0	4,632,011	27,710,054	44,629,762	8,292,772	33,504,889	188,600,295
Depreciation Charge for the Year	0	11,596,093	0	728,656	5,092,500	7,659,062	1,064,151	5,976,959	32,117,421
As at 30th June, 2025	0	11,596,093	0	728,656	5,092,500	7,659,062	1,064,151	5,976,959	32,117,421
Net Book Value as at 30th June, 2025	1,061,100,000	452,247,608	1,199,487,739	6,557,902	15,277,500	30,636,249	7,449,059	23,907,838	2,796,663,895

**Notes to the Financial Statements (Continued)
For the Year Ended 30th June, 2025**

28. Library Books

The University recorded library books at a cost of Kes. 14.24 million and net book value of Kes. 2.69 million at the beginning of 2024/2025 FY. During the year under review, the books were revalued to Kes.12.11 resulting to a revaluation gain of Kes.9.42 million. In addition, the university acquired books amounting to Kes. 0.42 million during the year raising value of books to Kes. 12.53 million at the close of financial period ended 30th June 2025. The University made a provision for depreciation of Kes. 2.51 million at the rate of 20% as per depreciation policy. Net book value stood at Kes. 10.02 million as at 30th June, 2025 compared to Kes. 2.69 million on 30th June, 2024.

Movement in Library books during the year is as recorded below;

Library Books Movement for the Period Ended 30.06.2025

A	B	C	D	E	F	G	H	I	J	K	L	M
Item Description	Useful Life	Depreciation Rate	Cost & Valuation b/f (01.07.2024)	Cumulative Depreciation b/f (01.07.2024)	NBV b/f (01.07.2024)	Revaluation 2024/2025	Revaluation Gain/(Loss) 2024/2025	Additions/ Capitalizati on 2024/2025	Cost & Valuation c/f (31.03.2025)	Depreciati on Charge for the Year	NBV/ Balance c/d 31.03.2025	NBV/ Balance c/d 30.06.2024
Library Print Books	5Yrs	20%	13,280,256	11,161,214	2,119,042	11,288,600	9,169,558	420,371	11,708,971	2,341,794	9,367,177	2,119,042
Library E-Books	5Yrs	20%	961,782	392,356	569,426	817,500	248,074	0	817,500	163,500	654,000	569,426
Totals			14,242,038	11,553,570	2,688,468	12,106,100	9,417,632	420,371	12,526,471	2,505,294	10,021,177	2,688,468

Notes to the Financial Statements (Continued)
For the Year Ended 30th June, 2025

29. Intangible Assets

IPSAS 31 prescribes the accounting treatment for intangible assets that are not dealt with specifically in any other IPSAS. It requires an entity to recognize an intangible asset if, and only if, specified criteria are met. The Standard also specifies how to measure the carrying amount of intangible assets and requires disclosures about intangible assets. The accounting treatment for an intangible asset is to record the asset as a long-term asset and amortize the asset over its useful life, along with regular impairment reviews.

During the period under review, the University recorded intangible assets with a cost & valuation of Kes. 35,346,580 at the close of period ended 30th June 2025. Included in this was Fuel Tracking Management System revalued at Kes. 650,000 and ABN Unisol software revalued at Kes. 20,000,000. Details of intangible assets are as indicated below:

Intangible Assets Movement for the Period ended 30.06.2025

(i)	Item Description	Cost & Valuation b/f (01.07.2024)	Accumulated Amortization n b/f (01.07.2024)	NBV b/f (01.07.2024)	Revaluation 2024/2025	Revaluation 2024/2025 Gain/(Loss)	Cost & Valuation c/f (30.06.2025)	Amortization Charge for the Year	NBV/ Balance c/d 30.06.2025	NBV/ Balance c/d 30.06.2024
	ERP Software (WIP)	9,413,220	0	9,413,220	0	0	9,413,220	0	9,413,220	9,413,220
	Power Campus (World Span)	9,413,220	0	9,413,220	0	0	9,413,220	0	9,413,220	9,413,220
	Total ERP WIP	9,413,220	0	9,413,220	0	0	9,413,220	0	9,413,220	9,413,220
(ii)	ERP Software - Capitalized	Cost & Valuation b/f (01.07.2024)	Accumulated Amortization n b/f (01.07.2024)	NBV b/f (01.07.2024)	Revaluation n 2024/2025	Revaluation Gain/(Loss) 2024/2025	Cost & Valuation c/f (30.06.2025)	Depreciation Charge for the Year	NBV/ Balance c/d 30.06.2025	NBV/ Balance c/d 30.06.2024
	asc Software (Exam/Timeabling 2017/18)	750,000	750,000	0	650,000	650,000	650,000	130,000	520,000	0
	ABN Unisol.	24,812,400	9,924,960	14,887,440	20,000,000	5,112,560	20,000,000	4,000,000	16,000,000	14,887,440
	Fuel Tracking Management System	350,000	140,000	210,000	300,000	90,000	300,000	60,000	240,000	210,000
	Library Security System	0	0	0	0	0	4,983,360	996,672	3,986,688	0
	Total ERP Software - Capitalized	25,912,400	10,814,960	15,097,440	20,950,000	5,852,560	4,983,360	5,186,672	20,746,688	15,097,440
	Totals	35,325,620	10,814,960	24,510,660	30,363,220	5,852,560	4,983,360	5,186,672	30,159,908	24,510,660

**Notes to the Financial Statements (Continued)
For the Year Ended 30th June, 2025**

30. Biological Assets

International Public Sector Accounting Standards (IPSAS) 27 prescribe the accounting treatment of biological assets. The standards generally require biological assets to be measured at fair value less costs to sell. The University recorded a total of Kes. 2,986,500 on biological assets at the close of year ended 30th June 2025 compared to Kes. 4,072,593 in 2023/2024 FY as detailed below:

Biological Assets Detail	2024/2025 (30.06.2025) Kes.	2023/2024 (30.06.2024) Kes.
Cattle	1,670,000	1,978,000
Sheep	460,000	785,000
Poultry	139,500	200,760
Pigs	367,000	450,500
Silage Maize Crop	250,000	658,333
Boma Rhodes in Field	100,000	0
Total	2,986,500	4,072,593

Changes in biological assets were as a result new births and growth in value at Kes. 8,777,797. This included growth of wheat crop in field at Kes. 6,048,000, Silage maize crop at Kes. 1,091,667 and Oat in field at Kes. 393,750.

Reduction in biological was as a result of death and loss of value due to old age and other factors. During the period under review, the University slaughtered animals for sale amounting to Kes. 1,513,300 and harvested crop in field valued at Kes. 7,941,750. The University also lost animals as a result of death amounting to Kes. 351,340. Details of movement in Biological assets are as indicated below

Movement in Biological Assets								
Category	Bal b/d 01.07.2024	Purcha ses	Increase due to growth/bi rth	Decrease in Value due to Loss	Loss due to Deaths	Sales/Disp osal/Slaug hter/Donat ions	Transfers/ Harvest	Bal c/d (31.03.20 25)
Cattle	1,978,000	0	381,000	30,000	301,000	358,000	0	1,670,000
Sheep	785,000	0	80,000	60,000	40,000	305,000	0	460,000
Poultry	200,760	52,500	325,380	0	8,340	430,800	0	139,500
Pigs	450,500	0	358,000	20,000	2,000	419,500	0	367,000
Silage Maize Crop	658,333	0	1,091,667	0	0	0	1,500,000	250,000
Oats in Field	0	0	393,750	0	0	0	393,750	0
Boma Rhodes in Field	0	0	100,000	0	0	0	0	100,000
Wheat Crop in Field	0	0	6,048,000	0	0	0	6,048,000	0
Total	4,072,593	52,500	8,777,797	110,000	351,340	1,513,300	7,941,750	2,986,500

Notes to the Financial Statements (Continued)
For the Year Ended 30th June, 2025

31. Accounts Payables

During the year under review, the University recorded payables totaling to 484,297,577 at the close of the financial year ended 30th June, 2025 compared to Kes. 434,726,200 in 2023/2024 FY. Included in payables is Kes. 45.50 million owed to suppliers of goods and services accruing from current and previous periods. In addition, payables included Part-time teaching costs at Kes. 119.92 million and payable to contractors at Kes. 114.21 million. Amount owing to capital contractors is majorly retention monies payable upon completion of the ongoing capital projects.

Pension fund include Kes. 17.6 million accruing from previously implemented Collective Bargaining Agreements (CBAs) and June, 2025 pension amounting to Kes. 9.8 million un-cleared at the close of accounting period. In addition, payables for Kenya Revenue Authority comprises of income tax for part-time lecturers at Kes. 1.88 million and Pay as You Earn (PAYE) for the month of June 2025 amounting to Kes. 15.66 million.

Details of accounts payables at the close of the accounting period ended 30th June, 2025 are as follows;

Accounts Payables

	2024/2025	2023/2024
	(30.06.2025)	(30.06.2024)
	Kes.	Kes.
(i) Short term Payables		
Details		
Trade Payables	45,497,244	34,119,203
Contractors -Capital Projects	114,209,770	110,897,737
Part-time Teaching Costs	119,921,591	88,858,073
Students Caution Money	26,356,682	23,662,234
Excess Fees (Prepaid Tuition)	47,066,245	67,116,618
Laikipia University Students' Association (LUSA)	4,499,876	4,253,492
Alumni Account	5,909,011	5,788,011
HELB Control Account	1,938,397	3,854,082
Bursaries Control Account	5,563,552	5,566,827
Accrued Collective Bargaining Agreements (CBAs)	7,827,515	7,889,420
Pension Fund	27,360,527	25,915,333
Kenya Revenue Authority Taxes Payable	33,970,092	25,962,048
Accrued Payroll Deductions	35,364,301	27,042,015
Accrued Net Gratuity	4,485,805	72,180
Rent Deposits Payables	50,000	50,000
Universities Funding Control Account	3,912,660	2,633,590
Cash-in-Transit	251,410	806,437
External Examining Bodies	112,900	238,900
Sub-Total	484,297,577	434,726,200
(ii) Long term Payables		
Bank Loan	0	0
Sub-Total	0	0
Total Payables	484,297,577	434,726,200

**Notes to the Financial Statements (Continued)
For the Year Ended 30th June, 2025**

Aged analysis on university liabilities during the period is as indicated below:

**Payables Aged Analysis
As at 30th June, 2025**

Description	2024/2025 FY	Less than 1 year	1-2 years	2-3 years	Over 3 years
	Kes.	Kes.	Kes.	Kes.	Kes.
Trade Payables	45,497,244	27,411,037	2,656,532	817,081	14,612,594
Contractors -Capital Projects	114,209,770	18,364,973	1,768,077	9,466,354	84,610,367
Part-time Teaching Costs	119,921,591	37,803,180	0	13,786,300	68,332,111
Students Caution Money	26,356,682	5,426,448	5,675,000	4,288,000	10,967,234
Excess Fees (Prepaid Tuition)	47,066,245	42,998,351	4,067,894	0	0
Laikipia University Students' Association (LUSA)	4,499,876	4,499,876	0	0	0
Alumni Account	5,909,011	1,424,000	1,264,000	2,829,511	391,500
HELB Control Account	1,938,397	1,938,397	0	0	0
Bursaries Control Account	5,563,552	5,563,552	0	0	0
Accrued Collective Bargaining Agreements (CBAs)	7,827,515		0	0	7,827,515
Pension Fund	27,360,527	9,797,953	0	0	17,562,574
Kenya Revenue Authority Taxes Payable	33,970,092	27,550,083	0	33,411	6,386,598
Accrued Payroll	35,364,301	35,358,822	5,479	0	0
Accrued Net Gratuity	4,485,805	4,413,624	0	72,180	0
Accrued Security Expenses	0	0	0	0	0
Accrued Sabbatical Expenses	0	0	0	0	0
Rent Deposits Payables	50,000	0	0	0	50,000
Universities Funding Control Account	3,912,660	3,912,660	0	0	0
Cash-in-Transit	251,410	0	0	0	251,410
External Examining Bodies	112,900	112,900	0	0	0
Total	484,297,577	226,575,855	15,436,982	31,292,837	210,991,903

Excluded in Payables are contingent liabilities during the period on pending court cases with estimated financial risk of Kes.290, 950,316 as analyzed under appendix VII. These can only be included in the liabilities once they are determined by the courts and all avenues of appeal have been exhausted.

Notes to the Financial Statements (Continued)
For the Year Ended 30th June, 2025

32. Sustainability of Service and Movement in Working Capital

International Public-Sector Accounting Standards (IPSAS) 1, Paragraph 38 provides that when preparing financial statements, management shall make an assessment of an entity's ability to continue as a going concern. Financial statements shall be prepared on a going concern basis unless management either intends to liquidate the entity or to cease trading or has no realistic alternative but to do so. To measure the ability of an organization to continue as a going concern, an analysis of the working capital for the University is conducted in each accounting period.

Laikipia University financial statements for the year ended 30th June, 2025 have been prepared in accordance with IPSAS accrual reporting framework. The University Management has assessed the University's ability to continue as a going concern and there is no sign of liquidation or ceasing to continue as a going concern. However, the University has been operating on a negative working capital for an extended period of time indicating that it is struggling to meet some of its financial obligations as they fall due.

During the year under review, the University recorded a positive working capital of Kes.112.18 million compared a negative working capital of Kes. 55.1 million in the 2023/2024 financial year. The reduction in negative working capital is as a result of implementation of new funding model during the period. Computation of net working capital is as indicated below;

	2024/2025	2023/2024
	(30.06.2025)	(30.06.2024)
	Kes.	Kes.
Working Capital		
Current Assets (CA)		
Cash & Cash Equivalents	89,657,789	66,393,714
Receivables from Exchange Transactions	493,980,090	297,144,772
Inventory	12,835,669	16,088,513
Total Current Assets	596,473,547	379,626,999
Current Liabilities		
Accounts Payables	484,297,577	434,726,200
Total Current Liabilities	484,297,577	434,726,200
Net Working Capital (CA-CL)	112,175,970	(55,099,201)

**Notes to the Financial Statements (Continued)
For the Year Ended 30th June, 2025**

33. Purchase of Non-current Assets

For purposes of cash flow statement, all assets acquired during the period are accounted for as use of funds under cash flows on investing activities. It is the money paid out to acquire investment in assets. During the period under review, the University incurred a total of Kes. 12,448,674 for purchase of non-current assets compared to Kes. 9,426,495 in the 2023/2024 FY. Included in Non-current Assets acquired during the period was assorted equipment at Kes. 2.39 million, Computers & Accessories at Kes. 4.12 million and acquisition of Library Security System at Kes. 4.98 as detailed below;

Purchase of Non-Current Assets

Details	2024/2025 Cumulative to 30.06.2025 Kes.	2023/2024 Annual Report (30.06.2024) Kes.
(i) Purchase of Equipment		
Office Equipment	77,475	369,885
Tuition Equipment	390,630	2,105,000
Medical Equipment	43,470	1,050,995
Science Lab Equipment	248,295	1,127,716
Kitchen Equipment	0	164,400
Water Supply Equipment	0	534,105
Sports Equipment	400,790	759,286
Public Address System	630,490	0
Water Bottling Equipment	100,920	0
Guest House Equipment	500,030	0
Sub-Total	2,392,100	6,111,387
(ii) Plant, Machinery & Tractors		
Farm Machinery	470,844	0
Other Machinery	0	160,000
Sub-Total	470,844	160,000
(iii) Motor Vehicles		
Motor Vehicle	0	0
Sub-Total	0	0
(iv) Furniture & Fittings		
Office Furniture	62,400	689,985
Sub-Total	62,400	689,985
(v) Computers & Accessories		
Details		
Computers & Appliances	3,081,060	1,503,751
Local Area Networks (LAN)	1,038,539	499,590
Sub-Total	4,119,599	2,003,341
(vi) Library Books		
Library Books -Print	420,371	0
E-Books	0	461,782
Sub-Total	420,371	461,782
(vii) Intangible Assets		
Library Security System	4,983,360	0
Sub-Total	4,983,360	0
Total Non-current Assets	12,448,674	9,426,495

Notes to the Financial Statements (Continued)

For the Year Ended 30th June, 2025

34. Additional Work-in-Progress

Work-in-Progress is the total value of the materials and labour for unfinished projects. The University incurred a total of Kes. 36,753,783 in 2023/2024 FY compared to Kes. 110,905,517 in 2023/2024 FY as additional costs to the on-going capital projects. Details of capital expenditure for the period are as shown below;

Additional Work-in-Progress (Capital Expenditure) for 2024/2025

Capital Project		2024/2025 Cumulative to 30.06.2025	2023/2024 Annual Report (30.06.2024)
Project Code	Details	Kes.	Kes.
20-02-001	New Library & Admin Block	0	909,800
20-02-002	Tuition Block	15,772,439	25,642,642
20-02-005	University Gate	797,152	0
20-02-006	Science Laboratories	25,510,208	10,041,201
20-02-012	Perimeter Fence	1,575,000	0
20-02-021	Construction of Zero Grazing Unit	169,000	160,140
20-02-024	Borehole	2,182,100	0
	Total	<u>46,005,900</u>	<u>36,753,783</u>

*End of Annual Report & Financial Statements for the
Year Ended 30th June 2025*

APPENDICES

APPENDIX I: Progress on Follow-up of Auditor’s Recommendations

The following is the summary of issues raised by the external auditor in 2023/2024 FY, and management comments that were provided to the auditor. The University nominated focal persons to resolve the various issues as shown below with the revised time frame within which the issues will be resolved.

The University Management Board is committed to resolve all pending audit issues to improve financial systems and reporting.

Reference No. on the External Audit Report	Issue/Observation from Auditor	University Management Comment	Focal Point Person to resolve the issue	Status	Timeframe
A.	Basis of Qualification				
A1	Title deeds not reflecting ownership (16 Parcels of land in name of Egerton University)	<p>✓ The university was in the process of amalgamating the 16 parcels of land for issuance of 1 title deed.</p> <p>✓ The University changed name for the 16 parcels of land to reflect ownership by Laikipia University.</p>	UMB	<p>❖ Change of name Resolved</p> <p>❖ Amalgamation process ongoing</p>	Done 30 th June 2026
A2	Long Outstanding Students Fees Balances	<p>✓ A large portion of these debtors belong to former Laikipia University campuses, Maralal, Nairobi and Naivasha that were closed as they were not viable and did not meet the requisites by Commission for University Education standards and requirements.</p> <p>✓ The University is committed to debt recovery and is in the process of data cleanup so as to establish the active status of students'</p>	Chief Finance Officer & Registrar AA	❖ Not Resolved	30 th June 2026

		<i>debtors accounts, this will help in recognizing the uncollectable fees from those students that dropped, deceased or those that have exceeded deferral time limits.</i>			
A3	<i>Long Outstanding Receivables</i>				
	<i>a. Receivable from former collaborating Campuses</i>	<i>Management closed all collaborating colleges due to difficulties in management.</i>			
		<i>(i) Eldoret Campus Students Account</i> ✓ <i>The balance was as a result of different formulae by the two institutions applied in computing the fees receivable.</i> ✓ <i>The University is considering writing off the debts as they have proven irrecoverable but due process has to be followed.</i>	<i>UMB & Legal Officer</i>	<i>Not Resolved</i>	<i>30th June 2026</i>
		<i>(ii) Nakuru Campus Collaboration</i> ✓ <i>The account had a balance of Kes. 3,787,094 at the close of financial year relating to Director's Salary account.</i> ✓ <i>The University closed this collaboration due to sustainability issues.</i> ✓ <i>Reconciliation was done and we are in the final stages of project closure to clear all the receivables and payables arising from the Memorandum of Association (MOA).</i>	<i>UMB & Legal Officer</i>	<i>Not Resolved</i>	<i>30th June 2026</i>
		<i>(iii) Embu Campus Collaboration</i> ✓ <i>The matter was referred for arbitration and the process is still ongoing</i>	<i>UMB & Legal Officer</i>	<i>The matter is unresolved awaiting court outcome</i>	<i>30th June 2026</i>
	<i>b. Rent Deposits for</i>	✓ <i>The university is in the process of reconciling</i>	<i>UMB, Chief</i>	<i>Not resolved</i>	<i>30th June 2026</i>

	closed down Campuses Rent Deposits for closed down Campuses	with the landlords	Finance Officer and Legal officer	
	c. Fuel Card Deposit for OLA Energy with no Contract to Support Fuel Deposit	<ul style="list-style-type: none"> ✓ The University awarded a tender to OLA Energy Provision of Electronic Fuel Cards Services after a competitive tendering process. ✓ The university has terminated the contract 	UMB	Not resolved awaiting refund of deposit by OLA Energy 31 st December 2025
A4	Delayed Projects Completion			
	i) University Gate expected to have been completed by December 2016	<ul style="list-style-type: none"> ✓ The University terminated the contract for the Gate and ancillary facilities due to slow implementation of the project after the demise of the contractor. ✓ There are delays by the Contractor's Representative to process final accounts to enable us conclude the project 	UMB	Not resolved delays by the Contractor's Representative to enable us finalize the process
	ii) Science Complex (Laboratories Phase II) expected to have been completed by June 2022	<ul style="list-style-type: none"> ✓ There arose a challenge during tendering whereby there was under-estimation on electrical and mechanical works. This led to revision and delay in procurement of specialist works sub-Contractors. ✓ completion dates which was revised to 30th June 2025 	UMB	Not Resolved 30 th June 2026
	iii) Tuition Block expected to have been completed by June 2018.	<ul style="list-style-type: none"> ✓ The initial Contract for construction of Tuition Block was terminated due to inability by the contractor to complete the project. ✓ On re-tendering, the new completion dates 	UMB	Not Resolved 31 st December 2025

				were set on March 2023 but late revised to December 2025		
B	Emphasis of Matter					
B1	Budgetary Controls and Performance					
	a) Overspent budget items					
	i) Repairs & Maintenance Expenses	➤ The 4% variance on this line item was due unforeseen price changes in the commodities for general repairs	CFO	Enhanced Budgetary Control		Continuous
	ii) Contracted Services	➤ The variance arose from legal charges due to conclusion and invoicing of more cases by the legal representative than had previously been anticipated. ➤ In addition, Cleaning & Sanitary Services exceeded the budgeted due to increased scope of cleaning services.	CFO	Enhanced Budgetary Control		Continuous
	iii) Students Welfare	➤ This was as a result of increase in students' medical supplies arising from increased students' enrolment during the period	CFO	Enhanced Budgetary Control		Continuous
	iv) Provision for Bad Debts	✓ The variance in this line item was as a result of high increase in receivables than previously anticipated.	CFO	Enhanced Budgetary Control		Continuous
	b) Underspent Budget Items					
	i) Academic and Research Expenses	✓ The variance was as a result of timing difference on teaching practice and field attachment that runs between May-July and hence the claims had not been processed.	CFO	Enhanced Budgetary Control		Continuous
	ii) Council Expenses	The University anticipated appointment of a Chancellor and Chairman of Council at the start of the financial year. However, the University	UMB	Enhanced Budgetary Control		Continuous

			Chancellor has not been appointed and the Chairman of Council was appointed late in December 2023 leaving the allocated funds unutilized.			
C	Report on Lawfulness and Effectiveness in the Use of Public Resources					
C1	Unsustainable Expenditure on Employee Cost	<ul style="list-style-type: none"> ✓ The University has not been able to achieve the required ratio of 35:65 on staff costs to other recurrent expenditure due to financial constraints. ✓ In addition, staff costs have been increasing as a result of salary increments provided by the 2010/2013 and 2017/2021 Collective Bargaining Agreements (CBAs) signed by government and Universities without commensurate increase in government capitation to sustain the salary awards. 	UMB	Not Resolved due to Budgetary constraints	Continuous	
C2	Long outstanding Payables	<ul style="list-style-type: none"> ✓ The university has been undergoing financial constraints making it difficult to fully meet its financial obligations as they fall due 	UMB	Not Resolved due to financial Constraints	Ongoing	
C3	Irregular Payment of Responsibility and Entertainment Allowances	<ul style="list-style-type: none"> ✓ The University adopted the allowance from Egerton University, reviewed them and approved in the year 2013 before establishment of SRC and therefore no contravention on SRC guidelines. 	UMB	Not Resolved Awaiting SRC Advisory	Ongoing	
	i) Lack of SRC Approval	<ul style="list-style-type: none"> ✓ The University has written to SRC for advisory 	UMB	Not Resolved	Ongoing	
	ii) Disparities in Payment of the Allowances					

C4	<i>Non-Compliance with 1/3 rule on payroll – Over-commitment of salaries</i>	✓ <i>The anomaly was grossly affected by the enhanced statutory levies during the period such as the N.S.S.F and Housing levy.</i>	UMB	<i>Resolved</i>	<i>Done</i>
C5	<i>Non-compliance of Ethnic Distribution requirement</i>	<i>The anomaly has been a historical issues and the university management is ensuring ethnic balance in new recruitments</i>	UMB	<i>Not Resolved</i>	<i>Continuous</i>
C6	<i>Irregular Management of Temporary Imprest – (No specific purpose for the imprest warrant and Surrender dates not indicated)</i>	✓ <i>The university maintains an imprest register which include a column for the purpose of the imprest and the date of surrender.</i>	UMB	<i>Resolved</i>	<i>Done</i>
C7	<i>Irregular Management of Standing Imprest</i>				
	<i>i) Lack of Authorized float holders</i>	✓ <i>Section 7.3.2 of the University Financial Management Policies and Procedures Manual stipulates office petty cash/Standing imprests shall be handled by the administrative officers or office managers in the respective departments or offices</i>	UMB	<i>Resolved</i>	<i>Done</i>
	<i>ii) Lack of approved float limits</i>	<i>Section 7.3.1 of the University Financial Management Policies and Procedures Manual stipulates maximum petty cash/Standing imprests limits</i>	UMB	<i>Resolved</i>	<i>Done</i>
	<i>iii) Failure to maintain a memorandum cash book</i>	✓ <i>The University maintains ledger account instead of memorandum cash book for the petty cash float indicating all the receipts and payments at any particular period.</i>	UMB	<i>Resolved</i>	<i>Done</i>

Report on Effectiveness of Internal Controls, Risk Management and Governance					
D1	Unverified New University Funding Model				
	i) Policies/guidelines on students' placement by the government	The Universities Fund has their guidelines or policies guiding placement of students but the University is not involved	NA	NA	NA
	ii) Banding of Students	The University has no role in placing students to various bands and the exercise is carried out purely by the Universities Fund.	NA	NA	NA
D2	Lack Appointment Letters for External Examiners	✓ This was as a result of change of examiners during the exercise after some of the previously appointed examiners declined when the exercise was almost starting. To salvage the situation, new examiners were engaged awaiting formalization of their appointments but there were delays.	UMB	Resolved	Done
D3	Acting Appointments beyond six months	✓ The University Council has been following with the Ministry of Education to have the remaining position filled with a substantive Deputy Vice Chancellor but the process is yet to be concluded.	UMB	Not Resolved	Ongoing



Prof. Kibett Rotich, Ph.D
 Professor of Biostatistics and Informatics
VICE CHANCELLOR

APPENDIX II: Projects Implemented by the University

a) Donor Funded Projects

There were no donor funded projects in the year under review

b) Government Funded Projects

The following projects funded by the Government of Kenya through Ministry of Education (MoE) are on-going;

- I. Science Complex/Laboratories
- II. Tuition Block
- III. Library & Administration Block

c) Status of Projects

Status of Projects as at 30th June, 2025

S/No.	Project Title	Total Project Cost		Total Expended to Date		% Completion to Date		Approved/ Revised Budget 2024/2025		Actual 2024/2025		Source of Funds
		Kes.	Kes.	Kes.	Kes.	%	%	Kes.	Kes.	Kes.	Kes.	
1	Tuition Block	477,586,196	509,575,049	509,575,049	106.70%	17,586,557	15,772,439	GoK				
2	Science Complex Phase II	297,514,943	184,700,932	184,700,932	62.08%	22,959,188	25,510,208	GoK				
3	Library & Administration Block	400,762,909	400,509,484	400,509,484	99.94%	0	0	GoK				
4	University Gate	31,472,542	31,926,321	31,926,321	101.44%	1,000,000	797,152	GoK/A-i-A				
5	Sports Grounds & Pavilion	105,000,000	4,337,820	4,337,820	4.13%	0	0	GoK/A-i-A				
6	Construction of Zero Grazing Unit	5,000,000	4,273,008	4,273,008	85.46%	500,000	169,000	A-i-A				
7	Perimeter Fence	25,000,000	0	0	0.00%	1,575,000	1,575,000	A-i-A				
8	Bore Hole	3,000,000	0	0	0.00%	3,000,000	2,182,100	A-i-A				

NB

- i) **Tuition Block:** The over expenditure was a result of Consultancy fees that was not part of the Project Cost. The Consolidated Project Financial Appraisal was ongoing as at the close of the period.
- ii) **Library and Administration Block:** The reconciliation and the preparation of the Final Statement of Account for the project to necessitate the closure was ongoing as at the close of the period.
- iii) **University Gate:** The over expenditure was a result of Consultancy fees that was not part of the Project Cost. The reconciliation and the preparation of the Final Statement of Account for the project to necessitate the closure was ongoing as at the close of the period.

APPENDIX III: Inter-Entity Transfers

LAIKIPIA

P.O. Box 1100-20300,
NYAHURURU,
KENYA



UNIVERSITY

TEL: +254-(0) 20 2671768;
fo@laikipia.ac.ke; www.laikipia.ac.ke

OFFICE OF THE CHIEF FINANCE OFFICER


Appendix V- Inter-Entity Confirmation Letter (2024/2025)

Breakdown of Transfers from the State Department for Higher Education		
a. Recurrent Grants		
Date received as per bank statement	Amount Transferred	Relating to Financial Year
13.08.2024	25,978,779	2024/2025
11.09.2024	25,978,779	2024/2025
09.10.2024	25,978,779	2024/2025
08.11.2024	25,978,779	2024/2025
05.12.2024	25,978,779	2024/2025
06.01.2025	25,978,778	2024/2025
07.01.2025	25,978,779	2024/2025
10.02.2025	25,978,779	2024/2025
13.03.2025	25,978,779	2024/2025
10.04.2025	25,978,779	2024/2025
02.05.2025	25,978,779	2024/2025
12.05.2025	25,978,777	2024/2025
27.06.2025	62,875,405	2024/2025
Total Recurrent Grant	374,620,749	
b. Development Grants		
Date received as per bank statement	Amount Transferred	Relating to Financial Year
Total Development Grant	0	
Total Transfers	374,620,749	

The above amounts have been communicated to and reconciled with the Ministry of Education- State Department for Higher Education and Research
Signed;


Chief Finance Officer
Laikipia University




For PRINCIPAL SECRETARY
STATE DEPARTMENT FOR
UNIVERSITY EDUCATION
P.O. Box 8888 - 2000, NAIROBI
Head of Accounting Unit
State Department for Higher
Education
Ministry of Education

Vision : Nurture and Transform for the World

Mission: To contribute to the World through Education, Research, Training, Consultancy, Innovation, Outreach and Collaboration

APPENDIX IV: Transfers from Other Government Entities

LAIKIPIA UNIVERSITY					Where Recorded/recognized					
Name of the MDA/Donor Transferring the funds	Date received as per bank statement	Date Received as per Cash-Book	Receipt Number	Nature: Recurrent / Development / Others	Total Amount - Kes.	Statement of Financial Performance - Kes.	Capital Fund - Kes.	Receivables Kes.	Others - specific -Kes.	Total Transfers during the Year - Kes.
Ministry of Education	13.08.2024	14.08.2024	257389	Recurrent	25,978,779	25,978,779		0	0	25,978,779
Ministry of Education	11.09.2024	11.09.2024	263123	Recurrent	25,978,779	25,978,779		0	0	25,978,779
Ministry of Education	09.10.2024	09.10.2024	265275	Recurrent	25,978,779	25,978,779				25,978,779
Ministry of Education	08.11.2024	08.11.2024	267562	Recurrent	25,978,779	25,978,779				25,978,779
Ministry of Education	05.12.2024	05.12.2024	270267	Recurrent	25,978,779	25,978,779				25,978,779
Ministry of Education	06.01.2025	06.01.2025	273625	Recurrent	25,978,778	25,978,778				25,978,778
Ministry of Education	07.01.2025	08.01.2025	273965	Recurrent	25,978,779	25,978,779				25,978,779
Ministry of Education	10.02.2025	10.01.2025	281985	Recurrent	25,978,779	25,978,779				25,978,779
Ministry of Education	13.03.2025	19.03.2025	284773	Recurrent	25,978,779	25,978,779				25,978,779
Ministry of Education	10.04.2025	15.04.2025	288895	Recurrent	25,978,779	25,978,779				25,978,779
Ministry of Education	02.05.2025	07.05.2025	290757	Recurrent	25,978,779	25,978,779				25,978,779
Ministry of Education	12.05.2025	13.06.2025	291410	Recurrent	25,978,777	25,978,777				25,978,777
Ministry of Education	27.06.2025	27.06.2025	291666	Recurrent	62,875,405	62,875,405				62,875,405
										0
Total Received					374,620,749	374,620,749	0	0	0	374,620,749
ADD; Accrued										0
Grand Total					374,620,749	374,620,749	0	0	0	374,620,749

APPENDIX V: Reporting of Climate Relevant Expenditure

Project Name	Project Description	Project Objectives	Project Activities	Quarter				Source of Funds	Implementing Partners
				Q1	Q2	Q3	Q4		
Corporate Social Responsibility (CSR)	Tree planting and environmental conservation and equity	i) To train on agroforestry and tree planting techniques. ii) To foster environmental sustainability	(a) Tree planting (b) Donation of tree seedlings	-	-	149,500.00	-	AIA	i) University staff and students ii) CIFOR-ICRAF iii) Kenya Forest Service iv) Kenya Forestry Research Institute v) Terra Fund vi) Groots Kenya

APPENDIX VI: Reporting on Disaster Management Expenditure

The University did not incur any disaster management related expenditure during the 2024/2025 financial year

APPENDIX VII: Pending Legal Cases- Contingent Liabilities

SNo.	CITATION	FACTS OF THE CASE	CURRENT STATUS	FINANCIAL RISK
1.	NAKURU CMELRC No. E193 of 2022 Beth Muthoni Ndegwa -vs- Laikipia University	The Claimant has filed suit claiming unfair termination of employment after she was dismissed from employment following a disciplinary action.	The University has filed its defense and made an application to consolidate this matter with E203 of 2023 (SNo. 3 below). The matter is ongoing and pending consolidation.	Kes.1,725,884
2.	NAKURU CMELRC No. E203 of 2022 Mary Wairimu Kariuki -vs- Laikipia University	The Claimant has filed suit claiming unfair termination of employment after she was dismissed from employment following disciplinary action.	The University has filed its defense and made an application to consolidate this matter with E193 of 2023 (SNo. 2 above). The matter is ongoing and pending consolidation.	Kes.1,152,279
3.	IN THE MATTER OF AN ARBITRATION between Tulsi Construction Limited -vs- Laikipia University (2024)	Tulsi Construction Ltd referred a dispute over non issuance of a final certificate (Kes. 33,377,505.14) to arbitration. The Claimant has filed a claim for Kes. 288,072,153.30 for among other claims loss of profit, price fluctuations, extended preliminaries, final certificate plus withheld interest.	The University has instructed advocates to defend the matter. Both parties have filed extensive documents in favour of their respective cases. The proceedings begun on 01/04/2025 with the plaintiff's case. The matter has been scheduled for further hearing.	Kes.288,072,153
	Total Risk			Kes. 290,950,316

