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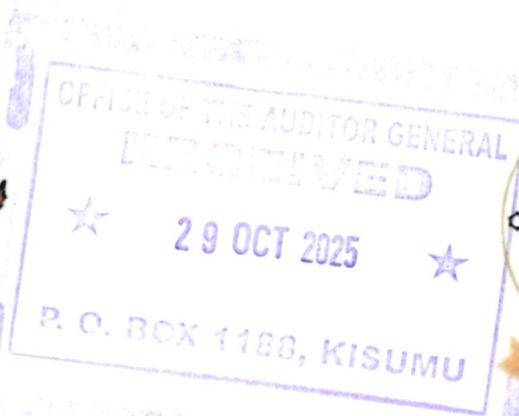
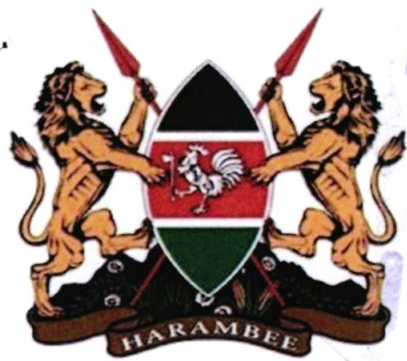
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THE AUDITOR-GENERAL

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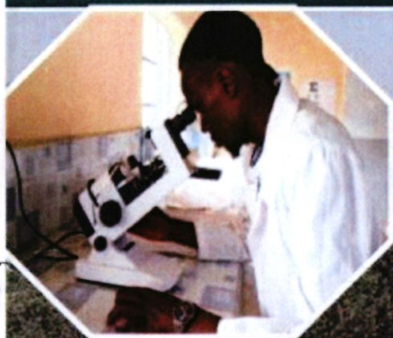
KAIMOSI FRIENDS UNIVERSITY

FOR THE YEAR ENDED
30 JUNE, 2025

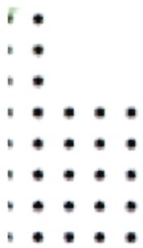


KAIMOSI FRIENDS UNIVERSITY

ANNUAL REPORT AND FINANCIAL STATEMENTS FINANCIAL YEAR ENDED 30TH JUNE 2025



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



Kaimosi Friends University
Annual Report and Financial Statements
for the year ended June 30, 2025.

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1. Acronyms and Definition of Key Terms

A: Acronyms

A & R	Academic and Research
ARAC	Audit, Risk Assurance and Compliance
ABSA	Amalgamated Bank of South Africa
CEO	Chief Executive Officer
CPA	Certified Public Accountant
DVC(AFP&D)	Deputy Vice Chancellor (Administration, Finance, Planning and Development)
DVC(ASA&R)	Deputy Vice Chancellor (Academic, Student Affairs and Research)
FP & D	Finance, Planning and Development
G & HR	Governance and Human Resource
GSSP	Government Student Sponsorship Programme
HR	Human Resources
ICPAK	Institute of Certified Public Accountants of Kenya
ICT	Information and Communication Technology
IPSAS	International Public Sector Accounting Standards
KAFU	Kaimosi Friends University
KCB	Kenya Commercial Bank
MMUST	Masinde Muliro University of Science and Technology
ODeL	Open Distance and e-Learning
OSHA	Occupational Safety and Health Act of 2007
PFM	Public Finance Management
PPE	Property Plant & Equipment
PSASB	Public Sector Accounting Standards Board
PSSP	Private Student Sponsorship Programme
SAGAs	Semi-Autonomous Government Agencies
SC	State Corporations
SCAC	State Corporations Advisory Committee
SCIT	School of Computing and Information Technology
SESS	School of Education and Social Sciences
SOBE	School of Business and Economics
SOHES	School of Health Sciences
SOSCI	School of Science
VC	Vice Chancellor

B: Definition of Key Terms

Comparative Year- Means the prior period.

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

University Council- A group of persons appointed to give policy direction and approve the University management decisions and appointed under section 14(2)(b) of the Universities Act 2012.

University Senate – is an academic body tasked with management of academic matters of Kaimosi Friends University as stipulated in the statutes.

University Management Board – The body tasked with the management of the University as established under section 35(1) (c.) of the Universities Act 2012.

Vice Chancellor- The head of the University appointed under section 16 of the University Charter



2. Key Entity Information and Management

(a) Background information

Kaimosi Friends University hereinafter referred to as KAFU, is a Statutory Corporation established under the Universities Act, 2012 via Legal Notice No.165 of 2022 on 2nd August 2022, to make distinctive contribution to society in teaching, research, innovation and community service.

The University derives its objectives and functions from Section 3(1) of the Universities Act.

KAFU, is the only University in the tropical rain forest in Kenya, situated off Chavakali - Kapsabet road in Vihiga County. Its location in the forest provides a serene environment for teaching, learning and research.

KAFU offers certificate, Diploma, Undergraduate and Post Graduate degrees in forty-eight (48) market driven programmes in the following five (5) schools: School of Health Sciences, School of Business and Economics, School of Computing and Information Technology, School of Education and Social Sciences and School of Science. The University is guided by a five-year strategic plan (2023-2027) to realise its vision, mission and objectives.

(b) Principal Activities

The principal activities of the University are derived from the Universities Act 2012, University Charter and Statutes. The mandate of KAFU is to provide quality education, training, research and innovation to meet the needs of a dynamic society.

The University derives its obligations from the University Act 2012 No.42, of 13th December, 2012, which stipulates the functions as follows:

- i. Advancement of knowledge through teaching, scholarship research and scientific investigation;
- ii. Promotion of learning in the students' body and society in general;
- iii. Promotion of culture and societal life of society;
- iv. Support and contribution to realization of national economic and social development;
- v. Promotion of high standards in and quality of teaching and research;
- vi. Education, training and retraining of high-level professionals, technical and management personnel;
- vii. Dissemination of outcomes of research conducted by the University to general community;
- viii. Facilitation of life-long learning through provision of adult and continuing education;
- ix. Fostering of capacity for independent critical thinking among its students;
- x. Promotion of gender balance and equality of opportunity among students and employees;
- xi. Promotion of equalization for persons with disabilities, minorities and other marginalized groups;
- xii. To contribute to agricultural, industrial and technological development of Kenya in collaboration with industrial and Institutions through the transfer of appropriate technology;
- xiii. To develop and provide education, culture professional, technological and vocational services to the community and in particular, foster corporate social responsibility;

- xiv. To provide programmes, products and services in ways that reflect the principles of equity and social justice;
- xv. To facilitate student mobility between different programmes and different training Institutions, universities and industry; and
- xvi. To foster general welfare of all staff and students

Vision

A world-class University of excellence in teaching, research and community service

Mission

To provide quality education, training, research and innovation to meet the needs of a dynamic Society

Values

The following are the University's key values:

- i. Accountability
- ii. Customer focus
- iii. Excellence
- iv. Equity
- v. Professionalism
- vi. Teamwork
- vii. Friendship

Strategic Objectives

KAFU will continue to focus on the following strategic issues:

- 1. Academic excellence and student engagement
- 2. Infrastructure Development and ICT Advancement
- 3. Research, Innovation, Outreach and Linkages
- 4. Resource for service delivery and Institutional governance
- 5. Environmental Management and Climate Change

(c) Key Management

The University's day-to-day management is under the following key organs:

- 1. University Council
- 2. University Management Board
- 3. University Senate

(d) Fiduciary Management

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

Kaimosi Friends University
Annual Report and Financial Statements
for the year ended June 30, 2025.

No.	Designation	Name
1	Vice Chancellor	Prof. Peter Nyamuhanga Mwita
2	Deputy Vice Chancellor (AFP&D)	Prof. Thomas Korir Kipkurgat
3	Deputy Vice Chancellor (ASA&R)	Prof. Fred Amimo Anangwe
4	Finance Officer	CPA, CS Irine Nanzala Lumatete
5	Senior Asst Registrar-Academic Affairs	Dr. Jane Amunga
6	Ag. Registrar- HR and Administration	Dr. Patrick Mugesani Agesa
7	Acting Dean of Students	Dr. Dinah Were
8	Director Quality Assurance and Management Systems	Dr. Nurwin Fozia Rajab

(e) Fiduciary Oversight Arrangements

The key oversight committees of the University Council are;

1. Audit, Risk Assurance and Compliance
2. Finance, Planning and Development
3. Governance and Human Resource
4. Academic and Research

(f) Entity Headquarters

Kaimosi Friends University
Off Chavakali - Kapsabet road,
P.O. BOX 385-50309
Kaimosi, Kenya.

(g) Entity Contacts

Telephone: (254) 777373633
E-mail: vc@kafu.ac.ke
Website: www.kafu.ac.ke

(h) Entity Bankers

1. Kenya Commercial Bank Limited
Serem Branch
P.O BOX 122-50308
Serem, Vihiga County Kenya

2. Other Banks

1. Co-operative Bank of Kenya Limited
Mbale Branch
P.O. Box 816-50300
Maragoli
2. Equity Bank Limited
Mbale Branch
P.O BOX 545-50300
Maragoli
3. Absa bank plc
Western Group of Branches
Mbale Branch
P.O BOX 285-50300
Maragoli
4. Standard Chartered Bank Kenya Ltd
Kakamega Branch
P.O BOX 30003 -00100
Nairobi
5. Kenya Commercial Bank Limited
Mbale Branch
P.O BOX 1123-50300
Maragoli

(i) Independent Auditor

Auditor-General
Office of the Auditor General
Anniversary Towers, University Way
P.O. Box 30084
GPO 00100
Nairobi, Kenya

(j) Principal Legal Adviser

The Attorney General
State Law Office and Department of Justice
Harambee Avenue
P.O. Box 40112
City Square 00200
Nairobi, Kenya

3. The KAFU Council

Members	Details
 <p>Prof. Stanley O. Khainga Master of Medicine (UON)</p>	<p>Prof. Khainga born on 2nd January 1961 is an independent member of Council and the Chairperson of the Council as from 8th August 2025.</p> <p>With over 30 years of experience in clinical medicine, plastic, and reconstructive surgery, Prof. Khainga is a well-respected and world-renowned surgeon. He holds a Master of Medicine in Surgery from the University of Nairobi and a certificate of microvascular surgery in plastic and reconstructive surgery from the Medical University of Southern Africa (MEDUNSA), Pretoria. In addition, he is a W.H.O fellow in plastic and reconstructive surgery at MEDUNSA, Pretoria. Prof. Khainga is an active member of several medical associations both locally and internationally, and currently serves as the Secretary General of the Kenya Society of Plastic and Reconstructive Surgeons. He has been a lecturer at the University of Nairobi's Medical School for more than 10 years, sharing his expertise with both postgraduate and undergraduate students in various public and private universities and hospitals in the country.</p>
 <p>Dr. Bernadette F. Mungai, PhD PhD(KU), MBA(USIU), BBM(USIU)</p>	<p>Dr. Mungai born on 28th September 1959 is an independent member and the Chairperson of the Council. She is a Consultant and an Entrepreneurship Development Expert with over twenty-seven (27) years working experience in the African region. She has been a Team Leader on various donor funded projects: the British Council, DFID and The World Bank funded Private Sector Development Projects.</p> <p>Additionally, Dr. Mungai has been involved in capacity building, strategic management and business development programmes. She has extensive experience in Africa having worked in Kenya, Ethiopia, Uganda, Tanzania, Rwanda, Ghana, Nigeria, South Africa, Zimbabwe and South Sudan.</p>
 <p>Prof. Peter N. Mwita, PhD (Ph.D. in Statistics (Technical Universität Kaiserslautern-Germany), MAppStats (Macquarie University, Sidney, Australia), BSc. First Class Honours (KU)</p>	<p>Prof. Peter N. Mwita born on 15th July 1968 is the Vice Chancellor of Kaimosi Friends University and the Secretary to the Council. He is a full Professor and an esteemed academic leader with a distinguished career spanning over 29 years in academia and research bringing a wealth of experience and expertise to the institution's leadership.</p> <p>Prior to assuming the role of Acting Vice Chancellor at Kaimosi Friends University, Prof. Mwita served as the Deputy Vice-Chancellor (Research, Innovation, and Linkages) for over six years and eight months at Machakos University. During this time, he also held the position of Full Professor of Statistics in the Department of Mathematics and Statistics.</p> <p>He has held various senior leadership positions, including acting as Vice Chancellor of Machakos University for a period of nine months. Additionally, he has served as Full Professor of Statistics, Dean of the School of Mathematical Sciences, and Chairman of the Department</p>



of Statistics and Actuarial Sciences at Jomo Kenyatta University of Agriculture and Technology.

Throughout his career, Prof. Mwita has demonstrated exemplary leadership in academic administration, research, and development. He has successfully mobilized significant resources by winning research grants in multi-disciplinary researches. Under his leadership, Machakos University established the UNESCO Chair on Cloud Computing for Sustainable Development, enhancing research and pedagogical applications in cloud computing.

Prof. Mwita played a pivotal role in restructuring the Kenya National Bureau of Statistics (KNBS) into a competitive Semi-Autonomous Government Agency, leading to notable achievements such as the successful execution of the 2009 Kenya National Population and Housing Census, which achieved a remarkable 98% coverage. His portfolio includes spearheading impactful projects and research initiatives, such as the establishment of the Luban Workshop promoting technical and vocational training, the Ajiry Centre fostering empowerment and employment, and the STEM Center facilitating hands-on STEM lab experiences.

Prof. Mwita currently serves as the Chairman of the Board of Governors of Kendege Technical and Vocational College and has previously held positions on the Council of Multimedia University of Kenya and as Chairman of the Kenya National Statistical Society.



Dr. Fauziya Brek Karama,
OGW, PhD
PhD (JKUAT), MBA (Baraton),
BSc. (UoN)

Dr. Karama born on 10th April 1966 is an independent member of the Council and chairperson of the Academic and Research Committee. She is a dynamic and results oriented leader with vast knowledge in Governance, Leadership, and Quality Management Strategies, Human Resource, Audit and Risk Management, and Project planning and execution. Further, she is an excellent stakeholder manager and team player who was awarded the Order of the Grand Warrior of Kenya.

She has over twenty (20) years of experience in Telecommunications, Operations, Programs management, Products development and Marketing having worked as the Head of Special Programs & Brand Communication – (B2B Marketing Telkom Kenya).

Dr. Karama is a former Head of Department at the School of Business Raf International University. Previously, she was an Audit Committee member at the Ministry of Education, and a Council member and Chairperson of the Audit, Risk and Quality Committee at Pioneer International University. She also served as a Board Member for the Lamu Port - South Sudan- Ethiopia Transport Corridor Development (LAPSSET).

She is a member of two (2) Professional bodies in good standing: Kenya Institute of Management and Marketing Society of Kenya.





Dr. Francis Joseph Bwire, PhD
PhD (UON), MBA (Egerton), B.A.
Economics (UoN)

Dr. Bwire born on 01st January 1978 is an independent member of the council and chair of the Finance, Planning and Development Committee. He is a trained expert in strategic management, finance and economics with superb skills in grant and proposal writing. He won the National Research Fund grant for his PhD research work.

He is a management consultant, trainer; an academic and researcher with several papers/articles presented and published in international conferences/seminars, and peer reviewed journals respectively. He is also a dynamic business development specialist and a seasoned banker with over nineteen (19) years of experience in the Financial Services Sector.

Dr. Bwire is currently serving as the Chairman, Board of Directors - Oasis Specialist Hospital Ltd. In addition, he is a former Council Member and Chairman - Audit, Risk, and Compliance Committee, Technical University of Mombasa (TUM) and Non-Executive Director, Technical University of Mombasa Enterprises Ltd (TUMEL).

He is a member of the Academy of Management (AOM - Strategic Management and Management Consulting Divisions) New York, USA; Africa Academy of Management (AFAM); Institute of Corporate Governance Kenya; and Institute of Internal Auditors (IIA) Kenya Chapter, in good standing.



Mr. Paul Mwaura Wanderi
MA-Project Planning & Mgt.
(UON), PGD-HRM(KIM), B.Ed
(Egerton)

Mr. Wanderi was born on 03rd April 1977 is an independent member of the council and chair of the Audit, Risk Assurance and Compliance Committee. He is a highly knowledgeable result-driven professional with diverse skills in Project Planning, Management, Monitoring and Evaluation. He is an independent assessor for Sustainable Development Goals for governments and inter-governmental bodies in Africa.

He is also a vastly skilled expert with in-depth knowledge and unparalleled abilities in executive management and leadership. Mr. Wanderi is the current Director of Programmes at Uraia Trust Kenya. He earlier worked as a Deputy Chief Executive Officer and Head of Programmes at Kenya Land Alliance (KLA).



Dr. Rodney O. Oluoch, PhD

Dr. Oluoch was born on 17th May 1980 and is an independent of the council and chair of the Governance and Human Resource Committee. He is an Advocate of the High Court of Kenya who is in good standing with the Law Society of Kenya and is a Notary Public and Commissioner for Oaths. He is a Proficient legal expert in Tax Law, Arbitration, Insurance Law and Employment Law, and is well trained in management and leadership.

He is an academic who has published in peer reviewed journals and presented papers at various conferences, workshops and seminars. Dr. Oluoch has more than 12 years in practical legal experience during which he has: practiced law as a litigation counsel, drafted Bills and



LL. D (UNISA), LL.M (UNISA),
 LL.B - Hons (Moi), PGDL (KSL),
 MCI Arb.

By-Laws for County Governments, and offered general consultancy services for various Government agencies and private enterprises.

Dr. Oluoch has also worked as an adjunct lecturer in local universities and colleges. Earlier, he was an employee of Bondo University College/Jaramogi Oginga Odinga University of Science and Technology (JOOUST) as a Senior Legal officer, head of Legal Department, Scheme Secretary of JOOUST Staff Retirement Benefits Scheme; Performed Council/Board Secretarial duties for

He is a member of: Law Society of Kenya, East Africa Law Society, Chartered Institute of Arbitrators (London and Kenya), Christian Legal Education Aid Research (CLEAR), CRADLE and Pro bono advocate and friend of the Federation of Women Lawyers (FIDA).

Dr. Milton is a member of the council and alternate member/ representative of the Principal Secretary, State Department for Higher Education and Research.



Dr. Milton Njuki, PhD
 PhD-Strategic Management (KU),
 MBA-Strategic Management (KU),
 B.Ed. (KU)

Other places in which he has undertaken Corporate Governance trainings include: KSG, Higher Education Policy development, Korean Polytechnic, South Korea. Membership to professional org: AAPAM.

Currently, he is the Deputy Director, Higher Education. He has previously served as Ag. Chief Executive Officer, Universities Fund and was a member of the secretariat; presidential Working Party on Education Reforms, 2022.



CPA Gilbert K. Kangogo

CPA Gilbert K. Kangogo is a member of the council and alternate member/ representative to the Cabinet Secretary, National Treasury and Planning. He has served as an Assistant Accountant General National Treasury working in the department of Exchequer for the last 14 years.



4. Key Management Team



Prof. Peter N. Mwita
Vice Chancellor

Ph.D. in Statistics(Technical University Kaiserslautern-Germany), MappStats (Macquarie University, Sidney, Australia), BSc. First Class Honours(KU)



Prof. Fred A. Amimo
Deputy Vice Chancellor (ASA&R)
 PhD(Michigan State University), MSc(Kenyatta University),BSc(Andrews University)



Prof. Thomas Korir Kipkurgat
Deputy Vice Chancellor AFP& D

Ph.D Texas Tech University, MBA Hardin Simmons, Abilene Christian University, Masters in Organization of Human Resource and Development, Abilene Christian University, (BBA), Abilene Christian University



CPA, CS. Irine Lumatete
Finance Officer
 MBA Finance (UoN), B. Com Accounting (UoN), CPA (K), CS



Dr. P. A. Mugesani
Ag. Registrar (HR & Admin)
 PhD HR (JKUAT), MBA HRM (KU)



Dr. Jane Amunga
Senior Assistant Registrar (Academic Affairs)
 PhD. (MMUST), Med (MMUST) Bed Arts (KU)



Dr. Nurwin Fozia
Director of Quality Assurance
 PhD, (JKUAT) MKISM, MCIPS



Dr. Dinah Were,
Ag. Dean of Students
 PhD(MMUST), M.Phil(University of Oslo), Bed Arts(KU)



5. Chairman's Statement



As the curtain falls on the 2024/2025 financial year, I take this opportunity—on behalf of the University Council—to reflect on a year marked by strategic growth, leadership consolidation, and renewed institutional purpose. Kaimosi Friends University has experienced notable growth in scale and influence, demonstrated by the expansion of its academic programs tailored to market needs and national priorities. This development has spurred a rise in student enrollment, reflecting public confidence in the institution.

Progress in research and innovation has been significant, with partnerships enabling the translation of local insights into global impact. A key milestone was the creation of the Centre of Excellence on Climate Action and Research, in collaboration with the County Government of Vihiga and the University Fund, affirming the University's role in addressing climate change and sustainability.

Strategic leadership appointments have strengthened governance, boosting institutional stability and long-term planning. Infrastructure developments, including a modern library, perimeter wall and anatomy laboratory cater to a growing academic population. These efforts are complemented by ongoing digital transformation, featuring expanded e-learning, and automation of administrative functions. Financial prudence has guided the University's approach amid economic challenges, with support from the University Fund and Ministry of Education helping sustain momentum. Community engagement remains central, highlighted by programs in optometry, mentorship, and environmental outreach, which illustrate the University's commitment to societal impact.

Despite facing hurdles like funding delays, technological demands, and gaps in student support services, the University is confidently advancing. Plans for the upcoming year include expanding academic offerings, boosting digital infrastructure, diversifying income through consultancy and research commercialization, and enhancing student experiences. Leadership transitions within the Council further underscore organizational stability.

Looking ahead, the University embraces a transformative vision. The imminent completion of the ultra-modern library and the integration of Artificial Intelligence across educational and operational domains signal a forward-thinking strategy. With ongoing curriculum alignment to Competency-Based Education and regular staff development, Kaimosi Friends University is preparing its community for future challenges.

In conclusion, KAFU is actively shaping the narrative of higher education in Kenya—not just participating but leading. With visionary leadership, community trust, and a strong strategic foundation, the university invites all stakeholders to keep building a place where hope meets opportunity and knowledge transforms society.



PROF. STANLEY O. KHAINGA
CHAIRPERSON, UNIVERSITY COUNCIL



6. Report of the Chief Executive Officer



It is with immense pride and purpose that I present the annual statement for Kaimosi Friends University for the financial year 2024/2025. This year has marked a transformative leap in KAFU's journey toward academic distinction, institutional maturity, and societal impact. This annual report and financial statements mark the culmination of a year of strategic growth, unwavering dedication, and significant milestones that underscore our commitment to academic excellence, impactful service delivery, and sustainable development.

As the only public university in Vihiga County, Kaimosi Friends University continues to position itself as a beacon of knowledge and progress in the Western region and beyond. During the year under review, we deepened our foundations while embracing new frontiers in education, research, infrastructure, and stakeholder engagement.

Notable Milestones and Achievements

- (a) **Centre of Excellence on Climate Action and Research:** In collaboration with the County Government of Vihiga and the University Fund, we established this cutting-edge Centre to lead transformative research, training, and policy advocacy on climate change and sustainability. This places KAFU at the core of Kenya's environmental and climate resilience agenda.
- (b) **Academic Program Development:** Our academic offerings expanded in response to evolving market needs, with new programs developed to match national development priorities and global trends. Compliance with CUE standards remained a central focus in all our curriculum reviews.
- (c) **Strategic Partnerships:** The University signed a Memorandum of Understanding with the Kenya Nurse Limited, opening new avenues for professional collaboration, student mentorship, and practical training in nursing and allied health sciences.
- (d) **Staff Welfare and Industrial Harmony:** In a major milestone, the University successfully signed a Collective Bargaining Agreement (CBA) with all staff unions, reinforcing our commitment to dialogue, staff welfare, and harmonious industrial relations.
- (e) **Transport and Mobility:** We acquired two state-of-the-art university buses to support academic excursions, outreach activities, and student welfare. These modern, branded vehicles now enhance our logistical capacity and institutional visibility across the region.
- (f) **Infrastructure Development:** Construction of a modern Anatomy Laboratory is currently underway—a critical investment toward the accreditation and operationalization of our health sciences programs. We also made substantial progress on the ultra-modern library, perimeter wall, and tuition block, ensuring that our physical environment reflects our academic ambition.
- (g) **Digital Transformation:** Investments in ICT infrastructure and e-learning platforms have been scaled up, increasing access, efficiency, and digital fluency across teaching, learning, and administration.
- (h) **Research and Community Engagement:** Our faculty and students continued to contribute to national and international knowledge through scholarly publications, funded projects, and research collaborations. We sustained our commitment to serving communities through impactful outreach initiatives.

Financial Performance

Sound financial management practices have enabled us to achieve a positive financial performance. Total recurrent income for the FY 2024/2025 reached **Kshs. 1,113,383,499** with a surplus of **Kshs. 243,421,176** as compared to a surplus of **Kshs. 141,080,667** in the previous financial year 2023/2024.

Challenges and Institutional Resilience

Despite the gains made, we faced several challenges that tested our resilience including Reduced government funding and rising operational costs strained some projects, gaps in student accommodation and wellness support remain a growing concern as enrolment increases and technological disparities among students slowed the pace of universal e-learning adoption.

However, our response has been anchored in agility, innovation, and partnership. We continue to work closely with stakeholders to co-create sustainable solutions to these challenges.

Looking Ahead: Strategic Priorities for 2025/2026

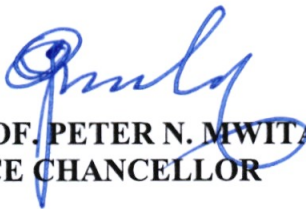
As we move into a new financial year, we are clear about where we are going. Our focus will be on:

1. Graduate Expansion: Scaling up our postgraduate and research capacity.
2. Digital Leadership: Enhancing our ICT ecosystem to support virtual learning, digitized services, and smart administration.
3. Environmental Sustainability: Operationalizing green campus initiatives in line with our Climate Action agenda.
4. Diversified Resource Mobilization: Establishing income-generating units and growing industry-aligned partnerships to enhance financial independence.
5. Student-Centered Services: Prioritizing student wellness, accommodation, and leadership development to improve the overall university experience.

Appreciation

I wish to thank the University Council for its strategic leadership, our staff for their unwavering dedication, and our students for their resilience and drive. I also recognize the support of the Ministry of Education, the County Government of Vihiga, and our many other partners whose collaboration has been critical to our progress.

Kaimosi Friends University is no longer emerging—it is rising. With strong leadership, a focused vision, and the collective will of our community, we are building a university that truly reflects the promise of higher education in Kenya.



PROF. PETER N. MWITA, PhD
VICE CHANCELLOR

7. Statement of Performance against Predetermined Objectives for FY 2024/2025

Kaimosi Friends University has five (5) Strategic Issues (SI) and objectives within the current Strategic Plan for the FY 2023/2024 - 2027/2028. These Strategic Issues are as follows:

- (a) Academic Excellence and student Engagement
- (b) Infrastructure Development and ICT Advancement
- (c) Research, Innovation, Outreach and linkages
- (d) Resources for service delivery and institutional Governance
- (e) Environmental management and climate change

KAFU develops its annual work plans based on the above 5 pillars 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 for its strategic pillars, as indicated in the table below:

Strategic Issue	Objective	Key Performance Indicators	Activities	Achievements
Strategic issue 1: Academic Excellence and Student Engagement	To Promote access to quality education	Number of new students enrolled	Increased student enrolment	1918 students admitted
	To promote internationalization of education	Number of international students enrolled	Partnership with foreign institutions, student exchange program, global networking and conferences	None enrolled
	To Promote Academic Excellence	Number of students graduating within stipulated time	Comprehensive orientation & mentorship programs to students Financial support in terms of scholarship Career counselling to students	896 graduated in the FY 2024/2025
	Enhance quality assurance and relevance	Number of graduands in various disciplines	Career services to support students in career planning, job placement, and skill development. Clear policies related to academic standards, grading, and student conduct.	2,957 have graduated in different disciplines
Strategic Issue 2: Infrastructure Development and ICT Advancement	To develop and maintain physical infrastructure	Reviewed Master plan	Construction of Ultra-Modern Library, perimeter wall & Anatomy Lab	3 new physical infrastructure are being developed
		Number of Maintained Physical Infrastructure	Renovation of Buildings and Associated works	Installation of IP phones in offices to ease office to office communication.
	To develop and enhance ICT	Number of newly developed ICT infrastructure	Installation, Testing and Commissioning of	Installation, Testing and Commissioning of



	infrastructure and services		Biometric Kits in Classes at Kaimosi Friends University	Biometric Kits in Classes is on-going
		Improved network and performance	Increase internet connectivity and bandwidth	The University is fully networked and improved wireless connectivity.
		Up to date website	Redesign and maintain the University website	The University has a well-designed and up to date website
Strategic Issue 3: Research, Innovation, Outreach and Linkages	To promote quality research	Number of funded research projects	1 st KAFU Innovation week was successfully held physically at the University. 27 exhibitors attended the event and were able to exhibit 37 projects	4 externally funded research worth Ksh 866,312 & internally funded worth Ksh 2,999,999
	To develop outreach programs	Number of community outreach activities/initiatives	Optometry students attended eye screening programmes in four Counties of Western Region, Corporate affairs department participated in 7 career outreach programmes in Bungoma, Busia and Migori counties, the University supported the local community during celebration of National events	27 outreach programs were done
	To establish collaborations and partnerships	Number of new collaborations and partnerships	Signed MOU with MTRH, Kenya Nurse, Jaramogi Oginga Odinga TRH, Trans Nzoia County TRH, Kakamega County TRH, Vihiha County TRH among others.	15 MOUs were signed with other institutions during the year
Strategic issue 4: Resources for service delivery and institutional Governance	To attract and retain an engaged workforce	Improved productivity index	Training and mentoring programs Work life balance by encouraging staff to take leaves	High staff retention
	To be financially sustainable university	Absorption rate of allocated funds	Optimal absorption of budget	80% absorption rate
		Cost Cutting	Austerity measures	The University was able to fund core activities



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		Reduction of debtors	Appointment of student debt management committee Appointment of Public Finance Management standing committee	Approved student fee policy
	To enhance efficiency and effectiveness in Governance	Improved compliant audit institution	The University have been compliant to all regulatory institutions	100% compliant
Strategic issue 5: Environmental management and climate	To enhance environmental conservation and waste management	Forests and landscape protected and conserved and managed waste	The University have planted trees as per presidential directive	70,000 trees planted
	To promote climate change and resilient strategies	Number of climate change initiatives	The University Launched a Center of Excellence in Climate Change which is aimed at providing targeted training programmes for various stakeholders in Climate Action.	Launch of Center for Climate Change



8. Corporate Governance Statement

- i. *Appointment of Council members, Process of appointment and removal of Council, The size, diversity, and demographics of the Council, Existence of the Council charter*

The Council of Kaimosi Friends University are appointed in accordance with the Universities Act, 2012 (Revised 2023) and the Kaimosi Friends University Charter. The process adheres to public university governance principles outlined by the Ministry of Education and the Public Service Commission. The Council is appointed by the Cabinet Secretary, Ministry of Education, upon competitive recruitment and vetting.

Appointment Process:

- a) Advertisement: Positions are advertised publicly by the Ministry of Education or Public Service Commission.
- b) Shortlisting & Vetting: A panel conducts interviews and vetting based on academic qualifications, experience, integrity, and leadership.
- c) Appointment: Final appointments are made by the Cabinet Secretary or relevant appointing authority.
- d) Gazettement: Appointments are formally published in the Kenya Gazette.

Removal Process:

A Council member may be removed through:

- a) Breach of the University Charter or Universities Act
- b) Gross misconduct or abuse of office
- c) Prolonged absenteeism without valid reasons
- d) Inability to perform duties due to physical or mental incapacity
- e) Recommendation by Council or Ministerial inquiry
- f) Due process involving a fair hearing and approval by the appointing authority

Size, Diversity, and Demographics of the Board

Size: The Council typically comprises 9, as guided by the Universities Act and Charter.

Diversity:

- Gender: The University upholds the two-thirds gender principle as per the Constitution of Kenya.
- Professional Background: Members come from academia, public administration, finance, legal, and industry sectors.
- Regional Representation: Appointments consider national diversity to reflect Kenya's multicultural identity.

Demographics:

- Varied age groups ranging from early 40s to late 60s
- Academic qualifications from Master's to Doctoral levels
- Balance of institutional knowledge and fresh perspectives

Council Charter: Kaimosi Friends University Council operates under a formally adopted Council Charter, which:

- Defines roles, responsibilities, and expectations of Council members
- Clarifies the separation of governance (Council) and management
- Outlines performance evaluation of the Board and individual members
- Sets ethical conduct, conflict of interest policy, and decision-making procedures
- Provides for induction and continuous capacity building of Board members

ii. Roles and functions of the Council

As per universities Act 2012, the Council shall:

- a. employ staff;
- b. approve the statutes of the University and cause them to be published in the Kenya Gazette;
- c. approve the policies of the University;
- d. approve the budget;
- e. in the case of a public university, recommend for appointment of the Vice-Chancellor, Deputy Vice-Chancellors and principals of constituent colleges through a competitive process; and
- f. undertake other functions set out under this Act and the Charter.

iii. Induction, training, and development

KAFU recognizes that effective governance depends on the capacity and competence of its Council members. To this end, all newly appointed Council members undergo a comprehensive induction program to familiarize them with the University's mandate, operations, governance structure, strategic plan, legal framework, and their fiduciary responsibilities.

Continuous training and development opportunities are provided to enhance their understanding of emerging issues in higher education governance, leadership, financial oversight, risk management, and regulatory compliance. These programs are facilitated in collaboration with the Ministry of Education, Commission for University Education (CUE), and relevant capacity-building institutions such as the Kenya School of Government and State Corporations Advisory Committee (SCAC).

This commitment ensures that Council members remain informed, competent, and effective in executing their governance and oversight roles in line with the Universities Act, 2012, the Mwongozo Code of Governance, and international best practices.

iv. Council and members' performance

Corporate governance best practices require that Council conducts self-evaluation of its performance on annual basis. Further, the **Mwongozo** Code of Governance for State Corporations, requires that Council carries out annual performance evaluation and file a report thereof with the parent Ministry and the State

Corporations Advisory Committee (SCAC). Council did not do performance evaluation for the FY 2024/2025.

v. *Number of Council meetings held and the attendance to those meetings by members*

During the FY 2024/2025, Council and its standing Committees implemented the Council Almanac by holding eighteen (18) regular and six (6) special meetings. In addition, Council attended two (2) trainings and the second KAFU graduation ceremonies.

Further, the Council was timely sensitised on dynamics in practice, policies, laws and regulations governing operations of the University from time to time. The Principal Secretary, State Department for Higher Education and Research, approved all special meetings.

Ordinarily, meetings are held as per the State Corporation Act 446, PFM Act 2012, Mwongozo Code of Governance for State Corporations and performance contracting regulations for the purposes of complying with the statutory timeliness stipulated in these laws for submission of reports to specific Government Agencies.

Below is a summary of Council meetings held during the financial year under review:

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Council Members	Position in Council (Chairman/CEO/ Member)	Gender	Date of Appointment DD/MM/YYYY	Expiry of Appointment DD/MM/YYYY	Membership & attendance	University Council	Special Council	A&R	G&HR	Special G&HR	FP&D	Special FP&D	ARAC	Sealing Committee	Graduations	Trainings
Dr. Bernadette F. Mungai	Chairperson	F	05/08/2022	04/08/2025	Attendance	4/4	9/9	X	X	X	X	X	X	1/1	1/1	1/2
					Membership	√	√	X	X	X	X	X	X	X	√	√
Prof. Peter Nyamuhanga Mwita.	CEO	M	19/02/2024	14/05/2030	Attendance	4/4	9/9	4/4	4/4	3/3	4/4	2/2	X	1/1	1/1	2/2
					Membership	√	√	√	√	√	√	√	X	√	√	√
Dr. Fauziya B. Karama, OGW	Member	F	05/08/2022	04/08/2025	Attendance	4/4	9/9	4/4	4/4	3/3	4/4	2/2	X	1/1	1/1	1/2
					Membership	√	√	√	√	√	√	√	X	√	√	√
Dr. Francis Joseph Bwire.	Member	M	05/08/2022	04/08/2025	Attendance	4/4	9/9	4/4	X	X	4/4	2/2	X	1/1	1/1	1/2
					Membership	√	√	√	X	X	√	√	X	√	√	√
Mr. Paul Wanderi	Member	M	05/08/2022	04/08/2025	Attendance	4/4	9/9	4/4	X	X	X	X	4/4	1/1	1/1	1/2
					Membership	√	√	√	X	X	X	X	√	√	√	√
Dr. Rodney O. Oluoch	Member	M	05/08/2022	04/08/2025	Attendance	3/4	3/9	X	4/4	1/3	X	X	4/4	X	0/1	1/2
					Membership	√	√	X	√	√	X	X	√	X	√	√
Mr. John P. Yiampoi	Representative, PS, State Department for Higher Education & Research	M	11/10/2022	18/11/2024	Attendance	2/4	3/9	2/4	2/4	1/3	2/4	2/2	4/4	0/1	0/1	1/2
					Membership	√	√	√	√	√	√	√	√	X	X	√
Mrs. Josephine W. M. Kanyi	Representative, CS, National Treasury	F	30/09/2022	05/01/2025	Attendance	2/4	4/9	3/4	3/4	1/3	3/4	2/2	3/4	1/1	1/1	1/2
					Membership	√	√	√	√	√	√	√	√	√	√	√
Dr. Milton Njuki	Representative, PS, State Department for Higher Education & Research	M	19/11/2024	18/12/2027	Attendance	2/4	6/9	2/4	2/4	2/3	2/4	0/2	2/4	1/1	1/1	2/2
					Membership	√	√	√	√	√	√	√	√	√	√	√
CPA Gilbert K. Kangogo	Representative, CS, National Treasury	M	06/01/2025	06/01/2028	Attendance	2/4	3/9	0/4	0/4	1/3	0/4	0/2	0/4	0/1	0/1	2/2
					Membership	√	√	√	√	√	√	√	√	√	√	√



vi. Succession plan

Kaimosi Friends University is committed to ensuring continuity of leadership and institutional stability through structured succession planning. The University has put in place mechanisms to identify, develop, and retain a pool of competent leaders to fill key positions as they become vacant.

Succession planning is guided by principles of merit, equity, transparency, and strategic alignment with the University's long-term goals. It includes leadership development programs, talent mapping, mentoring, and career progression pathways. This proactive approach ensures that transitions in the University Council, executive management, and other critical roles are seamless, minimizing disruptions to governance and operations.

vii. Policy to manage conflicts of interest.

The University Council adheres to the Mwongozo Code of Governance for State Corporations' provisions in clause 1.3(c.) and 1.16(b.). Each Council member is expected to act honestly at all times, and not to place himself or herself in a situation where their personal interests' conflict with those of the University. The University has a conflict-of-interest policy to further guide Council to this effect as envisaged in clause 2.6 (b) and applied as in and clause 4.3.

viii. Council remuneration

The University Council members do not receive a salary except for the Council Chairperson who receives a monthly honorarium. The members are paid a sitting allowance for each meeting attended as per the State Corporations Act Cap 446, Part III, Section 10(1-2). The sitting allowance paid to the Council members is disclosed in note 15 of the annual report and financial statements.

ix. Ethics and Conduct

The University Council is committed to the highest standards of behaviour at the workplace in order to contribute to the achievement of the national development goals. Approved Codes of Conduct and Ethics for both Council and staff members are in place to guide ethical conduct and integrity at the workplace. The Codes have set out expectations for individual behaviour necessary to meet these standards and include requirements and guidance to help Council carry out its oversight role with integrity and in compliance with the law.

x. Governance audit

Council formed a standing committee on governance to guarantee compliance with all statutory requirements. Governance and Legal Compliance Audits and Reporting are to be conducted annually to establish the level of adherence to applicable laws, rules and standards. However, an annual governance audit was not conducted in FY 2024/2025. It is expected that it shall be done in the FY 2025/2026, subject to availability of funds.

xi. Communication policy

The University Council shall communicate in a timely, accurate, consistent, and confidential manner, speaking only through the Council Chairperson (or a formally designated spokesperson) and the Council

Secretariat. All Council decisions will be conveyed to management through the Vice Chancellor, and to external stakeholders via approved statements coordinated with the University's Corporate Affairs. Confidentiality of deliberations is mandatory, and no individual Council member may issue unilateral directives or public commentary on Council business. In crises, the Council will release a single, coordinated statement to ensure clarity and protect institutional reputation. The policy is anchored in the Universities Act, the University Charter, and Mwongozo, and is reviewed every three years or as need arises.

xii. Terms of Reference of Committees

In order to facilitate the smooth running of its affairs, the University Council establishes such Committees with the membership and with such terms of reference as it may deem fit. The University Council nominates the Chairperson of each Committee of the Council provided that in the absence of the Chairperson of any Committee, the members present and constituting a quorum may elect one person from among them to chair the meeting.

Finance, Planning and Development Committee

The Committee provides oversight, policy recommendation and advises on matters relating to the University Finance Planning and Development, with a view to referring the matters of utmost importance to the Council for final approval.

Governance and Human Resource Committee

The Committee advises and provides an oversight role to the Governance and Human Resources activities of the University.

Audit, Risk Assurance and Compliance Committee

The Committee oversees and advises on matters relating to the safety of assets; operations of adequate systems; control processes, preparation of accurate financial reports in compliance with legal and statutory requirements and standards; internal and external audits; risk assurance strategies; institutional governance; monitoring of performance contract; and quality assurance.

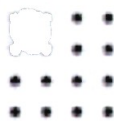
Academic and Research Committee

The Committee advises and provides an oversight role to the strategic development and implementation of academic and research programmes; physical facilities and infrastructures plan; quality assurance for excellence in teaching, research and innovation and protection of intellectual assets.

MEMBERSHIP TO COMMITTEES OF COUNCIL

a. FINANCE, PLANNING AND DEVELOPMENT COMMITTEE

- | | | |
|-------------------------------|---|--------------------------------------|
| 1. Dr. Francis J. Bwire | - | Chairperson |
| 2. Dr. Fauziya B. Karama, OGW | - | Member |
| 3. Dr. Milton Njuki | - | Rep. PS, State Department for Higher |



- | | | |
|----|------------------------|---|
| | | Education and Research |
| 4. | CPA Gilbert K. Kangogo | - Rep. CS, National Treasury & Planning |
| 5. | Prof. Peter. N. Mwita | - Secretary |

b. GOVERNANCE AND HUMAN RESOURCE COMMITTEE

- | | | |
|----|------------------------|---|
| 1. | Dr. Rodney Oluoch | - Chairman |
| 2. | Dr. Fauziya B. Karama | - Member |
| 3. | Dr. Milton Njuki | - Rep. PS, State Department for Higher Education and Research |
| 4. | CPA Gilbert K. Kangogo | - Rep. CS, National Treasury & Planning |
| 5. | Prof. Peter N. Mwita | - Secretary |

c. AUDIT, RISK ASSURANCE AND COMPLIANCE COMMITTEE

- | | | |
|----|------------------------|---|
| 1. | Mr. Paul M. Wanderi | - Chairman |
| 2. | Dr. Rodney Oluoch | - Member |
| 3. | Dr. Milton Njuki | - Rep. PS, State Department for Higher Education and Research |
| 4. | CPA Gilbert K. Kangogo | - Rep. CS, National Treasury & Planning |
| 5. | Mr. Emmanuel K. Mate | - Internal Auditor/Secretary |

d. ACADEMIC AND RESEARCH COMMITTEE

- | | | |
|----|----------------------------|---|
| 1. | Dr. Fauziya B. Karama, OGW | - Chairman |
| 2. | Mr. Paul M. Wanderi | - Member |
| 3. | Dr. Francis J. Bwire | - Member |
| 4. | Dr. Milton Njuki | - Rep. PS, State Department for Higher Education and Research |
| 5. | CPA Gilbert K. Kangogo | - Rep. CS, National Treasury & Planning |
| 6. | Prof. Peter. N. Mwita | - Secretary |

Finance, Planning and Development Committee ToR

- i. To review and recommend to Council for approval the financial strategy and long-term financial forecasts.
- ii. To review and recommend to Council University annual recurrent and capital budgets and long-term financial forecasts within the strategies and plans approved by Council and to monitor performance in relation to approved budgets.
- iii. To review and recommend to Council for approval the annual consolidated financial statements of the University and its subsidiary undertakings.
- iv. To review and recommend to Council for approval the University investment policy.
- v. To advise the University Council on the appointment of bankers, insurance brokers and other financial specialists and to review their performance periodically.



- vi. To determine the strategic orientation, risk profile and funds allocation policy of the University.
- vii. To monitor the University investments in any commercial activities or operations in which the University has an interest.
- viii. To examine the basis and structure of any trading companies which the University might propose to set up and to make recommendations to Council.
- ix. To consider, prior to submission to the Audit Committee, the audited accounts and to make recommendations to Council.
- x. To consider and recommend to Council requests by management to write-off debts/claims deemed to be irrecoverable or investments/assets subject to a permanent diminution of value in line with guidelines set by the Treasury.
- xi. To receive, for information, the annual financial statements of the Student Union.
- xii. To fundraise for the University.
- xiii. To review and recommend to the Council for approval of strategic plans and annual plans for academic, financial and general management.
- xiv. To review reports on performance in relation to approved budgets and the strategic plan of the University.
- xv. To advise the University Council on matters of strategy and policy regarding buildings and estates! with the overall aim of making best use of the University current and future estate resources for the benefit of students, staff and the wider community.
- xvi. To receive and make recommendations to the Council on the total impact analysis that assesses the ongoing costs of maintenance, utilities and major equipment.
- xvii. Review and make recommendations to the Council on capital projects and other expenditures that fall outside the annual budget (such as those encompassed by the capital renewals process)
- xviii. Subject to the University Charter, to consider recommendations to the Council on the acquisition and disposal of land and buildings.
- xix. To consider significant land and building leasing arrangements
- xx. To receive and make recommendations on matters relating to ICT

Governance and Huma Resource Committee ToR

- i. To monitor and advise the Council on compliance with government policies/regulations and existing laws relating to human resources.
- ii. To review the University policy for the remuneration of all University staff and make recommendations to the Council for any modification of that policy with a view to attracting and retaining highly qualified staff.
- iii. To consider staff disciplinary matters referred to the Council by management and make recommendations to the Council for approval.
- iv. To determine and review the policy and scope of pension scheme, terminal dues and other compensation entitlements for staff of the University.
- v. To review and recommend for approval by the Council the policy for authorizing claims for expenses incurred by staff of the University.

- vi. To set and periodically review the annual performance appraisal tool for the Vice Chancellor and senior management staff and recommend to the Council for approval.
- vii. To receive the annual performance appraisal reports for the Vice Chancellor and senior management staff and report to the Council.
- viii. To review University Statutes and human resource policies and recommend to the Council for approval.
- ix. To review succession plans for senior staff of the University on an annual basis and report the same to the Council.
- x. Exercise authority delegated to it and deal with any human resource related matters referred to it by the Council.
- xi. This committee will consider cases for Staff in academic Terms of Service and Non- Teaching Staff in Grades 14 and 15.

Audit, Risk Assurance and Compliance Committee ToR

- i. Establish a direct reporting relationship with the Head of Internal Audit and the internal audit function to enable the internal audit function to fulfil its mandate.
- ii. Recruitment, appointment, and removal of the Head of Internal Audit and staff.
- iii. Provide input to Senior Management to support the performance evaluation and remuneration of the Head of Internal Audit and staff.
- iv. Provide the Head of Internal Audit with opportunities to discuss significant and sensitive matters with the Council, including meetings without Senior Management present.
- v. Require that the Head of Internal Audit be positioned at a level in the organization that enables internal audit services and responsibilities to be performed without interference from Management. This positioning provides the organizational authority and status to bring matters directly to Senior Management and escalate matters to the Council when necessary.
- vi. Acknowledge the actual or potential impairments to the internal audit function's independence when approving roles or responsibilities for the Head of Internal Audit that are beyond the scope of internal auditing.
- vii. Engage with Senior Management and the Head of Internal Audit to establish appropriate safeguards if Head of Internal Audit roles and responsibilities impair or appear to impair the internal audit function's independence.
- viii. Engage with Senior Management to ensure that the internal audit function is free from interference when determining its scope, performing internal engagements, and communicating results.

Academic and Research Committee ToR

- i. To receive and consider reports from Senate and make recommendations to Council on Academic matters including:
 - (a) Curriculum and academic standards of any course of study.
 - (b) The establishment, harmonization or abolition of Schools, Institutes, Units, departments and Centres.
 - (c) Academic affiliations, linkages, partnerships and associations.

- (d) Promotion of research and innovation work in the University and dissemination of the findings.
- (e) Quality standards and assurance of education, training, research and innovation.
- (f) Regulations for the eligibility of persons for admission to a course of study.
- (g) Regulations for the standard of proficiency to be gained in each examination for a degree, diploma, certificate or other award for the University.
- (h) The Constitution of the Students' Association.

- ii. To advise the Council on matters relating to the strategic direction of student welfare support services and the development of the University infrastructure and services for this purpose.
- iii. To advise the Council on matters relating to student experiences at the University on services and resources provided to support the students' learning experience.
- iv. To receive reports on students' discipline from management and make recommendations to the Council.
- v. To monitor the University responsiveness to student feedback and make recommendations to the Council.
- vi. To review and provide oversight to university students' welfare policies and regulations.

xiii. Policy on related party transactions

The Council's Policy on Related Party Transactions aims to prevent conflicts of interest and ensure that all transactions involving related parties are conducted at arm's length, transparently, and in the best interests of the University.

A related party transaction involves any financial or business dealing between the University and a Council member, their close relatives, or affiliated entities. To manage such transactions:

- i. Council members must disclose any personal or financial interests that may conflict with university business.
- ii. Such transactions must be declared, reviewed, and approved by the full Council, excluding the interested party.
- iii. All related party transactions shall be documented, reported in Council minutes, and disclosed in the University's annual financial statements.
- iv. Non-disclosure or improper conduct may lead to disciplinary action, including removal, as per the Universities Act and Mwongozo Code of Governance.

7. Management Discussion and Analysis

A detailed discussion and analysis of the University's operational and financial performance as at end of the year 30th June 2025 is as explained below:

A. Academic and Student Affairs

The Academic Division is mandated to implement quality teaching, learning, research, innovation and community service as outlined in the University Vision. This Division is made up of five schools, library, office of the Dean of Students, office of Registrar Academic Affairs and ten Directorates. The schools and directorates are as follows:

1. Schools

- i) School of Education and Social Sciences
- ii) School of Business and Economics
- iii) School of Science
- iv) School of Computing and Information Technology
- v) School of Health Sciences

2. Directorates and Centres

- i) Directorate of Graduate Studies
- ii) Directorate of Open and Distance e-Learning
- iii) Directorate of Research, Innovations and Outreach
- iv) Directorate of University Linkages, Alumni & Career Services
- v) Directorate of Planning & Performance Contracting
- vi) Directorate of Quality Assurance and Management Systems
- vii) Directorate of Information & Communication Technology
- viii) Directorate of Examinations
- ix) Directorate of Resource Mobilization & Enterprise Services
- x) Centre of Excellence in Climate Action & Research.

Academic Programmes

The University offers Forty-Eight (48) Senate approved and CUE accredited programs whose enrolment has generally been on a growth trajectory since the establishment of the University. These include:

- i) Three (3) PhD programs
- ii) Fourteen (14) Masters programs
- iii) Twenty-three (23) Bachelors programs
- iv) Four (4) Diploma Programs
- v) Four (4) Certificate Programs

Academic Staff Distribution

The University has Sixty-five (65) full time academic members of staff across schools distributed by rank as indicated in the table 1 below.

Table 1: Academic Staff Distribution

Cadre	School of Business & Economics	School of Computing & Information Technology	School of Education & Social Sciences	School of Science	School of Health Sciences	Total
Professors	0	0	1	0	0	1
Associate Professors	0	1	2	2	0	5
Senior Lecturers/ Senior Research Fellow	6	0	5	7	1	19
Lecturers	2	1	13	5	6	27
Tutorial Fellows/ Assistant Lecturer	3	2	4	0	0	9
Clinical Instructors/ Research Assistant	0	0	0	1	3	4
Total	11	4	25	15	10	65

The distribution shows fewer staff in the upper and lower cadres. A graphical representation of the academic staff distribution in the University is depicted below:

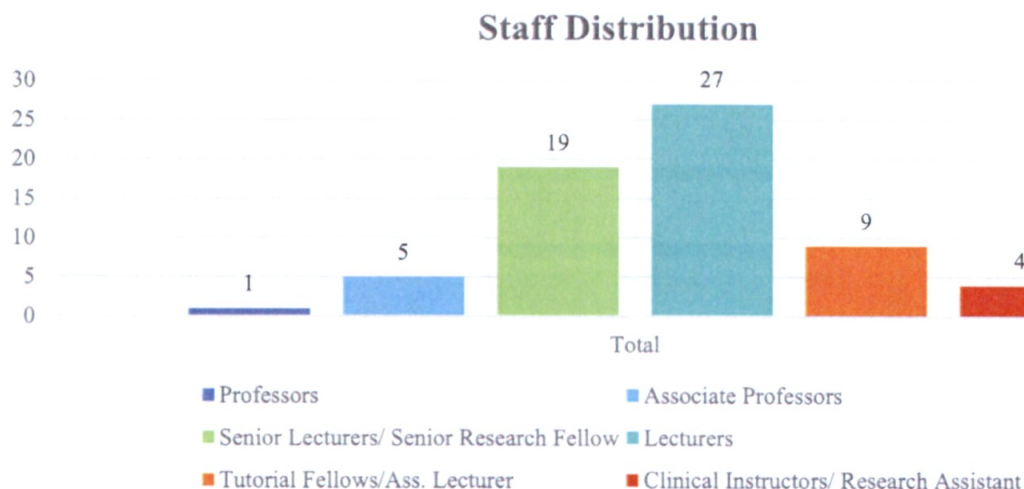


Fig. 1: Overall distribution of Academic Staff by Rank

The tabulation above as well as the graph show the University is understaffed, with Part-time lecturers filling the staffing gap. There were more than one hundred (100) Part-time lecturers during the last financial year. It is also apparent that, there are very few members of staff in senior ranks. The implication is that, the University has to outsource staff from other universities as programme leaders and even supervisors of post graduate students.

General Student Enrolment

Since its establishment as a campus, subsequently as a Constituent College of Masinde Muliro University of Science and Technology (MMUST), and as a fully-fledged University on 2nd August, 2022, there has been a steady positive growth in student enrolment; Table 2 highlights enrolment for the period 2014/2015 to 2024/2025

Table 2: Institutional Enrolment Trend 2014/15-2024/25

YEAR	GSSP	PSSP	TOTAL
2014/15	186	49	235
2015/16	455	101	556
2016/17	1,013	306	1319
2017/18	1,520	218	1738
2018/19	1,585	235	1820
2019/20	1,879	279	2158
2020/21	2,476	346	2822
2021/22	3,343	403	3,746
2022/23	3,637	260	3,897
2023/24	4,578	240	4,818
2024/25	5499	232	5,731

This steady increase in enrolment could lead to more tuition revenue, which can support expansion of programs, infrastructure, and staff if there is timely and full remittance of funds by government and payment of household costs by students.

General Enrolment Trends

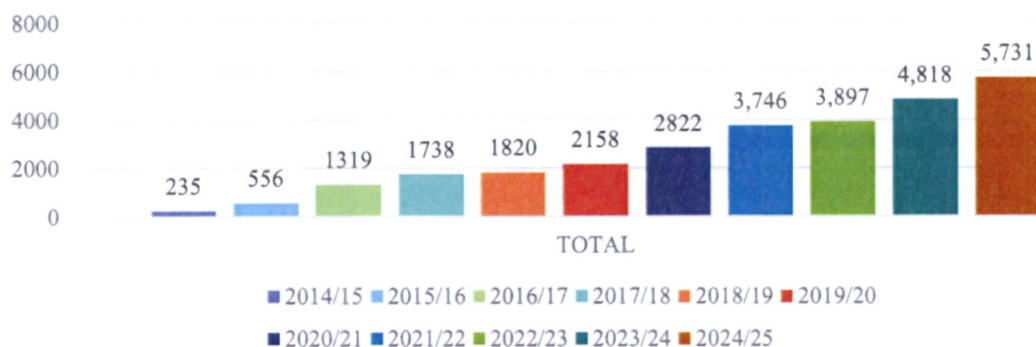


Fig 2: General Enrolment trends

Graduation

The University has graduated Seven (7) cohorts since enrolling the first group of students in August 2014. The distribution of graduates across schools is as indicated in the Table 3:

Table 3: Graduands

Year	SOBE	SESS	SCIT	SOSCI	TOTAL
2018	53	142	0	0	195
2019	56	208	6	0	270
2020	117	177	10	3	307
2021	110	228	25	67	430
2022	130	223	18	31	402
2023	53	362	10	32	457
2024	77	733	28	58	896
Total	596	2073	97	191	2957

Between 2014 and 2021, the university graduated students under MMUST because it was a constituent college. The 1st graduation for the university after award of Charter was on 21st December 2022 and this saw 402 students graduate. The 2nd graduation for the university was on 8th December 2023, this saw 457 students graduate and the 3rd graduation held on 29th November, 2024 the University graduated 896 students. Graduation rates improved in 2024. Figure 3 depicts general graduation trends.

The steady increase in the number of graduates reflects institutional expansion and growing capacity in academic offerings, which boosts KAFU’s standing both regionally and nationally. The graduates entering the labor market are catalyzing local economic development, supporting sectors such as healthcare, education, IT, social services, and agriculture—areas aligned with KAFU’s course offerings.

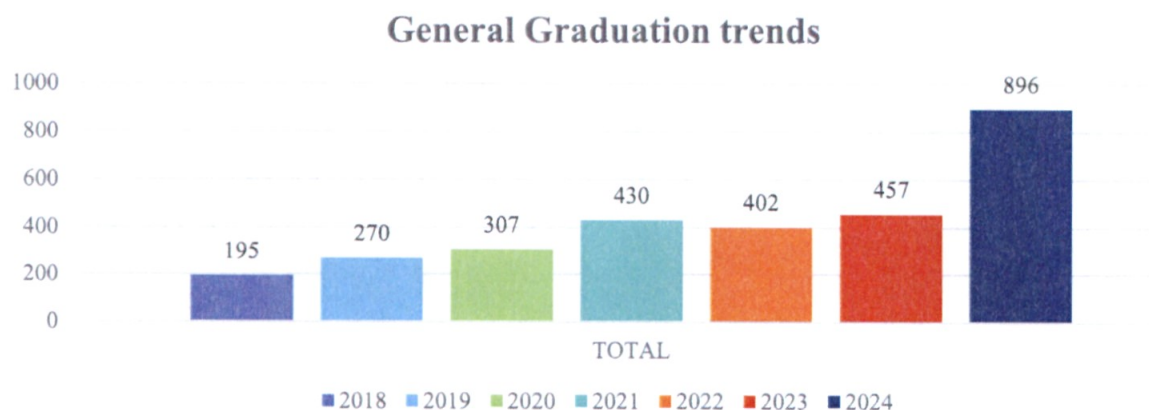


Fig. 3: General Graduation Trends.

Analysis At School Level

This section discusses activities and outputs from schools. This analysis is important in unearthing any hidden disparities that are masked by general enrolment and graduation trends.

1. School of Education and Social Sciences (SESS)

The School of Education and Social Sciences (SESS) is the mother of all schools in KAFU having been the transitional School from MMUST.

Departments

The following departments constitute the School of Education and Social Sciences:

- i) Department of Languages and Literature
- ii) Department of Social Sciences
- iii) Department of Curriculum and Instruction
- iv) Department of Educational Foundations, Psychology and Management

Programs

The following Programs are offered in the School of Education and Social Sciences:

- i) Doctor of Philosophy in Curriculum & Instruction
- ii) Doctor of Philosophy in Religion
- iii) Master of Arts in Religion



- iv) Master of Arts in Comparative Literature
- v) Master of Education in Educational Psychology
- vi) Master of Arts in Kiswahili
- vii) Master of Arts in Geography
- viii) Master of Arts (History)
- ix) Master of Education in Curriculum and Instruction
- x) Bachelor of Education (Arts)
- xi) Bachelor of Education (Science)
- xii) Bachelor of Education (French)
- xiii) Bachelor of Education in Early Childhood Education
- xiv) Bachelor of Disaster Management and International Diplomacy
- xv) Bachelor of Arts (Criminology and Criminal Justice)
- xvi) Bachelor of Social Work
- xvii) Diploma in Criminology and Criminal Justice
- xviii) Diploma in Social Work and Community Development
- xix) Certificate in Criminology
- xx) Certificate in Social Work

Enrolment

The school has a total enrolment of 4,602 students distributed in the programmes as shown in table 4.

Table 4: Enrolment by Program

	SCHOOL OF EDUCATION AND SOCIAL SCIENCES	PSSP	GSSP	TOTAL
1	Bachelor Of Arts (Criminology & Criminal Justice)	12	378	390
2	Bachelor of Disaster Management & International Diplomacy	0	47	47
3	Bachelor of Education (Arts)	16	2763	2779
4	Bachelor of Education (French)	0	78	78
5	Bachelor of Education (Science)	6	1045	1051
6	Bachelor of Education in Early Childhood Education	0	41	41
7	Bachelor of Social Work	1	150	151
8	Certificate in Criminology	1	0	1
10	Diploma in Criminology and Criminal Justice	9	0	9
11	Master of Arts in Geography	10	0	10
12	Master of Arts in History	11	0	11
13	Master of Arts in Kiswahili	9	0	9
14	Master of Education in Educational Psychology	6	0	6
15	Masters of Arts in Comparative Literature	6	0	6
16	Masters of Arts in Religion	2	0	2
17	Masters of Education in Curriculum and instruction	11	0	11
	TOTAL	100	4502	4602

SESS has the highest enrolment in the University with a student population of 4602 which constitutes 80 % of the entire student population. The school has had a steady growth in student numbers over the years whose trend distribution in the academic shown in the table 5:



Table 5: Enrolment Growth

Year	Enrolment		
	GSSP	PSSP	TOTAL
2014/15	134	44	178
2015/16	348	83	431
2016/17	660	136	796
2017/18	956	177	1,133
2018/19	945	169	1,114
2019/20	1,214	174	1,388
2020/21	1,772	185	1,957
2021/22	2,637	198	2,835
2022/23	2929	137	3,066
2023/24	3726	119	3,845
2024/25	4502	100	4602

Figure 4 below provides a pictorial representation of enrolment trends in SESS.

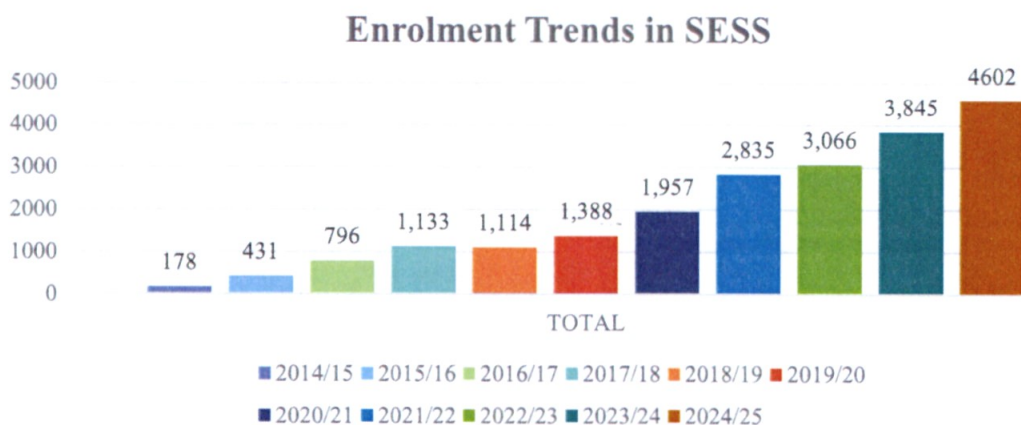


Fig. 4: Enrolment Trends

Graduation

The school has had Seven (7) cohorts of students who have graduated in various programs since its establishment. Table 6 is a display of graduations per level for the years under consideration. There has been a steady increase in the number of graduands from 2018 to 2024.

Table 6: Graduation (per level)

Year	PhD	Masters	Bachelors	Diploma	Certificate	Total
2018	0	0	127	10	5	142
2019	0	0	167	15	5	187
2020	0	0	163	9	2	174
2021	0	0	223	3	2	228
2022	0	3	213	2	5	223
2023	0	0	342	19	1	362
2024	0	5	713	15	1	734
Total	0	8	1,948	73	21	2,050

Figure 5 below is a pictorial illustration of the steady positive trends in graduation in the School of Education and Social Sciences (SESS).

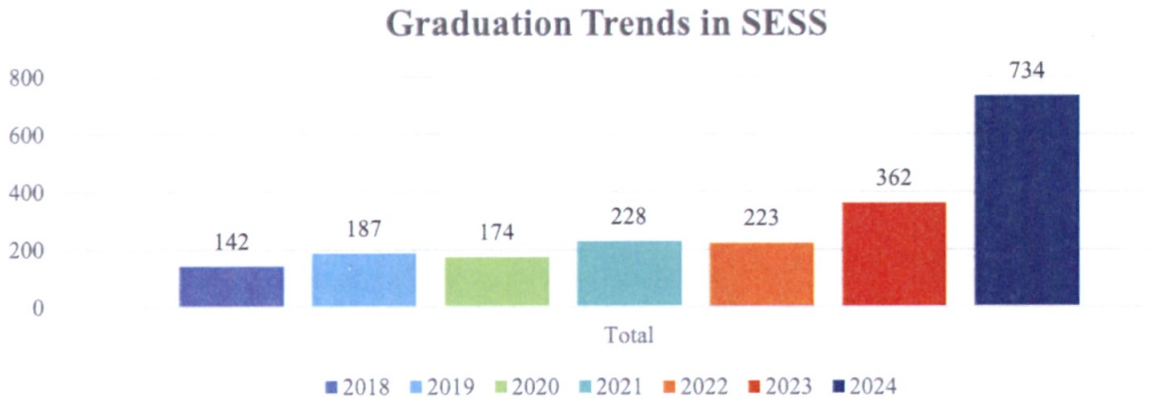


Fig 5: Graduation Trends in SESS

Activities in the School

i. Programmes Reviewed

Master of Arts Linguistics and PhD Linguistics

ii. Proposals submitted

- Prof. Ojwang, Dr. Aunga, Dr. Sangili and Dr. Shiundu: One Grant Proposal worth Ksh. 12,920,000/-submitted for funding to UNESCO International fund for cultural diversity submitted by Language research team

iii. Research Grants

- Dr. Aseta John: Staff internally funded By URF-Grant worth 385,000/-
- Dr. Ikoha Constance Amusala Grant(s) worth Ksh. 1,900,000/- won from Education Sub Saharan Africa (ESSA) and Research for Equitable Access and Learning (REAL) Centre at the University of Cambridge, with financial support from Conrad N. Hilton Foundation and Global Partnership for Education Knowledge and Innovation Exchange (GPE KIX) in the year 2025.

2. School of Business and Economics (SOBE)

The school of Business and Economics (SOBE) was established at inception in 2015. Its vision is to be a leading Business school connecting the region and the world. The School’s enrolment currently stands at 315.

Departments

SOBE is made up of the following three departments:

- i) Department of Business, Administration and Management Science
- ii) Department of Accounting and Finance
- iii) Department of Economics



Academic Programs

The school offers the following seven (8) programs:

- i) Doctor of Philosophy in Business Administration
- ii) Masters of Business Administration
- iii) Master of Science (Economics)
- iv) Bachelors of Commerce
- v) Bachelors of Science in Economics
- vi) Bachelor of Science (Economics and Statistics)
- vii) Diploma in Business Management
- viii) Certificate in Business Administration

Enrolment

Student enrolment in regular programs of the school for the 2024/2025 academic year is indicated in Table 7 below:

Table 7: Student Enrolment

	SCHOOL OF BUSINESS AND ECONOMICS	PSSP	GSSP	TOTAL
1	Bachelor of science (Economics and Statistics)	-	11	11
2	Bachelor of Commerce	17	222	239
3	Bachelor of Science (Economics)	0	21	21
4	Diploma in Business Management	2	0	2
5	Doctor of Philosophy in Business Administration	13	0	13
6	Master of Science in Economics	4	0	4
7	Masters of Business Administration	25	0	25
	TOTAL	61	254	315

General Enrolment Trends

The student enrolment for the period 2014/15 – 2024/25 is summarized in the table 8 below:

Table 8: Student Enrolment for 2014/15 – 2024/25

Academic Year	GSSP	PSSP	TOTAL
2014/15	52	5	57
2015/16	107	18	125
2016/17	242	16	258
2017/18	371	37	408
2018/19	409	50	459
2019/20	401	66	467
2020/21	376	114	490
2021/22	338	127	465
2022/23	275	72	347
2023/24	259	55	314
2024/25	254	61	315



Enrolment trends-SOBE

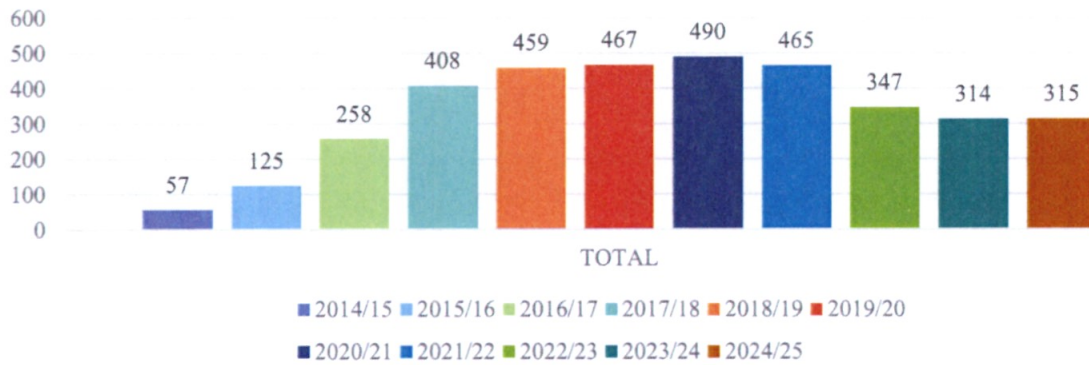


Fig. 6: Enrolment Trends in SOBE

There was a steady increase in enrolment between 2014/2015 to 2020/2021 followed by a decline from 2021/22.

Graduation

The school has graduated seven (7) cohorts of students since its establishment. Table 9 below is a display of graduations for the programs offered in the school.

Table 9: Graduation

Year	PhD. Business Administration	MSc. Economics	MA. Business Admin.	B. Commerce	BSc. (Economics)	Diploma	Certificate	Total
2018	0	0	0	46	0	7	0	53
2019	0	0	0	49	0	4	3	56
2020	0	0	0	88	21	6	2	117
2021	0	0	0	87	11	9	3	110
2022	0	1	18	79	23	8	1	130
2023	0	0	1	40	5	7	0	53
2024	1	0	8	53	14	1	0	77
TOTAL	1	1	27	442	74	42	9	595

Figure 7 below gives a pictorial illustration of graduation trends in the School of Business and Economics:

Graduation Trends-SOBE

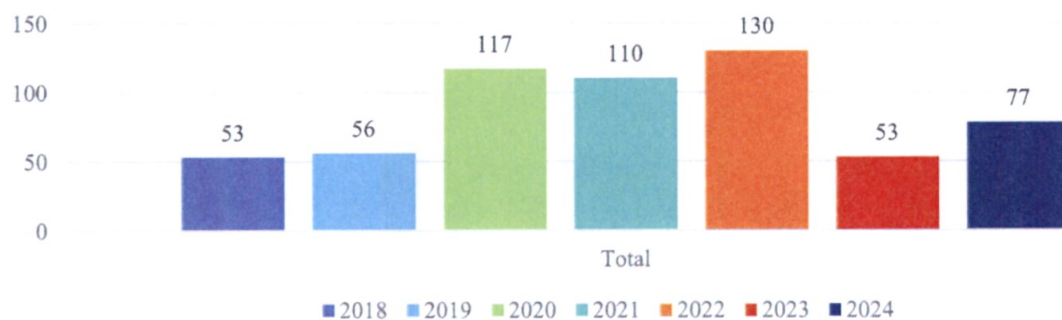


Fig. 7: Graduation Trends



There has been a steady increase in the number of graduating students over the years.

Activities in the School

1. Programmes Reviewed

The following programme which comprises the listed options has been reviewed:

Programme	Options
1. Bachelor of Commerce	Accounting Finance Human Resource Management Marketing Operations and Information Systems Management Enterprise Development and Management Business Administration Purchasing and Supplies Management
2. Master of Business Administration	Accounting Finance Human Resource Management Marketing Operations and Information Systems Management Enterprise Development and Management Business Administration Purchasing and Supplies Management

The following programmes have been developed:

- i. Bachelor of Science in Health Economics
- ii. Bachelor of Science in Economics and Finance
- iii. Bachelor of Science in Accounting With IT
- iv. Bachelor of Science in Banking and Finance

3. School of Science (SOSCI)

The school of science is among schools established after a significant growth in students and staff population at the School of Education. It has an enrolment of 143 students, with its departments engaged in servicing sciences-based courses for students in the School of Education and Social Sciences. The School of Science has been at the centre in driving the University's mission of teaching, research and innovation in the area of natural sciences.

Departments

The following departments constitute the School of Science:

- i) Biological and Agricultural Sciences
- ii) Mathematics and Statistics
- iii) Physical Sciences

Programs

The School of Science offers the following programs:

- i) Master of Science in Microbiology
- ii) Master of Science in Physics
- iii) Master of Science in Applied Mathematics
- iv) Master of Science in Pure Mathematics
- v) Bachelor of Science (Agricultural, Economics and Resource Management)
- vi) Bachelor of Science (Applied Statistics with IT)
- vii) Bachelor of Science (Mathematics and Economics with IT)
- viii) Bachelor of Science (Mathematics with IT)
- ix) Bachelor of Science (Chemistry)
- x) Bachelor of Science (Biology)
- xi) Bachelor of Science (Physics with Appropriate Technology)

Enrolment

Table 10 shows student enrolment trends since the establishment of the school from 2016/2017 to 2024/2025 academic year.

Table 10: Student Enrolment

Year	GSSP	PSSP	TOTAL
2016/17	90	0	90
2017/18	149	1	150
2018/19	181	2	183
2019/20	205	8	213
2020/21	214	17	231
2021/22	131	46	177
2022/23	163	20	183
2023/24	154	18	172
2024/25	123	20	143

Figure 8 depicts a pictorial enrolment trend in the school over the period 2016/2017 to 2024/2025 academic years.

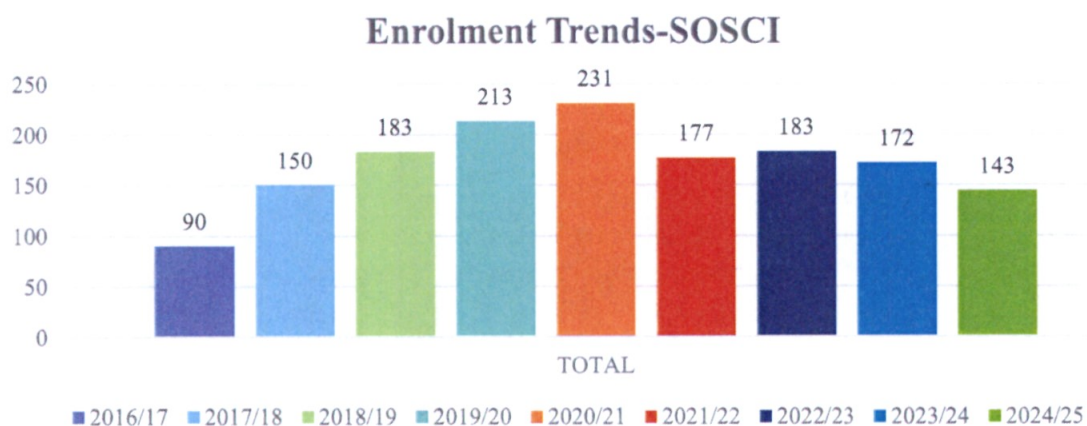


Fig. 8: Student Enrolment Trends



Graduation

The school graduated its first cohort at the end of the academic year 2019/2020. Table 11 highlights the pioneer students who were able to graduate in the school under the program Agricultural Economics and Resources Management.

Table 11: Graduation Trends in School of Science

Year	Bachelors	Masters	Total
2018	0	0	0
2019	0	0	0
2020	3	0	3
2021	67	0	67
2022	28	3	31
2023	32	0	32
2024	54	4	58
TOTAL	184	7	191

Figure 9 gives a pictorial illustration of the graduation trends in the school.

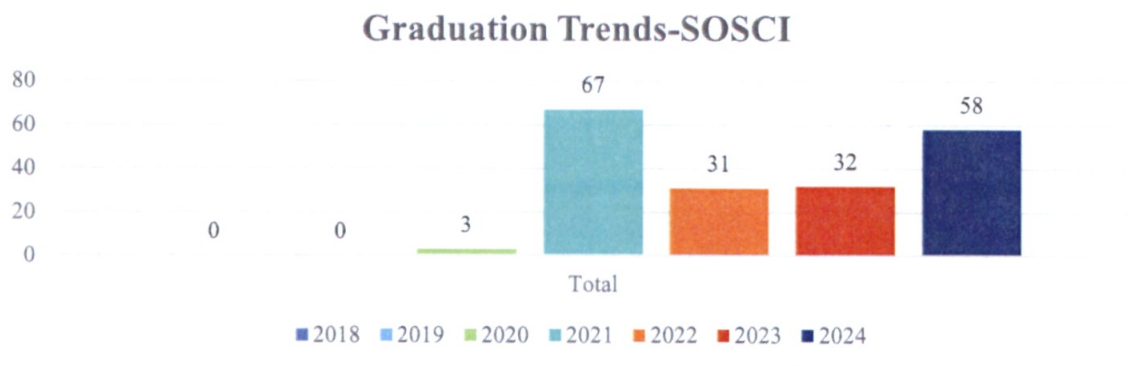


Fig 9: Graduation trends in the school.

Activities in the School

i. Program reviewed

Bachelor of Science (Agricultural Economics and Resource Management)

ii. Research and Grants

- Dr George Opande: US\$ 11,000. (2022 – 2025); The Republic of Maldives, Ministry of Fisheries, Marine Resources and Agriculture.
- Ms. Gebeyehu Desta Mulu and Dr George Timothy Opande: USD \$ 11,273.47 USD (Eleven thousand two hundred seventy-three and forty-seven cents only) OWSD PG Fellowships funded by UNESCO for research at Kaimosi Friends University (KAFU) in 2024- 2025.
- Dr Victor Shikuku: USD \$ 47000.00 (Forty-seven thousand) TWAS Research grant for advancing basic sciences for 24 months at Kaimosi Friends University and Machakos University) by Dr. Victor Shikuku (KAFU), Dr. Veronica Okello (Machakos University) and Dr. E. Ndunda (Machakos University) to support promising high-level research projects in biology, chemistry, mathematics, and physics, particularly in science and technology (S&T)-lagging countries as identified by TWAS



4. School of Computing and Information Technology (SCIT)

The school of Computing and Information Technology (SCIT) previously existed as a Department in the School of Science. SCIT provides critical support in servicing courses with ICT components across the School.

Departments

The school has the following departments

- i. Information Technology.
- ii. Computer Science

However, the school also houses and is nurturing the Open and Distance e-Learning Directorate whose mandate is to improve student access for virtual learning services and to help integrate Information Technology in all programs offered at the University.

Programs

The following programs are currently offered at the School of Computing and Informatics:

- i) Master of Science in Information Technology
- ii) Bachelor of Science in Information Technology
- iii) Bachelor of Science in Computer Science
- iv) Bachelor of Science in Information systems and Knowledge Management
- v) Diploma in Information Technology
- vi) Certificate in Information Technology

Enrolment

Enrolment in the school over the years is captured in the table 12 below:

Table 12: Enrolment in the School

	School of Computing and Information Technology	PSSP	GSSP	TOTAL
1	Bachelor of Science in Computer Science	0	79	79
2	Bachelor of Science in Information Technology	0	125	125
3	Diploma in Information Technology	1	0	1
4	Master of Science in Information Technology	3	0	3
	Total	4	204	208

Enrolment Trends

Table 13 highlights enrolment trend in the School of Computing and Information Technology since 2016/2017 academic year.

Table 13: Enrolment Trend, School of Computing and Information

Year	GSSP	PSSP	TOTAL
2016/17	21	1	22
2017/18	44	3	47
2018/19	50	14	64
2019/20	59	33	92
2020/21	102	42	144
2021/22	131	46	177



Year	GSSP	PSSP	TOTAL
2022/23	117	13	130
2023/24	157	13	170
2024/25	204	4	208

The figure 10 gives a pictorial representation of enrolment growth in the school for the highlighted period.

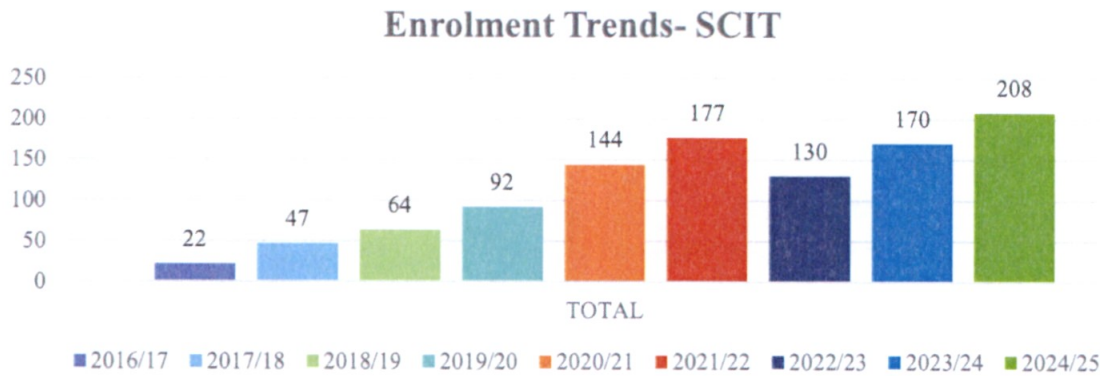


Fig. 10: Enrolment Growth Trends

Graduation

The school first graduated students in 2020. Table 13 highlights graduation rates in the school.

Table 13: Graduation

Year	Masters	Bachelors	Diploma	Certificate	Total
2018	0	0	0	0	0
2019	0	0	0	0	0
2020	0	5	2	3	10
2021	0	22	0	3	25
2022	2	11	5	0	18
2023	0	9	1	0	10
2024	4	22	0	2	28
Total	6	69	8	8	91

Fig. 11: Graduation Trends, School of Computing and Information Technology

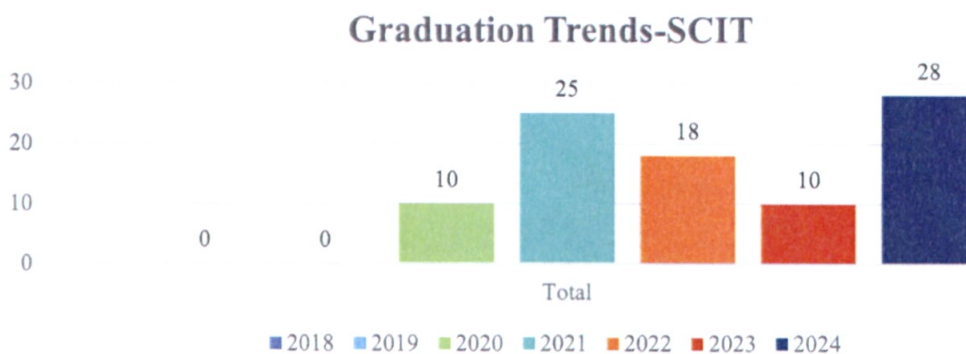


Figure 11: Graduation trends in SCIT



Academic Activities in the School

i. Programmes:

New Curriculum Development:

- a. Bachelor of Science in Software Engineering
- b. Bachelor of science in Data Science and Analytics
- c. Bachelor of Business Information Technology

ii. MOUs-

- a. MOU with Huawei leading to establishment of Huawei Academy
- b. MoU with AFRALTI
- c. MoU with Egerton University on Transpath Project

iii. Research and Grants

Grant Proposals Submitted

- Ayub H Shirandula, Kelvin K. Omieno & Caroline Mulinya: Research Grant Title: “Harnessing Artificial Intelligence for the Digitization and Preservation of Kenya’s Cultural Heritage (AI-CHP): A Focus on Western Kenya”, Funded by NRF; Amount Applied: KSh. 10,200,000

Current Successful Grant Projects

- Ayub Shirandula & Kelvin K. Omieno: KAFU URF
Title: “Leveraging ICT for Enhanced Healthcare Services Delivery in Remote Communities”,
Amount Granted: KSh. 385,881

5. School of Health Sciences (SOHES)

This is the latest school at the University having been established in 2022. Programmes in the school continue to attract a lot of students. It is expected that, with approval of expansion of capacity from the respective regulators, enrolment in schools will grow tremendously. The school houses the niche programmes for the university.

Departments

The following departments constitute the School of Health Sciences:

- i) Department of Nursing
- ii) Department of Clinical Medicine and Community Health
- iii) Department of Optometry and Vision Sciences

Programmes

- i. Bachelor of Science in Nursing
- ii. Bachelor of Science in Clinical Medicine and Community Health
- iii. Bachelor of Science (Optometry and Vision Sciences)

Table 14 below highlights enrolment trend in the School of Health Sciences since 2021/2022 academic year.

Table 14: Enrolment Trend, School of Health Sciences

Year	GSSP	PSSP	TOTAL
2021/22	46	8	54
2022/23	152	18	170
2023/24	282	36	318
2024/25	416	47	463

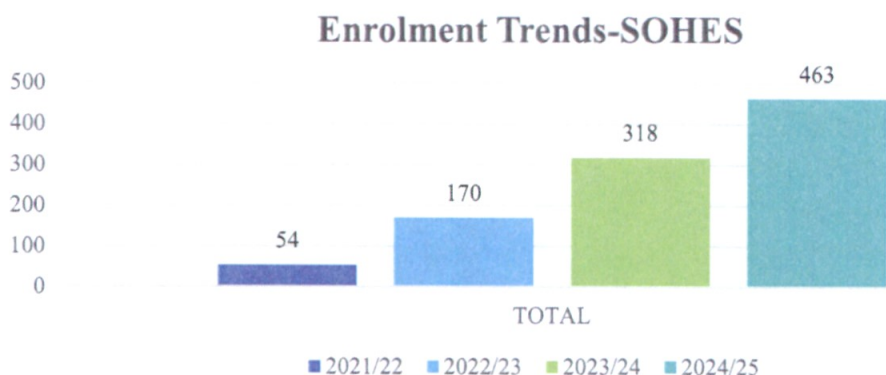


Fig. 12: Enrolment Trend, School of Health Sciences

Activities

i. New Programmes

Between February 10th and 19th, 2025 the school undertook a series of activities aimed at developing new academic programmes and reviewing existing undergraduate curricula. This included a stakeholder engagement exercise for the newly developed postgraduate programmes.

At the conclusion of this process, five academic programmes were developed and presented to both internal and external reviewers. These programmes and respective leads are:

- Master of Science (Public Health) – Dr. John Ayisi (Programme Lead)
- Master of Science (Optometry and Vision Science) – Dr. Emmanuel Okenwa-Vincent (Programme Lead)
- Master of Science (Advanced Practice Nursing) – Dr. Anne Asiko (Programme Lead)
- Master of Science (Clinical Medicine) – Dr. Cyprian Mabonga (Programme Lead)
- Doctor of Philosophy (Optometry and Vision Science) – Dr. Emmanuel Okenwa-Vincent (Programme Lead)

ii. Research and Grants

- Dr. Emmanuel Okenwa-Vincent- fellowship worth 47, 930 British Pounds. This fellowship is for one Calendar year and commences in September 2025.

Proposals submitted

- Dr. Emmanuel Okenwa-Vincent -Two funding proposals have been submitted. One to Safaricom worth 40 million Kenya shillings and a second one to AHF worth 75 million Kenya Shillings.

Directorates and Centres

(a) Directorate of Open and Distance e-Learning

The University has established an Open and Distance e-Learning Centre whose mandate is to facilitate delivery of programs online, and promote integration of ICT in teaching. This will enable the University adopt a blended (face-to-face and virtual) mode of content delivery.

During the financial year 2024/2025 the University was able to:

- i. Teach all the common units on ODeL platform
- ii. Self-evaluation assessment report as per CUE guidelines
- iii. Initiate the accreditation process of the ODeL centre by CUE
- iv. Cloud hosting of LMS at Konza Technopolis.

(b) Directorate of University Linkages Alumni and Career Services

The Directorate of University Linkages, Alumni and Career Services (DULACS) at KAFU was established in 2019 with the sole responsibility of overseeing matters of partnerships, collaborations, and linkages with like-minded organizations and institutions with the sole purpose of improving the University's image both locally and globally. The University, through DULACS, initiates, implements, and sustains collaborations with partners across the world to produce innovative research, deliver innovative teaching and learning, and create opportunities for students and staff to gain international experience through exchange programs. During the FY 2024/2025 the University signed MOUs with other Institutions.

(c) Directorate of Research, Innovation and Outreach

Research is one of the core functions of Kaimosi Friends University. This is embodied in the mission of the University in which it pledges to "provide quality education and training, research and innovation, to meet the needs of a dynamic society". The University conducts regular capacity building and promotes collaborative research teams within and beyond the University.

During the financial year 2024/2025:

- Conducted 1st KAFU innovation week
- University undertook one virtual national conference
- Funded KAFU researchers based on University Research Fund

(d) Directorate of Graduate Studies

The Directorate of Graduate Studies coordinates admission, teaching, field research, supervision and examination of students in diverse programmes leading to the award of PhD and Masters degrees. The directorate facilitates both students and graduate faculty to implement effective processes in compliance with the university's graduate study policy and CUE guidelines. This is in a bid to attain results comparable with national, regional and international best practices.

In view of the above, during the financial year 2024/2025 the directorate of graduate studies churned out one (1) PhD and twenty-one (21) masters students.

(e) Directorate of Quality Assurance and Quality Management Systems

The Directorate of Quality Assurance and Quality Management Systems in Kaimosi Friends University seeks to promote, maintain and improve relevance, efficiency, leadership and students' progression through self and external assessments.

In the financial year 2024/2025 the University was able to successfully conduct two (2) internal audit. The directorate also successfully carried out a one-week training for its implementers and process owners that was facilitated by the external auditors.

(f) Directorate of Planning and Performance Contracting

Planning and Performance Contracting is a product support strategy used to achieve measurable performance outcomes for an organization and its subsystem. It is a mechanism under public sector reforms that aims at improving performance of the public sector through: targets, and specifying agent performance in terms of results. Performance contract is an agreement entered into between the government of the republic of Kenya through the Ministry of Education and the Management of Kaimosi Friends University.

During the FY 2024/2025 the University was able to:

- Training on productivity mainstreaming to the productivity committee
- Training of Performance Contracting champions.
- Evaluated by the Ministry on Performance Contract

(g) Centre of Excellence for Climate Action and Research

The Centre of Excellence for Climate Action and Research (CECARE) is a newly established climate-focused research and training centre based at Kaimosi Friends University (KAFU) in western Kenya. It was officially launched in November 2024 under a partnership between KAFU and Vihiga County Government.

(h) Directorate of Information & Communication Technology

The Directorate of Information and Communication Technology (ICT) is a strategic support unit within the university mandated to plan, implement, manage, and support ICT infrastructure and services that enhance teaching, learning, research, and administration.

It plays a central role in driving digital transformation, improving institutional efficiency, and promoting innovation through technology.

(i) Directorate of Examinations

The Directorate of Examinations is a critical unit within the academic structure of a university, mandated to manage and coordinate all aspects of examinations and assessments. Its primary role is to ensure that all examination processes are conducted with integrity, efficiency, and in line with the university's academic regulations and quality standards.

(j) Directorate of Resource Mobilization & Enterprise Services

The Directorate of Resource Mobilization and Enterprise Services is responsible for enhancing the university's financial sustainability through innovative fundraising and enterprise initiatives. It mobilizes resources from donors, partners, and income-generating ventures, oversees business units, and promotes entrepreneurship. The directorate also fosters strategic partnerships, supports proposal development, and drives investment opportunities, thereby reducing dependency on government funding and supporting the university's growth and development agenda.

OVERVIEW OF ACTIVITIES DURING THE FY 2024/2025

**APPOINTMENT OF A SUBSTANTIVE VICE
CHANCELLOR**



The University Council successfully appointed Prof. Peter N. Mwita in substantive capacity as the Vice Chancellor of Kaimosi Friends University, with effect from 14th May 2025.

**CENTRE OF EXCELLENCE ON CLIMATE ACTION
AND RESEARCH LAUNCHED AT KAFU**



The Vice Chancellor of Kaimosi Friends University Prof. Peter Mwita and the Governor of Vihiga County Hon. Dr. Wilber Ottichilo pictured during the official launch of the Centre of Excellence on Climate Action and Research (CECARE) on 7th November, 2024.

**VICE CHANCELLOR'S ADDRESS DURING
ORIENTATION OF FIRST YEAR STUDENTS 2023/2024**



The Vice Chancellor, Prof. Peter Mwita, warmly welcomes first-year students during the 2024 matriculation ceremony at Kaimosi Friends University. The colourful event ceremony held on 6th September, 2024 marked the beginning of an exciting academic journey for 1,918 new students admitted across various programmes.

**KAFU'S 3RD GRADUATION CEREMONY MARKED
RECORD TURNOUT**



During the year, Kaimosi Friends University held its 3rd Graduation Ceremony on 29th November 2024, during which 896 graduands from four out of the five schools were conferred with degrees. This represents a remarkable 96% increase, compared to the 457 graduates recorded in 2023 underscoring the University's steady academic growth and commitment to producing quality graduates.



KAFU STAFF APPOINTED AS PRINCIPAL SECRETARY



During the 2024/2025 financial year, Kaimosi Friends University proudly witnessed one of its senior members of staff appointed to a high-level government position. Dr. Jane Imbunya, who served as a Senior Lecturer and Dean of the School of Education and Social Sciences, was appointed as the Principal Secretary for the State Department for Public Service and Human Capital Development.

CHAMPIONING ENVIRONMENTAL STEWARDSHIP



Dr. Bernadette Mungai, Chair of the University Council, leads by example, planting one of 21,000 tree seedlings at Kaimosi Friends University, in a profound commitment to environmental restoration.

KAFU EXPLORES ACADEMIC COLLABORATION WITH RUSSIAN UNIVERSITIES



Kaimosi Friends University took a significant step in expanding its international reach and enhancing academic opportunities by hosting His Excellency Mr. Vsevolod Tkachenko, the Russian Ambassador to Kenya. This pivotal visit marked a potential collaboration in academic and cultural cooperation between our institution and leading Russian universities, a testament to our ongoing commitment to global partnerships and fostering a truly international educational experience.

KAFU ACQUIRES NEW EXECUTIVE BUSES



In the financial year 2024/2025, Kaimosi Friends University acquired two new executive buses that have improved the institution's transportation services for students and staff.

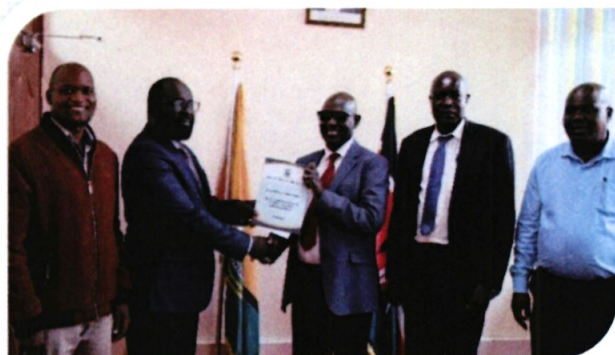


KAFU WELCOMES SUBSTANTIVE DVC (AFP&D)



Prayer session during the welcoming ceremony of Prof. Thomas Kipkurgat as the DVC - AFP&D. The new Deputy Vice-Chancellor in-charge of Administration, Finance, Planning & Development Prof. Thomas Kipkurgat was appointed with effect from 1st February 2025.

APPOINTMENT OF SUBSTANTIVE DVC (ASA&R)



During the financial year, Kaimosi Friends University officially welcomed Prof. Fred Anangwe Amimo as the substantive Deputy Vice-Chancellor for Academic, Student Affairs, and Research on Friday, 13th June 2025. The colourful ceremony, held at the Assembly Hall grounds, also marked the end of service for the outgoing acting DVC, Prof. Julius Kipkemboi, whose contribution was lauded with great appreciation. The appointment was effective from 3rd June 2025.

KAFU PARTNERS WITH KENYA NURSE CONSULTANTS TO BOOST NURSING EDUCATION



The Deputy Vice Chancellor (ASA&R) Prof. Fred Amimo (Right) and the Director of KenyanNurse Consultants LTD, Mr. Paul Simiyu (left), formalize a partnership by signing a Memorandum of Understanding (MoU) aimed at advancing nursing education and opportunities. The partnership, is poised to unlock opportunities for aspiring UK and U.S. Registered Nurses (USRNs). The NCLEX (National Council Licensure Examination) is a crucial hurdle for nurses seeking to practice in the United States, and this initiative aims to provide world-class training and support locally.

KAFU SHINE IN THE 2025 NYANZA/WESTERN DEBATE CHAMPIONSHIP



Kaimosi Friends University Debate Club (KAFU) participated in the Western/Nyanza Region Debate Competition, was organized by the Debate Association of Kenya on Saturday, 29th March 2025. Fifteen (15) students participated in the event and three (3) won medals and they will represent the university in the National Championships, scheduled for August. The competition involved six (6) universities in the region.



KAFU ENHANCES CAREER EXPOS AND OUTREACH PROGRAMS



Kaimosi Friends University (KAFU) is actively shaping future careers! Here, our dedicated team connects with aspiring students from St. Michael's A.C.K Buduma Girls Secondary School, St. Mary's Girls Maberu High School, and Moi Suba Girls Secondary School. Empowering the next generation with vital insights into higher education and diverse career pathways.

KAFU HOST 1ST INNOVATION WEEK



The Chief Guest Vihiga County Director in charge of the Department of Gender, Culture, and Social Development Mr. Bongo Ngoseywi listens to Tie and Dye innovator while exhibiting their project. held its 1st Innovations Week which brought together students, staff, and innovators from neighbouring institutions.

SUPPORTING INNOVATION AND PATENTING



The VC Prof. Peter Mwita giving his opening remarks during the innovation and patenting training. Kaimosi Friends University (KAFU) hosted a two-day training session on innovation and patenting for faculty and students. The training was organized by the Kenya Industrial Property Institute (KIPI), was part of the University's Science, Technology, and Innovation (STI) Strategy.

KAFU SIGNS CBA WITH UASU AND KUSU



The vice Chancellor Prof. Peter Mwita and Dr. Fauzia Karama, a member of the University Council with officials of KUSU during the signing of Collective Bargaining Agreement between Kaimosi Friends University and the staff Union. The management also signed the agreement with UASU



OPTOMETRY STUDENTS



Fig Optometry Students showcasing their skills acquired from Lecture rooms



Representatives from the Commission for University Education (CUE) and Kaimosi Friends University (KAFU) faculty members during a consultative meeting on technology adoption at KAFU. The meeting, led by Prof. Jackson Too (CUE) and Prof. Kelvin Omieno (KAFU), focused on surveying the use of disruptive technologies in teaching, learning, and research at the university



This state-of-the-art computer lab is vital for equipping our students with essential digital literacy and technological skills.



Students from St. Ann's Kapkemiah Girls Secondary School recently visited Kaimosi Friends University's ODeL (Open, Distance, and e-Learning) center, exploring opportunities for higher education and experiencing the vibrant academic environment.



Our dedicated nursing lab provides an immersive, hands-on learning environment where aspiring nurses develop critical clinical skills and confidence. This essential facility simulates real-world healthcare settings, allowing students to practice patient care, master procedures, and build the expertise necessary to deliver high-quality, compassionate care to our communities. It's a cornerstone of our commitment to producing skilled and empathetic healthcare leaders.



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b. Financial Performance

The University recorded an aggregate income of **Kshs. 1,113,383,499** as at end of the year, with the recurrent grant from the Exchequer of **Kshs. 353,501,087**. Internally generated revenue stood at **Kshs. 759,882,411** as at end of the year consisting of Rendering of services, sale of goods, rental revenues, levies, fines & Penalties, public contributions & donations and other income. In General, the University recorded a surplus of **Kshs. 243,421,176** as compared with a surplus of **Kshs. 141,080,667** during the previous year. The University is committed to establishing Income generating activity projects that will enhance Appropriation in Aid (A-I-A).

INCOME

Particulars	2024/ 2025	2023/ 2024	2022/ 2023	2021/ 2022	2024/ 2025	2023/ 2024	2022/ 2023	2021/ 2022
	KSH '000'				PERCENTAGE (%)			
Transfers from Ministries, Departments and Agencies (MDAs)	353,501	390,660	456,358	455,539	32	49	73	74
Levies, Fines and Penalties	41	27	126	50	0	0	0	0
Public Contributions and Donations	145	80	90	180	0	0	0	0
Rendering Of Services	744,904	399,308	151,601	133,892	67	50	24	22
Sale of Goods	5,794	1,734	7,549	10,062	1	0	1	2
Rental Revenue from Facilities and Equipment	8,692	10,707	9,432	9,290	1	1	2	2
Other Income	306	90	1,209	2,987	0	0	0	0
TOTAL	1,113,383	802,607	626,366	612,000	100	100	100	100

INCOME DISTRIBUTION



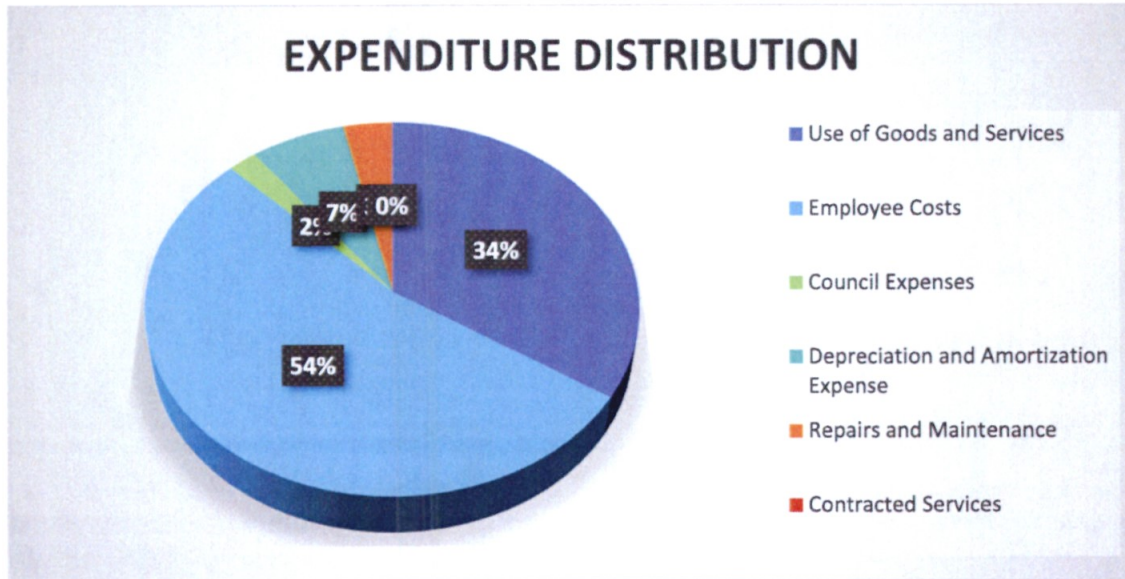
EXPENDITURE

Personnel emoluments continued to comprise the largest part of the expenditure during the year at 54% of the total expenditure while all other expenses constituted the balance of 46%. The table below illustrates the expenditure trends for four year-period with the overall total expenditure rising steadily during the year under review.

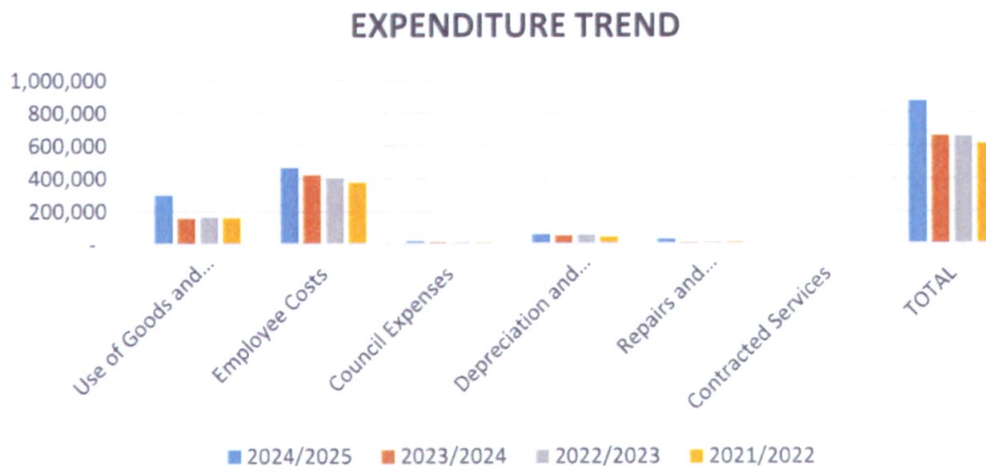


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Particulars	2024/ 2025	2023/ 2024	2022/ 2023	2021 /2022	2024/ 2025	2023/ 2024	2022/ 2023	2021/ 2022
	KSH '000'				PERCENTAGE (%)			
Use of Goods and Services	296,815	159,406	167,517	163,137	34	24	26	27
Employee Costs	465,573	422,722	402,079	376,506	54	64	61	61
Council Expenses	18,046	14,852	14,893	12,839	2	2	2	2
Depreciation and Amortization Expense	58,927	53,341	57,742	45,357	7	8	9	7
Repairs and Maintenance	30,548	11,200	13,602	14,467	4	2	2	2
Contracted Services	54	6	7	51	0	0	0	0
TOTAL	869,962	661,526	655,840	612,357	100	100	100	100



To ensure the achievement of academic excellence, the University has focused most expenses on enhancing teaching and research in a progressive manner.



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Of the employee costs, a larger percentage goes to the teaching staff as shown in the analysis below:

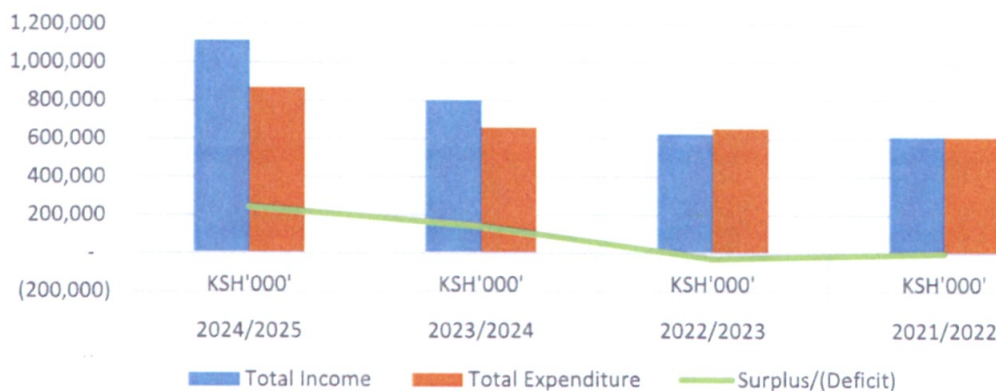
Details	Amount	Amount	Percentage
Teaching Staff	252,958,855	278,137,855	60%
Part Time Lecturers	25,179,000		
Non- Teaching Staff	187,435,008	187,435,008	40%
TOTAL	465,572,863	465,572,863	100%

TOTAL INCOME VERSUS TOTAL EXPENDITURE

The relationship between income and expenditure is as tabulated below. There has been seasonal trend in the performance of the institution for a period of four years as shown below.

Income/Expenditure trend	2024/2025	2023/2024	2022/2023	2021/2022
	KSH'000'	KSH'000'	KSH'000'	KSH'000'
Total Income	1,113,383	802,607	626,366	612,000
Total Expenditure	869,962	661,526	655,840	612,357
Surplus/(Deficit)	243,421	141,081	(29,474)	(357)

INCOME EXPENDITURE TREND



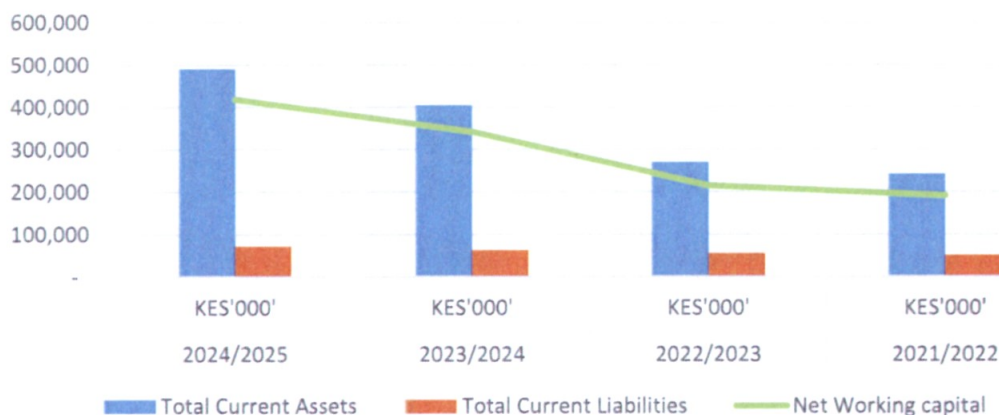
NOTE: The surplus for the year is attributed to the additional revenue realised as a result of the new funding model, given the set budget ceilings. Additionally, revaluation gain on cows contributed to the surplus in the year. Furthermore, purchase of non-current assets that were capitalised in the financial year and hence do not appear in the statement of performance, also contribute towards the surplus. However, the purchase of non-current assets have been captured in the Statement of Comparison of Budget and Actual amounts and Statement of Financial Position.

WORKING CAPITAL

The University has had a healthy working capital position with positive net current assets position as shown below:

Working capital review	2024/2025	2023/2024	2022/2023	2021/2022
	KSH'000'	KSH'000'	KSH'000'	KSH'000'
Total Current Assets	491,101	404,917	269,972	242,197
Total Current Liabilities	72,539	63,178	55,381	50,874
Net Working capital	418,561	341,739	214,591	191,324

WORKING CAPITAL ANALYSIS



Performance Margin

Description	JUNE 2025	JUNE 2024
	KSHS	KSHS
Surplus/(Deficit)	243,421,176	141,080,667
Total Recurrent Revenue	1,113,383,499	802,606,753
Performance Margin	22%	18%

The University posted a performance margin of 22% in the FY 2024/2025 compared to a performance of 18% in the previous year.

Debt to Equity Ratio

Description	JUNE 2025	JUNE 2024
	KSHS	KSHS
Debt (Non-Current Liabilities)	48,334,968	36,054,103
Capital Fund & Reserves	1,707,957,616	1,467,837,889
Debt To Equity Ratio	0.03: 1	0.02: 1

This ratio tells how much debt you have per Kshs 1 of equity. Once the debt-to-equity ratio is less than 1, then it is generally less risky than debt to equity ratio which is greater than 1. This ratio has a direct relationship with liquidity and insolvency risks. Therefore, the low ratio depicts low risks, which means the chances of running bankrupt are low or zero. Hence, the University has a good debt to equity ratio.



c. University's Key Projects

In the year under review, the University undertook two major projects namely: the construction of Ultra-Modern Library and Construction of the Perimeter Fence & Tuition Block. This follows the national government directive, that no new development projects will be undertaken before previous ones are completed.

WORK IN PROGRESS

Proposed Construction of Ultra-Modern Library and Associated works: KSH. 645,555,963. The project is ongoing at 32% (Certified and paid works) completion and 63% physical completion rate.



Proposed Construction of Perimeter Fence and Associated works: KSH. 598,928,587. The project is ongoing at 15% (Certified and paid works) completion and 22% physical completion rate.



d. Compliance with statutory requirements

The University is cognizant of the fact that compliance is a continuous process. To this effect it has put measures in place to ensure that it maintains the required threshold of compliance in adherence to the best corporate Governance principles. Consequently, the University has complied with all statutory requirements.

e. Major risks facing the University

The University's principal financial assets are, trade receivables and cash and short-term deposits which arise directly from its operations. The institution has financial liabilities comprising trade and other payables.

KAFU is exposed to the following risks:

- i) Market risks
- ii) Liquidity risk
- iii) Credit risks

The University Council has overarching responsibility for the establishment and oversight of the University's risk management framework.

The institution's risk management policies have been established to identify and analyze the risks encountered by the University, set appropriate risk limits and controls, and monitor risks and adherence to limits. Risk management policies and systems will be reviewed regularly to reflect changes in economic conditions and the University's activities.

i) Market risk: -Low Student Enrolment

The University is more likely to experience low student enrolment due to competition which may result in the reduction of revenue.

ii) Liquidity risk: -Low Funding

Liquidity risk is the risk that KAFU will not be able to meet its financial obligations as and when they fall due. The University's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the University's reputation. Typically, the University ensures that it has sufficient cash on demand to meet expected operational expenses for a period of 30 days. This excludes the potential impact of extreme circumstances that cannot reasonably be predicted, such as natural disasters and political violence. All capital investments are funded by the Government. However, Low funding levels by the government may result to liquidity issues and slow development of infrastructure which can lead to congestion & inadequate facilities.

iii) Credit risk

Credit risk is the risk of financial loss to the University if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the organization's receivables from customers. KAFU receives fees from students which minimizes the credit risk exposure.



8. Environmental and Sustainability Reporting

Kaimosi Friends University is deeply committed to its mission of transforming lives, a principle that fundamentally guides its strategic direction. This commitment extends to a proactive approach in environmental stewardship and sustainability, aiming to deliver relevant goods and services while continuously improving operational excellence. The University's policies and activities are meticulously designed to promote sustainability, reflecting a forward-thinking approach that benefits both the institution and the wider community it serves.

Through a comprehensive framework, Kaimosi Friends University actively integrates sustainable practices across all facets of its operations. This includes, but is not limited to, initiatives that reduce its ecological footprint, promote resource efficiency, and foster environmental awareness among its staff, students, and stakeholders. By embedding sustainability into its core operations, the University not only adheres to best practices but also sets a commendable example, contributing positively to the well-being of the environment and ensuring a resilient future for generations to come.

i.) Sustainability strategy and profile

Kaimosi Friends University remains unwaveringly committed to advancing sustainable efforts in every facet of the institution. Our dedication to sustainability is deeply ingrained in our ethos, guiding our decision-making and undertakings at every level. The University's top management recognizes its responsibility to foster a harmonious balance between our academic mission, the welfare of our community, and the preservation of our environment for future generations.

Our commitment extends to integrating sustainability principles into our core operations: teaching and learning, research and innovation, and engagement with stakeholders. We maintain a solid commitment to sound physical, administrative, human resource, and financial practices, including unwavering adherence to the timely remittances of statutory deductions like PAYE, Affordable Housing Levy, NSSF, SHIF, NITA and other dues to relevant government agencies, alongside robust environmental management and conservation. These efforts have led to key achievements that stand as tangible markers of our commitment to sustainability. These accomplishments underscore our accountability not only to our internal community but also to the broader society in which we operate.

By consistently meeting our obligations, we contribute to the stability and growth of our nation, truly embodying the holistic essence of sustainability. KAFU aims to:

- a. Adopt as far as possible, recognized good practices across all of its operations.
- b. Ensure full compliance with all relevant environmental laws and sustainability regulations.
- c. Actively contribute to the national Green Agenda by planting 70,000 trees by June 2025.
- d. Equip all students with a strong understanding of sustainability through integrated curriculum, dedicated tutoring, and enriching extracurricular activities.
- e. Champion the conservation of materials to minimize our overall environmental footprint.
- f. Integrate sustainability and environmental impact as crucial factors when evaluating and selecting potential contractors.
- g. Prioritize decisions that lead to reduced energy consumption, enhance energy efficiency, and actively pursue the adoption of renewable energy sources.

In the view of the above KAFU launched a Centre of Excellence in Climate Change which is providing targeted training programs for various stakeholders in climate action. The Centre is carrying out research, career advisory on green jobs and green skilling, climate information management, and documentation on climate change. It has formed a hub for the development of innovation in broad areas including renewable energy, clean energy solutions, innovations in waste management, environmental conservation and establishment of tools for sustainable knowledge management. This Centre is unpacking the various global documents on climate change such as the declarations and frameworks to contribute to Sustainable Development Goals.

The Centre of Excellence in Climate Action and Research aims to:

1. Be a knowledge hub for training on Climate Change at different levels.
2. Develop and implement action-oriented community outreach programs for Climate Change Resilience, Adaptation and Mitigation
3. Develop climate information services, Climate Change Action-based Research and Knowledge Exchange.
4. Promote climate-smart technology and innovations.
5. Promote the creation of green jobs and sustainable livelihoods in the region.
6. Create a CECARE regional green observatory to support the green transition on jobs and skills across sectors and occupations in the region that will equip young learners with green transition skills, knowledge, and understanding.

ii.) Environmental performance

Kaimosi Friends University is embarking on an exciting journey towards a truly sustainable future, with environmental responsibility at the core of our strategic plan for 2023/2024 to 2027/2028. We're actively working to slash our carbon footprint, minimize waste, and wisely conserve vital resources like energy and water. This green transformation includes a big push for clean and renewable energy sources, lighting the way for a more sustainable campus.

A key part of our strategy involves weaving environmental and sustainability themes right into the heart of university life. By integrating these crucial topics into our educational programs, we're raising awareness and inspiring action among both students and researchers, ensuring everyone plays a role in addressing our planet's pressing environmental challenges.

Pioneering Resource Management and Conservation

We're tackling waste head-on with innovative strategies, including converting a remarkable 90% of cafeteria food waste into compost for bio-manure. Our commitment to energy optimization means harnessing the power of solar renewable energy and utilizing LPG gas to drastically cut down on power wastage. We're also eliminating harmful materials, especially in our water systems, through the clever implementation of bio-digestion for septic systems. Looking ahead, we aim to sell products from our own farm, promoting self-sufficiency and sustainable practices. Plus, we're making a strong push towards a paperless environment for all transactions, significantly reducing our reliance on paper.

Forest conservation is another critical objective. We're dedicated to planting at least 500 trees annually, including indigenous and fruit-bearing varieties, to boost forest cover and increase our self-

sufficiency in fruit production. By embracing agroforestry and even introducing apiaries, we're further strengthening our efforts in sustainable land management.

Protecting biodiversity within our ecosystem is also a top priority. We recognize bamboo's incredible potential for various uses, from food to furniture, due to its rapid regeneration. Extensive research is planned to unlock even more of bamboo's versatile applications.

Cultivating Sustainability Through Education and Research

Our strategic plan also emphasizes fostering a supportive learning environment that truly embraces sustainability principles. We're investing in designing and implementing development opportunities for educators, equipping them with the best practices for sustainability education. We're also ready to assist academic departments and campuses eager to embed sustainability directly into their curricula. Upholding all relevant sustainability rules and regulations is paramount, as is our unwavering focus on impactful research and outreach programs that champion this overarching goal.

Renewable resources are central to our energy strategy, with the adoption of solar energy as our primary electricity supply being a pivotal move. We're also committed to purchasing and disposing of resources, including IT equipment, in a manner that aligns perfectly with national sustainability standards.

Kaimosi Friends University is proud to be a vital part of the Government's Green Agenda, which aims to plant an ambitious 15.9 billion trees by 2032. This national effort will boost Kenya's forest cover from 12% to an impressive 30% and is a key component of the broader African Landscape Restoration Initiative launched in December 2022. Our collective goals include significantly reducing greenhouse emissions, halting and reversing deforestation, and restoring 5.1 million hectares of deforested and degraded landscapes, making a tangible difference for our nation and the planet.



LEFT: *Kaimosi Friends University staff and enthusiastic members of the public come together for a tree planting exercise, embodying the university's commitment to the national Green Agenda and fostering a sustainable environment for future generations.*

RIGHT: *The Cabinet Secretary for the Ministry of Information, Communication, and Digital Economy, Hon. William Kabogo, joins community members in a tree planting initiative, highlighting the vital partnership between government leadership and local action in achieving Kenya's ambitious reforestation goals.*



iii.) Employee welfare

Kaimosi Friends University staff population was two hundred and twenty-one (221) as at 30th June 2025. This consisted sixty-five (65) teaching staff while non-teaching staff were one hundred and fifty-six (156) as shown in the distribution table below:

Figure: Staff Distribution

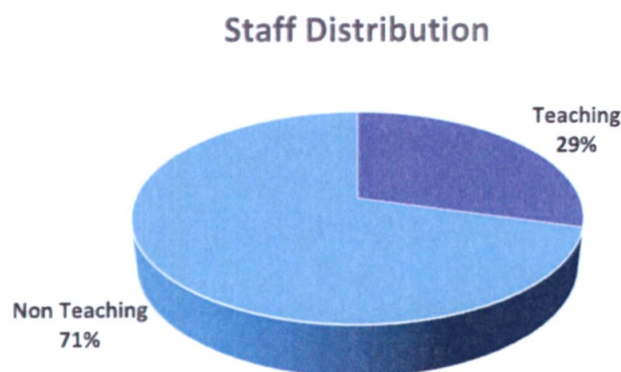
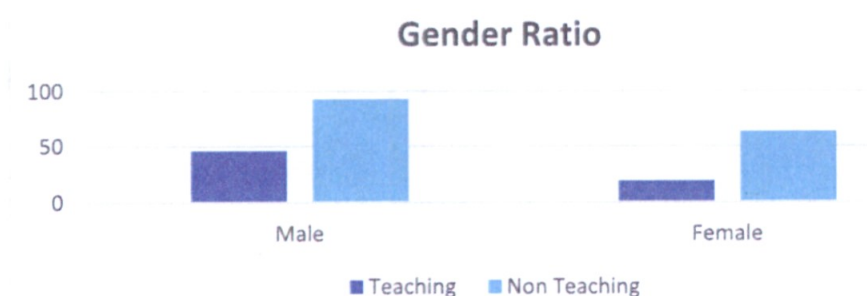


Table: Gender Ratio for Staff

Category	Male		Female	
	Number	Percentage	Number	Percentage
Teaching Staff	46	71%	19	29%
Non-Teaching Staff	93	60%	63	40%
Total	139	63%	82	37%

Figure: Gender Ratio for Staff



The University has Human Resource policy that subscribes to tenets of public service values and principles in recruitment of staff, as provided in Article 232 of the constitution. The staff are subjected to fair performance appraisal whose output, amongst other aspects, is the identification of areas of improvement and training.

Persons With Disability (PWD)

The University has 6 staff registered as members of National Council for Persons with Disability. The University has a policy that guides on matters PWD.



Staff Training Initiatives

The University recognizes training and development as a key determinant in the quality of services rendered by the employees. Staff training and development contributes significantly to the realization of staff potential and enhancement of their professional development and work environment.

Each year, Kaimosi Friends University conducts a thorough staff training needs analysis, identifying skill gaps and reviewing performance appraisals. This rigorous process allows us to create a tailored training plan to effectively address identified needs. In the 2024/2025 financial year, we proudly provided training to 176 staff members across diverse and crucial areas. Key training fields included Public Finance Management, Resources Mobilization, Procurement Processes, Competency Based Curriculum (CBC), Digital Content Development, and Financial Reporting, among others. These initiatives ensure our staff remain at the forefront of best practices, contributing directly to the university's efficiency and success.

Strengthening Industrial Relations

Kaimosi Friends University is deeply committed to fostering excellent industrial relations. To enhance the relationship between the employer and our Unions, the University actively facilitated the completion of the 2017-2021 Local Chapter Collective Bargaining Agreements (CBAs) for all three Unions: UASU, KUSU, and KUDHEIHA. These CBAs have been successfully finalized and are currently in the final stages of being signed and officially registered in Court. This significant achievement underscores our dedication to fair labor practices and a positive working environment for all.



The Vice Chancellor Prof. Peter Mwita and Dr. Fauzia Karama, a member of the University Council during the signing of Collective Bargaining Agreement signing between Kaimosi Friends University and two staff Unions; on the Left photo - Universities Academic Staff Union (UASU) and Kenya Universities Staff Union(KUSU) on the Right.

Occupational Health and Safety

The University's office is certified by the Ministry of Labour as a registered place of work, and thus, conforms with requirements of Occupational Health, Safety and Work Environment (OSHA) Act of 2007 (OSHA,2007). Further, the university provides Group life insurance, medical cover and WIBA to members of staff. During the year under review, Kaimosi Friends University facilitated 4 days



training workshop for its Occupational Health and Safety (OHS) Committee and also so undertook staff and students training at the university.



Left: Ms. Everlyne Murey engages with participants during a safety workshop, emphasizing the importance of a secure and healthy work environment. Right: Students and members of staff undertake training on fire safety and disaster preparedness a training conducted by LESHOC Enterprises.

iv.) Market place practices-

The University outlines its efforts to:

a) *Responsible competition practice.*

Kaimosi Friends University is bound and abides by provisions of the Constitution of Kenya 2010, Public Procurement Act 2015, the Competition (Amendment) Act 2019, Staff code of conduct and Ethics, Procurement and Anti-corruption policies.

Kaimosi Friends University has made significant advancements in boosting its operational efficiency and overall effectiveness. We've achieved this by meticulously sourcing high-quality and timely goods, services, and works, alongside ensuring clear and accurate specifications and successfully reducing costs. These strategic procurement efforts have been instrumental in enabling the University to achieve its overarching objectives.

As a direct outcome, the University has cultivated and sustained strong relationships with its suppliers, which has yielded consistently positive results. Our commitment to regular communication with suppliers has led to improved service levels and the negotiation of more favorable terms and conditions. This enhanced collaboration ultimately provides better support for the University's specific needs and significantly boosts overall satisfaction. Furthermore, these operational improvements have resulted in faster delivery times and reduced lead times for essential items throughout the year. This efficiency ensures the University receives its supplies promptly, thereby supporting its various functions and activities more effectively.

Every time a new good or service is being procured, the University appoints tender evaluation and acceptance committees, who carry out the technical and financial evaluation of tenders or proposals



thus enhancing fair competition. Further, a committee of the Ethics and Anti-Corruption Commission guards against vested individual interests.

b) Responsible Supply chain and supplier relations

In the 2024/2025 financial period, Kaimosi Friends University enhanced different initiatives in responsible supply chain and supplier relations, which are highly beneficial for shareholders. The management put in place proactive approach and demonstrated strong governance and effective risk management, contributing to both financial stability and long-term sustainability.

The management is committed to an inclusive and robust supply chain was evident through the sensitization workshops conducted. These sessions specifically targeted Youth, Women, and Persons with Disability groups, providing them with essential training on government procurement procedures and the requirements to access opportunities. By empowering these special groups, the management enhance their participation in the economy and broaden the supplier base.

Furthermore, our Procurement Policy's 30% target for goods and services supplied by these special groups remained a key focus. The university successfully met this target, underscoring tangible commitment to fostering economic opportunities and diversity within the supply chain. This not only aligns with broader societal goals but also builds a more resilient and ethically sound procurement network.

The management also observe stringent adherence to timely payments as a cornerstone of financial responsibility. All payments to suppliers were made within the agreed credit periods, and there is no pending bills as of the end of the review period. This efficient financial management minimizes operational risks, strengthens supplier relationships, and ensures the smooth continuity of university operations. These efforts collectively enhance the University's reputation, reduce financial risks, and align with crucial PFM Act principles, all of which contribute positively to shareholder value.



Participants of the AGPO training pose for a group photo with Kaimosi Friends University officials after a successful training session aimed at enhancing access to government procurement opportunities for youth, women, and persons with disabilities.



Responsible Market Place Practices

Kaimosi Friends University has made significant strides in enhancing its operational efficiency and effectiveness through strategic sourcing. The University prioritized the provision of quality and timely goods, services, and works, alongside securing clear and accurate specifications and achieving cost reductions. These efforts have been instrumental in enabling the University to meet its overarching objectives.

As a direct result of these initiatives, Kaimosi Friends University has successfully built and maintained strong relationships with its suppliers, yielding highly positive outcomes. Through regular communication with suppliers, the University has seen marked improvements in service levels and achieved more favorable terms and conditions. This enhanced collaboration ultimately provides better support for the University's specific needs and boosts overall satisfaction.

Furthermore, the operational improvements have led to faster delivery times and reduced lead times for essential items throughout the year. This efficiency means the University receives its supplies promptly, allowing its various functions and activities to be supported more effectively and without delay.

c) *Responsible marketing and advertisement*

Kaimosi Friends University is deeply committed to responsible and ethical marketing and advertisement. We continually engage with prospective students and clients through a mix of general and highly targeted advertising and publicity campaigns.

Our mass media marketing efforts strictly adhere to the professional standards set by the Marketing Society of Kenya and the comprehensive Government Advertising Agency: Rules and Guidelines. Additionally, all our communications comply with the regulations stipulated by the Communication Authority of Kenya. Internally, our marketing endeavors are meticulously guided by the provisions of our dedicated Marketing Policy, complemented by our robust Communication and Public Relations Policy. This multi-layered approach ensures that all our outreach is transparent, accurate, and aligned with both national standards and our institutional values.

d) *Product stewardship*

The University commits to providing quality graduates for the market. KAFU ensures compliance with regulatory requirements both from regulators and professional bodies. Besides, the University is ISO 9001:2015 certified with Quality management systems in place.

The University is bound by a strong code of practice and endeavours to maintain a good working relationship with its business partners. The University commits to honouring contracts and agreed terms of payment.

Moreover, the University has a service delivery charter in both Kiswahili, English and also video a sign language interpreter which guides its clients on the services and requirements for the services being sought. The service delivery charters are displayed at strategic points for ease of reference by its clients.

Lastly, the University has put in place policies in its programmes that guide on the safety of its consumers, suppliers and other stakeholders with an objective of enhancing visibility of the University and its programmes as well as positioning KAFU as a University of choice.

v.) ***Corporate Social Responsibility / Community Engagements***

Kaimosi Friends University is a public-spirited institution that aspires to make positive contribution to the community. This is achieved through cognizance of the importance of stakeholder participation and partnerships in the attainment of the strategic objectives.

In this regard, we have built a strong commitment around our core mandate to contribute to the socio-economic wellbeing of the extensive KAFU community. KAFU has a Corporate Social Responsibility policy. Our CSR strategy is anchored on the following strategic objectives:

- a. Developing, in partnership with local leadership, programmes that address social justice and Security issues
- b. Organizing training for stakeholders and communities to improve their livelihood.
- c. Partnering with stakeholders to hold free medical camps to address the community's health issues.
- d. Offering other outreach programmes aimed at giving back to society to foster good relationships between the University and the community
- e. Intensifying National Cohesion and integration campaigns to improve peaceful coexistence between KAFU and the community.
- f. Promoting Gender and Disability Mainstreaming activities to ensure inclusivity.

In the 2024-2025 financial year, our social responsibility initiatives have included Kaimosi Friends University proudly reinforced its strategic commitment to community collaboration and regional development, a cornerstone of our Corporate Social Investment (CSI) strategy. A significant highlight was the university's pivotal role in the official launch of the Tiriki East Sub-County, marking a profound milestone for the region's progress and demonstrating our deep-rooted dedication to the surrounding communities. This initiative underscores our belief that empowering local areas directly contributes to broader economic stability and opportunity, aligning with our long-term vision.

During the quarter the University also hosted a crucial legal training clinic for over fifty Boda Boda operators from Kaimosi and its surrounding areas. This vital program, aimed to empower the key transport sector by clarifying their rights and responsibilities within the legal framework, directly addressing common operational challenges.

Kaimosi Friends University
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The comprehensive session covered essential topics such as traffic regulations, contract intricacies for bike ownership, and offered invaluable free legal assistance to individual operators. This proactive engagement not only enhanced the operators' legal understanding but also fostered a sense of security and access to justice. This initiative powerfully demonstrates Kaimosi Friends University's deep commitment to social responsibility and its role as a catalyst for local community development and stability.



Left: Engaged participants from the local Boda Boda community actively absorbing crucial legal insights during the university's empowerment workshop.

Right: Mr. Michael Too, the new Deputy County Commissioner of Vihiga, formally assumes office by receiving the national emblem, signifying a new era of regional administration and potential for enhanced collaborative partnerships.



9. Report of the Council

The University Council submit their report together with the audited financial statements for the year ended June 30, 2025, which show the state of KAFU's affairs.

i) Principal activities

The principal activity of KAFU is to provide quality education and training, research and innovation to meet the needs of a dynamic society.

ii) Results

The results of the University for the year ended June 30, 2025, are set out on page 1 to 5

iii) Council Members

The members of the council who served during the year are shown on page ix to xxxi. During the FY 2024/2025, the secretary to the Council/ VC was appointed in substantive capacity with effect from 14th May 2025.


iv) Surplus remission

In accordance with Regulation 219 (2) of the Public Financial Management (National Government) Regulations, regulatory entities shall remit into Consolidated Fund, ninety per centum of its surplus funds reported in the audited financial statements after the end of each financial year. However, the University will not remit any funds to the Consolidated Fund since it does not fall under category 3.

v) Auditors

The Auditor-General is responsible for the statutory audit of KAFU in accordance with Article 229 of the Constitution of Kenya and the Public Audit Act to carry out the audit of the University for the year/period ended June 30, 2025, in accordance to section 23 of the Public Audit Act, 2015 which empowers the Auditor General to appoint an auditor to audit on his behalf.

By Order of the Council


.....
Prof. Peter N. Mwita, PhD

Vice Chancellor/Secretary to the Council

10. Statement of Council Responsibilities

Section 81 of the Public Finance Management Act, 2012 and section 14 of the State Corporations Act, Cap 446 require the Directors to prepare financial statements in respect of that University, which give a true and fair view of the state of affairs of the University at the end of the financial year/period and the operating results of the University for that year/period. The Council is also required to ensure that the University keeps proper accounting records which disclose with reasonable accuracy the financial position of the Entity. The Council is also responsible for safeguarding the assets of the University.

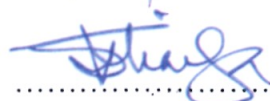
The Council is responsible for the preparation and presentation of the KAFU's financial statements, which give a true and fair view of the state of affairs of the University for and as at the end of the financial year (period) ended on June 30, 2025. This responsibility includes: (i) Maintaining adequate 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 accept responsibility for KAFU's financial statements, which have been prepared using appropriate accounting policies supported by reasonable and prudent judgements and estimates, in conformity with International Public Sector Accounting Standards (IPSAS), and in the manner required by the PFM Act, 2012 and the State Corporations Act Cap 446. The Council is of the opinion that the University's financial statements give a true and fair view of the state of University's transactions during the financial year ended June 30, 2025, and of the KAFU'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 KAFU's financial statements as well as the adequacy of the systems of internal financial control.

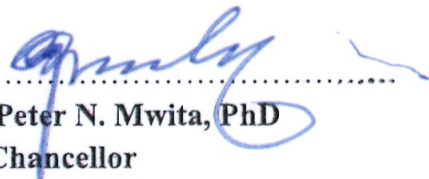
Nothing has come to the attention of the Council to indicate that the KAFU will not remain a going concern for at least the next twelve months from the date of this statement.

Approval of the financial statements

The Kaimosi Friends University's financial statements were approved by the Council on 26/08/ 2025 and signed on its behalf by:



.....
Prof. Stanley O. Khainga
Chairperson of the Council



.....
Prof. Peter N. Mwita, PhD
Vice Chancellor

REPUBLIC OF KENYA

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HEADQUARTERS
Anniversary Towers
Monrovia Street
P.O Box 30084-00100
NAIROBI

REPORT OF THE AUDITOR-GENERAL ON KAIMOSI FRIENDS 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.

An Unmodified Opinion is issued when the Auditor-General concludes that 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 aim to address the Auditor-General's statutory roles and responsibilities 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

Opinion

I have audited the accompanying financial statements of Kaimosi Friends University set out on pages 1 to 47, which comprise of the statement of financial position as at 30 June, 2025 and the statement of financial performance, statement of changes in net assets, statement of cash flows and the 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, the financial statements present fairly, in all material respects, the financial position of Kaimosi Friends 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 Opinion

The audit was conducted in accordance with International Standards of Supreme Audit Institutions (ISSAIs). I am independent of the Kaimosi Friends 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 opinion.

Emphasis of Matter

Budget Control and Performance

The statement of comparison of budget and actual amounts reflects capital expenditure budget and actual on comparable basis of Kshs.186,481,769 and Kshs.156,580,123 resulting in an under-expenditure of Kshs.29,901,646 or 16% of the budget.

The under-expenditure on capital expenditure affected the planned activities and may have impacted negatively on 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. There were no key audit matters to report in the year under review.

Other Matter

Unresolved Prior Year Matters

In the audit report of the previous year, several issues were raised under the Report on the Financial Statements, Report on Lawfulness and Effectiveness in Use of Public Resources and Report on Effectiveness of Internal controls, Risk management and governance. However, Management had not resolved the issues as at 30 June, 2025 as detailed below:

S/No.	Audit Issues
1.	Receivables from Exchange Transactions
2.	Budgetary Control and Performance
3.	Delay in Completion of Library Construction
4.	Ethnic Composition of Employees
5.	Wage Bill Exceeding Allowable Limit
6.	Acting Appointments beyond Six Months Period

Other Information

The Management is responsible for the Other Information set out on page v to lxx which comprise of Key Entity Information and Management, The KAFU Council, Key Management Team, Chairman's Statement, Report of the Chief Executive Officer, Statement of Performance Against Predetermined Objectives for the FY 2024/2025, Corporate Governance Statement, Management Discussion and Analysis, Environmental and Sustainability Reporting, Report of the Council and the Statement of Council Responsibilities. The Other Information does not include the financial statements and my audit report thereon.

In connection with my audit on 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, I am required to report that fact. I have nothing to report in this regard.

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 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. Non- Compliance with Law on Ethnic Diversity

Review of the payroll bio data provided for audit revealed that out of 220 members employed by the university either on permanent or contract terms, a total 148; representing 69.27% of all staff come from the dominant ethnic community contrary to Section 7(1) and (2) of the National Cohesion and Integration Act, 2008 which states that no public establishment shall have more than one third of its staff from the same ethnic community.

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

2. Non-Adherence to Fiscal Responsibility Principle on Employee Costs

The statement of financial performance and as disclosed in Note 14 to the financial statements is an amount of Kshs.465,572,863 relating to Employee Costs. This expenditure is equivalent to 42% of the total revenue of the University for the year under review amounting to Kshs.1,113,383,499. This contravenes Regulation 26(1) of the Public Finance Management (National Government) Regulations, 2015 which sets the threshold for the expenditure on employee cost at 35%.

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

3. Delay in Completion of Library Construction

The statement of financial position and as disclosed in Note 24 to the financial statements reflects capital works in progress amounting to Kshs.307,902,960. Review of records revealed that the management of the University procured works for the construction of an ultra-modern library and associated works at a contract sum of Kshs.645,555,963. The project was expected to commence on 15 January, 2022 while the expected completion date was 15 January, 2024 which was later revised to 29 August, 2025. The payments made to date total to Kshs.184,186,435 which is 28.5% of the contract sum and the physical completion of the project is at 54%.

However, physical verification carried out in September, 2025 revealed that the project remains incomplete. Additionally, the University entered into several sub-contracts including supply, delivery, installation, testing and commissioning of a 400 KV generator, internal plumbing, and drainages, solar, tank, water rectification and fire protection works, electrical works and installation of air conditioning, mechanical ventilation, server room, close control unit and kitchen equipment in the financial year 2024-2025 which were still on-going.

In the circumstances, the intended benefits of the project have not been realized and value for money may not be achieved for the expenditure incurred.

4. Delay in Supply, Installation and Commissioning of Biometric Kits in Classes

Review of records revealed that the University entered into a contract dated 28 November, 2018 at a contract sum of Kshs.3,986,184.65 for supply, installation, testing and commissioning of biometric kits in classes. The contract commenced on 1 April, 2019 and the expected completion date was 30 June, 2020 with a contract duration of eight (8) weeks from the date of start of execution of this project. However, physical verification in September, 2025 revealed that the contract period had elapsed and the project was incomplete.

5. Delay in Completion of Perimeter Wall, Gates, Gate House and Tuition Block

The University procured works for the construction of a perimeter wall, gates, gatehouse, tuition block and associated works at a contract sum of Kshs.598,928,587. The project was to commence on 14 February, 2023 while the expected completion

date is 13 February, 2026. Actual payments made to date total to Kshs.69,246,801 which is 12% of the contract sum while the physical completion of the project is at 22%.

However, physical verification conducted in September, 2025 revealed that only 2.9km of the perimeter wall was done out of the total 8km acreage of the university compound. Further, construction of the tuition block which was to start on 14 February, 2023 and be complete by 13 February, 2026 had not started. Slow progress of works is attributed to low funding of the project from the national government.

In the circumstances, the intended benefits of the project have not been realized and value for money may not be achieved for the expenditure incurred.

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 THE EFFECTIVENESS OF INTERNAL CONTROLS, RISK MANAGEMENT AND GOVERNANCE

Conclusion

As required by Section 7(1)(a) of the Public Audit Act, 2015 and based on the audit procedures performed, except for the effects of the matter described in the Basis for Conclusion on the 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

Receivables from Exchange Transactions

The statement of financial position and as disclosed in Note 20 to the financial statements, reflects receivables from exchange transactions balance of Kshs.190,555,226 net of 10% provisions for doubtful debts of Kshs.20,709,529. However, it was noted that an amount of Kshs.18,421,221 had been outstanding for more than 1 year, contrary to Paragraph 8.2.1 of the University Fee Policy and Guidelines of June, 2024 on fee payments which requires that 100% clearance of fees shall be made by the 10th week from the official opening date of each semester.

In the circumstances, the University is not be adhering to its own policy on debt management.

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 the Management and 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 controls 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 controls, risk management and governance.

In preparing the financial statements, Management 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 Management is aware of the intention to cease operations.

Management 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 comply with the authorities which govern them and that public resources are applied in an effective way.

The University Council is responsible for overseeing the University's financial reporting process, reviewing the effectiveness of how 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

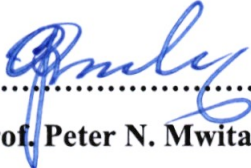
Nairobi

02 December, 2025

12. Statement of Financial Performance for the year ended 30 June 2025

	NOTES	2024/2025	2023/2024
		Kshs	Kshs
Revenue From Non-Exchange Trans:			
Transfers from Ministries, Departments and Agencies (MDAs)	6	353,501,087	390,660,246
Levies, Fines and Penalties	7	41,352	27,444
Public Contributions and Donations	8	145,000	80,000
Total Revenue from Non-Exchange Trans		353,687,439	390,767,690
Revenue From Exchange Trans:			
Rendering Of Services	9	744,904,156	399,308,168
Sale of Goods	10	5,794,272	1,734,002
Rental Revenue from Facilities and Equipment	11	8,692,015	10,706,725
Other Income	12	305,616	90,168
Total Revenue from Exchange Trans		759,696,059	411,839,063
TOTAL REVENUES		1,113,383,499	802,606,753
EXPENSES			
Use of Goods and Services	13	296,815,270	159,405,869
Employee Costs	14	465,572,863	422,721,829
Council Expenses	15	18,045,872	14,851,969
Depreciation and Amortization Expense	16	58,926,777	53,340,507
Repairs and Maintenance	17	30,547,990	11,199,912
Contracted Services	18	53,550	6,000
TOTAL EXPENSES		869,962,322	661,526,086
Surplus/(Deficit) for the Period		243,421,176	141,080,667


The notes set out on pages 21 to 38 form an integral part of these Financial Statements. The Financial Statements set out on pages 1 to 5 were signed on behalf of the University Council by:



Prof. Peter N. Mwita, PhD

Vice Chancellor


Date: 26/8/25



CPA Kennedy Shibeka

Ag. Head of Finance

ICPAK M/No: 19569
 Date: 26/08/2025



Prof. Stanley O. Khainga

Chairperson of the Council

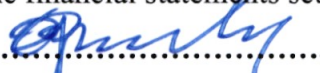
Date: 26/08/2025

Kaimosi Friends University
Annual Report and Financial Statements
for the year ended June 30, 2025.

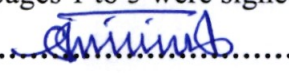
15 Statement of Financial Position as at 30 June 2025

ASSETS	NOTES	2024/2025	2023/2024
		Kshs	Kshs
Current Assets			
Cash And Cash Equivalents	19	293,197,847	330,934,194
Receivables from Exchange Trans	20	190,555,226	32,885,862
Receivables from Non-exchange Trans	21	-	32,730,470
Inventories	22	7,286,019	8,305,198
Prepayments	23	61,466	61,465
Total Current Assets		491,100,559	404,917,189
Non-current Assets			
Property, Plant & Equipment	24	1,334,433,178	1,160,051,362
Intangible Assets	25	-	136,706
Biological Assets	26	3,298,000	1,965,000
Total Non-current Assets		1,337,731,178	1,162,153,068
TOTAL ASSETS		1,828,831,736	1,567,070,257
Liabilities			
Current Liabilities			
Trade and Other Payables	27	(1,162)	(1,163)
Refundable Deposits	28	6,150,000	5,156,000
Prepayments from Customers	29	43,236,842	47,562,447
Current Provisions	30	18,090,856	4,045,838
Deferred Income	31	391,487	548,295
Special Accounts & Grants	32	4,671,129	5,866,848
Total Current Liabilities		72,539,152	63,178,265
Non-Current Liabilities			
Non-Current Provision	33	7,512,339	10,870,090
Capital Retentions	34	40,822,629	25,184,013
Total Non-Current Liabilities		48,334,968	36,054,103
Total Liabilities		120,874,120	99,232,368
Net Assets			
Revenue Reserves		286,064,846	168,516,749
Capital Fund	36	1,019,337,426	898,252,796
Revaluation Reserve	37	402,555,344	401,068,344
Total Net Assets		1,707,957,616	1,467,837,889
TOTAL NET ASSETS & LIABILITIES		1,828,831,736	1,567,070,257

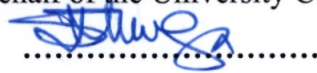
The financial statements set out on pages 1 to 5 were signed on behalf of the University Council by:



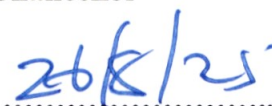
Prof. Peter N. Mwita, PhD
 Vice Chancellor

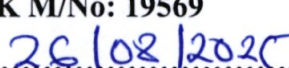


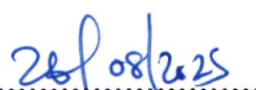
CPA Kennedy Shibeka
 Ag. Head of Finance



Prof. Stanley O. Khainga
 Chairperson of the Council

Date: 

ICPAK M/No: 19569
 Date: 

Date: 

16. Statement of Changes in Net Assets for the year ended 30 June 2025

Description	CAPITAL FUND	REVENUE RESERVE	REVALUATION RESERVE	TOTAL
	Kshs	Kshs	Kshs	Kshs
At July 1, 2023	877,002,796	25,364,082	400,439,344	1,302,806,222
Adjustment		2,072,000		2,072,000
	877,002,796	27,436,082	400,439,344	1,304,878,222
Capital Grant	21,250,000	-	-	21,250,000
Capital Donations				-
Fair Value adjustment on Biological Assets			629,000	629,000
Revaluation Gain				-
Surplus/(Deficit) for the year	-	141,080,667		141,080,667
At June 30, 2024	898,252,796	168,516,749	401,068,344	1,467,837,889
At July 1, 2024	898,252,796	168,516,749	401,068,344	1,467,837,889
Adjustment		(5,252,763)		(5,252,763)
Capitalized Reserves	120,620,316	(120,620,316)		
	1,018,873,112	42,643,670	401,068,344	1,462,585,126
Capital Grant				-
Capital Donations	464,314			464,314
Fair Value adjustment on Biological Assets			1,487,000	1,487,000
Revaluation Gain				-
Surplus/(Deficit) for the year		243,421,176		243,421,176
At June 30, 2025	1,019,337,426	286,064,846	402,555,344	1,707,957,616

Notes:

1. An analysis of the Adjustments made in the FY 2024/2025 is as below:

	Details	Amount (Kshs)
a	Student fee adjustment	(2,959,350)
b	Provision for external examiners	2,520
c	Provision for library expenses	6,570
d	Helb	(2,302,503)
		(5,252,763)

- The student adjustments relate to student invoices recognized in the previous year, but the students deferred their studies
- Provision for external examiners relates to difference in actual payments that were made vis a vis the provision made in the previous year
- Provision for library expenses relates to difference in actual payments that were made vis a vis the provision made in the previous year
- Relates to correction of student HELB loan funds charged to the revenue reserves.

2. Capitalized Reserves

The capitalised reserves from Revenue reserves to Capital fund of Kshs. 120,620,316 relates to approved revenue reserves towards capital fund to be utilised towards the ongoing projects in the university.



17. Statement of Cash Flows for the year ended 30 June 2025

	NOTES	2024/2025	2023/2024
		Kshs	Kshs
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts:			
Transfers from Ministries, Departments and Agencies (MDAs)	6	353,501,087	390,660,246
Revenue from customers	40.a	634,786,708	430,033,242
Total Receipts		988,287,796	820,693,488
Payments:			
Operational Expenditure	40.b	447,104,767	157,672,448
Employee Costs	14	465,572,863	422,721,829
Council Expenses	15	18,045,872	14,851,969
Total Payments		930,723,502	595,246,245
NET CASH FLOWS FROM/ (USED IN) OPERATING ACTIVITIES	40	57,564,294	225,447,242
CASH FLOWS FROM INVESTING ACTIVITIES			
Purchase of Property, Plant and Equipment	24	(233,171,887)	(103,310,136)
Increase in Capital (Retentions) payables	34	15,638,616	6,913,647
Disposal of Biological Assets	26	154,000	223,880
NET CASH FLOWS FROM/(USED IN) INVESTING ACTIVITIES		(217,379,271)	(96,172,609)
CASH FLOWS FROM FINANCING ACTIVITIES			
Increase in Capital Funds	36	121,084,630	21,250,000
Refundable Deposits from Customers	28	994,000	1,021,000
NET CASH FLOWS FROM FINANCING ACTIVITIES		122,078,630	22,271,000
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS		(37,736,347)	151,545,633
Add Cash & Cash Equivalents At Start of the period		330,934,194	179,388,561
Cash & Cash Equivalents At End of the period	19	293,197,847	330,934,194

18. Statement of Comparison of Budget and Actual amounts for the year ended 30 June 2025

Particulars	ORIGINAL BUDGET	ADJUSTMENTS	FINAL BUDGET	ACTUAL ON COMPARABLE BASIS	PERFORMANCE DIFFERENCE	% OF UTILIZATION	EXPLANATION OF MATERIAL VARIANCES
RECURRENT BUDGET	Kshs	Kshs	Kshs	Kshs	Kshs		
	a	b	c=(a+b)	d	e=(c-d)	f=d/c*100	
REVENUE							
Transfers from Ministries, Departments and Agencies (MDAs)	366,568,707	(13,067,617)	353,501,090	353,501,087	(3)	100	a
Levies, Fines, and Penalties	-	-	-	41,352	41,352	-	b
Public Contributions and Donations	-	-	-	145,000	145,000	-	c
Rendering Of Services	210,015,700	532,858,250	742,873,950	744,904,156	2,030,206	100	d
Sale of Goods	1,000,000	-	1,000,000	5,794,272	4,794,272	579	e
Rental Revenue from Facilities & Equipment	8,150,000	-	8,150,000	8,692,015	542,015	107	f
Other Income	-	-	-	305,616	305,616	-	g
TOTAL INCOME	585,734,407	519,790,633	1,105,525,040	1,113,383,499	7,858,459	101	
EXPENSES							
Use of Goods and Services	117,166,813	249,550,667	366,717,480	296,815,270	69,902,210	81	h
Employees Costs	457,137,594	97,983,966	555,121,560	465,572,863	89,548,697	84	i
Remuneration of Council Members	5,080,000	15,400,000	20,480,000	18,045,872	2,434,128	88	j
Repairs and Maintenance	5,500,000	42,100,000	47,600,000	30,547,990	17,052,010	64	k
Contracted Services	150,000	150,000	300,000	53,550	246,450	18	l
Non-Current Assets	700,000	114,606,000	115,306,000	76,591,764	38,714,236	66	m
TOTAL EXPENDITURE	585,734,407	519,790,633	1,105,525,040	887,627,309	217,897,731	80	
RECURRENT SURPLUS/(DEFICIT)	0		0	225,756,190	225,756,189		
CAPITAL EXPENDITURE	55,861,453	130,620,316	186,481,769	156,580,123	29,901,646	84	



Budget notes

1. Explanation of significant underutilization (below 90% of utilization) and any overutilization (IPSAS 24.14)

Revenue

Sale of Goods(e)

The revenue was realized at 579%. This was as a result of increased farm activities and increased student activities in the university. The University had previously outsourced the catering function but is now fully operating it hence increased revenue from the student catering sales.

Overall, revenue was achieved at 101%. Which was occasioned by the implementation of the new funding model.

Expenditure

The overall expenditure absorption (h-m) was achieved at 80%. This was occasioned by initial significant low budget allocation that caused minimal implementation of planned activities in the university.

2. Explanation of changes between the original and final budget, indicating whether the difference is due to reallocations or other causes. (IPSAS 24.29)

The changes between original and final budget was based on mid-year actual performance review and revision from the Supplementary estimates received during the financial year

3. Budget Reconciliation

The table below shows reconciliation between the surplus in the Statement of Budget comparison with actual amounts and cash and cash equivalents in the Statement of Cashflow.

Details of Particulars		Amount
	Actual Surplus Amounts as per the statement of Budget	225,756,190
Add:	Purchase of Non-Current Assets	76,591,764
Less:	Depreciation Charge for the year	(58,926,777)
	Surplus/(Deficit) As Per Statement of Financial Performance	243,421,176
Add:	Depreciation charge for the year	58,926,777
	Working capital adjustments	(244,783,660)
	Cash flows from Investing Activities	(217,379,271)
	Cashflows from Financing Activities	122,078,630
	Opening cash balances	330,934,194
	Closing Cash and Cash Equivalent as per the statement of Cash flows	293,197,847



19. Notes to the Financial Statements

1. General Information

Kaimosi Friends University is established by and derives its authority and accountability from University Act 2012. KAFU is wholly owned by the Government of Kenya and is domiciled in Kenya. The University’s principal activity is to provide quality education and training, research and innovation to meet the needs of a dynamic society.

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, marketable securities and financial instruments at fair value, impaired assets at their estimated recoverable amounts and actuarially determined liabilities at their present value. 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 judgement in the process of applying the KAFU’s accounting policies. The areas involving a higher degree of judgement 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 have been prepared and 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

- i. New and amended standards and interpretations in issue effective in the year ended 30 June 2025.*

There were no new and amended standards issued in the financial year.

- ii. New and amended standards and interpretations in issue but not yet effective in the year ended 30 June 2025*

Standard	Effective date and impact:
IPSAS 43: Leases	<p><i>Applicable 1st January 2025</i></p> <p>The standard sets out the principles for the recognition, measurement, presentation, and disclosure of leases. The objective is to ensure that lessees and lessors provide relevant information in a manner that faithfully represents those transactions. This information gives a basis for users of financial statements to assess the effect that leases have on the financial position, financial performance and cashflows of an Entity.</p> <p>The new standard requires entities to recognise, measure and present information on right of use assets and lease liabilities.</p>



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	The University did not have any leases as at end of the financial year 30 th June, 2025.
IPSAS 44: Non- Current Assets Held for Sale and Discontinued Operations	Applicable 1st January 2025 The Standard requires, Assets that meet the criteria to be classified as held for sale to be measured at the lower of carrying amount and fair value less costs to sell and the depreciation of such assets to cease and: Assets that meet the criteria to be classified as held for sale to be presented separately in the statement of financial position and the results of discontinued operations to be presented separately in the statement of financial performance. The University did not have any non-current assets held for sale and discontinued operations as at 30 th June, 2025
IPSAS 45: Property Plant and Equipment	Applicable 1st January 2025 The standard supersedes IPSAS 17 on Property, Plant and Equipment. IPSAS 45 has additional guidance/ new guidance for heritage assets, infrastructure assets and measurement. Heritage assets were previously excluded from the scope of IPSAS 17 in IPSAS 45, heritage assets that satisfy the definition of PPE shall be recognised as assets if they meet the criteria in the standard. IPSAS 45 has an additional application guidance for infrastructure assets, implementation guidance and illustrative examples. The standard has clarified existing principles e.g. valuation of land over or under the infrastructure assets, under- maintenance of assets and distinguishing significant parts of infrastructure assets. The University did not have heritage and infrastructure assets operations as at 30 th June, 2025
IPSAS 46: Measurement	Applicable 1st January 2025 The objective of this standard was to improve measurement guidance across IPSAS by: <ul style="list-style-type: none"> i. Providing further detailed guidance on the implementation of commonly used measurement bases and the circumstances under which they should be used. ii. Clarifying transaction costs guidance to enhance consistency across IPSAS. iii. Amending where appropriate guidance across IPSAS related to measurement at recognition, subsequent measurement and measurement related disclosures. The standard also introduces a public sector specific measurement bases called the current operational value. IPSAS 46 will aid the University define measurement bases that assist in reflecting fairly: The cost of services and the operational capacity & financial capacity of assets and liabilities.
IPSAS 47: Revenue	Applicable 1st January 2026 This standard supersedes IPSAS 9- Revenue from exchange transactions, IPSAS 11 Construction contracts and IPSAS 23 Revenue from non- exchange transactions.

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	<p>This standard brings all the guidance of accounting for revenue under one standard. The objective of the standard is to establish the principles that an entity shall apply to report useful information to users of financial statements about the nature, amount, timing and uncertainty of revenue and cash flow arising from revenue transactions.</p> <p>IPSAS 47 will assist the University to properly recognise and classify revenue.</p>
IPSAS 48: Transfer Expenses	<p>Applicable 1st January 2026</p> <p>The objective of the standard is to establish the principles that a transfer provider shall apply to report useful information to users of financial statements about the nature, amount, timing and uncertainty of expenses and cash flow arising from transfer expense transactions. This is a new standard for public sector entities geared to provide guidance to entities that provide transfers on accounting for such transfers.</p> <p>The university did not have transfer expenses as at 30th June 2025.</p>
IPSAS 49: Retirement Benefit Plans	<p>Applicable 1st January 2026</p> <p>The objective is to prescribe the accounting and reporting requirements for the public sector retirement benefit plans which provide retirement to public sector employees and other eligible participants. The standard sets the financial statements that should be presented by a retirement benefit plan.</p> <p>KAFU pays defined monthly pension contribution to KAFUCO SRBS to cater for retirement benefits for its employees. KAFUCO SRBS is managed by a Board of independent Trustees. The university also remits monthly dues to NSSF as per the provisions of NSSF Act, 2013.</p>
IPSAS 50: Exploration For & Evaluation of Mineral Resources	<p>Applicable 1st January 2027</p> <p>The objective of this Standard is to specify the financial reporting for the exploration for and evaluation of mineral resources. The Standard requires:</p> <ol style="list-style-type: none"> i. Limited improvements to existing accounting practices for exploration and evaluation expenditures. ii. Entities that recognize exploration and evaluation assets to assess such assets for impairment in accordance with this Standard and measure any impairment in accordance with IPSAS 26. iii. Disclosures that identify and explain the amounts in the entity's financial statements arising from the exploration for and evaluation of mineral resources and help users of those financial statements understand the amount, timing and certainty of future cash flows from any exploration and evaluation assets recognized. <p>The university did not engage in exploration of Mineral Resources as at 30th June 2025.</p>

iii. Early adoption of standards

The Entity did not early – adopt any new or amended standards in the financial year 2024/2025



4. Summary of Significant Accounting Policies

a) Revenue recognition

i) Revenue from non-exchange transactions

Taxes, Levies and fines

The University recognizes revenues from taxes, levies, and fines when the event occurs and the asset recognition criteria are met. To the extent that there is a related condition attached that would give rise to a liability to repay the amount, deferred income is recognized instead of revenue. Other non-exchange revenues are recognized when it is probable that the future economic benefits or service potential associated with the asset will flow to the Entity and the fair value of the asset can be measured reliably.

Transfers from other government entities

Revenues from non-exchange transactions with other government entities are measured at fair value and recognized on obtaining control of the asset (cash, goods, services and property) if the transfer is free from conditions and it is probable that the economic benefits or service potential related to the asset will flow to the University and can be measured reliably. To the extent that there is a related condition attached that would give rise to a liability to repay the amount, the amount is recorded in the statement of financial position and realised in the statement of financial performance over the useful life of the assets that has been acquired using such funds.

ii) Revenue from exchange transactions

Rendering of services

The University recognizes revenue from rendering of services by reference to the stage of completion when the outcome of the transaction can be estimated reliably. The stage of completion is measured by reference to labour hours incurred to date as a percentage of total estimated labour hours. Where the contract outcome cannot be measured reliably, revenue is recognized only to the extent that the expenses incurred are recoverable.

Sale of goods

Revenue from the sale of goods is recognized when the significant risks and rewards of ownership have been transferred to the buyer, usually on delivery of the goods and when the amount of revenue can be measured reliably, and it is probable that the economic benefits or service potential associated with the transaction will flow to the University.

Interest income

Interest income is accrued using the effective yield method. The effective yield discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount. The method applies this yield to the principal outstanding to determine interest income each period.

Dividends

Dividends or similar distributions must be recognized when the shareholder's or the University's right to receive payments is established.

Rental income

Rental income arising from operating leases on investment properties is accounted for on a straight-line basis over the lease terms and included in revenue.

b) Budget information

The original budget for the FY 2024-2025 was approved by the National Assembly in June 2024. Subsequent revisions or additional appropriations were made to the approved budget in accordance with specific approvals from the appropriate authorities. The additional appropriations are added to the original budget by the University upon receiving the respective approvals in order to conclude the final budget. Accordingly, the University recorded additional appropriations of **Kshs. 519,790,633** on the FY 2024/2025 budget following the approval from the National Treasury and Ministry of Education.

The University's budget is prepared on a different basis to the actual income and expenditure disclosed in the financial statements. The financial statements are prepared on accrual basis using a classification based on the nature of expenses in the statement of financial performance, whereas the budget is prepared on a cash basis. The amounts in the financial statements were recast from the accrual basis to the cash basis and reclassified by presentation to be on the same basis as the approved budget. A comparison of budget and actual amounts, prepared on a comparable basis to the approved budget, is then presented in the statement of comparison of budget and actual amounts. In addition to the Basis difference, adjustments to amounts in the financial statements are also made for differences in the formats and classification schemes adopted for the presentation of the financial statements and the approved budget. A statement to reconcile the actual amounts on a comparable basis included in the statement of comparison of budget and actual amounts and the actuals as per the statement of cash flows has been presented on page 6 of these financial statements.

c) Taxes

Current income tax

Current income tax assets and liabilities for the current period are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date in the area where the University operates and generates taxable income. Current income tax relating to items recognized directly in net assets is recognized in net assets and not in the statement of financial performance. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

Deferred tax

Deferred tax is provided using the liability method on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date. Deferred tax liabilities are recognized for all taxable temporary differences, except in respect of taxable temporary differences associated with investments in controlled entities, associates and interests in joint ventures, when the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future. Deferred tax assets are

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recognized for all deductible temporary differences, the carry forward of unused tax credits and any unused tax losses. Deferred tax assets are recognized to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilized, except in respect of deductible temporary differences associated with investments in controlled entities, associates and interests in joint ventures, deferred tax assets are recognized only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilized.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilized. Unrecognized deferred tax assets are re-assessed at each reporting date and are recognized to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered. Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realized or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date. Deferred tax relating to items recognized outside surplus or deficit is recognized outside surplus or deficit. Deferred tax items are recognized in correlation to the underlying transaction in net assets. Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current income tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

Sales tax

Expenses and assets are recognized net of the amount of sales tax, except:

- i) When the sales tax incurred on a purchase of assets or services is not recoverable from the taxation authority, in which case, the sales tax is recognized as part of the cost of acquisition of the asset or as part of the expense item, as applicable.
- ii) When receivables and payables are stated with the amount of sales tax included
The net amount of sales tax recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the statement of financial position.

d) Investment property

Investment properties are measured initially at cost, including transaction costs. The carrying amount includes the replacement cost of components of an existing investment property at the time that cost is incurred if the recognition criteria are met and excludes the costs of day-to-day maintenance of an investment property. Investment property acquired through a non-exchange transaction is measured at its fair value at the date of acquisition. Investment properties are derecognized either when they have been disposed of or when the investment property is permanently withdrawn from use and no future economic benefit or service potential is expected from its disposal. The difference between the net disposal proceeds and the carrying amount of the asset is recognized in the surplus or deficit in the period of de-recognition. Transfers are made to or from investment property only when there is a change in use. KAFU does not have any investment property.

e) Property, plant and equipment

All property, plant and equipment are stated at cost less accumulated depreciation and impairment losses. Cost includes expenditure that is directly attributable to the acquisition of the items. When significant parts of property, plant and equipment are required to be replaced at intervals, the University recognizes such parts as individual assets with specific useful lives and depreciates them accordingly. Likewise, when a major inspection is performed, its cost is recognized in the carrying amount of the plant and equipment as a replacement if the recognition criteria are satisfied. All other repair and maintenance costs are recognized in surplus or deficit as incurred. Where an asset is acquired in a non-exchange transaction for nil or nominal consideration the asset is initially measured at its fair value.

Depreciation and amortisation are calculated on the straight-line basis to write down the cost of each asset, or the revalued amount, to its residual value over its estimated useful life using the following annual rates:

Asset	Annual Rate
Buildings	2.5 %
Plant, Machinery and Equipment	20 %
Computer	25 %
Motor Vehicle	20 %
Furniture, Fixtures & Fittings	12.5 %
Intangible Assets	20 %
Books & Journals	12.5 %

f) Leases

Finance leases are leases that transfer substantially all of the risks and benefits incidental to ownership of the leased item to the University. Assets held under a finance lease are capitalized at the commencement of the lease at the fair value of the leased property or, if lower, at the present value of the future minimum lease payments. The University also recognizes the associated lease liability at the inception of the lease. The liability recognized is measured as the present value of the future minimum lease payments at initial recognition. Subsequent to initial recognition, lease payments are apportioned between finance charges and reduction of the lease liability so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are recognized as finance costs in surplus or deficit. An asset held under a finance lease is depreciated over the useful life of the asset. However, if there is no reasonable certainty that the University will obtain ownership of the asset by the end of the lease term, the asset is depreciated over the shorter of the estimated useful life of the asset and the lease term.

Operating leases are leases that do not transfer substantially all the risks and benefits incidental to ownership of the leased item to the University. Operating lease payments are recognized as an operating expense in surplus or deficit on a straight-line basis over the lease term.

KAFU did not have any leases in the FY 2024/2025.

g) 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



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recognition, intangible assets are carried at cost less any accumulated amortization and accumulated impairment losses. Internally generated intangible assets, excluding capitalized development costs, are not capitalized and expenditure is reflected in surplus or deficit in the period in which the expenditure is incurred. The useful life of the intangible assets is assessed as either finite or indefinite. Intangible assets with an indefinite useful life are assessed for impairment at each reporting date.

h) Biological Assets

The University recognizes biological assets when it controls the assets due to past events, it is probable that future economic benefits associated with the asset will flow to the University, and when the fair value or cost of the asset can be measured reliably. Biological assets are initially and subsequently measured at fair value less costs to sell, except where fair value cannot be reliably determined. In such cases, the asset is measured at its cost less accumulated depreciation and any accumulated impairment losses. Changes in fair value less costs to sell are recognized in surplus/deficit in the period in which they occur.

i) Research and development costs

The University expenses research costs as incurred. Development costs on an individual project are recognized as intangible assets when the University can demonstrate:

- i) The technical feasibility of completing the asset so that the asset will be available for use or sale.
- ii) Its intention to complete and its ability to use or sell the asset.
- iii) How the asset will generate future economic benefits or service potential
- iv) The availability of resources to complete the asset.
- v) The ability to measure reliably the expenditure during development.

Following initial recognition of an asset, the asset is carried at cost less any accumulated amortization and accumulated impairment losses. Amortization of the asset begins when development is complete, and the asset is available for use. It is amortized over the period of expected future benefit. During the period of development, the asset is tested for impairment annually with any impairment losses recognized immediately in surplus or deficit.

j) Financial instruments

IPSAS 41 addresses the classification, measurement and de-recognition of financial assets and financial liabilities, introduces new rules for hedge accounting and a new impairment model for financial assets. The university does not have any hedge relationships and therefore the new hedge accounting rules have no impact on the University's financial statements.

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity. At initial recognition, the entity measures a financial asset or financial liability at its fair value plus or minus, in the case of a financial asset or financial liability not at fair value through surplus or deficit, transaction costs that are directly attributable to the acquisition or issue of the financial asset or financial liability.

a) Financial assets

Classification of financial assets

The University classifies its financial assets as subsequently measured at amortised cost, fair value through net assets/ equity or fair value through surplus and deficit on the basis of both the entity's management model for financial assets and the contractual cash flow characteristics of the financial asset. A financial asset is measured at amortized cost when the financial asset is held within a management model whose objective is to hold financial assets in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal outstanding. A financial asset is measured at fair value through net assets/ equity if it is held within the management model whose objective is achieved by both collecting contractual cashflows and selling financial assets and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. A financial asset shall be measured at fair value through surplus or deficit unless it is measured at amortized cost or fair value through net assets/ equity unless an entity has made irrevocable election at initial recognition for particular investments in equity instruments.

Subsequent measurement

Based on the business model and the cash flow characteristics, the University classifies its financial assets into amortized cost or fair value categories for financial instruments. Movements in fair value are presented in either surplus or deficit or through net assets/ equity subject to certain criteria being met.

Amortized cost

Financial assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest, and that are not designated at fair value through surplus or deficit, are measured at amortized cost. A gain or loss on an instrument that is subsequently measured at amortized cost and is not part of a hedging relationship is recognized in profit or loss when the asset is de-recognized or impaired. Interest income from these financial assets is included in finance income using the effective interest rate method.

Fair value through net assets/ equity

Financial assets that are held for collection of contractual cash flows and for selling the financial assets, where the assets' cash flows represent solely payments of principal and interest, are measured at fair value through net assets/ equity. Movements in the carrying amount are taken through net assets, except for the recognition of impairment gains or losses, interest revenue and foreign exchange gains and losses which are recognized in surplus/deficit. Interest income from these financial assets is included in finance income using the effective interest rate method.

Trade and other receivables

Trade and other receivables are recognized at fair values less allowances for any uncollectible amounts. Trade and other receivables are assessed for impairment on a continuing basis. An estimate is made of doubtful receivables based on a review of all outstanding amounts at the year end.

Fair value through surplus or deficit

Financial assets that do not meet the criteria for amortized cost or fair value through net assets/ equity are measured at fair value through surplus or deficit. A business model where the entity manages financial assets with the objective of realizing cash flows through solely the sale of the assets would result in a fair value through surplus or deficit model.

Impairment

The University assesses, on a forward-looking basis, the expected credit loss ('ECL') associated with its financial assets carried at amortized cost and fair value through net assets/equity. The entity recognizes a loss allowance for such losses at each reporting date. Critical estimates and significant judgments made by management in determining the expected credit loss (ECL) are set out in Note 20.

b) Financial liabilities

Classification

The University classifies its liabilities as subsequently measured at amortized cost except for financial liabilities measured through profit or loss.

k) Inventories

Inventory is measured at cost upon initial recognition. To the extent that inventory was received through non-exchange transactions (for no cost or for a nominal cost), the cost of the inventory is its fair value at the date of acquisition. Costs incurred in bringing each product to its present location and conditions are accounted for, as follows:

- i) Raw materials: purchase cost using the weighted average cost method.
- ii) Finished goods and work in progress: cost of direct materials and labour and a proportion of manufacturing overheads based on the normal operating capacity but excluding borrowing costs.

After initial recognition, inventory is measured at the lower of cost and net realizable value. However, to the extent that a class of inventory is distributed or deployed at no charge or for a nominal charge, that class of inventory is measured at the lower of cost and current replacement cost. Net realizable value is the estimated selling price in the ordinary course of operations, less the estimated costs of completion and the estimated costs necessary to make the sale, exchange, or distribution. Inventories are recognized as an expense when deployed for utilization or consumption in the ordinary course of operations of the University.

l) Provisions

Provisions are recognized when the University 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 University 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.

m) Social Benefits

Social benefits are cash transfers provided to i) specific individuals and / or households that meet the eligibility criteria, ii) mitigate the effects of social risks and iii) Address the need of society as a whole. The University recognises a social benefit as an expense for the social benefit scheme at the same time that it recognises a liability. The liability for the social benefit scheme is measured at the best estimate of the cost (the social benefit payments) that the University will incur in fulfilling the present obligations represented by the liability.

n) 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.

The University entered into a Contract of Works on 23rd December, 2016, with Lubimbayi Limited, for the construction of the Tuition Block and Associated Works. The contract was terminated on 7th October, 2019 because of breaches. The claimant is claiming Kshs 293,316,096.45 as damages while the respondent is claiming Kshs 772,704,079.68. In the event the University loses the case, the amount owed is a liability.

As at 30th June, 2025, the University is party to ongoing legal proceedings involving certain members of staff. Based on legal advice and management's assessment, there is a possible obligation that may arise depending on the outcome of these cases. If the rulings are unfavorable to the University, it may be required to make financial settlements or incur other costs. However, as the likelihood of an outflow of resources is currently uncertain and cannot be reliably measured, no provision has been recognized in the financial statements. The University will continue to monitor the progress of these cases and will recognize a provision if it becomes probable that an outflow of resources will be required and the amount can be reliably estimated.

o) Contingent assets

The Entity does not recognize a contingent asset but discloses details of a possible asset 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 in the notes to the financial statements. Contingent assets are assessed continually to ensure that developments are appropriately reflected in the financial statements. 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.

The University entered into a Contract of Works on 23rd December, 2016, with Lubimbayi Limited, for the construction of the Tuition Block and Associated Works. The contract was terminated on 7th October, 2019 because of breaches. The claimant is claiming Kshs 293,316,096.45 as damages while the respondent is claiming Kshs 772,704,079.68. In the event the University wins the case, the amount owed is a debt but the probability of recovery cannot be reliably ascertained.

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As at 30th June, 2025, the University is engaged in legal proceedings involving certain members of staff.

Based on legal counsel and management's assessment, there exists a contingent asset arising from the potential favorable outcome of these cases. Should the rulings be in favor of the University, it may realize economic benefits in the form of cost recoveries, reputational reinforcement, or precedent-setting judgments that support institutional governance. However, as the outcome remains uncertain and cannot be reliably measured at this stage, no asset has been recognized in the financial statements. The University will continue to monitor developments and will recognize the asset when realization becomes virtually certain.

p) Nature and purpose of reserves

The University creates and maintains reserves in terms of specific requirements. KAFU maintains revenue and capital reserves as per the approved policy by the University Council.

q) Changes in accounting policies and estimates

The University recognizes the effects of changes in accounting policy retrospectively. The effects of changes in accounting policy are applied prospectively if retrospective application is impractical.

r) Employee benefits

Retirement benefit plans

The University provides retirement benefits for its employees and directors. Defined contribution plans are post-employment benefit plans under which an Entity pays fixed contributions into a separate Entity (a fund) and will have no legal or constructive obligation to pay further contributions if the fund does not hold sufficient assets to pay all employee benefits relating to employee service in the current and prior periods. The contributions to fund obligations for the payment of retirement benefits are charged against income in the year in which they become payable. Defined benefit plans are post-employment benefit plans other than defined-contribution plans. The defined benefit funds are actuarially valued tri-annually on the projected unit credit method basis. Deficits identified are recovered through lump sum payments or increased future contributions on proportional basis to all participating employers. The contributions and lump sum payments reduce the post-employment benefit obligation.

KAFU pays defined monthly pension contribution to KAFUCO SRBS to cater for retirement benefits for its employees. KAFUCO SRBS is managed by an independent Board of Trustees.

s) Foreign currency transactions

Transactions in foreign currencies are initially accounted for at the ruling rate of exchange on the date of the transaction. At each reporting date, foreign currency monetary items are translated using the closing rate. Non-monetary items measured in historical cost are translated using the exchange rate at the date of the transaction, and those measured at fair value are translated using the exchange rates at the date when the fair value was determined. Exchange differences arising from the settlement of monetary items or translation of monetary/non-monetary items at rates different from those at which they were initially reported are recognized in surplus or deficit in the period.

t) Borrowing costs

Borrowing costs are capitalized against qualifying assets as part of property, plant and equipment.

Such borrowing costs are capitalized over the period during which the asset is being acquired or constructed and borrowings have been incurred. Capitalization ceases when construction of the asset is complete. Further borrowing costs are charged to the statement of financial performance.

u) Related parties

The University regards a related party as a person or an Entity with the ability to exert control individually or jointly, or to exercise significant influence over the University, or vice versa. Members of key management are regarded as related parties and comprise of Council members, members of the University Management Board and the Senate.

v) Service concession arrangements

The University analyses all aspects of service concession arrangements that it enters in determining the appropriate accounting treatment and disclosure requirements. In particular, where a private party contributes an asset to the arrangement, the University recognizes that asset when, and only when, it controls or regulates the services the operator must provide together with the asset, to whom it must provide them, and at what price. In the case of assets other than 'whole-of-life' assets, it controls, through ownership, beneficial entitlement or otherwise – any significant residual interest in the asset at the end of the arrangement. Any assets so recognized are measured at their fair value. To the extent that an asset has been recognized, the University also recognizes a corresponding liability, adjusted by a cash consideration paid or received.

w) Cash and 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 the Central Bank of Kenya and at various commercial banks at the end of the financial year.

x) Comparative figures

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

y) Subsequent events

There have been no events subsequent to the financial year end with a significant impact on the financial statements for the year ended June 30, 2025.

5. Significant Judgments and Sources of Estimation Uncertainty

The preparation of the University's financial statements in conformity with IPSAS requires management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the disclosure of contingent liabilities, at the end of the reporting period. However, uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of the asset or liability affected in future periods. State all judgements, estimates and assumptions made:

Estimates and assumptions.

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below. The University based its assumptions and estimates on parameters available when the consolidated financial statements were prepared. However, existing circumstances and assumptions about future developments may change due to market changes or circumstances arising beyond the control of the University. Such changes are reflected in the assumptions when they occur. IPSAS 1.140

Useful lives and residual value

The useful lives and residual values of assets are assessed using the following indicators to inform potential future use and value from disposal:

- a) The condition of the asset based on the assessment of experts employed by the University.
- b) The nature of the asset, its susceptibility and adaptability to changes in technology and processes.
- c) The nature of the processes in which the asset is deployed.
- d) Availability of funding to replace the asset.
- e) Changes in the market in relation to the asset

Provisions

Provisions were raised and management determined an estimate based on the information available. Additional disclosure of these estimates of provisions is included in Note 30 & 33. Provisions are measured at the management's best estimate of the expenditure required to settle the obligation at the reporting date and are discounted to present value where the effect is material.

Provisions raised in this financial year are as below.

	Particulars	Kshs
i.	Provision for Gratuity	6,338,256
ii.	Provision for Audit Fees	928,000
iii.	Provision for Fuel & Lubricants	1,003,010
iv.	Provision for Electricity	330,676
v.	Provision for Employer NSSF	532,080
vi.	Provision for Employer Housing Fund	203,805
vii.	Provision for Nita Employer Contribution	7,050
viii.	Provision for External Examiners	248,200
ix.	Provision for Postal and courier services	1,710
x.	Provision for Part-Time Teaching Payments	13,587,000



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6. Transfers from Other Government entities

Description	2024/2025	2023/2024
	Kshs	Kshs
Unconditional Grants		
Recurrent Grants	353,501,087	390,660,246
Development Grants	-	21,250,000
Total Exchequer Grants	353,501,087	411,910,246

Recurrent Grants are funds used for operational expenditure in the university

b) Transfers from Ministries, Departments and Agencies (MDAs)

Name of the Entity Sending the Grant	Amount Recognized to statement of Financial Performance	Amount Deferred under Deferred Income	Amount Recognized in Capital Fund	Total Transfers 2024/2025	Prior Year 2023/2024
	Kshs	Kshs	Kshs	Kshs	Kshs
State Department for Higher Education and Research	353,501,087	-	-	353,501,087	390,660,246
Total	353,501,087	-	-	353,501,087	390,660,246

7. Levies, Fines and Penalties

Description	2024/2025	2023/2024
	Kshs	Kshs
Surcharge & Fines	41,352	27,444
Total	41,352	27,444

These are fines levied on students for loss of library books and damage to university property.

8. Public Contributions and Donations

Description	2024/2025	2023/2024
	Kshs	Kshs
Health Donation	-	-
Research Donation	-	-
Donation transferred to revenue on conditions being met.	-	-
Donations Income	145,000	80,000
Total Donation Income	145,000	80,000
Reconciliation of public contributions and donations		
Balance unspent at beginning of the year	-	-
Current year receipts	145,000	80,000
Conditions met - transferred to revenue	-	-
Conditions to be met - remain liabilities	-	-

This is donation received from KCB, Shammah Physiotherapy, Lumino Nursing Home, Bungoma children's clinic & St. Christine medical centre towards KAFU's 3rd graduation.



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9. Rendering Of Services

Description	2024/2025	2023/2024
	Kshs	Kshs
KUCCPS Tuition Fees	594,125,000	280,164,250
PSSP Tuition Fees	12,997,350	12,487,000
Master Tuition Fees	1,996,000	2,874,000
Ph.D Tuition Fees	516,000	426,000
Registration Fees	965,000	753,700
Teaching Practice/Attachment Fees	20,465,000	14,814,500
Student ID Cards	954,000	714,000
Examination Fees	22,514,700	18,563,700
Activity Fees	5,338,000	4,338,000
Amenity	5,332,000	4,338,000
Medical Fees	8,172,500	6,782,000
KUCCPS Processing Fees	2,850,000	2,083,500
ICT Levy	26,835,000	21,965,000
Library Fees	16,102,000	13,179,000
Graduation Fees	5,403,000	2,735,500
Students Organisation Fees (KAFUSO)	2,114,800	1,714,800
Application Fees	28,000	99,000
Supervision Fees	1,689,500	2,471,000
Supplimentary Exams	3,420,000	2,355,000
Thesis/Project Examination	1,178,000	1,558,000
CUE Quality Assurance Fee	1,908,000	1,416,000
Insurance Fee	170,000	101,500
Skills Laboratory Fee	4,614,000	2,344,500
Hospital Consumables	2,476,500	936,000
Remarking fee	-	750
Log book	61,500	-
Research Income	2,678,306	93,468
Total Revenue from rendering of services	744,904,156	399,308,168

These relates fees collected from students.

10. Sale of Goods

Description	2024/2025	2023/2024
	Kshs	Kshs
Farm Sales	3,037,880	1,642,492
Catering Income-Others	441,200	-
Students Catering Sales	2,315,192	91,510
Total revenue from the sale of goods	5,794,272	1,734,002

This is revenue received from sale of farm produce and catering services.

11. Rental Revenue from Facilities and Equipment

Description	2024/2025	2023/2024
	Kshs	Kshs
Accommodation Fees	8,267,100	9,836,000
Hire of Hall & Conference facilities	-	18,400
Hire of University Facilities	322,165	97,885



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Description	2024/2025	2023/2024
	Kshs	Kshs
Rent Income	102,750	611,820
Hire Of Bus	-	142,620
Total Rentals	8,692,015	10,706,725

This is revenue from hire of university facilities.

12. Other Income

Description	2024/2025	2023/2024
	Kshs	Kshs
Gain on disposal	287,760	41,218
Interest Income	17,649	46,290
Miscellaneous Income	207	2,660
Bad & Doubtful Debts	-	-
Total Other Income	305,616	90,168

Gain on disposal relates to sale of cows from the university farm whereas Interest income relates to interest received from ABSA bank.

13. Use of Goods and Services

Description	2024/2025	2023/2024
	Kshs	Kshs
Academic Trips	444,600	299,290
Admission Expenses	515,831	407,500
Advertisements & Publicity	2,183,325	470,385
Audit Fees	928,000	928,000
Bank Charges	480,210	414,331
Research innovation and Incubation expenses	532,280	-
Cleaning Materials	488,645	474,778
Coaching and Mentoring	-	16,500
Cultural Week/Tamasha Expenses	648,100	450,035
Examination Expenses	4,721,875	3,445,894
External Examiners	2,246,720	2,185,270
Fees Waiver Expense	62,112	39,360
Fuel & Lubricants	8,363,711	5,058,442
Fumigation	576,000	400,000
Group Life Cover	1,770,000	1,770,000
Hire of Transport, Plants, Tents & Machinery	106,000	-
ICT Operating Expense	1,986,300	301,400
Inter-University Games	2,371,340	748,200
ISO Certification	3,622,000	1,576,245
KAFUSO	2,239,700	995,000
KUCCPS Admission	2,776,500	2,052,000
Laboratory Materials	1,824,640	2,234,350
Library expenses	956,378	239,025
Subscriptions, License & Affiliation Expenses	1,854,701	1,823,340
University Management Board Expenses	3,782,687	1,741,900
Purchase of Medical Drugs and reagents	2,423,025	1,962,016
Curriculum development/review expenses	3,804,110	243,300



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Description	2024/2025	2023/2024
	Kshs	Kshs
Office Expenses	750,351	358,927
Consultancy/Professional Services	1,040,300	-
Performance Contracting Services	1,435,530	272,690
Professional & Legal Charges	3,990,500	-
Property Insurance Expenses	1,812,390	935,841
Bad & Doubtful Debts	17,119,551	2,129,932
Public Celebrations & Funerals	613,429	63,225
Printing & Publications	1,110,375	1,507,920
Purchase of Cutlery & Crockery	970,664	498,319
Purchase of Stationary	7,743,208	4,716,143
Recruitment, Appointments and Promotions	945,574	-
University College research fund	2,979,997	450,000
Sanitary Services Expenses	952,248	443,384
Teaching Practice	6,240,970	4,473,250
Security Services	19,722,254	16,498,745
SGC Elections & Training	1,025,589	649,930
Shows & Exhibitions	537,800	-
Sports Equipment	1,438,908	149,880
Staff Training & Development	11,310,165	5,364,190
Seminars & Conference	1,245,687	508,299
Strategic Planning & Training expenses	89,548	1,629,634
Teaching Materials	563,370	631,052
Tender Expenses	3,307,518	1,298,400
Travelling & Accommodation expenses	21,642,807	10,279,329
WIBA (Work Injury Benefits)	71,986	-
Loss on Disposal	6,000	80,000
Graduation Expenses	7,694,195	3,853,020
Contracted Cleaning Services	6,858,770	5,524,993
Corporate social Responsibility / Community Outreach Expense	699,790	170,440
Research Expenses	2,553,795	784,000
Staff Uniform & protective gears	-	212,800
Student Work Study	508,400	64,000
Payment of Medical Bills	33,702,543	23,994,608
Development/Review of Policies and Statutes	310,240	1,477,600
Industrial Attachment	2,599,900	1,999,678
National Cohesion	1,164,850	692,800
Public Complains	488,200	-
Transport expense	386,500	44,100
Curtains and mattresses	997,659	600,000
IGU Operating Expenses	5,872,750	2,288,101
Catering Expense-Others	8,498,715	2,506,036
ODEL Expense	630,200	983,447
CUE Quality assurance expenses	1,908,000	1,401,000
Career services expenses	200,000	94,000
Sponsorship development programme	147,800	154,700
University Drama	706,100	488,000
Industrial workshop materials	996,360	370,755



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Description	2024/2025	2023/2024
	Kshs	Kshs
Pension expenses	1,260,960	1,671,324
Risk Management Expenses	194,600	-
Road Safety Mainstreaming	-	386,400
Outsourced Landscaping & Lawn Mowing	2,120,132	2,149,629
Student Smart Cards	1,033,560	968,000
Competence Development Framework	896,100	275,100
Clinical Placement & Attachment	2,668,775	552,920
Directorate of Post Graduate studies	575,400	85,000
Thesis/Project Exam expense	2,003,000	88,000
University senate board expenses	42,115	101,240
University Choir	566,540	514,790
Asset Management	1,142,292	305,808
Centre for Climate Change Expenses	689,830	-
Citizen Service Delivery Charter	348,000	-
Competency Based Curriculum Mainstreaming	135,800	99,710
Digitalization of Government services	374,500	-
Productivity Mainstreaming	2,946,350	-
CBA Related Expenses	3,350,295	501,900
Verification of academic documents	58,700	487,600
Vice Chancellors Committee Expenses	400,000	-
Hire of external Laboratory Services	1,589,630	-
Occupational Health Safety Expenses	1,631,000	-
Alumni Expenses	440,700	-
PFM Standing Committee Expenses	3,933,400	-
CUE Curriculum Approval	1,600,000	-
Internet Charges	8,102,515	7,760,680
Postal and courier expenses	55,995	71,455
Electricity expenses	5,737,446	6,263,871
Water & Sewerage	6,021,820	4,398,464
Purchase of Equipment	554,025	804,300
Purchase of Computer, printers, copiers and other electronic	30,600	-
Purchase of computer software	266,916	-
Purchase of Turn-it-in-Software	1,000,000	999,950
Purchase of Gowns	7,744,000	-
Total Use of goods and services	296,815,270	159,405,869

Variations are as a result of increased student activities, academic resources and administrative costs.

14. Employee Costs

Description	2024/2025	2023/2024
	Kshs	Kshs
Basic salary	230,437,690	208,788,514
House Allowance	85,973,849	84,114,457
Commuting Allowance	11,778,113	12,304,000
Car Allowance	16,460,761	16,680,608
Responsibility Allowance	7,919,319	8,130,609
Acting Allowance	4,454,573	4,003,334
Entertainment allowance	5,888,514	5,458,126



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Description	2024/2025	2023/2024
	Kshs	Kshs
Telephone Allowance	2,801,890	2,821,622
Domestic workers	1,136,785	1,204,827
Professorial Allowance	408,000	219,587
Risk Allowance	876,963	928,768
Extraneous Allowance	7,726,827	7,511,091
Passage and Baggage allowance	300,000	272,170
Part-time Teaching Payments	25,179,000	20,418,000
Gratuity	6,338,256	5,577,795
EMPLOYERS NSSF	8,641,977	4,385,531
Employers Pension Contributions	35,350,401	31,056,960
Leave Allowance	1,885,200	1,981,700
Casual Labour expenses	2,069,018	123,294
Water Allowance	153,952	54,742
Electricity Allowance	153,952	70,421
Research/Book Allowance	335,000	335,000
Special Allowance	174,257	5,044
NITA Employer Contribution	150,150	147,850
Uniform Allowance	80,000	90,000
Employer housing Fund Contribution	6,231,837	5,250,818
Management support allowance	960,000	350,345
Security Allowance	1,210,774	261,444
Academic Support	495,806	175,172
Total Employee costs	465,572,863	422,721,829

These are costs related to remuneration of staff in the university. The cost increased as a result of the implementation of the national CBAs 2021-2025.

15. Council Expenses

Description	2024/2025	2023/2024
	Kshs	Kshs
Sitting Allowance	6,547,300	5,010,400
Honoraria	1,080,000	1,080,000
Subsistence Allowance	4,386,200	3,694,600
Other Council Expenses	5,048,042	4,081,180
Council Insurance	984,330	985,789
Total Council Expenses	18,045,872	14,851,969

Variations are a result of increased council activities as per the approved Council Almanac.

16. Depreciation and Amortization Expense

Description	2024/2025	2023/2024
	Kshs	Kshs
Depreciation on Building	18,820,131	18,803,507
Depreciation on Computers, Copiers & Printers	4,979,633	4,466,035
Depreciation on Furniture, Fixtures & Fittings	3,585,367	4,295,854
Depreciation on Motor Vehicles	11,666,536	6,402,059
Depreciation on Plant, Machinery and Equipment	17,702,682	16,110,061
Amortisation on ERP System	-	1,294,980



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Description	2024/2025	2023/2024
	Kshs	Kshs
Depreciation on Books & Journals	2,035,723	1,785,723
Amortization on Computer Software	136,706	182,288
Total Depreciation and amortization Expense	58,926,777	53,340,507

The cost increased as a result of acquisition of new assets and capitalization of PPE.

17. Repairs and Maintenance

Description	2024/2025	2023/2024
	Kshs	Kshs
Maintenance of Buildings & Stations	12,006,751	2,333,144
Maintenance of Computers & Other Electronics	2,824,002	688,185
Maintenance of Motor Vehicles-Other Repairs	4,258,752	2,712,023
Maintenance of Plant & Equipment	1,332,371	3,343,760
Maintenance of Water Suppliers & Sewerage	510,001	-
Maintenance of ERP system and other software	8,635,112	2,122,800
Maintenance of Networks	981,000	-
Total Repairs & Maintenance	30,547,990	11,199,912

Variation is a result of continuous improvement and maintenance of facilities within the university and digitalization initiatives of government services.

18. Contracted Services

Description	2024/2025	2023/2024
	Kshs	Kshs
Property Valuation Expense	53,550	6,000
Total Contracted Services	53,550	6,000

The cost involved increased valuation cost of biological assets.

19. Cash and Cash Equivalents

Description	2024/2025	2023/2024
	Kshs	Kshs
Current account	293,197,847	330,934,194
Savings account	-	-
On - call deposits	-	-
Fixed deposits account	-	-
Un-deposited Funds	-	-
Staff car loan/ mortgage	-	-
Total cash and cash equivalents	293,197,847	330,934,194

Detailed Analysis of the Cash and Cash Equivalents

Financial Institution	Account number	2024/2025	2023/2024
		Kshs	Kshs
a) Current account			
CO-OP PSSP FEES A/C	1129698477700	33,191,187	32,025,217
EQUITY KUCCPS FEES	960,271,081,548	60,331,662	72,957,655



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Financial Institution	Account number	2024/2025	2023/2024
		Kshs	Kshs
KCB SAVINGS A/C KAFUCO DEPOSIT	1203735065	97,649,048	71,581,659
KCB KAFUCO CAPITAL DEVELOPMENT A/C	1203709862	31,197,002	45,871,453
KCB-KAFUCO PAYMENTS A/C	1203735030	12,121,705	64,413,817
EQUITY RETENTION ACCOUNT	960279158643	55,667,726	42,062,936
KCB BANK GUARANTEE AC		2,092,000	1,142,000
ABSA RESEARCH ACCOUNT	2042616160	529,018	461,256
STANDARD CHARTERED ACCOUNT	102489010900	418,500	418,200
Sub- Total		293,197,847	330,934,194
b) Others(specify)			
Petty Cash		-	-
Un-deposited Funds		-	-
Sub- total		-	-
Grand total		293,197,847	330,934,194

KCB Capital Development Account hold funds that relate to payment of capital Development projects; Equity Retention Account holds funds for Gratuity, Capital Retentions and Students' Caution Money; KCB Bank guarantee is for funds held for KPLC and VIVO Energy; Standard Chartered Account holds funds in relation to Endowment funds.

20. Receivables from Exchange Transactions

(a) Receivables from Exchange Transactions (Current)

Description	2024/2025	2023/2024
	Kshs	Kshs
Student Debtors	207,095,291	35,899,783
Prov. for Doubtful Debts	(20,709,529)	(3,589,978)
Sundry Debtors	3,186,214	410,000
E-CITIZEN PAYMENT	983,251	166,057
Total Current Receivables	190,555,226	32,885,862

E-citizen relates to funds from students paid through e-citizen and are yet to be received from the National Treasury; Sundry Debtors relates to funds from the Ministry of Education, NABCOs, Kenya Institute for Public Policy Research & Analysis and the Ethics and Anti-Corruption Commission.

(b) Receivables from Exchange Transactions (Long-term)

Description	2024/2025	2023/2024
	Kshs	Kshs
Total Receivables		
Service, water and electricity debtors	-	-
Other exchange debtors	-	-
Less: impairment allowance	(-)	(-)
	-	-
Current portion transferred to current receivables	(-)	(-)
Total non-current receivables	-	-
Total receivables (a+b)	190,555,226	32,885,862



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(c) Ageing analysis for Receivables from exchange transactions

Description	2024/2025		2023/2024	
	Kshs	% of the total	Kshs	% of the total
Less than 1 year	192,843,535	91	25,098,797	69
Between 1-2 Years	7,570,948	4	1,343,690	4
Between 2-3 Years	899,930	0	1,698,000	5
Over 3 Years	9,950,343	5	8,335,353	23
Total (a+b)	211,264,756	100	36,475,840	100

(d) Reconciliation for Impairment Allowance on Receivables from Exchange Transactions

Impairment allowance/Provision	2024/2025	2023/2024
	Kshs	Kshs
At the beginning of the year	3,589,978	1,460,047
Additional provision during the year	17,119,551	2,129,932
Recovered during the year		
Written off during the year		
At the end of the year	20,709,529	3,589,978

The University provides for doubtful debts at 10% as per approved policy.

21. Receivables from Non-Exchange Transactions

Description	2024/2025	2023/2024
	KShs	KShs
Staff Advances	-	175,449
Grants Receivable	-	32,555,021
Total receivables from non- exchange transactions	-	32,730,470

Ageing Analysis- Receivables from non- exchange transactions

Description	2024/2025		2023/2024	
	Kshs	% of the total	Kshs	% of the total
Less than 1 year	-	-	32,730,470	100
Between 1-2 Years				
Between 2-3 Years				
Over 3 Years				
Total	-	-	32,730,470	100

Reconciliation for Impairment Allowance on Receivables from Non-Exchange Transactions

Impairment allowance/Provision	2024/2025	2023/2024
	Kshs	Kshs
At the beginning of the year		
Additional provision during the year		
Recovered during the year		
Written off during the year		
At the end of the year	-	-



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22. Inventories

Description	2024/2025	2023/2024
	KShs	KShs
Central Stores:- Stationary	1,525,059	1,595,257
Medical Drug Stores	2,090,625	1,913,141
Maintenance Stores	1,516,226	2,062,400
Central Stores :- Catering Stores (Foodstuff)	1,571,147	167,005
Central Stores:- Cleaning	348,903	105,932
Farm Stores	234,060	2,461,463
Total Inventories at the lower of cost and net realizable value	7,286,019	8,305,198

These relates to closing inventories as at end of the financial year.

Detailed disclosure on inventories

Description	2024/2025
	KShs
Opening balance	8,305,198
Net Additional Inventory & expensed inventory in the year	(1,019,179)
Closing balance	7,286,019

23. Prepayments

Description	2024/2025	2023/2024
	KShs	KShs
Prepaid Nssf	6,000	6,000
VAT @ 16%	52,470	52,470
Withholding Vat 2%	2,996	2,995
Total Prepayments	61,466	61,465



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24. Property, Plant and Equipment

Particulars	Land	Buildings	Motor vehicles	Furniture, Fixtures & fittings	Computer & Accessories	Plant, Machinery & Equipment	Books & Journals	Capital Work In Progress	Total
		2.5%	20%	12.5%	25%	20%	12.5%		
Cost:	Kshs	Kshs	Kshs	Kshs	Kshs	Kshs	Kshs	Kshs	Kshs
At 1 July 2023	204,000,000	750,145,430	26,893,500	34,366,832	36,478,062	90,307,021	14,285,781	92,586,739	1,249,063,364
Additions	-	-	20,467,179	-	4,490,000	7,886,594	-	70,466,363	103,310,136
Disposals	-	-	-	-	-	-	-	-	-
Valuation/Transfer/adjustments		2,659,794	-				-	(2,659,794)	-
At 30th June 2024	204,000,000	752,805,224	47,360,679	34,366,832	40,968,062	98,193,615	14,285,781	160,393,308	1,352,373,500
Additions			32,406,000	10,471,026	20,845,188	4,869,550	8,000,000	156,580,123	233,171,887
Disposals									-
Transfer/adjustments						9,070,471		(9,070,471)	-
At 30th June 2025	204,000,000	752,805,224	79,766,679	44,837,858	61,813,250	112,133,636	22,285,781	307,902,960	1,585,545,387
Depreciation and impairment:									
At 1 July 2023	-	34,699,283	5,378,700	18,104,446	28,787,398	49,362,840	4,126,234		140,458,899
Depreciation for the year	-	18,803,507	6,402,059	4,295,854	4,466,035	16,110,061	1,785,723		51,863,239
Disposals									
Impairment	-	-							
Transfers/ adjustments									
At 30th June 2024	-	53,502,790	11,780,759	22,400,300	33,253,433	65,472,901	5,911,956	-	192,322,138
Depreciation for the year		18,820,131	11,666,536	3,585,367	4,979,633	17,702,682	2,035,723		58,790,071
Disposals									
Impairment									
Transfers/ adjustments									
At 30th June 2025	-	72,322,920	23,447,295	25,985,667	38,233,066	83,175,583	7,947,679	-	251,112,210
Net Book Values:									
At 30 June 2025	204,000,000	680,482,304	56,319,384	18,852,190	23,580,184	28,958,053	14,338,102	307,902,960	1,334,433,178
At 30 June 2024	204,000,000	699,302,434	35,579,920	11,966,532	7,714,629	32,720,714	8,373,825	160,393,308	1,160,051,362

Work In Progress relates to Construction of the Ultra-Modern Library, Construction of Perimeter Fence, Construction of Anatomy Lab and ICT Infrastructure.

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Valuation

Land and buildings were valued by Mobisoft Ltd on 02.12.2020 on reinstatement cost basis of valuation, in line with the National Assets and Liabilities Management Policy and Guidelines (issued 30th June 2020). These amounts were adopted by the Council on 26.04.2021.

24 (b) Property, Plant and Equipment at Cost

If the freehold land, buildings and other assets were stated on the historical cost basis the amounts would be as follows:

Description	Cost	Accumulated Depreciation	NBV
	Kshs	Kshs	Kshs
Land	204,000,000	-	204,000,000
Buildings	752,805,223	(72,322,920)	680,482,304
Furniture, Fixtures and Fittings	44,837,859	(25,985,668)	18,852,191
Computer, Copiers & Printers	61,813,250	(38,233,065)	23,580,185
Motor Vehicles	79,766,679	(23,447,295)	56,319,384
Plant, Machinery and Equipment	112,133,635	(83,175,583)	28,958,052
Books and Journals	22,285,781	(7,947,678)	14,338,103
Total	1,277,642,427	(251,112,210)	1,026,530,218

Property plant and Equipment includes the following assets that are fully depreciated:

Description	Cost or valuation	Normal annual depreciation charge
	Kshs	Kshs
Plant and Machinery	26,669,919	5,333,983
Computers and Related Equipment	32,361,062	8,090,266
Furniture and Fittings	8,971,380	1,121,423
Total	68,002,361	14,545,672

25. Intangible Assets

Description	ERP System	Computer software systems	TOTAL
	Kshs	Kshs	Kshs
Cost			
As at 1st July 2023	27,234,000	911,430	28,145,430
Additions	-	-	-
As at 30th June 2024	27,234,000	911,430	28,145,430
Additions	-	-	-
As at 30th June 2025	27,234,000	911,430	28,145,430
Amortization and impairment			
As at 1st July 2023	25,939,020	592,436	26,531,456
Amortization	1,294,980	182,288	1,477,268
As at 30th June 2024	27,234,000	774,724	28,008,724
Amortization	-	136,706	136,706
As at 30th June 2025	27,234,000	911,430	28,145,430
NBV	-	-	-

26. Biological Assets

Description	2024/2025	2023/2024
	KShs	KShs
Cows	3,298,000	1,965,000
Total Biological Assets	3,298,000	1,965,000

26.a Biological assets

	Kshs
Balance b/d 01/07/2024	1,965,000
Disposal of biological assets	(154,000)
Fair Value adjustment on Biological Assets	1,487,000
Total Revaluation Reserve as at 30/06/2025	3,298,000

27. Trade and Other Payables

Description	2024/2025	2023/2024
	KShs	KShs
General Creditors	(1,162)	(1,162)
Capital Creditors	(0)	(1)
Total trade and other payables	(1,162)	(1,163)

Ageing analysis :(Trade and other payables)

Ageing analysis :(Trade and other payables)	2024/2025	% of the Total	2023/2024	% of the Total
Under one year	-	-	-	-
1-2 years	-	-	-	-
2-3 years	-	-	-	-
Over 3 years	(1,162)	100	(1,163)	100
Total	(1,162)	100	(1,163)	100

28. Refundable Deposits

Description	2024/2025	2023/2024
	KShs	KShs
Caution Money-Refundable Deposit	6,150,000	5,156,000
Total deposits	6,150,000	5,156,000

Ageing analysis: (Refundable deposits)

Ageing analysis :(Refundable Deposits)	2024/2025	% of the Total	2023/2024	% of the Total
Under one year	6,150,000	84	5,156,000	100
1-2 years	-	-	-	-
2-3 years	-	-	-	-
Over 3 years	-	-	-	-
Total	6,150,000	84	5,156,000	100

These are funds in relation to students caution money refundable at the end of the study period.

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29. Prepayments from customers

Description	2024/2025	2023/2024
	KShs	KShs
Fees Prepayments	43,236,842	47,562,447
Total deposits	43,236,842	47,562,447

30. Current Provisions

Description	Provision for CBA Arrears	Provision for Audit Fee	Provision for Fuel & Lubricants	Provision for Electricity
	Kshs	Kshs	Kshs	Kshs
Balance b/f	1,258,041	1,856,000	-	381,832
Additional Provisions	-	928,000	1,003,010	330,676
Provision utilised	(8,716)	(1,856,000)	-	(381,832)
Change due to discount and time value for money	-	-	-	-
Transfers from non-current provision	-	-	-	-
Total Provisions year end	1,249,325	928,000	1,003,010	330,676

Description	Provision for Library expense	Provision for Employer NSSF	Provision for Employer Housing Fund Contribution	Provision for NITA Employer Contribution
	Kshs	Kshs	Kshs	Kshs
Balance b/f	38,080	-	-	-
Additional Provisions	-	532,080	203,805	7,050
Provision utilised	(38,080)	-	-	-
Change due to discount and time value for money	-	-	-	-
Transfers from non-current provision	-	-	-	-
Total Provisions year end	-	532,080	203,805	7,050

Description	Provision for External Examiners expense	Provision for Postal and Courier Expenses	Provision for Responsibility Allowance	Provision for Entertainment Allowance
	Kshs	Kshs	Kshs	Kshs
Balance b/f	240,700	11,840	667	333
Additional Provisions	248,200	1,710	-	-
Provision utilised	(240,700)	(11,840)	(667)	(333)
Change due to discount and time value for money	-	-	-	-
Transfers from non-current provision	-	-	-	-
Total Provisions year end	248,200	1,710	-	-

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Description	Provision for Special Duty Allowance	Provision for Acting Allowance	Provision for Telephone Allowance	Provision for Part-time Teaching Payments	Total
	Kshs	Kshs	Kshs	Kshs	Kshs
Balance b/f	5,044	1,101	200	252,000	4,045,838
Additional Provisions	-	-	-	13,587,000	16,841,531
Provision utilised	(5,044)	(1,101)	(200)	(252,000)	(2,796,513)
Change due to discount and time value for money					-
Transfers from non-current provision					-
Total Provisions year end	-	-	-	13,587,000	18,090,856

31. Deferred Income

Description	2024/2025	2023/2024
	Kshs	Kshs
National Government	9,500	9,500
International Funders	381,987	538,795
Public Contributions and Donations	-	-
Total Deferred Income	391,487	548,295

These are research grants received in respect to different researches and researchers. The amount is held as a liability in our accounts as at 30th June, 2025.

Additional Details

Description	National Government	International Funders	Public Contributions and Donations	Total
	Kshs	Kshs	Kshs	Kshs
Balance Brought Forward	9,500	538,795	-	548,295
Additions	-	1,505,309		1,505,309
Transfers to Capital Fund				-
Transfers to Income Statement		(224,292)		(224,292)
Disbursements	-	(1,437,824)		(1,437,824)
Balance Carried Forward	9,500	381,987	-	391,487

32. Special Accounts & grants

Description	2024/2025	2023/2024
	KShs	KShs
Endowment Funds	420,900	419,400
HELB Loan Fund	508,365	2,339,000
CDF/Sponsorships	1,479,350	1,115,425
Direct bank deposits control account	466,704	485,203
Universities Fund	40,810	648,820
Alumni Fund	1,755,000	859,000
Total Special Accounts & Grants	4,671,129	5,866,848

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33. Non-Current Provisions

Description	Provision for Gratuity	Total
	Kshs	Kshs
Balance at the Beginning of the Year	10,870,090	10,870,090
Additional Provision	6,338,256	6,338,256
Provision Utilised	(9,696,007)	(9,696,007)
Change Due to Discount and Time value for Money	-	-
Less: Current Portion	-	-
Balance at the end of the year	7,512,339	7,512,339

34. Capital Retentions

Description	2024/2025	2023/2024
	KShs	KShs
Retention Fees 10 %	38,395,028	22,756,412
CLOSED-Retention Account	2,427,601	2,427,601
Total Capital retentions	40,822,629	25,184,013

35. Reserves

Description	2024/2025	2023/2024
	KShs	KShs
Revenue Reserves	50,758,466	33,248,375
Opening Balance Equity	(8,114,796)	(5,812,293)
Total Reserves	42,643,670	27,436,082

36. Capital Fund

Description	2024/2025	2023/2024
	KShs	KShs
Capital Development Funds	1,012,930,153	892,309,837
Capital Donations	6,407,273	5,942,959
Total Capital Fund	1,019,337,426	898,252,796

37. Revaluation Reserves

Description	2024/2025	2023/2024
	KShs	KShs
Revaluation Reserves	402,555,344	401,068,344
Total Revaluation reserves	402,555,344	401,068,344

37a. Revaluation reserve

Details	Kshs
Balance b/d 01/07/2024	401,068,344
Additions during the year:	
Revaluation on PPE	
Fair Value adjustment on Biological Assets	1,487,000
Total Revaluation Reserve as at 30/06/2025	402,555,344

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38. Surplus Remission (for category 3 entities)

In accordance with Section 219 (2) of the Public Financial Management Act regulations, regulatory entities shall remit into Consolidated Fund, ninety per centum of its surplus funds reported in the audited financial statements after the end of each financial year. The University did not remit to the Consolidated Fund since it does not fall under category 3.

39. Taxation

The University does not realize taxable income hence no taxation. However, it withholds tax from suppliers and remits the same to KRA.

40. Cash Generated from Operations

	NOTES	2024/2025	2023/2024
		Kshs	Kshs
CASH FLOWS FROM OPERATING ACTIVITIES			
Surplus/(Deficit) for the Period		243,421,176	141,080,667
Add:			
Depreciation	16	58,926,777	53,340,507
		302,347,954	194,421,174
Working capital adjustments			
(Increase)/Decrease in receivables from exchange transactions	20	(157,669,365)	(19,119,700)
(Increase)/Decrease in receivables from non-exchange transactions	21	32,730,470	36,996,499
(Increase)/Decrease in inventory	22	1,019,179	(1,276,842)
(Increase)/Decrease in Prepayments	23	(1)	-
Increase/(Decrease) in Trade and other payables	27	1	-
(Increase)/Decrease in Prepayments from customers	29	(4,325,605)	10,473,303
Increase/(Decrease) in Provisions	30&33	10,687,267	29,237
Increase/(Decrease) in Deferred Income	31	(156,808)	209,935
(Increase)/Decrease in Special accounts & grants	32	(1,195,720)	1,641,635
Increase/(Decrease) in Revenue Reserve Adjustments	35	(125,873,079)	2,072,000
Total		(244,783,660)	31,026,068
NET CASH FLOWS FROM/(USED IN) OPERATING ACTIVITIES		57,564,294	225,447,242

40.a) Cash Generated from operations – Revenue from Customers

Revenue from Customers	NOTES	2024/2025	2023/2024
		Kshs	Kshs
Revenue (AIA) during the year			
Levies, Fines and Penalties	7	41,352	27,444
Public Contributions and Donations	8	145,000	80,000
Rendering Of Services	9	744,904,156	399,307,418
Sale of Goods	10	5,794,272	1,734,002
Rental Revenue from Facilities and Equipment	11	8,692,015	10,706,725

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Revenue from Customers	NOTES	2024/2025	2023/2024
		Kshs	Kshs
Other Income	12	305,616	90,918
		759,882,411	411,946,507
Decrease in Receivables from Exchange Trans	20	(157,669,365)	(19,119,700)
Increase in Receivables from Non-exchange Trans	21	32,730,470	36,996,499
Increase in Prepayments	23	(1)	-
Decrease in deferred income	31	(156,808)	209,935
Total revenue from customers		634,786,708	430,033,242

40.b) Cash Generated from operations – Operational Expenditure

Operational Expenditure	NOTES	2024/2025	2023/2024
		Kshs	Kshs
Operational Expenditure during the year			
Use of Goods and Services	13	296,815,270	159,405,869
Repairs and Maintenance	17	30,547,990	11,199,912
Contracted Services	18	53,550	6,000
		327,416,810	170,611,782
Decrease in Inventories	22	(1,019,179)	1,276,842
Trade and Other Payables	27	(1)	-
Increase in Prepayments from customers	29	4,325,605	(10,473,303)
Increase in Current Provisions	30	(14,045,018)	5,548,558
Decrease in Special Accounts & Grants	32	1,195,720	(1,641,635)
Decrease in Non-Current Provision	33	3,357,751	(5,577,795)
Revenue Reserve Adjustments	35	125,873,079	(2,072,000)
Total Operational Expenditure		447,104,767	157,672,448

41. Financial Risk Management

The University's activities expose it to a variety of financial risks including credit and liquidity risks and effects of changes in foreign currency. The University's overall risk management programme focuses on unpredictability of changes in the business environment and seeks to minimise the potential adverse effect of such risks on its performance by setting acceptable levels of risk. The University does not hedge any risks and has in place policies to ensure that credit is only extended to customers with an established credit history. KAFU's financial risk management objectives and policies are detailed below:

i) Credit risk

KAFU has exposure to credit risk, which is the risk that a counterparty will be unable to pay amounts in full when due. Credit risk arises from cash and cash equivalents, and deposits with banks, as well as trade and other receivables and available-for-sale financial investments. Management assesses the credit quality of each customer, taking into account its financial position, past experience and other factors. Individual risk limits are set based on internal or external assessment in accordance with limits set by the directors. The amounts presented in the statement of financial position are net of allowances for doubtful receivables, estimated by the University's management based on prior experience and their assessment of the current economic environment.

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The carrying amount of financial assets recorded in the financial statements representing the University's maximum exposure to credit risk without taking account of the value of any collateral obtained is made up as follows:

Description	Total amount	Fully performing	Past due	Impaired
	Kshs	Kshs	Kshs	Kshs
As at 30th June 2025				
Receivables from exchange transactions	190,555,226	190,555,226	0	0
Receivables from non-exchange transactions	0	0	0	0
Bank balances	293,197,847	293,197,847	0	0
Total	483,753,073	483,753,073	0	0
As at 30th June 2024				
Receivables from exchange transactions	32,885,862	32,885,862	0	0
Receivables from non-exchange transactions	32,730,470	32,730,470	0	0
Bank balances	330,934,194	330,934,194	0	0
Total	396,550,526	396,550,526	0	0

The customers under the fully performing category are paying their debts as they continue trading. The credit risk associated with these receivables is minimal and the allowance for uncollectible amounts that KAFU has recognised in the financial statements is considered adequate to cover any potentially irrecoverable amounts. The University has significant concentration of credit risk on amounts due from students (receivables from exchange transactions). The University Council sets the University's credit policies and objectives and lays down parameters within which the various aspects of credit risk management are operated.

ii) Liquidity risk management

Ultimate responsibility for liquidity risk management rests with the University's Council, who have built an appropriate liquidity risk management framework for the management of the University's short, medium and long-term funding and liquidity management requirements. KAFU manages liquidity risk through continuous monitoring of forecasts and actual cash flows. The table below represents cash flows payable by the University under non-derivative financial liabilities by their remaining contractual maturities at the reporting date. The amounts disclosed in the table are the contractual undiscounted cash flows. Balances due within 12 months equal their carrying balances, as the impact of discounting is not significant.

Description	Less than 1 month	Between 1-3 months	Over 5 months	Total
	Kshs	Kshs	Kshs	Kshs
As at 30th June 2025				
Trade payables	(1,162)	-	-	(1,162)
Current portion of borrowings				
Provisions	18,090,856	-	7,512,339	25,603,195
Deferred income	391,487	-	-	
Employee benefit obligation	-	-	-	-

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Description	Less than 1 month	Between 1-3 months	Over 5 months	Total
	Kshs	Kshs	Kshs	Kshs
Total	18,481,181		7,512,339	25,602,033
As at 30th June 2024				
Trade payables	(1,163)	-	-	(1,163)
Current portion of borrowings	-	-	-	-
Provisions	4,005,698	-	10,870,090	-
Deferred income	548,295	-	-	-
Employee benefit obligation	-	-	-	-
Total	4,552,830	-	10,870,090	-

iii) Market risk

The University has put in place an internal audit function to assist it in assessing the risk faced by the University on an ongoing basis, evaluate and test the design and effectiveness of its internal accounting and operational controls. Market risk is the risk arising from changes in market prices, such as interest rate, equity prices and foreign exchange rates which will affect the University's income or the value of its holding of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return. Overall responsibility for managing market risk rests with the Audit and Risk Management Committee.

The University's Risk Management Committee is responsible for the development of detailed risk management policies (subject to review and approval by the University Council) and for the day-to-day implementation of those policies. There has been no change to the KAFU's exposure to market risks or the manner in which it manages and measures the risk.

a) Foreign currency risk

The University does not have any transactional currency exposures.

b) Interest rate risk

Interest rate risk is the risk that the University's financial condition may be adversely affected as a result of changes in interest rate levels. The University's interest rate risk arises from bank deposits. This exposes the University to cash flow interest rate risk. The interest rate risk exposure arises mainly from interest rate movements on the University's deposits.

Management of interest rate risk

To manage the interest rate risk, management has endeavoured to bank with institutions that offer favourable interest rates. However, the University's bank accounts are currently held in deposits.

Sensitivity analysis

The University analyses its interest rate exposure on a dynamic basis by conducting a sensitivity analysis. This involves determining the impact on profit or loss of defined rate shifts. The sensitivity analysis for interest rate risk assumes that all other variables, in particular foreign exchange rates, remain constant.

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The University's bank accounts are held in deposits and not savings, hence not affected by fluctuations in interest rates.

Fair value of financial assets and liabilities

a) Financial instruments measured at fair value.

Determination of fair value and fair values hierarchy

The University does not hold any financial instrument.

iv) Capital Risk Management

The objective of the University's capital risk management is to safeguard the Entity's ability to continue as a going concern. KAFU's capital structure comprises of the following funds:

Description	2024/2025	2023/2024
	Kshs	Kshs
Revaluation Reserve	402,555,344	401,068,344
Retained Earnings	286,064,846	168,516,749
Capital Reserve	1,019,337,426	898,252,796
Total Funds	1,707,957,616	1,467,837,889
Total Borrowings	-	-
Less: Cash and Bank Balances	(293,197,847)	(330,934,194)
Net Debt/(Excess Cash And Cash Equivalents)	(293,197,847)	(330,934,194)
Gearing	0%	0%

42. Related Party Disclosures

Nature of related party relationships

Entities and other parties related to the University include those parties who have ability to exercise control or exercise significant influence over its operating and financial decisions. Related parties include management personnel, their associates and close family members.

Government of Kenya

The Government of Kenya is the principal shareholder of the Kaimosi Friends University, holding 100% of the KAFU's equity interest.

Other related parties include:

- i) State Department for Higher Education and Research
- ii) KAFU Council.
- iii) KAFU key management

Description	2024/2025	2023/2024
	Kshs	Kshs
Transactions with related parties		
a) Grants /transfers from the government		
Grants from national govt.	353,501,087	390,660,246
Total	353,501,087	390,660,246

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Description	2024/2025	2023/2024
	Kshs	Kshs
b) Key management compensation		
Council emoluments	18,045,872	14,851,969
Compensation to key management	38,100,277	31,216,423
Total	56,146,149	46,068,392

N/B: Key Management includes the Vice Chancellor, Deputy Vice Chancellor- AFP& D and Deputy Vice Chancellor- ASA&R.

43. Segment Information

Kaimosi Friends University does not operate in different geographical regions other than the Main Campus, and therefore segmental reporting does not apply.

44. Capital Commitments

Capital Commitments	2024/2025	2023/2024
	Kshs	Kshs
Authorised and contracted for	959,964,717	1,096,350,570
Total	959,964,717	1,096,350,570

45. Events after the Reporting Period

There were no material adjusting and non-adjusting events after the reporting period.

46. Ultimate And Holding Entity

Kaimosi Friends University is a Semi- Autonomous Government Agency under the Ministry of Education. Its ultimate parent is the Government of Kenya.

47. Currency

The financial statements are presented in Kenya Shillings (Kshs) rounded to the nearest Kshs.

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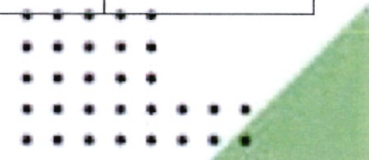
20. Appendices

Appendix 1: Implementation Status of Auditor-General's Recommendations

The following is the summary of issues raised by the external auditor, and management comments that were provided to the auditor.

FY 2023-2024

Reference No. on the external audit Report	Issue / Observations from Auditor	Management Comments	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
Basis for Qualified Opinion				
Receivables from Exchange Transactions	The statement of financial position reflects a net balance of Kshs. 32,885,865 in respect of receivables from exchange transactions which as disclosed in Note 20 to the financial statements reflects gross student debtors of Kshs. 35,899,783 out of which student debtors amounting to Kshs. 11,377,043 has been outstanding for a period of over one (1) year. No reason were given for failure to collect these student debts. This was contrary to paragraph 8.8.3,2022 of the University Finance Policy on student debtors which states that all student debtors must clear their outstanding accounts by the fourth week of the semester. In the circumstances, the completeness and recoverability of the balance of Ksh 11,377,043 in respect of student debtors is doubtful.	Management will continue to enforce the implementation of the fee policy. The revised fee policy gives students stipulated timelines upon which 100% of fees payable by the students must be cleared.	ONGOING	
Emphasis of matter				
Budgetary Control and Performance	The statement of comparison of budget and actual amounts reflects final revenue budget and actual revenue on comparable basis of Kshs. 785,660,246 and Kshs. 802,606,753 respectively, resulting to an excess revenue of	The University received the supplementary II budget towards the end of the financial year making it difficult to absorb the funds since the PFM Regulation 2015 section 51(1) stipulate	ONGOING	



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Reference No. on the external audit Report	Issue / Observations from Auditor	Management Comments	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
	Kshs. 16,946,507 or 2% of the budget. Similarly, the University had an expenditure budget of Kshs. 785,660,246 against actual expenditure of Kshs. 641,029,352 resulting to under-expenditure of Kshs. 144,630,894 or 18% of the budget. The under expenditure affected the planned activities and might have impacted negatively on service delivery to the public.	that no commitments should be made after 31 May each year.		
REPORT ON LAWFULNESS AND EFFECTIVENESS IN USE OF PUBLIC RESOURCES				
1. Delay in Completion of Library Construction	The statement of financial position and as disclosed in Note 24 to the financial statements reflects property, plant and equipment balance of Kshs. 1,160,051,362. Included in this balance is Kshs. 115,541,470 spent in respect construction of modern library whose tender No. KAFUCO/LIB/001/2021-2022 was awarded to a firm at a contract sum of Kshs. 454,697,725. The commencement and completion dates were 5 January, 2022 and 5 January, 2024 respectively and the contract period was 24 months. The completion date was revised to 29 November, 2024. However, a physical verification exercise carried out in the month of November, 2024 revealed the project is not complete and is on-going and yet the revised completion date was to elapse in three days' time from the date of physical verification. Further, and although management has explained that the project is at 49% completion state and that amounts certified to date were Kshs. 171,115,707.70 or 38% of the contract sum, the slow progress of work against the project work plan which have	The management noted that there is a slow progress of work against the projected work plan provided. However, through the contract implementation team there is deliberate attempt to ensure the contractor is monitored and issues are solved to ensure there is increased speed to complete the project. The proposed construction of the library project is currently at a completion rate of 63%. The amount certified to date is Kshs. 205,744,285.05, which accounts for 45 % of the contract sum. The extension of project time was granted to 29th August 2025 as per the approved document.	ONGOING	



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Reference No. on the external audit Report	Issue / Observations from Auditor	Management Comments	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
	<p>been extended to 29 August, 2025 may result to cost over runs. In the circumstance the low development expenditure budget and slow work progress may subsequently result into cost over runs and value for money will not be achieved.</p>			
2. Ethnic composition of employees	<p>Review of staff biodata provided revealed that out of two hundred and ten (210) staff employed by the University either on permanent or contract terms, one hundred and forty six (146) or 69.52% come from the dominant community contrary to section 7(1) and (2) of the National Cohesion and Integration Act, 2008 which stipulates that all public establishments shall seek to represent the diversity of the people of Kenya in the employment of staff, and that no public establishment shall have more than one third of its staff from the same ethnic community. In the circumstances management is in breach of the law.</p>	<p>In 2014 the University started as a College of Masinde Muliro University of Science and Technology with a total of 105 staff from one ethnic community (Luhya) who expressed interest to work in their home county. The University is striving to comply with the provisions of the National Cohesion and Integration by ensuring that during subsequent recruitment gender and ethnic balancing is adhered to. The ethnic composition of the dominant community of 69.5% is a reduction from 70% in previous year.</p>	ONGOING	
3. Wage bill exceeding allowable limit	<p>The statement of financial performance reflects employee costs totalling Kshs. 422,721,929 or 53% of total revenue amounting to Kshs. 802,606,753 contrary to regulation 26(1)(a) of the Public Finance Management (National Government) regulations, 2015 which states that compensation of employees should not exceed thirty-five (35) percent of total revenue.</p>	<p>The core mandate of the University is teaching, research and community service. Being a service institution, the University invests more in human capital in order to meet the regulatory requirements hence most of the expenditure are in human capital.</p>	ONGOING	



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Reference No. on the external audit Report	Issue / Observations from Auditor	Management Comments	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
	In the circumstances, the University Management is in breach of the law and wage bill may not be sustainable unless adequate measures are put in place to contain the rising wage bill.	Since the university is still in its initial growth, some unavoidable fixed costs such as employee expenses will be incurred regardless of the entity size. The overall percentage cost is expected to reduce proportionately as the university grows in its revenue base hence higher expenditure budget ceiling. However, this is a policy issue and the matter has been escalated to the Parent Ministry.		
4. Acting appointments beyond six Months Period	Review of the payroll and personnel records revealed that five (5) employees were serving in acting positions and had been serving in the acting capacities for periods beyond the six months contrary to Human Resource Policies and Procedures Manual for the Public Service, 2016 which states that an officer may be appointed in an acting capacity for a period of at least thirty days but not exceeding a period of six months. In the circumstances, Management was in breach of the Human Resource Policies and Procedure Manual.	The University was chartered on 2nd August 2022. Following the award of the Charter, the Vice Chancellor, Deputy Vice Chancellor (AFP&D) and Deputy Vice Chancellor (ASA&R) were appointed on acting capacity for a period of six months. Subsequently, the Public Service Commission advertised for the positions and substantive officers appointed.	RESOLVED	
REPORT ON EFFECTIVENESS OF INTERNAL CONTROLS, RISK MANAGEMENT AND GOVERNANCE				
Irregular appointment of a board member	Note 15 to the financial statement reflects a balance of Kshs. 14,851,969 in respect of council expenses. However, review of the University's council expenses revealed that one (1) of the board members was also a lecturer at Egerton University. This is contrary to a circular issued on 3	The University Council appointment was done by the Ministry through a gazette notice.	ONGOING	



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Reference No. on the external audit Report	Issue / Observations from Auditor	Management Comments	Status: <i>(Resolved / Not Resolved)</i>	Timeframe: <i>(Put a date when you expect the issue to be resolved)</i>
	February, 2016 by the chief of staff and head of public service officers to boards of state corporations. In the circumstances, the independence of the board member could not be confirmed.			



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 Prof. Peter N. Mwita, PhD

Vice Chancellor, KAFU

Date:

26/8/25



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Appendix II: Projects implemented by KAFU

Projects implemented by the State Corporation/ SAGA Funded by development the Government.

S/No	Project Title	Project Number	Donor	Period/ Duration	Donor Commit ment	Separate donor reporting required as per the donor agreement (Yes/No)	Consolidated in these financial statements (Yes/No)
1	Construction of Ultra-Modern Library and Associated Works	KAFU/LIB/001/2021-2022	GOK	104 Weeks	None	No	Yes
2	Construction of Perimeter Wall, Gates, Gatehouse, Tuition block & Associated Works	KAFU/EST/PER/002/2022-2023	GOK	156 Weeks	None	No	Yes
3	Construction of Anatomy Lab	KAFU/T/EST-ANT-LAB/40/2024/2025	GOK	24 Weeks	None	No	Yes
4	Supply, Installation, Testing and Commissioning of Biometric Kits in Classes at Kaimosi Friends University	KAFU/ICT/T04/2018-19	GOK	52 Weeks	None	No	Yes

Status of Projects completion

QUARTER 1 FY 2024-2025

SN	Project	Total project Cost	Total expended to date	Completion % to date	Budget	Actual	Sources of funds
1	Proposed Construction of Ultra-Modern Library and Associated Works	645,555,963	142,791,470	22%	108,819,594	27,250,000	GOK
2	Proposed construction of Perimeter Wall, Gates, Gatehouse, Tuition block & Associated Works	598,928,587	46,053,963	8%	57,468,175	13,461,453	GOK
3	Construction of Anatomy Lab	20,000,000	Nil	Nil	20,000,000	Nil	GOK
4	Supply, Installation and Commissioning of LPG Gas	10,000,000	8,876,471	89%	194,000	Nil	GOK
5	Supply, Installation, Testing and Commissioning of Biometric Kits in Classes at Kaimosi Friends University College	3,986,185	3,382,857	85%	Nil	Nil	GOK



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QUARTER 2 FY 2024-2025

SN	Project	Total project Cost	Total expended to date	Completion % to date	Budget	Actual	Sources of funds
1	Proposed Construction of Ultra-Modern Library and Associated Works	645,555,963	172,890,775	27%	108,819,594	57,349,305	GOK
2	Proposed construction of Perimeter Wall, Gates, Gatehouse, Tuition block & Associated Works	598,928,587	69,246,802	12%	57,468,175	36,654,292	GOK
3	Construction of Anatomy Lab	20,000,000	Nil	Nil	20,000,000	Nil	GOK
4	Supply, Installation and Commissioning of LPG Gas	10,000,000	8,876,471	89%	194,000	Nil	GOK
5	Supply, Installation, Testing and Commissioning of Biometric Kits in Classes at Kaimosi Friends University College	3,986,185	3,382,857	85%	Nil	Nil	GOK

QUARTER 3 FY 2024-2025

SN	Project	Total project Cost	Total expended to date	Completion % to date	Budget	Actual	Sources of funds
1	Proposed Construction of Ultra-Modern Library and Associated Works	645,555,963	184,186,435	29%	108,819,594	68,644,965	GOK
2	Proposed construction of Perimeter Wall, Gates, Gatehouse, Tuition block & Associated Works	598,928,587	69,246,802	12%	57,468,175	36,654,292	GOK
3	Construction of Anatomy Lab	20,000,000	Nil	Nil	20,000,000	Nil	GOK
4	Supply, Installation and Commissioning of LPG Gas	10,000,000	9,070,471	91%	194,000	194,000	GOK
5	Supply, Installation, Testing and Commissioning of Biometric Kits in Classes at Kaimosi Friends University College	3,986,185	3,382,857	85%	Nil	Nil	GOK



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QUARTER 4 FY 2024-2025

SN	Project	Total project Cost	Total expended to date	Completion % to date	Budget	Actual	Sources of funds
1	Proposed Construction of Ultra-Modern Library and Associated Works	645,555,963	205,744,015	32%	108,819,594	90,202,545	GOK
2	Proposed construction of Perimeter Wall, Gates, Gatehouse, Tuition block & Associated Works	598,928,587	90,033,208	15%	57,468,175	57,440,698	GOK
3	Construction of Anatomy Lab	20,000,000	8,742,610	44%	20,000,000	8,742,610	GOK
4	Supply, Installation and Commissioning of LPG Gas	10,000,000	9,070,471	91%	194,000	194,000	GOK
5	Supply, Installation, Testing and Commissioning of Biometric Kits in Classes at Kaimosi Friends University College	3,986,185	3,382,857	85%	Nil	Nil	GOK

N/B: Percentage completion is as per paid and certified works.



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Appendix V- Inter-Entity Confirmation Letter

Name of Transferring entity: Ministry of Education- State Department of Higher Education and Research

Name of Beneficiary entity: Kaimosi Friends University

Confirmation of amounts received by Kaimosi Friends University as at 30 th June 2025					
Reference Number	Date Disbursed	Recurrent (A)	Development (B)	Total (C)=(A+B)	Remarks
FT24226MDYC2	13 August 2024	27,445,164.40		27,445,164.40	
FT2425580RBQ	11 September 2024	27,445,164.40		27,445,164.40	
FT242829RRJ3	08 October 2024	27,445,164.40		27,445,164.40	
FT24313SKZ84	08 November 2024	27,445,164.00		27,445,164.00	
FT24340XLV3S	05 December 2024	27,445,164.00		27,445,164.00	
FT25007VMVGC	06 January 2025	27,445,165.00		27,445,165.00	
FT25006FGBQ5	07 January 2025	27,445,164.00		27,445,164.00	
FT250415WP8F	10 February 2025	27,445,164.00		27,445,164.00	
FT25072Q7HC2	13 March 2025	27,445,164.00		27,445,164.00	
FT251003T92P	10 April 2025	27,445,164.00		27,445,164.00	
FT25122TSCCS	02 May 2025	27,445,164.00		27,445,164.00	
FT25163HVVHGZ	12 June 2025	27,445,164.00		27,445,164.00	
FT251788MV34	27 June 2025	24,159,117.00		24,159,117.00	
Total		353,501,087.20		353,501,087.20	

I confirm that the amounts shown above are correct as of the date indicated.

Head of Accounts Department - Disbursing Entity:

Name Margaret Karuki Sign [Signature] Date 25/7/2025

Head of Accounts Department - Beneficiary Entity:

Name: CPA Kennedy Shibeka Sign [Signature] Date 22/07/2025





KAIMOSI FRIENDS UNIVERSITY



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