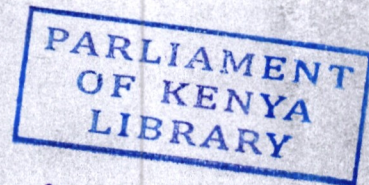


REPUBLIC OF KENYA



OFFICE OF THE AUDITOR-GENERAL



REPORT

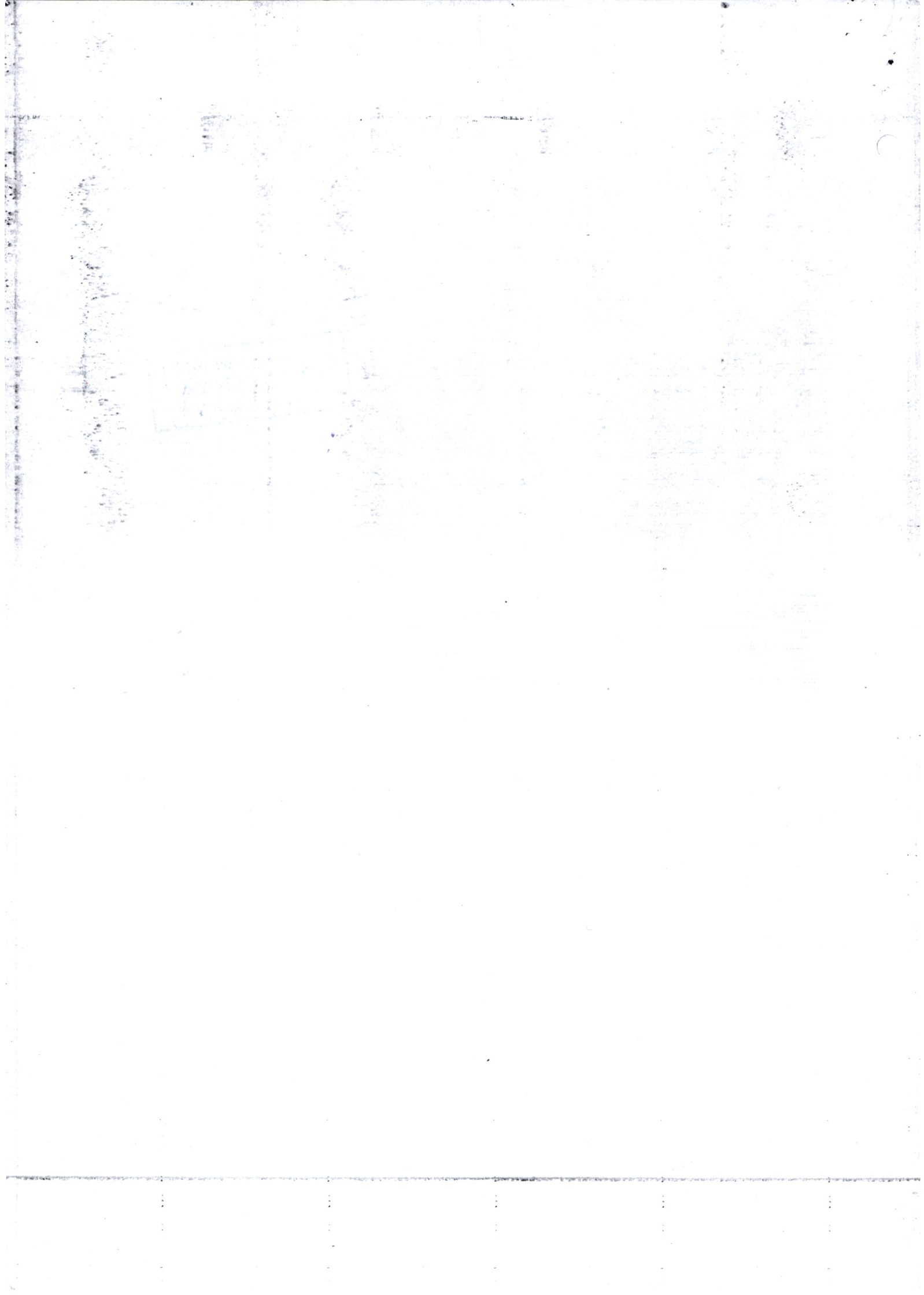
OF

THE AUDITOR-GENERAL

ON

**THE FINANCIAL STATEMENTS OF
EGERTON UNIVERSITY**

**FOR THE YEAR ENDED
30 JUNE 2015**





EGERTON UNIVERSITY

ANNUAL REPORT

&

FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR

ENDED

JUNE 30, 2015

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Egerton University is ISO 9001:2008 Certified

Egerton University Annual Report & Financial Statements for the year ended 30th June 2015

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KEY UNIVERSITY INFORMATION AND MANAGEMENT

(a) Background Information

i. Background

Egerton University is the premier Agricultural public University in Kenya. It was founded in 1939 under the name Egerton Farm School. By 1955, it was upgraded and renamed Egerton Agricultural College. It became a constituent college of the University of Nairobi in 1986 and a year later in 1987 became a fully fledged University following the Enactment of the Egerton University Act of 1987. This Act was repealed and replaced by the Universities Act No 42 of 2012.

ii. Vision

A world class University for the advancement of humanity.

iii. Mission

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

(b) Principal Activities

The Core business of the University as provided by the Universities Act No 42 of 2012 of the Laws of Kenya includes:

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

(c) Key Organs of the University

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

- University Council
- University Management Board
- The Senate

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(d) Fiduciary Management

The key management personnel who held office during the financial year ended 30th June 2015 and who had direct fiduciary responsibility are shown on page 8.

(e) Fiduciary Oversight Arrangements

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

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

(f) Headquarters Contacts

Egerton University
P.O. Box 536 - 20115, EGERTON
KENYA
Tel: (254) 051-2217891/2/051-2217781
E-mail: info@egerton.ac.ke
Website: www.egerton.ac.ke

(g) Bankers

Kenya Commercial Bank Ltd,
Egerton University Branch,
P.O. Box 248 – 20115, EGERTON

Co-operative Bank of Kenya Ltd.
P.O. Box 2982 – 20100,
NAKURU

Barclays Bank of Kenya Ltd.
P.O. Box 66- 20100
NAKURU

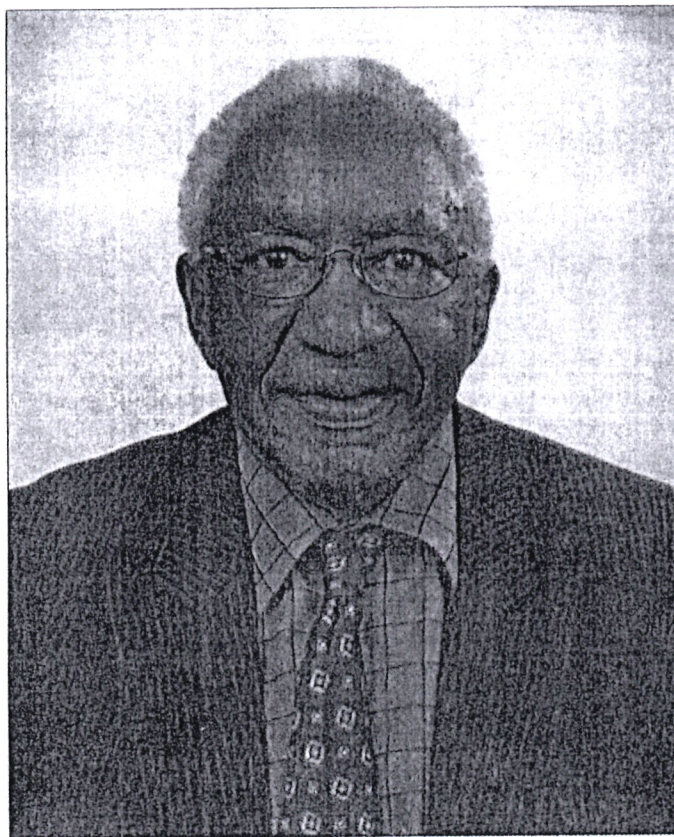
(h) Independent Auditors

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

(i)

Principal Legal Adviser
Sheth & Wathigo Advocates
Vickers Building
P.O. Box 611 – 20100
NAKURU

CHANCELLOR



PROFESSOR SHEM OYOO WANDIGA, EBS, FRSC

EBS, Frsc, B.Sc (Howard University), M.Sc. (Maryland), Ph.D (Reserve University)
YOB: 1939

WORK EXPERIENCE

A long working experience in academia, research, consultancy, administrative and advisory
UON: Professor; DVC (Administration & Finance); Principal College of Biological & Physical
Science; COD Chemistry Dept.; Snr. Lecturer; Lecturer (inorganic Chemistry.
Co-ordinator University Investment Project; Chairman Kenya National Academy of Sciences;
Chairman International Geosphere-Biosphere Programme Kenya Committee; Chairman
Constitutive Committee of African Union of Pure & Applied Chemistry and a member Kenya
Chemical Society.

Kenya's Representative to UNESCO Executive Board; Expert Consultants to UNEP; Member of
General of the International Council of Scientific Unions; Chairman Programme and External
Relations Commissions of UNESCO Executive Board; Member World Conference on Science
Case Western Reserve University & University of Maryland: Teaching Assistant.
Inter American University: Temporary Assistant Professor of Chemistry.

Just to mention a few of his expansive work experiences

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THE UNIVERSITY COUNCIL



NAME: Dr. Reardon Olubayo

YoB: 1946

POSITION/KEY RESPONSIBILITIES:

Council Chairman; Chairman of Appointments Committee

QUALIFICATION: DVM (Kiev), M.Sc (UoN), Ph.D (Utrecht)

WORK EXPERIENCE

Consultant in Research & Development, Research Scientist (ICIPE), Senior Research Scientist (KARI), Ministry of Agriculture.



NAME: Mr. Josiah Okumu

YOB: 1949

POSITION/KEY RESPONSIBILITIES:

Council Member; Chairman Planning, Development & Fund-Raising Committee; Member Finance, Human Resources & General Purpose Committee; Member Sealing & Honorary Degree Committee; Member Appointment Committee.

QUALIFICATION: B.Ed. (UON), M.Ed. (Wales)

WORK EXPERIENCE

Coordinator – Open and Distance Learning (Maseno University), Director – Kenya Institute of Special Education, Director – City Education (Nairobi), Senior Deputy Director of Education – Head of Secondary Education Division, Deputy Director of Education – Head Office, Assistant Director of Education, Deputy Provincial Education Officer – Nairobi Province, Senior Education Officer in charge of Diploma Teachers' Colleges, Education Officer I



NAME: Mrs. Joy Murithi

YOB:

POSITION/KEY RESPONSIBILITIES:

Council Member- Rep. P.S. The National Treasury Finance, Human Resources & General Purpose Committee; Audit, Governance & Risk Management Committee; Planning, Development & Fund-Raising Committee; Sealing & Honorary Degree Committee.

QUALIFICATION:

WORK EXPERIENCE



NAME: Mr. Dan N. Nguchu

YOB: 1945

POSITION/KEY RESPONSIBILITIES:

Council Member; Chairman Finance, Human Resources & General Purpose Committee; Member Planning, Development & Fund-Raising Committee; Member Appointment Committee.

QUALIFICATION: B.Sc. (Haile Sellasie), MBA (USIU).

WORK EXPERIENCE

Director - Rudan Group of Schools, Deputy Managing Director – Consolidated Bank of Kenya, Deputy General Manager – Cooperative Bank of Kenya, District Agricultural Officer – Kericho district



NAME: Mr. Paul M. Mwangi

YOB:

POSITION/KEY RESPONSIBILITIES:

Council Member - Rep. P.S. Ministry of Education, Science & Technology Finance, Human Resources & General Purpose Committee; Audit, Governance & Risk Management Committee; Tegemeo, Academic & Research Committee; Grievances Handling & Appeals Committee; Appointment Committee.

QUALIFICATION:

WORK EXPERIENCE

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NAME: Mrs. Alasa O. Hirsi
YOB: 1962

POSITION/KEY RESPONSIBILITIES:

Council Member; Chairperson Grievances Handling & Appeals Committee; Chairperson Sealing & Honorary Degree Committee; Member Audit, Governance & Risk Management Committee; Member Planning, Development & Fund-Raising Committee; Member Appointment Committee.

QUALIFICATION: Dip. Clin. Med (KMTC), HND (KMTC) MPH (Western Cape)

WORK EXPERIENCE

Consultant with UNFPA, Commissioner – Poverty Eradication Commission, Assistant Project Officer – UNICEF, Lecturer – KMTC Nairobi, District Clinical Officer – Garissa District



NAME: Dr. William K. T. Chong
YOB: 1953

POSITION/KEY RESPONSIBILITIES:

Council Member; Chairman Tegemeo, Academic & Research Committee; Member Audit, Governance & Risk Management Committee; Member Grievances Handling & Appeals Committee;

QUALIFICATION: BVM (UON), M.Sc. (Reading).

WORK EXPERIENCE

Director of Veterinary Services Kenya, Registrar – Kenya Veterinary Board, Board of Management Member: KARI, Kenya Veterinary Vaccines Production Institute, Pharmacy & Poisons Board, Faculty of Veterinary Medicine(UON) Council Member – Agricultural Society of Kenya National Permanent Delegate to the Office of International Epizootics (OIE) Paris, France



NAME: Mrs. Monica K. Kilonzo

YOB: 1951

POSITION/KEY RESPONSIBILITIES:

Council Member; Chairperson Audit, Governance & Risk Management Committee; Member Tegemeo, Academic & Research Committee; Member Grievances Handling & Appeals Committee.

QUALIFICATION: B.Ed. (UON), M.Ed. (Bristol)

WORK EXPERIENCE

Director – Kenya Institute of Special Education, Secretary General – Kenya National Commission for UNESCO, Provincial Director of Education – Nairobi Province, Principal – Highridge Teachers College, Senior Principal Administrative Officer – TSC headquarters, Principal – St. Angela’s Girls High School (Kitui), Head Teacher – Machakos Girls High School, Teacher – Machakos Boys High School



NAME: Prof. James K. Tuitoek

YOB: 1958

POSITION/KEY RESPONSIBILITIES:

Secretary to the Council; Vice Chancellor

QUALIFICATION: B.Sc. Agric. (UON), M.Sc. (Manitoba), Ph.D. (Guelph).

WORK EXPERIENCE

Vice Chancellor; Deputy VC (A&F), Full Professor, Snr Lecturer, Lecturer (Animal Nutrition Egerton University), Research Officer – KARI Naivasha

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UNIVERSITY MANAGEMENT BOARD



NAME: Prof. James K. Tuitock

YOB: 1958

POSITION/KEY RESPONSIBILITY

Vice-Chancellor

QUALIFICATION

B.Sc. Agric. (Nairobi), M.Sc. (Manitoba), Ph.D. (Guelph)

WORK EXPERIENCE

Vice Chancellor; Deputy VC (A&F), Full Professor, Snr Lecturer, Lecturer (Animal Nutrition Egerton University), Research Officer – KARI Naivasha



NAME: Prof. Rose A. Mwonya

YOB: 1950

POSITION/KEY RESPONSIBILITY

Deputy Vice-Chancellor (Academic Affairs)

QUALIFICATION

Dip (Egerton), B.Sc., M.Sc, Ph.D. (Iowa)

WORK EXPERIENCE

Egerton University: Deputy Vice-Chancellor (Academic Affairs); Dean of Students; Director Centre of Women Studies and Gender Analysis; Chairperson Dept. Of Agriculture & Home Economics; Full Professor, Associate Professor, Senior Lecturer, Lecturer



NAME: Prof. John Njenga Munene

YOB: 1958

POSITION/KEY RESPONSIBILITY

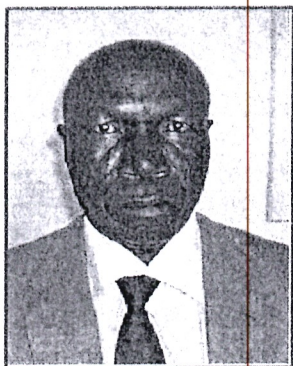
Deputy Vice-Chancellor (Administration & Finance)

QUALIFICATION

B.V.M., M.Sc., Ph.D. (U.O.N)

WORK EXPERIENCE

Egerton University: Deputy Vice-Chancellor (Academic Affairs); Full Professor; Associate Professor.
UON: Associate Professor; Senior Lecturer; Lecturer; Assistant Lecturer; Tutorial (Veterinary Clinical Studies)



NAME: Prof. John Gowland Mwangi

YOB: 1951

POSITION/KEY RESPONSIBILITY

Deputy Vice-Chancellor (Research & Extension)

QUALIFICATION

Dip (Egerton), B.Sc. M.Sc. (Georgia), Ph.D. (Ohio State)

WORK EXPERIENCE

Egerton University: Deputy Vice-Chancellor (Research & Extension); Full Professor (Agricultural Education & Extension)



NAME: Prof. Lenah Nakhone Wati

YOB: 1956

POSITION/KEY RESPONSIBILITY

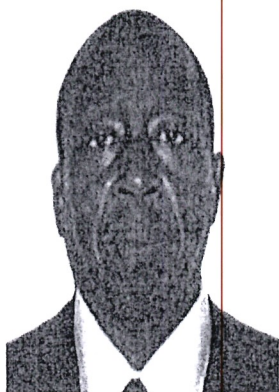
Principal (Nakuru Town Campus College)

QUALIFICATION

B. Sc., M.Sc. (U.O.N), Ph.D. (Nottingham)

WORK EXPERIENCE

Principal NTCC; Director NTC; Egerton University – Associate Prof, Snr. Lecturer, Lecturer of Soil Science; Research Officer at Kenya Marine & Research Institute Kisumu; Research assistant UON; Research Officer – National Agricultural Laboratories.



NAME: Dr. Thomas K. Serrem

YOB: 1962

POSITION/KEY RESPONSIBILITY

Registrar (Administration)

QUALIFICATION

B.Ed (Nairobi), M.Ed. (Manchester), D.Ed. (Bristol)

WORK EXPERIENCE

Egerton University – Registrar (Admin); Ag. Registrar (Admin); Deputy Registrar (Admin); Snr. Assistant Registrar (Central Services); Deputy Registrar (Academic Affairs); Snr. Assistant Registrar (Admissions); Assistant Registrar (Academic Affairs); Administrative Assistant
Marketing Representative – Xerox Kenya Ltd.

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NAME: Prof. Seth F. O. Owido

YOB: 1954

POSITION/KEY RESPONSIBILITY

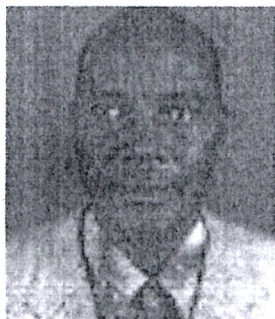
Registrar (Academic Affairs)

QUALIFICATION

B.Sc., M. Sc. (U.O.N), Ph.D. (Illinois)

WORK EXPERIENCE

Egerton University: Registrar AA; Deputy Registrar AA
Kabarak University: Acting Academic Registrar; Academic Dean
Egerton University; Director Quality Assurance; Director Board of Undergraduates; Associate Prof., Snr. Lecturer, Lecturer in Soil Physics & Water Management; COD Soil & Water Management Dept; Research Officer National Agricultural Research Laboratories.



NAME: Prof. Alfred C. Kibor

YOB: 1950

POSITION/KEY RESPONSIBILITY

Director (Research & Extension)

QUALIFICATION

B.V.M., M.Sc. (U.O.N), Ph.D. (Edinburgh)

WORK EXPERIENCE

Egerton University: Director (Research & Extension);
Associate Professor; Senior Lecturer (Veterinary Pathology, Microbiology & Parasitology)



NAME: Mr. Moses .O. Ouma

YOB: 1978

POSITION/KEY RESPONSIBILITY

Finance & Accounts Controller

QUALIFICATION

C.P.A (K), B.Agbm (Egerton), MBA (KU)

WORK EXPERIENCE

Finance & Accounts Controller - Egerton; Accountant - Kenyan Rural Roads Authority; Auditor Kenya National Audit Office; Accountant - The Mater Hospital (Nairobi)



NAME: M/s Janegrace Kinyanjui

YOB: 1967

POSITION/KEY RESPONSIBILITY

University Librarian

QUALIFICATION

BA (Egerton), MSc. (SISA-Addis Ababa)

WORK EXPERIENCE

Egerton University – University Librarian;

Kabarak University – University Librarian, Deputy University Librarian, Senior Assistant Librarian;

Egerton University – Assistant Librarian, Senior Library Assistant

CHAIRMAN'S STATEMENT

I have the pleasure to present an overview of the University performance for the year ended 30th June 2015. Notwithstanding the many challenges facing the University's operating environment, especially the presence and continuous entry of public and private universities in Nakuru and other major towns in Kenya, Egerton University continues to implement and focus on its mission and objectives.

Governance

We are focussed to position Egerton University as centre of excellence in agricultural training, research; extension services and policy formulation to promote food security as part the University's contribution towards the achievement of vision 2030 through flagship projects.

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

Financing and Policies

During the year ended 30th June 2015, Egerton University was mainly funded through the Government Capitation (49.5%) and Appropriation in Aid (A-I-A) (50.5 %) for its recurrent expenditure.

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

Dr. Reardon Olubayo, Ph.D
Chairman, Egerton University Council

VICE-CHANCELLOR'S REPORT

I have the pleasure to present the Annual Report and Financial Statements of Egerton University for the year ended June 30, 2015 as per the Universities Act 2012 and the Public Audit Act 2003.

During the year under review the University realized a surplus of Ksh 138,456,069 as compared with surplus of Ksh 448,812,768 for the year ended June 30, 2014. The University has continued to expand its financial resource base and generated increased levels of appropriation in Aid (A-I-A) over the last four years as shown in the table and figure below.

Income

INCOME TRENDS IN KSHS "000"

Income Type	June 2012	June 2013	June 2014	June 2015
Revenue from Exchange Transactions	1,144,185	2,123,568	2,413,910	2,134,677
Revenue from Non-Exchange Transactions	2,290,584	2,818,921	3,359,894	3,462,722
Total Income	3,434,769	4,942,489	5,773,804	5,597,399

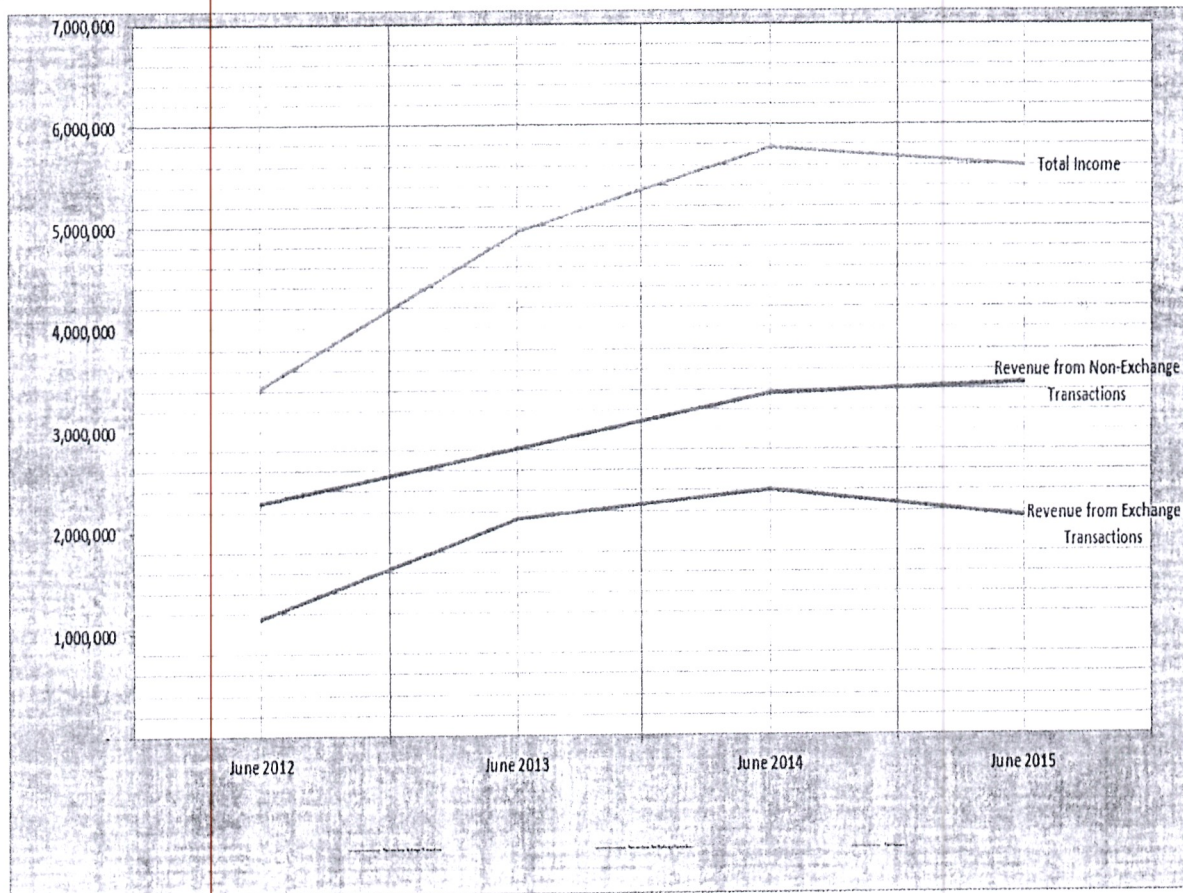


Figure 1-Income Trends

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Expenditure

Personnel emoluments continued to comprise the largest part of the expenditure during the year at 56% of total expenditure while all other expenses constituted the balance of 44%. The table below shows the expenditure trends over the last five years. Overall total expenditure has been rising steadily over the last four years.

EXPENDITURE TRENDS IN KSHS "000"

Expenditure Type	June 2012	June 2013	June 2014	June 2015	Proportion
Staff Costs	2,093,121	2,505,903	3,213,145	3,082,057	56%
Other Expenses	1,332,925	1,626,804	2,111,846	2,376,887	44%
Total Expenses	3,426,046	4,132,707	5,324,991	5,458,943	100%

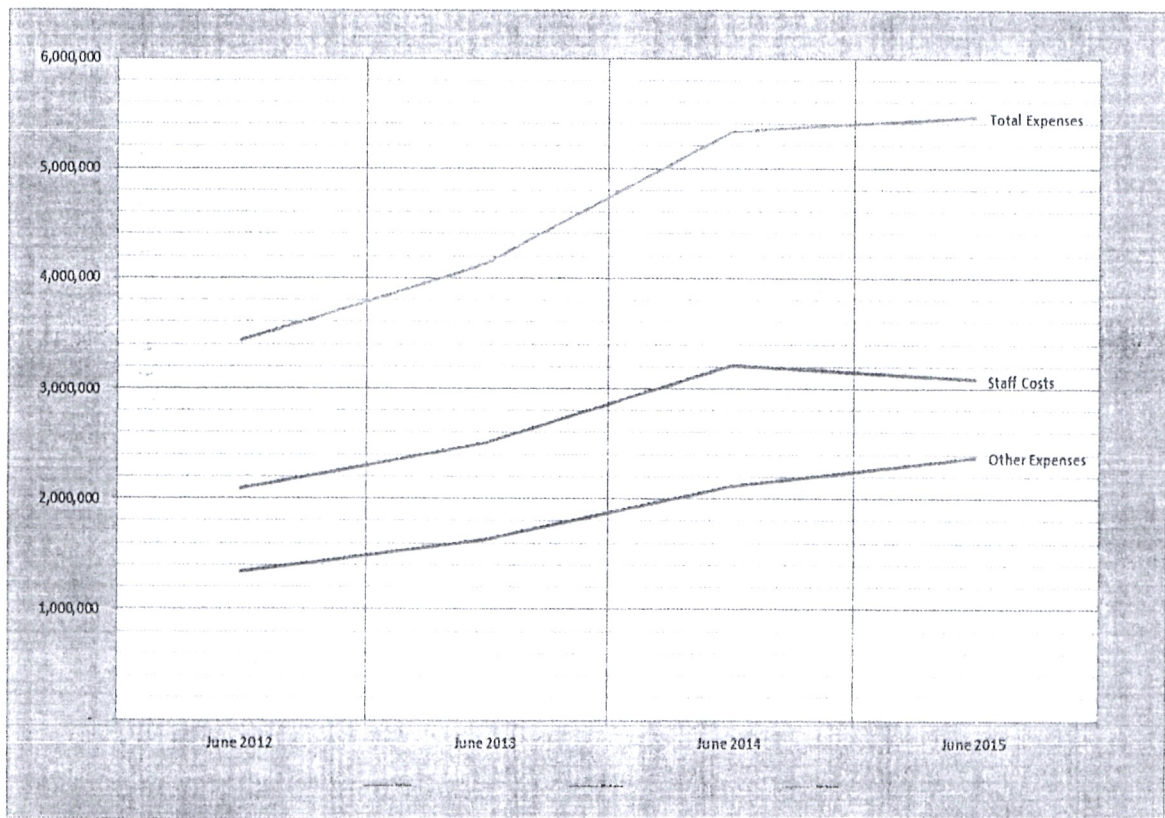


Figure 2-Expenditure Trends

Total Income versus Total Expenditure

The relationship between income and expenditure is as shown in figure 3. Significant surpluses have been realised in the last four years.

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INCOME AND EXPENDITURE TRENDS OVER THE LAST FOUR YEARS				
Income/Expenditure	June 2012	June 2013	June 2014	June 2015
Total Income	3,434,769	4,942,489	5,773,804	5,597,399
Total Expenditure	3,426,046	4,132,707	5,324,991	5,458,943

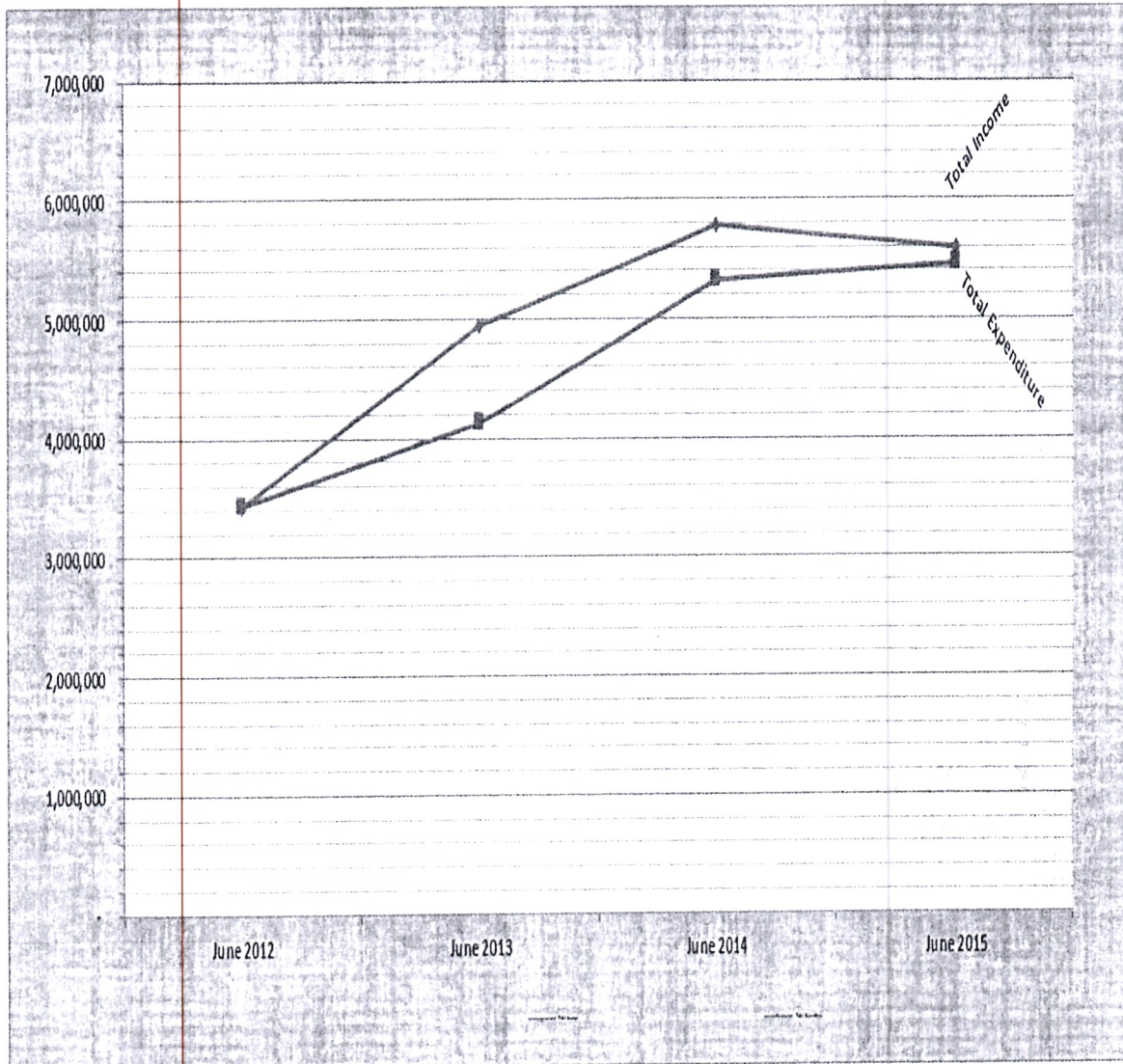


Figure 3-Relationship between Total Income and Total Expenditure

Property, Plant & Equipment

The University's Property Plant and Equipment has also grown overtime as shown in the table below.

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Type of Property	PROPERTY, PLANT & EQUIPMENT-NET BOOK VALUES IN KSHS "000"		
	Ksh "000"	Ksh "000"	Ksh "000"
	Land & Buildings	W.I.P	Other Assets
Jun-12	1,055,826	2,472,661	190,236
Jun-13	2,796,293	590,458	309,393
Jun-14	2,931,957	1,115,261	218,499
Jun-15	3,449,562	809,501	174,448

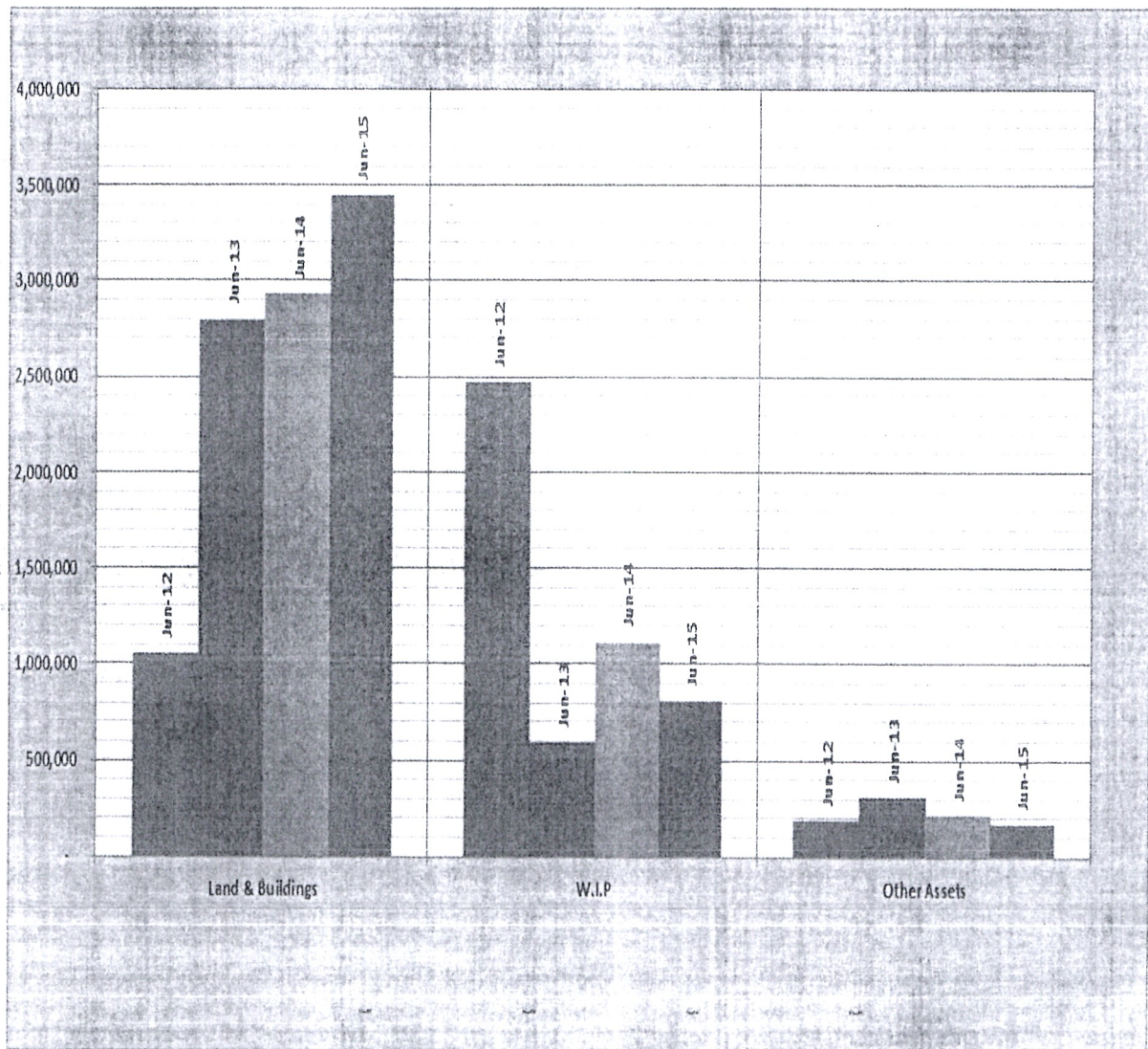


Figure 4-Property, Plant & Equipment

Working Capital

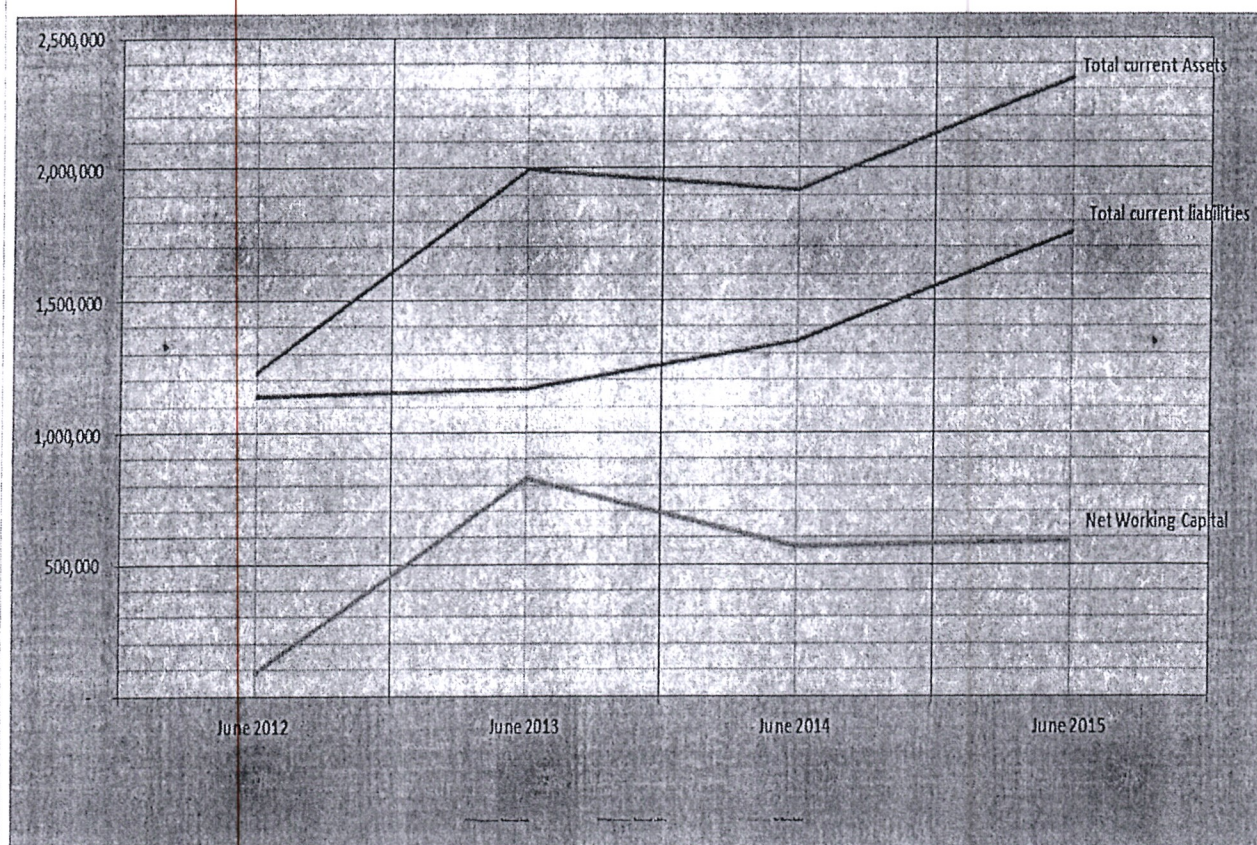
The University has had a healthy Working capital position with positive net current assets position over the years as shown below:

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WORKING CAPITAL IN KSHS "000"

	Ksh "000"	Ksh "000"	Ksh "000"	Ksh "000"
Working Capital	June 2012	June 2013	June 2014	June 2015
Total current Assets	1,228,162	1,993,066	1,915,096	2,345,076
Total current liabilities	1,141,361	1,167,590	1,347,699	1,758,625
Net Working Capital	86,801	825,477	567,396	586,450



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

Finally I would like to express my gratitude to the University Council for providing enabling Policy Guidelines and the entire University staff and Students who worked tirelessly to ensure successful and smooth operations of the University during the year 2014/2015.

Thank you.

Prof. Rose A. Mwonya, PhD.
VICE-CHANCELLOR

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CORPORATE GOVERNANCE STATEMENT

COMMITTEES OF COUNCIL

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

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

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

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

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

The Council has eight committees namely:

The Terms of Reference for the Committees of Council are:

1. Finance, Investment and General Purposes Committee

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

2. Audit, Governance and Risk Management Committee

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

3. Building, Planning & Development Committee

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

4. Academic and Research Committee

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

5. Grievances, Handling and Appeals Committee

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

6. Sealing and Honorary Degree Committee

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

7. Appointments Committee

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

8. Tegemeo Institute of Agricultural Policy and Development Committee

The Committee has the responsibility to: Provide stewardship and ensure alignment of Institute

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

Council Meetings Attendance Financial Year 2014/2015

a) Attendance – 8th July 2014 to 5th November 2014

No.	Council Member	AC	PDF	FHR&GP	CM	AG&RM	TA&R	GHA	CMVEUCP	FHR&GP	AC for FP	TA&R
		8/7/14	21/7/14	22/7/14	5/8/14	11/9/14	12/9/14	25/9/14	25/9/14	26/9/14	22/10/14	5/11/14
1	Paul M Mwangi	X		X	X	X	X	X		X	X	
2	Josiah O Okumu		X	X	X				X	X		
3	Dan Nguri Nguchu		X	X	X				X	X		
4	DR.Reardon Olubayo				X						X	
5	Alasa Hirsi				X	X		X				
6	Dr William K Toroitich Chong				X	X	X	X			X	X
7	Monica K kilonzo				X	X	X	X			X	X
8	Joy Murithi					X						
9	James K Tuitoek		X	X	X	X	X		X	X	X	

b) Attendance – 6th November 2014 to 23rd January 2015

No.	Council Member	AG&RM 6/11/14	PDF 7/11/14	VCPPPC 24/11/14	SC 24/11/14	CM 25/11/14	GC 5/12/14	C&UMBTA 10/12/14	CM 14/12/14	FAP&AT 15 18/12/14	PDF 22/1/15	FHR&GP 23/1/15
1	Paul M Mwangi	X		X		X	X		X	X		X
2	Josiah O Okumu		X	X	X	X	X	X	X	X	X	X
3	Dan Nguri Nguchu		X	X		X	X		X	X	X	X
4	DR.Reardon Olubayo		X	X		X	X	X	X	X	X	X
5	Alasa Hirsi	X	X	X	X	X	X		X	X	X	
6	Dr William K Toroitich Chong	X		X		X	X		X	X		
7	Monica K kilonzo	X		X		X	X		X	X		
8	Joy Murithi	X	X	X	X	X			X	X	X	
9	James K Tuitoek	X	X	X	X	X	X		X	X	X	X

c) Attendance – 29th January 2015 to 26th March 2015

No.	Council Member	CM 29/1/15	LofE 29/1/15	EMCC 7/2/15	TA&R 13/2/15	GHA 24/2/15	AC for AP 24/2/15	AG&RM 25/2/15	AC for SL 23/3/15	CMFVNR 24/3/15	CMTRR 25/3/15	SCM 26/3/15
1	Paul M Mwangi	X	X	X			X	X	X	X	X	X
2	Josiah O Okumu	X	X	X						X	X	X
3	Dan Nguri Nguchu	X	X	X						X	X	X
4	DR.Reardon Olubayo	X	X	X						X	X	X
5	Alasa Hirsi	X	X	X		X		X		X	X	X
6	Dr William K Toroitich Chong	X	X	X	X	X		X		X	X	X
7	Monica K kilonzo	X	X		X	X				X	X	X
8	Joy Murithi	X	X					X		X	X	X
9	James K Tuitoek	X	X	X	X		X	X			X	X

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Egerton University Annual Report & Financial Statements for the year ended 30th June 2015

d) Attendance – 15th April 2015 to 19th June 2015

No.	Council Member	AG&RM	AG&RM	PDF	AC for SL	AC for EM	TA&R	FHR&GP	PDF	AC for DCPO	CEM	CM	SC	ORD	GC
		15/4/15	16/4/15	17/4/15	29/4/15	6/5/15	13/5/15	14/5/15	15/5/15	18/5/15	28/5/15	29/5/15	12/6/15		19/6/15
1	Paul M Mwangi	X	X		X	X	X	X		X	X	X			X
2	Josiah O Okumu			X				X	X		X	X	X	X	X
3	Dan Nguri Nguchu			X				X	X		X	X			X
4	DR.Reardon Olubayo						X	X			X	X			X
5	Alasa Hirsi	X	X	X					X		X	X	X	X	X
6	Dr William K Toroitich Chong	X	X				X				X	X			X
7	Monica K kilonzo	X	X				X				X	X			X
8	Joy Murithi	X	X	X				X	X						X
9	James K Tuitoek	X	X	X		X	X	X	X	X	X	X			

Key	Description
1 AC	- Appointment Committee
2 PDF	- Planning Developments & Fund raising Committee
3 FHR&GP	- Finance, Human Resources & General Purposes Committee
4 CM	- Council meeting
5 AG&RM	- Audit, Governance & Risk Management Committee
6 TA&R	- Tegemeo, Academic & Research Committee
7 GHA	- Grievances Handling & Appeals Committee
8 CMVEUCP	- Council Members Visit to Egerton University Capital Projects
9 VCPPPC	- Visiting Capital Projects & Presentation of Performance Contract
10 SC	- Sealing Committee
11 GC	- Graduation Ceremony
12 C&UMBTA	- Council & UMB members Tour of Areas
13 FAP&AT	- Finance, Audit, Procurement & audit Training
14 L of E	- Launching of Elearning
15 EMCC	- Egerton- Mau Cross country
16 AC for AP	- Appointment Committee for Associate Professors
17 AC for SL	- Appointment Committee for Senior Lecturers
18 CMFVNR	- Council Members Visit to Vision 2030 Njoro River Rehabilitation
19 CMTRR	- Council Members Training on Risk Register
20 SCM	- Special Council Meeting
21 AC for EM	- Appointment Committee for Estate Manager
22 AC for DCPO	- Appointment Committee for Deputy Chief Procurement Officer
23 CEM	- Council Evaluation Meeting
24 ORD	- Open Recognition Day
25 PCN	- Performance Contract Negotiation

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CORPORATE SOCIAL RESPONSIBILITY STATEMENT

1. Seeds of Gold Magazine

a. Background

The Seeds of Gold Magazine published by the Nation Media Group every Saturday since its launch on the February 15th, 2014 is a farmers' knowledge sharing magazine. Egerton University is contributing to the Magazine through writing of articles and providing expert answers to questions posted to the Magazine by readers of the magazine. In addition to offering expert answers posed by readers and farmers, 24 articles have been published, authored by staff from various faculties: Agriculture Veterinary Medicine, Sciences and Environment with more participation by the Agriculture and Veterinary Medicine faculties.

b. Inaugural 2014 CAPA Award of Excellence for Outstanding Contribution to Agribusiness Development in Africa Conferred on Seeds of Gold Magazine

The Commonwealth Association of Polytechnics in Africa (CAPA) recently initiated the inauguration of annual Awards of Excellence for Outstanding Contribution to Technical Education and Socio-economic Development in Africa. For the inaugural 2014 Award, the focus was on significant contributions made towards the development of Agribusiness, in support of the launching of Year 2014 as 'Africa's Year of Agriculture and Food Security' by the African Union (AU) heads of state.

The Seeds of Gold Magazine was one of the two selected winners for the inaugural 2014 CAPA Awards of Excellence in Agribusiness. The Award was conferred to the Nation Media Group (NMG) as the publisher and the NMG invited Egerton University, a partner in the publication of the magazine, to share acceptance of the Award at the Imperial Resort Beach Hotel in Entebbe, Uganda on the 9th December 2014. Prof Bebe, the Deputy Director of Extension and Outreach, representing Egerton University, joined Mr Tim Wanyonyi of the NMG in receiving and acknowledging the Award.

In conferring the CAPA Award, the secretary General (SG) of CAPA singled out Seeds of Gold weekly publication for the high quality and impact on promoting agricultural ventures, youth employment and economic development. The SG invited both Mr Wanyonyi of NMG and Prof Bebe of Egerton University to make Award acceptance speech to the audience of CAPA membership.

c. Seeds of Gold TV Series

In order to enhance the reach o farmers, the University during the Financial Year 2014/2015, launched the "*Seeds of Gold*" TV series which airs on Nation Television twice a week on Wednesday 10:00PM and Saturdays 6:00PM.

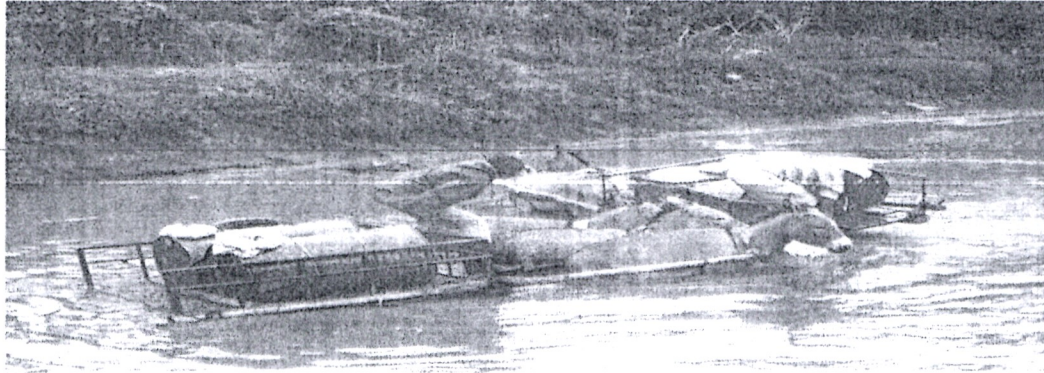
2. Rehabilitation of the Mau River Njoro and the Mau Escarpment

This is a vision 2030 flagship project. During the year 2014/2015, the University:

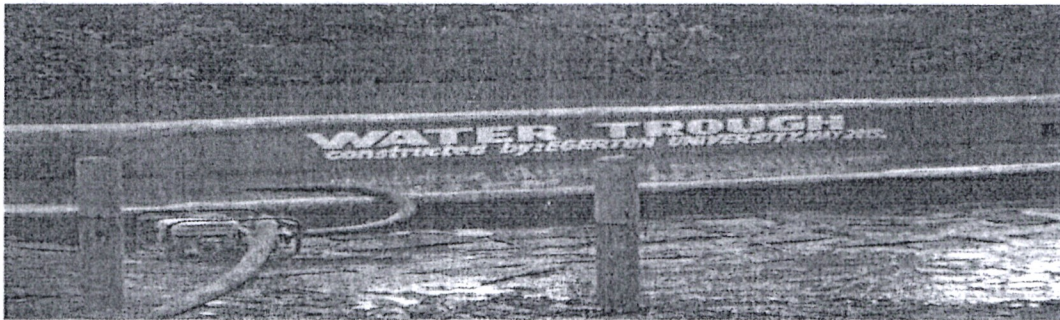
a. Constructed one (1) water point for the community and animals along River Njoro.

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Part 1: Turkana flats site in January 2015 before construction of the water trough

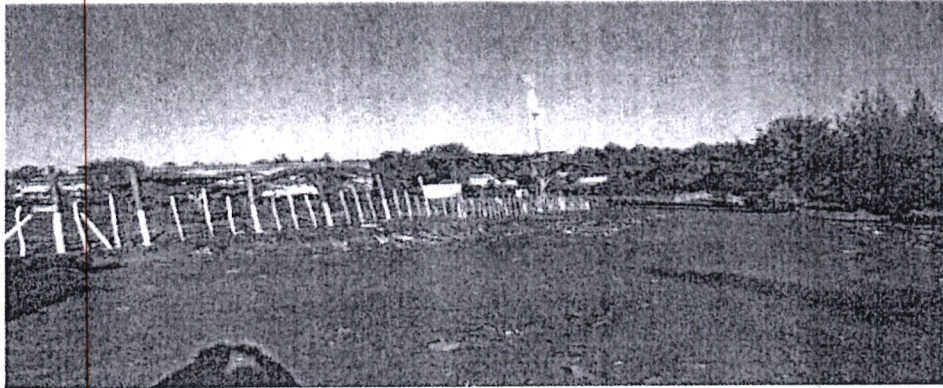


Part 2: Completely branded watering trough in May 2015.

b. Rehabilitated a dump site near the banks of the river:



Part 1 Dump site as at 10th May 2015 before bulldozer descended on it.



Part 2. View of a cleaned and fenced dumpsite in June 2015.

c. Planted 86,000 Tree Seedlings at the source of River Njoro



Council members planting tree seedlings at Entiyani, the source of the Njoro River on 24th March 2015.

d. Successfully organised the second Mau-Egerton Cross Country at Njoro Campus

This is an annual event organised by the University to create awareness about the need to conserve the environment and mobilise resources for the rehabilitation of the Mau Escarpment and Njoro River.

The event was held on 7th February 2015 and attracted thousands of athletes from across the country. The event helped to raise over 8.6 million towards environmental conservation and attracted corporate participants like Nation Media Group, Kenya Commercial bank among others.

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REPORT OF THE DIRECTORS

The Council submits their report together with the financial statements for the year ended June 30, 2015 which show the state of the University's financial affairs.

Principal activities

The principal activities of the University are shown on page 3.

Results

The results of the University for the Year ended June 30, 2015 are set out on page 23.

Directors

The members of the University Council who served during the year are shown on page 6 & 7.

Auditors

The Auditor General is responsible for the statutory audit of the University in accordance with the Part III of the Public Audit Act 2003.

By order of the Council

STATEMENT OF UNIVERSITY COUNCIL RESPONSIBILITY

Part III of the Public Audit Act, 2003, requires the Council 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 *University*. The Council is also responsible for safeguarding the assets of the *University*.

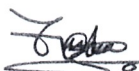
The Council is responsible for the preparation and presentation of the *University's* financial statements, which give a true and fair view of the state of affairs of the *University* for and as at the end of the financial year (period) ended on June 30, 2015. This responsibility includes: (i) maintaining 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 Directors accept responsibility for the *University'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 Public Audit Act 2003. 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, 2015, and of the *University's* financial position as at that date. The Directors further confirm the completeness of the accounting records maintained for the *University*, which have been relied upon in the preparation of the *University's* financial statements as well as the adequacy of the systems of internal financial control.

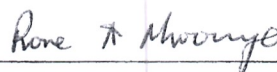
Nothing has come to the attention of the Council to indicate that the *University* will not remain a going concern for at least the next twelve months from the date of this statement.

Approval of the financial statements

The *University's* financial statements will be approved by the Council on 29h September 2015 and signed on its behalf by:



for Mr. Dan N. Nguchu
Chairman, Council Finance Committee



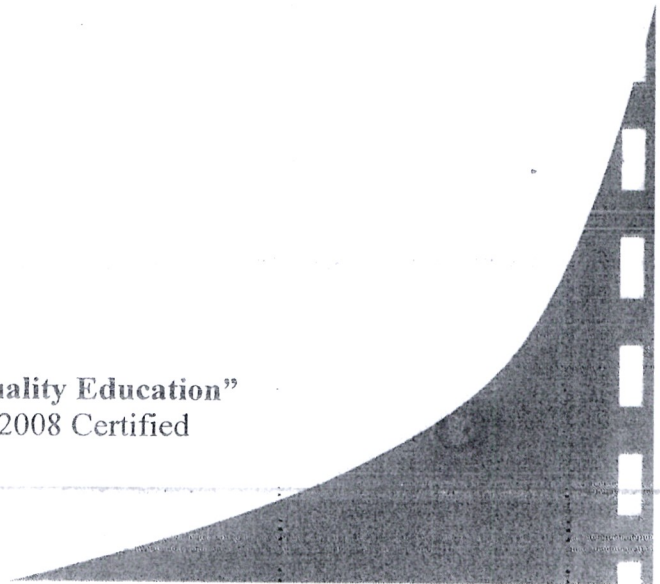
Prof. Rose A. Mwonya, PhD
Vice Chancellor

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**REPORT OF THE INDEPENDENT AUDITORS ON THE EGERTON
UNIVERSITY**

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P.O. Box 30084-00100
NAIROBI

OFFICE OF THE AUDITOR-GENERAL

REPORT OF THE AUDITOR-GENERAL ON EGERTON UNIVERSITY FOR THE YEAR ENDED 30 JUNE 2015

REPORT ON THE FINANCIAL STATEMENTS

I have audited the accompanying financial statements of Egerton University set out on pages 31 to 69, which comprise the statement of financial position as at 30 June 2015, and the statement of comprehensive income, statement of changes in net assets and statement of cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information in accordance with the provisions of Article 229 of the Constitution of Kenya and Section 14 of the Public Audit Act, 2003.

Management Responsibility for the Financial Statement

Management is responsible for the preparation and fair presentation of these financial statements in accordance with the provisions of International Public Sector Accounting Standards (Accrual Basis) and for such internal control as the management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

The management is also responsible for the submission of the financial statements to the Auditor-General in accordance with the provisions of Section 13 of the Public Audit Act, 2003.

Auditor-General's Responsibility

My responsibility is to express an opinion on these financial statements based on the audit and report in accordance with the provisions of Section 15 of the Public Audit Act, 2003 and submit the audit report in compliance with Article 229 (7) of the Constitution. The audit was conducted in accordance with International Standards of Supreme Audit Institutions (ISSAIs). Those standards require compliance with ethical requirements and that the audit be planned and performed to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors judgement, including the assessment of the risks of material misstatement of the financial statements, whether to due fraud or error. In making those risk assessments the auditor considers internal control relevant to the entity's preparation

Report of the Auditor-General on Egerton University for the year ended 30 June 2015

and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the University's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the management, as well as evaluating the overall presentation of the financial statements.

Because of the matters described in the Basis of Disclaimer of Opinion paragraph, however, I am not able to obtain sufficient appropriate audit evidence to provide a basis for an opinion.

Basis for Disclaimer of Opinion

1. Tuition Fees

The statement of financial performance for the year ended 30 June 2015 reflects revenue from tuition and related fees totaling Kshs.1,923,888,131, being an increase of Kshs.16,056,497 from Kshs.1,907,831,634 realized in 2014. However, although the University provided tuition fee summary schedules and ledgers, the University did not provide comprehensive student population data showing the enrolment on annual basis, registered students per program, school, faculty or department and the number of units registered per student. In the absence of this vital data, we could not validate the accuracy of tuition fees reported in the financial statement.

2. Student Damages Charges

Note 5 to the financial statements reflects property damage charges paid by students totaling Kshs.36,086,507 realized as a result of December 2014 student unrest. The University's estate department through letter reference EU/AF/EST/002 of 23 January 2015 assessed the damages and sought approval of Kshs.31,719,089 to complete repairs of buildings. Documents presented for audit review indicated that the university entered into two contracts on the 14 April 2015 and 4 November 2014 for renovation of new kitchen, students center and Tatton Business Center for Kshs.8,367,964.50 and the other contract of Kshs.10,263,912 for renovation of lecture halls. The contracts totaled Kshs.18,318,876.50 in value resulting in unaccounted for difference of Kshs.17,767,630.50 from the sum of Kshs.36,086,507 from the students. The contract for renovation of lecture halls by M/s Build Venture Enterprises for Kshs.10,263,912 was signed on 4 November 2014 and the strike took place on 6 December 2014. Therefore, it is not clear how the firm was awarded the contract for repair of the lecture halls before the strike in which they are reported to have been damaged. In addition, bills of quantities and the evaluation report used to award the contracts was not presented for audit review. In addition, audit examination revealed that the University paid a further Kshs.8,025,319 as compensation for damages to private properties. However, there was no assessment report on how the damages to private business owners' claims of Kshs.8,025,319 were arrived at.

In the circumstance, the sum of Kshs.36,086,507 paid by the students for damage of property could not be confirmed as having been properly accounted for.

3. Cash and Bank Balances

Review of bank reconciliation statements as at 30 June 2015 revealed un-receipted bank deposit slips totaling Kshs.153,969,063.65. Some of the slips were issued in January 2013. According to the University's revenue recognition policy, student fees are recognized as revenue after the student presents the respective bank deposit slip for registration and therefore, the corresponding tuition fees revenue has not been recognized. The explanation given appears illogical because the unique character in banking slip is the student admission number that interface with the registration every semester. Further, one copy of deposit slip should be sent to the university directly and the bank statement clearly identifies the students as they pay their respective fees.

Under the circumstances, the accuracy of cash and bank balance could not be confirmed.

4. Inventory

The statement of financial position as at 30 June 2015 reflects inventories valued at Kshs.52,354,195, which, however, is a downward revision of a figure of Kshs.68,675,910 reflected in the signed financial statements presented earlier for audit. However, the decrease in the amount from Kshs.68,675,910 to Kshs.52,354,195 has not been supported by journal entries confirming the adjustments and the reasons thereof.

In the circumstance, the reported inventories figure of Kshs.52,354,195 could not be confirmed as fairly stated.

5. Outstanding Imprest

The receivables from exchange transaction balance as at 30 June 2015 includes overdue imprests totaling Kshs.141,269,214. Although the University's policy provides that imprests should be surrendered within one month from the due date, some of the balances have been outstanding since the year 1994. The University management have not provided any plausible reason for delay in surrender of the imprests.

In the circumstance, therefore the recoverability of the receivables from exchange transactions with respect to imprest could not be confirmed.

6.0 Debtors

6.1. Student Debtors

Note 18 (a) to the financial statements reflects receivables from exchange transactions balance of Kshs.1,601,876,608 as at 30 June 2015. Included in the balance is Kshs.978,059,934 in respect of student debtors. However, data relating to how much each student was expected to pay as per the respective programme or course fees, amount paid by each student and the balance thereof was not provided. The University did not provide aging analysis of the student's debtors and the criteria that was used in making provision for bad debts.

In the circumstance, the reported student debtors' balance of Kshs.978,059,934 could not be confirmed as true and fair.

6.2 Provision for Bad Debts

Note 18 (b) to the financial statements reflects provisions for bad and doubtful debts totaling Kshs.9,791,574 for the year ended 30 June 2015 against Kshs.41,340,570 reflected in the previous year's statements. The provision represents only 0.61% of the total uncollected debt and is therefore insufficient as the University students debtors as at 30 June 2015 totaled Kshs.978,059,934. Further, debts totaling Kshs.18,860,981 were written-off but the management has not explained why the debts were written off, and did not present authority from the University Council.

7. Student Prepaid Fees

Note 23 (a) to the financial statements reported trade and other payables balance of Kshs.1,095,634,481 as at 30 June 2015. Included in the balance are student prepaid fees totaling Kshs.388,672,200 which could not be confirmed as no verifiable proof was provided to relate the payments to specific students. In addition, the University did not provide aging analysis of the prepaid fees. Invoices issued to the respective students for programme or course as fees, and data on amounts paid were not presented for audit and as a result it was not possible to determine how the amount of prepaid fees. In the circumstance, the authenticity of the reported student prepaid fees balance of Kshs.388,672,200 could not be confirmed.

8. Oils and Fuels

Included under repairs and maintenance expenses is Kshs.27,783,146 shown in records as having been incurred on purchase of fuel and oil for vehicles and equipment. Although the University's transport policy published in April, 2013 introduced consumption of fuel through smartcards for payment of fuel, the policy does not specify the periodic consumption limits in terms of amounts or quantity per vehicle. In addition, the fuel register maintained by the University does not show the local purchase order

reference numbers. As a result it has not been possible to establish and relate the quantities ordered, and recorded consumption. In addition, the purchase and consumption of bulk oils and fuels for the University's generators could not be accounted for as no card is maintained in relation to the generators. In the circumstance, the expenditure could not be confirmed as fairly stated.

9. Motor Vehicles

The repairs and maintenance expense for motor vehicles stood at Kshs.11,143,218 for the year ended 30 June 2015. Examination of payment vouchers revealed that the repair and maintenance of motor vehicles expenses was not properly accounted for as pre-assessment reports and certificates that show parts to be replaced, repairs to be undertaken and the estimated costs, and the post repair inspection certificates were not presented for audit. In the circumstance, it was not possible to authenticate the expenditure totaling to Kshs.11,143,218.

10. Teaching Claims (Part time Lecturers)

Note 12 to the financial statements reported teaching claims of Kshs.379,857,183 for the year ended 30 June 2015. This balance increased by Kshs.50,897,339 from Kshs.328,959,844 reported in 2013/2014. Examination of sampled payment vouchers relating to the claims revealed that payment schedules attached to the vouchers reflected the courses taught and hours paid only. The timetables, class attendance sheets or registers were not provided for audit review. Therefore it was difficult to confirm actual hours taught and, eventually amount payable to each lecturer. In addition, Kshs.115,000,000 was deducted as PAYE in respect to teaching claims made by part time lecturers. However, the University management did not present evidence confirming that the balance was remitted to the Kenya Revenue Authority. In the circumstance, the expenditure could not be confirmed as fairly stated.

11. Advances to Egerton Investment Company

Egerton Investment Company was incorporated on 30 June 2010 under the Companies Act (Cap.486). The Company is limited by guarantee which entitles it to borrow funds in the course of its operations. The main objective of forming the Company was to enable the University become financially independent by generating income. However, in the year ended 30 June 2014 the company's performance changed from a profit of Kshs.57,755,428 to a loss of Kshs.25,432,010. However, the University continues to grant the company funds with the outstanding balance totaling Kshs.145,400,000 as at 30 June 2015 without any formal agreement. No formal agreement has been signed between the University's and the Company in relation to the grants.

In the circumstance, the terms and conditions under which the grants were executed could not be established, and consequently, it is not certain how the grants totaling Kshs.145,400,000 would be regarded.

12.0 Property, Plant and Equipment

12.1 Land

As similarly reported in the previous year, the property, plant and equipment balance of Kshs.4,433,510,290 as at 30 June 2015 includes twenty one (21) parcels of land valued at Kshs.965,594,800. It is not clear how this value was arrived at since the University did not present valuation reports on the parcels. Further, only eight (8) of the 21 parcels have title deeds.

In the circumstances, the accuracy, of the property, plant and equipment balance of Kshs.4,433,510,290 and ownership of the related prices of land could not be confirmed.

12.2 Acquisition of Land

As previously reported, in September 2012 Egerton University entered into an agreement with the African Inland Church (AIC) Kenya, to buy three (3) acres of land, registered as LR No. 16672/37 at a cost of Kshs.1,500,000 per acre. The University paid a deposit of Kshs.1,500,000 on 18 October 2012. According to Clause 3.1 of the agreement, the balance of Kshs.3 million was to be paid within 90 days from the date of agreement, subject to the vendor issuing the University with ownership documents.

Although, the vendor and the University signed a deed of variation to extend the transaction by 90 days, it is not clear when the transaction will be completed since the document was not dated or signed by an advocate.

Further, as at 30 June 2015, the University had neither paid the balance nor received ownership documents from the vendor since there were encumbrances to the land title.

13. Budgetary Control

Review of the budgeted amount against actual figures reported in the financial statements revealed an over expenditure of Kshs.272,010,107 during the year ended 30 June 2015. Research and extension department expenses budget totaled Kshs.235,000,000 against actual expenditure totaling of Kshs.410,398,777 thus resulting in an over-expenditure amounting to Kshs.175,398,777. Although the University management indicated that the over expenditure was due to donor conditionalities on research, these were not presented for audit verification. Apparently, the over-expenditure was incurred without authority. Over-expenditure on one vote adversely affects other operations and ultimately the quality of service in other areas.

14. Work in Progress-Stalled Projects

Note 21 (b) to the financial statements reported work in progress costing Kshs.809,500,652 as at 30 June 2015. The balance includes Kshs.323,039,962 incurred in respect of four (4) projects namely office administration, agronomy and horticulture,

faculty of law and faculty of veterinary medicine buildings whose construction stalled more than twenty (20) years ago. The stalled projects have tied down funds for which the University does not derive any value. Further, delay in completion of the projects is likely to increase construction costs.

15. Publicity

Note 10 to the financial statements reflects administration and central services expenses balance of Kshs.797,856,470 for the year ended 30 June 2015. During the period, publicity expenditure increased by Kshs.20,696,669 from Kshs.18,703,266 incurred in 2013/2014 to Kshs.39,299,935 in the year under review. The University engaged M/s Nation Media Group for various publicity services among them advertisement, publication and serialization of the Seeds of Gold magazine on Saturdays for which the company was paid Kshs.32,956,000 during the year under review. However, the University appointed the media house through single sourcing contrary to the provisions of the public procurement law.

16. Rent and Rates

The statement of financial performance under Note 10 to the financial statements reflects rent and rates balance of Kshs.89,422,125 which includes Kshs.71,229,401.25 in respect to rental expenses paid by the University for premises in its various campuses in Nakuru town, Nairobi and Baringo. However, documents showing how the leases were procured were not presented for audit review.

In the circumstance, it was not possible to confirm that the leases were sourced competitively and the rents were determined fairly.

17. Weaknesses in the Research Department

The statement of financial performance for the year ended 30 June 2015 reflects research and extension expenses of Kshs.410,398,777. Best practice requires that duties in public service be segregated to maximize competencies and conflict of interest. However, It was observed that requisition, floating of quotations, placing of order, receipt, and issue of stores was done by a few research officers. By undertaking procurement functions, the researchers were distracted from their core mandate and this could affect their research output.

In addition, the research expenditure did not take into account the existing public procurement law (The Procurement and Disposal Act of 2005). In some cases the procurement of goods was split with a view to circumvent procurement thresholds. Goods and services were ordered without Local Purchase Orders (LPOs) being raised thereby breaching procurement laws. Further, goods bought were not inspected for by the University's Inspection and Acceptance Committee to confirm compliance with

specifications. The goods were also not taken on charge on prescribed format and issues to user departments accurately indicated in stores ledgers.

Further, the Research Department issued imprests to various officers but payments were made in cash even when it was prudent to pay the service providers by cheque. In most cases the surrenders were not properly supported with expenditure records.

Disclaimer of Opinion

Because of the significance of the matters described in the Basis for Disclaimer of Opinion paragraph, I have not been able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion. Accordingly, I do not express an opinion on the financial statements.



FCPA Edward R. O. Ouko, CBS
AUDITOR-GENERAL

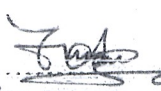
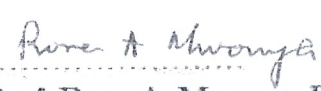
Nairobi

21 November 2016

**STATEMENT OF FINANCIAL PERFORMANCE
FOR THE YEAR ENDED 30 JUNE 2015**

Particulars	Note	Total to 30-Jun-15 Kshs.	Total To 30-Jun-14 Kshs.
<u>Revenue from Non-Exchange Transactions</u>			
GoK Recurrent Capitation Grant	2(a)	2,819,255,900	2,832,379,438
Research & Extension Income-Main campus	3	401,815,885	369,864,634
Other Revenue from Non-Exchange Transactions	4	10,959,671	11,544,935
Tegemeo Income for the period	24 (a)	230,690,500	146,105,039
Total Revenue from Non-Exchange Transactions		3,462,721,955	3,359,894,047
<u>Revenue from Exchange Transactions</u>			
Tuition and Related Fees	5	1,923,888,131	1,907,831,634
Other Services Rendered	6	157,909,930	151,971,918
Interest Income	7	23,946,355	31,164,425
EUICO Incomes for the Period	25	-	237,232,635
		2,105,744,416	2,328,200,613
Total Revenue		5,568,466,372	5,688,094,660
<u>Expenditure</u>			
Staff Costs	8	3,082,056,718	3,213,144,718
Council Expenses	9	16,770,053	19,974,562
Administrative and Central Services	10	797,856,470	675,517,940
Repairs and Maintenance Expenses	11	141,914,038	70,777,359
Academic Departments Expenses	12	551,503,155	435,638,610
Research & Extension Expenses	13	410,398,777	357,941,602
Expenses-IGU Inputs	14	66,720,840	72,371,351
Depreciation Expenses	15	163,046,671	168,749,562
Tegemeo Expenses for the period	24 (b)	228,676,547	131,398,085
EUICO Expenses for the Period	25	-	179,477,207
		5,458,943,269	5,324,990,996
<u>Other gains/(Losses)</u>			
Gain (Loss) on Revaluation Investment-Shares		(562,187)	7,870
Decrease in Provision for bad debts		18,860,981	84,579,067
Gain (Loss) on Foreign Exchange		3,720,903	2,140,767
Gain/(Loss) on biological Assets		6,483,270	(5,186,950)
Gain/(Loss) on Disposal of Assets		430,000	4,168,350
	16	28,932,967	85,709,104
Surplus for the Period		138,456,069	448,812,768
<u>Attributable to:</u>			
Owners of the controlling entity		138,456,069	448,812,768

**STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2015**

	Note	30-Jun-15 Kshs.	30-Jun-14 Kshs.
<u>ASSETS</u>			
<u>Current Assets</u>			
Cash in Bank and in Hand	17 (a)	393,657,662	402,113,962
Short Term Fixed Deposits	17 (b)	306,978,786	282,483,821
Receivables from Exchange Transactions	18 (a)	1,592,085,034	1,088,625,779
Receivables from Non-Exchange Transactions	18 (c)	-	2,350,587
Inventories	19	52,354,195	139,521,531
Agricultural Assets	20	20,874,270	134,630,650
		2,365,949,947	2,049,726,329
<u>Non Current Assets</u>			
Property, Plant & Equipment	21(a)	4,433,510,290	4,265,717,348
Investments	22	385,640	947,827
		4,433,895,930	4,266,665,175
Total Assets		6,799,845,877	6,316,391,504
<u>LIABILITIES</u>			
<u>Current Liabilities</u>			
Negative Cash Balances	17 (c)	382,008,404	374,528,690
Trade and Other Payables	23 (a)	1,095,634,481	718,930,795
Provisions and Accruals	23 (b)	280,982,557	254,239,725
		1,758,625,443	1,347,699,210
Total Liabilities		1,758,625,443	1,347,699,210
Net Assets		5,041,220,434	4,968,692,295
General fund		3,775,783,011	3,667,479,011
Accumulated Surplus(Deficit)		1,265,437,423	1,301,213,283
Total Capital and Liabilities		5,041,220,434	4,968,692,295
 Dan N. Nguchu Chairman, Council Finance Committee		 Prof. Rose A. Mwonja, Ph.D Vice Chancellor	

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**STATEMENT OF CHANGES IN NET ASSETS
FOR THE YEAR ENDED 30 JUNE 2015**

Particulars	Note	Capital Reserves Kshs.	Revenue Reserves Kshs.	Total Kshs.
Period ended 30 June 2014				
Balance as at 01/07/2013		3,632,624,551	888,996,137	4,521,620,688
Tegemeo Assets		(1,395,412)		(1,395,412)
Tegemeo Reserve transferred to Deferred Inome			(36,595,622)	(36,595,622)
Capital Grants		36,249,872		36,249,872
Surplus from operations			448,812,768	448,812,768
Balance as at 30/06/2014		3,667,479,011	1,301,213,283	4,968,692,295
Period ended 30 June 2015				
Balance as at 01/07/2014		3,667,479,011	1,301,213,283	4,968,692,295
Adjustments Prior Year Expenses			(32,725,895)	(32,725,895)
Prior Year WIP Transferred to Expenses			(1,094,326)	(1,094,326)
Adjustments Assets		(2,196,000)		(2,196,000)
EUICO Reserves			(140,411,709)	(140,411,709)
Capital Grants	2(b)	110,500,000		110,500,000
Surplus from operations			138,456,069	138,456,069
Balance as at 30/06/2015		3,775,783,011	1,265,437,423	5,041,220,434

**STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 30TH JUNE 2015**

Particulars	Note	30-Jun-15 Kshs.	30-Jun-14 Kshs.
Operating Activities			
Surplus for the year		138,456,069	448,812,768
Adjustments for			
Depreciation	15	163,046,671	168,749,562
Adjustments in Reserves - EUICO		(140,411,709)	
Adjustments in Reserves for prior years items		(32,725,895)	(36,595,622)
Depreciation-EUICO			6,427,973
Movement in Provisions for the year	23 (b)	26,742,833	128,320,087
Prior year Assets		48,808,526	1,984,500
(Profit)/Loss on disposal of Assets	6	(430,000)	(4,168,350)
(Gain)/Loss on Revaluation of Shares	16	562,187	(7,870)
Investment Income	7	(23,946,355)	(31,164,425)
Interest Expense	10	15,231,709	11,372,087
		195,334,036	693,730,711
Changes in Working Capital			
(Increase)/Decrease in Biological Assets	20	113,756,380	(35,874,980)
(Increase)/Decrease in Receivables	18 (a)	(501,108,668)	(105,228,759)
(Increase)/Decrease in Inventories	19	87,167,336	(75,125,915)
Increase/(Decrease) in Payables	23 (a)	376,703,686	127,133,711
		76,518,734	(89,095,944)
Cash Generated from Operations		271,852,770	604,634,767
Investing Activities			
Interest/Bank Charges Paid	10	(15,231,709)	(11,372,087)
Purchase of Property, Plant and Equipment	21(a)	(382,938,465)	(847,838,512)
Interest earned from Investments	10	23,946,355	31,164,425
Cash on Disposal of Assets	6	430,000	4,180,325
		(373,793,819)	(823,865,848)
Financing Activities			
GoK Capital Grants	2(b)	110,500,000	36,249,872
Bank Loans	23 (c)	-	
Net Cash from Financing Activities		110,500,000	36,249,872
Net Increase/(Decrease) in Cash and Cash Equivalents		8,558,951	(182,981,209)
Cash and Cash Equivalents at the start of the period		310,069,093	493,050,302
Cash and Cash Equivalents at the Close of the period	17 (a)	318,628,044	310,069,093

STATEMENT OF COMPARISON OF BUDGET AND ACTUAL AMOUNTS

FOR THE YEAR ENDED 30TH JUNE 2015

Particulars	Note	Original Budget Yr 2014/2015 Kshs.	Adjustments Yr 2014/2015 Kshs.	2014-2015 Revised Approved Budget Kes	Actual on	Performance
					Comparable Basis Yr 2014/2015 Kshs.	Difference Yr 2014/2015 Kshs.
Revenue from Non-Exchange Transactions						
GoK Recurrent Capitation Grant	2(a)	2,832,255,900	-	2,832,255,900	2,819,255,900	(13,000,000)
Research & Extension Income-Main campus	3	207,900,000	-	207,900,000	401,815,885	193,915,885
Other Revenue from Non-Exchange Transactions	4	-	-	-	10,959,671	10,959,671
Tegemeo Income	24 (a)	-	-	-	-	-
Total Revenue from Non-Exchange Transactions		3,040,155,900	-	3,040,155,900	3,232,031,455	191,875,555
Revenue from Exchange Transactions						
Tuition and Related Fees	5	1,716,313,500	-	1,716,313,500	1,923,888,131	207,574,631
Other Services Rendered	6	180,550,822	-	180,550,822	181,856,285	1,305,463
EUICO	25	25,000,000	-	25,000,000	-	(25,000,000)
Savings b/f	97	169,000,000	-	169,000,000	-	(169,000,000)
		2,090,864,322	-	2,090,864,322	2,105,744,416	14,880,094
Total Revenue		5,131,020,222	-	5,131,020,222	5,337,775,872	206,755,649
Expenditure						
Staff Costs	8	2,968,500,000	113,309,363	3,081,809,363	3,082,056,718	247,355
Council Expenses	9	18,000,000	(2,000,000)	16,000,000	16,770,053	770,053
Administrative and Central Services	10	648,850,001	88,141,842	736,991,843	797,856,470	60,864,627
Repairs and Maintenance Expenses	11	35,500,000	95,004,637	130,504,637	141,914,038	11,409,401
Academic Departments Expenses	12	589,870,222	(38,054,482)	551,815,741	551,503,155	(312,585)
Research & Extension Expenses	13	258,300,000	(23,300,000)	235,000,000	410,398,777	175,398,777
Expenses-IGU Inputs	14	65,000,000	1,800,000	66,800,000	66,720,840	(79,160)
Depreciation Expenses	15	-	-	-	-	-
EUICO		-	-	-	-	-
Prior Year Trade Creditors	98	87,300,000	(87,300,000)	-	-	-
Refund of Borrowings for CBA	99	127,000,000	(127,000,000)	-	-	-
Total Expenditure		4,798,320,223	20,601,361	4,818,921,583	5,067,220,052	248,298,469
Other gains/(Losses)						
Gain (Loss) on Revaluation Investment-Shares		-	-	-	-	-
Decrease in Provision for bad debts		-	-	-	-	-
Gain (Loss) on Foreign Exchange		-	-	-	-	-
Gain/(Loss) on biological Assets		-	-	-	430,000	430,000
Gain/(Loss) on Disposal of Assets	16	-	-	-	430,000	430,000
Surplus from Recurrent Budget		332,700,000	(20,601,361)	312,098,639	270,985,820	(41,112,819)
Bank Loan	96	200,000,000	-	200,000,000	-	(200,000,000)
GoK Development Grant	2(b)	40,500,000	-	40,500,000	110,500,000	70,000,000
Capital Expenditure	21(a)	573,200,000	(147,601,361)	425,598,640	382,938,465	(42,660,174)
Surplus (Deficit) for the Period		(0)	127,000,000	127,000,000	(1,452,645)	(128,452,645)

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NOTES TO THE FINANCIAL STATEMENTS

1.1 Statement of Compliance and Basis of Preparation

The University's financial statements have been prepared in accordance with and comply with International Public Sector Accounting Standards (IPSAS) as issued by Public Sector Accounting Standard Board (PSASB) that was established by the Public Finance Management Act (PFM) No.18 of 24th July, 2012. The Board was gazetted by the Cabinet Secretary, National Treasury on 28th February, 2014. The financial statements are presented in Kenya shillings, which is the functional and reporting currency of the University. The accounting policies have been consistently applied to all the years presented.

The financial statements have been prepared on the basis of historical cost, unless stated otherwise. The cash flow statement is prepared using the indirect method. The financial statements are prepared on accrual basis.

1.2 Summary of significant accounting policies

a) Revenue Recognition

i) Revenue from Non-exchange Transactions

Fees

The University recognizes revenues from fees 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 University 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.

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.

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 annual budget is prepared on the accrual basis, that is, all planned costs and income are presented in a single statement to determine the needs of the University. As a result of the adoption of the accrual basis for budgeting purposes, there are no basis, timing or University differences that would require reconciliation between the actual comparable amounts and the amounts presented as a separate additional financial statement in the statement of comparison of budget and actual amounts.

c) 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. Subsequent to initial recognition, investment properties are measured using the cost model and are depreciated over a 30-year period.

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 derecognition. Transfers are made to or from investment property only when there is a change in use.

d) 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.

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

The annual rates used are:-

Buildings	-	2.5%
Machinery & equipment	-	20%
Furniture & fittings	-	12.5%

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Dairy equipment / plant / tractors	-	10%
Motor vehicles	-	25%
Library books	-	20%
Computers and Appliances	-	33.3%

e) Leases

Finance leases are leases that transfer substantially the entire 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.

f) Intangible Assets

Intangible assets acquired separately are initially recognized at cost. The cost of intangible assets acquired in a non-exchange transaction is their fair value at the date of the exchange. Following initial recognition, intangible assets are carried at cost less any accumulated amortization and accumulated impairment losses. 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.

g) 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:

- The technical feasibility of completing the asset so that the asset will be available for use or sale
- Its intention to complete and its ability to use or sell the asset
- How the asset will generate future economic benefits or service potential
- The availability of resources to complete the asset
- 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.

h) Financial Instruments

Financial Assets

Initial Recognition and Measurement

Financial assets within the scope of IPSAS 29 Financial Instruments: Recognition and Measurement are classified as financial assets at fair value through surplus or deficit, loans and receivables, held-to-maturity investments or available-for-sale financial assets, as appropriate. The University determines the classification of its financial assets at initial recognition.

Loans and Receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. After initial measurement, such financial assets are subsequently measured at amortized cost using the effective interest method, less impairment. Amortized cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the effective interest rate. Losses arising from impairment are recognized in the surplus or deficit.

Held-to-Maturity

Non-derivative financial assets with fixed or determinable payments and fixed maturities are classified as held to maturity when the University has the positive intention and ability to hold it to maturity. After initial measurement, held-to-maturity investments are measured at amortized cost using the effective interest method, less impairment. Amortized cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the effective interest rate. The losses arising from impairment are recognized in surplus or deficit.

Impairment of Financial Assets

The University assesses at each reporting date whether there is objective evidence that a financial asset or a University of financial assets is impaired. A financial asset or a University of financial assets is deemed to be impaired if, and only if, there is objective evidence of impairment as a result of one or more events that has occurred after the initial recognition of the asset (an incurred 'loss event') and that loss event has an impact on the estimated future cash flows of the financial asset or the University of financial assets that can be reliably estimated. Evidence of impairment may include the following indicators:

- The debtors or a University of debtors are experiencing significant financial difficulty
- Default or delinquency in interest or principal payments
- The probability that debtors will enter bankruptcy or other financial reorganization
- Observable data indicates a measurable decrease in estimated future cash flows (e.g. changes in arrears or economic conditions that correlate with defaults)

i) Financial Liabilities

Initial Recognition and Measurement

Financial liabilities within the scope of IPSAS 29 are classified as financial liabilities at fair value through surplus or deficit or loans and borrowings, as appropriate. The University determines the classification of its financial liabilities at initial recognition.

All financial liabilities are recognized initially at fair value and, in the case of loans and borrowings, plus directly attributable transaction costs.

Loans and Borrowing

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After initial recognition, interest bearing loans and borrowings are subsequently measured at amortized cost using the effective interest method. Gains and losses are recognized in surplus or deficit when the liabilities are derecognized as well as through the effective interest method amortization process.

Amortized cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the effective interest rate.

j) 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:

- Raw materials: purchase cost using the weighted average cost method
- 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.

k) Agricultural Assets

Agricultural activity is the management by university of the biological transformation and harvest of biological assets. Biological Asset is a living animal or plant. There are three groups of agricultural assets:-

Agricultural Produce: Is the harvested product of the university's biological assets.

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Bearer Biological Assets: Are those that are used repeatedly or continuously for more than one year in an agricultural activity e.g. breeding stocks (including fish and poultry), dairy animals, and sheep

Consumable Biological Assets: Are those that are held for harvest as agricultural produce such as animals and plants for one-time use e.g. beef animals, fish in farms, crops such as maize and wheat.

Biological assets are measured on initial recognition and at each reporting date at its value less costs to sell except where fair value cannot be measured reliably. In such case the biological asset shall be measured at cost less any accumulated depreciation and any impairment loss as per IPSAS 27.

D) 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.

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.

Contingent Assets

The University 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 University 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

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reliably, the asset and the related revenue are recognized in the financial statements of the period in which the change occurs.

Provision for bad debts

A general provision for bad and doubtful debts is provided for at the year-end at 1% of outstanding general and student debtors.

m) Key Management

The University's key management represents all those staff in grade 16 and above

n) 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.

o) Employee Benefits

Retirement Benefit Plans

The University provides retirement benefits for its employees and. Defined contribution plans are post employment benefit plans under which an University pays fixed contributions into a separate University (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.

p) Foreign Currency Transactions

Transactions in foreign currencies are initially accounted for at the ruling rate of exchange on the date of the transaction. Trade creditors or debtors denominated in foreign currency are reported at the statement of financial position reporting date by applying the exchange rate on that date. Exchange differences arising from the settlement of creditors, or from the reporting of creditors

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at rates different from those at which they were initially recorded during the period, are recognized as income or expenses in the period in which they arise.

q) 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.

r) 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 the council members and senior managers.

s) Service Concession Arrangements

The University analyses all aspects of service concession arrangements that it enters into 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.

t) 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. For the purposes of these financial statements, cash and cash equivalents also include short term cash imprests and advances to authorised public officers and/or institutions which were not surrendered or accounted for at the end of the financial year.

u) Comparative Figures

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

v) 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.

w) 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.

Useful Lives and Residual Values

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

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

Provisions

Provisions were raised and management determined an estimate based on the information available. 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.

x) 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, 2015.

y) Financial Risk Management

The University manages liquidity risk exposure by operating short term fixed deposits accounts that are highly liquid. To manage the credit risk, the university has a debt policy in place.

z) Nature and Description of Capital Reserves

The University has a capital reserve which represents the government's interest in the net assets/equity of the university and is a combination of contributed capital by the government and the aggregate of the university's accumulated surpluses or deficits and reserves that reflect the net assets/equity attributable to the university's operations.

Note 2a - Government Grants		
Particulars	Total 30-Jun-15	30-Jun-14 Ksh
GoK Capitation Grants		
July	234,935,492	532,340,000
August	234,935,492	167,447,691
September	234,935,492	194,920,000
October	234,935,492	207,835,638
November	234,937,992	196,745,321
December	234,947,991	196,745,321
January	234,937,992	196,745,321
February	234,937,992	196,745,321
March	234,937,992	196,745,321
April	234,937,992	244,347,013
May	234,937,992	305,072,243
June	234,937,991	196,690,249
Total GoK Recurrent Grants	2,819,255,900	2,832,379,438

Note 2(b) Income-GoK Development Grants		
Particulars	Total 30-Jun-15	30-Jun-14 Ksh
October	20,250,000	-
January	20,250,000	13,607,583
February	-	10,752,968
April	-	11,889,321
June	70,000,000	-
Total GoK Development Grants	110,500,000	36,249,872

Note 3 : -Research & Extension Income		
Particulars	Total 30-Jun-15	30-Jun-14 Ksh
Research Incomes-RE02-Income	8,350,249	4,023,559
Research Incomes-RE05-Income	26,628,668	18,996,482
Research Incomes-RE06-Income	59,921,950	54,595,950
Research Incomes-RE07-Income	17,016,834	1,596,149
Research Incomes-RE08-Income	3,000,000	4,822,277
Research Incomes-RE10-Income	2,459,146	1,429,071
Research Incomes-RE11-Income	2,304,850	1,164,040
Research Incomes-RE12-Income	-	67,200
Research Incomes-RE13-Income	3,645,000	6,508,636
Research Incomes-RE14-Income	1,446,164	-
Research Incomes-RE18-Income	5,415,565	17,135,065
Research Incomes-RE20-Income	2,729,384	1,441,538
Research Incomes-RE21-Income	25,833,426	12,512,864
Research Incomes-RE22-Income	8,707,150	10,880,514
Research Incomes-RE23-Income	-	320,000
Research Incomes-RE25-Income	31,247,256	30,481,365
Research Incomes-RE27-Income	3,262,202	1,315,907
Research Incomes-RE29-Income	13,043,741	15,244,015
Research Incomes-RE33-Income	5,572,752	8,111,387
Research Incomes-RE34-Income	4,641,380	4,782,462
Research Incomes-RE37-Income	-	5,605,291
Research Incomes-RE40-Income	4,640,665	-
Research Incomes-RE41-Income	3,807,913	6,249,507
Research Incomes-RE42-Income	8,615,250	10,731,034
Research Incomes-RE43-Income	2,509,974	631,440
Research Incomes-RE44-Income	13,037,685	6,373,513
Research Incomes-RE45-Income	12,426,132	19,040,910
Research Incomes-RE46-Income	56,754,842	9,664,737
Research Incomes-RE47-Income	66,322,516	112,473,821
Research Incomes-RE48-Income	8,475,191	3,665,900
	401,815,885	369,864,634
Note 4 : - Other Non-Exchange Income		
Mau Egerton Cross Country Income-MAIN	1,960,340	5,079,935
Mau Egerton Cross Country Income Noncash Sponsors	6,694,413	6,465,000
Income-Partners Recurrent Grants -Other Recurrent Grants	2,304,918	-
	10,959,671	11,544,935
Total Non-Exchange Income	412,775,556	381,409,569

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Note 5 :- Income-Tuition and Related Fees		
Particulars	Total 30-Jun-15	30-Jun-14 Ksh
Income-Tuition and Related Fees-Application Fee	6,448,400	4,201,890
Income-Tuition and Related Fees-Registration Fee	33,776,290	35,756,480
Income-Tuition and Related Fees-Student I/D	3,175,610	3,298,100
Income-Tuition and Related Fees-Activity Fees	26,125,086	28,452,800
Income-Tuition and Related Fees-Student medical fee	41,791,940	45,345,820
Income-Tuition and Related Fees-Examination Fee	87,956,050	95,296,060
Income-Tuition and Related Fees-Material Development	94,557,000	100,435,200
Income-Tuition and Related Fees-Academic Gowns	18,617,982	18,310,630
Income-Tuition and Related Fees-Library Fee	56,660,005	60,938,627
Income-Tuition and Related Fees-Tuition Fee	1,432,554,670	1,415,039,831
Income-Tuition and Related Fees-Tuition Fees- Bridging Cours	3,195,850	5,474,340
Income-Tuition and Related Fees-Student Supervision Fee	7,666,500	11,190,000
Income-Tuition and Related Fees-Field Attachment fee	44,023,820	51,083,758
Income-Tuition and Related Fees-Student Laboratory fee	29,055,500	31,722,500
Income-Tuition and Related Fees-Academic Trascripts	1,369,200	19,400
Income-Tuition and Related Fees- Certificate Storage Charges	58,900	72,000
Income-Tuition and Related Fees-Student Damages Charges	36,086,507	1,300
Income-Tuition and Related Fees-Library Fine	328,821	1,192,898
Income-Tuition and Related Fees-Test & Vaccination- NTCC	440,000	-
	1,923,888,131	1,907,831,634

Note 6 :- Income-Other Services Rendered		
Particulars	Total 30-Jun-15	30-Jun-14 Ksh
Income-Other Incomes-Accommodation Fees-Halls	50,133,649	53,056,724
Income-Other Incomes-Alumni Membership Fees	1,000	7,000
Income-Other Incomes-Ambulance Fee	34,300	52,800
Income-Other Incomes-Bed Charges	1,294,367	-
Income-Other Incomes-Clinical Charges-medical	1,560,803	5,075,704
Income-Other Incomes-Consultation Fees	74,690	54,730
Income-Other Incomes-Dental Fees	392,841	318,183
Income-Other Incomes-Drugs	12,360,634	2,131,209
Income-Other Incomes-Egerton Castle Income	-	319,230
Income-Other Incomes-Miscellaneous Income	34,338,573	29,762,682
Income-Other Incomes-House Rent	12,627,711	11,735,385
Income-Other Incomes-Income from Animal Health dept	3,119,595	889,330
Income-Other Incomes-Income from overhead account	-	964,246
Income-Other Incomes-Lab Test	661,751	990,687
Income-Other Incomes-Meals-catering	16,891,769	18,097,363
Income-Other Incomes-Sale Of Barley	517,537	-
Income-Other Incomes-Sale Of Birds	204,350	183,756
Income-Other Incomes-Sale of Dairy Products	9,400,815	7,597,896
Income-Other Incomes-Sale Of Eggs	227,090	57,170
Income-Other Incomes-Sale Of Goats	92,000	137,728
Income-Other Incomes-Sale of Horticultures	69,780	381,023
Income-Other Incomes-Sale Of Milk & Dairy Products	4,329,986	2,581,188
Income-Other Incomes-Sale Of Pigs	-	12,000
Income-Other Incomes-Sale of Pork	13,500	300
Income-Other Incomes-Sale Of Rabbits	90,000	31,000
Income-Other Incomes-Sale Of Sheep	-	7,200
Income-Other Incomes-Sale of Stationery	282,388	39,413
Income-Other Incomes-Sale of Text Books	230,352	1,121,532
Income-Other Incomes-Tailoring Income	2,215,841	1,027,384
Income-Other Incomes-Tendering Charges	463,555	580,525
Income-Other Incomes-Income from OUTZ-IGU	378,348	310,035
Income-Other Incomes-Electronic Studio Income-NTCC	196,000	199,200
Income-Collaborative Colleges Income(AICO&KIPC	4,930,405	14,249,295
Income-Other Incomes- Visiting Group Levy- Main	776,300	-
	157,909,930	151,971,918

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Note 7 :- Interest Income		
Particulars	Total 30-Jun-15	30-Jun-14 Ksh
Interest Income Fixed Deposits		
July	6,389,327	5,634,400
August	31,284	3,793,562
September	15,439	1,619,704
October	3,867	-
November	3,996	-
December	7,476	349,171
January	-	2,597,740
February	-	8,209,136
March	-	280,397
April	-	4,001,383
May	-	1,751,672
June	17,494,965	2,927,261
Total Interest Income from Investment (fixed deposits)	23,946,355	31,164,425

Note 8 :- Staff Costs

Note 8 (a) :- Key Management Personnel Remuneration

Particulars	Total 30-Jun-15	30-Jun-14 Ksh
BASIC SALARY	25,733,593	22,853,880
HOUSE ALLOWANCE	4,499,904	4,491,996
DUTY ALLW	2,724,000	2,724,000
MEDICAL ALLW	313,800	313,800
REMUNERATIVE ALLW	-	430,140
ENTERTAINMENT ALL	1,464,000	1,464,000
PROFESSORIAL ALLW	484,839	360,000
RESPONSIBILITY ALLW	3,336,000	3,336,000
PHONE ALLW	792,000	708,000
TAXABLE BENEFITS	-	3,484,323
BOOK JOURNAL/ICT ALLW	13,000	21,000
DOMESTIC SERVANT ALLW	2,940,000	2,940,000
HOME WATER AND ELEC	792,000	792,000
NON USER CAR ALLOWANCE	1,170,000	1,200,000
LEAVE ALLOWANCE	136,100	163,900
BASIC SALARY ARREARS	1,985,273	2,283,506
SSP ALLW	3,606,004	3,933,821
HOUSE ALLW ARREARS	-	176,972
CLAIM PAYMENT	-	2,100
PENSION EMPLOYER CONTRIBUTION	5,196,730	5,027,477
	55,187,243	56,706,915

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Note 8 (b) : - All Other Staff Personnel Remuneration

Particulars	Total 30-Jun-15	30-Jun-14 Ksh
Expense-Personell Emoluments-Basic Salary	1,329,906,697	1,394,674,092
Expense-Personell Emoluments-House Allowance	735,853,777	740,985,058
Expense-Personell Emoluments-Duty/Risk/Extr. Allowance	67,472,224	58,019,092
Expense-Personell Emoluments-Commuter Allowance	199,931,776	192,558,934
Expense-Personell Emoluments-House Allowance Arrears	-	29,891,674
Expense-Personell Emoluments-Medical Allowance	44,517,235	39,953,809
Expense-Personell Emoluments-Hardship Allowance	220,800	180,658
Expense-Personell Emoluments-Remunerative Allowance	27,765,283	26,694,232
Expense-Personell Emoluments-Basic Salary Arrears	21,709,073	184,921,084
Expense-Personell Emoluments-Examination allowance	1,137,976	991,381
Expense-Personell Emoluments-Non Practice allowance	24,892,000	19,555,435
Expense-Personell Emoluments-Entertainment Allowance	2,319,992	2,224,611
Expense-Personell Emoluments-Acting Allowance	1,737,120	1,630,443
Expense-Personell Emoluments-Professorial Allowance	6,374,464	5,868,667
Expense-Personell Emoluments-Responsibility Allowance	2,625,157	2,501,084
Expense-Personell Emoluments-/Manpower/Staff Ed	786,378	-
Expense-Personell Emoluments-Leave Allowance	18,644,128	18,395,830
Expense-Personell Emoluments-Special Duty Allow	870,246	940,165
Expense-Personell Emoluments-Uniform Allowance	261,538	1,424,014
Expense-Personell Emoluments-Ambulance Allowance	18,000	25,839
Expense-Personell Emoluments-Phone allowance	1,319,400	1,321,288
Expense-Personell Emoluments-Claim Payment	-	2,708,147
Expense-Personell Emoluments-Call Allowance	17,589,000	13,768,511
Expense-Personell Emoluments-SSP Allowance (Staff)	56,151,620	56,269,713
Expense-Personell Emoluments-BOOK JOURNAL/ICT ALLOW.	8,385,000	7,770,000
Expense-Personell Emoluments-NSSF-Employer Contribution	1,863,400	1,857,400
Expense-Personell Emoluments-Pension-Employer Contribution	213,980,831	250,727,559
Expense-Personell Emoluments-Gratuities	106,713,075	49,819,821
Expense-Personell Emoluments-Honorarium-IGU	765,389	122,237
Expense-Personell Emoluments-Home Water & Electricity	600,000	560,000
Expense-Personell Emoluments-Domestic Servant	187,200	180,155
Expense-Personell Emoluments-Non use of Car	30,000	-
Expense-Personell Emoluments-Top-Up Allowance-Main	948,528	-
Expense-Other Staff Costs- Passage and Baggage	3,487,230	8,361,842
Expense-Other Staff Costs- Staff Training Expenses	7,913,317	8,330,452
Expense-Other Staff Costs- Graduate Scholarships	5,863,760	5,884,800
Expense-Other Staff Costs- Staff Education Fund Expenses	8,563,453	6,888,370
Expense-Other Staff Costs- Staff Fees Waiver	17,727,500	14,985,315
Expense-Other Staff Costs- Staff Uniforms	5,709,013	5,446,094
Expense-Personell Emoluments-Gratuities Arrears-Main	82,027,894	-
	3,026,869,475	3,156,437,803
Total Staff Costs	3,082,056,718	3,213,144,718

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Note 9 : - Council Expenses		
Particulars	Total 30-Jun-15	30-Jun-14 Ksh
Expense-Council Expenses-Sitting Allowances-Main	15,829,394	16,107,758
Expense-Council Expenses-Mileage/Travel-Main	109,308	3,744,624
Expense-Council Expenses-Meals-Main	-	66,180
Expense-Council Expenses-Others Council Expense-Main	831,351	56,000
	16,770,053	19,974,562

Note 10 : - Administration and Central Services Expenses		
Particulars	Total 30-Jun-15	30-Jun-14 Ksh
Expense-Admin & Central-Casual Labor Expenses-Main	12,156,063	7,887,922
Expense-Admin & Central- Office Stationery -Main	23,867,528	14,764,028
Expense-Admin & Central- Advertising -Main	29,574,787	38,415,978
Expense-Admin & Central- Postage And Telephone -Main	6,967,175	5,897,863
Expense-Admin & Central- Electricity & Water -Main	121,350,671	114,434,098
Expense-Admin & Central- Official Entertainment -Main	558,715	1,123,505
Expense-Admin & Central- Vehicle - Insurance -Main	15,761,917	13,924,091
Expense-Admin & Central- Cleaning Materials -Main	-	14,000
Expense-Admin & Central- Contracted Security Services -Main	32,692,150	29,859,904
Expense-Admin & Central- General Insurances - Properties -Ma	31,982,189	17,889,426
Expense-Admin & Central- Legal Charges -Main	6,831,622	9,324,106
Expense-Admin & Central- Strategic Initiative-ISO 22000/9001	6,813,157	12,206,211
Expense-Admin & Central- Computer Stationery -Main	5,113,636	5,974,893
Expense-Admin & Central- Audit Fees And Expenses -Main	4,084,000	2,378,336
Expense-Admin & Central- Rent And Rates -Main	89,422,125	88,560,839
Expense-Admin & Central- Conference And Seminars -Main	21,043,393	14,712,436
Expense-Admin & Central- Staff Subscription to Professional	3,020,537	10,488,773
Expense-Admin & Central- University Subscription to Other Bo	8,716,545	1,569,250
Expense-Admin & Central- News Papers, Journals & Videos -Mai	3,501,745	5,221,655
Expense-Admin & Central- Shows & Exhibitions Expenses -Main	7,543,175	3,009,456
Expense-Admin & Central- Internet Services -Main	28,467,753	14,795,823
Expense-Admin & Central- Office Running Expenses -Main	15,355,336	7,513,804

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Expense-Admin & Central- Computer Maintenance -Main	7,301,516	987,100
Expense-Admin & Central-Bank Charges , Interest & Comm.-Main	15,231,709	11,372,087
Expense-Admin & Central- Other Board Comm. - Jab, Fac., Dept	9,498,824	7,931,146
Expense-Admin & Central- Cleaning And Sanitary Services -Mai	32,618,107	30,326,851
Expense-Admin & Central- Tendering Expenses -Main	-	26,470
Expense-Admin & Central- Strategic Initiative General Main	11,081,410	6,111,790
Expense-Admin & Central- Fuel & Gas Main	405,582	151,456
Expense-Admin & Central - Flagship Projects - Main	11,073,676	-
Expense-Admin & Central- Publicity -Main	39,399,935	18,703,266
Expense-Admin & Central- Open Days Expenses -Main	3,122,885	45,500
Expense-Admin & Cen-Awards & Prizes-Mau Egerton Cross Coun	944,400	1,811,000
Expense-Admin & Cen-Other expenses-Mau Egerton Cross Countr	3,342,679	1,118,204
Expense-Admin & Cen- Taxes	-	34,568,721
Expense-Admin & Cen- Performance Contract Service Delivery	1,363,565	-
Expense-Admin- Grade I-IV Retirement Benefit Scheme	1,743,950	-
Expense-Other Staff Costs-Travelling And Subs. Staff	55,098,331	50,112,034
Expense-Other Staff Costs- External Travelling	54,340	2,163,407
Expense-Other Staff Costs-Staff Funerals Expenses	3,981,938	789,052
Expense-Other Staff Costs- Staff Hospitalization Expenses	106,383,518	81,191,132
Expense-Other Staff Costs- Staff Sports Welfare -Main	1,967,240	-
Expense-IGU Expenses- MEDICAL SUPPLIES	1,248,236	2,793,125
Expense-IGU Expenses-PRODUCTION INPUTS-IGU	81,580	26,894
Expense-IGU Expenses-Purchase of Farm Inputs-IGU	1,369,077	19,960
Expense Expenses- MEDICAL SUPPLIES	15,719,754	5,302,347
	797,856,470	675,517,940

Note 11: - Repairs and Maintenance Expenses		
Particulars	Total 30-Jun-15	30-Jun-14 Ksh
Expense-REPAIRS & MAINT. - EQUIPMENTS	2,446,967	3,964,734
Expense-REPAIRS & MAINT.VEHICLE REPAIRS	11,143,218	9,327,435
Expense-REPAIRS & MAINT.REPAIRS & MAINT. -FENCIN	-	7,000
Expense-REPAIRS & MAINT. WATER SUPPLY & SEWERA	6,121,110	2,315,269
Expense-REPAIRS & MAINT.REPAIRS & MAINT. -Building	8,695,127	2,143,968
Expense-REPAIRS & MAINT.MAINTENANCE OF STATION	85,724,469	24,965,503
Expense-REPAIRS & MAINT.FUEL AND OILS -VEHICLES	27,783,146	28,053,449
	141,914,038	70,777,359

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Note 12 : - Academic Departments Expenses		
Particulars	Total 30-Jun-15	30-Jun-14 Ksh
Expense-Academic Dept.-Teaching Claims (Part time Lecturers)	379,857,183	328,959,844
Expense-Academic Dept.-PRINTING AND PUBLISHING-Main	689,244	3,708,424
Expense-Academic Dept.-TEACHING MATERIALS-Main	36,187,891	25,374,995
Expense-Academic Dept.-LABORATORY MATERIALS-Main	1,826,681	-
Expense-Academic Dept.-GRADUATION EXPENSES-Main	14,419,153	13,220,173
Expense-Academic Dept.-SPORTS EXPENSES (STUDENTS)-M	1,466,799	3,541,031
Expense-Academic Dept.-TEACHING PRACTICE & ATTACH	40,058,601	15,203,348
Expense-Academic Dept.-STUDENTS WORK STUDY EXP -M	7,094,083	9,109,064
Expense-Academic Dept.-ACADEMIC FIELD TRIPS-Main	24,399,591	14,881,302
Expense-Academic Dept.-SPORTS (INTER-UNIVERSITIES)-M	7,776,657	1,792,043
Expense-Academic Dept.-SUB. & ACCOM. -EXTERNAL EXA	8,443,811	2,332,485
Expense-Academic Dept.-ENDOWMENT FUND (Student Spor	-	2,608,928
Expense-Academic Dept- Students Registration Expenses	8,466,352	10,175,769
Expense-Academic Dept- Students Scholarship Expenses	1,776,000	1,760,000
Expense-Academic Dept- Students Leadership Devpt Program Ex	328,640	-
Expense-Academic Dept- Students ID Expenses	845,000	327,500
Expense-Academic Dept.-TEACHING SERVICES-Main	1,829,671	2,643,705
Expense-Academic Dept. - Curriculum Review -Main	917,660	-
Expense-Academic Dept. Quality Assurance Audit Academic -Ma	920,380	-
Expense-Academic Exp- E-Learning Expenses -Main	14,199,760	-
	551,503,155	435,638,610

Note 13 : - Research & Extension Expenses

Particulars	Total 30-Jun-15	30-Jun-14 Ksh
Research Expenses-E500-Expenses	-	22,916,540
Research Expenses-RE02-Expenses	5,376,165	3,390,971
Research Expenses-RE05-Expenses	17,412,795	19,512,386
Research Expenses-RE06-Expenses	42,611,471	37,195,366
Research Expenses-RE07-Expenses	14,143,008	1,673,824
Research Expenses-RE08-Expenses	4,752,395	5,293,886
Research Expenses-RE10-Expenses	1,784,320	1,512,989
Research Expenses-RE11-Expenses	1,224,597	1,899,151
Research Expenses-RE12-Expenses	1,841,808	3,005,250
Research Expenses-RE13-Expenses	9,354,523	9,053,230
Research Expenses-RE14-Expenses	1,370,770	212,927
Research Expenses-RE18-Expenses	11,771,033	10,374,852
Research Expenses-RE20-Expenses	527,786	1,029,192
Research Expenses-RE21-Expenses	31,887,265	3,641,040
Research Expenses-RE22-Expenses	11,687,955	11,884,335
Research Expenses-RE23-Expenses	7,484,902	5,633,962
Research Expenses-RE25-Expenses	43,139,056	31,629,726
Research Expenses-RE27-Expenses	2,663,197	1,622,226
Research Expenses-RE29-Expenses	20,185,214	15,284,385
Research Expenses-RE33-Expenses	3,497,222	10,360,917
Research Expenses-RE34-Expenses	3,519,427	5,024,911
Research Expenses-RE37-Expenses	761,792	6,121,704
Research Expenses-RE40-Expenses	244,707	112,980
Research Expenses-RE41-Expenses	2,958,730	1,859,665
Research Expenses-RE42-Expenses	7,147,508	14,263,689
Research Expenses-RE43-Expenses	3,104,244	1,086,219
Research Expenses-RE44-Expenses	9,338,245	6,049,613
Research Expenses-RE45-Expenses	19,933,382	3,617,864
Research Expenses-RE46-Expenses	45,269,509	12,942,402
Research Expenses-RE47-Expenses	77,353,924	106,996,475
Research Expenses-RE48-Expenses	8,051,829	2,738,927
	410,398,777	357,941,602

Note 14: - IGU Expenses		
Particulars	Total 30-Jun-15	30-Jun-14 Ksh
Expense-Other Staff Costs-Travelling And Subs. Staff -IGUs	200,765	203,240
Expense-Other Staff Costs- Staff Uniforms -IGU	67,920	50,600
Expense-Admin & Central-Casual Labor Expenses-IGU	2,731,113	752,483
Expense-Admin & Central- Cleaning Materials -IGU	-	16,697,075
Expense-Admin & Central-Bank Charges , Interest & Comm.-IGU	189,658	129,636
Expense-Admin & Central- Cleaning And Sanitary Services -Mai	18,516,408	-
Expense-REPAIRS & MAINT. - EQUIPMENTS-IGU	160,300	769,290
Expense-REPAIRS & MAINT.VEHICLE REPAIRS-IGU	-	768,404
Expense-REPAIRS & MAINT.REPAIRS & MAINT. -FENCIN	23,700	27,140
Expense-REPAIRS & MAINT.MAINTENANCE OF STATIO	6,837,403	11,002,334
Expense-Academic Dept.-Teaching Claims (Part time Lecturers)	572,096	-
Expense-Academic Dept.-PRINTING AND PUBLISHING-IGU	287,840	568,340
Expense-Academic Dept.-TEACHING MATERIALS-IGU	61,600	1,714,201
Expense-Academic Dept.-LABORATORY MATERIALS-IGU	545,537	-
Expense Expenses-Crockery And Cutlery	-	1,164,249
Expense Expenses-Purchase of Foodstuff	-	2,178,105
Expense Expenses-PRODUCTION INPUTS	31,953,445	34,333,801
Expense Expenses-Purchase of Farm Inputs	1,329,146	1,482,522
Expense Expenses-Purchase of Stationery for Resale	701,410	529,930
Expense Expenses-TAP EXPENSES	2,542,501	-
	-	-
	66,720,840	72,371,351

Note 15: - Depreciation Expenses		
Particulars	Total 30-Jun-15	30-Jun-14 Ksh
Expense- Depreciation-Buildings-Egerton Buildings	73,197,578	57,989,848
Expense- Depreciation-Plant & Machinery-Dairy Institute mach	1,280,935	1,455,360
Expense- Depreciation-Furniture-N	9,308,184	10,971,251
Expense- Depreciation-Equipments- Equipments	23,819,494	27,422,813
Expense- Depreciation-Library Books-N	10,177,914	6,173,908
Expense- Depreciation-Motor Vehicles-N	16,910,254	19,573,304
Expense- Depreciation-Computers & Software-Computer & Access	28,352,312	45,163,079
	163,046,671	168,749,562

Note 16:- Other (Gains)/Losses		
Particulars	Total 30-Jun-15	30-Jun-14 Ksh
Gain (Loss) on Revaluation Investment- Shares	(562,187)	7,870
Main Campus-Bad Debts w/off-(Increase)/Decrease in Provision	26,053,110	87,580,009
Nairobi Campus-Bad Debts w/off-(Increase)/Decrease in Provision	694,805	(1,836,412)
IGUs-Bad Debts w/off-(Increase)/Decrease in Provision	(7,629,563)	-
Nakuru Campus-Bad Debts w/off-(Increase)/Decrease in Provision	(9,525)	(1,164,530)
Baringo Campus-Bad Debts w/off-(Increase)/Decrease in Provision	(247,846)	-
Bad Debts w/off-(Increase)/Decrease in Provision	18,860,981	84,579,067
Main Campus Dollars- Gain (Loss) on FOREX	-	(510,020)
Dollars- Gain (Loss) on FOREX	(4,200,952)	829,406
EUROS- Gain (Loss) on FOREX	7,921,855	1,821,381
Gain (Loss) on FOREX	3,720,903	2,140,767
Main Campus-Gain/(Loss) on biological Assets	43,010	(733,240)
IGUs-Gain/(Loss) on biological Assets	6,314,760	(4,453,710)
R& E-Gain/(Loss) on biological Assets	125,500	-
Gain/(Loss) on biological Assets	6,483,270	(5,186,950)
Income-Other Incomes-Gain/(Loss) on Disposal Of Assets	430,000	4,168,350
	28,932,967	85,709,104

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Note 17 (a) :- Cash in Hand and in Bank		
Particulars	Total 30-Jun-15	30-Jun-14 Ksh
Main - Bank Balances	870,101	11,513,849
Nairobi City Campus - Bank Balances	-	248,464
IGUs - Bank Balances	5,255,618	33,023,931
Research & Extension Bank Balances	214,889,059	188,977,099
Nakuru Town Campus College - Bank Balances	-	10,184,297
Tegemeo Bank Balances	172,540,577	149,980,174
EUICO - Cash Balances	-	7,921,728
Total Bank Balances	393,555,355	401,849,543
Petty Cash		
Main - Cash In Hand	100,507	164,176
Nairobi City Campus - Cash In Hand	-	100,243
IGUs - Cash In Hand	1,800	-
Total Cash In Hand	102,307	264,419
Total Cash in Bank & In Hand	393,657,662	402,113,962
Note 17 (b) :- Short Term Fixed Deposits		
Particulars	Total 30-Jun-15	30-Jun-14 Ksh
Fixed Deposits Accounts		
KCB Bank	136,051,062	131,483,821
Co-operative Bank	170,927,724	151,000,000
Total Fixed Deposits	306,978,786	282,483,821
Note 17 (c) :- Negative Cashbook Balances		
Particulars	Total 30-Jun-15	30-Jun-14 Ksh
Main - Negative Bank Balances	281,442,207	257,005,355
Nairobi City Campus - Negative Bank Balances	39,497,311	97,895,202
IGUs - Negative Bank Balances	8,608,565	4,024,365
Nakuru Town CC - Negative Bank Balances	49,496,431	15,603,768
Baringo Campus - Negative Bank Balances	1,699,885	-
Ecampus - Negative Bank Balances	1,264,006	-
	382,008,404	374,528,690
Total Cash and Cash Equivalent	318,628,044	310,069,093

A total of 136M reported under fixed deposits is not readily available (86M is security for 100M Bank Overdraft Egerton University operates with KCB while 50M is security for the Staff Mortgage Scheme still with KCB. However it is worth noting that the 136M is interest earning deposits.

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Note 18 (a) :- Receivables from Exchange Transaction		
Particulars	Total 30-Jun-15	30-Jun-14 Ksh
Current Assets-Accounts Receivables-Outstanding Imprest	141,269,214	94,321,966
Current Assets-Accounts Receivables-Student Debtors	978,059,934	942,803,139
Current Assets-Accounts Receivables-General Debtors	1,097,440	8,693,987
Current Assets-Accounts Receivables-Internal Debtors	20,996,001	9,857,436
Current Assets-Accounts Receivables- E.U. Investment Co. Ltd	145,400,000	-
Current Assets-Accounts Receivables-ECCOSACS Debtors-Main	-	195,000
Current Assets-Accounts Receivables-DUE FROM GOVERNMENT(Capi	304,937,991	-
Current Assets-Accounts Receivables-Debtors Suspense-Main	-	723,000
Current Assets-Other Deposits-Deposits E A O Cyliders	56,000	56,000
Current Assets-Other Deposits-Deposits KPL CO Ltd	857,102	726,630
Current Assets-Other Deposits-Rent Deposits	9,202,926	-
Tegemeo Staff Unsurrendered Imprests	-	18,233,833
Receivables - EUICO	-	54,355,359
	1,601,876,608	1,129,966,349
Note 18 (b) :- Provisions for Bad Debts		
Particulars	Total 30-Jun-15	30-Jun-14 Ksh
Current Liabilities- Provisions Main Campus	6,742,755	37,777,250
Current Liabilities- Provisions Nairobi City Campus	1,141,607	1,836,412
Current Liabilities- Provisions IGUs	-	77,067
Current Liabilities- Provisions Nakuru Town Campus	1,659,366	1,649,841
Current Liabilities- Provisions Baringo Campus	247,846	-
	9,791,574	41,340,570
Net Receivables from Exchange Transaction	1,592,085,034	1,088,625,779
Note 18 (c) :- Receivables from Non-Exchange Transaction		
Particulars	Total 30-Jun-15	30-Jun-14 Ksh
BAT	-	250,000
Geothermal Dev. Authority	-	60,000
Kenya Commercial Bank	-	1,000,000
Apollo Assurance	-	1,000,000
Safaricom - M-Pesa Collections	-	40,587
Current Assets-General Debtors-Mau Egerton Cross Country	-	2,350,587
Total Receivables	1,592,085,034	1,132,316,936

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Note 19 :- Inventories		
Particulars	Total 30-Jun-15	30-Jun-14 Ksh
Current Assets-Inventories-Stocks Central & Substores	8,177,683	4,428,540
Current Assets-Inventories-Stocks Stationery	6,912,590	7,968,056
Current Assets-Inventories-Stocks Cleaning Materials	158,107	-
Current Assets-Inventories-Stocks Consumables	33,810,356	44,402,739
Current Assets-Inventories-Stocks Medical drugs	1,019,934	10,260,052
Current Assets-Inventories-Shop stock-IGU	2,275,525	2,549,857
EUICO - Inventories		69,912,286
	52,354,195	139,521,531

Note 20: Agricultural Assets

Note 20 (a) :- Biological Assets - Bearer Assets		
Particulars	Total 30-Jun-15	30-Jun-14 Ksh
Biological Assets - Livestock TDU-IGU	16,883,500	10,841,900
Biological Assets - Livestock Kenyatta Campus-IGU	2,275,000	1,407,000
Biological Assets - Security Dogs-Main	170,000	200,000
Biological Assets - Livestock Chemeron Field Station	821,800	696,300
Biological Assets-Livestock-Veterinary Medicine & Surgery	600,000	
Biological Assets - Livestock EUICO		37,426,000
	20,750,300	50,571,200

Note 20 (b) :- Biological Assets - Consumable Assets		
Particulars	Total 30-Jun-15	30-Jun-14 Ksh
Biological Assets - Crops TDU-IGU	-	913,600
Biological Assets - Crops Kenyatta Campus-IGU	78,500	-
Biological Assets- Crops -Crops,Horticulture and Soil Scienc	45,470	-
Biological Assets - Crops EUICO		66,652,500
	123,970	67,566,100

Note 20 (c) :- Agricultural Produce & Planting Seeds		
Particulars	Total 30-Jun-15	30-Jun-13 Ksh
Agricultural Produce TDU-IGU	-	259,740
Agricultural Produce -Crops,Horticulture and Soil Sciense	-	72,460
Agricultural Produce - EUICO		16,161,150
		16,493,350
Total Agricultural Assets	20,874,270	134,630,650

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Note 21: Non Current Assets
Note 21(a) :- Property, Plant & Equipment

Particulars	Land Kshs.	Buildings Kshs.	W.I.P Kshs.	Dairy Equipments/Plant/ Tractors Kshs.	Furniture, Fittings Kshs.	Other Equipments Kshs.	Library Books Kshs.	Motor Vehicles Kshs.	Computer and Appliances Kshs.	Totals Kshs.
Cost or Valuation										
As at 01/07/2013	777,648,300	2,331,684,120	590,457,919	44,611,211	134,751,377	465,526,483	102,160,620	168,762,468	356,072,769	4,971,675,266
Year adjustments										
Additions During the year	187,946,500		524,803,446	2,523,000	18,077,645	34,237,921	5,170,008	1,900,000	14,111,616	818,715,496
Tegenco Assets					1,428,763	9,603,049		12,734,213		23,766,025
EUICO Assets		5,914,000		18,973,394		4,235,621				29,123,015
Disposal During the year					54,604	3,393,003		12,021,274	246,726	15,715,607
As at 01/07/2014	965,594,800	2,337,598,120	1,115,261,365	66,109,605	151,345,656	491,003,973	107,330,627	173,950,341	369,937,659	5,778,133,146
EUICO Assets Costs		(18,002,215)		(30,218,717)		(5,953,911)		(4,048,600)		(58,223,443)
Year adjustments										
Additions During the year			305,484,574		15,187,625	26,691,027	26,864,773	2,350,000	5,110,466	382,938,465
EUICO Assets		608,309,226	(610,150,961)			1,141,735		700,000		-
WIP Transferred to Assets			(1,094,326,000)			142,066				(1,094,326)
WIP Transferred to Prior v. Expenses										642,066
Disposal During the year										
As at 30/06/2015	965,594,800	2,927,905,131	809,500,652	35,890,888	166,533,281	512,740,758	134,195,401	175,351,741	375,748,125	6,103,460,776
Depreciation										
As at 01/07/2013	-	313,039,669	-	30,089,097	106,760,053	419,177,213	89,213,173	138,370,526	278,577,276	1,375,227,007
Year adjustments										
Charge for the year		57,989,848		1,455,360	10,971,251	27,422,813	6,173,908	19,573,304	45,163,079	168,749,562
Tegenco Assets					872,612	8,763,788		12,734,213		22,370,613
EUICO Assets		206,745		4,328,493		1,133,622		759,113		6,427,973
Acc Depr on Disposals					51,729	3,383,903		12,021,274	246,726	15,703,632
As at 01/07/2014	-	371,236,262	-	35,872,950	116,806,963	435,585,957	95,387,081	134,031,955	323,493,629	1,512,414,797
EUICO Assets Accum. Depr.		(495,727)		(5,809,209)		(1,338,718)		(1,771,263)		(9,414,917)
Year adjustments										
Charge for the year		73,197,578		1,280,935	9,308,184	23,819,494	10,177,914	16,910,254	28,352,312	4,546,000
Acc Depr on Disposals						142,066		500,000		163,046,671
Comm Dep Net of Disposals		443,938,163		31,344,676	126,115,146	457,916,968	105,564,995	153,224,997	351,845,941	1,669,950,486
As at 30 June 2015	965,594,800	2,483,966,968	809,500,652	4,546,213	40,418,134	54,823,791	28,630,406	22,127,144	23,902,183	4,433,510,290
As at 30 June 2014	965,594,800	1,966,361,858	1,115,261,365	30,236,655	34,538,693	55,418,015	11,943,546	39,918,386	46,444,029	4,265,717,348

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Note 21 (b) - Work-In-Progress				
Particulars	Total 30-Jun-15	30-Jun-15 Additions	30-Jun-15 Transfers	30-Jun-14 Ksh
WIP-WIP-Buildings-Constr. Of Admin. Building-Main	20,096,000	-	-	20,096,000
WIP-WIP-Buildings-Constr. Of Njokerio Foot Bridge-Main	-	-	447,010	447,010
WIP-WIP-Buildings- Kilimo Primary School Relocation-Main	-	5,988,674	5,988,674	-
WIP-WIP-Buildings-Construction Of Science Complex-Main	436,789,939	156,927,382	-	279,862,557
WIP-WIP-Buildings-Construction Of Agronomy & Horticulture-Mai	177,377,480	-	-	177,377,480
WIP-WIP-Buildings-Const. Of ICT Infrastructure-Main	35,384,963	1,827,787	1,537,435	35,094,611
WIP-WIP-Buildings-Constr. Of Students Housing Complex-Main	-	118,646,825	491,373,409	372,726,585
WIP-WIP-Buildings-Faculty Of Law-NTCC-Main	123,916,482	-	-	123,916,482
WIP-WIP-Buildings-Constr. Of Dining/ Kitchen-Main	-	268,079	23,607,633	23,339,554
WIP-WIP-Buildings-Water Dam-Main	-	7,540,039	73,729,732	66,189,693
WIP-WIP-Buildings-Students Centre-Main	-	-	12,462,768	12,462,768
WIP-WIP-Buildings-Water Treatment Works Expansions-Main	-	-	700,000	700,000
WIP-WIP-Buildings-Faculty of Veterinary Medicine-Main	1,650,000	-	-	1,650,000
WIP-WIP-Construction-High Mast Security Lights	-	-	1,141,735	1,141,735
WIP-WIP-Electric Fence Njoro Campus	14,285,789	14,285,789	-	-
WIP-WIP-Plant and Machinery-WIP-Plant and Machinery-Main	-	-	256,891	256,891
Total	809,500,652	305,484,574	611,245,287	1,115,261,365

Note 22:- Investments			
Particulars	Total 30-Jun-15		30-Jun-14 Ksh
Investments-Long Term-Kenya Farmers Association shares - 898	-		179,000
Investments-Long Term-Kenya Co-op Creameries shares - 1040-M	-		235,000
Investments-Long Term-Kenya Airways- Ordinary Shares- 52468-	385,640		529,927
Investments-Long Term-Pyrethrum Board of Kenya-Ordinary Shar	-		3,000
Investments-Long Term-Mercat Limited Ordinary Shares - 254-M	-		900
	385,640		947,827

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Note 23 (a) :- Trade and Othe Payables		
Particulars	Total 30-Jun-15	30-Jun-14 Ksh
Current Liabilities-Payroll Payables	166,655,669	48,487,433
Current Liabilities-Trade Creditors-N	268,201,364	124,650,637
Current Liabilities-Payable Clearing A/C	12,030,804	-
Current Liabilities-Internal Creditors-N	13,093,802	15,666,976
Current Liabilities-Taxes-Withholding Tax Payable	5,936,828	2,380,925
Current Liabilities-Taxes-Value Added Tax (VAT) Payable	9,950,996	-
Current Liabilities-Other Payables-Students Caution Money	57,740,240	55,315,300
Current Liabilities-Other Payables-Students Union Fees	4,894,162	7,068,198
Current Liabilities-Other Payables-Contractors' Retention Mo	-	28,009,147
Current Liabilities-Other Payables-CDF Clearing a/c	3,650,935	1,944,304
Current Liabilities-Other Payables-HELB Clearing a/c	3,995,500	6,900,488
Current Liabilities-Other Payables-Other Sponsors Clearing a	3,602,845	2,870,783
Current Liabilities-Other Payables-DUE TO AICO	-	1,347,001
Current Liabilities-Other Payables-DUE TO KIPC	-	20,199,059
Current Liabilities-Other Payables-Alumni Fees-Main	3,843,500	478,500
Current Liabilities- Unidentified Bank Deposits - Main	1,041,164	-
Deferred Income Tegemeo	152,324,473	150,011,856
EUICO - Trade & Other Payables	-	26,025,842
Student Prepaid fees	388,672,200	227,574,347
	1,095,634,481	718,930,795

Note 23 (b) :- Accruals and Provisions		
Particulars	Total 30-Jun-15	30-Jun-14 Ksh
Current Liabilities-Accruals Main Campus	110,948,297	84,554,085
Current Liabilities-Accruals Nairobi City Campus	79,825,055	63,215,259
Current Liabilities-Accruals Nakuru Town Campus	90,209,205	106,470,380
	280,982,557	254,239,724

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Note 24 (a) :- Tegemeo Institute Financial Reports

Note 24 (a) :- Tegemeo Institute Incomes & Expenditures

PROJECT NAME	DIFFERED INCOME JUNE 2014	OTHER INCOME	ADDITIONAL FUNDING DURING THE YEAR	Jun-15	INCOME /EXG RATE DIFFERENCE S	Jun-15
				Total Expenses for the year		MATCHED TO EXPENDITURE
TAPRA I	2,081,842			529,149	529,149	529,149
TAPRA II	59,097,344		80,786,356	142,975,521	142,975,521	142,975,521
OVERHEAD	12,444,364		10,963,551	12,444,364	-	10,963,551
MLE	54,077,975		76,399,892	16,192,768	16,192,768	16,192,768
FORD	(623,609)	623,609	-	-	-	-
ROCKEFELLER	11,619,642	1,066,870	-	12,686,512	12,686,512	12,686,512
RCT	16,044,932		18,260,307	18,309,908	18,309,908	18,309,908
3ie	-		21,325,232	13,569,869	13,569,869	13,569,869
FAC	2,324,992		1,572,255	2,196,921	2,196,921	2,196,921
GLCI	2,303,228		-	-	624,410	-
WORLD BANK/KAPAP	1,124,630		-	914,318	914,318	914,318
ELLA	-		3,620,224	1,961,003	1,961,003	1,961,003
ReNAPRI	-		918,000	636,898	636,898	636,898
ISSD	-		7,419,922	3,408,120	3,408,120	3,408,120
KDB	-		3,217,148	921,859	921,859	921,859
AGRA	-		4,018,241	1,654,775	1,654,775	1,654,775
EGERTON	38,767		-	-	-	-
GISAMA	2,750,929		-	2,678,841	2,678,841	2,678,841
ReNAPRI	(790,050)		790,050	-	-	-
PAM/KMDP ACCOUNT	(293,639)		-	(336,349)	-	-
TAMPA II ACCOUNT	2,712,694		-	(3,807,301)	-	-
INTEREST/FOREX GAIN/(LOSS)	3,299,964	1,090,487	-	1,739,370	-	1,090,487
TOTAL	168,214,007	2,780,965	229,291,179	228,676,547	231,080,827	230,690,500

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Note 24 (b) :- Tegemeo Institute Deferred Incomes Summary

PROJECT NAME	Jun-15	Jun-15	Bank	Debtors	Jun-14
	DEFERRED INCOME (FUND BALANCES)	RESERVE C/D			Combined
TAPRA I	1,552,694	-	2,081,842		2,081,842
TAPRA II	(2,785,258)	-	40,863,511	18,233,833	59,097,344
OVERHEAD	-	10,963,551	12,444,364		12,444,364
MLE	114,285,099	-	54,077,975		54,077,975
FORD	-	-	(623,609)		(623,609)
ROCKEFELLER	-	-	11,619,642		11,619,642
RCT	15,995,331	-	16,044,932		16,044,932
3ie	7,755,363	-	-		-
FAC	1,700,326	-	2,324,992		2,324,992
GLCI	2,927,638	-	2,303,228		2,303,228
WORLD BANK/KAPAP	210,312	-	1,124,630		1,124,630
ELLA	1,659,221	-	-		-
ReNAPRI	281,102	-	-		-
ISSD	4,011,803	-	-		-
KDB	2,295,289	-	-		-
AGRA	2,363,466	-	-		-
EGERTON	-	38,767	38,767		38,767
GISAMA	72,088	-	2,750,929		2,750,929
ReNAPRI	-	-	(790,050)		(790,050)
PAM/KMDP ACCOUNT	-	42,711	(293,639)		(293,639)
TAMPA II ACCOUNT	-	6,519,995	2,712,694		2,712,694
INTEREST/FOREX GAIN/(LOSS)	-	2,651,080	3,299,964		3,299,964
TOTAL	152,324,473	20,216,104	149,980,174	18,233,833	168,214,007

Note 24 (c) :- Tegemeo Institute Cash at Bank

BANK A/C NAME	BANK A/C NO.	CASHBOOK BALANCE (KES)	CASHBOOK BALANCE (USD) in KES Equivalent	Jun-15
				TOTAL CASHBOOK BALANCES
Egerton University A/C Tegemeo TAPRA-NIC	1000237228	1,651,790		1,651,790
Egerton University-Tegemeo Inst TAPRA II-NIC	1000020334	8,178,293		8,178,293
Egerton University-Tegemeo Institute-NIC	1001783811	39,836,232	75,905,842	115,742,074
Egerton University-Tegemeo Inst- RFCCP-NIC	1000015411	17,791,809	6,711,731	24,503,541
Egerton Univ-Tegemeo Institute - KBSP-NIC	1000015748	11,272,903	2,184,476	13,457,379
Egerton University Tegemeo Institute-NBK USD	0200-3005240200		2,363,466	2,363,466
Egerton University Tegemeo Institute-NBK	0100-3005240200	90,844	-	90,844
Egerton University PAM/KMDP -NBK	01003-043688-00	7,298		7,298
Egerton Univ. Tegemeo TAMPA II-NIC	1000235926	6,545,892		6,545,892
TOTAL		85,375,062	87,165,515	172,540,577

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PROGRESS ON FOLLOW UP OF AUDITOR RECOMMENDATIONS

The following is the summary of issues raised by the external auditor, and management comments that were provided to the auditor. We have nominated focal persons to resolve the various issues as shown below with the associated time frame within which we expect the issues to be resolved.

Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Focal Point person to resolve the issue (Name and designation)	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
1	No titles to some Land Parcels	The process of acquiring these ownership documents for all the University lands is at advanced stage for the remaining two parcels.	Legal Officer	Not resolved	By end of FY 2015/2016
2	Stalled Projects	The University has consistently prioritized completion of these stalled projects over the years and has succeeded in completing all the stalled projects except two; Agronomy and Administration block.	DVC(A&F)	Not resolved	By end of FY 2015/2016
3	Outstanding staff imprests	The University adheres fully to the government regulations regarding issue and surrender of temporary imprests however the nature of some imprests such as for research activities makes them outstanding for a long period of time.	F&AC	Not resolved	By end of FY 2015/2016
4	Acquisition of Land	The part development plan as the result of subdivision process is about to be complete so that the main title is surrendered so that university title is issued.	Legal Officer	Not resolved	By end of FY 2015/2016

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