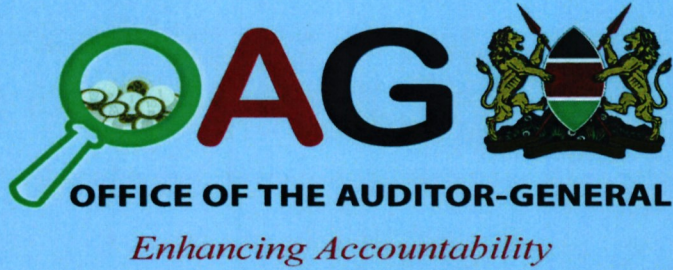


REPUBLIC OF KENYA




REPORT

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EGERTON UNIVERSITY

**FOR THE YEAR ENDED
30 JUNE, 2019**

EGERTON



UNIVERSITY



ANNUAL REPORT

&

FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR

ENDED

JUNE 30, 2019



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

Transforming Lives through Quality Education

Egerton University is ISO 9001:2008 Certified.

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KEY UNIVERSITY INFORMATION AND MANAGEMENT

(a) Background Information

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 This Act was repealed and replaced by the Universities Act No 42 of 2012.

Egerton University has three (3) active Campuses and one Campus College. The main Campus is based at Njoro and houses the Faculties of Agriculture, Arts and Social Sciences, Education and Community Studies, Engineering and Technology, Environment and Resources Development, Science and Veterinary Medicine and Surgery. The Njoro Campus also houses the Board of Undergraduate Studies and Field Attachment, and the Board of Postgraduate Studies. The other Campus is the Nairobi City Campus, offering programmes from the Faculties of Arts and Social Sciences, Commerce, and Education and Community Studies. It also hosts the African Centre for Distance Education (ACDE). The third Campus, Kenyatta Campus, is located five (5) kilometres from Njoro Campus and is planned to house the Open and Distance Learning (CODL) programmes which is currently based at Njoro Campus. The only University's Campus College, Nakuru Town Campus College, hosts the Faculties of Commerce, Law and Health Sciences. The University currently has ten (10) faculties, one (1) institute of Gender and fifty-one (51) academic departments offering a wide range of programmes at diploma, undergraduate, and postgraduate levels. All of them are open to both Government-sponsored and self-sponsored students. The University also offers courses in computer literacy, computer repairs and maintenance, as well as accounting and bridging courses. Baringo Campus has not been viable and is in the process of closure.

(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:

- Advancement of knowledge through teaching, scholarly research and scientific investigation;
- Promotion of learning in the student body and society in general;
- Promotion of cultural and social life of society;
- Support and contribution to the realization of national economic and social development;
- Promotion of the highest standards in, and quality of, teaching and research;

- Education, training and retraining higher level professional, technical and management personnel;
- Dissemination of the outcomes of the research conducted by the university to the general community;
- Facilitation of life-long learning through provision of adult and continuing education;
- Fostering of a capacity for independent critical thinking among its students; and
- Promotion of gender balance and equality of opportunity among students and employees.
- Promotion of equalization for persons with disabilities, minorities and other marginalized groups.

i. Vision

A world class University for the advancement of humanity.

ii. Mission

To offer exemplary education to society and generate knowledge for national and global development.

iii. Core Values

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

- National unity;
- Internationalism;
- Passion for excellence;
- Professionalism;
- Devotion to duty;
- Integrity, transparency, and accountability;
- Social fairness

(c) Key Management

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

- University Council
- University Management Board
- The Senate

(d) Fiduciary Management

The key management personnel who held office during the financial year ended 30th June 2019 and who had direct fiduciary responsibility are shown on pages 12 - 15.

(e) Fiduciary Oversight Arrangements

The University Council is responsible and accountable to the Government of Kenya through the Ministry of Education 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 and the Vice Chancellor.

(f) Headquarters

P.O. Box 536 - 20115, **EGERTON**,
Njoro Campus,
Njoro Mau Narok Road,
NJORO, KENYA

(g) Contacts

Tel: (254) 051-2217891/2/051-2217781
E-mail: info@egerton.ac.ke
Website: www.egerton.ac.ke

(h) Bankers

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

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

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

(i) Independent Auditors

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

(j) Principal Legal Adviser

Sheth & Wathigo Advocates
Vickers Building
P.O. Box 611 – 20100
Nakuru, Kenya

CHANCELLOR



MR. NARENDRA RAVAL (GURU), EBS
B.Com (Kutch-Bhuj)
YOB: 1961

WORK EXPERIENCE

Chairman, Devki Group of Companies and a Philanthropist. A few noteworthy philanthropic initiatives: Acting as Trustee of Kenya Down Syndrome Society, Trustee of International Society for Krishna Consciousness (ISKCON), Trustee of The Loomba Foundation of Africa, Financially supported re-construction of 22 homes in the village of “Nastipar” Village in Tankara Taluka, Rajkot District in Gujarat India, which was totally destroyed in the 2001 Earthquake that struck the Bhuj region, Supporting an orphanage at Athi River, Provides support in cash and in kind to local educational institutions, medical clinics and scholarship support to needy and meritorious students, Facilitates free supply of water to the local communities and medical facilities.

He has received a number of accolades for his service, including the President's Award of Kenya in 2007 and the UK's philanthropy award in 2012. He was also honored by the Lions International Foundation with the Melvin Jones Fellowship in Nakuru, becoming the 12th person in the world to receive such recognition; Awarded Doctorate of Divinity by Champions Covenant Church (USA); Awarded The SOL Lions Favourite “Guru” of Entrepreneurs by Lions Clubs; Featured by Forbes Africa Magazine as the 46th richest person in Africa in 2016; Awarded “Entrepreneur of the Year 2019” for Kenya, in the Master Category by Ernest & Young.

THE UNIVERSITY COUNCIL



NAME: Amb. Dr. Luka.H.Wario, PhD, CBS

YOB: 1952

POSITION/KEY RESPONSIBILITIES:

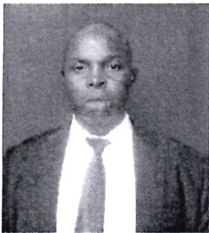
Council Chairman; Chairman of Appointments Committee

QUALIFICATION:

B Ed, (UoN), M Ed (UoN) PhD (University of Reading)

WORK EXPERIENCE

Chairman, Taskforce on establishing the University of Marsabit; Chairman, Garissa University College Council; Management Consultant Selwood; Writer, Moran Publishers; Chairman, Transition Authority Selection Panel; Director, National Anti-Corruption Campaign Steering Committee; PS, Ministry of State for the Development of Northern Kenya and other Arid Lands; PS, Ministry of the East African Community; PS, Office of the Vice President and Ministry of Home Affairs; Head, Research & Policy Analysis Division; Head, Middle East Division; Director, Administration in the Ministry of Foreign Affairs; Coordinator, Somali National Reconciliation Conference; Ambassador, People's Republic of China; Kenya Representative, International Network for Bamboo and Rattan; High Commissioner, Republics of Zimbabwe and Mozambique and the Kingdoms of Lesotho and Swaziland; Assistant to Kenya's Special Envoy to Somalia; Lecturer, Moi University.



NAME: Mr. Joshua Nyangidi Otieno

YOB: 1976

POSITION/KEY RESPONSIBILITIES:

Council Member; Chairman Planning, Development & Fund-Raising Committee; Member Chairperson Audit, Governance & Risk Management Committee; Member Sealing & Honorary Degree Committee; Member Appointments Committee

QUALIFICATION: B.Ed. (KU), MBA. (KU)

WORK EXPERIENCE

KCA University: Manager, Centre for Entrepreneurship & Leadership; Lecturer KCA University; Lead Researcher in the Africa Bio-diversity Conservation and Innovation Centre & CIC Insurance Company, Business Consultant and Trainer at Kenya Market Trust and Parsons Ltd. Business Trainer, Africa Youth Trust; Part-time Lecturer: JKUAT, Kenyatta University & Moi University



NAME: Mr. Joseph Mwaura Kamau

POSITION/KEY RESPONSIBILITIES:

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

QUALIFICATION: B.A. (UoN), MBA-Finance (KAIST), Masters of Finance & Banking (Moi)

WORK EXPERIENCE

Government of Kenya National Treasury Investment Officer, Equity Bank (K) Ltd Operations Manager Corporate Division, Standard Chartered Bank (K) Ltd Customer Service Manager Langata.



NAME: Dr. Charity C. Nyaga

YOB: 1955

POSITION/KEY RESPONSIBILITIES:

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

QUALIFICATION: B.Ed. (UoN), M.Ed (KU), Ph.D (KU).

WORK EXPERIENCE

Ministry of Education: Deputy Director of Education; Senior Assistant Director of Education; Kiini Mixed Boarding Secondary School: Principal Graduate Teacher I; Principal Graduate Teacher II; Njuri Mixed Boarding Secondary School: Principal Graduate Teacher II; Senior Graduate Teacher; Head Teacher; Graduate I Kyeni Girls High School: Graduate Teacher I; Graduate Teacher Mukuuni Secondary School: Untrained Teacher



NAME: Mr. James M. Ndung'u

YOB: 1973

POSITION/KEY RESPONSIBILITIES:

Council Member - Rep. P.S. Ministry of Education; Member, Finance, Human Resources & General Purpose Committee; Member Tegemeo, Academic & Research Committee; Member Grievances Handling & Appeals Committee; Member Appointments Committee.

QUALIFICATION:

B.Ed. (KU), M.Ed. (MU)

WORK EXPERIENCE

Ministry of Education; Senior Assistant Director of Education – State Department for University Education and Research; 20 years' experience in education sector.



NAME: Mrs. Alasa O. Hirsi

YOB: 1962

POSITION/KEY RESPONSIBILITIES:

Council Member; Chairperson Grievances Handling & Appeals Committee; Chairperson Sealing & Honorary Degree Committee; Member, Finance, Human Resources & General Purpose Committee; Member, Planning, Development & Fund-Raising Committee.

QUALIFICATION:

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

WORK EXPERIENCE

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



NAME: Ms. Esther Mukoa Wabuge

YOB: 1976

POSITION/KEY RESPONSIBILITIES:

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

QUALIFICATION:

B.Ed. (Moi), DIBM (KIM), M.Sc. (JKUAT), M.A. (University of London)

WORK EXPERIENCE

Coordinator, Kenya Country Core Group, World Bank Group (Joint Learning Network for Universal Health Coverage); Project Officer Training, Management Sciences for Health (MSH) – Leadership, Management & Sustainability (LMS) Project; Associate Consultant, Kenya National AIDS Strategic Plan; Kenya HIV/AIDS Private Sector Business Council (KHBC); Head of Programme & Stakeholder Development; Head of Training & Business Development; Namawanga Girls' High School: Biology & Home science teacher; Research Officer, Community Management & Training Services (CMTS.EA); Part-time Lecturer, Kisumu Polytechnic



NAME: Mr. John Nyakawa Ondari

YOB: 1970

POSITION/KEY RESPONSIBILITIES:

Council Member; Chairman Finance, Human Resources & General Purpose Committee; Member Tegemeo, Academic and Research Committee; Member Planning, Development & Fund-Raising Committee; Member Appointments Committee

QUALIFICATION: B.A. (UoN), M.A. (UoN)

WORK EXPERIENCE

Strategic Advisor, Kenya Water Security & Climate Resilience Program. Senior WASH Advisor, SNV Netherlands Development Organisation, Kenya. Long Term Technical Advisor, Kenya Water & Sanitation Programme. Lemma Development Consultants Ltd: Managing Director; Director Economist (WSS Financing Consultant), World Bank, Water & Sanitation Program – AF. Economist/ Statician, Ministry of Planning & The Treasury.



NAME: Prof. Rose. A. Mwonya

YOB: 1950

POSITION/KEY RESPONSIBILITIES

Vice-Chancellor

QUALIFICATION

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

WORK EXPERIENCE

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

UNIVERSITY MANAGEMENT BOARD



NAME: Prof. Rose A. Mwonya

YOB: 1950

POSITION/KEY RESPONSIBILITY

Vice-Chancellor

QUALIFICATION

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

WORK EXPERIENCE

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



NAME: Prof. Alexander K. Kahi

YOB: 1968

POSITION/KEY RESPONSIBILITY

Deputy Vice-Chancellor (Academic Affairs)

QUALIFICATION

B.Sc., M.Sc, (Egerton), Dr. Sc. Agr. (Hohenheim)

WORK EXPERIENCE

Egerton: Deputy Vice-Chancellor (Academic Affairs); Dean Fac. Agriculture; Chairman Dept. Of Animal Science; Professor, Associate Professor, Senior Lecturer, Lecturer, Asst. Lecturer; Teaching Assistant Dept. Animal Science.

Kyoto University (Japan): Visiting Professor, Postdoctoral Research Scientist.

Consultant ILRI – SLU Project; Consulting Scientist – Livestock Recording Centre (Naivasha); Visiting Scientist – AGBU (University of New England); Consultant – AGRP (Ethiopia); Consultant – Applied Genetic Network (Germany); Graduate Fellow – ILRI (Dairy Research Project); Visiting Researcher – Wageningen University.



NAME: Prof. Isaac O. Kibwage

YOB: 1954

POSITION/KEY RESPONSIBILITY

Deputy Vice-Chancellor (Administration, Planning & Development)

QUALIFICATION

B.Pharm (UoN), M.Pharm, Ph.D (K.U. Leuven), FPSK, CSci. C.Chem, MRSC

WORK EXPERIENCE

Egerton University: Deputy Vice-Chancellor (Administration, Planning & Development)

University of Nairobi: Principal of the College of Health Science, Dean of Faculty/School of Pharmacy, Chairman of Department, Professor, Associate Professor, Senior Lecturer, Lecturer, Assistant Lecturer, Graduate Assistant



NAME: Prof. Alfred C. Kibor

YOB: 1950

POSITION/KEY RESPONSIBILITY

Ag Deputy Vice-Chancellor (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: 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 (Human Capital & 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.



NAME: Prof. Mwanarusi Saidi

YOB: 1971

POSITION/KEY RESPONSIBILITY

Ag. Registrar (Academic Affairs)

QUALIFICATION

B.Sc.(Egerton), MSc.(Egerton), Ph.D. Michigan/Egerton,

WORK EXPERIENCE

Egerton University – Registrar (Academic Affairs); Coordinator, Snr Lecturer, Lecturer, Assistant Lecturer, Teaching Assistant department of Crops, Horticulture and Soils, Egerton University; Assistant Farm Manager, Coast Development Authority, Kenya



NAME: Prof Bockline Omedo Bebe

YOB: 1963

POSITION/KEY RESPONSIBILITY

Ag Director (Research & Extension)

QUALIFICATION

Diploma, BSc (Egerton University), MSc , PhD (Wageningen)

WORK EXPERIENCE

Egerton University: Ag. Director (Research & Extension); Deputy Director, Extension outreach and consultancy; Professor of Livestock Production Systems; Consultant: Livestock Development Policies: University curriculum development: Strategic plan; Climate change and adaptation; Livestock value chains



NAME: Mr. Moses O. Ouma

YOB: 1978

POSITION/KEY RESPONSIBILITY

Finance Officer

QUALIFICATION

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

WORK EXPERIENCE

Finance Officer - 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

In the year ended 30th June 2019, the university achieved a number of milestones key among them; the 6th Mau–Egerton University Cross Country, the launch of the Security Control Complex and 2018-2023 Strategic Plan.

The 2019 Mau-Egerton University Cross Country was launched in January 2019 and was facilitated by key sponsors such as KCB Ltd and APA Insurance as well as partners from the local community, i.e. Ndarugu-Eritheia Water Project, Mwigito Community Water Project, and Entiyani Community representatives. APA Insurance and KCB Ltd have consistently made contributions not only in terms of money but also in planting tree seedlings at the University Botanic Garden. The Cross Country event was held on 9th February 2019. It drew participants in various race categories. The 2011 Boston Marathon Champion, Caroline Chepkwony, participated and won the ten kilometre senior women race category with a time of 34:25.5. The ten kilometre senior men race category was dominated by Emmanuel Bett and Josphat Bett, who completed the race in position 1 and 2 respectively

The ultramodern security control complex is intended to not only improve the safety of students, staff and visitors but also has provisions for farm fresh produce from Egerton University available to the public. The University did also launch its 2018-2023 Strategic Plan which focuses on provision of quality education, enhancement of physical infrastructure and ICT capacity, enhancement of governance and resource mobilization, alumni network among other key areas. The two events were officiated by the Chief Administrative Secretary and Principal Secretary, State Department for University Education and Research Prof. Collette A. Suda.

Governance

Mr Narendra Raval (Guru) was appointed as the Chancellor of Egerton University for a period of five (5) years with effect from 11th January, 2019 by His Excellency The President of Kenya Uhuru Kenyatta. Mr. Raval is the founder of Devki Group, the largest manufacturer of steel products in East and Central Africa. He is also a renowned philanthropist supporting various orphanages and the author of *Guru Bhai: An autobiography of Narendra Raval*.

We are focussed to position Egerton University as a 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 Ngongonger farm and the ARC Hotel to make them viable commercial enterprises now run as Egerton University Investment Company under the management of a Managing Director. The University has introduced cost cutting measures to remain afloat.

Financing and Policies

During the year ended 30th June 2019, Egerton University was mainly funded through the Government Capitation (48%) and Appropriation in Aid (A-I-A) (52%) for its recurrent expenditure.

Egerton University Annual Report and Financial Statements for the year ended 30th June 2019

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



Amb. Dr. Luka.H.Wario, PhD, CBS
Chairman, Egerton University Council

REPORT OF THE VICE-CHANCELLOR

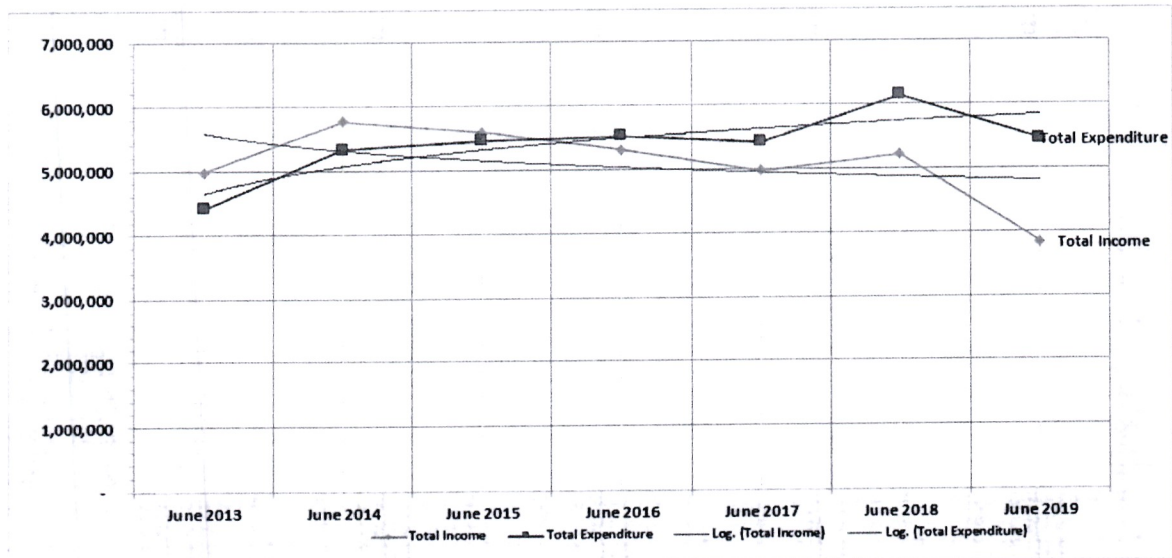
During the financial year ended 30 June 2019, the university continued to stay focussed on the path to achieving its vision of being a world class university for the advancement of humanity. Towards this end, the focus remained on enhancing the quality of academic programs and research output including increasing collaborations with other institutions.

The university achieved a number of milestones in the year ended 30 June 2019. Key among them were the 6th Mau-Egerton University Cross Country, the launch of the Security Control Complex and 2018-2023 Strategic Plan.

Over the last seven years the following are the trends of surpluses (deficits) realised by the end of each financial year:

Seven-year Surplus/Deficit Trends

Income/Expenditure (Kshs 000's)	June 2013	June 2014	June 2015	June 2016	June 2017	June 2018	June 2019
Total Income	4,976,972	5,773,804	5,597,399	5,310,670	4,968,162	5,210,699	3,849,367
Total Expenditure	4,411,533	5,324,991	5,458,943	5,522,944	5,417,001	6,138,767	5,449,863
Surplus/(Deficit)	565,439	448,813	138,456	(212,274)	(448,839)	(928,068)	(1,600,496)
Exp as a %tage of income	89%	92%	98%	104%	109%	118%	142%

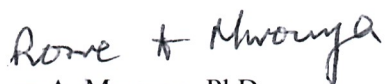


Seven-year Surplus/Deficit Trends

Revenue rose steadily up to the year 2014 then started declining in the year 2015 to date. The University received Ksh 727 million in respect of CBA arrears for the years 2013 to 2017 in the year 2017/18, however, there was a reduction of the monthly recurrent capitation by Ksh. 55 million in the year 2018/19.

The university expected the future to get tougher in terms of the operating environment. The GoK funding is reducing by the year. At the same time the pool of self sponsored students from whom the university has been getting some revenue is also dwindling. For example, all KCSE candidates of year 2017 were absorbed by the GoK under the regular programs. This partly explains why the self-sponsored students' numbers did not rise as had been projected. This situation is expected to continue into the future.

The university is therefore taking drastic steps to diversify its revenue sources away from reliance on students. The new focus is on Income Generating Units of the university like the firm, the hotel among others. At the same time the university is implementing austerity measures at all times and embracing automation so as to cut operating expenses in the coming years.



Prof. Rose A. Mwonya, PhD
Vice Chancellor

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 seven committees namely:

1. Finance, Human Resources and General Purposes Committee
2. Audit, Governance and Risk Management Committee
3. Planning, Development & Fund-Raising Committee
4. Tegemeo, Academic and Research Committee
5. Grievances Handling and Appeals Committee
6. Sealing and Honorary Degree Committee
7. Appointments Committee

The Terms of Reference for the Committees of Council are:

1. Finance, Human Resources and General Purposes Committee

The Committee recommends to the Council for its approval the annual report and financial statements, annual estimates and expenditure, recommend policies on Finance and Human Resource to Council for approval, decide on disciplinary matters for staff in Grade XIII-XV, 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 ensures compliance to internal control processes, accurate preparation of financial reporting of results, operations and statements in compliance with legal and statutory requirements and standards, ensures the University complies with internal and external audits, develop risk management strategies, monitor institutional governance, and monitor compliance of the performance contract, and quality assurance.

3. Planning, Development & Fund-Raising Committee

The Committee mobilizes financial resources for the development of the University, take charge for all arrangements for planning and development of the University and construction of new buildings, advocate on behalf of the University and enhance the marketing of the University locally and internationally, provide advice and assistance to Deputy Vice-Chancellor (Administration, Planning and Development) with respect to corporate sponsorship and private source fund raising activities, and pay due regard to the necessity to refer matters of major importance to the Council for final approval.

4. Tegemeo, 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; approve the Tegemeo Institute's annual budget, business plans and policies; ensure good management and identify risk and internal controls in the Tegemeo Institute; promote and integrate good corporate governance at the leadership management and in all levels of the Tegemeo Institute; strategize on the Tegemeo Institute's development and sustainability; and consider and report any matter referred to it by the Council and Senate.

5. Grievances Handling and Appeals Committee

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

6. Sealing and Honorary Degree Committee

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

7. Appointments Committee

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

Council Meetings Attendance Financial Year 2018/2019

a) Attendance – 10th July to 19th September 2018

	Council Member	PCN 10/7/18	VPC 23/7/18	SFHR&GP 10/8/18	SCM 27/8/18	FHR&GP 3/9/18	CM 7/9/18	SCM 17/9/18	TA&R 17/9/18	AG&RM 18/9/18	MCSMoE 19/9/18
1	Esther M. Wabuge				X		X	X	X	X	X
2	Mrs. Alasa O. Hirsi	X	X	X	X	X	X	X			X
3	Dr. Charity C. Nyaga				X		X	X	X	X	X
4	Joshua Nyangidi Otieno				X		X	X		X	X
5	John Nyakawa Ondari	X	X	X	X	X		X	X		X
6	Joseph Kamau Mwaura						X	X		X	
7	James Muchiri Ndungu										X
8	Prof. Rose A. Mwonya	X	X	X	X	X	X				

b) Attendance – 28th September to 11th November 2018

	Council Member	SCM 28/9/18	AG&RM 4/10/18	PDF 5/10/18	CM 12/10/18	SCM 22/10/18	SCM 31/10/18	SCM 31/10/18	TA&R 1/11/18	AG&RM 2/11/18	PDF 8/11/18	FHR&GP 9/11/18
1	Amb. Dr. Luka H. Wario	X			X	X	X	X				X
2	Esther M. Wabuge	X	X		X	X	X	X	X	X	X	
3	Mrs. Alasa O. Hirsi	X		X	X	X	X	X			X	X
4	Dr. Charity C. Nyaga	X	X		X	X	X	X	X	X		
5	Joshua Nyangidi Otieno	X	X	X	X	X	X			X	X	
6	John Nyakawa Ondari	X		X	X	X		X	X		X	X
7	Joseph Kamau Mwaura	X	X	X	X					X	X	
8	James Muchiri Ndungu	X	X		X	X	X	X	X	X		X
9	Prof. Rose A. Mwonya					X	X	X	X		X	X

c) Attendance – 16th November 2018 to 28th January 2019

Council Member	SAG&RM 16/11/18	GHA 22/11/18	SHDC 22/11/18	CM 23/11/18	SCM 6/12/18	GC 7/12/18	EOPC 11/12/18	FHR&GP 18/1/19	SFHR&G P 22/1/19	CM 28/1/19
1 Amb. Dr. Luka H. Wario				X	X	X	X			X
2 Esther M. Wabuge	X	X		X	X	X				X
3 Mrs. Alasa O. Hirsi		X	X	X	X	X	X	X	X	X
4 Dr. Charity C. Nyaga	X	X		X	X	X				X
5 Joshua Nyangidi Otieno	X		X	X	X	X				X
6 John Nyakawa Ondari				X	X	X		X	X	X
7 Joseph Kamau Mwaura	X		X	X	X	X				X
8 James Muchiri Ndungu	X	X	X	X				X	X	X
9 Prof. Rose A. Mwonya			X	X	X	X	X	X	X	X

d) Attendance – 8th February to 30th April 2019

Council Member	CM 8/2/19	EMCC 9/2/19	TA&R 13/2/19	AG&RM 14/2/19	PDF 15/2/19	IWBMSC 21/2/19- 23/2/19	AG&RM 11/4/19	VBC 12/4/19	SAG&RM 29/4/19	PDF 30/4/19
1 Amb. Dr. Luka H. Wario	X	X				X		X		
2 Esther M. Wabuge	X	X	X	X		X	X		X	
3 Mrs. Alasa O. Hirsi	X	X			X	X		X		X
4 Dr. Charity C. Nyaga	X	X	X	X		X	X	X	X	
5 Joshua Nyangidi Otieno		X		X	X	X	X	X	X	X
6 John Nyakawa Ondari	X		X		X	X		X		X
7 Joseph Kamau Mwaura	X	X		X	X	X	X	X	X	X
8 James Muchiri Ndungu	X	X	X	X		X		X	X	
9 Prof. Rose A. Mwonya	X	X	X		X	X		X		X

e) Attendance – 7th May to 4th June 2019

Council Member	FHR&GP 7/5/19	GHA 8/5/19	TA&R 9/5/19	SFHR&G P 13/5/19	SPDFCC 16/5/19	CM 24/5/19	C&UMBR W 3/6/19	C&UMBRW 4/6/19
1 Amb. Dr. Luka H. Wario						X		
2 Esther M. Wabuge		X	X			X	x	X
3 Mrs. Alasa O. Hirsi	X	X		X	X	X	x	X
4 Dr. Charity C. Nyaga			X			X	x	X
5 Joshua Nyangidi Otieno					X	X	x	X
6 John Nyakawa Ondari	X			X	X	X	x	X
7 Joseph Kamau Mwaura					X			
8 James Muchiri Ndungu	X	X		X		X	x	X
9 Prof. Rose A. Mwonya	X				X	X	x	X

f) Attendance – 5th to 21st June 2019

	Council Member	C&UMBRW 5/6/19	C&UMBR W 6/6/19	SHDC 13/6/19	OSCC&LSP 14/6/19	SBM 20/6/19	SCM 20/6/19	GC 21/6/19
1	Amb. Dr. Luka H. Wario				X	X	X	X
2	Esther M. Wabuge	X	X		X	X	X	X
3	Mrs. Alasa O. Hirsi	X	X	X	X	X	X	X
4	Dr. Charity C. Nyaga	X	X		X	X	X	X
5	Joshua Nyangidi Otieno	X	X	X	X	X	X	X
6	John Nyakawa Ondari	X	X		X	X	X	
7	James Muchiri Ndungu	X	X	X	X	X	X	X
8	Prof. Rose A. Mwonya	X	X	X	x	X	X	X

Egerton University Annual Report and Financial Statements for the year ended 30th June 2019

KEY	DESCRIPTION
AG&RM	Audit, Governance & Risk Management Committee
C&UMBTA	Council & UMB members Tour of Areas
CEM	Council Evaluation Meeting
CM	Council meeting
CM on the TREA	Consultative Meeting on the terms of Reference for external auditor
CM with UMB	Consultative meeting with University magement Board
CMFVNR	Council Members Visit to Vision 2030 Njoro River Rehabilitation
CMTRR	Council Members Training on Risk Register
CMVEUCP	Council Members Visit to Egerton University Capital Projects
EF/APAINSD	Evaluation Feedback/APA Insurance Discussion
EMCC	Egerton Mau Cross country
FAP&AT	Finance, Audit, Procurement & audit Training
FHR&GP	Finance, Human Resources & General Purposes Committee
GC	Graduation Ceremony
GHA	Grievances Handling & Appeals Committee
PCN	Performance Contract Negotiation
PDF	Planning Developments & Fund raising Committee
SC	Sealing Committee
SCM	Special Council Meeting
SHDC	Sealing and Honorary Degree Committee
TA&R	Tegemeo, Academic & Research Committee
TOOGP	Tour of On-going Projects
VCPPPC	Visiting Capital Projects & Presentation of Performance Contract
FCM	Full Council Meeting
TOJEHB	Tour of Jubilee Exchange House Building
C&UMBWOP&R	Council & UMB Workshop on Procurement and Review of Strategic Plan
&F	Special Joint Finance,Human Resource & General Purposes & Planning,Development & Fund raising
CMC & UMB	Council Meeting with the Chancellor & UMB Members
EOPC	Evaluation of Performance Contract
SPDFCC	Special Planning,Development & Fund raising Committee of Council
VCP	Visiting Capital Projects
WED	World Environment Day
SFHR&GP	Special Finance Human Resources & General Purpose Committee of Council Meeting
SAG&RM	Special Audit, Governance & Risk Management Committee
VPC	Vetting of Performance Contract
C&UMBM	University Council and University Management Workshop
CEM&VTI	Council Evaluation and Visit to Tegemeo Institute
MCSMoE	Meeting with Cabinet Secretary Ministry of Education
IWBMSC	Induction Workshop for Board Members of State Corporation
VBC	Visit by the Chancellor
C&UMBRW	Council & UMB Members Re-Tooling Workshop
OSCC&LSP	Opening of Egerton University Security Control Complex & Launch of Strategic Plan 2018-2023
SBM	Stakeholders Breakfast Meeting

“Transforming Lives Through Quality Education”

MANAGEMENT DISCUSSION AND ANALYSIS

PART 1: ANALYSIS OF THE STATEMENT OF FINANCIAL PERFORMANCE

i. Revenue

The revenues of the University have been as shown in table 1 and figure 1 below over the last seven years:

Table 1: Seven-year Revenue trend
INCOME TRENDS IN KSHS "000"

Income Type	June 2013	June 2014	June 2015	June 2016	June 2017	June 2018	June 2019
Revenue from Exchange Transactions	2,158,051	2,413,910	2,134,677	1,890,334	1,572,899	1,474,081	1,454,601
Revenue from Non-Exchange Transactions	2,818,921	3,359,894	3,462,722	3,420,336	3,395,263	3,736,618	2,394,766
Total Income	4,976,972	5,773,804	5,597,399	5,310,670	4,968,162	5,210,699	3,849,367

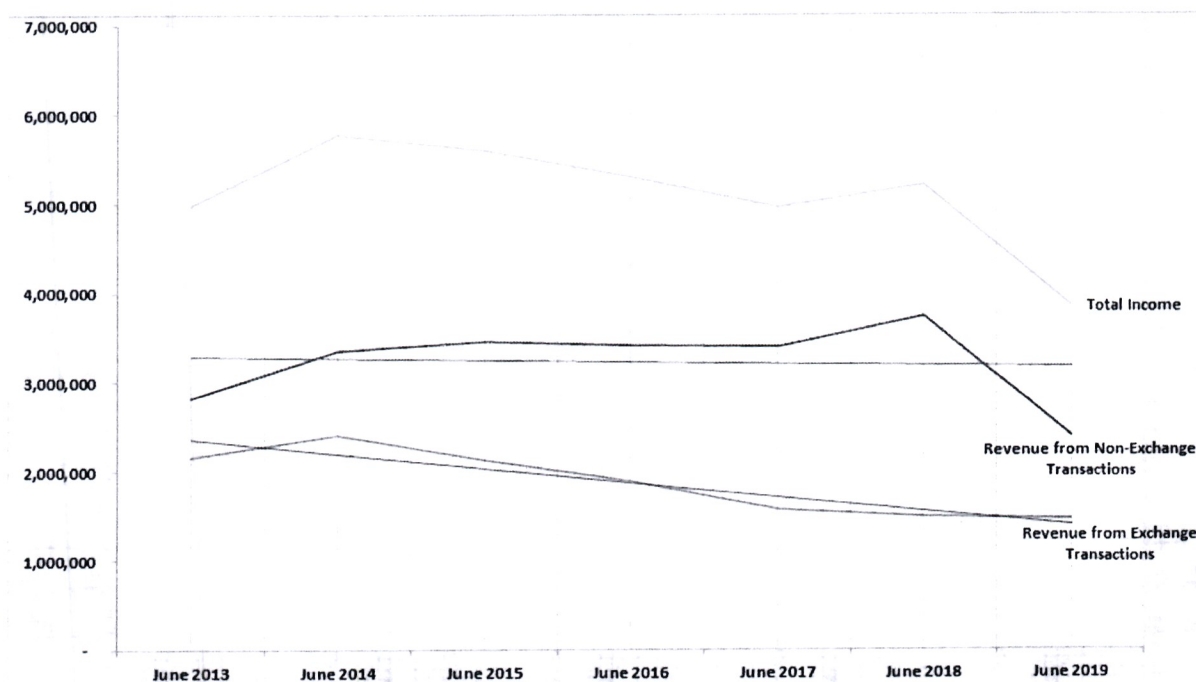


Figure 1: The trend of Revenue over the last seven years

The University's revenue has consistently declined over the last three years. The Government reduced the monthly recurrent capitation by Ksh. 55 million in the year 2019. However, GoK and other donors remained the biggest source of income over the last seven years averaging 61% (2019-62%) of all revenue. These are the sources described as revenue from Non- exchange transactions.

Local AIA accounted for a seven-year average of 39% (2019-38%) of all income (Revenue from exchange transactions).

Note that the external sources of funding accounted for 62% of all revenue for the year ended June 2019. This is higher than the seven-year average, meaning that the University is becoming more dependent on external funding, which is not very desirable.

ii. Expenses

Notwithstanding the shortfalls in revenue as shown above, expenses remained largely constant especially those expenses that do not depend on level of activity in the University such as Staff costs.

Sensing the expected revenue shortfall after midyear, the Management instituted austerity measures aimed at containing expenditure to the best extent possible. The following table 2 and figure 2 indicate the expenditure trends over time:

Table 2: Seven-year expenditure trends

EXPENDITURE TRENDS OVER THE LAST SEVEN YEARS IN KSHS "000"

Expenditure Type	June 2013	June 2014	June 2015	June 2016	June 2017	June 2018	June 2019	Note
Staff Costs	2,505,903	3,213,145	3,094,213	3,158,178	3,113,900	4,030,809	3,395,430	13
Other Expenses	1,905,630	2,111,846	2,364,730	2,364,766	2,303,101	2,107,958	2,054,433	14-23
Total Expenses	4,411,533	5,324,991	5,458,943	5,522,944	5,417,001	6,138,767	5,449,863	

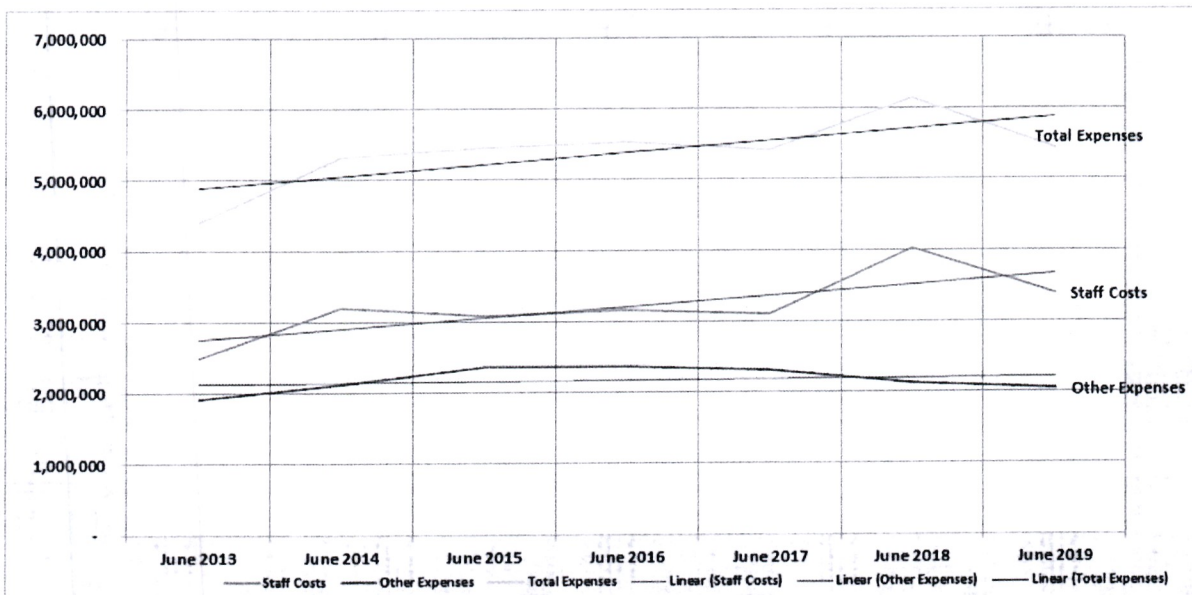


Figure 2: The trend of Expenditure over the last seven years

As shown above, the expenses of all categories continued to rise over the last seven years as shown by the above trend analysis where staff cost constitute the highest proportion of expenses with a seven-year average being 60% (2019-61%). This is a good indicator, mostly attributed to minimal expansion of the staff payroll over the indicated period.

PART 2: ANALYSIS OF STATEMENT OF FINANCIAL POSITION

The following analysis presents a seven-year movement observed in the financial status of the University as at the end of each of the financial years:

i. Property, Plant and Equipment

Table 3: Seven-year Net Book Values of Property Plant and Equipment (Ksh “000”)

Type of Property	Ksh "000"			Percentage proportions		
	Land & Buildings	W.I.P	Other Assets	Land & Buildings	W.I.P	Other Assets
30/6/2013	2,796,293	590,458	309,393	76%	16%	8%
30/6/2014	2,931,957	1,115,261	218,499	69%	26%	5%
30/6/2015	3,449,562	809,501	174,448	78%	18%	4%
30/6/2016	3,412,879	1,064,636	186,423	73%	23%	4%
30/6/2017	3,339,556	1,256,699	186,423	70%	26%	4%
30/6/2018	3,274,164	1,700,634	119,000	64%	33%	2%
30/6/2019	3,431,454	1,897,419	75,028	63%	35%	1%

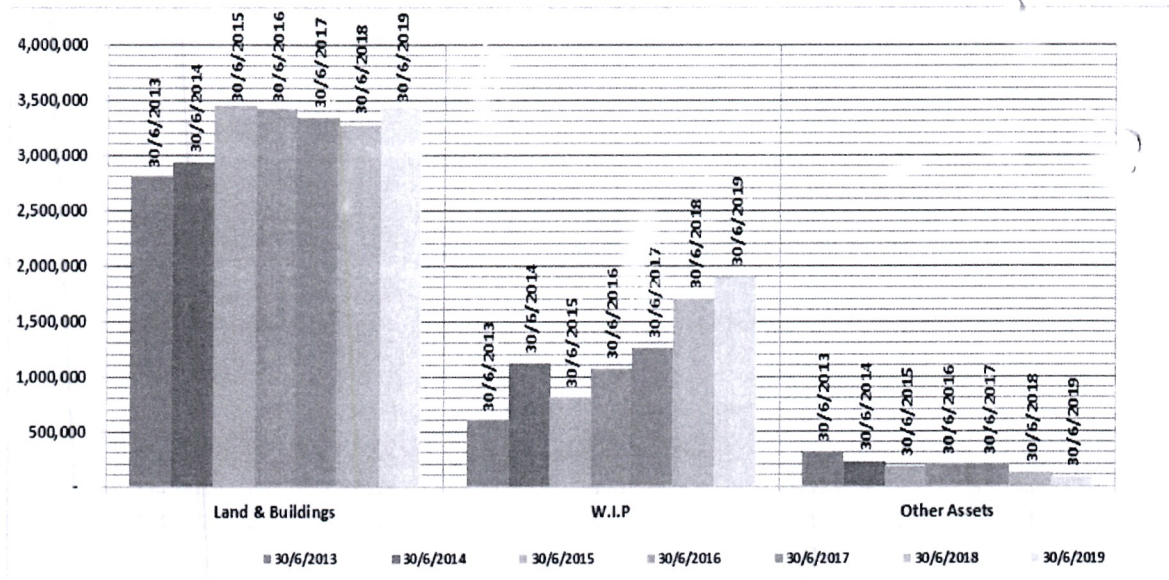


Figure 3: The make-up of Property, Plant and Equipment (Kshs “000”)

The graphs in figures 3 & figure 4 above and below respectively show a rise in work in progress (W-I-P), and land and buildings in the year 2018/2019. The increase in work in progress is due to the ongoing works, mostly at the physical sciences complex, the Library and the main gate while in land and buildings is due to Mpeketoni land.

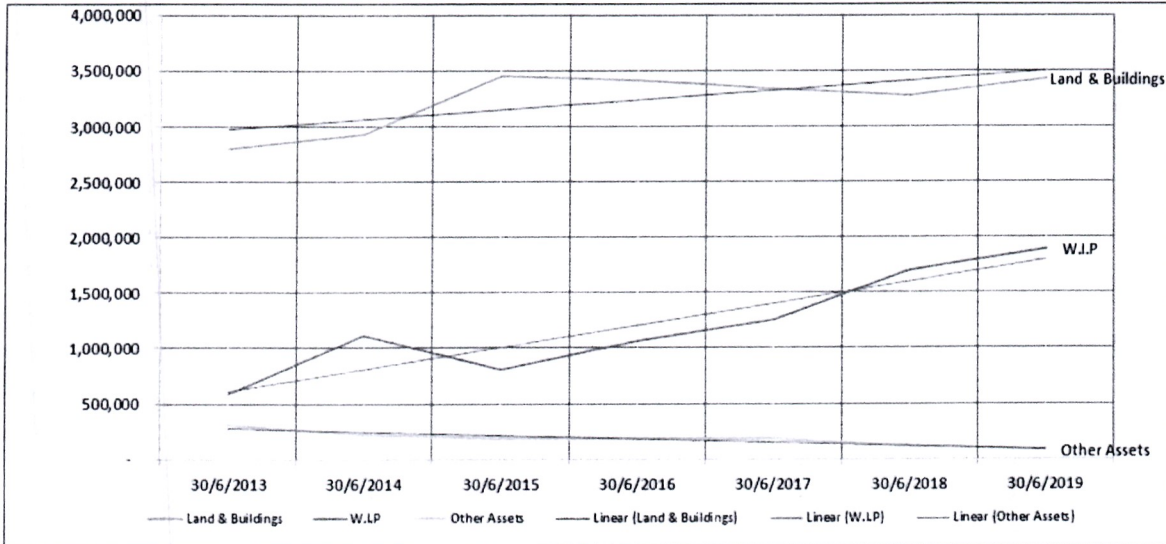


Figure 4: The composition of net book values of the University's assets over the seven-year period

The total assets of the University however continued to rise over the seven-year period as shown by the following trend in figure 5:

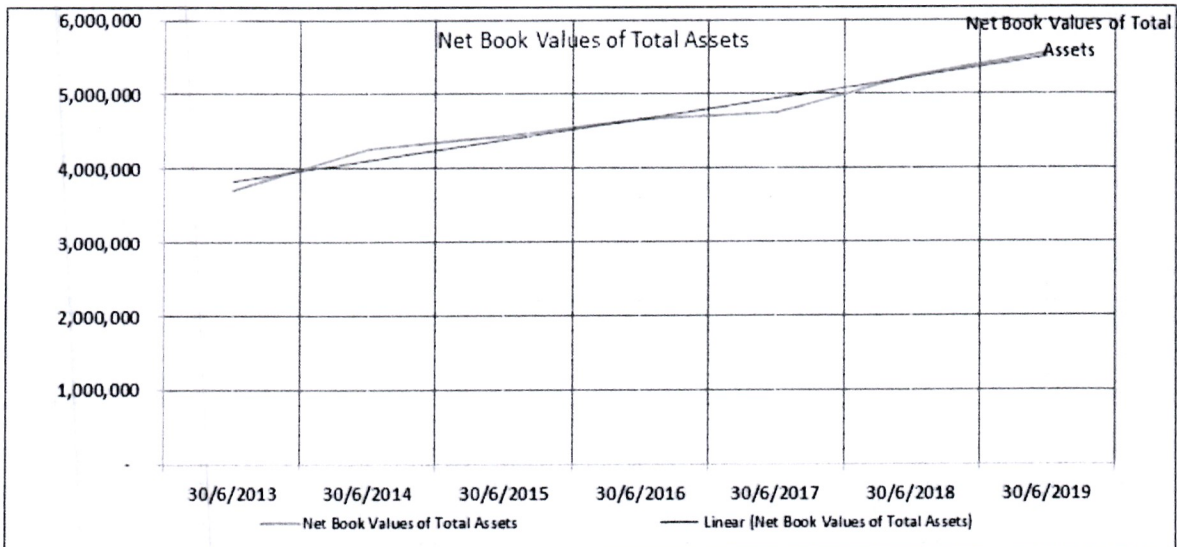


Figure 5: The trend of Total Property, Plant and Equipment over the seven-year period (Kshs "000")

ii. Working Capital

The Net Working capital is indicated by the difference between current assets and current liabilities. The following table 4 and Figure 6 indicate the net working capital of the University over the last seven years:

Table 4: Seven-year Net Working Capital figures (Ksh “000”)

Current Assets	June 2013	June 2014	June 2015	June 2016	June 2017	June 2018	June 2019
Total Current Assets	1,543,194	1,714,188	1,983,942	1,529,420	1,450,774	1,134,684	1,805,894
Total Current Liabilities	717,718	1,012,161	1,376,617	1,252,520	1,571,436	2,522,447	4,586,329
Net Working Capital	825,476	702,027	607,325	276,900	(120,662)	(1,387,763)	(2,780,435)

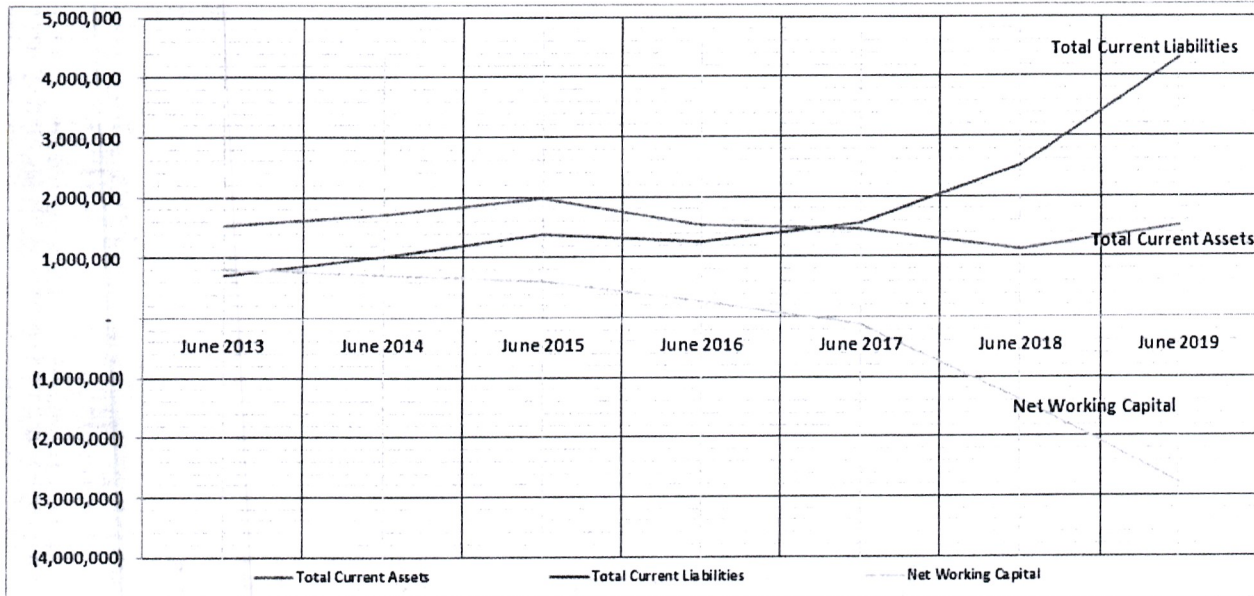


Figure 6: The trend of Net Working Capital over the seven-year period (Ksh 000”)

Net Working Capital Trend

The Net working capital remained in positive between 2013 and 2016 but dipped to negative territory in the last three financial years; 2017, 2018 and 2019. This is because we have not remitted salary deductions amounting to Ksh 1.9 million as at 30th June 2019.

Notwithstanding the above, the University remains constrained in terms of cash flows and is experiencing difficulties in meeting its short term financial obligations as and when they fall due. This difficulty is exemplified by the ratios indicated here below:

Current and quick ratios

While Current ratio (current assets/current liabilities) and quick ratio ((Current Assets-Inventory)/Current liabilities) declined over the seven-year period, the ratios remained in healthy territory at more than 1:1 except in the year ended June 2019 when it fell to 0.35 and quick ratio of 0.34 as shown in **Table 7** below.

Table 5: Seven-year trend of Current and Quick Ratios

Current Assets	June 2013	June 2014	June 2015	June 2016	June 2017	June 2018	June 2019
Current ratio	2.15	1.69	1.44	1.22	0.92	0.45	0.35
Quick ratio	2.06	1.42	1.39	1.14	0.87	0.42	0.34

The optimal quick ratio is 1:1 or higher, but the University's ratio in June 2018 is 0.42 which means that current liabilities cannot be met from current assets without the need to sell inventory and agricultural assets. This is a challenge since the University inventories are not for sale, but rather for use in the processes of service delivery-hence may not be sold.

As shown in table 5 and figure 7, both ratios declined steadily over the last five years. It however still remained at above 1:1 up June 2016, only falling to levels below 1.1 in the years ended June 2017 to June 2019.

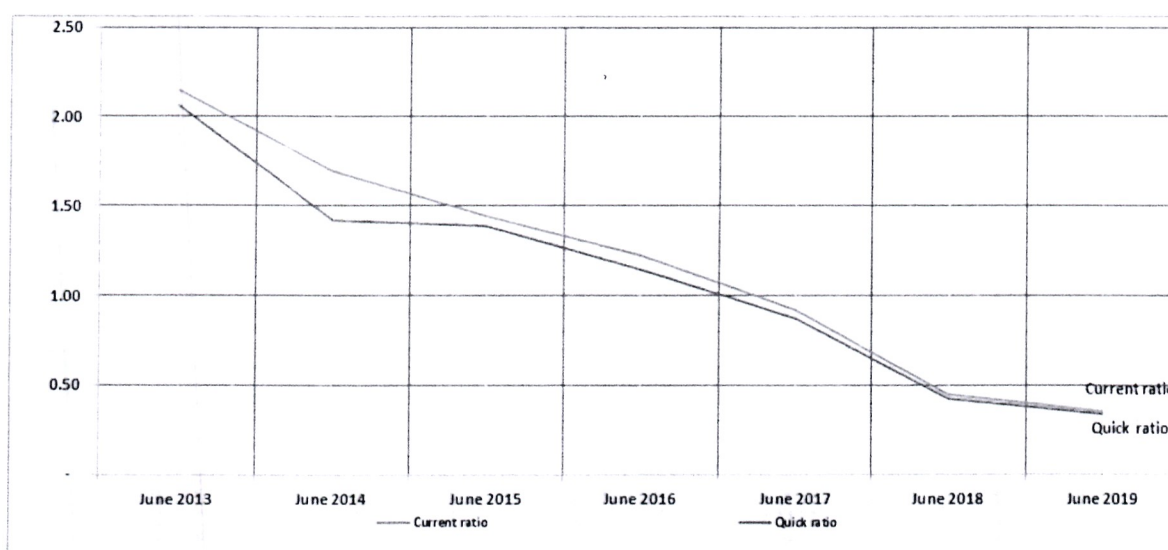


Figure 7: The trend of Current and Quick ratios over the seven-year period

CORPORATE SOCIAL RESPONSIBILITY STATEMENT

1. Mau – Egerton University Cross Country and Rehabilitation of River Njoro

As part of Corporate Social Responsibility (CSR), the University held the 6th Edition of Mau-Egerton University Cross Country on 9 February 2019. The main objectives of the cross country are

- To create environmental awareness and
- To raise funds for the rehabilitation of Njoro River and Mau Ecosystem.

The Mau Ecosystem is one of the largest remaining water towers in Kenya. It is the source of water for the communities that live as far as western Kenya. However, over the past years the Mau Ecosystem has experienced massive environmental degradation. Rivers such as Njoro River originating from this vast ecosystem are also receding and are heavily polluted. Soil erosion has also increased as the farmers clear the forest and leave large swathes of steep land bare. The most affected area is the Eastern part of Mau Forest, which covers Nakuru and Narok Counties. To create awareness of environmental degradation of Mau Ecosystem and rehabilitate Njoro River, the University initiated the Mau-Egerton University Cross country. The University has been rehabilitating the river through planting of riparian tree seedlings, clearing of dump sites, controlling dumping of wastes and water quality monitoring. Other activities include support for community-based initiatives such as establishment of tree nurseries, construction of watering troughs, community training on environment, involvement of primary school pupils in rehabilitation and community sensitizations through the Agricultural Society of Kenya (ASK).



The current Olympic and World Champion in the Women's 1500 m race, Faith Chepngetich Kipyegon, receives a gift from the Vice-Chancellor of Egerton University, Prof. Rose A. Mwonya

“Transforming Lives Through Quality Education”

The University hosted a tree planting ceremony with partners on rehabilitating the Mau escarpments. The event was attended by representatives from Water Resources Management Authority, APA Insurance Ltd, KCB Group, KALRO - FCRI, Njoro, local community (Area Chief), and students among other stakeholders.



The DVC(APD), Prof. Isaac O. Kibwage with members of staff during a tree planting exercise at the University



Njokerio Sub-chief, Mr. Leonard Gicharu, during the tree planting exercise in the University

2. Community Initiative

The Nursing Department in the Faculty of Health, through the Egerton University Students Association (EUNSA) in collaboration with lecturers, organised a community service activity on 11th May 2019 at Nakuru Hills Special School located at London Estate in Nakuru. The activities during this exercise included cleaning of the school compound, dormitories, kitchen and toilets. Student and lecturers were also able to interact and appreciate children with disabilities and special needs, such as the Down syndrome, Dyslexia and Cerebral Palsy. The event culminated in donation of foodstuffs and toiletries, among other things. The purpose of this event was not only to provide a forum for applying academic knowledge to practical experience and make it serve personal development but also to embrace corporate social responsibility.



Mr. Noa Mbunya, Chairman of the Department of Nursing presenting gifts to Ms. Lucy Kahito, Principal of the school.

Youth for Social Development is a project by FASS students who volunteer their services for the advancement of humanity. In March 2019, the students toured Narok County for three days. They were supported by Tuskys Supermarket, Nakuru, Baraka Chai, and Unilever. The team members visited Imani Children's home and donated food, clothing and other basic amenities. They prayed with the children and helped in teaching for that day. The team also visited Eor-Ekule Secondary School. They mentored the students on issues regarding social life and career choices. Finally, the students carried out a clean-up session in various parts of Narok County. The places included Lenana and Majengo Estates, Konyo Forest, and Narok River.



“Transforming Lives Through Quality Education”



3. ASK Nakuru National Show & Exhibition

The University participated in the Nakuru National Agricultural Show which was held between 4th to 8th July 2018 under the theme “Promoting Innovation and Technology in Agriculture and Trade”.

The University emerged top in eight categories, which included position one in five trade stands and three livestock stands. These were:

1. The Best University Stand;
2. The Best Stand in Research and Development
3. The Best Stand in Agro-Processing
4. The Best in Innovations & Inventions.



Agriculture & Irrigation Cabinet Secretary, Hon. Simeon Chelugui presenting a trophy to the University's Acting DVC (Research & Extension) Prof. Alfred Kibor and the Industry Liaison Officer, Prof Symon Mahungu



The Vice Chancellor Prof. Rose Mwonya at one of the University stands at the showground.



The DVC (Academic Affairs) Prof. Alexander Kahi at one of the University stands at the showground.

4. Seeds of Gold Magazine

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, various articles have been published, authored by staff from various faculties: Agriculture, Veterinary Medicine, Sciences and Environment.

REPORT OF THE COUNCIL

The Council submits their report together with the financial statements for the year ended June 30, 2019 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, 2019 are set out on pages 43 - 92.

Council

The members of the University Council who served during the year are shown on page 8 - 11.

Auditors

The Auditor General is responsible for the statutory audit of the University in accordance with the Part VI of the Public Audit Act 2015.

By order of the Council

STATEMENT OF UNIVERSITY COUNCIL RESPONSIBILITY

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

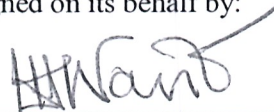
The Council is responsible for the preparation and presentation of the University's financial statements, which give a true and fair view of the state of affairs of the University for and as at the end of the financial year (period) ended on June 30, 2019. This responsibility includes: (i) maintaining adequate financial management arrangements and ensuring that these continue to be effective throughout the reporting period; (ii) maintaining proper accounting records, which disclose with reasonable accuracy at any time the financial position of the University; (iii) designing, implementing and maintaining internal controls relevant to the preparation and fair presentation of the financial statements, and ensuring that they are free from material misstatements, whether due to error or fraud; (iv) safeguarding the assets of the University; (v) selecting and applying appropriate accounting policies; and (vi) making accounting estimates that are reasonable in the circumstances.

The Council accept responsibility for 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 PFM Act, 2012. 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, 2019, and of the University's financial position as at that date. The council 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

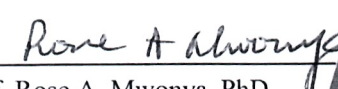
The University's financial statements were approved by the Council on 20th September 2019 and signed on its behalf by:



Amb. Dr. Luka.H.Wario, PhD, CBS
Chairman
Univeristy Council



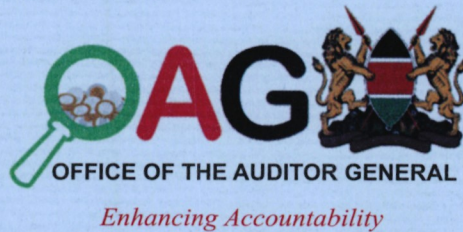
Mr. John N. Ondari
Chairman
Finance Committee



Prof. Rose A. Mwonya, PhD
Vice Chancellor

REPUBLIC OF KENYA

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E-mail: info@oagkenya.go.ke
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HEADQUARTERS
Anniversary Towers
Monrovia Street
P.O. Box 30084-00100
NAIROBI

REPORT OF THE AUDITOR-GENERAL ON EGERTON UNIVERSITY FOR THE YEAR ENDED 30 JUNE, 2019

REPORT ON THE FINANCIAL STATEMENTS

Qualified Opinion

I have audited the accompanying financial statements of Egerton University set out on pages 43 to 100, which comprise the statement of financial position as at 30 June, 2019, and the statement of financial performance, statement of changes in net assets, statement of cash flows, and the statement of comparison of budget and actual amounts for the year then ended, and a summary of significant accounting policies and other explanatory information in accordance with the provisions of Article 229 of the Constitution of Kenya and Section 35 of the Public Audit Act, 2015. I have obtained all the information and explanations which, to the best of my knowledge and belief, were necessary for the purpose of the audit.

In my opinion, except for the effect of the matters described in the Basis for Qualified Opinion section of my report, the financial statements present fairly, in all material respects, the financial position of Egerton University as at 30 June, 2019, and of its financial performance and its cash flows for the year then ended, in accordance with International Public Sector Accounting Standards (Accrual Basis) and comply with the Universities Act, 2012 and the Public Finance Management Act, 2012.

Basis for Qualified Opinion

1. Non-Disclosure of Material Uncertainty Related to Sustainability of Services

The statement of financial performance reflects a deficit of Kshs.1,600,496,151 (2018 - Kshs.928,068,236) resulting into an accumulated deficit of Kshs.2,042,432,562 (2018 - Kshs.468,266,306). Further, the current liabilities balance of Kshs.4,586,329,195 (2018 - Kshs.3,122,196,450) is in excess of the current assets balance of Kshs.1,805,894,079 (2018 - Kshs.1,720,241,970) by Kshs.2,780,435,116 (2018 - Kshs.1,401,954,480). This is indicative of the continued deterioration of the working capital position. Management has not disclosed the material uncertainty that casts significant doubt in the ability of the University to continue to sustain services as required under Paragraph 38 of IPSAS 1 - Presentation of Financial Statements.

Consequently, the financial statements as presented are not in compliance with the standards.

2. Staff Cost

As disclosed in Note 13 to the financial statements, the statement of financial performance reflects a balance of Kshs.3,395,430,455 under staff costs which includes an amount of Kshs.150,510,964 relating to gratuities. However, the detailed listing indicating the members of staff and amounts owed was not provided for audit.

In the circumstance, the accuracy and validity of the reported staff costs expenditure of Kshs.3,395,430,455 could not be confirmed.

3. Receivables from Exchange Transactions

As disclosed in Note 25 to the financial statements, the statement of financial position reflects a balance of Kshs.1,363,081,043 under receivables from exchange transactions. The following observations were made regarding the balance:

3.1. Outstanding Imprest

Included in the balance is outstanding imprest amounting to Kshs.72,466,779 of which amounts of Kshs.7,405,439 and Kshs.33,769,938 had been outstanding for over five (5) years and thirty (30) days respectively. Further, imprest totalling Kshs.5,303,385 was issued to members of staff before surrendering the previously issued amounts contrary to Regulation 93 (8) of the Public Finance Management (National Government) Regulations, 2015.

3.2. Student Debtors

Included in the balance is student debtors amount of Kshs.869,999,599 which increased by Kshs.47,836,668 from Kshs.822,162,931 reported in the previous year. However, Kshs.804,995,489 or 93% of the student debtors balance had been outstanding for a period exceeding one (1) year. Management attributed the increase to students sitting for exams and graduating in spite of the fee balances. Evidence of measures put in place to address the issue were not provided in spite of the fact that the issue was reported in the prior year.

In view of the foregoing, the accuracy and recoverability of the reported receivables from exchange transactions balance of Kshs.1,363,081,043 could not be confirmed. In addition, the adequacy of the provision for bad debts amounting to Kshs.8,707,201 could not be confirmed.

4. Agricultural Assets

As previously reported, the University revalued its agricultural assets in the financial year 2017/2018 resulting to a downward adjustment of Kshs.7,447,372 resulting in a closing

balance of Kshs.28,093,375. The resultant loss has not been supported by a reconciliation of changes in the carrying amount of biological assets at the beginning and at the end of the financial period in accordance with the requirements of Paragraph 28 of IPSAS 27.

Consequently, the accuracy and completeness of the agricultural assets balance of Kshs.28,795,285 could not be confirmed.

5. Property, Plant and Equipment

The statement of financial position reflects a balance of Kshs.5,403,901,671 under property, plant and equipment as at 30 June, 2019. The following issues were noted regarding the balance:

5.1. Fully Depreciated Assets

The reported net book value excludes assets with a historical cost of Kshs.1,299,813,838 which though fully depreciated, continues to accrue economic benefit to the University. The assets have not been revalued for incorporation in the financial statements.

5.2. Land Ownership

As reported previously, the property, plant and equipment balance includes parcels of land valued at Kshs.1,186,094,800 of which an amount of Kshs.226,833,300 relates to three (3) parcels of land without ownership documents. Although Management explained that the process of acquiring ownership documents for the land parcels was at an advanced stage, no documentary evidence to confirm this fact was provided.

In the circumstances, the accuracy, valuation and ownership of the reported property, plant and equipment balance of Kshs.5,403,901,671 could not be confirmed.

6. Investments

The statement of financial position reflects an investments balance of Kshs.150,126,156 (2018 - Kshs.150,477,691). As disclosed in Note 29 to the financial statements, the investments comprised Kshs.207,249 relating to 52,468 ordinary shares held at Kenya Airways and a long-term loan to Egerton University Investment Company amounting to Kshs.149,918,907. However, the share certificates were not availed for audit review neither was the resolution of the University Council to extend the loan provided.

In the circumstance, the existence and ownership of the investments balance of Kshs.150,126,156 could not be confirmed.

7. Unbanked Revenue on Other Services Rendered

The statement of financial performance reflects a balance of Kshs.168,013,900 under revenue from exchange transactions. Included in the balance is an amount of Kshs.25,880,354 on account of meals - catering income. However, only an amount of

Kshs.12,873,073 was banked leaving out the remaining balance of Kshs.13,007,281 unbanked.

In the circumstances, the accuracy and validity of the revenue from exchange transactions - other services rendered balance of Kshs.168,013,900 could not be confirmed.

8. Trade and Other Payables

As disclosed in Note 30(a) to the financial statements, the statement of financial position reflects a balance of Kshs.3,184,421,313 under trade and other payables. Included in the balance are payroll, withholding tax and value added tax (VAT) payables of Kshs.1,977,626,598, Kshs.9,763,935 and Kshs.23,124,930 respectively. The amounts were not paid to the Kenya Revenue Authority on the stipulated dates thus exposing the University to the risk of punitive interest and penalties.

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

Key Audit Matters

Key audit matters are those matters that, in my professional judgment, are of most significance in the audit of the financial statements. I have determined that there are no key audit matters to communicate in my report.

Other Matter

1. Budget Control and Performance

The statement of comparison of budget and actual amounts reflects a final receipts budget and actual on comparable basis of Kshs.3,927,784,185 and Kshs.3,849,367,191 respectively resulting in under collection of Kshs.78,416,984. The statement also reflects a total expenditure of Kshs.5,447,331,207 against an approved budget of Kshs.4,707,421,754 resulting into unauthorized expenditure amounting to Kshs.739,909,453 or 16%.

2. Tegemeo Institute Financial Performance

The statement of financial performance reflects an amount of Kshs.54,070,069 being revenue receipts from Tegemeo Institute. This represents a decrease of Kshs.124,048,783 or 69% when compared to receipts of Kshs.178,118,852 reported in the previous year. Further, the Institute's expenses of Kshs.106,465,272 (2018- Kshs.181,266,557) did not decline in tandem with revenue reduction resulting to

a loss of Kshs.52,395,203. Management has not explained the measures they will put in place to reverse the trend to ensure sustainability of the Institute's services.

REPORT ON LAWFULNESS AND EFFECTIVENESS IN USE OF PUBLIC RESOURCES

Conclusion

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

Basis for Conclusion

1. Stalled Projects

The statement of financial position reflects a balance for property, plant and equipment of Kshs.5,403,901,671 (2018-Kshs.5,093,798,809) which, as disclosed in Note 28(b) to the financial statements, includes a work in progress balance of Kshs.1,897,419,465. However, the work in progress balance includes Kshs.321,389,961 for stalled projects and Kshs.375,171,489 in respect of a University Library contract valued at Kshs.2,129,001,805 and signed on 20 June, 2017, with an estimated completion date of 20 June, 2020. Although the value of works certified agreed to the balances, the work progress was behind schedule and may not be completed within the stipulated time. A site visit in October, 2019 revealed that no work was ongoing as the contractor was not on site.

Delays in completion may lead to cost escalations and the University may not get value for money on the stalled projects.

2. Irregular Staff Recruitment and Payments

During the year under review, the University recruited two adjunct professors, a lecturer and a tutorial fellow at a payroll cost of Kshs.7,299,384 without advertising contrary to Section B.4 of the Public Service Commission - Human Resource Policies and Procedures Manual for the Public Service which provides for advertisement of all vacant posts. Further, the University engaged two (2) more lecturers and a tutorial fellow on one-year contracts at total cost of Kshs.5,062,590 despite the employment freeze by the University Council. In addition, a professor within the Department of Biological Sciences was paid Kshs.2,096,483 for the period July, 2018 to January, 2019 before reporting to duty.

In the circumstance, the regularity on payroll cost of Kshs.14,458,457 could not be confirmed.

3. Excessive Council Meetings

As disclosed in Note 14 to the financial statements, the statement of financial performance reflects a balance of Kshs.22,937,292 under Council expenses. Review of records in support of the expense revealed that the Council held fifty (50) meetings, (thirty-five (35) scheduled and fifteen (15)) against the planned number of twenty-one (21) in accordance to its calendar. No explanation has been provided for the excessive meetings. The University Council did not therefore, adhere to the set calendar of events for the year.

The audit was conducted in accordance with ISSAI 4000. The standard requires that I comply with ethical requirements and plan and perform the audit to obtain assurance about whether the activities, financial transactions and information reflected in the financial statements are in compliance, in all material respects, with the authorities that govern them. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my conclusion.

REPORT ON EFFECTIVENESS OF INTERNAL CONTROLS, RISK MANAGEMENT AND GOVERNANCE.

Conclusion

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

Basis for Conclusion

Lack of an Offsite Data Recovery Centre

The University does not have an offsite data recovery center despite its heavy dependence on information technology to run its business. In the event of a disaster, the business operations of the University may be interrupted for a significantly long period of time while the risk of failing to recover is high.

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

Responsibilities of Management and those Charged with Governance

Management is responsible for the preparation and fair presentation of these financial statements in accordance with International Public Sector Accounting Standards (Accrual Basis) and for maintaining effective internal control as Management determines is necessary to enable the preparation of financial statements that are free from material

misstatement, whether due to fraud or error and for its assessment of the effectiveness of internal control, risk management and overall governance.

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

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

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

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

Auditor-General's Responsibilities for the Audit

The audit objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion in accordance with the provisions of Section 48 of the Public Audit Act, 2015 and submit the audit report in compliance with Article 229(7) of the Constitution. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISSAIs will always detect a material misstatement and weakness when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

In addition to the audit of the financial statements, a compliance audit is planned and performed to express a conclusion about whether, in all material respects, the activities, financial transactions and information reflected in the financial statements are in compliance with the authorities that govern them and that public resources are applied in an effective way, in accordance with the provisions of Article 229(6) of the Constitution and submit the audit report in compliance with Article 229(7) of the Constitution.

Further, in planning and performing the audit of the financial statements and audit of compliance, I consider internal control in order to give an assurance on the effectiveness of internal controls, risk management and overall governance processes and systems in accordance with the provisions of Section 7(1)(a) of the Public Audit Act, 2015 and submit the audit report in compliance with Article 229(7) of the Constitution. My consideration of the internal control would not necessarily disclose all matters in the internal control that might be material weaknesses under the ISSAIs. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements caused by error or fraud in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions.

Because of its inherent limitations, internal control may not prevent or detect misstatements and instances of noncompliance. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies and procedures may deteriorate.


As part of an audit conducted in accordance with ISSAIs, I exercise professional judgement and maintain professional skepticism throughout the audit. I also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Management.
- Conclude on the appropriateness of the Management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the University's ability to continue to sustain its services. If I conclude that a material uncertainty exists, I am required to draw attention in the auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my audit report. However, future events or conditions may cause the University to cease to continue to sustain its services.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

- Obtain sufficient appropriate audit evidence regarding the financial information and business activities of the University to express an opinion on the financial statements.
- Perform such other procedures as I consider necessary in the circumstances.

I communicate with the Management regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that are identified during the audit.

I also provide Management with a statement that I have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on my independence, and where applicable, related safeguards.


Nancy Gathungu
AUDITOR-GENERAL

Nairobi

09 March, 2021

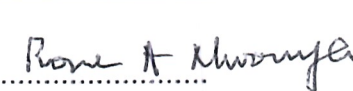
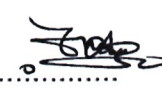
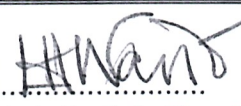
STATEMENT OF FINANCIAL PERFORMANCE FOR THE YEAR ENDED 30 JUNE 2019

Particulars	Notes	2018-2019 Kshs.	2017-2018 Kshs.
<u>Revenue from Non-Exchange Transactions</u>			
GoK Recurrent Capitation Grant	6 (a)	1,838,824,413	3,182,186,700
Research & Extension Income	7	305,616,351	296,256,525
Other Revenue from Non-Exchange Transactions	8	405,000	228,250
CESAAM ACE 2 Income	9	126,922,657	50,523,573
MCF TAGDEV Income	10	68,927,373	29,304,177
Tegemeo Income for the period	31	54,070,069	178,118,852
Total Revenue from Non-Exchange Transactions		2,394,765,863	3,736,618,077
<u>Revenue from Exchange Transactions</u>			
Tuition and Related Fees	11	1,286,587,428	1,331,483,613
Other Services Rendered	12	168,013,900	142,597,270
		1,454,601,329	1,474,080,883
Total Revenue		3,849,367,191	5,210,698,960
<u>Expenditure</u>			
Staff Costs	13	3,395,430,455	4,030,809,278
Council Expenses	14	22,937,292	21,300,240
Administrative and Central Services	15	763,566,006	819,692,215
Repairs and Maintenance Expenses	16	47,642,116	53,703,372
Academic Departments Expenses	17	413,981,954	476,403,836
Research & Extension Expenses	18	292,161,367	269,589,094
Expenses-IGU Inputs	19	82,999,620	74,578,119
Depreciation Expenses	20	126,297,095	138,365,338
CESAAM ACE 2 Expenses	21	126,922,657	50,523,573
MCF TAGDEV Expenses	22	68,927,373	29,304,177
Tegemeo Expenses for the period	31	106,465,272	181,266,557
		5,447,331,207	6,145,535,800
<u>Other Gains/(Losses)</u>			
Gain/(Loss) on Shares		(351,536)	283,327
(Decrease)/increase in Provision for bad debts		(478,367)	(1,075,151)
Gain on Foreign Exchange	23	(2,404,142)	15,007,800
Gain/(Loss) on biological Assets		701,910	(7,447,372)
		(2,532,135)	6,768,605
Deficit for the Period		(1,600,496,151)	(928,068,236)
<u>Attributable to:</u>			
Owners of the controlling entity		(1,600,496,151)	(928,068,236)

The notes set out on pages 45 to 92 form an integral part of these Financial Statements.

STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2019

Particulars	Notes	2018-2019 Kshs.	2017-2018 Kshs.
<u>ASSETS</u>			
<u>Current Assets</u>			
Cash in Bank and in Hand	24 (a)	330,644,857	668,561,435
Contingent Deposit	24 (b)	50,000,000	50,000,000
Receivables from Exchange Transactions	25 (a) & (b)	1,363,081,043	930,028,201
Inventories	26	33,372,894	43,558,960
Agricultural Assets	27	28,795,285	28,093,375
		1,805,894,079	1,720,241,970
<u>Non Current Assets</u>			
Property, Plant & Equipment	28 (a)	5,403,901,671	5,093,798,809
Investments	29	150,126,156	150,477,691
		5,554,027,827	5,244,276,501
Total Assets		7,359,921,906	6,964,518,471
<u>LIABILITIES</u>			
<u>Current Liabilities</u>			
Negative Cash Balances	24 (c)	286,903,981	599,749,161
Trade and Other Payables	30 (a)	3,184,421,313	1,482,277,741
Provisions and Accruals	30 (b)	836,164,154	617,084,711
Deferred Income	30 (c)	278,839,746	423,084,837
		4,586,329,195	3,122,196,450
Total Liabilities		4,586,329,195	3,122,196,450
Net Assets		2,773,592,711	3,842,322,020
General fund		4,816,025,273	4,310,588,326
Accumulated Surplus(Deficit)		(2,042,432,562)	(468,266,306)
Total Capital and Liabilities		2,773,592,711	3,842,322,020

<p> Prof. Rose A. Mwonya, Ph.D Vice Chancellor</p> <p>Date:</p>	<p> CPA Moses O. Ouma Finance Officer ICPAK Member No. 4924</p> <p>Date:</p>	<p> Amb. Dr. Luka Huqa Wario Chairman, University Council</p> <p>Date:</p>
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**STATEMENT OF CHANGES IN NET ASSETS FOR THE YEAR ENDED
30 JUNE 2019**

Particulars	Note	Capital Reserves	Revenue Reserves	Total
		Kshs.	Kshs.	Kshs.
At July 1, 2017		4,022,431,074	650,829,379	4,673,260,453
Capital Grants	6(b)	288,157,252		288,157,252
R&E Reserves Transferred to Deferred Income			(191,027,449)	(191,027,449)
Deficit from operations			(928,068,236)	(928,068,236)
At June 30, 2018		4,310,588,326	(468,266,306)	3,842,322,021
At July 1, 2018		4,310,588,326	(468,266,306)	3,842,322,021
Capital Grants	6 (b)	284,936,947		284,936,947
Deficit from operations			(1,600,496,151)	(1,600,496,151)
Tegemeo Deferred income Transferred to Reserves			25,611,985	25,611,985
Mpeketoni Land		220,500,000		220,500,000
Prior year Adjustments			717,910	717,910
At June 30, 2019		4,816,025,273	(2,042,432,562)	2,773,592,711

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 30 JUNE 2019

Particulars	Notes	2018-2019 Kshs.	2017-2018 Kshs.
Operating Activities			
Deficit for the year		(1,600,496,151)	(928,068,236)
Adjustments for			
Depreciation	20	126,297,095	138,365,338
Adjustments in Reserves for prior years items		717,910	
Movement in Provisions for the year	30 (b)	219,079,443	246,587,588
Movement in Deferred Income for the year	30 (c)	(144,245,091)	79,319,772
(Gain)/Loss on Revaluation of Shares	23	351,536	(283,327)
		(1,398,295,258)	(464,078,865)
Changes in Working Capital			
(Increase)/Decrease in Biological Assets	27	(701,910)	7,447,372
(Increase)/Decrease in Receivables	25 (a)	(433,052,843)	72,997,797
(Increase)/Decrease in Inventories	26	10,186,066	(1,612,552)
Increase/(Decrease) in Payables	30 (a)	1,702,143,573	625,104,161
		1,278,574,886	703,936,778
Cash Generated from Operations		(119,720,372)	239,857,913
Investing Activities			
Purchase of Property, Plant and Equipment	28(a)	(436,399,957)	(470,450,874)
R & E Reserves Transferred to Deferred Income			(191,027,449)
Tegemeo Deferred income Transferred to Reserves		25,611,985	
Loan to E.U Investment Company			(149,918,907)
Mpeketoni Land		220,500,000	
		(190,287,973)	(811,397,229)
Financing Activities			
GoK Capital Grants	6 (b)	284,936,947	288,157,252
Net Cash from Financing Activities		284,936,947	288,157,252
Net Increase/(Decrease) in Cash and Cash Equivalents		(25,071,398)	(283,382,065)
Cash and Cash Equivalents at the start of the period		118,812,274	402,194,337
Cash and Cash Equivalents at the Close of the period	24	93,740,876	118,812,274

STATEMENT OF COMPARISON OF BUDGET AND ACTUAL AMOUNTS FOR THE YEAR ENDED 30TH JUNE 2019

Particulars	Note	Original Budget	Adjustments	Final Budget	Actual on	Performance	Performance
		2018/2019 Kshs.	2018/2019 Kshs.	2018/2019 Kshs.	Comparable basis 2018/2019 Kshs.	Difference 2018/2019 Kshs.	Difference Yr 2017/2018 %
Revenue from Non-Exchange Transactions							
GoK Recurrent Capitation Grant	6(a)	1,520,253,734	-	1,520,253,734	1,838,824,413	318,570,679	21%
Research & Extension Income-Main campus	7	222,734,720	-	222,734,720	305,616,351	82,881,630	37%
Other Revenue from Non-Exchange Transactions	8	-	-	-	405,000	405,000	
CESAAM ACE 2	9	86,125,982	-	86,125,982	126,922,657	40,796,675	
MCF TAGDEV	10	73,453,180	-	73,453,180	68,927,373	(4,525,807)	
Tegemeo Income	31	299,672,575	-	299,672,575	54,070,069	(245,602,506)	
Total Revenue from Non-Exchange Transactions		2,202,240,191	-	2,202,240,191	2,394,765,863	192,525,671	9%
Revenue from Exchange Transactions							
Tuition and Related Fees	11	1,500,606,051	-	1,500,606,051	1,286,587,428	(214,018,623)	-14%
Other Services Rendered	12	224,937,943	-	224,937,943	168,013,900	(56,924,043)	-25%
		1,725,543,994	-	1,725,543,994	1,454,601,329	(270,942,665)	-16%
Total Revenue		3,927,784,185	-	3,927,784,185	3,849,367,191	(78,416,994)	-2%
Expenditure							
Staff Costs	13	2,788,758,782	9,800,000	2,798,558,782	3,395,430,455	596,871,673	21%
Council Expenses	14	26,000,000	5,318,600	31,318,600	22,937,292	(8,381,308)	-27%
Administrative and Central Services	15	761,644,591	8,969,820	770,614,411	763,566,006	(7,048,405)	-1%
Repairs and Maintenance Expenses	16	93,700,000	(47,056,000)	46,644,000	47,642,116	998,116	2%
Academic Departments Expenses	17	303,921,309	11,402,280	315,323,589	413,981,954	98,658,365	31%
Research & Extension Expenses	18	75,576,971	-	75,576,971	292,161,367	216,584,396	287%
Expenses-IGU Inputs	19	44,799,501	-	44,799,501	82,999,620	38,200,119	85%
Depreciation Expenses	20	3,780,000	-	3,780,000	126,297,095	122,517,095	0%
CESAAM ACE 2 Expenses	21	86,125,982	-	86,125,982	126,922,657	40,796,675	0%
MCF TAGDEV Expenses	22	73,453,180	-	73,453,180	68,927,373	(4,525,807)	0%
Tegemeo Expenses	31	299,672,575	-	299,672,575	106,465,272	(193,207,303)	0%
Total Expenditure		4,557,432,892	(11,565,300)	4,707,421,754	5,447,331,207	739,909,453	16%
Other gains/(Losses)							
Gain on Revaluation Investment-Shares	23	-	-	-	(351,536)	(351,536)	
(Decrease)/increase in Provision for bad debts		-	-	-	(478,367)	(478,367)	
Gain on Foreign Exchange		-	-	-	(2,404,142)	(2,404,142)	
Gain/(Loss) on biological Assets		-	-	-	701,910	701,910	
Gain/(Loss) on Disposal of Assets		-	-	-	-	-	
		-	-	-	(2,532,135)	(2,532,135)	
Surplus/ (Deficit) from Recurrent Budget		(629,648,707)	11,565,300	(779,637,569)	(1,600,496,151)	(820,858,582)	
Other Income							
GoK Development Grant	6(b)	287,120,000	-	287,120,000	284,936,947	(2,183,053)	
Capital Expenditure	15	761,644,591	8,969,820	770,614,411	436,399,957	(334,214,454)	-44%
Deficit for the Period		(1,104,173,298)	2,595,480	(1,263,131,980)	(1,751,959,161)	(488,827,181)	

Note on the Budget

During the year 2018/2019, the University operated under a budget with a deficit of Ksh 789 million. Reasons for material variances refer to note 37 on page 94.

NOTES TO THE FINANCIAL STATEMENTS

1. GENERAL INFORMATION

Egerton University is established by and derives its authority and accountability from Universities Act No 42 of 2012. The University is wholly owned by the Government of Kenya and is domiciled in Kenya. The University's principal activities are outlined on page 3.

2. STATEMENT OF COMPLIANCE AND BASIS OF PREPARATION

The financial statements have been prepared on the basis of historical cost, unless stated otherwise. The preparation of financial statements in conformity with International Public Sector Accounting Standards (IPSAS) allows the use of estimates and assumptions. It also requires management to exercise judgement in the process of applying the University's accounting policies.

The financial statements have been prepared and presented in Kenya Shillings, which is the functional and reporting currency of the University. The financial statements have been prepared in accordance with the PFM Act and International Public Sector Accounting Standards (IPSAS). The accounting policies adopted have been consistently applied to all the years presented.

The cash flow statement is prepared using the indirect method. The financial statements are prepared on accrual basis.

The Annual Report and Financial Statements for period ended 30th June 2017 and 2018 for Centre of Excellence in Sustainable Agriculture and Agribusiness Management (CESAAM) have been presented separately for audit purpose. However, the same have been consolidated in these Financial Statements.

3. ADOPTION OF NEW AND REVISED STANDARDS

i. Relevant new standards and amendments to published standards effective for the year ended 30 June 2019

Standard	Impact
IPSAS 40: Public Sector Combinations	Applicable: 1st January 2019: The standard covers public sector combinations arising from exchange transactions in which case they are treated similarly with IFRS 3 (applicable to acquisitions only). Business combinations and combinations arising from non-exchange transactions are covered purely under Public Sector combinations as amalgamations.

Standard	Impact
	<i>The University does not have any business combinations arising from non-exchange transactions and therefore the standard does not apply.</i>

ii. **New and amended standards and interpretations in issue but not yet effective in the year ended 30 June 2019**

Standard	Effective date and impact:
IPSAS 41: Financial Instruments	<p>Applicable: 1st January 2022:</p> <p>The objective of IPSAS 41 is to establish principles for the financial reporting of financial assets and liabilities that will present relevant and useful information to users of financial statements for their assessment of the amounts, timing and uncertainty of an entity's future cash flows.</p> <p>IPSAS 41 provides users of financial statements with more useful information than IPSAS 29, by:</p> <ul style="list-style-type: none"> • Applying a single classification and measurement model for financial assets that considers the characteristics of the asset's cash flows and the objective for which the asset is held; • Applying a single forward-looking expected credit loss model that is applicable to all financial instruments subject to impairment testing; and • Applying an improved hedge accounting model that broadens the hedging arrangements in scope of the guidance. The model develops a strong link between an entity's risk management strategies and the accounting treatment for instruments held as part of the risk management strategy.
IPSAS 42: Social Benefits	<p>Applicable: 1st January 2022</p> <p>The objective of this Standard is to improve the relevance, faithful representativeness and comparability of the information that a reporting entity provides in its financial statements about social benefits. The information provided should help users of the financial statements and general purpose financial reports assess:</p> <ol style="list-style-type: none"> (a) The nature of such social benefits provided by the entity; (b) The key features of the operation of those social benefit schemes; and (c) The impact of such social benefits provided on the entity's financial performance, financial position and cash flows.

Standard	Effective date and impact:

iii. Early adoption of standards

The University did not early – adopt any new or amended standards in year 2019.

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

a) Revenue Recognition

i) Revenue from Non-Exchange Transactions

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.

Rendering of Services & Fees

The University recognizes revenues from fees when the event occurs and the asset recognition criteria are met.

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.

NOTES TO THE FINANCIAL STATEMENTS (Continued)

ii) Revenue from Exchange Transactions (Continued)

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

Budget Information

The original budget for FY 2018-2019 was approved by the National Assembly on 26th September 2018. Subsequent revisions or additional appropriations were made to the approved budget in accordance with specific approvals from the appropriate authorities. The additional appropriations are added to the original budget by the University upon receiving the respective approvals in order to conclude the final budget. Accordingly, the University recorded additional appropriations of Kshs 348,975,754 on the 2018-2019 budget following the University's Council approval.

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.

NOTES TO THE FINANCIAL STATEMENTS (Continued)

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

b) Budget Information (Continued)

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.

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) Taxes

The University is tax exempt as per the Income Tax Act, 2014.

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.

NOTES TO THE FINANCIAL STATEMENTS (Continued)

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

d) Property, Plant and Equipment (Continued)

The annual rates used are: -

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

e) Intangible Assets

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

f) 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

NOTES TO THE FINANCIAL STATEMENTS (Continued)

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

f) Research and Development Costs (Continued)

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.

g) 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.

NOTES TO THE FINANCIAL STATEMENTS (Continued)

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

g) Financial Instruments (Continued)

Impairment of Financial Assets

The University assesses at each reporting date whether there is objective evidence that a financial asset 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 an 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)

Financial Liabilities

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.

h) 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.



NOTES TO THE FINANCIAL STATEMENTS (Continued)

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

h) Inventories (Continued)

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.

i) Agricultural Assets

Agricultural activity is the management by the 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.

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.

NOTES TO THE FINANCIAL STATEMENTS (Continued)

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

h) Agricultural Assets (Continued)

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.

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

NOTES TO THE FINANCIAL STATEMENTS (Continued)

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

j) Provisions (Continued)

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.

k) Nature and purpose of 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.

l) 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.

m) Employee Benefits

Retirement Benefit Plans

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

NOTES TO THE FINANCIAL STATEMENTS (Continued)

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

m) Employee Benefits (Continued)

The University also contributes to the National Social Security Fund (NSSF) for staff in grade I to IV. The University's obligations under this scheme are limited to specific contributions legislated from time to time, and are currently limited to a maximum of KSh 200 per employee per month while the employer contributes a similar per month. The University's obligation to staff retirement benefit schemes are charged to the statement of the financial performance in the year to which they relate.

n) 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 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.

o) Related Parties

The University regards a related party as a person or an University 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.

p) 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.

NOTES TO THE FINANCIAL STATEMENTS (Continued)

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

p) Service Concession Arrangements (Continued)

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.

q) 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.

r) Comparative Figures

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

s) 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, 2019.

NOTES TO THE FINANCIAL STATEMENTS (Continued)

5. SIGNIFICANT JUDGMENTS AND SOURCES OF ESTIMATION UNCERTAINTY

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

Estimates and Assumptions

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

Useful Lives and Residual 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

NOTES TO THE FINANCIAL STATEMENTS (Continued)

5. SIGNIFICANT JUDGMENTS AND SOURCES OF ESTIMATION UNCERTAINTY (Continued)

Provisions

Provisions were raised and management determined an estimate based on the information available. Additional disclosure of these estimates of provisions is included in Note 25(b).

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.

NOTES TO THE FINANCIAL STATEMENTS (Continued)

Note 6 (a) Income - GoK Recurrent Capitation Grants

Particulars	2018-2019 Kshs.	2017-2018 Kshs.
<u>GoK Capitation Grants</u>		
July	126,687,811	901,787,132
August	126,687,811	175,046,008
September	126,687,811	175,046,008
October	126,687,811	175,046,008
November	119,086,542	175,046,008
December	119,086,542	352,492,746
January	124,154,055	204,620,465
February	124,154,055	204,620,465
March	116,552,787	204,620,465
April	126,687,811	204,620,465
May	126,687,811	204,620,465
June	475,663,566	204,620,465
Total GoK Recurrent Grants	1,838,824,413	3,182,186,700

Note 6 (b) Income-GoK Development Grants

Particulars	2018-2019 Kshs.	2017-2018 Kshs.
October	-	84,280,922
December	139,460,617	
March	145,476,330	
June	-	203,876,330
Total GoK Development Grants	284,936,947	288,157,252

NOTES TO THE FINANCIAL STATEMENTS (Continued)

Note 6 (c) Transfers from the Ministry of Education

Bank Statement Date	Amount recognized to Statement of Comprehensive Income	Amount recognised in the Reserves	2018-2019
	KShs	KShs	KShs
3-Aug-18	126,687,811		126,687,811
30-Aug-18	126,687,811		126,687,811
1-Oct-18	126,687,811		126,687,811
07-Nov-18	126,687,811		126,687,811
03-Dec-18	119,086,543		119,086,543
17-Dec-18		139,460,617	139,460,617
27-Dec-18	119,086,542		119,086,542
01-Feb-19	124,154,055		124,154,055
07-Mar-19	124,154,055		124,154,055
23-Mar-19		145,476,330	145,476,330
28-Mar-19	116,552,786		116,552,786
2-May-19	126,687,811		126,687,811
6-Jun-19	126,687,811		126,687,811
28-Jun-19	126,687,811		126,687,811
9-Jul-19	348,975,754		348,975,754
Total	1,838,824,412	284,936,947	2,123,761,359

Bank Statement Date	Amount recognized to Statement of Comprehensive Income	Amount recognised in the Reserves	2017-2018
	KShs	KShs	KShs
3-Jul-17	347,018,887		347,018,887
24-Jul-17	379,722,238		379,722,238
21-Aug-17	175,046,008		175,046,008
08-Sep-17	175,046,008		175,046,008
14-Oct-17	175,046,007		175,046,007
30-Nov-17	175,046,008		175,046,008
30-Nov-17		84,280,922	84,280,922
1-Dec-17	147,872,283		147,872,283
01-Dec-17	175,046,008		175,046,008
02-Jan-18	29,574,457		29,574,457
02-Jan-18	175,046,007		175,046,007
23-Feb-18	175,046,008		175,046,008
23-Feb-18	29,574,457		29,574,457
13-Mar-18	175,046,008		175,046,008
13-Mar-18	29,574,457		29,574,457
09-Apr-18	29,574,457		29,574,457
09-Apr-18	175,046,007		175,046,007
03-May-18	175,046,008		175,046,008
07-Jun-18	29,574,457		29,574,457
11-Jun-18	175,046,008		175,046,008
19-Jun-18	29,574,457		29,574,457
20-Jun-18		203,876,330	203,876,330
28-Jun-18	175,046,008		175,046,008
28-Jun-18	29,574,457		29,574,457
Total	3,182,186,700	288,157,252	3,470,343,952

The University did not receive funding from the Ministry of Education of approximately Ksh.667 million in respect to 3,822 students.

NOTES TO THE FINANCIAL STATEMENTS (Continued)

Note 7 : -Research & Extension Income

Particulars	2018-2019	2017-2018
	Kshs.	Kshs.
AICAD-RE02-Income	1,450	606,379
DAAD/EBR-RE05-Income	22,984,165	15,822,963
Department of Defence-RE06-Income	63,794,912	75,945,203
Dryland Farming-RE07-Income	45,250	788,011
Economics Department-RE08-Income	711,165	230,121
Fingerponds-RE10-Income	14,680,228	6,127,015
Gift Shop-RE11-Income	616,100	884,800
Global Fund for TB-RE12-Income	2,415	40,418
Globalite-RE13-Income	75,250	1,461,421
Greenhouses-RE14-Income	1,507,551	2,065,274
KAPP GRANTS-RE18-Income	12,579,794	19,990,589
Natural Resources-RE20-Income	1,078,145	35,416
NORAGIC-RE21-Income	2,444,158	3,015,255
OSSREA Young Scholars-RE22-Income	29,473,456	8,123,296
PRA-RE23-Income	309,763	1,222,978
Research & Extension-RE25-Income	17,489,083	10,150,442
ROSA Project-RE27-Income	2,581,109	5,170,248
TAMOU 01C-RE29-Income	13,169,077	7,805,103
Training-RE33-Income	1,131,348	1,213,323
Vertisol Managemnt-RE34-Income	257,570	1,465,967
OSSREA Post-Doctoral-RE37-Income	385,742	134,022
ECOLIVE Project-RE40-Income	1,874,635	1,747,791
Wetland Ecosystem-RE41-Income	3,923,518	3,312,894
Limnology-RE42-Income	10,055,761	8,994,112
ECO-HELB-RE43-Income	3,397,360	1,391,459
Global Fund-RE44-Income	6,433,043	8,842,364
Confucious Institute-RE45-Income	11,932,359	16,944,800
COELIB Projects-RE46-Income	12,096,209	17,246,497
Pytochem Projects-RE47-Income	61,988,382	65,517,304
AERC Account-RE50-Income	1,065	455,561
AGEC dollar Account-RE51-Income	4,130,432	9,102,139
AERC 2 Project - RE52-Income	4,465,856	403,365
	305,616,351	296,256,525
Note 8 : - Other Non-Exchange Income		
Mau Egerton Cross Country Income-MAIN	390,000	178,250
Income-Other Incomes- Advertising Income - Main	-	50,000
Partners Donations & Grants -Donations	15,000	-
	405,000	228,250

“Transforming Lives Through Quality Education”

Egerton University is ISO 9001:2008 Certified

NOTES TO THE FINANCIAL STATEMENTS (Continued)

Note 9 : - CESAAM ACE 2		
Particulars	2018-2019 Kshs.	2017-2018 Kshs.
CESAAM ACE 2 Income	126,922,657	50,523,573
	126,922,657	50,523,573
Note 10 : - MCF TAGDEV		
Particulars	2018-2019 Kshs.	2017-2018 Kshs.
MCF TAGDEV Income	68,927,373	29,304,177
	68,927,373	29,304,177
Total Non-Exchange Income	501,871,381	376,312,525
Note 11 : - Income-Tuition and Related Fees		
Particulars	2018-2019 Kshs.	2017-2018 Kshs.
Application Fee	3,886,112	4,754,909
Registration Fee	25,242,500	25,776,900
Student ID	2,282,500	3,019,400
Activity Fees	19,966,600	20,919,460
Student medical fee	34,575,567	36,622,500
Examination Fee	64,366,900	69,303,900
Material Development	71,248,700	73,973,700
Graduation Fees	18,617,290	21,622,320
Library Fee	42,895,200	38,760,600
Tuition Fee	911,739,609	918,675,253
Student Supervision Fee	10,345,000	15,285,000
Field Attachment fee	31,012,920	33,521,850
Student Laboratory fee	20,397,500	22,017,500
Academic Trascripts	109,400	71,300
Certificate Storage Charges	657,320	465,900
Student Damages Charges	75,000	-
Library Fine	269,217	544,358
Test & Vaccination- NTCC	527,500	805,000
Gowns Hire & Penalties	832,900	333,750
Remarking & Retake	19,906,500	37,415,406
Short Courses	7,633,193	7,594,607
	1,286,587,428	1,331,483,613

NOTES TO THE FINANCIAL STATEMENTS (Continued)

Note 12 : - Income-Other Services Rendered		
Particulars	2018-2019	2017-2018
	Kshs.	Kshs.
Accommodation Fees-Halls	68,319,105	74,146,619
Ambulance Fee	9,000	-
Bed Charges	24,714	14,075
Clinical Charges-medical	998,732	1,140,956
Consultancy Fees	-	2,980,000
Consultation Fees	576,325	189,920
Dental Fees	277,100	245,300
Drugs	2,605,689	11,502,477
Hire Of Furniture	-	17,350
Hire Of Transport	10,000	-
House Rent	34,690,234	8,252,575
Lab Test	2,728,880	2,384,880
Meals-catering	25,880,354	10,626,993
Photocopying Charges	61,547	59,060
Sale of Beef	3,500	-
Sale Of Birds	33,650	209,590
Sale of Cattle	1,017,850	436,500
Sale of Commercial Goods	-	28,500
Sale of Dairy Products	-	1,480,980
Sale Of Eggs	36,220	216,974
Sale of Firewood	6,500	6,000
Sale Of Goats	22,000	159,800
Sale of Horticultures	42,035	209,055
Sale of Maize	2,600	182,400
Sale Of Milk & Dairy Products	11,655,886	5,279,947
Sale Of Pigs	980,843	607,475
Sale of Pork	-	142,420
Sale Of Rabbits	19,050	5,400
Sale Of Sheep	120,710	91,800
Sale of Stationery	168,681	125,339
Sale of Text Books	52,497	56,380
Sale of Wheat	1,500	2,008,505
Tailoring Income	284,578	480,053
Tendering Charges	62,000	160,000
Income from OUTZ-IGU	546,000	1,164,175
Mortuary Income - IGU	3,231,705	3,381,100
Visiting Group Levy- Main	4,334,650	2,025,050
Ward Charges-IGU	1,696,222	1,412,589
Maternity Fee-IGU	-	5,500
Insurance Payroll deduction Commission	2,047,750	2,709,972
Insurance Refunds/Rebates	-	60,956
Visitors Accommodation Charges	1,429,130	654,980
Electricity Charges	329,535	214,310

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NOTES TO THE FINANCIAL STATEMENTS (Continued)

Key-cutting Charges	-	600
Manpower Development Income	3,274,328	1,784,153
Sale of Tree Seedlings	139,660	160,330
Income from Games	11,550	6,300
Salary Refunds/lieu of notice	166,792	5,210,833
Sale of beans	-	359,100
Hire of Land	85,000	
Hire of Linen	200	
Certificate Verification	29,600	
	168,013,900	142,597,270

Note 13 : - Staff Costs

Note 13 (a) : - Key Management Personnel Remuneration

Particulars	2018-2019	2017-2018
	Kshs.	Kshs.
Basic Salary	21,926,712	21,790,152
House Allowance	3,663,684	3,663,684
Duty/ Administrative Extraneous Allowance	2,184,000	2,284,000
Medical Risk Allowance	180,000	
Medical Allowance	312,000	312,000
Entertainment All	1,176,000	1,176,000
Professorial Allowance	300,000	300,000
Responsibility Allowance	2,676,000	2,676,000
Phone Allowance	564,000	564,000
Call Allowance	360,000	270,000
Book Journal/ICT Allowance	8,000	10,500
Domestic Servant Allowance	2,340,000	2,340,000
Home Water And Electricity Allowance	636,000	636,000
Non User Car Allowance	960,000	960,000
Medical Extraneous Allowance	420,000	450,000
Leave Allowance	109,052	97,692
Non Practice Allowance	660,000	495,000
Pension Employer Contribution	4,385,342	4,358,030
	42,860,790	42,383,059

NOTES TO THE FINANCIAL STATEMENTS (Continued)

Note 13 (b) : - Staff Personnel Remuneration

Particulars	2018-2019 Kshs.	2017-2018 Kshs.
Basic Salary	1,643,477,015	2,275,318,348
House Allowance	760,131,413	842,879,997
Duty/Risk/Extraneous Allowance	6,022,773	15,208,418
Commuter Allowance	216,486,475	221,503,935
Medical Allowance	82,152,362	83,567,743
Hardship Allowance	2,586,431	2,927,870
Remunerative Allowance	36,780,453	36,957,424
Basic Salary Arrears	9,885,661	30,225,998
Examination Allowance	1,211,682	1,311,609
Non Practice Allowance	19,670,409	20,238,075
Entertainment Allowance	1,682,838	1,401,935
Acting Allowance	2,227,402	1,698,005
Professorial Allowance	6,771,935	6,827,441
Responsibility Allowance	3,924,800	3,271,503
Manpower	166,930	107,641
Leave Allowance	23,029,600	23,113,961
Special Duty Allowance	692,727	693,676
Uniform Allowance	210,000	230,000
Ambulance Allowance	72,000	72,000
Phone Allowance	1,747,112	1,675,772
Call Allowance	14,752,806	15,144,806
SSP Allowance	18,220	146,131
Book Journal/ICT Allowance	7,935,000	7,935,000
NSSF-Employer Contribution	1,625,400	1,774,600
Pension-Employer Contribution	264,533,483	245,752,380
Overtime Amount	39,626	2,050,004
Gratuities	150,510,964	54,800,631
Home Water & Electricity	567,097	600,000
Top-Up Allowance	237,132	948,528
Assistants Allowance	360,000	360,000
Medical Extraneous Allowance -Main	41,446,312	37,478,403
Medical Risk Allowance -Main	11,503,606	9,944,865
Veterinary Risk Allowance -Main	1,364,501	877,333
Night Travel -Library staff	1,156,000	315,000
Pay in lieu of leave days	2,156,731	1,893,571
Passage and Baggage	2,496,344	387,060
Staff Training Expenses	959,090	3,765,372
Graduate Scholarships	-	2,278,800
Staff Education Fund Expenses	4,599,108	124,680
Staff Fees Waiver	15,707,350	17,247,500
Staff Uniforms	1,733,682	1,663,967
NITA Charges	1,121,500	1,258,500
Casual Labor Expenses	8,815,697	12,447,734
	3,352,569,665	3,988,426,219
Total Staff Costs	3,395,430,455	4,030,809,278

NOTES TO THE FINANCIAL STATEMENTS (Continued)

Note 14 : - Council Expenses		
Particulars	2018-2019	2017-2018
	Kshs.	Kshs.
Sitting Allowances	7,672,692	18,559,100
Mileage/Travel	4,208,464	113,575
Meals	205,200	-
Accommodation	6,527,400	-
Training Expense	2,479,535	383,565
Chancellors Honorarium	800,000	1,200,000
Chairman's Honorarium	960,000	960,000
Chairman's Phone Allowance	84,000	84,000
	22,937,292	21,300,240

Note 15 : - Administration and Central Services Expenses		
Particulars	2018-2019	2017-2018
	Kshs.	Kshs.
Office Stationery -Main	13,526,268	21,845,221
Advertising -Main	2,929,980	2,933,647
Postage And Telephone -Main	6,456,618	7,496,981
Electricity & Water -Main	102,284,147	105,466,532
Official Entertainment -Main	29,000	770,546
Vehicle - Insurance -Main	4,604,707	-
Contracted Security Services -Main	73,933,813	55,481,095
General Insurances - Properties -Ma	45,697,586	77,491,301
Legal Charges -Main	10,331,372	2,834,624
Strategic Initiative-ISO 22000/9001	1,028,598	4,250,362
Computer Stationery -Main	1,067,990	1,416,281
Audit Fees And Expenses -Main	7,093,756	4,298,000
Rent And Rates -Main	105,496,794	131,010,583
Conference And Seminars -Main	4,890,103	8,028,220
Staff Subscription to Professional	369,703	1,903,953
University Subscription to Other Bo	6,465,519	2,258,766
News Papers, Journals & Videos -Mai	3,618,640	3,353,590
Shows & Exhibitions Expenses -Main	3,196,510	3,675,948
Internet Services -Main	47,247,110	53,993,243
Office Running Expenses -Main	16,040,492	9,849,162
Students Union Expenses-Main	5,873,264	3,685,710
Computer Maintenance -Main	5,527,226	4,695,702
Bank Charges , Interest & Comm.-Main	16,270,631	14,655,411
Other Board Comm. - Jab, Fac., Dept	6,710,364	7,645,017
Cleaning And Sanitary Services -Mai	74,033,513	71,216,170
Strategic Initiative General Main	2,706,452	2,737,594
Fuel & Gas Main	-	337,500

NOTES TO THE FINANCIAL STATEMENTS (Continued)

Publicity -Main	16,773,723	8,643,169
Open Days Expenses -Main	371,430	1,354,795
Production of Teaching Materials -EU Press	116,500	138,620
Other expenses-Mau Egerton Cross Country	329,690	1,176,815
Taxes	-	118,998
Performance Contract Service Delivery	217,170	653,230
Grade I-IV Retirement Benefit Scheme	4,800,000	15,215,107
Asset Tagging & Valuation Expenses	199,500	6,500,000
Environmental Impact Assessment	435,289	81,200
Disability Mainstreaming	373,620	959,550
Program Self Assessments	15,400	309,970
World Ploughing Contest	-	595,278
World Environmental Celebration	-	980,004
Integrity Promotion Activities	182,030	
Students Medical Expense	8,786,453	9,311,093
Travelling And Subs. Staff	66,112,422	65,959,662
External Travelling	1,295,187	341,970
Staff Funerals Expenses	1,620,000	2,007,020
Staff Hospitalization Expenses	85,606,967	94,166,734
Staff Sports Welfare -Main	734,725	820,220
Team Building Activities -Main	297,600	247,450
Medical Supplies	7,868,143	6,780,170
	763,566,006	819,692,215

Note 16: - Repairs and Maintenance Expenses

Particulars	2018-2019	2017-2018
	Kshs.	Kshs.
Equipments	132,124	975,432
Motor Vehicle Repairs	11,317,570	10,891,371
Water Supply & Sewerage	4,650,875	6,980,271
Maintenance Of Stations	5,282,750	14,671,896
Motor Vehicles - Fuel And Oils	26,258,796	20,184,403
	47,642,116	53,703,372

NOTES TO THE FINANCIAL STATEMENTS (Continued)

Note 17 : - Academic Departments Expenses		
Particulars	2018-2019	2017-2018
	Kshs.	Kshs.
Teaching Claims (Part Time Lecturers)	305,470,279	373,153,785
Printing And Publishing	5,000	131,200
Teaching Materials	13,766,888	11,873,799
Laboratory Materials	1,334,000	4,350,000
Graduation Expenses	24,073,221	19,767,411
Students Sports Expenses	481,940	1,144,375
Teaching Practice	17,718,754	4,371,734
Students Work Study Expenses	1,723,370	2,758,818
Academic Field Trips	3,966,470	15,862,643
Sports (Inter-Universities)	1,202,450	1,876,209
Subsistence & Accommodation -External Examiners	7,436,889	10,965,354
Students Registration Expenses	3,113,420	1,909,065
Students Scholarship Expenses	3,828,500	-
Students Leadership Development Program Expenses	1,401,140	2,456,470
Post Graduate Practicum	-	169,395
Students ID Expenses	2,151,245	198,800
Teaching Services	608,900	-
Curriculum Review	1,081,640	2,358,708
Quality Assurance Audit Academic	-	1,070,507
E-Learning Expenses	8,314,919	6,931,473
Student Affairs Expenses	4,306,023	6,384,320
Student Attachment	11,996,907	8,669,770
	413,981,954	476,403,836

NOTES TO THE FINANCIAL STATEMENTS (Continued)

Note 18 :- Research & Extension Expenses		
Particulars	2018-2019 Kshs.	2017-2018 Kshs.
AICAD-RE02-Expenses	1,450	606,379
DAAD EBR-RE05-Expenses	22,984,165	15,822,963
Department of Defence-RE06-Expenses	42,989,935	32,939,536
Dryland Farming-RE07-Expenses	45,250	788,011
Economics Department-RE08-Expenses	711,165	230,121
Fingerponds-RE10-Expenses	14,680,228	6,127,015
Gift Shop-RE11-Expenses	552,473	1,016,127
Global Fund for TB-RE12-Expenses	2,415	40,418
Globalite-RE13-Expenses	75,250	1,461,421
Greenhouses-RE14-Expenses	1,507,551	2,065,274
KAPP GRANTS-RE18-Expenses	12,579,794	19,990,589
Natural Resources-RE20-Expenses	1,078,145	35,416
NORAGIC-RE21-Expenses	2,444,158	3,015,255
OSSREA Young Scholars-RE22-Expenses	29,473,456	8,123,296
PRA-RE23-Expenses	309,763	1,222,978
Research & Extension-RE25-Expenses	17,424,937	10,502,657
ROSA Project-RE27-Expenses	2,581,109	5,170,248
TAMOU 01C-RE29-Expenses	13,169,077	7,805,103
Training-RE33-Expenses	1,319,633	7,113,568
Vertisol Managemnt-RE34-Expenses	257,570	1,465,967
OSSREA Post-Doctoral-RE37-Expenses	385,742	134,022
ECOLIVE Project-RE40-Expenses	1,874,635	1,747,791
Wetland Ecosystem-RE41-Expenses	3,923,518	3,312,894
Limnology-RE42-Expenses	10,055,761	8,994,112
ECO-HELB-RE43-Expenses	3,397,360	1,391,459
Global Fund-RE44-Expenses	13,722,525	10,321,258
Confucious Institute-RE45-Expenses	11,932,359	16,944,800
COELIB Projects-RE46-Expenses	12,096,209	10,555,926
Pytochem Projects-RE47-Expenses	61,988,382	82,901,453
AERC Account-RE50-Expenses	1,065	455,561
AGEC Dollar Account-RE51-Expenses	4,130,432	6,884,117
AERC 2 Project Account - RE52 -Expenses	4,465,856	403,365
	292,161,367	269,589,094

NOTES TO THE FINANCIAL STATEMENTS (Continued)

Note 19: - IGU Expenses		
Particulars	2018-2019 Kshs.	2017-2018 Kshs.
Travelling And Subsistence	1,026,050	1,209,725
Staff Uniforms	305,050	269,280
Casual Labor Expenses	1,623,048	3,975,559
Cleaning Materials	13,920	-
Office Running Expenses	10,000	-
Bank Charges , Interest & Comm.	646,579	691,579
Other Board Committees - KUCCPS, Faculty, Department	12,975	-
Cleaning And Sanitary Services	23,183,370	22,604,456
Repairs & Maintenance - Equipment	222,912	279,684
Motor Vehicle Repairs	-	79,938
Maintenance of Stations	10,414,062	7,979,355
Teaching Claims (Part Time Lecturers)	1,157,336	2,400,821
Teaching Materials	-	61,000
Production Inputs	26,185,222	30,157,783
Purchase Of Farm Inputs	2,521,559	3,765,668
Purchase Of Stationery For Resale	169,256	66,172
Funeral Home Expenses	69,570	1,037,100
	67,560,910	74,578,119
Note 20: - Depreciation Expenses		
Particulars	2018-2019 Kshs.	2017-2018 Kshs.
Buildings-Egerton Buildings	74,665,187	74,378,803
Plant & Machinery-Dairy Institute machinery	5,767,483	6,272,483
Furniture	7,145,417	7,874,911
Equipments	16,852,160	23,332,333
Library Books	12,467,518	12,681,307
Motor Vehicles	3,990,310	4,890,310
Computers & Software	5,409,021	8,935,192
	126,297,095	138,365,338

NOTES TO THE FINANCIAL STATEMENTS (Continued)

Note 21 : - CESAAM ACE 2 Expenses		
Particulars	2018-2019 Kshs.	2017-2018 Kshs.
Recruitment & interviews of students	-	467,411
Support continuing Ph.D. student	38,318,743	9,831,530
Support continuing Msc. students	25,280,879	11,601,805
Review of 1 Phd & 3 Msc Curriculum	1,266,700	
Development of Phd & Msc Curriculum	518,791	
Undertake self assessment	805,775	
Short courses in Agric value chain	3,010,751	53,500
Conduct short courses agric & agri business	860,500	
Staff exchange fellowship	1,323,810	485,715
Ph.D. students exchange fellowship	1,131,260	
Staff supported in collaborated research projects	1,835,319	
Support publications on peer reviewed journal	286,000	
Facilitate presentation in international con	2,237,240	1,875,277
Retooling workshop for staff	2,221,723	4,116,837
Support Agri Enterprises	864,538	500,000
Internship support for students	1,023,500	
MOU signing and consultations	294,820	
Support teams develop proposals	1,832,960	228,200
Procure equipments and ICT upgrading	2,668,450	
Cesaam office block design	568,710	
Procure motor vehicle	91,000	8,062,067
Procure soil testing TOC analyzer	1,663,680	
Procure assorted seeds testing lab equip	2,263,385	
Procure animal nutrition lab equip	2,962,575	
One innovation Support Agro science park	529,560	
Conduct Tracer study of any gradates	580,650	
Hold an inception workshop	-	1,410,989
Marketing Cesaam Project and its programs	1,406,525	111,250
Cesaam steering committee sub committees	623,049	1,537,000
Cesaam staff package (Salaries and wages)	1,192,000	816,000
Cesaam vehicle mtc & Travel, subs, costs	4,249,411	3,933,815
Effective CESAAM secretariat	613,246	492,678
Audit conducted	-	61,600
ADB MOHEST- Dr Isaac Kariuki	16,837,400	4,931,600
Cesaam Operational Expenses	807,590	6,300
SMAEA- APP - PROF James Tuitoek	682,850	
NAPROCLA Project - Prof Joshua Ogendo	2,707,605	
Inter-university Council for East Africa	1,440,000	
CESAAM Fees Account	338,400	
Locust Mass Project - Prof. Ogendo	1,057,711	
NRF PROJECT Dr Meshack Obonyo	525,550	
	126,922,657	50,523,573

NOTES TO THE FINANCIAL STATEMENTS (Continued)

Note 22 : - MCF TAGDEV Expenses		
Particulars	2018-2019	2017-2018
	Kshs.	Kshs.
Project Coordinator at Egerton University	4,338,999	4,535,132
Project Assistant at Egerton University	2,375,923	2,267,562
English language teacher at Egerton University	457,859	733,753
Faculty release time at Egerton University	2,036,298	2,187,605
Interview Students	1,221,181	-
Expense - Orientation	292,489	204,666
Cost of publicising the Project and its scholarship	101,275	-
Facilitation of linkages with industry and entrepr	1,594,593	562,756
Annual recruitment meetings	100,431	206,841
Set up programme unit at partner universities	-	132,611
University meetings to disseminate project lessons	317,328	1,219,234
Monthly Seminars at the universities	257,831	530,470
University admission support	252,449	252,625
Internships	354,285	-
Business incubation training	1,876,179	-
University fees for undergraduate students	4,770,798	-
University fees for postgraduate students	2,806,718	-
Service Fees for Undergraduate students	843,506	1,506,055
Service Fees for Postgraduate students	1,869,640	-
Student Welfare Costs	33,095,084	9,317,342
Curriculum review events	-	929,738
Office furniture for the project offices	-	53,043
University Printers	-	110,446
Expense - other	24,513	77,887
Program Delivery Fee	302,108	303,150
MCF Potato Seed Project Prof Kibe	3,522,596	779,969
MCF Potato Seed Graduate Students	-	954,386
MCF Potato Seed Research Costs	585,301	-
MCF Potato Seed Coordination	60,445	-
MCF Potato Seed Other Costs	2,450,600	-
MCF Cassava CARP+ - Prof.M.S.Mulwa	1,119,222	1,735,194
MCF AGLEAD - Prof. P. Mshenga	1,899,723	703,712
	68,927,373	29,304,177

NOTES TO THE FINANCIAL STATEMENTS (Continued)

Note 23:- Other (Gains)/Losses		
Particulars	2018-2019 Kshs.	2017-2018 Kshs.
Gain (Loss) on Revaluation Investment-Shares	(351,536)	283,327
Main Campus-Bad Debts w/off-(Increase)/Decrease in Provision	(140,292)	(797,675)
Nairobi Campus-Bad Debts w/off-(Increase)/Decrease in Provision	(46,533)	(103,406)
IGUs-Bad Debts w/off-(Increase)/Decrease in Provision	-	5,410
Nakuru Campus-Bad Debts w/off-(Increase)/Decrease in Provision	(229,036)	(181,333)
Baringo Campus-Bad Debts w/off-(Increase)/Decrease in Provision	7,047	16,011
Ecampus-Bad Debts w/off-(Increase)/Decrease in Provision	(69,553)	(14,158)
Bad Debts w/off- (Increase)Decrease in Provision	(478,367)	(1,075,151)
Main Campus Dollars- Gain (Loss) on FOREX	253,436	(2,260,295)
Dollars- Gain (Loss) on FOREX	(1,050,474)	(6,690,572)
EUROs- Gain (Loss) on FOREX	992,227	17,384,149
Dollars- Gain (Loss) on FOREX	(2,443,576)	8,792,540
Dollars- Gain (Loss) on FOREX	(155,756)	(2,218,022)
Gain (Loss) on FOREX	(2,404,142)	15,007,800
Main Campus-Gain/(Loss) on biological Assets	171,325	(50,000)
IGUs-Gain/(Loss) on biological Assets	487,125	(7,464,072)
R& E-Gain/(Loss) on biological Assets	43,460	66,700
Gain/(Loss) on biological Assets	701,910	(7,447,372)
	(2,532,135)	6,768,605

NOTES TO THE FINANCIAL STATEMENTS (Continued)

Note 24 (a) :- Cash in Hand and in Bank		
Particulars	2018-2019 Kshs.	2017-2018 Kshs.
Bank balances		
Main - Bank Balances	159,018	218,644,106
Nairobi City Campus - Bank Balances	-	3,728,843
IGUs - Bank Balances	149,204	1,057,414
Research & Extension Bank Balances	325,329,024	355,739,171
Nakuru Town Campus College - Bank Balances	441,672	4,800,687
Ecampus - Bank Balances	-	198,570
Tegemeo Bank Balances	4,246,410	84,197,245
Total Bank Balances	330,325,329	668,366,037
Petty Cash		
Main - Cash In Hand	54,528	121,296
Nairobi City Campus - Cash In Hand	-	35,784
IGUs - Cash In Hand	50,000	38,318
Tegemeo - Cash In Hand	200,000	-
Nakuru Town Campus College - Cash in Hand	15,000	-
Total Cash In Hand	319,528	195,398
Total Cash in Bank and in Hand	330,644,857	668,561,435
Note 24 (b) :- Contingent Deposits		
Particulars	2018-2019 Kshs.	2017-2018 Kshs.
Staff Mortgage Scheme		
KCB Bank	50,000,000	50,000,000
Total Fixed Deposits	50,000,000	50,000,000
Note 24 (c) :- Negative Cashbook Balances		
Particulars	2018-2019 Kshs.	2017-2018 Kshs.
Main - Negative Bank Balances	208,448,930	502,240,488
Nairobi City Campus - Negative Bank Balances	12,414,054	19,683,000
IGUs - Negative Bank Balances	23,110,051	18,760,030
Nakuru Town CC - Negative Bank Balances	42,351,353	59,065,644
Ecampus - Negative Bank Balances	579,593	-
	286,903,981	599,749,161
Total Cash and Cash Equivalents	93,740,876	118,812,274

NOTES TO THE FINANCIAL STATEMENTS (Continued)

24 (d) Detailed Analysis of Cash and Cash Equivalents

Financial Institution	Account No	2018-2019	2017-2018
		Kshs	Kshs
1) Current Account			
a) Barclays Bank of Kenya			
EU Fees Account	271291000	(7,175,185)	445,037
Sub- total		(7,175,185)	442,925
b) Co-operative Bank of Kenya			
EU Main Campus account	1129025576700	(843,005)	208,074,659
EU Nakuru Town Campus	1129025576701	441,672	2,880,003
EU Global Fund	01139025576700	9,077	9,077
MCF Tagdev	02128025576700	16,742,163	65,710,287
Sub- total		16,349,907	210,963,739
c) Kenya Commercial Bank			
E U Endowment Fund A/C	1108550584	(110,926)	573,231
E U AICO Fees Collection	1101909579	(428,286)	87,185
E U Development Account	1101907681	(12,518,298)	5,090,236
Egerton University Paying Account	1101906812	(179,779,965)	(34,317,340)
E U Fees Account	1101910895	(4,708,448)	2,338,086
E U House Rent	1108044956	159,018	220,647
E U Fees Collection Account	1108550703	(2,884,817)	12,218,452
E U E- Learning Account	1101893680	(579,593)	198,570
Egerton University	1137209542	(41,415,998)	1,433,341
Egerton Univ Nkr Town Campus	1101909374	(935,356)	2,168,184
E U Nairobi City Fees	1101909781	(174,020)	3,771,599
Egerton University NCC A/C	1137209577	(12,240,034)	329,673
Egerton University Overhead Account	1101908718	(4,733,241)	920,890
E U Funeral Home Account	1101893796	149,204	989,322
Eusacs Catering Account	1101862920	(2,317,627)	291,445
Egerton University Milk Account	1101910429	(2,182,889)	475,666
Egerton Uni Students Accom C Serv	1101862637	(5,581,149)	(79,387)
Egerton University Nutrition Account	1101908904	(3,625,379)	501,707
Egerton Uni Natural Resources Depar	1101913614	(710,482)	442,718
Egerton Univ. Outz	1101847530	(2,629,448)	581,602
Bookshop	1101908033	(161,137)	241,271
Egerton University Knit Tailoring	1101891920	(242,133)	145,186
Egerton University Tatton Farm	1101910089	(926,566)	604,141
AICAD	1101846704	2,640,860	2,642,310
EBR Project	1101911786	212,610	3,452,277
DOD Project	1101914025	623,595	7,067,984
Dryland Farming	1101911964	141,262	186,512
Egerton University Economic Dept	1101893370	2,620,050	2,317,514
Fingerponds Project	1101893567	4,230,595	9,270,090
Gift Shop	1101912499	2,607,094	2,527,394
Egerton Univ Biochemistry Dept	1101854197	309,365	278,483
Globalite Project	1101847719	6,904,719	6,926,944
Greenhouses Project	1101846437	6,393,627	7,853,761
KAPP	1101852763	13,206,396	13,525,408
ADS P	1101913886	275,585	679,465
Noragric Project	1101850396	7,277,591	4,482,255
Ossrea Project	1101853492	69,725,194	31,926,955

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NOTES TO THE FINANCIAL STATEMENTS (Continued)

Financial Institution	Account No	2018-2019 Kshs.	2017-2018 Kshs.
c) Kenya Commercial Bank			
Partic Rural Project	1101911336	4,036,227	4,464,576
R&E Project	1101907525	15,645,036	16,234,575
EU Rosa Project	1101854138	5,315,563	2,850,512
Ta Mou	1101848995	361,266	3,283,855
EU Cesaam Project	1184060347	61,085,968	79,880,881
Training Project	1101913185	2,846,217	3,951,126
Versitol	1101911654	5,474,690	5,614,540
Ossrea Pos Doc Project	1101859792	4,100,375	4,381,117
Ecolive Project	1112022317	77,266	1,951,901
Limnology Project	1114469297	6,923,695	5,946,439
Wetland Ecosystem	1114468789	3,911,605	7,597,653
Ecohealth	1115354132	1,712,786	5,110,146
Agra Project	1137209593	2,479,974	9,280,910
Confucius Intitute	1138143936	2,303,421	14,817,260
COELIB Projects	1132129737	12,185,046	11,883,748
Pytochem Projects	1132129680	3,998,312	17,530,703
AERC Project Account	1107933919	4,885,174	6,531,828
AGEC Project Account	1141810220	3,387,680	1,992,221
AERC Project Account 2	1137209518	50,678,940	338,547
Sub- total		30,000,215	333,234,323
d) National Bank of Kenya			
Egerton University Tegemeo Institute-NBK USD	0200-3005240200	(576,096)	68,844
Egerton University Tegemeo Institute-NBK	0100-3005240200	65,244	38,935,397
Egerton University PAM/KMDP -NBK	01003-043688-00	761,820	3,999,737
Sub- total		250,968	43,003,977
e) NIC Bank			
Egerton University A/C Tegemeo TAPRA-NIC	1000237228	125,357	5,191,665
Egerton University-Tegemeo Inst TAPRA II-NIC	1000020334	914,559	18,570,757
Egerton University-Tegemeo Institute-NIC	1001783811	96,275	493,829
Egerton University-Tegemeo Inst- RFCCP-NIC	1000015411	1,237,923	11,584,534
Egerton Univ. Tegemeo TAMPA II-NIC	1000235926	(1,888,116)	3,845,299
Egerton Univ-Tegemeo Institute - KBSP-NIC	1000015748	3,509,444	6,380,000
Sub- total		3,995,442	46,066,085
2) Staff mortgage			
Contigent Deposit -Staff Mortgage	1101906812	50,000,000	50,000,000
Sub- total		50,000,000	50,000,000
3) Cash in Hand			
Njoro Campus	1101906812	54,528	121,296
Nairobi City Campus	1137209577		35,784
IGUs	1101862920	50,000	38,318
Research & Extension	1000020334	200,000	
Nakuru Town Campus	1137209518	15,000	
Sub- total		319,528	195,398
Grand Total		93,740,875	683,906,447

NOTES TO THE FINANCIAL STATEMENTS (Continued)

Note 25 (a) :- Receivables from Exchange Transaction		
Particulars	2018-2019 Kshs.	2017-2018 Kshs.
Outstanding Imprest	72,466,779	92,408,943
Salary Advance Staff	336,000	181,995
Student Debtors	869,999,599	822,162,931
General Debtors	8,726,866	720,440
Internal Debtors	25,148,037	25,802,118
INTER-BANK TRANSFERS	35,700,000	(14,882,709)
DUE FROM GOVERNMENT(Capi	348,975,754	-
Payroll Receivables	63,726	691,043
Deposits E A O Cyliders	61,800	61,800
Deposits KPL CO Ltd	871,825	862,325
Rent Deposits	9,396,858	10,218,150
Deposits NAWASCO-NTCC	30,000	30,000
Tegemeo Staff Unsurrendered Imprests	11,000	-
	1,371,788,244	938,257,035
Note 25 (b) :- Provisions for Bad Debts		
Particulars	2018-2019 Kshs.	2017-2018 Kshs.
Provisions Main Campus	6,253,831	6,113,539
Provisions Nairobi City Campus	1,115,963	1,069,430
Provisions Nakuru Town Campus	1,131,946	902,910
Provisions Baringo Campus	86,386	93,433
Provisions Ecampus	119,075	49,522
	8,707,201	8,228,834
Net Receivables from Exchange Transaction	1,363,081,043	930,028,201

NOTES TO THE FINANCIAL STATEMENTS (Continued)

Note 26 :- Inventories		
Particulars	2018-2019	2017-2018
	Kshs.	Kshs.
Inventories-Stocks Central & Substores	6,300,566	8,183,278
Inventories-Stocks Stationery	4,802,499	9,915,397
Inventories-Stocks Cleaning Materials	71,602	53,165
Inventories-Stocks Consumables	19,285,440	22,249,798
Inventories-Shop stock-IGU	2,912,786	3,157,322
	33,372,894	43,558,960

Note 27: Agricultural Assets

Note 27 (a) :- Biological Assets - Bearer Assets		
Particulars	2018-2019	2017-2018
	Kshs.	Kshs.
Livestock TDU-IGU	22,432,000	21,628,600
Livestock Kenyatta Campus-IGU	3,760,000	4,034,000
Security Dogs-Main	110,000	90,000
Livestock Chemeron Field Station	1,839,000	1,839,500
	28,141,000	27,592,100

Note 27 (b) :- Consumable Assets		
Particulars	2018-2019	2017-2018
	Kshs.	Kshs.
Crops TDU-IGU	459,000	501,275
Crops -Crops,Horticulture and Soil Science	111,885	-
Biological Assets-Crops-Lord Egerton Castle-Main	39,440	-
Crops Chemeron Field Station	43,960	-
	654,285	501,275
Total Agricultural Assets	28,795,285	28,093,375

NOTES TO THE FINANCIAL STATEMENTS (Continued)

Note 28: Non Current Assets

Note 28(a) - Property, Plant & Equipment

Particulars	Land	Buildings	W.I.P	Dairy Equipments,Plant & tractors	Furniture, Fittings	Other Equipments	Library,Books	Motor Vehicles	Computer and Appliances	Totals
	Kshs.	Kshs.	Kshs.	Kshs.	Kshs.	Kshs.	Kshs.	Kshs.	Kshs.	Kshs.
Cost or Valuation										
As at 01/07/2017	965,594,500	2,965,355,830	1,256,699,302	78,299,623	170,436,901	562,531,857	159,712,318	191,312,979	397,460,213	6,747,393,823
Additions During the year	-	-	453,753,399	-	3,452,195	2,610,517	5,653,245	-	4,669,520	470,450,874
WIP Transferred to Assets	-	9,798,302	(9,798,302)	-	-	-	-	-	-	-
As at 30/06/2018	965,594,500	2,975,154,132	1,700,634,419	78,299,623	173,889,096	565,172,374	165,365,563	191,312,979	402,129,733	7,217,544,697
Additions During the year	220,500,000	11,455,354	196,753,046	-	560,089	2,706,402	4,071,650	-	331,422	436,399,957
As at 30/06/2019	1,186,094,500	2,986,609,487	1,897,419,466	78,299,623	174,449,146	567,878,776	169,437,213	191,312,979	402,461,155	7,654,144,654
Depreciation										
As at 01/07/2017	-	591,394,557	-	44,039,607	343,189,361	597,942,366	150,613,746	182,265,099	386,256,472	1,985,680,549
Year adjustments	-	811,267	-	(222,448)	(657,448)	(657,493)	1,620	-	40,051	-
Charge for the year	-	4,378,403	-	6,272,465	1,374,911	25,352,333	12,681,207	4,890,310	8,935,192	138,468,339
As at 30/06/2018	-	666,594,657	-	50,311,500	350,841,724	530,644,208	143,296,673	187,155,409	395,211,715	2,124,048,887
Year adjustments	-	-	-	-	6,599	114,244	-	-	(120,744)	-
Charge for the year	-	4,665,157	-	5,767,453	7,145,417	16,852,160	12,467,578	3,990,310	5,409,021	126,297,095
As at 30/06/2019	-	741,249,844	-	56,078,953	357,993,641	547,610,612	155,764,251	191,145,719	400,499,992	2,250,345,982
NBV-30 JUNE 2019	1,186,094,500	2,245,359,623	1,897,419,466	22,210,640	16,455,504	20,268,213	13,875,000	167,261	1,951,165	5,403,901,671
NBV-30 June 2018	965,594,500	2,305,569,455	1,700,634,419	77,978,123	23,147,372	34,528,165	22,270,888	4,157,571	6,918,017	5,093,798,809

NOTES TO THE FINANCIAL STATEMENTS (Continued)

Note 28 (b) - Work-In-Progress			
Particulars	2018-2019 Kshs.	2018-2019 Additions	2017-2018 Kshs.
WIP-Buildings-Constr. Of Admin. Building-Main	20,096,000	-	20,096,000
WIP-Buildings-Constr. Of Egerton Universi Main Gate-Main	74,707,301	8,022,987	66,684,314
WIP-Buildings-Construction Of Science Complex-Main	903,824,961	42,166,269	861,658,691
WIP-Buildings-Construction Of Agronomy & Horticulture-Main	177,377,480	-	177,377,480
WIP-Buildings-Const. Of ICT Infrastructure-Main	73,193,489	1,102,442	72,091,047
WIP-Buildings-Faculty Of Law-NTCC-Main	123,916,482	-	123,916,482
WIP-Buildings-NTCC Teaching Complex	110,105,947	64,253,206	45,852,741
WIP-Buildings-Renovation Of Buildings-Njoro-Main	14,968,412	-	14,968,412
WIP-Buildings-Faculty of Veterinary Medicine-Main	1,650,000	-	1,650,000
WIP-Buildings Construction- Police Post-Main	2,594,166	-	2,594,166
WIP- Zoning of the University	1,919,286	-	1,919,286
WIP- University Library	375,171,489	63,345,688	311,825,801
WIP- Construction of Incinerator Shed	17,894,453	17,894,453	
Total	1,897,419,465	196,785,046	1,700,634,419

NOTES TO THE FINANCIAL STATEMENTS (Continued)

Note 29:- Investments		
Particulars	2018-2019 Kshs.	2017-2018 Kshs.
Kenya Airways- Ordinary Shares- 52468-	207,249	558,784
Investments-Long Term-Loan to E.U. Investment Company	149,918,907	149,918,907
	150,126,156	150,477,691

Note 30 (a) :- Trade and Other Payables		
Particulars	2018-2019 Kshs.	2017-2018 Kshs.
Payroll Payables	1,977,626,598	322,588,014
Trade Creditors	406,306,398	317,166,362
Payable Clearing A/C	10,175,727	20,265,522
Internal Creditors-N	16,134,265	8,619,606
Taxes-Withholding Tax Payable	9,763,935	17,061,007
Taxes-Value Added Tax (VAT) Payable	23,124,930	8,657,422
Students Caution Money	81,371,940	74,602,840
Students Union Fees	457,600	-
CDF Clearing a/c	5,765,275	7,573,815
HELB Clearing a/c	6,549,234	10,614,962
Sponsors Clearing a	14,346,724	19,212,672
Alumni Fees-Main	17,862,530	13,759,530
Unidentified Bank Deposits - Main	21,484,944	26,183,976
CUE Charges	97,000	111,000
KUCCPS Charges	50,000	4,500
NTCC Teaching Complex & University Library Consultancy Fees	183,982,277	249,729,071
Due EUSACCO	183,130	
Due to KCB	7,644,522	
Rent Deposit-Tegemeo	777,153	
Student Prepaid fees	400,717,131	386,127,440
	3,184,421,313	1,482,277,741

Note 30 (b) :- Accruals and Provisions		
Particulars	2018-2019 Kshs.	2017-2018 Kshs.
Accruals Main Campus	296,951,250	118,568,290
Accruals Nairobi City Campus	181,812,980	173,883,972
Accruals Nakuru Town Campus	346,372,327	278,150,725
Accruals Baringo Campus	11,027,597	46,481,724
	836,164,154	617,084,711

NOTES TO THE FINANCIAL STATEMENTS (Continued)

Note 30 (c) :- Deffered Income		
Particulars	2018-2019	2017-2018
	Kshs.	Kshs.
Deferred Income Tegemeo	1,049,210	55,500,889
AICAD Deferred Incomes R&E	2,640,860	2,642,310
EBR Project Deferred Incomes R&E	1,154,846	13,399,795
Dryland Farming Deferred Incomes R&E	141,262	186,512
Economic Dept Deferred Incomes R&E	2,620,050	2,350,811
Fingerponds Project Deferred Incomes R&E	1,368,097	5,514,743
Biochemistry Dept Deferred Incomes R&E	309,365	278,483
Globalite Project Deferred Incomes R&E	6,851,694	6,926,944
Greenhouses Project Deferred Incomes R&E	6,393,627	7,901,178
KAPP Deferred Incomes R&E	23,189,311	23,122,647
ADSP Deferred Incomes R&E	275,585	1,113,780
Noragric Project Deferred Incomes R&E	7,277,591	4,482,255
OSSREA Project Deferred Incomes R&E	76,840,994	43,937,419
Partic Rural Project Deferred Incomes R&E	4,154,813	4,464,576
ROSA Project Deffered Incomes R&E	5,301,690	2,977,138
TA MOU Deferred Incomes R&E	488,995	4,129,559
CESAAM ACE 2 Deferred Incomes R&E	65,605,781	84,199,910
Versitol Project Deferred Incomes R&E	5,474,690	5,732,260
OSSREA POS DOC Deferred Incomes R&E	4,265,192	4,545,934
Ecolive Project Deferred Incomes R&E	77,266	1,951,901
Limnology Project Deferred Incomes R&E	6,923,695	7,579,156
Wetland Ecosystem Deferred Incomes R&E	4,080,210	6,453,491
Ecohealth Deferred Incomes R&E	1,712,786	5,110,146
Confucius Institute Deferred Incomes R&E	7,208,404	19,052,763
US Dollar A/C Deferred Incomes R&E	7,925,932	8,070,368
EURO A/C Deferred Incomes R&E	6,637,557	25,857,792
MCF TAGDEV Deferred Incomes R&E	22,271,977	70,710,507
AERC Project Deferred Incomes R&E	2,396,114	4,042,768
AGEC Dollar A/C Deferred Incomes R&E	2,348,593	797,638
AERC Project 2 Deferred Incomes R&E	1,853,558	51,165
	278,839,746	423,084,837

NOTES TO THE FINANCIAL STATEMENTS (Continued)

The deferred income movement is as follows:

Deferred Income Movement					
International funders	Balance brought forward (July 1, 2018)	Additions	Transfers to income statement	Transfers to Reserves	Balance carried forward (June 30, 2019)
Deferred Income Tegemeo	55,500,889		28,839,695	25,611,985	1,049,210
AICAD Deferred Incomes R&E	2,642,310		1,450		2,640,860
EBR Project Deferred Incomes R&E	13,399,795	10,739,216	22,984,165		1,154,846
Dryland Farming Deferred Incomes R&E	186,512		45,250		141,262
Economic Dept Deferred Incomes R&E	2,350,811	980,404	711,165		2,620,050
Fingerponds Project Deferred Incomes R&E	5,514,743	10,533,582	14,680,228		1,368,097
Biochemistry Dept Deferred Incomes R&E	278,483	33,297	2,415		309,365
Globalite Project Deferred Incomes R&E	6,926,944		75,250		6,851,694
Greenhouses Project Deferred Incomes R&E	7,901,178		1,507,551		6,393,627
KAPP Deferred Incomes R&E	23,122,647	12,646,457	12,579,794		23,189,311
ADSP Deferred Incomes R&E	1,113,780	239,950	1,078,145		275,585
Noragric Project Deferred Incomes R&E	4,482,255	5,239,494	2,444,158		7,277,591
OSSREA Project Deferred Incomes R&E	43,937,419	62,377,031	29,473,456		76,840,994
Partic Rural Project Deferred Incomes R&E	4,464,576		309,763		4,154,813
ROSA Project Deferred Incomes R&E	2,977,138	4,905,662	2,581,109		5,301,690
TA MOU Deferred Incomes R&E	4,129,559	9,528,513	13,169,077		488,995
CESAAM ACE 2 Deferred Incomes R&E	84,199,910	108,328,527	126,922,657		65,605,781
Versitol Project Deferred Incomes R&E	5,732,260		257,570		5,474,690
OSSREA POS DOC Deferred Incomes R&E	4,545,934	105,000	385,742		4,265,192
Ecolive Project Deferred Incomes R&E	1,951,901		1,874,635		77,266
Limnology Project Deferred Incomes R&E	7,579,156	3,268,058	3,923,518		6,923,695
Wetland Ecosystem Deferred Incomes R&E	6,453,491	7,682,480	10,055,761		4,080,210
Ecohealth Deferred Incomes R&E	5,110,146		3,397,360		1,712,786
Confucius Institute Deferred Incomes R&E	19,052,763	88,000	11,932,359		7,208,404
US Dollar A/C Deferred Incomes R&E	8,070,368	11,951,774	12,096,209		7,925,932
EURO A/C Deferred Incomes R&E	25,857,792	42,768,147	61,988,382		6,637,557
MCF TAGDEV Deferred Incomes R&E	70,710,507	20,488,844	68,927,373		22,271,977
AERC Project Deferred Incomes R&E	4,042,768		1,646,654		2,396,114
AGEC Dollar A/C Deferred Incomes R&E	797,638	5,681,387	4,130,432		2,348,593
AERC Project 2 Deferred Incomes R&E	51,165	6,268,249	4,465,856		1,853,558
TOTAL	423,084,837	323,854,072	442,487,179	25,611,985	278,839,746

NOTES TO THE FINANCIAL STATEMENTS (Continued)

Note 31 :- Tegemeo Institute Financial Reports

Note 31 (a) :- Tegemeo Institute Incomes & Expenditures

PROJECT NAME	Deferred Income	Other Income	Additional Funding	Total Expenses for the year	Total Income for the year
TAPRA I	4,935,085	276,220	-	26,118,506	276,220
TAPRA II	246,933	-	-	5,961,781	-
OVERHEAD	-	172,590	-	10,923,258	172,590
MLE	482,045	2,876	-	400,000	402,876
RCT	106,287	-	-	106,287	106,287
RFCCP Bank Interest	-	43,466	-	479,599	43,466
3ie	9,106,139	7,859	-	8,056,929	8,064,788
TZB	27,884,201	-	-	7,126,000	7,126,000
GLCI	645,471	-	-	645,472	645,472
ELLA	269,728	569	-	270,297	270,866
ReNAPRI	1,220,761	4,232	-	1,221,011	1,225,243
ISSD	44,517	-	-	44,517	44,517
AGRI BENCHMARK	71,604	1,737	307,561	226,219	227,956
AATF	-	30,823	1,403,050	1,404,894	1,433,873
NML	-	3,155	575,660	578,815	578,815
AIGHD 1	-	6,682	1,216,900	1,223,582	1,223,582
AIGHD 2	-	55,479	6,058,200	6,998,504	6,113,679
WFP -PHFW	-	-	3,782,350	1,512,940	3,782,350
MMP	307,123	542	-	307,665	308,207
World Bank	2,195,500	3,290	-	2,198,790	2,202,081
FAO/RAELOC	-	44,891	7,186,700	5,312,160	7,231,591
FAO/CPE	1,141,047	1,272	-	1,142,319	1,143,591
Interest Income KBSP	-	45,589	-	-	45,589
Bank Charges KBSP	-	-	-	1,180	-
AFA	1,591,597	-	719,198	2,310,795	2,310,795
EABL-Oxygen	303,752	-	273,377	577,129	577,129
WFP	515,909	-	-	515,009	515,009
ODI	3,091,259	7,070	471,000	3,569,328	3,576,398
Africa Practice	625,412	-	-	625,411	625,411
AGRA	(551,134)	-	-	-	-
GISAMA	-	-	-	3,600	-
PAM/KMDP ACCOUNT	777,153	-	3,568,964	6,739,886	3,568,964
TAMPA II ACCOUNT	-	48,114	-	9,872,470	48,114
GAIN/(LOSS)	-	178,609	-	-	178,609
Dollar Account Bank Charges	-	-	-	(9,081)	-
TOTAL	55,010,389	935,067	25,562,960	106,465,272	54,070,069

NOTES TO THE FINANCIAL STATEMENTS (Continued)

Note 31 (b) :- Tegemeo Institute Deferred Incomes Summary

PROJECT NAME	Jun-19			Jun-18		
	Deferred Income (Fund Balances)	Reserve C/D	Combined	Deferred Income	Reserve	Combined
TAPRA I		(20,974,643)	(20,974,643)	4,935,085	-	4,935,085
TAPRA II		(5,321,290)	(5,321,290)	246,933	-	246,933
OVERHEAD		6,274,259	6,274,259	-	17,024,927	17,024,927
MLE		96,275	96,275	482,045	-	482,045
RCT		-	-	106,287	-	106,287
RFCCP		35,290	35,290			
3ie	1,049,210	7,859	1,057,069	9,106,139	-	9,106,139
TZB		20,758,201	20,758,201	27,884,201		
GLCI		(1)	(1)	645,471	-	645,471
WORLD BANK/KAPAP			-	2,195,500	-	2,195,500
ELLA		0	0	269,728	-	269,728
ReNAPRI		3,983	3,983	1,220,761	-	1,220,761
ISSD			-	44,517	-	44,517
AGRI BENCHMARK		154,684	154,684	71,604		
AATF		28,979	28,979			
AIGHD 2		(884,826)	(884,826)			
WFP -PHFW		2,269,410	2,269,410			
AGRA		(462,857)	(462,857)	(551,134)	-	(551,134)
GISAMA		65,244	65,244	-	94,694	94,694
PAM/KMDP ACCOUNT		(15,333)	(15,333)	777,153	3,176,104	3,953,257
TAMPA II ACCOUNT		(1,888,116)	(1,888,116)	-	7,929,618	7,929,618
MMP		-	-	307,123		
FAO/CPE		-	-	1,141,047		1,141,047
AFA		-	-	1,591,597		
EABL-Oxygen		-	-	303,752		
WFP		900	900	515,909		
ODI			-	3,091,259		
Africa Practice		1	1	625,412		
FAO/RAELOC		1,919,431	1,919,431			
KBSP		498,231	498,231			
Dollar Account Bank Charges		(113,243)	(113,243)			
Interest/Forex Gain/(Loss)		178,609	178,609	-	1,352,162	1,352,162
TOTAL	1,049,210	2,631,047	3,680,256	55,010,389	29,577,506	50,197,038

NOTES TO THE FINANCIAL STATEMENTS (Continued)

Note 31 (c) :- Tegemeo Institute Cash at Bank				Jun-19	Jun-18
BANK A/C NAME	BANK A/C NO.	Cashbook Balance (KES)	Cashbook Balance (USD in KES Equivalent)	Total Cashbook Balances	Total Cashbook Balances
Egerton University A/C Tegemeo TAPRA-NIC	1000237228	125,357	-	125,357	4,867,642
Egerton University-Tegemeo Inst TAPRA II-NIC	1000020334	914,559	-	914,559	17,438,009
Egerton University-Tegemeo Institute-NIC	1001783811	96,275		96,275	493,398
Egerton University-Tegemeo Inst- RFCCP-NIC	1000015411	554,404	683,519	1,237,923	37,568,050
Egerton Univ-Tegemeo Institute - KBSP-NIC	1000015748	3,375,944	133,500	3,509,444	12,477,502
Egerton University Tegemeo Institute-NBK USD	0200-3005240200		(576,096)	(576,096)	(585,181)
Egerton University Tegemeo Institute-NBK	0100-3005240200	65,244	-	65,244	68,844
Egerton University PAM/KMDP -NBK	01003-043688-00	761,820		761,820	3,932,742
Egerton Univ. Tegemeo TAMPA II-NIC	1000235926	(1,888,116)		(1,888,116)	7,936,240
TOTAL		4,005,487	240,923	4,246,410	84,197,245

NOTES TO THE FINANCIAL STATEMENTS (Continued)

Note 31 (d) :- Tegemio Institute Reconciliation of Deferred Incomes and Cash Balances

PROJECT NAME	Bank	Other Income	Additional Funding During the year	Deferred transferred in Reserve	Total Expenses for the year	Income Allocated to Expenditure	Total Income	Deferred Income (Final Balance)	Staff Impact	Creditors	Cash in Hand	Cashbook Balance (KES)	Cashbook Balance (USD in Equivalent)	Total Cashbook Balances	Bank A/C NO.	Bank A/C Name
LAPKA I	4,867,642			(4,925,085)	26,118,506	(5,967,781)	(2,764,209)		11,000	30,600,000	200,000	125,187		125,187	1000217228	Egerton University-A.U.Tegemio IAPKA-NIC
LAPKA II	413,083			(248,933)	5,967,781	(5,967,781)	(2,764,209)					914,549		914,549	1000020334	Egerton University-Tegemio Inst IAPKA II-NIC
OVERHEAD	17,024,927			(82,045)	10,913,355	(10,913,355)	(172,590)					962,775		962,775	1001783111	Egerton University-Tegemio Inst IAPKA II-NIC
MILE	499,398			(82,045)	400,000	(400,000)	(402,579)									Egerton University-Tegemio Inst IAPKA II-NIC
RCT	106,387			(0)	106,387	(106,387)	(106,387)									Egerton University-Tegemio Inst IAPKA II-NIC
RFCP Bank Interest	471,423				479,459	(479,459)	(47,466)									Egerton University-Tegemio Inst RFCP-NIC
Dollar Creditors										(20,600,000)						
Net	9,106,139	(7,5379)			3,056,929	(3,056,929)	(8,064,188)	(1,049,210)				551,404	683,519	1,237,923		
TZB	27,884,201			(20,748,203)	7,136,000	(7,136,000)										
GICI	644,171			1	644,472	(644,472)	(644,472)									
ELLA	269,726	(569)		669	270,287	(270,287)	(270,287)									
RENAPRI	1,220,461	(1,222)		249	1,221,011	(1,221,011)	(1,225,219)									
ISSD	44,517			(0)	44,517	(44,517)	(44,517)									
AGRI BENEFICIARY	3,694	(1,371)	(307,461)	(152,946)	228,219	(228,219)	(227,929)									
AAUF		(90,823)	(1,403,050)		1,403,894	(1,403,894)	(1,423,572)									
NML		(3,155)	(575,660)		578,815	(578,815)	(578,815)									
AGHID 1		(6,682)	(1,216,900)		1,223,582	(1,223,582)	(1,223,582)									
AGHID 2		(65,479)	(6,068,200)		6,096,504	(6,096,504)	(6,112,679)									
WFP-PHFW			(3,782,250)		1,812,940	(1,812,940)	(3,782,250)									
NMP	307,133	(642)		542	307,665	(307,665)	(308,207)									
World Bank	2,194,400	(7,290)		3,290	2,198,790	(2,198,790)	(2,202,083)									
FAORAFLOC		(41,881)	(7,186,700)		6,312,160	(6,312,160)	(7,231,641)									
EAO.CPE	1,141,047	(1,272)		1,272	1,142,319	(1,142,319)	(1,143,491)									
Interest Income KIBSP	453,922	(45,469)					(45,469)									
Bank Charges KIBSP																
AEA	1,591,397	(719,195)		(0)	2,310,594	(2,310,594)	(2,310,594)									
EABL-Oxygas	399,712	(273,377)		9	577,129	(577,129)	(577,129)									
WFP	515,909			(900)	515,009	(515,009)	(515,009)									
ODI	3,091,249	(7,070)	(471,000)	7,070	3,569,238	(3,569,238)	(3,576,298)									
Africa Pacific	625,412			(0)	625,412	(625,412)	(625,412)									
AGRA	(551,124)			551,124												
Exchange Difference on AGR	88,277															
GSAMA	68,544				1,600	(1,600)										
PAMKAMPF ACCOUNT	3,922,742	(3,588,964)			6,739,856	(6,739,856)	(3,588,964)									
TAMPA II ACCOUNT	7,936,240	(48,114)			9,872,170	(9,872,170)	(48,114)			***133						
INTEREST FOREX GAIN (LOSS)																
Dollar Account Bank Charges	(1,22,224)				(9,081)	9,081										
TOTAL	84,197,245	(915,067)	(25,562,960)	(25,611,885)	106,465,272	(106,465,272)	(54,070,060)	(1,049,210)	11,000	777,153	200,000	4,005,487	(113,239)	240,923	4,246,410	Egerton University-Tegemio Inst IAPKA-NIC

NOTES TO THE FINANCIAL STATEMENTS (Continued)

32. CASH GENERATED FROM OPERATIONS

Particulars	Notes	2018-2019 Kshs.	2017-2018 Kshs.
Operating Activities			
Deficit for the year		(1,600,496,151)	(928,068,236)
Adjustments for			
Depreciation	20	126,297,095	138,365,338
Adjustments in Reserves for prior years items		717,910	
Movement in Provisions for the year	30 (b)	219,079,443	246,587,588
Movement in Deferred Income for the year	30 (c)	(144,245,091)	79,319,772
(Gain)/Loss on Revaluation of Shares	23	351,536	(283,327)
		(1,398,295,258)	(464,078,865)
Changes in Working Capital			
(Increase)/Decrease in Biological Assets	27	(701,910)	7,447,372
(Increase)/Decrease in Receivables	25 (a)	(433,052,843)	72,997,797
(Increase)/Decrease in Inventories	26	10,186,066	(1,612,552)
Increase/(Decrease) in Payables	30 (a)	1,702,143,573	625,104,161
		1,278,574,886	703,936,778
Cash Generated from Operations		(119,720,372)	239,857,913

NOTES TO THE FINANCIAL STATEMENTS (Continued)

33. RELATED PARTY BALANCES

Nature of related party relationships

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

Government of Kenya

The Government of Kenya is the principal shareholder of the University, holding 100% of the University's equity interest. The Government of Kenya has provided full guarantees to all long-term lenders of the entity, both domestic and external. Other related parties include:

- i) The National Government;
- ii) The Ministry of Education;
- iii) The University Council;
- iv) Key Management
- v) Egerton University Investment Company

	2018/2019	2017/2018
	Kshs	Kshs
Transactions with related parties		
a) Grants from the Government		
Recurrent Grants from Ministry of Education	1,838,824,412	3,182,186,700
Development Grants from Ministry of Education	284,936,947	288,157,252
Total	2,123,761,359	3,470,343,952
b) Key management compensation		
Councils' emoluments	22,937,292	21,300,240
Compensation to the Vice Chancellor	13,576,684	12,718,372
Compensation to key management	29,284,106	29,664,687
Total	65,798,082	63,683,299

NOTES TO THE FINANCIAL STATEMENTS (Continued)

34. EVENTS AFTER THE REPORTING PERIOD

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

35. ULTIMATE AND HOLDING ENTITY

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

36. CURRENCY

The financial statements are presented in Kenya Shillings (Kshs).

37. MATERIAL BUDGET VARIANCES

i. Income Variances

- The Government reviewed its initial funding of Ksh 1,520,253,734 in its supplementary II to Ksh 1,838,824,413 which now becomes the university's GoK recurrent funding budgeted and not the earlier figure.
- Research incomes reported positive inflows than had been anticipated except Tegemeo institute.
- The tuition & related income was not fully received due to reduced student numbers. This also affected income from other services, mostly IGUs that depend on students.

ii. Expenditures Variances

During the year 2018-2019, the university operated in a very constrained budgetary environment in light of reduced GoK funding. Indeed, the university operated with a deficit budget at the start of the financial year, anticipating additional GoK funding during supplementary budget amounting to more than Ksh 1 Billion. However, the amount received during supplementary was only Kshs. 348 Million. As a consequence, some of the budget lines were constrained beyond their actual reality.

Appendix 1: 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.	Issue / Observations from Auditor	Management comments	Focal Point person to resolve the issue	Status:	Timeframe:
1.1	Teaching claims were not supported by a schedule of individual lecturers or relevant accounting documentation.	Schedule of individual lecturers indeed not provided to the extent that some of the reported expenses are provisions/estimates for the teaching claims in the relevant semesters where no claims have been brought up for payment. Where claims have been brought up for payment, the list was provided to the audit team.	Finance Officer		
1.2	Unexplained Research & Extension Expenditure Ksh 78,371,072	We do not agree with this observation. Payments appearing in the bank statements do not necessarily constitute expenditure for purposes of financial reporting, neither does the bank statement constitute a supporting basis for financial reports. This is because our expenditure is reported based on the expenditure ledgers (our records) and not bank statement (bank records). The following are the reasons/ causes for the differences between our ledgers and the bank statements	Finance Officer		

Egerton University Annual Report and Financial Statements for the year ended 30th June 2019

Reference No.	Issue / Observations from Auditor	Management comments	Focal Point person to resolve the issue	Status:	Timeframe:
1.3	Unrealized Gain on Foreign Exchange Transactions not supported by actual realized gain or ledger records	Our Sage-Accpac system cannot handle forex on a continuous basis. The treatment of this item is consistent with Note 1(n) of our accounting policies.	Finance Officer	Resolved	
2.1	Student Debtors not supported by aging student list	The student movement report is system generated and shows the opening balances, debits, credits and closing balances for the year.	Finance Officer	Resolved	
2.2	There was basis for valuation of Agricultural Assets	Valuation is based on the productivity of the animal which accounts for 60% of the value of the animal while the other parameters account for 40%.	TAP Manager	Resolved	
3.1	Long Overdue Unpresented Cheques	The university is facing cash flow challenges in meeting its obligations but will remit the same when funds are available.	Finance Officer	Resolved	
3.2	Misstatement of Trade Creditors Balance	The figure of Ksh 351,504,398 includes outstanding internal creditors and taxes which is shown below; Trade Creditors-317.2M Internal Creditors-8.6M Withholding Tax-17M VAT- 8.7M Total =351.5M	Finance Officer	Resolved	

Egerton University Annual Report and Financial Statements for the year ended 30th June 2019

Reference No.	Issue / Observations from Auditor	Management comments	Focal Point person to resolve the issue	Status:	Timeframe:
3.3	Misstatement of Provisions and Accruals	This has since been corrected	Finance Officer	Resolved	
3.4	Deferred Income of Kshs 423M differs with bank of Kshs 447M by Kshs 24M which was not explained. It was also not supported by budget performance or cash flows showing how the amounts were arrived at	Deferred Income 1. represents monies not spent as per cash book-not bank statements (there could be unrepresented cheques etc) 2. May involve just movement of balances from Deferred Income account to Income account as we spend; there may not be any new money in subsequent years We have improved our budgeting format.	Finance Officer	Resolved	
3.5	Non-Disclosure of Unremitted Statutory and Voluntary Payroll Deductions in the Financial Statements	These balances were already fully processed to cheque but the cheques had not been released to the payees as at June 30 th 2018 thereby creating a negative position in the cashbook-note 25c. They were thus reported as fully paid and not omitted			
3.6	Non Disclosed Annual leave days outstanding		Registrar (HCA)	Not Resolved	Ongoing

Egerton University Annual Report and Financial Statements for the year ended 30th June 2019

Reference No.	Issue / Observations from Auditor	Management comments	Focal Point person to resolve the issue	Status:	Timeframe:
4.1	Revenue Reserves Transferred Without Council Authorization	<ol style="list-style-type: none"> 1. The balances in R&E accounts would wrongly inflate our surplus for each year 2. This was the first time we were adopting this method of accounting-cash basis for R&E 3. Hence we removed the balances from Reserves to Deferred Income 4. Council Approved the accounts before submission to AG 			
E1.1	Tegemeo Expenditure Not Processed Through Sage Accounting System	The Institute has already begun the process of automating its processes to address this challenge.	Director (Tegemeo)/ Finance Officer	Unresolved	FY 2019/2020
E2.1	Long Outstanding Egerton University Investment Company Loan	The Egerton University Investment company has planned to pay as per the Business plan	VC	Not Resolved	Ongoing
L1.1	Land without Title Documents	The process of acquiring ownership documents for all the University lands is at advanced stage for the remaining three parcels. Mpeketoni is now included in our Assets Register.	Legal Officer	Not Resolved	Ongoing
L1.2	Work in Progress Not Supported by Certificates	We provided the payment vouchers and certificates of work done.	Finance Officer	Resolved	

Egerton University Annual Report and Financial Statements for the year ended 30th June 2019

Reference No.	Issue / Observations from Auditor	Management comments	Focal Point person to resolve the issue	Status:	Timeframe:
L1.2	Work in Progress Not Supported by Certificates	We provided the payment vouchers and certificates of work done.	Finance Officer	Resolved	
L2.1	Recurrent Capitation Grant Not Supported by Student Population Data	The Ministry requests students' population data from time to time and arising from this, the University is allocated funds, however, we do not know what criteria is used to allocate these funds.	VC	Resolved	
L3.1	Irregular Award of Modern Library Works to Vighjiyani Enterprises Ltd	A comprehensive response was given by procurement department	Ag. DCPO	Resolved	
L3.2	Awards of Contract to Circuit Business Systems (K) Ltd without Budgetary Allocation	The University planned for deliveries then make payment in the next financial year, but the contract expired and no supplies made.	Ag. DCPO	Resolved	
L3.3	Award of Contract to Technology Associates East Africa Ltd without Approved Budget	The University planned for deliveries then make payment in the next financial year, but the contract expired and no supplies made.	Ag. DCPO	Resolved	
L3.4	Irregular Procurement of Security Control Checkpoint and Associated Buildings (Gate)	A comprehensive response was given by procurement department	Ag. DCPO	Resolved	

Egerton University Annual Report and Financial Statements for the year ended 30th June 2019

Reference No.	Issue / Observations from Auditor	Management comments	Focal Point person to resolve the issue	Status:	Timeframe:
L4.1	Tuition Fees Reversals without Approval and Documentation	<p>These occur when students fail to register yet they are in session and have paid fees...the result is a reversible journal for purposes of reporting Kshs 810M</p> <p>The reversals in reference were all justified and appropriately approved. In our operations, we have sufficient segregation of duties embedded in the system rights allocated to every staff member. Hence no one staff can make an entry and reverse except by approval of a senior member of the department.</p>	Finance Officer	Resolved	
I1.1	Lack of an Offsite Data Recovery Centre	<p>ICT does not have an off-site data recovery center but has identified KENET which is the University's ISP as an ideal place to setup the off-site data recovery center (Co-location).</p>	ICT Manager	Not Resolved	FY 2019/2020
I1.2	Lack of Information Technology Systems Interface	<p>Sage ACCPAC and Academic Records Management Systems (ARMS) are well interfaced.</p> <p>The University management is in the process of phasing out Student Records Maintenance System (SRMS) and fully implementing ARMS in the financial year 2019/2020.</p>	ICT Manager	Not Resolved	FY 2019/2020

Appendix 2: INTER-ENTITY TRANSFERS



**MINISTRY OF EDUCATION
STATE DEPARTMENT FOR UNIVERSITY EDUCATION AND RESEARCH**

Telephone +254-020-3318581
Facsimile +254-020-2251991
Email: cas.psu@egerton.ac.ke
Website: www.egerton.ac.ke
When replying please quote:

PO BOX 9583 - 00200
HARAMBEE AVENUE
NAIROBI

When replying please quote:
Ref: MOEST/FIN/11/21 Vol. XIII (271)

Date: 24th July, 2019

Vice Chancellor
Egerton University
P. O. Box 536-20107
NJORO

ATT: Finance Officer

CONFIRMATION OF AMOUNTS RECEIVED FROM THE MINISTRY

Reference is made to your letter Ref: EU/FIN/ADM/A68/290 dated 2nd July, 2019 on the above subject matter.

The purpose of this letter therefore is to confirm disbursement of **Ksh. 1,489,848,659** for recurrent expenditure, **Ksh. 284,936,947** for development expenditure and **Ksh. 348,975,754** for supplementary II 2018/2019 Financial Year.

Samuel M. Mugambi

FOR: CHIEF ADMINISTRATIVE SECRETARY AND PRINCIPAL SECRETARY

Encl.

**DISBURSEMENT TO EGERTON UNIVERSITY
2018/2019 FINANCIAL YEAR**

Month	Recurrent	Development
Jul-18	126,687,811	
Aug-18	126,687,811	
Sep-18	126,687,811	
Oct-18	126,687,811	
Nov-18	119,086,543	139,460,617
Dec-18	119,086,542	
Jan-19	124,154,055	
Feb-19	124,154,055	145,476,330
Mar-19	116,552,786	
Apr-19	126,687,811	
May-19	126,687,811	
Jun-19	126,687,812	
Supplementary II FY 2018/2019	348,975,754	
Total	1,838,824,413	284,936,947
Grand Total		2,123,761,360

[Signature]
24/7/2019