

REPUBLIC OF KENYA

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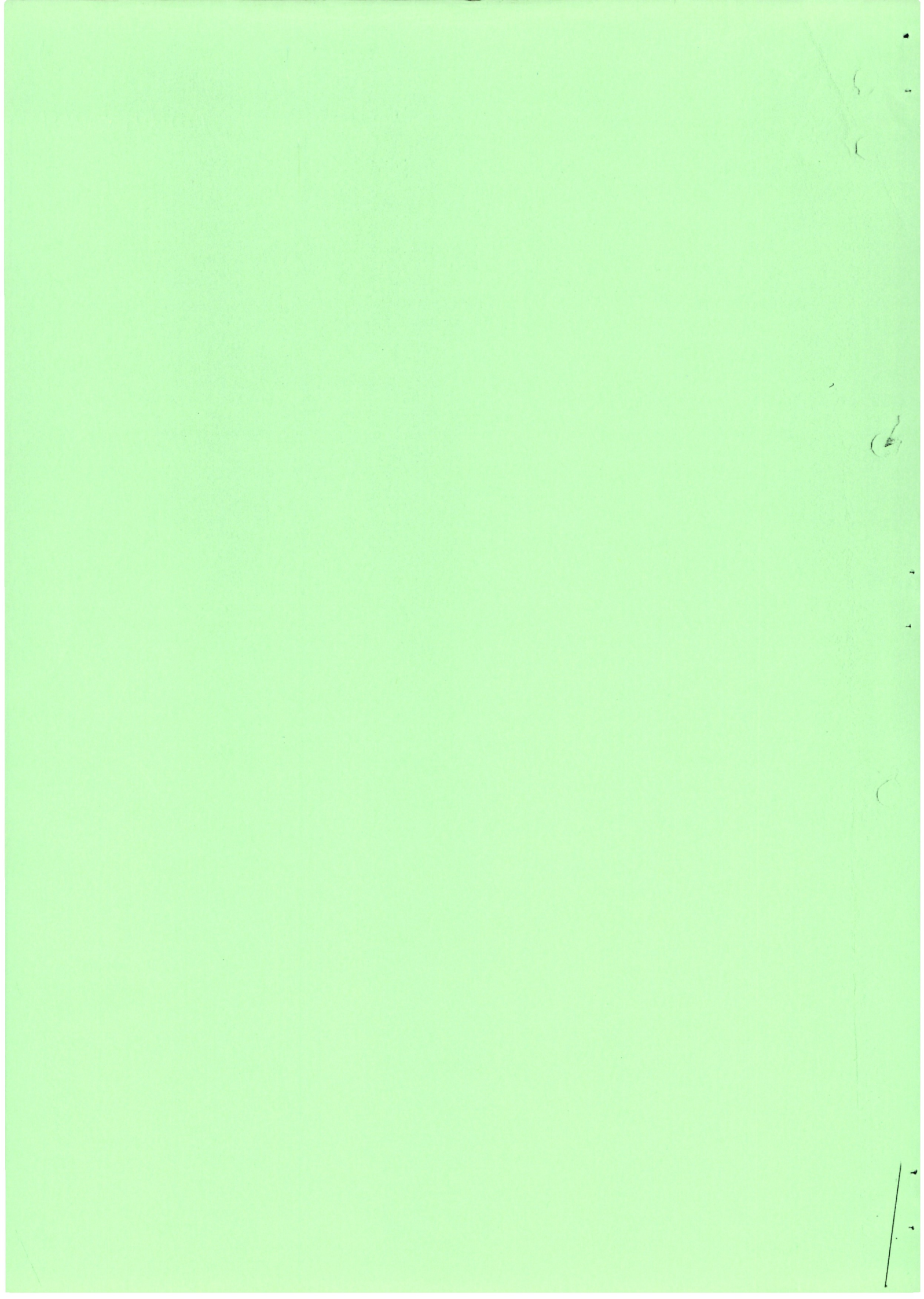
KENYA NATIONAL AUDIT OFFICE

**REPORT OF
THE
AUDITOR-GENERAL**



ON

**THE FINANCIAL STATEMENTS OF
CHUKA UNIVERSITY COLLEGE FOR
THE YEAR ENDED 30 JUNE 2012**

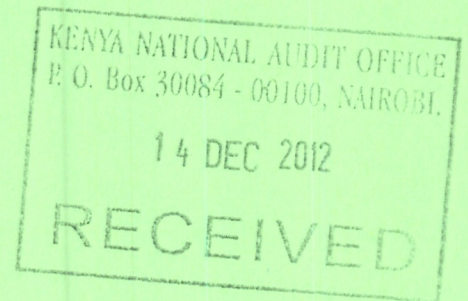


CHUKA



UNIVERSITY

COLLEGE



ANNUAL REPORT

AND

FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30TH JUNE 2012

Chuka University College

P.O BOX 109 - 60400,

CHUKA

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Institutional Information

Establishment

Chuka University College is a body corporate established as a constituent College of Egerton University by a Presidential Order of 2007 No. 161.

Registered Office and Principal Place of Business

Chuka University College

Chuka Town

P.O BOX 109 - 60400,

CHUKA

Bankers

1. Kenya Commercial Bank Ltd,

P.O Box 7014

CHUKA.

- 2 Cooperative Bank of Kenya

P.O. Box 101 - 60400

CHUKA.

3. Equity Bank

P.O. Box 213-60400

CHUKA.

Independent Auditors

Auditor General

Kenya National Audit Office

P.O Box 30084 -00100

NAIROBI.

Members of the University College Council

1. Eng. Wilfred Murungi - Chairman, CUC Council
2. Mr. John S. Mbaya - Vice Chairman, CUC Council
3. Ms. Mary Masinde - Rep. P.S., Ministry of Higher Educ., Sci. & Tech
4. Mr. John Munge - Rep. P.S., Ministry of Finance
5. Ms. Linda Lumbasi - Member
6. Mrs. Jane J. Nakodony - Member
7. Mr. Ronald K. Ikutu - Member
8. Prof. James K. Tuitoek - Vice Chancellor, Egerton University
9. Prof. Erastus N. Njoka - Principal, CUC
10. Prof. Stanley M. Kagwanja - Deputy Principal (AF&P), CUC
11. Prof. Dorcas K. Isutsa - Deputy Principal (AA), CUC
12. Prof. Bernard N. Githua - Rep. Senate, Egerton University
13. Dr. Peter K. Muriungi - Rep. Academic Board, CUC
14. Ms. Lucy K. Mureu - Rep. Academic Board, CUC
15. Dr. Mwenda Mukuthuria - Rep. Academic Staff., CUC
16. Mr. John K. Thurania - Rep. Non Academic Staff, CUC
17. Mr. Joseph O. Augo - Rep. Students, CUC

Chancellor and Chief Officers of the University College

Chancellor

Amb. Bathuel Abdu Kiplagat
B.Sc. (London), D. Litt (Honoris Causa) (Egerton)

Chairman of Council

Eng. Wilfred Murungi, EBS

Principal/CEO

Prof. Erastus N. Njoka
PGD, M.Sc., Ph.D. (Friendship University)

Deputy Principal (AF&P)

Prof. Stanley M. Kagwanja
BEd(Sc.) UoN, MSc (Chemistry) UoN, Ph.D (Bristol, U.K)

Deputy Principal (AA)

Prof. Dorcas K. Isutsa
B.Sc(Egerton), M.Sc.(Cornell),Ph.D(Cornell)

Registrar (Administration)

Francis M. Mulwa
BEd (Sc.) UoN M.Ed (PTE), MIHRM, AMKIM

Ag. Registrar (Academic Affairs)

Jonathan M. Chara
BA (UoN), PGDE (Egerton)

Ag. Finance Officer

J.M. Ndiku
C.P.A (K), C.P.S (K), C.I.S.A, BBAM, MBA (Egerton), Dip. IT (JKUAT)

Corporate Information

Mandate

The Mandate of the University College, as provided by Chuka University College Order 2007 (Legal Notice No. 161 Section 4(1) (a-e), includes:

- To provide directly, or in collaboration with other institutions of higher learning, facilities for university education, the integration of teaching, research and effective application of knowledge and skill to the life, work and welfare of citizens of Kenya;
- To participate in the discovery, transmission, and preservation and enhancement of knowledge and to stimulate the intellectual participation of students in the economic, social, cultural, scientific, and technological development of Kenya
- To provide and advance university education and training to appropriately qualified candidates, leading to the conferment of degrees and award of Diplomas and certificates and such other qualifications as the Council and the Senate shall from time to time determine and in so doing contribute to manpower needs;
- To conduct examinations for such academic awards as may be provided in the statutes pertaining to the University College; and
- To examine and make proposals for new faculties, schools, institutes, departments, resource and research centres, study courses and subjects of study.

Vision

To be a Premier University for the provision of quality education, training and research for sustainable national and global development

Mission

To generate, preserve and share knowledge for effective leadership in higher education, training, research and outreach through nurturing an intellectual culture that integrates theory with practice and innovation

Council Chairman's Report

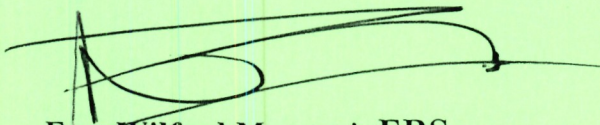
It is a great honour for me to present the fourth financial statements of Chuka University College for financial year 2011/2012 since its establishment in August 2007. I am delighted of the milestones we have made as a University College. The government's objective of establishing the University College was to enhance access to quality and affordable education in the Eastern region and Kenya at large. Education is a catalyst for transforming Kenya as envisaged by the Social Pillar in vision 2030.

Fixed assets of the University College have grown significantly since inception and now stand at Ksh 1,095 million. These assets which include buildings, plant and equipment, motor vehicles, computers and furniture make the institution conducive for higher learning. Construction of a modern Science Tuition Block, Business/Students Recreation Centre, Business Studies Complex, Media Studio and tarmacking of access roads are on-going at an estimated completion value of about Ksh 1,200 million.

I wish to thank the Government of Kenya and other stakeholders for funding our projects during the year. The University College's student population is growing fast and we continue to appeal for support for the projects in our strategic plan such as a contemporary Library Complex, Administration Block and modern IT infrastructure among others.

Lastly, my gratitude goes to my fellow Council members, the Management, Staff and Students of Chuka University College for working indefatigably to ensure success of the University College.

Thank you.



Eng. Wilfred Murungi, EBS
CHAIRMAN OF COUNCIL

Principal's Report

I am delighted to present the Annual Report and Financial Statements of Chuka University College for the year ended 30th June 2012 as per the Chuka University College Order and Exchequer and Audit Act 2003.

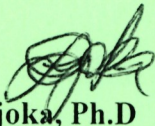
During the year under review, the University College generated Ksh 336 million as Appropriation In Aid which were used to fund purchase of equipment, support construction projects and in operations. The Government contributed a total of Ksh 303 million to support capital projects and Ksh 302 million for recurrent expenditure.

The University College has continued with its core business of teaching, training and research. The College had a student population of 5,542 compared to 3,343 at the beginning of the year. Establishment of Embu Town, Igembe and Chongoria campuses would enhance access to university education and improve the financial base of the University College. Staff population was 246 at the end of the year.

On behalf of Chuka University College, I wish to take this opportunity to thank the Government and all our development partners for their important support.

Finally, I would like to express my sincere appreciation to the University College Council for providing policy and strategic guidelines, the University College staff and students who worked meticulously to ensure smooth and successful operations of the University.

Thank you all,



Prof. E.N. Njoka, Ph.D

PRINCIPAL/CEO

Statement of Council Members Responsibilities for Year Ended 30th June, 2012

The Presidential Order 2007 requires the Council to prepare financial statements for each financial year, which give a true and fair view of the state of affairs of the University College as at the end of financial year and of the University's surplus or deficit for the year. The order also requires the Council Members to ensure that the University keeps proper accounting records that disclose with reasonable accuracy, the financial position of the University. They are also responsible for safeguarding the University's assets.

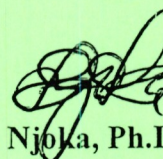
The Council accept the responsibility for the Annual Report and Financial Statements, which have been prepared using appropriate accounting policies and supported by prudent judgments and estimates, in conformity with International Financial Reporting Standards and requirements of the order that established the University College. The Council is of the opinion that the financial statements give a true and fair view of the state of financial affairs of the University as at 30th June, 2012 and the University's surplus. The Council further accept the responsibility for the maintenance of accounting records that may be relied upon in the preparation of financial statements, as well as adequate systems of internal controls.

With the current trend of events, the University College Council is of the opinion that the University will remain a going concern for at least the next twelve months from the date of this statement.

This statement was approved by Council on 07th September, 2012 and it is signed on their behalf by:



Eng. Wilfred Murungi, EBS
CHAIRMAN OF COUNCIL



Prof. E.N. Njoka, Ph.D
PRINCIPAL/CEO



KENYA NATIONAL AUDIT OFFICE

REPORT OF THE AUDITOR-GENERAL ON CHUKA UNIVERSITY COLLEGE FOR THE YEAR ENDED 30 JUNE 2012

REPORT ON THE FINANCIAL STATEMENTS

I have audited the accompanying financial statements of Chuka University College set out on pages 10 to 22, which comprise the statement of financial position as at 30 June 2012, and the statement of comprehensive income, statement of changes in reserves and statement of cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information, in accordance with the provisions of Article 229 of the Constitution of Kenya and Section 14 of the Public Audit Act, 2003. I have obtained all the information and explanations which, to the best of my knowledge and belief, were necessary for the purpose of the audit.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with International Financial Reporting Standards, and for such 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.

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

Auditor-General's Responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the College's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the management, as well as evaluating the overall presentation of the financial statements.

I believe that the audit evidence obtained is sufficient and appropriate to provide a basis for my qualified audit opinion.

Basis for Qualified Opinion

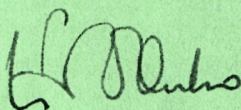
Property, Plant and Equipment

As similarly reported in 2010/2011, included in the property, plant and equipment balance of Kshs.1,039,067,310 is a parcel of land namely Karingani/Ndagani/741 measuring 1.0 hectares valued at Kshs.7,500,000 whose title deed has not been obtained although a letter of allotment dated 28 June 2011 is held by the College.

Consequently, it was not possible to confirm the ownership status of the parcel of land as the property of the University College.

Qualified Opinion

In my opinion, except for the effects of the matter described in the Basis for Qualified Opinion Paragraph, the financial statements present fairly, in all material respects the financial position for the College as at 30 June 2012, and of its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards and comply with the Chuka University College Order No.161.



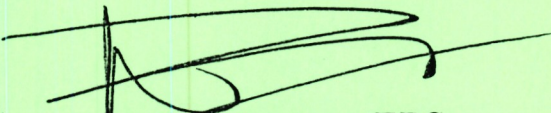
Edward R.O. Ouko, CBS
AUDITOR-GENERAL

Nairobi

21 December 2012

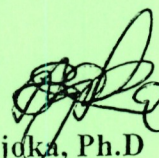
Chuka University College**Statement of Financial Position****as at June 30, 2012 and June 30, 2011**

		2012 Ksh	2011 Ksh
Assets	Note		
Property, Plant & Equipment	2	1,039,067,310	685,721,561
Biological Assets	3	995,000	695,000
Total Non Current Assets		1,040,062,310	686,416,561
Current Assets			
Inventories	4	11,519,652	7,130,726
Accounts Receivable	5	41,044,194	44,202,546
Cash & Bank Balances	6	92,623,360	177,569,361
Short-Term investments	7	526,000,000	350,000,000
Total Current Assets		671,187,206	578,902,633
Total Assets		1,711,249,516	1,265,319,194
Capital Funds			
Accumulated Capital Fund		893,146,323	590,236,196
Revenue Reserve		517,998,143	415,461,429
Revaluation Reserves		228,786,181	228,786,181
		1,639,930,647	1,234,483,806
Current Liabilities			
Accounts Payable	8	25,598,278	12,012,007
Retention- WIP		45,720,591	18,823,381
Total Current Liabilities		71,318,869	30,835,388
Total Funds & Liabilities		1,711,249,516	1,265,319,194


 Eng. Wilfred Murungi, EBS
CHAIRMAN OF COUNCIL

Date

13/12/2012


 Prof. E.N. Njoka, Ph.D
PRINCIPAL/CEO

Date

11/12/2012

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Chuka University College**Statement of Comprehensive Income****for the Year Ending June 30, 2012 and June 30, 2011**

		2,012	2,011
		Ksh	Ksh
Income	Note		
Tuition and Related Income	9	191,477,710	157,584,785
Exchequer Grants	10	303,275,781	263,275,780
Income Generating Activities	11	793,217	2,504,494
Other Income	12	65,823,810	16,172,937
Total Income		561,370,518	439,537,996
Expenditure			
Administrative Expenses	13	58,958,896	46,363,591
Employment Expenses	14	240,092,056	215,353,123
Council Expenses	15	7,438,630	8,249,325
Marketing Expenses	16	29,444,211	20,411,677
Establishment Expenses	17	22,001,146	7,505,252
Financing Expenses	18	10,898,555	467,367
Academic Expenses	19	44,079,314	33,944,053
Prov. for Depreciation of Assets	20	45,320,996	29,916,446
Provision for Audit Fees		600,000	600,000
Total Expenditure		458,833,804	362,810,834
Surplus/ (Deficit)		102,536,714	76,727,161

Chuka University College
Statement of Changes in Reserves
for the Year Ended 30 June 2012

	Capital Fund	Revaluation Reserves	Revenue Reserves	Total
	Ksh	Ksh	Ksh	Ksh
Balance as at 01/07/2011	428,830,119	228,786,181	338,734,268	996,350,568
Surplus/Deficit for the year	-	-	76,727,161	76,727,161
Capital Grants	161,406,077	-	-	161,406,077
Balance as at 30/06/11	590,236,196	228,786,181	415,461,429	1,234,483,806
Surplus/Deficit for the year	-	-	102,536,714	102,536,714
Capital Grants	302,910,127	-	-	302,910,127
Balance as at 30/06/12	893,146,323	228,786,181	517,998,143	1,639,930,647

Chuka University College

Cash flow Statement

for the Year Ending June 30, 2012 and June 30, 2011

	2012	2011
	Ksh	Ksh
Cash Flow From Operating Activities:		
Surplus/Deficit	102,536,714	76,727,161
Adjustment For:		
Depreciation	45,320,996	29,916,446
	147,857,710	106,643,608
Changes In:		
Biological Assets	(300,000)	(273,000)
Investments	(176,000,000)	(90,000,000)
Inventories	(4,388,926)	93,786
Accounts Receivable	3,158,353	(4,295,234)
Accounts Payable	13,586,271	4,266,112
Retention- WIP	26,897,210	9,039,398
Cash From Operating Activities	(137,047,092)	(81,168,938)
Net Cash from Operating Activities	10,810,618	25,474,670
Investing Activities		
Property, Plant & Equipment	(398,666,746)	(163,140,010)
	(398,666,746)	(163,140,010)
Financing Activities		
Government Grants – Capital	302,910,127	161,406,077
	302,910,127	161,406,077
Net Increase / (Decrease) In Cash & Cash Equivalents	(84,946,001)	23,740,737
Cash & Cash Equivalents at Start of Year	177,569,361	153,828,624
Cash & Cash Equivalents at End of Year	92,623,360	177,569,361
Analysis of Cash & Cash Equivalents:		
Cash & Bank Balances	92,623,360	177,569,361
	92,623,360	177,569,361

Notes to the Financial Statements

Note 1: Accounting Policies

The financial statements have been prepared in accordance with International Financial Reporting Standards. The principles adopted are as follows:

a) Basis of preparation

The financial statements have been prepared under historical cost convention.

b) Revenue and expenditure recognition

Income including student fees is recognized in the period in which it is earned, while expenditure is recognized in period in which it is incurred.

c) Government grants

Government grants are recognised as income over the periods necessary to match them with the related costs which they are intended to compensate, on a systematic basis (IAS 20)

d) Property, Plant and Equipment

Property, plant and equipment are stated at cost less any recognized impairment loss. Costs include professional fee. University land is freehold property and not subjected to amortization. Depreciation on other property is charged so as to write off the value of the assets during their estimated useful life, using straight line method. Assets are subjected to a full year's depreciation except those acquired within the last three months of the year. The annual rates are:

Buildings	2.5%
Machinery and Equipment	20%
Furniture and Fittings	12.5%
Motor Vehicles	25%
Library Books	20%
Computers and peripheral devices and Software	30%

e) Inventories

Inventories are stated at lower of cost and net realizable value. Costs includes direct material and where applicable direct labour and those overheads that have been incurred to bring the inventories to their present location and condition. Costs of issues are calculated using 'First In First Out' (FIFO) method. Net realizable value represents the estimated selling prices less all estimated costs of disposal (IAS 2)

f) Biological assets

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

g) Receivables

Receivables are recognized when commitments are effected. A provision of 1% of the total receivables has been provided to take care of receivables which may not be recovered in full.

h) Cash and cash equivalents

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

i) Retirement benefits obligations

After University College inherited the former Eastern Campus of Egerton University, the staff opted to remain in the Egerton University Pension Scheme. The scheme is funded by contributions based on the basic salary from both employees and employer at a rate of 10% and 20% respectively.

The University also contributes to the statutory National Social Security Fund (N.S.S.F.). This is a defined contribution scheme registered under N.S.S.F. Act. The University's obligations under this scheme are limited to specific contributions legislated from time to time and currently limited to a maximum of Ksh 200.00 per employee per month, while the employer contributes Ksh 200.00 per month. The University's obligation to staff retirement benefit schemes are charged to income statement in the year to which they relate.

j) Capitalization policy

Capital projects remain as work in progress until they are certified complete then they are recognised as assets.

Note 2: Plant, Property and Equipment (Kshs)

Particulars	Land	Buildings	Plant & Equipment	Motor Vehicle	Furniture & Fittings	Computer Hardware	Computer Software	Library Books	Work In Progress	Totals
Cost/Value on 1/7/2011	190,950,000	132,039,000	35,430,911	40,243,430	15,685,944	15,648,293	1,048,000	12,494,004	316,983,178	760,522,760
Additions for the Period	-	-	6,510,926	3,884,880	13,031,752	18,295,540	-	2,350,496	354,593,152	398,666,746
W.I.P Capitalized	-	230,120,526	-	-	-	-	-	-	(230,120,526)	-
Disposals	-	-	-	-	-	-	-	-	-	-
Cost/Value on 6/30/2012	190,950,000	362,159,526	41,941,837	44,128,310	28,717,696	33,943,833	1,048,000	14,844,500	441,455,804	1,159,189,506
Accumulated Depreciation	-	8,971,627	18,826,271	25,825,025	4,412,036	11,173,536	943,200	4,649,505	-	74,801,200
Disposals	-	-	-	-	-	-	-	-	-	-
Depreciation Charge for The Period	-	9,053,988	8,388,367	11,032,078	3,589,712	10,183,150	104,800	2,968,901	-	45,320,996
Net Book Value on 6/30/2012	190,950,000	344,133,911	14,727,199	7,271,207	20,715,948	12,587,147	-	7,226,094	441,455,804	1,039,067,310
Net Book Value on 7/1/2011	190,950,000	123,067,374	16,604,640	14,418,405	11,273,908	4,474,757	104,800	7,844,498	316,983,178	685,721,560

Notes to Financial Statements Cont...

Note 3: Biological Assets					
				2012	2011
Item	Unit	Qty	Cost/unit	Ksh	Ksh
Crops					
Maize	Acre	3	0	135,000	120,000
Coffee	Tree	200	300	60,000	
Bananas	Sucker	100	200	20,000	
Livestock					
Cows		2	75,000	150,000	145,000
Heifer		2	30,000	60,000	
Calf		1	20,000	20,000	
Bulls		3	40,000	120,000	
Sheep		20	1,500	30,000	30,000
Llama -Males		1	100,000	100,000	400,000
-Females		2	100,000	200,000	
-Calves		2	50,000	100,000	
Total				995,000	695,000

Note 4: Inventories	2012	2011
	Ksh	Ksh
Main Stores	10,210,058	6,693,095
Health Drug Store	575,116	314,979
Kitchen Store	734,478	122,652
	11,519,652	7,130,726

Note 5: Accounts Receivable	2012	2011
	Ksh	Ksh
Students Fees Receivable	31,199,748	28,875,365
Imprest Debtors	10,259,034	5,078,672
Funds Owed By Egerton Njoro	-	10,695,000
Provision For Bad & Doubtful Debts	(414,588)	(446,491)
	41,044,194	44,202,546

Note 6: Cash & Cash Equivalents	2012	2011
	Ksh	Ksh
KCB -Fees Collection A/C -1103755439	19,989,767	31,886,617
Cash In Hand- KCB Fees Collection A/C	0	29,000
Cash In Hand - KCB Operations A/C	142,000	5,000
KCB Operations A/C -1113791985	13,855,977	20,004,615
Equity IGUs A/C- 0293981713	309,387	1,340,797

Notes to Financial Statements Cont...

Cash In Hand- Equity IGUs A/C	24,400	-
Equity - Catering Dept. A/C	309,956	-
Cash in Hand- Equity Catering Dept. A/C	431,372	-
Equity -TOWA A/C	460,830	-
Cooperative Bank -Development A/C 2058189900	39,471,767	116,807,338
Cooperative- Fees Collection A/C 01129058189900	17,627,904	7,495,995
	92,623,360	177,569,361
Note 7: Short-Term Investments	2012	2011
	Ksh	Ksh
Fixed Deposit Account K.C.B.	340,000,000	270,000,000
Fixed Deposit Account Cooperative Bank	186,000,000	80,000,000
	526,000,000	350,000,000
Note 8: Accounts Payable	2012	2011
	Ksh	Ksh
General Creditors	5,272,004	1,931,136
Student Caution Money	7,716,000	4,436,000
Student Fees Prepayment	12,010,274	4,444,871
Provision For Audit Fees	600,000	1,200,000
	25,598,278	12,012,007

Note 9: Tuition and Related Income	2012	2011
	Ksh	Ksh
Tuition Diploma & Certificates	46,833,977	20,730,900
Tuition JAB	32,719,794	29,373,600
Tuition SSP Undergraduate	88,144,839	79,868,685
Bridging Fees	826,500	1,188,000
Tuition SSP Postgraduate	19,595,300	23,066,800
Course Retake	369,100	490,800
Application Fees	2,988,200	2,866,000
	191,477,710	157,584,785

Note 10: Exchequer Grants- Recurrent	2012	2011	
	Ksh	Ksh	
Ministry of Higher Educ. S&T	10-Aug.-11	25,272,982	26,722,971
	8-Sep-11	25,272,982	21,504,801
	29-Sep-11	25,272,981	21,504,800
	8-Nov-11	25,272,982	21,940,000

	28-Nov-11	25,272,981	21,940,000
	27-Dec-11	25,272,982	21,940,000
	27-Jan-12	25,272,982	21,940,000
	27-Feb-12	25,272,982	21,940,000
	27-Mar-12	25,272,982	21,940,000
	26-Apr-12	25,272,981	21,940,000
	25-May-12	25,272,982	21,940,000
	26-Jun-12	25,272,982	18,023,208
Total		303,275,781	263,275,780
Note 11: Income Generating Activities			
		2012	2011
		Ksh	Ksh
IGU Income Catering		(506,920)	(40,416)
IGU Income Medical		1,489,569	2,497,366
IGU Income Farm		(189,432)	47,544
		793,217	2,504,494
Note 12: Other Incomes			
		2012	2011
		Ksh	Ksh
Wear and Tear		87,350	-
Hire of Facilities		28,500	-
Disposal of Assets		180,495	-
Accommodation		5,047,937	4,824,050
Students Transport Fees		39,710	-
Charges for A.I. Services		229,000	-
Library Subscription		5,000	-
Surcharges & Fines		22,465	-
Donations		37,862	-
Interest from Investments		56,757,737	9,265,231
Sale of Tender Documents		1,158,000	722,000
Decrease in Prov. for Bad Debts		31,903	617,964
External Grants		2,197,851	743,692
		65,823,810	16,172,937
Note 13: Administrative Expenses			
		2012	2011
		Ksh	Ksh
General Insurances		4,034,811	6,087,116
Vehicle Repairs/Transpt Operating Exp		3,804,413	3,216,213
Travelling & Subs. Staff		9,689,506	8,753,349
University Committees' Expenses		1,476,684	975,874
Postage & Telephone		1,599,666	861,162

Electricity Expenses	6,656,208	3,552,576
Honorarium	194,760	243,085
Water Supply Expenses	4,415,353	4,104,542
Printing & Publishing	-	428,100
Staff Uniforms	279,278	210,957
Newspapers Journals & Videos	581,732	355,105
Office Stationery	5,652,306	6,558,536
Subscriptions	1,342,000	-
Rent & Rates	739,700	722,200
Professional Services	2,040,584	433,500
Hire of Security Services	1,100,380	1,352,512
Computer Maintenance Expenses	295,674	-
Internet Expenses	1,438,866	2,456,894
Legal Fees	50,000	168,200
Student Welfare Expenses	4,540,365	2,914,395
Staff Welfare & Development Expenses	1,762,400	337,547
Conferences & Seminars	5,937,217	2,087,220
Cleaning Materials	1,274,993	544,508
Staff Education Fund	52,000	-
	58,958,896	46,363,591
Note 14: Employment Expenses	2012	2011
	Ksh	Ksh
Jul-11	18,427,073	24,893,005
Aug-11	18,441,483	13,389,987
Sep-11	21,279,917	13,690,614
Oct-11	19,206,238	13,508,273
Nov-11	19,278,783	14,010,993
Dec-11	19,418,268	15,530,272
Jan-12	20,566,481	18,957,169
Feb-12	19,385,841	18,600,063
Mar-12	19,383,520	19,190,396
Apr-12	19,536,181	19,042,153
May-12	19,685,855	19,090,422
Jun-12	20,134,768	19,314,453
Casual Labour Expenses	3,682,226	5,645,706
Gratuities	142,626	
Hospitalisation & Medical Expenses Staff	1,522,796	489,617
	240,092,056	215,353,123

Note 15: Council Expenses	2012	2011
	Ksh	Ksh
Sitting Allowance	3,420,000	4,504,000
Lunch Allowance	264,500	328,000
Accommodation Allowance	1,976,000	1,929,154
Mileage	1,778,130	1,488,172
	7,438,630	8,249,325
Note 16: Marketing Expenses	2012	2011
	Ksh	Ksh
Advertising & Publicity	19,525,225	16,556,483
Show & Exhibition Expenses	9,918,986	3,855,194
	29,444,211	20,411,677
Note 17: Establishment Expenses	2012	2011
	Ksh	Ksh
Electricity Upgrading Expense	230,537	1,652,179
Repairs & Maint. Bld, Plant & Equip	21,543,659	5,843,074
Purch. Animal Breeding Facilities	226,950	-
	22,001,146	7,505,252
Note 18: Financing Expenses	2012	2011
	Ksh	Ksh
Bank Charges & Interest	483,967	467,367
Provisions For Bad Debts	414,588	-
Bad Debts Written Off	10,000,000	-
	10,898,555	467,367
Note 19: Academic Expenses	2012	2011
	Ksh	Ksh
Sal. & Wag. External Examiners	747,070	912,215
Part- Time Lect. Expenses	39,213,101	27,733,590
Graduation Expenses	546,420	271,692
Teaching Practice & Field Attachment All.	1,156,760	645,100
Academic Field Trips	676,409	1,164,302
Teaching/Lab. Materials	1,313,942	562,858
Examination Stationery	-	1,116,000
Other Research Expenses	425,612	1,538,296
	44,079,314	33,944,053

Note 20: Prov. For Depreciation of Assets	2012	2011
	Ksh	Ksh
Depreciation Buildings	9,053,988	3,300,975
Depreciation Plant & Equipment	8,388,367	7,086,182
Depreciation Motor Vehicles	11,032,078	10,060,858
Depreciation Furniture & Fittings	3,589,712	1,960,743
Depreciation Computer Hardware	10,183,150	4,694,488
Depreciation Computer Software	104,800	314,400
Depreciation Library Books	2,968,901	2,498,801
	45,320,996	29,916,446