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THE-TABLE:

Mainah Wang'ike

OF

THE AUDITOR-GENERAL

ON

CHUKA UNIVERSITY

FOR THE YEAR ENDED
30 JUNE, 2020





CHUKA



UNIVERSITY

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED

JUNE 30, 2020

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

Chuka University is ISO 9001:2015 Certified...



Inspiring Environmental Sustainability for Better Life

Chuka University
Annual Reports and Financial Statements
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I. KEY ENTITY INFORMATION AND MANAGEMENT

(a) Background information

Chuka University is an independent public entity established through a charter as per the Universities Act, 2012. It is represented by the Cabinet Secretary for Education, who is responsible for the general policy and strategic direction of the University. Chuka University has a variety of Academic programmes, which are offered under the following six Faculties: Business Studies, Arts and Humanities, Education and Resources Development, Agriculture and Environmental Studies, Science, Engineering and Technology and Faculty of Law.

(b) Principal Activities

The Mandate of the Chuka University as provided by the Chuka University Charter dated 8th January 2013 is to:

- i) 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 skills to the life, work and welfare of citizens of Kenya.
- ii) Participate in the discovery, transmission, preservation and enhancement of knowledge and to stimulate the intellectual participation of students in the economic, social, cultural, scientific, and technological development of Kenya.
- iii) 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.
- iv) Conduct examinations for such academic awards as may be provided in the statutes pertaining to the University and
- v) Examine and make proposals for new faculties, schools, institutes, departments, resource and research centres, study courses and subjects of study.

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OUR 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.

Vision

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

Córe Values

The University is committed to the following set of core values:

- i) Customer value and focus
- ii) Diversity & social fairness
- iii) Environmental consciousness
- iv) Fidelity to the law
- v) Innovation
- vi) Integrity
- vii) Passion for Excellence
- viii) Peaceful Co-existence
- ix) Professionalism and Confidentiality
- x) Prudence utilisation of resources
- xi) Team work
- xii) Timeliness and Devotion to duty.

(c) Key Management

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

- i) The Principal Secretary, Ministry of Education
- ii) The Council
- iii) The Management Board

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(d) Fiduciary Management

The key management personnel who held office during the financial year ended 30th June 2020 and had direct fiduciary responsibility were:

Designation	Name
Prof. Erastus N. Njoka, Ph.D.	Vice – Chancellor/CEO
Prof. Zachary Njogu Waita, Ph.D.	Deputy Vice Chancellor (AFP&D) (Ag)
Prof. Dorcas K. Isutsa, Ph.D.	Deputy Vice Chancellor (ARSA)
Dr. John K. Nkanatha, Ph.D.	Registrar (Administration) (Ag)
Prof. Francis G. Nderitu, Ph.D.	Registrar (Academics)
CPA. John K. Thurania, MBA, CPA (K)	Finance Officer

(e) Fiduciary Oversight Arrangements

The key fiduciary oversight committee of the University for the Financial Year 2019/2020 and their respective functions are outlined below:

1. Finance, Farms, Enterprise Company and General-Purpose Committee

- i) To review and recommend approval of policies and conditions for sound management of the financial processes and operations.
- ii) To review and report to the Board on the annual audited accounts.
- iii) To review and recommend approval of policies and conditions for sound management of financial investments.
- iv) To formulate policies and conditions for sound management of University funds.
- v) To discuss and recommend to the council Annual and Quarterly Financial reports.

2. Audit, Governance and Risk Management Committee

- i) Assist in enhancing internal controls in order to improve efficiency, transparency and accountability in the management of University funds
- ii) Examine internal and external audit reports and recommendations after management response to ensure action is taken
- iii) Follow up to ensure action is taken to resolve Public Accounts Committee recommendations
- iv) Provide oversight on risk management processes
- v) Any other duty as set out in the Audit Committee Charter



3. Human Resources Management Committee

- i) To provide guidance and direction to compensation and benefits of employees as per the negotiated Collective Bargaining Agreements as well as negotiate for group health care benefits.
- ii) Implementation of employee training and development policy depending on competency needs assessment.
- iii) Carry out the organization employee needs assessment and recommend for recruitment of various categories of staff.
- iv) Handle and recommend to the council staff disciplinary matters and the appropriate action to be taken.

4. Building, Planning and Development Committee

- i) To oversee implementation of development projects in the University.
- ii) To consider and recommend to the Council building projects budget for the University.
- iii) To monitor and appraise development projects for the University.

5. Grievances Handling and Appeals Committee

- i) To hear any appeals related to staff and students discipline and recommend to the council for the necessary action.
- ii) To arbitrate the cases brought to the committee from various organs of the University.

6. Sealing and Honorary Degree Committee

- i) To make recommendations to the council on the award of Honorary Degrees to various personnel.
- ii) To recommend to the Council students due for graduation.
- iii) To propose to the Council, the graduation dates as proposed by the Senate.

f) Entity Headquarters

P.O. Box 109, 60400

Chuka Town

Kenya

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g) Entity Contacts

Telephone: (254) 0202310512/

Cell phone 0715505858/0731620266

E-mail: info@chuka.ac.ke

h) Entity Bankers

1. Kenya Commercial Bank Ltd,

P.O. Box 7014 – 60400

Chuka

2. Cooperative Bank of Kenya

P.O. Box 101 – 60400

Chuka

3. Equity Bank Ltd

P.O. Box 213 – 60400

Chuka

4. Family Bank Ltd

P.O Box 3092-60200

Meru

5. Barclays bank of Kenya l td

P.O. Box 88-60100

Embu

6. Standard Chartered Bank Ltd

P.O. Box 109-60200

Meru

i) Independent Auditors

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

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j) Principal Legal Advisor

The Attorney General

State Law Office

Harambee Avenue




P.O. Box 40112




City Square 00200

Nairobi, Kenya






2. THE UNIVERSITY COUNCIL




Name(s)	Concise Description
<p>Dr. Julius TangusRotich University council chairman</p> 	<p>Dr. Julius Rotich is the current Chairman of Chuka University Council. He was born on 18th July 1954. He holds a Ph. D degree in Operational Research from Lancaster University, MBA (UON) MSc (Sussex University), Bcom (UON). He is also a Certified Public Accountant of Kenya (CPAK). He is the immediate Director and Chief Executive Officer of the Kenya College of Communications Technology and the Secretary to the Board of the same College.</p>
<p>Prof. Erastus N. Njoka - CEO Vice - Chancellor & Council Secretary</p> 	<p>Professor Erastus N. Njoka was born on 31st October 1959. He is a renowned Scholar and an administrator. He started working in Egerton University where he served as the Dean of the Faculty of Agriculture. He also served as a Director and Principal of Chuka University College before it was elevated to a full-fledged University. He holds PGD, MSc, Ph. D. (Friendship University).</p>
<p>Mr. Boniface Simba Council Member</p> 	<p>Boniface Simba was born in 1972. He holds BA in Public Administration and an MBA in Strategic Management from the University of Nairobi. He served in Provincial Administration and Central Government in various senior capacities before moving to the National Treasury as a senior administrator. He serves in the Council as a representative of the PS, National Treasury.</p>

<p>Dr. George O. Kwedho Council Member</p> 	<p>Dr. George Kwedho was born on 21st March, 1959. He has over 35 years' successful experience in providing fiscal, strategic and operations leadership in public organizations. He holds a Ph.D. degree in environmental planning (University of Eldoret), and a master of Science degree from the same field. He is currently a managing consultant, FEPAN Global Agencies Company Ltd and the Chairman of the Chuka University Building and Development Committee of the Council.</p>
<p>Josephine Wambui Gitonga Council Member</p> 	<p>Josephine Wambui was born on 12th January, 1971. She serves as a child protection specialist at save the Children International. She also served as the programmer manager at parenting in Africa network. She holds a Bachelor of Arts degree and a master degree in the same field from the University of Nairobi. She is a member of the Risk, Audit & Governance Committee of the Council.</p>
<p>Hellen Kiende Mungania Council Member</p> 	<p>Hellen Kiende was born on 5th October, 1972. She is an Advocate of the High Court of Kenya. She holds a Bachelor of Law degree in Corporate Law and a master of Law degree from Nairobi University. She also holds a diploma in Law and a diploma in Human Resource Management. She is a Certified Corporate & Governance Auditor. She is a member of Human Resource Development Committee of Chuka University Council.</p>




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<p>Andrew Mwitumugambi Council Member</p> 	<p>Andrew Mwitumugambi was born on 18th April 1951. He is a full time consultant in Agribusiness and development. He also worked as a Senior Deputy Director in charge of Development Coordination in the Ministry of Agriculture. He holds BSc and Msc degrees in Agricultural Economics from Colorado State University). He is the Chairman of the Finance, Farms, Enterprise & general Purposes Committee of the Council.</p>
<p>Kennedy Morara Ontiti Council Member</p> 	<p>Ken Ontiti was born on 4th May, 1981. He holds PS K, Dip. (KSL), LL.M. (UoN), LL.B. Hons (UoN). He is an advocate of the High Court of Kenya. He is currently the Group Company Secretary – ICEA LION Group, First Chartered Securities Limited Group and Mitchell Cotts Group. He is the Chairman of the Audit, Governance & Risk Management Committee of Chuka University Council.</p>
<p>Archbishop. Titus Ingana Council Member</p> 	<p>Archbishop Titus Ingana was born on 27th September, 1966. He is the Ag. Deputy Director of Research, Ministry of education. He also served in the United Nations as peace Advisor in East Timor, Indonesia. He holds a Ph.D. in Environmental Policy Analysis and a Master of Science in Geology. He also holds a Bachelor of Science (BSc) degree in Geology/Earth Science, General. He represents the PS. Ministry of Education in the Council.</p>

3. MANAGEMENT TEAM

Name of the Staff& Responsibility	Concise Description
<p>Prof. Erastus N. Njoka, Ph.D. Chief Executive Officer/Vice Chancellor</p> 	<p>Professor Erastus N. Njoka was born on 31stOctober, 1959.He is a renowned Scholar and an administrator. He started working in Egerton University where he served as the Dean of the Faculty of Agriculture. He also served as a Director and Principal of Chuka University College before it was elevated to a full-fledged University. He holds PGD, MSc,Ph.D., (Friendship University). He is the current Vice Chancellor/CEO of Chuka University.</p>
<p>Prof. Zachary N Waita Ph.D. Deputy Vice Chancellor (AFP&D) (Ag)</p> 	<p>Professor Zachary N. Waita was born on 10th June, 1958. He is an associate professor of Literature and Media Studies. He served in Moi and Egerton Universities before joining Chuka University in 2009.He is the Acting Deputy Vice Chancellor in Charge of Administration, Finance, Planning and Development.</p>
<p>Prof. Dorcas K. Isutsa, Ph.D. Deputy Vice Chancellor (ARSA)</p> 	<p>Professor DorcasIsutsa was born on 8thAugust 1966. She served as the Deputy Principal of Chuka University College before it was elevated to a full fledged University.She is the Deputy Vice Chancellorin Charge of Academics, Research and Students Affairs. She holds a BSC(Egerton) and Ph.D from Cornell University in USA.</p>

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<p>Prof. Francis G. Nderitu, Ph.D. Registrar (Academics)</p> 	<p>Professor Nderitu was born on 1st January 1965 and served in Egerton University as a Deputy Registrar (Academic Affairs) and as the Chairman, Department of Physics and Computer Science. He is currently the Registrar (Academic Affairs) in Chuka University. He holds a Ph.D. in Condensed Matter Physics from (Egerton University), M.Sc. in Physics (Egerton University) B.Sc. in Physics, (University of Nairobi).</p>
<p>Dr. John K. Nkanatha, Ph.D. Registrar (Administration)(Ag)</p> 	<p>Dr. John Nkanatha was born on 1st January, 1959. He served in Egerton University in various capacities before joining Chuka University. He holds a BA and MA in Kiswahili and Ph.D in Communication and Media. He is the Acting Registrar (Administration and Planning) at Chuka University.</p>
<p>CPA. John K. Thurania, MBA, CPA (K) Finance Officer</p> 	<p>CPA. John K. Thurania was born on 31st December, 1974. He served in various Companies and institutions as an Accountant before moving to Constituencies Development Fund (CDF) as a Fund Manager in Kigumo & Tetu Constituencies. He holds BCOM, MBA, (Egerton), and CPA (K). He is the current Finance Officer, Chuka University.</p>

4. CHAIRMAN'S STATEMENT

It is my pleasure and great honour for me to present the Eighth Annual Report and Financial Statements of Chuka University for Financial Year ended 30th June 2020. Despite the challenges associated with the global pandemic of COVID 19 that significantly reduced the university activities for the better last half of the financial year 2019/2020, Chuka University counts on tremendous growth realized during its decade of existence. Among the newly chartered universities, Chuka University is the only one with a constituent university college, Tharaka University College. Besides Tharaka University College, satellite campuses have been established in Embu, Igembe, Chogoria and Nairobi.

Among major infrastructural developments in the University is the imposing Administration/Faculty of Law Tower, which is taking shape. When completed the building will house the newly established Faculty of Law and the main administration offices. The building is expected to be completed in 2022. Another mega development is the Science and Research Park now on the 4th floor. The main works are expected to be completed in 2021. When completed, the 11 storey Park will make the University a hub for research, innovation and technology commercialization. Phase I of the Male students' hostel is virtually complete and ready for occupation. This second wing of the hostel will be completed in 2023. In the University's Kairini Farm, a number of developmental projects have been undertaken. Construction of an office block, access roads and a dispensary is complete. Work on a water reservoir to support irrigated farming is ongoing. Chuka University takes security issues seriously. For this reason, perimeter walls have been built around the Main Campus and five high mast flood lights have been erected around the campus. When all these developments are complete, Chuka University will become the Premier University as envisaged in the Vision.

As the Chairman of the council of the great prophetic University I wish to thank the Government of Kenya and all the collaborating partners for their continued support. I also take pride in the realization that staff members, students, management and fellow council members have continued to preserve the university brand through resilience and commitment towards achieving our common goal of academic excellence. Thank you all for your continued commitment, loyalty, hard work and peaceful co-existence


Dr. Julius Tangus Rotich, Ph.D.
COUNCIL CHAIRMAN

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5. REPORT OF THE CHIEF EXECUTIVE OFFICER

Chuka University has quickly emerged as a preferred higher education destination in the country due to prudent management of resources and infrastructural development. Despite the COVID 19 global pandemic that interrupted the better last half of the 2019/2020 financial year, the university focused on its mission to generate, preserve and share knowledge for effective leadership in higher education, training, research and outreach. The University also remained focused on the vision of being the premier University for the provision of quality education, training and research for sustainable national and global development. I am delighted to highlight the major achievements accomplished during the year ended 30th June 2020 as indicated below;

Student Enrolment

Chuka University continues to grow and carve a niche to attract top scholars. Currently our student population has surpassed 16,000. During the year, 3,132 students choose to join Chuka University through the Kenya Universities and Colleges Central Placement Service (KUCCPS). This was the sixth largest allocation among the 69 universities in the country. The number is expected to increase in the next financial period. The increased student population has triggered business opportunities in the local community, thus helping transform the economic outlook of the region. The allure of the beautiful, serene environment with ultramodern learning facilities, nestled at the foot of the snow-capped Mt. Kenya, has attracted people from all walks of life to quench their education thirst. The University has elaborate ways of taking care of student welfare including dedicated counselling department and games department to give Chuka University students proper attention and Support on sporting activities. Chuka University is a member of Kenya Universities Sports Association (KUSA) and Central Kenya Universities Sport Association (CEKUSA). During the year under review Chuka University excelled and scooped several trophies in various sporting activities.

Financial performance

The University Management in the year under review continued with the pursuit of prudent financial management in its bid to strengthen the institutional capacity as per the strategic objectives and core values. The financial position has continued to grow as demonstrated by comparatives in the financial statement. The net assets of the University registered growth of



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Kshs.7.7 Billion in 2019/2020 financial year compared to the previous year of Kshs.7.08, this is after transferring net worth equal to kshs.106.2 Million to Tharaka University College after it was up-graded to a constituent college of Chuka University. The liquidity position equally improved significantly in the year under review. Therefore, the University remains a going concern in the fore going future and is in the right path in the implementation of the master plan. To ensure high performance of our business processes, the University has embraced ISO 9001:2015 Quality Management System.

Education, Training, Research and outreach

The University is fully committed top Provision of quality education, training and research for sustainable national and global development as envisaged in its vision. Towards this end the University culminated the last academic year by organising the 6th Annual International Research Conference, whose theme was: “Leveraging Entrepreneurial Research and Education for Sustainable Development”. Abstracts were received from over 250 delegates from Kenya and beyond, comprising academicians, policy makers, researchers, and industry players, NGOs, CBOs, among others, from both public and private sectors.

The ongoing construction of 13-storeyed state-of-the-art Ksh 3.5 billion ultra-modern Science and Technological Research Park will become a hub of research and innovation. The University has already acquired various modern equipment for the Park, which once complete, will be one of the most advanced in Africa and will be a major business incubation and entrepreneurship hub. The Park will play a key role in the realization of Vision 2030 and the National Big Four Agenda. Various companies aiming to have an edge in technological advancement will be admitted to conduct their research in the Park at a fee. The University has also acquired high precision laboratory equipment which have made it a premier technological hub.

Infrastructure

Chuka University was chartered in 2013 and has significantly transformed the University and its environs. The development of a master plan marks out the University growth and development to meet future needs in the dynamic and changing world.

Among the key capital projects currently being undertaken are the construction of a 16-storey Administration/School of Law complex worth Ksh1.6 billion. When complete, the building,

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which will have a helipad will be a symbolic structure of the university. The institution is also building a model Food Science Technology Complex at a cost of Ksh300 million, and a male students hostel at a cost of Ksh1.45 billion. The university is working in partnership with Galilee International Management Institute (GIMI) and the Israel government to develop an agriculture research centre on the 500-acre piece of land at Kairini, to establish teaching demonstration units. The University is also constructing ultra-modern Science and Technological Research Park worth 3.5 Billion, which will be a global hub for research and innovations in Africa.


Human resource

Chuka University continues to invest in recruitment of highly qualified and experienced staff. We are proud of our academic excellence and the pervasive can-do attitude of staff that turns enthusiasm into success and ideas into cutting edge practice. During the year Chuka University staff held inter-denominational prayers and participated in staff inter-university games sponsored by the University.

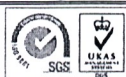
During the year under review Chuka University Council signed an inaugural Internal 2013-2017 Collective bargaining Agreement (CBA) with the three Unions representing University staff. The CBA sought to motivate and improve the working conditions among others in order to ensure maximum staff productivity. In 2019/2020 the Inter Public Universities Councils Consultative Forum (IPUCCF) negotiated and signed with all the public Universities Unions 2017-2021 Collective Bargaining Agreement with University Unions, the CBA was to be implemented in June 2020

In conclusion, my I convey my appreciation and gratitude to the university council, senate, management and the staff for their commitment to work and their timeliness and splendid effort that have seen Chuka University towards its goal of becoming a premier University.

Finally, I would like to thank the government, local and international donors, suppliers and service providers for their trust and guidance and continued cooperation.



Prof. Erastus N. Wjoka, Ph.D.
CEO/VICE – CHANCELLOR



**6. STATEMENT OF ENTITY'S PERFORMANCE AGAINST
 PREDETERMINED OBJECTIVES**

Chuka University has ten strategic pillars and objectives within its Strategic Plan for the FY 2017/2018- 2021/2022. These strategic pillars are Academic Excellence; Research, Science, Technology and Innovation; Environmental Conservation and Renewable Energy; Infrastructure and Facilities Development; Financial Resource Mobilization and Utilization; Information Communication Technology Development; Governance, Leadership and Management; Human Resource Management; Student Welfare Services and Community Outreach and Linkages

Chuka University develops its annual work plans based on the above 10 pillars. Assessment of the Board's performance against its annual work plan is done on a quarterly basis. Chuka University achieved its performance targets set for the FY 2019/2020 period for its 10 strategic pillars, as indicated in the diagram below:

Strategic Pillar	Objective	Key Performance Indicators	Activities	Achievement
Academic Excellence	Expansion of the Number of Relevant Market-Driven Programmes	No. of programmes developed	Write new programmes in line industrial needs	Achieved
	Provision of Relevant Quality Higher Education and Training	% of programmes reviewed	Review and update existing programmes	Achieved
	Implementation of ISO 9001 Standard QMS in Teaching	ISO Certification	ISO 9001:2015 Certification	Achieved
Research, Science, Technology and Innovation	Generation and Dissemination of Research Findings	Number of conferences	Number of conferences	Achieved
	Patenting and Commercialization of Research Findings and Innovations	Develop an Intellectual Property Rights policy	IPR policy	Achieved
Environmental Conservation and Renewable	Enhancement of Environmental Conservation	No. of workshops/events	Organise workshops and events on environmental conservation	Achieved

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Energy	Development of Renewable Energy Technology Utilisation and Transfer	% of buildings lit	Design buildings to allow in natural lighting	
Infrastructure and Facilities Development	Development of Conducive Learning Infrastructure and Facilities	100% completion	Construct Men's hostels	Achieved
	Improvement of Physical Facilities through Refurbishment and Repair	% of compliance with schedule	Conduct repairs and servicing of machines, equipment and furniture	Achieved
	Acquisition of Land and Facilities for Expansion	No of parcels acquired	Acquisition of University Neighbouring land	Achieved
Financial Resource Mobilization and Utilization	Expansion of the University's Financial Resource Base	No. of additional students	Increase student enrolment	Achieved
	Institutionalisation of Prudent Management of Financial Resources	Internal Audit Reports	Establish an effective Internal Audit	Achieved
Information Communication Technology Development	Enhancement of Effective and Efficient Use of ICT in University operations	Train 60staff per year on ICT	No. Trained	Achieved
	Development of the University ICT Infrastructure	Network offices	% of buildings networked	Achieved
Governance, Leadership and Management	Strengthening of University Governance for Effective Decision Making	Train University Council and Management	Training report	Achieved
	Development and Projection of a Positive Image of the University	Advertise in print and electronic media	Number of advertisements	Achieved
	Maintenance and Improvement of Quality Assurance	Conduct ISO internal audits twice a year	No. of audit reports	Achieved

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	Compliance with the Constitution and Statutory Requirements	Remit statutory deductions	Compliance certificates	Achieved
Human Resource Management	Recruitment and Retention of Qualified Staff	Strengthen the human resource function	Human Resource Manager appointed	Achieved
	Promotion of Staff Development and Counselling Programmes	Offer fees waiver in accordance with the	Percentage of staff given fees waiver	Achieved
	Enhancement of Gender and Affirmative Action Compliance	University Policy Tailor the 30% procurement to preferential group to University needs	% of tenders awarded	Achieved
Student Welfare Services	Development of Student Support Programmes	Train student leaders on effective and democratic leadership	No. of leaders trained	Achieved
	Strengthening of Student Governance Mechanisms	Promote free, fair and democratic elections by procuring serialized and counter-foiled ballot papers for CUSA	Serialized and counter-foiled ballots used	Achieved
	Production of Holistic Graduates	Offer life skills to students during first year orientation	Sensitization report	Achieved
Community Outreach and Linkages	Development of Mutually Beneficial Relationships with the Alumni	Initiate and organize alumni achievers award scheme	No. of achievers awarded	Achieved
	Establishment of Linkages with Industries, Government and other Organisations	Establish educational radios stations	Establishment	Achieved
	Engagement in Priority Areas in Community Outreach	Identify community technical services needed and implement	Technical services offered	Achieved

7. CORPORATE GOVERNANCE STATEMENT

Chuka University is committed to exhibiting the best practices in all aspects of corporate governance as guided by the University Charter and the Mwongozo Code of Governance. The Mwongozo Code was established by the Government to provide guidance on effective leadership, governance and management of public resources. The Charter requires the University to have three separate bodies, each with clearly defined functions and responsibilities, to oversee and manage its activities, as follows:

i) The Council

This is the governing body of the university. The Council comprises nine members as disclosed in pages 9 to 11. The council is constituted taking into account requirements of the sector, diversity of skills, age, value addition, gender, academic qualifications and experience necessary to help achieve the Universities goals and objectives. The Council is appointed by the Cabinet Secretary for Education.

As the governing body of the University, the Council has a responsibility of maintaining a sound system of internal controls that support the achievement of policies, aims and objectives, whilst safeguarding the public and other university resources. The University Council is vested with powers and authority by its Charter and the Universities Act, 2012. In discharging its mandate, the Council is guided by the Charter to effectively fulfil its corporate governance responsibility towards its stakeholders. In addition, it has adopted Guidelines on Corporate Governance developed by the Commission for University Education.

The University also embraces the Public Officers and Ethics Act and the Mwongozo Code for State Corporations. The Council is also the executive governing body responsible for the academic policy and strategic direction of the University, including its external relations, and for the Administration of the University. The Council is responsible for the management of the University's finances and assets, in accordance with the Public Financial Management Act, 2012 and Public Financial regulations of 2015.

Meetings of the council

The meetings of the council are held at least once every quarter in a Financial Year.

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Council Committees

To promote smooth running of its affairs, certain functions of the Council are delegated to its committees, which report to the Council.

These Committees include the following:

- i) Finance, Farm, Enterprise Company and General-Purpose Council Committee.
- ii) Audit, Governance and Risk Management Council Committee.
- iii) Grievances Handling Appeals Council Committee.
- iv) Human Resources Management Council Committee.
- v) Building, Planning and Development Committee.
- vi) Sealing and Honorary Degree Council Committee.

All Committees of the Council have an appointed chairperson. The decisions and recommendations of these committees are formally reported to the Council.

Remuneration of the Council

The members of the council, other than the Chief Executive Officer, do not receive a salary. They are however paid a sitting allowance for every meeting attended at the rate of Ksh. 20,000per sitting. The Chairman and the Chancellor receives honoraria as stipulated in their appointment letters by the appointing authority. The committee members do not receive any remuneration apart from the reimbursement of expenses incurred while on the University duties.

ii) The Management Team

Members of the management team are appointed by the Council through a competitive process. The membership consists of the CEO/Vice Chancellor, the Deputy Vice Chancellor (Administration, finance, Planning and Development), Deputy Vice Chancellor (Academics, Research and student Affairs) Finance Officer, Registrar (Academics) and Registrar (Administration and Planning).

iii) The Senate

This is the academic authority of the University. It is composed of the Vice - chancellor, Deputy vice chancellors, Deans, Directors Heads and Chairmen of the academic Departments, two students' representatives Finance Officer and Faculty representatives. Its

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role is to discuss and approve student results as well as students' discipline. The Senate is chaired by the Vice - Chancellor.

The Principal academic and administrative officer of the University is the Vice Chancellor who has a general responsibility to the Council for maintaining and promoting the efficiency and good order of the University.



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8. MANAGEMENT DISCUSSION AND ANALYSIS

Management's discussion and analysis (MD&A) provides a broad overview of the Chuka University financial condition as of June 30, 2020, comparative information for the year ended June 30, 2019 and the significant changes from the previous years. Management has prepared the financial statements and related note disclosures along with this MD&A. The MD&A should be read in conjunction with the financial statements and related notes of the Chuka University.

The financial statement presentation consists of comparative Statement of Financial performance, statement of financial position, statement of changes in net assets, statements of cash flows, and accompanying notes for the June 30, 2020 and 2019 financial years. These statements provide information on the financial position of Chuka University and the financial activity and results of its operations during the years presented.

Varsity and COVID 19 Pandemic

The outbreak of the global pandemic culminated to the University closing down the operations during the year, with the immediate challenge being loss of cash flow from university Income Generating Units like student fees, catering and farm. There was also emergence of unexpected expenses in up-scaling virtual engagement modalities with student and staff and restructuring of operations and supporting infrastructure due to the restrictions that came with the emergence of Corona-Virus Disease. This historic occurrence led to a decline in the University Revenue in the short term. In the Long-run the University as rolled out an on-line learning which has normalized the University operations as other interventions to the pandemic are being sought.

Financial Highlights

In the statement of financial performance, the University self-generated an amount of **kshs.715.1 Million** as Appropriation in Aid, which was used to fund purchase of equipment, support construction projects and other University operations. The Government further funded the University operations with **Kshs.1.3 Billion**. During the year the university incurred an expenditure of **Kshs 1.68 Billion** hence realizing a **surplus of Kshs.422.9million**.

In our statement of financial position, the Net worth of the University continued growing recording a **net worth of Kshs7.7 billion** up from **Kshs7.09 billion** in the financial year

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2018/2019, this was after transferring assets worth **Kshs.106.2** million to Tharaka University College after being upgraded by the government to a constituent college of Chuka University. The Chuka University's net position of **Kshs7.7 billion** is comprised of **Kshs2.22 billion** capital fund, **Kshs1.3 Billion** Revaluation Reserves and **Kshs4.2 Billion** Accumulated surplus resources.

The current assets of the University recorded an amount of **Kshs.1.9 Billion** against the current liabilities of **Kshs. 343.7 Million**. This means that the university liquidity is stable and we can meet our obligations as and when the fall due.

In conclusion, the university has continued maintaining a competitive edge in its core business of generating, preserving and sharing knowledge for effective leadership in higher education, training, research and outreach. This is despite the stringent regulator requirement and reforms in the higher education sector and further challenges compounded by the outbreak of the COVID 19 Pandemic. The University as continued critically analysing its operating environment with aim of acquiring and maintaining a global competitive hedge.

Compliance with statutory requirements

The university has complied with all the statutory rules and has not been penalised in any instance. The University has ensured that all the taxes are paid at the right time and all the statutory deductions deducted from staff salaries are remitted to the relevant offices in good time.

Major Risks

Chuka University was not exposed to any major risk that can affect its operation.

9. CORPORATE SOCIAL RESPONSIBILITY STATEMENT/SUSTAINABILITY REPORTING

Chuka University is an acknowledged local leader in social responsibility issues. The goal of the university is to use knowledge and resources to make a positive and decisive difference to people, organisations and the community. The University has sphere headed Corporate Social Responsibility in the following areas:

Environmental Conservation

The University funded students and staff who conducted various research activities on environmental conservation through the faculty of Agriculture and Environmental studies and the activities have helped compact the climate changes in the surrounding environment. As a way of giving back to the society, Chuka University collaborates well with the local community, which mainly consist of farmers and businesses through training and sharing new farming techniques. In the 500-acre Kairini farm, the institution intends to exploit the largely hot climate to start high-end tourism ventures and wildlife conservancy. The University also successfully implemented the environmental conservation week where 60,000 seedlings were planted in the neighbouring community, the initiative also contributed towards 10% forest cover, which is a national target for forest cover.

Promotion of Education

The university offer bursaries and scholarships every year to the best performing students in each Faculty. The university also offer bursaries to staff dependants to support their education in other institutions of higher learning. Chuka University is also committed to growing its engagement with schools, colleges and charitable voluntary groups to promote higher education for the benefit of all, promoting equality of access and supporting diversity. In furtherance of corporate social responsibility Chuka University have continued hosting the KMTTC students as they await the completion their proposed site. The University has continued to collaborate with the local community by supporting farmers through trainings. To effectively do this, the University bought soil scanners that measure the soil acidity and diagnose its fertility and expected crop yield. Further, the university is constructing a water reservoir and irrigation system on its 500-acre Kairini farm for arid farming demonstrations units and teaching blocks to help people in the largely semi-arid county become food secure.

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Sports

Besides hiring of qualified staff to coordinate sports activities in the university, Chuka University as continued sponsoring students to participate in games activities with other university and several awards have been received from such competitions. To support the identification and nurturing of talents Chuka University Supported the Muthambi Talent show which was local community.

Water and Sanitation Initiatives

During the financial year 2019/2020 the University Council approved the implementation of the following community water projects; acquisition of water pipes for Ndagani K. K Mwendwa Water Association, Nkuthika water project, Rukindu water project and construction of Kiang'ondu Community Public Toilet Project.

Corona Virus Global Pandemic

The University has continued to support the war against the corona virus Pandemic through several initiatives as high lightened below;

The university, through the Physical Sciences Department, is producing alcohol-based sanitisers and hand-wash2ing liquid soap for use by students, staff and the neighbouring community. The university has also designed, manufactured and installed automatic dispensers for hand washing and sanitising all over the campus. These dispensers are foot operated to avoid touching of the soap container, sanitiser or the taps. The university as also continued to sponsor staff on Covid 19 related trainings in order to enhance capacity on preparedness for reopening the University.

The Chuka University staff have committed themselves to donate at least 1.75 Million to Covid 19 Fund to support the government initiatives of the fight against the Corona virus. An amount of kshs.1.2 million had already been donated by staff as at the end of 2019/2020 financial year.



10. REPORT OF THE COUNCIL

The Council submits the report together with the audited financial statements for the year ended June 30, 2020, which indicate the state of the University's affairs.

Principal activities

The principal activities of the University are 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 skills to the life, work and welfare of citizens of Kenya.

Results

The results of the entity for the year ended June 30, 2020 are set out on pages 27 to 35 for financial statements and pages 40 to 76 for the notes to the financial statements.

University Council

The members of the Council who served during the year are shown on page 9 to 11 in accordance with the Universities Act, 2012.

Auditors

The Auditor General is responsible for the statutory audit of the University in accordance with the Section 38 & 39 of the Public Finance Management (PFM) Act, 2013, which empowers the Auditor General to carry out the audit of the University for the year ended June 30, 2020.

By Order of the University Council



Prof. Erastus N. Njoka, Ph.D.
VICE – CHANCELLOR/CEO

11. STATEMENT OF COUNCILS' RESPONSIBILITIES

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

The Council is responsible for the preparation and presentation of the University's financial statements, which give a true and fair view of the state of affairs of the University for and as at the end of the financial year (period) ended on June 30, 2020. 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 entity; (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 and the State Corporations Act. 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.



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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 Board on 25th September 2020 and signed on its behalf by:



Prof. Erastus N. Njoka, Ph.D.
Vice – Chancellor/CEO



Dr. Julius Tangus Rotich, Ph. D
Council Chairman

REPUBLIC OF KENYA

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

REPORT OF THE AUDITOR-GENERAL ON CHUKA UNIVERSITY FOR THE YEAR ENDED 30 JUNE, 2020

REPORT ON THE FINANCIAL STATEMENTS

Qualified Opinion

I have audited the accompanying financial statements of Chuka University set out on pages 32 to 78, which comprise the statement of financial position as at 30 June, 2020, and the statement financial performance, statement of changes in net assets, statement of cash flows and statement of comparison of budget and actual amounts for the year then ended, and a summary of significant accounting policies and other explanatory information in accordance with the provisions of Article 229 of the Constitution of Kenya and Section 35 of the Public Audit Act, 2015. I have obtained all the information and explanations which, to the best of my knowledge and belief, were necessary for the purpose of the audit.

In my opinion, except for the effect of the matters described in the Basis for Qualified Opinion section of my report, the financial statements present fairly, in all material respects, the financial position of Chuka University as at 30 June, 2020, 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 Public Finance Management Act, 2012 and the Universities Act, 2012.

Basis for Qualified Opinion

1. Lack of Land Ownership Documents

As reported in the previous year, Note 29 to the financial statements reflects Kshs.6,139,792,913 in respect to property, plant and equipment which includes Kshs.1,083,957,205 in respect to land which further includes Kshs.25,000,000 in respect to land parcel LR.No.Karingani/Ndagani/741 measuring 1.0 hectares. However, the land parcel does not have a title deed against it in the name of the University. Although the Management indicated the process of securing the title was at an advanced stage, no documentary evidence was provided to confirm the status.

In the circumstances, the ownership of land worth Kshs.25,000,000 as at 30 June, 2020 could not be ascertained.

2. Presentation of the Financial Statements

Review of the financial statements for the year ended 30 June, 2020 revealed that the statement of changes in net assets indicated that it is “for the period ended 30 June” instead of “for the year ended 30 June” contrary to the Public Sector Accounting Standards Board (PSASB) template issued in June, 2020.

3. Unsupported Rental Income Receivable

Note 25 to the financial statements reflects Kshs.54,003,756 in respect of receivable from exchange transactions which includes Kshs.14,474,765 in respect to rental income receivable (Kshs.7,196,071 in 2018/2019). However, ageing analysis showing how long the rent has been outstanding was not provided for audit review.

In addition, measures taken by Management to ensure collection of the outstanding rent of Kshs.14,474,765 was not availed for audit review contrary to Section 64(1)(a) and (b) of the Public Finance Management (National Governments) Regulations, 2015.

In the circumstances, the University is in breach of the law and the collectability of the outstanding rent of Kshs.14,474,765 is doubtful.

In the circumstances, the presentation of the University’s financial statements for the year under review is not in conformity with the PSASB prescribed format. The audit was conducted in accordance with International Standards of Supreme Audit Institutions (ISSAIs). I am independent of the Chuka 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. There were no key audit matters to report in the year under review.

Other Matter

1.0 Budgetary Control and Performance

The statement of comparison of budget and actual amounts for the year ended 30 June, 2020 reflects an approved revenue budget of Kshs.2,672,988,403 and actual revenue of Kshs.2,640,238,449 resulting to an under collection of Kshs.32,749,954 or 1%. Of the budget.

Similarly, the statement of comparison of budget and actual amounts reflects an approved budgeted expenditure of Kshs.2,672,988,403 and actual expenditure of Kshs.2,542,102,131 resulting to an under expenditure of Kshs.130,886,272 or 5% of the expenditure.

The University underspent by Kshs.130,886,272 of the total budget projection which translated to equivalent services planned but not delivered to the stakeholders.

2.0 Payables/Accruals from Exchange Transactions

Note 32 to the financial statements shows that the payables / accruals from exchange transactions increased by Kshs.59,105,905 (21%) from Kshs.284,645,339 as at 30 June, 2019 to Kshs.343,751,244 as at 30 June, 2020. No explanation was given as to why the University was not paying its debts as and when they fall due. Further, ageing analysis showing how long the payables have been outstanding was not provided for audit review.

In the circumstances, the validity of the Kshs.343,751,244 in respect to payables/ accruals from exchange transactions as at 30 June, 2020 could not be ascertained.

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, I confirm that, nothing 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

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 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 a Risk Management Policy

Review of the University's Internal controls revealed that the University did not have an approved risk management policy. Further, the management did not provide for audit review evidence of whether the University has documented, identified and assessed risks and controls developed to respond to the risk identified contrary to Section 165 of the Public Finance Management (National Governments) Regulations, 2015.

In the circumstances, the University is in breach of the law.

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 governance were operating effectively, in all material respects. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my conclusion.

Responsibilities of Management and the University Council

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

In preparing the financial statements, Management is responsible for assessing the University's ability to sustain services, disclosing, as applicable, matters related to sustainability of services and using the applicable basis of accounting unless the Management is aware of the intention to terminate 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 University's 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 University's financial reporting process, reviewing the effectiveness of how the entity monitors compliance with relevant legislative and regulatory requirements, ensuring that effective processes and systems are in place to address key roles and responsibilities in relation to governance and risk management, and ensuring the adequacy and effectiveness of the control environment.

Auditor-General's Responsibilities for the Audit

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 with limited assurance as to 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 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 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

University's 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 applicable 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 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.



CPA Nancy Gathungu, CBS
AUDITOR-GENERAL

Nairobi

01 February, 2022

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13. STATEMENT OF FINANCIAL PERFORMANCE

Chuka University
Statement of Financial Performance
For the Year Ended June 30, 2020

	Note	2019-2020 30th June 2020	2018-2019 30th June 2019
Revenue from Non-Exchange Transactions			
Exchequer Recurrent Grants	6	1,391,972,718	1,261,792,952
Other Revenue from Non-Exchange Transactions	7	438,370	372,940
Sub-total		1,392,411,088	1,262,165,892
Revenue from Exchange Transactions			
Tuition and Related Income	8	640,640,003	845,354,570
Income Generating Activities	9	19,306,300	27,666,408
Investment Income - Interest Income	10	-	267,250
Other Income	11	55,181,058	105,823,291
Sub-Total		715,127,361	979,111,519
Total Revenue (A)		2,107,538,449	2,241,277,411
Expenses			
Employment Expenses	12	1,104,861,108	856,163,208
Council Expenses	13	8,958,108	12,696,895
Establishment Expenses	14	1,377,618	1,441,189
Repairs and Maintenance Expenses	15	17,935,346	17,675,533
Academic Expenses	16	153,469,488	183,896,105
Students and Alumni Expenses	17	13,790,002	12,674,812
Staff Welfare and Development Expenses	18	5,819,395	2,665,584
Finance costs	19	3,243,219	1,686,892
Depreciation and Amortization	20	143,538,248	101,910,583
Audit Fees	21	696,000	696,000
General Operating Expenses	22	231,099,525	188,913,557
Increase/Decrease in Provision for Doubtful Debts	23	(173,998)	(56,278)
Total Expenditure (B)		1,684,614,059	1,380,364,080
Surplus / Deficit (A-B)		422,924,390	860,913,331



Prof. Erastus N. Njoka, Ph.D.
Vice – Chancellor/CEO



CPA. John K. Thurania
 ICPAK Member No.15343

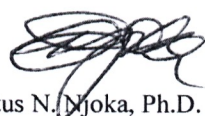


Dr. Julius Tangus Rotich, Ph.D.
Council Chairman

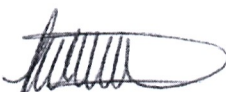
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Chuka University
Statement of Financial Position
As at June 30, 2020

	Note	30th June 2020	30th June 2019
		Ksh	Ksh
ASSETS:			
Current Assets			
Cash and Cash Equivalents	24	1,738,206,870	1,645,614,700
Receivables from Exchange Transactions	25	54,003,756	71,229,542
Receivables from Non-Exchange Transactions	26	110,826,558	79,429,469
Prepayments	27	6,127,428	-
Inventory	28	24,507,564	16,699,914
Total		1,933,672,176	1,812,973,625
Non-Current Assets			
Tangible Assets -Property, Plant & Equipment	29	6,139,792,913	5,550,693,142
Intangible Assets - Comp Software	30	6,554,680	7,664,428
Biological Assets	31	11,614,399	11,805,825
Total		6,157,961,992	5,570,163,395
Total Assets		8,091,634,168	7,383,137,020
Liabilities:			
Current Liabilities:			
Payables from Exchange Transactions	32	191,726,135	160,175,787
Retention Work in Progress		152,025,109	124,469,554
Total Liabilities		343,751,244	284,645,339
Equity Funds & Reserves			
Capital Funds		2,222,883,129	1,995,627,819
Accumulated Surplus		4,224,788,207	3,801,863,817
Revaluation Reserve		1,300,211,588	1,301,000,044
Total Equity and Reserves		7,747,882,924	7,098,491,680
Total Equity and Liabilities		8,091,634,168	7,383,137,020



Prof. Erastus N. Njoka, Ph.D.
Vice – Chancellor/CEO



CPA. John K. Thurania
 ICPAK Member No.15343
Finance Officer



Dr. Julius Tanguo Rotich, Ph.D.
Council Chairman

Chuka University
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For the Year Ended June 30, 2020

15. STATEMENT OF CHANGES IN NET ASSETS

<i>Chuka University</i>					
<i>Statement of Changes in Net Assets/Equity</i>					
<i>For the Period Ended June 30, 2020</i>					
	Note	Capital Fund	Revaluation Reserves - PPE	Accumulated Surplus	Total
		Ksh	Ksh	Ksh	Ksh
2018/2019					
Balance as at 01/07/2018		1,606,926,425	258,576,567	2,922,949,886	4,788,452,878
Surplus/Deficit for the Year		-	-	860,913,331	860,913,331
Capital Grants	33	301,153,394	-	-	301,153,394
Asset Adjustment (Prior Yr.)	34	548,000	-	-	548,000
Revaluation Surplus	35	-	1,042,423,478	-	1,042,423,478
Adjustment for Prior Year R/E	36	-	-	18,000,600	18,000,600
Land and Building Donations	37	87,000,000	-	-	87,000,000
Balance as at 30/06/2019		1,995,627,819	1,301,000,044	3,801,863,817	7,098,491,681
2019/2020					
Balance as at 01/07/2019		1,995,627,819	1,301,000,044	3,801,863,817	7,098,491,681
Surplus/Deficit for the Year		-	-	422,924,390	422,924,390
Capital Grants	33	332,700,000	-	-	332,700,000
Asset Adjustment (Prior Yr.)	34	-	-	-	-
Revaluation Surplus	35	-	-	-	-
Adjustment for Prior Year R/E	36	-	-	-	-
Land and Building Donations	37	-	-	-	-
De-Recognize TUC	38	(105,444,690)	(788,456)	-	(106,233,146)
Balance as at 30/06/2020		2,222,883,129	1,300,211,588	4,224,788,207	7,747,882,925

Chuka University
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16. STATEMENT OF CASH FLOWS

Chuka University
Cash Flow Statement
For the Year ended 30th June 2020

		2019/2020	2018/2019
	Note	Kshs	Kshs
Surplus / (Deficit) from Operations		422,924,390	860,913,331
Adjustments for Non-Cash Items in the Income Statement:			
Depreciation and Amortization Charge for the Year	20	143,538,248	101,910,583
Less: Non-Operating Income			
Investment Income Received	10	-	267,250
		566,462,638	962,556,664
Working Capital Adjustments			
Increase/Decrease in Receivables -Exchange Transactions	25	17,225,786	3,353,378
Increase/decrease in Receivables - Non Exchange Transactions	26	(31,397,089)	(79,429,469)
Increase/Decrease in prepayments	27	(6,127,428)	-
Increase/Decrease in Inventory	28	(7,807,650)	(8,656,002)
Increase/Decrease in Payable from Exchange Transactions	32	59,105,905	36,994,160
Net Cash Flows Used in Operating Activities (A)		597,462,162	914,818,731
Cashflows from investing activities			
Investment Income Received - Interest	10	-	267,250
Acquisition of Land		(28,457,205)	
Acquisition Building	29	-	-
Acquisition Plant & Equipment	29	(111,990,266)	(25,939,504)
Acquisition of Motor Vehicles	29	-	(55,140,000)
Acquisition of Furniture & Fittings	29	(19,035,828)	(12,705,530)
Acquisition of Computer Hardware	29	(6,554,816)	(16,566,488)
Purchase of Library Books	29	(4,545,379)	(413,064)
Computer Software Acquired	30	(1,699,400)	(198,000)
Additions to Biological Assets	31	-	(2,742,825)
Work in Progress Paid	43	(665,287,098)	(753,415,847)
Net Cash Flows Used in Investing Activities (B)		(837,569,992)	(866,854,008)
Cash Flows from Financing Activities			
Exchequer Capital Grants	33	332,700,000	301,153,394
Net Cash Flows used in Financing Activities (C)		332,700,000	301,153,394
Net Increase/(Decrease)inCash and Cash Equivalents(A+B+C)		92,592,170	349,118,117
Cash and Cash Equivalents Bal B/F	24	1,645,614,700	1,296,496,583
Cash and Cash Equivalents C/F	24	1,738,206,870	1,645,614,700



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17. STATEMENT OF COMPARISON OF BUDGET AND ACTUAL AMOUNTS

Chuka University											
Statement of Comparison of Budget and Actual Amounts											
For the Year Ended 30th June 2020											
	Original Budget		Adjustments		Final Budget 2019/2020		Actual on Comparable Basis		Performance Difference		
	2019/2020	Kshs	2019/2020	Kshs	2019/2020	Kshs	2019/2020	Kshs	Variance	%	Note
INCOME											
GOK Recurrent Capitation	1,281,146,160		110,826,558		1,391,972,718	1,391,972,718		-	100		
GOK Development Capitation	332,700,000		-		332,700,000	332,700,000		-	100		
A-I-A / Internally Generated Funds	696,000,000		(6,520,858)		689,479,142	682,524,162		6,954,980	99		
Committed Savings	248,315,685		(25,479,142)		222,836,543	200,000,000		22,836,543	90		
Interest From Deposits	4,000,000		32,000,000		36,000,000	33,041,569		2,958,431	92		
Total Revenue (A)	2,562,161,845		110,826,558		2,672,988,403	2,640,238,449		32,749,954	99		
Expenses											
Employment Expenses	1,087,400,000		110,826,558		1,198,226,558	1,104,861,108		93,365,450	92		
Council Expenses	12,000,000		(2,500,000)		9,500,000	8,958,108		541,892	94		
Establishment Expenses	5,000,000		(3,500,000)		1,500,000	1,377,618		122,382	92		
Repairs and Maintenance Expenses	22,000,000		(2,440,000)		19,560,000	17,935,346		1,624,654	92		
Academic Expenses	167,000,000		(13,100,000)		153,900,000	153,469,488		430,512	100		
Students and Alumni Expenses	14,500,000		(60,000)		14,440,000	13,790,002		649,998	95		
Staff Welfare and Development Expenses	7,000,000		(1,000,000)		6,000,000	5,819,395		180,605	97		
Finance Costs	1,500,000		2,000,000		3,500,000	3,243,219		256,781	93		

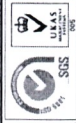


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Depreciation and Amortization	137,599,999	7,650,000	145,249,999	143,538,248	1,711,751	99
Audit Fees	2,088,000	1,500,000	3,588,000	696,000	2,892,000	19
General Operating Expenses	243,800,000	6,850,000	250,650,000	233,596,380	17,053,620	93
Provision for Doubtful Debts	1,000,000.00	(400,000)	600,000	545,492	54,508	91
Catering Expenses (Catering&Hillside)	12,000,000	2,500,000	14,500,000	14,134,072	365,928	97
Medical Drugs	2,000,000	2,500,000	4,500,000	4,347,063	152,937	97
Purchase of Plant Property and Equipment	177,000,001	-	177,000,001	170,503,494	6,496,507	96
Capital Projects	670,273,845	-	670,273,845	665,287,098	4,986,747	99
Total Expenditure	2,562,161,845	110,826,558	2,672,988,403	2,542,102,131	130,886,272	95
Budget Surplus/Deficit	-	-	-	98,136,318	-	98,136,318

Reconciliation of Budget Surplus and Surplus as Per the Statement of Financial Performance

Surplus as per the Statement of Comparison of Budget and Actual Amounts	98,136,318
Add	
Provision for Doubtful Debts	545,492
Catering Expenses Accounted Separately Under IGU	14,134,072
Purchase of Medical Drugs Accounted Separately Under IGU	4,347,063
Farm Expenses Accounted Separately Under IGU	2,496,855
Purchase of Property, Plant and Equipment	170,503,494
Payment for Capital Projects	665,287,098
Decrease in Provision for Doubtful Debts	164,809
Less	857,478,883
Savings Committed	(200,000,000)
GOK Development Capitation	(332,700,000)
Surplus as per the Statement of Financial Performance	422,915,201



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Budget notes

Note 1: Audit Fees

The university anticipated to receive an invoice covering both the arrears and the audit fees for 2019/2020 financial year, hence budgeted for **Kshs. 3,588,000**. The anticipated invoices were submitted after 30th June 2020.

18. NOTES TO THE FINANCIAL STATEMENTS

1. GENERAL INFORMATION

Chuka University is a public university established in 2013, under the Universities Act No. 42 of 2012. The Public Financial Management Act 2012, and the Public Financial Management Regulations 2015, governs the financial management of Chuka University. Chuka University is wholly owned by the Government of Kenya and is domiciled in Kenya. The University's principal activity is 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 skills to the life, work and welfare of citizens of Kenya.

2. STATEMENT OF COMPLIANCE AND BASIS OF PREPARATION

Chuka University financial statements have been prepared on a historical cost basis except for the measurement at re-valued amounts of certain items of property, plant and equipment, marketable securities and financial instruments at fair value, impaired assets at their estimated recoverable amounts and actuarially determined liabilities at their present value. The preparation of financial statements in conformity with International Public Sector Accounting Standards (IPSAS) allows the use of estimates and assumptions. It also requires management to exercise judgement in the process of applying the entity'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 2012, and PFM Regulation Act 2015, the State Corporations Act and International Public Sector Accounting Standards (IPSAS). The accounting policies adopted have been consistently applied to all the years presented.

3. ADOPTION OF NEW AND REVISED STANDARDS

i. Relevant new standards and amendments to published standards effective for the year ended 30th June 2020

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.

ii. New and amended standards and interpretations in issue but not yet effective in the year ended 30th June 2020

Standard	Effective date and impact:
IPSAS 41: Financial Instruments	Applicable: 1st January 2022: 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. IPSAS 41 provides users of financial statements with more useful information than IPSAS 29, by:

- 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

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Standard	Effective date and impact:
	<p>subject to impairment testing; and</p> <ul style="list-style-type: none"> • 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.
<p>IPSAS 42: Social Benefits</p>	<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> <ul 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
<p>Amendments to Other IPSAS resulting from IPSAS 41, Financial Instruments</p>	<p>Applicable: 1st January 2022:</p> <ul style="list-style-type: none"> a) Amendments to IPSAS 5, to update the guidance related to the components of borrowing costs which were inadvertently omitted when IPSAS 41 was issued. b) Amendments to IPSAS 30, regarding illustrative examples on hedging and credit risk which were inadvertently omitted when IPSAS 41 was issued. c) Amendments to IPSAS 30, to update the guidance for accounting for financial guarantee contracts which were inadvertently omitted when IPSAS 41 was issued. <p>Amendments to IPSAS 33, to update the guidance on classifying financial instruments on initial adoption of accrual basis IPSAS which were inadvertently omitted when IPSAS 41 was issued.</p>
<p>Other Improvements to</p>	<p>Applicable: 1st January 2021:</p> <ul style="list-style-type: none"> a) Amendments to IPSAS 13, to include the appropriate

Standard	Effective date and impact:
IPSAS	<p>references to IPSAS on impairment, in place of the current references to other international and/or national accounting frameworks</p> <p>b) IPSAS 13, Leases and IPSAS 17, Property, Plant, and Equipment. Amendments to remove transitional provisions which should have been deleted when IPSAS 33, First Time Adoption of Accrual Basis International Public Sector Accounting Standards (IPSASs) was approved</p> <p>c) IPSAS 21, Impairment of Non-Cash-Generating Assets and IPSAS 26, Impairment of Cash Generating Assets. Amendments to ensure consistency of impairment guidance to account for revalued assets in the scope of IPSAS 17, Property, Plant, and Equipment and IPSAS 31, Intangible Assets.</p> <p>d) IPSAS 33, First-time Adoption of Accrual Basis International Public Sector Accounting Standards (IPSASs). Amendments to the implementation guidance on deemed cost in IPSAS 33 to make it consistent with the core principles in the Standard</p>

iii. Early adoption of standards

Chuka University did not early – adopt any new or amended standards in year ended 2019/2020.

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

a) Revenue recognition

i) Revenue from non-exchange transactions

Fees, taxes and fines

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

Transfers from other government entities

Revenues from non-exchange transactions with other government entities are measured at fair value and recognized on obtaining control of the asset (cash, goods, services and property) if the transfer is free from conditions and it is probable that the economic benefits or service potential related to the asset will flow to the entity and can be measured reliably. Recurrent grants are recognized in the statement of comprehensive income. Development/capital grants are recognized in the statement of financial position and realised in the statement of comprehensive income over the useful life of the assets that has been acquired using such funds

ii) Revenue from exchange transactions

Rendering of services

The entity recognizes revenue from rendering of services by reference to the stage of completion when the outcome of the transaction can be estimated reliably. The stage of completion is measured by reference to labour hours incurred to date as a percentage of total estimated labour hours.

Where the contract outcome cannot be measured reliably, revenue is recognized only to the extent that the expenses incurred are recoverable.

Sale of goods

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

Interest income

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

Dividends

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

Rental income

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

b) Budget information

Chuka University budget is prepared on a different basis to the actual income and expenditure disclosed in the financial statements. The financial statements are prepared on accrual basis using a classification based on the nature of expenses in the statement of financial performance, whereas the budget is prepared on a cash basis.

The amounts in the financial statements were recast from the accrual basis to the cash basis and reclassified by presentation to be on the same basis as the approved budget. A comparison of budget and actual amounts, prepared on a comparable basis to the approved budget, is then presented in the statement of comparison of budget and actual amounts.

In addition to the Basis difference, adjustments to amounts in the financial statements are also made for differences in the formats and classification schemes adopted for the presentation of the financial statements and the approved budget.

A statement to reconcile the actual amounts on a comparable basis included in the statement of comparison of budget and actual amounts and the actuals as per the statement of financial performance has been presented under page 32 of these financial statements.

c) Taxes

Current income tax

Current income tax assets and liabilities for the current period are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date in the area where the Entity operates and generates taxable income.

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Current income tax relating to items recognized directly in net assets is recognized in net assets and not in the statement of financial performance. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

Chuka University is a public institution of higher learning, established under the Universities Act No. 42 of 2012. By the nature of its establishment and operations, Chuka University is a public entity that is not subject to income tax. The University does not engage in any unrelated trade or business. Therefore, no income taxes have been reported in the University's financial statements. Accordingly, no provision for income taxes is required.

Deferred tax

Deferred tax is provided using the liability method on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date.

Deferred tax liabilities are recognized for all taxable temporary differences, except in respect of taxable temporary differences associated with investments in controlled entities, associates and interests in joint ventures, when the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

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

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilized. Unrecognized deferred tax assets are re-assessed at each reporting date and are recognized to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realized or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

Deferred tax relating to items recognized outside surplus or deficit is recognized outside surplus or deficit. Deferred tax items are recognized in correlation to the underlying transaction in net assets.

Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current income tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

d) Investment property

Investment properties are measured initially at cost, including transaction costs. The carrying amount includes the replacement cost of components of an existing investment property at the time that cost is incurred if the recognition criteria are met and excludes the costs of day-to-day maintenance of an investment property.

Investment property acquired through a non-exchange transaction is measured at its fair value at the date of acquisition. Subsequent to initial recognition, investment properties are measured using the cost model and are depreciated over a 30-year period.

Investment properties are derecognized either when they have been disposed of or when the investment property is permanently withdrawn from use and no future economic benefit or service potential is expected from its disposal. The difference between the net disposal proceeds and the carrying amount of the asset is recognized in the surplus or deficit in the period of de-recognition.

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

e) Property, plant and equipment

All property, plant and equipment are stated at cost less accumulated depreciation and impairment losses. Cost includes expenditure that is directly attributable to the acquisition of the items. When significant parts of property, plant and equipment are required to be replaced at intervals, the entity 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. 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 and amortization except those acquired within the last three months of the year. A gain or loss resulting from the disposal of property, plant and equipment arises where proceeds from disposal differ from its carrying amount. Those capital gains or losses are recognized in the statement of financial performance.

The annual rates are:

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Buildings	2.50%
Machinery and Equipment	20%
Furniture and Fittings	12.50%
Motor Vehicles	25%
Computer & Computer peripherals	30%
Library Books	20%

f) Leases

Finance leases are leases that transfer substantially all of the risks and benefits incidental to ownership of the leased item to the Entity. Assets held under a finance lease are capitalized at the commencement of the lease at the fair value of the leased property or, if lower, at the present value of the future minimum lease payments. The Entity also recognizes the associated lease liability at the inception of the lease. The liability recognized is measured as the present value of the future minimum lease payments at initial recognition.

Subsequent to initial recognition, lease payments are apportioned between finance charges and reduction of the lease liability so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are recognized as finance costs in surplus or deficit.

An asset held under a finance lease is depreciated over the useful life of the asset. However, if there is no reasonable certainty that the Entity will obtain ownership of the asset by the end of the lease term, the asset is depreciated over the shorter of the estimated useful life of the asset and the lease term.

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

g) Intangible assets

Intangible assets acquired separately are initially recognized at cost. The cost of intangible assets acquired in a non-exchange transaction is their fair value at the date of the exchange. Following initial 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. Computer software is amortized on straight line basis at the rate of 30%.

h) Research and development costs

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

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

Following initial recognition of an asset, the asset is carried at cost less any accumulated amortization and accumulated impairment losses.

Amortization of the asset begins when development is complete and the asset is available for use. It is amortized over the period of expected future benefit. During the period of development, the asset is tested for impairment annually with any impairment losses recognized immediately in surplus or deficit.

i) Financial instruments

i) 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. Chuka 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 Entity has the positive intention and ability to hold it to maturity.

After initial measurement, held-to-maturity investments are measured at amortized cost using the effective interest method, less impairment.

Amortized cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the effective interest rate. The losses arising from impairment are recognized in surplus or deficit.

Impairment of financial assets

The Entity assesses at each reporting date whether there is objective evidence that a financial asset or an entity of financial assets is impaired. A financial asset or entity 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 entity of financial assets that can be reliably estimated. Evidence of impairment may include the following indicators:

- The debtors or entity 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)

ii) Financial liabilities

Initial recognition and measurement

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

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

Loans and borrowing

After initial recognition, interest bearing loans and borrowings are subsequently measured at amortized cost using the effective interest method.

Gains and losses are recognized in surplus or deficit when the liabilities are derecognized as well as through the effective interest method amortization process.

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

i) Inventories

Inventory is measured at cost upon initial recognition. To the extent that inventory was received through non-exchange transactions (for no cost or for a nominal cost), the cost of the inventory is its fair value at the date of acquisition.

Costs incurred in bringing each product to its present location and conditions are accounted for, as follows:

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

- Finished goods and work in progress: cost of direct materials and labor 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 Entity.

j) Provisions

Provisions are recognized when the Entity has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits or service potential will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

Where the Entity expects some or all of a provision to be reimbursed, for example, under an insurance contract, the reimbursement is recognized as a separate asset only when the reimbursement is virtually certain.

The expense relating to any provision is presented in the statement of financial performance net of any reimbursement.

Contingent liabilities and Contingent assets

The Entity 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.

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

The University is a party to various legal actions and other claims in the ordinary course of business. While the outcome cannot be determined at this time, management is of the opinion that the liability, if any, for these legal actions will not have a material effect on the University's financial position.

k) Changes in accounting policies and estimates

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

l) Employee benefits

Retirement benefit plans

The Entity provides retirement benefits for its employees and directors. Defined contribution plans are post-employment benefit plans under which an entity pays fixed contributions into a separate entity (a fund), and will have no legal or constructive obligation to pay further contributions if the fund does not hold sufficient assets to pay all employee benefits relating to employee service in the current and prior periods. The contributions to fund obligations for the payment of retirement benefits are charged against income in the year in which they become payable.

Defined benefit plans are post-employment benefit plans other than defined-contribution plans. The defined benefit funds are actuarially valued tri-annually on



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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.

After University 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.

m) 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.

n) Borrowing costs

Borrowing costs are capitalized against qualifying assets as part of property, plant and equipment. Such borrowing costs are capitalized over the period during which the asset is being acquired or constructed and borrowings have been incurred. Capitalization ceases when construction of the asset is complete. Further borrowing costs are charged to the statement of financial performance.

o) Related parties

The Entity regards a related party as a person or an entity with the ability to exert control individually or jointly, or to exercise significant influence over the Entity, or

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vice versa. Members of key management are regarded as related parties and comprise the directors, the CEO and senior managers.

p) Service concession arrangements

The Entity 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 Entity recognizes that asset when, and only when, it controls or regulates the services the operator must provide together with the asset, to whom it must provide them, and at what price. In the case of assets other than 'whole-of-life' assets, it controls, through ownership, beneficial entitlement or otherwise – any significant residual interest in the asset at the end of the arrangement. Any assets so recognized are measured at their fair value. To the extent that an asset has been recognized, the Entity 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.

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, 2020.

5) SIGNIFICANT JUDGMENTS AND SOURCES OF ESTIMATION

UNCERTAINTY

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

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 Entity 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 Entity. 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 Entity
- 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

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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.

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. Chuka university management has provided for a provision for bad debts at the rate of 1% of the Receivables from exchange transactions.

6) Exchequer Recurrent Grants

Description	2019-2020	2018-2019
	Kshs	Kshs
Ministry of Education-Exchequer Recurrent Grants		
July	106,762,180	100,541,113
Aug	106,762,180	100,541,113
Sept	106,762,180	100,541,111
October	106,762,180	100,541,113
November	106,762,180	94,508,646
December	106,762,180	94,508,646
January	106,762,180	98,530,290
February	106,762,180	98,530,290
March	106,762,180	92,497,823
April	106,762,180	100,541,113
May	106,762,180	100,541,113
June	217,588,738	179,970,581
Total	1,391,972,718	1,261,792,952

7) Other Revenue from Non-Exchange Transactions

Description	2019-2020	2018-2019
Other Revenue from Non-Exchange Transactions		
Donations	-	111,600
Surcharges & Fines	218,360	261,340
Fines for Damages	220,010	
Total	438,370	372,940

8) Tuition and Related Income

Description	2019-2020	2018-2019
Revenue From Exchange Transactions		
Income from Diploma and Certificates Courses	185,734,952	231,706,684
Income from Government Sponsored Students	320,387,648	349,848,915
Income from Self Sponsored Undergraduate Students	180,354,044	290,889,739
Income from Self Sponsored Postgraduate Students	28,106,625	50,506,680
May Intake 2019 Apportionment	6,659,250	7,098,750
Total Income Earned	721,242,519	930,050,768

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Less: Non Tuition Income Included In The Income Earned		
Caution Money	(8,272,000)	(5,978,000)
Medical Fees	(20,880,000)	(19,490,000)
Accommodation Charges	(5,214,500)	(5,421,300)
Application Fees	(3,318,050)	(4,270,000)
Fines For Damages	(220,010)	
Student Union	(3,687,000)	(4,307,300)
Alumni Collections	4,026,000	(3,592,000)
Less:	-	
Tuition Fees Prepaid	(68,863,569)	(91,732,264)
May Intake Tuition Fees Apportionment (July-August 2020 Fees)	-	(6,659,250)
Tuition Fees Refund	(1,725,648)	(1,149,035)
	(108,154,777)	(142,599,149)
Add: Tuition Fees Receivable	27,552,261	57,902,951
Total Tuition and Related Income For The Year	640,640,003	845,354,570

9) Income Generating Activities

Description	2019-2020	2018-2019
Income Generating Activities		
IGU Income Catering	756,949	4,819,165
IGU Income Medical	16,696,048	16,250,543
IGU Income Farm	26,479	503,098
Hillside Hotel	1,826,824	6,093,602
Total	19,306,300	27,666,408

10) Investments Income

Description	2019-2020	2018-2019
Investments Income		-
Treasury bill	-	267,250
Total	-	267,250

11) Other Miscellaneous Income from Exchange Transactions

Description	2019-2020	2018-2019
Other Miscellaneous Income from Exchange Transactions		
Wear and Tear	333,550	146,750
Hire of Facilities	596,840	73,740
Accommodation Charges	5,214,500	5,421,300
Application Fees	3,318,050	4,270,000
Charges for A.I. Services	38,000	42,000
Conferences and Seminars	-	30,500
Library Subscription	6,000	2,000
Research Funds	516,055	70,894,458
Rental Income	11,513,197	12,424,246
Advertising Income	-	7,000
Sale of Water	-	1,000,000
Interest on Bank Deposit	33,041,569	7,246,964
Interest on Letter Of Credit	-	4,264,333
Remarking	3,000	-
Printing and Photocopy	15,089	-

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Basic Needs	585,208	-
Total	55,181,058	105,823,291

12) Employment Expenses

Description	2019-2020	2018-2019
Employment Expenses		
Personnel Emoluments:		
July	75,064,785	63,870,411
August	79,275,578	63,248,954
September	85,893,414	63,223,224
October	85,285,412	78,031,124
November	84,011,845	64,112,178
December	84,112,704	63,722,823
January	122,069,989	70,692,573
February	87,486,368	64,850,026
March	87,002,738	88,763,602
April	87,410,270	66,106,061
May	86,657,483	65,792,805
June	87,333,007	68,612,179
Total	1,051,603,593	821,025,961
Casual Labour Expenses	10,145,972	9,607,768
Gratuity expense	34,411,543	18,081,140
Hospitalization & Medical Expenses	8,700,000	7,448,339
Total employment expenses	1,104,861,108	856,163,208

13) Council Expenses

Description	2019-2020	2018-2019
Council Expenses		
Sitting Allowance, Lunch Accommodation and Mileage	8,958,108	12,696,895
Total	8,958,108	12,696,895

14) Establishment Expenses

Description	2019-2020	2018-2019
Establishment Expenses		
Teaching Demonstration and Watering Units	1,377,618	1,441,189
Total	1,377,618	1,441,189

15) Repairs and Maintenance Expenses

Description	2019-2020	2018-2019
Repairs and Maintenance Expenses		
Vehicle Repairs/Transport Operating Expenses	4,047,796	5,599,479
Fuel and Oils-Generator	1,194,590	610,000
Grounds Maintenance	789,144	1,817,898
Computer/Software Maintenance	2,082,962	646,772
Plant & Equipment	2,103,684	2,562,905
Furniture	894,700	743,430
Buildings	6,822,470	5,695,049
Total	17,935,346	17,675,533

16) Academic Expenses



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Description	2019-2020	2018-2019
Academic Expenses		
Part- Time Lect. Expenses	105,833,376	100,774,468
Graduation Expenses	17,504,902	22,924,878
Teaching Practice and Field Attachment All.	11,781,894	15,671,650
Academic Field Trips	3,766,651	5,135,446
Teaching Materials	1,686,787	3,142,079
Exam Supervision	3,743,386	4,702,110
Travelling and Subsistence(Part Time Lecturers)	1,469,500	25,285,625
Other Research Expenses	7,682,992	6,259,849
Total Academic Expenses	153,469,488	183,896,105

17) Students and Alumni Expenses

Description	2019-2020	2018-2019
Students and Alumni expenses		
Student Welfare Expenses	13,075,207	12,192,162
Student Work Study Expenses	420,800	482,650
Basic Needs Expense	293,995	-
Total	13,790,002	12,674,812

18) Staff Welfare & Development Expenses

Description	2019-2020	2018-2019
Staff Welfare and Development expenses		
Staff Development -	358,250	738,380
Staff Welfare Expenses	2,234,995	1,927,204
Staff Education Fund-Tuition Waiver	3,226,150	-
Total	5,819,395	2,665,584

19) Finance Costs

Description	2019-2020	2018-2019
Finance Cost		
Bank Charges Interest	3,243,219	1,686,892
Total Finance Cost	3,243,219	1,686,892

20) Depreciation and Amortization

Description	2019-2020	2018-2019
Depreciation and Amortization		
Buildings	37,023,006	32,160,013
Plant and Equipment	34,607,241	16,384,652
Motor Vehicles	35,747,500	31,910,540
Furniture and Fittings	9,284,552	9,985,025
Computer Hardware	19,975,981	8,308,912
Library Books	4,090,820	1,970,428
Amortization of Computer Software	2,809,148	1,191,012
Total Depreciation and Amortization	143,538,248	101,910,583

21) Audit Fees

Description	2019-2020	2018-2019
Audit fees		
Audit Fees	696,000.00	696,000
Total Audit fees	696,000.00	696,000

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22) General Operating Expenses

Description	2019-2020	2018-2019
General Operating Expenses		
General Insurances	10,483,431	12,492,589
Property Insurances	-	833,156
Travelling and Subsistence for staff	12,574,725	13,103,347
External Travelling	1,617,992	2,417,014
University Committees' Expenses	2,418,350	2,231,394
Animal Breeding Expenses	26,200	241,750
Postage and Telephone	4,732,921	3,882,558
Electricity Expenses	13,576,070	9,639,155
Honorarium	165,660	295,600
Water Supply and Sewerage Expenses	534,525	1,106,802
Staff Uniforms	1,515,798	303,376
Newspapers Journals and Videos	871,500	968,310
Printing & Publishing	-	3,191
Office Stationery	12,116,759	15,822,975
Subscriptions to Nursing Council	-	235,000
General Subscription	2,784,753	1,560,158
Campuses Expenses	13,376,882	5,485,769
Professional Services- ISO	490,460	320,800
Hire of Security Services	17,035,700	15,930,410
Hire of Cleaning Services	10,263,280	9,744,870
Internet Expenses	19,101,548	17,226,815
Legal Fees	878,290	7,970,265
Chancellor's expenses	-	22,000
Professional Services	1,171,000	88,413
Official Entertainment	2,165,047	1,148,926
Conferences & Seminars	6,279,069	8,796,436
Cleaning Materials	1,723,448	1,206,146
Corporate Social Responsibility	19,308,196	929,620
Quality Assurance fees -CUE Subscription	7,763,600	3,352,000
Farm general expenses	836,872	3,161,900
Advertisement & Publicity	38,142,650	25,735,791
Exhibitions and Local Shows	2,790,385	1,982,640
Property/Land rates	411,500	-
KUCCPS Placement fees	4,395,000	3,051,000
Landscaping of University Grounds	20,027,539	379,459
Tharaka University College Expenses	-	17,041,567
Tagging of University Assets	-	-
Nairobi Campus Expense	-	202,356
Purchase of Games Equipment	1,392,965	-
Wildlife Conservancy	127,410	-
Total	231,099,525	188,913,557

23) Provision for Doubtful Debts

Description	2019-2020	2018-2019
Provisions for Doubtful Debts		
Bal B/F 1st July 2020	719,490	775,768
Increase/Decrease During the Year Period	(173,998)	(56,278)
Balance as at 30th June 2019	545,492	719,490

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24) Cash and Cash Equivalents

Description	2019-2020	2018-2019
Cash & Cash Equivalents		
KCB - Fees Collection A/C - 1103755439	480,253,346	516,029,593
KCB - Operations A/C 1113791985	74,224,773	284,264,982
Equity IGU a/c 0293981713	12,870,461	10,098,584
Equity - Catering Dept. A/C 0210298189098	9,820,710	2,916,883
Equity fees collection A/C 0210261453469	397,386,309	271,147,704
Equity Research Fund-KEPAP 0210262271525	66,085,876	67,328,640
Equity TOWA A/C 0210298770822	13,751,652	10,980,978
Cooperative Bank -Development A/C 01120058189900	112,370,313	(1,945,264)
Cooperative- Fees Collection A/C 01129058189900	5,691,721	14,393,626
Family Bank- Fees Collection A/C 054000002641	231,655,387	174,524,798
Barclays Bank A/C 2035727666	37,093,686	24,687,376
Standard Chartered Bank A/C 0102024755200	24,192,807	17,982,099
Equity Operations A/C 0210261453459	16,463,508	24,534,300
Equity Gratuity 0210263739640	41,113,537	14,775,708
Equity Retention 0210263739666	215,232,784	213,894,694
Total	1,738,206,870	1,645,614,700

25) Receivable from Exchange Transactions

Description	2019-2020	2018-2019
Receivable from Exchange Transactions		
Students Fees Receivable	36,172,173	57,902,951
IGU: Catering	3,601,230	6,452,820
farm	44,795	
Medical	61,185	4,070
Hill Side Hotel	195,100	393,120
Imprest Debtors	-	-
Rental Income Receivable	14,474,765	7,196,071
Insurance Income Receivable	-	-
Total Receivables	54,549,248	71,949,032
Add: Investment Income Receivable	-	-
Total Receivables from Exchange Transactions	54,549,248	71,949,032
Less: Impairment/Provision for Doubtful Debts	(545,492)	(719,490)
Net Receivables from Exchange Transactions	54,003,756	71,229,542

26) Receivable from Non-Exchange Transaction

Description	2019-2020	2018-2019
Receivable from non-Exchange Transaction		
Exchequer recurrent grant	110,826,558	79,429,469
Total	110,826,558	79,429,469

27) Prepayments

Description	2019-2020	2018-2019
Prepayments		
Prepaid General Insurance	6,127,428	-
Total	6,127,428	



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28) Inventory

Description	2019-2020	2018-2019
Inventory		
Main Stores	22,060,163	15,338,352
Medical Supplies	701,090	729,150
Farm Supplies & Consumables	1,059,031	38,900
Hill Side Hotel Supplies and Consumables	48,873	103,983
Catering Supplies & Consumables	638,407	489,530
Total	24,507,564	16,699,914

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29) Tangible Assets, Property, Plant and Equipment Schedule

2018/2019	2.50%	20%	25%	12.50%	30%	20%	Work In Progress	Totals
Particulars	Buildings	Plant & Equipment	Motor Vehicle	Furniture & Fittings	Comp Hardware	Library Books		
Cost/Value as at 1.7.18	1,646,150,533	148,371,883	108,422,249	86,828,493	76,032,698	25,150,073	1,841,345,676	4,153,251,605
Adjustment to total cost (Note 33)	250,000	-	(2,000)	-	300,000	-	-	548,000
Cost Adjustment-Hill side (Note 38)	(3,000,000)	-	-	-	-	-	-	-
Cost adjustment-Elimu Plaza(Note 39)	(357,000,000)	-	-	-	-	-	-	-
Adjusted Cost as at 1.7.18	1,286,400,533	148,371,883	108,420,249	86,828,493	76,332,698	25,150,073	1,841,345,676	4,153,799,605
Additions	13,000,000	25,498,704	55,140,000	8,113,610	14,232,168	413,064	715,612,529	874,010,075
Additions-TUC	-	440,800	-	4,591,920	2,334,320	-	37,803,318	77,170,358
W.I.P Capitalized	29,560,238	43,958,232	-	-	-	-	(73,518,470)	-
Cost At 30th June 2019	1,328,960,771	218,269,619	163,560,249	99,534,023	92,899,186	25,563,137	2,521,243,053	5,104,980,038
Depreciation and impairment								
Acc. Depreciation At 1 July 2018	192,645,393	112,955,431	63,034,878	46,581,327	71,654,321	20,438,512	-	507,309,862
Acc. Depreciation Adjustment (Note 40&41)	(18,000,000)	-	-	-	-	(600)	-	(18,000,600)
Depreciation charge for the year	32,160,013	16,384,652	31,910,540	9,985,025	8,308,912	1,970,428	-	100,719,571
Depreciation as at 30 June 2019	206,805,406	129,340,083	94,945,418	56,566,352	79,963,233	22,408,340	-	590,028,833
Net Book Value as at 30th June 2019	1,122,155,365	88,929,535	68,614,831	42,967,671	12,935,953	3,154,797	2,521,243,053	4,514,951,205
Revaluations as at 30th June 2019	1,480,920,238	173,758,053	142,990,000	64,802,626	62,366,108	17,113,064	2,521,243,053	5,550,693,142
2019/2020								
Cost/Value as at 1.7.19	1,087,500,000	173,758,053	142,990,000	64,802,626	62,366,108	17,113,064	2,521,243,053	5,550,693,142
TUC asset cost adjustment-De-recognition	(32,000,000)	(440,800)	-	(4,732,560)	(2,334,320)	-	(66,534,041)	(39,507,680)
TUC WIP adjustment-De-recognition	-	-	-	-	-	-	-	(66,534,041)
Additions	28,457,205	-	-	19,035,828	6,554,816	4,545,379	665,287,098	835,870,592
W.I.P Capitalized	-	111,990,266	-	19,035,828	-	-	(798,295,288)	-
Cost At 30th June 2020	1,083,957,205	297,392,631	142,990,000	79,105,894	66,586,604	21,658,443	2,321,700,822	6,280,522,013
Depreciation and impairment								
Acc. Depreciation At 1 July 2019	-	-	-	-	-	-	-	-
Depreciation charge for the year	37,023,006	34,607,241	35,747,500	9,284,552	19,975,981	4,090,820	-	140,729,100
Depreciation as at 30 June 2020	37,023,006	34,607,241	35,747,500	9,284,552	19,975,981	4,090,820	-	140,729,100
Net Book Value as at 30th June 2019	1,087,500,000	173,758,053	142,990,000	64,802,626	62,366,108	17,113,064	2,521,243,053	5,550,693,142
Net Book Value as at 30th June 2020	1,083,957,205	262,785,390	107,242,500	69,821,342	46,610,623	17,567,623	2,321,700,822	6,139,792,913



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30) Intangible Assets, Computer Software Schedule

Description	Kshs
Year 2018/2019	
Cost/Value at 1/7/2018	18,666,070
Additions/adjustments	198,000
Cost/Value at 30/06/2019	18,864,070
Year 2018/2019	
Accumulated Amortization 1/07/2018	16,690,171
Amortization Charge for the Period	1,191,012
Accumulated Amortization 30/06/2019	17,881,183
Carrying amount as at 30 June 2019	982,887
Revalued amount as at 30th June 2019	7,664,428
Carrying amount as at 30 June 2018	1,975,899
Year 2019/2020	
Cost/Value at 1/7/2019	7,664,428
Additions/adjustments	1,699,400
Cost/Value at 30/06/2020	9,363,828
Year 2019/2020	
Accumulated Amortization 1/07/2019	-
Amortization Charge for the Period	2,809,148
Accumulated Amortization 30/06/2020	2,809,148
Carrying amount as at 30 June 2019	7,664,428
Carrying amount as at 30 June 2020	6,554,680

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31) Biological Assets

Item	Unit	Qty	Cost/Unit	2019/2020	Qty	Cost/Unit	2018/2019
CROPS							
Coffee	Trees	-	-	-	500	55	27,500
Bananas	Suckers	-	-	-	700	200	140,000
Trees	Plants	-	-	-	10,950	100	1,095,000
Flowers	Plants	-	-	-	26,150	20	523,000
Cow peas	Plots	-	-	-	12	4,000	48,000
Green grams	Plots	-	-	-	13	800	10,400
Napier grass	Pickups	-	-	-	60	3,000	180,000
Boma Rhodes	Tons	-	-	-	90	6,000	540,000
VEGETABLES							
Spinach	Plots	3	2,000	6,000	2	2,000	4,000
Kales	Plots	4	1,000	4,000	4	1,000	4,000
Mito	Plots	3	2,000	6,000	-	-	-
Mreda	Plots	3	2,000	6,000	-	-	-
Saghet	Plots	3	2,000	6,000	-	-	-
Arrow roots	Plots	2	2,000	4,000	6	2,000	12,000
Tomatoes	Plots	-	-	-	4	1,000	4,000
LIVESTOCK							
Cows(exotic)	Numbers	28	200,000	5,600,000	16	180,000	2,880,000
Calves	Numbers	3	30,000	90,000	2	30,000	60,000
Pedigree heifers	Numbers	2	240,000	480,000	2	240,000	480,000
Cows in milk	Numbers	6	70,000	420,000	5	70,000	350,000
Mature cows	Numbers	6	75,000	450,000	6	75,000	450,000
Steers	Numbers	-	-	-	1	85,000	85,000
Bulls	Numbers	2	60,000	120,000	3	60,000	180,000
Young heifers	Numbers	4	40,000	160,000	3	40,000	120,000
Young bulls	Numbers	3	30,000	90,000	2	30,000	60,000
Calf heifers	Numbers	4	70,000	280,000	3	70,000	210,000
INDIGENOUS CATTLE							
Males	Numbers	7	60,000	420,000	7	60,000	420,000
Females	Numbers	28	55,000	1,540,000	34	55,000	1,870,000
CALVES							

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Males	Numbers	8	20,000	160,000	13	20,000	260,000
Females	Numbers	11	25,000	275,000	-	-	-
GOATS							
Males	Numbers	25	5,000	125,000	43	5,000	215,000
Females	Numbers	133	4,500	598,500	147	4,500	661,500
YOUNG GOATS							
Males	Numbers	15	1,200	18,000	4	1,000	4,000
Females	Numbers	14	1,500	21,000	3	1,000	3,000
SHEEP							
Males	Numbers	1	3,000	3,000	-	-	-
Females	Numbers	2	3,000	6,000	5	3,000	15,000
LAMB							
Males	Numbers	3	1,500	4,500	-	-	-
Females	Numbers	-	-	-	-	-	-
PIGS							
Boars	Numbers	1	30,000	30,000	1	30,000	30,000
Sows	Numbers	3	28,466	85,399	4	30,000	120,000
Piglets	Numbers	30	3,200	96,000	11	3,000	33,000
LLAMA							
Males	Numbers	1	100,000	100,000	2	100,000	200,000
Females	Numbers	2	100,000	200,000	2	100,000	200,000
Creoles	Numbers	3	70,000	210,000	2	60,000	120,000
Tharaka University College	Numbers			0			191,425
TOTALS				11,614,399			11,805,825

32) Payables / Accruals from Exchange Transactions

Description	2019-2020	2018-2019
Payables / Accruals from exchange transactions		
Accruals from General Creditors	24,496,538	6,857,563
Part-time Lecturers-wages & salaries accrued	1,112,394	18,574,546
Part-time Lecturers-travel cost accrued	-	816,000
Student Caution Money Payable	24,735,508	24,534,300
Audit Fees Payable	3,480,000	2,784,000
Staff Gratuity Payable	41,196,810	14,877,114
Prepaid Tuition income	96,704,885	91,732,264
Sub total	191,726,135	160,175,787
Add		
Retention for W.I.P payable	152,025,109	124,469,554
Total	343,751,244	284,645,339

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33) Exchequer Capital Grants

Description	2019-2020	2018-2019
Exchequer Capital Grants- Ministry of Education		
1st Disbursement	123,258,046	77,596,544
2nd Disbursement	209,441,954	223,556,850
3rd Disbursement	-	-
Total	332,700,000	301,153,394

34) Adjustment on Prior Year Assets

Adjustment to prior year Assets(a+b+c)	2019/2020	2018/2019
Adjustment on Building		
2017/2018 Total Historical cost on Building (Reported)	-	1,646,150,533
2018/2019 Re-Casted Cost on Building	-	1,646,400,533
Adjustment to historical cost(a)	-	250,000
Adjustment on Motor Vehicles		
2017/2018 Total Historical cost on Motor Vehicle (Reported)	-	108,422,249
2017/2018 Re-casted cost on Motor vehicle	-	108,420,249
Adjustment to historical cost(b)	-	(2,000)
Adjustment on Computer		
2017/2018 Total Historical cost on Computer hardware (Reported)	-	76,032,698
2017/2018 Re-Casted cost on Computer Hardware	-	76,332,698
Adjustment to historical cost©	-	300,000
Adjustment to prior year Assets(a+b+c)	-	548,000

35) Surplus on Revaluations

Revaluations	Net BOOK VALUE AS AT 30.06.2019	Revalued amount as at 30th June 2019	Revaluation surplus/deficit
Land	654,950,000	1,087,500,000	432,550,000
Buildings	1,122,155,365	1,480,920,238	358,764,873
Plant and Equipment	88,929,535	173,758,053	84,828,518
Motor vehicle	68,614,831	142,990,000	74,375,169
Furniture and fittings	42,967,671	64,802,626	21,834,955
Computer Hardware	12,935,953	62,366,108	49,430,155
Computer Software	982,887	7,664,428	6,681,541
Library books	3,154,797	17,113,064	13,958,267
Revaluation Surplus	1,994,691,039	3,037,114,517	1,042,423,478

36) Adjustment for Prior Year Retained Earnings

Description	2019-2020	2018-2019
Adjustment for Prior Year Retained Earnings		
Buildings		
Accumulated Depreciation on Hillside Building and Elimu plaza	-	28,630,399.4 (a)
Re-Computed Accumulated Depreciation on Hillside Building and Elimu plaza	-	10,630,399.4 (b)
Adjustment for Accumulated Depreciation in 2018/2019	-	18,000,000 (a-b))

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Description	2019-2020	2018-2019
Adjustment for Prior Year Retained Earnings		
Library books		
2017/2018 Total Accumulated Depreciation (Reported)	-	20,438,512
2017/2018 Re-Computed Accumulated Depreciation	-	20,437,912
Adjustment	-	(600)

37) Donation to Land and Building

Description	2019-2020	2018-2019
Donation in kind to land and building		
Tharaka University College Land	-	32,000,000
Igembe Campus Land	-	42,000,000
Building for Igembe Campus	-	13,000,000
Total	-	87,000,000

38) Tharaka University College De-Recognition

Tharaka University College De-Recognition		
Item	2019-2020	2018-2019
Land	32,000,000	-
Plant and Equipment	440,800	-
Furniture and Fittings	4,732,560	-
Computer Hardware	2,334,320	-
Work in Progress	66,534,041	-
Biological Assets	191,425	-
Total	106,233,146	

39) Hillside Adjustment

Description	2019-2020	2018-2019
Hillside Hotel Adjustment		
Total value(Building+Land)	-	40,000,000
Total value of Building	-	37,000,000
Adjustment to historical cost	-	(3,000,000)

40) Chuka University Elimu Plaza (Nairobi)

Description	2019-2020	2018-2019
Chuka University Elimu Plaza(Nairobi) adjustment		
Total value(Building+Land)	-	531,990,408
Total value of Building	-	174,990,408
Adjustment to historical cost	-	(357,000,000)

41) Building

Description	2019-2020	2018-2019
Building Adjustment		
Accumulated Depreciation on Hillside Building and Elimu plaza	-	28,630,399
Re-computed accumulated Depreciation on Hillside Building and Elimu plaza	-	10,630,399
Adjustment for Accumulated Depreciation in 2018/2019	-	(18,000,000)



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42) Library Books

Description	2019-2020	2018-2019
Library Books Adjustment		
2017/2018 Total Accumulated Depreciation (Reported)	-	20,438,512
2017/2018 Re-Casted Accumulated depreciation	-	20,437,912
Adjustment to accumulated depreciation	-	(600)

43) Work in Progress

Description	2019-2020	2018-2019
Work in Progress		
Male Hostel	36,072,704	119,530,854
Professional Fees - Male Hostel	-	10,054,578
Perimeter Fence Phase Iii	-	-
Science Complex -Remodeling	-	-
Renovation of Instruments Lab	-	-
Kairini Farm Master Plan	-	-
Reinforced Concrete Water Tank - Kairini	-	-
Students' Recreation Centre	8,434,798	-
Data Cabling in Media School	-	-
Television and Radio Broadcasting Studio	1,000,000	1,584,882
Professional Fees Administration Block	68,282,133	35,711,086
Professional Fees Science Research Park	20,207,844	17,437,140
Administration Block	185,415,561	273,627,614
Food Technology Block	24,333,600	93,951,107
Science Research Park	137,699,860	116,611,924
Perimeter Fence Phase IV- Sec IV	1,558,413	4,036,966
Construction of Water Tank Kairini	6,467,910	2,916,500
Tharaka University College	-	37,803,318
Installation of Lifts	4,891,613	15,029,219
Students' Recreation Centre Wall Padding in VC's Office	-	1,592,017
Jacuzzi and Steam Bath-Recreation Centre	-	3,415,620
Perimeter Fence Phase V And Road Leveling	12,538,889	2,485,103
Renovation to Animal Science Lab	-	903,385
Proposed Sauna Bath in Recreation Center	-	2,001,640
Proposed Outdoor Concrete Benches	-	831,691
Proposed 3000cm Reinforced Concrete Water Reservoir	28,199,305	4,354,176
Proposed High Mast Flood Lights Contract	5,777,376	6,307,736
Proposed Installation of Swimming Pool Equipment in Recreation Center	360,000	3,229,291
Professional Services for Water Reservoir	2,037,511	-
Completion Of Research office at Kairini Farm	5,624,144	-
Proposed Male Hostel (Wing B)	48,888,109	-
Remodeling and Renovations Of Classrooms at Old Ndagani Primary	4,183,204	-
Acquisition of University Neighboring Land	1,350,000	-
Proposed Access Road at Kairini Farm	9,918,000	-
Completion of Fencing Works (Perimeter Fence Phase 4 Section 1)	782,397	-
Electric Fence at Kairini Farm	10,212,493	-
Consultancy Services For Proposed Ultra-Modern Library Block	9,975,000	-
Civil Works at Kairini Farm	20,000,000	-
Proposed Aluminum Partitioning Chancellors' Office	647,732	-
Chogoria Campus	10,428,502	-
Total	665,287,098	753,415,847

44) FINANCIAL RISK MANAGEMENT

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

The University financial risk management objectives and policies are detailed below:

(i) Credit risk

The University has exposure to credit risk, which is the risk that a counterparty will be unable to pay amounts in full when due. Credit risk arises from cash and cash equivalents, and deposits with banks, as well as trade and other receivables and available-for-sale financial investments.

Management assesses the credit quality of each customer, taking into account its financial position, past experience and other factors. Individual risk limits are set based on internal or external assessment in accordance with limits set by the council. The amounts presented in the statement of financial position are net of allowances for doubtful receivables, estimated by the entity's management based on prior experience and their assessment of the current economic environment.

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

	Total amount	Fully performing	Past due	Impaired
	Kshs	Kshs	Kshs	Kshs
At 30 June 2020				
Receivables from exchange transactions	54,549,248	54,549,248	Nil	Nil
Receivables from non-exchange transactions	110,826,558	110,826,558	Nil	Nil
Bank balances	1,738,206,870	1,738,206,870	Nil	Nil
Total	1,903,582,676	1,903,582,676		
At 30 June 2019				
Receivables from exchange transactions	71,949,032	71,949,032	Nil	Nil
Receivables from non-exchange transactions	79,429,469	79,429,469	Nil	Nil
Bank balances	1,645,614,700	1,645,614,700	Nil	Nil
Total	1,796,993,201	1,796,993,201	Nil	Nil

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The customers under the fully performing category are paying their debts as they continue trading. The credit risk associated with these receivables is minimal and the allowance for uncollectible amounts that the entity has recognised in the financial statements is considered adequate to cover any potentially irrecoverable amounts.

The council sets the entity's credit policies and objectives and lays down parameters within which the various aspects of credit risk management are operated.

(ii) Liquidity risk management

Ultimate responsibility for liquidity risk management rests with the University Council, who have built an appropriate liquidity risk management framework for the management of the entity's short, medium and long-term funding and liquidity management requirements. The entity manages liquidity risk through continuous monitoring of forecasts and actual cash flows.

The table below represents cash flows payable by the entity under non-derivative financial liabilities by their remaining contractual maturities at the reporting date. The amounts disclosed in the table are the contractual undiscounted cash flows. Balances due within 12 months equal their carrying balances, as the impact of discounting is not significant.

	Less than 1 month	Between 1-3 months	Over 5 months	Total
	Kshs	Kshs	Kshs	Kshs
At 30 June 2020				
Trade payables	343,751,244	Nil	Nil	343,751,244
Current portion of borrowings	Nil	Nil	Nil	Nil
Provisions	Nil	Nil	Nil	Nil
Deferred income	Nil	Nil	Nil	Nil
Employee benefit obligation	Nil	Nil	Nil	Nil
Total	343,751,244	Nil	Nil	343,751,244
At 30 June 2019				
Trade payables	284,645,339	Nil	Nil	284,645,339
Current portion of borrowings	Nil	Nil	Nil	xxx
Provisions	Nil	Nil	Nil	xxx
Deferred income	Nil	Nil	Nil	xxx
Employee benefit obligation	Nil	Nil	Nil	xxx
Total	284,645,339	Nil	Nil	284,645,339

(iii) Market risk

The board has put in place an internal audit function to assist it in assessing the risk faced by the entity on an ongoing basis, evaluate and test the design and effectiveness of its internal accounting and operational controls.

Market risk is the risk arising from changes in market prices, such as interest rate, equity prices and foreign exchange rates, which will affect the entity's income or the value of its holding of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return. Overall responsibility for managing market risk rests with the Audit and Risk Management Committee.

The entity's Finance Department is responsible for the development of detailed risk management policies (subject to review and approval by Audit and Risk Management Committee) and for the day-to-day implementation of those policies.

There has been no change to the entity's exposure to market risks or the manner in which it manages and measures the risk.

a) Foreign currency risk

The entity has transactional currency exposures. Such exposure arises through purchases of goods and services that are done in currencies other than the local currency. Invoices denominated in foreign currencies are paid after 30 days from the date of the invoice and conversion at the time of payment is done using the prevailing exchange rate.

Chuka University did not have a foreign currency denominated monetary assets and monetary liabilities at the end of the reporting period.

The entity manages foreign exchange risk from future commercial transactions and recognised assets and liabilities by projecting for expected sales proceeds and matching the same with expected payments.

b) Interest rate risk

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

Management of interest rate risk

To manage the interest rate risk, management has endeavoured to bank with institutions that offer favourable interest rates.

Sensitivity analysis

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

Fair value of financial assets and liabilities

a) Financial instruments measured at fair value

Determination of fair value and fair values hierarchy

IPSAS 30 specifies a hierarchy of valuation techniques based on whether the inputs to those valuation techniques are observable or unobservable. Observable inputs reflect market data obtained from independent sources; unobservable inputs reflect the University's market assumptions. These two types of inputs have created the following fair value hierarchy:

- Level 1 – Quoted prices (unadjusted) in active markets for identical assets or liabilities. This level includes listed equity securities and debt instruments on exchanges.
- Level 2 – Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices).
- Level 3 – inputs for the asset or liability that are not based on observable market data (unobservable inputs). This level includes equity investments and debt instruments with significant unobservable components. This hierarchy requires the use of observable market data when available. The entity considers relevant and observable market prices in its valuations where possible.

The following table shows an analysis of financial and non- financial instruments recorded at fair value by level of the fair value hierarchy:

	Level 1 Kshs	Level 2 Kshs	Level 3 Kshs	Total Kshs
At 30 June 2020				
Financial Assets				
Quoted equity investments	Nil	Nil	Nil	Nil
Non- financial Assets				
Investment property	Nil	Nil	Nil	Nil
Land and buildings	Nil	3,314,064,613	Nil	3,314,064,613
Total	Nil	3,314,064,613	Nil	3,314,064,613
At 30 June 2019				
Financial Assets				
Quoted equity investments	Nil	Nil	Nil	Nil
Non- financial Assets				

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Investment property	Nil	Nil	Nil	Nil
Land and buildings		2,568,420,238		Nil
Total	Nil	2,568,420,238	Nil	2,568,420,238

There were no transfers between levels 1, 2 and 3 during the year.

Disclosures of fair values of financial instruments not measured at fair value have not been made because the carrying amounts are a reasonable approximation of their fair values.

iv) Capital Risk Management.

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

	2019-2020	2018-2019
	Kshs	Kshs
Revaluation reserve	1,300,211,588	1,301,000,044
Retained earnings	4,224,779,018	3,801,863,817
Capital reserve	2,222,883,129	1,995,627,819
Total funds	7,747,882,925	7,098,491,681
Total borrowings	Nil	Nil
Less: cash and bank balances	Nil	Nil
Net debt/(excess cash and cash equivalents)	Nil	Nil
Gearing	N/A	N/A

45) RELATED PARTY BALANCES

a) Nature of related party relationships

Entities and other parties related to the entity 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.

The entity is related to;

i) The National Government;

Chuka University gets funding from the national government through the national treasury of Kenya. The funding is separated in to two: Recurrent grant and capital grant which is used to finance part of the university budget.

ii) The Principal Secretary, Ministry of Education;

Chuka University is an independent public entity established through a charter as per the Universities Act, 2012. It is represented by the Cabinet Secretary for Education, who is responsible for the general policy and strategic direction of the University

iii) The University management;

The University management is mandated to make the day-to-day decisions on behalf of the University. They have a significant influence over the operating and financial decision

iv) The Council Members;

As the governing body of the University, the Council, have a responsibility of maintaining a sound system of internal control that supports the achievement of policies, aims and objectives,

Whilst safeguarding the public and other university resources. The University Council is vested with powers and authority by its Charter and the Universities Act, 2012.

The Council is also the executive governing body responsible for the academic policy and strategic direction of the University, including its external relations, and for the Administration of the University.

The Council is responsible for the management of the University's finances and assets, in accordance with the Public Financial Management Act, 2012 and Public Financial regulations of 2015.

v) The University Senate;

This is the academic authority of the University. It is composed of the Vice - chancellor, Deputy vice chancellors, Deans, Directors Heads and Chairmen of the academic Departments, two students' representatives Finance Officer and Faculty representatives. Its role is to discuss and approve student results as well as students' discipline. The Senate is chaired by the Vice - Chancellor.

b) Related party transactions

	2019/2020	2018/2019
Transfers from related parties'		
Recurrent	1,391,972,718	1,261,792,952

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Capital	332,700,000	301,153,394
Transfers to related parties	-	-
Totals	1,724,672,718	1,562,946,346

j) Key management remuneration

	2019/2020	2018/2019
University Council	8,958,108	12,696,895
Key management compensation	39,913,140	27,288,221
Totals	48,871,248	39,985,116

46) Events after the reporting period

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

47) Ultimate and Holding Entity

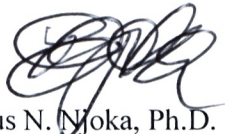
The entity is a State Corporation under the Ministry of Education. Its ultimate parent is the Government of Kenya.

48) Currency

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

APPENDIX 1: PROGRESS ON FOLLOW UP OF AUDITOR RECOMMENDATIONS

The University his waiting for the release final audit report for 2018/2019 financial year.



Prof. Erastus N. Njoka, Ph.D.
CEO/VICE – CHANCELLOR

25th September 2020

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APPENDIX II: Projects implemented by the entity

STATUS REPORT 2019/20 FY				
Project's Name	Total Project Cost	Total Expended	Completion to Date	Source of Funds
	Kshs	Kshs	%	
Students' Recreation Centre	412,615,362	411,796,712	99.80	A.I.A
Television & Radio Broadcasting Studio	23,406,155	22,493,385	96.10	A.I.A
Reinforced Concrete Water Tank - Kairini	23,972,950	23,591,200	98.41	A.I.A
Proposed Installation & Commission Of Lifts	41,831,225	38,575,844	92.22	A.I.A
Proposed Food Technology Tuition	292,164,909	143,993,749	49.29	A.I.A
Proposed Administration Block	1,410,808,347	576,656,553	40.87	A.I.A
Proposed Science Research Park Phase I	664,272,029	342,350,154	51.54	A.I.A
Proposed 3000cm Concrete Water Reservoir	42,498,342	32,553,481	76.60	A.I.A
Proposed Male Hostel Block (Wing B)	559,500,000	48,888,109	8.74	GOK
Acquisition Of University Neighboring Land	23,418,000	23,418,000	100.00	A.I.A
Electric Fence At Kairini	11,899,765	10,212,493	85.82	A.I.A
Civil Works At Kairini Farm	32,021,379	20,000,000	62.46	A.I.A
Research Office Kairini		2,477,767	62.13	A.I.A
Kairini Farm Dispensary	3,993,165	2,731,900	68.41	A.I.A
Proposed High Mast Flood Lights Contract	12,124,900	12,085,112	99.67	A.I.A
Proposed Male Hostel	699,750,000	650,981,631	93.03	GOK
Proposed Remodeling Old Ndagani Primary	4,183,204	4,183,204	100.00	A.I.A
Perimeter Fence Phase Iv Sec I	1,349,800	1,184,210	87.73	A.I.A

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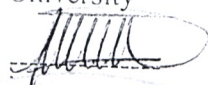
Appendix III: Inter-entity transfers

Chuka University, Breakdown of Transfers from the State Department of University Education for FY 2019/2020			
a Recurrent Grants			
	Bank Statement Date	Amount (Kshs)	FY to which the amounts relate
	08/08/19	106,762,180	2019/2020
	29/08/2019	106,762,180	2019/2020
	27/09/2019	106,762,180	2019/2020
	11/01/19	106,762,180	2019/2020
	29/11/2019	106,762,180	2019/2020
	27/12/2019	106,762,180	2019/2020
	02/04/20	106,762,180	2019/2020
	03/02/20	106,762,180	2019/2020
	04/03/20	106,762,180	2019/2020
	05/08/20	106,762,180	2019/2020
	06/05/20	106,762,180	2019/2020
	26/06/2020	106,762,180	2019/2020
	06/07/2020	110,826,558	2019/2020
	Total	1,391,972,718	
b Development Grants			
	Bank Statement Date	Amount (Ksh)	FY to which the amounts relate
	21/11/2019	123,258,046	2019/2020
	16/03/2020	209,441,954	2019/2020
	Total	332,700,000	

The above amounts have been communicated to and reconciled with the parent Ministry

Finance Officer
Chuka University

Sign



Head of Accounting Unit
Ministry of Education

Sign



For: PRINCIPAL SECRETARY
State Department For
University Education
P. O. Box 9583-00200
NAIROBI

26 NOV 2020

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APPENDIX IV: RECORDING OF TRANSFERS FROM OTHER GOVERNMENT ENTITIES

Name of the MDA/Donor Transferring the funds	Date received	Nature: Recurrent/Development/Others	Total Amount - KES	Where Recorded/recognized				Total Transfers during the Year
	as per bank statement			Statement of Financial Performance	Capital Fund	Deferred Income	Receivables	
N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Total	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A



