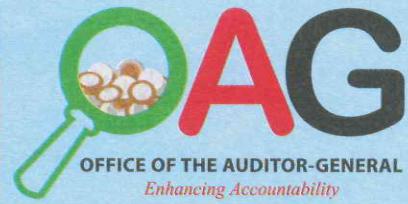




REPUBLIC OF KENYA



REPORT

OF

THE AUDITOR-GENERAL

ON

EGERTON UNIVERSITY

**FOR THE YEAR ENDED
30 JUNE, 2025**

EGERTON



UNIVERSITY

www.egerton.ac.ke



ANNUAL REPORT

&

FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR
ENDED

30TH JUNE 2025

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

Transforming Lives through Quality Education

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1. ACRONYMS, ABBREVIATIONS AND OF TERMS

A: ACRONYMS

ICPAK	Institute of Certified Public Accountants of Kenya
IPSAS	International Public Sector Accounting Standards
NT	National Treasury
OCOB	Office of the Controller of Budget
OAG	Office of the Auditor General
PFM	Public Finance Management
PPE	Property Plant & Equipment
PSASB	Public Sector Accounting Standards Board
SAGAs	Semi-Autonomous Government Agencies
SC	State Corporations
WB	World Bank
VC	Vice Chancellor
DVC	Deputy Vice Chancellor
SODIL	Open and Distance Learning
IGU	Income Generating Units
SCAC	State Corporations Advisory Committee
ARMS	Academic Records Management System.
DILP:	Directorate of International Linkages and Programmes
DPD:	Directorate of Planning and Development
DRTEC:	Dryland Research and Ecotourism Centre
DVC AR&E:	Deputy Vice Chancellor Academic, Research and Extension
DVC AFP:	Deputy Vice Chancellor Administration, Finance and Planning
HCA:	Human Capital and Administration
ICT:	Information & Communication Technology
IGU:	Income Generating Units
NFM	New Funding Model
TAGDEV	Transforming African Agricultural Universities to Meaningfully Contribute to Africa's Growth and Development
NCCC	Nakuru City Campus College
AA	Academic Affairs
A-I-A	Appropriation in Aid

USAID	United States Agency for International Development
PHD	Doctor of Philosophy
BSc	Bachelor of Science
CBC	Competency Based Curriculum
TVET	Technical and Vocational Education and Training (TVET)

B: DEFINITION OF KEY TERMS

Fiduciary Management – Members of Management directly entrusted with the responsibility of financial resources of the organization

2. KEY UNIVERSITY INFORMATION AND MANAGEMENT

(a) Background Information

Egerton University, established as a Farm School in 1939 by Lord Maurice Egerton of Tatton, is the oldest institution of higher learning in Kenya. Lord Egerton, a British national who settled in Kenya in the 1920s, initiated this educational venture. In 1950, the institution was upgraded to an Agricultural College, offering diploma programs. The Egerton Agricultural College Ordinance was enacted in 1955.

A significant expansion and facility upgrade, funded by the Government of Kenya and the United States Agency for International Development (USAID), took place in 1979. This development led to Egerton Agricultural College becoming a constituent college of the University of Nairobi in 1986. The following year, in 1987, Egerton University was formally established through an Act of Parliament. This Act was later repealed and replaced by the Universities Act No. 42 of 2012, and the University was rechartered in 2013.

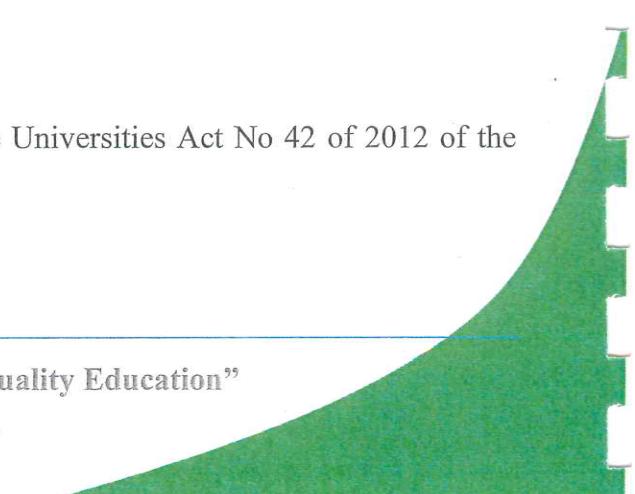
The main campus of Egerton University is located in Njoro and houses the Faculties of Agriculture, Arts and Social Sciences, Education and Community Studies, Engineering and Technology, Environment and Resources Development, Science, and Veterinary Medicine & Surgery. Additionally, the Njoro Campus hosts several key administrative units, including the directorates of Examinations and Timetabling, Undergraduate Studies and Career Services, Board of Postgraduate Studies, School of Open and Distance Learning, the Institute of Gender, Women and Development Studies, the Confucius Institute, Marketing and Resource Mobilization, Income Generation Units, and Linkages and Collaborations.

The University also operates Nakuru City Campus College, which includes the Faculties of Commerce and Health Sciences, and Kenyatta Campus, situated 6 km southeast of Njoro Campus, which hosts the Centre for Capacity Building. Egerton University offers a wide range of programs at the diploma, bachelor's, master's, and doctorate levels, as well as various thematic short courses across its departments.

(b) Principal Activities

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

“Transforming Lives Through Quality Education”



1. Advancement of knowledge through teaching, scholarly research and scientific investigation;
2. Promotion of learning in the student body and society in general;
3. Promotion of cultural and social life of society;
4. Support and contribution to the realization of national economic and social development;
5. Promotion of the highest standards in, and quality of, teaching and research;
6. Education, training and retraining higher level professional, technical and management personnel;
7. Dissemination of the outcomes of the research conducted by the university to the general community;
8. Facilitation of life-long learning through provision of adult and continuing education;
9. Fostering of a capacity for independent critical thinking among its students;
10. Promotion of gender balance and equality of opportunity among students and employees;
11. Promotion of equalization for persons with disabilities, minorities and other marginalized groups.

i. Vision

A world class University for the advancement of humanity.

ii. Mission

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

iii. Philosophy

Egerton University innovatively influences human development through generation, acquisition, preservation and dissemination of knowledge and skills in Agriculture and other disciplines, guided by the core values.

iv. Core Values

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

- a) National unity and social fairness;

- b) Integrity, Transparency and Accountability;
- c) Professionalism;
- d) Internationalism;
- e) Passion for excellence and devotion to duty;
- f) Team work;
- g) Passion for environmental conservation;
- h) Innovativeness and creativity.

(c) Key Management

The University's day-to-day management is under the following key organs: University Council, University Management Board and the Senate.

Key Management Organs	Name	Position	Date of Appointment	Date of Exit
Chancellor	Narendra Raval (Guru)	Chancellor	16/09/2024	15/09/2029
University Council	Amb. Dr Hukka Wario, PhD, CBS	Chairman of Council	06/10/2021	05/10/2024
	Dr Paul Maina Mwangi		13/03/2024	-
	Mr Julius K. Mutua		30/09/2019	-
	Hon. Gideon Kimutai Koske	Member	15/12/2023	14/12/2026
	Ms. Brenda Lubisia	Member	15/12/2023	14/12/2026
	Mr Charles Ngugi Njenga	Member	15/12/2023	14/12/2026
	Eng. Christopher O. Oanda	Member	15/12/2023	14/12/2026
	Prof. Isaac O. Kibwage	Secretary	05/10/2021	05/10/2026
Former University Council Members	Dr John N. Ondari	Member	04/11/2020	03/11/2023
	Dr Charity C. Nyaga	Member	04/11/2020	03/11/2023
	Dr Wilson Kipruto Ronno	Member	04/11/2020	03/11/2023
	Mr Joshua N. Otieno	Member	04/11/2020	03/11/2023
	Ms Esther M. Wabuge	Member	04/11/2020	03/11/2023
	Dr Paul Were K'Angira	Alternate Member Ministry of Education	01/09/2022	12/03/2024
University	Prof. Isaac O. Kibwage	Vice Chancellor	05/10/2021	05/10/2026

“Transforming Lives Through Quality Education”

Management Board				
	Prof. Bernard O. Aduda	DVC (AR&E)	01/02/2022	31/01/2027
	Prof. Richard M.S. Mulwa	Ag. DVC (AFP)		
	Prof. George M. Ogendi	Ag. Principal, NTCC		

(d) Fiduciary Management

The key management personnel who held office during the Financial Year ended 30th June 2025 and who had direct fiduciary responsibility are shown below;

	Name	Position	Date of Appointment	Date of Exit
University Management Board	Prof. Isaac O. Kibwage	Vice Chancellor	05/10/2021	05/10/2026
	Prof. Bernard O. Aduda	DVC (AR&E)	01/02/2022	31/01/2027
	Prof. Richard M.S. Mulwa	Ag. DVC (AFP)		
	Prof. Joshua O. Ogendo	Principal, NCCC	16/08/2021	31/12/2024
	Prof. George M. Ogendi	Ag. Principal, NTCC		
	Prof. Mwanarusi Saidi	Registrar (AA)	18/08/2021	17/08/2026
	Mr Leonard K. Chesang	Ag Registrar (HCA)		
	Prof. George Owuor	Director (R&E)	20/02/2025	19/02/2030
	Mr Charles K. Wanjohi	Chief Finance Officer	17/02/2025	16/02/2030

(e) Fiduciary Oversight Arrangements

The University Council is responsible and accountable to the Government of Kenya through the Ministry of Education for ensuring that the University complies with the Universities Act 2012, The Council has four Committees as follows:

1. Audit, Governance and Risk Management Committee

Membership:

- (i) Ms Brenda Lubisia - Chairperson
- (ii) Mr Charles N. Njenga - Member

(iii) Mr Julius K. Mutua - Alternate to Principal Secretary, The National Treasury

(iv) Mr Nahashon M. Gitau - Secretary/Chief Internal Auditor

2. Finance, Human Resources and General Purposes Committee

Membership:

(i) Eng. Christopher Oanda - Chairman

(ii) Hon. Gideon Koske - Member

(iii) Mr Julius K. Mutua - Alternate to Principal Secretary, The National Treasury

(iv) Prof. Isaac O. Kibwage - Secretary/ Vice Chancellor / Member

3. Planning, Development & Grievances Committee

(i) Mr Christopher Oanda - Member

(ii) Mr Charles N. Njenga - Member

(iii) Dr Paul M. Mwangi - Alternate to Principal Secretary, State Department for Higher Education and Research, Ministry of Education

(iv) Prof. Isaac O. Kibwage - Secretary/ Vice Chancellor / Member

4. Academic and Research Committee

(i) Hon. Gideon Koske - Member

(ii) Ms Brenda Lubisia - Member

(iii) Dr Paul M. Mwangi - Alternate to Principal Secretary, State Department for Higher Education and Research, Ministry of Education

(iv) Prof. Isaac O. Kibwage - Secretary/ Vice Chancellor / Member

The University Statutes (2013) and adheres to the highest standards of corporate governance as prescribed in the State Corporations Act and the University Council Charter.

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The Council consists of eight members- the Chairman & five other members, representative of the National Treasury, Representative of the Principal Secretary Ministry of Education and the Vice Chancellor, who is the Secretary to the Council.

(f) Headquarters

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

(g) Contacts

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

(h) Bankers

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

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

3. Absa Bank Kenya PLC
P.O. Box 66- 20100
NAKURU

4. National Bank Ltd.
P.O. Box 72866-00100
NAIROBI

5. NCBA Bank Ltd.
P.O. Box 44599- 00100
NAIROBI

(i) Independent Auditors

Auditor General
Office of the Auditor General
Anniversary Towers, University Way

P.O. Box 30084 GPO 00100
Nairobi, Kenya

KEY ENTITY INFORMATION AND MANAGEMENT (Continued)

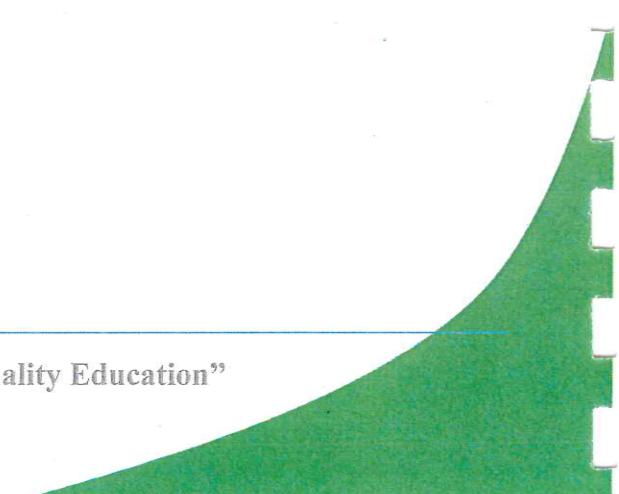
(j) Principal Legal Adviser

1. Office of the Attorney General
Sheria House, Harambee Avenue
P.O.Box 40112-00100

Office of the Attorney General
NAKURU

2. Legal Department
Egerton University
3. Pre-qualified Legal Service Providers

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3. THE UNIVERSITY COUNCIL



NAME: Dr. Paul Maina Mwangi

YOB: 1970

POSITION/KEY RESPONSIBILITIES:

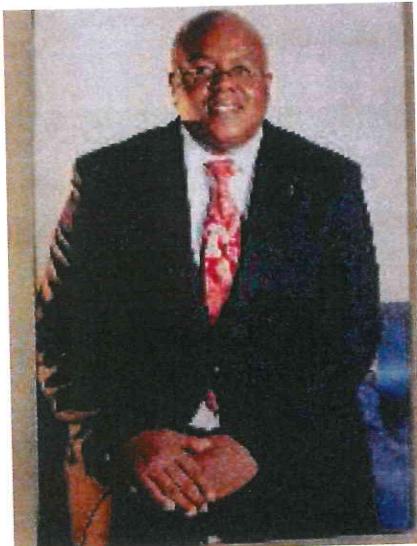
Council Member – Alternate to P.S. State Department for Higher Education-Ministry of Education; Member – Planning, Development & Grievances Committee; Member – Academic and Research Committee.

QUALIFICATION:

BEd (Sci) (EU), MSc (KU), SLPD (KSG), Ph.D (JKUAT)

WORK EXPERIENCE

Ministry of Education, State Department for Higher Education – Deputy Director of Education He has served as a Senior Deputy Director of Education, Assistant Director, Principal Education Officer, Senior Quality Assurance and Standards Officer, Graduate Teacher



NAME: Mr. Julius K. Mutua

YOB: 1971

POSITION/KEY RESPONSIBILITIES:

Council Member - Alt. to P.S. The National Treasury; Member - Audit, Governance and Risk Management Committee; Member - Finance, Human Resources & General-Purpose Committee.

QUALIFICATION: BA (Economics) -KU, MA(Economics)- University of Dar es Salaam

WORK EXPERIENCE

Programme Coordinator of Public Financial Management Reforms at The National Treasury; Has served in the boards of Capital Markets Authority, Retirement Benefits Authority, National Hospital Insurance, Policyholders Compensation Fund, Consolidated Bank, Kenya Plant Health Inspectorate Services, KCB Group and its subsidiaries.



NAME: Hon. Gideon Kimutai Koske

YOB: 1984

POSITION/KEY RESPONSIBILITIES:

Council Member; – Academic and Research Committee; Member – Finance, Human Resources and General Purposes Committee.

QUALIFICATION:

Dip in Purchasing and Supplies Management (KIM), B.COM – Procurement & Supply Chain Management (UON), MBA – Entrepreneurship (KU)

WORK EXPERIENCE

Former MP – Chepalungu Constituency, Vice Chair – Labour & Social Welfare Committee, member of PAC in the 12th parliament; Head of Marketing and Procurement EXP Momentum, General Marketing Manager, Chandarana Supermarket; Assistant Marketing Manager, Stagen Supermarket.

NAME: Ms. Brenda Lubisia

YOB: 1983

POSITION/KEY RESPONSIBILITIES:

Council Member - Audit, Governance & Risk Management Committee.

Member; Academic and Research Committee;

QUALIFICATION:

BSc. General (JKUAT), Masters in Procurement & Logistics (JKUAT)

WORK EXPERIENCE

Safaricom: Stock Controller; Customer Experience Executive



NAME: Mr Charles Ngugi Njenga

YOB: 1980

POSITION/KEY RESPONSIBILITIES:

Council Member; Member – Audit Governance and Risk Management

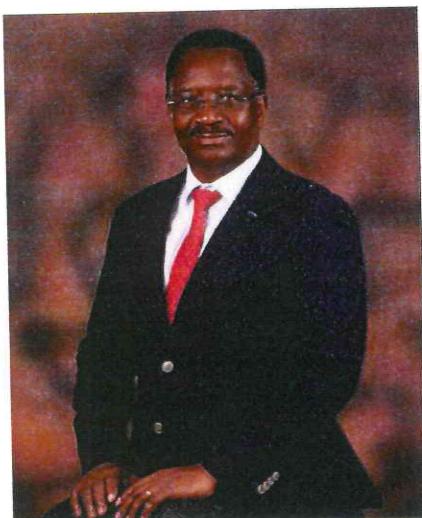
Committee; Member – Planning, Development & Grievances Committee.

QUALIFICATION:

LLB. (UON), DIP LAW (KSL), CPSK (KASNEB); Pursuing Global Masters in Sports, ISDE (Madrid, Spain),

WORK EXPERIENCE

Partner in Charge of Litigation and Dispute Resolution MKN and Company Advocates, Interconsumer Product Limited Company Secretary, Chairman, Football Kenya Federation, IDAC (Dispute Resolution Committee), Fortune of Africa Limited Company Secretary, MMC Asafo Advocates (Associate), Chairman, UDA Party Disciplinary Committee, Murang'a Water & Sanitation Co. Ltd Company Secretray; Muranga County Budget and Economic Forum Secretariat.



NAME: Eng. Christopher O. Oanda

YOB: 1963

POSITION/KEY RESPONSIBILITIES:

Council Member; Member - Planning, Development & Grievances Committee; Member - Finance, Human Resources & General Purposes Committee;

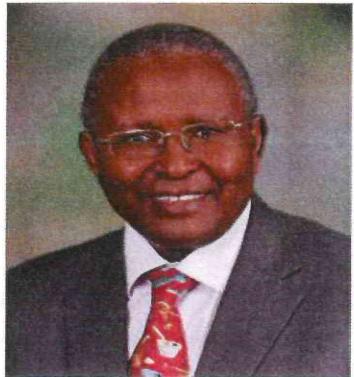
QUALIFICATION:

B.E in Chemical Engineering (Nit Burdwan University, Calcutta, India), Master of Systems Engineering MSE (Melbourne, Australia), Postgraduate Dip. In Supply Chain Management (CIPS UK)). General Electric and GIBS Management Graduate (GIBS Institute south Africa); World Bank Approved Trainer, WB Training Kigali, Rwanda.

WORK EXPERIENCE

President IFPSM, Finland - Strategic Leadership of the International Federation of Purchasing and Supply Management (IFPSM); Vice President , Finland – Strategic for Leadership of the Federation; Chair Africa Region IFPSM, UK, Strategic Leadership and development of the Federation in the African Region; Founding Chairman of the Kenya Institute of Supplies Management (KISM); Managing Partner & Director, The Global Procurement Academy Ltd (GPA), Kenya; Procurement and Supply chain Consultant, e-sokoni Consultancy Nigeria and Kenya; Head of Supply Chain – Kenya Airways; General Manager EA Area Procurement – BAT East Africa; Head of Procurement BAT Kenya; Planning and Supply Analyst-Total

Oil Kenya; Operations Research Engineer Mobil Oil Company Australia; Operation Engineer – Kenya Pipeline Company Project Engineer II – Ministry of Trade of Industry.



NAME: Prof. Isaac O. Kibwage

YOB: 1954

POSITION/KEY RESPONSIBILITY

Vice-Chancellor

QUALIFICATION

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

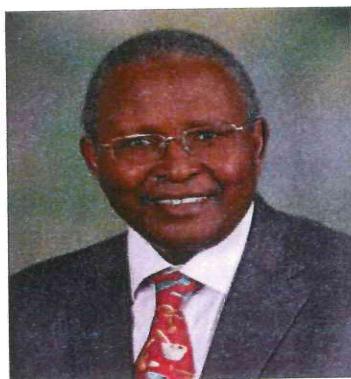
WORK EXPERIENCE

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

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

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4. UNIVERSITY MANAGEMENT BOARD



NAME: Prof. Isaac O. Kibwage

YOB: 1954

POSITION/KEY RESPONSIBILITY

Vice-Chancellor

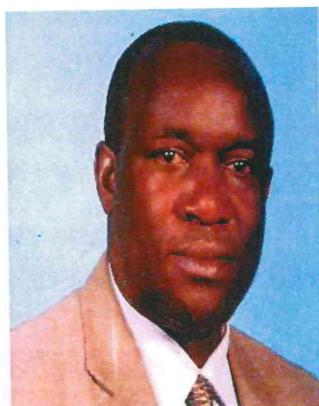
QUALIFICATION

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

WORK EXPERIENCE

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

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



NAME: Prof. Bernard O. Aduda

YOB: 1958

POSITION/KEY RESPONSIBILITY

Deputy Vice-Chancellor (Academic, Research & Extension)

QUALIFICATION

B. Ed ((UoN), MSc. ((UoN), Dip. (University of London), PhD (University of London)

WORK EXPERIENCE

Egerton University: Deputy Vice Chancellor (Academic Affairs), Principal College of Biological and Physical Sciences (UoN), Member - UoI Executive Board, Chief Coordinator - MSSEESA, Council Member - Keny Polytechnic University College, Council Member - National Council fo Science and Technology (NCST), Honorary Treasurer - Network of th African Academy of Sciences (NASAC), Fellow & Editor-in-Chief - Keny National Academy of Sciences (KNAS), Associate Dean - Kenya Scienc Campus, and Chairman - Department of Physics



NAME: Prof. Richard M.S. Mulwa

YOB: 1967

POSITION/KEY RESPONSIBILITY

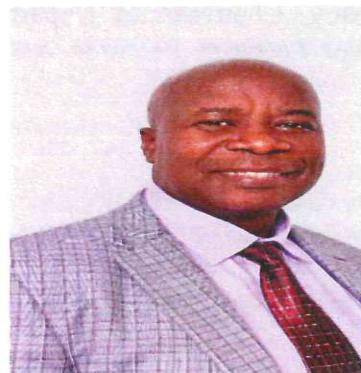
Ag. Deputy Vice Chancellor (Administration, Finance & Planning)

QUALIFICATION

Dip., BSc. (Egerton), Grad. Dip, MappSc. (Melbourne), PhD. (UIUC)

WORK EXPERIENCE

Egerton University - Ag. Deputy Vice Chancellor (Administration, Planning & Development), Associate Professor of Horticulture, Director - Crop Management Research and Training, Senior Lecturer, Lecturer, Teacher Assistant/ Research Assistant, Assistant Lecturer - Department of Crop Horticulture and Soils; University of Melbourne: PC2 Greenhouse Manager.



NAME: Prof. George M. Ogendi

YOB: 1971

POSITION/KEY RESPONSIBILITY

Ag. Principal, Nakuru City Campus College

QUALIFICATION

B.Sc. (Egerton), PGD (IPGL-Mondsee);

M.Sc. (UNESCO-IHE), PhD (ASU)

WORK EXPERIENCE

Egerton University – Ag. Principal - NCCC; Professor of Environmental Health, Director - (Directorate of Postgraduate Studies); Director – Dryland Research Training & Ecotourism Centre(DRTEC); Dean - Coordinator Dryland Research Training & Ecotourism Centre(DRTEC); Coordinator - Mpeketoni Campus; EIA Lead Expert; Fellow – Environmental Leadership Fellow - SREB



NAME: Prof. Mwanarusi Saidi

YOB: 1971

POSITION/KEY RESPONSIBILITY

Registrar (Academic Affairs)

QUALIFICATION

BSc. (Egerton), MSc. (Egerton), PhD. (Michigan/Egerton)

WORK EXPERIENCE

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



NAME: Mr. Leonard K. Chesang

YOB: 1972

POSITION/KEY RESPONSIBILITY

Ag. Registrar (Human Capital & Administration)

QUALIFICATION

BSc (Egerton), MBA (Kenyatta)

WORK EXPERIENCE

Egerton University - Ag. Registrar (Human Capital & Admin); Deputy Registrar, Senior Assistant Registrar, Assistant Registrar, Senior Administrative Assistant, Administrative Assistant, TSC – Senior teacher.



NAME: Prof. George Owuor

YOB: 1969

POSITION/KEY RESPONSIBILITY

Director Research and Extension

QUALIFICATION

Bsc (Egerton), MSc (Egerton), PhD (Sandwich Between Kiel University in Germany and Egerton)

WORK EXPERIENCE

Egerton University-Director Research and Extension since 20th February 2025; Associate Professor of Agribusiness Management since 2015; Center Leader/PI for the World Bank Funded African Center of Excellence in Sustainable Agriculture and Agribusiness Management (CESAAM)-between (2016- To date); Director Income Generating Units for 3 Years (2021-Feb 2025); Managing Director for the Agro-based University Investment Company for 4 years (2017-2021); Chair Department of Agricultural Economics and Agribusiness for 2 years (2015-2017 April); Regional Coordinator for Collaborative research and post graduate programme (CMAAE) at the African Economic Research Consortium (AERC) for 4 Years (2011-2014), President African Farm Management Association (AFMA) for 2 years (2021-2023) and consultant for numerous CGIARs, with various International Research Partnerships.



NAME: Mr. Charles Kairu Wanjohi

YOB: 1977

POSITION/KEY RESPONSIBILITY

Chief Finance Officer

QUALIFICATION

CPA (K), BSc. (Egerton), MBA (CUEA)

WORK EXPERIENCE

Egerton University – Chief Finance Officer, Ag. Finance Officer, Deputy Finance Officer, Senior Accountant; Corn Products Kenya Limited - Financial Accountant -; Sotik Tea Co. Ltd. – Senior Accountant; Sotik Highlands Tea Estates - Senior Accountant



NAME: M/s Janegrace K. Kinyanjui

YOB: 1967

POSITION/KEY RESPONSIBILITY

University Librarian

QUALIFICATION

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

WORK EXPERIENCE

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

5. CHAIRMAN'S STATEMENT

The University implemented a range of strategic activities that directly contributed to notable improvements in its Webometrics ranking during the year ending 30th June 2025. As a result of these initiatives, the University enhanced its visibility indicator by gaining 200,000 additional backlinks, with its rank improving from 3,100 to 3,300. Furthermore, substantial progress was made in openness, citations, and transparency, culminating in a global rank of 2,622. As of January 2025, the citation indicator reflected this advancement, with citations increasing from 37,575 in July 2024 to 45,743, translating to a 17.9% increase.

The Council oversaw the affixing of the University Seal to 3,540 Diploma and Degree certificates in preparation for their conferment during the 48th Graduation Ceremony. This administrative task ensured compliance with academic integrity and institutional standards. The University marked a significant milestone with its 48th Graduation Ceremony, held on 29th November, 2024. During the event, the University conferred a total of 3,540 academic awards, comprising 31 Doctorates, 172 Master's degrees, 5 Postgraduate Diplomas, 152 Diplomas, and 3,180 Bachelor's degrees. A standout highlight was the graduation of Hon. Jemma Nunu Kumba, Speaker of the South Sudan National Assembly, who earned a Master's degree in Security Studies. Her accomplishment underscored the University's commitment to accessible and flexible education, especially through its School of Distance Learning. The ceremony further demonstrated Egerton University's expanding role and impact in the higher education sector both within the region and internationally.

During the period, the Council approved several key policies and initiatives aimed at strengthening the University's operations and service delivery. These included the Alcohol, Drugs and Substance Abuse Review Policy, which provides comprehensive guidelines and strategies for prevention, support, and treatment programs to address substance abuse within the University. The Council also approved the Staff Establishment for Administrative and Support Staff, with a proposed total of 933 administrative/support staff and 100 technologists. Further, the Council endorsed the establishment of an I Hub Business Incubation Centre, dedicated to nurturing start-ups with a particular focus on agriculture-driven ventures. Additionally, the

Vehicle Management Policy was adopted to streamline the coordination and use of University vehicles across various official activities.

In line with its oversight responsibilities, the Council conducted site visits to various University facilities to better acquaint itself with the properties under its custodianship. These visits included Kenyatta Campus and Lord Egerton Castle on 12th May, 2025, the Dryland Research Training and Ecotourism Centre (Chemeron) on 13th May, 2025, and the Mpeketoni Research Centre in Lamu from 5th to 7th June, 2025. These engagements will allow Council members to make informed decisions regarding University assets and development priorities.

Significant progress was made in strengthening the University's leadership capacity through the recruitment of senior management staff to head key functional areas. The positions filled included: Chief Internal Auditor, Director of Research and Extension, Chief Finance Officer, Director of ICT, and Deputy Chief Procurement Officer. These appointments are expected to enhance operational efficiency and support the University's strategic goals.

Financial Performance

During the financial year ended 30th June 2025, the University registered an operating surplus of **Kshs 461.6 million** compared to a deficit of Kshs **18.7 million** in the financial year 2023/2024. This is a good sign that the University is on its financial recovery path. The University was funded through the Government Capitation (33%) and Appropriation in Aid (A-I-A) (67%) for its recurrent expenditure.

Strategic Direction

The 2023-2027 Strategic Plan will be achieved through the following Strategic Goals; providing quality university education and training; engaging in research, extension and outreach; enhancing governance and resource mobilization; expanding ICT and digital economy; and enhancing infrastructure and the environment. In this respect, the University recorded an improvement in the visibility indicator in the webometrics rankings, gaining 200,000 additional backlinks, rising from 3,100 to 3,300. The University also achieved notable progress in openness, citations, and transparency, attaining a global rank of 2,622. As at January 2025, webometrics rankings indicator on citations shows that Egerton University improved from 37,575 in July 2024 to 45,743 citations translating to 17.9% improvement.

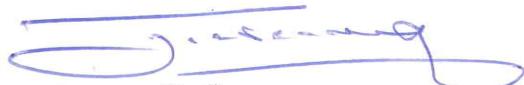
Future outlook

As the university continues to implement its 2023-2027 Strategic plan focus is now on resource mobilization through the revamping Income Generating Units (IGUs) to generate more revenue. The Directorate of IGUs Provides strategic guidance to university's departments that generate income through innovations and services to the Income Generating Units (IGUs). Our Income

“Transforming Lives Through Quality Education”

Generating Units (IGUs) are working tirelessly to re-brand their products and services for better competitiveness in the market. The Division supports these useful ideas which will boost the financial base of the University and ensure proper management of resources.

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



Prof. James K. Sang
Chairman, Egerton University Council

6. REPORT OF THE VICE-CHANCELLOR

During the financial year ending 30th June, 2025, the University remained committed to its vision of becoming a world-class institution dedicated to the betterment of humanity. In pursuit of this goal, efforts were concentrated on improving the quality of academic programs and research output, as well as strengthening partnerships with other institutions.

The 48th Graduation Ceremony, held on 29th November, 2024, was a notable achievement for the University where a total of 3,540 graduands were conferred degrees and awarded diplomas. These comprised of 31 PhD, 172 Master, 5 Post graduate Diploma, 152 Diploma and 2,180 Bachelors. A key moment was the graduation of Hon. Jemma Nunu Kumba, Speaker of the South Sudan National Assembly, with a Master's degree in Security Studies, a testament to the University's flexible and supportive learning environment, particularly through its School of Distance Learning. The event reaffirmed Egerton University's growing influence in advancing higher education both locally and globally.

On April 25, 2025, the University celebrated a major milestone by holding its inaugural Graduation Ceremony at the Dryland Research, Training and Ecotourism Centre in Chemeron, honoring 98 graduates from specialized programs in Climate Change, Hospitality Management, Tour Guiding, and Tourism Product Development. Simultaneously, 92 new students were welcomed, reflecting the University's ongoing growth and dedication to academic excellence. This milestone enhanced the University's reputation and reinforced its role in equipping graduates with skills to contribute meaningfully to both the community and economy.

In March 2025, three Computer Science students won second place in the Sub-Saharan Africa Innovation Competition, showcasing the University's role in fostering cutting-edge innovation. Their project, the "Silicon Savanna" Smart Air Quality Monitoring System, advanced to the global finals in China, where it secured third prize, a testament to the team's dedication and technical skill. This achievement reinforces the University's commitment to nurturing practical technologies and applied research, further strengthening its reputation as a leading hub for innovation and real-world problem-solving.

The University has recorded an improvement in the visibility indicator in the webometrics rankings, gaining 200,000 additional backlinks, rising from 3,100 to 3,300. The University also achieved notable progress in openness, citations, and transparency, attaining a global rank of 2,622. As at January 2025, webometrics rankings indicator on citations shows that Egerton University improved from 37,575 in July 2024 to 45,743 citations translating to 17.9% improvement.

The University hosted a successful Career Fair on 11th April, 2025, that brought together key stakeholders—including top companies, government agencies, NGOs, and community organizations—to connect students with industry opportunities. The event offered students direct access to potential employers, internships, mentorships, and networking with institutions such as Equity Bank, Absa, DT Bank, and KMFRI, helping them align their academic paths with real-world career prospects. For the University, the fair underscored its commitment to linking academia with industry, enhancing graduate employability, and strengthening alumni-industry partnerships through the involvement of accomplished alumni who provided guidance and shared their professional journeys.

“Transforming Lives Through Quality Education”

On 22nd November, 2024, the University in collaboration with Equity Bank agreed to jointly plant 100,000 tree seedlings. The University provided land to plant the seedlings as part of the government initiative to plant 15 billion trees by 2032.

The University in collaboration with the Food and Agriculture Organization (FAO) is implementing the Groundnut Project in Turkana County since 2020. This partnership has significantly improved food security and community resilience by providing aflatoxin-free groundnut seeds and promoting sustainable farming practices among local and refugee communities. The initiative also laid the groundwork for a community-based seed system and opened opportunities to expand into other resilient crops like sorghum and millet. This collaboration has not only strengthened the agricultural landscape in Turkana but also set a foundation for long-term sustainable development and empowerment of vulnerable populations.

The University, the MasterCard Foundation and Regional Universities Forum for Capacity Building In agriculture (RUFORUM) reviewed the ongoing partnership under the Transforming African Agricultural Universities to Meaningfully Contribute to Africa's Growth and Development (TAGDev) program and its transition from TAGDev 1.0 to TAGDev 2.0. The collaboration has been instrumental in empowering youth—especially women—through education, agriculture-focused research, and entrepreneurship. TAGDev 2.0 will adopt a more targeted approach to create sustainable jobs and foster inclusive development.

The University successfully hosted Agriculture Week on 18th and 19th March, 2025, bringing together students, researchers, and industry leaders to explore the future of agriculture in Africa, with a strong emphasis on sustainability and innovation. A major highlight was championing youth involvement in transforming agriculture through climate-smart practices, mechanization, and digital technologies. This is in line with the University's mission to equip students with modern agricultural skills and promote eco-friendly, productive farming.

On 7th March, 2025, the University hosted the 2nd Annual Kenya Nutritionists and Dietetics Students Association (KENDSA) Conference, focusing on "Nutrition and Technology: A Digital Revolution in Dietary Health." The event gathered students, researchers, and experts to discuss the transformative role of technology, especially Artificial Intelligence, in advancing nutrition and health practices. Highlighting innovations like AI integration and affordable nutritious meal solutions, the conference underscored the University's leadership in nutrition education and research.

The 11th Edition of the Mau-Egerton Cross Country run, took place on 1st March, 2025, and presented a significant opportunity for the University to strengthen partnerships with stakeholders while championing environmental conservation. Building on its successful restoration of 25 acres of forest and river rehabilitation near the Njoro campus, the University is focusing on addressing critical environmental challenges at Kenyatta and Keringet Dams in Nakuru County. Serving as a key fundraising platform, the event highlights the University's leadership in ecological restoration and community engagement, reinforcing its commitment to sustainable development and conservation efforts.

The University engaged with a distinguished delegation from Sorbonne University and the French Embassy on 31st October, 2024, to review the fruitful collaboration established under their 2019 MoU. This partnership has enriched the University through student and faculty exchanges and the launch of major research projects funded by Erasmus+ and Pamoja Grants.

positively impacting the academic community. This collaboration underscores the University's commitment to international partnerships, academic excellence, and addressing global challenges.

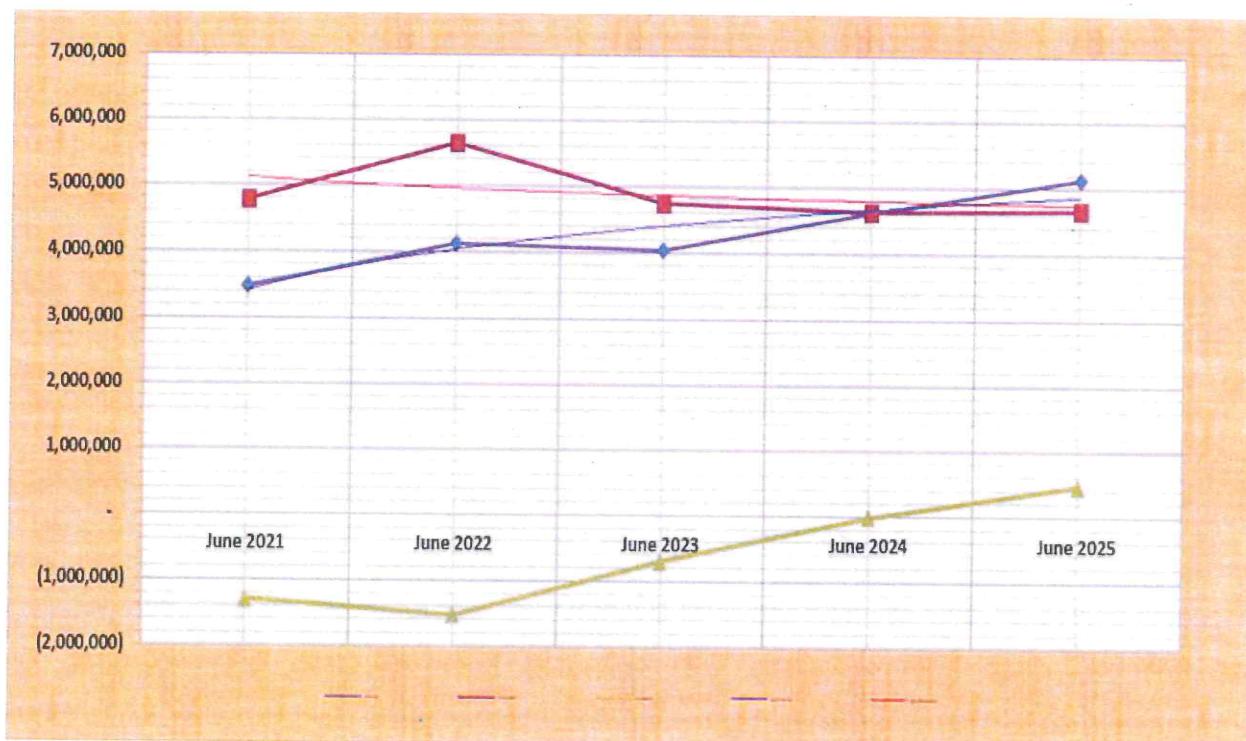
Egerton University successfully hosted the 2024 Kenya Universities Performing Arts Association (KUPAA) event in November, 2024 themed "Embracing Performing Arts for Social Behaviour Change," with participation from 38 universities nationwide. This successful hosting reinforces the University's vital role as a key partner in advancing social change through the performing arts.

Financial Performance

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

Five-year Surplus/Deficit Trends

Income/Expenditure (Kshs 000's)	June 2021	June 2022	June 2023	June 2024	June 2025
Total Income	3,476,063	4,120,139	4,039,691	4,608,550	5,116,731
Total Expenditure	4,775,539	5,648,042	4,746,275	4,627,280	4,655,132
Surplus/(Deficit)	(1,299,476)	(1,527,902)	(706,584)	(18,729)	461,599
Exp as a %age of income	137%	137%	117%	100%	91%



Five-year Surplus/Deficit Trends

Revenue has been declining from the year 2016 up to the FY 2022/2023 and finally the university posted a surplus in the FY 2024/2025. From the FY 2023/2024 the A-i-A incomes have been on the rise following the introduction of the New Funding Model.

"Transforming Lives Through Quality Education"

During the year ended 30th June 2025, the University realized an operating surplus of **Kshs 461.6 million**. This is as a result of increase in tuition fee incomes from the NFM, The additional GoK funding of **Ksh 488.9 million** in Supplementary II and control of costs through austerity measures.

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



Prof. Isaac O. Kibwage, PhD, HSC
VICE CHANCELLOR

7. STATEMENT OF PERFORMANCE AGAINST PREDETERMINED OBJECTIVES FOR FY 2024/2025

Egerton University has 5 Strategic Goals within the current Strategic Plan for the year 2023-2027. These strategic goals are as follows:

Strategic Goal 1: Provide Quality University Education and Training

Strategic Goal 2: Engage Research, Extension and Outreach

Strategic Goal 3: Enhance Governance and Resource Mobilization

Strategic Goal 4: Expand ICT and the Digital Economy

Strategic Goal 5: Enhance Infrastructure and the Environment

The University develops its annual work plans based on the above 5 Strategic Goals. Assessment of the Board's performance against its annual work plan is done on a quarterly basis. The University achieved its performance targets set for the FY 2024/2025 period for its five Strategic Goals as indicated in the diagram below:

Strategic Goal	Objectives	Key Performance Indicators	Activities	Targets	Achievements
Strategic Goal 1	Students Completion Rate	%	1. Improve Students Completion Rate from 52.3% to 80%	100	71.9
	Proportion of Academic Staff with PhD Degree	%	1. Increase the proportion of Academic staff with PhD from 64% to 66%	66	65.33
	Students on Continuing Education Programme	Number	1. Number of Self sponsored undergraduate students enrolled in academic year 2. Number of Post graduate students enrolled in academic year	200 30	254 127
Cultural Events Undertaken	Number		1. Hold one (1) Culture Week event 2. Two mentorship programmes	1	1
Students Mentored	%		1. Establish Career Coordination Office 2. Capacity Building on Competence Based Education and Training(CBET) for University Academic Staff	100	100
CBC Readiness	%		1. Capacity Building on Competence Based Education and Training(CBET) for University Academic Staff	100	100

	University Niching	%	1. Prepare one policy brief 2. Publish Egerton University Journal in Science and Technology Series	100	100
	Library Resources Expanded		1. Increase e-journals by 2100 from 99,786 to 101,981 2. Increase e-books by 2,000 from 441,899 to 443,899 3. Upload 150 research publications to the Egerton University Repository	100	100
Postgraduate Students Completion Rate Improved	Postgraduate Students Completion Rate Improved	%	1. Postgraduate Completion Rates Improved	100	0
	Research Publication Increased	No.	1. Publish five hundred and thirty one (531) Research Papers	531	336
Strategic Goal 2	Agro-Based Science Park Enhanced	%	1. Raise Ksh. 1.0M target to equip and operationalize Agro-Based Science Park 2. Commercialization of one of the newly developed varieties of beans and groundnuts 3. Develop one machine for mechanization of beans threshing 4. Patent one new pigeon Pea Variety	100	85
Science Technology and Innovation (STI) Mainstreaming		%	1. Collaborations and partnerships in RSTI Established 2. Technology(ies) and / or innovation(s)transferred	100	100
Research Outputs Disseminated	Number		1. Hold one (1) International Research Conference. 2. Hold one post graduate research dissemination workshop 3. Hold one farmers field day	3	3
Community Outreach Programmes	Number		1. Conduct two(2) community information sessions on targeted farm enterprise development	2	2
Researchers			1. Hold two (2) Sensitization sessions for staff on the incentives in	100	100

	Incentivized		Research	
		2. Recognize and reward three(3) researchers who have won significant proposals		
Research on Dry land Food and Feed Resources Enhanced	%	<ol style="list-style-type: none"> 1. Prepare and submit one (1) research proposal on dry land resources management 2. Complete and operationalize reptile park at DRTEC 3. Raise six thousand (6000) tropical fruit seedlings at the Chemeron DRTEC Tree Nursery and Mpaketoni Field Station 4. Introduce one(1) acre drip irrigation system at Chemeron DRTEC 	100	76.25
University-Industry Linkages Established	%	<ol style="list-style-type: none"> 1. Implement Partnership with one (1) firm for incubation of innovations 2. Implement one linkage with industry for students attachment 	100	100
Strategic Goal 3	Implementation of Citizens' Service Delivery Charter	%	<ol style="list-style-type: none"> 1. Display the Citizens' Service Delivery Charter prominently at the point of entry/service delivery points in both English and Kiswahili using the prescribed format; 2. Customize the charter to unique needs and convenient access of the customers by translating the Charter to Braille, providing mechanisms for sign language, providing audio recordings and uploading the Charter on the MDA's online platforms; 	100
			<ol style="list-style-type: none"> 3. Sensitize staff on the Citizens' Service Delivery Charter; 4. Ensure conformity with commitments and standards in the 	95

		Citizens' Service Delivery Charter by establishing compliance to the commitments stipulated in the Charter through undertaking quarterly monitoring, analyzing and compiling compliance quarterly reports		
Resolution of Public Complaints	%	<ol style="list-style-type: none"> 1. Resolving all complaints received 2. Processing requests on access to information received 	100	100
Productivity Improvement	%	<ol style="list-style-type: none"> 1. Develop work place productivity improvement strategy 2. Implement work place productivity improvement strategy 3. Validate data and compute productivity Index 4. Improve Index from 1.5 to 2.0 5. Submit quarterly productivity reports to 6. Submit quarterly performance reports to NPCC using the prescribed format 	100	100
Asset Management	%	<ol style="list-style-type: none"> 1. Update inventory of assets 2. Acquire assets ownership documents 3. Dispose idle assets 	100	60
Competence Development	%	<ol style="list-style-type: none"> 1. Undertake Staff Training Needs Assessment. 2. Address the identified skills gaps and training needs through interventions such as recruitment, outsourcing, capacity building, 	100	85

			training, coaching, mentoring, etc.	
		3.	Undertake Employee Performance Management by carrying out the following: i) Set individual employees annual performance targets for FY 2024/25 using the prescribed format by 31st July, 2024(10%)ii) Undertake Staff Performance Appraisal for all employees and compile the appraisal report for the FY 2023/24 by 31st August, 2023 (15%) and iii) Develop an action plan and implement the recommendations emanating from the staff appraisal reports (15%)	
National Values and Principles of Governance	%	100	100	<p>Implement measures to support the five pillars of the Government Plan as outlined in the Bottom Up Economic Transformation Agenda (2022-2027) namely: Agriculture 2. Leverage on digitization and automation of government processes to 80% government services online; (i) Implementation of Microsoft Dynamics 365 Business Central in serving students</p> <p>3. Enhance adherence to the provisions of Article 10 of the Constitution through civic education, training and sensitization and mainstreaming of national values and principles of governance</p> <p>4. Continue to implement measures to protect the environment and mitigate climate change;</p>

			5. Measures taken and progress achieved in the realization of National Values and Principles of Governance reported		
	Youth Internships/ Industrial Attachments/ Apprenticeships	Number	1. Youth internships. 2. Industrial attachment	265	504
Strategic Goal 4	Digitalization of Government Services	%	<ol style="list-style-type: none"> 1. Identify core services and prioritize for BPR 2. Re-engineer end-to-end at least two core services 3. Re-engineered service processes 4. Digitalized Digitalize all customer facing services on-boarded onto the e-citizen platform, 	100	100
Strategic Goal 5	Project Completion Rate	%	<ol style="list-style-type: none"> 1. GOK Funded International Centre for Genetic Engineering & Biotech 2. Enterprise Resource Planning (ERP) System 	100	58.9
	Implementation of Presidential Directives	%	<ol style="list-style-type: none"> 1. Grow a minimum of 40,000 trees 2. Mobilize key stakeholders to grow trees, in liaison with the State Department for Forestry 	100	101.42

8. CORPORATE GOVERNANCE STATEMENT

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

Roles and Functions of the Council

The Council consists of eight members- the Chairman four (4) Independent members, representative of the Permanent Secretary, The National Treasury, the Representative of the Principal Secretary, State Department for University Education and Research, Ministry of Education, and the Vice Chancellor as ex-officio member and Secretary to the council. The members of the Council have been shown on pages xii - xv. The functions of the Council are:

- a) Employ staff; (appoint Professors & Senior Staff in Grades XV & above); appoint the Vice Chancellor & Deputy Vice-Chancellors in consultation with the Cabinet Secretary responsible for University Education after a competitive process conducted by Public Service Commission; consider disciplinary matters for Principals, Deputy Vice Chancellors & Vice Chancellor).
- b) Approve the statutes of the University and cause them to be published in the Kenya Gazette;
- c) Approve the policies of the University;
- d) Approve the budget;
- e) Manage, supervise and administer the assets of the University in such a manner as best promotes the purpose for which the University is established;
- f) Determine the provisions to be made for capital and recurrent expenditure and for reserves of the University;
- g) Receive any grants, donations or endowments on behalf of the University and make legitimate disbursements there from;
- h) Enter into association, collaboration or linkages with other bodies or organizations within or outside Kenya as the University may consider desirable or appropriate and in furtherance of the purpose for which the University is established;
- i) Open a banking account or accounts for the funds of the University;
- j) Undertake other functions set out under this Act and the Charter.

Committees of the Council

The Committees of the Council have delegated authority to assist the Council effectively carry out its obligations. The University Council and its Committees are supported by the University Management Board which consists of nine members.

The Council has four Committees namely:

1. Audit, Governance and Risk Management Committee
2. Finance, Human Resources and General Purposes Committee
3. Planning, Development & Grievances Committee
4. Academic and Research Committee

The Terms of Reference for the Committees of Council are:

1. Audit, Governance and Risk Management Committee

The Committee ensures compliance to internal control processes, accurate preparation of financial reporting of results, operations and statements in compliance with legal and statutory requirements and standards, ensures the University complies with internal and external audits, develop risk management strategies, monitor institutional governance, and monitor compliance of the performance contract, and quality assurance.

2. Finance, Human Resources and General Purposes Committee

The Committee recommends to the Council for its approval the annual report and financial statements, annual estimates and expenditure, recommend policies on finance and human resource to Council for approval, decide on disciplinary matters for staff in Grade XIII-XV, and shall pay due regard to the necessity to refer matters of major importance to the Council for final approval.

3. Planning, Development & Grievances Committee

The Committee mobilizes financial resources for the development of the University, take charge for all arrangements for planning and development of the University and construction of new buildings, advocate on behalf of the University and enhance the marketing of the University locally and internationally, provide advice and assistance to Deputy Vice-Chancellor (Administration, Planning and Development) with respect to corporate sponsorship and private

source fund raising activities, determine staff, students and other stakeholder's grievances, determine staff and students appeal against disciplinary action and pay due regard to the necessity to refer matters of major importance to the Council for final approval.

4. Academic and Research Committee.

The Committee advises on the development and implementation of academic and research programmes and policies; make recommendations for the sourcing, administration and distribution of scholarships; oversee a reward scheme for excellence in teaching, research and extension; receive regular reports from and provide advice to the Deputy Vice-Chancellor (Academic Affairs) and the Deputy Vice-Chancellor (Research and Extension) on the development of policy and procedures relating to academic and research; approve the Tegemeo Institute's annual budget, business plans and policies; ensure good management and identify risk and internal controls in the Tegemeo Institute; promote and integrate good corporate governance at the leadership management and in all levels of the Tegemeo Institute; strategize on the Tegemeo Institute's development and sustainability; and consider and report any matter referred to it by the Council and Senate.

Council Meetings Attendance Financial Year 2024/2025

The board meetings are restricted to a minimum of four (4) as provided in the State Corporations Act and capped at a maximum six (6) for each financial year and same principle apply to respective Committees. As guided under Mwongozo, the code of governance for State Corporations, a Board may establish not more than four (4) Committees. The number of members to any Committees should be no more than one third (1/3) of the full Board to obviate the risk of a committee conducting its business within the framework of a full Board structure. Further, members can only sit in a maximum of two committees with any exception with a written approval of the respective Cabinet Secretary in consultation with SCAC. Where a Board does not have appropriate skills within its membership for purposes of effectively discharging its mandate, it may with approval of SCAC, co-opt members on a need basis for a specified duration. Below is the summary of attendance of Board members in various meetings held in the financial year ending 30th June 2025.

a. Attendance Board One – July 2024 to August 2024

	Council Member	AG&RM 16/7/24	A&R 17/7/24	PDG 18.7.2024	FHR&GP 19/7/24	CM 02/8/24	I/RAP 19/8/2024	SCM 26/8/24	EOPC 27/8/24
1	Dr. L.H. Wario					X	X		X
2	Julius Mutua	X			X	X	X	X	X
3	Mr. Paul Maina Mwangi		X	X		X	X		X
4	Hon. Gideon Kimutai Koske		X		X	X	X	X	X
5	Ms. Brenda Lubisia	X	X			X			
6	Mr Charles Ngugi Njenga	X		X		X			X
7	Eng. Christopher O. Oanda			X	X	X	X	X	
8	Prof. Isaac O. Kibwage		X	X	X	X	X		X

b. Attendance Board One – September 2024 to October 2024

	Council Member	PDG 9/9/24	AG&RM 23/9/24	FHR&GP C24/9/24	CR 25/9/2024	CR 26/9/2024	SCM 27/9/24	SFHR&GP P 3/10/24	AG&RM 15/10/24	TA&R 16/10/24	PDG 17/10/24	FHR&GP1 8/10/24	SFHR&GP 30/10/24
1	Dr. L.H. Wario				X	X	X						
2	Julius Mutua		X	X	X	X	X	X	X			X	X
3	Mr. Paul Maina Mwangi	X			X	X	X			X	X		
4	Hon. Gideon Kimutai Koske			X	X	X	X	X		X		X	X
5	Ms. Brenda Lubisia		X		X	X	X		X	X			
6	Mr Charles Ngugi Njenga	X	X		X	X	X		X		X		
7	Eng. Christopher O. Oanda			X	X	X	X	X			X	X	X
8	Prof. Isaac O. Kibwage	X		X	X	X	X	X					X

c. Attendance Board Two – November 2024 to January 2025

	Council Member	CM 01/11/24	GC 14/11/24	GC 29/11/24	PC 04/12/2024	AG&RM 14/1/25	A&R 15/01/25	PDG 16/01/25	FHR&GP 17/01/25	CM 31/1/2025
1	Dr. L.H. Wario									
2	Julius Mutua	X	X	X		X			X	X
3	Mr. Paul Maina Mwangi	X	X	X			X	X		X
4	Hon. Gideon Kimutai Koske	X	X	X	X		X		X	X
5	Ms. Brenda Lubisia	X	X	X		X	X			X
6	Mr Charles Ngugi Njenga	X	X	X		X		X		X
7	Eng. Christopher O. Oanda	X	X	X	X			X	X	X
8	Prof. Isaac O. Kibwage	X	X				X		X	X

d. Attendance Board Two – February 2025 to April 2025

	Council Member	PC 17/2/25	IDR 18/2/25	IR&CIA 19/02/25	I/RP 20/2/25	I/RP 21/2/25	CM 26/2/25	PDG 09/04/25	AG&RM 14/4/25	A&R 15/4/25	FHR&GP 16/04/25
1	Dr. L.H. Wario										
2	Julius Mutua		X	X	X	X			X		X
3	Mr. Paul Maina Mwangi		X	X	X	X	X	X		X	
4	Hon. Gideon Kimutai Koske	X	X	X	X	X				X	X
5	Ms. Brenda Lubisia		X	X	X	X			X	X	
6	Mr Charles Ngugi Njenga		X			X	X	X			
7	Eng. Christopher O. Oanda	X	X	X	X	X	X	X			X
8	Prof. Isaac O. Kibwage	X	X	X	X	X		X		X	X

e. Attendance Board Two – May 2025 to June 2025

	Council Member	CM 2/05/2025	CTM 12/05/25	CM 13/05/25	ACM 20/05/25	CR 06/06/25	CTM 24/06/25	CTM 26/06/25	CTM 27/06/25
1	Dr. L.H. Wario								
2	Julius Mutua		X	X	X	X			
3	Mr. Paul Maina Mwangi		X	X	X	X			
4	Hon. Gideon Kimutai Koske		X	X	X	X			
5	Ms. Brenda Lubisia		X	X	X	X			
6	Mr Charles Ngugi Njenga		X	X	X	X	X	X	X
7	Eng. Christopher O. Oanda		X	X	X	X			
8	Prof. Isaac O. Kibwage		X	X	X		X		

Key	Description
1 AG&RM	Audit, Governance & Risk Management Committee
2 CM	Full Council meeting
3 EMCC	Egerton Mau Cross country
4 FHR&GP	Finance, Human Resources & General Purposes Committee of Council Meeting
5 GC	Graduation Ceremony
6 GHA	Grievances Handling & Appeals Committee
7 PCN	Performance Contract Negotiation
8 PDG	Planning Developments & Grievances Committee
9 SCM	Special Council Meeting
10 SHDC	Sealing and Honorary Degree Committee
11 TA&R	Tegemeo, Academic & Research Committee
12 EOPC	Evaluation of Performance Contract
13 SFHR&GP	Special Finance Human Resources & General Purpose Committee of Council Meeting
14 VPC	Vetting of Performance Contract
15 I/RP	Interviews/Reviews for Professors Grade 15
16 RSL	Review for the Post of Senior Lecturer Grade 13
17 IDR	Interview for Post of Deputy Registrar Grade 14
18 IS	Interview for Staff in Grade 13
19 GC	Graduation Ceremony
20 CTM	Consultative Meeting

Appointment, Removal from Office and Succession Plan

The Chair of Council is appointed by the Head of State of the Republic of Kenya and Council members are appointed by the Cabinet Secretary, Ministry of Education. The chairman of the council's term expired on 5th October 2024 and thus Amb. Dr Hukka Wario exited from the University Council.

The members' appointment can be revoked by the Cabinet Secretary, Ministry of Education. Members may also resign or be removed when they fail to attend three consecutive meetings.

Council Remuneration

Council members are remunerated as per guidelines set out by the Office of the President (State Corporations Advisory Committee), circulars and the National Treasury and Economic Planning directives in respect to sitting allowances, mileage and accommodation costs. These expenses have been shown under Note 15 to the Financial Statements.

Induction and Training

Council Members attended an induction workshop at Lemaiyan Suites, Naivasha where they were trained by the State Corporations Advisory Committee, on corporate governance. The training took place between 25th September and 26th September, 2024.

Council and Member Performance

The members did self-evaluation on 27th August, 2024 for the Financial Year, 2023/2024 and the results were released by Officers of the State Corporations Advisory Committee. The next Self-evaluation for the financial year 2024/2025 will be done on 17th September 2025.

Conflict of Interest

A register of conflict of interest is availed to members in every meeting for them to declare their interest.

Conduct of Conduct and Ethics

Members signed a Code of Conduct and Ethics on appointment.

9. MANAGEMENT DISCUSSION AND ANALYSIS

ANALYSIS OF OPERATIONAL AND FINANCIAL PERFORMANCE

i. Revenue

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

Table 1: Five-year Revenue trend

Income Type	June 2021	June 2022	June 2023	June 2024	June 2025	Note
Revenue from Exchange Transactions	720,523	1,148,745	1,024,821	1,682,798	2,753,666	12-13, 25
Revenue from Non-Exchange Transactions	2,755,540	2,971,394	3,014,871	2,925,753	2,363,064	6-11
Total Income	3,476,063	4,120,139	4,039,691	4,608,550	5,116,731	

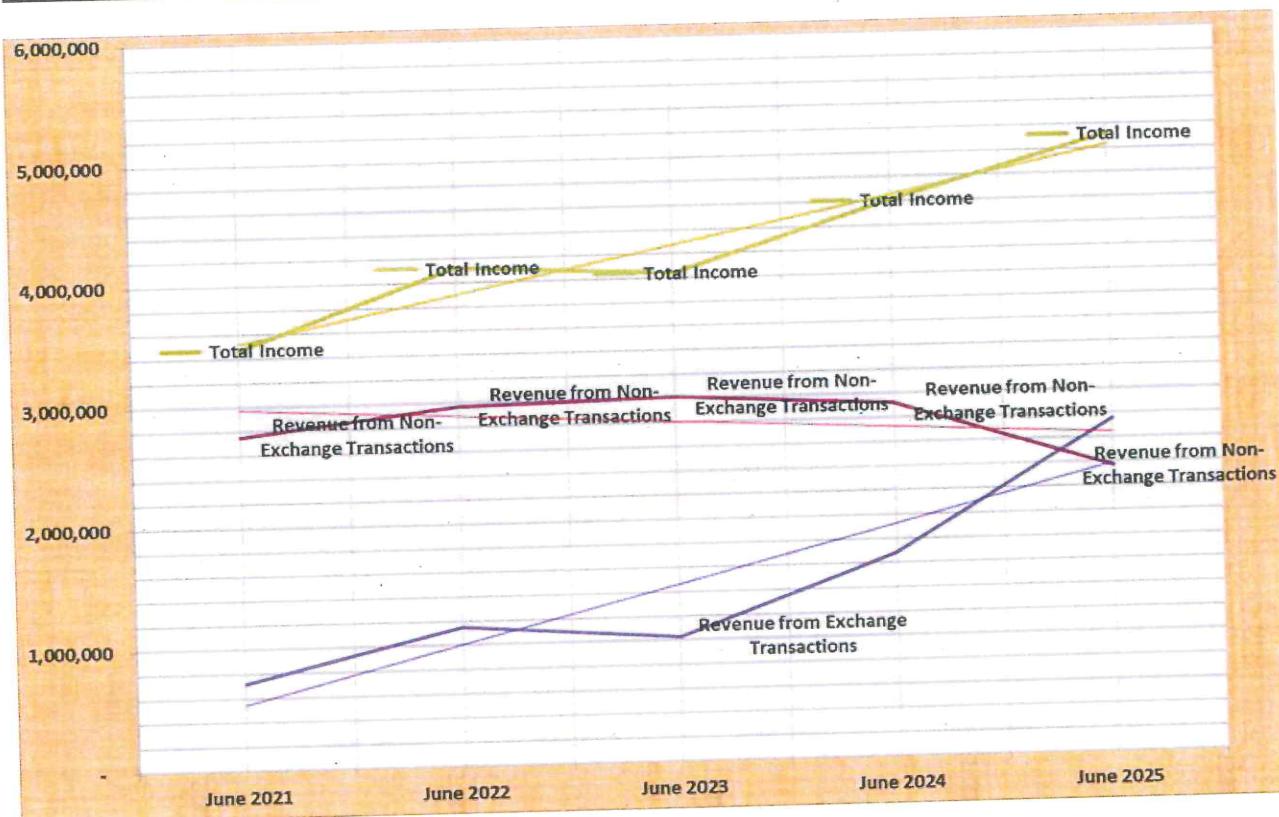


Figure 1: The trend of Revenue over the last five years

The University's revenue has consistently declined over the years but has started increasing following introduction of the NFM in the FY 2023/2024. However, GoK and other donors (Revenue from Non- exchange transactions) is no longer the biggest source of income meaning with the introduction of the New Funding Model the university is now able to support most of its operations from incomes raised from students. The external sources of funding accounted for 46% of all revenue for the year ended 30th June 2025 compared to 63% in the FY 2023/2024.

ii. Expenses

Notwithstanding the increase in revenue as shown above, expenses remained largely constant especially those expenses that do not depend on level of activity in the University. The increase in the staff costs was as result of implementation of the signed 2021-2025 CBAs from October 2024.

The Management instituted austerity measures aimed at containing expenditure to the best extent possible. The following table 2 and figure 2 indicate the expenditure trends over time:

Table 2: Five-year expenditure trends

Expenditure Type	June 2021	June 2022	June 2023	June 2024	June 2025	Note
Staff Costs	3,189,990	3,319,707	3,021,255	2,785,960	3,006,634	14
Other Expenses	1,585,548	2,328,355	1,725,020	1,841,320	1,648,498	15-24
Total Expenses	4,775,539	5,648,062	4,746,275	4,627,280	4,655,132	

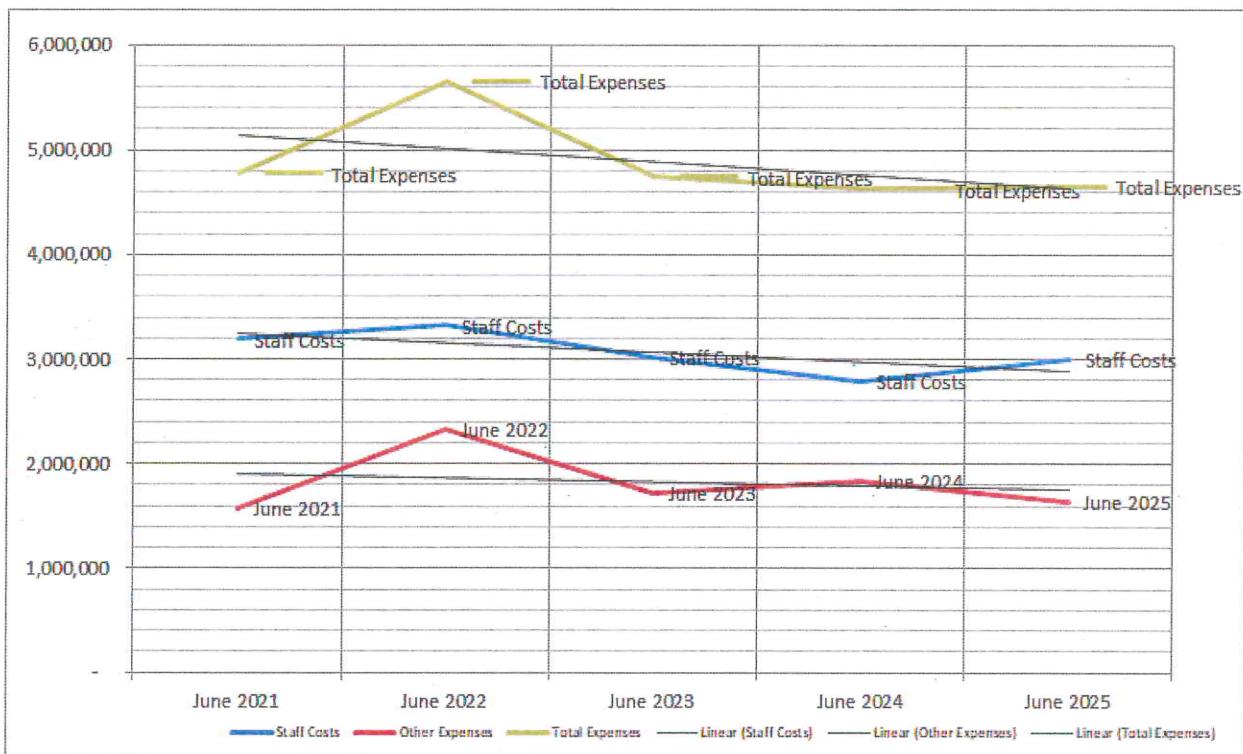


Figure 2: The trend of Expenditure over the last seven years

As shown above, the expenses of all categories have been declining over the years as a result of austerity measures instituted by management.

Staff cost constitute the highest proportion of expenses with a five-year average being 63% (2025-65%).

iii. Incomes versus Expenses Trends

The deficits have been on decreasing trend and finally the University has reported a surplus in the current FY. This is a good sign that the University is on its financial recovery

Table 3: Five-year Incomes against expenditure trends

Income/Expenditure (Kshs 000's)	June 2021	June 2022	June 2023	June 2024	June 2025
Total Income	3,476,063	4,120,139	4,039,691	4,608,550	5,116,731
Total Expenditure	4,775,539	5,648,042	4,746,275	4,627,280	4,655,132
Surplus/(Deficit)	(1,299,476)	(1,527,902)	(706,584)	(18,729)	461,599
Exp as a %tage of income	137%	137%	117%	100%	91%

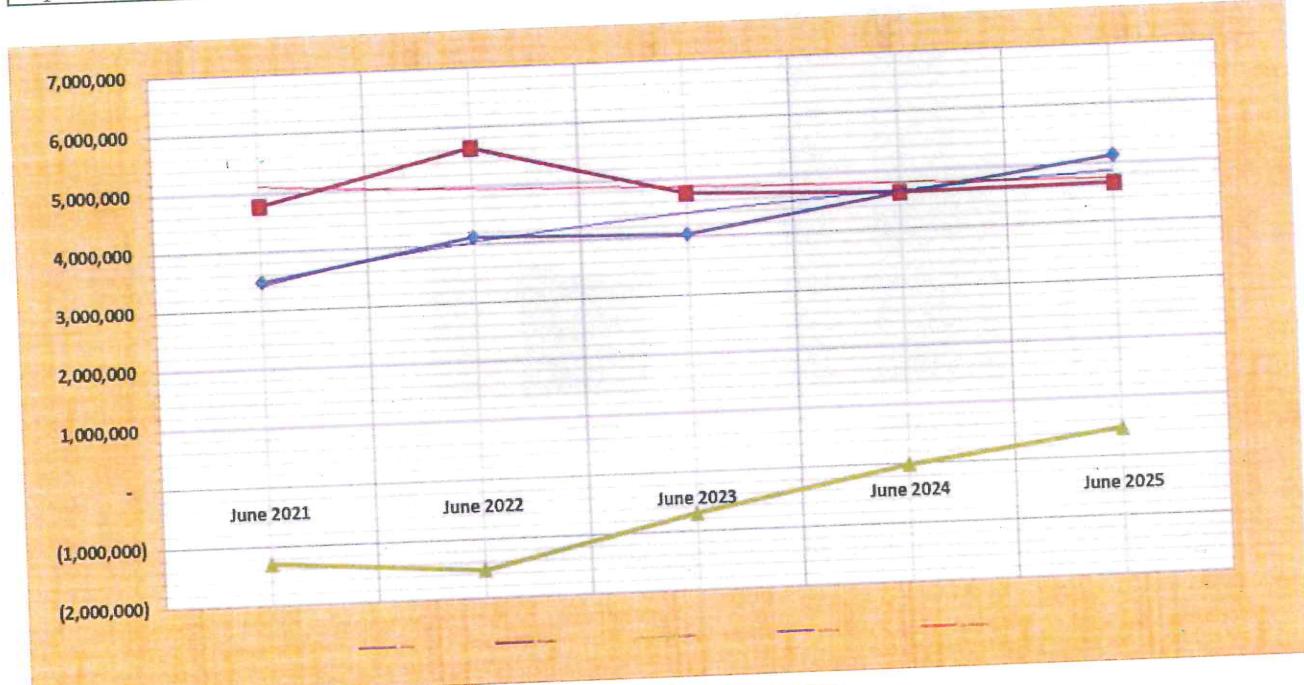


Figure 3: The trend of Incomes and Expenditure over the last seven years

ANALYSIS OF FINANCIAL POSITION

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

i. Property, Plant and Equipment

Table 4: Five-year Net Book Values of Property Plant and Equipment (Ksh "000")

Type of Property	Ksh "000"			Percentage proportions		
	Land & Buildings	W.I.P	Other Assets	Land & Buildings	W.I.P	Other Assets
30-06-2021	4,236,880	904,435	51,235	82%	17%	1%
30-06-2022	4,137,729	912,669	51,235	81%	18%	1%
30-06-2023	4,038,579	973,952	24,934	80%	19%	0%
30-06-2024	3,943,430	947,929	20,583	80%	19%	0%
30-06-2025	3,844,312	979,629	14,500	79%	20%	0%

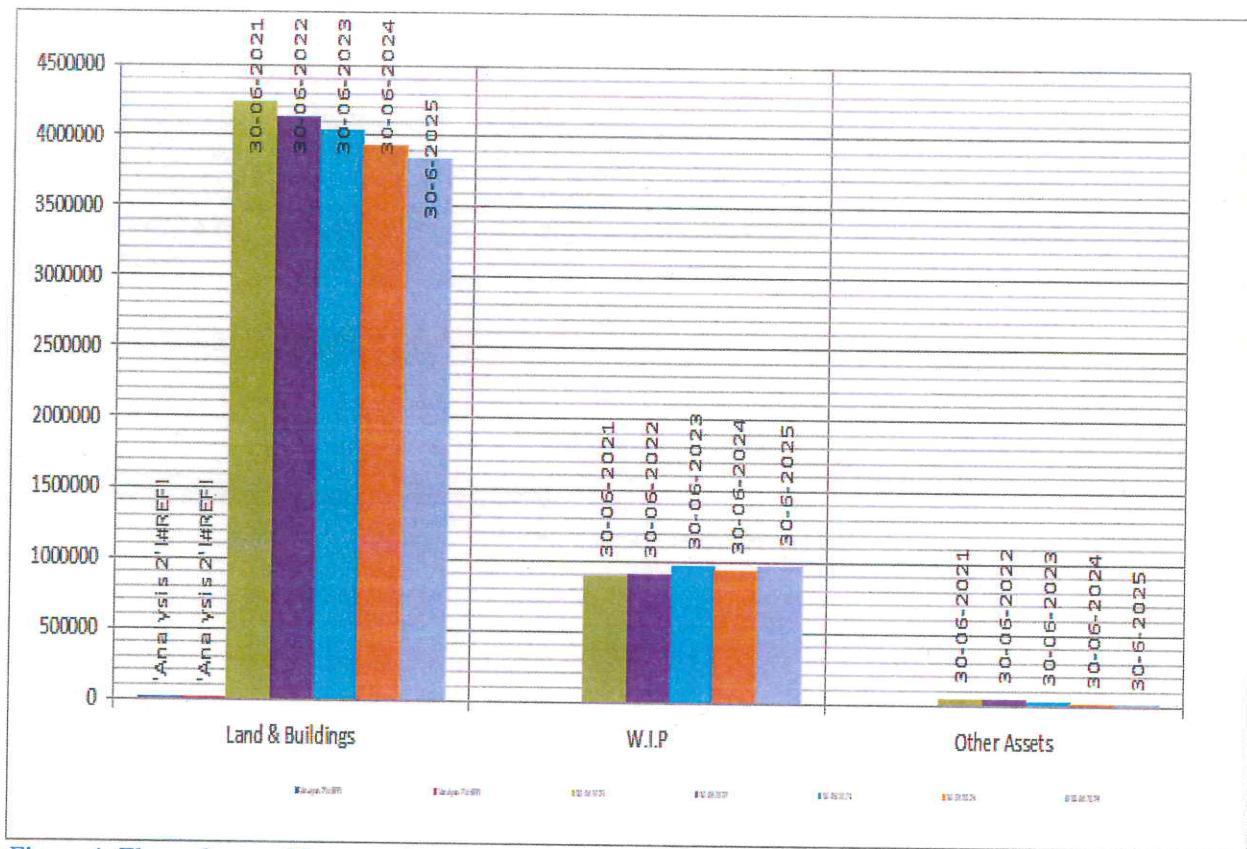


Figure 4: The make-up of Property, Plant and Equipment (Kshs. "000")

ii. Working Capital

The Net Working capital; the difference between current assets and current liabilities is shown in Table 5 and Figure 5 for the last five years:

Table 5: Five-year Net Working Capital figures (Ksh "000")

Current Assets	June 2021	June 2022	June 2023	June 2024	June 2025
Total Current Assets	2,047,092	1,697,072	1,815,729	2,532,691	3,232,162
Total Current Liabilities	4,729,574	8,570,106	9,464,484	9,994,817	10,164,042
Net Working Capital	(2,682,482)	(6,873,034)	(7,648,754)	(7,462,126)	(6,931,880)

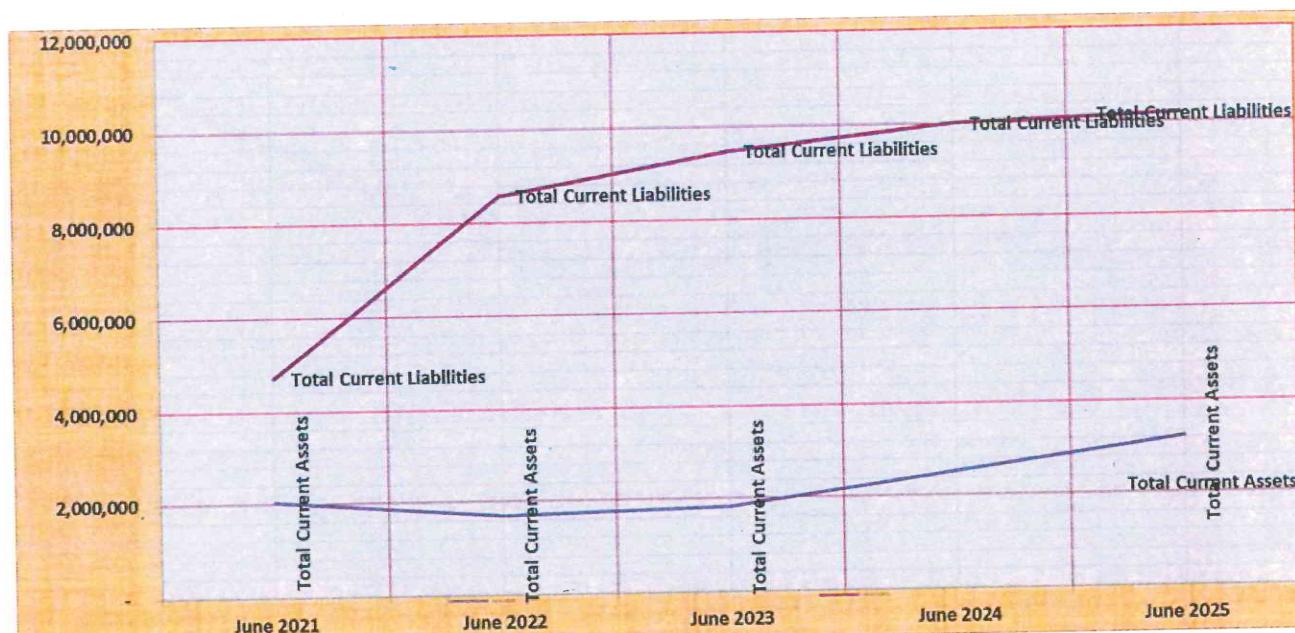


Figure 5: The trend of Net Working Capital over the five-year period (Ksh 000")

Net Working Capital Trend

The Net working capital remained positive until 2016 but dipped to negative territory in the last nine financial years; 2017, 2018, 2019, 2020, 2021, 2022, 2023, 2024 and 2025. The university has shown some improvement in the current FY. This can be explained by the fact that, since 2016 the university has been accumulating pending bills at an increasing rate a trend that has started to reverse in the current FY.

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

Current and quick ratios

Current ratio (current assets/current liabilities) and quick ratio (Current Assets-Inventory)/Current liabilities) has continued to decline over the eight-year period, the ratios were only healthy at more than 1:1 in the year ended June 2016. In the year ended June 2025, they ratios have fallen to 0.30 (0.19 June 2024) quick ratio and 0.31 (0.20 June 2024) current ratio as shown in Table 6 below.

Table 6: Five-year trend of Current and Quick Ratios

Current Assets	June 2021	June 2022	June 2023	June 2024	June 2025
Current ratio	0.23	0.23	0.19	0.25	0.32
Quick ratio	0.21	0.21	0.18	0.25	0.31

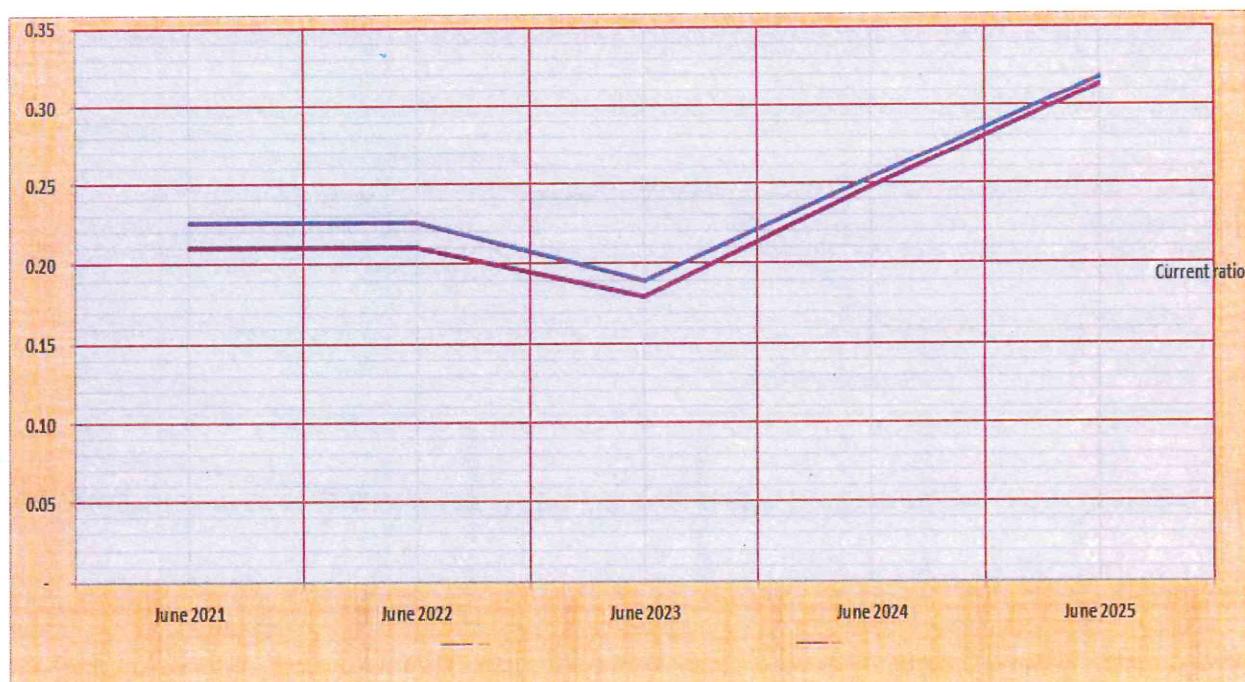


Figure 6: The trend of Current Ratio over the five-year period

The optimal quick ratio is 1:1 or higher, but the University's ratio in June 2025 is 0.31 which means that current liabilities cannot be met from current assets without the need to sell inventory and agricultural assets. This is a challenge since the University inventories are not for sale, but rather for use in the processes of service delivery-hence may not be sold. The trend in the ratios explain why the university has been accumulating pending bills over the years. As shown in table 6 and figure 6, both ratios have been on an increasing trend since June 2023.

The pending bills as at 30th June 2025 stood at **Kshs. 9.7 billion**, with the largest component being the payroll payables at **Kshs. 7.9 billion**.

Compliance with Budget

The University operated within the budget in the FY 2024/2025.

Illiquidity and inability to meet short term financial obligations

The statement of financial position indicates that the university is in serious financial difficulty and may not be able to meet its short-term financial obligations as and when they fall due. This is shown by the poor ratios of Current Assets to Current Liabilities of 0.32 compared to June 2024 of 0.25 a slight improvement. The ratio means that the university cannot meet its short-term financial obligations by collecting/liquidating its current assets without the risk of having to dispose of non-current assets i.e., the university is extremely illiquid. The ratio of Current Assets/Current liabilities should always be 1 and above, ideally 1.5.

Material Uncertainty Related to Sustainability of Services

During the FY 2024/2025, the university reported operation surplus of **Ksh. 461.6 million** compared to a deficit of **Ksh. 18.7 million** in the previous year. The university has been facing serious financial challenges since the year 2016 that has resulted in overall negative net assets which was Ksh. **Ksh. 1.94 billion** as at the end of FY. The outstanding liabilities have risen to a level beyond both current and non-current assets value. This can be termed as total bankruptcy i.e., a situation in which all assets of the university (current and non-current) are insufficient to meet its outstanding financial obligations. The management has put the following mitigation measures: -

Interventions by the university to improve financial situation.

From the year 2020 to the present, the university has taken aggressive steps to deal with this situation by instituting strict austerity measures which have resulted in annual savings in excess of Ksh 100 million. Some of the measures include:

- The reductions in the payroll cost, through the non-replacement of staff who leave and the non-renewal of contracts for non-core staff, resulting in reduction in staff numbers by 424 from 1,952 in June 2017 to 1,528 in June 2022. As explained above, the cost savings arising from this reduction in numbers have been reversed by the payroll increases due to unfunded CBAs.
- The university increased teaching load for academic staff, which has saved the university a total of **Ksh 69 M** annually, from September 2021, in part time teaching costs.
- Reduction in rented spaces in Nakuru town has saved the university up to **Ksh 32.4 M** per year in rent expenses. This strategy is ongoing and by July 2023, the university plans to completely out of all rented spaces.
- Through the suspension of staff tuition waivers, the university raised an additional **Ksh 14.3 M** annually in revenue from 2020.
- Revamping of other income sources has helped to enhance revenue for the university by up to **Ksh 8.4 M** annually so far and effort continues to be put toward enhancing revenue from all sources.

Further to the above measures, the university is currently implementing reforms to its operating and administrative structures aimed at making operations more efficient and cost-effective.

The reported deficit has been on reducing trend over the last three years and the university has posted a positive result in the current FY as indicated below: -

Financial Year	2024/2025	2023/2024	2022/2023	2021/2022
Surplus/ (Deficit) in Ksh.	461,599,075	(18,729,138)	(706,583,686)	(1,527,902,227)

The above trend is an indication that the university will become fully sustainable in the near future.

With the introduction of the New Funding Model (NFM) in the FY 2023/2024 it is expected that that the University will continue posting positive returns

COMPLIANCE WITH STATUTORY REQUIREMENTS

The University has endeavoured to comply with all statutory requirements during the period under review. However due to financial constraints the University had not remitted KRA **Ksh. 398.5 million** relating to PAYE for the year ended June 2025. This was occasioned by delayed disbursement of funds under the NFM.

KEY PROJECTS AND INVESTMENT DECISIONS

The construction of the GOK funded Regional GoK Funded - International Centre for Genetic Engineering & Biotech Laboratories commenced in the current FY

MAJOR RISKS FACING THE ENTITY

The Egerton University Council has the responsibility of ensuring that the risks facing the University throughout all its departments are identified, assessed and appropriate mitigation measures are put in place. The effective management of risk will assist the University to set and achieve its strategic objectives, comply with legal and policy obligations, improve decision making, allocate and utilize resources. The risk management system is intended to be well integrated into the Egerton University's governance structure and in the decision making processes.

An effective Enterprise Risk Management Framework (ERMF) is therefore crucial to the University, as it entails, response to these uncertainties that affect the University, which creates the context for setting policies and standards and establishing the right practices in all the University divisions and departments.

The Risk management processes are embedded in all the systems and processes of the University, to ensure that responses to risk remain current and dynamic. The University will develop monitoring and evaluation approaches and put in place contingencies and control measures to manage identified risks in order to remain competitive.

An effective risk management framework ensures the continued sustainability and success of the University, as well as gives assurance to the University Council, stakeholders and management that risks are well understood, effective steps are taken to mitigate risks, and that there are

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systems in place that operate effectively. To ensure the effectiveness of the Risk Management Framework, the University adopts the Three lines of defence to act as a guide on how responsibilities should be carried out/ divided.

Every person in the University has an active role in being risk aware, as one is impacted in some way by risks when engaging in University activities. To this end, the University seeks to promote a risk aware culture, where it is expected that every individual works collectively towards promoting a positive risk management culture.

The Internal Audit department gives assurance of the risk management process while the Risk Officer coordinates risk management activities within the University with quarterly reporting to the Planning, Development and grievances Committee of the University Council. The Department adds value to the University by ensuring that risk management and internal control processes operate effectively.

The risk exposures identified during the year included;

1. Strategic risks

Risk description

Academic and Research are the key pillars of the University; and for the University to remain competitive it must continuously innovate and invest in research, teaching, and technological infrastructure.

Sources:

- Changes in the student preferences
- Competition among Universities has intensified globally with the rise of online education, globalisation and new entrants.
- Regulatory changes and government policies affecting the Education sector eg the Introduction of the CBC.
- Poor strategic planning and execution.

Risk Mitigation measures

- Evaluate and expand program offerings through market survey and industry partnership and deliver academic programmes using alternative modes to enhance our competitiveness

- Enhance the competitiveness and image of the University to help in attracting new students through competitive pricing. This will be important during the implementation of the new funding model.
- Training and retooling of lecturers ahead of the transition of the CBC class
- Strategic planning quarterly reporting

2. Financial Sustainability Risk

Risk description

These are risks that pertain to the financial ability of the University to meet its objective of teaching and research. With the changes in the funding of University education over the last few years the University management is expected to diversify and raise resources to finance operations away from the traditional tuition dependency.

Sources:

- Poor financial management and budgeting
- Economic instability affecting government disbursements
- High inflation

Risk Mitigation measures

- The University has embarked on the implementation of wide range reforms while pursuing a cost management initiative to ensure that costs incurred are strategic.
- Implementation of proper financial management policies to ensure proper budgeting and utilisation of resources and establishment of the Public Finance Standing Committee.

3. Operational Risks

They arise from internal processes, people, systems, and external events that disrupt normal business operations.

Sources:

- Inefficient or malfunctioning of systems and technology
- Lack of training and capacity building of staff
- Supply chain disruptions or failures
- Natural disasters/outages that could impact operations

Risk Mitigation measures

Implementing a secure IT infrastructure through improving IT governance, information and network security

Train staff on the New ERP system

Ensure strict compliance with the procurement laws and regulations

4. Regulatory and Compliance Risk

Risk description

Egerton University operates in a regulated environment that calls for adherence to regulations set by the Ministry of Education and Commission of University Education, other regulations set by program specific professional boards for Engineers, Law and Medicine. Compliance risks emerge from violations of laws, regulations and accreditation.

Sources:

- Regulatory changes
- Intellectual property infringements
- Employment regulations and labour laws
- Data protection and privacy regulations

Risk Mitigation measures

- The University provides budgetary allocation and resources for adherence to regulations set by the Ministry of Education and Commission of University Education. Breach of set regulations may result in financial implications and reputational damage.
- Ensure compliance with all the requirements set out by the regulators and Laws of Kenya.

5. Reputational Risks

Risk description

Reputational risks can damage the University's brand image and harm the ability to attract students, faculty and staff. Any misconduct and negative press coverage can quickly spread in today's digital age.

Sources:

- Poor customer service or quality of delivery
- Negative publicity or social media backlash

- Ethical breaches or corporate scandals
- Stakeholder dissatisfaction

Risk Mitigation measures

- The University commits to maintain high academic standards and has put in measures to prevent issues such as plagiarism, academic fraud or misconduct that can damage a university's reputation, brand and attract negative media attention.
- The University communicates proactively with stakeholders.
- Develop a crisis communication plan to respond effectively to any negative incidents.
- Comprehensive media monitoring and analysis across all platforms using media monitoring tools

6. Technical risks

Technical risks relate to the failure of technology or systems that support University Operations.

Sources:

- Cybersecurity threats and data breaches
- Software and hardware malfunctions
- Inadequate IT infrastructure
- Rapid technological changes rendering current systems obsolete

Risk Mitigation measures

- The University ensures that robust cybersecurity controls are in place to detect and prevent security breaches.
- Business continuity and disaster recovery plans are in place
- Provide adequate budgetary allocations for maintenance and upgrade of ICT infrastructure

7. Environmental risks

The University faces several environmental risks that can disrupt operations, damage infrastructure or threaten the health and safety of staff and students exposing the University to legal and compliance risks. Egerton University continues to create safer, more secure and healthy environment for all of its stakeholders which reinforces the institution's reputation as a leader in fostering a culture of a conducive learning and working and committed to a sustainable future.

Sources:

- Climate change impacts affecting delivery and execution of practical academic programmes

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- Pollution and environmental hazards from hazardous substances or improper disposal.
- Inadequate waste disposal management systems
- Aging water system infrastructure affecting water quality impacting hygiene and health.
- **Risk Mitigation measures**
- Partnering in the Mau ecosystem campaign to save East Africa's Largest Indigenous montane forest
- Planting trees to create a culture of sustainability
- Provide adequate resources for repair and maintenance of facilities
- Ensure pollution and environmental regulation compliance
- Ensure compliance with OSHA guidelines and policy

8. Social Risks

Risk description

Increased mental health issues also affect students and staff leading to decreased performance/productivity

Sources:

- Academic performance decline due to depression that could lead to increased dropout rates.
- Financial stress leading to social isolation.
- Sexual harassment between students or lecturers and students.
- Cyberbullying, social media and online platforms provide a new platform for students to bully, abuse, and harass others.
- Alcohol and substance abuse

Risk Mitigation measures

- Provide guidelines and rules for student behaviour to establish clear expectations and prevent instances of discrimination, sexual harassment, and drug or alcohol use.
- Foster an environment that encourages respect, inclusivity, and empathy among students. Provide resources such as counselling services, mental health awareness programs, and wellness programs.

- Promote awareness campaigns around topics like sexual assault, bullying, and substance abuse.

Material Arrears in Statutory/Financial Obligations

At the close of the year, the University had staff deferred salaries and other unremitted payroll deductions amounting to **Kshs. 7.9 billion**.

Financial Probity and Serious Governance Issues

The University has no major financial improbity as reported by internal audit/Council audit committee, external auditors, or other National Government Agencies.

Review of the Sector

Several economic factors could influence financial planning for the future. Firstly, government budgetary allocations play a crucial role, with potential reductions in direct funding from the Government of Kenya (GoK) and the introduction of a new funding model for universities.

Secondly, labour market trends, such as high youth unemployment rates in Kenya, can affect the demand for programs offered by Egerton University. Thirdly, market competition is a significant concern, as the University's viability relies heavily on student enrollment. The increasing competition from a growing number of universities and TVETs offering similar programs poses a strategic challenge for Egerton University.

Additionally, the state of physical infrastructure is a factor, with aging facilities requiring substantial capital investment to modernize, which is complicated by dwindling financial resources. Lastly, trends in education, particularly the changes brought about by the Competency Based Curriculum (CBC), will impact the University's intake due to new government requirements and the need for program alignment.

c. Future developments and any other information

Egerton University has a diverse and dynamic customer base, primarily composed of students from various educational levels and geographical locations. The university will adapt to the evolving demographics and preferences of its customers by offering flexible learning options, specialized programs, and enhanced facilities and support services. There is significant potential

for growth by targeting unserved segments, including working professionals, international students, and lifelong learners. By understanding and addressing these market dynamics, Egerton University will strengthen its position as a leading institution in higher education, driving forward its mission of providing quality education and fostering economic and social development.

10. ENVIRONMENTAL AND SUSTAINABILITY REPORTING

Egerton University exists to transform lives. This is our purpose; the driving force behind everything we do. It is what guides us to deliver our strategy, putting the customer/Citizen first, delivering relevant goods and services, and improving operational excellence. Below is an outline of the University's policies and activities that promote sustainability.

i) Sustainability strategy and profile

The university has been facing financial difficulties in recent years leading to a situation in which the university is unable to meet its financial obligations as and when they fall due.

The factors leading to this unfortunate situation are declining annual GoK Capitation, declining fees from students, unfunded Pension Component of the 2010-2013 & 2013/2017 CBAs and increase in payroll costs due to CBAs with no corresponding increase in funding, the university has an accumulated pending bill including staff salaries and unremitted deductions of **Kshs.7.89 billion** as at 30th June 2025.

The university has taken steps to deal with the situation by closing its campuses in Baringo and Nairobi City, and shrinking operations in Nakuru Town Campus College in order to cut down on costs.

To help reduce staff costs, the university has not been replacing staff who are exiting service by natural attrition, especially administrative and support staff. However, the impact of the new CBA 2017-2021 reversed these gains made in reducing the payroll cost, given the associated shortfall explained above.

The university has implemented and continues to implement strict austerity measures, all in a bid to cut down on costs. This has led to reduction in costs in the financial year under review.

The university in its efforts to enhance its internal revenue generation capacity, has prepared business plans for implementation in a bid to bolster the profitability of its income generating units. This is expected to bear fruit in the coming financial year.

The university is working on reforms to its operating and administrative structures aimed at making operations more effective and cost-effective. Some of these reforms include:

- Reviewing academic programs with the aim of eliminating programs that are not attractive sufficient numbers of students.

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- Investing more on e-learning. Under this mode, few lecturers are able to teach more students, it is averse to the covid-19 pandemic among other benefits.
- Reviewing the administrative units in the university e.g. Directorates, Faculties, Departments etc. with the aim of enhancing efficiency and effectiveness.

ii) Environmental Performance.

The University is at the forefront to enhance environmental sustainability and stewardship. From the rehabilitation and handover of the Njoro River to innovative initiatives such as launching plastics banning and organizing the renowned Run for the Mau Marathon, Egerton's commitment to environmental stewardship has continued to grow.

Tree planting activities are being undertaken by staff, students and the surrounding communities and seedlings are distributed to surrounding communities. The university has embarked on tree growing as opposed to tree planting to ensure that the tree seedlings grown are nurtured to maturity. The university has adopted the Jazamiti app and training was attended to understand how to use it. Information on the trees grown and their location is fed into the system in order to give an indication on how the university is contributing towards the 15-billion tree growing initiative.

During the year the Vice-Chancellor launched the "Adopt a Forest" initiative to support the Presidential initiative to grow a 15-billion tree cover by 2030. It has garnered support from numerous partners such as the office of the Prime Secretary, Kenya Commercial Bank (KCB) Group, the National Defence University of Kenya, the Co-operative Bank, the Kenya Agricultural and Livestock Research Organisation (KALRO), and the Kenya Forest Service (KFS).

Various environmental clubs in the university have been active in tree growing. In 2023, our students through the "Egerton Green Action Club" participated in planting 15 thousand mangrove seedlings in Mombasa and 100 in Narok County, the exercise is still going on. The Egerton University Environmental Association has participated in the Nakuru County tree growing initiatives during the World Environment days and other events. Below is a picture indicating one such event



Partnerships for enhancement of environmental sustainability is done through various strategies. Egerton University has been organizing the annual Mau-Egerton University Cross Country since 2014 to raise awareness and funds for the rehabilitation activities. Through this initiative, over 50,000 tree seedlings have been planted. The Project has achieved significant milestones such as improved waste management, diversification of community incomes through tree nurseries, increased forest cover, and increased community awareness on environmental conservation. Faith Kipyegon is one of the brand ambassadors for the Mau Egerton University cross country. Below is one of the pictures taken during one of such events:



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Under the Njoro River Rehabilitation Project, Egerton University has been working tirelessly to restore the river since 2012 in partnership with various organizations such as the KCB Bank Group, County Governments of Nakuru and Narok, Kenya Forest Service, and the Kenya Water Towers Agency. The project has made significant strides in improving the health of the river and its surrounding ecosystem. Egerton University, in collaboration with the Narok Court Users Committee and the local community, has shown that it is possible to achieve environmental restoration through partnerships, community involvement, and sustained efforts.

iv. Employee welfare

The University takes into account the gender ratio, stakeholder engagement through public participation. It manages staff careers, appraisal and reward system during Founder's Days, Mau X-Country among others guided by the following policies:

1. EU- Human Resource Policies and Procedures Manual, 2023
2. Training Policy,
3. Gender Policy
4. OSHA Policy
5. EU – Staff Training and Development Policy, 2017

The University adheres to the Occupational Safety & Health Act, 2007 (OSHA) through an established Committee. These policies are reviewed from time to time on need basis.

v. Market place practices

a) Responsible competition

Egerton University's vision is to be a world class university for the advancement of humanity. Its vision and its commitment to excellence, integrity, social fairness and professionalism cannot be realized unless it operates in a transparent corruption free atmosphere. As an institution, Egerton University is fully committed to waging war against corruption in all its manifestations within the University and in all its decisions, actions and practice aiming at zero tolerance on corruption and achievement of Corruption-Free Zone status.

The University has set in place posters in strategic places of the University written on 'Egerton University is a Corruption Free Zone'. There are also corruption allegation reporting boxes alongside complaint reporting boxes available in strategic places in the University as one of the

corruption reporting channels. Mechanisms to handle cases of corruption and poor service delivery within the University are also in place.

Furthermore, the University has institutional Structures in place to detect, prevent and sanction bribery; corruption and unethical conduct. These include Corruption Prevention Committee (CPC) and Integrity Promotion Committee (IPC) which is secretariat to CPC. The University also has trained Integrity Assurance Officers (IAOs) working in different departments and they act as the eyes of the university on matters corruption.

The CPC as an established Committee through its secretariat, IPC spearheads Anti-Corruption and Integrity Initiatives/activities in the University. During the 2024-2025 PC year, the University through CPC and IPC ensured responsible competition practice on matters Anti-Corruption by undertaking the following activities/practices: -

S/NO	PERIOD	ACTIVITY UNDERTAKEN
1.	August- September, 2024	Sensitization was done to first year students (2023 cohort) during their orientation after joining University, on corruption matters and mechanisms for prevention, Promotion of Integrity and Ethical issues and Complaint Handling & Resolution in the University. During the orientation, students were also notified of the existence of various Corruption and Complaint reporting channels which include reporting through telephone calls, emails, written letters, in-person and reporting boxes located in strategic places in the University.
2.	October, 2024	Coordinated and guided all University Directorates, Faculties and Departments to carry out a Bribery and Corruption Risk Assessments (CRAs) and develop Mitigation Plans to prevent the risks identified based on EACC guidelines for 2024-25 PC Year. The CRAs and MPs were developed and implemented in the 1 st half of the PC year which ended in December, 2024.
3.	October, 2024	Induction training/sensitization was done to newly employed staff on matters corruption and its prevention

		based on the structures and mechanisms available in the University. They were informed of the existing channels for reporting corruption cases, ethical and integrity issues and the consequences of involving in corruption.
4.	January, 2025	<p>a) Collated the Corruption Prevention Plans developed by Directorates, Faculties and Departments for 2024-25 and submitted to EACC</p> <p>b) Submitted the 1st biannual progress reports to EACC on the implementation of Corruption Prevention/mitigation Plans developed using the prescribed reporting format.</p>
5.	March and April, 2025	<p>IPC sent a sensitization/reminder message to staff and students through the Registrar (HC&A) & Registrar (AA) concerning the Commitment of the University to deliver best services to students, public and industry and to handle/resolve every complaint submitted concerning service delivery as per the existing Citizen Service Delivery Charter (CSDC) & Complaint Handling and Resolution Infrastructure in the institution respectively.</p> <p>Consequently, members of staff were reminded to adhere to details in the CSDC in their respective departments to ensure delivery of best services to our clients; while students were reminded to comply and adhere to the details in the CSDC in their respective departments and other departments where they seek services.</p> <p>A copy of a Complaint Handling & Resolution Infrastructure was attached for their reference encouraging them to feel free to report any complaint using the available channels.</p>

6.	October, 2024; January, 2025 and April, 2025	<p>Three (3) CPC meetings for 1st, 2nd, and 3rd quarters were held. In each of the meetings, the Committee discussed and made recommendations concerning Corruption allegations and/or complaints reports presented by IPC for its consideration before submission to the Ethics and Anti-Corruption Commission (EACC).</p> <p>During these quarterly CPC meetings, members are sensitized on matters Corruption and encouraged to be proactive in prevention of the same.</p> <p>The 4th quarter CPC meeting will be held on 8th July, 2025 to deliberate on the corruption issues/reports and make recommendations. Functional areas are submitting 2nd biannual reports on the implementation of Corruption Mitigation Plans developed for onward transmission to EACC with attached evidence.</p>
7.	October, 2025 & May 2025	<p>Coordinated functional areas (Directorates, Faculties, and other departments) in the University reminding them to continue with the implementation of Bribery and Corruption Mitigation Strategies/Measures to prevent Corruption as per the implementation matrix for EACC.</p>

b) Responsible supply chain and supplier relations

- c) The University procurement department is guided by Article 227 of constitution of Kenya, PPAD ACT, 2015 and PPAD Regulations 2020 as well as the University Procurement Manual.
- d) These documents govern how the University maintain responsible supply chain and supplier relations while ensuring fair competition among suppliers and Contractors.

e) To ensure the University comply with relevant provisions of the PPAD ACT, 2015, the University among other measure have done as summarized in the table below:

S/NO.	ITEM	LEGAL REQUIREMENT	EVIDENCE/SUPPORTING DOCUMENTS
1.	Compliance with PPRA 30 % to Youth, Women and PWDs	Section 53 (b) PPAD ACT, 2015	The university council approved the annual procurement plan of Kes. 575,490,264.31 being the actual procurement for 2024/2025 Financial Year less multiple projects of Kes. 172,693.883.65 worth of contract sum set aside for specific Projects, this represents 30 % reservation to Youth, Women and PWDs of the total amount Kes. 122,738,834.00
2.	Payment to Suppliers	Section 139 (2) of PPAD Regulations 2020	As per the tender document, the University credit period is Sixty (60) day's (<i>Annexed the evaluation criteria as published in the university tender document</i>)
3.	Fair opportunity to suppliers	Section 3 of PPDA ACT,2015	To ensure fairness, the University utilizes the approved list of Registered Suppliers as specified in the act The Suppliers compete among themselves using the alternative procurement methods other than open tender and Framework Contracts. To ensure fairness, the University also opt for open tenders for contracts above three (3) Million as stipulated in the Law.
4.	Continuous Registration of Suppliers	Section 71 (1) of PPDA ACT,2015	The University ensure the supplier's list is updated on a continuous basis This allows the University to have readily available list of Registered suppliers for various goods, works, and services
5.	Supplier Sensitization		The University conducts sensitization programs to ensure that suppliers have

			<p>access to relevant information, such as suppliers Registration and tender opportunities, enabling them to participate effectively in the procurement process. Previously, the University trained suppliers on how to use the ERP System.</p>
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f) Responsible marketing and advertisement.

Egerton University established the Directorate of Marketing and Resource (DMRM), which is committed to upholding ethical marketing practices that reflect our core values of integrity, transparency and accountability. Below are ways we adhere:

- 1. Accurate Programme Information:** We ensure that all advertisements and promotional materials, including those shared on our website (www.egerton.ac.ke) social media platforms, provide accurate information about our academic programmes.
- 2. Respect for Privacy and Consent:** Before taking any photos for marketing purposes, we seek consent from those involved. The form is available in hard copies at DMRM Offices. This practice ensures we are within the law and that people's rights are respected.
- 3. Social Media Transparency:** Our social media accounts (X:@egertonunikenya & Facebook/Instagram: Egerton University) are critical in enhancing the visibility of our programmes and activities, and we ensure that all information shared is accurate and reliable.

g) Product stewardship

Egerton University successfully conducted the Teaching Effectiveness Evaluation (TEE) for Semester II of the Academic Year (AY) 2024/2025 via ERP. This exercise aimed at enhancing teaching quality and fostering continuous improvement in instructional practices and academic programmes.

The analysis of External Examiners' reports for Semesters I and II of AY 2024/2025 has been completed. Preparation of a consolidated summary report is currently underway.

In line with the objective to improve the University's Quality of Education Index, Egerton University coordinated the self-assessment of academic programmes as guided by the Roadmap to Quality: Handbook for Quality Assurance in Higher Education. The University successfully conducted this exercise for six (6) programmes.

The University successfully resubmitted the following reviewed programmes to the Commission for University Education (CUE) for accreditation: Bachelor of Science in Civil Engineering, Bachelor of Science in Mechanical and Manufacturing Engineering, Master of Science in Pharmacology and Toxicology, Master of Science in Computer Science, Bachelor of Education (Arts), Bachelor of Science in Agricultural Education and Extension, Bachelor of Education (Science), and the Postgraduate Diploma in Education.

Customer Satisfaction Employee Satisfaction and Work Environment Survey is ongoing and currently at the Tender Evaluation stage within the Procurement Department.

vi. Corporate social responsibility/ community engagement.

Activities undertaken to enhance Corporate social responsibility/ community engagement include the following:

S/N	Date	Title	CSR Focus	URL
1.	Jul 4, 2024	Egerton Trains 300+ Farmers on Climate-Smart Agriculture in Nyandarua and Laikipia	Farmer empowerment, community engagement	https://www.egerton.ac.ke/university-news/empowering-farmers-with-climate-smart-agriculture
2.	Nov 21, 2024	50+ Primary School Leaders Trained to Mentor Young Farmers in Njoro	Youth agricultural mentorship, school outreach	https://www.egerton.ac.ke/news/2024/11
3.	Jan 17, 2025	4K Club Relaunch: Egerton Teams Up with Stakeholders to Train 10 Schools	Youth empowerment, education for sustainability	https://www.egerton.ac.ke/university-news/partnerships/research-partnerships/egerton-university-4k-clubs

4.	Apr 17, 2025	Egerton Joins KALRO and NPCK in Potato Project to Empower 150,000+ Farmers	Food security, inclusive development	https://www.egerton.ac.ke/university-news/partnerships/research-partnerships/farmers%2C-women%2C-youth-%E2%80%93-all-will-benefit-from-potato-project
5.	May 12, 2025	Research Directorate Leads Tree Planting Drive with 200+ Indigenous Trees	Environmental sustainability, greening campus	https://research.egerton.ac.ke/division-of-research-news/latest-news
6.	May 22, 2025	4K Club Pupils Showcase Agroforestry Demo Plots Mentored by Egerton Students	Youth agricultural training, CBC integration	https://kilimionews.co.ke/agriculture-policy/egerton-university-partners-with-stakeholders-to-revitalize-4k-clubs-in-njoro-schools
7.	Jun 5, 2025	Global Research Students Join Local Communities in Outreach and Field Training	International learning, local extension	https://cesaam.egerton.ac.ke/updates/global-engagement-research-experience-and-extension-in-kenya-summer-2025
8.	Jun 30, 2025	Egerton Plants 6,300 Trees in Mau Forest Restoration Drive	Forest conservation, community collaboration	https://www.egerton.ac.ke/university-news/egerton-university-steps-up-in-environmental-conservation-with-tree-planting-and-mau-campaign

11. REPORT OF THE COUNCIL

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

Principal activities

The principal activities of the University are shown on pages v- vi.

Results

The results of the University for the Year ended June 30th, 2025 are set out on pages 1 – 5.

Council

The members of the University Council who served during the year are shown on page xii - xv. The Chairman of the council exited in October after his term expired, other Council member remained the same during the year as there were no new appointments.

Auditors

The Auditor General is responsible for the statutory audit of the University in accordance with Article 229 of the Constitution of Kenya and the Public Audit Act 2015.

By order of the Council



Prof. Isaac O. Kibwage, PhD, HSC
Vice Chancellor/Secretary to The Council

27th August, 2025

Date

12. STATEMENT OF UNIVERSITY COUNCIL RESPONSIBILITY

Section 81 of the Public Finance Management Act, 2012 and Section 47 of the Universities Act, 2012 require the Council to prepare financial statements in respect of the University, which give a true and fair view of the state of affairs of the University at the end of the financial year/period and the operating results of the University for that year/period. The Council is also required to ensure that the University keeps proper accounting records which disclose with reasonable accuracy the financial position of the University. The Council is also responsible for safeguarding the assets of the University.

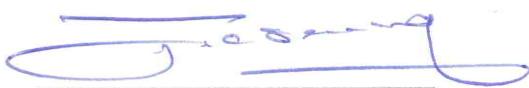
The Council is responsible for the preparation and presentation of the University's financial statements, which give a true and fair view of the state of affairs of the University for and as at the end of the financial year (period) ended on June 30, 2025. This responsibility includes: (i) maintaining adequate financial management arrangements and ensuring that these continue to be effective throughout the reporting period; (ii) maintaining proper accounting records, which disclose with reasonable accuracy at any time the financial position of the University; (iii) designing, implementing and maintaining internal controls relevant to the preparation and fair presentation of the financial statements, and ensuring that they are free from material misstatements, whether due to error or fraud; (iv) safeguarding the assets of the University; (v) selecting and applying appropriate accounting policies; and (vi) making accounting estimates that are reasonable in the circumstances.

The Council accept responsibility for the University's financial statements, which have been prepared using appropriate accounting policies supported by reasonable and prudent judgements and estimates, in conformity with International Public Sector Accounting Standards (IPSAS), and in the manner required by the Public Finance Management (PFM) Act, 2012. The Council is of the opinion that the University's financial statements give a true and fair view of the state of University's transactions during the financial year ended June 30, 2025 and of the University's financial position as at that date. The council further confirm the completeness of the accounting records maintained for the University, which have been relied upon in the preparation of the University's financial statements as well as the adequacy of the systems of internal financial control.

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

Approval of the financial statements

The University's financial statements were approved by the Council on 27th August 2025 and signed on its behalf by:



Prof. James K. Sang
Chairman, Egerton University Council



Prof. Isaac O. Kibwage, PhD, HSC
Vice Chancellor

“Transforming Lives Through Quality Education”

REPUBLIC OF KENYA

Telephone: +254-(20) 3214000
Email: info@oagkenya.go.ke
Website: www.oagkenya.go.ke



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

REPORT OF THE AUDITOR-GENERAL ON EGERTON UNIVERSITY FOR THE YEAR ENDED 30 JUNE, 2025

PREAMBLE

I draw your attention to the contents of my report which is in three parts:

- A. Report on Financial Statements that considers whether the financial statements are fairly presented in accordance with the applicable financial reporting framework, accounting standards and the relevant laws and regulations that have a direct effect on the financial statements;
- B. Report on Lawfulness and Effectiveness in the Use of Public Resources which considers compliance with applicable laws, regulations, policies, gazette notices, circulars, guidelines and manuals and whether public resources are applied in a prudent, efficient, economic, transparent and accountable manner to ensure that the Government achieves value for money and that such funds are applied for the intended purpose; and,
- C. Report on Effectiveness of Internal Controls, Risk Management and Governance which considers how the entity has instituted checks and balances to guide internal operations. This responds to the effectiveness of the governance structure, risk management environment and internal controls, developed and implemented by those charged with governance for orderly, efficient and effective operations of the entity.

A Qualified Opinion is issued when the Auditor-General concludes that, except for material misstatements noted, the financial statements are fairly presented in accordance with the applicable financial reporting framework. The Report on Financial Statements should be read together with the Report on Lawfulness and Effectiveness in the Use of Public Resources, and the Report on Effectiveness of Internal Controls, Risk Management and Governance.

The three parts of the report are aimed at addressing the statutory roles and responsibilities of the Auditor-General as provided by Article 229 of the Constitution, the Public Finance Management Act, 2012, and the Public Audit Act, 2015. The three parts of the report when read together constitute the report of the Auditor-General.

REPORT ON THE FINANCIAL STATEMENTS

Qualified Opinion

I have audited the accompanying financial statements of Egerton University set out on pages 1 to 78, which comprise of the statement of financial position as at 30 June, 2025 and the statement of financial performance, statement of changes in net assets, statement of cash flows and the statement of comparison of budget and

actual amounts for the year then ended and a summary of significant accounting policies and other explanatory information in accordance with the provisions of Article 229 of the Constitution of Kenya and Section 35 of the Public Audit Act, 2015. I have obtained all the information and explanations which to the best of my knowledge and belief, were necessary for the purpose of the audit.

In my opinion, except for the effect of the matters described in the Basis for Qualified Opinion section of my report, the financial statements present fairly, in all material respects, the financial position of Egerton University as at 30 June, 2025 and of its financial performance and its cash flows for the year then ended, in accordance with International Public Sector Accounting Standards Accrual Basis and comply with the Universities Act, 2012 and the Public Finance Management Act, 2012.

Basis for Qualified Opinion

1. Irregular Payment of Security Expenses

The statement of financial performance reflects an amount of Kshs.510,759,889 in relation to administrative and central services which as disclosed in Note 16 to the financial statements includes an amount of Kshs.42,658,338 which was incurred on contracted security services. However, review of records revealed expenditure of Kshs.4,450,109 was irregularly paid directly to police officers deployed to the Institution and therefore contravening Section 104(3) of the National Police Service Act, 2011.

Further, Management did not provide deployment letters for the officers, the officers' personal numbers, the approved daily or monthly payment rates, approval of the Inspector-General of Police and the contract agreement with the National Police Service.

In the circumstances, the accuracy, completeness and regularity of the security expenses amounting to Kshs.4,450,109 for the period could not be confirmed.

2. Unsupported Fuel, Oil and Lubricants Expenditure

The statement of financial performance and Note 17 to the financial statement reflect an amount of Kshs.68,014,326 in respect of expenditure incurred on repairs and maintenance. Included in the balance is an amount of Kshs.20,937,965 which was incurred on motor-vehicle fuel, oil and lubricants. However, the fuel register provided for audit was incomplete and as a result it was not possible to reconcile the fuel expenditure reported against detailed fuel orders.

In the circumstances, the accuracy and completeness of the fuel, oil and lubricants amount of Kshs.20,937,965 for the period ending 30 June, 2025 could not be confirmed.

3. Unconfirmed Academic Departments Expenses

The statement of financial performance and Note 18 to the financial statements reflect an expenditure of Kshs.173,455,492 in respect of academic department expenses. Included in the balance is teaching claims (part-time lecturers) amount of

Kshs.44,985,860 which relates to payments made to part-time lecturers for teaching services rendered in prior academic years, dating back to financial year 2018/2019.

Review of the documents provided in support revealed that no formal records or ledgers were maintained for tracking part-time lecturer engagements and claims. Further, Management did not provide an explanation for the late recognition of the expenses which related to prior academic years.

In the circumstances, the accuracy, completeness and validity of the teaching claims (part-time lecturers) amount of Kshs.44,985,860 for the period ending 30 June, 2025 could not be confirmed.

4. Failure to Undertake Valuation Fully Depreciated Assets

The statement of financial position reflects a balance of Kshs.3,858,811,162 in respect of property, plant and equipment. However, review of Note 30 (a) to the financial statements revealed that several categories of assets with a total historical cost of Kshs.1,663,304,470 were fully depreciated as at 30 June, 2025 as detailed in the table below;

Details of Assets	Historical Cost (Kshs)
Buildings	40,010,699
Dairy Equipment/Plant/Tractors	80,047,061
Furniture	173,994,801
Fittings	595,531,399
Other Equipment	171,141,900
Library Books	190,217,981
Motor Vehicles	412,360,629
Total	1,663,304,470

Further, it was observed that the assets are still in use and as such the University continues to derive economic benefits from them and incurring costs such as fuel, repairs and maintenance. Management has not given a satisfactory reason as to why these assets have not been revalued to reflect their fair values in the financial statements.

In the circumstances, the accuracy, completeness and existence of the property, plant, and equipment balance of Kshs.1,663,304,470 as at 30 June, 2025 could not be confirmed.

5. Long Outstanding Bank Reconciliation Items

The statement of financial position and Note 26 (c) to the financial statements reflect negative bank (Overdrawn Cash Book) balance of Kshs.6,715,090. Further, review of the bank reconciliation statement for June, 2025 revealed that the negative balance resulted from receipts in the bank but not recorded in the cashbook which had already been utilized. In addition, the bank reconciliation statement reflects long outstanding unreconciled items some dating back to the year 2012 which had not been investigated or cleared. The continued presence of such items is in contravention to Regulation 90(3) of the Public Finance Management (National Government) Regulations, 2015.

In the circumstances, the accuracy and completeness of the negative bank (overdrawn cash book) balances of Kshs.6,715,090 as at 30 June, 2025 could not be confirmed.

6. Trade and Other Payables

6.1 Unsupported Payables and Unallocated Refundable Deposits

The statement of financial position reflects a balance of Kshs.9,033,291,650 which relates to trade and other payables as disclosed in Note 32 (a) to the financial statements. Review of records revealed the following anomalies:

- i. The balance of Kshs.9,033,291,650 includes student repayments amounting to Kshs.447,921,420 due to various students, which further includes an amount of Kshs.207,684,419 which has been outstanding for over six (6) years. Management has not provided an explanation or plan for resolving the long outstanding balances.
- ii. Further, the balance of Kshs.9,033,291,650 includes an amount of Kshs.11,996,198 in respect of National Government Constituencies Development Fund Bursary (NGCDF) clearing account. The balance represents unallocated bursary funds which had not been identified or communicated back to the respective constituencies. No reason was provided by Management for the failure to allocate the bursary funds to the respective students sponsored by the constituencies.
- iii. In addition, the balance of Kshs.9,033,291,650 includes an amount of Kshs.27,248,675 in respect of Higher Education Loans Board (HELB) clearing account. The balance relates to unallocated Board's funds received but which had not been assigned to any specific students and had no follow-up communication. Similarly, Management did not provide any explanation for the failure to allocated the Board funds to the respective beneficiary students.
- iv. The balance of Kshs.9,033,291,650 includes amounts of Kshs.123,283,090, Kshs.28,908,351 and Kshs.18,246,020 in respect of students caution money, other sponsors account and unidentified bank deposits – main respectively. The balances relate to student caution money which remain unrefunded, sponsors unallocated to beneficiary students and unallocated direct fees deposits respectively. Management did not provide any explanation for the failure to allocate funds and the non-refund of student caution money or evidence of follow-up.

6.2 Irregularities in Payroll Payables

The trade and other payables balance of Kshs.9,033,291,650 includes an amount of Kshs.7,886,705,459 or 87% of total payables which relates to outstanding payroll payables. The balance has been outstanding for long with some amounts owed to staff of the University for the financial year 2023/2024 and earlier years.

Although Management has expressed the University's commitment to paying staff salaries in full and remitting statutory deductions as required by law, it was observed that there was an increase of Kshs.301,877,891 in the payroll payables during the year

from the previous year's balance of Kshs.7,584,827,568. The continued growth indicates accumulating unpaid staff salaries and unremitted statutory deductions, raising concerns about the University's ability to meet its payroll obligations.

Management has not explained or disclosed in the form of notes to the financial statements, how the University intends to pay out the remaining salary arrears owed to its current and past employees.

In the circumstances, the accuracy and completeness of the trade and other payables balance of Kshs.7,886,705,459 as at 30 June, 2025 could not be confirmed.

7. Material Uncertainty Related to Going Concern

The statement of financial position reflects current assets balance of Kshs.3,232,162,164 and current liabilities balance of Kshs.10,164,042,149 resulting to a negative working capital of Kshs.6,931,879,985. Though the University made a surplus of Kshs.461,599,075 during the year in comparison to deficit of Kshs.18,729,138 in the prior year, the accumulated deficit balance amounted to Kshs.7,010,770,454 for the current financial year. The University is therefore, technically insolvent and its ability to continue to sustain its services is dependent upon support from the National Government and its creditors.

Management did not disclose this fact in its financial report. The statement of University Council's responsibility in the financial statements states that 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 (12) months from the date of the statement.

In the circumstances, the University may be unable to meet its short-term liabilities as and when they fall due.

My opinion is not modified in respect of this matter.

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

Emphasis of Matter

Contingent Liabilities

Note 35 to the financial statements reflects contingent liabilities related to nine (9) legal disputes with various individuals, Companies and a workers union amounting to Kshs.82,343,400. Although Management has made the disclosure of the contingent liabilities in the financial statements, the University has not indicated how it has prepared itself in the event of crystallization of the liability. The University may have a significant cash outflow should the disputes be determined in favor of the claimants.

My opinion is not modified in respect of this matter.

Key Audit Matters

Key audit matters are those matters that, in my professional judgement, are of most significance in the audit of the financial statements. Except for the effect of the matters described in the Basis for Qualified Opinion section, I have determined that there are no other key audit matters to communicate in my report.

Other Matter

1. Loss Making Income Generating Units

The statement of financial performance and Note 13(a) reflect income generating units (IGUs) income of Kshs.141,666,147. However, review of records revealed that several IGUs recorded significant operating losses, as detailed in the table below:

IGU	Income (Kshs)	Expenditure (Kshs)	Deficit (Kshs)
Catering	18,020,695	22,291,334	(4,270,639)
Dairy Income	916,539	5,439,596	(4,523,057)
TAP Income	2,755,049	3,063,658	(308,609)
Minimart	0	46,806	(46,806)
Kenyatta Campus	685,111	1,449,495	(764,384)
Total Deficit			(9,913,495)

Despite the repeated losses by the IGUs over the years, Management did not provide a turnaround strategy or control mechanisms to prevent further deterioration.

In the circumstances, the sustainability of the operations of the income generating units in the long run, is doubtful.

2. Unresolved Prior Year Matters

In the audit report of the previous year, some issues were raised under the Report on Financial Statements and Report on Lawfulness and Effectiveness in Use of Public Resources and Report on Effectiveness of Internal Controls, Risk Management and Governance which have remained unresolved as at 30 June, 2025 as detailed out at Appendix I.

Other Information

Management is responsible for the Other Information set out on page v to lxvii which comprise of Key University Information and Management, The University Council, University Management Board, Chairman's Statement, Report of the Vice Chancellor, Statement of Performance Against Predetermined Objectives, Corporate Governance Statement, Management Discussion and Analysis, Environmental and Sustainability Reporting, Report of the Council and the Statement of University Council Responsibilities. The Other Information does not include the financial statements and my audit report thereon.

In connection with my audit on the University's financial statements, my responsibility is to read the Other Information and in doing so, consider whether the Other Information is materially inconsistent with the financial statements or my knowledge obtained in the audit or otherwise appears to be materially misstated. If based on the work I have performed, I conclude that there is a material misstatement of this Other Information, I am required to report that fact. I have nothing to report in this regard.

My opinion on the financial statements does not cover the Other Information and accordingly, I do not express an audit opinion or any form of assurance conclusion thereon.

REPORT ON LAWFULNESS AND EFFECTIVENESS IN THE USE OF PUBLIC RESOURCES

Conclusion

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

Basis for Conclusion

1. Increase in Wages and Irregular Engagement of Casual Staff Employee Costs

Note 14 to the financial statements indicates that the University incurred an amount of Kshs.21,758,705 in relation to casual labor wages. This was an increase of Kshs.11,783,533 from Kshs.9,975,172 incurred in the previous year. Management has not explained the course of the huge increase. Further, review of records provided for audit revealed that eighty-seven (87) casual employees were engaged for periods exceeding three (3) months with some for up to twelve (12) months without proper conversion to term contracts. This was contrary to Section 37 (1) of the Employment Act, 2007 which states that a casual employee who works continuously for at least one month, or performs work not reasonably expected to be completed in less than three months, shall be deemed to have a contract of service with monthly wages under Section 35(1)(c).

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

2. Officers in Acting Capacity Beyond the Stipulated Period

The statement of financial performance reflects staff costs amounting to Kshs.3,006,633,761 as disclosed in Note 14 to the financial statements. The balance includes acting allowances amount of Kshs.2,126,175 which was paid in respect of staff personnel remunerations for officers in various acting positions. Review of payroll records for key management personnel revealed that a total of five (5) officers had been paid acting allowances during the financial year.

Further, review of the employees' personal files revealed that two (2) of the officers have been serving in acting capacity for more than six (6) months. There was no evidence provided to indicate that management had plans for recruitment for these positions or confirming officers who have been holding the positions. This is contrary to Section 34(3) of the Public Service Commission Act, 2017 which states that an officer may be appointed in an acting capacity for a period of at least thirty days but not exceeding a period of six months.

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

3. Non-Compliance with Wheat Production Agreement

Review of the University's implementation of the wheat production agreement entered into with Kenya Seed Company Limited for the 2024/2025 season, revealed the following significant deviations:

Agreement Requirement	Actual Performance	Deviation
100 acres of wheat	Only 75 acres utilized	Shortfall of 25 acres
2,000 kgs per acre yield	Only 847 kgs per acre	Achieved 42% of expected yield

Although Kshs.2,110,180 was incurred in wheat production, only Kshs.2,292,885 was realized resulting to marginal gain of Kshs.182,705

In the circumstances, the value for money which was to be derived by the University from the wheat production agreement could not be confirmed.

4. Stalled Projects

The statement of financial position and Note 30 (b) to the financial statements reflect a balance of Kshs.979,629,304 in respect of work-in-progress (WIP). As previously reported, the balance includes an amount of Kshs.435,545,277 in relation to seven (7) stalled projects as a result of the contractors abandoning them due to non-payments. Management has attributed the stalled projects to lack of adequate funding from the Government.

In the circumstances, the value for money of the expenditure of Kshs.435,545,277 already incurred on the stalled projects could not be confirmed.

5. Irregular Use of University Land by Private Investors

As previously reported, review of 196 Special Council meeting minutes held on 29 February, 2024 on the Provision of Land to Enhance National Food Security, revealed that communication was made to the Cabinet Secretary, Ministry of Education through a letter dated 29 February, 2024 indicating that the Council had resolved to avail 2,000 acres of land for maize cultivation to enhance National food security, to the mutual benefit of Egerton University and partners. Resolutions of the Council meeting required that a letter be written to the Cabinet Secretary, Ministry of

Education requesting for further guidance on the 1,500 acres of the land set aside for National food safety.

However, as at the time of audit, in September, 2025, no correspondence from the Cabinet Secretary and or Ministry of Education giving guidance towards the controversial land was provided for audit verification. No evidence of committees having been set up to facilitate management of the asset were provided as required by legislation. Moreover, all acquisitions or assignment of immovable property requires notification to the National or County Treasury in consultation with National Land Commission and or the Ministry responsible for Lands for approval, all which were not provided for audit verification. It was not clear what was the exact acreage of land set aside whether 1,500 or 2,000 acres as per the Council minutes.

Available information revealed that the unknown individuals ploughed the land with a total acreage of 1,500 acres, in March, 2024 and August, 2024 and a report was made to the Njoro Police station and OB. No.50/30/09/2024 was issued. In September, 2024, the Vice Chancellor wrote to the Principal Secretary, State Department for Higher Education requesting for Government intervention in security concerns at the land in question. Management did not provide the land lease agreements between the University and the private investor for audit verification.

Further, Management explained that the University and a representative of the Company that had irregularly cultivated the land, met in November, 2024 and the Company undertook and agreed to calculate the costs of production for the wheat, yield to be harvested, net profit and sharing of profit after harvest at a ratio of 50:50. However, after the Company harvested the wheat in January, 2025 and did not honor the earlier agreement thereby occasioning a loss to the University which was valued at Kshs.24,189,987 as per the University's records. On 17 January, 2025 and 28 March, 2025, the University wrote to the Ministry of Education seeking intervention since no positive outcome had been realized on the matter. As at the time of the audit in September, 2025 the Ministry had not provided the way forward on the matter and available information indicated that the land had been encroached and irregularly occupied by illegal and armed settlers who could not allow the University to make use of its land. Management has not provided any report from the security organs including the National Police Service indicating what security measures are being taken to address the illegal occupation of the University's land.

In the circumstances, there is a risk of the University losing the parcel of land measuring 1,500 acres to illegal settlers or parties.

The audit was conducted in accordance with ISSAI 3000 and ISSAI 4000. The standards require that I comply with ethical requirements and plan and perform the audit to obtain assurance about whether the activities, financial transactions and information reflected in the financial statements comply in all material respects, with the authorities that govern them. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my conclusion.

REPORT ON 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 effect of the matters described in the Basis for Conclusion on Effectiveness of Internal Controls, Risk Management and Governance section of my report, I confirm that nothing else has come to my attention to cause me to believe that internal controls, risk management and governance were not effective.

Basis for Conclusion

Long Outstanding Receivables from Exchange Transactions

The statement of financial position and Note 27(a) and (b) to the financial statements reflect receivables from exchange transactions balance of Kshs.1,715,067,509. Review of records revealed the following anomalies:

(i). Management of Imprests

The balance of Kshs.1,715,067,509 includes un-surrendered imprests amounting to Kshs.55,077,580 as at 30 June, 2025 and which had not recovered from the salaries of the respective officers or interest levied on the un-surrendered amounts. This was contrary to Regulation 93 (5) and (6) of the Public Finance Management (National Government) Regulations, 2015. Further, there were incomplete imprests registers which were missing critical details such as due dates for surrender.

Included in the outstanding imprests balance of Kshs.55,077,580 are imprests due from inactive staff or staff who have left the University amounting to Kshs.7,514,951 with some dating as far back as the year 1994. Management has not provided any evidence of action taken to recover the debts in full or to write off the long outstanding debts.

(ii). Long Outstanding Student Debtors

The receivables balance of Kshs.1,715,067,509 includes student debtors totalling Kshs.1,667,011,295 or 97% of the total receivables. Review of the ageing analysis of the student debtors revealed that an amount of Kshs.417,606,352 represents debtors which are under one (1) year or current while an amount of Kshs.1,247,345,162 represents long outstanding student debtors. Further, included in the balance of Kshs.1,247,345,162 is an amount of Kshs.797,687,552 which is owed for over five (5) years and a balance of Kshs.331,851,510 which is owed by students who have left the University. Management has not provided any explanations for failure to recover the old debts thereby casting doubt on their recoverability or collectability.

(iii). Long Outstanding General and Internal Debtors

Further, the receivables balance of Kshs.1,715,067,509 includes amounts of Kshs.6,349,611 and Kshs.11,078,586 in respect of general and internal debtors

respectively all totalling to Kshs.17,428,197. Review of records revealed that the balance includes an amount of Kshs.14,845,805 or 85% of the general and internal receivables, had been outstanding for more than ninety (90) days. Management has not provided any explanation for the failure to collect the debts or the measures taken by the University to ensure that the debts are collected in full. Further, the provision of Kshs.42,446,117 made for bad and doubtful debts seems inadequate

In the circumstances, the recoverability of the receivables from exchange transactions balance of Kshs.1,715,067,509 as at 30 June, 2025 could not be confirmed.

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

Responsibilities of 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 controls as Management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error and for its assessment of the effectiveness of internal controls, risk management and governance.

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

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

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

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

Auditor-General's Responsibilities for the Audit

My responsibility is to conduct an audit of the financial statements in accordance with Article 229(4) of the Constitution, Section 35 of the Public Audit Act, 2015 and the International Standards of Supreme Audit Institutions (ISSAIs). The standards require that, in conducting the audit, I obtain reasonable assurance about whether the financial statements as a whole are free from material misstatements, whether due to fraud or error and to issue an auditor's report that includes my opinion in accordance with Section 48 of the Public Audit Act, 2015. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISSAIs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

In conducting the audit, Article 229(6) of the Constitution also requires that I express a conclusion on whether or not in all material respects, the activities, financial transactions and information reflected in the financial statements are in compliance with the authorities that govern them and that public resources are applied in an effective way. In addition, I consider the entity's control environment in order to give an assurance on the effectiveness of internal controls, risk management and governance processes and systems in accordance with the provisions of Section 7 (1) (a) of the Public Audit Act, 2015.

Further, I am required to submit the audit report in accordance with Article 229(7) of the Constitution.

Detailed description of my responsibilities for the audit is located at the Office of the Auditor-General's website at: <https://www.oagkenya.go.ke/auditor-general-responsibilities-for-audit/>. This description forms part of my auditor's report.



FCPA Nancy Gathungu, CBS
AUDITOR-GENERAL

Nairobi

28 November, 2025

APPENDICES

Appendix I-Unresolved Prior Year Matters

S/No	Issue
1.	Material Uncertainty Related to sustainability of services.
2.	Unsupported rendering of service-Tuition and related fees.
3.	Receivables from exchange transactions.
4.	Unsupported receivables-others.
5.	Irregularities in Assets Management.
6.	Unsupported payables and unallocated refundable deposits.
7.	Irregular security expenses
8.	Irregular legal charges
9.	Unaccounted for fuel
10.	Unsupported and unremitted staff statutory deductions
11.	Procurement and budget irregularity
12.	Staff in long-acting positions
13.	Irregular use of the University land by undisclosed private investors
14.	Expired contracts on rent and rates
15.	Stalled Projects
16.	Payroll payables
17.	Unauthorized bank over drafts

14. STATEMENT OF FINANCIAL PERFORMANCE FOR THE YEAR ENDED 30 JUNE 2025

Particulars	Notes	Period ended 30 Jun 2025 Kshs.	2023-2024 Kshs.
Revenue from Non-Exchange Transactions			
GoK Recurrent Capitation Grant	6 (a)	1,670,280,765	2,042,756,248
Research & Extension Income	7	363,653,184	471,204,720
CESAAM ACE 2 Income	8	85,949,793	109,075,995
MCF TAGDEV Income	9	56,702,002	87,759,567
Tegemeo Income	10	181,625,077	210,125,714
Other Revenue from Non-Exchange Transactions	11	4,853,647	4,830,466
Total Revenue from Non-Exchange Transactions		2,363,064,468	2,925,752,711
Revenue from Exchange Transactions			
Tuition and Related Fees	12	2,589,019,268	1,554,367,401
IGUs Incomes	13 (a)	141,666,147	137,477,889
Other Services Rendered	13 (b)	29,117,339	33,729,399
Interest Income			-
		2,759,802,755	1,725,574,689
Total Revenue		5,122,867,223	4,651,327,401
Expenditure			
Staff Costs	14	3,006,633,761	2,785,960,054
Council Expenses	15	18,612,359	13,157,942
Administrative and Central Services	16	510,759,889	482,781,193
Repairs and Maintenance Expenses	17	68,014,326	88,132,002
Academic Departments Expenses	18	173,455,492	148,432,819
Research & Extension Expenses	19	364,456,931	477,738,611
CESAAM ACE 2 Expenses	20	85,949,793	109,075,995
MCF TAGDEV Expenses	21	56,702,002	87,762,412
Tegemeo Expenses	22	181,321,518	209,735,959
IGU Expenses	23	74,883,429	83,472,788
Depreciation Expenses	24	114,342,083	141,029,810
		4,655,131,583	4,627,279,586
Other Gains/(Losses)			
Gain/(Loss) on Shares		20,570	(1,915)
(Decrease)/increase in Provision for bad debts		(6,208,585)	(1,405,110)
Gain on Foreign Exchange		(1,763,799)	(40,933,068)
Gain/(Loss) on biological Assets		260,814	(436,859)
Gain/(Loss) on Disposal of Assets		1,554,435	-
		(6,136,565)	(42,776,952)
Deficit for the Period		461,599,075	(18,729,138)
Attributable to:			
Owners of the controlling entity		461,599,075	(18,729,138)

The notes set out on pages 6 to 51 form an integral part of these Financial Statements. The Financial Statements set out on pages 1 to 5 Were signed on behalf of the University Council by:

Prof. Isaac O. Kibwage, PhD, HSC Charles K. Wanjohi, CPA(K)
Vice Chancellor
Chief Finance Officer
ICPAK M/No: 8804

Prof. James K. sang
Chairman, University Council

Date 27/08/2025

Date 27/08/2025

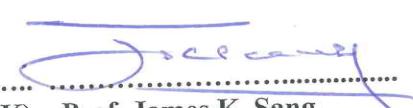
Date 27/08/2025

15. STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2025

Particulars	Notes	Period as at 30-Jun-25 Kshs.	Audited 2023-2024 Kshs.
ASSETS			
Current Assets			
Cash in Bank and in Hand	26 (a)	926,484,231	1,042,024,566
Contingent Deposit	26 (b)	50,000,000	50,000,000
Receivables from Exchange Transactions	27 a & b	1,715,067,509	973,124,643
Receivables from Non-Exchange Transactions	27 (c)	488,909,675	417,179,686
Inventories	28	39,226,445	38,148,230
Agricultural Assets	29	12,474,304	12,213,490
Total Current Assets		3,232,162,164	2,532,690,615
Non Current Assets			
Property, Plant & Equipment	30 (a)	3,858,811,162	3,959,178,929
Work in Progress (WIP)	30 (b)	979,629,304	947,929,452
Investments	31	150,190,715	150,170,145
Total Non - Current Assets		4,988,631,182	5,057,278,526
Total Assets (A)		8,220,793,347	7,589,969,141
LIABILITIES			
Current Liabilities			
Negative Cash Balances	26 (c)	6,715,090	6,688,642
Trade and Other Payables	32 (a)	9,033,291,650	8,752,682,482
Provisions and Accruals	32 (b)	670,121,512	678,038,827
Deferred Income	32 (c)	453,913,897	557,407,067
Total Current Liabilities		10,164,042,149	9,994,817,018
Total Liabilities (B)		10,164,042,149	9,994,817,018
Net Assets (A-B)		(1,943,248,802)	(2,404,847,877)
Represented by:			
General fund		5,067,521,651	5,067,521,651
Accumulated Surplus(Deficit)		(7,010,770,454)	(7,472,369,528)
Net Assets		(1,943,248,802)	(2,404,847,877)

The Financial Statements set out on pages 1 to 5 Were signed on behalf of the University Council by:


 Prof. Isaac O. Kibwage, PhD, HSC
 Vice Chancellor

 Charles K. Wanjohi, CPA(K)
 Chief Finance Officer
 ICPAK M/No: 8804

 Prof. James K. Sang
 Chairman, University Council

Date 27/08/2025

Date 27/08/2025

Date 27/08/2025

16. STATEMENT OF CHANGES IN NET ASSETS FOR THE YEAR ENDED 30 JUNE 2025.

Particulars	Note	Capital Reserves Kshs.	Revenue Reserves Kshs.	Total Kshs.
At July 1, 2023		4,992,521,651	(7,453,839,891)	(2,461,318,240)
Capital Grants	6(b)	75,000,000		75,000,000
Deficit from operations			(18,729,138)	(18,729,138)
Prior year Adjustments			199,500	199,500
At June 30, 2024		5,067,521,651	(7,472,369,528)	(2,404,847,877)
At July 1, 2024		5,067,521,651	(7,472,369,528)	(2,404,847,877)
Capital Grants	6 (b)			-
Surplus from operations			461,599,075	461,599,075
At June 30, 2025		5,067,521,651	(7,010,770,454)	(1,943,248,802)

During the FY 2024/2025, the university did not receive any GOK development grant towards establishment of Biotechnology Laboratory ongoing project

The outstanding liabilities have risen to a level beyond both current and non-current assets value. This can be termed as total bankruptcy i.e., a situation in which all assets of the university (current and non-current) are not sufficient to meet its outstanding financial obligations. This trend is however reducing since the University has reported a net surplus of **Ksh 461.60 million** in the current FY

17. STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 30 JUNE 2025.

Particulars	Notes	Period ended 30-Jun-25 Kshs.	Audited 2023-2024 Kshs.
Operating Activities			
Deficit for the year		461,599,075	(18,729,138)
Adjustments for			
Depreciation	24	114,342,083	141,029,810
Movement in Provisions for the year	32 (b)	(7,917,315)	27,991,366
Movement in Deferred Income for the year	32 (c)	(103,493,169)	122,293,435
(Profit)/Loss on disposal of Assets	25	(1,554,435)	-
(Gain)/Loss on Revaluation of Shares	25	(20,570)	1,915
		462,955,669	272,587,387
Changes in Working Capital			
(Increase)/Decrease in Biological Assets	29	(260,814)	436,859
(Increase)/Decrease in Receivables	27 (a)	(813,672,855)	(481,723,783)
(Increase)/Decrease in Inventories	28	(1,078,214)	(47,913)
Increase/(Decrease) in Payables	32 (a)	280,609,168	489,253,529
		(534,402,716)	7,918,692
Cash Generated from Operations		(71,447,047)	280,506,078
Investing Activities			
Purchase of Property, Plant and Equipment	30 (a)	(45,674,170)	(10,473,818)
E.U Investment Company	31	0	(201,000)
Cash on Disposal of Assets	25	1,554,435	-
Net Cash from Investing Activities		(44,119,735)	(10,674,818)
Financing Activities			
GoK Capital Grants	6 (b)	-	75,000,000
Net Cash from Financing Activities			75,000,000
Net Increase/(Decrease) in Cash and Cash Equivalents		(115,566,783)	344,831,260
Cash and Cash Equivalents at the start of the period		1,085,335,923	740,504,662
Cash and Cash Equivalents at the Close of the period	26 (d)	969,769,141	1,085,335,923

Reconciliation between Cash and bank balances as reported in statement of financial position and as reflected in cash flows statement

	Amounts in Ksh
Cash and bank balances as reflected in Statement of Financial Position	926,484,231
ADD: Contingent Deposits	50,000,000
	976,484,231
LESS: Negative Cash Balances	6,715,090
Cash and bank balances as reflected in Statement of Cash Flows	969,769,141

18. STATEMENT OF COMPARISON OF BUDGET AND ACTUAL AMOUNTS FOR THE YEAR ENDED 30TH JUNE 2025

Particulars	Note	Original Budget	Adjustments	Final Budget	Actual	% of Utilization
		2024/2025 Kshs.	2024/2025 Kshs.	2024/2025 Kshs.	July - June 2024/2025 Kshs.	
Revenue from Non-Exchange Transactions						
GoK Recurrent Capitation Grant	6 (a)	971,430,380	698,850,385	1,670,280,765	1,670,280,765	100%
Research & Extension Income	7	360,000,000	-	360,000,000	363,653,184	101%
Other Revenue from Non-Exchange Transactions	11	5,000,000	-	5,000,000	4,853,647	97%
CESAAM ACE 2	8	70,000,000	-	70,000,000	85,949,793	123%
MCF TAGDEV	9	130,000,000	-	130,000,000	56,702,002	44%
Tegemeo Income	10	200,000,000	-	200,000,000	181,625,077	91%
Total Revenue from Non-Exchange Transactions		1,736,430,380	698,850,385	2,435,280,765	2,363,064,468	97%
Revenue from Exchange Transactions						
Tuition and Related Fees	12	2,769,126,160	(81,441,119)	2,687,685,041	2,589,019,268	96%
Other Services Rendered	13	270,616,800	-	270,616,800	170,783,487	63%
		3,039,742,960	(81,441,119)	2,958,301,841	2,759,802,755	93%
Total Revenue		4,776,173,340	617,409,266	5,393,582,606	5,122,867,223	95%
Expenditure						
Staff Costs	14	2,697,188,792	390,056,824	3,087,245,616	3,006,633,761	97%
Council Expenses	15	25,738,311	3,000,000	28,738,311	18,612,359	65%
Administrative and Central Services	16	553,026,679	36,400,000	589,426,679	510,759,889	87%
Repairs and Maintenance Expenses	17	146,960,000	28,000,000	174,960,000	68,014,326	39%
Academic Departments Expenses	18	224,259,558	36,852,442	261,112,000	173,455,492	66%
Research & Extension Expenses	19	374,000,000	-	374,000,000	364,456,931	97%
CESAAM ACE 2 Expenses	20	70,000,000	-	70,000,000	85,949,793	123%
MCF TAGDEV Expenses	21	130,000,000	-	130,000,000	56,702,002	44%
Tegemeo Expenses	22	200,000,000	-	200,000,000	181,321,518	91%
Expenses-IGU Inputs	23	119,700,000	-	119,700,000	74,883,429	63%
Depreciation Expenses	24	89,900,000	48,100,000	138,000,000	114,342,083	83%
Total Expenditure		4,630,773,340	542,409,266	5,173,182,606	4,655,131,583	90%
Other gains/(Losses)						
Gain on Revaluation Investment-Shares	25	-	-	-	20,570	
(Decrease)/increase in Provision for bad debts		-	-	-	(6,208,585)	
Gain on Foreign Exchange		-	-	-	(1,763,799)	
Gain/(Loss) on biological Assets		-	-	-	260,814	
Gain/(Loss) on Disposal of Assets		-	-	-	1,554,435	
		-	-	-	(6,136,565)	
Surplus/ (Deficit) from Recurrent Budget		145,400,000	75,000,000	220,400,000	461,599,075	
GoK Development Grant	6(b)	75,000,000	(75,000,000)	-	-	
Capital Expenditure		220,400,000	-	220,400,000	45,674,170	21%
Surplus/ (Deficit) for the Period		-	-	0	415,924,905	

During the FY 2024/2025, with the introduction of the New Funding Model (NFM) in FY 2023/2024 there was an increase of the A-i-A raised from tuition fee collections from Cohort 2023 and 2024. This resulted in the review of approved budget through Supplementary I budget.

The university also received additional GOK recurrent funding in the Supplementary II to cater for the signed 2021-2025 CBA as well as operational deficit.

The two supplementary budgets necessitated the revision of the university budget upwards to allow university operate within the originally budgeted figures before the budget was rationalized downwards following the approval of the budget ceilings for the FY.

19. NOTES TO THE FINANCIAL STATEMENTS

1. GENERAL INFORMATION

Egerton University is established by and derives its authority and accountability from Universities Act No 42 of 2012. The University is wholly owned by the Government of Kenya and is domiciled in Kenya. The University's principal activities are outlined on pages 4-5.

2. STATEMENT OF COMPLIANCE AND BASIS OF PREPARATION

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

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

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

3. ADOPTION OF NEW AND REVISED STANDARDS

- New and amended standards and interpretations in issue effective in the year ended 30th June 2024.

Standard	Effective date and impact:
IPSAS 41: Financial Instruments	<p>Applicable: 1st January 2023:</p> <p>The objective of IPSAS 41 is to establish principles for the financial reporting of financial assets and liabilities that will present relevant and useful information to users of financial statements for their assessment of the amounts, timing and uncertainty of an Entity's future cash flows.</p> <p>IPSAS 41 provides users of financial statements with more useful information than IPSAS 29, by:</p>

Standard	Effective date and impact:
	<ul style="list-style-type: none"> • Applying a single classification and measurement model for financial assets that considers the characteristics of the asset's cash flows and the objective for which the asset is held; • Applying a single forward-looking expected credit loss model that is applicable to all financial instruments subject to impairment testing; and • Applying an improved hedge accounting model that broadens the hedging arrangements in scope of the guidance. The model develops a strong link between an Entity's risk management strategies and the accounting treatment for instruments held as part of the risk management strategy.
IPSAS 42: Social Benefits	<p>Applicable: 1st January 2023</p> <p>The objective of this Standard is to improve the relevance, faithful representativeness and comparability of the information that a reporting Entity provides in its financial statements about social benefits. The information provided should help users of the financial statements and general-purpose financial reports assess:</p> <ol style="list-style-type: none"> (a) The nature of such social benefits provided by the Entity. (b) The key features of the operation of those social benefit schemes; and (c) The impact of such social benefits provided on the Entity's financial performance, financial position and cash flows.
Amendments to Other IPSAS	<p>Applicable: 1st January 2023:</p> <p>a) Amendments to IPSAS 5, to update the guidance related</p>

Standard	Effective date and impact:
resulting from IPSAS 41, Financial Instruments	<p>to the components of borrowing costs which were inadvertently omitted when IPSAS 41 was issued.</p> <p>b) Amendments to IPSAS 30, regarding illustrative examples on hedging and credit risk which were inadvertently omitted when IPSAS 41 was issued.</p> <p>c) Amendments to IPSAS 30, to update the guidance for accounting for financial guaranteed contracts which were inadvertently omitted when IPSAS 41 was issued.</p> <p>d) 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>
Other improvements to IPSAS	<p><i>Applicable 1st January 2023</i></p> <ul style="list-style-type: none"> • <i>IPSAS 22 Disclosure of Financial Information about the General Government Sector.</i> Amendments to refer to the latest System of National Accounts (SNA 2008). • <i>IPSAS 39: Employee Benefits.</i> Now deletes the term composite social security benefits as it is no longer defined in IPSAS. • IPSAS 29: Financial instruments: Recognition and Measurement. Standard no longer included in the 2023 IPSAS handbook as it is now superseded by IPSAS 41 which is applicable from 1st January 2023.

NOTES TO THE FINANCIAL STATEMENTS (Continued)

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

Standard	Effective date and impact:
IPSAS 43	<p><i>Applicable 1st January 2025</i></p> <p>The standard sets out the principles for the recognition, measurement, presentation, and disclosure of leases. The objective is to ensure that lessees and lessors provide relevant information in a manner that faithfully represents those transactions. This information gives a basis for users of financial statements to assess the effect that leases have on the financial position, financial performance and cashflows of an Entity. The new standard requires entities to recognise, measure and present information on right of use assets and lease liabilities.</p>
IPSAS 44: Non- Current Assets Held for Sale and Discontinued Operations	<p><i>Applicable 1st January 2025</i></p> <p>The Standard requires, Assets that meet the criteria to be classified as held for sale to be measured at the lower of carrying amount and fair value less costs to sell and the depreciation of such assets to cease and:</p> <p>Assets that meet the criteria to be classified as held for sale to be presented separately in the statement of financial position and the results of discontinued operations to be presented separately in the statement of financial performance.</p>

iii. *Early adoption of standards*

The University did not early – adopt any new or amended standards in year 2024/2025.

NOTES TO THE FINANCIAL STATEMENTS (Continued)

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

a) Revenue Recognition

i) Revenue from Non-Exchange Transactions

To the extent that there is a related condition attached that would give rise to a liability to repay the amount, deferred income is recognized instead of revenue.

Other non-exchange revenues are recognized when it is probable that the future economic benefits or service potential associated with the asset will flow to the University and the fair value of the asset can be measured reliably.

Transfers from other Government Entities

Revenues from non-exchange transactions with other government entities are measured at fair value and recognized on obtaining control of the asset (cash, goods, services and property) if the transfer is free from conditions and it is probable that the economic benefits or service potential related to the asset will flow to the University and can be measured reliably.

Rendering of Services & Fees

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

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

ii) Revenue from Exchange Transactions

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

Sale of Goods

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

NOTES TO THE FINANCIAL STATEMENTS (Continued)

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

ii) Revenue from Exchange Transactions (Continued)

Rental Income

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

b) Budget Information

Budget Information

The original budget for Financial Year 2024-2025 was approved by the National Assembly on 13th June 2024. Subsequent revisions or additional appropriations were made to the approved budget in accordance with specific approvals from the appropriate authorities. The additional appropriations are added to the original budget by the University upon receiving the respective approvals in order to conclude the final budget.

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

c) Taxes

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

d) Property, Plant and Equipment

All property, plant and equipment are stated at cost less accumulated depreciation and impairment losses. Cost includes expenditure that is directly attributable to the acquisition of the items. When significant parts of property, plant and equipment are required to be replaced at intervals, the University recognizes such parts as individual assets with specific useful lives and depreciates them accordingly. Likewise, when a major inspection is performed, its cost is recognized in the carrying amount of the plant and equipment as a replacement if the recognition criteria are satisfied.

NOTES TO THE FINANCIAL STATEMENTS (Continued)

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

d) Property, Plant and Equipment (Continued)

All other repair and maintenance costs are recognized in surplus or deficit as incurred. Where an asset is acquired in a non-exchange transaction for nil or nominal consideration the asset is initially measured at its fair value.

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

The annual rates used are: -

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

e) Intangible Assets

Intangible assets acquired separately are initially recognized at cost. The cost of intangible assets acquired in a non-exchange transaction is their fair value at the date of the exchange. Following initial recognition, intangible assets are carried at cost less any accumulated amortization and accumulated impairment losses. Internally generated intangible assets, excluding capitalized development costs, are not capitalized and expenditure is reflected in surplus or deficit in the period in which the expenditure is incurred. The useful life of the intangible assets is assessed as either finite or indefinite.

f) Research and Development Costs

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

NOTES TO THE FINANCIAL STATEMENTS (Continued)

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

f) Research and Development Costs (Continued)

- 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.

g) Financial Instruments

Financial Assets

Initial recognition and measurement

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

Loans and Receivables

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

NOTES TO THE FINANCIAL STATEMENTS (Continued)

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

g) Financial Instruments (Continued)

Held-to-Maturity

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

Impairment of Financial Assets

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

Evidence of impairment may include the following indicators:

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

Financial Liabilities

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

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

NOTES TO THE FINANCIAL STATEMENTS (Continued)

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

h) Inventories

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

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

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

After initial recognition, inventory is measured at the lower of cost and net realizable value. However, to the extent that a class of inventory is distributed or deployed at no charge or for a nominal charge, that class of inventory is measured at the lower of cost and current replacement cost.

Net realizable value is the estimated selling price in the ordinary course of operations, less the estimated costs of completion and the estimated costs necessary to make the sale, exchange, or distribution. Inventories are recognized as an expense when deployed for utilization or consumption in the ordinary course of operations of the University.

i) Agricultural Assets

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

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

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

NOTES TO THE FINANCIAL STATEMENTS (Continued)

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

i) Agricultural Assets (Continued)

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

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

j) Provisions

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

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

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

Contingent Liabilities

The University does not recognize a contingent liability, but discloses details of any contingencies in the notes to the financial statements, unless the possibility of an outflow of resources embodying economic benefits or service potential is remote.

Contingent Assets

The University does not recognize a contingent asset, but discloses details of a possible asset whose existence is contingent on the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the University in the notes to the financial

NOTES TO THE FINANCIAL STATEMENTS (Continued)

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

j) Provisions

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.

Provision for bad debts

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

k) Nature and purpose of reserves

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

l) Changes in Accounting Policies and Estimates

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

m) Employee Benefits

Retirement Benefit Plans

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

NOTES TO THE FINANCIAL STATEMENTS (Continued)

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

m) Employee Benefits (Continued)

Defined benefit plans are post-employment benefit plans other than defined-contribution plans. The defined benefit funds are actuarially valued tri-annually on the projected unit credit method basis. Deficits identified are recovered through lump sum payments or increased future contributions on proportional basis to all participating employers. The contributions and lump sum payments reduce the post-employment benefit obligation.

The University also contributes to the National Social Security Fund (NSSF) for all its staff. The University's obligations currently is for both Tier I and Tier II. The University's obligation to staff retirement benefit schemes are charged to the statement of the financial performance in the year to which they relate.

n) Foreign Currency Transactions

Transactions in foreign currencies are initially accounted for at the ruling rate of exchange on the date of the transaction. Trade creditors or debtors denominated in foreign currency are reported at the statement of financial position reporting date by applying the exchange rate on that date. Exchange differences arising from the settlement of creditors, or from the reporting of creditors at rates different from those at which they were initially recorded during the period, are recognized as income or expenses in the period in which they arise.

o) Related Parties

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

p) Service Concession Arrangements

The University analyses all aspects of service concession arrangements that it enters into in determining the appropriate accounting treatment and disclosure requirements. In particular, where a private party contributes an asset to the arrangement, the University recognizes that asset

NOTES TO THE FINANCIAL STATEMENTS (Continued)

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

q) Service Concession Arrangements (Continued)

when, and only when, it controls or regulates the services the operator must provide together with the asset, to whom it must provide them, and at what price. In the case of assets other than 'whole-of-life' assets, it controls, through ownership, beneficial entitlement or otherwise – any significant residual interest in the asset at the end of the arrangement.

Any assets so recognized are measured at their fair value. To the extent that an asset has been recognized, the University also recognizes a corresponding liability, adjusted by a cash consideration paid or received.

q) Cash and Cash Equivalents

Cash and cash equivalents comprise cash on hand and cash at bank, short-term deposits on call and highly liquid investments with an original maturity of three months or less, which are readily convertible to known amounts of cash and are subject to insignificant risk of changes in value. Bank account balances include amounts held at the Central Bank of Kenya and at various commercial banks at the end of the financial year. For the purposes of these financial statements, cash and cash equivalents also include short term cash imprests and advances to authorised public officers and/or institutions which were not surrendered or accounted for at the end of the financial year.

r) Comparative Figures

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

s) Subsequent Events

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

5. SIGNIFICANT JUDGMENTS AND SOURCES OF ESTIMATION UNCERTAINTY

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

Estimates and Assumptions

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

Useful Lives and Residual Values

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

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

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 27(b).

Provisions are measured at the management's best estimate of the expenditure required to settle the obligation at the reporting date, and are discounted to present value where the effect is material.

NOTES TO THE FINANCIAL STATEMENTS (Continued)

Note 6 (a): - Income - GoK Recurrent Capitation Grants		Period ended 30-Jun-25 Kshs.	Audited 2023-2024 Kshs.
Date Received	Particulars		
	GoK Capitation Grants		
13-Aug-2024	July	80,952,532	147,779,688
11-Sep-2024	August	80,952,532	147,779,688
8-Oct-2024	September	80,952,532	147,779,686
8-Nov-2024	October	80,785,865	147,779,688
5-Dec-2024	November	81,119,198	147,779,688
6-Jan-2025	December	80,952,532	147,779,687
7-Jan-2025	January	80,952,532	147,779,687
10-Feb-2025	February	80,952,532	147,779,687
13-Mar-2025	March	80,952,532	147,779,687
10-Apr-2025	April	80,952,532	147,779,688
2-May-2025	May	80,952,532	147,779,688
26-May-2025	May	209,940,710	147,779,688
12-Jun-2025	June	80,952,530	269,400,000
7-Jul-2025	June	488,909,675	-
55-033-001	Total GoK Recurrent Grants	1,670,280,765	2,042,756,248
	Note 6 (b) Income-GoK Development Grants		
Date Received	Particulars	Period ended 30-Jun-25 Kshs.	Audited 2023-2024 Kshs.
	January	-	50,000,000
	February	-	25,000,000
55-033-002	Total GoK Development Grants	-	75,000,000

There was reduction in monthly GOK recurrent Capitation following the introduction of the New Funding Model in FY 2023/2024. There were two cohorts under the NFM during the FY 2024/2025 (Cohort 2023 & 2024)

The University however received **Ksh. 488.9 million** additional funding to cater for operational deficit and **Ksh 209.9 million** for implementation of the signed 2021-2025 CBAs.

The University did not receive GOK development grant towards establishment of Biotechnology Laboratory in the year under review.

NOTES TO THE FINANCIAL STATEMENTS (Continued)

Note 6 c. Break down of Transfers from the State Department of Education, Ministry of Education			
FY 2024/2025			
6a. Recurrent Grants			
	Bank Statement Date	Amount (KShs)	Indicate the FY to which the amounts relate
	13-Aug-2024	80,952,532	2024/2025
	11-Sep-2024	80,952,532	2024/2025
	8-Oct-2024	80,952,532	2024/2025
	8-Nov-2024	80,785,865	2024/2025
	5-Dec-2024	81,119,198	2024/2025
	6-Jan-2025	80,952,532	2024/2025
	7-Jan-2025	80,952,532	2024/2025
	10-Feb-2025	80,952,532	2024/2025
	13-Mar-2025	80,952,532	2024/2025
	10-Apr-2025	80,952,532	2024/2025
	2-May-2025	80,952,532	2024/2025
	26-May-2025	209,940,710	2024/2025
	12-Jun-2025	80,952,530	2024/2025
	7-Jul-2025	488,909,675	2024/2025
	Total	1,670,280,765	
b. Development Grants			
	Bank Statement Date	Amount (KShs)	Indicate the FY to which the amounts relate
			2024/2025
	Total	-	
c. Donor Receipts			
	Bank Statement Date	Amount (KShs)	Indicate the FY to which the amounts relate
			2024/2025
	Total	-	

NOTES TO THE FINANCIAL STATEMENTS (Continued)

Note 7 : -Research & Extension Income			
Note 7a : -Research & Extension Income (Unmatched)			
Particulars		Period ended 30-Jun-25 Kshs.	Audited 2023-2024 Kshs.
1	Department of Defence-RE06-Income	-	16,200
2	Dryland Farming-55-037-261-400-RE07	-	54,184
3	Research & Extension-RE25-Income	19,865,629	23,109,688
4	Training-RE33-Income	462,400	12,163,875
5	Global Fund-RE44-Income	13,690,358	12,257,399
		34,018,387	47,601,346
Note 7b : -Research & Extension Matched Income			
Particulars		Period ended 30-Jun-25 Kshs.	Audited 2023-2024 Kshs.
1	AICAD-RE02-Income	6,040	6,053
2	DAAD/EBR-RE05-Income	2,338,382	1,533,348
3	Dryland Farming-RE07-Income	6,040	6,053
4	Economics Department-RE08-Income	1,206,155	56,053
5	Fingerponds-RE10-Income	44,426,580	17,807,872
6	Global Fund for TB-RE12-Income	1,991,235	171,475
7	Globalite-RE13-Income	5,795,731	2,304,846
8	Greenhouses-RE14-Income	6,040	7,728,058
9	KAPP GRANTS-RE18-Income	8,037,607	15,125,643
10	Natural Resources-RE20-Income	3,343,542	5,601,544
11	NORAGIC-RE21-Income	3,127,488	3,310,945
12	OSSREA Young Scholars-RE22-Income	6,084,698	9,103,216
13	PRA-RE23-Income	1,791,586	7,976,808
14	ROSA Project-RE27-Income	9,243,864	5,116,375
15	TAMOU 01C-RE29-Income	13,773,464	22,774,574
16	Vertisol Managemnt-RE34-Income	154,007	155,788
17	OSSREA Post-Doctoral-RE37-Income	6,040	2,605,500
18	ECOLIVE Project-RE40-Income	6,701	6,173
19	Wetland Ecosystem-RE41-Income	14,856,202	13,411,851
20	Limnology-RE42-Income	13,358,192	15,780,667
21	ECO-HELB-RE43-Income	9,891,523	6,053
22	Confucious Institute-RE45-Income	9,452,335	13,529,712
23	COELIB Projects-RE46-Income	63,907,948	100,292,306
24	Pytochem Projects-RE47-Income	113,282,545	179,192,463
25	AERC 2 Project - RE52-Income	3,540,850	-
		329,634,797	423,603,375
Total: Note 7 : -Research & Extension Income		363,653,184	471,204,720

NOTES TO THE FINANCIAL STATEMENTS (Continued)

Note 8 : - CESAAM ACE 2		Period ended 30-Jun-25 Kshs.	Audited 2023-2024 Kshs.
Particulars			
1 CESAAM ACE 2		85,949,793	109,075,995
		85,949,793	109,075,995
Note 9 : - MCF TAGDEV			
Particulars		Period ended 30-Jun-25 Kshs.	Audited 2023-2024 Kshs.
1 MCF TAGDEV		56,702,002	87,759,567
		56,702,002	87,759,567
Note 10 :- Tegemeo Institute Income			
Note 10a :- Tegemeo Institute Income (Not Matc			
Particulars		Period ended 30-Jun-25 Kshs.	Audited 2023-2024 Kshs.
1 TAPRA I Income		2,043	2,491
2 RFCCP Income		7,339	7,280
3 KBSP Income		3,840,784	3,060,511
4 TAPRA II Income		7,025,346	9,515,455
5 MLE Income		1,380	1,264
6 TAMPA II Income		16,758	13,915
		10,893,649	12,600,915
Note 10b :- Tegemeo Institute Income			
Particulars		Period ended 30-Jun-25 Kshs.	Audited 2023-2024 Kshs.
1 PAM/KMDP Income		-	800,000
2 ReNAPRI Income		5,086,920	1,033,595
3 CI -TE05 Income		6,290	276,401
4 WFP Income		112,560	11,467,521
5 AGRI BENCHMARK Income		-	125,511
6 NML Income		59,398,500	64,260,470
7 IFPRI Income		3,782,718	429,669
8 BFAP Income		346,275	1,086,456
9 EXETER Income		-	5,000
10 KDB Income		8,428,046	-
11 GIZ Income		-	150,000
12 TEGEMEO ALLIN 1		18,451,900	9,546,389
13 LSSF Income		-	143,909
14 PIATA MATHEMAT Income		-	100,000
15 PEDL Income		7,321,184	6,869,863
16 SARA-KE Income		23,845,652	1,560
17 ALLIN 2 Income		8,525,945	8,846,632
18 DIME PROJECT		4,110,521	2,803,978
19 KCSAP Project		3,636,168	84,682,514
20 ALCORN PROJECT		-	175,857
21 PAR-GEAP-TE05		2,852,508	4,719,474
22 REPEAT -TE05		5,921,050	-
23 INCATA -TE05		18,905,191	-
		170,731,428	197,524,799
Total: Note 10 : -Tegemeo Institute Income		181,625,077	210,125,714

NOTES TO THE FINANCIAL STATEMENTS (Continued)

Note 11 : - Other Non-Exchange Income		Period ended 30-Jun-25 Kshs.	Audited 2023-2024 Kshs.
Particulars			
1	Mau Egerton Cross Country Income-MAIN	3,584,007	2,826,466
2	Mau Egerton Cross Country Income Noncash Sponsors	1,269,640	1,004,000
3	Partners Donations & Grants -Donations	-	1,000,000
		4,853,647	4,830,466
	Total Non-Exchange Income	692,783,703	882,996,463
Note 12 : - Income-Tuition and Related Fees			
Particulars		Period ended 30-Jun-25 Kshs.	Audited 2023-2024 Kshs.
1	Tuition Fee	2,057,163,454	1,134,175,021
2	Application Fee	1,182,926	1,054,335
3	Registration Fee	25,383,700	19,342,500
4	Student I/D	2,867,850	2,903,000
5	Activity Fees	22,242,350	17,765,500
6	Student medical fee	38,997,632	32,523,700
7	Examination Fee	63,385,655	52,193,837
8	Material Development	65,538,200	54,954,100
9	Graduation Fees	19,670,100	21,026,314
10	Library Fee	39,299,050	32,915,575
11	Student Supervision Fee	4,838,195	6,435,663
12	Field Attachment fee	25,564,590	19,435,000
13	Student Laboratory fee	22,220,100	18,340,500
14	Academic Trascripts	322,946	216,655
15	Certificate Storage Charges	369,400	623,200
16	Library Fine	-	284,561
17	Test & Vaccination- NTCC	205,000	-
18	Gowns Hire & Penalties	358,500	390,900
19	Remarking & Retake Exams	20,567,001	-
20	Short Courses	2,019,916	-
21	ICT Charges	61,608,650	49,967,347
22	Re-registration	3,188,000	3,516,500
23	Interfaculty Transfer Fee	1,001,000	791,000
24	Field Visits	62,716,200	29,385,000
25	Judicial Practice	1,658,750	1,087,500
26	Internal Attachment	2,674,830	1,677,500
27	Teaching Practice	13,559,400	11,260,700
28	Retake exam fees- Main	30,415,873	42,101,493
		2,589,019,268	1,554,367,401

There was substantial increase in tuition fee during the year as a result of having two cohorts under the New Funding Model.

NOTES TO THE FINANCIAL STATEMENTS (Continued)

Note 13 : -IGUs Income & Other Services Rendered		Period ended 30-Jun-25 Kshs.	Audited 2023-2024 Kshs.
Note 13a : - Income-IGUs Incomes			
Particulars			
1 Estates		656,914	272,651
2 Catering (Meals)		18,020,695	12,349,278
3 Accomodation Fees-Halls		73,139,923	66,601,899
4 Horticulture		-	144,718
5 Natural Resources		225,000	577,062
6 Dairy Income		916,539	224,273
7 Income from Medical Department		12,140,824	15,457,311
8 Kenyatta Campus		685,111	822,270
9 Funeral Home Income		7,311,750	6,316,041
10 Uinversity Press Income		12,214,115	15,400,188
11 Minimart		-	674,169
12 TAP Income		2,755,049	3,144,628
13 Visiting Group Levy		7,316,904	4,137,482
14 Tailoring Income		1,168,290	721,673
15 IGUs -Overhead Accounts		4,389,219	10,238,022
16 Gift Shop Income		725,814	396,224
Total Income-IGUs Incomes		141,666,147	137,477,889
Note 13b : - Income- Other Services Rendered			
Particulars		Period ended 30-Jun-25 Kshs.	Audited 2023-2024 Kshs.
1 House Rent		24,949,317	20,532,129
2 Student Damages Charges		20,750	37,286
3 Insurance Payroll deduction Commission		323,013	274,299
4 Insurance Refunds/Rebates		2,433,209	7,661,733
5 Water/Electricity Charges - Main		-	1,101,000
6 Manpower Development Income		429,851	1,289,480
7 Salary Refunds/lieu of notice		-	14,676
8 Fines/Penaltes on Trespassing		273,185	1,448,751
9 Laboratory Tutorial Fee		163,500	-
10 Interest on Imprest		145,147	1,053,648
11 Certificate Verification		379,368	316,396
Total Income-Other Services Rendered		29,117,339	33,729,399
Total -IGUs Income & Other Services Rendered		170,783,487	171,207,288

NOTES TO THE FINANCIAL STATEMENTS (Continued)

Note 14 : - Staff Personnel Remuneration		Period ended 30-Jun-25	Audited 2023-2024
	Particulars	Kshs.	Kshs.
1	Basic Salary	1,641,449,189	1,456,267,559
2	House Allowance	538,780,236	556,152,448
3	Duty/Risk/Extraneous Allowance	5,521,390	5,373,319
4	Commuter Allowance	149,049,427	153,896,514
5	Medical Allowance	56,939,473	59,437,927
6	Hardship Allowance	1,633,065	1,583,352
7	Remunerative Allowance	27,894,043	28,376,263
8	Basic Salary Arrears	5,411,413	9,494,461
9	Non Practice Allowance	12,700,000	12,903,871
10	Entertainment Allowance	2,082,464	1,992,000
11	Acting Allowance	2,126,175	2,370,516
12	Professorial Allowance	6,103,833	6,460,228
13	Responsibility Allowance	4,957,500	5,196,000
14	Manpower	1,911	284,494
15	Leave Allowance	16,681,731	16,142,122
16	Special Duty Allowance	2,946,057	1,964,125
17	Uniform Allowance	110,000	140,000
18	Ambulance Allowance	72,000	58,500
19	Phone Allowance	1,794,316	1,810,190
20	Call Allowance	24,112,000	24,679,742
21	Book Journal/ICT Allowance	5,949,839	5,760,000
22	NSSF-Employer Contribution	26,797,022	23,402,164
23	Pension-Employer Contribution	279,760,755	231,475,870
24	Overtime Amount	4,257,199	-
25	Gratuities	47,204,267	67,171,648
26	Home Water & Electricity	1,146,714	996,000
27	Domestic Servant	2,340,000	2,340,000
28	Non use of Car allowance	960,000	960,000
29	Assistants Allowance	480,000	480,000
30	Medical Extraneous Allowance	30,205,036	30,035,070
31	Medical Risk Allowance	9,351,679	9,296,289
32	Veterinary Risk Allowance	1,428,645	1,528,714
33	Night Travel -Library staff	2,280,208	1,894,420
34	Consolidated Salary	27,494,718	22,338,332
35	Housing Levy Employer Contribution	37,796,545	24,933,346
36	Passage and Baggage	2,808,107	2,908,725
37	Staff Training Expenses	821,799	925,372
38	Graduate Scholarships	-	910,200
39	Staff Fees Waiver	600,000	833,100
40	Staff Uniforms	45,000	450,000
41	NITA Charges	781,300	762,000
42	Pension Grade I-IV	2,000,000	2,000,000
43	Casual Labor Wages	21,758,705	9,975,172
	Total Staff Costs	3,006,633,761	2,785,960,054

During the year there was increase in the basic salaries and pension contributions due to implementation of the signed 2021-2025 CBAs from October 2024.

NOTES TO THE FINANCIAL STATEMENTS (Continued)

Note 15 : - Council Expenses		Period ended 30-Jun-25 Kshs.	Audited 2023-2024 Kshs.
Particulars			
1 Sitting Allowances		3,423,940	3,930,800
2 Mileage/Travel		5,417,013	2,693,373
3 Meals		451,447	250,400
4 Accomodation		5,282,929	3,912,800
5 Training Expense		2,114,335	-
6 Chancellors Honorarium		950,585	632,258
7 Chairman's Honorarium		256,818	960,000
8 Chairman's Phone Allowance		24,129	84,000
9 Council Insurance expense		691,161	694,311
		18,612,359	13,157,942

Following the expiry of the term of the Dr. Luka H. Wario as the Chairman of University Council in October 2024, the University stayed for remainder of months of the FY without the Chairman which explains the reduction in Chairman honorarium and phone allowances during the year.

During the FY under review, there was recruitment of key management position as well as visit by the Council to all the university properties hence increase in council expenses during the year.

Note 16 : - Administration and Central Services Expenses		Period ended 30-Jun-25 Kshs.	Audited 2023-2024 Kshs.
Particulars			
1 Office Stationery		7,719,816	1,518,919
2 Advertising		686,370	1,140,394
3 Postage And Telephone		3,390,860	2,232,903
4 Electricity & Water		69,540,357	86,787,353
5 Official Entertainment		8,250	45,615
6 Contracted Security Services		42,658,338	36,570,351
7 General Insurances - Properties		57,754,595	54,530,867
8 Legal Charges		46,246,041	47,135,741
9 Strategic Initiative-ISO 22000/9001		5,324,840	224,800
10 Computer Stationery		672,650	4,082,958

NOTES TO THE FINANCIAL STATEMENTS (Continued)

11	General Licenses	299,006	39,000
12	Audit Fees And Expenses	1,000,000	2,500,000
13	Rent And Rates	6,027,226	16,595,034
14	Conference And Seminars -	2,075,866	3,173,282
15	University Subscription to Other Bodies	8,919,201	6,541,740
16	Internet Services	38,633,188	39,607,992
17	Office Running Expenses	9,537,210	20,032,192
18	Computer maintenance	12,151,368	10,043,911
19	Bank Charges , Interest & Comm.-	956,156	4,226,888
20	Faculty Board and Committees Expenses	6,145,697	3,918,228
21	Cleaning And Sanitary Services	58,077,040	42,371,687
22	Strategic Initiative General	13,002,216	4,088,410
23	Fuel & Gas	340,000	-
24	Publicity	530,945	4,156,884
25	Open Days Expenses	168,255	361,825
26	Production of Teaching Materials -EU Press	108,655	60,000
27	Noncash expense-Mau Egerton Cross Country	1,269,640	1,004,000
28	Other expenses-Mau Egerton Cross Country	3,107,243	31,750
29	Performance Contract Service Delivery	25,010	130,625
30	Asset Tagging & Valuation Expenses	223,000	-
31	Environmental Impact Assessment	-	186,600
32	Disability streaming	228,400	270,750
33	Program Self Assessments	393,330	693,306
34	Students Medical Expense	20,688,122	11,812,556
35	Photocopying Services	4,507,613	844,797
36	Resource Mobilization Expenses	458,287	11,500
37	Travelling And Subs. Staff	13,197,126	11,678,967
38	External Travelling	706,756	1,407,105
39	Staff Funerals Expenses	560,000	600,000
40	Staff Hospitalization Expenses	71,168,605	59,782,584
41	Medical Supplies	-	899,190
42	Prodction Inputs	-	159,290
43	TAP Expenses - Teaching	2,252,610	1,281,198
		510,759,889	482,781,193

NOTES TO THE FINANCIAL STATEMENTS (Continued)

Note 17: - Repairs and Maintenance Expenses		Period ended 30-Jun-25 Kshs.	Audited 2023-2024 Kshs.
Particulars			
1	Equipments	988,664	118,822
2	Motor Vehicle Repairs	3,394,366	9,619,034
3	Furniture	-	9,895
4	Water Supply & Sewerage	9,978,056	8,628,473
5	Buildings	16,009,537	168,479
6	Maintenance Of Stations	16,705,738	45,317,044
7	Motor Vehicles - Fuel And Oils	20,937,965	23,211,255
8	Student Damages Repairs & Replacement	-	1,059,000
		68,014,326	88,132,002
Note 18 : - Academic Departments Expenses		Period ended 30-Jun-25 Kshs.	Audited 2023-2024 Kshs.
Particulars			
1	Teaching Claims (Part Time Lecturers)	44,985,860	45,065,560
2	Printing And Publishing	-	4,258,625
3	Teaching Materials	9,253,501	5,018,108
4	Laboratory Materials	569,994	2,033,816
5	Graduation Expenses	23,499,277	12,916,176
6	Students Sports Expenses	1,200,695	1,043,275
7	Teaching Practice	14,746,875	11,648,740
8	Students Work Study Expenses	1,483,100	1,831,000
9	Academic Field Trips	21,168,655	10,508,283
10	Students Sports Expenses	1,874,730	2,587,549
11	Students Sports Expenses	12,428,612	15,802,175
12	External Examiners Expenses	751,500	534,000
13	Students Registration Expenses	-	60,200
14	Students Scholarship Expenses	3,083,168	1,330,240
15	Students Leadership Dev. Program Expenses	49,000	1,921,001
16	Post Graduate Practicum	162,400	-
17	Students ID Expenses	50,500	1,183,768
18	Teaching Services	402,705	1,697,622
19	Curriculum Review	1,307,500	2,940,380
20	Quality Assurance Audit Academic	744,365	-
21	E-Learning Expenses	5,756,686	2,560,905
22	Student Affairs Expenses	18,363,564	13,271,940
23	Student Attachment	11,297,845	9,918,400
24	Examination Materials	274,960	301,057
		173,455,492	148,432,819

NOTES TO THE FINANCIAL STATEMENTS (Continued)

Note 19 : - Research & Extension Expenses		Period ended 30-Jun-25	Audited 2023-2024
	Particulars	Kshs.	Kshs.
1	AICAD-RE02-Expenses	6,040	6,053
2	DAAD/EBR-RE05-Expenses	2,338,382	1,533,348
3	Department of Defence-RE06-Expenses	22,040	777,811
4	Dryland Farming-RE07-Expenses	6,040	6,053
5	Economics Department-RE08-Expenses	1,206,155	56,053
6	Fingerponds-RE10-Expenses	44,426,580	17,807,872
7	Gift Shop-RE11-Expenses	127,544	62,155
8	Global Fund for TB-RE12-Expenses	1,991,235	171,475
9	Globalite-RE13-Expenses	5,795,731	2,822,346
10	Greenhouses-RE14-Expenses	6,040	7,728,058
11	KAPP GRANTS-RE18-Expenses	8,037,607	15,125,643
12	Natural Resources-RE20-Expenses	3,343,542	5,601,544
13	NORAGIC-RE21-Expenses	3,127,488	3,310,945
14	OSSREA Young Scholars-RE22-Expenses	6,084,698	9,103,216
15	PRA-RE23-Expenses	1,791,586	7,976,808
16	Research & Extension-RE25-Expenses	20,226,977	26,693,479
17	ROSA Project-RE27-Expenses	9,243,864	5,116,375
18	TAMOU 01C-RE29-Expenses	14,189,104	22,774,574
19	Training-RE33-Expenses	4,305,454	3,861,458
20	Vertisol Managemnt-RE34-Expenses	154,007	155,788
21	OSSREA Post-Doctoral-RE37-Expenses	6,040	2,605,500
22	ECOLIVE Project-RE40-Expenses	6,701	6,173
23	Wetland Ecosystem-RE41-Expenses	14,856,202	13,411,851
24	Limnology-RE42-Expenses	13,358,192	15,780,667
25	ECO-HELB-RE43-Expenses	9,891,523	6,053
26	Global Fund-RE44-Expenses	9,517,859	17,201,989
27	Confucious Institute-RE45-Expenses	9,452,335	13,529,712
28	COELIB Projects-RE46-Expenses	63,906,542	100,292,306
29	Pytochem Projects-RE47-Expenses	113,490,572	179,192,463
30	AGEC Dollar Account-RE51-Expenses	-	1,222
31	AERC 2 Project Account - RE52 -Expenses	3,540,850	5,019,624
		364,456,931	477,738,611

NOTES TO THE FINANCIAL STATEMENTS (Continued)

Note 20 : - CESAAAM ACE 2 Expenses		Period ended 30-Jun-25	Audited 2023-2024
	Particulars	Kshs.	Kshs.
1	Recruitment & interviews of students	-	35,655
2	Support continuing Ph.D. student	969,520	12,762,076
3	Support continuing Msc. students	2,588,089	10,677,351
4	Short courses in Agric value chain	-	336,505
5	Conduct short courses agric & agri business	7,896,283	6,879,289
6	support staff & student presentation in int	2,760,310	5,772,299
7	Staff exchange fellowship	3,850,651	4,075,180
8	Ph.D. students exchange fellowship	882,305	657,535
9	Support publications on peer reviewed journal	183,005	290,680
10	Facilitate presentation in international con	2,398,618	3,499,015
11	Internship support for students	383,865	60,000
12	MOU signing and consultations	395,325	58,825
13	Accreditation of 1 Msc and 1 PhD Program	529,925	1,713,834
14	Theses dissemination workshop	3,169,419	1,617,625
15	Support teams develop proposals	4,412,415	2,832,752
16	Procure equipments and ICT upgrading	353,945	-
17	Procure animal nutrition lab equip	430,827	-
18	One innovation Support Agro science park	2,501,941	-
19	Marketing Cesaam Project and its programs	5,784,613	5,676,971
20	Cesaam Staff Salaries and wages	3,716,840	4,111,325
21	Cesaam vehicle mtc & Travel, subs, costs	6,297,028	7,987,081
22	CESAAM secretariat	2,081,380	2,850,212
23	Audit conducted	-	880,805
24	ADB MOHEST- Dr Isaac Kariuki	1,685,342	575,955
25	Cesaam Operational Expenses	-	21,726
26	Inter-university Council for East Africa	-	4,195,200

NOTES TO THE FINANCIAL STATEMENTS (Continued)

27	NRF Project - Dr Meshack Obonyo	-	255,531
28	EGU-BOWIE USA EXCH - Prof. Ogendo	10,708,098	9,277,868
29	KCSAP Siaya Apiculture- Mr Stephen Kagio	-	2,011,869
30	UNEP Chinama Project - Prof Mulwa	233,840	690,330
31	KCSAP - Dr. Ngeno Kiplagat	-	58,398
32	KCSAP - Prof Samuel Mwonga	-	8,522
33	KCSAP - Prof Julius Kipkemboi	-	1,660
34	KCSAP Camel Milk - Prof Joseph Matofari	-	34,000
35	KCSAP - Prof A. Kibe	-	4,880
36	COUNTY KCSAP - Prof James Tuitoek	-	908,000
37	Poultry Value Chain- Dr. James Ondiek	-	2,082,000
38	Narig Apiculrure - Stephene Kagio	-	1,760,944
39	BHEARD Project Dr Opiyo	-	249,900
40	Bank Charges , Interest & Comm.-R&E	24,182	-
41	Incitis -Msc/Phd Students Support	614,817	1,347,495
42	Incitis-Administrative Salaries	660,000	114,000
43	Incitis-Scientist Allowance	2,330,770	1,561,490
44	Incitis-Works,Services & Consumables	-	2,810,373
45	Incitis-Works,Services & Consumables	-	121,490
46	Incitis-Travel & Subsistence	952,548	499,765
47	Indigenous Wild Fruit-Dr O. Ingasia	3,258,955	2,863,469
48	Change The Game Academy-Dr O. Ingasia	-	1,264,047
49	Food Safety For Africa- Employee Salary	4,122,500	-
50	Food Safety For Africa- Travel & Subsistence	6,926,960	157,725
51	FrontAg Nexus- PROF GEORGE OWUOR	708,640	-
52	FOOD SAFETY FOR AFRICA- OTHER GOODS/WO	2,136,838	-
53	International Finance Corporation - Prof. Owuor	-	3,424,345
		85,949,793	109,075,995

NOTES TO THE FINANCIAL STATEMENTS (Continued)

Note 21 : - MCF TAGDEV Expenses		Period ended 30-Jun-25 Kshs.	Audited 2023-2024 Kshs.
Particulars			
1 Project Coordinator at Egerton University		504,192	6,164,477
2 Project Assistant at Egerton University		297,969	4,382,504
3 Faculty release time at Egerton University		51,811	2,556,769
4 Facilitation of linkages with industry and entrepr		-	1,990,343
5 Dissemination of curricula to the wider University		1,231,543	381,891
6 University meetings to disseminate project lessons		-	124,286
7 Monthly Seminars at the universities		23,703	228,465
8 Internships		1,502,125	24,494,631
9 Business incubation training		-	15,128,302
10 University fees for postgraduate students		-	290,248
11 Service Fees for Undergraduate students		-	902,724
12 Service Fees for Postgraduate students		4,027,558	11,905,723
13 Student Welfare Costs		2,274,637	16,589,970
14 Expense - other		353,323	212,659
15 Program Delivery Fee		-	473,704
16 MCF Potato Seed Other Costs		-	45,169
17 MCF Cassava CARP+ - Prof M.S.Mulwa		396,496	1,890,548
18 TAGDEV II-Delivery Fee		944,370	-
19 TAGDEV II-Associate Prog Officer direct cost.		3,817,454	-
20 TAGDEV II-Careers & Entrep Officer direct cost.		3,111,099	-
21 TAGDEV II-Accounts Assistant direct cost.		2,669,457	-
22 TAGDEV II-Prog coordinator Indirect cost.		2,915,984	-
23 TAGDEV II-Disability Incl & wellness officer cost		1,806,448	-
24 TAGDEV II-Bsc University Fees.		5,794,043	-
25 TAGDEV II-Msc University Fees.		7,803,472	-
26 TAGDEV II-Faculty Release.		5,748,904	-
27 TAGDEV II-Equip young men & women 21st cent skills		124,087	-
28 TAGDEV II-Support Univ Collab Design 2.2.1		900,839	-
29 TAGDEV II-Support Implementing Universities 4.3.1		97,145	-
30 TAGDEV II-ASEC-Program Delivery Fee		402,353	-
31 TAGDEV II- Capacity Building		772,629	-
32 TAGDEV II-TVET Reviews 1.1.1		908,339	-
33 TAGDEV II-TVET Reviews 1.1.2		608,861	-
34 TAGDEV II-ASEC-LOT 1 Skilling & work creation.		134,334	-
35 TAGDEV II-ASEC-LOT 2 Entrepreneurship		2,596,992	-
36 TAGDEV II-ASEC-LOT 3 Expanding work opportunities		4,881,836	-
		56,702,002	87,762,412

NOTES TO THE FINANCIAL STATEMENTS (Continued)

Note 22 :- Tegemeo Institute Expenses		Period ended 30-Jun-25	Audited 2023-2024
	Particulars	Kshs.	Kshs.
1	PAM/KMDP Expenses	572,848	-
2	TAPRA I Expenses	283	2,893
3	Dollar A/c Expenses	9,384	28,565
4	RFCCP Expenses	1,102	1,093
5	GISAMA Expenses	2,400	4,290
6	World Bank Expenses	68,759	219,714
7	KBSP Expenses	1,795,369	607,845
8	TAPRA II Expenses	7,952,337	9,764,513
9	MLE Expenses	191	190
10	TAMPA II Expenses	109,860	118,614
11	ReNAPRI Expenses	5,086,920	1,033,595
12	MMP Expenses	6,290	276,401
13	WFP Expenses	112,560	11,467,521
14	AGRI BENCHMARK Expenses	-	125,511
15	NML Expenses	59,398,500	64,260,470
16	IFPRI Expenses	3,782,718	429,669
17	BFAP Expenses	346,275	1,086,456
18	EXETER Expenses	-	5,000
19	KDB Expenses	8,428,046	-
20	GIZ Expenses	-	150,000
21	ALLIN 1 Expenses	18,451,900	9,546,389
22	PIATA MATHEMAT Expenses	-	100,000
23	PEDL Expenses	7,321,184	6,869,863
24	SARA-KE Expenses	23,845,652	1,560
25	ALLIN 2 Expenses	8,525,945	11,110,076
26	LSSF Expenses	-	143,909
27	DIME PROJECT	4,110,521	2,803,978
28	KCSAP ENDLINE PROJECT	3,636,168	84,682,514
29	PAR-GEAP	2,852,508	1,965,474
30	REPEAT	5,921,050	2,754,000
31	INCATA Project	17,070,928	-
32	Expense - FAO	1,834,263	-
33	Expense - ICRAF	77,556	-
34	ALCORN PROJECT	-	175,857
		181,321,518	209,735,959

NOTES TO THE FINANCIAL STATEMENTS (Continued)

Note 23: - IGU Expenses		Period ended 30-Jun-25	Audited 2023-2024
Particulars		Kshs.	Kshs.
1	Catering Department Expenses	22,291,334	20,206,938
2	Accommodation (Halls) Expenses	24,933,439	36,863,620
3	Natural Resources	9,505	421,650
4	Dairy Expenses	5,439,596	560,276
5	Medical Department Expenses	10,023,991	7,741,087
6	Estate IGU Expenses	6,960	1,606,501
7	Gift Shop Expenses	119,414	370,850
8	Funeral Home Expenses	282,414	810,023
9	University Press Expenses	3,026,512	8,790,071
10	MiniMart	46,806	113,158
11	TAP Expenses	3,063,658	4,620,319
12	Visiting Group - Expenses	718,920	751,764
14	Kenyatta Expenses	1,449,495	150,918
15	Knitting & Tailoring Expenses	501,634	327,929
16	IGUs - Overhead Accounts	2,969,751	137,682
		74,883,429	83,472,788
Note 24: - Depreciation Expenses			
Particulars		Period ended 30-Jun-25	Audited 2023-2024
		Kshs.	Kshs.
1	Buildings-Egerton Buildings	99,118,698	125,047,457
2	Plant & Machinery-Dairy Institute machinery	3,094,124	3,094,124
3	Furniture	640,263	835,329
4	Equipments	7,063,577	8,099,447
5	Library Books	307,203	332,224
6	Computers & Software	4,118,219	3,621,230
		114,342,083	141,029,810
Note 25:- Other (Gains)/Losses			
Particulars		Period ended 30-Jun-25	Audited 2023-2024
		Kshs.	Kshs.
1	Gain (Loss) on Revaluation Investment-Shares	20,570	(1,915)
2	Bad Debts w/off- (Increase)Decrease in Provision	(6,208,585)	(1,405,110)
3	Gain (Loss) on FOREX	(1,763,799)	(40,933,068)
4	Gain/(Loss) on biological Assets	260,814	(436,859)
5	Gain/(Loss) on Disposal Of Assets	1,554,435	-
		(6,136,565)	(42,776,952)

NOTES TO THE FINANCIAL STATEMENTS (Continued)

Note 26 (a) :- Cash in Hand and in Bank			
Particulars		Period ended 30-Jun-25 Kshs.	Audited 2023-2024 Kshs.
Bank balances			
1	Njoro Main Campus - Bank Balances	276,547,713	363,589,703
2	Nairobi City Campus - Bank Balances	-	524,362
3	IGUs - Bank Balances	103,235,559	59,975,771
4	Research & Extension Bank Balances	420,322,812	415,351,220
5	Nakuru Town Campus College - Bank Balances	-	2,233,246
6	Ecampus - Bank Balances	-	5,977,071
7	Tegemeo Bank Balances	126,323,719	194,345,845
Total Bank Balances		926,429,803	1,041,997,218
Petty Cash			
1	Njoro Main Campus - Cash In Hand	54,428	24,280
2	IGUs - Cash In Hand	-	3,068
Total Cash In Hand		54,428	27,348
Total Cash in Bank and in Hand		926,484,231	1,042,024,566
Note 26 (b) :- Contingent Deposits			
Particulars		Period ended 30-Jun-25 Kshs.	Audited 2023-2024 Kshs.
Staff Mortgage Scheme			
1	KCB Bank	50,000,000	50,000,000
Total Fixed Deposits		50,000,000	50,000,000
Note 26 (c) :- Negative Cashbook Balances			
Particulars		Period ended 30-Jun-25 Kshs.	Audited 2023-2024 Kshs.
1 Njoro Main Campus - Negative Bank Balances		6,715,090	6,688,642
		6,715,090	6,688,642
Total Cash and Cash Equivalents		969,769,141	1,085,335,924

NOTES TO THE FINANCIAL STATEMENTS (Continued)

26 (d) Detailed Analysis of Cash and Cash Equivalents		Account No	Bank	30/Jun/25	30/Jun/24
Financial Institution				2024-2025	2023-2024
Kshs					
1) Current Account					
a) Barclays Bank of Kenya				(6,715,090)	(6,688,642)
1 EU Fees Account	271291000	Barclays Bank of Kenya		(6,715,090)	(6,688,642)
Sub- total					
b) Co-operative Bank of Kenya					
1 EU Main Campus account	1129025576700	Co-operative Bank of Kenya	798,286	2,556,042	
2 EU Nakuru Town Campus	1129025576701	Co-operative Bank of Kenya	9,305	958,961	
3 EU Global Fund	01139025576700	Co-operative Bank of Kenya	9,077	9,077	
4 MCF Tagdev	02128025576700	Co-operative Bank of Kenya	53,591,151	4,072,482	
Sub- total			54,407,819	7,596,562	
c) Kenya Commercial Bank					
1 EU Endowment Fund A/C	1108550584	Kenya Commercial Bank	10,364,809	9,359,213	
2 EU Press A/C	1101909579	Kenya Commercial Bank	2,691,090	7,313,818	
3 EU Development Account	1101907681	Kenya Commercial Bank	65,212,936	85,487,250	
4 Egerton University Paying Account	1101906812	Kenya Commercial Bank	26,336,060	49,907,082	
5 EU Fees Account	1101910895	Kenya Commercial Bank	49,136,986	16,611,182	
6 EU House Rent	1108044956	Kenya Commercial Bank	45,856,797	26,946,832	
7 EU Fees Collection Account	1108550703	Kenya Commercial Bank	59,173,551	159,851,733	
8 EU E- Learning Account	1101893680	Kenya Commercial Bank	6,041,751	5,977,071	
9 Egerton University	1137209542	Kenya Commercial Bank	1,302,351	386,391	
10 Egerton Univ Nkr Town Campus	1101909374	Kenya Commercial Bank	1,731,006	887,894	
11 EU Nairobi City Fees	1101909781	Kenya Commercial Bank	346,677	352,117	
12 Egerton University NCC A/C	1137209577	Kenya Commercial Bank	85,261	172,245	
13 Egerton University Overhead Account	1101908718	Kenya Commercial Bank	9,748,519	4,440,811	
14 EU Funeral Home Account	1101893796	Kenya Commercial Bank	16,632,662	9,490,776	
15 EU Catering Account	1101862920	Kenya Commercial Bank	114,261	340,066	
16 Egerton University Milk Account	1101910429	Kenya Commercial Bank	689,504	152,813	
17 Egerton Uni Students Accom C Serv	1101862637	Kenya Commercial Bank	52,039,612	26,569,605	
18 Egerton University Nutrition Account	1101908904	Kenya Commercial Bank	5,660,572	4,217,212	
19 Egerton Uni Natural Resources Depar	1101913614	Kenya Commercial Bank	1,179,478	960,518	
20 Egerton Univ. Outz	1101847530	Kenya Commercial Bank	304,945	33,395	
21 Egerton Bookshop	1101908033	Kenya Commercial Bank	46,991	102,397	
22 Egerton University Knit Tailoring	1101891920	Kenya Commercial Bank	1,539,365	943,449	
23 Egerton University Tatton Farm	1101910089	Kenya Commercial Bank	1,372,045	230,078	
24 AICAD	1101846704	Kenya Commercial Bank	2,605,012	2,611,052	
25 EBR Project	1101911786	Kenya Commercial Bank	4,564,849	697,500	
26 DOD Project	1101914025	Kenya Commercial Bank	12,093,414	12,115,455	
27 Dryland Farming	1101911964	Kenya Commercial Bank	93,094	99,134	
28 Egerton University Economic Dept	1101893370	Kenya Commercial Bank	3,766,852	4,903,007	

NOTES TO THE FINANCIAL STATEMENTS (Continued)

Financial Institution	Account No	Bank	30/Jun/25	30/Jun/24
			2024-2025 Kshs.	2023-2024 Kshs.
c) Kenya Commercial Bank				
29 Fingerpools Project	1101893567	Kenya Commercial Bank	14,207,930	16,266,099
30 Gift Shop	1101912499	Kenya Commercial Bank	11,216,515	5,180,833
31 Egerton Univ Biochemistry Dept	1101854197	Kenya Commercial Bank	2,967,312	271,578
32 Globalite Project	1101847719	Kenya Commercial Bank	17,931,622	11,192,895
33 Greenhouses Project	1101846437	Kenya Commercial Bank	5,058,837	5,064,877
34 KAPP	1101852763	Kenya Commercial Bank	4,146,584	5,526,618
35 ADSP	1101913886	Kenya Commercial Bank	5,891,756	5,627,834
36 Noragic Project	1101850396	Kenya Commercial Bank	7,572,030	8,604,815
37 Ossrea Project	1101853492	Kenya Commercial Bank	24,938,498	20,097,007
38 Partic Rural Project	1101911336	Kenya Commercial Bank	1,243,884	1,220,560
39 R&E Project	1101907525	Kenya Commercial Bank	46,858,347	40,057,376
40 EU Rosa Project	1101854138	Kenya Commercial Bank	6,161,208	10,813,553
41 Ta Mou	1101848995	Kenya Commercial Bank	43,883	426,258
42 EU Cesaam Project	1184060347	Kenya Commercial Bank	37,695,537	83,788,775
43 Training Project	1101913185	Kenya Commercial Bank	12,553,264	12,764,862
44 Versitol	1101911654	Kenya Commercial Bank	7,705,704	7,574,556
45 Ossrea Pos Doc Project	1101859792	Kenya Commercial Bank	3,423,373	1,642,706
46 Ecolive Project	1112022317	Kenya Commercial Bank	56,987,342	56,806,858
47 Limnology Project	1114469297	Kenya Commercial Bank	4,692,791	7,712,196
48 Wetland Ecosystem	1114468789	Kenya Commercial Bank	8,223,045	1,449,142
49 Ecohealth	1115354132	Kenya Commercial Bank	8,836,905	3,592,593
50 Agra Project	1137209593	Kenya Commercial Bank	7,348,494	1,624,605
51 Confucius Intitute	1138143936	Kenya Commercial Bank	4,994,875	10,894,115
52 COELIB Projects	1132129737	Kenya Commercial Bank	14,235,395	17,662,699
53 Pytochem Projects	1132129680	Kenya Commercial Bank	35,567,181	52,875,322
54 Graduation Account	1107933919	Kenya Commercial Bank	6,475,365	10,679,506
55 EU AGEC Dollar	1141810220	Kenya Commercial Bank	3,676,572	2,190,863
56 AERC Project Account 2	1137209518		4,313,563	7,285,613
Sub- total			745,698,265	840,054,810
d) National Bank of Kenya				
1 Egerton University Tegemeo Institute-NBK USD	0200-3005240200		28,842,679	1,581,136
2 Egerton University Tegemeo Institute-NBK	0100-3005240200		53,754	56,154
3 Egerton University PAM/KMDP -NBK	01003-043688-00		4,333,911	4,335,111
Sub- total			33,230,344	5,972,401
e) NIC Bank				
1 Egerton University A/C Tegemeo TAPRA-NIC	1000237228		151,957	150,197
2 Egerton University-Tegemeo Inst TAPRA II-NIC	1000020334		19,704	1,587,506
3 Egerton University-Tegemeo Institute-NIC	1001783811		102,614	101,425
4 Egerton University-Tegemeo Inst- RFCCP-NIC	1000015411		590,904	584,061
5 Egerton Univ. Tegemeo TAMPA II-NIC	1000235926		98,618	2,718
6 Egerton Univ-Tegemeo Institute - KBSP-NIC	1000015748		92,129,579	185,947,537
Sub- total			93,093,375	188,373,444
2) Contingent Deposits				
1 Staff Mortgage & Bank Guarantee	1101906812	Kenya Commercial Bank	50,000,000	50,000,000
Sub- total			50,000,000	50,000,000
3) Cash in Hand				
1 Njoro Campus	1101906812		54,428	24,280
2 IGUs	1101862920		-	3,068
Sub- total			54,428	27,348
Grand Total			969,769,141	1,085,335,924

NOTES TO THE FINANCIAL STATEMENTS (Continued)

Note 27 (a) : - Receivables from Exchange Transaction		Period ended 30-Jun-25 Kshs.	Audited 2023-2024 Kshs.
Code	Particulars		
35-020-001	1 Outstanding Imprest	55,077,580	99,481,752
35-020-003	2 Student Debtors	1,667,011,295	886,782,528
35-020-005	3 General Debtors	6,349,611	4,756,668
35-020-006	4 Internal Debtors	11,078,586	3,071,977
35-020-008	5 E.U. Investment Co. Ltd	2,000,000	-
35-020-022	6 Receivables-Due from E-Citizen	12,031,597	11,304,827
35-023-001	7 Deposits E A O Cyliders	61,800	61,800
35-023-002	8 Deposits KPL CO Ltd	812,267	812,267
35-023-003	9 Rent Deposits	2,864,490	2,864,490
35-023-005	10 Deposits NAWASCO-NTCC	50,200	50,200
35-024-001	11 Prepayments Rent	197,200	196,667
		1,757,534,627	1,009,383,175
Note 27 (b) :- Provisions for Bad Debts		Period ended 30-Jun-25 Kshs.	Audited 2023-2024 Kshs.
Code	Particulars		
40-027-002-100	1 Provisions Main Campus	42,446,292	23,992,385
40-027-002-200	2 Provisions Nairobi City Campus	-	4,957,435
40-027-002-300	3 Provisions IGUs	20,826	20,821
40-027-002-500	4 Provisions Nakuru Town Campus	-	6,344,258
40-027-002-600	5 Provisions Baringo Campus	-	194,211
40-027-002-700	6 Provisions Ecampus	-	749,422
		42,467,117	36,258,532
	Net Receivables from Exchange Transaction	1,715,067,509	973,124,643
Note 27 (c) :- Receivables from Non-Exchange Transaction		Period ended 30-Jun-25 Kshs.	Audited 2023-2024 Kshs.
Code	Particulars		
35-020-011	1 DUE FROM GOVERNMENT(Capitation)	488,909,675	417,179,686
		488,909,675	417,179,686
	Total Receivables	2,203,977,184	1,390,304,329

There was delay in disbursements of the scholarships funds, HELB loans for the students under the NFM as well payment of household components which resulted in significant increase in student debtors. The university has been following up through the Ministry of Education for the settlement of these balances by the University Fund and HELB.

The due from government of Ksh 488.9 million was received on 7th July 2025.

NOTES TO THE FINANCIAL STATEMENTS (Continued)

Note 28 : - Inventories		Period ended 30-Jun-25	Audited 2023-2024
Particulars		Kshs.	Kshs.
1	Inventories-Stocks Central & Substores	12,246,377	11,299,385
2	Inventories-Stocks Stationery	6,223,589	3,597,031
3	Inventories-Stocks Cleaning Materials	159,141	78,917
4	Inventories-Stocks Consumables	13,710,263	13,751,641
5	Inventories-Stocks Medical drugs	3,907,764	6,392,224
6	Inventories-Shop stock-Gift Shop	2,979,311	3,029,031
		39,226,445	38,148,230
<hr/>			
Note 29:- Agricultural Assets			
Particulars		Period ended 30-Jun-25	Audited 2023-2024
		Kshs.	Kshs.
1	Livestock-Livestock TAP-IGU	7,992,424	7,329,140
2	Livestock-Livestock Kenyatta Campus-IGU	529,180	611,400
3	Chemerion Field Station	2,771,900	2,857,200
4	Crops-Crops,Horticulture and Soil Sciense	1,137,550	1,341,650
5	Crops - Estates	43,250	42,200
6	Crops Chemeron Field Station	-	31,900
		12,474,304	12,213,490

NOTES TO THE FINANCIAL STATEMENTS (Continued)

Note 30: Non Current Assets

Note 30 (a) :- Property, Plant& Equipment

Particulars	Land	Buildings	W.I.P	Dairy Equipments/Plant/ Tractors	Furniture, Fittings	Other Equipments	Library Books	Motor Vehicles	Computer and Appliances	Totals
	Kshs.	Kshs.	Kshs.	Kshs.	Kshs.	Kshs.	Kshs.	Kshs.	Kshs.	Kshs.
<u>Cost or Valuation</u>										7,763,698,261
As at 01/07/2023	1,186,094,800	3,966,029,614	973,951,881	80,650,918 (3,500,000)	175,245,529 58,500 28,000	603,035,674 3,500,000 1,568,980	171,300,312	195,051,981	412,337,754 141,000 5,000,266	199,500 40,372,819 (29,899,301)
Adjustments		29,899,001	3,876,572 (29,899,001)							
Additions During the year										
WIP Transferred to Assets										
As at 30/06/2024	1,186,094,800	3,995,928,615	947,929,452	77,150,918	175,331,829	608,104,654	171,300,312	195,051,981	417,479,020	7,774,371,580
Additions During the year										
Disposal During the year										
As at 30/06/2025	1,186,094,800	3,995,928,615	979,629,304	77,150,918	175,579,299	609,814,949	172,159,523	190,217,981	428,636,361	7,815,211,750
<u>Depreciation</u>										2,726,233,390
As at 01/07/2023	-	1,113,545,683	-	70,962,672	174,835,411 (1,400,001) 835,329	59,324,184 1,268,920 8,099,447	170,904,722	195,051,981	409,608,738 131,080 3,621,230	0 141,029,810
Year adjustments	-	125,047,457	-	3,094,124	74,056,795	3,094,124	332,224	-	-	
Charge for the year	-	1,238,593,140	-	74,270,739	600,692,551	640,262,98	171,236,946	195,051,981	413,361,048	2,867,263,200
As at 30/06/2024		99,118,698				7,063,577	307,203			
Charge for the year										
Acc Dept on Disposals										
As at 30/06/2025		1,337,711,838	-	77,150,919	174,911,002	607,756,127	171,544,149	190,217,981	417,479,267	2,976,771,283
NBV-30 June 2025	1,186,094,800	2,658,216,777	979,629,304	(1)	668,297	2,058,822	615,374	(0)	11,157,094	4,838,440,467
NBV-30 June 2024	1,186,094,800	2,757,335,475	947,929,452	3,094,123	1,061,090	7,412,104	63,366	(0)	4,117,972	4,907,108,380

NBV-30 June 2024 During the year motor vehicle KBW 081V stolen with historical cost of Ksh 4,834,000 (Zero net book value) and the university received

During the year motor vehicle KBW 081V stolen with historical cost of Ksh 4,834,000 (Zero net book value) and the university received Ksh 1.7 million as its insurance compensation.

The University has assets carried in the books at zero net book value (fully depreciated assets) as follows: Buildings 40,010,699.21; Dairy Equipment/Plant/Tractors 80,047,061.00; Furniture, Fittings 173,944,800.60; Other Equipment 595,531,399.38; Library Books 171,141,899.77; Motor Vehicles 190,217,980.89; Computer and Appliances 412,360,628.80

NOTES TO THE FINANCIAL STATEMENTS (Continued)

Particulars	Period ended 30-Jun-25 Kshs.	2024-2025		2023-2024 Kshs.
		2024-2025 Additions	2023-2024	
1 Construction of Admin. Building	20,096,000	-	20,096,000	
2 Construction Of Agronomy & Horticulture	177,377,480	-	177,377,480	
3 Construction of ICT Infrastructure	87,892,307	-	87,892,307	
4 Faculty Of Law-NTCC	123,916,482	-	123,916,482	
5 NTCC Teaching Complex	110,105,947	-	110,105,947	
6 Renovation Of Buildings-Njoro	480,082	-	480,082	
7 Faculty of Veterinary Medicine	1,650,000	-	1,650,000	
8 Zoning of the University	1,919,286	-	1,919,286	
9 University Library	412,666,561	-	412,666,561	
10 WIP-KOKEB Buildings Renovation	3,099,292	-	3,099,292	
11 WIP-WIP- ERP SYSTEM	17,452,030	8,726,015	8,726,015	
12 WIP-WIP- ICGE & Biotech Lab	22,973,837	22,973,837	-	
Total	979,629,304	31,699,852	947,929,452	

During FY 2024/2025 the construction of the GOK funded International Centre for Genetic Engineering & Biotech Laboratories commenced.

The implementation of the ERP system continued in the FY under review.

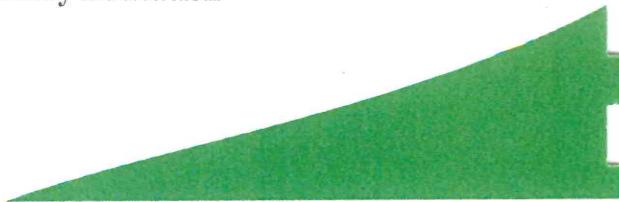
NOTES TO THE FINANCIAL STATEMENTS (Continued)

Note 31:- Investments		Period ended 30-Jun-25	2023-2024
Particulars		Kshs.	Kshs.
1	Kenya Airways- Ordinary Shares- 13117	70,809	50,238
2	Investment in E.U. Investment Company	150,119,907	150,119,907
		150,190,715	150,170,145
Note 32 (a) :- Trade and Other Payables			
Particulars		Period ended 30-Jun-25	Audited 2023-2024
		Kshs.	Kshs.
1	Payroll Payables	7,886,705,459	7,584,827,568
2	Trade Creditors	181,100,411	223,579,901
3	Payable Clearing A/C	-	21,987,669
4	Internal Creditors-N	39,186,503	26,360,706
5	Taxes-Withholding Tax Payable	16,519,598	15,687,420
6	Taxes-Value Added Tax (VAT) Payable	31,936,956	30,344,751
7	Students Caution Money	123,283,090	116,690,680
8	Students Union Fees	4,471,018	3,603,368
9	Contractors' Retention Mo	-	129,225
10	CDF Clearing a/c	11,996,198	10,593,198
11	HELB Clearing a/c	27,248,675	25,290,176
12	Other Sponsors Clearing a	28,908,351	25,427,539
13	Alumni Fees-Main	23,264,530	23,221,530
14	Unidentified Bank Deposits - Main	18,246,020	18,246,020
15	Rent Payable - Security Officers	144,100	-
16	Student Refunds Payable	730,930	-
16	CUE Charges	40,934,374	40,386,685
17	KUCCPS Charges	17,395,200	17,478,500
18	NTCC Teaching Complex Consultancy Fees	110,105,947	110,105,947
19	Due to KCB	1,592,894	1,592,894
20	Rent Deposit-Tegemeo	777,153	777,153
21	Casual Wages	985,222	717,668
22	GOK Scholarship Clearing a/c	16,855,429	9,128,544
23	Unclaimed Staff Imprests	2,982,170	2,568,960
24	students Prepayments	447,921,420	443,936,378
		9,033,291,650	8,752,682,482

NOTES TO THE FINANCIAL STATEMENTS (Continued)

Note 32 (b) :- Accruals and Provisions		Period ended 30-Jun-25	Audited 2023-2024
	Particulars	Kshs.	Kshs.
1	Accruals Njoro Main Campus	670,121,512	363,993,377
2	Accruals Nairobi City Campus	-	81,851,113
3	Accruals Nakuru Town Campus	-	230,730,337
4	Accruals ECampus	-	1,464,000
		670,121,512	678,038,827

Note 32 (c) :- Deferred Income		Period ended 30-Jun-25	Audited 2023-2024
	Particulars	Kshs.	Kshs.
1	AICAD Deferred Incomes R&E	2,605,012	2,611,052
2	EBR Project Deferred Incomes R&E	4,395,500	657,518
3	Dryland Farming Deferred Incomes R&E	236,499	242,539
4	Economic Dept Deferred Incomes R&E	3,546,852	4,683,007
5	Fingerponds Project Deferred Incomes R&E	3,289,218	6,530,610
6	Biochemistry Dept Deferred Incomes R&E	2,966,892	271,158
7	Globalite Project Deferred Incomes R&E	18,581,086	11,991,128
8	Greenhouses Project Deferred Incomes R&E	5,038,837	5,044,877
9	KAPP Deferred Incomes R&E	10,100,175	14,856,414
10	ADSP Deferred Incomes R&E	6,639,092	5,821,570
11	Noragic Project Deferred Incomes R&E	14,628,764	16,084,160
12	OSSREA Project Deferred Incomes R&E	26,602,955	22,412,598
13	Partic Rural Project Deferred Incomes R&E	1,125,136	1,087,904
14	ROSA Project Defferred Incomes R&E	6,148,005	10,520,417
15	TA MOU Deferred Incomes R&E	171,642	138,377
16	CESAAM ACE 2 Deferred Incomes R&E	40,052,268	96,172,424
17	Versitol Project Deferred Incomes R&E	7,498,312	7,652,319
18	OSSREA POS DOC Deferred Incomes R&E	3,587,763	1,807,813
19	Ecolive Project Deferred Incomes R&E	4,084,142	4,048,843
20	Limnology Project Deferred Incomes R&E	5,001,024	8,024,971
21	Wetland Ecosystem Deferred Incomes R&E	10,884,862	5,531,574
22	Ecohealth Deferred Incomes R&E	9,507,957	3,592,593
23	Confucius Institute Deferred Incomes R&E	7,117,174	13,246,309
24	US Dollar A/C Deferred Incomes R&E	9,479,262	14,719,920
25	EURO A/C Deferred Incomes R&E	9,160,398	30,786,603
26	MCF TAGDEV Deferred Incomes R&E	55,133,122	7,835,048
27	AERC Project 2 Deferred Incomes R&E	12,330,687	15,302,737
28	PAM KMDP Deferred Incomes Tegemeo	378,714	378,714



NOTES TO THE FINANCIAL STATEMENTS (Continued)

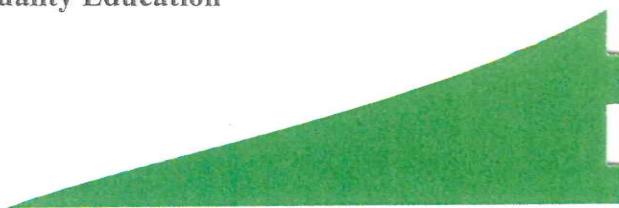
29	Deferred Incomes Tegemeo ISSD	3,012,618	3,012,618
30	3ie Deferred Incomes Tegemeo	350,694	350,694
31	RENAPRI Deferred Incomes Tegemeo	29,749,956	18,928,035
32	Payables- Deferred Incomes Tegemeo CI Project	2,797,612	2,803,902
33	WFP Deferred Incomes Tegemeo	8,935,252	4,363,574
34	AFA Deferred Incomes Tegemeo	917,945	917,945
35	FAK - Deferred Incomes Tegemeo	1,536,400	1,536,400
36	AgriBenchmark - Deferred Incomes Tegemeo	97,328	97,328
37	LMP - Deferred Incomes Tegemeo	2,476,892	10,856,647
38	FAO/RAELOC Deferred Incomes Tegemeo	4,613,310	-
39	IFPRI Deferred Incomes Tegemeo	7,975,125	11,757,843
40	BFAP Deferred Incomes Tegemeo	5,510,825	5,857,100
41	RTI Deferred Incomes Tegemeo	5,228,395	5,228,395
42	EXETER Deferred Incomes Tegemeo	294,339	294,339
43	KDB Deferred Income - Tegemeo	996,085	4,252,384
44	NARIGP Deferred Income - Tegemeo	9,840,588	9,840,588
45	GIZ Deferred Income - Tegemeo	1,714,078	1,714,078
46	IDS Deferred Incomes- Tegemeo	722,556	722,556
47	PAMEFA Deferred Incomes Tegemeo	908,476	908,476
48	ALLIN 1- Deferred Incomes Tegemeo	7,155	14,045,289
49	F4APK PROJECT	3,629,426	3,668,492
50	PIATA/MATHEMATICA- Deferred Incomes-Tegemeo	8,337,961	8,337,961
51	PEDL Deferred Income - Tegemeo	7,151,186	14,472,370
52	SARA-KE- Deferred Incomes Tegemeo	2,100,432	25,946,084
53	NRAPSC Deferred Incomes Tegemeo	1,779,000	1,779,000
54	ALLIN 2- Deferred Incomes Tegemeo	29,925,938	9,679,492
55	OXYGEN MARKETIN - Deferred Incomes Tegemeo	923,977	923,977
56	DIME PROJECT - Deferred Incomes Tegemeo	3,907,476	8,017,997
57	KCSAP ENDLINE - Deferred Incomes Tegemeo	4,817,954	8,454,122
58	ALCORN PROJECT - Deferred Incomes Tegemeo	1,822,211	1,822,211
59	PAR-GEA - Deferred Incomes Tegemeo	5,919,618	3,175,659
60	REPEAT -TE05 - Deferred Incomes Tegemeo	2,874,678	2,874,678
61	INCATA -TE05 - Deferred Incomes Tegemeo	10,326,812	35,153,053
62	KENAFF-AGRITERRA	644,670	-
63	Deferred Incomes Tegemeo TE08	1,775,580	23,560,584
		453,913,897	557,407,067

NOTES TO THE FINANCIAL STATEMENTS (Continued)

The deferred income movement is as follows:

Note 32 (d):- Deffered Income Movement

No.	International funders	Balance carried forward (June 30 2024)	Additions	Transfers to income statement	Balance carried forward (June 30 2025)
1	AICAD Deferred Incomes R&E	2,611,052	-	(6,040)	2,605,012
2	EBR Project Deferred Incomes R&E	657,518	6,076,365	(2,338,382)	4,395,500
3	Dryland Farming Deferred Incomes R&E	242,539	-	(6,040)	236,499
4	Economic Dept Deferred Incomes R&E	4,683,007	70,000	(1,206,155)	3,546,852
5	Fingerponds Project Deferred Incomes R&E	6,530,610	41,185,188	(44,426,580)	3,289,218
6	Biochemistry Dept Deferred Incomes R&E	271,158	4,686,969	(1,991,235)	2,966,892
7	Globalite Project Deferred Incomes R&E	11,991,128	12,385,689	(5,795,731)	18,581,086
8	Greenhouses Project Deferred Incomes R&E	5,044,877	-	(6,040)	5,038,837
9	KAPP Deferred Incomes R&E	14,856,414	3,281,368	(8,037,607)	10,100,175
10	ADSP Deferred Incomes R&E	5,821,570	4,161,064	(3,343,542)	6,639,092
11	Noragic Project Deferred Incomes R&E	16,084,160	1,672,092	(3,127,488)	14,628,764
12	OSSREA Project Deferred Incomes R&E	22,412,598	10,275,056	(6,084,698)	26,602,955
13	Partic Rural Project Deferred Incomes R&E	1,087,904	1,828,818	(1,791,586)	1,125,136
14	Deferred Incomes R&E	10,520,417	4,871,452	(9,243,864)	6,148,005
15	TA MOU Deferred Incomes R&E	138,377	13,806,729	(13,773,464)	171,642
16	Versitol Project Deferred Incomes R&E	7,652,319	-	(154,007)	7,498,312
17	OSSREA POS DOC Project Deferred Incomes R&E	1,807,813	1,785,990	(6,040)	3,587,763
18	Ecolive Project Deferred Incomes R&E	4,048,843	42,000	(6,701)	4,084,142
19	Limnology Project Deferred Incomes R&E	8,024,971	11,832,256	(14,856,202)	5,001,024
20	Wetland Ecosystem Deferred Incomes R&E	5,531,574	18,711,480	(13,358,192)	10,884,862
21	Ecohealth Deferred Incomes R&E	3,592,593	15,806,888	(9,891,523)	9,507,957
22	Confucius Institute Deferred Incomes R&E	13,246,309	3,323,200	(9,452,335)	7,117,174
23	US Dollar A/C Deferred Incomes R&E	14,719,920	58,667,290	(63,907,948)	9,479,262
24	EURO A/C Deferred Incomes R&E	30,786,603	91,656,340	(113,282,545)	9,160,398
25	AERC Project 2 Deferred Incomes R&E	15,302,737	568,800	(3,540,850)	12,330,687
	Research sub-Total	207,667,012	306,695,033	(329,634,797)	184,727,249



NOTES TO THE FINANCIAL STATEMENTS (Continued)

No.	International funders	Balance carried forward (June 30 2024)	Additions	Transfers to income statement	Balance carried forward (June 30 2025)
26	Deferred Incomes R&E	96,172,424	29,829,637	(85,949,793)	40,052,268
	CESAAM Sub-Total	96,172,424	29,829,637	(85,949,793)	40,052,268
27	Deferred Incomes R&E	7,835,048	104,000,076	(56,702,002)	55,133,122
	MCF TAGDEV Sub-Total	7,835,048	104,000,076	(56,702,002)	55,133,122
28	Tegemeo PAM KMDP	378,714	-		378,714
29	Tegemeo ISSD	3,012,618	-		3,012,618
30	Tegemeo 3ie	350,694	-		350,694
31	Tegemeo RENAPRI	18,928,035	15,908,841	(5,086,920)	29,749,956
32	Tegemeo CI Project	2,803,902	-	(6,290)	2,797,612
33	Tegemeo WFP	4,363,574	4,684,238	(112,560)	8,935,252
34	Tegemeo AFA	917,945	-	-	917,945
35	Tegemeo AgriBenchmark	97,328	-	-	97,328
36	Tegemeo FAO/RAELOC	97,328	4,515,982	-	4,613,310
37	Tegemeo LMP	10,856,647	51,018,745	(59,398,500)	2,476,892
38	Tegemeo IFPRI	11,757,843	-	(3,782,718)	7,975,125
39	Tegemeo BFAP	5,857,100	-	(346,275)	5,510,825
40	Tegemeo RTI	5,228,395	-	-	5,228,395
41	Tegemeo EXETER	294,339	-	-	294,339
42	Tegemeo KDB	4,252,384	5,171,747	(8,428,046)	996,085
43	Tegemeo NARIGP	9,840,588	-	-	9,840,588
44	Tegemeo GIZ	1,714,078	-	-	1,714,078
45	Tegemeo IDS	722,556	-	-	722,556
46	Tegemeo PAMEFA	908,476	-	-	908,476
47	Tegemeo F4APK PROJECT	3,668,492	-	(39,066)	3,629,426
48	Tegemeo ALLIN 1	14,045,289	4,374,700	(18,412,834)	7,155
49	Tegemeo PIATA/MATHEMATICA	8,337,961	-	-	8,337,961
50	Tegemeo PEDL	14,472,370	-	(7,321,184)	7,151,186
51	Tegemeo SARA-KE	25,946,084	-	(23,845,652)	2,100,432
52	Tegemeo NRAPSC	1,779,000	-	-	1,779,000
53	Tegemeo ALLIN 2	9,679,492	28,772,391	(8,525,945)	29,925,938
54	Tegemeo OXYGEN MARKETIN	923,977	-	-	923,977
55	Tegemeo DIME PROJECT	8,017,997	-	(4,110,521)	3,907,476
56	Tegemeo KCSAP ENDLINE	8,454,122	-	(3,636,168)	4,817,954
57	ALCORN PROJECT	1,822,211	-	-	1,822,211
58	PAR-GEA	3,175,659	5,596,467	(2,852,508)	5,919,618
59	Tegemeo FAK	1,536,400	-	-	1,536,400
60	Deferred Incomes	23,560,584	(21,785,004)	-	1,775,580
61	Tegemeo - REPEAT -TE05	2,874,678	-	-	2,874,678
62	Tegemeo - INCATA -TE05	35,153,053	-	(24,826,241)	10,326,812
63	Tegemeo - KENAFF-AGRITERRA	-	644,670	-	644,670
	Tegemeo Subtotal	245,829,911	98,902,776	(170,731,428)	174,001,259
	Grand Total	557,504,395	539,427,523	(643,018,020)	453,913,897

NOTES TO THE FINANCIAL STATEMENTS (Continued)

33. CASH GENERATED FROM OPERATIONS

Particulars	Notes	Period ended 30-Jun-25 Kshs.	Audited 2023-2024 Kshs.
Operating Activities			
Deficit for the year		461,599,075	(18,729,138)
Adjustments for			
Depreciation	24	114,342,083	141,029,810
Movement in Provisions for the year	32 (b)	(7,917,315)	27,991,366
Movement in Deffered Income for the year	32 (c)	(103,493,169)	122,293,435
(Profit)/Loss on disposal of Assets	25	(1,554,435)	-
(Gain)/Loss on Revaluation of Shares	25	(20,570)	1,915
		462,955,669	272,587,387
Changes in Working Capital			
(Increase)/Decrease in Biological Assets	29	(260,814)	436,859
(Increase)/Decrease in Receivables	27 (a)	(813,672,855)	(481,723,783)
(Increase)/Decrease in Inventories	28	(1,078,214)	(47,913)
Increase/(Decrease) in Payables	32 (a)	280,609,168	489,253,529
		(534,402,716)	7,918,692
Cash Generated from Operations		(71,447,047)	280,506,078

34. RELATED PARTY BALANCES

Nature of related party relationships

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

Government of Kenya

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

NOTES TO THE FINANCIAL STATEMENTS (Continued)

34. RELATED PARTY BALANCES (Continued)

Other related parties include:

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

	2024/2025	2023/2024
	30-Jun-25	30-Jun-24
	Kshs	Kshs
Transactions with related parties		
a) Grants from the Government (Ministry of Education)		
Recurrent Grants	1,670,280,765	2,042,756,248
Development Grants	-	75,000,000
Total	1,670,280,765	2,117,756,248
b) Key management compensation		
Councils' emoluments	18,612,359	13,157,942
Total	18,612,359	13,157,942

NOTES TO THE FINANCIAL STATEMENTS (Continued)

35. CONTINGENT LIABILITIES

S.NO	CASE NO.	CASE	WHAT IS IT ABOUT (BRIEF HISTORY ABOUT THE CONTINGENT LIABILITY)	AMOUNTS (KSH)
1	Nkr elrc 2 of 2024	Ann Koimur vs Egerton University	Claim of 14,669,961 for unremitted pension and loss of earnings	14,669,961
2	Nkr elrc no 14 of 2024	Kenneth Methu vs Egerton University	Claim of 4,935,519.04 for deferred pay, pension and bank loan	4,935,519
3	Nkr elrc no 4 of 2024	Joan Aoko vs Egerton University	Claim of 3,142,946.88 for deferred pay, pension and bank loan	3,142,947
4	Nkr CMEL no 2 of 2024	Samwel Mbugua	Claim of 649,803 for non remittance of insurance premiums that led to loss of bonuses	649,803
5	Nkr Elrc no 35 of 2023	Robert Karuru & 7 others	Claim of Ksh.2,500,000 part timer lecturer	8,600,000
6	Nkr elrc no. 16 of 2020	KUDHEHIA vs Egerton University	Claim of Ksh. 28,840,455 for wrongful termination of casual laborous	28,840,273
7	Nrb hcc 217 of 2003	ALICO vs Egerton	a claim of Ksh. 6,000,000 for discounted figures that they had given to cover the insurance period	6,842,397
8	Nkr Elrc 35 of 2023	Reuben Karuru & 5 others vs Egerton University	Claim of Ksh. 8,662,500 for part timers	8,662,500
9	Nkr elrc pet no. 3 of 2024	Wycliffe Oluoch vs Egerton	Claim of Ksh. 6,000,000 for constructive dismissal	6,000,000
			TOTAL	82,343,400

36. EVENTS AFTER THE REPORTING PERIOD

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

37. ULTIMATE AND HOLDING ENTITY

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

38. MATERIAL BUDGET VARIANCES

i. Income Variances

There was increased activities under the CESAAM project hence increase in research incomes than had been anticipated due to increased funding during the FY.

ii. Expenditures Variances

The actual expenditure for the year were overall within the budget. The research expenses were over the budget during the FY, this was as a result of increased funding and research activities during the year

39. CURRENCY

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

20. APPENDICES.

Appendix 1: PROGRESS ON FOLLOW UP OF AUDITOR RECOMMENDATIONS

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

Basis for Qualified Opinion	Ref No.	Issue Observations from Auditor	Management comments	Status	Timeframe
	1	Material Uncertainty Related to Sustainability of Services.	<p>The management disclosed the university inability to meet its short term financial obligations and its material uncertainty in relation to sustainability of services under management discussion and analysis section. This situation is as a result of effects of GOK under-funding and reduction in Appropriation in Aid over the years.</p> <p>The financial challenges faced by the university have been caused by reduction in government capitation since 2016, drastic reduction in enrolment in self-sponsored programs which generated extra income to the university. Also, salary increments due to Collective Bargaining Agreement awards led to accruing deficits</p>	Not Resolved	FY 2025/2026

	<p>In order to sustain the university and ensure it continues delivering its mandate, the university management has instituted austerity measures through introduction of a number of cost reduction and expenditure management strategies as well as measures geared towards improved income generations.</p> <p>From the financial year 2019/2020 to the present, the university has taken aggressive steps to deal with this situation by instituting strict austerity measures which have resulted in annual savings in excess of Kshs. 100 million.</p>
	<p>Interventions to improve financial situation.</p> <p>i) Reductions in the payroll cost, through the non-replacement of staff who leave and the non-renewal of contracts for non-core staff, resulting in reduction in staff numbers by 565 from 1,812 in June 2019 to 1,247 in February 2025. As explained above, some of the cost savings arising from this reduction in numbers have been reversed by the payroll increases due to inadequately funded CBAs.</p>

	<p>ii) Increased teaching load for academic staff from September 2021, which has saved the university a total of Kshs. 69 M annually in part time teaching costs.</p> <p>iii) Relinquishing rented spaces in Nakuru city resulting in savings of up to Kshs. 65.2 M per year in rent expenses.</p> <p>iv) The closure of Nairobi City Campus in September 2020 resulted in savings of up to Kshs. 76.7 M per year in rent expenses.</p> <p>v) Suspension of tuition waivers for staff and dependants, saved about Kshs. 14.3 M annually from 2020.</p> <p>vi) Revamping of income generating activities has helped to enhance revenue on average by up to Kshs. 8 M annually. Efforts continue to be made in enhancing revenue from revamped units and new revenue streams.</p> <p>vii) Implementation of reforms in operational and administrative structures aimed at making operations more efficient and cost-effective.</p>

		<p>The above interventions have resulted in the reported deficit being on a reducing trend over the last three years as indicated in Table 1 below:-</p> <p>The above trend is an indication that the university will become fully sustainable in the near future.</p> <p>With the introduction of the New Funding Model (NFM) in the FY 2023/2024 it is expected that when all the students under old model are phased out, the university will begin posting positive returns.</p>	
2	Unsupported Rendering of Service - Tuition and Related Fees	<p>The university changed the student billing procedure from the previous system where the University used to bill all the admitted students as a group (class cohort) to ERP based self-billing where those students that report and pay fees do self-registering finance. Upon one registering finance the student is automatically billed as per the fee structure preset in the system. In this improved billing procedure, only the active students are billed hence no need to reconcile enrolled data with the income ledgers i.e., the enrolled students that do not pay fees and register for studies are never billed</p>	<p>FY 2024/2025</p> <p>Not Resolved</p>

		The university has put in place a host-to-host system of receiving. Under this system, when the money is received at the bank, it reflects immediately in the students' accounts. This has significantly reduced the unidentified deposits; however, we are working on reducing the old unidentified deposits. During the FY 2023/2024, the government also on-boarded to E-citizen all the services offered by university. This has ensured the students pay fees through E-citizen Portal minimizing further the cases of unidentified deposits.	
		The university has made significant progress in identifying depositors for previously unidentified amounts from earlier periods, reducing the outstanding balance to Kshs. 8,359,950 from Kshs. 36,809,837 reported in the financial year 2018/19 as noted by the auditors.	
3	Receivable from Exchange Transactions.	i. Long Outstanding Imprest	Not Resolved FY 2024/2025

		through;	
		a)Writing demand notice for outstanding imprests to the inactive staffs.	
		b)Appointment of debt committee to investigate and prepare a report on these imprests with a view of writing them off unrecoverable imprests if approved.	
		c)The university is in the process of seeking approvals for the write off of some of the imprests for deceased staff as recommended by internal audit and approved by the university council.	
		d)The university continues to adhere to the Public Finance Management Regulations, 2015 and the Egerton University financial rules and regulations that guides on the management of imprests. During the year under review, the university recovered from staff salaries overdue imprest plus interest thereon. Further note 13b (10) of the financial statement indicate that the university earned Kshs. 1,053,648 from Interest charged on overdue imprests recovered.	

	ii. Incomplete Imprests Register	We agree with the auditors' observation that the ERP was lacking expected surrender date in the imprest register. However, the university has introduced the feature for due date of surrender of imprests in the imprest register.
	iii. Un-surrendered Imprest	During the year under review, the university recovered overdue imprests with interests from salaries. Further note 13b (10) of the financial statement indicate that the university earned Kshs. 1,053,648 from Interest charged from imprest recovery.
	iv. Imprest Due for Former Staff	<p>The university has taken measures to address the issues of imprests held by staff who are no longer in the university service through;</p> <p>a) Writing demand notice for outstanding imprests to the respective persons with known addresses.</p> <p>b) Appointment of debt committee to investigate and prepare a report on these imprests with a view of making a definitive cause of action. The university is in the process of seeking approvals for the write off imprests for deceased staff as recommended by internal audit and approved by the university council.</p>

	v. Outstanding Student Debtors	Long	A Debtors' Cleanup Committee was constituted to investigate and prepare a report on the Long Outstanding Student Debtors with a view of writing off unrecoverable debts after the necessary approvals. So far the committee has documented deceased, expelled, and discontinued students' debtors which has been verified by internal audit and presented to the Audit Committee of Council which has recommended a write off.	
4	Unsupported Receivables- Others		The schedules supporting other receivables amounting to Kshs. 3,985,424.00; Deposits to EAQ Cylinders, Deposits to KPL CO Ltd, Rent Deposits, Deposits to NAWASCO- NTCC and Rent Prepayments were provided for review. The difference of Kshs. 56,893,607 between the cash and bank balance of Kshs. 806,398,269 reflected in the statement of financial position and Kshs.740,504,662 reflected in the statement of cash flow.	Not Resolved FY 2024/2025
5	Irregularities in Assets Management		The university has been doing verification of its assets internally and tagging them with an asset barcode, the exercise is still ongoing and once this exercise is completed the asset number	Not Resolved FY 2024/2025

		will be linked to the fixed asset register as maintained in ERP.		
		<p>The university has already commenced the revaluation of the University fixed assets; so far, the government valuers from the Ministry of Lands, Public Works, Housing, and Urban Development have already concluded revaluations of lands and buildings. These balances will be updated in our financial statements once adopted and approved by university council. The asset valuation reports were provided. Further a sample of asset tags on the university assets were provided</p>		
6	Unsupported Payables and Unallocated Refundable Deposits.	<p>i. The prepayments totalling Ksh 443,936,378 relating to prepaid students' fee accounts are due to various reasons. Some students defer their studies and they continue getting funding, these funds get utilized once the students resume their studies. For those students that have completed studies and graduated the university usually refunds to the students and or their sponsors. The university Budget Implementation Committee which</p>	Not Resolved	FY 2024/2025

		meeting on monthly basis allocates part of available funds for fee refunds.
		<p>ii. The unallocated CDF amount of Kshs 10,593,198 is due to some CDF funds doing direct deposited into our bank account without providing beneficiary details. Some CDF funds submit lists with incorrect student numbers, and as a result, the funds remain unallocated until the students provide the correct registration numbers. This is usually allocated to the students' fee accounts once the supporting schedules are provided. For the misdirected funds, the university usually refunds to the CDFs as requested and guided.</p>

	<p>iii. The amount of Kshs. 25,290,176 from HELB remains unallocated because the list of beneficiaries provided by HELB contained incorrect/errors in registration numbers, misdirected funds or lack of support schedules in the HELB portal. Once the schedules are provided or the errors in relation to registration numbers are corrected the funds are allocated. For misdirected funds and excess funding to students are usually refunded back to HELB. HELB conducts regular audits of transfers and allocations and excess funds refunded back to HELB.</p> <p>iv. The Kshs 25,427,539 from other sponsors is unallocated because sponsors may make direct deposits into our bank account without providing beneficiary details. Additionally, some sponsors submit funds with incorrect beneficially registration numbers. Once the support schedules are provided and where there was error in provided schedules are corrected these funds are allocated to their rightful beneficiaries.</p>
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		<p>v. The Kshs 18,246,020 from direct deposits to our collection's accounts but missing details of the students to enable allocation to their fee accounts. Once the students present prove of the deposits the funds are usually receipted to fee accounts.</p> <p>vii. The caution money of Kshs 116,690,680 includes funds for all the continuing students who have not yet graduated. This amount is refundable once the students' graduates and clears from the university. The university makes refunds of caution money for those students who have been cleared. This is a continuous process which is also dependent on availability of funds</p>	
7	Irregular Security Expenses	<p>The University requested to be provided with armed security services from the National Police Services Critical Infrastructure Protection Unit and the agreement supporting the payment of the to-up allowances to the police officers attached to the University were provided</p> <p>To our understanding this is payment of lunch allowances and to cater for their housing and should not be subjected to Section 104(3) of the National Police Service Act, 2011.</p>	<p>Not Resolved</p> <p>FY 2024/2025</p>

8	Irregular Legal Charges.	<p>The payment schedule attached to the payment vouchers has the rate payable to each police and their personal numbers. All the attached police letters are deployed through a deployment letter from the national police service.</p> <p>The Law Society of Kenya, Nairobi branch moved to court and filed a judicial Review application at the High court in Nairobi JR E010 OF 2020 – Attorney General (Respondent) challenging the Executive Order issued by the National Development Implementation Committee dated July 8, 2020 signed by Joseph Kinyua, then head of public service that directed that Government agencies: -</p> <p>vii) Not to contract external counsel without the written approval of the A.G and</p> <p>ix) Terminate within twenty-one (21) days from the date hereof engagements with all external advocates who had been contracted without the express and prior grant of the concurrence of the A.G.</p>	<p>Not Resolved</p>	FY 2024/2025

	<p>The court granted a stay on July 23, 2020 pending the hearing and determination of the application. The court made a ruling on the application on July 7, 2023 and issued orders of prohibition against the Attorney General from implementing the Executive Order and further issued orders of certiorari removing the Executive Order.</p> <p>As such the university has not violated the law as cited above are extracted from PPAD, The Advocates Act,</p> <p>The Public Procurement & Asset Disposal Act, 2015 section 5(1) provides that "This Act shall prevail in case of any inconsistency between the Act and any other legislation or government notices or circulars, in matters relating to procurement and asset disposal except in cases where procurement of professional services is governed by an Act of parliament applicable for such services"</p> <p>The university procured for legal services in-accordance to The Public Procurement & Asset Disposal Act, 2015.</p>
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		Further to the foregoing, the fees payable to advocates is governed by the Advocates (Amendment) Order, 2014 of the Advocates Act. This Act prescribes the minimum fees payable to an Advocate. Section 4 thereof provides that “An advocate shall not agree or accept his remuneration at less than provided by the order” therefore the issue of quotation as suggested does not apply.	
9	Unaccounted for Fuel	<p>The reported expense for fuel and oils of Kshs. 23,211,255 includes the fuel costs of motor vehicles, oils and lubricants of motor vehicles as well as fuel and oils for generators and. Thus the amount of Kshs. 3,050,570 relates to Fuel drawn for University Generators & Lawnmowers Ksh 2,171,120.00 and Kshs 879,450.00 for oil and Lubricants used during the year as shown below:</p> <p>The university has a contract with Vivo Energy, where the fuel to be consumed is paid for in advance and the transport department allocates to various University vehicles. To draw the fuel, the university vehicles have been issued with fuel cards, and the vehicles must be physically present for scanning, as the fuel card is swiped and fuel is</p>	FY 2025/2026 Not Resolved

		<p>drawn.</p> <p>The transport department has not been maintaining a comprehensive fuel register as observed by audit but has been depending on the Vivo Energy Fuel Fuel (https://shellcard.vivoenergy.com/) to monitor consumption and to access the fuel statements. A fleet management module has been introduced in the ERP system to monitor the fuel consumption going forward. A screen short sample of ViVo Energy portal was provided.</p>	

		The university management submitted all the pending bills up to June 2022 to the Pending Bills Verification Committee in January 2024 with a possibility of bail out by the government as listed below.	
		Support for these debts including the detailed listing of the staff from whom the deductions were made and the respective amounts was provided and still available for review.	
Other Matter	Prior Year Unresolved Issues	The university is aware all the prior year unresolved issues and are documented in the Audited report for the year June 2024 in Appendix 1; Progress on follow up of auditor recommendation. See Page 52-57) extracted as Annex 16 .	Not Resolved FY 2024/2025
REPORT ON LAWFULNESS AND EFFECTIVENESS IN USE OF PUBLIC RESOURCES	Basis for Conclusion		

1	Procurement and Irregularity Budget		
a) not in the Procurement Plan	<p>Regarding the legal costs, the legal charges are determined by the Advocate Remuneration Order and can only be known once the legal proceedings are concluded. Therefore, these charges cannot be included in the procurement plan, as they cannot be predicted in advance. Such procurements are handled in accordance with Section 5 of the PPAD Act 2015, which states:</p> <p>(1) This Act shall prevail in case of any inconsistency between this Act and any other legislation or government notices or circulars, in matters relating to procurement and asset disposal except in cases where procurement of professional services is governed by an Act of Parliament applicable for such services.</p>	Not Resolved	FY 2025/2026
b) Receipts of Good Before Local Purchase Order Validity Period	<p>The management responses are as summarized in Table 3 below: -</p> <p>i. That the procurement process was initiated via a purchase requisition dated 31st May, 2023.</p>	Not Resolved	FY 2025/2026

		<p>ii. Funds were committed prior to signing of space order and subsequent advertisement on 31st May 23.</p> <p>iii. That the standard practice in media industry is the use of space order as a contractual obligation.</p>	
2	Staff in Long-Acting Positions	<p>It is true that the staff in question had acted for more than six (6) months contrary to Section 34(3) of the Public Service Commission Act, 201 but the management can report that the process of recruitment was started and most of the positions filled.</p>	<p>Not Resolved</p> <p>FY 2024/2025</p>
3	Irregular Use of University Land by Undisclosed Private Investors.	<p>The Vice Chancellor received a letter from the Cabinet Secretary, Ministry of Education Ref: MOE/SDHER/CON/2/17 dated February 16, 2024, communicating the Presidential Directive.</p> <p>Subsequently, the Council convened a special meeting held on Wednesday 28, Feb 2024 wherein the directive was tabled and the university identified idle/un-utilised land for maize production and approved that a total of 550 acres for the National food security (410 acres at Mpeketoni and 140 acres at Ngongogeri farm) on terms to be negotiated and agreed upon for mutual benefit.</p>	<p>Not Resolved</p> <p>FY 2025/2026</p>

		<p>The Vice Chancellor communicated the resolution of the council to the Cabinet Secretary vide letter EU/VC/037 dated February 28, 2024.</p> <p>The Council convened a further special meeting held on Thursday February 29, 2024 to reconsider its earlier approval following a clarification by the Cabinet secretary on the decision taken and consequently 2000 acres of land in Ngongogerri Farm was set aside for the National food security.</p>
		<p>The University waited for further advice from the Ministry as regards the identification of the strategic partner but the same was not forthcoming. Surprisingly on March 12, 2024 a group comprised of three individuals came to the university though without any letter of introduction and alleged that they had been sent to till the land, on March 15, 2024 a company identified as Cropsoko through the Managing Director Mr. Bernard Odote came to the university but did not have any letter of introduction from the Ministry of Education but gave an unreference letter dated February 19, 2024 presenting an offer on the would-be partnership in commercial maize</p>

		production.
		<p>The said three persons it was reported were seen at the said farm with several tractors working on the land. The locals got wind of what was happening and were enraged by the invasion, they chased the strangers out of the farm laying claim also on this land, notwithstanding the claim by other grabbers on the land using fake documents, there exist four cases that have been filed at the Nakuru Environment Land court touching on this land:</p> <ul style="list-style-type: none">i) Nakuru ELC No. E35 OF 2022- Kipruto Kemboi –vs- Egerton Universityii) Nakuru HC ELC NO. 4 of 2023- EACC –vs- Kipruto Kemboi & Another

	<p>iii) Nakuru ELC No. E056 OF 2022- Moses Owino Odhiambo-vs- Robert Gesimba</p> <p>iv) Nakuru ELC No. E046 of 2024 – Moses Owino –vs- County Government of Nakuru, Egerton University, Cropsoko & Timtech Engineering</p>	<p>The University made a report to the police on March 29, 2024 under OB No.21/30/03/24 which is still under investigation, the fraudsters have not been apprehended to date.</p>	<p>It became apparent that it would be difficult for the university to have further engagement with the alleged strategic partner without clear proposal from them. The university informed the Ministry of Education vide a letter dated April 26, 2024.</p>	<p>The university proceeded to seek consent to lease out public land from the National Land Commission. All this while the strategic partner had not planted any crop on the land set aside, though had partially prepared approximately 1000 acres of land.</p>
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	<p>A letter seeking for a list of prequalified suppliers was written to the Ministry of Agriculture through the Ministry of Education to enable the university use the said list for tendering purposes.</p> <p>As the paper work was being undertaken for the procurement process, we learnt that Cropsoko had returned to the farm, without letting the university know of their intentions and without any lease agreement allowing them possession of the land and continued with the land preparation and thereafter planted wheat despite verbal instructions to them by the farm management. The said company was informed to stop all activities until the procurement process is finalized.</p> <p>The Ministry noted the progress the university had made towards the realization of the Presidential directive as per letter REF: MOE/SDER/CON/2/17.</p> <p>The university commenced procurement process and the Tender was recommended for termination as per the attached report.</p>

		the building was handed over to the landlord on 25 th January 2024.	
		<p>The university entered into a lease agreement for five (5) years with Prof Wilson Kipng'eno on 1st April, 2018. The lease agreement expired on 31st March 2023. The university made some strategic decisions to reduce the leased spaces under the Nakuru City Campus due to financial constraints. The university did not renew the lease but opted to have a month to month tenancy with the landlord as the building in the CBD was being constructed.</p>	
5	Stalled Projects	<p>The university is having numerous stalled projects that is unable to complete due to lack of GOK funding for their completion over the years. However, every effort has been made to complete these projects within the available financial resources raised internally and has managed to complete faculty of education complex, Science Complex and student hostels with some</p>	<p>Not Resolved</p> <p>FY 2025/2026</p>

		works going on in Agronomy building. The university will continue to work towards finishing the remaining stalled projects as funds become available. For many years, the university has been seeking financial support for capital development but has not received sufficient allocation to adequately support the budget.		
6	Payroll Payables	<p>The Management agrees with the auditors' observation on the payroll creditors and unpaid salary of Kshs. 7,584,827,568 which was accumulated from the year 2016 to December 2023. Since January 2024 the university has been paying the staff at 100% and remitting all the statutory deductions as required.</p> <p>The university has submitted all the pending bills up to June 2022 including the payroll creditors and unpaid salaries to the Pending Bills Verification Committee with a possibility of bail out by the government. All pending bills accrued after June 2022 will be settled by university when funds become available</p>	Not Resolved	FY 2025/2026

7	Unauthorized Bank Overdraft	The university runs an approved overdraft of Kshs. 100 million in its main paying bank account. This overdraft has already been approved by the National Treasury as provided for in Regulation 82(7) of the Public Finance Management (National Government) of 2015. The reported bank overdraft of Ksh 6,688,642 is thus within the approved limit	Not Resolved	FY 2025/2026



Prof. Isaac O. Kibwage, PhD, HSC
Vice Chancellor
Date: 27th August 2025

Appendix 2: INTER-ENTITY TRANSFERS

ENTITY NAME:	EGERTON UNIVERSITY		
Break down of Transfers from the State Department of Education, Ministry of Education			
FY 2024/2025			
a. Recurrent Grants			
	Bank Statement Date	Amount (KShs)	Indicate the FY to which the amounts relate
	13.08.2024	80,952,531.65	2024/2025
	11.09.2024	80,952,531.60	2024/2025
	08.10.2024	80,952,531.60	2024/2025
	08.11.2024	80,785,865.00	2024/2025
	05.12.2024	166,666.00	2024/2025
	05.12.2024	80,952,532.00	2024/2025
	06.01.2025	80,952,532.00	2024/2025
	07.01.2025	80,952,532.00	2024/2025
	10.02.2025	80,952,532.00	2024/2025
	13.03.2025	80,952,532.00	2024/2025
	10.04.2025	80,952,532.00	2024/2025
	02.05.2025	80,952,532.00	2024/2025
	26.05.2025	209,940,710.00	2024/2025
	12.06.2025	80,952,530.00	2024/2025
	07.07.2025	488,909,675.00	2024/2025
		1,670,280,764.85	
b. Development Grants			
	Bank Statement Date	Amount (KShs)	Indicate the FY to which the amounts relate
	Total		
c. Donor Receipts			
	Bank Statement Date	Amount (KShs)	Indicate the FY to which the amounts relate
	Total		

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

Finance Officer
Egerton University

Sign


CHIEF FINANCE OFFICER
EGERTON UNIVERSITY

Head of Accounting Unit
State Department of Education
Ministry of Education

Sign


09/8/2025

Ministry of Education
State Department For
University Education
P. O. Box 9583 - 00200, Nairobi
For Principal Secretary
Dr. S.