

REPUBLIC OF KENYA



Enhancing Accountability

REPORT

THE NATIONAL ASSEMBLY PARTICULARS	
DATE: 03 MAR 2022	DAY: Thursday
TABLED BY: LDM	
CHECK-AT THE TABLE: C. Ndlovu	

THE AUDITOR-GENERAL

ON

BUKURA AGRICULTURAL COLLEGE

**FOR THE YEAR ENDED
30 JUNE, 2020**



BUKURA AGRICULTURAL COLLEGE



ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 30 JUNE, 2020

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

BUKURA AGRICULTURAL COLLEGE
ANNUAL REPORT AND FINANCIAL STATEMENTS
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30 JUNE 2020

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KEY COLLEGE INFORMATION AND MANAGEMENT

(a) Background information

Bukura Agricultural College was established as legal entity by the “Bukura Agricultural College Act of 1999”

(b) Principle Activities

The College mandate is to provide agricultural training through integration of research and the provision of agricultural extension services.

(c) Key Management

The Colleges’ day-to-day Management is under the following key organs:

- Principal
- Deputy Principal
- Director Strategy and Corporate Services
- Registrar; and
- Heads of Departments

(d) Fiduciary Management

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

No. Designation

Name

- | | |
|---|---------------------------|
| 1. Principal | Dr. Richard Wekesa, PhD |
| 2. Deputy Principal | Dr. Beatrice Osumbah, PhD |
| 3. Registrar | Mr. James Etemesi |
| 4. Director Strategy and Corporate Services | Mr. Gilbert Nyongesa |

(e) Independent Auditors

Auditor General,
Kenya National Audit Office,
Anniversary Towers, University Way,
P.O. Box 30084,
GPO 00100,
NAIROBI, KENYA

(f) Principal Legal Adviser

The Attorney General
State Law Office
Harambee Avenue
P.O. Box 40112 City Square 00200
NAIROBI, KENYA

(g) Registered Office

Bukura Agricultural College
P.O. Box 23
Sigalagala - Butere Road
Bukura, KENYA

(h) College Contacts

Telephone : (254) 202349256
E-mail: principal@bukuracollege.ac.ke
Website: www.bukuraCollege.ac.ke

(i) College Bankers

Co-operative Bank of Kenya
Kakamega Branch
P.O. Box 595-50100
Kakamega

Kenya Commercial Bank
Kakamega Branch
PO BOX 152-50100
Kakamega

National Bank of Kenya
Kakamega Branch
P.O. BOX 1773-50100
Kakamega

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BACKGROUND INFORMATION

Core Functions

The Bukura Agricultural College Act of Cap, 348 mandates the College to:

Provide directly or in collaboration with other institutions of higher learning facilities for education in Agriculture and other auxiliary subjects through the integration of teaching, research and effective application of extension services;

Participate in the discovery, transmission and preservation of knowledge in agriculture and other related fields;

Conduct examinations for and grant diplomas and such academic awards as provided for in the statutes; and

Co-operate with the government in the planned development of Agricultural Education.

Vision

The Training Institution of choice in practical Agricultural Sciences.

Mission

To Provide Quality Agricultural Education through Training, Research, Innovations and Extension Services for improved agricultural productivity and livelihoods.

Motto

Training and Innovations for Improved Livelihoods.

Core values

In pursuit of the Mission and Vision and to perform its core functions, the College will be guided by the following fundamental values, derived from the Constitution of Kenya 2010, which will define the culture of the College:

Professionalism

The College has a highly skilled technical resource base. These skills will be harnessed for effective service delivery. Performance management, as a service delivery culture, will be integrated in all aspects of the College operations.

Accountability and Transparency

The College will endeavour to be accountable and transparent to its clients and uphold high integrity in the provision of its service.

Efficiency and Responsiveness

The College will endeavour to conduct its functions efficiently to serve its clientele by responding promptly and fairly.

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Inclusiveness

The College will strive to embrace diversity in cases of race, gender, religion, colour, disability, tribe etc.

Innovation

The College will encourage and support innovative and creative ideas in order to improve efficiency and effectiveness in agricultural productivity.

Customer Focus

To be an effective agent of agricultural transformation, the College will embrace the culture of customer care. The students, service providers and other stakeholders will be central to the operations of the College.

Team work

We commit to work as a team at all levels.

Environmentally Sensitive

The College will ensure that all the activities undertaken are environmentally sensitive.

Quality Policy

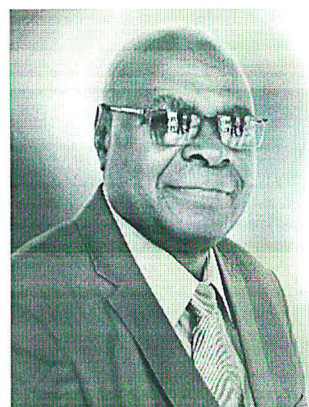
To provide demand driven middle level agricultural training, research and extension services so as to meet and exceed the customer and stakeholder expectations; and
Complying with the requirements and continuously improving the effectiveness of its quality management system.

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THE BOARD OF DIRECTORS



Mrs. Mary Waiswa Chairperson wef 14th December 2018 to date



Mr. Joseph Odera Ngaah - Alt Director - Kenya National Farmers Federation - 26th February 2016 to date



Mrs. Mary Kanyi, Alternate Director, Director of Livestock Development - State Department of Livestock - September 2017 to-date

Mrs Mary Waiswa Waudu is a PhD student at the University of Nairobi and a lecturer at Mt Kenya University. She holds a master's degree in Foods, Nutrition and dietetics from Kenyatta University, a bachelor's degree in Home science and a postgraduate degree in special education from Bombay University, India, Mary is a seasoned teacher with the Teacher Service Commission and a Quality Assurance Officer with Kenya Bureau of Standards (KEBS)

Mr. Ngaah is a farmer in Lugari Sub County of Kakamega County. He holds an "A" certificate and is trained in Agriculture General and Efficient Machine Approaches (Hannover, German). He is currently the Chairman of the Kenya Farmers Federation, Kenya Leguminous Crops Association and Kakamega County Dairy Platform. Currently, he is the Chairman of the Audit Committee of the Board

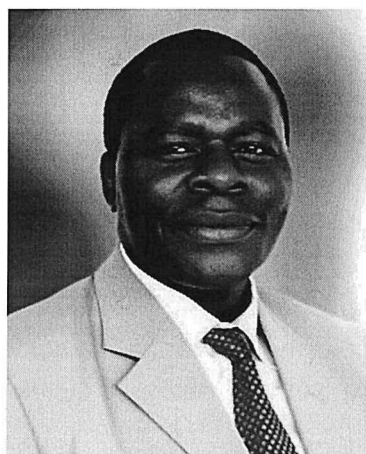
Mrs. Mary Kanyi is a Deputy Director of Livestock at the State Department of Livestock. She is the head of Technical Training and Capacity Development Division at the Directorate of Livestock Production. She holds a Masters degree in Agricultural Economics and a Bsc. Degree in Agriculture from the University of Nairobi. She is a member of the Animal Production Society of Kenya (APSK) and the Kenya professional Association of women in Agriculture and Environment (KEPAWAE)

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*Mrs. Cathering Mwenda -
Alternate Director, Principal
Secretary - State Department
of Agriculture - 2018 to date*

Mrs. Cathering Mwenda - Alternate Director, Principal Secretary - State Department of Agriculture - 11th November 2018 to date. Mrs. Mwenda is the Director of Human Resource Management and Development at the State Department of Crops Development. She holds a Master of Education Administration, Bachelor of Education (Arts) and Higher Diploma in Human Resource Management. Mrs Mwenda has attended several Professional & Leadership Courses including Strategic Leadership Development, Training of Trainers Course, Specialized Studies in Advanced Leadership Skills, Leadership Dynamics Programme for senior women Managers, A course on Public Sector Training Development Programme and Leading Change Effectively in Government. She is a member of the following professional Bodies: Member of the Professional Body of HR Practitioners in Kenya. (IHRM (K)), Member of Kenya Association of Public Administration and Management (KAPAM) and Member of Association of African Public Administration and Management (AAPAM).



*Mr. Elly Onger - Alternate Cabinet
Secretary - National Treasury -
September 2012 to 2019*

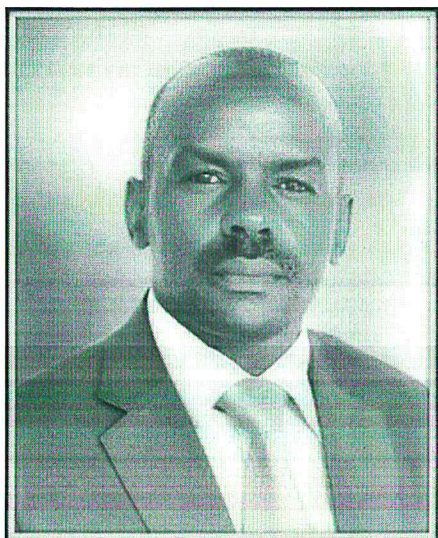
Mr. Elly Onger holds a Master's Degree in Economics, a Bachelor's Degree in Economics, He is also ISO Quality Management Representative of the National Treasury. He has attended Strategic Leadership Course.



*Mrs. Grace Agili - Alternate
Director, Agriculture Secretary -
State Department of Agriculture
August 2016 to date*

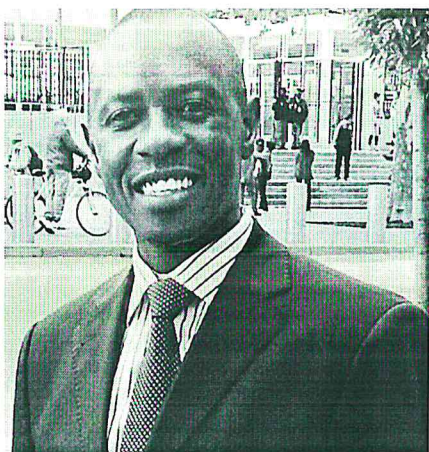
Mrs. Agili is a Deputy Director of Agriculture at the State Department of Agriculture. She holds a Master's degree in Management of Agriculture Knowledge Systems, a Bachelor's degree in Agriculture, a Diploma in Business and ICT. She has also attended a Strategic Leadership Course, Organization Change Management, Board of Governors Training and Project Planning and Development.

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Mr. Tom Otieno Olang'o, Alternate Principal Secretary - State Department of Technical, Vocational Educational Training -4th February 2016 to todote

Mr. Olang'o is currently an Assistant Director of Technical Education in the State Department of Technical and Vocational Education, Ministry of Education. He holds a Master's degree in Education, a Bachelor's Degree in Education, and a Diploma in IT. He has worked in the TVET sub-sector for the last 24 years.



Mr. Samson Wangusi Alternate Director, Principal Secretary - State Department of Public Service and Youth Affairs - 1st April 2019 todote

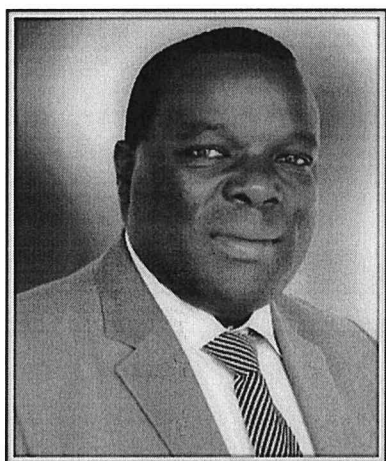
Mr. Wangusi the Director of Administration at the State Department of Public Service and Youth. He holds a Master's degree in Business Administration, a Bachelor's of Arts Degree. He has also attended a Strategic Leadership Course and several other skilled based short courses.

Mr. Michael Cedric Mukanzi - Alternate Cabinet Secretary - National Treasury – 2020 todote

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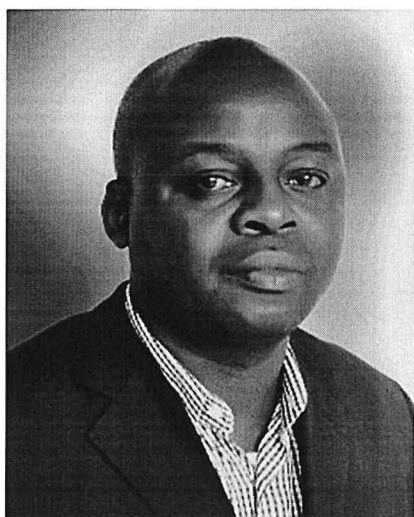
Dr Foustine Wandera, PhD,, Alternate
Director Director General KALRO January
2019 to todote

Dr. Wandera is currently Director, Livestock Systems and Manager Agricultural Research Fund at the Kenya Agricultural and Livestock Research Organization (KALRO). Dr. wandera has also served as Member of Board of Directors of several State Corporations and Advisory Board of farm-Tech expo Kenya. He holds a doctorate degree in Grassland Ecology from the University of Queensland Austratlia. Dr. Wandera worked as a research scientist for over 30 years. Dr. Wandera has published many research articles in refereed journals.



Dr. Richard Wekesa, PhD - Principal/Chief
Eexecutive Officer - 18th May 2016 to todote

Dr. Wekesa has held various positions at Bukura Agricultural College where he has served in various capacities for over 20 years rising from classroom lecturer. He holds a PhD in Biotechnology from Jomo Kenyatta University of Agriculture and Technology, an MSc in Crop Production and Seed Technology from Moi University and a BSc in Horticulture and a Diploma in Agriculture both from Egerton University Njoro. He has attended many skill based courses in and out of the Country.

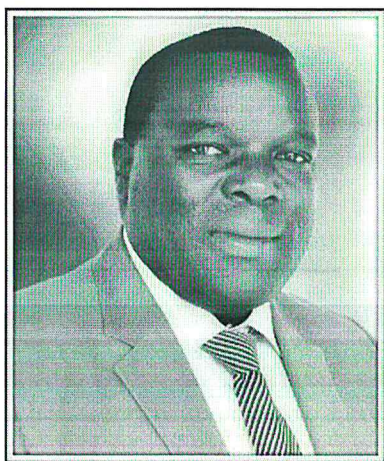


Mr. James Etemesi – Registrar/Board
Secretary - 23rd June 2015 to todote

Mr, James Etemesi is a registered advocate of the high court. Before he joined the College as Registrar and Secretary to the Board, Mr. Etemesi was in private practice. He holds a Bachelor's degree in Law from the University of Nairobi and a Diploma in Law from the Kenya School of Law.

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MANAGEMENT TEAM



Dr. Richard Wekesa, PhD - Principal/Chief Executive Officer - 18th May 2016 to date



Dr. Beatrice Osumbah, PhD – Deputy Principal/Chief Executive Officer - 18th May 2016 to 30th June 2020



CPA Gilbert Wafula Nyongesa, Director Strategy and Corporate Services – 7th January 2020 to date

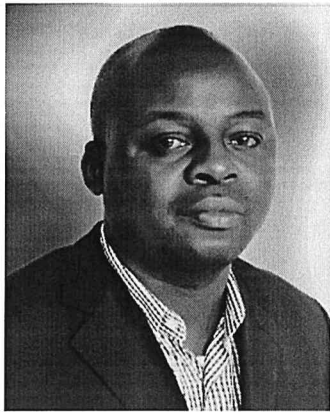
Dr. Wekesa has held various positions at Bukura Agricultural College where he has served in various capacities for over 20 years rising from classroom lecturer. He holds a PhD in Biotechnology from Jomo Kenyatta University of Agriculture and Technology, an MSc in Crop Production and Seed Technology from Moi University and a BSc in Horticulture and a Diploma in Agriculture both from Egerton University Njoro. He has attended many skill based courses in and out of the Country.

Dr. Osumbah holds a PhD in Educational Administration and Management from Jaramogi Oginga Odinga University of Science and Technology, an MSc in Agricultural Education from Kenyatta University, a BSc in Agricultural Education and Extension from Egerton University Njoro and Post Graduate Diploma in Project Management from Cambridge. She has attended many skill based courses in and out of the Country.

Mr. Nyongesa is a member of Institute of Certified Public Accountants of Kenya, a Certified Public Secretary, a Public Arbitrator, member of Institute of Directors, Institute of Human Resource Management and a governance auditor. Before he joined the College as Director Strategy and Corporate Service Mr. Nyongesa was working in the private sector. He holds a master's degree in Business Administration from the Kenya Methodist University.

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**Mr. James Etemesi, College
Registrar 2018 – 23rd June 2015 to
date**

Mr, James Etemesi is a registered advocate of the high court. Before he joined the College as Registrar and Secretary to the Board, Mr. Etemesi was in private practice. He holds a Bachelor's degree in Law from the University of Nairobi and a Diploma in Law from the Kenya School of Law.



**Mrs. Roselyne Ambani
Dean of Students**

Mrs. Ambani has held various positions at Bukura Agricultural College where she has served in various capacities for over 10 years rising from classroom lecturer. She holds M.Sc. Livestock Value Chain Management, (Larenstein University, The Netherlands), B.Sc. Animal Production, Egerton University

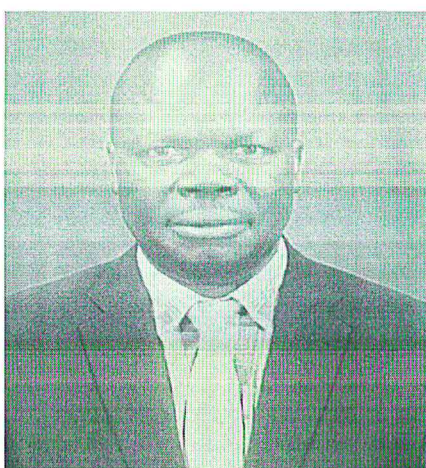
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**Mr. John Suge HoD Agricultural
Extension & Rural Development**

Mr. Suge has held various positions at Bukura Agricultural College where he has served in various capacities for over 20 years rising from classroom lecturer. He holds an MSc in Horticulture from Egerton University and a BSc in Horticulture both from Egerton University Njoro. He has attended many skill based courses.



**Mr. Jairus Okacha
HoD: Agriculture and Animal
Science**

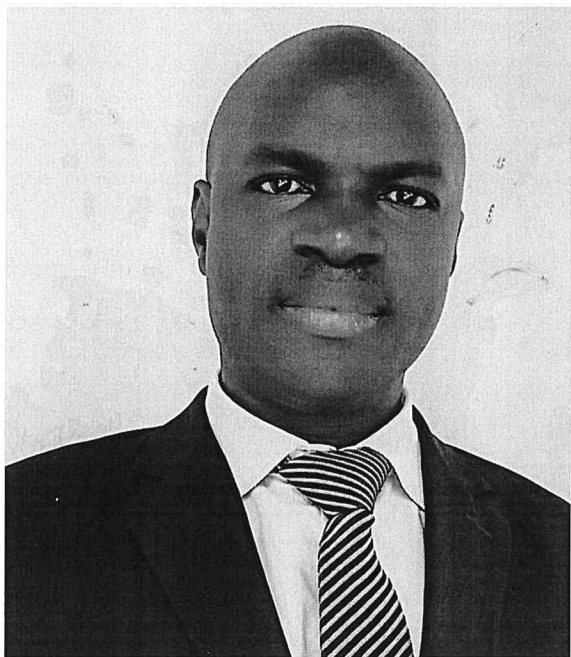
Mr. Okacha has held various positions at Bukura Agricultural College where he has served in various capacities for over 20 years rising from classroom lecturer. He holds M.Sc. Agronomy University of Eldoret, B.Sc. Agriculture, University of Nairobi. He has attended many skill based courses.



**Mr. Paul Njogu HoD: Basic and
Applied Sciences**

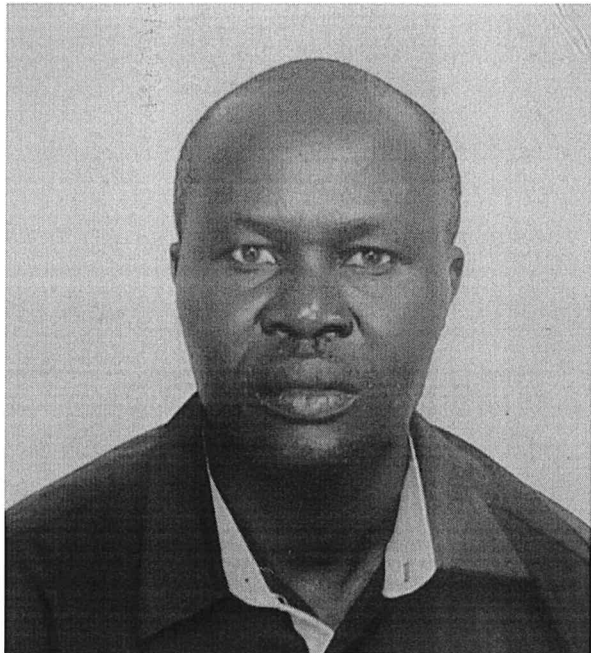
Mr. Njogu has held various positions at Bukura Agricultural College where he has served in various capacities for over 20 years rising from Classroom Lecturer. He holds an M.Ed. (Educational Communication & Technology), Kenyatta University B.Ed. (Mathematics & Chemistry), Kenyatta University. He has attended many skill based courses.

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FA, CPA Samuel Okero - Head of Finance and Accounts Department

Mr. Okero is a Certified Public Accountant of Kenya with 14 years of experience in Public Sector. He holds MBA (Finance and Accounting) of Mt. Kenya University. Bachelor of Business Management (Accounting) of Moi University. He is a member of the Institute of Certified Public Accountants of Kenya (ICPAK) as well as Institute of Certified Investment and Financial Analysis of Kenya (ICIFA). He has attended many skill based courses.



MKISM, Benjamin Kipkemboi Cheptiony
Head of Supplies Chain Management Unit

A career Civil Servant with 36yrs in Supply Chain Management Profession, having started as a Storekeeper in 1982. A Member of Kenya Institute of Supplies Management, Professional Course in Supplies Management final stage, Diploma in Adult Education – Nairobi University and several Management Courses and Seminars in the field of Procurement.

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CHAIRPERSON'S MESSAGE



Opening Statement

I am pleased to present the College's Annual Report and Financial Statement for the year ended 30th June 2020.

On behalf of the Board of Governors, I hereby report mixed results in the 2019/2020 Financial Year. The year was characterized by increased cash flow occasioned by additional funding by exchequer to the tune of **Ksh 58M** during Supplementary Estimates II and Ksh 1M from the Orange Knowledge Project that is funded by the Dutch Government.

Indeed the College recorded a surplus of **Ksh 0.9M**, an improvement from **Ksh 24.4M** deficit recorded in the previous Financial Year. The improved performance was due to reduced operations at the College the outbreak of

COVID-19 pandemic in March 2020 and increased inflows from the Government to fund staff CBA salary arrears.

Operating Environment

It is forecasted that Kenya's real GDP growth will slow down markedly from 5.4% in 2019 to 1.1% in 2020, as the Covid-19 pandemic weighs on external demand and domestic economic activity. Real GDP growth is expected to rebound to 4.2% in 2021, as economic conditions normalise, and monetary and fiscal stimulus feed through to stronger private consumption and investment.

The College played an important role towards the realization of vision 2030 by providing the necessary manpower to drive the agriculture sector in **2019/2020** Financial Year. A total of **447 graduates** were released into the sector compared to **652** in 2018/2019 Financial Year representing a decrease of 31.4%. The reduction was attributed to inability of College students to access Government loans and bursaries hence high dropout.

College Performance

During the year under review the College recorded a revenue of **Kshs. 276.5M** compared to **Ksh 308.4M** in 2018/19 Financial Year representing a decrease of **10.3%**. The decrease is attributed to reduction in fees collection following the closure of the College in March occasioned by the Coronavirus pandemic.

Future Outlook

To expand its revenue base the College plans to increase students enrolment by engaging relevant stakeholders to enable College students to access HELB loans and bursaries and to

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access donor funding through proposal writing. The College Farm is also on a revival path and should contribute significantly to revenue. The commissioning of the Education Complex should contribute to College revenue by providing more teaching facilities, hence increased enrolment.

Tribute

I wish to express my sincere and deep gratitude to my fellow directors, the Government, Management, Staff, development partners and other stakeholders for their steadfast support and contribution towards success in the year.



Mrs. Mary N. Waudo
CHAIRPERSON

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MESSAGE FROM THE PRINCIPAL/CEO



Dr. Richard Wekesa: the College
Principal/CEO

Guided by our mission “ to provide quality agricultural education through training, research, innovation and extension services for improved productivity and livelihoods, Bukura Agricultural College has developed and implemented training programs with emphasis on inculcating the right skills, knowledge and attitudes in trainees.

Our Competitive Environment

On the social scene total enrolment in TVET institutions grew by 32.3 per cent to 363,884 in 2019. Enrolment of male and female students in national polytechnics and technical universities significantly increased by 61.0 per cent and 67.7 per cent in 2018, respectively. During the same period, enrolment in vocational training colleges increased by 25.5 per cent to 284,506, partly due to the on-going initiative to increase enrolment in TVET institutions.

However, there was a general decline in enrolment in agricultural courses. At degree level, there was a decline of 25.0 per cent in enrolment from 24,221 students in 2017 to 18,165 students in 2018. This could be partly attributed to limited number of students attaining requisite grades in cluster subject for the course. Diploma enrolment in agriculture courses at Egerton University declined drastically to 6 students in 2018 from 196 in 2017. Enrolment levels in diploma courses at Animal Health Training Institutes (AHITIs) decreased by 17.5 per cent in Kabete and increased by 22.0 per cent in Ndomba. Overall, enrolment in certificate level courses at the AHITIs increased by 17.8 per cent from 247 in 2017 to 291 in 2018. However, enrolment in certificate level courses at Nyahururu dropped from 74 students in 2017 to 71 students in 2018. Unlike these Institutions, Bukura Agricultural College was able to register 106% growth in enrolment from 1167 in 2017 to 2405 students in 2018.

It is worth noting that beginning July 1, 2018, the Government reduced tuition fee for students joining National Polytechnics and Technical Training Institutes to Ksh 56,420 per annum out of which it send Ksh 30,000 capitation grants to the institutions for every student admitted. In addition, HELB provided loans of upto Ksh 40,000 to the students. Part of the loan was forwarded directly to the training institution to cater for tuition, while the other part was send to the beneficiary student's bank account for upkeep. However, this only applied to students enrolled in the Ministry of education owned TVET institutions. The new policy will in the long run disadvantage the College in terms of students enrolment and hence revenue generation. There is therefore a need for the College to lobby the Government so that students enrolled in Bukura also benefit.

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Securing the Future

Despite stiff competition from our environment for potential trainees, Bukura Agricultural College remains committed to making our training affordable and credible as we move into the future.

We are aware that challenges lie ahead but we remain focussed on achieving our vision of being the training institution of choice in practical agricultural sciences. We recognise the fact that our customers demand for graduates who are competent and entrepreneurial. In the coming years we will continue to make progress on our strategy implementation and manage the complex set of associated risks. We will re-engineer our training programs and introduce new ones.

Appreciation

On behalf of the College Management I wish to extend my appreciation to the government through the Ministry of Agriculture, Livestock and Fisheries for continued support and insights. I also wish to appreciate material and financial support from our collaborators, partners and other stakeholders during the year. To our Board of Governors, Management team, all staff and students I wish to sincerely thank you for the peace, dedication and commitment to the College exhibited throughout the year.

Lastly, it is my desire that we should continue to work together as a team in the new Financial Year and beyond.



Dr. Richard Wekesa, PhD
Principal/CEO

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CORPORATE GOVERNANCE STATEMENT

The Board of Directors and management of Bukura Agricultural College are committed to maintaining the highest level of corporate governance.

Board Manual

The Board Manual outlines the core commitment required of members of the Board to discharge their mandate. It ensures effectiveness of each member's contribution in the governance of the College by facilitating full and free exercise of independent judgement and professional competencies. It clearly outlines the rules that guide the Board and does not in any way purport to replace or supersede any laws and regulations that govern the College.

Compliance

The Board is committed to the underlying principles of good corporate governance as stipulated in the "Guidelines for Corporate Governance in State Owned Enterprise". The College is also ISO 9001:2015 Certified.

Board Composition

The Board is established by Bukura Agricultural college Act ,and comprises of fifteen (15) members namely: Chairman, Director of Agriculture, Director of Livestock Production, Director of Education, Principal Secretary, Ministry of Devolution and Planning, Principal Secretary to the National Treasury, Principal Secretary in the Ministry for the time being responsible for matters relating to agriculture, two representatives of Public Universities in Kenya, two representative of Agriculture Industry, one representative of the Kenya National Farmers Union, Director of Kenya Agricultural Research Institute, the Principal, and the Registrar.

In the year 2018/2019 two Board members were trained in various aspects of Board Governance and they were:-

1. Ms. Mary N. Wawire – Chairperson was trained Mwongozo code of Governance for state Corporations
2. Ms. Catherine Mwenda –Director was trained in Mwongozi code of regulations for State Corporations.

In the 2018/19 Financial Year the Board continued to executed its mandate as provided for by the Bukura Agricultural College Act of 1999, State Corporations Act Cap 446, the College Charter and Statutes, 2017 and the MWONGOZO code of Governance for State Corporations, 2015.

Separation of Power and Duties of the Chairman and the Principal

The independence of the Board from the College's corporate management is ensured by the separation of the functions of the Chairman and the Principal and a clear definition of their responsibilities. This enables the College to achieve an appropriate balance of power, increased accountability and improved decision making.

Responsibilities of Board Members

The responsibilities of members of the Board are clearly spelt out in the Board Manual. These include among others:

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- (i) Setting the strategic direction of the College, its objectives and values. It ensures that procedures and practices are in place to protect the Colleges assets and reputation. The Board reviews the strategic direction and adopts business plans proposed by Management, reviews processes for the identification and management of business risk and compliance with key regulatory and legal issues. It also provides oversight role of performing against set targets and objectives.
- (ii) The Board retains full and effective control over the College and monitors management's implementation of plans, strategies, ensures ethical behaviour and compliance with relevant laws and regulations, corporate policies and procedures and the Code of Ethics. It strives to act beyond the minimum requirement and benchmark performance against best practices and not only in practice, but be seen to comply.
- (iii) In accordance with the principles of good corporate governance, each Board member undertakes to always act in the best interest of the College and exercise his/her power in the execution of duties in good faith and act with care and prudence.
- (iv) Each Board member subscribes to the College's core values to always act in the interest of society, promotes the effective use of resources, commits to upholding them and ensures their implementation. This takes into account not only possible financial impact of their decisions, but also their consequences for sustainable development, effect on relations with stakeholders and the general interest of the communities in which the College operates.
- (v) The conduct of Board of governors is in tandem with their duties and responsibilities to the College and stakeholders and they always act within limitations imposed by the Board Manual.
- (vi) On quarterly basis, the Board considers Management Accounts Reports, Performance Contract Reports, Internal Auditor's Reports, Farm Reports and Strategic Plan Implementation reports among others.
- (vii) Every year the Board approves Financial Statement, Annual Report and Accounts, Annual Performance Contract Reports and Procurement Plans for the College.

Board Appraisal

At the end of each Financial Year the Board appraises itself and the Principal and submits the report to the Ministry of Agriculture, Livestock and Fisheries. Board self evaluation in 2017/2018 Financial Year was conducted on 28th September 2018 by an officer from the State Corporation Advisory Committee. The results were subsequently release in March 2019 and were forwarded to the Ministry.

Conflict of Interest and Declaration of Interest

Members of the Board have a statutory duty to avoid situations in which they have or may have interests that conflict with those of the College. Business transaction with all parties or their related parties are carried out at arm's length.

Each member of the Board is obligated to fully disclose to the Board any real or potential conflict which comes to his/her attention, whether directly or indirectly.

At every meeting of the Board an agenda item exists requiring members to make a declaration of interest they may have in the business to be discussed.

BUKURA AGRICULTURAL COLLEGE
ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED
30 JUNE, 2020

Board Committees

All Board Committees are established with written terms of reference outlining their respective authority and duties. The College Board has three(3) distinct Committees namely: Audit Committee, Finance and Administration Committee and the Technical committee. The Committee discuss matters affecting the College and presents their reports for approval by the Board.

Board workplan/calendar and meetings

During the 2018/19 Financial Year the Board developed and implemented a workplan. The Board and its Committees held a total of 20 ordinary meetings as provided for by the State Corporations Act Cap 446, Public Finance Management Act 2012 and performance contracting regulations to comply with statutory remittances.

Shared believe

The Board of Directors and management have a shared believe that corporate governance is a continuous process and that good corporate governance must be embedded in our culture to support our values of discipline, high stands and integrity which are fundamental to the long term success and sustainability of our core mandate as an institution of higher learning.

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MANAGEMENT DISCUSSION AND ANALYSIS

During the period under review the College engaged in activities related to its core mandate of providing middle level training in agriculture, conducting research and offering agricultural extension services to the neighbouring farming communities. However, during to the outbreak of COVID-19 pandemic in the Country the was forced to close in mid-March 2020 and all its employees except those maning essential services forced to work from home in order to contain the pandemic. This led to complete disruption of College programmes and operations. As a result the College was unable to complete second semester teaching and administer examinations. The 24th Graduation ceremony scheduled for March 2020 had to be postponed indefinitely.

Training Programmes

During the 2019/20 Academic year, the College enrolled 2405 trainees in various courses as shown in Table 4.

Table 4 Annual Enrolment

SNO	COURSE	NUMBER
1	Diploma	1369
2	Certificate	214
3	ICT (short course)	569
4	Mushroom production (short course)	86
	Total	2238

Course Units Offered during the Semester

The College, during 2019/20 Academic Year offered a total of 252 Course Units distributed in the Sections as shown in the Table 5. However semester two were not completed.

Table 5 Course Units offered during the Quarter

S.NO	Section	Semester One	Semester Two	Total
1	Agronomy	15	19	34
2	Engineering	20	10	30
3	Animal Science	20	21	41
4	Agricultural Economics	14	22	36
5	Agricultural Education	17	12	29
6	Home Economics	5	03	8
7	ICT	2	1	3
8	Basic Science	20	13	33
9	Horticulture	9	16	25
10	Animal Health	8	5	13
	Total	130	122	252

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Figure 1: Commissioning of the Education Complex by the Deputy President of the Republic of Kenya His Excellency Dr. William Ruto on 25th April 2019. The Complex was constructed at a cost of Ksh 260M funds provided by the Government of Kenya



Figure 2: His Excellency Dr. William Ruto, the Deputy President of the Republic of Kenya during the 23rd Graduation Ceremony held on 25th April 2019.

BUKURA AGRICULTURAL COLLEGE

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Consultancy

The College in collaborations with Food and Agriculture Organization of the United Nations signed a Letter of Agreement to train young professionals in desert locust management at Ksh 10,462M. the five months training is scheduled for SeAugust to January 2021.



Figure 3: College staff attending a training of trainers course on Desert Locust management at Royal Swiss Grand Hotel Kisumu. The training was funded by FAO in preparation for training of the young professions.

Fruit tree seedlings (Numbers by type)

S/No	Fruit tree type	Grafted	Not grafted	TOTAL	Total sales
1	Oranges	4570	1720	6290	399
2	Mangoes	492	101	593	186
3	Avocadoes	2520	2023	4543	1552
4	Passion	2,040	360	2,400	823
5	Lemons		84	84	84
6	TC bananas		1208	1208	1208
Totals		9,622	4,370	15,118	4252

As it can be noted a large number of seedlings are oranges with over 42% of the total number, avocadoes at 30%, passion fruits at 15.9% and tissue culture bananas at 8% avocadoes of the established seedling. From the table tissue culture have the highest demand while oranges the lowest.

BUKURA AGRICULTURAL COLLEGE

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Figure 4: The College Fruit tree nursery with assorted fruit tree seedlings in support of the fulfilment of the Big Four Agenda by the College

Provision of agricultural extension service

In the period under review College targeted to provide extension to 7000 farmers/youths. The College provides this service through:-

1. Organized forum – The College was unable to host the 2020 annual agribusiness forum due to COVID-19 pandemic..
2. Schools/College/Universities visits – School visits normally start in March. Due to the pandemic only 484 students visited the College in 2019/2020 FY.

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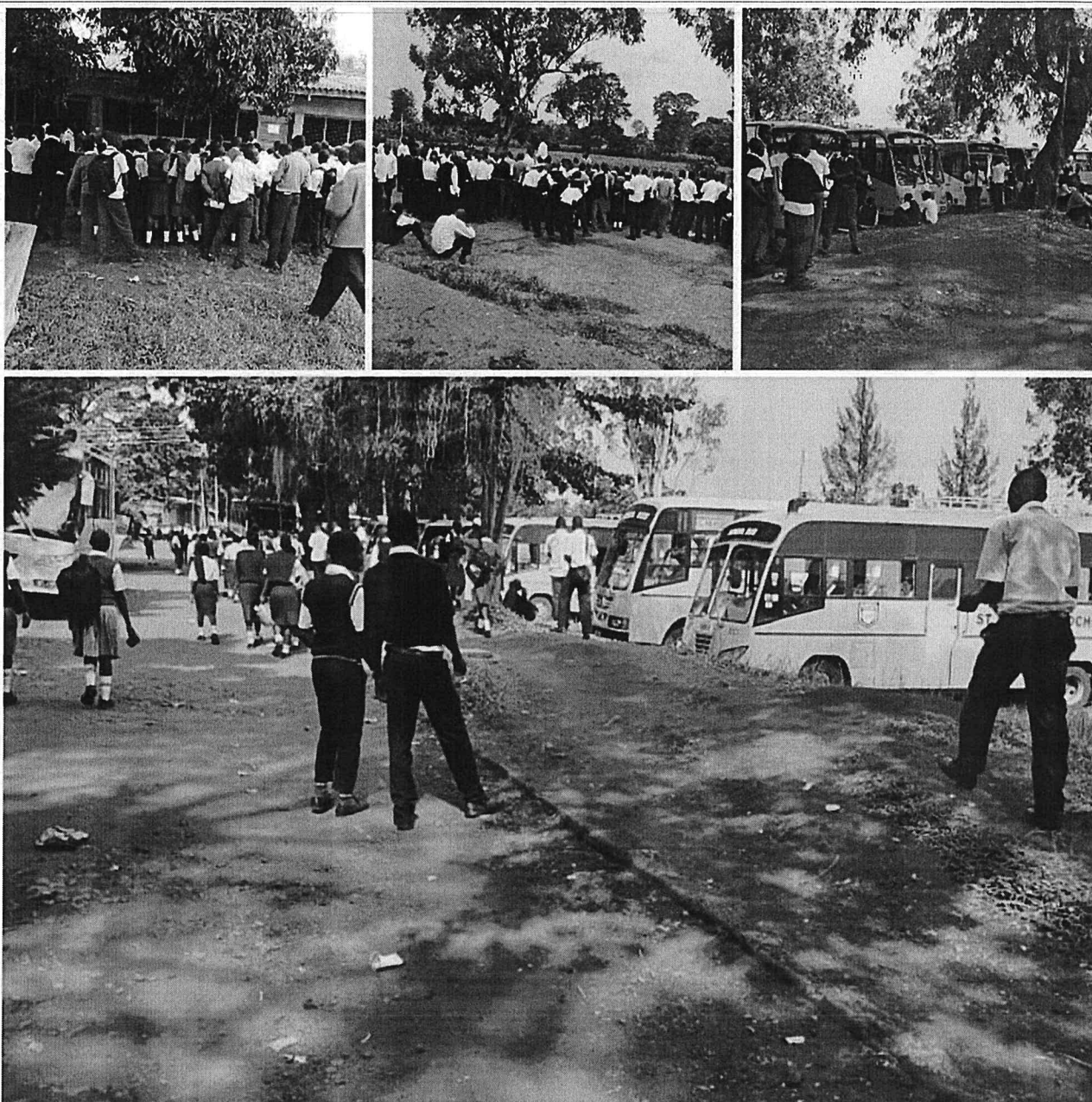


Figure 5: Secondary schools students during a thursday tour

College farm

Bukura Agricultural College has two farms; the commercial farm and the teaching and research farm. Notable achievements during the period included: -

The farm's lactating herd increased from **27** cows during the 3rd Quarter to **33** dairy cows in the 4th quarter. The average herd size equally increased from **25** cows to **29** with the average milk production per cow per day rising from **13.5 litres** to **17.4 litres**.

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College commercial farm dairy herd. An average production of 17.4 liters per day per cow was recorded.

There was an increase in hay production from 172 bales per hectare to 373 bales per hectare and a successfully ensiling of 150 tons of quality silage despite challenges from fall armyworm. 8 calvings were registered during the quarter. In an effort to maintain quality of the herd, seven cows were culled. This generated a revenue of **ksh.305, 810**. 15.3Ha of sugarcane was harvested and 1147.04 tones realized. This represented a yield of 75 tons per Ha. 8.1Ha of yellow maize crop was planted for silage and 6 hectares ensiled. 11.2Ha. of boma Rhodes was harvested and 4,186 bales of hay realized. This translated into a yield of 373 bales per Ha. 152kg of fish was realized out of the 1600 fingerlings that were stocked in the fishponds. The actual pieces of fish realized were 688. 752 pieces could, however not be accounted for leading to suspicion of foul play at night harvesting. To remedy this, the pond area will be fenced off with a chain link to prevent access by any unauthorized person.

BUKURA AGRICULTURAL COLLEGE

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Harvesting in the 2.4 Ha. under kales and local vegetables was ongoing. 2.7 tons of kales and 2.8 tons of local vegetables were realized during the quarter under review. The rest of the land (16.6 Ha.) is under pasture paddocks.

Financial performance

In the year under review, the College recorded a deficit of Ksh 0.7M as compared to a deficit of Ksh 26.8M reported in the previous year. The reduced deficit is largely attributed to the Ksh 48M for salaries and 10M for internal road network that was received by the College from the government in the supplementary budget. The College received Kshs 48M instead of the requested Kshs 92M to meet staff CBA salary demands during the 2019/2020FY supplementary estimates II hence was able to fully implement CBA and PC2 but pay arrears for 2018/2019FY .

College's Compliance with Statutory Requirements

The College conducts periodic legal compliance reviews to check on non-compliance. During the period under review, there were no major non-compliance issues. However, there were two cases that had been launched at the Court of Appeal which are likely to cost the College a substantial amount of monies. Further, following the ruling by the Employment and Relations Court that the College pays its staff the salaries for PC2 category the College honored the ruling and the arrears were paid accordingly

Key Projects and Investment Decisions the College Is Planning/Implementing

The College has been undertaking the construction and completion of the Education Complex which is funded by the Government of Kenya and the project is to be handed over in the first quarter of 2020/2021FY. The furnishing and equipping of the Education Complex will result in more space for training in terms of Lecturer Halls, Laboratories and Offices which will translate to increased student enrollment hence increase in revenue.

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CORPORATE SOCIAL RESPONSIBILITY STATEMENT

Bukura Agricultural College is committed to Corporate Social Responsibility (CSR). The College is motivated by the fact that its activities and processes have a likelihood of negatively impacting on the environment in which it operates. It is also only fair that the College invests in the community it is located as a sign of appreciation.

During the last year under the College managed to develop a Corporate Social Responsibility Policy to guide it in driving the CSR agenda. In the Financial Year the College implemented programs and projects aimed at conserving the environment and investing in Bukura Community.

BUKURA AGRICULTURAL COLLEGE
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REPORT OF THE DIRECTORS

The Directors submit their report together with the audited financial statements for the year ended 30th June 2020 which show the state of the College's affairs.

Principle activities

The Principle activity of the College is to provide agricultural training through integration of research and the provision of agricultural extension services extension.

Results

The results of the College for the year ended 30th June 2020 are set out on page 1-20. The members of the Board of Directors who served during the year are shown on page vii-xii In accordance with Section 7(1) of the Bukura Agricultural Act 1999.

Auditors

The Auditor General is responsible for the statutory audit of the College in accordance with the Public Finance Management (PFM) Act, 2012, which empowers the Auditor General to nominate other auditors to carry out the audit on his behalf.

By Order of the Board

Chairman.....

Date: 01 - 12- 2020

BUKURA AGRICULTURAL COLLEGE
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STATEMENT OF DIRECTORS' RESPONSIBILITIES

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

The Directors are responsible for the preparation and presentation of the College's financial statements, which give a true and fair view of the state of affairs of the College for and as at the end of the Financial Year (period) ended on 30th June 2020. This responsibility includes:

- (i) maintaining adequate financial management arrangements and ensuring that these continue to be effective throughout the reporting period;
- (ii) maintaining proper accounting records, which disclose with reasonable accuracy at any time the financial position of the College;
- (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 College;
- (v) selecting and applying appropriate accounting policies; and
- (vi) making accounting estimates that are reasonable in the circumstances.

The Directors accept responsibility for the College'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 Reporting Standards (IPSAS), and in the manner required by the PFM Act and the State Corporations Act. The Directors are of the opinion that the College's financial statements give a true and fair view of the state of College's transactions during the Financial Year ended 30th June 2020, and of the College's financial position as at that date. The Directors further confirm the completeness of the accounting records maintained for the College, which have been relied upon in the preparation of the College's financial statements as well as the adequacy of the systems of internal financial control.

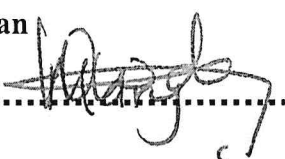
Nothing has come to the attention of the Directors to indicate that the College will not remain a going concern for at least the next twelve months from the date of this statement.

The Directors have noted the financial deficit recorded by the College and all efforts are being made to ensure that the College becomes financially sustainable in the next twelve months.

Approval of the financial statements

The College's financial statements were approved by the Board on 16th September 2020 and signed on its behalf by:

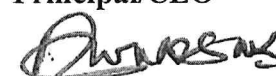
Chairman

.....

Director

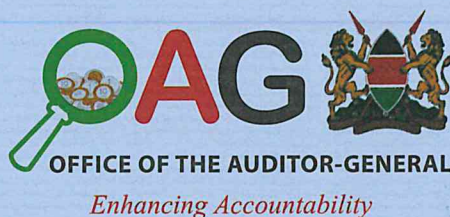


Principal/CEO



REPUBLIC OF KENYA

Telephone: +254-(20) 3214000
E-mail: 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 BUKURA AGRICULTURAL COLLEGE FOR THE YEAR ENDED 30 JUNE, 2020

REPORT ON THE FINANCIAL STATEMENTS

Qualified Opinion

I have audited the accompanying financial statements of Bukura Agricultural College set out on pages 1 to 25, which comprise of the statement of financial position as at 30 June, 2020, 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 the Bukura Agricultural College as at 30 June, 2020, and of its financial performance and its cash flows for the year then ended, in accordance with International Public Sector Accounting Standards (Accrual Basis) and comply with the Bukura Agricultural College Act, 1999 and the Public Finance Management Act, 2012.

Basis for Qualified Opinion

1. Cash and Cash Equivalents

The statement of financial position reflects cash and cash equivalents balance of Kshs.50,445,966 as at 30 June, 2020 which as disclosed in Note 18 to the financial statements comprises of cash balance held in seven bank accounts totalling Kshs.50,419,488 and an M-pesa account balance of Kshs.26,478. However, review of the bank reconciliation statements revealed that the school fees collection account maintained at a commercial bank had an overdrawn cashbook balance of Kshs.5,616,968. The bank reconciliation statement reflected receipts in the bank statement not yet recorded in the cash book amounting to Kshs.6,092,068 out of which an amount of Kshs.188,400 related to the period 31 December, 2019 and earlier. No

explanation was provided for failure to record the receipts in the cashbook while at the same time making payments out of the account resulting to an overdrawn cashbook.

Further, verification of the cash book indicated that payments totalling to Kshs.3,448,217 was recorded in the cash book but without the requisite information such as payee, payment voucher number and cheque numbers.

In the circumstances, it has not possible to ascertain the accuracy and completeness of the cash and cash equivalents balance of Kshs.50,445,966 as at 30 June, 2020.

2. Unsupported Payments

Audit review of sampled payment vouchers relating to milk processing plant revealed that payments amounting to Kshs.1,670,036 was not supported with relevant documentation such as the good receipt notes, delivery notes, certificate of the inspection and acceptance committee.

In the absence of proper supporting documents, the propriety of the expenditure totalling to Kshs.1,670,036 for the year ended 30 June, 2020 could not be confirmed.

3. Inaccuracies of the Financial Statements

As disclosed in Note 17 to the financial statements, the statement of financial performance reflects a balance of Kshs.27,112,462 in respect of general expenses which includes daily subsistence allowance of Kshs.1,117,620 and travel costs of Kshs.581,575, all totalling to Kshs.1,699,195. However, the general ledger reflected daily subsistence allowance of Kshs.375,197 and travel costs of Kshs.567,685, all totalling to Kshs.942,882, resulting into a variance of Kshs.756,313 which has not been explained or reconciled.

In absence of any reconciliation, the accuracy of the general expenses of Kshs.27,112,462 included in the statement of financial performance for the year ended 30 June, 2020 could not be confirmed.

4. Valuation of Donated Assets

The statement of financial position reflects property, plant and equipment balance of Kshs.916,621,760 as at 30 June, 2020 which as disclosed in Note 22 to the financial statements includes additions during the year totalling to Kshs.18,038,281. However, the balance excludes various machineries received from donors and the Ministry of Agriculture Livestock and Fisheries in June, 2018 for use at the milk processing plant. The assets consisted of a bulk milk cooler, milk measuring tank, milk transfer pump, an electricity generating unit, cooling unit and a solar system but the values of the assets had not been captured in the books as they did not have their values or costs declared. Management has however not explained why the assets have not been valued and included among the other assets of the College.

Consequently, the property, plant and equipment balance of Kshs.916,621,760 has been understated by the value of the donated equipment which have not been valued.

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

Key Audit Matters

Key audit matters are those matters that, in my professional judgment, are of most significance in the audit of the financial statements. There were no key audit matters to report in the year under review.

REPORT ON LAWFULNESS AND EFFECTIVENESS IN USE OF PUBLIC RESOURCES

Conclusion

As required by Article 229(6) of the Constitution, based on the audit procedures performed, I confirm that, nothing has come to my attention to cause me to believe that public resources have not been applied lawfully and in an effective way.

Basis for Conclusion

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

REPORT ON EFFECTIVENESS OF INTERNAL CONTROLS, RISK MANAGEMENT AND GOVERNANCE

Conclusion

As required by Section 7(1)(a) of the Public Audit Act, 2015, based on the audit procedures performed, I confirm that, nothing has come to my attention to cause me to believe that internal controls, risk management and overall governance were not effective.

Basis for Conclusion

The audit was conducted in accordance with ISSAI 2315 and ISSAI 2330. The standards require that I plan and perform the audit to obtain assurance about whether

effective processes and systems of internal control, risk management and governance were operating effectively, in all material respects. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my conclusion.

Responsibilities of Management and the Board of Directors

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

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

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

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

The Board of Directors is responsible for overseeing the College'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

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

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

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

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

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Management.
- Conclude on the appropriateness of the Management's use of the applicable basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the College's ability to continue to sustain its services. If I conclude that a material uncertainty exists, I am required to draw attention in the auditor's report to the

related disclosures in the financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my audit report. However, future events or conditions may cause the College to cease to continue to sustain its services.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information and business activities of the College to express an opinion on the financial statements.
- Perform such other procedures as I consider necessary in the circumstances.

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

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


CPA Nancy Gathungu, CBS
AUDITOR-GENERAL

Nairobi

11 February, 2022

BUKURA AGRICULTURAL COLLEGE
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED
30 JUNE 2020

**STATEMENT OF FINANCIAL PERFORMANCE FOR THE YEAR
ENDED 30 JUNE 2020**

	Note	2020 Kshs	2019 Kshs
Revenue from non-exchange transactions			
Government Grants	3	164,000,000	154,990,877
Donor Grant	4	1,037,000	
		165,037,000	154,990,877
Revenue from exchange transactions			
Fees from students	5	79,670,370	90,232,040
Rental revenue from facilities	6	6,620,552	8,087,652
Finance income-interest income	7	-	-
Other income	8	25,551,392	55,057,374
		111,842,314	153,377,066
Total revenue		276,879,314	308,367,943
Expenses			
Bulk purchases of electricity	9	3,972,053	5,610,724
Employee costs	10	187,700,801	212,354,512
Remuneration of Directors	11	5,575,400	9,205,555
Depreciation and amortization expense	12	26,187,706	21,572,416
Repairs and maintenance	13	5,813,570	11,080,744
Contracted services	14	6,889,338	7,221,906
Agricultural materials	15	8,994,627	10,988,627
Training expenses	16	3,637,357	14,195,636
General expenses	17	27,112,462	40,519,279
Total expenses		275,883,314	332,749,399
Surplus/deficit for the period		996,000	(24,381,456)

BUKURA AGRICULTURAL COLLEGE
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED
30 JUNE 2020

STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2020

	Note	2020 Kshs	2019 Kshs
Assets			
Current assets			
Cash and cash equivalents	18	50,445,966	54,219,536
Receivables from exchange transactions	19	30,687,530	21,886,026
Inventories	20	4,408,394	4,662,433
		<u>85,541,890</u>	<u>80,767,995</u>
Non-current assets			
Property, plant and equipment	22	916,621,760	923,900,987
Intangible Assets	25	7,831,782	8,701,980
Biological Assets	21	60,594,700	54,477,480
		<u>985,048,242</u>	<u>987,080,447</u>
Total assets		<u><u>1,070,590,132</u></u>	<u><u>1,067,848,442</u></u>
Liabilities			
Current liabilities			
Trade and other payables from exchange transactions	23	51,358,580	91,849,401
Provision for gratuity	24	3,758,916	1,522,405
Total liabilities		<u><u>55,117,496</u></u>	<u><u>93,371,806</u></u>
Net assets			
Reserves		758,200,785	758,200,785
Accumulated Deficit		(137,952,520)	(138,948,520)
Capital fund		395,224,370	355,224,370
Total net assets and liabilities		<u><u>1,070,590,132</u></u>	<u><u>1,067,848,442</u></u>

The notes set out on pages 6 to 26 form an integral part of the Financial Statements

Chairman of the Board

Head of Finance

Principal/CEO

Name: Ms Mary Waudo

Samuel Okero

Dr. Richard Wekesa, PhD

Sign: 

ICPAK NO. 11674

Sign: 

Date: 01-12-2020

Date: 01-12-2020

BUKURA AGRICULTURAL COLLEGE
ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED
30 JUNE, 2020

STATEMENT OF CHANGES IN NET ASSETS FOR THE YEAR ENDED 30 JUNE 2020

	Capital reserves Kshs	Revenue Reserves Kshs	Capital grants Kshs	Accumulated Funds Kshs
Balance as at 30 JUNE 2018	758,200,785	(114,567,064)	310,224,370	953,858,091
				-
Deficit for the period	-	(24,381,456)	-	(24,381,456)
Capital Grants	-		45,000,000	45,000,000
Balance as at 30 JUNE 2019	758,200,785	(138,948,520)	355,224,370	974,476,635
Surplus/(Deficit) for the period	-	996,000	-	996,000
Capital Grants			40,000,000	40,000,000
Revaluation Gain	-			-
Balance as at 30 JUNE 2020	758,200,785	(137,952,520)	395,224,370	1,015,472,635

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STATEMENT OF CASHFLOWS FOR THE FINANCIAL YEAR ENDED 30 JUNE 2020

	Notes	2020 Kshs.	2019 Kshs.
Cash flows from operating activities			
Surplus/Deficit for the year		996,000	(24,381,456)
Adjustments			
Depreciation charges	12	<u>26,187,706</u>	21,572,416
Operating Cash before working capital changes		27,183,706	(2,809,040)
Increase in Provisions	24	2,236,511	(4,633,121)
Decrease in Inventory	20	254,039	(815,433)
Increase in Receivables	19	(8,801,504)	(693,818)
Decrease in Payables	23	<u>(40,490,821)</u>	48,313,898
Cash generated from operations		(19,618,069)	39,362,486
Cash flows from investing activities			
Purchase of Property, Plant and Equipment	22	(18,038,281)	(32,361,633)
Purchase of software	25	-	(8,701,980)
Biological Assets	21	(6,117,220)	2,719,370
Cash flows from financing activities			
Capital Grants		40,000,000	45,000,000
Cash flows from Changes in Equity			
Net Increase in cash and cash equivalents		(3,773,570)	46,018,243
Movement in Cash and cash Equivalents			
Cash and cash Equivalents at the beginning		54,219,536	8,201,293
Net Increase		(3,773,570)	46,018,243
Cash and cash Equivalents at the end		50,445,966	54,219,536
Presented by:			
Cash and Bank Balances	18	<u>50,445,966</u>	54,219,536
Total		50,445,966	54,219,536

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STATEMENT OF COMPARISON OF BUDGET AND ACTUAL AMOUNTS

	Original Budget 2019- 2020 Kshs.	Adjustments 2019-2020 Kshs.	Final budget 2019- 2020 Kshs.	Actual On Comparable Basis 2019-2020 Kshs.	performanc e Difference 2019- 2020 Kshs.
Revenue					
Government grants	116,000,000	48,000,000	164,000,000	164,000,000	-
School fees	119,659,800	(36,953,220)	82,706,580	79,670,370	(3,036,210)
Other Income	78,917,000	(46,199,348)	32,717,652	33,208,944	491,292
TOTAL INCOME	314,576,800	(35,152,568)	279,424,232	276,879,314	(2,544,918)
Expenses					
Personel emoluments	192,144,488	(464,249)	191,680,239	187,700,801	3,979,438
Operating expenses	86,628,041	(40,455,070)	46,172,971	43,787,423	2,385,548
Technical Expenses	18,212,863	(4,119,763)	14,093,100	12,631,984	1,461,116
Board Expenses	14,403,600	(8,403,600)	6,000,000	5,575,400	424,600
Depreciation	-	-	-	26,187,706	(26,187,706)
Total Expenditure	311,388,992	(53,442,682)	257,946,310	275,883,314	(17,937,004)
Surplus for the Period	3,187,808	-	21,477,922	996,000	(20,481,922)

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NOTES TO THE FINANCIAL STATEMENTS

1. General Information

Bukura Agricultural College is established by and derives its authority and accountability from the Bukura Agricultural Act of 1999. The College is wholly owned by the Government of Kenya and is domiciled in Kenya. The College's principal activity is to provide agricultural training through intergration of research and the provision of agricultural extension services

2. Statement of compliance and basis of preparation – IPSAS 1

The College's financial statements have been prepared in accordance with and comply with International Public Sector Accounting Standards (IPSAS). The financial statements are presented in Kenya shillings, which is the functional and reporting currency of the College. The accounting policies have been consistently applied to all the years presented.

The financial statements have been prepared on the basis of historical cost, unless stated otherwise. The financial statements are prepared on accrual basis.

3. Summary of significant accounting policies

(a) Revenue recognition

i) Revenue from non-exchange transactions – IPSAS 23

Grants and donations

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

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ii) Revenue from exchange transactions – IPSAS 9

Rendering of services

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

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

Sale of goods

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

Interest income

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

Rental income

Rental income arising from staff houses and students' hostels is accounted for on and when incurred and included in revenue.

(b) Budget information – IPSAS 24

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

(c) Investment property – IPSAS 16

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

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

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

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

(d) Property, plant and equipment – IPSAS 17

All property, plant and equipment are stated at cost less accumulated depreciation and impairment losses. Costs include 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 College recognizes such parts as individual assets with specific useful lives and depreciates them accordingly. Likewise, when a major inspection is performed, its cost is recognized in the carrying amount of the plant and equipment as a replacement if the recognition criteria are satisfied. All other repair and maintenance costs are recognized in surplus or deficit as incurred. Where an asset is acquired in a non-exchange transaction for nil or nominal consideration the asset is initially measured at its fair value. The College applied the following rates in determining the depreciation of its assets

	Rate %
Buildings	2.50%
Plant and equipments	12.50%
Computer equipment	33.00%
Motor vehicle	25.00%
Furniture and fittings	12.50%
Intangible Assets	10.00%

The College has adopted the straight line method of depreciation.

(e) Intangible assets–IPSAS 31

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.

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The useful life of the intangible assets is assessed as either finite or indefinite.

(f) Research and development costs

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

- i) The technical feasibility of completing the asset so that the asset will be available for use or sale
- ii) Its intention to complete and its ability to use or sell the asset
- iii) How the asset will generate future economic benefits or service potential
- iv) The availability of resources to complete the asset
- v) 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 – IPSAS 29

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 College determines the classification of its financial assets at initial recognition.

Loans and receivables

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

Held-to-maturity

Non-derivative financial assets with fixed or determinable payments and fixed maturities are classified as held to maturity when the College 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

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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.

i) Financial liabilities

Initial recognition and measurement

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

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

(h) Inventories – IPSAS 12

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:

- (a) Raw materials: purchase cost using the weighted average cost method.
- (b) Finished goods and work in progress: cost of direct materials, 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 College.

(i) Provisions – IPSAS 19

Provisions are recognized when the College 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.

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Where the College 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 College 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 College 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 College in the notes to the financial statements. Contingent assets are assessed continually to ensure that developments are appropriately reflected in the financial statements. If it has become virtually certain that an inflow of economic benefits or service potential will arise and the asset's value can be measured reliably, the asset and the related revenue are recognized in the financial statements of the period in which the change occurs.

(j) Nature and Purpose of Reserves

The College creates and maintains reserves in terms of specific requirements.

(k) Changes in Accounting Policies and Estimates – IPSAS 3

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

(l) Employee Benefits – IPSAS 25

Retirement benefit plans

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

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

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proportional basis to all participating employers. The contributions and lump sum payments reduce the post-employment benefit obligation.

(m) Foreign currency transactions – IPSAS 4

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

(n) Related parties – IPSAS 20

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

(o) 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.

(p) Comparative figures

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

(q) Significant judgments and sources of estimation uncertainty – IPSAS 1

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

Estimates and assumptions

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next Financial Year, are described below. The College based its assumptions and estimates on parameters available when the consolidated financial statements were

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prepared. However, existing circumstances and assumptions about future developments may change due to market changes or circumstances arising beyond the control of the College. Such changes are reflected in the assumptions when they occur.

Useful lives and residual values

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

- (a) The condition of the asset based on the assessment of experts employed by the College;
- (b) The nature of the asset, its susceptibility and adaptability to changes in technology and processes;
- (c) The nature of the processes in which the asset is deployed;
- (d) Availability of funding to replace the asset; and
- (e) Changes in the market in relation to the asset.

(r) Biological Assets - IPSAS 27

A biological asset shall be measured on initial recognition and at each reporting date at its fair value less costs to sell, except for the case where the fair value cannot be measured reliably. In such a case, that biological asset shall be measured at its cost less any accumulated depreciation and any accumulated impairment losses. Where the College acquires a biological asset through a non-exchange transaction, the biological asset is measured on initial recognition and at each reporting date. Agricultural produce harvested from the College's biological assets shall be measured at its fair value less costs to sell at the point of harvest.

(r) Subsequent events – IPSAS 14

There have been no events subsequent to the Financial Year end with a significant impact on the financial statements for the year ended June 30th, 2020

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	2020 Kshs	2019 Kshs
3. Government Grants		
First Quarter	29,000,000	23,000,000
Second Quarter	29,000,000	21,619,999
Third Quarter	29,000,000	22,057,000
Fourth Quarter	77,000,000	88,313,878
Total	164,000,000	154,990,877
4. Donor Grant		
Received	1,037,000	-
	1,037,000	-
5. Students Fees		
School fees	79,670,370	90,232,040
	79,670,370	90,232,040
6. Rental Revenue		
Staff Houses	1,996,152	2,383,652
Students Hostels	4,624,400	5,704,000
	6,620,552	8,087,652
7. Finance income-Interest income		
Interest on fixed deposit	-	-
	-	-
8. Other Income		
Farm Income	18,418,742	21,479,172
Consultancy Services	-	14,567,899
Short courses	1,299,000	10,608,500
Milk processing plant	3,656,355	3,270,198
Student tours	387,910	522,405
Sale of boarded items	330,000	536,000
Sundry income	1,459,385	4,073,200
	25,551,392	55,057,374
9. Purchases of Electricity		
Electricity	3,972,053	5,610,724
	3,972,053	5,610,724
10. Employee costs		
Salaries and wages	160,925,710	180,443,171
Contributions to pensions schemes	13,713,675	15,487,138

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	2020	2019
	Kshs	Kshs
Basic Wages	10,903,097	10,527,042
Remuneration of part time lecturers	2,018,530	2,976,015
Gratuity	139,789	2,921,146
Employee costs	187,700,801	212,354,512
11.Remuneration of Directors		
Sitting Allowances	1,219,500	2,657,000
Travel Allowance	1,150,000	2,502,216
Accommodation Allowance	1,940,900	3,110,000
Chairman Honorarium	1,044,000	574,339
Meal Allowance	221,000	362,000
Total	5,575,400	9,205,555
12.Depreciation/Amortization Expense		
Property ,plant and equipment	25,317,508	21,572,416
Intangible Asset-ERP	870,198	-
Total	26,187,706	21,572,416
13.Repairs and Maintenance		
Buildings	3,612,859	4,613,369
Plant and machinery	465,343	1,124,704
Computers Software & Networks	180,000	1,081,614
Equipment	53,300	1,011,098
Vehicles	1,502,068	3,249,959
Total Repairs and Maintenance	5,813,570	11,080,744
14.Contractd Services		
Professional services	2,057,573	2,141,240
Security &Cleaning	4,712,245	4,642,246
Sanitation	119,520	438,420
Total Contracted Services	6,889,338	7,221,906
15. Agricultural Materials		
Agricultural inputs, veterinary supplies	8,994,627	10,988,627
Total	8,994,627	10,988,627
16.Training Expenses		
Research & development	-	-
Graduation expenses	-	2,037,335
Education aids and materials	1,777,540	5,087,187
Lab materials, small equipment, education	169,982	688,334

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	2020 Kshs	2019 Kshs
Library supplies	-	-
Field Attachment allowance	-	2,653,200
Academic Trips	1,010,735	1,154,240
Training (tuition and accommodation)	679,100	2,575,340
Total training expenses	3,637,357	14,195,636

17. General Expenses

The following are included in general expenses:

Advertising & Trade shows	75,030	788,266
Accommodation	3,099,600	6,244,152
Audit fees	464,000	464,000
Courier & postal services	57,201	191,788
Daily subsistence allowance	1,117,620	910,305
catering services	1,079,530	4,624,505
Fuel and oil	2,410,820	2,941,585
Hire of transport, equipment and other facilities	50,000	385,000
Insurance	8,152,102	8,464,520
Legal dues , arbitration and compensation payments	375,203	67,495
Medical drugs and other non-pharmaceuticals	81,000	117,633
Telephone, telex, mobile phones	229,614	36,000
Networking computers & subscription to internet	1,427,505	2,394,954
Water and sewerage services	25,950	44,490
Sundry expenses	253,230	362,820
Publishing and printing	998,586	1,684,970
Travel costs	581,575	1,020,001
General office supplies and accessories to computers	2,021,522	3,497,948
Subscriptions to newspapers	292,300	335,240
Purchase of uniforms	80,000	509,925
Student council allowances	1,134,810	907,615
Bank commissions	157,322	224,587
Milk processing	2,711,442	4,147,290
Membership fees	236,500	154,190
Total general expenses	27,112,462	40,519,279

18. Cash and cash equivalents

Current Account	58,267	51,443,099
Savings Account	138,959	1,000,639
Farm Account	1,535,091	3,988,241
Milk Processing Account/GIZ Acc	957,642	1,932,187

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	2020 Kshs	2019 Kshs
Fees collection Account	(5,616,968)	(5,781,964)
Mpesa	26,478	1,587,534
Euro Acc	1,118,075	-
Development Account	52,228,422	-
Cash in Hand	-	49,800
Total cash and cash equivalents	50,445,966	54,219,536
19. Receivables from exchange transactions		
Students fees	27,605,197	19,447,661
Unsurrendered imprest	-	467,365
Gok	-	-
Rental income	3,082,333	1,971,000
Total	30,687,530	21,886,026
20. Inventories		
General stores	2,731,052	3,755,983
Farm Stores	921,990	836,450
Milk Processing	755,352	70,000
Total	4,408,394	4,662,433
21. Biological Assets		
Dairy animals	11,845,000	10,130,500
Other animals	581,300	731,500
Horticulture	873,400	542,200
Hay	15,840,000	10,320,000
Sugarcane	11,828,800	17,973,000
Other plantations(trees both exotic and indigenous	19,626,200	14,780,280
Total	60,594,700	54,477,480
23. Trade and other payables from exchange transactions		
Creditors	29,639,188	70,064,139
Retention fund	15,913,392	15,631,262
Caution money	5,226,000	5,226,000
Audit fees	580,000	928,000
Total	51,358,580	91,849,401
24. Current Provisions (Gratuity)		
Balance at the beginning of the year	1,522,405	2,561,188
Additions	2,376,300	1,882,363
Provision Utilized	(139,789)	(2,921,146)
Balance as at 30 June 2020	3,758,916	1,522,405

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	2020 Kshs	2019 Kshs
25. Intangible Assets		
Purchase of ERP	8,701,980	8,701,980.00
less Amortization	(870,198)	-
Balance as at 30th June 2020	7,831,782	8,701,980.00

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22. Property, Plant and Equipment 2018/2019 Financial Year

	Land	Buildings	W.I.P	Machinery	Furniture&Equipment	Computers	Motor Vehicles	Total
Cost	Kshs	Kshs	Kshs	Kshs	Kshs	Kshs	Kshs	Kshs
At1July2018	269,665,000	385,333,500	224,336,667	23,148,340	6,389,875	10,163,095	14,339,638	933,376,115
Additions	0	5,456,326	21,255,807	1,666,150	1,670,750	2,205,000	107,600	32,361,633
Disposals	0	0	0	0	0	0	0	0
At30 June2019	269,665,000	390,789,826	245,592,474	24,814,490	8,060,625	12,368,095	14,447,238	965,737,748
Depreciation and impairment								
At1July2018	0	9,633,338	0	2,893,543	798,734	3,353,821	3,584,910	20,264,346
Impairment	0	0	0	0	0	0	0	0
At30 June2018	0	9,633,338	0	2,893,543	798,734	3,353,821	3,584,910	20,264,346
Depreciation	-	9,769,746	-	3,101,811	1,007,578	4,081,471	3,611,810	21,572,416
Transfer/adjustment	-	-	0	-	-	-	-	-
At30 June2019	0	19,403,084	0	5,995,354	1,806,312	7,435,292	7,196,719	41,836,761
At30 June2019	269,665,000	371,386,742	245,592,474	18,819,136	6,254,313	4,932,803	7,250,519	923,900,987
At30 June2018	269,665,000	375,700,163	224,336,667	20,254,798	5,591,141	6,809,274	10,754,729	913,111,772

22. Property, Plant and Equipment 2019/2020 Financial Year

	Land	Buildings	W.I.P	Machinery	Furniture & Equipment	Computers	Motor Vehicles	Total
Cost	Kshs	Kshs	Kshs	Kshs	Kshs	Kshs	Kshs	Kshs
At1July2019	269,665,000	390,789,826	245,592,474	24,814,490	8,060,625	12,368,095	14,447,238	965,737,748
Additions	0	-	2,821,303	0	6,226,879	8,990,099	0	18,038,281
Disposals	0	0	0	0	0	0	0	0
At30 June2020	269,665,000	390,789,826	248,413,777	24,814,490	14,287,504	21,358,194	14,447,238	983,776,029
Depreciation and impairment								
At1July2019	0	19,403,084	0	5,995,354	1,806,312	7,435,292	7,196,719	41,836,761
Impairment	0	0	0	0	0	0	0	0
At30 June2019	0	19,403,084	0	5,995,354	1,806,312	7,435,292	7,196,719	41,836,761
Depreciation	-	9,769,746	-	3,101,811	1,785,938	7,048,204	3,611,810	25,317,508
Transfer/adjustment	-	-	0	-	-	-	-	-
At30 June2020	0	29,172,830	0	9,097,165	3,592,250	14,483,496	10,808,529	67,154,269
At30 June2020	269,665,000	361,616,996	248,413,777	15,717,325	10,695,254	6,874,698	3,638,710	916,621,760
At30 June2019	269,665,000	371,386,742	245,592,474	18,819,136	6,254,313	4,932,803	7,250,519	923,900,987

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26. FINANCIAL RISK MANAGEMENT

i).Credit risk

Credit risk is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation. Credit risk on trade receivables is managed by ensuring that students pay fees before sitting for their examinations.

ii).Liquidity risk

Liquidity risk is the risk that the College will encounter difficulties in meeting obligations associated with financial liabilities. The College manages liquidity risk by continuously reviewing forecasts and actual cash-flows.

iii). Market risk

Market risk is the fair value or future cash flows of financial instruments that fluctuate because of changes in market price.

iv). Currency risk

Currency risk arises on financial instruments denominated in foreign currency. The College does not have any significant currency risk as it does not have trade receivables, trade payables and borrowings denominated in foreign currency.

v).Other price risk

Other price risk arises on financial instruments because of changes in price of a financial instrument. The College is not exposed to other price risk as it does not hold financial instruments.

27. Related Party Disclosures

a) Nature of related party relationships

Entities and other parties related to the College 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.

Bukura Agricultural College is related to;

- i) The National Government
- ii) The Ministry of Agriculture, Livestock, Fisheries and Irrigation.
- iii) Key Management
- iv) Board members

During the Financial Year the College paid the member of the Board of Directors remuneration amounting to **Ksh5,575,400** in various allowances.

28. Commitments and Contingencies

A supplier by the name Fridge Stores had also lodged a case in court against the College for alleged **Ksh 1.3M** supplies made from 2004/05 Financial Year. The case was determined in favour of the College but Fridge stores has since appealed the decision at the High Court. However, there are high chances of the College winning the appeal.

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29. Taxation

The College is exempted from taxation under the first schedule of the income tax Act Cap 470.

30. Currency in Use

The financial statements are presented in Kenya shillings (Ksh).

APPENDIX I: PROGRESS ON FOLLOW UP OF AUDITOR RECOMMENDATIONS

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

Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Focal Point person to resolve the issue (Name and designation)	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
1	Lack of separate account for retention fund	The College had sought authority from The National Treasury to open the retention fund account. Account now opened with The National Bank of Kenya	Dr. Richard Wekesa - Principal	Resolved	
2	Non accounted for Biological Assets	Reconciliations on the farm records have been done and the Biological Assets fully accounted for	Dr. Richard Wekesa - Principal	Resolved	
3.1	Outstanding Rental Income	The tenant has been contacted and payment process has been initiated.	Dr. Richard Wekesa - Principal	Not Resolved	30 th June 2021
3.2	Outstanding Imprest	The College management undertakes to adhere to the regulations as prescribed.	Dr. Richard Wekesa - Principal	Resolved	
4	Accumulated deficit	The College has engaged the government for additional funding which was partially granted in the 2019/20 financial year.	Dr. Richard Wekesa - Principal	Resolved	

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Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Focal Point person to resolve the issue (Name and designation)	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
5	Low budget absorption	Management has devolved the budget to departments for ease of monitoring. In addition the quarterly reports on budget absorption are prepared to ensure that departments adhere to the budget	Dr. Richard Wekesa - Principal	Resolved	
6	Breach of Contractual obligation by the insurance underwriter	A formal complaint made the Insurance Regulatory Authority for recovery of unutilized premiums	James Etemesi-Registrar and Legal Officer	Resolved	
7	Poor maintenance of cashbooks	The department has been capacity built by recruitment of extra staff who will assist in the maintenance of the cashbooks	Dr. Richard Wekesa - Principal	Resolved	
8	Lack of Internal Auditor	Internal audit Manager has been recruited by the College.	Dr. Richard Wekesa - Principal	Resolved	
9	Separation of development account and recurrent account.	The development account has been separated from the recurrent account by opening a dedicated development account with the National bank while recurrent account is held at the Co-operative bank.	Dr. Richard Wekesa - Principal	Resolved	

Chairman of the Board

Sign.....

Date: 01 - 12- 2020

Principal/CEO

Sign.....

Date: 01 - 12- 2020

BUKURA AGRICULTURAL COLLEGE**ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED
30TH JUNE, 2020****APPENDIX II: PROJECTS IMPLEMENTED BY THE COLLEGE****Projects**

Projects implemented by the State Corporation/ SAGA Funded by development partners

Project title	Project Number	Donor	Period/ duration	Donor commitment	Separate donor reporting required as per the donor agreement (Yes/No)	Consolidated in these financial statements (Yes/ No)
NONE	N/A	N/A	N/A	N/A	N/A	N/A

Status of Projects completion

	Project	Total project Cost	Total expended to date	Completion % to date	Budget	Actual	Sources of funds
1	BUKURA EDUCATIONAL COMPLEX	789.0 M	245.12 M	38	40 M	40M	GOK

