

REPUBLIC OF KENYA



Enhancing Accountability

PARLIAMENT
OF KENYA
LIBRARY

REPORT

OF

PAPERS LAID	
DATE	25/04/2024
TABLED BY	Dep-Senate Majority Whip
COMMITTEE	—
CLERK AT THE TABLE	CAROLYNE C.

THE AUDITOR-GENERAL

ON

BUKURA AGRICULTURAL COLLEGE

**FOR THE YEAR ENDED
30 JUNE, 2023**



BUKURA AGRICULTURAL COLLEGE
AMMENDED ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED
30TH JUNE, 2023

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

(Indicate actual name of the entity)
Annual Report and Financial Statements
for the year ended June 30, 20xx.

(Indicate actual name of the entity)

**Annual Report and Financial Statements
for the year ended June 30, 20xx.**

Table of Contents.....	Page
1. Acronyms, Abbreviations and Glossary of Terms	iv
2. Key College Information and Management	v
3. The Board of Directors.....	viii
4. Key Management Team	xii
5. Chairman’s Statement	xv
6. Report of the Chief Executive Officer	xvii
7. Statement of Performance against Predetermined Objectives for FY 2022/2023	xix
8. Corporate Governance Statement.....	xxiii
9. Management Discussion And Analysis.....	xxv
10. Environment and Sustainability Reporting	xxxv
11. Report Of The Directors.....	xxxviii
12. Statement of Directors Responsibilities	xxxix
13. Report to the Independent Auditor for the Financial Statements of Bukura Agricultural College.....	xli
14. Statement of Financial Performance for the year ended 30 June 2023	1
15. Statement of Financial Position as at 30 June 2023	2
16. Statement of Changes in Net Assets for the year ended 30 June 2023	3
17. Statement of Cash Flows for the year ended 30 June 2023	4
18. Statement of Comparison of Budget and Actual amounts for the year ended 30 June 2023.....	5
19. Notes to the Financial Statements	6
20. Appendices	32

1. Acronyms, Abbreviations and Glossary of Terms

A: Acronyms and Abbreviations

CEO	Chief Executive Officer
DG	Director General
CBK	Central Bank of Kenya
ICPAK	Institute of Certified Public Accountants of Kenya
IPSAS	International Public Sector Accounting Standards
MD	Managing Director
NT	National Treasury
OCOB	Office of the Controller of Budget
OAG	Office of the Auditor General
OSHA	Occupational Safety and Health Act of 2007
PFM	Public Finance Management
PPE	Property Plant & Equipment
PSASB	Public Sector Accounting Standards Board
SAGAs	Semi-Autonomous Government Agencies
SC	State Corporations
WB	World Bank
TVET	Technical and Vocational Education and Training
BAC	Bukura Agricultural College
OKP	Orange Knowledge Programme
FAO	Food and Agricultural Organization

B: Glossary of Terms

Fiduciary Management- Members of Management directly entrusted with the responsibility of financial resources of the organisation

Comparative Year- Means the prior period.

Bukura Agricultural College
Annual Report and Financial Statements
for the year ended June 30, 2023.

2. Key College Information and Management

(a) Background information

Bukura Agricultural College was established under the Bukura Agricultural College Act on 1999. The College is domiciled in Kenya and is located in Kakamenga county, Lurambi sub-county in Butso south along the Sigalagala –Butere Road

(b) Principal Activities

The Bukura Agricultural College Act of 1999 mandates the College to:

- (i) 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;
- (ii) Participate in the discovery, transmission and preservation of knowledge in agriculture and other related fields;
- (iii) Conduct examinations for and grant diplomas and such academic awards as provided for in the statutes; and
- (iv) Co-operate with the government in the planned development of Agricultural Education.

(c) Key Management

No.	Designation	Name
1.	Board of Directors	Board of Governors
2.	Principal	Mr Paul K Njogu
3.	Director Strategy and Corporate Services	CPA Gilbert Nyongesa
4.	Ag. Manager Finance and Accounts	CPA Michael Ochieng

(d) Fiduciary Management

The key management personnel who held office during the financial year ended 30th June 2023 and who had direct fiduciary responsibility were:

No	Designation	Name
1.	Ag. Principal	Mr. Paul Njogu
2.	Ag. Director Academic Programmes	Mrs. Olive Luvai
3.	Ag. Registrar, Board and Legal Services	CPA Gilbert Nyongesa
4.	Director Strategy and Corporate Services	CPA. Gilbert Nyongesa
5.	Director Academic and Student Affairs	Mr. John Suge
6.	Ag. Registrar, Library, Research and Innovation	Mrs. Roselyn Ambani
7.	Director Production and Business Development	Mr. Claperton Mwenesi
8.	Ag. Manager Finance and Accounts	Mr. Micheal Ochieng
9.	Ag. Manager Supplies Chain Management	Mr. Collins Muhando

Key Bukura Agricultural College Information and Management (continued)

(e) Fiduciary Oversight Arrangements

i) Audit Committee of the Board

The purpose of the audit committee is to provide assistance to the accounting officer or governing body. An audit committee obtain assurance from management that all financial and non-financial internal control and risk management functions are operating effectively and reliably and also provide an independent review of a College reporting functions to ensure the integrity of financial reports.

ii) The National Treasury

The National treasury prescribes the financial reporting templates and ensures efficient financial management system for National government entities. It is also involved in formulating and Maintaining Government Accounting Standards and Oversight Over Revenue.

iii) The National Assembly

The National assembly is involved in Legislation and oversight over public finance.

iv) Office of Auditor General

Auditing of the College financial statements as well as the books of accounts

(f) Registered Office

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

(g) College Contacts

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

(h) College Bankers

1. Co-operative Bank of Kenya
Kakamega Branch
P.O. Box 595-50100
Kakamega.
2. Kenya Commercial Bank
Kakamega Branch
P. O. BOX 152-50100
Kakamega
3. National Bank of Kenya
Kakamega Branch
P.O. BOX 1773-50100
Kakamega

Bukura Agricultural College
Annual Report and Financial Statements
for the year ended June 30, 2023.

(i) Independent Auditors

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

(j) Principal Legal Adviser

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

3. The Board of Directors



**Mr. Wanyama Musiambo CBS, EBS
Chairman of the Board of Directors**

9th June 2023 to date



**Prof. Simon Thurania –Chairman
of the Board of Directors**

16th June 2022 to 9th June 2023



**Mrs. Catherine Mwenda – Alt/
Director, PS - State Department of
Agriculture - 2018 to
July 2023**

I am a career civil servant who entered the Public Service in 1987. I have worked from the level of a District Officer, District Commissioner, Senior Deputy Provincial Commissioner and finally promoted to the rank of Provincial/ Regional Commissioner in Rift Valley in 2016. In 2018, His Excellency the President appointed me to the position of Deputy Head of Public Service. A position I held for 5 years upto 2022. I am currently a member of a taskforce of the Shakokhola massacre.

Professor Simon Thurania is the Acting Deputy Vice Chancellor-Academic and Student Affairs at Meru University of Science and Technology. He has a PhD in International and Comparative Education from the University of Maryland-USA. Prof. Thurania has been a visiting Professor at the Purdue University Fort Wayne, USA. Prof Thurania is a member of the Academic Affairs Registrars of Universities in Kenya (AARUK). He has over 30 years of experience in education with over 15 years serving as an administrator in educational institutions of Higher learning and teaching at the University level and Teachers' Training Colleges. He has widely published articles in refereed journals and supervised over 50 masters and PhD students.

Mrs. Catherine 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).

100



**Mr. Michael Cedric Mukanzi
Alternate Director, Cabinet
Secretary - National Treasury –
September 2019 to date**

Mr. Mukanzi is currently the Head of Accounts Global Funds at the National Treasury. He is currently pursuing MSC Finance. He holds a Bachelors of Commerce degree. Mr. Mukanzi holds a CPAK and is a member of ICPAK and is a certified public analyst part II.



**Mr. Tom Otieno Olang'o, Alternate
Director, Principal Secretary - State
Department of Technical,
Vocational Educational Training
-January 2020 to to-date**

Mr. Tom Otieno Olang'o is a Deputy Director of Technical Education in the Ministry of Education – State Department for Vocational and Technical Training. He holds a Masters Degree in Curriculum Studies and a Diploma in Information Technology. He has a wide experience in public service having served for over twenty six years fifteen of which being in the TVET sub sector.



**Mrs. Mary Kanyi, Alternate
Director, Director of Livestock
Development - State Department of
Livestock - September 2017 to
August 2022**

Ms. Mary Kanyi is a Deputy Director of Livestock Production at the State Department for Livestock. She is the Head of Technical Training and Capacity Development Division. She holds a Masters degree in Agricultural Economics and a Bachelors 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)



**Dr. Florence Muinde, Alt. Director,
Principal Secretary - Public Service
and Youth Affairs from November
2020 to date**

Dr. Muinde is the Director of Human Resource at the State Department of Public Service and Youth. She holds a PhD in Information Systems from Victoria University of Wellington, New Zealand, and a Master's Degree and Bachelor's degree in Education from Kenyatta University. She is also a UNESCO/Keizo Obuchi research fellow.



**Ms. Susan Seron
Director, Agriculture Industry June
2020 to June 2023**

Ms. Seron is the Farm Manager at Eldoret National Polytechnic. She holds a Master's IN Business Administration from Catholic University of East Africa, a Bachelor's degree in Agricultural Biosystems and Management from Moi University and a Diploma in Farm Management from Egerton University. She is currently the Council Member of the Agricultural Society of Kenya and the Chairperson of the Agricultural Society of Kenya, Eldoret Branch.



**Mr. Batram Muthoka
Director, Agriculture Industry June
2020 to date**

Mr. Muthoka is the Chief Executive Officer of the Agricultural Society of Kenya. He holds a Master's and Bachelor's degree in Agriculture. He has also attended a Strategic Leadership Course and several other skilled based short courses.



Prof. Peter Barasa
Director, Public Universities.
From: June 2020 to June 2023

Prof. Barasa is a Laurette (ERAA Award) of the Outstanding Mentor of Educational Researchers in Africa 2018/2019 is a Professor of Education in the School of Education, Moi University and holds a Ph.D., from the University of Hull, UK.

Prof. Barasa was Dean School of Education, Moi University and is currently the Deputy Principal (Academic, Research & Student Affairs) Alupe University College - a Constituent College of Moi University, Kenya. He has developed extensive expertise and published in the areas of Curriculum and Instruction, Educational Research, Language Education, Applied Linguistics, Internationalization of Higher Education, and Performing Arts. He is a DAAD alumnus, an ORS (UK) award recipient, a Wingate Scholar and a Salzburg Fellow (Shakespeare and the Globe).



Paul K. Njogu
Ag. Principal/CEO
From 23rd May 2022 to date

Mr. Paul K. Njogu is a trained teacher, an EIA lead Expert, a member of the Environmental Institute of Kenya. He has held various managerial positions at Bukura Agricultural College where he has served for over 25 years. He has a Masters degree in Environmental Science from Kenyatta University, a post graduate Diploma in Education from Maseno University and a Bachelor of Science degree in Botany and Zoology from University of Nairobi. He has attended many skill based courses.



CS Gilbert Wafula Nyongesa,
Ag. Corporation Secretary

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.

4. Key Management Team



**Paul K. Njogu
Ag. Principal/CEO**

Mr. Paul K. Njogu is a trained teacher, an EIA lead Expert, a member of the Environmental Institute of Kenya. He has held various managerial positions at Bukura Agricultural College where he has served for over 25 years. He has a Masters degree in Environmental Science from Kenyatta University, a post graduate Diploma in Education from Maseno University and a Bachelor of Science degree in Botany and Zoology from University of Nairobi. He has attended many skill based courses.



**CPA Gilbert Wafula Nyongesa,
Director Strategy and Corporate
Services**

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.



**Mr. John Suge
Registrar Academic and Students
Affairs**

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.



**Olive Luvai
Ag. Director Academic Programmes**

I am a trained teacher by profession having started out as a high school teacher and an administrator. I have served as a trainer and administrator in several capacities in Bukura Agricultural College for over 10 years. I have served in several forums as a curriculum consultant. I have a M.ED in Curriculum and Instruction from Masinde Muliro University of Science and Technology, BSc.in Agriculture and Home Economics from Egerton University and a Post Graduate Diploma in Education from Kenyatta University.



**Mr. Claperton Mwenesi
Director Production and Business
Development.**

Mr. Sindani has held various positions at Bukura Agricultural College where has served in various capacities for over 10 years rising from classroom lecturer. He holds an M.Sc. in Disaster Management and Sustainable Development from Masinde Muliro University of Science and Technology, B.Sc. Natural Resources Management from Egerton University. He has attended many skill-based courses.



**Mrs. Roselyne Ambani
Ag. Director Library, Research and
Innovation**

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



**CPA Michael Ochieng
Ag. Head of Finance and Accounts
Department**

CPA Michael Musa Ochieng is an Accountant by training and a member of The Institute of Certified Public Accountants of Kenya having 15 years of experience both in private and public sectors. He holds a BBM (Accounts) of Masinde Muliro University of Science and Technology and Pursuing Masters In Business Administration (Strategic Management) at Mount Kenya University. He has attended many years skill based courses.

5. Chairman's Statement



Mr. Wanyama Musiambo CBS, EBS
Chairman of the Board of Directors
we.f 9th June 2023 to date

Opening Statement

I am pleased to present the College's Annual Report and Financial Statement for the year ended 30th June 2023.

On behalf of the Board of Governors, I hereby report an improvement in performance as compared to last financial year.

Indeed, the College recorded a deficit of **Ksh 0.499M** against a deficit **Ksh 15.3M** recorded in the previous Financial Year. The positive result was due to increased number of students as compared to the previous year. Additional revenue streams such as catering were also introduced hence improved performance.

Operating Environment

Kenya's economy has been hurt by the unpredictable weather pattern due to global warming and climate change as well as the war between Russia and Ukraine. Thus cost of fuel, energy has rapidly increase as well as the cost of goods and services. The local currency has continued to weaken against the dollar, Euro, pound and other foreign currency. All these factors have negatively impacted on the College mainly on its training programs and revenue generation since the goods procured are much more costly compared to the last financial year.

The College played an important role towards the realization of vision 2030 by providing the necessary manpower to drive the agriculture sector in **2022/2023 Financial Year**. A total of **695 graduates** were released into the sector compared to **1023** in **2021/2022** Financial Year representing 32% decrease. This is attributed to the fact that in 2021/22, the college had a graduation for two groups. The College was also involved in imparting skills to youth and women from the surrounding counties in partnership with development partners.

College Performance

During the year under review the College recorded a revenue of **Ksh. 391.7M** compared to **Ksh. 361.9M** in 2021/22 Financial Year representing an increase of **8.3%**. The increase is attributed to increased student enrolment. However internal revenue generation grew by **25.0%** following admission of large number of students. However revenue from the donors was lower than the previous year. Government funding was reduced by **Ksh 10M** as compared to the previous year.

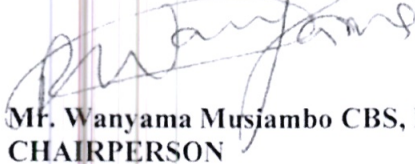
Future Outlook

To expand its revenue base the College plans to increase student enrolment by engaging relevant stakeholders to enable College students to access HELB loans and bursaries and to access donor funding through proposal writing. The College Farm is also on a revival path and is contributing significantly to revenue. The newly established revenue generating stream (catering unit) was operationalized last year and is performing well. This Catering unit has great potential to cater for staff, visiting schools as well as our students.

**Bukura Agricultural College
Annual Report and Financial Statements
for the year ended June 30, 2023.**

Tribute

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



**Mr. Wanyama Musjambo CBS, EBS
CHAIRPERSON**

6. Report of the Chief Executive Officer



Mr. Paul Njogu
Ag. 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 since 2013 to date, the number of TVET institutions has shot up by over 450 per cent in a bid to enhance access, equity and quality of TVET education. Total enrolment in TVET institutions increased by 4% per cent to 451,000 in 2020 from 430,598 in 2019. The government has provided a lot of support to TVET institutions

Agricultural training is geared towards improving human skills to enhance the food and nutritional productivity and security. The level of enrolment in training institutions is an indicator that shows the efforts put towards supporting the sector. There was a continued decline in student enrolment at degree level in agriculture.

However, Diploma enrolment level at Bukura Agricultural College has witnessed a steady growth since 2014 with the highest increase recorded in 2021 where there was an increase of more than 100% from 650 in 2020 to 1410 in 2021. In 2022, the College enrolled 1095 students. The decline was associated with the College receiving only 20 students through KUCCPS. The College was able in this financial year to roll out its reviewed programmes in which climate smart agriculture aspects have been incorporated. This is in order to enable our graduates to fit well and impart relevant skills in the present and future challenges relating to global warming and climate change. The newly developed curricula in Animal Health were able attract over 200 students.

Mitigation of environmental changes

The College is committed to mitigate against global warming and climate change. The College organized an environmental day where members of staff and students were involved in tree planting within the College farm. The College also donated over 200 indigenous trees to the office of the Chief cabinet secretary which were planted in Kakamega forest where members of staff were also involved in the activity and the College bus used to ferry the public who participated in the activity. The College has a forest tree nursery with a capacity of 30,000 tree seedlings as well as a fruit tree nursery

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 focused on achieving our vision of being the training institution of choice in practical agricultural sciences. We recognize 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. The College also in partnership with Food and Agricultural Organization (FAO) was able to review all its’ curriculum to incorporate climate smart aspects. This is in order to enable our graduates to fit well and impart relevant skills in the present and future challenges relating to global warming and climate change. Currently The College has 20 Diploma and Certificate programmes approved by TVET.

Bukura Agricultural College
Annual Report and Financial Statements
for the year ended June 30, 2023.

Appreciation

On behalf of the College Management I wish to extend my appreciation to the government through the Ministry of Agriculture, Livestock, Fisheries and cooperatives 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's my desire that we should continue to work together as a team in the new Financial Year and beyond.



Mr. Paul Njogu
Ag. Principal/CEO

7. Statement of Performance against Predetermined Objectives for FY 2022/2023

The Revised Strategic Plan 2019-2022 which was extended to 2023 took into consideration drastic changes that have taken place in both internal and external environments of the College, enactment of new regulations in the education sector, and the need to align the Strategic Plan 2015-2020 to the Big Four Government policy, the Bottom Up economic transformation agenda (BeTA) and the Medium Term Plan III (2018-2022) which are the main policy documents which guided the government development agenda in the last six years (2018-2023).

The revised Strategic Plan therefore provided a road map for the College in order to provide quality agricultural education through training, research, innovations and extension services in order to produce graduates who are entrepreneurial, employable and creators of employment. The College is in the Process of developing a new strategic plan 2023-28 which will guide its strategic direction for the next five years.

The revised Strategic Plan (2019-22) revolved around ten (10) Strategic issues, namely:

- i. Teaching and Learning;
- ii. Research and Extension;
- iii. Food and Nutrition Security
- iv. Physical Infrastructure;
- v. Human Resource;
- vi. Financial Sustainability;
- vii. Governance and Leadership;
- viii. Competitiveness and image;
- ix. Risk Management; and
- x. Cross cutting issues.

Bukura Agricultural College develops its annual work plan based on the strategic issues in its plan. Assessment of the Board performance against its annual work plan is done on quarterly basis. Strategic plan activities were financed through AIA, Government grants and Donor funds in the period under review. The implementation matrix for 2022/2023 was aligned to the BAC Rationalized budget 2022/2023 and was an important reference document for the BAC Performance Contract 2022/2023. The Summary of the achievements of the strategic plan ending 2023 is as follows:

Bukuru Agricultural College
Annual Report and Financial Statements
for the year ended June 30, 2023

Key Result Area	Strategic Objective	Key Targets	Achievements (deliverable/milestones)
Teaching and Learning	Produce holistic graduates who are entrepreneurial, employable and creators of employment	Equipping of two labs in the education complex Acquiring the necessary requirements for the new programmes Implementing the new curricula Train teaching staff on e-learning Subscribe to E-journals	-The necessary requirements for the new programmes were acquired. The College launched 6 of the new programmes that were approved by the academic Board. All the 70 technical staff were trained on e-learning This was done.
Research and Extension	To contribute to national food security through research and development, and extension of appropriate technologies, innovations and management practices.	Enhancing Research capacity in the College. Developing and implementing appropriate research and extension programs. Promoting dissemination of research outputs through extension Establishing and strengthening linkages with other institutions.	Call for proposal were made and submitted Vetting of the proposals was done during a College research day. College organized a research day where presentations of research findings for research funded by the College were done. The College also trained staff on the Science Technology innovation strategy. Staff members responded to external calls for proposal Three TVET identified for short course certification.
Food and Nutritional Security	Contribute to agricultural production for food and nutrition security	Increasing access to quality, affordable and nutritious food supply. Enhancing technical capabilities of farming communities for increasing food production. Renovating teaching and research farm to offer model demonstration site Increasing utilization of agricultural products through value addition Developing strategies for youth involvement in agriculture Establishing tissue culture laboratory	53 acres of land put under leys. Over 40,000 seedlings consisting of 10980 tissue culture banana, 900 fruit seedlings and 26690 forest seedlings that is at different stages of propagation. Out of these 1087 tissue culture bananas and 2193 forest seedlings were sold out. Over 17000 secondary school students and 2000 farmers reached during the year.
Physical Infrastructure	enhance College physical facilities for effective and	Expanding and improving residential and non-residential buildings.	Construction of phase 1 of the Education complex 7,942 km excavation, 6,289km columns, 5,944 km

Bukuru Agricultural College
Annual Report and Financial Statements
for the year ended June 30, 2023

	efficient delivery of services and products	Upgrading College utilities. Improving College security and safety. Improving ICT infrastructure.	foundation and 4.969 km walling done in the perimeter wall project.
Human Resource	optimize utilization of available College Human Resource	Competitive recruitment and promotion of staff. Investing in Continuous Staff training Development Recognize and reward outstanding achievers.	Library staff recruited, Part time lecturers Internal Auditor, Accountant Registrar Legal services advertised A number of staff capacity build on identified skill areas sponsored by the College and international agencies both within and outside the country to improve their competencies for effective and efficient delivery of services
Financial Sustainability	Ensure stable financial base for the smooth operation of the College	Increasing and strengthening the revenue streams Mainstreaming consultancy services in the activities of the College: Increasing donor funding; Developing of policy on consultancy and other income generating activities Enhancing efficiency in utilization of resources: Enhancing Farm and Dairy plant Productivity; and Investing in Green Energy	4 partners including (GIZ/GFA, Anglican Development Services, AKI, Edukan, Orange Knowledge Programme, AKI) were engaged during the period for skill based training and infrastructure support. Student population increased to average of 2500. Income generating activities policy developed and being implemented The College raised over 50% of the total budget.
Governance and Leadership	Provide efficient and effective governance and leadership to the College	Implementing the College Statutes. Capacity building College Management, Board of Governors and Students' Council. Developing and implementing succession plans for Board of Governors and Management	All Board members inducted and trained on corporate governance. Student council inducted and trained on leadership skills. BAC Act 1999 review commenced 2023-28 strategic plan being developed to incorporate guidelines from treasury.
Competitiveness and Image of the College	Enhance the College image for competitiveness	Enhancing the College image. Entrenching internationalisation of the College.	College held a job fair in collaboration with agri jobs for youth project-GFA. Corporate uniform procured for staff and Board members. 105 trainees offered internship opportunities in

Bukuru Agricultural College
Annual Report and Financial Statements
for the year ended June 30, 2023

			Germany. 4 staff visited foreign countries on exchange programmes.
Risk Management of the College	Build and improve capabilities of the College to effectively manage risks within its operations.	Conducting Risk Assessment and analysis of the College. Mitigating risks in College operations.	Quality management audit done. Risk champions appointed and sensitized on their role. Risk monitoring tool developed by departments.
Cross-cutting Issues	Mainstream Cross cutting issues into College activities.	Reducing Drug and Substance Abuse in the College Mainstreaming Gender perspectives in the College programs Mainstreaming Disability perspectives in College Programs Promoting Environmental sustainability Promoting HIV/AIDS and malaria support Programs Institutionalizing M & E system in College activities	Drug and Substance Abuse committee established and sensitization of staff and students done. DSA survey and analysis conducted for staff and students. Audit of the College facilities for use by person's three policies developed and approved. This are gender based violence Gender mainstreaming. Drug and substance abuse policy.

8. 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, Cabinet 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 2022/2023 Financial Year the Board continued to execute 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:

- (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.

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.

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 Full Board.

Board Workplan/Calendar and Meetings

During the 2022/2023 Financial Year the Board developed and implemented a workplan. The Board and its Committees held a total of 15 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 Belief

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.

9. 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. The 26th Graduation ceremony was held on 10th March, 2023 whose guest of honour was the Cabinet Secretary Ministry of Agriculture and Livestock Development.

Training

- The Semester 1 of 2022/23 Academic year was begun on 12th September, 2022 with reporting of First and Second years students.
- The College conducted the semester 1 exams in December, 2022 then the students were given a short break and reopened for second semester in January 2023 which ended in early May, 2023.
- The First year students proceeded for long recess while the second years and certificate students proceeded for industrial attachment for three month till Early August 2023.

Administration of Training Programmes

- The Academic wing of the College is made up of four Academic Departments, the Office of the Registrar Academic and Students Affairs as well as the Library, Research and Innovation division.
- There are 10 Sections in the Academic Departments while under the Registrar Academics and Student Affairs, there are five sections that offer support services to the Academic Sections in addition to the two sections under Director Library, Research and Innovation.

Training Facilities

The College currently has classroom capacity for about 2330 students. The lecture halls and class room capacity are distributed as shown in Table below.

S/NO	FACILITY	Normal Capacity
1	Onyimbo Hall	400
2	Lecture hall 1	120
3	Lecture hall 2	120
3	M1	50
4	M2	40
5	Annex	80
6	Engineering Workshop 1	150
7	Engineering Workshop 2	70
8	Engineering Workshop 3	40
9	Engineering Workshop 4	30
10	Engineering Workshop 5	30
	Education Complex	1200
		2330



Figure 1: The newly completed and now occupied Education Complex

Technical Capacity of the College

The College had 67 technical staff in-post. In addition, the College engaged twelve (24) part timers in various sections during the review period. In addition, public service posted 13 technical staff on internship who we deployed to various sections within the academic departments.

Teaching Staff

S.NO	Section	In Post		No of Part Timers	No of Interns
		Lecturers	Instructors/ Lab Technologists		
1	Agronomy	5	3	2	0
2	Agricultural Engineering	3	3	4	0
3	Animal Science	4	2	4	2
4	Agricultural Economics	6	2	2	3
5	Agricultural Education	5	1	2	1
6	Home Economics	4	1	2	1
7	Applied Science	1	2	2	4
8	Biological and Physical Science	7	5	1	1
9	Horticulture	4	2	2	0
10	Animal Health	3	4	3	1
	Total	42	25	24	13

Total no. of teaching staff (Gender)

MALE	-	41
FEMALE	-	26

Student enrolment

There were a total of 1083 1st year students enrolled by the College, of these 783 were for Diploma Courses while 300 were for certificate Courses. 97.5% of the student are direct applicants and 2.5% from KUCCPS. The Diploma course in Animal Production and Health Management had the highest number of registered students. The Course with the least number of applicants was Diploma in Agricultural Education and Extension, Diploma Information Communication Technology and Diploma in Technical trainer/instructor education

S/No	COURSES	No. of students		
		Year 1	Year 2	Year 3
1	Diploma in Agricultural Education and Community Development	105	122	
2	Diploma in Agricultural Economics	36	64	
3	Diploma in Agricultural Home Economics	21	10	
4	Diploma in Agricultural Education and Extension	5	11	11
5	Diploma in Technical Instructor Education	9	0	
6	Diploma in Agriculture and Biotechnology	106	150	
7	Diploma in Horticulture	13	41	
8	Agricultural Irrigation and Engineering	21	40	
9	Certificate in Agriculture and Biotechnology	165	223	
10	Diploma in Animal Production Development	392	579	
11	Diploma in Animal Health	60	29	15
12	Certificate in Animal Health	58	0	

13	Upgrading Certificate in Animal Health	84	0	
14	Diploma in Information Communication Technology	6	11	3
15	Certificate in Artificial Insemination	2		
	<i>Total per year</i>	1,083	1,280	29
	<i>Total Long Courses</i>	2,392		

German African Students Internship Program

Bukura Agricultural College and Agrarkontakte International (AKI) and GIZ entered collaboration to provide internship opportunities programme to College students in Germany the program is funded by the Federal Ministry of Economic Cooperation’s and Development. The German African Trainee Program (GATP) is part of the skills initiative for Africa; a professional training initiative to improve the economic and Social Prospects of young people in Africa by empowering people engaged in Agriculture to start and rear their businesses efficiently and sustainability.

The program has taken the third cohort of thirty-five (35) College students for a six (6) months to work and live on German Family Farms in Southern Germany between May – November 2023. The third batch of 35 students underwent a 150 hour Germany language course, an online induction course and machinery course and they left for Germany on 2nd May 2023 and will be back on 2nd, November, 2023.



Figure 2: Bukura Agricultural College students in Frankfurt German - 1st cohort under the GAFP program



Figure 4: The first cohort of 30 students after their graduation in November, 2021

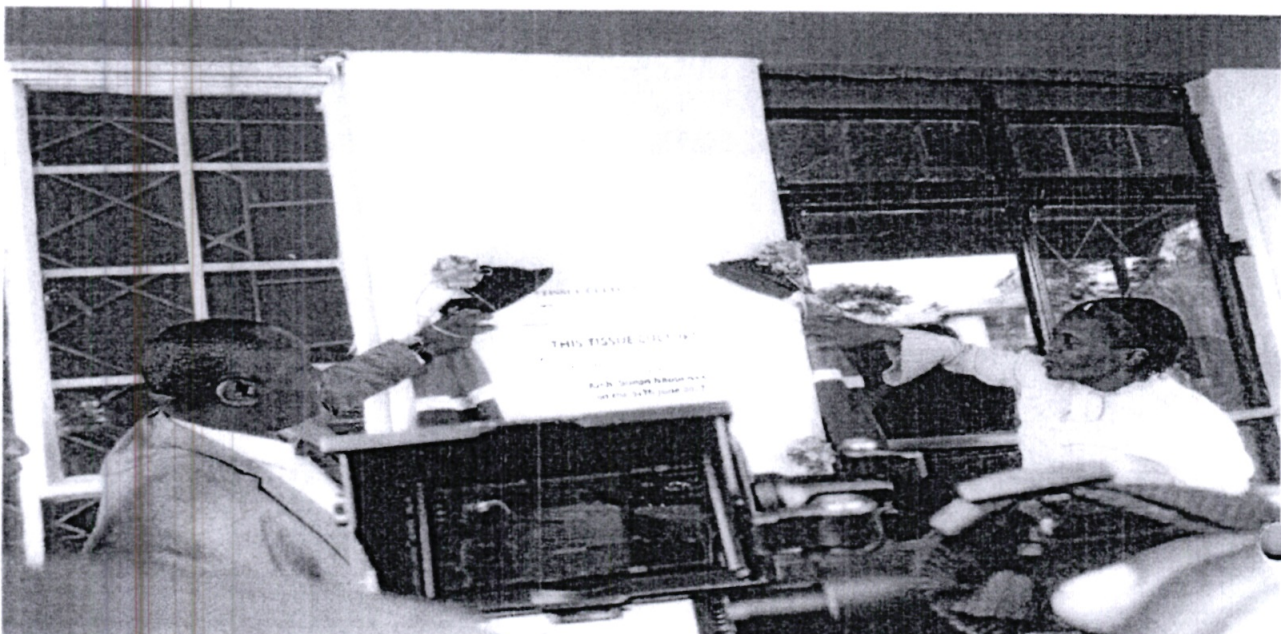
Biotechnology Laboratory

Bukura Agricultural College was among the institutions which developed a proposal under infrastructural support on establishment of a biotechnology laboratory for research, training and rapid multiplication of quality planting materials for farmers. Bukura Agricultural College received Ksh 12,731,402 in December 2018 from National Research.

The project is housed in the Crop Science Department and has enabled Bukura Agriculture College to set up a plant tissue culture laboratory where we aim to produce *in vitro* plants, and greenhouses (seedling nursery) to ensure the plantlets get well acclimatized to environmental conditions before supplying them to farmers. Our innovative approach combines cutting edge technology with horticultural expertise to ensure production of healthy planting material and has capacity to generate over 100,000 plantlets per year. We are also setting up a molecular biology lab which will be used for research purposes and virus indexing to ensure clean planting materials are produced.

The project started with production of banana/plantains planting materials and it aims to expand and venture into other crops including sugarcane, Napier grass, sweet potatoes, Irish potatoes and tea. The planting materials are superior compared to other planting materials produced conventional from vegetative parts. These plantlets are able to multiply faster, are free from pests and soil borne diseases, high yielding, easy to transport especially for new varieties, early maturing, and uniformity in production.

The Commissioning of the facility was done in the month of June, 2022. The guest of honour was Dr. Jemimah Osare, the chief executive Officer of National Research Fund.



The CEO- National Research Fund Dr. Jemimah Osare with the Chairman of the College Board Professor Simon Thurania commissioning the Tissue Culture Lab

The college has been able to set up a fully functional lab for plant tissue culture for rapid multiplication of clean banana planting material and it is in the process of setting up another biotechnology lab (molecular biology lab) to support the project. The plantlets from the project have been sold to farmers at a friendly price. Moreover, the college has set up two greenhouses and two net shade houses to support the project in hardening of the plantlets.



Figure 3: A healthy crop of tomatoes growing in one of the Green Houses constructed to the tissue culture project



Figure 4: Initiation of tissue culture bananas at the tissue culture lab



Figure 5: Tissue culture banana seedlings ready for transplanting at the College Tissue Culture Laboratories.

Commercial Farm

The total dairy herd size stood at 126 cow. The lactating herd represented 56.3% of the breeding herd. The total milk realized during the year was 204,933 litres. The mean production per cow per day was 15.9 litres. The total cows in milk were 53 with a mean of 47. 43 calvings were registered. 5 incalf heifers and 10 culls were identified for sale.

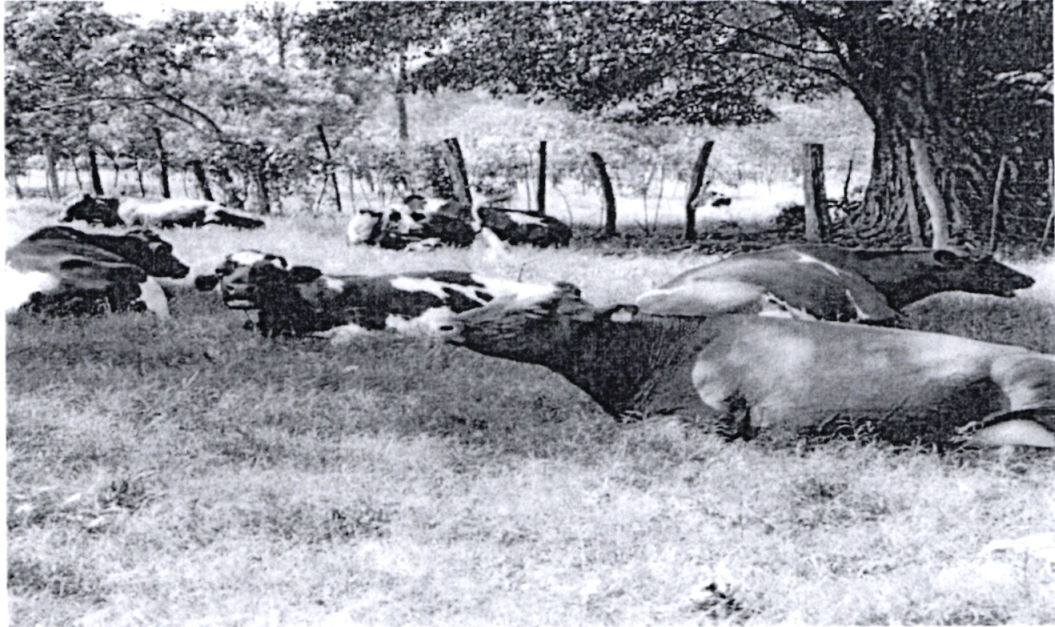


Figure 6: The College Commercial Farm pedigree dairy herd

The table below shows how the dairy herd has been performing in terms of the average herd size, average daily production per cow per day and the total milk production for the period 2016/2017FY to 2022/23FY

FINANCIAL YEAR	AVERAGE SIZE OF LACTATING HERD	TOTAL PRODUCTION OF MILK (LITRES)	AVERAGE MILK PRODUCTION /COW/DAY (LITRES)
2016/2017	16	84,164.0	14.0
2017/2018	30	170,482.0	15.4
2018/2019	35	166,555.0	13.0
2019/2020	29	152,226.5	14.4
2020/2021	32	231,469.4	19.4
2021/2022	33.7	227,566	18.9
2022/2023	38.3	204,933	15.9

Milk production in quarters and respective revenue in 2022/2023FY

Quarter	LACTATING HERD SIZE	PRODUCTION (LITRES)	PRODUCTION/COW/DAY (LITRES)
Q1	53	51012	16
Q2	49	49349.5	15
Q3	44	51002	15.9
Q4	42	53569.5	16.8

Dairy Processing Plant

The Dairy Plant is a Board flagship project earmarked as a major revenue stream in College's Strategic Plan (2017-2022). The plant was commissioned in 2017 by the German Minister for International Cooperation. Commercial operations started in 2019.

However due to frequent equipment plant breaking down it did not generate significant revenue as anticipated in 2022-2023



Figure 7: Bukura yoghurt competing for space on supermarket shelves with established brands



Figure 8: College internal Access roads



Figure 9: Construction of the College Perimeter wall to enhance security and safety of its property at Ksh 250M.

Financial Performance

In the year under review, the College recorded a deficit of **Ksh 0.499M** as compared to a deficit of **Ksh 15.3M** reported in the previous year.

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 cases in court by staff union and also a contractor which may affect us in case it is ruled against the College.

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 was handed over in the first quarter of 2021/2022FY. The furnishing was done but equipping is yet to be done due government budget cut by 50% on development. The 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 enrolment hence increase in revenue.

10. Environment and Sustainability Reporting

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

i) Sustainability strategy and profile

The top management especially the accounting officer should make reference to sustainable efforts, broad trends in political and macroeconomic affecting sustainability priorities, reference to international best practices and key achievements and failures.

ii) Environmental performance

BAC commits itself to and endorses the need to protect the environment and acknowledges and accepts its responsibility to conduct its business in compliance with applicable environmental laws and regulations. To accomplish this, the College has :-

- Established an internal review procedure to identify environmental impacts of all functions within the institution and to assess levels of compliance with applicable laws and regulations pertaining to the environment.
- Developed a program aimed at safe-guarding the quality of the environment and achieving compliance.
- Established and maintained appropriate training programs designed to make every employee competent to carry out his/her responsibilities with respect to the policy.
- Reported annually on regulatory compliance, issues and improvements.

BAC has a vital interest in ensuring a clean and healthy environment so that you, the customer, can enjoy the standard of living and healthy lifestyle that mean so much to us. As technology advances and regulations change, BAC will continue to improve systems, reduce waste and efficiently utilize resource to meet the environmental challenges of the next century. It will make available to interested parties, its environmental program and its environmental control activities.

iii) Employee welfare

The College endeavours to operate an efficient system for placement of advertisements to attract and select qualified staff without regard to ethnicity, race, gender, religion, marital status, disabilities or any form of discrimination in line with the various provisions of the Constitution of Kenya and Acts of Parliament. The recruitment policy of BAC is to attract, hire, develop and retain quality staff to match job requirements under employment Terms and Conditions of the College. BAC is an equal opportunity employer. The College derives its strength from the diversity of staff who contribute towards its intellectual capacity and effectiveness.

The College recognizes training and development as a critical determinant in the quality of services rendered by the staff. Training of staff aims to realize their full potential and enhance their professional development and work environment. Members of staff are expected to have acquired their basic training in their relevant fields before they are employed. The College is committed to ensuring that it has the skilled knowledgeable and competent human resource required to meet its present and future needs.

Staff Appraisal Staff Appraisal is a process of assessing, summarizing and developing the work performance of an employee. The Staff Appraisal exercise is carried out annually and the results communicated to individual staff. Staff members are required to sign performance contracts with their immediate supervisor in the beginning of each financial year. The Performance contract scores are combined with appraisal results.

BAC is committed to safe and healthy work environment and to the welfare of its employees and all persons lawfully present at the workplace. BAC will maintain high standards of safety and occupational health & hygiene. Emergency response procedures and contingency plans by the College shall enhance disaster preparedness and disaster reduction.

iv) Market place practice

- a) Responsible competition practice

Bukura Agricultural College ensures responsible competition practices by not condoning any form of corruption and political interference at the market place. The College cherishes fair competition and respect for the competitor during the marketing of its goods and services.

b) Responsible supply chain and supplier relation

Bukura Agricultural College procurement of goods and services and disposal is as guided by the Public Procurement and Disposal Act 2015. The College ensures proper treatment of suppliers and honours all the contract entered. At the College the mode of payment of suppliers is by aging the invoices and clearing them when due.

c) Responsible marketing and advertisement

Bukura Agricultural College values ethical marketing practices that promote a brand, product or service by following marketing ethics and fulfilling social responsibility. The College emphasises on trustworthiness, transparency, social and culturally sensitive marketing practices. The College strictly adheres to relevant laws on consumer protection.

d) Product stewardship

The College exercises good judgement in providing for the future in its planning and management.

v) Corporate social responsibility/community engagement

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 is located as a sign of appreciation.

College has a Corporate Social Responsibility Policy to guide it in driving the CSR agenda. In the Financial Year the College constructed a donated tree seedlings for planting in Kakamega forest, it bought and supplied sanitary towels for persons living with disability and also allowed the community to use the College field for games. The College also organized a successful jobfair in the College where many stakeholders participated



Agrijob for Youth fair at the College

11. Report Of The Directors

The Directors submit their report together with the audited financial statements for the year ended 30th June 2023 which show the state of the College's affairs.

i) 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.

ii) Results

The results of the College for the year ended 30th June 2023 are set out on page 1-38. The members of the Board of Directors who served during the year are shown on page viii-xi in accordance with Section 7(1) of the Bukura Agricultural Act 1999.

iii) Directors

The members of the Board of Directors who served during the year are shown on page viii to xi. During the period Mrs. Kanyi, and Prof. Thurania the Board chair left the Board and were replaced by Madam Faith Gitahi and Mr. Wanyama Musiambo as the new chair of the Board.

iv) Surplus remission

In accordance with Regulation 219 of the Public Finance Management regulations, regulatory entities shall remit into the Consolidated fund ninety per centum of its surplus funds reported in the audited financial statements after the end of each financial year. The College did not make any surplus during the year and hence no remittance was made to the Consolidated Fund.

v) 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

Name : CS Gilbert Nyongesa
Corporate Secretary/Secretary to the Board

Signature.....

Date: 4th August 2023

12. 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. 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 ended on June 30, 2023. 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.

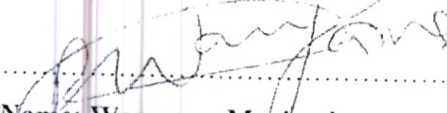
The Directors accept responsibility for the College's financial statements, which have been prepared using appropriate accounting policies supported by reasonable and prudent judgements and estimates, in conformity with International Public Sector Accounting Standards (IPSAS), and in the manner required by the PFM Act, 2012 and section 14 of 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 June 30, 2023, and of the College's financial position as at that date. The Directors further confirms 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.

Bukuru Agricultural College
Annual Report and Financial Statements
for the year ended June 30, 2023

Approval of the financial statements

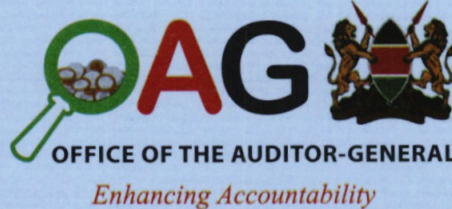
The College's financial statements were approved by the Board on 17th November 2023 and signed on its behalf by:


.....
Name: Wanyama Musiambo
Chairperson of the Board


.....
Name: Paul Njogu
Accounting Officer

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, 2023

PREAMBLE

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

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

An unmodified opinion does not necessarily mean that an entity has complied with all relevant laws and regulations and that its internal controls, risk management and governance systems are properly designed and were working effectively in the financial year under review.

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

REPORT ON THE FINANCIAL STATEMENTS

Qualified Opinion

I have audited the accompanying financial statements of Bukura Agricultural College set out on pages 1 to 34, which comprise of the statement of financial position as at

Report of the Auditor-General on Bukura Agricultural College for the year ended 30 June, 2023

30 June, 2023, and the statement of financial performance, statement of changes in net assets, statement of cash flows and statement of comparison of budget and actual amounts for the year then ended, and a summary of significant accounting policies and other explanatory information in accordance with the provisions of Article 229 of the Constitution of Kenya and Section 35 of the Public Audit Act, 2015. I have obtained all the information and explanations which, to the best of my knowledge and belief, were necessary for the purpose of the audit.

In my opinion, except for the effect of the matters described in the Basis for Qualified Opinion section of my report, the financial statements present fairly, in all material respects, the financial position of the Bukura Agricultural College as at 30 June, 2023, and of its financial performance and its cash flows for the year then ended, in accordance with International Public Sector Accounting Standards (Accrual basis) and comply with the Public Finance Management Act, 2012 and the Bukura Agricultural College Act, 1999.

Basis for Qualified Opinion

1. Unsupported Balances

1.1 Revenue

The statement of financial performance reflects revenue from sale of goods/other income amount of Kshs.57,322,921, which includes Kshs.4,622,700 on revenue from short courses, as disclosed in Note 9 to the financial statements. However, the approval of the short courses to be offered by the College and the list of students admitted for them were not provided for audit review. It was therefore not clear under what criteria the College used to collect revenue under short courses without relevant approval indicating courses to be offered, amounts to be charged and availability of trainers to carry out the trainings.

In the circumstances, the accuracy and completeness of the revenue from short courses of Kshs.4,622,700 could not be confirmed.

1.2 General Office Expenses

The statement of financial performance reflects Kshs.78,844,247 in respect to general office expenses/use of goods, as disclosed in Note 18 to the financial statements. However, payment vouchers and related documentation for payments totalling Kshs.875,750 were not provided for audit review.

In the circumstances, accuracy, completeness and propriety of expenditure of Kshs.875,750 on use of goods and services could not be confirmed.

2. Receivables from Exchange Transactions

The statement of financial position reflects receivables from exchange transactions balance of Kshs.32,961,509, which includes Kshs.3,701,863 and Kshs.2,017,240 on

rental income and short courses students receivables respectively, as disclosed in Note 20 to the financial statements. However, detailed schedules to support the balances were not provided.

In the circumstances, the accuracy and completeness of the receivables from exchange transactions balance of Kshs.5,719,103 could not be confirmed.

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.

Emphasis of Matter

Budgetary Control and Performance

The statement of comparison of budget and actual amounts reflects final receipts budget and actual amounts on comparable basis of Kshs.467,803,390 and Kshs.377,067,057 respectively, resulting to an under-funding of Kshs.90,736,333, or 19% of the budget. Similarly, the College expended Kshs.398,377,609 against an approved budget of Kshs.465,561,033, resulting to under-expenditure of Kshs.67,183,424, or 14% of the budget.

The under-funding and under-expenditure affected the planned activities and may have impacted negatively on service delivery to the public.

My opinion is not modified in respect of this matter.

Key Audit Matters

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

Other Matter

Unresolved Prior Year Matters

In the audit report of the previous year, various issues were raised under the Report on the Financial Statements, Report on Lawfulness and Effectiveness in Use of Public Resources and Report on Effectiveness of Internal Controls, Risk Management and Governance. However, although Management has indicated that the issues have been

resolved, no evidence was provided to show how they were resolved, as required by the Public Sector Accounting Standards Board templates.

REPORT ON LAWFULNESS AND EFFECTIVENESS IN USE OF PUBLIC RESOURCES

Conclusion

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

Basis for Conclusion

Lack of Ethnic Diversity

Analysis of the College's staff bio data and the payroll for the month of June, 2023 revealed that the College had a total of one hundred and twenty-two (122) staff members out of whom sixty-nine (69), or 57%, were from one ethnic community. This is contrary to Section 7(2) of the National Cohesion and Integration Act, 2008 which requires that no public establishment shall have more than one third of its staff members from one ethnic community.

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

The audit was conducted in accordance with the International Standards of Supreme Audit Institutions (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 comply, in all material respects, with the authorities that govern them. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my conclusion.

REPORT ON EFFECTIVENESS OF INTERNAL CONTROLS, RISK MANAGEMENT AND GOVERNANCE

Conclusion

As required by Section 7(1)(a) of the Public Audit Act, 2015, based on the audit procedures performed, 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 controls, risk management and overall governance were operating effectively, in all material respects. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my conclusion.

Responsibilities of Management and 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 controls as Management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error and for its assessment of the effectiveness of internal 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 its services and using the applicable basis of accounting unless Management is aware of the intention to terminate the College or to cease its 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 controls in order to give an assurance on the effectiveness of internal control, risk management and overall governance processes and systems in accordance with the provisions of Section 7(1)(a) of the Public Audit Act, 2015, and submit the audit report in compliance with Article 229(7) of the Constitution. My consideration of the internal controls would not necessarily disclose all matters in the internal controls 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 controls 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 College's policies and procedures may deteriorate.

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by Management.

- Conclude on the appropriateness of 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 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 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 Management regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal controls that are identified during the audit.

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



FCPA Nancy Gathungu, CBS
AUDITOR-GENERAL

Nairobi


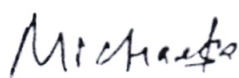

21 March, 2024

Bukura Agricultural College
Annual Report and Financial Statements
for the year ended June 30, 2023

14. Statement of Financial Performance for the year ended 30 June 2023

	Note	2022-2023	2021-2022
		Kshs	Kshs
Revenue from non-exchange transactions			
Government Grants	6a	170,000,000	180,000,000
Donor Grant	6b	2,386,700	6,428,871
		172,386,700	186,428,871
Revenue from exchange transactions			
Rendering Of Services – Student Fees	7	154,156,155	119,561,500
Rental revenue from facilities	8	7,932,380	7,249,460
Sale of Goods/Other income	9	57,322,921	48,662,924
		219,411,456	175,473,884
Total revenue		391,798,156	361,902,755
Expenses			
Employee costs	10	201,659,879	202,330,951
Purchase of electricity	11	7,736,111	5,659,298
Board Expenses	12	10,968,409	7,980,300
Depreciation and amortization expense	13	38,250,633	22,789,276
Repairs and maintenance	14	11,876,772	20,215,192
Contracted services	15	7,966,250	9,805,429
Agricultural materials	16	23,235,206	19,546,979
Training Expenses	17	16,919,516	12,970,674
General office expenses/ Use of goods	18	78,844,247	73,118,398
Total Expenses		397,457,022	374,416,497
Valuation Gain/(loss)		5,159,840	2,856,626
Surplus/deficit before tax		(499,026)	(15,370,368)
Surplus/deficit for the period		(499,026)	(15,370,368)

The notes set out on pages 7 to 36 form an integral part of these Financial Statements. The Financial Statements set out on pages 1 to 6 were signed on behalf of the Board of Directors by:


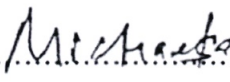
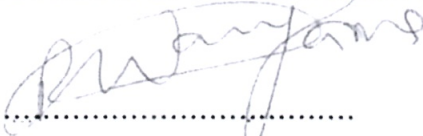
		
Name: Paul K. Njogu Accounting Officer	Name: Michael M Ochieng Head of Finance ICPAK M/No:14403	Name: Wanyama Musiambo EBS, CBS Chairman of the Board
Date 4 th August 2023	Date: 4 th August 2023	Date: 4 th August 2023

Bukura Agricultural College
Annual Report and Financial Statements
for the year ended June 30, 2023

15. Statement of Financial Position as at 30 June 2023

	Note	2022-2023	2021-2022
		Kshs	Kshs
Assets			
Current assets			
Cash and cash equivalents	19	32,949,009	30,849,192
Receivables from exchange transactions	20	32,961,509	49,425,443
Receivables from non-exchange transactions	21	16,000,000	
Inventories	22	9,205,157	7,034,042
Total Current Assets		91,115,675	87,308,677
Non-current assets			
Property, plant and equipment	23	1,071,078,848	1,026,575,933
Intangible Assets	24	8,812,247	6,091,386
Biological Assets	25	52,947,155	47,787,315
Total non-current assets		1,132,838,251	1,080,454,634
Total assets		1,223,953,926	1,167,763,311
Liabilities			
Current liabilities			
Trade and other payables from exchange transactions	26	92,345,864	53,749,157
Provisions	27	3,478,930	5,385,995
Total liabilities		95,824,794	59,135,152
Net assets			
Capital Reserves		758,200,785	758,200,785
Accumulated surplus		(195,296,022)	(194,796,996)
Capital Fund		565,224,370	545,224,370
Total net assets and liabilities		1,223,953,926	1,167,763,311

The financial statements set out on pages 1 to 6 were signed on behalf of the Board of Directors by:

		
Name: Paul K. Njogu	Name: Michael M Ochieng	Name: Wanyama Musiambo EBS, CBS
Accounting Officer	Head of Finance	Chairman of the Board
	ICPAK M/No:14403	
Date 4 th August 2023	Date: 4 th August 2023	Date: 4 th August 2023

Bukura Agricultural College
Annual Report and Financial Statements
for the year ended June 30, 2023

16. Statement of Changes in Net Assets for the year ended 30 June 2023

	Capital reserves	Revenue Reserves	Capital grants	Total
	Kshs	Kshs	Kshs	Kshs
Balance as at 30 JUNE 2021	758,200,785	(179,426,628)	455,224,370	1,033,998,527
				-
Deficit for the period	-	(15,370,368)	-	(15,370,368)
Capital Grants	-		90,000,000	90,000,000
Balance as at 30 JUNE 2022	758,200,785	(194,796,996)	545,224,370	1,108,628,159
Deficit for the period	-	(499,026)	-	(499,026)
Capital Grants			20,000,000	20,000,000
Balance as at 30 JUNE 2023	758,200,785	(195,296,022)	565,224,370	1,128,129,133

17. Statement of Cash Flows for the year ended 30 June 2023

	Notes	2022-23	2021-22
		Kshs.	Kshs.
Cash flows from operating activities			
Surplus/Deficit for the year		(499,026)	(15,370,368)
Adjustments			
Depreciation charges	13	38,250,633	22,789,276
Valuation gain/loss			2,856,626
Operating Cash before working capital changes		37,751,606	10,275,534
Decrease in Provisions		(470,935)	1,846,131
Increase in Inventory		(2,171,115)	(762,166)
Decrease in Receivables		16,463,934	13,302,553
Decrease in Deferred Income		(16,000,000)	
Decrease in Payables		38,596,707	(19,274,818)
Cash generated from operations		74,170,197	5,387,234
Cash flows from investing activities			
Purchase of Property, Plant and Equipment	23 & 24	(83,210,540)	(86,045,244)
Purchase of ERP	25	(3,700,000)	
Biological Assets		-	(370,000)
Cash flows from financing activities			-
Capital Grants		20,000,000	90,000,000
Cash flows from Changes in Equity			
Net Increase in cash and cash equivalents		2,099,817	8,971,990
Movement in Cash and cash Equivalents			
Cash and cash Equivalents at the beginning		30,849,192	21,877,202
Net Increase		2,099,817	8,971,990
Cash and cash Equivalents at the end	19	32,949,009	30,849,192
Presented by:			
Cash and Bank Balances	19	32,949,009	30,849,192

Bukura Agricultural College
Annual Report and Financial Statements
for the year ended June 30, 2023

18. Statement of Comparison of Budget and Actual amounts for the year ended 30 June 2023

	Original Budget	Adjustments	Final budget	Actual On Comparable Basis	performance Difference	performance Difference
	2022-2023	2022-2023	2022-2023	2022-2023	2022-2023	2022-2023
Revenue	Kshs.	Kshs.	Kshs.	Kshs.	Kshs.	%
Government grants-Recurrent	180,000,000	(10,000,000)	170,000,000	154,000,000	(16,000,000)	-9.4
Interest Income	-	-	-	-	-	
Donor grant	1,680,000	-	1,680,000	2,386,700	706,700	42.0
School fees	183,927,750	7,925,000	191,852,750	154,156,155	(37,696,595)	-19.6
Other Income	118,295,560	(14,024,920)	104,270,640	66,524,202	(37,746,438)	36.2
TOTAL INCOME	483,903,310	(16,099,920)	467,803,390	377,067,057	(90,736,333)	19.4
Expenses						
Personnel emoluments	227,302,367	3,317,479	230,619,846	201,659,879	(28,959,967)	-12.5
Operating expenses	70,160,039	(5,309,201)	64,850,838	67,845,516	2,994,678	4.6
Technical Expenses	152,713,617	2,863,732	155,577,349	79,653,172	(75,924,177)	-48.8
Board Expenses	14,513,000	-	14,513,000	10,968,409	(3,544,591)	-24.4
Depreciation	-	-	-	38,250,633	38,250,633	
Total Expenditure	464,689,023	872,010	465,561,033	398,377,609	67,183,424	14.4
Surplus for the Period	19,214,287	(16,971,930)	2,242,357	(21,310,552)	(23,552,909)	-1,050.3
Capital Grant	40,000,000	20,000,000	20,000,000	20,000,000	-	
Capital Expenditure	40,000,000	-	40,000,000	48,930,032	8,930,032	22.3

Explanatory notes on variances exceeding 10%

1. Government Grants

There was a delay in disbursement of government grant of Ksh. 16,000,000 the same was disbursed on 03/07/2023

2. School fee

The variance on school fees was due to a reduction of number of students admitted.

3. Personel emoluments

The variance on personnel emoluments was due to non-recruitment of additional staff as earlier budgeted.

19. 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 integration of research and the provision of agricultural extension services

2. Statement of Compliance and Basis of Preparation

The financial statements have been prepared on a historical cost basis except for the measurement at re-valued amounts of certain items of property, plant and equipment, marketable securities and financial instruments at fair value, impaired assets at their estimated recoverable amounts and actuarially determined liabilities at their present value. The preparation of financial statements in conformity with International Public Sector Accounting Standards (IPSAS) allows the use of estimates and assumptions. It also requires management to exercise judgement in the process of applying the college's accounting policies. The areas involving a higher degree of judgement or complexity, or where assumptions and estimates are significant to the financial statements, are disclosed in Note 5 of these financial statements.

The financial statements have been prepared and presented in Kenya Shillings, which is the functional and reporting currency of the college. The financial statements have been prepared in accordance with the PFM Act, the State Corporations Act, Bukura Act of 1999 and International Public Sector Accounting Standards (IPSAS). The accounting policies adopted have been consistently applied to all the years presented.

3. Adoption of New and Revised Standards

- i. New and amended standards and interpretations in issue effective in the year ended 30 June 2023.*

Standard	Effective date and impact:
IPSAS 41: Financial Instruments	<p>Applicable: 1st January 2023:</p> <p>The objective of IPSAS 41 is to establish principles for the financial reporting of financial assets and liabilities that will present relevant and useful information to users of financial statements for their assessment of the amounts, timing and uncertainty of an Entity's future cash flows.</p> <p>IPSAS 41 provides users of financial statements with more useful information than IPSAS 29, by:</p> <ul style="list-style-type: none"> • Applying a single classification and measurement model

Bukura Agricultural College
Annual Report and Financial Statements
for the year ended June 30, 2023.

Standard	Effective date and impact:
	<p>for financial assets that considers the characteristics of the asset's cash flows and the objective for which the asset is held:</p> <ul style="list-style-type: none"> • Applying a single forward-looking expected credit loss model that is applicable to all financial instruments subject to impairment testing; and • Applying an improved hedge accounting model that broadens the hedging arrangements in scope of the guidance. The model develops a strong link between an Entity's risk management strategies and the accounting treatment for instruments held as part of the risk management strategy.
<p>IPSAS 42: Social Benefits</p>	<p>Applicable: 1st January 2023</p> <p>The objective of this Standard is to improve the relevance, faithful representativeness and comparability of the information that a reporting Entity provides in its financial statements about social benefits. The information provided should help users of the financial statements and general-purpose financial reports assess:</p> <ul style="list-style-type: none"> (a) The nature of such social benefits provided by the Entity. (b) The key features of the operation of those social benefit schemes; and (c) The impact of such social benefits provided on the Entity's financial performance, financial position and cash flows.
<p>Amendments to Other IPSAS resulting from IPSAS 41, Financial Instruments</p>	<p>Applicable: 1st January 2023:</p> <ul style="list-style-type: none"> a) Amendments to IPSAS 5, to update the guidance related to the components of borrowing costs which were inadvertently omitted when IPSAS 41 was issued. b) Amendments to IPSAS 30, regarding illustrative examples

**Bukura Agricultural College
Annual Report and Financial Statements
for the year ended June 30, 2023.**

Standard	Effective date and impact:
	<p>on hedging and credit risk which were inadvertently omitted when IPSAS 41 was issued.</p> <p>c) Amendments to IPSAS 30, to update the guidance for accounting for financial guaranteed contracts which were inadvertently omitted when IPSAS 41 was issued.</p> <p>d) Amendments to IPSAS 33, to update the guidance on classifying financial instruments on initial adoption of accrual basis IPSAS which were inadvertently omitted when IPSAS 41 was issued.</p>
Other improvements to IPSAS	<p>Applicable 1st January 2023</p> <ul style="list-style-type: none"> • <i>IPSAS 22 Disclosure of Financial Information about the General Government Sector.</i> Amendments to refer to the latest System of National Accounts (SNA 2008). • <i>IPSAS 39: Employee Benefits.</i> Now deletes the term composite social security benefits as it is no longer defined in IPSAS. • IPSAS 29: Financial instruments: Recognition and Measurement. Standard no longer included in the 2023 IPSAS handbook as it is now superseded by IPSAS 41 which is applicable from 1st January 2023.

**Bukura Agricultural College
Annual Report and Financial Statements
for the year ended June 30, 2023.**

ii. New and amended standards and interpretations in issue but not yet effective in the year ended 30 June 2023.

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

iii. Early adoption of standards

The College did not early – adopt any new or amended standards in year 2022/2023.

4. **Summary of Significant Accounting Policies**
(a) **Revenue Recognition**
i) **Revenue from Non-Exchange Transactions**

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. To the extent that there is a related condition attached that would give rise to a liability to repay the amount, the amount is recorded in the statement of financial position and realised in the statement of financial performance over the useful life of the assets that has been acquired using such funds.

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.

- ii) **Revenue from Exchange Transactions**

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.

Rental Income

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

(b) Budget Information

The original budget for 2022-2023 was approved by the National Assembly on 2nd August, 2022.

The College budget is prepared on a different basis to the actual income and expenditure disclosed in the financial statements. The financial statements are prepared on accrual basis using a classification based on the nature of expenses in the statement of financial performance, whereas the budget is prepared on a cash basis. The amounts in the financial statements were recast from the accrual basis to the cash basis and reclassified by presentation to be on the same basis as the approved budget. A comparison of budget and actual amounts, prepared on a comparable basis to the approved budget, is then presented in the statement of comparison of budget and actual amounts. In addition to the Basis difference, adjustments to amounts in the financial statements are also made for differences in the formats and classification schemes adopted for the presentation of the financial statements and the approved budget. A statement to reconcile the actual amounts on a comparable basis included in the statement of comparison of budget and actual amounts and the actuals as per the statement of financial performance has been presented in page 1 of these financial statements.

(c) Property, Plant and Equipment

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	33.30%
Motor vehicle	25.00%
Furniture and fittings	12.50%
Intangible Assets	10.00%

The College has adopted the straight line method of depreciation.

(d) Intangible Assets

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

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

(e) 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.

(i) Financial Instruments

(a) Financial Assets

Classification of financial assets

The College classifies its financial assets as subsequently measured at amortised cost, fair value through net assets/ equity or fair value through surplus and deficit on the basis of both the College's management model for financial assets and the contractual cash flow characteristics of the financial asset. A financial asset is measured at amortized cost when the financial asset is held within a management model whose objective is to hold financial assets in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal outstanding. A financial asset is measured at fair value through net assets/ equity if it is held within the management model whose objective is achieved by both collecting contractual cashflows and selling financial assets and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. A financial asset shall be measured at fair value through surplus or deficit unless it is measured at amortized cost or fair value through net assets/ equity unless the College has made irrevocable election at initial recognition for particular investments in equity instruments.

(f) Trade and other Receivables

Trade and other receivables are recognized at fair values less allowances for any uncollectible amounts. Trade and other receivables are assessed for impairment on a continuing basis. An estimate is made of doubtful receivables based on a review of all outstanding amounts at the year end.

b. Financial liabilities

Classification

The college classifies its liabilities as subsequently measured at amortized cost except for financial liabilities measured through profit or loss.

g. Inventories

Inventory is measured at cost upon initial recognition. To the extent that inventory was received through non-exchange transactions (for no cost or for a nominal cost), the cost of the inventory is its fair value at the date of acquisition. Costs incurred in bringing each product to its present location and conditions are accounted for, as follows:

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

After initial recognition, inventory is measured at the lower of cost and net realizable value. However, to the extent that a class of inventory is distributed or deployed at no charge or for a nominal charge, that class of inventory is measured at the lower of cost and current replacement cost. Net realizable value is the estimated selling price in the ordinary course of operations, less the estimated costs of completion and the estimated costs necessary to make the sale, exchange, or distribution. Inventories are recognized as an expense when deployed for utilization or consumption in the ordinary course of operations of the College.

(h) Provisions

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. 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.

(i) Nature and Purpose of Reserves

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

(j) Changes in Accounting Policies and Estimates

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.

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

(l) Foreign Currency Transactions

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

(m) 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.

(n) Comparative Figures

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

o) Subsequent events

There have been no events subsequent to the financial year end with a significant impact on the financial statements for the year ended June 30, 2023.

p) Biological Assets

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.

5. Significant Judgments and Sources of Estimation Uncertainty

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 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.

6. Transfers from Other Government entities

Description	2022-23	2021-22
	KShs	KShs
a. Government Grants/Transfer from Ministries and Agencies		
First Quarter	45,000,000	45,000,000
Second Quarter	45,000,000	45,000,000
Third Quarter	41,333,333	45,000,000
Fourth Quarter	38,666,666	45,000,000
Total	170,000,000	180,000,000
b. Donor Grant/ Other Organizational Grants		
OKP	2,386,700	1,928,581
GFA	-	2,415,090
FAO	-	2,085,200
Total	2,386,700	6,428,871

c) Transfers from Ministries, Departments and Agencies (MDAs)

Name of The Entity Sending The Grant	Amount recognized to Statement of Financial performance. *	Amount deferred under deferred income.	Amount recognised in capital fund.	Total transfers 2022-2023	2021-2022
	KShs	KShs	KShs	KShs	KShs
Ministry of Agriculture, livestock and Crop Devt.	170,000,000	0	20,000,000	190,000,000	270,000,000
Total	170,000,000	0	20,000,000	190,000,000	270,000,000

Bukura Agricultural College
Annual Report and Financial Statements
for the year ended June 30, 2023.

7. Rendering Of Services – Student Fees

Description	2022-23	2021-22
	KShs	KShs
Activity Fee	2,170,900	1,682,400
Computer Fee	3,372,000	1,920,500
Examination Fee	8,456,000	6,317,600
Field Attachment Assessment	5,633,910	282,500
Field Training	8,333,300	8,819,650
Insurance	2,187,000	1,894,500
Library	2,319,600	1,990,600
Medical	2,369,000	2,064,000
Registration	1,464,735	1,053,500
Student Council	1,043,150	804,150
Student ID	570,100	743,100
TP Preparation Book	-	1,2000
Utilities	4,689,000	3,911,000
Tuition Fees	111,547,460	88,066,000
Total	154,156,155	119,561,500

8. Rental Revenue from Facilities

Description	2022-23	
	Kshs	Kshs
Staff Houses	1,820,880	1,783,320
Canteen	49,000	70,000
Dining Hall	180,000	450,000
Students Hostels	5,882,500	4,946,140
Total	7,932,380	7,249,460

Bukura Agricultural College
Annual Report and Financial Statements
for the year ended June 30, 2023.

9. Sale of Goods/ Other Income

Description	2022-23	2021-22
	Kshs	Kshs
Farm Income	22,599,968	19,586,160
Catering income	7,947,092	4,660,647
Milk Processing Plant	11,478,040	9,572,292
Short courses	4,622,700	7,417,400
Student tours	815,480	779,040
Sundry income	3,801,037	6,647,385
Sale of boarded items	271,940	
Graduation Fees	2,647,500	
Biotech Lab	1,845,280	
Recoveries	1,009,884	
Research	284,000	
Total	57,322,921	48,662,924

10. Employee Costs

Description	2022-23	2021-22
	Kshs	Kshs
Salaries and wages	168,801,040	166,196,630
Contributions to pensions schemes	13,801,186	13,568,959
Basic Wages	14,283,396	14,817,069
Remuneration of part time lecturers	3,419,459	5,902,162
Gratuity	1,354,798	1,846,131
Total	201,659,879	202,330,951

11. Purchase of Electricity

Description	2022-23	2021-22
	Kshs	Kshs
Quarter 1 2022-23	1,292,582	5,659,298
Quarter 2 2022-23	2,104,804	
Quarter 3 2022-23	2,121,333	
Quarter 4 2022-23	2,217,392	
Total	7,736,111	5,659,298

Bukura Agricultural College
Annual Report and Financial Statements
for the year ended June 30, 2023.

12. Board expenses

Description	2022-23	2021-22
	Kshs	Kshs
Sitting Allowances	9,948,409	7,507,600
Chairman Honorarium	1,020,000	472,700
Total	10,968,409	7,980,300

13. Depreciation and Amortization

Description	2022-23	2021-22
	Kshs	Kshs
PPE- Depreciation	37,271,494	21,919,078
Intangible assets- Amortization	979,139	870,198
Total	38,250,633	21,919,078

14. Repairs and Maintenance

Description	2022-23	2021-22
	Kshs	Kshs
Buildings	7,267,861	14,445,369
Plant and machinery	1,116,400	1,726,111
Computer S/Ware & Network	590,700	191,500
Equipment	527,520	680,200
Vehicles	2,374,291	3,172,012
Total Repairs and Maintenance	11,876,772	20,215,192

15. Contracted Services

Description	2022-23	2021-22
	Kshs	Kshs
Security	3,599,430	3,722,600
Professional services	661,629	2,651,190
Cleaning and sanitation	3,705,191	3,431,639
Total	7,966,250	9,805,429

Bukura Agricultural College
Annual Report and Financial Statements
for the year ended June 30, 2023.

16. Agricultural Material

Description	2022-23	2022-23
	Kshs	Kshs
Quarter 1 2022-23	7,003,949	19,546,979
Quarter 2 2022-23	6,228,972	
Quarter 3 2022-23	8,594,965	
Quarter 4 2022-23	1,407,320	
Total	23,235,206	19,546,979

17. Training Expenses

Description	2022-23	2021-22
	Kshs	Kshs
Research & development	917,986	301,634
Graduation expenses	1,527,406	1,550,563
Education aids and materials	4,402,825	3,245,089
Lab materials, small equipment, education	2,292,232	4,238,465
Library supplies	758,437	1,241,519
Field Attachment allowance	3,080,160	116,240
Field trips allowance	1,250,370	619,150
Hire of Training Facility	932,300	513,830
Training (tuition and accommodation)	1,757,800	1,144,184
Total	16,919,516	12,970,674

18. General Office Expenses

Description	2022-23	2021-22
	Kshs.	Kshs.
Accommodation	8,292,805	11,928,867
Travel costs	591,535	803,658
Daily subsistence allowance	5,469,598	3,562,485
Daily subsistence allowance-Foreign	832,961	-
Advertising & Trade shows	2,686,745	2,570,999
Audit fees	580,000	580,000
Courier & postal services	387,646	292,974
catering services	7,184,715	4,556,511
Fuel and oil	8,435,372	8,176,312
Hire of transport, equipment and other facilities	446,400	-

Bukura Agricultural College
Annual Report and Financial Statements
for the year ended June 30, 2023.

Description	2022-23	2021-22
	Kshs.	Kshs.
Insurance	12,210,109	11,654,965
Legal dues , arbitration and compensation payments	232,000	351,000
Medical drugs and other non-pharmaceuticals	228,967	163,455
Telephone, telex, mobile phones	575,860	574,881
Networking computers & subscription to internet	740,478	217,990
Water and sewerage services	760,300	606,940
Sundry expenses	54,627	167,700
Publishing and printing	252,270	824,183
General office supplies and accessories to computers	7,809,861	9,625,024
Subscriptions to newspapers	501,870	484,382
Purchase of uniforms	1,388,568	877,268
Student council allowances	1,331,598	1,467,742
Bank commissions	170,799	227,629
Milk Processing	13,380,453	8,124,151
Membership fees	1,178,800	989,929
Sanitary & Cleaning	1,052,409	94,394
OKP Expenses	1,561,171	481,250
FAO Expenses	-	2,913,339
Shows And Exhibitions	170,450	-
Sports & Recreation Equipment	335,880	800,370
Total	78,844,247	73,118,398

19. Cash and Cash Equivalents

Description	2022-23	2021-22
	Kshs	Kshs
Cash and cash equivalents		
Current Account	30,589,667	30,412,569
Savings Account	1,337,372	12,649
Euro Account	1,018,420	1,500
Mpesa	3,550	422,474
Total	32,949,009	30,849,192

Bukura Agricultural College
Annual Report and Financial Statements
for the year ended June 30, 2023.

Detailed Analysis of the Cash and Cash Equivalents

Financial Institution	Account number	2022-23	2021-22
		Kshs	Kshs
a) Current Account			
Fees collection Account	1119291623	528.221	(152,496)
Current Account	01120165111000	598.043	1,763,118
Farm Account	01100165111001	1,684,627	3,785,271
Milk Processing Account	01100165111002	1,009,754	1,480,889
National Development	01071216369000	26,226,333	12,978,149
Retention Account	01071216367400	542,689	10,557,638
Sub Total		30,589,667	30,412,569
b) Savings Account	01100165111000	1,337,372	12,649
c) Euro Account	1131788141	1,018,420	1,500
Mpesa		3,550	422,474
Grand Total		32,949,009	30,849,192

20. Receivables from Exchange Transactions

(a) Receivables from Exchange Transactions (Current)

Description	2022-23	2021-22		
	Kshs	Kshs		
(a) Receivables from Exchange Transactions (Current)				
Students fees	16,191,200	45,294,640		
Short Course Students	2,017,240	-		
Unsurrendered imprest	602,150	615,940		
Receivables Graduation	132,500			
Rental income	3,701,863	3,514,863		
Bukura Recoveries	10,316,556	-		
Total	32,961,509	49,425,443		
Ageing Analysis- Receivables from exchange transactions				
	2022-23	% of the total	2021-22	% of the total
Less than 1 year	14,160,324	42.9	47,052,072	95.2
Between 1-2 years	10,932,162	33.1	2,373,372	4.8
Between 2-3 years	2,961,155	8.9		
Over 3 years	4,907,868	14.8		
Total	32,961,509		49,425,443	100

21. Receivables from Non-Exchange Transactions

Description	2022-23		2021-22	
	Kshs		Kshs	
Other debtors (non-exchange transactions)	16,000,000		-	
Total receivables from non- exchange transactions	16,000,000		-	
Ageing Analysis- Receivables from non-exchange transactions	2022-23	% of the total	2021-22	% of the total
Less than 1 year	16,000,000	100		
Between 1-2 years	-			
Over 3 years	-			
Total	16,000,000	100		

22. Inventories

Description	2022-23		2021-22	
	Kshs		Kshs	
General stores	4,243,167		3,903,846	
Farm Stores	4,463,481		2,753,513	
Milk Processing	498,509		376,683	
Total	9,205,157		7,034,042	

Bukura Agricultural College
Annual Report and Financial Statements
for the year ended June 30, 2023.

At July 2021	-	38,942,576	16,505,998	6,920,277	21,733,792	12,198,976	-	96,301,619
Depreciation	-	9,769,746	2,085,660	3,385,527	2,576,195	3,570,996	-	21,388,124
Impairment	-	-	-	-	-	-	-	-
Transfers/ Adjustments	-	-	-	-	-	-	-	-
As At 30th 2022	-	48,712,322	18,591,658	10,305,804	24,309,987	15,769,972	-	117,689,743
Depreciation	-	16,578,196	4,198,218	3,481,314	9,229,494	3,784,272	-	37,271,494
Disposals	-	-	-	-	-	-	-	-
Impairment	-	-	-	-	-	-	-	-
Transfer/Adjustment	-	-	-	-	-	-	-	-
As at 30th June 2023	-	65,290,518	22,789,876	13,787,118	33,539,481	19,554,244	-	154,961,237
Net Book Values								
As at 30th June 2022	269,665,000	613,326,718	4,198,218	16,778,408	5,467,258	12,797,993	104,342,336	1,026,575,931
As at 30th June 2023	269,665,000	597,837,322	-	14,063,394	-	10,719,929	184,367,776	1,071,078,848

**Bukura Agricultural College
Annual Report and Financial Statements
for the year ended June 30, 2023.**

24. Intangible Assets

Description	2022-2023	2021-2022
	Kshs	Kshs
ERP Programs	6,091,386	6,961,584
Additions	3,700,000	(870,198)
Total	9,791,386	
Less Amortization	979,139	
Balance as at 30th June 2023	8,812,247	6,091,386

25. Biological Assets

Description	2022-2023	2021-2022
	Kshs	Kshs
Dairy animals	14,009,613	12,450,000
Other animals	1,841,885	768,300
Horticulture	912,750	1,205,700
Maize	4,103,500	2,680,000
Hay	4,560,000	2,703,000
Sugarcane	9,557,210	15,725,036
Tree Seedlings	352,200	
Other plantations(trees both exotic and indigenous)	17,609,997	12,255,279
Total	52,947,155	47,787,315
Valuation gain		5,159,840

26. Trade and Other Payables

Description	2022-2023	2021-2022
	Kshs	Kshs
Creditors	58,299,970	24,187,122
Retention fund	18,436,777	14,087,247
Caution Money	10,884,000	8,506,000
Audit fees	580,000	580,000
Tax Arrears	1,392,750	-
Sponsor Account	2,752,367	6,388,788
Total	92,345,864	53,749,157

Ageing analysis: (Trade and other payables)	2022-2023	% of the Total	2021-2022	% of the Total
	Under one year	67,538,787	73	31,230,746
1-2 years	11,804,326	13	7,043,624	13.1
2-3 years	8,368,640	9	11,990,394	22.3
Over 3 years	4,634,111	5	3,484,394	6.5
Total	92,345,864	100	53,749,157	100

27. Current Provisions

Description	Leave provision	Bonus provision
	Kshs	Kshs
a. Gratuity		
Balance B/F	5,385,995	3,539,864
Additional provision raised	2,157,619	1,846,131
Provision utilized	4,064,684	-
Balance as at 30 June 2023	3,478,930	5,385,995

28. Cash Generated from Operations

Description	2022-23	2021-22
	Kshs	Kshs
Surplus for the year before tax	(499,026)	(15,370,368)
Adjusted for:		
Depreciation	38,250,633	22,789,276
Non-cash grants received	-	-
Contributed assets	-	-
Impairment	-	-
Gains and losses on disposal of assets	-	2,856,626
Contribution to provisions	-	-
Contribution to impairment allowance	-	-
Finance income	-	-
Finance cost	-	-
Working capital adjustments		
Increase in inventory	(2,171,115)	(762,166)
Increase in receivables	16,463,934	13,302,553
Increase in deferred income	-16,000,000	-
Increase in payables	38,596,707	(19,274,818)
Increase in payments received in advance	-	-
Net cash flow from operating activities	36,889,526	(6,734,431)

**Bukura Agricultural College
Annual Report and Financial Statements
for the year ended June 30, 2023.**

1. Financial Risk Management

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

i) Credit risk

The College has exposure to credit risk, which is the risk that a counterpart will be unable to pay amounts in full when due. Credit risk arises from cash and cash equivalents, and deposits with banks, as well as trade and other receivables and available-for-sale financial investments. Management assesses the credit quality of each customer, taking into account its financial position, past experience and other factors. Individual risk limits are set based on internal or external assessment in accordance with limits set by the directors. The amounts presented in the statement of financial position are net of allowances for doubtful receivables, estimated by the college's management based on prior experience and their assessment of the current economic environment.

Financial Risk Management

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

Description	Total amount	Fully performing	Past due	Impaired
	Kshs	Kshs	Kshs	Kshs
As at 30th June 2023				
Receivables from exchange transactions	31,951,166	31,951,166	-	-
Receivables from non-exchange transactions	16,000,000	16,000,000	-	-
Bank balances	32,949,009	32,949,009	-	-
Total	80,900,175	80,900,175	-	-
As at 30 June 2022				
Receivables from exchange transactions	49,425,443	49,425,443	-	-
Receivables from non-exchange transactions	0	0	-	-
Bank balances	30,849,192	30,849,192	-	-
Total	80,274,635	80,274,635	-	-

(NB: The totals column should tie to the individual elements of credit risk disclosed in the Entity's statement of financial position).

Bukura Agricultural College
Annual Report and Financial Statements
for the year ended June 30, 2023.

The customers under the fully performing category are paying their debts as they continue trading. The credit risk associated with these receivables is minimal and the allowance for uncollectible amounts that the college has recognised in the financial statements is considered adequate to cover any potentially irrecoverable amounts. BAC has significant concentration of credit risk on amounts due from students. The board of directors sets the BAC credit policies and objectives and lays down parameters within which the various aspects of credit risk management are operated.

ii) Liquidity risk management

Ultimate responsibility for liquidity risk management rests with the BAC's directors, who have built an appropriate liquidity risk management framework for the management of the college's short, medium and long-term funding and liquidity management requirements. BAC manages liquidity risk through continuous monitoring of forecasts and actual cash flows. The table below represents cash flows payable by BAC under non-derivative financial liabilities by their remaining contractual maturities at the reporting date. The amounts disclosed in the table are the contractual undiscounted cash flows. Balances due within 12 months equal their carrying balances, as the impact of discounting is not significant.

Description	Less than 1 month	Between 1-3 months	Over 5 months	Total
	Kshs	Kshs	Kshs	Kshs
As at 30th June 2023				
Trade payables	-	-	55,269,338	55,269,338
Current portion of borrowings	-	-	-	-
Provisions	-	-	-	-
Deferred income	-	-	-	-
Employee benefit obligation	-	-	-	-
Total	-	-	55,269,338	55,269,338
As at 30th June 2022				
Trade payables	-	-	53,749,157	53,749,157
Current portion of borrowings	-	-	-	-
Provisions	-	-	-	-
Deferred income	-	-	-	-
Employee benefit obligation	-	-	-	-
Total	-	-	53,749,157	53,749,157

Bukura Agricultural College
Annual Report and Financial Statements
for the year ended June 30, 2023.

iii) Market risk

BAC has put in place an internal audit function to assist it in assessing the risk faced by the college on an ongoing basis, evaluate and test the design and effectiveness of its internal accounting and operational controls. Market risk is the risk arising from changes in market prices, such as interest rate, equity prices and foreign exchange rates which will affect the college's income or the value of its holding of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return. Overall responsibility for managing market risk rests with the Audit and Risk Management Committee. The college's Finance Department is responsible for the development of detailed risk management policies (subject to review and approval by Audit and Risk Management Committee) and for the day-to-day implementation of those policies. There has been no change to BAC's exposure to market risks or the way it manages and measures the risk.

iv) Capital Risk Management

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

Description	2022-23	2021-22
	Kshs	Kshs
Revaluation Reserve	565,224,370	545,224,370
Retained Earnings	(173,971,604)	(194,796,996)
Capital Reserve	758,200,785	758,200,785
Total Funds	1,149,453,551	1,108,628,159
Total Borrowings		
Less: Cash and Bank Balances	32,949,009	30,849,192
Net Debt/(Excess Cash And Cash Equivalents)	1,116,504,542	1,077,778,967

2. Related Party Disclosures

Nature of related party relationships

BAC 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.

Government of Kenya

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

Bukura Agricultural College
Annual Report and Financial Statements
for the year ended June 30, 2023.

Other related parties include:

- i) The Parent Ministry.
- ii) County Governments
- iii) Other SCs and SAGAs
- iv) Key management.
- v) Board of directors.

Description	2022-23	2021-22
	Kshs	Kshs
Transactions with related parties		
a) Sales to related parties		
Water sales to govt. Agencies	60,000	60000
Others (specify) e.g. bank charges	170,799	227,629
Total	230,799	287629
B) purchases from related parties		
Purchases of electricity from KPLC	7,736,111	5,659,298
Total	7,736,111	5,946,927
b) Grants /transfers from the government		
Grants from national govt	190,000,000	270,000,000
Donations in kind	4,138,443	0
Total	194,138,443	270,000,000
c) Expenses incurred on behalf of related party		
Total		
d) Key management compensation		
Directors' emoluments	10,968,409	7,980,300
Compensation to key management	0	0
Total	10,968,409	7,980,300

3. Events after the Reporting Period

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

4. Ultimate and Holding Entity

Bukura Agricultural College is a State Corporation/ or a Semi- Autonomous Government Agency under the Ministry of Agriculture and Livestock Development. Its ultimate parent is the Government of Kenya.

5. Currency

The financial statements are presented in Kenya Shillings (Kshs) rounded to the nearest Kshs.

20. Appendices

Appendix 1: Implementation Status of Auditor-General's Recommendations

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

Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status:	Timeframe:
1.	<p>Unsupported expenditure on Professional Services Included in the statement of financial performance, and as disclosed in Note 14 to the financial statements, is an amount of kshs. 9,805,429 in respect of contracted services which includes kshs. 2,651,190 relating to provision of professional services whose contract documents such as invoices and payment vouchers were not provided for audit review. In the circumstances, the accuracy and completeness of the expenditure on professional of kshs. 2,651,190 could not be ascertained.</p>	<p>Management has presented supporting documents of Professional services.</p>	Resolved.	
2.	<p>Non-Compliance With Law On Ethnic Composition Review of the management's Human Resource records revealed that during the year under review, the college had a total of 132 employees. However, out of this number, seventy-five (75) employees or 57% were from the same ethnic community. This is contrary to section 7(2) of National Cohesion and Integration Act, 2008 which provides that no public establishment shall have more than one third of its staff from the same ethnic community. In the circumstances, management was in breach of the law.</p>	<p>The Management has undertaken to adhere to the National cohesion and integration act progressively ensure regional balance during recruitment</p>		Being resolved progressively

Bukura Agricultural College
Annual Report and Financial Statements
for the year ended June 30, 2023.

Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status:	Timeframe:
3.	<p>Fees from unauthorized course The statement of financial performance reflects kshs. 119,561,500 as fees from students which include an amount of kshs. 1,081,850 from nineteen (19) students studying Diploma in Information Communication Technology. The course was offered contrary to section 4 of the Bukura College Act, 1999(Revised 2003), which requires the college to provide facilities for education in Agriculture and other ancillary subjects through the integration of teaching, research and effective application of extension services. In the circumstances, management was in breach of law.</p>	<p>The Academic Board and the College Board made a decision to scrap the program as from 2024/25 but allow those already enrolled to complete their studies</p>	Resolved	
4.	<p>Irregular Award of Certificates and Diplomas to Six Graduates Management awarded 1,024 students with various diplomas and certificates during its 25th graduation ceremony held on 25th March, 2022. Review of the minutes of the academic Board meeting held on 16th March, 2022 revealed that the meeting considered and approved a graduation list of 1,018 graduates resulting to an additional six (6) graduating without the Academic Board's approval. In the circumstances, management was in breach of Law.</p>	<p>The error occurred in the capturing of the minutes where the 6 students were from the old system and thus captured in the minutes when the minutes were written. The Management has ensured that all those presented to the academic Board are also the ones to appear on the graduation booklet. This was done in the 2022/23 graduation</p>	Resolved	
5.	<p>Overdrawn cashbook Included in the statement of financial position and as disclosed in Note 18 is cash and cash equivalents balance of kshs. 30,849,192 which includes an overdrawn fees collection account cash book balance of Kshs. 152, 496</p>	<p>This was Corrected</p>	Resolved	

**Bukura Agricultural College
Annual Report and Financial Statements
for the year ended June 30, 2023.**

Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status:	Timeframe:
	contrary to section 82(7) of the Public Finance Management (National Government) Regulation, 2015 which states that no official government bank account shall be overdrawn. In the circumstances, management was in breach of the Law.			
6.	Weaknesses in the Information Communication Technology (ICT) Environment Management has not installed updated and licenced anti-virus software in all servers and networked computers and ICT work stations. The installed Bitdefender antivirus expired as at 1 st February, 2023 contrary to Clause 2.4 of the Bukura Agricultural College Information and Communication Technology Policy. In the circumstances, the integration and security of the college's information and data could not be confirmed.	The College installed The Anti-Virus and currently it is upto date.	Resolved.	

.....

 Director General/C.E.O/M.D (enter title of head of Entity)

Date: 4th August 2023

Appendix II: Projects implemented by Bukura Agricultural College

Projects implemented by the State Corporation/ SAGA Funded by development partners and/ or the Government.

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	5Years	N/A	N/A	N/A

Status of Projects completion

SN	Project	Total project Cost	Total expended to date	Completion % to date	Budget	Actual	Sources of funds
1	BUKURA EDUCATION COMPLEX	789.0M	465M	56%	40M	20M	GOK

Bukura Agricultural College
Annual Report and Financial Statements
for the year ended June 30, 2023.

Appendix IV: Transfers from Other Government Entities

Name of the MDA/Donor Transferring the funds	Date received as per bank statement	Nature: Recurrent/Development/Others	Total Amount - KES	Statement of Financial Performance	Where Recorded/recognized				Total Transfers during the Year
					Capital Fund	Deferred Income	Receivables	Others - must be specific	
Ministry of Planning and Devolution	N/A	Recurrent	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Ministry of Planning and Devolution	N/A	Development	N/A	N/A	N/A	N/A	N/A	N/A	N/A
USAID	N/A	Donor Fund	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Ministry of Planning and Devolution	N/A	Direct Payment	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Total			N/A	N/A	N/A	N/A	N/A	N/A	N/A

Appendix V- Inter-Entity Confirmation Letter



BUKURA AGRICULTURAL COLLEGE

P. O. Box 23 – 50105, BUKURA

TEL: 020-3505479/020-2349265

E-mail: principal@bukuracollege.ac.ke

Sigalagala – Butere Road

RE: INTER-ENTITY CONFIRMATION LETTER

The Ministry of Agriculture, Livestock, Fisheries and Cooperatives wishes to confirm the amounts disbursed to you as at 30th June 2023 as indicated in the table below. Please compare the amounts disbursed to you with the amounts you received and populate the column E in the table below. Please sign and stamp this request in the space provided and return it to us.

Confirmation of amounts received by Bukura Agricultural College as at 30 th June, 2023								
Refer ence Num ber	Date Disbursed	Amounts Disbursed by [SC/SAGA/Fund] (KShs) as at 30th June, 2023				Total (D)=(A+B+C)	Amount Received by BAC as at 30 th June 2022 (KShs)	Difference s (KShs) (F)=(D-E)
		Recurrent (A)	Developme nt (B)	Inter- Minist erial (C)				
	04/08/2022	15000000			15000000	45000000		
	27/09/2022	15000000			15000000			
	28/08/2022	15000000			15000000		0	
	19/10/2022		10,000,000		10000000			
	14/11/2022	15000000			15000000	45000000		
	7/12/2022	15000000			15000000			
	13/01/2023	15000000			15000000	15000000		
	13/02/2023	15000000			15000000	15000000		
	08/03/2023	13333333			13333333	15000000	10000000	
	14/04/2023	6666667			6666667	15000000		
						15000000		
	06/06/2023	13000000			13000000	15000000		
	9/6/2023	16000000			16000000			
	29/06/2023	16000000	10000000		26000000	90000000		
		170000000	20000000		190000000	270000000		

In confirm that the amounts shown above are correct as of the date indicated.

Head of Accountants department of beneficiary Entity:

Name Micheal Ochieng

Sign *Michael Ochieng* Date: 4th August 2023

A B C D

