

# **BUKURA AGRICULTURAL COLLEGE**

## **ANNUAL REPORT & FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2012**

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# **BUKURA AGRICULTURAL COLLEGE**

## **INSTITUTION INFORMATION**

### **OWNERSHIP**

The institution is 100% owned by the government,

Ministry of Agriculture being the parent Ministry

### **LEGAL FORM**

The institution is a separate Legal entity under "The Bukura Agricultural College Act 1999".

### **REGISTERED OFFICE**

Bukura Agricultural College,  
Sigalagala- Bukura Road,  
P.O Box 23-50105,  
Bukura.

### **AUDITORS**

The Auditor - General,  
The Kenya National Audit Office,  
P. O. Box 30084-00100,  
Nairobi.

### **BANKERS**

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

Kenya Commercial Bank,  
Kakamega Branch,  
P.O Box 152-50100,  
Kakamega.

# **BUKURA AGRICULTURAL COLLEGE**

## **VISION, MISSION AND CORE FUNCTION**

### **Our Vision**

“ The training Institute of choice in practical Agriculture Sciences”

### **Our Mission**

“To provide quality Agricultural Education through Training, Innovations and Extension services for improved agricultural productivity and livelihoods”

### **Motto**

“Training and Innovations for improved livelihood”

### **Mandate**

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 statute; and
- (iv) Co-operate with the government in the planned development of Agricultural Education .

### **Core Function**

The core functions of the college are to;

- (i) To provide middle level training in Agriculture and related fields;
- (ii) Conduct Research; and
- (iii) Carry out Outreach and Extension Services.

### **Core Values**

In pursuit of the mission and vision and to perform its core functions, the college will be guided by the following fundamental values, which will define the culture of the organization: Professionalism, Accountability, Efficiency and Responsiveness, Gender Equity, innovations and Commitments.



# BUKURA AGRICULTURAL COLLEGE

## Board of Directors' Members

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The Board of Directors submit their report and the financial statements for the year ended 30th June 2012, which show the state of the college's affairs.

### Principal activities

The College mandate is to provide Agricultural training through integration of research and extension.

### Results

The results of the College performance for the year are set out on page 9-21.

### Board of Directors who served during the year and to the date of this report were:

	Name	
1	Dr. Gaudencia Okumbe	Chairperson
2	Mr. Pius Mutay	Vice Chairperson
3	Mrs. Caroline Ngunjiri	Alternate Director - Director of Livestock Prod.
4	Mrs. Colette A. Obunga	Director- Rep. Agricultural Industry
5	Eng. Nicholas Inyende	Director-Rep. Agricultural Industry
6	Mr. Hamisi Williams Muo	Alternate Director- PS- Ministry of Agriculture
7	Mr. Fabian Muya	Alternate Director- AS- Ministry of Agriculture
8	Prof. Mary Onyango	Director- Rep. Public Universities
9	Mrs. Victoria E. Anjichi	Director- Rep. Public Universities
10	Mrs. Rosemary Onam	Alternate Director-PS- Ministry of Finance
11	Dr. Foustine Wandera	Alternate Director-Director - KARI
12	Mrs. Rachel Okumu	Alternate Director- PS - MSPS
13	Mr. Justus Simiyu	Principal
14	Mrs. Winfred Wakoli	Registrar

### Advisor(s)

Mr. Simon Indimuli

For Inspector General (Corporations)

### Auditors

The Auditor General - Kenya National Audit Office,  
P.O Box 30084-00100,  
Nairobi.

### By order of the Board

  
Chairman

# BUKURA AGRICULTURAL COLLEGE

## Report of the Chairman

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It is my pleasure to present the Annual Report and Financial Statements for the financial year 2011/2012 of Bukura Agricultural College.

During the year under review the College received grants from the Kenya Government amounting to **Kshs.149.5M** out of which **Kshs.50M** was meant for development expenditure and **Kshs.99.5M** for recurrent expenditure. The College managed to raise **Kshs.67.9M** as Appropriations-in-Aid.

All the funds received by the College in the 2011/2012 financial year were appropriated by the Board into our various expenditure accounts and I am happy to report that we complied with the approved budget which is an indication of prudent financial management.

I am also happy to note that our internal revenue generation leaped from **Kshs.55M** in 2010/2011 to **Kshs.67.9M** in 2011/2012 financial year representing a 23% increase.

You will observe from the Annual Report and Financial Statement that the College assets grew from **Kshs.433.6M** in the year 2010/2011 to **Kshs.672M** in the 2011/2012, following the revaluation of assets.

We look forward to a rewarding 2012/2013 financial year.

I now forward the Accounts of Bukura Agricultural College on behalf of the Board of Governors.



Dr. Gaudencia M. Okumbe

**BUKURA AGRICULTURAL COLLEGE**  
**Statement of Board Responsibilities**

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The Bukura Agricultural College Act requires the Board of Directors to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the college as at the end of the financial year and of its operating results for that year. It also requires the Board to ensure that the college keeps proper accounting records which disclose with reasonable accuracy the financial position of the college. They are also responsible for safeguarding the assets of the college.

The Board members accept responsibility for the annual financial statements, which have been prepared using appropriate accounting policies supported by reasonable and prudent judgements and estimates, consistent with previous years, and in conformity with International Financial Reporting Standards and in the manner required by the Bukura Agricultural College Act. The Board is of the opinion that the financial statements give a true and fair view of the state of the financial affairs of the college as at 30<sup>th</sup> June 2012 and of its operating results for the year then ended. The Board further accepts responsibility for the maintenance of accounting records which have been relied upon in the preparation of the financial statements, as well as on the adequacy of the systems of internal financial controls.

Nothing has come to the attention of the Board of 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.

**Chairman** ..... 

**Principal** ..... 

Date: **22<sup>nd</sup> February 2013**

Date: **22<sup>nd</sup> February 2013**

# **BUKURA AGRICULTURAL COLLEGE**

## **REPORT OF THE AUDITOR-GENERAL ON BUKURA AGRICULTURAL COLLEGE FOR THE YEAR ENDED 30 JUNE 2012**

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### **REPORT ON THE FINANCIAL STATEMENTS**

I have audited the accompanying financial statements of Bukura Agricultural College set out on page 9 to 21 which comprise the statement of financial position as at 30 June, 2012 and the statement of comprehensive income, statement of accumulated funds and statement of cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information, in accordance with the provisions of Articles 229 of the Constitution of Kenya and Section 14 of the Public Audit Act, 2003. I have obtained all the information and explanations which, to the best of my knowledge and belief, were necessary for the purpose of the audit.

#### **Management's Responsibility for the Financial Statements**

Management is responsible for the preparation and fair presentation of these financial statements in accordance with International Financial Reporting Standards and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

#### **Auditor – General's Responsibility**

My responsibility is to express an opinion on these financial statements based on the audit and report in accordance with the provisions of Section 15(2) of the Public Audit Act, 2003 and submit the audit report in compliance with Article 229(7) of the Constitution of Kenya. The audit was conducted in accordance with International Standards on Auditing. Those standards require compliance with ethical requirements and that the audit be planned and performed with a view to obtaining reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The Procedures selected depend on the auditor's judgements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the College's internal control. An audit also includes evaluating the



## **BUKURA AGRICULTURAL COLLEGE**

appropriateness of accounting policies used and the reasonableness of accounting estimates made by the management, as well as evaluating the overall presentation of the financial statements.

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

### **Basis for Qualified Opinion**

#### **1. Property, Plant and Equipment**

- (i) As reported in the previous year and as disclosed under note 10 to the financial statements, the property, plant and equipment balance of Kshs.672,063,500 as at June, 2012 excludes buildings and developments on the College land held by Bukura Agricultural Training Centre, Bukura Rural Health Centre, Bukura Kilimo Girls Secondary School, and Bukura Kilimo Primary School whose value had not been determined as at 30 June 2012.
- (ii) Further, and as reported in the previous year, land measuring 96.5 hectares valued at Kshs.25,680,000 had its ownership documents as at 30 June 2012 in the name of Kakamega County Council.

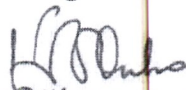
In the foregoing circumstances, it has not been possible to confirm the ownership status of the College's land and buildings and that the property, plant and equipment balance of Ksh.672,063,500 is fairly stated as at 30 June 2012.

#### **2. Bank Overdraft**

Included in the current liabilities figure of Kshs.19,421,339 as at 30 June 2012 is a bank overdraft of Kshs.130,417 whose supporting documents were not availed for audit review. In the circumstances, it has not been possible to confirm the validity and the accuracy of the bank overdraft balance of Kshs.130,417 as at 30 June 2012.

### **Qualified Opinion**

In my opinion, except for the effect of the matters described in the Basis for Qualified Opinion paragraph, the financial statements present fairly, in all material respects, the financial performance and its cash flows for the year then ended, in accordance with International Financial Reporting Standards and comply with the Bukura Agricultural College Act, 1999.



Edward R. O. Ouko, CBS

**AUDITOR -GENERAL**

**Nairobi**

**28 March 2013**

## BUKURA AGRICULTURAL COLLEGE

### Statement of Comprehensive Income for the year ended 30th June 2012

	Notes	2012 Kshs.	2011 Kshs.
<b>Revenue</b>			
Capitation of Grants	3	99,541,666	91,500,000
Donor Grant	15	3,693,570	0
Fees from students	4	35,947,330	36,895,064
Other Income	5	32,015,399	18,502,862
<b>Total Revenue</b>		<b>171,197,965</b>	<b>146,897,926</b>
<b>Expenditure</b>			
Personnel Emolument	6	(91,644,506)	61,854,017
Operation Expenses	7	(56,141,253)	(67,056,247)
Technical Expenses	8	(11,715,369)	(10,175,687)
Board Expenses	9	(7,228,500)	(6,846,240)
<b>Total Expenditure</b>		<b>(166,729,628)</b>	<b>(145,932,191)</b>
<b>Surplus /(Deficit) for the year</b>		<b>4,468,337</b>	<b>965,735</b>



# BUKURA AGRICULTURAL COLLEGE

## Statement of Financial Position as at 30th June 2012

	Notes	2012 Kshs.	2011 Kshs.	2010 Kshs Restated
<b>ASSETS</b>				
<b>Non-current assets</b>				
Property, plant and equipment	10	672,063,500	433,614,347	389,747,380
Biological assets	11	8,178,920	9,492,645	6,570,581
		<u>680,242,420</u>	<u>443,106,992</u>	<u>396,317,961</u>
<b>Current assets</b>				
Fixed Deposits	12	-	5,064,274	-
Inventories	13	1,914,106	1,494,806	1,329,263
Receivables	14	5,299,646	5,713,985	2,405,100
Cash and bank balances	15	15,236,642	1,669,328	26,986,719
		<u>22,450,394</u>	<u>13,942,393</u>	<u>30,721,082</u>
<b>TOTAL ASSETS</b>		<b>702,692,814</b>	<b>457,049,385</b>	<b>427,039,043</b>
<b>EQUITY AND LIABILITIES</b>				
<b>Capital and reserves</b>				
Capital reserve	16	568,742,302	381,998,979	381,998,979
Capital grants	16	110,000,000	60,000,000	30,000,000
Revenue reserve	16	111,501	(4,356,836)	(5,322,571)
Total Equity	16	<u>678,853,803</u>	<u>437,642,143</u>	<u>406,676,408</u>
<b>Non-current liabilities</b>				
Provision for gratuity & Contractual Payments	17	3,595,672	1,542,942	793,790
Caution money	18	822,000	574,000	434,000
		<u>4,417,672</u>	<u>2,116,942</u>	<u>1,227,790</u>
Payables	19	19,290,922	17,290,300	19,134,845
Bank overdraft	15	130,417	-	-
Total current liabilities		<u>19,421,339</u>		
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>702,692,814</b>	<b>457,049,385</b>	<b>427,039,043</b>

The Financial Statement on pages 9 to 21 were approved by the Board of Directors on **3<sup>rd</sup> August 2012** and were signed on its behalf by:

Chairman: 

Principal: 

**BUKURA AGRICULTURAL COLLEGE****Statement of Cash flows for the year ended 30 June 2012**

	Notes	2012 Kshs.	2011 Kshs.
<b>Cash flows from operating activities</b>			
Surplus for the year		4,468,337	965,735
<b>Adjustments</b>			
Depreciation charges	10	-	12,245,145
Increase in Caution Money	18	248,000	140,000
<b>Operating Cash before working capital changes</b>		<b>4,716,337</b>	<b>13,350,880</b>
Increase in Provisions	17	2,052,730	749,152
Increase in Inventory	13	(419,300)	(165,543)
Decrease in Receivables	14	414,339	(3,308,885)
Bank overdraft	15(b)	130,417	
Increase in Payables	19	2,000,622	(1,844,545)
<b>Cash generated from operations</b>		<b>8,895,145</b>	<b>8,781,059</b>
<b>Cash flows from investing activities</b>			
Purchase of Property, Plant and Equipment	10	(51,705,830)	(56,787,112)
Biological Assets	11	1,313,725	(2,922,064)
Fixed Deposit	12	5,064,274	(5,064,274)
Impairment on farm machinery			-
<b>Cash flows from financing activities</b>			
Capital Grants		50,000,000	30,000,000
Proceeds from sale of boarded items			675,000
<b>Net Increase in cash and cash equivalents</b>		<b>13,567,314</b>	<b>(25,317,391)</b>
<b>Movement in Cash and cash Equivalents</b>			
Cash and cash Equivalents at the beginning		1,669,328	26,986,719
Net Increase		13,567,314	(25,317,391)
<b>Cash and cash Equivalents at the end</b>		<b>15,236,642</b>	<b>1,669,328</b>
<b>Presented by:</b>			
<b>Cash in Bank</b>	15(a)	15,186,937	1,646,910
<b>Cash in Hand</b>	15(a)	49,705	22,418
<b>Total</b>		<b>15,236,642</b>	<b>1,669,328</b>



## BUKURA AGRICULTURAL COLLEGE

### Statement of Accumulated Funds as at 30th June 2012

	Notes	Capital reserves Kshs.	Revenue reserve Kshs.	Capital grants Kshs.	Accumulated Funds Kshs.
As at 1 July 2010-as previously reported		381,998,979	(5,322,571)	30,000,000	406,676,408
Capital Grants		-	-	30,000,000	30,000,000
Retained surplus		-	965,735		965,735
<b>As at 30 June 2011</b>		<b>381,998,979</b>	<b>(4,356,836)</b>	<b>60,000,000</b>	<b>437,642,143</b>
As at 1st July 2011		381,998,979	(4,356,836)	60,000,000	437,642,143
Adjustment					-
Capital grants		-		50,000,000	50,000,000
Revaluation Reserve		186,743,323			186,743,323
Accumulated depreciation					-
Retained surplus		-	4,468,337		4,468,337
<b>At 30 June 2012</b>		<b>568,742,302</b>	<b>111,501</b>	<b>110,000,000</b>	<b>678,853,803</b>

# BUKURA AGRICULTURAL COLLEGE

## Financial Statements at 30 June 2012

### Notes to the Financial Statements

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#### 1 General information

Bukura Agricultural College is an institution incorporated in Kenya. The address of its registered office and principal place of business is P. O. Box 23-50105 Bukura, Kenya.

Bukura Agricultural College has been operating as a department in the Ministry of Agriculture since 1972 and this is the third financial statements as a state corporation.

#### 2 Accounting policies

##### a Basis of preparation

These financial statements have been prepared in accordance with the International Financial Reporting Standard issued by the International Accounting Standards Board. They are presented in the currency units of Kenya shillings (Kshs.).

##### b. Revenue recognition

Revenue includes amounts of fees received from students in session during the year and cash received from other operations in the college.

Government grants are recognized when the grant becomes receivable.

##### c. Property, plant and equipment

Items of property, plant and equipment are measured at cost less accumulated depreciation.

Depreciation is charged so as to allocate the cost of assets less their residual values over their estimated useful lives, using straight line method. The following annual rates are used for the depreciation of property, plant and equipment:

	Rate %	
Buildings	2.50%	
Plant and equipment	12.50%	
Bus and Tractors		25.00%
Computer equipment		33.30%
Motor vehicle		25.00%
Furniture and fittings		12.50%
Intangible Assets		20.00%

If there is an indication that there has been a significant change in depreciation rate, useful life or residual value of an asset, the depreciation of that asset is revised prospectively to reflect the new expectations.

##### d Inventories

Inventories are stated at the lower of cost and net realizable value. Cost is calculated using the first-in, first-out (FIFO) method.

# BUKURA AGRICULTURAL COLLEGE

## Financial Statements at 30 June 2012

### Notes to the Financial Statements

**e. Trade and other receivables**

Most receivables are made on the basis of normal credit terms, and the receivables do not bear interest. At the end of each reporting period, the carrying amounts of trade and other receivables are reviewed to determine whether there is any objective evidence that the amounts are not recoverable.

**f. Trade payables**

Trade payables are obligations on the basis of normal credit terms and do not bear interest.

<b>3</b>	<b>Government grant</b>	<b>2012 Kshs.</b>	<b>2011 Kshs.</b>
	First Quarter	16,083,333	22,875,000
	Second Quarter	32,166,667	22,875,000
	Third Quarter	24,125,000	22,875,000
	Fourth Quarter	27,166,666	22,875,000
	<b>Total</b>	<b>99,541,666</b>	<b>91,500,000</b>
<b>4</b>	<b>Student Fees</b>	<b>35,947,330</b>	<b>36,895,064</b>
<b>5</b>	<b>Other income</b>		
	Farm income	15,028,641	6,708,466
	Rent and water	1,428,560	1,112,890
	BAC/MMUST Collaboration Income	1,474,129	472,815
	ICT Income	570,840	422,480
	Sale of tender documents	321,000	411,000
	Accommodation income	2,288,060	-
	Catering income	7,838,690	-
	Student tours	188,880	-
	Profit on sale of fixed Assets	870,000	-
	KAPAP	167,000	-
	Interest income	541,121	64,274
	Sundry income	1,298,478	1,383,096
		<b>32,015,399</b>	<b>10,779,886</b>
<b>6</b>	<b>Salaries and wages</b>	<b>74,161,604</b>	<b>50,291,089</b>
	Basic wages	7,771,548	4,947,559
	Remuneration of Part-time lecturers	816,585	1,581,140
	Gratuity	1,302,000	
	Baggage Allowance	498,960	644,320
	Provision for Gratuity	1,113,929	749,152
	Contribution to Pension Schemes	5,979,880	3,620,757
	Funeral expenses	-	20,000
		<b>91,644,506</b>	<b>61,854,017</b>

# BUKURA AGRICULTURAL COLLEGE

## Financial Statements as at 30th June 2012

### Notes to the Financial Statements

7	Operation expenses	2012 Kshs	2011 Kshs.
	Electricity	3,207,790	2,633,404
	Repairs and maintenance	3,157,221	5,050,530
	Rent and rates	31,310	228,300
	Security charges	2,669,131	1,841,581
	Insurance	2,728,999	1,539,471
	Telephone, telex, mobile phone	1,961,824	2,031,279
	Accommodation allowance	4,977,683	5,477,513
	Extraneous Allowance	184,900	1,658,718
	Networking computers and Subscription to internet	2,486,150	462,801
	Water & sewerage services	78,700	150,490
	Daily subsistence allowance	1,464,339	2,160,547
	Training (Tuition and accommodation)	627,558	883,450
	Purchase of fuel, lubricants & other fuels	4,012,650	3,165,552
	Sundry items(airport, tax, taxis)	-	109,453
	Travel costs, airlines, bus, mileage allowance	292,120	479,110
	Publishing & printing	2,025,465	693,587
	Courier & postal services	629,022	203,922
	General office supplies and Accessories to Computers	3,148,041	3,911,281
	Subscriptions to Newspapers	550,195	417,480
	Scholarships & other educational benefits	1,991,800	1,465,200
	Hire of transport, equipment, and other facilities	445,025	-
	Advertising, awareness, publicity, trade shows & exhibitions	3,612,807	4,307,800
	Food, rations & catering services	10,801,748	12,082,946
	Purchase of uniforms, beddings and games kit	660,045	623,365
	Medical drugs and other non-pharmaceuticals	259,482	344,626
	MMUST Collaboration expenses	819,121	321,940
	Depreciation		12,245,145
	Students Council Allowances	241,050	-
	Caution Money Expense	616,000	
	Bank commissions and charges	226,174	216,108
	Sanitary and Cleaning	1,834,903	1,950,648
	Audit fees	400,000	400,000
		<b>56,141,253</b>	<b>67,056,247</b>



# BUKURA AGRICULTURAL COLLEGE

## Financial Statements as at 30 June 2012

### Notes to the Financial Statements

<b>8</b>	<b>Technical expenses</b>	<b>2012</b>	<b>2011</b> <b>Kshs.</b>
	Research & Development	195,961	258,300
	Graduation expenses	1,003,416	
	Education aids & materials	826,464	1,147,729
	Lab materials, small equipment, education & library supplies	459,955	855,405
	Contracted professional services	2,506,268	1,310,297
	Agricultural materials, Veterinary & fungicides supplies	6,723,305	6,603,956
		<b>11,715,369</b>	<b>10,175,687</b>
<b>9</b>	<b>Board expenses</b>		
	Sitting Allowances	2,479,500	2,580,000
	Travel Allowance	1,993,000	1,754,000
	Accommodation Allowance	1,920,000	1,534,000
	Chairman Honorarium	480,000	440,000
	Training Expenses	-	136,200
	Meal Allowance	332,000	332,000
	Airtime Allowance	24,000	22,000
	Others	-	48,040
	<b>Total</b>	<b>7,228,500</b>	<b>6,846,240</b>

**BUKURA AGRICULTURAL COLLEGE**  
**Financial Statements as at 30 June 2012**

**Notes to the Financial Statements**

**Property, plant and equipment**

Current year	Land	Buildings	Work in Progress	Machinery	Furniture & Equipment	Computers	Motor Vehicles	Motor Lorries	Total
Cost at 1 July 2011	<u>70,772,500</u>	<u>202,201,000</u>	<u>147,606,947</u>	<u>11,346,371</u>	<u>5,451,445</u>	<u>9,145,323</u>	<u>780,000</u>	<u>7,400,000</u>	<b>454,703,586</b>
Additions during the year	-	-	49,899,430	-	1,362,000	444,400	-	-	<b>51,705,830</b>
Disposals before revaluation	-	-	-	-	-	-	(150,000)	(1,425,000)	<b>(1,575,000)</b>
Carrying value before revaluation	<u>70,772,500</u>	<u>192,090,950</u>	<u>197,506,377</u>	<u>8,867,942</u>	<u>5,933,164</u>	<u>5,964,244</u>	<u>485,000</u>	<u>3,700,000</u>	<b>485,320,177</b>
Revaluation reserve	<u>70,827,500</u>	<u>93,009,050</u>	<u>16,493,623</u>	<u>2,111,979</u>	<u>360,415</u>	<u>2,865,756</u>	<u>1,515,000</u>	<u>(440,000)</u>	<b>186,743,323</b>
<b>Depreciation</b>									
Dep. 1st July 2011	-	10,110,050	-	2,478,429	880,281	3,625,479	295,000	3,700,000	<b>21,089,239</b>
On disposals before revaluation	-	-	-	-	-	-	(150,000)	(1,425,000)	<b>(1,575,000)</b>
As at 30th June 2012	-	10,110,050	-	2,478,429	880,281	3,625,479	145,000	2,275,000	<b>19,514,239</b>
Net book value 30-06-2012	<b>141,600,000</b>	<b>285,100,000</b>	<b>214,000,000</b>	<b>10,979,921</b>	<b>6,293,579</b>	<b>8,830,000</b>	<b>2,000,000</b>	<b>3,260,000</b>	<b>672,063,500</b>
At 30 <sup>th</sup> June 2011	<b>70,772,500</b>	<b>192,090,950</b>	<b>147,606,947</b>	<b>8,867,942</b>	<b>4,571,164</b>	<b>5,519,844</b>	<b>485,000</b>	<b>3,700,000</b>	<b>433,614,347</b>

**WORK IN PROGRESS IN VALUATION**

**REPORT**

1. Library block 30,000,000
2. Education Complex 114,000,000
3. Education Resource centre 70,000,000

Note\* The valuation of assets by the valuer Ondongo Kabita & Co. Valuers done on 14-06-2012 has been taken into consideration in the financial statements except Work In Progress where the cost certificates had been considered.

**BUKURA AGRICULTURAL COLLEGE**  
**Financial Statements as at 30 June 2011**  
**Notes to the Financial Statements**

**10 Property, plant and equipment**  
**(b)**

Current year	Land	Buildings	Work in Progress	Machinery		Furniture & Equipment		Computers		Motor Vehicles		Motor Lorries		Total
				Kshs	Kshs	Kshs	Kshs	Kshs	Kshs	Kshs	Kshs	Kshs	Kshs	
<b>Cost</b>														
At 1 July 2010	70,772,500	202,201,000	97,522,261	11,074,370	4,163,245	4,153,098	1,130,000	7,800,000	398,816,474					
Additions	-	-	50,084,686	272,001	1,288,200	4,992,225	150,000		56,787,112					
Disposals							(500,000)	(400,000)	(900,000)					
At 30th June 2011	70,772,500	202,201,000	147,606,947	11,346,371	5,451,445	9,145,323	780,000	7,400,000	454,703,586					
<b>Depreciation</b>														
At 1st July 2010	-	5,055,025	-	1,060,133	198,850	580,086	225,000	1,950,000	9,069,094					
Charge for the year	-	5,055,025	-	1,418,296	681,431	3,045,393	195,000	1,850,000	12,245,145					
On disposals	-	-	-	-	-	-	(125,000)	(100,000)	(225,000)					
At 30th June 2011	-	10,110,050	-	2,478,429	880,281	3,625,479	295,000	3,700,000	21,089,239					
<b>Net book value</b>														
At 30th June 2011	70,772,500	192,090,950	147,606,947	8,867,942	4,571,164	5,519,844	485,000	3,700,000	433,614,347					
At 30th June 2010	70,772,500	197,145,975	97,522,261	10,014,237	3,964,395	3,573,012	905,000	5,850,000	389,747,380					

There was a prior year adjustment of **Kshs.7,336,853** which was adjusted on the opening balances for the year. There were part of the assets taken over by the College but which had not been taken on Board as at 30th June 2010.

Buildings relating to Bukura Agricultural Training Centre, Bukura Health centre, Kilimo Primary and Secondary schools have not been recognized in the value of buildings.

**BUKURA AGRICULTURAL COLLEGE**  
**Financial Statements as at 30th June 2012**

**Notes to the Financial Statements**

<b>11</b>	<b>Biological Assets</b>	<b>2012</b> <b>Kshs.</b>	<b>2011</b> <b>Kshs.</b>
	Dairy Animals	3,552,400	3,602,000
	Other Animals	821,550	574,100
	Coffee	143,000	143,000
	Horticulture	194,770	214,000
	Maize	2,500,000	1,527,608
	Sugarcane	967,200	3,431,937
		8,178,920	9,492,645
<b>12</b>	<b>Fixed Deposits</b>		
	Fixed Deposit Account	-	5,064,274
<b>13</b>	<b>Inventories</b>		
	General Stores	1,914,106	1,494,806
	Boarded Stores	-	-
		1,914,106	1,494,806
<b>14</b>	<b>Receivables</b>		
	Student fees	3,900,320	1,650,000
	Farm debtors	600,000	1,644,700
	Unsurrendered Imprest	192,918	-
	Insurance premiums	446,937	2,386,952
	Sundry Debtors	159,471	32,333
		5,299,646	5,713,985
<b>15(a)</b>	<b>Cash and cash equivalents</b>		
	Cash at bank	15,186,937	1,646,910
	Cash in hand	49,705	22,418
	Total	15,236,642	1,669,328
<b>15(b)</b>	Bank overdraft	(130,417)	
<b>16</b>	<b>Accumulated Funds</b>		
	Capital reserves	568,742,302	381,998,979
	Capital grants	110,000,000	60,000,000
	Revenue reserve	111,501	(4,356,836.00)
	Total as at 30th June 2012	678,853,803	437,642,143



**BUKURA AGRICULTURAL COLLEGE**  
**Financial Statements as at 30th June 2012**

**Notes to the Financial Statements**

<b>17</b>	<b>Provision for the year</b>	<b>2012</b>	<b>2011</b>
		<b>Kshs.</b>	<b>Kshs.</b>
	At 1 July 2011 (gratuity)	749,152	793,790
	Provision for gratuity	900,327	749,152
	Provision for contractual payment	1,946,193	-
	At 30 June 2012	3,595,672	1,542,942
<b>18</b>	<b>Caution money</b>		
	Caution money for 1st years	822,000	574,000
<b>19</b>	<b>Payables</b>		
	Pending Bills B/f	1,459,765	1,459,769
	Creditors	5,138,003	6,814,670
	Construction Bills	6,155,678	4,653,735
	Sundry Creditors	18,220	36,070
	Caution money	616,000	864,000
	Retention fund	5,503,256	3,062,056
	Donor fund	-	-
	Audit Fees	400,000	400,000
		19,290,922	17,290,300
<b>20</b>	<b>Proceeds from sale of boarded items</b>		
	Sale of boarded items	870,000	-

The sold boarded items had fully depreciated.

## **BUKURA AGRICULTURAL COLLEGE**

### **Financial Statements as at 30th June 2012**

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#### **Notes to the Financial Statements**

##### **21 Revaluation**

The college contracted Odongo Kabija and company valuers who valued the property plant and equipment at **Kshs.672,063,500**. The book value before revaluation was **Kshs.485,320,177**.

With that consideration the revaluation reserve is **Kshs.186,743,323**. This amount will be amortised and depreciated overtime as per policy of straight line depreciation method.

##### **22 Contingencies**

- (i) During the transition period there were debts amounting to **Kshs.9,751,659** which the board directed to be verified. Upon verification **Kshs.2,028,679** was acknowledged. The college paid **Kshs.568,910** and is yet to pay **Kshs.1,459,768**.
- (ii) The contractor of the library block Okeno and sons has gone to court over a dispute emanating from variation of the contract sum of **Kshs.85,269,981.90**. An arbitration process has started and the amount payable will be known after the arbitral award.

##### **23 Accumulated Depreciation.**

Before Assets were revalued the carried forward amount was **Kshs. 21,089,239**.

##### **24 Incorporation**

Bukura Agricultural College is incorporated in Kenya under The Bukura Agricultural Act (1999) as a state corporation and is domiciled in Kenya.

##### **25 Events after the end of the Reporting Period**

There was no major event that occurred after balance sheet date that would affect the financial position of the college.

##### **26 Restatement**

The college took over debts worth **Kshs.9,751,659** but only debts worth **Kshs.2,028,679** were acknowledged by the board. The balance of **Kshs.7,722,976** did not have supporting documentation.

The amount was adjusted against the revenue reserve in the prior year.