

REPUBLIC OF KENYA



OFFICE OF THE AUDITOR-GENERAL

REPORT

OF

THE AUDITOR-GENERAL

ON

**THE FINANCIAL STATEMENTS OF
UNIVERSITY OF NAIROBI**

**FOR THE YEAR
ENDED 30 JUNE 2017**



UNIVERSITY OF NAIROBI



ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2017

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

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I. KEY UNIVERSITY INFORMATION AND MANAGEMENT

a) Background information

The inception of the University of Nairobi is traced back to 1956, with the establishment of the Royal Technical College. On May 20, 1964, the Royal College Nairobi was renamed University College Nairobi as a constituent college of inter-territorial, Federal University of East Africa. In 1970, the University College Nairobi transformed into the first National University in Kenya and was renamed the University of Nairobi. Following the enactment of the Universities Act, 2012, the University of Nairobi was awarded its charter on March 1, 2013.

b) Principal Activities

The University is mandated to provide university education and training in addition to participation in discovery, transmission and preservation of Knowledge.

c) University Management Board

The University day-to-day management is under the University Management Board

d) Key Management

The key management personnel who held office during the year ended June 30, 2017 and who had direct fiduciary responsibility were:

No.	Designation	Name
1	Vice-Chancellor:	Prof.Peter.M.F.Mbithi
2	Deputy Vice-Chancellor (Administration and Finance)(Ag):	Prof.I.M.Mbeche
3	Deputy Vice-Chancellor (Academic Affairs):	Prof.H.W.Mutoro
4	Deputy Vice-Chancellor (Student Affairs):	Prof.I.M.Mbeche
5	Deputy Vice-Chancellor (Research, Production And Extension):	Prof.L.W.Irungu
6	Principal, College of Agriculture and Veterinary Sciences:	Prof. S.G Kiama
7	Principal, College of Architecture and Engineering:	Prof. Peter M. Ngau
8	Principal, College of Biological and Physical Sciences:	Prof.B.O.C.Aduda
9	Principal, College of Education and External Studies:	Prof.I.O.Jumba
10	Principal, College of Health Sciences (Ag):	Prof.F.N.Were
11	Principal, College of Humanities and Social Sciences:	Prof.E.H.N.Njeru

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12	Director, Graduate School	Prof. Lydia Njenga
13	Director, Open, Distance and e- Learning (ODeL) Campus	Prof. C. Gakuu Mwangi
14	Deputy Principal, College of Humanities and Social	Prof.P.O.K'obonyo
15	Deputy Principal, College of Humanities and Social Sciences:	Prof. M. A Jama
16	Deputy Principal, Kenya Science Campus:	Prof.H.Ochanda
17	Deputy Director, Graduate School	Prof. L. D.E. Ikamari
18	Deputy Director, Graduate School	Prof. Charles M. Mulei.
19	Deputy Director ODeL Campus	Prof. Harriet Kidombo

e) Fiduciary oversight Arrangements

Commission for University
Education Audit Committee

f) University of Nairobi Headquarters

Harry Thuku Road
P.O. Box 30197-00100
Main Campus
Nairobi, Kenya

g) University of Nairobi Contacts

Telephone: (254)020-318262
E-mail: vc@uonbi.ac.ke, dvcaf@uonbi.ac.ke, fo@uonbi.ac.ke
Website: www.uonbi.ac.ke

h) University of Nairobi Bankers

Barclays Bank of Kenya

Market Branch
P.O Box 30018-00100
Nairobi, Kenya

Kenya Commercial Bank

University Way Branch
P.O. Box 7206-00300
Nairobi, Kenya

Standard Chartered Bank Koinange

Street Branch P.O Box 30003-00100
Nairobi, Kenya

i) Independent Auditor

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

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II. THE UNIVERSITY COUNCIL

NO	NAME	DESIGNATION
1.	Dr. Idle Omar Farah	Chairman
2.	Mrs. Pascaliala Chepkorir Chuma Koske	Member
3.	Dr. Sanjay Advani	Member
4.	Dr.(Mrs.)Lucy I.Celima Kiyiapi	Member
5.	Mr. Samuel Kiiru	Rep. PS. The National Treasury
6.	Dr.Salome Guchu	Rep. PS. Ministry of Education
7.	Prof.Peter .M.F. Mbithi	Vice-Chancellor

COUNCIL MEMBERS PROFILE

DR. IDLE OMAR FARAH



Dr. Idle Omar Farah is the Chairman of Council. He currently works as the Chief Research Scientist at the Institute of Primate Research, National Museums of Kenya. Previously he worked as Director General, National Museums of Kenya. He holds a PhD (Dr. Med.Sc.) degree in Comparative Medicine from the Faculty of Medicine, Uppsala University, Sweden and a Bachelor of Veterinary Medicine (BVM) from the University of Nairobi

MRS. PASCALIALA CHEPKORIR CHUMA KOSKE



Mrs Pascaliala Chepkorir Chuma Koske is a member of Council. She works as a Senior Deputy Director at the Teachers Service Commission. She holds a Masters Degree in Management and Policy Studies from the University of Bristol, UK and a Bachelor of Education degree from the University of Nairobi.

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DR. SANJAY ADVANI

Dr. Sanjay Advani is a member of Council. He is the Chief Executive Officer and a Board Director of Beta Healthcare International Limited. He holds a PhD from the Indian Board of Alternative Medicine, Kolkata and an MBA degree from the New Hampshire College, USA. He is a fellow of the Management Studies Promotion Institute, New Delhi.



DR. (MRS.) LUCY IRENE CELIMA KIYIAPI

Dr. Lucy Irene Celima Kiyiapi is a member of Council. She works as a Lecturer at the School of Public Health in Moi University. Before she was appointed Lecturer, Dr. Kiyiapi worked as Senior Assistant Dean of Students and Students Counselor, Moi University. She holds a PhD Degree from the Australian Catholic University, Brisbane, Australia. She also holds a Masters Degree in Counseling from Tyndale University, Canada.



MR. SAMUEL KIIRU

Mr. Samuel Kiiru is a member of Council representing the Principal Secretary in the National Treasury. He is a Deputy Chief Economist at the National Treasury. He holds a Masters Degree in Economics from the Carleton University Ottawa Canada and a Bachelors Degree in Economics from the University of Nairobi.



DR. SALOME MUTHONI GUCHU

Dr. Salome Guchu is a member of Council representing the Principal Secretary, Ministry of Education in the Council. She works as Senior Assistant Director of Research at the Ministry of Education, Science and Technology. She holds a Masters degree in Chemistry and a PhD in Chemistry both from the University of Nairobi.

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PROF. PETER MULWA FELIX MBITHI

Prof. Peter Mulwa Felix Mbithi is member of the Council. He is currently the Vice-Chancellor. He is a Professor of Veterinary Surgery, University of Nairobi. He has previously served as Chairman, Department of Clinical Studies, Principal, College of Agriculture and Veterinary Sciences, and as Deputy Vice-Chancellor – Administration and Finance, a position he held till he was appointed as the Vice Chancellor.

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III. MANAGEMENT TEAM

	NAME	DESIGNATION
1.	Prof.Peter .M.F.Mbithi	Vice Chancellor
2.	Prof.Isaac M.Mbeche	Deputy Vice Chancellor (A&F) (Ag)
3.	Prof.H.W.Muturo	Deputy Vice Chancellor (AA)
4.	Prof.Isaac M.Mbeche	Deputy Vice Chancellor (SA)
5.	Prof.L.W.Irungu	Deputy Vice Chancellor (RPE)
6.	Prof. S. G. Kiama	Principal (CAVS)
7.	Prof. P M. Ngau	Principal (CAE)
8.	Prof.B.O.C.Aduda	Principal (CBPS)
9.	Prof.I.O.Jumba	Principal (CEES)
10	Prof.F.N.Were	Principal (CHS) (Ag)
11.	Prof.E.H.N.Njeru	Principal (CHSS)
12.	Prof. Lydia Njenga	Director (Graduate School)
13.	Prof. Christopher Gakuu Mwangi	Director (ODeL Campus)
14.	Prof.P.O.K'obonyo	Deputy Principal (LKC-CHSS)
15.	Prof. Mohamud Abdi Jama	Deputy Principal (Main Campus-CHSS)
16	Prof.H.Ochanda	Deputy Principal (KSC)
17	Prof. L. D.E. Ikamari	Deputy Director (Graduate School)
18	Prof. Charles M. Mulei.	Deputy Director (Graduate School)
19	Prof. Harriet Kidombo	Deputy Director (ODeL Campus)

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Dr. Vijoo Rattansi



Dr. Idle Omar Farah



Prof. P.M.F. Mbithi



Prof. H.W. Mutoro



Prof. I.M. Mbeche



Prof. L.W. Irungu



Prof. S. Kiama



Prof. P.M. Ngau



Prof. B.O.C. Aduda



Prof. F.N. Were



Prof. E.H. Njeru



Prof. I.O. Jumba



Prof. Lydia Njenga



Prof. C.G. Mwangi



Prof. P.O. K'obonyo



Prof. H. Ochanda



Prof. M.A. Jama



Mr. G.P. Mbugua



Mr. B.M. Waweru



B.D. Njuguna



P.K. Busienei

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CHANCELLOR AND PRINCIPAL OFFICERS OF THE UNIVERSITY

Chancellor:

V. RATTANSI, D.Litt . (Hon),(Nairobi), , D.Litt (Moi)

Chairman of the University Council:

I.O FARAH, BVM,(Nairobi) PhD(Uppsala),

Vice-Chancellor:

P.M.F. MBITHI, EBS, IOM, B.V.M.,M.Sc.(Nairobi), M.V.Sc.(Saskatchewan), PhD(Nairobi)

Deputy Vice-Chancellor (Administration and Finance)(Ag):

ISAAC M.MBECHE, B.Ed.,M.A.(Nairobi) PhD(Lancaster)

Deputy Vice-Chancellor (Academic):

H. W. MUTORO, B.Ed. MA. (Nairobi) CPhil , PhD. (UCLA)

Deputy Vice-Chancellor (Student Affairs):

I.M.MBECHE.,B.Ed.,M.A.(Nairobi) PhD(Lancaster)

Deputy Vice-Chancellor (Research, Production and Extension):

L. W. IRUNGU, B.Sc. (Nairobi), M.Sc. PhD. (Liverpool)

Principal, College of Agriculture and Veterinary Sciences:

KIAMA, S.G., BVM, MSc (Nairobi), PhD,(Bern)

Principal, College of Architecture and Engineering:

P.M. NGAU, BEd,(KU), MA (Nairobi) PhD,(UCLA)

Principal, College of Biological and Physical Sciences:

B. O. C. ADUDA, BEd, M.Sc Nairobi , PhD, DIC (London)

Principal, College of Education and External Studies:

I.O.JUMBA, B.Sc., M.Sc., PhD. (Nairobi).

Principal, College of Health Sciences:

FREDRICK N.WERE,MBChB,MMed,(Nairobi),MD,FNC,(Australia)

Principal, College of Humanities and Social Sciences:

E. H. N. NJERU, BA, MA (Nairobi), PhD(California)

Director, Graduate School

PROF. LYDIA NJENGA ,B.Sc.,M.Sc.,PhD.(Nairobi)

Director, Open, Distance and Electronic Learning (oDel) Campus

PROF. CHRISTOPHER GAKUU MWANGI,BED.,(Ku),MBA.,(Usiu),,PhD.,(NairobiI)

Deputy Principal, College of Humanities and Social Sciences: Main Campus

PROF. MOHAMUD ABDI JAMA , B.A.,B.Com.,(Nairobi),PhD (Washington)

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Deputy Principal, College of Humanities and Social Sciences: Lower Kabete Campus

P.O.K'OBONYO, B.A., (Makerere),MBA (Nairobi), P.G.Dip .(ESAMI), Ph.D.,(South Carolina)

Deputy Principal, Kenya Science Campus:

H. OCHANDA, M.Sc., (Nairobi), PhD (Warwick).

Deputy Director, Graduate School

PROF. L. D.E. IKAMARI, B.A., M.A., (Nairobi), PhD. (Australia)

Deputy Director, Graduate School

PROF. CHARLES M. MULEI, B.V.M., PhD.,(Nairobi) -

Deputy Director (ODEL Campus)

PROF. HARRIET KIDOMBO, B.A., (Nairobi), M.Sc.,(UK),PhD.,(Nairobi)

Registrar, Administration (Ag.):

MR.GERISHON P.MBUGUA, BSc (Nairobi), Adv, Dip, Hosp.Admin.(KIA)

Registrar, Academic (Ag.):

B. M. WAWERU, B.A. (Nairobi)

Director, Library and Information Services (Ag.):

MUMO ANGELA MBULA, BA, (Nairobi), MA. Lib & Inf.Sc.,(KU)

Registrar, Planning:

B.D. NJUGUNA, BA (Hon) PGDipMC, MA, (Nairobi), MPRSK,MKIM

Finance Officer:

P.K. BUSIENEI, B.Com, MBA, (Nairobi), C.P.A.(K)

Chief Internal Auditor:

PATRICK O.AGUTU,BSc,USIU,MBA,Nairobi,CPAK,AMKIM

IV. CHAIRMAN'S STATEMENT



I am pleased to submit the University of Nairobi Annual Report and Financial Statements for the year ended June 30, 2017. Among other key areas, the University was able to promote the research function, which is a core business through realization of Kshs 2.06 billion from our research partners. The University also continued with its main teaching functions where the student enrolment recorded an all time high of over 80,000 students.

Financial Performance

During the FY 2016/2017, the University registered a surplus of Kshs 582.67 million compared to a surplus of Kshs 473.45 million registered in FY 2015/2016 resulting into accumulated reserve of Kshs 908.52 million compared to accumulated revenue reserve of Kshs 325.85 million in FY 2015/2016. This was derived from total revenue of Kshs 12.96 billion in FY 2016/2017 compared to Kshs 13.52 billion in FY 2015/2016.

Strategic Direction

Our vision remains “a world class University committed to scholarly excellence” as postulated in the 2013-2018 Strategic Plan. This is achieved through the following Strategic Objectives: managing the University efficiently; efficiently offering quality academic programmes; contributing to scientific and technological innovations; and enhancing the competitiveness of the University.


To this end therefore, the University has managed to enhance its visibility both locally and internationally. In January 2017, the University sustained its ranking as the best in East and Central Africa in the World Webometrics ranking.

Future Outlook

The University will continue to implement its 2013 – 2018 Strategic Plan, whose thrust continues to address key national priorities. Further, the University continues to revamp and consolidate its core income generating activities with a view to sustaining its financial performance. As for physical infrastructure, the completion of the University of Nairobi Towers at the main campus is expected to ease the current pressure on physical facilities. An eLearning strategy has also been developed to respond to the growing demand for virtual learning in the Country.

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Finally, I would like to thank the Government for the support it has continued to give in realization of the University's mandate. Allow me to take this opportunity to thank our research partners, alumni and other stakeholders for their support in steering the University through another successful year.



DR. IDLE OMAR FARAH
MSc,(Nairobi),PhD(Uppsala),
Chairman of Council

April 26, 2018

V. REPORT OF THE VICE CHANCELLOR



It gives me much pleasure in presenting the Annual Report and Financial Statements of the University of Nairobi for the year ended June 30, 2017.

The University continues to review its strategy as detailed in the 2013-2018 Strategic Plan to better match capacity to demand. The University will work towards capturing growth opportunities in the market, despite the current not so favorable global economic outlook. The on-going renewal programmes aimed at maintaining a top ranked sustainable

University with attributes of world class-ness will go a long way in sustaining an enduring and valuable scholarly excellence.

The University has embarked on a number of initiatives aimed at enhancing learners' experience on campus. Improving efficiency and customer service has not been overlooked. The students' total population, which forms the bulk of its clientele, is currently in excess of 80,000.

During the financial year 2016/2017, the University reported a surplus of Kshs 582.67 million against a surplus of Kshs 473.45 million in FY 2015/2016. The cumulative surplus as at June 30, 2017 was Kshs 908.52 million against cumulative surplus of Kshs 325.85 million in 2015/2016. The financial performance in the current period was realized in an environment of increased costs of academic programmes, refurbishment of teaching facilities and enhanced personal emoluments based on improved terms and conditions of service. Construction of the University Towers at main campus and Kisumu Campus complex is complete while the construction of School of Pharmacy projects is still ongoing.

The University continues to prudently manage its financial resources. However, as in the previous years, the budget was not matched by Government funding. Expenditure on personal emoluments stood at KShs 8.65 billion while the total Government funding for recurrent expenditure was KShs 6.26 billion, resulting to a shortfall of Kshs 2.39 billion for personal emoluments. This shortfall was bridged by enhanced income-generating activities in various campuses as well as support from the subsidiary company, the University of Nairobi Enterprises and Services Limited (UNES).

At the same time, the University received research grants to the tune of Kshs 2.06 billion during the period. This went a long way in the realization of the University's mission of teaching and research.

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Finally, I would like to express my special thanks to the University community who worked tirelessly to ensure smooth operation of this institution. Going forward, the University intends to continuously look into ways of improving and providing world-class service at all customer service points, not only in the lecture halls but also in other aspects of students' life.



PROF. PETER.M.F. MBITHI,
EBS, IOM BVM,MSc,(Nbi),MVSc,(Saskatchewan),PhD,(Nbi)
Vice Chancellor

April 26, 2018

VI. CORPORATE GOVERNANCE STATEMENT

The University of Nairobi Council is responsible for the overall management and governance of the institution and is accountable to the stake-holders for ensuring that the institution complies with the law and the best practices in Educational Governance and Business Ethics. The Council members are committed to the need to conduct the business and operations of the University with integrity and in accordance with Generally Accepted Standards and endorse the internationally developed principles of good governance.

COUNCIL MEMBER

The Council is appointed in accordance with the Universities Act, 2012 (No. 42 of 2012) and includes among others the Chairman, the Vice-Chancellor and other members. The full Council meets at least four times a year. The members receive all information relevant to the discharge of their obligations in an accurate, timely and clear manner so that they can guide and maintain full and effective control over strategic, financial, operational and compliance issues. Except for direction and guidance on general policy, the Council has delegated authority for conduct of day- to-day business to the Vice Chancellor and the University Executive Board (UEB).The Council nonetheless retains responsibility for establishing and maintaining the institution's overall control of financial, operational and compliance issues as well as implementing strategies for the long term success of the University.

COMMITTEES OF THE COUNCIL

The main standing committees of the Council include;

- Finance and General Purpose Committee
- Audit Committee
- Building Committee
- Statutes Committee

INTERNAL CONTROLS

The University has defined procedures and financial controls to ensure the reporting of complete and accurate accounting information. These cover systems for obtaining authority for major transactions and for ensuring compliance with laws and regulations that have significant financial implications. Procedures are also in place to ensure that assets are subject to proper physical controls and that the institution remains structured to ensure appropriate segregation of duties.

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COMMUNICATION WITH COUNCIL

The University is committed to ensuring that stakeholders and the general public are provided with full and timely information about its performance. This is achieved by the distribution of the University's annual report and the release of notices in the press.

Periodically, there are press releases announcing other major University developments which could be considered important. The Annual Report and Financial Statements are published each year and distributed to the National Assembly.

COUNCIL MEMBERS EMOLUMENTS

The Council Members are paid sitting allowance which is included in the Council expenses in the Annual Report and Financial Statements.

VII. REPORT ON RISK EXPOSURE ASSESSMENT AND THE MANAGEMENT

The University is exposed to a variety of risks that can have financial, operational and compliance impacts on our performance, reputation and legitimacy to operate.

The effective management of risk is therefore critical to supporting the delivery of the University's strategic objectives.

The University's approach to risk management is aimed at embedding a risk-aware culture in all decision-making, and a commitment to managing risk in a proactive and effective manner. This includes the early identification and evaluation of risks, the management and mitigation of risks before they materialize, and dealing with them effectively in the event they do materialize. Major risks such as natural disasters, which cannot be managed using internal controls, are transferred to third parties in the insurance markets, to the extent considered appropriate or possible.

The design, implementation and monitoring of the process of risk management is the responsibility of the University. In this regard, management is accountable to the University Council.

An Internal Audit Department headed by the Chief Internal Auditor and the Audit Committee, chaired by a council member, evaluates and coordinates the management of identified strategic risks, financial and non-financial, faced by the University. Risk management processes are reviewed regularly for continuing relevance and effectiveness. The Strategic Internal Audit Department reports to the Vice Chancellor and the Audit Committee. The Audit Committee reports to the Council.

A report on the risk management process that is being followed, as well as a summary of the risk register and appropriate risk treatment plans, is presented to the Audit and Risk Management Committee and to the Council of the University on a regular basis.

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VIII. REPORT ON CORPORATE SOCIAL RESPONSIBILITY

The University of Nairobi attaches great importance to Corporate Social Responsibility as a sure way of building sustainable partnerships with the community

The university in the year July 2016 to June 2017, worked closely with different organizations to support initiatives aimed at uplifting the standards of living by focusing on areas that create avenues for development.

In this regard the University continually identifies and supports noble causes in the areas of Education, community development, the environment, health, safety and food security

Environmental Sustainability

In the year 2016/2017 the University of Nairobi sponsored and participated in the following activities geared towards conservation of the environment:

- i. The Wangari Maathai Institute for Peace and Environmental Studies' postgraduate students in conjunction with students from Faculty of Agriculture participated in the Climate Change Education workshop held on October 28, 2016 at the University of Nairobi, Upper Kabete Campus.
- ii. The Wangari Maathai Institute for Peace and Environmental Studies through STAKE project conducted a successful two days Participatory Forest Management Course review and piloting on September 12 & 13, 2016 in Njoro Township, Nakuru County. The programme was attended by participants from the Community Forest Associations, Kenya Forest Service and also the area Chief. The course review and piloting was part of the process of developing full course on participatory forest management (PFM) being conducted by the Wangari Maathai Institute in collaboration with the Green Belt Movement and the Kenya Forest Research Institute

Health

In the year 2016/2017 the University participated in the following activities geared towards improving the health and welfare of the community:

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The University of Nairobi joined the rest of the world in commemorating the Worlds' Aids Day. On Thursday 1st December 2016, the entire world commemorated World AIDS Day. The day is important to commemorate the lives lost to HIV/AIDS, inform and educate the public on issues regarding HIV/AIDS, promote stigma reduction towards HIV/AIDS-infected and affected individuals and discuss risk-reduction strategies. The Theme of the Day was "Hands Up for HIV prevention among adolescents and youth", therefore activities of the day concentrated on these groups. The event was held at Kenya Science Campus.

Community outreach

In the year 2016/2017 the University of Nairobi participated in the following activities geared towards community empowerment and helping the less privileged:

- i. The Computer Science Students Association visited the Feed the Children home near Kikuyu Town on Saturday December 10, 2016. The group spent the day understanding the needs of the home, played and fed the children, and presented food stuff and clothes for the children.
- ii. The Wangari Maathai Institute in conjunction with Faculty of Veterinary Medicine conducted a successful community outreach in Baringo County. This was held between November 23 – 25, 2016 where fifteen final Vet students and ten County officers were trained on disaster analysis and needs assessment, participatory response identification matrix (PRIM) and disaster response.
- iii. The School of Mathematics students visited Dagoretti Early Childhood Education Programme center a community based children's home on the 29th October, 2016 as part of giving back to the society. The interaction between the students and the children was so great, some of the activities carried out included cleaning, cooking, playing and most importantly encouraging the children to grow up knowing the past does not determine their future.
- iv. The University of Nairobi Public Relations students on Saturday, October 29, 2016 visited the Children's cancer ward at the Kenyatta National Hospital. The students visited the sick children as part of Corporate Social Responsibility together with their lecturer, Mr. Godfrey Irungu Njega. The students contributed money that will be used to buy diapers for the ailing children. They engaged the young children in singing, dancing, poems, and skits.

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Security and promotion of peaceful coexistence

In the year 2016/ 2017 the University of Nairobi sponsored and participated in the following activities aimed at enhancing security and promoting peaceful coexistence among different communities and religions:

- i. The Wangari Maathai Institute for Peace and Environmental Studies, University of Nairobi, in collaboration with the Global Youth Forum, Kenya Scouts Association (Nairobi County) and Amani Clubs held a fruitful Civic Education Event on October 29, 2016 at the University of Nairobi, Upper Kabete Campus. Dubbed understanding elections and civic responsibility event was well attended by the youth from Nairobi County especially the violence prone areas such as Kibera Slums, Mathare, Kawangware, Kariobangi, Huruma, Dondora, Mkuru Kwa Njenga, Kiambio, Kiamaiko among others and from the Universities. The event targeted influential youth leaders in these regions so as to empower and enable them influence the young people positively in their societies in relation to Elections and Peace Building across the Country.
- ii. The University of Nairobi hosted the 2017 Universities for a Sustainable Culture of Peace and Security on May 24 & 25, 2017 at its main campus. The two day Conference which drew participants from 50 public and private universities had the theme “The Role Of Student Leaders In a Sustainable Culture Of Peace And Security in Kenya.” Speaking during the opening ceremony, Prof. Judith Bahemuka the UNESCO/UNITWIN Chair, who were the organizers of the Conference, noted that the universities have been recognized as fore in promoting a culture for peaceful co-existence and to ensure that the community has responsible citizens. Universities are central to peace building and sustainable security through engagement in critical research that bridges the gap between research, policy and practice and the development of a curriculum to address peace and security.

IX. REPORT OF THE UNIVERSITY COUNCIL

The University Council submits its report together with the Financial Statements for the year ended June 30, 2017, which show the state of the University's affairs.

Core business of the University of Nairobi

The Core business of the University is provided for in the Universities Act, 2012. The functions and objects of the University are:

- a. To provide directly or in collaboration with other institutions of higher learning, facilities for University education, including technological and professional, education and for research;
- b. To participate in the discovery, transmission and preservation of knowledge and to stimulate the intellectual life and cultural development of Kenya;
- c. To conduct examinations for and to grant such academic awards as may be provided for in statutes;
- d. Subject to the Universities Act, to cooperate with the Government in planned development of university education and, in particular, to examine and approve proposals for new faculties, new departments, new degree courses, or new subjects of study submitted to it by any constituent college or other post-secondary institution; and
- e. To determine who may teach and what may be taught and how it may be taught in the University.

Results

The results for the year ended June 30, 2017 are set out on pages 33 to 82.

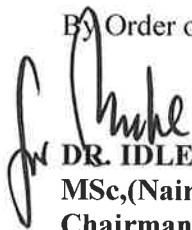
Council Members

The members of the University Council who served during the period are shown on page 4. During the year 2016/2017 Dr. Idle Omar Farah the council chair, retired.

Auditors

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

By Order of the University Council



DR. IDLE OMAR FARAH
MSc,(Nairobi),PhD(Uppsala),
Chairman of Council

April 26, 2018

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STATEMENT OF COUNCIL RESPONSIBILITIES

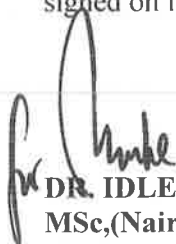
The University of Nairobi Council is required to prepare statements, which give a true and fair view of the state of affairs in the University as at the end of each quarter and of its surplus or deficit for that period. The Council is required to ensure that the University maintains proper accounting records which disclose, with reasonable accuracy, the financial position of the University. The University Council is also responsible for safeguarding the assets of the University.

The University Council accepts responsibility for the financial statements, which have been prepared using appropriate accounting policies supported by reasonable and prudent judgments and estimates, consistent with previous years and in conformity with The International Public Sector Accounting Standards (IPSAS). The University Council is of the opinion that the financial statements give a true and fair view of the state of the financial affairs of the University as at June 30, 2017 and of its surplus/deficit for the period then ended. The University Council further confirms the accuracy and completeness of the accounting records maintained by the University, which have been relied upon in the preparation of the financial statements, as well as on the adequacy of the system of internal financial control

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

Approval of the financial statements

The University of Nairobi's financial statements were approved by the University Council and signed on its behalf by:



DR. IDLE OMAR FARAH
MSc,(Nairobi), PhD(Uppsala),
Chairman of Council

April 26, 2018



PROF. PETER.M.F. MBITHI
EBS, IOM, BVM,MSc,(Nrbi), MVSc,(Saskatchewan), PhD,(Nrbi)
Vice-Chancellor

April 26, 2018

X. MANAGEMENT DISCUSSION AND ANALYSIS

UNIVERSITY'S OPERATIONAL AND FINANCIAL PERFORMANCE

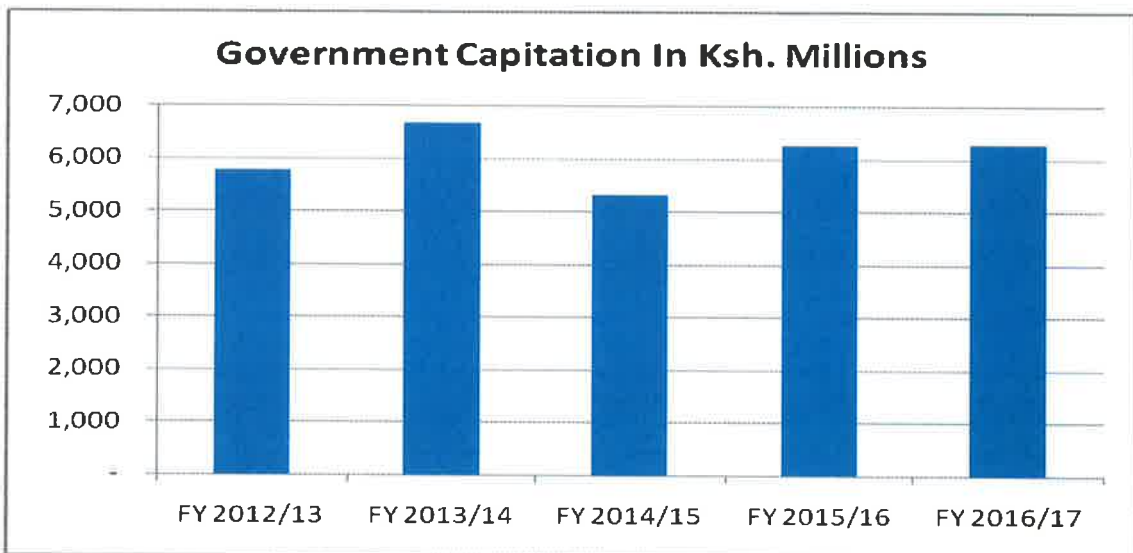
During the year 2016/2017, the University registered a surplus of Kshs 582.67 million compared to a surplus of Kshs 473.45 million registered in 2015/2016 resulting into accumulated reserve of Kshs 908.52 million compared to accumulated revenue reserve of Kshs 325.85 million in 2015/2016. This was derived from total revenue of Kshs 12.96 billion in 2016/2017 compared to Kshs 13.52 billion in 2015/2016.

REVENUES

Government Capitation

The University of Nairobi being a government owned entity receives Recurrent and Development Capitation to Finance its operations.

Government funding in the last five years was insufficient to finance university activities and catered for 33% of the budget, translating to 67% of the payroll costs. The government capitation in 2014-2015 FY was reduced by more than KES 1 billion.

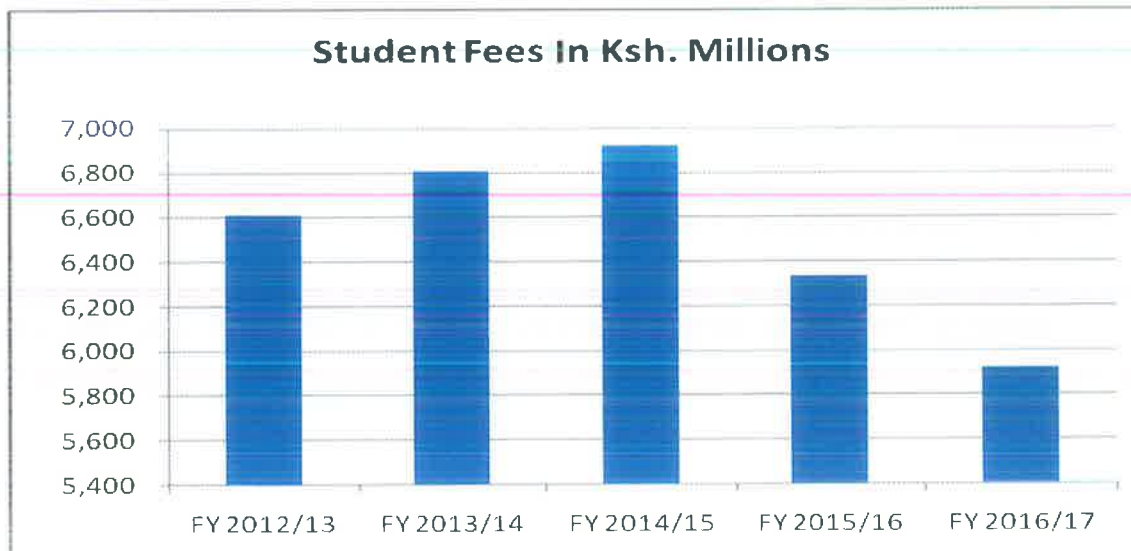


The funding gap in capitation can be attributed to the establishment of a huge number of universities chartered by the government since 2013. The new dispensation is characterized by stiffer competition for students, funding and staff.

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Student Fees

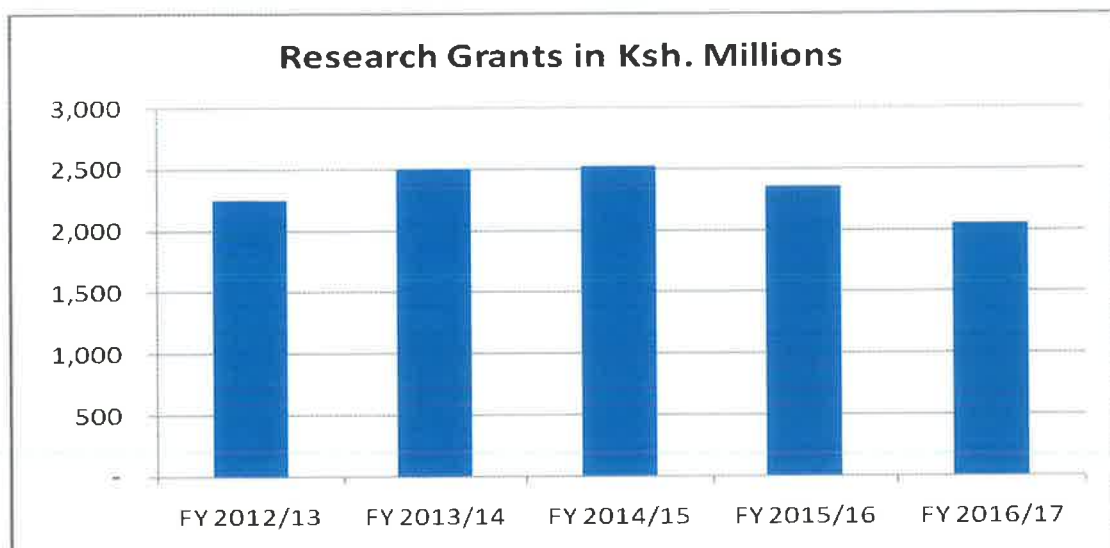
These comprise of fees from government sponsored students and Self sponsored Students (Module II) and accounts for about 40% of the total Revenue. The fee from Module II students has been on the decline.



The decline of Module II fees revenue is attributed to a decline in student enrolment, accelerated intake in previous years for integrated programmes, which has now normalized, change of term dates for students in School of Education, industrial action by staff affecting admissions and semester schedules.

Research Grants

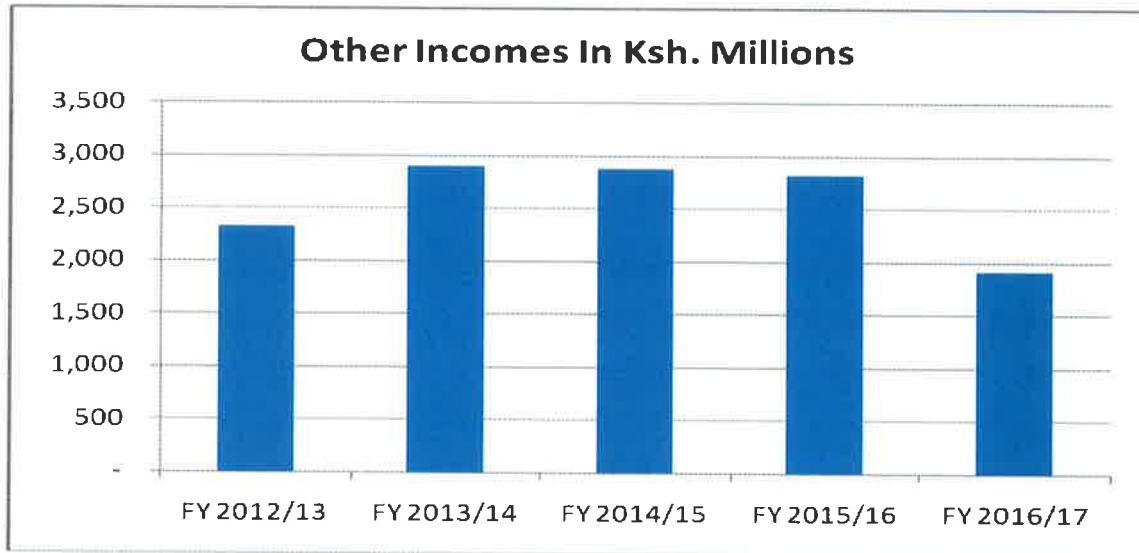
The University has a vibrant Research culture, providing leadership in creativity and innovation. The University continues to attract Research grants and in the FY 2016/2017 the received Research grants was to the tune of Ksh.2.062billion.



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Other Incomes

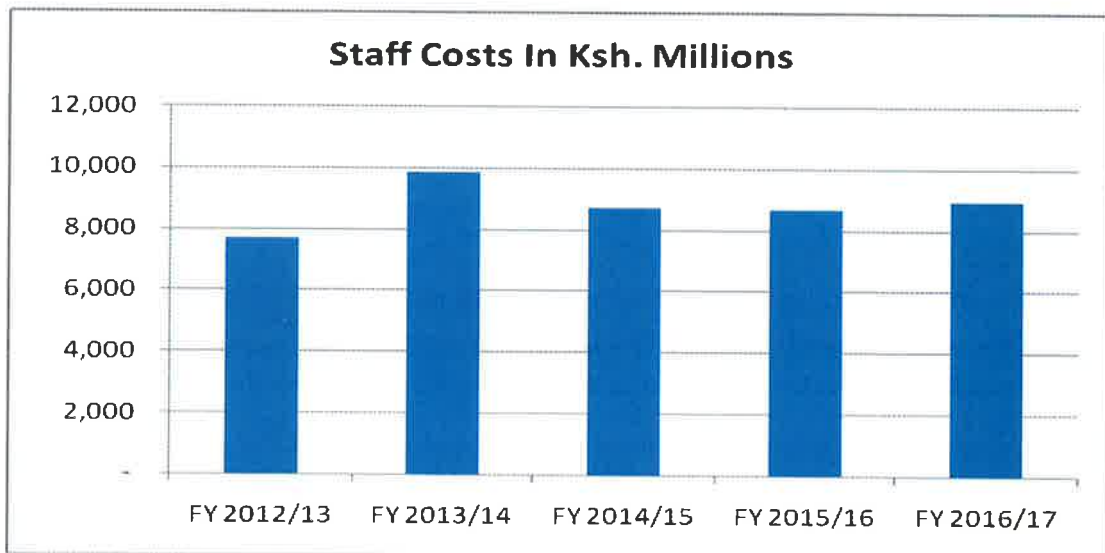
Included under this category are revenues from Accommodation and Catering services. Income Generating Units, Investment Income, Donations, Dividends from Subsidiary (UNES Ltd), Research grants administrative overhead Charges and Rental Income.



EXPENSES

Staff Costs

Staff costs account for about 52% of the total University expenditure. The Net Recurrent Capitation from Government has over the years financed 68% of the payroll costs leaving the University to reallocate 32% from its internally generated revenues to bridge the payroll funding gap. This means the Management is usually left with insufficient funds from the AIA to finance Operations and Maintenance expenses. In the year 2016/2017 GoK remitted Kshs.521 million monthly against the University wage bill of Kshs.770 Million per month.



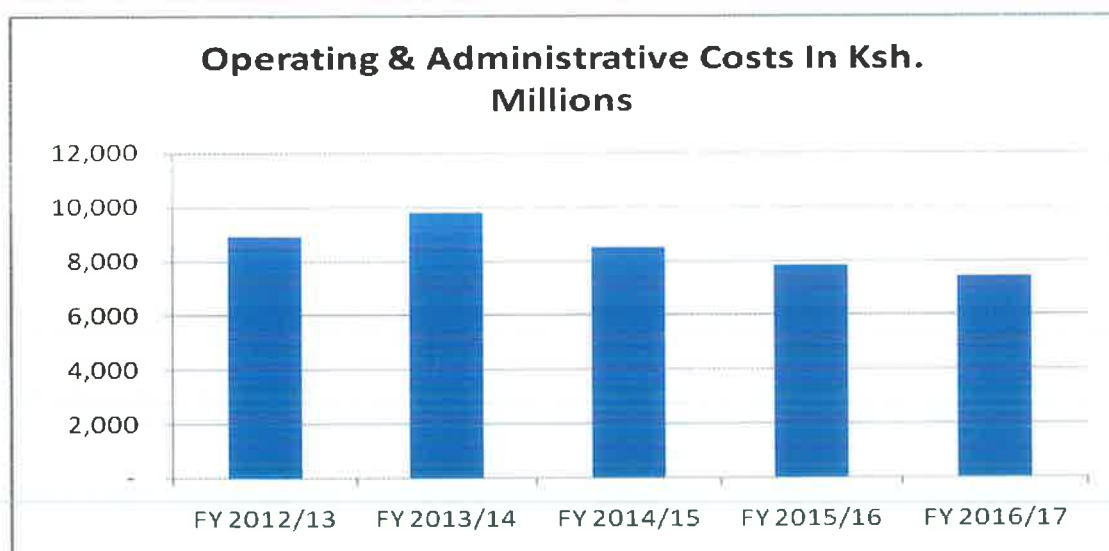
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In the 2012-2013 FY, the 2013-2014 FY and the 2015-2016 FY expenditure on personal emoluments increased substantially due to the implementation and payment of CBA arrears.

Operating and Administrative Expenses

This accounts for about 44% of the total expenditure. Included under this category are:

- i. Expenditure relating Research grants Projects
- ii. Expenditure on Income Generating Activities
- iii. Repair and Maintenance Expenses
- iv. Teaching and Office running expenses.
- v. Transport and travel
- vi. ICT expenditure



Direct Service Providers Payments.

This relates to payments made to faculty who do extra teaching load to Module II and III students attending classes in the evenings including weekends as well as science based students who are integrated with Government sponsored students. The payment is pegged on the actual fees collections from self sponsored students which have dropped.

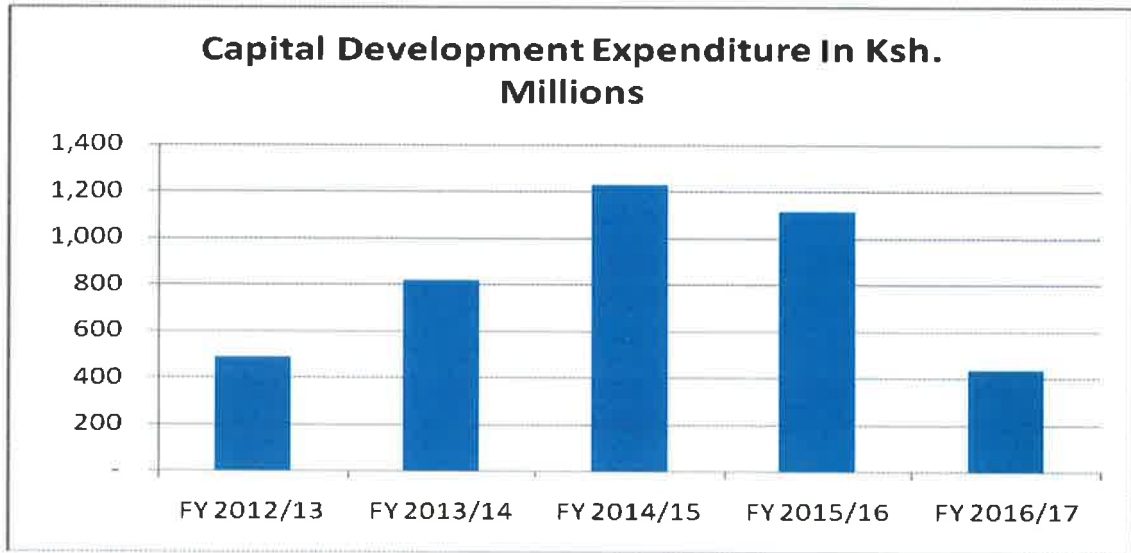
The direct service providers' payments dropped from FY 2014/2015 due to reduced payment rates for DSPs coupled with an overall decline in self-sponsored student revenues.

Capital Development Expenditure.

The growth in capital expenditure over the years was as a result of the development or acquisition of these teaching facilities: the Uni-Plaza Mombasa Campus, the University of

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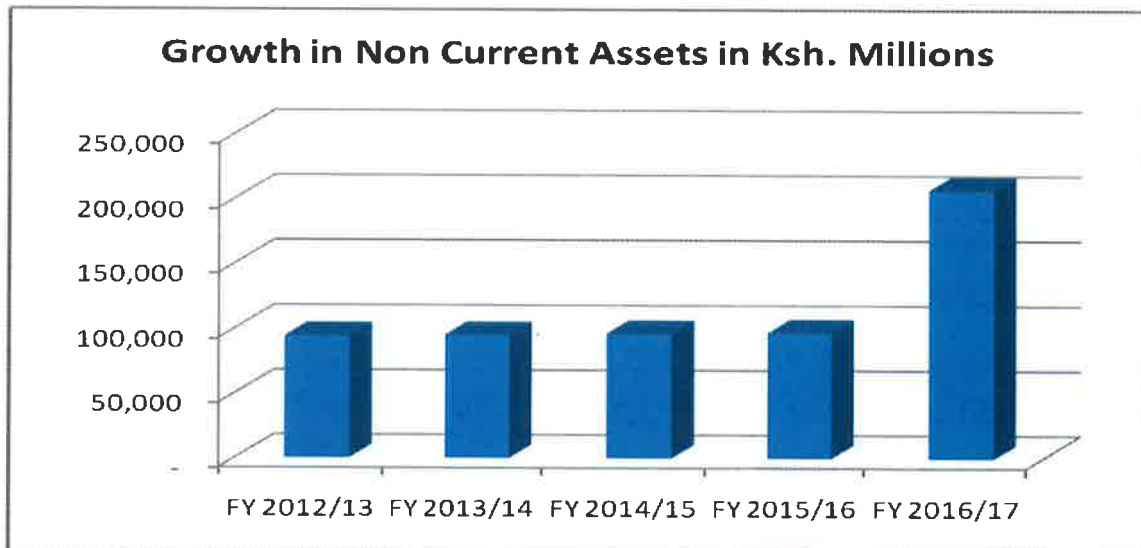
Nairobi Towers, the Kisumu Campus Complex, and the School of Pharmacy Building among others.



Due to the decline in the Internally Generated revenues and inadequate government Capitation, most of the projects scheduled for construction have been put on hold. This explains the decline in Capital Development Expenditure in the FY2016/2017.

Assets Base

The Campuses of the university are strategically located within the City of Nairobi and in the Satellite locations. There is a well developed state of the art physical infrastructure that includes lecture halls, teaching and research laboratories, demonstration farms, student amenities as well as sports and health facilities. There is also an established network of extra mural centers countrywide.

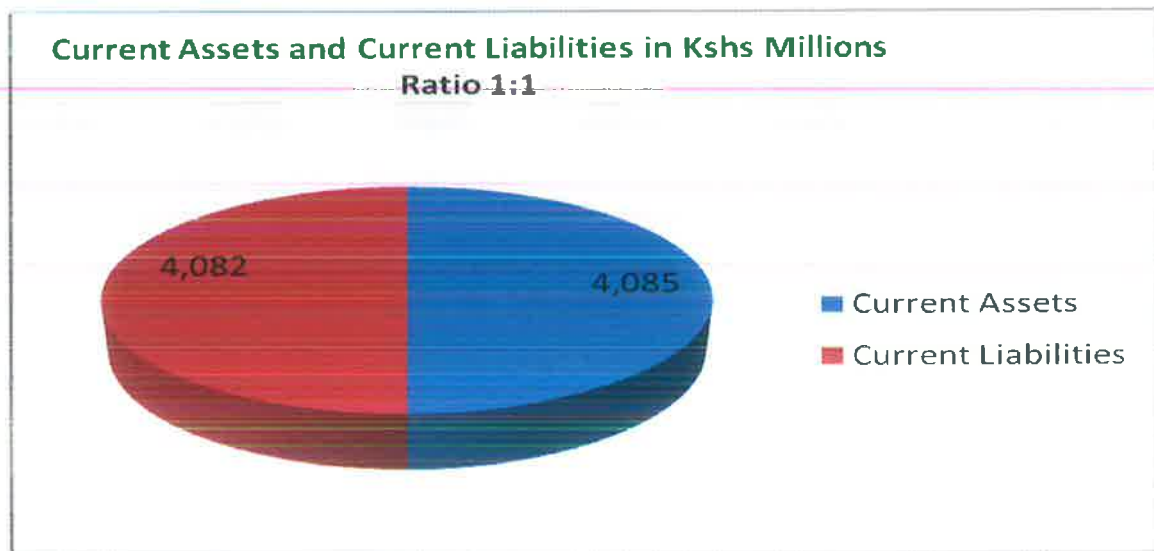


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The revaluation of Land and Buildings in the FY 2016/2017 has seen the University's Non Current Asset move from Kshs.96.94 Billion in the FY 2015/2016 to Ksh.206.85 Billion in FY 2016/2017.

Liquidity Position

In terms of liquidity, the short –term assets are adequate to cover the short term liabilities as represented by a current ratio of 1.1 in FY 2016/2017 Financial Statements.



Challenges

Several changes have happened in the external and internal environments of the University, which may influence this short-term implementation plan. These are outlined below.

External Environment

This is a summary of significant changes in the external environment.

Competition

The Government of Kenya recently gazetted new public universities in the country, raising intense competition in the higher education sector in the country. The new as well as the old players in the sector have opened campuses and learning centres all over the country thereby reducing the market catchment areas for the University of Nairobi.

Regulatory environment

Regulations of the higher education sector have changed. Universities are now required to operate within guidelines set by the regulators. Conforming to these regulatory requirements often has meant heavy capital expenditure, which is putting additional strain on the

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universities' budgets. A failure to meet regulatory requirements has led to closing some universities' campuses or to halting students' intake. This trend of increased regulation is expected to continue.

Quality, relevant education and more research

The demand for quality and relevant university education has become more persistent, while there has been a mounting feeling that universities are not undertaking enough research. Consequently, more research output is expected from these institutions.

Funding

Funding from the government has consistently fallen below the requirements of the universities, which are under pressure to raise resources to finance their operations. The situation is acute in the University of Nairobi where the monthly Exchequer subvention is insufficient to cover the monthly wage bill. As a result, salaries are paid only after mobilizing additional money from internal sources, leaving very little income to finance operations. There is an urgent need to rethink financing the university as austerity measures and cost-cutting containment may not fully solve the problem.

KCSE results

The 2016 KCSE results saw a total of 89,000 scoring C+ and above. This has adverse implications for enrolment, especially for the Module II Programmes because all these students were absorbed by the public Universities.

Internal Environment

This is a summary of significant changes in the internal environment.

Unplanned university closures

It is essential that university operations continue without interruptions, but closures of the university occasioned by staff or student indiscipline do occur, though they should not occur, as they disrupt academic programmes, dent the image of the university and interrupt revenue inflows.

Ageing staff

With the implementation of the Government's circular on retention in service of officers beyond the mandatory retirement age, the university is likely to experience a challenge of retaining services of experienced Academic Staff.

Human resources issues

To address the challenge of a huge wage bill that is not matched by Government funding, the university management operationalized the Government circular on post retirement contract.

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Strategic Direction

In order to address the above challenges, the University in its short term Implementation Plan for the years 2016/2017 and 2017/2018 has come up with the following identified Strategic Objectives;

- i. To produce holistic, quality and relevant graduates in diverse fields
- ii. Rationalise enrolment of students in different programmes
- iii. Upscale access to quality education and training through increased adoption of educational technology
- iv. Enhance the growth of postgraduate students
- v. Enhance internationalization of the university
- vi. Enhance the throughput of the teaching and learning system
- vii. Improve brand visibility of the university
- viii. Create an awareness in prospective students and business communities
- ix. Enhance customer experience in the university
- x. Actively engage the alumni
- xi. Enhance public relations programmes
- xii. Ensure the university community have appropriate utilities and amenities
- xiii. Upgrade the research infrastructure in flagship projects
- xiv. Ensure faculty and staff have appropriate facilities and tools
- xv. Develop and implement a programme for succession planning
- xvi. Derive increased value from “identified” landed assets
- xvii. Institute effective cost-containment and expenditure controls
- xviii. Grow income from new streams
- xix. To demonstrate leadership in research and innovation through creation, preservation, application and dissemination of knowledge

XI. REPORT OF THE AUDITOR GENERAL

We have audited the accompanying (consolidated) financial statements of the University of Nairobi for the year ended June 30, 2017, which comprise:

- (i) a statement of financial performance;
- (ii) a statement of financial position;
- (iii) a statement of changes in net assets;
- (iv) a statement of cash flows;
- (v) a statement of comparison of budget and actual amounts and
- (vi) a summary of significant accounting policies and other explanatory information.

Management's responsibility for the financial statements

The University of Nairobi Management is responsible for the preparation and fair presentation of the financial statements in accordance with International Public Sector Accounting Standards (IPSAS), PFM Act 2012 and for such internal control as the management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' responsibility

Our responsibility is to express an opinion on the financial statements based on our audit. We conducted our audit in accordance with the International Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain 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 auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, 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 entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

UNIVERSITY OF NAIROBI
Annual Report and Financial Statements
For the year ended June 30, 2017.

Opinion

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the entity as at June 30, 20XX, and its financial performance as well as cash flows for the year then ended in accordance with International Public Sector Accounting Standards (IPSAS) and the requirements of the PFM Act 2012.

Auditor General

Date

REPUBLIC OF KENYA

Telephone: +254-20-342330
Fax: +254-20-311482
E-mail: oag@oagkenya.go.ke
Website: www.oagkenya.go.ke



P.O. Box 30084-00100
NAIROBI

OFFICE OF THE AUDITOR-GENERAL

REPORT OF THE AUDITOR-GENERAL ON UNIVERSITY OF NAIROBI FOR THE YEAR ENDED 30 JUNE 2017

REPORT ON THE FINANCIAL STATEMENTS

Qualified Opinion

I have audited the accompanying financial statements of University of Nairobi set out on pages 33 to 75, which comprise the statement of financial position as at 30 June 2017, and the statement of financial performance, statement of changes in net assets and 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 effects of the matter described in the Basis for Qualified Opinion section of my report, the financial statements present fairly, in all material respects, the financial position of University of Nairobi as at 30 June 2017, and of its financial performance and its cash flows for the year then ended, in accordance with International Public Sector Accounting Standards (Accrual Basis) and comply with the Universities Act, No. 42 of 2012 of the Laws of Kenya.

In addition, as required by Article 229(6) of the Constitution, except for the matter described in the Basis for Qualified Opinion section of my report, based on the procedures performed, I confirm that, nothing has come to my attention to cause me to believe that public money has not been applied lawfully and in an effective way.

Basis for Qualified Opinion

Property Plant and Equipment

As previously reported, the property, plant and equipment balance of Kshs.211,589,389,000 as at 30 June 2017 includes two parcels of land, LR. No. 11645 at Kenya Science Campus and LR. No. 22378 in Upper Kabete, all valued at Kshs.1,412,500,000 whose ownership documents have not been availed for audit verification. Although management has indicated that the title documents for the two parcels of land are being pursued with the relevant Ministry, it is not clear if and when the documents will be obtained. In the circumstances, the accuracy, validity and ownership status of the property, plant and equipment balance of Kshs.211,589,389,000 as at 30 June 2017 could not be confirmed.

Report of the Auditor-General on the Financial Statements of University of Nairobi for the year ended 30 June 2017

The audit was conducted in accordance with International Standards of Supreme Audit Institutions (ISSAIs). I am independent of University of Nairobi in accordance with ISSAI 30 on Code of Ethics. I have fulfilled other ethical responsibilities in accordance with the ISSAI and in accordance with other ethical requirements applicable to performing audits of financial statements in Kenya. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my qualified opinion.

Key Audit Matters

Key audit matters are those matters that, in my professional judgment, are of most significance in the audit of the financial statements. Except for the matter described in the Basis for Qualified Opinion section of my report, I determine that there were no Key Audit Matters to communicate in my report.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

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 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.

In preparing the financial statements, management is responsible for assessing the University's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the applicable basis of accounting unless the management either intends to liquidate the University's or to cease operations, or have no realistic alternative but to do so.

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.

Those charged with governance are responsible for overseeing the University's financial reporting process.

Auditor-General's Responsibilities for the Audit of the Financial Statements

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.

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances and for the purpose of giving an assurance on the effectiveness of the University's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the management.
- Conclude on the appropriateness of the management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the University's ability to continue as a going concern or to sustain its services. If I conclude that a material uncertainty exists, I am required to draw attention in the auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my audit report. However, future events or conditions may cause the University's to cease as a going concern or to continue to sustain its services.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information and business activities of the University's to express an opinion on the financial statements.
- Perform such other procedures as I consider necessary in the circumstances.

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

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



FCPA Edward R. O. Ouko, CBS
AUDITOR-GENERAL

Nairobi

10 May 2018

UNIVERSITY OF NAIROBI
Annual Report and Financial Statements
For the year ended June 30, 2017.

**XII. STATEMENT OF FINANCIAL PERFORMANCE FOR THE YEAR
ENDED JUNE 30, 2017**

	Note	2016/2017 Kshs'000	2015/2016 Kshs'000
Revenue from non-exchange Transactions			
Capitation Grant	18	6,260,416	6,202,627
Deferred Income	19	30,538	-
CBA Pension Capitation	21	151,302	151,302
		6,442,256	6,353,929
Revenue from exchange Transactions			
Tuition and other fees module 1	22	565,597	604,312
Tuition and other fees module 11	23	5,253,206	5,729,984
Accreditation fees	24	900	900
Other services rendered	25	444	27,171
Accommodation ,Catering and other income	26	649,675	726,664
Grants Overheads charges and other income	27	47,304	80,106
		6,517,126	7,169,137
Total Revenue		12,959,382	13,523,066
Expenses			
Academic Departments	28	6,539,654	6,625,114
Administration and Central Services	29	2,369,243	2,561,140
Academic services	30	294,007	287,671
General educational services	31	898,504	1,102,720
Maintenance of premises	32	516,036	488,339
Staff and students facilities and welfare	33	312,399	328,483
Student Welfare authority	34	307,312	225,004
Miscellaneous expenditure	35	24,162	21,279
Council Expenses	36	22,292	9,898
Centre for Self Sponsored programs	37	1,093,506	1,402,691
Total Expenses		12,377,115	13,052,339
Gains/(losses) on foreign currency exchange		402	173
Gain on Disposal		-	2,552
(Deficit)/Surplus for the period		582,669	473,452
Accumulated Surplus brought forward		325,852	(147,600)
Accumulated Surplus Carried forward		908,521	325,852

The notes set out on pages 42 to 74 form an integral part of the Financial Statements

UNIVERSITY OF NAIROBI
Annual Report and Financial Statements
For the year ended June 30, 2017.

XIII. STATEMENT OF FINANCIAL POSITION AS AT JUNE 30, 2017

		2016/2017 Kshs'000	2015/2016 Kshs'000
ASSETS	Note		
Current Assets			
Cash and Cash Equivalents	38	574,660	778,598
Short Term Deposits	39	122,213	186,060
Trade and Other Receivables	40	3,023,740	1,827,512
Inventories	41	364,877	267,654
		4,085,490	3,059,824
Non Current Assets			
Property, Plant & Equipment	42	211,589,389	96,819,417
Investments	43	98,980	125,600
Intangible Assets	44	91	114
Trade and Other Receivables	40	-	781,349
		211,688,460	97,726,480
Total Assets		215,773,950	100,786,304
Liabilities			
Current Liabilities			
Trade and Other Payables	45	3,143,335	2,164,395
Bank Over Draft	46	939,009	589,544
		4,082,344	2,753,939
Non-Current Liabilities			
Special Accounts and Grants	47	1,555,953	1,710,609
Trust and Endowment funds	48	222,612	223,374
Endowment for General Purposes	49	16,181	16,181
		1,794,746	1,950,164
Total Liabilities		5,877,090	4,704,103
Net assets		209,896,860	96,082,201
General Fund	50	16,277,508	94,749,083
Funds from IGUs	51	(290,500)	(134,606)
Capital Reserves	52	192,659,388	1,116,494
Special Capital Development	53	25,378	25,378
Revenue Reserves	54	908,521	325,852
Koitalel Samoei University Fund	55	316,565	-
		209,896,860	96,082,201
Total Funds and Liabilities		215,773,950	100,786,304

UNIVERSITY OF NAIROBI
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For the year ended June 30, 2017.

The Financial Statements set out on pages 33 to 82 were signed on behalf of the Council by:



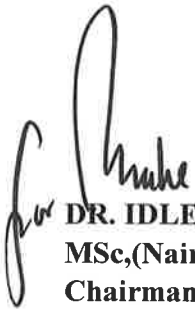
PETER K. BUSIENEI
ICPAK Member Number 2416
Finance Officer

April 26, 2018



PROF. PETER.M.F. MBITHI
EBS, IOM, BVM, MSc, (Nrbi), MVSc, (Saskatchewan), PhD, (Nrbi),
Vice-Chancellor

April 26, 2018



DR. IDLE OMAR FARAH
MSc, (Nairobi), PhD (Uppsala),
Chairman of Council

April 26, 2018

UNIVERSITY OF NAIROBI
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For the year ended June 30, 2017.

XIV. STATEMENT OF CHANGES IN NET ASSETS FOR THE YEAR ENDED JUNE 30, 2017

	IGU'S and UNES Funds Kshs'000	General Fund Kshs'000	Koitalel Samoei University Fund Kshs'000	Special Capital Developme nt Fund Kshs'000	Capital Reserve Kshs'000	Revenue Reserve Kshs'000	Total Kshs'000
Balance as at 1/7/2015	4,584,287	94,786,408	-	25,378	1,228,153	(147,600)	100,476,627
Surplus for the year	-	-	-	-	-	473,452	473,452
Capital Grants from Donors	-	16,264	-	-	-	-	16,264
Capital Development Receipt	-	30,538	-	-	-	-	30,538
Depreciation on Research Grants Assets	-	(27,105)	-	-	-	-	(27,105)
Depreciation on Donated Assets	-	(28,241)	-	-	-	-	(28,241)
Decrease in IGU Fund	(4,718,893)	-	-	-	-	-	(4,718,893)
Decrease in General Fund	-	(28,782)	-	-	-	-	(28,782)
Increase in Capital Reserve	-	-	-	-	(111,659)	-	(111,659)
Balance as at 30/6/2016	(134,606)	94,749,083 (Restated)	- (Restated)	25,378	1,116,494 (Restated)	325,852	96,082,201
Balance as at 1/7/2016	(134,606)	16,194,489	200,000	25,378	79,671,088	325,852	96,282,202
Increase on revaluation	-	-	-	-	112,988,300	-	112,988,300
Special Capitalisation Receipt	-	-	105,000	-	-	-	105,000
Special Donations	-	101,467	-	-	-	-	101,467
Surplus for the period	-	-	-	-	-	582,669	582,669
Transfer to income	-	(30,538)	-	-	-	-	(30,538)
Capital Development Receipt	-	52,524	-	-	-	-	52,524
Donated Assets-Research Grants	-	18,341	20,000	-	-	-	38,341
Depreciation on Donated Assets	-	(28,241)	-	-	-	-	(28,241)
Depreciation on Research Grants Assets	-	(30,535)	-	-	-	-	(30,535)
Increase in IGU Fund	(155,894)	0	-	-	-	-	(155,894)
Expenditure	-	-	(8,435)	-	-	-	(8,435)
Balance as at 30/6/2017	(290,500)	16,277,508	316,565	25,378	192,659,388	908,521	209,896,860

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XV. STATEMENT OF CASH FLOWS FOR THE YEAR ENDED JUNE 30, 2017

		2016/2017 Kshs'000	2015/2016 Kshs'000
Cash flows from operating activities			
Receipts	Note		
Capitation Grant	18	6,260,416	6,202,627
Special Grant (Development & Koitalel)	19	-	230,538
Deferred Income	19	181,840	-
Tuition I fees & other incomes	22	565,597	604,312
Module II fees & other incomes	23	5,253,205	5,729,984
Accreditation fees	24	900	-
Other services rendered	25	444	28,071
Accommodation, Catering & other income	26	650,575	726,664
Grants Overheads & other income	27	47,304	80,106
		12,960,281	13,602,302
Payments			
Academic Departments	28	6,539,654	6,209,595
Administration & Central Services	29	2,369,243	1,935,032
Academic services	30	294,007	287,671
General educational services	31	898,504	1,102,720
Maintenance of premises	32	516,036	488,339
Staff & students facilities & welfare	33	312,399	328,483
Students Welfare authority	34	307,312	225,004
Miscellaneous expenditure	35	24,162	21,279
Council Expenses	36	22,292	9,120
Centre for Self-Sponsored Programmes	37	1,093,506	1,402,691
		12,377,115	12,000,814
Net cash flows from operating activities		583,166	1,601,488
Cash flows from investing activities			
Proceeds from sale of motor vehicles		-	2,552
(Increase) /Decrease in receivables	45	(414,879)	-
(Increase) /Decrease in inventories	41	(97,223)	-
(Loss) /Gain on foreign currency exchange		402	-
Cost of property, plant, equipment	42	(902,065)	(1,332,238)
(Increase)/Decrease in investments	43	26,620	(7,108)
Decrease in non current payables		-	(1,101,511)
Net cash flows used in investing activities		(1,387,145)	(2,438,305)
Cash flows from financing activities			
Increase /(Decrease) in payables	45	1,172,986	-
Increase /(Decrease) in Funds	50-55	(636,792)	-
Net cash flows from financing activities		536,194	-
Net increase/(Decrease) in cash and cash equivalent		(267,785)	(836,817)
Analysis of Balances of Cash and Cash Equivalents			
Cash and cash equivalent at start of the period		964,658	1,801,475
Increase(Decrease) in cash and cash equivalents		(267,785)	(836,817)
Cash and cash equivalents at end of period	38&39	696,873	964,658

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XVI. STATEMENT OF COMPARISON OF BUDGET AND ACTUAL AMOUNTS FOR YEAR ENDED JUNE 30, 2017

	Original Budget	Adjustments	Final Budget	Actual	Variance
	2016/2017	2016/2017	2016/2017	2016/2017	2016/2017
	Kshs '000	Kshs '000	Kshs '000	Kshs '000	Kshs '000
Revenue					
Internally Generated Revenue	7,025,663	(450,197)-	6,575,466	5,818,803	(756,663)
Government Grants - Recurrent	6,260,416	-	6,260,416	6,260,416	-
Government Grants - Development	54,750	-	54,750	52,524	(2,226)
Grants, Dev't Partner - Dev't	400,000	-	400,000	151,302	(248,698)
Grants, Dev't Partner - Recurrent	2,635,442	-	2,635,442	2,062,015	(573,427)
Government Grants – Koitalel Samoei University College	-	375,000	375,000	125,000	(250,000)
Other Incomes Recurrent (IGUs, Agency fees, Press, Rentals)	1,748,611	100,000	1,848,611	1,525,778	(322,833)
Total Revenue	18,124,882	24,803	18,149,685	15,995,839	(2,153,846)
Expenses					
Personnel Emoluments	9,709,613	-	9,709,613	8,651,526	1,058,087
Direct Service Providers Module II	1,227,644	(90,039)	1,137,605	845,374	294,231
Other Recurrent Exp-IGUs	681,773	(132,096)	549,677	1,003,628	(453,951)
Boards Expenses	15,857	-	15,857	22,292	(6,435)
Operating/ Administrative Expenses	2,404,348	154,488	2,558,836	2,436,783	122,053
External Research Grants	1,831,662	-	1,831,662	2,216,671	(385,009)
Repairs and Maintenance	103,650	(36,380)	67,270	94,296	(27,026)
Finance charges	56,413	69,992	126,405	137,789	(11,384)
Depreciation	550,000	-	550,000	199,489	350,511
Purchase of Motor Vehicles	50,806	-	50,806	36,901	33,905
Purchase of Plant and Equipment	94,331	(45,804)	48,527	88,799	(40,272)
Capital Development-WIP	1,158,964	(245,357)	913,607	738,343	175,264
Purchase of Computers	239,820	(25,000)	214,820	58,022	156,798
Koitalel Samoei University College	-	375,000	375,000	8,435	366,565
Total Expenses	18,124,882	24,803	18,149,685	16,507,914	1,633,337

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1. EXPLANATION OF MATERIAL VARIANCES ON THE STATEMENT OF COMPARISON OF BUDGET AND ACTUAL AMOUNTS

REVENUE

Revenue Collection for the period July 2016 to June 2017 is below the target by Ksh 2.15 billion due to the following reasons:

I. Internally Generated Revenue

Revenue from Self Sponsored Students has been on the decline because admission has gone down, as well as inability to pay fees by students. Work boycotts and closure of the university due to students' unrest affected the Academic Programmes.

II. Research Grants

The University had budgeted to receive **Ksh.2.64** billion through Research Grants but only **Ksh.2.06** billion was received in the year. This is because three major projects (namely Prime Kenya, Maternal Newborn Child Health, and Linked Mental Health) came to an end in August 2016, while two other major projects (Partnership Centre of Excellence in Advance Care and Treatment, and Central Kenya Response Inter Project) came to an end in September 2016.

III. Other Incomes.

This constitutes income from College based Income Generating Units (IGUs) and Research Grants Administrative Charges. The actual income was below the target due to disruption of college based programmes arising from several industrial unrest in the year and low Research Grants Administrative overhead charges.

EXPENSES

In overall, the actual total expenditure is below the target for the period by Kshs 1.63 billion. The following is the explanation of the variances.

I. Personnel Emoluments.

The actual personnel Emoluments were below the Budget due to:

- i. Reduction on staff on post retirement Contracts
- ii. Freeze on employments and promotions
- iii. Non renewal of contracts for staff except in critical areas.

II. Direct Service Provider

This relates to payments made to faculty who do extra teaching load to Module II and III students attending classes in the evenings including weekends as well as science based students who are integrated with Government sponsored students. The actual payment was below the budget since its pegged on the actual fees collections from self sponsored students which has dropped.

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III. Expenditure on Income Generating Units

IGU Expenses were higher arising from expenditure incurred by Colleges awaiting reimbursement from CESSP for the payment of rent for teaching space, teaching and office expenses, student activities and maintenance costs.

IV. Board /Council Expenses

Board expenses were above target due to inclusion of the vice chancellor's emoluments following reclassification from personnel emoluments to council expenses but which had been budgeted for under personnel emoluments.

V. Operating/ Administrative Expenses

The operating and administrative expenses were below budget due to austerity measures put in place.

VI. Expenditure on External Research Grants

The variance on Expenditure on External Research grants is attributed to the unspent balance on the funds brought forward from the FY 2015/2016.

VII. Finance Charges

The expenditure relates was high due to the interest on Bank overdraft charged to address the timing difference between Capitation remittance and payment of salaries.

VIII. Purchase of Motor Vehicles

Some of the motor vehicles were not purchased due to austerity measures implemented during the year.

IX. Capital Development-Work in Progress

The actual expenditure on Capital Development –Work In Progress was below the budget due to austerity measures implemented.

X. Purchase of Computers

The Computers which are usually procured centrally by the ICT Centre for distribution to Units within the University were not bought due to austerity measures implemented during the year.

2. EXPLANATION OF CHANGES BETWEEN ORIGINAL AND FINAL BUDGET

The difference between the original and final budget is due to an alignment of both Recurrent and Development budgets to ensure they were realistic and line with the approved Ministry's ceilings as per the Ministry of Education's approval letter of 18th May, 2016 Ref:MOEST/CONF/9/17/VOL.IV/70.Both the original and rationalized budgets were approved by the Council on January 22, 2016 and January 31, 2017 respectively.

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3. RECONCILIATION OF ACTUAL ON COMPARABLE BASIS AND THE STATEMENT OF FINANCIAL PERFORMANCE

		2016/2017 Kshs'000	2015/2016 Kshs'000
Revenue	Note		
Total Revenue as per Statement of Financial Performance		12,959,382	13,523,066
Less Deferred Income		30,538	145,852
		12,928,844	13,377,214
ADD Revenues accounted for under Funds			
External Research Grants Receipts	47	2,062,015	2,351,648
Government Grants - Development	50	52,524	30,538
College Based Income Generating Activities	51	827,456	1,502,646
Government Grants – Koitalel Samoei University College	55	125,000	200,000
		3,066,995	3,884,832
Total Revenue as per Statement of Comparison of Budget and Actual Amount		15,995,839	17,262,046
Expenses			
Total Expenses as per Statement of Financial Performance		12,377,115	13,052,339
ADD Development Expenses			
External Research Grants Expenses	47	2,216,671	2,210,184
College Based Income Generating Activities Expenses	51	1,003,628	1,639,758
Koitalel Samoei University College Expenses	55	8,435	-
Purchase of Motor Vehicles	64	16,901	23,313
Purchase of Plant and Equipment	64	88,799	86,012
Capital Development-WIP	64	738,343	1,116,494
Purchase of Computers	64	58,022	105,537
		4,130,799	5,181,298
Total Expenses as per Statement of Comparison of Budget and Actual Amount		16,507,914	18,233,637

The University treats receipts from External Research Grants, Government Development Grants, College Based Income Generating Activities and Government Grants for Koitalel Samoei University College Mentorship as capital revenues hence accounted for under various funds created.

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XVII. NOTES TO THE FINANCIAL STATEMENTS

General Information

The University of Nairobi is established by and derives its authority and accountability from the Universities Act 2012. The University is wholly owned by the Government of Kenya and is domiciled in Kenya. The University's principal activity is to provide University Education and training in addition to participation in discovery, transmission and preservation of knowledge.

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 University of Nairobi'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 appropriately disclosed.

The financial statements have been prepared and presented in Kenya Shillings which is the functional and reporting currency of the University of Nairobi and all values are rounded to the nearest thousand (Kshs'000).

The financial statements have been prepared in accordance with the Public Financial Management Act (PFM) 2012, the State Corporations Act, the University Act and the International Public Sector Accounting Standards (IPSAS). The accounting policies adopted have been consistently applied to all the years presented.

The cash flow statement is prepared using the direct method.

Adoption of New and Revised Standards

IPSAS 33: First time adoption of Accrual Basis IPSAS

The University of Nairobi adopted IPSAS in the year ended June 30, 2014 and therefore provisions of first time adoption of accrual basis do not apply to the university.

IPSAS 34: Separate Financial Statements

The University of Nairobi is a parent company to University of Nairobi Enterprise Limited and University of Nairobi Press Limited and has prepared consolidated financial statements and therefore the standard does not apply.

IPSAS 35: Consolidated Financial Statements

The University of Nairobi has been preparing consolidated financial statements over the years and the application of the new standard IPSAS 35 has no major impact on the financial statements.

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IPSAS 36: Investments in Associates and Joint Ventures

The University of Nairobi has over the years accounted for the shares it holds in other companies and therefore the application of the new standard IPSAS 36 has no major impact on its financial statements.

IPSAS 37: Joint Arrangements

The University does not have an interest in a joint arrangement and therefore the standard does not apply.

IPSAS 38: Disclosure of Interests in Other Entities

The University has interest in University of Nairobi Enterprise limited and University of Nairobi Press limited that are consolidated in these financial statements and therefore the standard does not apply.

Early adoption of standards

The University did not early – adopt any new or amended standards in year 2017

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

1. Changes in accounting policies and estimates

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

Accounting policies are changed only if the change is required by a standard or interpretation or otherwise provides more reliable and more relevant information. These accounting policies have been applied consistently to all periods presented in these financial statements.

When presentation or classification of items in the financial statements is amended or accounting policies are changed voluntarily, comparative figures are restated to ensure consistency with the current period unless it is impracticable to do so.

2. Revenue recognition

Revenue from non-exchange transactions

Revenue from non exchange transactions are mainly Government of Kenya grants for both the recurrent and development expenditure. Revenue is recognized when it becomes due and the transfers are free from conditions and it is probable that the economic benefits or service potential related to the asset will flow the University and can be measured reliably.

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NOTES TO THE FINANCIAL STATEMENTS cont'd

Revenue from exchange transactions

Student Income

Income derived from rendering services includes fees from graduate and undergraduate programs, mandatory students' fees, fees from accommodation and catering services.

Tuition revenue is recognized over the course of the semester for which it is earned, regardless of when it is received.

Mandatory fees such as registration fees, Lab fees, Activity fees, SONU fees and Computer fees relate to services provided by the University over the Course of the semester and similar to tuition, are recognized over the course of semester to which they apply.

Accommodation and Catering services Revenue is recognized during the period in which the students reside on campus and make use of campus residences and dining facilities.

Students' Caution Monies are recognized as liability and separated under Current and Non Current portions in the Statement of Financial Position.

Sales and Services of related Enterprises

Sales and Services of related enterprises such as UNES Ltd and UoN Press are limited to revenues directly from operations of the enterprises.

Sales and Services revenue is recognized when earned, that is, at the time goods or services are provided.

Research Grants

Payments received in advance from sponsors of research projects are reported as deferred income on the statement of financial position until such times as the revenue has been earned, which is when the expense is incurred.

Interest income

Interest Income is recognized when earned using the applicable rate.

Dividends

Dividends or a similar distribution from subsidiary company such as UNES Ltd is recognized when the University's right to receive payments is established.

NOTES TO THE FINANCIAL STATEMENTS cont'd

Rental income

Rental income arising from staff houses and other University premises are recognized when earned arising from occupancy and on a pro rata basis.

Disposal Gains and Losses

Any gain or loss on disposal of property, plant and equipment is recognized at the date the control of the asset is passed on to the buyer and it is determined after deducting from the proceeds the net book value of the asset at the time of disposal.

Revaluation gains and Surpluses

Revaluation decreases are debited first against the revaluation surplus related to the same class of assets and any excess against surplus or deficit. When the revalued asset is disposed of, the revaluation surplus is transferred directly to accumulated surpluses or deficits.

3. Property, Plant and Equipment

Property, Plant and Equipment are stated at cost or revalued amount. The valuation is carried out after every five years. Valuation was done in the current financial year 2016/2017 by registered, licensed and practicing valuers from the Department of Real Estate and Construction Management of the University of Nairobi.

Revaluation is carried out for land and buildings to reflect the service potential or economic benefit obtained through control of the asset. Revaluation is based on the fair value of the asset, with changes reported by class of asset. Accumulated depreciation at revaluation date is eliminated against the gross carrying amount so that the carrying amount after revaluation equals the revalued amount.

Revaluation decreases are debited first against the revaluation surplus related to the same class of assets and any excess against surplus or deficit. When the revalued asset is disposed of, the revaluation surplus is transferred directly to accumulated surpluses or deficits.

Depreciation is charged on a straight-line basis at rates calculated to allocate the cost or valuation of item of property, plant, and equipment over its estimated useful life. Typically, the estimated useful lives of different classes of property, plant, and equipment are as follows:

Furniture and Equipment - 10% on straight line basis

Motor Vehicles - 20% on straight line basis

Academic gowns - 5% on straight line basis

Buildings - 2% on straight line basis

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Computers and software development - 20% on straight line basis

4. Leases

The University has entered into several operating leases with owners of premises for provision of teaching spaces. Since these contracts do not transfer substantially all the risks and benefits incidental to ownership of the leased premises to the University, lease payments are recognized as an operating expense in the statement of performance on a straight-line basis over the lease term.

5. 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 charged to the statement of performance in the period in which the expenditure is incurred.

The useful life of the intangible assets is assessed as either finite or indefinite. Intangible assets are amortized at 20% on a straight line basis.

6. Research Grants

These are donor funds received for research purposes. The funds are accounted for in a separate special fund account.

The Deans Committee Research Grants are funds set aside from University revenue. The uncommitted balance on each research is carried forward until the related research project is completed.

7. Endowment and Trust Fund

Endowment and Trust Fund are funds set-up through special donations, the principal amount being invested and the income accruing being applied to scholarships, academic research, and academic chairs.

The responsibility for accepting, preserving, and managing the funds entrusted to the University rests with the Council; however, the Council has delegated authority for investment decisions to the Investment Committee of the University. The Committee determines investment objectives and guidelines, including allocation of assets between classes of investments.

The University's investment objective for its endowment assets is to maximize total return within reasonable risk parameters. The achievement of favourable investment returns enables the University to distribute increasing amounts from the endowment over time so that present and future needs can be treated equitably. Diversification is a key component of the University's

NOTES TO THE FINANCIAL STATEMENTS cont'd

standard for managing and investing endowment funds, and asset allocation targets are subject to ongoing reviews by the Investment Committee.

Investments are stated at market value in accordance with performance of securities in market and advice from relevant professionals.

8. Financial instruments

Financial assets and Liabilities

Initial recognition and measurement

The University recognizes Receivables on the date when they are originated and derecognizes a financial asset when the contractual rights to the cash flows of the asset expire.

The University derecognizes a financial liability when its contractual obligations are discharged, cancelled or expire.

Financial assets

Receivables

These assets are initially recognized at fair value plus any directly attributable transaction costs. Subsequent to initial recognition, these assets are measured at amortized cost.

Impairment of financial assets

At each reporting date the University assesses whether there is objective evidence that financial assets not carried at fair value through profit or loss are impaired. Financial assets are impaired when objective evidence demonstrates that a loss has occurred after the initial recognition of the asset and that the loss event has an impact on the future cash flows of the asset that can be estimated reliably. Objective evidence that financial assets including equity securities are impaired can include:

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

Short-term deposits

Short-term deposits are made for varying periods depending on the immediate cash requirements of the University. Interest rates are negotiated with the financial institutions to fetch the University the best available returns in the market. Interest earned thereof are recognized in the statement of financial performance.

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NOTES TO THE FINANCIAL STATEMENTS cont'd

Financial liabilities

Initial recognition and measurement

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

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

Loans and borrowing

After initial recognition, interest bearing loans and borrowings are subsequently measured at amortized cost using the effective interest method. Gains and losses are recognized in surplus or deficit when the liabilities are derecognized as well as through the effective interest method amortization process.

9. Use of Estimates and Judgments

In preparing the annual financial statements, the management is required to make estimates and assumptions that affect amounts presented in the Financial statements and related disclosures. Use of available information and application of Judgment is inherent in the formation of estimates. Actual results in the future could differ from these estimates which may be material to the annual financial statements. Significant estimates and judgments include:

- Provisions for gratuity computations
- Useful lives and residual values of property, plant and equipment.

10. Inventory Valuation

Inventories are measured at the lower cost and net realizable value.

The cost of Library books is written off to expenditure as incurred. Cost of work in progress and finished goods includes raw materials and direct labour costs.

11. Employee benefits

Retirement Benefits

The University currently operates a defined contribution scheme for its employees.

The University obligation to the scheme is the contribution of 20% of basic Salary whereas the employees contribute 10% of their basic Salary. The University also contributed to NSSF Kshs. 200 per employee per month for the period under review. The University's contributions to the

NOTES TO THE FINANCIAL STATEMENTS cont'd

above schemes are charged to the Statement of Financial Performance in the year to which they relate.

12. Foreign Currency Conversion

Assets and Liabilities in foreign currencies are converted into Kenya shillings at the rates of exchange ruling at the Statement of Financial Position date. Conversion differences are accounted for in the appropriate fund accounts.

13. Provisions

Bad Debt Provision

Provision for bad debt has been made at 5% on sundry debtors.

Other liabilities and provisions

Other liabilities and provisions are recognized for future expenditure of uncertain amount or timing. When there is a present obligation as a result of a past event and it is probable that an outflow of future economic benefits will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

Contingent liabilities

Contingent liabilities are recorded in the Financial Statements at the point at which the contingency is evident. Contingent liabilities are disclosed if the possibility that they will crystallize is not remote.

Current employee obligations

Employee benefits expected to be settled within 12 months are measured at nominal values based on accrued entitlements at current rates of pay.

These are accrued gratuities earned but not yet paid for staff on contractual terms of employment.

Non-Current employee obligations

Employee benefits expected to be settled beyond 12 months are measured at nominal values based on accrued entitlements at current rates of pay.

These are accrued gratuities earned but not yet paid for staff on contractual terms of employment

Employee benefits are calculated at thirty one percent of the basic pay for staff on contract and twenty seven days basic pay per year worked for members of staff on auxiliary grades.

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NOTES TO THE FINANCIAL STATEMENTS cont'd

14. The Statement of Comparison of Budget

The original budget for FY 2016-2017 was approved by the University Council on January 22, 2016. Subsequent revisions or additional appropriations were made to the approved budget in accordance with the specific approvals of May 18, 2016 from the Ministry Education and the National Treasury. The additional appropriations are added to the original budget by the University upon receiving the respective approvals in order to conclude the final budget. Accordingly, the University recorded additional appropriations of Kshs 24,804,000 on the 2016-2017 budgets following the University Council's approval of the rationalized budget on January 31, 2017.

The University's budget is prepared on a different basis to the actual statement of performance 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 commitment (cash) basis using type of expenses. The amounts in the financial statements were recast from the accrual basis to the commitment (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, 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 actual as per the statement of financial performance has been presented under XVII(3) of these financial statements.

15. Nature and purpose of reserves

The University creates and maintains reserves in terms of specific requirements. The following reserves are maintained University:

IGU'S and UNES Funds

The IGU's and UNES Fund are created out of revenue surpluses from the financial performance of the college based income generating activities and UNES limited. This fund represents the financing contribution of IGUs and UNES to the University. The IGU'S and UNES Limited surplus/(deficit) is charged to this fund.

NOTES TO THE FINANCIAL STATEMENTS cont'd

General Fund

The general fund caters for capital development receipts as well as capital grant donations in form of assets from government and development partners eg research projects. The depreciation of such donated assets is charged to this fund and expenditure incurred for the capital development receipts from government is transferred from this fund as deferred income to the statement of performance.

Koitalel Samoei University Fund

This fund represents the money the University of Nairobi holds on behalf of the proposed Koitalel Samoei University. The University of Nairobi was appointed to mentor the proposed Koitalel Samoei University. The Government allocates and releases funds for the recurrent and capital development expenditure for proposed Koitalel Samoei University through the University of Nairobi.

Special Capital Development Fund

This fund holds funds set aside for special capital development in the University.

Capital Reserve

The capital reserve was created to cater for the increases of the revaluations of property, plant and equipment carried out after every five years. The revaluation decreases and depreciation of the revalued property, plant and equipment are first charged to this reserve and any excess charged to the statement of financial performance.

Revenue Reserve

The Revenue reserve is created out of revenue surpluses, which arise out of the normal business activities of the University and is used to meet future expenses or deficits.

16. 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 various commercial banks at the end of the financial year.

17. 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, 2017.

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INCOME	2016/2017	2015/2016
	Kshs'000	Kshs'000
18. Capitation Grant		
July - 2016	521,702	526,207
August - 2016	521,702	526,207
September - 2016	521,702	526,207
October - 2016	521,702	526,207
November - 2016	521,701	526,207
December - 2016	521,701	526,207
January - 2017	521,701	526,207
February - 2017	521,701	526,206
March - 2017	509,201	526,206
April - 2017	521,701	526,206
May - 2017	521,701	470,280
June - 2017	534,201	470,280
	6,260,416	6,202,627
19. Deferred Income		
Prior year Development Capitation receipt whose projects are now complete and put to use.	30,538	-
20. Special Donations		
Donations received from High Commission of India	101,467	-
21. CBA Pension Capitation		
Accrued CBA 2010-2013 portion for FY 2016/2017	151,302	151,302
22. Tuition and Other Module 1 Fees		
Tuition fees and other charges earned from regular students.	565,597	604,312
23. Module II Tuition Fees and other charges		
Module II Tuition Fees and other charges	5,253,205	5,729,984
Miscellaneous Income	1	-
	5,253,206	5,729,984
24. Accreditation Fees		
Amount earned from accredited Institutions	900	900
25. Other Services Rendered		
Other fee		21,349
Services Units	444	5,822
	444	27,171

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	2016/2017	2015/2016
	KSh'000	KSh'000
26. Accommodation , Catering and other income		
House Rents	232,176	154,165
Sale of Tender Documents	299	136
Income from endowment fund	2,892	28,996
Agency fees (Insurance & Hire purchase)	9,731	9,239
Staff Education Support Fund	74	122
Certificate Storage	14	13
Reimbursement (Emoluments)	83,168	217,389
Rental Income – Commercial & Billboards	12,294	28,476
Lease Income	1,877	-
Miscellaneous Income	13,983	10,007
Accommodation and Catering	293,167	258,733
Decrease in provision for bad debts	-	19,388
	649,675	726,664
27. Grants Overheads Charges and other Income		
Grants Overheads Charges	46,489	70,101
ICT Revolving Fund	815	10,005
	47,304	80,106

	2016/2017	2015/2016
	Kshs'000	Kshs'000
EXPENDITURE		
28. Academic Departments		
Basic pay	4,383,788	4,124,031
Clinical Allowance	528,179	611,033
House allowance	1,372,251	1,622,302
Teaching and Office Expenses	178,936	186,049
Travelling and Transport	73,291	78,713
Expenditure from service units	3,209	2,986
	6,539,654	6,625,114
29. Central Administration Central Services		
Basic pay	921,244	848,017
Management and support services	148,968	151,021
House Allowance	292,421	333,591
Travelling and Transport	20,957	20,855
Publishing and Printing	6,880	5,444
Purchase of Uniforms	6,327	8,979
Purchase of Stationery	66,216	66,310
Postal Expenses	455	430
Telephones	23,129	26,253
Computer Charges	98,568	54,466
Insurances	71,882	78,641
Senate Expenses	3,429	5,166
Committee Members Responsibility Allowance	120	40
Tender Committee Members Expenses	5,401	2,866
Conference and Seminars	17,385	33,167

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Membership Subscriptions	2,713	2,287
Bank Charges	137,789	132,394
Audit Fees	4,640	4,640
Fees, Commission & Honoraria	0	858
Official Entertainment	3,831	1,894
Transport Operating Expenses	39,060	40,418
Graduation Expenses	15,090	13,793
University Choir Expenses	2,327	2,171
Funeral Expenses	3,271	3,557
Legal Fees	33,387	22,701
Contracted Security Services	182,732	140,424
Performance Contracting activities	11,784	21,604
ISO Expenses	3,758	2,528
Depreciation	199,489	519,085
Alumni	185	367
Provision for Bad Debts	10,689	-
Public relations expenses	9,588	9,531
Other Expenses	25,530	7,642
	2,369,243	2,561,140
Depreciation for the year	258,265	574,430
Less: Grants Assets depreciation	(58,775)	(55,346)
	199,489	519,084
30. Academic Services	Kshs'000	Kshs'000
Library: Basic pay	143,736	135,010
Books and Periodicals	82,245	78,255
Sundry Charges	11,386	13,338
Computer Services:		
Basic pay	56,490	60,597
Consumables	150	471
	294,007	287,671
31. General Educational expenditure		
Examinations stationery	29,783	25,152
External Examiners	26,531	34,582
Postgraduate Programmes	8,048	75,050
Research and Publications	23,084	24,929
Staff Development	6,608	14,813
House to Office Transport Allowance	746,030	870,214
Passages and Leave Travelling Expenses	58,420	57,980
	898,504	1,102,720
32. Maintenance of Premises		
Rents and Rates	12,717	11,621
Electricity, Water and Conservancy	429,706	408,479
Maintenance of Buildings	73,613	68,239
	516,036	488,339

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33. Staff and Students facilities and welfare	2016/2017	2015/2016
	Kshs'000	Kshs'000
University Medical Scheme	239,348	232,490
Recruitment Expenses	25,805	39,948
Travelling outside Kenya	8,388	12,736
Sports and Games (Inter-University)	3,111	19
Needy Students	2,328	2,429
Students Associations	33,419	40,861
	312,399	328,483
34. S.W.A (Catering & Accommodation Services)		
Purchase of Foodstuff	140,023	74,713
Gas and Fuel	20,839	13,674
Maintenance of plants, Machinery Equipment	562	494
Maintenance of Buildings & Stations	12,986	11,527
Other Expenses	132,902	124,596
	307,312	225,004
35. Miscellaneous Expenditure		
Maintenance of Equipment	20,682	16,695
Nairobi A.S.K. Show	3,480	4,584
	24,162	21,279
36. Council Expenses		
Audit Committee Members Expenses	943	778
Council Expenses	21,348	9,120
	22,292	9,898
37. CESSP (Centre for Self Sponsored Programmes)		
Direct Service Provider(DSP)	843,375	1,197,458
Teaching practice	35,307	30,215
Other Expenses	214,824	175,018
	1,093,506	1,402,691
Other gains/(losses)		
Gains on foreign currency exchange	402	173
Gain on Disposal	-	2,552
	402	2,725
38. Cash and Cash equivalents		
Central Cash at Bank	254,336	386,901
Cash in hand	1,899	339
Nairobi University Press	7,084	7,921
SWA Balances	22,929	28,971
Colleges	222,184	267,841
CESSP Cash at Bank	18,069	43,761
UNES Cash at Bank	48,159	42,863
	574,660	778,597

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39. Short Term Deposits	2016/2017	2015/2016
	Kshs'000	Kshs'000
Recurrent Grants	9,533	2,722
University of Nairobi Press	3,501	3,330
College of Health Sciences	5,085	5,000
Specific purposes revenue grants	94	51,013
Trust and Endowment funds	332	318
UNES Balances	101,500	121,500
Students Welfare Authority	2,168	2,177
	122,213	186,060

Detailed analysis of the cash and cash equivalents

Financial institution	2016/2017	2015/2016
	Kshs'000	Kshs'000
Current Accounts		
Barclays Bank of Kenya	222,576	273,293
Co-operative Bank	-	130
Kenya Commercial Bank	318,475	331,598
Equity Bank	5,085	5,085
Standard Chartered Bank	23,315	168,129
Others		
Cash in hand at SWA & UNES	1,898	339
Mpesa Balances	3,310	24
	574,660	778,598
Fixed deposits Accounts		
Barclays Bank of Kenya	114,628	178,565
Savings & Loans (K) Ltd	332	318
Consolidated Bank	1,702	1,702
National Bank of Kenya	466	475
Equity Bank	5,085	5,000
	122,213	186,060

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40. Trade and other Receivables	2016/2017	2015/2016
Current Receivables	Kshs'000	Kshs'000
Sundry Debtors	209,479	298,306
CBA 2010-2013 Pension Due from GoK	930,330	-
CBA 2010-2013 Pension Due from Public Universities	194,758	-
Deans Committee Research Grants	25,234	23,939
Bank Guarantee	10,996	47,247
Program and Projects Balance	216,313	183,769
UNES Receivables	384,791	232,623
UoN Press Receivables	691	1,132
Student Debtors	1,117,849	1,055,316
Students Welfare Authority (SWA)	27	95
	3,090,469	1,842,427
Less: Provision for bad & doubtful debts	(66,728)	(14,915)
	3,023,740	1,827,512
Non-Current Receivables		
CBA 2010-2013 Pension Arrears	-	822,476
Less: Provision for bad & doubtful debts	-	(41,124)
	-	781,349

The CBA 2010-2013 Pension arrears has been reclassified as current receivables in line with the GoK cash accounting system as the University pursues for its settlement. It has also been split to provide accountability and better understanding of its composition.

Provision for bad and doubtful debts is made at 5% on sundry debtors, CBA 2010-2013 Pension Due from GoK and CBA 2010-2013 Pension Due from Public Universities.

41. Inventories		
General Stocks	237,972	145,946
Dental Materials	32,606	33,541
Pharmacy, Cafeterias	4,931	6,078
UNES Bookstore	55,569	68,769
UoN Press stocks	20,395	-
SWA stocks	13,404	13,485
	364,877	267,654

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42. PROPERTY, PLANT AND EQUIPMENT – 2016/2017

	Land	Buildings	Work in Progress	Furniture and Equipment	Computers	Motor Vehicles	Academic Gowns	Totals
	Kshs,000	Kshs '000	Kshs '000	Kshs '000	Kshs '000	Kshs '000	Kshs'000	Kshs '000
Cost /Valuation								
July 1, 2016	76,532,374	14,357,222	5,977,936	2,287,342	1,174,676	647,035	60,200	101,036,785
Additions	-	-	738,343	88,799	58,022	16,901	-	902,065
Revaluation increase	109,914,891	3,073,409	-	-	-	-	-	112,988,300
Completed Projects	-	4,157,612	(4,157,612)	-	-	-	-	-
June 30,2017	186,447,265	21,588,243	2,558,667	2,376,141	1,232,698	663,936	60,200	214,927,150
Depreciation								
July 1, 2016	-	1,142,883	-	1,516,864	956,547	595,300	26,823	4,238,417
Acc.Depreciation on disposal	-	(1,142,883)	-	-	-	-	-	(1,142,883)
Charge for the period	-	-	-	124,855	96,728	33,650	3,010	258,242
June 30, 2017	-	-	-	1,641,718	1,053,274	628,950	29,833	3,353,776
Net Book Value								
June 30, 2017	186,447,265	21,588,243	2,558,667	734,423	179,424	34,986	30,367	211,573,374
UNES	-	-	-	12,201	1,215	1,561	-	14,976
University Press	-	-	-	785	254	-	-	1,039
Net Book Value	186,447,265	21,588,243	2,558,667	747,408	180,893	36,546	30,367	211,589,389
June 30, 2016	76,532,374	13,214,339	5,977,936	786,589	220,077	54,872	33,376	96,819,417

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PROPERTY, PLANT AND EQUIPMENT -2015/2016

	Land Kshs '000	Buildings Kshs '000	Work in Progress Kshs '000	Furniture & Equipment Kshs '000	Computers Kshs '000	Motor Vehicles Kshs'000	Academic Gowns Kshs '000	Totals Kshs '000
Cost /Valuation								
July 1,2015	76,532,374	14,357,222	4,861,442	2,201,330	1,069,139	645,874	59,318	99,726,699
Additions	0	0	1,116,494	86,012	105,537	23,313	882	1,332,238
Disposals	-	-	-	-	-	(22,152)	-	(22,152)
Completed Projects	-	-	-	-	-	-	-	-
June 30,2016	76,532,374	14,357,222	5,977,936	2,287,342	1,174,676	647,035	60,200	101,036,785
Depreciation								
July 1, 2015	-	855,739	-	1,391,258	835,728	579,601	23,813	3,686,139
Acc. Depreciation on disposal	-	-	-	-	-	-	-	-
Charge for the year	-	287,144	-	125,606	120,819	37,851	3,010	574,430
June 30, 2016	-	1,142,883	-	1,516,864	956,547	617,452	26,823	4,260,569
Net Book Value	76,532,374	13,214,339	5,977,936	770,478	218,129	51,735	33,376	96,798,365
UNES	-	-	-	14,926	1,947	3,137	-	20,010
UoN Press	-	-	-	872	170	-	-	1,185
June 30,2016	76,532,374	13,214,339	5,977,936	786,276	220,247	54,872	33,376	96,819,417
June 30,2015	76,532,374	13,501,482	4,861,442	810,072	233,412	66,273	35,504	96,040,559

Depreciation of Property, Plant and Equipment is charged on a straight line basis at various rates provided in note 3.

Work in Progress constitutes projects implemented by the University but not complete as at the end of the financial year.

Valuation was done in year 2016/2017 as per policy, and was carried out by the following registered, licensed and practicing valuers from the Department of Real Estate and Construction Management of the University on June 30, 2017: **1.Prof.P.M.Syagga, MISK, R.V 2.Mr.Nicky M.Nzioki,MISK,R.V 3.Mr.Lawrence Muchiri,MISK,R.V 4.Mrs.Catherine Kariuki,MISK,R.V 5. Mr.Tracisco M.Thuita,MISK,R.V 6.Mr.Erastus Museleku,MISK,R.V**

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43. Investments	2016/2017	2015/2016
	Kshs'000	Kshs'000
Trust and Endowment Funds - Special Accounts		
Gandhi Memorial Academy Society		
East Africa Breweries Limited		
33,380 Ordinary shares of Shs.2/- each	8,645	9,280
Car and General (Kenya) Limited		
15,222 Ordinary shares of Shs.5/- each	320	540
C.M.C. Holdings Limited*		
125,920 Ordinary shares of Shs.0.5/- each	1,700	1,700
Unga Limited		
28,782 Ordinary shares of Shs.5/- each	871	979
Kenya Power and Lighting Co. Limited		
8944 Ordinary shares of Shs.2.50 - each	71	88
	11,607	12,587
Kamala Gold Memorial Fund		
Kenya Power & Lighting Co. Limited		
7904 Ordinary shares of Shs.2.50 – each	63	78
Tom Mboya Memorial Fund		
East Africa Breweries Limited		
42,635 Ordinary shares of Shs.2/- each	11,042	11,853
Total of Trust Fund Investments	22,712	24,518
Investment not attributable to any particular fund		
Investment in University of Nairobi Enterprises and Services Limited (UNES)	100	100
Investment in University of Nairobi Press	3,809	3,809
Endowment Fund		
Stg.£ 537,587.36 Sasakawa Fellowship Fund *	72,358	97,173
Total of Endowment Fund Investments	76,268	101,082
Total Trust and Endowment Fund Investments	98,980	125,600

Long term Investments in securities are stated at fair value as provided by University stock brokers. The resultant gain/loss are recognized in the appropriate fund accounts

*The value for CMC shares is historical after the company was delisted upon take over by Alfa Motors. The University is in the process of realizing the value of the investment through engagement with Francis Drumond & Company Limited, the University stock brokers.

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44. Intangible Assets

	2016/2017 Kshs'000	2015/2016 Kshs'000
ICT Software acquired from UNES		
Balance as at July 1,2016	114	-
Additions during the year	-	114
Less Depreciation	23	-
Balance as at June 30,2017	91	114

The University has internally developed information systems to manage students and human resource and the associated costs were charged to the statement of performance in the period the expenditure was incurred.

The financial module, accpac (now sage 300 ERP) was acquired in 2006 and was recognized as an ICT investment. It has since been fully amortized.

Amortization of intangible assets is made at 20% on a straight line basis as indicated in note 5.

45. Creditors and Other Payables

	2016/2017 Kshs'000	2015/2016 Kshs'000
Current Payables		
Sundry Creditors*	1,823,139	1,287,400
Statutory Deductions – Payroll	801,084	415,553
Provision for Gratuity	392,821	338,690
Refundable Customer deposits	126,291	122,786
	3,143,335	2,164,395

*Creditors and other payables have been reclassified and sundry creditors redefined to include all payables in Central Administration, Colleges, UNES and UoN Press.

The comparative figures have also been restated accordingly.

46. Bank Overdraft

	2016/2017 Kshs'000	2015/2016 Kshs'000
UNES Overdraft	4,421	4,124
BBK-Queensway Branch	928,971	549,464
BBK - Central Stores	4,346	4,912
Central - Grants Accounts & Others	-	20,179
Colleges Balances	1,271	10,830
	939,009	589,544

The overdrafts refer to bank accounts which had overdrawn ledger balances at close of the period. The actual bank overdraft was **Kshs 827.03 million** in FY 2016/2017 and **Kshs 549.46** in FY 2015/2016 at BBK-Queensway Branch, and was below the approved ceiling by the Council and the National Treasury.

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47. Special Accounts and Grants

	Balance as at June 30, 2016 Kshs'000.	Received During period Kshs'000	Expenditure During period Kshs'000	Balance as at June 30, 2017 Kshs'000
Ford Foundation	51,836	5,109	12,733	44,212
Rockefeller Foundation	19,740	6,136	9,566	16,309
International Development Research Center	28,137	54,369	17,050	65,456
National Commission for Science and Technology	18,398	8,279	4,672	22,005
DAAD	41	-	-	41
World Health Organization	19,515	14,944	15,397	19,063
VLIR	3,104	4,789	7,449	444
International Aids Vaccine Initiatives	42,563	96,912	104,035	35,440
World Trade Organization	6,896	-	1,310	5,587
CIAT	384	-	420	(36)
Centre for Disease Control (CDC)	471,270	755,607	860,747	366,130
Commission for Higher Education	145	-	-	145
African Economic Research Consortium (AERC)	12,966	24,299	22,537	14,728
National Institute of Health	62,467	84,164	49,711	96,920
Other Grants	973,146	1,007,408	1,111,044	869,510
	1,710,609	2,062,015	2,216,671	1,555,953

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48. Trust and Endowment Funds

	Balance As at 30 June 2016	Receipts during the period	Increase/ (Decrease) In value	Expenditure during the period	Balance As at 30 June 2017
	KShs'000	KShs'000	KShs'000	KShs'000	KShs'000
Trust funds					
Joint Admission Board	22,499	1		5,756	16,744
Gandhi Academic Society	25,126	-		-	25,126
Kenya Railways	663	-		-	663
A.C.I. De Souza Memorial	36	-		-	36
R.G. Amin Bursary	393	-		-	393
Kamala Gold Memorial	184	-	(15)	-	169
Tom Mboya Memorial	16,865	-		-	16,865
M.M. Bhatt Trust	104	-		-	104
UoN Alumni	47,412	447		989	46,870
UoN Alumni Centre Project Funds	2,000	-		-	2,000
Eng. Carry Oregge - Civil Engineering Prizes	480	-		-	480
Meteorology CBPS - IGAD climate Prediction	320	-		-	320
TOTAL TRUST FUNDS	116,082	448	(15)	6,746	109,771
Endowment Funds:					
Sasakawa Fellowship	94,482	-	5,550	-	100,032
Others	9,017	-	-	-	7,317
Non attributable Funds	3,693	-		-	3,693
TOTAL ENDOWMENT FUNDS	107,192	-	5,550	-	112,741
UNES	100	-		-	100
TOTAL FUNDS	223,374	448	5,535	6,746	222,612

49. Endowment for General Purposes

2016/2017 Kshs'000	2015/2016 Kshs'000
16,181	16,181

Designated Funds set aside for applications as determined by the University.

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50. GENERAL FUND	2016/2017 Kshs'000	2015/2016 Kshs'000
Balance as at July 1,2016	94,749,083	94,786,408
Adjustments for prior years		
Increase on previous years' revaluations	(78,554,594)	-
Restated Balance as at July 1,2016	16,194,489	94,786,408
Capital Receipts:		
Assets -Donation Research Grants	18,341	16,264
GoK Development Receipts	52,524	30,538
Special Donations	101,467	-
Transfer to Income	(30,538)	-
TOTAL FUND	16,336,283	94,833,210
Less:		
Depreciation	58,775	55,345
Decrease in funds	-	28,782
Balance as at June 30, 2017	16,277,508	94,749,083

The opening balance of the General fund has been restated to remove the effect of previous years' increase on revaluations.

51. INCOME GENERATING UNITS (IGUs) AND UNES

Income and Expenditure Account for the year ended June 30, 2017

	Surplus as At June 30, 2016 Kshs'000	Income 2016/2017 Kshs'000	Expenditure 2016/2017 Kshs'000	Surplus as At June 30 2017 Kshs'000
Income Generating Activities - College Based				
College of Agriculture and Veterinary Sciences	(7,200)	138,600	152,487	(13,887)
College of Architecture and Engineering	25,544	64,636	69,600	(4,964)
College of Biological and Physical Sciences	(83,420)	134,898	166,343	(31,445)
College of Education and External Studies	124,386	155,702	169,284	(13,582)
College of Health Sciences	(99,448)	62,608	139,165	(76,557)
College of Humanities and Social Sciences	(211,767)	205,740	244,404	(38,664)
University Health Services	(22,192)	65,272	62,345	2,927
	(274,098)	827,456	1,003,628	(176,172)
Income Generating Activities - UNES				
Chiromo Parlour	34,116	2,645	-	2,645
UNES Consultancy	59,526	482,259	385,949	96,310
Chiromo Conference and Arziki	14,179	44,243	41,762	2,481
Diagnostic Radiology	18,237	689	-	689
UNES Bookstore-Nairobi	4,997	102,269	96,506	5,764
UNES Bookstore-Kisumu	(6,475)	7,631	11,537	(3,906)
UNES Bookstore-Mombasa	(407)	13,553	11,316	2,237

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Department of Immunology	(859)	-	-	-
Other Projects and Head Office	16,178	16,716	102,659	(85,943)
	139,492	670,005	649,728	20,277
Grand Total	(134,606)	1,497,462	1,653,356	(155,894)

The Income Generating Activities registered a deficit of Ksh 155,894,000 for the year ended June 30, 2017. This resulted to a reduction of reserves for the Income Generating Activities and UNES as reported in the Statement of Changes in net Assets for the year ended June 30, 2017 on page 36.

	2016/2017	2015/2016
	Kshs'000	Kshs'000
52. CAPITAL RESERVES		
Balance as at July 1, 2016	1,116,494	1,228,153
Adjustments for prior years		
Increase on previous years' revaluations	78,554,594	-
Restated Balance as at July 1, 2016	79,671,088	1,228,153
Increase on revaluation	112,988,300	-
Depreciation on buildings	-	-
Balance as at June 30, 2017	192,659,388	1,116,494

The opening balance of the Capital reserves has been restated to take into account increase on previous year revaluations accounted for under General fund.

53. SPECIAL CAPITAL DEVELOPMENT FUND

Balance as at June 30, 2017	25,378	25,378
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These are funds designated for special capital development in the University.

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NOTES TO THE FINANCIAL STATEMENTS cont'd

54. Revenue Reserve (movement in the year)	2016/2017	2015/2016
	Kshs'000	Kshs'000
Accumulated Surplus/(Deficit) brought forward	325,852	(147,600)
Surplus for the period	582,669	473,452
Accumulated Surplus Reserves	908,521	325,852
55. Koitalel Samoei University Grant Fund	2016/2017	2015/2016
	Kshs'000	Kshs'000
Restated Balance as at July 1,2016	200,000	
Add Receipts From GOK		
GOK Capitation Recurrent	105,000	-
GOK Capitation Development	20,000	-
	325,000	
Less Expenditure	8,435	-
Balance as at June 30,2017	316,565	-

The opening balance of Koitalel Samoei University Grant Fund has been restated to reflect the balance that had been accounted for under payables.

56. Risk Management Frame Work

The University recognizes that in order to pursue its objectives and take advantage of opportunities, it cannot avoid taking risks and that no risk management programme can aim to eliminate risk fully.

The University's risk management approach is to increase the likelihood of success in its strategic activities that is to raise the potential reward of activities relative to the risks undertaken.

Accordingly, the University's approach to risk management is intended to increase risk awareness and understanding, thus taking risks where appropriate in a structured and controlled manner.

To assist in implementing its risk management policy, the University has:

- Identified, analysed and produced a risk management strategy for those risks which might inhibit it from achieving its strategic objectives and which would threaten the ongoing survival.
- Raised awareness of the integrated risk management into its management policies
- Promoted an understanding of the importance and value of risk management.
- Established risk management roles and responsibilities for the University Council, Audit Committee, University Management Board and Internal Audit

The Risk management function is supervised by the Audit Committee.

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The Management identifies, evaluates, hedges and manages financial risks under policies approved by University Council.

The Council has put in place an Internal Audit and Risk function to assist it in assessing the risk faced by the University on an ongoing basis and to evaluate and test the design and effectiveness of its internal accounting and operational controls.

Credit Risk

The credit risk is the risk of the financial loss to the university if a customer or a counter party to a financial instrument fails to meet its contractual obligations and arises principally from the receivables from customers.

Trade and Other Receivables

The University's exposure to credit risk is influenced mainly by the characteristics of each individual customer, the demographics of the customer base and their sources of funding.

The University has an established fee policy through its statute xxx which states among other things:

- All fees and other charges due shall be paid at the commencement of the semester they are due and not beyond the third week of the semester. No student shall be allowed into the lecture, examination room or participate in activities which they have not fully paid for.
- The University shall withhold any and all services, examination results, conferment of any degree, certificate and diploma until all outstanding fees are settled and further reserve the right to institute legal recovery proceedings against students with outstanding fees and also surcharge an interest at a rate to be determined by the council from time to time.

The University has endeavored to enforce the above statute in order to reduce the student debtors. The University secured a written undertaking from the Government of Kenya with respect to the outstanding debt of Ksh.1.13 billion relating to the Pension Component of the CBA.

	Total amount Kshs'000	Fully performing Kshs'000	Past due Kshs'000	Impaired Kshs'000
At June 30, 2017				
Receivables from exchange transactions	1,915,326	1,907,354	944,278	7,972
Receivables from non exchange transactions	1,175,088	1,116,334	973,786	58,754
Bank balances	696,873	696,873	-	-
Total	3,787,287	3,720,561	1,918,064	66,726
At June 30, 2016				
Receivables from exchange transactions	1,842,427	1,827,512	715,400	14,915
Receivables from non exchange transactions	973,776	932,652	822,473	41,124
Bank balances	964,658	964,658	-	-
Total	3,780,861	3,724,822	1,537,873	56,039

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Market Risk

The University has done sensitivity analysis on the bank accounts and trade other receivables denominated in foreign currencies and the results shows that there is no significant effect on the University's financial position.

The carrying amount of the University's foreign currency denominated monetary assets at the end of the reporting period are as follows:

	Kshs Kshs'000	Other currencies Kshs'000	Total Kshs'000
At June 30, 2017			
Financial assets (cash)	-	81,627	81,627
Liabilities	-	-	-
Net foreign current asset/(liability)	-	81,627	81,627
At June 30, 2016			
Financial assets (cash)	-	63,623	-
Liabilities	-	-	-
Net foreign current asset/(liability)	-	63,623	-

Capital Risk Management

The University's capital structure comprises of the following funds:

	2016/2017 Kshs	2015/2016 Kshs
IGUs Fund	(290,500)	(134,606)
General Fund	16,277,508	94,749,083
Koitalel Samoei University Fund	316,565	-
Special Capital Development Fund	25,378	25,378
Capital Reserve	192,659,388	1,116,494
Revenue Reserve	914,056	325,852
Special Accounts and Grants	1,555,953	1,710,609
Trust and Endowment Fund	217,077	223,374
Endowment for General Purpose	16,181	16,181
Total Funds	211,691,606	98,032,365
Total borrowings	4,082,290	2,753,939
Less: Cash and bank balances	696,820	964,658
Net debt/(Excess cash and cash equivalent)	3,385,470	1,789,281
Gearing	1.60%	1.83%

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NOTES TO THE FINANCIAL STATEMENTS cont'd

57. Related Party Balances

a) Nature of related party relationships

The University is related to

- i. .The National Government;
- ii. .The Ministry of Education
- iii. .University of Nairobi Enterprises (UNES)
- iv. .University of Nairobi Press
- v. .Key management;
- vi. University Council

b) Related party transactions

	2016/2017	2015/2016
	Kshs'000	Kshs'000

Transfers from GoK

From GoK for University of Nairobi Capitation	6,312,940	6,233,165
From GoK for Koitalel Samoei University mentorship	125,000	200,000
	6,437,940	6,433,165

Summary of transactions between the University and UNES Limited

Summary of transactions between the University and UNES Limited

	2016/2017	2015/2016
	Kshs'000	Kshs'000

Receipts from UNES

Dividends received	6,000	39,000
--------------------	-------	--------

The balances between the University and UNES were:

Due from UNES

Bookstore taken by UNES	23,472	23,472
Dividends receivable	15,349	21,349
Amount held by UNES for UON	216,313	183,769
	255,134	228,590

Due to UNES

Bookstore and Arziki	101,479	58,333
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Summary of transactions between the University and UoN PRESS

Payments made for PRESS

Staff Salaries and other benefits	17,627	17,628
Rent and Utilities	1,615	1,615
Fuel Cost	149	236
Petty Cash	195	200
Promotional Expenses	374	344
	19,960	20,023

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	2016/2017	2015/2016
	Kshs'000	Kshs'000
c) Council Remuneration		
Remuneration of Chairman	1,150	1,453
Remuneration of Council Members	18,698	5,750
Air ticket	295	317
Secretariat/training/Stationery	781	1,083
Catering charges	492	758
Hotel Accommodation charges	876	537
	22,292	9,898

d) Due from GoK		
Pension arrears-2010/2013 CBA	930,330	779,018
Other Public Universities	194,758	194,758
Total	1,175,088	973,776

	2016/2017	2015/2016
	Kshs'000	Kshs'000
58. Provision for Gratuity		
Current employees benefits	392,821	338,690
	-	
59. Refundable deposits to Customers		
Rent deposit and Module I Caution money	9,004	8,618
Module II Caution money	117,287	114,168
	126,291	122,786

These are funds held on behalf of customers , mainly rent deposits and students caution money

60. Contingent Liabilities

There is a pending law suit against the University in the High Court of Kenya by former employees who were retrenched by the University in March 2001.The claim is for damages amounting to about Kshs 279 million.The University have entered its defense.

The University has accumulated pending bills due to contractors and consultants amounting to Kshs 532,436,805.00 as at 30-06-2006.One contractor N.K.Brothers have sued the University to recover the outstanding amount.

61. Events after the reporting period

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

UNIVERSITY OF NAIROBI
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NOTES TO THE FINANCIAL STATEMENTS cont'd

62. Legal Status

The University of Nairobi is a body corporate established in Kenya under the Universities Act, 2012 (No. 42 of 2012).

63. SUPPLEMENTARY ACCOUNTS

Summary of service units income and expenditure for the year ended June 30, 2017

	Income Kshs'000	Expenditure Kshs'000	Surplus/ (Deficit) 2017 Kshs'000	Surplus/ (Deficit) 2016 Kshs'000
Printing and Photocopying	-	2,915	(2,915)	1,989
Nairobi University Press	444	295	149	847
Surplus/(Deficit) for the period	444	3,209	(2,766)	2,836

64. Summary of Approved Estimates for the year ended June 30, 2017

	Approved Estimates 2016/2017 Kshs'000	Actual 2016/2017 Kshs'000	Actual 2015/2016 Kshs
Basic pay	4,269,735	4,384,408	4,108,581
UNES Management & Support Allowances*	1,137,605	992,342	1,348,479
Gratuity and Pension Contribution	1,118,936	813,157	739,420
House Allowance	2,002,808	1,712,406	2,011,117
Other Personal Allowances	636,888	259,959	264,430
House to Office Transport allowance	963,356	746,030	870,214
Passage and Leave Expenses	78,712	58,420	57,980
Clinical Allowance	639,178	528,179	611,033
Transport Operating Expenses	41,486	39,060	40,418
Travelling and Accommodation Expenses	53,736	94,247	99,568
External Travelling and Accommodation	4,854	8,388	12,736
Teaching Practice	26,395	35,307	30,215
Postal and Telegram Expenses	459	455	430
Telephone Expenses	16,740	23,129	26,253
Official Entertainment	600	3,831	1,894
Electricity, Water and Conservancy	646,000	429,706	408,479
Purchase of Teaching & Production Materials	137,385	178,936	186,049

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Publishing and Printing Expenses	5,003	6,880	5,444
Purchase of Uniforms and Clothing	9,626	6,327	8,979
Library Expenses	96,630	93,631	91,593
Purchase of Stationery	49,780	29,783	90,382
Advertising and Publicity (Recruitment)	30,348	25,805	39,948
Sports and Equipment (Inter-University)	3,130	3,111	19
Audit Fees	5,250	4,640	4,640
Payments of Rent and Rates Residential	11,029	12,717	11,621
Computer Charges	120,000	98,568	54,466
Revaluation of University Property	25,376	19,549	469
Contracted security services	183,688	182,732	140,424
Fees, Commission and Honoraria	1,734	-	858
Staff Development	18,215	6,608	14,813
Council Expenses	15,857	22,292	9,898
Graduation Expenses	20,000	15,090	13,793
Conference and Seminars	18,120	17,385	33,167
University Medical Scheme	277,140	239,347	232,490
Postgraduate Programmes	22,704	8,048	75,050
University Research Programme	37,353	23,084	24,929
Maintenance of Plant, Machinery and Equipment	20,750	20,683	16,695
Maintenance of Buildings and Stations	46,520	73,613	68,239
Students Welfare Authority	324,495	307,312	225,004
University Press	3,437	295	1,642
Performance contracting	10,500	11,784	21,604
Depreciation	550,000	199,489	519,085
Students amenities/Activities, Associations	59,500	33,419	40,861
Needy Students	11,760	2,328	2,429
Integrity Programs	3,300	1,594	3,698
UON Advancement	12,400	9,755	9,230
Operational Expenses (CESSP)	104,680	214,824	175,018
Legal Fees	42,027	33,387	22,701
Bank Charges	126,405	137,789	132,394
Insurance	86,968	71,882	78,641
Public relations office	12,394	9,588	9,531
External Examiners	23,208	26,531	34,582
Environmental Management	24,150	24,467	20,706
	14,188,351	12,377,116	13,052,339
Capital Expenditure			
Purchase of Motor Vehicles	50,806	16,901	23,313
Purchase of Plant and Equipment	48,527	88,799	87,708
Capital Development-WIP	913,607	738,343	1,116,494
Purchase of Computers	214,820	58,022	103,841
	1,227,760	902,065	1,331,356

UNIVERSITY OF NAIROBI
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NOTES TO THE FINANCIAL STATEMENTS cont'd

Summary of Actual Expenditure for the year ended June 30, 2017

65. Students Welfare Authority(SWA)

	2016/2017	2015/2016
	Kshs'000	Kshs'000
Transport Operating Expenses	1,579	2,698
Travelling and Accommodation expenses	4,907	5,601
Telephones	1,504	1,592
Official Entertainment	10	37
Publishing and Printing Expenses	1,260	1,209
Purchase of Uniforms and Clothing	8,845	10,712
Purchase of Stationery & Office expenses	9,757	10,686
Miscellaneous Other Charges	7,926	12,550
Bank Charges	2,029	1,691
Staff Development	673	2,788
University Medical Scheme	7,655	4,652
Performance Contracting Expenses	1,431	3,620
Maintenance of plant, Machinery and Equipment	1,707	1,692
Maintenance of Buildings and Station	91,041	71,645
Halls Expenses	3,505	3,197
Gas and Fuel	20,839	13,674
Cleaning Materials	2,621	2,418
Purchase of Food	140,023	74,713
	307,312	225,004

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66. Centre for Self Sponsored Programs (CESSP)

	2016/2017 Kshs'000	2015/2016 Kshs'000
Staff Training and Development	767	479
Staff Medical Expenses	2,842	1,473
Staff Travelling & Accommodation	1,166	1,764
Seminars & Workshops	614	809
Outsourced Services	3,753	2,422
Subscriptions to Professional Bodies	96	50
Transport Operating Expenses	999	526
Telecommunication	1,058	543
Water	108	74
General Office consumables	6,520	4,727
Bank charges	7,083	3,011
Maintenance of Motor vehicles	192	263
Repair & Maintenance of equipment	239	55
Maintenance of Buildings & Grounds	1,842	1,412
Promotion and Marketing	66,658	71,111
Insurance charges	5,936	78
Security expenses	2,221	1,605
ICT Services	418	2,952
ISO 9001:2008	48	198
Performance Contracting	345	223
Anti-corruption Activities	149	21
Salaries and Wages	65,168	69,274
Electricity	1,019	363
CUE Expenses	28,284	-
Space Utilization	5,936	-
Provision for Gratuity	11,363	11,585
	214,824	175,018

XVIII. PROGRESS ON FOLLOW UP OF AUDITOR RECOMMENDATIONS

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

Reference No. on the external audit Report	Issue/Observations from Auditor	Management comments	Focal Point person to resolve the issue (Name and designation)	Status: (Resolved / Not Resolved)	Timeframe
01	Two parcels of Land without title documents	The Management is in constant engagement with the Ministry of Lands regarding the processing of the title deeds. The said two parcels of land are fully developed and occupied by the University.	Mr. Thuita (Estates Manager)	In progress	June 2018



PROF. PETER. M.F. MBITHI
 B.V.M., M.Sc.(Nrb) M.V.Sc.(Saskatchewan) Ph.D (Nbi)
 Vice-Chancellor

April 26, 2018

UNIVERSITY OF NAIROBI
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Appendix 1: PROJECTS IMPLEMENTED BY THE UNIVERSITY

Projects

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)
UoN Towers	1	AIA	3	2.84B	No	Yes
Kisumu Campus Project	2	AIA	5	462M	No	Yes
School Of Pharmacy(Phase1)	3	AIA	6	153M	No	Yes
Borehole Upper Kabete	4	AIA	1	6.7M	No	Yes
Sewerage Plant (Lower Kabete	5	AIA	6	163M	No	Yes
Cabroworks (Lower Statehse)	6	AIA	1	6.1M	No	Yes
Compressor	7	AIA	1	9.8M	No	Yes
Clinician Flats	8	AIA		4.6M	No	Yes
Confucious Institute Building	9	GOVT OF CHINA	3	1.2BN		No
Wangari Mathai Institute	10	GoK	2	581M		No
Koitalel Samoei University	11	GoK	5	3.6B		Yes
Gandhi Memorial Library	12	INDIAN GOVT	1	100M	No	Yes
Semis Lab(Phse 2)	13	JAPAN	3	97.2M	No	Yes

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Status of Projects completion

	Project	Total project Cost	Total expended to date	Completion % to date	Budget	Actual per quarter	Sources
		Kshs'000	Kshs'000		Kshs'000	Kshs'000	
1	Proposed construction of University Tower	2,842,267	2,577,722	90.69	450,000	26,276	AIA
2	Construction of Kisumu Campus Complex	489,529	482,794	98.62	75,000	48,794	AIA
3	Partial Completion of Pharmacy Building -CHS	152,903	104,762	68.52	75,000	7,506	GoK
4	Semis Laboratory - CAVS	97,200	69,500	71.50	5,000	-	
5	Proposed construction of sewerage Plant - LKC	164,000	150,150	91.55	17,000	9,713	GoK
6	Partial completion of Lower kabete halls of residence phase 11(West Wing)	39,000	37,000	94.87	40,000	-	AIA
7	Proposed Police post at Ganda Research Station	5,580	3,000	53.76	1,500	-	AIA

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8	Renovation of Taifa Hall	35,000	28,000	80.00	30,000	4,467	AIA
9	Proposed reroofing of halls SWA	3,000	3,112	103.73	10,000	-	AIA
10	Proposed Confucius Institute Building				400,000	26,762	Donor
	Total	3,828,479	3,456,040		1,103,500	123,518	

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XIX. Appendix 2: INTER-ENTITY TRANSFERS

FY 2016/2017				
1	Recurrent Grants	Bank Statement Date	Amount(Kshs)	FY
	July Capitation	10/08/2016	521,701,367	2016/2017
	August Capitation	26/08/2016	521,701,367	2016/2017
	September Capitation	30/09/2016	521,701,366	2016/2017
	October Capitation	9/11/2016	521,701,367	2016/2017
	November Capitation	13/12/2016	521,701,367	2016/2017
	December Capitation	6/01/2017	521,701,366	2016/2017
	January Capitation	9/02/2017	521,701,367	2016/2017
	February Capitation	15/03/2017	521,701,367	2016/2017
	March Capitation	7/04/2017	509,201,365	2016/2017
	April Capitation	2/05/2017	521,701,367	2016/2017
	May Capitation	2/06/2017	521,701,367	2016/2017
	June Capitation	27/06/2017	534,201,366	2016/2017
	Sub-Total		6,260,416,398	
2	Development Grants	Bank Statement Date	Amount(Kshs)	FY
	UON Development Capitation	12/05/2017	2,524,000	2016/2017
	UON Development Capitation	5/07/2017	50,000,000	2016/2017
	Sub-Total		52,524,000	
3	For mentorship of Koitalel Samoei University	Bank Statement Date	Amount(Kshs)	FY
	Special Capitation	6/06/2017	105,000,000	2016/2017
	Special Capitation	27/06/2017	20,000,000	2016/2017
	Sub-Total		125,000,000	
	TOTAL CAPITATION		6,437,940,398	2016/2017
4	CBA 2013/2017 Arrears	Bank Statement Date	Amount(Kshs)	FY
	Special Capitation	3/07/2017	935,925,210	2017/2018

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



Finance Officer
University of Nairobi
April 26, 2018

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XX. Appendix 3: Detailed analysis of the cash and cash equivalents

	2016/2017	2015/2016
	Kshs	Kshs
Current Accounts		
BBK - Barclays Plaza Cavs Coll.A/C.5053984	10,510	23,515
BBK - Barclays Plaza-Cees Collection A/C.	192	2,652
BBK - Confucious Institute-Chss	5,629	6,755
BBK - Hurlingham A/C C.H.S.	9,912	11,264
BBK - Hurlingham - Unitid Chs A/C 1543520	12,519	13,286
BBK - Hurlingham - Unitid Chs2 A/C 1544314	10,501	10,469
BBK - Hurlingham-Chs	6,134	7,295
BBK - Hurlingham-Chs	19,972	19,175
BBK - Mkt Branch - Cae Coll.A/C.5053941	1,539	1,896
BBK - QueenSWAy Br.- Deposits A/C. (D)	3,493	6,304
BBK - UoN Branch - Cae Coll.A/C.083-1000805	759	-
BBK - UoN Marps Project A/C 2022586893	1,236	7,341
BBK - Westlands - Cbps	4,675	3,469
BBK - Westlands A/C - Cbps.	3,187	28,605
BBK - Westlands Igu Cosol. A/C C.B.P.S.	11,617	-
BBK - Westlandslands - Cbps	3,585	3,139
BBK Capital Projects	620	256
BBK QueenSWAy - Dollar Account 03-022-7023791	171	587
BBK UHS-Corporate Branch	1,144	-
UNES Account-National Bank	615	10,938
UNES USAID Project BBK Account	-	2,631
Chiromo Funeral Parlour-SCB Account-UNES	-	1,254
Faculty of Medicine-BBK Account-UNES	2,883	11,832
CAVS Clinical Studies-BBK Account UNES	2,618	1,117
UNES Consultancy –BBK	22,955	8,224
UNES Arziki Restaurant–BBK	2,726	-
UNES US-Dollar Account–BBK	1,140	-
UNES US-Euro Account–BBK	3,260	3,103
UNES University Bookstore–BBK	0	2,065
UNES Corporate Account–BBK	11,963	-
BBK Queensway Hse.A/c 8245353-UON PRESS	7,084	7,921
BBK-Confucious Institute (Usd) - Chss	24,866	10,583
UoN BBK Cessp Application Account	515	698
UoN BBK Cessp Collection Account	8,093	9,180
UoN BBK Cessp Dollar Account	2,545	2,981
UoN BBK Cessp Dsp Account	1,992	21,207
UoN BBK Cessp Operations Acc	1,606	4,790
UoN SWA BBK Comcare Special Account	222	503
UoN SWA BBK Comcare Main Account	884	2
UoN SWA BBK Chiromo Main Account	59	1,424
UoN SWA BBK Chiromo Special Account	206	816
UoN SWA BBK Kenya Science Main Account	228	300
UoN SWA BBK Lower Kabete Main Account	141	739
UoN SWA BBK Students Centre Main Account	917	510
UoN SWA BBK Students Centre Special Account	-	1,000

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UoN SWA BBK Upper Kabete Main Account	771	1,523
UoN SWA Hqs BBK Halls Account	3,149	1,911
UoN SWA Hqs BBK Halls Special Account	12,039	8,359
UoN SWA Hqs BBK Main Account	1,158	3,023
UoN SWA Hqs BBK Main Special Account	-	1,994
UoN-BBK Endowment Fund	349	152-
UoN-BBK Pound Sterling	195	4,795
Co-op Local Curr A/C	-	130
Eq- Equity Account(School Of Pharmacy Infrastructure Fund)	5,085	5,085
KCB A/C - Odel	8,771	-
KCB - Anniversary - Cae	53,294	64,365
KCB - Kibwezi Branch - Cavs	2,069	1,289
KCB - Kikuyu - Cees	4,555	14,389
KCB - Kikuyu A/C C.E.E.S	-	3,869
KCB - Ksc A/C. No.230-660-280	4,636	3,328
KCB - Ksc Igu. A/C. No. 230-661-715	15,501	23,178
KCB - Lower Kabete Smu	-	27,820
KCB - Pact K.Shs A/C.No.1121857426	4,263	
KCB - Pact Us Dollar A/C.No.1121857884	5,417	31,084
KCB - Sarit Centre - Cavs	453	290
KCB - Sarit Centre - Cavs	2,201	2,041
KCB - U/Way Br.- UoN/Ilo Child Labour	-	503
KCB - University Way - Cae	555	563
KCB - University Way - Dollar A/C.	35,976	8,381
KCB - University Way - J.A.B. A/C.	49,124	27,746
KCB - University Way - Pacn A/C.No.271-970-412	564	3,987
KCB - University Way - Research Grants A/C.	57,359	-
KCB - University Way - UoN Alumni A/C.	51,320	2,856
KCB - University Way - UoN Endowment Fund	371	377
KCB- Edcctp (Hiv Vaccine)	3,991	50,509
KCB- University Way - Uhs A/C.227790898	1,291	3,854
KCB Us Dollar Application Account	1,049	1,563
KCB-University Way UoN-Criss Project -1137133120	696	39,906
KCB University Way UoN-Global Fund Malaria Round10-1137472170	-	18
UoN KCB Cessp Application Fee Account	2,270	3,332
UoN SWA KCB Kikuyu SMU	402	794
UoN SWA KCB Kmsh Smu	332	480
UoN SWA KCB Lower State House Smu	836	1,276
UoN SWA KCB Mamlaka Smu	471	448
UoN SWA KCB Parklands Smu	174	639
UoN SWA KCB Ushr Smu	39	273
UoN SWA KCB Varsity Catering Services	534	565
UoN SWA KCB Womens Hall Smu	366	2,392
UoN-KCB Fasu Games (Kes) Account	934	939
UoN-KCB Fasu Games (Usd) Account	8,661	8,444
Mpesa - Alumni Association	550	-
Mpesa - Examination Centre Utility A/C	2,760	24
SCB - Bank Koinange St- Aerc Economics Dollar A/C.	-	6,939

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SCB - Koinange St-Kavi Dollar A/C.	2,725	65,908
SCB - Koinange Str-Main Dollar A/C.	22	86,014
Standard Chartered Koinange Str - UoN Grants Unitid	0	531
Standard Chartered Koinange Str - UoN Instapa Project A/C.	2,582	8,211
Standard Chartered Bank - Kenya Shilling A/C.01020-063212-00	17,714	240
UoN-SCB Crown Agent A/C (GBP)	104	105
UoN-SCB Sasakawa Endowment Fund	140	151
UoN-SCB Sasakawa Endowment Fund (GDP)	30	30
Cash In Hand at SWA	137	339
Cash In Hand at UNES	1,761	1,810
	574,660	778,598

Short Term Deposits

Savings & Loans (K) Ltd Dpst. A/C	332	318
Short Term Investments	94	94
Investment Funds-Std.Chart.Bank	-	919
Alumni - Short Term Investment	-	50,000
BBK Salaries Sweeping Call Account	178	644
BBK Vfir Sweeping Call Account	1,050	1,052
BBK Stores Sweeping Call Account	3,992	1,026
UoN Endowment Fund Investment Account (Stars For Africa)	4,314	-
BBK Queensway Branch-PRESS	3,501	3,330
C.H.S.- Short Term Investments-Equity Bank	5,085	5,000
91 Days Treasury Bills- UNES	101,500	121,500
Consolidated Fixed Deposit - Central SWA	1,702	1,702
NBK Bank - Central SWA	466	475
	122,213	186,060