

REPUBLIC OF KENYA



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REPORT

OF

THE AUDITOR-GENERAL

ON

**THE FINANCIAL STATEMENTS OF
UNIVERSITY OF NAIROBI**

**FOR THE YEAR ENDED
30 JUNE 2013**

**Annual Report and Financial Statements
for the year ended June 30, 2013**

UNIVERSITY OF NAIROBI

P.O. Box 30197 - 00100

NAIROBI, Kenya

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Website: www.uonbi.ac.ke

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UNIVERSITY OF NAIROBI

Chancellor and Principal Officers of the University

Chancellor:

Dr. JOSEPH B. WANJU, CBS, B.A. (Ohio Wesleyan University), M.Sc. (Columbia), FKIM, Hon. D.S.C. (Nairobi)

Chairman Of the University Council:

Dr. IDLE OMAR FARAH, Ph.D(Uppsala),

Vice-Chancellor:

G.A.O.MAGOHA, EBS, MBS, MBBS(Lagos), FRCS, FWACS, FICS, FABI, FIBA, FCS, (ECSA), MSIC, FMCS, (Urol.), MKNAS, FAAS.

Deputy Vice-Chancellor (Administration and Finance):

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

Ag. Deputy Vice-Chancellor (Academic):

H. W. MUTORO, B.Ed. M. A. (Nairobi) C, Phil., Ph.D. (UCLA)

Deputy Vice-Chancellor (Student Affairs):

I.M.MBECHÉ, B.Ed., M.A.(Nairobi), Ph.D(Lancaster)

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

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

Principal, College of Agriculture and Veterinary Sciences:

A. W. MWANGOMBE, B.Sc(Makerere), M.Sc(Nairobi), Ph.D(London)

Principal, College of Architecture and Engineering:

B.N.K.NJOROGE. B.Sc.(Nairobi); M.Sc.(Newcastle Upon Tyne); Ph.D(Duke), MIEK, R.Eng

Principal, College of Biological and Physical Sciences:

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

Ag. Principal, College of Education and External Studies:

I.O.JUMBA, B.Sc., M.Sc., Ph.D. (Nairobi).

Principal, College of Health Sciences:

I.O. KIBWAGE, B.Pharm., (Nairobi), M.Pharm, Ph.D (K.U. Leuven), C.Sci, C.Chem, MRSC, MPSK

Principal, College of Humanities and Social Sciences:

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

Deputy Principal, College of Humanities and Social Sciences:

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

Ag. Deputy Principal, Kenya Science Campus:

OCHANDA H., M.Sc.(Nairobi), Ph.D(Warwick).

Finance Officer:

M.KARUE, B.Com(Nairobi), C.P.A.(K)

Ag. Administration Registrar:

E.G. ONGWAE, Bed (Nairobi)

Ag. Academic Registrar:

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

University Librarian:

S. N. MUNAVU (Mrs), B.A (Mary Manse College), M.L.S (Wayne State).

Ag. Planning Registrar:

W.J.ASILLA, B.Ed., (Nairobi), P.G.Dip.-M.C.(Nairobi).

Registered Office and Place of Business:

UNIVERSITY OF NAIROBI
Hurry Thuku Rd.
P O. Box 30197 - 00100
NAIROBI, Kenya
Telephone +254-020-318262
Fax: +254-020-2243660
Website: www.uonbi.ac.ke

Auditors:

Auditor General
Kenya National Audit Office
P O Box 30084-00100
Nairobi, Kenya
TelL +254-20-342330
Website: www.kenao.go.ke

Bankers:

Barclays Bank of Kenya Ltd
Kenya Commercial Bank Ltd

Legal Advisors:

Chief Legal Officer, UoN

UNIVERSITY OF NAIROBI

MEMBERS OF THE COUNCIL

NO	NAME	DESIGNATION	APPOINTED / RETIRED
1.	Dr. Idle Omar Farah	Chairman	Reappointed 7 th Feb. 2013
2.	Dr. Betty Gikonyo	Vice-Chair	Reappointed 7 th Feb. 2013
3.	Prof. Judy Wakhungu	Member	Appointed 7 th Feb. 2013
4.	Dr. Susan Mboya	Member	Reappointed 7 th Feb. 2013
5.	Mr. Kitili Mbathi	Member	Reappointed 7 th Feb. 2013
6.	Joseph Tui Hamisi	Member	Appointed 7 th Feb. 2013
7.	Mr. John Simba	Chairman	Retired
8.	Mr. Philip Kinisu	Honorary Treasurer	Retired
9.	Mr. Sammy Langat	Member	Retired
10.	Dr. Ekuru Aukot	Member	Retired
11.	Dr. Philip Toroitich Parklea	Member	Retired
12.	Ms. Sheila Mmbijewe	Member	Retired
13.	Mrs Eunice N. Mathu	Member	Retired

STATEMENT OF CORPORATE GOVERNANCE

Corporate governance is the process by which organizations are directed, controlled and held to account. University of Nairobi Council is responsible for the overall management of the 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 institute 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 institute governance.

COUNCIL MEMBERS

The Council is appointed in accordance with the Universities Act, 2012 (No. 42 of 2012) and includes among others the Chairman, Vice Chairman, Honorary Treasurer, the Vice-Chancellor and the Deputy Vice-Chancellors.

The full Council meets at least four times a year. The members receive all information relevant to the discharge of their obligations in accurate, timely and in a 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 Management Board (UMB). 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 institution.

COMMITTEES OF THE COUNCIL

The Council has the following committees, which meet regularly under the terms of reference set by the Council:

- Finance and General Purpose Committee
- Audit Committee
- Building Committee
- Tender Committee
- Staff Appointment Committee
- Sealing Committee
- Honorary Degrees 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

UNIVERSITY OF NAIROBI

institution remains structured to ensure appropriate segregation of duties.

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 Reports and Accounts is published each year and distributed to the National Assembly.

COUNCIL MEMBERS EMOLUMENTS AND LOANS

The Council Members are paid sitting allowance which is included in the Council expenses in the Annual Reports and Accounts.

THE CHAIRMAN'S STATEMENT

I am delighted to present the annual report and accounts for the year ended June 30, 2013 of the University of Nairobi. The University was able to promote research function which is a core business of the university through realization of Kshs.2.2 billion from the university research partners. The University also continued with its main teaching functions where the student enrolment recorded an all time high of 63,846 both undergraduates and post-graduates.

FINANCIAL PERFORMANCE

During the year 2012/2013, the University continued with its good financial performance and registered a surplus of KShs 213,037,066 and hence increasing our Revenue Reserve to KShs 793,156,871. This positive performance has been realized through the dedication of the Council, University Management Board and the Staff who offered valuable contribution.

STRATEGIC DIRECTION

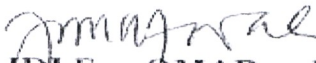
Our vision is remain a world class University committed to scholarly excellence as envisioned in the reviewed Strategic Plan 2013-2018 by:(i) Managing the University efficiently(ii) Efficiently offering quality academic programmes (iii) Contributing to scientific and technological innovations (iv) Enhancing the competitiveness of the University.

To this end therefore the University has endeavored to achieve positive international and local rankings. In the Performance Contracting 2011-2012 the University was ranked best performing university in Kenya. University was ranked among the best in the East and Central Africa by Webometrics.

FUTURE OUTLOOK

The University will continue with its expansion strategy to cover most parts of the country and beyond. We envisage building University of Nairobi Tower in the main campus to house lecture theatres and offices. This will ease the current shortage of physical facilities. An e-learning programme has been developed in the University to cater for distance learning and thereby improving national literacy level.

Finally, I would like to thank the government for guidance and support in the realization of university's objectives. Allow me to take this honorable opportunity to thank our research partners, UON Alumni and other stakeholders for their support to steer us through another successful year.



IDLE OMAR FARAH MSc. (Nairobi) Ph.D(Uppsala) THE
UNIVERSITY COUNCIL

VICE-CHANCELLOR'S REPORT

FOR YEAR ENDED JUNE 30, 2013

It gives me much pleasure in presenting the Annual Report and Accounts of the University of Nairobi for the year ended June 30, 2013.

During the year under review the University realized a surplus of KShs. 213,037,066 (2011/2012 KShs. 546, 306,158). The cumulative Surplus for the University as at June 30, 2013 was KShs 793,156,871 (2011/2012 KShs. 580,119,805). The financial performance in the current year was mainly impacted by expansion of academic programmes, refurbishment of teaching facilities, increase of personal emoluments based on improved terms and conditions of service. The University commenced on the construction the University Towers.

As in the previous years the additional expenditure was not matched by Government funding. The total personal emolument was KShs 7.37 billion while the funding was KShs 5.77 billion giving a shortfall of KShs 1.60 billion. Despite these challenges, the University continued with prudent financial management of the available resources. The university enhanced income-generating activities through its various campuses as well as the subsidiary company, the University of Nairobi Enterprises and Services Limited (UNES).

The research partners supported the University to the extent of KShs. 2,247,308,120 during the year 2012/2013 (2011/2012 KShs. 2,300,313,360). This went along way in pursuit of the University's mission of teaching and research.

The students' total population in this period for both undergraduate and postgraduate was 63,846.

Finally, I would like to express my special thanks to the University community who worked tirelessly to ensure smooth operation of this institution, especially continued commitment of the University performance in accordance with ISO 9001: 2008 Quality Management System.



**PROF. G.A.O. MAGOHA, EBS, IOM, MBS, M.B.B.S (Lagos) FRCS, FWACS, FICS, FABI, FIBA, FCS (ECSA), MSIC, FMCS (Urol), MKNAS, FAAS
Vice-Chancellor**

CORE BUSINESS OF THE UNIVERSITY OF NAIROBI

The Core business of the University is provided for in the University of Nairobi Act, 1985. The Act provides in Section 7(I) the functions and objects of the University which include:

- 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;
- e. To determine who may teach and what may be taught and how it may be taught in the University.


**STATEMENT OF UNIVERSITY OF NAIROBI COUNCIL MEMBERS
RESPONSIBILITIES ON THE FINANCIAL STATEMENTS FOR THE YEAR ENDED
JUNE 30, 2013**

The University of Nairobi Council is required to prepare statements which give a true and fair view of the state of affairs of the University as at the end of the financial year and of its surplus or deficit for that year. 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 International Financial Reporting Standards. The University Council is of the opinion that financial statements give a true and fair view of the state of the financial affairs of the University as at June 30, 2013 and of its surplus for the year 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.

This statement is approved by the University Council and is signed on its behalf by:

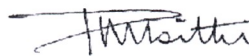


George A.O. Magoha, EBS, MBS

Vice Chancellor

and

Professor of Surgery



Prof. Peter. M. F. Mbithi, Phd. EBS

Deputy Vice-Chancellor

(Administration & Finance)

and

Professor of Veterinary Surgery

REPUBLIC OF KENYA

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P.O. Box 30084-00100
NAIROBI

KENYA NATIONAL AUDIT OFFICE

REPORT OF THE AUDITOR-GENERAL ON UNIVERSITY OF NAIROBI FOR THE YEAR ENDED 30 JUNE 2013

REPORT ON THE FINANCIAL STATEMENTS

I have audited the accompanying financial statements of University of Nairobi set out on pages 12 to 28, which comprise the statement of financial position as at 30 June 2013, and the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information in accordance with the provisions of Article 229 of the Constitution of Kenya and Section 14 of the Public Audit Act, 2003. I have obtained all the information and explanations which, to the best of my knowledge and belief, were necessary for the purpose of the audit.

Management's Responsibility for the Financial Statements

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

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

Auditor-General's Responsibility

My responsibility is to express an opinion on these financial statements based on the audit and report in accordance with the provisions of Section 15 of the Public Audit Act, 2003. The audit was conducted in accordance with International Standards on Auditing. Those standards require compliance with ethical requirements and that the audit be planned and performed 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 auditor's judgment, including the assessment of the risks of material misstatement of the financial statement, 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 University's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the management, as well as evaluating the overall presentation of the financial statements.

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

Basis for Qualified Opinion

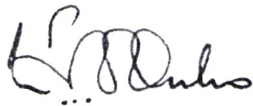
Property, Plant and Equipment

The property, plant and equipment balance of Kshs.94,102,317,145 as at 30 June 2013 includes four parcels of land valued at Kshs.357,348,000 against which ownership documents have not been availed for audit verification.

Under the circumstances, the accuracy and ownership of property, plant and equipment balance of Kshs.94,102,317,145 as at 30 June 2013 could not be confirmed.

Qualified Opinion

In my opinion, except for the effects of matter described in the Basis for Qualified Opinion paragraph, the financial statements present fairly, in all material respects, the financial position of the University as at 30 June 2013 and of its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards and comply with the Universities Act, 2012.



Edward R. O. Ouko, CBS
AUDITOR-GENERAL

Nairobi

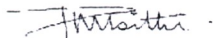
8 May 2014

**Statement of Financial Position
as at 30th June 2013**

		2013 Ksh	2012 Ksh
ASSETS	Note		
Non Current Assets			
Property, Plant and Equipment	7	94,102,317,145	93,889,435,264
Investments	8	95,382,576	107,812,008
		94,197,699,721	93,997,247,272
Current Assets			
Inventories	9	285,843,571	285,063,957
Trade, Receivables and Debit Balances	10	4,647,673,547	4,139,388,731
Short Term Deposits	11	3,008,975,735	2,184,206,744
Cash and Cash Equivalents	12	2,453,912,155	1,732,516,514
		10,396,405,008	8,341,175,946
TOTAL ASSETS		104,594,104,730	102,338,423,218
FUNDS AND LIABILITIES			
Net funds from IGUs and parallel programs	4	3,826,766,039	3,432,240,986
Special Accounts and Grants	6	1,118,774,898	1,153,824,826
General Fund	3 (a)	94,449,646,761	94,379,409,292
Capital Reserves	3 (b)	471,998,809	266,525,431
Trust and Endowment funds	5	267,658,519	250,756,806
Endowment for General Purposes	2 (b)	16,181,339	16,181,339
Special Capital Development	2 (c)	912,753,487	771,070,420
Revenue Reserves		793,156,871	580,119,805
		101,856,936,723	100,850,128,904
Current Liabilities			
Trade and Other Payables	13 (a)	1,913,335,216	1,277,272,385
Bank OverDraft	13 (b)	823,832,790	211,021,929
		2,737,168,007	1,488,294,314
TOTAL FUNDS AND LIABILITIES		104,594,104,730	102,338,423,218



G.A.O. MAGOHA, IOM, M.B.B.S. (Lagos), FRCS, FWACS, FICS, FABI, MSIC, FMCS (Urol.).
Vice-Chancellor



P.M.F. MBITHI B.V.M., M.Sc. (Nrb) M.V.Sc. (Saskatchewan) Ph.D (Nrb)
Deputy Vice-Chancellor - (Administration & Finance)



M. KARUE, B.COM., CPA(K)
Finance Officer

August 28, 2013

UNIVERSITY OF NAIROBI

**Statement of comprehensive Income
for the year ended 30th June 2013**

INCOME	Note	2013 Ksh	2012 Ksh
Capitation Grant	14(i)	4,626,621,644	4,586,621,643
Special Grant	14(ii)	1,146,200,000	0
Tuition and other fees	14(iii)	599,183,140	479,996,449
Accreditation fees	14(iv)	940,000	900,000
Other services rendered:	14(v)	34,362,611	50,761,120
Accommodation, Catering and other income	14(vi)	696,831,429	607,492,967
Transfer from IGUs for specific purposes	14(vii)	3,374,549,972	3,064,698,716
		10,478,688,796	8,790,470,896
EXPENDITURE			
Academic Departments	15(i)	6,048,254,427	4,722,124,556
Administration and Central Services	15(ii)	2,195,571,080	1,687,756,750
Academic services	15(iii)	217,959,498	227,634,999
General educational services	15(iv)	681,101,874	584,693,905
Maintenance of premises	15(v)	569,034,193	480,791,287
Staff and students facilities and welfare	15(vi)	351,237,147	303,394,569
Welfare authority (Catering services)	15(vii)	186,440,426	216,239,159
Miscellaneous expenditure	15(viii)	16,053,084	21,529,513
		10,265,651,730	8,244,164,738
SURPLUS FOR THE YEAR		213,037,066	546,306,158
Accumulated Surplus brought forward		580,119,805	33,813,647
Accumulated Surplus Carried forward		793,156,871	580,119,805

**Statement of Changes in Equity
for the year ended 30th June 2013**

	KSHS	SPECIAL NET FUNDS FROM IGU'S AND PARALLEL PROGRAMS	SPECIAL ACCOUNTS AND GRANTS	GENERAL FUND	TRUST AND ENDOWMENT FUND	SPECIAL CAPITAL DEVELOPMENT FUND	ENDOWMENT FOR GENERAL PURPOSES	CAPITAL RESERVE	REVENUE RESERVE	TOTAL
BALANCE AS AT 1/7/2011	3,220,693,905	716,443,807	37,468,551,692	252,925,674	439,013,939	16,181,339	260,655,340	33,813,647	42,408,279,344	
SPECIAL RECEIPT FOR CAPITAL DEVELOPMENT			332,056,481						332,056,481	
SURPLUS FOR THE YEAR			56,828,015,525					546,306,158	57,374,321,683	
CAPITAL GRANTS FROM DONORS			46,273,913						46,273,913	
CAPITAL DEVELOPMENT RECEIPT			60,587,541						60,587,541	
RESEARCH GRANT RECEIPTS		2,298,182,412							2,298,182,412	
RESEARCH GRANT EXPENDITURE		(1,860,801,394)							(1,860,801,394)	
DEPRECIATION ON RESEARCH GRANTS ASSETS			(24,019,379)						(24,019,379)	
TRUST FUND RECEIPTS				71,692,953					71,692,953	
TRUST FUND EXPENSES				(73,861,821)					(73,861,821)	
INCREASE IN IGU FUND	211,547,081								211,547,081	
INCREASE IN CAPITAL RESERVE							5,870,091		5,870,091	
BALANCE AS AT 30/6/2012	3,432,240,986	1,153,824,826	94,379,409,292	250,756,806	771,070,420	16,181,339	266,525,431	580,119,805	100,850,128,904	
BALANCE AS AT 1/7/2012	3,432,240,986	1,153,824,826	94,379,409,292	250,756,806	771,070,420	16,181,339	266,525,431	580,119,805	100,850,128,904	
SPECIAL RECEIPT FOR CAPITAL DEVELOPMENT					141,683,067				141,683,067	
SURPLUS FOR THE YEAR			0					213,037,066	213,037,066	
CAPITAL GRANTS FROM DONORS			27,571,808						27,571,808	
CAPITAL DEVELOPMENT RECEIPT			71,149,057						71,149,057	
RESEARCH GRANT RECEIPTS		2,229,796,600							2,229,796,600	
RESEARCH GRANT EXPENDITURE		(2,264,846,529)							(2,264,846,529)	
DEPRECIATION ON RESEARCH GRANTS ASSETS			(28,483,396)						(28,483,396)	
TRUST FUND RECEIPTS				73,516,910					73,516,910	
TRUST FUND EXPENSES				(56,615,197)					(56,615,197)	
INCREASE IN IGU FUND	394,525,053								394,525,053	
INCREASE IN CAPITAL RESERVE							205,473,378		205,473,378	
BALANCE AS AT 30/6/2013	3,826,766,039	1,118,774,897	94,449,646,761	267,658,519	912,753,487	16,181,339	474,998,809	793,156,871	101,856,936,722	

UNIVERSITY OF NAIROBI

**Statement of Cash Flows
for the year ended 30th June, 2013**

	Note	2013 Ksh	2012 Ksh
Cash Inflows from Operating activities			
General Revenue Surplus/ (Deficit) for the year		213,037,066	546,306,158
Adjustment for Depreciation	7	532,427,627	226,551,487
Operating surplus/(deficit) before working Capital		745,464,693	772,857,644
Net funds for Income Generating Units			
Trust and Endowment Funds	5	16,901,713	(2,168,868)
Overspent and claimable from Donors	6	17,511,520	2,130,948
Proceeds from sale of Property and Equipment		0	0
Increase in Special Capital Development Fund	2 (c)	141,683,067	332,056,481
(Increase)/Decrease in Stocks and Stores	9	(779,614)	(44,423,564)
(Increase)/Decrease in Debtors	10	(508,284,816)	(180,784,880)
Increase/(Decrease) in Creditors	13	1,248,873,693	266,087,018
Changes in Working Capital		1,310,430,616	584,444,216
Net Cash Flow from Operating Activities		2,055,895,309	1,357,301,860
Cash Outflow from Investment Activities			
Expenditure from Special Accounts and Grants	6	2,264,846,529	1,860,801,394
Purchase of Non current Assets	7	578,483,701	599,075,535
Increase/(Decrease)in Investments	8	12,429,432	3,965,095
		2,855,759,662	2,463,842,023
Cashflow from Financing Activities			
Grants and other income allocated for Capital Fund	3	27,571,808	46,273,913
Adjustment for Capital Reserves		71,149,057	47,203,511
Receipts for the year from Special Accounts and Grants	6	2,247,308,120	2,300,313,360
		2,346,028,985	2,393,790,783
Net Increase/(Decrease) in Cash & Cash Equivalents		1,546,164,632	1,287,250,620
Analysis of Balances of Cash and Cash Equivalents			
Cash and cash equivalent at start of the year		3,916,723,258	2,629,472,638
Increase(Decrease) in cash and cash equivalents		1,546,164,632	1,287,250,620
Cash and cash equivalents at end of year	3 (c)	5,462,887,890	3,916,723,258

UNIVERSITY OF NAIROBI
NOTES TO THE ACCOUNTS

1. SIGNIFICANT ACCOUNTING POLICIES

1.1 Basis of Preparation

- 1.1.1 Statement of Compliance
The Financial Statements are prepared in compliance with International Financial Reporting Standards (IFRS).
- 1.1.2 Basis of Measurement
The Financial Statements are prepared under the historical cost convention as modified by the revaluation of certain Non-Current assets.
- 1.1.3 Functional and presentation currency
Items included in the financial statements are measured using the currency of economical environment in which the entity operates ("the functional currency"). The financial statements are presented in Kenya shillings (Kshs) which is the functional and presentation currency.

1.2 Income Recognition

- 1.2.1 Income from grants and fees includes only amounts receivable in relation to the current financial year.
- 1.2.2 Income from Endowments and Donations, Research Grants and other services rendered is included only to the extent of the expenditure incurred during the year.
- 1.2.3 Income on short-term deposits is credited to the Statement of comprehensive Income.

1.3 Valuation of Property, Plant and Equipment

- 1.3.1 Property, Plant and Equipment are stated at cost or professional valuation. The valuation is carried out after every five years. The last valuation was done in June 2012.
- 1.3.2 Depreciation is provided for at annual rates estimated to write off the assets over their expected useful lives. The annual rates are:
- | | |
|-------------------------|------------------------------|
| 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 |
- Computers and software development - 20% on straight line basis
With effect from Financial Year 2004/2005, Depreciation is charged to the Capital Fund in relation to Non-Current assets acquired through external grants.
For assets acquired through internally generated revenue, depreciation is charged to the Statement of Comprehensive Income
- 1.3.3 Values for equipment donated are estimated by the University or as advised by donors.

1.4 Endowment and Trust Fund.

- 1.4.1 Endowment and Trust Fund are funds setup through special donations, the principal amount being invested and the income accruing being applied to scholarships, accademic research, accademic chairs and related administrative costs
- 1.4.2 Endowment and Trust Fund investments are stated at market value in accordance with performance of securities in market and advice from relevant professionals.

1.5 Inventory Valuation.

- 1.5.1 Inventories are valued at the lower of cost and net realisable value.
- 1.5.2 The cost of Library books is written off to expenditure as incurred.

1.6 Research Grants

- 1.6.1 Research funds received from external donors for research purposes. The funds are accounted for in a separate special fund account
- 1.6.2 The Dean 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.

1.7 Employee Retirement Benefits

- 1.7.1 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 contributes to NSSF currently at the rate of Ksh. 200 per employee per month. The University contribution to the above schemes are charged to the Statement of comprehensive Income in the year to which they relate. The university has no further obligation once the contributions have been remitted to the pension fund.

1.8 Foreign Currency Conversion

- 1.8.1 Assets and Liabilities in foreign currencies are converted into Kenya shillings at the rates of exchange ruling at the balance sheet date. Conversion differences are accounted for in the appropriate fund accounts.

1.9 Bad Debt Provision

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

UNIVERSITY OF NAIROBI
NOTES TO THE ACCOUNTS

2. (a) OTHER CAPITAL FUND ASSETS

Funds spent by the University and reimbursable by the Ministry of Education as provided for in the previous Estimates

		2013 Ksh	2012 Ksh
Capital Fund Debtors	Note 10	113,048,084	90,432,114
		113,048,084	90,432,114

2. (b) Endowment for General Purposes

Designated Funds set aside for applications as determined by the University
e.g. Students' prices, Students' Scholarships

16,181,339 **16,181,339**

2. (c) Special Capital Development Fund

Funds Designated for a Special Capital Development in the University

912,753,487 **771,070,420**

3. (a) GENERAL FUND

		2013 Ksh	2012 Ksh
Balance as at 1st July 2012		94,379,409,292	37,468,551,692
Capital Receipts:			
(i) Grants		27,571,808	46,273,913
(ii) GOK & Other Sources		71,149,057	60,587,541
(iii) Revaluation Reserve		-	55,227,626,221
Acc. Dep. Write-Back (On Revaluation)		-	1,600,389,304
TOTAL FUND		94,478,130,157	94,403,428,670
Less:			
Depreciation		28,483,396	24,019,379
Balance as at 30th June 2013		94,449,646,761	94,379,409,292

3. (b) CAPITAL RESERVES

Funds sets aside to cater for Capital Work in Progress

471,998,809 **266,525,431**

3. (c) Cash and Cash Equivalent

i) Short Term Deposits	11	3,008,975,735	2,184,206,744
ii) Cash and Cash Equivalence	12	2,453,912,155	1,732,516,514
		5,462,887,890	3,916,723,258

3. (d) Related parties

University of Nairobi Enterprises (UNES) is a related company by virtue of it being wholly owned by University of Nairobi. During the year the University received income of KShs. 3,826,766,039 (2012: KShs. 3,432,240,986)

UNIVERSITY OF NAIROBI
NOTES TO THE ACCOUNTS

4. INCOME GENERATING UNITS (IGUs) AND PARALLEL PROGRAMS

Income and Expenditure Account for the Year Ended: 30th June 2013

Income Generating Activities - College Based

	Surplus (Deficit)/2012 Ksh	Income 2013 Ksh	Expenditure 2013 Ksh	Surplus (Deficit)/2013 Ksh
College of Agriculture and Veterinary Sciences	(709,990)	49,636,857	42,883,811	6,753,046
College of Architecture and Engineering	(14,009,164)	57,277,316	45,156,570	12,120,746
College of Biological and Physical Sciences	4,383,331	88,052,849	96,647,742	(8,594,893)
College of Education and External Studies	71,497,036	403,588,762	238,639,148	164,949,613
College of Health Sciences	6,672,424	274,018,080	289,115,915	(15,097,835)
College of Humanities and Social Sciences	19,855,318	269,005,387	347,917,657	(78,912,270)
Health Services - Students Medical & Others	23,849,834	53,552,672	51,100,569	2,452,103
Sub- Total	111,538,788	1,195,131,924	1,111,461,413	83,670,511
Other Income Generating Units				
	2012 Ksh	Income 2012 Ksh	Expenditure 2012 Ksh	Surplus (Deficit) / 2013 Ksh
Chiromo Funeral Parlour	1,399,803	32,879,310	23,745,473	9,133,837
UNES Consultancy	2,048,803	110,016,303	105,216,965	4,799,338
Chiromo Conference Center & Arziki Restaurants	7,351,811	39,648,573	39,852,347	(203,774)
Kisumu Bed & Breakfast	-			0
Diagnostic Radiology	(6,275,033)	24,533,782	14,123,901	10,409,881
UNES Bookstore-Nairobi	3,044,818	113,924,544	107,827,926	6,096,619
UNES Bookstore-Kisumu	(7,714,070)	13,709,172	18,186,561	(4,477,389)
Other Projects	26,847,579	58,486,481	37,850,274	20,636,207
Sub- Total	26,703,711	393,198,165	346,803,447	46,394,718
Parallel Programmes				
School of Business	1,037,316,764	1,752,120,763	620,721,690	1,131,399,073
School of Law	179,902,950	371,301,154	124,242,440	247,058,713
School of Economics	110,339,047	187,628,671	69,244,822	118,383,849
School of Medicine	414,208,990	799,388,796	273,673,044	525,715,753
Faculty of Pharmacy	47,266,256	97,767,135	34,410,376	63,356,759
Faculty of Dental Sciences	20,283,939	36,135,542	13,959,776	22,175,766
School of Nursing	36,833,114	63,412,266	19,503,821	43,908,445
Department of Immunology	(1,305,016)	1,458,075	664,276	793,799
Institute of Tropical & Infectious Diseases	3,619,353	10,686,845	6,539,524	4,147,321
Faculty of Arts	374,691,526	559,772,565	225,124,591	334,647,974
School of Education	166,261,517	253,559,881	92,167,691	161,392,189
Education	308,205,342	657,722,321	368,065,940	289,656,381
School of Engineering	137,372,382	249,288,130	80,027,805	169,260,325
School of Computing and Informatics	55,346,867	94,806,730	35,012,682	59,794,048
School of Mathematics	51,654,657	73,793,340	21,590,357	52,202,983
School of physical Sciences	45,966,025	89,154,653	36,582,716	52,571,937
School of Biological Sciences	10,275,323	33,593,709	9,429,412	24,164,297
School of Built Environment	49,630,659	193,598,258	119,915,538	73,682,720
School of the Arts & Design	7,046,774	20,131,750	11,457,595	8,674,156
Faculty of Vet. Medicine	22,321,337	45,991,408	12,243,069	33,748,340
Faculty of Agriculture	34,353,794	66,234,101	19,901,737	46,332,364
Studies	58,076,182	130,165,860	42,582,596	87,583,264
School of Journalism	124,330,705	194,640,852	67,514,119	127,126,733
Institute of African Studies		28,606,086	9,682,464	18,923,622
Sub- Total	3,293,998,487	6,010,958,891	2,314,258,081	3,696,700,810
GRAND TOTAL	3,432,240,986			3,826,786,039

UNIVERSITY OF NAIROBI
NOTES TO THE ACCOUNTS

5. TRUST AND ENDOWMENT FUNDS

	Balance As at 30 Jun-12	Receipts during the year	Increase/(Decrease) in market Value of investment	Expenditure	Balance As at 30 Jun-13
	KShs	KShs	KShs	KShs	KShs
Trust funds					
Joint Admission Board	64,100,425	56,429,663		49,978,665	70,551,423
Gandhi Academic Society	22,521,934	121,837	3,550,664		26,194,435
Kenya Railways	662,903				662,903
A.C.I. De Souza Memorial	36,441				36,441
R.G. Amin Bursary	393,240				393,240
Kamala Gold Memorial	187,600		(4,742)		182,858
Tom Mboya Memorial	13,344,854	400,845	4,519,310		18,265,009
M.M. Bhatt Trust	103,866				103,866
UoN Alumni	39,572,512	14,138,168		10,186,274	43,524,406
Eng. Carry Oregge - Civil Engineering Prizes	600,000				600,000
TOTAL TRUST FUNDS	141,523,775	71,090,514	8,065,232	60,164,938	160,514,582
Endowment Funds:					
Sasakawa Fellowship	96,501,477	2,426,396	84,510	4,600,000	94,412,383
Others	9,016,636				9,016,636
Non attributable Funds	3,614,918				3,614,918
TOTAL ENDOWMENT FUNDS	109,133,030	2,426,396	84,510	4,600,000	107,043,937
University of Nairobi Enterprises and Services Limited (UNES)	100,000	-	-	-	100,000
TOTAL FUNDS	250,756,806	73,516,910	8,149,742	64,764,938	267,658,519

6. SPECIAL ACCOUNTS AND GRANTS

	Balance as at 30th June 2012 Kshs.	Received During Year Kshs	Expenditure During Year Kshs	Balance as at 30th June 2013 Kshs.
Ford Foundation	1,177,127	45,360,566	3,666,971	42,870,722
Rockefeller Foundation	47,244,187	9,057,707	37,753,474	18,548,419
International Development Research Center	82,259,760	35,680,078	58,502,981	59,436,857
National Council for Science and Technology	25,165,301	26,053,661	21,016,091	30,202,871
DAAD	1,815,897	490,111	666,929	1,639,080
World Health Organisation	4,907,272	-	230,556	4,676,716
VLIR	3,122,199	1,220,626	3,585,869	756,956
International Aids Vaccine	787,082	103,462,140	97,480,310	6,768,912
World Trade Organization	7,528,248	3,206,420	1,025,000	9,709,668
CIAT	1,271,330	-	355,967	915,363
Centre for Disease Control (CDC)	108,481,257	960,354,071	944,480,098	124,355,230
Commission for Higher Education	136,798	-	-	136,798
African Economic Research Consortium (AERC)	2,149,751	25,226,599	23,145,419.01	4,230,931
Other Grants	867,778,617	1,037,196,141	1,072,936,863	832,037,895
Balance Net of Overspent Amounts	1,153,824,826	2,247,308,120	2,264,846,529	1,136,286,418
Amount overspent and claimable from donors				(17,511,520)
	1,153,824,826			1,118,774,898

UNIVERSITY OF NAIROBI
NOTES TO THE ACCOUNTS

7. PROPERTY, PLANT AND EQUIPMENT

	Land		Buildings		Work in Progress		Furniture and Equipment		Computers		Motor Vehicles		Academic Gowns		Totals	
	Kshs		Kshs		Kshs		Kshs		Kshs		Kshs		Kshs		Kshs	
Cost Valuation																
1st July 2012	76,532,374,300	14,072,532,000	2,331,633,633	1,650,006,337	746,689,437	519,721,656	40,061,880	95,893,019,253								
Additions	-	-	482,269,282	91,727,360	106,572,417	57,737,114	6,903,336	745,309,508								
30th June 2013	76,532,374,300	14,072,532,000	2,814,002,915	1,741,733,697	853,261,853	577,458,770	46,965,226	96,638,328,761								
Depreciation																
1st July 2012	-	-	-	1,097,044,112.52	444,024,646.79	446,794,813.22	16,720,416.00	2,003,583,989								
Charge for the year	-	281,450,640.00	-	81,849,487.34	121,100,323.92	45,678,914.56	2,348,261.30	532,427,627.12								
30th June 2013	-	281,450,640	-	1,178,893,600	565,124,971	492,473,728	18,068,677	2,536,011,616								
Net Book Value																
30th June 2013	76,532,374,300	13,791,081,360	2,814,002,915	562,840,097	288,136,883	84,985,042	28,896,549	94,102,317,145								
30th June 2012	76,532,374,300	14,072,532,000	2,331,633,633	552,862,225	302,664,790	72,926,843	24,341,474	93,889,435,264								

PROPERTY, PLANT AND EQUIPMENT

	Land		Buildings		Work in Progress		Furniture and Equipment		Computers		Motor Vehicles		Academic Gowns		Totals	
	Kshs		Kshs		Kshs		Kshs		Kshs		Kshs		Kshs		Kshs	
Cost Valuation																
1st July 2011	24,187,933,642	11,189,346,437	2,085,096,841	1,533,256,812	570,582,893	483,926,622	36,174,250	40,066,317,497								
Additions	-	-	286,536,792	116,749,525	176,106,544	35,795,034	3,887,640	599,075,535								
Revaluation (excess over cost)	52,344,440,658	2,863,185,563	-	-	-	-	-	55,227,626,221								
Less: Completed Projects																
Compulsory Acquisition																
30th June 2012	76,532,374,300	14,072,532,000	2,331,633,633	1,650,006,337	746,689,437	519,721,656	40,061,880	95,893,019,253								
Depreciation																
1st July 2011	-	1,600,389,304	-	1,024,488,774	332,942,118	405,884,289	13,717,322	3,377,421,806								
Acc. Dep. on Disposal	-	(1,600,389,304)	-	-	-	-	-	(1,600,389,304)								
Charge for the year	-	-	-	72,555,339	111,062,529	40,910,524	2,003,095	226,551,487								
30th June 2012	-	0	-	1,097,044,113	444,024,617	446,794,813	15,720,416	2,003,583,989								
Net Book Value																
30th June 2012	76,532,374,300	14,072,532,000	2,331,633,633	552,862,225	302,664,790	72,926,843	24,341,474	93,889,435,264								
30th June 2011	24,187,933,642	9,588,957,133	2,085,096,841	508,769,039	237,640,775	78,042,333	22,456,929	36,688,895,681								

UNIVERSITY OF NAIROBI
NOTES TO THE ACCOUNTS

8. TRUST AND ENDOWMENT FUNDS INVESTMENTS

	2013 KSh.	2012 KSh.
TRUST FUND - SPECIAL ACCOUNTS		
Gandhi Memorial Academy Society		
East Africa Breweries Limited		
33,380 Ordinary shares of Shs.2/- each	11,115,540	7,577,260
Car and General (Kenya) Limited		
15,222 Ordinary shares of Shs.5/- each	361,523	418,605
C.M.C. Holdings Limited		
125,920 Ordinary shares of Shs.0.5/- each	1,699,920	1,699,920
Unga Limited		
28,782 Ordinary shares of Shs.5/- each	437,486	362,653
Kenya Power and Lighting Co. Limited		
8944 Ordinary shares of Shs.2.50 - each	129,688	135,054
	13,744,157	10,193,493
Kamala Gold Memorial Fund		
Kenya Power & Lighting Co. Limited		
7904 Ordinary shares of Shs.2.50 - each	114,608	119,350
Tom Mboya Memorial Fund		
East Africa Breweries Limited		
42,635 Ordinary shares of Shs.2/- each	14,197,455	9,678,145
Total of Trust Fund Investments	28,056,220	19,990,988
INVESTMENT NOT ATTRIBUTABLE TO ANY PARTICULAR FUND		
Investment in University of Nairobi Enterprises and Services Limited (UNES)	100,000	100,000
Endowment Fund		
Stg.£511,869.70 Sasakawa Fellowship Fund *	67,226,356	87,721,020
Total of Endowment Fund Investments	67,326,356	87,821,020
Total Trust and Endowment Fund Investments	95,382,576	107,812,008

Note

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

* An amount of Kshs 22,836,551 (Sasakawa) matured in June and invested in July 2013 is reflected in note 12, Cash and Bank.

UNIVERSITY OF NAIROBI
NOTES TO THE ACCOUNTS

	2013	2012
	KSh.	KSh.
9. Inventories		
General Stocks	129,912,303	131,490,028
Dental Materials	27,660,480	34,536,554
Pharmacy, Cafeterias	6,211,673	3,499,800
UNES Bookstore	109,419,909	101,197,920
SWA stocks	12,639,206	14,339,654
	<u>285,843,571</u>	<u>285,063,957</u>
10. Trade, Receivables and Debit Balances		
Sundry Debtors	510,693,150	559,198,315
Deans Committee Research Grants	23,517,418	22,995,285
Program and Projects Balance	3,829,497,322	3,378,075,482
IGU Program Balances	144,124,256	101,753,905
Specific Purposes Revenue Grants	17,511,520	0
Capital fund	113,048,084	90,432,114
Students Welfare Authority (SWA)	34,816,455	14,893,545
	<u>4,673,208,205</u>	<u>4,167,348,646</u>
Less: Provision for bad & doubtful debts	(25,534,657)	(27,959,916)
	<u>4,647,673,547</u>	<u>4,139,388,731</u>
11. SHORT TERM DEPOSITS		
Recurrent Grants	41,175,505	17,832,363
Nairobi University Press	2,868,044	2,730,024
CHSS	-	4,557,821
CHS	4,875,400	4,882,362
Specific purposes revenue grants	2,835,861,207	2,122,132,495
Trust and Endowment funds	287,291	263,390
IGU Accounts	121,500,000	29,400,000
Students Welfare Authority	2,408,289	2,408,289
	<u>3,008,975,735</u>	<u>2,184,206,744</u>
12. CASH AND CASH EQUIVALENTS		
Central Cash Balances	1,710,204,941	1,035,776,007
Cash in hand	287,711	110,055
Nairobi University Press	7,919,399	7,358,519
SWA Balances	22,694,837	12,926,375
Colleges	350,595,917	357,809,079
IGU Accounts	362,209,350	318,536,479
	<u>2,453,912,155</u>	<u>1,732,516,514</u>
13. (a) CREDITORS AND OTHER PAYABLES		
Sundry Creditors	1,223,992,799	839,188,642
Deans Committee Research Grants	18,265,637	15,830,380
Statutory Deductions - Payroll	205,236,143	170,213,472
Provision for Staff Gratuities	185,118,760	76,413,015
IGU Program Balances	211,802,886	120,146,423
Investment and banking services (UNES)	12,705,369	17,050,026
SWA Balances	56,213,622	38,430,428
	<u>1,913,335,216</u>	<u>1,277,272,385</u>
13. (b) BANK OVERDRAFT		
SWA Overdraft	6,538,750	6,720,065
UNES Overdraft	341,510,928	187,871,064
BBK-QUEENSWAY BRANCH	465,633,242	11,722,258
BBK - CENTRAL STORES	3,111,121	-
CENTRAL - GRANTS ACCOUNTS & OTHERS	-	4,708,543
BBK - CHSS	7,038,750	0
	<u>823,832,790</u>	<u>211,021,929</u>
	<u>2,737,168,007</u>	<u>1,488,294,314</u>

UNIVERSITY OF NAIROBI
NOTES TO THE ACCOUNTS

14. INCOME	2013	2012
(i) Capitation Grant	KSh.	KSh.
Jul-2012	385,551,804	382,218,470
Aug-2012	385,551,804	382,218,470
Sep-2012	385,551,804	382,218,470
Oct-2012	385,551,804	382,218,470
Nov-2012	385,551,804	382,218,470
Dec-2012	385,551,804	382,218,470
Jan-2013	385,551,804	382,218,470
Feb-2013	385,551,804	382,218,470
Mar-2013	385,551,804	382,218,470
Apr-2013	385,551,804	382,218,470
May-2013	385,551,804	382,218,470
Jun-2013	385,551,804	382,218,470
	4,626,621,644	4,586,621,643
(ii) Special Grant		
Special capitation received during the year 2012/2013 to settle CBAs as follows: Salary and House Allowance of Ksh 716,206,000 and Public Workers allowances of Ksh 429,994,000.	1,146,200,000	0
(iii) Tuition and other fees		
Tuition fees and other charges collected from regular students	599,183,140	479,996,449
(iv) Accreditation Fees		
Amount received from accredited Institutions	940,000	900,000
(v) Other Services Rendered		
Other Fee	26,785,928	41,632,933
Services Units	7,576,683	9,128,187
	34,362,611	50,761,120
(vi) Accomodation , Catering and other income		
House Rents	115,323,598	109,129,641
Income from telephone, telex and fax	-	1,330
Library services	-	20,742
Sale of Tender Documents	3,531,614	4,848,771
Income from endowment fund	198,159,689	191,341,089
Agency fees (Insurance & Hire purchase)	8,162,659	3,580,311
Staff Education Support Fund	183,900	284,780
Certificate Storage	3,213,806	2,809,020
Reimbursement (Emoluments)	143,259,839	50,234,890
Miscellaneous	7,962,859	23,552,113
Accomodation and Catering	217,033,465	217,690,281
	696,831,429	607,492,967
(vii) Transfer from IGUs for specific purposes		
Income from Grants Overheads Charges		
Transfer of funds from Projects	62,559,529	80,331,466
	62,559,529	80,331,466
Other IGUs		
Management & Support Services	150,000,000	129,000,000
Payroll Supplementation	1,513,000,000	1,280,000,000
Rates and Ground Rents	7,000,000	6,000,000
Funds to Pay Creditors	120,000,000	110,000,000
Library	50,000,000	57,000,000
Physical Space and Development	280,000,000	276,000,000
Pension - Current	90,000,000	70,000,000
Debt Reduction - General	170,000,000	150,000,000
Debt Reduction - Pension	-	10,000,000
Grants to pay KRA - Current	600,000,000	580,000,000
KPLC	300,000,000	285,000,000
ICT Revolving Fund	31,990,443	31,367,250
	3,311,990,443	2,984,367,250
	3,374,549,972	3,064,698,716

UNIVERSITY OF NAIROBI
NOTES TO THE ACCOUNTS

15. EXPENDITURE	2013	2012
(i) Academic Departments	KSh.	KSh.
Personal Emoluments	3,711,753,709	2,943,673,342
Clinical Allowance	618,394,269	253,931,864
House allowance	1,467,785,861	1,328,910,910
Teaching Practice C.E.E.S. Kikuyu	41,103,063	18,427,824
Teaching and Office Expenses	131,212,432	112,477,141
Travelling and Transport	72,262,353	58,414,736
Expenditure from service units	5,742,739	6,288,739
	6,048,254,427	4,722,124,556
(ii) Central Administration and Central Services	2013	2012
	KSh.	KSh.
Personal Emoluments	712,442,871	589,563,346
Management and support services	146,585,106	139,872,961
House Allowance	281,730,323	266,156,286
Travelling and Transport	19,648,861	17,403,991
Publishing and Printing	6,191,357	7,783,889
Purchase of Uniforms	5,649,100	3,952,964
Purchase of Stationery	64,792,502	36,063,531
Postal and Telegram Expenses	1,116,350	1,071,091
Telephones	26,397,962	28,560,888
Computer Charges	78,293,990	46,750,415
Insurances	58,148,927	58,180,149
Council Meetings and Ceremonial Expenses	8,656,831	10,970,498
Conference and Seminars	24,726,028	29,006,679
Membership Subscriptions	1,583,587	3,549,402
Bank Charges	21,312,543	10,209,999
Audit Fees	5,780,000	3,500,000
Fees, Commission & Honoraria	351,850	1,148,658
Official Entertainment	668,840	383,230
Transport Operating Expenses	38,495,813	48,588,106
Graduation Expenses	8,377,347	7,562,056
University Choir Expenses	3,629,025	2,153,782
Funeral Expenses	3,798,878	2,856,438
Legal Fees	10,234,226	3,270,393
Contracted Security Services	93,640,436	85,824,451
Perf. Contracting, Change mgt., Result based mgt. & Integrity Programs activities	24,045,046	23,136,716
ISO Expenses	533,674	2,524,600
Depreciation	503,944,231	202,532,108
Alumini	478,611	350,680
Provision for Bad Debts	25,534,657	27,959,916
Other Expenses	18,782,109	26,869,529
	2,195,571,080	1,687,756,750

UNIVERSITY OF NAIROBI
NOTES TO THE ACCOUNTS

	2013 KSh.	2012 KSh.
(iii) Academic Services		
Library: Personal Emoluments	122,738,232	99,380,760
Books and Periodicals	30,376,059	77,942,711
Sundry Charges	7,049,800	7,147,282
Computer Services:		
Personal Emoluments	57,278,843	42,319,429
Consumables	516,563	844,817
	217,959,498	227,634,999
(iv) General Educational expenditure		
Examinations stationery	34,147,118	17,108,033
External Examiners	29,754,150	25,872,585
Postgraduate Programmes	40,849,230	31,270,827
Research and Publications	24,338,695	22,718,094
Staff Development	15,239,068	3,468,878
House to Office Transport Allowance	505,012,058	449,677,294
Passages and Leave Travelling Expenses	31,761,556	34,578,194
	681,101,874	584,693,905
(v) Maintenance of Premises		
Rents and Rates	7,840,241	5,077,432
Electricity, Water and Conservancy	494,628,088	406,568,812
Maintenance of Buildings	66,565,865	69,145,043
	569,034,193	480,791,287
(vi) Staff and Students facilities and welfare		
University Medical Scheme	251,702,139	208,537,600
Recruitment Expenses	34,094,864	27,463,285
Travelling outside Kenya	10,334,281	15,643,763
Staff Education Support	11,902,570	12,068,075
Sports and Games (Inter-University)	3,491,953	2,351,404
Needy Students	9,308,218	5,517,680
Students Associations	30,403,122	31,812,762
	351,237,147	303,394,569
(vii) S.W.A (Catering & Accomodation Services)		
Purchase of Foodstuff	65,753,461	87,751,365
Gas and Fuel	14,144,807	16,391,617
Maintenance of plants, Machinery Equipment	421,698	1,125,545
Maintenance of Buildings & Stations	6,295,996	14,084,806
Other Expenses	99,824,464	96,885,826
	186,440,426	216,239,159
(viii) Miscellaneous Expenditruue		
Maintenance of Equipment	11,588,136	16,732,690
Nairobi A.S.K. Show	4,464,948	4,796,823
	16,053,084	21,529,513

UNIVERSITY OF NAIROBI
NOTES TO THE ACCOUNTS

16. CONTINGENT LIABILITIES

(i) There is a pending law suit against the University filed 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 Ksh 279 million. The University has entered its defence.

(ii) The University has accumulated pending bills due to contractors and consultants amounting to KShs. 532,436,805.00 as at 30-6-2006. One contractor N. K. Brothers has sued the University to recover the outstanding amount.

17. Legal Status

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

18. SUPPLEMENTARY ACCOUNTS

(i) Summary of service units income and expenditure for the year ended 30th June 2013

	Income KSh.	Expenditure KSh.	Surplus/ (Deficit) 2012/2013 KSh.
Printing and Photocopying	3,645,131	3,072,357	572,774
Nairobi University Press	3,931,552	2,670,382	1,261,170
	<u>7,576,683</u>	<u>5,742,739</u>	<u>1,833,944</u>
Surplus/(Deficit) for the year			<u>1,833,944</u>

UNIVERSITY OF NAIROBI
NOTES TO THE ACCOUNTS

**19. Summary of Approved Estimates
for the year ended 30th June 2013**

	Approved Estimates 2012/2013 KSh.	Actual 2012/2013 KSh.	Actual 2011/2012 KSh.
Personal Emoluments	3,478,414,000	3,550,589,384	2,914,548,415
UNES Management & Support Allowances*	1,374,436,000	146,585,106	139,872,961
Gratuity and Pension contribution	629,525,000	727,295,227	516,740,317
House Allowance	1,690,604,000	1,800,529,699	1,639,140,505
Other Personal Allowances	212,124,000	275,315,531	199,574,835
House to Office Transport allowance	486,468,000	505,012,058	449,677,294
Passage and Leave Expenses	51,778,000	31,761,556	34,578,194
Clinical Allowance	699,065,000	618,394,269	253,931,864
Transport Operating Expenses	63,420,000	38,495,813	48,588,106
Travelling and Accommodation Expenses	125,267,000	92,105,091	75,855,747
External Travelling and Accommodation	10,522,000	10,334,281	15,643,763
Teaching Practice	38,311,000	41,103,063	18,427,824
Postal and Telegram Expenses	1,356,000	1,116,350	1,071,091
Telephone Expenses	29,444,000	26,397,962	28,560,888
Official Entertainment	1,000,000	668,840	383,230
Electricity, Water and Conservancy	494,636,000	494,628,088	406,568,812
Purchase of Supplies for Teaching & Production Materials	188,671,000	131,629,817	113,284,937
Publishing and Printing Expenses	10,000,000	6,191,357	7,783,889
Purchase of Uniforms and Clothing	8,490,000	5,649,100	3,952,964
Library Expenses	125,267,000	37,425,860	85,089,993
Purchase of Stationery	93,060,000	99,323,531	53,522,243
Advertising and Publicity (Recruitment)	34,226,000	34,094,864	27,463,285
Sports and Equipment (Inter-University)	3,500,000	3,491,953	2,351,404
Audit Fees	5,800,000	5,780,000	3,500,000
Payments of Rent and Rates Residential	13,554,000	7,840,241	5,077,432
Computer Charges	76,500,000	78,293,990	46,750,415
Hire of Transport Plant and Machinery	529,000	0	0
Miscellaneous Other Charges	289,497,000	245,348,829	223,583,550
Fees, Commission and Honoraria	3,675,000	351,850	1,148,658
Staff Development	21,173,000	15,239,068	3,468,878
Senate, Committee Members Resp. & Council Expenses	21,592,000	8,656,831	10,970,498
Graduation Expenses	13,739,000	8,377,347	7,562,056
Conference and Seminars	25,107,000	24,726,028	29,006,679
University Medical Scheme	251,740,000	251,702,139	208,537,600
Postgraduate Programmes	50,451,000	40,849,230	31,270,827
University Research Programme	106,921,000	24,338,695	22,718,094
Compensation and Ex-Gratia payments	1,000,000	0	0
Maintenance of Plant, Machinery and Equipment	24,501,000	11,588,136	16,732,690
Maintenance of Buildings and Stations	73,704,000	66,565,865	69,145,043
Students Welfare Authority	278,540,000	186,440,426	216,239,159
Staff Education Support Fund	33,885,000	11,902,570	12,068,075
Other Service Units	6,367,000	5,742,739	6,288,739
Perf. contracting, Change mgt. & Result based mgt. activities training/Integrity	25,174,000	24,578,720	25,661,316
Depreciation	575,444,000	503,944,231	202,532,108
Students amenities/Activities, Associations	30,397,000	30,403,122	31,812,762
Needy Students	12,526,000	9,308,218	5,517,680
Provision for Bad Debts	80,000,000	25,534,657	27,959,916
	11,871,400,000	10,265,651,730	8,244,164,738
Capital Expenditure			0
Purchase of Motor Vehicles ***	60,000,000	53,197,281	10,975,853
Purchase of Plant and Equipment ***	143,321,000	81,223,920	91,957,360
Capital Development-WIP **	1,273,000,000	471,998,809	266,536,792
Purchase of Computers ***	240,535,000	94,043,882	162,598,353
	1,716,856,000	700,463,892	532,068,358

Note

* Included in the UNES Management & Support Allowances budget is Kshs 1045856069.74 in UNES and included in Note 4.

** The variance between the budget and actual expenditure in capital project is due to ongoing University Towers

*** Included in Motor vehicle, Computers, Furniture and Equipment are donations from donor funded research of Kshs 27,571,807.70.

UNIVERSITY OF NAIROBI
NOTES TO THE ACCOUNTS

**20. Summary of Actual Expenditure
for the year ended 30th June 2013
Students Welfare Authority(SWA)**

	Actual 2012/2013 KSh.	Actual 2011/2012 KSh.
Transport Operating Expenses	2,311,152	2,085,661
Travelling and Accommodation expenses	5,160,409	3,802,786
Telephones	1,728,308	1,959,487
Postal and Telegram	0	0
Official Entertainment	14,500	74,988
Publishing and Printing Expenses	593,048	990,243
Purchase of Uniforms and Clothing	9,242,678	7,584,406
Purchase of Stationery & Office expenses	9,340,713	9,958,243
Miscellaneous Other Charges	4,688,468	5,078,302
Bank Charges	1,750,241	2,068,139
Staff Development	1,528,964	2,425,394
Conferences and Seminars	1,677,260	3,353,888
University Medical Scheme	3,498,643	5,117,899
Fees, Commission and Honoraria	0	0
Performance Contracting Expenses	2,328,106	0
Maintenance of plant, Machinery and Equipment	1,614,221	1,125,545
Maintenance of Buildings and Station	55,813,048	59,308,375
Halls Expenses	2,401,355	2,655,959
Gas and Fuel	14,144,807	16,391,617
Cleaning Materials	2,851,045	4,506,863
Purchase of Food	65,753,461	87,751,365
	186,440,426	216,239,159

UNIVERSITY OF NAIROBI
NOTES TO THE ACCOUNTS

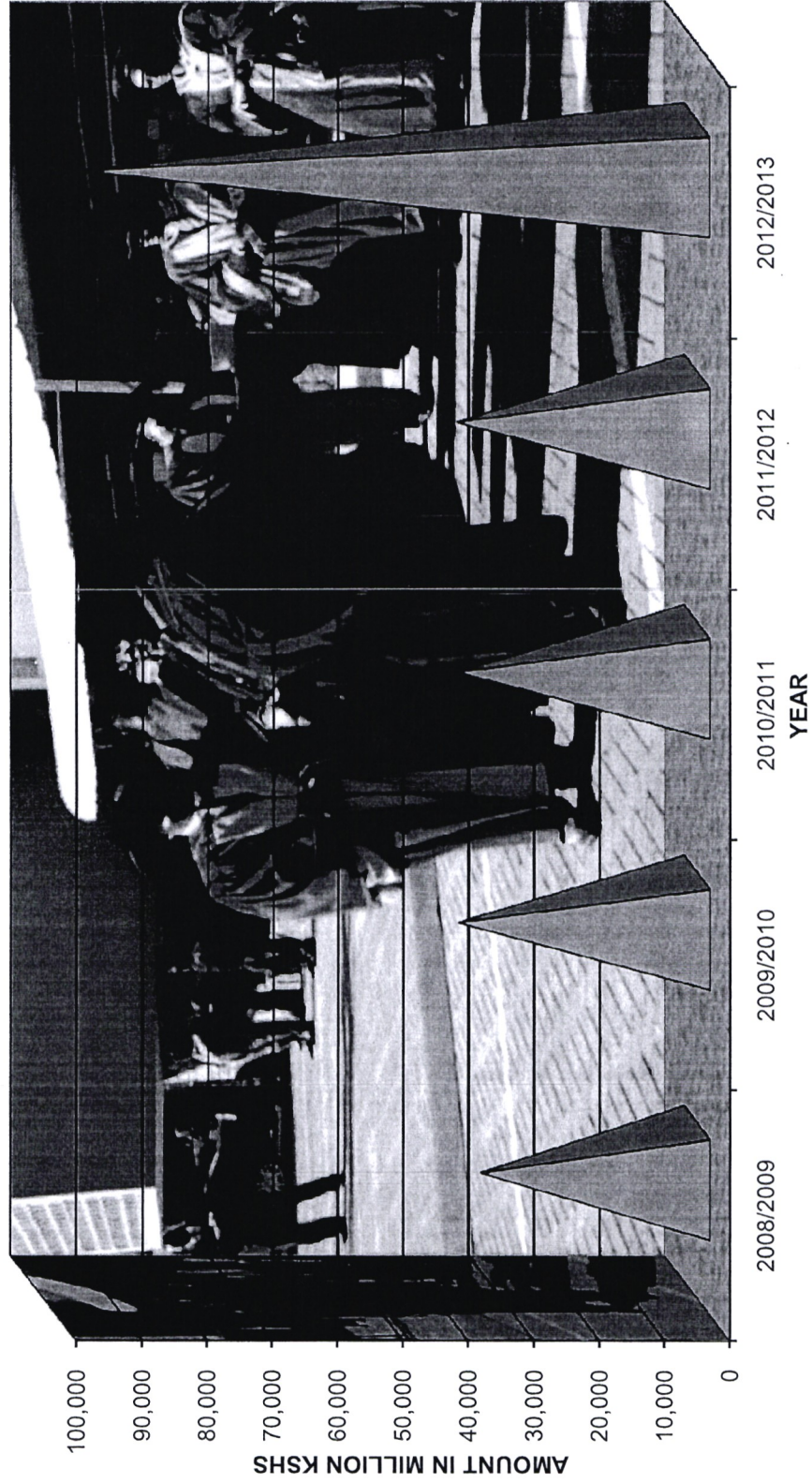
21. Other information (5 year Trend)

i) General Revenue Statistics

The following table show changes in the percentage distribution of income and expenditure over the last five years.

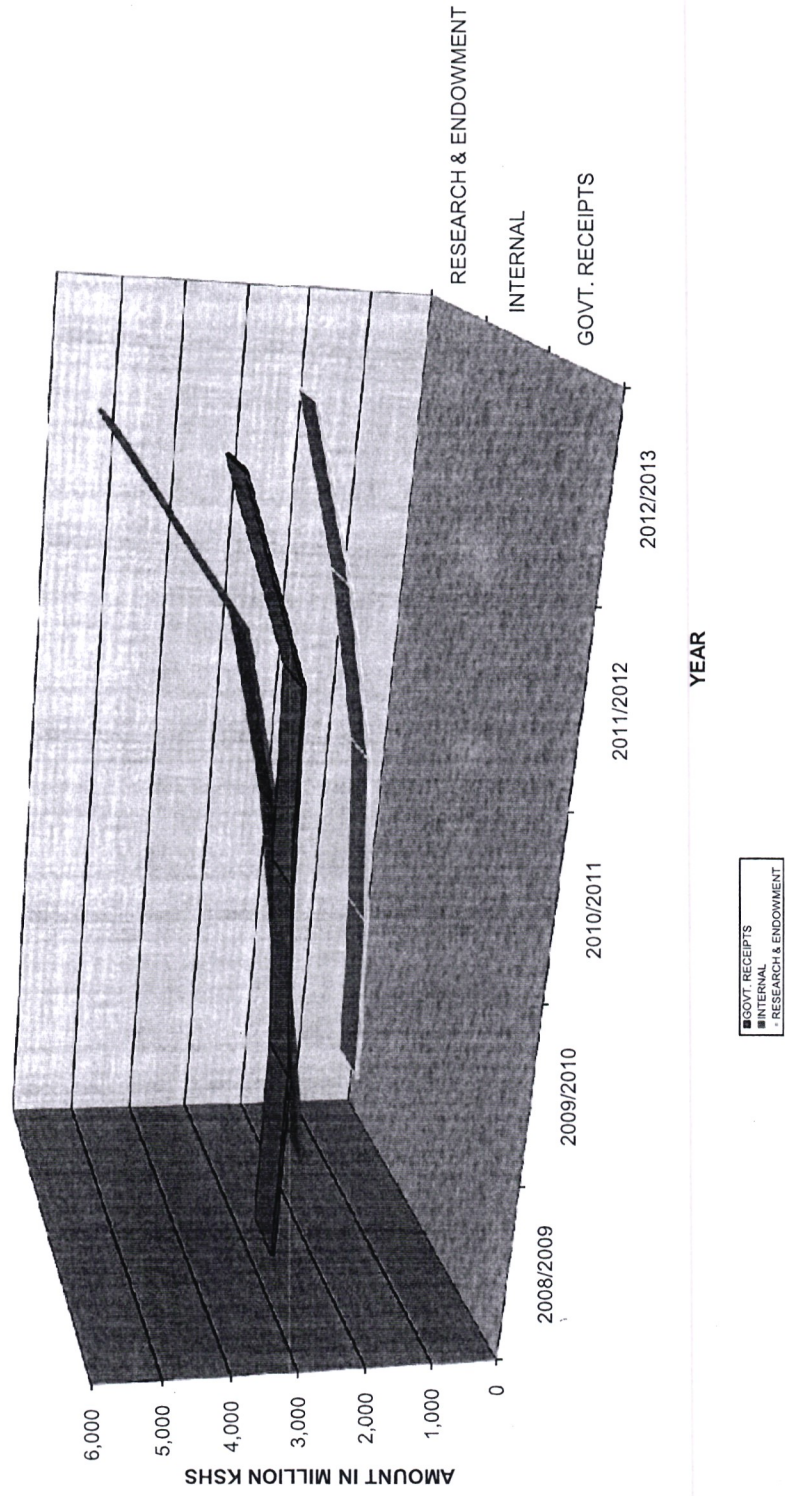
	2012/2013	2011/2012	2010/2011	2009/2010	2008/2009
Income					
Government Grants	55%	52%	1	1	0.54
Tuition and other fees	6%	5%	0	0	0.07
Other services rendered	0%	0%	0	0	0.00
Other income	39%	42%	0	0	0.39
Total Income (%)	100%	100%	1	1	1.00
Total Income	10,478,688,796	8,790,470,896	8,502,759,130	7,331,122,897	6,534,773,361.00
Expenditure					
Academic Departments	59%	57%	1	1	0.60
Administration and Central Services	21%	20%	0	0	0.23
Academic Services	2%	3%	0	0	0.03
General Educational Services	7%	7%	0	0	0.04
Maintenance of Premises	6%	6%	0	0	0.05
Miscellaneous expenditure	0%	0%	0	0	0.00
Staff and students facilities and Welfare	3%	4%	0	0	0.03
Students Welfare Authority	2%	3%	0	0	0.03
Total Expenditure (%)	100%	100%	1	1	1.00
Total Expenditure	10,265,651,730	8,244,164,738	8,382,754,023	7,122,401,351	6,241,443,265.00
ii) Capital Development Statistics					
Receipts					
Government Grants - Constructions	27,571,808	46,273,913	46,314,888	34,410,477	19,715,292.00
- Fixed Assets	71,149,057	60,587,541	20,000,000	89,996,011	199,999,537.00
External Grants - Constructions					
- Fixed Assets	2,247,308,120	2,300,313,360	1,649,546,226	1,444,905,433	868,343,317.00
	2,346,028,985	2,407,174,813	1,715,861,114	1,569,311,921	1,088,058,146.00
Expenditure					
Construction	482,369,282	266,536,792	260,655,340	161,940,099	251,046,181.10
Purchase of fixed assets	262,940,226	332,538,743	341,056,423	308,519,751	161,676,214.00
	745,309,508	599,075,535	601,711,763	470,459,850	412,722,395.10
iii) Research Grants, Endowment & Donations Statistics					
Receipts					
Research grants	2,247,308,120	2,300,313,360	1,649,546,226	1,444,905,433	868,343,317.00
Endowment and donations	73,516,910	71,692,953	69,652,219	39,090,179	35,497,915.00
Expenditure					
Research grants	2,264,846,529	1,860,801,394	1,721,594,143	1,444,905,433	700,664,109.00
Endowment and donations	64,764,938	68,327,353	32,908,468	34,487,409	18,473,566.00

5 YEAR GROWTH OF NON-CURRENT ASSETS FROM 2008/2009 TO 2012/2013

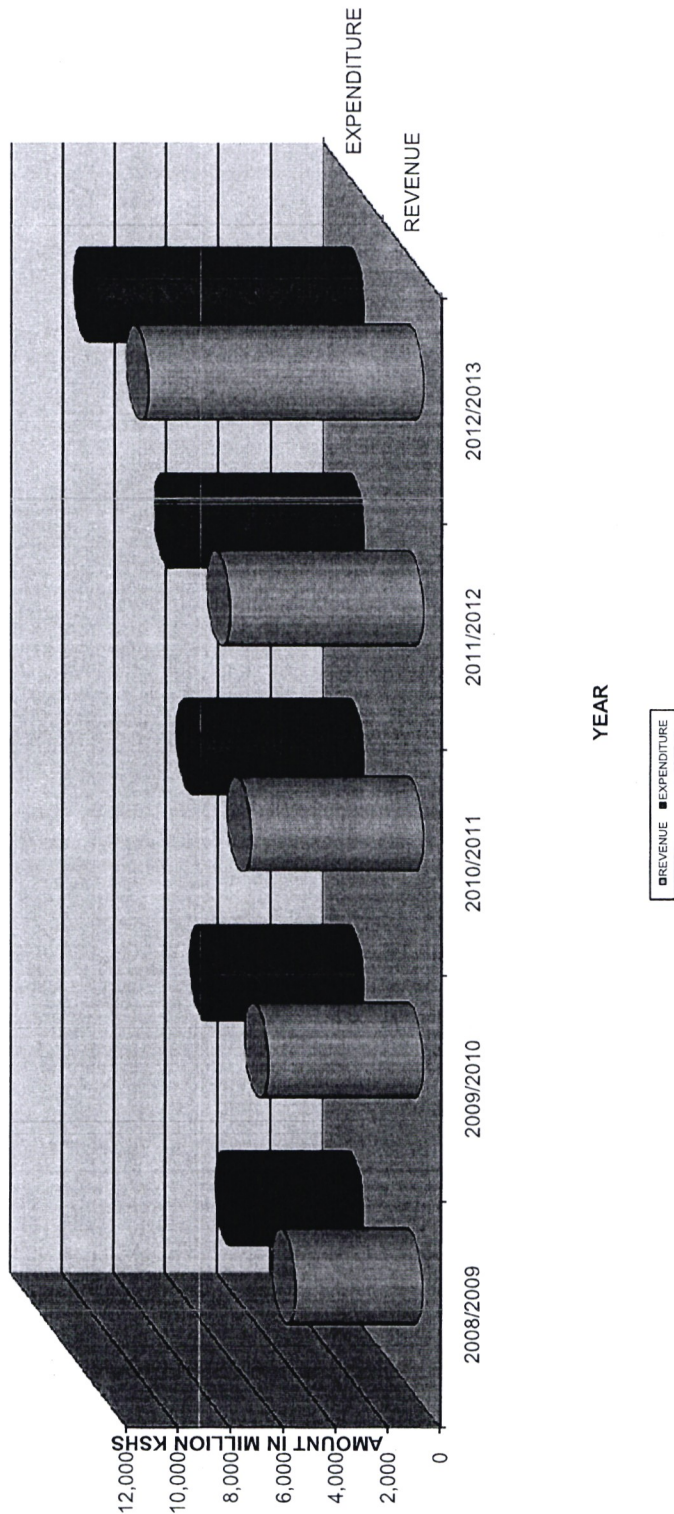


■ FIXED ASSETS

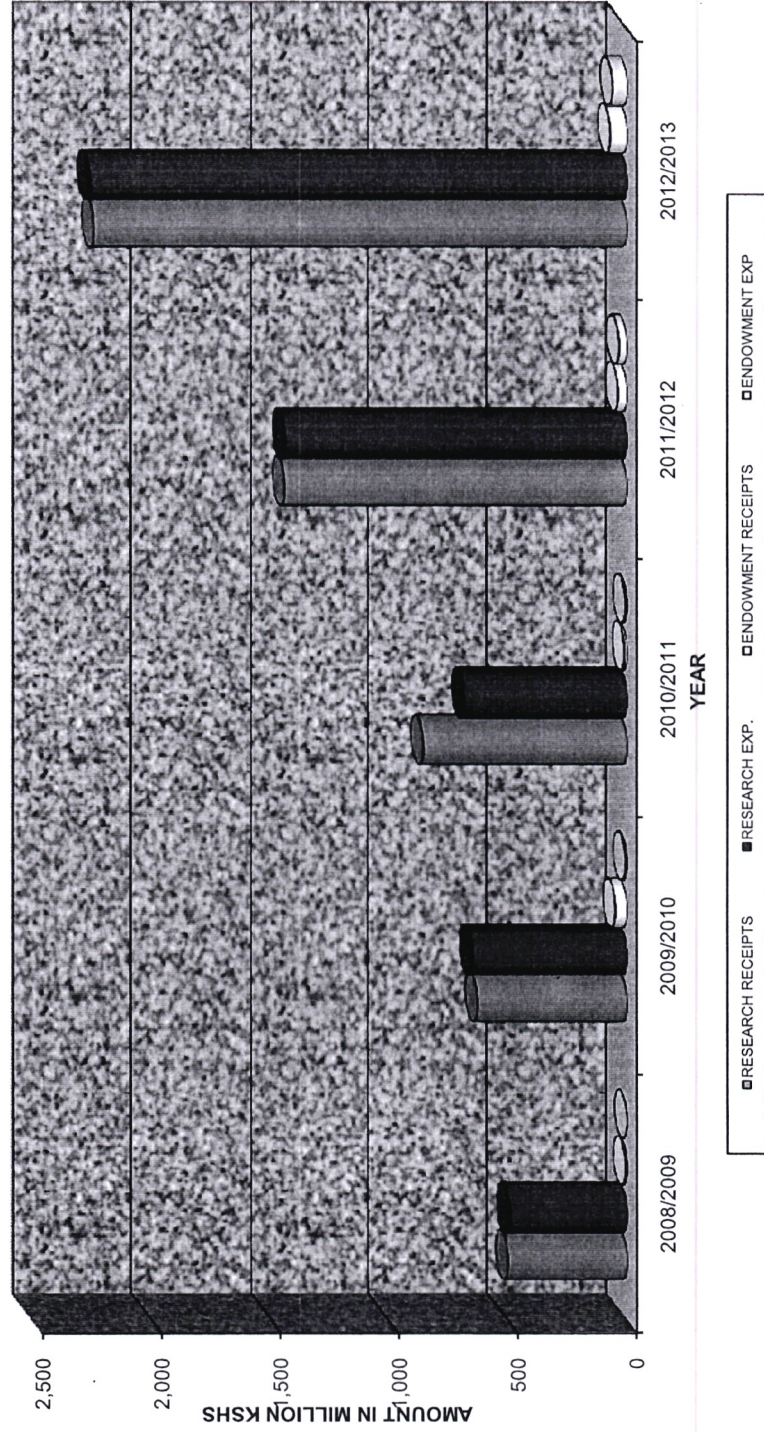
5 YEAR INCOME TREND FROM 2008/2009 TO 2012/2013



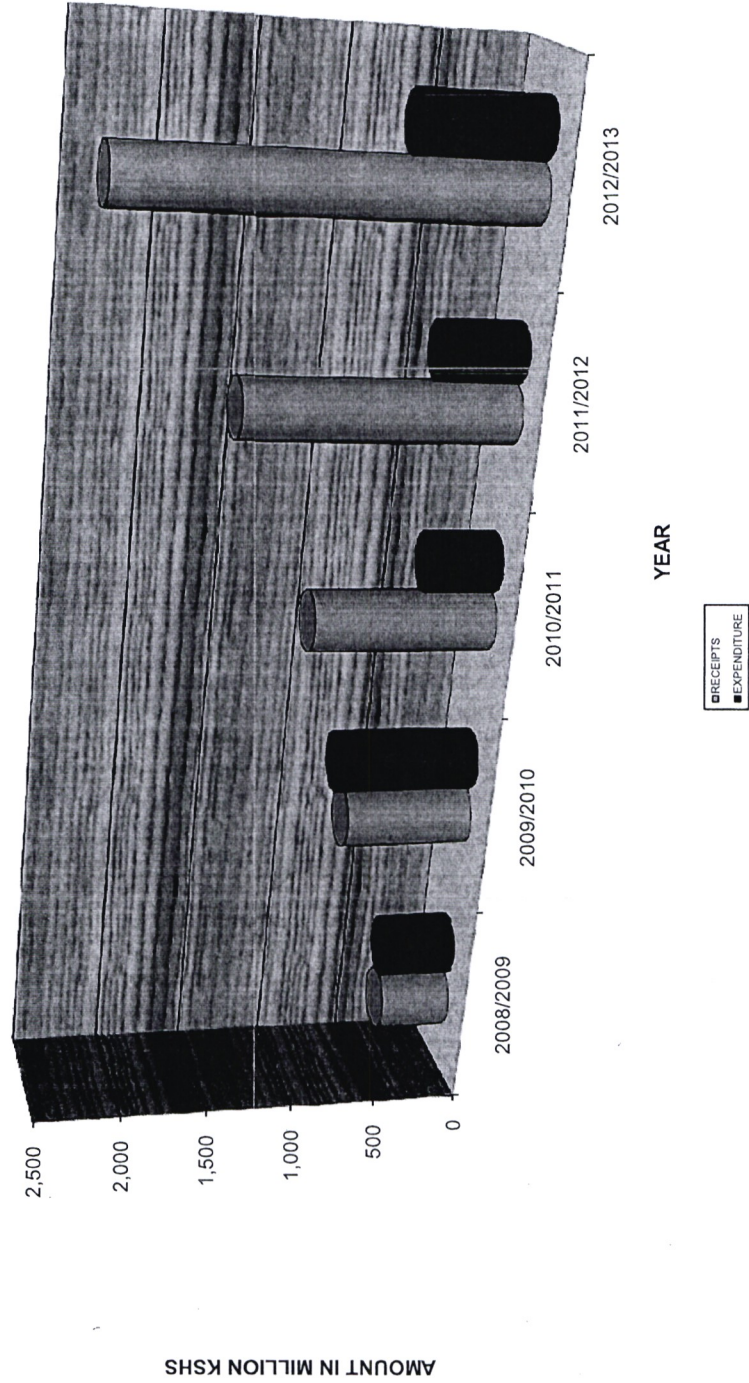
REVENUE AND EXPENDITURE TREND FROM 2008/2009 TO 2012/2013



RESEARCH AND ENDOWMENT FROM 2008/2009 TO 2012/2013



CAPITAL DEVELOPMENT FROM 2008/2009 TO 2012/2013



STUDENT POPULATION FROM 2008/2009 TO 2012/2013

