



*Paper laid by
Hon A. Sule, MP
Leader of Majority
on Tue 11/11/14*

UNIVERSITY OF NAIROBI



Annual Report & Financial Statements

For the year ended June 30, 2013

Vision

A world-class university committed to scholarly excellence

Mission

To provide quality university education and training and to embody the aspirations of the Kenyan people and the global community through creation, preservation, integration, transmission and utilization of knowledge

Core values

The university shall be guided by the following core values:

- ◆ Freedom of thought and expression;
- ◆ Innovativeness and creativity;
- ◆ Good corporate governance, integrity, transparency and accountability;
- ◆ Team spirit and team work;
- ◆ professionalism;
- ◆ Quality customer service;
- ◆ Responsible corporate citizenship;
- ◆ Respect for and conservation of the environment



UNIVERSITY OF NAIROBI



Annual Report and Financial Statements for the Year Ended June 30, 2013

P.O. Box 30197 - 00100
Nairobi, Kenya
Telephone: +254-020-318262
Fax: +254-020-2243660
Website: www.uonbi.ac.ke



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Chancellor and Principal Officers of the University

Chancellor:

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

Chairman of the University Council:

IDLE OMAR FARAH, BVM (Nairobi), 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, BVM, M.Sc.(Nairobi), M.V.Sc.(Saskatchewan), Ph.D(Nairobi)

Deputy Vice-Chancellor (Academic Affairs):

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

Deputy Vice-Chancellor (Student Affairs):

I.M.MBECHE., 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, B.Ed, M.Sc Nairobi, Ph.D, DIC (London)

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, B.A, M.A (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)

Deputy Principal, Kenya Science Campus:

H.OCHANDA B.Ed, MSc,(Nairobi), Ph.D(Warwick)

Finance Officer:

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

Administration Registrar:

D. M. Bulinda B.Ed. (Arts), M.Ed. (Admin & Planning), Ph.D (Nairobi)

Academic Registrar:

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

University Librarian:

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

Planning Registrar:

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



Chancellor and Principal Officers of the University



Dr J.B. Wanjui



Dr. Idle Omar Farah



Prof. G. A. O. Magoha



Prof. P. M. F. Mbithi



Prof. H. W. Mutoro



Prof. L. W. Irungu



Prof. I. M. Mbeche



Prof. A. W. Mwangombe



Prof. I. O. Kibwage



Prof. B. N. K. Njoroge



Prof. E. H. N. Njeru



Prof. B. O. Aduda



Prof. H. Ochanda



Prof. P. O. K'Obonyo



Prof. I. O. Jumba



Mr. M. Karue



Dr. D. M. Bulinda



Mr B. M. Waweru



Mrs. S. Munavu



Mr. W. J. Asilla



Registered Office and Place of Business:

University of Nairobi
Harry 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.
Standard chattered Bank Ltd.



President Mwai Kibaki hands over the University charter to the chancellor, Dr Joseph Wanjui.



Members of the Council



Dr. Idle Omar Farah

No	Name	Designation
1.	Dr. Idle Omar Farah	Chairman
2.	Dr. Betty Gikonyo	Member
3.	Mr. Joseph Tui Hamisi	Member
4.	Mrs. Pascaliala Chepkorir Chuma Koske	Member
5.	Dr. Sanjay Advani	Member
6.	Dr. (Mrs.) Lucy I. Celima Kiyiapi	Member
7.	Mr. Samuel Kiiru	Rep. PS. Ministry of Finance
8.	Ms. Fenny W.S. Mwakisha	Rep. PS., Ministry of Higher Education, Science and Technology (MOHEST)
9.	Prof. G. A.O. Magoha	Vice-Chancellor



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 and the Vice-Chancellor .

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 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
- ◆ 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 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 Report and Accounts is 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 Accounts and no loans are advanced to them.



Chairman of Council Dr Idle Farah (Right), hands over a certificate to one of the best performing student during the prize giving ceremony of 2013.



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 to 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. During the 2011 - 2012 performance contracting period the University was ranked best performing University in Kenya and 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.

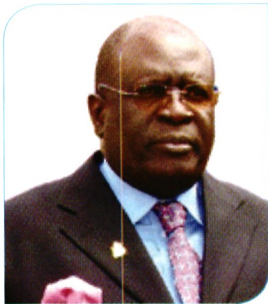
Finally, I would like to thank the government for guidance and support in the realization of university's objectives. Allow me to take this honorable opportunity to thank our research partners, University of Nairobi Alumni among other stakeholders for their support to steer us through another successful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

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

CHAIRMAN OF THE UNIVERSITY COUNCIL



Vice-Chancellor's Report



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 construction of 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(l) 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.



Graduands of the University of Nairobi during the 50th graduation ceremony of 2013 held at the chancellors court.



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*

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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

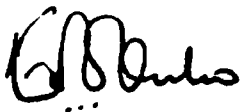
Property, Plant and Equipment

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			
Non Current Assets			
Property, Plant and Equipment	7	94,102,317,145	93,889,435,264
Investments	8	95,382,576	107,812,008
		<u>94,197,699,721</u>	<u>93,997,247,272</u>
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
		<u>10,396,405,008</u>	<u>8,341,175,946</u>
TOTAL ASSETS		<u>104,594,104,730</u>	<u>102,338,423,218</u>
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
		<u>101,856,936,723</u>	<u>100,850,128,904</u>
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
		<u>2,737,168,007</u>	<u>1,488,294,314</u>
TOTAL FUNDS AND LIABILITIES		<u>104,594,104,730</u>	<u>102,338,423,218</u>

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.(Nrbi) M.V.Sc.(Saskatchewan) Ph.D(Nrbi)
Deputy Vice-Chancellor - (Administration & Finance)

M.KARUE, B.COM., CPA(K)
Finance Officer
August 28, 2013

**STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED
30TH JUNE 2013**

		2013	2012
		Ksh	Ksh
INCOME	Note		
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
		<u>10,478,688,796</u>	<u>8,790,470,896</u>
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
		<u>10,265,651,730</u>	<u>8,244,164,738</u>
SURPLUS FOR THE YEAR		<u>213,037,066</u>	<u>546,306,158</u>
Accumulated Surplus brought forward		580,119,805	33,813,647
Accumulated Surplus Carried forward		<u>793,156,871</u>	<u>580,119,805</u>



STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 30TH JUNE 2013

	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
	KSHS	KSHS	KSHS	KSHS	KSHS	KSHS	KSHS	KSHS	KSHS
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	471,998,809	793,156,871	101,856,936,722



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		394,525,053	211,547,081
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



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, academic research, academic 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 Chancellor, Dr Joe Wanjui during the ground breaking ceremony for the University Towers



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
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2. (c) Special Capital Development Fund

Funds Designated for a Special Capital Development in the University

912,753,487	771,070,420
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3. (a) General Fund

Balance as at 1st July 2012

94,379,409,292	37,468,551,692
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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
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Acc. Dep. Write-Back (On Revaluation)

-	1,600,389,304
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TOTAL FUND

94,478,130,157	94,403,428,670
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Less: Depreciation

28,483,396	24,019,379
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Balance as at 30th June 2013

94,449,646,761	94,379,409,292
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3. (b) Capital Reserves

Funds sets aside to cater for Capital Work in Progress

471,998,809	266,525,431
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3. (c) Cash and Cash Equivalent

i) Short Term Deposits

11	3,008,975,735	2,184,206,744
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ii) Cash and Cash Equivalence

12	2,453,912,155	1,732,516,514
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5,462,887,890	3,916,723,258
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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)



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	Surplus (Deficit) / 2012 Ksh	Income 2012 Ksh	Expenditure 2012 Ksh	Surplus (Deficit) / 2013 Ksh
Chiromo Funeral Parlour				
UNES Consultancy	1,399,803	32,879,310	23,745,473	9,133,837
Chiromo Conference Center & Arziki	2,048,803	110,016,303	105,216,965	4,799,338
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	3,293,998,48	6,010,958,891	2,314,258,081	3,696,700,810
GRAND TOTAL	3,432,240,986			3,826,766,039



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	Received During Year	Expenditure During Year	Balance as at 30th June 2013
	Kshs.	Kshs	Kshs	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



7. PROPERTY, PLANT AND EQUIPMENT

Cost Valuation	Land		Buildings		Work in Progress		Furniture and Equipment		Computers		Motor Vehicles		Academic Gowns		Totals	
	Kshs		Kshs		Kshs		Kshs		Kshs		Kshs		Kshs		Kshs	
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		40,061,890		95,893,019,253	
Additions	-		-		482,369,282		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		15,720,416.00		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	-		281,450,640.00		-		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		552,962,225		302,664,790		72,926,843		24,341,474		93,889,435,264	
Cost Valuation																
1st July 2011	24,187,933,642		11,189,346,437		2,065,096,841		1,533,256,812		570,582,893		483,926,622		36,174,250		40,066,317,497	
Additions					266,536,792		116,749,525		176,106,544		35,795,034		3,887,640		599,075,535	
Revaluation (excess over cost)	52,344,440,658		2,883,185,563												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		40,061,890		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		111,082,529		40,910,524		2,003,095		226,551,487	
30th June 2012	-		0		-		1,097,044,113		444,024,647		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		552,962,225		302,664,790		72,926,843		24,341,474		93,889,435,264	
30th June 2011	24,187,933,642		9,588,957,133		2,065,096,841		508,768,039		237,640,775		78,042,333		22,456,929		36,688,895,691	



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) Endowment Fund	100,000	100,000
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/losses 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 Cash equivalents



	2013 KSh.	2012 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
	285,843,571	285,063,957
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
	4,673,208,205	4,167,348,646
Less: Provision for bad & doubtful debts	(25,534,657)	(27,959,916)
	4,647,673,547	4,139,388,731
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
	3,008,975,735	2,184,206,744
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
	2,453,912,155	1,732,516,514
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
	1,913,335,216	1,277,272,385
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
	823,832,790	211,021,929
	2,737,168,007	1,488,294,314



		2013 KSh.	2012 KSh.
14. INCOME			
(i) Capitation Grant			
	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 18	7,576,683	9,128,187
		34,362,611	50,761,120
(vi) Accommodation, 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) Staff Education Support Fund	8,162,659	3,580,311
	Certificate Storage	183,900	284,780
	Reimbursement (Emoluments)	3,213,806	2,809,020
	Miscellaneous	143,259,839	50,234,890
	Accommodation and Catering	7,962,859	23,552,113
		217,033,465	221,690,281
		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

**15. EXPENDITURE****(i) Academic Departments**

	2013	2012
	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	24,045,046	23,136,716
Programs activities	533,674	2,524,600
ISO Expenses	503,944,231	202,532,108
Depreciation	478,611	350,680
Alumini	25,534,657	27,959,916
Provision for Bad Debts	18,782,109	26,869,529
Other Expenses	2,195,571,080	1,687,756,750



	2013	2012
	KSh.	KSh.
(iii) Academic Services		
Library: Personal Emoluments		
Books and Periodicals	122,738,232	99,380,760
Sundry Charges	30,376,059	77,942,711
	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 & Accommodation 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 Expenditure		
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



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
Surplus/(Deficit) for the year	7,576,683	5,742,739	1,833,944



Team building training for members of staff in finance department


**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	63,420,000	38,495,813	48,588,106
Expenses Travelling and Accomodation Expenses	125,267,000	92,105,091	75,855,747
External Travelling and Accomodation	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	494,638,088	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 ***			0
Purchase of Plant and Equipment ***	60,000,000	53,197,281	10,975,853
Capital Development-WIP **	143,321,000	81,223,920	91,957,360
Purchase of Computers ***	1,273,000,000	471,998,809	266,536,792
	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.



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



The University of Nairobi Scouts, Kili Rover, march during the 49th Graduation Ceremony



21. OTHER INFORMATION (5 YEAR TREND)

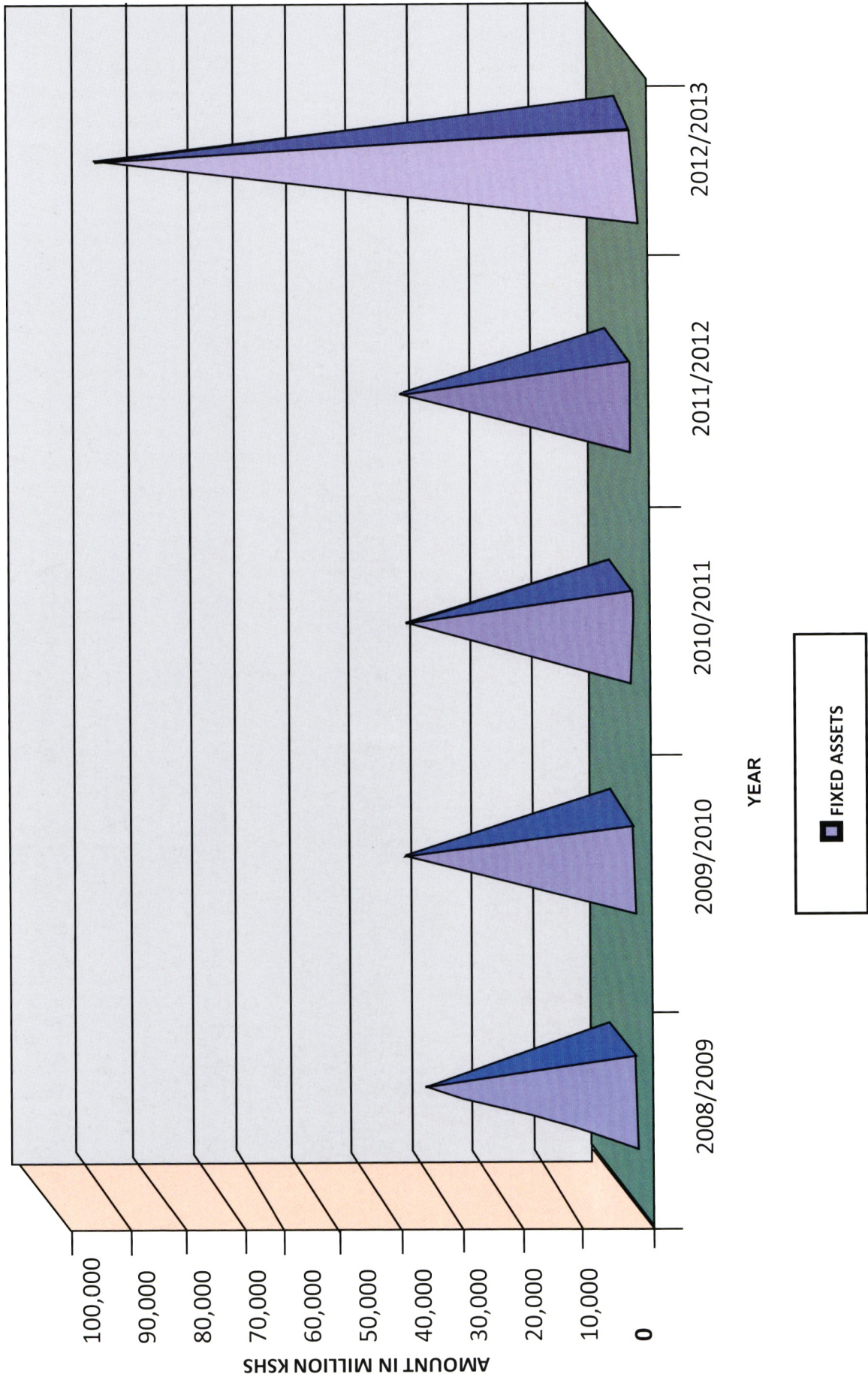
I) General Revenue Statistics

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

	2012/2013	2011/2012	2010/2011	2009/201	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					
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

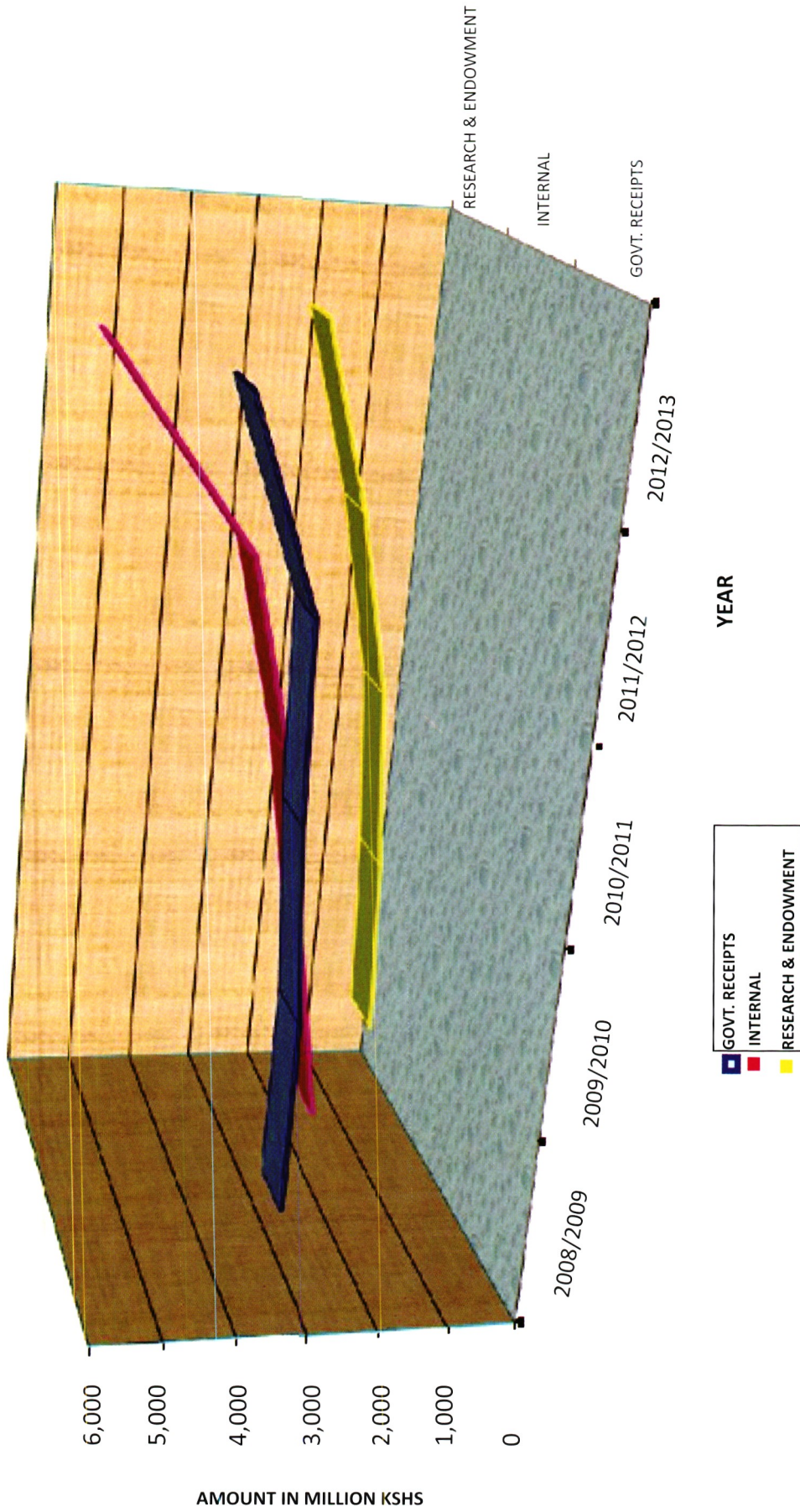


5 YEAR GROWTH OF NON-CURRENT ASSETS FROM 2008/2009 TO 2012/2013



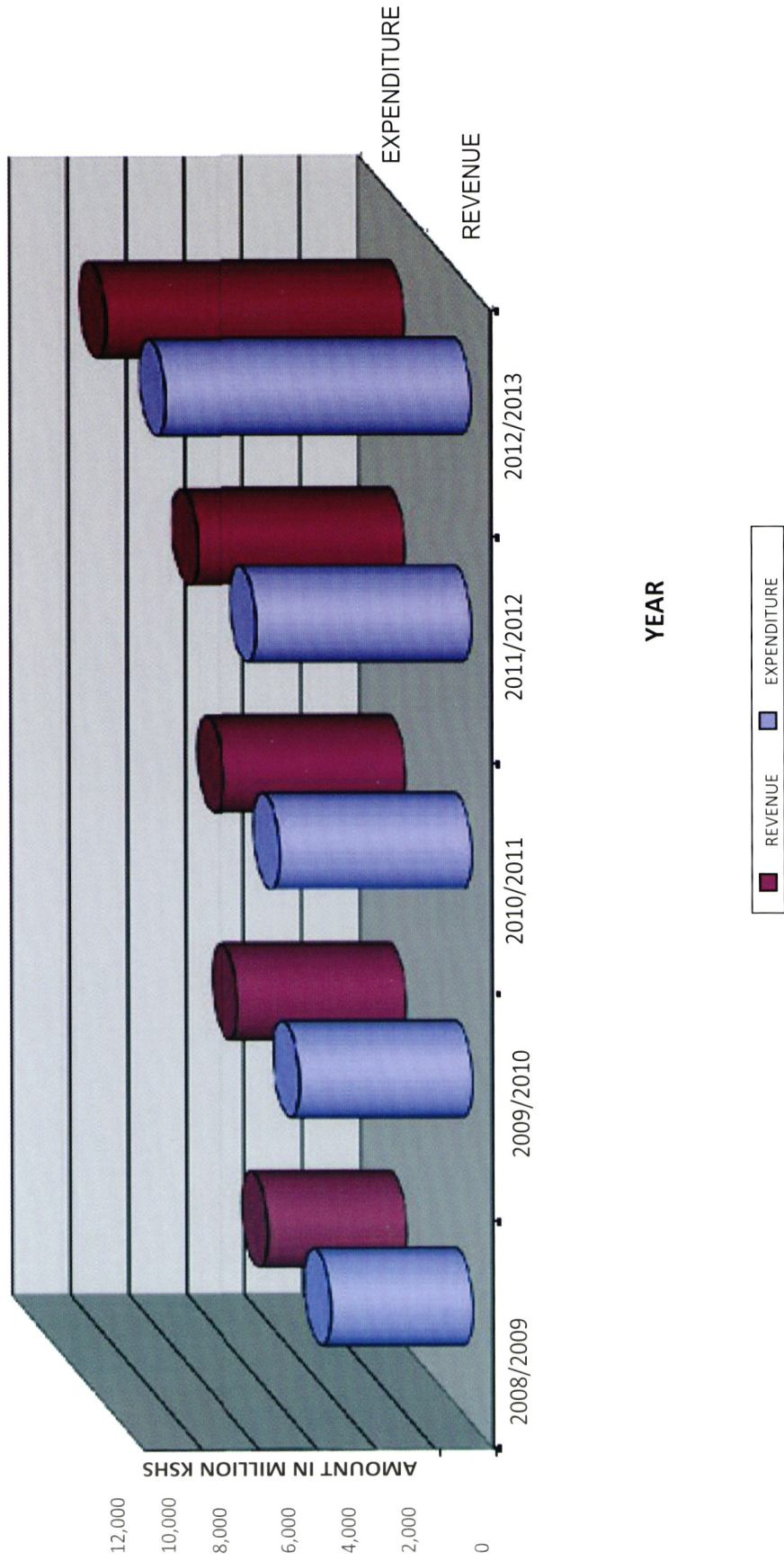


5 YEAR INCOME TREND FROM 2008/2009 TO 2012/2013



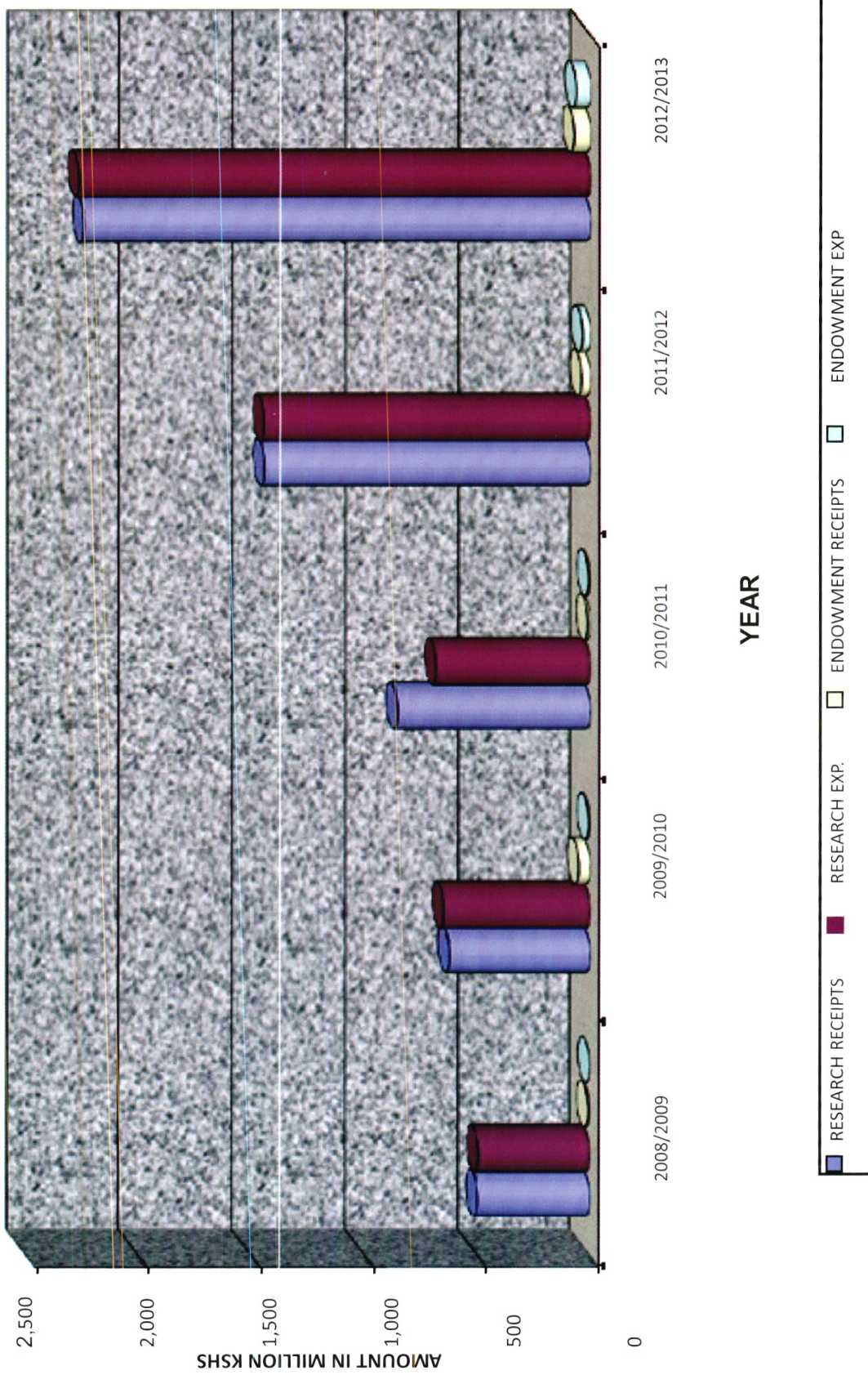


REVENUE AND EXPENDITURE TREND FROM 2008/2009 TO 2012/2013



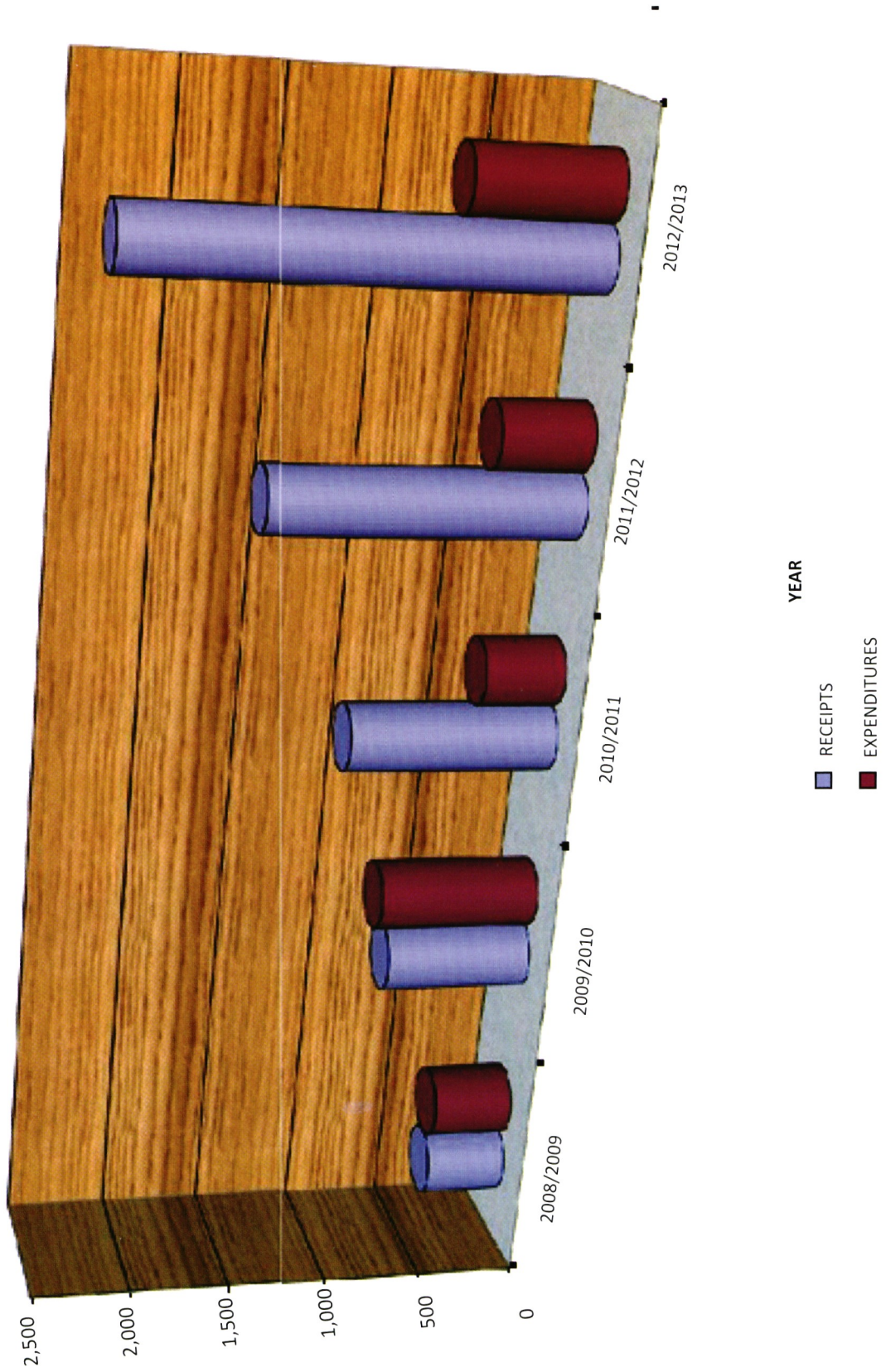


RESEARCH AND ENDOWMENT FROM 2008/2009 TO 2012/2013



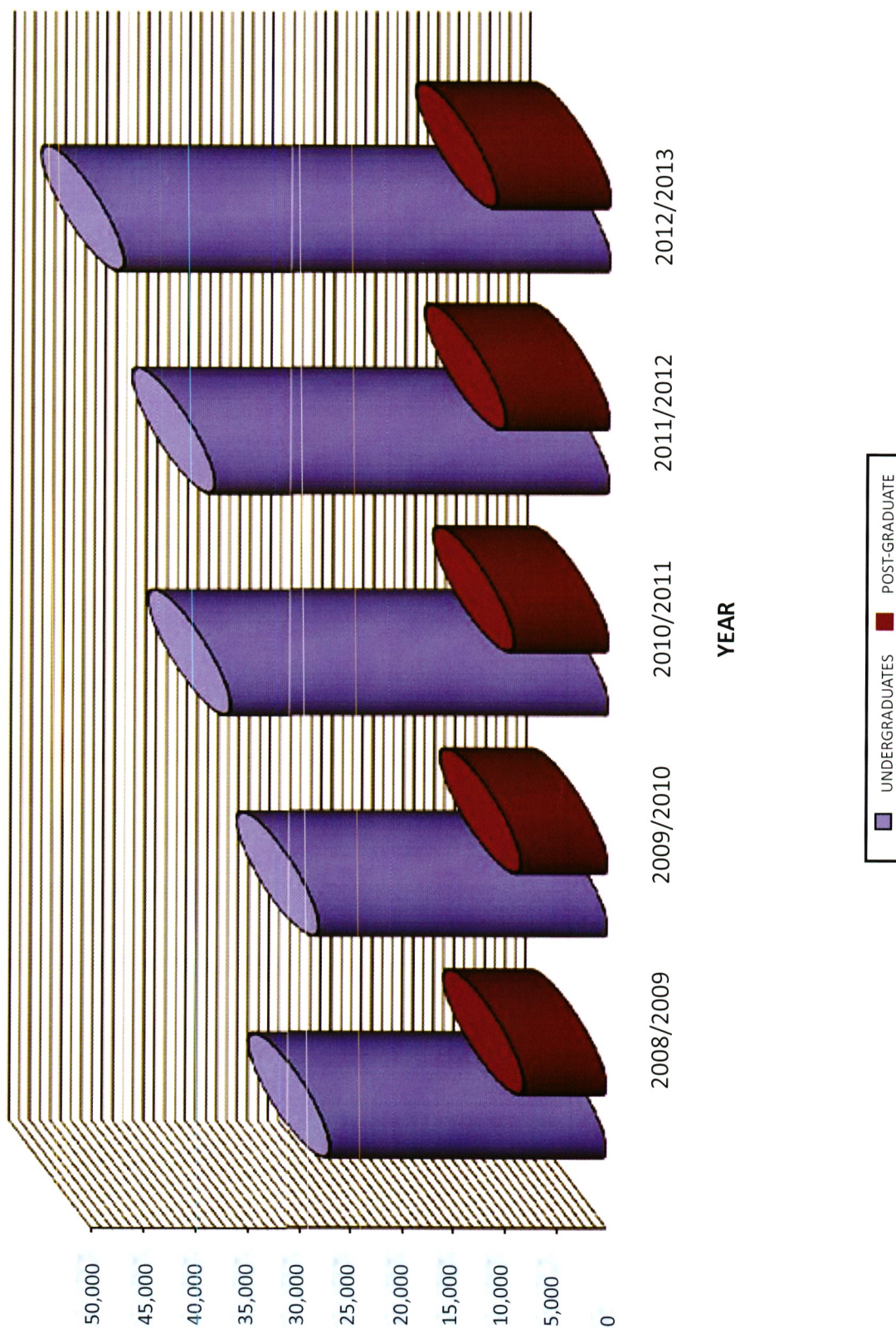


CAPITAL DEVELOPMENT FROM 2008/2009 TO 2012/2013





STUDENT POPULATION FROM 2008/2009 TO 2012/2013





Finance department in a team building Session

FINANCE MANAGEMENT TEAM



*Mr. M. Karue
Finance Officer*



*Mr. P. Agutu
Deputy Finance Officer*



*Mr. P. Busienei
Deputy Finance Officer*



University of Nairobi

Quality policy statement

The University of Nairobi is committed to quality as the guiding principle in its decision making and leadership in the provision of university education and related services to its customers.

To realize this, the University management shall regularly monitor and review its performance for continual improvement and suitability by implementing an effective quality management system based on ISO 9001 standard.

A handwritten signature in black ink, appearing to be 'A. N. S. O.', written over a light blue grid background.

Vice Chancellor

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