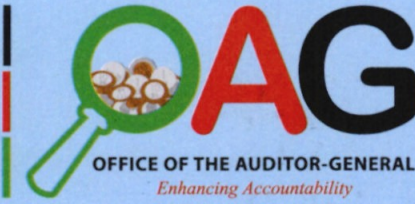
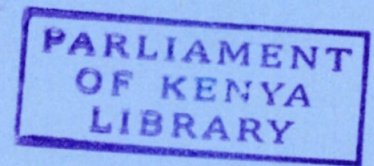


REPUBLIC OF KENYA



REPORT

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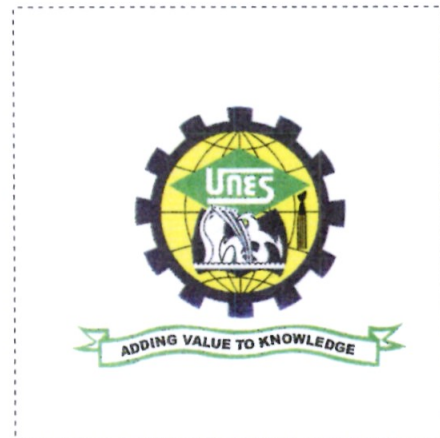
THE AUDITOR-GENERAL

ON

**UNIVERSITY OF NAIROBI ENTERPRISES
AND SERVICES LIMITED**

**FOR THE YEAR ENDED
30 JUNE, 2025**





**UNIVERSITY OF NAIROBI ENTERPRISES & SERVICES LIMITED
ANNUAL REPORT AND FINANCIAL STATEMENTS**

**FOR THE FINANCIAL YEAR ENDED
JUNE 30, 2025**

Prepared in accordance with the International Financial Reporting Standard (IFRS)

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1. Acronyms and Definition of Key Terms

A. Acronyms

CEO	Chief Executive Officer
DG	Director General
GRAC	Governance, Audit & Risk Committee
HealthIT	A project funded by USAID/Kenya led by the University of Nairobi through UNES (2016–2024) .
IAS	International Accounting Standards
IASB	International Accounting Standards Board
ICS	Institute of Certified Secretaries
IFRS	International Financial Reporting Standards
IGAs	Income Generating Activities
IGUs	Income Generating Units
ISO-QMS	Quality Management System (QMS) that adheres to the ISO 9001 standard
KDHE	Kenya Digital Health Ecosystem
MD	Managing Director
MDAs	Ministries, Departments and Agencies
MOU	Memorandum of Understanding/Agreement
NGO	Non -Governmental Organization
NICRA	Negotiated Indirect Cost Rate Agreement
NITA	National Industrial Training Authority
NT	National Treasury
OAG	Office of the Auditor General, Kenya
PAYE	Pay As You Earn (Kenya)
PFM	Public Finance Management
PFMA	Public Finance Management Act.
PSASB	Public Sector Accounting Standards Board
SCAC	State Corporations Advisory Committee
TVETs	Technical Vocational Education and Training Institutions
UNES	University of Nairobi Enterprise and Services Limited
UON	University of Nairobi
USAID	United States Agency International Development
VAT	Value Added Tax
YOB	Year of Birth

B. Definition of Key Terms

Fiduciary Management - Members of Management directly entrusted with the entity's financial resources.

Comparative Year- Means the prior period.

2. Key Entity Information

a) Background information

The University of Nairobi Enterprises & Services Limited (UNES) is a Limited Liability Company registered under the Companies Act (Chapter 486, Laws of Kenya) on 23rd May 1996. UNES is listed as a Commercial State Corporation, under the State Corporations Act CAP 446.

UNES is wholly owned by the University of Nairobi as the sole shareholder, thus the resources available to UNES are primarily those of the University. UNES has a governance structure headed by Board of Directors, Managing Director, Management Team and Staff in the execution of its mandate. The board is responsible for the general policy and strategic direction of the company.

b) Principal Activities

The principal activities of UNES are:

- a) Provision of Consultancy Services.
- b) Hospitality services to the University Community and the general Public.
- c) Retail Bookshops that Serve the University Community and general public.
- d) Provision of medical services: Dental Care, Ophthalmology services, and Diagnostic Radiology services.
- e) Mortuary Services.
- f) Book bindery and reprography services.

No significant change in the nature of these activities occurred during the year.

Vision Statement

“Premier Social enterprise committed to sustainable impact on the University and Society”.

Mission Statement

To provide quality products and services to Society through consultancy and other commercial initiatives.

c) Directors

The Directors who served the entity during the year/period were as follows:

No	Board Membership	Designation	Remarks
1	Hon. Prof. Amukowa Anangwe	Chairman	Appointed on 23/05/2023 and resigned as UON Council member w.e.f May 26, 2025
2	Mr. Seith Abeka	Chief Executive Officer	Appointed on 19-7-2021
3	Prof. Kinandu Muragu	Member	Appointed as Director at the 28 th AGM held on 21 st March, 2025
4	Ms. Carren Omwenga Kerubo	Member	Resigned as UON Council member w.e.f May 26, 2025 and serving as an independent Director
5	Mr. Ahmed Sheikh Abdullahi	Member	Appointed on 23/05/2023 and resigned as UON Council member w.e.f May 26, 2025
6	Mr. Yusuf Omari	Member	Appointed as Director at the 28 th AGM held on 21 st March, 2025
7	Ms. Miriam Musyoki	Member	Appointed as Director at the 28 th AGM held on 21 st March, 2025
8	Mr. Brian Ouma	Member	Appointed as Director at the 28 th AGM held on 21 st March, 2025
9	CS. Collins Fredrick Omondi	Company Secretary	Appointed on 10 th April 2025

Key Entity Information (continued)

d) Corporate Secretary

CS Collins Fredrick Omondi
P.O. Box 16336 - 00100
NAIROBI, KENYA

e) Registered Office

UNES Head Office
Kolobot Drive Off Arboretum Drive
P.O. Box 68421 – 00200
Nairobi, KENYA

f) Corporate Contacts

Telephone: (254) 493910/03
E-mail: unes@uonbi.co.ke
Website: unes.co.ke

g) Corporate Bankers

- | | | |
|---|---|---|
| 1. Absa Bank of Kenya
Westend Building, Off Waiyaki Way
P.O. Box 30120
GPO 00100, Nairobi, Kenya | 2. Standard Chartered Bank
48 Westlands Road
P.O. Box 40310,
GPO 00100, Nairobi, Kenya | 3. National Bank of Kenya
Hospital branch
P.O. Box 30763
GPO 00100, Nairobi, Kenya |
|---|---|---|

h) Independent Auditors



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

i) Principal Legal Advisers

The Attorney General
State Law Office, Harambee Avenue
P. O. Box 40112
City Squire 00200
Nairobi, Kenya.

CS Collins Fredrick Omondi
P.O. Box 16336 - 00100
Nairobi

3. The Board of Directors



Name of Board Member	Brief Profile
 <p>Ambassador Dr. John O. Kakonge, Ph.D Chairman of the University of Nairobi Enterprises and Services Ltd</p>	<p>Appointed as the 8th Chairman of the Board of University of Nairobi Enterprises and Services (UNES), Ambassador Dr. John O. Kakonge brings a wealth of knowledge and experience in corporate governance and diplomacy. Ambassador Dr. Kakonge is a prominent international civil servant and diplomat from Kenya, with a distinguished career spanning over 40 years in the United Nations system and Kenyan government.</p> <p>Key career highlights: Current role: Member of the University of Nairobi Council. Diplomatic service: Served as Kenya's Ambassador and Permanent Representative to the UN in Geneva. United Nations: Held roles as UNDP/UN Resident Coordinator in Lesotho, Liberia, the Gambia, and Rwanda, including in post-crisis situations. He was also the UNDP Associate Director. Author: Authored the book <i>My Safari Through Life: Extracts</i>, which chronicles his life and career.</p> <p>Education: Ph.D.: African Studies, Howard University, USA (1987) M.Phil.: Land Economy, Cambridge University, UK (1989) M.A.: Development Sociology, Howard University, USA (1978) B.Ed.: Geology, University of Nairobi, Kenya (1976)</p> <p>Research: Visiting fellow: Yale University, School of Forestry and Environmental Studies: 2009–2012 Associate research scholar: Yale University, School of Forestry and Environmental Studies: 2005–2006. Visiting research fellow: Oxford University, Refugee Studies Centre: 1998</p> <p>Other responsibilities: Member, COMESA Committee of Elders: 2023 to present Member, Panel of Eminent Persons for National and County Peer Review Mechanism (NEPAD/APRM Secretariat), National Treasury and State Department for Economic Planning: 2021 to present President, Association of Former International Civil Servants (AFICS-Kenya), UN, Gigiri Honorary Consul, Republic of the Gambia, Kenya</p>
 <p>Prof. Margaret J. Hutchinson, PhD Vice-Chancellor (Ag.), of the</p>	<p>Professor Margaret Jesang Hutchinson was appointed on UNES Board 3rd November 2025 YOB: 1958</p> <p>Key Qualifications: Ph.D Horticulture, University of Guelph, Canada, (1996) M.Sc. Agronomy (1987) B. Sc. Agriculture (1981), University of Nairobi.</p> <p>Work Experience: Prof. Hutchinson is a Horticulturalist and Professor at the University of Nairobi with over 40 years' experience in Agriculture sector. Her research and outreach work cover most areas of Horticulture and more so Floriculture, from policy to programming and the entire value chain of several commodities.</p>

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Annual Report and Financial Statements for the year ended June 30, 2025

University of Nairobi.	
Name of Board Member	Brief Profile
 <p>Dr. Mary Amuyunzu-Nyamongo, PhD B.A, PhD Social Anthropology</p>	<p>Member of the Council appointed on UNES Board 3rd November 2025 and also member of Strategy and Business Development Committee.</p> <p>YOB: 1965</p> <p><i>Key Qualifications:</i> PhD in social anthropology from the University of Cambridge, United Kingdom, and a bachelor's in anthropology from the University of Nairobi.</p> <p><i>Work Experience:</i> A distinguished Kenyan scholar, researcher, and development practitioner with over three decades of experience in social anthropology, health systems, and community development.</p>
 <p>Dr. Jonathan Ltipalei Lodompui Independent Member of the University of Nairobi Council</p>	<p>Member of the Council appointed on UNES Board 3rd November 2025.</p> <p>YOB: 1967</p> <p><i>Key Qualifications:</i> PhD in Political Science and Public Administration (UON), 2020; M.A in International Relations and Diplomacy (UON), 2010; BA in Political Science and Public Administration, UON, 1993. He holds a Diploma in Resource Management and Community Development from Premese Africa, earned in 2001.</p> <p><i>Work Experience:</i> Dr. Lodompui brings extensive experience in governance, security, and development. Since 2018, he has served as Vice-Chairperson of the Independent Policing Oversight Authority (IPOA). Previously, he was Director of the Enablers and Macros Directorate at the Kenya Vision 2030 Delivery Secretariat (2011 -2018).He is a member of Finance and General Purposes Committee (FGPC).</p>
 <p>Prof. Kinandu Muragu, Independent UNES Board Member</p>	<p>Prof. Kinandu Muragu is independent Director. He is the Chairman of Finance and General Purposes Committee (FGPC) and also served as a member in the Strategy and Business development Committee.</p> <p>YOB: 1957</p> <p><i>Key Qualifications:</i> He holds a Ph.D. in Finance, University of Glasgow, UK and a Fellow of the Institute of Certified Public Accountants of Kenya. A member of the Institute of Certified Investment and Financial Analysts. He also holds a B.Com, MBA, (UoN) degrees.</p> <p><i>Work Experience:</i> He is a board member in several national and regional institutions. Prof. Muragu has previously worked at the Central Bank of Kenya, Kingdom of Lesotho, United States International University-Africa, Eastern and Southern African Institute (ESAMI), and the University</p>

University of Nairobi Enterprises & Services Limited
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Name of Board Member	Brief Profile
 <p>Ms. Carren Kerubo Omwenga Independent UNES Board Member</p>	<p>of Nairobi.</p> <p>Ms. Carren Omwenga served as a Chairperson in the Strategy & Business Development Committee. YOB: 1957 Key Qualifications: BEd, (UoN), Med, (KU), Work Experience: She has 12 years of Teaching and Training experience and over 15 experiences in development work spanning the Public, NGOs, Private sector, and the United Nations both as a Program Officer and a consultant. She is currently specialized in Capacity Building, Project Planning and Management, Gender Training and Programming, Food and Water Security Assessment, and Human Resources Development and Management.</p>
 <p>CPA. Yusuf Omari Independent UNES Board Member</p>	<p>Mr. Yusuf Omari is an independent director of UNES and the chairman of the Governance Risk and Audit Committee of UNES Board. YOB: 1974 Key Qualifications: MBA (Strathmore); B.A (Economics), UON; Member of the Institutes of Chartered Public Accountants of Kenya (ICPAK), and Internal Auditor of Kenya. Work Experience: Mr. Yusuf Omari is an experienced finance executive. history of working in the financial services industry. Skilled in Business Planning, Internal Audit, Analytical Skills, Banking, and Credit Analysis. Strong finance professional</p>
 <p>Ms. Miriam Musyoki Board Member</p>	<p>Ms Miriam Musyoki, is UNES director representing the Principal Secretary National Treasury. Miriam served in the Governance, Risk and Audit Committee. YOB: 1982. Key Qualifications: Ms Musyoki holds a Degree in BA, Economics and Master's Degree in Economics (Public Finance). Work Experience: She has worked in the National Treasury for 11 years as an Economist and currently as a Budget Officer. She brings a wealth of experience in Financial Management and budgeting</p>

 <p>Mr. Seith Abeka, Managing Director/CEO</p>	<p>Mr. Seith Abeka is the Chief Executive Officer. YOB: 1978 Key Qualifications: BA.Econ & Math (UoN) MA Gender & Development Studies (UoN) Work Experience: He has wealth of experience in Organization Development and Project Management. He has served previously as Local Consultant at the Transfer of Functions Office (TOFO) in Kenya for Brot für die Welt – Germany. He has extensive experience in HIV and AIDS programming and wealth of knowledge in Gender Mainstreaming.</p>
 <p>CS. Collins F. Omondi Corporation Secretary</p>	<p>CS. Collins F. Omondi is the Company Secretary. YOB: 1972 Key Qualifications: LL.M, UON (2018); LL from Makerere University (2003); a Postgraduate Diploma in Legal Practice from the Kenya School of Law (2006), Certificate of Secretarial Practice and Governance Auditor (2012) and a Certificate of Secretarial Practice and Governance He is an expert in international trade and investments law, governance, human resources, and industrial relations practices. He is a member of Institute of Certified Public Secretaries (ICS) No. 2794</p>

4. Key Management Team

Name of Staff	Bio-data /Profile of Senior Management
---------------	--



Seith Abeka, B.Econ & Math., MA (Gender & Development Studies).
Managing Director/CEO

Mr. Seith Abeka is the Chief Executive Officer.
 Appointment Date: 19-7-2021
 Years of experience: Over 20 years
 Key Qualifications:
 BA.Econ & Math (UoN) MA Gender & Development Studies (UoN)
 Work Experience:

- Organization Development and Project Management.
- Chief Manager Consultancy and Partnerships (CMCP) at UNES Consultancy Division



CS. Collins F. Omondi
Corporation Secretary

CS. Collins F. Omondi is the Company Secretary
 Appointment Date: 2016
 Key Qualifications:
 He holds an LLM (UON, 2018), LLB (Makerere University, 2003); a Postgraduate Diploma in Legal Practice from the Kenya School of Law (2006), and a Certificate of Secretarial Practice and Governance Auditor (2012)

Responsibilities:
 Governance and legal compliance
 Servicing Board Meetings



Mr. Simplicious Ochieng,
Chief Manager, Finance & Administration

Appointment Date: 2022
 Years of Experience: 31 years
 Key Qualifications:
 B.Com (Accounting), MBA(Finance), CPA(K).
 Responsibilities:
 Accounting & Finance, Planning and Performance Management.

Key Management Team (Continued)



Ms. Jennifer Mburu,
Chief Manager, Commercial Operations

Appointment Date: 2022
 Year of Experience: Over 20 years
 Key Qualifications:
 B.Com. (Finance), MBA. (Finance), CPA (K), CPS.
 Responsibilities:
 Business Development and Entrepreneurship



Samuel Ochieng
 Coordinator Marketing and Communications

Appointment Date: 2018
 Years of Experience: Over 15 years
 Key Qualifications:
 B.Com (Marketing), MBA (Marketing & Strategic Management) (UoN)
 Responsibilities:
 Brand communications and marketing UNES products and Services globally as well as promoting and supporting customer experience and perception



Alvin Perry Otieno
 Ag. Senior Accountant

Appointment Date: 2024
 Years of Experience: Over 20 years
 Key Qualifications:
 Bsc (Mathematics), CPA (K)
 Responsibilities:
 Accounting & Finance

5. Fiduciary Management

The key management personnel who held office during the financial year ended 30th June 2025 and who had direct fiduciary responsibility were:

No	Designation	Name
1	Managing Director	Seith Abeka
2	Chief Manager, Finance & Administration	Simplicious Ochieng
3	Chief Manager, Commercial Operations	Jennifer Mburu
3	Senior Accountant	Alvin Otieno
4	Coordinator Marketing and Communications	Samuel Ochieng
5	Procurement Officer	Samuel Kimuyu

6. Fiduciary Oversight Arrangements

6.1 Governance, Audit and Risk Committee (GRAC)

The Board has established the Risk and Audit Committee in consistent with Section 73 of the PFMA, 2012, which requires state entities to have appropriate arrangements for conducting internal audit according to international best practices and the guidelines of the Public Sector Accounting Standards Board (PSASB). GRAC meets at least four times in a year under the Terms of Reference set by the Board.

The duties and responsibilities of GRAC are to provide assurance on the Integrity of financial and internal control systems of company; Internal Audit function; Financial Reporting and Regulatory Compliance; Risk Management; and Governance processes. The Committee also coordinates with the External Auditors regarding execution of external audits. The Committee primarily fulfills their responsibilities by carrying out activities outlined in the responsibilities section of the Audit, Risk & Governance Committee Charter.

6.2 Finance and General Purposes Committee (FGPC)

FGPC assists the Board in fulfilling its responsibilities to the shareholder and stakeholders with respect to monitoring the implementation policies, practices, and strategies that relate to the management of the Company.

FGPC also provide oversight on Human Resource, Procurement and ICT matters as well as perform such other functions and exercise such other powers as may be delegated to it from time to time by the Board of Directors.

6.3 Strategy and Business Development Committee (SBDC)

SBDC has been established to oversight the development and implementation of the Company's Mission, Vision and Strategic Plan. The committee also supports the company in management of the risks associated with achieving the related objectives. The Committee's roles include setting UNES' Vision, Mission and Strategy and ensuring that they are aligned with the Company's purpose and the legitimate interests and expectations of its shareholders and other stakeholders.

7. Chairman's Statement



"I am happy that UNES is on a growth trajectory with focus on impacting the University and Society at large. UNES concept and business model is being emulated by many organizations. UNES is committed to adding value to the University, as a Council, we fully support the Company" Ambassador Dr. John O. Kakonge, Ph.D

It is a great honour to present to you the University of Nairobi Enterprises (UNES) Annual Report and Financial Statements for the Financial Year 2024/2025. UNES is the Consultancy and Commercial Arm of the University of Nairobi. UNES is a body corporate listed as a commercial state corporation. UNES is wholly owned by the University of Nairobi.

UNES plays a pivotal role to the University and society at large. UNES is a strategic Special Purpose Vehicle (SPV) that facilitates academia-research-industry linkages by leveraging on the rich resources resident in the University for revenue generation with a view to support in resource mobilization for the university amidst the unpredictable university funding.

UNES has achieved several milestones since its establishment in 1996. It successfully implemented the Academic Revenue program, commonly known as Module II programs until 2015 when the company was re-focused to concentrate on Consultancy and other commercial activities on behalf of the University. UNES is strategically positioned as one-stop-shop for solution provision in consultancies and related commercial activities.

The company is in its second year of implementation of the 2023-2028 Strategic Plan. The overall goal is to transform the financial performance of the company and making substantial financial contribution to the University. UNES engaged with Local, National, International, Private and Public-sector players in provision of its products and services. UNES provided the following products and services during the FY2024/2025: - Service Consultancy & Short Professional Courses; Bookshops & Bindery Services; Hospitality, Conference & Events Management Services; Dental Services, Eye Care Services; Radiology Services and Funeral Services.

On behalf of the Board of Directors, I wish to extend my appreciation to the University Council, UON Management and UNES Management team for the good work in transforming the organization. I look forward to their continued support to UNES in executing its mandate of commercialization of Knowledge. I now welcome you to read this report that captures UNES operations for FY2024/2025.

A handwritten signature in blue ink, appearing to read "John O. Kakonge".

Amb. Dr. John O. Kakonge, Ph.D
Chairman, UNES Board

24th November, 2025
Date

8. Report of the Chief Executive Officer



“UNES is a Special Purpose Vehicle and a social enterprise committed to sustainable impact to the University and society. UNES focus on big ticket projects in the areas of Consultancy, Capacity Building and Commercialization of innovations, UNES maximizes on massive resources and opportunities within the government, Academia-Industry by driving long-term value to the University of Nairobi and society at large”
Seith Abeka- Managing Director

On behalf of management and staff, I am delighted to present the annual report for the University of Nairobi Enterprises and Services (UNES) Limited for the Financial Year 2024/2025 which ended on 30th June 2025.

UNES was established to support the University of Nairobi in the areas of: - resource mobilization, commercialization of innovations to facilitate implementation of UoN core mandate of: - Teaching, Learning, Research and Community Service. UNES is the Consultancy & Commercial arm of the University of Nairobi registered as a Limited Company on 23rd May 1996.

The idea behind establishing UNES by University Council was to commercialize the knowledge & resources of the University and promote academic-industry linkages. The history of UNES cannot be told without mentioning the successful Financial Management services offered by the company to the university under the Module II- Academic revenue program. UNES came in handy to UoN at the time the University was undergoing financial distress coupled by the Structural Adjustment Programs (SAPs).

Currently UNES Products & Services include: - Service Consultancy, Capacity Building/Short Course Trainings, Contracted Research; Bookshops & Learning Resources Centre; IGUS –Specialized Medical Services (Eye, Dental, CFP & DIRM); Arziki Restaurants & Events Management; Commercialization of Research & Innovations Outputs; Financial Management Services. UNES draws its mandate from the MEMARTS. The core mandates include *inter alia* :-

1. To **harness** the resources of the University of Nairobi with a view to enhancing the University’s teaching and research capabilities.
2. To **undertake** consultancy work, research, production and other Income Generating Activities, to promote and facilitate such activities undertaken by the Faculties, Department, or other organs of the University of Nairobi.
3. To **manage** directly or provide managerial services for consultancies, research, production and other Income generating Activities undertaken by Faculties, Departments, or other organs of the University of Nairobi.
4. To **coordinate** the Income Generating Activities undertaken by the Faculties, Departments, or other organs of the University of Nairobi.
5. To **develop the resources** and turn to account the lands, buildings and rights for the time being of the Company by laying out and preparing land for agricultural or building purposes constructing, altering, pulling down, decorating, maintaining, furnishing, fitting up and improving buildings and by letting on lease or other lawful agreement and by advancing money to and entering into contracts and arrangements of all kinds with builders, tenants and other, or whoever.

University of Nairobi Enterprises & Services Limited
Annual Report and Financial Statements for the year ended 30 June 2025

6. To **have, legal rights in and register patents** in any inventions, innovations, utility or rationalization model or industrial designs discovered or otherwise emanating from research undertaken, funded, promoted, assisted, guided, facilitated or otherwise initiated by the Company, and to participate in the leasing, assigning, sale or transfer or such invention, innovation utility or rationalization models or industrial design or otherwise participate as is appropriate in all that appertains to the publication, recognition protection and application of such invention, innovation, utility or rationalization model or industrial design.
7. To **engage in any form of business or** otherwise carry out any trade so as to raise, earn or realize profits or other moneys, benefit advantage or facility for purpose of promoting or otherwise funding the objects of the Company.

Over the years, the Company has registered improved performance. Despite the improved service delivery in recent years, there are several areas of improvement for the company that need to be strengthened. That's why, in July, we set out four long-term priorities which everyone in the company is focused on: Financial Sustainability; Commercialization of Innovations; Sustainable Business Growth and Performance; Agile organizational culture and customer focus.

I believe that these priorities enable us to focus on areas we can improve and allow us to respond more efficiently and effectively to our operating environment. These key priority areas will focus us on delivering improved performance and better returns to the shareholder in the short and long term, as well as high impact to the society.

In FY2024/25, UNES generated total revenue of KSh.800,942,731/=, Direct cost of 643,602,280/= with total operating expenses of KSh. 151,351,928/= resulting in a profit KSh. 6,059,458/=. UNES management and staff have focused their attention on four key priority areas which include: Sustainable Revenue Generation/Financial stability, Customer focus, Sustainable business Growth and Agile Organization/Operational Excellence. All staff have committed to contribute to this transformative agenda aligned to the company's products and services which include: - Consultancy & Short Professional Courses; Bookshops and Bindery Services; Hospitality, Conference & Events Management Services; Dental Services, Eye Care Services; Radiology medicine Services and Funeral services.

The company suffered a drawback on January 24th 2025, when the US government terminated a long-term Cooperative Agreement between UNES and USAID, with subsequent disbandment of USAID at the convenience of US government. Management has re-adjusted the budget and re-strategized on initiatives to fill the gap left by the USAID contract termination. We are confident that UNES will grow to a stronger organization supporting University financial sustainability.

Once again, behalf of UNES management and staff, I wish to express our sincere appreciation to our shareholder, the University of Nairobi (UoN) and various stakeholders for their zeal and support during the FY 2024/2025. We are confident that UNES shall remain profitable with greater impact to university and society. God bless UNES and UoN.



Seith Abeka
Managing Director

24/11/2025

Date

9. Statement of Performance against Predetermined Objectives for FY 2024/2025

UNES has four strategic pillars and objectives within the current Strategic Plan for the FY 2023-2028. These strategic pillars are as follows:

Pillar 1: Financial Sustainability

Pillar 2: Accelerate Business Growth

Pillar 3: Operational excellence

Pillar 4: To create an agile organization

UNES develops its annual work plans based on the above 4 pillars. Assessment of the Board's performance against its annual work plan is done on a quarterly basis. UNES achieved its performance targets set for the FY 2024/2025 period for its 4 strategic pillars, as indicated in the diagram below:

Strategic Pillars	Strategic Objectives	Key Performance Indicators	Activities	Achievements
Pillar 1:	To improve resource mobilization and financial sustainability	Number of investment proposals funded	Develop three (3) investment proposals to attain working capital adequacy and financing new investments	Two investment proposals developed for DIRM equipment and Dental Chair developed and funded
		No. of MOUs with UoN to clarify modalities of managing the IGUs.	Develop MoUs for Five (5) IGUs to clarify modalities of managing the IGUs	Two MoUs signed with Dental School and School of Nursing
		Cost-income ratio (Gross profit margins)	At least 25% Gross Profit Margins	Average gross profit for the SBUs and IGUs at 30%
		Cost savings on power bills (%).	Solar systems adopted to save on power costs at HQ	Security lighting are mostly solar powered
		% reduction of outstanding debts aging over 90 days	Outstanding debts aging over 90 days reduced by 35%.	Over 90 days outstanding debts as at 30.6.24 85% paid
		% adherence to the credit policy.	Compliance with the credit policy implemented to avert the risk of bad debt.	100% compliance
Pillar 2:	To grow annual revenue	Customer satisfaction index	82% customer satisfaction rating	85% achieved
		No. of Agreements	Two (2) new long-term agreements implemented per year.	12 contracts signed

University of Nairobi Enterprises & Services Limited
Annual Report and Financial Statements for the year ended 30 June 2025

		New Consultancy contracts aligned to National priority areas.	Two (2) Consultancy contracts aligned to National priority areas.	17 Contracts signed
		Number of Book displays	20 Strategic Book Displays Implemented	37 Book displays mounted
		Generated Revenue	Generate KSh 50 M from Short Course Trainings	KSh34.4M revenue generated
			KSh 2.76M Revenue from take-away food services in strategic locations	KSh2.5M from take-away food services
			KSh3.1M revenue from Partnership(s) established for coffee products and machines.	KSh2.3M sales from Coffee products
			KSh7.7M revenue from framework contracts with NGO and Government institutions for office deliveries	KSh5.6M from Corporates
			KSh5M Revenue From Bookstore Online Sales	KSh10.8M online sales made
			KSh 1M from Specialty clinics introduced	Ksh4.8M generated from Pediatric & orthodontics clinics
Pillar 3:	To enhance efficiency in core business processes	Number of re-engineered business processes	Five (5) re-engineered business processes into the ERP to enhance operational efficiency	Three business processes re-engineered: customer satisfaction records management and food production and
		Revamped / Redesigned websites	Three (3) revamped Business unit's website and e-Commerce portal to improve corporate customer interaction and boost online sales.	All Business Units & IGUs Websites revamped
		Additional user licenses	Improved efficiency and reliability of the ERP system through additional 6 user licenses	3 additional user licenses acquired

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Pillar 4:	To transform into a value-based, high-performance culture	Strategy cascade process in place	Strategic objectives cascaded to lower levels and resourcing of priority areas in UNES	Cascaded Performance contracts developed aligned to the various units objectives
		% Level of implementation	Reskill and upskill employees to support the business strategies	Performance trainings undertaken on need basis
	To enhance staff performance and creativity	% implementation	Maximize implementation of programs that deal with employees' wellness and Health Problems	Wellness programmes undertaken Bi-annually

FY 2024/2025 Performance Contract

The FY 2024/2025 UNES Performance Contract (PC) was signed between the Government of the Republic of Kenya represented by Cabinet Secretary - Ministry of Education of the one part and Board-University of Nairobi Enterprises and Services Limited. The PC was vetted in November 2024 and Quarterly returns duly filed with the the Public Performance Management Monitoring Unit (PPMMU) and the various agencies as set in the FY 2024/2025 Guidelines. The FY 2024/2025 PC is based on the 2023-2028 UNES Strategic Plan, Bottom-Up Economic Transformational Agenda (BeTA), the Kenya Vision 2030 MTP IV, Sustainable Development Goals (SDGs), and other National Priorities, relevant Sector performance Standards, and the approved budget. UNES fully committed to the compliance and achievement of the PC targets agreed therein.

10. Corporate Governance Statement

UNES Board of Directors constitutes representatives from Government, Private Sector and the University of Nairobi Council. In fulfilling its responsibilities, UNES Board of Directors meets at least four times in a year. The Company Secretary advises the Board on all Corporate Governance matters, Statutory Requirements and attends all the Board Meetings.

i. Appointment and composition of Board members

The UNES Board is composed of nine members. The Board members are appointed by the University of Nairobi Council, except for the representatives from Government, who are appointed by their respective Ministries. 4 of the Board members are from the University Council, 1 member represents the Principal Secretary, State Department of Higher Education, 1 member represents the Principal Secretary, National Treasury and Economic Planning, and three Independent Directors from the private sector. Directors are committed to the principles of good corporate governance and recognize the need to conduct business in accordance with with generally accepted best practice. In addition, there three Board committees that assist the Board in carrying out its mandate.

ii. Process of appointment and removal of directors, the size, diversity, and demographics of the Board, existence of the board charter

The conduct of Board members is guided by the provisions of the Public Ethics and Code of Conduct, as well as guidelines from SCAC. There exists four Board Charters; Strategy & Business Development Charter, Governance, Risk & Audit Charter, Finance & General Purposes Charter, and the Board Charter. The Board charter highlights the the conduct of the board, good corporate governance and guiding principles, board composition, appointment and development, roles and responsibilities of the board, practices of the board, board committees, meetings of the board, assessment and evaluation of board performance, remuneration and benefits of board members, and governance audit.

iii. Roles and functions of the board

The Board has the primary responsibility for guiding and monitoring the business and affairs of the Company including compliance with the Company's corporate governance principles and practices. The Board is also responsible for providing strategic direction for the Company, at all times ensuring an appropriate balance of power and authority between the governance organ and management.

The key functions and roles of the Board as a collective body include: defining the Company's vision, mission, purpose and core values, its strategic intent and operating objectives; b) appointing the CEO, through a competitive process, and for removing them. The Board should also assist the CEO in selecting the senior management team and put in place a succession plan for both the CEO and the team; reviewing, evaluating and approving Company's long-term plans, major resource allocations, capital investments, budgets and financial forecasts; and ensuring that appropriate policies and procedures to guide the Company's operations, and to protect the Company's assets, are developed and implemented.

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iv. Induction, training, and development

The Board will provide new Board members with an effective induction programme in order to familiarise them with their responsibilities as directors, general principles of corporate governance and Board practices. The induction programme is to deepen the new Members' understanding of the Company's mandate, business, and operating environment. The programme will also entail receiving corporate literature including the strategic plans, financial status and policies, risk management, compliance programmes and the Code of Conduct and Ethics. It will also involve meetings with the management team and any other stakeholders as appropriate. A competence needs assessment is carried out periodically and an annual development plan prepared to address identified gaps.

v. Board and members' performance

The Board will conduct an annual evaluation of its performance as a collective agency and as individual Directors. The evaluation provides an opportunity for Board members to identify strengths, collective skill gaps and individual areas of improvement. The evaluation will be carried out in accordance with the Board Evaluation Tool. The Board may engage the services of an external facilitator to guide the evaluation. The Board will also review the performance of each Board Committee against the agreed Terms of Reference. The Board will also evaluate the performance of the CEO and Corporation Secretary.

vi. Number of Board meetings held and the attendance to those meetings by members

The performance of the Board as a whole and that of individual members is assessed through an annual Board evaluation conducted by the SCAC. The remuneration of the Board members is guided by SCAC and the Salaries & Remuneration Commission (established in the Constitution of Kenya 2010). The remuneration details are stipulated in note 8 of the "Notes to the financial statements". The meetings held by the Board and their attendance was as follows:

No	Name	Date of Meetings				Attendance	
		1 st 17.09.24	2 nd 17.12.24	3 rd 28.04.25	4 th 30.06-25	No. Present	No. Absent
1.	Prof. Amukowa Angwe	√	√	√	x	3	1
2.	Prof. K. Muragu	√	√	√	√	4	N/A
3.	Ms. Miriam Musyoki	√	√	√	√	4	N/A
4.	Mr. Yusuf Omari	√	√	√	√	4	N/A
5.	Brian Ouma	√	√	√	√	4	N/A
6.	Ms. Carren Omwenga	√	√	√	x	3	1
7.	Mr. Ahmed Abdullai	√	√	√	x	3	1

vii. Succession plan

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Board members shall hold office for a period not exceeding three (3) years, and are eligible for reappointment for one more term not exceeding three (3) years. An independent Board member may be appointed for a cumulative term not exceeding six (6) years. The renewal of a Board Member's tenure for a second term should be subject to an acceptable evaluation as determined during Board evaluations.

viii. Policy to manage conflict of interest.

The Board Charter provides a clause on conflict of Interest. The Company shall take the measures necessary to ensure that its Directors, Chief Executive Officer and main employees declare any responsibilities or posts outside the Company that could create a conflict of interest with their functions at the Company. Each Board Meeting shall include an agenda item where Board member(s) should declare any conflict of interest with any of the Meeting's agenda items. If a conflict of interest has been declared, the relevant Director will exclude himself during the discussion of and voting on the matter.

ix. Board remuneration

The Board of Directors' remuneration is guided by the Head of Public Service Commission with the Guidelines issued by the State Corporations Advisory Committee as provided under the State Corporations Act (Cap. 446 of the Laws of Kenya). The remuneration is linked to performance and is elaborated in the UNES Board Charter.

x. Ethics and Conduct

The Board and employees are expected to observe high standards of integrity and fair dealings to all stakeholders. Upon appointment, the Board members and staff are required to read and sign the code of ethics before transacting any company business.

xi. Governance audit

The company undertakes annual Governance Audit guided by the State Corporations Advisory Committee (SCAC) to evaluate the leadership and strategic management, transparency and disclosure, compliance matters, stakeholder communications, Board systems & procedures and corporate social responsibility.

xii. Communication policy

The Board maintains appropriate channels of communication that ensures effective delegation of responsibility for the day to day running of the Company's affairs and operations to Management. UNES Communication Policy UNES/P/G/001, provides provisions and guidelines on how UNES engages with the Internal and External Stakeholders from time to time.

xiii. Terms of Reference of Committees

The Board has established three Committees to assist in the discharge of its responsibilities from time to time as provided for in Article 56 of the UNES Articles of Association. The Board will adopt Committees' Terms of Reference (TOR) in respect of all the Committees.

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xiv. Policy on related party transactions

The University of Nairobi is the sole shareholder of the company's equity interest. Related party transactions are disclosed in the annual reports and financial statements for the period ending 30th June, 2025.

11. Management Discussion and Analysis

This section provides an in-depth analysis of the financial performance and operational activities of the company for the periods FY 2020/21 to FY 2024/2025.

Financial Performance:

	2020/21	2021/2022	2022/2023	2023/2024	2024/25
IGUs	10.3	11.2	12.9	15.8	16.0
Bookstores	61.1	68.5	46.0	48.4	58.9
Hospitality	11.8	33.4	52.8	83.5	70.6
Consultancy	765.2	761.9	673.4	1,306.0	653.5
Other Income	4.3	3.7	21.0	6.8	1.9
Total	852.7	878.7	806.1	1,460.5	800.9

Strategic Initiatives:

Consultancy: sourcing and signing of additional long-term framework engagements to replace the lost KDHE project, acquiring more consultancy contracts aligned to National priority areas, development of marketable professional short course trainings and enhancement of global networks and collaborations.

Hospitality: Signing contract with strategic partners to increase revenue; sourcing for more contracts with NGOs and other government entities; collaboration with the neighboring hotels to sign an MOU for outside catering and events management services; opening of outlets at strategic locations; and enhancing debt collection to ensure adequate cash flow.

Bookshops & Bindery: also enhance its e-Commerce and digital platforms to improve sales. More book displays will be undertaken for wider outreach and to enhance awareness. Pre-qualification of additional International suppliers will be undertaken in order to improve supplier reliability.

IGUs: Expand strategic partnerships with new corporate clients; diversify the client base and enhance revenue generation in FY 2025/2026; setting up additional satellite clinics to increase accessibility and reach; introduction of short-term training courses; introducing more specialized clinics to cater to diverse needs; establish a fully equipped in-house dental laboratory as a long-term strategy to reduce dependency on outsourced services.

Internal Controls and Risk Management

UNES has put into place an Internal Control System designed to provide reasonable assurance regarding the achievement of the Organization's Objective. Risk Management is an integral part of the Internal Control of UNES Limited. The goal of Risk Management is to support the Business Strategy and the achievement of Objectives by Managing Potential threats and Exploiting Opportunities for the Business.

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The Internal Control System and Risk Management Process for Financial Reporting ensures that the financial reports disclosed by UNES Limited reflect the operations of the Organization, are reliable and comply with the applicable Laws, Regulations, International Financial Reporting Standards and Statutory Requirements.

The Board of Directors has approved the Risk Management Policy and Framework which is based on the components of the Committee of Sponsoring Organizations (COSO) Framework that comprises the following components of Internal Controls, the Control Environment, Risk Assessment, Control Activities, Information and Communication and Monitoring. Implementation of the Risk Management Framework is continuous, regular assessment is undertaken and reported to the Board of Directors on a Quarterly basis.

UNES Continues to be ISO Certified under the ISO 9001:2015 Certification that requires that Risks embedded in Processes are identified and mitigated. Within the Financial Year, Senior Management was trained on ISO 31000 on Risk Management, this culminated into the revision of the Risk Register based on the new acquired knowledge.

Operational Risks

This is the risk that results from operational failure which includes System Failures, Violation of Policy, Laws and Regulations. UNES Manages Operational Risks by integrating Risk Management Practices into Processes, Systems and Culture. Mitigation Strategies are implemented through Business Plans, Budgets and Policies such as the Credit Policy, Pricing Policy, Human Resources Policy Manual, and Procurement Policy among others in the Strategic Business Units and Operational Department. The Risk and Internal Audit Department undertakes Assurance Audits to ensure implementation of the Policies, Laws and Regulations.

Internal Controls

The Company has prescribed an elaborate set of procedures and financial controls to ensure accurate reporting of financial information and protection of its assets. An Internal Audit department coordinates the activities of the Internal Control mechanisms and reports directly to the Audit Committee. The Company in implementing the framework for Enterprise Risk Management has expanded the Terms of Reference of the Board Audit Committee to include Risk Management. The position of Chief Manager, Risk and Internal Audit has also been put in place to spearhead Enterprise Risk Management for the company.

The company has implemented ISO 9001:2015 which lays a great emphasis and requirement on the determination of risks and opportunities, addressing them appropriately in order to ensure continued conformity of products and services offered. In this regard risks and opportunities have been identified for all the processes in the organization as well as mitigations and exploitation strategies respectively. The Quality Management System promotes Risk Based Approach (RBA) in planning, implementing and monitoring the effectiveness of the Quality Management System. Management has identified risks in the current operating environment, developed mitigation strategies to address their impact and likelihood.

Compliance with Statutory Requirements

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The company has complied with all its regulatory and statutory requirements and obligations. The only outstanding statutory payments as at 30th June 2025 are for the month of June 2025 which are payable by the following month.

Operational and Financial Performance of the Company for the last five years

The company has had mixed results for the last five years owing to the various external factors that have been affecting the Kenyan economy high inflation rates, the war in Russia and Ukraine, political aggressions, competition, among others as well as internal factors such the adoption of online learning by the University of Nairobi leading reduced number of students and staff within the campus among others. All these factors combined have heard a negative impact on the company's operational performance.

Review of the Sector and Future Developments

The company operates in diverse sectors i.e. Hospitality, Consultancy, Bookstore and Medical Services Consultancy. Each of the sectors had their own challenges and the company is doing its best to manage and cope with all the challenges in order to maximize on its returns.

Each sector also has its own future developments for example in Hospitality, the future will be more of home deliveries and meals prepared on site as opposed to walk in customers. In the Bookstore, the future will be more of e-books and online shopping as opposed to physical books and walk in customers.

Summary of the company's financial performance for the last five years

	FY 2020/2021	FY 2021/2022	FY 2022/2023	FY 2023/2024	FY 2024/202
Revenue	852,751,564	878,717,036	806,084,438	1,461,063,297	800,879,186
Finance Income	-	2,221,302	215,188	124,227	70,935
Operating Expenses	(840,704,300)	(889,413,324)	(812,722,869)	(1,440,249,721)	(794,441,401)
Surplus (Loss)	12,047,264	(8,474,986)	(6,423,243)	20,937,803	6,508,721

12. Environmental and Sustainability Reporting

UNES was established by the University of Nairobi as the Consultancy and Commercial arm of the University mandated to infuse entrepreneurial culture and spirit into the University's operations. The company is expected to provide financial resources that advance the realization of the University's mandate of Teaching, Learning and Research.

***i)* Sustainability strategy and profile**

UNES' sustainability priorities and frameworks align with community health services, staff well-being, quality education, clean water and sanitation, climate action, and economic growth. The Management is keen on corporate social responsibility programs, Health & Safety and Environmental aspects. The company has integrated social, economic, and environmental considerations into its strategic plan. UNES conducts several medical camps to promote the communities' well-being and conducts CSR activities to various educational institutions. Tree planting and cleaning of its adjacent river has become an annual event to promote the environment. UNES has deliberately adopted the green energy policy towards renewable energy, that aligns with the National Energy Policy 2025-2034, by adoption of solar energy for its security lighting and looking forward to use solar energy for the CFP cooling system.

***ii)* Environmental performance**

UNES recognizes that it has a responsibility to the environment beyond legal regulatory requirements. It is committed to reducing its environmental impact and continually improving its environmental performance as an integral part of its business strategy and operating methods, with regular review points. UNES will encourage customers, suppliers and other stakeholders to the same.

UNES has an environmental policy that guides the organisation in its environmental performance. UNES has successfully implemented environmentally friendly strategies. UNES is ISO certified and environmental sustainability is a fundamental aspect of the ISO Standard.

The management adequately manages biodiversity, waste management and has taken good efforts to reduce environmental impact of the organization's products.

Notable strides have been made through the following measures: diversified sources of energy i.e., use of both renewable and non-renewable sources of energies; promoting efficiency in gas/electricity consumption levels; promoting efficiency in water consumption; restrictive measures on fleet management to ensure road mileage travelled by organization's fleet; reuse of stationary; promotion of recyclable products in product range.

iii) Employee welfare

UNES has a robust Human Resource Management Policy and Procedures manuals that guides the hiring process. The hiring process takes into account diversity and inclusion aspects such as gender ratio, racial and ethnic ratio and inclusion of persons with disability.

Relevant stakeholders are engaged in the hiring process including the line managers that form the recruitment panel; the prospective employees/candidates are engaged through a survey to provide feedback on their experience and their suggestions on how to improve our hiring process. The hiring policies are revised once in three years.

Training programs are rolled out continuously to improve the workforce skills and to align them to the constant changes in the business environment. A comprehensive appraisal system has been put in place to monitor the staff performance.

UNES has a competitive reward system that promotes equality. The reward system is revised every four years in compliance with the guidelines of SRC. The organisation relies on the OSHA Act of 2007 in handling policy on safety and compliance with Occupational Safety and Health Act of 2007, (OSHA)

iv) Market place practices

UNES has made the following efforts in ensuring best practices in the market:

a) Responsible competition practice.

UNES ensures responsible competition practices and subscribes to anti-corruption and anti-bribery, responsible political involvement, fair competition and respect for competitors.

b) Responsible supply chain and supplier relations

The organization has maintained and continuously updates its list of registered suppliers. In the process of registration, the organization keenly assesses the supplier capacity in the various categories to ensure that they are able to deliver on their requirements. The interactions with suppliers are majorly automated to ensure they are able to respond to our requests through an online ERP system unless for complex tenders.

In addition, the organization endeavors to adhere to the service charter in ensuring payments are made within stipulated time. The suppliers in the disadvantaged group (Youth, Women and Persons Living with Disability) invoices are prioritized where possible.

There is also a mechanism to handle any complaint the suppliers have including where applicable involving the existing complaints handling committee to ensure complaints are adequately addressed within the timelines provided in the service charter.

With regards to contract implementation, there are always contracts implementation teams particularly for complex projects to ensure that both parties comply to the terms in the

contracts. For the one-off supplies, there is continuous monitoring to ensure compliance as well. Finally, the organization engages suppliers in annual sensitization forum to ensure they understand our requirements. Where there are complex tenders, pre-bid conferences are held also to ensure better understanding of the bid requirements which will ensure contract implementation is seamless.

c) Responsible marketing and advertisement or *Responsible engagement with the citizens.*

UNES Marketing and Communications Activities are guided by policies such as Marketing Policy, Communications Policy, Quality Management System Manual and UoN Branding Policy. Further, UNES Marketing is guided by industry oriented smart marketing and communications objectives. The objectives are to: increase revenue, improve UNES online and digital Presence, build and position UNES brand and brand image, establish grow and maintain the customer perception & customer satisfaction index, enhance customer relationship, and establish, understand and deliver customer needs and requirements through customer complaints handling mechanism.

The Marketing and Communication Activities have taken cognizant of ever-changing business environment propelled by technological adoption, new normal and competition and these entails: Branding and Brand Promotion, Online Activations and Promotions (Google AdSense and social media), Digital Essentials and Promotions (Twitter, Facebook, Linked-In, Instagram, YouTube), Webpage publications and Linkages, Outdoor Marketing Campaigns and Exhibitions, Publications on Local Dailies both online and print, and Publicity and CSR.

d) Product stewardship or *Awareness creation*

UNES business falls within the retail and service industry. Consumer protection is thus a high priority for business sustainability. The organization does not deal or undertake false or misleading representations, unconscionable conduct as well as supply of unsafe, defective and unsuitable goods. The organization has policy guidelines to manage defective products as well as managing customer complaints (to safeguard consumer rights and interests). UNES has grown to become a one stop shop and a leading provider of goods and services.

UNES has a robust Customer Focus and Customer Complaint Handling Framework with the current rating of 87%. It measures its customer satisfaction Index through Data Analytics to guide in customer focused decisions and supports the Marketing and Communications Initiative. It has a service charter which is process-based and monitored quarterly to improve customer relationship and lifetime value.

v) Corporate Social Responsibility / Community Engagements

The Company engage in CSR activities through medical outreach programmes mounted at community centres like churches and open grounds.

13. Report of the Directors

The Directors submit their report together with the audited financial statements for the year ended June 30, 2025, which show the state of UNES' affairs.

i) Principal activities

The principal activities of the entity continue to be Financial Management, Consultancy, Hospitality and Bookstore services.

ii) Results

The results of the entity for the year ended June 30, 2025, are set out on page 1 - 39. Below is the summary of the profit or loss made during the year.

Description	Amount (KSh)
Revenue	800,460,680
Cost of Sales	641,934,952
Operating Expenditure	152,017,007
Profit before tax	6,508,721

iii) Dividends

Subject to the approval of the shareholders, the Directors recommend the payment of a first and final dividend for the year of Kshs. 390.52 per ordinary share, amounting to Kshs1.952 million, subject to withholding tax where applicable. No interim dividend was paid. The total dividend for the year, therefore, is Kshs. 390.52 per ordinary share.

iv) Directors

The members of the Board of Directors who served during the year are shown on page vi - viii.

v) Auditors

The Auditor-General is responsible for the statutory audit of the company in accordance with the Constitution 2010 of Kenya and the Public Audit Act, 2015 which empowers the Auditor General to appoint an auditor to audit on his behalf.

By Order of the Board

CS. Collins Omondi
CORPORATION SECRETARY

Date:



14. Statement of Directors' Responsibilities

Section 81 of the Public Finance Management Act, 2012 and the Companies Act, 2015 and section 14 of the State Corporations Act, require the Directors to prepare financial statements in respect of that company, which give a true and fair view of the state of affairs of the company at the end of the financial year and the operating results of the company for that year. The Directors are also required to ensure that the company keeps proper accounting records which disclose with reasonable accuracy the financial position of the company. The Directors are also responsible for safeguarding the assets of the company.

The Directors are responsible for the preparation and presentation of the company's financial statements, which give a true and fair view of the state of affairs of the company for and as at the end of the financial year ended on June 30, 2025. This responsibility includes: (i) Maintaining adequate financial management arrangements and ensuring that these continue to be effective throughout the reporting period, (ii) Maintaining proper accounting records, which disclose with reasonable accuracy at any time the financial position of the entity, (iii) Designing, implementing and maintaining internal controls relevant to the preparation and fair presentation of the financial statements, and ensuring that they are free from material misstatements, whether due to error or fraud, (iv) Safeguarding the assets of the company, (v) Selecting and applying appropriate accounting policies, and (vi) Making accounting estimates that are reasonable in the circumstances.

The Directors responsibility for the company's financial statements, which have been prepared using appropriate accounting policies supported by reasonable and prudent judgements and estimates, in conformity with International Financial Reporting Standards (IFRS), and in the manner required by the PFM Act, 2012, section 14 of the State Corporations Act, and the Companies Act, 2015.

Statement of Directors' Responsibilities (Continued)

The Directors are of the opinion that the company's financial statements give a true and fair view of the state of company's transactions during the financial year ended June 30, 2025, and of the company's financial position as at that date. The Directors further confirm the completeness of the accounting records maintained for the company, which have been relied upon in the preparation of the company's financial statements as well as the adequacy of the systems of internal financial control.

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

Approval of the financial statements

The company's financial statements were approved by the Board on August 28, 2025 and signed on its behalf by:



Amb. Dr. John O. Kakonge PhD
Chairperson of the Board



Mr. Seith Abeka
Accounting officer

REPUBLIC OF KENYA

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NAIROBI

REPORT OF THE AUDITOR-GENERAL ON UNIVERSITY OF NAIROBI ENTERPRISES AND SERVICES LIMITED FOR THE YEAR ENDED 30 JUNE, 2025

PREAMBLE

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

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

An Unmodified Opinion is issued when the Auditor-General concludes that the financial statements are fairly presented in accordance with the applicable financial reporting framework. The Report on Financial Statements should be read together with the Report on Lawfulness and Effectiveness in the Use of Public Resources, and the Report on Effectiveness of Internal Controls, Risk Management, and Governance.

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

REPORT ON THE FINANCIAL STATEMENTS

Opinion

I have audited the accompanying financial statements of University of Nairobi Enterprises and Services Limited set out on pages 1 to 39, which comprise of the statement of financial position as at 30 June, 2025 and the statement of profit or loss and other comprehensive income, statement of changes in equity, statement of cash flows and statement of comparison of budget and actual amounts for the year then ended and a

summary of significant accounting policies and other explanatory information in accordance with provisions of Article 229 of the Constitution of Kenya and Section 35 of the Public Audit Act, 2015. I have obtained all the information and explanations which, to the best of my knowledge and belief, were necessary for the purpose of the audit.

In my opinion, the financial statements present fairly, in all material respects, the financial position of University of Nairobi Enterprises and Services Limited as at 30 June, 2025 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 Companies Act, 2015 and the Public Finance Management Act, 2012.

Basis for Opinion

The audit was conducted in accordance with International Standards of Supreme Audit Institutions (ISSAIs). I am independent of the University of Nairobi Enterprises and Services Limited Management in accordance with ISSAI 130 on the Code of Ethics. I have fulfilled other ethical responsibilities in accordance with the ISSAI and in accordance with other ethical requirements applicable to performing audits of financial statements in Kenya. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

Emphasis of Matter

Budgetary Control and Performance

The statement of comparison of budget and actual amounts reflects a final revenue budget of Kshs.231,790,197 against total actual revenue of Kshs.158,526,728 resulting in budget under-utilization of Kshs.73,264,469 equivalent to 32% of the approved budget amount.

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

My opinion is not modified in respect of this matter.

Key Audit Matters

Key audit matters are those matters that, in my professional judgment, are of most significance in the audit of the financial statements. I have determined that there are no other key audit matters to communicate in my report.

Other Matter

Unresolved Prior Year Matters

In the prior years' audit reports, several issues were raised under the Report on Lawfulness and Effectiveness in Use of Public Resources. Review of the status during audit of the University of Nairobi Enterprises and Services Limited in 2024/2025 revealed that the following matters remained unresolved.

No.	Financial Year	Audit Issue
1	2023-2024	Long Outstanding Trade Receivables
2	2023-2024	Irregular Payment of Severance Pay – Consultancy Direct Project Costs
3	2023-2024	Loss Making Arziki Restaurants and Chiromo Conference Centre
4	2023-2024	Long Outstanding Payables

Other Information

The Directors are responsible for the Other Information set out on page iii to xxvi which comprise of Key Entity Information, The Board of Directors, Key Management Team, Fiduciary Management, Report of the Chief Executive Officer, Statement of Performance against Predetermined Objectives, Corporate Governance Statement, Management Discussion and Analysis, Environmental and Sustainability Reporting, Report of the Directors and Statement of Directors Responsibilities. The Other Information does not include the financial statements and my audit report thereon.

In connection with my audit of the University of Nairobi Enterprises and Services Limited financial statements, my responsibility is to read the Other Information and in doing so, consider whether the Other Information is materially inconsistent with the financial statements or my knowledge obtained in the audit or otherwise appears to be materially misstated. If based on the work I have performed, I conclude that there is a material misstatement of this Other Information, I am required to report that fact. I have nothing to report in this regard.

My opinion on the financial statements does not cover the Other Information and accordingly, I do not express an audit opinion or any form of assurance conclusion thereon.

REPORT ON LAWFULNESS AND EFFECTIVENESS IN USE OF PUBLIC RESOURCES

Conclusion

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

Basis for Conclusion

1. Long Outstanding Trade and Other Receivables

The statement of financial position reflects trade and other receivables balance of Kshs.227,435,196 as disclosed in Note 17 to the financial statements. Review of the accounts receivables schedule provided for audit revealed that an amount of

Kshs.212,530,730 was outstanding for a period of more than 90 days. Further, purchase requisitions, payment vouchers, debtors' invoices and delivery notes were not provided for audit verification and no documentary evidence was provided in form of correspondences with the customers showing efforts made by Management to recover the outstanding amounts from the debtors.

In the circumstances, the full recoverability of the outstanding receivables totalling Kshs.227,435,196 could not be confirmed.

2. Long-Outstanding Balances Held for the University of Nairobi (UON) from Income Generating Units (IGUs)

The statement of financial position reflects long term liabilities of Kshs.264,777,401 as disclosed in Note 22 to the financial statements. The balance includes bookstore assets taken over from UON of Kshs.21,419,324 which remained outstanding and had no movement during the year. Further, the long-term liability amount includes Kshs.243,358,077 being the amount held for the University of Nairobi. However, reconciliation between UNES and University of Nairobi on the balances which date back to the year 2008 to 2016, was not carried out.

In the circumstances, the validity of the long-term liability balance of Kshs.264,777,401 could not be confirmed.

3. Long Outstanding Trade and Other Payables

Note 23 to the financial statements reflects trade and other payables balance of Kshs.107,559,082. Included in the balance are trade payables amounting to Kshs.9,899,014 which have been outstanding for over one year. Further, the balance includes provision for audit fees payable to the Auditor-General of Kshs.3,750,000 which has been outstanding for more than three (3) years. This was contrary to Section 41(1)(c) of the Public Audit Act, 2015 which states that the funds of the Office of the Auditor-General shall consist of audit fees charged at the rates prescribed by the Auditor-General. The delay in payment of audit fees may interfere with the performance of the constitutional mandate of the Office.

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

4. Non-Compliance with Law on Regional Balance and Affirmative Action on Disabilities

Note 10 to the financial statements reflects staff costs of Kshs.88,262,588. Review of supporting documents revealed that UNES had a total of ninety-eight (98) staff members during the period under review. However, the Organization had only one (1) employee living with disability, accounting for just 1% of the total staff. This falls short of the Government-mandated threshold of 5% for the employment of persons with disabilities, highlighting the need for more proactive measures to promote equal opportunities and compliance with legal requirements.

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

5. Roof Repairs at University of Nairobi Chiromo Campus

During the year under review, UNES awarded a contract to a contractor and incurred an expenditure of Kshs.2,958,000 for roof repairs under the Chiromo Funeral Parlor (C.F.P) unit a building belonging to the University of Nairobi (UoN) Chiromo campus, human anatomy department. Audit review of the documents revealed the following issues of concern:

- i. The expenditure was not included in the UNES budget and procurement plan as required by procurement law.
- ii. The procurement was done through the request for quotations method of procurement and the contractors who were sent the quotations were not in the list of pre-qualified suppliers of the Enterprise.
- iii. The procurement proceedings which include, the quotations from all the bidders, the appointment of members to the opening and evaluation committees, the minutes and the reports of the tender opening and the evaluation committees, and the contract between the contractor and UNES were not provided for audit review.

In the circumstances, Management was in breach of law and the validity of the payment totaling Kshs.2,958,000 could not be confirmed.

The audit was conducted in accordance with ISSAI 3000 and ISSAI 4000. The standards require that I comply with ethical requirements and plan and perform the audit to obtain assurance about whether the activities, financial transactions and information reflected in the financial statements comply in all material respects, with the authorities that govern them. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my conclusion.

REPORT ON EFFECTIVENESS OF INTERNAL CONTROLS, RISK MANAGEMENT AND GOVERNANCE

Conclusion

As required by Section 7(1)(a) of the Public Audit Act, 2015, based on the audit procedures performed, except for the effect of the matters described in the Basis for Conclusion on Effectiveness of Internal Controls, Risk Management and Governance section of my report, I confirm that nothing else has come to my attention to cause me to believe that internal controls, risk management and governance were not effective.

Basis for Conclusion

1. IT Internal Controls

1.1 Integration Between the Point of Sale and the ERP System

The Enterprise maintains separate Point of Sale (P.O.S) systems used in the income generating units. The P.O.S systems are not linked to the main E.R.P system. A visit to the income generating units, i.e, Arziki restaurant and Chiromo conference center, dental school, dental plaza and the Nairobi bookstore in June, 2025 revealed that, daily sales from the P.O.S are generated in a report then manually uploaded to the main E.R.P system. The reports uploaded lack security features which poses a risk of alterations of the transactions from the income units. There was no evidence of reconciliations done for the reports from the P.O.S systems and the E.R.P systems.

Further, there was no evidence of training done on use of the system to the staff at the income units as some of the staff were not conversant with the operations of the P.O.S while the service level agreements for the P.O.S systems were not provided for audit review.

1.2 Integration Between the E-Procurement and the E.R.P System

The Enterprise maintains a separate e-Procurement system for its procurement processes and the payments for the procurement are processed in the E.R.P system, However, during the audit it was observed that the two systems are not integrated. There is no unique identifier of the procurement records to trace back to the e-procurement process for each payment made through the E.R.P system, , hence a risk of double payments to suppliers.

In the circumstances, the effectiveness of the IT control over the ERP system could not be confirmed.

2. Non-Compliance on Board of Directors Appointments

Review of the composition of the Board of Directors revealed that three (3) Independent Board members appointed by the University of Nairobi Council have served for more than six (6) years since the date of first appointment. Further, Management did not provide appointment letters and acceptance letters for some of the Board members who served during the year, contrary to the provisions of the Mwongozo Code of Governance.

In the circumstances, the effectiveness of the Board and governance could not be confirmed.

3. Weaknesses in Inventory Management

Review of inventories records submitted for audit revealed the following anomalies;

- i. The entity did not conduct quarterly inventory and stock take, as no reports were provided for review.
- ii. There were no policy guidelines on the required reorder levels for various inventory items, hence it was not possible to confirm whether stock items were procured within the required stock levels. This resulted to frequent stock outs and use of petty cash to make emergency purchases for resale.
- iii. The Nairobi bookstores inventory are items worth Kshs.189,920, that are up for disposal and not displayed in the shop. Further, no disposal plan for the same is in place and the items remain in the stores.
- iv. Management did not comply with the disposal of drugs policy since the last recorded disposal of expired drugs occurred approximately ten (10) years ago, and no formal disposal policy or disposal committee had been formed contrary to Section 163 of the Public Procurement and Asset Disposal Act, 2015.

In the circumstances, the efficiency and effectiveness of the stock management and control could not be confirmed.

The audit was conducted in accordance with ISSAI 2315 and ISSAI 2330. The standards require that I plan and perform the audit to obtain assurance about whether effective processes and systems of internal controls, risk Management and overall governance were operating effectively in all material respects. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my conclusion.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

Conclusion

As required by the Companies Act, 2015, I report, except for the matters reported in the Basis for Qualified Opinion, I report based on my audit that:

- i. 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;
- ii. The information given in the Directors' report on pages xxiii is consistent with the financial statements; and
- iii. The auditable part of the Directors' remuneration report on page 17 has been properly prepared in accordance with the Companies Act, 2015.

Basis for Conclusion

The Companies Act, 2015 requires that I report on the legal or regulatory requirements, or on performance information disclosed. These matters require expressing a separate opinion as to the University of Nairobi Enterprises and Services Limited compliance with

laws and regulations. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my conclusion.

Responsibilities of the Management and the Board of Directors

Management is responsible for the preparation and fair presentation of these financial statements in accordance with International Financial Reporting Standards and for maintaining effective internal controls as Management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error and for its assessment of the effectiveness of internal controls, risk management and overall governance.

In preparing the financial statements, Management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless Management is aware of the intention to cease operations.

Management is also responsible for the submission of the financial statements to the Auditor-General in accordance with the provisions of Section 47 of the Public Audit Act, 2015.

In addition to the responsibility for the preparation and presentation of the financial statements described above, Management is also responsible for ensuring that the activities, financial transactions and information reflected in the financial statements comply with the authorities which govern them and that public resources are applied in an effective way.

The Board of Directors is responsible for overseeing the Company's financial reporting process, reviewing the effectiveness of how Management monitors compliance with relevant legislative and regulatory requirements, ensuring that effective processes and systems are in place to address key roles and responsibilities in relation to governance and risk management, and ensuring the adequacy and effectiveness of the control environment.

Auditor-General's Responsibilities for the Audit

My responsibility is to conduct an audit of the financial statements in accordance with Article 229(4) of the Constitution, Section 35 of the Public Audit Act, 2015 and the International Standards of Supreme Audit Institutions (ISSAIs). The standards require that, in conducting the audit, I obtain reasonable assurance about whether the financial statements as a whole are free from material misstatements, whether due to fraud or error and to issue an auditor's report that includes my opinion in accordance with Section 48 of the Public Audit Act, 2015. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISSAIs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

In conducting the audit, Article 229(6) of the Constitution also requires that I express a conclusion on whether or not in all material respects, the activities, financial transactions and information reflected in the financial statements are in compliance with the authorities that govern them and that public resources are applied in an effective way. In addition, I consider the entity's control environment in order to give an assurance on the effectiveness of internal controls, risk management and governance processes and systems in accordance with the provisions of Section 7(1)(a) of the Public Audit Act, 2015.

Further, I am required to submit the audit report in accordance with Article 229(7) of the Constitution.

Detailed description of my responsibilities for the audit is located at the Office of the Auditor-General's website at: <https://www.oagkenya.go.ke/auditor-generals-responsibilities-for-audit/>. This description forms part of my auditor's report.


FCPA Nancy Gathungu, CBS
AUDITOR-GENERAL

Nairobi

19 December, 2025

University of Nairobi Enterprises & Services Limited
Annual Report and Financial Statements for the year ended June 30, 2025

16. Statement of Profit/Loss & Other Comprehensive Income for the Year Ended 30th June 2025.

	Note	2024/2025 Kshs	2023/2024 Kshs
Revenue			
Allocation from Income Generating Units	6a	16,016,906	15,839,946
UNES University Bookstores	6b	58,756,866	48,369,742
Arziki Restaurants and Chiromo Conference Centre	6c	70,568,714	83,460,508
Consultancy	6d	652,883,976	1,306,613,879
Total Revenue		798,226,461	1,454,284,075
Cost of Sales	7	641,934,952	1,283,786,675
Gross Profit		156,291,509	170,497,400
Finance income	8	70,935	124,227
Other Income	9	2,163,284	6,779,224
Total revenue		158,525,728	177,400,851
Operating expenses			
Administration costs	10	150,079,698	155,734,102
Finance costs	11	1,937,309	728,944
Total operating expenses		152,017,007	156,463,046
Profit/(loss) before taxation		6,508,721	20,937,805
Income tax expense/(credit)		0	0
Profit/(loss) after taxation		6,508,721	20,937,805
Earnings per share – basic and diluted	12	1,302	4,188
Dividend per share	13	391	1,256

University of Nairobi Enterprises & Services Limited
Annual Report and Financial Statements for the year ended June 30, 2025

17. Statement of Financial Position as at 30 June 2025

	Notes	2024/2025 Kshs	2023/2024 Kshs
ASSETS			
Non-Current Assets			
Property & Equipment	14	28,238,243	31,662,958
Intangible Assets	15	2,932,760	4,399,139
		31,171,003	36,062,096
Current assets			
Inventories	16	37,544,971	37,855,920
Trade and Other Receivables	17	227,435,196	215,633,086
Cash and Bank Balances	18	29,399,740	32,047,283
Total current assets		294,379,907	285,536,289
Total Assets		325,550,910	321,598,386
EQUITY AND LIABILITIES			
Equity			
Ordinary Share Capital	19	100,000	100,000
Retained Earnings	20	(59,569,289)	(66,078,010)
Capital Reserve	21	12,321,458	12,321,458
Total equity		(47,147,831)	(53,656,552)
Long-term Liabilities			
	22	264,777,401	265,529,176
Current Liabilities			
Trade and Other Payables	23	30,961,967	20,810,380
Provisions	24	76,597,115	88,915,382
Bank accounts with overdrawn cashbook	27	362,258	-
Total current liabilities		107,921,340	109,725,762
Total Equity & Liabilities		325,550,910	321,598,386

The financial statements were approved by the Board on August 28, 2025 and signed on its behalf by:



.....
Amb. Dr. John O. Kakonge
Chairman of the Board



.....
Mr. Seith Abeka
C.E.O/M.D



.....
CPA. Simplicious Ochieng
Head of Finance

ICPAK M/NO: 5101

University of Nairobi Enterprises & Services Limited
Annual Report and Financial Statements for the year ended June 30, 2025

18. Statement of Changes in Equity for the year ended 30 June 2025

	Share capital Kshs	Accumulated Surplus Kshs	Capital Reserve Kshs	Total equity Kshs
Balance as at 1st July 2024	100,000	(66,078,010)	12,321,458	(53,656,552)
Profit for the period	-	6,508,721	-	6,508,721
Transfer to Capital Reserves	-	-	-	-
Balance as at 30 June 2025	100,000	(59,569,289)	12,321,458	(47,147,831)
Balance as at 1st July 2023	100,000	(87,015,815)	12,321,458	(74,594,357)
Profit for the period	-	20,937,805	-	20,937,805
Transfer to Capital Reserves	-	-	-	-
Balance as at 30 June 2024	100,000	(66,078,010)	12,321,458	(53,656,552)

University of Nairobi Enterprises & Services Limited
Annual Report and Financial Statements for the year ended June 30, 2025

19. Statement of Cash Flows for the year ended 30 June 2025

	2024/2025	2023/2024
	Kshs	Kshs
Operating Activities		
Surplus for the Year	6,508,721	20,937,805
Depreciation & Amortization	9,415,387	8,421,842
Net Cash from Operating Activities	15,924,107	29,359,647
Changes in Working Capital		
Decrease/ (Increase) in inventories	310,949	3,872,629
Decrease / (Increase) in trade and other receivables	(11,802,109)	58,241,885
(Decrease) / Increase in trade and other payables	(774,084)	(67,336,341)
(Decrease) / Increase in provision for staff gratuity	(1,392,596)	(1,470,136)
(Decrease) / Increase in amount held for the University of Nairobi	(751,775)	(5,033,858)
Total Changes in Working Capital	(14,409,615)	(11,725,821)
Net Cash generated from operating activities	1,514,492	17,633,826
Investing Activities		
Purchase of Fixed Assets	(2,941,941)	(9,143,343)
Purchase of intangible assets	-	-
Transfer to capital reserves	-	-
Disposal of tangible assets	-	(172,414)
Disposal of intangible assets	-	-
Total	(2,941,941)	(9,315,756)
Financing Activities		
Long term Liability paid	-	-
Dividend paid	-	-
Total	(17,351,556)	(21,041,577)
Net Increase/(Decrease) in Cash and Cash Equivalents	(3,009,801)	8,318,069
Cash and Cash Equivalents at 1st July 2024	32,047,283	22,005,075
Cash and Cash Equivalents as at 30th June 2025	<u>29,037,482</u>	<u>30,323,145</u>
Analysis of Cash and Cash Equivalents as at 30th June		
Cash and Bank Balances	29,037,482	32,047,283
Short term Investments	-	-
Total	<u>29,037,482</u>	<u>32,047,283</u>

University of Nairobi Enterprises & Services Limited
Annual Report and Financial Statements for the year ended June 30, 2025

20. Statement of Comparison of Budget & Actual amounts for the period ended 30 June 2025

	Original Budget	Adjustments	Final Budget	Actual on Comparable Basis	Performance Difference	% Variance
	KSh.	KSh.	KSh.	KSh.	KSh.	KSh.
Recurrent Revenue						
1 Gross Sales Income	1,128,030,549	(8,000,243)	1,120,030,306	800,460,680	(319,569,626)	-29%
2 Cost of Sales	888,958,154	(718,045)	888,240,109	641,934,952	246,305,157	28%
Total Income	239,072,395	(7,282,198)	231,790,197	158,525,728	(73,264,469)	-32%
OPERATING EXPENSES						
3 Personnel Emoluments	137,536,199	(1,874,340)	135,661,859	88,262,588	47,399,271	35%
4 Administrative Expenses	47,094,382	(972,091)	46,122,291	50,044,749	(3,922,458)	-9%
5 Operating Expenses	13,982,944	(1,330,070)	12,652,874	1,937,309	10,715,565	85%
6 Board Expenses	5,910,000	-	5,910,000	2,356,974	3,553,026	60%
7 Depreciation	8,954,010	-	8,954,010	9,415,387	(461,377)	-5%
8 Total Operating Expenditure	213,477,535	(4,176,502)	209,301,033	152,017,007	57,284,026	27%
9 Operating Surplus(Deficit)	25,594,860	(3,105,697)	22,489,164	6,508,721	(15,980,443)	-71%

Explanatory Note on original and the final budget

- Gross Sales Income: The underperformance is attributable to the closure of a key project. The USAID funded 5-Years Project was terminated in February 2025 hence affecting projected revenue generation. Other reasons were due to under-capitation of our traditional customer – University of Nairobi.
- The cost of sales was also revised downwards from the original budget by KSh718,045 to as a result of the expected decrease in the business volumes.
- The total administrative expenses were estimated to reduce from the initial estimate of KSh47M to KSh2M as a result of the expected increase in the cost doing business occasioned by the increase in fuel prices and high inflation rates.

Budget notes explaining the differences between actual and budgeted amounts (10% over / under)

- The actual gross revenue generated surpassed the budgeted amount by 47% as a result of increased business volumes realized during the period especially from donor funded programs.
- The cost of sales was also more than the budgeted amount by 66% as a result of the increased business volumes during the period. The increase was proportionate to the increase in revenue during the period.
- Finance income which is mainly bank interest was short of the budgeted amount by 98% as a result of low bank account balances during the period.
- Under personnel emoluments, there was a 30% cost saving from what was budgeted. This was as a result of natural attrition and putting on hold some planned recruitments during the financial year owing to the challenging business environment.
- Under operating expenses, there was a 13% cost saving as a result of cost containment and austerity measures put in place by Management during the financial year.

- vi. Under Board expenses, there was a 57% cost saving since most of the Board meetings were held online leading to reduction in Board related expenses.
- vii. Under finance costs, there was a 14% cost saving on what was budgeted as a result of the adoption of online as opposed to cheques leading to reduced bank charges on the accounts operated.
- viii. Most of the furniture and fittings that had been planned for the FY 2023/2024 were for the restaurant which was adversely affected as a result of the introduction of online learning by the University of Nairobi leading to reduced number of students and other support staff within the campus. The purchases were therefore deferred resulting in to a positive variance of 100%.
- ix. The equipment that was budgeted for in the FY 2023/2024 were mainly for the IGUs and were expected to be financed through partnerships which did not materialize during the year hence the purchases were deferred leading to a positive variance of 90%.
- x. Computers and laptops budget had a positive variance of 20% as a result of enhanced negotiation with the suppliers for better prices and discounts.
- xi. The purchase of the software had been planned for Dental Plaza but was deferred to the next financial year leading to a positive variance of 100%.
- xii. The purchase of motor vehicle budget related to a motor cycle which was meant for Arziki Restaurant but could not be actualized due to the poor performance of the unit resulting in a 100% positive variance.

Budget Reconciliation

	Description of Particulars	Amount in Kshs
	Actual Surplus Amounts as per the statement of Budget	6,508,721
1	Depreciation & Amortisation	9,415,387
2	Total Changes in Working Capital	-14,409,616
3	Purchase of Fixed Assets	(4,524,291)
4	Cash and Cash Equivalents at 1st July 2024	32,047,283
	Closing Cash and Cash Equivalent as per the statement of Cash flows	29,037,482

21. Notes to the Financial Statement

1. General Information

UNES is established by and derives its authority and accountability from the Companies Act, 2015 and Section 14 of the State Corporations Act. The entity is wholly owned by the University of Nairobi and is domiciled in Kenya. The entity's principal activity is the provision of Consultancy, Hospitality, Medical (Ophthalmology, Dental & Diagnostic Imaging), retail Bookshop, Bindery and Funeral Services.

The balance sheet is represented by the statement of financial position and the profit and loss account by the statement of profit or loss and other comprehensive income in these financial statements.

2. Statement of Compliance and Basis of Preparation

The financial statements have been prepared on a historical cost basis except for the measurement at re-valued amounts of certain items of property, plant and equipment, marketable securities and financial instruments at fair value, impaired assets at their estimated recoverable amounts and actuarially determined liabilities at their present value. The preparation of financial statements in conformity with International Financial Reporting Standards (IFRS) allows the use of estimates and assumptions. It also requires management to exercise judgement in the process of applying the entity's accounting policies. The areas involving a higher degree of judgement or complexity, or where assumptions and estimates are significant to the financial statements. The financial statements have been prepared and presented in Kenya Shillings, which is the functional and reporting currency of the Company, and all values are rounded off to the nearest Kenya shillings. The financial statements have been prepared in accordance with the PFM Act, Section 14 of the State Corporations Act, the Companies Act, 2015 and International Financial Reporting Standards (IFRS). The accounting policies adopted have been consistently applied to all the years presented.

3. Application of New and Revised International Financial Reporting Standards (IFRS)

i. New and amended standards and interpretations in issue and effective in the year ended 30 June 2025.

Title	Description	Effective Date
Amendments to IAS 1 titled Classification of Liabilities as Current or Non-current (issued in January 2020, amended in October 2022)	The amendments, applicable to annual periods beginning on or after 1st January 2024, clarify a criterion in IAS 1 for classifying a liability as non-current: the requirement for an entity to have the right to defer settlement of the liability for at least 12 months after the reporting period	The amendments are effective for annual periods beginning on or after January 1, 2024. Earlier application is permitted.
Amendment to IFRS 16 titled Lease Liability in a Sale and Leaseback (issued in September 2022)	The amendment, applicable to annual periods beginning on or after 1st January 2024, requires a seller-lessee to subsequently measure lease liabilities arising from a leaseback in a way that it does not recognise any amount of the gain or loss.	The amendments are effective for annual periods beginning on or after January 1, 2024. Earlier application is permitted.
Amendments to the Classification and Measurement of Financial Instruments Amendments to IFRS 9 and IFRS 7	The amendments specify: <ul style="list-style-type: none"> i. when a financial liability settled using an electronic payment system can be deemed to be discharged before the settlement date. ii. how to assess the contractual cash flow characteristics of financial assets with contingent features when the nature of the contingent event does not relate directly to changes in basic lending risks and costs; and iii. new or amended disclosure requirements relating to investments in equity instruments designated at fair value through other comprehensive income and financial instruments with contingent features that do not relate directly to basic lending risks and costs. 	1 January 2026

The Directors have assessed the applicable standards and amendments. Based on their assessment of the impact of the application of the above, they do not expect that there will be a significant impact on the company's financial statements.

Application of New and Revised International Financial Reporting Standards (IFRS)

ii. *New and amended standards and interpretations in issue but not yet effective in the year ended 30 June 2025.*

Title	Description	Effective Date
IFRS 18 Presentation and Disclosure in Financial statements	The objective of IFRS 18 is to set out requirements for the presentation and disclosure of information in general purpose financial statements (financial statements) to help ensure they provide relevant information that faithfully represents an entity's assets, liabilities, equity, income and expenses.	The new standard is effective for annual periods beginning on or after January 1, 2027. Earlier application is permitted.
IFRS 19 Subsidiaries without Public Accountability	IFRS 19 Subsidiaries without Public Accountability: Disclosures IFRS 19 Subsidiaries without Public Accountability: Disclosures was issued in May 2024. IFRS 19 permits some subsidiaries to apply IFRS Accounting Standards with reduced disclosure requirements. These entities apply the requirements in other IFRS Accounting Standards except for their disclosure requirements. Instead, these entities apply the requirements in IFRS 19	An entity may elect to apply this Standard for reporting periods beginning on or after 1 January 2027. Earlier application is permitted.

The Directors do not plan to apply any of the above until they become effective. Based on their assessment of the potential impact of application of the above, they do not expect that there will be a significant impact on the company's financial statements.

iii. *Early adoption of standards*

The company did not adopt any new or amended standards in the financial year.

4. Summary of Accounting Policies

The principal accounting policies adopted in the preparation of these financial statements are set out below:

a) Revenue recognition

Revenue is measured based on the consideration to which the entity expects to be entitled in a contract with a customer and excludes amounts collected on behalf of third parties. UNES recognizes revenue when it transfers control of a product or service to a customer.

- i) Revenue from the sale of goods and services** is recognized in the year in which UNES delivers products to the customer, the customer has accepted the products and collectability of the related receivables is reasonably assured.

UNES is allocated an amount for budgetary support from revenue generated by the various Income Generating Activities (IGAs) of University of Nairobi under management of UNES, at rates approved by the University Council as shown below;

Project Categories	UNES Allocation
(i) Specialized Based Production Units	15%
(ii) General Production Units	15%
(iii) Workshops, Seminars & Short Courses	2%

- ii) Grants from National Government** are recognized in the year in which UNES actually receives such grants. Recurrent grants are recognized in the statement of comprehensive income. Development/capital grants are recognized in the statement of financial position and realised in the statement of comprehensive income over the useful life of the assets that has been acquired using such funds.
- iii) Finance income** comprises interest receivable from bank deposits and investment in securities, and is recognized in profit or loss on a time proportion basis using the effective interest rate method.
- iv) Dividend income** is recognized in the income statement in the year in which the right to receive the payment is established.
- v) Rental income** is recognized in the income statement as it accrues using the effective interest implicit in lease agreements.
- vi) Other income** is recognized as it accrues.

Summary of Accounting Policies

b) In-kind contributions

In-kind contributions are donations that are made to UNES in the form of actual goods and/or services rather than in money or cash terms. These donations may include vehicles, equipment or personnel services. Where the financial value received for in-kind contributions can be reliably determined, UNES includes such value in the statement of comprehensive income both as revenue and as an expense in equal and opposite amounts; otherwise, the contribution is not recorded.

c) Property, plant and equipment

All categories of property, plant and equipment are initially recorded at cost less accumulated depreciation and impairment losses.

Certain categories of property, plant and equipment are subsequently carried at re-valued amounts, being their fair value at the date of re-valuation less any subsequent accumulated depreciation and impairment losses.

Increases in the carrying amounts of assets arising from re-valuation are credited to other comprehensive income. Decreases that offset previous increases in the carrying amount of the same asset are charged against the revaluation reserve account; all other decreases are charged to profit or loss in the income statement. Gains and losses on disposal of items of property, plant and equipment are determined by comparing the proceeds from the disposal with the net carrying amount of the items, and are recognised in profit or loss in the income statement.

d) Depreciation and impairment of property, plant and equipment

Freehold land and capital work in progress are not depreciated. Capital work in progress relates mainly to the cost of ongoing but incomplete works on buildings and other civil works and installations.

Depreciation on property, plant and equipment is recognized in the income statement on a straight-line basis to write down the cost of each asset or the re-valued amount to its residual value over its estimated useful life. The annual rates in use, as guided by National Treasury policy on assets depreciation are:

	Years	Rate
Motor vehicles, including motor cycles	5 years	20%
Computers and related equipment	3 years	33 ¹ / ₃ %
Office equipment, furniture and fittings	10 years	10%

A full year's depreciation charge is recognised both in the year of asset purchase and in the year of asset disposal.

Items of property, plant and equipment are reviewed annually for impairment. Where the carrying amount of an asset is assessed as greater than its estimated recoverable amount, an impairment loss is recognised so that the asset is written down immediately to its estimated recoverable amount.

e) Intangible assets

Intangible assets with finite useful lives that are acquired separately are carried at cost less accumulated amortization and accumulated impairment losses. Amortization is recognized on a straight-line basis over their estimated useful lives. The estimated useful life and amortization method are reviewed at the end of each reporting period, with the effect of any changes in estimate being accounted for on a prospective basis. Intangible assets with indefinite useful lives that are acquired separately are carried at cost less accumulated impairment losses.

f) Amortization and impairment of intangible assets

Amortization is calculated on the straight-line basis over the estimated useful life of the intangible asset. All intangible assets are reviewed annually for impairment. Where the carrying amount of an intangible asset is assessed as greater than its estimated recoverable amount, an impairment loss is recognised so that the asset is written down immediately to its estimated recoverable amount.

g) Inventories

Inventories are stated at the lower of cost and net realizable value. Cost comprises direct materials and, where applicable, direct labour costs and those overheads that have been incurred in bringing the inventories to their present location and condition. Cost is calculated using the weighted average cost method. Net realizable value represents the estimated selling price less all estimated costs of completion and costs to be incurred in marketing, selling and distribution.

h) Trade and other receivables

Trade and other receivables are recognized at amortized cost less allowances for any uncollectible amounts. These are assessed for impairment on a continuing basis. An estimate is made of doubtful receivables based on a review of all outstanding amounts at the year end. Bad debts are written off after all efforts at recovery have been exhausted.

i) Taxation

i) Current income tax

Current income tax assets and liabilities for the current period are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date in the area where the Entity operates and generates taxable income.

ii) Corporation tax

UNES is exempted from paying corporation tax.

j) Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and cash at bank, short-term deposits on call and highly liquid investments with an original maturity of three months or less, which are readily convertible to known amounts of cash and are subject to insignificant risk of changes in value. Bank account balances include amounts held at the Central Bank of Kenya and at various Commercial Banks at the end of the reporting period.

k) Trade and other payables

Trade and other payables are non-interest bearing and are carried at amortised cost, which is measured at the fair value of contractual value of the consideration to be paid in future in respect of goods and services supplied, whether billed to the entity or not, less any payments made to the suppliers.

l) Retirement benefit obligations

The company's employees are employed on contract and are entitled to a service gratuity at the end of their contracts at the rate of 31% of basic pay. The company's obligation is accrued in the financial statements on pro rata basis. The company also contributes to the statutory National Social Security Fund (NSSF). This is a defined contribution scheme registered under the National Social Security Act. The company's obligation under the scheme is limited to specific contributions legislated from time to time.

The NSSF rates are currently based on a tiered system with employee and employer each contributing 6% of the employee's monthly pensionable income. Tier 1 contributions are based on earnings up to a lower limit (LEL) of KES 7,000, while Tier 2 contributions are for earnings between the LEL and the upper limit (UEL), which is now KES 72,000 per month. The total monthly contribution is capped at KES 8,640 for high earners.

m) Provision for staff leave pay

Employees' entitlements to annual leave are recognised as they accrue at the employees. A provision is made for the estimated liability for annual leave at the reporting date.

n) Exchange rate differences

The accounting records are maintained in the functional currency of the primary economic environment in which the entity operates, Kenya Shillings. Transactions in foreign currencies during the year are translated into the functional currency using the exchange rates prevailing at the dates of the transactions or valuation where items are re-measured. Any foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in profit or loss. The transactions in foreign currency have been translated at the CBK closing rate as follows: 1 USD = Ksh 129.21 and 1 EUR = Ksh 139.06

Summary of Accounting Policies

o) Budget information

The original budget for FY 2024/2025 was approved by the National Assembly. Subsequent revisions or additional appropriations were made to the approved budget in accordance with specific approvals from the appropriate authorities. The additional appropriations are added to the original budget by the entity upon receiving the respective approvals in order to conclude the final budget.

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

A statement to reconcile the actual amounts on a comparable basis included in the statement of comparison of budget and actual amounts and the actuals as per the statement of Cash flows has been presented under note 27 of these financial statements.

p) Comparative figures

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

q) Subsequent events

There have been no events subsequent to the financial year end with a significant impact on the financial statements for the year ended June 30, 2025. The University of Nairobi (UoN) Council resigned in May 2025 and new council members appointed in July 2025. The reconstitution of UNES Board is awaited.

5. Significant Judgments and Sources of Estimation Uncertainty

The preparation of the company's financial statements in conformity with IFRS requires management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the disclosure of contingent liabilities, at the end of the reporting period. However, uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of the asset or liability affected in future periods.

a) Estimates and assumptions

There are no assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying

amounts of assets and liabilities within the next financial year. However, existing circumstances about future developments may change due to market changes or circumstances arising beyond the control of the company. Such changes will be reflected in the assumptions when they occur.

b) Useful lives and residual values

The useful lives and residual values of assets are assessed using the following indicators to inform potential future use and value from disposal:

- The condition of the asset based on the assessment of experts employed by the company
- The nature of the asset, its susceptibility and adaptability to changes in technology and processes
- The nature of the processes in which the asset is deployed
- Availability of funding to replace the assets

c) Provisions

Provisions were raised and management determined an estimate based on the information available. Additional disclosure of these estimates of provisions is included in Note 24.

Provisions are measured at the management's best estimate of the expenditure required to settle the obligation at the reporting date, and are discounted to present value where the effect is material.

Notes to the Financial Statements (Continued)

6. Revenue from contracts with customers

	2024/2025	2023/2024
	KShs	KShs
Note. 6(a) ALLOCATION FROM INCOME GENERATING UNITS		
Dept. of Diagnostic Imaging & Radiation Medicine	501,135	389,688
Chiromo Funeral Parlour	4,671,605	4,468,471
Dental Plaza	5,096,921	4,882,811
UoN Library IGA	1,500,938	2,495,912
Eye Centre	1,640,330	1,047,525
Dental School	2,605,976	2,555,537
TOTAL	16,016,906	15,839,946

Note 6(b) REVENUE FROM UNES UNIVERSITY BOOKSTORE

Nairobi	51,525,122	40,044,940
Mombasa	3,129,857	2,170,165
Kisumu	4,070,626	6,070,164
Other income	0	0
	58,725,605	48,285,269

Note. 6 (c) REVENUE FROM ARZIKI RESTAURANTS AND CHIROMO CONFERENCE CENTRE

Restaurant services	14,275,264	19,599,836
Outside catering services	56,113,234	56,960,866
Internal Supplies	0	6,629,817
Misc Income	99,506	217,114
Sale of Therapeutic drinks	80,710	52,875
Total Revenue	70,568,714	83,460,508

Note. 6 (d) REVENUE FROM CONSULTANCY

Consultancies	618,703,591	1,273,856,394
Training (Short courses)	34,919,228	31,358,724
Other income	(738,843)	1,398,761
	652,883,976	1,306,613,879

Note. 7 COSTS OF SALES

	2024/2025	2023/2024
	KShs	KShs
Nairobi Bookstore	33,192,949	27,343,705
Kisumu Bookstore	2,831,566	4,038,483
Mombasa Bookstore	2,316,585	1,537,737

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Arziki Restaurants and Conference Centre	47,755,255	67,275,899
Consultancy Direct Project Costs	555,838,597	1,183,590,851
	641,934,952	1,283,786,675

Note. 8 FINANCE INCOME

	2024/2025	2023/2024
	KShs	KShs
Finance income (Bank Interests)	102,195	293,173
	102,195	293,173

Note. 9 OTHER INCOME

Miscellaneous income - Corporate	1,913,832	6,779,224
Miscellaneous income - Bookstore (Nairobi)	249,402	
Miscellaneous income - Bookstore (Kisumu)	50	
	2,163,284	6,779,224

Note. 10 ADMINISTRATION COSTS

	2024/2025	2023/2024
	KShs	KShs
Staff Costs:		
UNES Head office	52,226,179	53,205,027
UNES University Bookstore-Nairobi	11,515,233	11,016,576
UNES University Bookstore-Kisumu	1,451,086	1,434,036
UNES University Bookstore-Mombasa	682,273	851,644
Chiromo Conference Center & Arziki Restaurants	10,909,431	11,567,713
UNES Consultancy unit	11,478,386	11,273,629
Total Staff Costs	88,262,588	89,348,625

Directors Emoluments

	2024/2025	2023/2024
	KShs	KShs
Directors Sitting Allowances	1,043,417	1,574,000
Directors Travelling Allowances	403,557	-
Chairman's Honorarium	910,000	960,000
Total Directors Emoluments	2,356,974	2,534,000

Office and other Costs

	2024/2025	2023/2024
	KShs	KShs
(i) UNES Head office expenses		
Staff Training & Development	1,078,805	712,850
Medical Expenses	2,804,287	2,428,940
Out-Sourced Services / Casual Labour	7,359,015	4,779,612
Staff Travelling and Accommodation	60,900	54,000
Transport operating expenses	2,951,040	3,514,984

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Seminars and Workshops	571,730	1,596,774
New Business Development	2,074,032	994,900
Telecommunication	371,894	259,937
Recruitment of staff	484,208	498,300
Office expenses	2,160,424	3,238,203
Electricity & water	586,246	765,433
Printing Expenses	83,180	954,251
Uniforms and Clothing	2,397	7,998
Office Stationery	262,941	89,032
Consumables	705,320	889,970
Marketing & Advertisements	2,393,349	1,709,958
Maintenance of equipment	277,661	55,341
Maintenance of vehicles	799,780	1,436,472
Maintenance of Buildings & Grounds	66,600	716,000
Legal & Statutory Expenses	150	2,357,642
Security Expenses	746,320	713,842
Subscriptions	154,910	174,610
Dividends	0	3,614,179
ICT Services	1,818,363	890,049
Audit Fees	900,000	750,000
Refurbishment & renovations	0	50,400
Corporate Social Responsibility	74,950	11,038
ISO-QMS Expenses	900,000	1,169,704
Insurance	162,837	179,411
Strategic Plan	0	393,865
UNES / UON NICRA	0	3,645,000
Bank Charges	311,631	329,570
Unrealized foreign exchange loss	(18,000)	0
Total HQ Administration Expenses	30,144,970	38,982,265

(ii) UNES University Bookstore-Nairobi

Casuals/Outsourced services	418,106	108,950
Office expenses	188,113	231,396
Stationery	0	4,250
Staff training & development	7,250	7,200
Medical expenses	1,352,436	1,294,488
Bank Charges	254,079	296,788
Consumables	177,921	209,364
Maintenance of Buildings & Grounds	0	22,000
Maintenance of equipment	123,466	34,075
Insurance	0	43,750

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Maintenance of vehicles	0	4,284
Marketing expenses	17,478	95,648
Transport operating expenses	34,360	16,630
Telecommunication	68,575	53,300
ICT Services	44,616	0
Statutory & legal expenses	40,000	0
Total Nairobi Bookstore Admin Expenses	2,726,400	2,422,123

(iii) UNES University Bookstore-Kisumu

Staff training & development	1,200	1,200
Staff medical expenses	277,539	253,100
Transport operating expenses	1,600	26,270
Consumables	0	3,909
Marketing expenses	155,360	235,938
Telecommunication	17,300	16,800
Office expenses	12,013	15,912
Maintenance of equipment	47,080	133,300
Statutory & legal expenses	51,100	29,500
Total Kisumu Bookstore Admin Expenses	563,192	715,929

(iv) UNES University Bookstore-Mombasa

Staff training & development	600	850
Casual labour / Outsourced services	149,516	91,258
Stationery & Printing	0	16,000
Staff medical expenses	96,057	85,719
Transport operating expenses	6,800	-
Office expenses	37,334	68,114
Consumables	28,631	58,432
Marketing expenses	91,445	92,984
Maintenance of building	0	5,900
Maintenance of Equipment	47,080	42,800
Telecommunication	7,101	9,900
Statutory & legal expenses	21,200	18,250
Total Mombasa Bookstore Admin Expenses	485,764	490,207

(v) Chiromo Conference Center & Arziki Restaurants

Staff training	12,250	12,550
Out sourced services / Casual Labour	3,356,076	2,439,143
Staff Medical expenses	1,914,450	1,822,077
Office Expenses	963,885	67,568
Insurance	37,155	57,745

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Transport operating expenses	453,800	308,097
Telecommunication	0	11,500
Stationery/Printing	75,431	-
Electricity/Water	756,145	593,796
Staff Uniforms	304,784	-
Catering Levy	1,158,182	1,239,864
Laundry expenses	38,793	26,724
Maintenance of Equipment	375,210	250,565
Maintenance of vehicle	20,000	94,395
Maintenance of software	103,448	0
Security services	0	326,000
Purchase of cutlery / crockery	542,540	-
Legal & statutory expenses	343,200	626,200
Bank charges	192,561	194,165
Total CCC Admin Expenses	10,647,910	8,070,389
(vi) UNES Consultancy unit		
Stationery & Printing	35,500	34,972
Staff Medical expenses	956,408	995,559
Outsourced Services / Casual Labour	1,015,045	626,975
Transport operating expenses	520,500	391,374
Accommodation & subsistence	109,900	-
Subscriptions	421,760	6,417
Staff training & development	6,150	6,150
Electricity/Water	139,567	181,331
Office expenses	230,049	310,051
Maintenance of building	82,586	80,961
Maintenance of vehicle	62,100	31,683
Maintenance of Equipment	216,907	87,618
New business development	223,997	253,909
Consumables	506,928	203,615
Telecommunication expenses	44,500	114,500
Security Expenses	894,566	985,145
Marketing	0	438,462
Legal & Statutory Expenses	10,050	0
Total Consultancy Admin Expenses	5,476,513	4,748,722
Depreciation of property, plant and equipment	7,949,008	6,955,463
Amortization of Intangible Assets	1,466,379	1,466,379
	9,415,387	8,421,842
Total administration costs	150,079,698	155,734,102

Note. 11 Finance Cost	2024/2025	2023/2024
	KShs	KShs
Bank Charges	1,937,309	728,944
Total Finance costs	1,937,309	728,944

Note 12 Earnings Per Share

The earnings per share is calculated by dividing the profit after tax of Kshs.6,508,721 by the number of ordinary shares in issue during the year of 5,000. There were not dilutive or potentially dilutive ordinary share as at the reporting date.

Total Earnings	6,508,721	20,937,805
Number of ordinary shares issued	5,000	5,000
Earnings per share	1,302	4,188

Note 13 Dividend per Share

Dividends are accounted for as a separate component of equity and are only presented in the accounts once ratified and declared at the relevant Annual General Meeting (AGM).

14. Property, Plant and Equipment

Cost	Furn & Equip Kshs	Computers Kshs	Motor Vehicles Kshs	2024/2025 Kshs	2023/2024 Kshs
1st July 2024	25,071,052	4,356,451	16,534,483	45,961,986	38,542,781
Additions	2,481,424	460,517	-	2,941,941	9,143,343
Disposals	-	-	-	-	(1,724,138)
30th June 2025	27,552,476	4,816,968	16,534,483	48,903,928	45,961,986
Depreciation					
1st July 2024	3,953,204	2,149,680	6,613,793	12,716,677	5,933,629
Charge for the year	3,062,720	1,579,391	3,306,897	7,949,008	6,955,463
Disposal Depn	-	-	-	-	(172,414)
30th June 2025	7,015,924	3,729,071	9,920,690	20,665,685	12,716,678
Net Book Value					
30th June 2025	20,536,553	1,087,897	6,613,793	28,238,243	31,662,958

15. Intangible Assets (Software)

Cost	2024/2025	2023/2024
	Kshs	Kshs
1st July 2024	7,331,897	7,331,897
Additions	-	-
Disposals	-	-
30th June 2025	7,331,897	7,331,897
Amortization		
1st July 2024	2,932,758	1,466,379
Charge for the year	1,466,379	1,466,379
Disposal Amortization	-	-
30th June 2025	4,399,137	2,932,758
Net Book Value		
30th June 2025	2,932,760	4,399,139

16. Inventories

	2024/2025	2023/2024
	Kshs	Kshs
UNES Bookstore	32,473,488	33,310,644
Chiromo Funeral Parlour	402,112	336,407
Arziki Restaurants & Conference Centre	1,027,438	725,281
UNES Head Office	534,806	703,966
Consultancy	277,062	448,054
Diagnostic Radiology	85,105	101,517
Eye Centre	837,973	1,003,324
Dental Plaza	1,906,987	1,226,728
Total	37,544,971	37,855,920

17. Trade and Other Receivables

		2024/2025	2023/2024
		Kshs	Kshs
Bank Guarantees	Notes	735,000.0	600,000.0
Trade debtors	a.	224,650,334.2	213,443,873.4
Staff debtors		1,207,275.0	1,151,564.8
Suppliers Deposits / Advances		10,256,586.4	9,851,648.2
Total		227,435,196	215,633,086

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(a) Trade Receivables

Description	FY 2024/2025	FY 2023/2024
	Kshs	Kshs
Gross Trade Receivables	228,376,595.62	214,385,273.00
Provision for Doubtful Receivables	-941,400.00	-941,400.00
Net Trade Receivables	227,435,195.62	213,443,873.00
ageing analysis of gross Trade Receivables		
Less than 30 Days	620,241.00	63,636,252.00
Between 30 and 60 Days	1,766,942.24	11,001,000.00
Between 61 and 90 Days	12,517,282.11	9,180,801.00
Between 91 and 120 Days	8,917,046.99	11,624,820.00
Over 120 Days	203,613,683.28	118,001,001.00
Total	227,435,195.62	213,443,873.00

18. Cash and Bank Balances

	2024/2025	2023/2024
	Kshs	Kshs
Cash and Bank Balances		
IGU Accounts		
UNES National Bank Account	9,906.95	86
Faculty of Medicine BBK Account	219,763.25	776,355
Chiromo Funeral Parlour SCB Account	1,043,898.90	674,846
CAVS Clinical Studies BBK Account	131,883.05	129,798
	1,405,452.15	1,581,085
UNES Accounts		
UNES US-Dollar Account BBK	3,118,952.38	452,792
UNES Euro Account BBK	28,423.39	399,924
UNES Consultancy Account	-	12,411,888
UNES Corporate Account	6,203,944.65	5,792,570
UNES University Bookstore account BBK	1,621,173.70	614,126
UNES Arziki Restaurant BBK	1,774,291.80	401,490
UNES USAID Project BBK Account	2,381,849.10	8,168,760
USAID KDHE	10,108,549.00	
Cash in hand	2,757,104.00	2,224,648
	27,994,288.03	30,466,198
Total cash and Cash Balances	29,399,740.18	32,047,283

19. Ordinary Share Capital

Description	FY 2024/2025	FY 2023/2024
	Kshs	Kshs
Authorized:		
500,000 Ordinary Shares of Kshs 20 par value each	10,000,000	10,000,000
Issued and Fully paid:		
5,000 Ordinary Shares of Kshs par value each	100,000	100,000

20. Retained Earnings

The retained earnings represent amounts available for distribution to the company's shareholders. Undistributed retained earnings are utilised to finance the company's business activities.

The retained loss represents the loss that has accumulated over the years.

	2024/2025	2023/2024
	Kshs	Kshs
Balance at beginning of the year	(66,078,009)	(87,015,812)
Add: Total comprehensive income for the year	6,508,721	20,937,803
	(59,569,289)	(66,078,01)

21. Capital Reserve

The capital reserve includes funds set aside for improvement of certain items of property, plant and equipment netted off with the capital expenditures.

Balance at beginning of the year	12,321,458	12,321,458
Balance at end of the year	12,321,458	12,321,458

22. Long Term Liability

	FY 2024/2025	FY 2023/2024
	Kshs.	Kshs.
Bookstore assets taken over from UON	21,419,324	21,419,324
Amount held for the University of Nairobi	243,358,077	244,109,852
	264,777,401	265,529,176

23. Trade and Other Payables

	2024/2025	2023/2024
Trade and Other Payables	Kshs	Kshs
Trade creditors	30,961,967	17,196,201
Provision for Direct Service Providers	-	1,836,823
Remittance for consultancies	37,107,057	52,627,579
Provision for Audit fees	3,750,000	2,850,000
Provisions for Staff Gratuity	23,938,567	25,331,163
Provision for Output VAT	1,233,197	616,053
Provision for PAYE	10,568,294	5,647,714
Dividends payable	-	3,614,179
NITA	-	6,050
Total	107,559,082	109,725,762

Aging Analysis for Trade and other Payables

Description	FY 2024/2025	% of the total	FY 2024/2025	% of the total
Under one year	(19,480,602.28)	66.31%	(13,210,861.00)	77%
1-2 years	(9,899,013.72)	33.69%	(3,985,341.00)	23%
2-3 years	xxx	%	xxx	%
Over 3 years	xxx	%	xxx	%
Total	(29,379,616.00)		(17,196,201.00)	

24. Provisions

Description	Long service leave	Bonus Provision	Gratuity provisions	Other Provisions	Total
	Kshs	Kshs	Kshs	Kshs	Kshs
Balance at the beginning of the year	0	0	25,331,163	67,198,398	92,529,561
Additional provisions	0	0	15,580,163	502,918,605	518,498,768
Provision utilised	0	0	(16,972,759)	(517,458,455)	(534,431,214)
Balance at the end of the year	0	0	23,938,567	52,658,548	76,597,115

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25. Staff Gratuity and Obligations

	2024/2025 Kshs	2022/2023 Kshs
Staff gratuity	23,938,567	25,331,163

The staff gratuity is accrued for the year at the entitlement rate which is currently 31% of Basic Pay.

26. Dividends Payable

The balance of dividends payable relates to unpaid dividends as at the end of the year. The balances are analysed in annual amount below.

	2024/2025		2023/2024
	Kshs	Kshs	Kshs
Balance brought forward	-	-	-
Dividends declared (FY 2020-2021)	0	3,614,179	-
Less: Dividend paid	-	-	-
Balance at end of the year	-	3,614,179	-

27. Bank Accounts with Overdrawn Cashbook

	2024/2025 Kshs	2023/2024 Kshs
UNES Consultancy Account	362,258.16	-

28. Notes to the Statement of Cash Flows

	2024/2025 Kshs	2023/2024 Kshs
Operating Activities		
Surplus for the Year	6,508,721	20,937,805
Depreciation & Amortization	9,415,387	8,421,842
Loss on disposal		
Net Cash from Operating Activities	15,924,107	29,359,647
Changes in Working Capital		
Decrease/ (Increase) in inventories	310,949	3,872,629
Decrease / (Increase) in trade and other receivables	(11,802,109)	58,241,885
(Decrease) / Increase in trade and other payables	(774,085)	(67,336,341)
(Decrease) / Increase in provision for staff gratuity	(1,392,596)	(1,470,136)
(Decrease) / Increase in amount held for the University of Nairobi	(751,775)	(5,033,858)
Total Changes in Working Capital	(14,409,616)	(11,725,821)
Investing Activities		
Purchase of Fixed Assets	(2,941,941)	(9,143,343)
Disposal of tangible assets	-	(172,414)

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Total	(2,941,941)	(9,315,756)
Financing Activities	-	-
Net Increase/(Decrease) in Cash and Cash Equivalents	(3,009,801)	8,318,069
Cash and Cash Equivalents at 1st July 2024	32,047,283	22,005,075
Cash and Cash Equivalents as at 30th June 2025	29,037,482	30,323,145
Analysis of Cash and Cash Equivalents as at 30th June		
Bank Balances	26,280,378	29,822,635
Cash in hand	2,757,104	2,224,648
Short term Investments	-	-
Cash & Bank Balances as at 30/6/2025	29,037,482	32,047,283

29. Related Party Disclosures

Parties are considered to be related if one party has the ability to control the other party or exercise significant influence over the other party in making financial or operation decisions, or one other party controls both.

During the year, UNES Limited provided services to the University of Nairobi, which is the parent company having 100% control over UNES. These services were provided through UNES University Bookstore, Arziki Restaurant and Conference Centre and the Income Generating Units (IGUs) which offer services to UoN students and staff. The University of Nairobi being the 100% shareholder for UNES receives dividends from UNES against the surplus realized and as declared at the Annual General Meeting on recommendation by the directors.

The balances between UNES and UON as at the balance sheet date were as follows:

	2023/2024	2022/2023
	Ksh	Ksh
Due from UON		
Owings to Bookstore, Arziki Restaurant & IGUs	83,220,456	72,710,258
Due to UON		
Long-term liability- Bookstore amount on takeover by UNES	21,419,324	21,419,324
Dividends payable	-	3,614,179

The key management personnel of the company enjoy only short-term benefits based on the contractual agreements. The company does not have share-based payments, post-employment and other long-term benefits.

Directors' emoluments	2,356,974	2,534,000
Compensation to the CEO	7,395,828	7,395,828
Compensation to Key Management	10,231,523	18,967,848

30. Contingent Assets and Liabilities

Contingent Liabilities

During the financial year the only contingent liability was bank guarantee.

	2023/2024	2022/2023
	Ksh	Ksh
Bank Guarantees	735,000	600,000

31. Financial Risk Management

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

The company's financial risk management objectives and policies are detailed below:

i) Credit risk

The company has exposure to credit risk, which is the risk that a counterparty will be unable to pay amounts in full when due. Credit risk arises from cash and cash equivalents, and deposits with banks, as well as trade and other receivables and available-for-sale financial investments.

Management assesses the credit quality of each customer, taking into account its financial position, past experience and other factors. Individual risk limits are set based on internal or external assessment in accordance with limits set by the directors. The amounts presented in the statement of financial position are net of allowances for doubtful receivables, estimated by the company's management based on prior experience and their assessment of the current economic environment.

The customers under the fully performing category are paying their debts as they continue trading. The credit risk associated with these receivables is minimal and the allowance for uncollectible amounts that the company has recognised in the financial statements is considered adequate to cover any potentially irrecoverable amounts.

The board of directors sets the company's credit policies and objectives and lays down parameters within which the various aspects of credit risk management are operated.

ii) Liquidity risk management

Ultimate responsibility for liquidity risk management rests with the directors, who have built an appropriate liquidity risk management framework for the management of the company's short, medium

and long-term funding and liquidity management requirements. The entity manages liquidity risk through continuous monitoring of forecasts and actual cash flows.

(iii) Market risk

The board has put in place an internal audit function to assist it in assessing the risk faced by the company on an ongoing basis, evaluate and test the design and effectiveness of its internal accounting and operational controls.

Market risk is the risk arising from changes in market prices, such as interest rate, equity prices and foreign exchange rates which will affect the entity's income or the value of its holding of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return. Overall responsibility for managing market risk rests with the Audit and Risk Management Committee.

The company's Finance Department is responsible for the development of detailed risk management policies (subject to review and approval by Audit and Risk Management Committee) and for the day-to-day implementation of those policies.

There has been no change to the entity's exposure to market risks or the manner in which it manages and measures the risk.

a) Foreign currency risk

The company has transactional currency exposures. Such exposure arises through purchases of goods and services that are done in currencies other than the local currency. Invoices denominated in foreign currencies are paid after 30 days from the date of the invoice and conversion at the time of payment is done using the prevailing exchange rate.

The entity manages foreign exchange risk from future commercial transactions and recognised assets and liabilities by projecting for expected sales proceeds and matching the same with expected payments.

b) Interest rate risk

Interest rate risk is the risk that the entity's financial condition may be adversely affected as a result of changes in interest rate levels. The company's interest rate risk arises from bank deposits. This exposes the company to cash flow interest rate risk. The interest rate risk exposure arises mainly from interest rate movements on the company's deposits.

i) Management of interest rate risk

To manage the interest rate risk, management has endeavoured to bank with institutions that offer favourable interest rates.

ii) Sensitivity analysis

The company analyses its interest rate exposure on a dynamic basis by conducting a sensitivity analysis. This involves determining the impact on profit or loss of defined rate shifts. The

sensitivity analysis for interest rate risk assumes that all other variables, in particular foreign exchange rates, remain constant. The analysis has been performed on the same basis as the prior year.

iii) Fair value of financial assets and liabilities

iv) Capital Risk Management

The objective of the entity's capital risk management is to safeguard the Board's ability to continue as a going concern.

32. Incorporation

UNES is incorporated in Kenya under the Kenyan Companies Act, 2015 and is domiciled in Kenya.

33. Events after the Reporting Period

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

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22. Appendices

Appendix 1: Implementation Status of Auditor-General prior year recommendations

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

Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
Other matter				
1.	Prior year unresolved issues	UNES Management is committed to resolving all the issues raised during an audit exercise for purposes of continual improvement as well as strengthening its internal control processes for better service delivery. All the issues that were raised during the audit for the FY 2023/2024 have all been addressed.	Resolved	N/A
Basis for conclusion				
1.	Long outstanding and unsupported trade receivables	<p>The trade receivables comprise of debts owed by Government Ministries, Departments and Agencies. The delay in settling these debts is due to delay in exchequer release.</p> <p>Out of Ksh129,625,821 that has been outstanding for more than 90 days Ksh 53,823,984 has been collected signifying recoverability of the debts</p> <p>A debt collection unit has been established within Finance Department for the sole function of debt collection. UNES has been preparing debtors statements for the outstanding debts and sending to the various customers for settlement. We have also been issuing reminders and demand letters for overdue debts for settlement by the various customers.</p>	Resolved	N/A

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Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
2.	Irregular payment of severance pay – consultancy direct project costs	The Ksh 11,111,673 was paid to HealthIT staff based on the USAID approved budget and remittance. The HealthIT is a USAID funded project and severance pay amount was included in the service contract and USAID terms of service The staff has now been cleared in line with UNES Policy. The matter has been fully resolved.	Resolved	N/A
3.	Loss making Arziki Restaurants and Chiromo Conference Centre: Management did not explain measures being put in place to reverse the trend and ensure sustainability of the Income Generating units.	In the FY 2024/2025 Arziki Restaurant made a profit of Ksh 1,437,955 which is an improvement from the loss the previous year. Key strategies in place are to ensure financial sustainability and business growth that include signing contract with strategic partners to increase the revenue and enhance awareness; sourcing for more contracts with NGOs and other government entities; collaboration with the neighbouring hotels to sign an MOU for outside catering and events management services; opening of outlets at strategic locations; and enhancing debt collection to ensure adequate cash flow.	Resolved	N/A
4	Long Outstanding Payables: The statement of financial position reflects trade and other payables balance of Ksh.84,394,597 as disclosed in Note 22 to the financial statements. Included in the balance is long outstanding trade payables balance of Kshs. 17,196,201 which has been unpaid for a long period. No explanation was provided for the delay in settling these balances.	Out of Ksh17,196,201 that were outstanding as at 30th June 2024, Ksh 14,346,201 have since been settled. Out of the outstanding audit fees amounting to Ksh2,850,000 due to OAG as at 30th June 2024, Ksh 870,000 has since been settled.	Resolved	N/A

Appendix 2: Diagnostic Imaging & Radiation Medicine Income Statement

	2024/2025	2023/2024
	Kshs	Kshs
Revenue		
Sales - X-Ray Services	3,340,900	2,369,223
Misc Income	-	228,700
Total Revenue	3,340,900	2,597,923
Direct Costs		
Direct Service Providers	336,861	383,757
Purchase of X-Ray Materials	255,011	-
Purchase of reagents	-	-
Consumables	87,899	59,308
UNES Allocation	501,135	389,688
Total Direct Costs	1,180,906	832,753
Gross Profit	2,159,994	1,765,170
Other Income	-	-
	2,159,994	1,765,170
Operating Expenses		
Printing & Stationery	1,245	130
Outsourced services / Casual labour	193,758	176,313
Staff salaries & wages	2,144,268.00	2,165,030
Staff medical expenses	-	-
Office expenses	231,021	166,922
Transport operating expenses	3,566	2,150
Seminars & workshops	-	-
ICT services	-	27,134
Telecommunication	-	-
Cleaning services	700	4,000
Security services	-	-
Insurance	-	-
Legal & statutory	-	24,550
Bank charges	6,728	49,306
Marketing & advertisement	-	85,000
Maintenance of building	-	214,656
Maintenance of equipment	48,760	76,463
Total Operating Expenses	2,630,046	2,991,654
Surplus (Deficit)	(470,052)	(1,226,484)

Appendix 3: Chiromo Funeral Parlour Income Statement

	2024/2025	2023/2024
Revenue	Kshs	Kshs
Embalming & Storage	17,965,027	19,204,568
Handling	6,079,890	3,557,190
Hire of Hearse	965,000	927,000
Miscellaneous	2,302,619	343,886
Sale of Coffins	3,831,500	4,320,500
Training of morgue attendants		
Total Revenue	31,144,036	28,353,143
Direct costs		
Direct Service Providers	3,751,611	4,771,291
Embalming Materials - Formalin	1,222,786	1,223,779
Casual Labour / Outsourced services	844,426.00	169,474
Purchase of detergents	-	-
Purchase of Coffins	2,863,900	3,378,000
Consumables	1,973,336	1,127,910
UNES Allocation	4,671,605	4,468,471
Total Direct costs	15,327,664	15,138,925
Gross Profit	15,816,372	13,214,218
Other income	-	-
	15,816,372	13,214,218
Operating Expenses		
Office Expenses	877,166	634,583
Stationery & Printing	48,352	37,069
Subscriptions	-	-
Telecommunication	30,500	30,000
Seminars & workshops	-	71,590
Staff salaries & wages	4,629,885.00	4,800,299
Staff medical expenses	657,573	-
Accomodation & subsistence	13,000	31,760
Transport operating expenses	898,890	887,158
Marketing	-	-
Purchase of equipment	39,990	-
Purchase of furniture	-	153,120
ICT services	-	7,100
Insurance	125,234	196,503
Security services	2,570,690	2,570,690
Incineration services	-	-
Electricity	2,017,802	2,493,687

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Maintenance of equipment	447,192	342,484
Maintenance of buildings & grounds	3,170,651	13,897
Motor Vehicle maintenance	899,190	467,326
Staff uniforms	-	-
Office Cleaning Services	335,625.31	250,146
Fuel expenses	-	-
Refurbishment & renovations	698,853	-
Bad debts	-	-
Legal & statutory expenses	-	-
Hire of facilities and equipment	-	-
Bank Charges	234,566	247,029
Total Operating Expenses	17,695,159	13,234,441

Surplus (Deficit)	(1,878,787)	(20,223)
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Appendix 4: Dental Plaza IGU Income Statement

	2024/2025	2023/2024
	Kshs	Kshs
Revenue		
Clinical Services	32,842,425	31,668,176
Dental X-ray Services	964,949	883,900
Misc income	172,102	716,417
Total Revenue	33,979,476	33,268,493
Direct Costs		
Direct Service Providers	5,698,617	5,855,636
Consumables	4,529,080	5,288,257
Purchase of xray materials	-	108,920
UNES Allocation	5,096,921	4,882,811
Total Direct Costs	15,324,618	16,135,625
Gross Profit	18,654,858	17,132,869
Other income	-	45,878
	18,654,858	17,178,746
Operating Expenses		
Transport operating expenses	19,050	61,468
Staff salaries & wages	9536523	11,264,642
Staff medical expenses	901,830	-
Printing & Stationary	85619.49	23,670
Outsourced services / Casual labour	3835993	682,642
Maintenance of buildings	1,392,648	32,877
Telecommunication	53,450	2,000
Purchase of equipment	-	48,120
Insurance	-	143,443
Cleaning services	12,270	32,360
Marketing	433,816	495,223
Security services	257,069	278,491
Maintenance of equipment	483296.24	123,902
Staff uniforms	-	-
Legal & statutory expenses	80,050	120,050
Refurbishment & renovations	-	-
Bank charges	144,044	129,151
Repairs	-	-
Office expenses	674,876	633,520
Total Operating Expenses	17,910,534	14,071,559
Surplus (Deficit)	744,324	3,107,187

Appendix 5: UoN Library IGA Income Statement

	2024/2025	2023/2024
<u>Revenue</u>	Kshs	Kshs
Tuition fees	138,610	142,180
Overdue fines	448,612	351,086
Carrels	14,000	32,607
Other income	82,268	140,590
Library Subscription Fees	121,900	131,000
 Binding Income	 2,664,330	 3,695,519
Printing Income	7,270,830	7,874,620
Book Replacement	40,117	12,005
Photocopying	71,096	111,960
Total Revenue	10,851,762	12,491,567
 Expenditure		
Direct Service Providers	834,653	2,336,420
Consumables	760,761	458,650
Stationery	837,385	-
Casual labour / Outsourced services	-	226,574
Telecommunication	-	500
Bindery materials	71,000	112,400
Staff salary & wages	174,194	-
Maintenance of equipment	-	435,428
Office expenses	167,394	98,442
Purchase of furniture	-	64,264
Bank charges	44,275	120,724
 UNES Allocation	 1,500,938	 2,495,912
Total Expenditure	4,390,600	6,349,314
 Surplus (Deficit)	 6,461,163	 6,142,253

Appendix 5: UoN Eye Centre Income Statement

	2024/2025	2023/2024
Revenue	Kshs	Kshs
Clinical services	5,907,030	5,489,150
Sale of eye glasses	2,514,250	1,494,350
Total Revenue	8,421,280	6,983,500
Direct Costs		
Direct Service Providers	384,720	688,000
Consumables	1,670,751	1,629,511
Purchase of spectacles	471,559	307,273
Purchase of drugs	313,752	99,180
Purchase of lab materials	-	-
UNES Allocation	1,640,330	1,047,525
Total Direct Costs	4,481,112	3,771,489
Gross Profit	3,940,168	3,212,011
Other income	-	-
	3,940,168	3,212,011
Operating Expenses		
Cleaning services	-	1,368
Security services	263,924	235,647
Transport expenses	6,928	2,070
Purchase of equipment	-	-
Outsourced services	314,840	700
Telecommunication	3,000	3,100
Staff salaries & wages	4029920	4,199,495
ICT services	-	22,000
Printing & stationery	87534.72	3,007
Bank charges	91,942	-
Marketing / Advertisement	333,570	166,820
Maintenance of Equipment	194,095	38,880
Maintenance of buildings & grounds	-	28,800
Office expenses	126,310	199,526
Total Operating Expenses	5,452,064	4,901,413
Surplus (Deficit)	(1,511,896)	(1,689,401)

Appendix 6: UoN Dental School IGU Income Statement

	2024/2025	2023/2024
Revenue	Kshs	Kshs
Dental Clinical Services	12,980,779	12,740,885
Dental X-rays services	49,100	36,000
Misc Income	-	200,800
Total Revenue	13,029,879	12,977,685
Direct Costs		
Direct Service Providers	-	847,444
Consumables	8,008,487	17,482,360
Purchase of drugs	1,695	26,280
Purchase of Xray materials	1,244,500	136,450
UNES Allocation	2,605,976	2,555,537
Total Direct Costs	11,860,658	21,048,071
Gross Profit	1,169,221	(8,070,386)
Other income	-	
	1,169,221	(8,070,386)
Operating Expenses		
Outsourced services / Casual Labour	3,147,066.00	2,048,493
Staff salaries & wages	203,937	306,459
Transport operating expenses	5,180	11,050
Cleaning services	53,660	84,290
Marketing	65,000	19,750
Office expenses	1,174,784.10	646,542
Bank Charges	70,757.43	
Printing & stationery	137,284	-
Maintenance of Equipment	408,079	87,120
Maintenance of building	-	73,100
Total Operating Expenses	5,265,748	3,276,804
Surplus (Deficit)	(4,096,527)	(11,347,190)