

REPUBLIC OF KENYA



*Paper laid
By the hon
on Tuesday,
23rd Oct 2018
Mwari*

OFFICE OF THE AUDITOR-GENERAL



REPORT

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ON

**THE FINANCIAL STATEMENTS OF
JOMO KENYATTA UNIVERSITY OF
AGRICULTURE AND TECHNOLOGY**

**FOR THE YEAR
ENDED 30 JUNE 2017**





**JOMO KENYATTA UNIVERSITY
OF
AGRICULTURE AND TECHNOLOGY**

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED

JUNE 30, 2017

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

TABLE OF CONTENTS

I.	KEY UNIVERSITY INFORMATION AND MANAGEMENT.....	iii
II.	CHAIRMAN'S REPORT	xiv
III.	VICE CHANCELLOR'S REPORT.....	xvi
IV.	STATEMENT ON CORPORATE GOVERNANCE.....	xviii
V.	MANAGEMENT DISCUSSION AND ANALYSIS	xxv
VI.	CORPORATE SOCIAL RESPONSIBILITY.....	xxxiv
VII.	STATEMENT OF COUNCIL MEMBERS RESPONSIBILITIES.....	xxxviii
VIII.	REPORT OF THE AUDITOR GENERAL.....	xxxix
IX.	STATEMENT OF FINANCIAL PERFORMANCE	1
X.	STATEMENT OF FINANCIAL POSITION.....	2
XI.	STATEMENT OF CHANGES IN NET ASSETS.....	3
XII.	STATEMENT OF CASHFLOWS.....	4
XIII.	STATEMENT OF COMPARISON OF BUDGET AND ACTUAL AMOUNTS....	5
XIV.	NOTES TO THE ACCOUNTS.....	6
XV.	PROGRESS ON FOLLOW UP OF AUDITOR RECOMMENDATIONS.....	36
XVI.	Appendix 1: LOANS SCHEDULE.....	37
XVII.	Appendix 2: INTER-ENTITY TRANSFERS.....	38

I. KEY UNIVERSITY INFORMATION AND MANAGEMENT

A) BACKGROUND

Jomo Kenyatta University of Agriculture and Technology is situated in Juja, 36 kilometres North East of Nairobi, along Nairobi-Thika Highway.

It was started in 1981 as a Middle Level College (Jomo Kenyatta College of Agriculture and Technology (JKCAT)) by the Government of Kenya with the generous assistance from the Japanese Government. Plans for the establishment of JKCAT started in 1977. In early 1978, the founding father of the nation, Mzee Jomo Kenyatta donated two hundred hectares of farmland for the establishment of the college.

The first group of students were admitted on 4th May 1981. H.E. Daniel Arap Moi formally opened JKCAT on 17th March 1982. The first graduation ceremony was held in April 1984 with Diploma Certificates presented to graduates in Agricultural Engineering, Food Technology and Horticulture.

On 1st September 1988, H.E. Daniel Arap Moi, declared JKCAT a constituent College of Kenyatta University through a legal Notice, under the Kenyatta University Act (CAP 210C). The name of JKCAT officially changed to Jomo Kenyatta University of Agriculture and Technology (JKUCAT). It was finally established as a University through the JKUAT Act, 1994 and inaugurated on 7th December 1994.

B) PRINCIPAL ACTIVITIES

The principal activities of the University are set out in its mission and vision statements stated below

Vision

*A University of Global
Excellence in Training
Research and Innovation
for Development*

Mission

*To offer accessible quality
training, research and
innovation in order to
produce leaders in the
fields of Agriculture,
Engineering, Technology,
Enterprise Development,
Built Environment, Health
Sciences, Social Sciences
and other applied Sciences
to suit the needs of a
dynamic world*

Core Values

*Quality
Team Work
Transparency
Accountability
Professionalism
Innovativeness*



C. PRINCIPAL PLACE OF BUSINESS

Jomo Kenyatta University of Agriculture and Technology
Juja P.O. Box 62000-00200, Nairobi

Other JKUAT Campuses are located in Nairobi CBD, Karen, Westlands, Mombasa
CBD, Nakuru, Kisii, Kitale, Kakamega, Kisumu, ELdoret, Arusha and Kigali.

D. REGISTERED OFFICE

Jomo Kenyatta University of Agriculture and Technology
P.O. Box 62000-00200, Nairobi

E. BANKERS

Kenya Commercial Bank Ltd
Moi Avenue
P.O. Box 30081-00100, Nairobi

National Bank of Kenya Ltd
P.O. Box 93-00232, Ruiru, Kenya

Standard Chartered Bank Ltd
P.O. Box 98683-80100, Nairobi

Barclays Bank Kenya , Barclays Plaza
P.O. Box 46661, Nairobi

Co-operative Bank of Kenya Ltd
Ngong Road,
P.O. Box 19555-00202, Nairobi

Equity Bank Ltd
Thika Plaza,
P.O. Box 253-01000, Thika

Fundilima Sacco Society Ltd
P.O. Box 62000-00200, Nairobi

Ecobank Kenya
P. O. Box 49584-00100, Nairobi

F. AUDITORS

Auditor General
Anniversary Towers, University Way
P. O. Box 30084-00100, Nairobi

G. ADVOCATES

Lutta & Lutta Advocates
P.O. Box 73705-00200, Nairobi

H. KEY MANAGEMENT

The University's day-to-day management is under the following key organs:

- i) Vice-Chancellor's Office
- ii) Administration Division
- iii) Academic Division
- iv) Finance Division
- v) Research, Production and Extension Division

I. FIDUCIARY MANAGEMENT

The key management personnel who held office during the financial period ending 30th June 2017 and who had direct fiduciary responsibility were:

S/No	Designation	Name	Functions
1.	Vice Chancellor	Prof. Mabel Imbuga	She is the chief executive and therefore the academic and administrative head of the university with the overall responsibility for the organization and administration of institution's programmes. The VC who chairs Senate and University Management Council is responsible to Council for the general conduct and discipline of students and staff
2.	Deputy Vice Chancellor (Administration)	Prof. Victoria Ngumi	Is responsible for corporate planning, staff recruitment, training of administrative staff, promotions and discipline, personnel administration, health care services, registry administration, transport, and central services.
3.	Deputy Vice Chancellor (Academic)	Prof. Romanus Odhiambo	Is responsible for all student's affairs, including; admissions and records, and welfare.
4.	Deputy Vice Chancellor (Finance and Planning)	Prof. Bernard Otoki Moirongo	Responsible for financial Administration and Management, Infrastructure Development, Planning, Procurement, and Asset Maintenance and Management.
5.	Deputy Vice Chancellor (Research)	Prof. Esther Kahangi	Co-ordinates research, production and extension activities which includes co-ordination of exhibitions, workshops and seminars; soliciting for research funds, and production and extension. The division also facilitates income generating activities, besides managing the bookshop and Jomo Kenyatta Academy.




II. THE UNIVERSITY COUNCIL




Member	Qualifications & Experience
<p>1. Prof. Njuki Kanyari Chairman of Council</p> 	<p>Paul Njuki Kanyari, is a Professor of Veterinary Parasitology at the University of Nairobi. He has expansive teaching, research and administrative experience, and several publications. Between July and October 2012, Prof. Kanyari served as Acting Principal, Embu University. From 2004 to 2008, he also served as Dean, Faculty of Veterinary Medicine, University of Nairobi.</p> <p>Prof. Kanyari earned his Bachelor's degree in Veterinary Medicine and Master's degree in Veterinary Pathology, Microbiology and Parasitology all from the University of Nairobi, between 1975 and 1982. He then proceeded for his PhD in Parasitology at University of Queensland, Australia where he graduated in 1989.</p>
<p>2. Prof. Mabel Imbuga Vice Chancellor Secretary</p> 	<p>She is a Professor of Biochemistry, with over 33 years of teaching and scholarly experience. She has extensive knowledge and demonstrative experience in the higher education system, having grown from a Research Assistant, Assistant Lecturer, Lecturer, Research Scientist, Chairman of Department, Dean, Director as well as a Deputy Vice Chancellor in charge of Academic affairs. Prof. Imbuga is a key resource in strategic management and leadership, with an MBA in strategic management from Eastern and Southern African Management Institute (ESAMI). She has participated in various forums and key Government seminars as a motivational speaker for upcoming leaders and scientists. To her credit, Prof. Imbuga has over 10 funded projects and 27 publications. She has attracted over 10 international funding for various projects cutting across various disciplines. She is a member of several professional associations across the world, the president of the Africa Women in Science and Engineering; immediate former Director of International Network of Women Engineers and Scientists ; Member, Global Consortium of Higher Education and Research for Agriculture(GCHERA) and member, International Conference of Women Engineers and Scientists (ICWES).</p>





<p>3. Dr. Eng. John M. Mativo</p> 	<p>Dr. John Mativo is a registered civil engineer (ERB, MIEK) with over 20 years' experience in structural engineering research, design and construction supervision and contract management. He earned his PhD in Civil Engineering from Tokyo Metropolitan University, Japan, in 2007 and a Master of Engineering in Structural Engineering from Tongji University, China in 1999. Previously, he worked with Ministry of Roads and Public Works; and H.P. Gauff Consulting Engineers. Dr. Mativo has a number of peer reviewed publications.</p>
<p>4. Ms. Njoki Kahiga</p> 	<p>Ms. Njoki Kahiga brings to the Council an expansive experience covering strategic planning, policy formulation, budgeting and financial management. A Human Resource Development practitioner and trainer, Njoki currently serves as a Commissioner with Kenya Law Reform Commission. Previously, she served as Acting Permanent Secretary in the former Ministry of State for Public Service and member of the Advisory Council of Strathmore Business School. She holds a Master of Science in Human Resource Management from the University of Salford, United Kingdom.</p>
<p>5. Eng. John K. Tanui</p> 	<p>Eng. John Tanui is the current CEO of Konza Technology Development Authority. A registered telecommunications engineer, Tanui joins his contemporaries at the varsity top management organ, bringing along over 17 years of professional and work experience in the areas of operations management, engineering delivery and turnkey projects management. Mr. John Tanui earned his undergraduate in Electrical and Communications Engineering from Moi University and a Master of Business Administration from the University of Nairobi. He is currently pursuing his doctorate degree in Global Business Management from the University of Nairobi.</p>
<p>6. CPA Maurice Onyango</p> 	<p>O. Mr. Maurice Odhiambo Onyango brings to the Council over 25 years' practical accounting, audit and tax management experience. A target driven professional, Maurice served as General Manager, Finance and Administration with the National Water Conservation and Pipeline Cooperation between 2010 and 2013. He is currently a Partner at Menya and Associates Certified Public Accountant, Tax Management Consultant. The CPA (K) holder earned his B.Com degree from Jabalpur University, India in 1989 and an MBA degree in Finance from Leeds University, United Kingdom in 1996.</p>




<p>7. CPA Bertha Dena</p> 	<p>Bertha Joseph Dena is an astute accountant with a wealth of experience spanning 27 years. Prior to her appointment, Ms. Dena has served in various organizations including the Stagecoach Bus Services, AIG Global Investments and PineBridge Investments East Africa in different capacities. The Netherlands trained and United States International University don also serves on the Councils of several institutions including Kenya Ports Authority, and Information Communications Technology Authority. She is also a member of the Institute of Certified Accountants of Kenya and Institute of Certified Public Secretaries of Kenya.</p>
<p>8. Mrs. Felister Kivisi Rep. CS, National Treasury</p> 	<p>Mrs. Felister Kivisi, the Alternate to the Cabinet Secretary, National Treasury, has over twenty years' experience in the civil service and is deployed in the Public Debt Management Office in the National Treasury. She is currently the Senior Deputy Director of Debt Management acting as a Director in the same office. She has served on the founding Council of Kenya Electricity Transmission Company (KETRACO) and the Council of Industrial Development Bank (IDB) as alternate to the Principal secretary of National Treasury. Currently she also serves on the Advisory Council of the Women Enterprise Fund.</p> <p>She holds a Bachelor of Arts degree in Government and French (UoN) and Master of Arts degree in International Relations from (University of Leeds), and is currently pursuing a PhD in International Relations (USIU).</p>
<p>9. Mr. Archer Arina Rep. PS, Ministry of Education</p> 	<p>Archer Arina is an Educationist with specialization in Technology Economics and Management of Education with an experience of 26 years in Teaching and Education Administration. He has served in various field stations and is currently an Assistant Director of Education, Directorate of University Education. Mr. Arina earned his Master in Technology Economics and Management of Education from Southwest Jiaotong University, China and Bachelors Degree in Agricultural Education and Extension from Egerton University, Kenya with a proven track record in Teaching, Administration and Management of Education, Implementation of Projects, Programmes and Strategic Leadership Development.</p>

OFFICERS OF THE UNIVERSITY

Officer	Details
<p>1. Prof. Geoffrey Moriaso Ole Maloiy Chancellor</p> 	<p>Qualifications IOM, AOM, MBS, EBS, B.Sc.(British Columbia), Ph. D. (Aberdeen), DSc. (Aberdeen), DSc. (Nairobi), Hon. DSc. (Duke), Hon. DSc. (JKUAT), Hon. DL. (IBC, Cambridge), Cambridge Certificate in Science, FAAS (Fellow Norwegian Academy of Science and Letters)</p>
<p>2. Prof. Mabel O. Imbuga, Vice - Chancellor</p> 	<p>Qualifications Ph.D. (Nairobi), M.Sc. (Nairobi) B.Sc. (Nairobi) MBA (ESAMI), EBS</p>
<p>3. Prof. (Arch.) Bernard O. Moirongo, Deputy Vice Chancellor (Finance)</p> 	<p>Qualifications Ph.D. (Tu-Graz) M.A. (Nairobi), B.Arch.(Nairobi)</p>

<p>4. Prof. Victoria Wambui Ngumi, Deputy Vice Chancellor (Administration)</p> 	<p>Qualifications</p> <p>Ph.D. (Clemson) M.Sc. (Hiroshima) B.Ed. (Nairobi) EMBA (JKUAT)</p>
<p>5. Prof. Romanus O. Otieno, Deputy Vice Chancellor (AA)</p> 	<p>Qualifications</p> <p>Ph.D. (Kenyatta) M.Sc. (Kenyatta) B.Ed. (Science) (Kenyatta) EMOD (USIU)</p>
<p>6. Prof. Esther Murugi Kahangi, Deputy Vice Chancellor (RPE)</p> 	<p>Qualifications</p> <p>B.Sc.(Germany), M.Sc.(Nairobi) Ph.D.(Nairobi), EBS</p>
<p>7. Dr. Joseph Obwogi, Registrar (Administration)</p> 	<p>Qualifications</p> <p>BSc. (Kenyatta), MBA (Nairobi), PhD (JKUAT), CPA(K), IHRM</p>

<p>8. Mr. Cyrus C. Kamau, Registrar (RPE)</p> 	<p>Qualifications</p> <p>M.Sc. (Ibadan) B.Sc. (Nairobi) MNQI</p>
<p>9. Dr. Esther T. Muoria, Registrar (AA)</p> 	<p>Qualifications</p> <p>Ph.D. (JKUAT) M.A., (Nairobi) B.A. (Nairobi)</p>
<p>10. Mr. Titus Wasike, Finance Officer</p> 	<p>Qualifications</p> <p>MBA (Kenyatta) B.BA. (Washington) CPA (K)</p>
<p>11. Mrs. Emmah Omulokoli, Dean of Students</p> 	<p>Qualification & Experience</p> <p>MSc (Kenyatta) B.Ed (Kenyatta)</p>

<p>12. Prof. Jackson K. Kwanza, Ag. Principal, JKUAT Karen Campus</p> 	<p>Qualifications</p> <p>Ph.D. (JKUAT) M.Sc. (Kenyatta) B.Ed.(Kenyatta) EMBA (MUA)</p>
<p>13. Prof. Mike Iravo, Ag. Principal, JKUAT Westlands Campus</p> 	<p>Qualifications</p> <p>Ph.D., (JKUAT) M.Ed., (Nairobi) B.A (Romania), PGD (Kenyatta), Dip. Mgt (London), ,</p>
<p>14. Prof. (Eng.) Bernard W. Ikua, Principal, CoETEC</p> 	<p>Qualifications</p> <p>Ph.D. (Tottori) M.Sc. (Tottori) B.Sc. (Nairobi),</p>
<p>15. Prof. David M. Mulati, Principal, College of Pure and Applied Science</p> 	<p>Qualifications</p> <p>Ph.D. (Kyoto) M.Sc. (Kenyatta), B.Ed. (Kenyatta)</p>

16. Prof. Elegwa Mukulu,
**Principal, College of Human
Resource Development**



Qualifications

Ph.D. (Illinois)
M.A. (Michigan State)
B.A. (Nairobi)

17. Prof. Haroun N. K. Mengech,
**Principal, College of Health
Sciences**



Qualifications

MD (Linkoping)
MRC Psych. (UK)
MBChB (Nairobi),
DPM (Dundee), EBS

18. Dr. Ruth Mugo,
Ag. Chief Medical Officer



Qualifications

MPH (Nairobi)
MBChB. (Nairobi)

II. COUNCIL CHAIRMAN'S REPORT

I am pleased to present annual report and financial statements for the year that ended 30th June 2017.

As a Public University, Jomo Kenyatta University of Agriculture and Technology (JKUAT) recognizes her pivotal role in helping Kenya achieve her development goals through training, research and innovation. In this respect, JKUAT is keen in providing skills, knowledge and technology required to steer the country towards achieving the economic, social and political goals as enshrined in national development instruments. The University will continue to reposition its main brands within the context of market requirements, customers' satisfaction and cost rationalization.

The need to meet these objectives over the years has remained the central focus of the University Council.

Financial Performance

The year 2016/2017 reported a Gross Income of Kshs.7,617,631,410 compared to Kshs.7,218,271,477 for the year 2015/2016. This increase is attributed to rise in student population during the period.

Achievements

In the 2016/2017 financial year, JKUAT undertook several infrastructural projects to meet the growing demand arising from the ever increasing student population. These include the expansion of the Karen Campus Moot Court facility, the completion of the Cherry Park as well as the construction of the four-storey tuition block.

JKUAT supports partnerships and collaborations with various stakeholders to enhance the University capacity in achieving her mandate. During the year, JKUAT in collaboration with the Kenya Ports Authority and the Kenya Maritime Authority won an international competitive bid to host the Regional Maritime Technology Cooperation Centre, one of the five centers established globally. This feat announced by the International Maritime Organization will see the University lead an ambitious global project funded by the European Union at a cost of 10 M Euros to mitigate harmful effects of climate change. A significant output of this initiative will be the training of expert human resource in the maritime sector

capable of competing with those from established maritime countries such as Japan, Korea and the Philippines.

Additionally, in strategic partnership with JICA through Africa-ai-JAPAN Project the university completed the transformation of the engineering workshops into an Integrated Prototyping and Innovation Centre to facilitate development of engineering innovation products. Of notable success, is the recent completion of the Sino Africa Joint Research Centre (SAJOREC) within the University collaboration with the people and the government of China. This Centre, the biggest research investment in Africa by the People's Republic of China, will be instrumental in spearheading bio-diversity research and conservation of indigenous flora.

As evidence of enduring University-Community cooperation, the University received 100 acres of land donation from the Keiyian Group Ranch Cooperative Society, Narok County and 50 acres of Wafula Wabuge Campus- JKUAT Lukuyani Centre in County Government of Kakamega. These research centers will support JKUAT's vision of making disseminating knowledge and technologies to local communities.

Challenges

The University has continued to grapple with an increased demand for university education against constrained University resources. Increased admissions have put pressure on existing infrastructure which is already greatly constrained. Further, insufficient recurrent and development Capitation funds in the year has not only curtailed development of much needed facilities but also affected operations.

Appreciation

Finally, I thank the Kenya Government, development partners and other organizations for the support they have continued to give the University. On behalf of the Council I thank the University staff for their exemplary dedication and commitment to the Institution.



PROF. PAUL KANYARI NJUKI
CHAIRMAN OF THE UNIVERSITY COUNCIL

III. VICE CHANCELLOR'S REPORT FOR THE YEAR ENDED 30TH JUNE 2017

I hereby present the Annual Report and Accounts for Jomo Kenyatta University of Agriculture and Technology (JKUAT) for the year ended 30th June 2017.

In the year 2016/2017, the University submitted a budget of Ksh.14.16 billion to the Ministry of Education Science and Technology for consideration and approval. The budget was comprised Recurrent Estimates of Ksh.8.7 billion and Development Estimates of Ksh.5.4 billion. The University anticipated to generate Ksh.6.78 billion as Appropriation in Aid (A.I.A).

In the year under review, the University received Government grants amounting to Kshs.1,475,484,308 which consisted of recurrent grant of Kshs.1,400,021,650 and development grant refunds of Kshs.75,462,658. The government grants however, were far below our budget submissions. The University on its part generated Kshs.6.014 billion which was above the targeted Appropriation In Aid of Kshs.4.997 billion. This was achieved through aggressive advertisement and admission of new students.

The University has continued with its core business of disseminating knowledge through training, research, innovation and community outreach. By the end of the year, the staff population stood at 2,608 with an academic staff of 994 while the administrative staff stood at 1,614. The student population was over 40,000 distributed amongst the Main, Karen, Westlands, Nakuru, Mombasa, Kisumu, Arusha, Kigali, Kitale, Eldoret and Kakamega. During the 28th and 29th Graduation ceremonies held in the year, the University graduated a total of over 7,361.

Other significant achievements were:

- i. The University was able to attract a total of Kshs.372,002,176 from externally funded research grants as compared to Kshs.162,900,053 from the previous year. A number of proposals have been submitted and will receive funding in the next financial year.
- ii. The University was audited by the Commission for University Education and found to be operating in line with standards and guidelines issued. The few recommendations for improvement are being implemented.

- iii. The University undertook several community outreach activities such as book and equipment donation, clean up exercises and training of disabled persons on entrepreneurship skills.

Some of the challenges faced by the Institution during the financial year include:

- i. The increase in student population, though positive, has brought various challenges. Increase numbers has strained already constrained physical facilities such as laboratories, lecture rooms, teaching equipment and other infrastructure. The University has utilized internally generated resources in expansion of classrooms, purchase of teaching equipment as well as operations and maintenance.

The University focuses on training highly technical courses which require considerable resources. Despite the effort to generate higher revenue internally, the University is still greatly constrained and continues to appeal for implementation of the Differentiated Unit Cost funding model.

In our previous reports we have emphasized that our funding should be based on unit cost due to the nature of the main academic programmes offered by the University. The current funding level by the GoK has made the University unable to meet some of its key strategic objectives.

The second semester commencing January 2017 was affected by staff unrest because of the 2013-2017 Collective Bargaining Agreement (CBA). The interruption affected incomes from fees as well as what was generated from the Catering unit.

Finally, I take this opportunity to thank the Kenya Government, donors and other organizations for the support we have received during the year.

I also thank members of staff, students, Senate, University Management Council and Council for the dedication and cooperation they have accorded me in the running of this University.



PROF. MABEL IMBUGA, Ph.D.
VICE CHANCELLOR

IV. STATEMENT ON CORPORATE GOVERNANCE AND ETHICS

The Council is responsible for the governance of the University and is accountable to the citizens of this country for ensuring that the University complies with the law and maintains the highest standards of corporate governance, academic standards and ethics.

The Council attaches great importance to the need to conduct the activities and operations of the University with integrity, fairness and transparency.

The Principal Secretaries to National Treasury and Ministry of Education are represented. The Vice-Chancellor is the Secretary to Council.

Responsibility of the University Council

The University Council is ultimately responsible for;

- (a) The mission and vision of the University;
- (b) Promoting the aims and objectives of the University;
- (c) Setting strategic directions for the University;
- (d) The appointment and performance management of the Vice Chancellor;
- (e) Oversight of management;
- (f) Setting and monitoring broad budget and planning framework, ensuring that the University finances are sound, and taking major financial decisions;
- (g) Monitoring University performance against strategic objectives;
- (h) Setting and critically monitoring Council policy and risk management;
- (i) Extending links and communication between the University and the wider Community;

Remuneration of University Council members

Council members are paid taxable sitting allowances as approved by the Chief of Staff and Head of the Public Service following guidelines from the State Corporations Advisory Committee. The Chairman is paid honoraria at a rate approved by the Government.

Transport expenses are reimbursed on travel for Council business at the prevailing AA rates. The members are also entitled to outpatient and inpatient medical cover and a personal accident cover as applicable.

University Council meetings

The meetings of the University Council are held at least once every quarter in a calendar year. In order to facilitate the smooth running of its affairs, the University Council establishes such committees with membership and with such terms of reference as it may deem fit. A calendar of University Council and its committees is prepared before the beginning of each financial year.

Council Committees

The following are the Council Committees

1. Executive Committee

The executive committee of council sets the agenda for the full council and attends to all urgent and emergency issues.

The roles of the Executive Committee are to:

- develop and review Terms and Conditions of Service for the Vice Chancellor and Deputy Vice Chancellors, and
- dispense with urgency matters that require immediate attention in the best interest of the University.

2. Finance Committee

The committee critically scrutinizes the budgets and other financial requirements before they are presented to the full council. It oversees the University's financial affairs on behalf of Council; develops strategies to guide the growth of the University and monitors its implementation;

3. Sealing Committee

The Committee was established to undertake the following functions;

- review Charter and Statutes of the University from time to time;
- review and recommend to Council all documents requiring authentication with the seal of the University;
- review and recommend to the Council various corporate policies to assist in the overall management of the University;

- receive and recommend to Council for approval qualified students to be conferred with degrees and awarded diplomas and certificates of the University that the Senate may refer to the Committee;
- consider and make recommendations to the Council for the conferring of such titles as Emeritus Professor and Honorary degrees on candidates who meet the established criteria; and
- receive, consider and recommend to Council any other matters concerning other forms of recognition which the Senate may refer to the Committee.

4. Building Committee

The Building Committee is responsible for the management of the University building projects including:

- The establishment of project planning groups
- The approval of plans and budgets for development expenditure
- The monitoring of progress in construction and liaison with architects, quantity surveyors, etc.
- General supervision of campus development including such issues as use of planning and location of buildings.

5. Human Resource Management Committee

This committee advises the University Council on all human resource matters including recruitment and staffing

6. Audit Committee

JKUAT Council aspires to use the public resources at its disposal in an efficient and accountable manner. In line with the Treasury Circular No. 16/2005, an audit committee was established to provide independent advice and assurance on the University's strategy, performance and compliance to the different statutes. The committee is required to:-

- review and report to the Council on the comprehensiveness, reliability and integrity of internal controls measures;
- recommend to the Council quality assurance and standards needed to provide effective monitoring of processes; monitor and recommend to Council action in respect of the University's management of risks;

- consider, review and recommend to the Council policies in respect to management and control systems on internal business processes, including accounting policies, anti-fraud and whistle-blowing;
- consider and approve annual audit plans including any audit reviews that the Council may request from time to time;
- consider and advise the University Council on matters relating to the security of the University, staff and students; and
- Review and advise the Council on all matters relating to the risk management framework and internal audit function of the University

The Council nominates the Chairman of each Council Committee.

The members of each committee are as shown below

a) Executive Committee

Appointed Members:	1. Prof Paul Kanyari - Chair
	2. CPA. Bertha J. Dena
	3. Eng. John Tanui, MBS
	4. Comr. Njoki Kahiga, OGW
	5. CPA. Maurice O. Onyango
	6. Dr. Eng. John M. Mativo
Principal Secretary	7. P. S, Ministry of Education
	8. C.S, National Treasury
Ex-officio Member	9. Vice-Chancellor

b) Finance Committee

Appointed Members:	1. CPA. Bertha J. Dena - Chair
	2. Dr. Eng. John M. Mativo
	3. Comr. Njoki Kahiga, OGW
Principal Secretary	4. P.S Ministry of Education
	5. C.S, National Treasury
Ex-officio Member	6. Vice-Chancellor

c) Building Committee

Membership:

Appointed Members:	1. Eng. John Tanui, MBS - Chair
	2. Dr. Eng. John M. Mativo
	3. CPA. Maurice O. Onyango

Principal Secretary	4. P.S, Ministry of Education 5. C.S, National Treasury
Ex-officio Member	6. Vice-Chancellor

**d) Audit Committee
Membership:**

Appointed Members:	1. CPA. Maurice O. Onyango - Chair 2. Eng. John Tanui, MBS 3. Dr. Eng. John M. Mativo
Principal Secretary	4. P.S, Ministry of Education 5. C.S, National Treasury
Secretary	6. Chief Internal Auditor

**e) Human Resource Management Committee
Terms of Reference:
Membership:**

Appointed Members:	1. Comr. Njoki Kahiga, OGW - Chair 2. Eng. John Tanui 3. CPA. Bertha J. Dena
Principal Secretary	4. P.S, Ministry of Education 5. C.S, National Treasury
Ex-officio Member	6. Vice-Chancellor

**f) Sealing Committee
Membership:**

Appointed Members:	1. Prof. Paul Kanyari - Chair 2. CPA. Bertha J. Dena 3. Comr. Njoki Kahiga, OGW
Principal Secretary	4. P.S, Ministry of Education 5. C.S, National Treasury
Ex-officio Member	6. Vice-Chancellor

Conflict of Interest, Code of Conduct & Ethics

JKUAT has fully adopted the Code of Ethics that is enshrined in the Mwongozo which is the Code of Governance for Government owned entities. The code of ethics entails among other things declaration of Conflict of Interest which must be embraced by both the Council and the employees of the organization. The University maintains a conflict of interest register which is availed in every meeting. This applies to all members of the University community, including members of the University Council academic, administrative and support staff and, where appropriate, Students Governing Council. The Council members are required to avoid conflict of interest and deal at arm's - length and with integrity in any matter that relates to JKUAT. The Council has put in place Anti-Corruption Policy to curb any form of corruption in the University.

Whistle Blowing Policy

JKUAT has a whistle blowing policy embedded in the anti-corruption policy which has a clause stating that Council shall ensure that person(s) making any corruption disclosures shall be protected against any reprisals or harmful action as a result of such disclosures. Therefore, all the information received by the Council and sources of such information shall be treated as highly confidential. If such information disclosing or hinting to such sources must be disclosed, it shall be with the consent of the person(s) who disclosed the information

Risk Management

The Council is responsible for risk management and has an approved policy and procedure document for risk management. The Council conducts risk assessment on regular basis which informs the internal audit plan.

The University has an in-house Legal Officer and has appointed advocates and other consultants to advice on litigation risks.

The identification and management of risk is a continuous process linked to the achievement of the University's objectives. The University Council through its Risk and Audit Committee received regular reports during the year on internal controls and risks.

Compliance with Statutory Requirements

Despite the financial constrains experienced, the University strived to make timely remittance of statutory deductions including; Pay As You Earn (PAYE), National Hospital Insurance Fund, National Social Security Fund etc, in order to protect the welfare of its staff in

retirement and hospital Insurance and comply with statutory requirements during the year under review.

V. MANAGEMENT DISCUSSION AND ANALYSIS

a) Operational Performance

Jomo Kenyatta University of Agriculture and Technology won an international competitive bid to host the regional Maritime Technology Cooperation Centre (MTCC) for the Africa region. The feat announced by the International Maritime Organization (IMO) will see the University lead an ambitious global project funded by the European Union through the IMO to mitigate harmful effects of climate change. JKUAT will host MTCC-Africa in collaboration with Kenya Ports Authority and Kenya Maritime Authority. Similar programmes are being mounted in Asia through China's Shanghai Maritime University; and in Caribbean through the University of Trinidad and Tobago. The centers, constitutes the Global MTTC Network (GMN) primed to further IMO's efforts towards effective implementation and enforcement of the global energy-efficiency regulations related to international shipping. JKUAT emerged tops due to its strong track record in training and research as well as regional capacity building in areas related to maritime shipping. The hosting of the IMO centre by JKUAT adds to the University's resolve to be a global centre of excellence in training, research and innovation.



Official opening of the MTCC-Africa at JKUAT Mombasa CBD

JKUAT is also hosting the African Union fronted Pan African University – Institute for Basic Sciences, technology and Innovation (PAUSTI) and the Sino-African Joint Research Center (SAJOREC), the biggest research agency to have been funded by the government of the People’s Republic of China outside China.



Front view of the expansive SAJOREC



Tree planting to mark official handing over of SAJOREC

The University has continued to lead in supporting and promoting innovative solutions to challenges facing our community. In keeping with JKUAT's tradition, the University held its 10th Tech Expo affording a unique platform to the university community and stakeholders to showcase innovations. Unique innovations have been patented and links established with industry.



Vice Chancellor viewing innovations showcased by students during the JKUAT Tech Expo



Interacting with JKUAT students at Cherry Park

Additionally, in December 2016, JKUAT hosted the 10th Edition of the Eastern Africa University Games at the Main Campus, Juja. The games dubbed '*Regional Sports for Health, Unity, Peace and Academic Excellence*' sought to promote interaction among students within the Eastern Africa universities, encouraging professional and personal growth through sports.

The games, awarded on a rotational basis within member states, were established in 1999 with the aim of promoting youth development and unity among East African countries through sports and bring together participating teams from Kenya, Uganda, Tanzania, Rwanda, Burundi, South Sudan, Sudan, Djibouti and Eritrea.

The week-long games that ended on December 21, 2016, saw over 4000 students from over 35 universities across the East African Region compete in 18 sports disciplines namely Athletics, Basketball, Football, Rugby, Volleyball, Tennis, Handball, Netball, Hockey, Swimming, Table-Tennis, Karate, Tae-kwon-do, Chess, Scrabble, Wood ball and Badminton.



Dr. Wario officially flags off the East Africa University Games at JKUAT Main Campus



The JKUAT ladies Basketball team at the Games

Financial Performance

The University has reported a surplus of Kshs.99M as at 30th June 2017. This is an improved performance from Kshs.5.9M reported in the previous year. During 2016/2017 FY the University's administration and operational expenses increased by Kshs.306M as a result of expansion.

The University is optimistic that future cash in-flows will improve upon full implementation of the Differentiated Unit Cost funding model by the Government. This will be favourable to the University as it offers highly technical and science-based courses which requiring heavy investment in equipment, teaching materials and equipment, laboratories, human resources, among others.

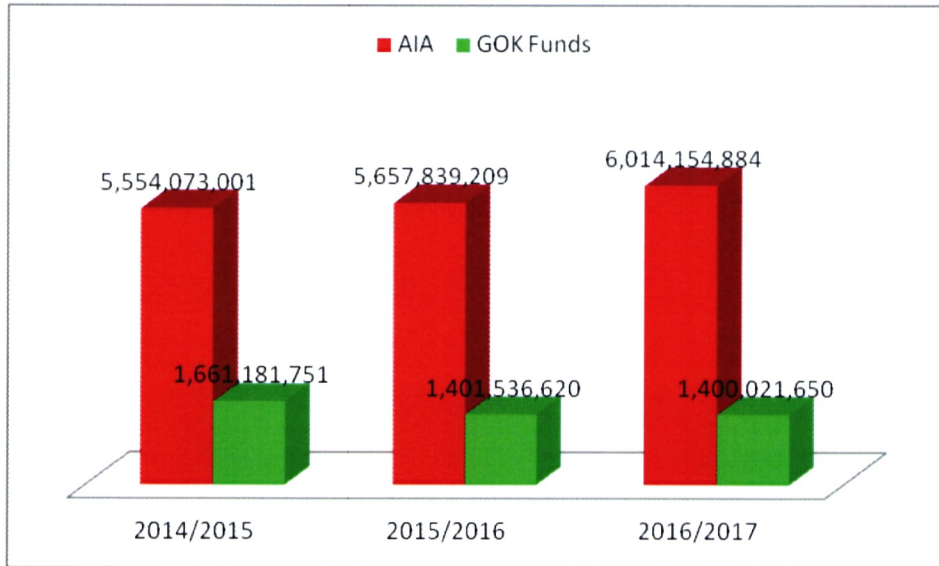
On the other hand, the decline of KCSE candidates who meet the minimum University entry requirements may affect the number of potential students qualified for admission in subsequent years. Further, anticipated changes in legislation restricting admission of students in diploma programmes may also affect student numbers adversely affecting incomes from privately sponsored programmes being offered by the institution who qualified for University admission during 2016/17 across the country. Consequently, the aforementioned may result in an overall decline in student related revenue streams.

Graphical Representation of the Financial Performance

During the year 2016/2017, JKUAT received GoK recurrent grants transfer of **Kshs.1,400,021,650** and collected AIA **Kshs.6,014,154,884** giving a cumulative total of **Kshs.7,617,644,678** which was utilized to fund staff payroll and other operational costs.

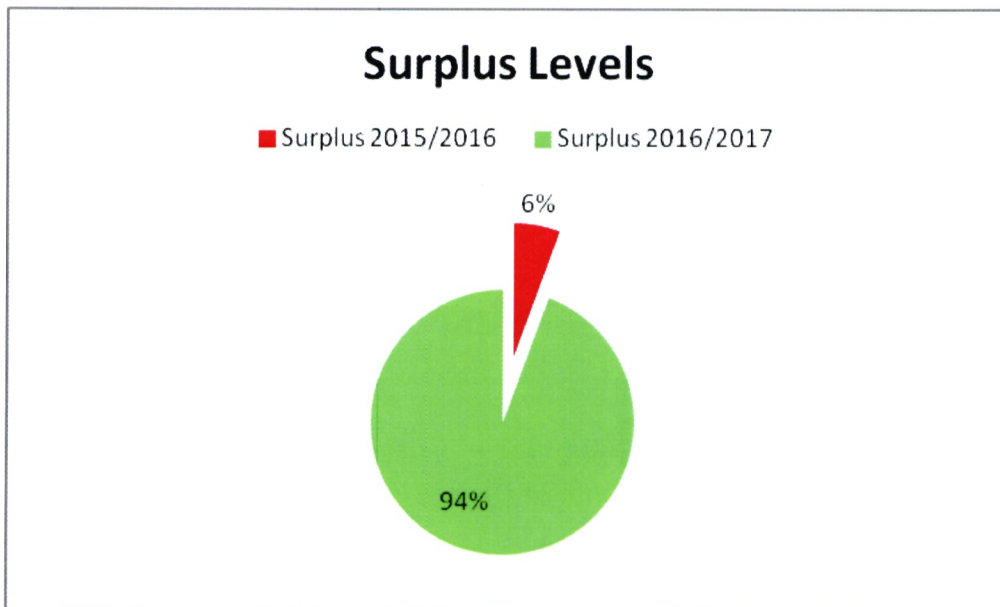
The following is a summary of the income JKUAT has received in the last three financial years:

Revenue source	2014/2015	2015/2016	2016/2017
AIA	5,554,073,001	5,816,734,858	6,014,154,884
Gok Funds	1,661,181,751	1,401,536,620	1,400,021,650



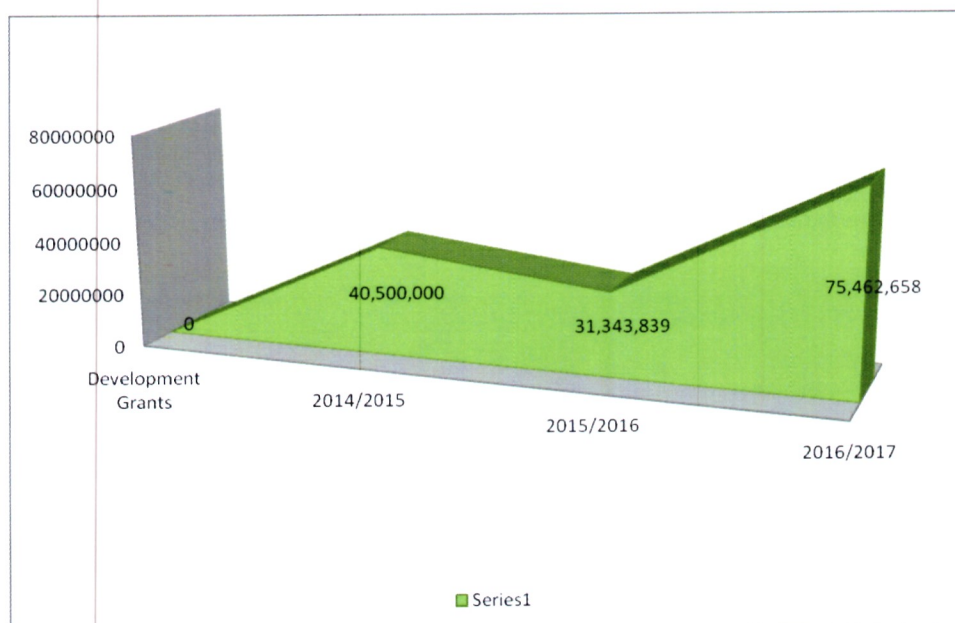
Comparison of Surplus levels

2014/2015	2015/2016	2016/2017
128,691,875	5,932,512	99,926,273



Comparison of Development Grants

2014/2015	2015/2016	2016/2017
40,500,000	31,343,839	75,462,658



C) KEY PROJECTS AND INVESTMENT DECISIONS JKUAT IS PLANNING/ IMPLEMENTING

The main sources of JKUAT's revenue for projects and investment decisions are the Exchequer from Government.

During the year, the following projects were executed;

- i. Improvement of access roads from Gate C and Sumitomo Gate.
This was achieved and has greatly eased navigation there.
- ii. Renovation of the Hall of residence (Hall 6) which had been destroyed by fire. This was completed and the wing is now in use.
- iii. Installation of lifts at COHES building. This was completed and the same are now in use.

The following infrastructural projects were on-going;

- iv. Construction of Parking Lot between COHES and NSC Building
- v. Completion of Administration Block C.
- vi. Construction of the College of Human Resource and Enterprise Development Building.
- vii. Establishment of Maritime Technology Cooperation Center at the JKUAT Mombasa CBD Campus
- viii. Construction of the JKUAT Water Bottling Plant.
- ix. Construction of the Nissin Plant.

The Science Complex and College of Human Resource and Enterprise Development Buildings will provide space for lectures, laboratories, offices and other learning facilities. The increase in the number of lecture halls in the University will help reduce the current shortage experienced by the University occasioned by increased demand for JKUATs academic programmes. These efforts are aimed at increasing access to education by providing space and facilities for quality teaching, learning and research, which is in line with the Government of Kenya strategic objective of increasing access to University education in support of Vision 2030. Extension of the Administration Building will ensure better administrative services are offered as this will be a more spacious and accommodative building, while the parking lot once complete will offer adequate parking to staff and students which has been a challenge at the University due to topology.

The water bottling plant is also anticipated to generate additional revenues and hence improve the University's much needed Appropriation in Aid.

Proposed Projects

The following projects are in the Master Plan for the financial year 2017/2018

1. Proposed Centre for Excellence in Engineering and Technology Building
2. Proposed Centre for Information and Communication Technology
3. Proposed Centre of Excellence in Biotechnology Research Building
4. Proposed Entrepreneurship and Development
5. Proposed Centre for Law, Science and Technology Studies
6. Proposed Construction of Perimeter wall round the University property
7. Proposed lighting and security system

The start and completion of these projects is subject to allocation of funds by National Treasury.

D) MAJOR RISKS FACING THE UNIVERSITY

The University's activities are exposed to a variety of financial risks including credit and liquidity risks, effects of changes in foreign currency and changes in market prices. The University's overall risk management framework focuses on unpredictability of changes in the business environment and seeks to minimize the potential adverse effect of such risks on its performance by setting acceptable levels of risk. The specific details of each risk component have been discussed on page 18 of this report.

VI. CORPORATE SOCIAL RESPONSIBILITY

The University acknowledges her responsibility to the society by playing an active role on public issues.

As part of CSR, JKUAT participated in the following activities:

- Donations of Books to Local Institutions

Over 20 schools, colleges and hospitals have benefitted from book donations by Jomo Kenyatta University of Agriculture and Technology. The 1,404 textbooks worth Kshs.4.2 million and sourced from the *Books for Africa* –a not for profit organization- covering various disciplines at different levels.

The donation was aimed at strengthening learning and teaching in the beneficiary institutions. The donation benefitted Kilimambogo Teachers College; Murang'a Teachers Training College and Thogoto Teachers Training College. Six hospitals including Thika Level 5; Gatundu, Sabatia and Kitale Level 5 also received the donations. Among the high schools that benefitted from the initiative were: Mang'u High, Juja Secondary School and Chief Koinange Girls Secondary School.



Prof. Kahangi (left) assisted by Ms Muriungi (second left) presents a book to Mangu High School students and teachers during the ceremony.

Below: A section of students and representatives of various institutions display some of the books at the end of the ceremony



- **Training for Persons with Disabilities and other Self Help Groups**

JKUAT introduced the groups of people with Disabilities and other community self help groups to an Organization (Hand in Hand E. Africa) to be trained on entrepreneurship skills which included soap making and soldering, and facilitated them with market sample ingredients/materials. The trainings started in November 2016 and went on for 3 months.





- **Training Youth on Procurement Opportunities**

In an endeavour to produce entrepreneurial graduates, the University in collaboration with Kiambu County Coordinated Stakeholders Association, held a youth training which sensitized on accessing tender opportunities in government institutions. The event saw over 150 youths empowered on how to become self-employed, create employment for other, as well as how to access government tenders reserved for youth, women and persons with disabilities.

- JKUAT also donated computers, printers, photocopies and their accessories to Athi Secondary School and Juja Farm Polytechnic





Juja Farm Youth Polytechnic receiving donated Computers and other equipment from JKUAT.

m. Imbuga

**PROF. MABEL IMBUGA Ph.D.
VICE CHANCELLOR**

Paul Kanyari Njuki

**PROF. PAUL KANYARI NJUKI
CHAIRMAN OF THE UNIVERSITY COUNCIL**

VII. STATEMENT OF JOMO KENYATTA UNIVERSITY COUNCIL MEMBERS RESPONSIBILITIES FOR THE YEAR ENDED 30TH JUNE 2017

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

Council accepts responsibility for the financial statements, which have been prepared using appropriate accounting policies supported by reasonable and prudent judgments and estimates, consistent with previous years and in conformity with International Public Sector Accounting Standards. Council is of the opinion that financial statements give a true and fair view of the state of financial affairs of the University as at 30th June 2017 and for its surplus for the year then ended.

Council further confirms the accuracy and completeness of the accounting records maintained by the University, which have been relied upon in the preparation of the financial statements, as well as on the adequacy of the system of internal financial control.

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

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



**PROF. MABEL IMBUGA, Ph.D.
VICE CHANCELLOR**



**PROF. PAUL KANYARI NJUKI
CHAIRMAN OF THE UNIVERSITY COUNCIL**

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P.O. Box 30084-00100
NAIROBI

OFFICE OF THE AUDITOR-GENERAL

REPORT OF THE AUDITOR-GENERAL ON JOMO KENYATTA UNIVERSITY OF AGRICULTURE AND TECHNOLOGY FOR THE YEAR ENDED 30 JUNE 2017

REPORT ON THE FINANCIAL STATEMENTS

Qualified Opinion

I have audited the accompanying financial statements of Jomo Kenyatta University of Agriculture and Technology set out on pages 1 to 35, which comprise the statement of financial position as at 30 June 2017, and the statement of financial performance, statement of changes in net assets, statement of cash flows and statement of comparison of budget and actual amounts for the year then ended, and a summary of significant accounting policies and other explanatory information in accordance with the provisions of Article 229 of the Constitution of Kenya and Section 35 of the Public Audit Act 2015. I have obtained all the information and explanations which, to the best of my knowledge and belief, were necessary for the purpose of the audit.

In my opinion, except for the effect of the matters described in the Basis for Qualified Opinion section of my report, the financial statements present fairly, in all material respects, the financial position of Jomo Kenyatta University of Agriculture and Technology as at 30 June 2017, and of its financial performance and its cash flows for the year then ended, in accordance with International Public Sector Accounting Standards (Accrual Basis) and comply with University Act, 2012.

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

Basis for Qualified Opinion

1. Going Concern

Although the University recorded a surplus of Kshs.99,926,273 during the year under review, the total current liabilities of Kshs.3,952,413,193 as at 30 June 2017 exceeded the current assets of Kshs.2,639,414,979 resulting into a negative working capital of Kshs.1,312,998,214. The University was unable to meet its financial obligations as and when they fell due. In particular, it was unable to settle creditors and insurance claims of Kshs.2,630,819,226 and Kshs.20,498,189 respectively as at 30 June 2017. The University is therefore operating under financial difficulties and if positive steps are not taken to improve the financial performance, it may not be able to meet its mandate in the near future. The financial statements of the University have therefore been

Report of the Auditor-General on the Financial Statements of Jomo Kenyatta University of Agriculture and Technology for the year ended 30 June 2017

prepared on a going concern basis on the assumption of continued financial support from the Government, creditors and donors.

2. Trade and Other Receivables

As disclosed at note 10 to the financial statements, trade and other receivables' balance of Kshs.2,312,899,536 as at 30 June 2017 includes debts totalling Kshs.25,308,786 relating to 2014/2015 and earlier years whose recoverability is doubtful. Further, the balance of Kshs.2,312,899,536 includes debtors of Kshs.203,338,165 out of which an amount of Kshs.73,863,760 is shown as Sodel debtors. This also includes outstanding debts amounting to Kshs.67,006,085 brought forward from 2015/2016 and previous years which are due from institutions referred to as dormant centers, whose recoverability is doubtful. It has not been possible to establish the exact time the amounts due have remained as receivables in the absence of an age analysis.

The management has only made a provision for bad and doubtful debts of Kshs.201,121,699 in these financial statements, whose basis and computation has not been explained and appears to be inadequate. In the circumstances, the accuracy and full recoverability of trade and other receivables balance of Kshs.2,312,899,536 as at 30 June 2017 could not be confirmed.

3. Unconfirmed Cash and Bank Balances

The statement of financial position as at 30 June 2017 reflects a cash and bank balance of Kshs.135,701,116 which could not be confirmed as it includes an adjustment of Kshs.65,042,411 whose nature and supporting analysis was not available for audit review.

In the circumstances, it has not been possible to confirm that the cash and bank balances of Kshs.135,701,116 as at 30 June 2017 is fairly stated.

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

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

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

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

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

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

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

The audit objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion in accordance with the provisions of Section 48 of the Public Audit Act, 2015 and submit the audit report in compliance with Article 229(7) of the Constitution. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISSAIs will always detect a material misstatement and weakness when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances and for the purpose of giving an assurance on the effectiveness of the University's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the management.

Conclude on the appropriateness of the management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the University's ability to continue as a going concern or to sustain its services. If I conclude that a material uncertainty exists, I am required to draw attention in the auditor's report to the related disclosures in the financial statements or, if such disclosures are

inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my audit report. However, future events or conditions may cause the University to cease as a going concern or to continue to sustain its services.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information and business activities of the University to express an opinion on the financial statements.
- Perform such other procedures as I consider necessary in the circumstances.

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

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



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

Nairobi

10 July 2018

JOMO KENYATTA UNIVERSITY OF AGRICULTURE AND TECHNOLOGY

**STATEMENT OF FINANCIAL PERFORMANCE
FOR THE YEAR ENDED 30TH JUNE 2017**

INCOME	NOTE	2016/ 2017	2015/ 2016
		KSHS	KSHS
Income from Non-exchange transactions	2	1,400,021,650	1,401,536,620
Income from Exchange transactions			
Tuition and Other Fees	3	5,499,277,317	5,268,438,427
Incomes from Other services rendered	4(i)	179,212,940	147,689,899
Other Income	4(ii)	335,664,628	241,710,883
Amortisation of Special Accounts & Grants	7b	203,468,144	158,895,649
Sub Total		6,217,623,028	5,816,734,858
		7,617,644,678	7,218,271,477
EXPENDITURE			
Personal Emoluments	5(i)	3,942,101,378	3,561,700,368
Academic Departments Costs	5(ii)	587,370,541	644,846,053
Administrative Departments Costs	5(iii)	94,188,591	68,638,573
JKUAT Campus Costs	5(iv)	1,153,770,453	1,156,154,877
Students Welfare Costs	5(v)	56,150,902	62,360,442
Maintenance Work Costs	5(vi)	44,692,795	22,758,612
Miscellaneous Expenditure	5(vii)	56,724,909	48,458,430
Central Services Costs	5(viii)	1,366,074,997	1,488,898,585
Council, Committees expenses	5(ix)	13,175,693	15,651,031
Special Accounts & Grants	7b	203,468,144	142,871,995
		7,517,718,405	7,212,338,966
Surplus / (Deficit) for the year		99,926,273	5,932,512

JOMO KENYATTA UNIVERSITY OF AGRICULTURE AND TECHNOLOGY

STATEMENT OF FINANCIAL POSITION AS AT 30TH JUNE 2017

	<u>NOTE</u>	<u>2016/ 2017</u> <u>KSHS</u>	<u>2015/ 2016</u> <u>KSHS</u>
ASSETS			
CURRENT ASSETS			
Inventories	9	190,814,328	329,832,339
Trade and Other Receivables	10	2,312,899,536	1,541,665,735
Cash and bank balances	11a	135,701,116	67,595,901
		2,639,414,979	1,939,093,974
NON CURRENT ASSETS			
Property, Plant and Equipment	8	9,325,607,272	9,281,411,142
Investment in Subsidiary	13	25,644,004	25,644,004
Biological Assets-Livestock	15	6,236,632	9,730,000
Investment in Joint Venture	13	150,000,000	150,000,000
Intangible Asset - Investment in KPMG Audit Software	16	-	692,284
		9,507,487,908	9,467,477,430
TOTAL ASSETS		12,146,902,888	11,406,571,404
LIABILITIES			
CURRENT LIABILITIES			
Trade and Other Payables	12	2,753,886,626	2,179,269,961
Deferred Income: Special Accounts & Grants - Unexpended Amount	7a	377,466,373	206,219,484
Bank Loan	14a	382,454,980	201,541,235
Bank Overdraft	11b	438,605,214	321,866,326
		3,952,413,193	2,908,897,006
NON-CURRENT LIABILITIES			
Bank Loan	14b	3,374,564,944	3,925,638,578
TOTAL LIABILITIES		7,326,978,138	6,834,535,584
NET ASSETS			
Capital Fund	6	2,161,898,201	2,013,935,543
Revaluation Reserve	6	1,350,892,790	1,350,892,790
Accumulated Surplus	6	1,307,133,759	1,207,207,486
		4,819,924,750	4,572,035,819
TOTAL NET ASSETS AND LIABILITIES		12,146,902,888	11,406,571,403
TOTAL FUNDS, GRANTS AND LIABILITIES		12,146,902,888	11,406,571,403



CPA TITUS WASIKE
FINANCE OFFICER



PROF. BERNARD O. MOIRONGO, PhD.
DEPUTY VICE-CHANCELLOR (FINANCE)



PROF. MABEL IMBUGA, PhD., EBS
VICE-CHANCELLOR

JOMO KENYATTA UNIVERSITY OF AGRICULTURE AND TECHNOLOGY

**STATEMENT OF CHANGES IN NET ASSETS
FOR THE YEAR ENDED 30TH JUNE 2017**

	Capital Fund	Revaluation Reserve	Accumulated Surplus	TOTAL
As at 30th June 2016	2,013,935,543	1,350,892,790	1,207,207,486	4,572,035,819
Additions in the Year	147,962,658	-		147,962,658
Surplus for the Year			99,926,273	99,926,273
As at 30th June 2017	2,161,898,201	1,350,892,790	1,307,133,759	4,819,924,750

JOMO KENYATTA UNIVERSITY OF AGRICULTURE AND TECHNOLOGY.

**STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 30TH JUNE 2017**

	NOTE	2016/ 2017 <u>KSHS</u>	2015/ 2016 <u>KSHS</u>
<u>CASHFLOWS FROM OPERATING ACTIVITIES</u>			
Surplus/(Deficit) for the year	Pg 10	99,926,273	5,932,512
Adjustment for :			
Depreciation Charge	8	193,458,170	213,481,212
Amortization of KPMG Audit Software	8	692,284	692,284
Operating Profit before working capital changes		294,076,728	220,106,007
Decrease (Increase) in Debtors		(771,233,801)	(192,270,624)
Increase (Decrease) in Stocks		139,018,011	(144,538,080)
Increase (Decrease) in Other Payables-Special Accounts		171,246,889	17,601,301
Increase (Decrease) in Creditors		574,616,665	411,817,097
		<u>113,647,764</u>	<u>92,609,693</u>
Net Cash Generated from Operating Activities		407,724,492	312,715,701
<u>CASH FLOWS FROM INVESTING ACTIVITIES</u>			
Purchase of Furniture	8	(10,656,994)	(21,102,538)
Purchase of JKUAT Towers (Formerly ICEA)	8	-	(1,918,218,676)
Purchase of Land - Kigali	8	-	(34,720,000)
Additions to Work In Progress	8	(106,337,382)	(101,284,067)
Purchase of Motor Vehicles	8	(17,095,089)	(20,255,875)
Investment in JKUAT Nisssin Foods LTD		-	-
Purchase of Computers and Equipment	8	(26,464,835)	(59,186,420)
Increase in Biological assets	8	(3,493,368)	165,602
Net cash used in Investing Activities		<u>(164,047,669)</u>	<u>(2,154,601,975)</u>
<u>CASH FLOWS FROM FINANCING ACTIVITIES</u>			
Grants allocated to Finance Capital Fund	6	75,462,658	31,343,839
Asset Based Financing - Motor Vehicles		12,295,089	
Bank Loan - Kigali	14	(2,411,111)	13,257,621
Asset Based Financing - Motor Vehicles	14	(6,307,025)	19,260,421
Bank Loan - JKUAT Towers	14	(148,113,629)	1,869,643,462
LC	14		(80,324,000)
Bank Loan - Kenyatta Road	14	(223,236,476)	(169,301,618)
Net cash used in Financing Activities		<u>(292,310,495)</u>	<u>1,683,879,725</u>
Net Increase (Decrease) in cash and cash equivalents		(48,633,672)	(158,006,549)
Cash and cash equivalents at beginning of year		(254,270,425)	(96,263,876)
Cash and cash equivalents at end of year		<u>(302,904,098)</u>	<u>(254,270,425)</u>
<u>SUMMARY OF CASH AND BANK BALANCES</u>			
Cash on hand and balance with banks		135,701,116	67,595,901
Bank overdraft		(438,605,214)	(321,866,326)
TOTAL		<u>(302,904,098)</u>	<u>(254,270,425)</u>

JOMO KENYATTA UNIVERSITY OF AGRICULTURE AND TECHNOLOGY

STATEMENT OF COMPARISON OF BUDGET Versus ACTUAL AMOUNTS
FOR THE YEAR ENDED 30TH JUNE 2017

	ORIGINAL BUDGET	ADJUSTMENTS	FINAL BUDGET	ACTUAL ON	PERFORMANCE	
				COMPARABLE BASIS	DIFFERENCE	%age
	<u>2016/2017</u>	<u>2016/2017</u>	<u>2016/2017</u>	<u>2016/2017</u>	<u>2016/2017</u>	
	KSHS	KSHS	KSHS	KSHS	KSHS	
INCOME						
Government Grant -Recurrent	1,400,021,650	-	1,400,021,650	1,400,021,650	(0)	
Refund from Public Universities Joint	-	-	-	-	-	
Government Grant Income	1,400,021,650	-	1,400,021,650	1,400,021,650	(0)	
Total Government Grant	1,525,484,308	-	1,525,484,308	1,475,484,308	(50,000,000)	-3%
Tuition and other Fees Income	5,503,429,459	(189,197,765)	5,314,231,694	5,499,277,317	185,045,623	4%
Other income	422,542,835	8,035,137	430,577,972	335,664,628	(94,913,344)	-19% (a)
Income from other service rendered	142,500,250	-	142,500,250	179,212,940	36,712,690	11% (b)
Special Accounts & Grants	-	188,083,122	188,083,122	203,468,144	15,385,022	8% (c)
Sub Total	6,068,472,544	6,920,494	6,075,393,038	6,217,623,028	142,229,990	2%
Total Income	7,593,956,852	6,920,494	7,600,877,346	7,693,107,336	92,229,990	1%
EXPENDITURE						
Personal Emoluments	3,754,185,379	184,327,266	3,938,512,645	3,942,101,378	(3,588,733)	0%
Academic Departments Costs	421,013,792	167,542,781	588,556,573	587,370,541	1,186,032	0%
Administrative Departments Costs	67,286,499	51,569,719	118,856,218	94,188,591	24,667,627	21% (c)
JKUAT Campus Costs	964,513,115	200,879,040	1,165,392,155	1,153,770,453	11,621,702	1%
Students Welfare Costs	53,412,500	2,838,502	56,251,002	56,150,902	100,100	0%
Maintenance Work Costs	23,840,405	21,083,644	44,924,049	44,692,795	231,254	1%
Miscellaneous Expenditure	38,375,174	18,416,052	56,791,226	56,724,909	66,317	0%
Central Services Costs	2,017,368,503	(629,428,144)	1,387,940,359	1,366,074,997	21,865,362	75% (d)
Council, Committees expenses	13,154,270	21,651	13,175,921	13,175,693	228	0%
Special Accounts & Grants	-	170,036,274	170,036,274	203,468,144	(33,431,870)	-20% (e)
Total Expenditure	7,353,149,637	187,286,785	7,540,436,422	7,517,718,405	22,718,017	14%
Surplus for the year	240,807,215		60,440,924	99,926,273	114,948,007	
Refund Special Grant- Development Grant	125,462,658	-	125,462,658	75,462,658	(50,000,000)	-40% (f)

Budget Notes:

- Revenues from Other Incomes were suppressed in the year due to underperformance of IGUs resulting from disruption of academic calendar in 2017
- Positive variance resulted from occupation of vacant space at the campus building
- Variance resulted from disruption of academic calendar in January 2017
- Variance resulted from disruption of academic calendar in January 2017
- Variance resulted from increased research activities in the year
- Variance results from reduction of Development Capitation by the Ministry of Education in Supplementary budget for FY2016/2017

NOTES TO THE FINANCIAL STATEMENTS

1.1 GENERAL INFORMATION

Jomo Kenyatta University of Agriculture and Technology is established by and derives its authority and accountability from Act of Parliament, CAP 210 (C) of the Laws of Kenya. JKUAT is wholly owned by the Government of Kenya and is domiciled in Kenya. The principal activities are

- a) to provide directly or indirectly or in collaboration with other institutions of higher learning, facilities for University education (including agriculture, scientific, cultural, technological and professional education), and integration of teaching, research and effective application of knowledge and skills to the life, work and welfare of the citizens of Kenya;
- b) to participate in the discovery, transmission and preservation and enhancement of knowledge and to stimulate the intellectual participation of students in the economic, technological, agricultural, professional and cultural development of Kenya;
- c) to play an effective role in the development of agriculture and technology in conjunction with the industry and to provide extension services so as to contribute to the social and economic development of Kenya;
- d) subject to the Universities Act (Cap. 210B), to co-operate with the Government in the planned development of University education and, in particular, to examine and approve proposals for new faculties, new departments, new degree courses or new subjects of study proposed to it by any constituent college or other post-secondary institution; to determine who may teach, what may be taught, how it may be taught and when it may be taught at the University.

1.2 STATEMENT OF COMPLIANCE AND BASIS OF PREPARATION

Jomo Kenyatta University of Agriculture and Technology financial statements have been prepared in accordance with and comply with International Public Sector Accounting Standards (IPSAS) accrual basis. The financial statements are presented in Kenya shillings, which is the functional and reporting currency of JKUAT. The accounting policies have been applied as per IPSAS in the year under review.

The financial statements have been prepared on the basis of historical cost, unless stated otherwise. The cash flow statement is prepared using the indirect method. The financial statements are prepared on accrual basis.

1.3 ADOPTION OF NEW AND REVISED STANDARDS

i. Relevant new standards and amendments to published standards effective for the year ended 30 June 2017

Standard	Impact
IPSAS 33: First time adoption of Accrual Basis IPSAS	(Effective for annual periods beginning on or January 1, 2017) Jomo Kenyatta University of Agriculture and Technology adopted IPSAS in the year ended 30 June 2014 and therefore provisions of first time adoption of accrual basis does not apply to the entity.
IPSAS 34: Separate Financial Statements	Effective for annual periods beginning on or January 1, 2017) Jomo Kenyatta University of Agriculture & Technology fully owns JKUAT Enterprises so this standard applies but has not been adopted yet
IPSAS 35: Consolidated Financial Statements	Effective for annual periods beginning on or January 1, 2017) Jomo Kenyatta University of Agriculture & Technology fully owns JKUAT Enterprises so this standard applies but has not been adopted yet
IPSAS 36: Investments in Associates and Joint Ventures	(Effective for annual periods beginning on or January 1, 2017) Jomo Kenyatta University of Agriculture & Technology together with Nissin Holdings have Joint Venture so this standard applies
IPSAS 37: Joint Arrangements	(Effective for annual periods beginning on or January 1, 2017) Jomo Kenyatta University of Agriculture & Technology does not have any Joint Arrangements.
IPSAS 38: Disclosure of Interests in Other Entities	(Effective for annual periods beginning on or January 1, 2017) Jomo Kenyatta University of Agriculture and Technology does not have an interest in other entities and therefore the standard does not apply.

Annual Report and Financial Statements for the year ended 30th June 2017

ii. New and amended standards and interpretations in issue but not yet effective in the year ended 30 June 2017

Standard	Effective date and impact:
IPSAS 39: Employee Benefits	Applicable: 1st January 2018 The objective to issue IPSAS 39 was to create convergence to changes in IAS 19 Employee benefits. The IPSASB needed to create convergence of IPSAS 25 to the amendments done to IAS 19. The main objective is to ensure accurate information relating to pension liabilities arising from the defined benefit scheme by doing away with the corridor approach.
IPSAS 40: Public Sector Combinations	Applicable: 1st January 2019: The standard covers public sector combinations arising from exchange transactions in which case they are treated similarly with IFRS 3 (applicable to acquisitions only) Business combinations and combinations arising from non exchange transactions which are covered purely under Public Sector combinations as amalgamations.

iii. Early adoption of standards

Jomo Kenyatta University of Agriculture and Technology did not early-adopt any new or amended standards in year 2017.

1.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

a) Revenue recognition

i) Revenue from non-exchange transactions – IPSAS 23

Transfers from other government entities

Revenues from non-exchange transactions with other government entities are measured at fair value and recognized on obtaining control of the asset (cash, goods, services and property) if the transfer is free from conditions and it is probable that the economic benefits or service potential related to the asset will flow to JKUAT and can be measured reliably.

ii) Revenue from exchange transactions – IPSAS 9

Rendering of services

Jomo Kenyatta University of Agriculture & Technology recognizes revenue from rendering of services by reference to the stage of completion when the outcome of the transaction can be estimated reliably. The stage of completion is measured by reference to labor hours incurred to date as a percentage of total estimated labor hours.

Where the contract outcome cannot be measured reliably, revenue is recognized only to the extent that the expenses incurred are recoverable.

Sale of goods

Revenue from the sale of goods is recognized when the significant risks and rewards of ownership have been transferred to the buyer, usually on delivery of the goods and when the amount of revenue can be measured reliably and it is probable that the economic benefits or service potential associated with the transaction will flow to JKUAT.

Rental income

The University owns JKUAT Towers that has operating leases on part of it. The University occupies three floors and has leased out the remaining ones to private businesses. The leases are handled by a property management Company- Knight Frank. Rental income arising from these operating leases on investment property is accounted for on a straight-line basis over the lease terms and included in revenue.

b) Budget information - IPSAS 24

The annual budget is prepared on the accrual basis, that is, all planned costs and income are presented in a single statement to determine the needs of JKUAT. As a result of the adoption of the accrual basis for budgeting purposes, there is no basis, timing or organization's differences that would require reconciliation between the actual comparable amounts and the amounts presented as a separate additional financial statement in the statement of comparison of budget and actual amounts.

c) Investment property – IPSAS 16

Investment properties are measured initially at cost, including transaction costs. The carrying amount includes the replacement cost of components of an existing investment

property at the time that cost is incurred if the recognition criteria are met and excludes the costs of day-to-day maintenance of an investment property.

Investment property acquired through a non-exchange transaction is measured at its fair value at the date of acquisition. Subsequent to initial recognition, investment properties are measured using the cost model and are depreciated over a 30-year period.

Investment properties are derecognized either when they have been disposed of or when the investment property is permanently withdrawn from use and no future economic benefit or service potential is expected from its disposal. The difference between the net disposal proceeds and the carrying amount of the asset is recognized in the surplus or deficit in the period of de-recognition.

Transfers are made to or from investment property only when there is a change in use.

d) Property, plant and equipment – IPSAS 17

All property, plant and equipment are stated at cost less accumulated depreciation and impairment losses. Cost includes expenditure that is directly attributable to the acquisition of the items. When significant parts of property, plant and equipment are required to be replaced at intervals, JKUAT recognizes such parts as individual assets with specific useful lives and depreciates them accordingly. Likewise, when a major inspection is performed, its cost is recognized in the carrying amount of the plant and equipment as a replacement if the recognition criteria are satisfied. All other repair and maintenance costs are recognized in surplus or deficit as incurred. Where an asset is acquired in a non-exchange transaction for nil or nominal consideration the asset is initially measured at its fair value. Depreciation is calculated on a straight line basis at the following rates:

Description	Annual Rate
- Freehold land	Nil
- Buildings	2%
- Motor vehicles	20%
- Fixtures, furniture & fittings	10%
- Computers and Equipment	30%

Capital work in progress is not depreciated until such a time as the asset is brought into use.

e) Intangible assets – IPSAS 31

The KPMG Audit Software has been recognized at cost as intangible assets. Following initial recognition, intangible assets are carried at cost less any accumulated amortization and accumulated impairment losses. The useful life of the intangible assets is assessed finite for a period of three years. The software is subjected to a full year's amortization at the rate of 33.3% .

The summary of costs is as shown below;

	2016/ 2017	2015/ 2016
Cost	692,284	1,384,568
Amortization of Intangible Assets - Software	692,284	692,284
As at 30th June	-	692,284

These represents the costs related to the acquisition of computer software and its net amount after amortization. This software is amortized on a straight line basis over three years.

f) Research and development costs

All research costs are expensed as incurred.

Development costs are capitalized only after technical and commercial feasibility of the resulting product or service have been established.

g) Financial instruments – IPSAS 29

Financial assets

Initial recognition and measurement

Financial assets within the scope of IPSAS 29 Financial Instruments: Recognition and Measurement are classified as financial assets at fair value through surplus or deficit, loans and receivables, held-to-maturity investments or available-for-sale financial assets, as appropriate. JKUAT determines the classification of its financial assets at initial recognition.

h) Impairment of financial assets

JKUAT assesses at each reporting date whether there is objective evidence that a financial asset or an entity of financial assets is impaired. A financial asset or an entity of financial assets is deemed to be impaired if, and only if, there is objective evidence of impairment as a result of one or more events that has occurred after the initial recognition of the asset (an incurred 'loss event') and that loss event has an impact on the estimated future cash flows of the financial asset or the entity of financial assets that can be reliably estimated.

Evidence of impairment may include the following indicators:

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

i) Financial instruments

Financial liabilities

Initial recognition and measurement

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

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

j) Inventories – IPSAS 12

Inventory is measured at cost upon initial recognition. After initial recognition, inventory is measured at the lower of cost and net realizable value. However, to the extent that a class of inventory is distributed or deployed at no charge or for a nominal charge, that class of inventory is measured at the lower of cost and current replacement cost.

Net realizable value is the estimated selling price in the ordinary course of operations, less the estimated costs of completion and the estimated costs necessary to make the sale, exchange, or distribution.

Inventories are recognized as an expense when deployed for utilization or consumption in the ordinary course of operations of JKUAT.

k) Provisions – IPSAS 19

Provisions are recognized when JKUAT has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits or service potential will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

Where JKUAT expects some or all of a provision to be reimbursed, for example, under an insurance contract, the reimbursement is recognized as a separate asset only when the reimbursement is virtually certain.

The expense relating to any provision is presented in the statement of financial performance net of any reimbursement.

Contingent liabilities

JKUAT does not recognize a contingent liability, but discloses details of any contingencies in the notes to the financial statements, unless the possibility of an outflow of resources embodying economic benefits or service potential is remote.

Contingent assets

JKUAT does not recognize a contingent asset, but discloses details of a possible asset whose existence is contingent on the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of JKUAT in the notes to the financial statements. Contingent assets are assessed continually to ensure that developments are appropriately reflected in the financial statements. If it has become virtually certain that an inflow of economic benefits or service potential will arise and the asset's value can be measured reliably, the asset and the related revenue are recognized in the financial statements of the period in which the change occurs.

l) Nature and purpose of reserves

JKUAT creates and maintains reserves in terms of specific requirements as follows

- i) Capital Reserve – this is used to record contribution made by government in form of development grants transfers
- ii) Revaluation Reserve – this is used to indicate the re-valued amounts on the plant property and equipment, and any other adjustments on the same.

m) Changes in accounting policies and estimates – IPSAS 3

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

n) Employee benefits – IPSAS 25

Retirement benefit plans

JKUAT provides retirement benefits for its employees and directors. Defined contribution plans are post-employment benefit plans under which an entity pays fixed contributions into a separate entity (a fund), and will have no legal or constructive obligation to pay further contributions if the fund does not hold sufficient assets to pay all employee benefits relating to employee service in the current and prior periods. The contributions to fund obligations for the payment of retirement benefits are charged against income in the year in which they become payable.

Defined benefit plans are post-employment benefit plans other than defined-contribution plans. The defined benefit funds are actuarially valued tri-annually on the projected unit credit method basis. Deficits identified are recovered through lump sum payments or increased future contributions on proportional basis to all participating employers. The contributions and lump sum payments reduce the post-employment benefit obligation.

o) Foreign currency transactions – IPSAS 4

Transactions in foreign currencies are initially accounted for at the ruling rate of exchange on the date of the transaction. Trade creditors or debtors denominated in foreign currency are reported at the statement of financial position reporting date by applying the exchange rate on that date. Exchange differences arising from the settlement of creditors, or from the reporting of creditors at rates different from those at which they were initially recorded during the period, are recognized as income or expenses in the period in which they arise.

p) Borrowing costs – IPSAS 5

Borrowing costs are capitalized against qualifying assets as part of property, plant and equipment.

Such borrowing costs are capitalized over the period during which the asset is being acquired or constructed and borrowings have been incurred. Capitalization ceases when construction of the asset is complete. Further borrowing costs are charged to the statement of financial performance.

q) Related Party Disclosures – IPSAS 20

The University regards a related party as a person or an entity with the ability to exert control individually or jointly, or to exercise significant influence over the University, or vice versa. The National Government and Members of Council are regarded as related parties in preparation of these financial statements. National Government transactions have been disclosed under revenue from non- exchange transactions - government grants (note 2) while Members of Council have been disclosed under board expenses in the statement of financial performance (note 5(ix)).

r) Cash and cash equivalents

Cash and cash equivalents comprise cash at 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 Commercial Banks and Mpesa holding account at the end of the financial year.

s) Comparative figures

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

**1.5 SIGNIFICANT JUDGMENTS AND SOURCES OF ESTIMATION UNCERTAINTY
– IPSAS 1**

The preparation of the JKUAT financial statements in conformity with IPSAS 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

Critical accounting judgments in applying the organization's accounting policies

Impairment losses on trade and other receivables

The organisation reviews its trade and other receivables to assess impairment regularly. In determining whether an impairment loss should be recognised through profit or loss, the company makes judgements as to whether there is any observable data indicating that there is a measurable decrease in the estimated future cash flows from the receivables, before a decrease can be identified. This evidence may include observable data indicating that there has been an adverse change in the payment status of customers or local economic conditions that correlate with defaults on assets in the company. Management uses estimates based on historical loss experience for assets with credit risk characteristics and objective evidence of impairment when scheduling its future cash flows. The methodology and assumptions used for estimating both the amount and timing of future cash flows are reviewed regularly to reduce any differences between loss estimates and actual loss experience.

Estimates and assumptions

The key 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, are described below. JKUAT based its assumptions and estimates on parameters available when the financial statements were prepared. However, existing circumstances and assumptions about future developments may change due to market changes or circumstances arising beyond the control of JKUAT. Such changes are reflected in the assumptions when they occur. IPSAS 1.140

Key sources of estimation uncertainty

Impairment of assets

At the end of each reporting period, the authority reviews the carrying amount of its assets to determine whether there is any indication that these assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of impairment (if any).

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 JKUAT

Annual Report and Financial Statements for the year ended 30th June 2017

- 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 asset
- Changes in the market in relation to the asset

Fair value estimation – financial instruments

Where the fair value of financial assets and financial liabilities recorded in the statement of financial position cannot be derived from active markets, their fair value is determined using valuation techniques including the discounted cash flow model. The inputs to these models are taken from observable markets where possible, but where this is not feasible, judgment is required in establishing fair values. Judgment includes the consideration of inputs such as liquidity risk, credit risk and volatility. Changes in assumptions about these factors could affect the reported fair value of financial instruments.

Provisions – IPSAS 19

Provisions are recognized when JKUAT has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits or service potential will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation

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.

Where JKUAT expects some or all of a provision to be reimbursed, for example, under an insurance contract, the reimbursement is recognized as a separate asset only when the reimbursement is virtually certain.

The expense relating to any provision is presented in the statement of financial performance net of any reimbursement.

Taxation

JKUAT is exempted from taxation and therefore no provision for tax liability has been made in financial statements.

Subsequent events – IPSAS 14

There have been no events subsequent to the financial year end with a significant impact on the financial statements for the year ended June 30, 2017.

Financial Risk Management

The University's activities expose it to a variety of financial risks including credit and liquidity risks and effects of changes in foreign currency. The University's overall risk management focuses on unpredictability of changes in the business environment and seeks to minimize the potential adverse effect of such risks on its performance by setting acceptable levels of risk.

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

(i) Credit risk

The University has exposure to credit risk which is the risk that counterparty to a financial instrument will be unable to pay amounts in full when due thus causing a financial loss. Credit risk arises from cash and cash equivalents and trade receivables.

Credit risk on trade receivables is managed by ensuring that credit is extended to students with established credit history. Credit is managed by setting the credit limit and the credit period for each category of customer. These parameters are monitored by the University Management Board on a semester basis.

(ii) Market risk

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

Market risk is the risk that the fair value or future cash flows of financial instruments will fluctuate because of changes in market price and comprises three types of risks: currency risk, interest rate risk and other price risk.

(iii) Foreign currency risk

Foreign currency exchange risk arises when future commercial transactions or recognized assets and liabilities are denominated in a currency that is not the university's functional currency. The university primarily transacts in the Kenya shilling and its assets and liabilities are denominated in the same currency. The university's exposure to foreign currency risk is minimal.

(iv) Interest rate risk

Interest rate risk is the risk that the University's financial condition may be adversely affected as a result of changes in interest rate levels. The University's interest rate risk arises from loans advanced to the University at interest rates that are subject to fluctuation. If the rates go up, the university suffers a loss. Another risk arises from deposits held with financial institutions. This exposes the University to cash flow interest rate risk.

(v) Management of interest rate risk

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

(vi) Sensitivity analysis

The University analyses its interest rate exposure on a dynamic basis by conducting a sensitivity analysis. 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.

Using the end of the year figures, the sensitivity analysis indicates no impact on the statement of financial performance. This is due to the fact that at the end of the financial year there was no investment that would be affected by fluctuations in the interest rates.

(vii) Price risk

The University does not hold investments that would be subject to price risk; hence this risk not applicable.

1.7 Reserves

a) Capital fund

This reserve relate to items of property plant and equipment developed from capital grants received from national government, other development partners and transfers from revenue reserve on purchase of additional assets.

b) Accumulated reserve

This relates to surplus / deficit accrued by the university over time.

c) Revaluation reserve

This reserve relate to items of property plant and equipment that have been revalued after acquisition

1.8 Leases Arrangements

The University continues to lease properties in various towns where the JKUAT campuses are located but it does not own the property. These include; Mombasa, Nakuru, Eldoret, Kakamega, Kisumu, Kitale, Kigali and Arusha. The Council will continue to ensure that all requirements with respect to offering university education are met at all rented facilities.

1.9 Research Grants Reconciliation

Research Grants are receivable from institutions both local and foreign that have entered into funding agreements for purposes of furtherance of areas of common interest in training, research and community outreach activities. The terms of these grants are as specified in the agreements. Research grants expended in the year are amortized and the total amount outstanding on the research projects has been included in the Current Liabilities. An itemized summary is available under (Note 7a).

1.10 Biological Assets – IPSAS 27

Biological Assets are made up of farm animals. The initial recognition is at cost, while subsequent recognition is at fair market value less costs to sell

JOMO KENYATTA UNIVERSITY OF AGRICULTURE AND TECHNOLOGY

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30TH JUNE 2017

	2016/ 2017	2015/ 2016
	KSHS	KSHS
2 <u>GOVERNMENT GRANT</u>		
Recurrent Grant	1,400,021,650	1,399,581,800
Refund from Public Universities Joint Account (UoN)	-	1,954,820
	1,400,021,650	1,401,536,620
3 <u>TUITION AND OTHER FEES</u>		
ID/Registration Fees	36,408,878	38,084,738
Residential Fees	506,700	2,677,414
Tuition Fees	4,695,710,917	4,562,939,442
Examination Fees	213,833,338	208,334,307
Medical Fees	114,986,800	105,949,274
Post Graduate Fees	3,734,620	3,968,718
Bsc. application fees	5,924,270	9,393,150
Internet	67,022,905	65,851,882
Computer fees	77,605,900	77,294,169
Library fees	48,947,839	49,287,986
Field trips/attachment	125,325,201	122,879,866
Students Laptop Fees	109,269,950	21,777,481
	5,499,277,317	5,268,438,427
4(i) <u>OTHER SERVICES RENDERED</u>		
Rechargeable transport	56,424,897	75,030,179
East Africa Games 2016	2,451,391	-
Nursery School	1,721,437	1,345,240
Liguyani Farm	296,200	
Farm crops	-	229,490
Staff Cafeteria	18,250,573	12,517,024
Xeroxing and printing	1,769,594	6,441,110
Workshop Production	793,952	701,120
Biotechnology Production	7,265	29,650
Hospital fund	5,682,774	5,936,799
Library Production	94,249	79,555
Consultancy services	407,194	3,417,733
Bookshop Income	572,711	542,347
Show Product Sales	29,712	
Sales: Extension Demonstration Farm	-	49,355
Serena /Candle IGU A/C	4,509,533	5,584,023
Outside Catering unit	1,491,447	3,736
IGU Clearing A/C Engineering Workshop	-	1,609,635
I.G.U.'S Clearing A/C Livestock	-	990
Poultry IGU Project	-	130,914
Farm machinery	-	730,848
Health centre dental	186,440	170,320
JKUAT Computer Assembling Unit-Taifa Laptop	63,472,337	14,170,853
Botany IGU	36,030	35,900
BEED IGU	-	2,400
Short Courses and Trainings	8,397,003	13,137,196
ICT Consultancy centre Nrb CBD	12,395,200	-
Medical lab science IGU	223,000	337,000
ISO Training Income	-	5,456,484
	179,212,940	147,689,899

JOMO KENYATTA UNIVERSITY OF AGRICULTURE AND TECHNOLOGY

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30TH JUNE 2017

	2016/ 2017	2015/ 2016
4(ii) <u>OTHER INCOME:</u>	KSHS	KSHS
Accommodation Charges	32,960,462	19,319,392
JKUAT Towers Rental Income	157,813,923	99,901,503
House Rent	10,431,818	10,896,350
Water Charges	3,836,620	565,660
Shop Rent	938,261	1,051,022
Transport Charges	31,500	213,600
Accrued Interest on fixed deposit	698,335	648,784
Miscellaneous income	14,320,302	17,319,960
Disposal of Fixed Assets	189,645	978,380
Library Fines	186,473	67,685
Laundry Charges	9,204,805	7,685,436
Hire of Graduation Gowns	16,606,769	28,007,329
Donations	4,600,000	2,074,333
Bridging Maths	5,180,738	13,352,952
Students P.A.Y.E	16,738,997	16,555,674
Research/Attachment Fees	-	351,500
Project fees	8,224,565	11,953,501
KUCCPS - Main Campus	6,438,000	5,370,000
Research/Attachment Fees	2,000	11,950
Journal of Agric	24,000	-
Interest on Deposits and Savings	13,275	313,955
Project Admin Costs	1,275,124	848,039
JKUAT Hospital Cost Sharing	353,242	480,352
Penalty Fees on Damages	83,200	125,700
Sale of tenders	312,800	158,320
Training Income	5,017,577	3,342,506
Guest Houses Rental Income	169,720	112,500
Car Pass	1,000	4,500
Alumni Fees	13,219,665.00	-
Photo Session/Video Shooting - SAJOREC	23,350.00	-
Botanical Garden Entry Fees - SAJOREC	26,650.00	-
Rebates recieved(Miscooft) - NITP/DLP	21,402,178.07	-
Foreign Exchange Income	5,332,133.96	-
	335,664,628	241,710,883
5(i) <u>PERSONAL EMOLUMENTS</u>		
Staff Salary	1,810,358,393	1,715,059,859
Casual Workers	26,472,509	24,973,518
Part-time Teaching	1,696,586	-
Gratuity and Pension Contributions	338,276,233	326,405,958
Group Life Insurance	23,382,923	22,384,576
House Allowance	951,849,763	920,610,885
Other Personal Allowances	309,442,630	243,542,101
House to Office Allowance	462,990,632	292,303,387
Passage, Baggage/Leave Allowance	17,631,711	16,420,085
	3,942,101,378	3,561,700,368
5(ii) <u>ACADEMIC COSTS</u>		
Travelling and accomodation	38,219,402	52,757,143
Field courses	19,905,423	11,454,920
Entertainment	7,816,962	6,179,678
Teaching materials	13,760,689	20,502,461
Crockery and Utensils	128,529	-
Library expenses	6,816,318	1,345,641
Stationery and stores	9,971,216	14,511,998
Advertising and publicity	-	262,000
Short Courses	808,965	280,705
computer	256,979.24	91,000.00
Cleaning materials	1,468,999	1,246,826
Attachment Expenses	7,705,876	15,908,018
Research	8,680,206	12,101,545
Research Programme	25,013,739	17,796,955
Examination expenses	39,688,185	39,571,427
Part time-departments	394,372,192	438,822,401
Casual workers -Department	12,337,542	11,391,700
Workstudy	292,075	531,825
Deans and Senate Committee Expenses	127,244	89,810
	587,370,541	644,846,053

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30TH JUNE 2017

	2016/ 2017 KSHS	2015/ 2016 KSHS
5(iii) <u>ADMINISTRATIVE COSTS</u>		
Travelling and Accomodation	32,704,673	29,046,338
Telephone	8,000	-
Entertainment	24,496,055	11,092,938
Crockery and utensils	9,680	
Purchase of stationery and stores	19,674,255	22,601,387
Foodstuff for patients	532,431	594,551
Short Courses	1,298,003	338,048
Connectivity	360,770	
Linens	416,650	
Cleaning materials	1,825,852	3,950,054
Computer expenses	12,130,550	104,400
Casual Workers	16,607	142,700
Juja Community	462,147	171,193
UMB Expenses	252,919	596,963
	94,188,591	68,638,573
5(iv) <u>CAMPUS RUNNING COSTS</u>		
Karen Campus	120,626,416	178,116,278
Westlands Campus	73,435,194	109,489,806
Nairobi CBD Campus	133,142,686	113,347,900
Mombasa CBD Campus	132,298,425	135,303,299
Kisii CBD Campus	95,056,302	56,930,528
Kitale CBD Campus	75,402,230	77,507,592
Nakuru CBD Campus	160,868,339	161,632,741
Arusha Campus	41,473,274	41,908,214
Kakamega Campus	66,305,870	60,942,553
Kisumu CBD	28,547,530	17,307,318
Kigali Campus	141,051,300	133,928,822
Keiyan Campus	4,761,257	5,244,716
KQ Pride Centre	8,626,919	10,076,564
Eldoret CBD Campus	72,174,710	54,418,545
	1,153,770,453	1,156,154,877
5(v) <u>STUDENTS WELFARE</u>		
Travelling and accomodation	2,188,844	5,640,703
Entertainment	1,739,753	1,988,846
Stationery and stores	1,354,515	1,065,960
Cleaning materials	2,538,018	2,816,652
Gas and fuel	6,310,788	7,668,569
Food and rations	37,390,577	39,872,492
Crockery and utensils	811,187	53,900
Part Time	977,900	1,835,820
Inter- university games	2,839,320	1,417,500
	56,150,902	62,360,442
5(vi) <u>MAINTENANCE COSTS</u>		
Maintenance of plant/mach/equip	14,366,791	10,595,087
Repair & Maintenance of Furniture	3,561,727	2,271,235
Maintenance of buildings	18,705,857	6,748,140
Maintenance of water/sewerage	2,724,580	2,173,291
Maintenance of roads/grounds	5,333,840	970,858
	44,692,795	22,758,612
5(vii) <u>MISCELLANEOUS EXPENDITURE</u>		
Show expenses	11,437,585	15,897,418
Graduation expenses	44,385,433	31,501,795
Kabiru-ini Demonstration	901,891	1,059,218
	56,724,909	48,458,430

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30TH JUNE 2017

	2016/ 2017	2015/ 2016
<u>CENTRAL SERVICES</u>	<u>KSHS</u>	<u>KSHS</u>
5(viii) Industrial Training Levy	1,064,950	26,818
JKUAT 20 years Celebration	685,750	3,353,400
Public celebrations/funerals	8,878,109	6,826,305
IPUCCF Expenses	140,562	-
Foreign exchange difference	13,971	446,865
Disaster Preparedness	-	145,000
National Cohesion National Values	149,783	-
Audit fees	3,480,000	3,480,000
ISO expenses	1,161,598	6,230,355
Subscription to Professional bodies	3,231,748	5,992,900
Motor vehicle insurance	5,686,226	7,205,030
Clearing & forwarding	21,211,982	62,287,784
Fees commission & Honoraria Exp.	1,116,811	1,588,466
Structured Cabling Systems Expenses	2,517,520	149,480
Vice chancellors award expense	340,000	2,357,000
NHIF Penalties Account	377,900	22,000
NSSF Penalties Account	5,000	7,240
HELB Penalties Account	320,265	43,951
Insurance premiums	4,094,427	1,654,064
Innovation & Technology	6,050,996	11,116,454
Legal Fees on KCB Letter of Credit (Taifa)	-	2,024,226
Bid Bonds Commissions	14,059,212	1,650,000
Depreciation charge	193,458,170	213,481,212
Hire of Equipment	1,909,200	-
Swimming Pool Charges	587,560	109,840
Alumni Needy Students' Initiative	-	163,093
IASTE Students Exchange	634,135	468,730
Horticulture Production	97,360	115,535
Chemistry Production Fund	930,540	1,337,124
Sales: Extension Demonstration Farm	206,510	
Piggery Unit	853,969	197,962
Cattle Unit	685,265	4,642,786
Consultancy Services - SHRD	353,017	259,483
Provision for Bad Debts	67,063,809	16,719,185
Amortization of Audit software	692,284	692,284
Telephone expenses	3,794,254	2,935,823
Entertainment Expenses	30,000	25,000
Electricity expenses	65,157,767	67,943,753
Fuel for Generator	2,754,782	5,078,036
Crockery and Utensils	989,178	1,158,052
Advertising & Publicity	7,905,460	22,169,383
Internet Connectivity	44,771,322	52,398,629

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30TH JUNE 2017

5(viii) Cont'd	2016/ 2017	2015/ 2016
<u>CENTRAL SERVICES</u>	<u>KSHS</u>	<u>KSHS</u>
Computer Charges	26,263	5,002,526
Misc other charges	243,150	99,666
Medical Expenses	156,873,839	221,878,016
Transport expenses	17,698,683	20,751,855
External travelling	9,781,538	11,790,554
Postal & telegrams expenses	4,124,506	2,442,451
Conference & seminars	4,478,853	2,561,983
Fungicides insecticides & Sprays	104,400	169,450
Publishing & printing	12,698,256	6,371,774
Purchase of Uniform & clothing	8,761,355	4,116,630
Purchase of Stationery	-	-
Rent and Rates	3,395,580	1,011,083
Contracted professional services	66,623,584	51,651,051
Hire of transport & machinery	6,000	12,000
Bank charges/interest	31,967,238	17,688,335
Staff Training expenses	14,155,665	23,221,202
Interest on KCB Letter of Credit	5,124,609	21,026,142
Interest on KCB Loan	317,127,677	374,641,592
Interest on loan - JKUAT Towers	238,993,781	213,578,718
Intellectual Property	110,000	
Interest on loan - Motor Vehicles	4,166,991	535,168
Legal Fees on LC	-	2,024,226
Interest on I&M Loan - Kigali Land	1,997,638	1,820,915
Legal Fees on I&M Loan - Kigali Land	154,000	-
	1,366,074,997	1,488,898,585

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30TH JUNE 2017

	2016/ 2017	2015/ 2016
	KSHS	KSHS
5(ix) <u>Council, Committee Expenses</u>		
Sitting Allowance	8,076,463	9,098,925
Chancellor's Expenses	2,387,601	1,803,291
Other Council Running Expenses	2,711,629	4,748,815
	<u>13,175,693</u>	<u>15,651,031</u>

6 FUNDS AND GRANTS

	Capital Fund Kshs.	Revaluation Reserve Kshs.	Accumulated Surplus Kshs.	TOTAL KSHS
Balance as at 30th June 2016	2,013,935,543	1,350,892,790	1,207,207,486	4,572,035,819
GoK Grant - Development	75,462,658			75,462,658
Donation - Keiyan, Lukuiyani Land	72,500,000	-		72,500,000
Surplus for the year			99,926,273	99,926,273
As at 30th June 2017	2,161,898,201	1,350,892,790	1,307,133,759	4,819,924,750

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30TH JUNE 2017

7 (a) <u>SPECIAL ACCOUNTS AND GRANTS</u>	<u>2016/ 2017</u>	<u>2015/ 2016</u>
UNDP-Entrepreneurship	89,764	89,764
Burnside Church Bursary Fund	7,065	7,065
JICA-3rd Country Training (Elec)	5,779	5,779
JKUAT/JACKSON Univ Projects	149,562	149,562
JICA Research	1,309,235	1,309,235
I.D.R.G. Research Grants	588,255	2,990
CIVIL ENGINEERING PROD	1,628,296	1,628,296
Dryland Sorghum & Millet Research	62,514	62,514
DAAD Scholarship	7,889,585	5,674,063
FAO Material (Research)	62,390	62,390
Incountry training	233,788	1,018,854
K.P.T.C/J.K.U.A.T Energy	1,962,516	1,964,676
Simple Tel. Device	737,332	737,332
Rehabilitation of Horticulture	99,740	99,740
Agricultural Research Fund	187,237	187,237
F.A.O. Project (Prof. Oniang'o)	617,095	617,095
A.R.F - KARI Research Project	9,596	9,596
Research Project Admin. Fund	1,806,010	1,806,010
3rd Country Training Horticulture	16,000	3,000
3rd Country Training- Civil Eng	4,980,915	1,459,542
LVEMP Project	2,897	2,897
Cassava Processing Project	43,853	43,853
Biological Tick Control	22,483	22,483
FAO Advocacy/Training Material	380,247	178,947
WHO/Danish Bilhaziasis	15,456	15,456
IEET VOUCHER PROJECT	6,413,603	6,413,603
Botany /Craft Agro-Foretry Project	-	-
Rockefeller Project Prof Imbuga	81,446	81,446
Ushepia workshop fund	266,756	266,756
Pesticide free beans project	325,328	325,328
Rockefeller Project Poverty Reduction	214,293	214,293
NUFU Funds -Norway	4,411,172	4,411,172
African vegetable Research project	5,572	5,572
Computerization Fund	100,603	100,603
CISCO	10,932,781	11,974,506
	45,659,163	40,951,654

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30TH JUNE 2017

7 (a) Cont'

<u>SPECIAL ACCOUNTS AND GRANTS</u>	<u>2016/2017</u>	<u>2015/2016</u>
<u>DETAILS</u>	<u>KSHS</u>	<u>KSHS</u>
Rockefeller-DR. Keriko	4,095	4,095
WAITRO	520,156	520,156
Inter-University C.E.A Prof Boga	1,648,108	1,661,108
IFS Grants	1,700,391	1,468,572
HIV AIDS	1,013,690	1,013,690
AICAD Research	1,548,697	1,646,784
International Institute for Trop Agr (IITA)	103,245	103,245
Roforum Project	242,843	242,843
VANILLA PROJECT	374,080	374,080
CHE RESEARCH PROJECT	1,213,043	1,213,043
Engineering Information Foundation	446,833	446,833
CFH Foundation Prof Anne Muigai	8,453	8,453
Pyrethrum post harvest handling project-Dr Gachan	717,964	826,250
GCHERA Conference Sponsorship	2,368,836	2,368,836
GTZ-Drought tolerant project	519,717	519,717
Rice Project-Prof.Kahangi	230,877	230,877
Indigenous Vegetables	2,067,440	3,567,440
Bio-Earn	4,450,187	5,333,531
KAPP	109,192	109,192
Kilimo Trust	102,015	304,015
NCST	22,721,136	19,685,331
AKTP- Dr. Waweru	651,366	651,366
EEAI	215,000	215,000
ASARECA	6,782,490	6,782,490
IDRC - Prof Elijah Ateka	352,646	352,646
Animal Health Information System	-	143,380
KNBS	30,348,128	30,348,128
Macaulay Institute	31,716	31,716
Pennsylvania State University	7,722	7,722
Kaduna Project	5,175,434	5,502,597
HIV Self Testing - Dr Kenneth Nguni	4,610,294	4,477,849
HORTINLEA -Local Coordination	352,532	352,532
HORTINLEA - Sub Project 1 (Dr Wesonga)	48,549	783,386
HORTINLEA - Sub Project 6 (Prof Mary Abukutsa)	96,317	10,467
HORTINLEA - Sub Project 4 (Dr Wesonga)	187,543	1,393,314
WaterCraft Project - Dr Kiplimo	1,586,150	
Kenya Coastal Devt. Project (KCDP) Research	127,575	427,575
Northern Corridor Intergation Project (Dr. Kiimani)	42,453,688	
BMGF	1,864,066	3,327,616
ECOTACT	13,000	13,000
HENNE project	841,476	841,476
Bournemouth University	4,579	4,579
RUFORUM	352,377	352,377
CASARD Project	202,600	202,600
Agribusiness Incubator Consortium	384,804	384,804
Sorgum KAPAP Project	86,061	86,061
Thika Highway Scoping Study -Prof Zachary	268,000	268,000
EA Universities Accession Project Kenet	36,874	
BEANS PROJECT-DR DANIEL SILA	11,942,989	-
KAPAP MANGO PROJECT-KARI	358,780	328,780
ILRI Project Esther Kahangi	17,375	17,375
GLOWS Project-Hannah Ngugi	48,170	48,170
ILRI Project Dr Daniel Sila	4,632	-
Baylor Project-Dr Mutwiwa	780,400	780,400
Storerrooms Project Dr Stephen Kimani	2,059,398	15,006
Bill and Melinda Gates Dr Amos Alakonya	863	863
Climate Change Impacts-Mark Boit	7,632	7,632
Computer Science for High Schools	10,000	10,000
JKUAT Institutional Respository	267	267
Fish Farming	72,866	72,866
Coconut Project - Dr Nyende	201,128	183,538
Ruforum -Dr John Bosco	543,475	1,136,075
DVL PLANT ANGRO-Prof Wariara Kariuki	12,663	132,663
	155,252,623	101,342,406

7 (a) Cont'

<u>SPECIAL ACCOUNTS AND GRANTS</u> <u>DETAILS</u>	<u>2016/ 2017</u> <u>KSHS</u>	<u>2015/ 2016</u> <u>KSHS</u>
Triple - L West Pokot - Dr Peter Mwangi	211,541	211,541
SOLAMACEAE GEMOMICS - Dr Willis Owino	889,535	4,156,351
Insurance Regulatory Authority - Dr Willy Muturi	312,848	312,848
JKUAT - KAPAP Training Curriculum - Nyori Mbugua	293,600	593,150
Renewable Energy for Food -Prof C. Kanali	1,127,731	4,774,871
GREENINSECT (DANIDA) -Dr Kinyuuru	3,094,629	4,492,308
Tropical Sweet Potato (ICGEB) - Dr S. Anami	1,154	141,312
Tsavo Project (WWF - EN) - Prof B. Mati	300,050	300,050
Pasufons - Prof Ngamau	1,223,065	65,349
ELEFANS - Prof. A. Makokha	23,150	38,316
JENGA - Dr. Stephen Diang'a	2,299,384	2,299,384
LIANE - Dr Stephen Diang'a	1,466,523	1,466,523
METEGA - Dr Hiram Ndiritu	5,227,741	3,869,335
HORTINLEA Sub Project 13 -Prof Losenge	70,065	252,655
Postharvest Studies of Tomato - Dr Willis Owino	8,479	458,479
Online Networking Platform - FED/2013/335-687	1,537,703	488,028
SRI Labour Assessment Project - Prof Bancy Mati	125	667,825
Student for Development Project - Pamela Owour	2,038,379	10,446,301
PPFP Project - Dr Kenneth Ngure	407,308	1,007,308
Bayer EA Efficacy Project - Dr Lusonge Turoop	18,000	10,000
JKUAT - REHAU Biogas Project - NITP	627,588	
HORTINLEA Sub Project 5 - Prof Glaston Kenji	197,359	209,028
JKUAT -Philips Insect Project (Dr John Kinyuru)	100	100
DIES Training - (JM Wesonga)	-	8,408
HORTINLEA - (SP4 Dr. R. Kasili)	21,482	215,962
Careg Toxoplasmosis - Prof Naomi Maina	6,100	6,100
Dupont/Danisco - Dr Daniel Sila	1,627,654	1,927,654
AERC - Dr Daniel Sila	-	398,981
Bee Diversity in Amboseli National Park - Prof Mary Gikungu	586,637	586,637
Fruiting Africa - Dr Willis Owino	154,197	13,224
Kenyan-German Centre for Data Analysis-DAAD Funded(P. C	806,629	333,140
RUFORUM-Sorghum Chicken Feed - Dr Willis Owino	1,034,917	1,976,590
RUFORUM-ECOVEG - Dr Lucy Kananu Murungi	292,269	1,557,573
AFF Climate Change Project (Prof John Bosco Njoro)	130,566	130,566
Schlumberger Shifting Foundation (Prof. Wesonga)	19,500	19,500
Training for Women Enterprise Fund	-	27,016
Improving Care to HIV Infected Adolescents - Dr. Mburugu	855,297	863,330
BioStatistics - VLIR-UOS	279,016	785,094
VICINAQUA Project - Prof Kahangi/Prof Kinyua	1,687,114	-
BAOFOOD Project (Prof.W.O. Owino)	665,369	-
Grasshoppers Project - Dr John Kinyuru	30,047	-
UN Women - Dr Sila	335,000	-
Food Fortification - Dr Sila	109,872,661	-
Cassava (FAO)- Prof Ateka	75,191	-
IMO-EU Project on Climate Mitigation- Dr. Kiplimo	12,258,068	-
3R Aid to Trade Kenya Project - Prof Wesonga	1,353,987	-
Upper Tana Nairobi Water Fund	4,720,000	-
Research and Projects Grants (Unidentified Credits)	18,366,830	18,814,586
	176,554,586	63,925,424
	377,466,373	206,219,484

Special accounts and grants relates to funds received by the University for specific research projects undertaken by researchers

The amount received and expended in Financial Year 2016/2017 with respect to Special Grants is captured in the Statement of Comprehensive Income in line with IPSAS 23 as shown below.

	<u>2016/ 2017</u>
Opening Balance (1st July)	188,577,963
Amounts Received in the Year	372,002,176
Amounts Receivable in the Year	20,354,377
Grants Expended in the Year	203,468,144
Closing Balance (30th June)	377,466,373

Research funds received and expended have been recognized in the statement of comprehensive income in the current year 2016/2017

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD 30TH JUNE 2017

Note 8

	PROPERTY, PLANT AND EQUIPMENT							TOTAL
	WORK IN PROGRESS	LAND	BUILDINGS	COMPUTER & EQUIPMENT	FURNITURE & FITTINGS	PLANT & MACHINERY	MOTOR VEHICLES	
Rates			2%	30%	10%	10%	20%	
COST/VALUATION								
As at 01.07.2016	882,867,377	4,120,175,031	3,972,083,276	659,117,210	242,231,468	430,021,700	212,931,615	10,519,427,677
Additions in the year	178,837,382	-	-	26,464,835	10,656,994	-	21,695,089	237,654,301
Transfers	72,500,000	-	-	-	-	-	-	-
As at 30.06.2017	1,134,204,759	4,047,675,031	3,972,083,276	685,582,045	252,888,462	430,021,700	234,626,705	10,757,081,978
DEPRECIATION								
Accumulated at 01.07.2016	-	-	308,590,327	472,604,745	100,404,010	224,026,561	132,390,893	1,238,016,535
Charge for the period 30.06.2017	-	-	73,269,859	63,893,190	15,248,445	20,599,514	20,447,162	193,458,170
Accumulated as at 30.06.2017	-	-	381,860,186	536,497,935	115,652,455	244,626,074	152,838,056	1,431,474,706
NBV(30.06.2017)	1,134,204,759	4,047,675,031	3,590,223,090	149,084,110	137,236,007	185,395,626	81,788,649	9,325,607,272
NBV(30.06.2016)	882,867,377	4,120,175,031	3,663,492,949	186,512,465	141,827,458	205,995,139	80,540,722	9,281,411,142

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD 30TH JUNE 2016

Note 8

	PROPERTY, PLANT AND EQUIPMENT							TOTAL
	WORK IN PROGRESS	LAND	BUILDINGS	COMPUTER & EQUIPMENT	FURNITURE & FITTINGS	PLANT & MACHINERY	MOTOR VEHICLES	
Rates			2%	30%	10%	10%	20%	
COST/VALUATION								
As at 01.07.2015	781,583,309.59	4,083,976,461.00	2,053,864,600.00	599,930,790.00	221,128,930.00	430,021,700.00	192,675,740.00	8,363,181,530.59
Additions in the year	2,055,701,313.87	-	-	59,186,419.73	21,102,537.51	-	20,255,875.42	2,156,246,146.53
Transfers	1,954,417,246.40	36,198,570.00	1,918,218,676.40	-	-	-	-	-
As at 30.06.2016	882,867,377.06	4,120,175,031.00	3,972,083,276.40	659,117,209.73	242,231,467.51	430,021,700.00	212,931,615.42	10,519,427,677.12
DEPRECIATION								
Accumulated at 01.07.2015	-	-	233,825,164.94	392,670,831.10	84,645,403.30	201,138,211.70	112,255,712.80	1,024,555,323.84
Charge for the period 30.06.2016	-	-	74,765,162.23	79,933,913.59	15,758,606.42	22,888,348.83	20,135,180.52	213,481,211.59
Accumulated as at 30.06.2016	-	-	308,590,327.17	472,604,744.69	100,404,009.72	224,026,560.53	132,390,893.32	1,238,016,535.43
NBV(30.06.2016)	882,867,377.06	4,120,175,031.00	3,663,492,949.23	186,512,465.04	141,827,457.79	205,995,139.47	80,540,722.10	9,281,411,141.69
NBV(30.06.2015)	781,583,309.59	4,083,976,461.00	1,820,039,435.06	207,259,958.90	136,483,526.70	228,883,488.30	80,420,027.20	7,338,646,206.75

8 Cont'd		WORK IN PROGRESS AS AT 30.06.2017			
DETAILS	BAL B/F	ADDITIONS	TRANSFERS	BALANCE	
	Kshs	Kshs	Kshs	Kshs	
Lecture Hall:	26,242,620	-	-	26,242,620	
Construction of BTC Lab - Main Campus	398,660	-	-	398,660	
Construction of Karen library extension	7,901,965	-	-	7,901,965	
Science Complex	252,642,286	13,134,581	-	265,776,867	
Ace Building-Karen	22,720,509	5,889,916	-	28,610,425	
Main Gate	24,361,525	-	-	24,361,525	
Main Gate-Nairobi Campus	12,236,166	-	-	12,236,166	
Extension of Admin block	215,686,880	-	-	215,686,880	
Swimming Pool	96,254,782	-	-	96,254,782	
NSC-Hosp Road	11,594,786	-	-	11,594,786	
Industrial & Tech. PA	37,660,819	-	-	37,660,819	
Construction of Lab-Nairobi Campus	632,062	-	-	632,062	
Construction of Jkuat Boundary Wall	50,698,799	-	-	50,698,799	
Construction of Prefabs	7,648,875	656,129	-	8,305,004	
Beautification Project	21,935,683	-	-	21,935,683	
BEEED-Hall 7 Road	21,562,157	-	-	21,562,157	
Construction of Classroom-Jkuat	13,180,736	-	-	13,180,736	
Procurement Stores	5,546,870	-	-	5,546,870	
Renovation of kitchen-Westlands	1,476,790	-	-	1,476,790	
Construction of New Common Lee Building	49,412,776	86,956,756	-	136,369,532	
Refurbishment of Engineering Workshop	3,067,631	-	-	3,067,631	
Kenyan Land	-	30,000,000	30,000,000	-	
Kakamega Land	-	42,500,000	42,500,000	-	
Buildings	882,867,377	178,837,382	72,500,000	1,134,204,759	
TOTAL					

8 Cont'd		WORK IN PROGRESS AS AT 30.06.2016			
DETAILS	BAL B/F	ADDITIONS	TRANSFERS	BALANCE	
	Kshs	Kshs	Kshs	Kshs	
Lecture Hall:	26,242,620	-	-	26,242,620	
Construction of BTC Lab - Main Campus	398,660	-	-	398,660	
Construction of Karen library extension	7,901,965	-	-	7,901,965	
Science Complex	251,442,790	1,199,496	-	252,642,286	
Ace Building-Karen	12,886,921	9,833,588	-	22,720,509	
Main Gate	24,361,525	-	-	24,361,525	
Main Gate-Nairobi Campus	12,236,166	-	-	12,236,166	
Extension of Admin block	185,560,490	30,126,390	-	215,686,880	
Swimming Pool	96,254,782	-	-	96,254,782	
NSC-Hosp Road	11,594,786	-	-	11,594,786	
Industrial & Tech. PA	37,660,819	-	-	37,660,819	
Construction of Lab-Nairobi Campus	632,062	-	-	632,062	
Construction of Jkuat Boundary Wall	50,698,799	-	-	50,698,799	
Construction of Prefabs	7,648,875	-	-	7,648,875	
Purchase of land -Kenyan road	-	1,478,570	(1,478,570)	-	
Purchase of land -Egithi	-	34,720,000	(34,720,000)	-	
Beautification Project	21,745,792	193,891	-	21,939,683	
BEEED-Hall 7 Road	17,616,981	3,945,176	-	21,562,157	
Construction of Classroom-Jkuat	13,180,736	-	-	13,180,736	
Procurement Stores	3,917,200	1,629,670	-	5,546,870	
Renovation of kitchen-Westlands	-	1,476,790	-	1,476,790	
Construction of New Common Lee Building	-	49,412,776	-	49,412,776	
Purchase of ICEA	-	1,918,218,676	(1,918,218,676)	-	
Refurbishment of Engineering Workshop	-	3,067,631	-	3,067,631	
TOTAL	781,583,310	2,055,701,314	(1,954,417,246)	882,867,377	

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30TH JUNE 2017

9		<u>INVENTORIES</u>	<u>2016/ 2017</u>	<u>2015/ 2016</u>
			KSHS	KSHS
50025	Finance store		21,403,526	24,226,507
50027	Health Centre		3,753,504	4,190,789
50029	Petrol pump		1,511,000	2,033,730
50030	Catering Store		2,346,484	2,076,640
50031	Taifa Laptop Store		141,871,884	279,293,976
50085	Bookshop Main Store		6,744,842	7,009,139
50194-01	Bookshop Shopfloor		2,097,099	2,306,233
50194-02	Karen Campus - Main store		11,085,989	8,695,326
	TOTAL		190,814,328	329,832,339
10		<u>TRADE AND OTHER RECEIVABLES</u>		
		<u>Receivables from Exchange Transactions</u>		
80022	Pension Scheme		772,327	771,308
80053	Versity Loan MOE		15,820	15,820
80065	H.F.C.K house loans		5,016	5,016
80070	NHC- Houseloan		10,085	10,085
80073	Staff Car Loan		-	934,957
80074	N.B.K. Car loans Defaulters		1,279,400	1,279,400
80079	Staff Housing Mortgage Scheme		1,093,546	1,093,546
80114	Staff Housing Co-op		2,678,109	2,678,109
80146	Pledges		1,900	900
80186	University bonus share		95,488	95,488
80261	Staff Loan Repayment - NBK Bank		1,300,503	1,300,503
80339	Equity Loan		67,714	67,714
80351	JKUAT Benevolent Fund		1,950,715	990,000
82090	3rd Country Training (A) (FT)		336,266	336,266
82137	Banana Project		1,668,255	1,668,255
82140	K.P.T.C/J.K.U.A.T Transm		680,452	680,452
82159	Walking Tractor Project		1,096,009	1,096,344
82165	Banana Tissue culture		602,050	346,378
82212	Botany/Craft Agroforestry Project		474,614	474,614
82213	AICAD		3,459,108	3,459,108
82216	Rockefeller Project Prof Kahangi		40,558	40,558
82231	American Chemical Society		109,717	109,717
82232	UNESCO Chair biotechnology		2,960	2,960
82235	ISOTOPIC NUCLEAR TECHNIQUES		233,449	233,449
82268	JKUAT World Bank Fund		1,012,635	1,012,635
82283	SABS Project Office		1,499,649	1,499,649
82308	AVOIR		381,265	381,265
82319	Pathfinder Project Itromid		146,706	146,706
82320	ICAP COLUMBIA PROJECT INTROMID		272,456	272,456
82324	Florida University project		44,682	44,682
82353	Sweet Potato Project		27,276	27,276
82369	FARA		98,020	98,020
82373	KMFRI Solar Tunnels		208,671	208,671
82379	Animal Health Information System		96,620	
82384	Farmer Voice Radio		288,700	288,700
82394	Association of African Universities Research		42,469	42,469
82396	JKUAT-SRISTI-USAID Project		1,352,079	1,705,662
82398	Applied Geoinformatics for Science		497,630	497,630
82403	HORTINLEA - Sub Project 2 (Prof Loseng)		781,421	664,336
82571	Biogas for fuel Project		1,150,275	1,150,275
82576	Centre for Health Solutions		1,290,211	1,965,124
82578	ANAFE Agribusiness Project		110,899	110,899
82581	EA Universities ACCESSION Project		-	33,757
82582	BEANS PROJECT - DR SILA		-	8,007
82586	ILRI Project - Dr Sila		-	39,868
82597	Jkuat - UNAM Video Conf. Project		960,827	960,827
82601	Grand Challenges Canada-Dr.Hellen Kutima		-	
82619	Hortinlea SP5 Dr Wesonga/Prof Z. Nganga		1,308,533	1,308,533
82628	DIES Training - JM Wesonga		588	
82625-565	JKUAT-REHAU Biogas Project		-	299,812
82632	AFRC - Dr Sila		2,129	-
82641	Training for Women Enterprise Fund		77,199	
85024	Dept Petty Cash		57,115	96,471
85888	Imprest Control		11,227,387	350,915
86008	Sundry Debtors		203,338,165	196,519,427
86009	Staff Benefits Debtor's Account		37,307,442	54,632,715
86010	Student debtors		2,123,773,510	1,295,650,504
86012	Jkuat Department Debtors Account		-	359,764
86052	Christian Union		86,600	86,600
86064	Guarantee Deposits		30,499,479	26,818,615
86221	Kenet Trust Fund		1,458,776	1,458,776
86277	JKUAT Enterprises		6,501,798	4,871,003
86337	Kimathi Institute		3,565,696	3,565,696
86338	Multimedia University		67,760	67,760
88082	Honours Donation List		-	340,000
88110	J.K.U.S.O		66,512,505	60,447,172
	SUB-TOTAL		2,514,021,235	1,675,723,625
	LESS			
90001	Provision for bad debts		201,121,699	134,057,890
	TOTAL		2,312,899,536	1,541,665,735

JOMO KENYATTA UNIVERSITY OF AGRICULTURE AND TECHNOLOGY

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30TH JUNE 2017

	2016/ 2017	2015/ 2016
	<u>KSHS</u>	<u>KSHS</u>
11(a) CASH AND BANK BALANCES		
KCB Fixed Deposit	10,597,245	9,898,909
3rd Country Training (A) Food	1,830,880	1,786,550
Cash in Hand - MPESA Paybill Number 951200	22,000	2,571,477
JKUAT Architecture Horizons DAT A/C (KCB)	62,881	
Bank A/C 3rd Country Training (Civil Eng.)	1,591,931	16,564,161
Bank A/C(KCB) AICAD	259,714	265,894
BANK A/C(KCB) Taifa Laptop	258,875	-
Bank A/C(KCB) SoDEL	-	905,023
Standard Chartered Bank- Student fees	-	4,454,159
KCB - Incountry Training	-	1,342,067
NBK - CISCO Ruiru	515,580	984,307
KCB - JKUAT IT	79,362	-
KCB -Bank A/C CoHES	335,965	-
KCB - SABS	105,424	279,134
NBK Student Bursary	18,494	23,729
Standard Chartered Bank A/C Karen Campus	1,056,553	787,074
KCB JKUAT Babaroa	324,159	330,329
KCB JKUAT Staff Housing Devt. Bank A/C	196,117	202,297
KCB Dollar A/C	362,521	1,694,078
Cooperative Bank -Fees A/c	2,406,224	1,102,148
NBK Fees A/C	1,008,005	3,470,248
BBK Students Fees Bank A/c	4,810,343	-
KCB SAJOREC	253,550	
KCB Nairobi CBD Bank A/c	454,738	572,854
BBK Nairobi CBD Bank account	746,252	4,967,647
JKUAT Industrial & Tech Park Bank A/C (KCB)	45,000	
JKUAT Endowment Fund Bank A/C	66,421	
Fundilima FOSA Bank Account	2,884,456	-
BBK Engineering bank Account	441,273	-
KCB Arusha Bank A/c	3,214,679	3,265,703
KCB EURO A/c	97,849,785	
COOP Bank IGU A/C	3,283,348	
Cooperative Bank - Kitale/Eldoret Campus A/c	-	474,054
Ecobank	388,662	400,762
Cooperative Bank - Kisii Campus A/c	-	2,005,512
KCB Kigali Bank A/c	230,680	8,345,123
Equity Bank Kakamega A/c	-	902,658
TOTAL	135,701,116	67,595,901
11(b) BANK OVERDRAFT		
KCB Main Bank A/c	269,765,125	62,599,580
Bank A/C (KCB) Project Current Account	3,495,589	3,675,428
Bank A/C (KCB) Payroll	41,835,584	25,813,536
BANK A/C(KCB) Taifa Laptop	-	158,871,939
KCB SoDEL Bank A/C	17,950,927	-
KCB Mombasa CBD A/c	11,182,150	12,053,026
KCB ADP Bank A/c	44,537,723	7,028,671
Standard bank-student fees	13,775,071	-
KCB - Incountry Training	83,216	-
KCB I.T Centre Bank A/C Ruiru	-	3,795,492
KCB -Bank A/C CoHES	-	2,822,251
Equity Fees A/C	3,266,676	6,492,192
BBK Students Fees Bank A/c	-	3,554,903
KCB Westlands Campus Bank A/c	2,707,487	2,923,724
KCB Karen Campus Bank A/C.	10,652,796	15,760,957
BBK SHRD Bank A/c	5,370,489	5,954,159
Fundilima FOSA	-	972,901
BBK COETEC Bank A/C	-	401,066
BBK Faculty of Agriculture Bank A/c	258,314	2,615,860
NBK Main A/c	5,743,279	6,461,274
Equity Kakamega A/c	4,406,592	-
Cooperative Bank Kisii Campus	3,504,831	-
I & M Kigali Bank A/c	69,367	69,367
TOTAL	438,605,214	321,866,326

12 NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30TH JUNE 2017**TRADE AND OTHER PAYABLES**

	2016/ 2017	2015/ 2016
	KSHS	KSHS
Imprest recoveries	1,748,677	1,029,415
Miscellaneous Deduction	878,082	878,082
Students activity fund	4,903,274	71,811,996
Deposit in Transits	6,652,466	7,452,466
Alumni Association	6,306,301	16,349,604
K.N.A. Loans	546	546
Insurance Claims	20,498,189	11,066,843
Pension Scheme Refunds	788,629	788,629
Students Deposit in Transit	-	183,500
Sundry Creditors	2,630,819,226	1,996,748,511
Barclays Bank-loan repayment	81,141	81,141
Cooperative loan Githurai	7,649	7,649
Jkuat Enterprise recovery	-	5,105
Customer Rent deposits- JKUAT Towers (31,638,782	23,732,813
JKUAT Wanachuo Investments	22,952,745	22,952,745
Provision for Leave Pay	26,180,918	26,180,918
	2,753,886,626	2,179,269,961

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30TH JUNE 2017**13. INVESTMENTS**

Investment in JKUAT Enterprise	2016/ 2017	2015/ 2016
Balance (Kshs)	25,644,004	25,644,004

JKUAT Enterprises is a wholly owned Company of JKUAT. The University put an initial capital investment up to Kshs.25.6 million.

Investment in Nissin Holdings	2016/ 2017	2015/ 2016
Balance (Kshs)	150,000,000	150,000,000

Nissin Holdings is a joint venture between JKUAT (30%) and NISSIN (70%).

14. BANK LOAN

	2016/ 2017	2015/ 2016
a) Current liability	382,454,980	201,541,235
b) Longterm liability	3,374,564,944	3,925,638,578
Total loan	3,757,019,924	4,127,179,813

The University has the above long term loans borrowed from Kenya Commercial Bank and from I & M Bank, Kigali as follows;

- KCB loan of Kshs.2.5b at 14% for a period of 10 years
- KCB loan of Kshs.1.89b at 16% for a period of 11 years
- I & M Rwanda loan of Kshs.6.8 b at 14% for a period of 3 years

15. BIOLOGICAL ASSETS

	2016/ 2017	2015/ 2016
Balance (Kshs)	6,236,632	9,730,000

Biological Assets in the university are valued on the basis of prevailing market rate less costs to sell as at the closure of the financial year

16. INTANGIBLE ASSET - KPMG AUDIT SOFTWARE

	2016/ 2017	2015/ 2016
Cost	692,284	1,384,568
Amortization on Intangible Assets - Software	692,284	692,284
As at 30th June	-	692,284

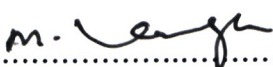
This represents the costs related to the acquisition of computer software and it's net amount after amortization. This software is amortized on straight line basis over three years.

I. PROGRESS ON FOLLOW UP OF AUDITOR RECOMMENDATIONS

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

Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Focal Point person to resolve the issue (Name and designation)	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
JKUAT/105/2015-2016/(2)	<p>1) Going concern: The current liabilities of Kshs.2,908,897,006 exceeded current assets of Kshs.1,939,093,974 in FY2015/2016 rendering the University technically insolvent.</p>	<ul style="list-style-type: none"> The university has continued to appeal for enhanced government funding and implementation of differentiated cost unit for the highly technical courses offered. The University has also sought and received concurrent from Ministry of Education and National Treasury to dispose off a fixed asset in order to offset some of the liabilities. 	<ul style="list-style-type: none"> Ministry of Education University management 	Ongoing	<ul style="list-style-type: none"> Budget Allocation in FY2017/2018 and 2018/2019 Procurement process in FY2017/18-2018/19
JKUAT/105/2015-2016/(2)	<p>2) Trade and other Receivables Seemingly inadequate provision of Kshs.134,057,890 of long standing debts.</p>	<ul style="list-style-type: none"> The receivables are made up of student fees debtors. Management has instituted measures to ensure all students pay fees and complete the programmes in the stated period. 	<ul style="list-style-type: none"> Registrar Academic Finance Officer 	Ongoing	<ul style="list-style-type: none"> Verification and analysis of student fee debtors in FY2017/18

SIGNED


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PROF. MABEL IMBUGA, PH.D.
VICE CHANCELLOR

SIGNED


.....

PROF. PAUL KANYARI NJUKI
CHAIRMAN OF THE UNIVERSITY COUNCIL

APPENDIX 1: UNIVERSITY LOANS SCHEDULE:

The University has the following long term loans borrowed from Kenya Commercial Bank and from I & M Bank, Kigali as follows;

Date	JKUAT TOWERS (ICEA) (AA16226JHPQP)		KENYATTA RD 1 & 2 (AA16226CGQ00)		MOTOR VEHICLE 1		MOTOR VEHICLE 2 (BUSES)		MOTOR VEHICLE 3 (PRADO)		KIGALI	
	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest
Balance 30.06.2016	1,869,643,462		2,225,018,309		7,060,421		12,200,000		12,295,089		13,257,621	
Jul-16	6,205,764	25,791,885	14,838,793	30,973,729	122,373	97,399	111,719	241,230				-
Aug-16	5,434,497	26,762,859	14,402,204	31,468,657	120,870	98,901	180,631	172,576	-	135,746	803,553	390,001
Sep-16	-	-	-	-	-	-	-	-	-	-	418,828	191,949
Oct-16	16,608,536	47,845,502	30,405,145	56,007,167	127,367	96,650	391,582	325,565	134,311	212,810	407,094	189,683
Nov-16	10,036,753	22,140,016	9,506,668	18,228,618	137,794	83,419	214,190	140,611	188,611	151,233	418,828	177,949
Dec-16	10,982,066	21,268,831	42,374,010	12,227,775	290,828	149,147	223,255	129,694	402,787	273,137	430,327	166,450
Jan-17	9,686,836	22,331,852	-	28,210,127	-	-	217,167	136,013	-	-	430,893	165,884
Feb-17	-	-	-	-	-	-	-	-	-	-	437,016	159,762
Mar-17	23,833,547	8,753,208	2,569,758	82,795	297,080	150,989	227,968	131,479	411,256	277,103	458,085	138,692
Apr-17	31,997,648	483,910	52,415,461	70,910,191	151,144	69,929	352,949	5,338	209,235	130,393	-	147,044
May-17	10,751,203	21,679,544	20,642,047	27,043,846	152,883	67,467	465,328	244,747	211,643	126,875	-	136,116
Jun-17	22,576,780	41,936,175	36,082,389	41,974,771	306,755	137,268	234,884	121,546	422,416	259,726	993,225	134,108
TOTAL	148,113,630	238,993,780	223,236,476	317,127,677	1,707,093	951,169	2,619,673	1,648,799	1,980,258	1,567,023	4,797,849	1,997,638

APPENDIX 2: INTER-ENTITY TRANSFERS

JOMO KENYATTA UNIVERSITY OF AGRICULTURE & TECHNOLOGY

Breakdown of Transfers from the Ministry of Education

Financial Year 2016/2017

A	Recurrent Grants	Bank Statement Date	Amount (Kshs)	FY to which the amounts relate
		10.08.2016	116,668,470.90	2016/17
		26.08.2016	116,668,470.90	2016/17
		30.09.2016	116,668,470.90	2016/17
		09.11.2016	116,668,470.90	2016/17
		13.12.2016	116,668,470.90	2016/17
		30.12.2016	116,668,470.90	2016/17
		09.02.2017	116,668,470.90	2016/17
		15.03.2017	116,668,470.90	2016/17
		07.04.2017	116,668,470.90	2016/17
		02.05.2017	116,668,470.90	2016/17
		02.06.2017	116,668,470.90	2016/17
		27.06.2017	116,668,470.90	2016/17
		TOTAL	1,400,021,649.70	
B	Development Grants			
		30.09.2016	31,253,853.00	2016/17
		07.12.2016	31,477,470.00	2016/17
		16.06.2017	12,731,329.00	2016/17
		TOTAL	75,462,658.00	

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

Sign:



CPA TITUS WASIKE

FINANCE OFFICER

JKUAT

Sign:



for MR LABAN KIMEMIA

CHIEF ACCOUNTANT

MINISTRY OF EDUCATION