





**Annual Report & Financial
Statements for the Year Ended
30th June, 2017**

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

Laikipia University is ISO 9001:2008 Certified



 THE NATIONAL ASSEMBLY PAPERS LAID	
DATE: 01 AUG 2019	DAY: TUESDAY
TABLED BY:	MAJORITY LEADER
CLERK-AT THE-TABLE:	

Annual Report & Financial
Statements for the Year Ended
30th June, 2017

PARLIAMENT
OF KENYA
LIBRARY

Table of Contents

Vision and Mission	3
Key Entity Information	4
Members of the University Council	5
University Management Board	8
Core Business of Laikipia University	10
Statement from the Chairman of Council	11
Statement from the Vice Chancellor	12
Corporate Governance and Ethics	14
Corporate Social Responsibility Statement	16
Report of the Council	17
Statement of Council Members' Responsibilities on the Financial Statements	18
Report of the Auditor General	19
Statement of Financial Performance	23
Statement of Financial Position as At 30 th June, 2017	24
Statement of Changes In Reserves	25
Statement of Cashflow	26
Statement of Comparison of Budget and Actual Amounts	27
Notes to the Financial Statements	29

Vision and Mission

Our Corporate Vision

A University for valued transformation of society

Our Corporate Mission

To serve the students and society through research, education scholarship, training, outreach and consultancy

Our Core values

The key values that underpin what Laikipia University does are:

- ❖ Quality
- ❖ Integrity
- ❖ Respect

Key Entity Information

A) Background Information

Laikipia University is a body corporate established through the Laikipia University Charter of 19th February 2013.

b) Principal Activities

The principal activity of the University as stipulated in the Laikipia University Charter of 19th February 2013. Part II Sec 7(1) of the Charter is to provide directly, or in collaboration with other institutions, integration of teaching, research and effective application of knowledge and skills.

c) Entity Headquarters

Laikipia University
P. O. Box 1100
Nyahururu
Along Nyahururu-Nakuru Road

d) Entity Contacts

TEL: +254-(0) 20 2696596;
Cell: +254 713-552761/ (0)736-299961
www.laikipia.ac.ke

e) Laikipia University Bankers

- (i) Kenya Commercial Bank
Nyahururu Branch
P.O.Box 64-20300
NYAHURURU
- (ii) Equity Bank
Nyahururu Branch
P.O. Box 1048-20300
NYAHURURU

- (ii) Co-operative Bank of Kenya
Nyahururu Branch
P.O.Box 307-20300
NYAHURURU

- (iii) Kenya Commercial Bank Nakuru
Branch
P.O. Box 18-20100
NAKURU

- (iv) Co-operative Bank of Kenya
Nakuru Branch
P.O.Box 2982-20100
NAKURU

g) Independent Auditors

Office of the Auditor General
Kenya National Audit Office
Anniversary Towers, University Way
P.O.Box30084-00100
NAIROBI






h) Principal Legal Adviser

The Attorney General
State Law Office
Harambee Avenue
P.O. Box 40112
City Square 00200
NAIROBI

LOCATION - Laikipia University is located 11KMs from Nyahururu along the Nyahururu-Nakuru Road.

Members of the University Council




S/ No	Name & Photo	Date of Birth	Date of Appointment	Qualifications	Experience
1.	 Dr. Ken Nyaundi (Chairman)	3/1/1967	10/03/2017	<ul style="list-style-type: none"> ❖ PhD- University of Cape Town (SA) ❖ LLM- University of Cape Town (SA) ❖ LLB- UoN 	<ul style="list-style-type: none"> ➤ Advocate, Marende and Nyaundi Associate
2.	 Ms. Ruth Adhiambo Okowa (Member)	4/2/1971	10/03/2017	<ul style="list-style-type: none"> ❖ BA (Demography) - UoN ❖ MA (Demography) - UoN 	<ul style="list-style-type: none"> ➤ Demograhger ➤ CEO – Living Water International
3.	 Mr. Moses Siruri Marwa (Member)	15/2/1984	10/03/2017	<ul style="list-style-type: none"> ❖ MSc-HRM, JKUAT ❖ BSc (Agricultural Education and Extension) UoN 	<ul style="list-style-type: none"> ❖ Corporate Relationship Manager- Manufacturing Sector KCB ❖ Corporate Banker (Managerial Level), KCB Corporate Division ❖ Lecturer and Marketer (Skynet Business College Nairobi)
4.	 Ms. Susan Amlango Aletia (Member)	19/8/1974	10/03/2017	<ul style="list-style-type: none"> ❖ Masters of Public Health (Disaster Management and Preparedness) Moi University. ❖ Bachelor of Education Science, Moi University. ❖ Diploma in Agricultural Education and Extension, Egerton University. 	<ul style="list-style-type: none"> ➤ UN Women, Gender Advisor to Turkana County Government ➤ Monitoring Specialist, Consultant, DFID; Hunger Safety Net Project ➤ Project Officer DFID; Hunger Safety Net Project ➤ Emergency Project Officer – UNICEF Kenya

5.	 Mr. David Namu Kariuki (Member)	15/8/1966	10/03/2017	<ul style="list-style-type: none"> ❖ MBA(Strategic Mgt)-, UoN ❖ Bachelor of Commerce, UoN ❖ CPA(K) ❖ CPS(K) 	<ul style="list-style-type: none"> ❖ Finance and Admin Director, Assured Management Solutions Ltd Financial ❖ Controller, Agro-Chemicals and Food Company Ltd ❖ Nairobi Safari Club and Sarova Hotels
6.	 Ms. Pauline Ngari (Member)	4/6/1962	10/03/2017	<ul style="list-style-type: none"> ❖ MBA (Entrepreneurship), JKUAT ❖ BCOM (Marketing), Egerton 	<ul style="list-style-type: none"> ➢ Community Development Specialist ➢ CEO – Hand in Hand Eastern Africa
7.	 Mr. Moses M. Gakuru (Rep. PS National Treasury)	4/1/1959	14/10/2015	<ul style="list-style-type: none"> ❖ MBA (KeMU) ❖ BBA (KeMU) ❖ CPA(K) ❖ Dip. in Project Management (KIM) 	<ul style="list-style-type: none"> ➢ Chief Accountant - National Treasury ➢ Head of Accounting (Baringo County Government) ➢ Programme Financial Expert, CKDAP/IFAD PROJECT
8.	 Mr. Milton Njuki (Rep. PS Ministry of Education)	4/1/1973	27/02/2013	<ul style="list-style-type: none"> ❖ MBA Strategic Mgt ❖ Bed. Economics and Geography 	<ul style="list-style-type: none"> ➢ Ag.CEO, Universities Funding Board ➢ Assistant Director -University Education(Ministry of Education) ➢ Senior Lecturer, Kenya Institute of Surveying & Mapping ➢ Senior Graduate Teaching (TSC)
9.	 Prof. Francis K. Lelo (VC/Council Secretary)	12/4/1952	20/05/2013	<ul style="list-style-type: none"> ❖ Ph. D. (Clark University- USA) ❖ MES (York university) ❖ Bed (UoN) 	<ul style="list-style-type: none"> ➢ Principal Laikipia University College ➢ Principal Laikipia Campus ➢ Ag. Principal, Kisii University College ➢ Dean – Environment & Resources Dev. (Egerton) ➢ CoD – Environmental science (Egerton) ➢ Coordinator, Participatory Rural Appraisal (PRA) ➢ Consultant, UNDP/FAO

University Council Committees

Name of Committee	Committee Members
Finance, Investment & General Purposes	<ol style="list-style-type: none"> 1. Ms. Ruth Adhiambo Okowa 2. Mr. Moses Siruri Marwa 3. Ms. Susan Aletia 4. Mr. Milton Njuki 5. Prof. Francis K. Lelo, PhD. (Vice Chancellor/ Council Secretary)
Audit, Governance & Risk Management	<ol style="list-style-type: none"> 1. Mr. David Namu Kariuki 2. Ms. Pauline Ngari 3. Mr. Moses M. Gakuru
Human Resource Management	<ol style="list-style-type: none"> 1. Ms. Ruth Adhiambo Okowa 2. Mr. Moses Siruri Marwa 3. Ms. Susan Aletia 4. Mr. David Namu Kariuki 5. Ms. Pauline Ngari 6. Mr. Moses M. Gakuru 7. Mr. Milton Njuki 8. Prof. Francis K. Lelo, PhD. (Vice Chancellor/ Council Secretary)
Academic & Research	<ol style="list-style-type: none"> 1. Ms. Ruth Adhiambo Okowa 2. Mr. Moses Siruri Marwa 3. Ms. Susan Aletia 4. Mr. David Namu Kariuki 5. Ms. Pauline Ngari 6. Mr. Moses M. Gakuru 7. Mr. Milton Njuki 8. Prof. Francis K. Lelo, PhD. (Vice Chancellor/ Council Secretary)

University Management Board

S/ No	Name	Date of Birth	Date of Appointment	Qualifications	Experience
1.	 Prof. Francis K. Lelo, PhD. Vice-Chancellor	1952	20.05.2013	<ul style="list-style-type: none"> ❖ PhD. (Clark University- USA) ❖ MES (York university- Canada) ❖ Bed (UoN) 	<ul style="list-style-type: none"> ➤ Principal Laikipia University College ➤ Principal Laikipia Campus ➤ Ag. Principal, Kisii University College ➤ Dean – Environment & Resources Dev. (Egerton) ➤ CoD – Environmental science (Egerton) ➤ Coordinator, Participatory Rural Appraisal (PRA) ➤ Consultant, UNDP/FAO
2.	 Prof. L. Wanjiku Chiuri, PhD Deputy Vice-Chancellor (Academic & Research)	1958	25.11.2015	<ul style="list-style-type: none"> ❖ PhD. (University of Waterloo, Canada) ❖ MES, (York University – Canada) ❖ BA – Sociology (UoN) 	<ul style="list-style-type: none"> ➤ Associate Professor (Egerton) ➤ Dean-Faculty of Education (Egerton – Laikipia Campus College) ➤ CoD – Curriculum & Instruction Department (Egerton – Laikipia Campus College) ➤ Lecturer– Curriculum & Instruction Department (Egerton – Laikipia Campus College) ➤ Lecturer Development Studies (Kenyatta University)
3.	 Prof. Isaac S. Kosgey, PhD. Deputy Vice-Chancellor (Administration, Finance & Development)	1961	18.06.2013	<ul style="list-style-type: none"> ❖ PhD. (Wageningen, The Netherlands) ❖ MSc.(Wageningen, The Netherlands) ❖ MBA (Kenyatta) ❖ BSc. (Egerton) ❖ Dip. Animal Husbandry (Egerton) ❖ Dip. Law (MKU) 	<ul style="list-style-type: none"> ➤ Professor (Egerton) ➤ Deputy Principal- APD, Laikipia Univ. College ➤ Dean Faculty of Agriculture (Egerton) ➤ Chair, Animal Sciences Department (Egerton) ➤ Visiting Professor, Hohenheim University-Germany ➤ Livestock Officer II – Nyeri District

4.	 Dr. Raphael Kiugu Registrar (Academics Affairs)	1962	16/05/2011	<ul style="list-style-type: none"> ❖ Ph.D. (State Univ. –New York) ❖ MSc. Educ. Administration & Policy (Univ. of New York) ❖ Med. Econ & Planning (Kenyatta University) ❖ Bed. (Kenyatta University) 	<ul style="list-style-type: none"> ➤ Registrar AA (African Nazarene Univ.) ➤ Lecturer; (UoN) ➤ Assistant Lecturer (Egerton)
5.	 Mr. Joseph K. Kairu Registrar (Administration)	1960	16/05/2011	<ul style="list-style-type: none"> ❖ MBA (Egerton) ❖ BA (UoN) 	<ul style="list-style-type: none"> ➤ Deputy Registrar Admin. (Egerton) ➤ Human Resource Officer (Civil Service)
6.	 Ms. Sophia W. Muchiri Finance Officer	1973	16/05/2011	<ul style="list-style-type: none"> ❖ CPA(K) ❖ MBA (Kenya Methodist University) ❖ BBA (Kenya Methodist University) 	<ul style="list-style-type: none"> ➤ Ag. Finance Officer (Kimathi University College) ➤ Ag. Deputy Finance Officer (Kimathi University College) ➤ Senior Accountant (JKUAT)

Core Business of Laikipia University

The main objectives of the University are stipulated in the Laikipia University Charter of 19th February 2013. Part II Sec 7(1) of the Charter provides the functions and objectives of the University which are;

- a) To provide directly, or in collaboration with other institutions, integration of teaching, research and effective application of knowledge and skills;
- b) Participate in scholarly work, discovery, transmission, utilization, preservation and enhancement of knowledge with a view to stimulating intellectual participation of students in the economic, social, cultural, scientific and technological development of Kenya;
- c) Establish centers of excellence, colleges, schools, faculties, institutes, departments, and other resource and administrative units as may be appropriate;
- d) Facilitate student and staff mobility between programmes of study at local, regional, and international universities and institutions;
- e) Participate in commercial ventures and activities that promote the objectives of the institutions;
- f) Foster the general welfare of staff and students;
- g) Develop and provide educational, cultural and professional services that foster corporate social responsibility in the University and collaborating institutions;
- h) Promote equity and social justice;
- i) Offer continuing professional development opportunities;
- j) Conduct examinations for and to grant and confer such academic awards as may be provided for in the Act and the Statutes;
- k) Establish a High Altitude International Sports Training Centre for training, teaching, research, and recreation;
- l) Contribute to sustainable development of Arid, and Semi-Arid Lands resources of Kenya;
- m) Engage in action research, extension and outreach; and
- n) Establish an Information, Communication and Technology hub in teaching, research, training, outreach and consultancy in the region and globally.

Statement from the Chairman of Council

I feel honored to present to our stakeholders the Annual Report and Financial Statements of Laikipia University for the financial year ended 30th June, 2017. This annual report helps us to reflect on our performance for the year giving us an opportunity to celebrate our success and at the same time identify areas of improvement.

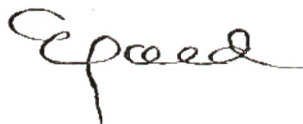
The demand for higher education in the country has continued to rise prompting the University to continually review its programmes in line with the market demand. The University will continue to reposition its main brands within the context of market requirements, customer satisfaction and cost rationalization. The need to meet this objective over years has remained the central focus of the University Council. Our current management focuses on expansion of the University while maintaining quality in line with our vision. In line with the GOK policy, the University has increased access to higher education through additional admission of students. This in effect has led to increase in operation costs and need for more physical facilities.

Future Outlook

Going forward, we will continue our growth strategy by expanding our business to transform the society. We will continue to support our satellite campuses to increase students' enrollment. In this regard, the University will continue to expand its facilities to accommodate more students.

Conclusion

The University Council will continue working closely with University Management Board especially in the next strategic planning cycle. The University will be operating on a five-year strategic plan that will be reviewed after every five years. The current five years plan will come to an end in the year 2021 and the Council is bracing itself for the next planning cycle that we believe will take Laikipia University to the next level of academic excellence and continue playing a significant role in serving society.



Dr. Ken Nyaundi, Ph.D

CHAIRMAN UNIVERSITY COUNCIL

Statement from the Vice Chancellor

I am delighted to see our institution come to the end of another successful financial year. Just like any other year, the year 2016/2017 F.Y. had its own unique challenges but with dedicated members of the University Council, the Management Board and the entire staff of the University, the challenges were surmountable.

The 2016/2017 Annual Report captures the events of the year including physical infrastructure development and finances. The Report reflects the commitment and determination of the University to achieve world class excellence, despite the hurdles occasioned by economic down turn and its impact on recurrent funding from the Exchequer.

The University continued to offer education and training to meet the needs and aspirations of the Kenyan people, as evident in the highlights of academic programmes undertaken in the Schools and units of the University. Our programmes remain critical in the wake of global economic crisis that threatens the socio-economic growth of any developing nation.

Further, as part of world trends and practices, the Report carries detailed information on the University's financial performance during the year, providing a summary of the state of health of the University as a corporate entity. The Report notes that while there was prudent management of the human, material and financial resources; the loyalty and commitment of staff was critical in enabling the University to discharge its mandate.

Financial Review

The University relies heavily on the Government financial support in form of capitation. This is mainly because over seventy percent of our students are Government supported and their direct fees are still low compared to the differentiated unit costs for the various programmes. In expansion of teaching facilities, the Government had promised to give Ksh. 268.44 million in 2016/2017 F.Y. However, this was decreased to Ksh. 211,731,925. The available funds have been used in the construction of New Library and Administration block, Tuition block, University Gate and conversion of Classroom (C2) to Science Laboratories. These facilities will provide the much needed lecture rooms for the smooth running of the institution. The University also received a total of Ksh. 724,205,154 from the Government to finance its recurrent expenditure. This included Ksh. 150,167,540 to implement the 2013-2017 Collective Bargaining Agreement (CBA) in June, 2017

A-I-A decreased from Ksh. 519,753,845 in 2015/2016 to Ksh. 502,824,314 in 2016/2017. Subsequently, the deficit reduced from Ksh. 49,113,129 in 2015/2016 to Ksh. 30,334,576 in 2016/2017 financial year.

Business Environment

The University is currently in the process of upgrading itself to be a state-of-the-art institution. In line with this, the Vision 2030 Flagship is on-going and several buildings are under construction to accommodate more students and staff. The University's key undertakings include:

- ❖ **Tuition Blocks:** These are expected to provide more spaces to students once they are complete
- ❖ **Administration and Library Block:** The Administration and new Library block is currently under construction. On completion, the university central offices will be relocated to this state-of-the-art building. The library will also be relocated there.
- ❖ **Science Laboratories:** The University is currently facing challenges in Science based courses. Conversion of C2 to Science Laboratories is in progress as one of the high priority projects.

Appreciation

I take this opportunity to thank the University Council for their support to the University. I would also like to thank the Government for its support throughout the year under review and also appeal for more support especially for purposes of establishing suitable facilities required by the University. Lastly, I would like to thank staff and students for their continued cooperation in this difficult task of building the University.



Prof. Francis K. Lelo, Ph.D

VICE- CHANCELLOR

Corporate Governance and Ethics

The University 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 standard of corporate governance, academic standards and ethics. Accordingly the council attaches great importance to the generally accepted corporate governance practices and the need to conduct the activities and operations of the University with integrity, quality and respect.

University Council

The University Council defines the University strategies, objectives and values and ensures that procedures and practices are set in place to ensure effective control over financial, strategic, operations and compliance issues.

Council Meetings

The Council holds meetings on a regular basis while special meetings are called when it is deemed necessary to do so.

Committees of the Council

The Council has set up four principal committees and one adhoc committee which meet under well defined terms of references as set up in Laikipia University Statutes. This is intended to facilitate efficient decision making of the Council. The committees are; Finance Investment & General Purposes, Audit, Governance and Risk Management, Human Resource Management, Academic Research and Sealing, Staff Appointment's and Appeals and Grievances Handling which is an adhoc committee

Audit, Governance and Risk Management Committee

The committee assists the University Council to fulfil its corporate governance responsibilities and in particular to:

- ❖ Review financial statements before submission to the University Council focusing on changes of accounting policies, compliance with the International Public Sector Accounting Standards and legal requirements and the going concern assumption.
- ❖ Strengthen the effectiveness of the internal audit function.
- ❖ Maintain oversight on internal control systems
- ❖ Review and make recommendations regarding the University's budgets, financial plans and risk management.

Finance, Investment and General Purposes Committee of Council

Laikipia University has defined procedures and financial controls to ensure the reporting of complete and accurate accounting information. These cover systems for obtaining authority for all transactions and ensuring compliance with the laws and regulations

that have significant financial implications. In reviewing the effectiveness of the internal control system, the University Council takes into account the results of work carried out to audit and review the University activities. The University Council also considers the management accounts for each quarter, reports from each council committee, annual budgetary proposals, major issues and strategic opportunities for the University.

Human Resource Management Committee

The Committee reviews and recommends on issues relating to training needs, staff recruitments, promotions, discipline, and staff welfare.

Academic and Research Committee

The Committee reviews and recommends on issues relating to academic and research. The committee provides direction on scholarly work; establish centres of excellence, schools, faculties, institutes and departments as may be appropriate.

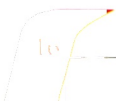
Corporate Social Responsibility Statement

Laikipia University's Corporate social responsibility is based on the fact that, as part of the Kenyan society, we have responsibilities that go beyond our legal obligations for the benefit of the society at large. Our corporate social responsibility (CSR) entails community engagement, supporting community activities, responding to emerging challenges, donating to charities, helping the needy and application of ethical conduct and participating in matters of topical national interest in Kenya. Our CSR involves building relationships and partnerships and working together with organizations that we believe advance the wellbeing of Kenyans.

Laikipia University endeavors to support the less fortunate students in the University. The University awarded Ksh. 479,000 as bursaries to the needy students during the year.

In 2016/2017, a total of Ksh 830,400 was also paid under the work study programme to assist the needy students.

The environmental committee organized tree planting during the environmental conservation week in various primary schools in the neighborhood.



Report of the Council

The University Council submits this report together with the audited financial statements for the year ended June 30, 2016 which show the state of the Laikipia University's affairs.

a. Principal activities

The principal activities of Laikipia University is teaching, training, research and outreach

b. Results for the Year

The results of Laikipia University for the year ended June 30, 2017 are set out on pages 23-26.

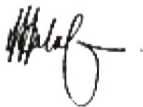
c. Directors

The members of the University Council who served during the year are shown on page 4.

d. Auditors

The Auditor General is responsible for the statutory audit of Laikipia University in accordance with the Section 15(2) of the Public Audit Act, 2003.

By Order of the Council



Vice Chancellor

Laikipia University

Date: 28th september 2017

Statement of Council Members' Responsibilities on the Financial Statements

The Laikipia University Council members are responsible for the preparation and presentation of the financial statements set out on pages 23 to 26 which comprise the statement of financial position for the year ended 30th June, 2017, statement of financial performance, statement of cash flow, statement of changes in reserves for the year then ended, and a summary of significant accounting policies and other explanatory notes.

The Council members responsibility includes: determining that the basis of accounting described in note 1, is an acceptable basis for preparing and presenting the financial statements in the circumstances; designing, implementing and maintaining internal control relevant to the preparation and presentation of these financial statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

The Laikipia University Charter requires the University Council to prepare statements for each financial year, which give a true and fair view of the state of affairs of the University at the end of the financial year and its operating results for that year. It also requires the council to ensure that the University keeps proper accounting records, which disclose, with reasonable accuracy, the financial position of the University. The University Council is also responsible for safeguarding the Assets of the University.

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

The University Council further accepts responsibility for the maintenance of accounting records, which may be relied upon in the preparation of financial statement, as well as adequate systems of Internal Financial Controls.

The Council has made an assessment of the University's ability to continue as a going concern and nothing has come to their attention to indicate that the University will not remain a going concern for at least the next twelve months from the date of this statement.

Approval of the Financial Statements

The financial statements, as indicated above were approved by the University Council and were signed on its behalf by



Dr. Ken Nyaundi, Ph.D
CHAIRMAN OF COUNCIL



Prof. Francis K. Lelo, Ph.D
VICE- CHANCELLOR

Report of the Auditor General

REPUBLIC OF KENYA

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



P.O. Box 30084-00100
NAIROBI

OFFICE OF THE AUDITOR-GENERAL

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

REPORT ON THE FINANCIAL STATEMENTS

Qualified Opinion

I have audited the accompanying financial statements of Laikipia University set out on pages 16 to 44, which comprise the statement of financial performance as at 30 June 2017, statement of financial position, Statement of assets, Statement of changes in reserves, Statement of cash flows, statement of comparisons of budgets and actuals amount for the year ended, and a summary of significant accounting policies and other explanatory information in accordance with the provisions of Article 229 of the Constitution of Kenya and Section 35 of the Public Audit Act, 2015. I have obtained all the information and explanations which, to the best of my knowledge and belief, were necessary for the purpose of the audit.

In my opinion, except for the effects of the matter described in the Basis for Qualified Opinion section of my report, the financial statements present fairly, in all material respects, the financial position of Laikipia University 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 Reporting Standards (Accrual Basis) and comply with the Universities Act, 2012.

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

Basis for Qualified Opinion

1. Property, Plant and Equipment

As previously reported, property plant and equipment balance of Kshs.1,379,163,790 as at 30 June 2017 included an amount of Kshs.194,835,000 representing the value of eighteen (18) parcels of land measuring a total of 949,519 acres. According to the ownership documents presented for audit verification, sixteen (16) of these parcels of land are still registered in the name of Egerton University, while ownership documents for other two namely, land reference number 8808/01 and 2912/12 were under process by the authorities. Further, the University was allocated five (5) acres of land by the defunct Municipal Council of Nyahururu, 100 acres by the defunct Town Council of Rumuruti and 600 acres by the defunct County Council of Samburu. However, ownership documents

for these five (5) parcels of land were not made available for audit verification and these values have not been determined nor included in the financial statements.

In the circumstances, it has not been possible to confirm the ownership, accuracy and completeness of the plant, property and equipment valued at Kshs.1,379,163,790 as at 30 June 2017.

2. Trade and other receivables

The statements of financial position as at 30 June 2017 reflects receivables from exchange transactions totaling Kshs.203,923,361 net of provision for bad and doubtful debts of Kshs.22,658,151 as detailed under note 19(i) to the financial statements. However, the provision seem inadequate since debts amounting to Kshs.71,790,038 consisting of Kshs.1,862,823 and Kshs.69,927,215 for other debtors and uncollected income from collaboration with colleges debt respectively, have remained outstanding for a considerable long period of time. Consequently, the existence, valuation and recoverability of the whole of the receivables from exchanges transactions balance of Kshs.203,923,361 as at 30 June 2017 is doubtful.

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

Key Audit Matters

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

Other matter

1. Going Concern

During the financial year 2016/2017, the University recorded a loss of Kshs.30,334,356 compared to deficit of Kshs.49,113,129 reported in 2015/2016, which increased accumulated losses from Kshs.221,618,228 to Kshs.251,952,804 as at 30 June 2017. Further current liabilities balance of Kshs.582,235,564 as at 30 June 2017 exceeds total current assets balance of Kshs.464,375,254 by a negative working capital of Kshs.117,860,310, an indication that the University may be experiencing difficulties in settling maturing obligations as they fall due. However, the financial statements have been prepared on a going concern basis on assumption that the University will continue to receive financial support from the Government and creditors.

2. Delay in Implementation of ERP software

As reported in the previous year, the University entered into a contract with a consulting firm, World System Limited, to develop an Enterprise Resource Planning (ERP) software at a cost of Kshs.14,949,200. The University paid Kshs.9,329,200 in 2013/2014 financial year which was 62% of the contract sum and additional amount of Kshs.84,000 was paid during the financial year 2016/2017. The implementation period was to run for one year starting 22 May 2012 to 22 May 2013, yet the project is yet to be completed five years after the lapse of the contract period. According to the contract document signed between Laikipia University and World Systems Limited, the agreement was to have five (5) developers working on the ERP but only two (2) developers were appointed by the consultants to develop the system. Further, information available indicate that the University is in the process of terminating the contract. In the circumstances, implementation of the ERP software is uncertain and it is doubtful whether the University will obtain value-for-money from the project whose completion has been delayed for too long.

Responsibilities of Management and those charged with Governance for the Financial Statements

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

In preparing the financial statements, management is responsible for assessing the University's ability to continue as a going concern, disclosing, as applicable, matters related to 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 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 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

15 October 2018

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

REVENUE	Notes	2016/2017 (30.06.2017) Kshs.	2015/2016 (30.06.2016) Kshs.
Revenue from Non-exchange Transactions			
Government Grants (Recurrent)	3	724,205,154	547,335,522
Grants & Donations	4	0	16,500
		724,205,154	547,352,022
Revenue from Exchange Transactions			
Students' Fees	5	459,342,103	457,695,249
Other Incomes	6	43,482,212	62,058,596
		502,824,314	519,753,845
Total Revenue		1,227,029,468	1,067,105,866
EXPENDITURE			
Staff Costs	7	958,164,937	766,420,213
Administrative Expenses	8	91,583,780	118,466,546
Academic & Research Expenses	9	157,936,812	174,830,510
Students Welfare	10	16,147,456	12,286,294
Council Expenses	11	9,104,372	8,979,747
Finance Charge	12	1,862,004	1,862,025
Depreciation	13	22,441,969	24,467,732
Provision for Bad Debts	14	1,311,091	6,693,066
Total		1,258,552,421	1,114,006,132
Operating Surplus/(Deficit)		(31,522,953)	(46,900,265)
Other Service Units			
Farm Profit/(Loss)	15	3,156,595	250,186
Catering Profit/(Loss)	16	(1,931,741)	(2,271,855)
Bookshop Profit/(Loss)	17	(36,477)	(191,196)
Total Other Service Units		1,188,376	(2,212,864)
Total Surplus/(Deficit)		(30,334,576)	(49,113,129)

STATEMENT OF FINANCIAL POSITION AS AT 30TH JUNE, 2017

DETAILS	Notes	2016/2017 (30.06.2017) Kshs.	2015/2016 (30.06.2016) Kshs.
ASSETS			
Current Assets			
Cash & Cash Equivalents	18	93,932,304	14,324,339
Receivables from Exchange Transactions	19(i)	203,923,361	192,123,544
Receivables from Non-exchange Transactions	19(ii)	150,167,541	0
Inventories	20	16,352,048	19,764,559
Total Current Assets		464,375,254	226,212,443
Non- Current Assets			
Property, Plant and Equipment	21	1,379,163,790	1,229,081,772
Library Books	22	228,916	798,972
Intangible Assets (ERP Software)	23	9,413,220	9,329,220
Biological Assets	24	4,847,000	6,043,500
Total Non- Current Assets		1,393,652,926	1,245,253,464
Total Assets		1,858,028,179	1,471,465,907
LIABILITIES			
Current Liabilities			
Bank Overdraft	25	8,206,260	14,482,987
Accounts Payables	26 (i)	574,029,304	364,884,160
Total Current Liabilities		582,235,564	379,367,147
Non-Current Liabilities			
Long Term Liabilities	26(ii)	2,533,332	6,333,328
Total Non- Current Liabilities		2,533,332	6,333,328
Total Liabilities		584,768,896	385,700,475
NET ASSETS		1,273,259,283	1,085,765,432
Financed By:			
Capital Reserve		1,525,212,088	1,307,383,660
Revenue Reserves (Surplus/(Deficit))		(251,952,804)	(221,618,228)
Total		1,273,259,283	1,085,765,432



Dr. Ken Nyaundi, PhD.
CHAIRMAN OF COUNCIL



Sophia W. Muchiri
FINANCE OFFICER



Prof. Francis K. Lelo, PhD.
VICE CHANCELLOR

**STATEMENT OF CHANGES IN RESERVES
FOR THE YEAR ENDED 30TH JUNE, 2017**

Details	Capital Reserve Ksh.	Revenue Reserve Ksh.	Total Ksh.
As at 1st July, 2015	1,206,937,304	(172,505,099)	1,034,432,205
Government Development Grants	100,446,356		100,446,356
Total Surplus/(Deficit)	0	(49,113,129)	(49,113,129)
As at 30th June, 2016	1,307,383,660	(221,618,228)	1,085,765,432
As at 1st July, 2016	1,307,383,660	(221,618,228)	1,085,765,432
Government Development Grants	211,731,925		211,731,925
Revaluation during the year/ Adjustment	6,096,503	0	6,096,503
Funds used during the year	0	0	0
Total Surplus/(Deficit)		(30,334,576)	(30,334,576)
As at 30th June, 2017	1,525,212,088	(251,952,804)	1,273,259,283

STATEMENT OF CASHFLOW
FOR THE YEAR ENDED 30TH JUNE, 2017

Details	2016/2017 (30.06.2017) Kshs.	2015/2016 (30.06.2016) Kshs.
Operating Activities:		
Surplus/Deficit	(30,334,576)	(49,113,129)
Revaluation of Assets	-	-
Gain on Disposal of Assets	-	-
Adjustment for Depreciation	22,441,969	24,467,732
Operating surplus before working capital changes	(7,892,608)	(24,645,397)
Changes in Working Capital		
Increase/Decrease in Receivables	(161,967,358)	(17,210,182)
Increase/Decrease in Inventories	3,412,511	(4,491,818)
Increase/Decrease in Payables	209,145,145	53,211,845
Increase/Decrease in Biological Assets	1,196,500	910,500
Net changes in Working Capital	51,786,798	32,420,345
Net cash generated from operating Activities	43,894,191	7,774,948
Cash flows from Investing Activities		
Purchase of Non-Current Assets	(2,585,780)	(7,364,844)
Work in Progress	(163,355,645)	(60,396,149)
Proceeds from sale of Non-Current Assets	-	-
Net cash used in investing Activities	(165,941,425)	(67,760,993)
Cash Flows from Financing Activities:		
Government Development Grants	211,731,925	100,446,356
Proceeds from Long Term Liabilities		
Repayments of Long Term borrowings	(3,800,000)	(3,800,000)
Net cash generated from Financing Activities	207,931,925	96,646,356
Increase/(decrease) in cash and Cash Equivalents	85,884,691	36,660,310
Cash & Cash Equivalents at Beginning of the Year	(158,648)	(36,818,958)
Cash & Cash Equivalents at the end of the period	85,726,043	(158,648)

**STATEMENT OF COMPARISON OF BUDGET AND ACTUAL AMOUNTS
FOR THE YEAR ENDED 30TH JUNE, 2017**

DETAILS	Approved Budget 2016/2017	Virement (Adjustments) 2016/2017	Revised Budget 2016/2017	Actual on Comparable Basis 2016/2017	Performance Difference 2016/2017
REVENUE	Kshs.	Kshs.	Kshs.	Kshs.	Kshs.
Government Grants (Recurrent)	567,328,950	0	567,328,950	724,205,154	156,876,204
Grants & Donations	2,000,000	0	2,000,000	0	(2,000,000)
Students' Fees	425,980,231	0	425,980,231	459,342,103	33,361,872
Other Incomes	22,510,716	0	22,510,716	43,482,212	20,971,496
Total	1,017,819,897	0	1,017,819,897	1,227,029,468	209,209,571
EXPENDITURE					
Staff Costs	797,929,580	0	797,929,580	958,164,937	(160,235,357)
Administrative Expenses	128,213,588	0	128,213,588	91,583,780	36,629,808
Academic & Research Expenses	108,266,492	0	108,266,492	157,936,812	(49,670,319)
Students Welfare	12,250,000	0	12,250,000	16,147,456	(3,897,456)
Council Expenses	10,000,000	0	10,000,000	9,104,372	895,628
Finance Charge	1,862,000	0	1,862,000	1,862,004	(4)
Depreciation	25,000,000	0	25,000,000	22,441,969	2,558,031
Bad Debts	1,500,000	0	1,500,000	1,311,091	188,909
Total	1,085,021,660	0	1,085,021,660	1,258,552,421	(173,530,760)
Operating Deficit	(67,201,763)	0	(67,201,763)	(31,522,953)	382,740,331
Other Service Units					

DETAILS	Approved Budget 2016/2017	Virement (Adjustments) 2016/2017	Revised Budget 2016/2017	Actual on Comparable Basis 2016/2017	Performance Difference 2016/2017
	Kshs.	Kshs.	Kshs.	Kshs.	Kshs.
REVENUE					
Farm Profit	(1,485,972)	0	(1,485,972)	3,156,595	4,642,567
Catering Profit/Loss	0	0	0	(1,931,741)	(1,931,741)
Bookshop Profit	0	0	0	(36,477)	(36,477)
Total Surplus/(Deficit)	(68,687,735)	0	(68,687,735)	(30,334,576)	385,414,679
ADD: Other Receipts (Non P&L)					
Government Grants (Capital)	268,441,000		268,441,000	211,731,925	(56,709,075)
Receipts from Debtors	65,497,393		65,497,393	53,347,267	(12,150,126)
Deficit Financing- Bank Loan	150,000,000		150,000,000	0	(150,000,000)
	483,938,393	0	483,938,393	265,079,192	(218,859,201)
LESS: Other Payments (Non P&L)					
Plant & Equipment	23,000,000	0	23,000,000	2,501,780	20,498,220
Capital Development	418,441,000	0	418,441,000	163,355,645	255,085,355
Debt Management	209,264,270	0	209,264,270	111,800,279	97,463,991
	650,705,270	0	650,705,270	277,657,704	373,047,566
Surplus/(Deficit) for the Year	(235,454,612)	0	(235,454,612)	(42,913,089)	192,541,524

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

1. Statement of Compliance and Basis of Preparation – IPSAS 1

The entity's financial statements have been prepared in accordance with and comply with International Public Sector Accounting Standards (IPSAS) Accrual. The financial statements are presented in Kenya shillings, which is the functional and reporting currency of the University. The accounting policies have been consistently applied to all the years presented.

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.

2. Summary of Significant Accounting Policies

a. Revenue Recognition

Revenue has been accounted for using the accrual concept of accounting. Income is recognized in the period in which it is earned. The revenue recognition is as follows:

i) Revenue from non-exchange transactions – IPSAS 23

❖ Government Grants

Government grants are recognized as income in the period when received. Accrued Government grant is recognized only when there is a reasonable assurance that the entity will comply with any condition attached to the grant and that the grant will be received

❖ Grants & Donations

Grants and donations in form of research grants and donations from Constituency Development Funds (CDFs) are recognized as income in the period it is received. The entity does not accrue un-received grants and donations unless there is a reasonable assurance to receive the funds.

ii) Revenue from exchange transactions – IPSAS 9

❖ Tuition and Fees

Revenue from tuition and fees are recognized prorata over the relevant period. The entity applies accrual concept in relation to tuition and fees receivable in a particular year

❖ Other incomes

Revenue from other sources are recognized when the amount of revenue can be measured reliably. Income from campuses is treated the same way tuition and fees are treated.

Notes to the Financial Statements (Continued)
For the Year Ended 30th June, 2017

b. Budget Information – IPSAS 24

The annual budget is prepared on cash basis while the actual have been prepared on accrual basis. This explains the huge variances on the statement of comparison of budget and actual amounts.

During the year under review, there were performance differences between the actual and budgeted amounts. These variances are explained as follows:

- Government Grants (Recurrent) – The item had a variance of kes. 156,876,204. This included Kes. 150,167,540.65 being the amount paid by the government to implement the new 2013/2017 Collective Bargaining Agreement in June 2017.
- Grants & Donations – These includes Constituency Development Funds (CDFs) from county governments. In 2016/2017, the University did not receive donations from the county governments of Samburu and Laikipia as promised.
- Students Fees – The University did not meet the target on students’ fees. This was mainly because a lower number of students than expected reported during the year. The University also closed two satellite campuses (Nairobi & Naivasha campuses) in compliance with Commission for University Education (CUE) directive.
- Staff Costs – The staff costs variation is as a result of implementation of a new 2013/2017 Collective Bargaining Agreement (CBA) that was implemented in June 2017. The new CBA affected basic salary and house allowances back dated from July 2013.
- Administrative Expenses – The decrease in administrative expenses was due to several factors including but not limited to closure of satellite campuses leading to decrease in rent expenditure by approximately kes 10 million. Bank charges also reduced from kes 7.2 million to kes 3.5 million as a result of limitations on the bank overdraft.
- Academic & Research – The variation on this line item was as a result Self-Sponsored Programmes (SSPs) expenditure after capturing higher number of teaching claims for the period
- Students’ Welfare – The variation in this line item resulted from more students activities being sponsored by the University and also more purchases of students medical drugs during the period
- Depreciation – provision for depreciation reduced by kes 2 million as a result of reduction in chargeable total for depreciation due to the fact that there were very few additional assets while most of the existing assets have been fully depreciated.

Notes to the Financial Statements (Continued)
For the Year Ended 30th June, 2017

i. Property, Plant and Equipment – IPSAS 17

Property, plant and equipment are stated at cost less accumulated depreciation and recognized impairment loss. Land is not depreciated as it is deemed to have an infinite life. Depreciation on other property is charged so as to write off the assets during the estimated useful life, using the straight line method. Assets acquired during the year will attract full year depreciation while assets disposed during the year will not be charged the depreciation.

The annual rates used are as follows:-

Buildings	-	2.5%
Office Equipment	-	20%
Furniture & Fittings	-	12.5%
Plant, Machinery & Tractors	-	10%
Motor Vehicles & Motor Bikes	-	25%
Computer & Accessories	-	20%
Library Books	-	20%

j. Intangible Assets – IPSAS 31

Intangible assets acquired separately are initially recognized at cost. The cost of intangible assets acquired in a non-exchange transaction is their fair value at the date of the exchange. Following initial recognition, intangible assets are carried at cost less any accumulated amortization and accumulated impairment losses.

k. Biological Assets

Livestock are valued at the prevailing market rates.

Crops are valued at fair value less estimated point of sale costs. Formula for calculating the value of crops in the field is as follows:

$$V_c = \frac{D \times A \times YP \times SP}{MP}$$

MP

Where:

V_c – Value of crop	YP – Yield Potential of the crop
D – Age in Days	SP – Selling Price per 90-Kg Bag
A – Area in Acres	MP – Maturity Period

Notes to the Financial Statements (Continued)
For the Year Ended 30th June, 2017

I. Related Parties – IPSAS 20

The Entity 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 entity, or vice versa. Members of the University Management Board (UMB) are regarded as related parties and comprise of the Vice Chancellor, Deputy Vice Chancellor (AF&D), Deputy Vice Chancellor (A&R), Registrar (Administration), Registrar (Academic) and Finance Officer. Their remuneration in terms of emoluments during the year under review was as follows:

University Management Board Remuneration

	2016/2017	2015/2016
	Ksh.	Ksh.
Vice Chancellor	16,751,862.60	19,876,847.20
Deputy Vice Chancellor- A&R	10,151,652.00	6,498,940.20
Deputy Vice Chancellor- AFD	9,791,940.00	11,452,279.00
Registrar A&R	7,355,679.55	6,178,267.80
Registrar Adm.	7,355,679.55	6,178,267.80
Finance Officer	7,355,679.55	6,234,111.00
Total	58,762,493.25	56,418,713.00

Laikipia University Council is the governing body of the University and therefore a related party to the University. In 2015/2016 financial year, the University Council held various meetings in line with their mandate as stipulated in the University statutes and the Charter. The allowances paid to the members were as follows:

Summary of Council Expenses for 2016/2017 F.Y.

Council Member (Current)	Sitting Allowance	Mileage Allowance	Accommodation	Lunch Allowance	Honorarium	Total
Prof. Raphael M. Munavu	140,000	60,754	50,400	6,000	1,200,000	1,457,154
Dr. Ken Nyaundi	160,000	77,119	123,000	0	322,742	682,860
Moses Siruri Marwa	200,000	23,990	109,200	0	0	333,190
David Namu Kariuki	220,000	53,471	163,800	0	0	437,271
Ruth Adhiambo Okowa	180,000	50,431	91,000	0	0	321,431
Susan Amlango Aletia	200,000	148,639	218,400	0	0	567,039
Pauline Ngari	220,000	111,308	163,800	0	0	495,108
Milton Njuki	500,000	126,905	182,000	12,000	0	820,905
Moses N. Gakuru	500,000	114,464	145,600	14,000	0	774,064
Total	<u>2,320,000</u>	<u>767,081</u>	<u>1,247,200</u>	<u>32,000</u>	<u>1,522,742</u>	<u>5,889,023</u>

Notes to the Financial Statements (Continued)
For the Year Ended 30th June, 2017

Council Member (Previous)	Sitting Allowance	Mileage Allowance	Accommodation	Lunch Allowance	Honorarium	Total
Prof. Abdullah N. Said	280,000	415,017	434,800	18,000	696,000	1,843,817
Margery W Kabuya	240,000	41,560	91,000	8,000	0	380,560
Joyce Ekuam	180,000	59,754	54,600	8,000	0	302,354
Prof. Samuel Katia	420,000	125,218	127,400	16,000	0	688,618
Total	<u>1,120,000</u>	<u>641,549</u>	<u>707,800</u>	<u>50,000</u>	<u>696,000</u>	<u>3,215,349</u>
Grand Total	3,440,000	1,408,630	1,955,000	82,000	2,218,742	9,104,372

During the period under review, the government through the Ministry of Education replaced Council Members after expiry of their term, replacing them with new Council Members. Members whose term expired include the former Council Chairman, Prof. Abdullah N. Said, Prof. Samuel Katia, Ms. Margery Kabuya and Ms. Joyce Ekuam. New appointments includes the new Council Chair, Dr. Ken Nyaundi, Mr. Moses Marwa, Mr. David Kariuki, Ms. Ruth Okowa, Ms. Pauline Ngari and Ms. Susan Aletia

The Government of Kenya is also a related party to the University especially in terms of financing and policies. During the year under review, the National Government through the Ministry of Education, Science and Technology disbursed Ksh. 724,205,154 for recurrent expenditure and Ksh. 211,731,925 for capital expenditure

m. Employee Benefits – IPSAS 25

Retirement Benefit Costs

Laikipia University provides retirement benefits for its employees. 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.

Laikipia University, jointly with Egerton, Kisii and Chuka Universities operates a contributory pension scheme for eligible employees. The assets of the scheme are held separately in a trustee administered fund that is funded by both employees and the University. The University also contributes to the National Social Security Fund (NSSF). Contributions to this fund are determined by the local statutes.

The contributions made to the above schemes by the University are charged to the income statement during the year in which they relate.

Notes to the Financial Statements (Continued)
For the Year Ended 30th June, 2017

n. Financial Risk Management – IPSAS 30

The University’s activities expose it to a variety of financial risks including credit and liquidity risks. The University’s overall risk management programme 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:

❖ **Credit risk Management**

Credit risk refers to the risk that a counter party will default on its contractual obligations resulting in financial loss to the University. The University’s credit risk is primarily attributable to its receivables. The amounts presented in the statement of financial position are net of allowances for doubtful receivables, estimated by the University’s management based on prior experience and their assessment of the current economic environment.

The credit risk on liquid funds with financial institutions is low, because the counter parties are banks with high credit-ratings. The University’s policy is payment on registration and thus students’ receivables are categorized as either past due or impaired.

The amount that best represents the University’s maximum exposure to credit risk is made up as follows:

Credit risk Analysis

Details	Fully Performing Kshs.	Past due Kshs.	Impaired Kshs.	Total Kshs.
As at 30 June, 2017				
Students Receivables		141,348,878		141,348,878
Other Receivables		85,232,635		85,232,635
Bank Balances	<u>93,901,610</u>			93,901,610
	<u>93,901,610</u>	<u>226,581,513</u>	<u>0</u>	<u>320,483,123</u>
As at 30 June, 2016				
Students Receivables		139,436,705		139,436,705
Other Receivables		74,033,899		74,033,899
Bank Balances	<u>14,301,371</u>			14,301,371
	<u>14,301,371</u>	<u>213,470,604</u>	<u>0</u>	<u>227,771,975</u>

Notes to the Financial Statements (Continued)
For the Year Ended 30th June, 2017

❖ **Liquidity risk management**

Ultimate responsibility for liquidity risk management rests with the University Management Board, which has built an appropriate liquidity risk management framework for the management of the University's short, medium and long-term funding and liquidity management requirements. The University manages liquidity risk by maintaining banking facilities and through continuous monitoring of forecasts and actual cash flows.

Prudent liquidity risk management includes maintain sufficient cash to meet the University's obligations. The university Management Board reviews the cash forecasts regularly and determines the University's cash requirement

The table below analyses the University's financial liabilities into relevant maturity period based on the remaining period at the end of reporting period to the contractual maturity date.

Liquidity risk Analysis

Details	Less than one Month Kshs.	Between 1-12 Months Kshs.	Over 12 Months Kshs.	Total Kshs.
As at 30 June, 2017				
Trade Payables		26,102,373	27,361,477	53,463,850
Contractors		11,715,134	50,133,591	61,848,725
SSP Claims		85,216,442	70,955,818	156,172,260
Prepaid Fees		29,985,203	368,905	30,354,108
Borrowings			2,533,332	2,533,332
Other Payables	187,000	240,622,567	14,698,393	255,507,959
Caution Money		4,063,400	12,619,000	16,682,400
	187,000	397,705,119	178,670,515	576,562,635
As at 30 June, 2016				
Trade Payables		53,683,691	13,386,981	67,070,672
Contractors		5,389,087	49,466,695	54,855,781
SSP Claims		84,648,732	17,935,566	102,584,298
Prepaid Fees		24,677,896	230,409	24,908,305
Borrowings			6,333,328	6,333,328
Other Payables	187,000	80,537,454	18,615,649	99,340,103
Caution Money		4,607,000	11,518,000	16,125,000
	187,000	253,543,860	117,486,627	371,217,487

Notes to the Financial Statements (Continued)
For the Year Ended 30th June, 2017

o. Comparative figures

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

p. Research and Development

Research and development expenditure is charged to income statement in the year it is incurred

q. Interest on Loans

Interest on loan has been charged as expenses in the year they have been incurred. The policy is to accrue all un-paid interest relating to the year under review.

r. Tax Exemption

The entity by virtue of being a public university and classified under the Public Benefit Organizations (PBOs) have been exempted from income tax. PBOs are exempted from income tax on income received from the activities of the organization, if the income is wholly used to support the public benefit purposes for which the organization was established and in this case to advance education by Public Universities

Notes to the Financial Statements (Continued)
For the Year Ended 30th June, 2017

		2016/2017	2015/2016
		(30.06.2017)	(30.06.2016)
3	Government Grants		
Code	Description	Kshs.	Kshs.
50050	GOK Recurrent	724,205,154	547,335,522
	Sub-Total	724,205,154	547,335,522
		2016/2017	2015/2016
		(30.06.2017)	(30.06.2016)
4	Grants & Donations		
Code	Description	Kshs.	Kshs.
50650	Grants & Donations	0	16,500
	Sub-Total	0	16,500
		2016/2017	2015/2016
		(30.06.2017)	(30.06.2016)
5	Students' Fees		
Code	Description	Kshs.	Kshs.
50010	Students ID	1,149,100	1,187,535
50060	Examination Fee	16,635,850	17,958,700
50065	Application Fee	840,500	2,075,650
50070	Registration	5,298,525	5,652,475
50072	Activity Fee	5,223,765	5,760,530
50075	Convocation Fee	6,293,786	8,598,678
50085	Academic Transcripts	224,650	122,900
50200	Library Fee	10,667,950	11,284,164
50290	Accommodation	2,441,300	4,097,200
50600	Tuition	339,634,278	327,800,837
50615	Conference Charges	45,000	289,452
50620	Students Medical Fee	9,087,521	9,783,810
50625	Computer Charges	8,250,336	5,162,420
50630	Material Development	15,696,760	16,406,350
50655	Students Supervision Fee	34,415,697	37,883,818
50655	Laboratory Charges	2,635,100	3,235,200
50940	Retakes	678,950	387,530
50945	Remarking fees	123,035	8,000
	Sub-Total	459,342,103	457,695,249

Notes to the Financial Statements (Continued)
For the Year Ended 30th June, 2017

6 Other Income		2016/2017 (30.06.2017)	2015/2016 (30.06.2016)
Code	Description	Kshs.	Kshs.
50015	Miscellaneous Income	636,745	437,354
50030	Medical Charges- Guests	1,581,176	133,438
50040	Campuses Income	28,200,875	56,533,053
50045	Inter-Universities Transfers(CBAs)	0	133,702
50087	Students' Damages	4,551,250	145,950
50088	Exam. Cards Replacement	66,300	24,500
50090	Gain on Disposal of Assets	0	0
50120	Hire of Furniture	0	15,000
50160	Hire of Transport	472,036	310,950
50180	Library Fines	59,705	55,871
50185	LU Marathon	513,700	568,080
50610	Research Grants	1,134,660	354,382
50640	Rent Income	503,928	755,400
50645	Donor Project Income	0	12,000
50660	Leasehold Rentals	0	340,000
50810	Tendering Income	10,400	8,200
50930	Insurance Claim	5,747,185	2,224,378
50935	Interest Income on Fixed Deposits	4,253	6,339
	Sub-Total	43,482,212	62,058,596

Notes to the Financial Statements (Continued)
For the Year Ended 30th June, 2017

7 Staff Costs		2016/2017 (30.06.2017)	2015/2016 (30.06.2016)
Code	Description	Kshs.	Kshs.
70010	Basic salary	441,468,142	311,713,845
70020	NSSF (Employer)	674,000	723,400
70025	Medical Allowances	12,755,645	11,374,438
70030	Gratuity & Pension (Employer)	79,556,177	45,153,552
70040	House Allowance	191,854,572	162,652,947
70045	Other Personal Allow	52,648,753	49,736,851
70060	Leave Travel	5,410,097	4,650,780
70090	Commuting Allowance	66,248,587	59,980,952
70100	Casual Labour	2,607,219	3,261,654
70105	Hardship Allowance	78,738,308	72,688,900
70160	Passage & Baggage	1,074,684	406,631
70165	Internship	699,215	0
70210	Staff Development/Training	570,094	439,612
70295	Group Life insurance	7,927,750	6,298,100
70380	Staff Funeral Expenses	175,888	688,950
70850	Staff (Dental & Optical) Expenses	1,105,176	835,020
71030	Staff Med Expenses (Hospitalization)	14,450,630	28,008,081
71620	Staff Welfare	200,000	0
71905	Tuition Fee Waiver	0	7,806,500
	Sub Total	958,164,937	766,420,213

Notes to the Financial Statements (Continued)
For the Year Ended 30th June, 2017

8 Administrative Expenses

Code	Description	2016/2017 (30.06.2017)	2015/2016 (30.06.2016)
		Kshs.	Kshs.
70110	Travel & Subsistence	18,410,922	20,558,131
70120	Office Stationery	2,537,380	6,651,949
70125	Photocopying Expenses	1,480,310	1,998,786
70140	Advertising & Publicity	919,672	2,482,769
70150	Postage & Telephone	1,502,257	1,364,728
70170	Electricity Expenses	15,744,504	16,072,427
70180	Meeting Expenses	3,390,906	3,433,593
70190	General Repairs	4,245,219	4,578,699
70230	Vehicles Insurance	1,225,393	1,096,038
70240	Cleaning Materials	635,375	365,439
70250	Staff Uniforms	811,164	2,048,421
70280	Bank Charges	3,497,979	7,205,254
70290	General Insurance-Property	333,382	355,499
70300	Legal Charges	3,125,630	3,436,700
70320	Computer charges & Stationery	1,476,560	2,843,829
70330	General Licenses	32,200	126,499
70350	Audit Fees	696,000	696,000
70420	Rents & Rates	14,933,156	25,105,229
70465	Security Infrastructure	249,000	192,680
70500	Vehicle repairs	1,156,118	3,337,012
70645	Transport operating Expenses	4,629,796	5,927,896
70655	Machinery repairs	2,092,944	1,636,490
70815	Tendering Expenses	0	234,700
70885	Quality Assurance	98,260	67,400
71055	Cleaning & Sanitary Services	503,105	440,000
71110	Maintenance of water & Sewerage	753,090	472,706
71152	Contracted Professional Services	2,225,574	1,155,713
71350	Office Running Expenses	1,323,941	1,484,692
71509	Strategic Plan/Charter Launch	0	18,360
71510	ISO Expenses/Launch	964,458	1,275,721
71715	Performance Contracting	1,070,044	989,126
71790	Public Celebrations	177,000	95,000
72017	Automation Expenses	679,636	719,058
70870	Health Week	171,798	0
	Sub Total	91,583,780	118,466,546

Notes to the Financial Statements (Continued)
For the Year Ended 30th June, 2017

9	Academic & Research	2016/2017 (30.06.2017) Kshs.	2015/2016 (30.06.2016) Kshs.
Code	Description		
70070	SSP Admin. Costs (Honorarium)	101,024,541	94,902,600
70145	Campuses Expenses	10,300	245,500
70310	Grants & Donations (Bursaries)	479,000	700,000
70321	Internet Services	14,479,423	16,205,469
70355	Research Programmes	2,320,157	554,783
70375	Senate Expenses	74,497	711,792
70445	International Travel	0	222,281
70450	KUCCPS Expenses	2,991,000	2,510,500
70455	Conference & Seminars	1,020,270	3,195,050
70460	CUE Expenses	1,178,285	5,551,385
70480	Subscription to e-Journals	9,400	694,032
70510	Examination Stationery	2,458,301	6,793,691
70515	Laboratory Materials & Reagents	1,634,495	2,552,823
70520	Graduation Expenses	4,815,533	6,765,161
70521	Graduation Gowns	3,116,000	0
70535	Subsistence (External Examiners)	3,164,742	1,394,810
70565	Newspapers, Journals & Videos	1,172,140	8,373,044
70980	Teaching Practice & Field Attachment	14,977,342	19,169,880
71506	Academic Field Trips	2,501,656	3,146,965
71511	Academic Exhibitions	346,610	1,140,745
	Sub Total	157,936,812	174,830,510

Notes to the Financial Statements (Continued)
For the Year Ended 30th June, 2017

10	Students Welfare	2016/2017	2015/2016
		(30.06.2017)	(30.06.2016)
Code	Description	Kshs.	Kshs.
70440	LUC Marathon	3,225,513	4,245,362
70860	Students Medical Supplies	3,445,687	1,634,940
70950	Students Miscellaneous A/c	6,225,091	3,406,712
71498	Students Work-study	830,400	925,900
71517	Drama Festivals	0	690,730
71518	Cultural Week	946,300	0
71519	Students' Counseling Expenses	609,365	673,500
71560	Games Exp. (Inter Universities)	865,100	709,150
	Sub Total	16,147,456	12,286,294
11	Council Expenses	2016/2017	2015/2016
		(30.06.2017)	(30.06.2016)
Code	Description	Kshs.	Kshs.
71800	Sitting Allowance	3,440,000	3,600,000
71800	Mileage Allowance	1,408,630	1,492,147
71800	Accommodation Expenses	1,955,000	1,437,600
71800	Lunch Allowance	82,000	206,000
71800	Honorarium	2,218,742	2,244,000
	Sub Total	9,104,372	8,979,747
12	Finance Charge	2016/2017	2015/2016
		(30.06.2017)	(30.06.2016)
Code	Description	Kshs.	Kshs.
71520	Loan Interest	1,862,004	1,862,025
	Sub Total	1,862,004	1,862,025
13	Depreciation	2016/2017	2015/2016
		(30.06.2017)	(30.06.2016)
Code	Description	Kshs.	Kshs.
72018	Property, Plant & Equipment	17,046,586	23,446,120
72018	Library Books	766,980	1,021,612
72018	Adjustment for Depreciation	4,628,402	0
	Sub Total	22,441,969	24,467,732

Notes to the Financial Statements (Continued)
For the Year Ended 30th June, 2017

14	Bad Debts	2016/2017	2015/2016
		(30.06.2017)	(30.06.2016)
	Code Description	Kshs.	Kshs.
	70410 Provision for Bad Debts	1,311,091	6,693,066
	70415 Bad Debts Written Off	0	0
	Sub Total	1,311,091	6,693,066

15 FARM TRADING, PROFIT AND LOSS ACCOUNT FOR THE PERIOD ENDED 30TH JUNE, 2017

	Details	2016/2017	2015/2016
		(30.06.2017)	(30.06.2016)
		Kshs.	Kshs.
	Sales	7,024,888	1,639,770
	Cost of Sales	3,083,870	981,639
	Gross Profit/(Loss)	3,941,019	658,130
	Expenses	784,424	407,944
	Net Profit/(Loss)	3,156,595	250,186

16 CATERING TRADING, PROFIT AND LOSS ACCOUNT FOR THE PERIOD ENDED 30TH JUNE, 2017

	Details	2016/2017	2015/2016
		(30.06.2017)	(30.06.2016)
		Kshs.	Kshs.
	Sales	8,235,142	8,147,448
	Cost of Sales	9,479,101	9,764,329
	Gross Profit/(Loss)	(1,243,959)	(1,616,882)
	Expenses	687,783	654,973
	Net Profit/(Loss)	(1,931,741)	(2,271,855)

17 BOOKSHOP TRADING, PROFIT AND LOSS ACCOUNT FOR THE PERIOD ENDED 30TH JUNE, 2017

	Details	2016/2017	2015/2016
		(30.06.2017)	(30.06.2016)
		Kshs.	Kshs.
	Sales	877,173	1,459,781
	Cost of Sales	905,170	1,534,720
	Gross Profit/(Loss)	(27,997)	(74,939)
	Expenses	8,480	116,257
	Net Profit/(Loss)	(36,477)	(191,196)

Notes to the Financial Statements (Continued)
For the Year Ended 30th June, 2017

18 Cash & Cash Equivalents

Bank Account Name	Account Number	2016/2017 (30.06.2017)	2015/2016 (30.06.2016)
		Kshs.	Kshs.
KCB Main Account	1102161683	30,707,396	0
KCB Nakuru Account	1101909080	0	770,757
KCB Farm Account	1102161551	3,018,624	281,246
KCB Catering Account	1102168688	340,477	146,015
KCB Bookshop Account	1102161829	274,254	937,498
KCB Development Account	1120980534	54,653,945	761,372
KCB Research Account	1125437723	3,061,765	348,500
KCB- Mararal CDF Account	1134913397	64,062	64,062
KCB- Mararal Fees Account	1135920710	0	4,199,501
Co-operative Fees Account	1129025576702	0	0
Co-operative Bank Fees Account	1129501778000	0	1,334,704
Co-operative Bank Nyahururu Fees Account	1129037271600	0	1,995,492
Co-operative Bank Naivasha Account	1129037293400	0	1,625,690
Co-operative Bank- Marathon Account	1120036453400	926,933	613,055
Co-operative Bank- Gratuity/ Caution Money Ac.	1100036453400	854,154	850,539
MPESA (Pay bill 829850)	829850	0	372,940
Total		93,901,610	14,301,371
Cash in Hand		30,693	22,968
Total		93,932,304	14,324,339

Notes to the Financial Statements (Continued)
For the Year Ended 30th June, 2017

19	Accounts Receivable		
(i)	Receivable from Exchange Transactions	2016/2017	2015/2016
		(30.06.2017)	(30.06.2016)
	Details	Kshs.	Kshs.
	Students' Fee Balances	141,348,878	139,436,705
	Fee Receivable Egerton University	1,862,823	1,862,823
	Eldoret Campus (Elgon View)	8,655,347	7,272,800
	Nakuru Campus	5,353,068	538,424
	Embu Campus	55,918,800	44,596,425
	Farm Debtors	345,187	345,387
	Bookshop Debtors	26,365	30,098
	Medical Debtors	113,624	409,049
	Salary Advance	133,011	136,011
	Leasehold	801,923	653,900
	Un-surrendered Imprests	690,614	4,419,709
	Deposits & Pre-payments	10,239,788	9,950,902
	Prepaid Contractors (Capital Projects)	1,092,085	3,818,372
	Total	226,581,513	213,470,604
	Less Provision for Bad & Doubtful Debts @ 10%	22,658,151	21,347,060
	Net Receivable from Exchange Transactions	203,923,361	192,123,544
(ii)	Receivable from Non-exchange Transactions	2016/2017	2015/2016
		(30.06.2017)	(30.06.2016)
	Details	Kshs.	Kshs.
	G.O.K. Capitation- Recurrent	150,167,541	0
		150,167,541	0
	Total Net Receivables	354,090,902	192,123,544

Notes to the Financial Statements (Continued)
For the Year Ended 30th June, 2017

20 Inventory Stores Summary By Classification As At 30th June, 2017

Inventories	2016/2017 (30.06.2017)	2015/2016 (30.06.2016)
	Kshs.	Kshs.
Animal Feeds	259,614	2,849,082
Boma Rhode Hay-Bales	1,798,400	0
Carpentry Materials	2,172,747	1,247,012
Chemicals & Fertilizers	424,995	165,249
Cleaning Materials	449,818	738,430
Diesel/ Lubricants	25,552	41,333
Dry Foodstuff	210,550	200,382
Electrical Appliances	935,605	478,992
Gift Shop Items	170,318	58,400
Harvested crop/Seeds	71,470	23,203
Harvested Oats (Grain & Bales)	410,400	0
Masonry Materials	355,935	430,713
Medical Drugs/Reagents	316,744	2,895,654
Medical Laboratories Apparatus	203,133	1,734,754
Office Stationery	4,001,660	4,561,130
Painting Materials	168,450	382,190
Perishable Foodstuff	149,459	149,313
Plumbing Materials	435,838	601,433
Science Laboratories Apparatus	1,455,860	0
Science Laboratory Reagents	758,344	0
Textbooks for Resale	414,105	394,416
Tools & Spare parts	1,098,880	952,985
Vet Drugs	53,228	30,054
Welding Materials	10,945	1,829,834
Total	16,352,048	19,764,559

Notes to the Financial Statements (Continued)
For the Year Ended 30th June, 2017

21 Cost/Valuation	PROPERTY, PLANT & EQUIPMENT								
	Land	Buildings	Work-in-Process	Plant Machinery & Tractors	Motor Vehicles	Equipment	Furniture & Fittings	Computer & Accessories	Total
	Kshs	Kshs	Kshs	Kshs	Kshs	Kshs	Kshs	Kshs	Kshs
As at 1st July, 2015	194,835,000	259,113,430	800,293,635	10,795,223	40,240,312	57,891,099	23,677,076	37,448,638	1,424,294,413
Disposal									0
Additions	0	0	60,396,149	499,400	290,000	1,016,685	2,141,853	3,404,576	67,748,663
As at 30th June, 2016	194,835,000	259,113,430	860,689,783	11,294,623	40,530,312	58,907,784	25,818,929	40,853,214	1,492,043,076
Accumulated Depreciation									
As at 1st July, 2015	0	102,799,397	0	6,573,277	32,425,417	50,784,956	16,251,088	30,681,048	239,515,182
Accumulated Depreciation on Assets Disposed									0
Depreciation Charge for the Year	0	6,477,836	0	756,161	6,354,948	3,687,347	2,152,766	4,017,062	23,446,120
As at 30th June, 2016	0	109,277,232	0	7,329,439	38,780,364	54,472,303	18,403,853	34,698,110	262,961,301
Net Book Value as at 30th June, 2016	194,835,000	149,836,198	860,689,783	3,965,185	1,749,948	4,435,481	7,415,076	6,155,104	1,229,081,774
Cost/Valuation									
As at 1st July, 2016	194,835,000	259,113,430	860,689,783	11,294,623	40,530,312	58,907,784	25,818,929	40,853,214	1,492,043,076
Disposal									0
Additions	0	0	163,355,645	402,000	0	748,970	14,900	1,254,710	165,776,225
Adjustments for Omission (MV)					6,096,503				6,096,503
As at 30th June, 2017	194,835,000	259,113,430	1,024,045,428	11,696,623	46,626,815	59,656,754	25,833,829	42,107,924	1,663,915,803
Accumulated Depreciation									
As at 1st July, 2016	0	109,277,232	0	7,329,439	38,780,364	54,472,303	18,403,853	34,698,110	262,961,301
Accumulated Depreciation on Assets Disposed/Adjustments				(75,710)	(6,096,503)	945,991	201,490	280,606	(4,744,126)
Depreciation Charge for the Year	0	6,477,836	0	781,561	1,604,948	2,930,213	1,844,544	3,407,484	17,046,586
As at 30th June, 2017	0	115,755,068	0	8,186,710	46,481,815	56,456,526	20,046,907	37,824,988	284,752,013
Net Book Value as at 30th June, 2017	194,835,000	143,358,362	1,024,045,428	3,509,913	145,000	3,200,229	5,786,923	4,282,936	1,379,163,790

Notes to the Financial Statements (Continued)
For the Year Ended 30th June, 2017

22 Non-Current Assets - Library Books

2015/2016	Library books Kshs.	Total Kshs.
Cost/Valuation		
As at 1st July, 2015	14,274,943	14,274,943
Disposal		-
Additions	12,330	12,330
As at 30th June, 2016	14,287,273	14,287,273
Accumulated Depreciation		
As at 1st July, 2015	12,466,689	12,466,689
Accumulated Depreciation on Assets Disposed/ Adj.		-
Depreciation Charge for the Year	1,021,612	1,021,612
As at 30th June, 2016	13,488,301	13,488,301
Net Book Value as at 30th June, 2016	798,972	798,972
2016/2017		
Cost/Valuation		
As at 1st July, 2016	14,287,273	14,287,273
Disposal		-
Additions	81,200	81,200
As at 30th June, 2017	14,368,473	14,368,473
Accumulated Depreciation		
As at 1st July, 2016	13,488,301	13,488,301
Accumulated Depreciation on Assets Disposed/ Adj.	115,723	115,723
Depreciation Charge for the Year	766,980	766,980
As at 30th June, 2017	14,139,558	14,139,558
Net Book Value as at 30th June, 2017	228,916	228,916

Notes to the Financial Statements (Continued)
For the Year Ended 30th June, 2017

23 Intangible Assets

2015/2016	ERP Software
Cost/Valuation	Kshs.
As at 1st July, 2015	9,329,220
Additions	
As at 30th June, 2016	9,329,220
Accumulated Amortization	
As at 1st July, 2015	0
Amortization Charge for the Year	0
As at 30th June, 2016	0
Net Book Value as at 30th June, 2016	9,329,220
2016/2017	
Cost/Valuation	
As at 1st July, 2016	9,329,220
Additions	84,000
As at 30th June, 2017	9,413,220
Accumulated Amortization	
As at 1st July, 2016	0
Amortization Charge for the Year	0
As at 30th June, 2017	0
Net Book Value as at 30th June, 2017	9,413,220

24 Biological Assets

Detail	2016/2017 (30.06.2017)	2015/2016 (30.06.2016)
	Kshs.	Kshs.
Cattle	4,131,000	5,011,500
Boma Rhodes in Field		624,000
Tree Nursery seedlings	716,000	408,000
Total	4,847,000	6,043,500

Notes to the Financial Statements (Continued)
For the Year Ended 30th June, 2017

25 OVERDRAFT

Bank Account Name	Account Number	2016/2017 (30.06.2017) Kshs.	2015/2016 (30.06.2016) Kshs.
KCB Nyahururu Main Account	1102161683	0	14,020,409
KCB Nakuru Account	1101909080	1,510,909	0
KCB- Mararal Fees Account	1135920710	63,126	0
Co-operative Fees Account	1129025576702	2,415,833	7,836
Co-operative Bank Account	1129501778000	1,662,965	0
Co-operative Bank Nyahururu Account	1129037271600	1,302,940	0
Co-operative Bank Naivasha Account	1129037293400	309,468	0
Equity Account	160295840456	829,119	454,742
MPESA Pay bill	829850	111,900	0
Grand Total		8,206,260	14,482,987

26 ACCOUNTS PAYABLES

(i) **Short term Payables**

Details	2016/2017 (30.06.2017) Kshs.	2015/2016 (30.06.2016) Kshs.
Trade Payables	53,463,850	67,070,672
Audit Fees Payable	2,124,000	2,124,000
Contractors-Capital Projects	61,848,725	54,855,781
SSP Service providers	156,172,260	102,584,298
Accrued Council Honoraria	187,000	187,000
Students Caution Money	16,682,400	16,125,000
Excess Fees (Prepaid Tuition)	30,354,108	24,908,305
Laikipia University Students' Organization (LUSO)	56,537	916,403
Alumni Account	901,000	0
Salary & deductions payable	236,143,836	64,259,756
2010-2013 CBA Basic & House Arrears Payable	4,497,589	4,497,589
Staff Medical Claims (Dental & Optical)	773,940	64,437
Other staff claims	852,091	660,971
Accrued Bursaries & Fee Waiver	0	14,300,500
Rent & Leasehold in Advance	1,047,076	1,047,076
Pay As You Earn (PAYE) Payable-Council Members	316,723	1,292,700
VAT & Income Tax Payable	8,608,168	9,989,672
Total	574,029,304	364,884,160

(ii) **Long term Payables**

	Kshs.	Kshs.
Equity Bank Loan	2,533,332	6,333,328
Total	2,533,332	6,333,328



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