

Library
160

PAPERS LAID No.

Speaker N.A.

Chancellor

Clerk N.A.

Librarian

Clerk ASSIST

C. H. Editor

Reporters

Library

Press

PARLIAM
OF KEN
LIBR



KENYATTA UNIVERSITY

Annual Report and Accounts

2005

657.3
KU

**ANNUAL REPORT
AND
ACCOUNTS
for the year ended 30th June, 2005**

KENYA NATIONAL ASSEMBLY LIBRARY

Accession: 10012212

Call No: 657.3/TRUCAS



**KENYATTA UNIVERSITY,
P.O. Box 43844 - 00100
Nairobi, Kenya.
Telephone 810901
Fax: 811517**

TABLE OF CONTENTS

CONTENTS	PAGES.
1. Chancellor and The Principal Officers of the University.....	2
2. Core Business of the University.....	3
3. Chairman Report.....	4
4. Vice-Chancellor's Report.....	5
5. Statement of University Council Members	6
6. University Information.....	7
7. University Council Members	8-9
8. Functions and Responsibilities of the Council	9
9. Report of the Controller and Auditor General.....	10-11
10. Balance Sheet.....	12
11. Income and Expenditure Statement.....	13
12. Cash Flow Statement.....	14
13. Statement of change in Equity.....	15
14. Notes to the Accounts.....	16- 28

CHANCELLOR AND THE PRINCIPAL OFFICERS OF THE UNIVERSITY AS AT 30TH JUNE 2005

Chancellor

MR. HARRIS MULE B.Sc, M.A (DENVER), M.P.A (HAVARD)

Chairman of the University council

PROF. ONESMO K. OLE-MOI YOI E.B.S, B.A., M.D.(HARVARD),
HON.LL.D.(SOKA)

Vice – Chancellor

PROF. EVERETT M. STANDA B.A., M.A.,Ph.D(NEW YORK)

Deputy Vice-Chancellor (Academic)

PROF. JUDE J. ONGONG'A DIP Anthropology, SOAS (LONDON)
M.A., Ph.D. (ROME)

Deputy Vice- Chancellor (Administration)

PROF. MOHAMED S. RAJAB B.Sc (NAIROBI), Ph.D.(MAINE-
U.S.A)

Deputy Vice-Chancellor (Finance, Planning & Development)

PROF. OLIVE M. MUGENDA, B.Ed(NAIROBI) M.Sc,
Ph.D(MAINZ)

Registrar Administration

DR. MARTIN N. ETYANG, B.Ed., M. A. (NAIROBI),MSc. Ph.D
(PURDUE)

Registrar Academic

DR. GABRIEL KATANA, B.Ed., M.sc.(NAIROBI), PhD (NAIROBI)

Registrar (Finance, Planning and Development)

DR. NELSON M. KARAGU B.Sc., M.A. Ed (IDAHO), Ph.D
(Nairobi)

Librarian

MRS. ROSEMARY NDEGWA M.A (E.A), Dip Lib. (Birmingham),
M.A (Lib) [Sherfield] U.K. A.L.A

Ag.Finance Officer

J. K. WAMBUA

CORE BUSINESS OF KENYATTA UNIVERSITY

The core business of the university is provided for in the University of Kenyatta Act.1985.

The Act provides in section 4 (i) the functions and objectives of the university, which includes: -

- a) To provide directly or in collaboration with other institutions of higher learning, facilities for university education including technological and professional education research.
- b) To provide and advance university education and training to appropriately qualified candidates leading to the award of degrees, diplomas and certificates and such other qualifications as the council and senate shall from time to time determine and in so doing contribute to the manpower needs of Kenya.
- c) To conduct examinations for and to grant such academic awards as may be provided for in the statutes.
- d) To participate in the discovery, transmission and presentation of knowledge and to stimulate cultural and intellectual life of the society.
- e) To determine who may teach and what may be taught and how it may be taught in the university.
- f) To play an effective role in the development and expansion of opportunities to Kenyans wishing to continue with their education.

CHAIRMAN'S REPORT 30TH JUNE 2005

The University Council notes with appreciation the continued support of the government in running the institution. The biggest challenge has been to meet financial obligations and restructuring of the programmes to achieve efficiency in the management of academic affairs. The university is looking for ways and means of implementing the recently prepared 10-year strategic plan in the new financial year.

The strategic plan will among others seek to meet the growing challenge of the number of students requiring access to higher education in this region.

The council will seek to network with the industry and other strategic partners in order to provide for facilities to meet this challenge.

I note with appreciation that the university has a well-motivated workforce ready to have the institution in achieve it's the university's stated goals and objectives.

Chairman,
Kenyatta University Council

VICE-CHANCELLOR'S REPORT

30TH JUNE 2005

I am pleased to present the Annual Report and Accounts of Kenyatta University for the year ended 30th June 2005.

During the year under review, the University realised a surplus of Ksh. 92,808,684.

This is attributed to the stringent measures taken by management to cut cost.

To meet the continued demand for higher education, the University acquired additional facilities including the acquisition of Parklands Campus. In this regard the University spent Kshs. 106,345,297 on capital development. However, there were no development grants received from the government during the financial year.

Notwithstanding the difficulties and pressures resulting from the financial constraints experienced in the financial year, the university continued to fulfil its mission in pursuing excellence in training, research and dissemination of knowledge.

The University celebrated its 20th graduation ceremony on 15th December 2004. At this graduation, the university witnessed a release of 2603 graduands to the labour market.

The university continues with restructuring of its operations in the light of the global challenges and market demands.

Finally, I would like to take this opportunity to thank the Government and other organisations for the financial support. I would also like to thank all members of staff and students for their dedication and co-operation in the running of the University.



Prof. Everett M. Standa PhD. MBS
VICE-CHANCELLOR

**STATEMENT OF KENYATTA UNIVERSITY COUNCIL
MEMBERS RESPONSIBILITIES FOR THE YEAR ENDED 30TH
JUNE 2005**

Kenyatta University 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. 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.

The University Council accepts responsibility for the financial statements, which have been prepared using appropriate accounting policies supported by reasonable and prudent judgments and estimates, consistent with previous years and in conformity with International Financial Reporting Standards. The University Council is of the opinion that financial statements give a true and fair view of the state of the financial affairs of the University as at 30th June 2004 and of its deficit for the year then ended.

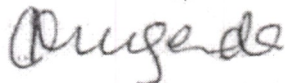
The university council further confirms the accuracy and completeness of the accounting records maintained by the University, which have been relied upon in the preparation of the financial statements, as well as on the adequacy of the system of internal financial control.

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

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



Prof. Everett M. Standa PhD, MBS
VICE-CHANCELLOR



Prof. Olive M. Mugenda PhD
DEPUTY VICE-CHANCELLOR
(FINANCE, PLANNING & DEVELOPEMNT

UNIVERSITY INFORMATION

PRINCIPAL PLACE OF BUSINESS

Kenyatta University
Thika Road, Nairobi
P. O. Box 43844- 00100
Nairobi.

REGISTERED OFFICE

Kenyatta University
Thika Road, Nairobi
P. O. Box 43844- 00100
Nairobi.

BANKERS

Co-operative Bank of Kenya
Helasie Selassie Avenue
P.O. Box 48231 - 00100 GPO
Nairobi

National Bank of Kenya Ltd.
P. O. Box 41862 - 00100
Nairobi.

Kenya Commercial Bank Ltd
P. O. Box 30081
Nairobi.

Standard Chartered
P. O. Box 64355 - 00620
Nairobi.

AUDITORS

Controller and Auditor General
P.O. Box 30084-00100
GPO, Nairobi.

ADVOCATES

Lawrence Mungai and Advocates
P. O. Box 10130 - 00100
Nairobi.

UNIVERSITY COUNCIL MEMBERS

Dr. Onesmo K. ole-Moi Yoi	-	Chairman
Mr. Wycliffe Mukulu	-	Vice Chairman
Amb. Benjamin E. Kipkorir	-	Hon. Treasurer
Prof. Everett M. Standa	-	Vice Chancellor
Prof. Jude J. Ongong'a (Academic)	-	Deputy Vice Chancellor
Prof. Olive M. Mugenda (FP&D)	-	Deputy Vice Chancellor
Prof. Mohamed S. Rajab (Administration)	-	Deputy Vice Chancellor
Prof. Karega Mutahi	-	Permanent Secretary, Ministry of Education Science & Technology
Mr. Joseph K. Kinyua	-	Permanent Secretary, Ministry of Finance
Mr. Walter Mukuria	-	Member
Dr. Jamleck Mutugi	-	Member
Prof. Shem Wandiga	-	Member
Mrs. Jennifer W. Muna	-	Member
Mr. Gilbert Mkoba	-	Member
Mr. Farid R. Hamir	-	Member
Mrs. Grace Wanyonyi	-	Member
Mr. Philemon Mwaisaka	-	Member
Most Rev. Benjamin Nzimbi	-	Co-opted member
Ms. Rachel O.S. Ayabei	-	Co-opted member
Dr. Lucy Ngige	-	Senate Representative
Prof. Henry O. Ayot	-	Senate Representative
Prof. Fredrick Okatcha	-	Senate Representative
Prof. Kitula King'ei	-	Senate Representative
Prof. Charles Nyakiti Orawo	-	Senate Representative
Mr. Joseph Gathua	-	Non-Senate Member Representative
Mr. Eugene Mutembei	-	Non-Academic Members Representative
Mr. Fidel Castro Barasa	-	Student's Representative
Mr. Otieno Orwa	-	Student's Representative

FUNCTIONS AND RESPONSIBILITIES OF THE COUNCIL

The Council is the governing body of the University. Its responsibilities are:

- To administer the property and funds of the University
- To receive donations, endowments, gifts grants or other monies and make disbursement there from.
- To provide for the welfare of the students of the University
- To enter into associations with other universities and other institution of learning.
- To make regulations governing the conduct and discipline of the students of the University.



KENYA NATIONAL AUDIT OFFICE

REPORT OF THE CONTROLLER AND AUDITOR GENERAL ON THE FINANCIAL STATEMENTS OF KENYATTA UNIVERSITY FOR THE YEAR ENDED 30 JUNE 2005

I have audited the financial statements of Kenyatta University for the year ended 30 June 2005 in accordance with the provisions of Section 14 of the Public Audit Act, 2003. I have obtained all the information and explanations, which to the best of my knowledge and belief were necessary for the purpose of the audit. The financial statements are in agreement with the books of account.

Respective Responsibilities of the University Council and the Controller and Auditor General

As set out in the statement of University Council's responsibilities, University Council Members are responsible for the preparation of financial statements, which give a true and fair view of the University's state of affairs and its operating results. My responsibility is to express an independent opinion on the financial statements based on my audit.

Basis of Opinion

The audit was conducted in accordance with the International Standards on Auditing. Those standards require that the audit be planned and performed with a view to obtaining reasonable assurance that the financial statements are free from material misstatement. An audit includes an examination, on a test basis, of evidence supporting the amounts and disclosure in the financial statements. It also includes an assessment of the accounting policies used and significant estimates made by the Council, as well as an evaluation of the overall presentation of the financial statements. I believe my audit provides a reasonable basis for my opinion.

Comments

1. Property Plant and Equipment

As reported in the previous years audit report the balance sheet, property, plant and equipment figure of Kshs.1, 576,415,605 as at 30 June 2005 includes Kshs.35, 200,000 being the value of approximately 1122 acres of land for which the University holds title deed. However, records available indicate that over the years Kahawa Barracks have occupied 139 acres of this land while 30.82 acres of land has reportedly been encroached by squatters. The occupation, however of the total 169.82 acres of the University land has not been formalized with the Commissioner of Lands with a view to obtaining compensation for the occupied land. This situation is indicative of significant impairment of properties and no provision for impairment loss has been made in the financial statements.

2. Work In Progress – Kshs.343, 256,236

Included in the Work- In- Progress figure of Kshs.346, 617,568 is Kshs304, 079,584 costs incurred in various government-sponsored projects that have so far stalled. The University has not explained the reason for failure to have the projects completed. In the circumstances, it is not possible to confirm whether these building projects will be completed in the near future or to determine additional costs, if any that would be necessary to complete the building projects. Consequently, it is not possible to give an opinion on the carrying values of the capital work in progress figure of Kshs.343, 256,236 as at 30 June 2005.

Opinion

In my opinion, except for the matters referred to the preceding paragraphs, proper books of account have been kept and the final statements give a true and fair view of the state of the financial affairs of the University as at 30 June 2005 and of its surplus and cash flows for the year then ended in accordance with International Financial Reporting Standards and comply with the Kenyatta University Act, 1985.



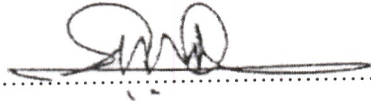
E. N. MWAI
CONTROLLER AND AUDITOR GENERAL

Nairobi
13 March 2006

**BALANCE SHEET
AS AT 30TH JUNE 2005**

	NOTES	2005 KSHS	2004 KSHS
ASSETS			
Non- Current Assets			
Property, Plant and Equipment	8	1,576,415,605	1,581,598,162
Capital Work in Progress	10	346,617,568	328,916,120
CURRENT ASSETS			
Stocks	11	29,151,886	33,588,161
Trade and Other debtors	15	102,838,805	65,335,916
Short Term Deposits	12	127,409,836	164,142,107
Cash and Bank Balances	13	64,878,830	54,290,202
TOTAL ASSETS		2,247,312,531	2,227,870,669
FUNDS AND LIABILITIES			
Capital Fund	7	1,076,148,641	1,169,975,046
Revenue Reserves	9(a)	797,921,961	752,716,237
Revaluation Reserves	9(b)	28,721,234	28,721,234
Current Liabilities			
Trade and Other payables	16	343,152,397	233,483,737
Bank overdraft	13	1,368,298	42,974,414
TOTAL FUNDS AND LIABILITIES		2,247,312,531	2,227,870,669

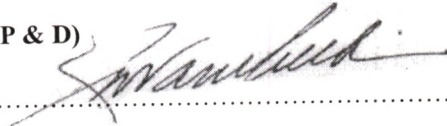
PROF. EVERRETT M. STANDA PhD. MBS.....
VICE - CHANCELLOR



PROF. OLIVE. M. MUGENDA PhD.....



DEPUTY VICE CHANCELLOR(F,P & D)



J. K. WAMBUA.....

AG. FINANCE OFFICER

INCOME AND EXPENDITURE STATEMENT

FOR THE YEAR ENDED JUNE 2005

	NOTES	2005 KSHS	2004 KSHS
Government grant: Recurrent	3	1,266,227,049	876,600,828
Tuition & Other Fees	4	1,133,305,485	628,531,955
Non- Academic Units (IGAs)	5	118,005,070	73,511,369
		<u>2,517,537,604</u>	<u>1,578,644,152</u>
Less: Expenditure:			
Central Services	6(a)	481,414,557	358,586,917
Administrative & Academic departments	6(b)	1,943,314,369	1,297,134,005
		<u>2,424,728,926</u>	<u>1,655,720,922</u>
Surplus/(Deficit)		<u>92,808,678</u>	<u>(77,076,770)</u>

**CASH FLOW STATEMENT
FOR THE PERIOD ENDED 30TH JUNE 2005**

	NOTES	2005 KSHS	2004 KSHS
Cash flow from Operating Activities			
Surplus/(Deficit) during the year		92,808,684	(77,076,770)
Adjustment for:			
Provision for Tax Penalty		-	35,588,509
Provision for Audit fees		750,000	750,000
Increase for the provision for obsolete stocks		782,134	-
Provision for Water Charges		21,352,824	-
Provision for Land Rates		2,000,000	-
Provision for bad and doubtful debts		4,166,988	2,380,971
Provision for inter-departmental transfers		(5,979,809)	-
Accrued interest		(870,199)	(520,191)
Accrued fees		(22,201,938)	-
Interest received		(6,189,423)	(5,615,870)
		86,619,261	(44,493,351)
Decrease in inventories		4,436,275	3,483,190
Increase/(Decrease) trade and other receivables		(37,502,889)	(21,428,740)
Decrease in trade creditors		109,668,660	(30,869,639)
Cash generated from operations		163,221,307	(93,308,540)
Interest paid		-	-
Income tax paid		-	-
Net cash from operating activities		163,221,307	(93,308,540)
Cash Flow from Investing Activities			
Purchase of property, plant and equipment	8 & 10	(106,345,297)	(34,625,815)
Interest received		6,189,423	5,615,870
Net cash used in investing activities		(100,155,874)	(29,009,945)
Net decrease in cash and cash equivalent		63,065,433	(122,318,485)
Cash and Cash equivalent at the beginning of the year		175,457,895	335,975,671
Prior Year Adjustment (Salary arrears for junior staff)		(47,602,960)	(38,199,291)
Cash and Cash equivalent at the end of the year		190,920,368	175,457,895
Analysis of Cash and Cash equivalent			
Cash at Bank	12 & 13(a)	190,939,126	217,865,551
Bank overdraft	13(b)	(1,368,298)	(42,974,414)
Cash in hand	13(a)	1,349,541	566,758
		190,920,368	175,457,895

STATEMENT OF CHANGES IN EQUITY

	Accumulated Fund	Revaluation Reserve	Revenue Reserve	Total
	Kshs.	Kshs.	Kshs.	Kshs.
At July 2004	1,169,975,046	28,721,234	752,716,237	1,951,412,517
Prior Year Adjustment	-	-	(47,602,960)	(47,602,960)
Depreciation charge	(93,826,405)	-	-	(93,826,405)
Surplus	-	-	92,808,684	92,808,684
At end of year	1,076,148,641	28,721,234	792,921,961	1,902,791,835

(a) During the year 2004/2005 the net decrease of equity was Kshs.48,620,682. This was as a result of depreciation charges of Kshs. 93,826,405 and prior year adjustment of Kshs. 47,602,960 for salary arrears for junior staff awarded by the Industrial Court in the year 2003/2004 despite a realised surplus of Kshs. 92,808,684.

(b) Revaluation Reserves: These are accumulated revaluations of motor vehicles since 1992. The breakdown is as follows.

Year	Amount Kshs.
1992	24,507,714
2004	4,213,520
	28,721,234

**NOTES TO THE ACCOUNTS
FOR THE YEAR ENDED 30TH JUNE 2005**

1. SIGNIFICANT ACCOUNTING POLICIES

(a) Basis of Preparation

The financial statements are prepared in accordance with the International Financial Reporting Standards promulgated by the International Standards Board. The Financial Statements are prepared under historical cost convention to include revaluation of certain the assets.

(b) Fees Income

Fees revenue is recognized as and when received and balance accrued at the end of the year.

(c) Property, Equipment and Depreciation

Property and equipment are stated at cost or valuation less accumulated depreciation. Depreciation is calculated on a straight-line basis over the estimated useful lives of the assets.

The annual rates in use are:

Furniture and Equipment	-	10%
Motor Vehicles	-	25%
Academic Gowns	-	5%
Buildings	-	2%
Computers	-	30%
Patent & Rights	-	20%

The depreciation charge is written off to the Capital Fund.

(d) Stocks

- (i) Stocks are stated at lower cost and net realizable value.
- (ii) The cost of library books is written off to expenditure as incurred.

(e) Retirement Benefits

The university operates a defined contribution benefits scheme (Kenyatta University Pensions Fund) for its employees. Few remains in the UK based FSSU Pension scheme.

(f) **Assets and liabilities held in foreign currencies**

Assets and liabilities in foreign currencies are converted into Kenya shillings at the rate of exchange ruling at the transaction date.

(g) **Grants and donations**

Values for grants and donations related to property, equipment and other assets are estimated by the University or as advised by donors.

(h) **Bad and doubtful debts**

Provision of 10% is made on total debts as bad and doubtful of recovery.

2. **PRINCIPAL ACTIVITY**

The principal activities of the institution remains those of Teaching, Research and dissemination of knowledge.

3. **GOVERNMENT GRANTS**

Government grants represent the amount received during the year from the Kenya Government on a monthly basis to meet the operational costs for government sponsored students. The amount is tabulated below:

Account Code	MONTHS	2005 KSHS	2004 KSHS
	July	105,518,920	73,050,069
	August	105,518,920	73,050,069
	September	105,518,920	73,050,069
	October	105,518,920	73,050,069
	November	105,518,920	73,050,069
	December	105,518,920	73,050,069
	January	105,518,920	73,050,069
	February	105,518,920	73,050,069
	March	105,518,920	73,050,069
	April	105,518,920	73,050,069
	May	105,518,920	73,050,069
	June	105,518,929	73,050,069
		1,266,227,049	876,600,828

NOTES TO THE ACCOUNTS 2004/2005

4. TUITION AND OTHER FEES

Account Code	Tuition fees:	2005 KSHS	2004 KSHS
A10020	JAB Students	213,178,522	444,723,651
A10021	Self Sponsored Students	795,508,971	94,727,435
A10022	AVU	10,404,251	7,221,050
A10023	Open Learning	12,368,921	5,038,054
A10024	Other Programmes	79,642,883	6,821,765
	Accrued Fees	22,201,938	
		1,133,305,485	628,531,955

5. NON ACADEMIC UNITS (IGAs)

		2005 KSHS	2004 KSHS
A10040	Accommodation (JAB Students)	6,483,866	4,784,565
A10041	Accommodation (SSP Students)	613,040	431,200
A10042	Accommodation (AVU Students)	(66,600)	-
A10043	Accommodation (Other Programmes)	35,410	-
A10050	Convocation fees	2,706,330	-
A10052	Library fees	176,550	366,548
A10053	Hire of gowns	1,068,450	26,720
A10054	Examination fees	5,000	-
A10055	Registration fees	(10,500)	-
A10070	IGA Programmes	41,873,509	23,644,620
A10080	Rent/ lease income	22,050,192	19,443,678
A10082	Interest income	7,059,622	6,136,061
A10083	Sale of application forms	1 2,977,573	6,000,000
A10084	Other income	23,032,628.25	12,677,977
		118,005,070	73,511,369

NOTES TO THE ACCOUNTS 2004/2005

6. EXPENDITURE		2005	2004
6 (a) CENTRAL SERVICES		KSHS	KSHS
K19121	Advertising and Publicity	15,829,181	15,973,562
K19122	Conferences, Seminars	4,159,697	7,424,544
K19123	Medical Reimbursement	7,755,748	2,587,500
K19124	External Passage and Baggage	11,704,748	12,936,226
K19125	Local Passage and Baggage	1,557,294	1,710,672
K19126	Telephone & Postage	11,805,197	8,835,646
K19127	Council Meetings	4,584,869	4,432,626
K19128	Celebrations & Ceremonies	593,273	10,311,083
K19129	Funeral expenses	2,458,873	2,336,616
K19130	Electricity Expenses	21,785,535	26,892,878
K19131	Sanitary Services hostels	317,861	120,954
K19132	Subscriptions & Donations	1,156,859	954,686
K19134	Water Reticulation & Sewarage	43,183,512	14,707,174
K19136	Light & Electrical Accessories	692,157	795,465
K19137	Fumigation	4,835,912	-
K19138	JAB Expenses	605,302	450,500
K19139	Graduation Expenses	3,495,229	3,758,004
K19140	Provision for Audit Fees	750,000	750,000
K19141	Provision for Land Rates	2,000,000	118,452
K19142	Professional Services	971,515	1,174,445
K19143	Staff Development & Training	127,515	169,443
K19144	Postgraduate Stipend	2,529,120	2,360,500
K19145	Rent (IGA)	1,551,094	-
K19146	Research Grants	162,887	-
K19147	Insurances Premiums	13,067,034	25,591,581
K19148	Motor Vehicle Maintenance	19,423,916	16,857,866
K19149	Maintance of Office Equipment	1,340,342	5,711,605
K19150	Hire of Security	15,545,335	9,858,585
K19152	Clearing & Forwarding	23,201	68,000
K19153	University Staffs' Children Education	9,871,197	8,360,000
K19154	Bank Charges	12,317,959	21,277,754
K19155	External Examinars	2,268,842	1,850,562
K19156	Inaugural & Public Lectures	15,000	-
K19157	Newspapers, Magazines & Publications	5,588,234	5,245,654
K19158	Inter-University Vcs' Meetings	274,811	385,620
K19159	Ex-gratia Payments	585,168	-
K19160	Fees, Commisions & Honoraria	1,573,041	3,129,876
K19161	Culture Week	3,755,444	3,368,950

NOTES TO THE ACCOUNTS 2004/2005

	2005 KSHS	2004 KSHS	
K19162	Schools Journal	160,448	140,600
K19163	Rental & Hire of Premises	821,020	654,500
K19164	Writing of Modules	1,606,613	1,465,400
K19165	Open Learning Tutorials	6,229,552	8,547,655
K19166	Admission Expenses	364,139	350,200
K19167	Maintenance of Hostels	15,327,612	13,856,664
K19169	Maintenance of Grounds & Roads	135,864	550,250
K19170	Hospitalization & Drugs	69,064,374	66,651,839
K19171	Minor works & Alterations	8,997,778	6,585,668

	2005 KSHS	2004 KSHS
Computerization & Networking	3,981,309	-
Transport Operation Expenses	1,315,654	1,587,585
Motor Vehicle Fuel	17,134	-
Teaching Practice	8,830,466	7,587,700
Library Books	7,067,712	5,854,456
Journals & Periodicals	497,556	350,465
Examination Stationery	654,833	754,050
Archive & Photography	75,940	-
Library Stationery	1,686,604	1,458,555
Tutorials	65,650	-
Senate Affairs	312,583	640,565
Sports Uniforms	391,293	330,644
Inter-University Games	910,293	-
Games & Tournaments	2,247,669	1,945,856
East Africa University Games	4,224,654	-
Swimming Pool Maintenance	626,141	584,565
Research & Travel Grants	353,446	450,500
Purchase of Drugs	22,049,484	1,685,554
Vc's Committees Meetings	2,756,566	1,568,560
Students Amenities	8,100,663	9,956,060
Practicum	1,788,237	1,604,055
Provision Penalty and Fines	75,541,239	-
University Calender and Brochures	-	221,457
Accommodation for visiting staff	-	189,147
Prize & Other Awards	-	126,368
Bad & doubtful debts	-	2,380,971
Provision for Obsolete Stocks 782,134		
	481,414,552	358,586,917

NOTES TO THE ACCOUNTS 2004/2005

6(b) ADMINISTRATIVE		2005 KSHS	2004 KSHS
J18001	Basic Salaries	851,284,066	576,843,383
J18002	House Allowances	612,629,882	370,854,505
J18003	Entertainment Allowances	7,714,423	8,546,005
J18005	Responsibility Allowances	4,589,634	5,770,824
J18008	Commuting & Bus Fare	44,609,779	42,586,060
J18009	Leave Traveling Allowances	8,173,367	7,584,020
J18010	Gratuity	16,459,100	14,520,806
J18011	Casual Wages	33,725,727	5,685,040
J18012	Part-Time Payments	79,595,896	76,285,067
J18014	Passage & Paggage	180,748	150,820
J18015	Pension (Employer's Contributions)	148,877,278	74,250,166
J18016	Telephone Allowances	475,200	350,200
J18018	Examination Co-ordination Allowances	5,499	-
J18019	Acting Allowance	2,927,295	-
	Sub Total		
	(Personal Emoluments)	1,811,247,894	1,183,426,896
K19001	Stationery	33,941,426	28,456,258
K19002	Staff Uniforms	644,189	785,456
K19003	Photocopying & Printing	9,511,327	8,200,450
K19004	Cleaning Materials	6,609,620	5,160,250
K19005	Office Tea Expenses	2,311,304	3,600,500
K19006	Departmental Meetings	4,505,090	4,248,200
K19007	Other Office Consumables	5,067,082	5,683,929
K19009	Teaching Materials & Chemicals	10,770,002	8,785,204
K19010	Field Courses	14,043,915	11,580,740

NOTES TO THE ACCOUNTS 2004/2005

	2005 KSHS	2004 KSHS
K19011 Laboratory Glassware	1,774,792	1,504,780
K19012 Tools & Apparatus	489,950	258,070
K19013 Maintenance of Clinical Equipment	(190)	-
K19014 Cutlery & Crockery	57,619	45,800
K19015 Animal Feeds	8,120	15,870
K19016 Marketing & Packaging of Drugs	18,510	65,804
K19017 Purchase of Foodstuffs	15,566,288	14,854,565
K19018 Cyber Expenses	2,379,431	2,565,847
K19019 AVU Expenses	4,212,735	2,545,687
K19020 Traveling & Accommodation	6,210,659	5,800,750
K19022 Fuel & Gases	7,014,584	6,405,006
K19024 Internet Services	1,445,692	1,358,454
K19025 Curioshop Expenses	897	-
K19027 Health & Recreation Centre	1,000	-
K19030 Open Learning Expenses	1,829,544	1,785,489
K19032 Operational Expenses- Ruiru Campus	4,200,182	-
K19034 43% SSP Administration Expenses	(685,035)	-
K19038 Medical Drugs & Supplies	9,483	
K19120 Other Central Operational Expenses	128,259	-
Sub Total (Administrative Expenses)	132,066,475	113,707,109
Grand Total	1,943,314,369	1,297,134,005

8. FIXED ASSETS SCHEDULE.

DETAILS	LAND		BUILDINGS		MOTOR VEHICLES		FURNITURE & EQUIPMENT		COMPUTERS & RIGHTS		PATENT GOWNS		ACADEMIC		TOTAL
	KSHS		KSHS		KSHS		KSHS		KSHS		KSHS		KSHS		
DEPRECIATION		0%		2%		25%		10%		30%		20%		5%	
COST / VALUATION															
As at 1st July 2004	52,055,229	1,736,527,887	61,694,645	260,108,489	120,501,866	7,830,375	6,283,960	2,245,002,451							
Additions	15,150,654	50,502,180	-	15,711,561	-	-	-	81,364,395							
Renovations	-	7,279,453	-	-	-	-	-	7,279,453							
	67,205,883	1,794,309,520	61,694,645	275,820,050	120,501,866	7,830,375	6,283,960	2,333,646,299							

PROVISION FOR DEPRECIATION

As at 1st July 2004	-	316,708,048	41,014,223	193,217,090	107,447,590	3,132,150	1,885,188	663,404,289
Charge for the Year	-	35,886,190	15,423,661	27,582,005	13,054,276	1,566,075	314,198	93,826,405
As at 30th June 2005	-	352,594,238	56,437,884	220,799,095	120,501,866	4,698,225	2,199,386	757,230,694

NET BOOK VALUE AS AT :

30TH JUNE, 2005	67,205,883	1,441,715,282	5,256,761	55,020,955	-	3,132,150	4,084,574	1,576,415,605
30TH JUNE, 2004	52,055,229	1,419,819,839	20,600,422	65,891,399	13,054,276	4,698,225	4,398,772	1,581,598,162

NOTES TO THE ACCOUNTS 2004/2005

7. CAPITAL FUND

	2005 KSHS	2004 KSHS
As at 1st July 2004	1,169,975,046	1,276,734,947
Prior Year Adjustment (Reversal of Accumulated Depreciation)	-	7,436,000
Less: Depreciation for the Year	(93,826,405)	(114,195,901)
As at 30th June 2005	1,076,148,641	1,169,975,046

9. RESERVES

	2005 KSHS	2004 KSHS
9)a) Revenue Reserves	752,716,237	829,793,007
Surplus/ Deficit	92,808,684	(77,076,770)
* Prior Year Adjustment (Salary arrears for junior staff)	(47,602,960)	-
	797,921,961	752,716,237
9(b) Revaluation Reserves: (These are accumulated revaluation of motor vehicles since 1992)	28,721,234	28,721,234
	826,643,195	781,437,471

Revaluation Reserve

Year	Amount
1992	Kshs. 24,507,714
2004	Kshs. 4,213,520
	<u>Kshs. 28,721,234</u>

NOTES TO THE ACCOUNTS 2004/2005

10. CAPITAL WORK IN PROGRESS		2005	2004
		KSHS	KSHS
N23001	Inaguration Monument	844,880	844,880
N23002	Science Complex	82,034,583	82,034,583
N23003	Hostel, Kitchen & Dining hall	190,402,388	172,700,940
N23004	Home Economic	980,200	980,200
N23005	Moi Library extension	27,098,902	27,098,902
N23006	Social centre	1,794,255	1,794,255
N23007	Staff housing project	13,812,404	13,812,404
N23008	Administration Block	2,324,231	2,324,231
N23009	Faculty of Arts Building	3,469,389	3,469,389
N23010	New campuses	23,856,336	23,856,336
		346,812,568	328,916,120

11. STOCKS		2005	2004
		KSHS	KSHS
H17001	Finance Store - Stationery	8,815,606	10,985,617
H17002	Maintainance Store	5,249,843	8,426,636
H17003	Health Unit - Drugs	4,299,363	2,828,144
H17004	Petrol stock	568,182	1,522,120
H17005	Central Food Store	358,556	269,206
H17006	Finance Store - General	928,470	192,036
H17007	Finance Store - Bookshop	10,734,490	10,734,490
H17008	Culture Village Curio Store	1,184,120	663,375
H17009	Accomodation Store	536,185	701,332
B11016	Obsolete Stock	(3,516,929)	(2,734,795)
		29,151,886	33,588,161

NOTES TO THE ACCOUNTS 2004/2005

12. SHORT TERM DEPOSITS

		2005	2004
		KSHS	KSHS
G16001	NBK- Harambe	48,308,214	46,000,237
G16002	Cooperative Bank- University Way	41,022,192	52,781,367
G16003	KCB- Moi Avenue	5,409,341	5,283,517
G16004	NBK- Ruiru	(60)	30,076,986
G16005	NBK- Kenyatta Avenue	32,670,149	30,000,000
		127,409,836	164,142,107

13. CASH AND BANK BALANCES

		2005	2004
		KSHS	KSHS
F15001	Special Account:	24,098,500	4,823,937
F15002	Tuition Account	-	33,371,336
F15004	Revenue Account:	2,934,090	10,342,803
F15005	Capital Account	6,074,803	1,010,603
F15006	Research Grant Account:	8,467,949	4,174,766
	Cash in Hand	1,349,541	566,758
F15007	Foreign Account:	21,953,948	-
		64,878,830	54,290,202
F15002	Tuition Account:	(1,368,298)	-
F15003	Endowment Account	-	(1,124,829)
	Capital Account	-	(41,849,585)
	(NBK- Harambee)	-	(41,849,585)
		(1,368,298)	(42,974,414)
		63,510,532	11,315,788

14. CONTINGENT LIABILITIES

		2005	2004
		KSHS	KSHS
	Guarantees to Banks:		
	Car Loan Scheme (National Bank of Kenya- Kenyatta Avenue)	10,000,000	10,000,000
		10,000,000	10,000,000

NOTES TO THE ACCOUNTS 2004/2005

15. TRADE AND OTHER DEBTORS		2005	2004
		KSHS	KSHS
C12008	Misc. Staff Loans	3,471,153	547,692
C12009	Returned Salaries	1,805	52,953
C12010	Insurance Deductions	581,414	3,677
C12011	VAT	38,169	-
C12012	Co-operative Deductions	539	2,314,380
C12016	Insurance Claims	3,053,328	-
C12017	Sundry Creditors	931,374	45,919
C12018	Students Clubs	33,146	49,517
M21001	Guarantee Deposits	7,314,562	7,314,562
M21002	Staff Debtors	4,054,545	8,659,247
M21003	Institutional Debtors	520,191	607,512
M21005	Sundry Debtors	18,407,431	529,639
M21006	General Imprest Control	31,379,977	35,685,491
M21008	Research Imprest	5,745,460	4,273,270
M21009	Teaching Practice Imprest	12,014,115	10,830,140
M21012	Salary Advance	853,820	345,330
M21013	KU Family Welfare Imprest	230,190	-
M21014	Overpayment Recovery	7,995	-
M21015	Debtors Control Account	64,472	815,942
M21016	Imprest Control -Dollars	2,489,516	-
M21018	Interest Receivable	870,199	520,191
	Fees Receivable	22,201,938	-
		114,265,339	72,595,462
B11014	Provision for bad debts (10%)	(11,426,534)	(7,259,546)
		102,838,805	65,335,916

NOTES TO THE ACCOUNTS 2004/2005

16. TRADE AND OTHER PAYABLES		2005	2004
		KSHS	KSHS
B11015	Provision for Audit Fees	3,365,400	3,365,400
B11017	Provision for tax penalty	35,588,509	(35,542,656)
C12004	Pension (Employee Contributions)	1,355,128	2,152,465
C12005	Welfare Deductions	1,548,465	1,076,253
C12006	Hire Purchase	46,736	75,854
C12014	Court Attachments	14,860	-
C12015	Nairobi City Council	13,054	9,754
C12020	Clearance Account(Cancelled Cheques)	153,060	142,880
C12099	Other Salary Deductions	9,467,717	3,408,924
C12100	Staff Loans	3,342,349	2,573,637
D13003	Clubs & Associations	1,800	1,700
E14002	International Donors	55,183,337	53,432,907
E14003	Local Donors	5,003,147	931,049
L20001	Hospitals	15,743,789	8,978,361
L20002	Drugs Suppliers	9,830,909	9,910,636
L20003	Referral Doctors	18,467,934	10,849,516
L20004	General Creditors	182,667,088	170,149,503
M21004	Student Debtors	517,824	311,214
M21007	Transfer of Funds	714,175	1,568,416
M21010	Salary Control Account	127,116	87,924
		343,152,397	233,483,737





Kenyatta University
P.O.Box 43844 00100 Nairobi
Tel: 254 -020-810901-19
Fax: 254-020-811575
Email: kuvc@nbnet.co.ke
<http://www.ku.ac.ke>