

Kenyatta University

**Annual Report
and
Financial Statements
2006/2007**

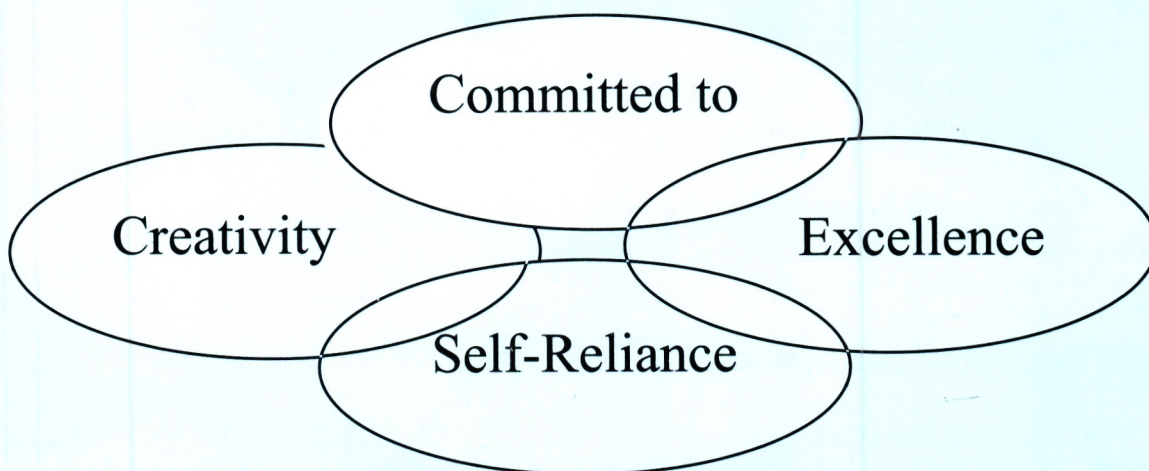
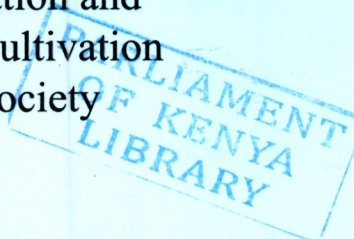
Financial year

PARLIAMENTARY
OF KENYA
LIBRARY



IDENTITY STATEMENT

Kenyatta University is a community of scholars committed to the generation and dissemination of knowledge and cultivation of wisdom for the welfare of society



PHILOSOPHY STATEMENT

Kenyatta University's philosophy is sensitivity and responsiveness to societal needs and the right of every person to knowledge.

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Kenyatta University Management Board Members



MR. HARRIS MULE



PROF. OLIVE M. MUGENDA



PROF. ONESMO K.
OLE-MOI YOI



PROF. DANIEL N. MUGENDI



PROF. OLUOCH OBURA



PROF. GEOFFREY M. MULUVI



DR. GABRIEL KATANA



PROF. GODFREY MSE



DR. NELSON M. KARAGU



MR. JOSEPH I. GITAHI

Chancellor

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

Chairman of the University Council

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

Vice-Chancellor

PROF. OLIVE M. MUGENDA, E.B.S, B. Ed., (NAIROBI), MBA,(ESAMI) M.Sc.,
PhD.(IOWA STATE, USA).

Deputy Vice-Chancellor (Administration)

PROF. GEOFFREY M. MULUVI, BSC (Moi), PhD (DUNDEE, UK)

Deputy Vice-Chancellor (Academic)

PROF. OLUOCH OBURA, BA(Hons.), MA(NAIROBI) DCP
(FREIBURG),PhD.(MUNICH).

Deputy Vice-Chancellor (Finance, Planning & Development)

PROF. DANIEL N. MUGENDI B.Sc., (MOI) M.Sc., (NAIROBI) Ph.D.
(FLORIDA).

Registrar Administration

PROF. GODFREY MSE, B. ED., M.ED, PhD. (KENYATTA).

Registrar Academic

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

Registrar (Finance, Planning and Development)

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

Ag. Librarian

MR. JULIUS GAKOBO, Dip. Lib. (MAKERERE) M.L.S. (LOUGHBOROUGH)

Finance Officer

JOSEPH I. GITAHU, B.Sc (USIU) CPA (K)

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



The University Council notes with appreciation the continued support of the government and other collaborators, both local and international, in running the institution. We endeavour to continue restructuring of the programmes in order to achieve efficiency in the management of academic affairs.



The council will strive to work with the industry and other strategic partners in order to provide for facilities to meet these challenges.

I am pleased to note that despite other challenges such as access, equity, globalisation and internalisation of the higher education, Kenyatta University has embraced modes of teaching and learning focusing on both traditional and new approaches that include the newly launched e-learning using the background technology. This shift in service has increased enrolment of students into various academic programmes, but it has resulted in putting a lot of pressure on the existing facilities.

During the fiscal year, the University embarked on and completed three (3) development projects, which will help greatly in providing the necessary teaching facilities.

At the beginning of the year, the Council signed a Performance Contract with the Government and has endeavoured to achieve all the set targets for the period under the review.

I finally wish to acknowledge with appreciation, the vital support that we have continued to receive from the research development partners, students and sponsors without which, the University would not have been able to meet our targets.

Prof. Onesmo K. Ole-Moi Yoi, PhD.

Chairman,



Kenyatta University Council



I am delighted to present the Annual Report and Financial Statements of Kenyatta University for the year ended 30th June, 2007. During the year under review, the University made remarkable improvements in its performance, achieving outstanding results.



During the year, the University put in place the necessary internal control resources to ensure that we meet the targets of revenue collection and cost control.

The University celebrated its 22nd Graduation Ceremony on 13th April, 2007. At this ceremony, the University witnessed a release of 2,780 graduands to the labour market that is highly competitive and that meets high standards of dependability.

To facilitate increased access to University education to Kenyans, the University planned for and embarked on projects geared towards attaining this objective by purchasing a campus in Mombasa; construction of offices and the lecture halls for students, an admissions block; and improvement of other facilities in order to prepare for increasing enrolment.

In conclusion, I take this opportunity to convey my appreciation and gratitude to the University Council, Management and all members of staff for their commitment to work and their selfless and splendid efforts that have seen Kenyatta University move towards its goal of becoming a world-class University.

Finally, I would like to thank the government and local donor agencies, suppliers and service providers for their trust, guidance and continued co-operation.



Prof. Olive M. Mugenda, E.B.S, Ph.D.

VICE-CHANCELLOR

STATEMENT OF KENYATTA UNIVERSITY COUNCIL MEMBERS
RESPONSIBILITIES FOR THE YEAR ENDED 30TH JUNE 2007



Art Complex phase 2 under construction

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.

The University Council is required to ensure that the University maintains proper accounting records, which disclose, with reasonable accuracy, the financial position of the University. Council is also responsible for safeguarding the assets of the University.

The 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 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 2007 and of its surplus for the year then ended.

The 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 in the adequacy of the system of internal financial control.

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

This statement is approved by the council and is signed on its behalf by

Prof. Olive M. Mugenda Ph.D. EBS
VICE-CHANCELLOR

Prof. Daniel N. Mugendi Ph.D.
DEPUTY VICE-CHANCELLOR
(FINANCE, PLANNING & DEVELOPMENT)

PRINCIPAL PLACE OF BUSINESS

Kenyatta University
Thika Road, Nairobi
P.O. Box 43 844-00100
Nairobi.

REGISTERED OFFICE

Kenyatta University
Thika Road, Nairobi
P.O. Box 43 844-00100
Nairobi.

BANKERS

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

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

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

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

Equity Bank Ltd
P.O. Box 75104-00200
Nairobi



New Admission Block

AUDITORS

Controller & 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	<i>Chairman</i>
Mrs. Elizabeth Masiga	<i>Vice Chairman</i>
Amb. Benjamin E. Kipkorir	<i>Hon. Treasurer</i>
Prof. Olive M. Mugenda	<i>Vice- Chancellor</i>
Prof. Daniel N. Mugendi	<i>Deputy Vice-Chancellor (FP&D)</i>
Prof. Oluoch Obura	<i>Deputy Vice-Chancellor (Academic)</i>
Prof. Geoffrey M Muluvi	<i>Deputy Vice-Chancellor (Administration)</i>
Prof. Karega Mutahi	<i>Permanent Secretary, Ministry of Education</i>
Mr. Joseph K. Kinyua	<i>Permanent Secretary, Ministry of Finance</i>
Dr. Jamleck Mutugi	<i>Member</i>
Prof. Shem Wandiga	<i>Member</i>
Mrs. Jennifer W. Muna	<i>Member</i>
Mr. Philip Lopokoiyit	<i>Member</i>
Mr Farid R. Hamir	<i>Member</i>
Mrs. Gladys Biama	<i>Member</i>
Prof. Paul K. Wainaina	<i>Senate Representative</i>
Dr. Eucharika Kenya	<i>Senate Representative</i>
Dr. Regina Karega	<i>Senate Representative</i>
Prof Benson K. Wambari	<i>Senate Representative</i>
Prof. Wilson M. Njue	<i>Non- Senate Representative</i>
Dr. John Shiundu	<i>Non-Senate Representative</i>
Mr. Eugene Mutembei	<i>Non-Academic Members Representative</i>
Mr. Sylvester Kweyu	<i>Student Representative</i>
Mr. Mike Odhiambo	<i>Student Representative</i>

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

Shall receive donors and endowments of the University

May enter into associations with other universities
gifts grants or other monies and make
disbursement there from.

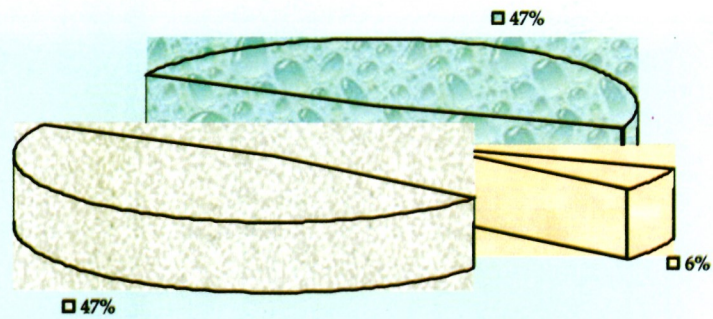
Shall provide for the welfare of the students and
other institutions of learning.

Make regulations governing the conduct and
discipline of the students of the University.



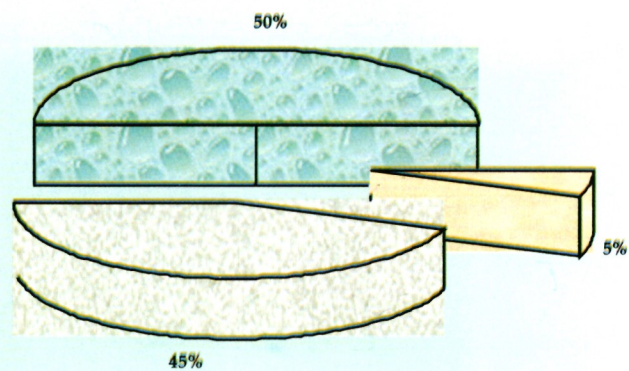
Art Complex

Distribution of Income 2007



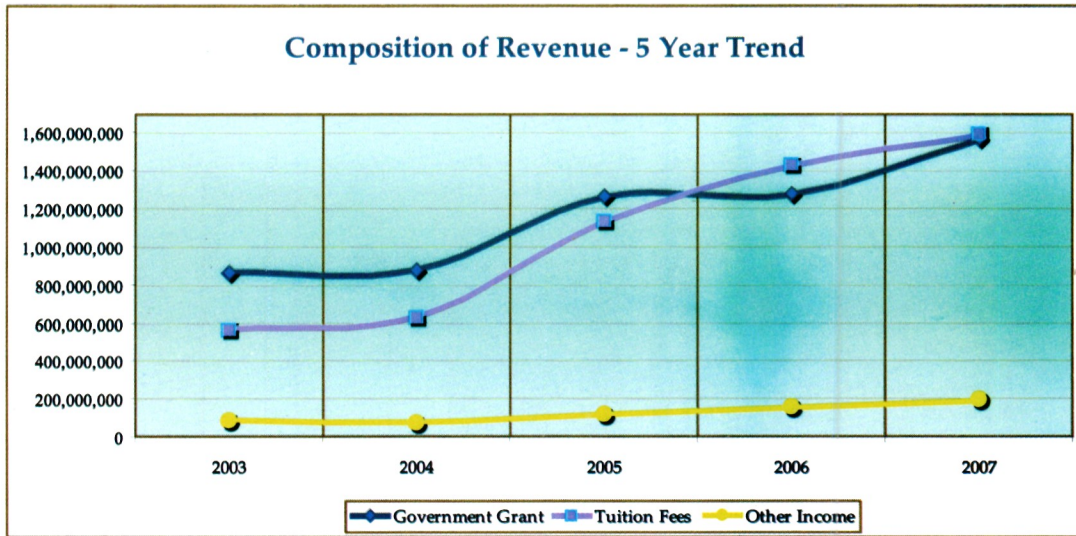
□ Gov. Grants □ Tuition Fees □ Other Income

Distribution of Income 2006

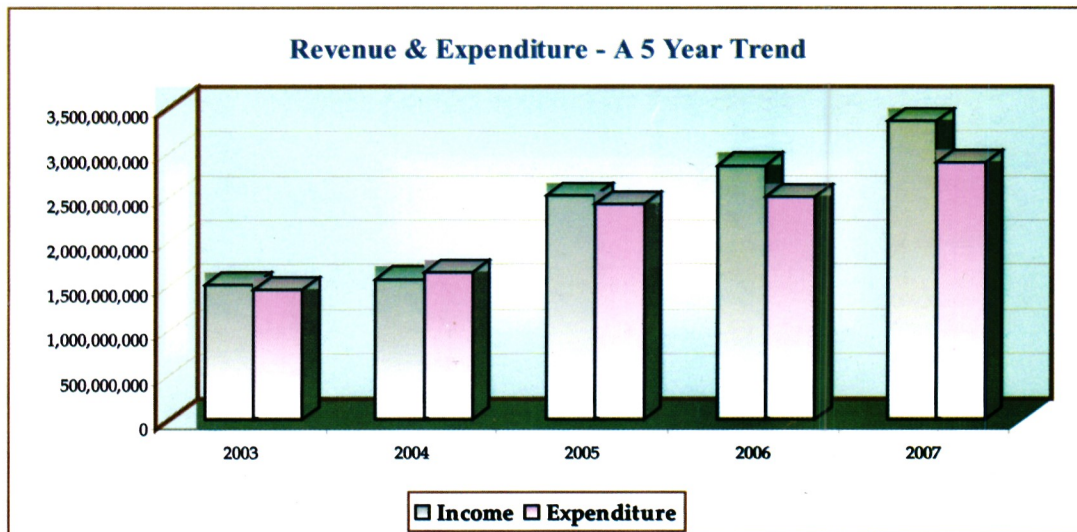


□ Gov. Grants □ Tuition Fees □ Other Income

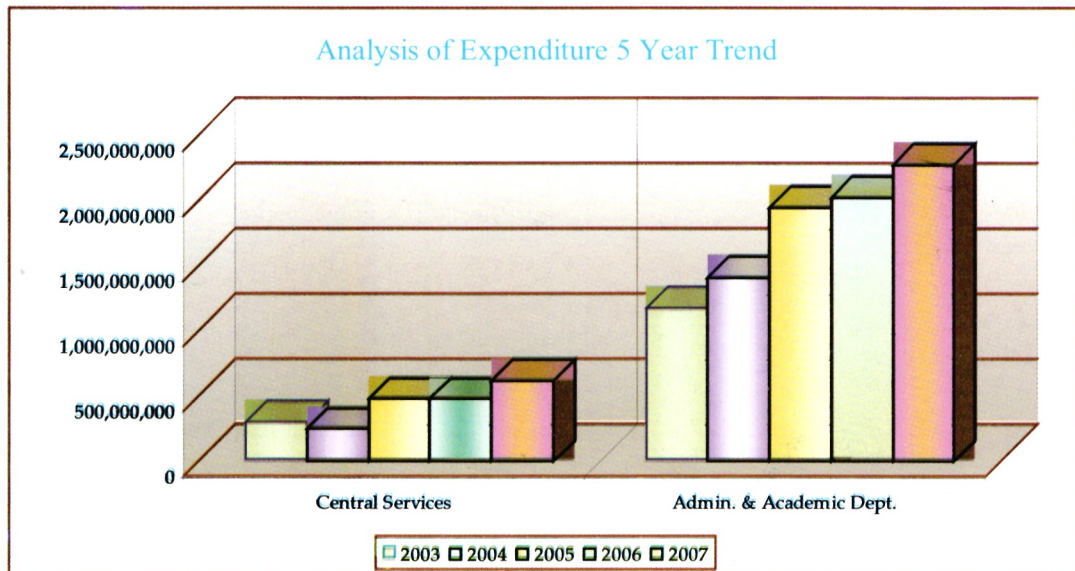
Composition of Revenue - 5year Trend



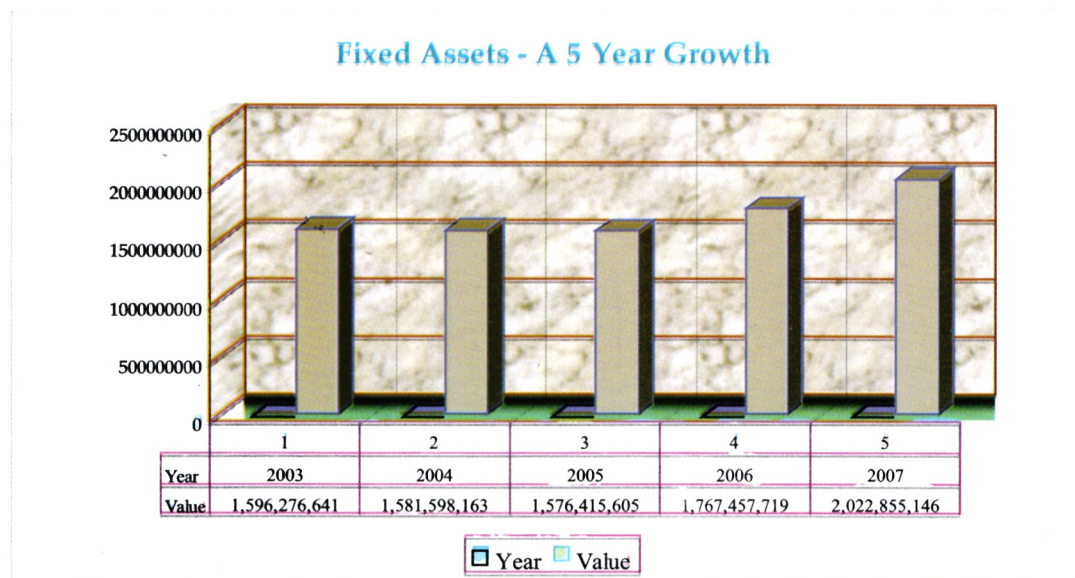
Revenue & Expenditure - 5 Year Trend



Analysis of Expenditure 5 Year Trend



Fixed Assets - 5 Year Growth





REPUBLIC OF KENYA

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P.O. Box 30084-00100
NAIROBI



KENYA NATIONAL AUDIT OFFICE

REPORT OF THE CONTROLLER AND AUDITOR GENERAL ON THE FINANCIAL STATEMENTS OF KENYATTA UNIVERSITY FOR THE YEAR ENDED 30 JUNE 2007

I have audited the financial statements of Kenyatta University set out on pages 10 to 24 which comprise the balance sheet as at 30 June 2007, the income statement, the statement of changes in equity and cash flow statement for the year then ended and a summary of significant accounting policies and other explanatory notes 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 University Councils' Responsibility for the Financial Statements.

The University Council is 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 in accordance with the International Financial Reporting Standards. This responsibility includes: designing, implementing and maintaining internal controls relevant to the preparation and fair presentation of 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.

Responsibility of the Controller and auditor General.

My responsibility is to express an independent opinion on the financial statements based on the audit. The audit was conducted in accordance with the International Standards on Auditing. Those standards require compliance with ethical requirements and 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 involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal controls relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the University's internal

controls. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the statements. I believe the audit provides a reasonable basis for my opinion.

1. Property, Plant and Equipment

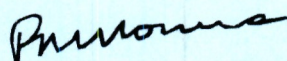
As disclosed in note 8 to the financial statements the University holds title for land acreage totalling 1137.4 acres valued at Kshs. 67,205,883. Included in this figure is land parcel L.R. No. 11026/2 measuring 1122 acres and valued at Kshs. 35,200,000. However, records available indicate that over the years Kahawa barracks have occupied 139 acres of this land while 40.82 acres have been encroached upon by squatters. The occupation of the total of 179.82 acres of the University land has not been formalized with the Commissioner of Lands with a view to obtaining compensation for lands so occupied. This is indicative of significant impairment of properties. No provision for impairment loss has been recognized in the financial statements at 30 June 2007.

2. Capital Work in Progress Kshs. 16,136,655

Included in the Capital Work in Progress figure of Kshs 117,481,896 is Kshs. 16,136,655 being costs incurred on staff housing and administration block that stalled due to Government suspension of development grants to the University in the late 1990s. It is therefore not possible to express an opinion on the carrying value of the Capital Work in Progress in these financial statements. However, the management of the University indicates that plans are underway to complete the building projects using its internally generated funds.

Opinion

Except for the reservations set out in the preceding paragraphs, in my opinion, proper books of account have been kept and the accompanying financial statements give a true and fair view of the state of the financial affairs of the University as at 30 June 2007 and of its surplus and cash flows for the year then ended in accordance with the International Financial Reporting Standards and comply with the Kenyatta University Act, Cap 210C of the Laws of Kenya.



P. N. KOMORA, C.B.S
CONTROLLER AND AUDITOR GENERAL

Nairobi

17 March 2008

SGS

Certificate EG08/01315 QA

The management system of

Kenyatta University

P.O. Box 43844 – 00100-NAIROBI



has been assessed and certified as meeting the requirements of

ISO 9001:2000

For the following activities

The Design, development and delivery of teaching, learning, research and community service covering all academic departments and support services

Further clarifications regarding the scope of this certificate and the applicability of ISO 9001:2000 requirements may be obtained by consulting the organization

This certificate is valid from 25 May 2008 until 25 May 2011
Issue 1. Certified since May 2008

Authorised by

A handwritten signature in black ink, appearing to be 'R. J.', is written over a faint, circular watermark of the Kenyatta University crest.

SGS United Kingdom Ltd Systems & Services Certification
Rossmore Business Park Ellesmere Port Cheshire CH65 3EN UK
t +44 (0)151 350-6666 f +44 (0)151 350-6600 www.sgs.com



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Balance Sheet

as at 30th June, 2007

ASSETS	NOTES	2007 KSHs	2006 KSHs
NON-CURRENT ASSETS			
Property, Plant and Equipment	8	2,022,855,146	1,767,457,719
Capital Work in Progress	10	117,481,896	134,921,238
CURRENT ASSETS			
Inventories	11	32,665,070	26,648,794
Trade and Other Receivables	15	201,384,812	126,307,952
Short Term Deposits	12	870,825,697	440,462,445
Cash and Bank Balances	13(a)	101,317,457	135,800,847
TOTAL ASSETS		3,346,530,077	2,631,598,994
FUNDS AND LIABILITIES			
Capital Fund	7	1,214,871,242	1,179,975,043
Revenue Reserves	9(a)	1,549,443,860	1,054,230,364
Revaluation Reserves	9(b)	28,721,234	28,721,234
		2,793,036,336	2,262,926,641
CURRENT LIABILITIES			
Trade and Other payables	16 (a)	385,134,611	344,993,109
Bank overdraft	13(b)	5,330,213	23,679,246
		390,464,824	368,672,355
LONG TERM LIABILITIES			
Bank loan	16 (b)	163,028,916	-
TOTAL FUNDS AND LIABILITIES		3,346,530,077	2,631,598,994

PROF. OLIVE M. MUGENDA PhD, EBS
VICE - CHANCELLOR

PROF. DANIEL MUGENDI PhD
DEPUTY VICE CHANCELLOR (F, P & D)

JOSEPH I. GITAH CPA (K)
FINANCE OFFICER

INCOME AND EXPENDITURE STATEMENT
FOR THE YEAR ENDED 30TH JUNE, 2007

RECEIPTS	NOTES	2007 KSHs	2006 KSHs
Recurrent Government Grant	3	1,567,457,660	1,266,227,040
Tuition & Other Fees	4	1,595,239,410	1,434,506,689
Non- Academic Units (IGAs)	5	197,528,033	156,115,770
		3,360,225,103	2,856,849,499
EXPENDITURE			
Central Services	6 (a)	618,295,673	482,097,291
Administrative & Academic departments	6(b)	2,269,921,733	2,024,617,400
		2,888,217,406	2,506,714,691
SURPLUS		472,007,697	350,134,808

CASH-FLOW STATEMENT

FOR THE YEAR ENDED 30TH JUNE, 2007

	NOTES	2007 KSHS	2006 KSHS
Cash flow from Operating Activities			
Surplus/(Deficit) during the year		472,007,697	350,134,808
Adjustment for:			
Provision for depreciation		106,818,104	80,752,891
Provision for Audit fees		750,000	750,000
Provision for Home Economics UNESCO Bldg. Fund		6,690,451	-
Provision for Water Charges		-	9,100,000
Provision for Bad and Doubtful Debts		8,341,873	2,607,683
Provision for Salary Arrears		36,447,300	-
Write off Social Centre		(1,794,255)	-
Inter-Departmental Transfers		(11,704,843)	(12,653,775)
Accrued Interest		(8,222,137)	(4,494,419)
Accrued Fees		(25,612,188)	(21,027,715)
Development Grant received		30,000,000	10,000,000
Interest received		(35,131,612)	(18,789,430)
		578,590,390	396,380,043
Increase in Inventories		(6,016,276)	2,503,092
Increase/(Decrease) Debtors and other Receivables		(75,076,859)	(23,469,147)
Increase in Creditors and Other Payables		203,170,419	24,151,659
Cash Generated from Operations		700,667,674	399,565,647
Net Cash From Operating Activities		700,667,674	399,565,647
Investing Activities			
Purchase Of Property Plant & Equipment	8 & 10	(344,776,187)	(56,691,401)
Interest Received		35,131,612	18,789,430
		(309,644,575)	(37,901,971)
Net Cash used in Investing Activities			
Net Increase In Cash & Cash Equivalents		391,023,098	361,663,677
Net Cash & Cash Equivalents At 1 July, 2006		552,584,045	190,920,368
Reversal Of Waived Tax Penalty		23,205,799	-
		966,812,941	552,584,045
Analysis of Cash and Cash Equivalent			
Cash & Bank	12&13(a)	972,143,154	576,263,292
Bank Overdraft	13(b)	(5,330,213)	(23,679,246)
		966,812,941	552,584,045

NOTE:

1) In the year 2004/2005 a provision of Kshs.35, 588,509 being tax penalty was made. Out of the total amount Kshs. 12,3 82,710 was paid and the balance of Kshs.23, 205,799 was written off against reserves.

2) Loan repayment of Kshs 12,799,759 is included in Creditors and Other Payables. Interest on loan of Kshs.5, 828,675 was capitalised and, therefore, is reflected as Purchase of Property Plant and Equipment.

STATEMENT OF CHANGES IN EQUITY

For the Year ended 30th June, 2007

Accumulated Fund	Revaluation Reserve	Revenue Reserve	Total
KSHs	KSHs	KSHs	KSHs
1,179,975,046	28,721,234	1,148,056,769	2,356,753,048
36,690,451			36,690,451
(1,794,256)	-	(70,620,606)	(72,414,860)
-	-	472,007,697	472,007,697
1,214,871,241	28,721,234	1,549,443,860	2,793,036,336

Balance as at 1st July, 2006

Additions in the Year

Adjustments Surplus

As at 30th June, 2007

During the year 2006/2007 the equity increased from previous year of KShs. 2,356,753,048/- to KShs. 2,793,036,336/- being a net increase of KShs. 436,283,288/-

Note: The adjustment figure of KShs. 70,620,606/- includes KShs. 23,205,799/- which was a tax penalty earlier provided for, but waived by the Government; and KShs. 93,826,407/- being depreciation previously charged to Capital Fund, but reversed in the year 2005/2006, but not reflected in the Equity Fund (23,205,799-93,826,407).

a) Basis of Preparation

The financial statements are prepared in accordance with the International Reporting standards promulgated by the International Standards Board. The Financial Statements are prepared Under the historical cost convention and adjusted to include revaluation of certain 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 life 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 is charged to the Income and Expenditure account.

d) Stocks

(i) Stocks are stated at lower of most and net realizable value.

(ii) The cost of library books is written off to expenditure as and when incurred.

e) Retirement Benefits

The University operates a defined contribution pension scheme (Kenyatta University staff Pension scheme) for its employees. However, there are few remaining 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 remain those of teaching, research and dissemination of knowledge.

		2007	2006
		KSHS	KSHS
3. GOVERNMENT GRANTS			
Recurrent Grant		1,555,074,950	1,266,227,040
Development Grant		30,000,000	10,000,000
Subsidy for Non-financial Enterprises.		12,382,710	-
		1,597,457,660	1,276,227,040
4. TUITION AND OTHER FEES			
Code			
A10020	Tuition Fees JAB	247,066,618	226,170,362
A10021	Tuition SSP	1,146,858,425	1,055,268,320
A10022/23	Tuition OL	4,203,493	9,325,800
A10024	Tuition Other programmes	5,857,298	14,133,198
		1,403,985,833	1,304,897,679
A10027	Identity Card Fee	2,837,500	1,987,000
A10028	Medical Fee	33,722,500	24,626,000
A10029	Material Development	29,970,600	16,516,500
A10050/3	Convocation /Hire Of Gown	3,841,182	4,239,935
A10051	Activity Fee	16,860,000	11,903,000
A10052	Library Fees	17,753,345	11,814,900
A10054	Examination Fees	68,756,450	47,359,000
A10055	Registration fee	17,512,000	11,162,675
		191,253,577	129,609,010
		1,595,239,410	1,434,506,689
5. OTHER INCOME			
A10030	Tuck Shop	256,850	-
A10040/41/43	Accommodation	54,744,583	48,379,280
A10056	Commission	4,538,096	1,998,401
A10070	IGA	61,732,495	41,868,763
A10073	Health Unit	1,791,334	-
A10080	Rent	18,938,733	22,297,687
A10082	Interest	42,927,270	23,353,986
A10083	Application Forms	3,068,304	8,861,380
A10084/1 2	Miscellaneous Income	9,530,369	9,356,273
		197,528,033	156,115,770

6. EXPENDITURE**6 (a) CENTRALSERVICES**

Account Code

	2007	2006
	KSHS	KSHS
K19121/35 Advertising and Publicity	28,902,847	21,790,656
K19122 Conferences, Seminars	5,613,767	3,172,587
K19124 External Passage and Baggage	8,721,605	5,794,168
K19125 Local Passage and Baggage	1,719,845	1,678,729
K19 126/73 Telephone & Postage	10,980,385	9,785,040
K19127 Council Meetings	7,761,512	4,533,868
K19128 Celebrations & Ceremonies	2,182,588	1,568,304
K19129 Funeral expenses	1,492,990	2,511,137
K191 30/99 Electricity Expenses	43,256,720	47,300,465
K19131 Sanitary Services hostels	1,997,689	5,977,539
K19132 Subscriptions & Donations	3,327,373	1,094,174
K19133 Bursary	1,902,300	1,970,700
K19 134/200 Water Reticulation & Sewerage	20,506,265	14,970,137
K19136 Light & Electrical Accessories	284,545	243,715
K19137 Fumigation	62,131	9,940
K19138 JAB Expenses	563,721	472,385
K19139 Graduation Expenses	9,845,805	6,162,109
K19140 Provision for Audit Fees	750,000	750,000
K19141 Provision for Land Rates	-	528,000
K191 42/97 Professional Services	3,709,123	3,967,753
K19143 Staff Development & Training	1,274,508	798,767
K19144 Postgraduate Stipend	2,576,065	3,264,495
K191 45/042 Rent - Regional Centres	1,134,376	327,002
K19146 Research Grants	1,827,436	-
K19147 Insurances Premiums	6,906,218	11,537,863
K19149 Maintance of Office Equipment	5,708,281	2,590,937
K19150 Hire of Security	19,473,297	21,968,980
K19151 Hired Computer	12,760	-
K19152 Clearing & Forwarding	1,138,318	1,139,817
K19153 University Staffs' Children Education	12,584,500	11,639,000
K19154 Bank Charges	5,213,910	7,747,171
K19155 External Examinars	5,957,144	3,623,134
K19156 Inaugural & Public Lectures	433,705	276,158
K19157 Newspapers, Magazines & Publications	3,454,071	3,297,706
K19158 Inter-University Vcs' Meetings	-	295,170
K19159 Ex-gratia Payments	9,950	133,050
K19160 Fees, Commisions & Honoraria	7,996,856	1,391,838
K19161 Culture Week	2,933,631	2,665,083
K19162 Schools Journal	595,831	194,368
K19163 Rental & Hire of Premises	1,141,771	1,745,673
K19165 Open Learning Tutorials	7,675,854	3,249,877
K19166 Admission Expenses	99,730	37,500
Sub-total	241,729,424	212,204,996

6. EXPENDITURE**6 (a) CENTRAL SERVICES**

	2007	2006
	KSHS	KSHS
K19167 Maintenance of Hostels	16,322,858	8,523,536
K19168 Maintenance of staff Quarters	15,123,492	8,999,243
K19169 Maintenance of Grounds & Roads	2,523,381	774,031
K.19123 Medical Reimbursement	1,787,424	5,913,977
K19170 Hospitalization & Drugs	86,883,303	64,972,251
K19194 Purchase of Drugs	30,854,011	30,250,502
A10079/81 Forex Gain/Loss	2,624,091	1,113,875
K19177 Library Books	14,713,940	3,866,812
K19178 Journals & Periodicals	4,494,403	2,629,339
K19179 Examination Stationery	1,075,229	7,698,817
K19180 Archive & Photography	1,850	20,105
K19181 Library Stationery	1,358,231	1,232,337
K19182 CD ROM Subscription	414,855	429,824
K19185 Tutorials	1,003,300	712,780
K19186 Senate Affairs	769,128	246,409
K19188 Sports Uniforms	868,734	492,341
K19189 Inter-University Games	871,348	2,408,626
K19190 Games & Tournaments	1,473,145	1,547,343
K19191 East Africa University Games	598,678	1,073,021
K19192 Swimming Pool Maintenance	1,451,986	652,594
K19193 Research & Travel Grants	1,332,543	1,678,306
K19195 Vc's Committes Meetings	1,212,309	3,493,274
K19196 Students Amenities	4,118,069	1,323,224
K19198 Practicum	1,233,798	90,892
K19201/2 Endowment Office	209,375	22,116
K19204 Centre For Gender Studies	27,678	2,607,683
K19206 Provision for Bad & Doubtful Debts	8,341,873	-
K19207 E Learning	2,391,192	-
K19208 Facilitation Of New Campus	1,676,992	-
K19209 Fund Raising & Grant Management	126,315	-
K19210 Curriculum Review	1,338,099	-
K19211 Games - Ruiru & Parklands	644,287	-
K19212 Maintenance Of Buildings	6,328,674	-
K19213 Maintenance Of Sewer & Drainage	237,829	-
K19214 Foreign Currency Expenses	42,915	-
K19215 University Research Proposal Dev.	728,526	-
K19216 ISO Certification	143,170	-
K19218 Mentoring Programme	63,758	-
K19220 Endowment Expense	9,990,840	-
K19171 Minor works & Alterations	11,052,493	5,896,684
K19172 Computerization & Networking	2,544,724	6,458,083
K19148/74 Transport Operation Expenses	23,862,879	20,105,319
K19176 Teaching Practice	6,886,419	3,906,061
Depreciation Charge	106,818,104	80,752,891
Sub-Total	376,566,249	269,892,296
Gross Total	618,295,673	482,097,291

6(b) ADMINISTRATIVE

Account Code

		2007	2006
		KSHS	KSHS
J18001	Basic Salaries	992,775,506	898,233,512
J 18002	House Allowances	658,760,210	630,217,770
J18003	Entertainment Allowances	5,611,502	6,036,354
J 18004	Headship/Directorship Allowance	11,190,334	12,163,513
J 18005	Responsibility Allowances	13,944,039	10,096,508
J 18006	Car Allowance	3,652,371	3,129,801
J18007	Domestic Servant Allowance	1,230,120	1,478,614
J 18008	Commuting & Bus Fare	52,769,336	50,405,789
J18009	Leave Traveling Allowances	8,813,983	8,429,034
J18010	Gratuity	29,175,188	23,903,375
J18011	Casual Wages	59,509,501	42,707,910
J18012	Part-Time Payments	67,243,938	38,615,480
J18014	Passage & Baggage	142,356	146,558
J18015/K19183	Pension- Employers Contribution	189,165,840	158,528,220
K19184	NSSF - Employers Contribution	2,189,490	2,257,640
J18016	Telephone Allowances	6,551,885	5,868,884
J18017	Book & Computer Allowance	-	36,000
J18018	Examination Co-ordination Allowances	3,889,605	1,217,860
J18019	Acting Allowance	5,291,762	1,494,229
J18024	Special readers allowance	72,000	-
	Sub Total	2,111,978,965	1,894,967,051
K1 9001/44	Stationery	28,526,968	17,125,943
K 19002	Staff Uniforms	277,901	225,068
K 19003	Photocopying & Printing	8,829,624	7,532,332
K19004	Cleaning Materials	8,812,076	5,206,619
K 19005	Office Tea Expenses	2,111,839	2,022,057
K 19006	Departmental Meetings	7,465,528	8,825,477
K 19007	Other Office Consumables	4,093,326	4,827,540
K19009	Teaching Materials & Chemicals	10,887,370	14,748,423
K19010	Field Courses	10,537,135	6,318,421
		81,541,768	66,831,880

6(b) ADMINISTRATIVE

Account Code		2007 KSHS	2006 KSHS
K19011	Laboratory Glassware	1,569,111	1,600,470
K19012	Tools & Apparatus	1,417,060	755,076
K19013	Maintenance of Clinical Equipment	187,225	-
K19014	Cutlery & Crockery	1,855,608	1,153,167
K19015	Animal Feeds	295,178	244,340
K19017	Purchase of Foodstuffs	31,594,945	28,258,092
K19018	Cyber Expenses	10,467,021	4,909,572
K19019	AVU Expenses	13,430	1,875,004
K19020	Traveling & Accommodation	6,325,408	7,940,875
K19021	CASB	-	105,000
K19022	Fuel & Gases	9,419,417	3,700,415
K19024	Internet Services	5,627,278	1,571,130
K19025	Curio shop Expenses	-	399,900
K19027	Health & Recreation Centre	84,190	82,632
K19030	Open Learning Expenses	468,778	332,418
K19032	Operational Exp. - Ruiru Campus	29,735	631,995
K19031/33/36/37	SSP Administration expenses	445,581	728,695
K19038	Medical Drugs & Supplies	3,995	-
K19039	Regional Expenses	1,858,488	1,136,506
K19040/K19164	Open Learning Modules	4,480,837	7,115,145
K19041	Honorarium	21,526	-
K19043	Project Supervision	111,012	266,438
K19045	Repair of Braille	125,180	-
K19120	Other Central Operational Exp.	-	11,600
	Sub Total	76,401,000	62,818,469
	Gross Total	2,269,921,733	2,024,617,400

FIXED ASSETS SCHEDULE 2006/2007

DEPRECIATION RATES	LAND KSHS 0%	BUILDING KSHS 2%	MOTOR VEHICLES KSHS 25%	FURNITURE KSHS 10%	COMPUTERS & SOFTWARE KSHS 30%	PATENT RIGHTS KSHS 20%	ACADEMIC GOWNS KSHS 5%	TOTAL KSHS
COST / VALUATION								
As at 1st July, 2006	67,205,883	2,035,691,417	73,354,897	291,924,531	123,150,242	7,830,375	6,283,960	2,605,441,306
Additions	-	305,840,084	16,826,983	27,547,046	12,001,416	-	-	362,215,529
Less Obsolete	-	-	-	-	(118,693,781)	-	-	(118,693,781)
Q As at 30th June, 2007	67,205,883	2,341,531,502	90,181,880	319,471,577	16,457,877	7,830,375	6,283,960	2,848,963,054
PROVISION FOR DEPRECIATION								
As at 1st July, 2006	-	393,308,066	64,609,708	249,991,548	121,296,379	6,264,300	2,513,584	837,983,585
Less Obsolete	-	-	-	-	(118,693,781)	-	-	(118,693,781)
Charge for the Year	-	46,830,630	22,545,470	31,947,158	3,614,574	1,566,075	314,198	106,818,104
As at 30th June, 2007	-	440,138,696	87,155,178	281,938,706	6,217,172	7,830,375	2,827,782	826,107,908
NET BOOK VALUE AS AT :								
As at 30th June, 2007	67,205,883	1,901,392,806	3,026,702	37,532,871	10,240,706		3,456,178	2,022,855,146
As at 30th June, 2006	67,205,883	1,642,383,350	8,745,189	41,932,982	1,853,863	1,566,075	3,770,376	1,767,457,719

Notes to the Accounts 2006/2007

7. CAPITAL FUND-B11001

	2007 KSHS	2006 KSHS
As at 1st July, 2006	1,179,975,043	1,076,148,641
UNESCO - Home Economics Fund	6,690,451	-
Depreciation Previously Charged to Capital Fund	-	93,826,405
Capital Grant	1,186,665,494	1,169,975,043
Write-off of Social Centre	30,000,000	10,000,000
As at 30th June, 2007	(1,794,255)	-
	1,2114,871,242	1,179,975,043

9. RESERVES - BI 1002

Revenue Reserves as at 1 st July, 2006	1,054,230,364	797,921,961
Prior Year adjustment	23,205,799	(93,826,405)
	1,077,436,163	704,095,556
Surplus	472,007,697	350,134,808
	1,549,443,860	1,054,230,364
Revaluation Reserves (1992 Motor Vehicle Revaluation)	28,721,234	28,721,234
	1,578,165,094	1,082,951,598

10. WORK IN PROGRESS

N23002	Science Complex	-	82,034,583
N23004	Home Economic	-	980,200
N23005	Moi Library Extension	-	27,098,902
N23006	Social Centre	-	1,794,255
N23007	Staff Housing Proj ect	13,812,424	13,812,404
N23008	Administration Block	2,324,231	2,324,231
K20010/N23009	Faculty of Arts Building	37,170,322	3,469,389
N23011	Ext. Admin. Block	5,365,548	-
N23012	Const. Admissions Block	14,011,950	-
K20007/N23014	Anatomy Lab	21,611,580	-
K20011	Foreign Languages Lab	1,284,000	3,407,274
K20012	Security Office	1,537,649	-
K20014	Animal House	1,548,989	-
K20013	KESI Block Refurbishmen	18,815,204	-
		117,481,896	-134,921,238

11 .INVENTORIES

Account Code			
H17001	Finance Store - Stationery	11,250,878	7,028,941
HI7002	Maintainance Store	8,349,086	2,320,689
HI7003	Health Unit - Drugs	3,178,286	5,650,688
HI7004	Petrol stock	997,153	1,508,105
HI7005	Central Food Store	761,881	725,526
HI 7006	Finance Store - General	941,366	365,547
HI 7007	Finance Store - Bookshop	8,214,241	10,734,490
HI 7008	Culture Village Curio Store	1,477,597	1,133,850
HI 7009	Accomodation Store	1,011,511	697,887
B11016	Obsolete Stock	(3,516,929)	(3,516,929)
		32,665,070	26,648,794

12. SHORT-TERM DEPOSITS**Account Code**

	2007 KSHS	2006 KSHS
G 16001 NBK-Harambee	164,206,931	155,824,572
G 16002 Cooperative - University Way	107,289,662	51,968,938
G 16003 KCB- Moi Avenue	-	5,588,529
G16004 NBK-Ruiru	128,229,150	171,450,147
G 16005 NBK- Kenyatta Avenue	33,902,231	35,015,851
G 16006 Standard Bank	58,927,481	20,614,408
G16007 Equity -Upper Hill	378,270,241	-
	870,825,697	440,462,445

13. (a) CASH AND BANK BALANCES**Account Code**

F15009 KCB Fees Collection	5,220,890	2,047,047
F15010 NBK Fees Collection	5,828,455	1,989,957
F15011 Standard Fees Collection	4,237,077	2,546,524
F15012 Standard Dollar	13,965,387	19,834,841
F15013 NBKPayment	9,000,138	7,058,743
F15014 NBK Tuition	28,629,220	-
F15015 NBK-Research	520,516	19,530,721
F15016 NBKAICAD	4,453,407	-
F15018 Coop-AVU	6,018,613	5,476,649
F15019 Coop - Fees Collection	12,389,293	76,731,511
F15020 Standard - Pound	1,509,330	-
F15021 Cash-in-Hand	4,548,819	584,854
F15022 Equity - Fees Collection	4,996,312	-
	101,317,457	135,800,847

13. (b) BANK OVERDRAFT

F 150 17 Capitation	(5,330,213)	(23,679,246)
	(5,330,213)	(23,679,246)

14. CONTINGENT LIABILITIES

Guarantees to Banks:	10,000,000.00	10,000,000
Car Loan Scheme (National Bank)	10,000,000.00	10,000,000

15. TRADE AND OTHER RECEIVABLES**Account Code**

		2007	2006
		KSHS	KSHS
C12001	PAYE	-	12,667
C12002	NHIF	-	80
C12003	NSSF	-	41,290
C 12004	Pension	2,467	-
C12008	Misc. Staff Loans	-	158,906
C 12009	Returned Salaries	-	37,130
C12012	Co-operative Deductions	-	540
C12017	Sundry Creditors	-	931,374
C12018	Students Clubs	-	33,146
C12100	Staff Loans	156,758	474,932
D13002	Endowment Fund	-	44,200
M21001	Guarantee Deposits	7,314,562	7,315,462
M21002	Staff Debtors	7,680,826	4,673,287
M21003	Institutional Debtors	-	751,209
M21005	Sundry Debtors	56,029,907	24,682,634
M21006	General Imprest Control	77,521,616	35,246,615
M21007	Transfer of Funds	1,518,065	-
M21008	Research Imprest	29,639,483	14,080,188
M21009	Teaching Practice Imprest	-	12,934,680
M21012	Salary Advance	47,500	568,088
M21013	KU Family Welfare Imprest	-	230,190
M21015	Debtors Control Account	-	1,531
M21016	Imprest Control -Dollars	10,015,393	12,601,885
M21018	Interest Receivable	8,222,137	4,494,419
M21019	Fees Receivable	25,612,188	21,027,715
		223,760,902	140,342,169
B11014	10% Provision for bad debts	(22,376,090)	(14,034,217)
		201,384,812	126,307,952



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