



South Eastern
Kenya University

SEKU



**THE FINANCIAL STATEMENTS OF
SOUTH EASTERN KENYA
UNIVERSITY**

FOR THE YEAR ENDED 30 JUNE 2013



SOUTH EASTERN KENYA UNIVERSITY

ANNUAL REPORTS AND ACCOUNTS

FOR THE YEAR ENDED 30TH JUNE 2013

FINANCIAL YEAR 2012/2013

SOUTH EASTERN KENYA UNIVERSITY

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SOUTH EASTERN KENYA UNIVERSITY

CHAIRMAN'S REPORT

The University was granted a Charter on 1st March, 2013 by the former President His Excellence Hon. Mwai Kibaki. Consequently, the management structure had to change to reflect the new status. The first Chancellor of the University, Dr. Titus T. Naikuni was inaugurated on 15th June, 2013 together with the first Vice-Chancellor Prof. Geoffrey M. Muluvi. The composition of the council also changed where upon I was appointed Chairman of the University Council with effect from 30th May, 2013. I wish to take cognizance of the tremendous achievement in the development of physical infrastructure, institutional capacity building and linkages created under the guidance of the former Council.

In line with its mandate, the University will continue to provide access to quality education and technical training so as to produce all round graduates with relevant skills and knowledge to meet national as well as global labour demands. The University is, therefore, posed to play a vital role in enabling the Government achieve its social objectives outlined in Vision 2030. The achievements witnessed so far in the University could not be realized without the full commitment of top University Management and other staff directing their efforts towards the fulfillment of set goals and objectives of the University. On behalf of the University Council and on my own behalf, I sincerely thank them.

A handwritten signature in black ink, appearing to be 'L. M. Mumera', is written over a long, thin horizontal line that extends across the page.

PROF. LOUIS M. MUMERA – (Ph.D)
CHAIRMAN OF COUNCIL

SOUTH EASTERN KENYA UNIVERSITY

UNIVERSITY COUNCIL STATEMENT OF RESPONSIBILITY

The South Eastern Kenya University Council is required to prepare financial 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 Council is required to ensure that the University maintains 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 responsibility for the financial statements, which have been prepared using appropriate accounting policies supported by reasonable and prudent judgment and estimates, and in conformity with International Financial Reporting Standards. The University Council is of the opinion that the financial statements give a true and fair view of the state of the financial affairs of the University as at 30th June, 2013 and of its surplus/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 controls.

Nothing has come to the attention of the University Council to indicate that the University will not remain a going concern for at least twelve months from the date of this statement. The statement is approved by the University Council and is signed on its behalf by:



PROF. GEOFFREY M. MULUVI (Ph.D)
VICE-CHANCELLOR



PROF. LOUIS M. MUMERA (Ph.D)
CHAIRMAN OF COUNCIL

SOUTH EASTERN KENYA UNIVERSITY



UNIVERSITY CORE BUSINESS

The core business of the University is provided for in the South Eastern Kenya University Charter.

The charter provides in Section 6 (1) the functions of the University which include:

- (a) To provide directly, or in collaboration with other institutions of higher learning, facilities for University education (including technological, scientific and professional education), the integration of teaching, research and effective application of knowledge and skills to the life, work and welfare of the citizens of Kenya.
- (b) To participate in the discovery, transmission and preservation and enhancement of knowledge and to stimulate the intellect participation of students in economic, social, cultural, scientific and technological development of Kenya.
- (c) To provide and advance University education and training to appropriately qualified candidates, leading to the conferment of degrees and award of diplomas and certificates and such other qualifications as the Council and the Senate shall from time to time determine and in so doing, contribute to manpower needs.
- (d) To conduct examinations for such academic awards as may be provided in the charter pertaining to the University and.
- (e) To examine and make proposals for new faculties, schools, institutes, departments, resource and research centres, degree courses and subjects of study.
- (f) Play a leading role in the development and expansion of the opportunities for higher education and research in agriculture, forestry, mining, energy, water and environmental sciences on arid and semi-arid lands.
- (g) Contribute to industrial and technological development through innovations and technology transfer.
- (h) Develop as an institution of excellence in teaching, training, scholarship, entrepreneurship, innovation, research, consultancy and extension services with emphasis on dry land agriculture and farming systems and their impact and application within and outside Kenya.
- (i) Participate in commercial ventures and other activities to the benefit of the institution, the community and stakeholders.
- (j) Contribute to agricultural, industrial and technological development of Kenya in collaboration with industry and other institutions through transfer of appropriate technology.

SOUTH EASTERN KENYA UNIVERSITY

VICE-CHANCELLOR'S REPORT

I am privileged as the first Vice-Chancellor of the University to present the Annual Report and Accounts of the South Eastern Kenya University for the year ended 30th June, 2013. Over the last one year, the University has witnessed tremendous growth. The students population increased from 1600 to 3400, a growth of 112.5%. The students' population is bound to grow further as the University introduces more programmes and expands its capacity.

The asset portfolio now stands at Kshs.2.25 billion; with land valued at Kshs.1.0366 billion. The University completed two modern students hostels blocks costing Kshs.281 million. This will ensure the provision of quality accommodation facilities for students. In addition, the internal road network was improved with the assistance of Government support amounting to Kshs.50 Million.

The University continues to rely on the Government for financial support. In the financial year, Ksh.471.4 million and Ksh.233.4 million were received as capitation and capital grants respectively. Staff emoluments accounted for 61.8% of the income budget. This was attributed to the implementation of the 2010 – 2013 CBA whereupon members of staff were paid salary arrears amounting to Ksh.61.4 Million. The final phase of the arrears would be paid in the FY 2013/2014.

The University continued to prioritize in utilizing allocated funds. A total of Kshs.668.0 Million was spent with personal emoluments amounting to Kshs.394.3 Million. Kshs.230 Million was spent for operations and maintenance. The provision for impairment of assets amounted to Kshs.41.87 Million.

Recruitment of top management is expected to be completed in the first quarter of FY 2013/2014. This will ensure complete management structure in line with the University strategic plan. Finally, I wish to recognize the contribution of all cadres of staff, both teaching and non-teaching, towards the attainment of a fully fledged university status. I wish to sincerely thank all of them for their great contribution. I look forward to the continued support of all stakeholders.

Thank you.



PROF. GEOFFREY M. MULUVI (Ph.D)
VICE-CHANCELLOR

SOUTH EASTERN KENYA UNIVERSITY

UNIVERSITY COUNCIL MEMBERS

Prof. Louis M. Mumera	-	Chairman of Council	
Mr. Bartholomew Lumbasi	-	Rep. P.S. MOEST	-
Mrs. Margaret W. Muiru	-	Rep. P.S. National Treasury	
Mr. Martin Kinoti	-	Member	
Prof. Kamuti Kiteme	-	Member	
Mrs. Veronica W. Maina	-	Member	
Dr. Kipera Issa Athuman	-	Member	
Ms. Risper J. Kandie	-	Member	
Prof. Geoffery M. Muluvi	-	Vice-Chancellor & Secretary	

SOUTH EASTERN KENYA UNIVERSITY

UNIVERSITY MANAGEMENT

Prof. Geoffrey M. Muluvi	- Vice-Chancellor
Prof. Dickson M. Nyariki	- Ag. Deputy Vice- Chancellor (A&HRM)
Prof. Francis M. Mathooko	- Ag. Deputy Vice-Chancellor (ARSA)
Prof. Dorothy M. Mutisya	- Ag. Deputy Vice-Chancellor (F, P &D)
Dr. Joseph K.Metet	- Registrar (Planning& Development)
Dr. John F. Koga	- Registrar (Academics)
Prof. Mary W. Mburu	- Ag. Registrar (A& HRM)
Mr. Edward M. Kitati	- Ag. Finance Officer

SOUTH EASTERN KENYA UNIVERSITY

UNIVERSITY CORE INFORMATION

PRINCIPAL PLACE OF BUSINESS

South Eastern Kenya University
P.O Box 170-90200

KITUI

REGISTERED OFFICE

South Eastern Kenya University
P.O Box 170-90200

KITUI

BANKERS

National Bank of Kenya Ltd. (SEKU Branch)

P.O Box 1656-90200

KITUI

Equity Bank of Kenya Ltd. (Kitui Branch)

P.O Box 1453-90200

KITUI

The Co-operative Bank of Kenya Ltd. (Kitui Branch)

P.O Box 1432-90200

KITUI

Barclays Bank of Kenya Ltd. (Kitui Branch)

P.O Box 1206-90200

KITUI

Kenya Commercial Bank Ltd. (Kitui Branch)

P.O Box 683-90200

KITUI

LAWYERS

Kilonzo & Co. Advocate

P.O Box 59839-00200

NAIROBI

E.K. Mutua & Co. Advocate

P.O Box 60596-00200

NAIROBI

AUDITOR

Auditor General

Kenya National Audit Office – Eastern Hub

P.O Box 113 - 60100

EMBU

SOUTH EASTERN KENYA UNIVERSITY

VISION, MISSION AND CORE VALUES

VISION

A globally competitive Centre of Excellence in teaching, research, innovation and service.

MISSION

To provide quality education through teaching, learning, research, and entrepreneurship with emphasis on dryland agriculture, natural resources and environmental management.

CORE VALUES

- x Professionalism
- x Innovation
- x Integrity
- x Team work
- x Freedom of thought
- x Respect and conservation of environment

REPUBLIC OF KENYA



KENYA NATIONAL AUDIT OFFICE

REPORT

OF

THE AUDITOR-GENERAL

ON

**THE FINANCIAL STATEMENTS OF
SOUTH EASTERN KENYA
UNIVERSITY**

**FOR THE YEAR ENDED
30 JUNE 2013**

REPUBLIC OF KENYA

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



P.O. Box 30084-00100
NAIROBI

KENYA NATIONAL AUDIT OFFICE

REPORT OF THE AUDITOR-GENERAL ON SOUTH EASTERN KENYA UNIVERSITY FOR THE YEAR ENDED 30 JUNE 2013

REPORT ON THE FINANCIAL STATEMENTS

I have audited the accompanying financial statements of South Eastern Kenya University set out on pages 2 to 13, which comprise the statement of financial position as at 30 June 2013, and the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information, in accordance with the provisions of Article 229 of the Constitution of Kenya and Section 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.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with International Financial Reporting Standards, 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.

Management is also responsible for the submission of the financial statements to the Auditor-General in accordance with the provisions of Section 13 of the Public Audit Act, 2003.

Auditor-General's Responsibility

My responsibility is to express an opinion on these financial statements based on the audit and report in accordance with the provisions of Section 15 of the Public Audit Act, 2003. The audit was conducted in accordance with International Standards on Auditing. Those standards require compliance with ethical requirements and that the audit be planned and performed to obtain reasonable assurance about whether 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 judgment, 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 control 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 control. An audit also includes evaluation the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the management, as well as evaluating the overall presentation of the financial statements.

I believe that the audit evidence obtained is sufficient and appropriate to provide a basis for my qualified audit opinion.

Basis for Qualified Opinion

1.0 Accuracy of the Financial Statements

The University did not maintain proper books of account including the general ledger and subsidiary ledgers during the year. The trial balance as at 30 June 2013 was therefore prepared from schedules whose accuracy, reliability and completeness could not be ascertained.

Further, the statement of cash flows incorrectly includes under cash flow from investing activities, prior year adjustments on work in progress of Kshs.10,737,105. Also, Government grants on capital projects is incorrectly reflected as having decreased by Kshs.42,877,574 instead of capital grants received of Kshs.233,412,699.

Consequently, it has not been possible to confirm accuracy and completeness of the University's financial statements for the year ended 30 June 2013.

2.0 Property, Plant & Equipment

As similarly reported in the previous year, the property plant and equipment balance of Kshs.2,185,296,827 as at 30 June, 2013 includes four (4) parcels of land under reference L.R No 13529,12970,3756 and 209/10350 valued at Kshs.1,036,600,000, out of which only L.R 209/10350 is registered under the name of the University.

In the circumstances, it has not been possible to confirm the ownership status of the parcels of land and that the property, plant and equipment balance of Kshs.2,185,296,827 is fairly stated as at 30 June 2013.

Further, property, plant and equipment balance of Kshs.2,185,296,827 as 30 June, 2013 includes Kshs.852,397,834 in respect of work-in-progress. However, measurements in support of Certificates of Completion issued during the year under review were not made available for audit review. It was therefore not possible to conduct any meaningful physical verification of the project's works undertaken.

3.0 Prior Year Adjustments

The financial statements reflect under Note 18, prior year adjustments of Kshs.276,290,274 made on capital fund during the year under review. However, no

detailed analysis or supporting documents were made available for audit confirmation.

4.0 Financial Improprieties

The financial statements reflect under note 7, administrative expenses of Kshs.95,737,349 which includes Kshs.19,294,906 spent on transport and fuel expenses. However, fuel amounting to Kshs.1,596,801 drawn by motor vehicles serving various Campuses were not supported by work tickets or detail orders. In addition, fuel worth Kshs.338,345 drawn by various vehicles attached to various campuses could not be traced to the work tickets of the respective motor vehicles.

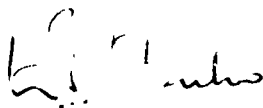
Consequently, the propriety of the expenditure of Kshs.1,935,146 included in administration expenses could not be confirmed.

5.0 Unsupported Expenditure

Further, a total of Kshs.7,057,962 spent on additions to furniture/equipment and computers/accessories at Kshs.5,370,040 and Kshs.1,687,922 respectively, were not supported with payment voucher or invoices. Also, a fixed assets register was not produced for audit review. As a result, propriety of the expenditure could not be confirmed.

Qualified Opinion

In my opinion, except for the effect of the matters described in the Basis for Qualified Opinion paragraph, the financial statements present fairly, in all material respects, the financial position of the University College as at 30 June 2013, and of its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards and comply with the South Eastern Kenya University College order, 2008.



Edward R. O. Ouko, CBS
AUDITOR-GENERAL

Nairobi

5 September 2014

SOUTH EASTERN KENYA UNIVERSITY

STATEMENT OF FINANCIAL POSITION AS AT 30TH JUNE 2013

ASSETS		<u>2012/2013</u>	<u>2011/2012</u>
NON-CURRENT ASSETS	NOTES	KSH.	KSH.
Property Plant & Equipment	14	2,185,296,827	2,033,079,571
Biological Assets	21	942,000	820,750
		<u>2,186,238,827</u>	<u>2,033,900,321</u>
CURRENT ASSETS			
Inventories	17	3,897,625	7,092,477
Trade & Other Receivables	15	49,468,238	146,762,285
Investments	20	-	20,000,000
Cash & Bank Balances	16	8,572,835	8,390,884
		<u>61,938,698</u>	<u>182,245,646</u>
TOTAL ASSETS		<u>2,248,177,524</u>	<u>2,216,145,967</u>
FUNDS, RESERVES & LIABILITIES			
ACCUMULATED FUND			
Capital Fund	18	1,527,269,335	1,570,146,910
Revenue Reserve	22	7,934,958	37,445,192
Capital Revaluation Reserve	23	466,720,000	466,720,000
		<u>2,001,924,293</u>	<u>2,074,312,102</u>
CURRENT LIABILITIES			
Trade and Payables	19	231,900,783	128,392,447
Bank Overdraft	24	14,352,448	13,441,418
		<u>246,253,231</u>	<u>141,833,865</u>
TOTAL FUNDS, RESERVES AND LIABILITIES		<u>2,248,177,524</u>	<u>2,216,145,967</u>

PROF. GEOFFREY M. MULUVI, Ph.DDate.....9/7/13.....

VICE-CHANCELLOR

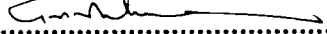
PROF. LOUIS M.MUMERA, Ph.DDate.....10.2014.....

CHAIRMAN OF COUNCIL

SOUTH EASTERN KENYA UNIVERSITY

STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 30TH JUNE 2013

	NOTES	2012/2013 KSH.	2011/2012 KSH.
INCOME			
Capitation-GoK	2	471,400,000	320,000,000
Tuition fees	3	127,065,443	79,720,772
Investment Income	4	158,699	1,628,271
Rent & other Incomes	5	29,580,610	22,787,204
Research Grants	6	10,309,098	24,827,385
Total		638,513,850	448,963,632
EXPENDITURE			
Administration expenses	7	95,737,349	72,728,319
Council expenses	8	5,220,172	3,355,884
Repairs, Maintenance & Extensions	9	22,209,704	18,379,493
Advertising	10	10,331,373	10,071,218
Students welfare	11	33,440,890	32,764,482
Academic services	12	64,218,149	57,830,127
Staff emoluments	13	394,303,575	320,854,725
Depreciation	14	41,866,871	32,293,703
Provision for audit fees		696,000	600,000
Total		668,024,084	548,877,951
SURPLUS/(DEFICIT)		(29,510,234)	(99,914,319)

PROF. GEOFFREY M. MULUVI, Ph.D  Date..... 9/7/13.....

VICE-CHANCELLOR

PROF. LOUIS M.MUMERA, Ph.D  Date..... 10.2014
07.....

CHAIRMAN OF COUNCIL

SOUTH EASTERN KENYA UNIVERSITY

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 30TH JUNE 2013

	NOTES	2012/2013 KSH.	2011/2012 KSH.
CASH FLOW OPERATING ACTIVITIES			
Surplus/(Deficit) for The Year		(29,510,234)	(99,914,319)
Interest Received		(158,699)	(1,628,271)
Provision for Audit Fee		696,000	600,000
Adjust for Depreciation		41,866,871	32,293,703
Operating Surplus/(Deficit) Before Working Capital		12,893,939	(68,648,887)
Increase/Decrease in Inventories		3,194,852	4,065,035
Decrease in Trade & Other Receivables		97,294,047	(38,099,679)
Increase in Trade & Other Payables		103,508,337	43,329,987
Net Cash Inflow From Operating Activities		<u>216,891,174</u>	<u>(59,353,544)</u>
CASH FLOW FROM INVESTING ACTIVITIES			
Purchase of Non-Current Assets		(13,114,480)	(17,093,954)
Interest on Fixed Deposits		158,699	1,628,271
Fixed Deposit Investment		20,000,000	30,000,000
Over Stated Work in Progress		(10,737,105)	-
Work In Progress		(191,706,752)	(457,254,019)
Net Cash Flow From Investing Activities		<u>(195,399,638)</u>	<u>(442,719,702)</u>
CASH FLOW FROM FINANCING ACTIVITIES			
Increase in Research Grants		656,959	-
Decrease in Government Grants on Capital Projects		(42,877,574)	355,200,058
NET CASHFLOW FROM FINANCING ACTIVITIES		<u>(42,220,615)</u>	<u>355,200,058</u>
Increase/(Decrease) in Cash and Cash Equivalents		(20,729,079)	(146,873,188)
Cash & Cash Equivalents as Start of the Year		14,949,466	161,822,654
		<u>(5,779,613)</u>	<u>14,949,466</u>
ANALYSIS OF BALANCES OF CASH&CASH EQUIVALENTS			
Cash and Bank Balances		8,572,835	8,390,884
Short-Term Deposits		-	20,000,000
Bank Overdraft		(14,352,448)	(13,441,418)
TOTAL		<u>(5,779,613)</u>	<u>14,949,466</u>

SOUTH EASTERN KENYA UNIVERSITY
STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 30TH JUNE 2013

STATEMENT OF CHANGES IN EQUITY				
DETAILS	CAPITAL FUND	REVENUE RESERVE	REVALUATION RESERVE	TOTAL
Balance as at 30.6.2011	1,184,946,851	137,359,512	466,720,000	1,789,026,363
Deficit for the year 2011/2012		(99,914,319)		(99,914,319)
Additions for the year	385,200,058	-		385,200,058
Balance as at 30.6.2012	1,570,146,909	37,445,193	466,720,000	2,074,312,102
STATEMENT OF CHANGES IN EQUITY				
DETAILS	CAPITAL FUND	REVENUE RESERVE	REVALUATION RESERVE	TOTAL
	KSH.	KSH.	KSH.	KSH.
Balance as at 01.7.2012	1,570,146,910	37,445,192	466,720,000	2,074,312,102
Prior Year Adjustments	(276,290,274)			(276,290,274)
Deficit for the year	-	(29,510,234)	-	(29,510,234)
DEVELOPMENT GRANTS	233,412,699			233,412,699
Balance as at 30.6.2013	1,527,269,335	7,934,958	466,720,000	2,001,924,293

SOUTH EASTERN KENYA UNIVERSITY

SIGNIFICANT ACCOUNTING POLICIES

a) Basis of Accounting

The accounts are prepared under the historical cost convention as modified by the revaluation of certain fixed assets.

b) Income

Income for the current year include GoK-Capitation, fees from JAB students & the TIVET Programmes, interest from investments ,sale of food to students, administration charges on research projects and other grants e.g From IDRC and ABHFI

c) Depreciation

Property, Plant and Equipment are stated at cost or professional valuation. Depreciation is provided for at annual rates estimated to write off the assets over their expected useful lives.

The annual rates are:

Furniture & Equipments	-	15% on straight line basis
Motor vehicles	-	25% on straight line basis
Buildings	-	2% on straight line basis
Computers & Accessories	-	25% on straight line basis

d) Stocks

Stocks are valued at the lower of cost and net realisable value.

e) Teaching Materials

The cost of teaching materials, field projects & library books is written off to expenditure as incurred.

f) Reecognition of Income & Expenditure

The accounts are prepared on accrual concept disclosing all the income earned and all expenditure incurred during the year.

g) Research Grants

South Eastern Kenya University recognises the administrative charges on Research Grants as income in the Statement of Comprehensive Income and the balances on accounts as creditors in the Statement of Financial Position.

h) Change in Depreciation Rate

Change in Depreciation rate on Motor vehicles and Furniture & Fittings was approved by the University Council in recognition of the poor status of the roads. This increased from 20% to 25% p.a on straightline method.

i) Currency

Reporting currency is Kenya shillings

j) Cash and Cash Equivalents

This constitutes of office petty cash, current accounts balances and short-term call deposits with maturity periods less than 90 days and not pledged as security.

SOUTH EASTERN KENYA UNIVERSITY

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 30TH JUNE 2013

	2012/2013 KSH.	2011/2012 KSH.
2 Capitation		
Government Capitation for Year Ended	471,400,000	320,000,000
	471,400,000	320,000,000
3 Tuition Fees		
Collections for the financial year	129,439,043	79,720,772
Outstanding fees	11,826,900	-
Less provision for caution money	(14,200,500)	
	127,065,443	79,720,772
4 Investment Income	158,699	1,628,271
5 Rent & Other Income		
Rent & Other Income	7,398,672	21,823,342
Pay As You Eat	21,553,703	-
Administrative Charges -Research Grants	628,235	963,862
	29,580,610	22,787,204
6 Research Grants		
Funded External Research Grants	10,309,098	24,827,385

SOUTH EASTERN KENYA UNIVERSITY

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 30TH JUNE 2013

<u>EXPENDITURE</u>	2012/2013	2011/2012
7 <u>ADMINISTRATION EXPENSES</u>	KSH.	KSH.
Travelling & Accommodation	12,153,387	6,527,302
Leave Travelling, Passage & Baggage	1,343,878	1,474,438
Transport Operating & Fuel Expenses	19,294,906	14,888,652
Office Expenses	9,069,639	8,230,259
Postage & Courier Services	208,608	32,010
Telephone Expenses	431,745	437,653
Insurance-Motor Vehicles & Students	2,942,094	3,787,438
Electricity, Water & Consequency	14,830,973	11,945,594
Medical Health Services	10,107,447	6,633,330
Security Expenses	-	7,428,744
(Ict)Internet Expenses & Infrastructure	8,587,931	1,347,660
Printing & Publishing	2,664,916	3,156,903
Purchase of Uniforms	760,600	-
Official Entertainment&Conferences	517,411	494,429
External Travel & Accomodation	253,969	22,553
Staff Devt & Training	543,860	1,483,330
Change Mgt & Rri	344,520	814,088
Legal Expenses	8,669,373	2,087,998
Farrn Expenses	567,312	746,619
Bank Charges	763,171	503,585
Donations- Kv Police Station	1,000,000	-
Staff Seminar Expenses&Subcriptions	681,610	685,735
TOTAL	95,737,349	72,728,319
8 <u>COUNCIL EXPENSES</u>	5,220,172	3,355,884
9 <u>REPAIRS, MAINTENANCE & EXTENSIONS</u>		
Repairs & Maintainance Plant & Equipment	5,002,770	3,412,187
Repairs & Maintainance Of Motor Vehicle	5,814,924	6,663,221
Rent & Rates	11,392,010	8,304,085
TOTALS	22,209,704	18,379,493

SOUTH EASTERN KENYA UNIVERSITY

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 30TH JUNE 2013 CONT'D

	2012/2013	2011/2012
	KSH.	KSH.
10 <u>ADVERTISING</u>		
Publicity & Recruitment Expenses	8,328,895	9,077,343
Shows & Exhibitions	2,002,478	993,875
TOTALS	10,331,373	10,071,218
11 <u>STUDENT WELFARE(CATERING&ACCOM)</u>		
Foodstuffs & Accommodation	33,440,890	32,764,482
12 <u>ACADEMIC SERVICES</u>		
Tuition/Teaching Expenses	3,976,273	3,151,965
Payment to Part Timers-Lecturers	38,860,000	25,599,428
Purchase of Teaching Materials	134,236	2,602,413
Activity, Games & Sports	2,509,075	1,992,616
Internal Research Programmes	-	133,115
Funded External Grants	9,992,471	19,821,542
Academic Field Trips for Schools	1,999,336	2,102,279
Library Expenses	5,109,287	1,938,552
External Examiners	1,637,471	488,216
TOTALS	64,218,149	57,830,127
13 <u>STAFF EMOLUMENTS</u>		
Basic Pay	155,791,049	130,663,182
House Allowances	104,646,402	92,778,255
Hardship Allowance	5,597,505	-
House To Office Allowances	26,396,772	24,622,071
Other Personal Allowances	37,346,424	27,728,812
Gratuity & Pensions Contributions	35,663,810	23,926,931
Staff Wages	28,861,612	21,135,473
TOTALS	394,303,575	320,854,725

SOUTH EASTERN KENYA UNIVERSITY
NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 30TH JUNE 2013
PROPERTY, PLANT AND EQUIPMENT

DESCRIPTION	LAND	BUILDINGS	FURNITURE & EQUIPMENT	MOTOR VEHICLES	COMPUTERS & ACCESSORIES	WORK IN PROGRESS	TOTAL
	KSH.	KSH.	KSH.	KSH.	KSH.	KSH.	KSH.
COST/VALUATION							
BALANCE AS AT 30.6.2012	1,036,600,000	243,008,364	58,997,418	77,633,636	24,028,265	671,428,187	2,111,695,870
Over Stated Work in Progress	-	-	-	-	-	(10,737,105)	(10,737,105)
ADDITIONS							
AS AT 30.6.2013	1,036,600,000	243,008,364	64,367,458	83,690,154	25,716,187	852,397,834	2,305,779,997
DEPRECIATION							
RATE	-	2%	15%	25%	25%	-	-
BALANCE AS AT 1.7.2012	-	8,715,914	13,274,538	43,363,047	13,262,800	-	78,616,299
CHARGE FOR THE YEAR	-	4,860,167	9,655,119	20,922,539	6,429,047	-	41,866,871
AS AT 30.6.2013	-	13,576,081	22,929,657	64,285,586	19,691,847	-	120,483,170
NBV AS 30TH JUNE 2013	1,036,600,000	229,432,283	41,437,801	19,404,569	6,024,340	852,397,834	2,185,296,827
NBV AS 30TH JUNE 2012	1,036,600,000	234,292,450	45,722,880	34,270,589	10,765,465	671,428,187	2,033,079,571

SOUTH EASTERN KENYA UNIVERSITY

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 30TH JUNE 2013 CONT'D

	2012/2013 KSH.	2011/2012 KSH.
15 TRADE & OTHER RECEIVABLES		
Students Fees Outstanding	11,826,900	2,004,536
Rent Paid in Advance	2,858,126	967,080
Insurance Paid in Advance	616,546	72,097
Reimbursements due From Govt. Capital	-	143,718,573
Reimbursements due From Govt. Recurrent	34,166,667	-
Total	49,468,238	146,762,285
16 CASH AND CASH EQUIVALENTS BALANCE AS AT 30TH JUNE 2013		
A/C No.0102153129100-Nbk -Igu	1,340,007	2,999,678
A/C No.0102153129200-Nbk Devpt	-	106,359
A/C No.0102153302500-Nbk -Research	697,319	481,144
A/C No.0302052862000-Nbk-Uero	1,084,429	-
A/C No.0202052862000-Nbk- Us Dollar	138,877	-
A/C:2021558152-Bbk	602,060	297,957
A/C:1127693166-Kcb	154,874	758,909
A/C:1129749126-Kcb-Salaries Account	7,177	-
A/C:0720295920757-Equity	3,482,178	1,776,492
A/C:01129300544600-Co-Op Fees	544,911	1,452,892
A/C:01120300515600-Co-Op(Cas)	455,598	448,509
Cash in Hand	65,405	68,945
Total	8,572,835	8,390,884
A/C No.0102152862000-Nbk-Current	(11,763,043)	(13,441,418)
A/C No.0102153129200-Nbk Devpt	(2,589,405)	-
Total	(14,352,448)	(13,441,418)
17 INVENTORIES		
Building-Materials(Cement & others)	2,057,457	4,238,320
Stationery/Consumables	716,541	2,103,727
Food Stuffs (Catering&Farm)	1,123,627	750,430
Total	3,897,625	7,092,477
18 ACCUMULATED FUND		
Accumulated Fund b/f	1,570,146,910	1,214,946,852
Prior Year Adjustments	(276,290,274)	-
Capital Grants Received	233,412,699	355,200,058
ACCUMULATED FUND C/F	1,527,269,335	1,570,146,910

SOUTH EASTERN KENYA UNIVERSITY

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 30TH JUNE 2013 CONT'D

	2012/2013 KSH.	2011/2012 KSH.
19 TRADE & OTHER PAYABLES		
Suppliers	31,085,538	8,406,649
Certified Constructions Payable	96,017,383	7,351,680
Contractor's Retention	34,072,221	59,703,365
Paye & Vat	6,626,385	3,210,645
Payments Due to Part-Timers	16,328,900	32,116,625
Fees Overpaid	2,476,500	4,296,833
Caution Money	14,200,500	-
Outstanding Rent	-	510,000
Outstanding Casual Wages	1,805,570	1,691,631
Idrc and other Grants Balances	4,338,209	4,041,981
Provision For Audit Due	696,000	600,000
Accruals	24,253,576	6,463,038
TOTALS	231,900,783	128,392,447
20 INVESTMENTS		
Fixed Deposits Investment		
Balance B/F	20,000,000	50,000,000
Capital Investments-Projects	(20,000,000)	(30,000,000)
BALANCE C/F	-	20,000,000
21 BIOLOGICAL ASSETS		
This is made up as follows:-		
Cattle	465,000	294,700
Goats	467,000	516,050
Donkey	10,000	10,000
TOTAL	942,000	820,750
22 Revenue Reserve		
This constitutes the accumulated surplus and deficits over the period the University has been in existence		
The figures are made up as follows		
Bal b/f	37,445,192	137,359,511
Surplus/Deficit for the financial year	(29,510,234)	(99,914,319)
Bal c/d	7,934,958	37,445,192
23 Capital Revaluation Reserves		
This is a contra that arose following revaluation of the University assets for purpose of accounting.		
The University policy is to revalue assets after every five years.		

SOUTH EASTERN KENYA UNIVERSITY

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 30TH JUNE 2013 CONT'D

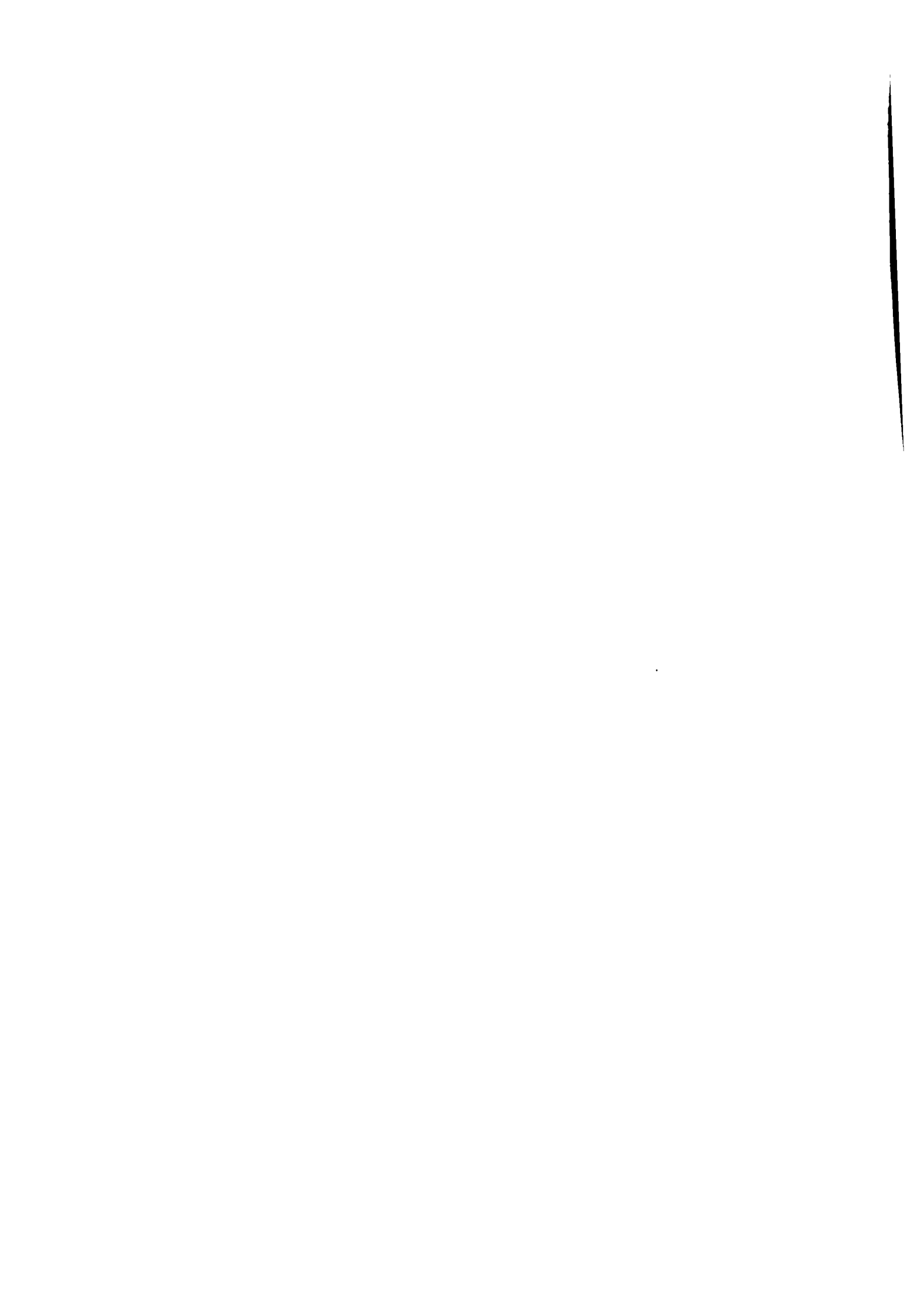
24 Bank Overdraft

This constitutes a credit balance of the cash book arising from unreleased cheques drawn to creditors. The Creditors balances were fully reconciled in the financial year

25 Prior Year Adjustments

Over the years reimbursements due from Government on capital projects has been treated as a receivable, however GoK does not recognise this as creditors as it maintains a statement of receipts and payments. Hence an adjustment of Kshs. 276,290,276.10 has been done to reduce consolidated fund with the same amount which has build up for the past FYs.

26 WORK IN PROGRESS	2012/2013	2011/2012
CONTRACTED PROJECTS-GoK FUNDED	KSH.	KSH.
(i) Students Hostel and Kitchen-II	17,052,915	153,231,280
(ii) Students Hostel and Kitchen-III	67,447,464	-
(iii) Tuition and Office Block-I	-	11,925,555
(iv) Tuition and Office Block-II	36,548,606	140,841,758
(v) Research Office & Laboratories	8,824,191	56,955,021
(vi) Internal Access Road	283,986	11,242,749
(vii) Internal Road Improvement Project	10,042,571	40,025,000
(viii) Water Works	10,454,898	-
(ix) Ict Cabling	2,518,000	-
(x) Street Lighting	2,025,708	-
(xi) Sports Ground	6,675,220	-
(xii) Guest House Extension	3,084,440	10,819,088
(xiii) Transport Yard	783,000	8,102,600
(xiv) Main Gate	12,954,532	-
(xv) Graduation/Sports Pavilion	-	7,231,440
(xvi) Engineering Workshop	-	16,879,528
(xvii) University Capital Works	13,011,221	-
TOTAL	191,706,752	457,254,019







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