

Strathmore
UNIVERSITY

27th July 2018

To our esteemed Stakeholders,

STATEMENT OF CONTINUED SUPPORT FOR THE TEN PRINCIPLES OF THE UNITED NATIONS GLOBAL COMPACT (UNGC)

Strathmore University wishes, once again, to declare its continued support for the Ten Principles of the United Nations Global Compact in the areas of Human Rights, Labour, Environment and Anti-Corruption. In our first ever annual Communication on Progress, we described our daily operations, which integrate these principles into our strategy and culture. In this COP we continue to provide information on our growth in this endeavour.

We have incorporated the COP in our Annual Report for 2016, which follows this letter. The bulk of it can be found from page 60 to page 73, although elements of it are embedded throughout the report. Strathmore University is committed to The United Nations' Global Compact agenda, to regular Communication on Progress (COP) reporting.

Yours sincerely,

Prof. John Odhiambo
VICE CHANCELLOR

Strathmore

Research

Innovation



Annual Report and
Financial Statements

2016



Strathmore
UNIVERSITY







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Strathmore at a glance

Who we are

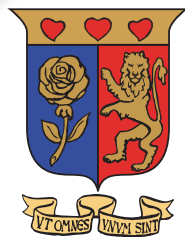
Our Coat of Arms

Yellow: (Gold) Gold means eternity, perfection.

Blue: (Azure) Sky blue means high ideals, high aims.

Red: (Gules) Blood red means sacrifice, love, fortitude.

The Three Hearts represent the three races which, in 1961 when the University started, were segregated in the colonial system of education. The heart represents the person, since it is taken as the source of all our actions, and the source of love. The fact that the three hearts all have the same colour shows the equality of all people and their aim to love and understand each other. At the beginning it clearly pointed at the target of racial unity. Today it symbolises the common aim of parents, teachers and students in the educational process of Strathmore.



The Lion is the symbol of strength and courage, and of the determined fight for excellence and justice. It also represents Kenya, our country, which strives to attain all the qualities mentioned above.

The Motto "*Ut omnes unum sint*" is Latin. It is a quotation from a passage of the Gospel, and means "That all may be one". It expresses our desire to work together towards the same aim, in spite of personal differences or opinion, tastes and backgrounds. The colours in heraldry (the science dealing with coats of arms) have associated meanings as follows:



The Rose in full bloom represents love, the source of all good desires and actions, even if at times this means loving sacrifice, as represented by the thorns. The rose has a supernatural meaning too. Love, with capital letters, is love of God. The rose also has a historical meaning associated with the life of Saint Josemaría Escrivá, founder of Opus Dei, who inspired and encouraged the people who started Strathmore: he once received a divine sign in the form of a carved gilded rose in a very trying moment of his life.

History of Strathmore

1961



Strathmore College was started in 1961 as an Advanced-level Sixth Form College offering Science and Arts subjects by a group of professionals, who formed a charitable Educational Trust (now the Strathmore Educational Trust). Saint Josemaría Escrivá, founder of Opus Dei, inspired and encouraged them to start the College.

1966

In March 1966, the first intake of Accountancy students, twenty-five in number, joined the Sixth Form students, and began preparing for the examinations of the UK-based Association of Chartered Certified Accountants (ACCA).



1989



Construction of the new campus at Madaraka, Ole Sangale road, commenced in September

1993

Strathmore College merged with Kianda College (the first multi-racial Secretarial & Business College for women in pre-independent Kenya) and moved to the present campus.



2004



The first undergraduate students to enroll in these faculties completed their 4-year degree course in December 2004.

2002

In August 2002, the Commission of Higher Education awarded Strathmore a Letter of Interim Authority to operate as a University with a Faculty of Commerce and a Faculty of Information Technology.



2008

The University's Charter was gazetted on June 23rd 2008, under the Universities Act (CAP 210B) in the 'Kenya Gazette' supplement no. 47.



2005

Establishment of the Strathmore Business School.



2011

Completion of the construction of a Business School, Students' Centre, and Management Science Buildings respectively.



Timeline of the Academic Programmes



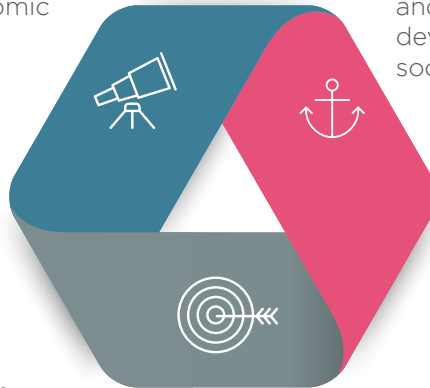


Our Vision

To become a leading out-come driven entrepreneurial research University by translating our excellence into major contribution to culture, economic well-being and quality of life.

Our Mission

To provide all-round, quality education in an atmosphere of freedom and responsibility excellence in teaching, research and scholarship, ethical and social development and service to the society.



Our Values

Excellence - Through sanctification of work, we strive for work excellence and the highest-quality output.

Freedom and responsibility - We respect the freedom of the individual person and acknowledge that with freedom comes responsibility.

Ethical practice - We honour the beliefs, morals and values of the academic profession and help others to do the same.

Personalized attention - We seek to provide an environment where all our stakeholders can receive individual and customized service and support.

Subsidiarity - We seek to provide solutions at the most immediate level to a need

Collegiality - We respect one another's commitment to a common purpose and work together to meet the needs of our clients.

Life-long learning - We develop programmes and adapt teaching methods that equip learners with skills and tools for innovation and adaptability and personal development

Service to society - We serve society through research, education and institutional citizenship.

Our Schools

Strathmore Institute for Mathematical Sciences,
Strathmore Law School,
School of Tourism and Hospitality,
Faculty of Information Technology,
School of Humanities and Social Sciences,
School of Management & Commerce
Strathmore Business School.

Offering

- 13 undergraduate programmes
- 11 Masters' degrees and
- PhD program in business, entrepreneurship, finance, mathematical sciences, philosophy.
- Continuing education in executive training



Our Research Centres

Strathmore is a research-intensive university with 18 research centers:



Our Strategic Pillars

Strathmore's strategy has a strong link to its foundational aims of transforming society in all its activities. In 2015, the University Council launched the University's 10-year Strategic Plan that spells out its areas of strategic focus. The three main pillars as detailed in the current strategy are:



Teaching

We provide all-rounded education in select disciplines of management science, information technology and computer science, hospitality, mathematical sciences, health sciences, law, the arts and humanities.



Research and Enterprise



We have dedicated research centres and institutes and use a triple-helix research cooperation model involving industry, government and academia. This ensures that students joining Strathmore are exposed to research opportunities in diverse areas of specialization.



Service to Society

We serve society through research, education and global citizenship. Through research, we advance knowledge that is the foundation of improvements in human well-being. By educating students, we strengthen society's capacity to grow and innovate. All undergraduate students dedicate 200 hours in community service through the community-based attachment programme.



Our Diversity

The Strathmore University family comprises and represents great diversity in nationalities, ethnicity and religious orientation, cutting across all cadres; the university council; management board; heads of departments; staff and students. This diversity is in alignment with its founding spirit as a multi-racial, multi-religious University with a mission to offer an all-round education. Strathmore does not make distinctions based on

race, gender, ethnicity or disability rather it makes a deliberate effort to be all inclusive. Students in Strathmore University are drawn from diverse races and nationalities. Countries represented are: Belgium, Burundi, Central African Republic, Democratic Republic of Congo, Denmark, India, Italy, Japan, Kenya, Malawi, Nigeria, Pakistan, Philippines, Rwanda, South Sudan, Spain, Sudan, Switzerland, Tanzania, Uganda, Venezuela and Zambia.



Year in Review - 2016



January

Financial Sector Deepening Africa (FSD) signed USD 1.14 million grant agreement with Strathmore Business School-(SBS), to develop and deliver training to over 1,000 senior and mid-level executives in the financial sector in Tanzania, Rwanda and Uganda.

February

The Center of Tourism and Hospitality in collaboration with Limmat Foundation, hosted the 2nd International Hospitality Seminar themed: Service, Safety and Leaders.

March

The Center for Sustainability Leadership was launched under Strathmore Business School, in partnership with the University of Cambridge Institute for Sustainability Leadership and the University of Cape Town.

April

Strathmore University women's hockey team - Scorpions, became the new Lornah Kiplagat Sportswear brand ambassadors, through a strong collaboration by the university and the renowned athlete.

May

Six Spanish class students attended a conference to celebrate the 400th year's anniversary of Miguel Cervantes, a prominently known Spanish author and poet.

June

The pioneer class of Strathmore Law School graduated with a completion rate of 85%.

July

Contributing to academic scholarship, the Dean - School of Humanities and Social Sciences Prof. Christine Gichure published a book chapter titled 'Efforts and Achievements of Two Decades of Business Ethics Teaching and Research in Africa with Special Reference to Kenya.'

August

Vestas, a wind and turbine company headquartered in Denmark and a subcontractor to Lake Turkana Wind Power, sponsored 17 technicians to undertake solar PV training under the T1 category at Strathmore Energy Research Center.

September

Contributing to national policy, a public debate on the Local Content Bill 2016 championed by Baringo Senator Hon. Gideon Moi, Chairman of the Senator Committee on Energy was hosted by Strathmore Law School.

October

For the second year running, all first-year students received a laptop under the university's laptop policy that ensures all undergraduate students become more competent at note-taking, have accessibility and connectivity to internet, and are proficient in writing and editing options available on the gadgets.

November

Strathmore Enterprise Development Centre hosted 300 entrepreneurs for its 4th annual Small and Medium Enterprise (SME) conference, discussing Innovative Strategies for SMEs.

December

Strathmore Hockey team was crowned East Africa's 2016 Hockey Champions.



Strategic Review



Capitals

Universities contribution to society may sometimes be skewed towards intellectual capital and human capital, however, all the six capitals are integrated in Strathmore's 2015 -2025 Strategic Plan and Business Model. For Strathmore University, each of the six capitals are applicable:



1. Financial capital:

University finances that comprise of student fees, research funds and grants, consultancy fees, donations, investments and miscellaneous funds that run the operations of the institution.



4. Human capital:

The biggest capital for Strathmore as a university is its people, both its staff complement and its students. Through its people, the University can meet its mandate of training and education that consequently leads to transformation of the society in which it operates.



2. Manufactured capital:

The University has invested heavily in infrastructure that enables all activities of the institution be carried out. These include buildings, sports fields, equipment, software and hardware systems; that all enable the delivery of a world class education



5. Social and relationship capital:

The University's ecosystem is enriched by its relationship with its key stakeholders such as its government, regulators, sponsors, customers, suppliers, business partners, collaborators, the surrounding community and other external stakeholders.



3. Intellectual capital:

The University contributes to intellectual capital through its staff and students who contribute to the existing body of knowledge and new intellectual property of new patents & copyrights of new innovations. The University's reputation as a strong brand in the region is an intangible asset that has grown exponentially over time due to its quality output.

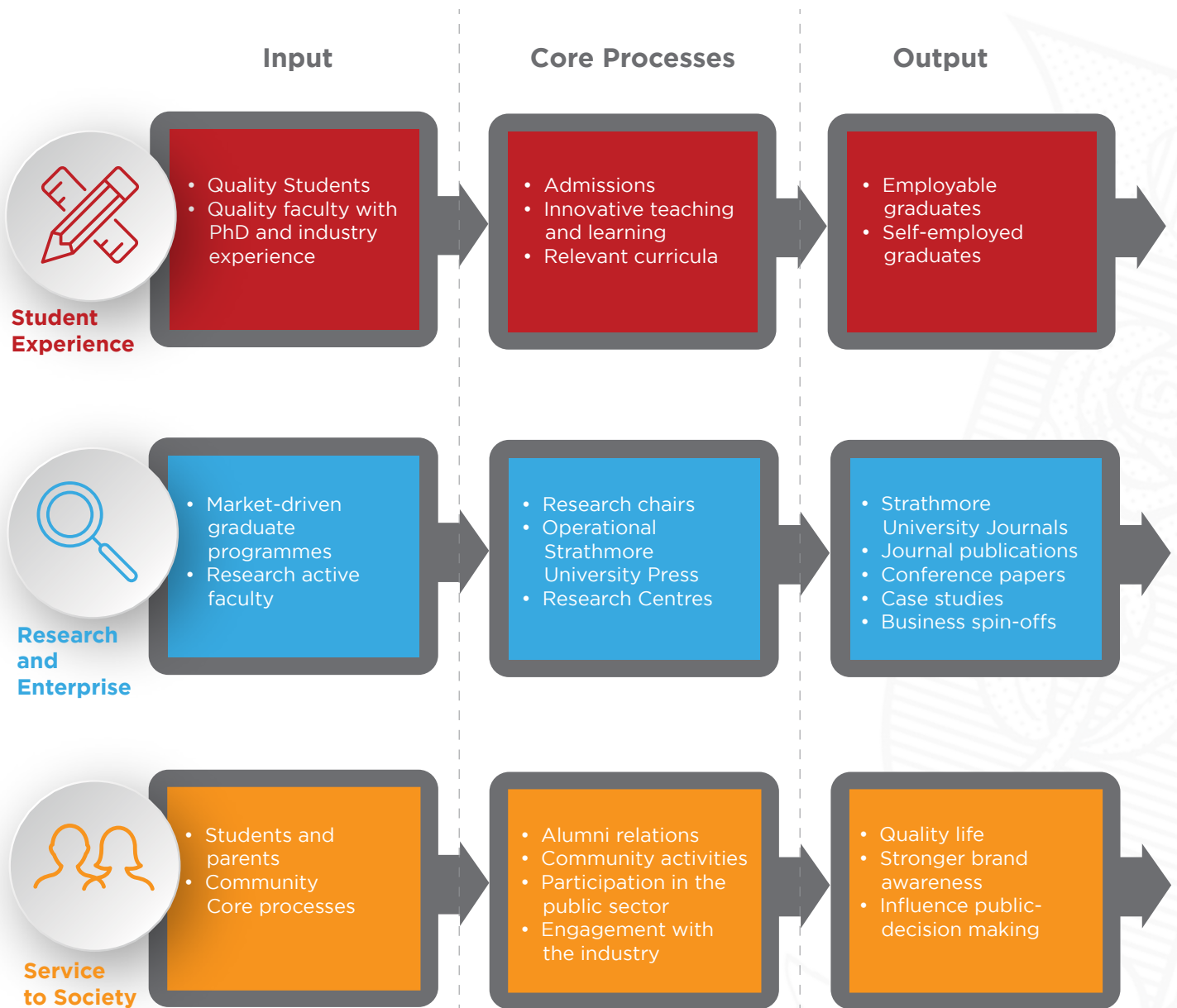


6. Natural capital:

Strathmore is in a big way cognizant of its use of the environment and has put in place policies, procedures and business practices that ensure sustainability of the environment. Its efforts towards clean and green energy in teaching, research and actual practices contribute towards a positive carbon footprint for Africa.



The Business Model



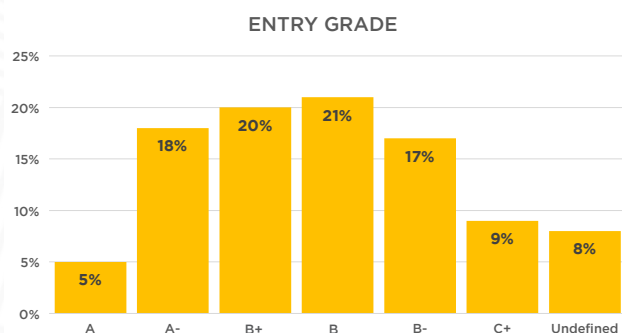


Our strategic priorities

1. Student Experience

a. Entry grades

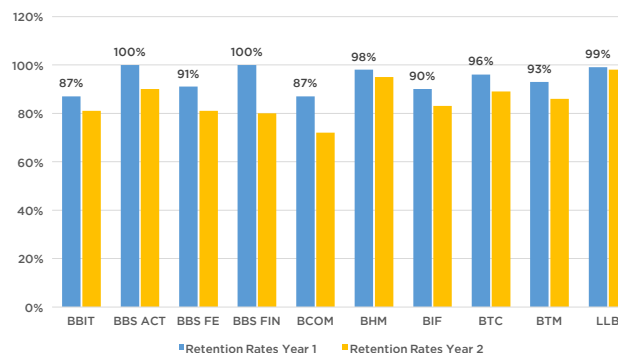
One of the foundations of a quality higher education institution is to admit quality students, provide high quality education and ensure quality of life. Whereas the minimum university entry criteria set by the Commission for University Education is at C+ aggregate, Strathmore's mean entry grade for the academic year 2015/2016 is B aggregate. This is indicative of the high caliber of students who gain admission at Strathmore after a rigorous entry interview process.



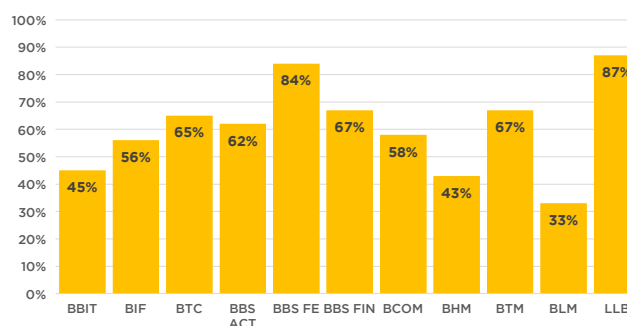
b. Student Retention & Completion

Cognizant of the fact that a university is as good as its graduates, the students' progression rates and completion rates are monitored closely as part of key performance indicators. By the end of 2016 there was a 7% increase in undergraduate completion rates, up from 53% in 2015 to 60% in 2016. For the masters' programmes, achievement of ideal completion rates is yet to be achieved, with an average 29% for all 9 programmes. The School of Graduate Studies continues to monitor closely the completion rates in the Masters' programmes, noting the effect of the part-time nature of these programmes where students have competing priorities of work, family and study time.

YEAR 1 & YEAR 2 RETENTION RATES



2016 UNDERGRADUATE GRADUATION RATES



c. Staff development

As part of the strategy, the University continues to increase the number of faculty with PhDs. In 2016, 37% of the staff had PhDs, an additional 5 staff members had completed doctoral dissertations awaiting graduation and 2 faculty members had submitted their research to external examiners. Our strategic goal is for 70% of academic staff with PhDs by 2019, while working towards the requirements by the Commission for University Education. Current student to staff ratio is 1:30



d. Library Resources

In a rapidly changing, digital environment, an up-to-date library resource is paramount. In 2016, the total library collection size increased by 3.08% from 87,472 books and online resources in 2015 to 90,255 in 2016. Average online searches increased by 260% while daily average library attendance reduced from 1,333 in 2015 to 917. The reduction is attributed to easier access to on-line library resources for on-campus students and those accessing remotely. The University Management continues to allocate the mandatory 10% of all revenues towards the improvement of the Library.

e. ICT Resources

Close collaboration between Information Communication and Technology (ICT) department and the business line, saw various innovations and applications in 2016. Key among them was the internally developed payroll system which went live in January, followed by the Research Project Tracking System which provides up-to-date monitoring and collaboration of thesis and academic projects between lecturers and students. In the University Cafeteria, a new Point-of-sale system was developed to bring in efficiency and monitor numerous sales transactions at the cafeteria. An online Students Graduation Clearance System was also introduced ensuring that clearance before graduation is fast and efficient.

One of our key strategic objectives is to ensure we continue to integrate technology as part of our student experience. In 2016, all full time 1st year degree students received a new Lenovo Yoga touch screen laptop.

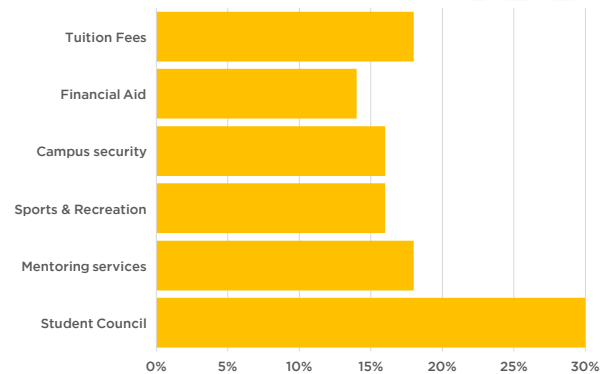
The ICT department developed 'myStrath app' a mobile application which displays student academic information, updated financial records, timetabling information and can be accessed by mentors too.

Other ICT infrastructure and resources also got an upgrade to meet the growing demands of staff and students. The University replaced the network switch with new switches to provide a stable network and better internet speeds. Internet bandwidth upgrade from 215Mp/s in 2015 to 370 Mp/s in 2016.

f. Monitoring Customer Satisfaction

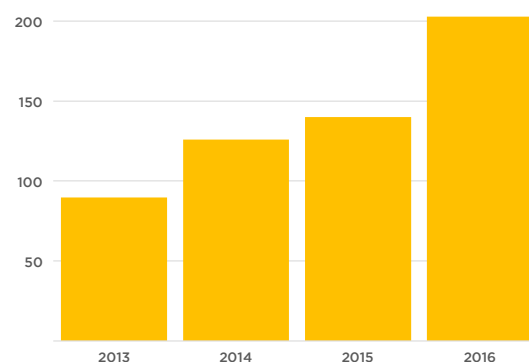
In 2016, the University conducted a graduate exit survey to inform the University on areas of improvement. The survey had a valid response rate of 46%. Overall, 90% of respondents were satisfied with the overall Strathmore education, faculty/school learning experiences. However, 16% of the students were dissatisfied with campus security, 14% with financial aid, 18% with tuition fees, 30 % with the student council, 18% with mentoring services and 16% with sports and recreation. In addition, internal quality audits for 32 departments were done at the end of 2016. The results inform on areas to improve quality.

The graph below shows the results of the 2016 graduate exit satisfaction survey



2. Research

In the last 4 years, the research income has grown significantly, not yet at the desired level, but steadily growing. In 2016, research grants that were received through the research centres included, SEIC, CIPIT & Healthcare Management Grant. It is worthwhile to mention the grant by DFID to host the Extractives Baraza, under the Strathmore Law School. Research income in 2016 Kshs. 203 million





3. Service to Society

In achieving its mandate of Service to Society, the University creates awareness among its staff and students to create lasting impact in society in whatever they undertake. For students of Strathmore who may sometimes be from more privileged backgrounds, this pillar of service to society provides a window of opportunity to share, to give of oneself, and to be aware what the real world is. In 2016, students and faculty were involved in a total of 48 community activities. 1,864 students, 108 staff and 173 alumni actively participated in this year's works of service.

Centres supported were Angels Rescue Center, Brydes Center, Familia Moja, Kenyatta National Hospital Children's Cancer Ward, Missionaries of Charity, Naivasha Maximum Prison, Nairobi West

Prison and Wings of Compassion. Law School students held legal clinics with the African's Prisons Project to educate prisoners on their rights, educated persons with disabilities at Orion Center and offered legal advice to the Strathmore University fraternity.

By the end of 2016 the construction of two classrooms at a rehabilitation center, two homes for needy families and two churches for a local community were completed. We also managed to renovate a staff room for St. Michael School for the deaf. Sixteen communities in ten locations in Isinya, Kitui, Limuru, Marakwet, Nairobi Naivasha, Ruai, Sagana, Siaya and Thika were reached. In addition, 178 tree seedlings were planted in the University sports field. A total of **Kshs14, 061,045** was raised to support these initiatives.

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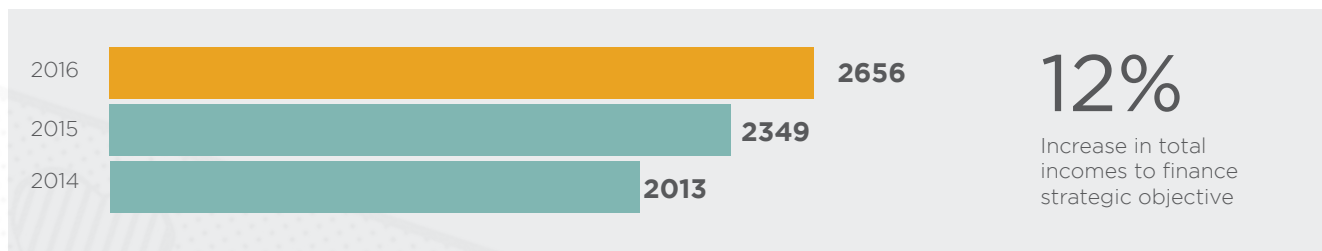
Key Performance Indicators



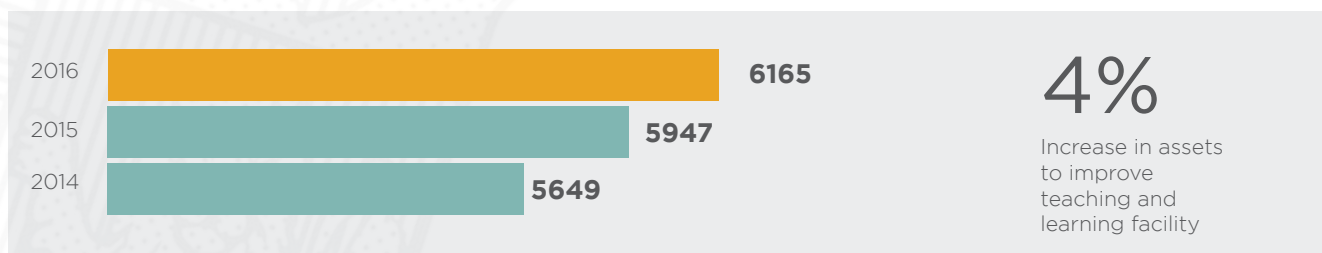
2016 Highlights

a. Financial KPIs

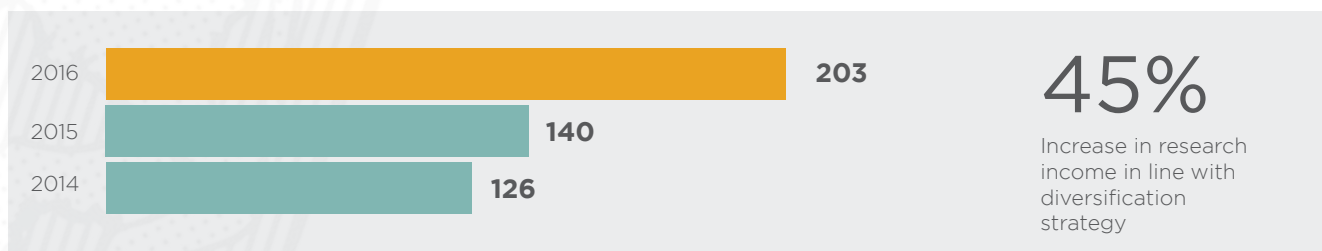
Total incomes (Kshs Millions)



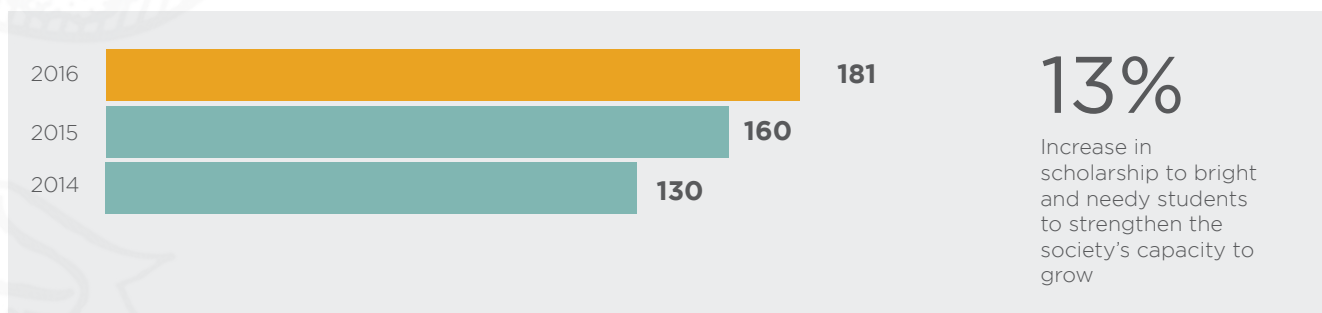
Total assets (Kshs Millions)



Total assets (Kshs Millions)



Scholarship expenses (Kshs Millions)





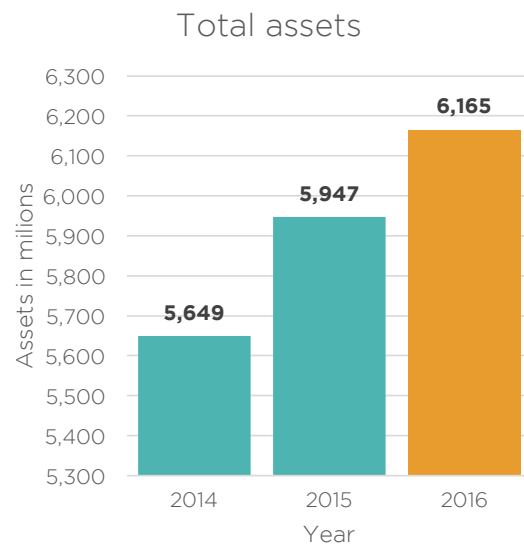
**STRATHMORE UNIVERSITY
STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER**

	2014	2015	2016
ASSETS	Shs '000	Shs '000	Shs '000
Non-current assets			
Property And Equipment	2,277,992	2,585,999	2,604,650
Investment property	75,658	75,658	100,906
Prepaid Operating Leases	2,581,763	2,549,864	2,515,289
Intangible Assets	6,033	4,439	59,109
Endowment Fund Deposits	18,055	23,036	11,246
Designated Funds Deposits	77,180	41,713	26,768
Bank balances held by receivers			43,478
	5,036,682	5,280,710	5,361,446
Current assets			
Inventory	23,676	20,551	50,565
Trade And Other Receivables	379,721	462,788	620,752
Short Term Deposits	104,375	55,421	45,666
Amounts Due To Related Parties	36,734	38,766	31,780
Cash And Bank Balances	68,109	88,447	55,107
	612,615	665,973	803,870
TOTAL ASSETS	5,649,296	5,946,683	6,165,316
CAPITAL FUND AND LIABILITIES			
Capital and reserves			
Capital Investment Fund	148,732	148,732	148,732
Revaluation Reserve	2,989,018	2,953,607	2,918,196
Designated Funds	108,061	110,199	105,763
Accumulated Surplus	499,014	514,118	577,529
	3,744,824	3,726,656	3,750,220
Non-current liabilities			
Endowment Funds	86,582	95,628	102,103
Designated Funds	51,506	83,484	94,389
Deferred Income-Capital Grants	311,665	304,365	290,518
Long Term Loans	625,183	878,814	840,170
	1,074,936	1,362,291	1,327,180
Current liabilities			
Trade And Other Payables	705,454	728,284	855,139
Contribution To SERT	31,498	42,034	75,450
Short term Loans	92,584	87,419	157,327
	829,536	857,737	1,087,915
TOTAL EQUITY AND LIABILITIES	5,649,296	5,946,683	6,165,316

Balance sheet ratios	2014	2015	2016
Year	2014	2015	2016
Liquidity ratios			
Current Ratio	1.4:1	1.14:1	1:1
Cash Ratio	0.08:1	0.21:1	0.14:1
The liquidity ratios depicts how quickly the University is able to convert the current assets into cash to meet current liabilities			
Investment ratio			
Return On Assets	1.9%	0.5%	1.3%
The University is non-capital-intensive operation (with a small investment in fixed assets). Being a not for profit institution the returns are minimal for the purpose of sustainability			
Debt Ratios			
Gearing ratio	13%	16%	16%
Longterm debt ratio	11%	15%	14%
Total interest bearing debt ratio	4%	1%	10%
The University mainly finances its capital expenditure through external borrowing as the ratios indicates			

Movement in total asset

The University invested in assets to achieve its strategic pillars of improving teaching and learning facility. This is shown by consistent increase in total asset and by December 2016 total asset was shs 6.2 billion. This represents 4% increase from December 2015



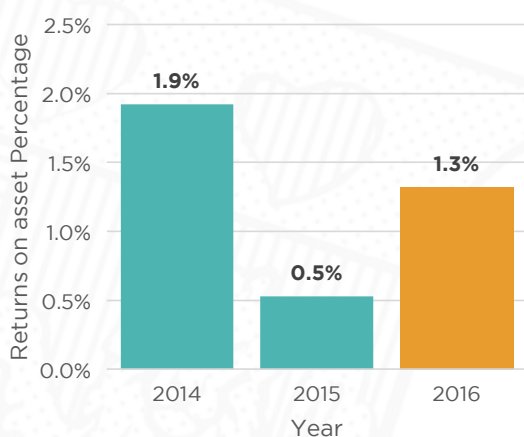


STRATHMORE UNIVERSITY STATEMENT OF COMPREHENSIVE INCOME

Return On Assets

The University used its assets productively to generate returns and at the same time maintaining the not for profit status

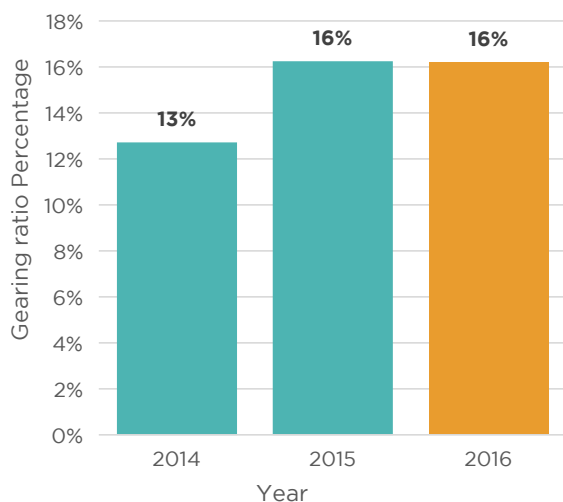
Return on assets



Gearing Ratio

To achieve physical growth objective the University borrowed wisely to ensure the liabilities do not exceed half of the assets. This can be shown by the declining gearing ratios in year 2015, being 16%.

Gearing ratio



	2014	2015	2016
	Shs '000	Shs '000	Shs '000
Tuition fees	1,645,361	1,931,631	2,003,296
Donations	48,493	43,620	55,870
Deferred income	19,902	11,168	16,139
Other operating income	299,644	362,440	581,107
	368,040	417,229	653,115
Total income	2,013,401	2,348,860	2,656,411
Staff cost	(1,018,782)	(1,166,249)	(1,278,647)
Administrative expenses	(677,662)	(866,520)	(1,022,116)
Establishment expenses	(95,310)	(97,189)	(124,837)
Depreciation	(128,999)	(129,025)	(140,183)
Total expenses	(1,920,752)	(2,258,983)	(2,565,782)
Operating surplus	92,649	89,877	90,629
Finance costs	(32,768)	(66,048)	(58,779)
Finance income	48,593	7,535	24,318
Revaluation surplus on investment property		25,248	
Surplus (deficit) for the year	108,474	31,363	81,416
Other comprehensive income			
Revaluation surplus on Leasehold land	635,358		
Revaluation surplus on Building	540,228		
Total comprehensive income for the year	1,284,059	31,363	81,416



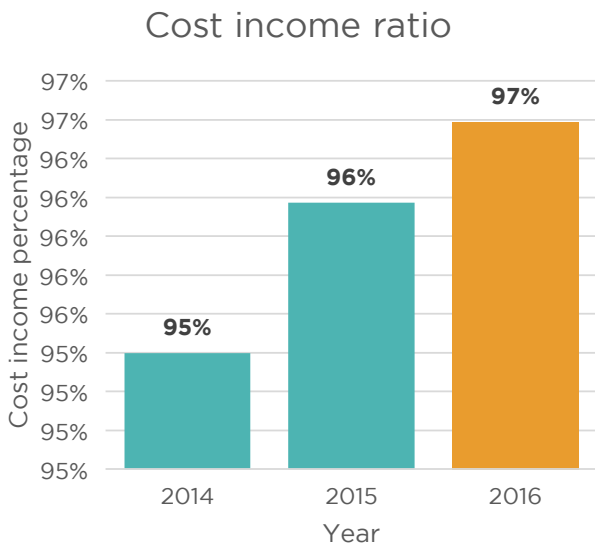
Operating Performance Ratios			
Year	2014	2015	2016
Cost income ratio	95%	96%	97%
Net margin ratio	5%	1%	3%
Net surplus before interest as a percentage of fees	8.4%	6.4%	8.3%
Interest as a percentage of fees	2%	1%	3%
Interest as a percentage of net surplus before interest	21%	23%	34%

The margins for the University are small as a result of cost incurred in maintaining high quality standards of education.

The investments are partly financed by interest bearing loans and they are maintained at a low level compared to fees.

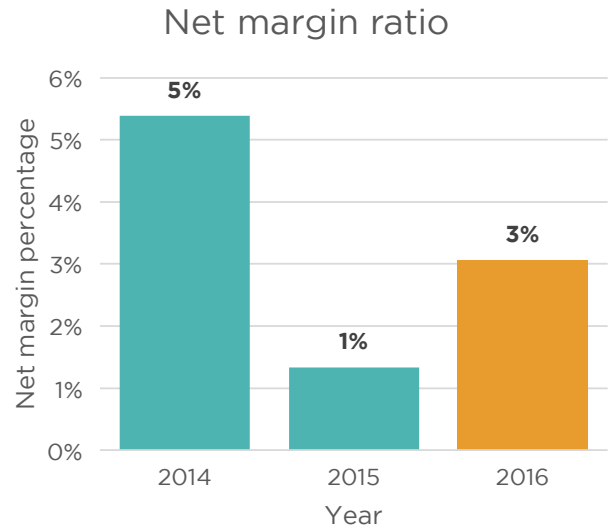
Cost income ratio

The cost depicts various inputs into achieving the objectives. There was a growth of 11% from year 2015 to 2016

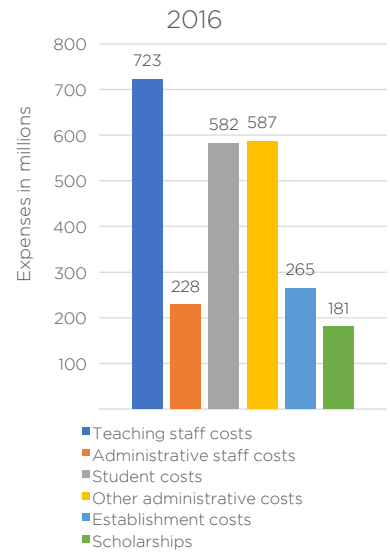
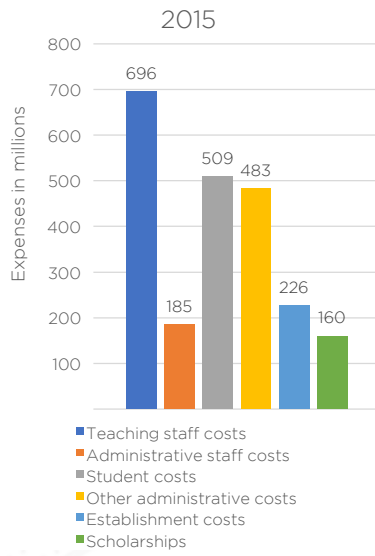
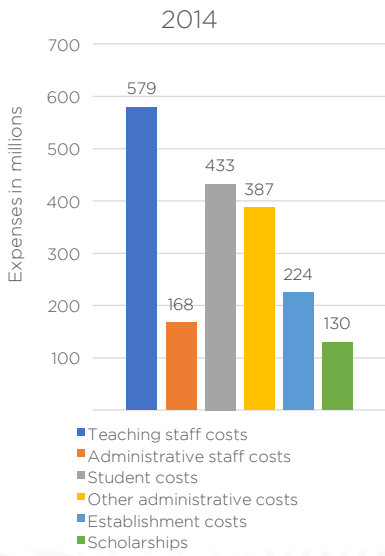


Net margin ratio

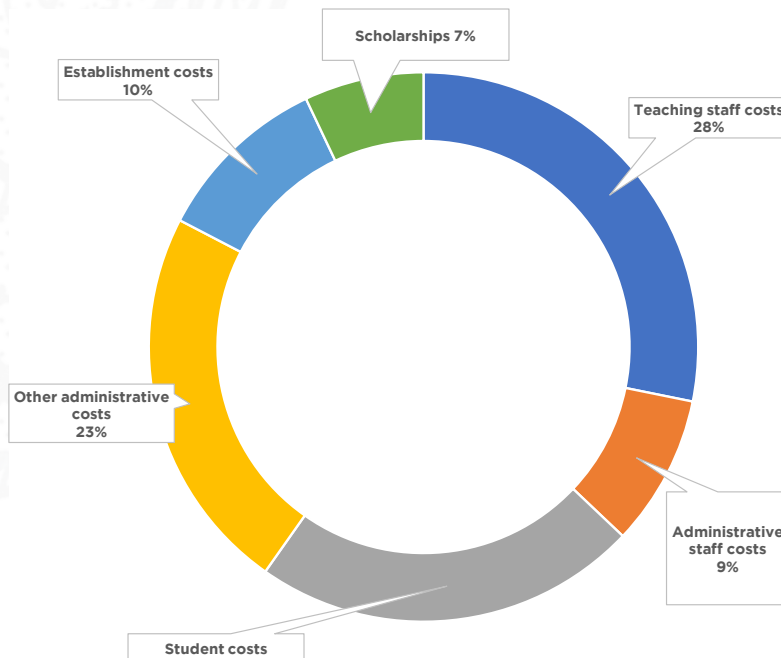
The ratio provides an indication of the University's capacity to effectively provide courses of study, together with research that meet the needs of the society.



Distribution of expenses Amount in Millions			
	2014	2015	2016
Teaching staff costs	579	696	723
Administrative staff costs	168	185	228
Student costs	433	509	582
Other administrative costs	387	483	587
Establishment costs	224	226	265
Scholarships	130	160	181
Total expenses	1921	2259	2566



Distribution of expenses



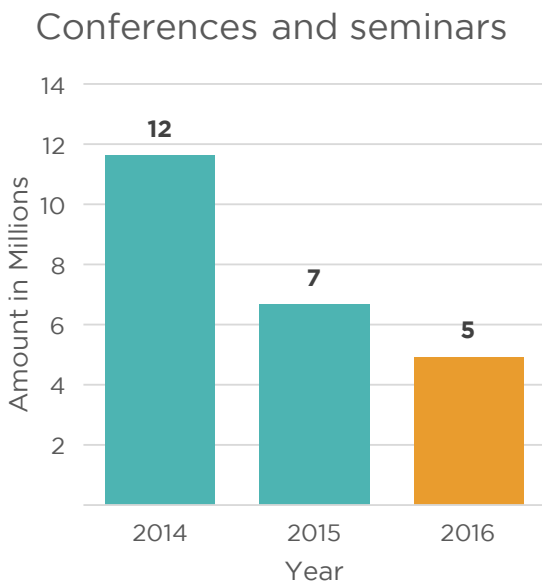


b. Non-Financial KPIs

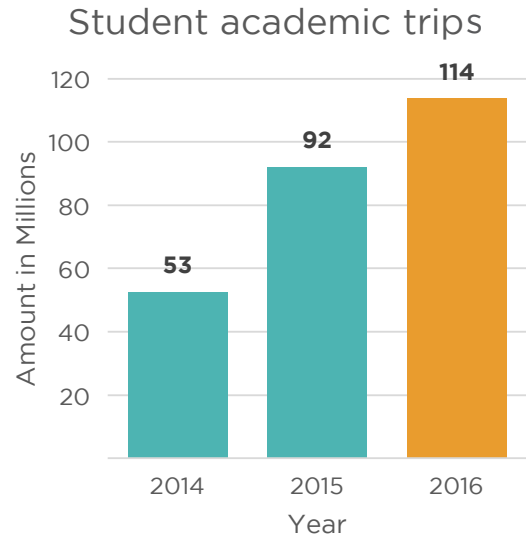
Proportion of fees and donation given as scholarship has been growing as shown below



The University was involved in conferences and seminars that serve to develop the faculty bench.



To enhance student experience, all teaching departments have academic student trips.



The University has experienced growth in research as an advancement of its strategic objective. The research income continues to grow.



Community Service

The investment towards service to society while partnering with our stakeholders, has grown over the years in order to reach many more in various parts of the country

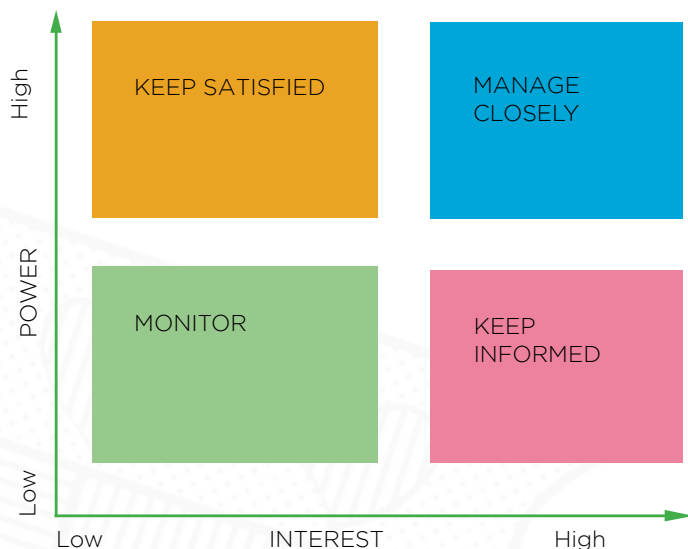




Stakeholder Analysis & Engagement



Stakeholder Prioritization



Strathmore University recognizes the importance of developing successful stakeholder relations within different sectors. Superior stakeholder satisfaction is critical for successful companies in any competitive environment.

We use the power/interest grid to categorize our stakeholders in four categories. Stakeholders in the high in power and high in interest grid are considered as primary stakeholders to the University. These stakeholders are managed closely because without their participation the University cannot survive. They need frequent interaction through sharing of information using different communication channels, noting that their relationship to the University is of mutual interdependence.

The second group of stakeholders are in the grid of high interest but low power. These groups of stakeholders are kept informed regularly and are of importance in finding information on any matters arising or provide feedback on the university from an external point of view. Our third group of stakeholders are in the high-power grid but have low interest. This group is monitored closely and is managed by being informed from time to time.

The final group of stakeholders are in the low power, low interest group. It is important to note that at any one time, a stakeholder can

move from one grid to another. Material issues that arise from engagement with stakeholders usually feeds back to the management and strategy of organisations.

Stakeholder Strategy

Our stakeholder analysis informs our stakeholder engagement strategy. Our strategy is designed to achieve a level of support and participation appropriate to meet organizational objectives at various levels, all of which work towards the success of the university activities and programmes. The engagement strategies employed at departmental levels are instrumental in providing necessary feedback in measuring relevance for research activities and academic programmes being offered in the university. The objectives of stakeholder engagement are:

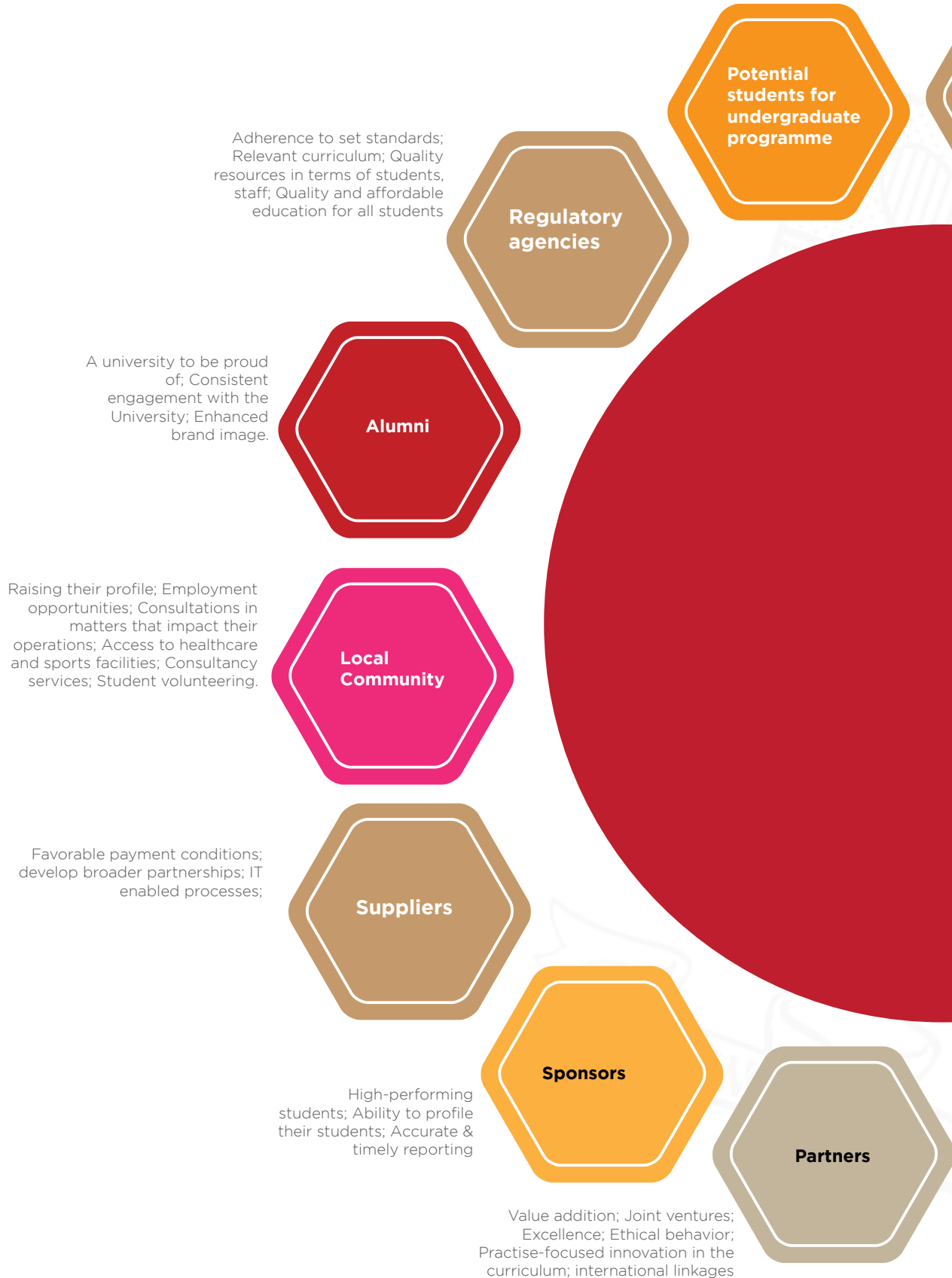
- Inclusion of all stakeholders for accountability purposes to those impacted by the organization and similarly those who impact the organization, to enable identification of problems and solutions together.
- Management of stakeholders' expectations in line with scope, business requirements and deliverables of the university.
- Make explicit the roles and responsibilities of stakeholders to enable them to take action within their spheres of influence.
- Establish consultative mechanisms to provide stakeholders with the opportunity to participate in designing, planning and implementing change and share ownership of solutions.

Strathmore University understands the importance of understanding its' stakeholders across sectors. Below is an image of our stakeholders and their needs.



2016 KEY STAKEHOLDER

Quality education; High reputation; Qualified faculty and staff; Employability; Extracurricular activities; Soft skills development; Mentoring and Coaching

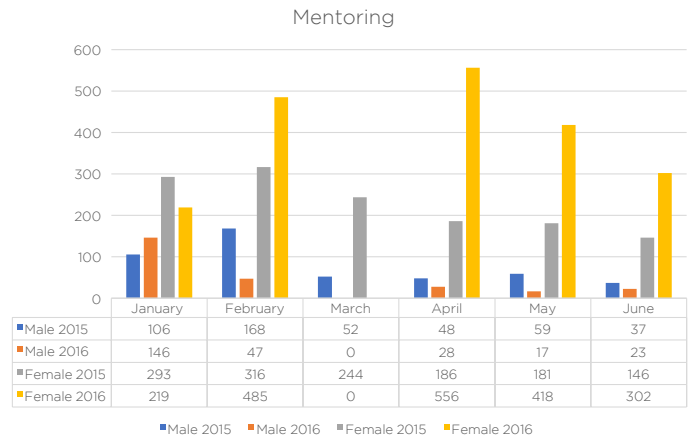






c ENGAGEMENTS

Students & Alumni	Type of Engagement	Companies Involved
531	Graduate Recruitment	9
400	Annual Career Fair	30
325	Center of Tourism & Hospitality and School of Management & Commerce Career Fair	12
470	Strathmore Institute of Mathematical Sciences and Faculty of Information Technology Career Fair	15
505	Training in digital marketing skills, curriculum vitae writing, soft skills, self-leadership, soft skills and personal branding and professional development	1



2,231

Students engaged in career forums.

67

organisations

2) Mentoring Services



Transformation of society hinges on transformation of the individuals, as such mentoring of students takes an integral role in the kind of education offered at Strathmore. Mentoring progress and performance is below the expected standards and is one of the areas marked for improvement in the next academic year.

3) Parents/Guardians Forums



Students admitted to Strathmore University are already citizens, having attained the age of majority, however, the University believes that parenting in the modern times has unique challenges that cannot be ignored. To this end, the Academic & Student Affairs Division organizes annual parent forums to sensitize the parents on pertinent issues affecting students. In 2016, 10 Parent forums for all undergraduate students were held. A financing seminar and career advice seminar was also organized in the same year. Parent surveys were carried out at the end of 2016 to evaluate and monitor the key concerns of Strathmore University parents. These surveys inform the areas for improvement.



10 parents' forums held in 2016

4) Potential Students

In 2016 we carried out 3 Career Open Days for our undergraduate and graduate programmes. The University also participated in Education Fairs both locally and internationally.

We also enhanced our customer experience by automating our online entrance exams and admission processes.

6) Channels of Communication to Different Stakeholders

- Regular reports to stakeholders
- Stakeholder forums
- Round table discussions
- Special publications and articles
- Strathmore website
- Social media channels
- Media briefings
- Open days
- Workshops
- Employee engagement
- Conferences and seminars

2016 PARTNERSHIPS

Partner	Descriptions
Adebisi Babatunde Thomas Entrepreneurship Institute (ABTEI)	Strathmore Business School and the ABTEI institute will offer programs to teach, train and nurture entrepreneurship skills to youth and women.
ADEC Innovations Foundation	Strathmore Business School and ADEC signed a Memorandum of Understanding on the establishment of a Centre for Excellence on Research and Innovation

Institute of Healthcare Management and National Aids Control Council	Strathmore Business School signed a Memorandum of Understanding with the Council, to develop a training and policy analysis programme for HIV and AIDS Prevention Care and Management
Swissocial	A memorandum of understanding was signed between Strathmore Business School and Swissocial to support organizations in measuring the impact of social and development projects.
International Council on Hotel, Restaurant and Institutional Education in Eastern Africa	Strathmore Centre for Tourism and Hospitality joined the membership of this prestigious institution ICHRE, as the only premium member in Kenya
Hospitality Connect	Strathmore Centre for Tourism and Hospitality are the first members of the connect platform in East Africa, which provides international networking platforms for students and industry at large.
University College of Northern (UCN) Denmark and Saxion University, Netherlands	These universities partnered with Strathmore Centre for Tourism and Hospitality in organizing and hosting international conferences
Emirates Academy of Hospitality Management (EAHM)	EAHM and Strathmore Centre for Tourism and Hospitality are in partnership to organize the Dubai Study Tour and Study Programme



Our Partnerships in 2016





Maria Anton...

Sebastian Schambach



The background of the page is a warm, orange-toned photograph. It shows the silhouettes of several people in the foreground. On the right, a person is looking through a telescope mounted on a tripod. Another person in the center is pointing towards the right. The scene is set against a bright, hazy sky, possibly at sunrise or sunset.

Governance & Management Report

WHO GOVERNS US







Key Area of Specialty – Marketing
Member of the Board since - 2008



Key Area of Specialty –
Strategy and Risk Management
Member of the Board since - 2012

Mrs. Bernadette Musundi – Chairperson

- Mrs. Musundi was appointed to the University Council in 2008 and was nominated as Chairperson in September 2012.
- She is a former Permanent Secretary in the Office of the Vice President and Ministry of Home Affairs, Heritage and Sports
- She has previously represented the African Women Co-operators in the International Cooperative Alliances (ICA) Global Women Committee (GWC) for over 15 years, 7 of which she served as Vice President.
- She was involved in spearheading reforms in Kenya’s Prison’s Department, and was instrumental in the coordination of administrative steps which led to the establishment of the Children’s Act.
- She sits on several boards of directors; among them Kianda Foundation, Transparency International (Kenya Chapter), the governing council of the Kenya Girl Guides Association and Trefoil Women’s Guild – where she was recently elected chair.
- She is a holder of Bachelor of Arts and Masters of Arts with specialization in Marketing

Dr. Caesar Mwangi – Deputy Chairperson

- Dr. Mwangi was appointed to the University Council in September 2012.
- He is currently the Africa Regional Director for Global Village Energy Partnership (GVEP-international) which promotes access to renewable energy in Africa.
- He has previously served as the Managing Director of Sasini Ltd, a publicly agribusiness company involved in growing, processing and marketing of tea, coffee and dairy products.
- He holds a PHD in Organizational Performance and Change Management from the University of Johannesburg; an MBA – WITS Business School in Johannesburg- and is a Certified Public Accountant (K) and a member of the Institute of Internal Audit (IIA).
- He brings to the Council his experience in strategic and risk management.



Key Area of Specialty –
Mathematics and Statistics
Member of the Board since - 2003

**Professor John Odhiambo – Secretary
Vice Chancellor**

-Prof. Odhiambo has been the Vice Chancellor of Strathmore University for fourteen years.
-He previously worked as a Professor of Mathematics and Statistics at the University of Nairobi and Chairman of the Department of Mathematics, Faculty of Science.
-He holds a Bachelor of Science, Master of Science and PhD degrees in Mathematics and Statistics from the University of Nairobi. He has received various prizes and awards.
-He has previously worked as a consultant for different organizations, such as the Rockefeller Foundation's Africa Regional Programme.



Key Area of Specialty – Architecture
Member of the Board since - 2015

Dr. Susan Kabue – Member

-Dr. Susan Kibue has been in the University Council since 2015.
-She is currently the Dean, School of Architecture and Building Sciences at Jomo Kenyatta University of Agriculture and Technology (J.K.U.A.T)
-Previously, she was a member of the Advisory Board of the United Nations Capital Master Plan, New York.
-She holds a PHD in Architecture and has been a lecturer at J.K.U.A.T since May 1992. She brings to the Council her experience in academia as well as management and leadership of an institution of higher learning



Key Area of Specialty – Architecture and Managing Infrastructural projects.
Member of the Board since - 2008

Mr. Fernando Aizpun – Member

-An experienced architect, Mr. Fernando has been a member of the University Council since 2008.

-He has worked for several organizations such as Arquitectura y Urbanismo in Spain, Imara Educational Foundation, Tectura International and Archten Architects in Kenya.

-He has been a registered architect with the Board of Registration Architects & Quantity Surveyors of Kenya since 1999 and is also a Corporate Member of the Architectural Association of Kenya (A.A.K).

-Previously, he was a tutor at Strathmore College from 1993 - 1999 and has been a trustee of Strathmore Educational Trust, a Director of Hodari Boys Club and Mbagathi Study Center.

-He holds a Bachelor's of Architecture and Town Planning from University of Navarra-Spain and brings to the Council a practicing architect and manager of large infrastructural projects.



Key Area of Specialty – Renewable Energy
Member of the Board since - 2010

**Professor Izael Perieira Da Silva – Ex-officio Member
DVC Research and Innovation**

-Prof. Izael Pereira Da Silva is the Director of Strathmore Energy Research Center.

-He is an Associate Professor at Strathmore University and the Deputy Vice Chancellor (Academic & Student Affairs)

-He was previously the Director of Makerere's Center for Research and Energy Conservation

-His topics of interest include Biomass, Demand Side Management, Photo Voltaic, Rural Electrification, Renewable Energy and Small Hydro.

-He holds a PHD in Power Systems and Engineering from the University of Sao Paulo (Brazil) and is a Certified Energy Manager



Key Area of Specialty –
IT and Education Management
Member of the Board since - 2015

Professor - Timothy Waema - Member

-Appointed in 2015, he is a Professor of Informatics in the University of Nairobi.
-He has carried out research and consultancy in many aspects of ICT and development including the growth of the internet market in Kenya, assessment of Kenyan ICT sector performance policy development for business process outsourcing and off-shoring in Kenya, development of a center of excellence for training in BPO/IT enabled services (ITES) in Kenya, impact of ICT on governance, bridging the global digital divide in ICT and agriculture, the role of ICT in alleviating poverty and e-readiness assessment of 50 universities in the Eastern Africa region.
-He has been published widely in journals, conference proceedings and books.
-He holds a PHD in Strategic Management of Information Systems from University of Cambridge (UK) and an Honors Degree in Electrical and Electronics Engineering from University of Bath.



Key Area of Specialty – Humanities,
Education & Education Management
Member of the Board since - 2015

Ms. Margaret Roche - Member

-Margaret was part of the team that initiated Kianda School and was the school's principal for several years.
-She later joined Strathmore University to set up the Institute of Humanities Education and Development Studies and was the Dean for 10 years.
-During her tenure she headed the team that designed and launched academic programmes at the School of Humanities and Social Sciences.
-She is currently running a consultancy in Education and Management which focuses on training in school management and teaching methodology.
-Her academic background is in Humanities, Education and Education Management.
-She brings to the Council her experience in education management.
-She joined the Council in 2015



Key Area of Specialty -
Finance and Investment
Member of the Board since - 2015

Mr. David Owino - Member

- David is a Managing Partner at Ascent Capital and an Acting Managing Director of Centum Investment Company Ltd to provide leadership to the Company during a transitional period and ensure business stability and the retention of the high-calibre management team.
- He was also the Director of Private Equity at Centum Investment Company Ltd.
- He holds a Bachelor of Science degree in Business Administration from United States International University - Africa and is currently completing his MBA at Strathmore University Business School.
- He is a member of the Institute of Certified Public Accountants of Kenya (ICPAK)
- He brings to the Council his experience in finance and investments.



Key Area of Specialty - Environmental Law
Member of the Board since - 2016

**Dr. Elizabeth Gachenga - Ex-officio Member
DVC Academic and Student Affairs**

- Dr. Gachenga is an Advocate of the High Court of Kenya who holds a Bachelor of Laws and a Master in Environmental Law from the University of Nairobi and a doctorate from the University of Western Sydney.
- She conducted a doctoral research on integration of customary law systems in statutory frameworks of water governance for sustainable development.
- Elizabeth has held research assistant positions as well as lectured and tutored in corporate and business law the University of Western Sydney and Strathmore University.
- She has also worked as a faculty manager in Strathmore University and as a legal assistant and knowledge consultant for Hamilton Harrison and Mathews, Kenya.
- She has co-edited a book, on Governance, Institutions and Human Conditions, published several papers and peer reviewed articles.



Key Area of Specialty - Strategy and Organizational Development
Member of the Board since - 2016

Mr. Anthony Kahindi - Ex-officio Member University Secretary

-Mr. Kahindi was appointed by the University Council as the University Secretary in September 2016.

-He has been the Executive Director Finance at Strathmore University and Strathmore Business School's Director of Support and Administration.

-He is a holder of Master of Commerce and a Bachelor of Commerce in Accounting and Finance from Strathmore University. He is also a certified Public Accountant of Kenya.

-He has attended the Senior Management Leadership Programme, Balance Score Card Bootcamp and The Master Negotiator Executive Programmes at Strathmore Business School.

-He is passionate about all things strategy and its implementation and organizational development.



Key Area of Specialty - Organizational Management
Member of the Board since - 2016

Dr. Vincent Ogutu - Ex-officio Member DVC Planning and Development

-Dr. Vincent Ogutu was appointed to the University Council in 2016 and is the Deputy Vice-Chancellor (Planning and Development) at Strathmore University.

-Prior to his appointment, Vincent was the Vice Dean for Executive Talent Development at Strathmore Business School and the Director of the Regional Academies in Uganda, Rwanda and Tanzania.

-He was also the founding MBA Program Director at Strathmore Business School.

-Vincent self identifies as a teacher and prior to working at Strathmore University he served as the Deputy Principal of Strathmore School

-He has a PhD in Organizational Management from Rutgers University, a Master of Science in Financial Economics from the University of London and a Bachelors in Economics from the University of Nairobi His research is on the Psychology of meaningful work and meaningful lives.

-Currently he sits on several boards including B Lab East Africa, Nafisika Trust, and is an advisor to several startups in Kenya and the US.



WHO LEADS US

MANAGEMENT BOARD



Vice Chancellor
Prof. John Odhiambo



Deputy Vice-Chancellor
(Academic & Student Affairs)
- Dr. Elizabeth Gachenga



Deputy Vice-Chancellor
(Research) -
Prof. Izael Da Silva



Deputy Vice-Chancellor
(Planning & Development) -
Dr. Vincent Ogutu



University Secretary -
Mr. Anthony Kahindi



Director, University Relations
and Communications
Mrs. Betty Ngala



Executive Director, Finance -
Mr. Vincent Ndoloka



Executive Director,
Administration Services -
Ms. Dorina Telaide





DEANS OF SCHOOLS



Dean, School of Management
and Commerce –
Dr. David Wang'ombe



Dean, Strathmore Law
School – Dr. Luis G.
Franceschi



Dean, Strathmore Business
School –
Dr. George N. Njenga



Dean, Strathmore Institute of
Mathematical Sciences
Mr. Ferdinand Othieno



Dean, School of Humanities
and Social Sciences –
Prof. Christine Gichure



Dean, School of Tourism
and Hospitality –
Dr. Virginia Gichuru



Dean, Faculty of
Information Technology
Dr. Joseph Orero



Dean, School of Graduate
Studies – Prof. Ruth Kiraka



Principal, Strathmore
Institute of Management
and Technology
Mr. Patrick Kibui



Statement from the Chairperson of the University Council

It gives me great pleasure to present to you, our stakeholders, the Strathmore University 2016 Integrated Report, as we continue to execute our mandate in the three strategic pillars of teaching, research, and service to society as clearly articulated in the 2015-2025 Strategic Plan now in its 2nd year of execution. Strathmore continues to consolidate its position as a leading institution of teaching, learning and research in the country and region, and maintains its commitment to transform society in line with its foundational aims.

Strathmore University embraces the journey of aligning its strategy and operations to ensure the cohesion required by the Integrated Reporting Framework, amid an ever-changing regulatory landscape, while embracing unforeseen challenges and constantly adapting to the economic and socio-political environment of our country.

Economic Review

In the year under review, a Kenya Economic Update report by the World Bank projected the country's growth at 5.9%, a 0.3% increase from 2015. The key economic growth drivers were attributed to a 2.1 % rise in agricultural earnings from 3.4% in 2015 to 5.5% in 2016. A raise in the Central Bank of Kenya policy rate from 8.5% to 11.5% stabilized the shilling from its steep depreciation, tightening liquidity conditions and intervening in the foreign exchange market.

Pressure for job creation remains a top priority, as unemployment in our country is not a myth. The Kenya Economic Update estimates that in the next 10 years, the working population will increase by about 9 million people of which 3 million will comprise of young people aged between 15 - 24 years. Although the Kenya economy created 800,000 jobs between 2006 and 2015, unemployment grew by 4.6 % yearly.

Strathmore University's contribution towards reducing the national unemployment rate has started to bear fruit as more undergraduate students begin to venture into entrepreneurship and innovation through the University Incubation Centre. The Council commends the efforts of all research centres that have embraced the concept of innovation and business as a positive attribute for growing our economy.

Regional Footprint

While Strathmore remains committed to excellence and quality by maintaining one campus in one location, the opportunity to grow our regional footprint presented itself in winning a research grant to run regional academies for Financial Sector Deepening (FSD). The Council is proud to note that through these leadership academies in Uganda, Rwanda and Tanzania, the mandate of transformation can now reach a wider range of senior executives in the region.

The increased numbers of international students from the regional countries coming to the institution, attests to the quality tertiary education offered at Strathmore University and overall,



the growth in student diversity from 14 different countries represents the global character of the University. Regardless of their nationality and background, the University remains committed not to make any distinctions based on race, nationality, gender, ethnicity or disability.

New programmes

Strathmore University remains committed to providing answers to gaps in skills and competencies in our developing economy. Following the processes set-up for the introduction of new programmes, the School of Humanities & Social Sciences launched 3 new degree programs: Bachelor of Arts in Communication Studies (BCS), Bachelor of Arts in International Studies (BIS) and Bachelors of Arts in Development & Philosophy Studies (BDS). This ideally gives the School of Humanities an edge in charting a new phase for the University in Arts Courses.

2016 Graduation

In June 2016, we celebrated the graduation of 1,055 students. 73% comprised of undergraduate degrees of which 54% of the awardees were women. Of the 161 Masters' degree awards, 39% were awarded to women, a strong indication that the gender gap continues to close both at the undergraduate and graduate levels.

The education sector is going through a lot of reforms with key emphasis being quality over quantity as a key driving force by the Ministry of Education. Strathmore University remains committed to all its stakeholders in executing its 10 - year strategic plan whose overall theme is aimed at forming and nurturing entrepreneurial leaders ready to inspire economic and cultural transformation in the world.

Health and Safety

After the 2015 Security Drill incident, the University set up strategies to ensure that a drill of its kind would never happen again. Different measures were put in place not only to curb foreseeable emergencies, but also to bring out positivity in memory of our departed colleague Esther Kidambi, who lost her life on the fateful day.

During the 2016 graduation, the inaugural Esther Kidambi Excellence in Service Award was introduced in recognition of Esther's diligence and commitment while working at the University Cafeteria. The award exemplifies selflessness, service with a smile, safety, and consistency in self-giving.

The University also introduced new safety measures of preparedness and mitigation through training security guards and controllers on various emergencies that could occur and how to be prepared for these emergencies. A new Security Director was also appointed, who at the end of 2016, held sessions for students and staff members on key security awareness in line with the preparedness and mitigation measures.

Financial projections

In the financial year that ended in December 2016, the University recorded a better financial performance as compared to the previous year. This is attributed to stringent financial management measures, and confidence by students and parents who continue to value the brand of Strathmore. We recorded a slight increase in student enrolment partly due to the new Bachelor of Arts programmes launched last year, and we also saw increased enrolment in the other departments.

The University continues to distinguish itself as a high-impact entrepreneurial university, dedicating a large sum of resources towards enhancing research that would provide solutions to societal problems, generating additional revenue for advancing its mission. In 2016, an amount of Kshs. 154 million was allocated to research.

To improve the campus infrastructure and enhance student experience, a new building was completed to provide more space to students and staff. This new building will mostly serve students in the School of Law, especially through the moot court room set up.

New Chancellor

Being a corporate undertaking of Opus Dei, Strathmore University's Chancellor is the Prelate of Opus Dei. In 2016 a new Prelate was erected Monsignor Fernando Ocariz Brana who took over from the late Bishop Javier Echevarria. We pray for him as he takes on his new role.

In this same year of review a few changes were made at the University Council level, and at the Management Board level. At the Council, we bid farewell to two members who had served diligently and selflessly. We also confirmed the appointment of five new members to the Management Board, owing to the changes in positions by these new members.

I extend my sincere gratitude to Strathmore University Council, our Vice Chancellor and his entire Management Board, our staff members, students, partners and donors. Their commitment and collaboration towards the University, makes me optimistic towards the future of this great institution.

Thank you



Statement from the Vice Chancellor

It is my privilege to present to our various stakeholders the 2016 Integrated Report of Strathmore University. Throughout the year, we experienced growth on many fronts as we continued to implement the 2nd year of the 2015-2025 Strategic Plan. Thanks to the commitment of the University Council, dedication of all staff and enthusiasm of our students, we achieved many successes in the areas highlighted in this report. Our success as a University has largely depended on developing a culture and environment that attracts new students and staff and supports their talent, creativity and commitment. Underpinning this culture are our core values of excellence, freedom and responsibility, ethical practice, collegiality, and service to society which serve as guiding principles for the Strathmore family.

Strategic Alliances

In 2016, Strathmore University continued to foster strategic alliances nationally, regionally and globally, giving the university a competitive advantage, through opportunities for synergy, exposure, knowledge sharing and expertise, and contribute to intellectual and human capital. Over 30 different memoranda documents were signed in the 2015/2016 academic year. Strathmore Institute of Mathematical Sciences partnered with International Finance Corporation in a corporate governance program, while Strathmore Business School's partnership with Stanbic Bank to offer financial literacy skills to SMEs was another strategic partnership. The School of Management & Commerce also signed a 4-year collaboration with NIC Bank towards training of established entrepreneurs and research in the SME sector.

As Kenya works towards a stronger economy the contribution of the University in the SME sector brings a positive contribution to creation of employment and consequently to the GDP. On the innovation side, @iLabAfrica Research Centre was in a consortium with Namu and iPay Limited and for the 3rd year continued to be involved in County Operations Management and Revenue Collections solution to support the automation of revenue collection at County level. These alliances exemplify the inter-connected links universities must forge in with industry to answer the challenges of our society.

Increased infrastructure

We continue to build on our manufacturing capital by increasing capacity within the Madaraka campus to enhance student experience and provide excellent facilities for staff and students. The completion of the Sir Thomas More Building at a cost of Kshs 400 million as shown in the capital expenditure will see our students enjoy state-of-the-art classrooms in the latest technology. Further to this, and thanks to our fundraising efforts, a



partnership was signed in 2016 between Microsoft Corporation and Strathmore Law School to equip the Moot Court Room and Auditorium of this new building with customized technological equipment to the tune of Kshs. 25 million.

The Strategic Plan envisions technology as the greatest enabler of learning and teaching in the 21st Century. The increased expenditure from our operational budget for increased internet bandwidth, IT systems automation, and improved IT network & equipment to the tune of KShs. 63.5 million; and this has seen all campus IT facilities with a more stable internet connectivity to cater for increased student numbers.

Research

Kenya's Vision2030 recognises the key role of science, technology and innovation (STI) particularly in leveraging new knowledge to drive national development, social transformation and international competitiveness. Strathmore University is a research focused institution, where academia and the professional world merge in perfect unity and balance for the common good and the holistic development of our staff and students. Every school has a mandatory financial apportionment in its budget both income and expenditure for the research arm, and we recently instituted a consultancy policy to create an enabling environment for Strathmore University faculties to engage in consultancy in their areas of expertise. I am glad to report that the 2015/2016 research output has seen over Kshs. 203 million generated from research activities across the research centres. With a robust innovations strategy and team in place, and the recently instituted Research Management System, the future of research is promising.

Conferences

The mandate to organise conferences and academic workshops is key to a university's growth for its faculty bench and increased research output. To this end, the conferences, seminars and workshops organised by all university departments were very successful. Strathmore Law School's Annual Law & Ethics Conference addressed matters of good governance and accountability. The 4th SME Conference organised by School of Management & Commerce was themed 'Innovative Strategies for SMEs.' Faculty of Information Technology's annual Conference titled 'Breaking the Digital Barrier' attracted attendance by IT experts from public and private sectors, academic researchers, IT students from institutions of higher education and young professionals in industry. Commendably, the School of Tourism & Hospitality in collaboration with African Fund for Endangered Wildlife (AFEW) hosted the 2nd African Conference on Sustainable Tourism (ACoST) themed 'Going Green in the Tourism Value Chain'. Conferences and seminars provide learning opportunities for young scholars and students and has potential to create immense

research impact for Strathmore University.

Fundraising

Strathmore is a relatively young University in the developing world; further, it is privately owned and it operates without capitation from government. The role of fundraising to fund its growth cannot be over-emphasized. Thus, the University Council approved the establishment of Strathmore University Foundation (SUF), as a separate legal entity to spearhead and consolidate all our fundraising efforts. The Council also approved the establishment of a position of Deputy Vice Chancellor Planning & Development with oversight responsibilities for strategy, fundraising, alumni relations and community outreach. This appointment to the DVC position has already taken effect and will work with a dedicated team and Board to cultivate new relationships with donors and sponsors for fundraising.

Founders Day

In 2016, the University Management launched the Strathmore Founders Day as an annual event to celebrate the university's unique history and its Founder. The aim of the Founder's Day was to make all within the university aware of the message of St. Josemaria that all are called to sanctify their work, and to serve God and others through their work. Several activities were organised and the highlight event was a Book Launch of 'Njira' a translated version of St. Josemaria's classic 'The Way'. The Founders Day from now henceforth becomes an annual event for the institution serving to perpetuate the Founders' teachings and ideals.

2016 and beyond

Our strategic priorities remain pegged in the three pillars that emphasise producing global change agents, ethical leaders, providing a reputable centre of excellence in research and enterprise and enhancing quality of life. The dream and vision for Strathmore is immense, it takes all of us working together to actualize this dream of a University serving society in this part of the world. I thank all academic staff, administrative staff and the students who are making this dream come to reality.

Thank you



CORPORATE GOVERNANCE REPORT

Strathmore University is a body corporate duly incorporated under the Universities Act (CAP 210B of the Laws of Kenya). It was granted a charter on 23rd June 2008. The University is owned by Strathmore Educational Trust, Nairobi, in collaboration with Kianda Foundation Educational Trust, Nairobi. Both trusts are not-for-profit body corporates with (perpetual succession) Act (Chapter 164 of the Revised Laws of Kenya 1962 edition). The trusts were formed for the advancement of education and the alleviation of poverty.

THE UNIVERSITY COUNCIL

The University Council presided by a Chairperson is a body established to govern the University and to assist in promoting its foundational and educational aims. The membership of the council includes:

- a) Two persons appointed by the Board of Trustees from among its members
- b) Two persons nominated by Kianda Foundation
- c) Two senior academicians, appointed by the Board of Trustees with experience in higher education and now of whom shall be an employee of the University
- d) Two persons appointed by the Board of Trustees with experience in higher education, and none of whom shall be an employee of the University
- e) The Vice-Chancellor, who shall be the Secretary to the Council
- f) The Deputy Vice-Chancellors and the University Secretary shall be ex-officio members but will not have voting rights at Council meetings.

The Chairperson and Vice-Chairperson of the Council are appointed by the Council itself through secret ballot from among the two members of the Strathmore Educational Trust and two members nominated by Kianda Foundation sitting in the Council. The age limit for University Council Members is set at 75.

OUR COUNCIL'S COMPOSITION

Diversity

The University Council has 12 members, 4 women and 8 men, who combined give various inputs borrowing from their areas of expertise in the fields of Energy; Law; Mathematics; ICT; Strategy; Finance; Architecture; Humanities; Risk Management and Marketing.

Name	Industry Experience
Mrs. Bernadette Musundi	Marketing, Gender reforms, public service
Dr. Caesar Mwangi	Strategic Management, Corporate Governance, Accountant, Financial services, Renewable energy,
Prof. John Odhiambo	Mathematics, Academia, Education Management
Dr. Elizabeth Gachenga	Environmental Law, Customary Law Systems, Governance
Mr. Fernando Aizpun	Architecture, Infrastructure Management
Dr. Susan Kibue	Architect, Academia, Teaching, Management and Leadership
Prof. Timothy Wamae	ICT and Development, Authorship
Mr. David Owino	Financial Services, Investment, Transitional Leadership
Ms. Margaret Roche	Humanities, Education management, Programme Development
Prof. Izael Pereira Da Silva	Renewable Energy, Power Systems Engineering, Energy Conservation
Dr. Vincent Ogutu	Organizational Development, Social Entrepreneurship, Psychology
Mr. Anthony Kahindi	Financial strategy, Organizational Development,

The Members of the University Council are appointed as follows:

- a) Nominations for membership to the Council are reviewed by the Nominations Committee set up by the Board of Trustees for this purpose.



- b) Selected candidates are recommended to the Board of Trustees for approval and appointment.
- c) The Chair of the Board of Trustees informs the Vice Chancellor of the members appointed to the Council.

In the year in review, we bid farewell to two board members Dr. George Njenga, Deputy Chancellor Research and Patricia Ithau, a member of the Council. Both members brought a wealth of experience and played a key role in the continued success of Strathmore University. Both members retired after serving their terms. We wish them well as they continue to impact in different ways at the University.

OUR COUNCIL'S LEADERSHIP

The University Council oversees providing strategic direction and oversight management of the University. In addition, the Council oversees:

- a) The mission, vision and promoting the aims and objectives of the University;
- b) The appointment and performance management of the Vice Chancellor;
- c) Setting and monitoring broad budget and planning framework
- d) Setting and critically monitoring Council policy and risk management
- e) Legislative roles, including ensuring that the University is acting ethically and in conformity with all legal requirements
- f) Fundraising and resource mobilization
- g) Council performance and succession planning

THE UNIVERSITY'S COUNCIL PROGRAMME

The Council has four annual meetings that are pegged on its three strategic pillars geared towards Teaching, Research and Enterprise and Service to Society. The Council receives regular updates from each of the five committees. The University has five committees that assist in the smooth running of its affairs.

COMMITTEES OF THE UNIVERSITY COUNCIL

The University Council has 5 committees that assist in executing the mandate of the Council. Council Committee meetings are held quarterly and their reports are thereafter discussed at the University Council meetings.

The Council Committees are:

1. Oversight Committee
2. Finance Committee
3. Fundraising & External Relations Committee
4. Audit & Compliance Committee
5. Human Resources Policy Committee

Report from the Chairperson of the Oversight Committee



Dr. Susan Kibue - Chairperson

The mandate of the Oversight Committee is to oversee the implementation of the University strategy, monitor and review governance and academic policies, and to monitor key academic processes, ensuring they adhere to the University mission and vision.

Committee Members

Currently, the committee's membership comprises of Dr. Susan Kibue (Chairperson) Mrs. Bernadette Musundi (member), Mr. Paschal Manyuru (member), Ms. Margaret Roche (member), Prof. Timothy Waema (member) and Prof. John Odhiambo (member)

In the year in review, the committee convened four meetings. The attendance was as follows:



	Dates of the Ordinary Meetings			
	09.03.2016	30.05.2016	14.09.2016	14.11.2016
Dr. Susan Kabue	√	√	√	√
Mrs. Bernadette Musundi	√	√		√
Mr. Paschal Manyuru		√	√	
Ms. Margaret Roche	√	√	√	√
Prof. Timothy Waema	-	-	-	-
Prof. John Odhiambo	√	√	√	√

Our key achievements in 2016 included:

- Our key activities in 2016 included:
- Approval of the key strategic initiatives for 2016 under the student experience pillar of the Strategy.
 - Approval of the Research & Innovation Strategic Report.
 - Approval of the Statute establishing the Council of Deans (COD)
 - Approval of the Revised Statute on the Academic Administration and Enhancement Committee (AAEC) 2016
 - Approval of Policy and Guidelines on Project Management
 - Approval of the Guidelines for the Management Board
 - Approval of the Guidelines for Management Committees of Academic Units
 - Approval of the Guidelines for the Management Committees of Colleges
 - Approval and monitoring of the integration of the Strathmore Business School and the School of Management and Commerce
 - Approval and monitoring of the integration of School of Finance & Applied Economics and Institute for Mathematical Sciences
 - Approval and monitoring of the Centre for Tourism & Hospitality and Catering Services

Report from the Chairperson of the Finance Committee



Mr. David Owino - Chairperson

The Finance Committee plays a critical role in overseeing the preparation and annual review of the five year rolling budgets of the University. The committee also reviews the financial strategy and deals with strategic issues concerning financial risk management. The committee also receives and considers the annual external audit reports submitted by external auditors, reviews the University’s financial regulations and investment policy and oversees the University’s financial management and financial controls systems.

Committee members

Currently, the committee’s membership comprises Mr. David Owino (Chairperson) Prof. Timothy Waema (member) Mr. Fernando Aizpun (member), Mr. Vitalis Ojodi (member), Prof. John Odhiambo (member), Mr. Anthony Kahindi (member) and Mr. Vincent Ndoloka (member)

In the year in review, the committee convened four meetings. The attendance was as follows:



	Dates of the Ordinary Meetings			
	09.03.2016	30.05.2016	14.09.2016	14.11.2016
Mr. David Owino	√	√	√	√
Prof. Timothy Waema	√	√	-	√
Mr. Fernando Aizpun	-	√	√	√
Mr. Vitalis Ojode	√	√	-	√
Prof. John Odhiambo	√	√	√	√
Mr. Anthony Kahindi	√	√	√	√

*N/A means members who had not been appointed at the given period but were later appointed during the given year.

Our key achievements in 2016 include:

- Reviewed on regular basis, the University performance and future plans in compliance with the university strategy.
- Oversaw the completion of a new building (Sir Thomas Moore building).
- Commenced the process of constructing male student hostel through Build Own Transfer (BOT) funding model.
- Appointed new auditors through detailed evaluation process.
- Offered recommendations to the management on strategies of raising additional revenue through diversification to ensure the University's sustainability.

Report from the Chairperson of the Audit and Compliance Committee



Dr. Caesar Mwangi - Chairperson

The role of the audit and compliance committee is to provide leadership, and advice the University Council on strategic issues related to risk management, quality assurance and compliance. The committee reviews and monitors the effectiveness of the University's risk management policies and strategies in mitigating against identified potential risks and in improving management and control.

Committee members

Currently, the committee's membership comprises of Dr. Caesar Mwangi (Chairperson), Mrs. Bernadette Musundi (member), Mr. James Nyiha (member) and Ms. Margaret Roche (member).

In the year in review, the committee convened four meetings. The attendance was as follows:

	Dates of the Ordinary Meetings			
	02.03.2016	25.03.2016	07.09.2016	16.11.2016
Dr. Caesar Mwangi	√	√	√	√
Mrs. Bernadette Musundi	√	√	√	√
Mr. James Nyiha	√	√	×	√
Ms. Margaret Roche	√	×	√	√



Our key achievements in 2016 include:

- Provided guidance to management on the improvement of internal controls on the areas audited.
- Monitoring of institutional risks identified and bringing attention to the management on any emerging risks.
- Continuous monitoring of the implementation status of previous internal audit recommendations. This came a long way in ensuring full implementation by management.

Report from the Chairperson of Fundraising & External Relations Committee



Ms. Margaret Roche - Chairperson

The fundraising and external relations committee reviews and monitors the effectiveness of the University’s fundraising strategies and policies, while providing leadership and strategic guidance in identification of individual donors and organizations for purposes of soliciting funds. The committee also monitors and reviews the University’s communications policies and strategies about managing its relationships with external stakeholders, enhancing the corporate image of the University and attaining distinguished positioning in the higher education market both local and internationally. The University’s community engagement policies and strategies and effectiveness of the Community Outreach Program, are reviewed and monitored by this committee.

Committee members

Currently, the committee’s membership comprises of Ms. Margaret Roche (Chairperson), Mrs. Bernadette Musundi (member) Prof. John Odhiambo (member), Dr. Vincent Ogutu (member), Mr. Anthony Kahindi (member), Mr. Eric Saulo (member) and Mrs. Betty Ngala (member),

In the year in review, the committee convened four meetings. The attendance was as follows:

	Dates of the Ordinary Meetings			
	26.02.16	27.05.16	2.09.16	18.11.16
Mrs Bernadette Musundi	√	√	√	√
Ms Margaret Roche	N/A	√	√	√
Prof John Odhiambo	√	√	√	√
Dr. Vincent Ogutu	N/A	N/A	N/A	×

*N/A means members who had not been appointed at the given period but were later appointed during the given year.

Our key achievements in 2016 include:

- Approved the annual work plan for the Fundraising, Communications & University Relations, and Community Service departments.
- Received and considered reports presented on fundraising alumni relations, and communication and community service throughout the year, monitoring progress made on different initiatives from the departments.
- Received and evaluated proposals on the brand re-alignment project commissioned by the management board, and reviewed its progress throughout the year.
- Reviewed and provided guidance on how to leverage on publicity from partnerships with media houses.
- Monitored and reviewed the University’s communications policies and strategies on managing its relationships with external stakeholders.



- Followed the registration of Strathmore University Foundation which will be a special purpose vehicle to carry out fundraising on behalf of the university. Continued monitoring its set-up.

Report from the Chairperson of the Human Resources Policy Committee



Mrs. Bernadette Musundi - Chairperson

The role of the Human Resource Policy Committee is to oversee the formulation and subsequent monitoring and review of policies and strategies on employment of all University staff, including policies on recruitment and selection, staff development and training, performance management schemes and salaries and other conditions of service.

The Committee is also responsible for reviewing and monitoring the implementation and effectiveness of the University's employment policies; Overseeing the relations between the University and its employees; Reviewing and making recommendations to the University Council, on the salaries and other terms and conditions of service; Monitoring key performance indicators; Receiving and considering proposals on strategy and policy in all matters relating to the recruitment, reward, retention, motivation and development of the University's staff, and making recommendations to the University Council; Receiving reports from

the Management Board relating to promotion, re-grading, the award of additional salary increments and contribution payments to salaried staff; Receiving reports from the Management Board of all honorary titles and personal titles awarded; Receiving and considering reports, at least annually, from the Management Board concerning the terms and conditions of service of employees of the University, and making recommendations to the University Council.

Committee members

Currently, the committee's membership comprises Mrs. Bernadette Musundi (chairperson) Dr. Caesar Mwangi (members), Mr. Fernando Aizpun (members), Prof John Odhiambo (member), Mrs. Anne Njuguna (members), Mr. Anthony Kahindi (members) - before his appointment Ms. Dorina Telaide would sit in to represent the University Secretary.

In the year in review, the committee convened four meetings. The attendance was as follows;

	Dates of the Ordinary Meetings			
	26.02.16	27.05.16	2.09.16	18.11.16
Mrs. Bernadette Musundi	√	√	√	√
Dr. Caesar Mwangi	√	√	-	√
Mr. Fernando Aizpun	√	√	√	√
Prof John Odhiambo	√	√	√	√
Mr. Anthony Kahindi	N/A	N/A	N/A	√

*N/A means members who had not been appointed at the given period but were later appointed during the given year.



Our key achievements in 2016 included:

- The promotion of one Associate Professor to full Professorship
- Appointment of strategic positions for the leadership of the University. This included:
 - i. The University Secretary,
 - ii. DVC Research and Innovation,
 - iii. DVC Academic and Students Affairs
 - iv. Acting DVC Planning and Development
- Establishment of the DVC Planning and Development position
- Approval of the following MB's proposals alongside others:
 - i. The review of the Human Resource Policy Manual
 - ii. The review of the University's employment contracts
 - iii. Setting up of a Leadership Academy in the year 2017
 - iv. Increase of staff salaries by 5%
 - v. Allocation of resources to automate the payroll process
 - vi. Allocation of resources to upgrade the Human Resource Systems
 - vii. Changing of the medical scheme administrators to improve efficiency in the management of medical insurance claims.
 - viii. Appointments of the following key positions: Executive Finance Director, Executive Human Resource Director, Security Director,



2016 UNIVERSITY COUNCILS' BOARD ATTENDANCE

	Dates of the Ordinary Meetings			
	16.03.16	15.06.16	21.09.16	7.12.16
Mrs. Bernadette Musundi	√	√	√	√
Dr. Caesar Mwangi	√	√	√	√
Prof. John Odhiambo	√	√	√	√
Dr. Susan Kibue	√	√	√	√
Prof. Timothy Waema	√	√	√	√
Mrs. Margaret Roche	√	√	√	√
Mr. Fernando Aizpun	×	√	√	√
Prof. Izael Da Silva	×	√	×	√
Dr. Elizabeth Gachenga	N/A	√	√	×
Mr. David Owino	N/A	√	√	√
Dr. Vincent Ogutu	N/A	N/A	N/A	√
Mr. Anthony Kahindi	N/A	N/A	N/A	√

UNIVERSITY COUNCIL'S KEY ACTIVITIES IN 2016

- Approved changes in the composition of the Management Board, guidelines and procedures for the Management Board and the Management Committees of Faculties/ Schools
- Approved the appointment of Deloitte as external auditors
- Approved the integration of the School of Finance & Economics and the Institute of Mathematical Sciences to form the Strathmore Institute of Mathematical Sciences
- Approved the integration of the Strathmore Business School and the School of Management & Commerce to form the Strathmore University Business School
- Approved the elevation of the Centre for Tourism & Hospitality to the School of Tourism & Hospitality
- Approval to borrow Kshs 79 million to finance purchase of student laptops & Kshs 22 million to finance the interior finishing of the top three floors of the Strathmore Law School Building (Sir Thomas More Building)



- Approved the Crisis Communication Policy, General Communication Policy, Social Media Policy, and Website Policy.
- Approved the Project Management Policy
- Approved the revision of the University Statutes to change the name of the DVC, Research to DVC, Research and Innovation.
- Approved the 2017 Budget
- Approved the development of men's hostels on the University's river plot by Quest Works Limited under a BOT model.
- Approved the appointment of Mr. Anthony Kahindi as University Secretary, Dr. Elizabeth Gachenga as DVC, Academic & Student Affairs and Prof. Izael Da Silva as DVC, Research & Innovation
- Approved the establishment of the position of Deputy Vice Chancellor (DVC), Planning & Development

Training and induction of University Council Members

In 2016, the office of the Pro-Chancellor, in liaison with the Management Board and all members of the University Council attended an induction session. The main objective of the session was to share with the new Council members the history of the University based on its founding spirit, the university strategy, and key developments that are part of the University master plan.

Conflict of Interest Policy & Disclosures

Strathmore University is committed to the highest standards of transparency, probity and accountability. It seeks to conduct its affairs in a responsible manner considering the requirements of the law and the human standards fostered by the University. Guided by a conflict of interest policy, all members of the university community, from the University Council to the Management Board, all teaching staff and non-teaching staff are bound by this policy.

Strathmore University perceives Conflict of Interest to be wherever there is personal, professional, commercial or financial interests or activities outside of the University, which have the possibility either in actuality or appearance of:

- (i) Compromising a staff member's judgment
- (ii) Biasing the nature or direction of decision making

(iii) Influencing a staff member's decision or behavior with regard to University matters such as appointments, promotions, use of University resources, interactions with human subjects, or other matters of interest to the University.

(iv) Resulting in a personal or family member's or personal associate's gain or advancement at the expense of the University.

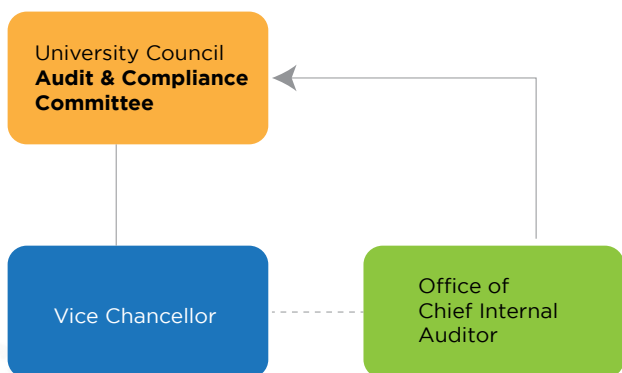
The University's mission of teaching, research and public service must not be disrupted by the pressures of economic gain. The trust that the University's stakeholders have with regard to the University's integrity must not be undermined by improper influence where conflict of interest is concerned. All staff members are expected to act with honesty, integrity, and in the best interest of the University when performing their duties.

Our Conflict of Interest Policy encompasses Conflict of Commitment which exists when a staff member's external relationships or activities have the possibility (either in actuality or appearance) of interfering or competing with the University's educational, research, or service missions, or with the individual's ability or willingness to perform the full range of responsibilities associated with his/her position.





Risk Management Report



Organogram of the office of the Internal Auditor

Risk management within the University is governed by a risk management policy, developed by the Office of Internal Audit, which is a formal acknowledgement of the commitment of the University to risk management. The policy aims to ensure that every effort is made by the University to manage risk appropriately to maximize potential opportunities and minimize the adverse effects of risk.

The University's risk management policy is based on the following philosophy:

- Risk Management is a key responsibility of the Audit and Compliance Committee. To achieve its strategic objectives, management will ensure that sound risk management processes are in place and functioning.
- Management will quantify the potential exposures / vulnerabilities in terms of: Likelihood of occurrence and Impact in the event of crystallization.
- Management designs and implements appropriate procedures and operational guidelines to respond / mitigate each risk to the degree required. Responsibilities and timelines are assigned for overseeing implementation of controls. Risks have 'risk owners' responsible for managing and monitoring the identified risks.
- Monitoring the effectiveness of controls instituted to mitigate identified risks is carried out on a scheduled basis. These monitoring activities are conducted to periodically reassess risk and the effectiveness of controls to manage risk.
- The risk management processes will be required to ensure that: Risks arising from business strategies and activities are identified and prioritized.
- The University Council and Management

receive periodic reports of the results of the risk management processes.

- There is periodic communication of risks, risk strategies, and controls to Stakeholders

Risk management within the University is coordinated by the Chief Internal Auditor. However, responsibility for managing risks lies with the Audit and Compliance Committee. The Committee has constituted the Executive Internal Audit and Risk Committee which assists the Chief Internal Auditor in reviewing and assessing the potential risks being assumed by the University to confirm that they are in alignment with the University's mission and objectives, and for ensuring that necessary mitigation strategies are in place, resourced appropriately and integrated with existing initiatives to enhance management and control. Membership to this committee is by select members of senior management.

Additionally, there are departmental risk champions whose role is to coordinate risk management activities, enhance risk sensitization by acting as the contact point for employees on risk related issues and assist in smooth rollout of enterprise wide risk management in their respective departments. Risk champions are trained on risk management and the role they play in the risk management process. The risk champion will be required to carry out risk assessment for their respective department and continuously monitor and review the treatment of these risks.

Risk Management and internal controls

The University carries out annual risk assessments across key functions in operations. This process helps in identifying and analysing risks faced by the University. The expected outcome of the risk assessment is to correctly align internal audit resources to the processes that pose the highest risk to the university in attaining its objectives and ultimately the strategic plan.

The risk assessment framework/tool used by the Internal Audit Department is based on the principles and guidelines as per ISO 31000:2009 Standard on Risk Management. Risks are identified, described and categorized, and then analyzed. The inherent risks are assessed, defining a score based on likelihood and impact. The mitigating controls already



in place are also assessed and given a rating. The residual risk is assessed and rated. The residual risk is then evaluated and mitigating actions are proposed if applicable. An action plan is further defined where responsibilities and timelines are assigned. These timelines will be used to monitor the status of the agreed action.

During the risk assessment, risks, their root causes and controls are identified. Risks identified are given a rating based on the Impact and Likelihood of occurrence. Detailed risk registers are developed and continuously updated.

The outcome of the risk assessment is reported to and discussed with the Management Board, who adopt it and take responsibility for the risk management and internal control system. The report is then presented to the Audit and Compliance Committee of the University Council.

The institutional risks that the University was dealing with in 2016 can be categorized under the following:

- Strategic
- Financial
- Compliance
- Operational

Risk	Mitigation
Security Breaches	To adequately address this, management has instituted various measures that include physical protection, creating awareness and carrying out human intelligence to ensure the safety and security of staff, students and visitors of the University.
Inability to attract and retain qualified staff	This is an industry-wide challenge as there are few qualified PhD holders in the various disciplines countrywide. The University has taken the approach of training its own PhDs by facilitating staff to acquire PhDs progressively.
Low Research Output	Research and Enterprise is a key pillar of the University's strategy. Various measures have been put in place to counter the culture of low research among staff in a bid to promote research.

Non-compliance with external regulations and internal standards, policies and procedures	To maintain high quality and ensure that the University is following the regulators requirements, internal quality assurance checks have been upheld.
Low graduation rates	This applies to postgraduate programs, where students fail to graduate as scheduled due to not completing their thesis on time. Measures have been put in place to help students begin focusing on thesis as early as the first year.
Inability to attain target number of students	With the University's high admission requirements, the target number of students is not always attained. Various measures have been put in place to address this.

In the year in review three departments were audited:

1. Cash Payments
2. Research Management
3. Human Resource Department at the Strathmore Business School
4. Follow-up of outstanding issues from previous audits



Risk management process

A large white graphic element consisting of a vertical bar with a rectangular tab extending from its top left corner, resembling a folded piece of paper or a document tab.

Sustainability Report



1. OUR PEOPLE

Strathmore University believes that human capital is a collection of resources knowledge, talents, skills, abilities, experience, intelligence, training and judgment, possessed individually and collectively by the University community. These resources are the total capacity of the people, which represents a form of wealth that can be directed to accomplish the goals of our university and nation.

Universities are increasingly viewed as engines of local economic development. They can help build the human capital of a region's people, and a critical component of an area's economic success. A region with higher levels of human capital tends to have greater amounts of economic activity and more rapid economic growth.

Building requisite human capital which includes people with the right skills, knowledge, competencies, frame of mind, attitude and motivation remains the most enduring strategy for the pursuit of sustainable development in our workforce. The university thus views its people as a most valued resource. Our employment philosophy is to provide equal opportunities for all, focusing on investing in talent and recognizing excellence. Employees are therefore encouraged to realize their potential irrespective of race or gender. The university encourages internal appointments and promotions to reward consistent outstanding performance and overall contribution.

a. Diversity and gender ratios

The Strathmore University family comprises and represents great diversity in nationalities, ethnicity and religious orientation, cutting across all cadres; the university council; management board; heads of departments; staff and students. This diversity is in alignment with its founding spirit to be a multi-racial, multi-religious University with a mission to offer an all-round education. Strathmore does not make distinctions based on race, gender, ethnicity or disability rather it makes a deliberate effort to be all inclusive.

As clearly stipulated in the Governance and Management chapter, below is a table reflecting the number of male and female in each managerial level.

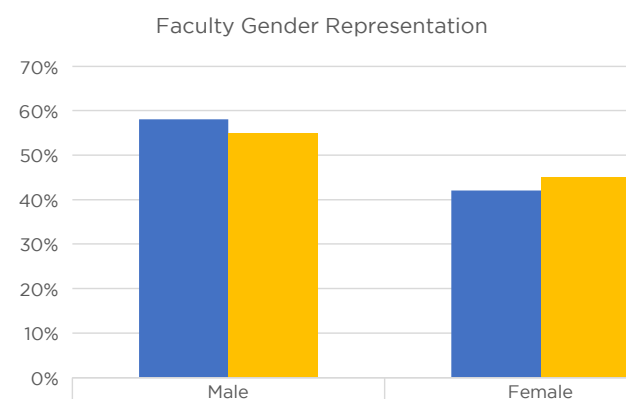
Group	Male	Female	Total
University Council	6	3	9
Management Board	6	2	8
University Deans of Teaching/Research Departments	6	3	9
Other Heads of Departments	27	12	39

Male and female in each managerial level.

b. Staff Profile

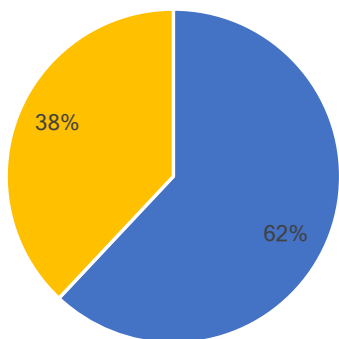
	Full Time		Part Time	
	Male	Female	Male	Female
Professor	5	1	2	0
Associate Professor	2	1	0	0
Senior Lecturer	15	9	8	3
Lecturer	17	10	10	1
Assistant Lecturer	47	50	19	22
Graduate Assistant	9	19	0	0
Adjunct	0	0	46	17
Total	95	90	85	43

c. Faculty gender representation



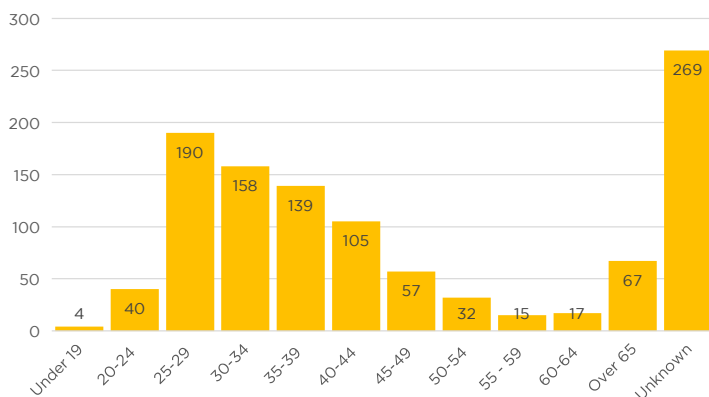


Administration Staff Gender Representation



■ Male ■ Female

STAFF AGE DISTRIBUTION



d. Staff Salary Policy.

The aim of this policy is to assist the University to attract, motivate, and retain competent employees who will promote the University’s mission and vision, for the short, medium and long term goal. The main principle is to ensure employees are paid fully and are treated consistently throughout the university, in line with the University Strategy.

The salary policy gives guidelines on the various areas of staff emoluments which include basic salary, housing allowance, gross salary, overtime, and salary advances etc. The policy also provides guidelines on annual salary reviews, job evaluation, salary surveys and detailed guidelines on the following areas:

- Circumstances under which an employee may be sent on compulsory leave

- Circumstances under which an employee’s salary may be withheld
- Circumstances under which an employee may be demoted
- Salary review when an employee is demoted
- Circumstances under which employees qualify for allowances which include:

- Responsibility allowance
- Acting allowance
- Special duty allowance
- Per diem allowance
- Telephone allowance and
- Relocation allowance

The policy also gives guidelines for employment benefits which include:

- Flexi-time (for mother’s returning to work after maternity leave)
- Medical cover
- Bonus
- Long-serving awards
- Subscription to professional bodies
- Provident fund scheme
- Group life
- Personal accident insurance
- Meal benefit worth Kshs 4,000 per month
- Education benefits for dependents
- Nursing room for nursing mothers
- Benevolent benefit
- Tuition waiver for the dependents of ex-employees

Strathmore University believes strongly in the need to recognize excellence and effort, and the institution has an annual performance appraisal system and budgeted annual increments for all staff.

e. Rewarding and remunerating staff

Strathmore University provides assistance and support to employees to increase the effectiveness of their performance in their present University positions as well as to encourage employees to obtain skills, knowledge, and abilities, which may improve their opportunities for career advancement within the University.

In the spirit of continuous improvement, the University believes that professional development and continuous learning are necessary to maintain the competence of the University’s employees and their continued readiness and ability to contribute effectively to the mission and goals of the University. This



is done through short trainings, conferences, student fee sponsorships, learning materials, travel and subsistence expenses for trainings out of Nairobi, and the country, and publishing academic papers.

In 2016, 66 staff members were sponsored to attend short trainings, conferences, or engage in longer programs such as professional courses, diploma courses, undergraduate degrees, post-graduate degrees as well as payment for professional bodies' subscriptions. The university spent a total of Kshs. 24,261,710 million shillings for staff advancement and training.

f. Staff Development in 2016

Amounts spent on staff education and training for each category in Kenya Shillings.

Short Professional Courses	Undergraduate degree	Masters' degree	PhD studies
14,289,563	641,670	7,735,570	1,594,880



g. Staff and Student Health and Wellbeing

The University has made deliberate steps to improve the access to healthcare and physical & emotional wellbeing for its staff and students.

Through the Strathmore University Medical Centre, all permanent staff members benefit from a medical cover that provides both in-patient and out-patient services. We have also introduced a student cover that allows undergraduate students to receive medical attention in case of an emergency whilst within university grounds and its environs.

The Medical Centre continues to increase the number of patients it serves yearly. The Medical Centre has seen its patient population grow by 172% since 2014. This translates to more staff and students not leaving the premises to be attended to in big hospitals in the city.

Year	Patient Number	Deviation	% Deviation
2014	4,806.00	5,290.00	110%
2015	10,096.00	2,990.00	30%
2016	13,086.00		
Total	27,988.00	8,280.00	

After the 2015 security drill, counselling services were offered to staff and students. By the end of the year, 70 staff members and students received counselling from the Health Centre.

The resources spent on staff well-being through in-patient and out-patient health care services was as follows in 2016:

Staff Medical Inpatient - Kshs. 8,299,777.30
Staff Medical Outpatient - Kshs. 20,254,228

h. Safety and security of our people

In 2016, The National Counter-Terrorism Center held an awareness session with Strathmore University's senior managers and staff on modern forms of terrorist attacks, using case studies of attacks that took place in several universities. Security guards and controllers were also trained on preparedness and mitigation during emergencies.

In September, KK Security Company trained security guards, housekeepers and controllers on fire safety awareness. The training focused on fire safety legislation, classifications of fire, fire extinguishers, smoke and its' dangers, causes of fire, triangle fire, evacuation and assembly, fire risk assessment and practical firefighting exercises.

Towards the end of 2016, the newly appointed Security Director conducted security awareness lectures to 570 students. Key topics such as the role of armed police on campus were discussed. The University also introduced handheld detectors.



2. OUR ENVIRONMENT

In June 2014, Strathmore University switched on a 600kW photovoltaic solar-energy system that generates enough electricity to satisfy the consumption needs for the campus of up to 2044 which translates to an operational savings cost of USD 9,000,000 in 30 years.

2,400

solar panels have been installed on six buildings at the university,



since the PV solar-energy system was switched on. As a green technology project, the amount of carbon dioxide avoided is equivalent to saving an average of 800 trees a year. The extra energy produced from the solar panels installation, is sold to the country's power distributor Kenya power. The amount supplied into the national grid yearly is between 200-400MW hours. By tying into Kenya's Vision 2030 goals, the Strathmore project bolsters the country's move towards increased energy generation and distribution. In 2011, Strathmore received a Leadership Energy and Environmental Design (LEED) for Strathmore Business School, which capitalizes on natural light and air and has a Building Management System that allows a 20 percent saving on electricity costs. Strathmore University also built a 10kW car

port hybrid solar/diesel grid connected system in the university. This system supported by GIZ Pro-Solar program provides additional energy and is used as a training ground for solar technicians by Strathmore Energy Research Centre (SERC).

By the end of 2016, Strathmore University had made an operational savings of USD 900,000 using the solar generated units, and carbon dioxide avoided equivalent to planting 2,400 trees.

Good Environment Management
Strathmore University incorporates various energy saving systems in its operations. The following are some of the energy saving systems:

- Solar PV generators
- Solar water heaters
- Efficient lighting using T5 fluorescent tubes and CFL
- Use of natural light in day time and water evaporation cooling systems

Strathmore Energy Research Centre Trains Marsabit Technicians

Strathmore Energy Research Centre (SERC) trained 17 youth technicians from Marsabit, on solar PV T1. The training was sponsored by Vestas, a contractor to Lake Turkana Wind Power. This training is linked to the ongoing solar installations in Laisamis, Mt. Kulal, Illaut and Ngurunit where there is a need for qualified and certified solar technicians in the project area, who can troubleshoot and repair systems in case of any failure.

During the training, participants received practical experience with solar PV components, including designing solar PV stand-alone systems. As part of the training programme, the technicians will be able to apply for a T2 license through the certification process at the Energy Regulatory Commission (ERC). With a T2 license and permit from the regulator, the solar technicians can work for a solar company or run their own businesses. They can also advance to T3 license which will allow them to handle larger systems such as mini-grids and national power grids.



The Association of Energy Professionals Eastern Africa (AEPEA)

Energy engineers in East Africa launched an association that will ensure highest standards of professionalism and efficiency, in energy management within the region. The association will promote scientific, educational and business interests of those engaged in the industry lawfully, promoting activities designed to enable the industry to be conducted with the greatest economy and efficiency. The AEPEA chapter President is Prof. Izael Da Silva - Strathmore University Deputy Vice Chancellor in charge of Research.

Local Content Bill 2016



In contributing to policy formulation, a public debate on the Local Content Bill 2016, championed by Baringo Senator Hon. Gideon Moi, Chairman of the Senator Committee on Energy, was hosted at Strathmore University. This bill seeks to promote maximization of value-addition and the creation of employment opportunities in the extractives industry value chain, through local expertise, goods, services, businesses and financing, and their retention in the country. If the proposed bill becomes law, oil and gas companies will now be required to state how local communities will benefit from the proceeds of mining activities, before they are licensed. Communities in mineral rich areas are set to benefit from this new proposal that imposes strict requirements on mineral operators, while giving locals a greater say over their resources. Once the bill is passed

into law, international mining companies would be required to commit to a skills and technology transfer agreement with local firms and individuals.

Going Green in the Tourism Value Chain

Strathmore University Centre for Tourism and Hospitality, in collaboration with African Fund for Endangered Wildlife, hosted the 2nd African Conference on Sustainable Tourism (ACoST) discussing the theme; Green Tourism - Going Green in the Tourism Value Chain. The event saw academia, industry experts, tourism professionals and students tackle key topics that touched on, policy and governance, trends and innovation, social media, sustainability enhancement, tourism opportunities, wildlife conservation and tourism product marketing.

Water Harvesting System

One of the sustainable practices at Strathmore University is rain water harvesting. Three of the new buildings on campus are equipped with large underground tanks and a piping network that allows the harvesting of 100% of their roof water. The tanks can store over 1 million liters of water. Additionally, each building has efficient VFD pumps and sediment filtration systems. From the filtration systems, filtered rain water is used on non-contact fixtures (toilets and urinals) in the same building where water was harvested. An automatic 3-way valve supplies regular City Council water during the dry seasons.

Fuel Tracking

Since 2015, Strathmore University began tracking fuel consumption to manage better costs associated with the maintenance of university motor cars and buses.

2015

Type of Vehicle	Number	Amount
Buses	4	1,754,093.08
Motor cars	7	898,872.01
Total	11	2,652,965.09



2016

Type of Vehicle	Number	Amount
Buses	4	2,353,613.71
Motor cars	7	894,858.11
Total	11	3,248,471.82

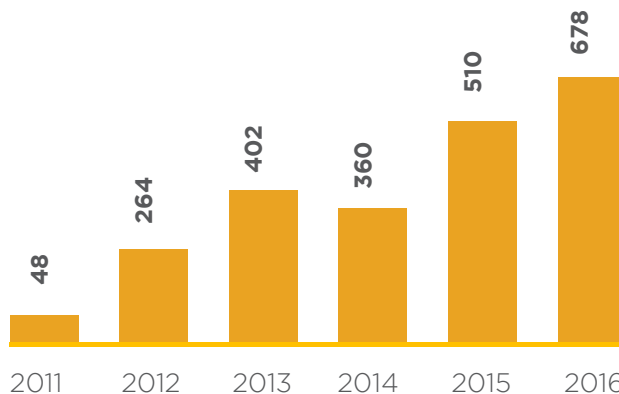
3. COMMUNITY ENGAGEMENT

Strathmore University is committed to influencing the community positively, building sustainable society-driven outcomes. Driven by the Strathmore Community Service Centre, the students are constantly on the lookout for fresh new ways to catalyze the giving spirit among their peers, melding University activities with community-initiated projects around the country. In the year in review, the community projects ranged from home and school visits, to mentoring, and even sharing the Christmas cheer through giving gifts to the less fortunate and raising funds.

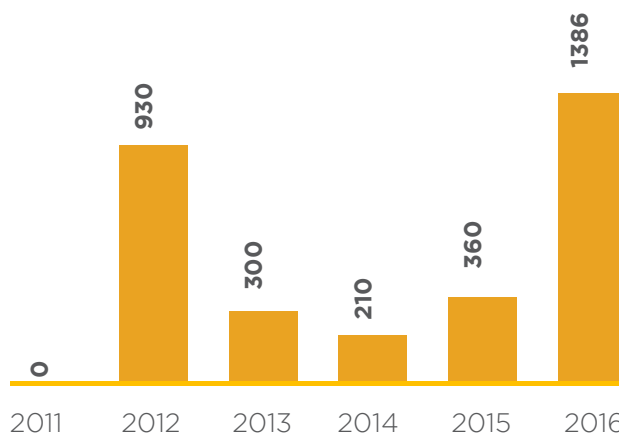
The undergraduate students volunteered for a total of 168,600 hours in the mandatory community based attachments which earns each student 2 credits. Additionally, students, staff and alumni were engaged in voluntary community service in Kitui, Marakwet, Mombasa, Nairobi, Naivasha, Siaya, Limuru, Thika, Isinya, Sagana and Ruai regions.

A total of 616 students volunteered for 10,590 hours, staff members clocked 678 hours while alumni volunteered for 1,306 hours.

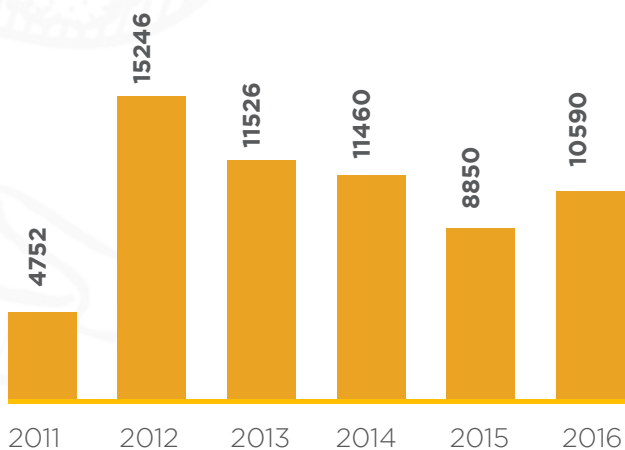
Staff members voluntary hours



Alumni members voluntary hours



Students voluntary hours



11,896

Hours of community service



Macheo Achievement Programme is an after-school-educational programme that provides academic tutoring, personal mentoring and character development for high school students. The students are drawn from three secondary schools in Kibera slums; John Paul II Secondary School, Glory Secondary School and New Horizon Secondary School. Strathmore University students are the tutors and mentors of these students.

Macheo recruits 25 new mentees every year, with each mentor having a minimum of 2 mentees per person.

Students with grade C- and above are the target, so as to be nurtured to join university or tertiary institutions.



Teacher Enhancement Programme

The Teacher Enhancement Programme is one of the corporate service responsibility initiatives of the university, whose inception in 2012 came after one of the biggest tragedies in secondary schools that resulted in the death of 68 students in Kyanguli Secondary School. The course is designed to:

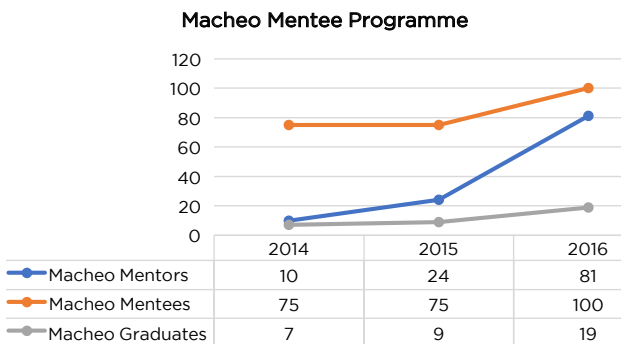
- i) To give the secondary school teacher back his or her sense of identity as a contributor to the moral fibre of the nation
- ii) To equip head teachers with managerial and professional skills required for managing the limited resources in the schools
- iii) To enable head teachers to create a conducive environment for teaching and learning for both teachers and students.

From 2002 - 2016 a total of 4,194 teachers have been trained through this week-long program.

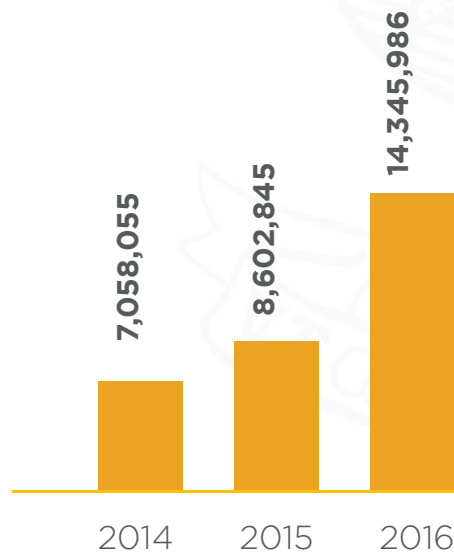
Counties reached so far: Bungoma, Kitui and Nairobi

Fundraising

Community Service Funds Raised



- In 2014, out of the 25 students who sat for the KCSE, 52% scored a C- and above.
- In 2015, out of the 22 students who sat for the KCSE, 82% scored a C- and above.
- In 2016, out of the 23 students who sat for the KCSE, 52% scored a C- and above.





Strathmore University Health Centre's contribution to helping the needy

Strathmore University Health Centre also engaged in community work. In 2016, 48 children from Kibera, 98 boys from Kwetu Home of Peace and 36 needy children from the surrounding community received subsidized medical assistance from Medical Centre.

with Sickle Cell Foundation, Kenya. Under this partnership, the Medical Centre provided health services to 135 patients with sickle-cell. The services provided by the Medical Centre included various laboratory tests, and those with critical conditions were provided with further medical support. Strathmore University Health Center also conducted a blood donation drive in 2016. A total of 117 students and staff participated.

Additionally, in November 2016, the Strathmore University Health Center got into a partnership

School Visits by Community Outreach Programme

Percy David Primary School
Destiny Primary School
Mustard Seed School
Caleb Kandegor Class
Catacutan Class

General Activities

Elimisha Stratizen Fun Run
Mater Heart Run
Blood Donation Drive
Home visits
Hanne Howard Foundation
Kenyatta National Hospital

Activities in Children's Homes

Angels Center
Brydges Center
Happy Life Children's Home
Alpha Joy Center
Wings of Compassion
Sisters of Charity
Familia Moja
Mother Teresa

Prison, Rehabilitation Centres and Work camps

Nairobi West Prison
Naivasha Maximum Prison
Ladies' Work Camp Kitui
Kitui Male Work Camp
Marakwet Work Camp
Macheo Mentoring Camp
Kipkelion Mentoring
Kabete Rehabilitation Center

Selected community outreach activities carried out in 2016







Innovation in technology as a driver of sustainability

In the year in review, Strathmore University was also involved in other activities that promote innovation and the entrepreneurial spirit behind the Strathmore brand.

Pitch Fridays

In 2016, @iBizAfrica Incubation Centre conducted a total of 9 pitch Fridays with 23 startups participating. Pitch Friday is an opportunity for innovators to present their ideas, in an elevator pitch format, to a closed audience of business mentors, entrepreneurs and investors. It takes place during the last Friday of every month from 2.30pm to 4.30 pm. where presenters get 5 minutes to pitch their ideas to an experienced panel. In the end, successful innovators get an opportunity to join the incubator and possibly secure financial and business advisory services from @iBizAfrica.

Entrepreneurship School Nairobi

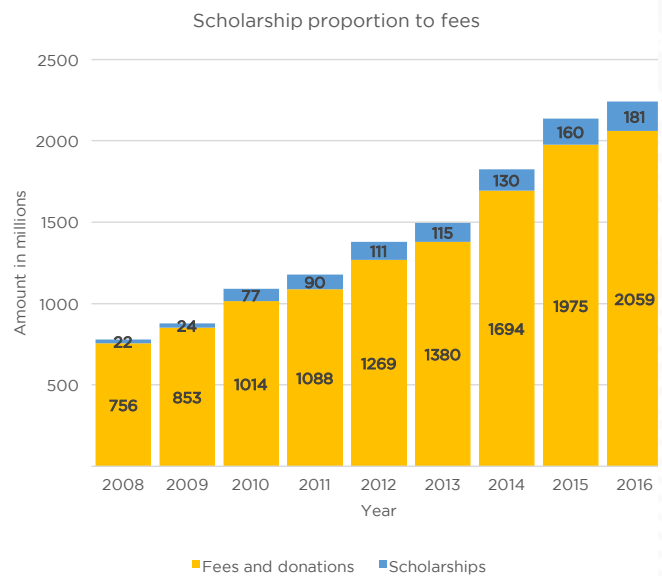
@iBizAfrica and Think Young, a Belgium company, held a 5- day Entrepreneurship School, where 64 budding entrepreneurs participated. This was the 1st edition of the Entrepreneurship School in Kenya. Participants were given the opportunity to question experienced entrepreneurs on several topics, exposing them to real experiences and stories of both entrepreneurial success and failure. They also engaged closely with exciting pioneers via, learning by doing methodology, and had the opportunity to challenge some of the best entrepreneurs.

Nairobi Tech Week

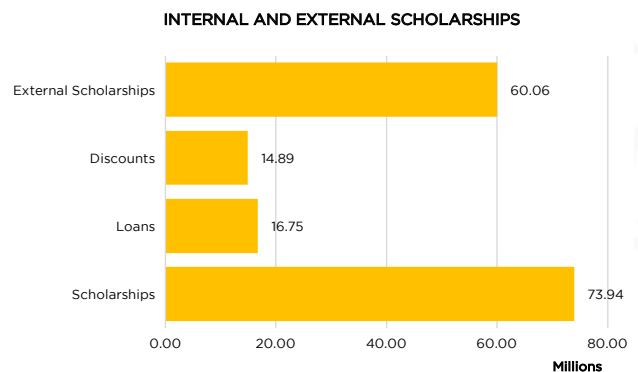
400 participants attended Nairobi Tech Week which was hosted by @iLabAfrica Research Centre and @iBizAfrica. Nairobi Tech Week is a tech-event series where Chief Technical Officers, Top Developers, Techpreneurs and various stakeholders in Sub-Saharan Africa's tech industry come together to discuss the growing tech sector. This is Sub-Saharan Africa's largest tech event. At the end of the week, there had been a total of 36 breakout sessions and 20 panels. There was also a two-day AngelHack hackathon held at @iBizAfrica open space to innovate around smart cities.

FINANCIAL AID

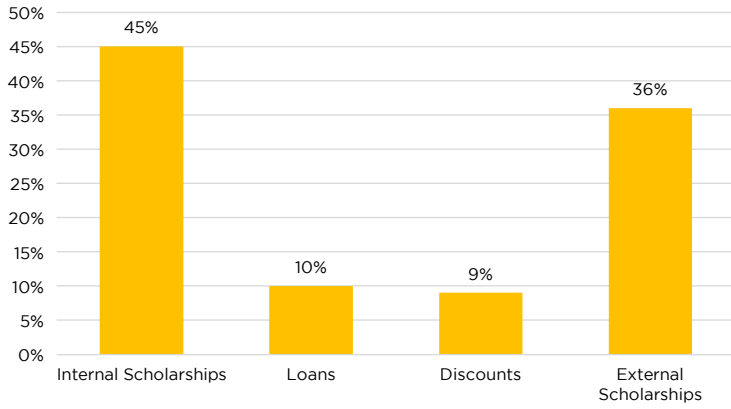
Strathmore University's core mandate is the provision of an all-round education in an atmosphere of freedom and responsibility. Strathmore University is a private university and does not receive any government support. Both recurrent and current costs are borne by the University. Nonetheless, the university is committed to providing bright & needy students from all over the community a chance to attain university education. Over the years, the University Management Board has made a deliberate effort to provide access to a percentage of students through several ways, among them work-study program, sports scholarships, fee rebates, loans and scholarships sourced from corporate partners.



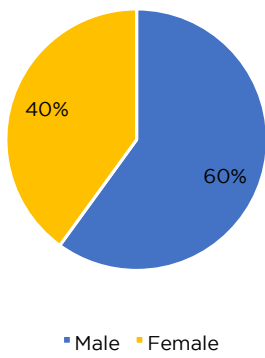
Proportion of fees and donation given as scholarship has been growing over the years.



SCHOLARSHIP AWARDS BY CATEGORY



Total Beneficiaries by Gender





Research Report





Prof. Izael Da Silva
Deputy Vice Chancellor
Research and Innovation

Research Committee

Prof. Izael Da Silva – Chairperson; Prof. Ismail Ateya – Secretary; Prof. Ruth Kiraka; Prof. Robert Mudida; Dr. Margaret Dimba; Dr. Joy Malala; Dr. John Olukuru; Dr. Rachel Mbogo; Dr. Pratap Kumar; Dr. Virginia Gichuru; Dr. Joseph Seville; Mr. Bernard Shiundu and Mr. Vincent Ndoloka.

No. of Research Staff - 5

Research policy

Strathmore University is a research focused institution, where academia and the professional world merge in perfect unity and balance for the common good and the holistic development of our staff and students. Every school has a mandatory financial apportionment in its budget both income and expenditure for the research arm. The University is in the process of updating its research policy and will include the following.

- i. Statement of policy in regard to Intellectual Property
- ii. Writing Proposals for Research Grants
- iii. Characteristics for Research Contracts

- iv. Strathmore University Consultancy Policy
- v. Policy on Conflict of Interest and Duty of Loyalty
- vi. Quarterly Reports on Grants Template
- vii. Conflicts of Interest in Proprietary Research
- viii. Policy of Ethics in Research

Consultancy policy

The University has instituted a consultancy policy to create an enabling environment for Strathmore University faculties to engage in consultancy in their areas of expertise. This would result in bringing an additional stream of income for the University, improving their teaching skills and a 70 percent financial reward for the faculty once the consultancy is complete.

Research Management System

The University is in the process of updating its Research Management System (RMS) using two key components; research administration and research dissemination. The system will provide the following facilities for research management

- i. Grants and proposal management capabilities
- ii. Integrated researcher profiles
- iii. Management reporting dashboards

Research Strategy 2017 – 2021

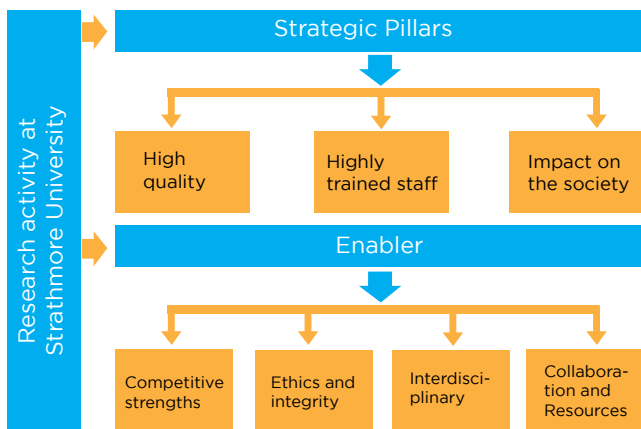
Strathmore University's Research and Innovation Strategy aims to position the institution as the partner of choice in Africa for collaborations with research and innovation being a fundamental component of Strathmore University. This is based on our vision to become a leading out-come driven entrepreneurial research University.

The experiences of the previous research strategy were significant in the planning for the proposed five year Research and Innovation Strategy. In this regard, a critical element of strategy shall be to identify the key research strengths gleaned from our past experiences and linked to emerging research opportunities in the regional and global domain where learning, teaching and research are closely-integrated pursuits. This coordinated endeavour will create an impact and make the University better equipped to



exceed the expectations of the stakeholders including our partners regionally and globally.

The implementation of the strategy can gradually establish the institution as a place for innovative and high quality research which requires the support from all the stakeholders from University administration to wider academic/research community with a succinct implementation plan. The proposed Research and Innovation Strategy shall be based on three key pillars and four enablers.



In all these, we aim to maximise the benefits of research by advancing fundamental knowledge and contributing to better public policy, improved health outcomes, economic prosperity, social cohesion, development and the quality of life. Strathmore’s research will be guided by the following values:

- i. Ethical standards that reflect the importance of academic freedom with responsibility in research work, publications and training,
- ii. Researchers and partners must be aware of the consequences of their research and other related activities and shall balance the possibility of harmful application against potential benefits.
- iii. Academic must obtain novel information, whereby seeking for the truth is the main rationale.

Research Centres

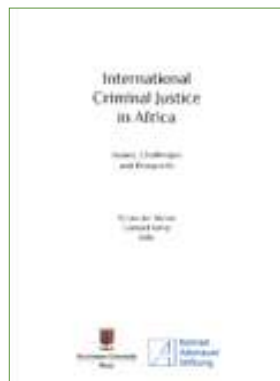
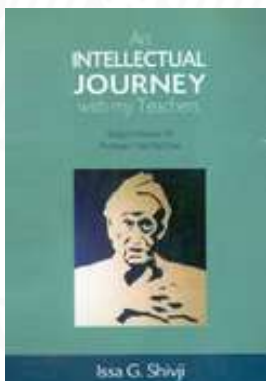
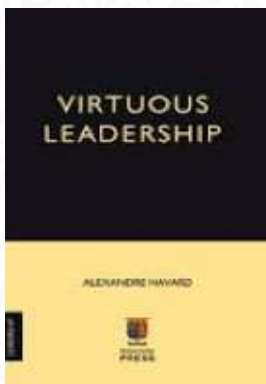
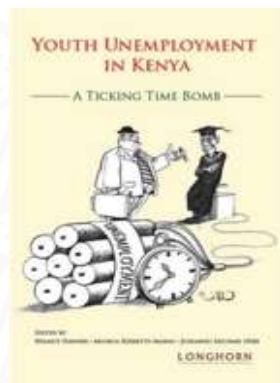
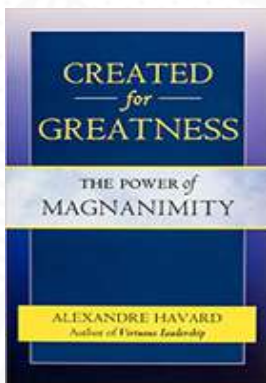
Kenya Climate Innovation Centre
Strathmore Energy Research Centre
Strathmore Extractives Industry Centre
Strathmore Enterprise Development Centre
@iLabAfrica Research & Innovation Centre
Centre for Research in Therapeutic Sciences
Centre for Intellectual Property and Information Technology Law
Strathmore University Press
Strathmore Centre for Value Investing
Strathmore Risk Management Centre
Strathmore Tax Research Centre
Strathmore Dispute Research Centre
Strathmore Centre for Sustainability Leadership
Centre for Research in Organisation Work and Family
Strathmore Institute for Healthcare Management
Strathmore Institute for Public Policy & Governance
Strathmore African Centre for Business & Human Rights



2016 Research Output

Number of books	3
Number of trainings	7
Number of publications by the University Press and faculty	49
Number of workshops	17

Strathmore University Press Publications





Student Affairs Report





Towards the end of 2016, Strathmore University election delegates voted in the 8th Strathmore Students Council following two weeks of peaceful and exciting electoral campaigns. The successful elections saw nine new office bearers voted in out of the nineteen candidates that were running for the positions. The Student Council is an important body in facilitating student engagements with Management in matters of Administration, and with Schools as pertains teaching and learning. The Chair of the Student Council, Daniel Ochieng, and a student representative sit on the University Student Affairs Committee; a committee for the Academic Council that is responsible for promoting continual improvement of co-curricular programs, student support services and other key elements that ensure integrated learning at the University

2016 Strathmore Student Council

Name	Position
Chairperson	Daniel Ochieng
Vice Chairperson	Tabitha Nakholi
Secretary	Beatrice Birir
Public Relations Representative	Yaye Ali
Finance Representative	John Okotie
Male Academic Representative	Billy Otieno
Female Academic Representative	Lavender Okore
Male Sports Representative	Bernard Juma
Female Sports Representative	Vanessa Lubira

a. CLUBS AND SOCIETIES

Students at Strathmore University can participate in different clubs and societies to learn new skills, meet new friends, network, gain exposure in new fields, experience personal growth and have fun during their four-year of university life.

Club Fair

In 2016, the student council body hosted a Club Fair where members of each club showcased their club interests attracting new students to join the clubs. By end of day, 500 students had shown interest in joining the different clubs.

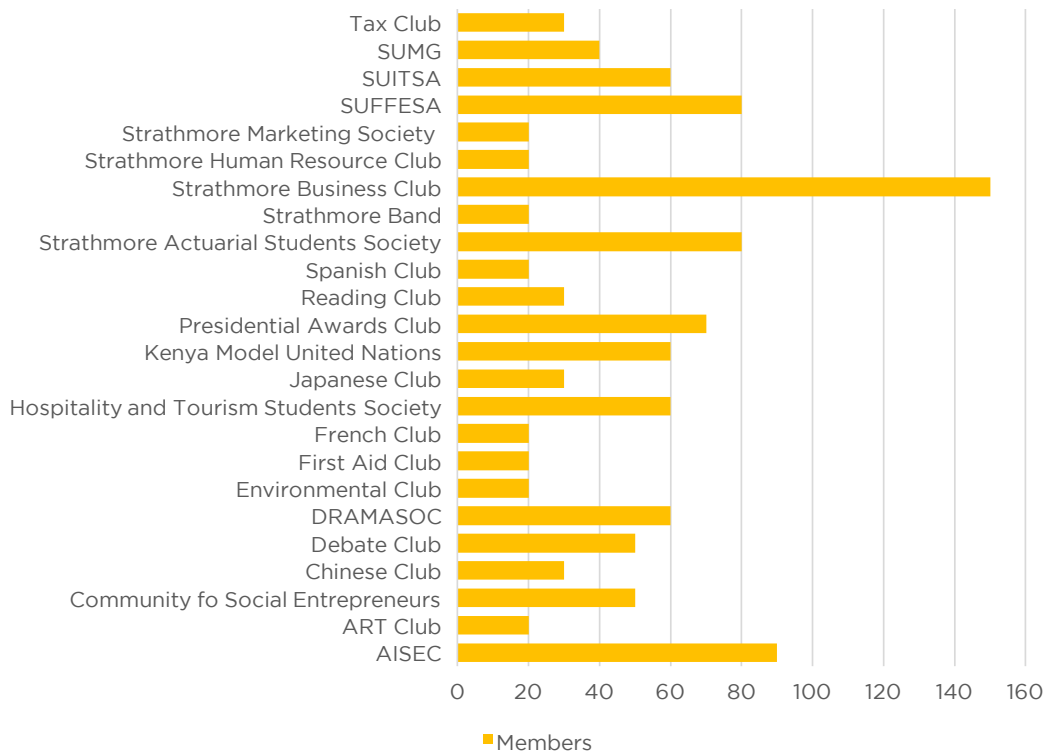
Club Management System

A Club Management System (CMS), a customized Information System to manage all the University clubs' data was also launched in 2016. This was an initiative by Research Club, in an effort to provide a manageable system that addresses activities conducted by each club.

Clubs Award Gala

At the end of 2016 the clubs were feted at a club's Award Gala ceremony. Strathmore Business Club won top position as the best club of the year, while Drama Society was awarded for best corporate social responsibility. AIESEC was recognized as the club that hosts the best organized conferences.





Cultural Festival

From the thunderous Burundian drums that brought the auditorium to its feet, to the keening falsetto of Rozzi@Work band, and the enchanting Indian dance by Mansee Patel & group, the 2016 Strathmore Cultural festival lived up to its billing as the biggest cultural event in the University calendar. The festival, a brainchild of the Student Council, also included an essay competition sponsored by the Iranian embassy- Nairobi, on the topic countering radicalization culture amongst the youth. The contest had a good turnout and the winner was Stephen Mokoro from the Faculty of Information Technology

b. SPORTS

Sports in a university nurtures a student’s talents away from the formal classroom environment. It is through sports that students learn positive social skills and personal discipline during sports training sessions. Throughout 2016, Strathmore University teams continued to engage in both competitive and non-competitive sports.

Hockey

At the international level, Strathmore

University Students; Constant Wakhura, Festus Onyango and Francis Kariuki from Strathmore men’s hockey team, and Doreen Baraza, Elizabeth Ngombo, Gilly Okumu and Yvonne Karanja from Strathmore ladies hockey team, were part of the Kenya National Hockey team that represented Kenya in Ghana World League Series 1. Both teams finished second with Constant Wakhura named top male scorer.

Rugby

In Rugby, Billy Odhiambo, from Strathmore University Rugby team Leos, was part of the 12-man squad that represented Kenya in the 2016 Summer Olympics; the men’s rugby sevens tournament in Rio de Janeiro, Brazil. Kenya was 11th worldwide. At the end of 2016, Strathmore University hosted a Rugby National Development Conference. The theme of the conference was how national teams can embrace good governance.

East African University Games

In East Africa, Strathmore University participated in East African University Games, the teams performed as follows;





Team	Type	Ranking
Strathmore University Leos (Rugby)	Men	1st
Strathmore University Hockey	Women	1st
Strathmore University Handball	Men	1st
Strathmore University Swords (Basketball)	Women	2nd
Strathmore University Karate	Men	2nd
Strathmore University Blades (Basketball)	Men	3rd

Tournaments and Leagues

Nationally, Kenya played host to the Africa Cup Sevens tournament and Safaricom Sevens International Tournament. Strathmore University students Alex Olaba, Churchill Ooko, Elton Isiaho and Ginton Adongo were part of the National 7s Rugby Team. Brian Nyikuli, the Strathmore Rugby Team Captain is also the 15s National Rugby team, while 20-year old Gabriel Odero represented Kenya in the Under 20 Rugby series. Strathmore University teams were also involved in various leagues

Sport	Team	League	Ranking	Season
Rugby	Leos I	Sevens Circuit	4th	2016
	Leos II	ESS	5th	2016-2017
	Leos I	Kenya Cup	10th	2016-2017
Basketball Women	Swords II	KBF Premier	2nd	2016
	Swords I	KBF Div I	5th	2016
Basketball Men	Blades I	KBF Premier	7th	2016
	Blades II	KBF Premier	9th	2016

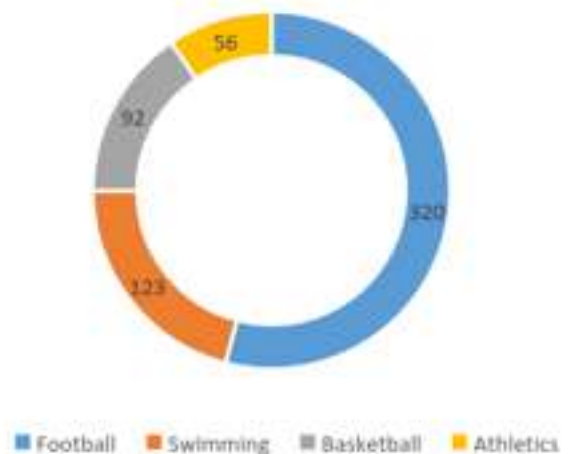
Hockey Men	Gladiators	KHU League	1st	2016
Hockey Women	Scorpions	KHU League	2nd	2016
Handball Men		KHF League	3rd	2016
Football		FKF Div I League	7th	2016

Both hockey teams qualified for the Africa Club Championship will be held in Egypt at the end of 2017.

Strathmore University Annual Sports Day

In August 2016, Strathmore University held its annual sports day. This is an event where all schools' teams participate in team and individual sports, in field and track events.

Student Participation



School of Management and Commerce - 1st Strathmore Institute of Mathematical Sciences - 2nd School of Accountancy - 3rd Sports Scholarships

Strathmore University continues to reward students for their sporting talent and provides sports scholarships to students who are top in both academics and sports. In 2016, 40 scholars received a full sports scholarship.

A new partner, Brookside Dairy Limited partnered with Strathmore University to reward their first scholar to the Bachelor of Business Science Financial Economics and join the Basketball team.

In June 2016, 8 athletes graduated 2 among them attained first class honors.

All Inclusive Sports Programs

In 2016, the Sports Department launched four new activities to encourage the Strathmore fraternity to engage in sporting activities.

These were;

- i) Vice Chancellor's Soccer Seven-aside league.
- ii) Strathmore University Swimming Gala
- iii) Self-defense club
- iv) Basketball 3 on 3.



Schools' Reports





STH

School of
Tourism and
Hospitality



Mission

To provide requisite knowledge and skills in hospitality and tourism; and produce professionals of global standards in service, operations management, research and technology

Vision

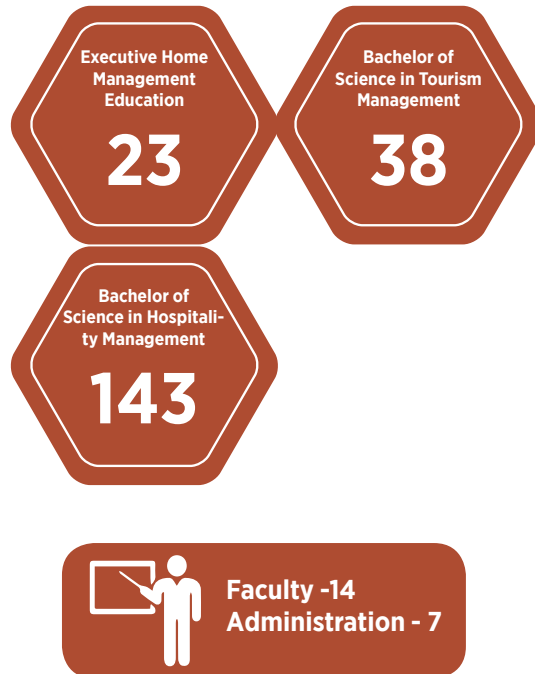
To be a centre of excellence in hospitality and tourism education, and exert positive transformational change in industry





Dr. Virginia Gichuru - Dean

Student Statistics



Key Activities in 2016

Activities	Description
2nd International Hospitality Seminar (IHS)	A four-day workshop was organized by Centre for Tourism and Hospitality in collaboration with Limmat Foundation. The workshop themed Service, Safety and Leadership attracted industry representatives from the hospitality and education industry locally and internationally: Cameroon, Côte d'Ivoire, India, Kenya, Nigeria, Philippines and Uganda
2nd African Conference on Sustainable Tourism (ACoST)	In collaboration with African Fund for Endangered Wildlife (AFEW-Kenya) Strathmore Centre for Tourism and Hospitality organized a conference themed: Going Green in the Tourism Value Chain. The conference provided a unique learning, development and networking opportunity for participants in academia, trade, students and different industry experts.
1st Strathmore Food Gala	Fourth-year students organized a food gala themed: Say Hello to the World through its food, where individuals put into practice skills in planning, event coordination and hosting learnt in class.

Staff development	Centre for Tourism and Hospitality trained Strathmore Housekeeping Staff in leadership, effective communication, ethics and safety at work.
Public Lecture	Prof. Claudio Milano, gave a public lecture to 3rd and 4th year students, highlighting alternative forms of tourism using a case study on community-based tourism in Latin America
Certification in Hotel Industry Analytics - CHIA	2016 graduating students attended an intensive international certification training, where students achieved a 90% pass rate. Strathmore is the only institution in Africa that offers CHIA training.
University College of Northern Denmark (UCN)	Danish students from UCN visited the Centre for Tourism and Hospitality where they interacted with fourth-year students



IHG Academy Graduation	Jeremy Zaja, John Njeru and Everlyne Kanyi graduated from the Intercontinental IHG Academy, after successfully completing their internships at the Intercontinental Hotel.
Seeds of Change	Eric Mbugua from Bespoke Tourism Platform held interactive discussions with 3rd and 4th year students on the need to actively address the current challenges facing the Kenyan tourism sector with practical solutions.
Master Bar Academy - East African Breweries Limited	3rd- year students attended a one-day training workshop at the Master Bar Academy. The training offered them skills in customer service, bartender secrets, drink categories, spirit production, brand knowledge, selling and responsible drinking. At the end of the session students were offered a certificate.

Research Activities

Faculty	Conference
EuroCHRIE Conference	Centre for Tourism and Hospitality Director, Miss Joy Goopio, attended the EuroCHRIE Conference in Hungary. The conference focused on good practices which can enhance the wellbeing of those in service, either through working, studying, teaching, researching or simply enjoying hospitality, tourism and general events
EUHOFA International	Miss. Goopio also attended the 55th Euhofa International Congress themed Service Excellence. The congress provided scholars with an opportunity to present and critique opportunities that abound in the sector. Delegates from Austria, Australia, Belgium, Denmark, England, Finland, Germany, Holland, Italy, Kenya, Malawi, Mexico, Switzerland, Spain, Tanzania, Uganda, U.S.A and Zambia were present.

Research Activities

Activity	Description
2nd African Conference on Sustainable Tourism (ACoST)	Joyce Mutua, a 4th year BSc. Tourism Management student, presented a paper titled: The role of community-based models in green tourism and biodiversity at ACoST.
Global Home Index (GHI) Survey	The Centre for Tourism and Hospitality conducted a survey to evaluate the amount of work required to build and care for healthy, thriving home environments as understood and valued throughout the world.
East Africa Single Tourist Visa post-awareness survey	Kenya Tourism Federation (KTF) commissioned the Centre for Tourism and Hospitality to conduct the post awareness survey on the use of an East Africa Single Tourist Visa
Staff development	Centre for Tourism and Hospitality trained Strathmore Housekeeping Staff in leadership, effective communication, ethics and safety at work.
Public Lecture	Prof. Claudio Milano, gave a public lecture to 3rd and 4th year students, highlighting alternative forms of tourism using a case study on community-based tourism in Latin America

International Collaborations

Membership	Centre for Tourism and Hospitality is the only premium member of the International Council on Hotel, Restaurant and Institutional Education (ICHRIE) in Eastern Africa
	Centre for Tourism and Hospitality is the first East African member of Hospitality Connect (HOSCO) an online international networking platform for students and industry
	Centre for Tourism and Hospitality is the only East African member of Smith Travel Research, Supporting Hotel-related Academic Research and Education (STR SHARE)
Academic Partners	Centre for Tourism and Hospitality works closely with University College of Northern (UCN) Denmark and Saxion University in several projects.
	Centre for Tourism and Hospitality is working closely with Emirates Academy of Hospitality Management (EAHM) for the Dubai Study Tour and Programme at EAHM

SHSS

School of
Humanities and
Social Sciences



Our Mission

The mission of the School of Humanities and Social Sciences is to complement the different university programs by providing humanistic education for an all-round education of the students.

Our Vision

The Vision of the School of Humanities is to enhance the general vision of the university through the teaching of the humanities.

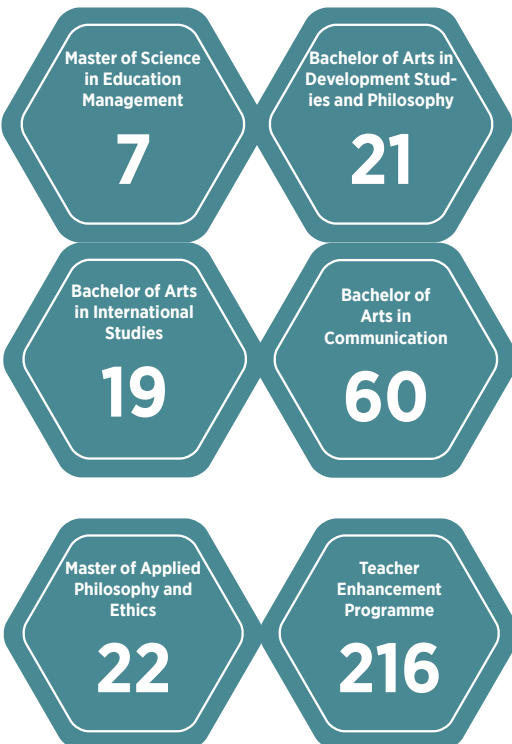




Professor Christine Gichure - Dean

Faculty - 26
Administration - 5
Graduate Assistants - 2
Doctoral Fellow - 1

Student Statistics



New Programmes in 2016

In 2016, the School of Humanities inaugurated three new Bachelor of Arts courses and a Master of Science programme.

- Bachelor of Arts in Communication (BAC)
- Bachelor of Arts in Development Studies and Philosophy (BDP)
- Bachelor of Arts in International Studies
- The Master of Science in Education Management

Research Activities

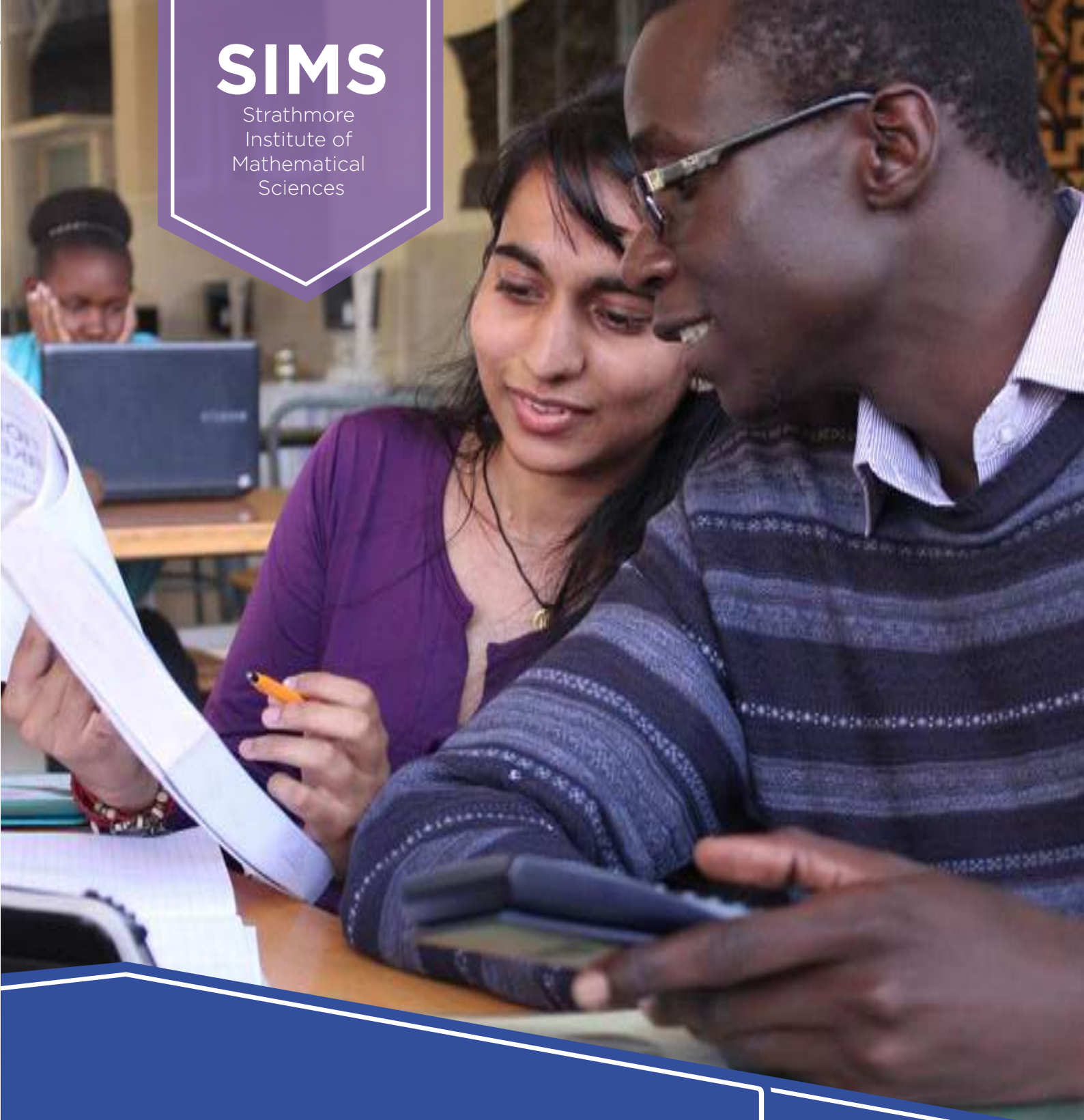
Activity	Description
2nd Annual Conference on English and Communication	Exploring communication competency in the industry and academy was the theme of the conference held at Strathmore University. 17 scholarly papers were presented with a focus on: Why English matters; Doing business in English; Industry perspectives on standards of the English language; and Research and innovation in English teaching.

Publications by Faculty

Faculty	Publication
Prof. Christine Gichure (Book Chapter)	Efforts and Achievements of Two Decades of Business Ethics and Teaching and Research in Africa with Special Reference to Kenya. In Understanding Ethics and Responsibilities in a Globalizing World
Rose Catacutan (Book Chapter)	Moral sensitivity practice in academic deanship: Does it really matter: Fast-Forwarding Higher Education Institutions for Global Challenges
Dr. Alfred Kitawi (At the publishers)	Community Capacity Development in Universities an extensive investigation, International Journal of African Higher Education
	Poverty alleviation in slums through university community service Journal of Higher Education and Outreach Engagement

SIMS

Strathmore
Institute of
Mathematical
Sciences

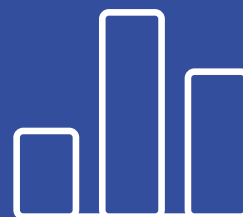


Mission

Strathmore Institute of Mathematical Sciences exists to nurture the growth of mathematical expertise among research scientists by fostering fundamental and multidisciplinary research and consultancies in areas of applied mathematics and mathematical sciences, and to improve the teaching and learning of mathematics

Vision

To be a centre of excellence in applied research and innovation in mathematics and mathematical sciences, and to contribute to the quality of teaching of mathematics





Ferdinard Othieno - Acting Dean

 **Faculty - 27**
Administration - 6
Graduate Assistants - 6
Parttime Faculty - 14

Student Statistics



Research Activities

ACTIVITY	DESCRIPTION
AIIESEC Conference	Two Bachelor of Business Sciences students attended the 68th Annual International Congress themed; Live your Legend, which was held in Warsaw, Poland. They were among 1,000 global young leaders from a total of 120 countries.

Bachelor of Business Science (BBS) Family Day	Strathmore Institute of Mathematical Sciences held its 3rd Annual BBS family day. This is a forum where students are given an opportunity to share their experiences with each other. Alumni are also invited to share their industry experience.
Bachelor of Business Science (BBS) Mini Career Day	The mini career fair attracted 15 companies and 470 students and alumni.
CFA Research Challenge	For the first time, Strathmore University Institute of Mathematical Sciences (SIMS) students participated in the Europe, Middle East and Africa regional finals of the CFA Institute Research Challenge in Chicago, Illinois. This is after emerging winners at the local final, East African chapter
Engage Forums	Strathmore Centre for Value Investing (SCVI) held a series of talks in partnership with CFC Stanbic Bank, to equip students with application knowledge on the different topics learnt in class.
	Strathmore Centre for Value Investing (SCVI) also held a talk in partnership with Centum Analysts on Private Equity practice. Six alumni engaged in motivational talks on the prospects in the market-place and how to be a leader.
Europe Academic Trip	Bachelor of Business Science graduating students visited EDHEC Business School, INSEAD Business School and Banque de France in Switzerland and France to fulfil part of their academic experience.
International School of Dynamical Systems in Bio-Medical Sciences (ISDS)	21 participants from different academic institutions attended a workshop on Mathematical Modelling in Biology and Medicine.
Kenya National Security's Exchange	Students from Bachelor of Business Science Finance and Financial Economics participated in an industry visit to learn more on securities and derivatives. This was in preparation for their visit to New York Stock Exchange in 2017



Korea-Kenya Frontiers Economic Forum	Ten Bachelor of Business Science students attended the Korea-Kenya Frontiers Economic Forum themed; Korea-Kenya Cooperation-Experience and Opportunities.
Memorandum of Understanding	Strathmore Institute of Mathematical Sciences is at an advanced stages of signing an MOU with the following companies; Abacus Kenya, AMSCO (Consulting), Metropol Corporation, Kenya Bankers Association and Retirement Benefits Authority
Statistical Data Analysis Using SPSS	Statistical Advisory Unit (SAU) organized training workshops for research students, faculties, centers and departments at Strathmore University.
The Actuarial Society of Kenya (TASK)	20 student participated in a two day TASK annual convention in Nairobi

	International Workshop on Statistical Modelling, France
Purity Ngina	EAUMP 3rd Conference, Uganda
	International School on Dynamical Systems in Biomedical Sciences, Strathmore University
Dr. Rachel Mbogo	EAUMP 3rd Conference, Uganda
	International School on Dynamical Systems in Biomedical Sciences, Strathmore University
Titus Orwa	EAUMP 3rd Conference, Uganda
	International School on Dynamical Systems in Biomedical Sciences, Strathmore University

Conferences attended by Faculty

FACULTY	CONFERENCE
Dr. Caroline Kariuki	The 2016 Kenya Bankers Conference, Nairobi
Collins Odhiambo	International Biometric Conference, Canada
	International Conference on Statistical Distribution and Application, Canada
Ferdinand Othieno	The 2016 Kenya Bankers Conference, Nairobi
	The Actuarial Society of Kenya Conference, Kenya
Lucy Muthoni	Trained mathematics teachers on how to teach probability and statistics with emphasis on South Africa's Social Development projects. The training took place at African Institute for Mathematical Sciences School Enrichment Centre.
Livingstone Lubobi	EAUMP 3rd Conference, Uganda
	International School on Dynamical Systems in Biomedical Sciences, Strathmore University
Linda Chaba	International Biometric Conference, Canada

Faculty Development

Faculty	Course
Dr. Caroline Kariuki	Training on Econometrics, University of Warwick
Ferdinand Othieno	Training on Economics, Barcelona Graduate School of Economics
Morine Akoth	Training on Genetic Association with application to sequence and genotype data, Germany

SLS

Strathmore
Law School



Mission

Strathmore Law School's mission is to achieve legal excellence through providing a supportive learning environment that inspires innovation and critical thinking, promoting ground-breaking research, actively pursuing justice and nurturing virtuous and entrepreneurial leaders

Vision

Strathmore Law School's vision is to be a school renowned for excellence in legal education and research, guided by a commitment to pursue justice, to cultivate lawyers of professional competence and moral conviction, and to be the region's hub for change agents.





Dr. Luis G. Franceschi - Dean

Faculty - 49
Administration - 6

Student Statistics



Research Activities

EVENT	KEY ACTIVITIES
Sir Thomas More Building	The building was completed and opened for use by students and staff. The school is expecting a grant from Microsoft to construct the auditorium and moot court room

Prize Giving and BC Madam Memorial Lecture	The awards event was graced by, Professor Jill Cottrell, Yash Pal Ghai and Chief Justice - David Maraga. The event recognized 12 of its stellar academic 2016 performers
Legal Clinics	Several legal clinics were conducted in different parts of Nairobi. Among the sites visited were Kamiti Maximum Prison and Nairobi West Prison where prisoners were educated on their rights. The centre of people living with disabilities was also visited. Strathmore University fraternity also received free legal advice
Brown Bag Meetings	SLS held a Brown Bag session led by Mr. Bailey, a Foreign Service Officer with the US Department. The session was on 'The Anti-Corruption Pledge' made by President Obama during his visit to Kenya.

RESEARCH CENTRE ACTIVITIES

ACTIVITY	DESCRIPTION
Facebook - ICT Policies	A one-year project to help various actors in the information Communication Technology (ICT) sector in Africa understand the rapidly mutating landscape through a database focused on the ICT regulatory ecosystem.
Intellectual Property (IP) Policy	Developed the Strathmore University IP Policy.
Intellectual Property (IP) Clinic	CIPIT worked closely with inventors and the Kenya Industry Property Institute (KIPI) to aid in obtaining patents for inventions.
Intellectual Property (IP) Courses	CIPIT developed and provided online courses in patent drafting and copyright registration. Courses in legal issues around IP, IT Law and Cyber Security.
Computer Crimes and Cyber Crimes Bill	CIPIT participated in the Ministry of Information and Technology initiative to draft a bill.



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Strathmore Tax Research Centre (STRC)

ACTIVITY	DESCRIPTION
Gender and Taxation	Training on gender and taxation to 130 participants from 30 countries at the International Tax Justice Academy, Kenya.
International Tax Conference	Team attended the International Tax Conference hosted by IBFD, Uganda
Taxation and devolution	Strathmore Tax Research Centre and the Society for International Development prepared a policy paper on devolution and taxation
Taxation and human rights	Strathmore Tax Research Centre was part of a peer review with Tax Justice Network Africa (TJNA) on a research publication on taxation and human rights
Tax policy in Kenya	Strathmore Tax Research Centre on behalf of OXFAM Kenya carried out research on how power influences tax policy in Kenya.

Strathmore Extractive Industries Centre (SEIC)

ACTIVITY	DESCRIPTION
Extractive Sector Forum	Strathmore Extractive Industries Centre was part of the steering committee for the second extractive sector forum organized by the Institute for Human Rights and Business (IHRB) and the Institute for Law and Environmental Governance (ILEG)
Kenya Mining Forum	Strathmore Extractive Industries Centre attended the annual mining forum hosted by the Ministry of Mining and the Chamber of Mines

Strathmore Institute for Advanced Studies in International Criminal Justice (SIASIC)

ACTIVITY	DESCRIPTION
Prosecution of International Crimes	Strathmore Institute for Advanced Studies in International Criminal Justice hosted a one-week intensive training on the Prosecution of Sexual Gender Based Violence (SGBV). The training included was attended by 30 public prosecutors and lawyers from Kenya, Rwanda, South Sudan, Tanzania and Uganda.
Moot Court Competition	Strathmore Institute for Advanced Studies in International Criminal Justice facilitated a competition on International Criminal Law with a focus on Sexual Gender Based Violence. The best oralists won an internship at the International Nuremberg Principles Academy
Wildlife Centre	Strathmore Institute for Advanced Studies in International Criminal Justice in partnership with World Wildlife Federation, Netherlands, United Nations Environment Programme (UNEP), the United Nations Office on Drugs and Crimes (UNODC) organized a colloquium on Wildlife Crimes and its Linkages to Transnational Organized Crime



Strathmore Dispute Resolution Centre (SDRC)

ACTIVITY	DESCRIPTION
Dispute Resolution Training	Strathmore Dispute Resolution Centre conducted a 3-day dispute resolution training for top management of Kenya Power Lighting Company
Exploratory Workshop	Strathmore Dispute Resolution Centre held an exploratory workshop for elders and court users committees in Lodwar, Kenya.
Judiciary Training	Strathmore Dispute Resolution Centre in partnership with the Judiciary Training Institute conducted a training.
Mediation Training	A 40 hour accredited training on mediation was held in partnership with Facilit8 UK

Strathmore Centre for Law and Policy (SLP)

ACTIVITY	DESCRIPTION
African Electoral Integrity Conference	Strathmore Centre for Law and Policy co-hosted a 2-day conference with Hanns Seidel Foundation (HSF)
Annual Law & Ethics Conference	Six junior fellows presented papers at the conference titled: Integrity, Ethical and Responsible Leadership: at the Interval of Good Corporate Governance and Accountability in Public Interactions.
City Park Wide Stakeholder Engagement Forum	Strathmore Centre for Law and Policy facilitated two workshops and provided peer reviews for proposals
Round Table	In preparation for the 2017 elections, Strathmore Centre for Law and Policy attended a roundtable discussion dubbed 'Is Kenya ready' organized by the Institute for Security Studies and Hans Seidel Foundation
Pan-African Annual Lawyers Union	Strathmore Centre for Law and Policy jointly organized and hosted the conference

FACULTY PUBLICATIONS IN 2016

Faculty	Publication
Edward Paranta	Taxing income from illegal activity: The Kenyan Perspective, Strathmore Law School.
Francis Kariuki	Environmental challenges in informal settlements: Case study of Mukuru Slums in Nairobi, in a book edited by Vasilka Sancic and Masa Kovic Dine, 'International Environment Law: Greening the Urban Living
Jerusha Asin	Pursuing Al Bashir in South Africa: Between 'Apology and Utopia', in J. Van der Merwe and G. Kemp (Eds) International Criminal Justice in Africa: Issues, Challenges and Prospects, Strathmore University Press
John Ambani	The wretched African traditionalists in Kenya: the challenges and prospects of customary law in the new constitutional era.
Dr. Luis Franceschi	Emerging Theoretical, Financial and Legal Challenges within the Devolved Governance Framework Introduced by the 2010 Constitution of Kenya: Law and Development Institute
	Judicial Independence Accountability in Light of the Judiciary Code of Conduct and Ethics of Kenya, 2016 chapter in a book edited by Jill Cottrell
	The Cost of Devolution in Kenya: A cost analysis of the new governance framework introduced by the 2010 Constitution of Kenya and its impact on the country's public finance, Africa Policy Review, Harvard University
	The Constitution of Kenya, new dawn or false hope?, KAS anniversary conference
Olive Wambugu	Spectrum Regulation and Management in Kenya: Engendering Inclusive Access for Technology and Information, Ford Foundation
Raphael Nge'tich	The rejected stone may be the cornerstone: A case for the retention of traditional justice system as the best for community land disputes in Kenya, Strathmore Law Review
Yohana Gadaffi Co-author	Demutualization of cooperatives: A movement towards Investor Oriented Firms? A Kenyan Study, African Nazarene University Law Journal



	Law Clinics and Access to Justice in Kenya: Bridging the Legal Divide, International Journal of Clinical Legal Education.
	The Statutory Derivative Action in Kenya: New Jurisprudence or Mere Resentment of Common Law Principles?, Strathmore Law Journal

	Attended a panel meeting for deans on Shifting Legal Education Towards Medical Education Model, Napa Valley, California
	Recipient of the Australian Award Fellowship prize, Brisbane and Canberra, Australia
Mukami Wangai	Annual Law & Ethics Conference, Integrity, Ethical and Responsible Leadership: at the Interval of Good Corporate Governance and Accountability in Public Interactions, Strathmore University
	Electoral Integrity Conference, 2016, Nairobi
	Public Law Reform Now, University of Sussex, UK
Sarah Ochwada	Sports Law International Workshop, Warwick, UK

Conferences attended by Faculty

Faculty	Conference
Anne Kotonya	The Risks and Rewards of Clinical Legal Education Program, University of Toronto, Canada
Francis Kariuki	Third Contemporary Challenges of International Environmental Law Conference - Greening the Urban Living, University of Ljubljana, Slovenia
Dr. Joy Malala	Annual Banking Law Update Centre for Banking Law, University of Johannesburg, South Africa
	Panelist at the Annual Ethics Symposium on Integrity, Ethical and Responsible Leadership: at the Interval of Good Corporate Governance and Accountability in Public Interactions.'
Jerusha Asin	Justice in the Shadow of Power, University of Cologne, Germany
	Inaugural Hans Kelsen Memorial Lecture on International Peace and Security Law, University of Cologne, Germany
	Social-Legal Association Studies Association Conference, Lancaster University, UK
	The Politics of International Criminal Law, University of Western Australia, Australia
	2016 Nuremberg Summer Academy for Young Professionals, Germany
Dr. Luis Franceschi	Panelist and Chair at the International Association of Law Schools, University of California, USA
	Panel Chair at the International Law and Development Institute Annual Conference on Law and Development, Austral University, Argentina

SMC

School of
Management
and Commerce



Mission

School of Management and Commerce (SMC) strives to be the leading business school that offering superior quality and affordable academic and professional training to build enterprise and entrepreneurs; to promote business growth regionally, nationally and internationally.

Vision

School of Management and Commerce aims to promote integration between academic research and industry, in order to promote business growth in an atmosphere of high ethical and professional performance

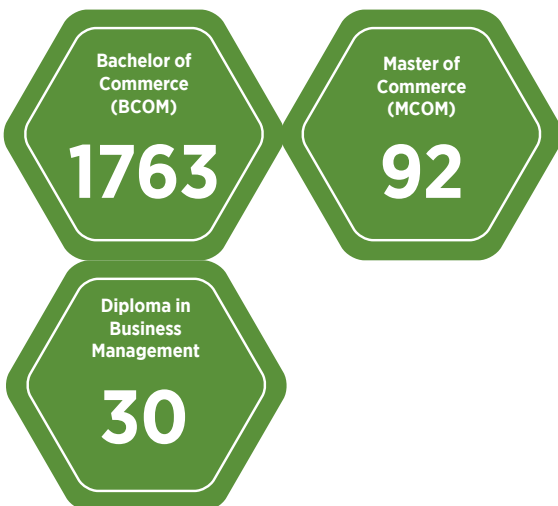




Dr. David Wang'ombe - Dean

 **Faculty - 68**
Administration - 18

Student Statistics

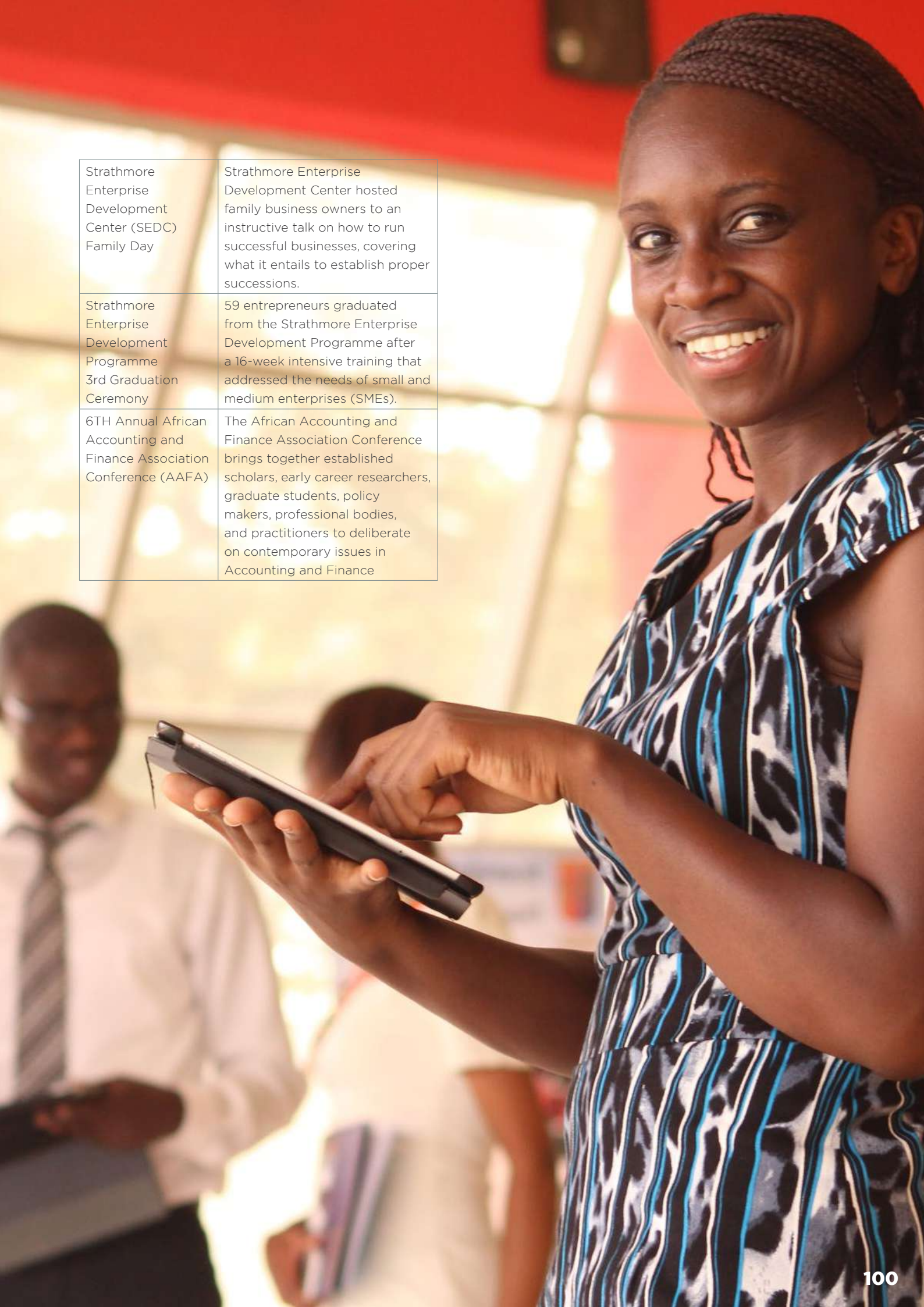


Graduate courses	Master of Commerce (MCOM)
Undergraduate courses	Bachelor of Commerce (BCOM)
	Bachelor of Science in Leadership and Management (BLM)
Diploma courses	Diploma in Business Management (DBM)

Key Activities in 2016

Event	Description
Adebisi Babatunde Thomas Entrepreneurship Institute	The entrepreneurship institute partnered with School of Management and Commerce through the Strathmore Enterprise Development Centre. The partnership aims at offering programmes to teach, train and nurture entrepreneurship skills especially for youth and women in Africa
4th Annual Strathmore Enterprise Development Center (SEDC)	Strathmore Enterprise Development Center hosted entrepreneurs for its 4th Annual SME Conference, where entrepreneurs discussed and learnt from experts analyzing the topic; Innovative Strategies for SMEs.
Business trip to China and Singapore	Entrepreneurs and students attended a business to business (b2b) conference and visited factories and the Canton Fair, to learn more about entrepreneurship. They also networked with other entrepreneurs on the trip
Research dissemination workshop in collaboration with University of Notre Dame	The research dissemination workshop highlighted interventions that work at the bottom of a pyramid, focusing on an experiment that was carried out in Dandora.
Round table forums for Accounting, Finance, Human Resource, Management Sciences and Marketing students.	The forums provided students a one-on-one opportunity to interact and learn from experts in their respective fields of interest, who work in various companies across the country.
Summer Business Program at UBC Saunder School, Vancouver	Eleven Bachelor of Commerce (BCOM) students visited Canada's University of British Columbia (UBC), where students enjoyed lectures from the University's top faculty, discussing Canada's economy, entrepreneurship, innovation, sustainability and the political system. They also interacted with Canada's Aboriginal people.

Strathmore Enterprise Development Center (SEDC) Family Day	Strathmore Enterprise Development Center hosted family business owners to an instructive talk on how to run successful businesses, covering what it entails to establish proper successions.
Strathmore Enterprise Development Programme 3rd Graduation Ceremony	59 entrepreneurs graduated from the Strathmore Enterprise Development Programme after a 16-week intensive training that addressed the needs of small and medium enterprises (SMEs).
6TH Annual African Accounting and Finance Association Conference (AAFA)	The African Accounting and Finance Association Conference brings together established scholars, early career researchers, graduate students, policy makers, professional bodies, and practitioners to deliberate on contemporary issues in Accounting and Finance



FIT

Faculty of
Information
Technology

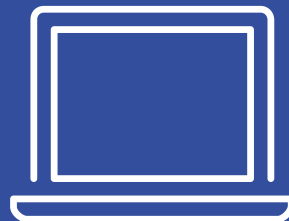


Mission

Our mission is to be a leading teaching, training and research department, offering superior quality and affordable academic professional training, and research in information and communication technology (ICT), promoting entrepreneurship and business growth nationally and internationally

Vision

Our vision is to be a world-class ICT trainer promoting integration between academia, research and industry in order to promote the assimilation and use of technology in business environments in an atmosphere of high ethical and professional performance.

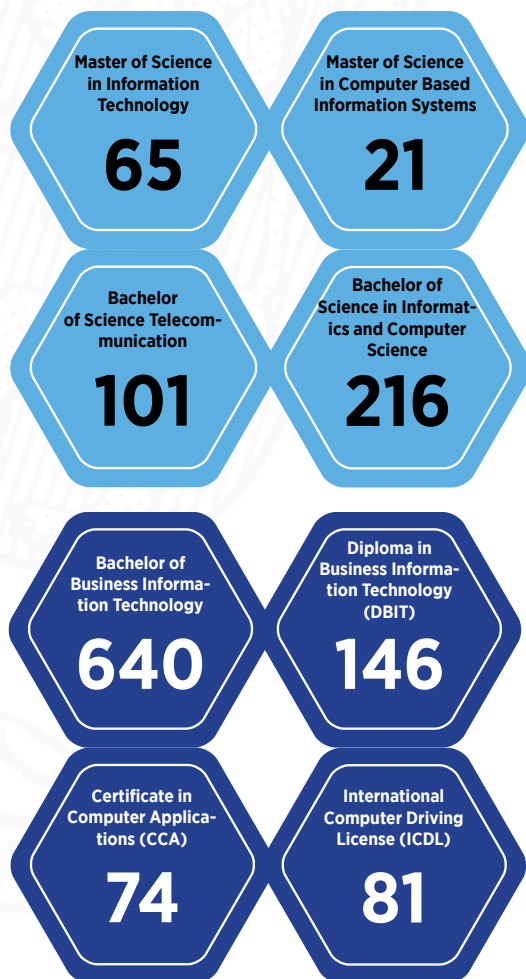




Dr. Joseph Orero - Dean

Faculty - 39
Administration - 6

Student Statistics



Key activities in 2016

Activities	Description
International Academic Trip	Forty-six students and four faculty visited Pierre and Marie Curie University, University of Paris 8, IBM Paris, Saarland University, German Research Centre for Artificial Intelligence and Max-Planck Institute for Informatics which are all centers of excellence in areas of computing in France and Germany. They also visited the Eiffel Tower, Arc de Triomphe, Notre Dame Cathedral among and other heritage sites.
Community Outreach Day	In late July, a group of 29 faculty visited Sisters of Charity home in Langata. They donated food items, interacted with the children and assisted in cleaning the compound
Team Building	32 faculty actively participated in a one-day team building session at Masai Lodge to enhance team work and boost team performance.
Career Fair	Circle Digital Limited, Copy Cat Group, CoreTECH Systems and Solutions, Dalberg, GreenBell Communications, Gulf African Bank, Hemmingways, Kenya Association of Stockbrokers and Investment Banks (KASIB), Liquid Telecom, Lixnet Technologies, McKinsey & Company, Ogilvy & Mather, Safaricom Ltd, Strathmore Energy and Research Center and Unilever were among the organizations that exhibited at the career fair. Students were given an opportunity to engage directly with company officials as well as network with different organisations.
Parents Seminars	Six parents' seminars were held in 2016 to orient parents of first year students on the programmes provided by the faculty. Parent seminars were also held for the 2nd, 3rd and 4th year student parents to update them on the progress of the faculty and receive feedback on student's individual performance.
CISCO	Trained faculty on Information Technology Essentials
IBM	Trained faculty on Mobile Application Development and IBM Security track



Research

Activity	Description
Ministry of Health	Developed the Health Management Tools for the ministry in partnership CHAI.
Research by Staff	23 conference papers and 3 journal publications
Strathmore University	Developed the Student Clearance System
Staff Development	11 faculty members have been registered for PhD

Research Awards and Grants

Grant/Award	Recipient
NACOSTI PHD Grant	Henry Muchiri
DAAD Scholarship	Derdus Mosti
Kshs 3,500,000	CHAI-HP LAB
Kshs 3,000,000	Dr. Onzianyi



SBS

Strathmore
Business
School



Mission

Strathmore Business School endeavors to provide service to society through developing virtuous leaders by providing world-class executive management education in a local setting

Vision

Strathmore Business School strives to be the premier business school in Africa with an international repute.





Dr. George Njenga - Dean



Faculty - 28
Administration - 92

2016 graduates



Programs Offered

Master of Business Administration
Modular Master of Business Administration
MBA in Healthcare Management
Master in Public Policy Management

Executive Education- Long Programmes

Advanced Management Programme
Owner Manager Programme
Senior Management Leadership Programme
Senior Management Leadership Programme
Women Directors Leadership Summit

Executive Education - Short Programmes

Construction Project Management
Developing Leadership Capabilities
HR Summit
Leading the Board
New Managers Leadership Programs
Private Equity Venture Capital
The Master Negotiator
The Effective Director - Dar-es-salaam
The Effective Director - Kigali
The Effective Director - Nairobi
Women in Executive Leadership League
Women in Leadership Program
Safaricom Business Journalism Program

Health Care - Long Programmes

Healthcare Leadership Management Programme
Managing Healthcare Businesses
Leading High-Performing Healthcare Organisations
Pharmaceutical Commodity Supply Chain Management

Health Care - Short Programmes

County Health Strengthening Systems Programmes (CHESS)
Foundations of Healthcare Management
Healthcare Leadership Management Programme
Programme-Based Planning Programme

AGRIBUSINESS

Exploring International Markets
Financing of Agribusiness Value Chains
Investing in Agribusiness: Primary Production
Investing in Agribusiness: Value Addition
Sustainable Investments in Agriculture



FAMILY

Adolescents
First Decisions
First Steps
First Letters
Maisha
Married Love

CUSTOMIZED PROGRAMS IN 2016

Client	Programme	Number of Participants
Tourism Promotion Services - Serena	Board Development Programme	39
Safaricom/Ogilvy	Safaricom Business Journalism Fellowship	15
Chase Bank	Leading the Chase Way	25
Stanbic bank	BizConnect Programme Nakuru	89
Stanbic bank	BizConnect Programme -Nairobi	61
Stanbic bank	BizConnect Programme- Mombasa	31
Stanbic bank	BizConnect Programme-Meru	27
Safaricom	Developing Leadership Capabilities (DLC)	23
Kenya Tea Development Agency Holdings (KTDA)	Corporate Governance Executive Programme (Meru)	53
Kenya Tea Development Agency Holdings (KTDA)	Corporate Governance Executive Programme (Muranga)	53

KEY ACTIVITIES IN 2016

ACTIVITY	DESCRIPTION
Africa Academy of Management Conference	Strathmore Business School hosted the 3rd Biannual conference. At the same conference, the Business School also launched the 1st African Journal of Management (AJOM)
Centre of Excellence on Research and Innovation	Strathmore Business School in collaboration with ADEC Innovations Foundation signed a memorandum of understanding, opening a Centre of Excellence on Research and Innovation.
Commissioning of the Alumni Executive Committee	An executive Alumni Committee was commissioned by Strathmore Business School Alumni Council with a mandate to guide the alumni office on the modes of alumni engagement, industry advancements, and provide indicators of market needs and trends
Executive Education Graduation Ceremony	Strathmore Business School held its 9th annual graduation where 207 executives graduated.
Grant	Financial Sector Deepening Africa signed a 1.14 million grant agreement with Strathmore Business School to develop and deliver training to over 1,000 senior and mid-level executives in the financial sector in Tanzania, Rwanda and Uganda
Open Day	Strathmore Business School held its first open day at the end of 2016. The open day included a discussion by a panel of leadership experts demystifying the timeless debate whether leadership is inborn or nurtured.
Rwanda Leadership Development Academy	Strathmore Business School in collaboration with Financial Sector Deepening Africa (FSDA) opened a new academy to train business leaders in Rwanda
Strathmore Business Cup	Strathmore Business School alumni network organized a charity golf tournament in support of the Eastlands College of Technology. The tournament raised Kshs. 400,000



Tanzania Leadership Development Academy	In partnership with Financial Sector Deepening Africa (FSDA), Strathmore Business School opened a new academy to train business leaders in Tanzania
Training and policy analysis program	Strathmore Business School, in partnership with the Institute of Healthcare Management and National Aids Control Council, developed a training and policy analysis for HIV and AIDS Prevention
The United Nations Conference on Trade and Development (UNCTAD) 14	The United Nations Conference on Trade and Development Secretary General, Dr. Mukhisa Kituyi, gave a public lecture ahead of the UNCTAD 14 Nairobi conference. Dr. Kituyi emphasized a call for the continent’s policy realignment towards the attainment of the Sustainable Development Goals.
Women Entrepreneurship Global Conference	Strathmore Business School hosted the Women Entrepreneurship Global Conference themed: Integrating Women in Economic Development, Promoting Economic Empowerment through Knowledge Sharing Partnerships

Faculty Publications

Faculty	Publications
Dr. Pratap Kumar	I’ve got 99 problems, but a phone ain’t one: Electronic and mobile health in low and middle income countries
Dr. George Njenga & Dr. Moses Ochieng	Africapitalism: The Role of Private Sector in the Sustainable Development of Africa
Dr. David Mathuva	Drivers of Financial and Social Disclosure by Savings and Credit Cooperatives in Kenya- A Managerial Perspective
Dr. Simon Wagura Ndiritu	Case Study: Smallholder dilemma on the emerging Kenyan food safety concerns
Dr. Monica Kerretts-Makau	An Education System in Bondage a chapter in the book Youth Unemployment in Kenya - A Ticking Time Bomb



SERC

School of
Management
and Commerce



Mission

To be the institution of choice for research, training and consultancy in energy and energy efficiency in East Africa

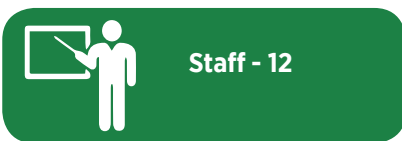
Vision

To become a Centre of Excellence where knowledge management delivers proper mechanisms for all stakeholders in the energy and sustainable development field.





Prof. Izael Pereira Da Silva - Director



Number of Training Programs Offered

- T1/T2 Solar PV technical training of trainers
- T1/T2 Solar PV technical training of technicians
- Certified Energy Manager Training of Trainers
- T3 Hybrid Solar PV course
- Energy Management training for factory managers

Course	Energy Officials
T1/T2 Solar PV Technical Training of Technicians	71
T1/T2 Women Solar PV Technical Training of Trainers	25
TTI Training	30
T3 Hybrid Solar PV Course	16
T3 Grid Tie	50
Certified Energy Manager Training of Trainers and Energy Efficiency Programme	76
KTDA training on biomass efficiency and auditing	133
Total trained energy officials	401

KEY ACTIVITIES IN 2016

Activity	Description
Association of Energy Professionals Eastern Africa (AEPEA)	In early 2016, AEPEA was launched during a workshop on the National Energy Policy. The association will promote scientific, educational and business interests of those engaged in the industry. Strathmore's Deputy Vice-Chancellor Research and Innovation, Prof. Izael Da Silva is the AEPEA president.
Renewable Solutions for Africa (RES4AFRICA)	Strathmore Energy Research Centre in collaboration with RES4AFRICA held a two-day conference with different energy stakeholders to discuss RES4AFRICA initiative which is to provide a network of key international energy stakeholders in utilities, industries, agencies, technical service providers and top academia who are engaged in promoting clean-tech solutions in Sub-Saharan African.
VESTAS	Vestas, a wind turbine company based in Denmark sponsored 17 youth technicians from Marsabit County to be trained in solar PV training of technicians at Strathmore Energy Research Centre. Participants received practical experience with solar PV components, including designing solar PV stand-alone systems. As part of the course, the students will also be able to apply for a T2 license through a certification process at the Energy Regulatory Commission.

Research Grants

Amount	Description
Euro 115,890	Sponsored by Deutsche Gesellschaft fur Internationale Zusammenarbeit (GIZ) the project is set to improve the conditions for sustainable energy use in the agriculture and food sector through focusing on boosting productivity while at the same time reducing greenhouse gas emissions in agricultural value chains

KES
10,000,000

132 KTDA senior factory management staff were trained on in energy management. The training was spread through four sessions. Factory managers were informed of their role in energy management, the opportunities available for energy conservation, sustainable implementation strategies for energy efficiency projects and how to raise awareness of the compliance requirements of the Energy Management Regulations gazetted in 2012.

Euro 26,695

Hame University of Applied Sciences, UN Habitat and Marsabit County have partnered with Strathmore Energy Research Centre to provide capacity development on sustainable and affordable construction, energy efficiency in building and renewable energy technologies in Marsabit County.

@ILab
Africa



Mission

To provide an environment that promotes technological innovation and provides business support structures and policy direction to harness the potential of ICT as a genuine tool for sustainable development.

Vision

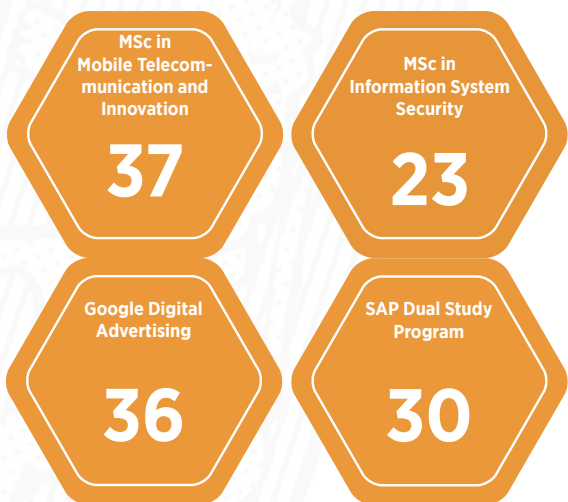
To be a leading Centre of Excellence in the applications of ICT for development.





Dr. Joseph Sevilla - Director

Student Statistics



Other Programmes

- Holiday Boot Camp
- Certified Ethical Hacking
- Certified Mobile Developer
- EC-Council Certified Security Analysis Dashboard in MS Excel
- IMB Z Systems Program
- Licensed Penetration Tester
- SAP Dual Study Program
- SAP Enterprise Systems Education for Africa

Number of hackathons at major events - **10**
 No. of collaborations - **40**
 No. of companies incubated @iBiz Africa - **34**
 Number of hours for Coaching/Mentoring - **108**

Research

eLearning and mLearning Centre	The Centre supports innovation in the area of ICT for education with special emphasis on promoting the uptake of STEM education in girls and the use of ICT as an effective tool for teaching, creativity and delivery of educational content. The Centre has also developed an mLearning platform that enables delivery of content to mobile devices.
Online trainings via web/video conferencing	This service has been offered to the United Nations High Commission for Refugees to offer online distance learning to refugees living in refugee camps.
eHealth Centre	We implemented an Open Source Basic Laboratory Information System to support the operations of laboratories at the county level
	We developed a smart-phone based survey application that is used by University students to collect data and insights into the demographics and awareness of cervical cancer at the community level.
	Developed the BLIS system to collect and collate disparate and disaggregated data from the microbiology module across all the district level laboratories.
	MHealth4Africa Community based ICT for Maternal Healthcare in Africa is a collaborative research project aimed to research, implement, pilot, and evaluate the impact of a multilingual, integrated mHealth framework. This research is designed to strengthen maternal and newborn health care delivery at health clinics in Ethiopia, Kenya, Malawi and South Africa



Business Incubator -@iBizAfrica

Company Name	Description
Buymore Limited	Established in 2013, Buymore is a Limited company with a mission to provide discount solutions to various consumer segments as well as solutions that enable merchants to manage their businesses more efficiently. The primary target is retail merchants (kiosks, convenience stores), fast-food restaurants and taxi companies. To date they serve over 7,000 students who continue to believe in the strength of their products and continue to enjoy memorable experiences.
Magazine Reel	Magazine Reel is a Kenyan campus News Site for students by students which aims to be a trusted and reliable source of news and information within the Kenyan campus fraternity. Essentially, it aims at bridging the gap between the university's administration and students and also among students. The magazine is accessible online, via mobile and SMS.
Tatu Creative	Tatu Creatives is a Creative Digital Agency that offers Website, Digital Design, Brand Development and Print & Graphic Design Services. It conceives, designs and produces digital content and integrated experiences for web, mobile and the physical world.
Henga Systems	Henga Systems is an IT company that develops software for mobile, web and desktop applications. Their services include Desktop Development, Mobile Development, Web Development, Mobile Software Solutions, Digital Advertising and Branding. They aim to revolutionize the IT industry worldwide.
Rosolo Safaris	Rosolo Safaris is a tour operator offering authentic memorable unique encounters through safaris, beach holidays, city breaks, weekend getaways, events and team building experiences anywhere in the world
	MHealth4Africa Community based ICT for Maternal Healthcare in Africa is a collaborative research project aimed to research, implement, pilot, and evaluate the impact of a multilingual, integrated mHealth framework. This research is designed to strengthen maternal and newborn health care delivery at health clinics in Ethiopia, Kenya, Malawi and South Africa

Partnerships

Industry	Association of Public Health Laboratories
	Centers for Disease Control and Prevention
	Cisco
	CIO East Africa
	Clinton Foundation
	Deloitte Consulting Ltd
	D-Link Middle East FZCO
	EMC2
	Ericsson Kenya
	Google Kenya
	HP
	Huawei
	IBM Research Lab-Nairobi
	IBM East Africa Ltd
	IDEA Foundation
	Intel Corporation
	ISACA
	ISC2 Kenya Chapter
	Kenya Education Network
	Microsoft
	Nokia
	Oracle
	Pharmacy and Poisons Board
	Safaricom Ltd.
	Systems Applications and Products
Academic and Research Organisations	Madgeburg University (Johannesburg)
	Cape Town University (South Africa)
	Pretoria University (South Africa)
	IT University Copenhagen (Denmark)
	Campus Velje (Denmark)
	Waterloo University (Canada)
	Ryerson University (Canada)
	Cambridge University (USA)
	East Carolina University (USA)
	Warsaw University of Technology (Poland)
Government Agencies	Ministry of Health and Sanitation
	Ministry of Education Science and Technology
	The ICT Authority
	The Communication Commission Authority
	Pharmacy and Poisons Board



Financial Statements 2016





FINANCE DIRECTOR REPORT



Mr Vincent Ndoloka - Director

The University closed the year on a firm ground in financial performance amidst challenges of competition and rising cost of providing education services. In addition, this was an aftermath of unfortunate incidence of security drill and one of our bankers being put under receivership. We remain confident in overcoming these challenges to meet our strategic goals.

Financial performance

In the year 2016 the University reported growth in revenue and resulting surplus was Kshs 81M. The student numbers increased and Bachelor of Arts degree program commenced. The University invested on recruiting and retaining staff which translated to 50% of the total expenses. This was important investment in order to support the growing number of students mentioned above. Included in staff cost was staff scholarship and training to ensure staff acquire up to date skills in order to transform students' experience. As an entrepreneurial University, shs 154M was used in research to provide solution to the various challenges faced by the society and at the same time generate additional revenue for advancing its mission. The University has partnered with various donors to offer student scholarships and also engage in various activities that alleviate suffering to the most disadvantaged in the society.

Investment in facility

A new learning facility was completed during the year at a cost of over Kshs 400M to avail more space to the students and staff. This was financed through a bank loan repayable over 12 years.

Future outlook

We look at future with optimism as we continue engaging more with society locally and internationally in order to offer programs that respond to the market demands. The University continues to provide research solutions that satisfy society needs and the same time being sensitive to those who are suffering.



Strathmore University
General Information
For the year ended 31 December 2016

CORPORATE INFORMATION

PRINCIPAL PLACE OF BUSINESS

Strathmore University
Ole Sangale Road, Madaraka
P.O. Box 59857 – 00200
NAIROBI

BANKERS

Commercial Bank of Africa Limited
Industrial Area Branch
P.O. Box 30437 – 00100
NAIROBI

Equity Bank Limited
Community Branch
P.O. Box 8181 – 00100
NAIROBI

Standard Chartered Bank Kenya Limited
Karen Branch
P.O. Box 24601 – 00502
NAIROBI

Barclays Bank of Kenya Limited
Barclays Plaza Branch
P.O. Box 46661 – 00200
NAIROBI

Citibank Kenya
Citibank House, Upper Hill
P.O. Box 30711 – 01200
NAIROBI

Co-operative Bank of Kenya Limited
Upper Hill Branch
P.O. Box 30415 – 00100
NAIROBI

I & M Bank Limited
Industrial Area Branch
P.O. Box 30238 – 00100
NAIROBI

Chase Bank Limited
P.O. Box 66049 – 00800
NAIROBI

CfC Stanbic Bank Kenya Limited
P.O. Box 30550 – 00100
NAIROBI

AUDITOR

Deloitte & Touche
Certified Public Accountants
P. O. Box 40092 - GPO 00100
NAIROBI

LAWYERS

A F Gross Advocates
P.O. Box 57792 – 00200
NAIROBI

Nyiha, Mukoma and
Advocates
P.O. Box 28491-
00200
NAIROBI

Kaplan & Stratton
Advocates
P.O. Box 4011
NAIROBI.

Ochieng, Oduol, Kibet &
Ohaga Advocates
PO Box 43170-00100,
NAIROBI.

MANAGEMENT BOARD

Prof. John Odhiambo
Mr. Anthony Kahindi

Dr. Elizabeth Gachenga

Prof. Izael Da Silva

Dr. Vincent Ogutu

Ms. Dorina Telaide

Mrs Betty Ngala
Mr. Vincent Ndoloka

Vice Chancellor - Chair
University Secretary (Appointed
21.09.2016)
DVC Academic Affairs (Appointed
16.03.2016)
DVC Research and Innovation
DVC Planning and Development
(Appointed 21.09.2016)
Director Administration services
Director University Relations
Director Finance (Appointed
01.11.2016)



Strathmore University
General Information
For the year ended 31 December 2016

REPORT OF THE UNIVERSITY COUNCIL

The University Council present their report together with the audited financial statements of Strathmore University (the “University”) for the year ended 31 December 2016, which disclose its state of affairs.

ACTIVITIES

The principal activities of the University continue to be provision of higher education.

FINANCIAL RESULTS FOR THE YEAR

The surplus for the year of Shs 81,416,000 (2015: Shs 31,363,000) has been added to accumulated surplus

UNIVERSITY COUNCIL

The current members of the Council are as shown on page below.

Mrs. Bernadette Musundi	Chair
Dr. Caesar Mwangi	Vice Chair
Prof. John Odhiambo	Vice Chancellor and Secretary
Mr. Fernando Aizpun	Member
Prof Timothy Waema	Member
Dr Susan Kibue	Member
Mr. David Owino	Member
Ms. Margaret Roche	Member
Dr. Elizabeth Gachenga	DVC Academic Affairs (Appointed 07.12.2016)
Prof. Izael Da Silva	DVC Research and Innovation– Ex-Official Member
Mr. Anthony Kahindi	University Secretary (Appointed 21.09.2016)

AUDITORS

Deloitte & Touche have been appointed as the auditors in accordance with the provisions of the Companies Act, 2015.

BY ORDER OF THE UNIVERSITY COUNCIL

Professor John Odhiambo
Secretary

Nairobi, Kenya

2nd June
.....2017





Strathmore University
Statement of University Council's Responsibilities
For the year ended 31 December 2016

STATEMENT OF UNIVERISTY COUNCIL'S RESPONSIBILITIES

It is the responsibility of the University Council to prepare financial statements for each financial year that give a true and fair view of the financial position of the University as at the end of the financial year and of its operating results for that year. The University Council is also responsible for ensuring that the University maintains proper accounting records that are sufficient to show and explain the transactions of the University and disclose, with reasonable accuracy, the financial position of the University. The University Council is also responsible for safeguarding the assets of the University, and for taking reasonable steps for the prevention and detection of fraud and other irregularities.

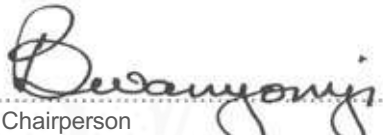
The University Council accepts responsibility for the preparation and presentation of these financial statements in accordance with International Financial Reporting Standards. They also accept responsibility for:

- i) designing, implementing and maintaining such internal control as they determine necessary to enable the presentation of financial statements that are free from material misstatement, whether due to fraud or error;
- ii) selecting suitable accounting policies and applying them consistently; and
- iii) making accounting estimates and judgements that are reasonable in the circumstances.

Having made an assessment of the University's ability to continue as a going concern, the University Council is not aware of any material uncertainties related to events or conditions that may cast doubt upon the University's ability to continue as a going concern.

The University Council acknowledges that the independent audit of the financial statements does not relieve it of its responsibilities.

Approved by the University Council on *2nd June* 2017 and signed on its behalf by:


Chairperson


Council Member

**Deloitte.**

Deloitte & Touche
Certified Public Accountants (Kenya)
Deloitte Place
Waiyaki Way, Muthuranga
P.O. Box 46092 - GPO 00100
Nairobi
Kenya

Tel: +254 (0) 20 423 0000
Cell: +254 (0) 719 039 000
Dropping Zone No 92
Email: admin@deloitte.co.ke
www.deloitte.com

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF STRATHMORE UNIVERSITY

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of Strathmore University, set out on pages 8 to 48, which comprise the statement of financial position as at 31 December 2016, and the statement of income & expenditure and other comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the University as at 31 December 2016 and of its financial performance and cash flows for the year then ended in accordance with International Financial Reporting Standards ("IFRSs").

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing ("ISA"). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Group in accordance with the Institute of Certified Public Accountants of Kenya Code of Ethics (ICPAK Code of Ethics) which is consistent with International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code), together with other ethical requirements that are relevant to our audit of the financial statements in Kenya. We have fulfilled our other ethical responsibilities in accordance with these requirements. The IESBA Code is consistent with the International Ethics Standards Board for Accountants' Board of Ethics for Professional Accountants (parts A and B). We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other Information

The University Council is responsible for the other information. Other information comprises the information included in the Annual Report, but does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon. In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed on the other information that we obtained prior to the date of this auditor's report, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

University Council responsibility for the financial statements

The University Council is responsible for the preparation of the financial statements that give a true and fair view in accordance with International Financial Reporting Standards, and for such internal controls as University Council determine are necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.



INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF STRATHMORE UNIVERSITY (Continued)

University Council responsibility for the financial statements (Continued)

The University Council is responsible for the preparation of the financial statements that give a true and fair view in accordance with International Financial Reporting Standards, and for such internal controls as the University Council determine are necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the University Council is responsible for assessing the University's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the University Council either intend to liquidate the University or to cease operations, or have no realistic alternative but to do so. The University Council and those charged with governance are responsible for overseeing the University's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the University's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the University Council.
- Conclude on the appropriateness of the University Council's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the University's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the University to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.



INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF STRATHMORE UNIVERSITY (Continued)

Report on Other Legal and Regulatory Requirements

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

The engagement partner responsible for the audit resulting in this independent auditor's report is **CPA Anne Muraya - P/No 1697.**

Deloitte & Touche

Certified Public Accountants (Kenya)

Nairobi, Kenya

2 June 2017





Strathmore University
Financial Statements
For the year ended 31 December 2016

Statement of profit or loss and other comprehensive income

	Notes	Year ended 31 December	
		2016 Shs '000	2015 Shs '000
Tuition fees	6	2,003,296	1,931,631
Donations received	7	55,870	43,621
Deferred income	8	16,138	11,168
Other operating income	9	581,107	362,440
		<u>653,115</u>	<u>417,229</u>
Total income		<u>2,656,411</u>	<u>2,348,860</u>
Administrative expenses	10 (c)	(2,300,762)	(2,032,769)
Establishment expenses	11	(265,020)	(226,214)
Operating surplus		90,629	89,877
Finance costs (net)	12	(34,461)	(58,514)
Revaluation surplus on investment property	14	25,248	-
Surplus for the year		<u>81,416</u>	<u>31,363</u>

The notes on pages 126 to 160 are an integral part of these financial statements.

Strathmore University
Financial Statements
As at 31 December 2016**Statement of financial position**

ASSETS	NOTES	Balance as at 31 December	
		2016 Shs '000	2015 Shs '000
Non-current assets			
Property and equipment	13	2,604,650	2,561,746
Investment property	14	100,906	75,658
Prepaid operating leases	15	2,515,289	2,549,864
Intangible assets	16	59,109	28,692
Endowment fund deposits	17	11,246	19,574
Designated funds deposits	18	26,768	45,176
Bank balances held by receivers	19	43,478	-
		5,361,446	5,280,710
Current assets			
Inventory	20	50,565	20,550
Trade and other receivables	21	620,752	493,706
Short term deposits	22	45,666	55,421
Amounts due to related parties	23(a)	31,780	7,849
Cash and bank balances	22	55,107	88,447
		803,870	665,973
TOTAL ASSETS		6,165,316	5,946,683
CAPITAL FUND AND LIABILITIES			
Capital and reserves			
Capital investment fund	24	148,732	148,732
Revaluation reserve	25	2,918,196	2,953,609
Designated funds	26(a)	105,763	110,199
Accumulated surplus		577,529	514,116
		3,750,220	3,726,656
Non-current liabilities			
Endowment funds	27	102,103	95,628
Designated funds	26(b)	94,389	83,484
Deferred income-Capital grants	8	290,518	304,365
Long term loans	28	840,170	878,814
		1,327,180	1,362,291
Current liabilities			
Trade and other payables	29	855,138	728,284
Contribution to SERT	23(b)	75,450	42,034
Short term borrowings	28	157,327	87,419
		1,087,915	857,737
TOTAL EQUITY AND LIABILITIES		6,165,316	5,946,683

The financial statements on pages 122 to 160 were approved by the University Council on 02 / 06 / 2017 and signed on its behalf by:-


Chairperson


Council Member



Strathmore University
Financial Statements
For the year ended 31 December 2016

Statement of changes in fund balances

Notes	Capital investment fund Shs '000	Accumulated surplus Shs '000	Revaluation surplus Shs '000	Designated Funds Shs '000	Total equity Shs '000
At 1 January 2015	148,732	499,012	2,989,019	108,061	3,744,824
Surplus for the year	-	31,363	-	-	31,363
Interest income in designated fund deposits	-	-	-	2,138	2,138
- Excess depreciation on revaluation	25	35,410	(35,410)	-	-
Total comprehensive income for the year	-	565,785	2,953,609	110,199	3,778,325
Contributions to trustees declared	-	(51,669)	-	-	(51,669)
At 31 December 2015	148,732	514,116	2,953,609	110,199	3,726,656
At 1 January 2016	148,732	514,116	2,953,609	110,199	3,726,656
Surplus for the year	-	81,416	-	-	81,416
Funds utilized during the year	26	-	-	(4,436)	(4,436)
- Excess depreciation on revaluation	25	35,413	(35,413)	-	-
Total comprehensive income for the year	148,732	630,945	2,918,196	105,763	3,803,636
Contributions to trustees declared	23(b)	(53,416)	-	-	(53,416)
At 31 December 2016	148,732	577,529	2,918,196	105,763	3,750,220

The notes on pages 126 to 160 are an integral part of these financial statements.



Strathmore University
Financial Statements
For the year ended 31 December 2016

Statement of Cash flows

Cash flows from operating activities	Notes	2016 Shs '000	2015 Shs '000
Cash receipts from students and customers		2,476,946	2,326,239
Cash paid to suppliers		(925,275)	(840,566)
Cash paid to employees	10(a)	(1,278,647)	(1,166,249)
Cash paid for other operating expenses		(122,749)	(99,026)
Interest paid		(58,778)	(45,087)
Net cash generated from operating activities		91,497	175,311
Cash flows from investing activities			
Interest received		24,318	7,535
Purchase of Property and equipment	13	(151,535)	(396,638)
Purchase of Leasehold Land	15	-	(2,644)
Purchase of Computer Software	16	(33,724)	(2,589)
Proceeds on disposal of equipment		684	170
Net cash used in investing activities:		(160,257)	(394,166)
Cash flows from financing activities			
Capital Grants received	8	(2,291)	3,868
Borrowings received	28	145,163	322,907
Borrowings repaid	28	(97,207)	(95,402)
Contribution to trustees	23(b)	(20,000)	(41,134)
Net cash from financing activities		25,665	190,239
Net increase in cash and cash equivalents		(43,095)	(28,616)
Cash and cash equivalents at the beginning of the year		143,868	172,484
Cash and cash equivalents at the end of the year	22	100,773	143,868

The notes on pages 126 to 160 are an integral part of these financial statements.



Strathmore University
Financial Statements
For the year ended 31 December 2016

Notes

1 General information

Strathmore University (the "University") was awarded a charter under the University Act (Cap 210B) on 23 April 2008. It is sponsored by Strathmore Educational Registered Trust (SERT), a charitable non-profit making Trust incorporated in Kenya for the advancement of education, religion, social welfare and relief from poverty and distress. The address of its registered office and principal place of business is:

Ole Sangale Road, Madaraka Estate
PO Box 59857
Nairobi 00200

2 Summary of significant accounting policies

(a) Statement of compliance

The financial statements are prepared in accordance with International Financial Reporting Standards (IFRS).

(b) Application of new and revised International Financial Reporting Standards (IFRSs)

(i) *Relevant new standards and amendments to published standards effective for the year ended 31 December 2016*

The following new and revised standards and interpretations were effective in the current year and had no material impact on the amounts reported in these financial statements.

IAS 1 Disclosure Initiative

The amendments clarify that an entity need not provide a specific disclosure required by an IFRS if the information resulting from that disclosure is not material, and give guidance on the bases of aggregating and disaggregating information for disclosure purposes. However, the amendments reiterate that an entity should consider providing additional disclosures when compliance with the specific requirements in IFRS is insufficient to enable users of financial statements to understand the impact of particular transactions, events and conditions on the entity's financial position and financial performance.

In addition, the amendments clarify that an entity's share of the other comprehensive income of associates and joint ventures accounted for using the equity method should be presented separately from those arising from the University, and should be separated into the share of items that, in accordance with other IFRSs: (i) will not be reclassified subsequently to profit or loss; and (ii) will be reclassified subsequently to profit or loss when specific conditions are met.

As regards the structure of the financial statements, the amendments provide examples of systematic ordering or grouping of the notes.

The application of these amendments has not resulted in any impact on the financial performance or financial position of the University.



Notes (continued)

2 Summary of significant accounting policies (Continued)

(b) Adoption of new and revised International Financial Reporting Standards (IFRS) (Continued)

i) *Relevant new standards and amendments to published standards effective for the year ended 31 December 2016 (Continued)*

IAS 16 and IAS 38 Clarification of Acceptable Methods of Depreciation and Amortisation	The amendments to IAS 16 prohibit entities from using a revenue-based depreciation method for items of property, plant and equipment. The amendments to IAS 38 introduce a rebuttable presumption that revenue is not an appropriate basis for amortisation of an intangible asset. This presumption can only be rebutted in the following two limited circumstances:
--	---

- (a) when the intangible asset is expressed as a measure of revenue; or
- (b) when it can be demonstrated that revenue and consumption of the economic benefits of the intangible asset are highly correlated.

As the University already uses the straight-line method for depreciation and amortisation for its property, plant and equipment, and intangible assets respectively, the application of these amendments has had no impact on the University's financial statements.

Annual Improvements to IFRSs 2012-2014 Cycle	The Annual Improvements to IFRSs 2012-2014 Cycle include a number of amendments to various IFRSs, which are summarised below:
--	---

- IFRS 5 - The amendments introduce specific guidance in IFRS 5 for when an entity reclassifies an asset (or disposal group) from held for sale to held for distribution to owners (or vice versa). The amendments clarify that such a change should be considered as a continuation of the original plan of disposal and hence requirements set out in IFRS 5 regarding the change of sale plan do not apply. The amendments also clarifies the guidance for when held-for- distribution accounting is discontinued.
- IFRS 7 - The amendments provide additional guidance to clarify whether a servicing contract is continuing involvement in a transferred asset for the purpose of the disclosures required in relation to transferred assets.

Annual Improvements to IFRSs 2012-2014 Cycle (Continued)	<ul style="list-style-type: none">• IAS 19 - The amendments clarify that the rate used to discount post-employment benefit obligations should be determined by reference to market yields at the end of the reporting period on high quality corporate bonds. The assessment of the depth of a market for high quality corporate bonds should be at the currency level (i.e. the same currency as the benefits are to be paid). For currencies for which there is no deep market in such high quality corporate bonds, the market yields at the end of the reporting period on government bonds denominated in that currency should be used instead.
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The application of these amendments has had no effect on the University's financial statements.



Strathmore University
Financial Statements
For the year ended 31 December 2016

Notes (continued)

2 Summary of significant accounting policies (Continued)

(b) Adoption of new and revised International Financial Reporting Standards (IFRS) (Continued)

i) *Relevant new standards and amendments to published standards effective for the year ended 31 December 2016 (Continued)*

IFRS 11 Accounting for Acquisitions of Interests in Joint Operations	The amendments provide guidance on how to account for the acquisition of a joint operation that constitutes a business as defined in IFRS 3 Business Combinations. Specifically, the amendments state that the relevant principles on accounting for business combinations in IFRS 3 and other standards should be applied. The same requirements should be applied to the formation of a joint operation if and only if an existing business is contributed to the joint operation by one of the parties that participate in the joint operation. A joint operator is also required to disclose the relevant information required by IFRS 3 and other standards for business combinations.
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The application of these amendments has had no impact on the University's financial statements as the University did not have any such transactions in the current year.

IFRS 10, IFRS 12 and IAS 28 Investment Entities: Applying the Consolidation Exception	The amendments clarify that the exemption from preparing consolidated financial statements is available to a parent entity that is a subsidiary of an investment entity, even if the investment entity measures all its subsidiaries at fair value in accordance with IFRS 10. The amendments also clarify that the requirement for an investment entity to consolidate a subsidiary providing services related to the former's investment activities applies only to subsidiaries that are not investment entities themselves.
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The application of these amendments has had no impact on the University's financial statements as the University is not an investment entity and does not have any holding University, subsidiary, associate or joint venture that qualifies as an investment entity.

IFRS 10, IFRS 12 and IAS 28 Investment Entities: Applying the Consolidation Exception	The amendments clarify that the exemption from preparing consolidated financial statements is available to a parent entity that is a subsidiary of an investment entity, even if the investment entity measures all its subsidiaries at fair value in accordance with IFRS 10. The amendments also clarify that the requirement for an investment entity to consolidate a subsidiary providing services related to the former's investment activities applies only to subsidiaries that are not investment entities themselves.
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The application of these amendments has had no impact on the University's financial statements as the University is not an investment entity and does not have any holding University, subsidiary, associate or joint venture that qualifies as an investment entity.



Notes (continued)

2 Summary of significant accounting policies (Continued)

(b) Adoption of new and revised International Financial Reporting Standards (IFRS) (Continued)

(ii) *Relevant new and amended standards and interpretations in issue but not yet effective in the year ended 31 December 2016.*

<i>New and Amendments to standards</i>	<i>Effective for annual periods beginning on or after</i>
IFRS 9 Financial Instruments	1 January 2018, with earlier application permitted
IFRS 15 Revenue from contracts with customers	1 January 2018, with earlier application permitted
IFRS 16 Leases	1 January 2019, with earlier application permitted
Amendments to IFRS 2 Classification and Measurement of Share-based Payment Transactions	1 January 2018, with earlier application permitted
Amendments to IFRS 10 and IAS 28 Sale or Contribution of Assets between an Investor and its Associate or Joint Venture ⁴	Effective for annual periods beginning on or after a date to be determined
Amendments to IAS 7	1 January 2017, with earlier application permitted
Amendments to IAS 12	1 January 2017, with earlier application permitted

(iii) *Impact of new and amended standards and interpretations on the financial statements for the year ended 31 December 2016 and future annual periods*

IFRS 9 Financial Instruments

In November 2009 introduced new requirements for the classification and measurement of financial assets. IFRS 9 was subsequently amended in October 2010 to include requirements for the classification and measurement of financial liabilities and for derecognition, and in November 2013 to include the new requirements for general hedge accounting. Another revised version of IFRS 9 was issued in July 2014 mainly to include a) impairment requirements for financial assets and b) limited amendments to the classification and measurement requirements by introducing a 'fair value through other comprehensive income' (FVTOCI) measurement category for certain simple debt instruments.

Key requirements of IFRS 9:

All recognised financial assets that are within the scope of IFRS 9 are required to be subsequently measured at amortised cost or fair value. Specifically, debt investments that are held within a business model whose objective is to collect the contractual cash flows, and that have contractual cash flows that are solely payments of principal and interest on the principal outstanding are generally measured at amortised cost at the end of subsequent accounting periods. Debt instruments that are held within a business model whose objective is achieved both by collecting contractual cash flows and selling financial assets, and that have contractual terms that give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding, are generally measured at FVTOCI. All other debt investments and equity investments are measured at their fair value at the end of subsequent accounting periods. In addition, under IFRS 9, entities may make an irrevocable election to present subsequent changes in the fair value of an equity investment (that is not held for trading nor contingent consideration recognised by an acquirer in a business combination to which IFRS 3 applies) in other comprehensive income, with only dividend income generally recognised in profit or loss.



Strathmore University
Financial Statements
For the year ended 31 December 2016

Notes (continued)

2 Summary of significant accounting policies (Continued)

(b) Adoption of new and revised International Financial Reporting Standards (IFRS) (Continued)

(iii) *Impact of new and amended standards and interpretations on the financial statements for the year ended 31 December 2016 and future annual periods*

IFRS 9 Financial Instruments (Continued)

Phase 1: Classification and measurement of financial assets and financial liabilities

With regard to the measurement of financial liabilities designated as at fair value through profit or loss, IFRS 9 requires that the amount of change in the fair value of a financial liability that is attributable to changes in the credit risk of that liability is presented in other comprehensive income, unless the recognition of such changes in other comprehensive income would create or enlarge an accounting mismatch in profit or loss. Changes in fair value attributable to a financial liability's credit risk are not subsequently reclassified to profit or loss. Under IAS 39, the entire amount of the change in the fair value of the financial liability designated as fair value through profit or loss is presented in profit or loss.

Phase 2: Impairment methodology

In relation to the impairment of financial assets, IFRS 9 requires an expected credit loss model, as opposed to an incurred credit loss model under IAS 39. The expected credit loss model requires an entity to account for expected credit losses and changes in those expected credit losses at each reporting date to reflect changes in credit risk since initial recognition. In other words, it is no longer necessary for a credit event to have occurred before credit losses are recognised.

Phase 3: Hedge accounting

The new general hedge accounting requirements retain the three types of hedge accounting mechanisms currently available in IAS 39. Under IFRS 9, greater flexibility has been introduced to the types of transactions eligible for hedge accounting, specifically broadening the types of instruments that qualify for hedging instruments and the types of risk components of non-financial items that are eligible for hedge accounting. In addition, the effectiveness test has been overhauled and replaced with the principle of an 'economic relationship'. Retrospective assessment of hedge effectiveness is also no longer required. Enhanced disclosure requirements about an entity's risk management activities have also been introduced.

The University Council anticipate that the application of IFRS 9 in the future may not have a significant impact on amounts reported in respect of the University's financial assets and financial liabilities.

IFRS 15 Revenue from Contracts with Customers

IFRS 15 establishes a single comprehensive model for entities to use in accounting for revenue arising from contracts with customers. IFRS 15 will supersede the current revenue recognition guidance including IAS 18 Revenue, IAS 11 Construction Contracts and the related Interpretations when it becomes effective.



Notes (continued)

2 Summary of significant accounting policies (Continued)

(b) Adoption of new and revised International Financial Reporting Standards (IFRS) (Continued)

(iii) Impact of new and amended standards and interpretations on the financial statements for the year ended 31 December 2016 and future annual periods

IFRS 15 Revenue from Contracts with Customers (Continued)

The core principle of IFRS 15 is that an entity should recognise revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. Specifically, the Standard introduces a 5-step approach to revenue recognition:

- Step 1: Identify the contract(s) with a customer
- Step 2: Identify the performance obligations in the contract
- Step 3: Determine the transaction price
- Step 4: Allocate the transaction price to the performance obligations in the contract
- Step 5: Recognise revenue when (or as) the entity satisfies a performance obligation

Under IFRS 15, an entity recognises revenue when (or as) a performance obligation is satisfied, i.e. when 'control' of the goods or services underlying the particular performance obligation is transferred to the customer. Far more prescriptive guidance has been added in IFRS 15 to deal with specific scenarios. Furthermore, extensive disclosures are required by IFRS 15.

In April 2016, the IASB issued Clarifications to IFRS 15 in relation to the identification of performance obligations, principal versus agent considerations, as well as licensing application guidance.

The University Council is still in the process of assessing the full impact of the application of IFRS 15 on the University's financial statements and it is not practicable to provide a reasonable financial estimate of the effect until the University Council completes the detailed review. The do not intend to early apply the standard and intend to use the full retrospective method upon adoption.

IFRS 16 Leases

IFRS 16 introduces a comprehensive model for the identification of lease arrangements and accounting treatments for both lessors and lessees. IFRS 16 will supersede the current lease guidance including IAS 17 Leases and the related interpretations when it becomes effective.

IFRS 16 distinguishes leases and service contracts on the basis of whether an identified asset is controlled by a customer. Distinctions of operating leases (off balance sheet) and finance leases (on balance sheet) are removed for lessee accounting, and is replaced by a model where a right-of-use asset and a corresponding liability have to be recognised for all leases by lessees (i.e. all on balance sheet) except for short-term leases and leases of low value assets.

The right-of-use asset is initially measured at cost and subsequently measured at cost (subject to certain exceptions) less accumulated depreciation and impairment losses, adjusted for any re-measurement of the lease liability. The lease liability is initially measured at the present value of the lease payments that are not paid at that date. Subsequently, the lease liability is adjusted for interest and lease payments, as well as the impact of lease modifications, amongst others. Furthermore, the classification of cash flows will also be affected as operating lease payments under IAS 17 are presented as operating cash flows; whereas under the IFRS 16 model, the lease payments will be split into a principal and an interest portion which will be presented as financing and operating cash flows respectively.



Strathmore University
Financial Statements
For the year ended 31 December 2016

Notes (continued)

2 Summary of significant accounting policies (Continued)

(b) Adoption of new and revised International Financial Reporting Standards (IFRS) (Continued)

(iii) *Impact of new and amended standards and interpretations on the financial statements for the year ended 31 December 2016 and future annual periods*

IFRS 16 Leases (continued)

In contrast to lessee accounting, IFRS 16 substantially carries forward the lessor accounting requirements in IAS 17, and continues to require a lessor to classify a lease either as an operating lease or a finance lease.

Furthermore, extensive disclosures are required by IFRS 16.

The University Council does not anticipate that the application of IFRS 16 in the future will have a significant impact on amounts reported in respect of the University's financial assets and financial liabilities. However, it is not practical to provide a reasonable estimate of the effect of IFRS 16 until a detailed review has been completed.

Amendments to IFRS 2 Classification and Measurement of Share-based Payment Transactions

The amendments clarify the following:

- In estimating the fair value of a cash-settled share-based payment, the accounting for the effects of vesting and non-vesting conditions should follow the same approach as for equity-settled share-based payments.
- Where tax law or regulation requires an entity to withhold a specified number of equity instruments equal to the monetary value of the employee's tax obligation to meet the employee's tax liability which is then remitted to the tax authority, i.e. the share-based payment arrangement has a 'net settlement feature', such an arrangement should be classified as equity-settled in its entirety, provided that the share-based payment would have been classified as equity-settled had it not included the net settlement feature.
- A modification of a share-based payment that changes the transaction from cash-settled to equity-settled should be accounted for as follows:
 - i) the original liability is derecognised;
 - ii) the equity-settled share-based payment is recognised at the modification date fair value of the equity instrument granted to the extent that services have been rendered up to the modification date; and
 - iii) any difference between the carrying amount of the liability at the modification date and the amount recognised in equity should be recognised in profit or loss immediately.
- The amendments are effective for annual reporting periods beginning on or after 1 January 2018 with earlier application permitted. Specific transition provisions apply.

The University Council does not anticipate that the application of the amendments in the future will have a significant impact on the University's financial statements as the University does not have any cash-settled share-based payment arrangements or any withholding tax arrangements with tax authorities in relation to share-based payments.



Notes (continued)

2 Summary of significant accounting policies (Continued)

(b) Adoption of new and revised International Financial Reporting Standards (IFRS) (Continued)

(iii) *Impact of new and amended standards and interpretations on the financial statements for the year ended 31 December 2016 and future annual periods*

Amendments to IFRS 10 and IAS 28 Sale or Contribution of Assets between an Investor and its Associate or Joint Venture

The amendments to IFRS 10 and IAS 28 deal with situations where there is a sale or contribution of assets between an investor and its associate or joint venture. Specifically, the amendments state that gains or losses resulting from the loss of control of a subsidiary that does not contain a business in a transaction with an associate or a joint venture that is accounted for using the equity method, are recognised in the parent's profit or loss only to the extent of the unrelated investors' interests in that associate or joint venture. Similarly, gains and losses resulting from the re-measurement of investments retained in any former subsidiary (that has become an associate or a joint venture that is accounted for using the equity method) to fair value are recognised in the former parent's profit or loss only to the extent of the unrelated investors' interests in the new associate or joint venture.

The effective date of the amendments has yet to be set by the IASB; however, earlier application of the amendments is permitted. The University Council anticipates that the application of these amendments may have an impact on the University's financial statements in future periods should such transactions arise.

Amendments to IAS 7 Disclosure Initiative

The amendments require an entity to provide disclosures that enable users of financial statements to evaluate changes in liabilities arising from financing activities.

The amendments apply prospectively for annual periods beginning on or after 1 January 2017 with earlier application permitted. The University Council does not anticipate that the application of these amendments will have a material impact on the University's financial statements.

Amendments to IAS 12 Recognition of Deferred Tax Assets for Unrealised Losses

The amendments clarify the following:

- Decreases below cost in the carrying amount of a fixed-rate debt instrument measured at fair value for which the tax base remains at cost give rise to a deductible temporary difference, irrespective of whether the debt instrument's holder expects to recover the carrying amount of the debt instrument by sale or by use, or whether it is probable that the issuer will pay all the contractual cash flows;
- When an entity assesses whether taxable profits will be available against which it can utilise a deductible temporary difference, and the tax law restricts the utilisation of losses to deduction against income of a specific type (e.g. capital losses can only be set off against capital gains), an entity assesses a deductible temporary difference in combination with other deductible temporary differences of that type, but separately from other types of deductible temporary differences;
- The estimate of probable future taxable profit may include the recovery of some of an entity's assets for more than their carrying amount if there is sufficient evidence that it is probable that the entity will achieve this; and



Strathmore University
Financial Statements
For the year ended 31 December 2016

Notes (continued)

2 Summary of significant accounting policies (Continued)

(b) Adoption of new and revised International Financial Reporting Standards (IFRS) (Continued)

(iii) Impact of new and amended standards and interpretations on the financial statements for the year ended 31 December 2016 and future annual periods

Amendments to IAS 12 Recognition of Deferred Tax Assets for Unrealised Losses (Continued)

- In evaluating whether sufficient future taxable profits are available, an entity should compare the deductible temporary differences with future taxable profits excluding tax deductions resulting from the reversal of those deductible temporary differences.

The amendments apply retrospectively for annual periods beginning on or after 1 January 2017 with earlier application permitted. The University Council do not anticipate that the application of these amendments will have a material impact on the University's financial statements.

iv) Early adoption of standards

The University did not early-adopt any new or amended standards in 2016.

(c) Basis of preparation

The financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS"). The measurement basis applied is the historical cost basis, except where otherwise stated in the accounting policies below. The financial statements are presented in Kenya Shillings (Shs), rounded to the nearest thousand.

The preparation of financial statements in conformity with IFRS requires the use of certain critical accounting estimates. It also requires the University Council to exercise its judgement in the process of applying the University's accounting policies. The areas involving a higher degree of judgement or complexity, or where assumptions and estimates are significant to the financial statements, are disclosed in Note 3.

(d) Foreign currency translation

(i) Functional and presentation currency

Items included in the financial statements are measured using the currency of the primary economic environment in which the entity operates ('the Functional Currency'). The financial statements are presented in Kenya Shillings in thousands (Shs) which is the University's Functional Currency.

(ii) Transactions and balances

Foreign currency transactions are translated into the Functional Currency using the exchange rates prevailing at the dates of the transactions or valuations where items are re-measured. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in profit or loss.

Foreign exchange gains and losses that relate to borrowings and cash and cash equivalents are presented in profit or loss within 'finance income or cost'. All other foreign exchange gains and losses are presented in profit or loss within 'other income or expenses'.



Notes (continued)

2 Summary of significant accounting policies (Continued)

(e) Revenue recognition

Revenue comprises the fair value of the consideration received or receivable for the sale of services in the ordinary course of the University's activities. Revenue is shown net of rebates and discounts.

The University recognises revenue when the amount of revenue can be reliably measured, it is probable that future economic benefits will flow to the University and when specific criteria have been met for each of the University's activities as described below. The University bases its estimates on historical results, taking into consideration the type of customer, the type of transaction and the specifics of each arrangement.

Revenue is recognised as follows:

- (i) Revenue from tuition fees are accounted for over the period in which they relate. Fees paid in advance are carried forward under trade and other payables.
- (ii) Interest income is recognised on a time proportion basis using the effective interest method.
- (iii) Donations received are recognised as and when they are received and utilized. Unutilized donations are treated as a payable since they are tied to specific purpose. Revenue grants are recognised when received.
- (iv) Capital donations are recognised over the useful life of the assets they relate to. The portion not due is accounted for under non-current liability.

(f) Property and equipment

Property and equipment are initially reported at cost. Subsequently land and building are shown at fair value, based on periodic, but at least triennial, valuations by external independent valuers, less subsequent depreciation for buildings and amortisation of leasehold land. Any accumulated depreciation at the date of revaluation is eliminated against the gross carrying amount of the asset and the net amount is restated to the revalued amount of the asset.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the University and the cost of the item can be measured reliably. The carrying amount of the replaced part is derecognised. All other repairs and maintenance are charged to the income statement during the financial period in which they are incurred.

Increases in the carrying amount arising on revaluation of land and buildings are credited to other comprehensive income and shown as a revaluation reserve in equity. Decreases that offset previous increases of the same asset are charged in other comprehensive income and debited against the revaluation reserve; all other decreases are charged to the income statement. Each year the difference between depreciation based on the revalued carrying amount of the asset (the depreciation charged to the income statement) and depreciation based on the asset's original cost is transferred from the revaluation reserve to retained earnings.

Leasehold land is amortised over remaining lease period. Depreciation on other assets is calculated using the straight-line method to allocate their cost or revalued amounts to their residual values over their estimated useful lives.



Strathmore University
Financial Statements
For the year ended 31 December 2016

Notes (continued)

2 Summary of significant accounting policies (continued)

(f) Property and equipment (Continued)

Annual depreciation and amortisation rates are as follows:

Lease hold land	remaining lease period
Buildings	2%
Motor vehicles	
- Buses	7%
- Other motor vehicles	10%
Library books	
- IT books	20%
- Other books	14.3%
Furniture, fittings and other equipment	
- Computers	33.3%
- Computer accessories	20%
- Kitchen equipment	15%
- Telephone and shredders	10%
- Graduation gowns	20%
- Furniture, fittings and equipment	7%

The assets residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period.

Property and equipment are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash-generating units). Non-financial assets that suffered impairment are reviewed for possible reversal of the impairment at each reporting date.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are included in the income statement. When revalued assets are sold, the amounts included in the revaluation reserve relating to that asset are transferred to retained earnings.

(g) Leases

Leases in which a significant portion of the risks and rewards of ownership are retained by the lessor are classified as operating leases. Payments made under operating leases (net of any incentives received from the lessor) are charged to the income statement on a straight-line basis over the period of the lease.



Strathmore University
Financial Statements
For the year ended 31 December 2016

2 Summary of significant accounting policies (continued)

(h) Intangible assets

Costs associated with maintaining computer software programmes are recognised as an expense as incurred. Development costs that are directly attributable to the design and testing of identifiable and unique software products controlled by the University are recognised as intangible assets when the following criteria are met:

- (i) it is technically feasible to complete the software product so that it will be available for use;
- (ii) management intends to complete the software product and use or sell it;
- (iii) there is an ability to use or sell the software product;
- (iv) it can be demonstrated how the software product will generate probable future economic benefits;
- (v) adequate technical, financial and other resources to complete the development and to use or sell the software product are available; and
- (vi) the expenditure attributable to the software product during its development can be reliably measured.

Directly attributable costs that are capitalised as part of the software product include the software development employee costs and an appropriate portion of relevant overheads.

Other development expenditures that do not meet these criteria are recognised as an expense as incurred. Development costs previously recognised as an expense are not recognised as an asset in a subsequent period.

Computer software development costs recognised as assets are amortised over their estimated useful lives, which does not exceed five years.

Acquired computer software licences are capitalised on the basis of the costs incurred to acquire and bring to use the specific software. These costs are amortised on the basis of the expected useful lives. Software has a maximum expected useful life of 5 years.

Software is amortised on a straight line basis over the expected/estimated useful life.

(i) Inventories

Inventories are stated at the lower of cost and net realisable value. Costs are determined using the weighted average cost method. Net realisable value is the estimated selling price in the ordinary course of business, less applicable variable selling expenses. Obsolete, slow moving and defective inventories are written off through profit or loss.

(j) Financial assets

(i) Classification

Financial assets of the University are classified as loans and receivables, based on the purpose for which the financial assets were acquired.



Strathmore University
Financial Statements
For the year ended 31 December 2016

Notes (continued)

2 Summary of significant accounting policies (continued)

(j) Financial assets (Continued)

(i) Classification (continued)

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are included in current assets, except for maturities greater than 12 months after the end of the reporting period. These are classified as non-current assets. Equity investments are carried at fair value. Gains and losses arising from changes in the fair value of equity investments are recognised in profit and loss.

(ii) Recognition, measurement and de-recognition

Regular purchases and sales of financial assets are recognised on the trade-date. The date on which the University commits to purchase or sell the asset. Loans and receivables including short term deposit are initially recognised at fair value plus transaction costs and subsequently carried at amortised cost using the effective interest method. Financial assets are de-recognised when the rights to receive cash flows from the financial assets have expired or where the University has transferred substantially all risks and rewards of ownership.

(iii) Offsetting financial instruments

Financial assets and liabilities are offset and the net amount reported in the statement of financial position when there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously.

(iv) Impairment

(a) Assets carried at amortised cost

The University assesses at the end of each reporting period whether there is objective evidence that a financial asset or group of financial assets is impaired. A financial asset or a group of financial assets is impaired and impairment losses are incurred only if there is objective evidence of impairment as a result of one or more events that occurred after the initial recognition of the asset (a 'loss event') and that loss event (or events) has an impact on the estimated future cash flows of the financial asset or group of financial assets that can be reliably estimated.

Evidence of impairment may include indications that the debtors or a University of debtors is experiencing significant financial difficulty, default or delinquency in interest or principal payments, the probability that they will enter bankruptcy or other financial reorganisation, and where observable data indicate that there is a measurable decrease in the estimated future cash flows. Such as changes in arrears or economic conditions that correlate with defaults.

The amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows (excluding future credit losses that have not been incurred) discounted at the financial asset's original effective interest rate. The carrying amount of the asset is reduced and the amount of the loss is recognised in the income statement. If a loan has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate determined under the contract.

If in subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognized (such as an improvement in the debtors credit rating), the reversal of the previous recognised impairment loss is recognised in surplus or deficit.

**Notes (continued)****2 Summary of significant accounting policies (continued)****(j) Financial assets (continued)***(iv) Impairment (continued)**(b) Assets classified as available for sale*

The University assesses at the end of each reporting period whether there is objective evidence that a financial asset or a University of financial assets is impaired.

For debt securities, if any such evidence exists the cumulative loss – measured as the difference between the acquisition cost and the current fair value, less any impairment loss on that financial asset previously recognised in profit or loss – is removed from equity and recognised in profit or loss. If, in a subsequent period, the fair value of a debt instrument classified as available for sale increases and the increase can be objectively related to an event occurring after the impairment loss was recognised in profit or loss, the impairment loss is reversed through the income statement.

For equity investments, a significant or prolonged decline in the fair value of the security below its cost is also evidence that the assets are impaired. If any such evidence exists the cumulative loss – measured as the difference between the acquisition cost and the current fair value, less any impairment loss on that financial asset previously recognised in profit or loss – is removed from equity and recognised in profit or loss. Impairment losses recognised in the income statement on equity instruments are not reversed through the income statement.

(k) Trade receivables

Trade receivables are amounts due from customers (mainly students) for services rendered and merchandise sold in the ordinary course of business. If collection is expected in one year or less (or in the normal operating cycle of the business if longer), they are classified as current assets. If not, they are presented as non-current assets.

Trade receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method less provision for impairment.

(l) Cash and cash equivalents

Cash and cash equivalents includes cash in hand, deposits held at call with banks, other short term highly liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities on the statement of financial position.

(m) Trade payables

Trade payables are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Accounts payable are classified as current liabilities if payment is due within one year or less (or in the normal operating cycle of the business if longer). If not, they are presented as non-current liabilities. Trade payables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method.

(n) Borrowings

Borrowings are recognised initially at fair value, net of transaction costs incurred. Borrowings are subsequently stated at amortised cost; any differences between proceeds (net of transaction costs) and the redemption value is recognised in the income statement over the period of the borrowings, using the effective interest method.

Fees paid on the establishment of loan facilities are recognised as transaction costs of the loan to the extent that it is probable that some or all of the facility will be drawn down. In this case, the fee is deferred until the draw-down occurs.



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Financial Statements
For the year ended 31 December 2016

Notes (Continued)

2 Summary of significant accounting policies (continued)

(n) Borrowings (continued)

To the extent there is no evidence that it is probable that some or all of the facility will be drawn down, the fee is capitalised as a pre-payment for liquidity services and amortised over the period of the facility to which it relates. Borrowings are classified as current liabilities unless the University has an unconditional right to defer settlement of the liability for at least 12 months after the end of the reporting period.

(o) Provisions

Provisions are recognised when: the University has a present legal or constructive obligation as a result of past events; it is probable that an outflow of resources will be required to settle the obligation; and the amount has been reliably estimated. Restructuring provisions comprise lease termination penalties and employee termination payments. Provisions are not recognised for future operating losses.

Provisions are measured at the present value of the expenditures expected to be required to settle the obligation using a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the obligation. The increase in the provision due to passage of time is recognised as interest expense.

(p) Employee benefits

(i) Retirement benefit obligations

The University operates a defined contribution staff provident scheme. The University and all its employees also contribute to the appropriate National Social Security Fund, which is also a defined contribution scheme.

The University has no legal or constructive obligations to pay further contributions if the fund does not hold sufficient assets to pay all employees the benefits relating to employee service in the current and prior periods. The University's contributions to the defined contribution schemes are recognized as an employee benefit expense in the year which it relates.

(ii) Other entitlements

All employees are expected to take their annual leave as and when it matures during the year. The estimated monetary liability for employees' accrued annual leave entitlement at the financial reporting date is recognised as an expense accrual.

Employee's entitlements to gratuity are recognised when they accrue to contractual employees. A provision is made for the liability for such entitlements as a result of services rendered by employees up to the statement of financial position date. Such employees become entitled to the gratuity on completion of their contracts and the payments out of this are charged to the accrued gratuity account.

(iii) Termination benefits

Termination benefits are payable when employment is terminated by the University before the normal retirement date, or whenever an employee accepts voluntary redundancy in exchange for these benefits. The University recognises termination benefits at the earlier of the following dates: (a) when the University can no longer withdraw the offer of those benefits; and (b) when the University recognises costs for a restructuring that is within the scope of IAS 37 and involves the payment of termination benefits. In the case of an offer made to encourage voluntary redundancy, the termination benefits are measured based on the number of employees expected to accept the offer. Benefits falling due more than 12 months after the end of the reporting period are discounted to their present value.



Notes (continued)

2 Summary of significant accounting policies (continued)

(q) Capital grants

Capital grants specific to acquisition or construction of assets are recognised as a long term liability and recognised in the income statement over the life of the related asset.

(r) Investment property

Property held for long-term rental yields that is not occupied by the University is classified as investment properties.

Investment property comprises of buildings. It is carried at fair value. Fair value is based on active market prices, adjusted, if necessary, for any difference in the nature, location or condition of the specific asset. These valuations are reviewed regularly by an independent valuation expert.

Changes in fair values are recorded in profit or loss.

Property located on land that is held under an operating lease is classified as investment property as long as it is held for long-term rental yields and is not occupied by the University. The initial cost of the property is the lower of the fair value of the property and the present value of the minimum lease payments. The property is carried at fair value after initial recognition.

If an investment property becomes owner-occupied, it is reclassified as property and equipment, and its fair value at the date of reclassification becomes its cost for subsequent accounting purposes.

If an item of property and equipment becomes an investment property because its use has changed, any difference arising between the carrying amount and the fair value of this item at the date of transfer is recognised in other comprehensive income as a revaluation of property and equipment. However, if a fair value gain reverses a previous impairment loss, the gain is recognised in the income statement. Upon the disposal of such investment property, any surplus previously recorded in equity is transferred to retained earnings; the transfer is not made through profit or loss.

(s) Comparatives

Where necessary, comparative numbers have been adjusted to conform to changes in presentation in the current year.

3 Critical accounting estimates and judgements

The University makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are addressed below.

Useful lives of equipment

The University determines the estimated useful lives and related depreciation charges for its property, equipment and leasehold land. This estimate is based on projected asset life for its assets. Management will increase the depreciation charge where useful lives are less than previously estimated lives, or it will write-off or write-down technically obsolete or non-strategic assets that have been abandoned or sold.

Were the actual useful lives of the equipment to differ by 5% from management's estimates, the carrying amount of the equipment would be an estimated Shs 4,292,000 higher or Shs 4,744,000 lower.



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Notes (continued)

4 Capital management

Capital represent the non-current assets that were transferred from the trustees when the current campus was being set up. The University's objectives when managing capital are to Safeguard the University's ability to continue as a going concern in order to maintain an optimal capital structure to reduce the cost of capital. In order to maintain or adjust the capital structure, the University may sell assets to reduce debt

The University monitors capital on the basis of the gearing ratio. This ratio is calculated as net debt divided by total capital. Net debt is calculated as total borrowings less cash and cash equivalents.

Total capital is calculated as equity plus reserves, as shown in the statement of financial position, plus net debt. The University's strategy was to maintain a gearing ratio between 0% and 50%.

The gearing ratios at 31 December 2016 and 2015 were as follows:

	2016 Shs'000	2015 Shs'000
Total borrowings (Note 28)	997,496	966,233
Less: cash and cash equivalents (Note 22)	(100,773)	(143,868)
Net debt	896,723	822,365
Total equity	3,790,220	3,726,656
Total capital	4,646,944	4,549,021
Gearing ratio	19%	18%

5 Financial risk management objectives and policies

The University's activities expose it to a variety of financial risks: market risk (including foreign exchange risk and interest rate risk), credit risk and liquidity risk. The University's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on its financial performance. The University does not hedge any of its risk exposures.

Financial risk management is carried out by the finance department under policies approved by the University Council.

Market risk

(i) Foreign exchange risk

Foreign exchange risk arises from recognized assets and liabilities. The University operates wholly within Kenya and its assets and liabilities are denominated in Kenya shillings. The University has limited transactions in foreign currency. The Council believes there is minimal risk of significant losses due to exchange rate fluctuations.

The University has transactional currency exposures. Such exposure arises from foreign currency denominated borrowings and cash and bank balances.



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Notes (continued)

5 Financial risk management objectives and policies (continued)

Market risk (continued)

(i) Foreign exchange risk (continued)

The University manages foreign exchange risk by converting its foreign currency collections into local currency on an ongoing basis to cater for its operational requirements. As a result, the University does not hold large amounts of foreign currency deposits.

In addition, the University raises some bills in foreign currency and receives the settlements in the same currency to avoid the effect of swinging currency exchange rates. The University also negotiates its purchases in Kenya shillings and settles the equivalent in foreign currency.

The University manages foreign exchange risk by converting its foreign currency collections into local currency on an ongoing basis to cater for its operational requirements. As a result, the University does not hold large amounts of foreign currency deposits.

At 31 December 2016, if the Shilling had weakened/(strengthened) by 5% (2015: 5%) against the US dollar with all other variables held constant, surplus for the year would have been Shs 5,060,878 (2015: Shs 5,604,942) higher/(lower), mainly as a result of US dollar bank balances and loan.

At 31 December 2016, if the Shilling had weakened/(strengthened) by 5% (2015: 5%) against the Sterling pound with all other variables held constant, surplus for the year would have been Shs 529,369 (2015: Shs 5,132) higher, mainly as a result of Sterling pounds bank balance

At 31 December 2016, if the Shilling had weakened/(strengthened) by 5% (2015: 5%) against the Euro with all other variables held constant, surplus for the year would have been Shs 18,621,734 (2015: Shs 21,791,095) higher, mainly as a result of Euro bank and loan balances.

At 31 December 2016, if the Shilling had weakened/(strengthened) by 5% (2015: 5%) against the Ugandan shilling with all other variables held constant, surplus for the year would have been Shs 7,629 (2015: 3,565) higher, mainly as a result of bank balances.

The following table sets out the carrying amount of the University's financial instruments that are exposed to foreign currency exchange risk:

CURRENCY RISK

	2016	2015
	Shs '000	Shs '000
Assets in foreign currency	20,498	18,493
Liabilities in foreign currency	(493,626)	(563,974)
Net foreign currency exposure as at 31 December	(473,128)	(545,481)



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For the year ended 31 December 2016

Notes (continued)

5 Financial risk management objectives and policies (continued)

Market risk (continued)

(ii) Price risk

The University does not hold any financial instruments subject to price risk.

(iii) Cash flow and fair value interest rate risk

The University's interest rate risk arises from long-term borrowings. Borrowings issued at variable rates expose the University to cash flow interest rate risk which is partially offset by cash held at variable rates. The University regularly monitors financing options available to ensure optimum interest rates are obtained.

As at 31 December 2016, an increase/decrease of 15 basis points (2015: 15 basis points) would have resulted in a decrease/increase in surplus of Shs 5,440,964 (2015: Shs 6,272,982).

The table sets out the carrying amount of the University's financial instruments with predetermined terms and are thus not exposed to interest rate risks.

	Effective interest rate %	2016 Shs'000	2015 Shs'000
Cooperative Bank of Kenya Limited loan:			
Non-current portion	14.25%	5,642	42,499
Current portion	14.25%	36,857	36,857
Cooperative Bank of Kenya Limited loan: - Solar project			
Non-current portion	5.80%	93,255	106,404
Current portion	5.80%	13,323	13,300
EADB Bank			
Non-current portion	13.50%	353,111	322,907
Current portion	13.50%	40,190	-
Cooperative Bank of Kenya Limited loan: - laptop loan			
Non-current portion	14.50%	34,035	-
Current portion	14.50%	34,035	-

Credit risk

Credit risk arises from cash and cash equivalents and deposits with banks and financial institutions as well as credit exposures to students, including outstanding receivables and committed transactions. Credit risk is the risk that counterparty will default on its contractual obligations resulting in financial loss to the University.

Credit risk is managed by the finance director, except for credit risk relating to accounts receivable balances which is managed by the credit controller. The credit controller is further responsible for managing and analysing credit risk for each new client before standard payment and delivery terms are offered. The University does not have any significant concentrations of credit risk.



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For the year ended 31 December 2016

Notes (continued)

5 Financial risk management objectives and policies (continued)

Credit risk (Continued)

For banks and financial institutions, only reputable well established financial institutions are accepted. For trade receivables, the credit controller assesses the credit quality of the customer, taking into account its financial position, past experience and other factors. The University does not grade the credit quality of receivables. The utilisation of credit limits is regularly monitored. The University has negotiated and guaranteed a student loan scheme with Chase Bank on behalf of the students of Shs 15 million. The students are thus able to procure student loans from the Bank at competitive rates thus ensuring reduced default risk on their fees balances. However Chase Bank (K) Limited was placed under receivership and the facility cannot be utilised for new student loans.

The amount that best represents the University's maximum exposure to credit risk at 31 December is made up as follows:

At 31 December 2016	Fully performing	Past due	Impaired	Total
	Shs'000	Shs'000	Shs'000	Shs'000
Cash and cash equivalents	100,773	-	-	100,773
Bank balances held by receiver	-	46,835	-	46,835
Trade receivables	450,099	7,052	110,486	567,637
Receivables from related parties	31,780	-	-	31,780
Other receivables	134,181	-	-	134,181
Endowment fund deposits	11,246	-	-	11,246
Designated fund deposits	26,768	-	-	26,768
	754,847	53,887	110,486	919,220

At 31 December 2015	Fully performing	Past due	Impaired	Total
	Shs'000	Shs'000	Shs'000	Shs'000
Cash and cash equivalents	143,868	-	-	143,868
Trade receivables	357,915	3,059	84,402	445,376
Receivables from related parties	7,849	-	-	7,849
Other receivables	107,142	-	-	107,142
Endowment fund deposits	19,573	-	-	19,573
Designated fund deposits	45,176	-	-	45,176
	681,523	3,059	84,402	768,984

Cash and bank balances, endowment fund deposits and designated fund deposits are fully performing.

The student debtors and customers under the fully performing category are paying their debts as the students are currently enrolled for University courses and other customers continue trading. The default rate is low. Past due amounts are those beyond the maximum established credit period, and represents low but paying customers. These receivables continue to be serviced even though this is not done on the contractual dates. Impaired debt is fully provided for.

Bank balances held by receiver represents amounts held with Chase Bank (K) Limited. The bank was placed under receivership in April 2016. The University will access these funds once the bank comes out of receivership.



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Notes (continued)

5 Financial risk management objectives and policies (continued)

Liquidity risk (Continued)

Liquidity risk is the risk that the University will not be able to meet its financial obligations as they fall due. Prudent liquidity risk management includes maintaining sufficient cash balances, and the availability of funding from an adequate amount of committed credit facilities. Due to the dynamic nature of the underlying businesses, the finance department maintains flexibility in funding by maintaining availability under committed credit lines.

Management perform cash flow forecasting and monitor rolling forecasts of the University's liquidity requirements to ensure it has sufficient cash to meet its operational needs while maintaining sufficient headroom on its undrawn committed borrowing facilities at all times so that the University does not breach borrowing limits or covenants (where applicable) on any of its borrowing facilities. The University's approach when managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, without incurring unacceptable losses or risking damage to the University's reputation.

The maturity period for the University's financial obligations as at the reporting date is as disclosed below in Shs '000.

At 31 December 2016	Borrowings	Trade and other payables	Contribution to SERT	Total
no later than three months;	39,332	510,597	-	549,928
3 months - one year;	117,995	34,805	75,450	228,250
one year - five years; and	385,416	309,737	-	695,153
after five years	454,753	-	-	454,753
Total	997,497	855,139	75,450	1,928,085

At 31 December 2015	Borrowings	Trade and other payables	Contribution to SERT	Total
no later than three months;	23,252	487,810	-	511,062
3 months - one year;	64,167	31,974	42,034	138,174
one year - five years; and	556,102	208,501	-	764,602
after five years	322,712	-	-	322,712
Total	966,233	728,284	42,034	1,736,550

The University's current liabilities exceed the current assets by Shs 284,046,000 (2015: Shs 191,762,000). Trade and other payables above include deferred fees totalling Shs 290,879,000 (2015: Shs 284,692,000) which, based on management's experience, do not result in cash outflows as these are recognised in income statement after the fees are earned by the University. When excluded, the University is in a net current asset position.



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For the year ended 31 December 2016

Notes (continued)

8 Capital grants (Continued)

Capital grants are recognized at their fair value where there is a reasonable assurance that the grant will be received and the University will comply with all attached conditions.

(i) Revenue Grants

Grants received to compensate expenses or for the purpose of giving immediate support to the University with no future related costs recognized in the statement of comprehensive income in the year of receipt.

(ii) Capital Grants

Where a grant is related to an asset, the grant is presented in the statement of financial position as a long term liability and is credited in the statement of comprehensive income over the periods and in the proportions in which depreciation expense on those assets are used to finance is recognized.

9 Other operating income

	2016 Shs '000	2015 Shs '000
Cafeteria income	55,162	45,823
Clinic income	25,973	16,762
(Loss)/profit on disposal of equipment	(778)	1,847
Business school short courses and books sales	148,810	97,972
Corporate training	109,564	3,990
Rental income	16,332	14,104
Research income	202,818	140,055
Interviews	2,757	2,603
Conference Fees	3,674	7,999
Sundry income	16,795	31,285
	<u>581,107</u>	<u>362,440</u>

Research income relate to donor funded research projects.

10 Administrative expenses

(a) Staff cost

Salaries and wages academic staff	570,546	547,528
Salaries and wages administrative staff	228,259	219,815
Part time teaching	297,946	236,042
Gratuity	3,400	6,174
Provident fund contributions	42,004	31,680
NSSF contributions	1,715	1,601
Medical expenses	29,624	21,471
Staff scholarship	28,421	27,502
Bursaries and staff training	21,252	17,726
Staff welfare	55,480	56,710
	<u>1,278,647</u>	<u>1,166,249</u>

The average number of employees during the period was 544 (2015 – 536).

Staff gratuity is payable after successful completion of contract. It is computed as 10% of basic salary and accrued on a monthly basis. The payments are done through accrued expenses account.



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For the year ended 31 December 2016

Notes (continued)

10 Administrative expenses (Continued)

(a) Staff cost (Continued)

Key management includes University Council Members (executive and non-executive) and members of senior management. The compensation paid or payable to key management for employee services is shown below:

	2016	2015
	Shs '000	Shs '000
Short-term employee benefits		
Salaries and other short-term employment benefits	77,757	74,054
Sitting allowance	4,938	4,127
Post-employment benefits		
Other long-term benefits	7,940	3,967
	<u>90,635</u>	<u>82,148</u>

(b) Other administrative expenses

	2016	2015
	Shs '000	Shs '000
Legal fees	3,426	1,264
Food, cleaning and laundry services	98,938	78,965
Student scholarship	152,152	132,524
Telephone, Internet and Postage	39,060	41,041
Stationery and Supplies	131,962	130,693
Bus Expenses	5,459	6,796
Bad and doubtful debts expense (note 20)	40,445	20,108
Auditors' remuneration - External auditors	4,056	3,546
Advertising expenses	32,634	39,177
Administration transport expenses	26,293	27,100
Research expenses	154,356	117,526
Air tickets	54,083	50,412
Students accomodation	62,975	49,117
Conferences & seminar	4,917	6,663
Other consultancies	76,142	39,251
Subscriptions And Gifts	25,066	19,151
Photo. & Duplication-Outsourced	10,718	9,978
Software Licence And Support	12,591	10,065
Bank Charges Expenses	8,013	6,494
Sports equipment and clubs	2,184	9,978
Hire of facilities and equipment	10,783	6,406
Separation Cost	9,310	9,603
Entertainment	3,347	2,091
Graduation & Open Day	2,686	4,899
Student Expenses	1,472	9,205
Consumables	2,213	1,636
Gas expenses	3,938	4,350
Sitting Allowance	4,974	4,126
Accreditation	2,042	3,038
Rent Expenses	6,307	3,908
Contingency (Security drill expenses)	21,118	10,990
Sundry expenses	8,455	6,418
	<u>1,022,115</u>	<u>866,520</u>

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For the year ended 31 December 2016**Notes (continued)****10 Administrative expenses (Continued)****(c) Total administrative expenses**

	2016	2015
	Shs '000	Shs '000
Short-term employee benefits		
Staff costs (note 10(a))	1,278,647	1,166,249
Other administrative expenses (note 10(b))	1,022,115	866,520
	<u>2,300,762</u>	<u>2,032,769</u>

11 Establishment expenses

Depreciation	105,942	90,926
Water and Electricity	25,282	22,897
Amortization of operating lease prepayments	34,572	34,541
Amortization of intangible assets	2,966	3,557
Repairs & Maintenance	49,421	31,431
Security expenses	28,800	25,120
Insurance expenses	13,781	9,982
Other establishment expenses	4,256	7,760
	<u>265,020</u>	<u>226,214</u>

12 Finance costs/income**(a) Finance costs:**

	2016	2015
	Shs '000	Shs '000
Interest on loan	57,223	29,279
Unrealised Exchange loss– Euro loan	-	21,092
Realised Exchange loss– Euro loan	-	(130)
Other bank exchange loss	1,555	15,808
Unrealised exchange (gain) – Euro & dollar loan	(16,691)	-
Interest receivable	(7,626)	(7,535)
	<u>34,461</u>	<u>58,514</u>



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Notes (continued)

**13 Property, plant and equipment
As at 31 December 2016**

	Buildings Shs '000	Motor vehicles Shs '000	Library books Shs '000	Furniture, fittings & other equipment Shs '000	Building work in progress Shs '000	Total Shs '000
At 1 January 2015						
Cost	1,765,567	27,635	145,696	664,284	445,504	3,048,686
Accumulated depreciation	(36,423)	(16,354)	(110,593)	(299,317)	-	(462,687)
Net book amount	1,729,144	11,281	35,103	364,967	445,504	2,585,999
Year ended 31 December 2016						
Opening net book amount	1,729,144	11,281	35,103	364,967	445,504	2,585,999
Additions	7,018	-	26,678	52,125	65,715	151,536
Transfer to buildings	465,461	-	-	20,277	(466,869)	18,869
Transfer to store	-	-	-	-	(25,503)	(25,503)
Impaired WIP	-	-	-	-	(18,847)	(18,847)
Disposals	-	-	-	(2,689)	-	(2,689)
Depreciation charge for the year	(37,648)	(1,922)	(10,604)	(55,768)	-	(105,942)
Depreciation eliminated on disposals	-	-	-	1,227	-	1,227
Closing net book amount	2,163,975	9,359	51,177	380,139	-	2,604,650
At 31 December 2016						
Cost	2,238,046	27,635	172,374	733,997	-	3,172,052
Accumulated depreciation	(74,071)	(18,277)	(121,197)	(353,857)	-	(567,402)
Net book amount	2,163,975	9,358	51,177	380,140	-	2,604,650

Buildings were revalued in December 2014 by Ryden International Limited. Furniture and equipment was revalued in 2008 by Safety Surveyors Limited. Valuations are made on the basis of the recent market transactions on arm's length terms (i.e. open market value). The book values of the properties were adjusted to the revaluations and the resultant surplus was credited to other comprehensive income and is shown in the revaluation reserve in accumulated fund. If the cost model had been used to measure property, plant and equipment, the carrying amount would have been Shs 1,449,674,000. Bank borrowings are secured on properties to the value of Shs 1,400,980,635 (2015: Shs 1,420,474,115) (Note 27).

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Notes (continued)

13 Property, plant and equipment
As at 31 December 2015

	Buildings Shs '000	Motor vehicles Shs '000	Library books Shs '000	Furniture, fittings & other equipment Shs '000	Building work in progress Shs '000	Total Shs '000
At 1 January 2014						
Cost	1,742,610	28,565	128,743	583,306	172,140	2,655,364
Accumulated depreciation	-	(14,194)	(99,175)	(264,003)	-	(377,372)
Net book amount	1,742,610	14,371	29,568	319,303	172,140	2,277,992
Year ended 31 December 2014						
Opening net book amount	1,742,610	14,371	29,568	319,303	172,140	2,277,992
Additions	22,956	-	16,953	83,365	273,364	396,638
Disposals	-	(930)	-	(300)	-	(1,230)
Transfer to intangible assets	-	-	-	-	(24,253)	(24,253)
Reclassifications- Cost	-	(424)	-	(2,086)	-	(2,086)
Reclassifications- Accumulated Depreciation	-	-	-	5,648	-	5,224
Depreciation charge for the year	(36,423)	(2,008)	(11,418)	(41,088)	-	(90,937)
Depreciation eliminated on revaluation	-	-	-	-	-	-
Depreciation eliminated on disposals	-	272	-	126	-	398
Closing net book amount	1,729,143	11,281	35,103	364,968	421,251	2,561,746
At 31 December 2015						
Cost	1,765,567	27,635	145,696	664,284	421,251	3,024,433
Accumulated depreciation	(36,423)	(16,354)	(110,593)	(299,317)	-	(462,687)
Net book amount	1,729,144	11,281	35,103	364,967	421,251	2,561,746





Strathmore University
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For the year ended 31 December 2016

Notes (continued)

14 Investment property

	2016 Shs '000	2015 Shs '000
As at start of the year	75,658	75,658
Fair value gains	25,248	-
At end of the year	<u>100,906</u>	<u>75,658</u>

The rental income earned by the University from its investment properties leased out under operating lease amounted to Shs 16,332,000 (2015 Shs 14,104,000).

The properties were valued by Ryden International Limited, professional independent valuers, in December 2016 on the basis of determining the open market value of the investment property. The open market value of all properties was determined using the cost approach based on the principle that the price that a buyer would pay for the property would not be more than the cost to purchase or construct an equivalent property.

15 Prepaid operating leases

	2016 Shs '000
At 1 January 2016	
Cost	2,584,405
Accumulated depreciation	<u>(34,541)</u>
Net book amount	<u>2,549,864</u>
Year ended 31 December 2016	
Opening net book amount	2,549,864
Amortization charge for the year	<u>(34,575)</u>
Closing net book amount	<u>2,515,289</u>
At 31 December 2016	
Cost	2,584,405
Accumulated depreciation	<u>(69,116)</u>
Net book amount	<u>2,515,289</u>

Prepaid operating leases relate to leasehold land owned by the University

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Notes (continued)

16	Intangible assets	Computer software	Computer software work in progress	Total
		2016 Shs '000	2016 Shs '000	2016 Shs '000
At 1 January 2016				
	Cost	67,999	24,253	92,252
	Accumulated depreciation	(63,560)	-	(63,560)
	Net book amount	4,439	24,253	28,692
Year ended 31 December 2015				
	Opening net book amount	4,439	24,253	28,692
	Additions	2,238	31,486	33,723
	Disposal	(340)	-	(340)
	Charge for the year	(2,966)	-	(2,966)
	Closing net book amount	3,371	55,739	59,109
At 31 December 2016				
	Cost	69,897	55,738	125,635
	Accumulated depreciation	(66,526)	-	(66,526)
	Net book amount	3,371	55,738	59,109

Academic Management System (AMS) software was revalued in December 2010 by management. Revaluation surplus at the beginning and at the end of the period was Shs 11,950,715. This was credited to other comprehensive income and is shown in the revaluation reserve in accumulated fund. Due to lack of similar systems, the valuations were made by estimating the extended useful life that the software will have, the capacity to handle the University's transactions and technological change. If the cost model had been used to measure the computer software, the carrying amount would have been nil (2015: nil).

17 Endowment fund deposits

	2016 Shs '000	2015 Shs '000
European Union	-	3,355
Drakard fund	1,326	1,213
Kamaljeet fund	3,871	3,896
Nyeri High Strath Alumni	515	471
Msgr Clemente Faccani	5,485	4,998
SRRCT-Clinic revolving fund.	13	5,032
Luis Borallo bursary	36	609
Total Endowment fund investment	11,246	19,574

The endowment fund deposits represents grants received from various donors for the purpose of generating interest income for award of bursaries to financially needy students.



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Notes (continued)

18 Designated fund deposits

	2016 Shs '000	2015 Shs '000
Staff development Fund	92	4,489
Staff medical fund	1	4,191
Research Fund	-	1,452
Capital Contribution Fund	-	3,368
40 Anniv. E Fund	2,226	2,028
Auditorium Pa System	2,764	2,524
Land Development	17	17
Asset Replacement Fund	2	4,776
Integrity Fellowship	2,277	3,463
Collateral For Student Loan Scheme	19,389	18,868
Total designated fund deposits	26,768	45,176

These are funds held in current and fixed deposit accounts with various banks. Included in these funds is a balance of Shs 19 million held at Chase Bank being collateral for student loans guaranteed by the University.

Maturity analysis of designated fund deposits

	2016 Shs '000	2015 Shs '000
a) Within 30 days	2,337	4,056
b) Within 60 days	-	3,463
c) Within 90 days	5,042	2,524
d) After 90 days	19,389	35,133
	26,768	45,176

19 Bank balances held by receivers

	2016 Shs '000	2015 Shs '000
Bank and Cash Balances	22,573	-
Short term deposit	20,905	-
	43,478	-

These are funds held in current and fixed deposit accounts with Chase Bank (K) Limited which was placed under receivership in April 2016.

20 Inventory

	2016 Shs '000	2015 Shs '000
Stationery stock	1,651	2,056
Food and beverage stock	1,640	1,883
Study materials	21,771	16,611
Building, furniture & equipment materials	25,503	-
	50,565	20,550

Included in administration expenses is an amount of Shs 6,180,000 (2015 Shs 5,482,000) that has been expensed during the year.

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For the year ended 31 December 2016**Notes (continued)****21 Trade and other receivables**

	2016	2015
	Shs '000	Shs '000
Student fees Debtors	330,651	241,432
Other debtors -Corporate receivable	236,986	203,944
Provision for bad and doubtful debts	(110,486)	(84,402)
Trade receivables - Net	<u>457,151</u>	<u>360,974</u>
Prepayments	29,420	25,590
Staff receivables	25,371	32,821
Utilities Deposits	3,554	3,554
Medical float	3,559	834
Other receivable	101,697	69,933
	<u>620,752</u>	<u>493,706</u>

Movements on the provision for impairment of trade receivables are as follows:

	2016	2015
	Shs '000	Shs '000
At start of year	84,402	86,553
Provision in the year	40,444	20,108
Receivables written off during the year as uncollectible	(14,360)	(22,259)
At end of year	<u>110,486</u>	<u>84,402</u>

22 Cash and cash equivalent

For the purposes of the statement of cash flows, cash and cash equivalents comprise of the following amounts:-

	2016	2015
	Shs '000	Shs '000
Bank and Cash Balances	55,107	88,447
Short term deposit	45,666	55,421
	<u>100,773</u>	<u>143,868</u>

	2016	2015
	Shs'000	Shs'000
Maturity analysis of short term deposits		
a) On call	24,500	5,035
b) Within 30 days	2,194	5,000
c) Within 60 days	-	3,093
d) Within 90 days	5,010	42,293
e) After 90 days	13,962	-
	<u>45,666</u>	<u>55,421</u>



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Notes (continued)

23 Related parties transactions

Strathmore Research & Consultancy Centre (SRCC) is an advisory centre of the University. The centre coordinates research and consultancy work of the University and ensures that clients receive high quality advice under generally accepted commercial arrangements. The mandate is to promote research and consulting activities within the University by leveraging faculty members. In addition, the centre is charged with the responsibility of commercializing University's innovation and in so doing support entrepreneurship. The University is limited by share capital and the University owns 0.2% while 99.8% is owned by Strathmore Educational Registered Trust (SERT). The transactions above relates to expenses incurred by the University on behalf of SRCC.

The University was established by Strathmore Education Trust. It is a charitable education trust and they are the trustees of the University.

No other commitment was due from SRCC.

	2016	2015
	Shs	Shs
	'000	'000
(a) Balances due from related parties:		
(i) Strathmore Research & Consultancy Center		
At 1 January 2016	7,849	36,734
Net transaction during the year	<u>23,931</u>	<u>(28,885)</u>
At 31 December 2016	<u><u>31,780</u></u>	<u><u>7,849</u></u>

In 2016, no provisions for doubtful debts was recognized. The amount of doubtful debt relating to the SRCC balance was Shs. 8,776,000 (2015: Shs 8,776,000). The balance is not secured and settlement is expected within the following financial year in cash. The opening balances for SRCC was incorporated in Strathmore University in 2016.

	2016	2015
	Shs '000	Shs '000
(b) Due to SERT		
At 1 January	42,034	31,499
Contributions for the year	53,416	51,669
Paid during the year	<u>(20,000)</u>	<u>(41,134)</u>
At 31 December 2016	<u><u>75,450</u></u>	<u><u>42,034</u></u>

24 Capital investment fund

Capital investment fund represent the non-current assets that were transferred from SERT when Strathmore college moved from Lavington to Madaraka campus in 1993 separating Strathmore school and Strathmore college.



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Notes (continued)

25 Revaluation reserve

This arose from the revaluation of land, building, investment property and software.

	2016	2015
	Shs '000	Shs '000
At beginning of year	2,953,609	2,989,019
Depreciation transfer - gross	(35,413)	(35,410)
At end of year	<u>2,918,196</u>	<u>2,953,609</u>

26 (a) Designated funds

Staff Development Fund	13,357	14,332
Staff Medical Fund	25,623	26,000
Research Fund	32,030	33,483
Capital Contribution Fund	<u>34,753</u>	<u>36,384</u>
	<u>105,763</u>	<u>110,199</u>
Held as follows:-		
Invested in term deposit (Note 18)	93	13,500
Designated funds not invested	105,670	96,699
	<u>105,763</u>	<u>110,199</u>

(b) Designated funds

40 Anniv. E Fund	2,467	2,269
Land Development Reserve	4,078	4,078
Asset Replacement Fund	7,679	8,110
Medical Center fund	22,671	10,711
Ford Foundation	3,908	4,162
SELEP Training	1,024	1,024
Creates	2,535	2,654
CIC Project	2,304	1,864
Trust Africa	119	119
Ford Foundation-KEGOSES	465	465
COG - KEGOSES	724	4,233
Partnership for Enhanced engagement in Research	209	10,022
Limmat Training Fund	-	1,861
Genda And Enterprise Development-Isser	2,556	-
CIPIT (Intellectual Property)	5,543	-
Integrity Fellowship	2,526	-
SERC Projects	19,987	-
SIASIC (International Criminal Justice)	2,438	-
Community outreach donations	4,280	2,909
HP- Project Grant	3,286	2,278
Ilabafrica	-	13,866
Sustainability Fund	1,002	1,044
Other funds	<u>4,588</u>	<u>11,815</u>
	<u>94,389</u>	<u>83,484</u>



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For the year ended 31 December 2016

Notes (continued)

26 (c) Designated funds (Continued)

	2016 Shs '000	2015 Shs '000
Held as follows:-		
Invested in term deposit	26,674	28,213
Designated Funds not invested	67,715	55,271
Designated funds	94,389	83,484

These are funds set aside as strategic reserve for future University projects such as capital projects, research, and collateral for student loans, staff development and welfare. These funds are held in various current and fixed deposit accounts in banks.

27 Endowment funds

	2016 Shs '000	2015 Shs '000
European Union	88,844	81,852
Drakard E Fund	859	746
Kamaljeet fund	3,380	3,657
Nyeri High Strathmore Alumni	600	524
Msgr Clemente Faccani	4,216	4,030
George Mbugua	543	-
Srrct-Clinic Revolving Fund.	3,661	4,819
At 31 December 2016	102,103	95,628

The endowment funds represents grants received from the European Union, Drakard, Kamaljeet, Nyeri High School, Strathmore alumni, Msgr Clemente Faccani and SRRCT for the purpose of generating investment income for award of bursaries to financially needy students.

28 Borrowings

	2016 Shs '000	2015 Shs '000
Non- Current		
Euro loan	354,126	407,009
Cooperative Bank loan	5,642	42,499
EADB Loan	353,112	322,907
Cooperative Bank laptop loan	34,035	
Cooperative Bank solar project loan	93,255	106,399
	840,170	878,814
Current		
Euro loan	32,922	37,268
Cooperative Bank loan	36,857	36,857
EADB Loan	40,190	
Cooperative Bank laptop loan	34,035	
Cooperative Bank solar project loan	13,323	13,294
	157,327	87,419
	997,497	966,233



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Notes (continued)

28 Borrowings (Continued)	2016 Shs '000	2015 Shs '000
Movement in borrowings		
At start	966,232	717,766
Advanced in the year	145,163	322,907
Repayments	(97,207)	(95,402)
Foreign exchange gain/loss	(16,692)	20,961
At the end of the year	997,496	966,232

The carrying amount of the borrowings approximate their fair value, as the impact of discounting is not material

The following loans amounting to Euro 3,641,052(2015: Euro 3,974,445) from Fomento are repayable in quarterly instalments:-

- Loan 2 Euro 912,311 over a period of 11 years
- Loan 4 Euro 1,266,241 over a period of 11 years
- Loan 5 Euro 1,462,500 over a period of 15 years

They are unsecured and non-interest bearing.

The loan amounting to Shs 42,499,496 from Co-operative Bank of Kenya Ltd is repayable in monthly instalments over two years. It is secured by the University's leasehold land LR. No. 209/10587 and LR. No. 209/11613, interest is payable at a rate of 14.25% per annum.

The loan amounting to Dollars 1,039,936 from Co-operative Bank of Kenya Ltd is repayable in monthly instalments over eight years. It is secured by the University's leasehold land LR. No. 209/10587 and LR. No. 209/11613, interest is payable at a rate of 5.8% per annum.

The loan amounting to Shs 396,650,794 from East African Development Bank Ltd is repayable in monthly instalments over twelve years. It is secured by the University's leasehold land LR. No. 209/10774 together with any buildings thereon, interest is payable at a rate of 13.50% per annum.

The loan amounting to Shs 68,070,068 from Co-operative Bank of Kenya Ltd is repayable in monthly instalments over two years. It is secured by the University's leasehold land LR. No. 209/10587 and LR. No. 209/11613, interest is payable at a rate of 14.25% per annum. The unrepresented payments as at the statement of financial position date are reported as payables.

The carrying amount of the bank borrowings approximates to the fair value, as the impact of discounting is not significant.



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Notes (continued)

29 Trade and other payables	2016	2015
	Shs '000	Shs '000
Student payables	34,805	31,974
Deferred fees	290,879	284,692
Supplier payables	125,157	53,144
Accruals	79,470	99,367
Un-cleared suppliers payments	-	16,134
Staff payables	15,090	34,473
Student Prepayments	225,285	158,395
Other payables	84,452	50,105
	<u>855,138</u>	<u>728,284</u>

The carrying amounts of the above trade and other payables approximate their fair values.

30 Contingent liabilities

No significant contingent liability is anticipated.

31 Commitments

Expenditure contracted for at the statement of financial position date but not recognised in the financial statements is as follows:

	2016	2015
	Shs '000	Shs '000
Property, plant and equipment and other expenses	<u>66,772</u>	<u>74,092</u>



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