AMREF INTERNATIONAL UNIVERSITY

ANNUAL REPORT

AND

FINANCIAL STATEMENTS

31 DECEMBER 2018

AMREF INTERNATIONAL UNIVERSITY
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FOR THE YEAR ENDED 31 DECEMBER 2018

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AMREF INTERNATIONAL UNIVERSITY
UNIVERSITY INFORMATION
FOR THE YEAR ENDED 31 DECEMBER 2018

BOARD OF TRUSTEES

Mr. Omari Issa - Chair
Prof. Richard Muga
Dr. Githinji Gitahi
Ms. Angela Kiryabwire
Ms. Muthoni Kariuki

MEMBERS OF THE UNIVERSITY COUNCIL

Prof. Margaret Kobia - Chair
Prof. Fred Wabwire - Mangen
Prof. Ephata Kaaya
Prof. Elizabeth Dyke
Prof. Irene Tato
Mr. Jonathan Dutton
Mr. Edwin Macharia

MEMBERS OF THE SENATE

Prof. Marion Mutugi	Vice Chancellor – from January 2019
Dr. Alice Lakati	Ag. Vice Chancellor - from October 2018 to December 2018
Dr. Peter Ngatia	Ag. Vice Chancellor – up to September 2018
Dr. Jane Carter	
Prof. Joachim Osur	
Dr. Josephat Nyagero	
Dr. Micah Matiang'i	
Mr. Francis Namisi	
Ms. Rose Mungai	

MEMBERS OF THE UNIVERSITY MANAGEMENT BOARD

Prof. Marion Mutugi	Vice Chancellor - from January 2019
Dr. Alice Lakati	Ag. Vice Chancellor - from October 2018
Dr. Peter Ngatia	Ag. Vice Chancellor - up to September 2018
Ms. Rose Mungai	

REGISTERED OFFICE

Amref International University
Langata Road
P. O. Box 27691 – 00506
Nairobi, Kenya

SECRETARY

Amuhaya Diana Barasa
Amref Health Africa
Langata Road
P. O. Box 27691 - 00506
Nairobi, Kenya

AMREF INTERNATIONAL UNIVERSITY
UNIVERSITY INFORMATION
FOR THE YEAR ENDED 31 DECEMBER 2018

SPONSOR

Amref Health Africa
Langata Road
P. O. Box 27691 – 00506
Nairobi, Kenya

AUDITORS

Ernst & Young LLP
Certified Public Accountants
Kenya-Re Towers, Upper Hill
P. O. Box 44286 - 00100
Nairobi, Kenya

LAWYERS

Kaplan & Stratton
Williamson House
4th Ngong Avenue
P. O. Box 40111 - 00100
Nairobi, Kenya

Gitonga Kamiti, Kairaria & Co.
City House
2nd Floor Wabera Street
P. O. Box 7601 – 00100
Nairobi, Kenya

BANKERS

Barclays Bank of Kenya Limited
Plaza Branch
P. O. Box 48661 - 00100
Nairobi, Kenya

Kenya Commercial Bank Limited
Kipande House Branch
P. O. Box 30012 - 00100
Nairobi, Kenya

AMREF INTERNATIONAL UNIVERSITY
REPORT OF THE UNIVERSITY COUNCIL
FOR THE YEAR ENDED 31 DECEMBER 2018

The University Council submits its first annual report together with the audited financial statements for the year ended 31 December 2018, which show the state of the University's affairs.

Incorporation

Amref International University is incorporated in Kenya under Section 24 of the Universities Act. The University received its Letter of Interim Authority from the Commission for University Education on 1 August 2017. It began trading on 1 January 2018 and hence these are the first financial statements for the University.

About Amref International University

Amref International University (AMIU) is registered as a private University with its main campus located off Langata Road Nairobi, Kenya. During the period under review, it had an Institute of Research, Innovation and Consultancy and a School of Health Sciences with five departments, namely: community health practice, continuing professional courses, health systems management and development, health professions education and laboratory sciences. The University offers Degrees, Higher Diploma, Diploma and various short courses.

AMIU had an average of 30 employees during the financial year under audit and an average student population of 1,500 students. The University is headed by a Vice Chancellor supported by a Senate and University Management Board. The names of members are set out on page 1.

The University operates under the Universities Act and is regulated by the Commission of University Education

Objectives of the University

AMIU is an accredited institution of higher learning focused on training in health sciences and is wholly owned by Amref Health Africa. AMIU was founded on Amref Health Africa, which is renowned for over 60 years of experience in delivering quality health interventions to marginalised communities in Kenya and Africa at large.

With partnerships with major universities around the world, AMIU focusses primarily on health sciences with a commitment to progressively develop innovative programmes catering for the present and future needs of African populations.

Principal Activity

The principal activity of the University is to provide university level education comprising undergraduate and graduate studies.

Results

The results for the year are set out on page 7.

Statement as to disclosure to the University's auditor

With respect to each member of the University Council at the time this report was approved:

a) there is, so far as the person is aware, no relevant audit information of which the University's auditors are unaware; and

b) the person has taken all the steps that the person ought to have taken as a member so as to be aware of any relevant audit information and to establish that the University's auditors are aware of that information.

Auditors

The University's auditors, Ernst & Young LLP, have expressed their willingness to continue in office.

BY ORDER OF THE COUNCIL

Prof. Margaret Kobia
Council Chair

28...JUNE.....2019

AMREF INTERNATIONAL UNIVERSITY
STATEMENT OF UNIVERSITY COUNCIL RESPONSIBILITIES
FOR THE YEAR ENDED 31 DECEMBER 2018

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 performance for that period. The Council is required to ensure 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 Council is also responsible for safeguarding the assets of the University, and for taking reasonable steps for the prevention and detection of fraud and error.

The Council accepts responsibility for the preparation and presentation of these annual financial statements, which have been prepared using appropriate accounting policies, supported by reasonable and prudent judgements and estimates, in conformity with International Financial Reporting Standards. The Council is of the opinion that the financial statements give a true and fair view of the state of the financial affairs of the University and of its operating results.

The Council also accepts responsibility for:

(i) designing, implementing and maintaining such internal controls as it determines 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 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 Council acknowledges that the independent audit of the financial statements does not relieve them of their responsibilities.

Approved by the University Council on 19 March 2019 and signed on 28 June 2019 on its behalf by:

Prof. Margaret Kobia
Council Chair

Prof. Marion Mutugi
Vice Chancellor

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Ernst & Young LLP
Certified Public Accountants
Kenya Re Towers
Upper Hill
Off Ragati Road
P.O. Box 44286 - 00100
Nairobi GPO, Kenya

Tel: +254 20 2886000
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LLP/2015/52

INDEPENDENT AUDITOR'S REPORT
TO THE COUNCIL MEMBERS OF AMREF INTERNATIONAL UNIVERSITY

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of Amref International University set out on pages 7 to 28, which comprise the statement of profit or loss and other comprehensive income for the year ended 31 December 2018, statement of financial position as at 31 December 2018, statement of changes in reserves 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 present fairly, in all material respects, the financial performance of Amref International University for the year ended 31 December 2018, financial position as at 31 December 2018 and cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRS).

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). 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 University in accordance with the International Ethics Standards Board for Accountants' *Code of Ethics for Professional Accountants (IESBA Code)*. We have fulfilled our other ethical responsibilities in accordance with the IESBA Code, and in accordance with other ethical requirements applicable to performing audits of financial statements in Kenya. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other Information

The Council is responsible for the other information. The other information comprises the University Information, Report of the University Council and the Statement of University Council Responsibilities on the financial statements. The other information 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 an audit opinion or 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, 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.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

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

In preparing the financial statements, the 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 Council either intend to liquidate the University or to cease operations, or have no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the University's financial reporting processes.

Partners: C O Atinda, H C Wasike, G Gitahi, M M Kimoni, C W Mbogo, A K Gichuhi, A M Muthusi, J M Ngong'a, F N M Kamau, N M Muhoya, T O Nyakoe, C A Munda, C N Kirathe.
A member firm of Ernst & Young Global Limited.
Licensed by ICPAK as a Limited Liability Partnership of Certified Public Accountants.

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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 judgement 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 Council;

- Conclude on the appropriateness of the 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.

We communicate with the Council 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 Nancy Muhoya Practising Certificate No. 2158.

Ernst & Young

Nairobi

28 June 2019

AMREF INTERNATIONAL UNIVERSITY
STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2018

	Notes	US$ '000	Ksh '000
INCOME			
Tuition fees	3	967	98,074
Grant income - restricted	4	803	81,440
Other income	5	670	67,951
Deferred income	6	57	5,781
Grant from sponsor	7	612	62,069
Total income		**3,109**	**315,315**
EXPENDITURE			
Instructional support	8	1,053	106,796
Management costs	9	1,249	126,673
Programme activities	10	807	81,846
Total expenditure		**3,109**	**315,315**
Total comprehensive income for the year		-	-

AMREF INTERNATIONAL UNIVERSITY
STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2018

	Notes	US$ '000	Ksh '000
ASSETS			
Non-current assets			
Property and equipment	11	6,842	697,200
Current assets			
Inventories		52	5,298
Student and other receivables	12	267	27,208
Grants receivable	4	13	1,325
Cash and cash equivalent	13	36	3,668
Total current assets		**368**	**37,499**
TOTAL ASSETS		**7,210**	**734,699**
RESERVES AND LIABILITIES			
Reserves			
Accumulated reserve		74	7,505
Accumulated assets reserve		2,662	275,123
Translation loss		-	(3,830)
Total reserves		**2,736**	**278,798**
Non-current Liabilities			
Deferred Income	6	4,106	418,402
Current liabilities			
Unexpended grants	4	312	31,793
Advance tuition fees		2	202
Trade and other payables	14	54	5,504
Total current liabilities		**368**	**37,499**
TOTAL RESERVES AND LIABILITIES		**7,210**	**734,699**

The financial statements were approved by the University Council on 19 March 2019 and signed on 28 June 2019 on its behalf by:

Prof Margaret Kobia
Council Chair

Prof Marion Mutugi
Vice Chancellor

AMREF INTERNATIONAL UNIVERSITY
STATEMENT OF CHANGES IN RESERVES
FOR THE YEAR ENDED 31 DECEMBER 2018

	Accumulated reserve	Accumulated assets reserve*	Total
	US$ '000	US$ '000	US$ '000
Asset donations from sponsor	-	2,615	2,615
Government grant	-	121	121
Surplus for the year	-	-	-
Depreciation transfer	74	(74)	-
	74	**2,662**	**2,736**

	Accumulated reserve	Accumulated assets reserve*	Translation loss**	Total
	Ksh '000	Ksh '000	Ksh '000	Ksh '000
Asset donations from sponsor	-	270,129	-	270,129
Government grant	-	12,499	-	12,499
Surplus for the year	-	-	-	-
Depreciation transfer	7,505	(7,505)	-	-
Translation loss	-	-	(3,830)	(3,830)
	7,505	**275,123**	**(3,830)**	**278,798**

* The accumulated assets reserve has been created to separate reserves that specifically relate to property and equipment and reflects the carrying amount of donated non-current assets as at the year end.

**The translation loss represents the cumulative effect on amounts and balances upon translation from the functional currency (United States Dollars) to the presentation currency (Kenya shillings).

AMREF INTERNATIONAL UNIVERSITY
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER 2018

	Notes	US$ '000	Ksh '000
Operating activities			
Profit for the year		-	-
Adjustment for:			
Depreciation on property and equipment	11	74	7,505
Amortisation on property and equipment	11	57	5,781
Deferred income		(57)	(5,781)
Provision for doubtful debts		19	1,927
Working capital adjustments:			
Increase in inventory		(52)	(5,298)
Increase in student and other receivables		(286)	(29,135)
Increase in grants receivable		(13)	(1,325)
Increase in unexpended grant		312	31,793
Increase in advance tuition fees		2	202
Increase in trade and other payables		54	5,504
Net cash flows from operating activities		**110**	**11,173**
Investing activities			
Purchase of property and equipment	11	(74)	(7,541)
Net cash flows used in investing activities		**(74)**	**(7,541)**
Net increase in cash and cash equivalents		36	3,632
Effect of foreign currency transactions		-	36
Cash and cash equivalents at 31 December	13	**36**	**3,668**

1. SIGNIFICANT ACCOUNTING POLICIES

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied, unless otherwise stated.

a) Basis of preparation

The financial statements are prepared on the historical cost basis, except where otherwise stated in the accounting policies below. The financial statements are presented in United States Dollars which is the functional currency and Kenya Shillings (KSh) which is the presentation currency.

b) Statement of compliance

The financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS), as issued by the International Accounting Standards Board (IASB).

The financial statements comprise the statement of profit or loss and other comprehensive income, statement of financial position, statement of changes in reserves, statement of cash flows and notes to the financial statements. Income and expenses, excluding the components of other comprehensive income, are recognised in the profit or loss.

The preparation of financial statements in conformity with International Financial Reporting Standards requires the use of estimates and assumptions. It also requires management to exercise its judgement in the process of applying the accounting policies adopted by the University. Although such estimates and assumptions are based on the management's best knowledge of the information available, actual results may differ from those estimates. The estimates and underlying assumptions are reviewed on an ongoing basis and revisions thereto are recognised in the period of revision and future periods, where applicable, refer to Note 2.

c) New and amended standards and interpretations

The University applied for the first-time certain standards and amendments, which are effective for annual periods beginning on or after 1 January 2018. The University has not early adopted any standard, interpretation or amendment that has been issued but is not yet effective.

The nature and the impact of the relevant standards and amendments is described below. Although these new standards and amendments were applied for the first time in 2018, they did not have a material impact on the annual financial statements of the University.

IFRS 9 Financial Instruments

In these financial statements, the University has applied IFRS 9, effective for annual periods beginning on or after 1 January 2018 for the first time.

IFRS 9 replaces IAS 39 for annual periods beginning on or after 1 January 2018, bringing together all three aspects of the accounting for financial instruments: classification and measurement, impairment and hedge accounting.

The University applied IFRS 9 prospectively, with an initial application date of 1 January 2018. The University has not restated the comparative information, which continues to be reported under IAS 39.

Classification and measurement

Under IFRS 9, debt instruments are subsequently measured at fair value through profit or loss, amortised cost, or fair value through OCI. The classification is based on two criteria: the University's business model for managing the assets; and whether the instruments' contractual cash flows represent 'solely payments of principal and interest' on the principal amount outstanding.

The assessment of the University's business model was made as of the date of initial application, 1 January 2018. The assessment of whether contractual cash flows on debt instruments are solely comprised of principal and interest was made based on the facts and circumstances as at the initial recognition of the assets.

1. SIGNIFICANT ACCOUNTING POLICIES (continued)

c) New and amended standards and interpretations (continued)

IFRS 9 Financial Instruments (continued)

Classification and measurement (continued)

The classification and measurement requirements of IFRS 9 did not have a significant impact to the University as this was the first financial reporting year.

Impairment

The adoption of IFRS 9 has fundamentally changed the University's accounting for impairment losses for financial assets by replacing IAS 39's incurred loss approach with a forward-looking Expected Credit Loss (ECL) approach. IFRS 9 requires the University to recognise an allowance for ECLs for all debt instruments not held at fair value through profit or loss and contract assets.

Upon adoption of IFRS 9 the University recognised impairment on the University's debtors of US$ 439,000 as indicated in Note 12. Further, the ECL for cash and cash equivalents is considered immaterial to the financial statements.

Hedge accounting

The University does not apply hedge accounting and as a result it has no impact.

IFRS 15 Revenue from Contracts with Customers

IFRS 15 supersedes IAS 11 Construction Contracts, IAS 18 Revenue and related Interpretations and it applies, with limited exceptions, to all revenue arising from contracts with customers. IFRS 15 establishes a five-step model to account for revenue arising from contracts with customers and requires that revenue be recognised at an amount that reflects the consideration to which an entity expects to be entitled in exchange for transferring goods or services to a customer.

IFRS 15 requires entities to exercise judgement, taking into consideration all the relevant facts and circumstances when applying each step of the model to contracts with their customers. The standard also specifies the accounting for the incremental costs of obtaining a contract and the costs directly related to fulfilling a contract. In addition, the standard requires relevant disclosures.

The University adopted IFRS 15 using the modified retrospective method of adoption with the date of initial application of 1 January 2018. Under this method, the standard can be applied either to all contracts at the date of initial application or only to contracts that are not completed at this date. The University elected to apply the standard to all contracts as at 1 January 2018, which was the commencement date for operations.

The following interpretation and amendments to existing Standards also became effective as of 1 January 2018:

- IFRIC Interpretation 22 Foreign Currency Transactions and Advance Consideration
- Amendments to IAS 40 Transfers of Investment Property
- Amendments to IFRS 2 Classification and Measurement of Share-based Payment Transactions
- Amendments to IFRS 4 Applying IFRS 9 Financial Instruments with IFRS 4 Insurance Contracts
- Amendments to IAS 28 Investments in Associates and Joint Ventures – Clarification that measuring investees at fair value through profit or loss is an investment-by-investment choice
- Amendments to IFRS 1 First-time Adoption of International Financial Reporting Standards – Deletion of short-term exemptions for first-time adopters

The management has assessed the nature and the effect of the above new amendments and interpretations and concluded that they did not have a significant impact on the University's financial position and performance.

1. SIGNIFICANT ACCOUNTING POLICIES (continued)

c) New and amended standards and interpretations (continued)

Standards issued but not yet effective

The new and amended standards and interpretations that are issued, but not yet effective, up to the date of issuance of the University's financial statements are disclosed below. The University intends to adopt these new and amended standards and interpretations, if applicable, when they become effective.

IFRS 16 Leases

The IASB issued IFRS 16 Leases on 13 January 2016. The scope of the new standard includes leases of all assets, with certain exceptions. A lease is defined as a contract, or part of a contract, that conveys the right to use an asset (the underlying asset) for a period of time in exchange for consideration.

Key features:

- The new standard requires lessees to account for all leases under a single on-balance sheet model (subject to certain exemptions) in a similar way to finance leases under IAS 17.
- Lessees recognise a liability to pay rentals with a corresponding asset, and recognise interest expense and depreciation separately.
- The new standard includes two recognition exemptions for lessees – leases of 'low-value' assets (e.g., personal computer) and short-term leases (i.e., leases with a lease term of 12 months or less).
- Reassessment of certain key considerations (e.g., lease term, variable rents based on an index or rate, discount rate) by the lessee is required upon certain events.
- Lessor accounting is substantially the same as today's lessor accounting, using IAS 17's dual classification approach.

Transition

IFRS 16 is effective for annual periods beginning on or after 1 January 2019. Early application is permitted, but not before an entity applies IFRS 15. The new standard permits a lessee to choose to apply the standard using either a full retrospective or a modified retrospective approach. The standard's transition provisions permit certain reliefs.

Impact

The management have assessed the impact of adoption of IFRS 16 on the University's financial statements and have concluded that adoption of IFRS 16 will not have a material impact on the annual financial statements.

The other standards issued but not yet effective are listed below:

Effective for annual periods beginning on or after 1 January 2019

- IFRIC Interpretation 23 Uncertainty over Income Tax Treatments
- Prepayment Features with Negative Compensation – Amendments to IFRS 9
- Long-term Interests in Associates and Joint Ventures – Amendments to IAS 28
- AIP IFRS 3 Business Combinations – Previously held Interests in a joint operation
- AIP IFRS 11 Joint Arrangements – Previously held Interests in a joint operation
- AIP IAS 12 Income Taxes – Income tax consequences of payments on financial instruments classified as equity
- AIP IAS 23 Borrowing costs – Borrowing costs eligible for capitalisation
- Plan Amendment, Curtailment or Settlement - Amendments to IAS 19

Effective for annual periods beginning on or after 1 January 2020

- Definition of a Business - Amendments to IFRS 3
- Definition of Material - Amendments to IAS 1 and IAS 8
- The Conceptual Framework for Financial Reporting

Deferred effective date

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

1. SIGNIFICANT ACCOUNTING POLICIES (continued)

d) Income recognition

i. Restricted grants (grants received for specific purposes) income is recognised when expenditure is incurred and when grants conditions set out in the respective grant agreements are fulfilled. Unrestricted grant income (non-specific grants) is recognised when received or when firm commitments have been obtained from the donors.

ii. Tuition fees is recognised when the semester commences at the amount attributed to by the student. Tuition and fee income is accounted for on an accruals basis over the period to which they relate. Fees paid in advance are carried forward as liabilities at the end of each reporting period.

iii. Other income is recognised when received, earned or invoiced depending on the nature. This includes collection from conferencing facilities, consultancies, bookshops, gym among others.

e) Foreign currency transactions

Functional and presentation currency
Even though the University is domiciled in Kenya whose functional currency is the Kenya Shilling, the activities of the University are conducted mainly in United States Dollars. The University's functional currency is the United States Dollar.

Transactions in currencies other than the University's functional currency are recognised in United States Dollar at the rates of exchange prevailing on the dates transactions are undertaken.

Translation and balances
Assets and liabilities are translated into Kenya Shillings at the rate of exchange ruling at the statement of financial position date. Income and expenditure is translated at the average exchange rate for the year. All translation differences are transferred to the translation reserve.

f) Financial instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

Initial recognition and measurement

Financial assets are classified, at initial recognition, as subsequently measured at amortised cost, fair value through other comprehensive income (OCI), and fair value through profit or loss. The University has no financial instruments measured at fair value through OCI or fair value through profit or loss.

The classification of financial assets at initial recognition depends on the financial asset's contractual cash flow characteristics and the University's business model for managing them. With the exception of trade receivables that do not contain a significant financing component or for which the University has applied the practical expedient, the University initially measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs.

Trade receivables that do not contain a significant financing component or for which the University has applied the practical expedient are measured at the transaction price determined under IFRS 15.

In order for a financial asset to be classified and measured at amortised cost or fair value through OCI, it needs to give rise to cash flows that are 'solely payments of principal and interest (SPPI)' on the principal amount outstanding. This assessment is referred to as the SPPI test and is performed at an instrument level.

The University's business model for managing financial assets refers to how it manages its financial assets in order to generate cash flows. The business model determines whether cash flows will result from collecting contractual cash flows, selling the financial assets, or both.

1. SIGNIFICANT ACCOUNTING POLICIES (continued)

f) Financial instruments (continued)

Initial recognition and measurement (continued)

Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the market place (regular way trades) are recognised on the trade date, i.e. the date that the University commits to purchase or sell the asset.

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, payables, or as derivatives designated as hedging instruments in an effective hedge, as appropriate.

All financial liabilities are recognised initially at fair value and, in the case of related party borrowings and payables, net of directly attributable transaction costs.

The University's financial liabilities include trade and other payables and amounts owed to related parties.

Subsequent measurement of financial assets

For purposes of subsequent measurement, all the University's financial assets are classified as financial assets at amortised cost (debt instruments). The entity's financial assets in the statement of financial position are student and other receivables, cash and bank balances and amounts due from related parties.

The University measures financial assets at amortised cost if both of the following conditions are met:

- The financial asset is held within a business model with the objective to hold financial assets in order to collect contractual cash flows; and,

- The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial assets at amortised cost are subsequently measured using the effective interest rate (EIR) method and are subject to impairment. Gains and losses are recognised in profit or loss when the asset is derecognised, modified or impaired.

Financial assets at Fair Value Through Profit or Loss (FVTPL)

Financial assets at FVTPL are stated at fair value, with any gains or losses arising on re-measurement recognised in profit or loss. The net gain or loss recognised in profit or loss incorporates any dividend or interest earned on the financial asset and is included under other income.

Impairment of financial assets

The University recognises an allowance for expected credit losses (ECLs) for all debt instruments not held at fair value through profit or loss. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the University expects to receive, discounted at an approximation of the original effective interest rate. The expected cash flows will include cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

For all the University's financial assets, the University applies a simplified approach in calculating ECLs. Therefore, the University does not track changes in credit risk, but instead recognises a loss allowance based on lifetime ECLs at each reporting date. The University has established a provision matrix that is based on its historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment.

1. SIGNIFICANT ACCOUNTING POLICIES (continued)

f) Financial instruments (continued)

Impairment of financial assets (continued)

The University considers a financial asset in default when contractual payments are 180 days past due. However, in certain cases, the University may also consider a financial asset to be in default when internal or external information indicates that the University is unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements held by the University. A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows.

Derecognition of financial Instruments

Financial assets

The University derecognises a financial asset only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity. If the University neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the University recognises its retained interest in the asset and an associated liability for amounts it may have to pay.

Financial liabilities

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability.

The difference between the carrying amount of the financial liability derecognised and the consideration paid or payable is recognised in profit or loss.

Other financial liabilities

Other financial liabilities (including trade and other payables) are initially measured at their fair values plus, in the case of a financial liability not at fair value through profit or loss, transaction costs that are directly attributable to acquisition or issue of the financial liability. Financial liabilities are subsequently measured at amortised cost using the effective interest method.

The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial liability, or (where appropriate) a shorter period, to the net carrying amount on initial recognition.

Offsetting

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

Fair values

The fair value of the financial assets and liabilities approximate the carrying amounts shown in the statement of financial position due to short-term nature.

1. SIGNIFICANT ACCOUNTING POLICIES (continued)

g) Property and equipment

Assets donated to the University are included in the financial statements at the amount attributed to them by the donor and/or Sponsor. Property and equipment purchased for donor-funded health programmes are expensed in the year of purchase. All other property and equipment is capitalised.

The fair value hierarchy prioritises the inputs used to measure fair value into three broad Levels (Levels 1, 2 and 3), moving from quoted prices in active markets in Level 1 to unobservable inputs in Level 3. The levels are as defined below:

i). Level 1 inputs – observable, quoted prices for identical assets or liabilities in active markets.

ii). Level 2 inputs – quoted prices for similar assets or liabilities in active markets; quoted prices for identical or similar assets in markets that are not active; and inputs other than quoted prices e.g. interest rates and yield curves.

iii). Level 3 inputs – unobservable inputs for the asset or liability. These should be based on the best information available. The University should utilise all reasonably available information, but need not incur excessive cost or effort to do so. However, it should not ignore information that can be obtained without undue cost and effort. As such, the reporting entity's own data should be adjusted if information is reasonably available without undue cost and effort.

Any revaluation increase arising on the revaluation of such property is recognised in other comprehensive income and accumulated in the properties revaluation reserve, except to the extent that it reverses a revaluation decrease for the same asset previously recognised in profit or loss, in which case the increase is credited to profit or loss to the extent of the decrease previously expensed. A decrease in the carrying amount arising on the revaluation of such buildings is recognised in profit or loss to the extent that it exceeds the balance, if any, held in the properties revaluation reserve relating to a previous revaluation of that asset. On the subsequent sale or retirement of a revalued property, the attributable revaluation surplus remaining in the properties revaluation reserve is transferred directly to retained earnings.

Depreciation is calculated on the straight-line basis to write down the cost of each asset to its residual value over its estimated useful life as follows:

Buildings	25-40 years
Furniture, fittings and general equipment	12.5 % p.a.
Motor vehicles, medical, surgical and radio equipment	25.0 % p.a.
Information technology hardware and software	33.3 % p.a.

An item of property and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of property and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in profit or loss.

The residual values, useful lives and methods of depreciation of property and equipment are reviewed at each financial year end and adjusted prospectively, if appropriate.

1. SIGNIFICANT ACCOUNTING POLICIES (continued)

h) Inventories

Inventories are valued at the lower of cost and net realisable value. Cost is determined using the weighted average method. Provision is made for obsolete and defective stocks.

i) Student and other receivables

Debtors and prepayments are stated at nominal value less write-down for any amounts expected to be irrecoverable.

j) Grants receivable / Unexpended grants

Grants received for specific purposes are treated as unexpended grants and credited to the income and expenditure statement when the activities for which they were provided for have been undertaken. Any unexpended grants are carried forward as liabilities. Excess of expenditure over receipts for specific grants are recognised as revenue and included in the financial statements as accounts receivable from donors.

k) Retirement benefit obligations

The University operates a defined contribution retirement benefit scheme for all its local employees. In respect of international staff i.e. non-residents, the University contributes to individual retirement benefit schemes chosen by the staff concerned.

The University contributes 14% of basic pay to the defined contribution scheme and the amounts are charged to the statement of profit or loss in the year to which they relate.

The University also contributes to the statutory defined contribution pension scheme, the National Social Security Fund (NSSF). Contributions to this scheme are determined by local statute and is currently at KSh 200 per employee per month.

l) Cash and cash equivalents

Cash and cash equivalents comprise of cash and bank balances, with a maturity of 90 days or less from the date of acquisition, as cash. Bank overdrafts are payable on demand and form an integral part of the cash management and are included as a component of cash and cash equivalents for the purposes of the statement of cash flow, where applicable.

m) Advance tuition fees

Advance tuition fees relates to student fees paid in the current year relating to the subsequent financial year.

n) Foreign currency transactions

Transactions in foreign currencies are converted to US dollars using the exchange rate ruling at the date of the transaction. Foreign currency monetary assets and liabilities are translated to US dollars using the exchange rates ruling at the reporting date. Resulting exchange gains and losses are recognised in the statement of profit or loss and other comprehensive income. Non-monetary assets and liabilities denominated in foreign currency are recorded at the exchange rates ruling at the date of the transaction.

2. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS IN APPLYING THE UNIVERSITY'S ACCOUNTING POLICIES

The preparation of the University's financial statements in conformity with IFRS requires management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the accompanying disclosures, and the disclosure of contingent liabilities at the end of the reporting period. Uncertainty in relation to assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of the asset or liability affected in future periods.

In the process of applying the University's accounting policies, management has made the following judgements, estimates and assumptions:

i). *Impairment of financial assets*

The University recognises an allowance for expected credit losses (ECLs) for all debt instruments not held at fair value through profit or loss. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the University expects to receive, discounted at an approximation of the original effective interest rate.

For all the University's financial assets, the University applies a simplified approach in calculating ECLs. Therefore, the University does not track changes in credit risk, but instead recognises a loss allowance based on lifetime ECLs at each reporting date. The University has established a provision matrix that is based on its historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment.

The University considers a financial asset in default when contractual payments are past policy timelines. However, in certain cases, the University may also consider a financial asset to be in default when internal or external information indicates that the University is unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements held by the University. A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows. Refer to Note 12 for provision balances.

ii). Allowance for obsolete inventories

Management reviews the inventories on an annual basis to assess the likelihood of obsolescence. In determining whether an inventory item is obsolete, management make judgment as to whether the inventory item can be used within the University or is in saleable condition. There was no allowance for obsolete inventories in the current year.

iii). Useful lives of property and equipment

The University reviews the estimated useful lives, depreciation method and residual values of property and equipment at the end of each reporting period. In reviewing the useful lives of property and equipment, the University considers the remaining period over which an asset is expected to be available for use. Refer to Note 1(g).

iv). Impairment of non-financial assets

At each reporting date, the University reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss. Where it is not possible to estimate the recoverable amount of an individual asset, the University estimates the recoverable amount of the cash generating unit to which the asset belongs. Impairment exists when the carrying amount of an asset or cash generating unit exceeds its recoverable amount, which is the higher of its fair value less costs of disposal and its value in use.

v). Contingent liabilities

The University reviews its obligations at each balance sheet date to determine whether there are any contingent liabilities.

3. TUITION FEES

	US$ '000	Ksh '000
Undergraduate tuition	387	39,250
Diploma tuition	196	19,878
Certificate tuition	4	406
Short courses tuition	380	38,540
	967	**98,074**

4. GRANT INCOME

	US$ '000	Ksh '000
Grants received during the year	694	70,719
Other adjustments*	(5)	(510)
Transfer from sponsor:		
Unexpended grants	413	42,663
Total grants available for operations	**1,102**	**112,872**
Add: Grants receivable	13	1,325
Less: Unexpended grants	(312)	(31,793)
Translation difference	-	(964)
	(299)	**(31,432)**
Grant income recognised in the year	**803**	**81,440**

* Other adjustments relate to refund of the surplus in relation to the programme activities completed before year end.

5. OTHER INCOME

	US$ '000	Ksh '000
Books and merchandise sale	36	3,651
Library fees	66	6,694
Application fees	1	101
Conferencing income	114	11,562
Consultancy income	364	36,917
Gym income	35	3,550
Overhead income	54	5,476
	670	**67,951**

6. DEFERRED INCOME

This relates to the leasehold land owned by Amref International University. The remaining life of the lease was 73 years as at the time of transfer of ownership from Headquarters to the University. The land was valued at Ksh 430 million (US$ 4.2 million) in December 2017.

	US$ '000	Ksh '000
Leasehold land	4,163	424,210
Amortised cost for the year	(57)	(5,781)
Translation difference	-	(27)
	4,106	**418,402**

7. GRANT FROM SPONSOR

Amref Health Africa, as the Sponsor for the University, expects that the University will need financial investment and for the financial year 2018 gave a grant of US$ 611,843 (Ksh 62,069,040) toward the operations of the University.

8. INSTRUCTIONAL SUPPORT

Instructional support costs relates to training costs towards delivery of the University's courses.

	US$ '000	Ksh '000
Personnel costs	633	64,199
Travel costs	52	5,274
Communication costs	12	1,217
Office supplies	33	3,347
Rent and utility costs	47	4,767
Professional fees	114	11,562
Finance costs	8	811
Training costs	154	15,619
	1,053	**106,796**

9. MANAGEMENT COSTS

Management expenditure includes costs relating to the University staff and infrastructural development costs, governance and leadership of the University.

	US$ '000	Ksh '000
Personnel costs	623	63,185
Travel costs	62	6,288
Communication costs	4	406
Office supplies	94	9,533
Rent and utility costs	150	15,213
Professional fees	72	7,302
Provisions	19	1,927
Marketing costs	94	9,533
Impairment	57	5,781
Depreciation	74	7,505
	1,249	**126,673**

10. PROGRAMME ACTIVITIES

The University implements programmes for the delivery of Health Systems Strengthening and E-learning for professionals across the country.

	US$ '000	Ksh '000
Project costs	401	40,669
Personnel costs	190	19,270
Travel costs	203	20,588
Communication costs	2	203
Rent and utility costs	11	1,116
	807	**81,846**

11. PROPERTY AND EQUIPMENT

	Land and Buildings	Furniture, Fittings & Other equipment	Work in progress	Total
	US$ '000	US$ '000	US$ '000	US$ '000
Cost				
Transfer from sponsor*	6,778	106	-	6,884
Government grant**	121	-	-	121
Additions	7	-	67	74
At 31 December 2018	**6,906**	**106**	**67**	**7,079**
Depreciation				
Transfer from sponsor*	-	106	-	106
Charge for the year	74	-	-	74
Amortisation for the year	57	-	-	57
At 31 December 2018	**131**	**106**	**-**	**237**
Net book value				
At 31 December 2018	**6,842**	**-**	**67**	**6,842**

	Land and Buildings	Furniture, Fittings & Other equipment	Work in progress	Total
	Ksh '000	Ksh '000	Ksh '000	Ksh '000
Cost				
Transfer from sponsor*	700,167	10,950	-	711,117
Government grant**	12,499	-	-	12,499
Additions	714	-	6,827	7,541
Translation differences	(9,658)	(149)	-	(9,807)
At 31 December 2018	**703,722**	**10,801**	**6,827**	**721,350**
Depreciation				
Transfer from sponsor*	-	10,950	-	10,950
Charge for the year	7,505	-	-	7,505
Amortisation for the year	5,781	-	-	5,781
Translation differences	63	(149)	-	(86)
At 31 December 2018	**13,349**	**10,801**	**-**	**24,150**
Net book value				
At 31 December 2018	**690,373**	**-**	**6,827**	**697,200**

* Transfer from the sponsor relates to the transfer of an interest in land in Nairobi, Kenya together with the buildings from Amref Health Africa to Amref International University.

** Government grant relates to freehold land donated by the Makueni County for use by the University. Management performed an assessment on 2 April 2019 and estimated the value of the land at Ksh 12,500,000 (US$ 121,000).

12. STUDENT AND OTHER RECEIVABLES

	US$ '000	Ksh '000
Staff receivables	8	815
Trade debtors	93	9,477
Student debtors	403	41,066
Inter-country balance	202	20,584
Provision for Expected Credit Losses on adoption of IFRS 9	(439)	(44,734)
	267	**27,208**

13. CASH AND CASH EQUIVALENTS

	US$ '000	Ksh '000
Bank balance	36	3,668

For the purpose of the statement of cash flows, cash and cash equivalents comprises the cash at bank.

14. TRADE AND OTHER PAYABLES

	US$ '000	Ksh '000
Supplier accruals	44	4,484
Other creditors	5	510
Inter-country balance	5	510
	54	**5,504**

15. RELATED PARTY TRANSACTIONS AND BALANCES

a) Key management compensation

The names and positions of the personnel in key management positions of the University during the year are as disclosed on page 1.

	US$'000	Ksh'000
Salaries and other benefits	640	64,910

b) Due to/from other Amref Health Africa offices

	US$'000	Ksh'000
Due from Amref Health Africa Corporate Office	202	20,584
Due to Amref Health Africa in Kenya	(5)	(510)

c) Those charged with governance expenses

	US$'000	Ksh'000
Board expenses	1	101
Council expenses	4	417
Senate expenses	1	101
	6	619

These are costs relating to Board of Trustees, University Council and Senate meetings held within the year, sitting allowances paid to members and other expenses relating to governance activities.

16. TAXATION

Amref Health Africa exists to provide charitable solutions to challenges in medical access and public health. These range from research, facility construction/upgrade, public education, as well as health workers' capacity building. AHA operates in Kenya under a Host Country Agreement (HCA) that was signed with the Government of Kenya on 6 November 1987. This HCA grants Amref Health Africa certain privileges, among them exemption from income tax on its activities. To fulfil the requirements of the Universities Act, Amref Health Africa registered a separate legal entity under the Trustees (Perpetual Succession) Act, namely, Amref International University Registered Trustees ("the University") to pursue the objective of building the capacity of health workers' by offering a wide array of training programs. The University has already applied for income tax exemption under Paragraph 10 of the First Schedule to the Income Tax Act. In our view we do not foresee any reason why the University will not be granted the income tax exemption.

17. FINANCIAL RISK MANAGEMENT

The University's principal financial instruments comprise receivables/debtors, cash and cash equivalents, unexpended grants and creditors. These instruments arise directly from its operations.

The University's activities expose it to a variety of financial risks: market risk, credit risk and liquidity risk. Amref International University seeks to minimise the potential adverse effects of these financial risks. Risk management is carried out under policies approved by the Board.

a) Market risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: interest rate risk, currency risk and other price risk, such as equity price risk and commodity risk. The objective of market risk management is to manage and control market risk exposure within acceptable levels.

Foreign currency risk
Foreign currency risk is the risk that the fair value or future cash flows of an exposure will fluctuate because of changes in foreign exchange rates. The University's exposure to the risk of changes in foreign exchange rates relates primarily to the University's operating activities i.e. when revenue or expense is denominated in a currency other than US Dollars.

This risk arises where there is a significant fluctuation between the currency of the signed donor contracts and the currency the funds are utilised. Where there is a significant reduction in purchasing power, the University limits spending by monitoring budgets in US Dollars and reducing activities or if major enough by renegotiating contract ceilings with donors.

The University's policy is to record transactions in US Dollars at the rate in effect in the month of the transaction. Monetary assets and liabilities denominated in other currencies are translated at the rate of exchange in effect at the reporting date. All gains or losses on changes in currency exchange rates are accounted for in the statement of profit or loss.

b) Credit risk

Credit risk is the risk that a counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The University is exposed to credit risk from its operating activities (primarily trade receivables) and from its financing activities, including deposits with banks and financial institutions, foreign exchange transactions and other financial instruments.

An impairment analysis is performed at each reporting date using a provision matrix to measure expected credit losses. The provision rates are based on days past due for groupings of various customer segments with similar loss patterns. The calculation reflects the probability-weighted outcome, the time value of money and reasonable and supportable information that is available at the reporting date about past events, current conditions and forecasts of future economic conditions.

The provision matrix is initially based on the University's historical observed default rates. The University will calibrate the matrix to adjust the historical credit loss experience with forward-looking information. At every reporting date, the historical observed default rates are updated and changes in the forward-looking estimates are analysed. The assessment of the correlation between historical observed default rates, forecast economic conditions and ECLs is a significant estimate. The amount of ECLs is sensitive to changes in circumstances and of forecast economic conditions. The University's historical credit loss experience and forecast of economic conditions may also not be representative of customer's actual default in the future. The University does not hold collateral as security.

Trade receivables consist primarily of amounts invoiced by the University and are current in nature and relate mainly to trade clients. Where bad debts have been recognised they have been provided for as indicated in note 12. The University has no significant concentration of credit risk, with exposure spread over a large number of customers.

17. FINANCIAL RISK MANAGEMENT (continued)

b) Credit risk (continued)

Set out below is the information about the credit risk exposure on the University's financial instruments:

	Total US$'000	Past due US$'000	Impaired US$'000	Fully performing US$'000
Student and other receivables	496	-	(439)	57
Due from related party	202	-	-	202
Cash in bank	36	-	-	36
	734	**-**	**(439)**	**106**

	Total Ksh'000	Past due Ksh'000	Impaired Ksh'000	Fully performing Ksh'000
Student and other receivables	50,543	-	(44,734)	5,809
Due from related party	20,584	-	-	20,584
Cash in bank	3,668	-	-	3,668
	74,795	**-**	**(44,734)**	**30,061**

c) Liquidity risk

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 committed donors.

Liquidity risk is minimised by maintaining sufficient funds as cash in hand and on-demand deposits to meet short-term liabilities. The current assets and liabilities for the University can be liquidated within 12 months.

	US$'000	Ksh'000
Current assets		
Receivables	504	51,358
Due from related party	13	1,325
Cash and cash equivalents	36	3,668
	553	**56,351**
Current liabilities		
Creditors and accruals	44	4,484
Other creditors	2	204
Due to related party	5	510
	51	5,198
Liquidity position	**502**	**51,153**

18. EVENTS AFTER THE REPORTING DATE

No material events or circumstances have arisen between the accounting date and date of this report that would require adjustment or disclosure in these financial statements.

19. CURRENCY

The financial statements are presented in thousands of United States Dollars (US$) and Kenya Shillings (Ksh).