

**EGERTON**

*Library*  
*27*

PARLIAMENT  
OF KENYA  
LIBRARY



BOOKS LAIN 27  
V. L.  
1997

**UNIVERSITY**

**NGONGOGERI FARM**

**FINAL ACCOUNTS FOR THE  
YEAR ENDED 30TH JUNE 1997**

# NGONGONGERI FARM

## FINAL ACCOUNTS FOR NGONGONGERI FARM, EGERTON UNIVERSITY FOR THE PERIOD ENDED ON 30TH JUNE 1997.

I have the pleasure in presenting the copies of the Final Accounts for the financial year ended 30th June 1997 for Ngongongeri Farm as stipulated in Part IV Section 20, sub-section 1 to 3 of the Egerton University Act No. 11 of 11th October 1987. These accounts incorporates; Trading Account, Profit and Loss Accounts and where necessary support schedules to the Balance Sheet.

1. Accounting Policies

The accounts have been prepared under the historical cost convention

2. Depreciation

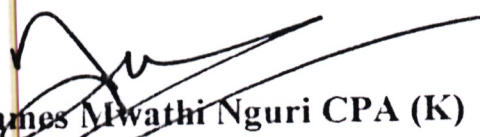
Depreciation has been charged on the net book value of the fixed assets designed to write-off the assets concerned over their estimated useful life.

3. Stock

Stock of crops and Livestock have been valued at the lower of cost and net realizable value.

4. University Debts

The amount owed by the Egerton University under Debtors and Prepayments is not recoverable in full within the same financial year but will normally be written off against Grants to the University as and when the Council Committee of the Farm directs.



James Mwathi Nguri CPA (K)  
FINANCE OFFICER  
For: VICE-CHANCELLOR  
EGERTON UNIVERSITY

REPORT OF THE AUDITOR GENERAL (CORPORATIONS) ON THE ACCOUNTS  
OF NGONGONGERI FARM FOR THE YEAR ENDED 30 JUNE 1997

---

REPORT OF THE AUDITOR-GENERAL (CORPORATIONS) ON THE  
ACCOUNTS OF NGONGONGERI FARM FOR THE YEAR ENDED  
30 JUNE 1997

---

I have examined the Accounts of Ngongongeri Farm for the year ended 30 June 1997 in accordance with Section 29 (2) of the Exchequer and Audit Act, (Cap 412). I have obtained all the information and explanations required for the purpose of the audit. Proper books of account have been kept by the Farm and the Accounts are in agreement therewith.

In my opinion, and except for the reservations set out herebelow, the Accounts, when read together with the Notes thereon, give a true and fair view of the financial state of affairs of the Farm as at 30 June 1997 and of its loss for the year ended on that date.

1. FINANCIAL POSITION

During the year 1996/97 the Farm still continued to perform poorly and as a result recorded an operating loss of Kshs.9,926,151 as at 30 June 1997. Although the loss was largely attributed to a general decrease in sales of wheat crop, the management has not, however, indicated the action to be taken to improve the operations and to realise profitability for the Farm.

2. LOSS OF FARM STORES - KSHS.1,029,600

In the report for the year 1995/96, reference was made to the loss, through theft, of farm stores worth Kshs.916,392 and also of the fact that the goods were neither recovered nor was anybody held responsible for the loss. During the year under review, some 850 bags of fertilizer worth Kshs.1,629,600 were again lost in a similar manner. As in the earlier case, no recovery has been made and nobody was held responsible. During the year 1996/97 the Farm also lost 15 sheep and two cows all valued at Kshs.24,000 and Kshs.16,000 respectively. It was further observed that 70 bags of D.A.P. fertilizer worth Kshs.63,000 were written off during the year 1996/97 apparently without Board authority. No satisfactory explanation was given to justify the write off. In view of the foregoing, it would appear that the Farm's internal controls regarding security of its stores and other assets is weak and as a result its stores and other assets are not adequately safeguarded from theft or pilferage.

3. FIXED ASSETS

The Balance Sheet net fixed assets figure of Kshs.9,681,100 as at 30 June 1997 still includes the amount of Kshs.2,740,100 being the estimated value of the unsurveyed area

land approximated at 1104 hectares. As stated in my previous years' reports this value is grossly understated taking account of the location and size of the subject land. In addition no title deeds were seen to confirm the ownership of the land by the Farra.

*S. M. Maluki*  
S. M. MALUKI

AUDITOR GENERAL (CORPORATIONS)

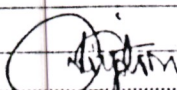
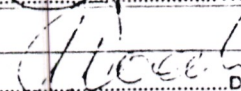
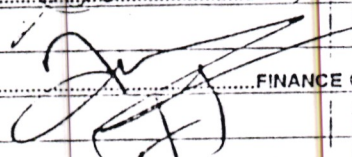
05 October 2000

# NGONGOGERI FARM

## BALANCE SHEET AS AT 30TH JUNE 1997

30th June 1997

30th June 1996

	KSh.	KSh.	Kshs	KSh.	KSh.	KSh.
<b>FIXED ASSETS:</b>						
Fixed Assets		11,582,218.00 ✓			11,874,560.00	
Depreciation for the Year		(1,901,118.00) ✓			(1,956,764.00)	
		9,681,100.00 ✓			9,917,796.00	
Capital Work- In-Progress		-			-	
Investments- At- Cost (Note 3)		350,120.00 ✓			350,120.00	
			10,031,220.00			10,267,916.00
<b>CURRENT ASSETS:</b>						
Stocks (Note 4 (a))	23,069,170.00 ✓			26,128,965.00		
Debtors and Prepayments (Note 4(b))	20,114,427.00 ✓			25,369,475.00		
Cash-at-Bank (Note 6)	69,949.00 ✓			163,075.00		
Cash-on-Hand	-					
		43,253,546.00			61,651,515.00	
<b>CURRENT LIABILITIES:</b>						
Creditors And Accruals (Note 5)	20,722,725.00 ✓			21,002,744.00		
Provisions(Note 7)	717,000.00 ✓			657,000.00		
Bank Overdraft(Note 6)	2,626,925.00 ✓			1,115,420.00		
		24,066,650.00			22,775,164.00	
<b>Net Current Assets</b>			<b>19,186,896.00</b>			<b>28,876,351.00</b>
<b>TOTAL ASSETS EMPLOYED</b>			<b>29,218,116.00</b>			<b>39,144,267.00</b>
<b>FINANCED BY:</b>						
General Fund Account			39,144,267.00 ✓			45,786,385.00
Profit Realised In The Year			(9,926,151.00) ✓			(6,642,118.00)
			29,218,116.00			39,144,267.00
<div style="display: flex; justify-content: space-between; margin-top: 20px;"> <div style="width: 30%;">               ..... VICE CHANCELLOR.         </div> <div style="width: 30%;">               ..... DEPUTY VICE CHANCELLOR (ADMIN. &amp; FINANCE)         </div> <div style="width: 30%;">               ..... FINANCE OFFICER         </div> </div> <div style="margin-top: 10px;">             ..... FARM MANAGER         </div>						

TRADING, PROFIT AND LOSS ACCOUNT OF NGONGOGERI FARM FOR THE YEAR ENDED 30th JUNE, 1997.

	CATTLE	MILK	SHEEP	WOOL	WHEAT	MAIZE	GRASS/HAY/SUNDRY	TOTALS 96/97	TOTALS 1995/96
SALES	2,018,127	4,200,630	392,222	55,505	6,812,468	1,098,759	148,360	14,881,692	12,137,716
OPENING STOCK	8,066,000		990,000	2,040	6,600,000	0	32,850	15,917,780	19,079,315
DIRECT EXPENSES	2,359,320	2,102			12,590,289	239,050	31,300	15,222,061	11,942,706
	10,425,320	2,102	990,000	2,040	19,190,289	239,050	64,150	31,139,841	31,022,021
CLOSING STOCK	8,266,000		1,217,500		7,600,000	611,740	215,000	17,939,230	22,774,890
COST OF SALES	2,159,320	2,102	-227,500	2,040	11,590,289	-372,690	-150,850	13,200,611	8,247,131
GROSS PROFIT (LOSS)	-141,193	4,198,528	619,722	53,465	-4,777,821	1,471,449	299,210	1,681,081	3,890,585
ADD: INCOME ON INVESTMENT								600	3,891,185
LESS OVERHEADS:									
PERSONAL EMOLUMENTS								6,244,035	5,255,600
FUEL AND LUBRICANTS								830,500	977,190
TRAVEL AND SUBSISTENCE								128,484	304,245
REPAIRS:								50,000	0
BUILDINGS								121,337	175,280
BOREHOLES								1,076,564	829,954
TRACTORS								0	58,680
MILK COOLERS								0	45,800
MACHINERY								50,000	0
MOTOR VEHICLES								0	20,070
GENERAL								149,404	45,000
GRATUITIES								60,000	0
TRANSPORT								98,426	35,260
BANK CHARGES								465,727	93,225
ELECTRICITY								0	47,615
TELEPHONE								0	5,000
SHOW EXPENSES								42,637	76,030
INSURANCE								0	528,840
UNIFORMS								4,000	18,750
MISCELLANEOUS								1,901,118	1,956,764
PROVISIONS: DEPRECIATION								20,000	20,000
AUDIT FEES								20,000	20,000
ACCOUNTANCY								20,000	20,000
COMPUTER CHARGES								300,000	0
BONUS								25,000	0
HONORARIUM								0	0
STATIONERY								11,607,232	10,533,303
NET PROFIT/LOSS								-9,926,151	-6,642,118

NOTE 3	Page 2	
INVESTMENTS-AT-COST AS AT 30/06/97		
Kenya Cooperative Creameries		
Cummulative Ordinary Shares	6,820	
Ordinary Shares	20,800	
Ordinary Shares	13,640	
Ordinary Shares	5,540	
Ordinary Shares	26,820	
Ordinary Shares	38,980	
Ordinary Shares	31,940	
Cummulative Shares	25,540	
		=====
		170,080
		=====
		179,640
K.F.A		400
Pyrethrum Board of Kenya Ordinary Shares		
		350,120
		=====
NOTE 4 (a) STOCKS		
	<u>KSH</u>	<u>KSH</u>
Livestock: Cattle	9,840,000	
Milk	-	
Sheep	1,545,000	
Wool	-	
		11,385,000
CROPS: Wheat	9,337,000	
Maize	933,240	
Grass, Hay & Straws	215,000	
Sundry	28,990	
	=====	
		10,514,230
FARM INPUTS:		
Feeds & Supplements	550,000	
Fertilizer & Seeds	450,000	
Herbicides & Pesticides	169,940	
		1,169,940
		=====
		23,069,170.00



## NOTE 4(b) DEBTORS &amp; PREPAYMENTS

Page 3

	OPENING BAL. AS AT 01.07.96	RECEIPTS	ADDITIONS	CLOSING BAL. AS AT 30.06.97
Trading Debtors	6,872,315.00	4,104,632.00	1,849,584.00	4,617,267.00
Egerton University	18,486,400.00	3,000,000.00		15,486,400.00
E.A.P.L. - Deposit Account	8,600.00			8,600.00
E.A.O. - Oxygen & Acetylene	2,160.00			2,160.00
	25,369,475.00	7,104,632.00	1,849,584.00	20,114,427.00

NOTE 5  
CREDITORS AND ACCRUALS

	OPENING	PAYMENTS	ADDITIONS	CLOSING
Trade Creditors	6,319,599.00	6,399,336.00	6,119,317.00	6,039,580.00
Egerton University	14,670,000.00			14,670,000.00
Unclaimed Wages	13,145.00			13,145.00
	21,002,744.00	6,399,336.00	6,119,317.00	20,722,725.00

## NOTE 6 BANK BALANCES

	KSH.
Cash at Bank - National Bank	(2,626,925.00)
Standard Bank	69,949.00

## NOTE 7 PROVISIONS

Balance B/Fwd	657,000.00
Audit Fees	20,000.00
Accountancy	20,000.00
Computer Charges	20,000.00
	60,000.00
	717,000.00

NOTE 2	Page 4						
FIXED ASSETS	WRITTEN DOWN VALUE AS AT 30.6.96	ADDITIONS	DISPOSALS	TOTAL	DEPRECIATION RATE %	AMOUNT	WRITTEN DOWN VALUE AS AT 30.6.97
Land-1104 Hectares	2,740,160.00			2,740,160.00	0.00		2,740,160.00
Buildings	1,101,136.45			1,101,136.45	2.50	27,527.71	1,073,608.74
Dairy Equipment	46,858.00			46,858.00	20.0	9,371.60	37,486.40
Electrical Installation	4,915.20			4,915.20	20.0	983.04	3,932.16
Furniture and Fittings	5,459.87			5,459.87	12.50	682.60	4,777.26
Farm Machinery and Equipments	155,883.00			155,883.00	20.00	31,176.80	124,706.20
Fencing	551,655.00	70,000.00		621,655.00	20.00	124,331.20	497,323.80
Loose Tools	11,776.00			11,776.00	20.00	2,355.20	9,420.80
Motor Vehicles	102,102.72	1,595,202.00		1,696,525.45	25.00	424,132.42	1,272,394.85
Office Equipments	31,320.30			31,320.30	10.00	3,131.23	28,188.57
Roads and Soil Conservation	1,933.80			1,933.80	20.00	385.96	1,547.24
Shades and barns	4,932.40			4,932.40	20.00	986.08	3,946.32
Tractors, rollers and Equipments	4,882,474.25			4,882,474.25	25.00	1,220,618.06	3,661,856.19
Water Equipments	277,189.00			277,189.00	20.00	55,438.00	221,751.00
	9,917,795.99	1,665,202.00	0.00	11,582,218.72		1,901,118.63	9,681,099.52