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MOI UNIVERSITY

**BALANCE SHEET
and
ACCOUNTS
for
YEAR ENDED 30 JUNE, 1992**

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REPORT OF THE AUDITOR—GENERAL (CORPORATIONS) ON THE ACCOUNTS
OF MOI UNIVERSITY FOR THE YEAR ENDED 30 JUNE 1992

KENYA NATIONAL ASSEMBLY

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MOI UNIVERSITY

MAIN BALANCE SHEET AND ACCOUNTS FOR THE

YEAR ENDED 30TH JUNE, 1992

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OFFICERS OF THE UNIVERSITY

Honorary Graduate of the University:-

His Excellency the Hon. Daniel T. arap Moi, C.G.H.,
M.P. LL.D. (Nairobi), D.Sc. (New Brunswick), J.Sc. (Moi)
D.Ed. (K.U.), D.Sc. (Egerton), Ph.D. (Soka), Chancellor
of Moi University, and President of the Republic of Kenya
and Commander-in-Chief of the Armed Forces.

Chancellor

H.E. Daniel T. arap Moi, C.G.H., M.P. Hon. LL.D. (Nairobi),
D.Sc. (Moi), D.Ed. (K.U.), D.Sc. (Egerton), Ph.D. (Soka),
President and Commander-in-Chief of the Armed Forces of
the Republic of Kenya.

Chairman of the University Council

Mr. J.T. arap Leting, B.Ed. (EA), E.G.H.

Vice-Chairman

Prof. D.G. Gatei, M.B., Ch.B. (EA), F.R.C. Pathn. (UK) O.G.W.

Honorary Treasurer

Mr. J.B. Kangwana, LL.B. (Nairobi), LL.M. (EDIN), M.B.S.

Vice-Chancellor

Prof. S.O. Keya, B.Sc., M.Sc., Ph.D., F.K.N.A.S.

Deputy Vice-Chancellor

Prof. M.K. Maleche, B.A. (London), P.G.D.E. (Ed), M.A.,
Ed. MEd. D. (T.C.) (Columbia)

Principal, Chepkoilel Campus

Prof. J. Irina, B.Sc. (London), M.Sc. (St. F.X. Canada),
Ph.D. (Nairobi)

Chief Administrative Officer

J.K. Sang, B.A., M.Sc., M.A., Ph.D.

Chief Academic Officer

Prof. K. Ole Karei, B.A. (Philander Smith), M.A. (Atlanta),
M.P.A. Pittsburg, M.A., Ph.D., (Pennsylvania), B.S.

Finance Officer

P.M. Nyang'ongo, C.F.A. (K)

Bankers

National Bank of Kenya Limited
Kenya Commercial Bank Limited

Lawyers

Maitiro & Co. Advocates

Auditors

Auditor General (Corporations)

REPORT OF THE VICE-CHANCELLOR FOR THE FINANCIAL YEAR ENDED
30TH JUNE, 1992:

It is with great pleasure that I present the Annual Financial Report for the year ended 30th June, 1992.

Due to the continued growth in both students and staff, coupled with limited financial resources, the University experienced severe strain in its operations. However, the positive support from students and staff in addition to sound and effective management policies from the Government and University Council, enabled us to sail through.

Capital reserve improved by 24% from Kshs.808.712 million in 1990/91 to Kshs.1,002.4 million in 1991/92 financial year.

Revenue and Capital reserves rose by 37% from Kshs.254.277 million in 1990/91 to Kshs.350.826 million in 1991/92. This remarkable increase is due to introduction of tuition fees collected from students.

Depreciation

Depreciation charge for the year amounted to Kshs.20.47 million. However, it does not involve movement of liquid funds.

Deficit

The cumulative deficit was reduced from Kshs.49.634 million in 1990/91 to Kshs.10.33 million in 1991/92. The reduction is attributed to receipts from tuition fees.

May I take this opportunity to thank all University staff for exemplary services so far rendered. It is through their collective efforts and dedication that the progress achieved in the year under review was realised.

I also wish to record my sincere appreciation to Council under the Chairmanship of Mr. J.T. Arap Leting for continued guidance and support. I assure Council of my co-operation and that of the entire University.

Finally, I record my gratitude to the Government of Kenya and members of University Council for continued support in the year under review.

Thanks.



PROF. JUSTIN IRINA
VICE CHANCELLOR

REPORT OF THE AUDITOR-GENERAL (CORPORATIONS) ON THE ACCOUNTS OF MOI UNIVERSITY FOR THE YEAR ENDED 30 JUNE 1992

I have examined the accounts of Moi University for the year ended 30 June 1992 in accordance with Section 29 (2) of the Exchequer and Audit Act, (Cap 412). I have obtained all the information and explanations which were considered necessary for the purpose of the audit. Proper books of account have been maintained by the University and the accounts which have been prepared under the historical cost convention are in agreement therewith and comply with the Moi University Act, 1984.

Subject to the following reservations, in my opinion, the accounts, when read together with the notes thereon, present a true and fair view of the state of affairs of the University as at 30 June 1992 and of its deficit and the statement of changes in the financial position for the year then ended.

1. FINANCIAL POSITION

During the year under review, the University incurred a deficit amounting to Kshs.10,333,000.00. The Balance Sheet as at 30 June 1992 also reflects a negative working capital of Kshs.337,482,000.00. As in the previous year, the University has continued to experience cash flow problems. The accounts have, therefore, been prepared on the assumption that the University will continue to get financial support from the Government, its creditors and its bankers.

2. CHEPKOILEL CAMPUS

As indicated in Notes 6 and 9 to the accounts, the former Moi Teachers College was taken over as a constituent college of Moi University and renamed Chepkoilel Campus. There has not been any official handing over of the College to the University and the list of assets and liabilities taken over has not been agreed upon. It was, however, noted that fixed assets valued Kshs.160,214,914.00 have been included in the Balance Sheet. Fixed Assets figure of Kshs.1,339,942,000.00. The rest of the assets have not been included in the accounts pending valuation and official handing over. Under the circumstances, it was not possible to confirm whether or not the fixed assets are fairly stated in the accounts.

3. MOI UNIVERSITY TEACHING HOSPITAL

It was noted that the University capitalised the expenditure totalling Kshs.7,954,964.00 incurred by consultants who prepared preliminary designs for the University Teaching Hospital which was originally to be located within the main University Campus. However, as the project was later moved to the Eldoret District Hospital, it appears that the amount of Kshs.7,954,964.00 should not have continued to form part of the Balance Sheet Fixed Assets figure of Kshs.1,339,942,000.

4. ADJUSTMENT DURING THE YEAR

Included in the adjustments made during the year under review, under Note 14 is Kshs.12,206,000.00 in respect of the net debit balance written off in the Reserves. However, as the analyses of the total amount of Kshs.23,378,000.00 in respect of the balances of stale cheques and debtors and those of the total amount of Kshs.11,181,000.00 in respect of the balances of creditors, cheque clearing, inter banks and salary items were not produced for the audit verification, the propriety of the net debit balance of Kshs.12,206,000.00 written off in the Reserves could not be confirmed.

5. STOCK CONTROL SYSTEM

During the year under review, the University paid for various goods on proforma invoices amounting to Kshs.5,107,194.00. However, it was not possible to ascertain the receipt of such goods. In February 1992, the University paid the Ministry of Foreign Affairs Kshs.6,944,760.00 in respect of the costs of the books imported from India and which were to be supplied by three firms. Since the University did not maintain the records of books so imported, it was not possible to ascertain whether the University obtained value for the Kshs.6,944,760.00 spent on the importation.




W. K. KEMEI
AUDITOR-GENERAL (CORPORATIONS)

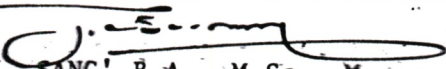
6 October 1994

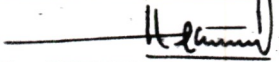
MOI UNIVERSITY

BALANCE SHEET AS AT 30TH JUNE, 1992

	<u>NOTES</u>	<u>KSH'000'</u>	<u>KSH'000'</u>	<u>1991/92</u> <u>KSH'000'</u>	<u>1990/91</u> <u>KSH'000'</u>
Fixed Assets	100			1,339,942	1,001,139
<u>CURRENT ASSETS</u>					
Stock	101	11,954			7,124
Debtors	102	22,345			30,337
Bank Balances	103	13,279	47,578		38,190
					<u>75,651</u>
<u>CURRENT LIABILITIES</u>					
Creditors	104	322,499			207,036
Bank Overdraft	105	62,561			60,498
Loan		-			544
			385,060		<u>268,078</u>
				(337,482)	(192,427)
				<u>1,002,460</u>	<u>808,712</u>
<u>FINANCED BY:</u>					
Reserves	106			1,002,460	808,712
				<u>1,002,460</u>	<u>808,712</u>


J. IRINA, B.Sc., M.Sc., Ph.D.
VICE-CHANCELLOR


J.K. SANG, B.A., M.Sc., M.A., Ph.D.
CHIEF ADMINISTRATIVE OFFICER


H.S. KIPKEMBOI, C.P.A. (K)
AG. FINANCE OFFICER

MOI UNIVERSITY

INCOME AND EXPENDITURE ACCOUNT FOR THE YEAR

ENDED 30TH JUNE, 1992

	<u>NOTES</u>	<u>1991/92</u> <u>KSH'000'</u>	<u>1990/91</u> <u>KSH'000'</u>
Income	15	350,826	254,277
Expenditure	18	361,159	303,911
Deficit		(10,333)	49,634

MOI UNIVERSITY

BALANCE SHEET AS AT 30TH JUNE, 1992

	<u>NOTES</u>	<u>KSH'000'</u>	<u>KSH'000'</u>	<u>1991/92</u> <u>KSH'000'</u>	<u>1990/91</u> <u>KSH'000'</u>
Fixed Assets	10			1,339,942	1,001,239
<u>CURRENT ASSETS</u>					
Stock	11	11,954			7,124
Debtors	12	22,345			30,337
Bank Balances	20	13,279	47,578		38,190
<u>CURRENT LIABILITIES</u>					
Creditors	13	322,499			207,036
Bank Overdraft	19	62,561			60,495
Loan		-			544
			385,060	(337,482)	(192,427)
				<u>1,002,460</u>	<u>808,712</u>
FINANCED BY:					
Reserves	14			1,002,460	808,712

J. Irina
J. IRINA, B.Sc., M.Sc., Ph.D.
VICE-CHANCELLOR

K. Sang
K. SANG, B.A., M.Sc., M.A., Ph.D
CHIEF ADMINISTRATIVE OFFICER

G. Kipkemboi
G. S. KIPKEMBOI, C.F.A. (K)
G. FINANCE OFFICER

NOI UNIVERSITY

INCOME AND EXPENDITURE ACCOUNT FOR THE YEAR
ENDED 30TH JUNE, 1992

	<u>NOTES</u>	<u>1991/92</u> <u>KSH'000'</u>	<u>1990/91</u> <u>KSH'000'</u>
Income	15	350,826	254,277
Expenditure	18	361,159	303,911
Deficit		(10,333)	49,634
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MOI UNIVERSITY

**NOTES TO THE ACCOUNTS - STATEMENT OF CHANGES IN
FINANCIAL POSITION FOR THE YEAR ENDED BOTH JUNE, 1992**

<u>SOURCE OF FUNDS</u>	<u>KSH'000'</u>	<u>1991/92 KSH'000'</u>	<u>1990/91 KSH'000'</u>
Excess of Income Tax Expenditure (Deficit)		(10,333)	(49,634)
<u>ADD</u>			
Adjustments for items not involving movement of funds:			
Depreciation	17,742		17,131
Prior year Adjustment	2,198		
Adjustment to Fixed Assets	(171,388)		220
Gain on revaluation of livestock	(188)		
Loose tools written off	-		75
		<u>(151,636)</u>	<u>17,426</u>
Funds generated from operation		(161,969)	(32,208)
<u>OTHER SOURCES</u>			
Capital grants	41,082		160,732
Capital donation	174,457		-
Adjustment to reserves	(13,113)		-
Sale of Livestock	230		-
		<u>202,656</u>	<u>160,732</u>
Funds available for application		40,687	128,524
<u>APPLICATION OF FUNDS</u>			
Purchase of Fixed Assets	(185,157)		(228,977)
Loan repayment	(544)		(446)
		<u>(185,701)</u>	<u>(229,423)</u>
		<u>145,014</u>	<u>100,899</u>
<u>CHANGES IN WORKING CAPITAL</u>			
Increase/Decrease in Stock	5,415		2,592
Increase/Decrease in Debtors	(7,992)		4,860
Increase/Decrease in Creditors	(115,463)		(104,187)
		(118,040)	(96,735)
<u>MOVEMENT IN NET LIQUIDS FUNDS</u>			
Increase/Decrease in Bank Overdraft	(2,063)		(38,300)
Increase in Cash	(24,911)		34,136
		<u>(26,974)</u>	<u>(4,164)</u>
		<u>(145,014)</u>	<u>100,899</u>

NOTES TO THE ACCOUNTS
FOR THE YEAR ENDED 30TH JUNE, 1992

ACCOUNTING POLICIES

1. The accounts are prepared in accordance with the historical cost convention. The following are the principle policies adopted by the University.

a) Grants and Fees

Income from grants and fees represents amount receivable relative to current financial year. Other income represents amounts received or receivable from the services rendered during the year.

b) Depreciation

Depreciation is calculated to write off the cost of the fixed assets on a straight line basis over the expected useful lives of the assets.

Motor Vehicles	Motor Cycles	25%
Plant and Equipment		12%
Furniture & Fittings		12%
Bicycles		30%

Depreciation on buildings has not been provided for as this becomes the subject of special grants when such replacement is necessary.

c) Stocks

Stocks are valued at the lower of the cost and net realisable value. Books and teaching materials are written off in the year of acquisition.

2. Specific Purpose Revenue Grants

These have been treated as either accounts receivable or payable as applicable depending on the degree of materiality.

3. Pension Scheme

With effect from July 1991 the University is operating a Pension Scheme Fund for both the Senior and Middle Level Staff.

4. a) A five acre land and equipment donated by Mr W. Saina for the purpose of Research Project has not been included in the accounts pending valuation and receipt of Title Deed.
- b) A two hundred acre piece of land at Gwasi donated by Chief Daniel Brayya and family for the purpose of research has not been included in the accounts pending valuation and receipt of Title Deed.
- c) A 35 hectare piece of land in Sabaki near Malindi in Kilifi District donated by the Kilifi District Development Council to the School of Environmental Studies for the purpose of research has not been included in the accounts pending valuation and receipt of Title Deed.

5. Contigent Liabilities

As at 30th June, 1991 the University guaranteed facilities for Car, Housing and Furniture Loans to staff with National Bank of Kenya amounting to Kshs8,201,000. The contingent liability is limited to Kshs22 Million.

6. Chepkoilel Campus

The former Moi Teachers College was taken over as a constituent College of Moi University. It has been named Chepkoilel Campus.

7. Legal Form

Moi University is a body corporate established in Kenya under University Act, 1984. However Moi University Farm is as Department of the University and is not a separate legal entity.

8. a) Currency

These accounts are expressed in Kenya Currency. The amounts are rounded upto the nearest thousand shillings.

9. Equipment worth Kshs33 Million taken over from former Moi Teachers College have not been included in the accounts since the value of individual items have not yet been ascertained.

MOI UNIVERSITY

10 NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 30TH JUNE, 1992

FIXED ASSETS SCHEDULE

JUST OR VALUATION	LAND '000'	BUILDINGS KSH '000'	PLANT AND EQUIPMENT KSH '000'	MOTOR VEHICLES KSH '000'	FURNITURE & FITTINGS KSH '000'	FRAMEWORKS KSH '000'	TOOLS KSH '000'	MOTOR CYCLES & BICYCLES	TOTALS KSH '000'
1st July 1991	20,000	919,597	65,139	20,052	31,777	101	103	-	1,056,769
Additions	-	172,834	6,222	1,282	4,550	-	-	269	185,157
Adjustments	-	156,984	222	11,961	2,136	-	85	-	171,388
TOTAL	20,000	1,249,415	71,583	33,295	38,463	101	188	269	1,412,314
DEPRECIATION									
1st July, 1992	-	-	26,994	18,054	10,573	9	-	-	55,630
Charge for the year	-	-	8,948	6,521	4,808	2	-	68	20,347
Adjustments	-	-	55	(2,872)	267	-	-	-	(2,605)
TOTALS	-	-	35,942	(21,703)	15,648	11	-	68	73,372
NET BOOK VALUE AS AT 30TH JUNE 1992	20,000	1,249,415	35,641	11,592	22,815	90	188	201	1,339,942
30TH JUNE 1991	20,000	919,597	38,145	1,998	21,204	92	103	-	1,001,139

(1) The additional cost of Kshs. 1,146,000 related to buildings represents a cost in progress in respect to work already done on the new site buildings. An amount of Kshs. 157,119.00 represents the value of Chepkollet buildings (New Site). The old site of Chepkollet building is not included in these accounts pending valuation.

(2) A three thousand acre land donated by East African Tanning Extract Company has now been included in the accounts at a conservative value/freehold of Kshs. 20,000,000 being the value used for payment of legal fees.

MOI UNIVERSITYNOTES TO THE ACCOUNTS FOR THE YEAR ENDED 30TH JUNE, 1992

11 STOCK	<u>1991/92</u> KSH'000'	<u>1990/91</u> KSH'000'
Catering	405	1,044
Clinic Drugs	140	295
Hostels Stock	249	237
Petrol Station	320	84
Central Stores	750	764
Bookshop	5,686	1,830
Guest House	69	-
Estates	237	853
Cattle	2,236	1,741
General Stores (Farms)	685	117
Sheep	-	51
Chicken	139	35
Moi University Club	-	73
Library	67	-
Crops	971	-
	<u>11,954</u>	<u>7,124</u>

MOI UNIVERSITYNOTES TO THE ACCOUNTS FOR THE YEAR ENDED 30TH JUNE, 1992

12. <u>DEBTORS</u>	1991/92	1990/91
	<u>KSH'000'</u>	<u>KSH'000'</u>
Staff & Students Advances	34	37
Revenue Grants for Specific Purposes	16	1,095
Deans Committee Research Grants	20	361
Farm Debtors	-	266
Sundry Debtors	11,087	27,689
Students Organisation	17	674
Statutory	-	2
Post Graduate Programme	19	213
Tuition Fees	11,152	-
	<u>22,345</u>	<u>30,337</u>
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13. <u>CREDITORS</u>		
Students Organisation	37	4
Statutory Deductions	9,931	11
Revenue Grants for Specific Purposes	8,085	4,259
Deans Committee Research Grants	1,049	750
Other Creditors	297,075	200,194
Post Graduate Programme	6,322	1,402
Unpaid Wages	-	416
	<u>322,499</u>	<u>207,036</u>
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MOI UNIVERSITYNOTES TO THE ACCOUNTS FOR THE YEAR ENDED 30TH JUNE, 1992

14. CAPITAL RESERVES	1991/92	1990/91
	<u>KSH'000'</u>	<u>KSH'000'</u>
Balance brought forward	808,712	696,776
<u>ADD</u>		
Adjustments during the Year	(13,656)	838
Capital Receipts	41,082	160,732
Donations Received	172,005	-
Prior year adjustments	2,198	-
Adjustment for Chepkoilel	2,452	-
	<u>1,012,793</u>	<u>858,346</u>
<u>LESS</u>		
Deficit for the Year:		
Moi University	(9,586)	40,301
Farm - Main	(268)	2,602
Farm - Chepkoilel	(479)	-
Moi Univ. Students Accom. & Catering Services	-	6,731
	<u>(10,333)</u>	<u>(49,634)</u>
	<u>1,002,460</u>	<u>808,712</u>

MOI UNIVERSITYNOTES TO THE ACCOUNTS SCHEDULE OF INCOME
FOR THE YEAR ENDED BOTH JUNE 1992

15. <u>INCOME</u>	<u>1991/92</u> <u>KSHS'000'</u>	<u>1990/91</u> <u>KSHS'000'</u>
Moi University	248,904	169,987
MUSACS	20,796	13,317
Students Residential Allowances	620	54,171
Tuition Fees	47,487	7,220
House Rent	4,642	257
Farm - Main Campus	2,743	2,457
- Chepkoilel Campus	3,182	-
Surplus - Moi University Club	-	464
Deficit) Primary School	-	(241)
Miscellaneous	-	5,645
Book Allowance	<u>22,452</u>	<u>-</u>
	<u>350,826</u>	<u>254,277</u>

MOI UNIVERSITYNOTES TO THE ACCOUNTS FOR THE YEAR ENDED 30TH JUNE, 1992

16.	<u>PRIMARY SCHOOL</u>	1991/92	1990/91
		<u>KSH'000's</u>	<u>KSHS'000's</u>
	School Fees (Income)	-	621
	Recurrent Expenses	-	862
		<u>-</u>	<u>(241)</u>
		<u>-</u>	<u>-</u>
17.	<u>MOI UNIVERSITY CLUB</u>		
	Income	-	1,040
	Expenses	-	576
		<u>-</u>	<u>464</u>
		<u>-</u>	<u>-</u>
18.	<u>EXPENDITURE</u>		
	Central Expenses	178,142	91,778
	Departmental Expenses	166,787	132,819
	University Farms	6,672	5,059
	Moi Univ. Students Accom. & Catering Services	-	74,255
	Other Expenses	9,558	-
		<u>361,159</u>	<u>303,911</u>
		<u>361,159</u>	<u>303,911</u>
19.	<u>BANK OVERDRAFT</u>		
	Moi Univeristy	60,159	46,337
	MUSACS	-	10,345
	Moi University Farms	2,402	3,816
		<u>62,561</u>	<u>60,498</u>
		<u>62,561</u>	<u>60,498</u>

MOI UNIVERSITY

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 30TH JUNE, 1992

20. <u>BANK BALANCES AS AT 30TH JUNE, 1992</u>	1991/92	1990/91
	<u>KSH'000's</u>	<u>KSH'000's</u>
Capital Development Account	-	33,520
Research Account	767	2,546
School of Environmental Studies		764
- Current Account	261	600
- Savings Account	600	760
Farm Accounts	1,299	-
Muso Account	427	-
Fixed Deposit	2,600	-
Moi/UVA - S.E.S. Project	1,559	
Bookshop	5,415	-
Moi University Secondary School	5	-
Chepkoilel Revenue	346	-
	<hr/>	<hr/>
	13,279	38,190
	=====	=====

