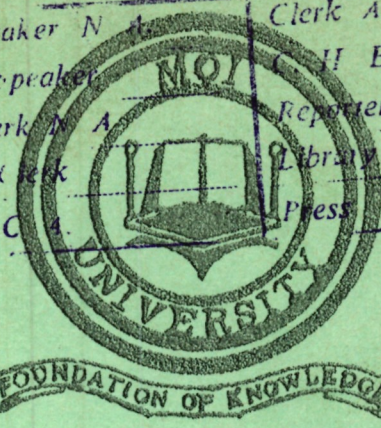


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MOI UNIVERSITY
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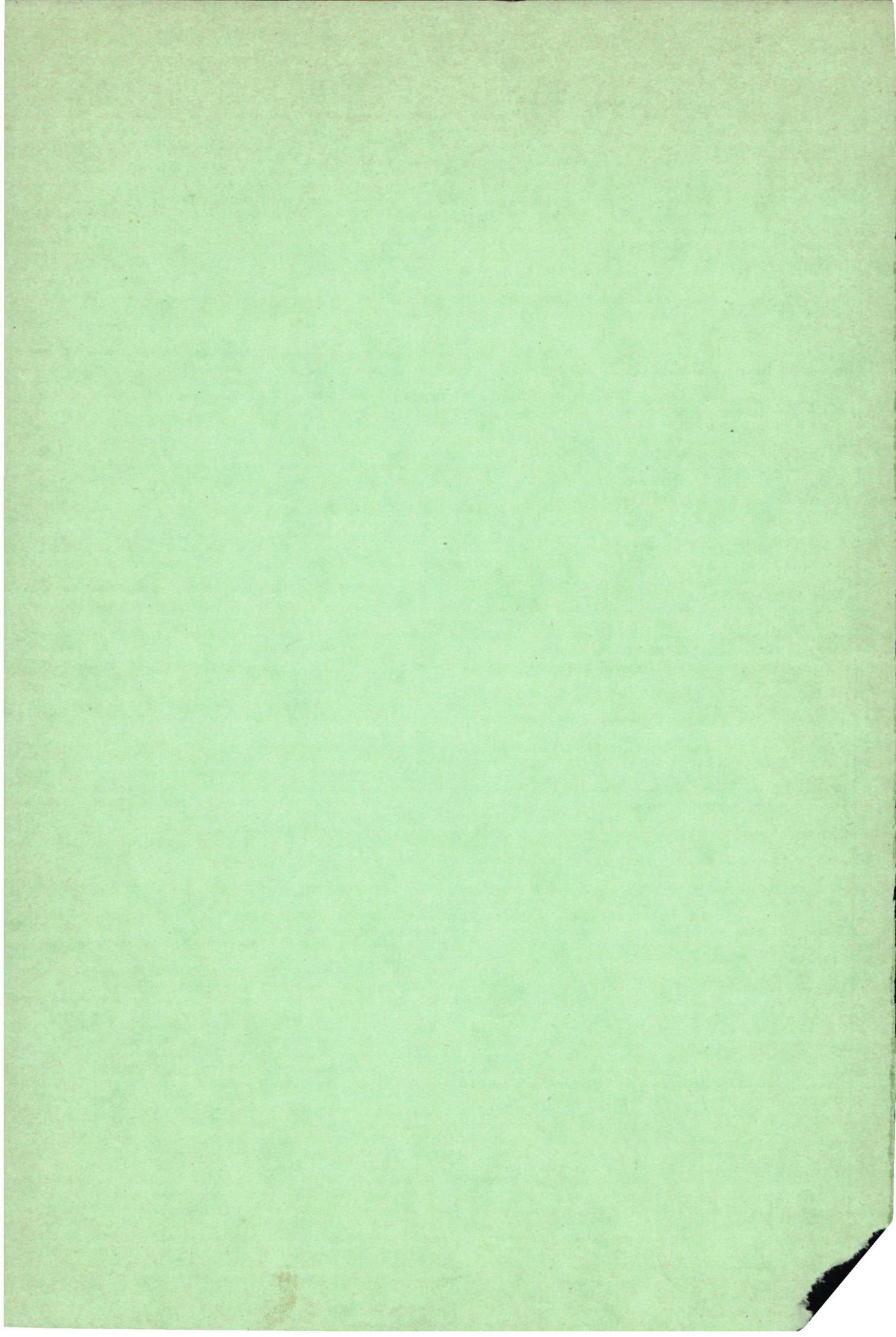
BALANCE SHEET

and

ACCOUNTS

for

THE YEAR ENDED 30 JUNE, 1987



MOI UNIVERSITY

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MOI UNIVERSITY

REPORT OF THE VICE CHANCELLOR

In my report last year, I noted with satisfaction that the accounts for the financial year ended 30th June 1986 were not qualified. Once again I have the pleasure to report that the University administration has achieved the same results for the year under review.

The level of capital reserves rose from K£6,398,880 to K£11,978,694 indicating a growth rate of 46.6% over the previous year. The significant growth rate has mainly been contributed for by the movement in capital and revenue receipts. The total capital and revenue receipts during the year amounting to K£6,229,833 and K£1,675,854 respectively were applied as indicated in the source and application of funds shown on page 3 of the accounts.

For the year ended 30th June 1987 the University accounts reflected a deficit of K£654,783 on its income and expenditure accounts due to unavoidable situation brought about by three vital factors:

In the first two years of the University operation the University adopted a policy of not charging for depreciation on buildings due to their state of incompleteness. In the year under review the University adopted the policy of charging depreciation on buildings at the rate of 2% per annum and in addition to the provision of depreciation on plant, equipment, furniture and motor vehicles, a total depreciation figure of K£448,429 was therefore charged to these accounts.

There was a serious under provision in the 1986/87 approved recurrent budget. During the course of the year, the University administration was assured by the Government that additional funds would be made available towards meeting the costs involved in the preparations for the double intake.

In the course of the year, it came to light that the additional funds made available fell short of the commitments already

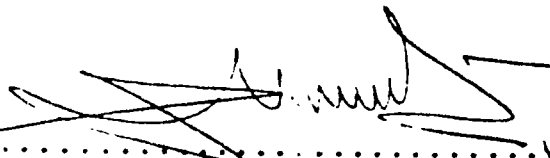
undertaken by the University.

Last but not least, the University administration during the year ended 30th June 1987 had to subsidize the cost of providing the catering and residential services to the students, mainly due to the fact that the daily allowance of Kshs.25/- per student towards catering and residential services proved inadequate in the light of the escalating costs in providing such facilities.

In the year under review the students population rose from 115 to 229. In addition to the Faculty of Forest Resources and Wildlife Management, two other new Faculties of Science and Technology were also started.

I would like to express my appreciation to the entire University staff for their valuable assistance, hard work and dedication during a very busy year without which the University would not have made such progress. I have no doubt that the same spirit will continue in the future and therefore that the University will continue to prosper amidst the very challenging times ahead.

Finally I wish to convey my sincere gratitude to the Government and members of the University Council for the guidance and support the Management and the University has received during the year under review. It is my hope that this support will continue during 1987-88 financial year and the years to come as we strive to lay a sound foundation for the University.



.....

PROF. S.O. KEYA

VICE CHANCELLOR

CERTIFICATE OF THE AUDITOR GENERAL (CORPORATIONS) ON THE ACCOUNTS
OF MOI UNIVERSITY FOR THE YEAR ENDED 30TH JUNE, 1987

I have examined the Balance Sheet and the Income and Expenditure Account of Moi University for the year ended 30th June, 1987 in accordance with the provisions of the Exchequer and Audit (Amendment) Act, 1985 (Cap 412). I have obtained all the information and explanations that I have required for the purpose of the audit. Proper books of account have been kept by the University and the Accounts which are in agreement therewith comply with the Moi University Act, 1984. In my opinion, the Balance Sheet and the Income and Expenditure Account, when read together with the notes thereon, give a true and fair view of the state of affairs of the University as at 30th June, 1987 and of its deficit and source and application of funds for the year ended on that date.



Auditor General (Corporations)

14th March, 1988

MOI UNIVERSITY
BALANCE SHEET FOR THE YEAR ENDED 30TH JUNE, 1987

	<u>NOTES</u>	<u>1986/87</u>	<u>1985/86</u>
		£	£
Fixed Assets	10	12693498	6340662
<u>CURRENT ASSETS</u>			
Stocks	17	23029	12439
Accounts Receivables	16	97201	30187
Bank Balances		<u>108929</u>	<u>49760</u>
		229159	92387
<u>CURRENT LIABILITIES</u>			
Accounts payables	15	<u>943953</u>	<u>34169</u>
Net current Assets		<u>(714794)</u>	<u>58210</u>
		<u>11978694</u>	<u>6398880</u>
<u>FINANCED BY</u>			
Reserves	9	<u>11978694</u>	<u>6398880</u>

VICE-CHANCELLOR.....
 PROF. D. CHIMANGI, Dipl. Ed., B.Sc., Ph.D.

CHIEF ADMINISTRATIVE OFFICER.....
 DAN. MUNGAI, LL.B.

CHIEF ACCOUNTANT.....
 E.P.M. NYANG'ONDO, C.P.A. (K)

MOI UNIVERSITY

INCOME AND EXPENDITURE FOR THE YEAR ENDED
30TH JUNE 1987

	<u>NOTES</u>	<u>1986/87</u>	<u>1985/86</u>
		£	£
<u>INCOME</u>			
Income for the year	13	1581197	1501589
<u>EXPENDITURE</u>			
Expenditure for the year	11 & 12	2141491	1209059
Deficit on catering services	14	<u>94189</u>	<u>65189</u>
		<u>2236180</u>	<u>1274248</u>
Deficit/Surplus for the year		<u><u>(654783)</u></u>	<u><u>227341</u></u>

M O I U N I V E R S I T Y
 STATEMENT OF CHANGES IN FINANCIAL POSITION
FOR THE YEAR ENDED 30TH JUNE 1987

	<u>1986/87</u>	<u>1985/86</u>
	£	£
<u>SOURCES OF FUNDS</u>		
Excess of income over expenditure	(654783)	227341
Adjustments for items not involving movement of funds: depreciation	<u>448429</u>	<u>100951</u>
Total Funds from operations	(206354)	328292
Funds from other sources:		
Capital grants and donations	6229833	957633
Increase in capital reserve	<u>4764</u>	
	<u>6074243</u>	<u>1285925</u>
<u>APPLICATION OF FUNDS</u>		
Decrease in Capital Reserve	-	4530
Purchase of Assets	<u>6801255</u>	<u>1237189</u>
	<u>(773012)</u>	<u>14206</u>
	=====	=====
<u>CHANGES IN WORKING CAPITAL:</u>		
Increase/Decrease in stock	10596	(787)
Increase in Accounts Receivable	67014	3679
Decrease in Accounts Payable	(909754)	44334
Net change in net liquid funds:		
Increase/Decrease in cash balances	59168	(33020)
	<u>(773012)</u>	<u>14206</u>
	=====	=====

M O I U N I V E R S I T Y

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED

30TH JUNE 19871. PRINCIPAL ACCOUNTING POLICIES

The accounts are prepared in accordance with the historical cost convention. The following is a summary of the more important policies used:

(a) Grants and Fees

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

Capital grants and donations are credited to the capital Fund Account and debited to the relevant Asset Account.

(b) Depreciation

Depreciation is calculated to write off the cost of Fixed Assets on a straight line basis over the expected useful lives of the assets concerned. The annual rates for this purpose are:

Buildings	2%
Motor vehicles	25%
Plant & Equipment	12½%
Furniture & Fittings	12½%

Freehold land is not depreciated.

(c) Stocks

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

2. SPECIFIC PURPOSE REVENUE GRANTS

These have been treated as either accounts receivable or payables whichever is applicable due to the fact that they are still insignificant.

3. PENSION SCHEMES

The University is now operating a Senior Staff Superannuation Fund Scheme and a Retirement Benefits Scheme for the middle level.

As at 30th June 1987 the liabilities under both the fund and the scheme were fully funded.

4. A five acre land and equipments donated by Hon. W. Saina for the purposes of Research Project has not been included in the accounts pending valuations and receipt of Title Deed.

5. CONTINGENT LIABILITIES

As at 30th June 1987 the University guaranteed facilities for car loans to staff by National Bank of Kenya Ltd. amounting to £56089. The contingent liability is limited to £100,000.

6. LEGAL FORM

Moi University is a body Corperated Established in Kenya under Moi University Act, 1984.

7. CURRENCY

These accounts are expressed in Kenya currency. One Kenya Pound represents twenty Kenya shillings.

8. (a) VARIANCES:(i) Central Votes:

All in all there was a serious under-estimation in the approved budget. The University has been growing very rapidly in all aspects. That is the level of operations exceeded the anticipated grants from the Government.

(ii) Departmental Votes:

This had favourable variances as a result of most of the staff either never took up their appointments or appointments were made late in the course of the year.

(b) RETENTION FUNDS

This has been credited to capital Final Account.

M O I U N I V E R S I T Y

9 NOTES TO THE ACCOUNTS FOR THE YEAR ENDED
30TH JUNE 1987

CAPITAL RESERVE FUND FOR THE YEAR ENDED 30.6.87

	£	£
Balance as at 1st July 1986		6398880
<u>ADD:</u> Adjustments during the Year	4764	
Capital Receipts	<u>6229833</u>	<u>6234597</u>
		12633477
<u>LESS:</u> Deficit for the Year		<u>654783</u>
Balance at 30th June 1987		<u><u>11978694</u></u>

M O I U N I V E R S I T Y

FIXED ASSETS FOR THE YEAR ENDED 30th JUNE 1987

10.(i)

NOTES TO THE ACCOUNTS

	BUILDINGS		PLANT & FURNITURE EQUIPMENT & FITTINGS		MOTOR VEHICLES		TOTAL
	£	£	£	£	£	£	
<u>COST</u>							
1st July 1986	5915439	212076	131529	232006			6491050
Additions	5939135	699229	50683	112208			6801255
Disposal/Transfers	-	-	-	-	-	-	-
30th June 1987	11856574	911305	182712	344214			13292305

DEPRECIATION

1st July 1987	-	36719	24891	88769			150378
Charge for the Year	226096	113504	22775	86054			468479
30th June 1987	226096	150223	47666	174823			598807
<u>NET BOOK VALUE</u>							
30th June 1987	11628478	761082	135546	169391			12693498
30th June 1986	5915439	175375	106628	143237			6350669

10(ii) A three thousand acre freehold land donated by East African Tanning Extract Company has not been included in the accounts pending valuation and receipt of the title deed which is currently being processed.

10(iii) The additional cost of K£5,939,135 charged to buildings represents work in progress, in respect to work already done on the on-going buildings.

MOI UNIVERSITY

II. CENTRAL SERVICES EXPENDITURE FOR THE YEAR

ENDED 30TH JUNE 1987

NOTES TO THE ACCOUNTS

EXPENDITURE HEAD	1986/87		1985/86	
	ACTUAL £	ESTIMATE £	VARIANCE £	ACTUAL £
Passages & Leave Allowance	60727	30000	(30727)	19009
Transport Operating Expenses	56520	26000	(30520)	52610
Ext. Transport & Accommodation	18810	7500	(11310)	17001
Postal & Telegrams expenses	16326	4000	(12326)	3782
Telephone Expenses	71060	12000	(59060)	16568
Official Entertainment	2024	1000	(1024)	1173
Electricity, Water & Conservancy	11648	18000	6352	12815
Material for Production - Academic	110646	90000	(20646)	11131
Publishing & Printing	13456	5400	(8006)	18134
Purchase of Uniforms	3092	5000	1908	3488
Library Expenses	23699	70000	46301	83134
Advertising and Publicity	14009	5000	(9009)	14203
Rent and Rates Residential	94950	60000	(34950)	57733
Rent & Rates Non Residential	3850	15000	11150	11092
Miscellaneous Charges	47521	30000	(17521)	34194
I.I.G.S.	55222	62500	7278	144373
Staff Development	96079	40000	(56079)	35881
Conference & Seminars	1160	5000	3840	230
Staff Medical Scheme	42684	16500	(26184)	29025
Post Graduate Programme	2933	6000	3067	-
Research Programme	112	5000	4888	1614
Maintenance of Plant and Equipment	8753	10000	1247	8345
Purchase of Stationery - Exam.	688	2500	1812	-
Purchase of stock - Bookshop	1481	-	(1481)	-
Field Courses	20595	9000	(11595)	-
Recruitment expenses	20431	5000	(15431)	-
Council Expenses	14665	6000	(8665)	-
External Examiners	2707	3000	293	-
Part time Lecturers	36115	35000	(32615)	-
Hotel Accom. on 1st Appointment	12470	-	(12470)	-
Purchase of medical drugs	4597	8500	3903	-
Tyres & Tubes	5451	4000	(1451)	-
Maintenance of buildings	11296	10000	(1296)	3406
Miscellaneous Musco Welfare	805	1000	195	-
National Celebrations	62	1500	1438	-
Grounds Maintenance	3256	-	(3256)	-
Depreciation	448429	-	(448429)	10095
Audit Fees	4000	-	(4000)	3000
Other Miscellaneous	4826	-	(4826)	-
	<u>1347155</u>	<u>577900</u>	<u>(769205)</u>	<u>682892</u>

M O I UNIVERSITY

12. DEPARTMENTAL EXPENSES FOR THE YEAR ENDED 30TH JUNE 1997

NOTES TO THE ACCOUNTS

DEPARTMENT	PERSONAL EMOLUMENTS			OTHER PERSONAL ENOLL.			OTHER CHARGES			TOTAL		
	ACTUAL	ESTIM.	VARIANCE	ACTUAL	ESTIM.	VARIANCE	ACTUAL	ESTIM.	VARIANCE	ACTUAL	ESTAB.	VARIANCE
	£	£	£	£	£	£	£	£	£	£	£	£
V.C.'s Officer	21432	22950	1518	6838	8974	2136	12850	7000	(5850)	41120	38920	(2200)
V.V.C.'s Office	-	4770	4770	-	4997	4997	-	3260	3260	-	13027	13027
V.C.'s Dev. Unit	5055	13443	8388	832	2484	1652	85	-	(85)	5972	15927	9955
<u>FACULTY OF SCIENCE</u>												
<u>DEAN'S OFFICE</u>	5018	3231	(1787)	333	2483	2150	792	800	8	6143	6514	371
Botany Dept.	6346	28242	21895	896	5584	4688	598	650	52	7841	34476	26635
Zoology Dept.	13845	28242	14397	1727	5584	3857	1874	650	(1224)	17446	34476	17030
Chemistry Dept.	25840	28242	2402	3728	5584	1856	1553	650	(903)	31121	34476	3355
Maths Dept.	5658	24216	18558	458	4462	4004	386	600	214	6502	29278	22776
Physics Dept.	12832	25833	13001	316	6303	5987	998	600	(398)	14146	32736	18590
<u>FACULTY OF F & WLM</u>												
<u>DEAN'S OFFICE</u>	5825	2754	(3071)	490	2255	1765	592	800	208	6907	5809	(1098)
Wood-Science	16706	29736	13030	4172	6034	1862	874	590	(284)	21752	36360	14608
Wildlife Management	20839	36930	16091	2352	6513	4161	4280	900	(3380)	27471	44343	16872
Dept. of Forestry	50311	58581	8270	11120	14138	3018	3314	1650	(1664)	64745	74369	9624
<u>SCHOOL OF ENVIRON.</u>												
<u>STUDIES: DEAN'S OFFICE</u>	12478	13830	1352	6144	3063	(3081)	1374	700	(674)	19996	17593	(2403)
Fac. of Infm. Sci.	-	9246	9246	-	2605	2605	365	600	235	365	12451	12086
<u>FACULTY OF TECHN.</u>												
<u>DEAN'S OFFICE</u>	3684	2706	(978)	491	2191	1700	1661	750	(911)	5035	5647	(612)
Prod. Eng. Dept.	8157	28212	20025	852	5701	4849	1296	650	(646)	10335	34563	24228
Electrical Dept.	12053	26835	14782	1190	5564	4374	1883	650	(1233)	15126	33049	17923
Dev. Studies	-	10248	10248	-	3005	3005	85	600	515	85	13853	13768
<u>FACULTY OF EDUCATION</u>												
<u>DEAN'S OFFICE</u>	1900	10248	8348	120	2945	2825	710	600	(110)	2730	13793	11063
<u>ADMINISTRATION</u>												
Chief Adm. Officer's Office	99299	88283	(11016)	33572	35445	1873	19549	6100	(13449)	152420	129828	(22592)
Finance Dept.	45084	50466	5382	8377	19746	11369	7043	1750	(5293)	60501	71962	11461

Health Dept.	16656	20046	3390	1689	8004	6315	512	550	38	18857	28600	9743
Estates Magnt. Dept.	55948	63897	7949	12715	26430	13715	3105	1250	(1855)	71768	91577	19809
University Farm Management	38914	17514	(21400)	9205	7631	(1573)	880	450	(430)	48999	25595	(23404)
CHIEF ACADEMIC OFFICE												
Chief Academic Officer's Office	42010	43596	1586	7023	13037	6014	16244	5550	(10695)	65277	62183	(3095)
Students	10249	6015	(4234)	766	2462	1696	862	1100	38	11877	9577	(2300)
Library Services	3722	38706	984	7111	15551	8440	3932	1350	(2582)	48765	55607	6842
Games Department	7975	12474	4549	1563	3887	2324	742	250	(492)	10230	16611	6381
Total transferred	581816	749492	167675	124081	232662	108581	88759	41050	(47390)	794336	1023204	228868
As at 30.6.86	349997	315192	(34805)	71840	106065	34225	55185	33880	(21385)	477021	455057	(21964)
Catering services Transferred												
	58614	66351	7737	20244	33575	13331	5812	550	(5262)	84670	100476	15806
As at 30.6.86	37231	38748	1517	11198	17315	6117	517	500	(17)	48947	56563	7616

M O I U N I V E R S I T Y13. REVENUE ACCOUNT - NOTES TO THE ACCOUNTSINCOME FOR THE YEAR ENDED 30TH JUNE 1987

	<u>1986/87</u>		<u>1985/86</u>	
	<u>ACTUAL</u> £	<u>ESTIMATES</u> £	<u>VARIANCE</u> £	<u>ACTUAL</u> £
Capitation grants	1534187	1360710	(173477)	1465184
Tuition fees	23400	-	(23400)	13050
House Rents Received	5012	-	(5012)	1774
Other Miscellaneous Income	18498	-	(18498)	21581
	<u>1581097</u>	<u>1360710</u>	<u>(220387)</u>	<u>821122</u>
 <u>CATERING SERVICES</u>				
Residential allowances	86854	-	(86854)	31500
Canteen sales	7803	-	(7803)	613
Other Sundry Income	-	-	-	64
	<u>1675854</u>	<u>1360710</u>	<u>(315144)</u>	<u>1556362</u>

MOI UNIVERSITYRESIDENTIAL AND CATERING SERVICES
REVENUE ACCOUNT FOR THE YEAR ENDED 30TH JUNE 198714. NOTES TO THE ACCOUNTS

	<u>1986/87</u>		<u>1985/86</u>	
	<u>ACTUAL</u>	<u>ESTIMATES</u>	<u>VARIANCE</u>	<u>ACTUAL</u>
	£	£	£	£
<u>INCOME</u>				
Students Residential Allowance	86854	-	(86854)	54096
Other Incomes	7803	-	(7803)	677
	<u>94657</u>	<u> </u>	<u>(79051)</u>	<u>54773</u>
<u>EXPENDITURE</u>				
Personal Emoluments and Other charges	84670	91577	6907	48946
Catering Running Expenses	104476	-	(104476)	71016
	<u>189146</u>	<u>91577</u>	<u>(97569)</u>	<u>119962</u>
DEFICIT FOR THE YEAR CIF	<u>(94489)</u>			<u>(65189)</u>

MOI UNIVERSITY15. ACCOUNTS PAYABLE AT 30.6.87

	<u>1986/87</u>	<u>1985/86</u>
	£	£
Musco	535	90
Dr. Mackay's prize	120	120
Income Tax	300	275
Pensions RBS	10006	-
Other loans	400	-
Musco	40	-
Other Co-operatives	128	-
Unpaid salaries and wages	2704	811
Pension - SSSF	9397	11630
Interbanks Account	2125	-
Students Holdings Account	2060	2375
Cheque Clearing Account	788	-
Sundry Creditors	888547	-
Students Cultural Club	13	-
Wisamu	25	-
USAU - PROJECT	1560	1650
Dry land	1354	1507
Survey on Manpower	3406	3897
CSC Workshop	419	-
Dr. Murty - Research Project	109	278
Mugedo's Research Grant	1664	-
Dr. Owino S. F.	5582	-
Dr. Khaemba - S. F.	2474	-
N.H.I.F.	1	-
School Fees	5920	-
Other Payables	276	2997
Audit Fees	4000	3000
	<u>943953</u>	<u>34169</u>

M O I U N I V E R S I T Y

16. NOTES TO THE ACCOUNTS RECEIVABLES AS AT 30.6.87

	<u>1986/87</u>	<u>1985/86</u>
	£	£
Farm Holdings Account	1898	-
Staff Advances	3586	11653
Mortgages	240	-
Nursery School Expenses	2637	1648
Students Advances	887	-
Sundry Debtors	43108	4593
Moi University Primary School	7087	-
KANU DRIVE	3625	-
Nitrogen Fixation Project	21963	5933
Research Project	1275	1547
ADB	4460	4423
B.A.T. Project	5661	-
UNESCO	24	-
Other Loans	750	-
	<u>97201</u>	<u>30187</u>

MOI UNIVERSITY17. NOTES TO THE ACCOUNTS AS AT 30.6.87STOCK

<u>STOCK</u>	<u>1986/87</u>	<u>1985/86</u>
	£	£
Catering stock	4618	945
Clinic drugs	5486	2367
Hostel stocks	5434	490
Canteen stock	691	71
Stationery stock	4623	6323
Book/Shop stock	1668	1366
Guest House stock	509	877
	<u>23029</u>	<u>12439</u>

MOI UNIVERSITY18. MISCELLANEOUS INCOMES AT 30:6.87NOTES TO THE ACCOUNTS

	<u>1986/87</u>	<u>1985/86</u>
	£	£
Students Registration Fees	423	144
Students Key Deposits	542	70
Student ID Charges	213	-
Student Sundry Income	1870	147
Student Examination Fees	110	622
Sale of Tender Documents	20	1644
Telephone Sales	191	648
Library	500	50
Miscellaneous Sales	2222	-
Transport	1709	-
Water Charges	566	-
Bookshop Sales	6236	3007
Commissions & Interests	3896	13832
	<u>18498</u>	<u>21561</u>
 <u>CATERING SERVICES</u>		
Guest House Income	6757	-
Canteen	1001	-
Other Canteen Sales	45	-
	<u>7803</u>	<u>-</u>