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The logo of Moi University is circular, featuring a central emblem of a book and a scale of justice. The text 'MOI UNIVERSITY' is written around the inner circle, and a banner below it reads 'FOUNDATION OF KNOWLEDGE'.

**MOI UNIVERSITY**

**BALANCE SHEET**

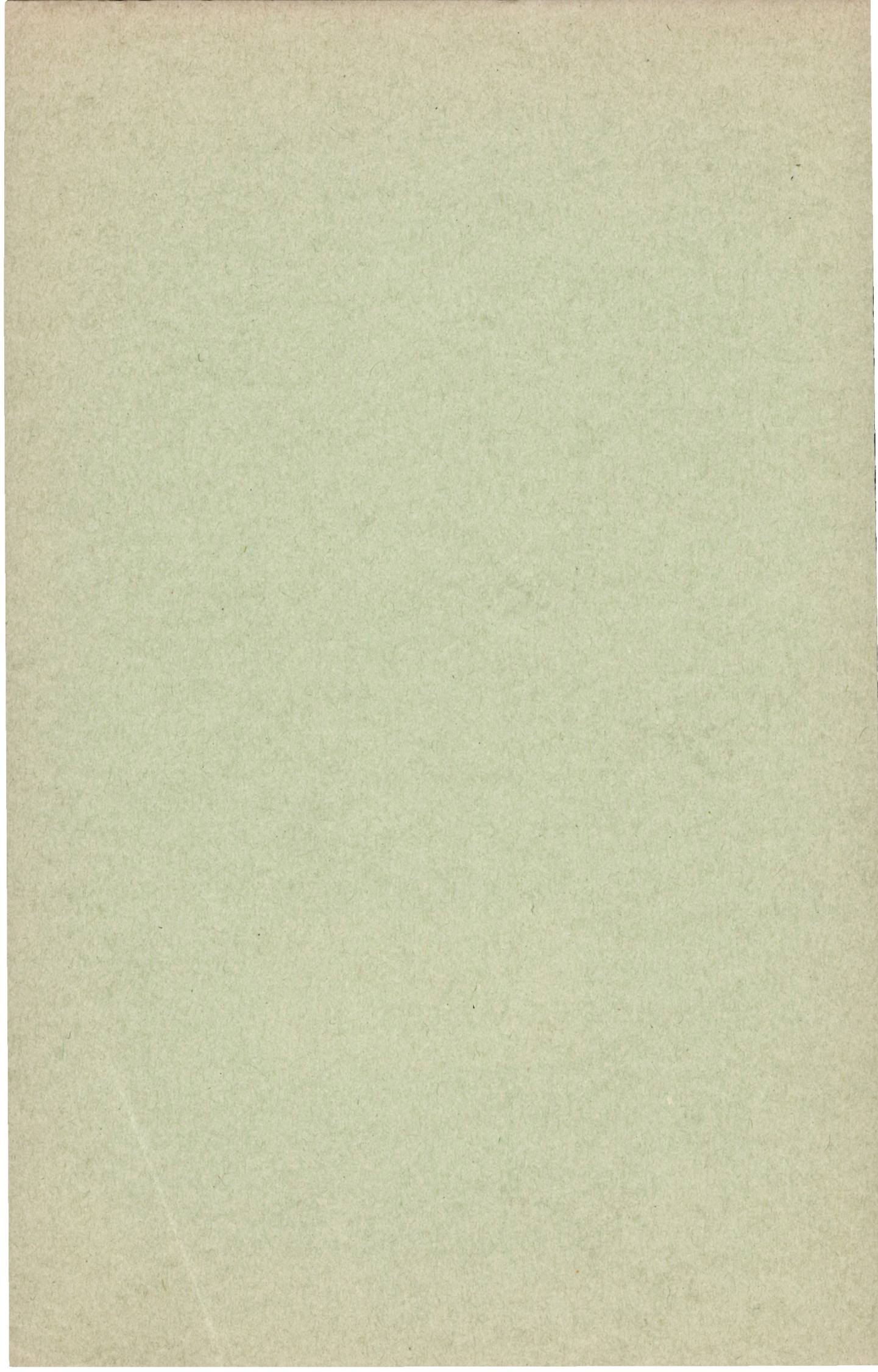
and

**ACCOUNTS**

for

**THE YEAR ENDED 30 JUNE, 1988**







**REPORT AND ACCOUNTS**  
for the year ended 30th June, 1988.

**MOI UNIVERSITY**  
P.O. Box 3900,  
ELDORET, Kenya.  
Telephone: (0321) 31660  
Telegram: MOIVARSITY, ELDORET  
Telex: 35047

**KENYA NATIONAL ASSEMBLY**  
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## Members of the University

### Honorary Graduate of the University

His Excellency the Hon. Daniel T. arap Moi, C.G.H., M.P. Hon. LL.D. (Nairobi), D.Sc. (New Brunswick), D.Sc. (Moi), D.Ed. (KU), D.Sc. (Egerton)

Chancellor of Moi University and President of the Republic of Kenya and Commander-in-Chief of the Armed Forces.

### Chancellor and Principal Officers of the University

#### Chancellor

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

#### Chairman of the University Council:

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

#### Vice-Chairman:

Prof. D. Gatei, O.G.W., M.B., Ch.B. (E.A.), F.R.C. Path. (U.K.)

#### Honorary Treasurer:

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

#### Vice-Chancellor:

Prof. S.O. Keya, B.Sc., MSc., Ph.D.

#### Deputy Vice-Chancellor:

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

#### Ag. Chief Administrative Officer:

J.K. Sang, B.A., MSc., M.A., Ph.d.

#### Chief Academic Officer:

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

#### Bankers:

National Bank of Kenya Limited  
Kenya Commercial Bank Limited

#### Lawyers:

Nyairo & Co. Advocates

#### Auditors:

Auditor General (Corporations)



**REPORT OF THE VICE CHANCELLOR  
FOR THE YEAR ENDED 30TH JUNE, 1988.**

It is gratifying to report that the financial year ended 30th June, 1988 was marked by satisfactory growth both in the student numbers and capital development. This growth was attained as a result of continued sound policy and support from the Kenya Government and the University Council.

The student population increased from 226 to 975 during the year; an increase of 331.4%. This growth had, as will become evident, adverse effects on our catering and residential services as well as estimated expenditure. In the course of the year the Faculty of Education, School of Social Cultural and Development Studies, School of Information Sciences and the School of Environmental Studies were started

Our capital reserves grew from K£11,978,694 to K£18,139,661. This is a growth of approximately 51.4%. As in the previous year, the significant growth rate has to a greater extent been contributed for by the movement in capital and revenue receipts. The total capital and revenue receipts during the year were K£7,446,857 and K£3,284,472 respectively and were applied as indicated in the statement of changes in financial position on page 7 of the accounts.

The accounts reflect a deficit of K£978,018. It is important to point out here that due to the rapid growth of the University it has been difficult to raise all the funds to meet the estimated expenditure. However, I wish to stress that every effort has been made to operate within the approved estimates. To a large extent the factors contributing to this year's deficit are the same as those I outlined last year.

These are:-

- (a) Depreciation: The accounts have been charged with K£410,430 as depreciation for the year. This does not involve the movement of funds.
- (b) Catering and Residential Services: Although the daily allowance was adjusted later in the year to KShs.35/= per student, it was not still sufficient to cover the costs in respect of catering and residential services. This has been aggravated by the greater number of students. The deficit relating to these services is K£141,961.
- (c) Change in accounting policy: In the previous years, no provision was made for accrued expenses in respect of teaching and other services rendered to the University. In the year under review, it was thought prudent to charge these expenses. They account for K£332,514 of the deficit.
- (d) Primary School: In the running of the Primary School, a deficit of K£14,913 was incurred. This has been brought about by the fact that the University has to subsidize the teachers' emoluments, buy textbooks and meet other costs in order to attain the expected high standard in the school.
- (e) Farm: The farm started operating as an independent unit on 1st January, 1987. In the financial year under review, a loss of K£84,210 was incurred. Most of the expenditure during this period relates to preparation and planting of maize and wheat fields. The income from the harvest of the crop will be taken into account in the next financial year. Wheat was estimated to realize K£24,651 and maize has not been harvested.



To improve its performance, a capital development loan of K£90,000 was secured from Kenya Commercial Bank Limited. The liquidity has also been improved by arrangement of overdraft facilities of up to K£150,000. We are confident that these arrangements if other factors favour us will change the present production trend of the farm.

The Auditor General's (Corporations) report is to be found on page 6 of these accounts and it is encouraging to observe that it is unqualified.

I wish to warmly welcome the new Council which was appointed in the course of the financial year under the able chairmanship of Mr. J.T. arap Leting, Permanent Secretary in the Office of the President, Secretary to Cabinet and Head of Civil Service. I would like to assure the members that they will get maximum co-operation from all the staff. I also would like to express my deep gratitude to the previous Council under the chairmanship of Hon. Burudi Nabwera M.P. and Minister of State in the Office of the President for steering the University from its inception to where they left it.

I would like to take this opportunity to thank all the University staff for the selfless service they have rendered to the University in the year under review. Indeed it was due to their dedication to work that enabled us to make such a progress. I wish to encourage the staff to keep the same spirit for the purpose of attaining continued growth of the University.

Last but not least, I must express my appreciation to the Government of Kenya and members of the University Council for the moral and material assistance they have extended to the management and University during the year under review. I look forward to similar support in the coming year.

PROF. S. O. KEYA  
VICE CHANCELLOR



**CERTIFICATE OF THE AUDITOR-GENERAL (CORPORATIONS) ON THE ACCOUNTS  
OF MOI UNIVERSITY FOR THE YEAR ENDED 30TH JUNE, 1988.**

I have examined the accounts of Moi University for the year ended 30th June, 1988 in accordance with the provisions of the Exchequer and Audit Act, (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 have been prepared under the historical cost convention are in agreement therewith and comply with Moi University Act, 1984. 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 30th June, 1988 and of its deficit and source and application of funds for the year ended on that date.

**A.J. OKOTH**  
**AUDITOR - GENERAL (CORPORATIONS)**

15th May, 1989.



**BALANCE SHEET AS AT  
30TH JUNE, 1988**

	<u>NOTE</u>	<u>K£</u>	<u>K£</u>	<u>1987/88</u> <u>K£</u>
Fixed Assets	11			22,775,733
<u>CURRENT ASSETS:-</u>				
Stocks	12	136,977		
Debtors	13	145,467		
Bank Balance		<u>129,227</u>	411,671	
<u>CURRENT LIABILITIES:-</u>				
Loans	3	85,580		
Creditors	14	<u>4,962,163</u>	5,047,743	
Net Current Assets				<u>(4,636,072)</u>
				<u>18,139,661</u>
<u>FINANCED BY:-</u>				
Reserves	15			<u>18,139,661</u>

S. O. KEYA, B.Sc. MSc. Ph.D.  
VICE CHANCELLOR

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

B. P. M. NYANG'ONGO, CPA (K)  
CHIEF ACCOUNTANT

**INCOME AND EXPENDITURE ACCOUNT FOR THE YEAR  
ENDED 30TH JUNE, 1988**

	<u>NOTES</u>		<u>1987/88</u> <u>K£</u>
Income for the year	17		2,841,334
Expenditure for the year	18-19		<u>3,819,352</u>
Deficit for the year			<u>(978,018)</u>







**STATEMENT OF CHANGES IN FINANCIAL POSITION  
FOR THE YEAR ENDED 30TH JUNE, 1988.**

	K£	<u>1987/88</u> K£
<u>SOURCE OF FUNDS</u>		
Excess of Income over Expenditure (deficit)		(978,018)
<u>ADD:</u> Adjustment for items not involving Movement of Funds		
Depreciation	410,430	
<u>LESS:</u> Gain on disposal of fixed assets	<u>1,974</u>	<u>408,456</u>
FUNDS GENERATED FROM OPERATIONS		(569,562)
<u>OTHER SOURCES:</u>		
Capital Grants		7,339,259
Increase in Capital Reserve (Donations)		107,598
Proceeds from sale of fixed assets		<u>7,250</u>
TOTAL FUNDS GENERATED		6,884,545
<u>APPLICATION OF FUNDS</u>		
Decrease in Capital Reserve		(364,967)
Purchase of fixed assets		<u>(10,467,261)</u>
DECREASE IN WORKING CAPITAL		<u>(3,947,683)</u>
<u>CHANGES IN WORKING CAPITAL</u>		
Increase in stock		90,934
Increase in Accounts receivable		21,875
Increase in Accounts payable		<u>(3,941,454)</u>
		(3,828,645)
<u>MOVEMENT IN NET LIQUID FUNDS</u>		
Bank Balances		12,467
Bank Overdraft		(66,469)
Loan Acquisition		<u>(65,036)</u>
		<u>(3,947,683)</u>



**NOTES TO THE ACCOUNTS FOR  
THE YEAR ENDED 30TH JUNE, 1988.**

**ACCOUNTING POLICIES**

(1) The Accounts are prepared in accordance with the historical cost convention. The following are the principle policies adopted by the University. The consolidation is on merger basis.

(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.

(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.

The annual rates for this purpose are:-

- Buildings	2%
- Motor Vehicles	25%
- Plants & Equipment	12½%
- Furniture & Fittings	12½%
- Farm Works	2%

Machinery costing K£23,620 acquired in mid-June, 1988 were not depreciated. Freehold land is not depreciated. Depreciation on building is charged to those projects which are already completed.

(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. Livestock bred on the farm is valued by management at rates approximating to net realisable value. No value is attributed to the Stock of Wattle growing on the farm.

(2) Specific Purpose Revenue Grants

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

(3) Loan

The loan Balance as at 30th June, 1988 was as follows:-

	K£
- Agricultural Finance Corporation	20,544
- Kenya Commercial Bank	65,036
	<hr style="width: 100%;"/>
	85,580
	=====



(4) 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, 1988 the liabilities under both the fund and the scheme were fully funded.

- (5) A five acre land and equipment donated by Hon. W. Saina for the purpose of Research project had not been included in the accounts pending valuations and receipts of Title Deed.

(6) Contingent Liabilities

As at 30th June, 1988 the University guaranteed facilities for car loans to staff by National Bank of Kenya Limited amounting to K£74,564. The contingent liability is limited to K£100,000.

(7) Legal Form

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

(8) Currency

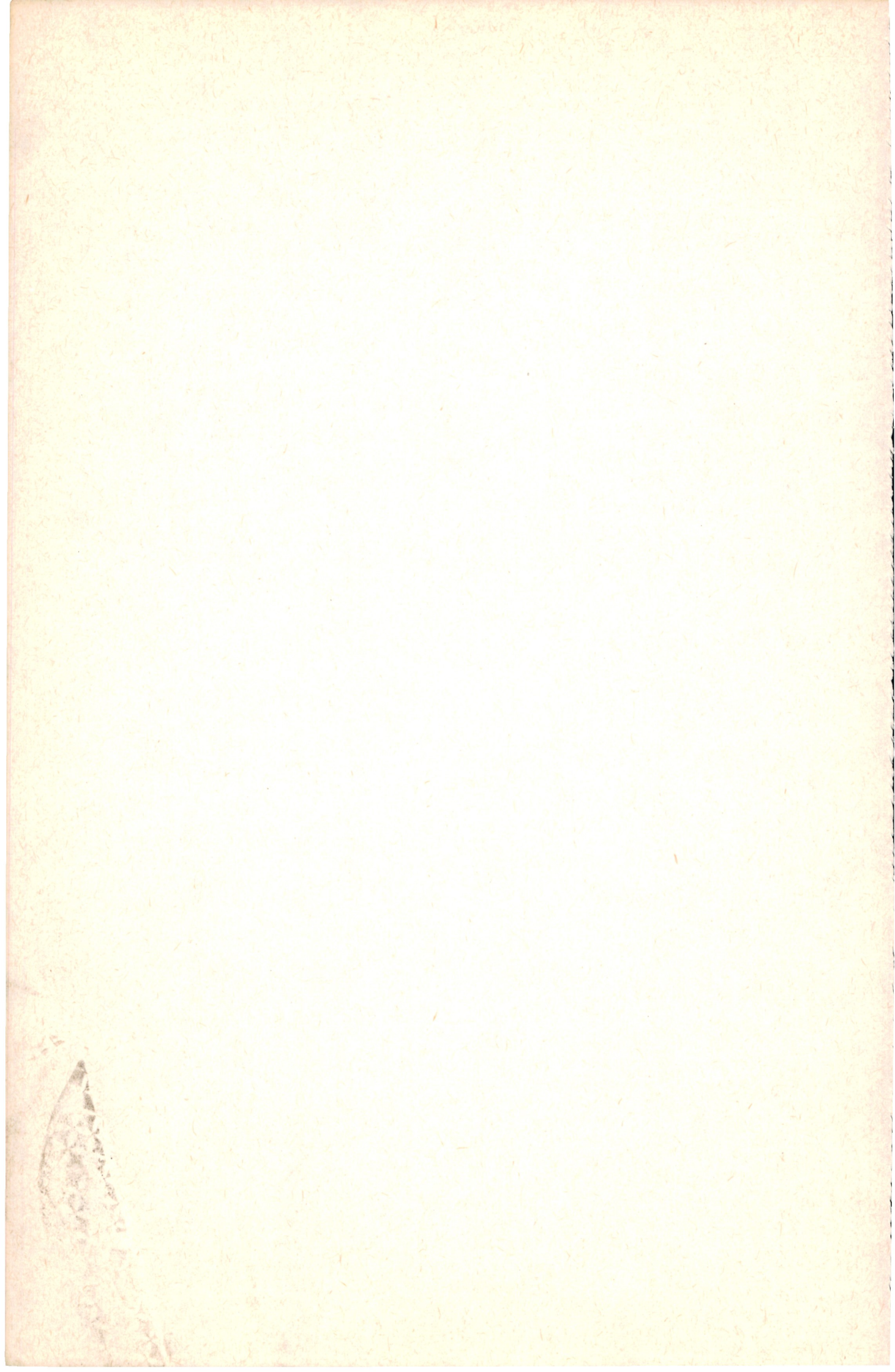
These accounts are expressed in Kenya Currency. One Kenya Pound represents twenty Kenya Shillings.

(9) Accruals

As at 30th June, 1988 sundry creditors accrued to these accounts amounted to K£4,893,832.

- (10) Interdebtteness between the University and the farm have been eliminated. Farm debt to the tune of K£44,162 due to the University and K£20,262 University debt due to the farm have been eliminated.







(11)

**FIXED ASSETS SCHEDULE FOR YEAR ENDED  
30TH JUNE, 1988.**

	BUILDINGS	PLANT AND EQUIPMENT	FURNITURE & FITTINGS	MOTOR VEHICLES	FARMWORKS	TOTAL
	K£	K£	K£	K£	K£	K£
1st July, 1987	11,854,574	939,974	182,212	352,655	2,742	13,332,157
Additions	10,702,590	784,127	117,855	106,099	-	11,710,671
Disposal / Transfer	(1,233,306)	(2,265)	(7,839)	(8,441)	-	(1,251,851)
30.6.1988	21,323,858	1,721,836	292,228	450,313	2,742	23,790,977
<b>DEPRECIATION</b>						
1st July, 1987	226,096	156,151	47,666	177,988	82	607,983
Charges for the year	46,622	214,621	36,527	112,578	82	410,430
Disposal	-	-	-	(3,165)	-	(3,165)
	272,718	370,772	84,188	287,401	164	1,015,248
<b>NET BOOK VALUE</b>						
30TH JUNE, 1988	21,051,140	1,351,063	208,040	162,912	2,578	22,775,733

- (i) A three thousand acre freehold land donated by East African Tanning Extract Company has not been included in the accounts pending valuation and receipts of the title deed which is currently being processed.
- (ii) The additional cost of K£10,702,590 charged to buildings represents work in progress in respect to work already done on the on-going buildings.



**NOTES TO THE ACCOUNTS FOR THE  
YEAR ENDED 30TH JUNE, 1988.**

(12) STOCK	<u>1987/88</u> K£
Catering Stock	9,938
Clinic Drugs	6,194
Hostel Stocks	4,604
Stationery Stock - Central Store	15,907
Bookshop Stock	15,919
Guest House Stock	252
Estates Stock	25,826
Cattle	24,420
Sheep	1,548
General Stores	31,927
Goats	442
	<hr style="width: 100%; border: 0.5px solid black;"/>
	136,977
	=====
(13) DEBTORS	<u>1987 / 88</u> K£
Staff and Students' Advances	16,682
Misc. Revenue Grants for Specific purposes	26,889
Deans Committee - Research Grants	708
Farm Debtors	17,426
Sundry Debtors	83,762
	<hr style="width: 100%; border: 0.5px solid black;"/>
	145,467
	=====
(14) <u>CREDITORS</u>	<u>1987 / 88</u> K£
Students' Organisations	2,936
Statutory Deductions	71,625
Deans Committee Research Grants	20,924
Misc. Revenue Grants for Specific Purposes	105,514
Bank Overdrafts	486,992
Sundry Creditors	4,274,172
	<hr style="width: 100%; border: 0.5px solid black;"/>
	4,962,163
	=====



**NOTES TO THE ACCOUNTS FOR THE  
YEAR ENDED 30TH JUNE, 1988.**

**(15) CAPITAL RESERVE FUND**

	K£	<u>1987 / 88</u> K£
Balance as at 1st July, 1987		12,035,774
<u>ADD</u>		
Adjustment during the year	(364,952)	
Capital receipts	7,339,259	
Donations	<u>107,598</u>	<u>7,081,905</u>
		19,117,679
<u>LESS</u>		
Deficit for the year		
University	893,808	
Farm	<u>84,210</u>	<u>978,018</u>
		<u>18,139,661</u> =====

**(16) RESIDENTIAL & CATERING SERVICES  
REVENUE ACCOUNT**

	<u>£</u>	<u>£</u>
<u>INCOME</u>		
Students Residential Allowance		442,384
Other Incomes		754
		<u>443,138</u>
<u>EXPENDITURE</u>		
Personal Emoluments	96,093	
House Allowance	21,795	
Gratuity & Retirement Benefits	5,901	
Stationery & Other Expenses	6,827	
Travelling & Accomodation	367	
Purchase of Uniforms	3,922	
Medical Services	2,791	
Catering Hostels and Other Overheads.	<u>447,403</u>	<u>585,099</u>
<b>DEFICIT</b>		<u>141,961</u> =====



**NOTES TO THE ACCOUNTS FOR THE  
YEAR ENDED 30TH JUNE, 1988.**

**SCHEDULE OF INCOME**

(17)	<u>ACTUAL</u> £	<u>ESTIMATED</u> £	<u>VARIANCE</u> £
Capitation grants	2,656,856	3,083,700	(426,844)
Tuition Fees	13,784	-	13,784
House Rents	6,894	-	6,894
Other miscellaneous Income	85,508	-	85,508
University Farm	78,292	-	78,292
	<u>2,841,334</u> =====	<u>3,083,700</u> =====	<u>242,366</u> =====

**MOI UNIVERSITY PRIMARY SCHOOL  
REVENUE ACCOUNT**

(18)	£
School Fees	14,921
<u>LESS:</u> Recurrent Costs	<u>29,834</u>
<u>DEFICIT</u>	<u>(14,913)</u>

**(19) EXPENDITURE**

	£
Central Expenses	1,962,187
Department Expenses	1,537,789
Moi University Farm	162,502
Deficit on Catering	141,961
Deficit on Primary School	Note 18 14,913
	<u>3,819,352</u> =====



