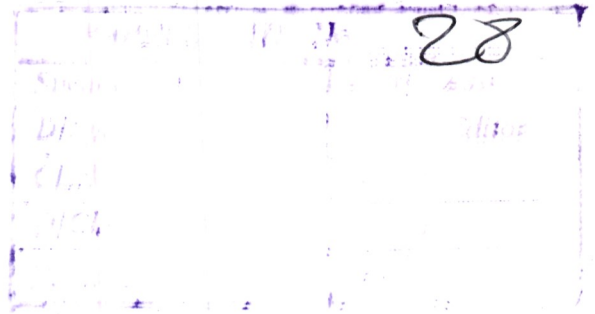


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NGONGOGERI FARM

FINAL ACCOUNTS FOR THE
YEAR ENDED 30TH JUNE, 1998



REPORT OF THE AUDITOR-GENERAL (CORPORATIONS) ON THE ACCOUNTS OF
NGONGONGERI FARM FOR THE YEAR ENDED 30 JUNE 1998

NGONGOGERI FARM

FINAL ACCOUNTS FOR NGONGOGERI FARM, EGERTON UNIVERSITY FOR THE PERIOD ENDED ON 30th JUNE 1998.

I have the pleasure in presenting the copies of the Final Accounts for the financial year ended 30th June 1998 for Ngongogeri Farm as stipulated below in Part IV Section 20, sub-section 1 to 3 of the Egerton University Act No.11 of 11th October 1987. These accounts incorporates the trading, profit and loss account, support schedules to the Balance Sheet.

1. Accounting Policies

The accounts have been prepared under historical cost convention.

2. Depreciation

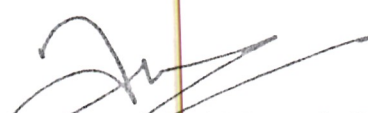
Depreciation has been charged on the net book value of the fixed assets designed to write-off the assets concerned over their estimated useful life.

3. Stocks

Stock of crops and Livestock have been valued at the lower of cost and net realisable 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 1998**

I have examined the Accounts of Ngongongeri Farm for the year ended 30 June 1998 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 reservation set out herebelow the Accounts, when read together with the Notes thereon, present fairly the financial state of affairs of the Farm as at 30 June 1998 and of its loss for the year ended on that date.

FIXED ASSETS

As previously reported, the Balance Sheet fixed assets figure of Kshs.8,237,259 as at 30 June 1998 still includes the amount of Kshs.2,740,160, being the estimated value of the unsurveyed farm land approximated at 1104 hectares which, as earlier indicated, is grossly understated, taking account of the location and size of the subject land.

S. M. Maluki
S. M. MALUKI
AUDITOR GENERAL (CORPORATIONS)

09 March 2001

INGONGGERI FARM

IF 055

BALANCE SHEET AS AT 30TH JUNE, 1998

	30TH JUNE, 98	30TH JUNE, 97
FIXED ASSETS:		
Fixed Assets (Note 2)	9,681,099.00	11,582,218.00
Depreciation for the year	- 1,443,840.00	- 1,901,118.00
Capital work in progress	8,237,259.00	9,681,100.00
Investment at cost (Note 3)	350,120.00	0
		350,120.00
		10,031,220.00
CURRENT ASSETS:		
Stocks (Note 4(a))	26,642,301.00	23,069,170.00
Debtors and prepayments (Note 4(b))	19,184,044.00	20,114,427.00
Cash at Bank (Note 6)	619,242.00	69,949.00
Cash on Hand	29,100.00	
	46,474,687.00	43,253,546.00
CURRENT LIABILITIES:		
Creditors and Accruals (Note 5)	22,015,090.00	20,722,725.00
Provisions (Note 7)	777,000.00	717,000.00
Bank overdraft		2,626,925.00
	22,792,090.00	24,066,650.00
Net current Assets	23,682,597.00	19,186,896.00
TOTAL ASSETS EMPLOYED	32,269,976.00	29,218,116.00
FINANCED BY:		
General Fund Account	29,218,116.00	39,144,267.00
Profit Realised in the year	3,051,860.00	- 9,926,151.00
	32,269,976.00	29,218,116.00
..... VICE CHANCELLOR		
..... DEPUTY VICE CHANCELLOR (ADMIN & FINANCE)		
..... FINANCE OFFICER		

	CATTLE	MILK	SHEEP	WOOL	WHEAT	MAIZE	GRASS/HA	SUNDRY	TOTALS 97/98		
SALES	2,177,593	4,663,758	207,840	23,682	10,803,548	433,073	6,460	102,567	18,418,521		14,881,692
OPENING STOCK	6,266,000		1,217,500		7,000,000	611,740	215,000	28,990	17,939,230		15,917,780
DIRECT EXPENSES	1,227,378				6,835,204	462,100	17,100		8,541,782		15,222,061
	9,493,378	0	1,217,500	0	14,435,204	1,073,840	232,100	28,990	26,481,012		31,139,841
CLOSING STOCK	11,126,000		1,230,500		10,450,000	1,065,000	67,270		23,938,770		17,939,230
COST OF SALES	-1,632,622	0	-13,000	0	3,985,204	8,840	164,830	28,990	2,542,242		13,200,611
GROSS PROFIT(LOSS)	3,810,215	4,663,758	220,840	23,682	6,818,344	424,233	-150,370	73,577	15,876,279		1,681,081
LESS OVERHEADS:											
PERSONAL EMOLUMENTS											
FUEL AND LUBRICANTS											
TRAVEL AND SUBSISTENCE											
REPAIRS:											
BUILDINGS											
BOREHOLES											
TRACTORS											
MILK COOLERS											
MOTOR VEHICLES											
GRATUITIES											
BANK CHARGES											
ELECTRICITY											
TELEPHONE											
SHOW EXPENSES											
INSURANCE											
UNIFORMS											
MISCELLANEOUS											
PROVISIONS: DEPRECIATION											
AUDIT FEES											
ACCOUNTANCY											
COMPUTER CHARGES											
BONUS											
HONORARIUM											
STATIONERY											
NET PROFIT									65,418	12,824,419	11,607,212
										3,051,060	-9,925,151

NOTE 4(b) DEBTORS AND PREPAYMENTS				PAGE 2	
		OPNING BAL			CLOSING BAL.
		AS AT 01.7.97	RECEIPTS	ADDITIONS	AS AT 30.06.98
TRADING DEBTORS		4,617,267.00	5,290,556.00	2,561,691.00	1,888,402.00
EGERTON UNIVERSITY		15,486,400.00	-	-	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
E.U.DAIRY DEPARTMENT		-	193,899.00	1,670,099.00	1,476,200.00
E.U. ANIMAL HEALTH DEPT;		-	-	191,130.00	191,130.00
EUSACS		-	-	131,152.00	131,152.00
		<u>20,114,427.00</u>	<u>5,484,455.00</u>	<u>4,554,072.00</u>	<u>19,184,044.00</u>
NOTE 5					
CREDITORS AND ACCRUALS:					
		OPENING			CLOSING
		BALANCE	PAYMENTS	ADDITIONS	BALANCE
		AS AT 01.07.97			AS AT 30.06.98
TRADE CREDITORS		6,039,580.00	2,512,809.00	4,202,894.00	7,729,665.00
EGERTON UNIVERSITY		14,670,000.00	1,700,000.00	-	12,970,000.00
E.U.TRANSPORT FUEL SECT		-	-	989,609.00	989,609.00
UNCLAIMED WAGES		<u>13,145.00</u>	<u>1,848.00</u>	<u>314,519.00</u>	<u>325,816.00</u>
		<u>20,722,725.00</u>	<u>4,214,657.00</u>	<u>5,507,022.00</u>	<u>22,015,090.00</u>
NOTE 6 BANK BALANCES:					
NATIONAL BANK			395,236.00		
STANDARD BANK			<u>224,006.00</u>		
				<u>619,242.00</u>	
NOTE 7 PROVISIONS:					
BALANCE B/F			717,000.00		
AUDIT FEES		20,000.00			
ACCOUNTANCY		20,000.00			
COM[PUTER CHARGES		<u>20,000.00</u>			
			<u>60,000.00</u>		
				<u>777,000.00</u>	

	Page 4	
NOTE 3		
INVESTMENTS-AT-COST AS AT 30/06/98		
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
K.F.A		179,640
Pyrethrum Board of Kenya Ordinary Shares		400
		350,120
		=====
NOTE 4 (a) STOCKS		
	KSH	KSH
Livestock: Cattle	11,126,000	
Sheep	1,230,500	
		12,356,500
CROPS: Wheat	10,450,000	
Maize	1,065,000	
Grass, Hay & Straws	67,270	
	=====	
FARM INPUTS:		11,582,270
Feeds & Supplements	364,433	
Fertilizer & Seeds	1,036,695	
Animal Drugs	358,000	
Herbicides & Pesticides	944,403	
		2,703,531
		26,642,301
		=====