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NAIROBI

KENYA NATIONAL AUDIT OFFICE

REPORT OF THE CONTROLLER AND AUDITOR GENERAL ON THE
FINANCIAL STATEMENTS OF MASENO UNIVERSITY FOR THE YEAR
ENDED 30 JUNE 2005





KENYA NATIONAL AUDIT OFFICE

REPORT OF THE CONTROLLER AND AUDITOR GENERAL ON THE FINANCIAL STATEMENTS OF MASENO UNIVERSITY FOR THE YEAR ENDED 30 JUNE 2005

I have audited the financial statements of Maseno University for the year ended 30 June 2005 in accordance with the provisions of section 14 of the Public Audit Act, 2003. I have obtained all the information and explanations which to the best of my knowledge and belief were necessary for the purpose of the audit. The financial statements are in agreement with the books of account.

Respective Responsibilities of the Council and the Controller and Auditor General

As set out in the statement of Council members' responsibilities, the Council is responsible for the preparation of financial statements which give a true and fair view of the University's state of affairs and of its operating results. My responsibility is to express an independent opinion on the financial statements based on my audit.

Basis of Opinion

The audit was conducted in accordance with the International Standards on Auditing. Those standards require that the audit be planned and performed with a view to obtaining reasonable assurance that the financial statements are free from material misstatement. An audit includes an examination, on a test basis, of evidence supporting the amounts and disclosures in the financial statements. It also includes an assessment of the accounting policies used and significant estimates made by the Council, as well as an evaluation of the overall presentation of the financial statements. I believe my audit provides a reasonable basis for my opinion.

Comments

1. Obsolete Stocks

The balance sheet inventories figure of Kshs.23,386,846 as at 30 June 2005 includes Kshs.3,136,554 obsolete stocks for which the University has not made any provisions to recognize diminutions in value in accordance with International Accounting Standard No.2 on inventories. In view of the foregoing it was not possible to ascertain that the carrying value of inventories of Kshs.23,356,846 reflected in the balance sheet is fairly stated.

2. Statutory Deductions

The balance sheet payables balance of Kshs.66,943,530 as at 30 June 2005 excludes retirement benefit scheme contributions amounting to Kshs.13,410,266.75 which had not been remitted to the Maseno University Pension Scheme. It is not clear why the scheme contributions were excluded from the financial statements. In the circumstances it was not possible to ascertain the accuracy and completeness of the payables balance of Kshs.66,943,530 shown in these financial statements.

3. Suspense of Kshs.3,385,457

As in the previous year, the payables balance of Kshs.66,943,530 as at 30 June 2005 includes Kshs.3,385,457 (2004 Kshs.5,073,998) described as prior year credit suspense. The management has not provided analysis and documentary evidence to support this amount. Consequently, it was not possible to ascertain the validity of the suspense figure of Kshs.3,385,457 reflected in these financial statements as at 30 June 2005.

Opinion

Except for the foregoing reservations, in my opinion, proper books of account have been kept and the financial statements give a true and fair view of the state of the financial affairs of the University as at 30 June 2005 and of its surplus and cash flows for the year then ended in accordance with International Financial Reporting Standards and comply with the Maseno University Act.


P.N. KOMORA
CONTROLLER AND AUDITOR GENERAL

Nairobi

23 August 2006



MASENO UNIVERSITY

ANNUAL ACCOUNTS

&

REPORT

2004/2005

MASENO UNIVERSITY

Annual Report for the year 2004/2005

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GENERAL INFORMATION

1. **OWNERSHIP AND STRUCTURE**

The Institution is 100% owned by the Government of Kenya with the parent ministry being Ministry of Education, Science and Technology.

2. **PHYSICAL AND POSTAL ADDRESS**

Maseno University
Head Office - Main Campus on Kisumu-Busia Road
Private Bag
MASENO
Tel: +254 57 351620/22
Fax: +254 57 351221

3. **BANKERS**

(i) Kenya Commercial Bank Ltd.
Kisumu Branch

(ii) Standard Chartered Bank
Kisumu Branch

(iii) Barclays Bank of Kenya
Kisumu Branch

4. **AUDITORS**

Controller and Auditor General
P O Box 30084-00100
NAIROBI

MISSION STATEMENT

The mission of Maseno University is the promotion of excellence in undergraduate and postgraduate studies, basic and applied research for the enhancement of economic, social, cultural, scientific and technological development of Kenya; with special emphasis on training practically oriented graduates.

FUNCTIONS AND OBJECTIVES

The Functions and objectives of the university shall be:

1. Provide directly, or in collaboration with other institutions of higher learning, facilities for University education and research including technological, scientific and professional fields and research.
2. Participate in the discovery, transmission, preservation and enhancement of knowledge and to stimulate the intellectual participation of students and staff in the economic, social, cultural, scientific and technological development in Kenya.
3. Harnessing acquired knowledge of the natural, applied and social sciences to manage the rural environment and to maintain bio-diversity.
4. To conduct examination for and to grant such academic awards as may be, from time to time, provided for in the statutes.
5. To determine those who may teach, what may be taught and how it may be taught in the university.
6. To play an effective role in the development and expansion of opportunities for university education.

MEMBERS OF MASENO UNIVERSITY COUNCIL

Chairman	Prof. Nimrod Bwibo, EBS, M.B.Ch.B. (EA), MPH (Berkeley), MRCP (London), DSc (Egerton), EBSV/ Chairman
Vice-Chairman	Rev. Dr. Zacchaus Okoth, STL (Gregoriana, Rome), STD (Providence, USA)
Hon. Treasurer	Mrs. Gladys N. Taraiya, Dip.Law (Kenya School of Law), LLB Hons (UoN),
Chancellor	Mr. William N. Wamalwa, BA(London), Advanced Cert in Public Admin. (KIA), D.Litt.(Maseno)
Vice-Chancellor	Prof. Frederick N. Onyango, Fil.Kand, MSc (Uppsala), Ph.D. (London), FKNAS, , SS.
Member	Mr. I. Omollo Okero
Member	Prof. D. Odhiambo
Member	Mr. W. Mayaka
Member	Dr. R. Masake
Member	Mr. A. Tuikong
Member	Mrs. I. Odinga
Co-opted Member	RT. Rev F. Mwai Abiero
PS-Min. of Education Rep.	Mr. Gabriel Lengoiboni
PS-Min. of Finance Rep.	Mrs. S. L. Bobboti
PS-Min. of Roads & PublicW. Rep	Mr. P. Sika
PS-DPM Rep.	Mr. J. Nyasio
Secretary – CHE	Prof. Justine Irina, EBS, BSc (London), MSc (St F X Canada), Ph.D. (UoN)
D.V.C. (A&F)	Prof. Richard K. Mibey, BA (Warren), MSc (Appalachian), D.Ed (Oklahoma), Ph.D. (UoN), FWIF
D.V.C. (AA)	Prof. Philip J. Aduma, BVM (UoN), MSc (Penn. State), Ph.D. (Saskatchewan)
D.V.C. (PES)	Prof. Arthur. I. Luvai, OGW, BA, MA (UoN)
Non-Senate (Acad. Staff) Reps	Dr. Kenneth Simala & Dr. Edwards Kochung'
Non-Academic Staff Rep.	Mr. Alloys Agunja

OFFICERS OF THE UNIVERSITY

CHANCELLOR	Mr. William N. Wamalwa, BA(London), Advanced Cert. in Public Admin. (KIA), D.Litt. (Maseno)
CHAIRMAN OF COUNCIL	Prof. Nimrod Bwibo, EBS, M.B.Ch.B. (EA), MPH (Berkeley), FAAP (USA), MRCP (London), Hon. DSc (Egerton)
VICE-CHANCELLOR	Prof. Frederick N. Onyango, MBS, Fil.Kand, MSc (Uppsala), Ph.D. (London), FKNAS, SS
DEP. VICE-CHANCELLOR (A&F)	Prof. Richard K. Mibey, BA (Warren), MSc (Appalachian), D.Ed (Oklahoma), Ph.D. (UoN), FWIK
DEP. VICE-CHANCELLOR (AA)	Prof. Philip J. Aduma, BVM (UoN), MSc (Penn. State), Ph.D. (Saskatchewan)
DEP. VICE-CHANCELLOR (PES)	Prof. A. I. Luvai, OGW, BA, MA, (UoN)
AG. FINANCE OFFICER	Mrs. Ruth Chesang', Bcom (UoN)
AG. UNIVERSITY LIBRARIAN	Mr. Philemon O. Odongo, BSc (Virginia), MSLS (Catholic Univ. America)
DEP. REGISTRAR (Admin.)	Mr. Matthew O. Onyango, BEd (Nairobi), MEd (Manchester)
DEP. REGISTRAR (AA)	Mr. Okuta Ogacho, BEd (Dar-es- Salaam), MEd (Manchester)
DEP. REGISTRAR (Central Serv.)	Mr. Martin Muango, BA (Makerere), PGDE (Univ. of East Africa)
AG. DEP. REGISTRAR (PES)	Mr. Hezron Lutta, PGDE (UON), BA (Makerere)
HEAD, MEDICAL SERVICES	Dr. Vitalis Ouko Ogilo, M.B.Ch.B. (UoN)

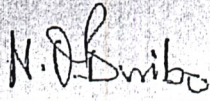
MASENO UNIVERSITY

THE COUNCIL CHAIRMAN'S REPORT

Maseno University has continued to register growth in student numbers, a situation that has exerted much pressure on the little resources available and this has made the university look for ways and means of managing the situation. The Council is happy that through efficient and proactive approach to management of resources, the university has been able to clear the long outstanding debts, put up new facilities for lectures, offices and hostels and even complete some of the projects which had stalled. The university, however, still experiences some difficulties in terms of physical facilities. For instance the institution is in dire need of funds to put up a modern library which will be able to cater for the increasing student population among other projects.

We are confident and pleased that with continued strict financial operations and an increase in the government's capitation Maseno University will soon be a leading university of choice.

I want to thank the Chancellor, Council members, the Vice Chancellor and staff for their cooperation and support not forgetting the student body for their understanding which is making Maseno rise to greater heights towards becoming a center of excellence. With the support of all stakeholders we look forward to even greater achievements.



PROF. NIMROD BWIBO

CHAIRMAN OF COUNCIL

VICE CHANCELLOR'S REPORT

This year the University registered a further improvement in its performance. The government increased its capitation grant modestly by 37%. This was however countered by an almost equal salary increment to lecturers and middle level employees. Revenue from fee collection tripled from last year, as a result the normalcy in learning that prevailed during the year. Income from other internal activities grew by 95% and this included receipts from Kisumu Hotel that operated for about nine months. The result is a reflection of enhanced expenditure controls and discipline in overall financial management.

Despite the surplus though, the University is still financially constrained owing to inadequate funding. We spent substantially during the year on capital development projects initiated with a view to improving learning environment for students. A number of these projects remain incomplete because we cannot fully fund them from our internally. As a young institution with limited resources we cannot meet operations and maintenance costs adequately without affecting other long-term strategic plans. Thus we are forced to scale down expenditure on some key areas that are integral part of the overall university objectives.

The University is in the process of formulating a ten-year strategic plan to determine, highlight and prioritize its long-term goals. Among several key issues in consideration are how to further improve the quality of its educational service and broaden the revenue base. Negotiations are under way to acquire the Kenya National Assurance building that will be used for evening and open distant electronic learning programmes amongst other income generating ventures. We expect to complete the exercise within next financial year.

Finally, I wish to thank the government, the Council, staff, students, parents, international partners and other stakeholders for their contributions and support during the year. Given all their continued support, Maseno University is looking forward to a rapid growth.

F. N. Onyango

Prof: Frederick N Onyango
Vice Chancellor

COUNCIL MEMBERS STATEMENT OF RESPONSIBILITIES
FOR THE FINANCIAL YEAR 2004/2005

It is required of the members of the council to oversee the preparations of the financial statements for each year, which give a true and fair view of the state of affairs of the university. They are also required to ensure that proper accounting records, which disclose with reasonable accuracy the financial position of University have been kept. They are also responsible for safeguarding the assets of the University.

The members of the council accept responsibility for annual financial statement, which have been prepared using appropriate accounting policies supported by reasonable and prudent judgement and estimates in conformity with International Financial Reporting Standards. The members of the Council are of the opinion that the financial statements give a true and fair view of the state of financial affairs of the university and of its operating results. The members of the council further accept responsibility for the maintenance of accounting records, which may be relied upon in the preparation of financial statements as well as adequate system of internal financial control.

Nothing has come to the attention of the members of the council to indicate that the university will not remain a going concern for at least twelve months from the date of this statement.

Prof. Nimrod Bwibo N.O. Bwibo
Chairman ----- Date 12/05/06

Prof. Frederick N. Onyango F.N. Onyango
Vice Chancellor ----- Date 12/05/06

Mrs. Gladys Taraiya G. Taraiya
Hon. Treasurer ----- Date 15/05/06

MASENO UNIVERSITY
Annual Report for the year 2004/2005

INCOME AND EXPENDITURE ACCOUNT FOR YEAR ENDED 30TH JUNE 2005

	<i>Notes</i>	2004/2005 Kshs	2003/2004 Kshs
Capitation Grants	2	655,003,210	477,999,996
Tuition Fees	3	250,662,708	87,975,144
Other Incomes	3	108,189,184	55,325,855
Sub-Total		1,013,855,102	621,300,994
Less: Expenditure for the Year	4	922,245,131	613,794,089
Surplus for the year		91,609,971	7,506,906
Surplus/(Deficit) Brought Forward		357,620	
Prior year Adjustments		3,675,238	(7,149,286)
Surplus/(Deficit) Carried Forward		95,642,829	357,620

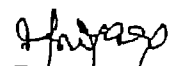
BALANCE SHEET


As at 30th June 2005

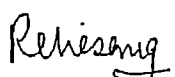
	Notes	2005 KShs	2004 KShs
FINANCED BY			
Capital Fund		1,376,738,348	1,376,738,348
Revenue Reserve		357,620	357,620
A		1,377,095,968	1,377,095,968
B Long Term Liabilities			
Students Caution Money	5	4,887,946	4,887,946
C TOTAL FUNDS		1,381,983,912	1,381,983,912
EMPLOYED IN:			
D Total Long Term Assets			
Property, Plant & Equipment	6	1,280,191,574	1,280,191,574
E Investment in Treasury Bonds	7	10,000,000	10,000,000
Current Assets			
Inventories	8	15,471,087	15,471,087
Receivables	9	56,476,116	56,476,116
Short Term Deposits	12	-	-
Bank Balances	10	95,540,326	95,540,326
Cash at Hand	11	763	763
F Total Current Assets		167,488,292	167,488,292
Current Liabilities			
Payables	13	49,295,718	49,295,718
Building Contractors		24,888,137	24,888,137
Provision for Audit Fee		1,512,100	1,512,100
G Total Current Liabilities		75,695,955	75,695,955
H Net Current Assets		91,792,338	91,792,338
TOTAL ASSETS EMPLOYED		1,381,983,912	1,381,983,912

The notes on page 12 to 31 form an integral part of these Financial Statements. The Financial Statements were approved and signed on behalf of the University Council on...23...August...2006

By;


 Prof. Frederick N. Onyango
 Vice Chancellor


 Prof. Richard K. Mibey
 D.V.C (A & F)


 Ruth Chesang
 Ag. Finance Officer

STATEMENT OF CHANGES IN CAPITAL FUNDS & RESERVES
As at 30th June 2005

	Capital Fund	Revenue Reserves	Total
Balance as at 1/7/2004	1,376,738,348	357,620	1,377,095,968
Prior Year Adjustments	-	3,675,238	3,675,238
As restated	1,376,738,348	4,032,858	1,380,771,206
Grants during the year	114,471,393		114,471,393
Profit for the year		91,609,971	91,609,971
Balance as at 30/6/2005	1,491,209,741	95,642,829	1,586,852,570

CASH FLOW STATEMENT FOR THE YEAR ENDED 30 / 6 / 2005

	2004/2005 Kshs	2003/2004 Kshs
<u>Cash flow from operating activities:</u>		
Surplus / (Deficit) for the year	91,609,971	7,506,906
<u>Adjustments:</u>		
Depreciation	47,943,277	47,389,429
Provisions - Audit Fees	500,000	500,000
Profit on sale of Fixed assets	-	-
Interest Expenses	-	3,340,560
Interest Received	(2,192,596)	(915,842)
Prior Year Adjustment	3,675,238	-
Operating Profit before working capital changes	141,535,890	57,821,053
Increase/Decrease in stock	(7,915,759)	(1,274,532)
Increase/Decrease in Debtors	35,466,282	1,306,341
Increase/Decrease in Creditors	17,647,813	(44,804,514)
Increase/Decrease in Creditors Contractors	(24,888,136)	(16,159,001)
	20,310,200	(60,931,706)
Cash Generated from Operations	161,846,090	(3,110,653)
<u>Returns on investments & servicing of finance:</u>		
Interest Received	2,192,596	915,842
Interest Expense	-	(3,340,560)
	2,192,596	(2,424,718)
<u>Cash Flow from Investing Activities:</u>		
Purchase of Investment	-	(10,000,000)
Acquisition of Fixed Asstes	(135,613,943)	(52,799,024)
Proceeds from Sale of Fixed Assets	-	-
Payment of Audit Fees	-	(512,900)
	(135,613,943)	(63,311,924)
<u>Cash flow from financing activities:</u>		
Development Grants (MOE)	114,471,393	32,100,418
Caution Money Refund (Aggregate)	1,126,750	(226,900)
	115,598,143	31,873,518
NET CASH FLOW	144,022,886	(36,973,777)
Cash & cash equivalents as at 30th June	239,563,975	95,541,089
Cash & cash equivalents as at 1st July	95,541,089	132,514,866
Increase in Cash & Cash Equivalents	144,022,886	(36,973,777)

NOTES TO THE ACCOUNTS

NOTE 1

ACCOUNTING POLICIES

The principal accounting policies adopted in the preparation of these financial statements are set out below:

- a) Basis of Preparation
The financial statements are prepared in accordance with International Financial Reporting Standards (IFRS). The financial statements are presented in Kenya Shillings (KShs) and prepared under the historical cost convention as adjusted by revaluation of certain assets.
- b) Revenue Recognition
Grants and fees are charged over the period that are expected to benefit there from with the exception of Capital Grants which are credited to the Capital Fund and debited to the relevant Asset Account.
- c) Property, Plant & Equipment
All property, Plant & Equipment is stated at historical cost less depreciation.

Depreciation is calculated on the straight-line basis to write the cost of its residual values over its estimated life, except for Motor Vehicles as below:

Motor Vehicle - at 20% per annum on Cost after allowing for 10% Residual value on the cost price.

Plant & Equipment - at 12.5% per annum on Cost.

Furniture & Fittings - at 12.5% per annum on Cost.

Buildings - at 2.5% per annum on Cost.

Land - not depreciated.

Gains and Losses on disposal of property, plant & equipment are determined by reference to their carrying amount and taken into account in determining operating profit.

- d) Inventories
Inventories are stated at the lower of cost and net realizable value. Net realizable value is the estimate of the selling price in the ordinary course of business, less the costs of competition and selling expenses. Library books and teaching materials are expensed in the year of purchase.
- e) Trade Receivables
Trade receivables are carried at original invoiced amount.
- f) Employee Entitlements
Employee entitlements to annual leave and gratuity awards are recognized when they accrue to employees.
- g) Cash and Cash Equivalent
For the purpose of the cash flow statement, cash and cash equivalents comprise cash in hand, cash at bank and fixed deposits held at bank, net of bank overdrafts.

Note 2 Capitation Grant

The Capitation grant for the year was received as follows:

July	54,583,600
August	54,583,600
September	54,583,600
October	54,583,600
November	54,583,600
December	54,583,600
January	54,583,600
February	54,583,600
March	54,583,600
April	54,583,600
May	54,583,605
<u>June</u>	<u>54,583,605</u>
	<u>655,003,210</u>

MASENO UNIVERSITY		
Annual Report for the year 2004/2005		
Detailed Income For the Year		
	Description	2004/2005
		KShs.
3100	JAB-Tuition Fees	76,231,566
3102	JAB-Students Registration Fees	1,266,750
3103	JAB-Students I.D. Cards	198,380
3104	JAB-Examination Fee	5,376,590
3106	JAB-Fines And Damages	26,410
3107	JAB-Student Org.	14,000
3109	JAB-Medical Fees	3,978,700
3110	JAB-Activity Fees	2,598,895
3111	JAB-Library Fees	1,150,330
3112	JAB-Computer Fees	11,769,275
3200	Spl - Tuition Fees	108,664,823
3202	SPL-Registration Fee	452,450
3203	SPL-ID Card Sales	81,500
3204	SPL-Examination Fee	1,909,610
3206	SPL-Fines And Damages	5,150
3207	SPL-Students Organisation	112,100
3209	SPL-Medical Fees	1,413,050
3210	SPL-Activity Fees	991,950
3211	SPL-Library Fees	356,500
3212	SPL-Computer Fees	4,330,750
3251	EVE-Tuition Fees	5,028,665
3252	EVE-Registration Fee	1,000
3253	EVE-ID Card Sales	1,100
3254	EVE-Examination Fee	9,430
3255	EVE-Student Projects	10,000
3258	EVE-Supervision Fees	30,000
3300	Med-Tuition Fees	4,559,163
3302	MST-Registration Fees	146,700
3303	MST-ID Card Sales	43,800
3304	MST-Examination Fees	415,790
3305	MST-Field Practical Work	552,500
3309	MST-Medical Fees	42,800
3311	Thesis Fees	5,000
3312	PGDE-Tuition fee	1,538,398
3313	MST-Supervision Fees	355,000
3314	PGDE-Exam fee	75,360
3315	PGDE-Supervision Fee	25,000
3316	PGDE-Compuer Time	25,000
3318	PGDE-Registration Fee	10,000
3319	PGDE-ID Card Sales	2,500
3320	Mph-Tuition Fees	2,220,600
3321	Msc-Tuition Fees	709,700

	Description	2004/2005
		KShs.
3322	Ma-Tuition Fees	937,604
3323	MBA-Tuition fees	10,544,420
3324	Project Planning Tuition	20,000
3325	Hrm (Diploma) Tuition	106,500
3330	PGD-Computer Tuition	347,250
3332	PGDE-Comp. Reg. Fee	10,000
3333	PGDE-Comp.Science ID Card	3,000
3334	PGDE-Comp.Science Exam Fees	35,000
3335	PGDE-Comp.Science Supervision	35,250
3337	PGDE-Comp.Science Fieldwork	77,500
3351	PHD-Tuition Fees	155,000
3352	PHD-Registration Fees	2,500
3353	PHD-ID Card Sales	500
3354	PHD-Exam Fees	4,000
3355	PHD-Field Work	10,000
3357	Phd-Medical	1,000
3358	PHD-Computer Time	32,000
3402	Maintenance Fees	1,386,050
3407	Accommodation fees	18,773,450
3408	SOMU-Student Org.	434,150
3410	Postgraduate Library	218,850
3412	Bridging Certificate	225,920
3414	Convocation Fees	63,350
3415	Alumni Association Fees	5,500
3416	Comm. Comp. Inc. - Tuition	127,500
3418	B.I.T.C. Receipts	500
3419	A.V.U. - Computer Training	377,100
3422	SPL-Admission Appl.Form Sales	670,150
3501	House Rent Income	3,858,333
3502	Imprest Recovery	529,572
3503	Imprest Under- Exp.	1,569,204
3506	Medical Levy Income	1,889,025
3507	Staff Surcharge & Fines	157,481
3601	DAAD - External Research Grants	13,099
3602	Research Grants DAAD	2,516,671
3606	Research Grants	14,139,641
3702	Other Revenue Donations	110,400
3802	Bookshop Sales	800,776
3803	Tender Document Sales	441,311
3804	Telephone Sales	27,435
3805	Library Fines & Books Disposal	86,221
3807	Misc. Income	2,030,341
3808	Transport Hire Charges	17,814
3809	Water Sales	293,370
3813	Farm Sales	4,146,962
3816	Interest Income	2,192,596
3817	Catering Food Sales	5,313,074

	Description	2004/2005
		KShs.
3818	Misc. Income - Health	14,441
3821	Shuttle Income	291,620
3823	Guest House Sales	3,130
3824	Fax Machine - VCs Office	14,781
3831	Sale of Postgraduate Forms	470,845
3832	Reprographic Services	2,700
3833	Training Levy	13,976
3836	IRPS Printing Works	4,950
3837	Photocopying - Library	32,092
3838	Other Incomes	575,102
3840	IGA - Makerere Canteen	860,395
3842	IGA - Bar Sales	1,108,088
3843	IGA - Tent Food Sales	1,655,594
3851	Accom. Guest House	565,675
3852	Dean Education	34,378
3856	Food Sales IGA Snr.	4,801,416
3857	T.P. Lesson Plan	148,050
3872	Hire of Gowns	10,100
3873	Library Binding Services	56,229
3877	MITC - Income	7,202,598
3879	IGA-University Press	36,334
3892	AIDS Control Unit	152,000
3895	Kisumu Hotel Income	29,302,434
	TOTAL	358,851,892
	Tuition Fees	250,662,708
	Others	108,189,184
		358,851,892
	Tuition fee are receipts from the category listed here below	
	SPL Special Students	
	JAB Joint Admission Board	
	EVE Evening Programs	
	MST Masters	
	PGDE Post Graduate Diploma	
	PHD PhD Students	

MASENO UNIVERSITY		
<i>Annual Report for the year 2004/2005</i>		
Expenses For the Year		
	Description	2004/2005
		KShs.
4101	Basic Pay	325,085,540
4102	House Allowance	217,416,246
4103	Car Allowance	1,228,500
4104	Entertainment Allowance	4,428,799
4105	Responsibility Allowance	4,331,745
4106	Telephone Allowance	738,161
4107	Water Allowance	652,984
4108	Electricity Allowance	1,017,040
4110	Non Practising Allowance	60,000
4111	Book Allowance	2,378,124
4112	Leave Allowance	2,216,280
4113	Commuting Allowance	16,024,407
4114	Risk Allowance	436,687
4115	Hospital Visit Allowance	200,930
4116	Passage & Baggage	65,520
4117	Gratuity & Retirement Benefits	39,544,846
4118	Part time Payments	10,815,186
4119	Exam Coordination	1,319,399
4121	Domestic Workers	907,570
4122	Medical Board Expenses	6,880
4123	Tax Penalty	4,067,315
4201	Stationery & Stores	9,990,546
4202	Travelling & Accommodation	7,113,023
4203	Car Running Costs	1,656,060
4204	Teaching Materials	1,924,360
4205	Computer Materials	1,723,753
4206	Committee Expenses	201,026
4207	Telephone Expenses	1,883,332
4208	Office Entertainment	5,747,370
4209	Security Implements	1,418,329
4210	Purchase of Drugs	16,265,145
4211	Payment of Medical Bills	12,382,425
4212	Dental Optical Services	440,443
4213	Field trips/Industrial attachment	6,921,044
4214	Maintenance of Office Equipment	4,724,656
4215	Maint. - Water supply/Sewerage	378,229
4216	Supply of electricity	10,536,809
4218	Student welfare expenses	1,617,009
4219	Intersivity games	458,910
4221	Purchase of cleaning materials	1,479,696
4222	Telephone expenses - Direct	5,541,741

	Description	2004/2005
		KShs.
4223	Staff developments	307,325
4224	Legal fee	2,386,754
4225	Adv. & Publicity	2,097,491
4226	Recruitment Expenses	186,467
4227	Contingency Fund	519,282
4228	Misc. catering	4,811
4230	Senate/Council Expenses	194,650
4231	Postal & Telegram Exp.	224,180
4232	Transport operating exp.	12,405,398
4233	Transp. Oper. Exp-Tyres/Tubes	1,516,290
4234	Maint. - Office/Building materials	3,685,619
4235	Seminars & Conferences	1,143,467
4236	External Travel	1,237,357
4237	Shows & Exhibitions	2,016,548
4238	Publishing & Printing	1,324,357
4239	Maint. Of Grounds	560,789
4240	Rents & Rates - Staff	433,650
4241	Staff Welfare - Misc.	885,007
4242	Staff Welfare - Games	24,700
4243	Insurance Fidelity	5,500,029
4244	Water charges	4,005,821
4246	Fuel for generators	436,570
4247	Employment of students	136,898
4248	Cultural festival	134,145
4249	Laboratory reagents	276,109
4250	Environmental Awareness	35,000
4251	Software development	724,685
4252	General pension administration	89,162
4253	Minor works & construction	10,194,790
4255	Purchase of curtlyary	356,527
4256	Council Expenses	3,265,817
4258	Cooking fuel/gas	1,516,652
4259	Reprographic expenses	18,926
4260	Maintenance of hostels	2,623,486
4261	Bank charges	764,654
4262	External linkage	640,309
4263	Insurance - Medical	41,499
4266	Hired security services	14,410,415
4267	Sanitary expenses	2,024,294
4268	Purchase of textbooks for resale	1,825,953
4269	Purchase of stationery for resale	376,050
4271	Teaching expenses	278,050
4272	Animal feeds	1,638,767
4273	Livestock drugs	206,204
4274	Land Preparation	116,878

	Description	2004/2005
		KShs.
4275	Crop Inputs	78,925
4276	Purchase of beef cattle	1,777,720
4277	Purchase of goats/sheep	41,510
4278	Purchase of chicken	554,832
4280	Tree nursery seeds	11,625
4281	Farm Maintenance	69,062
4282	Veterinary services	89,020
4283	Investigation Expenses	121,300
4284	Purchase of library books	401,267
4285	Purchase of periodicals	640,903
4289	Research programmes	9,726,098
4290	Admission & related expenses	623,935
4291	Postgraduate expenses	919,823
4292	Bindery materials	31,550
4293	External examiners	2,511,610
4294	Graduation	459,950
4296	E-Mail	523,814
4297	Animal house	27,610
4298	General labs	648,667
4300	Uniforms & clothing	1,268,225
4301	Examination materials	3,689,725
4305	IGA-Purchase of food	15,814,601
4307	IGA-Purchase of Drugs	247,545
4308	Depreciation Charge	47,943,277
4309	Provision for Audit Fees	500,000
4314	Insurance- Motor Vehicles	2,966,047
4318	Insurance - Group Per	695,688
4321	Honorarium	291,585
4322	Barclays Bank Loan	357,713
4323	PGDE - Teaching Expenses	4,979
4324	PGDE - T.P. Supervision	801,720
4326	Joint Admission Board Expenses	805,310
4329	Development of new process	2,019,370
4330	Information technology	6,619,725
4331	Bar Purchases	582,718
4332	House Keeping Expenses	186,827
4333	Catering Levy - Kisumu Hotel	397,987
4335	Kisumu Hotel Expenses	7,623,039
4336	Subscriptions & Journals	2,031,934
	TOTAL	922,245,131

Note 5 Students' Caution Money

	2004/2005	2003/2004
	Kshs	Kshs
Opening Balance	4,887,946	5,114,846
Deposits during the year	1,414,750	1,639,000
	6,302,696	6,753,846
Refunds during the year	(288,000)	(1,865,900)
Balance Carried Forward	6,014,696	4,887,946

PROPERTY, PLANT & EQUIPMENT

	LAND KSHS	BUILDINGS KSHS	MOTOR VEHICLE KSHS	PROPERTY PLANT & EQUIP. KSHS	FURNITURE & FITTINGS KSHS.	W.I.P KSHS	TOTAL KSHS
COST/VALUATION							
As at 1.7.2004	175,578,865	714,941,667	38,115,540	226,881,751	20,576,610	425,448,923	1,601,543,357
Additions	-	11,500,000	-	20,057,521	4,409,796	99,646,626	135,613,943
As at 30.6.2005	175,578,865	726,441,667	38,115,540	246,939,272	24,986,407	525,095,549	1,737,157,300
Depreciation as at 1.7.2004	-	99,248,932	32,705,833	176,031,882	13,365,135	-	321,351,782
Depreciation during the year	-	18,161,042	1,598,153	25,060,781	3,123,301	-	47,943,277
Cumm. Dep as at 30.6.2005	-	117,409,974	34,303,986	201,092,663	16,488,436	-	369,295,059
Net book Value at 30.6.2005	175,578,865	609,031,693	3,811,554	45,846,609	8,497,971	525,095,549	1,367,862,241
Net book Value at 30.6.2004	175,578,865	615,692,734	5,409,708	50,849,869	7,211,475	425,448,923	1,280,191,574

Analysis of WIP

Contracted Services	367,424,973
Hostels	7,184,010
Tuition Block-Siriba Campus	5,041,454
Royale Renovations	72,896,027
New Sunrise Hostels	63,152,900
Extension of health	4,541,053
Sewerage Project	4,855,132
Total	525,095,549

Schedule of Buildings

Particulars	Date of Construction/ Acquisition	Cost/ Revaluations	Depreciation Charge			Net Book Value As at 30/6/2005
			As at 30/6/2004	charge for the year	Cumulative As at 30/6/2005	
Admin. Buildings	1998/99	41,403,000	6,210,450	1,035,075	7,245,525	34,157,475
Education Buildings	1998/99	10,486,000	1,572,900	262,150	1,835,050	8,650,950
Recreation Buildings	1998/99	27,849,279	4,177,391	696,232	4,873,623	22,975,656
Hostels	1998/99	67,447,005	10,117,051	1,686,175	11,803,226	55,643,779
Residential Buildings	1998/99	25,502,000	3,825,300	637,550	4,462,850	21,039,150
Support Structures	1998/99	2,059,000	308,850	51,475	360,325	1,698,675
Residential Buildings	1998/99	50,470,000	7,570,500	1,261,750	8,832,250	41,637,750
Support Structures	1998/99	153,000	22,950	3,825	26,775	126,225
Water Structures	1998/99	2,000,000	300,000	50,000	350,000	1,650,000
Admin. Buildings	1998/99	52,255,956	7,838,426	1,306,399	9,144,825	43,111,131
Education Buildings	1998/99	100,582,000	15,087,300	2,514,550	17,601,850	82,980,150
Hostels/ Catering	1998/99	88,886,000	13,332,900	2,222,150	15,555,050	73,330,950
Health Services	1998/99	3,750,000	562,500	93,750	656,250	3,093,750
Recreation Buildings	1998/99	9,465,000	1,419,750	236,625	1,656,375	7,808,625
Residential Buildings	1998/99	82,940,000	12,441,000	2,073,500	14,514,500	68,425,500
Religious Buildings	1998/99	2,626,000	393,900	65,650	459,550	2,166,450
Farm Structures	1998/99	15,505,720	2,325,858	387,643	2,713,501	12,792,219
Water Structures	1998/99	242,000	36,300	6,050	42,350	199,650
Support Structures	1998/99	2,679,200	401,880	66,980	468,860	2,210,340
KSM Municipality	1998/99	4,302,385	378,929	107,560	486,489	3,815,896
Minor Works	1998/99	22,014,768	2,751,846	550,369	3,302,215	18,712,553
Non-Residential Bldgs	1998/99	34,098,019	4,262,252	852,451	5,114,703	28,983,316
Seminar Rooms	2001/02	2,189,582	164,219	54,740	218,959	1,970,623
Lecture Hall 14	2001/02	2,626,200	196,965	65,655	262,620	2,363,580
Lecture Hall 15	2001/02	15,204,880	1,140,366	380,122	1,520,488	13,684,392
I.R.P.S. Library	2001/02	1,904,933	142,870	47,623	190,493	1,714,439
Incubator House	2001/02	100,000	7,500	2,500	10,000	90,000
Royale Hotel	2002/03	44,151,445	2,207,572	1,103,786	3,311,358	40,840,087
BITC	2003/04	1,054,796	26,370	26,370	52,740	1,002,056
Physics Laboratory	2003/04	993,500	24,838	24,838	49,676	943,825
Town House	2004/05	11,500,000	-	287,500	287,500	11,212,500
TOTAL		726,441,667	99,248,932	18,161,042	117,409,974	609,031,693

Schedule of Equipments

Note 6(ii)

Year of Acquisition	Total Assorted cost	Depreciation			Net Book Value 30/06/2005
		As at 30/6/2004	Charge for year	As at 30/6/2005	
1990/91	2,755,733	2,755,733	-	2,755,733	-
1991/92	1,783,029	1,783,029	-	1,783,029	-
1992/93	9,744,909	9,744,909	-	9,744,909	-
1993/94	2,371,257	2,371,257	-	2,371,257	-
1994/95	3,247,236	3,247,236	-	3,247,236	-
1995/96	7,404,320	7,404,320	-	7,404,320	-
1996/97	19,146,439	19,146,439	-	19,146,439	-
1997/98	3,120,520	2,730,454	390,065	3,120,519	1
1998/99	158,919,171	119,189,378	19,864,896	139,054,274	19,864,896
1999/00	2,919,960	1,824,975	364,995	2,189,970	729,990
2000/01	6,430,510	3,215,255	803,814	4,019,069	2,411,441
2001/02	2,452,071	919,527	306,509	1,226,036	1,226,035
2002/03	4,728,370	1,182,093	591,034	1,773,127	2,955,144
2003/04	490,226	61,278	61,278	122,556	367,670
2003/04	1,368,000	456,000	171,000	627,000	741,000
2004/05	20,057,521	-	2,507,190	2,507,190	17,550,331
TOTALS	246,939,171	176,031,882	25,060,781	201,092,663	45,846,508

Schedule of Furniture & Fittings

Note 6(iii)

Year of Acquisition	Cost / Valuation	Depreciation			Net Book Value 30/06/2005
		As at 30/6/2004	Charge for year	As at 30/6/2005	
	A	B			D
1998/99	16,011,491	12,008,619	2,001,436	14,010,055	2,001,436
1999/00	233,000	145,625	29,125	174,750	58,250
2000/01	527,424	263,712	65,928	329,640	197,784
2001/02	1,282,028	480,759	160,254	641,013	641,016
2002/03	298,684	74,670	37,336	112,006	186,679
2003/04	1313983	164,248	164248	328,496	985,487
2003/04	910,000	227,500	113,750	341,250	568,750
2004/05	4,409,796	-	551,225	551,225	3,858,572
TOTALS	24,986,407	13,365,132	3,123,301	16,488,433	8,497,973

Schedule of Motor Vehicles

Vehicle Reg. No.	Vehicle Type	Date of Acquisition	Cost	Depreciable Amount (less 10% res. Value)	Depreciation		Net Book Value	
					As at 30/6/2004	For the year		As at 30/6/2004
KAB 971B	Isuzu Bus	1992	1,138,100	1,024,290	1,024,290	-	1,024,290	113,810
KAG 648P	Datsun Pick-up	1996	445,000	400,500	400,500	-	400,500	44,500
KAG 206F	Mercedes Benz	1996	4,863,125	4,376,812	4,376,812	-	4,376,812	486,312
KAG 384Q	Nissan	1996	685,715	617,144	617,144	-	617,144	68,572
KZG 135	Peugeot 504GR	1997	558,000	502,200	502,200	-	502,200	55,800
KAG 845F	Toyota Saloon	1997	708,121	637,309	637,309	-	637,309	70,812
KAG 849F	Toyota Saloon	1997	708,121	637,309	637,309	-	637,309	70,812
KAG 846F	Toyota Saloon	1997	708,121	637,309	637,309	-	637,309	70,812
KAG 847F	Toyota Saloon	1997	708,121	637,309	637,309	-	637,309	70,812
KAG 852F	Toyota S/Wagon	1997	579,853	521,868	521,868	-	521,868	57,985
KAG 851F	Toyota S/Wagon	1997	579,853	521,868	521,868	-	521,868	57,985
KAG 853F	Toyota S/Wagon	1997	579,853	521,868	521,868	-	521,868	57,985
KAG 848F	Toyota S/Wagon	1997	579,853	521,868	521,868	-	521,868	57,985
KAG 855F	Toyota Landcruiser	1997	1,075,696	968,126	968,126	-	968,126	107,570
KAH 307F	Toyota Truck DA115	1997	1,848,812	1,663,931	1,663,931	-	1,663,931	184,881
KAH 054F	Toyota Mini Truck	1997	1,188,552	1,069,697	1,069,697	-	1,069,697	118,855
KAH 053F	Toyota Mini-Bus	1997	1,642,526	1,478,273	1,478,273	-	1,478,273	164,253
KAH 308F	Toyota Hiace Ambulance	1997	1,357,132	1,221,419	1,221,419	-	1,221,419	135,713
KAH 051F	Toyota Hiace Van	1997	831,757	748,581	748,581	-	748,581	83,176
KAH 052F	Toyota Hiace Van	1997	831,757	748,581	748,581	-	748,581	83,176
KAH 055F	Toyota Pick-up	1997	582,922	524,630	524,630	-	524,630	58,292
KAH 056F	Toyota Pick-up	1997	582,922	524,630	524,630	-	524,630	58,292
KZG 210	Isuzu Bus	1997	1,498,000	1,348,200	1,348,200	-	1,348,200	149,800
KAC 508G	Mitsubishi Pajero	1997	1,000,000	900,000	900,000	-	900,000	100,000
KAD 462M	Renault S/Wagon	1997	500,000	450,000	450,000	-	450,000	50,000
KYF 654	Tractor	1997	480,000	432,000	432,000	-	432,000	48,000
KAJ 375S	Toyota Prado	1999	2,975,000	2,677,500	2,677,500	-	2,677,500	297,500
KAL 350U	Isuzu Bus	2001	6,023,826	5,421,443	4,337,154	1,084,289.00	5,421,443	602,383
KAL 315U	Toyota Pick-up	2001	1,554,802	1,399,322	1,119,458	279,864.00	1,399,322	155,480
KAG 242T	Ssang Young	2001	1,300,000	1,170,000	936,000	234,000.00	1,170,000	130,000
TOTALS			38,115,540	34,303,986	32,705,833	1,598,153	34,303,986	3,811,554

INVESTMENT IN TREASURY BONDS

Note 7

The institution invested on a 9%, 9 years Bonds. Interest is paid half yearly.

	2005 Kshs	2004 Kshs
Value	10,000,000	10,000,000

INVENTORIES

Note 8

	2005 Kshs	2004 Kshs
Farm Stocks	2,043,279	1,911,756
Bookshop	3,015,577	3,181,009
Stationery Stocks	3,814,126	2,782,533
Catering Stores	2,078,449	865,245
Medical Stores	2,054,362	3,946,263
Maintenance Stores	6,194,847	1,260,951
Hostel Stores	1,148,057	751,662
City Campus	3,038,149	771,669
TOTAL	23,386,846	15,471,087

RECEIVABLES

Note 9

	2005 Kshs	2004 Kshs
Sundry Debtors	1,438,422	1,438,422
Student debts (IGA)	7,004,162	7,855,450
HELB Tuition Fees	10,989,000	4,284,000
Salary Advances	149,999	-
Univ. Medical debts	-	-
Rent Receivable	174,682	174,682
Other Univ. debts	-	1,756,628
M.O.E.- Bursary	-	-
P. M. Nyamu	331,619	331,619
Augustine Aridi - PE	272,451	272,451
Vincent Onyango - PE	9,336	9,336
M.O.E.-C.H.E-Capitation	-	-
Charles Sechere	214,643	214,643
Dixon Onyang'	101,807	101,807
Joseph Olocho	79,939	79,939
Michael Ekisa	13,946	13,946
Anne Dacha	30,530	30,530
Elizabeth Otieno	8,587	8,587
Henricho M Owegi	13,538	13,538
P D Opar	10,380	10,380
Raynor Miguda	10,786	10,786
Fred Oromo	20,360	20,360
William Kirui	9,000	9,000
William Akwiri	6,679	6,679
TOTAL	21,009,834	16,642,783

BANK BALANCES

Note 10

	2004/2005	2003/2004
	Kshs	Kshs
1401 Barclays Bank	192,565	108,367
1402 Main KCB - Current A/C	16,702,649	(1,035,831)
1403 Main KCB - Savings A/C	2,246,560	7,819,183
1404 Standard Chartered Bank	77,570,820	34,627,191
1407 Capital development	32,946,840	33,100,803
1417 Medical KCB savings A/C	2,363,625	9,671,491
1418 IRPS Bank A/C	13,506,701	5,680,389
1419 MITC A/C	1,551,801	784,298
1420 Kisumu Hotel A/C	7,361,883	-
1421 City Campus	19,749,433	-
1425 IGA KCB savings A/C	2,326,918	4,634,493.80
1426 MITC A/C	2,389,832	-
TOTAL	178,909,626	95,392,388

Note 11

	2004/2005	2003/2004
	Kshs	Kshs
1502 Petty Cash	77,205	-
1503 Cash a/c General	156,000	149,942
TOTAL	233,205	149,942

Note 12

	2004/2005	2003/2004
	Kshs	Kshs
Short-Term Deposits		
91-Days Treasury Bills	20,000,000	
Short-Term FDR	40,421,144	
TOTAL	60,421,144	

Schedule of Creditors

Note 13

	2004/2005 Kshs	2003/2004 Kshs
Barclays Bank Loan	-	8,111,300
P.A.Y.E	9,915,816	4,778,333
N.H.I.F.	173,300	171,060
N.S.S.F	146,400	178,558
Pension & Gratuity	3,908,484	2,176,655
Medical Levy	159,630	158,940
Benevolent Fund	1,848,302	1,512,442
Training Levy	26,025	-
H.E.L.B. Loan Repayments	1,049,210	860,900
Car Loans	414,600	414,600
Union Dues	217,174	151,445
Other Loans	147,885	30,203
Maseno University Sacco Society	9,325,720	6,517,624
Other Saccos	5,000	5,000
Pension Plots	1,263,523	790,233
Nairobi Univ. Pension	9,995	9,995
Net Pay	-	12,966
Hired Security Services	1,284,082	1,284,082
Nursary School	37,965	37,965
VAT -(Input)-Payable	2,723,158	719,204
Trade Creditors	30,901,805	16,360,624
Prior year Credit suspense	3,385,457	5,073,998
TOTALS	66,943,530	49,295,718

RETIREMENT BENEFITS OBLIGATION

Note 14

The University operates a defined contribution retirement benefit scheme for particular groups of employees. The assets of the scheme are held in a separate trustee administered fund that is funded by contributions from both the University and the employees. The University's contributions to this scheme are charged to the Income and Expenditure account in the year to which they relate.

Benefits are paid to retiring staff in accordance with the scheme's rules.