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JOMO KENYATTA FOUNDATION

**DIRECTORS' REPORT
AND
FINANCIAL STATEMENTS
YEAR ENDED
30TH JUNE 1997**



JOMO KENYATTA FOUNDATION

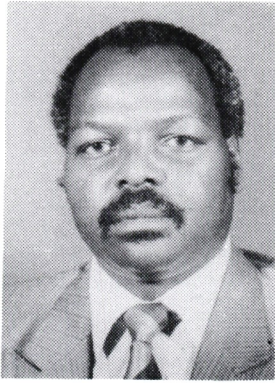


**DIRECTORS' REPORT
AND
FINANCIAL STATEMENTS
YEAR ENDED
30 JUNE 1997**

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BOARD OF DIRECTORS



*Mr. W. K. K. Kimalat
PS, Ministry of Education*



*Mr. Mark G. Bosire
Chairman*



*Margaret Chemengich
PS, Ministry of Finance*



*Mr. I. K. Mungai
Alternate, PS, Education*



*Mr. Herbert A. Chabala
MD, Secretary to the Board*



*Mrs. P. Makau
Alternate, PS, Finance*



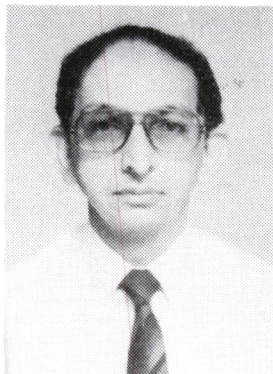
*Mr. S. C. Langat
Kenya Literature Bureau*



*Mr. R.O. Wamwenje
Alternate, PS, Office of the President*



*Dr. Eric Mwachiro
JKUAT*



*Mr. J. D. Patel
Nairobi Hospital*



*Mr. G. M. Muita
Kenya Institute of Education*



*Mr. P. Mutulu
KNUT*

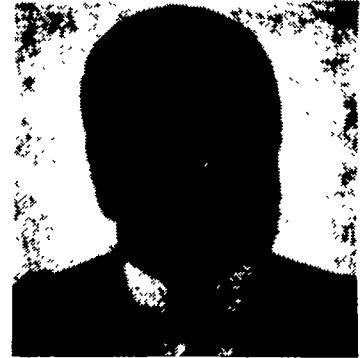
MANAGEMENT



*Mrs. Nancy W. Karimi
Publishing Manager*



*Mrs. Sarah Majani
Production Manager*



*Mr. Jimmy Chepkwony
Chief Administrative Officer*



*Mr. Stephen Aminga
Company Secretary*



*Mr. David K. Khayo
Sales & Marketing Manager*



*Mr. John Sudhe
Senior Personnel Officer*



*Mr. Fredrick Elabonga
Asst. Finance Manager*



*Mrs. Dorcas Oondo
Senior Administrative Officer*



*Miss Judith Mulure
Internal Auditor*

THE JOMO KENYATTA FOUNDATION

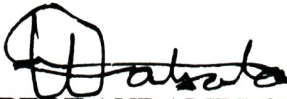
NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that the **ANNUAL GENERAL MEETING** for the year 1996/97 will be held at the offices of the Foundation in Industrial Area, Enterprise Road, Nairobi on **Wednesday 28 October 1998 at 10.00 a.m .**

AGENDA

1. To read the Notice convening the meeting.
2. To receive Minutes of the last AGM held on 19 November 1997.
3. To receive the Chairman's Report for the year 1996/97 ended 30 June 1997.
4. To receive the Accounts for the year ended 30 June 1997 and the reports of the Auditors and Directors.
5. To appoint Auditors for the year 1997/98 and to authorize the Directors to fix the Auditors' remuneration.
6. To transact any other ordinary business of the Company.

By order of the Board.



HERBERT ANDAMBI CHABALA
SECRETARY TO THE BOARD

7 October 1998

NB: In accordance with Section 136(2) of the Companies Act (Cap 486), every member entitled to attend and vote at the above meeting is entitled to appoint a proxy to attend and vote on his/her behalf. A proxy need not be a member. A form is enclosed and should be returned to the Secretary, P. O. Box 30533, Nairobi to arrive not later than 48 hours before the meeting or any adjournment thereof.

CHAIRMAN'S REPORT FOR THE YEAR ENDED 30TH JUNE 1997

I am glad to once again take this opportunity to report on the results of Jomo Kenyatta Foundation for the year ended 30th June, 1997. The Foundation continued to record growth in revenue, diversified its publishing activities through commissioning proven authors and rationalized its operations to meet the ever changing and dynamic market demands.

During this period sales net of discount amounted to KShs.197,619,437 compared to KShs.193,531,591 in 1995/96 indicating a marginal improvement of 2.4%. 1,833,567 units were sold in 1996/97 compared to 1,812,534 units in the previous year. Regular machine maintenance, well planned production schedules and firming out of two titles - Primary English Pupils' books 7 and 8 - ensured that there were no stock outs particularly during the peak season.

The Foundation recorded KShs.98,790,581 gross profit which is 50% of total sales compared to KShs.90,459,158 in 1995/96. The increase in gross profit margin was mainly as a result of reduction on expenditure on outside printing. KShs.15,674,492 was spent on the two titles firmed out compared to KShs.18,289,151 in the previous year. In an effort to further reduce expenditure on outside printing, Management is considering acquiring more machines in the near future. A net profit of KShs.40,140,176 was posted compared to KShs.40,974,987 posted in the previous period.

OPERATING EXPENDITURE

A weak shilling against major hard currencies following liberalization of the economy coupled with a review of staff salaries and development of new manuscripts contributed to the marked rise in operating expenses. Major repairs and renovations were also undertaken on the Foundation's building in the year under review. Staff related expenditure rose to KShs.35,158,001 in 1996/97 compared to KShs.28,789,279 in the previous year. This was mainly due to effecting of annual increment in staff salaries and a rise in staff canteen running costs due to escalating prices of food.

Following the purchase of new machinery totaling KShs.10,023,379, depreciation charges rose to KShs.5,312,941 from KShs.2,576,665 in the previous period. KShs.5,364,314 was spent on insurance compared to KShs.3,716,027 in 1995/96.

Notwithstanding the general rise in operational expenses, the Foundation was well within its operating budget of KShs.89,440,120. A saving of 24% on the budget was realized; an indication of prudent financial management.

CAPITAL EXPENDITURE

To enhance sales and marketing operations and ensure that staff are always at work on time, motor vehicles were purchased to replace the aging ones. Six vehicles including a staff bus that cost KShs.5,375,000 were purchased in the year. For the press, one guillotine, a non-screen processor

and printing down frame were acquired to enhance production capacity and performance. In total KShs.13,660,722 was spent on capital items.

SCHOLARSHIPS

During the year under review, the Foundation paid out school fees arrears and examination fees which was provided for in the previous year to the sum of KShs.5,554,804 compared to KShs.4,123,955 in 1995/96. It is the intention of the Foundation to clear the school fees arrears dating back to 1992/93 in the coming financial year.

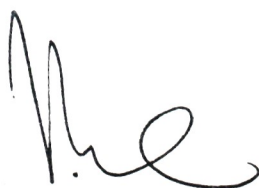
DIRECTORATE

The Government made a replacement of the late Mr. Pius Menezes by appointing all round experienced Mr. J.D. Patel to the Board. This appointment will go a long way in enhancing the able leadership of the Board to steer the Foundation to even greater heights of prosperity.

MANAGEMENT AND STAFF

Once more, I wish to extend my sincere thanks and congratulations to the management and staff for their loyalty and commitment to the goals and objectives of the Foundation. For the Foundation to retain its strong and enviable position in the publishing and printing industry in Kenya and beyond, every effort is being made to train and retain the best of staff in the Foundation.

MARK G. BOSIRE
CHAIRMAN



**REPORT OF THE AUDITOR-GENERAL (CORPORATIONS) ON THE ACCOUNTS OF
THE JOMO KENYATTA FOUNDATION FOR THE YEAR ENDED 30 JUNE 1997**

I have examined the accounts of the Jomo Kenyatta Foundation for the year ended 30 June 1997 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 Foundation and the accounts which have been prepared under the historical cost convention are in agreement therewith and comply with the Companies Act (Cap 486).

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 Foundation's financial state of affairs as at 30 June 1997 and of changes in financial position of the year then ended.

1. PURCHASE OF PAPER AND BOARDS

During the period under review, the Foundation purchased paper and board worth KShs.72,457,255 from one firm without obtaining open quotations contrary to the laid down procurement procedures. Under the circumstances, I could not confirm that the Foundation obtained goods from the most competitive source.

2. DEBTORS

The Balance Sheet Debtors and Prepayment figure of KShs.46,361,214 as at 30 June, 1997 includes staff advances of KShs.221,835 and car loan balances of KShs.461,911. Out of the staff advances, KShs.100,000 and KShs.69,000 were outstanding against former Foundation's Managing Director and Chairman respectively. The two outstanding amounts had not been recovered at the time of signing this report and the Foundation had not provided evidence of efforts made to recover the amounts.



W.K. KEMEI
AUDITOR-GENERAL (CORPORATIONS)

7 September 1998

DIRECTORS' REPORT FOR THE YEAR ENDED 30TH JUNE 1997

The Directors have pleasure in presenting the Accounts for the year ended 30th June 1997.

1. PRINCIPAL ACTIVITIES

The Principal activity of the Foundation during the year remained that of publishing and printing of school text books.

2. PROFIT AND LOSS ACCOUNT

Profit/ (loss) for the year	40,140,176.00
Add: Retained Profit brought forward	127,455,729.00
Prior year adjustment	<u>217,977.00</u>
Retained profit carried forward	<u>167,813,882.00</u>

3. DIVIDENDS

The Foundation is a Company Limited by Guarantee and does not pay dividends from its earnings.

4. DIRECTORS

The Directors who served during the year were:

Mr. Mark G. Bosire	—	Chairman
Mr. I.K. Mungai	—	Alternate PS, Ministry of Education
Mrs. Phyllis Makau	—	Alternate PS, Ministry of Finance
Mr. R. O. Wamwenje	—	Office of the President
Mr. S.C. Langat	—	Kenya Literature Bureau
Mr. R. D. Wambugu	—	Kenya Institute of Education
Mr. J.B. Mboga	—	KNUT
Mr. J. D. Patel	—	Nairobi Hospital
Dr. Eric Mwachiro	—	JKUAT

5. AUDITORS

The Auditor General (Corporations) continues in office in accordance with the Audit and Exchequer Act.

6. STAFF

The Directors have much pleasure in recording once again their appreciation for the untiring effort of Management and all employees of the Foundation for ensuring sustained economic viability of our organization as a profit-making commercial venture.

BY ORDER OF THE BOARD

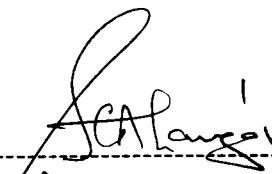


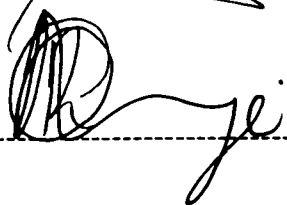
HERBERT ANDAMBI CHABALA
SECRETARY TO THE BOARD

29 January, 1998

PROFIT AND LOSS ACCOUNT FOR THE PERIOD ENDED 30TH JUNE 1997

	30.6.97	30.6.96
	K.SHS.	K.SHS.
TURNOVER	<u>197,619,437.00</u>	<u>193,531,591.00</u>
Balance brought forward	127,455,729.00	86,480,742.00
Add: Net (loss) profit for the year	40,140,176.00	40,974,987.00
Add/(Deduct) Prior Year Adjustment	<u>217,977.00</u>	—
	<u>167,813,882.00</u>	<u>127,455,729.00</u>

-----  ----- **DIRECTOR**

-----  ----- **DIRECTOR**

29 January 1998

BALANCE SHEET AS AT 30TH JUNE 1997

	NOTE	30.6.97 KSHS.	30.6.96 KSHS.
Capital Reserve	3	4,000,000.00	4,000,000.00
Revaluation Reserve	4	70,919,684.00	70,919,684.00
Profit and Loss Account	5	<u>167,813,882.00</u>	<u>127,455,729.00</u>
		<u>242,733,566.00</u>	<u>202,375,413.00</u>
REPRESENTED BY:			
Fixed Assets	6	105,801,792.00	102,338,968.00
CURRENT ASSETS:			
Stocks	7	70,290,831.00	50,906,918.00
Debtors and Prepayment	8	46,361,214.00	23,715,692.00
Cash and Bank Balance	9	<u>35,986,202.00</u>	<u>52,422,383.00</u>
		<u>152,638,247.00</u>	<u>127,044,993.00</u>
CURRENT LIABILITIES:			
Creditors and Accruals	10	<u>15,706,473.00</u>	<u>27,008,548.00</u>
Net Current Assets		<u>136,931,774.00</u>	<u>100,036,445.00</u>
		<u>242,733,566.00</u>	<u>202,375,413.00</u>


-----**DIRECTOR**


-----**DIRECTOR**

29 January, 1998

STATEMENT OF CHANGES IN FINANCIAL POSITION
FOR THE YEAR ENDED 30TH JUNE 1997

	30.6.97	30.6.96
	KSHS.	KSHS
SOURCES OF FUNDS		
Net Profit (loss) for the year	40,140,176.00	40,974,987.00
Adjustments for Items not involving		
Movement of funds:		
Depreciation	10,789,322.00	8,516,693.00
Prior Year Adj. (Fixed Assets)	(591,425.00)	—
Prior Year Adjustment	<u>217,977.00</u>	<u>—</u>
	<u>50,556,050.00</u>	<u>49,491,680.00</u>
Other Sources:		
Proceed on Sale of Fixed Assets	<u>—</u>	<u>—</u>
	<u>50,556,050.00</u>	<u>49,491,680.00</u>
APPLICATION OF FUNDS:		
Acquisitions of Fixed Assets	<u>(13,660,723.00)</u>	<u>(4,936,519.00)</u>
	<u>36,895,327.00</u>	<u>44,555,161.00</u>
Movement in Working Capital:		
Stocks	19,383,913.00	2,686,837.00
Debtors & Prepayments	22,645,520.00	(9,318,991.00)
Creditors & Accruals	11,302,075.00	(8,610,465.00)
Movement in Net Liquid Funds	<u>(16,436,181.00)</u>	<u>47,950,524.00</u>
	<u>36,895,327.00</u>	<u>44,555,161.00</u>

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 30 JUNE 1997

1. ACCOUNTING POLICIES

(a) Basis of Accounting

The accounts are prepared on the historical cost basis of accounting modified to include the revaluation of certain fixed assets.

(b) Turnover

Turnover represents the proceeds from the sale of goods and services to customers.

(c) Stocks

Stocks are stated at the lower of cost or net realisable value. Cost comprises purchase price, or direct production cost together with manufacturing overheads as appropriate.

(d) Depreciation

No depreciation is provided on land which is freehold. Leasehold land is depreciated over the unexpired period of the lease.

Assets are depreciated to write off the cost or valuation in equal annual installments at the following annual rates:

Land	Nil
Leasehold land	2% of cost or equal annual installments over the period of the lease whichever is greater.
Plant and Machinery	6% - 15% on cost
Office furniture and fittings	15% - 20% on cost
Motor vehicles	25% on reducing balance

(e) Taxation

The Foundation is exempted from income tax on all sources of income. Profits earned are applied for the payment of scholarships and retained to solidify the financial base.

2. TRADING PROFIT

	30.6.97	30.6.96
	KShs.	KShs.
Trading profit is arrived at after Charging:		
Interest on overdraft	644,596.00	1,165,978.00
Depreciation	10,789,322.00	8,516,693.00
Auditors remuneration	150,000.00	150,000.00
Directors fees	<u>339,505.00</u>	<u>216,907.00</u>
	<u>11,923,918.00</u>	<u>10,048,678.00</u>

3. CAPITAL RESERVE

	30.6.97	30.6.96
	KShs.	KShs.

Initial grant to set up the Foundation	<u>4,000,000.00</u>	<u>4,000,000.00</u>
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4. REVALUATION RESERVE

	30.6.97	30.6.96
	KShs.	KShs.

The revaluation reserve represents the gain on revaluation of certain fixed assets. This is in compliance with accounting standards. The revaluation was carried out by M/s Bageine Karanja Mbuu on existing use basis in June 1993.

	<u>70,919,684.00</u>	<u>70,919,684.00</u>
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5. RETAINED PROFIT

	30.6.97	30.6/96
	KShs.	KShs.

Net profit (loss) as per profit and loss (excluding stock & W.I.P. Fluctuations)

	40,140,176.00	40,974,987.00
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Add/deduct; Prior year adjustment

	<u>217,977.00</u>	
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	40,358,153.00	<u>40,974,987.00</u>
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Add: Retained profit carried forward

	<u>127,455,729.00</u>	
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		<u><u>86,480,742.00</u></u>
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	<u>167,813,882.00</u>	
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		<u>127,455,729.00</u>
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6. FIXED ASSETS(ATTACHED SCHEDULE)

7. STOCKS

	30.6.97	30.6.96
	KShs.	KShs.

Printed Books

	42,182,192.00	
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		47,965,327.00
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Raw Materials

	18,404,115.00	
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		928,958.00
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Work in Progress

	<u>9,704,524.00</u>	
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		<u>2,012,633.00</u>
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	<u>70,290,831.00</u>	
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		<u>50,906,918.00</u>
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8. DEBTORS AND PREPAID EXPENSES

	30.6.97	30.6.96
	KShs. KShs.	
Trade Debtors	26,664,444.00	13,668,615.00
Other Debtors	9,542,513.00	5,895,383.00
Prepaid Expense	<u>10,154,257.00</u>	<u>4,154,696.00</u>
	<u>46,361,214.00</u>	<u>23,715,694.00</u>

9. CASH ON HAND AND BANK BALANCES

	30.6.97	30.6.96
	KShs.	KShs.
Cash on hand	309,410.40	191,400.00
Bank Balance	<u>35,676,792.00</u>	<u>52,230,983.00</u>
	<u>35,986,202.00</u>	<u>52,422,383.00</u>

10. CREDITORS AND ACCRUALS

	30.6.97	30.6.96
	KShs.	KShs.
Trade Creditors	829,234.00	6,327,677.00
Other Creditors	<u>14,877,239.00</u>	<u>20,680,871.00</u>
	<u>15,706,473.00</u>	<u>27,008,548.00</u>

11. CORPORATE STATUS

The Foundation is a Company Limited by Guarantee and does not have a share capital. The capital reserve represents the initial grant to set up the Foundation.

12. CURRENCY

These accounts are presented in Kenya Shillings.

FIXED ASSETS SCHEDULE AS AT 30 JUNE 1997

DETAILS	LEASEHOLD LAND & BUILDINGS	KIJABE STREET	PLANT & MACHINERY	OFFICE FURNITURE, FITTINGS & EQUIPMENT	COMPUTERS	MOTOR VEHICLES	TOTALS
	ENTERPRISE ROAD	KSHS	KSHS	KSHS	KSHS	KSHS	KSHS
COST OR VALUATION AS AT 30.6.96	45,785,040.00	1,066,360.00	67,017,467.00	5,480,510.05	5,836,060.00	9,448,629.00	134,634,066.70
ADDITIONS	245,392.50		2,618,107.00	773,844.00		10,023,379.00	13,660,722.00
DISPOSALS							
BALANCE AS AT 30.6.97	46,030,432.50	1,066,360.00	69,635,574.00	6,254,354.05	5,836,060.00	19,472,008.00	148,294,789.20
DEPRECIATION AS AT 30.6.97	3,340,860.00	692,708.00	15,139,379.30	3,534,393.55	3,998,186.00	4,998,148.00	31,703,674.85
CHARGE FOR THE YEAR	918,890.00	38,084.00	5,034,267.00	493,433.10	702,020.70	3,602,627.90	10,789,322.70
	4,259,750.00	730,792.00	20,173,646.30	4,027,826.65	4,700,206.70	8,600,775.00	42,492,996.65
NET BOOK VALUE							
AS AT 30.6.97	41,770,682.50	335,568.00	49,461,927.80	2,226,527.40	1,135,853.85	10,871,233.00	105,801,792.55
AS AT 30.6.96	42,444,180.00	373,652.00	51,621,892.00	1,610,892.00	1,837,874.00	4,450,481.00	102,338,971.00

PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 30TH JUNE 1997

	30.6.97	30.6.96
	KSHS.	KSHS.
INCOME		
Sales (Net of Discounts)	197,619,437.00	193,531,591.00
Cost of Sales	<u>(98,636,420.00)</u>	<u>(103,072,433.00)</u>
Gross Profit	<u>98,983,017.00</u>	<u>90,459,158.00</u>
 G.P.%	 50%	 46%
 EXPENSES		
STAFF		
Staff Salaries	22,912,215.00	19,444,517.00
Staff Training	1,800.00	114,890.00
Medical Expenses - Out-Patient	2,889,136.00	2,639,838.00
Industrial Training Levy	-	42,600.00
Staff Travelling	657,232.00	1,049,395.00
Staff Provident Fund	2,247,496.00	2,076,065.00
Staff Canteen and Welfare	4,896,932.00	2,792,687.00
Staff Uniforms	470,242.00	6,700.00
Staff Bonus	650,300.00	546,447.00
Staff Recruitment	<u>432,648.00</u>	<u>76,140.00</u>
	<u>35,158,001.00</u>	<u>28,789,279.00</u>
 ADMINISTRATION		
Printing & stationery	802,135.00	603,397.00
Postage and Telephone	1,288,346.00	1,287,146.00
Computer Expenses	695,765.00	190,458.00
Rent and Rates	1,719,545.00	1,664,239.00
Light and Water	508,658.00	468,787.00
Repairs and Maintenance	4,306,645.00	2,701,804.00
Licence	79,929.00	55,025.00
Insurances	5,364,314.00	3,716,027.00
Directors' Expenses	258,255.00	216,907.00
Subscription and Cash Donations	479,463.00	91,305.00
Donations Books	803,142.00	266,498.00
Entertainment	34,915.00	30,000.00
General Expenses	884,633.00	565,041.00
Motor Vehicle Running expenses	2,135,003.00	1,543,276.00
Sales Promotion	1,001,205.00	880,577.00
Packing Materials	687,314.00	1,063,810.00
Mileage Expenses	1,171,551.00	1,103,600.00
Depreciation (Excl.Plant & Machinery)	5,312,941.00	2,576,665.00
Damaged Stock written off	23,615.00	-
Hire of Security	660,268.00	678,056.00
Cash Lost	-	<u>123,548.00</u>
	<u>28,217,642.00</u>	<u>19,826,166.00</u>

EDITORIAL

Editorial Charges	15,320.00	9,781.00
Royalties	373,063.00	373,417.00
Honoraia	77,500.00	149,480.00
Library Expenses	65,840.00	25,260.00
Manuscript development expence	<u>1,512,590.00</u>	=
	<u>2,044,313.00</u>	<u>557,938.00</u>

FINANCIAL

Standard Levy	507,982.00	468,328.00
Bad Debts	11,700.00	1,520,507.20
Bank Charges and interest	1,265,712.00	1605175
Audit fees	150,000.00	150,000.00
Legal and other professional fees	593,106.00	107,396.00
Income Tax Penalties	<u>4,642.00</u>	<u>10,437.00</u>
	<u>2,533,142.00</u>	<u>3,861,843.20</u>

TOTAL EXPENSES **67,953,098.00** **51,515,419.00**

NET OPERATING PROFIT **31,029,919.00** **38,943,739.00**

Add: Other Income	1,751,260.00	1,987,815.00
Service Jobs	7,358,997.00	4,167,388.00
Less: Scholarships	=	<u>(4,123,955.00)</u>

NET PROFIT(LOSS) FOR THE YEAR **40,140,176.00** **40,974,987.00**

MANUFACTURING ACCOUNT AS AT 30/6/97

RAW MATERIALS	PAPER & BOARD	DIRECT CONSUMABLE	ORIGINATION	INDIRECT CONSUMABLE	SPARE PARTS	TOTAL
OPENING STOCK	6,484,128.00	1,080,591.90	390,616.70	716,902.35	518,693.30	9,190,932.25
ADD: PURCHASES	72,457,255.60	3,678,716.50	1,803,331.68	1,846,753.90	2,610,994.55	82,397,052.23
STOCK AVAILABLE FOR USE	78,941,384.20	4,759,308.40	2,193,948.38	2,563,656.25	3,129,687.85	91,587,985.08
CLOSING STOCK	(16,184,917.80)	(1,023,256.55)	(236,842.90)	(899,168.30)	(460,509.60)	(18,804,695.15)
	62,756,466.40	3,736,051.85	1,957,105.48	1,664,487.95	2,669,178.25	72,783,289.93
DIRECT LABOUR						11,045,704.30
PRINTING CHARGES						
OUTSIDE PRINTERS						15,674,472.00
(WORK FIRMED OUT)						
DEPRECIATION						5,476,382.00
(PLANT & MACHINERY)						409,673.10
WATER						1,178,175.45
POWER						3,168,411.55
REPAIRS & MAINTENANCE						109,736,108.33
(PLANT AND MACHINERY)						(7,691,891.55)
WORK IN PROGRESS : OPENING STOCK			2,012,632.85			
CLOSING STOCK			(9,704,524.40)			
COST OF FINISHED PULICATIONS						102,044,216.78
OPENING STOCK			38,774,395.95			
CLOSING STOCK			(42,182,192.14)			
COST OF SALES						98,636,420.58

PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 30TH JUNE, 1997

Sales Net of Discount		197,619,437.00
Less: Cost of Sales		
Opening Finished Stock	38,774,396.00	
Add: Cost of goods manufactured	102,044,216.00	
Cost of goods available for sale	140,818,612.00	
Less: Closing stock	(42,182,192.00)	
Cost of sales		(98,636,420.00)
Gross profit		98,983,017.00
Less: Expenses		
Staff	35,158,001.00	
Administrative	28,217,642.00	
Editorial	2,044,313.00	
Finance	2,533,142.00	
Total expenses		67,953,098.00
Net operating profit		31,029,919.00
Add: Rent income	550,532.00	
Service jobs	7,358,997.00	
Interest income	273,623.00	
Sale of waste paper	165,796.00	
Other income	761,309.00	
		9,110,257.00
Net profit/(loss) for the year		<u>40,140,176.00</u>

BALANCE SHEET

FIVE YEAR REVIEW AS AT 30TH JUNE 1997

	1996/97 KShs.	1995/96 KShs.	1994/95 KShs.	1993/94 KShs.	1992/93 KShs.
Capital Reserve	4,000,000.00	4,000,000.00	4,000,000.00	4,000,000.00	4,000,000.00
Revaluation Reserve	70,919,684.00	70,919,684.00	70,919,684.00	70,919,684.00	70,919,684.00
Profit & Loss Account	167,813,882.55	127,455,729.00	90,620,044.00	83,749,835.00	84,070,744.00
	242,733,566.55	202,375,413.00	165,539,728.00	158,669,519.00	158,990,428.00
Represented By:					
Fixed Assets	105,801,792.55	102,338,971.00	105,898,663.00	108,665,146.00	113,366,674.00
CURRENT ASSETS:					
Stocks	70,290,831.00	50,906,918.00	53,551,889.00	38,923,592.00	39,883,692.00
Debtors & Prepayments	46,361,214.00	23,715,692.00	33,037,975.00	78,478,680.00	38,448,211.00
Cash & Bank	35,986,202.00	52,422,383.00	4,477,163.00	135,625.00	77,723.00
	152,638,247.00	127,044,993.00	91,067,027.00	117,537,897.00	78,409,626.00
CURRENT LIABILITIES:					
Credit & Accruals	15,706,473.00	27,008,548.00	31,425,962.00	56,884,010.00	30,373,785.00
Bank Overdraft	-	-	10,649,124.00	913,349.00	
Suspense Account	-	-	-	1,498,738.00	
	15,706,473.00	27,008,548.00	31,425,962.00	67,533,134.00	32,785,872.00
Net Current Assets	136,931,774.00	100,036,445.00	59,641,065.00	50,004,373.00	45,623,754.00
	242,733,566.55	202,375,413.00	165,539,728.00	158,669,519.00	158,990,428.00

FIVE YEAR REVIEW OF SALES AND PROFIT

	1996/97	1995/96	1994/95	1993/94	1992/93
	KSHS.	KSHS.	KSHS.	KSHS.	KSHS.
SALES	197,619,437.00	193,531,591.00	133,217,012.00	128,309,724.00	103,144,080.00
Cost of Sales	98,636,420.00	(103,072,433.00)	(84,538,677.00)	(73,327,747.00)	(61,133,220.00)
Gross Profit	98,983,017.00	90,459,158.00	48,678,335.00	54,981,977.00	42,010,860.00
G.P. %	50%	46%	35%	43%	41%
Total Expenses	67,953,098.00	(51,515,419.00)	(45,675,266.00)	(40,714,452.00)	(32,439,303.00)
Net Operating Profit (loss)	31,029,919.00	38,943,739.00	3,003,069.00	14,267,526.00	9,571,557.00
Add: Other Income	9,110,257.00	6,155,203.00	3,462,855.00	895,704.00	700,291.00
Less: Scholarships	-	(4,123,955.00)	(7,234,640.00)	(10,676,964.00)	(8,631,183.00)
NET (LOSS)/PROFIT	40,140,176.00	40,974,987.00	(768,716.00)	4,486,266.00	1,640,665.00