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JOMO KENYATTA FOUNDATION

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OF KENYA
LIBRARY

**DIRECTORS' REPORT AND ACCOUNTS
FOR THE PERIOD ENDED
30TH JUNE 1998**



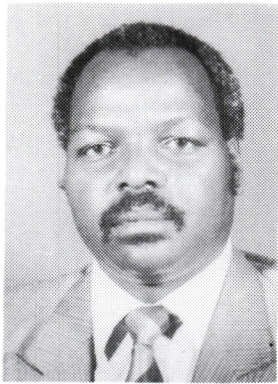
JOMO KENYATTA FOUNDATION

**DIRECTORS' REPORT AND ACCOUNTS
FOR THE PERIOD ENDED
30TH JUNE 1998**

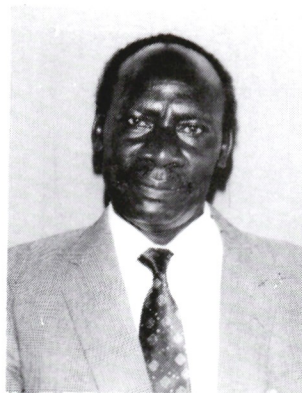
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BOARD OF DIRECTORS



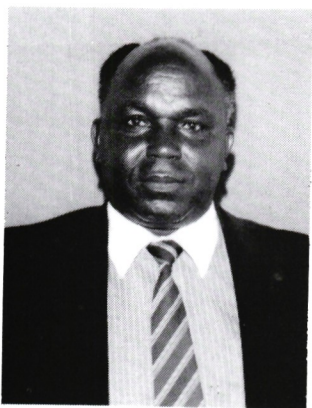
*Mr. W. K. K. Kimalat
PS, Ministry of Education*



*Mr. Mark G. Bosire
Chairman*



*Margaret Chemengich
PS, Ministry of Finance*



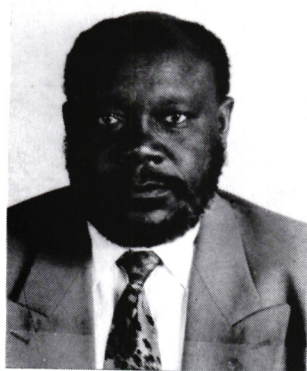
*Mr. I. K. Mungai
Alternate, PS, Education*



*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*

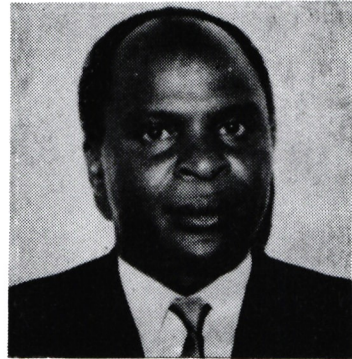
MANAGEMENT



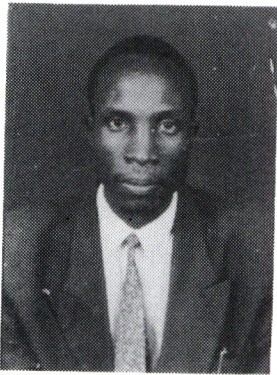
*Mrs. Nancy W. Karimi
Publishing Manager*



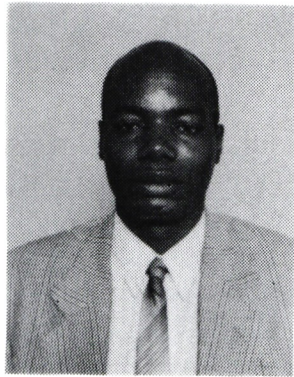
*Mrs. Sarah Majani
Production Manager*



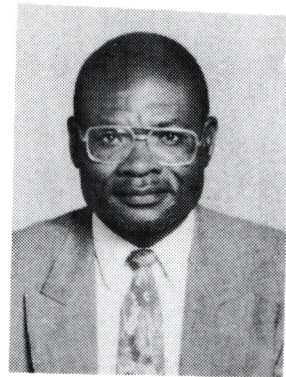
*Mr. Jimmy Chepkwony
Chief Administrative Officer*



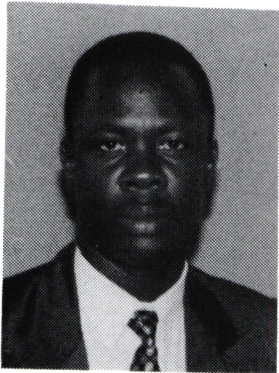
*Mr. Stephen Aminga
Company Secretary*



*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*

JOMO KENYATTA FOUNDATION

NOTICE OF THE ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that the **ANNUAL GENERAL MEETING** of the Jomo Kenyatta Foundation for the year ended 30th June, 1998 will be held at the offices of the Foundation in Industrial Area, Enterprise Road, Nairobi on **Wednesday 1st September, 1999** at **10.00 a.m.** and the business to be transacted thereat will be:

1. The Secretary to read the Notice convening the meeting.
2. To receive and confirm the Minutes of the last AGM held on 28 October 1998.
3. To receive the Chairman's Report for the year ended 30 June 1998.
4. To receive and consider the Auditor's report on the Foundation's Accounts for the year ended 30 June 1998.
5. To receive, consider and if found appropriate, adopt the Directors' report and financial statements of the Company for the year ended 30 June 1998.
6. To appoint Auditors for the year ended 30 June 1999 and to authorize the Directors to fix the Auditors' remuneration.
7. To transact any other ordinary business of the Company.

By Order of the Board.



PETER L. B. KUBEBEA
SECRETARY TO THE BOARD

11 August 1999

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 30 JUNE 1998**

It is with great pleasure that I report on the results of operations of the Jomo Kenyatta Foundation for the period ended 30th June 1998. Once again following the ongoing rationalization of operations especially in the now liberalized book industry, there was a record growth in both units sold and revenue in the twelve months period ended 30th June 1998.

The Foundation realized a record KShs.252,658,745.00 revenue out of 2,120,300 units sold. This was KShs.55,039,308 over the previous year's revenue of KShs.197,619,437. A marginal improvement of 15.6% or 286,733 units was recorded on the 1996/97 units sold of 1,833,567. Well planned production schedules, increased sales promotional activities that included stationing of sales representatives in the field and a slight upward review of the prices immensely contributed to the impressive revenue.

During this period a net profit of KShs.44,553,051 was realized compared to KShs. 40,140,176 in the year 1996/97. This 11% increase is attributed to mainly prudent financial management and improved sales. Gross profit margin was 47% compared to the previous year's of 51%. A number of titles were firmed out due to the aged machinery that could not cope with the increased demand of our publications. This adversely affected the cost of production.

OPERATING EXPENDITURE

Following the signing of a new Collective Bargaining Agreement between the Union and JKF, salaries and allowances for all staff were reviewed upwards. Consequently, expenditure on staff expenses rose from KShs.35,158,001 to KShs.47,036,385 in 1997/98. This was however within the budgetary provision.

All in all, total expenses rose from KShs. 67,953,098 in 1996/97 to KShs. 82,263,692 in the period under review. This rise was mainly due to the review of staff emoluments.

CAPITAL EXPENDITURE

As the Foundation moved into in-house development of manuscripts, there was need to acquire modern and powerful computers for the Publishing department. A new set of computers were acquired at a cost of KShs. 5,503,100. During the same period an Isuzu bus and a 115 Polar Guillotine for the press were acquired at a cost of KShs. 5,375,000 and KShs .5,316,095 respectively. Acquisition of the bus followed disposal of an old bus that had proved expensive to maintain.

During the same year a new copier with enhanced features was acquired in exchange of an old Xerox copier at a cost of KShs.747,649. The old copier had served the Foundation since 1990.

SCHOLARSHIPS

During the period KShs. 3,952,948 was paid out to settle outstanding arrears on scholarships. With the scholarship policy firmly in place, it is expected that in future recruitment, selection, awarding and settlement of scholarships will be on time so as to serve the intended purpose.

DIRECTORATE

The constitution of the Board remained the same apart from the replacement of Mr. R .D. Wambugu of Kenya Institute of Education and Mr. J.B. Mboga of KNUT. They were replaced by Mr. G. Muita and Mr. P. Mutulu respectively. I wish to welcome the two to the Board.

STAFF

I wish to sincerely thank the Management and staff for their continued commitment that has steered the Foundation to the current enviable position. During the year however a number of staff left the Foundation for various reasons. Equally a number were recruited to fill the vacant positions.

Every effort will be made to ensure that the Foundation attracts and retains the best of staff as it struggles to sustain itself in the now liberalized book industry.

Thank you.



MARK G BOSIRE
CHAIRMAN

March, 1999

**REPORT OF THE AUDITOR-GENERAL (CORPORATIONS) ON THE
ACCOUNTS OF THE JOMO KENYATTA FOUNDATION FOR THE YEAR
ENDED 30 JUNE 1998**

I have examined the accounts of the Jomo Kenyatta Foundation 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 which were considered necessary for the purposes 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). 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 1998 and of changes in financial position for the year then ended.



W. K. KEMEI

AUDITOR-GENERAL (CORPORATIONS)

28 July 1999

DIRECTORS' REPORT
FOR THE YEAR ENDED 30 JUNE 1998

The Directors have pleasure in presenting the Accounts for the year ended 30th June 1998.

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	44,553,051.00
Add: Retained Profit brought forward	<u>167,813,882.00</u>
Retained profit carried forward	<u>212,366,933.00</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. Isaac K. Mungai	-	Alternate PS, Ministry of Education
Mrs Phyllis Makau	-	Alternate PS, Ministry of Finance
Mr. Richard O. Wamwenje	-	Office of the President
Mr. Samwel C. Lang'at	-	Kenya Literature Bureau
Mr. Gabriel M. Muita	-	Kenya Institute of Education
Mr. Peter M. Mutulu	-	KNUT
Dr. J. D. Patel	-	Nairobi Hospital
Dr. Eric C. Mwachiro	-	J K U A T

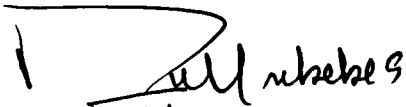
5. Auditors

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



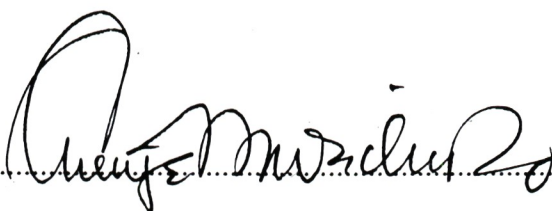
PETER L. B. KUBEBEA
SECRETARY TO THE BOARD


11 August, 1999

PROFIT AND LOSS ACCOUNT

FOR THE PERIOD ENDED 30 JUNE 1998

	30.6.98	30.6.97
	K.Shs.	K.Shs.
TURNOVER	<u>252,658,745.00</u>	<u>197,619,437.00</u>
Balance brought forward	167,813,882.00	127,455,729.00
Add: Net(Loss)/ Profit for the year	44,553,051.00	40,140,176.00
Add: (Deduct) Prior Year Adjustment	—	<u>217,977.00</u>
	<u>212,366,933.00</u>	<u>167,813,882.00</u>

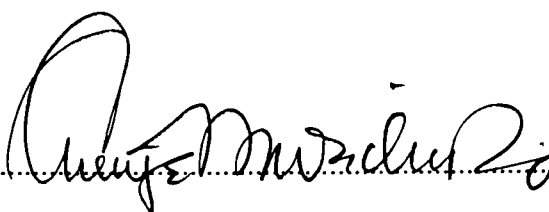
.....DIRECTOR

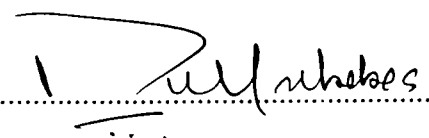
.....DIRECTOR

24 March, 1999

**BALANCE SHEET
AS AT 30 JUNE, 1998**

	NOTE	30.6.98 KShs.	30.6.97 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>212,366,933.00</u>	<u>167,813,882.00</u>
		<u>287,286,617.00</u>	<u>242,733,566.00</u>
 REPRESENTED BY:			
Fixed Assets	6	108,842,512.00	105,801,792.00
 Current Assets			
Stocks	7	104,581,286.00	70,290,831.00
Debtors and Prepayments	8	109,802,555.00	46,361,214.00
Cash and Bank	9	<u>52,437.00</u>	<u>35,986,202.00</u>
		214,436,278.00	152,638,247.00
 Current Liabilities			
Creditors and Accruals	10	31,702,180.00	15,706,473.00
Bank Overdraft		4,289,993.00	0.00
Net Current Assets		<u>178,444,105.00</u>	<u>136,931,774.00</u>
		<u>287,286,617.00</u>	<u>242,733,566.00</u>

.....
 DIRECTOR

.....
 DIRECTOR

CASH FLOW STATEMENT
AS AT 30 JUNE 1998

	30.6.98	30.6.97
	KShs.	KShs.
Net Profit for the year	44,553,051.00	40,140,176.00
Adjustments for;		
Depreciation	13,237,490.00	10,789,322.00
Prior year adjustment	0.00	(217,977.00)
Profit on disposal of Fixed Assets	<u>(1,175,791.00)</u>	<u>0.00</u>
Profit before change in Working capital	56,614,750.00	50,711,521.00
(Increase)/ Decrease in stocks/prepayments	(34,290,455.00)	(19,383,913.00)
(Increase)/ Decrease in Debtors	(63,441,341.00)	(22,645,522.00)
Increase/ (Decrease) in Creditors	<u>15,995,707.00</u>	<u>(11,302,075.00)</u>
Cash generated from operations	(25,121,339.00)	(2,619,989.00)
Disposal of Fixed assets	1,170,517.00	
Purchase of Fixed assets	<u>(16,274,036.00)</u>	<u>(13,816,192.00)</u>
Net decrease in Bank/ Cash balances	(40,224,858.00)	(16,436,181.00)
Opening Cash/Bank balance	<u>35,986,202.00</u>	<u>52,422,383.00</u>
Closing Bank/Cash balance	(4,238,656.00)	35,986,202.00

NOTES TO THE ACCOUNTS

FOR THE YEAR ENDED 30 JUNE 1998

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 realizable 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
Cost 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

	30.6.98	30.6.97
	K.Shs.	K.Shs.
Trading profit is arrived at after charging:		
Interest on overdraft	1,444,890.00	644,596.00
Depreciation	13,237,49.00	10,789,322.00
Auditors remuneration	150,000.00	150,000.00
Directors fees	<u>381,040.00</u>	<u>339,505.00</u>
	<u>15,213,421.00</u>	<u>11,923,918.00</u>

3. Capital Reserve

	30.6.98	30.6.97
	K.Shs.	K.Shs.
Initial grant to set up the Foundation	4,000,000.00	4,000,000.00

4. Revaluation Reserve

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.

30.6.98	30.6.97
K.Shs.	K.Shs.
<u>70,919,684.00</u>	<u>70,919,684.00</u>

5. Retained Profit

	30.6.98	30.6.97
	K.Shs.	K.Shs.
Net profit/(loss) as per Profit and Loss A/C (excluding stock & W.I.P. fluctuations.	44,553,051.00	40,140,176.00
Add/deduct: Prior year adjustment	<u>44,553,051.00</u>	<u>217,977.00</u>
	44,553,051.00	40,358,153.00
Add: Retained profit carried forward	<u>167,813,882.00</u>	<u>127,455,729.00</u>
	<u>212,366,933.00</u>	<u>167,813,882.00</u>

6. Fixed Assets

See page 18.

7. Stocks

	30.6.98	30.6.97
	K.Shs.	K.Shs.
Printed books	58,120,242.00	42,182,192.00
Raw Materials	32,350,762.00	18,404,115.00
Work in Progress	<u>13,073,599.00</u>	<u>19,704,524.00</u>
	<u>103,544,603.00</u>	<u>90,290,831.00</u>

8. Debtors and Pre-paid Expenses

	30.6.98	30.6.97
	K.Shs.	K.Shs.
Trade Debtors	83,012,206.00	26,664,444.00
Other Debtors	16,432,544.00	9,542,513.00
Prepaid Expense	<u>5,357,805.00</u>	<u>10,154,257.00</u>
	<u>109,802,555.00</u>	<u>46,361,214.00</u>

9. Cash and Bank Balances

	30.6.98	30.6.97
	KShs.	KShs.
Cash on hand	52,437.00	309,410.00
Bank Balance	-	<u>35,676,792.00</u>
	<u>52,437.00</u>	<u>55,986,202.00</u>

10. Creditors and Accruals

	30.6.98	30.6.97
	KShs.	KShs.
Trade Creditors	12,159,029.00	829,234.00
Other Creditors	15,253,158.00	14,877,239.00
Bank Overdraft	<u>4,289,993.00</u>	<u>-</u>
	<u>31,702,180.00</u>	<u>15,706,473.00</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.

**PROFIT AND LOSS ACCOUNT
FOR THE PERIOD ENDED 30 JUNE 1998**

	30.6.98	30.6.97
	KShs.	KShs.
Sales (Net of Discounts)	252,658,745.00	197,619,437.00
Cost of Sales	(133,371,270.00)	(98,636,420.00)
Gross Profit	119,287,475.00	98,983,017.00
G.P. %	0.47	0.50

EXPENSES

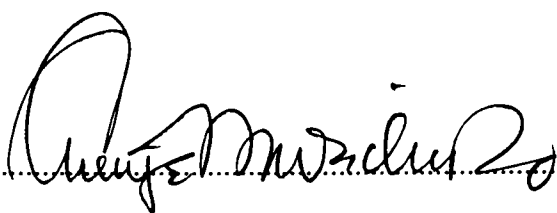
STAFF

Staff Salaries	30,613,665.00	22,912,215.00
Staff Training	31,000.00	1,800.00
Medical Expenses - Out-Patient	5,047,180.00	2,889,136.00
Industrial Training Levy		
Staff Travelling	1,899,100.00	657,232.00
Staff Provident Fund	3,600,585.00	2,247,496.00
Staff Canteen and Welfare	4,713,879.00	4,896,932.00
Staff Uniforms	478,021.00	470,242.00
Staff Bonus	628,955.00	650,300.00
Staff Recruitment	24,000.00	432,648.00
	<u>47,036,385.00</u>	<u>35,158,001.00</u>

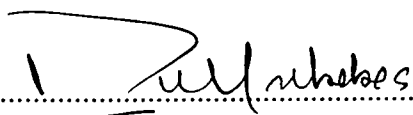
ADMINISTRATION

Printing & Stationery	287,550.00	802,135.00
Postage and Telephone	1,580,710.00	1,288,346.00
Computer Expenses	622,533.00	695,765.00
Rent and Rates	2,235,878.00	1,719,545.00
Light and Water	912,058.00	508,658.00
Repairs and Maintenance	3,745,884.00	4,306,645.00
Licence	61,570.00	79,929.00
Insurance	6,586,504.00	5,364,314.00
Directors' Expenses	381,040.00	258,255.00
Subscription and Cash Donations	141,615.00	479,463.00
Donations Books	552,033.00	803,142.00
Entertainment	76,252.00	34,915.00
General Expenses	1,212,567.00	884,633.00
Motor Vehicle Running expenses	2,248,781.00	2,135,003.00
Sales Promotion	644,443.00	1,001,205.00
Packing Materials	1,420,822.00	687,314.00
Mileage Expenses	1,167,413.00	1,171,551.00
Depreciation (Excl.Plant & Machinery)	6,265,085.00	5,312,941.00
Damaged Stock written off	0.00	23,615.00
Hire of Security	717,167.00	660,268.00
	<u>30,859,905.00</u>	<u>28,217,642.00</u>

	30.6.98	30.6.97
	KShs.	KShs.
<u>EDITORIAL</u>		
Editorial Charges	60,410.00	15,320.00
Royalties	471,025.00	373,063.00
Honoraria	138,398.00	77,500.00
Library Expenses	89,864.00	65,840.00
Manuscript development expenses	<u>1,430,023.00</u>	<u>1,512,590.00</u>
	2,189,720.00	2,044,313.00
<u>FINANCIAL CHARGES</u>		
Standard Levy	257,852.00	507,982.00
Bad Debts	0.00	11,700.00
Bank Charges and interest	1,444,890.00	1,265,712.00
Audit fees	150,000.00	150,000.00
Legal and other professional fees	319,004.00	593,106.00
Income Tax Penalties	<u>5,936.00</u>	<u>4,642.00</u>
	2,177,682.00	2,533,142.00
TOTAL EXPENSES	<u>82,263,692.00</u>	<u>67,953,098.00</u>
NET OPERATING PROFIT	37,023,783.00	31,029,919.00
Add: Other Income	2,270,555.00	1,751,260.00
Service Jobs	<u>5,258,713.00</u>	<u>7,358,997.00</u>
	7,529,268.00	9,110,257.00
Less: Scholarships	<u>0.00</u>	<u>0.00</u>
NET PROFIT/(LOSS) FOR THE YEAR	<u>44,553,051.00</u>	<u>40,140,176.00</u>



.....DIRECTOR



.....DIRECTOR

MANUFACTURING ACCOUNT FOR THE PERIOD ENDED 30 JUNE 1998

RAW MATERIALS	PAPER & BOARD	DIRECT CONSUMABLE	ORIGNATION	INDIRECT CONSUMABLE	SPARE PARTS	TOTAL
Opening Stock	16,184,917.80	1,023,256.55	236,842.90	899,168.30	460,509.60	18,804,695.15
ADD: Purchases	<u>69,106,732.70</u>	<u>3,169,358.00</u>	<u>1,318,856.90</u>	<u>2,144,365.50</u>	<u>1,742,549.30</u>	<u>77,481,862.40</u>
Stock Available for use	85,291,650.50	4,192,614.55	1,555,699.80	3,043,533.80	2,203,058.90	96,286,557.55
Closing Stock	<u>(24,586,099.30)</u>	<u>(1,144,452.30)</u>	<u>(251,808.60)</u>	<u>(1,248,556.60)</u>	<u>(584,429.72)</u>	<u>(27,815,346.52)</u>
	60,705,551.20	3,048,162.25	1,303,891.20	1,794,977.20	1,618,629.18	68,471,211.03
Direct Labour						14,873,434.90
Outside Printers (Work firmmed out)						56,832,715.10
Depreciation (Plant & Machinery)						6,972,405.20
Water and Electricity						1,644,845.10
Repairs and Maintenance (Plant & Machinery)						<u>3,883,782.90</u>
						152,678,394.23
Work in Progress : Opening Stock						9,704,524.40
Closing Stock						<u>(13,073,599.00)</u>
						<u>(3,369,074.60)</u>
Manufacturing Cost to Account for						149,309,319.63
Cost of finished publications						42,182,192.10
						<u>(58,120,242.20)</u>
						<u>(15,938,050.10)</u>
COST OF SALES						133,371,269.53

FIVE YEAR REVIEW OF BALANCE SHEET

	1997/98	1996/97	1995/96	1994/95	1993/94
	KShs.	KShs.	KShs.	KShs.	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	<u>212,366,933.00</u>	<u>167,813,882.55</u>	<u>127,455,729.00</u>	<u>90,620,044.00</u>	<u>83,749,835.00</u>
	<u>287,286,617.00</u>	<u>242,733,566.55</u>	<u>202,375,413.00</u>	<u>165,539,728.00</u>	<u>158,669,519.00</u>
Represented By:					
Fixed Assets	108,842,512.00	105,801,792.55	102,338,971.00	105,898,663.00	108,665,146.00
CURRENT ASSETS:					
Stocks	104,581,286.00	70,290,831.00	50,906,918.00	53,551,889.00	38,923,592.00
Debtors & Prepayments	109,802,555.00	46,361,214.00	23,715,692.00	33,037,975.00	78,478,680.00
Cash & Bank	<u>52,437.00</u>	<u>35,986,202.00</u>	<u>52,422,383.00</u>	<u>4,477,163.00</u>	<u>135,625.00</u>
	<u>214,436,278.00</u>	<u>152,638,247.00</u>	<u>127,044,993.00</u>	<u>91,067,027.00</u>	<u>117,537,897.00</u>
CURRENT LIABILITIES:					
Creditors & Accruals	31,702,180.00	15,706,473.00	27,008,548.00	31,425,962.00	56,884,010.00
Bank Overdraft	<u>4,289,993.00</u>	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>	<u>10,649,124.00</u>
	<u>35,992,173.00</u>	<u>15,706,473.00</u>	<u>27,008,548.00</u>	<u>31,425,962.00</u>	<u>67,533,134.00</u>
Net Current Assets	<u>178,444,105.00</u>	<u>136,931,774.00</u>	<u>100,036,445.00</u>	<u>59,641,065.00</u>	<u>50,004,373.00</u>
	<u>287,286,617.00</u>	<u>242,733,566.55</u>	<u>202,375,413.00</u>	<u>165,539,728.00</u>	<u>158,669,519.00</u>

FIVE YEAR REVIEW OF SALES AND PROFIT

	1997/98	1996/97	1995/96	1994/95	1993/94
	KShs.	KShs.	KShs.	KShs.	KShs.
SALES	252,658,745.00	197,619,437.00	193,531,591.00	133,217,012.00	128,309,724.00
Cost of Sales	(133,371,270.00)	(98,636,420.00)	(103,072,433.00)	(84,538,677.00)	(73,327,747.00)
Gross Profit	<u>119,287,475.00</u>	<u>98,983,017.00</u>	<u>90,459,158.00</u>	<u>48,678,335.00</u>	<u>54,981,977.00</u>
G.P. %	47%	50%	46%	35%	43%
Total Expenses	82,263,692.00	67,953,098.00	(51,515,419.00)	(45,675,266.00)	(40,714,452.00)
Net Operating Profit(Loss)	37,023,783.00	31,029,919.00	38,943,739.00	3,003,069.00	14,267,526.00
Add: Other Income	7,529,268.00	9,110,257.00	6,155,203.00	3,462,855.00	895,704.00
Less: Scholarships	-	-	(4,123,955.00)	(7,234,640.00)	(10,676,964.00)
NET (LOSS)/PROFIT	<u>44,553,051.00</u>	<u>40,140,176.00</u>	<u>40,974,987.00</u>	<u>(768,716.00)</u>	<u>4,486,266.00</u>

**FIXED ASSETS SCHEDULE
AS AT 30 JUNE 1998**

DETAILS	Leasehold land & Buildings		Plant & Machinery	Furniture & Equipment	Computers	Motor Vehicles	Totals
	Enterprise Road	Kijabe St.					
	KShs	KShs	KShs	KShs	KShs	KShs	KShs
COST OR VALUATION AS AT 30.6.98	46,030,432.50	1,066,360.00	69,635,574.00	6,254,354.05	5,836,060.55	19,472,009.60	148,294,790.70
ADJUSTMENT FOR PREPAYMENT			(1,773,900.00)	—	—	—	(1,773,900.00)
ADDITIONS DURING THE YEAR	118,585.00	0.00	6,094,036.40	1,055,321.15	5,503,100.20	5,375,000.00	18,146,042.75
DISPOSALS	0.00	0.00	0.00	(300,000.00)	0.00	(1,560,743.00)	(1,860,743.00)
BALANCE AS AT 30/6/98	46,149,017.50	1,066,360.00	73,955,710.40	7,009,675.20	11,339,160.75	23,286,266.60	162,806,190.45
DEPRECIATION AS AT 30/6/97	4,259,750.00	730,792.00	20,173,645.90	4,027,826.65	4,700,206.70	8,600,775.00	42,492,996.25
ADJUSTMENT FOR PREPAYMENT			(11,826.00)	—	—	—	(11,826.00)
CHARGE FOR THE YEAR	922,980.35	38,084.00	5,622,850.90	533,160.00	2,077,796.65	4,042,618.70	13,237,490.60
ON DISPOSAL				(270,000.00)		(1,484,982.64)	(1,754,982.64)
ACCUMULATED DEPRECIATION	5,182,730.35	768,876.00	25,784,670.80	4,290,986.65	6,778,003.35	11,158,411.06	53,963,678.21
NET BOOK VALUE AS AT 30/6/97	41,770,682.50	335,568.00	49,461,928.10	2,226,527.40	1,135,853.85	10,871,234.60	105,801,794.45
NET BOOK VALUE AS AT 30/6/98	40,966,287.15	297,484.00	48,171,039.60	2,718,688.55	4,561,157.40	12,127,855.54	108,842,512.24

