

ANNUAL REPORT AND ACCOUNTS  
FOR THE YEAR ENDED

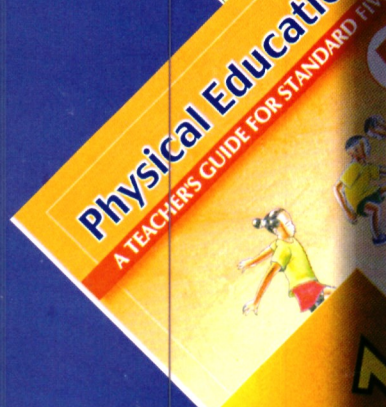
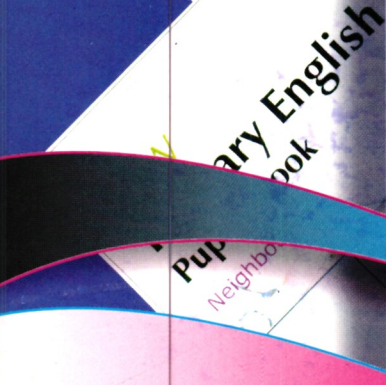
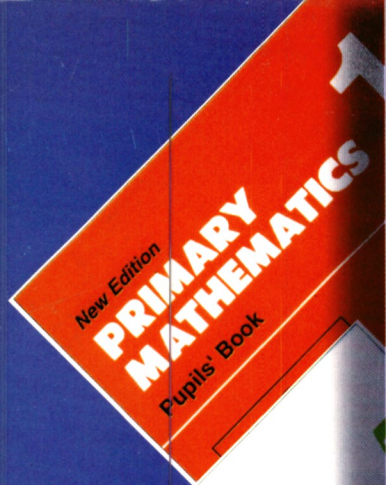
30TH JUNE

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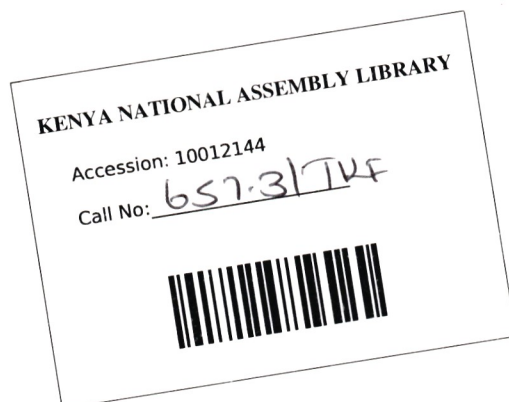
THE JOMO KENYATTA FOUNDATION



THE JOMO KENYATTA FOUNDATION



# ANNUAL REPORT AND ACCOUNTS FOR THE YEAR ENDED 30th JUNE 2001



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## BOARD OF DIRECTORS



*Prof. Asenath Jerotich Sigot  
Chairperson*



*Dr. Sally Kosgei,  
P.S. Office of the President  
and Head of Public Service*



*Mr. Francis Z. K. Menjo  
MD, Secretary to the Board*



*Prof. Japheth C. Kiptoon  
PS, Min. of Education Sci. &  
Technology*



*Mr. Mwaghazi Mwachofi  
PS, Min. of Finance*



*Mr. Richard O. Wanwenje  
Alternate to PS, Office of the President  
and Head of Public Service*



*Mr. Gabriel M. Mutta  
Kenya Institute of Education*



*Amb. Peter K. Mathanjuki  
Alternate to PS, Min. of Education  
Sci. & Technology*



*Ms. Shobhna Shah  
Alternate to PS, Min of Finance*



*Prof. Mohammed S. Rajab  
Kenyatta University*



*Mr. Samuel C. Langat  
Kenya Literature Bureau*



*Mr. Peter M. Mutulu  
KNUT*



*Mr. Billow Adam Kerrow  
M.G.I. Adam & Associates*

# JKF MANAGEMENT



*Mr. F. Z. K. Menjo  
Ag. Managing Director*



*Mr. Kakai S. Karani  
Publishing Manager*



*Mr. Wilson Chirchir  
Finance Manager*



*Mrs. Nancy Karimi  
Sales and Marketing Manager*



*Mr. Stephen Aming'a  
Company Secretary*



*Mr. Leonard Wakhisi  
Chief Internal Auditor*



*Mr. Joshua Ogendero  
Production Manager*



*Mr. Jimmy Chepkwony  
Chief Administrative Officer*

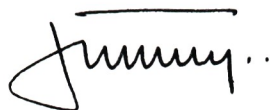
## NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that the 32nd ANNUAL GENERAL MEETING of the Jomo Kenyatta Foundation will be held at the offices of the Foundation in Industrial Area, Enterprise Road, Nairobi on Thursday 17th October 2002 at 11.00 a.m.

### AGENDA:

1. The Secretary to read the Notice convening the 32nd Annual General meeting.
2. To receive and confirm the Minutes of the last AGM held on 7th February 2002.
3. To receive and adopt the Chairperson's Report on the Foundations' operations for the year ended 30th June 2001.
4. To receive, discuss and adopt the External Auditor's Report on the Accounts of the Foundation for the year ended 30th June 2001.
5. To receive and adopt the JKF Directors' Report and the Company's Financial statements for the year ended 30th June 2001.
6. To appoint the Company's External Auditors for the year ended 30th June 2002 and authorize the Directors to fix the Auditors' remuneration.
7. To fix Directors fees, allowances and other remuneration for the year ended 30th June 2001 and authorize Management to seek Government approval for their payment.
8. To transact any other ordinary business of the Company.

By order of the Board.



F. Z. K. MENJO  
AG. MANAGING DIRECTOR/SECRETARY TO THE BOARD.

**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 30533-00100, Nairobi to arrive not later than 48 hours before the meeting or any adjournment thereof.

## CHAIRPERSON'S REPORT FOR THE YEAR ENDED 30TH JUNE, 2001

It gives me pleasure to report on the good performance of the Jomo Kenyatta Foundation for the year ended 30th June, 2001. Despite the poor economic performance experienced in the country over the year, combined with intense competition within the industry, the company posted a remarkable net profit of Kshs 46,443,876.00.

This profit represents 16% of turnover as compared to the 19% achieved the previous year. The decline in net profit margin is a reflection of the increase in staff costs occasioned by staff salary reviews which saw staff expenses move from 22% of turnover to 25% of turnover. It is expected that these increases will result in greater staff morale and productivity. Otherwise all other operating expenses were well managed through increased financial discipline.



### Capital Investment

The company made a considerable investment in capital assets. The aim is to upgrade the existing plant and equipment and expand the production capacity of the company so that stock-outs become history. Out of the total purchases of capital items amounting to Kshs 34,804,320.00, Kshs 24,497,627.00 was for plant and machinery. It is indeed commendable that even with such investment in capital items, the company still achieved the previous year's return on capital employed of 15%. In the long-term, our objective is to achieve a steady rise in the return on capital employed as a result of capital expenditure programmes and improvements in efficiency and machine utilization.

### Challenges Ahead

Due to intense competition within the industry, the company will be called upon to bring down the cost of production while sustaining or even improving the quality of products, reliability and customer care. I am happy to note that the marketing department, in keeping with the Foundations expansion policy is putting in place aggressive marketing strategies. This includes, among other things, venturing into the international markets within the Comesa region. We trust that these will bear fruit during the coming financial year to enable the Foundation to post even better results.

### Management and staff

I take this opportunity to thank the Jomo Kenyatta Foundation team for their dedication and commitment towards the management of the company's resources thereby making the company to realize these impressive results.

### Directorate

The constitution of the Board of Directors remained the same in the year. I take this opportunity to thank the entire Board for their commitment to the Foundation and for the support they accorded me over the year.

Thank you.

A handwritten signature in black ink, appearing to read 'A. J. Sigot', written over a horizontal line.

**PROF. A. J. SIGOT**  
**CHAIRPERSON**

## REPORT OF THE CONTROLLER AND AUDITOR GENERAL ON THE ACCOUNTS OF THE JOMO KENYATTA FOUNDATION FOR THE YEAR ENDED 30 JUNE 2001.

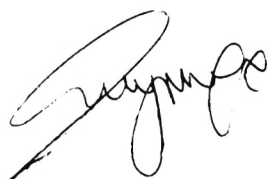
I have examined the Accounts of The Jomo Kenyatta Foundation for the year ended 30 June 2001 in accordance with the provisions of Section 29 of the exchequer and audit Act, (Cap 412). I have obtained all the information and explanations considered necessary for the purpose of the audit. Proper books of account have been maintained and the Accounts, which have been prepared under the historical cost convention, are in agreement therewith and comply with the companies Act (Cap.486).

### 2. BOARD EXPENSES

In the report for the year 1999/2000, concern was expressed on the payment of sitting allowances of Kshs. 198,000 to five public servants in receipt of salary contrary to the provisions of Section 10 (1) of the State Corporations Act (Cap.446). A review of the position during the year 2000/2001 showed that the Foundation again paid sitting allowances totalling Kshs.240,000 to six Public servants as well as lunch allowances of Kshs.54,000 when attending board meetings, in breach of the provisions of Section 10 (1) of the State Corporations Act (Cap. 446).

Company records also show that the foundation increased Board members' sitting allowances from Kshs.2,000 to Kshs.10,000 per sitting with effect from July 2000 but without approval of the Office of the President as required by Section 19 (1) of the State Corporation Act. This resulted in irregular overpayments of sitting allowances totalling Kshs.368,000 as of February 2001. Although the Foundation later received Office of the President's approval to increase the sitting allowances from Kshs.2,000 to Kshs.10,000 per sitting with effect from 1 March 2001, it is not clear how the unauthorised payments of the Kshs.368,000 would be recovered or treated.

In my opinion, and except for the foregoing reservation the Accounts, when read together with the Notes thereon, present fairly the Foundation's financial state of affairs as at 30 June 2001 and of its surplus and cash flows for the year then ended.



**D.G. NJOROGE**  
**CONTROLLER AND AUDITOR GENERAL**

**NAIROBI**

**11 February 2003**



## DIRECTORS' REPORT FOR THE YEAR ENDED 30TH JUNE, 2001

The Directors submit their report together with the audited accounts for the year ended 30th June, 2001

### 1. PRINCIPAL ACTIVITIES

The Foundation publishes and prints school textbooks and other educational materials.

### 2. RESULTS

The results for the year are as shown on page 6.

### 3. APPROPRIATION OF PROFITS

The Foundation is a company limited by guarantee and in accordance with its memorandum and articles of association has set up a scholarship fund to assist in meeting the school fees needs of bright but needy students. During the year, Kshs. 4,000,000.00 was set aside for this purpose.

### 4. DIRECTORS

The Directors who served during the year were :-

Prof. Asenath Sigot

Mr. Francis Z. K. Menjo

Amb. Peter K. Mathanjuki

Ms. Shobhna Shah

Mr. Richard O. Wamwenje

Mr. Samwel C. Langat

Mr. Gabriel M. Muita

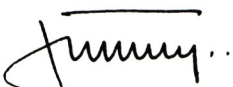
Mr. Peter Mutulu

Prof. Mohammed S. Rajab

### 5. AUDITORS

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

By order of the Board

  
F. Z. K. MENJO

**AG. SECRETARY TO THE BOARD**

## BALANCE SHEET AS AT 30 JUNE 2001

		2000/01	99/2000
		Kshs.	Kshs.
ASSETS	Notes		
Non-current assets.		<u>150,859,209</u>	<u>131,746,680</u>
Current Assets:			
Stocks	Note 3	84,067,264	67,205,232
Debtors & Prepayments	Note 5	66,991,702	43,483,148
Less: Provision for Bad Debts		(24,355,373)	(23,312,760)
Cash and Bank Balances	Note 7	34,188,889	51,631,195
		<u>160,892,482</u>	<u>39,006,815</u>
Total Assets:		<u>311,751,691</u>	<u>270,753,495</u>
EQUITY AND LIABILITIES			
Capital and Reserves:			
Capital		4,000,000	4,000,000
Revaluation Reserve		70,919,684	70,919,684
Accumulated Profit (Loss)	Note 4	172,312,911	129,869,035
		<u>247,232,595</u>	<u>204,788,719</u>
Non-current Liabilities:			
Manugraph Industries (India)		11,788,226	19,869,600
Current Liabilities:			
Creditors & Accruals	Note 6	52,730,870	46,095,176
Bank Overdraft		—	—
		<u>52,730,870</u>	<u>46,095,176</u>
		<u>311,751,691</u>	<u>270,753,495</u>

  
 (Director JKF)

  
 (Director JKF)

**PROFIT AND LOSS ACCOUNT  
FOR THE YEAR ENDED 30.06.2001**

		2000/01	99/2000
	Notes	Kshs.	Kshs.
Total Net Sales (Trade Titles)	Note 2	265,532,189	204,396,953
Service Jobs		17,230,199	8,088,032
Less Cost of Sales		<u>(126,039,810)</u>	<u>(95,692,091)</u>
<b>Gross Profit</b>		<b>156,722,578</b>	<b>116,792,894</b>
G.P AS % of Sales		59	57
 <b>LESS EXPENSES</b>			
Distribution & Administrative Expenses		34,492,373	27,063,339
Staff Expenses		70,389,441	46,684,523
Editorial Expenses		4,923,570	2,355,121
Financial Charges		<u>4,238,354</u>	<u>13,815,508</u>
 <b>TOTAL EXPENSES</b>		 <b>114,043,738</b>	 <b>89,918,491</b>
 <b>Operating Profit (Loss) For The Year</b>		 <b>42,678,840</b>	 <b>26,874,403</b>
<i>Add Non-Operating Income:</i>	Note 8	3,756,036	14,210,456
<b>Net Profit (Loss) For The year</b>	Note 4	<b>46,443,876</b>	<b>41,084,859</b>
Scholarships	Note 9	(4,000,000)	—
<b>Retained Profit B/F (Stated)</b>		<b>129,869,035</b>	<b>88,903,108</b>
Add: Prior year Adjustment		—	(118,932)
<b>Retained Profit B/F (Adjusted)</b>		<u><b>129,869,035</b></u>	<u><b>88,784,176</b></u>
<b>Retained Profit C/F</b>		<b>172,312,911</b>	<b>129,869,035</b>

**CASH FLOW STATEMENT  
FOR THE PERIOD ENDED 30TH JUNE 2001**

	YEAR 2001	YEAR 2000
<b>Cashflow from Operating Activities</b>		
Net profit for the Year	46,443,876.00	41,084,859.00
Adjustment for:		
Depreciation (Including Plant & Machinery)	15,733,196.00	13,559,963.00
Interest paid on Long Term Loan	1,462,907.00	2,016,744.00
Loss on Disposal of Fixed Assets	8,312.60	—
Interest received on Fixed Deposit	(2,153,354.00)	1,925,353.00
Decrease in provision for scholarships	(2,570,279.00)	(9,455,363.00)
Interest on car Loans	(48,302.10)	—
Rental Income	(538,460.00)	—
Bad debts recovered	—	(1,346,324.00)
Increase in provision for Legal penalties	—	(400,000.00)
Increase in provision for Bad debts	1,042,614.00	6,732,298.00
<b>Net Operating Profit/(Loss) before Working Capital Changes</b>	<b>59,320,070.90</b>	<b>51,066,824.00</b>
<b>Adjustment for Working Capital Changes</b>		
(Increase)Decrease in Stocks	(16,862,032.00)	808,117.64
(Increase)Decrease in Debtors and Prepayments	(23,508,554.00)	12,221,849.60
Increase/(Decrease) in Creditors	6,635,694.00	(4,650,387.00)
<b>Net Cashflow from Operating Activities</b>	<b>25,585,178.90</b>	<b>59,446,404.24</b>
<b>Returns on Investments and Servicing of Finance</b>		
Interest received on Fixed Deposit (Net of Withholding tax)	2,153,354.00	1,925,353.00
Rental Income	538,460.00	—
Interest received on car loans	48,302.10	—
Interest paid on Long Term Loan	(1,462,907.00)	(2,016,744.00)
Foreign exchange fluctuation loss	—	1,629,450.00
	<b>1,277,209.10</b>	<b>1,538,059.00</b>
<b>Cashflow generated from Investing Activities</b>		
Purchase of Fixed Assets	(34,864,320.00)	(7,760,120.80)
Payment of penalties provided (400,000.00)		
Increase in staff car loans	(1,071,000.00)	—
Proceeds from Disposal of Fixed Assets	112,000.00	—
Decrease in long- term liabilities	(8,081,374.00)	(6,137,850.00)
	<b>(44,304,694.00)</b>	<b>(13,897,970.80)</b>
<b>Cashflow generated from Financing Activities</b>		
Proceed from long- term borrowing	—	—
<b>Net Cash (Outflow)/Inflow</b>	<b>(17,442,306.00)</b>	<b>47,313,405.00</b>
Cash and Cash equivalents <i>at the beginning of period</i>	51,631,195.00	(4,317,790.00)
Cash and Cash equivalents <i>at the end of period</i>	34,188,889.00	51,631,195.00
Change in Cash and Cash Equivalents <i>over the Period</i>	<b>(17,442,306.00)</b>	<b>47,313,405.00</b>

## NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 30TH JUNE , 2001

### 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

(a) **Basis of preparation**

The financial statements have been prepared in accordance with and comply with the International Accounting standards and applicable requirements of the Companies Act. (Cap. 486).

The financial statements are presented in Kenya Shillings (Kshs.) and prepared under historical cost convention, as modified by the revaluation of Fixed Assets.

(b) **Revenue recognition**

Sales revenue is recognised when goods are delivered to a customer and upon customer's acceptance of such delivery net of sales discount of 25% on selling price. Where delivery of goods and customer acceptance do not coincide, the sales revenue is not recognised as having materialised. Turnover comprises the gross amount invoiced for sales of books and printing services/service jobs.

(c) **Property, Plant, Machinery and Equipment**

Property, Plant, Machinery and Equipment are stated at cost or valuation, less accumulated depreciation. Currently fixed assets are stated at the 1993 professional valuation with subsequent additions at cost, less depreciation.

Depreciation is provided on the cost/valuation of assets on the straight line basis at rates designed to write down the assets to their estimated residual values over their estimated useful lives as follows:

	<b>Rate per annum</b>
Printing machines	6%, 9% & 15% p.a. on cost
Office furniture & fittings	15% on cost
Motor Vehicles	25% on reducing balance
Computers	25% p.a. on cost
Leasehold Land and Building	2% on cost or equal installments over the period of lease whichever is greater.

Freehold land is not depreciated as it is deemed to have an indefinite useful life.

(d) **Inventories (Stocks)**

Inventories including work-in-progress are valued at lower of cost and net realizable value.

Cost is determined on a weighted average basis. Net realizable value is the estimated selling price in the ordinary course of business, less the estimated cost necessary to make the sale.

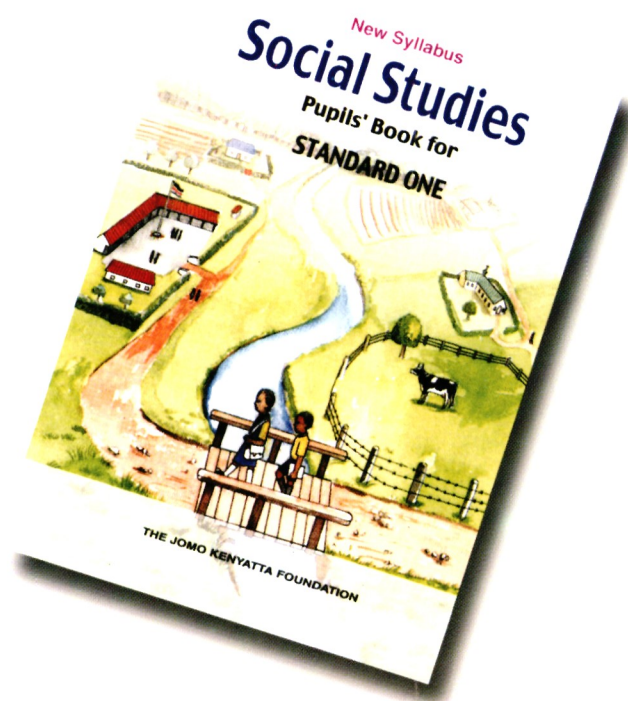
The cost of finished stocks and work-in-progress includes raw materials, direct labour only in the form of machine operators sales, direct labour and indirect consumables and related appropriate manufacturing costs.

- (e) **Trade and other receivables (debtors and pre-payments).**  
Trade receivables are recognized and carried at original invoice amount less an allowance for any uncollectable amounts. An estimate of doubtful debts is made when collection for the full amount is no longer probable. Bad debts are written off as incurred.
- (f) **Cash and cash equivalent**  
Cash on hand and in bank and short term deposits which are held to maturity are carried at cost plus interest earned but not yet received at the balance sheet date.
- (g) **Trade and other payable (creditors and accruals)**  
Liabilities for trade and other amounts payable are carried at cost which is, the fair value of the consideration to be paid in the future for goods and services received. Whether billed or not billed to JKF.
- (h) **Employee/Retirement benefits**  
JKF operates a defined contribution provident scheme for all its employees.

The scheme is administered by the trustees and funded by contributions from both the employer and employees. The funds are managed by the Jubilee Insurance Co. Ltd.

Any contributions made to the provident fund in respect of current service are charged against income in the year of contribution.

- (i) **Taxation**  
The Jomo Kenyatta Foundation is exempted from income tax on all income/profit through the Income tax act (cap.470) Sect.13 and First Schedule part 1. The profits are applied for the payment of scholarships and/or retained to solidify the financial base.

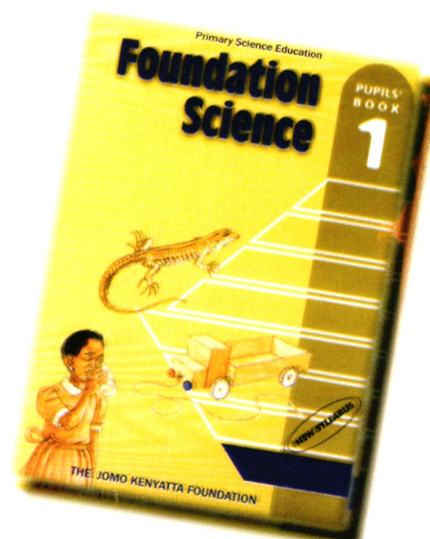
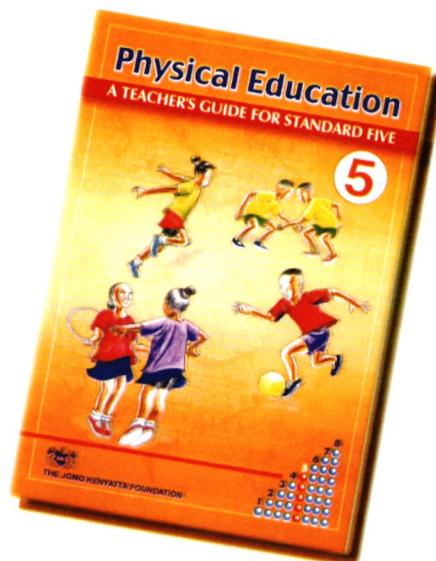


	<u>2001</u> Kshs.	<u>2000</u> Kshs.
2. <b>TURNOVER</b>	<u>265,532,189.32</u>	<u>204,396,952.55</u>
Retained earnings b/f.	129,869,035.00	88,784,176.00
Add: Net Profit/(Loss) for the year	<u>46,443,876.00</u>	<u>41,084,859.00</u>
Retained earnings c/f	<u>172,312,911.00</u>	<u>129,869,035.00</u>
3. <b>STOCKS</b>		
Finished Stocks (Printed Books)	62,910,213.00	56,756,931.00
Raw Materials	11,638,074.00	8,094,619.70
Work-in-Progress	8,982,380.00	1,266,208.00
Packaging Materials	39,660.00	301,450.00
Stationery	<u>496,937.00</u>	<u>786,023.80</u>
	<u>84,067,264.00</u>	<u>67,205,232.00</u>
4. <b>PROFIT (LOSS) FOR THE YEAR</b>		
The profit is stated after charging		
Depreciation	15,733,195.00	5,839,126.00
Board expenses	1,720,268.25	663,412.00
And after crediting:		
Interest on short term deposits	2,153,354.00	1,925,353.00
5. <b>TRADE RECEIVABLES (DEBTORS AND PRE-PAYMENTS)</b>		
Trade Debtors	50,554,822.00	35,800,813.00
V.A.T. Receivable	12,872,987.70	1,215,668.00
Other Debtors	416,845.00	780,978.00
Staff Debtors	3,070,092.00	2,072,606.00
Prepaid Expenses	<u>—</u>	<u>3,613,083.00</u>
	<u>66,914,747.70</u>	<u>43,483,148.00</u>

#### PROVISION FOR DOUBTFUL DEBTS

The Debtors which have a remote likelihood of recovery have been provided for at Kshs. 24,355,373.00 yielding net trade receivable of Kshs. 26,199,448.30

	<u>2001</u> Kshs.	<u>2000</u> Kshs.
<b>6. CREDITORS AND ACCRUALS</b>		
Trade Creditors	42,973,822.00	38,616,275.00
Provision for Scholarships payable	4,400,867.00	3,593,298.00
Other Creditors	3,664,366.40	<u>3,885,603.00</u>
Provision for Royalties payable	<u>1,691,814.60</u>	—
Total	<u>52,730,870.00</u>	<u>46,095,176.00</u>
<b>7. CASH AND CASH EQUIVALENTS</b>		
Cash-in-hand	1,108,561.00	64,751.00
Bank Balance	8,080,327.00	4,674,478.00
Bank Fixed Deposit	<u>25,000,000.00</u>	<u>46,891,965.60</u>
	<u>34,188,888.60</u>	<u>51,631,195.00</u>
<b>8. NON-OPERATING INCOME</b>		
<p>The Foundation earned Income from related activities amounting to Kshs. 9,810,015.00. This was mainly from service jobs which yielded Kshs. 6,044,979.00, interest on fixed deposit Kshs. 2,153,354.00, sale of waste paper Kshs. 652,128.00, rent and other miscellaneous items.</p>		
<b>9. SCHOLARSHIPS</b>		
<p>Kshs. 4,000,000.00 was allocated for Scholarships in the year 2000/2001. Out of this, Kshs. 2,570,279.00 had already been paid by the close of the year and the balance of Kshs. 1,429,721.00 was put in provision.</p>		





**PROFIT AND LOSS ACCOUNT  
FOR THE YEAR ENDED 30.06.2001 (Detailed)**

	2000/2001 Kshs.	99/2000 Kshs.
Total Net Sales (Trade Titles)	265,532,189	204,396,953
Service Jobs	17,230,199	8,088,032
Less Cost of Sales	<u>(126,039,810)</u>	<u>(95,692,091)</u>
Gross Profit	156,722,578	116,792,894
G.P. as % of Sales	59	57
<b>LESS EXPENSES</b>		
<i>DISTRIBUTION &amp; ADMINISTRATIVE EXPENSES</i>		
Printing and Stationery & Photocopying	760,347	871,312
Postage & Telephone Expenses	2,093,351	1,664,041
E-mail & Internet services	336,839	—
Computer Expenses	202,425	799,340
Rent and Rates	2,937,889	1,619,949
Light and Water Expenses	1,582,904	908,171
Repair and Maintenance	2,730,413	2,575,023
Licences	160,588	75,050
Insurance Expenses	3,537,962	3,703,558
Directors Expenses	1,720,268	663,412
Donations-Cash and books	518,345	320,281
Entertainment	533,318	27,250
General Expenses	594,562	1,284,126
M/V & Generator Running Expense(Fuel)	4,807,109	3,234,055
Sales Promotion	1,864,465	300,528
Advertisements	1,262,575	—
Packing Materials	1,207,068	1,103,988
Depc'n Expense (Excl.Plant & Machinery)	6,212,411	5,839,126
Transport-Staff	—	221,745
End Year Party Expenses	163,323	147,500
Hire of Security Service	753,316	757,417

Legal & Professional fee	<u>512,896</u>	<u>947,467</u>
<b>Sub Total</b>	<b>34,492,373</b>	<b>27,063,339</b>

*STAFF EXPENSES*

Staff Salaries	27,941,225	21,346,485
House Allowance	15,619,499	9,940,31
Owner occupier allowance	340,828	—
Staff Canteen & Welfare Expenses	4,465,546	3,507,606
Staff Medical Expenses	6,487,762	4,218,559
Mileage Expenses/Commuter Allowance	2,074,984	—
Provident Fund (Employer Contribution)	5,034,166	3,675,698
NSSF JKF Contribution	240,080	225,680
Staff Bonus	832,500	501,500
Industrial Training Levy	91,000	95,000
Staff Training	1,164,215	349,050
Staff Uniform	453,240	94,905
Staff Travelling & Accommodation	3,236,050	1,880,291
External travelling	797,463	—
Payment in lieu of leave	475,635	—
Staff Recruitment	101,200	—
Casual Wages	296,651	43,060
Disturbance Allowance	79,323	206,670
Extraneous Allowances	<u>658,075</u>	<u>599,709</u>
<b>Sub Total</b>	<b>70,389,441</b>	<b>46,684,523</b>

*EDITORIAL EXPENSES*

Editorial Charges	437,859	5,670
Library Expenses	97,837	31,907
Product Development Expenses	2,147,723	1,716,187
Honoraria Readers	28,800	17,500
Royalties Expenses - Authors	1,995,439	430,000
Subscriptions	<u>215,912</u>	<u>153,857</u>
<b>Sub Total</b>	<b>4,923,570</b>	<b>2,355,121</b>

*FINANCIAL CHARGES*

Bank Interest & Commissions	1,079,833	2,291,613
Loan Interest Expense	1,462,907	2,016,744
Foreign Exchange Fluctuation loss	—	1,629,450
Standard Levy	400,000	495,403
Audit Fees(Provision)	250,000	250,000
Legal Penalties provision	3,000	400,000
Provision for Doubtful Debts	<u>1,042,614</u>	<u>6,732,298</u>
Sub Total	<u>4,238,354</u>	<u>13,815,508</u>
<b>TOTAL EXPENSES</b>	<b><u>114,043,738</u></b>	<b><u>89,918,491</u></b>
Operating Profit(Loss) For The Year	42,678,840	26,874,403
<i>Add Non-Operating Income:</i>		
Sale of Waste Paper	652,128	458,660
Sale of Obsolete Items	77,779	84,382
Miscellaneous Income	99,225	10,030,904
Interest on Fixed Deposit	2,153,354	1,925,353
Bad Debts Recovered	—	1,131,200
Rental Income	538,460	439,957
Gain(Loss) on sale of Fixed Asset	(8,313)	—
Other Income (Tenders etc)	<u>252,402</u>	<u>140,000</u>
Net Profit (Loss) For The Year	46,443,876	41,084,859
Scholarships	(4,000,000)	—
Retained Profit B/F	129,869,035	88,784,176
Retained Profit C/F	172,312,911	129,869,035

## Appendix 2

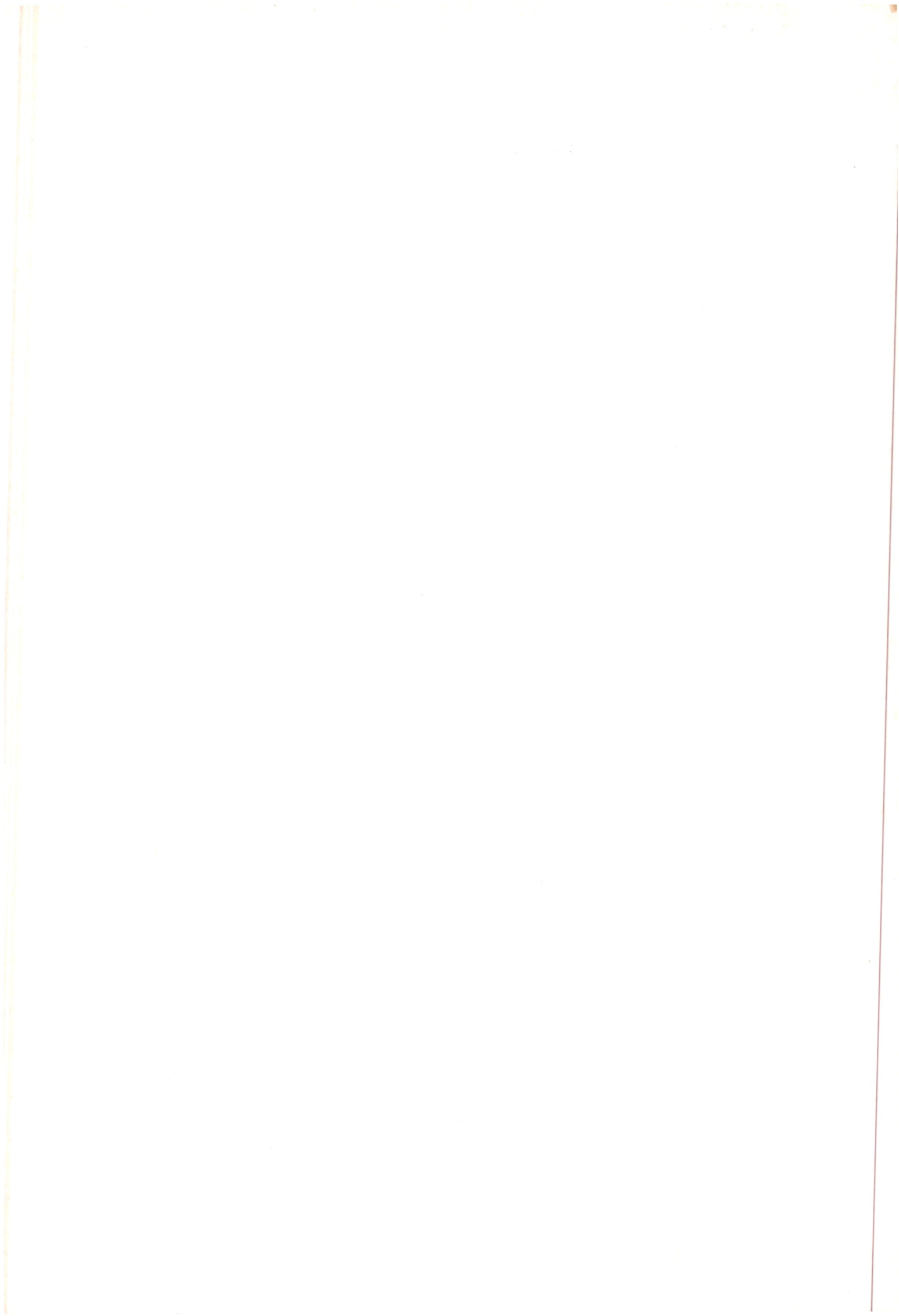
## MANUFACTURING ACCOUNT AS AT 30/06/2001

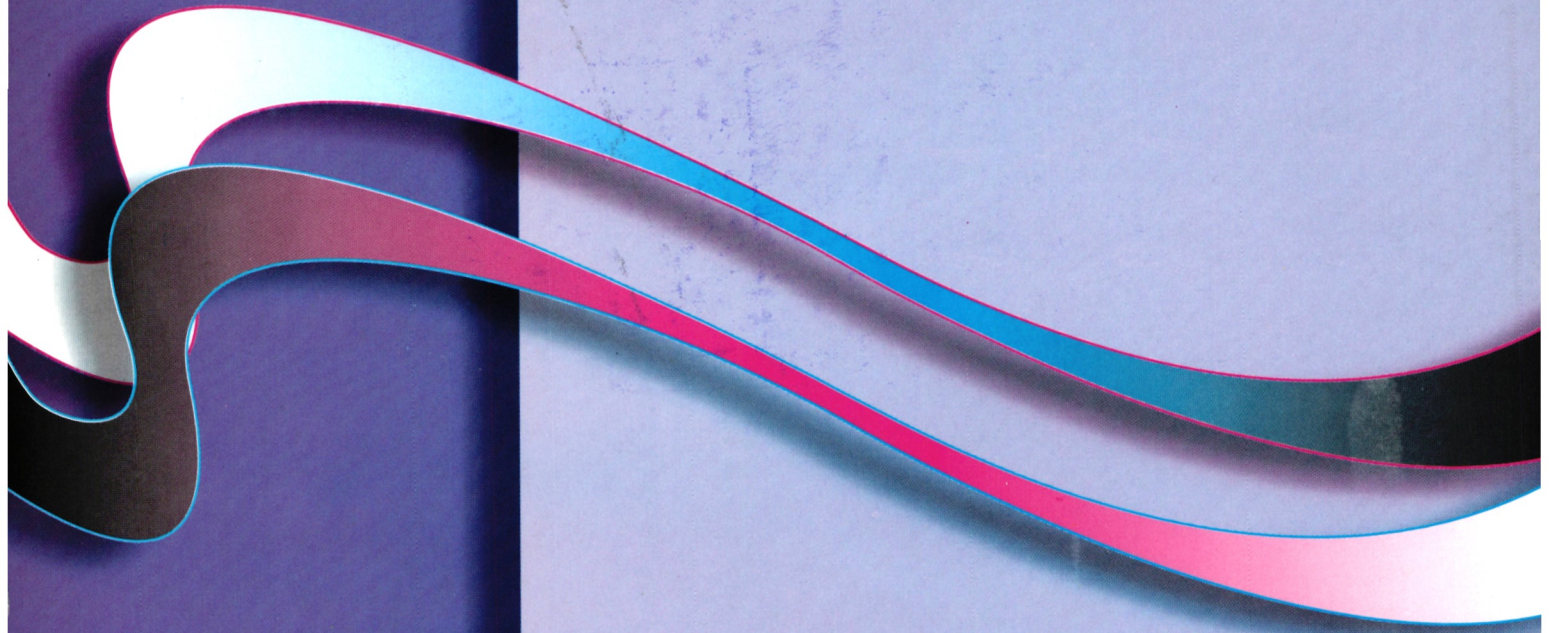
RAW MATERIALS	PAPER & BOARD	DIRECT CONSUMABLES	ORIGINATION MATERIALS	INDIRECT CONSUMABLES	SPARE PARTS	TOTALS	
						2000/2001	1999/2000
Opening Stock	4,266,967	1,488,773	474,973	1,241,364	622,542	8,094,620	10,890,244
ADD: Purchases	98,177,966	2,816,245	1,835,833	3,869,907	4,592,803	111,292,754	67,771,501
Stock available for use	102,444,933	4,305,017	2,310,807	5,111,271	5,215,345	119,387,374	78,661,745
Closing Stock	(7,137,331)	(1,244,202)	(392,641)	(2,000,960)	(862,940)	(11,636,074)	(8,094,619)
Cost of Raw Materials	95,307,602	3,060,815	1,918,166	3,110,311	4,352,406	107,749,300	70,567,126
Director Labour						18,856,106	12,556,484
Printing Charges							
Outside Printers							
DEPRECIATION						624,855	4,306,283
(Plant & Machinery)						9,520,784	7,720,837
Water						123,882	105,019
Power						1,672,347	1,659,245
Cost of Sales Adj.							(2,907,181)
Repairs & Maintenance						766,747	2,224,295
(Plant & Machinery)							
Insurance of P & M						595,244	1,248,994
WORK IN PROGRESS: Opening Stock				1,266,208		139,999,264	97,481,102
Closing Stock				(8,432,380)		(7,716,172)	10,180,991
COST OF FINISHED PUBLICATIONS:							
Opening Stock				56,756,931			
Closing Stock				(62,910,213)		(6,153,281.73)	(11,969,999)
COST OF SALES						126,039,810.23	95,692,094.00

## Appendix 3

## FIXED ASSETS MOVEMENT SCHEDULE AS AT 30TH JUNE, 2001

PARTICULARS	LAND AND BUILDINGS		PLANT & MACHINERY	FURNITURE & EQUIPMENT	COMPUTERS	MOTOR VEHICLES	TOTALS
	ENTER. ROAD	KIJABE					
	KSHS	KSHS	KSHS	KSHS	KSHS	KSHS	KSHS
Cost of Valuation							
30/6/2001	46,149,018	1,066,360	116,144,098	7,555,792	16,654,804	22,520,267	210,090,338
Additions	-	-	24,497,627	842,047	495,200	9,029,446	34,864,320
Disposal			(112,000)				(112,000)
as at 30/06/2001	46,149,018	1,066,360	140,529,725	8,397,839	17,150,004	31,549,712	244,842,657
Depreciation							
as at 30/6/2000	7,028,691	845,044	39,503,699	5,438,237	9,786,885	15,741,187	78,343,743
Charge for the Year	922,980	38,084	8,697,570	497,753	2,766,586	2,810,222	15,733,196
On Disposal			(93,488)				(93,488)
as at 30/06/2001	7,951,671	883,128	48,107,781	5,935,991	12,553,471	18,551,409	93,983,451
Net Book Value							
as at 30/6/2000	39,120,326	221,314	76,640,135	2,117,640	6,867,918	6,779,079	131,746,413
as at 30/06/2001	38,197,346	183,232	92,421,944	2,461,848	4,596,533	12,998,303	150,859,206





**THE JOMO KENYATTA FOUNDATION**