

REPUBLIC OF KENYA



KENYA NATIONAL AUDIT OFFICE



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REPORT

OF

THE AUDITOR-GENERAL

ON

**THE FINANCIAL STATEMENTS OF
UNIVERSITY OF NAIROBI PRESS**

**FOR THE YEAR ENDED
30 JUNE 2014**



UNIVERSITY OF NAIROBI PRESS

**ANNUAL REPORT
AND
FINANCIAL STATEMENTS
FOR
THE YEAR ENDED 30 JUNE, 2014**

UNIVERSITY OF NAIROBI PRESS

TABLE OF CONTENTS

	<i>Page</i>
Institutional Details	3
Statement of Corporate Governance.....	5
Directors' Report	6
Statement of Director's Responsibilities	8
Auditor-General's Report	9
Statement of Financial Position	10
Statement of Financial Performance	11
Statement of Cash Flows	12
Statement of Changes in Equity	13
Notes to the Financial Statements	14-18

UNIVERSITY OF NAIROBI PRESS

INSTITUTIONAL DETAILS

The Directors have pleasure in submitting the Annual Report and Accounts for the year ended 30 June 2014

INCORPORATION

University of Nairobi Press is a Company incorporated in Kenya under the Company's Act. It is limited by guarantee and does not have any Share Capital.

PRINCIPAL ACTIVITIES

The principal activity of the Press remains that of book scholarly publishing.

RESULTS FOR THE YEAR

During the year, The University of Nairobi Press Reported a Net Profit of **KSh.2, 912,311** from operations.

DIRECTORS

The Directors who held office during the year were:

No.	DESIGNATION	NAME
1	Chairman of the University of Nairobi Council	DR. IDDL E OMAR FARAH
2	Vice-Chancellor	PROF.G.A.O MAGOHA
3	Deputy Vice-Chancellor(administration(and finance))	PROF. PETER M.F. MBITHI
4	Deputy Vice-Chancellor(Academic Affairs)	PROF. H.W.MUTORO
5	Managing Director UNES LTD	PROF. JULIUS OGENGO
6	Ag. Managing Editor	MR.J.K. KIRIMANIA

UNIVERSITY OF NAIROBI PRESS

MANAGEMENT TEAM

NO.	NAME	DESIGNATION
1	Josphat K. Kirimania	Ag. Managing Editor
2	Charles Mageto	Marketing Manager
3	Pauline Mahugu	Senior Editor
4	Susan Kiuna	Editor
5	Pamellah Asule	Science Editor
6	Njeri Muhoro	Editor
7	David Gitanga	Accountant
8	John K. Mbugua	Computer Technician

BANKERS

Barclays Bank of Kenya Limited.

AUDITORS

Auditor-General
Kenya National Audit Office
P. O. Box 30084-00100, GPO
Nairobi, Kenya

REGISTERED OFFICE

University of Nairobi Press
P. O. Box 30197-00100 GPO
Nairobi, Kenya
Telephone: 318262 Ext. 28581
Fax: 245566 E-mail: nup@uonbi.ac.ke.

UNIVERSITY OF NAIROBI PRESS

Statement of Corporate Governance

Corporate governance is the process by which organizations are directed, controlled and held to account. University of Nairobi Press management is responsible for the overall management of the governance of the Press and is accountable to the stake-holders for ensuring that the Press complies with the law and best practices in Press governance and business ethics. The University of Nairobi Press Management are committed to the need to conduct the business and operations of the Press with integrity and in accordance with generally accepted standards and endorse the internationally developed principles of good corporate governance.

UNIVERSITY OF NAIROBI PRESS BOARD REPORT

The University of Nairobi Press supports and promotes University of Nairobi's objectives of discovery, dissemination and preservation of knowledge and stimulation of intellectual and cultural life by publishing works of the highest quality in association with partners in different parts of the world. In doing so, it adheres to the University's tradition of excellence, innovation and scholarship.

The University of Nairobi Press has overlapping responsibilities to the University, the academic community, and the reading public. Our fundamental mission is to disseminate scholarship (through books, journals, and in the future, electronic media) both within academia and to society at large. Basically, we select for publication, scholarship of the highest quality in all disciplines and levels, their commercial viability notwithstanding.

Although the mission of the University of Nairobi Press is essentially academic and scholarly in nature, we have strived to achieve this within a cost-effective environment that promotes long-term survival, growth and sound business principles.

Traditionally, the University of Nairobi Press has been publishing for the scholarly market with the university student and lecturer as its target market. However, due to various factors, like lack of book stipends for students, the sales for our publications have been low, bringing the issue of sustainability to the fore.

About nine years ago, the UONP undertook a strategy of diversification of its products (publications). This is a business strategy with the aim of broadening the market and product base.

Primary and Secondary Schools Textbooks

In the year 2002, the Ministry of Education, Science and Technology initiated new syllabus for primary and secondary schools and invited publishers to submit proposals for suitable textbooks to the Kenya Institute of Education (KIE) for evaluation. As a result, the UONP diversified into developing textbooks for primary and secondary schools market.

Reaching the Community

Under the strategy of diversifying our publications, the UONP is now making available to the broader public the full range and value of research and scholarships generated by the university faculty.

- Our "Cancer series booklets", authored by the University of Nairobi, Faculty of Medicine lecturers, and targeting the man/woman on the street are already in the market.
- We have built strategic partnerships and alliances with University of Nairobi departments and other organizations in order to better serve the community.

UNIVERSITY OF NAIROBI PRESS

UNIVERSITY OF NAIROBI PRESS BOARD REPORT CONTINUED

Marketing

Our marketing section has continued to:

- (a) Promote and market scholarly publications to various public and private universities' bookshops and libraries in the country.
- (b) Participate in annual Nairobi International Book fair and Nairobi International Trade Fair.
- (c) Promote and market academic and school textbooks through making direct contacts with schools (talking to teachers) and booksellers (bookshops) in Nairobi and environs.
- (d) Participate in organized teacher educational seminars and school science congresses e.g. Kenya Secondary Schools Head teachers Association Conference.
- (e) Initiate promotional activities for the school textbooks as carried out by use of electronic media (TV) and paid advertisements in print media, in an attempt to increase awareness of our products' existence.
- (f) Place catalogue on the UON website.
- (g) Recruit Commission Agents

Performance Targets

The UONP has prepared performance targets for the year 2013/2014 guided by the University's Performance Contract with the Kenya Government.

Strategic Direction

The planned strategies are a continuation of diversifying our publications, publishing research findings from the research component of the University of Nairobi, other sponsored and subsidized publications.



J. K. KRIMANIA

Ag. Managing Editor, University of Nairobi Press.

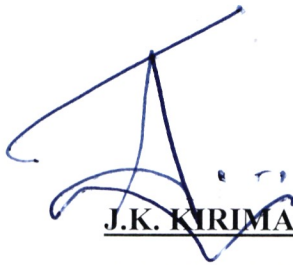
UNIVERSITY OF NAIROBI PRESS

STATEMENT OF DIRECTOR'S RESPONSIBILITIES

The University of Nairobi Press (UONP) Board is required to prepare statements that give a true and fair view of the state of affairs of the UONP as at the end of the financial year and of its surplus or deficit for that year. The Board is required to ensure that the Press maintains proper accounting records, which disclose, with reasonable accuracy, the financial position of the UONP. The UONP Board is also responsible for safeguarding the assets of the Press.

The UONP Board accepts responsibility for the financial statements, which have been prepared using appropriate accounting policies supported by reasonable and prudent judgments and estimates, consistent with previous years and in conformity with International Financial Reporting Standards. The UONP Board is of the opinion that financial statements give a true and fair view of the state of the financial affairs of the Press as at 30 June 2014. The UONP Board further confirms the accuracy and completeness of the accounting records maintained by the Press, which have been relied upon in the preparation of the financial statements, as well as on the adequacy of the system of internal financial control.

This statement is approved by the UONP Board and is signed on its behalf by:



J.K. KIRIMANIA

AG. MANAGING EDITOR

UONP



PROF. PETER M.F MBITHI

DIRECTOR

UONP

REPUBLIC OF KENYA

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NAIROBI

OFFICE OF THE AUDITOR-GENERAL

REPORT OF THE AUDITOR-GENERAL ON UNIVERSITY OF NAIROBI PRESS FOR THE YEAR ENDED 30 JUNE 2014

REPORT ON THE FINANCIAL STATEMENTS

I have audited the accompanying financial statements of University of Nairobi Press as set out on pages 10 to 18, which comprise the statement of financial position as at 30 June 2014, statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information in accordance with the provisions of Article 229 of the Constitution of Kenya and 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.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with International Financial Reporting Standards and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

The management is also responsible for the submission of the financial statements to the Auditor-General in accordance with the provisions of Section 13 of the Public Audit Act, 2003.

Auditor-General's Responsibility

My responsibility is to express an opinion on these financial statements based on the audit and report in accordance with the provisions of Section 15(2) of the Public Audit Act, 2003. The audit was conducted in accordance with International Standards on Auditing. Those standards require compliance with ethical requirements and that the audit be planned and performed to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected

depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the management, as well as evaluating the overall presentation of the financial statements.

I believe that the audit evidence obtained is sufficient and appropriate to provide a basis for my qualified audit opinion.

Basis for Qualified Opinion

1. Going Concern

Although the University of Nairobi Press recorded a profit of Kshs.2,912,311.00 for the year ended 30 June 2014 (2013-loss Kshs.21,231,157.00), the recorded profit was net of salaries and other allowances totalling to Kshs.24,238,576.00 indirectly given to the Press by the University of Nairobi in respect of salaries paid to University staff working for the Press. Had the grant of Kshs.24,238,576.00 not been charged in the statement of comprehensive income, the Press could have recorded a possible loss of Kshs.21,326,265.00 for the year ended 30 June 2014. Therefore, the financial statements of the Press have been prepared on a going concern basis on the assumption of continued financial support from the University of Nairobi and its creditors.

2. Trade and Other Receivables

The trade and other receivables balance of Kshs.1,343,852.00 as at 30 June 2014 is arrived at after making a provision of Kshs.138,987.00 being 10% of debts amounting to Kshs.1,389,874.00 which have been outstanding for a period of six (6) years and below. However this provision appears inadequate.

Consequently, it has not been possible to confirm full recoverability of the trade and other receivables balance of Kshs.1,343,852.00 as at 30 June 2014.

Qualified Opinion

In my opinion, except for the effect of matters described in the Basis for Qualified Opinion paragraph, the financial statements present fairly, in all material respects, the financial position of the Press as at 30 June 2014, its financial performance and its cash flows for the year then ended, in accordance with International Financial Reporting Standards and comply with the Company's Act, Cap. 486 of the Laws of Kenya.

Other Matters

1. Late Submission of Financial Statements

Although the Public Audit Act, 2003 require every Corporation to prepare financial statements and submit to the Auditor-General for audit within three (3) months after the end of the year to which the accounts relate, the University of Nairobi Press financial statements for the year ended 30 June 2014 were submitted on 29 October 2014, one (1) month after the statutory deadline of 30 September 2014. The Press is therefore in breach of the Law.

2. Annual General Meeting

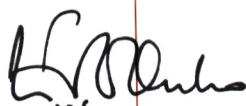
University of Nairobi Press is incorporated under the Companies Act which requires Annual General Meetings to be conducted every year. However, it was noted that the Press Board of Directors did not hold any meeting during the year under review. In the circumstances, the Press was in breach of the Law.

My opinion is not qualified in respect of these matters.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

As required by the Kenya Companies Act, I report based on my audit, that:

- i. I have obtained all the information and explanations which, to the best of my knowledge and believe were necessary for the purpose of the audit;
- ii. In my opinion, proper books of account have been kept by the Company, so far as appears from my examination of those books; and,
- iii. The Company's statement of financial position and statement of comprehensive income are in agreement with the books of account.



Edward R.O. Ouko, CBS
AUDITOR-GENERAL

Nairobi


19 February 2015

UNIVERSITY OF NAIROBI PRESS
STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2014

ASSETS	NOTE	2013/2014 Kshs.	2012/2013 Kshs. re-stated
Non-Current Assets			
Property, Plant and Equipment	4	<u>1,306,780</u>	<u>1,222,178</u>
Current Assets			
Inventories	5	18,316,801	15,064,116
Trade and Other Receivables	6	1,343,852	1,219,983
Short Term Deposit	7	3,016,968	2,868,044
Cash and Cash Equivalents	8	7,723,579	7,919,398
Donated Books	13	-	0 re-stated
		<u>30,401,200</u>	<u>27,071,541</u>
TOTAL ASSETS		<u>31,707,980</u>	<u>28,293,719</u>
FUNDS AND LIABILITIES			
Capital Fund	9.i	3,809,495	3,809,495
Accumulated Profit(Loss)	9.ii	23,520,316	(104,586,000) re-stated
		<u>27,329,810</u>	<u>(100,776,505)</u>
Non-Current Liabilities			
Current Liabilities			
Trade and Other Payables	10	<u>4,378,170</u>	<u>129,070,224</u>
TOTAL FUNDS AND LIABILITIES		<u>31,707,980</u>	<u>28,293,719</u> re-stated



Peter M.F. Mbithi, BVM,MSc, Ph.D. (Nairobi) M.Vet Sc. (Saskatchewan, Canada)
Director



Joseph K. Karimanta, B.A. (Nairobi) P.G.D Mass Comm. (Nairobi)
Ag. Managing Editor

UNIVERSITY OF NAIROBI PRESS
STATEMENT OF COMPREHENSIVE INCOME
FOR YEAR ENDED 30TH JUNE 2014

	NOTES	2013/2014 KSHS	2012/2013 KSHS
INCOME			
Trading Profit	12(i)	1,969,114	2,324,293
UoN Grants	11 (v&vi)	22,062,564	-
Other sources of income			
Income from Short Term Deposits	7 (i)	148,924	138,020
Income from Sweeping Account	7 (ii)	511,258	490,515
Miscellaneous income	12(ii)	425,000	107,617
Other grants	11 (vii)	2,176,012	-
Sub total-other sources		3,261,194	736,152
TOTAL INCOME		27,292,872	3,060,445
OPERATING EXPENSES:			
staff salaries	11 (v)	20,447,364	20,580,467
rent and utilities	11 (vi)	1,615,200	1,615,200
Royalties	14 (i)	259,072	342,228
Stationery and Office Expenses	14 (ii)	555,165	557,682
Mileage and Traveling Expenses	14 (iii)	195,798	254,217
Annual Subscription Fees (KPA)	14 (iv)	55,000	55,000
Promotion & Marketing	14 (v)	375,000	208,100
Training and Workshops	14 (vi)	80,000	32,000
Audit Fees (provision)	14 (vii)	92,800	92,800
Provision for Doubtful Debts	6 (i)	287,136	-
Other expenses	14 (viii)	76,169	-
Bank Charges	14 (ix)	20,066	14,607
Depreciation	4	219,988	242,641
Donated books during the year	13	101,803	296,660 re-stated
TOTAL OPERATING EXPENSES		24,380,561	24,291,602 re-stated
PROFIT/ (LOSS) FOR THE YEAR		2,912,311	(21,231,157) re-stated

UNIVERSITY OF NAIROBI PRESS
STATEMENT OF CASH FLOW
FOR YEAR ENDED 30 JUNE 2014

	Note	2013/2014 Kshs.	2012/2013 Kshs.
<u>Cash Flow from Operating Activities</u>			
Net Profit (Loss) for the Year		2,912,310.88	(20,934,497)
Adjustments for:			
Depreciation	4	219,988.00	242,641
Provision for Audit Fees (2013/2014)	10	92,800.00	
Over provisions write back			(58,378)
Operating Surplus			
Before working Capital Changes		<u>3,225,098.88</u>	<u>(20,750,234)</u>
(Increase)/Decrease in Inventories	5	(3,252,685.00)	(1,558,861)
(Increase)/Decrease in Trade and other receivables	6	(123,869.00)	520,629
Increase/ (Decrease) in Trade and other payables	10	(124,692,054.00)	22,757,818
UoN-Grants		125,194,005.00	
Prior year Adjustments (Royalty overpayment)			
Audit Fees Paid (2012/2013)		(92,800.00)	
Royalty overpayment			
Net Cash Flow from Operating Activities		<u>257,695.00</u>	<u>969,352</u>
<u>Cash Flow from Investing Activities</u>			
Purchase of Equipment	4	(304,590.00)	(188,635)
Net Cash Flow from Investing Activities		<u>(304,590.00)</u>	<u>(188,635)</u>
Net Increase/ (Decrease) in Cash and Cash Equivalent		(46,895.00)	780,717
<u>Movement in Cash and Cash Equivalent</u>			
Cash and Cash Equivalent at Beginning of Year		<u>10,787,442.00</u>	<u>10,006,725</u>
Short Term Deposit		3,016,968.00	2,730,024
Cash and Cash Equivalents		7,723,579.00	7,358,519
Cash and Cash Equivalent at End of Year		<u>10,740,547.00</u>	<u>10,787,442</u>

UNIVERSITY OF NAIROBI PRESS

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 30 JUNE 2014

	Accumulated profit (Loss) Ksh	Capital Fund Ksh	Total Ksh
Balance As at 01.07.2013 (Re-stated- Note 9.(ii))	(104,586,000.00)	3,809,495.00	(100,776,505.00)
Adjustment			-
Accumulated grant from UoN- Recogniz	125,194,005.00		
Surplus/ (Deficit)	2,912,311	-	2,912,310.88
Prior Year Adjustment (Royalty Overpayment)			-
Balance As at 30th June 2014	23,520,316	3,809,495	(97,864,194)

	Accumulated Loss Ksh	Capital Fund Ksh	Total Ksh
Balance As at 01.07.2012	(83,354,843.00)	3,809,495.00	(79,545,348.00)
Adjustment			-
Surplus/ (Deficit)	(20,934,497.00)	-	(20,934,497.00)
Balance As at 30th June 2013	(104,289,340.00)	3,809,495.00	(100,479,845.00)

UNIVERSITY OF NAIROBI PRESS
 NOTES TO THE ACCOUNTS
 FOR THE YEAR ENDED 30 JUNE, 2014

1 Significant Accounting Policies

1.1 The Accounts are prepared under the historical cost convention.

1.1a Accounts comply with the requirements of the IFRS

1.2 Property, plant and equipment are stated at cost.

Depreciation on fixed assets is provided for at annual rates estimated to write off the assets over the expected useful life. The annual rate are:

Furniture and Equipment	10% on reducing balance method
Computers and accessories	30% on reducing balance method.

1.3 Stocks are valued at the lower of cost and net realisable value.

2 Taxation

The Company is exempted from Income Tax under paragraph 10 of the First Schedule of the Income Tax Act.

3 Currency

The accounts are expressed in Kenya shillings (Kshs).

4 Property, Plant & Equipment

Cost or Valuation	Furniture & Equipment	Computers & Accessories	Total	2012/2013
	Kshs.	Kshs.	Kshs.	Kshs.
1st July 2013	4,314,764.00	1,544,793.00	5,859,557.00	5,670,922.00
Additions	304,590.00	-	304,590.00	188,635.00
30th June 2014	4,619,354.00	1,544,793.00	6,164,147.00	5,859,557.00
Depreciation				
1st July 2013	3,429,149.00	1,208,230.00	4,637,379.00	4,394,738.00
Charge for the Year	119,020.00	100,968.00	219,988.00	242,641.00
30th June 2014	3,548,169.00	1,309,198.00	4,857,367.00	4,637,379.00
Net Book Value				
At 30th June 2014	1,071,185.00	235,595.00	1,306,780.00	1,222,178.00
At 30th June 2013	885,615.00	336,563.00	1,222,178.00	1,335,426.00

5 Inventories

	2014 Kshs.	2013 Kshs.
Scholarly Books	14,388,459.00	11,142,029.00
Secondary School Text Books	3,803,342.00	3,807,087.00
Work - in - Progress	125,000.00	115,000.00
	18,316,801.00	15,064,116.00

Work -in-progress - represents part payments made towards publication of books that were not completed as at the year-end.

UNIVERSITY OF NAIROBI PRESS
 NOTES TO THE ACCOUNTS
 FOR THE YEAR ENDED 30 JUNE, 2014

6 Trade and Other Receivables

	2013/2014	2012/2013
	Kshs.	Kshs.
Trade Receivables (Net)	1,250,887.00	1,064,454.00
Advance Royalties	72,316.00	83,706.00
Royalty overpayment	20,649.00	71,823.00
Total	1,343,852.00	1,219,983.00

(i) Trade Receivables - UON Press provides 100% for debts that are 6 years old and above, while 10% is provided for debts that are below 6 years and below. During the year ended 30/6/2014, the provision for Bad and doubtful Debts as follows:

	2013/2014	2012/2013
	Kshs.	Kshs.
Trade Debtors (Gross)	2,814,375.00	2,340,806.00
Provision for bad & doubtful debts	(1,563,488.00)	(1,276,352.00)
Trade receivables (Net)	1,250,887.00	1,064,454.00

(287,136.00) charge for the year

Period of Debt

	Gross (Kshs)	Rate	Provision for bad Debts
Above 6 years	1,424,501.00	100%	1,424,501.00
Below 6 years	1,389,874.00	10%	138,987.00
Total	2,814,375.00		1,563,488.00

(ii) Advance Royalties - This is money advanced to authors by UoN-Press to facilitate manuscript development and is recoverable from their annual royalties.

7 i) Short Term Deposits

Short-term deposits refer to Kshs. 2,000,000 placed on call Deposit with Barclays Bank of Kenya Queensway branch w.e.f 1 st November 2004. The interest earned is re-invested in the same account.

	2013/2014	2012/2013
	Kshs.	Kshs.
Short term deposit re-invested	2,868,044.00	2,730,024.00
Interest re-invested for the year	148,924.00	138,020.00
Total	3,016,968.00	2,868,044.00

7 ii) Income from Sweeping Account

511,258.00 490,515.00

8 Cash and Cash Equivalents

	2013/2014	2012/2013
	Kshs.	Kshs.
Cash at Bank (BBK - Queensway Hse. A/C No. 8245353)	7,723,579.00	7,919,398.00
Cash at Hand		
Total	7,723,579.00	7,919,398.00

9 i) Capital Fund

This is the initial contribution by the University of Nairobi for the set up of the University of Nairobi Press. The amount has remained the same over years.-Ksh. 3,809,495.00

	2013/2014	2012/2013
	Kshs.	Kshs.
Capital Fund	3,809,495.00	3,809,495.00
Total	3,809,495.00	3,809,495.00

9 ii) Accumulated Profit (Loss)

	2013/2014	2012/2013
Accumulated Profit (Loss)		
Accumulated Profit (Loss) Brought Forward- 01.07.2013	(104,289,340)	(83,058,183)
Prior years Donated books - deducted/written off (re-stated)	(296,660)	
Net accumulated profit (Loss)- 01.07.2013	(104,586,000)	
Accumulated grant from U.o.N (Staff costs, utilities & Rent expenses support)- refer UoN letter dated 25.04.2014 advising on the liability write-off	125,194,005	
Profit (Loss) for the year	2,912,311	
Accumulated profit/(Loss)	23,520,316	(104,289,340)

UNIVERSITY OF NAIROBI PRESS
 NOTES TO THE ACCOUNTS
 FOR THE YEAR ENDED 30 JUNE, 2014

10 Trade and Other Payables	2013/14	2012/13
	Kshs.	Kshs.
Trade Creditors	213,412.00	169,651.00
Royalties	736,254.00	708,064.00
UoN- Current Account	15,069,739.00	15,069,739.00
Provision for Audit Fees	92,800.00	92,800.00
Advances for Publication	3,335,704.00	2,905,704.00
Staff emoluments	98,817,866.00	98,817,866.00
Rent & Other utilities	11,306,400.00	11,306,400.00
Accumulated grant from U.o.N (UoN- Current a/c liability, accumulated Staff emoluments, Rent & utilities expenses support)- refer UoN letter dated 25.04.2014 advising on the liability write-off	(125,194,005.00)	0.00
Total	4,378,170.00	129,070,224.00

11 Change in Income Statement presentation

In the Financial year 2006/2007, the format of presentation of the statements in the accounts was changed to include all possible expenses incurred directly or indirectly, paid or not paid by the UON Press, as long as they are for financial year, have been charged against the income generated by the UON Press for the purpose of showing the correct financial position.

The Staff emoluments and rent has been accrued to reflect the true position of the company

(i) **Royalties Payable** - Royalties are money paid to our authors in proportion to number of units of particular title sold during the year. The rate of 20% on net sales is applied by the UON-Press in computing the amount of royalties payable to the authors.

(ii) **Current Account (UoN)** - This represents payments made by the University of Nairobi on behalf of University of Nairobi Press.

(iii) **Provision for Audit Fees** - Kshs. 92800.00 was provided as audit fees for current year ended 30th June 2014. The audit fees for year ended 30th June 2013 was paid during the year.

(iv) **Advances for publication** - These are funds received by UoN-Press from sponsors for publication of particular titles. During the year, a total of Kshs.0. was spent for publication of such titles. Out of a total of 7. sponsored titles, 0. were published during the year. The Gain on publication of these titles amounted to Kshs 0... Kshs 3335704/ has been accrued for publication of the 7 titles.

(v) Staff Emoluments

These include salaries, allowances and other benefits paid directly to members of staff by University of Nairobi on our behalf.

Grant from UON

Salary and Other Benefits from UoN - (Paid to UONP Staff)

	2013/2014	2012/2013
	Kshs.	Kshs.
Total Gross Salary (Including Leave Allowance)	18,193,054	18,411,297.00
Pension Contribution (20% of basic)	1,992,623	1,907,483.00
Medical Benefits	261,687.00	261,687.00
Total Salary and Other Benefits	20,447,364	20,580,467.00

Medical benefits are estimated at the rate of Kshs. 1,000.00 per month per person for outpatient and 50% of Kshs. 15,500.00 per person per annum for in-patient.

(vi) Rent and Utilities from UoN-Kshs. 1,615,200.00

UoN - Estates Department did the valuation of space occupied by Press offices. The estimated rates are monthly rent of Kshs. 125,000.00 and Utilities of Kshs. 9,600.00 Per Month.

Total grant from uon(v + vi) 22,062,564

(vii) Other Grants

SUMMARY OF OTHER GRANTS

<u>PARTICULARS</u>	<u>AMOUNT (KSHS)</u>
1 U.o.N grant - Fuel related costs	195,798
2 U.o.N grant - Cash Grant	134,300
3 U.o.N grant - Donated books	1,534,970
4 Grant - Prof. John kokwaro donations	310,944
TOTAL	2,176,012

1 U.o.N grant - Fuel related costs

Mileage and Travelling Expenses-KAN 672U

<u>SR.</u>	<u>Description</u>	<u>Date</u>	<u>Amount</u>
1	Fuel consumption	July - Sept 13	33,400.00
2	Fuel consumption	Oct - Dec 13	52,767.00
3	Fuel consumption	Jan - Mar 14	57,000.00
4	Fuel consumption	Apr -June 14	52,631.00
	Total		195,798.00

2 U.o.N grant - Cash Grant

<u>SR.</u>	<u>Description</u>	<u>Date</u>	<u>P.V. No.</u>	<u>Amount</u>
1	Petty cash	04.07.2013	1446802	30,000.00
2	Petty cash	17.08.2013	1454350	18,444.00
3	Petty cash	06.11.2013	1465592	21,572.00
4	Petty cash	06.12.2013	1466433	18,860.00
5	Petty cash	30.01.2014	1484204	20,606.00
6	Petty cash	24.03.2014	1487569	24,818.00
	Sub-Total			134,300

3 U.o.N grant - Donated books

<u>SR.</u>	<u>Particulars</u>	<u>Qty</u>	<u>CPU</u>	<u>Amount</u>
1	The native son-hard cover	382	1,445.82	552,303.00
2	The native son-soft cover	2656	369.98	982,666.88
	Sub-Total			1,534,969.88

4 Grant - Prof. John kokwaro donations

<u>SR.</u>	<u>Particulars</u>	<u>Qty</u>	<u>CPU</u>	<u>Amount</u>
1	classification of E.A. crops	948	328.00	310,944.00

Grant Total 2,176,012

UNIVERSITY OF NAIROBI PRESS

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 30TH JUNE, 2014

12 Sales and Other Income

(i) Trading account	2013/2014	2012/2013
	Kshs.	Kshs.
Gross Sales for the year	4,023,523.00	3,195,400.00
Less: Discount allowed	(756,094.00)	(765,068.00)
Net sales	3,267,429.00	2,430,332.00
Less: Cost of Sales	(1,298,315.00)	(106,039.00)
Trading Profit for the year	1,969,114.00	2,324,293.00

(ii) Income from Other Sources	2013/2014	2012/2013
	Kshs.	Kshs.
Photocopying	-	58,378.00
Miscellaneous income	425,000.00	49,239.00
Total income from Other Sources	425,000.00	107,617.00

13 Books Donated	2013/2014	2012/2013
	101,803.00	296,660.00

These were books issued to various heads of departments and other organizations free of charge

14 Other Operating Expenses	2013/2014	2012/2013
i Royalties	259,072	342,228
ii Stationery and Office Expenses	555,165	557,682
iii Mileage and Traveling Expenses	195,798	254,217
iv Annual Subscription Fees (KPA)	55,000	55,000
v Promotion & Marketing	375,000	208,100
vi Training and Workshops	80,000	32,000
vii Audit Fees (provision)	92,800	92,800
viii Other expenses	76,169	-
ix Bank Charges	20,066	14,607

Note:

Provision for audit fees for the year was based on last years payment/charge