

REPUBLIC OF KENYA



Enhancing Accountability



REPORT

THE NATIONAL ASSEMBLY
PAPERS LAID

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BY: J. LEMERELLE

THE AUDITOR-GENERAL

ON

UNIVERSITY OF NAIROBI PRESS

**FOR THE YEAR ENDED
30 JUNE, 2023**





OFFICE OF THE AUDITOR GENERAL
P. O. Box 30084 - 00100, NAIROBI
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UNIVERSITY OF NAIROBI PRESS

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 30TH JUNE 2023

Prepared in accordance with the International Financial Reporting Standards (IFRS)

TABLE OF CONTENTS	Page
1. Acronyms and Glossary of Terms.....	ii
2. Key Entity Information.....	iii
3. The Board of Directors.....	v
4. Key Management Team	vi
5. Chairman’s Statement	vii
6. Report of the Chief Executive Officer.....	viii
7. Statement of Performance against Predetermined Objectives for FY 2022/2023	ixx
8. Corporate Governance Statement.....	x
9. Management Discussion and Analysis.....	xii
10. Environmental And Sustainability Reporting.....	xii
11. Report of the Directors	xii
12. Statement of Directors’ Responsibilities	xiv
13. Report of the Independent Auditors on the financial statements for UoN Press Ltd	xv
14. Statement of Profit or Loss and Other Comprehensive Income for the year ended 30 th June 2023.....	1
15. Statement of Financial Position as at 30 June 2023	2
16. Statement of Changes in Equity for the year ended 30 June 2023	3
17. Statement of Cash Flows for the year ended 30 June 2023	4
18. Statement of Comparison of Budget and Actual amounts for the period ended 30 June 2023	5
19. Notes to the Financial Statements	6
20. Appendices	16

1. Acronyms and Glossary of Terms

IFRS	International Financial Reporting Standards
MD	Managing Director
NT	National Treasury
PFM	Public Finance Management.
PSASB	Public Sector Accounting Standards Board
UON	University of Nairobi
VC	Vice Chancellor

2. Key Entity Information

a) Background information

The University of Nairobi PRESS had nine (9) Directors in 1984 when it was formed. Over years PRESS operated without substantive board of Directors since the nine Directors left many years ago and were not replaced. The Vice Chancellor of the University has been overseeing the operations of PRESS by virtue of his position as the Vice Chancellor and thus deemed to act on behalf of the Directors.

In the year under review the operations of the University of Nairobi PRESS remained grounded.

INCORPORATION

University of Nairobi press is a company incorporated in Kenya under the companies act. It is limited by guarantee and does not have any share capital.

b) Principal Activities

The principal activities of the University of Nairobi Press when it was incorporated have been publishing scholarly books, distribution, editorial services, design and layout and typesetting.

c) Directors

The year under review UoN PRESS Ltd remained grounded and had no board of directors.

d) Registered Office

University of Nairobi Press
P. O. Box 30197-00100 GPO
Nairobi, Kenya
Telephone: 4910000 Ext. 28581
E-mail: nup@uonbi.ac.ke

e) Corporate Bankers

ABSA Bank of Kenya PCL,
Market Branch,
P.O. Box 30120-00100,
Nairobi

f) Auditor-General

The Office of the Auditor General
Anniversary Towers, University Way
P.O. Box 30084
GPO 00100
Nairobi, Kenya

UNIVERSITY OF NAIROBI PRESS

Annual Report and Financial Statements for the year ended 30th June 2023

3. The Board of Directors

SN	Directors	Details
1.		
2.		
3.		
4.		
5.		
6.		
7.		

The University of Nairobi Press had nine (9) Directors in 1984 when it was formed. Over the years UoN Press Ltd has operated without substantive board of Directors since the nine Directors left many years ago and were not replaced.

4. Key Management Team

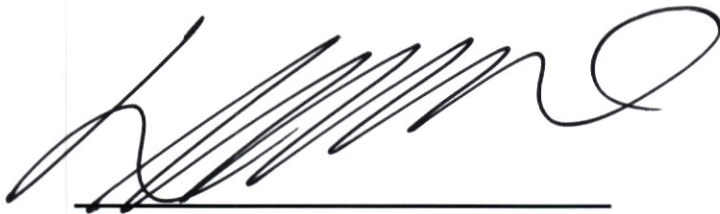
SN	Management	Details
1.		
2.		
3.		
4.		
5.		

During the year under review UoN PRESS operations remained grounded. UON Press Did not have any management team.

5. Chairman's Statement

During the year under review, the University of Nairobi Press remained dormant following the restructuring in the University for FY 2021/2023.

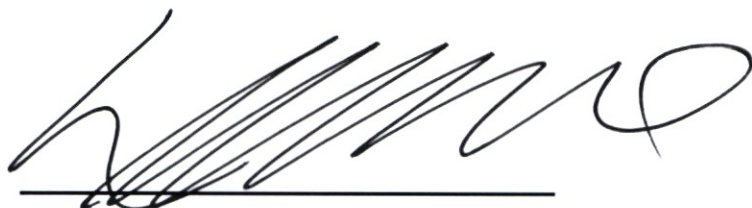
The University of Nairobi PRES had nine (9) Directors in 1984 when it was formed. These Directors left many years ago and were not replaced hence during the year under review there was no chair of the board of directors.



PROF. S.G. KIAMA
BVM, MSC(Nbi), PhD (Bern)KNAS
VICE-CHANCELLOR, UON
14 December 2023

6. Report of the Chief Executive Officer

UON Press operations remained grounded during the year under review following the University restructuring in the year 2021/2022.



PROF. S.G. KIAMA
BVM, MSC(Nbi), PhD (Bern)KNAS
VICE-CHANCELLOR, UON

14 December 2023

**7. STATEMENT OF PERFORMANCE AGAINST PREDETERMINED OBJECTIVES
FOR FY 2022/23**

UON Press had no strategic pillars/ themes/issues and objectives for the FY 2022- 2023.

Strategic Pillar/Theme/Issues	Objective	Key Performance Indicators	Activities	Achievements
Pillar/ theme/ issue 1:				
Pillar/ theme/ issue 1:				

During the year under review UoN PRESS was dormant, hence had no performance to report.

8. Corporate Governance Statement

Corporate governance is the process by which organizations are directed, controlled and held to account. The University of Nairobi Press in the year under review remained grounded and did not have a management team.

Once reconstituted the University of Nairobi Press management will be responsible for the overall governance of the Press, which also includes being accountable to the stakeholders in ensuring that the company complies with the law and best practices in addition to observing business ethics.

The University of Nairobi Press management will be committed to the need to conduct the business and operations of the company with integrity and in accordance with generally accepted standards while also ensuring adherence to the internationally developed principles of good corporate governance.

9. Management Discussion and Analysis

During the year, University of Nairobi Press Ltd was dormant. Hence had no operations in the year.

The movement of the Cash and Cash equivalent of Ksh 180,835.00 comprises of interest earned from the call accounts. The reported expense of Ksh 158,819 consists of provision for audit fees at Ksh 92,800 and a depreciation charge of Ksh 66,019. The profit and loss for the year fell to Kshs. 39,563.00 from Kshs. 72,704.00 in the comparative year.

10. Environmental and Sustainability Reporting

During the year under review, the UoN Press Ltd operations remained grounded consequently UoN Press did not engage in any environmental and sustainability activities.

11. Report of the Directors

In the financial year 2022/2023, there were no directors of University of Nairobi Press Ltd, the following signed the Financial Statements on behalf of the board;

1. Prof. Stephen Kiama. Vice Chancellor UON
2. Stephen Kimeli, Director Finance, UON

i) Principal activities

The following were the principal activities for University of Nairobi Press Ltd when it was formed:

- a) Publications
- b) Distribution
- c) Editorial Services
- d) Design and layout
- e) Typesetting.

ii) Results

The results of the Entity for the year ended June 30, 2023, are set out on page 1 to 16. Below is summary of the profit or loss made during the year.

The movement of the Cash and Cash equivalent of Ksh 180,835.00 comprises of interest earned from the call accounts. The reported expense of Ksh 158,819 consists of provision for audit fees at Ksh 92,800 and a depreciation charge of Ksh 66,019. The profit and loss for the year fell to Kshs. 39,563.00 from Kshs. 72,704.00 in the comparative year

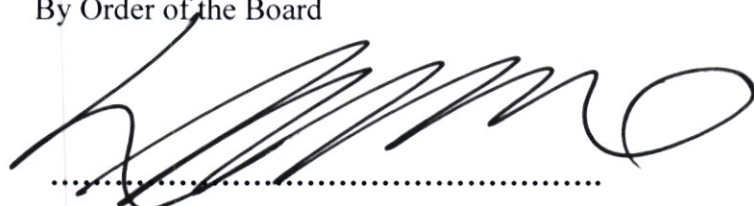
iii) Directors

The year under review UoN PRESS Ltd remained grounded and had no board of directors.

iv) Auditors

The Auditor-General is responsible for the statutory audit of the UoN Press Ltd in accordance with Article 229 of the Constitution of Kenya and the Public Audit Act 2015.

By Order of the Board



.....
PROF. S.G. KIAMA
BVM, MSC(Nbi), PhD (Bern)KNAS
VICE-CHANCELLOR, UON
14 December 2023


12. Statement of Directors' Responsibilities

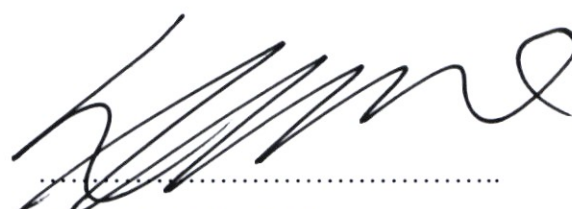
The University of Nairobi Press Board is required to prepare statements, which give a true and fair view of the state of affairs of the company as at the end of the financial year including its profit or loss for that year. The Board is required to ensure that the company maintains proper accounting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

During the year under review UoN PRESS operations remained grounded and had no board of directors to accept 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 and in the manner required by the PFM Act, 2012 .

The University on behalf of the UoN PRESS Board is of the opinion that the financial statements presented offer a true and fair view of the state of the financial affairs of the University of Nairobi Press Ltd as at 30 June 2023. The University further confirms the accuracy and completeness of the accounting records maintained, which have been relied upon in the preparation of the financial statements, as well as the adequacy of the system of internal financial control.

This statement is signed on its behalf by:


.....
STEPHEN KIMELI
B. Com, MBA (KabU), CPA(K)
ICPAK Member No. 7128
AG. DIRECTOR FINANCE, UON
14 December 2023


.....
PROF. S.G. KIAMA
BVM, MSC(Nbi), PhD (Bern)KNAS
VICE-CHANCELLOR, UON
14 December 2023

REPUBLIC OF KENYA

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HEADQUARTERS
Anniversary Towers
Monrovia Street
P.O. Box 30084-00100
NAIROBI

REPORT OF THE AUDITOR-GENERAL ON UNIVERSITY OF NAIROBI PRESS FOR THE YEAR ENDED 30 JUNE, 2023

PREAMBLE

I draw your attention to the contents of my report which is in three parts:

- A. Report on the Financial Statements that considers whether the financial statements are fairly presented in accordance with the applicable financial reporting framework, accounting standards and the relevant laws and regulations that have a direct effect on the financial statements.
- B. Report on Lawfulness and Effectiveness in Use of Public Resources which considers compliance with applicable laws, regulations, policies, gazette notices, circulars, guidelines and manuals and whether public resources are applied in a prudent, efficient, economic, transparent and accountable manner to ensure Government achieves value for money and that such funds are applied for the intended purpose.
- C. Report on Effectiveness of Internal Controls, Risk Management and Governance which considers how the entity has instituted checks and balances to guide internal operations. This responds to the effectiveness of the governance structure, the risk management environment and the internal controls, developed and implemented by those charged with governance for orderly, efficient and effective operations of the entity.

An unmodified opinion does not necessarily mean that an entity has complied with all relevant laws and regulations and that its internal controls, risk management and governance systems are properly designed and were working effectively in the financial year under review.

The three parts of the report are aimed at addressing the statutory roles and responsibilities of the Auditor-General as provided by Article 229 of the Constitution, the Public Finance Management Act, 2012 and the Public Audit Act, 2015. The three parts of the report, when read together constitute the report of the Auditor-General.

REPORT ON THE FINANCIAL STATEMENTS

Qualified Opinion

I have audited the accompanying financial statements of University of Nairobi Press set out on pages 1 to 16, which comprise of the statement of financial position as at

Report of the Auditor-General on University of Nairobi Press for the year ended 30 June, 2023

30 June, 2023, the statement of profit or loss and other comprehensive income, statement of changes in equity, statement of cash flows and statement of comparison of budget and actual amounts 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 35 of the Public Audit Act, 2015. 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.

In my opinion, except for the effect of the matters described in the Basis for Qualified Opinion section of my report, the financial statements present fairly, in all material respects, the financial position of the University of Nairobi Press as at 30 June, 2023, and of its financial performance and its cash flows for the year then ended, in accordance with International Financial Reporting Standards and comply with the Companies Act, 2015 and the Public Finance Management Act, 2012.

Basis for Qualified Opinion

1. Unsupported Interest Income from Sweeping Account

The statement of profit or loss and other comprehensive income reflects income from sweeping account amounting to Kshs.198,382 relating to income on call deposits held in two bank account. However, terms and conditions of deposits were not provided. Further, the interest earned for the months of January and February, 2023 has not been disclosed.

In the circumstances, the accuracy and completeness of the income from sweeping account amounting to Kshs.198,382 could not be confirmed.

2. Obsolete Inventories

The statement of financial position reflects inventories amounting to Kshs.19,561,644 as further disclosed in Note 7 to the financial statement. However, the amount includes obsolete secondary school text books stock valued at Kshs.3,523,000. Further, the amount includes work in progress on books publication totalling Kshs.144,000 carried forward from 2019/2020 and earlier years. No explanation has been provided for the long outstanding work in progress on books publication.

In the circumstances, the accuracy and fair value of the inventories amounting to Kshs.3,667,000 could not be confirmed.

3. Unsupported Trade and Other Payables

The statement of financial position reflects trade and other payables amounting to Kshs.5,677,252 as further disclosed in Note 12 to the financial statements. However, the amount was not supported with creditors ageing analysis, invoices, creditors invoices. Further, the trade and other payables have been outstanding for long.

In addition, the Company has no credit policy.

In the circumstances, the accuracy and existence of trade and other payables amounting to Kshs.5,677,252 could not be confirmed.

The audit was conducted in accordance with International Standards of Supreme Audit Institutions (ISSAIs). I am independent of the University of Nairobi Press Management in accordance with ISSAI 130 on Code of Ethics. I have fulfilled other ethical responsibilities in accordance with the ISSAI and in accordance with other ethical requirements applicable to performing audits of financial statements in Kenya. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my qualified opinion.

Emphasis of Matter

Material Uncertainty in Relation to Going Concern

The statement of profit or loss and other comprehensive income for the financial year 2022/2023 reflects Nil income while the comparative income for the year ended 30 June, 2022 was Kshs.46,411 in respect of a decrease in provision for doubtful debt. Further, the statement reflects total expenses amounting to Kshs.158,819 in respect of audit fees and depreciation charges as disclosed in Notes 3 and 4 to the financial statements. This is an indication that the Company was not active and did not report any operations during the year. This inactivity casts significant doubt on the Company's ability to continue as a going concern.

My opinion is not modified in respect of this matter.

Key Audit Matters

Key audit matters are those matters that, in my professional judgment, are of most significance in the audit of the financial statements. There were no key audit matters to report in the year under review.

Other Matter

Prior Year Unresolved Issues

In the audit report of the previous year, several issues were raised under the Report on Financial Statements and Report on Effectiveness in Use of Public Resources. However, the Management has not resolved the issues or given any explanation for failure to adhere to the provisions of the Public Sector Accounting Standards Board template.

REPORT ON LAWFULNESS AND EFFECTIVENESS IN USE OF PUBLIC RESOURCES

Conclusion

As required by Article 229(6) of the Constitution, based on the audit procedures performed, I confirm that, nothing has come to my attention to cause me to believe that public resources have not been applied lawfully and in an effective way.

Basis for Conclusion

The audit was conducted in accordance with ISSAI 4000. The standard requires that I comply with ethical requirements and plan and perform the audit to obtain assurance about whether the activities, financial transactions and information reflected in the financial statements are in compliance, in all material respects, with the authorities that govern them. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my conclusion.

REPORT ON EFFECTIVENESS OF INTERNAL CONTROLS, RISK MANAGEMENT AND GOVERNANCE

Conclusion

As required by Section 7(1)(a) of the Public Audit Act, 2015, based on the audit procedures performed, except for the matter described in the Basis for Conclusion on Effectiveness of Internal Controls, Risk Management and Governance section of my report, I confirm that, nothing else has come to my attention to cause me to believe that internal controls, risk management and overall governance were not effective.

Basis for Conclusion

Weaknesses in Governance and Appointment of Board of Directors

Review of records revealed that the Company was operating without a Board of directors and Chief Executive Officer in the year review. Although the Vice Chancellor and the acting director of finance signed the financial statements, they are not listed in Board of Directors or Key Management team.

In the circumstances, the effectiveness of the Board in the overall governance of the Company could not be confirmed.

The audit was conducted in accordance with ISSAI 2315 and ISSAI 2330. The standards require that I plan and perform the audit to obtain assurance about whether effective processes and systems of internal control, risk management and overall governance were operating effectively, in all material respects. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my conclusion.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

As required by the Companies Act, 2015, except for matters reported in the Basis for Qualified Opinion, I report based on my audit, that:

- i. 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;
- ii. In my opinion, adequate accounting records have been kept by the Company, so far as appears from the examination of those records; and,

- iii. The Company's financial statements are in agreement with the accounting records and returns.

Responsibilities of Management and Board of Directors

Management is responsible for the preparation and fair presentation of these financial statements in accordance with International Financial Reporting Standards and for maintaining effective internal controls as Management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error and for its assessment of the effectiveness of internal controls, risk management and overall governance.

In preparing the financial statements, Management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless Management is aware of the intention to liquidate the Company or to cease operations.

Management is also responsible for the submission of the financial statements to the Auditor-General in accordance with the provisions of Section 47 of the Public Audit Act, 2015.

In addition to the responsibility for the preparation and presentation of the financial statements described above, Management is also responsible for ensuring that the activities, financial transactions and information reflected in the financial statements are in compliance with the authorities which govern them, and that public resources are applied in an effective way.

The Board of Directors is responsible for overseeing the Company's financial reporting process, reviewing the effectiveness of how Management monitors compliance with relevant legislative and regulatory requirements, ensuring that effective processes and systems are in place to address key roles and responsibilities in relation to governance and risk management, and ensuring the adequacy and effectiveness of the control environment.

Auditor-General's Responsibilities for the Audit

The audit objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion in accordance with the provisions of Section 48 of the Public Audit Act, 2015 and submit the audit report in compliance with Article 229(7) of the Constitution. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISSAIs will always detect a material misstatement and weakness when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

In addition to the audit of the financial statements, a compliance audit is planned and performed to express a conclusion about whether, in all material respects, the activities,

financial transactions and information reflected in the financial statements are in compliance with the authorities that govern them and that public resources are applied in an effective way, in accordance with the provisions of Article 229(6) of the Constitution and submit the audit report in compliance with Article 229(7) of the Constitution.

Further, in planning and performing the audit of the financial statements and audit of compliance, I consider internal controls in order to give an assurance on the effectiveness of internal controls, risk management and overall governance processes and systems in accordance with the provisions of Section 7(1)(a) of the Public Audit Act, 2015 and submit the audit report in compliance with Article 229(7) of the Constitution. My consideration of the internal controls would not necessarily disclose all matters in the internal controls that might be material weaknesses under the ISSAIs. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements caused by error or fraud in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions.

Because of its inherent limitations, internal controls may not prevent or detect misstatements and instances of noncompliance. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies and procedures may deteriorate.

As part of an audit conducted in accordance with ISSAIs, I exercise professional judgement and maintain professional skepticism throughout the audit. I also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Management.
- Conclude on the appropriateness of the Management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in the auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my audit report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information and business activities of the Company to express an opinion on the financial statements.
- Perform such other procedures as I consider necessary in the circumstances.

I communicate with the Management regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal controls that are identified during the audit.

I also provide Management with a statement that I have complied with relevant ethical requirements regarding independence and communicate with them all relationships and other matters that may reasonably be thought to bear on my independence, and where applicable, related safeguards.


FCPA Nancy Gathungu, CBS
AUDITOR-GENERAL

Nairobi

20 March, 2024

UNIVERSITY OF NAIROBI PRESS**Annual Report and Financial Statements for the year ended June 30, 2023****14. Statement of Profit or Loss and Other Comprehensive Income for the year ended 30th June 2023.**

		2022/2023	2021/2022
DESCRIPTION	NOTES	KSHS	KSHS
INCOME			
Trading Profit/(Loss)	1	-	-
Miscellaneous Income	2	-	46,411
TOTAL INCOME		-	46,411
OPERATING AND ADMINISTRATIVE EXPENSES:			
Operating Expenses	3	92,800	92,800
Depreciation	4	66,019	76,819
TOTAL OPERATING EXPENSES		158,819	169,619
OPERATING LOSS FOR THE YEAR		(158,819)	(123,208)
Income from Sweeping Account	5	198,382	195,912
PROFIT/ (LOSS) FOR THE YEAR		39,563	72,704



Ag. Director Finance (UoN)

Stephen K. Kimeli

B. Com, MBA (KabU), CPA(K)

ICPAK Member No. 7128

14 December 2023



Vice-Chancellor (UoN)

Prof. S. G. Kiama

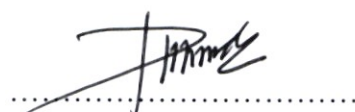
BVM, MSC(Nbi), PhD (Bern) KNAS

14 December 2023

UNIVERSITY OF NAIROBI PRESS**Annual Report and Financial Statements for the year ended 30th June 2023****15. Statement of Financial Position as at 30th June 2023**

		2022/2023	2021/2022
ASSETS	NOTE	Kshs.	Kshs.
Non-Current Assets			
Property, Plant and Equipment	6	456,394	522,413
Current Assets			
Inventories	7	19,417,644	19,417,644
Trade and Other Receivables	8	17,547	-
Cash and Cash Equivalents	9	7,335,796	7,154,961
Current Assets		26,770,987	26,572,605
TOTAL ASSETS		27,227,381	27,095,018
FUNDS AND LIABILITIES			
Capital Fund	10	3,809,495	3,809,495
Accumulated Profit(Loss)	11	17,740,634	17,701,071
		21,550,129	21,510,566
Non-Current Liabilities			-
Current Liabilities			-
Trade and Other Payables	12	5,677,252	5,584,452
TOTAL FUNDS AND LIABILITIES		27,227,381	27,095,018

The financial statements were signed on behalf of the Board of Directors by:



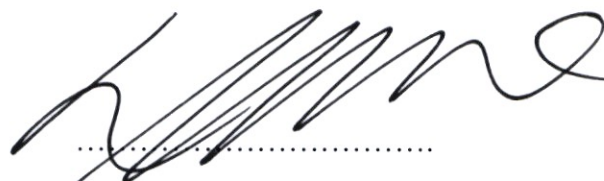
Ag. Director Finance (UoN)

Stephen Kimeli

B. Com, MBA (KabU), CPA(K)

ICPAK M/No 7128

14 December 2023



Vice- Chancellor (UoN)

Prof. S. G. Kiama

BVM, MSC(Nbi), PhD (Bern) KNAS

14 December 2023

UNIVERSITY OF NAIROBI PRESS
Annual Report and Financial Statements for the year ended June 30, 2023

16. Statement of Changes in Equity for the year ended 30th June 2023

2021/2022	Accumulated Profit	Capital Fund	Total
	Ksh	Ksh	Ksh
Balance As at 01.07.2021	17,643,316	3,809,495	21,452,811
Prior Year Adjustment (Reversal of interest for year ended 30 June 2021)	(14,949)	-	(14,949)
Surplus/(Deficit)	72,704	-	72,704
Balance As at 30 June 2022	17,701,071	3,809,495	21,510,566
	Ksh	Ksh	Ksh
2022/2023			
Balance As at 01.07.2023	17,701,071	3,809,495	21,510,566
Surplus/(Deficit)	39,563	-	39,563
Balance As at 30 June 2023	17,740,634	3,809,495	21,550,129

17. Statement of Cash Flows for the year ended 30th June 2023

	Note	2022/2023	2021/2022
		Kshs.	Kshs.
Cash Flows from Operating Activities			
Net Profit (Loss) for the Year		39,563	72,704
Adjustments for:		-	(14,949)
Prior year adjustment			
Depreciation	6	66,019	76,819
Decrease in Provision for Bad Debts	3	-	46,411
Cash Flows from Operating Activities Before working Capital Changes		105,582	88,163
(Increase)/Decrease in Inventories	9	-	-
(Increase)/Decrease in Trade and other receivables	10	(17,547)	149,055
Increase/ (Decrease) in Trade and other payables	14	92,800	92,800
Net Cash Flow from Operating Activities		75,253	241,855
Net Increase/ (Decrease) in Cash and Cash Equivalent		180,835	330,018
Movement in Cash and Cash Equivalent			
Cash and Cash Equivalent at Beginning of Year		7,154,961	6,824,943
Net Increase in Cash and Cash Equivalents		180,835	330,018
Cash and Cash Equivalent at End of Year		7,335,796	7,154,961

The (Increase)/Decrease in Trade and other receivables recorded for FY 2021/2022 of Ksh. 149,055.00 corresponds to direct deposit made from debtors

The statement of cash flows is presented using the indirect method as per IFRS 7

18. Statement of Comparison of Budget and Actual amounts for the period ended 30 June 2023

	Original Budget	Actual Amounts	Variance
	Ksh.	Ksh.	Ksh.
Other Incomes	198,382	180,835	17,547
Total Revenue	198,382	180,835	17,547
Operating/Administrative Expenses	92,800	92,800	-
Depreciation	66,019	66,019	-
Total Expenses	158,819	158,819	-

During the year under review UoN Press remained dormant hence had no budget. However the Ksh 198,382.00 was anticipated to be received as finance income from Bank deposit. The variance of ksh. 17,547.00 relates to accrued interest income for the month of January and February 2023 which was received after the closure of the year and operating expense of Ksh 92,800.00 being Annual Audit fees including depreciation charge of Ksh 66,019.00 being provisions had to be captured.

19. NOTES TO THE FINANCIAL STATEMENTS

1. General Information

University of Nairobi Press Ltd is established by and derives its authority and accountability from the Companies Act. It is limited by guarantee and does not have any share capital and is domiciled in Kenya. The principal activity of University of Nairobi Press Ltd has been publishing scholarly books.

2. Statement of Compliance and Basis of Preparation

The financial statements have been prepared on a historical cost basis except for the measurement at re-valued amounts of certain items of property, plant and equipment, marketable securities and financial instruments at fair value, impaired assets at their estimated recoverable amounts and actuarially determined liabilities at their present value. The preparation of financial statements in conformity with International Financial Reporting Standards (IFRS) allows the use of estimates and assumptions. It also requires management to exercise judgement in the process of applying the entity's accounting policies.

The financial statements have been prepared and presented in Kenya Shillings, which is the functional and reporting currency of the company and all values are rounded off to the nearest Kenya shillings. The financial statements have been prepared in accordance with the PFM Act, the State Corporations Act, Companies Act and International Financial Reporting Standards (IFRS). The accounting policies adopted have been consistently applied to all the years presented.

3. **Application of New and Revised International Financial Reporting Standards (IFRS)**
- i. **New and amended standards and interpretations in issue and effective in the year ended 30 June 2023.**

Title	Description	Effective Date
IFRS 17 Insurance Contracts (issued in May 2017)	The new standard establishes principles for the recognition, measurement, presentation and disclosure of insurance contracts issued. It also requires similar principles to be applied to reinsurance contracts held and investment contracts with discretionary participation features issued. The objective is to ensure that entities provide relevant information in a way that faithfully represents those contracts. The Company does not issue insurance contracts.	Effective for annual periods beginning on or after 1 st January 2023.
IAS 8- Accounting Policies, Errors, and Estimates	The amendments, applicable to annual periods beginning on or after 1st January 2023, introduce a definition of ‘accounting estimates’ and include other amendments to IAS 8 to help entities distinguish changes in accounting policies from changes in accounting estimates. The company had not noted any effect.	The amendments are effective for annual reporting periods beginning on or after January 1, 2023.
Amendments to IAS 1 titled Disclosure of Accounting Policies (issued in February 2021)	The amendments, applicable to annual periods beginning on or after 1st January 2023, require entities to disclose their material accounting policy information rather than their significant accounting policies. The company has taken into consideration.	The amendments are effective for annual periods beginning on or after January 1, 2023.
Amendments to IAS 12 titled Deferred Tax Related to Assets and Liabilities arising from a Single Transaction (issued in May 2021)	The amendments, applicable to annual periods beginning on or after 1st January 2023, narrowed the scope of the recognition exemption in paragraphs 15 and 24 of IAS 12 (recognition exemption) so that it no longer applies to transactions that, on initial recognition, give rise to equal taxable and deductible temporary differences.	The amendments are effective for annual periods beginning on or after January 1, 2023.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

Application of New and Revised International Financial Reporting Standards (IFRS)

ii. New and amended standards and interpretations in issue but not yet effective in the year ended 30 June 2023.

Title	Description	Effective Date
Amendments to IAS 1 titled Classification of Liabilities as Current or Non-current (issued in January 2020, amended in October 2022)	The amendments, applicable to annual periods beginning on or after 1st January 2024, clarify a criterion in IAS 1 for classifying a liability as non-current: the requirement for an entity to have the right to defer settlement of the liability for at least 12 months after the reporting period	The amendments are effective for annual periods beginning on or after January 1, 2024. Earlier application is permitted.
Amendment to IFRS 16 titled Lease Liability in a Sale and Leaseback (issued in September 2022)	The amendment, applicable to annual periods beginning on or after 1st January 2024, requires a seller-lessee to subsequently measure lease liabilities arising from a leaseback in a way that it does not recognise any amount of the gain or loss.	The amendments are effective for annual periods beginning on or after January 1, 2024. Earlier application is permitted.
Amendments to IAS 1 titled Non-current Liabilities with Covenants (issued in October 2022)	The amendments, applicable to annual periods beginning on or after 1st January 2024, improve the information an entity provides about liabilities arising from loan arrangements for which an entity's right to defer settlement of those liabilities for at least twelve months after the reporting period is subject to the entity complying with conditions specified in the loan arrangement.	The amendments are effective for annual periods beginning on or after January 1, 2024. Earlier application is permitted.

iii. Early adoption of standards

The Entity did not early – adopt any new or amended standards in the financial year.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**4. Summary of Accounting Policies**

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

a) Revenue recognition

Revenue is measured based on the consideration to which the company expects to be entitled in a contract with a customer and excludes amounts collected on behalf of third parties. The company recognizes revenue when it transfers control of a product or service to a customer.

i) Revenue from the sale of goods and services is recognized in the year in which the company delivers products to the customer, the customer has accepted the products and collectability of the related receivables is reasonably assured.

ii) Grants from the University are recognized in the year in which the company actually receives such grants. Recurrent grants are recognized in the statement of comprehensive income

iii) Finance income comprises interest receivable from bank deposits and investment in securities, and is recognized in profit or loss on a time proportion basis using the effective interest rate method.

iv) Other income is recognized as it accrues.

b) Property, plant and equipment

All categories of property, plant and equipment are initially recorded at cost less accumulated depreciation and impairment losses.

c) Depreciation and impairment of property, plant and equipment

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

The annual rates are:

- Furniture and Equipment 10% on reducing balance method
- Computers and accessories 33.3% on reducing balance method.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

d) Inventories

Inventories are stated at the lower of cost and net realizable value.

Note : The stocks in this case are books produced by the UoN Press. It will be noted that usually the valuation is at cost since the net realizable value cannot be accurately determined.

e) Advances for publication—These are funds received by UoN Press from sponsors for publication of particular titles. During the year, no money was spent for publication of such titles.

f) Taxation

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

g) 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.

h) Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and cash at bank, short-term deposits on call and highly liquid investments with an original maturity of three months or less, which are readily convertible to known amounts of cash and are subject to insignificant risk of changes in value.

i) Trade and other payables

Trade and other payables are non-interest bearing and are carried at amortised cost, which is measured at the fair value of contractual value of the consideration to be paid in future in respect of goods and services supplied, whether billed to the entity or not, less any payments made to the suppliers.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

j) Staff Emoluments

These include salaries, allowances and other benefits paid directly to members of staff of the company by University of Nairobi .During the year under review no staff emoluments were incurred since all the staff had been deployed to other departments of the University.

k) Provision for staff leave pay

Employees' entitlements to annual leave are recognised as they accrue at the employees. At provision is made for the estimated liability for annual leave at the reporting date.

l) Budget information

The entity's budget is prepared on a different basis to the actual income and expenditure disclosed in the financial statements. The financial statements are prepared on accrual basis using a classification based on the nature of expenses in the statement of financial performance, whereas the budget is prepared on a cash basis.

a) Comparative figures

Where necessary comparative figures for the previous financial year have been amended or reconfigured to conform to the required changes in presentation.

b) Subsequent events

There have been no events subsequent to the financial year end with a significant impact on the financial statements for the year ended June 30, 2023

5. Significant Judgments and Sources of Estimation Uncertainty

The preparation of the company's financial statements in conformity with IFRS.

a) Provisions

Provisions were raised and management determined an estimate based on the information available.

Provision for Audit Fees - Kshs. 92,800 was provided as audit fees for current year ended 30th June 2023. The audit fees for year ended 30 June 2022 was unpaid during the year.

6. Incorporation

The University of Nairobi Press Ltd is incorporated in Kenya under the Kenyan Companies Act and is domiciled in Kenya.

7. Events after the Reporting Period

There were no material adjusting and non- adjusting events after the reporting period.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUES)

1 **Trading Profit and Loss Account**

Trading account	2022/2023	2021/2022
	Kshs.	Kshs.
Gross Sales for the year	-	-
Less: Discount allowed	-	-
Net sales	-	-
Less: Cost of Sales	-	-
Trading Profit (Loss) for the year	-	-
Opening Stock as at 1.7.2022	19,273,644	19,273,644
W.I.P - (Opening)	144,000	144,000
	19,417,644	19,417,644
Less:		
Closing W.I.P - (Ending)	- 144,000	- 144,000
Cl. Stock as at 30.6.2023	- 19,273,644	- 19,273,644
Cost of Sales for the year	-	-

Miscellaneous Income	2022/2023	2021/2022
	Kshs.	Kshs.
Decrease in Provision for Doubtful Debt	-	46,411
	-	46,411

3 **Operating Expenses**

Audit Fees (provision)	92,800	92,800
	92,800	92,800

4 **Depreciation**

1st July 2022	5,993,684	5,916,865
Charge for the Year	66,019	76,819
30-Jun-23	6,059,703	5,993,684

5 Income from Sweeping Account	198,382	195,912
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Notes to the Financial Statements (Continued)

6 . Property, Plant & Equipment

2022/2023	Furniture & Equipment	Computers & Accessories	Total
Cost	Kshs.	Kshs.	Kshs.
01-Jul-22	4,629,654	1,886,443	6,516,097
Additions	-	-	-
30-Jun-23	4,629,654	1,886,443	6,516,097
Acc. Depreciation	4,166,373	1,827,311	5,993,684
Charge for the Year	46,328	19,691	66,019
30-Jun-23	4,212,701	1,847,002	6,059,703
Net Book Value			
At 30 June 2023	416,953	39,441	456,394
At 30 June 2022	463,281	59,132	522,413

2021/2022	Furniture & Equipment	Computers & Accessories	Total
Cost	Kshs.	Kshs.	Kshs.
01-Jul-21	4,629,654	1,886,443	6,516,097
Additions	-	-	-
30-Jun-22	4,629,654	1,886,443	6,516,097
Acc. Depreciation	4,114,897	1,801,968	5,916,865
Charge for the Year	51,476	25,343	76,819
30-Jun-22	4,166,373	1,827,311	5,993,684
Net Book Value			
At 30 June 2022	463,281	59,132	522,413
At 30 June 2021	514,757	84,475	599,232

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

	2022/2023	2021/2022
	Kshs.	Kshs.
7 Inventories		
Scholarly Books	15,894,644	15,894,644
Secondary School Text Books	3,523,000	3,523,000
Work - in - Progress	144,000	144,000
	19,561,644	19,561,644

There was no movement in inventories because there was no activity in Press during the year under review since operations had been grounded.

	2022/2023	2021/2022
	Kshs.	Kshs.
8 Trade and Other Receivables		
Accrued Income(Interest call A/c)	17,547	-
Trade Receivables (Net)	-	-
Total	17,547	-
Trade Debtors (Gross)	-	1,267,992
Provision for bad & doubtful debts	-	-1,267,992
Trade receivables (Net)	-	-
Analysis of Debt		
Above 6 years	-	1,267,992
Below 6 years	-	-
Total	-	1,267,992
Provision for bad debts	-	1,267,992
9 Cash and Cash Equivalents		
Cash at Bank:		
A/C0948245353	3,443,327	3,349,521
A/C0777001914	3,892,469	3,805,440
Total	7,335,796	7,154,961

The cash at bank was held at Barclays Bank of Kenya, the entity's main bankers.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

	2022/2023 Kshs.	2021/2022 Kshs.
10 Capital Fund		
Capital Fund	3,809,495	3,809,495
	<u>3,809,495</u>	<u>3,809,495</u>
11 Accumulated Profit (Loss)		
Net accumulated profit (Loss)- 01.07.2021	17,701,071	17,643,316
Prior Year Adjustment (Reversal of interest for year ended 30 June 2021)	-	-14,949
Adjusted Production Cost	-	-
Adjusted Cost of Sales	-	-
Profit (Loss) for the year	39,563	72,704
Accumulated profit/(Loss)	<u>17,740,634</u>	<u>17,701,071</u>
12 Trade and Other Payables		
Accruals	55,000	55,000
Payable to UON	185,600	
Royalties	897,818	897,818
Provision for Audit Fees	92,800	185,600
Advances for Publication	4,446,034	4,446,034
Total	<u>5,677,252</u>	<u>5,584,452</u>

UNIVERSITY OF NAIROBI PRESS**Annual Report and Financial Statements for the year ended 30th June 2023**

20. Appendices**Appendix 1: Implementation Status of Auditor-General prior year recommendations**

The following is the summary of issues raised by the Auditor General for the year ended 30 June 2022. Once PRESS Management is constituted it will nominate a focal person to resolve the various issues as shown below within the timeframe that will be provided.

Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
1.	Obsolete Inventories	To be provided once the management team is constituted	Not resolved	To be provided once the management team is constituted
2.	Long Outstanding Trade and Other Payables	To be provided once the management team is constituted	Not resolved	To be provided once the management team is constituted

**PROF. S.G. KIAMA****VICE-CHANCELLOR, UON**

BVM, MSC(Nbi), PhD (Bern)KNAS

14 December 2023

