

**University of Nairobi Press**



**Annual Report and Accounts**  
**for the year ended 30<sup>th</sup> June, 2004**

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## **Institutional Details**

The Directors have pleasure in submitting the Annual Report and Accounts for the year ended 30th June 2004.

### **Principal Activities**

The principal activity of the Press was that of book publishing.

### **Results**

Trading Profit for the year: KShs 1,093,531.10 and net loss for the year KShs (1,042,124.90)

### **Directors**

The Directors who held office during the year were:

#### **Chairman of the University of Nairobi Council**

David P.S. Wasawo M.A. (Oxon), Ph.D. (London), Hon D.Sc. (Kenyatta), Hon. D.Sc. (Nbi)

#### **Vice-Chancellor**

C.M. Kiamba, M.B.S., B.A (LAND Econ.) (Nairobi) M.Sc (Reading), Ph.D (Cantab), M.I.S.K, RV.

#### **Deputy Vice-Chancellor (Administration and Finance)**

G.A.O. Magoha, IOM, M.B.B.S (Lagos ), FRCS, FWACS, FICS, FABI, MSIC, FMCS (Urol)

#### **Deputy Vice-Chancellor (Academic Affairs)**

J.T. Kaimenyi, B.D.S. (Nairobi) M.D.S. (Mangalore, India) Ph,D (Nairobi)

#### **Managing Director- University of Nairobi Enterprises and Services Ltd.**

J.K.Kimani, B.Sc.,(Nairobi) Ph.D.(Nairobi)

#### **Ag. Managing Editor , University of Nairobi Press**

J.K. Kirimania, BA,(Nairobi) PGD Mass Communication (Nairobi)

### **Bankers**

Barclays Bank of Kenya Ltd.

### **Auditors**

Controller & Auditor-General, Kenya National Audit Office (KENAO)

# Report of the Controller and Auditor General on the Financial Statements of University of Nairobi Press for the Year Ended 30<sup>th</sup> June 2004

I have examined the financial statements of University of Nairobi Press for the year ended 30 June 2004 in accordance with provisions of Section 14 of Public Audit Act, 2003. I have obtained all the information and explanations considered necessary for the purpose of the audit. Proper books of account have been kept and the financial statements, which have been prepared under the historical cost convention, are in agreement therewith.

## **Respective Responsibilities of the Directors and the Controller and Auditor General**

The Directors are responsible for the preparation of financial statements which give a true and fair view of the company's state of affairs and its operating results. My responsibility is to express an independent opinion on the financial statements based on my audit.

## **Basis of Opinion**

The audit was conducted in accordance with the International Standards on Auditing. Those standards require that the audit be planned and performed with a view to obtaining reasonable assurance that the financial statements are free from material misstatement. An audit includes an examination, on a test basis, of evidence supporting the amounts and disclosures in the financial statements. It also includes an assessment of the accounting policies used and significant estimates made by the directors, as well as evaluating the overall financial statements presentation. I believe my audit provides reasonable basis for the opinion.

## **Opinion**

In my opinion the financial statements when read together with the notes thereon present fairly the state of affairs of the University Press as at 30 June 2004 and of its loss and cash flows for the year then ended.



**E. N. Mwai**  
**Controller and Auditor General**

Nairobi

24 March 2005

## Balance Sheet as at 30<sup>th</sup> June, 2004


	NOTES	2004 Kshs	2003 Kshs
<b>FIXED ASSETS</b>			
Furniture	7	120,618.00	134,020.00
Equipment	7	<u>1,427,869.00</u>	<u>1,577,021.00</u>
		<b><u>1,548,487.00</u></b>	<b><u>1,711,041.00</u></b>
<b>CURRENT ASSETS</b>			
Stock	6	8,860,244.00	6,673,916.65
Advance Royalties	14	300,000.00	280,000.00
Debt due from UoN	13	25,840.00	72,276.75
Debtors	8	1,034,132.00	1,086,091.80
Cash at bank		2,700,716.00	2,739,732.95
Cash at hand		32,705.00	-
<b>Total current Assets</b>		<b><u>12,953,637.00</u></b>	<b><u>10,852,018.00</u></b>
<b>CURRENT LIABILITIES</b>			
Current Account -UON	12	7,535,984.00	6,002,176.50
Advances	5	863,275.00	638,275.00
Provision for Audit Fees	16	150,000.00	130,000.00
Creditors	10(a)	1,693,699.00	702,049.40
Royalties	10 (b)	210,733.00	-
<b>Total Current Liabilities</b>		<b><u>10,453,691.00</u></b>	<b><u>7,472,500.90</u></b>
<b>Net Current Assets</b>		<b><u>2,499,946.00</u></b>	<b><u>3,379,517.10</u></b>
<b>Net Assets</b>		<b><u>4,048,433.00</u></b>	<b><u>5,090,558.10</u></b>
<b>FINANCED BY:</b>			
Capital Fund		3,809,495.00	3,809,495.00
Accumulated surplus		238,938.00	1,281,063.10
		<b><u>4,048,433.00</u></b>	<b><u>5,090,558.10</u></b>

*The financial statements on page 4 to 6 were approved by the board on 22<sup>nd</sup> December 2004 and signed on its behalf by:*

.....  
David P.S. Wasawo M.A. (Oxon), Ph.D. (London), Hon D.Sc. (Kenya), Hon. D.Sc (Nairobi)

Chairman 

.....  
G.A.O. Magoha, IOM, M.B.B.S. (Lagos), FRCS, FWACS, FICS, FABI, MSIC, FMCS (Urol.)

Director 

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

## Trading, Profit and Loss Account for year ended 30th June, 2007

	NOTES	2004	2003
<b>INCOME</b>		KSHS	KSHS
Sales	11(a)	1,389,832.10	1,114,109.00
<b>Less Cost of Sales</b>	6	<u>(296,301.00)</u>	<u>(437,301.40)</u>
<b>Trading Profit</b>		<b>1,093,531.10</b>	<b>676,807.60</b>
<b>Other Funding:</b>			
Income from investment	15	-	145,463.00
Salary and Other Benefits (UoN)	9(a)	4,686,580.00	3,992,283.00
Rent and Utilities (UoN)	9(b)	1,615,200.00	1,615,200.00
Other Income	11(b)	20,567.00	42,614.00
<b>Total Income</b>		<b>7,415,878.10</b>	<b>6,472,367.60</b>
<b>OPERATING EXPENSES:</b>			
Salaries and Other Benefits	9(a)	4,686,580.00	3,992,283.00
Rent and Utilities	9(b)	1,615,200.00	1,615,200.00
Sitting Allowance- Editorial		52,000.00	35,000.00
Royalties	10(b)	216,018.60	145,090.60
Stationery and office expenses		472,684.75	644,545.10
Mileage and traveling expenses		101,400.00	175,070.00
Annual Subscription fees (KPA)		20,000.00	20,000.00
Promotion & Marketing		373,289.00	154,005.00
Audit fees (provision)		80,000.00	80,000.00
Bank charges		23,799.25	8,060.65
Computer Maintenance		65,520.00	127,639.00
Photocopier maintenance charges		69,457.35	70,002.45
Depreciation	7	172,054.00	190,116.00
Freight charges		-	16,610.00
Directors' allowances		510,000.00	370,000.00
<b>TOTAL OPERATING EXPENSES</b>		<b>8,458,003.00</b>	<b>7,643,621.80</b>
Loss for the year		(1,042,124.90)	(1,171,254.20)
Accumulated surplus brought forward		1,281,063.10	2,452,317.30
Accumulated surplus carried forward		<u><b>238,938.20</b></u>	<u><b>1,281,063.10</b></u>

## Cash Flow Statement for the year ended 30<sup>th</sup> June, 2004

	<b>Kshs.</b>	<b>Kshs.</b>
Net loss for the year		(1,042,124.90)
Adjustments:		
Depreciation	172,054.00	
Increase in Provision for audit fees	20,000.00	
Increase in stock	(2,186,327.80)	
Decrease in debtors	51,959.80	
Increase in Advance Royalties	(20,000.00)	
Decrease in Debt due from UoN	46,436.75	
Increase in creditors	991,649.50	
Increase in Advances	225,000.00	
Increase in Current A/C Balance	1,533,807.50	
Increase in Royalties Outstanding	210,732.00	
		1,045,311.80
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>		<b>3,187.00</b>
 <b>CASH FLOW FROM INVESTING ACTIVITIES</b>		
Purchase of Equipment		(9,500.00)
 <b>CASH FLOW FROM FINANCING ACTIVITIES</b>		-
 <b>NET Decrease in cash and cash equivalent</b>		<b>(6,313.00)</b>
Cash and Cash Equivalent at Beginning of Period		2,739,733.00
 <b>Cash and Cash Equivalent at End of Period</b>		<b><u>2,733,420.00</u></b>

# Notes to the Accounts for the year ended 30<sup>th</sup> June, 2004

## 1. Significant Accounting Policies

1.1 The Accounts are prepared under the historical cost convention.

1.2 Fixed assets 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 is: Furniture and Equipment - 10% 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. 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.

## 4. Currency

The accounts are expressed in Kenya shillings (Kshs).

## 5. Advances

Advances of Kshs. 863,275.00 includes Kshs. 638,275.00 from the Institute of International Education for the publication of the book titled Improving Health Policy in Africa and Kshs. 225,000.00 from International learning Centre (U.S.A) for publication of the book titled East Africa In Transition. The publication of the books was not complete as at 30.6.2004.

## 6. COST OF SALES

	<b>2004</b> <b>KSHS</b>
Opening Stock	6,673,916.65
<b>Add:</b> Production Costs:	2,327,505.00
Return- inwards	<u>155,123.80</u>
Cost of Stock Available	9,156,545.45
<b>Less:</b> Closing stock as at 30/06/2004	<b><u>(8,860,244.40)</u></b>
<b>Cost of goods Sold</b>	<b><u>296,301.00</u></b>

	Furniture	Equipment	Total
	Kshs	Kshs	Kshs
Cost	470,770.00	3,336,707.00	3,807,477.00
Addition during the year	<u>                    -</u>	<u>9,500.00</u>	<u>9,500.00</u>
Total before charging dep.	<u>470,770.00</u>	<u>3,346,207.00</u>	<u>3,816,977.00</u>
Depreciation 1st July, 2003	336,750.00	1,759,686.00	2,096,436.00
<b>Charge for the year</b>	<b><u>13,402.00</u></b>	<b><u>158,652.00</u></b>	<b><u>172,054.00</u></b>
Acc. Depreciation 30.6.04	<u>350,152.00</u>	<u>1,918,338.00</u>	<u>2,268,490.00</u>
<b>Net Book Value</b>			
1st July, 2003	134,020.00	1,577,021.00	1,711,041.00
<b>30th June, 2004</b>	<b><u>120,618.00</u></b>	<b><u>1,427,869.00</u></b>	<b><u>1,548,487.00</u></b>



## 8. Debtors

Balance Brought Forward	1,086,091.80
Credit sales during the year	977,750.20
Payments received during the year	<u>(1,029,710.20)</u>
<b>Debtors Balance 30th June 2004</b>	<b><u>1,034,131.80</u></b>

## 9. (a).Salary and Other Benefits from UoN – ( Paid to UONP Staff) Kshs. 4,686,580.00

	Kshs.
Total Gross Salary	4,099,092.00
Pension Contribution (20% of basic)	350,488.00
Medical Benefits	<u>237,000.00</u>
<b>Total Salary and Other Benefits</b>	<b><u>4,686,580.00</u></b>

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.

## (b) 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

## 10 (a) Creditors

Balance brought forward	702,049.40
Less Royalties B/f	(224,871.00)
Creditors for the year: Printers	1,220,000.00
Less: payments made	Nil
Sundry Creditors	8,320. 50
Less payment made	(11,800.00)
<b>Creditors for the year to 30<sup>th</sup> June 2004</b>	<b><u>1,693,698.90</u></b>

10(b) Royalties owing for the current Financial Year have been included in the Balance Sheet as a separate item. However in the year ended 30<sup>th</sup> June 2003 it had been included in the Creditors figure for the year.

Balance as at 1.7.2003	224,871.00
<b>Add: Expense for the year</b>	<b>216,018.60</b>
<b>Less: Paid during the year</b>	<b><u>(230,157.30)</u></b>
<b>Balance as at 30.6.2004</b>	<b>210,732.30</b>

<b>11. (a) Sales and Other Income</b>	
<b>Gross Sales</b>	<b>1,718,701.60</b>
Less: Discount allowed	<u>(328,869.50)</u>
<b>Net sales for the year</b>	<b>1,389,832.10</b>
<b>(b) Income from other sources</b>	
– Photocopying	20,067.00
– Typesetting services	<u>500.00</u>
<b>Total income from other sources</b>	<b>20,567.00</b>

**12. Current account – UoN** represents payments made by the University of Nairobi on behalf of University of Nairobi Press.

**13. Transfer from UoN refers to Press Receipts deposited in UoN A/C instead of UoNP A/C**

<b>Receipts No.</b>	<b>CV. No.</b>	<b>Kshs.</b>
386487	007	1,410.00
386541	010	4,950.00
386544	010	440.00
395655	038	40.00
424262	175	8,000.00
424285	176	10,000.00
423592	166	6,000.00
Less: Amount for D a/c banked in the Press a/c CV.228		<u>(5,000.00)</u>
	<b>TOTAL</b>	<b>25,840.00</b>

**14. Advance Royalties**

Balance Brought Forward	280,000.00
Add: Paid in the year	20,000.00
Advance Royalties as at 30 <sup>th</sup> June 2004	<u><b>300,000.00</b></u>

**15. Income from Investments**

All the short-term deposits that were initially held with Kenya Commercial Finance Co. Ltd and Housing Finance Company of Kenya Ltd. were redeemed during the year-ended 30.6.2003.

There was no such investment made during the year under review; hence no income from investment transferred to the accounts.

**16. Provision for Audit fees**

	<b>Ksh.</b>
Balance brought Forward	130,000.00
Add: For the year 2003/2004	80,000.00
Less: Paid during the year (For 2000/2001 Audit)	<u>(60,000.00)</u>
<b>Balance as at 30.6.2004</b>	<b>150,000.00</b>