

REPUBLIC OF KENYA

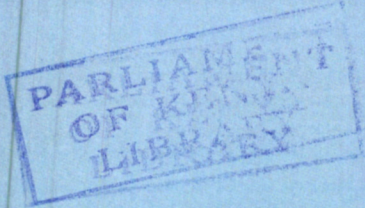


Paper laid

By the leader of
the Majority Party,
the Hon. Aden Duale
on Wednesday, 27/9/17

[Signature]

OFFICE OF THE AUDITOR-GENERAL



REPORT

OF

THE AUDITOR-GENERAL

ON

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

**FOR THE YEAR ENDED
30 JUNE 2016**





UNIVERSITY OF NAIROBI PRESS

REPORTS AND FINANCIAL STATEMENTS

**FOR THE FINANCIAL YEAR ENDED
JUNE 30, 2016**

**Prepared in accordance with the Accrual Basis of Accounting Method under
the International Financial Reporting Standards (IFRS)**

Contents

	<i>Page</i>
I. INSTITUTIONAL DETAILS.....	3
II. THE DIRECTORS	4
III. BOARD MEMBERS.....	7
IV. MANAGEMENT TEAM.....	7
V. REPORT OF THE CHIEF EXECUTIVE	8
VI. STATEMENT OF CORPORATE GOVERNANCE	9
VII. CORPORATE SOCIAL RESPOSIBILITY STATEMENT	10
VIII. BOARD REPORT	11
IX. STATEMENT OF DIRECTOR'S RESPONSIBILITIES	13
X. AUDITOR'S REPORT TO BE INSERTED HERE	14
XI. STATEMENT OF COMPREHENSIVE INCOME	15
XII. STATEMENT OF FINANCIAL POSITION AS AT JUNE 30, 2016	16
XIII. STATEMENT OF CASH FLOW FOR YEAR ENDED 30 JUNE 2016	17
XIV. STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 30 JUNE 2016.....	18
XV. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES	19
XVI. NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 30 JUNE, 2016	22

UNIVERSITY OF NAIROBI PRESS

I. INSTITUTIONAL DETAILS

The Directors have pleasure in submitting the Annual Report and Accounts for the year ended 30 June 2016

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. 1, 582,022 from operations.

BANKER

Barclays Bank of Kenya Limited,
Market branch,
P.O. Box 30120-00100,
Nairobi

AUDITOR

Auditor-General
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.

II. THE DIRECTORS



Dr. Idle Omar Farah,
BVM (Nairobi), Ph.D (Uppsala)



Prof. .PETER M.F.MBITHI, IOM, EBS,
MKVC,(Surgery), MKIM,BVM,MSc.
(Nbi),MVSc.(Sasakawa,PhD,(Nbi)



Prof. Lucy W. Irungu
B.Sc. (Nairobi), MSc.,Ph.D. (Liverpool).

THE DIRECTORS (Continued...)



Prof. Eng. Bernard N.K Njoroge
*B.Sc.(Nairobi); M.Sc. (Newcastle Upon Tyne);
Ph.D(Duke), MIEK R.ENG).*



Prof. H.W. Mutoro,
Bed, M.A.(NAIROBI), CPhil., PhD.(UCLA).



Prof. Isaac Meroka Mbeche
Bed. .Sc. M.A. (Nairobi), PhD (Lancaster).

THE DIRECTORS (Continued...)



Mr. John k. Arap Kenduiwo
B.Sc. (Mechanical Engineering), MBA(Nairobi)



Mr. Josphat.K.Kirimania,
B.A., (Nairobi), P.G.D. Mass Communication (Nairobi).

UNIVERSITY OF NAIROBI PRESS

III. BOARD MEMBERS

NO	NAME	DESIGNATION
1.	Dr. Idle Omar Farah	Chairman
2.	Prof. Peter M. F. Mbithi	Member
3.	Prof. Lucy W. Irungu	Member
4.	Prof. Eng. Bernard N.K Njoroge	Member
5.	Prof. Henry W. Mutoro	Member
6.	Prof. Isaac Meroka Mbeche	Member
7.	Mr. John k. Arap Kenduiwo	Member
8.	Mr. Josphat K. Kirimania,	Member

IV. MANAGEMENT TEAM

NO.	NAME	DESIGNATION
1	Josphat K. Kirimania	Ag. Managing Editor
2	Charles Mageto	Marketing Manager
3	Pamellah Asule	Science Editor
4	Njeri Muhoro	Social Science Editor
5	Simeon Odera	Editor
6	John K. Mbugua	Computer Technician
7	David Gitanga	Accountant

UNIVERSITY OF NAIROBI PRESS

V. REPORT OF THE CHIEF EXECUTIVE

It gives me much pleasure in presenting the Annual Report and Accounts of the University of Nairobi Press for the year ended June 30, 2016.

During the year under review the University of Nairobi Press (UoN-P) realized a surplus of Kshs. 1,582,022 compared to a deficit of Kshs.137,876 realised in 2014/2015 .The improved financial performance in the current year was mainly due to decreased operating costs and a slight improvement in the income from the short term deposit in the Barclays Bank.

In the year under review, the UoN-Press published eight titles and had two reprints. One of the titles, “Beyond Poverty and Vulnerability in Kenya” was launched in a colourful ceremony attended by over 200 stakeholders in education. This book employs a beneficial sociological approach and a rich repertoire of practical everyday examples about real people to delve into the political, social, cultural, economic and psychological worlds of the Kenyan society. It attempts to answer the question: why does poverty remain so pervasive in our society notwithstanding the efforts aimed at addressing it? The book is a tool of paramount importance for a critical evaluation of the history of Kenya since independence especially as it relates to patrimonialism and its related culture of lootocracy and the unequal distribution of state resources.

Finally, I would like to express my special thanks to the University of Nairobi Press staff who worked tirelessly to ensure smooth operation of the Unit to realize this commendable results.



PROF.P.M.F. MBITHI,
B.V.M.,M.Sc.(Nrb),M.V.Sc.(Saskatchewan),Ph.D(Nbi)

Vice-Chancellor

UNIVERSITY OF NAIROBI PRESS

VI. 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 is 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

VII. CORPORATE SOCIAL RESPONSIBILITY STATEMENT

The University of Nairobi Press is committed to giving back to the society in the course of carrying out business.

During the year, as part of our Corporate Social Responsibility (CSR), the UoN-Press carried out the following activities,

- **Donated books** to both primary and secondary schools in the Arid and Semi Arid Land (ASAL) regions stemming from requests from the schools
- **Career training** for young budding publishers from Riara University. This was done following a request from the career master.
- **Depositing books** with various National and International repositories as part of outreach. Copies of books printed during the year were given to the Kenya National Library, Library of Congress, The National Archives, and the University of Nairobi Library.

Environment Conservation: Tree Planting

The University of Nairobi Press planted 100 tree seedlings at the Vet Farm restoring trees and shrubs environment for the residents of Kanyariri village. The planted trees are now a good ambiance to the environment; providing spots to gather, reflect, and enjoy nature.

UNIVERSITY OF NAIROBI PRESS

VIII. 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

Marketing

Our marketing section has continued to:

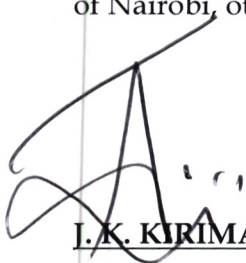
- (a) Promote and market scholarly publications to various public and private universities' bookshops and libraries in the country.
- (b) Participate in annual Nairobi International Book fair and Nairobi International Trade Fair.
- (c) Promote and market academic and school textbooks through making direct 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 2015/2016 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. KIRIMANIA

Ag. Managing Editor,

University of Nairobi Press.


UNIVERSITY OF NAIROBI PRESS

IX. 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 2015. 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

DIRECTOR



PROF. PETER M.F MBITHI, PhD ,EBS

VICE-CHANCELLOR

DIRECTOR

REPUBLIC OF KENYA

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Fax: +254-20-311482
E-mail: oag@oagkenya.go.ke
Website: www.kenao.go.ke

P.O. Box 30084-00100
NAIROBI



OFFICE OF THE AUDITOR-GENERAL

REPORT OF THE AUDITOR-GENERAL ON UNIVERSITY OF NAIROBI PRESS FOR THE YEAR ENDED 30 JUNE 2016

REPORT ON THE FINANCIAL STATEMENTS

I have audited the accompanying financial statements of University of Nairobi Press set out on pages 15 to 28, which comprise the statement of financial position as at 30 June 2016, and the 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 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.

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 47 of the Public Audit Act, 2015.

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 48 of the Public Audit Act, 2015 and submit the audit report in compliance with Article 229(7) of the Constitution. The audit was conducted in accordance with International Standards of Supreme Audit Institutions (ISSAIs). 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 misstatements.

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 controls relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures

Report of the Auditor-General on the Financial Statements of University of Nairobi Press for the year ended 30 June 2016

that are appropriate in the circumstance, but not for the purpose of expressing an opinion on the effectiveness of the entity'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. Annual General Meeting and Annual Returns

As reported in previous years, the University of Nairobi Press is incorporated under the Companies Act which requires Annual General Meetings to be conducted every year. However, Board of Directors did not hold any meeting during the year under review. Further, the Company did not file annual returns with the Register of Companies and therefore contravened Section 705 (1) of the Companies Act, 2015 which requires every Company to submit to the Registrar successive annual returns each of which is made up to a date not later than the date that is from time, to time the Company's return date. The company therefore breached the Law.

2. Trade and Other Receivables

As disclosed in Note 13 to the financial statements the trade and other receivables balance of Kshs.1,062,687 includes a trade receivables totalling Kshs.1,062,687 arrived at after management made a provision of Kshs.118,076 being 10% of outstanding debts amounting to Kshs.1,180,763 which have been outstanding for various periods lasting six (6) years and below. However this provision appears to be inadequate considering the slow pace in recovery of the outstanding debts. Further, supporting individual debtors' ledger balances for debts older than six (6) years were not availed for audit review.

Consequently, it has not been possible to confirm the accuracy and recoverability of the trade receivables balance of Kshs.1,062,687 as at 30 June 2016.

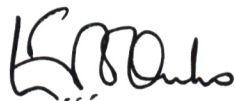
Qualified Opinion

In my opinion, except for the effect of matters discussed in the Basis for Qualified Opinion paragraph, the financial statements present fairly, in all material respects, the financial position of University of Nairobi Press as at 30 June 2016, 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 of the Laws of Kenya.

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 belief, 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.



FCPA Edward R. O. Ouko, CBS
AUDITOR-GENERAL

Nairobi

05 June 2017

UNIVERSITY OF NAIROBI PRESS

XI. STATEMENT OF COMPREHENSIVE INCOME


FOR YEAR ENDED 30TH JUNE 2016

	NOTES	2015/2016 KSHS	2014/2015 KSHS
INCOME			
Trading Profit	1	1,121,617	430,007
UoN Grants	2	19,243,219	21,877,857
Other grants	3	779,646	2,257,269
Income from Other Sources			
Over provision write back	4	545,596	-
Miscellaneous income	5	1,056,000	42,625
Subtotal-other sources		1,601,462	42,625
TOTAL INCOME		22,746,078	24,607,758
OPERATING AND ADMINISTRATIVE EXPENSES:			
UoN Grants	2	19,243,219	21,877,857
Operating Expenses	6	2,192,867	2,095,991
Depreciation	7	170,171	205,753
Donated books during the year	8	250,093	1,163,694
TOTAL OPERATING EXPENSES		21,856,350	25,343,295
OPERATING PROFIT FOR THE YEAR		889,728	(735,537)
Income from Short Term Deposits	9	180,955	85,919
Income from Sweeping Account	10	511,339	511,742
PROFIT/ (LOSS) FOR THE YEAR		1,582,022	(137,876)

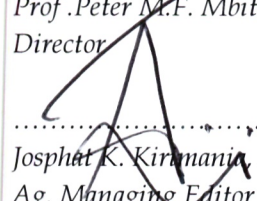
UNIVERSITY OF NAIROBI PRESS

XII. STATEMENT OF FINANCIAL POSITION AS AT JUNE 30, 2016

ASSETS	NOTE	2015/2016	2014/2015
Non-Current Assets		Kshs.	Kshs.
Property, Plant and Equipment	11	<u>1,042,806</u>	<u>1,185,307</u>
Current Assets			
Inventories	12	20,122,190	18,591,256
Trade and Other Receivables	13	1,126,313	886,089
Short Term Deposit	14	3,329,980	3,102,887
Cash and Cash Equivalents	15	7,920,576	7,563,712
Current Assets		<u>32,499,059</u>	<u>30,143,945</u>
TOTAL ASSETS		<u><u>33,541,865</u></u>	<u><u>31,329,252</u></u>
FUNDS AND LIABILITIES			
Capital Fund	16	3,809,495	3,809,495
Accumulated Profit(Loss)	17	23,800,767	22,218,745
Other grants/ Sponserd books	18	1,056,000	936,966
		<u>28,666,262</u>	<u>26,965,206</u>
Non-Current Liabilities			
Current Liabilities			
Trade and Other Payables	19	<u>4,875,603</u>	<u>4,364,046</u>
TOTAL FUNDS AND LIABILITIES		<u><u>33,541,865</u></u>	<u><u>31,329,252</u></u>



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



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

UNIVERSITY OF NAIROBI PRESS

XIII . STATEMENT OF CASH FLOW FOR YEAR ENDED 30 JUNE 2016

	Note	2015/2016	2014/2015
		Kshs.	Kshs.
Cash Flow from Operating Activities			
Net Profit (Loss) for the Year		1,582,022	(137,876)
Adjustments for:			
Depreciation	4	170,171	205,753
Provision for Audit Fees (2015/2016)	10	92,800	92,800
Provision for Doubtful debts		-	(42,625)
Before working Capital Changes		1,844,993	118,052
(Increase)/Decrease in Inventories	5	(1,530,934)	(274,455)
(Increase)/Decrease in Trade and other receivables	6	(240,224)	273,660
Increase/ (Decrease) in Trade and other payables	10	418,757	(14,124)
Increase/ (Decrease) in Other Grants	6	119,034	
Audit Fees Paid (for 2014/2015)			(92,800)
Net Cash Flow from Operating Activities		611,627	10,333
Cash Flow from Investing Activities			
Purchase of Equipment	4	(27,670)	(84,280)
Net Cash Flow from Investing Activities			
Net Increase/ (Decrease) in Cash and		(27,670)	(84,280)
Cash Equivalent			
		583,957	(73,947)
Movement in Cash and Cash Equivalent			
Cash and Cash Equivalent at Beginning of Year		10,666,599	10,740,547
Short Term Deposit		3,329,980	3,102,887
Cash and Cash Equivalents		7,920,576	7,563,712
Cash and Cash Equivalent at End of Year		11,250,556	10,666,599

UNIVERSITY OF NAIROBI PRESS

**XIV. STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED
30 JUNE 2016**

	Accumulated profit (Loss)	Capital Fund	Total
2015/2016	Ksh	Ksh	Ksh
Balance As at 01.07.2015 - Note 9.(ii)	22,218,746	3,809,495	26,028,241
Adjustment			-
Prior years Donated books - deducted/ written off (re- stated)	1,056,000		1,056,000
Surplus/ (Deficit)	1,582,022	-	1,582,022
Balance As at 30th June 2016	24,856,768	3,809,495	28,666,263
2014/2015	Accumulated Profit	Capital Fund	Total
	Ksh	Ksh	Ksh
Balance As at 01.07.2014	23,520,316	3,809,495	27,329,811
Adjustment			-
Prior years Donated books - deducted/ written off (re- stated)	(1,163,694)		(1,163,694)
Surplus/ (Deficit)	(137,876)		(137,876)
Balance As at 30th June 2015	22,218,746	3,809,495	26,028,241

UNIVERSITY OF NAIROBI PRESS

XV. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Statement of compliance and basis of preparation

The financial statements have been prepared on a historical cost basis. 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 Company's accounting policies.

The financial statements have been prepared and presented in Kenya Shillings, which is the functional and reporting currency of the Company.

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.

B. Application of new and revised International Financial Reporting Standards (IFRSs). *Relevant new standards and amendments to published standards effective for the year ended 30 June 2016.*

The following new and revised IFRSs were effective in the current year and had no material impact on the amounts reported in these financial statements.

i) *Amendments to IFRS 14 - Regulatory Deferral Accounts*

IFRS 14 deals with entities with activities whose prices are regulated by the government such as petroleum products. The amendment to IFRS 14 had no effect on UoN Press financial statements because UoN Press pricing activities are not regulated by the government, in addition the amendment only applies to first time adopters of IFRS

ii) *IAS 16 and IAS 38 Clarification on accepted methods of depreciation and amortization*

IAS 16 deals with the accounting for property, plant and equipment and IAS 38 with intangible assets. The two provide guidelines on the recognition, subsequent measurements and depreciation/amortization of these assets. The amendments to IAS 16 & 38 did not affect the UoN Press current Financial Statements since the amendments are effective for accounting periods beginning on or after 1st January, 2016.

iii) *Amendments to IAS 41 Agriculture: Bearer plants*

IAS 41 gives guidelines on the accounting treatment of biological assets such as bearer plants.

The amendment to IAS 41 did not affect UoN Press current Financial Statements because the effective for accounting periods beginning on or after 1st January, 2016

and also UoN Press does not have any biological assets in the statement of financial position.

UNIVERSITY OF NAIROBI PRESS

iv) *IFRS 10, IFRS 12 and IAS 28: Investment entities applying the consolidation exception*

IFRS 10 guides on the preparation and presentation of consolidated financial statements. IFRS 12 guides on the disclosure of interests in other entities (subsidiaries, joint ventures, associates e.t.c), while IAS 28 narrows down on the detailed accounting for associates and joint ventures.

The amendment to the above standards which dealt with application for consolidation exception, did not affect UoN Press Financial Statement since UoN Press does not have a controlling interest in other entities. In addition, the effective date for the amendment was for accounting periods beginning on or after 1st January 2016.

v) *Annual improvement 2012-2014 (IFRS 5, IFRS 7, IAS 19, IAS 34)*

IFRS 5 deals with noncurrent assets held for sale and discontinued operations, IAS 32 accounting for financial instruments (Financial assets & liabilities) and IAS 34 gives guidelines on preparation of interim Financial Statements. The amendments to these standards are effective for accounting periods beginning on or after 1st January, 2016 and hence did not affect the financial statements of the company.

Early adoption of standards

The company did not early-adopt any new or amended standards in 2016.

C 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.

1.4 The accounting figures are rounded to the nearest whole number.

D Taxation

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

E Currency

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

UNIVERSITY OF NAIROBI PRESS

generated by the UoN Press for the purpose of showing the 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.

(iii) Provision for Audit Fees - Kshs. 92,800 was provided as audit fees for current year ended 30 th June 2015.

The audit fees for year ended 30th June 2014 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.

Kshs 3,831,826 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.

UNIVERSITY OF NAIROBI PRESS

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 30 JUNE, 2016

Trading Profit

1. Trading account	2015/2016	2014/2015
	Kshs.	Kshs.
Gross Sales for the year	2,063,569	2,895,075
Less: Discount allowed	(417,386)	(633,497)
Net sales	1,646,183	2,261,578
Less: Cost of Sales	(524,566)	(1,831,571)
Trading Profit for the year	1,121,617	430,007

2 Grant from UON

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

	Kshs.	Kshs.
	2015/16	2014/15
Total Gross Salary (Including Leave Allowance)	15,884,224	18,240,756
Pension Contribution (20% of basic)	1,487,045	1,745,402
Medical Benefits	256,750	276,500
Total Salary and Other Benefits	17,628,019	20,262,657

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.

Rent and Utilities from UoN-Kshs. 1,615,200 1,615,200

UoN - Estates Department did the valuation of space occupied by Press offices.

The estimated rates are monthly rent of Kshs. 125,000 and Utilities of Kshs. 9,600 Per Month.

Total grant from UoN	19,243,219	21,877,857
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UNIVERSITY OF NAIROBI PRESS

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 30 JUNE, 2016

3. Other Grants Analysis

Particulars

U.o.N grant - Fuel related costs see(viii)	236,095	249,725
U.o.N grant - Petty Cash Grant see(viii)	199,902	229,859
U.o.N grant - Promotional expense by U.o.N see (viii)	343,650	147,500
U.o.N grant - Donated books see(viii)		1,399,601
Grant - Prof. John kokwaro donations see(viii)		230,584
TOTAL	779,646	2,257,269

4. Trade Debtors (Gross)

	2,037,955	2,317,817
Provision for bad & doubtful debts	(975,268)	(1,520,864)
Trade receivables (Net)	1,062,687	796,953
Change for the year	545,596	

5. Miscellaneous income

Sponsored Books	1,056,000	42,625
Total income from Other Sources	1,056,000	42,625

6. Other Operating Expenses

i Royalties	308,085	605,527
ii Stationery and Office Expenses	1,105,970	780,629
iii Mileage and Traveling Expenses	236,095	249,725
iv Annual Subscription Fees (KPA)	55,000	55,000
v Promotion & Marketing	343,650	288,500
vi Training and Workshops	30,000	
vii Audit Fees (provision)	92,800	92,800
viii Bank Charges	21,267	23,810
Note:	2,192,867	2,095,991

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

UNIVERSITY OF NAIROBI PRESS

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 30 JUNE, 2016

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 30 JUNE, 2016

7 Depreciation

1st July 2015	3,661,050	1,402,070	5,063,120
Charge for the Year	96,860	73,311	170,171
30th June 2015	3,757,910	1,475,381	5,233,157

8. Books Donated

250,093

1,163,694

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

9 Investment income(T/Bill) as at 30th June 2016

2015/2016

2014/2015

Description	Amount	Amount
July - Sep 2015	41,894.05	27,767.10
Oct - Dec 2015	29,994.05	
Jan - Mar 2016	83,339.90	26,790.05
April - June 2016	25,727.05	31,362.05
	180,955	85,919.00

10 Income from Sweeping Account

511,339

511,742

11 Property, Plant & Equipment

2015/2016	Furniture & Equipment	Computers & Accessories	Total
Cost or Valuation	Kshs.	Kshs.	Kshs.
1st July 2015	4,629,654	1,618,773	6,248,427
Additions		27,670	27,670
30th June 2016	4,629,654	1,646,443	6,276,097
Depreciation			
1st July 2015	3,661,050	1,402,070	5,063,120
Charge for the Year	96,860	73,311	170,171
30th June 2015	3,757,910	1,475,381	5,233,291

UNIVERSITY OF NAIROBI PRESS

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 30 JUNE, 2016

Net Book Value			
At 30th June 2016	871,744	170,062	1,042,806
At 30th June 2015	968,604	216,703	1,185,307

2014/2015	Furniture & Equipment	Computers & Accessories	Total
Cost or Valuation	Kshs.	Kshs.	Kshs.
1st July 2014	4,619,354	1,544,793	6,164,147
Additions	10,300	73,980	84,280
30th June 2015	4,629,654	1,618,773	6,248,427
Depreciation			
1st July 2014	3,548,169	1,309,198	4,857,367
Charge for the Year	112,881	92,872	205,753
30th June 2015	3,661,050	1,402,070	5,063,120
Net Book Value			
At 30th June 2015	968,604	216,703	1,185,307
At 30th June 2014	1,071,185	235,594	1,306,780

12 Inventories	2016	2015
	Kshs.	Kshs.
Scholarly Books	16,032,452	14,835,153
Secondary School Text Books	3,800,738	3,562,103
Work - in - Progress	289,000	194,000
	<u>20,122,190</u>	<u>18,591,256</u>

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

13 Trade and Other Receivables

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 30/6/2016,

the provision for Bad and doubtful Debts as follows:

Trade Receivables (Net)	1,062,687	796,953
Advance Royalties	42,977	68,487
Royalty overpayment	20,649	20,649
Total	<u>1,126,313</u>	<u>886,089</u>

UNIVERSITY OF NAIROBI PRESS

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 30 JUNE, 2016

	2016 Kshs .	2015 Kshs	
Trade Debtors (Gross)	2,037,955	2,317,817	Change for the year
Provision for bad & doubtful debts	(975,268)	(1,520,864)	545,596
Trade receivables (Net)	1,062,687	796,953	

Period of Debt		Rate	Provision for bad Debts
Above 6 years	857,192	100%	857,192
Below 6 years	1,180,763	10%	118,076
Total	2,037,955		975,268

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

14 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.

	2015/2016 Kshs.	2014/2015 Kshs.
Short term deposit re-invested	3,100,000	3,016,968
Interest re-invested for the year	229,980	85,919
	3,329,980	3,102,887

15 Cash and Cash Equivalent

(BBK - Queensway Hse. A/C No. 8245353)

Cash at Bank	7,920,576	7,563,712
Total	7,920,576	7,563,712

UNIVERSITY OF NAIROBI PRESS

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 30 JUNE, 2016

	2015/2016 Kshs.	2014/2015 Kshs.
16. 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 the years.-Ksh. 3,809,495		
Capital Fund	3,809,495	3,809,495
	<u>3,809,495</u>	<u>3,809,495</u>
17 Accumulated Profit (Loss)		
Accumulated Profit (Loss)		-
Accumulated Profit (Loss) Brought Forward- 01.07.2015	22,218,745	23,520,316
Prior years Donated books - deducted/ written off (re-stated)		(1,163,694)
Net acculated profit (Loss)- 01.07.2015	22,218,745	22,356,622
Accumulated grant from U.o.N (Staff costs, utilities & Rent expenses support)- refer UoN letter dated 25.04.2014 advising on the liability writte-off		
Profit (Loss) for the year	1,582,022	(137,877)
Accumulated profit/(Loss)	23,800,767	22,218,745
18. Other grants / sponsored books Kshs 1,056,000		
Sponsored Books	1,056,000	42,625
Total income from Other Sources	1,056,000	42,625

UNIVERSITY OF NAIROBI PRESS

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 30 JUNE, 2016

	2015/2016 Kshs.	2014/2015 Kshs.
19 Trade and Other Payables	2015/16 Kshs.	2014/15 Kshs.
Trade Creditors	77,705	137,256
Royalties	721,945	646,962
Provision for Audit Fees	92,800	92,800
Advances for Publication	3,983,153	3,487,028
Total	4,875,603	4,364,046