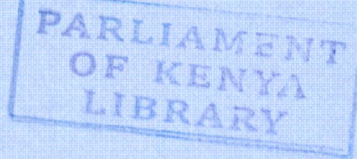


REPUBLIC OF KENYA



*paper laid by
Leader of Majority
on 29/10/14
Bumbi-*

KENYA NATIONAL AUDIT OFFICE



REPORT

OF

THE AUDITOR-GENERAL

ON

THE FINANCIAL STATEMENTS OF
KENYA INDUSTRIAL PROPERTY
INSTITUTE

FOR THE YEAR ENDED
30 JUNE 2013

KENYA INDUSTRIAL PROPERTY INSTITUTE



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FINANCIAL STATEMENTS

FOR THE YEAR

ENDED 30TH JUNE 2013



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GENERAL INFORMATION

INTRODUCTION

The Kenya Industrial Property Institute is a body corporate established under the Industrial Property Act 2001. The Act came into effect on 2nd May, 2002, but the Board was inaugurated in 2004 when the Institute was operating as Kenya Industrial Property Office in the Ministry of Trade and Industry. It is also worth noting that KIPI got authority to open an account in July, 2005.

MANDATE

The principal activity of the Kenya Industrial Property Institute is to examine applications and grant Industrial Property rights for patents, trademarks and industrial designs both local and international.

BOARD MEMBERS

1. Mr. Paul Lilan*	Chairman, KIPI Board	Lilan & Koech Associates
2. Mr. David M. Nguru	Member, KIPI Board	KEMRI
3. Mrs. Eunice K. Miima	"	Ministry of Industrialization
4. Dr. Marisella N. Ouma	"	Copyright Board
5. Prof. Tom Ojienda	"	Law Society of Kenya
6. Mr. Samuel Wambugu	"	KIRDI
7. Mr. Godfrey Kalerwa	"	NCST
8. Mr. Wilson King'athia	"	Ministry of Finance
9. Ms. Mary Lopokoiyit	"	Egerton University
10. Ms. Mercy Achola	"	KAM
11. Eng. Isaiah K. Chebii	"	Institute of Engineers of Kenya
12. Mr. Eliphaz Mutie	"	Micro & Small Enterprises Federation
13. Dr. Henry K. Mutai	MD, KIPI/Secretary	KIPI

*** Term expired on 3rd May, 2013**

KEY MANAGEMENT STAFF

1. Mr. John Onyango	Deputy Managing Director/Finance, Planning & Administration
2. Mr. Sylvance Sange	Deputy Managing Director/Technical Service
3. Mrs. Eunice Njuguna	Chief Legal Officer

- | | |
|-------------------------|---|
| 4. Mr. Charles Bariti | Chief Information & Documentation Officer |
| 5. Mr. David Njuguna | Chief Patents Examiner |
| 6. Mr. Leonard Kosgey | Chief Trademarks Examiner |
| 7. Mr. Samuel Ng'ethe | Chief Administrative Officer |
| 8. CPA Caroline Mawathe | Senior Accountant |

PHYSICAL LOCATION

Weights & Measures Building,
Popo Road, Off Mombasa Road,
South 'C',
P.O. Box 51648 – 00200
City Square,
NAIROBI.

AUDITORS

Auditor General,
Kenya National Audit Office,
Anniversary Towers,
P.O. Box 30084 – 00100,
NAIROBI.

BANKERS

Kenya Commercial Bank Limited,
Kipande House Branch,
P.O. Box 30012 – 00100,
NAIROBI.



REPORT OF THE BOARD OF DIRECTORS

The Board presents the Financial Statements for the year 1st July, 2012 ended 30th June, 2013

RESULTS

	2012/13 KSH.	2011/12 KSH.
Total Income for the Year	179,608,497	195,006,324
Less: Total Expenditure for the Year	140,096,527	138,117,362
Operating Surplus	39,511,970	56,888,962


MANAGING DIRECTOR/SECRETARY TO THE BOARD

CORPORATE GOVERNANCE STATEMENT

Corporate governance is the system of clearly defined authorities and responsibilities, which results in the establishment, operation, and maintenance of the system of internal control that is regularly tested to ensure effectiveness. The system enables the Board to ensure that the Institute runs smoothly. The Board has now formulated and developed financial procedures for the Institute.

At Kenya Industrial Property Institute we place a great deal of importance on robust corporate governance practices and are committed to applying the highest standards of business integrity and professionalism in all our activities. It has also introduced individual targets and performance indicators.

The Board of the Institute has formulated and applies sound internal corporate governance guidelines, which address the responsibilities of the Board, management and the staff.

The Board has set up three key Board committees to help in the implementation of its policy guidelines and strategic plan. These include;

- (i) Human Resource and Administration Committee
- (ii) Audit Committee
- (iii) Finance and General Purposes Committee

These Committees meet when there is need and are chaired by selected chairmen who are Board members.

The Committees report their findings to the Board for further deliberations.

The Board meets regularly and has a formal schedule of matters reserved to it. All Board members have access to the Board secretary.


CHAIRMAN OF THE BOARD


STATEMENT OF THE DIRECTORS RESPONSIBILITIES

The State Corporation Act, the Industrial Property Act 2001 and the Trade Marks Act Cap 506 require the Directors to prepare financial statements for each financial year, which give a true and fair view of the state of affairs of the Institute at the end of the financial year. It also requires the Directors to ensure the Institute keeps proper accounting records, which disclose the reasonable accuracy at any time of the financial position of the Institute. They are also responsible for safeguarding of the assets of the Institute.

The Board members accept responsibility for the annual financial statements, which have been prepared using appropriate accounting policies supported by reasonable and prudent judgement and estimates in conformity with International Financial Reporting Standards and in the manner required by the State Corporations Act, Industrial Property Act 2001 and the Trade Marks Act Cap 506. The Board members are of the opinion that the financial statements give a true and fair view of the state of the financial affairs. The Board members further accept responsibility for the maintenance of accounting records, which may be relied upon in the preparation of financial statements as well as adequate systems of internal financial control.

1. Board Member's Name DAVID M. NGUNU Date 4/2/2014

Signature



2. Board Member's Name Marisella Ouma Date 6/2/14

Signature M. OUMA



STATISTICAL INFORMATION

	<u>2012/13</u>	<u>2011/12</u>
	<u>AMOUNT (KSH.)</u>	<u>AMOUNT (KSH.)</u>
Capital Fund	71,696,434	35,696,435
Reserve Fund	255,884,202	216,372,232
Special Fund	190,640,445	187,542,382
Current Liabilities	3,450,000	3,050,000
Current Assets	521,671,081	425,711,562
Property, Plant and Equipment	14,151,946	16,249,487
WIP	37,471,250	
Intangible Assets (SMS Software)	490,000	700,000
Income	179,608,497	195,006,324
Expenditure	140,096,527	138,117,362
Surplus	39,511,970	56,888,962



REPUBLIC OF KENYA

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NAIROBI

KENYA NATIONAL AUDIT OFFICE

REPORT OF THE AUDITOR-GENERAL ON KENYA INDUSTRIAL PROPERTY INSTITUTE FOR THE YEAR ENDED 30 JUNE 2013

REPORT ON THE FINANCIAL STATEMENTS

I have audited the accompanying financial statements of Kenya Industrial Property Institute set out on pages 8 to 22, which comprise the statement of financial position as at 30 June 2013, and the statement of comprehensive income, statement of changes in accumulated fund and statement of cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information in accordance with the provisions of Article 229 of the Constitution of Kenya and Section 14 of the Public Audit Act, 2003. I have obtained all the information and explanations which, to the best of my knowledge and belief, were necessary for the purpose of the audit.

Management's Responsibility for the Financial Statements

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

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

Auditor-General's Responsibility

My responsibility is to express an opinion on the financial statements based on the audit and report in accordance with the provisions of Section 15 (2) of the Public Audit Act, 2003 and to submit the audit report in compliance with Article 229(7) of the Constitution of Kenya. The audit was conducted in accordance with International Standards on Auditing. Those standards require compliance with ethical requirements and that the audit be planned and performed to obtain reasonable assurance about whether the financial statements are free from material misstatement.

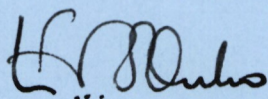
An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to

design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Institute'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 audit opinion.

Opinion

In my opinion, the financial statements present fairly, in all material respects, the financial position of the Institute as at 30 June 2013, 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 Industrial Property Act, 2001.



Edward R.O. Ouko, CBS
AUDITOR-GENERAL

Nairobi

7 May 2014

STATEMENT OF FINANCIAL POSITION AS AT 30TH JUNE, 2013

ASSETS	NOTES	<u>2012/13</u>	<u>2011/12</u>
NON CURRENT ASSETS			
		KSH.	KSH.
Property, Plant & Equipment	10 (a)	14,151,946	16,249,487
WIP	10 (a)	37,471,250	
		51,623,196	16,249,487
Intangible Assets	10 (b)	490,000	700,000
Total Non Current Assets		52,113,196	16,949,487
CURRENT ASSETS			
Inventories	13	7,807,490	6,329,999
Trade & Other Receivables	4	71,672,529	66,067,281
Investments	11	-	338,019,220
Cash & Bank Balances	9 (b)	390,077,866	15,295,062
		469,557,885	425,711,562
Total Assets		521,671,081	442,661,049
FUND, GRANTS AND LIABILITIES			
Capital Fund	8	71,696,434	35,696,435
Reserve Fund	3	255,884,202	216,372,232
Special Fund	12	190,640,445	187,542,382
		518,221,081	439,611,049
CURRENT LIABILITIES			
Trade & Other Payables	14	3,450,000	3,050,000
TOTAL FUNDS AND LIABILITIES		521,671,081	442,661,049

CHAIRMAN

MANAGING DIRECTOR



STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 30TH JUNE, 2013

	<u>NOTES</u>	<u>2012/13</u>	<u>2011/12</u>
		AMOUNT (KSH.)	AMOUNT (KSH.)
<u>INCOME</u>			
Operating Income	2(a)	161,415,661	153,561,104
Grants Received	2(c)	7,750,000	21,000,000
Operating Income		169,165,661	174,561,104
Other Income (Interest)	2(b)	10,442,836	20,445,220
Total Income		179,608,497	195,006,324
<u>EXPENDITURE</u>			
Operating Expenses	5	22,450,773	36,164,651
Administrative Expenses	7	8,395,007	11,749,473
Board Expenses	7	6,512,145	5,755,414
Staff Costs	6	98,925,776	80,087,503
Audit Fees	14	400,000	300,000
Depreciation	10 (a & b)	3,412,826	4,060,321
		140,096,527	138,117,362
Surplus for the Year		39,511,970	56,888,962



STATEMENT OF CHANGES IN ACCUMULATED FUND FOR THE YEAR ENDED 30TH JUNE, 2013

	CAPITAL	RESERVES	SPECIAL	TOTAL
	KSH.	KSH.	KSH.	KSH.
As at 1st July, 2011	35,696,435	159,483,270	181,228,618	376,408,323
Surplus for the Year	-	56,888,962	-	56,888,962
Growth in Special Fund During the Year	-	-	6,313,764	6,313,764
As at 30th June, 2012	35,696,435	216,372,232	187,542,382	439,611,049
As at 1st July, 2012	35,696,435	216,372,232	187,542,382	439,611,049
Surplus for the Year	-	39,511,970	-	39,511,970
Grants During the Year	35,999,999	-	-	35,999,999
Growth in Special Fund During the Year	-	-	3,098,063	3,098,063
As at 30th June, 2013	71,696,434	255,884,202	190,640,445	518,221,081

NOTE: Growth in the Special fund during the year was as a result of collections that does not constitute core activities of the Institute which is usually credited to the fund in line with Institute's policies.

STATEMENT OF CASH FLOW FOR THE YEAR ENDED 30TH JUNE, 2013

	<u>NOTES</u>	<u>2012/13</u>	<u>2011/12</u>
		KSH.	KSH.
<u>SOURCES OF FUNDS:</u>			
Surplus/Deficit for the Year		39,511,970	56,888,962
<u>ADJUSTMENTS FOR THE YEAR:</u>			
Depreciation	10 (a & b)	3,412,826	4,060,321
Cash Generated from Trading Activities		42,924,796	60,949,283
<u>OTHER SOURCES OF FUNDS:</u>			
Collections Generated from Non-Operating Activities	9 (a)	3,098,063	6,313,764
Total Generated from Operating Activities		46,022,859	67,263,047
<u>WORKING CAPITAL ITEMS:</u>			
Increase (Decrease) Trade & Other Payables		400,000	2,282,382
Decrease (Increase) in Inventory		(1,477,491)	(1,015,101)
Decrease (Increase) in Trade & Other Receivables		(5,605,248)	10,833,697
Net Cash Generated from Operating Activities		39,340,120	79,364,025
<u>CASHFLOW FROM INVESTING ACTIVITIES:</u>			
Purchase of Fixed Assets	10 (a)	(38,576,535)	(4,039,239)
Cashflow from Financing Activities	8	35,999,999	-
Net Cashflow from Investing Activities		36,763,584	75,324,786
Cash Equivalents at the Beginning of the Year		353,314,282	277,989,496
Cash Equivalents at the End of the Year		390,077,866	353,314,282
<u>SUMMARY OF CASH AND BANK BALANCES</u>			
Cash on Hand and Balance with Bank	9 (b)	390,077,866	15,295,062
Investments		-	338,019,220
TOTAL		390,077,866	353,314,282



NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR 1ST JULY, 2012 TO 30TH JUNE, 2013

1. SIGNIFICANT ACCOUNTING POLICIES

The principle accounting policies adopted in preparation of these financial statements are set out as below.

(a) THE BASIS OF ACCOUNTING

The financial statements are prepared in accordance and comply with the international reporting standards (IFRS). These statements have been prepared under the historical cost convention. These policies have been consistently applied to all years presented unless otherwise stated.

(b) ACCOUNTING FOR GRANTS

Grants are accounted for and charged to the Income Statement on accrual basis. The treatment complies with the matching of income and expenditure concept.

(c) INCOME RECOGNITION

- (i) The total income charged to income and expenditure Statement is recognized on accrual basis and credited to revenue account.
- (ii) Interest earned on investments is recognized as it accrues unless its collectibility is in doubt.

(d) PROPERTY, PLANT AND EQUIPMENT

All property, plant and equipment are initially recorded at historical cost less accumulated depreciation. Depreciation is calculated using the reducing balance method to write off the cost of each asset to its residual value over its estimated useful life.

(e) DEPRECIATION

Depreciation of property, plant and equipment is calculated to write off the cost or the revalued amounts on reducing balance basis using the following annual rates:

Furniture and Equipment	12.5%
Computers	30.0%
Motor Vehicles	25.0%

The excess annual depreciation attributable to revaluation surplus on property, plant and equipment is transferred annually from the revaluation surplus to the revenue reserve.

The assets residual values and lives are reviewed and adjusted if appropriate at each balance sheet date.

(f) CAPITAL FUND

This consists of cumulative figure from the donated assets capitalized at the cost price.

(g) INVENTORIES

The inventories included the stock of consumables and library books which are stated at the lower of cost and net realizable value.

(h) CURRENCY TRANSACTIONS

Assets and liabilities that are denominated in foreign currencies are translated into Kenya Shillings at the rates of exchange ruling on the balance sheet date. Transactions during the year, which are expressed in foreign currencies, are translated at the rates ruling on the dates of the transactions. Gains and losses on exchange are dealt with in the Income Statement.

(i) INTANGIBLE ASSETS

The intangible asset consisted of the SMS software acquired during the year and is to be amortized at the rate of 30% over a period of its useful life.

2. INCOME

	<u>2012/13</u> KSH.	<u>2011/12</u> KSH.
(a) Operating Income (Collections from Appropriation In Aid)	161,415,661	153,561,104
(b) Other Income (Interest)		
Interest from Treasury Bills	10,338,163	17,902,021
Accrued Interest	-	2,481,376
Interest on Account No. 1104 172 208 - Operation	57,167	47,454
Interest on Account No. 1103 867 768 - Deposit	47,506	14,369
Interest on Account No. 1104 693 363 - Revenue	-	-
Sub-total of Income	<u>10,442,836</u>	<u>20,445,220</u>
(c) Add: GOK Grants - Recurrent		
July		2,375,000
August	3,875,000	2,375,000
September		2,375,000
October		2,375,000
November	3,875,000	2,375,000
December		2,375,000
January		2,375,000
February		2,375,000
March		2,000,000
April		
May		
June		
	<u>7,750,000</u>	<u>21,000,000</u>
	<u>179,608,497</u>	<u>195,006,324</u>

3. RESERVE FUND

	<u>2012/13</u> KSH.	<u>2011/12</u> KSH.
Reserve Fund Charged to the Balance Sheet		
Consists of:		
(i) Balance B/F	216,372,232	159,483,270
(iii) Profit for the Year	39,511,970	56,888,962
	<u>255,884,202</u>	<u>216,372,232</u>

4. TRADE & OTHER RECEIVABLES

	2012/13	2011/12
	KSH.	KSH.
Fees Receivable from ARIPO & WIPO		
Contributions (ARIPO)	5,200,533	3,305,631
Contributions (WIPO)	55,223,788	47,909,016
Renewal Fees Due	11,214,880	11,973,000
Interest Receivable	-	2,481,376
	<u>71,639,201</u>	<u>65,669,023</u>
Staff Advances	33,328	398,258
	<u>71,672,529</u>	<u>66,067,281</u>

NOTE:

The receivable in dollars were converted into Kenya Shillings at the prevailing exchange rate as at 30th June, 2013 of 1 USD =80.79, 1 Swiss Franc = 83 after having adjusted for the exchange rate differential and net of commission chargeable by the bank. Direct swift transfers from ARIPO and WIPO do not attract bank commission and therefore were transferred at a high exchange than the domestic receipts in USD. and Swiss Francs.

Prepayments consisted of staff advances which are recoverable in one year.

5. OPERATING EXPENSES

	<u>2012/13</u>	<u>2011/12</u>
	KSH	KSH
	102,959	58,510
Communication Supplies and Services	802,706	2,278,120
Domestic Travel and subsistence, and other Transportation Costs	2,008,260	2,180,900
Foreign Travel and Subsistence, and other Transportation Costs	2,797,098	4,408,023
Printing, Advertising, and Information supplies and Services	4,047,443	6,642,000
Specialized Materials and Supplies	322,880	857,369
Office and General Supplies and Services	2,872,142	6,447,813
Fuel Oil and Lubricants	1,391,250	2,160,250
Other Operating Expenses - Contracted Guards, Cleaning Services & Contracted Professional Services	5,252,261	7,614,505
Routine Maintenance -Vehicles and Other Transport Equipment	1,022,946	1,230,530
Routine Maintenance - Other Assets	1,311,792	1,837,650
Valuation Fees	-	448,981
Bank Charges	519,036	-
TOTAL	<u>22,450,773</u>	<u>36,164,651</u>

6. STAFF COSTS

	<u>2012/13</u>	<u>2011/12</u>
Basic Salaries - Permanent Employees	52,053,829	41,817,056
Personal Allowances Paid as Part of Salary	30,485,483	25,687,132
Pension	7,625,039	5,948,804
Medical	8,761,425	6,634,511
	<u>98,925,776</u>	<u>80,087,503</u>



7. **ADMINISTRATIVE EXPENSES**

	<u>2012/13</u>	<u>2011/12</u>
	KSH.	KSH.
Training Expenses (Including Capacity Building)	2,124,108	2,608,395
Hospitality Supplies and Services	6,003,537	8,780,635
Membership Fees and dues, and Subscriptions to International Organizations	267,362	360,443
	8,395,007	11,749,473
Board Members Allowances	6,512,145	5,755,414
TOTAL	14,907,152	17,504,887

8. **CAPITAL FUND**

	<u>2012/13</u>	<u>2011/12</u>
	KSH.	KSH.
Balance B/f 1/7/2012	35,696,435	35,696,435
Capital Grants	35,999,999	
	71,696,434	35,696,435



9. NOTES TO THE STATEMENT OF CASH FLOW

(a) Reconciliation of Operation Surplus for the Year to Cash Generated from other operations

	<u>2012/13</u> KSH.	<u>2011/12</u> KSH.
Operating Surplus for the Year	39,511,970	56,888,962
Depreciation Charge for the Year	-	4,060,321
Collections from Non Operating Activities Including Adjustments for Investment Income	3,098,063	6,313,764
Net Cash Generated from Operations	<u>42,610,033</u>	<u>67,263,047</u>

(b) Analysis of Cash & Cash Equivalents

For the Purpose of Cashflow Statements, the year end Cash and Cash Equivalents Comprise of;

(i) Bank and Cash Balances

Bank Balance	389,520,483	14,931,605
Cash in Hand	557,383	363,457
Cheques at Hand		
	<u>390,077,866</u>	<u>15,295,062</u>

(ii) Investments

Treasury Bills	-	338,019,220
	<u>-</u>	<u>338,019,220</u>
	<u>390,077,866</u>	<u>353,314,282</u>

The Cash and Cash Equivalents include short-term liquid investments which are readily convertible to known amounts of cash and are subject to insignificant risk of changes in value.



10. NON CURRENT ASSETS**(a) FIXED ASSETS**

	MOTOR VEHICLES KSH.	WORK IN PROGRESS KSH.	COMPUTERS KSH.	FURNITURE & KSH.	TOTAL KSH.
Cost					
As at 1.7.11	16,681,306	-	13,573,753	20,047,556	50,302,615
Re-valuation	-	-	-	-	-
Additions	-	-	1,874,000	1,165,239	3,039,239
As at 30.06.12	16,681,306	-	15,447,753	21,212,795	53,341,854
Depreciation					
As at 1.7.11	13,636,455	-	10,427,819	9,267,772	33,332,046
Charge for the Year	761,213	-	1,505,980	1,493,128	3,760,321
As at 30.06.12	14,397,668	-	11,933,799	10,760,900	37,092,367
NET BOOK VALUE					
As at 30th June, 2012	2,283,638	-	3,513,954	10,451,895	16,249,487
As at 30th June, 2011	3,044,851	-	3,145,934	10,779,784	16,970,569
Cost					
As at 1.7.12	16,681,306	-	15,447,753	21,212,795	53,341,854
Re-valuation	-	-	-	-	-
Additions	-	37,471,250	760,470	344,815	38,576,535
As at 30.06.12	16,681,306	37,471,250	16,208,223	21,557,610	91,918,389
Depreciation					
As at 1.7.12	14,397,668	-	11,933,799	10,760,900	37,092,367
Charge for the Year	570,910	-	1,282,327	1,349,589	3,202,826
As at 30.06.12	14,968,578	-	13,216,126	12,110,489	40,295,193
NET BOOK VALUE					
As at 30th June, 2013	1,712,728	37,471,250	2,992,097	9,447,121	51,623,196
As at 30th June, 2012	2,283,638	-	3,513,954	10,451,895	16,249,487

(b)

	INTANGIBLE ASSETS SMS SOFTWARE KSH.	TOTAL KSH.
Cost 1/7/11		
Additions	1,000,000	1,000,000
As at 30.06.12	1,000,000	1,000,000
<u>Ammortisation</u>		
Charge for the Year	300,000	300,000
As at 30.06.12	300,000	300,000
NET BOOK VALUE		
As at 30th June, 2012	700,000	700,000
Cost 1/7/12	1,000,000	1,000,000
Additions	-	-
As at 30.06.13	1,000,000	1,000,000
<u>Ammortisation</u>		
As at 1.7.2012	300,000	300,000
Charge for the Year	210,000	210,000
As at 30.06.12	510,000	510,000
NET BOOK VALUE		
As at 30th June, 2013	490,000	490,000
As at 30th June, 2012	700,000	700,000

11. INVESTMENTS

	<u>2012/13</u>	<u>2011/12</u>
	KSH.	KSH.
Balance B/F		
Treasury Bills	-	338,019,220
Treasury Bills	-	-
Treasury Bills	-	-
	<u>-</u>	<u>338,019,220</u>

This is the short-term liquid investment in Treasury Bills as at 30th June, 2013 which are amounts of cash and within three months to maturity.

12. SPECIAL FUND

These are deposits being collections of publication and advertisement of the Industrial Property Journals

	<u>2012/13</u>	<u>2011/12</u>
	KSH.	KSH.
Balances as at 30/6/12	187,542,382	181,228,618
Add Collections During the Year	3,098,063	6,313,764
Total Charged to the Balance Sheet as per the Accounts	<u><u>190,640,445</u></u>	<u><u>187,542,382</u></u>

13. INVENTORY

The inventory comprises of the following :

	<u>2012/13</u>	<u>2011/12</u>
	KSH.	KSH.
Stock of Consumables	4,353,877	3,227,974
Library Books	3,453,613	3,102,025
as per the Accounts	<u><u>7,807,490</u></u>	<u><u>6,329,999</u></u>

14. TRADE AND OTHER PAYABLES

The trade payables are stated at their nominal value and comprise of:-

	<u>2012/13</u>	<u>2011/12</u>
	KSH.	KSH.
Miscellaneous Suppliers b/f	3,050,000	2,750,000
Audit Fees	400,000	300,000
	<u>3,450,000</u>	<u>3,050,000</u>

15. GENERAL NOTES

(a) OWNERSHIP

KIPI is 100% Government owned.

(b) RETIREMENT BENEFIT OBLIGATIONS

The appointed trustees manage the KIPI Staff Retirement Benefits Scheme. The Institute has appointed Alexander and Forbes as the managing agency for the staff retirement benefits scheme. The agency gives periodical reports and prepares the fund accounts annually outlining the investments for the scheme.

