

REPUBLIC OF KENYA



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*By Hon Aden Duale*  
*Leader of Majority*  
*Tues 13/11/14*  
*[Signature]*



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**REPORT**  
**OF**  
**THE AUDITOR-GENERAL**  
**ON**  
**THE FINANCIAL STATEMENTS OF**  
**UNIVERSITY OF NAIROBI PRESS**  
**FOR THE YEAR ENDED**  
**30 JUNE 2013**

UNIVERSITY OF NAIROBI PRESS

ANNUAL REPORT  
AND  
FINANCIAL STATEMENTS  
FOR  
THE YEAR ENDED 30 JUNE, 2013

# UNIVERSITY OF NAIROBI PRESS

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# REPUBLIC OF KENYA

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P.O. Box 30084-00100  
NAIROBI

## KENYA NATIONAL AUDIT OFFICE

### REPORT OF THE AUDITOR-GENERAL ON UNIVERSITY OF NAIROBI PRESS FOR THE YEAR ENDED 30 JUNE 2013

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#### REPORT ON THE FINANCIAL STATEMENTS

I have audited the accompanying financial statements of University of Nairobi Press set out on pages 8 to 15, which comprise the statement of financial position as at 30 June 2013, 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 of Kenya and Section 14 of the Public Audit Act, 2003. I have obtained all the information and explanations which, to the best of my knowledge and belief, were necessary for the purpose of the audit.

#### **Management's Responsibility for the Financial Statements**

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

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

#### **Auditor-General's Responsibility**

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of

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

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

### **Basis for Qualified Opinion**

#### **1. Late Submission of Financial Statements**

Although the Public Audit Act, 2003 require every corporation to prepare financial statements and submit to the Auditor-General for audit within three (3) months after the end of the year to which the accounts relate, the University of Nairobi Press financial statements for the year ended 30 June 2013 were submitted on 7 November 2013, 38 days after the statutory deadline of 30 September 2013. The University of Nairobi Press is therefore in breach of the Law.

#### **2. Going Concern**

During the year under review, the University of Nairobi Press recorded a loss of Kshs.20,934,490 (2012 – Kshs.18,255,646) resulting in an accumulated loss of Kshs.104,289,340 as at 30 June 2013. As in the previous year, the loss was attributed to significant expenditure incurred on staff emoluments, which for the year ended 30 June 2013 stood at Kshs.20,580,467 representing approximately 86% of total expenditure of Kshs.23,994,942 compared to a paltry income of Kshs.3,060,445. Further, the current liabilities of Kshs.129,070,224 exceeded the current assets of Kshs.27,368,201 as at 30 June 2013 resulting in a negative working capital of Kshs.101,702,023 as at 30 June 2013. The Press is therefore technically insolvent. However, the financial statements have been prepared on a going concern basis on the assumption of continued financial support from the University of Nairobi and creditors.

#### **3. Inaccuracies in the Financial Statements**

- (i) The restated accumulated loss opening balance of Kshs.83,354,843 in the statement of changes in equity differs with the restated comparative balance of Kshs.83,230,878 in the statement of financial position. The difference of Kshs.123,965 has not been explained or reconciled.
- (ii) The statement of cash flow reflects a decrease in trade and other receivables of Kshs.520,629 and an increase in trade and other payables of Kshs.22,757,818. However, the statement of financial position reflects a decrease of Kshs.573,421 for

trade and other receivables and an increase of Kshs.22,770,618 for trade and other payables resulting in unexplained and unreconciled difference of Kshs.52,792 and Kshs.12,800 respectively. Consequently, the accuracy of the financial statements could not be confirmed.

#### **4. Annual General Meeting**

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

#### **5. Trade and Other Receivables**

The trade and other receivables balance of Kshs.1,219,983 includes long outstanding debtors of Kshs.1,158,080 which have been outstanding for more than six (6) years and for which full provision for bad and doubtful debts has been made, and a balance of Kshs.393,483 aged between 1 and 6 years for which only 10% provision for bad and doubtful debt has been made. Consequently, full recoverability of the trade and other receivables balance of Kshs.1,219,983 as at 30 June 2013 could not be confirmed.

#### **6. Short Term Deposit**

The short term deposit balance of Kshs.2,868,044 includes Treasury Bills amounting to Kshs.2,000,000 whose certificate of balance was not availed for audit review. Consequently, the validity of the short term deposit balance of Kshs.2,868,044 as at 30 June 2013 could not be ascertained.

#### **7. Inventories**

The Inventories balance of Kshs.15,064,116 as at 30 June 2013 excludes undetermined value of 1,143 assorted books donated to the Press during the year. Under the circumstances, the accuracy of inventories balance of Kshs.15,064,116 as at 30 June 2013 could not be confirmed.

#### **Qualified Opinion**

In my opinion, except for the effect of matters described in the Basis for Qualified Opinion paragraph, the financial statements present fairly, in all material respects, the financial position of the Press as at 30 June 2013, and of its financial performance and cash flows for the year then ended, in accordance with International Financial Reporting Standards and comply with the Company's Act, Cap. 486 of the Laws of Kenya.

## REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

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

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



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

**Nairobi**

**7 April 2014**

# UNIVERSITY OF NAIROBI PRESS

## INSTITUTIONAL DETAILS

The Directors have pleasure in submitting the Annual Report and Accounts for the year ended 30 June 2013.

## 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 Loss of KSh. (20,934,497.00) from operations.

## DIRECTORS

The Directors who held office during the year were:

### Chairman of the University of Nairobi Council

*Idle Omar Farah PhD (Uppsala, BVM, (Nairobi) Appointed 7 February 2013*

*John P.N. Simba, MBS, OGW, LL.B (Dar-es-Salaam ) Retired*

### Vice-Chancellor

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

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

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

### Deputy Vice-Chancellor (Academic Affairs)

*H. W. Mutoro, B.Ed., M.A. (Nairobi) C.Phil., PhD (UCLA)*

*J.T. Kaimenyi, B.D.S. (Nairobi) M.D.S. (Mangalore, India) Ph.D. (Nairobi) Retired May 2013*

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

*Ogeng'o, J. A., BSc, MBChB, PhD, (Nairobi)*

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

*J.K. Kirimania, B.A., (Nairobi) P.G.D. Mass Communication (Nairobi)*

## BANKERS

Barclays Bank of Kenya Limited.

## AUDITORS

Auditor-General

Kenya National Audit Office

P. O. Box 30084-00100, GPO

Nairobi, Kenya

## REGISTERED OFFICE

University of Nairobi Press

P. O. Box 30197-00100 GPO

Nairobi, Kenya

Telephone: 318262 Ext. 28581

Fax: 245566, E-mail: [nup@uonbi.ac.ke](mailto:nup@uonbi.ac.ke).

# UNIVERSITY OF NAIROBI PRESS

## UNIVERSITY OF NAIROBI PRESS BOARD REPORT

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

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

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

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

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

### **Primary and Secondary Schools Textbooks**

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

### **Reaching the Community**

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

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

# UNIVERSITY OF NAIROBI PRESS

## UNIVERSITY OF NAIROBI PRESS BOARD REPORT CONTINUED

### Marketing

Our marketing section has continued to:


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

### Performance Targets

The UONP has prepared performance targets for the year 2012/2013 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. R. KIRIMANIA

Ag. Managing Editor, University of Nairobi Press.

# UNIVERSITY OF NAIROBI PRESS

## STATEMENT OF DIRECTOR'S RESPONSIBILITIES

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

The UONP Board accepts responsibility for the financial statements, which have been prepared using appropriate accounting policies supported by reasonable and prudent judgments and estimates, consistent with previous years and in conformity with International Financial Reporting Standards. The UONP Board is of the opinion that financial statements give a true and fair view of the state of the financial affairs of the Press as at 30 June 2013. The UONP Board further confirms the accuracy and completeness of the accounting records maintained by the Press, which have been relied upon in the preparation of the financial statements, as well as on the adequacy of the system of internal financial control.

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



J.K. KIRIMANIA

AG. MANAGING EDITOR

UONP



G.A.O. MAGOHA

DIRECTOR

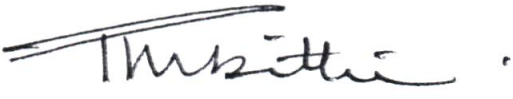
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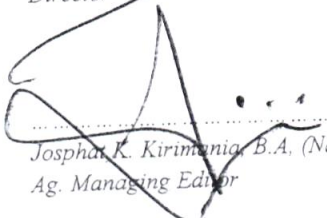
Auditor's Report  
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UNIVERSITY OF NAIROBI PRESS  
STATEMENT OF FINANCIAL POSITION  
AS AT 30 JUNE 2013

ASSETS	NOTE	2013 Kshs.	2012 Kshs.
<b>Non-Current Assets</b>			
Property, Plant and Equipment	4	<u>1,222,178.00</u>	<u>1,276,184.00</u>
<b>Current Assets</b>			
Inventories	5	15,064,116.00	13,505,255.00
Trade and Other Receivables	6	1,219,983.00	1,793,404.00
Short Term Deposit	7	2,868,044.00	2,730,024.00
Cash and Cash Equivalents	8	7,919,398.00	7,276,696.00
Sponsored Books Stock	13	296,660.00	296,660.00
		<u>27,368,201.00</u>	<u>25,602,039.00</u>
<b>TOTAL ASSETS</b>		<u><u>28,590,379.00</u></u>	<u><u>26,878,223.00</u></u>
<b>FUNDS AND LIABILITIES</b>			
Capital Fund	9	3,809,495.00	3,809,495.00
Accumulated (Loss)		(104,289,340.00)	(83,230,878.00)
		<u>(100,479,845.00)</u>	<u>(79,421,383.00)</u>
<b>Non-Current Liabilities</b>			
<b>Current Liabilities</b>			
Trade and Other Payables	10	129,070,224.00	106,299,606.00
<b>TOTAL FUNDS AND LIABILITIES</b>		<u><u>28,590,379.00</u></u>	<u><u>26,878,223.00</u></u>

  
G.A.O. Magoha, MBS, IOM, MBBS (Lagos), FRCS, FWACS, FICS, FABI, FIBA, MSIC, FMCS(Urol) MKNAS  
Director

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

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

UNIVERSITY OF NAIROBI PRESS  
 STATEMENT OF COMPREHENSIVE INCOME  
 FOR YEAR ENDED 30 JUNE 2013

	NOTES	2013 KSHS	2012 KSHS
<b>INCOME</b>			
Trading Profit	12(a)	2,324,293.00	1,159,606.00
<b>Other Sources</b>			
Income from Short Term Deposits	7	138,020.00	227,249.00
Income from Sweeping Account		490,515.00	993,788.00
Overprovision write-backs	12(b)	58,378.00	-
Miscellaneous income	12(b)	49,239.00	70,877.00
<b>TOTAL INCOME</b>		<b>3,060,445.00</b>	<b>2,451,520.00</b>
<b>OPERATING EXPENSES:</b>			
Staff Emoluments	10(e)	20,580,467.00	17,354,224.00
Rent and Utilities	10(f)	1,615,200.00	1,615,200.00
Royalties	10(a)	342,228.00	381,712.00
Stationery and Office Expenses		557,682.00	457,581.00
Mileage and Traveling Expenses		254,217.00	222,220.00
Annual Subscription Fees (KPA)		55,000.00	55,000.00
Promotion & Marketing		208,100.00	184,599.00
Training and Workshops		32,000.00	-
Audit Fees (provision)	10(c)	92,800.00	92,800.00
Provision for Doubtful Debts	6(a)		27,948.00
Bank Charges		14,607.00	44,025.00
Computer Maintenance		-	
Photocopier Maintenance Charges		-	13,499.00
Depreciation	4	242,641.00	258,358.00
<b>TOTAL OPERATING EXPENSES</b>		<b>23,994,942.00</b>	<b>20,707,166.00</b>
<b>PROFIT/ (LOSS) FOR THE YEAR</b>		<b>(20,934,497.00)</b>	<b>(18,255,646.00)</b>

UNIVERSITY OF NAIROBI PRESS  
 STATEMENT OF CASH FLOW  
 FOR YEAR ENDED 30 JUNE 2013

	Note	1 2013 Kshs.	2012 Kshs.
<b><u>Cash Flow from Operating Activities</u></b>			
Net Profit (Loss) for the Year		(20,934,497.00)	(18,255,285.00)
<b>Adjustments for:</b>			
Depreciation	4	242,641.00	258,358.00
Over-provisions w/back		(58,378.00)	-
Operating (Deficit)/ Surplus			27,948.00
<b>Before working Capital Changes</b>		<b><u>(20,750,234.00)</u></b>	<b><u>(17,968,979.00)</u></b>
(Increase)/Decrease in Inventories	5	(1,558,861.00)	310,570.00
(Increase)/Decrease in Trade and other receivables	6	520,629.00	(369,930.00)
(Increase)/Decrease in Trade debtors understated in 2011/12			(81,823.00)
Increase/ (Decrease) in Trade and other payables	10	22,757,818.00	19,915,694.00
Prior yr adj.: Earlier years' Advance recoveries			21,178.00
<b>Net Cash Flow from Operating Activities</b>		<b><u>969,352.00</u></b>	<b><u>1,826,710.00</u></b>
<b><u>Cash Flow from Investing Activities</u></b>			
Purchase of Equipment	4	(188,635.00)	(124,115.00)
<b>Net Cash Flow from Investing Activities</b>		<b><u>(188,635.00)</u></b>	<b><u>(124,115.00)</u></b>
<b>Net Increase/ (Decrease) in Cash and Cash Equivalent</b>		<b>780,717.00</b>	<b>1,702,595.00</b>
<b><u>Movement in Cash and Cash Equivalent</u></b>			
Cash and Cash Equivalent at Beginning of Year		10,006,720.00	<u>8,304,125.00</u>
Rounding Difference		<u>5.00</u>	
<b>Cash and Cash Equivalent at End of Year</b>		<b><u>10,787,442.00</u></b>	<b><u>10,006,720.00</u></b>

# UNIVERSITY OF NAIROBI PRESS

## STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 30 JUNE 2013

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

	Accumulated Loss	Capital Fund	Total
	Ksh	Ksh	Ksh
Balance As at 01.07.2011	(65,199,658.00)	3,809,495.00	(61,390,163.00)
<b>Adjustment</b>			-
Surplus/ (Deficit)	(18,255,617.00)	-	(18,255,617.00)
Prior yr adj.: Advances recovered in YR 2010/2011	25,979.00		25,979.00
Prior yr adj.: Earlier years' Advance recoveries	<b>29,457.00</b>		<b>29,457.00</b>
Balance As at 30th June 2012	<u>(83,399,839.00)</u>	<u>3,809,495.00</u>	<u>(79,590,344.00)</u>

UNIVERSITY OF NAIROBI PRESS  
 NOTES TO THE ACCOUNTS  
 FOR THE YEAR ENDED 30 JUNE, 2013

1 Significant Accounting Policies

1.1 The Accounts are prepared under the historical cost convention.

1.2 Property, plant and equipment are stated at cost.

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

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

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

2 Taxation

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

3 Currency

The accounts are expressed in Kenya shillings (Kshs).

4 Property, Plant & Equipment

	Furniture & Equipment	Computers & Accessories	Totals 2012/13	Totals 2011/2012
	Kshs.	Kshs.	Kshs.	Kshs.
<b>Cost or Valuation</b>				
1st July 2012	4,239,764.00	1,431,158.00	5,670,922.00	5,471,807.00
Additions	75,000.00	113,635.00	188,635.00	199,115.00
<b>30th June 2013</b>	<b>4,314,764.00</b>	<b>1,544,793.00</b>	<b>5,859,557.00</b>	<b>5,670,922.00</b>
<b>Depreciation</b>				
1st July 2012	3,330,749.00	1,063,989.00	4,394,738.00	4,136,380.00
Charge for the Year	98,400.00	144,241.00	242,641.00	258,358.00
<b>30th June 2013</b>	<b>3,429,149.00</b>	<b>1,208,230.00</b>	<b>4,637,379.00</b>	<b>4,394,738.00</b>
<b>Net Book Value</b>				
At 30th June 2013	<b>885,615.00</b>	<b>336,563.00</b>	<b>1,222,178.00</b>	<b>1,276,184.00</b>
At 30th June 2012	909,015.00	367,169.00	1,276,184.00	

5 Inventories

	2013 Kshs.	2012 Kshs.
Scholarly Books	11,142,029.00	9,621,648.00
Secondary School Text Books	3,807,087.00	3,793,607.00
Work - in - Progress	115,000.00	90,000.00
	<b>15,064,116.00</b>	<b>13,505,255.00</b>

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

UNIVERSITY OF NAIROBI PRESS  
 NOTES TO THE ACCOUNTS  
 FOR THE YEAR ENDED 30 JUNE, 2013

6 Trade and Other Receivables

	2013 Kshs.	2012 Kshs.
Trade Receivables (Net)	1,064,454.00	1,620,184.00
Advance Royalties	83,706.00	91,397.00
Royalty overpayment	71,823.00	81,823.00
<b>Total</b>	<b>1,219,983.00</b>	<b>1,793,404.00</b>

(a) **Trade Receivables** - UONPress 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 30/6/2012, the provision for Bad and doubtful Debts as follows:

	2013 Kshs.	2012 Kshs.
Trade Debtors (Gross)	2,340,806.00	2,954,914.00
Provision for bad & doubtful debts	(1,276,352.00)	(1,334,730.00)
<b>Trade receivables (Net)</b>	<b>1,064,454.00</b>	<b>1,620,184.00</b>

Period of Debt	Gross (Kshs)	Rate	Net (Kshs)
Above 6 years	1,158,080.00	100%	1,158,080.00
Below 6 years	1,182,726.00	10%	118,272.00
<b>Total</b>	<b>2,340,806.00</b>		<b>1,276,352.00</b>

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

7 Short Term Deposits Deposits

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

	2013 Kshs.	2012 Kshs.
Short term deposit re-invested	2,730,024.00	2,502,775.00
Interest re-invested for the year	138,020.00	227,249.00
	<b>2,868,044.00</b>	<b>2,730,024.00</b>

8 Cash and Cash Equivalents

	2013 Kshs.	2012 Kshs.
Cash at Bank (BBK - Queensway Hse. A/C No. 8245353)	7,919,398.00	7,276,696.00
Cash at Hand		
<b>Total</b>	<b>7,919,398.00</b>	<b>7,276,696.00</b>

9 Capital Fund

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

	2013 Kshs.	2012 Kshs.
Capital Fund	3,809,495.00	3,809,495.00
	<b>3,809,495.00</b>	<b>3,809,495.00</b>

UNIVERSITY OF NAIROBI PRESS  
 NOTES TO THE ACCOUNTS  
 FOR THE YEAR ENDED 30 JUNE, 2013

10 Trade and Other Payables

	2013 Kshs.	2012 Kshs.	
Trade Creditors	169,651.00	96,099.00	
Royalties	708,064.00	629,654.00	
Current Account - UoN	15,069,739.00	14,650,042.00	
Provision for Audit Fees	92,800.00	92,800.00	
Advances for Publication	2,905,704.00	2,905,704.00	
Staff Emoluments	98,817,866.00	78,237,399.00	<b>Accrued</b>
Rent and Other Utilities	11,306,400.00	9,691,200.00	
<b>Total</b>	<b>129,070,224.00</b>	<b>106,302,898.00</b>	

(a) **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.

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

(c) **Provision for Audit Fees** - Kshs. 92800.00 was provided as audit fees for current year ended 30th June 2013. The audit fees for year ended 30th June 2012 was paid during the year.

(d) **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 6 sponsored titles, 0. were published during the year. The Gain on publication of these titles amounted to Kshs 0... Kshs 2,905,704/ has been accrued for publication of the 6 titles.

(e) **Staff Emoluments**

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

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

	2012 Kshs.	2011 Kshs.
Total Gross Salary (Including Leave Allowance)	18,411,297.00	13,953,870.00
Pension Contribution (20% of basic)	1,907,483.00	1,287,937.00
Medical Benefits	261,687.00	256,750.00
<b>Total Salary and Other Benefits</b>	<b>20,580,467.00</b>	<b>15,498,557.00</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.

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

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