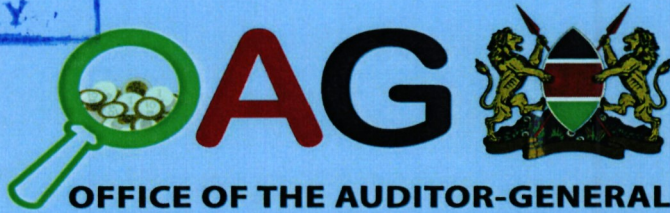


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**REPORT**

DATE: 28 FEB 2023 DAY: TUESDAY

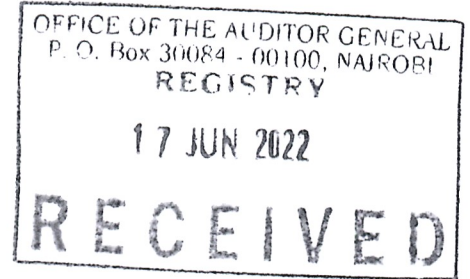
TABLED BY: The Leader of the Majority Party (LOM) OF (Indroju Mwale)

**THE AUDITOR-GENERAL**

**ON**

**UNIVERSITY OF NAIROBI PRESS**

**FOR THE YEAR ENDED  
30 JUNE, 2021**



---

# UNIVERSITY OF NAIROBI PRESS

## REPORTS AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED  
30 JUNE, 2021

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

# UNIVERSITY OF NAIROBI PRESS

Annual Reports and Financial Statements for the year ended 30 June 2021

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## **UNIVERSITY OF NAIROBI PRESS**

Annual Reports and Financial Statements for the year ended 30 June 2021

### **I. INSTITUTIONAL DETAILS**

The Directors have the pleasure of submitting the Annual Report and Accounts for the year ended 30 June, 2021.

#### **INCORPORATION**

University of Nairobi Press is a company incorporated in Kenya under the Companies Act. It is limited by guarantee and does not have any share capital.

#### **PRINCIPAL ACTIVITIES**

The principal activity of the University of Nairobi Press is publishing scholarly books.

#### **RESULTS FOR THE YEAR**

During the year, The University of Nairobi Press reported a net deficit of Kshs. 201,831 from its operations.

#### **BANKER**

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

#### **AUDITOR-GENERAL**

The Office of 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: 4910000 Ext. 28581  
E-mail: *nup@uonbi.ac.ke*

## UNIVERSITY OF NAIROBI PRESS

Annual Reports and Financial Statements for the year ended 30 June 2021

### II. DIRECTORS

NO	NAME	DESIGNATION
1.	Prof. Stephen G. Kiama	Member
2.	Ms. Pamellah Asule	Member



#### PROF. STEPHEN GITAHI KIAMA

Prof. Stephen Gitahi Kiama, born in 1964, is currently the Vice Chancellor and a Member of Council. He is a Professor of Structural Biology from University Of Bern in Switzerland. He was the Deputy Vice-Chancellor, Human Resource and Administration and the Acting Deputy Vice Chancellor In-Charge of Finance, Planning and Development, a position he held till his appointment as the vice chancellor. previously he served as the principal, college of agriculture and veterinary sciences from 2016 to 2019, director of Wangari Maathai Institute for Peace and Environmental Studies from 2010 to 2016, Chairman Of The Department Of Veterinary Anatomy And Physiology from 2005 to 2010, Acting Dean Of The Faculty of Veterinary Medicine in 2014 and Associate Dean Of The Faculty Of Veterinary Medicine from 2003 to 2010.

## UNIVERSITY OF NAIROBI PRESS

Annual Reports and Financial Statements for the year ended 30 June 2021



### **MS PAMELLAH ADAMBA ASULE**

Ms Pamellah A. Asule, born in 1968, is the Ag. Managing Editor of the University of Nairobi Press where she has been serving as Science Editor since 2004. She previously worked as Editorial Assistant (Science) at Longhorn Publishers. Ms Asule holds a Master of Arts degree in Communication Studies from the University of Nairobi and a Master of Environmental Studies degree from Kenyatta University. She obtained her Bachelor of Science Degree (Botany and Zoology) from Kenyatta University. She has edited numerous science publications targeting readers at different levels.

## UNIVERSITY OF NAIROBI PRESS

Annual Reports and Financial Statements for the year ended 30 June 2021

### III. MANAGEMENT TEAM

NO.	NAME	DESIGNATION
1	MS. PAMELLAH A. ASULE	Ag. Managing Editor & Science Editor
2	Mr. Charles Sikulu	Humanities Editor
3	Ms. Njeri Muhoro	Social Sciences Editor
4	Mr. David Gitanga	Accountant



Ms. Pamellah A. Asule  
Ag. Managing Editor



Mr. Charles Sikulu  
Humanities Editor



Ms. Njeri Muhoro  
Social Sciences Editor



Mr. David Gitanga  
Accountant

## UNIVERSITY OF NAIROBI PRESS

Annual Reports and Financial Statements for the year ended 30 June 2021

### IV. REPORT OF THE CHIEF EXECUTIVE

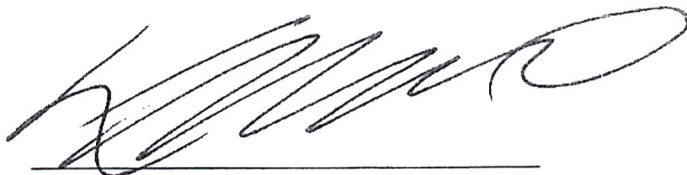
I am pleased to present the Annual Report and Accounts of the University of Nairobi Press for the year ended June 30, 2021.

During the year under review, the University of Nairobi Press recorded a deficit of Ksh. 201,831 compared to a deficit of Ksh. 321,654 incurred in 2019/2021.

Driven by the desire to exploit the enormous potential of the Press in the promotion of research, innovation and scholarship as core objectives of the University, we examined the actions required to achieve a vibrant publishing entity. Therefore, the year under review saw us invest our energies in reviving the governance structures and seeking viable options for financial sustainability. These efforts will continue until we achieve a revitalised publishing outfit for the University.

The scholarly community is experiencing an increase in the demand for scholarly publishing services, and products, among both faculty and postgraduate students seeking career advancement and academic qualification respectively. The Press is expected to be adequately prepared to serve this need. The prospects for expanded business opportunities are clear. Our task is to seek ways of translating this need into adequate earnings to sustain the operations of the company. I also foresee an increase in the level of research collaboration from the expected elevated visibility of University research.

I would like to express my sincere thanks to the University of Nairobi Press staff who have continued to work tirelessly in maintaining smooth operations in the company as we look forward to improved performance.



---

PROF. S.G. KIAMA  
VICE-CHANCELLOR

## **UNIVERSITY OF NAIROBI PRESS**

Annual Reports and Financial Statements for the year ended 30 June 2021

### **V. STATEMENT OF CORPORATE GOVERNANCE**

Corporate governance is the process by which organizations are directed, controlled and held to account. The University of Nairobi Press management is responsible for the overall governance of the Press, which also includes being accountable to the stakeholders in ensuring that the company complies with the law and best practices in addition to observing business ethics. The University of Nairobi Press management is committed to the need to conduct the business and operations of the company with integrity and in accordance with generally accepted standards while also ensuring adherence to the internationally developed principles of good corporate governance.

### **VI. 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, the Press engaged with school children in different forums to entrench the culture of critical thinking, reading, and writing as key factors in the development of a healthy and productive mental attitude.

## UNIVERSITY OF NAIROBI PRESS

Annual Reports and Financial Statements for the year ended 30 June 2021

### VII. BOARD REPORT

#### Board Members

In the financial year 2020/2021, the following were the directors of University of Nairobi Press Ltd;

1. Prof. Stephen Kiama.
2. Ms. Pamellah A. Asule.

#### Principal Activities

The following were the principal activities for University of Nairobi Press Ltd during the financial year 2020/2021;

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

The business of the University of Nairobi Press, whose financial results are reported here, was guided by the 2020/2021 performance contract. The UoN Press similarly adhered to the procedures and quality standards of the University of Nairobi as our parent institution and to the national values espoused in the relevant government documents and circulars. However, the company faced various financial and staff constraints that had implications on its performance.

During the year under review, the issue of revamping the company remained on the agenda for consideration by the Board of Directors. Some work went into seeking approval to convene a Board of Directors' meeting with the need to file annual returns being given top priority. In addition to ensuring compliance with the law, a Board of Directors meeting will pave way for the company to address other pertinent issues effectively.

The UoN Press will continue to exploit the opportunities offered by the demand for scholarly publishing services and products. During the year, we reviewed our service delivery charter to entrench customer satisfaction as a crucial driving force behind our operations. I believe that our renewed impetus to enhance customer satisfaction will enable the provision of well-targeted services. We shall also take advantage of

**UNIVERSITY OF NAIROBI PRESS**

Annual Reports and Financial Statements for the year ended 30 June 2021

the digital distribution platforms and partnerships which offer crucial cost-effective solutions to doing business.

I believe that this financial report will offer the basis for even further improvement as the company reflects on the options for progress in a challenging scholarly publishing business environment.



**PAMELLAH A. ASULE**  
**AG. MANAGING EDITOR**

## UNIVERSITY OF NAIROBI PRESS

Annual Reports and Financial Statements for the year ended 30 June 2021

### VIII. STATEMENT OF THE UNIVERSITY OF NAIROBI PRESS PERFORMANCE AGAINST PREDETERMINED OBJECTIVES FOR FY 2020/2021

Strategic Pillar/Theme/Issues	Objective	Key Performance Indicators	Activities	Achievements
Publishing	To produce 19 Published books by the end of the year.	Number of books	To Publish scholarly, tertiary and secondary books.	There were no publications during the year.
Distribution	To sell and distribute 100 published books during the year.	Number of books	Selling and distribution	36 sales recorded during the year.

## UNIVERSITY OF NAIROBI PRESS

Annual Reports and Financial Statements for the year ended 30 June 2021

### IX. STATEMENT OF DIRECTORS' RESPONSIBILITIES

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

The 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 Board is of the opinion that the financial statements presented offer a true and fair view of the state of the financial affairs of the University of Nairobi Press as at 30 June 2021. The Board further confirms the accuracy and completeness of the accounting records maintained by the company, which have been relied upon in the preparation of the financial statements, as well as the adequacy of the system of internal financial control.

This statement is not approved by the Board, but is signed on its behalf by:



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PAMELLAH A. ASULE  
AG. MANAGING EDITOR  
DIRECTOR

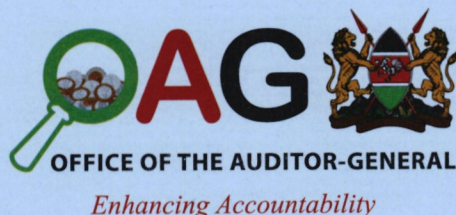


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PROF. S.G. KIAMA  
VICE-CHANCELLOR  
DIRECTOR

# REPUBLIC OF KENYA

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E-mail: info@oagkenya.go.ke  
Website: www.oagkenya.go.ke



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

## **REPORT OF THE AUDITOR-GENERAL ON UNIVERSITY OF NAIROBI PRESS FOR THE YEAR ENDED 30 JUNE, 2021**

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### **PREAMBLE**

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

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

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

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

### **REPORT ON THE FINANCIAL STATEMENTS**

#### **Adverse Opinion**

I have audited the accompanying financial statements of University of Nairobi Press set out on pages 1 to 17, which comprise of the statement of financial position as at 30 June, 2021, and the statement of profit or loss and other comprehensive income,

statement of changes in equity, statement of cash flows and statement of comparison of budget and actual amounts for the year then ended, and a summary of significant accounting policies and other explanatory information in accordance with the provisions of Article 229 of the Constitution of Kenya and Section 35 of the Public Audit Act, 2015. I have obtained all the information and explanations which, to the best of my knowledge and belief, were necessary for the purpose of the audit.

In my opinion, because of the significance of the matters discussed in the Basis for Adverse Opinion section of my report, the financial statements do not present fairly, the financial position of University of Nairobi Press as at 30 June, 2021, and of its financial performance and its cash flows for the year then ended, in accordance with International Financial Reporting Standards and do not comply with the Companies Act, 2015 and the Public Finance Management Act, 2012.

### **Basis for Adverse Opinion**

#### **1. Failure to Maintain Accounting Records**

During the audit it was noted that the Press Management did not maintain a general ledger and as a result the basis for preparation of the financial statements could not be determined. This is contrary to Section 68 (2) (b) of the Public Finance Management Act, 2012 which states that in the performance of a function under subsection (1), an Accounting Officer shall - ensure that the entity keeps financial and accounting records that comply with this Act.

In the circumstances, the accuracy and completeness of the financial statements for the year ended 30 June, 2021 could not be confirmed.

#### **2. Unsupported Rent Expenses**

The statement of profit or loss and other comprehensive income reflects an expenditure of Kshs.3,692,368 under operating expenses which includes an amount of Kshs.3,470,400 in respect of rent and utilities for the office space occupied by the Press, as disclosed in Note 6 to the financial statements. Although the Press Management has explained that the space occupied was valued by the University of Nairobi estate department, the valuation report approved by the Board of Directors and the University Council was not provided for audit review.

In the circumstances, the accuracy and validity of the expenditure of Kshs.3,470,400 on rent and utilities could not be confirmed.

#### **3. Obsolete Inventories**

The statement of financial position reflects inventories balance of Kshs.19,417,644 as at 30 June, 2021. As previously reported, and as disclosed in Note 11 to the financial statements, the balance includes an amount of Kshs.3,523,000 in respect of secondary school text books. Although, the books had been rendered obsolete due to change in curriculum, they were valued at cost yet the realizable value could have been lower,

contrary to the provisions of Paragraph 9 of IAS 2 which requires inventories to be stated at the lower of cost or net realizable value.

Further, the inventories balance of Kshs.19,417,644 includes an amount of Kshs.144,000 being work-in-progress relating to publication of books carried forward from the previous financial year. No explanation was provided on why the production of the books remained outstanding for such a long period of time.

In the circumstances, it was possible to confirm whether the inventories balance of Kshs.19,417,644 is fairly stated as at 30 June, 2021.

#### **4. Unsupported Bank Balance**

The statement of financial position reflects a cash and cash equivalents balance of Kshs.6,824,943. Included in this balance is a bank balance of Kshs.3,681,470 for an account held in a local commercial bank but which has not been supported by a cash book and the respective bank reconciliation statement.

In the circumstances, the accuracy and completeness of the cash and cash equivalents balance of Kshs.6,824,943 could not be ascertained.

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

##### **5.1 Unconfirmed Provision for Bad and Doubtful Debts**

As disclosed in Note 12 to the financial statements, the statement of financial position reflects a balance of Kshs.102,645 under trade and other receivables which was net of a provision for bad and doubtful debts of Kshs.1,314,402. The provision comprised of Kshs.1,302,997 being 99% of the bad and doubtful debts and which have been outstanding for over six (6) years and Kshs.11,405 being 1% of the bad and doubtful debts outstanding for a period of less than six (6) years. However, it is not clear how the provision for bad and doubtful debts was determined and applied since the policy documents on debt management were not provided for audit review.

##### **5.2 Variance between the Financial Statements Balance and the Debtors' Ageing Analysis**

The statement of financial position reflects a trade and other receivables balance of Kshs.102,645. However, the debtors' ageing analysis schedules, provided for audit review, reflected an amount of Kshs.46,093 thereby resulting to an explained variance of Kshs.56,552.

In the circumstances, the accuracy and full recoverability of the trade and other receivables balance of Kshs.102,645 as at 30 June, 2021 could not be confirmed.

#### **6. Lack of a Fixed Assets Register**

The statement of financial position as at 30 June, 2021 reflects a balance of Kshs.599,232 under property, plant and equipment which, as disclosed in Note 10 to the financial

statements. However, the assets register with the supporting individual balances for the assets were not provided for audit review.

In the circumstances, the accuracy and completeness of property, plant and equipment balance of Kshs.599,232 could not be confirmed.

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

### **Key Audit Matters**

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

### **Other Matter**

### **Unresolved Prior Year Matters**

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

## **REPORT ON LAWFULNESS AND EFFECTIVENESS IN USE OF PUBLIC RESOURCES**

### **Conclusion**

As required by Article 229(6) of the Constitution, because of the significance of the matters discussed in the Basis for Adverse Opinion and the Basis for Conclusion on Lawfulness and Effectiveness in Use of Public Resources sections of my report, based on the audit procedures performed, I confirm that public resources have not been applied lawfully and in an effective way.

### **Basis for Conclusion**

#### **1. Failure to Hold an Annual General Meeting and Filing of Annual Returns**

The University of Nairobi Press is incorporated under the Companies Act, 2015 which requires Annual General Meetings to be conducted every year. However, as previously reported, the Company has not held its Annual General Meetings since 2006. This is

contrary to Section 310(1) of the Companies Act which requires every Company to hold a general meeting each year.

Further, and as previously reported, the Company did not file annual returns with the Registrar of Companies as required under Section 705(1) of the Companies Act, 2015. Review of the Board minutes revealed that the last company returns were filed in the year 2001.

In the circumstances, Management was in breach of the law.

## **2. Board Composition**

Review of the the Registrar of Companies records revealed that the University of Nairobi Press has nine (9) Directors whose names correspond to the ones in the Board of Directors minutes of 1984, when the Company was registered. However, the financial statements for the year ended 30 June, 2021 indicates that the Company has two (2) Directors whose names are different from the ones contained in the Registrar of Companies records.

In the circumstances, the composition of the Board of Directors could not be confirmed.

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

## **REPORT ON EFFECTIVENESS OF INTERNAL CONTROLS, RISK MANAGEMENT AND GOVERNANCE**

### **Conclusion**

As required by Section 7(1)(a) of the Public Audit Act, 2015, because of the significance of the matters discussed in the Basis for Conclusion on Effectiveness of Internal Controls, Risk Management and Governance section of my report, based on the audit procedures performed, I confirm that internal controls, risk management and governance were not effective.

### **Basis for Conclusion**

#### **1. Failure to Hold Board Meetings**

During the audit it was noted that the Board of Directors did not hold any meeting in the year under review. This is contrary to Section 1.8.1 of the Mwongozo Code of Governance for State Corporations which requires the Board Members to dedicate adequate time and effort for meetings; and meet as regularly as required and at least quarterly in order to effectively lead the organization.

In the circumstances, Management was in breach of the Regulations.

## **2. Lack of a Board Audit Committee**

Further, the Company did not have an Audit Committee which is contrary Section 73 (5) of the Public Finance Management Act, 2012 which states that (5) Every national government public entity shall establish an audit committee whose composition and functions shall be as prescribed by the regulations. Further, Section 1.7 of Chapter 1 of the Mwongozo, Code of Governance for State Corporations on the Board of Directors provides for the establishment of not more than four (4) Committees of the Board (i.e. an Audit Committee and a maximum of three (3) other committees) and gives the governance practice to guide the conduct of the committees established. Therefore, the University Press did not benefit from the oversight from the audit committee of the Board.

In the circumstances, Management was in breach of the law.

## **3. Lack of Segregation of Duties**

The Company had one (1) staff, an accountant, managing the finance unit and performing all the duties including vote book control, voucher preparation, examination and authorization, cashbook maintenance and bank reconciliations. This posed a risk of errors and misstatements in the accounting records and was contrary to Regulation 23(1)(c) of the Public Finance Management (National Government) Regulations, 2015 which requires an Accounting Officer to maintain effective systems of internal controls and put measures to ensure that they are effective.

In the circumstances, the internal controls of the University Press in relation to segregation of duties were not operating effectively.

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

## **REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS**

As required by the Companies Act, 2015, I report based on my audit, that:

- i. I have obtained all the information and explanations which, to the best of my knowledge and belief, were necessary for the purpose of the audit;
- ii. In my opinion, adequate accounting records have not been kept by the Company, so far as appears from the examination of those records; and,
- iii. The Company's financial statements are not in agreement with the accounting records and returns.

## **Responsibilities of Management and the Board of Directors**

Management is responsible for the preparation and fair presentation of these financial statements in accordance with International Financial Reporting Standards and for maintaining effective internal 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 and for its assessment of the effectiveness of internal control, risk management and governance.

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

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

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

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

## **Auditor-General's Responsibilities for the Audit**

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

In addition to the audit of the financial statements, a compliance audit is planned and performed to express a conclusion about whether, in all material respects, the activities, financial transactions and information reflected in the financial statements are in compliance with the authorities that govern them, and that public resources are applied

in an effective way, in accordance with the provisions of Article 229(6) of the Constitution and submit the audit report in compliance with Article 229(7) of the Constitution.

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

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


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

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

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

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

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

  
CPA Nancy Gathungu, CBS  
AUDITOR-GENERAL

**Nairobi**

**02 September, 2022**

## UNIVERSITY OF NAIROBI PRESS

Annual Reports and Financial Statements for the year ended 30 June 2021

### X. STATEMENT OF PROFIT AND LOSS AND OTHER COMPREHENSIVE INCOME FOR YEAR ENDED 30 JUNE 2021

	NOTES	2020/2021 KSHS	2019/2020 KSHS
<b>INCOME</b>			
Trading Profit/(Loss)	1	26,995	250,173
UoN Grants	2	6,553,373	15,901,488
Other grants	3	-	161,916
Publishing Books/ Miscellaneous Income	4	9,495	173,800
<b>TOTAL INCOME</b>		<b>6,589,863</b>	<b>16,487,377</b>
<b>OPERATING AND ADMINISTRATIVE EXPENSES:</b>			
Salaries and Wages	5	3,082,973	12,431,088
Operating Expenses	6	3,692,368	4,322,577
Depreciation	7	93,399	115,270
Donated books	8	-	1,224
<b>TOTAL OPERATING EXPENSES</b>		<b>6,868,740</b>	<b>16,870,159</b>
<b>OPERATING PROFIT FOR THE YEAR</b>		<b>(278,877)</b>	<b>(382,782)</b>
Income from Sweeping Account	9	77,047	61,128
<b>PROFIT/ (LOSS) FOR THE YEAR</b>		<b>(201,830)</b>	<b>(321,654)</b>

The notes set out on page 6 to 16 form an integral part of the Financial Statements.


## UNIVERSITY OF NAIROBI PRESS


Annual Reports and Financial Statements for the year ended 30 June 2021

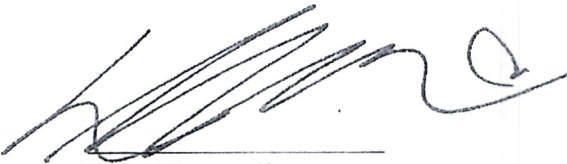
### XI. STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2021

ASSETS	NOTE	2020/2021	2019/2020
Non-Current Assets		Kshs.	Kshs.
<b>Property, Plant and Equipment</b>	10	<u>599,232</u>	<u>644,832</u>
<b>Current Assets</b>			
Inventories	11	19,417,644	19,094,478
Trade and Other Receivables	12	102,645	239,587
Cash and Cash Equivalents	13	<u>6,824,943</u>	<u>6,267,850</u>
<b>Current Assets</b>		<u>26,345,232</u>	<u>25,601,915</u>
 <b>TOTAL ASSETS</b>		 <u><u>26,944,464</u></u>	 <u><u>26,246,747</u></u>
 <b>FUNDS AND LIABILITIES</b>			
Capital Fund	14	3,809,495	3,809,495
Accumulated Profit(Loss)	15	<u>17,643,316</u>	<u>17,654,136</u>
		<u>21,452,811</u>	<u>21,463,631</u>
Non-Current Liabilities			
Current Liabilities			
Trade and Other Payables	16	<u>5,491,652</u>	<u>4,783,116</u>
<b>TOTAL FUNDS AND LIABILITIES</b>		<u><u>26,944,464</u></u>	<u><u>26,246,747</u></u>

The financial statements set out on pages 1 to 16 were signed on behalf of the Board of Directors by:

  
 \_\_\_\_\_  
**Ag. Managing Editor**  
 Pamellah A. Asule

  
 \_\_\_\_\_  
**Accountant**  
 David Gitanga  
 ICPAK M. No 3789

  
 \_\_\_\_\_  
**Vice-Chancellor**  
 Prof. S. G. Kiama

Date 17.6.2022

Date 17.6.2022

Date 17.6.2022

## UNIVERSITY OF NAIROBI PRESS

Annual Reports and Financial Statements for the year ended 30 June 2021

### XIII. STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 30 JUNE 2021

	Accumulated profit (Loss)	Capital Fund	Total
2019/2020	Ksh	Ksh	Ksh
Balance As at 01.07.2020	17,975,790	3,809,495	21,785,285
Surplus/ (Deficit)	(321,654)	-	(321,654)
<b>Balance As at 30 June 2020</b>	<b>17,654,136</b>	<b>3,809,495</b>	<b>21,463,631</b>
	Accumulated Profit	Capital Fund	Total
2020/2021	Ksh	Ksh	Ksh
Balance As at 01.07.2019	17,654,136	3,809,495	21,463,631
Prior Year Adjustment (Restatement of Inventory)	(593,090)	-	(593,090)
Cost of Sale Adjusted	175,945	-	175,945
Production Cost adjusted	608,157	-	608,157
Surplus/ (Deficit)	(201,831)	-	(205,452)
<b>Balance As at 30 June 2021</b>	<b>17,643,316</b>	<b>3,809,495</b>	<b>21,449,191</b>


## UNIVERSITY OF NAIROBI PRESS


Annual Reports and Financial Statements for the year ended 30 June 2021

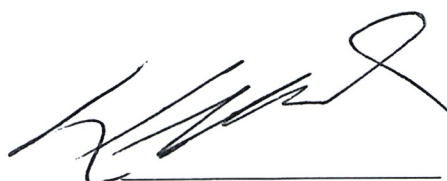
### XII. STATEMENT OF CASH FLOWS FOR YEAR ENDED 30 JUNE 2021

	Note	2020/2021 Kshs.	2019/2020 Kshs.
<b>Cash Flows from Operating Activities</b>			
<b>Net Profit (Loss) for the Year</b>		(201,831)	(321,654)
Adjustments for:		-	-
Depreciation	7	93,398	115,270
Decrease in Provision for Bad Debts	12	(9,495)	
<b>Cash Flows from Operating Activities Before working Capital Changes</b>		(117,928)	(206,384)
(Increase)/Decrease in Inventories	11	(170,457)	328,207
(Increase)/Decrease in Trade and other receivables	12	136,942	318,888
Increase/ (Decrease) in Trade and other payables	16	708,536	71,021
<b>Net Cash Flow from Operating Activities</b>		675,021	511,731
<b>Net Increase/ (Decrease) in Cash and Cash Equivalent</b>		557,093	511,731
<b>Movement in Cash and Cash Equivalent</b>			
Cash and Cash Equivalent at Beginning of Year		6,267,850	5,756,119
Net Increase in Cash and Cash Equivalents		557,093	511,731
<b>Cash and Cash Equivalent at End of Year</b>		6,824,943	6,267,850
<b>Analysis of Cash and Cash Equivalent</b>			
Cash and Cash Equivalents	13	6,824,943	6,267,850
<b>Cash and Cash Equivalent at End of Year</b>		6,824,943	6,267,850

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

  
 Ag. Managing Editor  
 Pamellah A. Asule

  
 Accountant  
 David Gitanga  
 ICPAK M. No 3789

  
 Vice-Chancellor  
 Prof. S. G. Kiama

Date 17.6.2022

Date 17<sup>th</sup> June 2022

Date 17.6.2022

## UNIVERSITY OF NAIROBI PRESS

Annual Reports and Financial Statements for the year ended 30 June 2021

### XIV. STATEMENT OF COMPARISON OF BUDGET AND ACTUAL AMOUNTS FOR THE YEAR ENDED 30 JUNE 2021

	Original Budget Ksh.	Adjustments	Final Budget Ksh.	Actual Amounts Ksh.	Variance Ksh.
<b>Revenue</b>					
Trading Profit	26,995	-	26,995	26,995	-
UoN Grants	6,553,373	-	6,553,373	6,553,373	-
Other Incomes	86,542	-	86,542	86,542	-
<b>Total Revenue</b>	<b>6,666,910</b>	<b>-</b>	<b>6,666,910</b>	<b>6,666,910</b>	<b>-</b>
<b>Expenses</b>					
Salaries & Wages	3,082,973	-	3,082,973	3,082,973	-
Operating/Administrative Expenses	3,583,937	-	3,583,937	3,692,368	(108,431)
Depreciation	-	-	-	97,019	(97,019)
<b>Total Expenses</b>	<b>6,666,910</b>	<b>-</b>	<b>6,666,910</b>	<b>6,856,587</b>	<b>(205,450)</b>

## UNIVERSITY OF NAIROBI PRESS

Annual Reports and Financial Statements for the year ended 30 June 2021

### XV. NOTES TO THE FINANCIAL STATEMENTS

#### 1. 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 judgment 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. New and amended standards and interpretations in issue but not effective in the year ended 30 June 2021.

Standard	Impact
Other Improvements to IFRS	<p><b>Applicable: 1<sup>st</sup> January 2023:</b></p> <p>a) Amendments to IAS 1 as follows;</p> <p>An entity is now required to disclose its material accounting policy information instead of its significant accounting policies; several paragraphs are added to explain how an entity can identify material accounting policy information and to give examples of when accounting policy information is likely to be material; the amendments clarify that accounting policy information may be material because of its nature, even if the related amounts are immaterial; the amendments clarify that accounting policy information is material if users of an entity's financial statements would need it to understand other material information in the financial statements; and the amendments clarify that if an entity discloses immaterial accounting policy information, such information shall not obscure material accounting policy information.</p> <p>b) Amendments to IFRS 17 Insurance Contracts,</p>

## UNIVERSITY OF NAIROBI PRESS

Annual Reports and Financial Statements for the year ended 30 June 2021

Standard	Impact
	<ul style="list-style-type: none"> <li>• Additional scope exclusion for credit card contracts and similar contracts that provide insurance coverage as well as optional scope exclusion for loan contracts that transfer significant insurance risk.</li> <li>• Recognition of insurance acquisition cash flows relating to expected contract renewals, including transition provisions and guidance for insurance acquisition cash flows recognized in a business acquired in a business combination.</li> <li>• Clarification of the application of IFRS 17 in interim financial statements allowing an accounting policy choice at a reporting entity level. Clarification of the application of contractual service margin (CSM) attributable to investment-return service and investment-related service and changes to the corresponding disclosure requirements.</li> <li>• Extension of the risk mitigation option to include reinsurance contracts held and non-financial derivatives.</li> <li>• Amendments to require an entity that at initial recognition recognizes losses on onerous insurance contracts issued to also recognize a gain on reinsurance contracts held. Simplified presentation of insurance contracts in the statement of financial position so that entities would present insurance contract assets and liabilities in the statement of financial position determined using portfolios of insurance contracts rather than groups of insurance contracts.</li> <li>• Additional transition relief for business combinations and additional transition relief for the date of application of the risk mitigation option and the use of the fair value transition approach. Several small amendments regarding minor application issues.</li> </ul> <p>c) IFRS 10 and IAS 28, sale on contribution of assets between an investor and its associate or joint venture. The amendments are intended to</p>

## UNIVERSITY OF NAIROBI PRESS

Annual Reports and Financial Statements for the year ended 30 June 2021

Standard	Impact
	eliminate diversity in practice and give preparers a consistent set of principles to apply for such transactions.
<b>IFRS 1: Financial Instruments</b>	<p><b>Applicable: 1<sup>st</sup> January 2022:</b></p> <p>a) IFRS 1, First-time Adoption of International Financial Reporting Standards (IFRS)</p> <p>The amendment permits a subsidiary that elects to apply paragraph D16(a) of IFRS 1 to measure cumulative translation differences using the amounts reported in the parent's consolidated financial statements, based on the parent's date of transition to IFRS, if no adjustments were made for consolidation procedures and for the effects of the business combination in which the parent acquired the subsidiary.</p> <p>b) IAS 37, Onerous Contracts, cost of fulfilling a contract.</p> <p>The amendments are intended to provide clarity and help ensure consistent application of the standard.</p> <p>c) IFRS 3, Business combinations: The amendments will promote consistency in financial reporting and avoid potential confusion from having more than one version of the Conceptual Framework in use.</p> <p>d) IAS 16: property, plant and equipment, Proceeds before Intended Use (Amendments) amends the standard to prohibit deducting from the cost of an item of property, plant and equipment any proceeds from selling items produced while bringing that asset to the location and condition necessary for it to be capable of operating in the manner intended by management. Instead, an entity recognises the proceeds from selling such items, and the cost of producing those items, in profit or loss.</p>

### *Early adoption of standards*

The company did not early-adopt any new or amended standards in 2021.

## UNIVERSITY OF NAIROBI PRESS

Annual Reports and Financial Statements for the year ended 30 June 2021

### C Significant Accounting Policies

1.1 The Accounts are prepared under the historical cost convention.

1.1 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 Cash flow statement is prepared using the indirect method.

1.5 The University of Nairobi provides payroll support and rent through grants issue.

1.6 Provision for doubtful debts is provided for as follows;

- Above 6 years- 100%
- Below 6 years- 10%

1.7 UoN Press prepares its income statement using the accrual basis of preparation.

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

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 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

## UNIVERSITY OF NAIROBI PRESS

Annual Reports and Financial Statements for the year ended 30 June 2021

- (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 30th June 2021.  
The audit fees for year ended 30th June 2020 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. 0.00 was spent for publication of such titles.
- Out of a total of 7 sponsored titles, nil were published during the year.
  - Kshs 3,797,828 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

Annual Reports and Financial Statements for the year ended 30 June 2021

### XVI. NOTES TO THE FINANCIAL STATEMENTS

1	<b>Trading Profit</b>		
	<b>Trading account</b>	<b>2020/2021</b>	<b>2019/2020</b>
		<b>Kshs.</b>	<b>Kshs.</b>
	Gross Sales for the year	377,894	791,923
	Less: Discount allowed	(80,975)	(214,767)
	<b>Net sales</b>	<b>296,919</b>	<b>577,156</b>
	Less: Cost of Sales	(269,924)	(326,983)
	<b>Trading Profit (Loss ) for the year</b>	<b>26,995</b>	<b>250,173</b>
	Opening Stock as at 1.7.2020	19,543,568	19,278,684
	W.I.P - (Opening)	144,000	144,000
		<b>19,687,568</b>	<b>19,422,684</b>
	Less:		
	Donations	-	(1,224)
	Closing W.I.P - (Ending)	(144,000)	(144,000)
	Cl. Stock as at 30.6.2021	(19,273,644)	(18,950,478)
	<b>Cost of Sales for the year</b>	<b>269,924</b>	<b>326,982</b>
2	Grant from UON	6,553,373	15,901,488
		<b>6,553,373</b>	<b>15,901,488</b>

## UNIVERSITY OF NAIROBI PRESS

Annual Reports and Financial Statements for the year ended 30 June 2021

### NOTES TO FINANCIAL STATEMENTS continued...

3	Other Grants Analysis	2020/2021	2019/2020
		Kshs.	Kshs.
	U.o.N grant - Fuel related costs	-	61,433
	U.o.N grant - Petty Cash Grant	-	45,533
	U.o.N grant - Promotional expense by UON	-	54,950
	<b>TOTAL</b>	<b>-</b>	<b>161,916</b>
4	<b>Publishing Books/ Miscellaneous Income</b>		
	Bahemuka Judith Mbula-elimika manus	-	173,800
	Decrease in Provision for Doubtful Debt	9,495	
		<b>9,495</b>	<b>173,800</b>
5	<b>Salary and Wages</b>	3,082,973	12,431,088
6	<b>Operating Expenses</b>		
	i. Royalties	64,602	84,020
	ii. Rent and Utilities	3,470,400	3,470,400
	iii. Stationery and Office Expenses	-	115,711
	iv. Fuel related Expenses	-	61,433
	v. Annual Subscription Fees (KPA)	55,000	55,000
	vi. Audit Fees (provision)	92,800	92,800
	vii. Bank Charges	9,567	12,627
	ix. Promotion Expenses	-	119,450
	x. Provision for doubtful debts	-	311,136
		<b>3,692,369</b>	<b>4,322,577</b>
7	<b>Depreciation</b>		
	1st July 2020	5,823,466	5,708,196
	Charge for the Year	93,399	115,270
	<b>30th June 2021</b>	<b>5,916,865</b>	<b>5,823,466</b>

## UNIVERSITY OF NAIROBI PRESS

Annual Reports and Financial Statements for the year ended 30 June 2021

### NOTES TO THE FINANCIAL STATEMENTS Continued...

	2020/2021	2019/2020
8 Books Donated	-	1,224
9 Income from Sweeping Account	77,046	61,128

## UNIVERSITY OF NAIROBI PRESS

Annual Reports and Financial Statements for the year ended 30 June 2021

### NOTES TO THE FINANCIAL STATEMENTS Continued...

#### 10. Property, Plant & Equipment

2020/2021	Furniture & Equipment	Computers & Accessories	Total
Cost	Kshs.	Kshs.	Kshs.
1 July 2020	4,629,654	1,886,443	6,516,097
Additions	-	-	-
30 June 2021	4,629,654	1,886,443	6,516,097
Acc. Depreciation	4,057,702	1,765,764	5,823,466
Charge for the Year	57,195	36,204	93,399
30 June 2021	4,114,897	1,801,968	5,916,865
<b>Net Book Value</b>			
At 30 June 2021	514,757	84,475	599,232
At 30 June 2020	571,952	120,679	692,631
<b>2019/2020</b>			
Cost	Kshs.	Kshs.	Kshs.
1 July 2019	4,629,654	1,838,643	6,468,297
Additions	-	47,800	47,800
30 June 2020	4,629,654	1,886,443	6,516,097
Depreciation			
1 July 2019	3,994,152	1,714,044	5,708,196
Charge for the Year	63,550	51,720	115,270
30 June 2020	4,057,702	1,765,764	5,823,567
<b>Net Book Value</b>			
At 30 June 2020	571,952	72,880	644,832
At 30 June 2019	635,502	124,599	760,101

## UNIVERSITY OF NAIROBI PRESS

Annual Reports and Financial Statements for the year ended 30 June 2021

### NOTES TO THE FINANCIAL STATEMENTS Continued...

11	Inventories	2020/2021	2019/2020
	Scholarly Books	15,894,644	15,427,478
	Secondary School Text Books	3,523,000	3,523,000
	Work - in - Progress	144,000	144,000
		19,417,644	19,094,478

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

- 12 Trade and Other Receivables  
Trade Receivables -UON Press provided 100% for debts that are 6 years old and above, while 10% is provided for debts that are below 6 years and below.

The provision for Bad and doubtful Debts as follows:

Trade Receivables (Net)	102,645	188,105	
Advance Royalties	-	51,482	
<b>Total</b>	<b>102,645</b>	<b>239,587</b>	
Trade Debtors (Gross)	1,405,147	1,512,002	Charge for the year
Provision for bad & doubtful debts	(1,314,402)	(1,323,897)	9,495
<b>Trade receivables (Net)</b>	<b>102,645</b>	<b>188,105</b>	

Period of Debt	Rate	Provision for bad Debts
Above 6 years	100%	1,302,997
Below 6 years	10%	11,405
<b>Total</b>		<b>1,314,402</b>

## UNIVERSITY OF NAIROBI PRESS

Annual Reports and Financial Statements for the year ended 30 June 2021

### NOTES TO THE FINANCIAL STATEMENTS Continued...

13 Cash and Cash Equivalents	2020/2021	2019/2020
Cash at Bank:		
A/C0948245353	3,143,473	2,586,381
A/C0777001914	3,681,470	3,681,469
<b>Total</b>	<b>6,824,943</b>	<b>6,267,850</b>

### 14 Capital Fund

This is the initial contribution by the University of Nairobi for the setup of the University of Nairobi Press. The amount has remained the same over the years.

Capital Fund	3,809,495	3,809,495
	3,809,495	3,809,495

15 Accumulated Profit (Loss)	2019/2020	2018/2019
Net accumulated profit (Loss)- 01.07.2020	17,654,136	17,975,790
Prior Year Adjustment (Restatement of Inventory)	(593,090)	-
Adjusted Production Cost	608,157	-
Adjusted Cost of Sales	175,945	-
Profit (Loss) for the year	(205,452)	(321,654)
<b>Accumulated profit/(Loss)</b>	<b>17,639,696</b>	<b>17,654,136</b>

### 16 Trade and Other Payables

Trade Creditors	-	80,008
Accruals	55,000	-
Royalties	897,818	812,480
Provision for Audit Fees	92,800	92,800
Advances for Publication	4,446,034	3,797,828
<b>Total</b>	<b>5,491,652</b>	<b>4,783,116</b>

## UNIVERSITY OF NAIROBI PRESS

Annual Reports and Financial Statements for the year ended 30 June 2021

### XVI. PROGRESS ON FOLLOW UP OF AUDITOR RECOMMENDATIONS

The following is the summary of issues raised by the external auditor, and management comments that were provided to the auditor. We have nominated focal persons to resolve the various issues as shown below with the associated timeframe within which we expect the issues to be resolved.

Reference No. on the external audit Report	Issue/Observations from Auditor	Management comments	Focal Point person to resolve the issue (Name and designation)	Status: (Resolved/ Not Resolved)	Timeframe
1	Not possible to confirm the accuracy and full recoverability of trade receivables balance of Ksh 768, 695	Provision of 100% for debts above six years and provision of 10% for debts less 6yrs because of the certainty in debt collection	David Gitanga (Accountant)	Not Resolved	2020/2021
2	Unsupported grants from UoN	The valuation report of the space occupied by UoN Press was approved and is available	David Gitanga (Accountant)	Not Resolved	2020/2021
4	Financial performance	We reviewed our service charter for efficient service delivery in order to attract more customers	Pamellah Asule (Managing Editor)	Not resolved	2020/2021