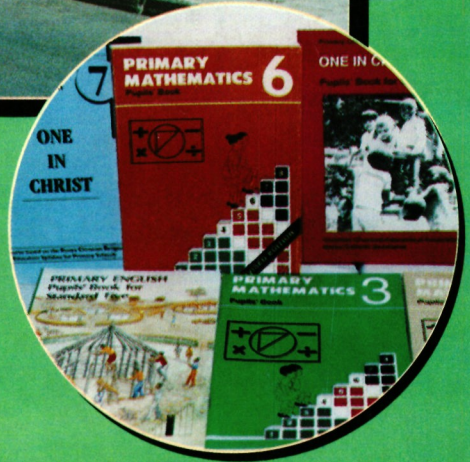




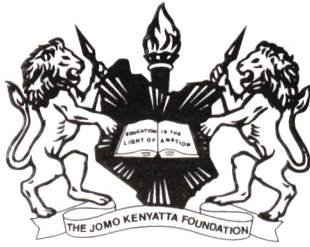
# THE JOMO KENYATTA FOUNDATION

Library



## DIRECTORS' REPORT AND FINANCIAL STATEMENTS YEAR ENDED 30TH JUNE 2000

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JKF



THE JOMO KENYATTA FOUNDATION

**DIRECTORS' REPORT**  
**&**  
**FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED**  
**30 JUNE 2000**

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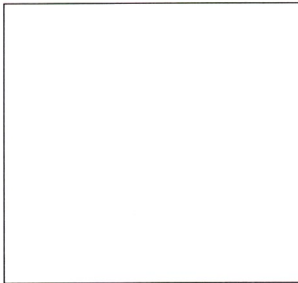
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# BOARD OF DIRECTORS



*Prof. Asenath Jerotich Sigot  
Chairperson*



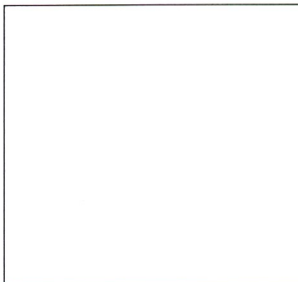
*Dr. Richard O. Leakey  
P.S Office of the President  
and Head of Public Service*



*Mr. Francis Z. K. Menjo  
MD, Secretary to the Board*



*Prof. Japheth C. Kiptoon  
PS, Min. of Education, Scie.  
& Technology*



*Mr. Martin Oduor-Otieno  
PS, Min. of Finance*



*Mr. Richard O. Wamwenje  
Alternate to PS, Office of the President  
and Head of Public Service*



*Mr. Gabriel M. Muita  
Kenya Institute of Education*



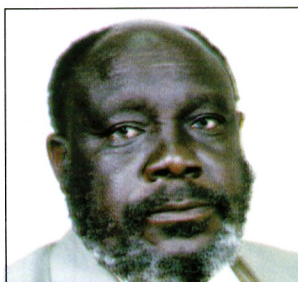
*Amb. Peter K. Mathanjuki  
Alternate to PS, Min. of Education,  
Scie. & Technology*



*Ms Shobhna Shah  
Alternate to PS, Min. of Finance*



*Prof Mohammed S. Rajab  
Kenyatta University*



*Mr. Samuel C. Langat  
Kenya Literature Bureau*



*Mr. Peter M. Mutulu  
KNUT*



*Mr. Billow Adan Kerrow  
M.G.I. Adam & Associates*

# JKF MANAGEMENT



*Mrs Nancy W. Karimi  
Publishing Manager*



*Mr. Stephen Aming'a  
C.S. / Chief Administrative Officer*



*Mr. Jimmy Chepkwony  
Sales and Marketing Manager*



*Mr. David Mwaniki  
Ag. Asst. Finance Manager*



*Mr. Leonard Lari  
Internal Auditor*



*Mrs. Dorcas Oondo  
Senior Administrative Officer*



*Mr. John Sudhe  
Senior Personnel Officer*



*Mr. Philemon Mugeni  
Ag. Asst. Production Manager*

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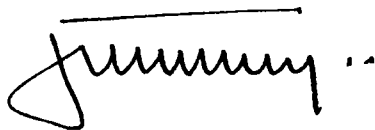
## NOTICE OF ANNUAL GENERAL MEETING

**NOTICE IS HEREBY GIVEN** that the **31st ANNUAL GENERAL MEETING** of The Jomo Kenyatta Foundation will be held at the offices of the Foundation in Industrial Area, Enterprise Road, Nairobi on Thursday 7th February 2002 at 11.00 a.m.

**AGENDA:**

1. The Secretary to read the Notice convening the 31st Annual General Meeting.
2. To receive and confirm the Minutes of the last AGM held on 26th October 2000.
3. To receive and adopt the Chairperson's Report on the Foundation's operations for the year ended 30th June 2000.
4. To receive and adopt the External Auditor's Report on the Accounts of the Foundation for the year ended 30th June 2000.
5. To receive and adopt the JKF Directors' Report and the Company's Financial statements for the year ended 30th June 2000.
6. To appoint the Company's External Auditors for the year ended 30th June 2001 and authorize the Directors to fix the Auditors' remuneration.
7. To fix Directors' fees, allowances and other remuneration
8. To transact any other ordinary business of the Company.

By order of the Board.



**F. Z. K. MENJO**

*AG. MANAGING DIRECTOR/AG. SECRETARY TO THE BOARD*

17 January 2002

**NB:** In accordance with Section 136(2) of the Companies Act (Cap 486), every member entitled to attend and vote at the above meeting is entitled to appoint a proxy to attend and vote on his/her behalf. A proxy need not be a member. A form is enclosed and should be returned to the Secretary, P. O. Box 30533 - 00100, Nairobi to arrive not later than 48 hours before the meeting or any adjournment thereof.

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## **CHAIRPERSON'S REPORT FOR THE YEAR ENDED 30TH JUNE 2000**

Once again, it is my sincere pleasure to report the performance of The Jomo Kenyatta Foundation for the period ending 30.06.2000. It gives me great joy especially to report that despite the Foundation going through hard times in the previous year, it managed to post a remarkable profit of Ksh. 41,084,859.00. This only proves that the Foundation is the undisputable market leader in publishing in this region. The Foundation has set in place various parameters to help it remain at the top, in keeping with the new motto "Ahead with JKF".

### **OPERATIONS**

Pursuant to its mission statement, the core functions of The Foundation remained those of publishing, printing and distributing high quality and affordable school books and other publications. The Foundation has continued to pursue its objectives and endeavoured to satisfy the market demand by supplying quality educational materials at competitive prices.

### **SALES PERFORMANCE**

The year ending June 30th 2000 saw a drop in net turnover from Ksh.232,333,545.00 in the previous year to Kshs.204,396,953.00. The cost of sales, however, reduced from Ksh.178,499,768.00 to Ksh.95,692,091.00. This yielded a gross profit of Ksh.108,704,862.00 being 53% of net sales and thus comparing favourably with the previous year's whose gross profit, at Ksh. 53,833,777.00 was only 23% of the net sales.

### **OPERATING EXPENDITURE**

The Foundation incurred a total of Ksh. 89,918,491.00 in expenses. This was remarkable improvement from the previous year which stood at Ksh. 183,606,081.00. This improvement was brought about following the restructuring and reorganization of the Foundation. Greater financial discipline, administrative controls and systems have been put in place to ensure optimum use of resources and that costs are incurred for the rightful purposes.

Out of these expenses, staff expenditure amounted to Ksh. 46,684,523.00 as compared to Ksh. 50,479,451.00 in the previous year. Distribution and administrative expenses amounted to Ksh. 27,063,339.00, Editorial charges to Ksh.2,355,121.00 and Financial charges Ksh. 54,981,613.00. Included in the Financial charges is Ksh. 6,732,298.00 which was an additional provision of doubtful debts thus yielding a total provision of Kshs. 23,312,760.00.

**CAPITAL EXPENDITURE**

The Foundation appropriated some of its earning in acquiring a few Assets in the year under review. This amounted to Ksh. 7,760,121.00. Among these assets were computers mainly for the Finance Department A motor was also purchased for one of the printing machines. This made it possible for the machine, that had been idle for a long time, to be revived. The loan for the Web Newslines has also continued to be liquidated at an interest rate of 8% p.a. to be completed in November, 2002.

**MANAGEMENT AND STAFF**

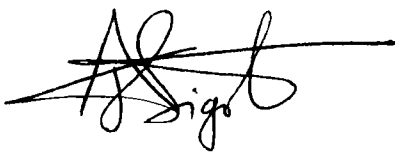
As I had stated in my report of the year 1998/99, the Foundation had experienced serious lapses in its management which led to the dismissal of several senior managers. The year 1999/2000 was a year of reorganization and restructuring. I wish at this juncture to extend my sincere thanks and congratulations to the Management and the entire staff of the Foundation for their adept contribution in putting the Foundation back on the road to recovery.

For the Foundation to retain its position as a leader in the publishing industry, every effort will be made to train and retain the best of the staff.

**DIRECTORATE**

The constitution of the Board of Directors remained the same in the year. I take this opportunity to thank the entire Board for their commitment to the Foundation and for the support they accorded me over that year.

Thank You.



**PROF. A. J. SIGOT**  
*CHAIRPERSON*



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**REPORT OF THE AUDITOR GENERAL (CORPORATIONS)  
OF THE ACCOUNTS OF THE JOMO KENYATTA FOUNDATION  
FOR THE YEAR ENDED 30 JUNE 2000**

I have examined the Accounts of The Jomo Kenyatta Foundation for the year ended 30 June 2000 in accordance with the provisions of Section 29 (2) of the Exchequer and Audit Act, (Cap 412). I have obtained all the information and explanations considered necessary for the purpose of the audit. Proper books of account have been maintained and the Accounts, which have been prepared under the historical cost convention, are in agreement therewith and comply with the Companies Act, (Cap 486).

In my opinion, and subject to the matters set out herebelow, the Accounts, when read together with the Notes thereon, present fairly the Foundation's financial state of affairs as at 30 June 2000 and of its surplus and cash flows for the year then ended.

**1. BOARD EXPENSES**

During the year 1999/2000 the Foundation paid sitting allowances totalling Kshs. 198,000 to five (5) public servants for attendance at Board meetings contrary to provision of Section 10 (1) of the State Corporations Act Cap 446. Consequently, the expenditure of Kshs. 198,000 incurred on payment of such sitting allowances to public servants in receipt of salary is considered irregular and, therefore, not a proper charge to public funds.

**2. DEBTORS AND PREPAYMENTS**

The Balance Sheet Debtors and Prepayments figure of Kshs.43,483,148 as at 30 June 2000 includes debts totalling Kshs.264,098 outstanding against employees who are no longer in the service of the Foundation. No indication has, however, been given as to how the Foundation intends to recover the debts from the ex-staff. In addition the Foundation has made provisions for bad and doubtful debts totalling Kshs.23,312,720 most of which relate to Trade debtors valued at Kshs.35,800,813 as at 30 June 2000. The provision of Kshs.23,312,760 represents about 65% on these debts, which is an indication that most of the debts are considered irrecoverable. The Debtors figure also includes dishonoured cheques in respect of revenue collections totalling Kshs.4,765,208 most of which have been outstanding for over three years. The Foundation has similarly not given any satisfactory explanation as to how the value of the dishonored cheques is to be recovered from the drawers of the cheques. Consequently, it has not been possible to confirm either the recoverability of the debts or even the correctness of the Debtors balance of Kshs.43,483,148 shown on the Foundation's Balance Sheets as at 30 June 2000.



**S.M. MALUKI**  
AUDITOR GENERAL (CORPORATIONS)

18 December 2001

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## DIRECTORS' REPORT FOR THE YEAR ENDED 30TH JUNE 2000

The Directors have pleasure in presenting the accounts for the year ended 30th June 2000.

### 1. PRINCIPAL ACTIVITIES

The Principal activity of the Foundation during the year remained that of publishing and printing of school textbooks and other educational materials.

### 2. PROFIT AND LOSS ACCOUNT

Profit/ (loss) for the year	41,084,859.00
Add: Retained Profit brought forward	88,784,176.00
Retained profit carried forward	<u>129,869,035.00</u>

### 3. DIVIDENDS

The Foundation is a Company Limited by Guarantee and does not pay dividends from its earnings.

### 4. DIRECTORS

The Directors who served during the year were:

	Date of Appointment
Prof. Asenath J. Sigot - Chairperson	12/8/1999
Fransis Z.K. Menjo - Managing	25/4/2000
Amb. Peter K. Mthanjuki - Alternate to PS, Ministry of Education	12/8/1999
Ms Shobhna Shah - Alternate to PS, Ministry of Finance	12/8/1999
Mr. Richard O. Wamwenje - Alternate to PS, Office of the President & Head of Public Service	12/8/1999
Mr. Samuel C. Langat - Kenya Literature Bureau	12/8/1999
Mr. Gabriel M. Muita - Kenya Institute of Education	12/8/1999
Mr. Peter M. Mutulu - KNUT	12/8/1999
Mr. Billow Adan Kerrow - M.G.I. Adam & Associates	12/8/1999
Prof. Mohammed S. Rajab - Kenyatta University	12/8/1999

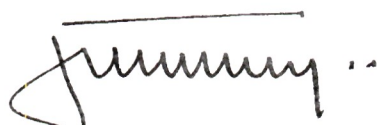
### 5. AUDITORS

The Auditor General (Corporations) continues in office in accordance with the Audit and Exchequer Act.

### 6. STAFF

The Directors have much pleasure in recording once again their appreciation for the untiring effort of Management and all employees of the Foundation for ensuring sustained economic viability of our organization as a profit-making commercial venture. Apart from a few isolated cases, the entire staff of the Foundation remained committed to their work and this helped in putting back the Foundation on its feet.

By order of the Board.



**F. Z. K. MENJO**

*AG. SECRETARY TO THE BOARD,*

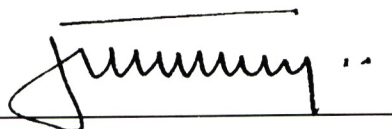
17 January 2002

**PROFIT AND LOSS ACCOUNT  
FOR THE YEAR ENDED 30.06.2000**

		2000	1999
	Notes	Kshs	Kshs
Total Net Sales (Net of Discounts)	Note 1	204,396,953	232,333,545
Less Cost of Sales		<u>(95,692,091)</u>	<u>(178,499,768)</u>
<b>Gross Profit</b>		<b>108,704,862</b>	<b>53,833,777</b>
<b>G.P. AS % of Sales</b>		<b>53</b>	<b>23</b>
 <b>LESS EXPENSES</b>			
DISTRIBUTOR & ADMININSTRATIVE EXPENSES		27,063,339	76,078,138
STAFF EXPENSES		46,684,523	50,479,451
EDITORIAL EXPENSES		2,355,121	2,066,879
FINANCIAL CHARGES		<u>13,815,508</u>	<u>54,981,613</u>
<b>TOTAL EXPENSES</b>		<b>89,918,491</b>	<b>183,606,081</b>
<b>Operating Profit (Loss) For The Year</b>		18,786,371	(129,772,304)
Add Non-Operating Income:	Note 8	<u>22,298,488</u>	<u>6,308,480</u>
<b>Net Profit (Loss) For the Year</b>	Note 4	<b>41,084,859</b>	<b>(123,463,824)</b>
Retained Profit B/F (Stated)		88,903,108	-
Add: Prior year adjustment	Note 9	(118,932)	-
<b>Retained Profit B/F (Adjusted)</b>		<u>88,784,176</u>	<u>212,366,933</u>
<b>Retained Profit (C/F)</b>		<b>129,869,035</b>	<b>88,903,109</b>



Billow Adan Kerrow (Director)



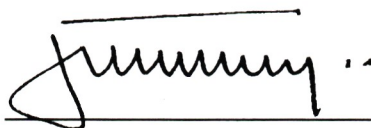
Francis Z.K. Menjo (Director/Secretary)

**BALANCE SHEET  
AS AT 30 JUNE, 2000**

		2000	1999
		Kshs	Kshs
<b>ASSETS</b>			
<b>Non-current assets.</b>	Note 2	<u>131,746,680</u>	<u>137,528,798</u>
<b>Current Assets:</b>			
Stocks	Note 3	67,205,232	68,013,349
Debtors & Prepayments	Note 5	43,483,148	55,550,110
Less: Provision for B. Debts		(23,312,760)	(16,580,462)
Cash and Bank Balances	Note 7	<u>51,631,195</u>	<u>6,081,067</u>
		<u>139,006,815</u>	<u>113,064,064</u>
<b>Total Assets:</b>		<u><u>270,735,495</u></u>	<u><u>250,592,862</u></u>
<b>EQUITY AND LIABILITIES</b>			
<b>Capital and Reserves:</b>			
Capital		4,000,000	4,000,000
Revaluation Reserve		70,919,684	70,919,684
Accumulated Profit (Loss)	Note 1	<u>129,869,035</u>	<u>88,903,108</u>
		<u>204,788,719</u>	<u>163,822,792</u>
<b>Non-current Liabilities:</b>			
Manugraph Industires (India)		19,869,600	26,007,450
<b>Current Liabilities:</b>			
Creditors & Accruals	Note 6	46,095,176	<u>50,363,763</u>
Bank Overdraft		-	10,398,857
		<u>46,095,176</u>	<u>60,762,620</u>
		<u><u>270,753,495</u></u>	<u><u>250,592,862</u></u>



*Billow Adan Kerrow (Director)*



*Francis Z.K. Menjo (Director/Secretary)*

**CASHFLOW STATEMENT  
FOR THE PERIOD ENDED 30TH JUNE 2000**

	2000	1999
	Kshs	Kshs
<b>Cashflow from Operating Activities</b>		
<b>Net (Profit) Loss for Year</b>	<b>41,084,859</b>	<b>(123,463,825)</b>
Adjustment for:		
Depreciation (Including Plant & Machinery)	13,559,963	11,604,957
Increase in provision for bad debts	6,732,298	-
Increase in provision for legal Penalties	400,000	-
Profit on Disposal of Fixed Assets	-	(278,489)
Interest received on Fixed Deposits	(1,925,353)	(41,918)
Interest paid on long-term Loan	2,016,744	1,122,665
Bad debts recovered & surcharge income	(1,346,324)	-
Decrease in provision for scholarships	(9,455,363)	-
<b>Net Operating Loss before Working Capital Changes</b>	<b>51,066,824</b>	<b>(111,056,610)</b>
<b>Adjustment for Working Capital Changes</b>		
(Increase) Decrease in Stocks	808,118	36,567,937
(Increase) Decrease in Debtors and Prepayments	12,066,962	70,832,907
Increase/(Decrease) in Creditors	(4,268,587)	18,661,583
<b>Net Cashflow from Operating Activities</b>	<b>59,673,317</b>	<b>15,005,817</b>
<b>Returns on Investments and Servicing of Finance</b>		
Interest received on Fixed Deposit (Net of Withholding tax)	1,925,353	41,918
Interest paid on long-term Loan	(2,016,744)	(1,122,666)
Foreign exchange fluctuation loss	1,629,450	-
<b>Cashflow generated from Investing Activities</b>		
Purchase of Fixed Assets	(7,760,121)	(14,405,303)
Proceeds from Disposal of Fixed Assets	-	400,000
Decrease in long-term liabilities	(6,137,850)	
<b>Cashflow generated from Financing Activities</b>		
Proceed from long-term borrowing	-	-
<b>Net Cash (Outflow)/Inflow</b>	<b>47,313,405</b>	<b>(80,234)</b>
Cash and Cash equivalents at the beginning of period	(4,317,790)	(4,237,556)
Cash and Cash equivalents at the end of period	51,631,195	(4,317,790)
<b>Change in Cash and Cash Equivalents over the Period</b>	<b>47,313,405</b>	<b>(80,234)</b>

## NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 30TH JUNE, 2000

### NOTE 1

#### SIGNIFICANT ACCOUNTING POLICIES

(a) *Accounting Convention*

The accounts are prepared under the historical cost convention, modified for fixed Asset Revaluation.

(b) *Turnover*

*Revenue Recognition*

Sales revenue is recognised when goods are delivered to a customer and upon a customer's acceptance of such delivery net of sales discount of 25 % on selling price. Where delivery of goods and customer acceptance do not coincide the sales revenue is not recognised as having materialised. Turnover comprises the gross amount invoiced for sales of books and printing services.

	30.06.00	30.06.99
	Kshs	Kshs
<b>TURNOVER</b>	<u>204,396,952.55</u>	<u>232,333,545.00</u>
Retained earnings b/f	88,784,176 00	212,366,933.00
Add: Net Profit/(Loss) for the year	41,084,859.00	<u>(123,463,825.00)</u>
Retained earnings c/f	<u>129,869,035.00</u>	<u>88,903,108.00</u>

(c) *Taxation*

The Foundation is exempted from income tax on all income through the Income tax act (Cap. 470) Sect. 13 and First Schedule part 1. Its profits are applied for the payment of scholarships and/or retained to solidify the financial base.

(d) *Retirement Benefits*

The Foundation and its employees contribute to a Provident Fund. The Foundation's contributions are charged against profit in the period they fall due, and the Fund is managed by JUBILEE INSURANCE CO. LTD.

### NOTE 2

a) *Land*

As at 30<sup>th</sup> June 2000, the Foundation's Land was held as security by the bankers for the securing of overdraft facilities and for the loan guarantee in purchasing the Web Newslines.

b) *Fixed Assets [Buildings, Plant, Machinery and Equipment]*

Buildings, Plant, Machinery and Equipment are initially recorded at cost and subsequently shown at values based on valuation by external independent valuers net of depreciation. Increase in the carrying amounts arising from such revaluation is credited/transferred to a revaluation reserve. Currently Fixed assets are stated at the 1993 professional valuation with subsequent additions at cost, less depreciation, calculated on the straight

line basis at an annual rate estimated to write off the assets over their expected useful lives. Motor Vehicles are depreciated on Reducing Balance Method.

*The annual depreciation rates are:*

Printing Machines - 6%, 9% and 15% p.a. on cost.

Office furniture, fittings and equipment 15%. on cost

Motor vehicles -25% p.a. on reducing balance.

Computers – 25% p.a. on cost.

Leasehold Land and Buildings - 2% on cost or equal annual installments over the period of lease whichever is greater.

Freehold Land is not depreciated as it is deemed to have an indefinite life.

**NOTE 3**

**Stocks (Inventory)**

Stocks including Work-In-Progress are stated at the lower of cost and net realizable value. Cost is determined on Average - cost basis. The cost of finished stocks and Work-In-Progress includes raw materials, direct labour costs in form of machine operators salaries, direct and indirect consumables, and related appropriate manufacturing overheads.

<b>STOCKS</b>	<b>30.06.00</b>	<b>30.06.99</b>
Finished Stocks (Printed Books)	56,756,931.00	44,786,933.00
Raw Materials	8,094,619.70	10,890,243.00
Work-in-Progress	1,266,208.00	11,447,199.00
Packaging Materials	301,450.00	369,724.00
Stationery	786,023.80	519,250.00
	<u>67,205,232.00</u>	<u>68,013,349.00</u>

**NOTE 4.**

**PROFIT (LOSS) FOR THE YEAR**

	<b>30.06.00</b>	<b>30.06.99</b>
	<b>Kshs.</b>	<b>Kshs.</b>
The profit is stated after charging:		
Depreciation	5,839,126.00	4,973,867.00
Board expenses	663,412.00	664,210.80
Revenue Lost	-	34,015,612.00
And after crediting:	-	-
Interest	1,925,353.00	41,918.10

**NOTE 5**

**TRADE RECEIVABLES [DEBTORS AND PRE-PAYMENTS]**

Trade debtors are carried at the expected realisable value. Estimates have been made for doubtful debts and bad debts have been written off.

	<b>30.06.00</b>	<b>30.06.99</b>
Trade Debtors	35,800,813.00	48,252,632.00
V.A.T. Receivable	1,215,668.00	5,338,583.00
Other Debtors	780,978.00	585,507.00
Staff Debtors	2,072,606.00	1,373,388.00
Prepaid Expenses	3,613,083.00	-
	<u>43,483,148.00</u>	<u>55,550,110.00</u>

**PROVISION FOR DOUBTFUL DEBTS**

Trade Debtors and other non-trade receivables which have a remote likelihood of recovery have been provided for at Kshs 23,312,760.00 yielding net trade receivables of Kshs 12,521,445.00

**NOTE 6****CREDITORS AND ACCRUALS**

	<b>30.06.00</b>	<b>30.06.99</b>
Trade Creditors	38,616,275.00	34,272,836.00
Provision for Scholarships Payable	3,593,298.00	13,064,476.00
Other Creditors	<u>3,885,603.00</u>	<u>3,026,451.00</u>
Total	<u><b>46,095,176.00</b></u>	<u><b>50,363,763.00</b></u>

**NOTE 7****CASH AND CASH EQUIVALENTS**

In the Cashflow Statement cash and cash equivalents include petty cash - in - hand and Fixed deposits held with the Kenya Commercial Bank.

	<b>30.06.00</b>	<b>30.06.99</b>
Cash-in-hand	64,751.00	39,149.00
Bank Balance(overdraft)	4,674,478.00	(10,398,857.00)
Bank Fixed Deposit	<u>46,891,965.60</u>	<u>6,041,918.10</u>
	<u><b>51,631,195.00</b></u>	<u><b>(4,317,790.00)</b></u>

**NOTE 8****MISCELLANEOUS INCOME**

The figure for miscellaneous income includes Kshs 9,455,363.00 which is a write back of amount provided on scholarships in earlier years but has very remote possibility if any of being ever claimed by the beneficiaries.

**NOTE 9****PRIOR YEAR ADJUSTMENT**

The accumulated Depreciation on Motor vehicles was stated as Kshs 13,499,218, instead of Kshs 13,481,494. This was an overstatement of Kshs 17,724.00 which has now been corrected. Similarly, the staff car loans balance had been carried at Kshs 360,622.00 instead of Kshs 223,965.40. This was an overstatement of Kshs 136,656.60. This amounted to a net overstatement of Retained earnings of Kshs 118,932.00.



**PROFIT AND LOSS ACCOUNT  
FOR THE YEAR ENDED 30.06.2000**

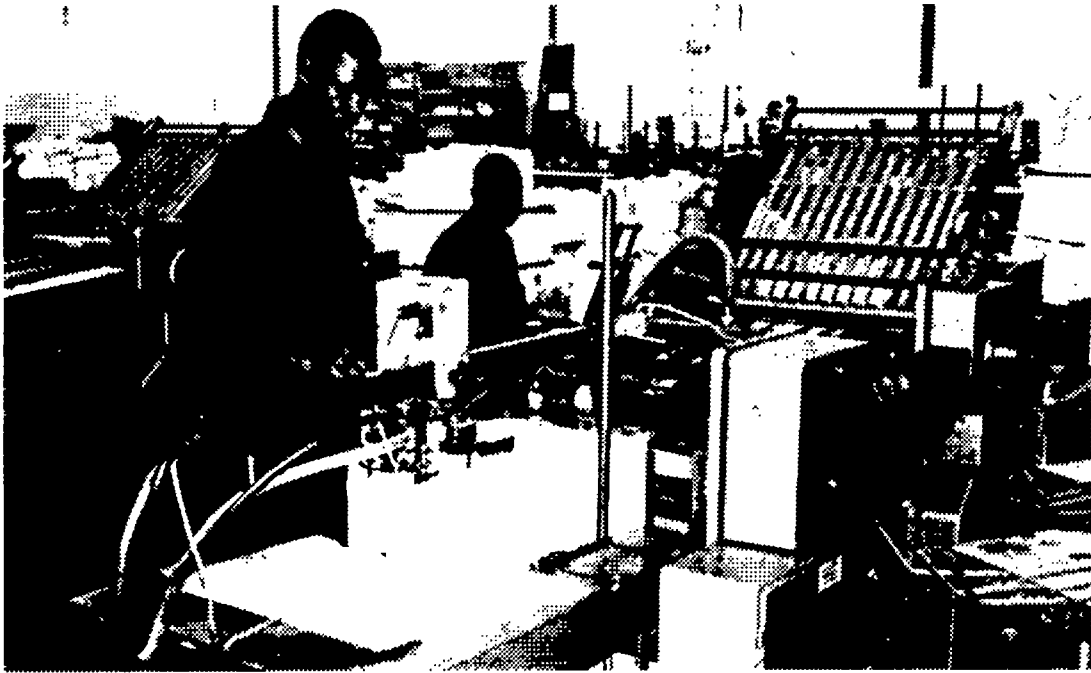
	2000	1999
	Kshs	Kshs
Total Net Sales (Net of Discounts)	204,396,953	232,333,545
Less Cost of Sales	<u>(95,692,091)</u>	<u>(178,499,768)</u>
Gross Profit	<b>108,704,862</b>	<b>53,833,777</b>
Gross Profit as % of Sales	53	23
<b>LESS EXPENSES</b>		
<b>DISTRIBUTION &amp; ADMINISTRATIVE EXPENSES</b>		
Printing and Stationery & Photocopying	871,312	1,666,003
Postage & Telephone Expenses	1,664,041	1,093,232
Computer Expenses	799,340	340,296
Rent and Rates	1,619,949	2,034,495
Light and Water Expenses	908,171	644,562
Repair and Maintenance	2,575,023	3,289,292
Licences	75,050	60,360
Insurance Expenses	3,703,558	5,490,126
Directors' Expenses	663,412	664,211
Donations - Cash and Books	320,281	160,000
Entertainment	27,250	-
General Expenses	1,284,126	1,150,659
M/V & Generator Running Expense (Fuel)	3,234,055	2,158,550
Sales Promotion	300,528	993,762
Packing Materials	1,103,988	1,903,920
Mileage Expenses	-	1,217,525
Depreciation Expense (Excl. Plant & Machinery)	5,839,126	4,973,867
Scholarship Expense	-	-
Transport Staff	221,745	446,180
End Year Party Expenses	-	296,063
Long Service Awards	147,500	65,000
Hire of Security Service	757,417	682,148
Legal & Professional fee	947,467	151,086
Stock Lost	-	3,555,715
Revenue Lost	-	34,015,612
Cash Stolen	-	<u>9,025,474</u>
<b>Sub Total</b>	<b>27,063,339</b>	<b>76,078,138</b>
<b>STAFF EXPENSES</b>		
Staff Salaries	21,346,485	21,853,552
House Allowance	9,940,310	10,678,065
Staff Canteen & Welfare Expenses	3,507,606	5,512,674
Staff Medical Expenses	4,218,559	4,699,005
Provident Fund (Employer Contribution)	3,675,698	3,900,729
Pension JKF Contribution	225,680	176,414
Staff Bonus	501,500	663,100
Industrial Training Levy	95,000	385,260
Staff Training	349,050	78,464

Staff Uniform	94,905	535,293
Staff Travelling & Accommodation	1,880,291	1,878,776
Staff Recruitment	-	-
Casual Wages	43,060	-
Disturbance Allowance	206,670	-
Extraneous Allowances	<u>599,709</u>	<u>118,119</u>
<b>Sub-Total</b>	<b>46,684,523</b>	<b>50,479,451</b>
<b>EDITORIAL EXPENSES</b>		
Editorial Charges	5,670	17,139
Library Expenses	31,907	22,570
Manuscript Development Expenses	1,716,187	1,400,446
Honoraria-Readers	17,500	9,000
Royalties Expenses - Authors	430,000	454,442
Subscriptions	<u>153,857</u>	<u>163,282</u>
<b>Sub-Total</b>	<b>2,355,121</b>	<b>2,066,879</b>
<b>FINANCIAL CHARGES</b>		
Loan Interest Expense	2,291,613	2,965,064
Foreign Exchange Fluctuation loss	2,016,744	-
Standard Levy	1,629,450	-
Audit Fees (Provision)	495,403	-
Income Tax Penalties	250,000	150,000
Fixed Assets Written Off	-	10,742
V.A.T. Written off	-	20,650,542
Legal Penalties provision	400,000	-
Bad Debts written off	-	14,624,803
Provision for Doubtful Debts	<u>6,732,298</u>	<u>16,580,462</u>
<b>Sub-Total</b>	<b>13,815,508</b>	<b>54,981,613</b>
<b>TOTAL EXPENSES</b>	<b><u>89,918,491</u></b>	<b><u>183,606,081</u></b>
<b>Operating Profit (Loss) For The Year</b>	<b>18,786,371</b>	<b>(129,772,304)</b>
<i>Add Non-Operating Income:</i>		
Service Jobs	8,088,032	3,663,175
Sale of Waste Paper	458,660	1,072,320
Sale of Obsolete Items	84,382	-
Miscellaneous Income	10,030,904	-
Interest on Fixed Deposit	1,925,353	-
Bad Debts Recovered	1,131,200	-
Rental Income	439,957	1,020,091
Gain on sale of Fixed Asset	-	289,231
Other Income (Sale of tender bids, etc)	<u>140,000</u>	<u>263,662</u>
<b>Net Profit (Loss) For The Year</b>	<b>41,084,859</b>	<b>(123,463,825)</b>
<b>Retained Profit B/F</b>	<b><u>88,784,176</u></b>	<b><u>212,366,933</u></b>
<b>Retained Profit C/F</b>	<b><u>129,869,035</u></b>	<b><u>88,903,108</u></b>

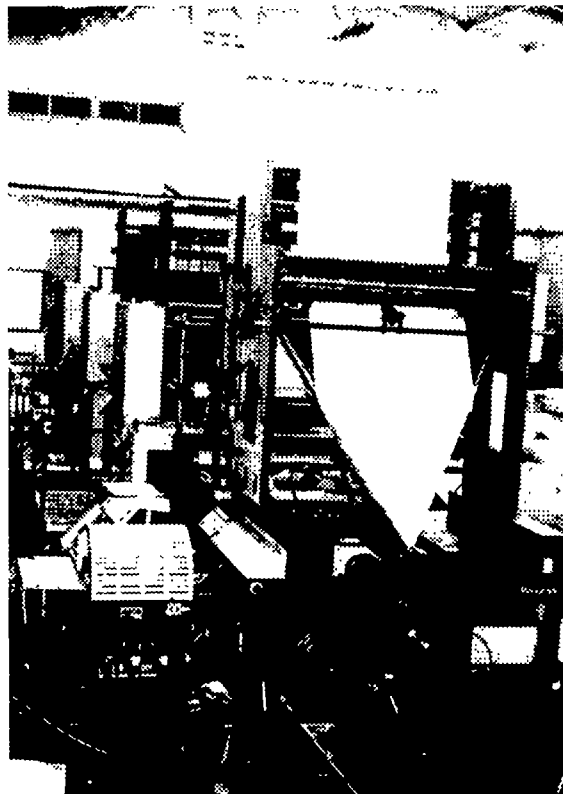
MANUFACTURING ACCOUNT FOR THE PERIOD ENDED 30.06.2000									
RAW MATERIALS	PAPER & BOARD	DIRECT CONSUMABLE	ORIGINATION MATERIALS	INDIRECT CONSUMABLE	SPARE PARTS	TOTAL 2000	TOTAL 1999		
OPENING STOCK AS AT 01/07/99	6,988,192	1,690,850	310,182	1,234,389	666,631	10,890,244	27,815,347		
ADD: PURCHASES TO DATE	60,587,461	2,627,656	487,380	2,313,669	1,755,335	67,771,501	88,736,312		
STOCKS AVAILLABLE FOR USE	67,575,653	4,318,506	797,562	3,548,058	2,421,966	78,661,745	116,551,658		
LESS: CLOSING STOCK AS AT 30/06/2000	(4,266,967)	(1,488,773)	(474,973)	(1,241,364)	(622,542)	(8,094,619)	(10,890,244)		
COST OF RAW MATERIALS UTILISED	63,308,686	2,829,733	322,589	2,306,694	1,799,424	70,567,126	105,661,414		
DIRECT LABOUR (OPERATORS' SALARIES)						12,556,484	13,837,314		
OVERHEADS:									
WORK FIRMED OUT						4,306,283	32,134,718		
DEPRECIATION (P&M)						7,720,837	6,631,176		
ELECTRICITY						1,659,245	1,412,659		
REPAIRS & MAINTENANCE (P&M)						2,224,295	3,862,776		
COST OF SALES ADJUSTMENT						(2,907,181)	-		
WATER CHARGES						105,019	-		
INSURANCE OF P&M						1,248,994	-		
OPENING WORK IN PROGRESS						11,447,199	163,540,057		
CLOSING WORK IN PROGRESS						(1,266,208)	1,626,400		
MANUFACTURING COSTS TO ACCOUNT FOR						107,662,093	165,166,457		
COST OF FINISHED PUBLICATIONS									
OPENING STOCK						44,786,932			
CLOSING STOCK						(56,756,931)			
COST OF SALES						(11,969,999)	13,333,310		
						95,692,094	178,499,768		

**THE JOMO KENYATTA FOUNDATION  
FIXED ASSETS MOVEMENT SCHEDULE AS AT 30/6/2000**

PARTICULARS	LAND AND BUILDINGS		PLANT & MACHINERY KSHS	FURNITURE & EQUIPMENT KSHS	COMPUTERS KSHS	MOTOR VEHICLES KSHS	TOTALS KSHS
	ENTER. ROAD KSHS	KIJABE KSHS					
COST OR VALUATION							
AS AT 30/6/99	46,149,018	1,066,360	114,120,798	7,011,401	11,462,374	22,520,267	202,330,218
ADDITIONS	-	-	2,023,300	544,391	5,192,430	-	7,760,121
DIPOSALS / WRITE OFF	-	-	-	-	-	-	-
<b>AS AT 30/6/00</b>	<b>46,149,018</b>	<b>1,066,360</b>	<b>116,144,098</b>	<b>7,555,792</b>	<b>16,654,804</b>	<b>22,520,267</b>	<b>210,090,339</b>
DEPRECIATION							
AS AT 30/6/99	6,105,711	806,960	31,742,083	4,821,195	7,826,251	13,481,494	64,783,694
CHARGE FOR THE YEAR	922,980	38,084	7,761,615	616,956	1,960,634	2,259,693	13,559,962
ON DISPOSAL / WRITE OFF	-	-	-	-	-	-	-
<b>AS AT 30/6/00</b>	<b>7,028,691</b>	<b>845,044</b>	<b>39,503,698</b>	<b>5,438,151</b>	<b>9,786,885</b>	<b>15,741,187</b>	<b>78,343,656</b>
NET BOOK VALUE							
AS AT 30/6/99	40,043,307	259,400	82,378,714	2,190,206	3,636,122	9,021,048	137,528,797
AS AT 30/6/00	39,120,327	221,316	76,640,400	2,117,641	6,867,919	6,779,080	131,746,683
<b>NB: PLANT, MACHINERY &amp; FURNITURE</b>							
FURNITURE & EQUIPMENT	COST OR VALUATION						
OFFICE FURNITURE, FITTINGS & EQUIPMENT	7,074,992						
CANTEEN FURNITURE, FITTINGS & UTENSILS	480,799						
FURNITURE, FITTINGS & EQUIPMENT (MD'S)	-						
<b>TOTAL: FURNITURE, UTENSILS &amp; EQUIPMENT</b>	<b>7,555,791</b>						
PLANT & MACHINERY							
PRESS PLANT & MACHINERY	115,498,126						
TOOLS	645,971						
<b>TOTAL: PLANT &amp; MACHINERY</b>	<b>116,144,098</b>						
<b>GRAND TOTAL</b>	<b>123,699,889</b>						



Finishing line: Operators working at the Camco folding machine



State of the art: JKF Web Machine

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