



kenya national  
library service



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library service

# Annual Report and Accounts **2010-2011**

Community Area, P.O. Box 30573, 00100 Nairobi Tel: 254 2 2725550/1 Email: knls@knls.ac.ke

[www.knls.ac.ke](http://www.knls.ac.ke)

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We registered an improvement in our composite score under the government's performance contracting management system. This gives credence to our efforts to provide quality service to our customers and other stakeholders.

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# CHAIRMAN'S REPORT



*KNLS Board Chairman, Silas Kobia*

During the period under review, the Board continued with the ambitious program of upgrading and expanding the library infrastructure in order to improve customer access to information services. A key milestone in this regard was the official opening of the state of the art Buruburu library by the Minister of State for National Heritage and Culture, Hon William ole Ntimama on 29th April 2011.

Located at the heart of Eastlands, the library now offers services to the residents of Eastlands who previously had to travel long distance to access library services. During the last quarter of the year when the library was officially opened (April – June), 63,109 adults and 61,876 children attended the library and the number is expected to rise in the coming period.

The period also saw Laikipia Community Library relocate to the newly built facility in Nanyuki town providing better access and reading environment to the residents of this region. The Board also commenced construction of the Narok library in March 2011, which, once completed, will provide the much needed services to the residents of this county.

The need for library infrastructure development continues to grow as more and more communities adopt a reading culture. In order to meet this growing need, the Board will continue to partner with communities and establish libraries in areas that are not currently covered.

## **Key achievements**

Nairobi Area Library received the Library of the Year Award under the public libraries category. This is an initiative of Goethe Institute, Jomo Kenyatta Foundation and Kenya Library Association recognising innovative library and information services provided by various libraries.

We registered an improvement in our composite score from 2.0892 in 2009/10 to 1.9056 under the government's performance contracting management system. This gives credence to our efforts to provide quality service to our customers and other stakeholders. This achievement was made possible through teamwork, prudent management of resources and acknowledgement and reward for good performance.

In conclusion, I wish to register my appreciation to the Board, Management and Staff for their dedication that has enabled us to excel in the execution of our mandate. We continue to register increased attendance in our libraries, a clear indication that our library users continue to attach great value to our services. Our appreciation also goes to the Government, our partners and donors for their support and guidance throughout the year.



In response to the emerging needs and preferences of our customers, we have continued to develop innovative programmes that are both relevant and provide value added opportunities for development.

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## MESSAGE FROM THE CEO

In our continued efforts to rebrand the organization, the integration of ICT in our services remains a main priority for the organization. With the migration of conventional libraries to e-books, National library in partnership with Digital Divide Data (DDD) has embarked on digitization of government reports, rare books, sessional papers which date back up to 1948 and past Kenya National Bibliographies. The project has so far seen the digitisation of 80% of the above materials and it is expected that once the process is complete, these materials will be accessible online through the library website. This will not only provide access to a wider customer base but also improve preservation efforts since the physical materials are prone to wear and tear due to continued usage.

The National Library Division also launched the online version of the Kenya National Bibliography (KNB) which can now be accessed online through the KNLS website.

In our efforts to develop ICT infrastructure within the library network, the Board entered into partnership with the Communication commission of Kenya (CCK) whose aim is to establish 10 public access centres in rural community libraries through provision of hardware and software and supporting internet connectivity using cost effective technology.

### **Innovation and diversification of our service offerings**

In response to the emerging needs and preferences of our customers, we have continued to develop innovative programmes that are both relevant and provide value added opportunities for development. A key innovation during this period was the launch of the National Farmers Information System (NAFIS), a partnership initiative with the Ministry of Agriculture that aims at providing real time information to farmers through the library network. Through this initiative, farmers are now able to access information on best practices in agriculture and also obtain competitive prices for their produce thereby improving their livelihoods. These efforts are aimed



*Mr Richard Atuti*

at enhancing access to information for agricultural development which is a key component of the economic pillar under the government's Vision 2030 strategy.

### **Reading promotion activities**

Promoting a life-long and sustainable reading culture remains a key goal in our operations. To achieve this goal, the following reading promotion activities were held:

**Children/community reading tents:** The use of reading tents continues to be an effective tool in promoting a reading among Kenyans. The reading tents held during the period registered an attendance of 12,738 people representing an increase of 69.8% over the previous year.

**Marketing and publicity:** During this period, interactive radio talk shows and television shows were conducted targeting various categories of users. Other activities included publication of articles in three publications as well as participation in ASK trade fairs and exhibitions.

### **Human Resource development**

A key ingredient of any growth-oriented organization is the continuous development of its people to meet both current and emerging challenges. KNLS has continued to offer relevant training opportunities to its staff as evidenced by the following training programmes that were held during the period as shown in the table below:

COURSE NAME	NO. OF STAFF	DURATION	VENUE
Lobbying & Advocacy for Public Libraries	28	7th -8th Oct 2010	Corat Africa Centre
National Human Resource Conference	1	14th -15th Oct 2010	Hilton Hotel ,Nairobi
Procurement Committee Training	29	10th -11th Nov 2010	KNLS
Transformational Leadership, Coaching, Mentoring And Counseling For Performance Training	34	12th Nov 2010	KEPHIS
Minute Writing And Records Management	1	21st -26nd Nov 2010	KNLS
Employee Education and related issues	73	1st -5th Nove 2010	Mt. Kenya Region
Training on Advanced Procurement	2	29th Nov - 3rd Dec 2010	Utalii Hotel
SCECSAL/SCANULECS Conference	1	3rd -5th Dec 2010	Botswana
Cascading of Performance Contracting and Service Delivery Charters for Provincial , Regional and District Departmental heads.	1	1st – 3rd Nov.2010	Mombasa Beach Hotel
Online Information Retrieval / Literacy Training	9	12th Jan 2011	KNLS
Final report on Consultancy Services to Establish Extent of Participation of Sall and Medium Enterprises (SME'S) and Disadvantages Groups in Public Procurement and Develop a Framework for their participation	1	25th Jan 2011	Laico Hotel
Resource Mobilization and Project Sustainability	1	18th Feb 2011	Safaricom Centre, Nairobi
Good Communication Skills	11	10th -11th Feb 2011	Friends Hotel Kakamega
Corruption Prevention Training	34	23rd Mar 2011	Maktaba Conference Hall
Senior Staff Seminar	74	21st - 23rd Jul 2010	Kenya Plant Health Inspectorate Service

COURSE NAME	NO. OF STAFF	DURATION	VENUE
Certificate in Library and Information Studies	30	April -23rd Dec 2010	Kenya Polytechnic University College
Strategies to fight /eliminate Corruption in the public Service	2	27th Jul 2010	KIA
Training of KNLS Staff Declared redundant	122	24th Aug -2nd Sept 2010	Naivasha Kisumu Mombasa Garissa
IPSASs International Conference	1	24th-26th Aug 2010	Hilton Hotel
Towards Procurement Professionalism in Eastern Africa	1	15th -17th Sept 2010	Whitesands Hotel
KLA Annual Conference : Nyanza and Western Chapter	2	22nd -26th Sept 2010	Kisumu Imperial Hotel





Promoting a life-long and sustainable reading culture remains a key goal in our operations.

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# CORPORATE INFORMATION

## Board Members as at 4th June 2011

Mr. Silas K. Kobia	—	Chairman (Appointed January 2010)
Mrs. Beatrice Buyu	—	Representative Nyanza
Prof. Henry Mwanzi	—	Representative Western
Mr. Ibrahim Abdi Ali	—	Representative North Eastern
Dr. Jumaa M. Makopa	—	Representative Coast
Mrs. Lucy Muhinga	—	Representative Central
Ms. Seth Kakusye	—	Representative Eastern
Mr. Sylas Chemnjor	—	Representative Rift Valley
Mr. Muthoga Ngera	—	Representative Nairobi
Ms. Christine M. Lemein	—	Nominated
Ms. Pauline W. Kamau	—	Nominated
Mr. Daniel Mayiani	—	Nominated
Mr. Noor Aden Noor	—	Alt. Rep. Ministry of Education
Ms. Eunice K. Cherotich	—	Alt. Rep. Ministry of Finance
Mr. David Cheruiyot	—	Alt. Rep. Ministry of Planning & Dev.
Amb. Ann Nyikuli	—	Alt. Rep. Ministry of National Heritage & Culture
Ms. Salome Munavu	—	Alt. Rep. University of Nairobi
Mr. Johnson N. Kariuki	—	Alt. Rep. Director, City Council of Nairobi
Mr. Peter Eregae	—	Alt. Rep. Ministry of Local Government

## Senior Management

Mr. Richard M. Atuti	—	Director
Mr. David Muswii	—	Deputy Director (TS)
Mr. Augustine Suka	—	Deputy Director (A&F)
Mr. Charles Ngema	—	Chief Human Resource Officer
Mr. Jack Wafula	—	Principal Accountant
Mr. Cyrus Ndogo	—	Librarian I
Evelyne Ntaiya	—	Principal Procurement Officer
Ms. Carolyne Kayoro	—	Principal Librarian
Mrs. Philomena Mwirigi	—	Principal Librarian
Mr. Alex Ombogi	—	Senior ICT Officer
Mrs Nancy Ngugi	—	Senior Public Relations Officer
Mr. Geoffrey Ruto	—	Senior Administrative Officer
Ms. Margaret Mwangi	—	Senior Internal Auditor

### Registered Office

Kenya National Library Service (KNLS)  
Community Area  
Opposite NHIF Building  
P O Box 30573 – 00100 NAIROBI  
Tel 2725550/1  
Fax 2721749  
Email knls@knls.ac.ke, www.knls.ac.ke

### Auditors

Auditor - General  
Kenya National Audit Office  
P O Box 30084 – 00100  
NAIROBI

### Bankers

Kenya Commercial Bank  
Milimani Branch  
NSSF Building  
P O Box 69695  
NAIROBI

# BOARD MEMBER'S REPORT FOR THE YEAR ENDED 30TH JUNE 2011

It should be noted that by the time of submitting this report the tenure of the Board had expired on 4th June 2011 as per Kenya Gazette Notice No. 5784. The Chairman of the Board was the only member still serving on the Board as at 30th June 2011. The Board had since not been gazette by the date of submitting the report. The Chairman and Management of KNLS have pleasure in submitting the financial statements for the year ended 30th June 2011.

## KNLS MANDATE

Kenya National Library service (KNLS) Board is a statutory body of the Government of Kenya established by an Act of Parliament, Cap 225 of the Laws of Kenya in April 1965. The Board's mandate is to develop, promote, establish and equip libraries in Kenya. The State Corporations Act Cap 446 of the laws of Kenya also guides the Board in its operations.

## KNLS CORE FUNCTIONS

These include: -

- Preserve and conserve the national imprint for reference and research and maintain the National Bibliographic Control through issuance of the ISBN, publication of the Kenya National Bibliography and Kenya Periodicals Directory.
- promote, establish, equip, manage and maintain the National and Public libraries services in Kenya;
- promote information literacy and reading among Kenyans;
- enhance stakeholders participation for equitable development of libraries throughout the country;
- Advice the Government, local authorities and other public bodies on all matters relating to library, documentation and related services.

## Vision

A National centre of excellence that preserves and disseminates information for knowledge and creativity

## Mission

To make information resources available and preserve the national imprint for use by all communities through utilization of appropriate technology.

## Core Values

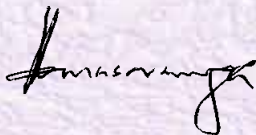
We commit ourselves to live up to the highest ideals of service provision and therefore the following shall be our guiding core values.

- Quality
- Transparency
- Relevance
- Accountability
- Teamwork
- Professionalism

## Strategic Objectives

During the planned period 2008 – 2012, the Board will implement a range of activities with a view of achieving the following objectives:

- To increase access to library services by 40% over the plan period
- To increase quality and relevant information materials in libraries by 40% over the plan period
- To expand the library network by establishing and equipping 2 libraries annually.
- To improve KNLS reading and work environment by 10% annually.
- To automate 10 libraries annually to enhance service delivery
- To increase National Bibliographic information by 3000 legal deposit copies annually.
- To improve the quality and relevance of library services through research over the plan period
- To improve human resource management, operations and service delivery
- To improve KNLS corporate image



**Richard M. Atuti**  
Director KNLS/Secretary to the Board  
26th September, 2011.



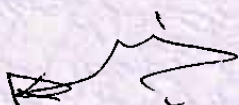
One of our core functions is to  
promote information literacy and  
reading among Kenyans

# STATEMENT OF KNLS BOARD MEMBERS' RESPONSIBILITIES

The Kenya National Library Service Board (KNLS) Act CAP 225 requires the Kenya National Library Service Board to prepare financial statements for each financial year, which give a true and fair view of the state of affairs of the KNLS as at the end of the financial year. It also requires the Board to ensure that KNLS keep proper accounting records, which disclose with reasonable accuracy at any time the financial position of KNLS. They are also responsible for safeguarding the assets of KNLS.

The Board accepts responsibility for the annual financial statements, which have been prepared using appropriate accounting policies supported by reasonable and prudent judgment and estimates, in conformity with International Financial Reporting Standards promulgated by International Accounting Standards Board and in the manner required by the KNLS Act. The Board is of the opinion that the financial statements give a true and fair view of the state of the financial affairs of KNLS. The Board further accepts responsibility for the maintenance of accounting records, which may be relied upon in the preparation of financial statements, as well as adequate systems of internal financial control.

Finally nothing has come to the attention of the Board to indicate that KNLS will not remain a going concern for at least the next twelve months from the date of this statement.



**Mr. Silas K. Kobia**  
Chairman KNLS Board  
26th September, 2011



**Mr. Richard M. Atuti**  
Director KNLS  
26th September, 2011



In our continued efforts to rebrand the organization, the integration of ICT in our services remains a main priority for the organization.

REPUBLIC OF KENYA



## KENYA NATIONAL AUDIT OFFICE

# REPORT OF THE AUDITOR-GENERAL ON KENYA NATIONAL LIBRARY SERVICE BOARD FOR THE YEAR ENDED 30 JUNE 2011

### REPORT ON THE FINANCIAL STATEMENTS

I have audited the accompanying financial statements of Kenya National Library Service Board for the year ended 30 June 2011 set out on pages 8 to 24 which comprise the statement of financial position as at 30 June 2011, and the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, together with 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 the International Financial Reporting Standards and for such internal controls as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Management is also responsible for the submission of its 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 independent opinion on the financial statements based on the audit and report in accordance with the provisions of Section 15 of the Public Audit Act, 2003. The audit was conducted in accordance with the 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 controls 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 Board's internal controls. 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. Property, Plant and Equipment**

As reported in 2009/2010, the property, plant and equipment balance of Kshs.503,548,298 as at 30 June 2011 includes an amount of Kshs.250,000 representing the value of land in Karatina without title deed. The figure of Kshs.503,548,298 however excludes an amount of Kshs.15,285,000 in respect of ten (10) parcels also without title deeds, and undetermined value of ten (10) others against which the respective ownership documents were similarly not seen.

In consequence, it has not been possible to confirm that the property, plant and equipment balance of Kshs.503,548,298 is fairly stated as at 30 June 2011.

#### **2. Withdrawn Books**

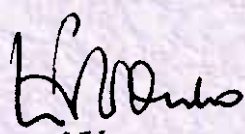
As disclosed in Note 10 to the financial statements, the figure Kshs.12,267,068 in respect of withdrawn books includes a value of Kshs.856,480 relating to long overdue books and of Kshs.1,263,730 representing missing books. The management has not however indicated how it intends to recover the realizable values of the long overdue and missing books.

#### **3. Trade Receivables**

As disclosed in Note 13 to the financial statements, and as previously reported, the trade receivables balance of Kshs.8,604,543 includes staff debts amounting to Kshs.3,470,255 owed by three (3) individuals who have since left the Board. Although according to information available the management has made some efforts and recovered a sum of Kshs.395,250, a balance of Kshs.3,075,005 still remains outstanding. In the circumstances, it has not been possible to confirm that the trade receivables balance of Kshs.8,604,543 as at 30 June 2011 is fairly stated.

### **Qualified Opinion**

In my opinion, except for the possible effects of the matters described in the Basis for Qualified Opinion paragraph, the financial statements present fairly, in all material respects, the financial position of the Board as at 30 June 2011, and its financial performance and cash flows for the year then ended in accordance with the International Financial Reporting Standards and comply with the Kenya National Library Service Act, Cap 255 of the Laws of Kenya.



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

Nairobi

6 January 2012

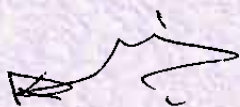
# STATEMENT OF COMPREHENSIVE INCOME FOR THE PERIOD ENDING 30TH JUNE 2011

		2010/2011 KSHS.	2009/2010 KSHS.
<b>Income</b>	<b>NOTE</b>		
Government of Kenya Grants	2	641,000,000	655,000,000
Other Grants	3	63,734,437	42,289,022
Investment Income	4	16,716	4,647
Appropriation in Aid	5	41,528,581	30,021,422
		<b>746,279,734</b>	<b>727,315,091</b>
<b>Expenditure</b>			
Personnel Emoluments	6	472,403,256	416,472,152
Operating and Maintenance costs	7	94,056,786	75,637,927
Boards Expenses	8	12,876,824	14,059,514
Depreciation	9	19,847,081	16,033,138
<b>TOTAL EXPENDITURE</b>		<b>599,183,947</b>	<b>522,202,731</b>
<b>SURPLUS/(DEFICIT)</b>		<b>147,095,787</b>	<b>205,112,360</b>

# STATEMENT OF FINANCIAL POSITION

## AS AT 30TH JUNE 2011

	NOTES	2010/2011 KSHS	2009/2010 KSHS
<b>NON CURRENT ASSETS</b>			
Property, Plant & Equipment	9	503,548,298	463,841,119
Stock - Books	10	499,414,786	421,536,920
Work in Progress	11	597,115,230	514,618,765
<b>SUB-TOTAL</b>		<b>1,600,078,314</b>	<b>1,399,996,804</b>
<b>CURRENT ASSETS</b>			
Stock - Others	12	5,213,365	3,241,736
Trade receivables	13	8,604,543	7,360,581
Cash & Bank balances	14	69,848,685	113,914,237
<b>SUB -TOTAL</b>		<b>83,666,593</b>	<b>124,516,553</b>
<b>TOTAL ASSETS</b>		<b><u>1,683,744,907</u></b>	<b><u>1,524,513,358</u></b>
<b>Fund &amp; Liabilities</b>			
Accumulated Fund		1,415,544,881	1,266,705,017
Revaluation		248,978,055	227,763,055
<b>SUB -TOTAL</b>		<b>1,664,522,936</b>	<b>1,494,468,072</b>
<b>CURRENT LIABILITIES</b>			
Trade payables	15	19,221,971	30,045,286
		19,221,971	30,045,286
<b>TOTAL EQUITY &amp; LIABILITIES</b>		<b><u>1,683,744,907</u></b>	<b><u>1,524,513,358</u></b>



Mr. Silas K. Kobia  
Chairman KNLS Board  
26th September 2011



Mr. Richard M. Atuti  
Director KNLS  
26th September 2011

# STATEMENT OF CHANGES IN FUND

	<b>Accumulated Fund</b>	<b>Revaluation</b>	<b>Total</b>
Balance as at 1st July 2010			
As previously stated	1,266,705,017	227,763,055	1,494,468,072
<b>Prior Year Adjustment: Cost</b>			-
Equipment	97,663		97,663
Computers	11,392.00		11,392
<b>Prior Year Adjustment: Acc. Depn</b>			-
Equipment	(69,122)		(69,122)
Computers	1,733,968		1,733,968
Furniture & Fittings	26,251		26,251
Motor Vehicles	(56,075)		(56,075)
<b>As restated- 1st July 2010</b>	<b>1,268,449,094</b>		<b>1,496,212,149</b>
Land & Buildings		21,215,000	21,215,000
Surplus	147,095,787		147,095,787
Balance as at 30th June 2011	<u><b>1,415,544,881</b></u>	<u><b>248,978,055</b></u>	<u><b>1,664,522,936</b></u>

# STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 30TH JUNE 2011

	Note	2010/2011 (KSHS)	2009/2010 (KSHS)
<b>Net Cash Outflow From Operating Activities</b>	<b>16</b>	<b>(581,129,051)</b>	<b>(511,789,360)</b>
Cash Flows From Investing Activities			
Purchase Of Fixed Assets		(37,411,840)	(10,735,419)
(Increase) / Decrease In Work In Progress		(82,496,466)	(58,304,638)
Proceeds from sale of MV		1,690,000	
Purchase of Books		(27,263,492)	(17,298,625)
Investment income		16,716	-
<b>Net Cash Outflows From Investing Activities</b>		<b>(145,465,082)</b>	<b>(86,338,681)</b>
Cash Flows From Financing Activities			
GOK Grants		641,000,000	655,000,000
Appropriation in Aid		41,528,581	30,021,422
<b>Net Cash Inflows From Financing Activities</b>		<b>682,528,581</b>	<b>685,021,422</b>
(Decrease)/Increase In Cash and Cash Equivalents		(44,065,552)	86,893,381
Cash and Cash Equivalents Beginning		113,914,237	27,020,856
<b>Cash and Cash Equivalents Ending</b>		<b><u>69,848,685</u></b>	<b><u>113,914,237</u></b>

# NOTES TO THE FINANCIAL STATEMENTS

## 1 Significant accounting policies

The principal accounting policies adopted in the preparation of these financial statements are set out below.

### a) Basis of preparation

The financial statements are prepared in accordance with and comply with International Financial Reporting Standards. The Boards' financial statements have been prepared under the historical cost convention as modified by Revaluation of freehold Land and buildings, fixtures and fittings, plant & equipments which are incorporated in these accounts.

### (b) Revenue Recognition

Revenue is realized when existing library services are utilized and when recovery against a lost book is made. Others such as penalties on late return of books, rent, disposal of idle assets, sale of Kenya National Bibliographical and parking fee are recognized when due.

### Grants

Unrestricted grants are accounted for in the period when payment is received from donors or the Government of Kenya. Grants received for specific purposes are treated as deferred income and only credited to the income and expenditure statement when the activities for which they were provided for have been undertaken.

Grants received for specific assets purchases projects are treated as deferred income for assets acquisition and only credited to the income and expenditure statement when the activities for which they were provided for have been undertaken.

### Donations in Kind

Donations in kind are recognized on a receipt basis and recorded at their estimated market values.

### Interest Income

Interest income is recognized on an accrual basis.

### c) Foreign Currency

Transactions during the year are converted into Kenya Shillings at exchange rates ruling at the transaction date. Monetary assets and liabilities are expressed in foreign exchange rates ruling at the balance sheet date. The resulting differences from conversion and translation are dealt with in the income statement in the year in which they arise.

### d) Property and Equipment

Freehold land and buildings are included in the financial statements at their historical cost or amount of any subsequent valuation. Property, plant and equipment are stated at cost or valuation less accumulated depreciation.

### **e) Depreciation**

Freehold land is not depreciated.

Depreciation is calculated on straight line basis to write off the cost or revalued amount of property and equipment estimated useful as follows:-

- Freehold land	-	Nil
- Buildings	-	2%
- Motor vehicles	-	25%
- Fixtures, furniture & fittings	-	12.5%
- Equipments	-	20%
- Computers	-	33%

- Capital work in progress is not depreciated until such a time as the assets is brought into use.

### **f) Employee Benefits**

The KNLS employees are eligible for retirement benefits under a defined contribution scheme.

The employer contributes 20% and employee 10% of the monthly basic salary towards an employee pension. KNLS Board's contributions are charged to the income statement in the year to which they relate.

### **g) Comparatives**

Where necessary comparative figures have been adjusted to take into account the effect of prior year adjustments.

### **h) Taxation**

KNLS is exempted from taxation and therefore no provision for tax liability has been made in the financial statements.

### **i) Provisions**

Specific provisions are made against lost books when in the opinion of the Board recovery is considered doubtful. In addition, general provision are maintained based on management evaluation of obsolesce and deterioration of the books. The provision for doubtful debts is the lower cost of books plus 60% or the actual overdue.

PARTICULARS	22010/2011 KES	2009/2010 KES
<b>2. GOVERNMENT GRANTS</b>		
Govt Grants- Recurrent Acc	550,000,000	538,000,000
Govt Grants-Development Acc	110,000,000	136,000,000
Govt Grants -Refund Of AIA	(19,000,000)	(19,000,000)
	<b>641,000,000</b>	<b>655,000,000</b>
<b>3. OTHER GRANTS</b>		
Book Donations	54,301,012	35,772,591
Resurfaced books	2,976,602	1,053,071
Publicity Cash Donation	6,122,231	5,168,060
Fixed Asset Donation – Equipment		112,300
- Furniture & Fittings	80,592	183,000
- Computers	254,000	-
	<b>63,734,437</b>	<b>42,289,022</b>
<b>4. INVESTMENT INCOME</b>		
Interest Received	16,716	4,647
<b>5. APPROPRIATION IN AID</b>		
Hire Of Halls	815,10	717,730
Bill Boards	1,349,199	532,333
Parking Charges	741,756	753,706
Photocopies	152,201	130,659
Rent	17,359,678	12,230,744
KnB & Kpd Sales	14,620	8,734
Internet And E-Mail	636,871	444,304
Consultancy Services	158,233	42,312
Miscellaneous Income	63,785	117,602
Fines and Overdues	999,137	765,585
Disposal Income	128,626	346,730
Hire Of Chairs/ Tents	137,438	208,416
Gain on Sale of Fixed Assets	538,750	-
Discount Received	5,506,841	2,868,211
Sale Of Tenders	1,204,000	687,300
Clearing Fee	236,860	157,510
Commision from payroll deductions	155,480	161,578
Membersrhip Fees- Institution	683,000	561,500
Membership Fees- Adult	3,697,200	3,372,300
Membership Fees - Junior	579,400	517,820
Entrance Fees - Non Members	4,893,200	4,240,640
Attachment Charges	112,500	176,000
Lost And Paid For Books (100%)	286,193	186,221
Annual Renewal Fee	250,000	242,550
ISBN Fees	524,170	423,550
Salary On Resignation	-	51,815
Lost And Paid For Books (Original)	99,631	55,625
Forex Gain	204,713	19,947
	<b>41,528,581</b>	<b>30,021,422</b>



## 6. PERSONNEL EMOLUMENTS

### A. Basic Salary (Permanent Employees)

Casual Labour	1,242,670	698,374
House Allowance	111,370,729	107,714,301
Acting Allowances	-	89,414
Hardship Allowance	9,242,887	10,088,292
Medical Allowance	10,248,685	11,920,037
Special Duty Allowances	205,400	226,436
Other Allowances-Remunerative	-	384,000
Leave Allowance	4,086,813	4,805,300
Employer Contribution To Pension Scheme	45,179,604	43,316,766
Other Allowances-Bicycle	401,500	61,750
	<b>450,255,421</b>	<b>395,762,901</b>

### B. Other staff cost

Travel Costs-Domestic	1,311,247	747,302
Accommodation-Domestic	4,225,855	2,378,810
Daily Subsistence-Domestic	3,258,445	2,347,582
Sundry Items Domestic	562,500	710,544
Passage And Transfers Expenses	2,446,144	3,477,059
Travel Cost-Foreign	48,915	324,164
Accommodation Foreign	53,910	-
Daily Subsistence-Foreign	150,107	463,860
Travel, Accommodation, Tuition Fees	8,988,762	8,189,891
Purchase Of Coffins & Other Misc expenses	223,000	115,000
Membership Fees, Dues & Subscriptions	226,555	456,800
Refund Of Medical Expenses-Inpatient	87,445	125,739
Research & Development	484,950	116,000
Monitoring & Evaluation	-	1,078,500
Medal & Awards	80,000	178,000

**22,147,835**

**20,709,251**

### TOTAL PERSONNEL EMOLUMENTS

**472,403,256**

**416,472,152**

## 7. OPERATION & MAINTENANCE COSTS

### A. Financing costs

Bank Charges/Commissions	759,319	618,981
Management Fee-Audit Fee	400,000	400,000
	<b>1,159,319</b>	<b>1,018,981</b>

### B. Administrative costs

Telephone & Mobile Phone Services	2,041,562	1,802,190
Internet Connections	2,750,848	2,239,056
Courier & Postal Services	1,431,141	1,260,561
Publishing & Printing Services	1,691,136	598,991
Subscription To Newspaper, Magazines	6,208,880	4,417,434
Advertising, Awareness & Public	8,125,970	3,315,531
Trade Shows & Other Exhibition	850,554	717,445
Publicity Materials	777,896	

Rent & Rates-Non-Residential	73,500	13,494
Catering Expenses	1,668,558	1,429,163
Insurance: Property	7,854,803	6,199,330
Veterinarian Supplies	21,400	36,100
Purchase Of Uniform & Clothing	584,330	511,218
Library Processing Tools, Magnetic strips	3,219,899	1,318,237
Education and Supplies	640,340	-
General Office Supplies	1,772,010	3,375,605
Supplies & Accessories For Com	2,242,318	1,742,757
Sanitary & Cleaning Materials	1,074,119	755,655
Transport Costs & Charges For	702,936	544,528
Legal Dues, Arbitration & Comp	251,158	75,600
Contracted Professional Services	4,595,909	1,746,520
Contracted Guards & Cleaning	8,961,424	7,725,684
Withdrawn Books	12,267,068	19,335,137
Purchase of software	1,862,571	-
Loose Assets Written Off	73,300	-
	<b>71,743,630</b>	<b>59,160,236</b>
<b>C. Transport, utilities &amp; maintenance</b>		
Electricity	4,649,736	4,344,568
Water And Sewerage Charges	1,441,538	1,204,415
Refined Fuels & Lubricants For	3,134,803	2,512,107
Repair, Maintenance: Buildings	3,431,858	2,156,096
Repair, Maintenance: Furniture	421,628	386,623
Repair, Maintenance: Equip	1,537,542	1,066,619
Repair, Maintenance: Motorvehicle	2,372,212	2,170,500
Repair, Maintenance: Computer	4,164,520	1,617,749
	<b>21,153,837</b>	<b>15,458,677</b>
<b>TOTAL OPERATION AND MAINTENANCE COST</b>	<b>94,056,786</b>	<b>75,637,894</b>
<b>8. BOARD EXPENSES</b>		
Board Meetings Expenses	12,876,824	14,059,514

## 9. PROPERTY, PLANT AND EQUIPMENT

DESCRIPTION	LAND (KSH)	BUILDING (KSH)	EQUIPMENT (KSH)	MOTOR VEHICLES (KSH)	FURNITURE, FITTINGS (KSH)	COMPUTERS (KSH)	GRAND TOTAL (KSH)
As at 1st July 2010							
Cost as Previously stated	344,318,600	119,203,674	8,184,583	22,334,300	14,101,202	15,381,616	523,523,975
Prior yr adjustments			97,663			11,392	109,055
<b>As restated</b>	<b>344,318,600</b>	<b>119,203,674</b>	<b>8,282,246</b>	<b>22,334,300</b>	<b>14,101,202</b>	<b>15,393,008</b>	<b>523,633,030</b>
<b>ADDITIONS:</b>							
Purchases			6,380,630	3,310,000	21,474,861	6,246,350	37,411,841
Donations				(2,755,000)	80,592	254,000	334,592
Disposals							(2,755,000)
Revaluations	21,215,000						21,215,000
<b>TOTAL COST/VALUATION</b>	<b>365,533,600</b>	<b>119,203,674</b>	<b>14,662,876</b>	<b>22,889,300</b>	<b>35,656,655</b>	<b>21,893,358</b>	<b>579,839,463</b>
<b>DEPRECIATION</b>							
Accumulated Dep. As previously stated	-	30,646,482	4,477,309	6,922,150	4,376,364	13,260,550	59,682,855
Prior year adjustments			69,122	56,075	(26,251)	(1,733,968)	(1,635,022)
<b>As restated</b>	<b>-</b>	<b>30,646,482</b>	<b>4,546,431</b>	<b>6,978,225</b>	<b>4,350,113</b>	<b>11,526,582</b>	<b>58,047,833</b>
Acc. Depreciation on: disposals				(1,603,750)			(1,603,750)
Depreciation for the year		2,384,073	2,932,576	5,617,325	4,500,962	4,412,146	19,847,082
<b>TOTAL DEPRECIATION</b>	<b>-</b>	<b>33,030,555</b>	<b>7,479,007</b>	<b>10,991,800</b>	<b>8,851,075</b>	<b>15,938,728</b>	<b>76,291,165</b>
<b>Net Book Value 30/06/10</b>	<b>344,318,600</b>	<b>88,557,192</b>	<b>3,707,274</b>	<b>15,412,150</b>	<b>9,724,838</b>	<b>2,121,066</b>	<b>463,841,119</b>
<b>Net Book Value 30/06/11</b>	<b>365,533,600</b>	<b>86,173,119</b>	<b>7,183,869</b>	<b>11,897,500</b>	<b>26,805,580</b>	<b>5,954,630</b>	<b>503,548,298</b>

The financial statements omit land and building in respect to community based library projects, which were established by the Board in partnership with the communities and donated to the KNLS Board. Their value is omitted from the accounts since the Board does not have ownership documents (title deeds). The board is in the process of obtaining ownership documents and valuing them for inclusion in the Boards Assets' Register.

## 10. MOVEMENT OF BOOK

	2010/2011 No. of Pieces	Value Kshs.	2009/2010 (No. of Pieces)	Value Kshs.
Opening balance	1,111,117	421,536,920	1,069,503	383,879,560
Add: Govt purchases	66,732	32,867,320	54,240	20,166,835
Donations	46,074	54,301,012	48,585	35,772,591
Resurfaced books	3,612	2,976,602	3,498	1,053,071
Less:				
Withdrawn books	(48,434)	(12,267,068)	(64,709)	(19,335,137)
<b>Total</b>	<b>1,179,101</b>	<b>499,414,786</b>	<b>1,111,117</b>	<b>421,536,920</b>

The withdrawn books represent the net effect of value of books weeded from the system and lost books (including missing books). It also includes books donated to needy institutions. KNLS is an agent of Book Aid International (BAI). The Board receives books on behalf of other institutions and distributes them.

## 11 Movement of Work in Progress (Buildings)

	Opening balance	Additions	Closing
Buruburu	228,790,631	26,548,372	255,339,003
Nakuru	177,532,465	39,859,601	217,392,066
Karatina	12,289,007	-	12,289,007
Murang'a	32,598,945	-	32,598,945
Kisii	6,484,003	-	6,484,003
Mombasa	2,785,852	-	2,785,852
Kericho	2,888,070	-	2,888,070
Wundanyi	3,351,964	-	3,351,964
Kakamega	3,541,707	-	3,541,707
Nairobi - Roof	786,491.00	-	786,491
Nairobi - Hqs	2,370,204	879,780	3,249,984
Embu	6,231,681	-	6,231,681
Kisumu	5,460,945	445,921	5,906,866
Nyeri	7,031,751	-	7,031,752
Garissa	2,469,455	-	2,469,455
Thika	4,825,757	-	4,825,757
Mwingi	2,023,020	-	2,023,020
Meru	4,443,589	-	4,443,589

Lusumu	4,355,178	1,016,320	5,371,498
Kabarnet	4,137,000	413,700	4,550,700
OI-Kalou	130,856	-	130,856
Eldoret	90,193	2,336,053	2,426,246
Narok	-	8,256,841	8,256,841
Lagam	-	2,739,877	2,739,877
Total	514,618,765	82,496,465	597,115,230

## 12. STOCK

The items mainly comprise consumables whose turnover is very high. First in first out valuation method is used and inventories are stated in the financial statements at cost, which is lower than net realized value.

	KES (2010/2011)	KES (2009/2010)
General office	2,550,653	679,406
Uniform & Clothing	331,670	96,896
Library Processing Tools	1,599,991	1,630,385
Advertising & Publicity	115,988	109,885
Computer Accessories	573,185	667,503
Sanitary & Cleaning	23,550	57,661
Repair items - buildings	18,328	-
	5,213,365	3,241,736

## 13. TRADE RECEIVABLES

Item Description		
Debtors	7,609,480	6,206,671
Staff Debtors	339,317	505,665
Refundable Deposit	655,746	648,245
	8,604,543	7,360,581

## 14. CASH AND BANK BALANCES

Cash in hand	60,171	44,481
Bank main account	31,621,996	43,513,181
Bank Development Account	36,890,715	66,897,817
Bank Savings & Reserve A/C	522,802	522,585
Bank Savings & Reserve -foreign A/C	753,002	2,936,174
	<b>69,848,685</b>	<b>113,914,238</b>

## 15. CREDITORS

Creditors Control Account	16,489,571	28,353,286
Provisions -Directors Gratuity	2,182,400	992,000
Provisions - Audit Fees	550,000	700,000
	19,221,971	30,045,286

## 16. NOTES TO CASHFLOW STATEMENT

	2010/2011 KES	2009/2010 KES
Net Surplus/(Deficit) For The Year	147,095,786	205,112,361
Adjusted For: -		
Depreciation	19,847,081	16,033,138
Gain on sale of MV	(538,750)	-
Appropriation in Aid	(36,696,212)	(30,021,422)
Government Grants	(641,000,000)	(655,000,000)
Resurfaced books	(2,976,602)	(1,053,071)
Donations (Books & Cash)	(60,423,242)	(35,772,591)
Donations (FA)	(334,592)	(295,300)
Withdrawn books	12,267,068	19,335,137
Discount received	(5,506,841)	(2,868,211)
(Decrease)/Increase in Provisions -	1,040,400	(1,321,530)
Operating Deficit Before Working Capital Changes	(567,225,904)	(485,851,489)
(Increase) / Decrease In Stock	(1,971,629)	517,267
Increase / (Decrease) In Prepayment	135,759	-
(Increase) / Decrease In Debtors	(1,243,962)	(1,004,649)
Increase / (Decrease) In Creditors	(10,823,315)	(25,450,480)
Net Cash Outflow From Operating Activities	(581,129,051)	(511,789,360)



The use of children reading tents continues to be an effective tool in promoting reading among Kenyans.

# TRANSFORMING SOCIETY THROUGH READING

Do you desire to expand your horizon by acquiring new or more skills? Are you an avid researcher and would like to access a variety of online research material? Are you a parent and would like to inculcate a culture of reading in your children? If your answer is yes, welcome to the Kenya National Library Service (KNLS).

Whether you a student , a young professional seeking to build your career or a senior citizen with a desire to stay informed, we have a variety of information services geared towards satisfying your needs. KNLS is committed to transforming the Kenyan society through provision of relevant and up-to-date information.

## Some of Our Key Services

KNLS provides information services through two divisions; the public library and the national library. The services offered through the public library include;

- Adult , junior and institutional lending
- Advisory library services to communities
- Specialised information on health and agriculture
- Services to visually impaired persons

Through the national library, we provide the following services;

- Issuance of the International Standard Book Number (ISBN) to Kenyan Publishers
- Issuance of International Standard Music Number (ISMN) to players in the music industry
- Access to e-books
- Access to rare books and government publications such as Laws of Kenya, Kenya Gazettes and past newspapers in both digital and hard copies
- Serve as a development information center (DIC) for the World Bank

## New service initiatives

KNLS is undertaking an ambitious library modernisation program that includes construction of modern library facilities and automation of services. In order to improve its services, KNLS in partnership with the Ministry of Agriculture is providing an interactive information service to provide advisory services to farmers through the National Farmers Information Service (NAFIS). In addition, Health Information hubs have been set up in some libraries in partnership with Book Aid International (BAI).

## Membership

KNLS membership is open to members of the public, institutions at all levels, corporate organisations and non-governmental organisations.

Our operating hours are as follows:

- Monday to Friday - 8.00am to 6.30pm
- Saturday - 8.30am to 5.00pm

The library remains closed on Sundays and all public holidays.

We welcome you to explore our rich repository of reading materials available within our library network and online.

For more information, log onto: [www.knls.ac.ke](http://www.knls.ac.ke)





We continue to register increased attendance in our libraries, a clear indication that our library users continue to attach great value to our services.