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**KENYA ACCOUNTANTS AND
SECRETARIES NATIONAL
EXAMINATIONS BOARD**



**Kasneb Towers,
Upper Hill,
Off Hospital Road**

57-3
KASNEB

**Report of the Auditor-General (Corporations)
on the Accounts of the Kenya Accountants and Secretaries
National Examinations Board for the year ended 30 June 2001**

I have examined the Accounts of the Kenya Accountants and Secretaries National Examinations Board for the year ended 30 June 2001 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 required for the purpose of the audit. Proper books of account have been kept and the Accounts are in agreement therewith and comply with the Accountants Act, (Cap 531).

In my opinion, the Accounts, when read together with the Notes thereon, give a true and fair view of the state of financial affairs of the Board as at 30 June 2001 and of its surplus and cash flow for the year ended on that date.

S.M. Maluki
Auditor-General (Corporations)

15 July, 2002

KENYA NATIONAL ASSEMBLY
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**Kenya Accountants and Secretaries
National Examinations Board
BALANCE SHEET AS AT 30 JUNE 2001**

	2001 Sh.	2000 Sh.
General Fund	113,354,412	95,146,248
REPRESENTED BY:		
FIXED ASSETS (Note 4)	65,779,686	68,349,991
CURRENT ASSETS		
Sundry debtors and prepaid expenses	4,771,155	6,101,785
Treasury Bills/Bonds and term deposits	51,987,851	28,131,821
Balance at bank	2,334,895	4,238,416
Cash in hand	465,399	1,687,843
	<u>59,559,300</u>	<u>40,159,865</u>
CURRENT LIABILITIES		
Sundry creditors and accrued expenses	11,984,574	13,363,608
	<u>11,984,574</u>	<u>13,363,608</u>
NET CURRENT ASSETS	47,574,726	26,796,257
	<u>113,354,412</u>	<u>95,146,248</u>

CHAIRMAN: F.N. KIBERA

SECRETARY: E.K. GITAU

DATE: 15 July, 2002

Kenya Accountants and Secretaries National Examinations Board

INCOME AND EXPENDITURE ACCOUNT FOR THE YEAR ENDED 30 JUNE 2001

	2001 Sh.	2000 Sh.
INCOME FROM OPERATIONS		
Examinations entry fees	96,997,754	81,895,603
Registration fees	27,453,280	22,406,820
Annual registration renewal fees	29,331,087	24,429,261
Exemption fees	4,940,290	3,803,860
Sale of past question papers	698,134	529,989
(a)	<u>159,420,545</u>	<u>133,065,533</u>
EXPENDITURE ON OPERATIONS		
Examinations and invigilation honoraria	23,955,829	22,064,366
Examination prizes	111,500	96,500
Rent of examination halls expenses	960,600	777,400
Data processing expenses	1,752,894	1,198,748
Printing and stationery expenses	13,747,089	13,551,182
Local travelling & transport expenses	4,639,778	3,580,431
Long distance travelling & transport expenses	2,035,570	1,723,022
Postage and telephone	4,545,252	3,719,333
Salaries and Wages	46,708,243	38,568,948
Pension and benefits	7,952,936	5,496,214
Education and training	627,772	1,249,681
Repairs and renewals	611,080	266,288
Auditors remuneration	136,000	120,000
Insurance	806,995	748,679
Sundry expenses	2,130,884	1,849,429
Bank charges	718,386	522,115
Honoraria to members	2,227,234	1,505,524
Publicity, promotion, marketing and communication	3,510,427	3,147,734
Students journal – KASNEB Newslines	7,288,825	6,200,500
Legal expenses	35,000	-
Ground rent and land rates	593,956	587,057
Office rent – notional	3,548,880	3,548,880
(b)	<u>128,645,130</u>	<u>110,522,031</u>
Surplus from operations (a-b)	(c) <u>30,775,415</u>	<u>22,543,502</u>
INCOME FROM OTHER SOURCES		
Student identity card fees	4,121,962	3,115,492
Interest earned	4,311,213	3,181,968
Rental income – other tenants	1,722,936	2,149,108
Rental income – notional	3,548,880	3,548,880
Sub-total	(d) <u>13,704,991</u>	<u>11,995,448</u>
EXPENDITURE ON OTHER ITEMS		
Student identity card expenses	2,722,260	2,729,082
Insurance and maintenance of Kasneb Towers	3,737,548	3,217,419
Depreciation	8,157,496	7,094,067
Contribution to pension fund	1,000,000	1,000,000
Sub-Total	(e) <u>15,617,304</u>	<u>14,040,568</u>
Surplus (deficit) from other sources (f) = (d-e)	<u>(1,912,313)</u>	<u>(2,045,120)</u>
SPECIAL EXPENDITURE ITEM		
Strategic plan implementation	10,654,938	4,069,205
30 years celebrations	-	2,580,744
(g)	<u>10,654,938</u>	<u>6,649,949</u>
Excess of income over expenditure (h) = (c+f-g)	<u>18,208,164</u>	<u>13,848,433</u>
GENERAL FUND BALANCE		
Excess of income over expenditure	95,146,248	81,297,815
	<u>18,208,164</u>	<u>13,848,433</u>
	<u>113,354,412</u>	<u>95,146,248</u>

**Kenya Accountants and Secretaries
National Examinations Board
CASH FLOW STATEMENT FOR THE YEAR ENDED 30 JUNE 2001**

		2001 Sh.	2000 Sh.
Cash inflow from operations	(i)	18,208,164	13,848,433
Adjustment for:			
Depreciation	(ii)	<u>8,157,496</u>	<u>7,094,067</u>
Operating surplus before working capital changes (i + ii)	(iii)	26,365,660	20,942,500
Decrease (increase) in sundry debtors and prepaid expenses	(iv)	1,330,630	(3,862,947)
Increase (decrease) in sundry creditors and accrued expenses	(v)	<u>(1,379,034)</u>	<u>3,161,986</u>
NET CASH INFLOW FROM OPERATING ACTIVITIES (iii + iv + v)	(vi)	26,317,256	20,241,539
Investment activities			
Purchase of fixed assets	(vii)	<u>(5,587,191)</u>	<u>(8,651,561)</u>
INCREASE IN CASH AND CASH EQUIVALENTS (vi + vii)	(viii)	<u>20,730,065</u>	<u>11,589,978</u>
CASH AND CASH EQUIVALENTS			
Increase in cash and cash equivalents		20,730,065	11,589,978
Cash and cash equivalent at the beginning of the year		<u>34,058,080</u>	<u>22,468,102</u>
Cash and cash equivalent at the end of the year	(ix)	<u>54,788,145</u>	<u>34,058,080</u>
The closing balance of item No. (ix) is represented by:			
Treasury Bills/Bonds and term deposits		51,987,851	28,151,821
Balance at bank		2,334,895	4,238,416
Cash in hand		465,399	1,667,843
		<u>54,788,145</u>	<u>34,058,080</u>

Kenya Accountants and Secretaries

National Examinations Board

NOTES ON THE ACCOUNTS FOR THE YEAR ENDED 30 JUNE 2001

1. ESTABLISHMENT

The Board is established under Section 14(1) of the Accountants Act (Cap. 531) of the Laws of Kenya.

2. INCOME TAX

The income of the Board is exempt from tax by virtue of Legal Notice No. 116/1975.

3. ACCOUNTING POLICIES

(a) **Accounting convention**

The accounts are prepared under the historical cost convention.

(b) **Fixed assets and depreciation**

Fixed assets are stated at cost less depreciation.

Depreciation is calculated on the straight line basis at annual rates estimated to write off each asset over the term of its useful life.

The annual rates are:

(i)	Electronic data processing equipment	25%
(ii)	Partitions and fittings	20%
(iii)	Office furniture and desks & chairs	20%
(iv)	Machinery and office equipment	20%
(v)	Motor vehicles	25%
(vi)	Leasehold land and building	2.5%

(c) Examination fees are accounted for in the year in which the relevant examination takes place. No value is placed on stocks of examination stationery and past examination papers.

(d) Other fees income is accounted for as it is received by the Board. Refunds are accounted for in the year in which they are repaid to students and candidates.

(e) Interest income is accounted for as it is received.

4. **FIXED ASSETS**

Cost	Sh.	Leasehold Land and Building	Electronic Data Processing Equipment	Partitions and Fittings	Office Furniture and Desks & Chairs	Machinery and Office Equipment	Motor Vehicles	Total
At 1 July 2000	65,843,611		13,621,952	4,802,289	1,834,599	4,655,141	14,162,824	104,920,416
Additions during the year	1,313,430		1,674,249	1,260,204	1,085,968	253,340	—	5,587,191
Gross Book Value	67,157,041		15,296,201	6,062,493	2,920,567	4,908,481	14,162,824	110,507,607
Depreciation:								
At 1 July 2000	10,691,262		9,686,697	3,740,957	1,064,032	1,960,047	9,427,430	36,570,425
Charge for the year	1,678,926		2,208,264	541,645	461,247	881,300	2,386,114	8,157,496
Accumulated depreciation	12,370,188		11,894,961	4,282,602	1,525,279	2,841,347	11,813,544	44,727,921
Net Book Value								
at 30 June 2001	54,786,853		3,401,240	1,779,891	1,395,288	2,067,134	2,349,280	65,779,686



