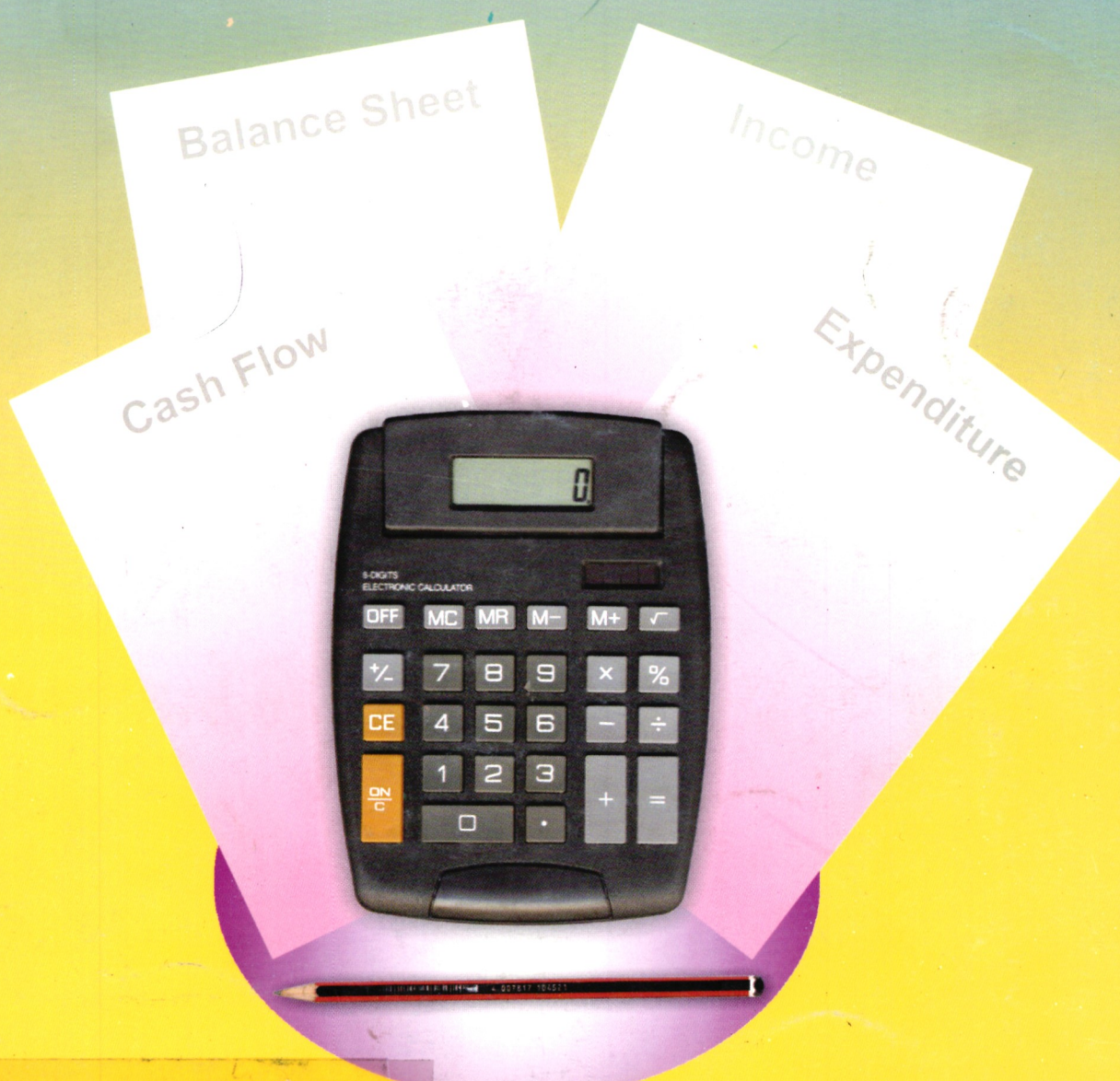




Kenya Accountants and Secretaries
National Examinations Board

Annual Accounts

30th June 2002

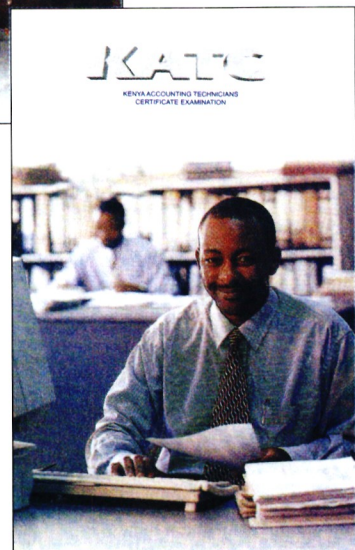
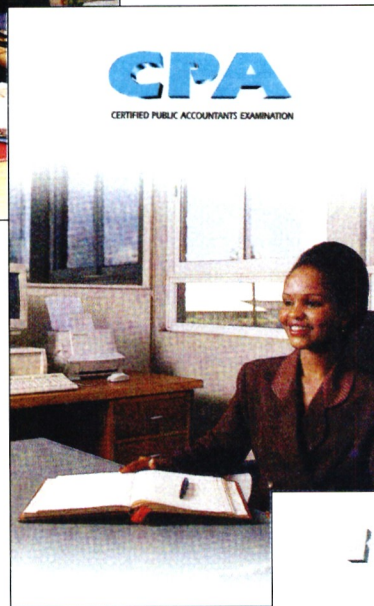
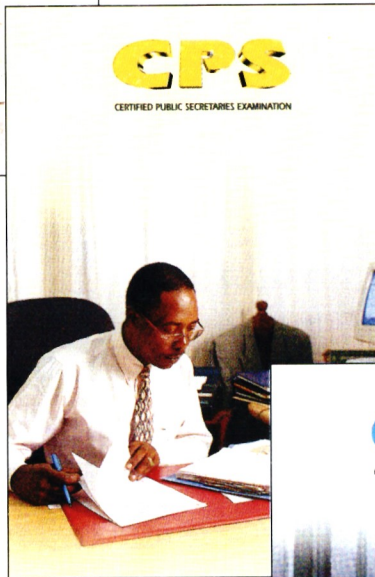


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REPORT OF
THE CONTROLLER AND AUDITOR GENERAL
ON THE ACCOUNTS OF
**THE KENYA ACCOUNTANTS AND
SECRETARIES NATIONAL EXAMINATIONS BOARD**
FOR THE YEAR ENDED
30 JUNE 2002

**REPORT OF THE CONTROLLER AND AUDITOR GENERAL ON THE
ACCOUNTS OF THE KENYA ACCOUNTANTS AND SECRETARIES NATIONAL
EXAMINATIONS BOARD FOR THE YEAR ENDED 30 JUNE 2002**

I have examined the accounts of the Kenya Accountants and Secretaries National Examinations Board for the year ended 30 June 2002 in accordance with the provisions of Section 29 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, which have been prepared under the historical cost convention, 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 financial state of affairs of the Board as at 30 June 2002 and of its surplus and cash flow for the year then ended.

D.G. NJOROGE
CONTROLLER AND AUDITOR GENERAL

NAIROBI

09 JUNE 2003

Balance sheet as at 30 June 2002

	2002	2001
	Sh.	Sh.
General Fund	<u>145,932,349</u>	<u>113,354,412</u>
Represented by:		
Fixed Assets (Note 4)	<u>61,191,336</u>	<u>65,779,686</u>
Current Assets		
Sundry debtors and prepaid expenses	6,093,583	4,771,155
Treasury Bills/ Bonds and term deposits	77,989,335	51,987,851
Balance at bank	7,519,843	2,334,895
Cash in hand	4,997,190	465,399
	<u>96,599,951</u>	<u>59,559,300</u>
Current Liabilities		
Sundry creditors and accrued expenses	11,858,938	11,984,574
	<u>11,858,938</u>	<u>11,984,574</u>
Net Current Assets	<u>84,741,013</u>	<u>47,574,726</u>
	<u>145,932,349</u>	<u>113,354,412</u>

CHAIRMAN: FRANCIS N. KIBERA

SECRETARY: ERASTUS K. GITAU

DATE: 07 APRIL 2003

Income and expenditure account for the year ended 30 June 2002

	2002	2001
	Sh.	Sh.
Income from operations		
Examinations entry fees	100,555,092	96,997,754
Registration fees	28,534,190	27,453,280
Annual registration renewal fees	31,280,072	29,331,087
Exemption fees	5,842,600	4,940,290
Sale of past question papers	608,394	698,134
(a)	<u>166,820,348</u>	<u>159,420,545</u>
Expenditure on operations		
Examinations and invigilation honoraria	25,175,829	23,955,829
Examination prizes	130,000	111,500
Rent of examination halls expenses	1,017,900	960,600
Data processing expenses	1,670,299	1,752,894
Printing and stationery expenses	13,553,386	13,747,089
Local travelling & transport expenses	4,908,101	4,639,778
Long distance travelling & transport expenses	2,130,276	2,035,570
Postage and telephone	5,336,858	4,545,252
Salaries and Wages	53,497,518	46,708,243
Pension and benefits	8,575,546	7,952,936
Education and training	1,151,640	627,772
Repairs and renewals	1,015,734	611,080
Auditors remuneration	174,000	136,000
Insurance	813,213	806,995
Sundry expenses	2,362,249	2,130,884
Bank charges	764,736	718,386
Honoraria to members	2,375,668	2,227,234
Publicity, promotion, marketing and communication	4,036,423	3,510,427
Students journal - KASNEB Newline	3,316,045	7,288,825
Legal expenses	34,510	35,000
Ground rent and land rates	619,869	593,956
Office rent - notional	6,129,720	3,548,880
(b)	<u>138,789,520</u>	<u>128,645,130</u>
Surplus from operations (a-b)	(c) <u>28,030,828</u>	<u>30,775,415</u>
Income from other sources		
Student identity card fees	3,889,320	4,121,962
Interest earned	8,039,856	4,311,213
Rental income - other tenants	1,712,608	1,722,936
Rental income -notional	6,129,720	3,548,880
Miscellaneous income	31,870	-
Sub-total (d)	<u>19,803,374</u>	<u>13,704,991</u>
Expenditure on other items		
Student identity card expenses	2,259,168	2,722,260
Insurance and maintenance of Kasneb Towers	4,138,621	3,737,548
Depreciation	6,217,567	8,157,496
Contribution to pension fund	1,000,000	1,000,000
Strategic plan (2002-2006)	1,152,080	-
Publications company -Formation expenses	188,829	-
Website development	300,000	-
Sub-total (e)	<u>15,256,265</u>	<u>15,617,304</u>
Surplus (deficit) from other sources (f) = (d-e)	4,547,109	(1,912,313)
Special expenditure item		
Strategic plan implementation	-	10,654,938
(g)	-	<u>10,654,938</u>
Excess of income over expenditure (h) = (c+f- g)	<u>32,577,937</u>	<u>18,208,164</u>
General fund balance		
Excess of income over expenditure	113,354,412	95,146,248
	<u>32,577,937</u>	<u>18,208,164</u>
	<u>145,932,349</u>	<u>113,354,412</u>

Cash flow statement for the year ended 30 June 2002

		2002	2001
		Sh.	Sh.
Cash inflow from operations	(i)	32,577,937	18,208,164
Adjustment for:			
Depreciation	(ii)	<u>6,217,567</u>	<u>8,157,496</u>
Operating surplus before working capital changes (i+ii)	(iii)	38,795,504	26,365,660
Decrease (increase) in sundry debtors and prepaid expenses	(iv)	(1,322,428)	1,330,630
Increase (decrease) in sundry creditors and accrued expenses	(v)	<u>(125,636)</u>	<u>(1,379,034)</u>
Net cash inflow from operating activities (iii+iv+v)	(vi)	37,347,440	26,317,256
Investment activities			
Purchase of fixed assets	(vii)	(1,629,217)	(5,587,191)
Increase in cash and cash equivalents (vi + vii)	(viii)	<u>35,718,223</u>	<u>20,730,065</u>
Cash and cash equivalents			
Increase in cash and cash equivalents		35,718,223	20,730,065
Cash and cash equivalent at the beginning of the year		<u>54,788,145</u>	<u>34,058,080</u>
Cash and cash equivalent at the end of the year	(ix)	<u>90,506,368</u>	<u>54,788,145</u>
The closing balance of item No.(ix) is represented by:			
Treasury Bills/Bonds and term deposits		77,989,335	51,987,851
Balance at bank		7,519,843	2,334,895
Cash in hand		<u>4,997,190</u>	<u>465,399</u>
		<u>90,506,368</u>	<u>54,788,145</u>

Notes on the accounts for the year ended 30 June 2002

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	Leasehold Land and Building	Electronic Data Processing Equipment	Partitions and Fittings	Office Furniture and Desks & Chairs	Machinery and Office Equipment	Motor Vehicles	Total
	Sh.	Sh.	Sh.	Sh.	Sh.	Sh.	Sh.
At 1 July 2001	67,157,041	15,296,201	6,062,493	2,920,567	4,908,481	14,162,824	110,507,607
Additions during the year	30,600	473,652	-	1,070,000	54,965	-	1,629,217
Cost of EDP equipment written - off during the year	-	(328,325)	-	-	-	-	(328,325)
Gross Book Value	67,187,641	15,441,528	6,062,493	3,990,567	4,963,446	14,162,824	111,808,499
Depreciation:							
At 1 July 2001	12,370,188	11,894,961	4,282,602	1,525,279	2,841,347	11,813,544	44,727,921
Charge for the year	1,679,691	1,717,637	514,688	460,047	890,894	954,610	6,217,567
Written - off accumulated depreciation on EDP equipment	-	(328,325)	-	-	-	-	(328,325)
Accumulated depreciation	14,049,879	13,284,273	4,797,290	1,985,326	3,732,241	12,768,154	50,617,163
Net Book Value at 30 June 2002	53,137,762	2,157,255	1,265,203	2,005,241	1,231,205	1,394,670	61,191,336



Corporate Vision

The corporate vision of the Board is to envisage the development and enhancement of a system of dynamic and vibrant professional examinations through the harnessment and application of human and non-human resources in order to be able to produce men and women who are qualified and competent accountants, financial analysts, administrators, and managers of integrity and international standing; and imbued with a work ethic and a desire for service to the community

Mission Statement

The mission of the Board is to develop, enhance and promote internationally acceptable standards of examinations and related activities in accounting, finance, administration management and cognate subjects using up-to-date technological systems and methods, and highly effective and efficient human resources in order to produce competent and market driven graduates and professionals who are conscious of and responsive to dynamic challenges in the economy.

Philosophy

The philosophy of the Board is the management of its affairs in the letter and spirit of the enabling legislation bearing in mind the aspirations and expectations of its students, staff, members of the Board, clients, the government, community and other stakeholders.

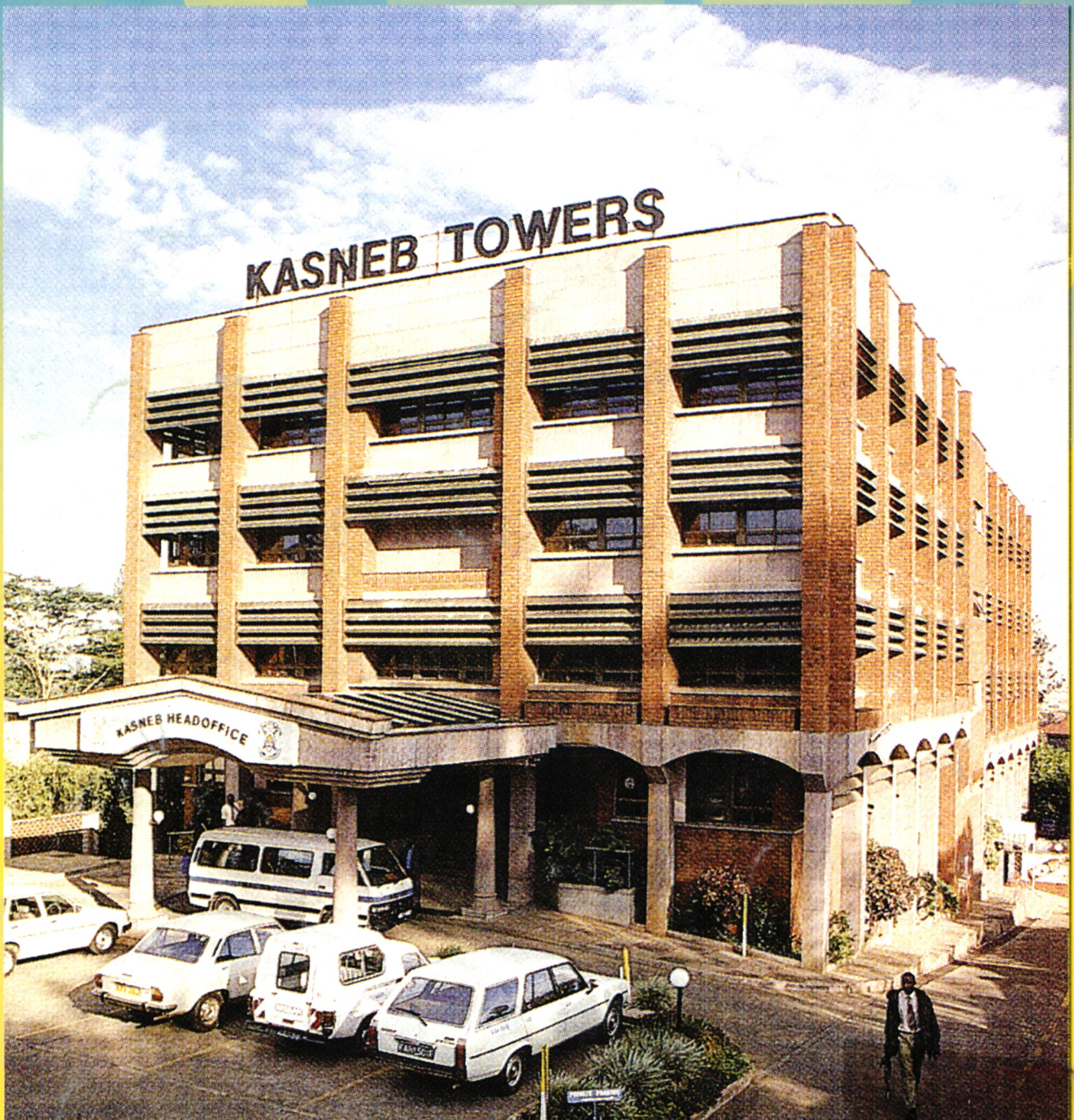
Core-Values

The Board shall endeavour to promote and maintain the following values:-

- (a) Setting and maintaining high standards of examinations
- (b) Providing exemplary professional services to its students, training institutions and the public in general
- (c) Maintaining cordial relations with the relevant organs of the government, private sector and non-governmental organisations (NGO's)
- (d) Guarding, strengthening and maintaining cordial professional relationship with other local and international professional bodies and training institutions
- (e) Establishing closer links and relationship with other examinations bodies
- (f) Promoting and enhancing conducive working environment for the staff through appropriate training, competitive remuneration and introduction of other morale boosting projects, activities and incentives
- (g) Promoting the image of the Board, its professional standing, and its examinations through social interactions, financial contributions to worthy causes and communications through publications and discussions
- (h) Promoting equal opportunities for all.



Kenya Accountants and Secretaries National Examinations Board



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