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# THE KENYA NATIONAL EXAMINATIONS COUNCIL



**Annual Financial  
Statements for the year  
ended 30 June 2006**

REPUBLIC OF KENYA



**KENYA NATIONAL AUDIT OFFICE**

**REPORT  
OF  
THE CONTROLLER  
AND AUDITOR-GENERAL**

**ON**

**THE FINANCIAL STATEMENTS OF THE  
KENYA NATIONAL EXAMINATION  
COUNCIL FOR THE YEAR ENDED 30  
JUNE 2006**

# THE KENYA NATIONAL EXAMINATIONS COUNCIL

## CORPORATE INFORMATION

### REGISTERED OFFICE AND PRINCIPAL PLACE OF BUSINESS

N H C House Aga khan Walk

**Address:**

P.O. Box 73598  
Code 00200 City Square,  
NAIROBI

### **BANKERS**

STANDARD CHARTERED BANK (Harambee Avenue)

KENYA COMMERCIAL BANK (Head Office)

CO-OPERATIVE BANK OF KENYA (Co-operative House)

COMMERCIAL BANK OF AFRICA (International Life House)

NATIONAL BANK OF KENYA (Harambee Avenue)

### **COUNCIL SECRETARY / CHIEF EXECUTIVE**

Paul M Wasanga  
P O Box 73598  
Code 00200 City Square  
NAIROBI.

### **EXTERNAL AUDITOR**

Kenya National Audit  
ANNIVERSARY TOWERS  
P O Box 30084 – 00100  
NAIROBI.

# THE KENYA NATIONAL EXAMINATIONS COUCNCIL

## COUNCIL BOARD MEMBERS

**Prof. Raphael Munavu**

Chairman ,KNEC

**Prof. Karega Mutahi**

Permanent Secretary, Ministry of Education.

**Ms. Njoki Kahiga**

Representing Permanent Secretary, / Director of Personnel Management

**Mr. Chiboli Induli Shakaba**

Representing Permanent Secretary. Ministry of Finance

**Prof. George I Godia**

Education Secretary, Ministry of Education

**Eng. M O Kidenda**

Director of Industrial Training

**Mr. Enos Oyaya**

Director of Quality Assurance and Standards, Ministry of Education

**Mr. Arthur A Rateng'**

Director of Technical Training, Ministry of Science and Technology

**Mrs. Lydia Nzomo**

Director, Kenya Institute of Education

**Mr. Akumu Owuor**

Principal, Mombasa Polytechnic

**Prof. Paul Syagga**

Professor of Land Economics – Representing University of Nairobi Senate

**Prof. Lucy Kibera**

Associate Professor Department of Education Foundations & Dean, Faculty of Education, University of Nairobi.

**Mr. David Okech**

Representing Primary Teachers' Colleges

**Mrs S K Ndege**

Principal, State House Girls

**Rev. Mark Matunga**

CEO,I C T Trust Fund (co-opted)

**Prof. Olive Mugenda**

Vice Chancellor, Kenyatta University (Co-opted)

**Prof. C Kiamba**

Secretary, Commission for Higher Education (Co-opted)

**Mr. Gabriel Lengoiboni**

Secretary, Teachers Service Commission (Co-opted)

**Mr. Paul M Wasanga**

Council Secretary / Chief Executive, KNEC.

# THE KENYA NATIONAL EXAMINATIONS COUCNCIL

## **VISION**

To be the leading organization in testing and assessment for quality education

## **MISSION**

Objectively evaluate learning achievements so as to enhance and safeguard nationally and internationally acceptable certification standards

# THE KENYA NATIONAL EXAMINATIONS COUNCIL



## STATEMENT OF BOARD/COUNCIL MEMBERS' RESPONSIBILITIES FOR THE YEAR ENDED 30<sup>TH</sup> JUNE 2006

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

The Board accepts responsibility for the financial statements, which have been prepared using appropriate accounting policies supported by reasonable and prudent judgments and estimates, consistent with previous years, and in conformity with International Financial Reporting Standards. The Board is of the opinion that the financial statements give a true and fair view of the state of the financial affairs of the Council as at 30 June 2006 and of its surplus for the year then ended. The Board further confirms the accuracy and completeness of the accounting records maintained by the Council, which have been relied upon in the preparation of the financial statements, as well as on the adequacy of the systems of internal financial controls.

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

This statement is approved by the Board and is signed on its behalf by:

Sign.....  
Prof. Raphael M Munavu PHD. EBS  
**CHAIRMAN**

Date.....<sup>5<sup>th</sup></sup> December 2006

Sign.....  
Paul M Wasanga M Ed. Sc.  
**COUNCIL SECRETARY/CHIEF EXECUTIVE**

Date.....<sup>5<sup>th</sup></sup> December, 2006



## KENYA NATIONAL AUDIT OFFICE

### REPORT OF THE CONTROLLER AND AUDITOR GENERAL ON THE FINANCIAL STATEMENTS OF THE KENYA NATIONAL EXAMINATIONS COUNCIL FOR THE YEAR ENDED 30 JUNE 2006

I have audited the financial statements of Kenya National Examinations Council for the year ended 30 June 2006 in accordance with the provisions of 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. The financial statements are in agreement with the books of account.

#### **Respective Responsibilities of the Council and the Controller and Auditor General**

The Council is responsible for the preparation of financial statements which give a true and fair view of the state of affairs of the Council and of its operating results. My responsibility is to express an independent opinion on the financial statements based on my audit.

#### **Basis of Opinion**

The audit was conducted in accordance with the International Standards on Auditing. Those standards require that the audit be planned and performed with a view to obtaining reasonable assurance that the financial statements are free from material misstatement. An audit includes an examination, on a test basis, of evidence supporting the amounts and disclosures in the financial statements. It also includes an assessment of the accounting policies used and significant estimates made by the Council, as well as an evaluation of the overall presentation of the financial statements. I believe the audit provides a reasonable basis for my opinion.

#### **1. Land**

The land on which the printing press stands was, on 01 June 1982 allocated to the Council by the Government. However, the leasehold land measuring 1.990 hectares has not been valued and incorporated in the financial statements. The Property, Plant and Equipment figure of Kshs.187,822,613.00 as at 30 June 2006 is, therefore, understated to the extent of the value of the land. The management has, however, undertaken to value the land and include it in the 2006/2007 financial statements.

#### **2. Investments**

As previously reported, the Balance Sheet reflects investments in shares in Consolidated Bank of Kenya amounting to Kshs.64,300,000.00 as at 30 June

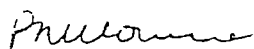
2006. The shares were a conversion of the Council deposits amounting to Kshs.130,577,368.00 in various banking institutions that were restructured between December 1989 and March 1991 to form the Consolidated Bank of Kenya Limited. This investment has not earned the Council dividends since inception. Further the Council has been unable to dispose of the investment. The value of the investment is therefore doubtful and may not be recoverable. No provision has however been made in these financial statements for this uncertainty. Consequently I am unable to give an opinion as to whether these investments are fairly stated.

### 3. Net Receivables

The Net Receivables balance of Kshs 15,482,286 as at 30 June 2006 include unsurrendered imprest amounting to Kshs.3,849,522.00 in respect to Marking Centres and Assessors most of which have been outstanding for a period of eight (8) years. The Council has been unable to recover these imprests through the Teachers Service Commission (TSC) while only Kshs.332,168 has been provided for as doubtful in respect of temporary imprests as disclosed in note 6 to the accounts. In view of the period the imprests have been outstanding, their recoverability is doubtful. Any additional provision in relation to this uncertainty has not been incorporated in these financial statements.

### Opinion

Except for the reservations set out in the preceding paragraphs, in my opinion, proper books of accounts have been kept and the financial statements give a true and fair view of the state of affairs of the Council as at 30 June 2006 and of its surplus and cash flows for the year then ended in accordance with the International Financial Reporting Standards and comply with the Kenya National Examinations Council Act, (Cap 225A)



**P. N. KOMORA**  
**CONTROLLER AND AUDITOR GENERAL**

Nairobi

31 January 2007



# THE KENYA NATIONAL EXAMINATIONS COUNCIL

## BALANCE SHEET AS AT 30th JUNE 2006

	NOTES	2006 Kshs.	2005 Kshs.
<b>ASSETS</b>			
<b>NON CURRENT ASSETS</b>			
Property, furniture and equipment	2	187,822,613	194,260,231
Building (Work in Progress)	3	162,554,538	81,591,250
Investments	4	64,300,000	64,300,000
		<u>414,677,151</u>	<u>340,151,481</u>
<b>CURRENT ASSETS</b>			
Inventories	5	35,692,452	41,379,428
Net Receivables	6	15,482,286	6,589,063
Cash and Cash Equivalents	7	874,451,151	715,072,410
		<u>925,625,889</u>	<u>763,040,901</u>
<b>TOTAL ASSETS</b>		<u>1,340,303,040</u>	<u>1,103,192,382</u>
<b>RESERVES, FUNDS &amp; LIABILITIES</b>			
Capital Reserve		399,444,412	218,010,708
Revaluation Reserve		73,941,890	72,576,890
Income & Expenditure Account		811,902,113	748,296,310
		<u>1,285,288,415</u>	<u>1,038,883,908</u>
<b>CURRENT LIABILITIES</b>			
Trade and other payables	8	55,014,625	64,308,474
		<u>55,014,625</u>	<u>64,308,474</u>
<b>TOTAL RESERVES, FUNDS &amp; LIABILITIES</b>		<u>1,340,303,040</u>	<u>1,103,192,382</u>

# THE KENYA NATIONAL EXAMINATIONS COUNCIL

## INCOME STATEMENT FOR THE YEAR ENDED 30th JUNE 2006

	NOTES	2006 Kshs.	2005 Kshs.
<b>INCOME</b>			
Examination Fees	9	1,263,698,984	1,229,245,868
Other Income	10	66,576,064	46,936,901
Grants		367,500,000	352,185,036
		<u>1,697,775,048</u>	<u>1,628,367,805</u>
<b>LESS EXPENDITURE</b>			
Opening Stock		41,379,428	14,131,650
Personnel Expenses	10	352,855,203	291,220,037
Office Administration Expenses	11	88,320,864	85,491,825
Examination Expenses	12	1,132,336,759	1,129,516,239
Housing of Staff & Office Accommodation	13	22,904,249	17,558,334
Depreciation		32,065,194	29,440,557
		<u>1,669,861,697</u>	<u>1,567,358,642</u>
Less Closing Stock		<u>(35,692,452)</u>	<u>(41,379,428)</u>
		1,634,169,245	1,525,979,214
Surplus for the Year		<u>63,605,803</u>	<u>102,388,591</u>

# THE KENYA NATIONAL EXAMINATIONS COUNCIL

## STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 30th JUNE 2006

	Capital reserve	Revaluation reserve	Income & Expenditure A/c	Total
	Kshs.		Kshs	Kshs.
Balance as at 1st July 2004	206,753,149	70,906,890	646,426,505	924,086,544
Prior item - Adjustment to Retirement Benefit			(518,786)	(518,786)
Restated Balance as at 1st July 2004	<u>206,753,149</u>	<u>70,906,890</u>	<u>645,907,719</u>	<u>923,567,758</u>
Capital grants on New Mitihani Hse	11,257,559			11,257,559
Revaluation		1,670,000		1,670,000
Surplus for the Year			102,388,591	102,388,591
Balance as at 30th June 2005	<u>218,010,708</u>	<u>72,576,890</u>	<u>748,296,310</u>	<u>1,038,883,908</u>
Balance as at 1st July 2005	218,010,708	72,576,890	748,296,310	1,038,883,908
Capital grants on New Mitihani Hse	91,624,704			91,624,704
Capital grants	89,809,000			89,809,000
Revaluation		1,365,000		1,365,000
Surplus for the Year			63,605,803	63,605,803
Balance as at 30th June 2006	<u>399,444,412</u>	<u>73,941,890</u>	<u>811,902,113</u>	<u>1,285,288,415</u>

# THE KENYA NATIONAL EXAMINATIONS COUNCIL

## CASH FLOW STATEMENT FOR THE YEAR ENDED 30th JUNE 2006

	2006	2005
	Kshs.	Kshs.
<b>Cash flows from operating activities</b>		
Surplus for the Year	63,605,803	102,388,591
Adjustments for :		
Prior items		(518,786)
Depreciation	32,065,194	29,440,557
Gains on disposal of motor vehicles	(220,000)	
Decrease in provision of Doubtful Debt	(881,717)	(694,400)
	<hr/>	<hr/>
Operating profit before working capital changes	95,450,997	131,310,362
Decrease / (Increase) in Inventories	5,686,976	(27,247,778)
Decrease in Net Receivables	(8,893,223)	593,228
Decrease in Trade and other payables	(9,293,849)	(44,548,456)
	<hr/>	<hr/>
Net cash flows from operating activities	82,950,901	60,107,356
 <b>Servicing of finance</b>		
Increase in accumulated reserve	181,433,704	11,257,559
 <b>Cash flows from investing activities</b>		
Purchase of property, plant and equipment	(24,952,576)	(21,164,818)
Sale proceeds of disposal of motor vehicles	910,000	
Construction on New Mithani Building	(80,963,288)	(19,611,405)
	<hr/>	<hr/>
Net cash flows from investing activities	(105,005,864)	(40,776,223)
 Net increase in Bank	159,378,741	30,588,692
Cash and Cash equivalents at beginning of year	715,072,410	684,483,718
<b>Cash and Cash equivalents at end of year</b>	<u>874,451,151</u>	<u>715,072,410</u>

# THE KENYA NATIONAL EXAMINATIONS COUNCIL

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30<sup>th</sup> JUNE 2006

## NOTE 1

### ACCOUNTING POLICIES

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

a) **Basis of Accounting**

These Accounts have been prepared in accordance to the International Accounting Standards under the historical Cost Convention modified to include the revaluation of certain assets.

b) **Depreciation**

Depreciation is calculated to write off the cost, valuation of Leasehold Building, Motor vehicles, Office Equipment and Office Furniture on a straight line basis over their estimated useful lives, at the following rates: -

Leasehold Buildings	2 <sup>1</sup> / <sub>2</sub> %
Motor Vehicles	25%
Office Equipment	10%
Office Furniture	12 <sup>1</sup> / <sub>2</sub> %

c) **Inventories**

Inventories are valued at the lower of cost and net realisable value.

d) **Foreign Currency**

Transactions in foreign currency are translated into Kenya Shillings at the rate exchanged ruling on the date of the transaction.

e) **Retirement Benefits**

The Council and its employees other than those on secondment contribute to a pension scheme. The Council's contributions are charged against income in the period they fall due.

f) **Revenue Recognition**

- i) Examination fees are treated as income in the year received.
- ii) Interest receivable is recognized on time proportion basis taking into account the principal amount and the rate applicable.

# **THE KENYA NATIONAL EXAMINATIONS COUNCIL**

## **NOTES TO THE FINANCIAL STATEMENTS (Continued)**

### **g) Grants**

Grants are recognized in the year they are received from the Ministry of Education, Science and Technology.

### **h) Treasury Bills**

Treasury bills are stated at cost. Interest is credited to income over the period of issue.

### **i) Cash and Cash Equivalents**

For the purpose of the cash flow statement, cash and cash equivalents comprise cash in hand, net balances from banking institutions and investment in government securities.

# THE KENYA NATIONAL EXAMINATIONS COUNCIL

## NOTES TO THE FINANCIAL STATEMENTS (Continued)

### NOTE 2

#### Property, Plant and Equipment Schedule as at 30th June 2006

	LEASEHOLD BUILDING Kshs.	MOTOR VEHICLE Kshs.	OFFICE EQUIPMENT Kshs.	OFFICE FURNITURE Kshs.	HOUSE FURNITURE Kshs.	PARTITIONS & FITTINGS Kshs.	GROSS TOTAL Kshs.
<b>COST OR VALUATION:</b>							
Balance as at 1-7-2005	148,220,380	28,053,303	173,906,088	16,598,212	695,480	5,196,691	372,670,154
Additions for the year	3,632,010	9,203,050	9,899,629	2,005,059		212,828	24,952,576
Revaluations		1,365,000					1,365,000
Disposals		(1,620,000)					(1,620,000)
Amount written off for the year		(1,955,000)					(1,955,000)
<b>Balance as at 30-6-2006</b>	<b>151,852,390</b>	<b>35,046,353</b>	<b>183,805,717</b>	<b>18,603,271</b>	<b>695,480</b>	<b>5,409,519</b>	<b>395,412,730</b>
<i>Historical cost</i>	<i>53,852,390</i>	<i>22,906,353</i>	<i>183,805,717</i>	<i>18,603,271</i>	<i>695,480</i>	<i>5,409,519</i>	<i>285,272,730</i>
<i>Revaluation element</i>	<i>98,000,000</i>	<i>12,140,000</i>					<i>110,140,000</i>
<b>ACCUMULATED DEPRECIATION:</b>							
Balance as at 1-7-2005	26,299,879	15,454,695	120,049,784	12,783,627	588,583	3,233,355	178,409,923
Disposals		(930,000)					(930,000)
Amount written off for the year		(1,955,000)					(1,955,000)
Depreciation charge for the year	3,796,310	8,761,588	16,579,095	2,305,914	86,935	535,352	32,065,194
<b>Balance as at 30-6-2006</b>	<b>30,096,189</b>	<b>21,331,283</b>	<b>136,628,879</b>	<b>15,089,541</b>	<b>675,518</b>	<b>3,768,707</b>	<b>207,590,117</b>
<b>NET BOOK VALUE:</b>							
As at 30-6-2006	121,756,201	13,715,070	47,176,838	3,513,730	19,962	1,640,812	187,822,613
As at 1-7-2005	121,920,501	12,598,608	53,856,304	3,814,585	106,897	1,963,336	194,260,231
<i>Rate of Depreciation</i>	<i>2.5%</i>	<i>25%</i>	<i>10%</i>	<i>12.5%</i>	<i>12.5%</i>	<i>10%</i>	

\*Revaluations were made on motor vehicles which were fully depreciated. These valuations were done by Automobile Association of Kenya.

# THE KENYA NATIONAL EXAMINATIONS COUNCIL

## NOTES TO THE FINANCIAL STATEMENTS (Continued)

### NOTE 3

#### NEW MITIHANI HOUSE (WORK IN PROGRESS)

This represents construction work being undertaken at the plot L.R. No 188/4/451/11/79 next to the Kenya Bureau of Standards Headquarters, off Mombasa Road.

	2006 Kshs.	2005 Kshs
Balance as at 1st July	81,591,250	61,979,845
Additions for the year	<u>80,963,288</u>	<u>19,611,405</u>
Balance as at 30th June	<u>162,554,538</u>	<u>81,591,250</u>

### NOTE 4

#### INVESTMENTS

These are investments held in Consolidated Bank of Kenya Limited comprised of .

	2006 Kshs.	2005 Kshs.
2,520,000 4% Non cumulative Preference Shares @ Kshs 20.00	50,400,000	50,400,000
695,000 Ordinary Shares @ Kshs. 20.00	<u>13,900,000</u>	<u>13,900,000</u>
	<u>64,300,000</u>	<u>64,300,000</u>

### NOTE 5

#### INVENTORIES

	2006 Kshs	2005 Kshs
General Stationary stocks	16,282,691	30,395,530
Bookshop stocks	16,026,140	6,073,500
Consumables stocks	3,383,621	4,910,398
	<u>35,692,452</u>	<u>41,379,428</u>



# THE KENYA NATIONAL EXAMINATIONS COUNCIL

## NOTES TO THE FINANCIAL STATEMENTS (Continued)

### NOTE 6

#### RECEIVABLES

	2006	2005
	Kshs	Kshs.
Temporary Imprest	3,849,522	3,388,295
Returned Cheques R D.	2,197,703	1,962,123
Staff Motor Loan	39,322	39,322
Kenya Polytechnic	153,460	153,460
Salary Advance	207,132	85,862
Pre-payment	1,907,743	2,685,184
Deposit to Hospitals & Institutions	806,000	806,000
Accrued Interest on Treasury Bills	7,745,956	361,186
Insurance	2,837	
Withholding VAT Tax		66,055
Refunds	2,909	2,909
Miscellaneous Debtors	117,922	117,922
Staff Debtors	715,328	66,010
Mwalimu Co-operative	29,341	29,341
	<u>17,775,175</u>	<u>9,763,669</u>

#### LESS PROVISION FOR DOUBTFUL DEBTS

	2006	2005
	Kshs.	Kshs.
Salary Advance	61,622	61,622
Temporary Imprest	332,168	332,168
Kenya Polytechnic	153,460	153,460
Staff Motor Loan	39,322	39,322
Returned Cheques R D.	1,188,394	1,188,394
Lenana High	400,000	1,281,717
Fina Stationers	103,273	103,273
Mufam Collectors	14,650	14,650
	<u>2,292,889</u>	<u>3,174,606</u>

#### NET RECEIVABLES

	<u>15,482,286</u>	<u>6,589,063</u>
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# THE KENYA NATIONAL EXAMINATIONS COUNCIL

## NOTES TO THE FINANCIAL STATEMENTS (Continued)

### NOTE 7

#### CASH AND CASH EQUIVALENTS

	2006	2005
	Kshs.	Kshs.
Cash in Bank	383,165,351	323,289,410
Treasury Bills	491,285,800	391,783,000
	874,451,151	715,072,410

### NOTE 8

#### TRADE AND OTHER PAYABLES

	2006	2005
	Kshs.	Kshs.
Sundry Creditors	9,877,535	23,292,651
Examinations Expenses	14,520,050	11,788,149
Audit Fees	560,000	360,000
SFI Stale Cheques	4,973,092	4,501,316
Stale Cheques	20,069,946	19,293,483
UNESCO	479,983	479,983
Rockefeller Foundation	3,145,942	2,844,977
EAC Essay Writing Competition	33,341	
P.A.Y.E.	368,148	106,389
Returned Salary	20,149	20,148
N H I F	320	320
Exam Co-operative	10,322	10,322
Insurance		172
SFI Bank Replacement Cheques	45,937	45,937
Other Co-operatives	15,179	15,179
Elimu Co-operative	450	450
Benevolent Fund	35,700	35,700
Withholding VAT Tax	270,013	
Miscellaneous	146,160	146,160
Retirement Benefits	442,358	1,367,138
	55,014,625	64,308,474

# THE KENYA NATIONAL EXAMINATIONS COUNCIL

## NOTES TO THE FINANCIAL STATEMENTS (Continued)

### NOTE 9

#### EXAMINATION FEES

	2006	2005
	Kshs.	Kshs.
K.C.P.E	196,255,013	200,661,795
K.C.S.E	797,444,402	816,741,368
Adult	348,450	3,709,080
P.T.E	22,641,226	18,819,388
Technical	125,606,703	82,632,209
Business	83,200,346	55,760,045
Miscellaneous Exams.	39,527,039	51,598,583
Less Refunds	(1,324,195)	(676,600)
	1,263,698,984	1,229,245,868

### NOTE 10

#### OTHER INCOME

	2006	2005
	Kshs	Kshs.
Search fees	4,900,396	16,818,080
Tenders and Waste Papers	1,792,950	1,258,870
Consultancy	83,500	38,400
Rent	5,431,280	5,583,066
Interest on Treasury Bills	15,601,770	3,506,615
Interest on Fixed Deposits	13,030,219	
Sale of Publications	18,552,030	17,880,559
Miscellaneous Income	6,082,202	1,156,911
Gains on disposal of non current assets	220,000	
Decrease in provision of Doubtful Debt	881,717	694,400
	66,576,064	46,936,901

# THE KENYA NATIONAL EXAMINATIONS COUNCIL

## NOTES TO THE FINANCIAL STATEMENTS (Continued)

### NOTE 11

#### PERSONNEL EXPENSES

	2006	2005
	Kshs.	Kshs.
Personal Emoluments	257,139,703	198,548,150
Extra Clerical Assistance	7,017,213	22,879,435
Medical Expenses	37,339,637	34,300,749
Contributions to W.C.P.S.	51,358,650	35,491,703
	352,855,203	291,220,037

### NOTE 12

#### OFFICE ADMINISTRATION EXPENSES

	2006	2005
	Kshs.	Kshs.
Passages & Leave Expenses	3,464,000	3,600,403
Transport Operation Expenses	12,155,030	10,653,358
Travelling and Accommodation	5,570,003	4,128,945
Posts and Telegrams	1,806,247	1,166,246
Telephone Expenses	6,041,899	4,938,531
Official Entertainment	521,573	79,100
Electricity and Water	779,766	558,886
Purchase of Uniforms & Clothing	90,800	406,102
Purchase of Stationery	13,745,319	17,791,083
Printing of Accountable Documents	461,464	
Bank Charges and Ledger Fees	4,114,008	3,548,282
Audit Fees	200,000	200,000
Maintenance of Plant & Equipment	6,039,927	4,005,582
Miscellaneous charges and Sundry Expenses	18,269,484	25,193,663
Staff Training	12,799,102	6,565,542
Advertising & Publicity	2,198,584	2,553,764
Library Expenses	63,658	102,338
	88,320,864	85,491,825

# THE KENYA NATIONAL EXAMINATIONS COUNCIL

## NOTES TO THE FINANCIAL STATEMENTS (Continued)

### NOTE 13

#### EXAMINATION EXPENSES

	2006	2005
	Kshs.	Kshs.
K.C.P.E	341,066,431	306,955,697
K.C.S.E	607,858,613	599,715,237
Printing Unit	32,129,029	35,281,942
P.T.E.	20,058,592	24,576,598
Technical	63,370,040	94,384,439
Business	41,733,791	53,642,842
Miscellaneous Exams	9,462,712	7,373,997
Computer Charges	16,488,075	7,386,347
Adult Education	169,476	199,140
	<u>1,132,336,759</u>	<u>1,129,516,239</u>

### NOTE 14

#### STAFF HOUSING AND OFFICE ACCOMMODATION

	2006	2005
	Kshs.	Kshs.
Rent & Rates to Senior Staff Housing	67,445	
Repair to Council Houses	460,002	55,400
Rent & Rates to Office Accommodation	22,376,802	17,502,934
	<u>22,904,249</u>	<u>17,558,334</u>

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