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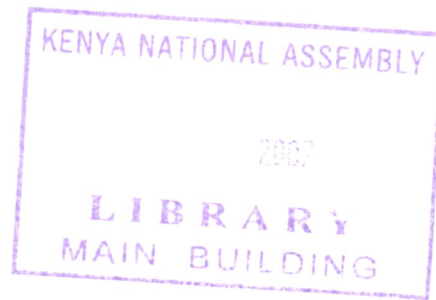
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Report of the
Controller and Auditor-General
on the
Financial Statements
of the
Registration of Accountants Board
for the
Year Ended 30th June, 2005

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**REPORT OF THE CONTROLLER AND AUDITOR-GENERAL ON
THE FINANCIAL STATEMENTS OF THE REGISTRATION OF
ACCOUNTANTS BOARD FOR THE YEAR ENDED 30TH JUNE,
2005**

REGISTRATION OF ACCOUNTANTS BOARD
ANNUAL REPORT
AND
FINANCIAL STATEMENTS
30 JUNE 2005

SCI KOIMBURI TUCKER & CO.

REGISTRATION OF ACCOUNTANTS BOARD
FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2005

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KENYA NATIONAL AUDIT OFFICE

REPORT OF THE CONTROLLER AND AUDITOR GENERAL ON THE FINANCIAL STATEMENTS OF THE REGISTRATION OF ACCOUNTANTS BOARD FOR THE YEAR ENDED 30 JUNE 2005

I have audited the financial statements of the Registration of Accountants Board for the year ended 30 June 2005 in accordance with the provisions of Section 14 of 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 Board Members and Controller and Auditor General

The board members are responsible for the preparation of financial statements which give a true and fair view of the board's financial state of affairs 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 board, as well as evaluation of the overall presentation of the financial statements. I believe the **audit** provides a reasonable basis for my opinion.

Opinion

In my opinion, proper books of account have been kept and the financial statements give a true and fair view of the state of the financial affairs of the Board as at 30 June 2005 and of its surplus and cash flows for the year then ended in accordance with the International Financial Reporting Standards and comply with the Accountants Act, Cap 531 of the laws of Kenya.

P.N. Komora

P.N. KOMORA
CONTROLLER AND AUDITOR GENERAL

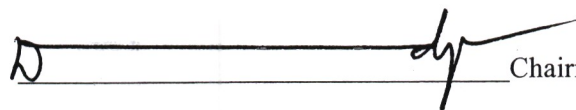
Nairobi


09 August 2006

REGISTRATION OF ACCOUNTANTS BOARD
BALANCE SHEET
AS AT 30 JUNE 2005

ASSETS	Note	2005 Kshs	2004 Kshs
Non-current Assets			
Property and Equipment	3	<u>38,371</u>	<u>45,137</u>
CURRENT ASSETS			
Inventories	4	54,953	28,824
Receivables	5 & 13	122,229	117,510
Interest accrued on treasury bills		-	4,343
Cash and cash equivalents	6	<u>3,827,502</u>	<u>3,396,278</u>
		<u>4,004,684</u>	<u>3,546,955</u>
TOTAL ASSETS		<u>4,043,055</u>	<u>3,592,092</u>
GENERAL FUND AND LIABILITIES			
General Fund	8	3,960,556	3,125,344
Current Liabilities			
Payables	7 & 12	<u>82,499</u>	<u>466,748</u>
Total General Fund and Liabilities		<u>4,043,055</u>	<u>3,592,092</u>

These financial statements were approved by the Board on _____ 2006 and signed on its behalf by:-

 Chairman

 Board member/Registrar

REGISTRATION OF ACCOUNTANTS BOARD
INCOME STATEMENT
FOR THE YEAR ENDED 30 JUNE 2005

	Note	2005 Kshs	2004 Kshs
Income	1	3,022,400	2,288,250
Expenditure	10	<u>2,239,385</u>	<u>1,741,910</u>
Surplus from operations		783,015	546,340
Finance income	2	<u>52,197</u>	<u>27,733</u>
Surplus for the year	7	<u>835,212</u>	<u>574,073</u>

REGISTRATION OF ACCOUNTANTS BOARD
 CASH FLOW STATEMENT
 FOR THE YEAR ENDED 30 JUNE 2005

	Note	2005 Kshs	2004 Kshs
Cash generated from operations	9	<u>75,027</u>	<u>491,057</u>
Cash flow from financing activities:			
Grant in aid – GOK		<u>304,000</u>	<u>304,000</u>
Cash flow from investing activities			
Purchase of property plant & equipment		-	(2,444)
Interest		<u>52,197</u>	<u>27,733</u>
Net cash flow from investing activities		<u>52,197</u>	<u>25,289</u>
Net movement in cash and cash equivalents		431,224	820,346
Cash and cash equivalent at the beginning of the year		<u>3,396,278</u>	<u>2,575,932</u>
Cash and cash equivalent at the end of the year	5	<u>3,827,502</u>	<u>3,396,278</u>

REGISTRATION OF ACCOUNTANTS BOARD
ACCOUNTING POLICIES
FOR THE YEAR ENDED 30 JUNE 2005

a) Basis of accounting

These accounts have been prepared in accordance with the International Accounting Standards under the historical cost convention.

b) Revenue Recognition

Practicing and Registration fees are treated as income in the year received.

c) Inventories

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

d) Depreciation

Depreciation on furniture and equipment has been provided for on the reducing balance method at the rate of 15%.

e) Cash and cash equivalent

For purposes of cash flow statement, cash and cash equivalent comprise cash at bank, cash in hand and short term Treasury bills.

f) Grants

Grants are recognized in the year they are received from Treasury (Ministry of Finance).

REGISTRATION OF ACCOUNTANTS BOARD
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE YEAR ENDED 30 JUNE 2005

	2005 Kshs	2004 Kshs
1. INCOME		
Fees (Note 8)	2,673,400	1,951,250
Grant in Aid GOK	304,000	304,000
Miscellaneous	<u>45,000</u>	<u>33,000</u>
	<u>3,022,400</u>	<u>2,288,250</u>
2. FINANCE INCOME		
Interest	<u>52,197</u>	<u>27,733</u>
3. Property and Equipment		
	Furniture & equipment 2005 Kshs	Furniture & equipment 2004 Kshs
As at 1.7.2004	141,926	139,482
Additions	<u>-</u>	<u>2,444</u>
As at 30.6.2005	<u>141,926</u>	<u>141,926</u>
DEPRECIATION		
As at 1.7.2004	96,789	88,824
Charge for the year	<u>6,766</u>	<u>7,965</u>
As at 30.6.2005	<u>103,555</u>	<u>96,789</u>
NET BOOK VALUE		
As at 30.6.2005	<u>38,371</u>	<u>45,137</u>
As at 30.6.2004	<u>45,137</u>	<u>50,658</u>
4. INVENTORIES		
General Stationery Stocks	51,904.60	28,747.30
Unused Stamps	<u>3,048.70</u>	<u>76.70</u>
	<u>54,953.30</u>	<u>28,824</u>

REGISTRATION OF ACCOUNTANTS BOARD
 NOTES TO THE FINANCIAL STATEMENTS (Continued)
 FOR THE YEAR ENDED 30 JUNE 2005

	2005 Kshs	2004 Kshs
5. RECEIVABLES		
From operations	25,000	25,000
Others	<u>97,229</u>	<u>92,510</u>
	<u>122,229</u>	<u>117,510</u>
6. CASH AND CASH EQUIVALENTS		
*Treasury bills 91 days	-	1,042,250
Cash at bank		
Current account	553,097	489,666
Savings account	<u>3,274,405</u>	<u>1,864,362</u>
	<u>3,827,502</u>	<u>3,396,278</u>
*These comprise the amounts placed with Central Bank of Kenya through Kenya Commercial Bank.		
	2005 Kshs	2004 Kshs
7. PAYABLES		
From operations	22,500	229,500
Others	<u>59,999</u>	<u>237,248</u>
	<u>82,499</u>	<u>466,748</u>
8. GENERAL FUND ACCOUNT		
Balance brought forward	3,125,344	2,707,690
Add: Surplus for the year	835,212	574,073
Less: Prior year adjustment	-	<u>(156,419)</u>
Balance carried forward	<u>3,960,556</u>	<u>3,125,344</u>
9. FEES		
Fees have been received and included in the accounts as follows:		
	2005 Kshs	2004 Kshs
Practising	208,000	232,000
Registration	1,394,600	1,158,250
Authority to practice renewal	165,800	201,000
Foreign accountancy qualifications	900,000	360,000
Trade licence	<u>5,000</u>	-
	<u>2,673,400</u>	<u>1,951,250</u>

REGISTRATION OF ACCOUNTANTS BOARD
 NOTES TO THE FINANCIAL STATEMENTS (Continued)
 FOR THE YEAR ENDED 30 JUNE 2005

	2005	2004
	Kshs	Kshs
9. CASH GENERATED FROM OPERATIONS		
Surplus for the year	835,212	574,073
Adjustment for:-		
Depreciation	6,766	7,965
Grant in Aid	(304,000)	(304,000)
Interest	(52,197)	(27,733)
Prior year adjustment	-	(156,419)
Changes in working capital		
Inventories	(26,129)	39,315
Accrued interest	4,343	(4,343)
Accounts receivable	(4,719)	128,027
Accounts payable	(384,249)	234,172
Cash generated from operations	<u>75,027</u>	<u>491,057</u>
10. EXPENDITURE		
Printing & stationery	196,902	189,510
Salaries & staff benefits	1,133,622	997,807
Members' allowance & Honoraria	588,000	238,000
Transport	11,223	12,830
Postage	23,300	33,400
Special duty allowance	5,803	6,687
Board refreshments	21,215	18,607
Audit fees	35,000	35,000
Accountancy fees	28,200	23,200
Staff pension audit	20,000	-
Bank charges	36,955	42,351
Depreciation	6,766	7,965
Miscellaneous expenses	51,929	27,133
Gazetement	5,470	-
Telephone	-	13,850
Newspapers	-	9,275
Secretarial services	-	11,850
Staff training	-	10,949
Computer services	-	3,496
Legal fees	<u>75,000</u>	<u>60,000</u>
	<u>2,239,385</u>	<u>1,741,910</u>
11. SALARIES AND STAFF BENEFITS		

The expenses relating to salaries and staff benefits have been apportioned between Registration of Accountants Board (RAB) and Registration of Certified Public Secretaries Board (RCPSB), in the ratio 4311:1855 respectively based on applications received by the respective Boards as at the end of financial year (2004 ratio of 3946:1743).

REGISTRATION OF ACCOUNTANTS BOARD
 NOTES TO THE FINANCIAL STATEMENTS(Continued)
 FOR THE YEAR ENDED 30 JUNE 2005

	2005 Kshs	2004 Kshs
12. PAYABLES & ACCRUALS		
Shared cost (computer services) RCPSB	-	3,496
Institutional claims settlement (KNAC)	-	163,895.90
Shared salaries (refund)	-	857
Sitting allowance - Kingarui	-	6,000
Professional Trade licence fees (Treasury)	<u>22,500</u>	<u>229,500</u>
	<u>22,500</u>	<u>403,748.90</u>
ACCRUALS		
Audit fees	35,000	35,000
Accountancy fees	25,000	20,000
Unremitted salary advance – RCPSB	-	<u>8,000</u>
	<u>60,000</u>	<u>63,000</u>
	<u>82,500</u>	<u>466,748.90</u>

REGISTRATION OF ACCOUNTANTS BOARD
 NOTES TO THE FINANCIAL STATEMENTS(Continued)
 FOR THE YEAR ENDED 30 JUNE 2005

	2005 Kshs	2004 Kshs
13. RECEIVABLES		
Key deposit	15	15
Shared cost (RCPSB) b/f	683	
Staff advances	683	1,366
Staff training costs (RCPSB)	-	4,711
Shared costs (RCPSB)	-	1,051
Staff advance (G Kituri)	32,000	32,000
Staff pension scheme – arrears – b/f	48,691	48,691
Staff pension scheme – (2004/2005)	<u>1,167</u>	<u>1,167</u>
Withholding tax B/f	3,509	3,509
Withholding tax 2004/2005	2,585	-
Un accounted imprest	7,896	-
RD Cheques		
Authority to practice		
W.S Eshirima	2,000	2,000
Practicing fees		
E. Mbugua	3,000	3,000
P.A Omondi/J.A Omondi	4,000	4,000
P. Kibe	3,000	3,000
Proff. Trade license fees		
W.S Eshirima	<u>5,000</u>	<u>5,000</u>
Registration fees		
Isimbwa	4,000	4,000
Muhindwa	<u>4,000</u>	<u>4,000</u>
	<u>122,229</u>	<u>117,510</u>

**REGISTRATION OF ACCOUNTANTS BOARD
TRIAL BALANCE AS 30TH JUNE 2005**

	DR	CR
Furniture & Fittings	141,926.00	-
Inventories	54,953.00	-
Receivables	122,229.00	-
Treasury Bills Interest	-	39,310.00
Bank Accounts:		
Current Account	553,097.10	-
Savings Account	3,274,405.00	-
Payables	-	82,499.10
Depreciation	-	96,789.00
General Fund Account	-	3,125,344.00
Registration Fees	-	1,380,600.00
Re-Registration Fees	-	14,000.00
Practising Fee	-	192,000.00
Re-Practising fee	-	16,000.00
Authority Renewal Fee	-	165,800.00
Printing & Stationery	196,902.00	-
Salaries & Staff Benefits	1,133,622.00	-
Staff Training	-	-
Bank Charges	36,955.00	-
Postage	23,300.00	-
FAQ Fee	-	900,000.00
Miscellaneous Income	-	45,000.00
Accountancy Fee	28,200.00	-
Honoraria	224,500.00	-
Member Sitting Allowance	363,500.00	-
Secetarial Services	-	-
Special Duty Allowance	5,803.00	-
Grant In Aid	-	304,000.00
Legal Fees	75,000.00	-
Interest Earned	-	12,887.00
Board Refreshment	21,215.00	-
Transport	11,223.00	-
Miscellaneous Expenditure	51,929.00	-
Audit Fee	35,000.00	-
Trade Licence	-	5,000.00
Gazettement	5,470.00	-
Staff Pension Audit Fee	20,000.00	-
	6,379,229.10	6,379,229.10