

THE INSTITUTE OF CERTIFIED PUBLIC SECRETARIES OF KENYA
ANNUAL REPORT AND CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST DECEMBER 2023



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The Institute of Certified Public Secretaries of Kenya
Institute information
For the year ended 31st December 2023

Council members	FCS Joshua Willy Wambua, MBS FCS Diana Sawe Tanui FCS Jacqueline Waihenya FCS Fredrick Wasike FCS Prof. Nicholas Letting' FCS George Athiambo FCS Salome Onyonka CS Malachi Adedeh CS Kathryne Maundu FCS Dr. Kenneth Wyne Mutuma CS Joyce Koech CS Joyce N. Mukururi CS Judy Warui CS William Kiema CS Simon Peter Mwangi	- Chairperson-Elected in May 2023 - Chairperson -Retired in May 2023 - Vice Chairperson-Elected in May 2023 - Member-Retired in May 2023 - Member - Member - Member-Retired in May 2023 - Member-Retired in May 2023 - Member - Member - Member - Member - Member -Elected in May 2023 - Member -Elected in May 2023 - Member -Elected in May 2023 - Member -Elected in May 2023
Chief Executive Officer	FCS Jeremiah Karanja, MBS	
Registered office	The Institute of Certified Public Secretaries of Kenya CPS Governance Centre Upper Hill Kilimanjaro Road P.O. Box 46935 - 00100 Nairobi, Kenya.	
Independent auditor	JAD Accountants Certified Public Accountants - Kenya Darosa Plaza Karen Road P.O. Box 970 - 00208 Nairobi, Kenya	
Principal bankers	Kenya Commercial Bank Limited Capital Hill Branch P.O. Box 58233 - 00200 Nairobi, Kenya.	
Subsidiary	Institutional Consultants Limited CPS Governance Centre Kilimanjaro Road, Upper Hill P.O. Box 46935 - 00100 Nairobi, Kenya.	
Corporate Secretary	CS Gloria Kikete	

The Council submits its report together with the audited consolidated financial statements for the year ended 31st December 2023, which disclose the state of affairs of the Institute and its subsidiary.

Incorporation

The Institute of Certified Public Secretaries of Kenya (the 'Institute') was established on 1st November 1989 under the Certified Public Secretaries of Kenya Act, Cap 534 and became operational on 9th August 1991.

Mandate

To embed good governance practices that transform institutions and inspire professionals in order to be the premier centre of excellence in governance promotion and development in Africa.

The Institute's vision is to be the premier centre of excellence in governance promotion and development in Africa.

The subsidiary's principal activity is provision of managerial advisory and consultancy services on problems relating to personnel recruitment.

Membership

The institute's total registered members were as follows;

Year	Number
2023	4,312
2022	4,048

Results

The surplus for the year of Kshs 54,313,891 (2022: Kshs 3,911,342) has been transferred to members' fund.

Council members

The Council members who held office during the year and to the date of this report are set out on page 1.

By order of the Council



Corporate Secretary

30 April 2024

The Institute of Certified Public Secretaries of Kenya
Statement of Council's responsibilities
For the year ended 31st December 2023

The Certified Public Secretaries Act requires the Council to prepare financial statements for each financial year that give a true and fair view of the state of affairs of the Institute and its subsidiary (together the "group") as at the end of the financial year and of the group's statement of income and expenditure for that year. It also requires the Council to ensure that the group maintains proper accounting records that disclose, with reasonable accuracy, the financial position of the group. The Council is also responsible for safeguarding the assets of the group.

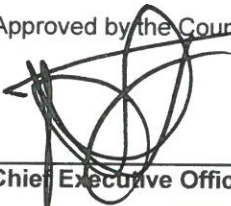
The Council accepts responsibility for the preparation and fair presentation of financial statements that are free from material misstatement whether due to fraud or error. They also accept responsibility for:

- i) designing, implementing and maintaining internal control relevant to the preparation and fair presentation of the financial statements;
- ii) selecting and applying appropriate accounting policies; and
- iii) making accounting estimates and judgements that are reasonable in the circumstances.

The Council is of the opinion that the financial statements give a true and fair view of the state of the financial affairs of the Institute and the group as at 31st December 2023 and of its financial performance and cash flows for the year then ended.

Nothing has come to the attention of the Council to indicate that the Institute and its subsidiary will not remain a going concern for at least twelve months from the date of this statement. The Council acknowledges that the independent auditor of the financial statements does not relieve them of their responsibilities.

Approved by the Council on APRIL 23,2024 and signed on its behalf by:



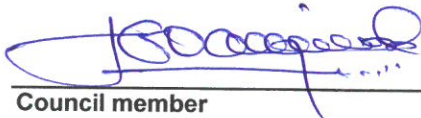
Chief Executive Officer

Name: FCS JEREMIAH KARANJA



Council member

Name: FCS JOSHUA KILLY KIAMBUA



Council member

Name: FCS GEORGE ATHAMBO

Report of the Independent Auditor to the members of the Institute of Certified Public Secretaries of Kenya

Opinion

We have audited the accompanying consolidated and separate financial statements of the Institute of Certified Public Secretaries of Kenya (the Institute) and its subsidiary (together, the “Group”), set out on pages 7 to 33, which comprise the consolidated and separate statement of financial position as at 31 December 2023, and the consolidated and separate statement of income and expenditure, consolidated and separate statement of changes in equity and consolidated statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the consolidated and separate financial statements give a true and fair view of, the consolidated and separate financial position of the Group and the Institute as at 31 December 2023, and its consolidated and separate financial performance and its consolidated cash flows for the year then ended in accordance with International Financial Reporting Standards.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the *Auditor’s Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Group and Institute in accordance *International Ethics Standards Board for Accountants’ Code of Ethics for Professional Accountants (IESBA Code)* together with the ethical requirements that are relevant to our audit of the financial statements in Kenya. We have fulfilled our other responsibilities in accordance with these requirements and the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements. Key audit matters are selected from the matters communicated with those charged with governance, but are not intended to represent all matters that were discussed with them. Our audit procedures relating to those matters were designed in the context of our audit of the financial statements as a whole. We do not have any key audit matters to report.

Other Information

The Council is responsible for the other information. Other information comprises the information included in the Annual Report, but does not include the consolidated and separate financial statements and our auditor’s report thereon.

Our opinion on the consolidated and separate financial statements does not cover the other information and we do not express an audit opinion or any form of assurance conclusion thereon.

Other Information (Continued)

In connection with our audit of the consolidated and separate financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated and separate financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Council's Responsibilities for the Financial Statements

The Council is responsible for the preparation and fair presentation of the consolidated and separate financial statements in accordance with International Financial Reporting Standards, and for such internal control as the Council determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Council is responsible for assessing the Group's and Institute's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Council either intends to liquidate the Institute or to cease operations, or has no realistic alternative but to do so.

The Council is responsible for overseeing the Institute's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgement and maintain professional skepticism throughout the audit. We also:

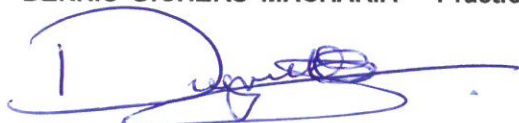
- Identify and assess the risks of material misstatement of the consolidated and separate financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit 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 Group's and Institute's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.

Auditor's Responsibilities for the Audit of the Financial Statements (continued)

- Conclude on the appropriateness of the Council's use of the going concern basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's and Institute's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group and/or Institute to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated and separate financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated and separate financial statements. We are responsible for the direction, supervision and performance of the Group audit. We remain solely responsible for our audit opinion.

We communicate with the Council regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

The engagement partner responsible for the audit resulting in this independent auditor's report is **CPA DENNIS GICHERU MACHARIA – Practicing Certificate No. 2360.**



For and on behalf of JAD Accountants
Certified Public Accountants
Nairobi, Kenya

30th April 2024

**CONSOLIDATED STATEMENT OF INCOME AND EXPENDITURE FOR THE YEAR ENDED 31ST
DECEMBER 2023**

	Note	2023 Kshs	2022 Kshs
Income	4(a)	199,237,492	103,781,658
Administrative expenses	5	(80,294,507)	(68,323,309)
Membership functions expenses	5(c)	(54,557,908)	(26,374,142)
Establishment expenses	6	<u>(10,071,186)</u>	<u>(5,172,866)</u>
Surplus for the year		<u>54,313,891</u>	<u>3,911,342</u>

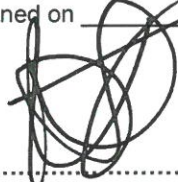
**INSTITUTE'S STATEMENT OF INCOME AND EXPENDITURE FOR THE YEAR ENDED 31ST DECEMBER
2023**

	Note	2023 Kshs	2022 Kshs
Income	4(b)	198,550,674	103,781,658
Administrative expenses	7	(80,294,507)	(68,323,308)
Membership functions expenses	5(c)	(54,557,908)	(26,374,142)
Establishment expenses	8	<u>(10,062,062)</u>	<u>(5,159,728)</u>
Surplus for the year		<u>53,636,197</u>	<u>3,924,480</u>

CONSOLIDATED STATEMENT OF FINANCIAL POSITION AT 31ST DECEMBER 2023

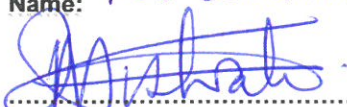
	Note	2023 Kshs	2022 Kshs
Members' funds			
Accumulated funds		20,505,456	(30,753,179)
Revenue reserve		1,465,038	1,465,038
Institute premises fund		22,794,753	20,420,148
Research fund		7,937,108	7,256,457
Total members' fund		<u>52,702,354</u>	<u>(1,611,536)</u>
Non-current liabilities			
Deferred life membership subscriptions	10	1,106,917	1,330,974
Deferred income - capital grant	11	12,586,000	12,992,000
		<u>13,692,917</u>	<u>14,322,974</u>
		66,395,271	12,711,438
REPRESENTED BY:-			
Non-current assets			
Property and equipment	12(a)	21,509,718	20,476,325
Intangible asset	13(a)	4,177,231	-
		<u>25,686,950</u>	<u>20,476,325</u>
Current assets			
Trade and other receivables	15(a)	38,430,995	15,066,157
Current tax recoverable	19	1,007,336	1,007,336
Cash at bank and in hand	16(a)	34,375,898	15,495,242
		<u>73,814,228</u>	<u>31,568,735</u>
Current liabilities			
Deferred life membership subscriptions	10	314,056	340,555
Deferred income - capital grant	11	406,000	406,000
Trade and other payables	17(a)	32,385,851	38,587,067
		<u>33,105,907</u>	<u>39,333,622</u>
Net current assets		<u>40,708,322</u>	<u>(7,764,887)</u>
		66,395,271	12,711,438

The financial statements on pages 7 to 32 were authorised for issue by the council on its behalf and were signed on APRIL 23, 2024 by:-



 Chief Executive Officer

Name: FCS JEREMIAH KARANIA



 Council member

Name: FCS JOSHUA KILLY KAMBUA




 Council member

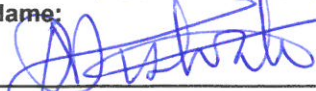
Name: FCS GEORGE ATHAMBO

INSTITUTE STATEMENT OF FINANCIAL POSITION AT 31ST DECEMBER 2023

	Note	2023 Kshs	2022 Kshs
Members' funds			
Accumulated funds		23,853,466	(27,456,683)
Revenue reserve		1,465,038	1,465,038
Institute premises fund		22,065,545	20,420,150
Research fund		7,937,108	7,256,457
Total members' funds		<u>55,321,157</u>	<u>1,684,962</u>
Non-current liabilities			
Deferred life membership subscriptions	10	1,106,917	1,330,974
Deferred Income - capital grant	11	12,586,000	12,992,000
		<u>13,692,917</u>	<u>14,322,974</u>
		<u>69,014,074</u>	<u>16,007,936</u>
REPRESENTED BY:-			
Non-current assets			
Property and equipment	12(b)	21,464,724	20,425,927
Intangible assets	13(b)	4,176,831	-
Investment in subsidiary	14(b)	1,000,000	1,000,000
		<u>26,641,555</u>	<u>21,425,927</u>
Current assets			
Trade and other receivables	15(b)	38,412,393	14,699,992
Cash at bank and in hand	16(b)	34,252,005	12,569,630
		<u>72,664,398</u>	<u>27,269,622</u>
Current liabilities			
Deferred life membership	10	314,056	340,555
Deferred Income - capital grant	11	406,000	406,000
Trade and other payables	17(b)	29,571,825	31,941,058
		<u>30,291,881</u>	<u>32,687,613</u>
Net current assets		<u>42,372,518</u>	<u>(5,417,991)</u>
		<u>69,014,074</u>	<u>16,007,936</u>

The financial statements on pages 7 to 32 were authorised for issue by the council on its behalf and were signed on APRIL 23, 2024 by:-


 Chief Executive Officer
 Name: FCS JEREMIAH KARANJA


 Council Member

Name: FCS JOSHUA WILLY KAMBUA


 Council Member

Name: FCS GEORGE ATHAMBO

The Institute of Certified Public Secretaries of Kenya
Financial statements
For the year ended 31st December 2023

CONSOLIDATED STATEMENT OF CHANGES IN MEMBERS' FUNDS FOR THE YEAR ENDED 31ST DECEMBER 2023

	Accumulated fund Kshs	Revenue reserve Kshs	Institute premises fund Kshs	Research fund Kshs	Total Kshs
At 1st January 2022	(30,210,879)	1,465,038	18,120,518	5,102,445	(5,522,878)
Surplus for the year	3,911,342	-	-	-	3,911,342
Transfer to Institute's premises fund	(2,350,000)	-	2,350,000	-	-
Transfer to research fund	(2,154,012)	-	-	2,154,012	-
Depreciation of Institute premises	50,370	-	(50,370)	-	-
At 31st December 2022	(30,753,179)	1,465,038	20,420,148	7,256,457	(1,611,536)
At 1st January 2023	(30,753,179)	1,465,038	20,420,148	7,256,457	(1,611,536)
Surplus for the year	54,313,891	-	-	-	54,313,891
Transfer to Institute's premises fund	(2,010,000)	-	2,010,000	-	-
Transfer to research fund	(680,651)	-	-	680,651	-
Depreciation of Institute premises	(364,605)	-	364,605	-	-
At 31st December 2023	20,505,456	1,465,038	22,794,753	7,937,108	52,702,355

Revenue reserve represents 50% share of net surplus for training Boards of State Corporations.

The Institute of Certified Public Secretaries of Kenya
Financial statements
For the year ended 31st December 2023

INSTITUTE STATEMENT OF CHANGES IN MEMBERS' FUNDS FOR THE YEAR ENDED 31ST DECEMBER 2023

	Accumulated fund Kshs	Revenue reserve Kshs	Institute premises fund Kshs	Research fund Kshs	Total Kshs
At 1st January 2022	(26,927,520)	1,465,038	18,120,520	5,102,445	(2,239,515)
Deficit for the year	3,924,480	-	-	-	3,924,480
Transfer to Institute's premises fund	(2,350,000)	-	2,350,000	-	-
Transfer to research fund	(2,154,012)	-	-	2,154,012	-
Depreciation of Institute premises	50,370	-	(50,370)	-	-
At 31st December 2022	(27,456,683)	1,465,038	20,420,150	7,256,457	1,684,965
At 1st January 2023	(27,456,683)	1,465,038	20,420,150	7,256,457	1,684,965
Surplus for the year	53,636,197	-	-	-	53,636,197
Transfer to Institute's premises fund	(2,010,000)	-	2,010,000	-	-
Transfer to research fund	(680,651)	-	-	680,651	-
Depreciation of Institute premises	364,605	-	(364,605)	-	-
At 31st December 2023	23,853,466	1,465,038	22,065,545	7,937,108	55,321,161

CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31ST DECEMBER 2023

		2023	2022
	Note	Kshs	Kshs
Cash flows used in operating activities			
Surplus for the year		54,313,891	3,911,342
Adjustments for:			
Depreciation and amortization expense	12(a)	3,984,212	1,033,790
Life membership subscriptions amortised	10	(350,556)	(386,056)
Amortisation of capital grant	11	(406,000)	(406,000)
Life membership subscription received	10	100,000	465,000
Operating Surplus/(deficit) before working capital changes		57,641,547	4,618,076
(Increase)/decrease in:			
Trade and other receivables	15(a)	(23,364,838)	4,783,734
Decrease in:			
Trade and other payables	17(a)	(6,201,217)	198,269
Net cash generated from operating activities		28,075,492	9,600,080
Cash flows used in investing activities			
Purchase of property and equipment	12(a)	(2,929,189)	(830,000)
Purchase of intangible assets	13	(6,265,647)	-
Net cash used in investing activities		(9,194,836)	(830,000)
Net increase in cash and cash equivalents		18,880,656	8,770,080
Cash and cash equivalents at 1st January		15,495,242	6,725,162
Cash and cash equivalents at 31st December	16(a)	34,375,898	15,495,242

Notes to the financial statements

1. Accounting policies

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

a) Basis of preparation

The financial statements are prepared on a going concern basis and in compliance with International Financial Reporting Standards (IFRS). They are presented in Kenya Shillings, which is also the functional currency.

The financial statements comprise a consolidated statement of income and expenditure, consolidated and Institute statement of financial position, consolidated and Institute statement of changes in members funds, consolidated statement of cash flows and notes. Income and expenses are recognised in the consolidated statement of income and expenditure.

The preparation of financial statements in conformity with International Financial Reporting Standards requires the use of estimates and assumptions. It also requires the Council to exercise its judgement in the process of applying the accounting policies adopted by the Institute and the group. Although such estimates and assumptions are based on the Council's best knowledge of the information available, actual results may differ from those estimates. The judgements and estimates are reviewed at the end of each reporting period, and any revisions to such estimates are recognised in the year in which the revision is made. The areas involving the judgements of most significance to the financial statements, and the sources of estimation uncertainty that have a significant risk of resulting in a material adjustment within the next financial year, are disclosed in Note 3.

b) New and revised standards

i) Adoption of new and revised standards

A number of amendments to standards became effective for the first time in the financial year beginning 1st January 2023 and have been adopted by the Institute none of them has had an effect on the Institute's financial statements.

c) Revenue recognition

Subscription income is recognised in the period in which it is earned except for life membership subscription which is amortised over 10 years. The amortised amount is recognised in the consolidated statement of income and expenditure and the balance is recognised as deferred subscription in the consolidated and Institute's statement of financial position.

Rental income is recognised on a straight line basis over the period of lease.

Sponsorship income and other grants are recognised when received.

Dividend income is recognised when the right to receive the payment is established.

Consulting and seminars income is recognised when services are rendered.

Notes to the financial statements (continued)

1. Accounting policies (continued)

d) Income tax

Income tax expense is the aggregate amount charged/(credited) in respect of current tax and deferred tax in determining the surplus for the year. Tax is recognised in the income statement except when it relates to items recognised in other income and expenditure, in which case it is also recognised in other comprehensive income, or to items recognised directly in members funds, in which case it is also recognised directly in members funds.

Current tax

Current tax is the amount of income tax payable on the taxable surplus for the year, and any adjustment to tax payable in respect of prior years, determined in accordance with the Kenyan Income Tax Act.

Deferred income tax

Deferred tax is determined for all temporary differences arising between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes, using tax rates and laws enacted or substantively enacted at the balance sheet date and expected to apply when the asset is recovered or the liability is settled.

The measurement of deferred tax assets and liabilities reflects the tax consequences that would follow from the manner in which the Institute and group expects, at the end of the reporting period, to recover or settle the carrying amount of its assets or liabilities.

Deferred tax liabilities are recognised for all taxable temporary differences except those arising on the initial recognition of an asset or liability, other than through a business combination, that at the time of the transaction affects neither the accounting nor taxable profit or loss.

Deferred tax assets are recognised only to the extent that it is probable that future taxable profits will be available against which temporary differences can be utilised. Recognised and unrecognised deferred tax assets are reassessed at the end of each reporting period and, if appropriate, the recognised amount is adjusted to reflect the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

e) Grants

Capital grant - grants for the acquisition of the Institute's premises are treated as deferred income and credited to income over expected useful lives of the Institute's premises.

Revenue grant - grants received to compensate expenses, losses or for the purpose of giving immediate operational support are credited to the income statement in the period in which the revenue expenditure to which they relate is charged.

f) Institute premises fund and research fund

Contribution by members towards the Institute's premises and payments for research activities are charged directly to members fund rather than through the consolidated statement of income and expenditure.

Notes to the financial statements (continued)

1. Accounting policies (continued)

g) Property and equipment

All categories of property and equipment are initially recognised at cost. Cost includes expenditure directly attributable to the acquisition of the assets. Computer software, including the operating system, that is an integral part of the related hardware is capitalised as part of the computer equipment. Leasehold land is subsequently carried at a revalued amount, based on valuations that are carried out by external independent valuers, less accumulated depreciation and accumulated impairment losses. All other items of property and equipment are subsequently carried at cost less accumulated depreciation and accumulated impairment losses.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Institute and the cost of the item can be measured reliably. Repairs and maintenance are charged to the consolidated statement of income and expenditure in the year in which they are incurred.

Increases in the carrying amount arising on revaluation are recognised in other comprehensive income and accumulated in equity under the heading of revaluation surplus. Decreases that offset previous increases of the same asset are recognised in other comprehensive income. All other decreases are charged to the statement of income and expenditure. Annually, the difference between depreciation charge based on the revalued carrying amount of the asset charged to the statement of income and expenditure and depreciation based on the asset's original cost is transferred from the revaluation surplus reserve to accumulated surplus.

Depreciation is calculated using the reducing balance method to write down the cost of each asset to its residual value over its estimated useful life using the following annual rates:

	Rate - %
Lease hold land	Over the period of the lease
Buildings	20.00
Computers	33.33
Library books	12.50
Furniture, fittings & equipment	12.50
Intangible assets	33.33

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at each balance sheet date.

Property and equipment are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use.

Long term leases of land are classified as part of property and equipment and are measured at cost less any accumulated amortisation.

h) Financial instruments

Classification

The Institute classifies its financial instruments into the following categories:

i) Loans and receivables are recognised initially using the trade date accounting which is the date the Institute commits itself to the transaction. Subsequently, loans and receivables are carried at amortised cost using the effective interest method.

Notes to the financial statements (continued)

1. Accounting policies (continued)

h) Financial instruments (continued)

ii) Financial liabilities measured at amortised cost which comprise all financial liabilities except those financial liabilities at fair value through the statement of income and expenditure.

Financial instruments held during the year were classified as follows:

- Trade and other receivables were classified as 'loans and receivables'.
- Trade and other liabilities were classified as financial liabilities.

Presentation (continued)

All financial liabilities are classified as non-current except financial liabilities at fair value through the statement of income and expenditure, those expected to be settled in the Institute's normal operating cycle, those payable or expected to be paid within 12 months of the balance sheet date and those which the Institute does not have an unconditional right to defer settlement for at least 12 months after the balance sheet date.

Derecognition:

Financial assets are derecognised when the rights to receive cash flows from the investments have expired or the Institute has transferred substantially all risks and rewards of ownership.

Financial liabilities are derecognised only when the obligation specified in the contract is discharged or cancelled or expires.

Offsetting

Financial assets and liabilities are offset and the net amount reported in the balance sheet only when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis, or realise the asset and settle the liability simultaneously.

Recognition and measurement

i) Financial assets

All financial assets are recognised initially using the trade date accounting which is the date the Institute commits itself to the purchase or sale. Financial assets carried at fair value through the statement of income and expenditure are initially recognised at fair value and the transaction costs are expensed in the statement of income and expenditure. All other categories of financial assets are recorded at the fair value of the consideration given plus the transaction cost.

Subsequently, loans and receivables are carried at amortised cost using the effective interest method, while all other financial assets are carried at their fair values, without deduction for transaction costs that may be incurred on sale.

Amortised cost is the amount at which the financial asset or liability is measured on initial recognition minus principal repayments, plus or minus the cumulative amortisation using the effective interest method of any difference between the initial amount and the maturity amount, and minus any reduction for impairment or uncollectibility.

Notes to the financial statements (continued)

1. Accounting policies (continued)

h) Financial instruments (continued)

The Institute assesses at each balance sheet whether there is objective evidence that a financial asset is impaired. If any such evidence exists, an impairment loss is recognised. Impairment loss is the amount by which the carrying amount of an asset exceeds its recoverable amount. The recoverable amount is the present value of the expected future cash flows, discounted using the asset's effective interest rate.

Changes in the carrying values and impairment losses of loans and receivables are recognised in the statement of income and expenditure. Trade and other receivables not collectible are written off against the related provision. Subsequent recoveries of amounts previously written off are credited to the statement of income and expenditure in the year of recovery.

Recognition and measurement

Financial assets

All financial assets are recognised initially using the trade date accounting which is the date the Institute commits itself to the purchase or sale. Financial assets carried at fair value through the statement of income and expenditure are initially recognised at fair value and the transaction costs are expensed in the statement of income and expenditure. All other categories of financial assets are recorded at the fair value of the consideration given plus the transaction cost.

Subsequently, loans and receivables are carried at amortised cost using the effective interest method, while all other financial assets are carried at their fair values, without deduction for transaction costs that may be incurred on sale.

Amortised cost is the amount at which the financial asset or liability is measured on initial recognition minus principal repayments, plus or minus the cumulative amortisation using the effective interest method of any difference between the initial amount and the maturity amount, and minus any reduction for impairment or uncollectibility.

ii) Financial liabilities

All financial liabilities are recognised initially at fair value of the consideration given plus the transaction cost with the exception of financial liabilities carried at fair value through the statement of income and expenditure, which are initially recognised at fair value and the transaction costs are expensed in the consolidated statement of income and expenditure.

Subsequently, all financial liabilities are carried at amortised cost using the effective interest method except for financial liabilities through the statement of income and expenditure which are carried at fair

Trade and other liabilities are classified as financial liabilities by the Council and are carried at amortised cost.

Presentation:

All financial assets are classified as non-current except financial assets at fair value through the statement of income and expenditure, those with maturities of less than 12 months from the balance sheet date, those which the Council have the express intention of holding for less than 12 months from the balance sheet date or those that are required to be sold to raise operating capital, in which case they are classified as current assets.

Notes to the financial statements (continued)

1. Accounting policies (continued)

h) Financial instruments (continued)

i) Investment in subsidiary

Subsidiary is an entity controlled by the Institute. The Institute controls an entity when it is exposed to or has rights to variable returns from its involvement with the entity and has an ability to affect those returns through its power over the entity.

Investment in subsidiary is carried at cost less any accumulated impairment losses.

j) Retirement benefit obligations

The Institute operates a defined contribution retirement benefits scheme for its employees, the assets of which are held in a separate trustee administered guaranteed scheme. A defined contribution plan is a plan under which the Institute pays fixed contributions into a separate fund, and has no legal or constructive obligation to pay further contributions if the fund does not hold sufficient assets to pay all employees the benefits relating to employee service in the current or prior periods. The Institute's contributions are charged to the statement of income and expenditure in the year to which they relate.

The Institute and the employees also contribute to the National Social Security Fund, a national defined contribution scheme. Contributions are determined by local statute and the Institute's contributions are charged to the statement of income and expenditure in the year to which they relate.

k) Employee entitlements

The estimated monetary liability for employees' accrued annual leave entitlement at the balance sheet date is recognised as an employment cost accrual.

l) Cash and cash equivalents

Cash and cash equivalents include cash in hand and demand and term deposits, with maturities of three months or less from the date of acquisition, that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

2. Risk management objectives and policies

a) Financial risk management

The group's activities expose it to a financial risks including credit, liquidity and market risks. The group's overall risk management policies are set out by the Council and implemented by the management, and focus on the unpredictability of changes in the business environment and seek to minimise the potential adverse effects of such risks on the group's performance by setting acceptable levels of risk. The group does not hedge against any risks.

i) Credit risk

Credit risk is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation. Credit risk mainly arises from financial assets, and is managed on a institute-wide basis. The group or Institute does not grade the credit quality of financial assets that are

Credit risk on financial assets with banking institutions is managed by dealing with institutions with good credit ratings.

Credit risk on subscription receivables are managed by collecting subscriptions at the beginning of the year and following on delayed payments during the year. The credit history is determined by taking into account the financial position, past experience and other relevant factors.

(a) The credit exposure of the group as at the consolidated statement of financial position date is as follows:

	Fully performing Kshs	Past due but not impaired Kshs	Past due and impaired Kshs	Total Kshs
Year ended 31st December 2023				
Trade and other receivables	38,111,691	63,864,772	-	101,976,463
Cash at bank	34,375,898	-	-	34,375,898
	<u>72,487,589</u>	<u>63,864,772</u>	<u>-</u>	<u>136,352,361</u>
Year ended 31st December 2022				
Trade and other receivables	10,864,197	57,847,136	-	68,711,333
Cash at bank	15,473,267	-	-	15,473,267
	<u>26,337,464</u>	<u>57,847,136</u>	<u>-</u>	<u>84,184,600</u>

2. Risk management objectives and policies (continued)

a) Financial risk management (continued)

i) Credit risk (continued)

(b) The credit exposure of the Institute as at the statement of financial position date is as follows:

	Fully performing	Past due but not impaired	Past due and impaired	Total
	Kshs	Kshs	Kshs	Kshs
Year ended 31st December 2023				
Trade and other receivables	38,111,691	63,864,772	-	101,976,601
Cash at bank	34,375,898	-	-	34,375,898
	<u>72,487,589</u>	<u>63,864,772</u>	<u>-</u>	<u>136,352,499</u>
Year ended 31st December 2022				
Trade and other receivables	10,864,197	57,847,136	-	68,711,471
Cash at bank	15,473,267	-	-	15,473,267
	<u>26,337,464</u>	<u>57,847,136</u>	<u>-</u>	<u>84,184,738</u>

The carrying amount of net receivables approximate their fair value. The Institute does not hold any collateral against the past due or impaired receivables. The management continues to actively follow up past due and impaired receivables.

ii) Liquidity risk

Liquidity risk is the risk that the group will encounter difficulty in meeting obligations associated with financial liabilities. The Council has developed a risk management framework for the management of the Institute's short, medium and long-term liquidity requirements thereby ensuring that all financial liabilities are settled as they fall due. The Institute manages liquidity risk by continuously reviewing forecasts and actual cash flows.

(a) The table below summarises the maturity analysis for financial liabilities to their remaining contractual maturities for the group:

	Less than one month Kshs	Between 1-3 months Kshs	Between 3-12 months Kshs	Over 1 year Kshs
Year ended 31st December 2023				
Payables and other accruals	<u>1,386,396</u>	<u>255,957</u>	<u>1,061,587</u>	<u>12,262,715</u>
Year ended 31st December 2022				
Payables and other accruals	<u>1,347,379</u>	<u>2,823,276</u>	<u>233,468</u>	<u>10,844,417</u>

2. Risk management objectives and policies (continued)

a) Financial risk management (continued)

ii) Liquidity risk (continued)

(b) The table below summarises the maturity analysis for financial liabilities to their remaining contractual maturities for the Institute.

	Less than one month Kshs	Between 1-3 months Kshs	Between 3-12 months Kshs	Over 1 year Kshs
Year ended 31st December 2023				
Payables and other accruals	1,386,396	255,957	1,061,587	12,262,715
Year ended 31st December 2022				
Payables and other accruals	1,347,379	2,823,276	233,468	10,844,417

iii) Market risk

Market risk is the risk that the fair value or future cash flows of financial instruments will fluctuate because of changes in market price and comprises three types of risks: currency risk, interest rate risk and other price risk. The Institute does not have borrowings or foreign currency denominated monetary assets and liabilities and is therefore not exposed to market risk.

3. Significant judgements and key sources of estimation and uncertainty

In the process of applying the accounting policies adopted by the group, the Council makes certain judgements and estimates that may affect the carrying values of assets and liabilities in the next financial period. Such judgements and estimates are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the current circumstances. The Council evaluates these at each financial reporting date to ensure that they are still reasonable under the prevailing circumstances based on the information available.

a) Significant judgements made in applying the Institute's

There are no significant judgements that have been made in preparation of the separate financial statements.

b) Key sources of estimation uncertainty

Key assumptions about the future and other sources of estimation uncertainty made that have a significant risk of causing a material adjustment to the carrying amount of assets and liabilities within the next financial year include:

Impairment losses

Estimates made in determining the impairment losses on receivables. Such estimates include the determination of the net realisable value or the recoverable amount of the asset.

Notes to the financial statements (continued)

4 Income	2023	2022
(a) Group	Kshs	Kshs
Membership subscription fees	34,032,556	31,666,555
Premises fund	2,010,000	2,350,000
Members' functions	72,132,305	43,704,300
Governance sensitization and capacity building	60,744,407	19,074,550
COG award income	2,566,000	2,659,000
Bad debts recovered	3,236,550	-
Amortisation of capital grant	406,000	406,000
Interest income	194,440	42,168
Grants	22,000,000	1,520,681
Other income	1,915,234	2,358,404
	<u>199,237,492</u>	<u>103,781,658</u>
(b) Institute income		
Membership subscriptions fees (i)	34,032,556	31,666,555
Members' functions (ii)	72,132,305	43,704,300
Premises fund	2,010,000	2,350,000
Governance sensitization and capacity building	60,744,407	19,074,550
COG award income	2,566,000	2,659,000
Bad debts recovered	3,236,550	-
Amortisation of capital grant	406,000	406,000
Interest income	194,440	42,168
Grants received	22,000,000	1,520,681
Other income	1,228,416	2,358,404
	<u>198,550,674</u>	<u>103,781,658</u>
i) Membership subscriptions fees		
Practising membership fees	10,968,000	10,607,000
Non-practising membership fees	21,299,500	19,864,555
Retired membership subscription	620,000	635,000
Life membership subscriptions	1,032,556	465,000
Change of status	112,500	92,500
Subscriptions administration charges	-	2,500
	<u>34,032,556</u>	<u>31,666,555</u>

Notes to the financial statements (continued)

ii) Members' functions	2023 Kshs	2022 Kshs
Webinars	982,367	1,124,000
Management of meetings	3,121,000	1,958,700
Event Sponsorships	2,887,030	6,988,000
Corporate governance courses	1,640,000	-
Certification of governance audit	7,654,000	4,000,000
Other seminars	3,265,315	1,024,000
Board trainings and inductions	29,039,833	-
Practitioners seminar	-	210,000
Corporate Secretarial seminar	-	1,050,000
International Governance Summit	-	3,660,000
Board Governance & Leadership	4,400,000	7,800,000
Public Sector Governance Workshop	3,705,160	1,354,000
Training of trainers course	60,000	630,000
Corporate Governance Masterclass	-	865,600
Governance, Ethics, Risk & Compliance Course	810,000	4,010,000
CPSB Governance Convention	6,560,000	635,000
Board Induction of State Corporations	390,000	-
International annual conference	7,367,600	7,049,000
Annual Dinner	-	966,000
Workshop on Effective Boards	250,000	380,000
	<u>72,132,305</u>	<u>43,704,300</u>

Notes to the financial statements (continued)

5 Administration expenses	2023 Kshs	2022 Kshs
(a) Employment:		
Salaries and wages	31,606,856	27,992,547
Pension scheme contributions	1,639,409	1,825,855
Medical expenses	3,305,224	2,289,092
Staff leave provision	-	293,659
Staff bonus provision	2,265,016	-
Gratuity	1,517,546	-
Staff welfare and recruitment costs	983,250	1,059,848
Total employment costs	41,317,301	33,461,000
(b) Other administration expenses:		
Office expense	918,788	705,495
Research and development	-	1,878,628
Bank charges	513,135	332,492
Postage and telephone	2,460,828	1,080,723
Printing and stationery	3,741,516	1,041,068
Computer expenses	470,382	159,690
AGM expenses	135,800	208,710
Council and committee costs	3,324,338	2,570,700
Subscriptions	323,850	605,902
Advertising and promotion	3,013,071	1,952,706
Students affairs	178,840	270,000
Conferences and meetings	27,550	-
Audit fees	550,000	574,200
Legal and professional fees	1,871,850	505,110
Increase in provision for impairment for doubtful debts	12,190,046	10,534,483
Bad debts written off	9,231,872	9,139,145
Books and Periodicals	19,700	208,800
Website Development and Maintenance	5,640	230,000
Covid-19 expenses	-	6,500
Consultancy expenses	-	2,857,956
Total other administration expenses	38,977,206	34,862,308
Total administrative expenses	80,294,507	68,323,309

Notes to the financial statements (continued)

5 Administration expenses (continued)	2023	2022
	Kshs	Kshs
(c) Membership functions expenses		
Hotel charges	15,719,602	12,997,518
Facilitators Allowance	20,600,353	3,891,870
Transport	5,237,003	3,947,506
Printing and stationery	137,609	-
Postage and telephone	30,750	55,125
COG awards expenses	4,938,460	1,028,584
Public address system	488,926	43,150
Subsistence allowance	5,521,899	3,339,716
Insignia	555,980	722,764
Subcontracted works	191,400	-
Advertising and publicity	48,000	-
Gifts & trophies	40,800	-
Video & photography	1,047,126	347,909
	<u>54,557,908</u>	<u>26,374,142</u>
 Total administrative expenses	 <u>134,852,415</u>	 <u>94,697,450</u>
 6 Establishment expenses		
Rent and rates	549,334	538,801
Electricity, water and generator expenses	474,831	161,986
Security	728,140	584,640
Ground maintenance expenses	966,720	156,700
Insurance expense	582,892	696,697
Licences and permits	27,650	10,000
Repairs and maintenance	2,757,407	1,990,252
Depreciation and amortization charge	3,984,212	1,033,790
	<u>10,071,186</u>	<u>5,172,866</u>

Notes to the financial statements (continued)

Schedule of institute's expenditure

7 Administration expenses

	2023	2022
	Kshs	Kshs
Employment:		
Salaries and wages	31,606,856	27,992,547
Pension scheme contributions	1,639,409	1,825,855
Medical expenses	3,305,224	2,289,092
Staff leave provision	-	293,659
Staff bonus provision	2,265,016	-
Staff welfare and recruitment costs	983,250	1,059,848
Total employment costs	<u>39,799,755</u>	<u>33,461,000</u>
Other administration expenses:		
Office expense	918,788	705,495
Research and development	-	1,878,628
Bank charges	513,135	332,492
Postage and telephone	2,460,828	1,080,723
Printing and stationery	3,741,516	1,041,068
Computer expenses	470,382	159,690
AGM expenses	135,800	208,710
Council and committee expenses	3,324,338	2,570,700
Subscriptions	323,850	605,902
Advertising and promotion	3,013,071	1,952,706
Students affairs	178,840	270,000
Conferences and meetings	27,550	
Audit fees	550,000	574,200
Professional fees	1,871,850	505,110
Increase/(decrease) in provision for impairment for doubtful debts	12,190,046	10,534,483
Bad debts written off (i)	9,231,872	9,139,145
Books and Periodicals	19,700	208,800
Website Development and Maintenance	5,640	230,000
Covid-19 expenses	-	6,500
Consultancy expenses	-	2,857,956
Total other administration expenses	<u>38,977,206</u>	<u>34,862,308</u>
Total administrative expenses	<u>78,776,961</u>	<u>68,323,308</u>

8 Establishment expenses

Rent and rates	549,334	538,801
Utilities	471,111	161,986
Security	728,140	584,640
Ground maintenance expenses	966,720	156,700
Insurance expense	582,892	696,697
Licences and permits	27,650	10,000
Repairs and maintenance	2,757,407	1,990,252
Depreciation of property and equipment	3,978,808	1,020,652
	<u>10,062,062</u>	<u>5,159,728</u>

Notes to the financial statements (continued)	2023 Kshs	2022 Kshs
9 Surplus for the year		
Items charged		
The following items have been charged in arriving at surplus for the year :		
Depreciation of property and equipment	3,984,212	1,033,790
Employee benefits expense	41,317,301	33,461,000
Auditors' remuneration	550,000	574,200
	<u>550,000</u>	<u>574,200</u>
10 Deferred life membership subscriptions		
Group/Institute		
At 1st January	1,671,529	1,592,585
Received during the year	100,000	465,000
Released to income	(350,556)	(386,056)
At 31st December	<u>1,420,973</u>	<u>1,671,529</u>
Non-current portion	1,106,917	1,330,974
Current portion	314,056	340,555
At 31st December	<u>1,420,973</u>	<u>1,671,529</u>
The deferred life membership subscriptions are credited to income over a period of ten years.		
11 Deferred income - capital grant	2023	2022
Group/Institute	Kshs	Kshs
At 1st January	13,398,000	13,804,000
Released to income	(406,000)	(406,000)
At 31st December	<u>12,992,000</u>	<u>13,398,000</u>
Non-current portion	12,586,000	12,992,000
Current portion	406,000	406,000
At 31st December	<u>12,992,000</u>	<u>13,398,000</u>

Deferred income - Capital grant represent the unamortised portions of a grant received in 2006 for the acquisition of the operating leased prepayment and building in Upper Hill, Nairobi which serves as the Institute's business premises, The grant is amortised over a 50 years period on straight line basis which is equivalent to the term of the operating lease.

Notes to the financial statements (continued)

12 Property and equipment

(a) Group

	Leasehold land Kshs	Buildings Kshs	Motor vehicles Kshs	Computer equipment Kshs	Furniture, fittings & equipment Kshs	Library books Kshs	Total Kshs
Year ended 31st December 2022							
Opening carrying value	19,127,864	251,846	2,992	734,114	546,720	16,580	20,680,116
Additions	-	-	-	830,000	-	-	830,000
Depreciation charge	(563,252)	(50,370)	(830)	(245,715)	(71,576)	(2,048)	(933,791)
Closing carrying value	<u>18,564,612</u>	<u>201,476</u>	<u>2,162</u>	<u>1,318,399</u>	<u>475,144</u>	<u>14,532</u>	<u>20,576,325</u>
At 31st December 2022							
Cost or valuation	27,600,000	7,112,644	93,011	5,796,790	2,739,455	302,301	43,644,201
Accumulated depreciation	(9,035,388)	(6,911,168)	(90,849)	(4,578,391)	(2,264,311)	(287,768)	(23,167,875)
Net carrying value	<u>18,564,612</u>	<u>201,476</u>	<u>2,162</u>	<u>1,218,399</u>	<u>475,144</u>	<u>14,533</u>	<u>20,476,325</u>
Year ended 31st December 2023							
Opening carrying value	18,564,612	201,476	2,162	1,218,399	475,144	14,533	20,476,326
Additions	-	1,783,890	-	964,300	181,000	-	2,929,189
Depreciation charge	(563,184)	(364,605)	(540)	(880,732)	(84,903)	(1,832)	(1,895,796)
Closing carrying value	<u>18,001,428</u>	<u>1,620,761</u>	<u>1,622</u>	<u>1,301,967</u>	<u>571,240</u>	<u>12,701</u>	<u>21,509,719</u>
At 31st December 2023							
Cost or valuation	27,600,000	8,896,534	93,011	6,761,090	2,920,455	302,301	46,573,390
Accumulated depreciation	(9,598,572)	(7,275,773)	(91,389)	(5,459,123)	(2,349,214)	(289,600)	(25,063,671)
Net carrying value	<u>18,001,428</u>	<u>1,620,761</u>	<u>1,622</u>	<u>1,301,967</u>	<u>571,240</u>	<u>12,701</u>	<u>21,509,718</u>

Leasehold land whose value is shown above was valued on 11th February 2015 by Tyson Limited, an independent valuers, on the basis of open market value. The revalued amount as at 11th February 2015 was Kshs 500,000,000.

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Financial statements
For the year ended 31st December, 2023

Notes to the financial statements (continued)

12 Property and equipment (continued)

(b) Institute

	Leasehold land Kshs	Buildings Kshs	Motor vehicles Kshs	Computer equipment Kshs	Furniture, fittings & equipment Kshs	Library books Kshs	Total Kshs
Year ended 31st December 2022							
Opening carrying value	19,127,855	251,846	2,992	722,743	494,563	16,580	20,616,579
Additions	-	-	-	830,000	-	-	830,000
Depreciation charge	(563,252)	(50,370)	(830)	(340,028)	(64,125)	(2,047)	(1,020,652)
Closing carrying value	18,564,603	201,476	2,162	1,212,715	430,438	14,533	20,425,927
At 31st December 2022							
Cost or valuation	27,600,000	7,112,644	93,011	5,467,820	2,568,386	302,301	43,144,162
Accumulated depreciation	(9,035,397)	(6,911,168)	(90,849)	(4,255,105)	(2,137,948)	(287,768)	(22,718,235)
Net carrying value	18,564,603	201,476	2,162	1,212,715	430,438	14,533	20,425,927
Year ended 31st December 2023							
Opening carrying value	18,564,603	201,476	2,162	1,212,715	430,438	14,533	20,425,927
Additions	-	1,783,890	-	964,300	181,000	-	2,929,189
Depreciation charge	(563,184)	(364,605)	(540)	(880,101)	(80,130)	(1,832)	(1,890,392)
Closing carrying value	18,001,419	1,620,761	1,622	1,296,914	531,308	12,701	21,464,724
At 31st December 2023							
Cost or valuation	27,600,000	8,896,534	93,011	6,432,120	2,749,386	302,301	46,073,351
Accumulated depreciation	(9,598,581)	(7,275,773)	(91,389)	(5,135,206)	(2,218,078)	(289,600)	(24,608,627)
Net carrying value	18,001,419	1,620,761	1,622	1,296,914	531,308	12,701	21,464,724

Leasehold land whose value is shown as Kshs 27,600,000 was valued on 11th February 2015 by Tyson Limited, independent valuers, on the basis of open market value. The revalued amount as at 11th February 2015 was Kshs 500,000,000.

Notes to the financial statements (continued)

	2023 Kshs	2022 Kshs
13 Intangible assets		
a) Group		
Cost		
As at 01 January	-	-
Additions	6,265,647	-
As at 31 December	<u>6,265,647</u>	<u>-</u>
Amortization		
As at 01 January	-	-
Charge for the year	2,088,416	-
As at 31 December	<u>2,088,416</u>	<u>-</u>
Net carrying value		
As at 31 December	<u>4,177,231</u>	<u>-</u>
b) Institute		
Cost		
As at 01 January	-	-
Additions	4,176,831	-
As at 31 December	<u>4,176,831</u>	<u>-</u>
Amortization		
As at 01 January	-	-
Charge for the year	-	-
As at 31 December	<u>-</u>	<u>-</u>
Net carrying value		
As at 31 December	<u>4,176,831</u>	<u>-</u>

14 Investment in subsidiary

a) Group

Included in the group is Institutional Consultants Limited, 100% owned by the Institute. The composition of the group at the end of the reporting period was as follows:

Name of the subsidiary entity Country of operation

Institutional Consultants Limited Kenya

The subsidiary does not have non - controlling interest.

b) Institute

	2023 Kshs	2022 Kshs
Investment in subsidiaries		
Institutional Consultants Limited Holding		
100%	<u>1,000,000</u>	<u>1,000,000</u>

Institutional Consultants Limited is a wholly owned subsidiary incorporated in Kenya, whose principle activity is to carry on business as management advisory and consultants on problems relating to personnel recruitment, administration, organization marketing and other areas.

Notes to the financial statements (continued)

15 Trade and other receivables	2023 Kshs	2022 Kshs
a) Group		
Accounts receivables	101,976,463	68,711,333
Less: Provision for impaired receivables	<u>(68,086,417)</u>	<u>(57,847,136)</u>
Net account receivables	33,890,046	10,864,197
Staff loans	1,631,531	1,173,189
Other receivables	2,909,418	2,681,606
Receivables from related parties	<u>-</u>	<u>347,165</u>
	<u>38,430,995</u>	<u>15,066,157</u>
b) Institute		
Accounts receivables	101,976,463	66,760,568
Less: Provision for impaired receivables	<u>(68,086,417)</u>	<u>(55,896,371)</u>
Net account receivables	33,890,046	10,864,197
Staff loans	1,631,531	1,173,189
Other receivables	<u>2,890,816</u>	<u>2,662,606</u>
	<u>38,412,393</u>	<u>14,699,992</u>

16 Cash at bank and in hand

a) Group

For the purpose of the cash flow statement, cash and cash equivalents comprise the following:-

	2023 Kshs	2022 Kshs
KCB Current Account	7,881,043	2,634,231
KCB USD	1,646,666	-
Office Imprest account	238,031	313,624
M-Pesa Collection Account	388,142	822,533
Short Term Deposits	23,887,452	8,523,034
Grant Account	210,671	216,209
Cash Account	-	60,000
Equity Bank	101,917	2,903,637
Petty cash	<u>21,975</u>	<u>-</u>
	<u>34,375,898</u>	<u>15,473,267</u>

b) Institute

For the purpose of the cash flow statement, cash and cash equivalents comprise the following:

	2023 Kshs	2022 Kshs
KCB Current Account	7,881,043	2,634,231
KCB USD	1,646,666	-
Office Imprest account	238,031	313,624
M-Pesa Collection Account	388,142	822,533
Short Term Deposits	23,887,452	8,523,034
Grant Account	210,671	216,209
Cash Account	-	60,000
	<u>34,252,005</u>	<u>12,569,630</u>

Notes to the financial statements (continued)

17 Payables and accruals	2023 Kshs	2022 Kshs
a) Group		
Creditors	16,923,907	15,248,540
Accruals & provisions	-	7,481,019
Due to Benevolent fund	1,179,500	410,000
Payables to related party (Note 17)	-	3,831,983
Other payables	14,282,443	11,615,526
	<u>32,385,851</u>	<u>38,587,067</u>
b) Institute		
Creditors	14,966,654	13,291,287
Accruals & provisions	-	7,481,019
Due to Benevolent fund	1,179,500	410,000
Other payables	13,425,670	10,758,753
	<u>29,571,825</u>	<u>31,941,058</u>
18 Related party transactions		
	2023 Kshs	2022 Kshs
a) Group		
i) Outstanding balances arising from related party transactions		
Payable to related parties	-	3,831,983
	<u>12,673,416</u>	<u>14,023,804</u>
ii) Key management compensation		
	<u>12,673,416</u>	<u>14,023,804</u>
b) Institute		
i) Outstanding balances arising from related parties transactions		
Payable to related parties		
Institutional Consultants Limited	-	3,632,771
CPS Governance Centre Limited	-	199,212
	<u>-</u>	<u>3,831,983</u>
iv) Investment in subsidiary		
	<u>1,000,000</u>	<u>1,000,000</u>
v) Key management compensation		
	<u>12,673,416</u>	<u>14,023,804</u>
19 Current tax		
	<u>1,007,336</u>	<u>1,007,336</u>

The above relates to tax recoverable as per the Institutional Consultants Limited books. This is when the company was active in trading.