

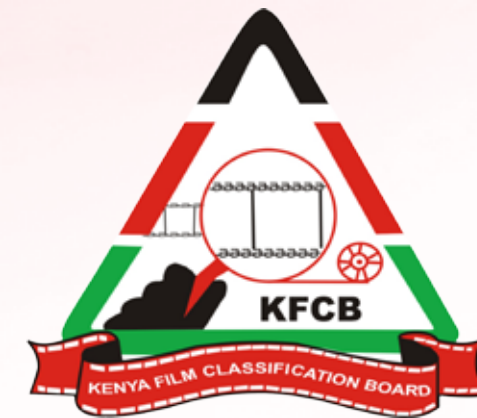


KENYA FILM CLASSIFICATION BOARD

Safeguarding Moral Values for Prosperity

Financial Statements
For The Period Ended 30th June 2013





Kenya Film Classification Board

Financial Statements
For The Period Ended 30th June 2013



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INSTITUTION INFORMATION**REGISTERED OFFICE**

UCHUMI HOUSE, 15TH FLOOR

AGA KHAN WALK

P. O BOX 44226-00100

NAIROBI

AUDITORS

AUDITOR-GENERAL

KENYA NATIONAL AUDIT OFFICE

ANNIVERSARY TOWERS, UNIVERSITY WAY

P. O BOX 30084-00100

NAIROBI

BANKERS

CO-OPERATIVE BANK OF KENYA

PARLIAMENT ROAD BRANCH

P. O BOX 5772-00200

NAIROBI

MANAGEMENT TEAM

1. Ag.Chief Executive Officer
Onesmus Mutua
2. Head of Monitoring and Enforcement
Wilson Koskei
3. Human Resource Manager
John Malombe
4. Legal Officer
Loice Shalakha
5. Head of Procurement
Moses Mahindu
6. Head of Accounting
Vincent Ayaya
7. Head Internal Audit
Paul Ng'ang'a
8. Head of Communications
Evelyn Mbuni
9. Head of Broadcasting Unit
Emma Irungu
10. Head of ICT
Anthony Kamar

BOARD MEMBERS

Name	Designation	
1. Peter Alubale	Chairman	(Retired on 25.07.2013)
2. Joseph Riechi	Member	(Retired on 25.07.2013)
3. Carolyn Anyanje	Member	(Retired on 25.07.2013)
4. Joseph Lotodo	Member	(Retired on 25.07.2013)
5. William Matale	Member	(Retired on 25.07.2013)
6. Col.Gideon Munywoki	Ag. Chairman	
7. Dickson Nyandiga	Member (PS Rep. MOIC)	
8. Abraham Koech	Member (PS Rep.Treasury)	
9. Onesmus Mutua,OGW	Member(Secretary, CEO)	

**Mandate**

The Kenya Film Classification Board is a statutory body with a regulatory role under part III of the Films and Stage Plays Act Cap. 222 Laws of Kenya. The Act has empowered the Board to regulate the creation, broadcasting, possession, distribution and exhibition of films. In order to achieve the mandate, the Board performs the following specific activities:

- Ensure that all films and posters in the country are exhibited and classified before being displayed, exhibited, hired, sold or broadcasted to the public by video shows, cinema theatres, video shows or broadcast houses.
- Co-ordinate all issues related to film classification and exhibition in the country.
- Ensure that certificates of approval are issued for films which have been presented to it for classification.
- Formulate necessary policy guidelines for the Government on film exhibition in the country.
- Carry out and encourage research in classification of films, taking interest of all the stakeholders.
- Ensure that periodical classification catalogues are issued to premises dealing in videos.
- Inspect and license cinema shows, video theatres and video libraries in the county.
- Ensure that an infringement of any provision in the Act is prosecuted.

Vision

A world class film content regulator.

Mission

To safeguard the national values and norms through efficient, effective and professional film regulatory services.

Core Values

- Professionalism
- Fairness and impartiality
- Quality Services
- Integrity
- Stewardship
- Team work
- Continuous improvement and innovativeness
- Honesty



Core Business

- To ensure that all films and posters in the country are examined and classified before being displayed, exhibited, hired, sold or broadcast to the public by video libraries, video shows, cinema theatres, video vendors or broadcast stations.
- To co-ordinate all issues related to film classification and exhibition in the country.
- To ensure that certificates of approval are issued for films which have been presented for classification
- To formulate necessary policy guidelines for the government on film exhibition in the county.
- To carry out and encourage research in classification catalogues to be issued to premises for the interest of all the stakeholders.
- To ensure that periodical classification catalogues are issued to premises dealing in videos.
- To inspect and license cinema shows, video theaters and video libraries in the country.
- To ensure that an infringement of any provision in the act is prospected.



CHAIRMAN'S STATEMENT



**Col. (RTD) Gideon Munywoki
(Ag. Chairman)**

The time for Kenya to appreciate and celebrate its rich history, culture, heroes and milestones since attainment of independence is here. Even as Kenyans celebrate these great achievements, we at Kenya Film Classification Board are grateful to the Almighty God, stakeholders including the Ministry of Information, Communications and Technology, Office of the President and especially the Regular and Administration Police, Media Council of Kenya, Communications Commission of Kenya, Department of Film Services, Kenya Film Commission and many other stakeholders, for making our journey here at the Board worthwhile.

I also take this opportunity to appreciate the hard-working film distributors and exhibitors countrywide, who endeared themselves to the public and delivered world-class entertainment to urban and rural doorsteps throughout the years film has existed in Kenya. The Board has grown tremendously in the three years it has operated as a State Corporation and it is my earnest desire and hope that with the coming years, Kenya will be recognized for its films which portray the moral and national values against a back-drop of its unique cultural diversity.

During those three years, the Board concentrated on putting in place the necessary structures and mechanisms required for improved service delivery. In the next phase, more efforts will be placed at forging strong partnerships, working with national and county Governments to harness the immense talent that film producers have through professional film content regulatory services and sensitizing the public, including children and youth, on the importance of consuming age appropriate content. The Board is also putting in place mechanisms to encourage media stations to promote rated local films as a step towards promoting the local film industry. Furthermore, the film producers will be sensitized and encouraged to produce films that promote family values and have these rated in order to get opportunities to showcase the same to both local and international film enthusiasts.

This will help mitigate the effects of consuming unrated film content and contribute towards eradicating pornography from the country as earlier intended by our wise forefathers. Thus, our



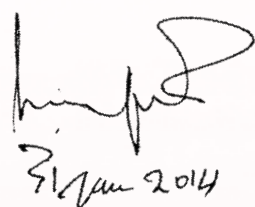
children and youth will be able to refocus their energy towards activities and programmes geared towards achievement of Vision 2030 goals instead of adopting lifestyles deemed detrimental to their health.

As I take a bow from serving as Chairman of the Board, I look back and realize that we could not have made it without the ambitious and strong-willed staff who carry the dreams of many parents and stakeholders on their shoulders. On behalf of my fellow Board of Directors, I take this opportunity to thank this endearing team which has worked tirelessly under the able guidance and leadership of the Chief Executive Officer.

I have had the pleasure of seeing the Board's majority, youthful staff press on to meet the Board's mandate and urge our leaders in their various capacities to continue to provide a platform for youth, women and minority groups to contribute towards the growth of the country for indeed, they can bring about real change.

Finally, I wish to thank the general public for supporting our work through the years and leave you with the profound words of Henry David Thoreau, "If you advance confidently in the direction of your dreams and endeavor to live the life that you have imagined, you will meet with a success unimagined in common hours."

Sincerely,



Col. (RTD) Gideon Munywoki

For: Chairman



CHIEF EXECUTIVE OFFICER'S STATEMENT



**Onesmus Mutua, OGW
(CEO)**

Kenya Film Classification Board is a State Corporation under the Ministry of Sports Culture, and the Arts whose main functions include film examination and classification, carrying out random inspections of cinema and video outlets, updating the National Classified Films Catalogue and broadcast monitoring for watershed period compliance, among others. The Board works to ensure that film content conforms to national aspirations, morality, decency and public order as prescribed in the Constitution and other legislation.

In order to meet its objectives, the Board invested in film preview suites to facilitate examination and classification of films, acquired a broadcast monitoring system to provide insights into the various media violations, developed and installed a Revenue Management System (RMS) for purposes of getting real time daily, weekly, monthly or annual data on the number of operators licensed, number of films examined and revenue collected, acquired vehicles and operationalized use of Internet Telephone-Protocol (IT-P) at its headquarters.

However, the greatest investment the Board made was in recruiting the staff, including film examiners who have dedicated their time to ensuring that the public accesses quality film regulatory services. With their input, we have succeeded in sensitizing the media managers and practitioners on the requirements of watershed period principles, examining and classifying thousands of local and international films, licensing film distributors and exhibitors, distributing classification labels to operators and liaising with various stakeholders to sensitize the operators and general public on the Board's requirements. As a result, the Board has continued to record increase in revenue.

Through their concerted efforts, the Board has institutionalized various mainstreaming programmes aimed at improving public service delivery. Despite the myriad challenges faced by the Board, there has been no reported staff turn-over as experienced by other companies or organizations. For this, the Board of Directors and I are grateful, since it shows the determination of the staff to succeed in their work.

As we enter the next phase of programmes implementation, which includes ISO Certification, increased awareness about the Board's unique mandate, improved infrastructure, inclusion of research-based data and benchmarking experience on film content regulation, adoption of ICT-



enabled platforms such as the Enterprise Resource Platform, internet management and providing the necessary support for the already strengthened and unified work-force, I can only expect the Board to reach the pinnacle of world-class film content regulation envisioned in the Strategic Plan. On behalf of the Board of Directors, management and staff of the Board, I would like to take this opportunity to recognize and appreciate the direction and contribution of the Cabinet Secretary, Dr. Hassan Wario and the Permanent Secretary, Patrick Omutia who have buoyed the efforts of the Board in meeting the expectations of the public. I also appreciate the National Treasury for the continued support in providing the resources to get us where we are today. For all our stakeholders and the general public who have continued to believe in us, *Asante Sana!*



ONESMUS MUTUA

Ag.Chief Executive Officer

Date:

STATEMENT OF RESPONSIBILITIES OF BOARD MEMBERS

Members of the Board are responsible for the preparation of financial statements that give a true and fair view of state of affairs and outcome of the Board at the end of each financial year. They ensure that the Board keeps accounting records that disclose, with reasonable accuracy, the nature of its business activities and financial position. Members of the Board are also responsible for safeguarding the asserts of the Board .

Members of the Board accept responsibility for the report and accounts set out on pages 13 to 26 which have been prepared using appropriate accounting policies supported by reasonable and prudent judgments and estimates in conformity with International Accounting Standards and the applicable laws, rules and regulations. Members of the Board are of the opinion that the accounts give a true and fair view of the state of financial affairs of the Board and of its operating results.

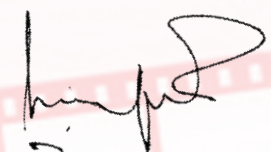
Members of the Board further accept responsibility for the maintenance of the accounting records that may be relied upon in the preparation of financial statements, as well as for maintenance of adequate systems of internal financial control .

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



Ag.Chief Executive Officer

Date.....
31st January 2014 - CEO



Director

Date.....
31 Jan 2014

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 fax: +254 20 311482
 e-mail: cag@kenao.go.ke
 Website: www.kenao.go.ke

REPUBLIC OF KENYA



P.O. Box 30081-00100
 NAIROBI

Date.....

KENYA NATIONAL AUDIT OFFICE

REPORT OF THE AUDITOR-GENERAL ON KENYA FILM CLASSIFICATION BOARD FOR THE YEAR ENDED 30 JUNE 2013

REPORT ON THE FINANCIAL STATEMENTS

I have audited the accompanying financial statements of Kenya Film Classification Board set out at pages 14 to 26, which comprise the statement of financial position as at 30 June 2013, and the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information in accordance with the provisions of Article 229 of the Constitution of Kenya and 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.

Members' of the Board and Management Responsibility for the Financial Statements

Members of the Board and Management of Kenya Film Classification Board are responsible for the preparation and fair presentation of these financial statements in accordance with International Financial Reporting Standards and for such internal control as board determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

The Board Members and Management are also responsible for the submission of the financial statements to the Auditor-General in accordance with the provisions of Section 13 of the Public Audit Act, 2003.

Auditor-General's Responsibility

My responsibility is to express an opinion on these financial statements based on the audit and report in accordance with the provisions of Section 15(2) of the Public Audit Act, 2003 and submit the audit report in compliance with Article 229(7) of the Constitution of Kenya. The audit was conducted in accordance with International Standards on Auditing. Those standards require compliance with ethical requirements and that the audit be planned and performed to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Board's preparation and fair presentation of the financial statements 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 Board's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the evaluating the reasonableness of accounting estimates made by the members of the board, as well as evaluating the overall presentation of the financial statements.

I believe that the audit evidence obtained is sufficient and appropriate to provide a basis for my audit opinion.

Opinion

In my opinion, the financial statements present fairly, in all material respects, the financial position of the Board as at 30 June 2013, and of its financial performance and its cash flows for the year then ended, in accordance with the International Financial Reporting Standards and comply with the Films and Stage Plays Act, Cap 222 of the Laws of Kenya.

Edward R. O. Ouko, CBS
 AUDITOR-GENERAL

Nairobi

17 February 2014

STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 30 JUNE 2013

	NOTES	30 June 13 KSHS	30 June 12 (Restated) KSHS
Income	2	164,693,651	160,280,963
TOTAL		164,693,651	160,280,963
EXPENDITURE			
Staff Emolument and Benefits	3	9,143,198	2,334,453
Administrative Costs	4	77,727,257	113,216,279
Depreciation	5	23,411,927	15,922,146
Provision For Audit Fees	6	174,000	150,000
Transfer to MOIC	1(b)	2,443,100	9,297,590
Total Expenditure		112,899,482	140,920,468
Surplus/Deficit		51,794,169	19,360,495

STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2013

	NOTES	30 June 13 KSHS	30 June 12 (Restated) KSHS
ASSETS			
Non-Current Assets			
Property, Plant & Equipment	5	77,712,065	59,379,397
		77,712,065	59,379,397
Current Assets			
Inventories	1(g),7	45,522,772	47,228,797
Accounts Receivables	8	388,500	677,500
Cash and Bank Balance	9	29,254,749	15,757,679
		75,166,021	63,663,976
TOTAL ASSETS		152,878,086	123,043,373
EQUITY AND LIABILITIES			
Reserves	10	139,038,502	87,244,333
		139,038,502	87,244,333
Current Liability			
Provision for Audit Fees	6	174,000	150,000
Payables and Accruals	6	13,665,584	35,649,040
		13,839,584	35,799,040
TOTAL LIABILITY AND EQUITY		152,878,086	123,043,373

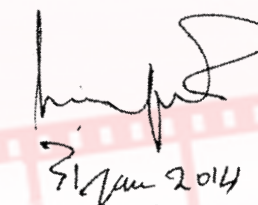
SIGNED ON BEHALF OF THE BOARD BY:



ONESMUS MUTUA
Ag.CHIEF EXECUTIVE OFFICER

Date 31st January 2014 - CEO

COL. (RTD) GIDEON MUNYWOKI
DIRECTOR



Date 31st Jan 2014

STATEMENT OF CASHFLOW FOR THE YEAR ENDED 30 JUNE 2013

	NOTES	30 June 13	30 June 12
CASHFLOW FROM OPERATING ACTIVITIES			
Net Surplus from Operations		51,794,169	19,360,495
ADJUSTMENTS			
Decrease in Accounts Receivables	8	289,000	(315,500)
Decrease in stock	7	1,706,025	(17,628,797)
Decrease in Payables	6	(21,959,456)	30,121,355
Adjustments for Depreciation	5	23,411,927	15,922,146
Net Cash Flow From Operating Activities		<u>55,241,665</u>	<u>47,459,699</u>
CASHFLOW FROM INVESTING ACTIVITIES			
Purchase of Property Plant and Equipment	5	(41,744,595)	(31,745,520)
Net Cash Flow From Investing Activities		<u>(41,744,595)</u>	<u>(31,745,520)</u>
CASHFLOW FROM FINANCING ACTIVITIES			
NIL		-	-
Net Cash Flow From Financing Activities		<u>-</u>	<u>-</u>
Net Increase in Cash and Cash Equivalent		13,497,070	15,714,179
Cash and Cash Equivalents At The Beginning of the Period	9	15,757,679	43,500
Cash and Cash Equivalents At The End of the Period	9	<u>29,254,749</u>	<u>15,757,679</u>

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 30 JUNE 2013

	Revenue Reserve Kshs.	Total Kshs.
Year ended 30 June 2012		
As at 1 July 2011 (Restated)	68,959,738	68,959,738
Depreciation Adjustment	(1,075,900)	(1,075,900)
Surplus / (deficit) for the year	19,360,495	19,360,495
As at 30 June 2012	87,244,333	87,244,333
As at 1 July 2012	87,244,333	87,244,333
Surplus / (deficit) for the year	51,794,169	51,794,169
As at 30 June 2013	<u>139,038,502</u>	<u>139,038,502</u>

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2013**1. SIGNIFICANT ACCOUNTING POLICIES****a) Basis of Preparation**

The financial statements have been prepared in compliance with the International Financial Reporting Standards (IFRS) which requires the use of estimates and assumptions. It also requires management to exercise its judgment in the process of applying the Board's policy. Measurement applied herein is the historical basis of accounting. The financial statements are presented in Kenya shillings (Kshs.)

This financial statement represents the operations of the Board for a whole year beginning 1 July 2011 to 30 June 2013 showing all funds allocated during this period.

b) Revenue Reporting

Income is reported as other income comprising of License fees, Censorship fee and Sale of Classification stickers which is then submitted to the Ministry's headquarters and a receipt issued.

GOK Grants related to development expenditure that acquired property, plant & equipment and other assets are presented in the statement of financial position. To this extent, the surplus reserve finances capital assets every year. GOK Grants for recurrent expenditure are dealt with in the income statement in the period in which it was received.

Included in the income is Kshs.3, 468,000 which is as a result of donated assets (motor vehicles) from the Ministry of Information and Communications. This asset has been valued and included in the Property, Plant and Equipment.

**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2013
(Cont'd)****c) Critical Accounting estimates and Judgments**

Estimates and judgments are continually evaluated on the basis of historical experience and other factors that that will affect the future events and reasonable estimates made under the circumstances.

In the process of applying accounting policies, the Board makes certain estimates about future events. This assumption includes assumptions on carrying amounts on the assets and liabilities. The Board makes estimates in determining the depreciation rates of property plant and equipment as follows:

i) Property Plant and Equipment

All property and equipment are recorded at cost and thereafter at historical cost less accumulated depreciation. Depreciation is calculated on a straight line basis annually regardless of the date of purchase and carrying amount written –off after the useful life of the assets.

The annual depreciation rates are as follows:

Furniture, Fixtures and fittings	12.5%
Plant and Equipment	12.5%
Electronic Data processing equipment	30.0%
Motor Vehicles	25.0%

ii) Intangible Assets

IAS 38 defines intangible asset as an identifiable non-monetary asset without physical substance. It further requires that intangible assets must be identifiable to distinguish it from goodwill and therefore an asset is identifiable if the intangible assets arising from research and development. Computer application systems and software shall be recognized at cost. This cost shall include the cost price and any other cost attributable to preparing the asset for its intended use. To this regard the cost of training, advertising and promotional activities with regard to use of this asset(s) shall be expensed. Where such costs cannot be identified then the cost price shall prevail. For purposes of amortization, all intangible assets shall be amortized at the rate of 20%.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2013 (Cont'd)

d) Cash and Cash Equivalent

For the purposes of cash flow statement, cash and cash equivalent comprises cash at bank and cash on hand.

e) Payables

Liabilities for the goods and services for the Board are carried at cost which is the fair value.

f) Change in accounting treatment of inventory;

During the FY 2010/2011 inventory (of Classification Stickers) was bought at a cost of Kshs.29.6M.This expenditure was expensed as printing cost in the Income statement during that period.

This accounting treatment however has been reversed to recognize classification stickers as inventory. The cost of these classification stickers has been transferred to inventory hence reducing the administrative cost for the year in which it was reported. In the subsequent financial year, cost of sales from sales of classification stickers was expensed under the printing expense. Consequently prior year figure have been restated to conform to the new accounting policy introduced in the period under review as shown below;

	2010/2011 Revenue Reserve Kshs.	2010/2011 Re-stated Revenue Reserve Kshs.	2011/2012 Revenue Reserve Kshs.	2011/2012 Re-stated Revenue Reserve Kshs.
Revenue Reserve	38,283,838.00	67,883,838.00	57,587,527.00	87,244,333.00
TOTAL	38,283,838.00	67,883,838.00	57,587,527.00	87,244,333.00



NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2013 (Cont'd)

g) Inventory

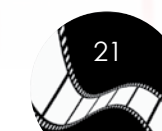
Inventory is a composition of Classification stickers/labels which is valued at the lower cost and net realizable value. Inventory was purchased in two folds, the first batch of four million stickers (4) was bought at a cost of Kshs.7.40 and the second batch of two million stickers (2) was bought at a cost of Kshs.8.95. The usage of the inventory is based on FIFO.

Consequently, during the financial year 2011/2012, cost of sales (Closed in the Printing Expense Ac.) was overstated by Ksh.56, 806.This is a result of measuring of the unit cost related of classification stickers during that year at Ksh.8.95 instead of Kshs.7.40.This resulted to overstatement of cost of sales hence the cost of sale previously reported has been adjusted.

	2010/2011 Inventories Kshs.	2010/2011 Re-stated Inventories Kshs.	2011/2012 Inventories Kshs.	2011/2012 Re-stated Inventories Kshs.
Inventory	-	29,600,000.00	17,571,991.00	47,228,797.00
Adjusted cost of sales(overstated)	-	-	56,806.00	-
TOTAL	-	29,600,000.00	17,628,797.00	47,228,797.00

h) Taxes

All taxes deductible from employee's benefits and Board members are remitted to the tax authority as is appropriate.



NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2013 (Cont'd)

	30 June 13 Kshs.	30 June 12 Kshs.
2. INCOME		
GOK Grants	149,753,831	150,983,373
Other Income	11,471,820	9,297,590
Value of donated assets	3,468,000	-
TOTAL	<u>164,693,651</u>	<u>160,280,963</u>

*Disclosure Note: The revised recurrent budget for the financial year according to the revised estimates was Kshs.77.048Million.However Kshs.17, 734,169 remains at the Ministry of Information and Communications being personnel emoluments for officers of the ministry seconded to the Board.

	30 June 13 Kshs.	30 June 12 Kshs.
3.STAFF EMOLUMENTS AND BENEFITS		
Salaries and Wages	9,143,198	2,334,453
TOTAL	<u>9,143,198</u>	<u>2,334,453</u>

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2013 (Cont'd)

	30 JUNE 2013 Kshs.	30 JUNE 2012 Kshs.
4.ADMINISTRATIVE EXPENSES		
a) Board Expenses	10,197,061	7,634,663
Sub Total	<u>10,197,061</u>	<u>7,634,663</u>
b) Other administrative Expenses		
Traveling & Accommodation(Int.)	1,431,980	3,303,959
Traveling & Accommodation(Local)	10,733,710	8,842,323
Telephone & Communication Supplies Expenses	1,187,498	1,510,214
Trade shows and games	541,750	0
Newspapers/Periodical Subscription	251,320	313,146
Advertising	9,136,141	10,517,695
Printing expenses	3,196,484	19,792,459
Bank Charges	35,744	46,981
General Office Supplies	14,593,450	6,950,052
Motor Vehicle Maintenance & Repairs	1,685,445	2,313,941
Purchase of Staff Uniform	1,016,560	0
Fuel, Oil & Lubricants	1,725,524	2,332,711
Rent	8,193,129	5,805,420
Repairs and Maintenance	488,020	4,714,590
Hospitality and Supplies	4,571,026	3,617,310
Cleaning services	441,250	512,635
County offices Expenses	2,981,470	0
Other Operating Expenses	612,953	28,142,615
Training Expenses	4,880,741	6,865,565
Sub Total	<u>67,704,196</u>	<u>105,581,616</u>
TOTAL	<u>77,901,257</u>	<u>113,216,279</u>

**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2013
(Cont'd)**

5. PROPERTY PLANT AND EQUIPMENT	MOTOR VEHICLE	PLANT & EQUIPMENT	ELECTRONIC DATA PROCESSING	FURNITURE, FIXTURES & FITTINGS	INTANGIBLE ASSETS	TOTAL
	K shs.	K shs.	K shs.	K shs.	K shs.	K shs.
Cost/V aluation						
At 1st July 2011	-	41,598,549	4,857,138	7,189,738	-	53,645,425
Additions for the Year	-	5,780,000	14,767,880	1,357,640	9,840,000	31,745,520
Re-Classification	-	(6,148,000)	6,148,000	-	-	-
Disposal during the year	-	-	-	-	-	-
At 30 June 2012	-	41,230,549	25,773,018	8,547,378	9,840,000	85,390,945
Depreciation						
At 1st July 2011	-	5,684,785	2,154,737	1,173,980	-	9,013,502
Depreciation adjustment	-	(768,500)	1,844,400	-	-	1,075,900
Charge for the year	-	5,153,819	7,731,905	1,068,422	1,968,000	15,922,146
Disposal during the year	-	-	-	-	-	-
At 30 June 2012	-	10,070,104	11,731,042	2,242,402	1,968,000	26,011,548
Net Book Value at 30 June 2012	-	31,160,445	14,041,976	6,304,976	7,872,000	59,379,397
Cost/V aluation						
At 1st July 2012	-	41,230,549	25,773,018	8,547,378	9,840,000	85,390,945
Additions for the Year	9,084,000	1,496,705	-	16,014,468	15,149,423	41,744,596
Disposal during the year	-	-	-	-	-	-
30 June 2013 Cost/V alue	9,084,000	42,727,254	25,773,018	24,561,846	24,989,423	127,135,541
Depreciation						
At 1st July 2012 Acc. Dep	-	10,070,104	11,731,042	2,242,402	1,968,000	26,011,548
Charge for the year	2,271,000	5,340,907	7,731,905	3,070,231	4,997,885	23,411,928
Disposal during the year	-	-	-	-	-	-
At 30 June 2013	2,271,000	15,411,011	19,462,947	5,312,633	6,965,885	49,423,476
Net Book Value at 30 June 2013	6,813,000	27,316,243	6,310,071	19,249,213	18,023,538	77,712,065

**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2013
(Cont'd)**

6. PAYABLES AND ACCRUALS

	30 June 13 KSHS.	30 June 12 KSHS.
Provision for Audit Fee	174,000	150,000
Accounts Payables	13,665,584	35,649,040
TOTAL	13,839,584	35,799,040

7. INVENTORIES

Inventories	45,522,772	47,228,797
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8. ACCOUNT RECEIVABLES

Imprest	224,500	513,500
Unsurrendered Revenue	164,000	164,000
TOTAL	388,500	677,500

9. CASH AND CASH EQUIVALENT

Cash in Hand	1,160,488	175,851
Cash at Bank	28,094,261	15,581,828
TOTAL	29,254,749	15,757,679

**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2013
(Cont'd)****10. REVENUE RESERVES****Revenue
Reserve
Kshs.**

As at 1 July 2011 (Restated)

68,959,738

Depreciation Adjustment**(1,075,900)**

Surplus / (deficit) for the year

19,360,495

As at 30 June 2011

87,244,333

As at 1 July 2012**87,244,333**

Surplus / (deficit) for the year

51,794,169

As at 30 June 2013**139,038,502**



KENYA FILM CLASSIFICATION BOARD

Safeguarding Moral Values for Prosperity

Vision

A world class film regulator.

Mission

To safeguard the national values and norms through efficient, effective and professional film regulatory services.

