



# kenic

**KENYA NETWORK INFORMATION CENTRE  
ANNUAL REPORT AND FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31<sup>ST</sup> DECEMBER 2023**

**.ke**<sup>TM</sup>

[www.kenic.or.ke](http://www.kenic.or.ke)



## **REPORT OF THE DIRECTORS**

The Directors present their report and the audited financial statements for the year ended 31 December 2023 which disclose the state of affairs of The Kenya Network Information Centre. The annual report and financial statements have been prepared in accordance with the Kenyan Companies Act 2015.

**1 Incorporation**

The Company is incorporated in Kenya as a company limited by guarantee under the Kenya Companies Act, and is domiciled in Kenya.

**2 Principal Activity**

The principal activity of the company is to manage and administer the .ke country code top level domain (.ke ccTLD) name.

**3 Operating Results**

The annual financial statements have been prepared in accordance with International Financial Reporting Standard for Small and Medium-Sized Entities and the requirements of the Kenyan Companies Act, 2015. The accounting policies have been applied consistently compared to the prior year. The results of operation are shown on page 10.

**4 Dividends**

The directors do not recommend payment of dividend during the year.

**5 Directors**

The Directors who served during the year are set out on page 5.

**6 Disclosure of Information to Auditors**

Each director confirms that, so far as he is aware at the date of approval of this report, there is no relevant audit information of which the company's auditor is unaware of and that each director has taken all the steps that he ought to have taken as a director to make himself aware of any relevant audit information and to establish that the company's auditor is aware of that information.

**7 Auditors**

The auditor MGI Alekim LLP, Certified Public Accountants of Kenya, were appointed in the office in accordance with Companies Act 2015. The directors monitor the effectiveness, objectivity and independence of the auditor. The directors also approve the annual audit engagement contract which sets out the terms of the auditor's appointment and related fees.

**8 Approval of Financial Statements**

The annual financial statements set out on pages 10 to 24, which have been prepared on the going concern basis, were approved by the board of directors on 22<sup>nd</sup> March 2024 and were signed on its behalf by:

**By order of the Board**



**Director**

## **STATEMENT OF DIRECTORS' RESPONSIBILITIES**

The Kenyan Companies Act, 2015 requires the directors to prepare financial statements for each financial year that give a true and fair view of the financial position of the company as at the end of the financial period and of its profit or loss for that period. It also requires the directors to ensure that the company maintains proper accounting records that are sufficient to show and explain the transactions of the company and disclose, with reasonable accuracy, the financial position of the company. The directors are also responsible for safeguarding the assets of the company, and for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The directors accept responsibility for the preparation and presentation of these financial statements in accordance with the International Financial Reporting Standard for Small and Medium-sized Entities and in the manner required by the Kenyan Companies Act, 2015. They also accept responsibility for:

- 1) Designing, implementing and maintaining such internal controls as they determine necessary to enable the presentation of financial statements that are free from material misstatement, whether due to fraud or error;
- 2) Selecting suitable accounting policies and applying them consistently; and
- 3) Making accounting estimates and judgements that are reasonable in the circumstances

Having made an assessment of the company's ability to continue as a going concern, the directors are not aware of any material uncertainties related to events or conditions that may cast doubt upon the company's ability to continue as a going concern.

The directors acknowledge that the independent audit of the financial statements does not relieve them of their responsibilities.

Approved by the board of directors on 22<sup>nd</sup> March 2024 and signed on its behalf by:



**Director**



**Director**

**STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME**

Figures in Kenyan Shillings	Notes	2023	2022
Revenue	3	73,875,957	70,578,153
Other income	4	20,088,551	34,459,330
Operating expenses	5	<u>(85,884,486)</u>	<u>(78,060,868)</u>
Surplus before tax		8,080,022	26,976,615
Tax charge	7	<u>(4,387,964)</u>	<u>(6,285,374)</u>
Surplus after tax		<u>3,692,058</u>	<u>20,691,241</u>
Other comprehensive income		<u>997,383</u>	<u>269,000</u>
<b>Net surplus for the year</b>		<u><u>4,689,441</u></u>	<u><u>20,960,241</u></u>

**STATEMENT OF FINANCIAL POSITION**

Figures in Kenyan Shillings	Notes	2023	2022
<b>Assets</b>			
<b>Non-current assets</b>			
Property, and equipment	8	8,570,774	4,458,872
Intangible assets	9	262,068	-
		<u>8,832,842</u>	<u>4,458,872</u>
<b>Current assets</b>			
Tax recoverable	10	6,756,884	6,756,884
Trade and other receivables	11	10,505,012	8,358,220
Financial assets at fair value	12	168,388,093	164,920,351
Cash and cash equivalent	13	5,057,825	5,709,394
		<u>190,707,814</u>	<u>185,744,849</u>
<b>Total assets</b>		<u><u>199,540,656</u></u>	<u><u>190,203,721</u></u>
<b>Equity and liabilities</b>			
<b>Equity</b>			
Accumulated surplus		150,139,397	146,447,339
Revaluation reserves		8,272,683	7,275,300
		<u>158,412,080</u>	<u>153,722,639</u>
<b>Current liabilities</b>			
Current tax payable	14	759,059	1,721,845
Deferred tax	14	1,485,862	-
Trade and other payables	15	9,538,107	7,778,120
Prepaid income	16	29,345,548	26,981,117
		<u>41,128,576</u>	<u>36,481,082</u>
<b>Total equity and liabilities</b>		<u><u>199,540,656</u></u>	<u><u>190,203,721</u></u>

The annual financial statements and the notes on pages 10 to 24, were approved by the board on 22nd March 2024 and were signed on its behalf by:



**Director**



**Director**





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