

BRITISH-AMERICAN INSURANCE COMPANY (KENYA) LIMITED  
DEFINED CONTRIBUTION PLAN  
ANNUAL REPORT AND FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2022



## Table of Contents

Trustees, Advisors and other Service Providers .....	2
Trustees' Report .....	3-4
Governance Statement.....	5-7
Statement of Trustees' Responsibilities .....	8
Independent auditor's report .....	9 - 11
Statement of changes of net assets available for benefits.....	12
Statement of net assets available for benefits.....	13
Statement of Cash flow .....	14
Notes to the Financial Statements.....	15-21

### Trustees, Advisors and other Service Providers

<b>Name of Trustee</b>	<b>Representation</b>	<b>Status</b>	<b>Date Appointed/Retired</b>
Mr. Charles Njuguna	Sponsor Appointed(Chairman)	Active	01/07/2021
Mr. Jackson Theuri	Member Elected	Active	26/10/2021
Mr. Fredrick Opere	Member Elected	Active	26/10/2021
Mr. Tillen Omondi	Member Elected	Active	26/10/2021
Ms. Diane Korir	Sponsor Appointed	Active	01/02/2022
Ms. Evelyne Munyoki	Sponsor Appointed	Active	01/02/2022

#### **ADMINISTRATOR**

Britam Life Assurance Company (Kenya) Limited  
Britam Centre  
Mara-Ragati Road Junction – Upper Hill  
P O Box 30375 - 00100  
Nairobi, Kenya

#### **APPROVED ISSUERS**

Britam Life Assurance Company (Kenya) Limited  
Britam Centre  
Mara-Ragati Road Junction – Upper Hill  
P O Box 30375 - 00100  
Nairobi, Kenya

ICEA Lion Life Assurance Company (Kenya) Limited  
ICEA Lion Centre  
Chiromo Road – Westlands  
P O Box 46143 - 00100  
Nairobi, Kenya

#### **AUDITORS**

PricewaterhouseCoopers LLP  
Certified Public Accountants (Kenya)  
PwC Tower, Waiyaki Way/ Chiromo Road  
Westlands  
P.O. Box 43963 – 00100  
Nairobi

#### **REGISTERED OFFICE**

Britam Centre  
P O Box 30375 – 00100  
Mara and Ragati Roads Junction, Upper Hill  
Nairobi, Kenya

## Trustees' Report

The trustees present their annual report together with the audited financial statements of British-American Insurance Company (Kenya) Limited Defined Contribution Plan (the "Scheme") for the year ended 31 December 2022.

### ESTABLISHMENT, NATURE, AND STATUS OF THE SCHEME

The Scheme is governed by a Trust Deed dated 29 October 2010 after separating with the defined benefit component, previously together known as Britam Life Assurance Company (Kenya) Limited Staff Pension Plan. The latter is now operating with the name British-American Insurance Company (Kenya) Limited Defined Contribution Scheme. Prior to separation, the scheme was governed by a trust deed dated 6 May 2003 together with a second Deed of Amendment supplemental to the Principal Deed made on 28 February 2007. The original Plan commenced on 1 January 1987 and from that date to 31 December 2005 (both dates inclusive) consisted of a defined benefit plan alone.

From 1 January 2006, a separate section within the existing Scheme that provides "defined contribution" benefits were started on a mandatory basis to future new entrants and on an optional basis to existing members. Existing members who opted to convert had the higher of their transfer value in respect of past service or cumulated contributions plus interest credited to the "defined contribution" section. Both sections provide, under the rules of the scheme, retirement benefits for the staff and agency force of Britam Group of Companies in Kenya. The third deed of amendment dated 29 October 2010 effectively removed the defined contribution section to the defined contribution plan. It is an exempt approved Scheme under the Income Tax Act and is registered with the Retirements Benefits Authority. Contributions to the Scheme by the employees are at the rate of 7.5 % (2021: 7.5%) of the individual members' basic salaries and contribution by the employer is at 7.5% of individual members' basic salaries (2021: 7.5%).

### MEMBERSHIP

	<b>2022</b>	<b>2021</b>
<b>Total Members</b>		
Contributing members	533	508
Deferred and inactive members	959	997
<b>Total</b>	<u>1,492</u>	<u>1505</u>
<b>Contributing Members</b>		
At start of year	508	620
Joiners during the year	93	8
Exits during the year	(68)	(120)
At end of year	<u>533</u>	<u>508</u>
<b>Deferred and inactive members</b>		
At start of year	997	1017
New entrants during the year	28	44
Exits from Deferred and dormant	(66)	(64)
At end of year	<u>959</u>	<u>997</u>

## Trustees' Report (Continued)

### Financial Review

The statement of changes in net assets available for benefits on page 9 shows an increase in net assets of the Scheme for the year ended 31 December 2022 of Shs. 26,419,000 (2021: decrease of Shs. 222,539,000) and the statement of net assets available for benefits on page 10 shows the scheme's net assets as at 31 December 2022 of Shs. 1,573,477,000 (2021: Shs. 1,547,058,000).

### INVESTMENT OF MEMBERS' FUNDS

The funds are administered by Britam Life Assurance Company (Kenya) Limited and ICEA Lion Life Assurance Company (Kenya) Limited. The net interest declared and earned by the scheme was at the rate of 8.5% (2021: 10%) on funds held by Britam Life Assurance Company (Kenya) Limited and 6.5% (2021: 9.25%) for funds held by ICEA Lion Life Assurance Company (Kenya) Limited.

The overall responsibility for investment and performance lies with the Trustees.

### AUDITORS

PricewaterhouseCoopers LLP having expressed their willingness to continue in office in accordance provisions of the Retirement Benefits Act.

The Trustees monitor the effectiveness, objectivity and independence of the auditor. This responsibility includes the approval of the audit engagement contract and associated fees on behalf of the Scheme.

For the Trustees:



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Signed: Trustee

Dated: 29 March 2023

Governance statement

**1.Trustees in office.**

Name of trustee	Age	Representation	No. of meetings	Certified (Yes/No)	Highest qualification	Membership of other boards (Provide organization's name)
Mr. Charles Njuguna	Over 30	Sponsor Appointed	1	No	Master's Degree	No
Mr. Jackson Theuri	Over 30	Member elected	2	Yes	Master's Degree	No
Mr. Fredrick Opere	Over 30	Member elected	2	Yes	Bachelor's Degree	No
Mr. Tillen Omondi	Over 30	Member elected	2	Yes	Bachelor's Degree	No
Ms. Diane Korir	Over 30	Sponsor Appointed	2	Yes	Master's Degree	No
Ms. Evelyne Munyoki	Over 30	Sponsor Appointed	2	Yes	Master's Degree	No

**Trustees meetings**

The board of the Board of Trustees held 2 meetings during the year ending the 31 December 2022. The meetings were held on the dates set out hereunder:

- a) 30<sup>th</sup> March 2022
- b) 22<sup>nd</sup> November 2022

The composition of the board of the Board of Trustees is as below:

- a) Gender balance: Female 33% Male 67%.
- b) Skills mix: 60%
- c) Age mix: Number of Trustees who are younger than 35 years 2,
- d) Number of Trustees who are older than 35 years 4.

**Committees of the board:**

There are currently no Trustees' Committees

## Governance statement (continued)

### **Fiduciary responsibility statement**

The Board of Trustees is the governing body of the Scheme and is responsible for the Board of the corporate governance of the Scheme. The Board of Trustees are responsible for ensuring that the administration of the Scheme is conducted in the best interests of the Scheme's members and the sponsor. To achieve this, the Board of Trustees embraced their fiduciary responsibility by:

- Acting honestly and did not improperly use inside information or abuse their position;
- Exercising the highest degree of care and diligence in the performance of their duties that a reasonable person in a like position would exercise in the circumstances; and
- Performing their duties with the requisite degree of skill.

The Scheme has complied with the laws, regulations and guidelines that govern retirement benefits schemes and the Scheme's business operations.

The Board of Trustees have ensured that the fund manager has carried out all Scheme investments and that all Scheme assets and funds are held by Britam as the Approved Issuer.

### **Responsible Corporate citizenship**

The scheme has participated in socially responsible investments and operations and has not been involved in any activity that may undermine the well-being of the sponsor, members or the community in which it operates.

### **Key outcomes**

The Board of Trustees seeks to achieve the following:

- Building trust with the members and sponsor of the Scheme so that they are satisfied with the administration of the scheme;
- Supporting innovation and developing solutions that meet the members' and sponsor's needs; and
- Ensuring that the Scheme's administrative processes remain transparent and accessible to members and the sponsor.

The Board of Trustees will measure the progress towards these outcomes through:

- a) Triennial members' survey score.
- b) Regular reports and feedback from the sponsor.

### **Annual general meeting**

The board of trustees held the annual general meeting on 6<sup>th</sup> August 2022 virtually which 109 members, marking up 21 % of scheme members attended. - The board adequately addressed members' concerns.



Governance statement (continued)

**Members' sensitization**

No formal scheduled member's sensitization meetings were held, however the administrator shared Communication on changes in regulation. A member sensitization presentation was also shared During the AGM.

**Trustees' remuneration policy**

During the year under review, the Board of Trustees were not paid any sum of money.

**Board of trustees' evaluation**

The Board and individual trustees did not undertake board evaluation in the year under review. The board of Trustees are working towards conducting a board evaluation in the future, as they are currently developing the requisite manuals and Board Charter.



Signed .....  
(Chairperson)  
For the Board of Trustees

Dated 28 March 23 .....

## Statement of Trustees' Responsibilities

The Retirement Benefits (Occupational Retirement Benefits Plans) Regulations 2000, requires the Trustees to prepare financial statements for each financial year which give a true and fair view of the financial position of the Scheme at the end of the financial year and its financial performance for the year then ended. The Trustees are responsible for ensuring that the Scheme keeps proper accounting records that are sufficient to show and explain the transactions of the Scheme; disclose with reasonable accuracy at any time the financial position of the Scheme; and that enables them to prepare financial statements of the Scheme that comply with prescribed financial reporting standards and the requirements of the Retirement Benefits (Occupational Retirement Benefits Plans) Regulations 2000. They are also responsible for safeguarding the assets of the Scheme and for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The Trustees accept responsibility for the preparation and presentation of these financial statements in accordance with International Financial Reporting Standards and in the manner required by the Retirement Benefits (Occupational Retirement Benefits Plans) Regulations 2000. They also accept responsibility for:

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

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

The Trustees acknowledge that the independent audit of the financial statements does not relieve them of their responsibility.

Approved by the board of Trustees on <sup>28</sup> March 2023 and signed on its behalf by:



Signed: Trustee



Signed: Trustee



## INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF BRITISH-AMERICAN INSURANCE COMPANY (KENYA) LIMITED DEFINED CONTRIBUTION PLAN

### Report on the audit of the financial statements

#### *Opinion*

We have audited the accompanying financial statements of British American Insurance Company (Kenya) Limited Defined Contribution Plan (the "Scheme") set out on pages 12 to 21 which comprise the statement of net assets available for benefits at 31 December 2022 and the statements of changes in net assets available for benefits and cash flows for the year then ended and the notes to the financial statements, which include significant accounting policies and other explanatory information.

In our opinion, the financial statements give a true and fair view of the financial position of British American Insurance Company (Kenya) Limited Defined Contribution Plan as at 31 December 2022, and of its financial performance and cash flows for the year then ended in accordance with International Financial Reporting Standards and the requirements of the Retirement Benefits (Occupational Retirement Benefit Funds) Regulations, 2000.

#### *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 Scheme in accordance with the International Code of Ethics for Professional Accountants (including International Independence Standards) issued by the International Ethics Standards Board for 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 ethical responsibilities in accordance with the IESBA Code.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

#### *Other information*

The other information comprises the information included in the annual report other than the financial statements and our auditor's report thereon. The Trustees are responsible for the other information. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in this report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed on the other information, 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.

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## **INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF BRITISH-AMERICAN INSURANCE COMPANY (KENYA) LIMITED DEFINED CONTRIBUTION PLAN**

### *Responsibilities of the Trustees for the financial statements*

The Trustees are responsible for the preparation of financial statements that give a true and fair view in accordance with International Financial Reporting Standards and the requirements of the Retirement Benefits (Occupational Retirement Benefit Funds) Regulations, 2000, and for such internal control as the Trustees determine 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 Trustees are responsible for assessing the Scheme'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 Trustees either intend to liquidate the Scheme or to cease operations, or have no realistic alternative but to do so.

### *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 scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the 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 Scheme's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Trustees.
- Conclude on the appropriateness of the Trustees' 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 Scheme'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 Scheme to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.



**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF BRITISH-AMERICAN INSURANCE COMPANY (KENYA) LIMITED DEFINED CONTRIBUTION PLAN**

*Auditor's responsibilities for the audit of the financial statements (continued)*

We communicate with the Trustees 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.

A handwritten signature in blue ink that reads 'Richard Njoroge'.

**FCPA Richard Njoroge, Practicing Certificate Number 1244  
Engagement partner responsible for the audit**

**For and on behalf of PricewaterhouseCoopers LLP  
Certified Public Accountants  
Nairobi**

28 March 2023



Statement of changes of net assets available for benefits

	Notes	2022 Shs'000	2021 Shs'000
<b>Income from dealings with members</b>			
Contributions receivable	3	207,288	237,783
		207,288	237,783
<b>Outgoings from dealings with members</b>			
Benefits payable to seceding members		(286,877)	(597,650)
		(79,589)	(359,867)
<b>Net Outflows from dealings with members</b>			
<b>Return on investments</b>			
Investment income	4	124,243	162,327
Administrative expenses	5	(6,850)	(7,811)
		37,804	(205,351)
Increase in net assets before Income tax			
Income tax expense	8(a)	(11,385)	(17,188)
		26,419	(222,539)
<b>Increase in net assets for the year</b>			
Net assets available for benefits at start of year		1,547,058	1,769,597
		1,573,477	1,547,058
<b>Net assets available for benefits at end of year</b>			

Statement of net assets available for benefits

	Notes	At 31 December 2022 Shs'000	At 31 December 2021 Shs'000
<b>Assets</b>			
Administered deposit account	6	1,569,583	1,551,344
Tax Recoverable	8(b)	7,522	3,157
		1,577,105	1,554,501
<b>Liabilities</b>			
Accrued expenses	7	(3,628)	(4,192)
Tax Payable	8(b)	-	(3,251)
		1,573,477	1,547,058
<b>Net assets available for benefits</b>		1,573,477	1,547,058

The financial statements on pages 12 to 21 were approved and authorized for issue by the Trustees on 28 March 2023 and signed on their behalf by:



Signed: Trustee



Signed: Trustee



Statement of cash flows

	<b>Notes</b>	<b>2022 Shs'000</b>	<b>2021 Shs'000</b>
<b>Cash flows from operating activities</b>			
Contributions received and transfers in	3	207,288	237,783
Tax recoverable		3,157	-
Transfers out and benefits paid	6	(286,877)	(597,650)
Expenses paid		(7,414)	(7,399)
Tax paid	8(b)	(22,158)	(9,425)
		<hr/>	<hr/>
<b>Net cash generated from operating activities</b>		(106,004)	(376,691)
		<hr/>	<hr/>
<b>Cash flows from investing activities</b>			
Investment income received	4	124,243	162,327
		<hr/>	<hr/>
<b>Increase in cash and cash equivalents</b>		18,239	(214,364)
		<hr/>	<hr/>
<b>Movement in cash and cash equivalents</b>			
At start of year		1,551,344	1,765,708
Increase in cash and cash equivalents		18,239	(214,364)
		<hr/>	<hr/>
At end of year	10	1,569,583	1,551,344
		<hr/>	<hr/>



## Notes to the Financial Statements

### 1. Summary of significant accounting policies

The principal accounting policies adopted in the preparation of these financial statements are set out below: These policies have been consistently applied to all years presented, unless otherwise stated

#### a) Basis of preparation

The financial statements are prepared in accordance and comply with International Financial Reporting Standards and the Retirement Benefits Act, 1997 as amended, and with the Retirement Benefits (Occupational Retirement Benefit Schemes) Regulations, 2000.

Contributions by the trustees are credited directly to the administered deposit account with British-American Insurance Company (Kenya) Limited Defined Contribution Plan. Similarly, benefits are paid to withdrawing members directly by British-American Insurance Company (Kenya) Limited Defined Contribution Plan.

The financial statements summarize the transactions of the pension plan and deal with the net assets at the disposal of the trustees.

The financial statements are presented in Kenya Shillings (Shs.) rounded to the nearest thousand, and are prepared under the historical cost convention except where otherwise stated.

#### i. Adoption of new and revised International Financial Reporting Standards

##### *ij) New and amended standards adopted by the Scheme*

There were no new standard, amendments and interpretation adopted during the year.

##### *ii) New standards and interpretations not yet effective and not early adopted*

No standards, amendments and interpretation not yet adopted are expected to have a significant impact on the financial statements.

#### b) Foreign currency translation

##### *(i) Functional and presentation currency*

Items included in the financial statements are measured using the currency of the primary economic environment in which the entity operates ('the Functional Currency'). The financial statements are presented in Kenya Shillings ("Shs") which is the Scheme's functional currency.

## Notes to the Financial Statements (continued)

### **b) Foreign currency translation (continued)**

(ii) Transactions and balances

Foreign currency transactions are translated into Kenya Shillings using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognized in the statement of changes in net assets available for benefits.

### **c) Contributions**

Contributions are recognized when they fall due in accordance with the provisions of the Scheme Rules.

### **d) Transfers**

Transfers are recognized in the period in which members join from other funds or leave for other funds.

### **e) Investment income**

Interest income from funds deposited with the pension plan administrators is recognized in the period in which it is earned.

### **f) Benefits payable**

Pensions and other benefits are taken into account as they fall due for payment.

### **g) Accrued expenses and other payables**

Expenses are accounted for in the period they are incurred.

### **h) Taxation**

The scheme is a registered staff pension scheme and is exempt from income tax except for investment income from contributions above the minimum contributions prescribed in the Income Tax Act that is taxed at the applicable tax rates.

Notes to the Financial Statements (continued)

**2. Financial risk management objectives and policies**

The Scheme is exposed to interest rate risk, credit risk and liquidity risk. Risk management is carried out by the investment manager under policies and guidelines approved by the Trustees.

**a) Interest rate risk**

The Scheme's investments in the administered deposit account exposes it to interest rate risk. The investment manager's advice the Trustees on the appropriate balance of portfolio between equity, fixed rate interest, and variable rate interest investments. The Scheme has no interest bearing liabilities.

At 31 December 2022, holding all other factors constant, a 1% change in the interest rate of investments in the administered deposit account would have increased/decreased the net assets available for benefits by Shs 15,695,830 (2021: Shs 15,513,440).

**b) Credit risk**

Credit risk arises from investments other than equity investments, contributions receivable and other receivables.

The amount that best represents the Scheme's maximum exposure to credit risk at 31 December is made up as follows:

	<b>2022</b> <b>Shs '000</b>	<b>2021</b> <b>Shs '000</b>
Administered deposit account	1,569,583	1,551,344
Tax recoverable	7,522	3,157
	<hr/>	<hr/>
	<b>1,577,105</b>	<b>1,554,501</b>
	<hr/>	<hr/>

The scheme has a concentration of credit risk as its investments are held in an administered deposit account (Note 6). The investment manager assesses the credit quality of each investment, taking into account its credit rating. Individual risk limits are set based on internal or external ratings in accordance with limits set by the Trustees.

Notes to the Financial Statements (continued)

**2. Financial risk management objectives and policies (continued)**

**c) Liquidity risk**

Prudent liquidity risk management includes maintaining sufficient cash balances to cover anticipated benefit payments. The Trustees agree with the investment manager on the amount to be invested in assets that can be easily liquidated. All financial liabilities as at 31 December 2022 and as at 31 December 2021 were payable within 60 days.

**3. Contributions receivable**

	<b>2022</b>	<b>2020</b>
	<b>Shs'000</b>	<b>Shs'000</b>
Employee contribution	103,644	118,891
Employer contribution	103,644	118,892
	<u>207,288</u>	<u>237,783</u>

Members contribute 7.5% of their salaries (2021: 7.5%). Employer contributions are at 7.5% (2021: 7.5%) of aggregate pensionable salaries.

**4. Investment income**

During the year, the Scheme earned interest on funds deposited at 8.5% (2021: 10%) and 6.5% (2021: 9.25%) with Britam Life Assurance Company (Kenya) Limited and ICEA Lion Life Assurance Company (Kenya) Limited respectively.

**5. Administrative expenses**

	<b>2022</b>	<b>2021</b>
	<b>Shs'000</b>	<b>Shs'000</b>
Retirement Benefits Authority (RBA) Levy	2,323	2,297
Audit fees	198	249
Administration expenses	4,329	4,965
Trustee training fees	-	300
	<u>6,850</u>	<u>7,811</u>

Notes to the Financial Statements (continued)

**6. Administered deposit account**

The Scheme operates an administered deposit account with Britam Life Assurance Company (Kenya) Limited. Under this arrangement, contributions received are remitted to Britam Life Assurance Company (Kenya) Limited for investment in a variety of investment securities on a pooled basis with funds from other contributing entities. Britam Life Assurance Company (Kenya) Limited pays interest on the funds invested, at the end of each year. The scheme also has funds administered by ICEA Lion for Real Insurance amounting to Shs. 36,166,330.

The movement in the account is summarized below;

	<b>2022</b> <b>Shs'000</b>
At start of year	1,551,343
Contribution received	210,445
Withdrawals	(286,877)
Expenses in the year	(29,571)
Interest	124,243
	<hr/>
At end of year	1,569,583
	<hr/> <hr/>

**7. Accrued expenses**

	<b>2022</b> <b>Shs'000</b>	<b>2021</b> <b>Shs'000</b>
Retirement Benefits Authority (RBA) Levy	2,323	2,297
Administration fees	850	1,387
Audit fees	251	304
Management Fees	176	176
Custodian Fees	28	28
	<hr/>	<hr/>
	3,628	4,192
	<hr/> <hr/>	<hr/> <hr/>

Notes to the Financial Statements (continued)

**8. Taxation**

Britam Life Assurance Company (Kenya) Limited Defined Contribution Plan has been approved by the Kenya Revenue Authority ("KRA") and is exempt from income tax on its investment income. The scheme receives contributions in excess of the limits set out in the Income Tax Act. A tax charge is recognized in respect of investment income earned on these contributions.

**a) Income tax expense**

The tax has been computed as follows:

	<b>2022</b>	<b>2021</b>
	<b>Shs'000</b>	<b>Shs'000</b>
Total investment income	124,243	161,176
Less:		
Income relating to contributions within allowable limits	(84,078)	(100,964)
Administrative expenses allocated to income relating to excess contributions	(2,214)	(2,918)
	<hr/>	<hr/>
Taxable income	37,951	57,294
	<hr/>	<hr/>
Tax expense @ 30% (2021: 30%)	11,385	17,188
	<hr/>	<hr/>

**b) Tax recoverable/(payable)**

	<b>2022</b>	<b>2021</b>
	<b>Shs'000</b>	<b>Shs'000</b>
The tax recoverable/(payable) movement is as follows:		
At 1 January	(3,251)	4,512
Tax expense	(11,385)	(17,188)
Tax paid	22,158	9,425
	<hr/>	<hr/>
At 31 December	7,522	(3,251)
	<hr/>	<hr/>



Notes to the Financial Statements (continued)

**9. Related party transactions**

The plan does not hold any equity investments in the sponsor, Britam Life Assurance Company (Kenya) Limited, or any other company or persons connected with that company. The funds of the scheme are held in an administered deposit account in Britam Life Assurance Company (Kenya) Limited.

**10. Cash and cash equivalents**

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

	<b>2022</b> <b>Shs '000</b>	<b>2021</b> <b>Shs '000</b>
Cash held in administered deposit account	1,569,583	1,551,344

