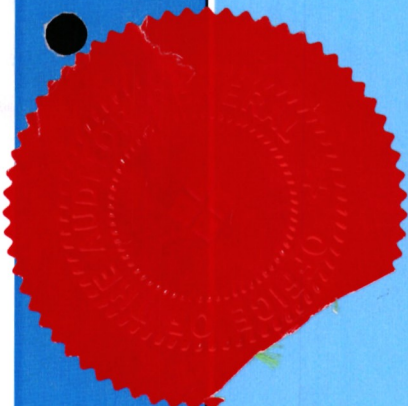



REPUBLIC OF KENYA

PARLIAMENT
OF KENYA
LIBRARY



Enhancing Accountability



 THE NATIONAL ASSEMBLY	
DATE:	02 MAR 2022
	WEDNESDAY
TABLED BY:	MAJORITY WHIP HON. E. WANGWE
CLERK AT THE TABLE:	SAMUEL KALAMA

REPORT

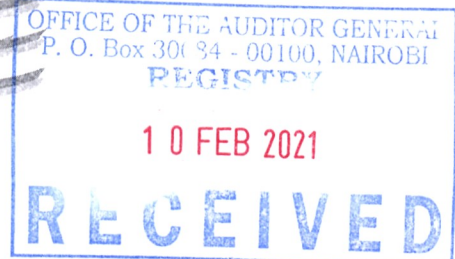
OF

THE AUDITOR-GENERAL

ON

KENYA YEARBOOK EDITORIAL BOARD

**FOR THE YEAR ENDED
30 JUNE, 2020**



KENYA YEARBOOK EDITORIAL BOARD

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDING

JUNE 30, 2020

Prepared in accordance with the Accrual Basis of Accounting Method under the International Public Sector Accounting Standards (IPSAS)

	Page
Table of Content	
KEY ENTITY INFORMATION AND MANAGEMENT.....	ii
THE BOARD OF DIRECTORS	v
MANAGEMENT TEAM.....	x
CHAIRMAN'S STATEMENT	xi
REPORT OF THE CHIEF EXECUTIVE OFFICER.....	xii
REVIEW OF KENYA YEARBOOK EDITORIAL BOARD PERFORMANCE FOR FY 2019/2020.....	xiii
CORPORATE GOVERNANCE STATEMENT	xv
MANAGEMENT DISCUSSION AND ANALYSIS.....	xviii
CORPORATE SOCIAL RESPONSIBILITY STATEMENT/SUSTAINABILITY REPORTING.....	xx
REPORT OF THE DIRECTORS.....	xxii
STATEMENT OF DIRECTORS' RESPONSIBILITIES.....	xxiii
REPORT OF THE INDEPENDENT AUDITORS ON THE KENYA YEARBOOK EDITORIAL BOARD	xxiv
REPORT OF THE INDEPENDENT AUDITORS ON THE KENYA YEARBOOK EDITORIAL BOARD	xxv
STATEMENT OF FINANCIAL PERFORMANCE.....	1
STATEMENT OF FINANCIAL POSITION.....	2
STATEMENT OF CHANGES IN NET ASSETS	3
STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 30 JUNE 2020	4
STATEMENT OF COMPARISON OF BUDGET AND ACTUAL AMOUNTS FOR THE YEAR ENDED 30 JUNE 2020	5
NOTES TO THE FINANCIAL STATEMENTS.....	9
APPENDIX 1: PROGRESS ON FOLLOW UP OF AUDITOR RECOMMENDATIONS	25
APPENDIX III: INTER-ENTITY TRANSFERS.....	26

Kenya Yearbook Editorial Board
Annual Reports and Financial Statements
For the year ended June 30, 2020

KEY ENTITY INFORMATION AND MANAGEMENT

a) Background information

The Kenya Yearbook Editorial Board was established in 2007 under the Ministry of ICT Innovation and Youth Affairs vide legal notice No.187/2007. The subsidiary legislation, known as the Kenya Yearbook Order, 2007 was made under section 3(i) of State Corporation Act, Cap 446 Laws of Kenya.

b) Principal Activities

KYEB's objectives and principal activities are to: -

1. Research and publish the most comprehensive Yearbook in Africa;
2. Benchmark the Kenya Yearbook with the best yearbooks in the world;
3. Convey in the Yearbook the immense resources possessed by Kenya and the potential still to be tapped;
4. Publish special publications highlighting Kenya's historical experience such as the Kenya Cabinets since independence.
5. Research and publish books on contributions of different individuals /groups in Kenya; and
6. Compile and publish sector-specific books and smaller editions of the Yearbook for key sectors such as Agriculture, Tourism, and Health aligned to the Government's Medium-Term Plans and Kenya Vision 2030.

Vision

Empowering the nation with reliable publications on Kenya

Mission

To research, compile, publish and disseminate information on Kenya's Social, Economic and Political spheres

Core Values

We shall be guided by the following core values which provide an integrated focus towards enhancing provision of acceptable quality service;

1. **Team spirit** - KYEB staff will endeavour to engage colleagues rationally and genuinely in an attempt to find common direction that will enhance public trust
2. **Creativity and innovativeness** - KYEB is committed to innovation, inventiveness, resourcefulness, visionary planning and service delivery.
3. **Efficiency and effectiveness**—KYEB will strive to use minimal resources to achieve maximum results in service delivery
4. **Good corporate governance** - KYEB will conduct its business in a more open manner, upholding high levels of uprightness

KEY ENTITY INFORMATION AND MANAGEMENT (Continued)

5. **Excellence and professionalism** - KYEB will demonstrate highest level of competence, efficiency and ethical values in realising its goals.
6. **Reliability** – KYEB will strive to ensure comprehensive feedback mechanism is in place and strive to deliver as per the expectations of all stakeholders

c) Key Management

KYEB day-to-day management is under the following key organs:

1. Board of Directors
2. CEO
3. Management

d) Fiduciary Management

The key management personnel who held office during the financial year ended 30th June 2020 and who had direct fiduciary responsibility were:

No.	Designation	Name
1.	Chief Executive Officer	Edward Mwasi
2.	Finance Manager	Susan Naitore
3.	Production manager	Elijah Muli
4.	Corporation Secretary	Rosemary Okumbe

e) Fiduciary Oversight Arrangements

The Board of Directors is able to carry out its fiduciary activities through oversight arrangements assisted by the committees of the Board, namely;

1. Finance
2. Strategy and Monitoring
3. Human Resource and Administration and
4. Audit

KEY ENTITY INFORMATION AND MANAGEMENT (Continued)

Board Headquarters

P.O. Box 34035-00100
NHIF Building 4th Floor
Ragati Road
Nairobi, KENYA

Board Contacts

Telephone :(254) 20 271 5390
E-mail: info@kenyayearbook.go.ke
Website: wwwkenyayearbook.go.ke

Board Bankers

Kenya Commercial Bank
Capitol Hill Branch
P.O. Box 30012-00100
Nairobi, Kenya
Account No. **1112214119**
1198589167




Independent Auditors

Auditor General
Office of the Auditor General (OAG)
Anniversary Towers, University Way
P.O. Box 30084
GOP 00100
Nairobi, Kenya


Principal Legal Adviser

The Attorney General
State Law Office
Harambee Avenue
P.O. Box 40112
City Square 00200
Nairobi, Kenya




THE BOARD OF DIRECTORS

Passport –Size Photo & Name	Designation	Key Profession /Academic Qualification	Date of Birth, Key Qualification and work experience
 Eng. Sammy Tangus	Chairman KYEB	BSC. Civil Engineering University of Nairobi	Born in 1966, Eng. Tangus is a member of the Engineers Board of Kenya (EBK) and a Corporate Member of the Institute of Engineers of Kenya (IEK). He has worked in government, private and International bodies; gathering experience in administration & technical matters.
 Mr. Edward Mwasi	Chief Executive Officer	BA (Design). University of Nairobi	A publishing Expert, Mr. Mwasi has over 20 years' experience in Graphic Design He is currently the Chief Executive Officer of Kenya Yearbook Editorial Board after a stint as the Production Manager. He also worked at Nation Media Group as Chief Graphic Designer, and was the Creative Director of Kenwide Media Advertising Ltd.
 Mr. Wilson Kipkazi	Independent Director KYEB	Mr. Kipkazi holds a BA (Hons) degree in Community Development and Resource Mobilization, Graduate Diploma Community Development and a Certificate in Resource Mobilization and Fund-Raising techniques	Mr. Kipkazi was born on 25/4/1965. He is the Executive Director/Board Secretary of Endorois Welfare Council-Kenya. He has also been a Chairman /Commissioner Poverty Eradication Commission (2008-2015) and Director Kenya. Cooperative Creameries (2004-2006). He worked for Kenya Commercial Bank Group (Loans & Cash (1989-2001) and was a Chairman of the Kenya Bankers Savings and Credit Cooperative Society (1996-2001). He also worked for the Kenya Accountants and Secretaries National Examination Board (KASNEB) (1988-1989).



Kenya Yearbook Editorial Board
Annual Reports and Financial Statements
For the year ended June 30, 2020

 <p>Ms Nemaisa Kiereini</p>	<p>Independent Director KYEB</p>	<p>Ms. Kiereini holds Bachelor of Science degree in Information Systems and technology with a concentration in networking from USIU, an MBA in strategic management together with a Public Policy certificate from the Strathmore Business School.</p>	<p>Ms. Nemaisa Kiereini was born on 5/3/1979, She has worked within the BMO sector since 2013. Her key areas of focus have been in advocacy, communications, donor management strategic partnerships and membership development. She is currently an independent consultant in Trade and Investment. Ms Nemaisa's immediate past previous roles include: - Deputy Chief Executive Officer at the Kenya National Chamber of Commerce and Industry, Head of Advocacy and Communication at KEPSA, and has managed different departments and regions in KEPSA, Telkom Orange, Zain and Celtel Kenya.</p>
 <p>Ms Caroline Mukeli</p>	<p>Independent Director KYEB</p>	<p>Ms Mukeli holds a Bachelor Degree in Mass Communications from Africa Nazarene University</p>	<p>Born on 16/04/1988, Ms Caroline Mukeli is a Corporate Communications expert with 7 years' corporate experience in the private and public sector. Before joining KEPSA, she worked with various organisations including Top Image Africa, Kenya Healthcare Federation (KHF), and Retirements Benefits Authority (RBA). Ms. Mukeli has been engaged in media relations; corporate communications; events and communications planning; issues and crisis management; cause-related marketing; social media and website content management.</p>
 <p>Mr. Joseph Mulei Muia</p>	<p>Director Ministry of Information Communication & Technology. (3.2.2020 to 30.6.2020)</p>	<p>B.A. Communications Degree (Public Relations (Major), Business Administration (Minor)), Daystar University</p>	<p>Mr Muia was born on 14th April 1969. He is currently the Director, Department of Public Communications at the Ministry of ICT, Innovations and Youth Affairs. He has wealth of experience as a communications expert spanning over 20 years in various Ministries and departments including Tourism & wildlife, Health, Environment, water & natural resources and also Transition Authority.</p>


**Kenya Yearbook Editorial Board
Annual Reports and Financial Statements
For the year ended June 30, 2020**

 <p>Mr. Peter Mwaura Igogo</p>	<p>Ministry of Interior and Co-ordination of National Government Harambee House NAIROBI</p> <p>Director</p>	<p>Mr Mwaura is pursuing a Masters in Leadership of Management. He holds a Bachelor's Degree in Journalism; a Diploma in Journalism (Kenya Institute of Mass Communication. Specialised Writing: School of Journalism Diploma in journalism: Indian Institute of Mass Communication – JNU Campus New Delhi. Senior management Seminar Kenya School</p>	<p>Born on 6/10/1960, Mr Mwaura has over 30 years' experience in the public service running from 1985 to date. He has served as district information officer in Kitui, Meru, Nyeri and Machakos counties and a Public communication officer in the ministries of special programme, Defence and State Department of Interior.</p>
 <p>Mr. Kennedy Buhere</p>	<p>Ministry of Education, State Department Of Basic Education. Jogoo House 'B' NAIROBI</p> <p>Director</p>	<p>Mr. Buhere holds a Masters Degree in Communication Studies and a Bachelor of Arts Degree in Government and Literature from the University of Nairobi. He also holds a Post Graduate Diploma in Journalism and Communications from the Kenya Institute of Mass Communications</p>	<p>Mr. Kennedy Buhere was born on 9/10/1964. He is the Assistant Director, Public Communication; Ministry of Education, Science and Technology, Kenya</p>
 <p>Mr. Hezekiah Okeyo</p>	<p>Ministry of Industrialisation, Trade and Enterprise Development, State Department of Industry and Enterprise Development NSSF Building, Block A, 22nd Floor</p> <p>Director</p>	<p>Mr. Okeyo holds a Masters Degree in Business Administration (Strategic Management) from the Eastern and Southern African Management Institute (ESAMI), Arusha, Tanzania (2012) and a Master of Science Degree in Environmental Science & Technology from UNESCO-IHE</p>	<p>Born on 28/3/1963, Mr Okeyo is the Director of Industries in charge of Vision 2030 Manufacturing Sector Delivery at the Ministry of Industrialisation, Trade and Enterprise Development; member of the Inter-Ministerial Committee on the Development of a National Green Economy Strategy and Implementation Plan; Project Manager of the DANIDA Business Sector Programme Support (BSPS), 2006-2012; Task Manager/ Coordinator for the formulation of Kenya Private Sector Development Strategy (PSDS) and its Project Implementation Plan (PIP) 2007-2011;</p>

Kenya Yearbook Editorial Board
Annual Reports and Financial Statements
For the year ended June 30, 2020

		<p>Delft, The Netherlands (2002), and a Bachelor of Science Degree in Chemistry (2nd Class Honours, Upper Division) from the University of Nairobi Kenya (1989).</p>	<p>Working Committee on Regulatory Reforms for Business Activity in Kenya established and gazetted (Kenya gazette Notice No. 7321 of 23.9.2005) by the Minister for Finance to facilitate the Regulatory Reforms on Business Licensing in Kenya and member of the United Nations Environment Programme (UNEP) Technical Options Committee (TOC) of the Technology & Economic Assessment Panel (TEAP) under the Montreal Protocol on Substances that deplete the ozone layer.</p>
 <p>Mr Richard Gakunya</p>	<p>The National Treasury, Director</p>	<p>Mr. Gakunya holds a Masters Degree in Economics (1991) from Odessa Institute of National Economy, Ukraine</p>	<p>He has previously worked in the Kenya National Audit Office as an Audit assistant (1983-1986). An Economist in the Ministry of Planning and National Development (1995-2000) and in the Ministry of Finance from 2001 to-date as a Principal Economist) in the Economic Affairs Department.</p>
 <p>Mr. P D Gwaro Ogaro</p>	<p>Director Ministry of Information Communication & Technology. (01/07/2019 to 02/02/2020)</p>	<p>Mr. Gwaro holds a Master of Arts Degree in Communication Studies and a Bachelor of Arts in Sociology and Linguistics both from the University of Nairobi and a diploma in Journalism from the Indian Institute of Mass Communication.</p>	<p>Born in 1963, in Nyamira, Mr. Gwaro Ogaro is the Ag. Director of the Government Advertising Agency in the Ministry of Information, Communications and Technology. He has served in various capacities in the Public service, including Director of Information in the Ministry, Head of Public Communications in the Ministry of East African Community and at the National Police Service.</p>

**Kenya Yearbook Editorial Board
Annual Reports and Financial Statements
For the year ended June 30, 2020**

 <p>Ms Rosemary Okumbe</p>	<p>Corporation Secretary</p>	<p>Ms Okumbe is a holder of LLM (Master of Law) from Cardiff University (UK), LLB (Bachelor of Nairobi. She is an Advocate of the High Court of Kenya and Certified Secretary and a member of ICPSK in good standing. She is a member of LSK.</p>	<p>She is KYEB Corporation Secretary.</p>
---	---	---	---

Kenya Yearbook Editorial Board
Annual Reports and Financial Statements
For the year ended June 30, 2020

MANAGEMENT TEAM

Name	Designation	Key Profession / Academic Qualification	Key Qualification and work experience
 Mr. Edward Mwasi	Chief Executive Officer	Mr. Edward Mwasi holds a Bachelor of Arts (Design) degree from the University of Nairobi.	He is the Chief Executive Officer .
 CPA Ms Susan Naitore	Finance Manager	CPA Ms Susan Naitore is a continuing MSc in Development Finance student at KCA university, a holder of Bachelor of Business Management degree (Accounting Option) from Moi University and CPA (K). She is a member of the Institute of Certified Public Accountants of Kenya (ICPAK) in good standing.	In charge of Finance and Accounts department
 Mr. Elijah Muli	Production Manager	Mr. Muli holds B.A (Design), from Nairobi University.	In charge of Production department.
 Ms Rosemary Okumbe	Corporation Secretary	Ms Okumbe is a holder of LLM (Master of Law) from Cardiff University (UK) and LLB (Bachelor of Nairobi. She is an Advocate of the High court of Kenya of Kenya and Certified Secretary and a member of ICPSK in good standing. She is a member of LSK.	She is KYEB Corporation Secretary.

CHAIRMAN'S STATEMENT

Like many other organisations both locally and globally, the organisation experienced a turbulent period during the 2019/20 financial year. The novel Covid-19 pandemic, which has radically affected all sectors of the economy, has changed the ways businesses are conducted in unprecedented ways. The government's extreme containment measures such as the dusk-to dawn curfew and work-from-home directive have adversely affected productivity and social activities in the economy. In order to cushion the economy and the society at large from the effects of the pandemic, the government has taken several fiscal measures such as the reduction of VAT, PAYE, Corporation Tax and the Central Bank Rate. Despite these challenges, the organisation has proven its resilience and has rapidly adapted to the 'new normal' by leveraging on the emerging opportunities to scale even greater heights. The organisation has embraced the use of ICT to support remote working for the board and staff members. The organisation has also forged new alliances and developed new digital communication strategies in order to disseminate information on the government's public health initiatives to accelerate the process of flattening the Covid-19 curve.

In the first quarter of the financial year, the Board adopted the 2019-2023 Strategic Plan. The plan proposes to significantly increase the output of the organisation, which shall see a corresponding increase in the size and capacity of the organisation. The year also saw the streamlining of policies and structures in line with the new plan and the generation of new revenue streams.

On the Corporate Governance front, the board undertook its annual Board evaluation exercise in the second quarter of the year and shall ensure that our efforts to deliver optimal performance are sustained. The year also saw the induction of two new board members into the activities and operations of the organisation. The two members have brought on board fresh and diverse perspectives.



Eng. Sammy Tangus
Chairman

REPORT OF THE CHIEF EXECUTIVE OFFICER

The 2019/2020 financial year was an eventful and one that also saw Kenya Yearbook Editorial Board review its Strategic Plan to address the emerging dynamics in the market. The Board also got the opportunity to relook at the institutional structure to effectively deliver its objectives.

In the planning cycle (2019/20 – 2023/24), The Board identified three (3) areas of focus. These are:


- Branding and Visibility, aimed at increasing the organisation's visibility among stakeholders;
- Publishing meant to revitalise the organisation's capacity;
- and Institutional Strengthening, aimed at strengthening the organisation's capacity to undertake its mandate, strengthening performance management, and mobilizing adequate resources.

These key results areas have been matched with a clear and coherent strategic objective and strategies. These major events warranted the updating of the Human Resource instruments to improve performance. For instance, the organisation adopted the Balance Score Card performance management model that shall ensure that higher levels of individual and organisational performance are achieved.

The organisation has also seen the need to adopt effective and efficient models that would enhance the delivery of service. This was also on a cost-benefit analysis basis. The Board endorsed new concepts for production of its publications that would reposition the organisation to address Government priorities and boost its relevance. For instance, the one adopted on the assembly of its flagship yielded positive results and has led to timely and cost-effective completion of more publications of better editorial quality.

The financial year saw the publication of the 2019 Yearbook that focused on the government's efforts towards realising the Big 4 Agenda and the Universal Health Publication that covered the novel Covid-19 pandemic and government's efforts towards its containment.

The financial position was boosted by revenue from commercial publishing for other MDAs, and the improved budget allocation from the National Treasury could not have come at a better time. With these financial achievements, the institution managed to settle some long outstanding bills including gratuities, legal fees and upscale staff training.


Edward Mwasi
Chief Executive Officer

REVIEW OF KENYA YEARBOOK EDITORIAL BOARD PERFORMANCE FOR FY 2019/2020

Section 81 Subsection 2 (f) of the Public Finance Management Act, 2012 requires the accounting officer to include in the financial statement, a statement of the national government entity's performance against predetermined objectives.

Kenya Yearbook Editorial Board has 1 (one) strategic pillar and objectives within its Strategic Plan for the FY 2019/2020- 2023/2024. The strategic pillar is as follows:

Pillar 1: Publishing

The Board develops its annual work plans based on the above pillar. Assessment of the Board's performance against its annual work plan is done on a quarterly basis. The Entity achieved its performance targets set for the FY 2019/2020 period for its strategic pillar as indicated in the diagram below:

Strategic Pillar	Objective	Key Performance Indicators	Activities	Achievements
Pillar 1: Publishing	To diversify KYEB products and services	Diversified Modes of Production	<ul style="list-style-type: none"> Adopted remote publishing and work-from-home for Editorial staff following advent of COVID-19 Pandemic. Fully embraced outsourcing of content collation and editing 	<ul style="list-style-type: none"> Staff successfully delivered services while working from home, thus reducing risk of COVID-19 infections Outsourcing improved quality of publications and delivery timelines, lowered cost of publishing for KYEB and helped entity develop a predictable calendar for production of all publications.
		Diversified products and service range	<ul style="list-style-type: none"> Preparation and dissemination of theme-related reports/sector specific Identification of topical issues and special groups for publication and dissemination Production of a pocket version of the Yearbook, cohort and sector specific yearbooks and reports 	<ul style="list-style-type: none"> Prepared Concepts with themes aligned to the Government's Big 4 Agenda and the Kenya Vision 2030 for the Yearbook and other Sector-Specific publications Road to Food Security Book Published. Dissemination in FY2020/21

**Kenya Yearbook Editorial Board
Annual Reports and Financial Statements
For the year ended June 30, 2020**

			<ul style="list-style-type: none"> • Documenting and disseminating indigenous knowledge; • Cabinet series/biographies; Translation of books for special groups and into Kiswahili; • Customized publishing – meetings, marketing; • Active participation in fairs and forums • County and constituency publications 	<ul style="list-style-type: none"> • Road to Universal Health Coverage Published. Dissemination in FY2020/21 • Pocket-Sized Kenya Yearbook Factbook Produced. Dissemination in FY2020/21. • Moi Cabinet biographical series published. Dissemination in FY2020/21. • Kiswahili edition of MyGov published and disseminated weekly. • Participated in fairs and forums where KYEB staff interacted with county officials in Kisii, Migori, Kisumu and Kakamega counties and shared KYEB publications. Discussions were held to pursue publication partnerships in FY2020/21
--	--	--	--	---

CORPORATE GOVERNANCE STATEMENT

The Board recognises the need to conduct its operations with integrity and in accordance with best practices in corporate governance. The Board shall strive to attain the highest standards of ethical leadership and shall go beyond focusing on the bottom line by ensuring that the interests of all stakeholders are taken into consideration in the decision-making process. In keeping with best governance practices, in the event of conflicting interests between those of the organisation and personal interests, members are required to declare those interests and enter the details in a register and desist from making any decisions on such matters.

In discharging its mandate, the Board is guided by the Constitution, relevant laws and regulations, Government Circulars and the Mwongozo Code of Corporate Governance. Most of the Board members have attended the Mwongozo induction and those who have joined the board recently are in the process of doing so. We shall continue to ensure that each member meets the minimum Corporate Governance training hours each year.

The appointment and removal of Directors is made as provided in the enabling statute- Legal Notice No.187/2007. The processes of appointment, removal of Directors and succession planning are also clearly outlined in the KYEB Board Charter and the respective Letters of Appointment. The roles, duties and responsibilities are also outlined in these documents.

The Board Chairman is paid a taxable monthly honorarium while all the other Directors receive taxable sitting allowances for meetings attended as guided by the 2004 guidelines on terms and conditions of service for State Corporations.

During the period under review, the Board conducted a self- evaluation of its performance as facilitated by SCAC and shall endeavour to improve its performance in each successive self-evaluation in order to sustain its growth and ensure sustainability. Due to exogenous factors experienced by all State Corporations, the Board was not able to undertake the annual governance audit although it commits to undertake the exercise as soon as these challenges are resolved.

Board

The members of the board are shown from page v. A non-executive Chairperson appointed by the President chairs the Board. All members of the board have extensive business and administrative experience in private and/or public sectors that are applied in directing the organisation.

The Board is responsible for:

- Determining and protecting the Board's Vision, Mission and Core values.
- Monitoring the implementation of the Board's mandate.
- Providing strategic direction to the Board by being responsible for the revision and approval of strategic plans.
- Approving the annual budget, procurement plans, performance contract and work plans.
- Ensuring the statutory reports are prepared, approved and audited on time.
- Appointing the Chief Executive Officer and other senior members of staff in line with the laid down regulations.

**Kenya Yearbook Editorial Board
Annual Reports and Financial Statements
For the year ended June 30, 2020**

The composition of the Board included (10) Directors as listed below:

- i. Eng. Sammy Tangus-Chairman
- ii. Ms. Caroline Mukeli
- iii. Mr Hezekiah Okeyo
- iv. Mr. Kennedy Buhere
- v. Mr. Mulei Muia
- vi. Mr. Mwaura Igogo
- vii. Ms. Nemaisa Kiereini
- viii. Mr. Richard Gakunya
- ix. Mr. Wilson Kipkazi
- x. Mr. Gwaro Ogaro
- xi. Mr. Edward Mwasi
- xii. Ms. Rosemary Okumbe- Board Secretary

During the period under review, the Board was assisted to carry out its mandate by four committees, as detailed below.

1. Finance Committee

The Finance committee had the oversight role of all financial operations and related issues. It was chaired by an independent Director and held five (5) meetings over the period. The composition of the committee included:

- | | | | |
|------|------------------------|---|-----------------------------------|
| i. | Caroline Mukeli | - | Chairman |
| ii. | Mwaura Igogo | - | Member |
| iii. | Wilson Kipkazi | - | Member |
| iv. | Gwaro Ogaro | - | Member (01/07/2019 to 02/02/2020) |
| v. | Mulei Muia | - | Member (03/02/2020 to 30/06/2020) |

2. Audit Committee

The Audit Committee had the oversight role of risk management, internal control and governance and related issues. It was chaired by an Independent Director and held 5 meetings over the period. The composition of the committee included:

- | | | | |
|------|-------------------------|---|-----------------|
| i. | Nemaisa Kiereini | - | Chairman |
| ii. | Hezekiah Okeyo | - | Member |
| iii. | Kennedy Buhere | - | Member |
| iv. | Richard Gakunya | - | Member |

3. Strategy and Monitoring Committee

The Strategy and Monitoring Committee had the oversight role of the strategy, editorial, production and marketing functions and related issues. The Committee provided strategic and marketing direction including the approval of planned work programmes. It was chaired by a Non-Executive Director and held six (6) meetings over the period. The composition of the committee included:

- | | | | |
|------|-----------------------|---|--------------------------------|
| i. | Hezekiah Okeyo | - | Chairman |
| ii. | Caroline Mukeli | - | Member |
| iii. | Richard Gakunya | - | Member |
| iv. | Gwaro Ogaro | - | Member (1.7.2019 to 2.2.2020) |
| v. | Mulei Muia | - | Member (3.2.2020 to 30.6.2020) |

4. Human Resources and Administration Committee

The Human Resources and Administration Committee had the oversight role of human resources and administration issues. Among its key functions was providing directions on recruitment, training, welfare administration and disciplinary issues. It was chaired by an independent Director and held five (5) meetings over the period. The composition of the committee included:

- i. **Wilson Kipkazi** - **Chairman**
- ii. Mwaura Igogo - Member
- iii. Nemaïsa Kiereini - Member
- iv. Kennedy Buhere - Member

The number of meetings held by the Board and the committees during the period 1 July 2019 to 30 June 2020:

Board/Committees	No. of Meetings Held
Board	6
HR & Admin	5
Strategy & Monitoring	6
Finance	5
Audit	5

Summary Report of attendance in meetings

Names	Board		Committees								Total	
			HR & Admin		Strategy & P.		Finance		Audit			
	No. of Meetings		No. of Meetings		No. of Meetings		No. of Meetings		No. of Meetings		No. of Meetings	
	Held	Attended	Held	Attended	Held	Attended	Held	Attended	Held	Attended	Held	Attended
Eng. Sammy Tangus	6	4	-	-	-	-	-	-	-	-	6	4
Mr Wilson Kipkazi	6	6	5	5	-	-	5	5	-	-	16	16
Ms Nemaïsa Kiereini	6	4	5	2	-	-	-	-	5	4	16	10
Ms Caroline Mukeli	6	6	-	-	6	6	5	5	-	-	17	17
Mr Mwaura Igogo	6	6	5	5	-	-	5	5	-	-	16	16
Mr Gwaro Ogwaro	6	4	-	-	6	3	5	4	-	-	17	11
Mr Hezekiah Okeyo	6	5	-	-	6	5	-	-	5	4	17	14
Mr. Mulei Muia	6	1	-	-	6	3	5	1	-	-	17	5
Mr Richard Gakunya	6	6	-	-	6	5	-	-	5	4	17	15
Mr Kennedy Buhere	6	4	5	2	-	-	-	-	5	4	16	10

MANAGEMENT DISCUSSION AND ANALYSIS

The Board's operational and financial performance

During the FY 2019/20, KYEB launched its flagship publication The Kenya Yearbook 2019 Edition. The Board is in the final stage of publishing sector-specific publications on agriculture- Agro Innovation, and Universal Health Coverage (UHC) which are due for launch.

KYEB publications are aimed at fulfilling the Board's mandate as set out in Legal Notice No. 187 of 2007 (The Kenya Yearbook Order, 2007) to document and detail the work of the Government of Kenya in partnership with its people. KYEB highlights initiatives, achievements and challenges faced in all sectors; to explain the Government's programme of action to sustain and speed up progress towards the kind of society Kenyans' desire. In addition, The Board convey in the yearbooks, the country's immense resources and the potential still to be tapped and communicate the national policy priorities as set out in Kenya Vision 2030.

During the period KYEB continued editing and designing the weekly Government Newspaper pull-out "MyGov".

Board's compliance with statutory requirements

The Board is not facing any non-compliance issues relating to statutory obligations.

Key projects and investment decisions the entity is planning /implementing

KYEB have planned to expand the technical staff and reduce future publishing costs by acquiring a digital printing press. This will enable the Board to take up more publishing jobs for other Government agencies and the Counties, and earn additional revenue to supplement the Government grants. The Board's long-term objective is to grow into a self-sustaining institution in terms of human and financial resources.

Major risks facing the entity:

1. Operational Risk

- Limited technical capacity due to understaffing.
- As a consequent of technical inadequacy, the Board partly relied on external consultants to produce its publications.

2. Liquidity Risks

The Board funding increased during the FY 2019/20 that has seen improvement in undertaking its activities. Some receivables held by the line Ministry as a result of services rendered were also received and this enabled KYEB to reduce its current liabilities that had accumulated from prior period where KYEB experience underfunding.

3. Legal Risks

KYEB by clearing prior periods' accrued liabilities reduced the risk of legal actions being taken against it by its suppliers.

4. Reputation Risks

KYEB reputation improved greatly in the period 2019/20, as it paid most of the prior years' liabilities.

5. Compliance Risks

The delayed release of the Treasury allocations and also the delays in settlement of MyGov revenue by the parent Ministry affected the ability to meet the set timelines for statutory payments and exposed the Board to the risk of incurring KRA penalties and interests. However, KYEB is current in the payment of all its statutory obligations.

Material arrears in statutory/financial obligations

KYEB accrued current liabilities relate to 2019/20 pending bills as at 30th June 2020. They are covered by the receivable amounts and are budgeted for.

The entity's financial probity and serious governance issues.

The Board has no cases of financial probity or serious governance issues.

CORPORATE SOCIAL RESPONSIBILITY STATEMENT/SUSTAINABILITY REPORTING

Kenya Yearbook Editorial Board exists to transform lives. This is our purpose, the driving force behind everything we do. It guides us to deliver our strategy founded on the publishing pillars of putting the customer/Citizen first, delivering relevant goods and services; and improving operational excellence.

Below is a brief highlight of our achievements:

Environmental Performance

The Board improved its operations by partnering with e-book distributors for supply chain distribution of our publications and posting the publications on the website for the public to read. In conserving the environment, KYEB uses woven bags for packing and distributing its publications.

Customer Service

The Board incorporates the CSR commitments into the customer experience by offering high quality products and services. This has been achieved through our publications - Kenya Yearbook, Kick Off, Women Trailblazers and the Children's series publications -which provide our customers with a memorable experience, impact and inspire the youth, and enlighten the young ones about our heritage and national values.

Employee Welfare

Account of the Policies guiding the hiring process

The hiring process at KYEB is guided by the Human Resource Policy and Procedure manual, the Career Progression Guideline in place and Constitution of Kenya.

During the hiring process, KYEB involved our Internal stakeholders, which is the Board of Directors and Management, and external stakeholders, which is the general public, this is achieved through placing adverts in local dailies with wide coverage to reach a wide group of potential Kenyan candidates.

The Policies are improved on need-to-basis and approval is sought from the Board of Directors.

Efforts made in Improving skills and managing careers appraisal and reward system

KYEB conducts a skills gap analysis every year, and based on the gap identified, takes the necessary measures to address any gaps identified, such as conducting training both in-house and external trainings, nominating employees to attend workshops and seminars relevant to their jobs, encouraging employees to pursue professional courses and paying for their annual membership subscriptions to professional bodies such as ICPAK, IHRM, ICS, LSK, MCK, PRSK etc.

KYEB have the performance management policy that guides performance appraisal and uses a competency-based performance management system and the Government based PC to check on performance of employees and reward them accordingly, based on the performance achieved as per the performance management policy.

Safety and Compliance with Occupational Safety and Health Act of 2007 (OSHA).

KYEB have a Safety and Health Internal Committee that meets Quarterly, or on need-to-basis, to review the overall safety measures in place, and recommend measures that needs to be done on areas where they feel the organisation is not complying fully with the OSHA Act.

The Board have also complied with WIBA Act and has taken the WIBA insurance for all employees.

Routine checks and repairs are also done in work environment to ensure that employees are safe at the work environment.

Community Engagement

KYEB donated a laptop during the Kiambu Raw 2 Youth talent week in November 2019. This was a platform for the youth to identify talent and create more revenue generating activities through employment and entrepreneurship.

In the month of February 2020, KYEB donated books to Tabaka Boys Primary School, Nyabigege Primary School, St. Pius Uriri High School and Master Seed School in Kisii County. These books enlighten pupils about the rich national heritage and values as well as create patriotism at an early age.

In April 2020, KYEB donated Kshs 1,000,000 to the Covid-19 Emergency Response Fund to help support the Government on unbudgeted funds for medical facilities, food and other expedencies. This will go a long way to help and protect the fellow Kenyans affected by this pandemic.

The Board invested in an internship programme for the youth to gain skills on the job and improve the social value of the young adults in universities.

Through customer service, the Board incorporates the CSR commitments into the customer experience by offering high quality products and services. In June 2020, through an outreach programme, staff visited their home counties and distributed the KYEB publications to the County offices and libraries. This will enrich the counties on the National Government's milestones within a specific year.

Responsible Competition Practise

KYEB is a corruption-free zone and has a zero-tolerance policy towards corruption. Through use of adhoc committees the Board procures services from suppliers as per the end user department's needs. A citizen's service charter has been placed at the entry point with contacts of the Ombudsman for internal and external complaints about the institution. Fair market competition is well practiced by being on the same playing field with our competitors during book exhibitions.

Responsible Supply Chain & Supplier Relations

Procurement function is mandated to manage procurement and asset disposal processes as per the Public Procurement and Asset Disposal Act (2015). In FY 2019/20 the Board complied on preference and reservations group allocation and awarded contracts of Kshs. 1,939,323. The Board also supports the Buy Kenya Build Kenya initiative and awarded contracts of Kshs. 15,868,107/- to local services and products.

Responsible Marketing and Advertisement

Through promotions during events and visits to both Primary and high schools, the Board has been able to donate books to enhance knowledge on Kenya and its sectors. KYEB donated books to Tabaka Boys Primary School, Nyabigege Primary School, St. Pius Uriri High School and Master Seed School in Kisii County. Through an outreach programme the counties have also benefited from the publications to enrich their knowledge on Government information. Counties visited are Siaya, Migori, Kisumu, Kakamega, Machakos, Kitui, Kiambu, Meru, Tharaka Nithi, Nakuru, Baringo, Nyandarua.

Product Stewardship

To minimise environmental impact through use of paper, the Board is embracing ICT to improve service delivery, efficiency of internal operations and use of social media platforms to upload publications instead of printing hard copies. This will minimise the use of paper in production of publication and hence save trees.

REPORT OF THE DIRECTORS

The Directors submit their report together with the audited financial statements for the year ended June 30, 2020, which show the state of the Board's affairs.

Principal activities

The principal activities of the Board are: -

- Co-ordinate and implement government communication in a manner that ensures qualitative and positive presentation of materials that defines Kenya's situation
- Provide guidance on government communication and build a framework of partnerships and co-operation between key government communicators
- Promote awareness of opportunities available worldwide and how to gain access to them
- Inform Kenyans of regional, continental and global integration opportunities and initiatives
- Communicate government policies and programmes
- Underpin the philosophy of openness, accountability and transparency

Results

The results for the year ended June 30, 2020 are set out on page 1-25

Directors

The members of the Board of Directors who served during the year are shown on page v

Auditors

The Auditor General is responsible for the statutory audit of the Kenya Yearbook Editorial Board's books of accounts in accordance with Article 229 of the Constitution of Kenya and the Public Audit Act 2015 for the year ended June 30, 2020 in accordance with section 23 of the Public Audit Act, 2015 that empowers the Auditor General to appoint an auditor to audit on his behalf.

By Order of the Board



**Corporation Secretary
Nairobi**

Date.....

STATEMENT OF DIRECTORS' RESPONSIBILITIES

Section 81 of the Public Finance Management Act, 2012 and section 14 of the State Corporations Act, require the Directors to prepare financial statements in respect of that Board, which give a true and fair view of the state of affairs of the Board at the end of the financial year, and the operating results of the Board for that year. The Directors are also required to ensure that the Board keeps proper accounting records which disclose with reasonable accuracy the financial position of the Board. The Directors are also responsible for safeguarding the assets of the Board.

The Directors are responsible for the preparation and presentation of the Board's financial statements, which give a true and fair view of the state of affairs of the Board for and as at the end of the financial year ended on June 30, 2020. This responsibility includes: (i) maintaining adequate financial management arrangements and ensuring that these continue to be effective throughout the reporting period; (ii) maintaining proper accounting records, which disclose with reasonable accuracy at any time the financial position of the Board; (iii) designing, implementing and maintaining internal controls relevant to the preparation and fair presentation of the financial statements, and ensuring that they are free from material misstatements, whether due to error or fraud; (iv) safeguarding the assets of the Board; (v) selecting and applying appropriate accounting policies; and (vi) making accounting estimates that are reasonable in the circumstances.

The Directors accept responsibility for the Board's financial statements, which have been prepared using appropriate accounting policies supported by reasonable and prudent judgements and estimates, in conformity with International Public Sector Accounting Standards (IPSAS), and in the manner required by the PFM Act, 2012 and the State Corporations Act. The Directors are of the opinion that the Board's financial statements give a true and fair view of the state of the Board's transactions during the financial year ended June 30, 2020, and of the Board's financial position as at that date. The Directors further confirms the completeness of the accounting records maintained for the Board, which have been relied upon in the preparation of the Board's financial statements as well as the adequacy of the systems of internal financial control.

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

Approval of the financial statements

KYEB's financial statements were approved by the Board on 24th September, 2020 and signed on its behalf by:



Eng. Sammy Tangus
Chairperson of the Board



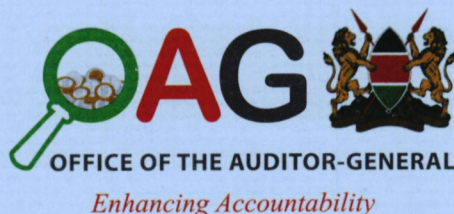
Mr Edward Mwasi
Chief Executive Officer

Kenya Yearbook Editorial Board
Annual Reports and Financial Statements
For the year ended June 30, 2020

REPORT OF THE INDEPENDENT AUDITORS ON THE KENYA YEARBOOK EDITORIAL BOARD

REPUBLIC OF KENYA

Telephone: +254-(20) 3214000
E-mail: info@oagkenya.go.ke
Website: www.oagkenya.go.ke



HEADQUARTERS
Anniversary Towers
Monrovia Street
P.O. Box 30084-00100
NAIROBI

REPORT OF THE AUDITOR-GENERAL ON KENYA YEARBOOK EDITORIAL BOARD FOR THE YEAR ENDED 30 JUNE, 2020

REPORT ON THE FINANCIAL STATEMENTS

Qualified Opinion

I have audited the accompanying financial statements of Kenya Yearbook Editorial Board set out on pages 1 to 26, which comprise the statement of financial position as at 30 June, 2020, and the statement of financial performance, the statement of changes in net assets the statement of cash flows, and the statement of comparison of budget and actual amounts 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 35 of the Public Audit Act, 2015. 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.

In my opinion, except for the effects of the matter described in the Basis for Qualified Opinion Section of my report, the financial statements present fairly, in all material respects, the financial position of Kenya Yearbook Editorial Board as at 30 June, 2020, and of its financial performance and its cash flows for the year then ended, in accordance with International Public Sector Accounting Standards (Accrual Basis) and comply with the Public Finance Management Act, 2012, Legal Notice No. 187 of November, 2007 and the State Corporations Act, Cap 446.

Basis for Qualified Opinion

Long Outstanding Receivable from Exchange Transaction

The statement of financial position reflects receivables from exchange transactions balance of Kshs.47,054,228 and as disclosed under Note 16 to the financial statements. Included in the balance is an amount of Kshs.909,082 indicated as bookshop receivable balance of which Kshs 900,082 relates to the 2016/2017 financial year and prior years. There are no formal measures that have been in place to recover the long outstanding debts.

Further, information available indicated that some of the debtors had already closed their businesses thus limiting the chances of recoverability of the balances. Necessary provision for doubtful debts has not been provided in the financial statements.

In the circumstances, the accuracy and fair statement of receivables from exchange transactions balances of Kshs.47,054,228 as at 30 June, 2020 could not be confirmed.

The audit was conducted in accordance with International Standards of Supreme Audit Institutions (ISSAIs). I am independent of the Kenya Yearbook Editorial Board Management in accordance with ISSAI 130 on Code of Ethics. I have fulfilled other ethical responsibilities in accordance with the ISSAI and in accordance with other ethical requirements applicable to performing audits of financial statements in Kenya. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my qualified opinion.

Emphasis of Matter

Contingent Liabilities

As reported in the previous year and as disclosed under Note 27 to the financial statements, the Board has ongoing Court cases filed by three former employees who were interdicted and subsequently terminated from employment on 11 August, 2016. The three are seeking compensation totaling Kshs.17,294,430. A review of the matter as at 30 June, 2020 revealed that the case was still pending in Court and its outcome, in the opinion of the Board has no significant liability. However, during the year under review the Board incurred an expenditure of Kshs.716,400 as legal fees in respect to the case as disclosed under Note 9 to the financial statements. Should the ruling be in favor of the former employees, the Board is likely to be significantly impacted negatively financially.

Key Audit Matters

Key audit matters are those matters that, in my professional judgment, are of most significance in the audit of the financial statements. There were no key audit matters to report in the year under review.

REPORT ON LAWFULNESS AND EFFECTIVENESS IN USE OF PUBLIC RESOURCES

Conclusion

As required by Article 229(6) of the Constitution, based on the audit procedures performed, except for the matter described in the Basis for Conclusion for Lawfulness and Effectiveness in Use of Public Resources section of my report, I confirm that, nothing else has come to my attention to cause me to believe that public resources have not been applied lawfully and in an effective way.

Basis for Conclusion

Non-Compliance with Presidential Directive

The statement of financial position reflects property, plant and equipment balance of Kshs.16,751,777 and as disclosed under Note 19 to the financial statements. Included in the balance is Kshs.1,215,700 relating to additions of computers and accessories during the year under review. However, examination of the supporting documents revealed that eight (8) laptops costing Kshs.1,030,100 were procured without going through the Ministry of Information Communication Technology and Youth Affairs, pursuant to circular No.

OP/CAB.39 /A of 01 March, 2018 issued by the Head of Public Service on procurement of ICT equipment for all Government Ministries, Departments and Agencies.

To the extend, the Board is in breach of the Law.

The audit was conducted in accordance with ISSAI 4000. The standard requires that I comply with ethical requirements and plan and perform the audit to obtain assurance about whether the activities, financial transactions and information reflected in the financial statements are in compliance, in all material respects, with the authorities that govern them. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my conclusion.

REPORT ON EFFECTIVENESS OF INTERNAL CONTROLS, RISK MANAGEMENT AND GOVERNANCE

Conclusion

As required by Section 7(1)(a) of the Public Audit Act, 2015, based on the audit procedures performed, I confirm that, nothing has come to my attention to cause me to believe that internal controls, risk management and overall governance were not effective.

Basis for Conclusion

The audit was conducted in accordance with ISSAI 2315 and ISSAI 2330. The standards require that I plan and perform the audit to obtain assurance about whether effective processes and systems of internal control, risk management and overall governance were operating effectively, in all material respects. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my conclusion.

Responsibilities of Management and the Board of Directors

Management is responsible for the preparation and fair presentation of these financial statements in accordance with International Public Sector Accounting Standards (Accrual Basis) and for maintaining effective internal control as Management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error and for its assessment of the effectiveness of internal control, risk management and overall governance.

In preparing the financial statements, Management is responsible for assessing the Board's ability to continue to sustain its services, disclosing, as applicable, matters related to sustainability of services and using the applicable basis of accounting unless Management is aware of the intention to terminate the Board or to cease operations.

Management is also responsible for the submission of the financial statements to the Auditor-General in accordance with the provisions of Section 47 of the Public Audit Act, 2015.

In addition to the responsibility for the preparation and presentation of the financial statements described above, Management is also responsible for ensuring that the activities, financial transactions and information reflected in the financial statements are

in compliance with the authorities which govern them, and that public resources are applied in an effective way.

The Board of Directors is responsible for overseeing the financial reporting process, reviewing the effectiveness of how the Board monitors compliance with relevant legislative and regulatory requirements, ensuring that effective processes and systems are in place to address key roles and responsibilities in relation to overall governance and risk management, and ensuring the adequacy and effectiveness of the control environment.

Auditor-General's Responsibilities for the Audit

The audit 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 my opinion in accordance with the provisions of Section 48 of the Public Audit Act, 2015 and submit the audit report in compliance with Article 229(7) of the Constitution. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISSAIs will always detect a material misstatement and weakness 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.

In addition to the audit of the financial statements, a compliance audit is planned and performed to express a conclusion about whether, in all material respects, the activities, financial transactions and information reflected in the financial statements are in compliance with the authorities that govern them and that public resources are applied in an effective way, in accordance with the provisions of Article 229(6) of the Constitution and submit the audit report in compliance with Article 229(7) of the Constitution.

Further, in planning and performing the audit of the financial statements and audit of compliance, I consider internal control in order to give an assurance on the effectiveness of internal controls, risk management and overall governance processes and systems in accordance with the provisions of Section 7(1)(a) of the Public Audit Act, 2015 and submit the audit report in compliance with Article 229(7) of the Constitution. My consideration of the internal control would not necessarily disclose all matters in the internal control that might be material weaknesses under the ISSAIs. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements caused by error or fraud in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions.


Because of its inherent limitations, internal control may not prevent or detect misstatements and instances of non-compliance. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies and procedures may deteriorate.

As part of an audit conducted in accordance with ISSAIs, I exercise professional judgement and maintain professional skepticism throughout the audit. I 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 my 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.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Management.
- Conclude on the appropriateness of the Management's use of the applicable 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 Board's ability to continue to sustain its services. If I conclude that a material uncertainty exists, I am required to draw attention in the auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my audit report. However, future events or conditions may cause the Board to cease to continue to sustain its services.
- 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.
- Obtain sufficient appropriate audit evidence regarding the financial information and business activities of the Board to express an opinion on the financial statements.
- Perform such other procedures as I consider necessary in the circumstances.

I communicate with the Management regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that are identified during the audit.

I also provide Management with a statement that I have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on my independence, and where applicable, related safeguards.


CPA Nancy Gathungu, CBS
AUDITOR-GENERAL

Nairobi

01 February, 2022

Kenya Yearbook Editorial Board
Annual Reports and Financial Statements
For the year ended June 30, 2020

STATEMENT OF FINANCIAL PERFORMANCE
FOR THE YEAR ENDED 30 JUNE 2020

Description	Notes	2019-2020	2018-2019
		Kshs	Kshs
Revenue from non-exchange transactions			
Recurrent Government Grants	6	105,000,000	58,138,500
Total Revenue from non-exchange transactions		105,000,000	58,138,500
Revenue from exchange transactions			
Other income	7&8	62,719,080	83,173,015
Total Revenue from exchange transactions		62,719,080	83,173,015
Total revenue		167,719,080	141,311,515
Expenses			
Use of goods and services	9	27,818,882	23,174,283
Employee costs	10	59,541,157	62,027,848
Remuneration of directors	11	8,954,145	5,577,691
Depreciation and amortization expense	12	4,825,970	2,207,883
Repairs and maintenance	13	698,565	490,118
Publishing & Printing costs	14	64,681,142	47,330,442
Total expenses		166,519,861	140,808,265
Surplus/(deficit) for the year		1,199,219	503,250

The notes set out on pages 9 to 24 form an integral part of these Financial Statements

Kenya Yearbook Editorial Board
Annual Reports and Financial Statements
For the year ended June 30, 2020

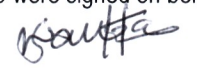
STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2020

Description	Notes	2019-2020	2018-2019
		Kshs	Kshs
Assets			
Current assets			
Cash and cash equivalents	15	26,021,058	529,109
Receivables from exchange transactions	16	47,054,228	77,940,671
Receivables from non-exchange transactions	17	3,385,506	3,115,009
Inventories	18	7,031,020	6,987,180
Total Current assets		83,491,812	88,571,969
Non-current assets			
Property, plant and equipment	19	16,751,777	8,647,906
Total Non-current assets		16,751,777	8,647,906
Total assets		100,243,589	97,219,875
Liabilities			
Current liabilities			
Trade and other payables from exchange transactions	20	18,043,394	34,178,034
Provisions	21	56,142,561	37,128,768
Total Current liabilities		74,185,955	71,306,802
Non-current liabilities			
Non-current provisions	22	3,140,173	4,194,829
Total Non-current liabilities		3,140,173	4,194,829
Total liabilities		77,326,127	75,501,631
Net assets		22,917,462	21,718,244
Accumulated surplus	23	11,971,716	10,772,497
Capital Fund	25(iv)	10,945,746	10,945,746
Total net assets and liabilities		22,917,462	21,718,243


The Financial Statements set out on pages 1 to 9 were signed on behalf of the Board of Directors by:


Chief Executive Officer
Mr Edward Mwasi

Date.....


Head of Finance
Ms Susan Naitore
ICPAK Mn 19986

Date


Chairman of the Board
Eng. Sammy Tangus:

Date.....

Kenya Yearbook Editorial Board
Annual Reports and Financial Statements
For the year ended June 30, 2020

**STATEMENT OF CHANGES IN NET ASSETS
FOR THE YEAR ENDED 30 JUNE 2020**

Description	Capital Fund	Accumulated	Total
	Kshs	Surplus	Kshs
Balance as at 30.06.2018	10,945,746	10,269,247	21,214,993
Surplus for the period		503,250	503,250
Balance as at 30.06.2019	10,945,746	10,772,497	21,718,243
Surplus for the period		1,199,219	1,199,219
Balance as at 30.06.2020	10,945,746	11,971,716	22,917,462

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 30 JUNE 2020

Description	Note	2019-2020	2018-2019
		Kshs	Kshs
Cash flows from operating activities			
Receipts			
Government grant		105,000,000	58,138,500
Other income		95,645,135	58,203,772
Total receipts		200,645,135	116,342,272
Payments			
Compensation of employees		(53,904,658)	(54,687,487)
Goods and services		(95,925,532)	(52,075,995)
Bank charges		(51,690)	(23,652)
Rent paid		(12,341,464)	(8,901,994)
Total Payments		(162,223,344)	(115,689,128)
Net cash flows from operating activities	24	38,421,791	653,144
Cash flows from investing activities			
Purchase of property, plant equipment and intangible assets		(12,929,842)	(2,372,199)
Proceeds from sale of property, plant and Equipment			
Net cash flows used in investing activities		(12,929,842)	(2,372,199)
Net increase/(decrease) in cash and cash equivalents		25,491,949	(1,719,055)
Cash and cash equivalents at 1 July 2019		529,109	2,248,164
Cash and cash equivalents at 30 June 2020	15	26,021,058	529,109

The cash flow statement was presented using the direct method as recommended by PSASB and as per IPSAS 2.

Kenya Yearbook Editorial Board
Annual Reports and Financial Statements
For the year ended June 30, 2020

STATEMENT OF COMPARISON OF BUDGET AND ACTUAL AMOUNTS FOR THE YEAR ENDED 30 JUNE 2020

Description/ Period	Original Budget	Adjustment	Final Budget	Actual	Performance Difference
	2019-20	Kshs	2019-20	2019-20	
REVENUE				Kshs	
Govt Grant: Recurrent	105,000,000	-	105,000,000	105,000,000	-
Development	-	-	-	-	-
Sub Total	105,000,000	-	105,000,000	105,000,000	-
A.I.A:					
Sale of Publications	500,000	-	500,000	174,350	(325,650)
Customised Publishing	3,500,000	-	3,500,000	13,764,730	10,264,730
Mygov	-	48,780,000	48,780,000	48,780,000	-
Sub Total	4,000,000	48,780,000	52,780,000	62,719,080	9,939,080
TOTAL REVENUE	109,000,000	48,780,000	157,780,000	167,719,080	9,939,080
EXPENDITURE					
Payroll:					
Basic salary	26,352,000	(440,000)	25,912,000	25,654,470	257,530
House Allowance	11,688,000	(1,140,000)	10,548,000	10,327,215	220,785
Commuter Allowance	4,512,000	(386,599)	4,125,401	3,913,428	211,973
Extraneous & Other Allowances	1,451,000	(827,000)	624,000	629,000	(5,000)
Airtime Allowance	2,472,000	(100,000)	2,372,000	2,306,559	65,441
Leave Allowance	700,000	(114,954)	585,046	585,046	-
Sub Total (Payroll)	47,175,000	(3,008,553)	44,166,447	43,415,718	750,729
Attaches/Interns	400,000	(180,000)	220,000	220,000	-
NSSF, Pension & Gratuity	6,340,000	(904,338)	5,435,662	5,436,085	(423)
Staff Welfare & Contributions	500,000	364,249	864,249	983,319	(119,070)
Sub Total	7,240,000	(720,089)	6,519,911	6,639,404	(119,493)
Total Payroll costs.	54,415,000	(3,728,642)	50,686,358	50,055,122	631,236

Kenya Yearbook Editorial Board
Annual Reports and Financial Statements
For the year ended June 30, 2020

Description/ Period	Original Budget 2019-20	Adjustment	Final Budget 2019-20	Actual Budget 2019-20	Performance Difference
EXPENDITURE	Kshs	Kshs	Kshs	Kshs	Kshs
Board of Directors expenses					
Sitting Allowance	3,618,000	700,000	4,318,000	4,020,000	298,000
Honoraria & Airtime	1,044,000	(435,000)	609,000	609,000	-
Per diem	3,300,000	-	3,300,000	3,232,345	67,655
Training	1,094,000	(440,000)	654,000	608,200	45,800
Travel/Mileage	650,000	(200,000)	450,000	484,600	34,600
Total Board of Directors Expenses	9,706,000	(375,000)	9,331,000	8,954,145	376,855
Publishing & Printing					
Research/Writing/Editing/Design/Layout/Photography/Printing	9,323,000	23,633,070	32,956,070	35,807,675	(2,851,605)
MyGov Expenses	-	16,400,000	16,400,000	16,338,000	62,000
Customised publication	1,000,000	-	1,000,000	7,403,097	(6,404,097)
Total Publishing & Printing	10,323,000	40,033,070	50,356,070	59,548,772	(9,192,702)
Travelling & Subsistence					
Transport	1,000,000	-	1,000,000	996,420	3,520
Accommodation	3,299,000	3,041,976	6,340,976	6,216,602	124,374
External Travel & Accommodation	-	2,273,014	2,273,014	2,273,014	-
Total	4,299,000	5,314,990	9,613,990	9,486,036	127,954
Utilities & Communication:					
Postage, Telephone & Internet	300,000	(50,000)	250,000	174,349	75,651
Newspapers & Publications	80,000	(30,000)	50,000	45,840	4,160
Total	380,000	(80,000)	300,000	220,189	79,811
Hospitality:					
CEO'S Office	700,000	-	700,000	476,883	223,117
Other Offices	480,000	(100,000)	380,000	382,294	(2,294)
Flowers and Decorations	30,000	(30,000)	-	-	-
Total Hospitality	1,210,000	(130,000)	1,080,000	859,177	220,823

Kenya Yearbook Editorial Board
Annual Reports and Financial Statements
For the year ended June 30, 2020

Description/ Period	Original Budget 2019-20 Kshs	Adjustment Kshs	Final Budget 2019-20 Kshs	Actual Budget 2019-20 Kshs	Performance Difference Kshs
EXPENDITURE					
Office Accommodation and Services:					
Office Rent	9,437,000	(237,000)	9,200,000	9,198,581	1,419
Office Cleaning	490,000	-	490,000	490,036	(36)
Office Accommodation and Services:	9,927,000	(237,000)	9,690,000	9,688,617	1,383
Operations and Maintenance:					
Motor V. Repairs & Service	656,000	(120,000)	536,000	442,171	93,829
Insurance all Assets	400,000	150,000	550,000	457,621	92,379
Fuel and Lubricants	420,000	180,000	600,000	494,310	105,690
Computers	100,000	130,000	230,000	216,544	13,456
Office Equipment, Furniture & Fittings	100,000	-	100,000	39,850	60,150
Total operations & Maintenance	1,676,000	340,000	2,016,000	1,687,168	328,832
Marketing and Sales:					
Complementary	1,000,000	3,500,000	4,500,000	3,808,580	691,420
Shows and Exhibitions	450,000	814,850	1,264,850	1,315,810	(50,960)
Distribution (Postage) Expenses	50,000	(40,000)	10,000	7,980	2,020
Total Marketing and Sales	1,500,000	4,274,850	5,774,850	5,132,370	642,480
General Office Supplies	820,000	-	820,000	751,479	68,521
Advertising Costs					
Advertising	150,000	-	150,000	116,115	33,885
Total Advertising costs	150,000	-	150,000	116,115	33,885
Professional Services;					
External Auditor fees	450,000	-	450,000	450,000	-
legal services fees	1,500,000	(780,000)	720,000	716,400	3,600
Training/capacity building/Professional subscriptions	3,450,000	2,774,374	6,224,374	6,554,341	(329,967)
Strategic planning/PC costs/Recruitment	880,000	255,000	1,135,000	1,151,350	(16,350)
Medical Insurance	5,060,000	1,037,358	6,097,358	5,270,920	826,438
Total Professional Services	11,340,000	3,286,732	14,626,732	14,143,011	483,721

Kenya Yearbook Editorial Board
Annual Reports and Financial Statements
For the year ended June 30, 2020

Description/ Period	Original Budget	Adjustment	Final Budget	Actual Budget	Performance Difference
EXPENDITURE	Kshs	Kshs	Kshs	Kshs	Kshs
Sundry Expenses:					
Bank Charges	45,000	10,000	55,000	51,690	3,310
Covid-19 Emergency fund	-	1,000,000	1,000,000	1,000,000	-
Total Sundry Expenses	45,000	1,010,000	1,055,000	1,051,690	3,310
TOTAL RECURRENT	105,791,000	49,909,000	155,500,000	161,693,891	(6,193,891)
DEVELOPMENT					
ICT (infrastructure & computers)	500,000	575,000	1,075,000	1,215,700	(140,700)
Office Equipment, Furniture and fittings	1,000,000	5,000	1,005,000	995,985	9,015
Partitioning	-	200,000	200,000	188,157	11,843
Depreciation	1,709,000	(1,709,000)	-	-	-
Total Development	3,209,000	(929,000)	2,280,000	2,399,842	(119,842)
Total Rec & Dev	109,000,000	48,780,000	157,780,000	164,093,733	(6,313,733)

Notes

- Publishing and printing over expenditure by 18.3% was occasioned by increase in customized contracts signed during the period.
- Hospitality witnessed an under expenditure of 20.4% resulting from working from home directives by the Ministry of Health that was occasioned by the emergency of the Covid-19 pandemic.
- 16.3% of operations and maintenance budget under expenditure was as a result of down scaling of operations during the financial year to comply with MOH directives.
- Marketing budget had a 11% budget under expenditure that resulted from minimal operations during the year caused by restricted movement during Covid-19 period.

Kenya Yearbook editorial Board
Annual Reports and Financial Statements
For the year ended June 30, 2020

NOTES TO THE FINANCIAL STATEMENTS

1. GENERAL INFORMATION

Kenya Yearbook Editorial Board is established by Kenya Yearbook orders No. 187 of 2007 and derives its authority and accountability from corporation Act Cap 446. The Board is wholly owned by the Government of Kenya and is domiciled in Kenya.

The Board's principal activity is to research and publish the most comprehensive Yearbook in Africa.

2. STATEMENT OF COMPLIANCE AND BASIS OF PREPARATION

The financial statements have been prepared on a historical cost basis of property, plant and equipment. The preparation of financial statements in conformity with International Public Sector Accounting Standards (IPSAS) allows the use of estimates and assumptions. It also requires management to exercise judgement in the process of applying the Board's accounting policies. The areas involving a higher degree of judgement or complexity, or where assumptions and estimates are significant to the financial statements, are disclosed in Notes.

The financial statements have been prepared and presented in Kenya Shillings, which is the functional and reporting currency of the Board.

The financial statements have been prepared in accordance with the PFM Act, the State Corporations Act and International Public Sector Accounting Standards (IPSAS). The accounting policies adopted have been consistently applied to all the years presented.

3. ADOPTION OF NEW AND REVISED STANDARDS

- i. New and amended standards and interpretations in issue but not yet effective in the year ended 30 June 2020

Standard	Effective date and impact:
IPSAS 41: Financial Instruments	<p>Applicable: 1st January 2022:</p> <p>The objective of IPSAS 41 is to establish principles for the financial reporting of financial assets and liabilities that will present relevant and useful information to users of financial statements for their assessment of the amounts, timing and uncertainty of a Board's future cash flows.</p> <p>IPSAS 41 provides users of financial statements with more useful information than IPSAS 29, by:</p> <ul style="list-style-type: none"> • Applying a single classification and measurement model for financial assets that considers the characteristics of the asset's cash flows and the objective for which the asset is held; • Applying a single forward-looking expected credit loss model that is applicable to all financial instruments subject to impairment testing; and • Applying an improved hedge accounting model that broadens the hedging arrangements in scope of the guidance. The model develops a strong link between an entity's risk management strategies and the accounting treatment for instruments held as part of the risk management strategy.

Kenya Yearbook editorial Board
Annual Reports and Financial Statements
For the year ended June 30, 2020

Standard	Effective date and impact:
IPSAS 42: Social Benefits	<p>Applicable: 1st January 2022</p> <p>The objective of this Standard is to improve the relevance, faithful representativeness and comparability of the information that a reporting entity provides in its financial statements about social benefits. The information provided should help users of the financial statements and general-purpose financial reports assess:</p> <ul style="list-style-type: none"> (a) The nature of such social benefits provided by the entity; (b) The key features of the operation of those social benefit schemes; and (c) The impact of such social benefits provided on the entity's financial performance, financial position and cash flows.
Amendments to Other IPSAS resulting from IPSAS 41, Financial Instruments	<p>Applicable: 1st January 2022:</p> <ul style="list-style-type: none"> a) Amendments to IPSAS 5, to update the guidance related to the components of borrowing costs which were inadvertently omitted when IPSAS 41 was issued. b) Amendments to IPSAS 30, regarding illustrative examples on hedging and credit risk which were inadvertently omitted when IPSAS 41 was issued. c) Amendments to IPSAS 30, to update the guidance for accounting for financial guarantee contracts which were inadvertently omitted when IPSAS 41 was issued. <p>Amendments to IPSAS 33, to update the guidance on classifying financial instruments on initial adoption of accrual basis IPSAS which were inadvertently omitted when IPSAS 41 was issued.</p>
Other Improvements to IPSAS	<p>Applicable: 1st January 2021:</p> <ul style="list-style-type: none"> a) Amendments to IPSAS 13, to include the appropriate references to IPSAS on impairment, in place of the current references to other international and/or national accounting frameworks b) IPSAS 13, Leases and IPSAS 17, Property, Plant, and Equipment. Amendments to remove transitional provisions which should have been deleted when IPSAS 33, First Time Adoption of Accrual Basis International Public Sector Accounting Standards (IPSASs) was approved c) IPSAS 21, Impairment of Non-Cash-Generating Assets and IPSAS 26, Impairment of Cash Generating Assets. Amendments to ensure consistency of impairment guidance to account for revalued assets in the scope of IPSAS 17, Property, Plant, and Equipment and IPSAS 31, Intangible Assets. d) IPSAS 33, First-time Adoption of Accrual Basis International Public Sector Accounting Standards (IPSASs). Amendments to the implementation guidance on deemed cost in IPSAS 33 to make it consistent with the core principles in the Standard

NOTES TO THE FINANCIAL STATEMENTS *Continued...*

ii. Early adoption of standards

The Board did not adopt any new or amended standards in year 2020.

4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

a) Revenue recognition

i) Revenue from non-exchange transactions

Transfers from other government entities

Revenues from non-exchange transactions with other government entities are measured at fair value and recognised on obtaining control of the asset (cash, goods, services and property) if the transfer is free from conditions and it is probable that the economic benefits or service potential related to the asset will flow to the entity and can be measured reliably. Recurrent grants are recognised in the statement of comprehensive income. Development/capital grants are recognised in the statement of financial position and realised in the statement of comprehensive income over the useful life of the assets that has been acquired using such funds.

Rendering of services

The Board recognises revenue from rendering of services by reference to the completion when the outcome of the transaction can be estimated reliably.

Where the contract outcome cannot be measured reliably, revenue is recognised only to the extent that the expenses incurred are recoverable.

Sale of goods

Revenue from the sale of goods is recognised when the significant risks and rewards of ownership have been transferred to the buyer, usually on delivery of the goods and when the amount of revenue can be measured reliably and it is probable that the economic benefits or service potential associated with the transaction will flow to the Board.

b) Budget information

The original budget for FY 2019-2020 was approved by the National Assembly on 8th March 2019. Subsequent revisions or additional appropriations were made to the approved budget in accordance with specific approvals from the appropriate authorities. The additional appropriations are added to the original budget by the Board upon receiving the respective approvals in order to conclude the final budget. Accordingly, the Board recorded additional appropriations of **Kshs 48,780,000** on the 2019-2020 budget following the governing body's approval.

The Board's budget is prepared on a different basis to the actual income and expenditure disclosed in the financial statements. The financial statements are prepared on accrual basis using a classification based on the nature of expenses in the statement of financial performance, whereas the budget is prepared on a cash basis. The amounts in the financial statements were recast from the accrual basis to the cash basis, and reclassified by presentation to be on the same basis as the approved budget. A comparison of budget and actual amounts, prepared on a comparable basis to the approved budget, is then presented in the statement of comparison of budget and actual amounts.

In addition to the Basis difference, adjustments to amounts in the financial statements are also made for differences in the formats and classification schemes adopted for the presentation of the financial statements and the approved budget.

NOTES TO THE FINANCIAL STATEMENTS *Continued...*

A statement to reconcile the actual amounts on a comparable basis included in the statement of comparison of budget and actual amounts and the actuals as per the statement of financial performance has been presented under section notes of these financial statements.

c) Taxes

Current income tax

Current income tax assets and liabilities for the current period are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date in the area where the Board operates and generates taxable income. Current income tax relating to items recognised directly in net assets is recognised in net assets and not in the statement of financial performance. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

Deferred tax

Deferred tax is provided using the liability method on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date.

Deferred tax liabilities are recognised for all taxable temporary differences, except in respect of taxable temporary differences associated with investments in controlled entities, associates and interests in joint ventures, when the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

Deferred tax assets are recognised for all deductible temporary differences, the carry forward of unused tax credits and any unused tax losses. Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilized, except in respect of deductible temporary differences associated with investments in controlled entities, associates and interests in joint ventures, deferred tax assets are recognised only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilized.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilized. Unrecognised deferred tax assets are re-assessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

Deferred tax relating to items recognised outside surplus or deficit is recognised outside surplus or deficit. Deferred tax items are recognised in correlation to the underlying transaction in net assets.

Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current income tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

NOTES TO THE FINANCIAL STATEMENTS *Continued...*

d) Property, plant and equipment

All property, plant and equipment are stated at cost less accumulated depreciation and impairment losses. Cost includes expenditure that is directly attributable to the acquisition of the items. When significant parts of property, plant and equipment are required to be replaced at intervals, the Board recognises such parts as individual assets with specific useful lives and depreciates them accordingly. Likewise, when a major inspection is performed, its cost is recognised in the carrying amount of the plant and equipment as a replacement if the recognition criteria are satisfied. All other repair and maintenance costs are recognised in surplus or deficit as incurred. Where an asset is acquired in a non-exchange transaction for nil or nominal consideration the asset is initially measured at its fair value.

f) Inventories

Inventory is measured at cost upon initial recognition. To the extent that inventory was received through non-exchange transactions (for no cost or for a nominal cost), the cost of the inventory is its fair value at the date of acquisition.

Costs incurred in bringing each product to its present location and conditions are accounted for, as follows:

- Raw materials: purchase cost using the weighted average cost method
- Finished goods and work in progress: cost of direct materials and labor and a proportion of manufacturing overheads based on the normal operating capacity, but excluding borrowing costs

After initial recognition, inventory is measured at the lower of cost and net realisable value. However, to the extent that a class of inventory is distributed or deployed at no charge or for a nominal charge, that class of inventory is measured at the lower of cost and current replacement cost.

Net realisable value is the estimated selling price in the ordinary course of operations, less the estimated costs of completion and the estimated costs necessary to make the sale, exchange, or distribution.

Inventories are recognised as an expense when deployed for utilization or consumption in the ordinary course of operations of the Entity.

g) Provisions

Provisions are recognised when the Board has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits or service potential will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

Where the Board expects some or all of a provision to be reimbursed, for example, under an insurance contract, the reimbursement is recognised as a separate asset only when the reimbursement is virtually certain.

The expense relating to any provision is presented in the statement of financial performance net of any reimbursement.

NOTES TO THE FINANCIAL STATEMENTS *Continued...*

h) Contingent liabilities

The Board does not recognise a contingent liability but discloses details of any contingencies in the notes to the financial statements unless the possibility of an outflow of resources embodying economic benefits or service potential is remote.

i) Contingent assets

The Board does not recognise a contingent asset, but discloses details of a possible asset whose existence is contingent on the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Board in the notes to the financial statements. If it has become virtually certain that an inflow of economic benefits or service potential will arise and the asset's value can be measured reliably, the asset and the related revenue are recognised in the financial statements of the period in which the change occurs.

j) Nature and purpose of reserves

The Board creates and maintains reserves in terms of specific requirements. The Board maintains a gratuity reserve to settle accrued gratuity when due.

k) Changes in accounting policies and estimates

The Board recognises the effects of changes in accounting policy retrospectively. The effects of changes in accounting policy are applied prospectively if retrospective application is impractical.

l) Employee benefits

Retirement benefit plans

The Board provides retirement benefits for its employees. Defined contribution plans are post-employment benefit plans under which an Board pays fixed contributions into a separate entity (a fund), and will have no legal or constructive obligation to pay further contributions if the fund does not hold sufficient assets to pay all employee benefits relating to employee service in the current and prior periods. The contributions to fund obligations for the payment of retirement benefits are charged against income in the year in which they become payable.

Defined benefit plans are post-employment benefit plans other than defined-contribution plans. The defined benefit funds are actuarially valued tri-annually on the projected unit credit method basis. Deficits identified are recovered through lump sum payments or increased future contributions on proportional basis to all participating employers. The contributions and lump sum payments reduce the post-employment benefit obligation.

m) Related parties

The Board regards a related party as a person or an entity with the ability to exert control individually or jointly, or to exercise significant influence over the Entity, or vice versa. Members of key management are regarded as related parties and comprise the Directors, the CEO and Senior Managers.

n) Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and cash at bank, short-term deposits on call and highly liquid investments with an original maturity of three months or less, which are readily convertible to known amounts of cash and are subject to insignificant risk of changes in value.

Kenya Yearbook editorial Board
Annual Reports and Financial Statements
For the year ended June 30, 2020

NOTES TO THE FINANCIAL STATEMENTS *Continued...*

Bank account balances include amounts held at the Central Bank of Kenya and at various commercial banks at the end of the financial year. For the purposes of these financial statements, cash and cash equivalents also include short term cash imprests and advances to authorised public officers and/or institutions which were not surrendered or accounted for at the end of the financial year.

o) Comparative figures

Where necessary comparative figures for the previous financial year have been amended or reconfigured to conform to the required changes in presentation.

p) Subsequent events

There have been no events subsequent to the financial year end with a significant impact on the financial statements for the year ended June 30, 2020.

5 SIGNIFICANT JUDGMENTS AND SOURCES OF ESTIMATION UNCERTAINTY

The preparation of the Board's financial statements in conformity with IPSAS requires management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the disclosure of contingent liabilities, at the end of the reporting period. However, uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of the asset or liability affected in future periods.

q) Useful lives and residual values

The useful lives and residual values of assets are assessed using the following indicators to inform potential future use and value from disposal:

- The condition of the asset based on the assessment of experts employed by the Board
- The nature of the asset, its susceptibility and adaptability to changes in technology and processes
- The nature of the processes in which the asset is deployed
- Availability of funding to replace the asset
- Changes in the market in relation to the asset

r) Provisions

- Provisions were raised and management determined an estimate based on the information available. Additional disclosure of these estimates of provisions is included in Notes.
- Provisions are measured at the management's best estimate of the expenditure required to settle the obligation at the reporting date, and are discounted to present value where the effect is material.

NOTES TO THE FINANCIAL STATEMENTS *Continued...*

6 TRANSFERS FROM MINISTRIES, DEPARTMENTS AND AGENCIES

Name of the Entity sending the grant	Amount recognised to Statement of Comprehensive Income KShs	Amount deferred under deferred income KShs	Amount recognised in capital fund.	Total grant income during the year	2019-2020
			KShs	KShs	KShs
State Dept of BT	105,000,000	0.00	0.00	105,000,000	105,000,000
Total	105,000,000	0.00	0.00	105,000,000	105,000,000

7 RENDERING OF SERVICES

Description	2019-2020	2018-2019
	KShs	KShs
MyGov Revenue	48,780,000	69,120,000
Customised Publishing	13,764,730	13,511,265
Total revenue from the rendering of services	62,544,730	82,631,265

This revenue is internally generated from services rendered to the line Ministry for editing and designing of MyGov weekly newspaper and collaborations with other governments entities.

8 SALE OF GOODS

Description	2019-2020	2018-2019
	KShs	KShs
Sale of publications	174,350	541,750
Total revenue from the sale of goods	174,350	541,750

This revenue is from sale of publications to various stakeholders including bookshops.

9 USE OF GOODS AND SERVICES

Description	2019-20	2018-2019
	KShs	KShs
Cleaning Services	490,037	490,032
Newspapers & Subscriptions	45,840	60,960
Advertising	116,115	-
Audit fees	450,000	450,000
Fuel and Oil	530,982	482,175
Consulting fees-Admin	-	578,550
Office supplies & Stationeries	751,479	650,406
Office Rent	9,198,581	8,901,994
Hospitality services	859,177	1,179,556
Strategic planning & PC costs	1,151,350	2,053,630
Training & Professional Subscription	6,554,341	2,510,908
Covid-19 Emergency Fund	1,000,000	-
Insurance	5,728,541	5,556,159
Legal expenses	716,400	-
Postage, telephone & Internet	174,349	236,261
Bank charges	51,690	23,652
Total good and services	27,818,882	23,174,283

Kenya Yearbook editorial Board
Annual Reports and Financial Statements
For the year ended June 30, 2020

NOTES TO THE FINANCIAL STATEMENTS *Continued...*

10 EMPLOYEE COSTS

Description	2019-20	2018-2019
	KShs	KShs
Salaries and wages	43,415,718	48,758,186
NSSF, Pensions and Gratuity	5,436,085	5,764,304
Travel, accommodation, subsistence and other allowances	9,486,036	6,537,828
Staff welfare and contributions	983,319	802,530
Attaché's/Interns	220,000	165,000
Total Employee costs	59,541,157	62,027,848

11 REMUNERATION OF DIRECTORS

Description	2019-20	2018-2019
	KShs	KShs
Chairman's Honoraria	609,000	1,044,000
Directors emoluments	4,020,000	2,520,000
Other allowances	4,325,145	2,013,691
Total director emoluments	8,954,145	5,577,691

12 DEPRECIATION AND ARMORTIZATION

Description	2019-20	2018-2019
	KShs	KShs
Property, plant and equipment	4,825,970	2,207,883
Total depreciation and amortization	4,825,970	2,207,883

13 REPAIRS AND MAINTENANCE

Description	2019-20	2018-2019
	KShs	KShs
Property	-	-
Equipment, Furniture and fittings	39,850	82,600
Motor Vehicles	442,171	345,968
Computers and accessories	216,544	61,550
Total repairs and maintenance	698,565	490,118

14 PUBLISHING & PRINTING COSTS

Description	2019-20	2018-2019
	KShs	KShs
Writing, Editing, Design & Layout	35,807,675	28,911,502
Customised Publications costs	7,403,097	14,142,220
Mygov costs	16,338,000	-
Shows & Exhibitions	1,323,790	1,040,300
Complimentary	3,808,580	3,236,420
Total core mandate costs	64,681,142	47,330,442

NOTES TO THE FINANCIAL STATEMENTS *Continued...*

15 CASH AND CASH EQUIVALENTS

Description	2019-20	2018-2019
	KShs	KShs
Current account	19,610,816	432,213
Savings account (Staff gratuity)	6,396,772	25,496
Petty cash	13,470	71,400
Total cash and cash equivalents	26,021,058	529,109

15. (a). DETAILED ANALYSIS OF THE CASH AND CASH EQUIVALENTS

		2019-20	2018-2019
Financial institution	Account number	KShs	KShs
a) Current account			
Kenya Commercial bank	1112214119	19,610,816	432,213
Sub- total		19,610,816	432,213
b) Savings account			
Kenya Commercial bank	1198589167	6,396,772	25,496
Sub- total		6,396,772	25,496
c) Petty Cash			
	Standing imprest	13,470	71,400
Sub- total		13,470	71,400
Grand Total		26,021,058	529,109

16 RECEIVABLES FROM EXCHANGE TRANSACTIONS

Description	2019-20	2018-2019
	KShs	KShs
Current receivables		
Government Ministries & Department	57,432,594	94,806,846
Less doubtful debts	(11,287,448)	(17,836,457)
Bookshop	909,082	970,282
Total current receivables	47,054,228	77,940,671

17 RECEIVABLES FROM NON-EXCHANGE CONTRACTS

Description	2019-20	2018-2019
	KShs	KShs
Insurance prepaid	1,272,813	1,174,846
Domain maintenance prepaid	3,417	5,417
Rent deposit	1,127,636	1,127,636
Fuel deposit	150,000	150,000
Staff debtors	476,290	306,760
Imprest	5,000	-
Receivables from Government	350,350	350,350
Total non-current receivables	3,385,506	3,115,009

Kenya Yearbook editorial Board
Annual Reports and Financial Statements
For the year ended June 30, 2020

NOTES TO THE FINANCIAL STATEMENTS *Continued...*

18 INVENTORIES

Description	2019-20	2018-2019
	KShs	KShs
Kenya yearbook	4,030,000	2,626,000
CD Copies	982,000	982,000
Other publications	2,019,020	3,379,180
Total inventories	7,031,020	6,987,180

19 PROPERTY, PLANT AND EQUIPMENT

	Motor Vehicle	Furniture	Computers & Accessories	Partitioning	Total
	0.25	0.125	0.30	0.125	
Cost:	Kshs	Kshs	Kshs	Kshs	Kshs
Bal. as at 1/07/2018	6,028,405	5,133,373	17,546,408	8,821,672	37,529,858
Addition 2018/19	-	1,064,000	1,308,199	-	2,372,199
Disposal	-	-	-	-	-
As at 30/6/2019	6,028,405	6,197,373	18,854,607	8,821,672	39,902,057
Depreciation:					
Balance as at 1/07/2018	5,369,605	3,106,877	14,462,837	6,106,948	29,046,268
Charge for the year 2018/19	164,700	386,312	1,317,531	339,340	2,207,883
Disposal	-	-	-	-	-
As at 30/6/2019	5,534,305	3,493,189	15,780,368	6,446,289	31,254,151
Net Book Value:					
As at 30/6/2019	494,100	2,704,184	3,074,239	2,375,383	8,647,906
Cost:					
Balance as at 1/07/2019	6,028,405	6,197,373	18,854,607	8,821,672	39,902,057
Addition 2019/20	10,530,000	995,985	1,215,700	188,157	12,929,842
Disposal	-	-	-	-	-
As at 30/6/2019	16,558,405	7,193,358	20,070,307	9,009,829	52,831,899
Depreciation:					
Balance as at 1/07/2019	5,534,305	3,493,189	15,780,368	6,446,289	31,254,151
Charge for the year 2019/20	2,756,025	462,521	1,286,982	320,443	4,825,970
Disposal	-	-	-	-	-
As at 30/6/2020	8,290,330	3,955,710	17,067,350	6,766,731	36,080,122
Net Book Value:					
As at 30/6/2020	8,268,075	3,237,648	3,002,957	2,243,098	16,751,777

NOTES TO THE FINANCIAL STATEMENTS *Continued...*

20 TRADE AND OTHER PAYABLES

Description	2019-20	2018-2019
	KShs	KShs
Trade payables	18,043,394	34,178,034
Total trade and other payables	18,043,394	34,178,034

21 CURRENT PROVISIONS

Description	Leave C	Taxes	Payroll	Pension	Gratuity	Other Provisions	Total
	Kshs	Kshs	Kshs	Kshs	Kshs	Kshs	Kshs
Balance at the Beginning	1,615,228	4,958,832	1,446,764	648,364	4,494,600	23,964,980	37,128,768
Additional provision	56,463	317,137	158,952	-	-	29,640,550	30,173,102
Provision utilized	(916,035)	(879,900)	(1,449,364)	(243,252)	(4,527,000)	(7,497,705)	(15,513,256)
Overprovision/Under provision	-	-	2,600	-	31,538	-	34,138
Transferred from non-current	-	-	-	-	4,319,809	-	4,319,809
TOTAL	755,656	4,396,069	158,952	405,112	4,318,947	46,107,825	56,142,561

22 NON-CURRENT PROVISIONS

Description	2019-2020
	KShs
Balance at the beginning of the year	4,194,829
Additional Provision	3,265,153
Provision utilized	-
Transferred to current provision	(4,319,809)
Total	3,140,173

23 ACCUMULATED SURPLUS

Description	Capital Fund	Accumulated Surplus	Total
	Kshs	Kshs	Kshs
Balance as at 30.06.2017	10,945,746	7,304,613	18,250,359
Surplus for the period	-	2,964,634	2,964,634
Balance as at 30.06.2018	10,945,746	10,269,247	21,214,993
Surplus for the period	-	503,250	503,250
Balance as at 30.06.2019	10,945,746	10,772,497	21,718,243
Surplus for the period	-	1,199,219	1,199,219
Balance as at 30.06.2020	10,945,746	11,971,716	22,917,462

Kenya Yearbook editorial Board
Annual Reports and Financial Statements
For the year ended June 30, 2020

NOTES TO THE FINANCIAL STATEMENTS *Continued...*

24 CASH GENERATED FROM OPERATIONS

Cash flows from operating activities	2019-20	2018-19
(Deficit)/Surplus for the year	1,199,219	503,250
Adjustments:		
Depreciation	4,825,970	2,207,883
operating cash flows before working capital changes	6,025,189	2,711,133
Increase/Decrease in payables	(16,227,640)	9,334,018
Increase/(Decrease) in provisions	18,052,136	12,413,153
Increase in receivables	30,615,946	(22,268,880)
decrease/(increase) in inventories	(43,840)	(1,536,280)
Total working capital changes	32,396,602	(2,057,989)
Cash generated from operating activities	38,421,791	653,144

25 FINANCIAL RISK MANAGEMENT

The Board's activities expose it to a variety of financial risks including credit and liquidity risks and effects of changes in foreign currency. The Board's overall risk management programme focuses on unpredictability of changes in the business environment and seeks to minimise the potential adverse effect of such risks on its performance by setting acceptable levels of risk. The Board does not hedge any risks and has in place policies to ensure that credit is only extended to customers with an established credit history.

The Board's financial risk management objectives and policies are detailed below:

i. Credit risk

The Board has exposure to credit risk, which is the risk that a counterparty will be unable to pay amounts in full when due. Credit risk arises from cash and cash equivalents, and deposits with banks, as well as trade and other receivables.

Management assesses the credit quality of each customer, considering its financial position, past experience and other factors. Individual risk limits are set based on internal or external assessment in accordance with limits set by the directors. The amounts presented in the statement of financial position are net of allowances for doubtful receivables, estimated by the Board's management based on prior experience and their assessment of the current economic environment.

The carrying amount of financial assets recorded in the financial statements representing the Board's maximum exposure to credit risk without taking account of the value of any collateral obtained is made up as follows:

Kenya Yearbook editorial Board
Annual Reports and Financial Statements
For the year ended June 30, 2020

NOTES TO THE FINANCIAL STATEMENTS *Continued...*

	Total amount	Fully performing	Past due	Impaired
	Kshs	Kshs	Kshs	Kshs
At 30 June 2020				
Receivables from exchange transactions	58,341,676	58,341,676	58,341,676	-
Less doubtful debts	(11,287,448)	(11,287,448)	(11,287,448)	
Receivables from non-exchange transactions	3,385,506	3,385,506	3,385,506	-
Bank balances	26,007,588	26,007,588	-	
Total	76,447,332	76,447,322	50,439,734	-
At 30 June 2019				
Receivables from exchange transactions	94,806,846	94,806,846	94,806,846	-
Less doubtful debts	(17,836,457)	(17,836,457)	(17,836,457)	
Receivables from non-exchange transactions	3,115,009	3,115,009	3,115,009	
Bank balances	457,709	457,709	-	-
Total	80,543,107	80,543,107	80,085,398	-

The customers under the fully performing category are paying their debts as they continue trading. The credit risk associated with these receivables is minimal and the allowance for uncollectible amounts that the Board has recognised in the financial statements is considered adequate to cover any potentially irrecoverable amounts. The Board has significant concentration of credit risk on amounts due from the line Ministry.

The board of directors sets KYEB's credit policies and objectives and lays down parameters within which the various aspects of credit risk management are operated.

ii. Liquidity risk management

Ultimate responsibility for liquidity risk management rests with the Board's directors, who have built an appropriate liquidity risk management framework for the management of the Board's short, medium and long-term funding and liquidity management requirements. The Board manages liquidity risk through continuous monitoring of forecasts and actual cash flows.

iii. Market risk

The board has put in place an internal audit function to help it assess the risk faced by the Board on an ongoing basis, evaluate and test the design and effectiveness of its internal accounting and operational controls.

**Kenya Yearbook editorial Board
Annual Reports and Financial Statements
For the year ended June 30, 2020**

NOTES TO THE FINANCIAL STATEMENTS *Continued...*

Market risk is the risk arising from changes in market prices, such as interest rate, equity prices and foreign exchange rates which will affect the Board's income or the value of its holding of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return. Overall responsibility for managing market risk rests with the Audit and Risk Management Committee.

The Board's Finance Department is responsible for the development of detailed risk management policies (subject to review and approval by Audit and Risk Management Committee) and for the day to day implementation of those policies.

There has been no change to the Board's exposure to market risks or the manner in which it manages and measures the risk.

a) Interest rate risk

Interest rate risk is the risk that the Board's financial condition may be adversely affected as a result of changes in interest rate levels. The Board's interest rate risk arises from bank deposits. This exposes the Board to cash flow interest rate risk. The interest rate risk exposure arises mainly from interest rate movements on the Board's deposits.

Management of interest rate risk

To manage the interest rate risk, management has endeavoured to bank with institutions that offer favourable interest rates.

iv) Capital Risk Management

The objective of KYEB's capital risk management is to safeguard the Board's ability to continue as a going concern. The Board capital structure comprises of the following funds:

	2019-2020	2018-2019
	Kshs	Kshs
Initial investment from the Parent Ministry	10,945,746	10,945,746
Total funds	10,945,746	10,945,746

26 RELATED PARTY BALANCES

Nature of related party relationships

Entities and other parties related to the Board include those parties who have ability to exercise control or exercise significant influence over its operating and financial decisions. Related parties include management personnel, their associates and close family members.

Government of Kenya

The Government of Kenya is the principal shareholder of the Board, holding 100% of the Board's equity interest. The Government of Kenya has provided full guarantees to all long-term lenders of the Board, both domestic and external. Other related parties include:

**Kenya Yearbook editorial Board
Annual Reports and Financial Statements
For the year ended June 30, 2020**

NOTES TO THE FINANCIAL STATEMENTS *Continued...*

- i) The National Government;
- ii) The line Ministry;
- iii) Key management;
- iv) Board of directors;

Description	2019-2020	2018-2019
	Kshs	Kshs
Transactions with related parties		
(a) Sales to related parties		
Rendering of services	57,432,594	94,806,846
Total	57,432,594	94,806,846
(b) Grants from the Government		
Transfer from Parent Ministry	105,000,000	58,138,500
Total	105,000,000	58,138,500
(c) Due to related party		
Payments to GAA	116,115	450,646
Total	116,115	450,646
(d) Key Management Compensation		
Directors' emoluments	8,954,145	5,577,691
Compensation to the CEO	4,800,000	4,800,000
Compensation to key management	8,826,084	8,547,232
Total	22,580,229	18,924,923

27 CONTINGENT ASSETS AND CONTINGENT LIABILITIES

Contingent liabilities	2019-2020	2018-2019
	Kshs	Kshs
Court case of former employees against the Board	17,294,430	17,294,430
Total	17,294,430	17,294,430

The Board has an ongoing court cases made by its three former employees who are seeking compensations totalling to **Ksh 17,294,430.**)

28 EVENTS AFTER THE REPORTING PERIOD

There were no material adjusting and non- adjusting events after the reporting period.

29 ULTIMATE AND HOLDING ENTITY

The Board is a Semi- Autonomous Government Agency under the Ministry of Information, Communication and Technology. Its ultimate parent is the Government of Kenya.

30 Currency

The financial statements are presented in Kenya Shillings (Kshs).

**Kenya Yearbook editorial Board
Annual Reports and Financial Statements
For the year ended June 30, 2020**

APPENDIX 1: PROGRESS ON FOLLOW UP OF AUDITOR RECOMMENDATIONS

The following is the summary of issues raised by the external auditor, and management comments that were provided to the auditor. We have nominated focal persons to resolve the various issues as shown below with the associated time frame within which we expect the issues to be resolved.

Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Focal Point person to resolve the issue (Name and designation)	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
FY 2018/19	Certificate not received from OAG	N/A	Edward Mwasi CEO/ Susan Naitore Finance Manager	N/A	N/A

Guidance Notes:

- (i) Use the same reference numbers as contained in the external audit report;
- (ii) Obtain the "Issue/Observation" and "management comments", required above, from final external audit report that is signed by Management;
- (iii) Before approving the report, discuss the timeframe with the appointed Focal Point persons within your entity responsible for implementation of each issue;
- (iv) Indicate the status of "Resolved" or "Not Resolved" by the date of submitting this report to National Treasury.


Chief Executive Officer

Date.....

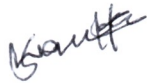
Kenya Yearbook editorial Board
Annual Reports and Financial Statements
For the year ended June 30, 2020

APPENDIX III: INTER-ENTITY TRANSFERS

ENTITY NAME:		Kenya Yearbook Editorial Board		
Break down of Transfers from the State Department of Broadcasting and Telecommunication				
FY 2019/2020				
a.	Recurrent Grants			
		<u>Bank Statement</u>	<u>Amount (KShs)</u>	<u>Indicate the FY to which the</u>
		<u>Date</u>		<u>amounts relate</u>
		4/9/2019	26,250,000	2019-20
		30/10/2019	26,250,000	2019-20
		31/1/2020	26,250,000	2019-20
		8/5/2020	26,250,000	2019-20
		Total	105,000,000	

The above amounts have been communicated to and reconciled with the parent Ministry

Finance Manager
Kenya Yearbook Editorial Board



Sign.....

Head of Accounting Unit
Ministry of ICT, Youth Affairs and
Innovation
State Department of BT



Sign.....

Kenya Yearbook editorial Board
Annual Reports and Financial Statements
For the year ended June 30, 2020

