

REPUBLIC OF KENYA



Enhancing Accountability

THE NATIONAL ASSEMBLY
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THE AUDITOR-GENERAL

ON

KENYA YEARBOOK EDITORIAL BOARD


**FOR THE YEAR ENDED
30 JUNE, 2019**

OFFICE OF THE AUDITOR GENERAL
P. O. Box 30084 - 00100, NAIROBI
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KENYA YEARBOOK EDITORIAL BOARD

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDING

JUNE 30, 2019

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

Kenya Yearbook Editorial Board
Annual Reports and Financial Statements
For the year ended June 30, 2019

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KEY ENTITY INFORMATION AND MANAGEMENT

(a) Background information

The *Kenya Yearbook Editorial Board* was established under in 2007 under the Ministry of Information, Communication and Technology 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

(a) 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 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

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 innovativeness, inventiveness, resourcefulness and 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
5. **Excellence and professionalism** - KYEB will demonstrate highest level of competence, efficiency and ethical values in realizing 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 2019 and who had direct fiduciary responsibility were:

No.	Designation	Name
1.	Chief Executive Officer	Edward Mwasi
2.	Finance Manager	Susan Naitore
3.	Editorial Manager	Wainainah Kiganya
4.	Production manager	Elija Muli
5.	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 sub committees of the Board, namely;

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

KEY ENTITY INFORMATION AND MANAGEMENT (Continued)

(f) Board Headquarters

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

(g) Board Contacts

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

(h) Board Bankers

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




(i) Independent Auditors

Auditor General
Kenya National Audit Office
Anniversary Towers, University Way
P.O.Box 30084
GOP 00100
Nairobi, Kenya

(j) 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
 <p>Eng. Sammy Tangus</p>	<p>Chairman KYEB</p>	<p>BSC. Civil Engineering University of Nairobi</p>	<p>He was born in 1966. He is a member of the Engineers Board of Kenya (EBK) and a Corporate Member of the Institute of Engineers of Kenya (IEK). Eng. Tangus has worked in government, private and International bodies; gathering experience in administration & technical matters.</p>
 <p>Mr. Edward Mwasi</p>	<p>Chief Executive Officer</p>	<p>BA (Design). University of Nairobi</p>	<p>A publishing Expert, Edward Mwasi has for over 20 in Graphic Design and Managed Production. He is currently the Chief Executive Officer of Kenya Yearbook Editorial Board. Previously he worked at Nation Media Group as Chief Graphic Designer and Creative Director of Kenwide Media Advertising Ltd.</p>
 <p>Mr. Wilson Kipkazi</p>	<p>Independent Director KYEB</p>	<p>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</p>	<p>Mr. Kipkazi was born on 25/4/1965, a Director Kenya Yearbook Editorial Board. He is the Executive Director/Board Secretary (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 a Chairman Kenya Bankers Savings and Credit Cooperative Society (1996-2001).He has also worked for Kenya Accountants and Secretaries National Examination Board (1988-1989).</p>




 <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, 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. 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 she 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, Caroline Mukeli is a Corporate Communications expert with 7years' corporate experience in the private and public sector. Before joining KEPSA, she worked with various organizations 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>

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 <p>Mr. P D Gwaro Ogaro</p>	<p>Director</p> <p>Ministry of Information Communication & Technology.</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, 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, Public Communications in the Ministry of East African Community and at the National Police Service.</p>
 <p>Mr. Peter Mwauralgogo</p>	<p>Ministry of Interior and Co-ordination of National Government Harambee House NAIROBI</p> <p>Director & Chair of Strategy and Publication committee KYEB</p>	<p>Masters of Leadership of management ongoing. Bachelor's degree in Journalism Diploma in journalism: Kenya institute of mass communication. Specialized writing: School of Journalism Diploma in journalism: Indian Institute of Mass Communication – JNU Campus New Delhi. Senior management Seminar Kenya School of Government.</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, Defense 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 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 Industry, Investment and Trade State Department of Industry and Enterprise Development NSSF Building, Block A, 22nd Floor</p> <p>Director</p>	<p>Mr. Okeyo has a Masters in Business Administration (MBA-Strategic Management) from Eastern and Southern African Management Institute (ESAMI), Arusha, Tanzania (2012). MSc (Environmental Science & Technology) at the UNESCO-IHE Delft, The Netherlands (2002). <i>BSc (Chemistry, 2nd Class Honours, Upper Division), University of Nairobi; Kenya (1989).</i></p>	<p>Mr Okeyo was born on 28/3/1963. He is the Director of Industries in charge of Vision 2030 Manufacturing Sector delivery at the Ministry of Industrialization 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. The Working Committee on Regulatory Reforms for Business Activity in Kenya established and gazetted (Kenya gazette Notice No. 7321 of 23rd September 2005) by the Minister for Finance to facilitate the Regulatory Reforms on Business Licensing in Kenya. 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>
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 <p>Mr Richard Gakunya</p>	<p>The National Treasury, Director</p>	<p>Mr. Gakunya holds a Master 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. Stanslaus Apwokha</p>	<p>Ministry of East African Affairs, Commerce and Tourism, Utalii House NAIROBI Director</p>	<p>Mr. Apwokha holds a Master of Business Administration (MBA), Strategic Management, from Jomo Kenyatta University of Agriculture and Technology And a Bachelor of Arts (B.A.), Sociology and History, Upper Second class (Hons) From the University of Nairobi</p>	<p>Mr. Stanslaus Apwokha has worked as Under Secretary, Ministry of East African, Commerce & Tourism Under Secretary, Ministry of Regional Development District Officer, Office of the President- Kenya</p>
 <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 of Kenya and Certified Secretary and a member of ICPSK. Ms Okumbe is a member of LSK.</p>	<p>She is KYEB Corporation Secretary.</p>

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 holds a 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 charge of Finance and Accounts department
 Mr. Wainainah Kiganya	Editorial Manager	Mr Wainainah Kiganya is Continuing student of Masters of Arts degree in Media Management and social media, He holds a Bachelor of Arts degree in Communication, Information Science and Economics from the University of South Africa and a Diploma in Education from Kisii Teachers' College	In charge of Editorial department
 Mr. Elijah Muli	Production Manager	Mr. Muli holds B.A (Design), from Nairobi University.	In charge of Production department.

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	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. Ms Okumbe is a member of LSK.	She is KYEB Corporation Secretary.
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Ms Rosemary Okumbe


CHAIRMAN'S STATEMENT

Given the ever changing local and international communication space, there has never been a greater need to put out information that is not only in sync with realities on the ground, but also highlight Kenya's long-term aspirations. In line with the Government's recognition of the importance of information and communication in national development, the Board exploited available opportunities to produce publications that provide leadership in Government communications. Our goal is to ensure that the citizens and international community understand and appreciate Government efforts to achieve its goals in making this country a better place.

The Board endeavored to make its contribution in transforming the livelihoods of Kenyans socially and economically by availing modern and exclusive information to help them exploit emerging opportunities. It's our belief that an informed society is better equipped to take advantage of available opportunities and resources to improve its quality of life. Obviously, our success would not be possible without the support of various state, non-state actors and some individuals to whom we wish to convey our heartfelt gratitude.

To further support the various Government ministries and department's efforts, the Board plans to team up with other ministries and departments in producing comprehensive Sector/County profile publications. The contents of each publication will include the Sector/County profiles, development pillars, strategies and priorities harmonized with the national development goals and highlights of the progress made in implementation. We are also exploring the possibility of assisting other public and private agencies through customized publishing ventures to produce in-house publications at affordable prices and on need basis.

In conclusion I wish to convey special thanks to the Kenya Yearbook Management, fellow Board members and other stakeholders that have worked to sustain the Board's activities over the year. The Board will continue to work more closely with our parent Ministry, Government Ministries and departments and other stakeholders to grow its publications to help in building a more enlightened society.



Eng. Sammy Tangu
Chairman

REPORT OF THE CHIEF EXECUTIVE OFFICER

Effective communication positively impacts economic growth and social cohesion. It is on this premise that Kenya Yearbook Editorial Board (KYEB) produces and disseminates a series of publications to both local and international audience, also to enhance government communication. We work to ensure that citizens and the international community understand and appreciate the government's development effort and that they are adequately informed of opportunities that abound in Kenya.

During the year, KYEB intensified its online campaign on information delivery through its social media platform and handles to build awareness of its publications as well as highlighting major developments in the country and the world at large that would benefit mwananchi.

KYEB managed to sign a partnership with a leading media house, Nation Media Group (NMG), to have its publications translated into Kiswahili in Taifa leo and published weekly. The publications that were immediately considered include the Kenyatta Cabinets and The Women Trailblazers in Kenya.

KYEB in partnership with the Ministry of Public Service, Youth and Gender launched the Journeys of Women Trailblazers in Kenya, volume 1, in March 2019. During the launch, the First Lady of Kenya, HE Margaret Kenyatta, lauded the publication and directed that a book featuring female trailblazers be launched every year henceforth as part of the celebrations of International Women's Day.

The Cabinet Secretary Ministry of Public Service, Youth and Gender, Hon. Prof. Margaret Kobia, reiterated the First Lady's sentiments stating that the women featured in Volume 1 are just a small fraction of the many stoic women who have and continue to play a significant role in building our nation. KYEB intends to work closely with the partner ministry to mobilize resourced towards sustaining this special gem.

The value the organization stood to gain on the weekly exposure was worth over one million per week in the Kiswahili paper, this campaign has gone on for over 20 months during the financial year. Also during the year, precisely during the launch of the Women Trailblazers book, The Nation newspaper ran a week-long serialization of the book and the campaign gained traction to the readers who followed through to buying our books.

The KYEB also served to spearhead information flow from the Ministries, Departments, and Agencies (MDAs) to the private sector and the public. This was aimed at enabling Kenyan Citizens to effectively participate in nation-building. The weekly tabloid newspaper – MyGov - running as an insert in leading national dailies aimed to enhance Government communication.

The newspaper that is produced through the collaboration of KYEB, the Government Advertising Agency (GAA) and Kenya News Agency (KNA) also showcased available opportunities for investment. Besides, this project promotes the efficient use of government funds in advertising. KYEB also developed special sector-specific feature reports that ran in

the newspaper along-side the human-interest stories from the Kenya News Agency outlets across the country

KYEBs flagship product - The Kenya Yearbook - remains one of its kinds in Kenya. It will continue to be at the forefront in communicating to the public on the implementation of the Vision 2030 that is set to make Kenya middle-income country. It reports to the public on progress and development projects that the Government implements in the different parts of the country annually. The Big Four Agenda took a center-stage in its approached especially in its interpretation and the implementation stages. Because of low funding and delayed settlement of payment of the AIA generated, specifically by the ministry, KYEB uploaded the content on its website and considered to incorporate the lights of the year in question the edition that followed as funding improved and AIA received. Nevertheless, the information continued to the spread to the citizen and the international audience.

Through the Yearbook and its micro-yearbooks (Sector-specific), KYEB endeavours to make access to information on investment opportunities easy. The information offered by the Yearbook is packaged into a portfolio of opportunities that are presented to potential investors in a manner that spurs confidence while improving the country's image. Reliable information on business opportunities in Kenya will encourage foreign direct investments.

KYEB supports food security by documenting and disseminating information on breakthrough innovations through the Agro-Innovation Yearbook. The publication showcases breakthrough innovations in the agricultural value chains, agricultural technology, production processes, management and marketing, and the Government and private sector roles. This project aims to stimulate performance and growth of the agricultural sector as outlined in Vision 2030 through enhanced access to information on agro-innovation and best practices.

During the year, the content developed for the book featured in the Weekly MyGov pullout daily and gained a lot of traction with readers calling in to make inquiries on how they could be connected to the farmers applying the innovations. Some also made special requests for more information and opportunities for training. The feedback was commendable.

Kenya Yearbook Editorial Board presented to the people of Kenya a unique publication, KICKOFF that features the past, present, and the future of Kenyan football. Kickoff is expected to revive a healthy conversation around football and offers insights on how to restore this great game for the betterment of the nation.

Through the increased appreciation of Kenyan football and talent, I believe that jobs will be increased across the football value chain and bear a positive knock-on effect on the country's economy. This is in addition to a position national image created owing to the global celebration of our players.

World over, the sport is a leading creator of employment and source of livelihood for millions of people of all age and gender and a major driver of the global tourism industry. Sport is a

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natural aboard of the youth in particular and besides employment, it forges bonds of togetherness. Hence a major means by which national cohesion can be achieved.

KYEB has been compiling 24 Years of the Nyayo Era: Moi Cabinets Volume 1 and 2, under the President's Biography series. Every 20 October 2019, Kenya celebrates Mashujaa Day. One of the events lined up this year for the celebrations is the opening of the Presidential Library, Museum and Exhibition Centre, which will highlight a compact version of the evolution of the presidency in Kenya through several visual aids such as photographs, videos, audio, and text. The exhibition will focus on former Kenyan presidents, Mzee Jomo Kenyatta, Daniel Arap Moi, and Mwai Kibaki. We considered this as a special platform to launch the book.

During the period under review, the board started a review of its Strategic Plan to address the changing dynamics in the country and the world at large. Key among the developments in the way content is delivered to the audience plus the Government priorities which should be addressed through innovative methods. The strategic objects have had to changes dramatically from the last plan. We hope this document would help in the growth of the institutions for the generations to come.



Edward Mwasi
Chief Executive Officer

CORPORATE GOVERNANCE STATEMENT

Introduction

The Board recognizes the need to conduct the business and operations of the Board with integrity and in accordance with generally accepted corporate practice, and endorse internationally developed principles of corporate governance. The board members will continue to focus their attention on maintaining the highest standards of corporate governance and business ethics in the Board's operations. To this end the Board is in the process of adopting a Board Charter which proposes to adopt global best practice as its minimum corporate governance standard.

The Board is guided by the State Corporation Guidelines (Mwongozo) and all other relevant codes of corporate governance in discharging its mandate. Most of the board members have attended the Mwongozo induction and corporate governance training courses and those who have joined the board recently are in the process of doing so. We shall continue to ensure that each Director meets the minimum training hours each year.

The appointment and removal of directors is made by the President and Cabinet Secretaries as provided in the enabling legislations including legal notice No.187/2007 as well as the respective letter of appointment. The processes of appointment and removal of Directors as well as succession planning are also clearly stipulated in the proposed Board Charter.

The Board Chairman is paid a taxable monthly honorarium and all the 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 period, owing to the expiry of terms for some of our board members, the Board was not able to conduct a performance evaluation as planned but has put in place measures to ensure that the process is fast tracked. Also due to exogenous factors experienced by all state corporations, the board was not able to undertake the annual governance audit although we commit to undertake the exercise as soon as these challenges are resolved.

Board

The members of the board are shown from page 4. 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 the management of the Board.

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;

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- 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;
- Ensure that the appointed senior members of staff are adequately trained.
- Ensure continuous development of all staff members so that a succession plan is in place;
- Establishing an appropriate organizational structure for the Board to facilitate efficient delivery of its mandate;
- Ensuring that adequate technology and systems are in place;
- Assessing the performance of the CEO, Key management and Heads of departments and ensuring they are meeting the set targets as stipulated in the performance contract;
- Ensuring that the Board has appropriate risk management, internal control and governance procedures in place in compliance with the statutory requirements
- Monitoring the non-financial aspects of its mandate to uphold the right image and character of the Board;
- Ensure mandatory Board and Committee meetings are held as scheduled.

The composition of the Board included thirteen (13) members as listed below:

- i. Eng. Sammy Tangus-Chairman
- ii. Ms Caroline Nkirete
- iii. Mr. Wilson Kipkazi
- iv. Ms Nemaisa Kiereini
- v. Mr. Mwaura Igogo
- vi. Mr. Hezekiah Okeyo
- vii. Mr. Stanislaus Apwokha
- viii. Mr. Richard Gakunya
- ix. Mr. Kennedy Buhere
- x. Mr. David Jakaiti
- xi. Mr Gwaro Ogaro
- xii. Mr. Edward Mwasi-CEO
- xiii. 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 a non-executive Director and held three (3) meetings over the period. The composition of the committee included:

- i. Mr Wilson Kipkazi - Chairman**
- ii. Ms Nemaïsa Kiereini - Member
- iii. Mr Hezekiah Okeyo - Member
- iv. Mr Stanlaus Apwokha - Member

2. Audit Committee

The Audit Committee had the oversight role of risk management, internal control and governance and related issues. It was chaired by a non-executive Director and held one (1) meeting over the period. The composition of the committee included:

- i. Ms Caroline Nkirote - Chairman**
- ii. Mr Richard Gakunya - Member
- iii. Mr Mwaura Igogo - Member
- iv. Mr Kennedy Buhere- Member
- v. Mr Timothy Mwangi, ex-official member - Head of Internal Audit

3. Strategies and Publication Committee

The Strategy and Publication 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 seven (7) meetings over the period. The composition of the committee included:

- i. Mr Mwaura Igogo - Chairman**
- ii. Mr Wilson Kipkazi - Member .
- iii. Mr Gwaro Ogaro- Member
- iv. Ms Caroline Nkirote- Member

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 a non-executive Director and held six (6) meetings over the period. The composition of the committee included:

- i. Ms Nemaïsa Kiereini- Chairman**
- ii. Mr Richard Gakunya - Member
- iii. Mr Kennedy Buhere - Member
- iv. Mr Gwaro Ogaro- Member

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The number of meetings held by the Board and the committees during the period 1 July 2018 to 30 June 2019:

Board/Committees	No. of Meetings Held
Board	10
HR & Admin	5
Strategy & Publication	2
Finance	2
Audit	1

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	10	10					-	-			10	10
Ms Caroline Nkirote	10	3	5	1	2	1	2	1			19	6
Mr. Wilson Kipkazi	10	10	5	5	2	2	2	2	1	1	20	20
Ms Nemaisa Kiereini	10	8	5	5	2	2	2	2	1	1	20	18
Mr. Mwaura Igogo	10	6									10	6
Mr. Hezekiah Okeyo	10	5									10	5
Mr. Stanslaus Apwokha	10	1					2	1			12	2
Mr. Richard Gakunya	10	6									10	6
Mr. Kennedy Buhere	10	1									10	1
Mr. David M Jakaiti	10	2					2	1	1	1	13	4
Mr. P W Gwaro Ogaro	10	3	5	3	2	1					17	7

MANAGEMENT DISCUSSION AND ANALYSIS

The Board's operational and financial performance

During the FY 2018/19, KYEB launched two publications, *The Journeys of Women Trailblazers in Kenya*; examining the strides of some of Kenya's accomplished women and *Kick Off*; a Sector-Specific Yearbook that looks at Kenya's football history to date. In the first and second quarters of the 2019/2020 FY, the Board will publish and launch its flagship publication, ***The Kenya Yearbook***; Special Edition, complete production of the sector-specific publication on agriculture- Agro Innovation, and the *Moi Cabinets Series*.

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. We highlight 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, we are to convey in the yearbooks, the country's immense resources and the potential still to be tapped and communicate our national policy priorities as set out in Kenya Vision 2030.

During the period KYEB continued editing and designing the weekly Government Newspaper pullout "*MyGov*". However there has been a general setback caused by delays in the settlement of the *MyGov* revenue earned from the parent Ministry.

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

We have planned to expand our technical staff and modernize the printing equipments to 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 result of limited budget.
- As a consequent of technical inadequacy, the Board partly relied on external consultants to produce its publications.
- Delay in release of development fund affects the Board's ability to complete its projects in time and meet performance contract targets.

2. Liquidity Risks

The Board has experienced underfunding of its activities since the financial year 2014/15 which resulted in accumulation of current liabilities. However in this period KYEB was able to reduce its current liabilities using the savings earned from customised publications

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 2018/19, as it paid most of the prior years' liabilities.

5. Compliance Risks

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

Material arrears in statutory/financial obligations

KYEB accrued current liabilities relate to 2018/19 pending bills as at 30th June 2019. They are covered by the receivable amounts.

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

The purpose of (Corporate Social Responsibility) CSR is to improve the quality of life and the Board grows stronger by helping to advance local communities and individual lives. By embracing Corporate Social Responsibility (CSR) we actively look for opportunities to improve our environment and contribute to the well-being of the communities in which we operate.

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 Children's series publications which provide our customers with memorable experience, impact and inspire the youth, and enlighten the young ones about our heritage and national values.

Environment

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

PROMOTING EDUCATION

In the month of March 2019, KYEB donated the Children's series publications to two public primary schools in Kirinyaga County-Kutus and Gitwe Primary Schools. These books enlighten pupils about our rich national heritage and values as well as create patriotism at an early age. The Board has also invested in internship program where the youth gain skills on the job which will improve the social value of the young adults who are still studying in University.

HEALTHCARE

In promoting health care, KYEB staff participated in the Beyond Zero marathon, on 9th of March 2019, to support the First Lady's initiative on maternal health. Many women have lost their lives during delivery. This initiative helps to strengthen the existing outreach program to curb such incidences.

On 22nd June 2019 the Board also participated in the Mater Heart Run. This run assists to raise funds for the Mater cardiac program which caters for children with a heart problem and cannot afford the surgery. Many children's lives have been saved through this fund.

STAFF TRAINING AND DEVELOPMENT

We value our employees, respecting them as individuals and seeking to provide them with meaningful growth and development opportunities. Our mission and values guide our business priorities and the way we work together to achieve those goals. Our values of integrity, insight, intellectual leadership, inclusion and independence form the foundation of a culture of professionalism and respect for people and ideas. Our comprehensive benefits include healthcare, insurance, disability and retirement. Many of our benefits are available to employees' dependents, including spouses and children.

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We believe that investing in training, diversity, benefits programs, and education helps us to attract and retain a talented workforce. Importantly, we value what our employees to say and provide a number of formal and informal mechanisms for listening to their feedback. Collectively, their input drives our ongoing efforts to provide a rewarding experience and work environment.

REPORT OF THE DIRECTORS

The Directors submit their report together with the audited financial statements for the year ended June 30, 2019, which show the state of the Board's affairs.

Principal activities

The principal activities of the Board are:-

- Co-ordinate and implement Government Communications functions in a manner that ensures qualitative and positive presentation of materials that defines Kenya's situation
- Provide guidance in government communication and build 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 governments policies and programmes
- Underpin the philosophy of openness, accountability and transparency

Results

The results for the year ended June 30, 2019 are set out on page 1-25

Directors

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

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, 2019 in accordance to section 23 of the Public Audit Act, 2015 which empowers the Auditor General to appoint an auditor to audit on his behalf.

By Order of the Board

**Corporate Secretary
Nairobi**

Date.....

STATEMENT OF DIRECTORS' RESPONSIBILITIES

Section 81 of the Public Finance Management Act, 2012 and section 14 of the State Corporations Act, Directors to prepare financial statements in respect of the 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.

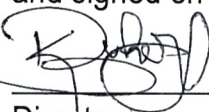
The Directors are responsible for the preparation and presentation of the Board's financial statements, which give a true and fair view of the state of affairs of the Board for and as at the end of the financial year ended on June 30, 2019. This responsibility includes: (i) maintaining adequate financial 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 Board's transactions during the financial year ended June 30, 2019, and of the Board's financial position as at that date. The Directors further confirm 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

The Board's financial statements were approved by the Board on _____ 2019 and signed on its behalf by:



Director



Director

Director

REPUBLIC OF KENYA

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



Enhancing Accountability

HEADQUARTERS
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P.O. Box 30084-00100
NAIROBI

REPORT OF THE AUDITOR-GENERAL ON KENYA YEARBOOK EDITORIAL BOARD FOR THE YEAR ENDED 30 JUNE, 2019

REPORT ON THE FINANCIAL STATEMENTS

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, 2019, and the statement of financial performance, the statement of financial position, 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, the financial statements present fairly, in all material respects, the financial position of the Kenya Yearbook Editorial Board as at 30 June, 2019, and 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 Legal Notice No. 187 of November, 2007 and the State Corporations Act, Cap 446 of Laws of Kenya and the Public Finance Management Act, 2012.

Basis for Opinion

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 audit opinion.

Emphasis of Matter

Contingent Liabilities

As reported in the previous year and disclosed in Note 26 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 revealed that the case is still pending in Court and its outcome, in the opinion of the Board has no significant liability.

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.

Conclusion

As required by Article 229(6) of the Constitution, based on the audit procedures performed, I confirm that, nothing 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

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 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 going concern basis of accounting unless Management is aware of the intention to liquidate 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.


Nancy Gathungu
AUDITOR-GENERAL

Nairobi

12 February, 2021

**STATEMENT OF FINANCIAL PERFORMANCE
FOR THE YEAR ENDED 30 JUNE 2019**

	Notes	2018-2019	2017-2018
		Kshs	Kshs
Revenue from non exchange transactions			
Recurrent Grants	6	58,138,500	59,325,000
Total Revenue from non exchange transactions		58,138,500	59,325,000
Revenue from exchange transactions			
Other income	6(b)	83,173,015	86,297,527
Total Revenue from exchange transactions		83,173,015	86,297,527
Total revenue		141,311,515	145,622,527
Expenses			
Use of goods and services	7	550,992	573,643
Employee costs	8	62,027,848	43,933,514
Remuneration of directors	9	5,577,691	10,213,656
Depreciation and amortization expense	10	2,207,883	2,218,447
Repairs and maintenance	11	490,118	832,268
Core mandate costs	12	47,330,442	63,869,806
General expense	13	22,623,291	21,016,560
Total expenses		140,808,265	142,657,894
Surplus for the year		503,250	2,964,633

The notes set out on pages 9 to 25 form an integral part of these Financial Statements

Kenya Yearbook Editorial Board
Annual Reports and Financial Statements
For the year ended June 30, 2019

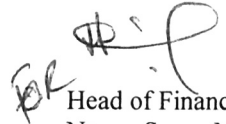
STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2019

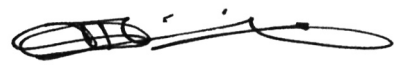
	Notes	2018-2019	2017-2018
		Kshs	Kshs
Assets			
Current assets			
Cash and cash equivalents	14	529,109	2,248,164
Receivables from exchange transactions	15	77,940,671	79,157,164
Receivables from non exchange transactions	16	3,115,009	3,199,133
Inventories	17	6,987,180	5,450,900
Total Current assets		88,571,969	90,055,361
Non-current assets			
Property, plant and equipment	18	8,647,906	8,483,590
Total Non-current assets		8,647,906	8,483,590
Total assets		97,219,875	98,538,951
Liabilities			
Current liabilities			
Trade and other payables from exchange transactions	19	34,178,034	24,853,777
Provisions	20	37,128,768	49,993,053
Total Current liabilities		71,306,802	74,846,830
Non-current liabilities			
Non-current provisions	21	4,194,829	2,477,128
Total Non-current liabilities		4,194,829	2,477,128
Total liabilities		75,501,631	77,323,958
Net assets		21,718,244	21,214,993
Accumulated surplus	22	10,772,497	10,269,247
Capital Fund	24(iv)	10,945,747	10,945,746
Total net assets and liabilities		21,718,244	21,214,993

The Financial Statements set out on pages 1 to 25 were signed on behalf of the Board of Directors by:


 C.E.O
 Name: Edward Mwasi

Date.....


 Head of Finance
 Name: Susan Naitore
 ICPAK Member Number:
 Date ..13/2/2020.....


 Chairman of the Board
 Name: Sammy Tangus

Date.....13.02.2020.....

STATEMENT OF CHANGES IN NET ASSETS
FOR THE YEAR ENDED 30 JUNE 2019

STATEMENT OF CHANGES IN NET ASSET

	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

STATEMENT OF CASHFLOWS
FOR THE YEAR ENDED 30 JUNE 2019

	Note	2018-2019	2017-2018
		Kshs	Kshs
Cash flows from operating activities			
Receipts			
Government grant and subsidies		58,138,500	59,325,000
Other income		58,203,772	48,856,734
Total receipts		116,342,272	108,181,734
Payments			
Compensation of employees		(54,687,487)	(41,716,114)
Goods and services		(52,075,995)	(53,767,202)
Bank charges		(23,652)	(24,130)
Rent paid		(8,901,994)	(8,738,157)
Total Payments		(115,689,128)	(104,245,603)
Net cash flows from operating activities	23	653,144	3,936,131
Cash flows from investing activities			
Purchase of property, plant equipment and intangible assets		(2,372,199)	(3,617,111)
Proceeds from sale of property, plant and Equipment			
Net cash flows used in investing activities		(2,372,199)	(3,617,111)
Net increase/(decrease) in cash and cash equivalents		(1,719,055)	319,020
Cash and cash equivalents at 1 JULY 2018		2,248,164	1,929,144
Cash and cash equivalents at 30 JUNE 2019		529,109	2,248,164

**STATEMENT OF COMPARISON OF BUDGET AND ACTUAL AMOUNTS
FOR THE YEAR ENDED 30 JUNE 2019**

	2018-19	2018-19	2018-19	2018-19	2018-19	Note
	Original Budget	Adjustment	Final Budget	Actual on comparable basis	Performance difference	
REVENUE	Kshs	Kshs	Kshs	Kshs		
Govt Grant: Recurrent	59,325,000	(1,186,500)	58,138,500	58,138,500	-	
Sub Total	59,325,000	(1,186,500)	58,138,500	58,138,500	-	
A.I.A:					-	
Sale of Publications	500,000	-	500,000	541,750	41,750	
Customized Publishing	5,387,932	8,720,000	14,107,932	13,511,265	(596,667)	
MYGOV	40,320,000	28,800,000	69,120,000	69,120,000	-	
Sub Total	46,207,932	37,520,000	83,727,932	83,173,015	(554,917)	
TOTAL REVENUE	105,532,932	36,333,500	141,866,432	141,311,515	(554,917)	
EXPENDITURE						
Payroll:						
Basic salary	27,217,752	-	27,217,752	25,345,052	1,872,700	
House Allowance	11,748,000	-	11,748,000	10,793,283	954,717	
Commuter Allowance	4,512,000	-	4,512,000	4,036,692	475,308	
Extraneous & Other Allowances	1,284,000	-	1,284,000	721,273	562,727	
Airtime Allowance	2,592,000	-	2,592,000	2,350,845	241,155	
Leave Allowance	350,000	-	350,000	2,319,909	(1,969,909)	
Temporary Contract	924,000	-	924,000	3,191,129	(2,267,129)	
Sub Total (Payroll)	48,627,752	-	48,627,752	48,758,183	(130,431)	
Attachés/Interns	132,000	50,000	182,000	165,000	17,000	
NSSF, Pension & Gratuity	4,699,339	1,454,237	6,153,576	5,764,304	389,272	
Sub Total	4,831,339	1,504,237	6,335,576	5,929,304	406,272	
Total Personnel E.	53,459,091	1,504,237	54,963,328	54,687,487	275,841	

Annual Reports and Financial Statements
For the year ended June 30, 2019

	Original Budget	Adjustment	Final Budget	Actual on comparable basis	Performance difference	Note
EXPENDITURE	Kshs	Kshs	Kshs	Kshs		
Board of Directors					-	
Sitting Allowance	3,370,000	(1,030,000)	2,340,000	2,520,000	(180,000)	
Travel and Subs Allowances	2,692,600	(1,517,560)	1,175,040	2,013,691	(838,651)	
Honoraria & Airtime	1,044,000	-	1,044,000	1,044,000	-	
Total Board of Directors	7,106,600	(2,547,560)	4,559,040	5,577,691	(1,018,651)	(a)
Publishing & Printing					-	
Research & Consultancies	1,306,000	3,354,400	4,660,400	4,660,400	-	
Editing	800,000	1,584,500	2,384,500	4,464,941	(2,080,441)	
Design and Indexing	550,000	(267,500)	282,500	369,759	(87,259)	
Dissemination and Printing	2,000,000	12,822,575	14,822,575	19,416,402	(4,593,827)	
MyGov/Customized Publishing	12,283,178	1,791,234	14,074,412	14,074,412	-	
Total Pub & Printing	16,939,178	19,285,209	36,224,387	42,985,914	(6,721,554)	(b)
Travelling & Subsistence					-	
Domestic: Transport	1,098,876	(344,048)	754,828	694,128	60,700	
Accommodation	1,500,000	4,165,200	5,665,200	5,843,700	(178,500)	
External: Transport	-	-	-	-	-	
Accommodation	-	-	-	-	-	
Total	2,598,876	3,821,152	6,420,028	6,537,828	(117,800)	
Utilities & Communication:					-	
Postage and Telephone	250,000	27,752	277,752	236,261	41,491	
Newspapers & Publications	80,000	(18,660)	61,340	60,960	380	
Advertising Expenses	250,000	(250,000)			-	
Total	580,000	(240,908)	399,092	297,221	41,111	
Hospitality:					-	
CEO'S Office	720,000	(72,980)	647,020	648,832	(1,812)	
Other Offices	480,000	78,180	558,180	530,724	27,456	
Total Hospitality	1,260,000	(54,800)	1,205,200	1,179,556	25,644	

Kenya Yearbook Editorial Board
Annual Reports and Financial Statements
For the year ended June 30, 2019

	Original Budget	Adjustment	Final Budget	Actual on comparable basis	Performance difference	Note
EXPENDITURE	Kshs	Kshs	Kshs	Kshs		
Accommodation and Services:					-	
Office Rent	9,437,320	(510,906)	8,926,414	8,901,994	24,420	
Office Cleaning	504,000	(13,965)	490,035	490,032	3	
Total	9,941,320	(524,871)	9,416,449	9,392,026	24,423	
Operations and Maintenance:					-	
Motor V. Repairs & Service	345,000	(21,432)	323,568	345,968	(22,400)	
Insurance all Assets	350,000	(159,780)	190,220	190,220	-	
Fuel and Lubricants	400,000	137,779	537,779	482,175	55,604	
Computers	200,000	(145,550)	54,450	61,550	(7,100)	
Furn& Equip	350,000	(294,900)	55,100	82,600	(27,500)	
Total	1,645,000	(483,883)	1,161,117	1,162,513	(1,396)	
Marketing and Sales:					-	
Complementary	450,000	2,738,314	3,188,314	3,575,110	(386,796)	
Shows and Exhibitions	550,000	600,500	1,150,500	1,144,300	6,200	
Distribution Expenses	50,000	(44,670)	5,330	5,330	-	
Total Marketing and Sales	1,050,000	3,294,144	4,344,144	4,724,740	(380,596)	
General Office Supplies	800,000	(122,694)	677,306	650,406	26,900	
Professional Services;					-	
External Auditor	450,000	-	450,000	450,000	-	
Training/Subscriptions	1,500,000	874,108	2,374,108	2,510,908	(82,800)	
Performance Contracting	850,000	369,180	1,219,180	2,053,630	(1,465,000)	
Staff Medical Insurance	5,627,867	(778,787)	4,849,080	5,315,726	(166,646)	
Consultancy services	550,000	(550,000)	-	-	-	
Total Professional Services	8,977,867	(85,499)	8,892,368	10,330,264	(1,714,446)	(c)

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	Original Budget	Adjustment	Final Budget	Actual on comparable basis	Performance difference	Note
EXPENDITURE	Kshs	Kshs	Kshs	Kshs		
Sundry Expenses:					-	
Bank Charges	100,000	(80,000)	20,000	23,652	(1,797)	
Staff Welfare & Contributions	200,000	600,000	800,000	802,530	(2,530)	
Emergency and Rehabilitation	100,000	(100,000)	-	-	-	
Total Sundry Expenses	400,000	420,000	820,000	826,182	(4,327)	
TOTAL RECURRENT	104,757,932	24,264,527	129,022,459	138,351,828	(9,687,046)	
DEVELOPMENT					-	
Furniture and Fittings	325,000	(181,000)	144,000	144,000	-	
ICT (Infrastructure & computers)	200,000	1,080,000	1,280,000	1,308,199	(28,199)	
Equipments	250,000	670,000	920,000	920,000	-	
Motor Vehicle	-	10,500,000	10,500,000	-	(30,000)	
Total Development	775,000	12,069,000	12,844,000	2,372,199	(58,199)	
Total Rec & Dev	105,532,932	36,333,527	141,866,432	140,724,027	(9,745,245)	

Notes:

a. Board of directors

This category was over utilised due to the strategic plan formulation and verification which was done during the financial year. Also increase in Board activities experienced during the year which were necessary for the organization operations.

b. Publishing and printing

The expenses on publishing and printing witnessed an over expenditure due to printing of women publications which was launched during the financial year and also editing of ongoing the publications.

c. Professional services

Expenses under this budget line experienced an over expenditure due to the process of formulation and verification of the strategic plan which was carried out during the financial year under review.

NB: During the financial year under review revenue was adjusted upwards, this was due to the extension of MYGOV contracts which had expired.

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 486. 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 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 judgment 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. Early adoption of standards

The entity did not early – adopt any new or amended standards in year 2019.

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 recognized 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 Board and can be measured reliably.

Recurrent grants are recognized in the statement of comprehensive income. Development/capital grants are recognized 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.

NOTES TO THE FINANCIAL STATEMENTS (Continued)

4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

a) Revenue recognition (Continued)

ii) Revenue from exchange transactions

Rendering of services

The Board recognizes revenue from rendering of services by reference to the stage of completion when the outcome of the transaction can be estimated reliably. The stage of completion is measured by reference to labour hours incurred to date as a percentage of total estimated labour hours.

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

Sale of goods

Revenue from the sale of goods is recognized 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 entity.

b) Budget information

The original budget for FY 2018-2019 was approved by the National Assembly on 29th June, 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 85,300,000 on the 2018-2019 budgets 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.

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

NOTES TO THE FINANCIAL STATEMENTS (Continued)

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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 Entity operates and generates taxable income.

Current income tax relating to items recognized directly in net assets is recognized 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 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.

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 entity recognizes such parts as individual assets with specific useful lives and depreciates them accordingly. Likewise, when a major inspection is performed, its cost is recognized 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 recognized 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. The annual depreciation rates are as follows:

Computers and software.....	30%
Motor Vehicles.....	25%
Furniture.....	12.5%
Partitioning	12.5%

e) Financial instruments

Financial assets

Initial recognition and measurement

Financial assets within the scope of IPSAS 29 Financial Instruments: Recognition and Measurement are classified as financial assets at fair value through surplus or deficit, loans and receivables, held-to-maturity investments or available-for-sale financial assets, as appropriate. The Board determines the classification of its financial assets at initial recognition.

Receivables

Receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. After initial measurement, such financial assets are subsequently measured at amortized cost using the effective interest method, less impairment. Amortized cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the effective interest rate. Losses arising from impairment are recognized in the surplus or deficit.

The receivables from MyGov revenue have been included in the financial statements at the invoiced amount, which is according to the accrual basis of accounting. However, upon settlement the amount will be separated into net income and the 16% VAT payable that is following the cash basis of accounting because of the delays by the parent Ministry in the payments and the resultant penalties that would accrue.

NOTES TO THE FINANCIAL STATEMENTS (Continued)

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Impairment of financial assets

The Board assesses at each reporting date whether there is objective evidence that a financial asset or an entity of financial assets is impaired. A financial asset or a entity of financial assets is deemed to be impaired if, and only if, there is objective evidence of impairment as a result of one or more events that has occurred after the initial recognition of the asset (an incurred 'loss event') and that loss event has an impact on the estimated future cash flows of the financial asset or the entity of financial assets that can be reliably estimated. Evidence of impairment may include the following indicators:

- The debtors or a entity of debtors are experiencing significant financial difficulty
- Default or delinquency in interest or principal payments
- The probability that debtors will enter bankruptcy or other financial reorganization
- Observable data indicates a measurable decrease in estimated future cash flows (e.g. changes in arrears or economic conditions that correlate with defaults)

Financial liabilities

Initial recognition and measurement

Financial liabilities within the scope of IPSAS 29 are classified as financial liabilities at fair value through surplus or deficit or loans and borrowings, as appropriate. The Board determines the classification of its financial liabilities at initial recognition.

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 labour 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 realizable 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 realizable 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 recognized as an expense when deployed for utilization or consumption in the ordinary course of operations of the Board.

NOTES TO THE FINANCIAL STATEMENTS (Continued)

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

g) Provisions

Provisions are recognized 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 recognized 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.

h) *Contingent liabilities*

The Board does not recognize 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 recognize 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. Contingent assets are assessed continually to ensure that developments are appropriately reflected in 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 recognized 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, in our case the Board maintains a gratuity and pension reserve to settle accrued gratuity and pension when due.

k) Changes in accounting policies and estimates

The Board recognizes 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.

NOTES TO THE FINANCIAL STATEMENTS (Continued)

4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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.

The contributions to fund obligations for the payment of retirement benefits are charged against income in the year in which they become payable.

The Board also contributes to the statutory National Social Security Fund (NSSF). This is a defined contribution scheme registered under National Social Security Act.

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. Bank account balances include amounts held at the Kenya Commercial Bank 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, 2019.

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.

Concerning the risk management, the Board is not envisaged to be facing any significant risk of causing a material adjustment to the carrying amounts of its assets and liability within the next financial year.

NOTES TO THE FINANCIAL STATEMENTS (Continued)

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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 Entity
- 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

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.

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NOTES TO THE FINANCIAL STATEMENTS (Continued)

6. REVENUE

a) TRANSFERS FROM OTHER GOVERNMENTS

Description	2018-2019	2017-2018
	KShs	KShs
Unconditional grants		
Operational grant	58,138,500	59,325,000
Total government grants and subsidies	58,138,500	59,325,000

b) Other Income

Description	2018-2019	2017-2018
	Kshs	Kshs
Sale of publications	541,750	78,560
MyGov revenue	69,120,000	69,120,000
Customised publications	13,511,265	17,057,300
Others	-	41,667
Total revenue from the sale of goods	83,173,015	86,297,527

7. USE OF GOODS AND SERVICES

Description	2018-2019	2017-2018
	KShs	KShs
Cleaning	490,032	512,923
Newspapers & Subscriptions	60,960	60,720
Total good and services	550,992	573,643

8. EMPLOYEE COSTS

	2018-2019	2017-2018
	KShs	KShs
Salaries and wages	48,758,186	36,873,138
Employee related costs-contributions to pensions and Gratuity	5,764,304	4,677,976
Travel, motorcar, accommodation, subsistence and other allowances	6,537,828	2,197,400
Staff welfare and contributions	802,530	20,000
Attach'es/Interns	165,000	165,000
Total Employee costs	62,027,848	43,933,514

NOTES TO THE FINANCIAL STATEMENTS
(Continued)

9. REMUNERATION OF DIRECTORS

Description	2018-2019	2017-2018
	KShs	KShs
Chairman's Honoraria	1,044,000	1,044,000
Directors emoluments/sitting allowances	2,520,000	4,520,000
Other allowances	2,013,691	4,649,656
Total director emoluments	5,577,691	10,213,656

10. DEPRECIATION AND AMORTIZATION EXPENSE

Description	2018-2019	2017-2018
	KShs	KShs
Property, plant and equipment	2,207,883	2,218,447
Total depreciation and amortization	2,207,883	2,218,447

11. REPAIRS AND MAINTENANCE

Description	2018-2019	2017-2018
	KShs	KShs
Property	-	-
Equipment, Furniture and fittings	82,600	212,578
Vehicles	345,968	133,440
Computers and accessories	61,550	486,250
Total repairs and maintenance	490,118	832,268

12. CORE MANDATE COSTS (PUBLISHING & PRINTING)

Description	2018-2019	2017-2018
	KShs	KShs
Writing, Editing, Design & Layout	9,495,100	14,563,613
Yearbooks printing	19,416,402	7,510,139
Customised Publications costs	14,142,220	40,129,950
Shows & Exhibitions	1,040,300	394,100
Distribution & Complimentary	3,236,420	1,272,004
Total core mandate costs	47,330,442	63,869,806

NOTES TO THE FINANCIAL STATEMENTS
(Continued)

13. GENERAL EXPENSES

Description	2018-2019	2017-2018
	KShs	KShs
Audit fees	450,000	450,000
Consulting fees	578,550	895,200
Office supplies & Stationeries	650,406	834,863
Fuel and oil	482,175	399,542
Insurance	5,556,159	5,143,541
Legal expenses	-	-
Postage, telephone & Internet	236,261	270,946
Bank charges	23,652	24,130
Rental	8,901,994	8,738,157
Hospitality services	1,179,556	1,005,656
Strategic planning & PC costs	2,053,630	2,947,300
Training & Professional Subscription	2,510,908	307,225
Total general expenses	22,623,291	21,016,560

14. CASH AND CASH EQUIVALENTS

Description	2018-2019	2017-2018
	KShs	KShs
Current account	432,213	117,136
Savings account(Staff gratuity)	25,496	2,084,578
Petty cash	71,400	46,450
Total cash and cash equivalents	529,109	2,248,164

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

Financial institution	Account number	2018-2019	2017-2018
		KShs	KShs
a) Current account			
Kenya Commercial bank	1112214119	432,213	117,136
Sub- total		432,213	117,136
b) Savings account			
Kenya Commercial bank	1198589167	25,496	2,084,578
Sub- total		25,496	2,084,578
c) Petty Cash	Standing imprest	71,400	46,450
Sub- total		71,400	46,450
Grand Total		529,109	2,248,164

NOTES TO THE FINANCIAL STATEMENTS CONTINUED

15. RECEIVABLES FROM EXCHANGE TRANSACTIONS

Description	2018-2019	2017-2018
	Kshs	KShs
Current receivables		
Government Ministries & Department	94,806,846	78,257,082
Less Provision for doubtful debts	(17,836,457)	0
Bookshop	970,282	900,082
Total current receivables	77,940,671	79,157,164

16. RECEIVABLES FROM NON-EXCHANGE CONTRACTS

Description	2018-2019	
		Kshs
Insurance prepaid	1,174,849	1,256,146
Domain maintenance prepaid	5,417	7,417
Rent deposit	1,127,636	1,127,636
Parking deposit	-	31,034
Fuel deposit	150,000	150,000
Staff debtors	306,760	176,550
Imprest	-	100,000
Receivables from Government	350,350	350,350
Total non-current receivables	3,115,009	3,199,133

17. INVENTORIES

Description	2018-2019	2017-2018
	KShs	KShs
Kenya yearbook	2,626,000	3,650,000
CD Copies	982,000	984,000
Other publications	3,379,180	816,900
Total inventories	6,987,180	5,450,900

Kenya Yearbook Editorial Board
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NOTES TO THE FINANCIAL STATEMENTS (Continued)

18. PROPERTY, PLANT AND EQUIPMENT

	Motor Vehicle	Furniture	Computers & Accessories	Partitioning	Total
Cost:	Kshs	Kshs	Kshs	Kshs	Kshs
Balance as at 1/07/2017	6,028,405.00	4,599,364.00	14,463,306.00	8,821,672.00	33,912,747.00
Addition 2017/18		534,009.00	3,083,102.00		3,671,111.00
Disposal					
As at 30/6/2018	6,028,405.00	5,133,373.00	17,546,408.00	8,821,672.00	33,912,747.00
Depreciation:					
Balance as at 1/07/2017	5,150,005.56	2,817,378.05	13,141,306.58	5,719,130.58	26,827,820.77
Charge for the year 2017/18	219,599.86	289,499.37	1,321,530.43	387,817.68	2,218,447.33
Disposal					
As at 30/6/2018	5,369,605.42	3,106,877.42	14,462,837.01	6,106,948.26	29,046,268.10
Net Book Value:					
As at 30/6/2018	658,799.58	2,026,495.58	3,083,570.99	2,714,723.74	8,483,589.90
Cost:					
Balance as at 1/07/2018	6,028,405.00	5,133,373.00	17,546,408.00	8,821,672.00	37,529,858.00
Addition 2018/19		1,064,000.00	1,308,199.00		2,372,199.00
Disposal					
As at 30/6/2019	6,028,405.00	6,197,373.00	18,854,607.00	8,821,672.00	39,902,057.00
Depreciation:					
Balance as at 1/07/2018	5,369,605.42	3,106,877.42	14,462,837.01	6,106,948.26	29,046,268.10
Charge for the year 2018/19	164,699.89	386,311.95	1,317,531.00	339,340.47	2,207,883.31
Disposal					-
As at 30/6/2019	5,534,305.32	3,493,189.36	15,780,368.00	6,446,288.72	31,254,151.41
Net Book Value:					
As at 30/6/2019	494,099.68	2,704,183.64	3,074,239.00	2,375,383.28	8,647,905.59

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NOTES TO THE FINANCIAL STATEMENTS (Continued)

19. TRADE AND OTHER PAYABLES FROM EXCHANGE TRANSACTIONS

Description	2018-2019	2017-2018
	KShs	KShs
Trade payables	34,178,034	24,853,777
Total trade and other payables	34,178,034	24,853,777

20. CURRENT PROVISIONS

Description	Leave	Taxes	Payroll	Pension	Gratuity	Other Provisions	Total
	KSHS	KSHS	KSHS	KSHS	KSHS	KSHS	KSHS
Balance at the Beginning	1,067,890	1,451,980	1,364,400	460,867	2,790,000	25,089,267	32,224,404
Additional provision	547,338	4,958,832	1,446,764	187,497	-	13,920,000	21,060,431
Provision utilized	-	(1,451,980)	(1,226,055)	-	-	(15,044,287)	(17,722,322)
Overprovision/ Under provision	-	-	(138,345)	-	-	-	(138,345)
Transferred from non-current	-	-	-	-	1,704,600	-	1,704,600
TOTAL	1,615,228	4,958,832	1,446,764	648,364	4,494,600	23,964,980	37,128,768

21. NON-CURRENT PROVISIONS

Description	Gratuity
	KSHS
Balance at the Beginning	2,482,196
Additional provision	3,417,233
Provision utilized	-
Transferred to current	(1,704,600)
TOTAL	4,194,829

22. 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

NOTES TO THE FINANCIAL STATEMENTS (Continued)

23. CASH GENERATED FROM OPERATIONS

Cash flows from operating activities		
(Deficit)/Surplus for the year	621,270	2,964,634
Adjustments:		
Depreciation	2,207,883	2,218,447
operating cash flows before working capital changes	2,829,153	5,183,081
Increase/Decrease in payables	9,266,210	3,771,322
Increase/(Decrease) in provisions	12,413,153	(44,038,035)
Increase in receivables	(22,268,880)	37,772,083
decrease/(increase) in inventories	(1,536,280)	1,247,680
Total working capital changes	(2,125,797)	(1,246,950)
Cash generated from operating activities	653,144	3,936,131

24. FINANCIAL RISK MANAGEMENT

The Board's activities expose it to a variety of financial risks including credit, liquidity risks and operational risks. 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'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, taking into account 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 entity's maximum exposure to credit risk without taking account of the value of any collateral obtained is made up as follows:

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NOTES TO THE FINANCIAL STATEMENTS (Continued)

	Total amount Kshs	Fully performing Kshs	Past due Kshs
At 30 June 2019			
Receivables from exchange transactions	95,665,128	95,665,128	95,665,128
Receivables from non exchange transactions	3,115,009	3,115,009	3,115,009
Bank balances	399,662	399,662	399,662
Total	99,179,799	99,179,799	99,179,799
At 30 June 2018			
Receivables from exchange transactions	79,157,164	79,157,164	79,157,164
Receivables from non exchange transactions	3,199,133	3,199,133	3,199,133
Bank balances	2,201,714	2,201,714	2,201,714
Total	84,558,011	84,558,011	84,558,011

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 Parent Ministry.

The board of directors sets the Board'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 assist it in assessing the risk faced by the Board on an ongoing basis, evaluate and test the design and effectiveness of its internal accounting and operational controls.

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.

NOTES TO THE FINANCIAL STATEMENTS (Continued)

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 the Board'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:

	2018-2019	2017-2018
	Kshs	Kshs
Initial investment from the Parent Ministry	10,945,746	10,945,746
Total funds	10,945,746	10,945,746

25. RELATED PARTY BALANCES

Nature of related party relationships

The Board members 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:

- i) The National Government;
- ii) The Parent Ministry;
- iii) Board of Director
- iv) Key management;

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NOTES TO THE FINANCIAL STATEMENTS (Continued)

	2018-2019	2017-2018
	Kshs	Kshs
Transactions with related parties		
a) Sales to related parties		
Sales of services	94,806,846	78,257,082
Total	94,806,846	78,257,082
b) Grants from the Government		
Transfer from Parent Ministry	58,138,500	59,325,000
Total	58,138,500	59,325,000
This amount excludes Kshs 45,300,000 allocated to KYEB in supplementary II but was not received by the end of the financial year 2018/19.		
c) Due to related party		
Payments to GAA	450,646	450,646
Total	450,646	450,646
d) Key Management Compensation		
Directors' emoluments	5,577,691	10,213,656
Compensation to the CEO	4,800,000	4,800,000
Compensation to key management	8,547,232	4,806,000
Total	18,924,923	19,819,656

26. CONTINGENT LIABILITIES

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

27. EVENTS AFTER THE REPORTING PERIOD

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

28. 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.

29. Currency

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

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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)

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.


C.E.O

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Chairman of the Board


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Date.....13.02.2020.....

