

REPUBLIC OF KENYA



OFFICE OF THE AUDITOR-GENERAL



THE NATIONAL ASSEMBLY PAPERS LAID	
DATE: 18 JULY 2019	DAY: Thursday
TABLED BY:	OF Majority Whip
CLERK-AT-THE-TABLE:	Wetunde Chebet

PARLIAMENT OF KENYA LIBRARY

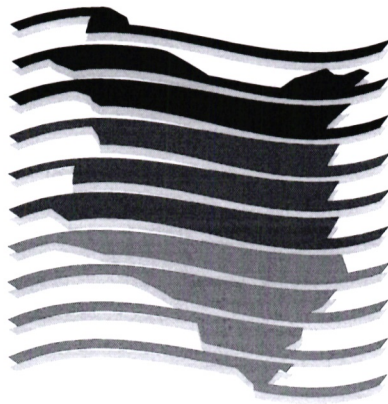
THE AUDITOR-GENERAL

ON

THE FINANCIAL STATEMENTS OF
KENYA YEARBOOK EDITORIAL
BOARD

FOR THE YEAR
ENDED 30 JUNE 2018





KENYA YEARBOOK EDITORIAL BOARD

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED

JUNE 30, 2018

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

**Kenya Yearbook Editorial Board
Reports and Financial Statements
For the year ended June 30, 2018**

Table of Content	Page
I THE BOARD OF DIRECTORS.....	4
II CHAIRMAN'S STATEMENT	9
III REPORT OF THE CHIEF EXECUTIVE OFFICER	10
IV CORPORATE GOVERNANCE STATEMENT.....	11
V MANAGEMENT DISCUSSION AND ANALYSIS.....	15
VI CORPORATE SOCIAL RESPONSIBILITY STATEMENT/SUSTAINABILITY REPORTING.....	17
VII REPORT OF THE DIRECTOR.....	18
VIII REPORT OF THE INDEPENDENT AUDITORS.....	20
IX STATEMENT OF FINANCIAL PERFORMANCE	22
X STATEMENT OF FINANCIAL POSITION	23
XI STATEMENT OF CHANGES IN NET ASSETS.....	24
XII STATEMENT OF CASH FLOWS.....	25
XIII STATEMENT OF COMPARISON OF BUDGET AND ACTUAL AMOUNTS	26
XIV NOTES TO THE FINANCIAL STATEMENTS	30
XV PROGRESS ON FOLLOW UP OF AUDITOR RECOMMENDATIONS.....	47
XVI Appendix 2: INTER-ENTITY TRANSFERS.....	48

KEY INFORMATION AND MANAGEMENT

(a) Background information

The Kenya Yearbook Editorial Board (KYEB) was established 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 the State Corporations Act, Cap 446 Laws of Kenya.

(b) Principal Activities

KYEB's objectives and principal activities are to:-

1. Research and publish the most comprehensive Yearbook in Africa;
2. Benchmark the Kenya yearbook with the best yearbooks in the world.
3. Convey in the yearbook the immense resources possessed by Kenya and the potential still to be tapped;
4. Publish special publications highlighting Kenya's historical experience such as 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

(c) Key Management Organs

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 2018 and who had direct fiduciary responsibility were:

No.	Designation	Name	Period
1.	Chief Executive Officer	Edward Mwasi	1.7.2017 to 30.6.2018
2.	Finance & Admin Manager	Marie Goretti Wanyonyi	1.7.2017 to 4.12.2017
3.	Ag. Finance Manager	Susan Naitore	4.1.2018 to 30.6.2018
4.	Editorial Manager	WainainahKiganya	1.7.2017 to 30.6.2018

(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

(f) Board Headquarters

P.O. Box 34035-000100
NHIF Building 4th Floor
Ragati Road
Nairobi, KENYA

(g) Board Contacts

Telephone: (254) 2715390
E-mail: info@kenyayearbook.go.ke
Website: www.kenyayearbook.go.ke

(h) Board Banker

Kenya Commercial Bank
Capital Hill Branch
P.O Box 30012 – 00100
NAIROBI
Account No: **1112214119**
: **1198589167**




(i) Independent Auditors

Auditor -General
Anniversary Towers, University Way
P.O. Box 30084
GPO 00100
Nairobi, Kenya




(j) Principal Legal Adviser

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




I. THE BOARD OF DIRECTORS

Passport –Size Photo & Name	Designation	Key Profession/Academic Qualification	Date of Birth, Key Qualification and work experience
 <p>Eng. Sammy Tangu</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. Tangu 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. Browne Kutswa</p>	<p>Ministry of Information, Communications & Technology</p> <p>Director & Chair of Strategy and Publication committee KYEB</p>	<p>M.A., Development Studies, Institute of Social Studies (ISS), Netherlands, Post Graduate Diploma, Mass Communications, University of Nairobi, B.A., Government and Literature, University of Nairobi, Strategic Leadership Development Programme, KIA Government Protocol, Kenya School of Law Induction Course for Administrative Officers, APTC Embakasi,</p>	<p>Mr. Brown is the Communication's Director, Ministry of Devolution and Planning. Deputy Director of Public Communications & Head of the Vice President's Press Service, 2009 – 2013 Principal Information Officer & Head of Vice President's Press Service, 2005 -2008 Chief Information Officer, Presidential Press Service, 2002 -2005 Senior Information Officer, Presidential Press Service, 1997 – 2002 Assistant Secretary, Office of the Attorney General, 1991 Reporter, The Standard Newspaper 1990 -1991</p>



**Kenya Yearbook Editorial Board
Reports and Financial Statements
For the year ended June 30, 2018**

 <p>M/s Caroline Nkirote</p>	<p>Independent Director & Chair of HR Committee KYEB</p>	<p>Nkirote holds Masters in Arts, (Corporate Communication and Bachelor of Arts (Degree in Public Relations and Minor in Marketing) from Daystar university</p>	<p>Caroline Nkirote is current the Director, Kenya Yearbook Editorial Board. She works for KEPSA as Communications & Media Relations Officer. Has worked for Red Dot Communication Solutions as Marketing Assistant.</p>
 <p>Mr. Wilson Kipkazi</p>	<p>Independent Director & Chair of Audit Committee KYEB</p>	<p>Kipkazi holds a BA (Hons) degree in Community Development and Resource Mobilization</p>	<p>Kipkazi is the Director, Kenya Yearbook Editorial Board. He is currently the Chairman of National Council of NGOs Kenya. He has worked as Executive Secretary, Endorois Welfare Council.</p>
 <p>M/s Nemaisa Kiereini</p>	<p>Independent Director & Chair of Finance Committee 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 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>


**Kenya Yearbook Editorial Board
Reports and Financial Statements
For the year ended June 30, 2018**

 <p>Mr. Peter Mwaura Igogo</p>	<p>Ministry of Interior and Co-ordination of National Government Harambee House NAIROBI</p> <p>Director</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>Has over 30 years experience in the public service. 1985-2000: Served as district information officer in Kitui, Meru, Nyeri and Machakos counties. 2000: 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 is the Assistant Director, Public Communication Ministry of Education, Science and Technology, Kenya</p>
 <p>Mr. Stanslaus Apwokha</p>	<p>Ministry of East African Affairs, Commerce and Tourism, Utalii House NAIROBI</p> <p>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>

**Kenya Yearbook Editorial Board
Reports and Financial Statements
For the year ended June 30, 2018**

 <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). BSc (Chemistry, 2nd Class Honours, Upper Division), University of Nairobi, Kenya (1989).</p>	<p>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 gazette (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>
 <p>Mr. Richard Gakunya</p>	<p>The National Treasury, Director</p>	<p>Gakunya holds a Master degree in Economics (1991) from Odessa Institute of National Economy, Ukraine</p>	<p>He has previously worked in the Kenya National Audit Office as an Audit assistant (1983-1986). An Economist in the Ministry of Planning and National Development (1995-2000) and in the Ministry of Finance from 2001 to-date as a Principal Economist) in the Economic Affairs Department.</p>

II. MANAGEMENT TEAM

Passport –Size Photo & 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
 Ms Marie Goretti Wanyonyi	Finance and Administration Manager	CPA Ms Marie G. Wanyonyi holds a Masters degree in Public Administration (MPA) and a Bachelor of Commerce degree (Accounting Option) both from the University of Nairobi and CPA (K). She is a member of the Institute of Certified Public Accountants of Kenya (ICPAK).	In charge of Finance and Administration in the organisation. From 1st July 2017 to 4 th December, 2017.
 CPA Ms Susan Naitore	Ag. 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. From 4th January, 2018 to 30th June, 2018.
 Mr. Wainainah Kiganya	Editorial Manager	Continuing student of Masters of Arts degree in Media Management and social media, 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 of KYEB.

VI. 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

VII. REPORT OF THE CHIEF EXECUTIVE OFFICER

Dissemination of accurate information on the changing world is necessary to keep society better informed and, therefore, more empowered. It is through responsible publishing that people are able to make the best decisions about their lives, their communities, their societies, and their

While publishing may seem like a simple matter, it comes with many other responsibilities in obtaining the best and most accurate information, establishing the best presentation style, staying objective while collecting and presenting the information and defeating the temptation of profit-making at the expense of public service.

I'm therefore committed to promoting responsible publishing by illuminating the benefits of ethics and accountability. Consequently, offering multiple perspectives and judicious accounts of societal issues, including social, economic or political trends.

KYEB management commenced the Financial Year (FY) 2017/18 on a positive note, certainly assured of its continued existence as a standalone SAGA. Steered by the chair and board members, the Board resumed all its operations in pursuit of fulfilling its mandates.

As I present KYEB financial report for the year ended 30th June 2018, I wish to inform all stakeholders that since FY 2014/15 when the Board was earmarked for a merger with other related bodies, revenue allocation was reduced to the bare minimum to only cater for basic personnel emolument and mandatory pension costs. Consequently, the Board's financial performance over the period was greatly constrained and management opted to supplement the limited financial resources by carrying out customized publishing jobs for other Government agencies at mutually negotiated fees.

Future Outlook

KYEB is geared to partner with Ministries, Departments and other State Agencies and Counties to produce comprehensive sector specific and county profile publications to spur development. The institution's publications will feature development pillars, strategies and priorities harmonised with the national and county goals, financial programmes and achievements. We are optimistic that the publications will provide information that will attract investors to the counties and promote national as well as inter- and intra-county investments.

In conclusion, I present the financial report to all our stakeholders to review, internalize, utilize the information and make their contributions. I wish to thank all those who have worked with us and in particular, the Board of Directors and Management team for their invaluable contribution and cooperation during the year.


Edward Mwasi
Chief Executive Officer

VIII. CORPORATE GOVERNANCE STATEMENT

Introduction

Corporate governance is the process by which companies are directed and controlled. The concept of corporate governance has gained prominence and enshrined in codes of best practice developed by Organization for Economic Co-operation and Development (OECD), Commonwealth Association of Corporate Governance (CACG) and the Centre for Corporate Governance in Kenya. 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.

The Board was guided by the State Corporation Guidelines (Mwongozo) in discharging its mandate.

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;
- 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 twelve (11) members as listed below:

- i. Eng. Sammy Tangus-Chairman
- ii. Ms Caroline Nkirote
- iii. Mr Wilson Kipkasi
- iv. Ms Nemaïsa Kiereini
- v. Mr Mwaura Igogo
- vi. Mr Browne Kutswa
- vii. Mr Hezekiah Okeyo
- viii. Mr Stanislaus Apwokha
- ix. Mr Richard Gakunya
- x. Mr Kennedy Buhere
- xi. Mr. Edward Mwasi-CEO/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 Six (6) meetings over the period. The composition of the committee included:

- (i) Mr Wilson Kipkazi- Chairperson
- (ii) Ms Nemaïsa Kiereini
- (iii) Mr. Hezekiah Okeyo
- (iv) Mr.Stanslaus Apwokha

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 six (6) meetings over the period. The composition of the committee included:

- (i) Ms Caroline Nkirote-Chairperson
- (ii) Mr Richard Gakunya
- (iii) Mr Mwaura Igogo
- (iv) Mr Kennedy Buhere
- (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-Chairperson
- (ii) Mr Wilson kipkazi
- (iii) Mr Browne Kutswa
- (iv) Mr Caroline Nkirote

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 Nemaisa Kiereine-Chairperson
- (ii) Mr Richard Gakunya
- (iii) Mr Browne Kutswa
- (iv) Mr Kennedy Buhere

The number of meetings held by the Board and the committees during the period 1 July 2017 to 30 June 2018:

Board/Committees	No. of Meetings Held
Board	6
HR & Admin	6
Strategy & Publication	7
Finance	6
Audit	6

Summary Report of attendance in meetings

Names	Board		Committees								Total	
			HR & Admin		Strategy & P.		Finance		Audit			
	No. of Meetings		No. of Meetings		No. of Meetings		No. of Meetings		No. of Meetings		No. of Meetings	
	Held	Attended	Held	Attended	Held	Attended	Held	Attended	Held	Attended	Held	Attended
Eng. Sammy Tangus	6	6	-	-	-	-	-	-	-	-	6	6
Ms Caroline Nkirete	6	5	6	3	7	4	-	-	6	5	25	17
Mr Wilson Kipkasi	6	6	-	-	7	4	6	4	6	2	19	12
Ms Nemaisa Kiereini	6	6	6	3	-	-	6	6	-	-	12	9
Mr Mwaura Igogo	6	5	6	3	7	5	6	1	6	5	25	18
Mr Browne Kutswa	6	6	6	6	7	7	6	1	-	-	19	19
Mr Hezekiah Okeyo	6	4	-	-	7	2	6	3	6	1	19	7
Mr Stanslaus Apwokha	6	3	6	1	7	2	6	2	-	-	19	6
Mr Richard Gakunya	6	5	6	3	-	-	-	-	6	4	18	12
Mr Kennedy Buhere	6	3	6	2	7	2	6	1	6	4	25	11

The appointment and removal of directors is made by the President and Cabinet Secretaries as provided in the enabling **legal notice No.187/2007**. The KYEB Board Charter and Manual are still being developed. However during the period under review, the directors were guided by the State Corporation Guidelines (Mwongozo) in discharging their mandate whereby all the directors attended the Mwongozo induction and corporate governance training courses.

The Board Chairman is paid a taxable monthly honorarium and all the Directors receive taxable sitting allowances for meetings attended.

IX. MANAGEMENT DISCUSSION AND ANALYSIS

The Board's operational and financial performance

During the period the Board finalised production of the flagship publication for 2015/16 and continued with the production of the 2016/17 and also 2017/18 editions. Other completed sector specific publication included history of football in Kenya, *kickoff*. The other ongoing publications include the Moi Cabinets series and a sector specific publication on agriculture as the entity aligns itself with the attainment of the big 4.

Our publications are aimed to fulfil 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**

Our reputation improved during the period 2017/18, as we reported an operating surplus and 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 2017/18 pending bills as at 30th June 2018. 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.

X. CORPORATE SOCIAL RESPONSIBILITY STATEMENT/SUSTAINABILITY REPORTING

The objective of Corporate Social Responsibility is to put KYEB philosophy which comprises of mission, vision and values into action 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 looked 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 Corporate Social Responsibility commitments into the customer experience by offering high quality products and services. This has been achieved through our publications: Kenya Yearbook and Kick Off publication which provide our customers with memorable experience.

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.

Employee Journey

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.

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 have 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.

Community Initiatives

Kenya Yearbook Editorial Board strives to add economic and social value in the areas where we operate. The Board invested in internship of five (5) youth who gained skills on the job training, which improved their social value as they were still doing their studies.

The Board also donated storybooks to local public primary school libraries (i.e. Joseph Kangethe and Toi Primary Schools) to enhance the reading culture, and build their stock of books, and the National Libraries for the public.

Future Outlook

In conclusion, the Board social initiatives are aimed at building trust with key stakeholders, support our long-term talent and diversify our objectives, and expand our future market opportunities.

VI. REPORT OF THE DIRECTORS

The Directors submit their report together with the audited financial statements for the year ended June 30, 2018, 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, 2018 are set out on page 23

Directors

The members of the Board of Directors who served during the year are shown on page 4

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, 2018 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



Chief Executive Officer

Nairobi

Date...

VII. STATEMENT OF DIRECTORS' RESPONSIBILITIES

Section 81 of the Public Finance Management Act, 2012 and section 14 of the State Corporations Act, the Directors to prepare financial statements in respect of that Board, which give a true and fair view of the state of affairs of the Board at the end of the financial year/period and the operating results of the Board for that year/period. 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.

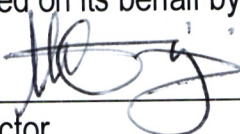
The Directors are responsible for the preparation and presentation of the Board's financial statements, which give a true and fair view of the state of affairs of the Board for and as at the end of the financial year (period) ended on June 30, 2018. This responsibility includes: (i) maintaining adequate 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 entity; (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, 2018, 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 26th sept 2018 and signed on its behalf by:



Director



Director

Director

REPUBLIC OF KENYA

Telephone: +254-20-342330
Fax: +254-20-311482
E-mail: oag@oagkenya.go.ke
Website: www.kenao.go.ke



P.O. Box 30084-00100
NAIROBI

OFFICE OF THE AUDITOR-GENERAL

REPORT OF THE AUDITOR-GENERAL ON KENYA YEARBOOK EDITORIAL BOARD FOR THE YEAR ENDED 30 JUNE 2018

REPORT ON THE FINANCIAL STATEMENTS

Opinion

I have audited the accompanying financial statements of set out on pages 22 to 48 which comprise the statement of financial position as at 30 June 2018, and the statement of financial Performance, statement of changes in equity, statement of cash flows and statement of comparison of budget and actual amount 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 Kenya Yearbook Editorial Board as at 30 June 2018 and of its financial performance and its cash flows for the year then ended, in accordance with International Public Sector Accounting Standards (Accrual Basis) and comply with Legal Notice No 187 of November 2007 and State Corporation Act, Cap 446 Laws of Kenya.

Basis for Opinion

The audit was conducted in accordance with International Standards of Supreme Audit Institutions (ISSAIs). I am independent of Kenya Yearbook Editorial Board in accordance with ISSAI 30 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 opinion.

Emphasis of Matter

1. Prior Year

Contingent Liabilities

As disclosed in note 32 to the financial statements, three officers of the Kenya Yearbook Editorial Board were interdicted and subsequently terminated from employment on 11 August 2016. One of the employees has since filed a case in Court

Report of the Auditor-General on the Financial Statements of Kenya Yearbook Editorial Board for the year ended 30 June 2018

claiming compensation for wrongful dismissal. As reported in the previous year, the matter is still pending in court and its outcome in the opinion of the Board has no significant liability. If the case is ruled in favor of the employee, the Board is likely to suffer financially in the near future.

Key Audit Matters

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

REPORT ON LAWFULNESS AND EFFECTIVENESS IN USE OF PUBLIC RESOURCES

Conclusion

As required by Article 229(6) of the Constitution, based on the audit procedures performed, 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.

REPORT ON INTERNAL CONTROLS EFFECTIVENESS, GOVERNANCE AND RISK MANAGEMENT SYSTEMS

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 governance were not effective.

Responsibilities of Management and Those Charged with Governance

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 governance.

In preparing the financial statements, management is responsible for assessing the ability to continue as a going concern/ sustain services, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the management either intends to liquidate the Board or to cease operations, or have no realistic alternative but to do so.

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.

Those charged with governance are responsible for overseeing the financial reporting process, reviewing the effectiveness of how the entity 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 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 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 noncompliance. Also, projections of any evaluation of

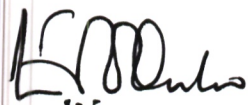
effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies and procedures may deteriorate.

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 going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability to continue as a going concern or 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 Kenya Yearbook Editorial Board to cease to continue as a going concern or 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 Kenya Yearbook Editorial 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.



FCPA Edward R. O. Ouko, CBS
AUDITOR-GENERAL

Nairobi

10 July 2019

**VI. STATEMENT OF FINANCIAL PERFORMANCE
FOR THE YEAR ENDED 30 JUNE 2018**


	Note	2017-18	2016-17
		Khs	Khs
Revenue from non-exchange transactions			
Recurrent Grants	5(a)	59,325,000	49,150,000
Total Revenue from non-exchange transactions		59,325,000	49,150,000
Revenue from exchange transactions			
Other Income	6	86,297,527	74,913,003
Total Revenue from exchange transactions		86,297,527	74,913,003
Total revenue		145,622,527	124,063,003
Expenses			
Employee costs	7	41,716,114	33,319,873
Board Expenses	8	10,213,656	8,984,130
Depreciation and amortization	9&23	2,218,447	1,558,022
Repairs and maintenance	10	832,268	405,882
Administrative Expense	11	9,593,390	7,189,041
Advertising & Complimentary	12	1,272,004	808,926
Shows & Exhibitions	13	394,100	411,349
Bank charges	14	24,130	19,936
Travel & Accommodation	15	2,197,400	1,334,180
Publishing and printing	16	62,203,702	30,398,826
Training and Capacity Building	17	3,254,525	1,226,189
Rental costs	18	8,738,157	8,128,716
Total Expenses		142,657,893	93,785,069
Surplus for the period		2,964,634	30,277,934

**Kenya Yearbook Editorial Board
Reports and Financial Statements
For the year ended June 30, 2018**


**VI. STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2018**

	Note	2017-18	2016-17
		Kshs	Kshs
Assets			
Current assets			
Cash and cash equivalents	19	2,248,164	1,929,143
Receivables from exchange transactions	20	82,356,297	44,584,214
Inventories	21	5,450,900	6,698,580
Total Current assets		90,055,361	53,211,937
Non-current assets			
Property, plant and equipment	23	8,483,590	7,090,959
Total Non-current assets		8,483,590	7,090,959
Total assets		98,538,951	60,302,896
Liabilities			
Current liabilities			
Trade and other payables from exchange transactions	22	24,853,777	28,741,232
Provisions	24(a)	49,993,053	12,864,505
Total Current liabilities		74,846,830	41,605,737
Non-current liabilities			
Non-current provisions	24(b)	2,477,128	446,800
Total Non-current liabilities		2,477,128	446,800
Total liabilities		77,383,958	42,052,537
Total Net Assets		21,214,993	18,250,359
Capital Fund	28	10,945,746	10,945,746
Accumulated Surplus/deficit	26	10,269,247	7,304,613
Total net assets and liabilities		21,214,993	18,250,359

The Financial Statements set out on pages 22 to 32 were signed on behalf of the Board of Directors by:


C.E.O
Edward Mwasi


Ag. Finance Manager
Susan Naitore
ICPAK Member Number: 19986


Chairman of the Board
Eng Sammy Tangus

Date.....17/7/2019.....

Date17/7/2019.....

Date.....17/7/2019.....

**VI. STATEMENT OF CHANGES IN NET ASSETS
 FOR THE YEAR ENDED 30 JUNE 2018**

	Capital Fund	Accumulated Surplus	Total
	Kshs	Kshs	Kshs
Balance as at 30.06.2016	10,945,746	(22,973,321)	(12,027,575)
Surplus for the period	-	30,277,934	30,277,934
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

**Kenya Yearbook Editorial Board
Reports and Financial Statements
For the year ended June 30, 2018**

**VI. STATEMENT OF CASH FLOWS
AS AT 30 JUNE 2018**

	Note	2017-18	2016-17
		Kshs	Kshs
Net cash flows from operating activities	25	3,936,131	1,253,521
INVESTING ACTIVITIES			
Cash flows from investing activities			
Purchase of property, plant and Equipment		3,617,111	3,031,131
Proceeds from sale of property, plant and Equipment			
Net increase/(decrease) in cash and cash equivalents		319,020	260,953
Cash and cash equivalents at 30.06.2017	17	1,929,144	3,498,560
Cash and cash equivalents at 30.06.2018	17	2,248,164	1,929,144

**Kenya Yearbook Editorial Board
Reports and Financial Statements
For the year ended June 30, 2018**

**XVI STATEMENT OF COMPARISON OF BUDGET AND ACTUAL AMOUNTS
FOR THE PERIOD ENDED 30 JUNE 2018**

Description / Period	2017/18	2017/18	2017/18	2017/18	Performance difference	material explanation
	Original Budget	Adjustment	Final Budget	Actual on comparable basis		
	Kshs	Kshs	Kshs	Kshs	Kshs	
Revenue						
Govt Grant: Recurrent	59,325,000	-	59,325,000	59,325,000	-	
Development	115,000,000	(86,250,000)	28,750,000	-	(28,750,000)	
Sub Total	174,325,000	(86,250,000)	88,075,000	59,325,000	(28,750,000)	(a)
Other Revenue						
Sale of Publications	1,500,000	(1,000,000)	500,000	78,560	(421,440)	
My Gov pull out	69,120,000	-	69,120,000	69,120,000	-	
Customized Publishing	37,108,783	(20,000,000)	17,108,783	17,057,300	(51,483)	
Others	-	-	-	41,667	41,667	
Sub Total	107,728,783	(21,000,000)	86,728,783	86,297,527	(431,256)	
Total Rec. Revenue	282,053,783	(107,250,000)	174,803,783	145,622,527	(29,181,256)	
Recurrent Expenditure:						
Employee costs						
Basic salary	28,868,000	(4,522,164)	24,345,836	21,802,809	2,543,027	
House Allowance	10,694,000	(3,532,000)	7,162,000	7,161,403	597	
Commuter Allowance	3,672,000	(1,085,000)	2,587,000	2,586,548	452	
Extraneous & O. Allowances	2,440,000	(1,385,000)	1,055,000	1,054,516	484	
Airtime Allowance	1,872,000	(644,000)	1,228,000	1,227,194	806	
Leave Allowance	350,000	(78,000)	272,000	272,000	-	
Temporary Contract	402,000	1,745,500	2,147,500	2,755,000	(607,500)	
Sub Total	48,298,000	(9,500,664)	38,797,336	36,859,470	1,937,866	
Attaches'/Interns	2,400,000	(2,230,000)	170,000	165,000	5,000	
NSSF, Pension & Gratuity	6,441,000	(1,479,000)	4,962,000	4,691,644	270,356	
Sub Total	8,841,000	(3,709,000)	5,132,000	4,856,644	275,356	
Total Employee costs.	57,139,000	(13,209,664)	43,929,336	41,716,114	2,213,222	(b)
Board Expenses						
CEO Remuneration	-	-	-	-		
Sitting Allowance	3,120,000	945,000	4,065,000	4,520,000	(455,000)	
Travel and Subs Allowances	2,642,600	2,420,400	5,063,000	4,649,656	413,344	
Honoraria & Airtime	1,044,000	-	1,044,000	1,044,000	-	
Total Board Expenses	6,806,600	3,365,400	10,172,000	10,213,656	(41,656)	(c)

**Kenya Yearbook Editorial Board
Reports and Financial Statements
For the year ended June 30, 2018**

Description / Period	2017/18	2017/18	2017/18	2017/18	Performance difference	material explanation
	Original Budget	Adjustment	Final Budget	Actual on comparable basis		
	Kshs	Kshs	Kshs	Kshs		
Publishing & Printing						
Research, writing & Consultancies	1,306,000	5,622,676	6,928,676	6,928,676	-	
Editing,	800,000	1,150,000	1,950,000	1,950,000	-	
Design and Indexing	550,000	1,493,400	2,043,400	2,043,400	-	
Photography	100,000	(39,350)	60,650	60,650	-	
Dissemination and Printing	2,000,000	30,168,400	32,168,400	32,168,400	-	
Customized Publishing	60,660,243	(41,607,667)	19,052,576	19,052,576	-	
Total Pub & Printing	65,416,243	(3,212,541)	62,203,702	62,203,702	-	(d)
Travel & Accommodation						
Domestic: Transport	998,876	(718,876)	280,000	275,000	5,000	
Accommodation	1,100,000	820,000	1,920,000	1,922,400	(2,400)	
External: Transport	-	-	-	-	-	
Accommodation	-	-	-	-	-	
Total Travel & Accom.	2,098,876	101,124	2,200,000	2,197,400	2,600	
Utilities/Communication:						
Postage and Telephone	221,000	49,000	270,000	270,946	(946)	
Newspapers & Publications	80,000	(17,800)	62,200	60,720	1,480	
Advertising Expenses	1,100,000	(970,000)	130,000	126,374	3,626	(e)
Total	1,401,000	(938,800)	462,200	458,040	4,160	
Hospitality:						
CEO'S Office	720,000	(90,000)	630,000	681,023	(51,023)	
Other Offices	720,000	(390,000)	330,000	324,633	5,367	
Flowers and Decorations	60,000	(60,000)	-	-	0	
Total Hospitality	1,500,000	(540,000)	960,000	1,005,656	(45,656)	
Rental costs						
Office Rent	10,159,064	(1,420,813)	8,738,251	8,738,157	94	
Office Cleaning	650,000	(90,000)	560,000	512,923	47,077	
Total	10,809,064	(1,510,813)	9,298,251	9,251,080	47,171	(f)
O & M:						
Motor V. Repairs & Service	350,000	137,000	487,000	486,250	750	
Insurance all Assets	350,000	(195,901)	154,099	200,423	(46,324)	
Fuel and Lubricants	400,000	-	400,000	399,542	458	
Computers	200,000	(10,000)	190,000	212,578	(22,578)	
Furniture & Equip	350,000	(215,000)	135,000	133,440	1,560	
Total	1,650,000	(283,901)	1,366,099	1,432,233	(66,134)	

**Kenya Yearbook Editorial Board
Reports and Financial Statements
For the year ended June 30, 2018**

Description / Period	2017/18	2017/18	2017/18	2017/18	Performance difference	material explanation
	Original Budget	Adjustment	Final Budget	Actual on comparable basis		
	Kshs	Kshs	Kshs	Kshs		
Marketing and Sales:						
Complementary	450,000	780,000	1,230,000	1,145,360	84,640	
Shows and Exhibitions	660,000	(232,000)	428,000	394,100	33,900	
Distribution Expenses	50,000	(42,000)	8,000	-	8,000	
Total Marketing & Sales	1,160,000	506,000	1,666,000	1,539,460	126,540	
General Office Supplies	800,000	-	800,000	834,863	(34,863)	
Professional Services;						
Audit fees	1,298,000	(848,000)	450,000	450,000	-	
Professional subscription & Training	1,000,000	(690,000)	310,000	307,225	2,775	
Performance Contracting	850,000	2,095,000	2,945,000	2,947,300	(2,300)	
Staff Medical Insurance	5,050,000	-	5,050,000	4,943,118	106,882	
Consultancy services	850,000	(268,000)	582,000	895,200	(313,200)	
Total Prof. Services	9,048,000	289,000	9,337,000	9,542,843	(205,843)	
Sundry Expenses:						
Bank Charges	150,000	(125,000)	25,000	24,130	870	
Staff Welfare & Contributions	500,000	(480,000)	20,000	20,000	-	
Emergency & Rehabilitation	100,000	(100,000)	-	-	-	
Total Sundry Expenses	750,000	(705,000)	45,000	44,130	870	
Total Rec. Expenditure	158,578,783	(16,139,195)	142,439,588	140,439,177	2,000,411	
Development Expenditure						
Furniture, Fittings & equipment	675,000	3,158,195	3,833,195	534,009	3,299,186	
ICT	2,300,000	800,000	3,100,000	3,083,102	16,898	
Digital printing press	115,000,000	(115,000,000)	-	-	-	
Office Portioning	-	17,075,100	17,075,100	-	17,075,100	
Motor vehicles	5,500,000	2,855,900	8,355,900	-	8,355,900	
Total Development	123,475,000	(91,110,805)	32,364,195	3,617,111	28,747,084	(g)
Total Rec & Dev	282,053,783	(107,250,000)	174,803,783	144,056,288	30,747,495	

Notes

- (a) Development grant from the exchequer as was approved in the printed budget estimates for the Financial Year 2017-18 was not received as at the close of period. Also few customised publications were contracted during the period leading to reduction of revenue generated as opposed to the projected revenue, thus readjustment of original budget. During the period, the original budget approved and allocated to KYEB by the National Treasury for the purchase and installation of the digital press, was reduced by 75% following the austerity measures taken by the Government. This also led to the downward readjustment of the original budget by **Kshs 86,250,000** on development funds.
- (b) The original budget was readjusted downwards because as the year progressed to close, the recruitment process of the vacant positions advertised was not completed and also because of the expiry of employment contracts for the three senior staff whose positions were not filled. All the positions were budgeted for.
- (c) During the period under review, more members of the Board were trained on corporate governance.
- (d) Customized publications depend on the signed contracts during the period; very few contracted jobs were done during the period under review.
- (e) Advertising expenses was readjusted downwards because originally, advertising costs of the purchase of digital press were considered but after the budget cuts no activities were done.
- (f) The organisation had budgeted for the office space for the digital press but after the budget cut by 75%, the space rented and persevered for the press was relinquished, thus the readjustment.
- (g) KYEB had budgeted for purchase of assets, which was delayed by the non-remittance of the development funds.

XVII 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 entity is owned by the Government of Kenya and is domiciled in Kenya.

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

2. STATEMENT OF COMPLIANCE AND BASIS OF PREPARATION

The Board's financial statements have been prepared in accordance with and comply with International Public Sector Accounting Standards (IPSAS). The financial statements are presented in Kenya shillings, which is the functional and reporting currency of the entity. The accounting policies have been consistently applied to all the years presented.

The financial statements have been prepared on the basis of historical cost. The cash flow statement is prepared using the indirect method. The financial statements are prepared on accrual basis.

3. ADOPTION OF NEW AND REVISED STANDARDS

Early adoption of standards

The entity did not early – adopt any new or amended standards in year 2018.

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 entity and can be measured reliably.

NOTES TO THE FINANCIAL STATEMENTS (Continued)

ii) Revenue from exchange transactions

Rendering of services

The entity 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 National Assembly approved the original budget for FY 2017-2018 on 30th March 2017. Subsequent revisions or additional appropriations were made to the approved budget in accordance with specific approvals from the appropriate authorities. There was additional appropriation added to the original budget in form of Appropriation in Aid.

The entity'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 to the financial statements of these financial statements.

NOTES TO THE FINANCIAL STATEMENTS (Continued)

c) Taxes

Current income tax

According to our enabling the Kenya Yearbook Order No. 187 of 2007, the institution is a not for profit entity which was formed for furtherance of provision of information to the public and exempted from income tax. The Board applied for tax exemption during the year of incorporation. However, the exemption certificate has not been issued.

d) Property, plant and equipment

All property, plant and equipment are stated at cost less accumulated depreciation and impairment losses. The annual depreciation rates are as follows:

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

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. In this regard depreciation is calculated on reducing balance to write off cost or revalue amount of each asset on its estimated useful life. 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.

e) 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.

NOTES TO THE FINANCIAL STATEMENTS (Continued)

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.

f) Impairment of Financial Assets

The Board assesses at each reporting date whether there is objective evidence that a financial asset or a 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)

g) 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. The Board determines the classification of its financial liabilities at initial recognition. All financial liabilities are recognized initially at fairvalue.

h) Inventories

Inventory is measured at cost upon initial recognition. To the extent that inventory was received through non-exchange transactions 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:

- Finished goods and work in progress: cost of direct materials and labour and a proportion of overheads.

Inventories are recognized as an expense when issued as complimentary.

NOTES TO THE FINANCIAL STATEMENTS (Continued)

j) Provisions

Provisions are recognized when the Board has a present obligation (legal or constructive) as a result of a past event and when it is probable that an outflow of resources embodying economic benefits in ordinary course of operations of the Board 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, the accrued leave days the reimbursement has been recognized as a current liability. The expense relating to any provision is presented in the statement of financial performance net of any reimbursement.

k) 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.

l) 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.

m) 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.

The determination of amount is estimation depends on the probability of the transaction results and the extent that an outflow of resources embodying economic benefits in ordinary course of operations of the Board or service potential will be required to settle the obligation or receive the amount accruing from the transactions.

n) Employee benefits

Retirement benefit plans

KYEB provides retirement benefits for its employees and directors. Defined contribution plans are post employment benefit plans under which an entity 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.

NOTES TO THE FINANCIAL STATEMENTS (Continued)

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.

o) Related parties

The Board regards a related party as a person or a Board with the ability to exert control individually or jointly, or to exercise significant influence over the Board, or vice versa. Members of key management are regarded as related parties and comprise the directors, the CEO and senior managers.

p) Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and cash at bank. 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 cash imprests.

q) Comparative figures

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

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

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:

NOTES TO THE FINANCIAL STATEMENTS (Continued)

The useful lives and residual values of the assets included in the financial statement are determined at the depreciated initial acquisition costs.

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.

r) 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, 2018.

NOTES TO THE FINANCIAL STATEMENTS (Continued)

**(5) Revenue for non-exchange transactions
(a) Recurrent Grants**

<i>Name of the Entity sending the grant</i>	<i>Amount recognized to Statement of Comprehensive Income KShs</i>	<i>Amount deferred under deferred income KShs</i>	<i>Amount recognised in capital fund.</i>	<i>Total grant income during the year</i>	<i>2017-2018</i>
				<i>2017/18</i>	
			<i>KShs</i>	<i>KShs</i>	<i>KShs</i>
<i>Ministry of Information, Communication & Technology, Department of Telecommunication & Broadcasting</i>	59,325,000	-	-	-	59,325,000
Total	59,325,000	-	-	-	59,325,000

6. Other income

Description	2017-2018	2016-2017
	KShs	KShs
Sale of publications	78,560	283,822
Customised publications	17,057,300	74,567,981
MyGov	69,120,000	-
Other income	41,667	61,200
Total revenue	86,297,527	74,913,003

7. Employee costs

	2017-2018	2016-2017
	KShs	KShs
Salaries and wages	34,720,442	27,468,137
Staff gratuity	3,149,548	4,030,400
Staff pension	1,528,428	1,201,975
Staff accrued leave days	849,196	531,361
Attachés'/Interns	165,000	88,000
Salary arrears	1,303,500	-
Total Costs	41,716,114	33,319,873

NOTES TO THE FINANCIAL STATEMENTS (Continued)

8. Board expenses

Description	2017-2018	2016-2017
	KShs	KShs
CEO Remuneration	-	4,320,000
Chairperson Honoraria	1,044,000	1,044,000
Sitting allowance	4,520,000	2,420,000
Travel and Accommodation	4,649,656	1,200,130
Total	10,213,656	8,984,130

9. Depreciation and amortization expense

Description	2017-2018	2016-2017
	KShs	KShs
Motor Vehicle	219,600	292,800
Furniture	289,499	255,431
Computers	1,321,530	566,571
Partitioning	387,818	443,220
Total	2,218,447	1,558,022

10. Repairs and maintenance

Description	2017-2018	2016-2017
	KShs	KShs
Computer and accessories	212,578	583
Furniture's and fittings	133,440	204,815
Maintenance of motor Vehicle	486,250	200,484
Total repairs and maintenance	832,268	405,882

11. Administrative expenses

Description	2017-2018	2016-2017
	KShs	KShs
Consultancy services	895,200	812,000
Audit fees	450,000	450,000
Hospitality	1,005,656	616,772
Fuel& Lubricants	399,542	364,000
General office supplies	834,863	535,713
Postage, Telephone & Internet services	270,946	243,946
Insurance	5,143,541	3,569,842
Cleaning services	512,923	535,808
Newspapers & Publications	60,720	60,960
Staff welfare& contributions	20,000	
Total	9,593,390	7,189,041

NOTES TO THE FINANCIAL STATEMENTS (Continued)

12. Advertising & Complimentary

Description	2017-2018	2016-2017
	KShs	
Advertising	126,374	235,216
Complimentary	1,145,630	573,710
Total	1,272,004	808,926

13. Shows & Exhibitions

Description	2017-2018	2016-2017
	KShs	KShs
Shows and exhibitions	394,100	411,349
Total	394,100	411,349

14. Bank Charges

Description	2017-2018	2016-2017
	KShs	KShs
Bank Charges	24,130	19,936
Total	24,130	19,936

15. Travel & Accommodation costs

Description	2017-2018	2016-2017
	KShs	KShs
Traveling Expenses	275,000	400,180
Accommodation	1,922,400	934,000
Total	2,197,400	1,334,180

16. Publishing & printing costs

Description	2017-2018	2016-2017
	KShs	KShs
Kenya Yearbooks Writing, Editing & Consultancy	7,510,139	1,475,000
Inter Ministry & Govt Agencies' Publications	14,563,613	27,783,468
Kenya Yearbooks Printing	40,129,950	1,140,358
Total	62,203,702	30,398,826

17. Training & capacity building costs

Description	2017-2018	2016-2017
	KShs	KShs
Performance Contracting	2,947,300	836,790
Professional Subscription and Training	307,225	389,399
Total	3,254,525	1,226,189

NOTES TO THE FINANCIAL STATEMENTS (Continued)

18. Rental costs

Description	2017-2018	2016-2017
	KShs	KShs
Premises Rent	8,517,648	7,879,657
Service Charge	-	142,859
Parking Fee	220,509	106,200
Total	8,738,157	8,128,716

19. Cash and cash equivalents

Description	2017-2018	2016-2017
	KShs	KShs
Bank	2,201,714	1,923,781
Petty Cash	46,450	5,362
Total cash and cash equivalents	2,248,164	1,929,143

(b). Detailed analysis of the cash and cash equivalents

Financial institution	Account number	2017-2018	2016-2017
		KShs	KShs
a) Current account			
Kenya commercial Bank	1112214119	117,136	306,261
Sub- total		117,136	306,261
b) Savings account			
Kenya Commercial bank	1198589167	2,084,578	1,617,520
Sub- total		2,084,578	1,617,520
Grand total		2,201,714	1,923,781

NOTES TO THE FINANCIAL STATEMENTS (Continued)

20. Receivables from exchange transactions

Description	2017-2018	2016-2017
	KShs	KShs
(a) Trade debtors		
Ministry of ICT	71,440,000	40,714,240
IAAF	1,338,257	-
KoTDA	342,200	-
CBK	5,136,625	-
Bookshops & others	900,082	919,502
Total	79,157,164	41,633,742
(b) Prepayments		
Insurance prepaid	1,256,146	1,007,749
Domain Maintenance	7,417	9,417
Total	1,263,562	1,017,166
(c) Deposits		
Rent Deposit	1,127,636	1,127,636
Parking Deposit	31,034	-
Fuel Deposit	150,000	-
Total	1,308,670	1,127,636
Staff Debtors	176,550	427,535
Imprest	100,000	27,785
Receivables from GOK	350,350	350,350
Total	626,900	805,670
Grand Total	82,356,297	44,584,214

21. Inventories

Description	2017-2018	2016-2017
	KShs	KShs
Kenya Yearbook	3,650,000	4,551,000
CD Copies	984,000	988,000
Other publications	816,900	1,159,580
Total	5,450,900	6,698,580

22. Trade & other payables

Description	2017-2018	2016-2017
	KShs	KShs
Pending bills	24,853,777	25,975,051
Customer advance	-	2,766,182
Total Trade & other payables	24,853,777	28,741,233

NOTES TO THE FINANCIAL STATEMENTS (Continued)

23. Property, plant and equipment

Property, Equipment	Plant and	Motor Vehicle	Furniture	Computers & software	Partitioning	Total
		Kshs	Kshs	Kshs	Kshs	Kshs
		25%	12.5%	30%	12.5%	
Cost:						
Cost:						
Balance as at 1/07/2017		6,028,405	4,599,364	14,463,306	8,821,672	33,603,747
Addition 2017/18			534,009	3,083,102		3,617,111
Disposal						
As at 30/6/2018		6,028,405	5,133,373	17,546,408	8,821,672	37,529,858
Depreciation:						
Balance as at 1/07/2017		5,150,006	2,817,378	13,141,307	5,719,131	26,827,821
Charge for the year 2017/18		219,600	289,499	1,321,530	387,818	2,218,447
Disposal						
As at 30/6/2018		5,369,605	3,106,877	14,462,837	6,106,948	29,046,268
Net Book Value:						
As at 30/6/2018		658,800	2,026,495	3,083,571	2,714,724	8,483,590

24. (a) Current Provisions

Description	Leave provision	Taxes	Payroll Liabilities	Pension	Gratuity	Other creditors	Total
	Kshs.	Kshs.	Kshs.	Kshs.	Kshs.	Kshs.	Kshs.
Balance at the Beginning of the year 01.06.2017	531,361	2,346,723	60,900	785,688	9,139,833	-	12,864,505
Additional Provision	849,196	1,363,919	1,303,500	460,867	3,149,548	42,857,916	49,984,946
Provision utilized	(312,667)	(2,258,662)	-	(785,688)	(7,469,053)	-	(10,826,070)
Transferred to Non- current provision	-	-	-	-	(2,030,328)	-	(2,030,328)
Balance as at 30.06.2018	1,067,890	1,451,980	1,364,400	460,867	2,790,000	42,857,916	49,993,053

NOTES TO THE FINANCIAL STATEMENTS (Continued)

(b) Non-Current Provisions

Description	Gratuity
	KShs
Balance at the beginning of the year	446,800
Additional Provisions	2,030,328
Less: Current portion	-
Total	2,477,128

25. Cash generated from operations

	2017-2018	2016-2017
	KShs	KShs
Surplus for the year before tax	2,964,634	30,277,934
Adjusted for:		
Depreciation	2,218,447	1,558,022
Working Capital adjustments	5,183,081	31,835,956
Increase/Decrease in payables	3,829,389	555,580
Increase/(Decrease) in provisions	(39,158,873)	(40,006,574)
Increase in receivables	32,631,837	2,288,100
Decrease/(increase) in inventories	1,392,631	4,073,417
Total working capital changes	(1,246,950)	(33,089,477)
Cash generated from operating activities	3,936,131	(1,253,521)

26. Accumulated surplus

	2017-2018	2016-2017
	Kshs	Kshs
Balance at the beginning of the year	7,304,613	(22,973,319)
Surplus for the year	2,964,634	30,277,934
Accumulated surplus	10,269,247	7,304,615

27. Financial Risk Management

The Board's activities expose it to a variety of financial risks including credit, liquidity risks and operations risk. 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 company's management based on prior experience and their assessment of the current economic environment.

The Board of directors sets the company'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 to build 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 and evaluate and test the design and effectiveness of its internal accounting and operational controls.

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

Financial Risk Management (Continued)

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's capital structure comprises of the following:

28. Capital fund

Capital fund	2017-18	2016-17
	Kshs	Kshs
Initial investment from the Ministry	10,945,746	10,945,746
Total funds	10,945,746	10,945,746

29. Related Party Balances

a) 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.

The Board is related to

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

b) Related party transactions

	2017/18	2016/17
	Kshs	Kshs
Transfers from Parent Ministry	59,325,000	49,150,000
	=====	=====

This figure excludes **Kshs 28,750,000 allocated to KYEB as Development grant but was not received by the end of the financial year 2017-18.

c) Key management remuneration

	2017/18	2016/17
	Kshs	Kshs
i) Directors'	10,213,656	8,984,130
ii) Key management compensation	9,606,000	15,948,000
Total	19,819,656	24,932,130
	=====	=====

d) Due from related parties

i) Due from Parent Ministry	71,440,000	31,470,350
ii) Due from CBK	5,136,625	9,243,890
iii) Due from KoTDA	342,200	-
iv) Due from IAAF	1,338,257	-

Total	78,257,082 =====	40,714,240 =====
e) Due to related parties		
Due to the parent Ministry	450,646	947,824
	<u>450,646</u> =====	<u>947,824</u> =====

30. Capital Commitments

Capital commitments	2017-2018	2016-2017
	Kshs	Kshs
Authorised and contracted for	3,617,111	315,895
Total	3,617,111	315,895

31. Event after reporting date:

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

32. Contingent liabilities

Claims have been made by one of the three former employee of the Board resulting from termination of employment of 11th August 2016. However, in the opinion of the Board, no significant liability is to crystallise. Furthermore, this cannot be currently established.

33. Ultimate and Holding Entity

The Board is a State Corporation under the Ministry of Information, communication and Technology. Its ultimate parent is the Government of Kenya.

34. Currency

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

XVIII 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)
2016-17					

Guidance Notes:

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


Chief Executive Officer

Date _____


Chairman of the Board

Date _____

XIX Appendix 2: INTER-ENTITY TRANSFERS

ENTITY NAME:				
Break down of Transfers from the State Department of Telecommunication and broadcasting				
FY 2016/2017				
a.	Recurrent Grants			
		<u>Bank Statement Date</u>	<u>Amount (KShs)</u>	<u>Indicate the FY to which the amounts relate</u>
		03.08.2017	14,831,250	2017-18
		25.10.2017	14,831,250	2017-18
		02.02.2018	14,831,250	2017-18
		27.04.2018	14,831,250	2017-18
		Total	59,325,000	
c.	Direct Payments			
		<u>Bank Statement Date</u>	<u>Amount (KShs)</u>	<u>Indicate the FY to which the amounts relate</u>
		GAA-MyGov	32,772,414	
	Total		32,772,414	2017-2018

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

Ag. Finance Manager
 KYEB

Sign

Head of Accounting Unit
 Ministry of ICT

Sign.....