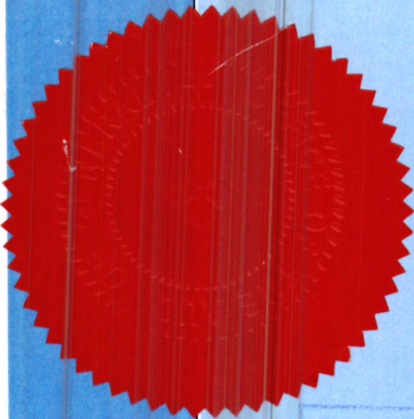



REPUBLIC OF KENYA



OFFICE OF THE AUDITOR-GENERAL



PARLIAMENT
OF KENYA
LIBRARY

 REPORT THE NATIONAL ASSEMBLY PAPERS LAID	
DATE:	13 FEB 2019
	DAY: <u>Wednesday</u>
TABLED BY:	Hon. Aden Duale LOM
CLERK-AT THE TABLE:	Halima Suleman

THE AUDITOR-GENERAL

ON

**THE FINANCIAL STATEMENTS OF
NATIONAL COUNCIL FOR LAW
REPORTING**

**FOR THE YEAR ENDED
30 JUNE 2018**



KENYA LAW
Where Legal Information is Public Knowledge

NATIONAL COUNCIL FOR LAW REPORTING

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 Regulatory & Non - Commercial (National Council for Law Reporting)
Annual Reports and Financial Statements
For the year ended June 30, 2018**

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KEY ENTITY INFORMATION AND MANAGEMENT

(a) Background information

The National Council for Law Reporting (NCLR) is a state corporation in the Judiciary of Kenya.

NCLR was created in 1994 by virtue of the National Council for Law Reporting Act No. 11 of 1994. The Chief Justice of the Republic of Kenya is the Chairman of the Council; the body responsible for the general policy and strategic direction of the institution.

(b) Principal Activities

- i) To publish the judicial opinions of the superior courts of Kenya i.e. the Supreme Court, Court of Appeal and the High Court. NCLR is the designated publisher of the Kenya Law Reports, which are the official law reports of the Republic of Kenya.
- ii) To revise, consolidate and publish the Laws of Kenya, a mandate delegated to NCLR by the Attorney General through Legal Notice No. 29 of 2009, in line with sections 7 and 8 of the Revision of Laws Act.
- iii) To publish such other related publications as it deems necessary. On the Council's website - www.kenyalaw.org- you will find Case Law, the Laws of Kenya, the Parliamentary Hansards, the Kenya Gazette, and the Daily Cause Lists from various courts, Legal Notices, various online publications and other legal information.

(c) Key Management

The entity's day-to-day management is executed by the following key organs:

- (a) Council/Board Members
- (b) Accounting officer/ CEO/Editor
- (c) Management

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Fiduciary Management

The key management personnel who held office during the financial year ended 30th June 2018 and who had direct fiduciary responsibility were:

Responsibility	Name of the Staff
Editor / Chief Executive Officer	Mr. Long'et Terer
Ag. Deputy CEO/ Snr. Assistant editor	Ms. Monica Mellan Achode
Ag. Company Secretary and Team Leader- Law Reporting	Mr. Cornelius Wekesa Lupao
Team Leader - Human Resources & Administration	Ms. Janette Lunyolo Watila
Team Leader - Research and Development	Ms. Linda Awuor Ochieng
Team Leader - Finance	Mr. Pascal Othieno Oluoch
Team Leader - Laws of Kenya	Ms. Wambui Kamau
Team Leader – Sales Marketing and Customer Care	Ms. Emily Nakhungu
Team Leader – Information Communications & Technology	Mr. Martin L. O. Andago
Team Leader - Strategy, Quality and Assurance	Ms. Edna K. Muthaura
Team Leader - Risk and Internal Audit	Mr. Frederick B. Abea

d) Fiduciary Oversight Arrangements

Audit and Finance & General Purposes Committee activities

- (i) To monitor the integrity of the financial statements of the company and any formal communication relating to the company's financial performance, reviewing significant financial reporting judgments contained in them.
- (ii) To review the company's internal financial controls and risk management systems;
- (iii) To monitor and review the effectiveness of the company's internal audit function and make recommendations to the board, in relation to the appointment of the external auditor and to approve the remuneration and terms of engagement of the external auditor.
- (iv) To review and monitor the external auditor's independence and objectivity and the effectiveness of the audit process, taking into consideration relevant professional and regulatory requirements.
- (v) To develop and implement policy on the engagement of the external auditor to supply audit services.

Parliamentary Committee activities

- i) Most parliamentary committees investigate specific matters of either National policy or government administration or government performance. Other parliamentary committees are responsible for matters related to the internal administration of the Parliament.
- ii) Committees execute assignments that parliament would not be possible to undertake in the large, formal environment of house sittings, such as finding out the facts of a case or issue, gathering evidence from expert groups or individuals, sifting through evidence and drawing up reasoned conclusions. This kind of work is more effectively carried out by small groups of Members i.e. Committees of parliament.
- iii) The Budget and Appropriations Committee provides oversight in the Medium Term Expenditure Framework (MTEF) budget process especially in the appropriation of budgets to Ministries Departments and Agencies (MDAs).The Council being a government agency therefore is subject to this budget process and oversight.
- iv) The Public Accounts and the Public Investment Committees specifically provide oversight (watchdogs) into the use of public funds by scrutinising audited financial statements and specifically audit queries flagged by the Office Auditor General. The Council, being a Public institution, is therefore subject to these oversight arrangements by the parliamentary committees.

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Development partner oversight activities

- i) Monitoring and reviewing progress of projects in relation to the pre-set performance agreements, contracts or expected outputs.
- ii) Providing recommendations regarding strategic directions, new opportunities for investment/collaborations, and efficiency in performance.
- iii) Approving the budget proposals for development projects and interrogating the periodic performance reports for the same.
- iv) Providing projects monitoring and evaluation arrangements, both operational and financial.

Name of the Committee	Members
Audit and Risk management Committee	<ol style="list-style-type: none"> 1. Mr. Michael Muchemi 2. Hon. Justice Anthony Ndung'u 3. Prof. Kiarie Mwaura 4. Ms. Jennifer Gitiri
Finance and General purposes Committee	<ol style="list-style-type: none"> 1. Ms. Janet Kimeu 2. Hon. Lady Justice Fatuma Sichale 3. Ms. Linda Murila 4. Ms. Eva Kimeiywo
Technical committee	<ol style="list-style-type: none"> 1. Hon. Justice Anthony Ndung'u 2. Ms Eva Kimeiywo 3. Ms. Linda Murila 4. Ms. Janet Kimeu
Human Resources Committee	<ol style="list-style-type: none"> 1. Hon. Lady Justice Fatuma Sichale 2. Prof. Kiarie Mwaura 3. Mr. Michael Muchemi 4. Ms. Jennifer Gitiri

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e) Council Headquarters

P.O. Box 10443 – 00100,
ACK Garden Annex,
1st Ngong Avenue,
Nairobi,
KENYA

f) Council Contacts

Telephone : 020 2712767
E-mail: info@kenyalaw.org
Website: www.kenyalaw.org

g) Council Bankers

- i. Kenya Commercial Bank,
Capital Hill Branch,
P.O Box 69695 – 00400,
Nairobi.
- ii. Barclays Bank of Kenya,
Hurlingham Branch,
P.O Box 34974 – 00100,
Nairobi.




h) Independent Auditors

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

i) Principal Legal Adviser

The Attorney General,
State Law Office and Department of Justice,
Harambee Avenue,
P.O. Box 40112 - 00200
Nairobi, Kenya





COUNCIL MEMBERS

 <p>Hon. Justice David Kenani Maraga, Chief Justice, President of the Supreme Court of Kenya, Chairman of the National Council for Law Reporting</p>	<ul style="list-style-type: none"> • Date of Birth – 1951 • Date of appointment -2016 • Qualifications: <ul style="list-style-type: none"> ➤ LLM –University of Nairobi ➤ LLB – University of Nairobi ➤ Diploma in Law - Kenya School of Law • Experience: <ul style="list-style-type: none"> ➤ Judiciary Committee on Elections (JCE) in 2015 • Chairman the Kenya Judiciary Working Committee on Election Preparations (JWCEP) in 2012 • Presiding Judge of the Court of Appeal in Kisumu ➤ High Court Judge in 2003
 <p>Justice P. Kihara Kariuki Attorney General State Law Office & Department of Justice</p>	<ul style="list-style-type: none"> • Date of Birth – 1954 • Date of appointment -2018 • Qualifications: <ul style="list-style-type: none"> ➤ LLB – University of Nairobi ➤ Diploma in Law - Kenya School of Law • Experience: <ul style="list-style-type: none"> ➤ Director, Kenya School of Law ➤ Duty Judge of the High court in 2003 ➤ Head of Integrity review committee in 2006 ➤ Head- Judicial Training Institute (JTI) in 2009 ➤ President of Court of Appeal Judge in 2012
 <p>Hon. Justice Fatuma Sichale Judge of the court of Appeal</p>	<ul style="list-style-type: none"> • Date of Birth – 1958 • Date of appointment -2016 • Qualifications: <ul style="list-style-type: none"> ➤ LLB – University of Nairobi ➤ Diploma in Law - Kenya School of Law • Experience: <ul style="list-style-type: none"> ➤ Judge, Court of Appeal • Director- Kenya Anti-Corruption Commission • State Counsel, Attorney General’s Office • Presiding Judge, Court of Appeal, Kisumu

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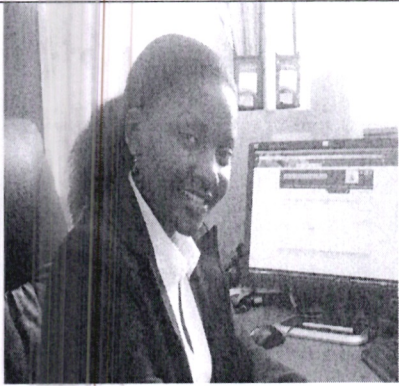
	<ul style="list-style-type: none"> ➤ High Court Judge in 2003
 <p>Hon. Justice Anthony Ndung'u Judge high court Nakuru</p>	<ul style="list-style-type: none"> • Date of Birth – 1971 • Date of appointment -2016 • Qualifications: <ul style="list-style-type: none"> ➤ LLB – University of Nairobi ➤ Diploma in Law - Kenya School of Law • Experience: <ul style="list-style-type: none"> ➤ Judge, Nakuru high courts • Chief Magistrate • State Counsel, Attorney General's Office
 <p>Prof. Kiarie Mwaura Dean School of Law, University of Nairobi</p>	<ul style="list-style-type: none"> • • Date of Birth – 1972 • Date of appointment -2016 • Qualifications: <ul style="list-style-type: none"> ➤ Fellow- UK higher Education Academy ➤ PHD- University of Wolverhampton ➤ LLM –Staffordshire University ➤ LLB – University of Nairobi ➤ Diploma in Law - Kenya School of Law ➤ Certified Public Secretary • Experience: <ul style="list-style-type: none"> ➤ Associate Dean, University of Nairobi ➤ Advocate of the High Court ➤ Transport licensing board in the Judiciary and Ministry of Transport and Infrastructure ➤ Vice Chancellor, Riara University (2013-2015)
 <p>Ms. Jennifer Gitiri Office of the Attorney General & Department of Justice in Kenya</p>	<ul style="list-style-type: none"> • Date of Birth – 1984 • Date of appointment -2016 • Qualifications: <ul style="list-style-type: none"> ➤ LLB – University of Nairobi ➤ Diploma in Law - Kenya School of Law • Experience: <ul style="list-style-type: none"> ➤ Advocate of the High court ➤ State Counsel, Attorney General's Office

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 <p>Ms. Eva Kimeiywo- Representing Mr. Sylvester migwi (Government Printer)</p>	<ul style="list-style-type: none"> •Date of Birth – 1975 •Date of appointment -2014 •Qualifications: <ul style="list-style-type: none"> ➤ BA- Communication (Publishing) ➤ Diploma in Printing technology •Experience: <ul style="list-style-type: none"> ➤ Senior printer at the Government press ➤ Quality Management representative
 <p>Mr. Michael Muchemi Advocate of the high court</p>	<ul style="list-style-type: none"> •Date of Birth – 1983 •Date of appointment -2015 •Qualifications: <ul style="list-style-type: none"> ➤ LLB – University of Nairobi ➤ Diploma in Law - Kenya School of Law •Experience: <ul style="list-style-type: none"> ➤ Partner, Muchemi & Company advocates ➤ Member – Law society of Kenya
 <p>Ms. Janet Kimeu Advocate of the high court</p>	<ul style="list-style-type: none"> •Date of Birth – 1975 •Date of appointment -2015 •Qualifications: <ul style="list-style-type: none"> ➤ LLM –University of Nairobi ➤ LLB – University of Nairobi ➤ Diploma in Law - Kenya School of Law •Experience: <ul style="list-style-type: none"> ➤ Partner, J.M Mutua & Company advocates ➤ Member- Law Society of Kenya
 <p>Mr. Longet Terer CEO/Editor, NCLR</p>	<ul style="list-style-type: none"> •Date of Birth – 1978 •Date of appointment -2014 •Qualifications: <ul style="list-style-type: none"> ➤ LLM –University of Durham ➤ LLB – Bangalore University ➤ Diploma in Law - Kenya School of Law •Experience: <ul style="list-style-type: none"> •Editor/CEO – National council for Law Reporting •Snr. State Counsel, Attorney General’s Office
	<ul style="list-style-type: none"> •

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MANAGEMENT TEAM

<p>KEY MANAGER'S PHOTO, NAME AND TITLE</p>	<p>• KEY PROFESSION/ACADEMIC QUALIFICATIONS, MAIN AREA OF RESPONSIBILITY</p>
 <p>1. Mr. Long'et Terer Chief Executive Officer/Editor</p>	<ul style="list-style-type: none"> • <i>LLM,LLB</i> • <i>Diploma in Law- KSL</i> • <i>Corporate Law, Change Management and Senior Management Certificate</i> <p><u>Responsibilities</u></p> <ol style="list-style-type: none"> a. The Administration and management of NCLR; b. Coordinating with the Council to define the strategic priorities of the Council in order to secure the successful achievement of its mandate (vision/mission); c. Support the operations and administration of the Council by advising and informing Council members and supporting Council's performance evaluation; d. Overseeing the implementation of decisions and resolutions and managing the corporate governance relationship between the members of staff and the members of the Council
 <p>2. Ms Monica Mellan Achode Acting Deputy CEO/ Senior Assistant Editor</p>	<ul style="list-style-type: none"> • <i>LLM, LLB</i> • <i>Diploma in Law- KSL</i> • <i>SLDP- Kenya School of government</i> <p><u>Responsibilities</u></p> <ul style="list-style-type: none"> • To assist the Chief Executive/Editor in the development and implementation of the Council's Corporate Strategy. • To deputise the Chief Executive/Editor in exercising managerial oversight over three core functions of the Council, namely, Law Reporting, Law Revision and Research and Development. • To guide and work with the Departmental Managers in the implementation of the corporate strategy



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 <p>3. Mr. Cornelius Wekesa Lupao Team Leader – Law Reporting</p>	<p>Team Leader – Law Reporting</p> <ul style="list-style-type: none"> • <i>LLB</i> • <i>Diploma in Law- KSL</i> • <i>SLDP- KSG</i> • Policy and legislative Drafting <p><u>Responsibilities</u></p> <ol style="list-style-type: none"> a. Guiding the Law Reporting department internalizing the Council's values and Strategic Plan and in the fulfilment of the Department's responsibilities under the Plan; b. Co-ordinating the implementation of the Law Reporting Policy and Procedures Manual; c. Undertaking the revision, consolidation and updating of the Kenya Law reports and co-ordinating the preparation of all related publications
 <p>4. Ms. Janette Lunyolo Watila Team Leader- HR and Administration.</p>	<ul style="list-style-type: none"> • <i>MSC in Human Resource Management</i> • <i>Bachelors in Business Administration (Management Option)</i> • <i>SLDP- Kenya School of government</i> • <i>Member of IHRM</i> <p><u>Responsibilities</u></p> <ul style="list-style-type: none"> • To ensure that the Council attracts and retains the optimum number of employees with the required skills, expertise and competence • To guide and advise the CEO/Editor and other Managers to identify, train, mentor and groom employees to progressively take up responsibilities; • To develop and implement a Human Resource Policies and Procedures Manual • To ensure compliance by the organization with the Constitution, all the laws, rules and regulations governing employment and labour relations

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	<ul style="list-style-type: none"> • <i>LLM,LLB</i> • <i>Diploma in Law- KSL</i> • <i>SLDP- Kenya School of government</i> <p><u>Responsibilities</u></p> <ol style="list-style-type: none"> a. Reviewing and analysing legislation and conceptualizing and implementing publication schemes and information products that enhance public access to Legal Information b. Setting and documenting the standards for and sharing of best practices in organizational research and development and legal publishing in Kenya and beyond c. Co-ordinating in the planning, management, co-ordination and controlling the affairs of the Department; d. Partnering with other departments, stakeholders, development partners and such other entities for the effective carrying out of the Organizations mandate and for improved access.
<p>5. Ms. Linda Achieng Awour Team Leader- Research and Development</p>	<ul style="list-style-type: none"> • <i>MBA (Strategic Management)</i> • <i>BBM (Accounting)</i> • <i>CPA(K)</i> <p><u>Responsibilities</u></p> <ol style="list-style-type: none"> a. Preparation of budgets, budgetary implementation and control; b. Project financial appraisal and management, Revenue and expenditure management; Payroll management c. Financial reporting and analysis d. Collation of financial estimates and preparation of cash flow forecasts, aggregate expenditure and variance analysis.
	<ul style="list-style-type: none"> • <i>LLB</i> • <i>Diploma in Law- KSL</i> • <i>Professional qualifications in Organisational Performance Index (OPI)</i> <p><u>Responsibilities</u></p> <ol style="list-style-type: none"> e. Guiding the Laws of Kenya department internalizing the Council's values and Strategic Plan and in the fulfillment of the Department's responsibilities under the Plan; f. Co-ordinating the implementation of the Law Revision Policy and Procedures Manual;
	<p>7. Ms. Wambui Kamau Team Leader- Laws of Kenya</p>

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	<ul style="list-style-type: none"> g. Keeping the Law Revision Policy, manuals and workflow processes continuously under review and updated; h. Undertaking the revision, consolidation and updating of the Laws of Kenya and co-ordinating the preparation of all related publications
 <p>8. Ms. Emily A. Nakhungu Team Leader- Sales Marketing Customer Care</p>	<ul style="list-style-type: none"> • <i>Bachelor of Arts in Communication and Media</i> • <i>Organizational Performance Index</i> • <i>Senior Management Course – Kenya School of Government</i> <p><u>Responsibilities</u></p> <ul style="list-style-type: none"> • Be involved in development and implementation of the department’s strategies and initiatives in the Council; • Be responsible for developing and implementing the Customer Care Plan which will meet the organizational goal of expanding the Council’s customer base; • Work with the Sales support teams to achieve customer satisfaction, revenue generation, and long-term sales and marketing goals in line with the Department and Council’s vision, mission and values;
 <p>9. Mr. Martin L. O Andago Team Leader- ICT</p>	<ul style="list-style-type: none"> • <i>BSC Business Information Systems</i> • <i>Linux system Essential Training</i> • <i>SLDP- Kenya School of government</i> <p><u>Responsibilities</u></p> <ul style="list-style-type: none"> • To support the organization in conceptualizing and application of reliable and integrated technological solutions that enable the Council to efficiently and effectively fulfil its mandate; • To support the organization in the application of world-class technology for law reporting, legal publishing, legal research, law revision and knowledge; • To continuously transform and improve the operational efficiency of the Council by the application of appropriate technologies;

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10. Ms. Edna Kuria Muthaura
 Team Leader- SQAPE

- *LLM, LLB*
- *Diploma in Law- KSL*
- *ISO Lead Auditor and Commissioner of Oaths*

Responsibilities

- Lead and manage the corporate affairs function of the Council and act as the Company Secretary and in-house legal counsel;
- Formulate, document and implement good corporate governance practices;
- Formulate and implement organizational risk management/business continuity management strategies



11. Mr. Fredrick Buchanan O. Abea
 Team Leader- Risk and Internal Audit

- *BBM (Finance & Banking)*
- *CPA(K)*
- *Senior Management Course- Kenya School of Government*

Responsibilities

- a. Performing audit procedures to verify that controls are operating.
- b. Develop a flexible annual plan, using an appropriate risk based methodology and including any risks or control concerns identified by Management, and submit the plan to the Audit Committee for review and approval
- c. Implement the approved audit plan including any special tasks and projects requested by the Audit Committee, and Top Management

CHAIRMAN'S STATEMENT



The National Council for Law Reporting (Kenya Law) has continued to ensure that Kenya's public legal information is digitized and made freely accessible for citizens in line with the core belief that case law and statute are part of the common heritage of the people of Kenya and should therefore be made freely accessible to all.

The collection, processing and dissemination of public legal information has a high cost implication especially considering the various challenges in our jurisdiction. I am glad that in this financial year we were able to secure additional budgetary allocation for the institution so as to ensure that this core mandate is discharged with ease. The public legal information, which we host and disseminate, increased by approximately 20%. We were also able to update four of our Laws of Kenya volumes as well as bring up to 85% up datedness of our online laws of Kenya database.

This financial year also witnessed the conduct of the second elections under the Constitution of Kenya, 2010 and the organisation played a significant role towards election preparedness. Kenya Law supported the Judiciary Committee on Elections by compiling and organising judicial decisions on election petitions. The organisation, in conjunction with the Judiciary, also prepared and printed a compilation on electoral laws that was used by judicial officers during the hearing of the election petitions. These resource materials played a significant role in ensuring that there was adequate capacity and sensitization of judicial staff so as to ensure an efficient election dispute resolution after the elections.


Kenya Law has also continued to work with other agencies in the justice and legal sector so as to ensure that Kenya's public legal information is freely accessible. In this regard, the organisation strengthened its partnership with the Government Printer and the National Assembly so as to ensure that Commission and Committee reports dating back to 1959, amongst others, were digitized and made available; that Bills, Acts including those from the Counties, were digitized and disseminated etc. These partnerships have proved invaluable for our service delivery.

The Council recognizes the importance of good governance practices and has continued to adhere to this best practice models so as to ensure objective and considered decision-making that advances the rule of law and benefits the citizenry. The four Council Committees have been able to give invaluable advice that has ably guided the Council. The management has also commenced implementation of a quality management system (QMS) that will ensure alignment and objectivity in all activities within the secretariat.

This being the last financial year of the implementation of our Strategic Plan the Council will be embarking, in the next year, to review the performance of the organisation in this plan period even as it sets the objectives and targets for the next strategic plan.

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All our achievements have been through the great support and cooperation that we enjoy at the Council, and I would like to appreciate all the Council Members for their commitment, professional advice and input. I also extend my appreciation to the Secretariat, and all staff, for the exemplary work that they do every day.



Hon. David Kenani Maraga, EGH
Chief Justice & President of the Supreme Court
Chairman, National Council for Law Reporting

REPORT OF THE CHIEF EXECUTIVE OFFICER



The FY 2017/2018 was significant for the National Council for Law Reporting (Kenya Law) in many respects. The organisational objective of providing free access to Kenya's public legal information saw a marked increase in the volume of data collected, processed and disseminated. This was in large part attributable to the support that we received from our partner institutions in the justice and legal sector.

Kenya Law's mandate is to publish the Kenya Law Reports, which contains judgments, decisions and opinions of judicial officers of the Courts of record of the Republic. The publication of these reports is preceded by a lot of preparatory work that entails collection and review of all judicial decisions. In the period under review we were able to collect and disseminate 16,329 judicial decisions from all the superior courts of record of the Republic. These were all published online, within 48 hours of receipt, and made freely available.

The laws of Kenya database continued to be improved by updating, revising and consolidation of all the 498 chapters of the laws of Kenya. All acts, bills, legal notices and regulations received in the period were uploaded onto the database. The process of revision and consolidation is ongoing and in this period we were able to ensure that 85% of all statutes were revised and consolidated.

In addition to collecting and disseminating legal data, Kenya Law also adds value to this information so as to further enrich government service. In this regard we were able to prepare four reports on differences in judicial reasoning for further consideration by the Judiciary. We were also able to compile quarterly reports on the legislation that have been determined to require law reform by the Judiciary to the Office of the Attorney General.

All of these activities were not devoid of challenges. The organisation still requires additional resources in terms of human resource and budgetary allocation so as to ensure an efficient and effective discharge of the organisational mandate. ICT technology continues to evolve rapidly thus requiring a consistent renewal of hardware and software- both of which require a high capital outlay.

Nevertheless, the organisation was able to achieve most of its targets for the financial year. It is for this reason that the Judiciary Committee on Performance Evaluation, having assessed our achievements vis-à-vis the Performance Management and Measurement Understanding that was signed, made a determination that Kenya Law had achieved and overall score of 'Very Good'.

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Kenya Law has been able to discharge its mandate in a commendable manner thus ensuring the realisation of article 35 of the Constitution that guarantees every citizen the right to information that is held by the state.

This was made possible because of the support and guidance that the Secretariat received from the Council as well as the dedication and commitment of all employees at Kenya Law.



Mr. Long'et Terer,
Chief Executive Officer/ Editor,
National Council for Law Reporting

CORPORATE GOVERNANCE STATEMENT

The National Council for Law Reporting recognizes the importance of corporate governance to the success of the organization. We view governance not simply as a set of rules but the framework supporting core values which define the acceptable practices in the management of public institutions. It is an expression of the way we want to conduct ourselves, which informs our actions and decisions and supports the culture and the way we conduct ourselves as an institution.

The operations of NCLR are conducted in accordance with the best practices anchored in principles of accountability and transparency as espoused in the Constitution and in compliance with relevant laws and regulations especially the *Mwongozo code*. The Council has also embraced the international principles and best practices in corporate governance. The institution discharges its mandate based on strong corporate governance principles and applies high ethical standards consistently.

The governance framework, the corporate culture and human relationships that underpin all governance frameworks, are operating as expected. The roles and functions of the Chairman and the Editor/CEO are distinct and their respective responsibilities clearly defined within the institution. The Council comprises of ten (10) Council Members, nine (9) of whom are non-executive members of the Council including the Chairman. The Council also co-opts members with diverse expertise in areas of Financial Management, Human Resource management and audit to complement its capacity.

The Council has developed a Charter that is intended to guide its operations and facilitate efficient decision making in discharging its duties and responsibilities. The Council has set up the following Committees, which meet at least quarterly under well-defined terms of reference:

- Technical Committee
- HR committee
- Finance and General purposes committee
- Audit committees

The council held four Council meetings in the Financial Year 2017/2018 and sixteen committee meetings with over 90% attendance.

MANAGEMENT DISCUSSION AND ANALYSIS

SECTION A

The entity's operational and financial performance

The Council's operational performance in the period to June 2018 was as expected as the Council continued to collect, compile and disseminate Kenya's legal information through its web site (www.kenyalaw.org) and sale/distribution of publications in a timely manner.

Though the financial performance of the organisation was satisfactory, there were some challenges. The A-in-A collections were negatively affected by the continued reliance by Kenyans on the online content and the lack of human resource capacity in the Sales Marketing and Customer Care department. Key programmes like publications of the Kenya Law Reports, Laws of Kenya and Specialised Publications were also affected and delayed by procurement bureaucracies and inadequate budgetary provision.

Below is a brief narrative expounding of the institution's performance in 2017/2018:

- Prepared, published and printed 1,000 copies of the Grey Book
- Prepared, published and printed 2,000 copies of the Grey Book Service issues.
- Prepared, published and printed 1,000 copies of the Public Finance service issues.
- Prepared, published and printed 1,000 copies of the Land Law service issues
- Prepared, published and printed 1,000 copies of the Commercial Law service issues.
- Prepared, published and printed 1,000 copies of the Presidential Election Petition Booklet.
- Prepared, published and printed 32,000 copies of the National Assembly Fact Sheets, Speakers' Rulings and other documentation for use by legislators, staff and the public.
- Prepared, published and printed 500 copies of the Kenya Law Review Journal.
- Prepared, published and printed 4 Bench Bulletins (Issues 38, 39, 40 & 41).
- Prepared and transmitted 4 reports to the Office of the Attorney General and Kenya Law Reform Commission on the laws that require law reform.
- Prepared and transmitted 4 reports to the Judiciary on differences in judicial reasoning.
- Compiled and disseminated 49 weekly newsletters to all our subscribers.
- Collected, processed and disseminated on the Kenya Law website (on the case law database) 100% of the collected judicial decisions from all the courts of record of Kenya. A total of 16,329 judicial decisions from the superior courts of record were collected and published online.
- Collected, processed and uploaded on the on the Kenya Law website (Laws of the Kenya database) 100% of all received acts, bills, legal notices, amendment acts and regulations.
- Revised and updated the laws of Kenya database with amendment acts, legal notices thus achieving an 85% updates to all of Kenya's legislation.
- Collected, processed and uploaded on the on the Kenya Law website 100% of all other received public legal information (Kenya gazette, cause list, parliamentary Hansard, commission reports e.t.c)

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- Kenya Law's website had a 99% daily uptime and was secured by the most up to date security hardware and software.

The following were some of the challenges faced by the institution while implementing its programmes in the financial year 2017/2018:

- Procurement delays at the Judiciary performance Improvement Programme (JPIP) Secretariat.
- Inadequate human resources due to limited budgetary allocation. The Council has continuously tried to negotiate with the National Treasury for more budgetary allocation to be able to recruit more staff but this challenge has still persisted.
- The Council was not able to update the Laws of Kenya online database to 90% due to software challenges in our law revision ICT system; it lacks adequate functionalities for effective and efficient law revision. The Council has proposed to acquire an online Editor to address this challenge.
- The Kenya Law Review Journal was not finalised because of delays occasioned by peer reviewers. This has been addressed by reducing the number of peer reviewers and signing of MOUs that introduced obligations and benefits to both Kenya Law and the peer reviewers.
- The publishing of Laws of Kenya - Commercial Laws V2, V3 was delayed pending president's assent of the Finance bill. This activity was rolled over to the year 2018/19.
- The Annual Supplement was not done due to pending approval by the Office of the Attorney General arising from the lack of sufficient statutes available for sale to the Kenyan public at the Government Printers office. The Council has proposed a workshop with the Government Printer and Office of the Attorney General to discuss the status of the 24th Annual supplement with a view of expediting its publication.

SECTION B

Entity's compliance with statutory requirements

- The Council has continued to update all the Laws of Kenya ensuring compliance with the Revision of Laws Act (CAP 1).
- The Council has published all the judicial decisions received from the superior courts of record online in compliance with the National Council for Law Reporting Act (No.11 of 1994).
- NCLR adheres to the Corporate Governance Guidelines issued by the Government of Kenya through the National treasury to ensure compliance with the statutory requirements under the Constitution, the Public Finance Management Act 2012 and Public Procurement and Disposal of Assets Act 2015.
- In addition, NCLR has endeavored to fulfill its corporate governance obligations with the guidance of the Mwongozo code.

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SECTION C

Key projects and investment decisions the entity is planning/implementing

The National Council for law reporting is not planning or implementing any capital projects in this period.

SECTION D

Major risks facing the entity

Financial risk

The entity is insufficiently funded. Every year the Council's approved budget comes awfully short of the requested budget. As it is now, the Council's Human Resources Costs is 52% of total recurrent budget as opposed to the 30% recommended. This has presented a serious challenge in terms of capacity to discharge our mandate as envisaged in the Act and our strategic plan.

Operational risk

This Council has an approved staff establishment of 163 officers, but only 83 officers are in post. This has occasioned a backlog in our core operations, is affecting productivity and the quality of work. There is a high risk of the Council being sued on account of reporting erroneous information to the public due to the massive information flow we experience vis-a-vis the low staff count.

SECTION E

Material arrears in statutory/financial obligations

The Council had financial obligations that were not material but nevertheless worth noting. These were in relation to PAYE, HELB, NSSF, NHIF, withholding VAT payments, Sacco deductions, Insurances deductions, mortgage, staff pension and welfare obligations of Kshs.9, 210,906 as at the end of the financial year 2017/2018.

SECTION F

The entity's financial probity and serious governance issues

The Council is responsible for the policy framework in relation to the institution's risk management and internal controls. The Finance and General purposes Committee of the Council is responsible for the policy framework to ensure proper financial planning and execution of the financial management function while the Audit & Risk Committee of the Council regularly reviews the effectiveness of the internal controls and provides assurance on the implementation of financial plans by regular reporting to the full Council.

The Internal Audit and Risk Department also implements the Council's risk management framework in all business processes and reports regularly on the same to the Chief Executive Officer and the Audit & Risk management Committee.

In addition, the Office of the Auditor General performs systems audits to independently review the effectiveness of the institutional risk management framework. It also does financial audits at the end of the financial year to provide assurance on the credibility of the annual financial statements.

There were no serious governance issues in the Council, any Council member, the top management in relation to conflict of interest, financial impropriety, Council composition or the execution of its functions.

**CORPORATE SOCIAL RESPONSIBILITY STATEMENT / SUSTAINABILITY
REPORTING**

Corporate Social Responsibility is an integral part of how we do our business. It reflects the inescapable reality that if the values of a business fail to resonate with the values of society, it is endangering long-term prosperity. NCLR is committed to identifying and living with the values which are important to our colleagues, customers and community at large.

Some of the CSR activities for the financial year 2017/2018 included:

1. The Standard Chartered Marathon 14th Edition was held on **Sunday, 26th November, 2017**. The event is hosted annually by the Standard Chartered Bank. The Marathon is the flagship project for the '**Seeing is believing**' community initiative that aims at raising funds for the needy in the community.
Kenya Law sponsored members of staff to attend the renowned Marathon.
2. As part of Corporate Social Responsibility, the National Council for Law Reporting (Kenya Law) Welfare group members visited Kwetu Home of Peace, Madaraka on Friday the 20th of April 2018. Kwetu Home of Peace is a home for boys from the street. The Home Rescues Rehabilitates and Reintegrates these boys back into the society. Kwetu Home activities are organized in the following units; Street work/rescue, Rehabilitation and Reunion with family, Parents Empowerment and Networking program. The CSR activity was a great experience to staff at Kenya Law on the challenges in society and how through our own contribution in time and money, we can make a difference.
Items donated included; dry food stuff, stationery, school books, school bags, shoes, socks and personal effects.
3. The members of staff were also participated in various CSR Activities during the 2017 Organizational team retreat by visiting various centres in Rabai, Mombasa and making contributions and participating in activities to support community activities. Some of the activities included visiting the oldest church in Rabai (*Johann Ludwig Krapf's Church at Rabai*) and supported the Widows of Rabai woman group through food and other donations to support the widows and the children of that community, participated in a football tournament in which members of staff through played as part of a motivation activity and made financial contributions to the team to support the players and the Rabai cultural community and this was a way to promote on the Kenyan community heritage.

NATIONAL COUNCIL FOR LAW REPORTING
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REPORT OF THE COUNCIL MEMBERS

The Council Members submit their report together with the audited financial statements for the year ended June 30, 2018 which show the state of affairs of the National Council for Law Reporting.

Principal activities

The principal activities of NCLR are:

- i) To publish the official reports of the judicial opinions of the superior courts of Kenya. The Council is the designated publisher of the Kenya Law Reports, which are the official law reports of the Republic of Kenya.
- ii) To revise, consolidate and publish the Laws of Kenya, through Legal Notice No. 29 of 2009, through which the Attorney General has delegated to the Council the powers of law revision conferred by sections 7 and 8 of the Revision of Laws Act.
- iii) To publish such other related publications as it deems necessary. On the Council's website - www.kenyalaw.org- you will find Case Law, the Laws of Kenya, the Parliamentary Hansards, the Kenya Gazette, and the Daily Cause List from various courts, Legal Notices and other publications.

Results

The results of the National Council for Law reporting for the year ended June 30, 2018 are set out on *page 1 below*.

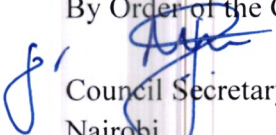
Council Members

The members of the Council who served during the reporting period are shown on *page vi* in accordance with the *NCLR Act No. 11 of 1994*.

Auditors

The Auditor General is responsible for the statutory audit of NCLR in accordance with the Public Audit Act 2015.

By Order of the Council


Council Secretary

Nairobi

Date: 21/12/18

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STATEMENT OF COUNCIL MEMBERS RESPONSIBILITIES

Section 89 of the Public Finance Management Act, 2012 and The State Corporations Act Cap 446 of laws of Kenya; require the Council to prepare financial statements in respect of National Council for Law Reporting, which give a true and fair view of the state of affairs and the operating results of the *Council* for that year. The Council Members are also required to ensure that the *Council* keeps proper accounting records which disclose with reasonable accuracy the financial position of the *Council*. The Council members are also responsible for safeguarding the assets of the *Council*. Further, the Council Members are responsible for the preparation and presentation of the *Council's* financial statements, which give a true and fair view of the state of affairs of the *Council* for and as at the end of the financial year 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 Council; 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 *Council*; v) Selecting and applying appropriate accounting policies; and vi) Making accounting estimates that are reasonable in the circumstances.

The Council members accept responsibility for the *Council'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 and the State Corporations Act. The Council members are of the opinion that the *Council's* financial statements give a true and fair view of the state of *Council's* transactions during the financial year ended June 30, 2018, and of the *Council's* financial position as at that date. The members further confirm the completeness of the accounting records maintained for the *Council*, which have been relied upon in the preparation of the *Council's* financial statements as well as the adequacy of the systems of internal financial control.

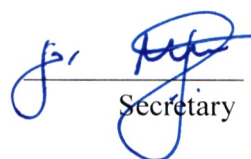
Nothing has come to the attention of the Council members to indicate that the *Council* will not remain a going concern for at least the next twelve months from the date of this statement.

Approval of the financial statements

The financial statements for National Council for Law Reporting were approved by the Council on _____ 2018 and signed on its behalf by:


Chairman


Member


Secretary

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 NATIONAL COUNCIL FOR LAW REPORTING FOR THE YEAR ENDED 30 JUNE 2018

REPORT ON THE FINANCIAL STATEMENTS

Opinion

I have audited the accompanying financial statements of the National Council for Law Reporting set out on pages 26 to 62, which comprise the statement of financial position as at 30 June 2018, and the statement of financial performance, statement of changes in net assets, statement of cash flows and 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 National Council for Law Reporting as at 30 June 2018, and of its financial performance and its cash flows for the year then ended, in accordance International Public Sector Accounting Standards (Accrual Basis) and comply with the National Council for Law Reporting Act No.11 of 1994.

Basis for Opinion

The audit was conducted in accordance with International Standards of Supreme Audit Institutions (ISSAIs). I am independent of the National Council for Law Reporting 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.

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. I have determined that there are no key audit matters to communicate in my report.

Report of the Auditor-General on the Financial Statements of National Council for Law Reporting for the year ended 30 June 2018

Other Matter

Budget and Budgetary Performance

Revenue

The National Council for Law Reporting had a revenue budget of Kshs.373,660,320 but actual revenue realized amounted to Kshs.369,877,033 resulting to a shortfall of Kshs.3,783,287 or 1% as follows:

Revenue	Budget Kshs.	Actual Kshs.	(Excess)/Shortfall Kshs.	Variance %
Government grants and subsidies	320,000,000	320,000,000	0	
Other income	0	14,783,250	(14,783,250)	-
Sale of goods	17,512,320	7,907,602	9,604,718	55
Deferred income	0	4,054,802	(4,054,802)	0
Grants from development partners	36,148,000	23,131,379	13,016,621	(36)
Total	373,660,320	369,877,033	3,783,287	1

2. Expenditure

The Council had budgeted to spend Kshs.373,660,320 but actual expenditure amounted to Kshs.317,559,503 resulting to under expenditure of Kshs.56,100,817 or 15% as follows:

Expenditure	Budget Kshs.	Actual Kshs.	(Over)/under Kshs.	Variance %
Compensation of employees	135,030,320	128,500,541	6,529,379	5
Goods and services	36,791,601	26,496,094	10,295,507	28
Finance cost	220,000	216,943	3,057	1
Other payments	30,587,600	21,943,653	8,643,947	28
General expenses including depreciation	171,030,799	140,401,872	30,628,927	18
Total	373,660,320	317,559,503	56,100,817	15

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.

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 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.

Basis for Conclusion

The audit was conducted in accordance with ISSAI 1315 and ISSAI 1330. 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 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 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 sustain services, disclosing, as applicable, matters related to sustainability of services and using the going concern basis of accounting unless the management either intends to liquidate the Council 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 Council's policies and procedures may deteriorate.

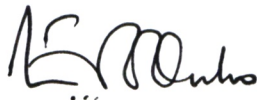
As part of an audit conducted in accordance with ISSAIs, I exercise professional judgement and maintain professional skepticism throughout the audit. I also:

- 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 Council's 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 Council 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 Council 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

02 January 2019

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STATEMENT OF FINANCIAL PERFORMANCE FOR THE YEAR ENDED JUNE 30, 2018

	Notes	2017-2018	2016-2017
		Kshs	Kshs
Revenue from non-exchange transactions			
Transfers from other governments – gifts and services-in-kind	1	320,000,000	255,000,000
Grants from donor (JPIP)		23,131,379	18,452,519
Deferred Income realized		4,054,802	4,200,475
		347,186,181	277,652,994
Revenue from exchange transactions			
Other Income	2	14,783,250	2,112,368
Sale of goods	3	7,907,602	7,434,425
Total revenue		369,877,033	287,199,787
Expenses			
Employee costs	4	128,500,941	149,583,094
Remuneration of Directors	5	3,069,400	2,172,471
General Expenses	6	26,496,093	14,851,617
Depreciation and amortization expense	7	13,057,237	14,142,280
Repairs and maintenance	8	2,873,820	3,601,231
Contracted services	9	16,004,727	11,943,775
Grants and subsidies	10	-	63,000
Purchase of goods and services	11	127,340,342	75,595,020
Finance costs	12	216,943	268,111
Total expenses		317,559,503	272,220,599
Surplus / (Deficit) before Tax		52,317,530	13,441,011
Taxation		-	-
Surplus / (Deficit) for the period		52,317,530	13,441,011

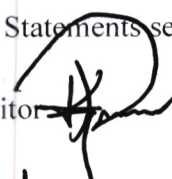
The notes set out on pages 32 to 62 form an integral part of these Financial Statements

NATIONAL COUNCIL FOR LAW REPORTING
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STATEMENT OF FINANCIAL POSITION AS AT JUNE 30, 2018

	Notes	2017-2018	2016-2017
		Kshs	Kshs
Assets			
Current assets			
Cash and cash equivalents	13	28,642,729	623,257
Receivables from exchange transactions	14	34,666,400	15,439,679
Receivables from non-exchange transactions	15	7,076,371	1,162,193
Inventories	17	195,272,415	193,580,695
		265,657,915	210,805,824
Non-current assets			
Long term receivables from exchange transactions	14	3,780,255	3,780,255
Property, plant and equipment	18	69,170,169	69,334,902
Intangible assets	19	3,568,611	4,385,002
Total Non - current assets		76,519,035	77,500,159
Total Assets		342,176,950	288,305,983
Liabilities			
Current liabilities			
Trade and other payables from exchange transactions	20	12,880,976	14,470,180
Deferred income	1	171,675,002	167,505,376
Employee benefit obligation	20	1,362,379	2,389,364
Total current liabilities		185,918,357	184,364,920
Non-current liabilities			
Deferred tax liabilities		-	-
Total non-current liabilities		-	-
Total liabilities		185,918,357	184,364,920
Net assets			
Capital Fund		23,565,276	23,565,276
Retained Earnings		132,693,317	80,375,787
Total net assets		156,258,593	103,941,063
Total net Assets and Liabilities		342,176,950	288,305,983

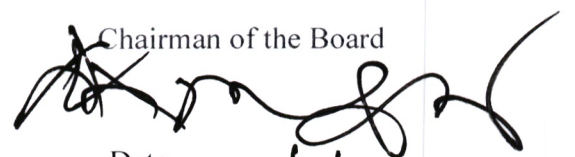
The Financial Statements set out on pages 26 to 31 were signed on behalf of the Board of Directors by:

C.E.O/ Editor 

Date... 21/12/18

Head of Finance 

ICPAK No: 7326
 Date: 21/12/18

Chairman of the Board 
 Date... 21/12/18

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

	Deferred Income Kshs.	Retained earnings Kshs.	Capital/ Development Grants/Fund Kshs.	Totals Kshs.
Balance as at 30 JUNE 2015	160,445,161	54,555,075	23,565,276	238,565,512
Additions	17,487,331			17,487,331
Surplus for the period	-	12,379,701	-	12,379,701
Transfer to deferred Income	(6,226,641)	-	-	(6,226,641)
Balance as at 30 JUNE 2016	171,705,851	66,934,776	23,565,276	262,205,903
Additions	-	-	-	-
Surplus for the period	-	13,441,011	-	13,441,011
Transfer to deferred Income	(4,200,475)		-	(4,200,475)
Balance as at 30 JUNE 2017	167,505,376	80,375,787	23,565,276	271,446,439
Additions	8,224,428	-	-	8,224,428
Surplus for the period	-	52,317,530	-	52,317,530
Transfer to deferred Income realized	(4,054,802)		-	(4,054,802)
At June 30, 2018	171,675,002	132,693,317	23,565,276	327,993,595

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STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 30 JUNE 2018

		2017-2018	2016-2017
		Kshs	Kshs
Cash flows from operating activities			
Opening Balance		623,257	4,018,767
Revenue from non-exchange transactions			
Transfers from other governments—gifts and services-in-kind	1	320,000,000	255,000,000
Grants from donor (JPIP)	1	23,131,379	18,452,519
Deferred Income	1	4,054,802	4,200,475
		347,186,181	277,652,994
Revenue from exchange transactions			
Other Income	2	14,783,250	2,112,368
Sale of goods	3	7,907,600	7,434,425
Total revenue		369,877,033	287,199,787
Expenses			
Employee costs	4	128,500,941	149,583,094
Remuneration of Directors	5	3,069,400	2,172,471
General Expenses	6	26,496,094	14,851,617
Depreciation and amortization expense	7	13,057,237	14,142,280
Repairs and maintenance	8	2,873,820	3,601,231
Contracted services	9	16,004,727	11,943,775
Grants and subsidies		-	63,000
Purchase of goods and services	11	127,340,342	75,595,020
Finance costs	12	216,943	268,111
Total expenses		317,559,503	272,220,599
Surplus / (Deficit) before Tax		52,317,530	13,441,011
Taxation		-	-
Surplus / (Deficit) for the period		52,317,530	13,441,011
Non - cash Adjustments			
Depreciation and Amortization	7	13,057,237	9,941,805
Cash flows from investing activities			
Purchase of property, plant, equipment and intangible assets	18	(12,076,113)	(6,713,809)
Net cash flows used in investing activities		(12,076,113)	(6,713,809)
Cash flows from working Capital changes			
(Decrease)/increase in Receivables from exchange transactions	14	(19,226,721)	(498,344)
(Decrease)/increase in Receivables from non-	15	(5,914,178)	(308,976)

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exchange transactions			
(Decrease)/increase in trade and other payables from exchange transactions	20	(1,589,204)	(17,488,083)
(Decrease)/increase in Employee benefit obligation	20	(1,026,985)	
(Decrease)/increase in Inventories	17	(1,691,720)	(1,769,114)
(Decrease)/increase in Deferred income	1	4,169,626	
Net cash flows used in investing activities		(25,279,182)	(20,064,517)
Cash flows from financing activities		0	0
Net increase/(decrease) in cash and cash equivalents		28,019,472	(16,836,521)
Cash and cash equivalents at beginning of the Year		623,257	4,018,767
Cash and cash equivalents at end of the quarter		28,642,729	623,257

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STATEMENT OF COMPARISON OF BUDGET AND ACTUAL AMOUNTS FOR THE YEAR ENDED 30 JUNE 2018

	Original budget	Adjustments	Final budget	Performance difference	
	2017-2018	2017-2018	2017-2018	2017-2018	
Revenue	Kshs	Kshs	Kshs	Kshs	
Government grants and subsidies	320,000,000	320,000,000	-		
Other Income	0	14,783,250	14,783,250	-	(a)
Sale of goods	17,512,320	(7,907,602)	9,604,718	(54.85)	(b)
Deferred Income	0	4,054,802	4,054,802	-	
Grants from Development Partners	36,148,000	23,131,379	(13,016,621)	(36.01)	(c)
Total income	373,660,320	369,877,033	(3,783,287)		
Expenses					
Compensation of employees	135,030,320	128,500,941	(6,529,379)	(5.23)	
Goods and services	36,791,601	26,496,093	(10,295,508)	(27.98)	(d)
Finance cost	220,000	216,943	(3,057)	(1.39)	
Other payments (6,8,9,10)	30,587,600	21,943,653	(8,643,947)	(28.26)	(e)
General Expenses including depreciation	171,030,799	140,401,872	(30,628,927)	(17.91)	(f)
Total expenditure	373,660,320	317,559,503	(56,100,817)		
Surplus for the period	-	52,317,530	52,317,530		

Budget notes

- Movement is due to a new project from the parliament of Kenya and UNDP to collect, compile and publish Legal materials for the institutions.
- Movement is due to increased use of the online platform and insufficient Human resource to market published products.
- Movement is due to procurement delays under the Judicial Performance Improvement Programme (JPIP) in the year under review.
- Movement is due to inadequate funds owing to low collections from sale of publications (Appropriations-In-Aid).
- Movement is due to inadequate funds owing to low collections from sale of publications (Appropriations-In-Aid).
- Movement is due to procurement delays under the Judicial Performance Improvement Programme (JPIP) in the year under review.

NOTES TO THE FINANCIAL STATEMENTS

1. GENERAL INFORMATION

National Council for Law Reporting is established by an act of parliament Act No.11 of 1994, and derives its authority and accountability from the PFM Act. The entity is wholly owned by the Government of Kenya and is domiciled in Kenya. The entity's principal activity is Publishing and Printing judicial opinions of the superior courts in Kenya which are the official Law Reports of the Republic of Kenya, The Laws of Kenya and such other related publications.

2. STATEMENT OF COMPLIANCE AND BASIS OF PREPARATION

a) Statement of compliance

The Public Finance Management (PFM) Act 2012 Section 192 provided the setting up of the Public Sector Accounting Standards Board (PSASB). The Cabinet Secretary National Treasury, gazetted members of the Board through Gazette Notice No. 1199 of 28 February, 2014. Following the board's approval on the adoption of the International Financial Reporting Standards (IFRS) for state organs operating as commercial business entities and the International Public Sector Accounting Standards (IPSAS) for non-commercial entities. The National Council for Law Reporting 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 Council and all values are rounded to the nearest Kenya shilling. The accounting policies have been consistently applied to all the years presented.

b) Application of new and revised International Public Sector Accounting Standards (IPSAS)

(i) Relevant new standards and amendments to published standards effective for the year ended 30 June 2018.

Several new and revised standards and interpretations were effective during the year. The Council Members have evaluated the impact of the new standards and interpretations and none of them had an impact on the Council's financial statements.

(ii) Expected impact of issued relevant new and amended standards and interpretations in issue but not yet effective in the year ended 30 June 2018

The Council Members have evaluated the impact of the new standards not yet effective for the year and none of them had an impact on the Council's financial statements.

(iii) Early adoption of standards

The Council did not early-adopt any new or amended standards in the financial year 2017-2018.

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Basis of preparation

The financial statements have been prepared on the basis of historical cost, unless stated otherwise. 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

i. Relevant new standards and amendments to published standards effective for the year ended 30 June 2018

Standard	Impact
IPSAS 39: Employee Benefits	Applicable: 1st January 2018 The objective to issue IPSAS 39 was to create convergence to changes in IAS 19 Employee benefits. The IPSASB needed to create convergence of IPSAS 25 to the amendments done to IAS 19. The main objective is to ensure accurate information relating to pension liabilities arising from the defined benefit scheme by doing away with the corridor approach. <i>(This standard was not applicable to National Council for Law Reporting in the year 2017-2018)</i>

3 ADOPTION OF NEW AND REVISED STANDARDS (Continued)

ii. New and amended standards and interpretations in issue but not yet effective in the year ended 30 June 2017

Standard	Effective date and impact:
IPSAS 40: Public Sector Combinations	Applicable: 1st January 2019: The standard covers public sector combinations arising from exchange transactions in which case they are treated similarly with IFRS 3 (applicable to acquisitions only) Business combinations and combinations arising from non-exchange transactions which are covered purely under Public Sector combinations as amalgamations <i>(This standard was not applicable to National Council for Law Reporting in the year 2017-2018)</i>

iii. Early adoption of standards

The entity did not adopt any new or amended standards earlier than in the financial year 2017/2018.

4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

a) Revenue recognition

i) Revenue from non-exchange transactions

- Grants from the National Government

The Council recognizes grants from the National Government when the event occurs and the asset recognition criterion is met. An inflow of resources from a non-exchange transaction recognized as an asset is recognized as revenue, except to the extent that a liability is also recognized in respect of the same inflow.

- Donor Grants (Donations in Kind)

Donor funds are received through the Judiciary Performance Improvement Programme (JPIP) other development Agencies. Revenues from non-exchange transactions with donor entities are measured at fair value and recognized on obtaining control of the asset (cash, goods, services and property).

For Donations in Kind; Revenues are recognised when the economic benefits or service potential related to the asset will flow to the Council and can be measured with certainty and reliably.

- Donor Grants (Conditional Grants)

These funds are recognised at fair value when there is reasonable assurance that the Council will comply with the Conditions attaching to them and the funds will be received. Donor funds related to purchase of assets are treated as deferred income and allocated to the statement of financial performance as income over the useful lives of the related assets while grants related to expenses are treated as donor fund income and totally expensed in the income statement.

- Recognition of Other Income

Other income include monies received from other transactions other than the sale of books e.g. good will transfers, Funds for projects and grants in kind from other institutions e.g. training, special jobs for specific institutions. These are recognized when received.

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 legal publications such as Kenya Law Reports, Laws of Kenya and other related publications 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

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measured reliably and it is probable that the economic benefits or service potential associated with the transaction will flow to the Council.

Budget information

The original budget for FY 2017/2018 was approved by the National Assembly in June 2017. No 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 entity upon receiving the respective approvals in order to conclude the final budget. Accordingly, the entity recorded no additional appropriations on the 2017/2018 budget.

The annual budget is prepared on the accrual basis, that is, all planned costs and income are presented in a single statement to determine the needs of the Council. As a result of the adoption of the accrual basis for budgeting purposes, there are no basis, timing or Council operational differences that would require reconciliation between the actual comparable amounts and the amounts presented as a separate additional financial statement in the statement of comparison of budget and actual amounts.

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. 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.

A statement to reconcile the actual amounts on a comparable basis included in the statement of comparison of budget and actual amounts and the actuals as per the statement of financial performance has been presented on page 31 of these financial statements.

b) 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.

The Council being a Service oriented State Corporation is exempted from paying Income Tax.

Deferred tax

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

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

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

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

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

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

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

c) Taxes

Sales tax

Expenses and assets are recognized net of the amount of sales tax, except:

- When the sales tax incurred on a purchase of assets or services is not recoverable from the taxation authority, in which case, the sales tax is recognized as part of the cost of acquisition of the asset or as part of the expense item, as applicable.
- When receivables and payables are stated with the amount of sales tax included.

The net amount of sales tax recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the statement of financial position.

c) Investment property

Investment properties are measured initially at cost, including transaction costs. The carrying amount includes the replacement cost of components of an existing investment property at the time that cost is incurred if the recognition criteria are met and excludes the costs of day-to-day maintenance of an investment property.

Investment property acquired through a non-exchange transaction is measured at its fair value at the date of acquisition. Subsequent to initial recognition, investment properties are measured using the cost model and are depreciated over a 30-year period.

Investment properties are derecognized either when they have been disposed of or when the investment property is permanently withdrawn from use and no future economic benefit or service potential is expected from its disposal. The difference between the net disposal proceeds and the carrying amount of the asset is recognized in the surplus or deficit in the period of de-recognition.

Transfers are made to or from investment property only when there is a change in use.

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.

e) Intangible assets

Intangible assets acquired separately are initially recognized at cost. The cost of intangible assets acquired in a non-exchange transaction is their fair value at the date of the exchange. Following initial recognition, intangible assets are carried at cost less any accumulated amortization and accumulated impairment losses. Internally generated intangible assets, excluding capitalized development costs, are not capitalized and expenditure is reflected in surplus or deficit in the period in which the expenditure is incurred.

The useful life of the intangible assets is assessed as either finite or indefinite.

The amortisation rate for Intangible assets is 20% on a reducing balance basis.

f) 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 Entity determines the classification of its financial assets at initial recognition.

Loans and receivables

Loans and 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.

Held-to-maturity

Non-derivative financial assets with fixed or determinable payments and fixed maturities are classified as held to maturity when the Entity has the positive intention and ability to hold it to maturity. After initial measurement, held-to-maturity investments are 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. The losses arising from impairment are recognized in surplus or deficit.

Impairment of financial assets

The Entity 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 an 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 Entity determines the classification of its financial liabilities at initial recognition.

All financial liabilities are recognized initially at fair value and, in the case of loans and borrowings, plus directly attributable transaction costs.

Loans and borrowing

After initial recognition, interest bearing loans and borrowings are subsequently measured at amortized cost using the effective interest method. Gains and losses are recognized in surplus or deficit when the liabilities are derecognized as well as through the effective interest method amortization process.

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.

h) Research and development costs

The Entity expenses research costs as incurred. Development costs on an individual project are recognized as intangible assets when the Entity can demonstrate:

- The technical feasibility of completing the asset so that the asset will be available for use or sale.
- Its intention to complete and its ability to use or sell the asset.
- How the asset will generate future economic benefits or service potential.
- The availability of resources to complete the asset.
- The ability to measure reliably the expenditure during development.

Following initial recognition of an asset, the asset is carried at cost less any accumulated amortization and accumulated impairment losses. Amortization of the asset begins when development is complete and the asset is available for use. It is amortized over the period of expected future benefit. During the period of development, the asset is tested for impairment annually with any impairment losses recognized immediately in surplus or deficit.

i) 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 Entity.

j) Provisions

Provisions are recognized when the Entity 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 Entity 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.

Contingent liabilities

The Entity 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.

Contingent assets

The Entity 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 Entity 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.

k) Nature and purpose of reserves

The Council creates and maintains reserves in terms of specific requirements. The Council does not have any reserves currently.

l) Changes in accounting policies and estimates

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

m) Employee benefits

Retirement benefit plans

The Council provides a defined contributions retirement benefits scheme for its employees. 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. The contributions to fund obligations for the payment of retirement benefits are charged against income in the year in which they become payable.

n) Foreign currency transactions

Transactions in foreign currencies are initially accounted for at the ruling rate of exchange on the date of the transaction. Trade creditors or debtors denominated in foreign currency are reported at the statement of financial position reporting date by applying the exchange rate on that date. Exchange differences arising from the settlement of creditors, or from the reporting of creditors at rates different from those at which they were initially recorded during the period, are recognized as income or expenses in the period in which they arise.

o) Borrowing costs

Borrowing costs are capitalized against qualifying assets as part of property, plant and equipment.

Such borrowing costs are capitalized over the period during which the asset is being acquired or constructed and borrowings have been incurred. Capitalization ceases when construction of the asset is complete. Further borrowing costs are charged to the statement of financial performance.

p) Related parties

The Council 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.

q) Service concession arrangements

The Council analyses all aspects of service concession arrangements that it enters into in determining the appropriate accounting treatment and disclosure requirements. In particular, where a private party contributes an asset to the arrangement, the Council recognizes that asset when, and only when, it controls or regulates the services the operator must provide together with the asset, to whom it must provide them, and at what price. In the case of assets other than 'whole-of-life' assets, it controls, through ownership, beneficial entitlement or otherwise – any significant residual interest in the asset at the end of the arrangement. Any assets so recognized are measured at their fair value. To the extent that an asset has been recognized, the Council also recognizes a corresponding liability, adjusted by a cash consideration paid or received.

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

s) Budget information

The original budget for FY 2017-2018 was approved by the National Assembly on April 2017. No subsequent revisions or additional appropriations were made to the approved budget in accordance with specific approvals from the appropriate authorities. Hence no additional appropriations were added to the original budget by the Council upon receiving the respective approvals in order to

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conclude the final budget. Accordingly, the Council recorded no additional appropriations of Nil in the 2017-2018 budget.

The Council'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.

Budget information

A statement to reconcile the actual amounts on a comparable basis included in the statement of comparison of budget and actual amounts and the actuals as per the statement of financial performance has been presented on page 31 of these financial statements.

t) Comparative figures

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

u) 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.

5 SIGNIFICANT JUDGMENTS AND SOURCES OF ESTIMATION UNCERTAINTY

The preparation of the Council'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.

Estimates and assumptions

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below. The Council based its assumptions and estimates on parameters available when the financial statements were prepared. However, existing circumstances and assumptions about future developments may change due to market changes or circumstances arising beyond the control of the Council. Such changes are reflected in the assumptions when they occur. IPSAS 1.140

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 Council.
- 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.

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.

A provision of Kshs. 800,000 was made for audit fees based on the actual fees paid in the last financial year 2017/2018.

NOTES TO THE FINANCIAL STATEMENTS

a) TRANSFERS FROM OTHER GOVERNMENTS – GIFTS AND SERVICES-IN-KIND

Description	2017-2018	2016-2017
	Kshs	Kshs
Unconditional grants (GOK)	320,000,000	255,000,000
Deferred Income realized	4,054,802	4,200,475
Grants in kind from Donor (Judiciary Performance Improvement Programme)	23,131,379	18,452,519
Total government grants and subsidies	347,186,181	277,652,994
Unconditional grants	320,000,000	255,000,000

Analysis of the Grants to the National Council for Law Reporting is as follows;

- a) Government of Kenya- There are non-conditional grants by the government allocated to NCLR for recurrent expenditure.
- b) Judiciary performance improvement Project grants are non-cash grants that refers to the monetary value of Assets and expenses for items procured by and paid by JPIP. Specifically, it includes rent expenses and service charge paid for under the JPIP. The expense items and Assets in this regard have been captured in the statement of financial performance and matched to this item of income.

Transfers from ministries, departments and agencies

Name of the Entity sending the grant	Amount recognized to Statement of Comprehensive Income Kshs	Amount deferred under deferred income Kshs	Amount recognised in capital fund.	Total grant income during the year	2017-2018
			KShs	Kshs	Kshs
The Judiciary	320,000,000	-	-	-	320,000,000
Total	320,000,000	-	-	-	320,000,000

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1. b) DEFERRED INCOME REALIZED

Description	2017-2018	2016-2017
	Kshs	Kshs
Balance as at 30 June 2017	167,505,376	171,705,851
Additions in the year	8,224,428	0
Less: Realized	(4,054,802)	(4,200,475)
Total value of Deferred Income	171,675,002	167,505,376

Deferred Income for the year is recognized to be equivalent to the depreciation / used value of donated assets or economic benefits derived therefrom, in the financial year 2017/2018.

2. OTHER INCOME

Description	2017-2018	2016-2017
	Kshs	Kshs
Other Income	14,783,250	2,112,368
Total revenue from the Other Incomes	14,783,250	2,112,368

Revenues earned as other income are a conditional grant for consultancy services offered by NCLR to development partners such as Parliament of Kenya for the preparation and printing of Parliamentary Factsheets amounting to Ksh 14,483,249.60 and the UNDP for compilation and preparation of ready to print election laws Grey book for Kshs. 300,000.00 in the FY 2017/2018.

3. SALE OF GOODS

Description	2017-2018	2016-2017
	Kshs	Kshs
Sale of Kenya Law Reports and other related publications	7,907,600	7,434,425
Total revenue from the sale of goods	7,907,600	7,434,425

This is revenue earned from sale of Kenya Law reports and other legal publications that were published by NCLR in the Financial year 2017/2018.

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4. EMPLOYEE COSTS (73 members of staff)

	2017-2018	2016-2017
	Kshs	Kshs
Salaries and wages	54,721,511	57,301,691
Housing benefits and allowances	63,557,644	62,451,794
Employee related costs - contributions to pensions and medical aids	9,826,786	8,960,342
Performance and other bonuses	395,000	320,000
Employee costs	128,500,941	129,033,827

5. REMUNERATION OF DIRECTORS

Description	2017-2018	2016-2017
	Kshs	Kshs
Chairman's Honoraria	981,000	1,044,000
Directors emoluments	1,873,000	984,000
Other allowances	215,400	60,000
Total director emoluments	3,069,400	2,088,000

6. GENERAL EXPENSES

Description	2017-2018	2016-2017
	Kshs	Kshs
Internet Connections	2,404,194	1,960,711
Other Fuels (Cooking gas)	12,400	15,450
Education and Library Expenses	2,833,910	1,349,980
Catering services, refreshments and gifts	5,102,042	3,602,442
Cleaning Services	1,295,220	1,231,822
Parking Charges	1,778,350	1,243,026
Computer Software	13,069,977	6,714,142
Total bulk purchases	26,496,093	16,117,573

7. DEPRECIATION AND AMORTIZATION EXPENSE

Description	2017-2018	2016-2017
	Kshs	Kshs
Property, plant and equipment	12,240,846	12,680,612
Intangible assets	816,391	1,461,668
Total depreciation and amortization	13,057,237	14,142,280

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8. REPAIRS AND MAINTENANCE

Description	2017-2018	2016-2017
	Kshs	Kshs
Plant, MC and Equipment	559,140	351,213
Furniture and Equipment	199,400	164,450
Repair of Vehicles	188,100	161,403
Repair of Computers	1,824,940	2,765,665
Communications Equipment	102,240	158,500
Total repairs and maintenance	2,873,820	3,601,231

9. CONTRACTED SERVICES

Description	2017-2018	2016-2017
	Kshs	Kshs
Contracted Professional Services	4,968,435	4,616,648
Contracted Technical services	10,793,451	7,327,127
Courier and Postage	242,840	392,433
Total contracted services	16,004,727	12,336,208

10. GRANTS AND SUBSIDIES

Description	2017-2018	2016-2017
	Kshs	Kshs
Community Social development	0	63,000
Total grants and subsidies	0	63,000

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11. PURCHASE OF GOOD AND SERVICES

Description	2017-2018	2016-2017
	Kshs	Kshs
Advertising and publicity	3,287,786	924,085
Audit fees	800,000	900,000
Accessories to Computers	1,343,080	3,383,590
Conferences and Seminars	3,542,075	2,900,735
Casual Labour	265,000	680,000
Fuel and oil	307,445	330,715
General office stationery	2,261,678	1,447,399
Hire of Transport	244,196	-
Insurance (Medical, Group life and WIBA, Motor)	16,217,102	12,662,253
Legal expenses	232,000	435,384
Printing and publishing	26,115,654	11,623,356
Rental (Office and Warehouse)	23,876,222	23,035,293
Sanitary and Cleaning materials	666,912	1,231,822
Security costs	1,183,200	867,680
Temporary Committee allowances	4,712,500	3,051,000
Training expenses	1,795,657	-
Telephone	702,423	1,809,439
Remuneration of instructors and contract based training	3,395,462	7,300,532
Tradeshows and Exhibitions	1,445,471	399,200
Membership fees, dues, subscriptions to professional orgs. and trade bodies	605,875	551,916
Cost of Sales	6,434,328	4,266,798
Domestic travel, accommodation and Foreign travel, accommodation and sundry allowances	27,906,277	17,367,117
Total general expenses	127,340,342	95,168,314

12. FINANCE COSTS

Description	2017-2018	2016-2017
	Kshs	Kshs
Finance Costs/ Bank Charges	216,943	270,399
Total finance costs	216,943	270,399

This refers to charges incurred when undertaking transactions through the bank accounts

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13. CASH AND CASH EQUIVALENTS

Description	2017-2018	2016-2017
	Kshs	Kshs
a) Current account		
Kenya Commercial bank	26,270,372	(731)
Kenya Commercial bank(Grants)	4,783	10,173
Barclays Bank of Kenya	1,474,722	17,787
b) Others(specify)		
Cash in hand	21,291	22,128
M-Pesa	871,561	573,900
Sub- total	892,852	623,257

	Bank Account Number	Currency	30-Jun
Name of the Bank			
KCB O&M account	1103135449	KSH	26,270,372
KCB Donations and Grants account	1131298241	USD	4,783
Barclays Bank of Kenya	451230484	KSH	1,474,722
Total			27,749,877

14. RECEIVABLES FROM EXCHANGE TRANSACTIONS

Description	2017-2018	2016-2017
	Kshs	Kshs
Current receivables		
Current receivables		
Debtors - Legal Publications	19,026,200	15,439,679
Other prepayments - medical insurance	15,640,200	-
Total current receivables	34,666,400	15,439,679
Non-current receivables		
Lease agreement Deposits (transferred to current receivables)	3,780,255	3,780,255
Total non-current receivables	38,446,655	19,219,934
Total receivables	-	-
Current portion transferred to current receivables	19,026,200	15,439,679

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15. RECEIVABLES FROM NON-EXCHANGE CONTRACTS

Description	2017-2018	2016-2017
	Kshs	Kshs
Current receivables		
Debtors - Salary Advances	1,078,777	757,193
Other debtors (Non-exchange transactions)	1,275,000	405,000
Receivables from JPIP	4,722,594	-
Total current receivables	7,076,371	1,162,193

16. RECEIVABLES IN ARREARS

Description	2017-2018	2016-2017
	Kshs	Kshs
Trade Receivables	19,026,200	14,470,180
Total current receivables	19,026,200	14,470,180

17. INVENTORIES

Description	2017-2018	2016-2017
	Kshs	Kshs
Kenya Law Reports and LOK publications	191,968,672	190,401,257
Library Books	3,227,205	3,139,378
Consumables	76,538	40,060
Total inventories at the lower of cost and net realizable value	195,272,415	193,580,695

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18. PROPERTY, PLANT AND EQUIPMENT

	Land and Buildings	Motor vehicles	Furniture and fittings	Computers	Capital Work in progress	Total
Cost	Kshs	Kshs	Kshs	Kshs	Kshs	Kshs
At 1st July 2016	-	4,824,694	43,706,592	16,503,464	14,234,734	79,269,484
Additions	-	-	61,306	6,652,503	0	6,713,809
Disposals	-	-	-	-	-	-
Transfers/	-	-	-	-	-	-
At 30th June 2017	-	3,859,755	39,391,108	17,357,127	8,726,912	69,334,902
Additions	-	6,262,840	474,751	5,338,522	0	12,076,113
Disposals	-	-	-	-	-	-
Transfer/adjustments	-	-	-	-	-	-
At 30th June 2018	-	10,122,595	39,865,859	22,695,649	8,726,912	81,411,015
Depreciation and impairment						
At 1 st July 2016	-	1,335,440	10,095,784	24,387,341	3,692,894	39,511,459
Depreciation	-	964,939	4,376,790	5,798,840	1,540,043	12,680,612
Accumulated depreciation 30 th June 2018	-	2,300,379	14,472,574	30,186,181	5,232,937	52,192,071
Depreciation in the year	-	1,326,587	3,835,286	5,839,496	1,239,477	12,240,846
On Disposals	-	-	-	-	-	-
Impairment	-	-	-	-	-	-
At 30th June 2018	-	3,280,792	40,868,950	18,873,057	7,745,134	70,767,933
Net book values						
At 30 th June 2018	-	8,796,008	36,030,573	16,856,153	7,487,435	69,170,169
At 30 th June 2017	-	3,859,755	39,391,108	17,357,127	8,726,912	69,334,902

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19. INTANGIBLE ASSETS-SOFTWARE

Description	2017-2018	2016-2017
	Kshs	Kshs
Cost		
At beginning of year	3,759,591	7,608,338
Additions	-	-
At end of year	3,759,591	7,608,338
Additions-internal development	-	-
At end of quarter	-	-
Amortization and impairment		
At beginning of year	3,484,342	1,761,668
Amortization	190,980	1,461,668
At end of year	3,675,322	3,223,336
Impairment loss	-	-
At end of year	3,568,611	4,385,002
NBV	3,568,611	4,385,002

20. TRADE AND OTHER PAYABLES FROM EXCHANGE TRANSACTIONS

Description	2017-2018	2016-2017
	Kshs	Kshs
Trade payables	7,954,584	14,266,386
Accrued Rent	4,722,594	-
Third-party payments	1,362,379	2,389,364
Other payables	203,794	203,794
Total trade and other payables	14,243,351	16,859,544

21. FINANCE LEASE OBLIGATION

Description	Minimum lease payments	Future finance charges	Present value of minimum lease payments	2017-2018
	Kshs	Kshs	Kshs	Kshs
Within current year	23,992,174	23,992,174	-	23,992,174
Long term portion of lease payments	-	-	-	-

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Total provisions	23,992,174	23,992,174	-	23,992,174
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22. EMPLOYEE BENEFIT OBLIGATIONS

Description	Defined benefit plan	2017-2018	2017-2018
	Kshs	Kshs	Kshs
Current benefit obligation	1,362,379	1,362,379	1,362,379
Total employee benefits obligation	1,362,379	1,362,379	1,362,379

The Council has had a defined benefit scheme for all full-time employees from July 1, 2012. Contribution to the scheme is at the ratio of 10:20 percent of salary for employee and employer respectively. No actuarial valuers were engaged in the financial year to value the scheme. The scheme value at the end of the year was as follows:

	2017-2018	2016-2017
	Kshs	Kshs
Valuation at the beginning of the year	61,192,787	43,548,405
Changes in valuation during the year	17,398,245	17,644,382
Valuation at end of the year	78,591,033	61,192,787

The company also contributes to the statutory National Social Security Fund (NSSF). This is a defined contribution scheme registered under the National Social Security Act. The company's obligation under the scheme is limited to specific contributions legislated from time to time and is currently at Kshs.400 per employee per month.

iii. FINANCIAL RISK MANAGEMENT

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

(i) Credit risk

Credit risk is the risk that a borrower is unable to meet her financial obligations to the lender. NCLR's credit risk is primarily attributable to its cash and cash equivalents and trade receivables. The amounts presented in the statement of financial position are net of allowances for doubtful receivables, estimated by the council's management based on prior experience and their assessment of the current economic environment.

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Bank balances are fully performing. The trade receivables under the fully performing category are paying their debts as they continue trading. The default rate is low. The debt that is overdue is not impaired and continues to be paid.

The amount that best represents the company's maximum exposure to credit risk is made up as follows:

	Total Amount Kshs	Fully Performing Kshs	Past due Kshs	Impaired Kshs
At 30 June 2018				
Bank balances	28,642,729	28,642,729	-	-
Receivables from exchange transactions	34,666,400	38,446,655	-	
Receivables from non-exchange transactions	7,076,371	7,076,371	-	-
	=====	=====	=====	=====
At 30 June 2017				
Bank balances	623,257	623,257	-	-
Receivables from exchange transactions	15,439,679	15,439,679	-	
Receivables from non-exchange transactions	1,162,193	1,162,193	-	-
	=====	=====	=====	=====

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:

	Total amount Kshs	Fully performing Kshs	Past due Kshs	Impaired Kshs
At 30 June 2018				
Receivables from exchange transactions	34,666,400	34,666,400		
Receivables from non-exchange transactions	7,076,371	7,076,371	-	-
Bank balances	28,642,729	28,642,729	-	-

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Total	70,385,500	70,385,500	-	-
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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 company has recognised in the financial statements is considered adequate to cover any potentially irrecoverable amounts.

The entity has significant concentration of credit risk on amounts due from Kshs. 70,385,500.

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

Liquidity risk is a financial risk that for a certain period of time at a given financial asset, security or commodity cannot be traded quickly enough in the market without impacting the market price.

Prudent liquidity risk management includes maintaining sufficient cash to meet company obligations. Ultimate responsibility for liquidity risk management rests with the council board members, which has built an appropriate liquidity risk management framework for the management of the council's short, medium and long-term funding and liquidity management requirements. The council manages liquidity risk by maintaining banking facilities through continuous monitoring of forecast and actual cash flows.

The table below analyses the council's financial liabilities that will be settled on a net basis into relevant maturity groupings based on the remaining period at the balance sheet date to the contractual maturity date. The amounts disclosed in the table below are the contractual undiscounted cash flows. Balances due within 12 months equal their carrying balances, as the impact of discounting is not significant.

	Less than 1 month	Between 1-3 months	Over 5 months	Total
	Kshs	Kshs	Kshs	Kshs
At 30 June 2018				
Trade and other payables	14,243,351	-	-	-
Other Current Liabilities	-	-	-	-
Bank Overdraft	-	-	-	-
Total	14,243,351			
At 30 June 2017				
Trade payables	16,859,544	-	-	-
Other Current Liabilities	-	-	-	-
Bank Overdraft	-	-	-	-

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Total	16,859,544	-	-	-
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(iii) Market risk

Market risk refers to the risk an institution faces resulting from movements in market prices. In particular, changes in interest rates, foreign exchange rates, and equity and commodity prices. It comprises of Price risk, Fair value interest rate risk and Foreign exchange risk.

Price risk

This is risk of a decline in the value of a security or a portfolio that can be minimized through diversification, unlike market risk.

The Council does not hold investments that would be subject to price risk; hence this risk does not directly affect the Council's net worth.

Fair value interest rate risk

This is a risk that future cash flows will fluctuate because of changes in market interest rates. Investments and borrowings subject to fixed rates expose the Council to fair value interest rate risk, as the fair value of the financial instrument fluctuates because of changes in market interest rates.

The Council does not hold interest bearing assets or liabilities subject to fair value interest rate risk; hence this risk does not directly affect our net worth.

Foreign exchange risk

This is risk that an asset or investment denominated in a foreign currency will lose value as a result of unfavourable exchange rate fluctuations between the investment's foreign currency and the investment holder's domestic currency.

The Council occasionally receives grants denominated in foreign currency especially in US Dollars. This exposes the Council to risks that may arise from fluctuations in the foreign currency exchange rates. The Council has a USD bank account for transacting receipts and payments in USD to minimise the exposure to exchange risks.

Sensitivity analysis on the Foreign exchange of the Council's USD Account reported a Forex loss attributed to loss in value of the Kenya shilling to the US dollar at the year-end date.

The analysis assumes that exchange rate fluctuations on currency derivatives that form part of an effective cash flow hedge relationship affect the fair value reserve in equity and the fair value of the hedging derivatives.

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Foreign currency sensitivity analysis

The following table demonstrates the effect on the company's statement of comprehensive income on applying the sensitivity for a reasonable possible change in the exchange rate of the three main transaction currencies, with all other variables held constant. The reverse would also occur if the Kenya Shilling appreciated with all other variables held constant.

	Change in currency rate	Effect on Profit before tax	Effect on equity
	Kshs	Kshs	Kshs
2018			
Euro	10%	-	-
USD	10%	-	-
2017			
Euro	10%	-	-
USD	10%	-	-

iv) Capital Risk Management

The council's objectives when managing capital are to safeguard the company's ability to continue as a going concern in order to maintain an optimal capital structure to reduce the cost of capital.

The capital structure of the council consists of equity attributable to equity holders, comprising capital fund, reserves and retained earnings. The council would ordinarily monitor its capital risk using the gearing ratio. Gearing ratio is calculated as net borrowings over the total capital. The Council had no borrowings as at 30 June 2017 and 30 June 2018.

	2017-2018	2016-2017
	Kshs	Kshs
Retained earnings	132,693,317	80,375,787
Capital reserve	23,565,276	23,565,276
Total funds	156,258,593	103,941,063

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iv. RELATED PARTY BALANCES

Nature of related party relationships

A *related party* is a person or entity that is *related* to the entity that is preparing its financial statements (referred to as the 'reporting entity')

The related parties to the Council include:

- Government of Kenya - The Government of Kenya is the primary financier of the Council as a State Corporation. The GOK Transfers non-conditional Grants to the National Council for Law Reporting every financial year.
- Grants in Kind from the World Bank Judiciary Performance Improvement Programme (JPIP) – The World Bank are a development partner funding the JPIP project of which the Council is a key beneficiary. Provide Conditional grants to the National Council for Law Reporting through the Judiciary.
- Judicial Service Commission- This is the body that gives the broad strategic direction for the entire Judiciary that is our parent ministry; that then influences the Council's strategy. It also approves the entire Judiciary budget as envisaged in the Judiciary Fund.
- Council members – This is the body that gives the strategic direction of the National Council for Law Reporting and provides oversight over the Council's secretariat and its activities.
- Key Management – This are the persons who manage the secretariat and implement the policy direction and strategies of the National Council for Law Reporting as detailed by the Council members. The Council has a total of eleven (11) management staff.

Transactions are at arm's length and are recognized depending on the Council's existing policies.

	2018	2017
	Kshs	Kshs
Transactions with related parties		
a) Sales to related parties		
Sales of goods to Judiciary	4,864,100	440,000
Total	4,864,100	440,000
b) Grants from the Government		
Grants from National Govt.	320,000,000	255,000,000
Donations in kind	23,131,379	18,452,519
Total	343,131,379	273,452,519
c) Expenses incurred on behalf of related party		

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Payments of salaries and wages for 78 employees	118,279,155	120,073,453
Total	118,279,155	120,073,453
d) Key management compensation		
Directors' emoluments	3,069,400	2,028,000
Compensation to the CEO	6,275,600	5,977,500
Compensation to key management	39,508,696	37,784,448
Total	45,853,696	45,789,948

v. EVENTS AFTER THE REPORTING PERIOD

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

vi. ULTIMATE AND HOLDING ENTITY

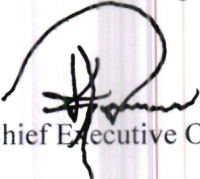
The Council is a State Corporation or a Semi- Autonomous Government Agency in the Judiciary, herein the holding entity. Its ultimate parent is the Government of Kenya

vii. Currency

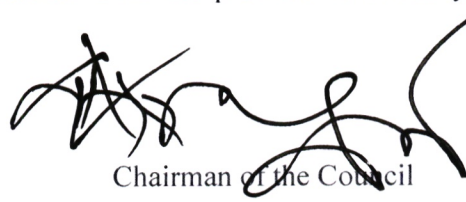
The financial statements are presented in Kenya Shillings (Kshs).

APPENDIX 1: PROGRESS ON FOLLOW UP OF AUDITOR RECOMMENDATIONS

There were no issues raised by the external auditor from the previous financial year(s) that were still outstanding as at 30th June 2018.



Chief Executive Officer / Editor



Chairman of the Council

Date 21/12/18

Date 21/12/18

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APPENDIX II: INTER-ENTITY TRANSFERS

	Date	Payee	Amount
1	Quarter 1	The Judiciary	80,000,000
2	Quarter 2	The Judiciary	80,000,000
3	Quarter 3	The Judiciary	80,000,000
4	Quarter 4	The Judiciary	80,000,000
	Totals		320,000,000

The above amounts have been communicated to and reconciled with the Judiciary.

Finance Manager (Ag)
National Council for Law Reporting

Head of Accounting Unit
The Judiciary

Sign



Sign

