

REPUBLIC OF KENYA



PARLIAMENT
OF KENYA
LIBRARY

Enhancing Accountability



REPORT

OF

THE AUDITOR-GENERAL

ON

KENYA YEARBOOK EDITORIAL BOARD

FOR THE YEAR ENDED
30 JUNE, 2021

THE NATIONAL ASSEMBLY
PAPERS LAYED

DATE: 30 NOV 2022 Wednesday

TABLED BY: LOM

CHECKED THE TABLE: Gertrude Chebet

OFFICE OF THE AUDITOR GENERAL
P. O. Box 30084 - 00100, NAIROBI
REGISTRY
17 MAR 2022
RECEIVED



KENYA YEARBOOK EDITORIAL BOARD

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDING
30TH JUNE 2021

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

THE NATIONAL ASSEMBLY PARLIAMENTARY COMMISSION	
DATE: 30 NOV 2022	DAY: <input type="text"/>
TABLED BY:	<input type="text"/>
CHECKED BY:	<input type="text"/>

Kenya Yearbook Editorial Board
Annual Reports and Financial Statements
For the year ended June 30, 2021.

Table of Contents	Page
1. KEY ENTITY INFORMATION AND MANAGEMENT	ii
2. THE BOARD OF DIRECTORS	v
3. MANAGEMENT TEAM	x
4. CHAIRMAN'S STATEMENT	xii
5. REPORT OF THE CHIEF EXECUTIVE OFFICER	xiii
6. STATEMENT OF KENYA YEARBOOK EDITORIAL BOARD PERFORMANCE AGAINST PREDETERMINED OBJECTIVES FOR FY 2020/2021	xiv
7. CORPORATE GOVERNANCE STATEMENT	xvi
8. MANAGEMENT DISCUSSION AND ANALYSIS	xx
9. ENVIRONMENTAL AND SUSTAINABILITY REPORTING	xxii
10. REPORT OF THE DIRECTORS	xxvi
11. STATEMENT OF DIRECTORS' RESPONSIBILITIES	xxvii
12. REPORT OF THE INDEPENDENT AUDITOR FOR THE FINANCIAL STATEMENTS OF KENYA YEARBOOK EDITORIAL BOARD)	xxviii
13. STATEMENT OF FINANCIAL PERFORMANCE FOR THE YEAR ENDED 30 JUNE 2021	1
14. STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2021	2
15. STATEMENT OF CHANGES IN NET ASSETS	3
16. STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 30 JUNE 2021	4
17. STATEMENT OF COMPARISON OF BUDGET AND ACTUAL AMOUNTS FOR THE YEAR ENDED 30 JUNE 2021	5
18. NOTES TO THE FINANCIAL STATEMENTS	9
APPENDIX	27

1. KEY ENTITY INFORMATION AND MANAGEMENT

(a) Background information

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

(b) Principal Activities

KYEB's objectives and principal activities are to: -

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

Vision

Empowering the nation with reliable publications on Kenya

Mission

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

Core Values

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

1. **Team spirit** - KYEB staff will endeavour to engage colleagues rationally and genuinely in an attempt to find common direction that will enhance public trust
2. **Creativity and innovativeness** - KYEB is committed to innovation, inventiveness, resourcefulness, visionary planning and service delivery.
3. **Efficiency and effectiveness**—KYEB will strive to use minimal resources to achieve maximum results in service delivery
4. **Good corporate governance** - KYEB will conduct its business in a more open manner, upholding high levels of uprightness
5. **Excellence and professionalism** - KYEB will demonstrate highest level of competence, efficiency and ethical values in realising its goals.
6. **Reliability** – KYEB will strive to ensure comprehensive feedback mechanism is in place and strive to deliver as per the expectations of all stakeholders

KEY ENTITY INFORMATION AND MANAGEMENT (Continued)

(c) Key Management

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

1. Board of Directors
2. CEO
3. Management

(d) Fiduciary Management

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

No.	Designation	Name
1.	Chief Executive Officer	Edward Mwasi
2.	Finance Manager	Susan Naitore
3.	Production Manager	Elijah Muli
4.	Editorial Manager	Peter Okong'o
5.	Corporation Secretary	Rosemary Okumbe

(e) Fiduciary Oversight Arrangements

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

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

(f) Board Headquarters

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

(g) Board Contacts

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

(h) Board Bankers

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

Kenya Yearbook Editorial Board
Annual Reports and Financial Statements
For the year ended June 30, 2021.

KEY ENTITY INFORMATION AND MANAGEMENT *(Continued)*

(i) Independent Auditors




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

(j) Principal Legal Adviser


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

Kenya Yearbook Editorial Board
Annual Reports and Financial Statements
For the year ended June 30, 2021.


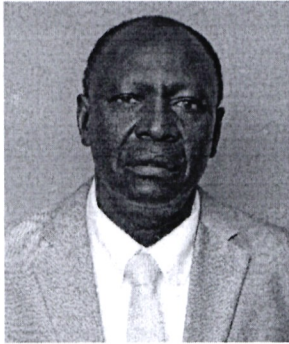
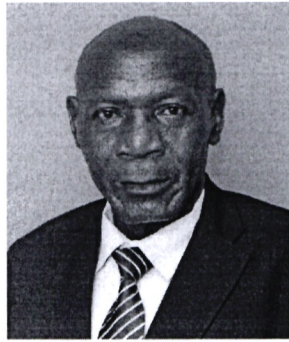
2. THE BOARD OF DIRECTORS

Passport –Size Photo & Name	Designation	Key Profession /Academic Qualification	Date of Birth, Key Qualification and work experience
 Eng. Sammy Tangus	Chairman KYEB	BSC. Civil Engineering University of Nairobi	Born in 1966, Eng. Tangus is a member of the Engineers Board of Kenya (EBK) and a Corporate Member of the Institute of Engineers of Kenya (IEK). He has worked in government, private and International bodies; gathering experience in administration & technical matters.
 Mr. Edward Mwasi	Chief Executive Officer	BA (Design). University of Nairobi	A publishing Expert, Mr. Mwasi has over 20 years' experience in Graphic Design He is currently the Chief Executive Officer of Kenya Yearbook Editorial Board after a stint as the Production Manager. He also worked at Nation Media Group as Chief Graphic Designer, and was the Creative Director of Kenwide Media Advertising Ltd.
 Mr. Wilson Kipkazi	Independent Director KYEB	Mr. Kipkazi holds a BA (Hons) degree in Community Development and Resource Mobilization, Graduate Diploma Community Development and a Certificate in Resource Mobilization and Fund-Raising techniques	Mr. Kipkazi was born on 25/4/1965. He is the Executive Director/Board Secretary of Endorois Welfare Council-Kenya. He has also been a Chairman /Commissioner Poverty Eradication Commission (2008-2015) and Director Kenya. Cooperative Creameries (2004-2006). He worked for Kenya Commercial Bank Group (Loans & Cash (1989-2001) and was a Chairman of the Kenya Bankers Savings and Credit Cooperative Society (1996-2001). He also worked for the Kenya Accountants and Secretaries National Examination Board (KASNEB) (1988-1989).
	Independent Director KYEB	Ms. Kiereini holds Bachelor of Science degree in Information Systems and	Ms. Nemaisha Kiereini was born on 5/3/1979, She has worked within the BMO sector since 2013. Her key areas of focus have been in



**Kenya Yearbook Editorial Board
Annual Reports and Financial Statements
For the year ended June 30, 2021.**

 <p>Ms Nemaisa Kiereini</p>		<p>technology with a concentration in networking from USIU, an MBA in strategic management together with a Public Policy certificate from the Strathmore Business School.</p>	<p>advocacy, communications, donor management strategic partnerships and membership development. She is currently an independent consultant in Trade and Investment. Ms Nemaisa's immediate past previous roles include: - Deputy Chief Executive Officer at the Kenya National Chamber of Commerce and Industry, Head of Advocacy and Communication at KEPSA, and has managed different departments and regions in KEPSA, Telkom Orange, Zain and Celtel Kenya.</p>
 <p>Ms Caroline Mukeli</p>	<p>Independent Director KYEB</p>	<p>Ms Mukeli holds a Bachelor Degree in Mass Communications from Africa Nazarene University</p>	<p>Born on 16/04/1988, Ms Caroline Mukeli is a Corporate Communications expert with 7 years' corporate experience in the private and public sector. Before joining KEPSA, she worked with various organisations including Top Image Africa, Kenya Healthcare Federation (KHF), and Retirements Benefits Authority (RBA). Ms. Mukeli has been engaged in media relations; corporate communications; events and communications planning; issues and crisis management; cause-related marketing; social media and website content management.</p>
 <p>Mr Timothy Odongo</p>	<p>Independent Director KYEB</p>	<p>Mr Odongo holds a MBA in marketing strategy, Chattered Marketing Postgraduate Diploma (CIM) and an Advanced Diploma in Business Administration (ABE)</p>	<p>Born on 8th December 1979, Mr Odongo is currently the Manager Business Hub, KEPSA. He previously worked as Senior Marketing Officer, Roberts Insurance Brokers and a National Blood Donor Recruiter, National Blood Transfusion Service.</p>



Kenya Yearbook Editorial Board
Annual Reports and Financial Statements
For the year ended June 30, 2021.

 <p>Mr. Joseph Mulei Muia</p>	<p>Director</p> <p>Ministry of Information Communication & Technology.</p>	<p>B.A. Communications Degree (Public Relations (Major), Business Administration (Minor)), Daystar University</p>	<p>Mr Muia was born on 14th April 1969. He is currently the Director, Department of Public Communications at the Ministry of ICT, Innovations and Youth Affairs. He has wealth of experience as a communications expert spanning over 20 years in various Ministries and departments including Tourism & wildlife, Health, Environment, water & natural resources and also Transition Authority.</p>
 <p>Mr. Peter Mwaura Igogo</p>	<p>Ministry of Interior and Co-ordination of National Government Harambee House NAIROBI</p> <p>Director</p>	<p>Mr Mwaura is pursuing a Master's in Leadership of Management. He holds a Bachelor's Degree in Journalism; a Diploma in Journalism (Kenya Institute of Mass Communication. Specialised Writing: School of Journalism Diploma in journalism: Indian Institute of Mass Communication – JNU Campus New Delhi. Senior management Seminar Kenya School</p>	<p>Born on 6/10/1960, Mr Mwaura has over 30 years' experience in the public service running from 1985 to date. He has served as district information officer in Kitui, Meru, Nyeri and Machakos counties and a Public communication officer in the ministries of special programme, Defence and State Department of Interior.</p>
 <p>Mr. Kennedy Buhere</p>	<p>Ministry of Education, State Department Of Basic Education. Jogoo House 'B' NAIROBI</p> <p>Director</p>	<p>Mr. Buhere holds a Master's Degree in Communication Studies and a Bachelor of Arts Degree in Government and Literature from the University of Nairobi. He also holds a Post Graduate Diploma in Journalism and Communications from</p>	<p>Mr. Kennedy Buhere was born on 9/10/1964. He is the Assistant Director, Public Communication; Ministry of Education, Science and Technology, Kenya</p>

Kenya Yearbook Editorial Board
Annual Reports and Financial Statements
For the year ended June 30, 2021.


		the Kenya Institute of Mass Communications	
 Mr. Hezekiah Okeyo	Ministry of Industrialisation, Trade and Enterprise Development, State Department of Industry and Enterprise Development NSSF Building, Block A, 22 nd Floor Director	Mr. Okeyo holds a Master's Degree in Business Administration (Strategic Management) from the Eastern and Southern African Management Institute (ESAMI), Arusha, Tanzania (2012) and a Master of Science Degree in Environmental Science & Technology from UNESCO-IHE Delft, The Netherlands (2002), and a Bachelor of Science Degree in Chemistry (2 nd Class Honours, Upper Division) from the University of Nairobi Kenya (1989).	Born on 28/3/1963, Mr Okeyo is the Director of Industries in charge of Vision 2030 Manufacturing Sector Delivery at the Ministry of Industrialisation, Trade and Enterprise Development; member of the Inter-Ministerial Committee on the Development of a National Green Economy Strategy and Implementation Plan; Project Manager of the DANIDA Business Sector Programme Support (BSPS), 2006-2012; Task Manager/Coordinator for the formulation of Kenya Private Sector Development Strategy (PSDS) and its Project Implementation Plan (PIP) 2007-2011; Working Committee on Regulatory Reforms for Business Activity in Kenya established and gazetted (Kenya gazette Notice No. 7321 of 23.9.2005) by the Minister for Finance to facilitate the Regulatory Reforms on Business Licensing in Kenya and member of the United Nations Environment Programme (UNEP) Technical Options Committee (TOC) of the Technology & Economic Assessment Panel (TEAP) under the Montreal Protocol on Substances that deplete the ozone layer.
 Mr Richard Gakunya	The National Treasury, Director	Mr. Gakunya holds a Master's Degree in Economics (1991) from Odessa Institute of National Economy, Ukraine	He has previously worked in the Kenya National Audit Office as an Audit assistant (1983-1986). An Economist in the Ministry of Planning and National Development (1995-2000) and in the Ministry of Finance from 2001 to-date as a Principal Economist) in the Economic Affairs Department.

**Kenya Yearbook Editorial Board
Annual Reports and Financial Statements
For the year ended June 30, 2021.**


 <p>Mr David Wambete</p>	<p>The National Treasury, Director</p>	<p>Mr. Wambete holds a Masters' degree in Economic Policy Management from Makerere University (Uganda), and a Bachelors' degree in Economics from Moi University. He also has a Certificate in Project Appraisal and Risk Management from Duke Centre for International Development (USA) He is undertaking a Certified Public Accountant (CPA) course</p>	<p>Mr Wambete is currently a Principal Finance Officer in the National Treasury. He previously worked as a District Development Officer responsible for the district's overall development planning. Specifically, oversaw programmes and projects implementation in Constituency development (Constituency Development Fund), poverty eradication (Poverty Eradication Commission), Millennium Development Goals, and HIV/AIDS management among others. Courses attended include: Policy, programmes and project management; Results based monitoring and evaluation; Transboundary resources management; Quality management systems; Performance management; Urban planning for developing countries; and Senior management course.</p>
 <p>Ms Rosemary Okumbe</p>	<p>Corporation Secretary</p>	<p>Ms Okumbe is a holder of LLM (Master of Law) from Cardiff University (UK), LLB (Bachelor of Nairobi. She is an Advocate of the High Court of Kenya and Certified Secretary and a member of ICPSK in good standing. She is a member of LSK.</p>	<p>She is KYEB Corporation Secretary.</p>

Kenya Yearbook Editorial Board
Annual Reports and Financial Statements
For the year ended June 30, 2021.

3. MANAGEMENT TEAM

Name	Designation	Key Profession / Academic Qualification	Key Qualification and work experience
 Mr. Edward Mwasi	Chief Executive Officer	Mr. Edward Mwasi holds a Bachelor of Arts (Design) degree from the University of Nairobi.	He is the Chief Executive Officer .
 CPA Ms Susan Naitore	Finance Manager	CPA Ms Susan Naitore holds a Master of Science in Development Finance degree from KCA university, Bachelor of Business Management degree (Accounting Option) from Moi University and CPA (K). She is a member of the Institute of Certified Public Accountants of Kenya (ICPAK) in good standing.	In charge of Finance and Accounts department
 Mr. Elijah Muli	Production Manager	Mr. Muli holds B.A (Design), from Nairobi University.	In charge of Production department.
 Mr Peter Okong'o	Editorial Manager	Mr peter holds a B.A (English) Degree from Eastern Africa Baraton university and a post graduate, Journalism from University of Nairobi. He is a member of Media Council of Kenya (MCK) and Public Relations Society of Kenya (PRSK)	In charge of Editorial department.

Kenya Yearbook Editorial Board
Annual Reports and Financial Statements
For the year ended June 30, 2021.

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

4. CHAIRMAN'S STATEMENT

Like many other organisations both locally and globally, the organisation experienced a turbulent period during the 2020/21 financial year. The novel Covid-19 pandemic, which has radically affected all sectors of the economy, has changed the ways businesses are conducted in unprecedented ways. The government's extreme containment measures such as curfews and work-from-home directive have adversely affected productivity and social activities in the economy. Despite these challenges, the organisation has proven its resilience and has rapidly adapted to the 'new normal' by leveraging on the emerging opportunities to scale even greater heights. The organisation has embraced the use of ICT to support remote working for the board and staff members. The organisation has also forged new alliances and developed new digital communication strategies in order to disseminate information on the government's public health initiatives to accelerate the process of flattening the Covid-19 curve.

KYEB continued implementing its 2019-2023 Strategic Plan, the plan proposes to significantly increase the output of the organisation, which shall see a corresponding increase in the size and capacity of the organisation. The year also saw the streamlining of policies and structures in line with the new plan and the generation of new revenue streams.

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



Eng. Sammy Tangus
Chairman

5. REPORT OF THE CHIEF EXECUTIVE OFFICER

The 2020/2021 financial year was eventful despite the challenges of COVID-19 settling in midway and one that also saw the Kenya Yearbook Editorial Board line up a number of publications.

KYEB benefitted from its versatility at the height of the COVID-19 pandemic, and the team remained firmly on course and quickly adjusted to the new dynamics that saw members of staff work from home.

At the peak of the pandemic, when many institutions were trying to find their footing to remain afloat, KYEB with its long-term business model, largely remained stable. If anything, the institution produced more publications than ever since the operationalization of the State Corporation in 2009.

The organisation has also seen the need to adopt effective and efficient models that would enhance the delivery of service. This was also on a cost-benefit analysis basis. The Board endorsed new concepts for production of its publications that would reposition the organisation to address the Government priorities and boost its relevance. For instance, the one adopted on the assembly of its flagship yielded positive results and has led to timely and cost-effective completion of more publications of better editorial quality. The institution, through the direction of its board, has perfected the art of outsourcing by engaging seasoned writers and editors on a need-to-basis that enables tap into the best talents in the country at fairly competitive rates. In this case, we did not have to bring them on board to work from our premises, but rather leveraged the robust ICT platform available to create a virtual office space or workflow. We also utilized the Zoom conferencing facility for our meetings. This also included digital paper and audit trails, transactions, and the making of payments virtually through the internet banking systems.


The financial year saw the publication of the 2020 Yearbook that addressed "Social Cohesion and Economic Recovery" due to the effects of the COVID-19 pandemic and government efforts to ease the economic pressure of lockdown measures on citizens. This was a modification from a previous theme that focused mainly on social cohesion in response to the new dynamics.

The yearbook focused on the government's efforts towards managing the effects of the pandemic, as well as continuing with the Big 4 Agenda publications that saw completion of the affordable housing publication. The **Kibaki cabinets** publication was also completed and launched during the period.

KYEB has continued to innovate on all fronts, especially in the production of publications that help deliver that much-needed content to address the immediate needs of the day. Away from our other series, we have delivered several innovations to complement our flagship.

The institution continued to partner with MDAs to produce its publication, a process that has seen the institution leverage other institution's strengths to deliver its products to the public. This has been in content generation, packaging, and promotions through the media.

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


Edward Mwasi
Chief Executive Officer

**Kenya Yearbook Editorial Board
Annual Reports and Financial Statements
For the year ended June 30, 2021.**

**STATEMENT OF KENYA YEARBOOK EDITORIAL BOARD PERFORMANCE
AGAINST PREDETERMINED OBJECTIVES FOR FY 2020/2021**

Kenya Yearbook editorial board (KYEB) has 1 (one) strategic pillar and 1 (one) objective as per the KYEB Strategic Plan for FY 2019/20 - 2023/24.

The Strategic pillar is as follows:

Publishing

KYEB develops its annual work plans based on the above pillar. Assessment of its performance against its annual work plan is done on a quarterly basis. KYEB achieved its performance targets for its strategic pillar as indicated in the diagram below:

Strategic Pillar	Objective	Key Performance Indicators	Activities	Achievements
Publishing	To diversify KYEB products and services	Diversified Modes of Production	<ul style="list-style-type: none"> Adopted remote publishing and work-from-home for KYEB staff following advent of COVID-19 Pandemic. Fully embraced outsourcing of content collation and editing 	<ul style="list-style-type: none"> Staff successfully delivered services while working from home, thus reducing risk of COVID-19 infections Outsourcing improved quality of publications and delivery timelines, lowered cost of publishing for KYEB and helped develop a predictable calendar for production of all publications.
		Diversified products and service range	<ul style="list-style-type: none"> Developed and launched two weekly digital publications, <i>QuickInfoBytes</i> and <i>Agenda Kenya</i> carrying content sourced from Ministries, Departments and Agencies (MDAs) and highlighting topical social and economic interventions by Government tied to the Third Medium Term Plan (MTP III) and the Big 4 Agenda. 	<ul style="list-style-type: none"> Prepared Concepts with themes aligned to the Government's Big 4 Agenda and the Kenya Vision 2030 for the Yearbook and other Sector-Specific publications Affordable Housing book published. Dissemination in FY2021/22 Kibaki Cabinets published. Dissemination in FY2021/22.

Kenya Yearbook Editorial Board
Annual Reports and Financial Statements
For the year ended June 30, 2021.

			<ul style="list-style-type: none"> • Launched digital versions of KYEB publications including the Cabinet Series and the Yearbook. • Cabinet series/biographies; Translation of books for special groups and into Kiswahili; • Customized publishing meetings, marketing and active participation in online fairs and forums 	<ul style="list-style-type: none"> • Discussions were held to pursue publication partnerships in FY2021/22. Participated in fairs and forums where KYEB staff interacted with county officials in Mombasa and Kilifi counties and shared KYEB publications.
--	--	--	---	--

6. CORPORATE GOVERNANCE STATEMENT

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

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

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

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

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

Board

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

The Board is responsible for:

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

Kenya Yearbook Editorial Board
Annual Reports and Financial Statements
For the year ended June 30, 2021.

The composition of the Board included (12) Directors as listed below:

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

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

1. Finance Committee

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

- | | | | |
|------|-----------------|---|-------------------------------------|
| i. | Caroline Mukeli | - | Chairman (01/7/2020 to 04/01/2021) |
| ii. | Mwaura Igogo | - | Chairman (05/01/2021 to 30/06/2021) |
| iii. | Wilson Kipkazi | - | Member |
| iv. | Mulei Muia | - | Member |
| v. | Timothy odongo | - | Member (05/01/2021 to 30/6/2021) |

2. Audit Committee

The Audit Committee had the oversight role of risk management, internal control and governance and related issues. It was chaired by an Independent Director and held four (4) meetings over the period. The composition of the committee included:

- | | | | |
|------|------------------|---|----------------------------------|
| i. | Nemaisa Kiereini | - | Chairman |
| ii. | Hezekiah Okeyo | - | Member |
| iii. | Kennedy Buhere | - | Member |
| iv. | Richard Gakunya | - | Member (01.07.2020 to 16.7.2020) |
| v. | David Wambete | - | Member (17.07.2020 to 30.6.2021) |

3. Strategy and Monitoring Committee

The Strategy and Monitoring Committee had the oversight role of the strategy, editorial, production and marketing functions and related issues. The Committee provided strategic and marketing direction including the approval of planned work programmes. It was chaired by a Non-Executive Director and held four (4) meetings over the period. The composition of the committee included:

Kenya Yearbook Editorial Board
Annual Reports and Financial Statements
For the year ended June 30, 2021.

- i. Hezekiah Okeyo - Chairman
- ii. Caroline Mukeli - Member (1/7/2020 to 4/1/2021)
- iii. Timothy Odongo - Member (5/1/2021 to 30/6/2021)
- iv. Richard Gakunya - Member (01.07.2020 to 16.7.2020)
- v. Mulei Muia - Member
- vi. David Wambete - Member (17.07.2020 to 30.6.2021)

4. Human Resources and Administration Committee

The Human Resources and Administration Committee had the oversight role of human resources and administration issues. Among its key functions was providing directions on recruitment, training, welfare administration and disciplinary issues. It was chaired by an independent Director and held four (4) meetings over the period. The composition of the committee included:

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

The number of meetings held by the Board and the committees during the period 1 July 2020 to 30 June 2021:

Board/Committees	No. of Meetings Held
Board	5
HR & Admin	4
Strategy & Monitoring	4
Finance	5
Audit	5

Kenya Yearbook Editorial Board
Annual Reports and Financial Statements
For the year ended June 30, 2021.

Summary Report of attendance in meetings

Names	Board		Committees								Total	
			HR & Admin		Strategy & P.		Finance		Audit			
	No. of Meetings		No. of Meetings		No. of Meetings		No. of Meetings		No. of Meetings		No. of Meetings	
	He Id	Atten ded	He Id	Atten ded	He Id	Atten ded	He Id	Atten ded	He Id	Atten ded	He Id	Atten ded
Eng. Sammy Tangus	5	5	-	-	-	-	-	-	-	-	5	5
Mr Wilson Kipkazi	5	5	4	4	-	-	5	5	-	-	14	14
Ms Nemaisa Kiereini	5	5	4	4	-	-	-	-	5	5	14	14
Ms Caroline Mukeli	5	4	-	-	4	3	5	4	-	-	14	11
Mr Mwaura Igogo	5	5	4	4	-	-	5	5	-	-	14	14
Mr Hezekiah Okeyo	5	5	-	-	4	4	-	-	5	4	14	13
Mr. Mulei Muia	5	5	-	-	4	4	5	5	-	-	14	14
Mr Richard Gakunya	5	2	-	-	4	2	-	-	5	1	14	5
Mr David Wambete	5	3	-	-	4	2	-	-	5	4	14	9
Mr. Timothy Odongo	5	1	-	-	4	1	5	1	-	-	14	3
Mr Kennedy Buhere	5	4	4	4	-	-	-	-	5	5	14	13

7. MANAGEMENT DISCUSSION AND ANALYSIS

The Board's operational and financial performance

During the FY 2020/21, KYEB launched its flagship publication *The Kenya Yearbook 2020* Edition, the cabinet series *Kibaki cabinets* and sector-specific publications on Universal Health Coverage (UHC). The Board is also in the final stage of publishing Yearbook 2021 edition and sector specific publication on affordable housing which are due for launching.

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

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

Board's compliance with statutory requirements

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

Key projects and investment decisions the entity is planning /implementing

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

Major risks facing the entity:

1. Operational Risk

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

2. Liquidity Risks

KYEB funding remained stable during the FY 2020-21, this improved undertaking its operations and also collection of receivables held by the line Ministry as a result of services rendered enabled KYEB reduce its current liabilities that had accumulated from prior period when KYEB experience underfunding.

3. Legal Risks

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

4. Reputation Risks

KYEB reputation improved greatly in the period 2020/21, as it paid most of the prior years' liabilities.

5. Compliance Risks

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

Material arrears in statutory/financial obligations

KYEB accrued current liabilities relate to 2020/21 payables as at 30th June 2021. They are covered by the receivable amounts and are budgeted for.

The entity's financial probity and serious governance issues.

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

8. ENVIRONMENTAL AND SUSTAINABILITY REPORTING

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

Below is an outline of KYEB's policies and activities that promote sustainability.

i. Sustainability strategy and profile

KYEB'S mandate is to enhance government communication, this role is quite expansive and, if not properly interpreted, could fail to address the needs of its audience. It's been a deliberate effort of the KYEB team to strategically align all its publications to the Government priorities and the dictates of the day for impact and relevance. Relevance attracts support from the exchequer and partnership.

To gain and maintain trust from its stakeholders, the institution has persistently defined professionalism in the packaging of its content. Any publication produced is processed through meticulous research and brainstorming to ensure that all the tenets of journalism are respected. This is how the mainstream media is able to embrace our enriching content and disseminate it on their platforms as a partnership as opposed to direct business. These ventures have saved KYEB millions in costs and helped publicise the organisation.

KYEB has adopted remote publishing and outsourcing of content collation and editing to counter the realities of the COVID-19 pandemic. It also allows for engaging a wide range of expertise to address unique perspectives in publishing. Different topics require experience in different subjects.

On the production processes, KYEB has adopted a digital workflow that allows the teams to work from different remote stations. This enhances the interactivity of the team from anywhere and anytime. We are currently in the process of service automation to make these processes more seamless.

Outsourcing of content collation and design has injected efficiency in the utilisation of funds and improved the quality of publications. In addition, KYEB has embraced innovation by pursuing a digital-first strategy for publishing. In this regard, KYEB has digitized all its publications including the Yearbook, and made the same available on its online platform. It has also launched two digital publications that have been received well by the public and its partners in Government.

i) Environmental Performance

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

ii) Employee Welfare

Account of the Policies guiding the hiring process

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

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

To attract and motivate staff, KYEB amended sections of the HR Policy and Procedure manual in order to enable employees to acquire house mortgages and vehicles at negotiated interest rates. Additionally, the Board operates a defined contribution retirement benefits scheme for employees on permanent and pensionable terms of employment, while employees on contract terms of employment are entitled to gratuity as per the terms of their employment.

The Policies are improved on need-to-basis and approval is sought from the Board of Directors, during the year under review, the following polices were developed/ reviewed to ensure compliance, increase efficiency, improve staff safety and welfare: -

- a) Training Policy
- b) Transport Policy
- c) Gender Mainstreaming Policy
- d) Disability Policy
- e) Alcohol and Substance Abuse Policy
- f) HIV & Aids Policy

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

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

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

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

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

The Board also have a staff medical scheme that caters for employees' medical expenses and have also complied with WIBA Act through acquiring WIBA insurance for all employees.

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

iii) MARKET PLACE PRACTICES

a) Responsible Competition Practise

KYEB ensures a corruption free zone and has a zero-tolerance policy towards corruption. Through use of adhoc committees KYEB procures services from suppliers as per the end user department

needs. A citizen service charter has been placed at the entry point with contacts of Ombudsman in case of any complaints to the institution from within or external clients. Fair market competition is well practiced by being on the same playing field with our competitors during book exhibitions.

b) Responsible Supply Chain & Supplier Relations

Procurement function is mandated to manage procurement and asset disposal processes as per the Public Procurement and Asset Disposal Act (2015). In FY 2020/21 KYEB complied on preference and reservations group allocation and awarded contracts of Kshs. 5,139,472. KYEB also supports the Buy Kenya Build Kenya initiative and awarded contracts of Kshs. 23,538,542/- to local services and products.

c) Responsible Marketing and Advertisement

Through promotions during events and visits to both Primary and high schools, KYEB has been able to donate books to enhance knowledge on Kenya and its sectors. KYEB donated books to Premise Academy-Wote, Makueni County, Upper hill School-Nairobi County, Manyatta Primary School-Kisumu County, Manyatta High School-Kisumu County and Pe Hill High School-Migori County.

d) Product Stewardship

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

iv) Corporate Social responsibility (CSR)/Community Engagements

KYEB embraces Community Engagement activities, a strategy that is aligned to the core values, by looking for opportunities to improve environment and contribute to the well-being of the communities in which we operate.

CSR also helps to improve employee engagement, since being actively involved in society issues, promotes a positive and professional work environment. It also encourages professional and personal growth because employees get to interact with each other outside their work responsibilities, and find themselves doing some activities for their society which gives them a greater sense of accomplishment.

Local Development

KYEB donated books to several primary and secondary schools and community libraries within the Financial Year in review:

These schools include:

1. Premise Academy-Wote, Makueni County
2. Upper hill School-Nairobi County
3. Manyatta Primary School-Kisumu County
4. Manyatta High School-Kisumu County
5. Pe Hill High School-Migori County

Libraries donated to include:

1. Denis Logan Library-(serves 58 community libraries)
2. Swahili Resource Centre-Mombasa Old Town
3. Kilifi Community Library-Kilifi County

Tree Planting

There are very many benefits of trees. They give oxygen that we need to breathe, reduce the amount of storm water runoff, which reduces erosion and pollution in waterways and reduce the effects of flooding. Many species of wildlife also depend on trees for habitat. Trees provide food, protection, and homes for many birds and mammals. Hence, the Board sent a team to Elgeyo-Marakwet County to plant trees as part of implementation measures to restore forest cover.

**Kenya Yearbook Editorial Board
Annual Reports and Financial Statements
For the year ended June 30, 2021.**

9. REPORT OF THE DIRECTORS

The Directors submit their report together with the audited financial statements for the year ended June 30, 2021, which show the state of KYEB's affairs.

i) Principal activities

The principal activities of KYEB are: -

- To periodically compile, edit and publish the Kenya Yearbook annually;
- To document and detail the work of the government of Kenya in the yearbook in partnership with its people;
- To explain in the yearbook, the programme of action to sustain and speed up progress towards the kind of society Kenyan's desire;
- To convey in the Yearbook, the immense resources in Kenya and the potential still to be tapped;
- To co-ordinate and implement Government communications functions in a manner that ensures a qualitative and positive presentation of materials that define Kenya's situation;
- To provide guidance in Government communication and build a framework of partnerships and co-operation between key government communicators;
- To promote awareness of opportunities available worldwide and how to gain access to them;
- To inform Kenyans of regional, continental and global integration opportunities and initiatives;
- To conduct communication research and disseminate the findings and organize periodic teach-ins and seminars;
- To publish on thematic issues; and
- Transversal campaigns, such as Vision 2030, the SDGs, the Constitution debate and regional and global partnership initiatives.

ii) Results

The results of the entity for the year ended June 30, 2021, are set out on page 1-25.

iii) Directors

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

iv) Auditors

The Auditor General is responsible for the statutory audit of Kenya Yearbook Editorial Board in accordance with Article 229 of the Constitution of Kenya and the Public Audit Act 2015 for the year ended June 30, 2021 in accordance to section 23 of the Public Audit Act, 2015 which empowers the Auditor General to appoint an auditor to audit on his behalf.

By Order of the Board

EDWARD MWASI

Name

Corporate Secretary


Signature

Date

29/9/2021

**CEO, KENYA YEARBOOK
EDITORIAL BOARD**

10. STATEMENT OF DIRECTORS' RESPONSIBILITIES

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

The Directors are responsible for the preparation and presentation of KYEB's financial statements, which give a true and fair view of the state of affairs of KYEB for and as at the end of the financial year ended on June 30, 2021. This responsibility includes: (i) Maintaining adequate financial management arrangements and ensuring that these continue to be effective throughout the reporting period; (ii) Maintaining proper accounting records, which disclose with reasonable accuracy at any time the financial position of the entity; (iii) Designing, implementing and maintaining internal controls relevant to the preparation and fair presentation of the financial statements, and ensuring that they are free from material misstatements, whether due to error or fraud; (iv) Safeguarding the assets of the entity; (v) Selecting and applying appropriate accounting policies; and (vi) Making accounting estimates that are reasonable in the circumstances.

The Directors accept responsibility for KYEB's financial statements, which have been prepared using appropriate accounting policies supported by reasonable and prudent judgements and estimates, in conformity with International Public Sector Accounting Standards (IPSAS), and in the manner required by the PFM Act, 2012 and the State Corporations Act. The Directors are of the opinion that KYEB's financial statements give a true and fair view of the state of KYEB's transactions during the financial year ended June 30, 2021, and of KYEB's financial position as at that date.

The Directors further confirms the completeness of the accounting records maintained for KYEB, which have been relied upon in the preparation of KYEB's financial statements as well as the adequacy of the systems of internal financial control.

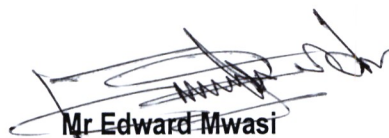
Nothing has come to the attention of the Directors to indicate that KYEB will not remain a going concern for at least the next twelve months from the date of this statement.

Approval of the financial statements

KYEB's financial statements were approved by the Board on **27th September, 2021** and signed on its behalf by:



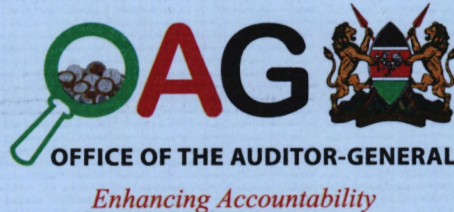
Eng. Sammy Tangus
Chairperson of the Board



Mr Edward Mwasi
Chief Executive Officer

REPUBLIC OF KENYA

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



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

REPORT OF THE AUDITOR-GENERAL ON KENYA YEARBOOK EDITORIAL BOARD FOR THE YEAR ENDED 30 JUNE, 2021

I draw your attention to the contents of my report which is in three parts:

- A. Report on the Financial Statements that considers whether the financial statements are fairly presented in accordance with the applicable financial reporting framework, accounting standards and the relevant laws and regulations that have a direct effect on the financial statements.
- B. Report on Lawfulness and Effectiveness in Use of Public Resources which considers compliance with applicable laws, regulations, policies, gazette notices, circulars, guidelines and manuals and whether public resources are applied in a prudent, efficient, economic, transparent and accountable manner to ensure Government achieves value for money and that such funds are applied for intended purpose.
- C. Report on Effectiveness of Internal Controls, Risk Management and Governance which considers how the entity has instituted checks and balances to guide internal operations. This responds to the effectiveness of the governance structure, the risk management environment, and the internal controls developed and implemented by those charged with governance for orderly, efficient and effective operations of the entity.

An unmodified opinion does not necessarily mean that an entity has complied with all relevant laws and regulations, and that its internal controls, risk management and governance systems are properly designed and were working effectively in the financial year under review.

The three parts of the report are aimed at addressing the statutory roles and responsibilities of the Auditor-General as provided by Article 229 of the Constitution, the Public Finance Management Act, 2012 and the Public Audit Act, 2015. The three parts of the report, when read together constitute the report of the Auditor-General.

REPORT ON THE FINANCIAL STATEMENTS

Qualified Opinion

I have audited the accompanying financial statements of the Kenya Yearbook Editorial Board set out on pages 1 to 27 which comprise of the statement of financial position

Report of the Auditor-General on Kenya Yearbook Editorial Board for the year ended 30 June, 2021

as at 30 June, 2021, 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, except for the effect of the matters described in the Basis for Qualified Opinion section of my report, the financial statements present fairly, in all material respects, the financial position of the Kenya Yearbook Editorial Board as at 30 June, 2021 and of its financial performance and its cash flows for the year then ended, in accordance with International Public Sector Accounting Standards (Accrual Basis) and comply with the Public Finance Management Act, 2012.

Basis for Qualified Opinion

1. Long Outstanding Receivable from Exchange Transaction

The statement of financial position and as disclosed in Note 16 to the financial statements reflects receivables from exchange transactions balance of Kshs.37,689,944. Included in the balance is an amount of Kshs.1,332,767 indicated as bookshop receivable balance out of which Kshs.900,082 relates to the 2016/2017 financial year and prior years. As previously reported, there are no formal measures that are in place to recover the long outstanding debts.

Further, information provided indicates that some of the debtors have since closed their businesses, thus limiting the chances of recoverability of their outstanding balances. However, no provision for bad debts has made in the financial statements.

In the circumstances, the accuracy and completeness of receivables from exchange transactions balances of Kshs.37,689,944 could not be confirmed.

2. Unsupported Current Provisions

The statement of financial position and as disclosed in Note 21(a) to the financial statements reflects current provision balance of Kshs.61,356,436 out of which an amount of Kshs.30,007,525 is in respect of additional provisions and Kshs.26,052,050 as provision utilized to pay gratuity to staff when their contracts ended during the year under review. However, the Management did not provide authority, documentation or approved management policy on such provisions for audit verification.

In the circumstance, the validity and accuracy of the current provisions of Kshs.61,356,436 as at 30 June, 2021 could not be confirmed.

3. Unsupported Payment of Allowances to Directors

The statement of financial performance and as disclosed in Note 11 to the financial statements reflects Board of Directors expenses amounting to Kshs.10,065,708 which includes an amount of Kshs.4,021,708 in respect to other allowances. The amount

includes Kshs.1,219,400 paid in form of per diems to the Directors for purposes of attending training programs and retreats on various dates. The payments were however, not supported with Board minutes and evidence of approval. In addition, reports in respect of the trainings and retreats were not provided for audit verification.

In the circumstances, the validity and accuracy of other Board allowances of Kshs.1,219,400 could not be confirmed.

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

Emphasis of Matter

Contingent Liabilities

As reported in the previous year and as disclosed under Note 25 to the financial statements, the Board has an ongoing Court case filed by three former employees who were interdicted and subsequently terminated from employment on 11 August, 2016. The three are seeking compensation totalling Kshs.17,294,430. Review of the matter as at 30 June, 2021 revealed that the case was still pending in Court and its outcome, in the opinion of the Board will have no significant liability. However, during the year under review, the Board incurred an expenditure of Kshs.305,482 as legal fees in respect to the case as disclosed under Note 9 to the financial statements. Should the ruling be in favor of the former employees, the outcome is likely to have significant financial impact on the Board.

My opinion is not modified in respect of the above matter.

Key Audit Matters

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

Other Matter

Unresolved Prior Year Audit Issues

In the audit report of the previous year, a number of issues were raised under the Report on Financial Statements and Report on Lawfulness and Effectiveness in Use of Public Resources. However, Management has not resolved the issues nor disclosed the prior year matters as provided by the Public Sector Accounting Standards Board, templates and The National Treasury's Circular Ref. AG.4/16/2 Vol.3(72) dated 30 June, 2021.

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 EFFECTIVENESS OF INTERNAL CONTROLS, RISK MANAGEMENT AND GOVERNANCE

Conclusion

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

Basis for Conclusion

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

Responsibilities of Management and Board of Directors

The 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 Board's ability to continue to sustain its services, disclosing, as applicable, matters

related to sustainability of services and using the applicable basis of accounting unless Management is aware of the intention to terminate the Board or to cease operations.

The 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 financial statements described above, Management is also responsible for ensuring that the activities, financial transactions and information reflected in the financial statements are in compliance with the authorities which govern them, and that public resources are applied in an effective way.

The Board of Directors is responsible for overseeing the financial reporting process, reviewing the effectiveness of how the Management 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 overall governance processes and systems in accordance with the provisions of Section 7(1)(a) of the Public Audit Act, 2015 and submit the audit report in compliance with Article 229(7) of the Constitution. My consideration of the internal control would not necessarily disclose all matters in the internal control that might be material weaknesses under the ISSAIs.

A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements caused by error or fraud in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions.

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

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Management.
- Conclude on the appropriateness of the Management's use of the applicable basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Board's ability to continue to sustain its services. If I conclude that a material uncertainty exists, I am required to draw attention in the auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my audit report. However, future events or conditions may cause the Board to cease to continue to sustain its services.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information and business activities of the Board to express an opinion on the financial statements.

- Perform such other procedures as I consider necessary in the circumstances.

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

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


CPA Nancy Gathungu, CBS
AUDITOR-GENERAL

Nairobi


22 July, 2022


Kenya Yearbook Editorial Board
Annual Reports and Financial Statements
For the year ended June 30, 2021.


12. STATEMENT OF FINANCIAL PERFORMANCE FOR THE YEAR ENDED 30 JUNE
2021

	Notes	2020-2021	2019-2020
		Kshs	Kshs
Revenue from non-exchange transactions			
Transfers from other governments entities	6	100,000,000	105,000,000
Total Revenue from non-exchange transactions		100,000,000	105,000,000
Revenue from exchange transactions			
Rendering of services	7	62,429,044	62,544,730
Sale of goods	8	1,557,813	174,350
Total Revenue from exchange transactions		63,986,857	62,719,080
Total revenue		163,986,857	167,719,080
Expenses			
Use of goods and services	9	41,063,945	37,304,918
Employee costs	10	53,187,937	50,054,622
Board of directors' costs	11	10,065,708	8,954,145
Depreciation and amortization expense	12	4,170,625	4,825,970
Repairs and maintenance	13	1,626,059	698,565
Publishing, dissemination and publicity	14	62,112,209	64,681,142
Total operating expenses		172,226,483	166,519,362
Surplus/(deficit) for the year		(8,239,626)	1,199,718

The notes set out on pages 9 to 28 form an integral part of these Financial Statements.
The Financial Statements set out on pages 1 to 8 were signed on behalf of the Board of Directors
by:


Chief Executive Officer
Mr Edward Mwasi
29th September, 2021


Head of Finance
CPA Susan Naitore
ICPAK Mn 19986
29th September, 2021


Chairman of the Board
Eng. Sammy Tangus
29th September, 2021


Kenya Yearbook Editorial Board
Annual Reports and Financial Statements
For the year ended June 30, 2021.


14 STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2021


Description/Period	Notes	2020-2021 Kshs	2019-2020 Kshs
Assets			
Current Assets			
Cash and cash equivalents	15	18,392,261	26,021,058
Current portion of receivables from exchange transactions	16	37,689,944	47,054,228
Receivables from non-exchange transactions	17	3,959,750	3,385,506
Inventories	18	13,280,730	7,031,020
Total Current Assets		73,322,685	83,491,812
Non-Current Assets			
Property, plant and equipment	19	14,469,171	16,751,777
Total Non- Current Assets		14,469,171	16,751,777
Total Assets		87,791,856	100,243,589
Liabilities			
Current Liabilities			
Trade and other payables	20	10,393,164	18,043,394
Current Provision	21(a)	61,356,436	56,142,561
Total Current Liabilities		71,749,600	74,185,955
Non-Current Liabilities			
Non-current employee benefit obligation	21(b)	1,364,420	3,140,173
Total Non- Current Liabilities		1,364,420	3,140,173
Total Liabilities		73,114,020	77,326,127
Net assets		14,677,836	22,917,462
Accumulated surplus		3,732,090	11,971,716
Capital Fund	23	10,945,746	10,945,746
Total Net Assets		14,677,836	22,917,462
Total Net Assets and Liabilities		87,791,856	100,243,589

The Financial Statements set out on pages 1 to 8 were signed on behalf of the Board of Directors

by:


Chief Executive Officer
Mr Edward Mwasi
29th September, 2021


Head of Finance
CPA Susan Naitore
ICPAK Mn 19986
29th September, 2021


Chairman of the Board
Eng. Sammy Tangus
29th September, 2021

Kenya Yearbook Editorial Board
Annual Reports and Financial Statements
For the year ended June 30, 2021.


15 STATEMENTS OF CHANGES IN NET ASSETS
FOR THE YEAR ENDED 30 JUNE 2021


Description	notes	Capital/ Development Grants/Fund	Accumulated surplus	Total
As at July 1, 2020		10,945,746	11,971,716	22,917,462
Surplus/ Deficit for the year		-		
Capital/Development grants received during the year		0.00	0.00	0.00
Surplus/Deficit for the period		0.00	(8,239,626)	(8,239,626)
As at June 30, 2021		10,945,746	3,732,090	14,677,836


16. STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 30 JUNE 2021

	Note	2020-2021 Kshs	2019-2020 Kshs
Cash flows from operating activities			
Receipts			
Transfers from other governments entities		100,000,000	105,000,000
Rendering of services		64,360,281	95,469,844
Sale of goods		1,304,950	175,291
Total Receipts		165,665,231	200,645,135
Payments			
Use of goods and services		(102,355,681)	(97,690,042)
Employee costs		(53,187,937)	(50,054,622)
Remuneration of directors		(10,065,708)	(8,954,145)
Depreciation and amortization expense		(4,170,625)	(4,825,970)
Repairs and maintenance		(1,626,059)	(698,565)
Total Payments		171,406,010	(162,223,344)
Net cash flows from/(used in) operating activities	22	(5,740,779)	38,421,791
Cash flows from investing activities			
Purchase of property, plant, equipment and intangible assets		(1,888,018)	(12,929,842)
Net cash flows from/(used in) investing activities		(1,888,018)	(12,929,842)
Cash flows from financing activities			
Proceeds from borrowings		-	-
Repayment of borrowings		-	-
Proceeds from issue of shares		-	-
Increase in capital funds		-	-
Net cash flows from /(used in) financing activities		-	-
Net increase/(decrease) in cash and cash equivalents		(7,628,797)	25,491,949
Cash and cash equivalents at 1 JULY	15	26,021,058	529,109
Cash and cash equivalents at 30 JUNE	15	18,392,261	26,021,058

The Financial Statements set out on pages 1 to 8 were signed on behalf of the Board of Directors by:


Chief Executive Officer
Mr Edward Mwasi
29th September, 2021


Head of Finance
CPA Susan Naitore
ICPAK Mn 19986
29th September, 2021


Chairman of the Board
Eng. Sammy Tangus
29th September, 2021

17. STATEMENT OF COMPARISON OF BUDGET AND ACTUAL AMOUNTS FOR THE YEAR ENDED 30 JUNE 2021

Description/ Period	Original Budget	Adjustment	Final Budget	Actual on comparable basis	Performance difference
REVENUE	Ksh	Ksh	Ksh	Ksh	Ksh
Government Grant: Recurrent	100,000,000	-	100,000,000	100,000,000	-
Development	-	-	-	-	-
Sub Total Government Grant	100,000,000	-	100,000,000	100,000,000	-
Internally Generated Income					
Sale of Publications	-	1,500,000	1,500,000	1,557,813	57,813
Customized Publishing	-	20,267,707	20,267,707	20,429,044	161,337
MyGov Revenue	42,000,000	-	42,000,000	42,000,000	-
Sub Total Internally Generated Income	42,000,000	21,767,707	63,767,707	63,986,857	219,150
TOTAL REVENUE	142,000,000	21,767,707	163,767,707	163,986,857	438,300
EXPENDITURE					
Personnel Emoluments					
Basic salary	27,514,000	-	27,514,000	27,937,080	(423,080)
House Allowance	12,224,000	-	12,224,000	10,883,500	1,340,500
Commuter Allowance	4,738,000	-	4,738,000	4,113,200	624,800
Extraneous & Other Allowances	2,171,000	-	2,171,000	624,000	1,547,000
Airtime Allowance	2,472,000	-	2,472,000	2,409,867	62,133
Leave Allowance	700,000	-	700,000	716,561	(16,561)
Sub Total (Personnel Emoluments)	49,819,000	-	49,819,000	46,684,208	3,134,061
Attaches/Interns	400,000	(300,000)	100,000	66,000	34,000
NSSF, Pension & Gratuity	6,340,000	-	6,340,000	5,917,731	422,269
Sub Total	6,740,000	(300,000)	6,440,000	5,983,731	456,269
Total Personnel Emoluments.	56,559,000	(300,000)	56,259,000	52,667,939	3,591,061
Description/ Period	Original Budget	Adjustment	Final Budget	Actual on	Performance

Kenya Yearbook Editorial Board
Annual Reports and Financial Statements
For the year ended June 30, 2021.

Period	Budget		Budget	comparable basis	Difference
Office Cleaning	980,000		980,000	938,584	41,416
Total Office Accommodation and Services	10,417,000	400,000	10,817,000	11,363,272	(546,272)
Operations and Maintenance:					
Motor V. Repairs & Service	700,000	(50,000)	650,000	665,179	(15,179)
Insurance all Assets	580,000	(90,000)	490,000	485,185	4,815
Fuel and Lubricants	810,000	(280,000)	530,000	467,047	62,953
Computers	150,000	(50,000)	100,000	46,150	53,850
Furniture & Equipment	600,000	320,000	920,000	914,730	5,270
Total Operations and Maintenance	2,840,000	(150,000)	2,690,000	2,578,291	111,709
Marketing and Sales:					
Promotions and Complimentary	2,000,000	4,152,707	6,152,707	14,942,290	(8,789,583)
Shows and Exhibitions	1,500,000	(750,000)	750,000	976,950	(226,950)
Distribution (Postage) Expenses	50,000	25,000	75,000	-	75,000
Total Marketing and Sales	3,550,000	3,427,707	7,027,707	15,919,240	(8,941,533)
General Office Supplies	820,000	(170,000)	650,000	678,287	(28,287)
Professional Services;					
External Auditor fees	450,000	-	450,000	450,000	-
legal services fees	1,000,000	(400,000)	600,000	600,000	-
Training/capacity building/Professional subscriptions	6,000,000	-	6,000,000	5,566,297	433,703
Consultancy (Recruitment, SP & PC costs etc.)	3,500,000	160,000	3,660,000	3,660,900	(900)
Staff Medical Insurance	5,750,000	450,000	6,200,000	6,216,050	(16,050)
Total Professional Services	16,700,000	210,000	16,910,000	16,493,247	416,753
Sundry Expenses:					
Bank Charges	100,000	(50,000)	50,000	27,730	22,270
Staff Welfare & Contributions	500,000	-	500,000	520,000	(20,000)
Advertising	200,000	(200,000)	-	-	-
Total Sundry Expenses	800,000	(250,000)	550,000	547,730	2,270
TOTAL RECURRENT	139,300,000	22,467,707	161,767,707	168,055,910	

18. NOTES TO THE FINANCIAL STATEMENTS

1. GENERAL INFORMATION

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

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

2. STATEMENT OF COMPLIANCE AND BASIS OF PREPARATION

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

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

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

3. ADOPTION OF NEW AND REVISED STANDARDS

i. New and amended standards and interpretations in issue effective in the year ended 30 June 2021.

Standard	Impact
Other Improvements to IPSAS	<p>Applicable: 1st January 2021:</p> <ul style="list-style-type: none"> a) Amendments to IPSAS 13, to include the appropriate references to IPSAS on impairment, in place of the current references to other international and/or national accounting frameworks. b) IPSAS 13, Leases and IPSAS 17, Property, Plant, and Equipment. Amendments to remove transitional provisions which should have been deleted when IPSAS 33, First Time Adoption of Accrual Basis International Public Sector Accounting Standards (IPSASs) was approved. c) IPSAS 21, Impairment of Non-Cash-Generating Assets and IPSAS 26, Impairment of Cash Generating Assets. Amendments to ensure consistency of impairment guidance to account for revalued assets in the scope of IPSAS 17, Property, Plant, and Equipment and IPSAS 31, Intangible Assets. d) IPSAS 33, First-time Adoption of Accrual Basis International Public Sector Accounting Standards (IPSASs). Amendments to the implementation guidance on deemed cost in IPSAS 33 to make it consistent with the core principles in the Standard. <p>KYEB did not adopt any new or amended standards in the year 2020/21</p>

NOTES TO THE FINANCIAL STATEMENTS (Continued)

i. New and amended standards and interpretations in issue but not yet effective in the year ended 30 June 2021.

Standard	Effective date and impact:
IPSAS 41: Financial Instruments	<p>Applicable: 1st January 2023: The objective of IPSAS 41 is to establish principles for the financial reporting of financial assets and liabilities that will present relevant and useful information to users of financial statements for their assessment of the amounts, timing and uncertainty of an entity’s future cash flows. IPSAS 41 provides users of financial statements with more useful information than IPSAS 29, by:</p> <ul style="list-style-type: none"> • Applying a single classification and measurement model for financial assets that considers the characteristics of the asset’s cash flows and the objective for which the asset is held; • Applying a single forward-looking expected credit loss model that is applicable to all financial instruments subject to impairment testing; and • Applying an improved hedge accounting model that broadens the hedging arrangements in scope of the guidance. The model develops a strong link between an entity’s risk management strategies and the accounting treatment for instruments held as part of the risk management strategy. <p>No impact of the standard to KYEB is relevant</p>
IPSAS 42: Social Benefits	<p>Applicable: 1st January 2023 The objective of this Standard is to improve the relevance, faithful representativeness and comparability of the information that a reporting entity provides in its financial statements about social benefits. The information provided should help users of the financial statements and general-purpose financial reports assess:</p> <p>(a) The nature of such social benefits provided by the entity; (b) The key features of the operation of those social benefit schemes; and (c) The impact of such social benefits provided on the entity’s financial performance, financial position and cash flows.</p> <p>No impact of the standard to KYEB is relevant</p>
Amendments to Other IPSAS resulting from IPSAS 41, Financial Instruments	<p>Applicable: 1st January 2023:</p> <p>a) Amendments to IPSAS 5, to update the guidance related to the components of borrowing costs which were inadvertently omitted when IPSAS 41 was issued.</p> <p>b) Amendments to IPSAS 30, regarding illustrative examples on hedging and credit risk which were inadvertently omitted when IPSAS 41 was issued.</p> <p>c) Amendments to IPSAS 30, to update the guidance for accounting for financial guarantee contracts which were inadvertently omitted when IPSAS 41 was issued.</p> <p>Amendments to IPSAS 33, to update the guidance on classifying financial instruments on initial adoption of accrual basis IPSAS which were inadvertently omitted when IPSAS 41 was issued.</p> <p>No impact of the standard to KYEB is relevant</p>

ii. Early adoption of standards

KYEB did not early adopt any new or amended standards in year 2020/2021.

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

a) Revenue recognition

i) Revenue from non-exchange transactions

Transfers from other government entities

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

Rendering of services

KYEB recognizes revenue from rendering of services by reference to completion when the outcome of the transaction can be estimated reliably.

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

Sale of goods/publications

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

b) Budget information

The original budget for FY 2020-2021 was approved by the National Assembly on 9th June, 2021. 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.

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

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

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

NOTES TO THE FINANCIAL STATEMENTS (Continued)
Summary of Significant Accounting Policies (Continued)

(c) Taxes

Current income tax

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

Deferred tax

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.

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, KYEB recognizes such parts as individual assets with specific useful lives and depreciates them accordingly. Likewise, when a major

NOTES TO THE FINANCIAL STATEMENTS (Continued)

Summary of Significant Accounting Policies (Continued)

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) 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:

- i) Raw materials: purchase cost using the weighted average cost method.
- ii) 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 KYEB.

f) Provisions

Provisions are recognized when KYEB 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 KYEB 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.

g) Contingent liabilities

KYEB 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.

h) Contingent assets

KYEB 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 KYEB 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.

NOTES TO THE FINANCIAL STATEMENTS (Continued)
Summary of Significant Accounting Policies (Continued)

i) Nature and purpose of reserves

KYEB creates and maintains reserves in terms of specific requirements, it maintains a gratuity reserve account to settle accrued gratuity when due.

j) Changes in accounting policies and estimates

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

k) Employee benefits

Retirement benefit plans

KYEB provides retirement benefits 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.

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

l) 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.

m) Related parties

KYEB 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 KYEB, or vice versa. Members of key management are regarded as related parties and comprise the directors, the CEO and senior managers.

n) Cash and cash equivalents

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

NOTES TO THE FINANCIAL STATEMENTS (Continued)
Summary of Significant Accounting Policies (Continued)

o) Comparative figures

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

p) Subsequent events

There have been no events subsequent to the financial year end with a significant impact on the financial statements for the year ended June 30, 2021.

5. Significant Judgments and Sources of Estimation Uncertainty

The preparation of KYEB'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.

KYEB based its assumptions and estimates on parameters available when the consolidated 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 KYEB. 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:

- a) The condition of the asset based on the assessment of experts employed by KYEB.
- b) The nature of the asset, its susceptibility and adaptability to changes in technology and processes.
- c) The nature of the processes in which the asset is deployed.
- d) Availability of funding to replace the asset.
- e) Changes in the market in relation to the asset

Provisions

Provisions were raised and management determined an estimate based on the information available. Additional disclosure of these estimates of provisions is included in **Note 21**.

Provisions are measured at the management's best estimate of the expenditure required to settle the obligation at the reporting date, and are discounted to present value where the effect is material.

NOTES TO THE FINANCIAL STATEMENTS (Continued)

6. Transfers from Ministries, Departments and Agencies (MDAs)

Name of the Entity sending the grant	Amount recognized to Statement of Financial performance KShs	Amount deferred under deferred income KShs	Amount recognised in capital fund.	Total transfers 2020/21	Prior year 2019/2020
			KShs	KShs	KShs
Ministry ICT. Innovation and Youth Affairs/State Department of Broadcasting and Telecommunications	100,000,000	0.00	0.00	100,000,000	105,000,000
Total	100,000,000	0.00	0.00	100,000,000	105,000,000

7. Rendering of Services

Description	2020-2021	2019-2020
	KShs	KShs
Customised Publishing	62,469,044	62,544,730
Total revenue from the rendering of services	62,469,044	62,544,730

This revenue is internally generated from customised publishing service rendered to State Department of Broadcasting and Telecommunications and collaborations with other Government entities.

8. Sale of Goods

Description	2020-2021	2019-2020
	KShs	KShs
Sale of publications	1,557,813	174,350
Total revenue from the sale of goods	1,557,813	174,350

Revenue generated from sale of KYEB'S publications to various stakeholders including bookshops.

9. Use of Goods and Services

Description	KShs	KShs
Cleaning services	938,534	490,037
Newspapers and Subscriptions	0.00	45,840
Advertising	0.00	116,115
Consultancy fees-Admin	150,000	-
Audit fees	450,000	450,000
Fuel and oil	467,047	530,982
Office supplies and stationaries	678,287	751,479
Office Accommodation and services	10,424,688	9,198,581
Hospitality services	889,895	859,177
Strategic planning & PC cost	3,510,900	1,151,350
Training & Professional subscription	5,566,297	6,554,341

Kenya Yearbook Editorial Board
Annual Reports and Financial Statements
For the year ended June 30, 2021.

Description	KShs	KShs
COVID-19 Emergency fund	-	1,000,000
Insurance costs	6,701,235	5,728,541
Legal expenses	600,000	716,400
Postage, telephone, & Internet	305,482	174,349
Bank Charges	27,730	51,690
Travel, accommodation, subsistence and other allowances	10,353,850	9,486,036
Total use of goods and services cost	41,063,945	37,304,918

10. Employee Costs

	2020-2021	2019-2020
	KShs	KShs
Salaries and wages	46,684,206	43,415,718
Gratuity (Contracted staff)	3,527,981	3,264,293
Employer contribution to pension schemes	2,389,750	2,171,292
Attaches/Interns	66,000	220,000
Other employee related costs-Staff welfare & contributions	520,000	983,319
Employee costs	53,187,937	50,054,622

11. Board of directors Expenses

Description	2020-2021	2019-2020
	KShs	KShs
Chairman's Honoraria	1,044,000	609,000
Sitting allowances	5,000,000	4,020,000
Other allowances	4,021,708	4,325,145
Total Board of directors' expenses	10,065,708	8,954,145

12. Depreciation and Amortization Expense

Description	2020-2021	2019-2020
	KShs	KShs
Property, plant and equipment	4,170,625	4,825,970
Total depreciation and amortization	4,170,625	4,825,970

13. Repairs and Maintenance

Description	2020-2021	2019-2020
	KShs	KShs
Equipment, Furniture and fittings	914,730	39,850
Motor Vehicles	665,179	442,171
Computers and accessories	46,150	216,544
Total repairs and maintenance	1,626,059	698,565

NOTES TO THE FINANCIAL STATEMENTS (Continued)

14. Publishing, Dissemination and publicity

Description	2020-2021	2019-2020
	KShs	KShs
Writing, editing, design, layout and printing	14,967,466	35,807,675
Customised publishing	10,345,503	7,403,097
MyGov costs	20,880,000	16,338,000
Shows and exhibitions	976,950	1,323,790
Complimentary costs	14,942,290	3,808,580
Total publishing, Dissemination and publicity	62,112,209	64,681,142

15. Cash and Cash Equivalents

Description	2020-2021	2019-2020
	KShs	KShs
Current account	11,289,991	19,610,816
Savings account (Gratuity Account)	7,042,315	6,396,772
Petty Cash	59,955	13,470
Total cash and cash equivalents	18,392,261	26,021,058

xii. Detailed Analysis of the Cash and Cash Equivalents

Financial institution	Account number	2020-2021	2019-2020
		KShs	KShs
a) Current account			
Kenya Commercial Bank-Current	1112214119	11,289,991	19,610,816
Kenya Commercial Bank-Gratuity	1198589167	7,042,315	6,396,772
Sub- total		18,332,306	26,007,588
b) Others			
cash in hand-Petty Cash	Standing imprest	59,955	13,470
Sub- total		59,955	13,470
Grand total		18,392,261	26,021,058

16. Receivables from Exchange Transactions

Current Receivables from Exchange Transactions

Description	2020-2021	2019-2020
	KShs	KShs
Current receivables		
Government Ministries & Departments	43,910,063	57,432,594
Less doubtful debts	(7,552,886)	(11,287,448)
Bookshops	1,332,767	909,082
Total current receivables from exchange transactions	37,689,944	47,054,228

NOTES TO THE FINANCIAL STATEMENTS (Continued)

17. Receivables from Non-Exchange Transactions

Description	2020-2021	2019-2020
	KShs	KShs
Insurance prepaid	1,554,771	1,272,813
Domain maintenance prepaid	1,417	3,417
Rent deposit	1,127,636	1,127,636
Fuel deposit	150,000	150,000
Staff debtors	673,576	476,290
BoD Debtors	52,000	-
Imprest	50,000	5,000
Receivable from GoK	350,350	350,350
Total receivables from non-exchange transactions	3,959,750	3,385,506

18. Inventories

Description	2020-2021	2019-2020
	KShs	KShs
Yearbooks	4,092,000	4,030,000
CD Copies	982,000	982,000
Other Publications	8,142,230	2,019,020
Total inventories	13,216,230	7,031,020

Kenya Yearbook Editorial Board
Annual Reports and Financial Statements
For the year ended June 30, 2021.

NOTES TO THE FINANCIAL STATEMENTS (Continued)

19. Property, Plant and Equipment

Description	Motor Vehicle	Furniture	Computers & Accessories	Partitioning	Total
Cost					
	0.25	0.125	0.3	0.125	
Balance as at 1/07/2019	6,028,405	6,197,373	18,854,607	8,821,672	39,902,057
Addition 2019/20	10,530,000	995,985	1,215,700	188,157	12,929,842
Disposal					
As at 30/6/2019	16,558,405	7,193,358	20,070,307	9,009,829	52,831,899
Depreciation:					
Balance as at 1/07/2019	5,534,305	3,493,189	15,780,368	6,446,289	31,254,151
Charge for the year 2019/20	2,756,025	462,521	1,286,982	320,443	4,825,970
Disposal					
As at 30/6/2020	8,290,330	3,955,710	17,067,350	6,766,731	36,080,122
Net Book Value:					
As at 30/6/2020	8,268,075	3,237,648	3,002,958	2,243,098	16,751,777
Balance as at 1/07/2020	16,558,405	7,193,358	20,070,307	9,009,829	52,831,900
Addition 2020/21		278,740	1,609,279		1,888,019
Disposal					-
As at 30/6/2021	16,558,405	7,472,098	21,679,586	9,009,829	54,719,919
Depreciation:					
Balance as at 1/07/2020	8,290,330	3,955,710	17,067,350	6,766,731	36,080,122
Charge for the year 2020/21	2,067,019	439,548	1,383,671	280,387	4,170,625
Disposal					-
As at 30/6/2021	10,357,349	4,395,259	18,451,021	7,047,119	40,250,747
Net Book Value:					
As at 30/6/2021	6,201,056	3,076,839	3,228,565	1,962,711	14,469,171

NOTES TO THE FINANCIAL STATEMENTS (Continued)

19. (b) Property, Plant and Equipment at Cost

If the freehold land, buildings and other assets were stated on the historical cost basis the amounts would be as follows:

	Cost	Accumulated Depreciation	NBV
	Kshs	Kshs	Kshs
Motor Vehicles	16,558,405	10,357,349	6,201,056
Furniture	7,472,098	4,395,259	3,076,839
Computers & Accessories	21,679,586	18,451,021	3,228,565
Partitioning	9,009,829	7,047,119	1,962,711
Total	54,719,918	40,250,748	14,469,171

20. Trade and Other Payables

Description	2020-2021	2019-2020
	KShs	KShs
Trade payables	10,393,164	18,043,393
Total trade and other payables	10,393,164	18,043,393

21.(a) Current Provisions

Description	Leave provision	Payroll provision	Taxes provision	Gratuity Provision	Pension provision	Other provision	Total
	KShs	Kshs	KShs	Kshs	Ksh	KShs	KShs
Balance b/d (1.07.2020)	755,656	158,952	4,396,069	4,318,947	405,112	46,107,825	56,142,561
Additional Provisions	0.00	0.00	0.00	0.00	0.00	30,007,525	30,007,525
Provision utilised	(108,682)	(65,288)	0.00	(2,901,600)	0.00	(26,052,050)	(29,127,620)
Over/under provision	(646,974)	(93,664)	0.00	(229,126)	0.00	0.00	(969,764)
Transfers from non - current provisions	0.00	0.00	0.00	5,303,734	0.00	0.00	5,303,734
Total provisions as at 30.6.2021	0.00	0.00	4,396.069	6,491,957	405,112	50,063,300	61,356,436

NOTES TO THE FINANCIAL STATEMENTS (Continued)

21(b) Non-Current Provisions

Description	Long service leave	Bonus Provision	Gratuity provisions	Other Provisions	Total
	KShs		KShs	KShs	KShs
Balance at the beginning of the year	0.00	0.00	3,140,173	0.00	3,140,173
Additional Provisions	0.00	0.00	3,527,981	0.00	3,527,981
Provision utilised	0.00	0.00	0.00	0.00	0.00
Change due to discount and time value for money	0.00	0.00	0.00	0.00	0.00
Less: Current portion	0.00	0.00	(5,303,734)	0.00	(5,303,734)
Balance at the end of the year	0.00	0.00	1,364,420	0.00	1,364,420

22. Cash Generated from Operations

	2020-2021	2019-2020
	KShs	KShs
Surplus/Deficit for the year	(8,239,626)	1,199,219
Adjusted for:		
Depreciation	4,170,625	4,825,970
Non-cash grants received	-	-
Contributed assets	-	-
Impairment	-	-
Gains and losses on disposal of assets	-	-
Contribution to provisions	-	-
Contribution to impairment allowance	-	-
Finance income	-	-
Finance cost	-	-
Working Capital adjustments		
Increase in inventory	(6,249,710)	(43,840)
Increase in receivables	8,790,040	30,615,946
Increase in deferred income	-	-
Increase in payables	(7,650,229)	(16,227,640)
Increase in provisions	3,438,121	18,052,136
Net cash flow from operating activities	(5,740,779)	38,421,791

23. Financial Risk Management

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

NOTES TO THE FINANCIAL STATEMENTS (Continued)

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

i. Credit risk

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

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

The carrying amount of financial assets recorded in the financial statements representing KYEB'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
As at 30 June 2021				
Receivables from exchange transactions	45,242,830	45,242,830	45,242,830	
Less doubtful debts	(7,552,886)	(7,552,886)	(7,552,886)	
Receivables from non-exchange transactions	3,959,740	3,959,740	3,959,740	
Bank balances	18,332,306	18,332,306	18,332,306	
Total	59,981,990	59,981,990	59,981,990	
As at 30 June 2020				
Receivables from exchange transactions	58,341,676	58,341,676	58,341,676	-
Less doubtful debts	(11,287,448)	(11,287,448)	(11,287,448)	-
Receivables from non-exchange transactions	3,385,506	3,385,506	3,385,506	-
Bank balances	26,007,588	26,007,588	-	-
Total	76,447,332	76,447,322	50,439,734	-

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 KYEB has recognised in the financial statements is considered adequate to cover any potentially irrecoverable amounts. KYEB has significant concentration of credit risk on amounts due from its line Ministry

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

NOTES TO THE FINANCIAL STATEMENTS (Continued)

ii. Liquidity risk management

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

iii. Market risk

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

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

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

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

Interest rate risk

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

Management of interest rate risk

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

iv) Capital Risk Management

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

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

24. Related Party Disclosures

Nature of related party relationships

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

NOTES TO THE FINANCIAL STATEMENTS (Continued)

Government of Kenya

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

Other related parties include:

- i) The Parent Ministry;
- ii) County Governments
- iii) Other SCs and SAGAs
- iv) Key management
- v) Board of Directors;

NOTES TO THE FINANCIAL STATEMENTS (Continued)

	2020-2021	2019-2020
	Kshs	Kshs
Transactions with related parties		
a) Sales to related parties		
Rendering of services to Government agencies	43,910,063	57,432,594
Total	43,910,063	57,432,594
b) Purchases from related parties		
Rent expenses paid to govt agencies	10,424,688	9,198,581
Total	10,424,688	9,198,581
b) Grants /Transfers from the Government		
Grants from National Govt	100,000,000	105,000,000
Total	100,000,000	105,000,000
c) Key management compensation		
Directors' emoluments	10,065,708	8,954,145
Compensation to key management	16,568,112	13,626,084
Total	26,633,820	22,580,229

25. Contingent Assets and Contingent Liabilities

Contingent Liabilities

	2020-2021	2019-2020
	Kshs	Kshs
Contingent liabilities		
Court case of former employees against KYEB	17,294,430	17,294,430
Total	17,294,430	17,294,430

KYEB has an ongoing court case made by its three former employees who are seeking compensations totalling to Kshs 17,294,430

26. Events after the Reporting Period

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

27. Ultimate and Holding Entity

KYEB is a State Corporation/ or a Semi- Autonomous Government Agency under the Ministry of ICT, Innovation and Youth Affairs. Its ultimate parent is the Government of Kenya.

28. Currency

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

APPENDIX


APPENDIX 1: PROGRESS ON FOLLOW UP OF AUDITOR RECOMMENDATIONS

The following is the summary of issues raised by the external auditor, and management comments that were provided to the auditor.

Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
Awaiting certificate FY 2019-20				

Guidance Notes:

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


 Chief Executive Officer
 29th September, 2021