

REPUBLIC OF KENYA



KENYA NATIONAL AUDIT OFFICE

*Paper laid
By the leader of
Majority Party on
Wednesday 26/8/15*

REPORT



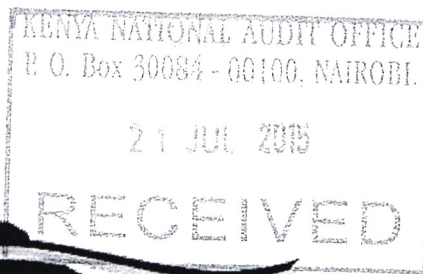
OF

THE AUDITOR-GENERAL

ON

THE FINANCIAL STATEMENTS OF
KENYA YEARBOOK EDITORIAL BOARD

FOR THE YEAR ENDED
30 JUNE 2014



KENYA YEARBOOK EDITORIAL BOARD
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2014

Prepared in accordance with the Accrual Basis of Accounting Method under the International Public Sector

Accounting Standards (IPSAS)

Kenya Yearbook Editorial Board
Annual Reports and Financial Statements
For year ended 30 June, 2014

Table of Content	Page
I. KEY BOARD INFORMATION AND MANAGEMENT.....	1
II. THE BOARD OF DIRECTORS.....	3
III. MANAGEMENT TEAM.....	7
IV. CHAIRPERSON'S STATEMENT.....	8
V. REPORT OF THE CHIEF EXECUTIVE OFFICER.....	9
VI. CORPORATE GOVERNANCE STATEMENT.....	10
VII. REPORT OF THE DIRECTORS.....	12
VIII. STATEMENT OF BOARD MEMBERS' RESPONSIBILITIES.....	13
IX. REPORT OF AUDITOR GENERAL ON KENYA YEARBOOK EDITORIAL BOARD FOR YEAR ENDED 30 JUNE 2014.....	14
X. STATEMENT OF FINANCIAL PERFORMANCE FOR THE YEAR ENDED 30 JUNE 2014.....	15
XI. STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2014.....	16
XII. STATEMENT OF CHANGES IN NET ASSETS FOR THE YEAR ENDED 30 JUNE 2014.....	17
XIII. STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 30 JUNE 2014.....	18
XIV. STATEMENT OF COMPARISON OF BUDGET AND ACTUAL AMOUNT FOR THE YEAR ENDED 30 JUNE 2014.....	19
XV. PROGRESS ON FOLLOW UP OF AUDITOR RECOMMENDATIONS.....	28

I. KEY BOARD INFORMATION AND MANAGEMENT

(a) Background information

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

(b) Principal Activities

The State Corporation's strategic objectives and principal activities are:

- i) To research and publish the most comprehensive Yearbook in Africa;
- ii) To benchmark the Kenya yearbook with the best yearbooks in the world.
- iii) To convey in the yearbook the immense resources possessed by Kenya and the potential still to be tapped;
- iv) To publish special publications highlighting Kenya's historical experience such as Kenya Cabinets since independence;
- v) To research and publish books on contributions of different individuals /groups in Kenya; and
- vi) To compile and publish sector-specific books and smaller editions of the yearbook for key sectors such as Agriculture, Tourism, Health.

(c) Key Management

As stipulated under paragraph 3(2) of the Kenya Yearbook Order, 2007, the Board consist of:

- A non executive Chairperson,
- The Principal Secretaries representing the Treasury and other Ministries listed in the Legal Notice,
- Three independent board members appointed by name and by notice in the Gazette and
- The chief executive as the secretary

(d) Fiduciary Management

The key management personnel who held office during the financial year ended 30 June 2014 and who had direct fiduciary responsibility were:-

No.	Designation	Name
1.	Chief Executive Officer	Denis Chebitwey
2.	Finance & Admin Manager	Marie Goretti Wanyonyi
3.	Editorial Manager	Wainainah Kiganya
4.	Production Manager	Edward Mwasi

(e) Fiduciary Oversight Arrangements

The Board is able to carry out its fiduciary activities through four board committees namely;

1. Finance Committee
2. Editorial and Marketing Committee
3. Human Resource and Performance contract committee and
4. Audit Committee

(f) Board Headquarters

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

(g) Board Contacts

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

(h) Board Bankers

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




(i) Independent Auditors

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




(j) Principal Legal Adviser

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


I. THE BOARD OF DIRECTORS




Passport –Size Photo & Name	Designation	Key Profession/Academic Qualification	Key Qualification and work experience
 Mr. Joseph Tiampati Ole Musuni	Principal Secretary, Ministry of Information, Communications & Technology	Mr. Tiampati is an alumnus of Alliance Boys High school. His education includes an executive MBA from ESAMI/ MSM and a Bachelor of Science (Hons) degree in Mathematics from the University of Nairobi	Mr. Tiampati is the Principal Secretary, Ministry of Information, Communications & Technology. Before his appointment, Mr. Tiampati worked as General Manager in charge of Social Security with the National Social Security Fund (NSSF). He had earlier served in various capacities at Kenya Commercial Bank (KCB) until 2010 when he left to join NSSF. Prior to leaving KCB he was a Head of Department in Credit and also served briefly as Chairman of the Kenya Bankers Association (KBA) Credit sub-committee as well as member of the KBA/CBK taskforce which introduced credit information sharing in Kenya.
 Abraham Ondeng	Alternate Director Ministry of Information, Communications & Technology	Mr. Ondeng holds a Bachelor of Arts, MBA and Higher Diploma in HRM from the University of Nairobi. He also holds a diploma in PR	Abraham Ondeng is the Director of Management Services, Konza Technopolis Development Authority (KOTDA). He has over 20 years working experience, as a senior officer in government in various ministries. He has also served as Under Secretary, Ministry of Information and Communication.
 Esther Kamweru	Chairperson Kenya Yearbook Editorial Board	Esther holds a Masters of Arts (MA) Degree in Gender and Development from the University of Nairobi. Post Graduate Diploma in Gender and Development; University of Nairobi, Institute of African Studies.	Esther Kamweru is the Chairperson of Kenya Yearbook Editorial Board. She is an accomplished Journalist serving as Kenya's first female Managing Editor of the Standard. She also served as the first Executive Director of Media council. In addition to serving as an Editorial and Media Consultant, she has also served as a Lecturer at the Kenya Methodist University, Tangaza college and Catholic University of Eastern Africa. Kamweru has also worked as a Gender coordinator at Heinrich boll foundation, Media Programme Officer at Friedrich Ebert Stiftung (FES) and Senior Corporate communications Officer, Kenya Wildlife Service (KWS)

*Kenya Yearbook Editorial Board
Annual Reports and Financial Statements
For the year ended 30 June, 2014*





	<p>Director Kenya Yearbook Editorial Board</p>	<p>Mundia holds a Journalism Degree from the University of Nairobi, a Post-Graduate Diploma in Journalism, and a Bachelor of Arts Degree in Literature and Government. Mundia also holds a Diploma in Management from the Akademie Klaussenhof, Germany (1996-1997).</p>	<p>Mundia is the Director, Kenya Yearbook Editorial Board. It is widely acknowledged in media circles that Mundia is one of the most experienced media practitioners in the country. He has extensive experience in both sides of the media as a practitioner and as a developer and implementer of complex strategies. Over the years he has worked as:- Deputy Chief Sub-editor, Sunday Nation, Chief Sub-Editor, Daily Nation, Editor, Saturday Magazine, Managing Editor, the Sunday Standard, Editorial Consultant, Oakland Media Service, Project Director, Child Africa Media (Jan 2009 to present), Regional Director (Eastern Africa), Innovative Global</p>
	<p>Director Kenya Yearbook Editorial Board</p>	<p>Phillip attended Alliance High School thereafter earning a deserved place in 1959 at Roosevelt University, Chicago (USA). He then relocated to France where he joined the University of Besancon to study French Literature.</p>	<p>Philip is a renowned journalist whose name is widely recognised and respected. Over the years, Phillip, rose to be Managing Editor, Daily Nation; and then Editor-in-Chief, Kenya Times Media Group, among other senior positions before retiring from daily newspaper work to concentrate on consultancy work. He was also a Teacher at Homa Bay Secondary School, Protocol Officer, External Affairs Department, Information Officer UNICEF and Inter Press service and Director Outreach and Information Africa Centre for Technology Studies.</p>
	<p>Chief Executive Officer Kenya Yearbook Editorial Board (up to 24th November 2014)</p>	<p>Denis has a Bachelor of Communications Degree from Daystar University and is currently pursuing a Master of Arts in Corporate Communications from the same university</p>	<p>Denis Chebitwey became Kenya Yearbook Editorial Board's first Chief Executive Officer on his appointment in 2009. Denis has account managed key brands in Kenya such as: Coca-Cola, Bamburi Cement, and Safaricom. He was credited with the brand activation of the re-branding of Kenya's leading mortgage institution, Housing Finance, and the setting up of the video production department of Gina Din Corporate Communications.</p>

*Kenya Yearbook Editorial Board
Annual Reports and Financial Statements
For the year ended 30 June, 2014*

 <p>Dr. Richard Lesiyampe</p>	<p>PS, Ministry of Environment, Water & Natural Resources</p>	<p>PS, Ministry of Environment, Water & Natural Resources</p>	<p>Dr. Richard Leresian Lesiyampe is a Management Specialist who holds an MBA in Strategic Management & HRM from the Nairobi University. He is currently pursuing a PHD at the Kenya Methodist University. He also holds a Bachelors of Arts Degree in Political Science from the University of Nairobi.</p>
 <p>Mary Ngaruma, (Alternate Director)</p>	<p>Alternate Director Ministry of Environment, Water & Natural Resources</p>	<p>Alternate Director Ministry of Environment, Water & Natural Resources</p>	<p>Mary Ngaruma holds a Masters Degree in Mass Communications from Hill University, Texas, USA. She holds two (2) Bachelors Degrees from Hill University and Trinity University USA respectively. Mary also holds Diplomas from various disciplines including, Business Management and Administration, Human Resources Management, Sales Management, Public Relations and News Agency Journalism.</p>
 <p>Dr. Wilson Songa, MBS</p>	<p>PS, Ministry of Industrialisation, Enterprise & Devolution</p>	<p>Dr. Wilson A. Songa holds the following qualifications; a BSc. in Agriculture from the University of Nairobi; MSc. in Crop Science from Wageningen Agricultural University, Netherlands and a PhD in Plant Pathology from University of Reading, UK.</p>	<p>Dr. Songa is the PS, Ministry of Industrialisation, Enterprise & Devolution. He has had an illustrious career and experience spanning over 17 years in the national agricultural research systems and 14 years in senior management and administration in various institutions in the agricultural sector such as:- Kenya Agricultural Research Institute (KARI), Kenya Plant Health Inspectorate Services (KEPHIS), Pest Control Products Board (PCPB), and Horticultural Crops Development Authority (HCDA). Dr. Songa served as the Chairman of the Executive Board of the Technical Centre for Agricultural and Rural Cooperation ACP-EU in the Netherlands from 2008-2011. He is also the Kenyan Government representative to the Board of Trustees of the African Agricultural Technology Foundation (AATF) and a member of the project Nurture Steering Committee, an initiative of the Coca-Cola Company,</p>

			<p>TechnoServe and the Bill & Melinda Gates Foundation.</p> <p>Dr. Songa has also been serving on the Supervisory Board of the Climate Change Impacts on Ecosystem Services and Food Security in Eastern Africa (CHIESA) and his interim chair of the Agricultural Chapter of the University of Nairobi Alumni Association (UONAA).</p>
 <p>George S. Mwosa, (Alternate Director)</p>	<p>Ministry of Industrialisation, Enterprise & Devolution</p>	<p>Mr. Mwosa holds a Bsc (Bachelor of Science in Business Administration).</p>	<p>Mr. Mwosa was a Senior Assistant Director in the Ministry of Industrialisation, Enterprise & Devolution. He has since retired from Public Service.</p>
 <p>Dr. Kamau Thugge</p>	<p>Principal Secretary Ministry of National Treasury</p>	<p>Thugge holds a Bachelors of Arts (Economics) (1980) from Colorado Collage, USA, Master in Economics (1982) from Johns Hopkins University, USA and a Doctor of Philosophy (PhD) in Economics (1990) from Johns Hopkins University, USA.</p>	<p>Dr Thugge is the Principal Secretary Ministry of National Treasury. He has oversight responsibility for the National Treasury. He has previously worked in the Ministry of Finance as Head of Fiscal and Monetary Affairs Department, Economic Secretary and as Senior Economic Advisor. Before joining the Ministry of Finance he worked with the International Monetary Fund (IMF) both in the policy making Departments and non-policy making Departments as Economist/Senior Economist and Deputy Division Chief.</p>
 <p>Richard Gakunya, (Alternate Director)</p>	<p>Ministry of National Treasury</p>	<p>Gakunya holds a Master in Economics (1991) from Odessa Institute of National Economy, Ukraine</p>	<p>He has previously worked in the Kenya National Audit Office as an Audit assistant (1983-1986).An Economist in the Ministry of Planning and National Development (1995-2000) and in the Ministry of Finance from 2001 to-date as a senior Economist) in the Economic Affairs Department.</p>

III. MANAGEMENT TEAM

Passport –Size Photo & Name	Designation	Key Profession / Academic Qualification	Key Qualification and work experience
 Denis Chebitwey, OGW	Chief Executive Officer Kenya Yearbook Editorial Board (Up to 24 th November 2014)	Denis has a Bachelor of Communications Degree from Daystar University and is currently pursuing a Master of Arts in Corporate Communications from the same university	Denis Chebitwey became Kenya Yearbook Editorial Board's first Chief Executive Officer on his appointment in 2009. Denis has account managed key brands in Kenya such as: Coca-Cola, Bamburi Cement, and Safaricom. He was credited with the brand activation of the re-branding of Kenya's leading mortgage institution, Housing Finance, and the setting up of the video production department of Gina Din Corporate Communications.
 Mr. Edward Mwasi	Acting Chief Executive Officer (Since 24 th November 2014) & substantively the Production Manager	Graduate of the University of Nairobi with BA(Design)	Edward Mwasi has over 20 years working experience in Graphic Design and Production. He is currently the Acting Chief Executive Officer of Kenya Yearbook Editorial Board and Production Manager. Previously he worked at Nation Media Group as Chief Graphic Designer
 Ms Marie Goretti Wanyonyi	Finance and Admin Manager	Master of Public Administration, University of Nairobi Bachelor of Commerce-Accounting Option, University of Nairobi CPA K	Ms Marie Goretti Wanyonyi : the Finance and Admin Manager of Kenya Yearbook Editorial Board. over 30 years experience in Finance. Has served in various Senior Management positions in the Public Service such as:- Western Water Services Company as Commercial Manager, Telkom Kenya Limited as Deputy Chief Finance Officer, Kenya Posts and Telecommunications Corporation as Manager Management Accounting and Office of the Controller & Auditor General as Auditor 1, among others
 Mr. Wainainah Kiganya	Ag. Editorial Manager	Master of Arts in Media Management -Ongoing, Staffordshire University. Bachelor of Arts - Communication, Information Science, Economics, University of South Africa Diploma In Education, Kisii College	Mr. Wainainah Kiganya has over 20 years work experience in journalism. He currently serves as Ag Editorial Manager in Kenya Yearbook Editorial Board. He worked with Nation Media Group and rose to Managing Editor of Taifa leo, (Kenya's only Kiswahili Daily). He was also Pioneer Production Editor of Inside Kenya Today, a weekly newspaper published by the department of information and Public Communication

IV. CHAIRPERSON'S STATEMENT

It is my pleasure to present the Kenya Yearbook Editorial Board's report for the year ended **30 June 2014**. It has been a financial year of strong results in the face of challenging, albeit improving, global and domestic social-political and economic conditions.

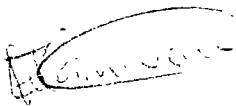
The leverage that Kenya's Vision 2030 has put in place has made the country to move on in a steadily guided rail towards a common destiny of creating a globally competitive and prosperous nation. It is expected this trend will transform Kenya's economy into that of an industrialized middle-income country and improved quality of life for the citizens in a clean and secure environment.

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

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

We look forward to the support of all Kenyans and our partners to achieve all these.

Thank you.



Esther Kamweru, OGW
Chairperson

V. REPORT OF THE CHIEF EXECUTIVE OFFICER


On behalf of Management and on my own behalf, it is a pleasure to present the achievements of Kenya Yearbook Editorial Board (KYEB) for the financial year ended *30th June, 2014*. Among the flagship publications we have managed to produce so far, the *Kenya Yearbook 2013/14*; themed *Kenya@50* which coincided with the country's 50 years of independence celebration. Other major publications include: *Kenyatta Cabinets*, *Higher Education Yearbook* and the *County Investment Opportunities*.

The *Kenya Yearbook 2013/14*, themed *Kenya@50* is an invaluable resource for anyone seeking information about our beautiful country and covers a wide range of topics on our social, political, economic and cultural affairs. This publication, whose release coincided with the nation's independence golden jubilee celebrations, highlights achievements and challenges which the country has gone through in the past and how they have shaped Kenya as we know it today. Where possible, we have looked at milestones in each of the five decades of independence, with emphasis on personalities, events and institutions. True to our tradition with the previous two editions, the publication begins by chronicling Kenya's early history and political developments. It reviews projects, policies and plans as reflected in the work of ministries, agencies, departments, State corporations, as well as the private sector and individuals. It also gives details of our geographical and demographical diversity as well as our rich cultural heritage.

The nation's governance system is discussed in detail, particularly in light of our new constitutional dispensation, whose implementation is now in its fourth year. The Yearbook then gives an account of Government programmes and policies as well as key milestones achieved in our development agenda as guided by our Vision 2030, which is anchored on three key pillars, namely social, political and economic. The *Higher Education Yearbook* lays bare the state of university education in Kenya and the East African region; looks at the courses available and delves into the relevance of university education offered in the country's institutions in relation to the national development and the labour market.

The Board hopes to team up with ministries and departments to produce comprehensive sector/county profile publications. Contents of the publications highlight the various counties' profiles, development pillars, strategies and priorities harmonised with the national development goals and the county specific economic and financial programmes, and their implementation endeavours. Thus the *County Investment Opportunities* publication provide insights into investment opportunities and incentives in all counties by providing basic data, key economic activities, resources and potentials, investment priorities and strategies to mobilize funds for development. We are optimistic the publication, done in collaboration with the governors and the stakeholders in the counties will initiate actions towards county focused development, recognize existing achievements and resources in counties and identify comparative advantages that will shape the county governments' economic path, provide information that will attract investors to the counties and promote inter-county and intra-county investments.

I wish to thank all those who have worked with us to make this year a success, both in our operations and in launching our publications. Specifically, we would like to appreciate the Board of Directors and our parent Ministry, the Ministry of Information, Communications and Technology for their continued guidance and support, our suppliers for their excellent service delivery, all our staff for working tirelessly to make a difference in both the organization and our country. We appreciate the support of all the other stakeholders both within and outside of government who partnered with us. Also, we would like to give special recognition to the Government of Kenya under the leadership of the previous and current Presidents for entrusting us with this remarkable responsibility.


Edward Mwasi
Ag. Chief Executive Officer

VI. CORPORATE GOVERNANCE STATEMENT

Introduction

Corporate governance is the process by which companies are directed and controlled. The concept of corporate governance has gained prominence and enshrined in codes of best practice developed by Organization for Economic Co-operation and Development (OECD), Commonwealth Association of Corporate Governance (CACG) and the Centre for Corporate Governance in Kenya. The Board recognizes the need to conduct the business and operations of the Board with integrity and in accordance with generally accepted corporate practice, and endorse internationally developed principles of corporate governance. The board members will continue to focus their attention on maintaining the highest standards of corporate governance and business ethics in the Board's operations

Board

The members of the board are shown from page 3. The Board is chaired by a non-executive chairperson appointed by the President. All members of the board have extensive business and administrative experience in private and/or public sectors that are applied in the management of the Board.

The Board is responsible for:

- Determining and protecting the Board's Vision, Mission and Core values;
- Providing strategic direction to the Board and be responsible for the approval of strategic plans;
- Approving the annual budget, procurement plans, strategic plans, performance contract and work plans;
- Monitoring of implementation of the Board's mandate;
- Ensuring the accounts are audited on time and approve the same on annual basis;
- Appointing the Chief Executive Officer and other senior staff in line with the laid down regulations and ensure they receive adequate training and development and ensure a succession plan is in place;
- Establishing an appropriate organizational structure for the Board to facilitate efficient delivery of its mandate;
- Ensuring that adequate technology and systems are in place;
- Assessing the performance of the Board and ensuring it is meeting its targets as stipulated in the performance contract effectively;
- Ensuring that the Board has appropriate risk management, internal control and regulatory compliance procedures in place;
- Monitoring non-financial aspects relating to the business of the Board and ensuring that the right image and character is upheld;
- Comply with laws and regulations and other guidelines issued by the government from time to time.
- Ensure Board meetings are held regularly to review the Board's performance against set targets, approve policies as well as to formulate strategy for the period under review.

The Board is assisted to carry out its mandate through four committees whose chairpersons report to the Board as described below;

1. Finance Committee

The Board Finance committee is chaired by non-executive board Member and meets at least on quarterly basis. The committee has oversight role of all Financial and Budgetary issues.

2. Audit Committee

The Audit Committee is chaired by a non executive board member and meets at least on quarterly basis. The main responsibilities of the committee are oversight of integrity of financial reporting, internal control, internal and external audit, and compliance with relevant laws and regulations

3. Editorial Committee and Marketing Committee

The editorial and marketing committee is chaired by a non executive board member. The committee meets at least once every quarter and has oversight over all editorial production and marketing issues. The committee's responsibilities are to provide strategic marketing direction and approve marketing plans, activities and budgets.

4. Human Resources and Performance Contract Committee

The Committee chaired by a non executive board member. The committee meets at least once quarterly and oversees human resources and performance contracts issues.

VII. REPORT OF THE DIRECTORS

The Directors submit their report together with the audited financial statements for the year ended June 30, 2014 which show the state of the Board's affairs.

Principal activities

The principal activities of the Board are:-

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

Results

The results of the Board for the year ended June 30, 2014 are set out on page 15

Directors

The members of the Board of Directors who served during the year are shown from page 3

Auditors

The Auditor general is responsible for the statutory audit of the editorial board's books of account in accordance with Section 14 of the public Audit Act, 2003.

By Order of the Board


Edward Mwasi
Ag. Chief Executive Officer
Nairobi

Date: 26/05/2015

VIII. STATEMENT OF BOARD MEMBERS' RESPONSIBILITIES

Section 68 (2) 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 the *Board* at the end of the financial year/period and the operating results of the *Board* for that year/period. The Directors are also required to ensure that the *Board* keeps proper accounting records which disclose with reasonable accuracy the financial position of the *Board*. The Directors are also responsible for safeguarding the assets of the *Board*.

The Directors are responsible for the preparation and presentation of the *Board's* financial statements, which give a true and fair view of the state of affairs of the *Board* for and as at the end of the financial year (period) ended on June 30, 2014. This responsibility includes: (i) maintaining adequate financial management arrangements and ensuring that these continue to be effective throughout the reporting period; (ii) maintaining proper accounting records, which disclose with reasonable accuracy at any time the financial position of the *Board*; (iii) designing, implementing and maintaining internal controls relevant to the preparation and fair presentation of the financial statements, and ensuring that they are free from material misstatements, whether due to error or fraud; (iv) safeguarding the assets of the *Board*; (v) selecting and applying appropriate accounting policies; and (vi) making accounting estimates that are reasonable in the circumstances.

The Directors accept responsibility for the *Board's* financial statements, which have been prepared using appropriate accounting policies supported by reasonable and prudent judgements and estimates, in conformity with International Public sector Accounting Standards (IPSAS) accrual method and in the manner required by the PFM Act and the State Corporations Act. The Directors are of the opinion that the *Board's* financial statements give a true and fair view of the state of *Board's* transactions during the financial year ended June 30, 2014, and of the *Board's* financial position as at that date. The Directors further confirm the completeness of the accounting records maintained for the *Board*, which have been relied upon in the preparation of the *Board's* financial statements as well as the adequacy of the systems of internal financial control.

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

Approval of the financial statements

The *Board's* financial statements were approved by the Board on 26/05/2015 2015
and signed on its behalf by:



Esther Kamweru, OGW
Chairperson



Edward Mwasi
Ag. Chief Executive Officer



OFFICE OF THE AUDITOR-GENERAL

REPORT OF THE AUDITOR-GENERAL ON KENYA YEARBOOK EDITORIAL BOARD FOR THE YEAR ENDED 30 JUNE 2014

REPORT ON THE FINANCIAL STATEMENTS

I have audited the accompanying financial statements of Kenya Yearbook Editorial Board set out on pages 15 to 28, which comprise the statement of financial position as at 30 June 2014, 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 14 of the Public Audit Act, 2003. 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.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with International Public Sector Accounting Standards and for such 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.

The management is also responsible for the submission of the financial statements to the Auditor-General in accordance with the provisions of Section 13 of the Public Audit Act, 2003.

Auditor-General's Responsibility

My responsibility is to express an opinion on these financial statements based on the audit and report in accordance with the provisions of Section 15(2) of the Public Audit Act, 2003 and submit the audit report in compliance with Article 229(7) of the Constitution of Kenya. The audit was conducted in accordance with International Standards on Auditing. Those standards require compliance with ethical requirements and that the audit be planned and performed to obtain reasonable assurance about whether the financial statements are free from material misstatement.

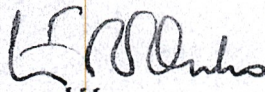
An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected

depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Board's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the management, as well as evaluating the overall presentation of the financial statements.

I believe that the audit evidence obtained is sufficient and appropriate to provide a basis for my audit opinion.

Opinion

In my opinion, the financial statements present fairly, in all material respects, the financial position of the Board as at 30 June 2014, 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 Legal Notice No. 187 of 2 November, 2007.



Edward R. O. Ouko, CBS
AUDITOR-GENERAL

Nairobi

15 July 2015

*Kenya Yearbook Editorial Board
Annual Reports and Financial Statements
For the year ended 30 June, 2014*

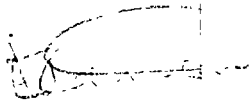
X. STATEMENT OF FINANCIAL PERFORMANCE FOR THE YEAR ENDED 30 JUNE 2014

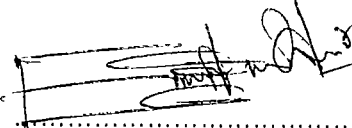
		2013-2014	Restated
		Kshs	2012-2013
			Kshs
Revenue from non-exchange transactions			
Government Grants	3	79,248,000	84,240,000
Other receipt from government	4	21,236,375	13,630,250
		100,484,375	97,870,250
Revenue from exchange transactions			
Other Income	5	1,433,300	3,585,088
Total revenue		101,917,675	101,455,338
Expenses			
Board Expenses	6	8,435,200	9,144,528
Employee costs	7	36,847,290	38,557,108
Advertisement Cost	8	1,168,405	928,970
Trade shows	9	72,500	607,710
Depreciation and amortization	10&21	3,154,929	4,165,216
Repairs and maintenance	11	870,075	378,409
Travelling & Accommodation	12	1,607,094	2,263,294
Training and Capacity Building	13	1,760,060	1,565,700
Publishing and printing	14	26,921,154	27,892,009
Administrative Expense	15	11,438,161	9,909,779
Rent expenses	16	7,594,639	6,923,327
		99,869,507	102,336,050
Surplus/(deficit) for the period		2,048,168	(880,712)

*Kenya Yearbook Editorial Board
Annual Reports and Financial Statements
For the year ended 30 June, 2014*

XI. STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2014

		2013/14 Kshs	Restated 2012/13 Kshs
Assets			
Current assets			
Cash and cash equivalents	17	1,175,462	5,637,387
Receivables from exchange transactions	18	874,080	1,284,555
Receivables from non-exchange transactions	19	3,027,366	4,661,779
Inventories	20	9,120,000	6,069,000
		14,196,908	17,652,721
Non-current assets			
Property, plant and equipment	21	12,534,184	15,777,583
		12,534,184	15,777,583
Total assets		26,731,092	33,430,304
Liabilities			
Current liabilities			
Trade and other payables from exchange transactions	22(a)	10,211,698	16,588,659
Provisions	22(b)	8,961,079	7,727,749
		19,172,777	24,316,408
Non-current liabilities			
Non-current provisions	23	889,700	4,493,450
		889,700	4,493,450
Total liabilities		20,062,477	28,809,858
Capital Fund		10,945,746	10,945,746
Accumulated deficit	25	(4,277,131)	(6,325,299)
Total net assets and liabilities		6,668,615	4,620,447

.....

 Esther Kamwweru
 Chairperson

.....

 Edward Mwasi
 Ag. Chief Executive Officer

XII. STATEMENT OF CHANGES IN NET ASSETS FOR THE YEAR ENDED 30 JUNE 2014

	Capital Fund	Accumulated Surplus	Total
	Kshs	Kshs	Kshs
Balance as at 30 06.2012	10,945,746	(5,444,586)	5,501,160
(deficit) for the period	-	(880,712)	(880,712)
Balance as at 30 .06. 2013	10,945,746	(6,325,299)	4,620,447
Surplus for the period	-	2,048,168	2,048,168
Balance as at 30.06.2014	10,945,746	(4,277,131)	6,668,615

XIII. STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 30 JUNE 2014

		2013/14 Kshs	Restated 2012/13 Kshs
Net cash flows from operating activities	24	(4,483,124)	1,905,857
INVESTING ACTIVITIES			
Cash flows from investing activities			
Purchase of property, plant and Equipment		-	(169,000)
Proceeds from sale of property, plant and Equipment		21,200	-
		21,200	(169,000)
 Net increase/(decrease) in cash and cash equivalents		 (4,461,924)	 1,736,857
 Cash and cash equivalents at 30.06.2013	 17	 5,637,387	 3,900,530
Cash and cash equivalents at 30.06.2014	17	1,175,462	5,637,387

*Kenya Yearbook Editorial Board
Annual Reports and Financial Statements
For the year ended 30 June, 2014*

**XIV. STATEMENT OF COMPARISON OF BUDGET AND ACTUAL AMOUNT FOR THE YEAR ENDED
30 JUNE 2014**

	Estimates Ksh	Actual Ksh	Variance Ksh
GOVERNMENT GRANTS			
Recurrent	59,248,000	59,248,000	-
Development	20,000,000	20,000,000	-
Sub Total Budget	79,248,000	79,248,000	-
Other Government transfers	-	21,236,375	21,236,375
AIA	-	1,433,300	1,433,300
Total Funding Sources	79,248,000	101,917,675	22,669,675
EXPENDITURE			
Board of Directors Expenses	8,264,000	8,435,200	(171,200)
Payroll costs	35,843,000	36,847,290	(1,004,290)
Advertising Expenses	835,000	1,168,405	(333,405)
Trade Shows	100,000	72,500	27,500
Repairs & Maintenance	560,000	870,075	(310,075)
Travelling & Accommodation	400,000	1,607,094	(1,207,094)
Training	800,000	1,760,060	(960,060)
Rental Charges	7,120,000	7,594,639	(474,639)
Bank Charges & others	60,000	32,380	27,620
consultancy	-	160,000	(160,000)
Audit Fees	450,000	345,000	105,000
Catering & CEO'S Office	520,000	3,389,317	(2,869,317)
Fuel and Lubricants	600,000	568,000	32,000
General Office Supplies	250,000	3,274,053	(3,024,053)
Telephone & Postage	160,000	144,000	16,000
Insurance	2,406,000	2,891,411	(485,411)
Office Cleaning	680,000	437,344	242,656
Newspapers and Other Publications	200,000	129,384	70,616
Publishing & Capital Development	20,000,000	26,921,154	(6,921,154)
Loss on disposal	-	67,272	(67,272)
Depreciation	-	3,154,929	(3,154,929)
Total	79,248,000	99,869,507	(10,478,152)
Surplus for the period	-	2,048,168	12,191,523

NOTES TO THE FINANCIAL STATEMENTS

1. Statement of compliance and basis of preparation

The Board's financial statements have been prepared in accordance with and comply with International Public Sector Accounting Standards (IPSAS). The financial statements are presented in Kenya shillings, which is the functional and reporting currency of the Board. The accounting policies have been consistently applied to all the years presented. The financial statements have been prepared on the basis of historical cost, unless stated otherwise. The cash flow statement is prepared using the indirect method. The financial statements are prepared on accrual basis.

2. Summary of significant accounting policies

a) Revenue recognition

i) Revenue from non-exchange transactions

Transfers from other government entities

Revenues from non-exchange transactions with other government entities are measured at fair value and recognized on obtaining control of the asset (cash, goods, services and property) if the transfer is free from conditions and it is probable that the economic benefits or service potential related to the asset will flow to the Board and can be measured reliably.

ii) Revenue from exchange transactions

Rendering of services

The Board recognizes revenue from rendering of services by reference to the stage of completion when the outcome of the transaction can be estimated reliably. The stage of completion is measured by reference to labour hours incurred to date as a percentage of total estimated labour hours. Where the contract outcome cannot be measured reliably, revenue is recognized only to the extent that the expenses incurred are recoverable.

Sale of goods

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

b) Budget information

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

NOTES TO THE FINANCIAL STATEMENTS (CONT...)

c) Property, Plant and Equipment

All property, plant and equipment are stated at cost less accumulated depreciation and impairment losses. Cost includes expenditure that is directly attributable to the acquisition of the items. When significant parts of property, plant and equipment are required to be replaced at intervals, the Board recognizes such parts as individual assets with specific useful lives and depreciates them accordingly. In this regard depreciation is calculated on reducing balance to write off cost or re-valued amount of each asset on its estimated useful life. Full depreciation is charged at the year of purchase and zero at the year of disposal. The annual depreciation rates are:

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

d) 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. After initial recognition, inventory is measured at the lower of cost and net realizable value. However, to the extent that a class of inventory is distributed or deployed at no charge or for a nominal charge, that class of inventory is measured at the lower of cost and current replacement cost. Net realizable value is the estimated selling price in the ordinary course of operations, less the estimated costs of completion and the estimated costs necessary to make the sale, exchange, or distribution. Inventories are recognized as an expense when deployed for utilization or consumption in the ordinary course of operations of the Board.

e) Provisions

Provisions are recognized when the Board has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits or service potential will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. Where the Board expects some or all of a provision to be reimbursed, for example, under an insurance contract, the reimbursement is recognized as a separate asset only when the reimbursement is virtually certain. The expense relating to any provision is presented in the statement of financial performance net of any reimbursement.

f) Capital Fund

Capital Fund comprises of assets acquired from the ministry of information, Communication and Technology at the inception of the Board.

g) Changes in Accounting Policies and Estimates

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

NOTES TO THE FINANCIAL STATEMENTS (CONT...)

h) Employee benefits

Retirement benefit plans

The Board provides retirement benefits for its employees. The Board operates a defined contribution plans where it pays fixed contributions into a separate Board (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. The entities provide gratuity to it employees who are on three years contract at the end of their term. This expenditure is recognised in the accounts every year.

i) 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. For the purposes of these financial statements, cash and cash equivalents also include short term cash imprests and advances to authorised public officers which were not surrendered or accounted for at the end of the financial year.

j) Comparative figures

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

3. Transfers from other governments – gifts and services-in-kind

	2013/14	Restated 2012/13
	Kshs.	Kshs.
Unconditional Grants		
Recurrent Grants	59,248,000	69,840,000
Development Grant	20,000,000	14,400,000
Total government grants	79,248,000	84,240,000

4. Other Government Receipts

Grants for printing Konza publication	5,120,000	6,815,125
Grants for printing Ministry publication	16,116,375	6,815,125
Total	21,236,375	13,630,250

NOTES TO THE FINANCIAL STATEMENTS (CONT...)

5. Other Income	2013/2014	2012/2013
Publications sales	1,053,200	3,409,088
Sale of tenders	380,100	176,000
Total other income	1,433,300	3,585,088
6. Board Expenses		
CEO Remuneration	5,280,000	5,280,000
Chairperson Honoraria	1,044,000	1,044,000
Sitting allowance	1,560,000	2,520,000
Travel and Accommodation	551,200	300,528
Total	8,435,200	9,144,528
7. Employee Cost		
Salaries and wages	29,935,855	32,666,342
Staff gratuity	5,691,600	4,687,200
Staff pension	1,219,835	1,203,566
Total repairs and maintenance	36,847,290	38,557,108
8. Advertisement Cost		
Newspaper	375,840	298,821
Branding	438,865	348,930
Other Publications	353,700	281,218
	1,165,405	928,970
9. Trade Shows		
Hiring Costs	55,500	461,860
Branding	17,000	145,850
	72,500	607,710
10. Depreciation and Amortization Expense		
Motor Vehicle	694,043	925,391
Furniture	347,681	409,988
Computers	1,451,606	2,073,723
Partitioning	661,599	756,114
Total	3,154,929	4,165,216

NOTES TO THE FINANCIAL STATEMENTS (CONT...)

11. Repairs and Maintenance	2013/2014	2012/2013
Repairs and maintenance	675,091	40,200
Maintenance of motor Vehicle	194,984	338,209
Total repairs and maintenance	870,075	378,409
12. Travelling and Accommodation		
Traveling Expenses	873,690	451,335
Accommodation	733,404	1,811,959
Total	1,607,094	2,263,294
13. Training and Capacity Building		
Performance Contract	1,317,760	1,170,652
Staff Development	285,900	254,300
Professional Subscription and Training	156,400	140,748
Total	1,760,060	1,565,700
14. Publishing & Printing Expenses		
Kenya Yearbooks Printing	4,899,262	5,141,896
Writing, Editing & Consultancy	8,712,891	9,144,393
Other publications	13,309,001	13,605,720
Total	26,921,154	27,892,009
15. Administrative Expense		
Bank charges	32,380	37,950
Consultancy	160,000	299,920
Audit fees	345,000	345,000
Loss on disposal	67,272	87,456
Catering services	3,389,317	3,133,226
Fuel	568,000	974,150
Office supplies and stationery	3,274,053	1,282,868
Telephone	144,000	140,400
Insurance	2,891,411	2,700,000
Cleaning services	437,344	670,144
Newspaper subscription	129,384	238,665
Total	11,438,161	9,909,779

NOTES TO THE FINANCIAL STATEMENTS (CONT...)

16. Rent Expenses		
Premises Rent	5,716,233	5,210,959
Service Charge	1,414,569	1,289,531
Parking Fee	463,837	422,837
Total	7,594,639	6,923,327
<hr/>		
17. Cash and Cash Equivalents		
Bank	1,171,362	5,588,330
Petty Cash	4,100	49,058
Total cash and cash equivalents	1,175,462	5,637,388
<hr/>		
18. Receivables from Exchange Transactions (Trade Debtors)		
Government Ministries & Departments	408,500	642,278
Bookshops & others	465,580	642,278
Total	874,080	1,284,555
<hr/>		
19. Receivables from Non-exchange Contracts		
Staff Debtors	266,632	359,143
Rent Deposit	1,127,636	1,127,636
Insurance prepaid	1,633,098	675,000
Receivables from GOK		2,500,000
Total	3,027,366	4,661,779
<hr/>		
20. Inventories		
Kenya Yearbook	7,225,000	2,023,000
CD Copies	1,037,000	2,023,000
Other publications	858,000	2,023,000
Total	9,120,000	6,069,000
<hr/>		

NOTES TO THE FINANCIAL STATEMENTS (CONT...)

21. Property, Plant and Equipment

	Motor Vehicle Kshs	Furniture Kshs	Computers & software Kshs	Partitioning Kshs	Total Kshs
COST					
Balance as at 30.06.2012	6,028,405	4,572,664	14,280,506	8,821,672	33,703,247
Additions	-	-	169,000	-	169,000
Disposal	-	-	255,000	-	255,000
As at 30.06.2013	6,028,405	4,572,664	14,194,506	8,821,672	33,617,247
Additions	-	-	-	-	-
Disposal	-	146,500	-	-	146,500
As at 30.06.2014	6,028,405	4,426,164	14,194,506	8,821,672	33,470,747
DEPRECIATION					
Balance as at 30.06.2012	2,326,839	1,292,753	7,449,629	2,772,760	17,839,663
Charge for the year 2012/13	925,391	409,988	2,073,723	756,114	4,165,216
Disposal	-	-	167,535	-	167,535
As at 30.06.2013	3,252,230	1,702,741	9,355,817	3,528,874	21,837,344
Charge for the year 2013/14	694,043	347,681	1,451,606	661,599	3,154,929
Disposal	-	58,028	-	-	58,028
As at 30.06.2014	3,946,273	1,992,394	10,807,423	4,190,473	20,936,563
NET BOOK VALUE					
As at 30.06.2014	2,082,132	2,433,770	3,387,083	4,631,199	12,534,184
As at 30.06.2013	2,776,174	2,869,922	4,838,688	5,292,798	15,777,583

NOTES TO THE FINANCIAL STATEMENTS (CONT...)

22. Trade and other Payables

	2013/14	2012/13
(a) Payables from Exchange Transactions		
Pending Bills	10,211,698	16,588,659
(b) Current Provisions		
Balance at the beginning of the year	7,727,750	6,854,770
Additional provisions raised	5,878,129	5,644,550
Provision utilized	8,769,350	7,006,670
Transferred from non-current provisions	4,124,550	2,235,100
Balance as at 30 June 2014	8,961,079	7,727,750

23. Non-current provisions

Balance at the beginning of the year	4,493,449	2,041,350
Additional provisions raised	520,800	4,687,200
Less: current portion	4,124,550	2,235,100
Non-current Provision	889,700	4,493,450

24. Cash Generated from Operations

Surplus/(Deficit) for the year	2,048,166	(880,712)
Adjustments:		
Depreciation	3,154,931	4,165,217
loss on disposal	67,272	87,465
operating cash flows before working capital changes	5,270,369	3,371,970
decrease/increase in payables	(6,376,961)	2,334,165
decrease/increase in provisions	(2,370,420)	4,806,324
decrease/increase in receivables	2,044,888	(4,283,601)
decrease/increase in inventories	(3,051,000)	(4,323,000)
Total working capital changes	(9,753,493)	(1,466,113)
cash generated from operating activities	(4,483,124)	1,905,857

25. Reserves

Balance at the beginning of the year	(6,325,299)	(5,444,586)
Surplus/Deficit for the year	2,048,168	(880,712)
Balance as at 30 June 2014	(4,277,131)	(6,325,299)

- The financial statements are expressed in Kenya Shillings

XV. PROGRESS ON FOLLOW UP OF AUDITOR RECOMMENDATIONS

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

Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Focal Point person to resolve the issue (Name and designation)	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)

Guidance Notes:

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



Chief Executive Officer



Chairperson of the Board

Date 26/05/2015

Date 26/05/2015