

REPUBLIC OF KENYA



REPORT

PARLIAMENT
OF KENYA
LIBRARY

OF

THE AUDITOR-GENERAL

ON

KENYA COPYRIGHT BOARD

FOR THE YEAR ENDED

30 JUNE, 2025

THE NATIONAL ASSEMBLY
PAPERS LAID

DATE: 01 APR 2026

DAY:
Wed

TABLED
BY:

Hon. Naomi Wago, MP
Deputy Majority Whip

CLERK-AT
TABLE:

Mado Miriam



KENYA COPYRIGHT BOARD

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED

30TH JUNE 2025

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

TABLE OF CONTENTS	Page
1. Acronyms and Definition of Key Terms	iii
2. Key Entity Information and Management	iv
3. The Board of Directors	x
4. Key Management Team	xiii
5. Chairman’s Statement	xvi
6. Report of the Executive Director	xix
7. Statement of Performance against Predetermined Objectives for FY 2024/2025.....	xxii
8. Corporate Governance Statement	xxiv
9. Management Discussion and Analysis.....	xxvii
10. Environmental and Sustainability Reporting.....	xxxiv
11. Report of the Directors.....	xxxvi
12. Statement of Directors Responsibilities	xxxvii
13. Report of independent auditor for the financial statement of the Kenya Copyright Board ..	xxxix
14. Statement of Financial Performance for the year ended 30 June 2025.....	1
15. Statement of Financial Position as at 30 June 2025.....	2
16. Statement of Changes in Net Assets for the year ended 30 June 2025.....	4
17. Statement of Cash Flows for the year ended 30 June 2025.....	5
18. Statement of Comparison of Budget and Actual amounts for the year ended 30 June 2025 ..	6
19. Notes to the Financial Statements.....	8
20. Appendices.....	37

1. Acronyms and Definition of Key Terms

A: Acronyms

AIE	Authority to Incur Expenditure
A-in-A	Appropriations in Aid
BETA	Bottom-up Economic Transformation Agenda
CMO	Collective Management Organization
CAJ	Commission for the Administration of Justice
CSR	Corporate Social Responsibility
ERP	Enterprise Resource Plan
FY	Financial Year
IEC	Information Education and Communication
ICPAK	Institute of Certified Public Accountants of Kenya
IPSAS	International Public Sector Accounting Standards
KECOBO	Kenya Copyright Board
KAMP	Kenya Association of Music Producers
MCSK	Music Copyright Society of Kenya
NRR	National Rights Registry
PPMC	Permanent Presidential Music Commission
PRISK	Performers Rights Society of Kenya
SCAC	State Corporations Advisory Committee
SASDF	Sports Arts and Social Development Fund
SDGs	Strategic Development Goals

B: Definition of Key Terms

Fiduciary Management- Members of management directly entrusted with the responsibility of financial resources of the organization.

Comparative Year- Means the prior period.

2. Key Entity Information and Management

(a) Background information

The Kenya Copyright Board (KECOBO) is established under section 3 of the Copyright Act, CAP 130 of the laws of Kenya. The Board is domiciled in Kenya and has no branches outside its head office in Nairobi. Its mandate is the overall administration and enforcement of copyright and related rights in Kenya.

(b) Principal Activities

KECOBO's mission is:

To sustainably advance the growth of creative industries through effective administration and enforcement of copyright and related rights for socio-economic development in Kenya.

The principal activities are to;

- Direct, coordinate and oversee the implementation of laws and international treaties and conventions to which Kenya is a party to and which relate to copyright and other rights recognized by the Act and ensure the observance thereof;
- License and supervise the activities of Collective Management Organizations (CMOs) as provided for under the Act;
- Devise promotion, introduction and training programs on copyright and related rights, to which end it may coordinate its work with national or international organizations concerned with the same subject matter;
- Organize the legislation on copyright and related rights and propose other arrangements that will ensure its constant improvement and continuing effectiveness;
- Enlighten and inform the public on matters relating to copyright and related rights;
- Maintain an effective data bank on authors and their works; and
- Administer all matters of copyright and related rights in Kenya as provided for under the Act and to deal with ancillary matters connected with its functions under the Act.

In addition, the protection of Traditional Knowledge and Cultural Expressions Act, 2016, under Section 5(a) mandates the Board to establish and maintain a National repository of traditional knowledge and cultural expressions of communities in Kenya.

(c) Key Management

The Board's day-to-day management is under the following key organs:

No.	Designation	Name
1.	Acting Executive Director	George Nyakweba
2.	Deputy Executive Director- Corporate Services	Frederick Mutuku
3.	Deputy Executive Director- Training & Research	Sharon Chahale Wata

(d) Fiduciary Management

The key management personnel who held office during the financial year ended 30th June 2025 and who had direct fiduciary responsibility were:

No.	Designation	Name
1	Acting Executive Director	George Nyakweba
2	Deputy Executive Director- Corporate Services	Frederick Mutuku
3	Deputy Executive Director- Training & Research	Sharon Chahale Wata
4	Acting Assistant Executive Director- Finance and Planning	George Kiogora
5	Assistant Executive Director -HRM	Ketty Arucy
6	Assistant Executive Director - Communications	Cyrus Kinyungu
7	Assistant Executive Director-ICT	George Njoroge
8	Assistant Executive Director-Internal Audit	Elijah Mwangi
9	Chief Supply Chain Management Officer	John Karuri
10	Acting Assistant Executive Director - Enforcement	Mutegi Rinkanya
11	Acting Assistant Executive Director- Legal and Compliance	Paul Kaindo

Key Entity Information and Management (continued)

(e) Fiduciary Oversight Arrangements

Finance and Audit committees of KECOBO

The Board of KECOBO has established two oversight bodies as recommended by the State Corporations Act. Section 9 of the State Corporations Act Cap 446 Laws of Kenya states as follows: -

Committees

A state corporation may establish committees consisting of members of the Board to deal with such matters as the Board may specify. Notice of establishment of any committee in accordance with this section whether established before or after the commencement of this Act shall be served on the State Corporations Advisory Committee.

This provision is further reinforced by section 15, on financial accountability of the Board;

Accountability

(1). A Board shall be responsible for the proper management of the affairs of a state corporation and shall be accountable for the moneys, the financial business and the management of a state corporation.

(2). The Executive Director of a state corporation may be summoned by the Public Investments Committee to answer, on behalf of the Board, any question arising from a report, including a special report, of the Controller and Auditor-General concerning the state corporation.

Consequently, the State Corporations Advisory Committee (SCAC) issued guidelines for the formation of the Committees of which the Finance and the Audit Committees are mandatory.

The Audit & Risk Management Committee

The committee has a charter setting out its responsibilities. Some of its duties include oversight over financial statements and financial reporting; general compliance, internal control and risk management. The Executive Director is not a member of this committee as per common practice. The committee, like all other committees, plays an advisory role.

The Finance & Human Resource Committee

The committee oversees the budgeting function of the Board, reviews progressive reports on the expenditure of the Board and makes recommendations to the Board on issues relating to procurement. The committee also ensures overall sound financial reporting before approval by

the entire Board. On human resources, it reviews all Board HR actions and makes suitable recommendations to the Board. It also makes appointments in senior management positions as well as overseeing the performance reviews.

The Legal and Technical Affairs Committee

The Legal and Technical Affairs Committee is mandated to review The Copyright Act when the need arises. It is also mandated with the responsibility of ensuring the Collective Management Organizations (CMOs) adhere to the law and makes recommendations on the renewal of their licenses or licensing of new ones.

Frequency of meetings

All committees meet at least four times in a year and as guided by government circulars and specifically Circular OP/CAB.9/1A of March 11, 2020. All committees must maintain records of their deliberations diligently as required by law. During the year, the following were appointed as Board members:

Hon. Joshua Kutuny - Board Chair with effect from 27th October 2023,

Mr. Christopher Maina - appointed on 17th April 2023 as alternate director to the Principal Secretary State Department for Broadcasting and Telecommunications,

Mr. Michael Gitonga Kiura- appointed on the 2nd April 2024 replacing Mr. Allan Githaiga as alternate director to the Hon. Attorney General.

Ms. Winfred Njoroge was appointed on 1st December 2022 representing the Inspector-General of State Corporations.

The three independent Directors representing the Publishing, Film and Music sector each were appointed on April 25, 2025.

They are Agatha Lutalala Karani representing the Publishing Sector, Sarah Migwi representing the Film sector and Dan Okoth Aceda representing the Music sector.

Key Entity Information and Management (continued)

(f) Entity Headquarters

P.O. Box 34670
GPO 00100
NHIF Building
Ragati Road/ Ngong Road
Nairobi, KENYA

(g) Entity Contacts

Telephone: (254) 20 2533859
0713761758
E-mail: info@copyright.go.ke
Website: www.copyright.go.ke

(h) Entity Bankers

1. Kenya Commercial Bank

Kenyatta Avenue
A/C No.1104002450
Kipande House

2. Kenya Commercial Bank

Kenyatta Avenue
A/C No.1320948979
Kipande House

(i) Independent Auditor

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




(j) Principal Legal Adviser

The Attorney General
State Law Office and Department of Justice

Kenya Copyright Board
Annual Report and Financial Statements
for the year ended June 30, 2025.

Harambee Avenue
P.O. Box 40112
City Square 00200
Nairobi, Kenya





3. The Board of Directors





 <p>Hon Serem, Joshua Kutuny Chairman of Kenya Copyright Board</p> <p>Appointment Date: 27th October 2023</p>	<p>EDUCATION & PROFESSIONAL QUALIFICATIONS:</p> <p><u>Work Experience</u> Hon. Joshua Kutuny has been a Member of Parliament for Cherangany. While in Parliament, he has been a member of several Parliamentary committees. From 2013 to 2017 he was a presidential political advisor to the Fourth President H.E Uhuru Kenyatta. He holds a Bachelor of Arts degree in Political Science (Moi University)</p> <p><u>Current Position</u> He is currently the Chairman of Kenya Copyright Board</p>
 <p>Christopher Maina Alternate Director for the Principal Secretary in the State Department of Broadcasting and Telecommunications</p> <p>Appointment Date: 17th April 2023</p>	<p>EDUCATION & PROFESSIONAL QUALIFICATIONS:</p> <p><u>Work Experience</u> Christopher Maina is an advocate of the High Court of Kenya with 17 years of experience in the profession. Previously he served in various ranks and assignments in the Public Service at the Office of the Attorney General and Department of Justice as well as the Ministry of Industry, Trade & and Cooperatives.</p> <p><u>Current Position</u> Advocate of the High Court of Kenya Deputy Chief State Counsel heading the Legal Unit at the Ministry of Information, Communications and the Digital Economy</p>
 <p>Sarah Migwi Independent Director representing the Film Sector</p> <p>Appointment Date: 6th June 2024</p>	<p><u>Current Position</u> Founder, Protel Studios Ltd- one of East Africa’s premier content and brand storytelling agencies.</p> <p><u>Work Experience</u> Sarah Migwi is a seasoned media executive and creative industry leader with over 23 years of experience spanning East, South, and West Africa.</p>

 <p>Mr. Michael Kiura Director representing Hon. Attorney General. Appointment Date: 2nd April 2024</p>	<p>Professional and Academic Qualification Bachelor of Laws (LLB) Bachelor of arts (Political Science and Communications) Diploma in Law (KSL) Certified professional mediator (MTI-EA)</p> <p>Work Experience Senior State Counsel</p> <p>Key Profession: Advocate / Senior State Counsel</p>
 <p>Mr Joseph Mbatha Director representing PS, The Treasury</p>	<p>Current Position Senior Deputy Director- Intergovernmental Fiscal Relations Department, The National Treasury</p> <p>Educational and Professional Qualifications Masters in Business Administration</p>
 <p>Mr. Dan Aceda Independent Director representing, The Music sector.</p> <p>Professional Background Award Winning Kenyan artiste, architect and author.</p>	<p>Key Qualification Bachelor of Architecture</p> <p>Work Experience Dan is the founder and CEO of SemaBOX Africa the largest podcast incubation facility in Africa. His body of works spans 5 industries including advertising ad stretching across to informatics and international development.</p>




 <p>Ms. Agatha Nangila Lutalala-Karani Independent Director representing Publishing sector.</p>	<p>Professional and Academic Qualification Agatha holds an M.A. in Fine Art and a B.Ed. in Fine Art and Design from Kenyatta University.</p> <p>Work Experience Vice Chair of the Kenya Publishers Association and Managing Director of Bookmark Africa Limited,</p>
 <p>Mr. George Stanley Njoroge Director representing PS, The Gender Culture and the Heritage</p>	<p>Professional and Academic Qualification Njoroge is a researcher and public policy practitioner. He holds a Bachelor of Arts in African Literature in English and Communications from the University of Nairobi. He is undertaking a Masters in Strategic Communication at Aga Khan University and also completing a Masters in Leadership and Governance at Kenyatta University.</p> <p>Work Experience Assistant Director for Culture in State Department for Culture, the Arts and Heritage.</p>
 <p>Mr. George Nyakweba Acting Executive Director Key Profession: Advocate of the High Court</p>	<p>Professional and Academic Qualification Master in Law (LLM) Bachelors of Law (LLB) Diploma in Law (KSL)</p> <p>Acting Executive Director Overall Administration of Kenya Copyright Board and Secretary to the Board of Directors</p>

4. Key Management Team

	Management	Details
1	 <p>George Nyakweba LLM, LLB, Member-LSK</p>	<p>Acting Executive Director Advocate of the High Court and IP Lawyer</p>
2	 <p>Frederick Mutuku MBA, B. Com, CPA (K). Member- ICPAK,</p>	<p>Deputy Executive Director- Corporate Services</p> <p>In charge of Corporate Services</p>
3	 <p>Sharon Chahale MIP, LLB- Member- LSK</p>	<p>Deputy Executive Director- Training & Research Advocate of the High Court & IP Lawyer</p>
4	 <p>George Kiogora MBA-Finance, B. Com, CPA-(K) Member ICPAK</p>	<p>Acting Assistant Executive Director- Finance and Planning</p> <p>In charge of Finance and Planning</p>

5		Assistant Executive Director – Internal Audit Internal Audit	
Elijah Mwangi MBA, BBM, CPA(K), Member- ICPAK, IIA Kenya	6		Assistant Executive Director – Communication Public awareness and publicity
Cyrus Kinyungu M.A (Communications), B.ED. Member - PRSK, Media Council of Kenya	7		Assistant Executive Director- HRM Human Resource matters, policies, surveys and training.
Ketty Arucy MSC, B.A Member- IHRM	8		Chief Supply Chain Management Officer Management of office supplies
John Karuri MSC in Procurement and Logistics BBA. Member- KISM			

Kenya Copyright Board
Annual Report and Financial Statements
for the year ended June 30, 2025.

9	 <p>George Njoroge MSC in IT Management, BSC (Computer Science & Engineering) Member- ISACA</p>	<p>Assistant Executive Director -ICT In charge of ICT infrastructure and Integrated Enterprise information systems.</p>
10	 <p>Mutegi Rinkanya Copyright Inspector</p>	<p>Chief Copyright Inspector In charge of Copyright & related rights compliance</p>
11	 <p>Paul Kaindo LLB, MIP, Member LSK</p>	<p>Acting Assistant Executive Director- Legal and Technical Affairs</p>

5. Chairman's Statement

The Kenya Copyright Board, which has the mandate of overall administration and enforcement of copyright and related rights, plays a key role in the economic development of the country.

With an estimated contribution of over five percent of the country's Gross Domestic Product (GDP) and being one of the most significant employers of the youth, the copyright sector in Kenya is a key industry that the government is very keen to nurture.

The protection of the rights of creatives and promotion of copyright and related rights in Kenya is a key pillar of the Board's mandate. This is a major component towards the achievement of the Kenya Kwanza's Bottom-Up Economic Transformation Agenda (BETA).

Aware of the fast advancement in technology and the challenges that come with it, KECOBO is forced to up its game in terms of coming up with strategies and proposals on amendment to the Copyright Act to protect the creatives.

The Board has reviewed the Copyright Act and identified challenges that need to be addressed to better serve creatives. Consequently, it has come up with the Copyright Amendment Bill that is awaiting tabling before Parliament.

The Board, with the support of Sports Arts and Social Development Fund (SASDF) in April this year, engaged the Parliamentary Committee on Sports, Tourism, and Culture, specifically addressing the creatives and arts sector. This meeting was meant to bridge the gap between policymakers and artists, fostering a dialogue on the challenges and opportunities within the creative industries. Key discussions revolved around strengthening copyright protection, improving access to funding the sector and creating a more enabling environment for artists to thrive.

KECOBO used the platform to highlight the importance of intellectual property rights in safeguarding artists' livelihoods and promoting cultural preservation. They emphasized the need for legislative reforms to address emerging issues in the digital age, such as online piracy and unauthorized use of creative content. The Board also took the parliamentarians through the proposed amendments to the Copyright Act.

The parliamentary committee expressed its commitment to supporting the creative sector and promised to prioritize relevant legislation and policy interventions. The engagement was designed to help the parliamentarians understand the real needs of the creatives and how to best legislate to protect the artists.

And for the second year running SASDF supported the Board to achieve the government's commitment in the manifesto to enhance knowledge around the administration and enforcement of copyright law with a view to empower copyright holders to monetize their works.

The program dubbed Faidika na Sanaa Yako Phase two covered six regions which include: Kisii, Narok, Wajir, Meru, Bungoma and Uasin Gishu. During this phase, an estimated 2500 creatives and 1500 law enforcement officers were trained. Over the year, the Board was able to train over 5,000 stakeholders.

KECOBO, through the 2023- 2028 Strategic Plan, set up measures to cope with the changing operating environment in the copyright sector. This is in realization that the growth of the industry driven by technology advancement requires a paradigm shift in the administration and enforcement of the copyright law and related rights sub-sector.

These measures include commitments to establish a Copyright Digital cyber lab, establishment of a Copyright Academy and devolution or decentralization of KECOBO services to other regions throughout the country.

However, the move by the government to list Kenya Copyright Board as one of the institutions earmarked for merger and the lack of adequate funding to support implementation of these measures have put these strategies in limbo.


The operationalization of the Blank Tape Levy in the 2023/24 Financial year has so far helped raise Sh127 million by close of the 2024/25 Financial Year. The Blank Tape Levy, which is the copying compensation to artists, is levied on all mediums that are able to carry copyright works. These mediums include computers and computer related accessories, cameras, printing papers etc. This Levy is meant to be distributed to creatives while some fraction of it is to be retained by the Board as A-In-A as per the distribution formula gazetted by the government.

However, some stakeholders in the creative sector filed two cases in the High Court which resulted in issuance of orders prohibiting withdrawal or distribution of these funds until the matter is heard and determined.

The Board was fully constituted following the appointment of the three independent Board Members representing the Film, Publishing and Music sectors on April 25. This allowed for the full composition of all necessary Board committees as guided by Mwongozo. The Board has had to deal with the issue of licensing of the Collective Management Organisations (CMOs) in the music sector amid a myriad of court cases. It decided to abide by a court ruling requiring KECOBO to issue a six month license

to the three CMOs. Nevertheless, the Board was forced to withhold the license of Music Copyright Society of Kenya owing to internal squabbles within the organization.

However, during this financial year, Kenya Copyright Board continues to be steered by Mr George Nyakweba as the Acting Executive Director since the Board of Directors is not at liberty to recruit a substantive Executive Director. This follows a government circular halting any form of recruitment, promotions or confirmations in all the institutions earmarked for merger or reforms. Until the issue of the merger and reforms in government institutions is conclusively dispensed with, the Board's hands remain tied on this matter.



.....

Hon Serem, Joshua Kutuny

Chairman of the Board.

Date..... 5/12/2025

6. Report of the Executive Director

Background

Financial Year 2024/25 has been a challenging year for the Kenya Copyright Board even though by far we achieved our set targets. It has been a year where a myriad of court cases especially relating to the licensing of Collective Management Organizations (CMOs) have delayed the Board's determination on the status of licensing of these bodies. The eventual decision on this matter by the High Court allowed the Board to issue license to Kamp and PAVRISK. However, the license by MCSK was withheld due to internal wrangles within the organization.

The Board remains committed to streamline this sector for the sake of ensuring that creatives earn just rewards from their talents. It is for this reason that the Board has continued to propose updates to the copyright laws to ensure that they remain current, relevant and address emerging challenges in the sector.

To make sure that the law and regulations remain relevant and up to date, a legislation on copyright and Related Rights Bill was forwarded to the Cabinet Secretary, Ministry of Gender, Culture, The Arts and Heritage. This was done through a Cabinet Memorandum to the CS National Treasury & The Honourable Attorney General, for countersigning.

Low budgetary allocation has been one of the key challenges affecting the operations of the Board in the last financial year. Luckily, with support from external partners, the Board managed to deliver on its mandate comfortably.

With the support of Sports Arts and Social Development Fund (SASDF) the Board managed to train 2500 creatives and 1500 law enforcement officers from Wajir, Bungoma, Uasin Gishu, Narok, Kisii and Meru Counties. Over 1000 works were registered on the National Rights Registry by the creatives reached during this outreach programme dubbed Faidika na Sanaa Yako phase two. Many more creatives and stakeholders were reached through updates on our social media platforms. The impact was felt on the National Rights Registry where the number of works registered markedly improved during this period.

Over the year, KECOBO has trained over 5000 stakeholders on copyright and related rights. These include musicians, filmmakers, performing artists, visual artists, photographers, writers and journalists.

SASDF also facilitated a retreat with the Parliamentary Committee on Sports and Culture where the MPS were taken through the Copyright Amendment Bill as proposed by KECOBO and the

importance of intellectual property rights in safeguarding artists' livelihoods and promoting cultural preservation was discussed.

During the period, the Board has also managed to onboard seven of its 11 services on the eCitizen platform. The services already onboarded on the platform include: Mediation of copyright disputes, training of rights holders, request for certified copies of documents held by the Board, legal advice on copyright, licensing of Collective Management Organizations, renewal of license for Collective Management Organizations and reporting on infringement matters.

However, due to the persistent challenge faced by the Board on ownership of the National Rights Registry (NRR), KECOBO was unable to onboard four of its services related to the registration of copyright, which are offered through NRR. The Board has been engaging the eCitizen secretariat, the Information Communication and Technology Authority (ICTA) and Communications Authority of Kenya (CA) among many other government agencies in an attempt to get a resolution to the matter. These agencies have been attempting to talk to Safaricom to persuade the company to honour a commitment on payment to the developer so that the database is transferred to KECOBO. Talks are already ongoing and hopefully this matter will be resolved soon.


In the course of the last few years, KECOBO has lost close to 10 employees through death, retirement and resignation. However, we are unable to replace these staff members through recruitment due to a government circular barring state agencies earmarked for merger or reforms from making new recruitments, promotions or confirmations of those in acting capacities.

The Board has been operating with a staff of about 40 against an approved staff establishment of 119. This means that the staff at the Board are overstretched which may risk burnout. To address this temporarily, the Board has requested secondment of officers in the affected departments from the Public Service Commission.

The Board has experienced frequent movements from one ministry to another during the last five years. KECOBO was moved from the Office of the Attorney General and Department of Justice in 2022 to the Ministry of Youth Affairs, Creative Economy and Sports and in 2023 and later to the Ministry of Gender, Culture, The Arts and Heritage before being returned to the Ministry of Youth Affairs, Creative Economy and Sports in mid-2025.

CONCLUSION

Even with the budgetary constraints, limited staffing capacity and numerous court cases affecting KECOBO, we still managed to some level meet our targets with the help of partners. These partnerships came in handy to ensure that KECOBO delivered on its mandate. However, even as the Board makes good use of these partnerships, we commit to actualize the Resource Mobilization Strategy as captured in KECOBO's Strategic Plan 2023-2028 to ensure the Board remains self-sustainable. To achieve this, the National Treasury needs to deploy resources to actualize this imperative objective. This will go a long way in ensuring economic growth supported by the creative sector.



.....

George Nyakweba

Acting: Executive Director

Date..... 04/12/2025

7. Statement of Performance against Predetermined Objectives for FY 2024/2025

KRA	Strategic Objectives	Strategy	Activities	Achievement
Excellence in service delivery	To Enhance Institutional Capacity	Automation/Digitalization	Re engineer and digitize citizen facing services. Onboard into the e-citizen platform re-engineered services.	The board re-engineered and digitalized 11 service. 11 Services were onboarded into the e-citizen platform.
		Productivity Mainstreaming	Develop Productivity Mainstreaming strategy. Sensitize staffs on productivity mainstreaming. Develop productivity index.	Staff Sensitized. Productivity index developed.
Partnership and Collaboration	To upscale partnerships & collaborations.	Stakeholders Mapping and Engagement	Pursue and develop strategic partnerships with two relevant organization to help in delivery of KECOBO mandate. Participate in international/regional IP workshops/Conferences	Two MOUs initiated & one operationalized (Signed MOU Between KECOBO& Communication Authority of Kenya). The Board also participated in three International/Regional IP workshops/conferences hosted by WIPO.
Stakeholder Engagement and Participation	To Enhance capacity building for stakeholders.	Capacity Building	Conduct copyright training for 500 law enforcement officers from different regions across the country and distribute a total of 500 copies of the Enforcement bulletin,	The Board Trained 4,269 Creatives & 620 Police Officers across seven regions(Nairobi,Kisii, Narok,Bungoma, Eldoret Meru& Wajir) boosting both awareness and enforcement of

Kenya Copyright Board
Annual Report and Financial Statements
for the year ended June 30, 2025.

				copyright laws and related rights.
--	--	--	--	------------------------------------

8. Corporate Governance Statement

Kenya Copyright Board is established under section 3 of the Copyright Act, 2001. Its mandate is the overall administration and enforcement of copyright and related rights in Kenya. The copyright Act section 6 establishes the composition of the Board which comprises of a Chairperson appointed by the President, three independent Board members one representing Publishers, one representing the Film industry and the other one representing the Music industry. It also provides that the Board will also have alternate directors representing the Principal Secretaries in charge of National Treasury, Office of the Attorney General, the principal secretary in the ministry responsible for Information, Communication & Technology and one representing PS in charge of matters of Culture and Heritage. The Executive Director is an ex-official member of the Board. A representative of the Inspector of State Corporations is also a key member of the Board.

The principle activities of the Kenya Copyright Board include; implementation of the Copyright Act, enforcement of copyright and related rights, overall administration of copyright and related rights, constant review of the Copyright Act, licensing and supervision of Collective Management Organizations, training and awareness creation on copyright, related rights as well as traditional knowledge, advising the government on matters of copyright and related rights, negotiation of regional and international instruments on copyright and related rights and establishment of a National Repository of Traditional Knowledge and Traditional Cultural Expressions.

During the year, the following were the Board members:

Hon. Joshua Kutuny - Board Chair with effect from 27th October 2023,

Mr. Christopher Maina - appointed on 17th April 2023 as alternate to the Principal Secretary State Department for Broadcasting and Telecommunications,

Mr. Michael Gitonga Kiura- appointed on the 2nd of April 2024 replacing Mr. Allan Githaiga as alternate to the Hon. Attorney General.

Ms. George Stanley Njoroge - appointed on the February 18, 2025, to replace Dr. Kiprop Lagat representing Principal Secretary in-charge of Culture and the Arts.

Mr. Joseph Mbatha was appointed on January 15, 2025, as alternate director to the Principal Secretary National Treasury replacing Mr John Olela who served in the same capacity.

Ms. Winfred Njoroge was appointed on 1st December 2022 representing the Inspector General of State corporations.

Ms Agatha Nangila Lutalala-Karani was appointed on 25th April 2025 to represent the publishing sector.

Ms Sarah Migwi was appointed on 25th April 2025 to represent the film sector.

Mr Dan Okoth Aceda was appointed on 25th April 2025 to represent the music industry.

The Board held six meetings and one retreat with the management during the year. Between July 22, 2024, and July 24, 2024, the Board held a retreat with senior staff members in Mombasa. The Board also had a special Board meeting on August 8, 2024. Other Board meetings were held on October 30, 2024, January 30, 2025, and April 4, 2025. On May 5, 2025, the Board held a special Board meeting and the final meeting on June 10, 2025.

Following the appointment of independent members, committee composition was done in March 2025.

The remuneration of the Board members is governed by a number of government circulars. The Board members are entitled to sitting allowance for meetings attended at the rate of Ksh20,000 per sitting and a Domestic Subsistence Allowance at the rate of Ksh18,200 per night out. Mileage is also payable to directors when on official duty when they use their own vehicles or their spouses' vehicles. The mileage is capped at 1800 cc vehicles. In addition to the above the Board Chair is entitled to a monthly honorarium of Ksh87,000 inclusive of Sh7,000 airtime.

The Board maintains a conflict of interest register which is used to keep track of any issues that may bring about conflict of interest in decision making. During any meeting where a Board member has an interest in a matter, he or she is required to recuse themselves from the meeting to allow other members to discuss the matter objectively without any bias.

The Board has a Communications Policy in place which guides on how matters relating to the Board are communicated to the internal and external public. The objective of the policy is to ensure that communications from KECOBO is well coordinated, effectively managed and responsive to the diverse information needs of our stakeholders. It also seeks to build support for KECOBO among stakeholders as an organization that delivers on its mandate. The policy identifies the Board's Chairman and the Executive Director as the sole spokespersons of the organization.

To check on corruption within the Board, KECOBO has developed a whistle-blowing policy. This Policy was developed by the Integrity and Corruption Eradication Committee in collaboration with the Human Resource Management Division and presented to EACC as required and approved. It was then presented to the Board of Directors where it was approved for implementation. The policy is

Kenya Copyright Board
Annual Report and Financial Statements
for the year ended June 30, 2025.

used as a guide to administrative actions in order to achieve compliance with constitutional and regulatory obligations during the discharge of the Board's mandate.

The policy identifies the Witness Protection Act, 2010 as its guiding legislation and notes that the identity of whistle-blowers shall remain confidential at all times.

Kenya Copyright Board
Annual Report and Financial Statements
for the year ended June 30, 2025.

9. Management Discussion and Analysis

The Board's operational and financial performance is outlined here below:

Financial Year	2020-2021	2021-2022	2022-2023	2023-2024	2024-25
Staff No.	40	46	46	47	42
Income	Kshs.	Kshs.	Kshs.	Kshs.	Kshs.
Revenue from non-exchange transactions					
Transfer from Government	124,000,000	132,820,000	132,820,000	225,766,800	201,119,901
	124,000,000	132,820,000	132,820,000	225,766,800	201,119,901
Revenue from exchange transactions					
Other incomes	10,985,040.50	1,387,133	4,325,987	1,719,320	1,601,753
Blank Tape Levy					14,495,864
	10,985,040.50	1,387,133	4,325,987	1,719,320	217,217,518
Gain on Disposal				1,530,000	-
Total Income	134,985,041	134,207,133	137,145,987	229,016,120	217,217,518
Expenses					
Employee costs	91,777,105	98,700,447	101,536,321	131,586,033	104,073,218
Director's Remuneration	5,813,720	5,167,716	1,185,579	1,543,802	4,238,560
Depreciation and amortization expense	2,355,185	1,480,421	1,995,902	2,146,566	1,118,979
Repairs and maintenance	3,128,717	3,797,941	5,512,701	4,049,876	6,937,101
Contracted services	4,692,605	119,700	1,790,000	25,056	
Use of goods and services	25,446,276.50	29,248,959	31,748,334	28,283,739	27,950,393
Capacity Building (SASDF Sponsored)				64,766,800	86,045,400
Total Expenses	133,213,609	138,515,184	143,768,837	232,401,872	230,363,651
Surplus/(deficit) For the Year	1,771,432	(4,308,051)	(6,622,850)	(3,385,752)	(13,146,133)

The Board has experienced frequent movements from one ministry to another during the last five years. KECOBO was moved from the Office of the Attorney General and Department of Justice in

(awareness creation) funds from Sports, Arts and Social Development Fund to implement the BETA priority as envisaged in the government manifesto. These funds helped KECOBO implement its mandate efficiently and effectively. Without the support, the Board was grossly underfunded and no meaningful achievements would have been registered.

Through the support of the Sports, Arts, and Social Development Fund (SASDF), the Board was able to implement government commitment in the manifesto to enhance knowledge around the administration and enforcement of copyright law with a view to empower copyright holders to monetize their works through a campaign dubbed *Faidika na Sanaa Yako* (Phase two). Phase one of this campaign was carried out in the 2023/2024 FY.

This program was executed in the third quarter of the 2024/25 FY and covered seven regions across the country. These were Kisii, Narok, Mombasa, Bungoma, Eldoret, Meru and Wajir. The program entailed awareness creation to creatives and law enforcement officers across the above regions.

A unique highlight of this phase was the training of Members of Parliament in Mombasa, where KECOBO engaged lawmakers on strengthening the legislative framework around copyright protection. This high-level training emphasized the need for robust laws, efficient enforcement and budgetary support to promote Kenya's creative economy. The participation of legislators marked a strategic move toward institutionalizing copyright protection through legislative reforms and aligning policy with the dynamic needs of the creative sector.

Over 2,500 artists and over 1500 police officers were trained. Over the financial year, the Board was able to train over 5,000 stakeholders.

In the 2017-2022 Strategic Plan cycle, KECOBO operated with an average of 40 staff members against an approved staff establishment of 119 which is a shortfall of 79 staff members. The last time the Board recruited new staff members was at the tail end of 2022/2023 with the hiring of 10 staff members. The Board's plans to address the shortfall in the new cycle of KECOBO Strategic Plan 2023-2028 has been affected by a government circular fleecing recruitment of new staff members for government agencies earmarked for merger. Kenya Copyright Board has been earmarked for merger with the Anti Counterfeit Agency (ACA) and The Kenya Industrial Property Institute (KIPI). The Board will continue to lobby for resources to enhance effective and efficient implementation of its mandate.

During the financial year 2023/2024, the Board successfully operationalised the Blank Tape Levy, which was expected to help change not only the fortunes of creatives but also KECOBO operations through A-I-A.

Blank Tape Levy is levied on all mediums that are able to carry copyright works. These mediums include computers and computer related accessories, cameras, flash disks, printing papers etc. By close of the 2024/25 FY, the amount collected as Blank Tape Levy was over Ksh127 million.

The potential of the Blank Tape Levy is huge and the Board continues to explore ways to enhance and optimise the proceeds.

The partnership with KenTrade and Kenya Revenue Authority will be key to growing the revenue source. The dream is to ensure better earnings for artists and sustainable funding to the Board.

The government, through a legal notice, published the share ratios for the Blank Tape Levy proceeds. KECOBO is entitled to 20 % of the proceeds for administration and automation, advocacy and enforcement. Ten percent is earmarked for agency commissions while 70% of the collection goes to the creative sector for administration and distribution to members. However, there are two court cases challenging the access of the levy proceeds and therefore the funds are yet to be accessed. We hope the cases will be finalised soon and the ban lifted to enable access and distribution to the artists.

Despite the challenges the Board has been having in taking full ownership of the National Rights Registry (NRR), the number of works registered through the system continues to grow. By the end of the 2024/25 financial year, over 60,000 works had been registered through the NRR system by over 13,000 rights holders. This challenge continues to be a drawback for the Board in its endeavour to onboard its services offered through NRR to the eCitizen platform.

The National Rights Registry was planned to cost Ksh15 million (Design, Build & Commission cost) with the support of Safaricom PLC. There was an additional cost of 5.36million for maintenance. For the system to be compatible with the eCitizen platform to allow onboarding of KECOBO's services, the developer quoted a cost of Ksh2.622million. This brings to Ksh 22,982,000 the total cost of the digital system. Once Safaricom, who is the sponsor, pays the developer, the asset will belong to KECOBO fully & exclusively. The asset has therefore been disclosed as a contingent asset in these financial statements.

Due to budgetary constraints during 2024/2025 the Board did not have monies/budget to settle rent and gratuity for the former Executive Director. This has seen the payables for the year over double and for the first time KECOBO has incurred pending bills. We hope funds will become available to settle the pending bills and meet the 2025/26 operational and contractual commitments.

Section B

Entity's compliance with statutory requirements

The Board continues to comply with all statutory requirements and therefore does not have any non-compliance to report.

Section C

Key projects and investment decisions the entity is planning/implementing

The Board through its 2023-2028 Strategic Plan and the State Department's master plan has an elaborate schedule of projects, programs and activities that will see KECOBO achieve more for its stakeholders subject to the government's proposal to merge some agencies including KECOBO.

Key among these is an elaborate countrywide awareness creation on enforcement of copyright law and related rights to enhance earnings by the artists. This is a pivotal BETA commitment. The Board commits to implement its devolution of services to citizens by at least establishing three regional offices- Mombasa, Nakuru and Meru. The other key program is digitalization in line with the government commitments, specifically Digital Copyright Cyber Lab and NRR –E-Commerce module.

The Board plans to enhance copyright protection through the establishment of a Digital Copyright Cybercrime lab and enhance the National Rights Registry by incorporating an E-commerce module. The Board, in collaboration with other like-minded stakeholders, dreams of establishing an Intellectual Property Academy. These, among others, are programs, projects and activities that will change the fortunes for the stakeholders in the industry.

Section D

Major risks facing the entity

The Board activities expose it to a variety of financial risks, including credit risk and liquidity risk. The Board's overall risk management program focuses on the unpredictability of the economy and seeks to minimize potential adverse effects on its financial performance.

KECOBO regularly reviews its risk management policies and systems to reflect changes in markets and emerging best practices. Risk management is carried out by the management under the supervision of the Board of Directors.

The Board provides policies for overall risk management as well as policies covering specific areas such as liquidity risk and credit risk.

(a) Credit Risk Management

Credit risk refers to the risk that counterparty will default on its contractual obligations resulting in financial loss to the Board.

Credit risk arises from bank balances, trade receivables and amounts due from related parties. Individual risk limits are set based on internal or external limits set by the Board.

The table below Represents Board’s maximum exposure to credit risk as at 30th June 2025

At 30th June 2025

Particulars	Fully Performing Kshs.	Past Due	Impaired	Total Kshs.
Bank balances	127,862,819			127,862,819
TOTAL	127,862,819			127,862,819

Bank balances include cash and deposits held with banks. Bank balances are not restricted to any use by the client. The Board’s trade receivables are minimal. The Bank balance is held at Kenya Commercial Bank, Kipande House Branch.

(b) Liquidity Risk

Liquidity risk is the risk that the Board will not be able to meet its financial obligations when they fall due. The Board’s approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or at risk of damaging the Board’s reputation.

The Board ensures that it has sufficient cash on demand to meet expected operational expenses. This excludes the potential impact of extreme circumstances that cannot reasonably be predicted. All liquidity policies and procedures are subject to review and approval by the Board of Directors.

The table below provides a contractual maturity analysis of the Board’s financial liabilities:

Kenya Copyright Board
Annual Report and Financial Statements
for the year ended June 30, 2025.

Details	1- 6 Months Kshs	6- 12 Months Kshs	1- 5 Years Kshs	TOTAL Kshs
At 30 June 2025 (Trade payables)	156,437,803	-	4,219,917	160,657,720
At 30 June 2024(Trade payables)	-	10,383,172	-	10,383,172

(c) Market risk

The Board has put in place an internal audit function to assist it in assessing the risk faced by the entity 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 entity'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 optimizing the return. Overall responsibility for managing market risk rests with the Audit and Risk Management Committee.

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

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

a) Foreign currency risk

The Board has no transactional currency exposures.

b) Interest rate risk

Interest rate risk is the risk that the Board's financial condition may be adversely affected as a result of changes in interest rate levels. The Board's interest rate risk arises from bank deposits. This exposes

the Board to cash flow interest rate risk. The interest rate risk exposure arises mainly from interest rate movements on the Board's deposits.

c) Management of interest rate risk

To manage the interest rate risk, the management has endeavored to bank with an institution that offers favorable interest rates.

d) Sensitivity analysis

The Board analyses its interest rate exposure on a dynamic basis by conducting a sensitivity analysis. This involves determining the impact on surplus or deficit of defined rate shifts. The sensitivity analysis for interest rate risk assumes that all other variables, in particular foreign exchange rates, remain constant. The analysis has been performed on the same basis as the prior year.

Section E

Material arrears in statutory/financial obligations

The Board did not have any loan defaults or loans for that matter. It did not have any outstanding staff & pension obligations or even nonpayment of dividends. The Board endeavors to settle financial obligations arising from the procurement process within the shortest time possible. However, due to budgetary constraints during 2024/2025 the Board did not have monies/budget to settle rent for Board premises and gratuity for the former Executive Director. This has seen the payables for the year over double and for the first time KECOBO has incurred pending bills. We hope funds will become available to settle the pending bills and meet the 2025/26 operational and contractual commitments.

Section F

The entity's financial probity and serious governance issues

As at the end of the year, the Board had a fully constituted Board of Directors.

10. Environmental and Sustainability Reporting

KECOBO understands its responsibility to the society and has made Corporate Social Responsibility (CSR) an integral part of its corporate culture. To underline the deep commitment to making a difference in the community, we are guided by the existing CSR Policy. From its meagre resources, the Board commits a small budgetary allocation each year to CSR initiatives. The Board's CSR effort focuses on many key areas and tries to touch on the compelling social and environmental issues.

In the year 2024/2025, the Board gave back to the community by planting **over 4,500 trees** at **Eldoret in Uasin Gishu, Meru and various staff members' home areas**. While working in collaboration with the relevant State departments and other private entities in meeting the Presidential National target of planting 15 billion trees.

The Board has adopted an environmentally responsible policy and culture of dealing with copyright infringing electronic waste after cases are concluded in court. KECOBO, in conjunction with players in the waste management sub-sector, ensures the E- waste is disposed of responsibly hence contributing to the Strategic Development Goals (SDGs), especially the pillar on environmental conservation.

Kenya Copyright Board being a regulatory institution in the administration and enforcement of copyright sector, deals with different stakeholders especially the creatives. The Board makes deliberate efforts to ensure that its relationship with all the stakeholders is cordial even when enforcing the law. KECOBO has established close working relationship with many other state agencies operating in the copyright sector. A number of these organisations have entered Memorandum of Understanding (MoUs) with KECOBO so that they complement each other while undertaking their various mandates.

The Board has, for instance, had a close working relationship with state agencies like the Kenya Film Commission, Kenya Industrial Property Institute, Anti counterfeit Agency, Ken Trade, Kenya Film Classification Board, Kenic and Kenya National Innovations Agency among others. Most of these agencies, just like KECOBO, work around the Intellectual property sector.

Besides state agencies, the Board works with other stakeholders who include the Collective Management Organisations, groups of creatives in the music, audio-visual, performing arts and theatre, photography, visual arts, media and even software development sectors. The Board organises outreach programmes both online and physical to reach out to the creatives in these sectors and

educate them on copyright and related rights and how to use their talents to create wealth. They are also enlightened on the importance of registering their copyright works.

We take advantage of the social media platforms where a majority of the creatives patronise to reach out to them. Social media gives the Board an advantage while reaching out to creatives since to a large extent it is free and many of the creatives patronise our pages. The Board is on Facebook, X (formerly Tweeter), LinkedIn, Tiktok and Instagram. However, we are guided by the Board's communications policy which advocates for responsible use of the platforms for communication, advertisement and marketing.

The Board always endeavours to create productive relationships with its suppliers and other partners who trade with the organisation such as the insurance companies that offer medical cover to the staff, suppliers of different commodities and other service providers. KECOBO ensures that prompt payment is made for services rendered and goods delivered by these service providers. KECOBO is still tied up with ownership issues concerning the National Rights Registry.

The Board is guided by the law and several government policies on recruitment of staff. It endeavours to ensure that all ethnic communities are represented in the workforce and that it has a balanced gender representation. There were 11 ethnicities represented in the Board. The Board commits to continuously improve on these parameters whenever recruitment opportunities arise including improving on the current gender ratio which stands at 63 % male and 37% female representation. The constitutional two-thirds gender principle requires a 33% minimum of either gender representation.

KECOBO provides training opportunities to all staff members equitably. The training opportunities are identified through a Performance Management System and Training Needs Assessment after which all identified trainings are forwarded to the Human Resource Management Advisory Committee (HRMAC) for approval. The Board also has a Performance Management System in place used to identify staff training needs and guide on rewards and sanctions.

Members of staff are encouraged to apply for scholarships that enable them to study for highly skilled courses and masters' programs especially in Intellectual Property. Many more staff members also benefit from scholarships on short courses offered by the World Intellectual Property Organization. This ensures that staff members remain updated on the latest trends and skills in intellectual property.

11. Report of the Directors

The Directors submit their report together with the audited financial statements for the year ended June 30, 2025, which show the state of the Board's affairs.

i) Principal activities

The principal activities of the Board is: To sustainably advance the growth of creative industries through effective administration and enforcement of copyright and related rights for socio-economic development in Kenya.

ii) Results

The results of the Board for the year ended June 30, 2025, are set out on page 1.

iii) Directors

The members of the Board of Directors who served during the year are shown on page xii. During the year Mr Dan Aceda, Ms Sarah Migwi, Ms Agatha Nangila and Mr Joseph Mbatha were appointed to join the Board. Mr John Olela and Dr Paul Lagat left the Board.

iv) Surplus remission

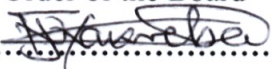
In accordance with Regulation 219 (2) of the Public Financial Management (National Government) Regulations, regulatory entities shall remit into Consolidated Fund, 90 per centum of its surplus funds reported in the audited financial statements after the end of each financial year.

The Board did not make any surplus during the year and hence no remittance to the Consolidated Fund. During the financial year, KECOBO had a deficit of Kshs **15,141,997**

v) Auditors

The Auditor-General is responsible for the statutory audit of the Board in accordance with Article 229 of the Constitution of Kenya and the Public Audit Act 2015

By Order of the Board


.....

George Nyakweba

Secretary to the Board

Date..... 04/12/2025

12. 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 the Board at the end of the financial year and the operating results of the Board for that year. The Directors are also required to ensure that the Board keeps proper accounting records which disclose with reasonable accuracy the financial position of the Board. The Directors are also responsible for safeguarding the assets of the Board.

The Directors are responsible for the preparation and presentation of the Board's financial statements, which give a true and fair view of the state of affairs of the Board for and as at the end of the financial year ended on June 30, 2025. This responsibility includes:

- (i) Maintaining adequate financial management arrangements and ensuring that these continue to be effective throughout the reporting period;
- (ii) Maintaining proper accounting records, which disclose with reasonable accuracy at any time the financial position of the Board;
- (iii) Designing, implementing and maintaining internal controls relevant to the preparation and fair presentation of the financial statements, and ensuring that they are free from material misstatements, whether due to error or fraud;
- (iv) Safeguarding the assets of the Board;
- (v) Selecting and applying appropriate accounting policies; and
- (vi) Making accounting estimates that are reasonable in the circumstances.

The Directors accept responsibility for the Board's financial statements, which have been prepared using appropriate accounting policies supported by reasonable and prudent judgements and estimates, in conformity with International Public Sector Accounting Standards (IPSAS), and in the manner required by the PFM Act, 2012 and the State Corporations Act.

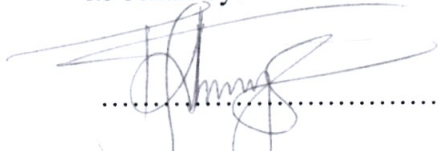
The Directors are of the opinion that the Board's financial statements give a true and fair view of the state of Board's transactions during the financial year ended June 30, 2025, and of the Board's financial position as at that date. The Directors further confirms the completeness of the accounting 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.

Kenya Copyright Board
Annual Report and Financial Statements
for the year ended June 30, 2025.

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 _____ and signed on its behalf by:

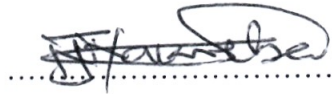


.....

Hon Serem, Joshua Kutuny

Chairman of the Board

Date... 5/12/2025



.....

Mr. George Nyakweba

Accounting Officer

Date... 04/12/2025

REPUBLIC OF KENYA



Phone: +254-(20) 3214000
Email: 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 COPYRIGHT BOARD FOR THE YEAR ENDED 30 JUNE, 2025

PREAMBLE

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

- A. Report on 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 the 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 the Government achieves value for money and that such funds are applied for the intended purpose; and,
- 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, risk management environment and internal controls, developed and implemented by those charged with governance for orderly, efficient and effective operations of the entity.

An Unmodified Opinion is issued when the Auditor-General concludes that the financial statements are fairly presented in accordance with the applicable financial reporting framework. The Report on Financial Statements should be read together with the Report on Lawfulness and Effectiveness in the Use of Public Resources, and the Report on Effectiveness of Internal Controls, Risk Management, and Governance.

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

Opinion

I have audited the accompanying financial statements of Kenya Copyright Board set out on pages 1 to 37 which comprise of the statement of financial position as at

30 June, 2025 and the statement of financial performance, statement of changes in net assets, statement of cash flows and statement of comparison of budget and actual amounts for the year then ended and a summary of significant accounting policies and other explanatory information in accordance with the provisions of Article 229 of the Constitution of Kenya and Section 35 of the Public Audit Act, 2015. I have obtained all the information and explanations which to the best of my knowledge and belief, were necessary for the purpose of the audit.

In my opinion, the financial statements present fairly, in all material respects, the financial position of Kenya Copyright Board as at 30 June, 2025 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 Opinion

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

Material Uncertainty Related to Going Concern

The statement of financial position reflects current assets and liabilities balances of Kshs.152,267,218 and Kshs.160,657,720 respectively, resulting to a negative working capital of Kshs.8,390,502. Further, the statement of financial performance reflects amounts of Kshs.217,217,518 in respect to total revenue and Kshs.230,363,651 in respect to total expenditure resulting in an operating loss of Kshs.13,146,133. The Board may be technically insolvent and therefore unable to meet its financial obligations as and when they fall due on the basis of the negative working capital position.

My opinion is not modified in respect of this matter

Key Audit Matters

Key audit matters are those matters that, in my professional judgement, are of most significance in the audit of the financial statements. I have determined that there are no other key audit matters to communicate in my report.

Other Matter

Unresolved Prior Year Matters

In the audit report of the previous year, a number of paragraphs were raised. However, Management has not resolved the prior year matters and has not explained the delay in resolving the issues as at 30 June, 2025.

Other Information

The Management is responsible for the Other Information set out on page ii to xxxviii which comprise of Key Entity Information and Overall Performance, Statement of Governance, Statement of the Chairperson, Statement of the Chief Executive Officer, Management Discussion and Analysis, Statement of Performance Against Predetermined Objectives, Environmental and Sustainability Reporting and Statement of Management Responsibilities. The Other Information does not include the financial statements and my audit report thereon.

In connection with my audit on the Kenya Copyright Board financial statements, my responsibility is to read the Other Information and in doing so, consider whether the Other Information is materially inconsistent with the financial statements or my knowledge obtained in the audit or otherwise appears to be materially misstated. If based on the work I have performed, I conclude that there is a material misstatement of this Other Information, I am required to report that fact. I have nothing to report in this regard.

My opinion on the financial statements does not cover the Other Information and accordingly, I do not express an audit opinion or any form of assurance conclusion thereon.

REPORT ON LAWFULNESS AND EFFECTIVENESS IN THE USE OF PUBLIC RESOURCES

Conclusion

As required by Article 229(6) of the Constitution, based on the audit procedures performed, except for the effects of the matter described in the Basis for Conclusion on Lawfulness and Effectiveness in the Use of Public Resources section of my report, I confirm that nothing else 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

Under Staffing of the Board

Review of Human Resources documents revealed that the Kenya Copyright Board has an approved staff establishment of One hundred and nineteen (119), while the in-post was forty (40) leading to a shortage of seventy-nine (79) staff or 66% of the approved workforce. Further, it was noted that some departments were being manned by a single staff who initiates an activity to finalization without segregation of duties due to the understaffing.

In the circumstances, the efficiency and effectiveness in delivery of services could not be confirmed.

The audit was conducted in accordance with ISSAI 3000 and ISSAI 4000. The standards require 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 comply 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 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 controls, 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 those Charged with Governance

Management is responsible for the preparation and fair presentation of these financial statements in accordance with International Public Sector Accounting Standards (Accrual Basis) and for maintaining effective internal controls 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 controls, risk management and governance.

In preparing the financial statements, Management is responsible for assessing the Board's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless Management is aware of the intention to cease operations.

Management is also responsible for the submission of the financial statements to the Auditor-General in accordance with the provisions of Section 47 of the Public Audit Act, 2015.

In addition to the responsibility for the preparation and presentation of the financial statements described above, Management is also responsible for ensuring that the activities, financial transactions and information reflected in the financial statements comply with the authorities which govern them and that public resources are applied in an effective way.

Those charged with governance are responsible for overseeing the Board's financial reporting process, reviewing the effectiveness of how 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

My responsibility is to conduct an audit of the financial statements in accordance with Article 229(4) of the Constitution, Section 35 of the Public Audit Act, 2015 and the International Standards of Supreme Audit Institutions (ISSAIs). The standards require that, in conducting the audit, I obtain reasonable assurance about whether the financial statements as a whole are free from material misstatements, whether due to fraud or error and to issue an auditor's report that includes my opinion in accordance with Section 48 of the Public Audit Act, 2015. 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 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 conducting the audit, Article 229(6) of the Constitution also requires that I express a conclusion on whether or not 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 addition, I consider the entity's control environment in order to give an assurance on the effectiveness of internal controls, risk management and governance processes and systems in accordance with the provisions of Section 7 (1) (a) of the Public Audit Act, 2015.

Further, I am required to submit the audit report in accordance with Article 229(7) of the Constitution.

Detailed description of my responsibilities for the audit is located at the Office of the Auditor-General's website at: <https://www.oagkenya.go.ke/auditor-generals-responsibilities-for-audit/>. This description forms part of my auditor's report.


FCPA Nancy Gathungu, CBS
AUDITOR-GENERAL

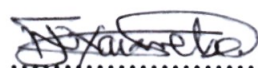
Nairobi

9 December, 2025

14. Statement of Financial Performance for the year ended 30 June 2025

	Notes	2024-2025	2023 -2024
		Kshs	Kshs
Revenue from non-exchange transactions			
Transfers from other government entities	6	201,119,901	225,766,800
		201,119,901	225,766,800
Revenue from exchange transactions			
Other income	7(a)	1,601,753	1,719,320
Blank Tape levy	7(b)	14,495,864	
Total revenue		217,217,518	227,486,120
Expenses			
Use of goods and services	8	27,950,393	28,283,739
Employee costs	9	104,073,218	131,586,033
Board Expenses	10	4,238,560	1,543,802
Depreciation and amortization expense	11	1,118,979	2,146,566
Repairs and maintenance	12	6,937,101	4,049,876
Contracted services	13	-	25,056
Capacity Building	14	86,045,400	64,766,800
Total expenses		230,363,651	232,401,872
Other gains/(losses)			
Gain on sale of assets	15	-	1,530,000
Surplus/Deficit for the period		(13,146,133)	(3,385,752)

The notes set out on pages 8 to 36 form an integral part of these Financial Statements. The Financial Statements set out on pages 1 to 3 were signed on behalf of the Board of Directors by:



Name: George Nyakweba

Accounting Officer

Date... 04/12/2025



Name: George Kiogora

Head of Finance

ICPAK M/No: 7452
 Date... 4/12/2025



Name: Hon Serem, Joshua
 Kutuny

Chairman of the Board

Date... 5/12/2025

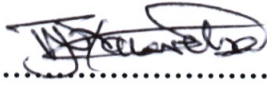
15. Statement of Financial Position as at 30 June 2025

	Notes	2024-2025	2023-2024
		Kshs	Kshs
Assets			
Current Assets			
Cash and Cash equivalents	16	127,862,819	6,903,897
Receivables from Non-Exchange Transactions	17	15,640,450	5,503,255
Inventories	18	8,763,949	8,771,439
Total Current Assets		152,267,218	21,178,591
Non-Current Assets			
Property, Plant and Equipment	19	2,449,200	3,268,829
Intangible Assets	20	-	-
Total Non- Current Assets		2,449,200	3,268,829
Total Assets (A)		154,716,418	24,447,420
Liabilities			
Current Liabilities			
Trade and Other Payables	21(a)	153,580,964	10,060,630
Employee Benefit Obligation	21(b)	7,076,756	
Total Current Liabilities		160,657,720	10,060,630
Non-Current Liabilities			
Non-Current Employee Benefit Obligation		-	-
Non-Current Liabilities		-	-
Total Non- Current Liabilities		-	-
Total Liabilities (B)		160,657,720	10,060,630
Net Assets (A-B)		(5,941,302)	14,386,790
Represented by:			
Reserves		3,437,014	3,437,014
Accumulated Surplus		(9,378,316)	10,949,776
Net Assets		(5,941,302)	14,386,790

(Indicate actual name of the entity)

**Annual Report and Financial Statements
for the year ended June 30, 2024.**

The financial statements set out on pages 1 to 2 were signed on behalf of the Board of Directors by:



.....
Name: George Nyakweba
Accounting Officer

Date 04/12/2025
.....

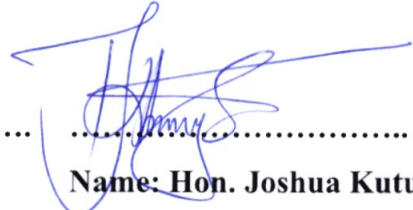


.....
Name: George Kiogora
Head of Finance

ICPAK Member

Number: 7452

Date 4/12/2025
.....



.....
Name: Hon. Joshua Kutuny
Chairman of the Board

Date 5/12/2025
.....

Kenya Copyright Board
Annual Report and Financial Statements
for the year ended June 30, 2025.

16. Statement of Changes in Net Assets for the year ended 30 June 2025

Description	Capital Reserve	Accumulated Surplus	Total
	Kshs	Kshs	Kshs
As at July 1, 2024	3,437,014	14,330,577	17,767,591
Prior year adjustment		4,951	4,951
Surplus/Deficit for the year		(3,385,752)	(3,385,752)
As at June 30, 2024	3,437,014	10,949,776	14,386,790
Surplus/(Deficit) for the year		(13,146,133)	(13,146,133)
Prior year adjustment		(7,181,959)	(7,181,959)
As at June 30, 2025	3,437,014	(9,378,316)	(5,941,302)

The prior year adjustment of **Kshs 7,181,959** includes:

1. Audit fees of Kshs 40,000. The Board made a provision of Kshs 377,000 in the financial year 2024/2025 but the actual billing was Kshs 337,000).
2. Repairs & maintenance of Kshs.500, 000. The amount was used for repairs of assorted items in the month of July 2024. However, the Kshs.500, 000 was reflected in the previous year as payable.
3. House and Commuter allowance arrears of Kshs.320, 000 and Kshs.18, 475,194 respectively. The amount is due to employees
4. Blank tape levy fees of Kshs 11,073,235. This relates to blank-tape revenue for 2023/2024 financial year

17. Statement of Cash Flows for the year ended 30 June 2025

		2024-2025	2023-2024
	Notes	Kshs	Kshs
Cash flows from operating activities			
Receipts			
Transfers from other governments entities		191,530,708	225,766,800
Public contributions and donations			-
Property taxes revenue			-
Rendering of services		1,566,000	-
Sale of goods			-
Blank Tape levy		127,845,497	-
Other income		1,033,253	3,507,620
Total receipts		321,975,458	229,274,420
Payments			
Use of goods and services		6,829,138	26,637,473
Employee costs		96,838,634	125,927,792
Board Expenses		3,881,110	1,346,202
Repairs and maintenance		5,533,184	5,349,034
Contracted services		337,000	25,056
Capacity Building		86,045,400	64,766,800
ESCROW Account			1,000,000
Total payments		199,464,466	225,052,357
Net cash flows from/(used in) operating activities	22	122,510,992	4,222,063
Cash flows from investing activities			
Purchase of PPE and Intangible assets		(1,552,070)	(561,084)
Proceeds from sale of PPE			1,530,000
Sale of investment			-
Net cash flows from/(used in) investing activities		(1,552,070)	968,916
Cash flows from financing activities			
Proceeds from Borrowing			-
Cash flows from financing activities			-
Repayment of borrowings			-
Proceeds from issue of shares			-
Net cash flows from financing Activities			-
Net increase/(decrease) in cash &			
Cash equivalents		120,958,922	5,190,979
Cash and cash equivalents at 1 July	16	6,903,897	1,712,918
Cash and cash equivalents at 30 June	16	127,862,819	6,903,897

Kenya Copyright Board
Annual Report and Financial Statements
for the year ended June 30, 2025.

18. Statement of Comparison of Budget and Actual amounts for the year ended 30 June 2025

	Original budget	Adjustments	Final budget	Actual on a comparable basis	Performance difference	% of utilization
	Kshs	Kshs	Kshs	Kshs	Kshs	
	a	b	C=(a+b)	d	e=(c-d)	f=d/c*100
Receipts						
Budget carryovers from the previous year	6,903,897		6,903,897	4,895,913	2,007,984	71
Transfers from Other Governments entities	115,070,301	86,049,600	201,119,901	191,530,708	9,589,193	95
Other Income	3,000,000	12,000,000	15,000,000	1,599,253	13,400,747	11
Total Income	118,070,301	98,049,600	216,119,901	193,129,961	22,989,940	89
Payments						
Use of Goods and Services	13,873,198	12,000,000	25,873,198	19,137,480	6,735,718	74
Employee costs	96,643,241		96,643,241	89,211,023	7,432,218	92
Remuneration of Directors	4,635,300		4,635,300	3,881,110	754,190	84
Repairs and Maintenance	2,868,562		2,868,562	2,695,523	173,039	94
Contracted Services	50,000		50,000	46,000	4,000	92
Capacity building (SASDF sponsored)	-	86,049,600	86,049,600	86,045,400	4,200	100
Total Payments	118,070,301	99,766,800	216,119,902	201,016,536	15,103,365	93
Surplus for the period	-	-	-	(7,886,575)	(7,886,575)	100
Capital Expenditure	-	-	-	-	-	-

Budget notes

1. As per IPSAS 24.14 KECOBO did not receive their share of blank-tape levy amounting to Ksh. 12,000,000 as A-I-A, yet it was budgeted for. Government grant amounting to Ksh. 9,589,193 for the month of June 2025, was received in the month of July 2025. As a result, there

(Indicate actual name of the entity)
**Annual Report and Financial Statements
for the year ended June 30, 2024.**

was an underperformance in revenue collection and absorption, where expenditures including June 2025 salary had not been paid by 30th June 2025.

2. As per IPSAS 24.29 changes between original and final budget were due to reallocations occasioned by the additional budget of Ksh. 12,000,000 from blank-tape levy that was approved during supplementary two.

Budget Reconciliation

	Description of Particulars	Amount in Kshs
	Actual Surplus Amounts as per the statement of Budget	(7,886,575)
1	Amount in the Escrow account	1,000,000
2	Budget carryover from the previous year	6,903,897
	Closing Cash and Cash Equivalent as per the statement of Cash flows	17,322

19. Notes to the Financial Statements

1. General Information

Kenya Copyright Board is established under section 3 of the Copyright Act, CAP 130 of the laws of Kenya. Its mandate is the overall administration and enforcement of copyright and related rights in Kenya. The Board is wholly owned by the Government of Kenya and is domiciled in Kenya. Its principal activity is to direct, coordinate and oversee the implementation of the laws and international treaties and conventions to which Kenya is a party to and which relate to copyright and related rights. It is also mandated to license and supervise the activities of Collective Management Organizations (CMOs).

2. Statement of Compliance and Basis of Preparation

The financial statements have been prepared on a historical cost basis. *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. The financial statements have been prepared and presented in Kenya Shillings, which is the functional and reporting currency of the entity

The financial statements have been prepared on the basis of historical cost, unless stated otherwise. The cash flow statement is prepared using the direct method. The financial statements are prepared on an accrual basis. The accounting policies have been consistently applied to all the years presented.

(Indicate actual name of the entity)
Annual Report and Financial Statements
for the year ended June 30, 2024.

Notes to the Financial Statements (Continued)

3. Adoption of New and Revised Standards

i. New and amended standards and interpretations in issue effective in the year ended 30 June 2024.

There were no new and amended standards issued in the financial year.

ii. New and amended standards and interpretations in issue but not yet effective in the year ended 30 June 2024

Standard	Effective date and impact:
IPSAS 43	<p><i>Applicable 1st January 2025</i></p> <p>The standard sets out the principles for the recognition, measurement, presentation, and disclosure of leases. The objective is to ensure that lessees and lessors provide relevant information in a manner that faithfully represents those transactions. This information gives a basis for users of financial statements to assess the effect that leases have on the financial position, financial performance and cash flows of the Board.</p> <p>The new standard requires entities to recognise, measure and present information on right of use assets and lease liabilities.</p>
IPSAS 44: Non- Current Assets Held for Sale and Discontinued Operations	<p><i>Applicable 1st January 2025</i></p> <p>The Standard requires Assets that meet the criteria to be classified as held for sale to be measured at the lower of carrying amount and fair value less costs to sell and the depreciation of such assets to cease and:</p> <p>Assets that meet the criteria to be classified as held for sale to be presented separately in the statement of financial position and the results of discontinued operations to be presented separately in the statement of financial performance.</p>
IPSAS 45- Property Plant and Equipment	<p><i>Applicable 1st January 2025</i></p> <p>The standard supersedes IPSAS 17 on Property, Plant and Equipment. IPSAS 45 has additional guidance/ new guidance for heritage assets, infrastructure assets and measurement. Heritage assets were previously excluded from the scope of IPSAS 17 in IPSAS 45, heritage assets that satisfy the definition of PPE shall be recognised as assets if they meet the criteria in the standard. IPSAS 45 has an additional application guidance for</p>

(Indicate actual name of the entity)

**Annual Report and Financial Statements
for the year ended June 30, 2024.**

Standard	Effective date and impact:
	<p>infrastructure assets, implementation guidance and illustrative examples. The standard has clarified existing principles e.g. valuation of land over or under the infrastructure assets, under- maintenance of assets and distinguishing significant parts of infrastructure assets.</p>
<p>IPSAS 46 Measurement</p>	<p><i>Applicable 1st January 2025</i></p> <p>The objective of this standard was to improve measurement guidance across IPSAS by:</p> <ul style="list-style-type: none"> i. Providing further detailed guidance on the implementation of commonly used measurement bases and the circumstances under which they should be used. ii. Clarifying transaction costs guidance to enhance consistency across IPSAS; iii. Amending where appropriate guidance across IPSAS related to measurement at recognition, subsequent measurement and measurement related disclosures. <p>The standard also introduces a public sector specific measurement bases called the current operational value.</p>
<p>IPSAS 47- Revenue</p>	<p><i>Applicable 1st January 2026</i></p> <p>This standard supersedes IPSAS 9- Revenue from exchange transactions, IPSAS 11 Construction contracts and IPSAS 23 Revenue from non-exchange transactions. This standard brings all the guidance of accounting for revenue under one standard. The objective of the standard is to establish the principles that an entity shall apply to report useful information to users of financial statements about the nature, amount, timing and uncertainty of revenue and cash flow arising from revenue transactions.</p>
<p>IPSAS 48- Transfer Expenses</p>	<p><i>Applicable 1st January 2026</i></p> <p>The objective of the standard is to establish the principles that a transfer provider shall apply to report useful information to users of financial statements about the nature, amount, timing and uncertainty of expenses and cash flow arising from transfer expense transactions. This is a new standard for public sector entities geared to provide guidance to entities that provide transfers on accounting for such transfers.</p>

(Indicate actual name of the entity)

**Annual Report and Financial Statements
for the year ended June 30, 2024.**

Standard	Effective date and impact:
IPSAS 49- Retirement Benefit Plans	<i>Applicable 1st January 2026</i> The objective is to prescribe the accounting and reporting requirements for the public sector retirement benefit plans which provide retirement to public sector employees and other eligible participants. The standard sets the financial statements that should be presented by a retirement benefit plan.

iii. Early adoption of standards

The Board did not early adopt any new or amended standards in the financial year.

Notes to the financial statements (continued)

4. Summary of Significant Accounting Policies

a) Revenue recognition

i) Revenue from non-exchange transactions

Transfers from other government entities

The Board received an amount of **Kshs 201,119,901** from the government. Kshs 115,070,301 through the parent ministry and Kshs 86,049,600 from the Sports, Arts and Social Development Fund. Government grants are measured at fair value and recognized on obtaining control of the grant if the transfer is free from condition and it's probable that the economic benefit will flow to the Board and can be measured reliably.

ii) Revenue from exchange transactions

Rendering of services

In fulfilling its mandate, the Board renders services at a fee which forms part of revenue that is included in financial statements. Revenue is recognized by reference to the stage of completion and the outcome of the transaction can be estimated reliably.

Notes to the Financial Statements (Continued)

Summary of Significant Accounting Policies (Continued)

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 original budget for the current financial year was approved by the National Assembly in April 2024. Subsequent revisions or additional appropriations were made to the approved budget in accordance with specific approvals from the appropriate authorities. The additional appropriations are added to the original budget by the Board upon receiving the respective approvals in order to conclude the final budget. Accordingly, the Board recorded additional supplementary allocation of **12,000,000** on the 2024 2025 budget following the governing body's approval.

The Board's budget is prepared on a different basis to the actual income and expenditure disclosed in the financial statements. The financial statements are prepared on accrual basis using a classification based on the nature of expenses in the statement of financial performance, whereas the budget is prepared on a cash basis. The amounts in the financial statements were recast from the accrual basis to the cash basis and reclassified by presentation to be on the same basis as the approved budget. A comparison of budget and actual amounts, prepared on a comparable basis to the approved budget, is then presented in the statement of comparison of budget and actual amounts. In addition to the basis difference, adjustments to amounts in the financial statements are also made for differences in the formats and classification schemes adopted for the presentation of the financial statements and the approved budget. A statement to reconcile the actual amounts on a comparable basis included in the statement of comparison of budget and actual amounts and the actuals as per the statement of financial performance has been presented under section 18 of these financial statements.

Notes to the Financial Statements (Continued)

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. Likewise, when a major inspection is performed, its cost is recognized in the carrying amount of the plant and equipment as a replacement if the recognition criteria are satisfied. All other repair and maintenance costs are recognized in surplus or deficit as incurred. Where an asset is acquired in a non-exchange transaction for nil or nominal consideration the asset is initially measured at its fair value.

d) Intangible assets

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

e) Inventories

Inventory is measured at the lower cost and net realizable value. Inventories are recognized as an expense when deployed for utilization or consumption in the ordinary course of operations of the Board.

f) 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.

Notes to the Financial Statements (Continued)

g) Taxation

The Board is fully funded by government grant and does not engage in any commercial activities and thus does not fall in the category of paying tax to its financier (government).

h) Contingent liabilities

The Board does not recognize a contingent liability but discloses details of any contingencies in the notes to the financial statements, unless the possibility of an outflow of resources embodying economic benefits or service potential is remote.

i) Contingent assets

The Board does not recognize a contingent asset but discloses details of a possible asset whose existence is contingent on the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Board in the notes to the financial statements. Contingent assets are assessed continually to ensure that developments are appropriately reflected in the financial statements. If it has become virtually certain that an inflow of economic benefits or service potential will arise and the asset's value can be measured reliably, the asset and the related revenue are recognized in the financial statements of the period in which the change occurs.

j) Nature and purpose of reserves

The Board creates and maintains reserves in terms of specific requirements. The Board's reserves are composed of capital reserve and accumulated surplus. The purpose of the reserve is to acquire new assets and to replace old ones.

k) Changes in accounting policies and estimates

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

l) Employee benefits

Retirement benefit plans

The Board provides retirement benefits for its employees and directors. Defined contribution plans are post-employment benefit plans under which an Entity pays fixed contributions into a separate Entity (a fund) and will have no legal or constructive obligation to pay further contributions if the fund does not hold sufficient assets to pay all employee benefits relating to employee service in the current and prior periods. The contributions to fund obligations for the

(Indicate actual name of the entity)
**Annual Report and Financial Statements
for the year ended June 30, 2024.**

payment of retirement benefits are charged against income in the year in which they become payable.

The Board contributes to a statutory defined contribution scheme, the National Social Security Fund (NSSF). Contributions are determined by local statute.

m) Related parties

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

n) Service concession arrangements

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

(Indicate actual name of the entity)
Annual Report and Financial Statements
for the year ended June 30, 2024.

Notes to the Financial Statements (Continued)

Summary of Significant Accounting Policies (Continued)

o) Cash and cash equivalents

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

p) Comparative figures

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

q) 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, 2025.

Notes to the Financial Statements (Continued)

Summary of Significant Accounting Policies (Continued)

5. Significant Judgments and Sources of Estimation Uncertainty

The preparation of the Board's financial statements in conformity with IPSAS requires management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the disclosure of contingent liabilities, at the end of the reporting period. However, uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of the asset or liability affected in future periods.

Estimates and assumptions.

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below. The Board 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 the Entity. Such changes are reflected in the assumptions when they occur.

Useful lives and residual value

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 the Entity.
- 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

(Indicate actual name of the entity)
Annual Report and Financial Statements
for the year ended June 30, 2024.

Notes to the Financial Statements (Continued)

6. Transfers from Other Government entities

a) Transfers from Ministries, Departments and Agencies (MDAs)

Name of The Entity Sending the Grant	Amount recognized to Statement of Financial performance. *	Amount deferred under deferred income.	Amount recognised in capital fund.	Total transfers 2024-2025	Total transfers 2023-2024
	KShs	KShs	KShs	KShs	KShs
State Department for Culture Arts and Heritage	115,070,301	N/A	N/A	115,070,301	161,000,000
The Sports, Arts and Social Development	86,049,600	N/A	N/A	86,049,600	64,766,800
Total	201,119,901	N/A	N/A	201,119,901	225,766,800

(The reduction in total transfers was due reduction in government grants attributed to budget cuts during the year)

(Indicate actual name of the entity)
Annual Report and Financial Statements
for the year ended June 30, 2024.

Notes to the Financial Statements (Continued)

7. Revenue from exchange transactions

a) Other Incomes

Description	2024-2025	2023-2024
	Kshs	Kshs
CMO's Licence renewal	1,538,000	931,400
Copyright Registration	2,500	101,920
Sale of Stickers	28,000	14,000
Purchase of Tender Document	-	1,000
CMO Forensic Audit (CMO Contribution)	-	221,000
Partnerships	-	450,000
Other Income	33,253	-
Total Other income	1,601,753	1,719,320

(The variation is occasioned by Blank Tape Levy –KECOBO share an AIA source-provision of 12 million- funds yet to be accessed –owing to a court case barring access)

b) Blank Tape Levy

Description	2024-2025	2023-2024
	Kshs	Kshs
Blank Tape levy	14,495,864	-
Total	14,495,864	-

KECOBO is holding funds collected through the Blank Tape Levy totalling to Kshs 127,845,497. Ksh 72,479,320 relates to current financial year and the Board is entitled to 20% as revenue (20% of 72,479,320).

The funds are currently subject to two court cases stopping KECOBO from releasing the funds to CMOs and accessing its share.

(Indicate actual name of the entity)
Annual Report and Financial Statements
for the year ended June 30, 2024.

Notes to the Financial Statements (Continued)

8. Use of Goods and Services

a) General Office Expenses

Description	2024-2025	2023-2024
	Kshs	Kshs
Advertising	349,976	1,959,456
Audit fees	337,000	377,000
Conferences & delegations	924,749	947,066
Consumables	337,160	3,399,500
Fuel and oil (M/V expenses)	115,500	248,689
Insurance (M/V expenses)	114,085	252,350
Postage	20,680	28,800
Printing & Stationery	65,608	280,114
Rentals	23,068,274	18,258,833
Telecommunication	1,588,320	1,602,780
Training	826,100	693,731
Corporate Social Responsibility	-	35,500
Stickers cost	7,490	3,745
Bank charges	195,451	196,175
Total Use of Goods & Services	27,950,393	28,283,739

(The expenditure levels maintained overall)

Notes to the Financial Statements (Continued)

9. Employee Costs

Description	2024-2025	2023-2024
	Kshs	Kshs
Basic Salaries	52,555,788	57,173,268
Pension and Medical	15,704,043	19,386,262
Travel, accommodation & other Allowances	9,622,391	4,968,149
Housing Benefits & allowances	26,190,996	48,932,336
Gratuity	-	1,126,018
Employee costs	104,073,218	131,586,033

(The variation is occasioned by payment of House Allowance arrears in the previous year and Gratuity which items are not payable in 2024/2025)

10. Board Expenses

Description	2024-2025	2023-2024
	Kshs	Kshs
Chairman Honoraria	960,000	635,103
Chairman Telephone Allowance	84,000	57,129
Sitting Allowances	2,039,200	833,570
Nita	500	
Induction and Training	458,700	
Travel and Accommodation	696,160	
Total	4,238,560	1,543,802

(The variation from the previous year is occasioned by the fact that the board of directors was fully constituted during the year).

Kenya Copyright Board
Annual Reports and Financial Statements
for the year ended June 30, 2025.

Notes to the Financial Statements (Continued)

11. Depreciation and Amortization Expense

Description	2024-2025	2023-2024
	Kshs	Kshs
Property, plant and equipment	1,118,979	1,666,807
Intangible assets	-	479,759
Total depreciation and amortization	1,118,979	2,146,566

(The expenditure is within the same range as the previous year, the decrease as a result of fully depreciated Intangible assets in 2023/2024)

12. Repairs and Maintenance

Description	2024-2025	2023-2024
	Kshs	Kshs
Property and equipment	504,500	2,400
Vehicles	2,191,023	55,490
Furniture and Fittings	-	500,000
Computers and Accessories	4,241,578	3,491,986
Total Repairs and Maintenance	6,937,101	4,049,876

(There was a slight change in the expenditure from the previous year occasioned by the depreciation of most assets, especially the motor vehicles)

13. Contracted Services

Description	2024-2025	2023-2024
	Kshs	Kshs
Contracted Professional Services	-	25,056
Total Contracted Services	-	25,056

(Due to budgetary constraints occasioned by the reduction of the initial budget, the board did not have funds to spend on this item)

14. Capacity Building

Description	2024-2025	2023-2024
	Kshs	Kshs
Daily Subsistence allowance	7,423,500	10,080,000
Capacity Building & Awareness Creation	78,621,900	54,686,800
Total	86,045,400	64,766,800

Kenya Copyright Board
Annual Reports and Financial Statements
for the year ended June 30, 2025.

(The Board received funding of Ksh.86,049,600 from Sports and Arts Development Fund for Capacity Building and Awareness Creation. Kshs 86,045,400 was spent on the same and a balance of Kshs 4,200 was factored in as Bank charges).

15. Gain on Sale of Assets

Description	2024-2025	2024-2025
	Kshs	Kshs
Property, plant and equipment	-	1,530,000
Total gain on sale of assets	-	1,530,000

(There was no disposal of assets during the year)

16. Cash and Cash Equivalents

Description	2024-2025	2023-2024
	Kshs	Kshs
Current Account	127,862,819	6,903,897
Total Cash and Cash Equivalents	127,862,819	6,903,897

(The cash variations compared to the previous year was due to budget cut experienced during the year, therefore leaving the Board with inadequate amount for expenditure. Grant for the month of June was also received in July 2025).

Detailed Analysis of the Cash and Cash Equivalents

Financial Institution	Account number	2024-2025	2023-2024
		Kshs	Kshs
a) Current Account			
Kenya Commercial Bank	1104002450	17,322	6,903,897
Kenya Commercial Bank	1320948979	127,845,497	-
Grand Total		127,862,819	6,903,897

17. Receivables from Non-Exchange Transactions

Description	2024-2025	2023-2024
	Kshs	Kshs
Rent Deposit	2,563,705	2,563,705
Prepayments	2,398,052	484,350
Collective Management Organization Receivables (MCSK, KAMP & PRISK)	1,087,000	1,087,000
Grant Receivables	9,591,693	-
Temporary Imprest	-	368,200
Escrow Account	-	1,000,000

**Annual Reports and Financial Statements
for the year ended June 30, 2025.**

Total receivables from non- exchange transactions	15,640,450		5,503,255	
Ageing Analysis- Receivables from non-exchange transactions	2024/2025	% of the total	2023/2024	% of the total
Less than 1 year	11,989,745	87%	852,550	15%
Between 1-2 years	1,087,000	4%	2,087,000	38%
Over 3 years	2,563,705	9%	2,563,705	47%
Total	15,640,450	100 %	5,503,255	100 %

18. Inventories

Description	2024-2025	2023-2024
	Kshs	Kshs
Hologram Stickers	8,763,949	8,771,439
Total inventories at the lower of cost and net realizable value	8,763,949	8,771,439

Kenya Copyright Board
Annual Reports and Financial Statements
for the year ended June 30, 2025.

Notes to the Financial Statements (Continued)

19. Property, Plant and Equipment

Cost Depreciation rate	M/V	OFF/EQUIP	FURNITURE	PARTITIONS	COMPUTERS	TOTAL
	25%	12.5%	12.5%	33.3%	33.3%	
	Kshs	Kshs	Kshs	Kshs	Kshs	Kshs
As at 30th June 2022	20,080,100	4,847,778	8,845,908	218,000	4,417,397	38,409,183
Additions			380,850		2,104,704	2,485,554
Transfer/ Adjustment						
As at 30th June 2023	20,080,100	4,847,778	9,226,758	218,000	6,522,101	40,894,737
Additions		363,240	1,293,500			1,656,740
As at 30th June 2024	20,080,100	5,211,018	10,520,258	218,000	6,522,101	42,551,477
Additions					299,350	299,350
As at 30th June 2025	20,080,100	5,211,018	10,520,258	218,000	6,821,451	42,850,827
Depreciation And Impairment						
As at 30 June 2022	20,080,100	4,667,304.00	8,573,254.00	181,670	2,595,932.00	36,098,260
Depreciation		25,987.00	225,236.00	36,330	1,230,028.00	1,517,581
Transfer/ Adjustment						
Net depreciation						
As at 30 June 2023	20,080,100	4,693,291	8,798,490	218,000	3,825,960	37,615,841
Depreciation		71,392	363,798		1,231,617	1,666,807
Transfer/ Adjustment						
Net depreciation						
As at 30 June 2024	20,080,100	4,764,683	9,162,288	218,000	5,057,577	39,282,648
Depreciation		71,392	246,236		801,351	1,118,979
As at 30 June 2025	20,080,100	4,836,075	9,408,524	218,000	5,858,928	40,401,627
N/Book Value as at 30th June 2025		374,943	1,111,734		962,523	2,449,200
N/Book Value as at 30th June 2024		446,335	1,357,970		1,464,524	3,268,829

Kenya Copyright Board
Annual Reports and Financial Statements
for the year ended June 30, 2025.

Notes to the Financial Statements (Continued)

Valuation

Motor Vehicles were valued by the Automobile Association of Kenya (AA Kenya) Ministry of Roads & Transport –State Department of Road, the following is the outcome of the valuation.

Motor Vehicle Registration Number	Valuation Date	Amount
		Kshs
KBL 394G	27/11/2024	1,090,000
KBL 495G	29/02/2025	770,000
KBR 534U	30/08/2024	1,520,000
KCK 910U	04/04/2025	1,000,000
TOTAL		4,380,000

Kenya Copyright Board
Annual Reports and Financial Statements
for the year ended June 30, 2025.

Notes to the Financial Statements (Continued)

20. Intangible Assets

Description	2024-2025	2023-2024
	Kshs	Kshs
Cost		
At beginning of the year	18,962,299	18,962,299
Additions	-	-
At end of the year	18,962,299	18,962,299
Additions—internal development	-	-
At end of the year	18,962,299	18,962,299
Amortization and impairment		
At beginning of the year	18,962,299	18,482,540
Amortization	-	479,759
At end of the year	18,962,299	18,962,299
Impairment loss	-	-
At end of the year	-	18,962,299
NBV	-	-

Kenya Copyright Board
Annual Reports and Financial Statements
for the year ended June 30, 2025.

Notes to the Financial Statements (Continued)

21. Current Liabilities

(a) Trade and Other Payables

Description	2024-2025	2023-2024
	Kshs	Kshs
Liberty Afrika Technologies Ltd.		2,778
Cloud Productivity Solutions		47,306
Jazika Concepts		49,880
Hubtech Limited		48,720
Dimension Data Solutions		320,160
Klarity Art Studio		40,000
Spriles Enterprise Ltd		15,000
New KCC		16,200
Boztech Technologies ltd		200,000
Pearl graphic systems		140,800
Bosicare technologies		267,600
Siriria Agencies		945,490
Rusan Ventures		417,300
Gee Designs		500,000
Kenya Safari Lodges and Hotels		197,600
Fast Choice Limited		1,204,000
Employee payable (Gratuity)(1 st July 2020 to 30 th June 2024)	4,504,072	4,504,072
Government Advertising Agency	14,594	14,594
Government Advertising Agency	146,079	292,158
ICEA lions Insurance	82,972	82,972
Auditor General 2022/2023,2023/2024,2024/2025	714,000	754,000
Board of directors' obligation	207,050	
Staff claims	1,626,580	
Citi Date Caffee	23,640	
Dynasoft Business Solution	1,454,001	
Dimension Data Solution East Africa LTD	320,160	
Kenya School of Government	348,000	
Rent and Parking (July to June 2024/25)	23,068,224	
Blank tape levy (Artists)	102,276,398	
Staff house allowance arrears	320,000	
Commuter allowance arrears	18,475,194	
Total	153,580,964	10,060,630

Kenya Copyright Board
Annual Reports and Financial Statements
for the year ended June 30, 2025.

Ageing analysis: (Trade and other payables)	Current FY	% of the Total	Comparative FY	% of the Total
Under one year	148,456,247	96.66%	6,667,982	66.2%
1-2 years	1,732,069	1.13%	3,378,054	33.7%
2-3 years	1,140,612	0.74%	14,594	0.1%
Over 3 years	2,252,036	1.47%	-	-
Total (tie to above total)	153,580,964	100%	10,060,630	100

(b)Employee Benefit Obligation

Description	2024-2025	2023-2024
	Kshs	Kshs
Employee Benefit Obligation (June 2025 pay)	7,076,756	-
TOTAL	7,076,756	-

Ageing analysis: (Employee Benefit Obligation)	Current FY	% of the Total	Comparative FY	% of the Total
Under one year	7,076,756	100%	-	-
1-2 years	-	-	-	-
2-3 years	-	-	-	-
Over 3 years	-	-	-	-
Total	7,076,756	100%	-	-

(The rise in trade and other payables was attributable to delay in receiving the grant for the Month of June 2025. June 2025 salaries (Kshs. 7,076,756) were owing & unpaid. Income that was anticipated to be collected from blank tape levy did not materialize. The Budget allocation for the year was way below normal operational/contractual commitments and Ksh. 25 million was deducted from the budget during supplementary one, hence rent was not factored and therefore the huge bill. The Former Executive Director's Gratuity wasn't paid owing to budgetary constraints as result of the cuts and hence the huge payables.

Notes to the Financial Statements (Continued)

22. Cash Generated from Operations

Description	2024-2025	2023-2024
	Kshs	Kshs
Surplus for the year before tax	-13,146,133	-3,703,343
Adjusted for:		
Depreciation	1,118,979	2,146,566
Prior year Adjustment	-7,181,959	
Gains and losses on disposal of assets	-	-1,530,000
Working capital adjustments		
Decrease in inventory	7,490	3,745
Decrease/ Increase in receivables	-10,137,195	5,348,790
Increase in payables	150,597,090	3,051,961
Assets not paid/paid during the year	1,252,720	-1,095,656
Net cash flow from operating activities	122,510,992	4,222,063

Notes to the Financial Statements (Continued)

23. Financial Risk Management

The Board's activities expose it to a variety of financial risks including credit and liquidity risks and effects of changes in foreign currency. The Board's overall risk management programme focuses on unpredictability of changes in the business environment and seeks to minimise the potential adverse effect of such risks on its performance by setting acceptable levels of risk.

The Board regularly reviews its risk management policies and systems to reflect changes in markets and emerging best practices. Risk management is carried out by the management under the supervision of the Board of Directors.

The Board provides policies for overall risk management, as well as policies covering specific areas such as liquidity risk and credit risk.

i) Credit risk

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

Financial Risk Management

Kenya Copyright Board
Annual Reports and Financial Statements
for the year ended June 30, 2025.

The carrying amount of financial assets recorded in the financial statements representing the Entity's maximum exposure to credit risk without taking account of the value of any collateral obtained is made up as follows:

Description	Total amount	Fully performing	Past due	Impaired
	Kshs	Kshs	Kshs	Kshs
As at 30th June 2024				
Receivables from non-exchange transactions	10,852,045	5,503,255		
Bank balances	1,712,918	6,903,897		
Total	12,564,963	12,407,152		
As at 30 June 2025				
Receivables from non-exchange transactions	15,640,450	10,852,045		
Bank balances	127,862,819	1,712,918		
Total	143,503,269	12,564,963		

Notes to the Financial Statements (Continued)

ii) Liquidity risk management

Liquidity risk is the risk that the Board will not be able to meet its financial obligations when they fall due. The Board's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or at the risk of damaging the Board's reputation.

The Board ensures that it has sufficient cash on demand to meet expected operational expenses. This excludes the potential impact of extreme circumstances that cannot reasonably be predicted. All liquidity policies and procedures are subject to review and approval by the Board of Directors. All capital expenditures are funded by general reserves or grants from treasury.

Description	Less than 1 month	Between 1-3 months	Over 5 months	Total
	Kshs	Kshs	Kshs	Kshs
As at 30th June 2025				
Trade payables	10,708,187	459,972	149,529,561	160,657,720
Total	10,708,187	459,972	149,529,561	160,657,720

Kenya Copyright Board
Annual Reports and Financial Statements
for the year ended June 30, 2025.

Description	Less than 1 month	Between 1-3 months	Over 5 months	Total
	Kshs	Kshs	Kshs	Kshs
As at 30th June 2024				
Trade payables	5,497,149	4,886,023	2,252,036	10,383,172
Total	5,497,149	4,886,023	2,252,036	10,383,172

Kenya Copyright Board
**Annual Reports and Financial Statements
for the year ended June 30, 2025.**

Notes to the Financial Statements (Continued)

24. Related Party Disclosures

Nature of related party relationships

Related party of the Board includes those parties who have ability to exercise control or exercise significant influence over its operating and financial decisions. Related parties include the Government, Directors and key management personnel.

Description	2024-2025	2023-2024
	Kshs	Kshs
Transactions with related parties		
a) Grants /transfers from the government		
Grants from National government	115,070,301	161,000,000
The Sports, Arts and Social Development Fund (SASDF)	86,049,600	64,766,800
Total	201,119,901	225,766,800
b) Key management compensation		
Directors' emoluments	3,890,560	1,543,802
Compensation to key management	32,160,464	33,062,416
Total	36,051,024	34,606,218

25. Contingent Assets and Contingent Liabilities

Contingent Assets

(a) Assets Arising from Determination of Court Cases

Description	2024-2025	2023-2024
	Kshs	Kshs
Contingent Assets		
Assets Arising from Determination of Court Cases	-	1,000,000
Total	-	1,000,000

(This was an appeal case by KECOBO at the Mombasa High court-appellate side. The appellant's appeal succeeded, and the judgement of the subordinate court was set aside and was substituted with an order dismissing the suit with costs. This issue was closed in 2023/2024.

Kenya Copyright Board
Annual Reports and Financial Statements
for the year ended June 30, 2025.

Notes to the Financial Statements (Continued)

(b) National Rights Registry

The National Rights Registry (NRR) was planned to cost Ksh 15 million (Design, Build & Commission cost) with the support of Safaricom PLC. An additional cost of 5.36million for maintenance. For the system to be compatible with the eCitizen platform to allow on-boarding of KECOBO's services, the developer quoted a cost of Ksh2.622million. This brings to Ksh 22,982,000 the total cost of the digital system. Once Safaricom, who is the sponsor, pays the developer, the asset will belong to KECOBO fully & exclusively. The asset has therefore been disclosed as a contingent asset in these financial statements.

Contingent Liabilities

	2024-2025	2023-2024
	Kshs	
Contingent liabilities		
NRR Contractual Obligation	22,982,000	22,982,000
Total	22,982,000	22,982,000

(The Board has the following probable expenses to NRR Contractual Obligation of Kshs 22,982,000. Safaricom PLC is the main sponsor of the NRR costs. In the event the amount isn't paid, KECOBO will therefore seek for funding to clear the costs. The asset has therefore been disclosed as a contingent liability in these financial statements).

Notes to the Financial Statements (Continued)

26. Events after the Reporting Period

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

27. Ultimate and Holding Entity

The Board is a State Corporation under the Ministry of Youth Affairs, Creative Economy and Sports. Its ultimate parent is the Government of Kenya.

28. Currency

The financial statements are presented in Kenya Shillings (Kshs) rounded to the nearest Kshs.

29. Auditors' recommendation

See Appendix 1 overleaf

20. Appendices

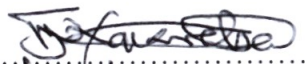
Appendix I: Implementation Status of Auditor-General’s Recommendations

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)
1. 2023/2024	Lack of Valuation of Motor Vehicles	Vehicles weren’t valued owing to Budgetary constraints	Resolved in 2024/2025	Closed
2. 2022/23	Lack of a Functioning Board of Directors	The appointing authorities were notified	Resolved 2024/25	Closed
3. 2022/23	Understaffing	Low Budgetary allocation/Merger	Unresolved	Unclear owing to circular suspending any recruitment pending proposed merger

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 the implementation of each issue;
- (iv) Indicate the status of “Resolved” or “Not Resolved” by the date of submitting this report to the National Treasury.

Executive Director 
 Date:..... 04/12/2025

Kenya Copyright Board
Annual Reports and Financial Statements
for the year ended June 30, 2025.

Appendix II: Transfers from Other Government Entities

Name of the MDA/Donor Transferring the funds	Date received as per bank statement	Nature: Recurrent /Development/Others	Total Amount – KES	Statement of Financial Performance	Where Recorded/recognized				Total Transfers during the Year
					Capital Fund	Deferred Income	Receivables	Others - must be specific	
The Sports, Arts and Social Development Fund	30/01/2025 26/02/2025	Sports, Arts, and Social Development Fund	86,049,600	86,049,600	-	-	-	-	86,049,600
Total			86,049,600	86,049,600	-	-	-	-	86,049,600

Kenya Copyright Board
 Annual Reports and Financial Statements
 for the year ended June 30, 2025.

Appendix II- Inter-Entity Confirmation Letter

Name of transferring entity: Ministry of Gender, Culture Arts & Heritage

Name of Beneficiary entity: Kenya Copyright Board

Confirmation of amounts received by Kenya Copyright Board as at 30 th June 2025						
Reference Number	Date Disbursed	Recurrent (A)	Development (B)	Total (C)=(A+B)	Remarks	
1	12/08/2024	11,672,525.30	N/A	11,672,525.30	July 2024 Allocations	
2	11/09/2024	11,672,525.30	N/A	11,672,525.30	August 2024 Allocation	
3	09/10/2024	5,422,524.00	N/A	5,422,524.00	September 2024 Allocation	
4	06/11/2024	17,922,526.60	N/A	17,922,526.60	October 2024 Allocation	
5	03/12/2024	9,589,192.00	N/A	9,589,192.00	November 2024 Allocation	
6	02/01/2025	1,255,855.00	N/A	1,255,855.00	December 2024 Allocation	
7	10/02/2025	9,589,192.00	N/A	9,589,192.00	January 2025 Allocation	
8	10/03/2025	9,589,192.00	N/A	9,589,192.00	February 2025 Allocation	
9	08/04/2025	9,589,192.00	N/A	9,589,192.00	March 2025 Allocation	
10	02/05/2025	9,589,192.00	N/A	9,589,192.00	April 2025 Allocation	
11	09/06/2025	9,589,192.00	N/A	9,589,192.00	May 2025 Allocation	
12	01/07/2025	9,589,193.00	N/A	9,589,193.00	June 2025 Allocation	
Total		115,070,301.20	N/A	115,070,301.20		

I confirm that the amounts shown above are correct as of the date indicated.

Head of Accounts Department – State Department for Culture Arts and Heritage:
 Name: JASON GITONGA Sign: [Signature] Date: 15/07/2025

Head of Accounts Department – Kenya Copyright Board:
 Name: GEORGE KICHUKA Sign: [Signature] Date: 11/07/2025

Kenya Copyright Board
Annual Reports and Financial Statements
for the year ended June 30, 2025.

Appendix IV -Prepayment 2024/2025

Particulars	DEBITS	CREDITS	BALANCE
	Kshs.	Ks	
Opening 1/07/2024			484,350
First Assurance	1,520,125		
APA Insurance Company	250,000		
Old Mutual Life Assurance	66,827		
Pacis Insurance Co.	31,431		
CIC General Insurance LTD	31,490		
ICEA Lion Insurance	13,829		
Prepaid at the end			1,913,702
Closing Balance June 2025			2,398,052