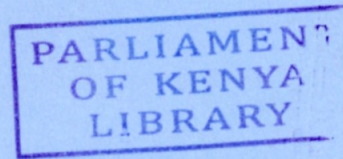


REPUBLIC OF KENYA



REPORT




OF

THE AUDITOR-GENERAL

ON

KENYA FILM CLASSIFICATION BOARD

FOR THE YEAR ENDED
30 JUNE, 2025

 THE NATIONAL ASSEMBLY PAPERS LAID	
DATE: 25 FEB 2026	
DAY: WEDNESDAY	
TABLED BY:	HON. DAVID WADO, MP DEPUTY MAJORITY WGT
CLERK-AT-THE-TABLE:	ESTHER NGENDO



KENYA FILM CLASSIFICATION BOARD

ANNUAL REPORT AND FINANCIAL STATEMENTS

**FOR THE FINANCIAL YEAR ENDED
JUNE 30, 2025**

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



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1. Acronyms and Definition of Key Terms

A: Acronyms

ALT	Alternate
BPR	Business Process Reengineering
CEO	Chief Executive Officer
FY	Financial Year
ICPAK	Institute of Certified Public Accountants of Kenya
ICS	Institute of Certified Secretaries
IPSAS	International Public Sector Accounting Standards
ISACCA	Information System Audit and Control Association
KFCB	Kenya Film Classification Board
NFC	Nairobi Film Centre
OAG	Office of the Auditor General
OSHA	Occupational Safety and Health Act of 2007
OTT	Over- The -Top
PC	Performance Contract
PFM	Public Finance Management
SC	State Corporations
SDGs	Sustainable Development Goals
TMS	Technical Management System
VoDs	Video- On -Demand

B: Definition of Key Terms

Board - Kenya Film Classification Board

Comparative Year- Means the prior period

Fiduciary Management- Members of Management directly entrusted with the responsibility of financial resources of the organisation



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2. Key Entity Information and Management

(a) Background information

Kenya Film Classification Board (KFCB) is a Regulatory State Corporation established by Films and Stage Plays Act Cap 222 Laws of Kenya to regulate the creation, broadcasting, possession, distribution, and exhibition of film in the country with a view to protect children from exposure to harmful content and promote national values as enshrined in Article 10 of the Constitution of Kenya, 2010. The entity is domiciled in Nairobi (Headquarters), Kenya and has branches in Mombasa, Nakuru, Eldoret, Nyeri, Embu, Garissa, Kisumu and Kakamega.

(b) Principal Activities

The principal function of the Board is to regulate the creation, broadcasting, distribution, exhibition and possession of film and broadcast content by:

- a) Examining films, non-programme matters and posters for purposes of classification.
- b) Impose an age restriction on viewership.
- c) Register and license film agents, local and foreign filmmakers, distributors, and exhibitors.
- d) Giving consumer advice, having due regard to the protection of women and children against sexual exploitation or degradation.
- e) Prescribe and develop regulations and guidelines on the country's film and broadcast content regulation.
- f) Ensure that content which depicts, contain scenes or is of the language intended for adult audience is not aired during the Watershed Period, i.e., 5 am to 10 pm

Vision

An informed and empowered consumer

Mission

To create a conducive environment for the film industry through efficient and effective regulation.

Core values

The core values that guide the Boards' activities are as follows:

- (i) Professionalism:** The Board shall endeavor to apply the highest levels of competence and skill in all its undertakings.
- (ii) Integrity:** The Board is committed to acting in an honest, transparent and responsible manner at all times while implementing its programs.



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(iii) **Innovation:** The Board shall endeavour to listen and learn from experiences and embrace positive change and continuous improvement. It shall continuously enhance creativity and innovation in its business ethos.

Brand Promise

Safeguarding your reel world

Strategic Objective

To execute the Board's mandate and functions, the following are the key strategic objectives for the Board:

- a) To create a conducive film regulatory environment.
- b) To enhance compliance with the provisions of the Films and Stage Plays Act.
- c) To adopt modern film regulation infrastructure.
- d) To build institutional capacity for enhanced service delivery and productivity.
- e) To strengthen institutional governance.



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KEY ENTITY INFORMATION AND MANAGEMENT (Continued)

(c) Key Management

Kenya Film Classification Board's day-to-day management is under the following key organs;

No.	Designation	Name
1	Ag. Chief Executive Officer	Paskal Martin Opiyo
2	Manager, Corporate Communications	Nelly Muluka Oluoch

(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.	Ag. Chief Executive Officer and Accounting Officer	Paskal Martin Opiyo
2.	Head of Corporate Services	Nelly Muluka Oluoch
3.	Head of Internal Audit	Francis Nguthuu
4.	Head of Registration and Licensing	Alexander Marcos Masiga
5.	Head of Legal and Corporate Secretary Services	Eunice Mwanza
6.	Head of Planning and Research	Onesmus Muema
7.	Head of Supply Chain Management	Immaculate Mulaku
8.	Head of Finance & Accounts	Paul Nganga Mbui
9.	Head of Human Resource and Administration	Grace Njoroge
10.	Head of Film Classification	Redemptah Amondi
11.	Head of ICT	Petronilla Mueni
12.	Head of Broadcast Compliance	Beatrice Indimuli



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(e) Fiduciary Oversight Arrangements

The Board of Directors has the overall responsibility to ensure the achievement of the strategic objectives and the organisation's mandate as set out under the Film and Stage Plays Act, Cap 222. This responsibility is achieved through various committees of the Board of Directors, which are given specific terms of reference to carry out the Board's mandate. The committees are as follows:

- i. Finance and General-Purpose Committee
- ii. Audit and Risk Management Committee
- iii. Human Resource Management and Administration Committee
- iv. Technical Committee

Additionally, the Board has an independent Internal Audit Department which reports directly to the Board of Directors' Audit and Risk Management Committee. This Committee performs the Board's oversight duties as far as Internal Controls and Risk Management is concerned.

(f) Entity Headquarters

P. O Box 44226-00100
Uchumi House, 15th Floor
Aga Khan Walk
Nairobi, KENYA

(g) Entity Contacts

Telephone :(254) 711-222-204, 777-753-355,
020-2250600
E-mail: info@kfcg.go.ke
Website: www.kfcg.go.ke

(h) Entity Bankers

- 1) Kenya Commercial Bank (Principal Banker)
Moi Avenue-Nairobi
P. O Box 30081-00100
Nairobi, Kenya
- 2) Co-operative Bank of Kenya
Parliament Road Branch



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P. O Box 5772-00200

Nairobi, Kenya

(i) Independent Auditors

Auditor General

Office of the Auditor General (OAG)

Anniversary Towers, University Way

P.O. Box 30084-00100

Nairobi, Kenya

(j) Principal Legal Adviser

The Attorney General

State Law Office and Department of Justice

Harambee Avenue

P.O. Box 40112-00200

Nairobi, Kenya



3. The Board of Directors

Mr. John Njogu Njoroge HSC – Chairman



Mr. John Njoroge was born on 16th March 1972. He is a renowned media personality with vast experience in media, especially radio and TV broadcasting, having worked as a radio and TV presenter at Mediamax Network Ltd, Royal Media Services, Radio Africa Group, and MwanaAfrika Communications from 2001-2023. He is also a member of the Media Council. As an experienced media personality and producer, Mr. Njoroge has skills in public speaking and research as well as networking. His prowess in community mobilization earned him the attention of the President and was awarded a Head of State Commendation in 2018. His ambition is to lead the Board in achieving its regulatory objectives and realizing the overall role of spurring the growth of the local creative industry. Mr. Njoroge holds a Bachelor of Arts Degree in Communication from Daystar University (2016).

Mr. John Muigai Nyururu —Independent Director



Mr. John Nyururu was born on 6th June 1978. He has vast experience in music production and a passion for Creative Arts, having worked in various local productions. He is a renowned musician who is also honest, and trustworthy and exhibits a high degree of personal integrity; he demonstrates sound judgment, analytical, interpersonal, written, oral communication, presentation, and reporting skills.

Mr. Nyururu is also a team player with the ability to provide strategic leadership. He aspires to serve diligently in an exciting, challenging, and dynamic working environment as well as give steady support to realize the Board's goals. He studied at the Kambaa Primary School.



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Hon. Raphael Ekadeli Loperito—Independent Director

Hon. Raphael Loperito was born on 15th August 1984. He previously worked as a Member of the Turkana County Assembly (2013- 2022), Kenya Commercial Bank (2008-2012), Kenya National Bureau of Statistics (2009), and World Vision (2007). Mr. Loperito possesses administrative, managerial, leadership, analytical, and negotiating skills. He is a team player and passionate about community-based initiatives. He holds a Bachelor of Arts in Theology (2020) and a Diploma in Natural Resources Management from the University of Nairobi (2007). He is currently undertaking a Bachelor's Degree in Business Management at Turkana University College, a constituent of Masinde Muliro University of Science and Technology, among other professional short courses.



Stephanie Kamene Maseki—Independent Director



Maseki Stephanie was born on 28th February 1979. She is a renowned content creator, producer, director, screen actor, scriptwriter, event organizer, social influencer, and brand ambassador. She has also participated in local and international stage productions as well as films and series with different production houses including SekiBa Empire, Jiffy Pictures, Multan, and Arise Media, among others. Ms. Maseki has

been featured on the National TV channels like Citizen and KTN on famous Telenovelas like AZIZA and SAIDA as well as international channels like Maisha Magic and Showmax.

Ms. Maseki is the founder of iTana, a community-based organization that creates awareness on mental health and is currently serving as an Advisory Board Member at the Swahilipot Hub Foundation. She has previously worked as the Creatives Director at the Swahilipot Hub Foundation (January 2015-March 2021), Project and Planning Management at the Marie Stopes Kenya (May 2012-July 2015), Legal Resources Foundation (2006), Sanaa Arts Promotion (2003-2005), Kenya National Bureau of Statistics (November 2009-2010), Family Health International /NASCOP (Oct 2002-Nov 2002), Steadman Research Services (Jul 2002-Sep 2002), Solidarity with Women in Distress (SOLWODI) (May 2002) and Centre for Laws and Research International (CLARION) - 1999-2000.



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She holds a Bachelor of Arts in Psychology and Sociology from the University of Nairobi (UON), a Diploma in Social Work, Project Planning, and Community Development (2007), and a Certificate in Counseling (2003).

Mr. Daniel Kipruto Kiptoo—Independent Director

Mr. Kipruto Kiptoo was born on 16th June 1984. He is a distinguished Media and Communications Strategist with 15 years of experience. He has worked with various media organizations including Hope FM, and Homeboyz Radio both as a Parliamentary Talk show host and Producer. Mr. Kiptoo has worked with top corporate firms as a Public Relations expert and political Think Tanks on policy briefs. He holds a Bachelor’s Degree in Strategic Communication as well as a Diploma in ICT, Public Relations and Media Studies Technical University of Kenya.



Ms. Grace Mwendwa Munjuri —Independent Director



Ms. Grace Munjuri was born on 11th April 1976. She is a Public Affairs Specialist who possesses key capabilities and leadership skills that she has developed over the past 18+ years. She has worked as a Senior Corporate Communications Executive in the public and private sectors. Ms. Munjuri carries a wealth of experience in Leadership and Governance, Corporate/Public Affairs, Communications for Advocacy, Brand Positioning, Public Relations, Media Relations and Government Relations. She has also worked on numerous Communication strategies and overseen organizational strategic plans.

She has served as a Board Member and Vice Chair at World Vision Kenya, Director in the Board of the Communications Authority of Kenya, and the Media Council of Kenya Board. She played a key role in the amendment of the Kenya Information and Communication Amendment Act 2013 which gave birth to the new Communications Authority of Kenya.



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Ms. Munjuri served at the Public Relations Society of Kenya (PRSK) from 2009 and was elected PRSK Vic-Chair in 2012, a position she held until 2014. In 2022, Ms. Munjuri was recognized and awarded PRSK Warrior 2022 for her outstanding contribution to the PR industry, an award bestowed upon only 24 professionals who have influenced the industry in the last 50 years. She is also a member of the Association of Public Relations Practitioners of Africa. She holds a Master of Arts in Corporate Communications from Daystar University and a Bachelor of Commerce Degree in Marketing from Kenyatta University. She has also pursued numerous courses locally and overseas.

Ms. Hariety Namwezi Zitah-Independent Director



Ms. Namwezi was born on 28th March 1994. She has previously worked at the Ministry of Transport, Infrastructure, Housing, Urban Development, the United Nations - Food and Agriculture Organization (FAO), and the National Youth Service (NYS). Ms. Namwezi is passionate about supporting community-based activities. She holds a Bachelor's Degree in Commerce (Procurement option) from Kenyatta University (2021) and a Diploma in Supplies and Procurement Management (2017).

John Osimbo Naliali - Independent Director

Rev. John Osimbo was born on 31st December 1960. He formerly worked for the National Irrigation Board (1987-1992). He also worked as a Research Assistant with Chambers of Justice, as well as a B.O.M Teacher at St. Triza Mundere Girls Secondary School. Some of his notable achievements include: Auditing the performance of the late President Mwai Kibaki's Administration from 2004-2006 in what was famously known as, After The Promise. He also wrote a paper for UNICEF entitled: How to Create a Child-Friendly Society. Rev. Osimbo believes in justice, loves family, and fidelity to the rule of law and good moral values. He is currently the Deputy National Treasurer of Free Pentecostal Fellowship in Kenya Church and a Pastor of Budalangi Free Pentecostal Fellowship Church in Kenya.





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He holds a Bachelor of Arts (2006) in Bible and Theology from the East Africa School of Theology (EAST). He also holds a certificate in Accountancy (Kenya Accounts Technician Course) -1991 with Kenya Accounts and Secretaries National Examination Board (1991 - 1992).

Raphael Letimalo- Independent Director



Hon. Raphael Letimalo was born on 30th October 1957. He is a former Member of Parliament for Samburu East Constituency (2007-2017); former District Officer (D.O) and District Commissioner (D.C) between 1988-2007. He has also worked as a P1-S1 teacher (1980-1988). In his professional career and leadership, Mr. Letimalo has attained and maintained high standards of integrity and ethical practices. He aspires to apply national values and leadership skills to enhance good governance at the Board. Hon. Letimalo holds a Bachelor of Arts/Peace Science and

Conflict Resolutions (2013-2016) from Mount Kenya University (MKU) and a Diploma in Diplomacy and International Studies (2004) from the University of Nairobi (UoN). He has also pursued numerous short courses locally.

Mr. Stephen Isaboke, EBS - PS, State Department for Broadcasting & Telecommunication

Mr. Stephen Motari Isaboke EBS is a former technology media, oil & gas, and renewable energy consultant in Kenya and the United Arab Emirates (UAE). He is an experienced and multi-disciplinary business executive with over twenty-five years' leadership in senior management and executive levels. He has previously served as the Group Executive Director of Regulatory and Government Affairs for the Africa Region at MultiChoice Africa Holdings, based in Dubai, UAE.

He has previously held senior leadership positions responsible for Kenya and East Africa for MultiChoice Group, Kenya Shell (Royal Dutch Shell PLC) Sara Lee and Unilever. He has also held non-executive directorships in various companies and served in the management board of the national football team, Harambee Stars.





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Mr. Isaboke holds a Bachelor of Commerce B. Com (Hons) degree in Business Administration from the University of Nairobi, a Post-graduate Diploma in Marketing from the Chartered Institute of Marketing (CIM), United Kingdom, and a Master of Business Administration (MBA) degree in strategic management from the University of Nairobi.

He is a fellow of the Chartered Institute of Marketing FCIM (UK) and a Member of the Institute of Directors (IoD) Kenya.

As Principal Secretary, Isaboke is the administrative head and accounting officer of the State Department for Broadcasting and Telecommunications where his role includes the development of Telecommunications Policy, Broadcasting Policy, Coordination of National Government Advertising services, Public Communications, Postal and Courier Services, Policy on Development of Local Content, Telecommunications, Postal services, Electronic Commerce and Government Telecommunications Services.

The alternate member is **Mr. Hezron Magoma Nyamberi**.

Dr. Chris K. Kiptoo, CBS - PS National Treasury



Dr. Chris Kiptoo is the Principal Secretary, The National Treasury. He was appointed Principal Secretary by President William Samoei Ruto on 1st December 2022. Since his appointment, Dr Kiptoo has been at the forefront in implementing Fiscal consolidation, debt management including the Eurobond, expenditure rationalization, revenue mobilization as well as reform of state-owned enterprises (SOEs).

Dr. Kiptoo is the immediate former Principal Secretary, Ministry of Environment and Forestry. Before that, he also served as a Principal Secretary at the State Department of Trade, Ministry of Industry, Trade & Cooperatives.

In his working career, Dr. Kiptoo has acquired a rich wealth of experience in economic policy analysis, mainly gained at the Central Bank of Kenya, Capital Market Authority and the International Monetary Fund, where he has served in various capacities. His expertise especially relates to the design and implementation of monetary policy; balance of payments and exchange rates; fiscal operations and policy; financial sector matters including capital markets; national accounts/real sector and macroeconomic accounting, and modelling and forecasting.

Additionally, Dr. Kiptoo has proven experience in environment and climate change policies, trade policy and regional integration, private sector development and advocacy, infrastructure



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development, institutional development of Government institutions and organisational management, all mainly gained at the Ministry of Environment and Forestry, State Department of Trade as well as Trade Mark East Africa.

Noteworthy, he also has four years of experience in economic policy coordination gained while working at the then Office of the Prime Minister.

The alternate member is **CPA Peter Nyamete Mogire**.

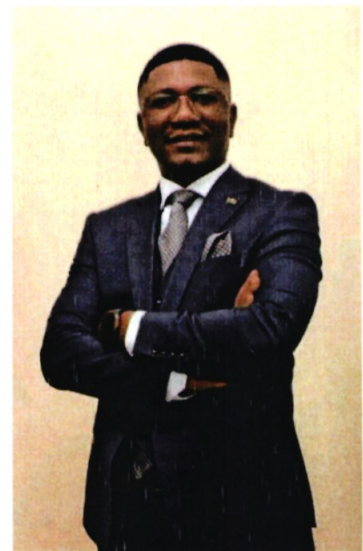
Mr. Fikirini Jackobs Katoi Kahindi - PS, State Department for Youth Affairs and Creative Economy

Mr. Fikirini Jacobs Katoi Kahindi is a prominent Kenyan Youth leader and political activist with a passion for youth empowerment and social change, Mr. Fikirini was appointed as a Principal Secretary at the age of 28 years on 17th April 2025, and entered the books of history as the youngest individual to have ever held such a high-profile position in the government of Kenya.

Born and raised at Bamba, Ganze Constituency in Kilifi County, Mr. Fikirini began his education at Mnagoni Primary School and later attended Mwakitawa Secondary School, completing his Kenya Certificate of Secondary Education (KCSE) in 2014. In 2015 he enrolled for a Bachelor of Arts in Education at Maasai Mara University. During his time there, he was elected as Deputy President of the Students Organization of Maasai Mara University (SOMMU).

Due to unprecedented dynamics around his education environment, Mr. Fikirini later transferred his pursuit of education to Pwani University, where he enrolled for a Bachelor of Arts in Philosophy. His call for leadership again manifested at the University, where he was elected as the President of Pwani University Student's Association (PUSA). At Pwani, he continued with his studies even as he championed for student's rights and democratic expression, thereby influencing administrative reforms on students' welfare and good governance.

Mr. Fikirini Jacobs served as the Kilifi County Youth Leader for the Orange Democratic Movement (ODM), where his inspirational leadership abilities motivated many young people to participate in public affairs and Nation building. He served in the position of Director of the Governor's service delivery Unit in Kilifi County. During his tenure at the governor's office, he oversaw implementation of the County Integrated Development plan.





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His dedication to youth leadership and empowerment has been recognized nationally, and culminated in his nomination and subsequent appointment as the principal secretary for youth affairs and creative economy. Mr. Fikirini persistent commitment to fostering an enabling environment for nurturing youth potential in leadership and development is not in doubt. His resolve at directing his efforts and energies towards the government's transformative agenda for the youth can only be well explained by his comradeship Mantra "*The Ruthless Focus*".

Mr. Fikirini's journey from the humble beginnings of a son of a peasant family in Kilifi, coast region, to a prolific public service role demonstrates great resilience and an impactful involvement of youth in leadership. His appointment has always been celebrated by various youth organizations and youth supportive entities, viewing it as a major milestone towards inclusive governance.

The alternate member is **Mr. Boru Abdi Hassan**.

Paskal Martin Opiyo – Ag. Chief Executive Officer



Mr. Paskal M. Opiyo is a Member of the Institute of Certified Public Accountants of Kenya (ICPAK) with over 20 years post qualification experience.

Before his appointment as the Ag. CEO of the Kenya Film Classification Board, Mr. Opiyo, was the Ag. Chief Manager, Corporate Services at the Kenya Film Classification Board. He has also served as the Finance Manager of the same institution.

He is keen on strategic thought processes, interested in capacity building of those at the bottom of the pyramid, and has significant experience within the government, multi-national, and multi-cultural set-up. He boasts investments in agribusiness, engineering, energy, property, and service provision.

Mr. Opiyo holds a Bachelor of Arts degree (Hons) in Political Science from the University of Nairobi and a Master of Business Administration degree from Daystar University. He is a hands-on individual with ability to specialize increasingly in optimized use of available resources for maximum gain. In addition, he has extensive exposure in providing oversight to operations, managing Finance & Accounting, Administration, ICT, logistics, sales, and after-sale service provision as well as human capital for a duration spanning 20 years.



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He holds certifications in Corporate Governance (Centre for Corporate Governance Kenya), Executive Human Resource Management (IHRM) Kenya, and other certifications in leadership and management.

Before joining the Kenya Film Classification Board, Mr. Opiyo worked with the Williamson Tea Group Ltd as the Finance and Administration Manager and was in-charge of Williamson Power Ltd, a subsidiary of the Group. While at Williamson Tea Group, he was a Trustee of Williamson Tea Group Staff Provident Fund for over 16 years, and the Founding Trust Secretary for 6 years.

Eunice Mwanza – Senior Legal Officer and Ag. Corporation Secretary



Eunice Mwanza was Born on 06th March 1986. She holds a Bachelor of Laws and a Bachelor of Arts in History, Politics, and Philosophy from the University of Western Sydney, alongside a Post-Graduate Diploma in Law from the Kenya School of Law. She is currently pursuing a Master’s degree in International Trade Law, reflecting her deepening interest in global legal systems and cross-border regulatory frameworks. She is an advocate of the High Court of Kenya and a member of the Law Society of Kenya (LSK) with a valid practising certificate. Her core competencies include legal advisory services, regulatory compliance, contract drafting and review, litigation and dispute management, legislative and policy analysis. She has a proven ability to draft legal opinions, interpret laws and regulations and support governance structures within the Board. Her experience also spans representing the Board in forums, supporting board secretarial functions and facilitating to legal compliance audits. She is not a member of ICS.



4. Key Management Team



CPA Paskal Martin Opiyo-MBA, BA Hons., CPA (K)

Ag. Chief Executive Officer

The Chief Executive Officer is responsible for the day-to-day operations of the Board and ensures that the Board’s mandate as stipulated in the Films & Stage Plays Act, Cap 222 is undertaken and its mission achieved. Further, he is responsible for the execution and communication of the Board’s strategies, decisions, and policies. He also provides leadership to senior management and staff. He is the accounting and authorised officer of the Board and the link between the Board and the management.

Nelly Muluka Aluoch- MA Communication Studies, B.Ed. English Literature.

Corporate Communications Department

Responsible for initiating, designing, developing, reviewing, and implementing the Board’s communication strategy geared towards attaining and sustaining a positive public image of the Board. Also responsible for coordinating interactive public functions and events to promote and publicize activities of the Board. Managing customer feedback including compliments suggestions and complaints on service delivery.



Francis Ngala Nguthuu –B.COM (Finance), IIA (K)

Internal Audit Department



Responsible for reviewing the governance mechanisms of the entity and mechanisms for transparency and accountability with regard to the finances and assets of the entity. Further, he provides secretarial services to the Board’s Audit, Risk and Governance committee, assurance that appropriate institutional policies and procedures and good business practices are followed by the



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entity. He also evaluates the adequacy and reliability of information available to management for making decisions with regard to the entity and its operations

Immaculate Mulaku – MBA, B.A (Economics), Dip CIP



Supply Chain Management Department

Responsible for providing oversight in the efficient and effective operations of the supply chain function of the Board. A key aspect of this role is ensuring the Board’s planning, buying, and monitoring of procurement, and initiatives which support strategic organisational goals and objectives.

Eunice M. Mwanza - LLB, Post Graduate Diploma in Law

Responsible for providing legal services to ensure that appropriate interpretation of the legal safeguards and the rights of the Board including patents, copyrights, and trademarks of the Board. Providing legal advice and assistance on all aspects of government regulation and preparing opinions and legal interpretations on various matters related to the interpretation and review of statutory instruments. Custodian of the company interests regarding property and indemnity. Providing guidance and support and is secretary to the Board.





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Onesmus David Muema-B. A Economics & Mathematics

Planning & Research Department



Responsible for coordinating and formulating the Board's development strategies, budgets, policies and programmes. This also includes the preparation of annual Ministerial Public Expenditure Review (MPER) and the Medium-Term expenditure framework (MTEF). He also oversees and guides research projects to ensure they align with organizational goals and deliver valuable insights. Further, it coordinates monitoring and evaluation of the Board's policies, programmes, and projects; it coordinates the overall performance management of the Board and sector priorities setting, including policy documents for the National Development Plans.

Paul Nganga Mbui -MSC (Finance), BCom (Finance), CPA (K)

Finance and Accounts Department

Responsible for advising the Accounting Officer, Board of Directors, Committees of the Board, Management, and other stakeholders on all financial and accounting matters of the Board. Provides strategic direction and oversight to the formulation, interpretation and implementation of financial regulations, procedures, and policies to enhance internal controls. In addition, responsible for supervising, training, mentoring and coaching Finance and Accounts Staff.



Alexander Marcos Masiga-MA (Communication), BA (Communication)



Film Registration and Licensing Department

Responsible for ensuring that creation, broadcasting, distribution, exhibition and possession of film and broadcast content are in line with the provisions of the Films and Stage Plays Act, Cap 222 and the Kenya Information & Communication Act. Liaising with professional Board of Directories and other stakeholders on matters relating to film and broadcast content regulation.



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**Grace Wangari Njoroge – MBA Strategic Management, BBA (HRM),
CHRP (K), Higher Dip - HRM, Dip-Personnel Management
Human Resource and Administration Department**

Responsible for initiating, formulating, and implementing the Board’s human resource and administration policies, strategies, and procedures. She is responsible for developing and managing the staff welfare schemes and providing advice on human resource management principles to uphold the Board’s core values and fulfilling social responsibilities



**Redemptah Amondi –MA (Communication) B.A., Dip Film/ Video
production**

Film Classification Department



Responsible for developing and prescribing standards for classifying film and broadcast content and coordinating the activities of film content classification. She is also responsible for implementing film classification guidelines and policies, a initiating research on genres and trends in content consumption, coordinating periodical review on content rating systems to align them with the existing legal and social environment. Further, giving consumer advice and imposing age restrictions on viewership of film and broadcast content.



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Beatrice Indimuli – B. A – Communication, Diploma in Broadcast Journalism
Compliance Department



Responsible for initiating, designing, developing, reviewing, and implementing the Board’s strategy on broadcast content regulation. She the media content to ensure compliance with the provisions of the Constitution of Kenya, Films & Stage Plays Act Cap 222 and the Kenya Information and Communications Act. Also responsible for liaising with professional Board of Directories and other stakeholders in the film industry and broadcast sector on matters related to film and broadcast content regulation; and coordinate the monitoring and enforcement of compliance to existing laws, regulation and guidelines on film and broadcast content.

Petronilla Mueni –MSC (ICT Management), BBIT, Dip Information Science, ISACA
Information Communication Technology Department

Responsible for overseeing the planning, implementation, and maintenance of technology systems and infrastructure to support the Board’s objectives. She is also responsible for developing and ing the ICT strategy and promoting business development and improvement in line with the Board's core objectives and priorities. She ensures the existence of the necessary frameworks and standards for ICT Services, information governance controls and procedures that are aligned to the relevant laws.





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5. Chairman's Statement

In compliance with Section 81 of the Public Finance Management (PFM) Act, 2012, and other



legislations, I am pleased on behalf of the Board of Directors and the Management of the Kenya Film Classification Board (KFCB), to present the Board's Annual Report for the Financial Year (FY) 2024/2025.

First of all, I sincerely thank the board's staff for their dedicated service to Kenyans. The Board's success during the period under review is attributed to our commitment to the core values of professionalism, integrity, and innovation.

I am glad to report that over the past year, the Board in collaboration with industry stakeholders, enforced compliance with the provisions of the Films and Stage Plays Act, 222, which governs the creation, distribution, broadcasting,

possession, and exhibition of films in Kenya with the aim of ensuring that audio-visual content conforms to Kenya's culture, moral values and National aspirations, as well as to protect children from exposure to inappropriate content. The Board managed to issue the different regulatory licenses for the other stakeholders and approved content for public exhibition while considering the age suitability of the same. It is worth noting that during the period, the Board reengineered, digitalised and onboarded two services on the E-Citizen platform in order to enhance service delivery.

Regulatory and Policy Frameworks

During the period, the Board managed to facilitate the review of two regulations namely: Films and Stage Plays (Cinematographic Films) (Forms and Fees) (Amendment) Regulations, which were published on 26th July 2024 by the Office of the Attorney General, and Films and Stage Plays (Film Distribution and Exhibition) which were published on 14th November 2024 under Legal Notice 184 of 2024. It is worth reporting that the Board in the previous periods proposed the review of the Films and Stage Plays Regulations 2023 in a bid to encourage additional investment in the film sector and thus provide opportunities for local creatives to monetise their talents. In addition, during the period, the Board developed, reviewed, and implemented various corporate policies aimed at enhancing seamless service delivery in line with the Board's Strategic Plan 2022-2027.



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Stakeholder collaborations and community engagement

In cognisance of the key role of stakeholder and community engagement, as well as public participation in the decision-making processes, policy development, and service delivery and in the spirit of the Whole of the Government Approach (WoGA) and the Multi-Sectoral Stakeholder Engagement Approach, and the Sustainable Development Goal (SDG) No. 17, the Board during the period, established strategic partnerships with diverse public and non-state actors, which were key in realizing the Board's mandate and programs. During the period, the Board partnered with several regulatory agencies in the film sector, namely, Kenya Civil Aviation Authority, Kenya Wildlife Service, Office of the Data Protection Commissioner, Department of Immigration and the Kenya Copyright Board, to develop the regulators' handbook for the film industry. This was disseminated across different platforms across the country. These platforms include the roll out the Creatives in Arts and Film Digital Literacy Programme.

To this end, the Board remains committed to collaborating with like-minded institutions to create a facilitative film regulatory environment as anchored in BETA.

At the heart of the Board's operations, lies a strong focus on Corporate Social Responsibility (CSR). In this regard, during the period, the Board supported various initiatives to give back to the community and positively impact society. Notably, the Board supported the National Tree Growing initiatives across the country, overseeing the planting of more than 500 seedlings and provided spaces for the creatives to showcase their different forms of art at no cost.

Challenges and Plans for the Future

In the period under review, the Board faced several challenges that impacted the achievement of its core mandate, such as the proliferation of unregulated audiovisual content, inadequate financial recourses, and legal framework gaps occasioned by advancements in technology.

Technology has been highly adopted in the Film Industry occasioning a dynamic shift the modes of content creation, exhibition, distribution and consumption. This has significantly increased the amount of content generated and consumed daily. From a regulators' perspective, this fast pace has brought about significant technicalities in the regulation of the space, specifically, the new forms are not covered by the current laws thus giving rise to an upsurge of unregulated content in the public.



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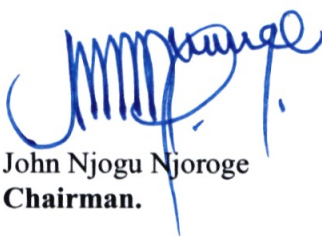
In the subsequent periods, the Board intends to adopt strategies to enhance its revenue generation capacity through the development of different regulatory models, such as self-regulation and entrench partnership, in the execution of its mandate so as to manage the entity's financial needs.

In responding to the technological advancement, the Board intends to develop new regulations and review existing ones in order to address these gaps presented by advancement in technology. The proposed regulatory frameworks to deal with the emerging technologies include the development of regulations on user generated content platform A.K.A social media among others. Further, the Board intends to adopt a modern content regulation infrastructure, which shall enhance its role in the execution of its mandate.

I would like to thank the KFCB team, our stakeholders, and the general public for their continued support and collaboration. Together, we can ensure that the film industry thrives and contributes to Kenya's social, cultural, and economic development. Additionally, I would like to thank the Government of Kenya (GoK) through the Ministry of Youth Affairs, Creative Economy, and Sports for its immense support during the period under review and we look forward to future support.

Lastly, I am confident that we are well-positioned to face the future as guided by our Strategic Plan 2022-2027, the BETA, among other development blueprints.

Thank you.



John Njogu Njoroge
Chairman.



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6. Report of the Chief Executive Officer

The Board is guided by its elaborate Strategic Plan. The Plan highlights three (3) key result areas to ensure compliance standards are adhered to in regulating the creation, broadcasting, possession, distribution, and exhibition of film and broadcast content in the country. These key result areas include Policy and legal frameworks, compliance with legal and regulatory frameworks, and Leadership and Integrity (Governance).



During the period under review, the Board undertook several activities as stipulated and guided by the Strategic Plan 2022-2027, Performance Contract 2024/2025 and the Annual workplan 2024/2025. One of our major accomplishments this year has been the successful development and publishing of the Films and Stage Plays (Cinematographic Films) (Forms and Fees) (Amendment) Regulations and Films and Stage Plays (Film Distribution and Exhibition

Over the past year, the KFCB worked tirelessly to realize its mandate of regulating the creation, distribution, broadcasting, possession, and exhibition, of film and broadcast content in Kenya, ensuring that all audio-visual content conforms to Kenya's culture, moral values, and National aspirations, as well as to protect children from exposure to inappropriate audio-visual content.

During the period, the Board, through the Office of Attorney General, managed to publish the Films and Stage Plays (Cinematographic Films) (Forms and Fees) (Amendment) Films Regulations, and Films and Stage Plays (Film Distribution and Exhibition) Regulations. These instruments seek to reduce, especially for small exhibition and distribution platforms. The regulations also aim to onboard other forms of businesses that had not been factored into the previous regulations. The Board in the period also managed to onboard two entities, namely: Safaricom Baze and Royal Media Services, onto the Self classification framework, which is in its pilot phase. Netflix also managed to renew their commitment in the framework compliance

The Board also upgrade the Online Licensing system for the processes that had been onboarded onto the E-Citizen platform, which has resulted in an improved customer-facing platform for service delivery.

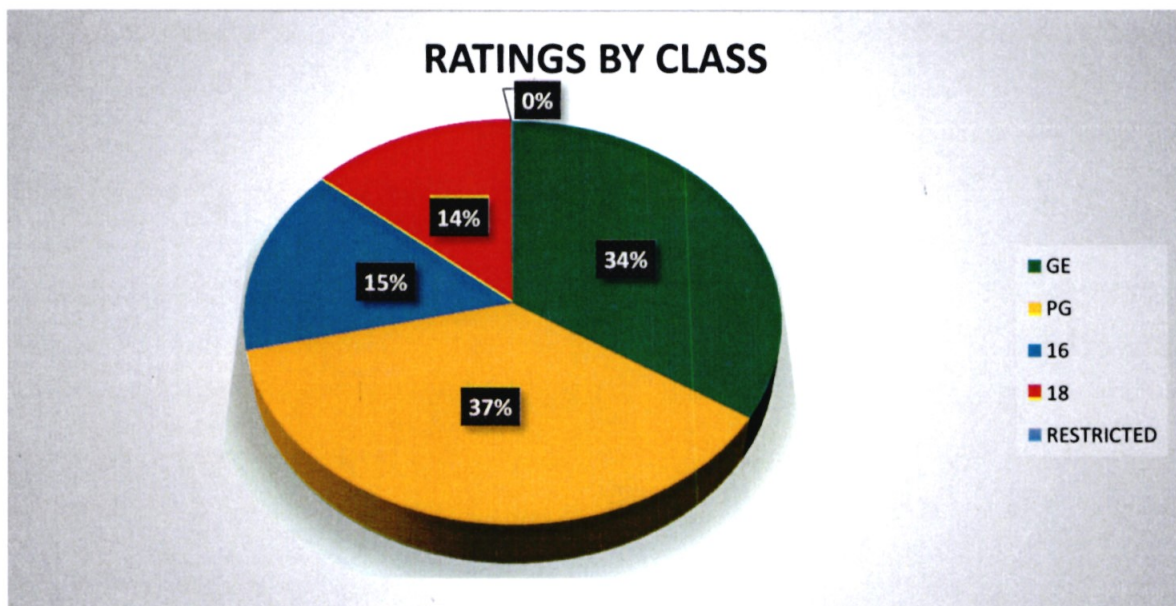


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On the same breadth, the Board managed to enhance compliance with Film and Stage Plays Act, Cap 222 provisions. This entailed the registration of 125 film agents against a target of 80 resulting in a 156% performance, issued 769 filming licenses against a target of 650 translating to 128% performance, classified 939 films against a target of 800 resulting to 117% performance and issued 2,620 film regulatory licenses against a target of 2,650, translating to a 98.8%.

Further, during the period, the Board heightened its compliance and monitoring mechanisms, ensuring that audio-visual content exhibited in public spaces complied with all relevant laws and regulations. This was done through continuous inspection of physical establishments and monitoring of the different broadcasting platforms such as Television and social media platforms.

Section 15 (ii) of the Films and Stage Plays Act provides for examining and classifying film and broadcast content. In the financial year of 2024/25, the Board registered a high number of films classified compared to the two previous financial years. Local films topped the list with 117% (798films), the United States of America had (USA) 9%(83films) and India had 4% (38 films). In the FY 2023/24, 107% (739 films) were local, 9% (74 films) from USA and 6% (47 films) from India, the same trend replicated in the FY 2022/23 with 72% (576 films) being local,12% (95films) from USA and 7% (57films) from India while the other countries shared the difference in all the three financial years analysed. The steady increase in the number of local films classified is attributed to the commissioning of local productions by Showmax and Netflix.

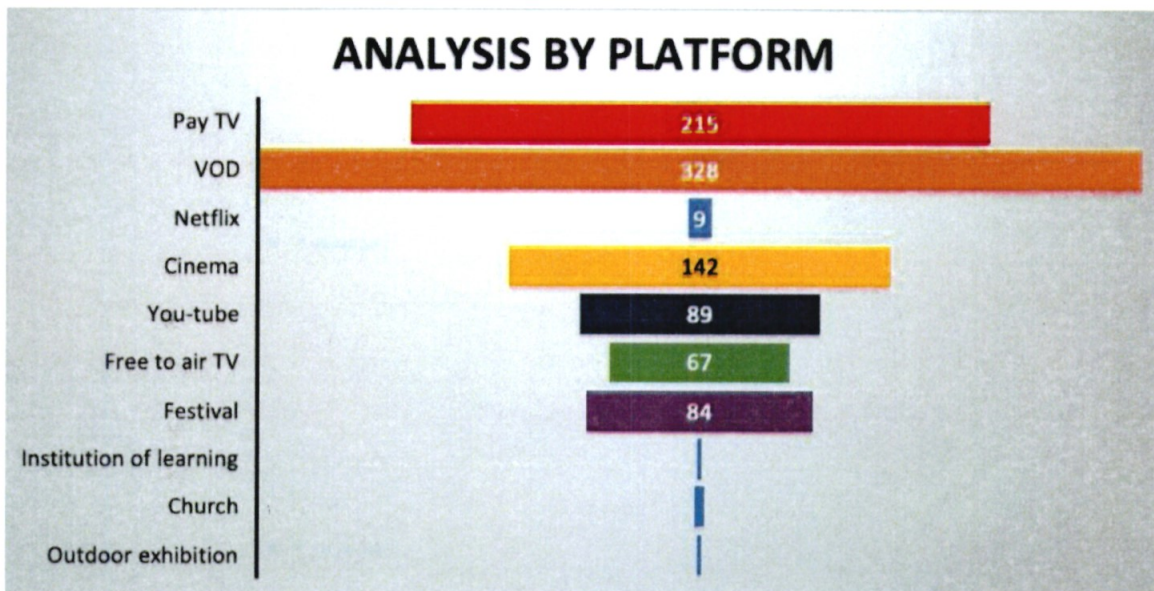




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Out of the nine hundred and forty-two films submitted for classification, **only one (1) was Restricted**. Most of the films examined were rated PG at three hundred and forty-nine (349), followed by GE at three hundred and twenty-two (322), 16 rating at one hundred and forty-two (142), and 18 rating at one hundred and twenty-eight (128).

The content submitted for classification is exhibited and/or distributed on different platforms. In the period under review, the content submitted was exhibited on the platforms as shown below.



Section 15 of the Films & Stage Plays Act clearly outlines one function of the Board as giving consumer advice. In light of this, the Board has segmented the stakeholders and developed various programmes with different messaging and objectives. These programmes are designed into three broad categories as follows: Creatives & Film Makers, Parents and Caregivers and the general public. In the FY 2024/2025, the Board conducted twenty-one (21) stakeholder engagement and consumer awareness programmes targeting these categories. These were conducted throughout the entire country. The Board conducted five (5) consumer awareness sessions targeting parents and children, four (4) sensitization forums on film classification for filmmakers, eight (8) engagement forums with filmmakers on filming regulations and four (4) engagement forums with media students on filming regulations

The consumer awareness sessions were realized through face-to-face/physical forums, workshops, seminars, and film festivals as well as online forums and webinars, use of Information



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Communication and Education (IEC) materials, E-posters and film rating posters on examined and classified films that were posted/publicized on social media platforms, as well as social media hashtags, press conferences, media-related publicity events, and Corporate Social Responsibility events/sessions, among others.

During the FY 2024/2025, the Board's total income was Kshs. 444.31 million. At the start of the period, the Board, according to the printed estimates, had been allocated Kshs. 224.15 as recurrent with an A.I.A target of Kshs. 46Million. However, during the year, the Board managed to secure Kshs. 95.61Million from the Sports Arts and Social Development Fund as conditional grants towards the CAFIL programme and Kshs. 70 million through Supplementary III Estimates. Further, Kshs revised the A.I.A target upwards. 8.56 million bringing the total to Kshs.54.56 million. During the period, the Board did not receive any development funds.

The Board's total actual Recurrent expenditure was Kshs. 444.3 million against the planned budget of Kshs. 447.7 million. The Board's total actual recurrent expenditure decreased from Kshs. 572.52million in the previous FY 2023/2024 to Kshs. 447.7 million. In the FY 2024/2025 the Board was not allocated any development funds. This translates to a 21% decline in the recurrent budget. The overall expenditure absorption for the period amounted to Kshs. 100%.

A key highlight of the year was the successful roll-out of Phases II and III of the Creatives in Arts and Film Literacy (CAFIL) Programme, which was conducted across eight counties: Kisumu, Nakuru, Embu, Mombasa, Nairobi, Machakos, Kirinyaga, and Kakamega. The programme served as an important platform for engaging with creatives and other key stakeholders, intending to foster strategic partnerships and nurture a regulatory environment conducive to the growth of the Orange Economy, in alignment with the Fifth Pillar of the Bottom-Up Economic Transformation Agenda (BETA).

In collaboration with other government regulatory agencies whose mandates intersect with the film industry, the Board successfully developed and published the Regulator's Handbook for Film Practitioners in Kenya. This milestone publication consolidates vital information on film regulation, tax obligations and incentives for film practitioners, guidelines for filming in national parks, regulations regarding the use of drones in film production, copyright and intellectual property protections, and data protection compliance, among other key areas. The Handbook is



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intended to serve as a comprehensive guide to film practitioners and stakeholders across the value chain.

Despite the progress achieved during the Financial Year 2024/2025, the Board faced significant financial constraints that affected the full implementation of some programs and activities. Looking ahead, the Board will continue to engage relevant stakeholders to advocate for increased budgetary allocation and resource mobilization to support the effective delivery of its mandate.

The Board remains committed to re-engineering its business model to deliver efficient and impactful regulatory services in the coming year. Strengthening strategic partnerships and stakeholder collaborations—both in the public and private sectors—will remain a key focus under the low-cost, high-impact model. Moreover, the Board will continue to adopt adaptive operational and organizational strategies, in consultation with industry stakeholders, to ensure responsiveness to the evolving regulatory landscape in the film and broadcast sectors.

In conclusion, I wish to extend my sincere appreciation to the Board of Directors for their strategic leadership, to our staff for their professionalism and unwavering commitment, and to all stakeholders and the general public for their continued support and engagement. Together, we shall continue to uphold responsible content creation and regulation and ensure a safe, inclusive, and thriving film and broadcast environment for all Kenyans.

A handwritten signature in blue ink, which appears to read 'Nelly Aluoch', is positioned above the printed name.

Nelly Muluka Aluoch
Ag. Chief Executive Officer



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

The Kenya Film Classification Board's Strategic Plan 2022 -2027 is anchored on the third Medium Term Plan (MTP III), the Social Pillar of the Vision 2030, the Sustainable Development Goals and the Africa Agenda 2063. This Plan provides guidance to the Board for the effective execution of its mandate and outlines three (3) strategic issues as follows;

1. Policies and Legal Frameworks
2. Compliance with the enabling legal framework
3. Leadership and Integrity (Governance)

To address the above strategic issues, the following strategic objectives are geared towards the implementation of the Board's core mandate:

1. To create a conducive film regulatory environment
2. To enhance compliance with the provisions of the Films and Stage Plays Act
3. To adopt modern film regulation infrastructure
4. To build institutional capacity for enhanced service delivery and productivity
5. To strengthen institutional governance

Further, the Board committed to implement the following Strategic interventions during the Financial Year:

1. Safeguard our culture, national values and norms through efficient, effective, professional film and broadcast content regulatory services.
2. Provide consumer advice on consumption of film and broadcast content.
3. Impose age appropriateness on film and broadcast content.
4. Continue to operationalise the Nairobi Film Centre (Formerly the Nairobi Cinema) to enhance the infrastructure for regulating film and broadcast content.

KFCB develops its annual work plans based on the above strategic issues and objectives. Assessment of the Board's Performance against its annual work plan is done on quarterly basis.

During the period under review, the Board set targets in six (6) broad areas as follows;

1. Financial Stewardship
2. Service Delivery
3. Core Mandate
4. Implementation of Presidential Directives
5. Affirmative Action in Procurement
6. Cross-Cutting Issues

The Board achieved its performance targets set for the FY 2024/2025 period for its five (5) strategic pillars, as indicated in the table below;

Annual Performance Review for FY 2024-2025



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Strategic Issues	Objective	Key Performance Indicators	Activities	Achievements
PART A: FINANCIAL STEWARDSHIP				
Leadership and Integrity (Governance)	To strengthen institutional governance	Absorption of Allocated Funds	Ensure that all GoK allocated funds are applied to programmes, projects and activities appropriated and planned for as per the Annual Work Plan	<p>i. Absorption of allocated funds was Kshs 444,416,653 which represents 100% of the planned budget of Kshs. 444,312,338</p> <p>ii. Cumulatively, the Board received Kshs. 389,754,114 Recurrent Grants. This included Kshs. 294,148,914 GoK grants against a targeted receipt of the same amount, and Kshs. 95,605,200 was conditional grants for the implementation of Phases II and III of the Creatives in Arts and Film Literacy (CAFiL) Programme.</p>
		Appropriation-in-Aid	Raise Kshs. 54,558,224 as Appropriation-in-Aid from its various revenue streams	Raised Kshs. 56,623,164 as Appropriation-in-Aid from its various revenue streams. This represents 103.78% of the period's target
		Pending Bills Ratio	Settle all obligations and ensure that Pending Bills if any do not exceed 1% (Ksh 2,941,489.14) of the total budget of Kshs. 294,148,914	The outstanding trade payable for the period was Kshs. 13,723,048 against an actual total receipt of Kshs. 447,481,105 representing 3.33%
PART B: SERVICE DELIVERY				
Leadership and Integrity (Governance)	To build institutional capacity for enhanced service delivery and productivity	Citizens' Service Delivery Charter Implemented	Display the Citizens' Service Delivery charter prominently at the point of entry/ service delivery points in both English and Kiswahili using the prescribed format	The Service Charter was continuously prominently displayed in both the 14th and 15th Floors at the main entrances, and at the regional offices in both English and Kiswahili language
		Citizens' Service Delivery Charter customized to	Customize the charter to unique needs and convenient access of the customers by translating it	The Charter has already been translated into Braille and is available at the customer



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		unique needs and convenient access of the customers	to Braille, providing mechanisms for sign language, and uploading on the Board's online platforms	desks both at the headquarters and regional offices. The Charter has also been translated into an audio format (in English and Kiswahili), and uploaded on the Board's website, social media platforms and the Huduma Kenya Portal. Translation of the Charter into Kenyan Sign Language is to be fast-tracked, subject to the availability of funds.
		Staff sensitized on the Charter	Sensitize all staff on the Citizens' Service Delivery Charter	<p>i. Sensitization was carried out for Board of Directors and staff on the Citizens' Service Delivery Charter and Access to Information Act of 2016.</p> <p>ii. The Board also carried out an inspection exercise in seven (7) regional offices to assess service charter delivery compliance.</p>
		Conformity with commitments and standards ensured	Ensure conformity with commitments and standards in the Charter by establishing compliance mechanisms to the commitments stipulated in the Charter through undertaking quarterly monitoring, analyzing and compiling compliance quarterly reports	The Board ensured conformity with commitments and standards in the charter by establishing compliance mechanisms to measure service delivery and obtain feedback from the stakeholders through customer registers as well as feedback forms to evaluate customer satisfaction.
	To adopt modern film regulation infrastructure	Approved Business Continuity and Disaster Management Recovery Plan	Develop a Business Continuity and Disaster Management Recovery Plan	Draft Business Continuity and Disaster Management Recovery Plan
		Upgraded the Online Licensing System	Upgrade the Online Licensing System	Upgraded the Online Licensing System



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		Digitalized core services	Re-engineer and digitalize core services and onboard onto the eCitizen	Re-engineered, digitalized and onboarded two (2) services onto eCitizen
	To strengthen institutional governance	Public Complaints Resolved	Resolve all complaints received	The Board received and resolved four (4) complaints lodged directly with the institution
			Processing requests on access to information received	The Board received and processed nine (9) requests on access to information
PART C: CORE MANDATE				
Policies and legal frameworks	To create a conducive film regulatory environment	Approved Films and Stage Plays (Cinematographic Films) (Forms and Fees) (Amendment) Regulations	Develop and implement filming regulations	Developed the Films and Stage Plays (Cinematographic Films) (Forms and Fees) (Amendment) Regulations, which were published on 26 th July 2024 by the Office of the Attorney General
		Approved Films and Stage Plays (Film Distribution and Exhibition) Regulations	Review and implement film distribution and exhibition guidelines	Developed the Films and Stage Plays (Film Distribution and Exhibition) Regulations which were published on 14 th November 2024 under Legal Notice 184 of 2024
Compliance with legal and regulatory frameworks	To enhance compliance with the provisions of the Films and Stage Plays Act	Number of Registration certificates	Register 80 film agents	Registered 125 Film Agents
		Number of Filming Licences	Issue 650 Filming Licences	Issued 769 Filming Licences
		Number of stakeholder forums	Conduct 4 engagement forums with filmmakers on filming regulations	Conducted 8 forums
		Number of stakeholder forums	Conduct 4 engagement forums with media students on filming regulations	Conducted 4 engagement forums
		Number of films classified	Classify 800 films	Classified 939 films
		Inspection Reports	Inspect 8 cinema theatres	Inspected 11 Cinema theatres



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		Stakeholder engagement reports	Carry out 2 sensitization forums on film classification for filmmakers	Carried out 4 sensitization forums
		Number of entities onboarded on self-classification	Onboard two (2) entities on self-classification	Onboarded two (2) entities on self-classification
		Number of Film Regulatory Licences issued to exhibitors and distributors	Issue 2,650 Film Regulatory Licences to film exhibitors and distributors	Issued 2,620 Film Regulatory Licences to exhibitors and distributors
		Number of Classification Stickers/ labels issued	Issue 225,000 Classification Stickers/ Labels	Issued 159,920 Classification Stickers/ Labels
		Stakeholder Engagement Reports	Conduct 18 stakeholder engagement forums	Conducted 15 Consumer awareness forums
		Number of Inspections conducted	Conduct 36 random inspections to check for compliance	Conducted 36 Inspections to check for compliance
		Number of media monitoring reports	Monitor 28 TV stations, 6 VoDs/OTTs and 4 social media platform for compliance and file monthly reports	Monitored 28 TV stations, 6 VoDs/OTTs and 4 social media platforms and filed 12 monthly reports
		Consumer awareness forums on responsible content consumption carried out	Carried out 4 consumer awareness sessions targeting parents and children	Conducted 5 sessions
	To adopt modern film regulation infrastructure	Refurbished NFC	Refurbish the NFC	Refurbishment completion rate is at 22%
		Mobile Cinema Truck	Acquire Mobile Cinema Truck	Acquired the Mobile Cinema Truck
PART D: IMPLEMENTATION OF PRESIDENTIAL DIRECTIVES				
Leadership and Integrity (Governance)	To strengthen institutional governance	Implementation of all Presidential Directives as defined in the Implementation of Presidential Directives Matrix	Grow the minimum allocated trees Mobilize key stakeholders to grow trees in liaison with the State Department for Forestry	A total of 500 trees were planted in the Financial Year The Board collaborated with other stakeholders, initiated and participated in tree-planting exercise
	To build institutional	Access to Government	Allocate and award a minimum of 30% (Kshs. 41,070,815) of	The total value awarded to the youth, women and



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Leadership and Integrity (Governance)	capacity for enhanced service delivery and productivity	Procurement Opportunities (AGPO)	the Procurement Budget (Kshs. 136,902,718) to Youth, Women and PWDs	persons with disabilities was Kshs. 16,167,679 which translates to 27% of the total procurement value of Kshs. 60,618,269
			Reserve and award a minimum of 2% (Kshs. 486,027.60) of the 30% to Persons with Disabilities (PWDs)	There were no awards to the PWDs during the period
PART F: PROMOTION OF LOCAL CONTENT IN PROCUREMENT				
Leadership and Integrity (Governance)	To build institutional capacity for enhanced service delivery and productivity	Promotion of Local Content in Procurement	Allocate a minimum of (Kshs. 54,761,087) being 40% of the procurement budget of (Kshs. 136,902,718) for goods and services produced locally as provided in the Board’s annual procurement plan	Achieved an actual local procurement of Kshs. 60,618,269
PART G: CROSS-CUTTING ISSUES				
Leadership and Integrity (Governance)	To strengthen institutional governance	Asset Management	Update the Assets Inventory	The Board maintained and updated the asset register and undertook repair of assets
			Acquire Assets Ownership documents	The Board acquired assets ownership documents
			Dispose Idle Assets	The Board carried out the disposal of idle assets
	To build institutional capacity for enhanced service delivery and productivity	Youth Internships/ Industrial Attachments/ Apprenticeships	Provide 30 attachment opportunities	The Board engaged 20 attachees
			Provide 1 internship opportunity	The Board engaged 5 interns
		Competence Development	Undertake a Skills Gap Analysis	Skills Gap was undertaken in the FY 2022/2023
			Undertake Staff Training Needs Assessment and prepare annual staff training projections	Staff Training Needs Assessment was done and prepared annual staff training projections
			Address the identified skills gaps and training needs through interventions such as recruitment, outsourcing, capacity building, training, coaching and mentoring	Board recruited, built capacity and trained staff to address the identified skills gaps
			Undertake Employee Performance Management by carrying out the following: i. Set individual employees annual targets for FY 2024/2025	The Board set individual employee annual performance targets and carried out Staff Performance Appraisal for all employees and developed an action plan from the staff appraisal reports



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			<ul style="list-style-type: none"> ii. Undertake Staff Performance Appraisal for all employees and compile the appraisal report for the FY 2023/2024 by 31st August 2024 iii. Develop an action plan and implement the recommendations emanating from the staff appraisal reports 	
To strengthen institutional governance	National Values and Principles of Governance	<ul style="list-style-type: none"> i. Implement measures to support the five pillars of the Government Plan as outlined in the Bottom-Up Economic Transformation Agenda (2022-2027) namely: Agriculture, Micro, Small and Medium Enterprise (MSME) Economy, Housing and Settlement, Improved Healthcare for all Kenyans and Digital Superhighway and Creative Economy ii. Enhance adherence to the provisions of Article 10 of the Constitution through civic education, training and sensitization and mainstreaming of national values and principles of governance iii. Implement measures to promote accountability and openness in the management of public affairs and institutions iv. Support devolution by strengthening collaboration and cooperation between the two levels of 	The Board implemented its commitments to promote National Values and Principles of Governance, and prepared and submitted a detailed annual report to the Directorate of National Cohesion and Values	



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			governments for improved service delivery	
			Measures taken and progress achieved in the realization of National Values and Principles of Governance reported	The Board conducted a training for its National Cohesion and Values Committee facilitated by the Directorate of National Cohesion and Values



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8. Corporate Governance Statement

Corporate governance is essential for ensuring transparency, accountability and integrity in the management of organisations. It is in this context that the Board, during the year under review, endeavored to uphold the highest standards of corporate governance in the execution of its mandate. Guided by the above principles, the Board ensured that its operations and decisions were aligned with the Constitution of Kenya, 2010, the Films and Stage Plays Act, Cap 222 and the State Corporations Act, Mwongozo: The Code of Governance for State Corporations and relevant statutory frameworks governing State Corporations.

Appointment of Board Members, Size and Board of Director Charter

The appointment of the Board of Directors is provided for in Section 11A of the Films and Stage Plays Act, Cap 222, as follows:

- (i) Chairman appointed by the Cabinet Secretary;
- (ii) Principal Secretary of the Parent Ministry;
- (iii) Principal Secretary to the National Treasury;
- (iv) Chief Executive Officer appointed under section 11C; and
- (v) Eight (8) other members appointed by the Cabinet Secretary by virtue of their knowledge and experience in matters relating to psychology, women's and children's rights, religion, cinematography, and such other field as the Cabinet Secretary may deem appropriate.

Further, the Principal Secretary for the State Department for Broadcasting and Communication was invited as provided for in the Films and Stage Plays Act, Cap 222.

The Chairperson and seven (7) independent Board members were appointed on 24th February 2023 via *Gazette Notice No. 2385* dated 20th February 2023, whereas one (1) independent Board member was appointed on 9th June 2023 via *Gazette Notice No. 7510* dated 7th June 2023.

The Board's governance structure is guided by a Board of Directors Charter, approved on 26th May 2023. This Charter outlines the cessation of a Board Member whereby one may, by giving notice, resign, or be removed by the appointing authority for reasons such as repeated absenteeism without permission, criminal conviction, bankruptcy, physical or mental incapacity, accepting conflicting office, misconduct deemed inappropriate, or upon recommendation by the Board due to non-performance, unethical conduct, or breach of policies. During the period under review, there was no cessation of any Board Member, either by resignation or removal.



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Board's Diversity

The composition of the Board of Director is diverse with respect to gender, field of expertise and regional representation as illustrated below;

	Name	Gender	Region	Field of Expertise
1.	John Njogu Njoroge	Male	Nakuru	Media and Journalism
2.	John Muigai Nyururu	Male	Nyandarua	Media and Journalism
3.	Raphael Ekadeli Loperito	Male	Turkana	Theology
4.	John Osimbo Naliali	Male	Busia	Theology
5.	Stephanie Kamene Maseki	Female	Makueni	Psychology and Sociology
6.	Raphael Letimalo	Male	Samburu	Administration
7.	Kipruto Kiptoo	Male	Baringo	Communication
8.	Grace Mwendwa Munjuri	Female	Meru	Communication
9.	Hariety Namwezi Zitah	Female	Tana River	Procurement

Induction, Training and Development

Newly appointed directors undergo a formal induction program in accordance with the Board of Directors' Induction Policy covering the entity's mandate, structure and operations. The Management scheduled an induction forum for the newly appointed Board of Director on 27th and 28th March 2023, providing an overview of the Board's mandate and relevant legislative frameworks, Strategic Plan and operations. Further, the Board of Directors attended an induction workshop by the State Corporations Advisory Committee from 12th to 14th July 2023.

Ongoing capacity-building programs are provided to equip directors with evolving knowledge in corporate governance, legal compliance and emerging industry trends. During the Financial Year 2024/2025, the Board of Director participated in training programmes on budget execution and monitoring, risk management and mitigation, public procurement legal framework, enhancing Board effectiveness, leadership and integrity, essential governance structures, improving Board practices, corporate governance and effective communication.

Board of Directors' Functions and Performance for the FY 2024/2025

The Board of Directors provides strategic leadership, oversees policy formulation, ensures legal and regulatory compliance, monitors performance, and safeguards the resources. It ensures that the Board fulfills its statutory mandate in accordance with the enabling legislation. Key among others, the Board of Director should: Exercise its role collectively and not individually; Determine



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the Board’s mission, vision, purpose and core values; Set and oversee the overall strategy and approve significant policies of the Board; Approve the organizational structure; Hire the Chief Executive Officer on such terms and conditions of service as may be approved by relevant government organs and approve the appointment of senior management staff; Approve the annual budget; and Monitor the Board’s performance and ensure sustainability.

The *Mwongozo* and the approved Board of Director Charter provide for the establishment of four (4) committees, namely;

- i. Audit and Risk Management Committee
- ii. Human Resource Management and Administration Committee
- iii. Technical Development Committee
- iv. Finance and General–Purpose Committee

i. Finance and General-Purpose Committee

The Committee is responsible for overseeing the development and implementation of the Board’s Strategic Plan, providing oversight and governance on issues pertaining to Annual Work Plans, Procurement Plans, and Budgets, and reviewing the board's financial and operational performance and applicable policies. The Committee is also responsible for rationalising the Board’s Budget.

The Committee comprises five (5) members of the Board of Director, including a mandatory representative from the National Treasury.

Attendance

The Committee held **Three (3)** meetings during the period as shown below:

No	NAME	Q1	Q2	Q3	Q4	TOTAL
1.	Grace Mwendwa Munjuri - Chair	1/1	0/0	0/0	2/2	3/3
2.	Peter Mogire	1/1	0/0	0/0	2/2	3/3
3.	Hariety Namwezi Zitah	1/1	0/0	0/0	2/2	3/3
4.	Raphael Ekadeli Loperito	1/1	0/0	0/0	2/2	3/3
5.	Hezron Magoma Nyamberi	1/1	0/0	0/0	2/2	3/3

ii. Technical Development Committee

The Committee is responsible for reviewing customer service standards, reports and implementation of policies affecting the public, corporate and business strategies of the Board. It is also responsible for reviewing the implementation of programmes, standards and compliance



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with various international and local legal requirements as well as advising on and initiating necessary legal requirements for purposes of effectiveness and efficiency in the regulatory function.

The Committee comprises five (5) members of the Board of Director. The membership is drawn from members of the Board with diverse expertise.

Attendance

The Committee held **one (1)** meeting during the period as shown below:

No.	NAME	Q1	Q2	Q3	Q4	TOTAL
1.	Stephanie Kamene Maseki – Chair	0/0	0/0	0/0	1/1	1/1
2.	Boru Abdi Hassan	0/0	0/0	0/0	1/1	1/1
3.	Raphael Ekadeli Loperito	0/0	0/0	0/0	1/1	1/1
4.	Raphael Letimalo	0/0	0/0	0/0	1/1	1/1
5.	Hariety Namwezi Zitah	0/0	0/0	0/0	1/1	1/1

Audit & Risk Management Committee

The Committee is responsible for establishing and reviewing internal control systems, risk management issues, procedures and programmes being implemented by the Board. It is also responsible for overseeing the internal audit function and external audit as well as reviewing the performance and considers the independence of external auditors and confirms that all regulatory compliance is considered in the preparation of financial statements.

The Committee comprises four (4) members of the Board of Director, with the Head of the Internal Audit function providing secretariat services. The Chairman of the Committee is an Independent Director, it is also a requirement that at least one member of the Committee holds relevant qualifications in financial management or accounting with experience and knowledge in risk management and should be a member of a professional body with good standing.

Attendance

The Committee held **one (1)** meeting during the period as shown below:

No.	NAME	Q1	Q2	Q3	Q4	TOTAL
1.	John Osimbo Naliali – Chair	0/0	0/0	0/0	1/1	1/1
2.	Peter Nyamete Mogire	0/0	0/0	0/0	1/1	1/1
3.	Daniel Kipruto Kiptoo	0/0	0/0	0/0	1/1	1/1
4.	John Muigai Nyururu	0/0	0/0	0/0	1/1	1/1



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iii. Human Resource Management and Administration Committee

The Committee is responsible for overseeing the implementation of policies affecting staff performance and welfare. It is also responsible for advising and reviewing programmes aimed at addressing succession planning, advising and reviewing staff remuneration, and reviewing staff performance, appraisal, and reward systems. The Committee also continually reviews the organizational structure, core functions, and optimum staff establishment of the Board.

The Committee comprises five (5) members of the Board of Directors.

Attendance

The Committee held **two (2)** meetings during the period as shown below:

No.	NAME	Q1	Q2	Q3	Q4	TOTAL
1.	Daniel Kipruto Kiptoo - Chair	1/1	0/0	0/0	1/1	2/2
2.	Boru Abdi Hassan	1/1	0/0	0/0	1/1	2/2
3.	Grace Mwendwa Munjuri	1/1	0/0	0/0	1/1	2/2
4.	Stephanie Kamene Maseki	1/1	0/0	0/0	1/1	2/2
5.	John Osimbo Naliali	1/1	0/0	0/0	1/1	2/2

Number of Board Meetings and Attendance

The Board held **four (4)** meetings during the Financial Year 2024/2025, which were attended as follows:

S.No	Name	Q1	Q2	Q3	Q4	Total
1.	John Njogu Njoroge	2/2	0/0	0/0	2/2	4/4
2.	Dr. Chris Kiptoo / Peter N. Mogire	2/2	0/0	0/0	1/2	3/4
3.	Prof. Edward Kisiang'ani / Hezron Magoma Nyamberi*	2/2	0/0	0/0	N/A	2/2
4.	Mr. Stephen Isaboke, EBS / Hezron Magoma Nyamberi*	N/A	0/0	0/0	2/2	2/2
5.	Mr. Ismail Maalim Madey / Boru Abdi Hassan**	2/2	0/0	N/A	N/A	2/2
6.	Mr. Fikirini Jackobs Katoi Kahindi/ Boru Abdi Hassan**	N/A	N/A	0/0	0/2	0/2
7.	John Osimbo	2/2	0/0	0/0	2/2	4/4
8.	Kipruto Kiptoo	2/2	0/0	0/0	2/2	4/4
9.	Grace Mwendwa Munjuri	2/2	0/0	0/0	2/2	4/4
10.	Stephanie Kamene Maseki	2/2	0/0	0/0	2/2	4/4
11.	Raphael Ekadeli Loperito	2/2	0/0	0/0	2/2	4/4
12.	John Muigai Nyururu	1/2	0/0	0/0	2/2	3/4

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S.No	Name	Q1	Q2	Q3	Q4	Total
13.	Hariety Namwezi Zitah	2/2	0/0	0/0	2/2	4/4
14.	Raphael Letimalo	2/2	0/0	0/0	2/2	4/4

* New appointment of the Principal Secretary, State Department for Broadcasting and Communication.

** New appointment of the Principal Secretary, State Department for Youth Affairs and Creative Economy.

Board of Director and Members' Performance

The Board of undertakes annual individual and corporate evaluations facilitated by the State Corporations Advisory Committee in e with *Mwongozo* and Circular REF: OP/CAB.9/1A dated 11 March 2020 on "Management of State Corporations The evaluation focused on the Board of Directors' effectiveness, individual contributions, and collective performance in fulfilling fiduciary duties.

Succession Plan Board of Directors) has a structured Succession Management Policy Statement within the Board Charter to ensure leadership continuity and institutional resilience. Further, the Board has a Human Resource Planning and Succession Management Strategy outlines the identification, mentoring, and development of internal talent for key leadership roles, both at the ard of Directors and management levels.

Policy to Manage Conflicts of Interest

The Board of Director adheres to the provisions of the Conflict-of-Interest Policy within the Board Charter that is consistent with *Mwongozo*, the *Leadership and Integrity Act* and other relevant policy and legislative directives. The members are required to declare interest(s) at the beginning of each meeting, recuse themselves where a conflict exists and record these declarations in a Register of Conflict-of-Interest. During the FY 2024/2025, there was no interest declared as indicated in the table below:

Sno	Name	Q1	Q2	Q3	Q4	Total
1.	John Njogu Njoroge	×	×	×	×	NIL
2.	Dr. Chris Kiptoo / Peter N. Mogire	×	×	×	×	NIL
3.	Prof Edward Kisiang'ani / Hezron Magoma Nyamberi	×	×	N/A	N/A	NIL
4.	Mr. Stephen Isaboke, EBS / Hezron Magoma Nyamberi	N/A	N/A	×	×	NIL
5.	Mr. Ismail Maalim Madey / Boru Abdi Hassan	×	×	N/A	N/A	NIL
6.	Mr. Fikirini Jacobs Katoi Kahindi/ Boru Abdi Hassan	N/A	N/A	NIL	NIL	NIL



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7.	John Osimbo	×	×	×	×	NIL
8.	Kipruto Kiptoo	×	×	×	×	NIL
9.	Grace Mwendwa Munjuri	×	×	×	×	NIL
10.	Stephanie Kamene Maseki	×	×	×	×	NIL
11.	Raphael Ekadeli Loperito	×	×	×	×	NIL
12.	John Muigai Nyururu	×	×	×	×	NIL
13.	Hariety Namwezi Zitah	×	×	×	×	NIL
14.	Raphael Letimalo	×	×	×	×	NIL

× means no interest declared.

Board Remuneration

Board of Director remuneration is determined by the prevailing relevant legislative provisions and /or guidance from the appropriate authorities. Board Members receive sitting allowances and reimbursement for other expenses, including travelling allowance and other non-executive expenses, incurred by them in the performance of their duties.

Currently, the Board of DirectorBoard of Director’s remuneration aligns with the guidelines provided by the State Corporations Advisory Committee established under the State Corporations Act. The Chairperson is paid a monthly honorarium of Kshs. 80,000, airtime allowance of Kshs. 5,000 and a taxable sitting allowance of Kshs. 20,000 for each meeting attended. Additionally, the Directors are paid a taxable sitting allowance of KShs. 20,000 for each meeting attended, daily subsistence allowance of Kshs. 18,200 and mileage reimbursement as prescribed in Circular *REF: SRC/TS/SC/3/17 VOL. V (171)* dated 11th December 2017.

Ethics and Conduct

During the FY 2024/2025, the Board of Director continued to adhere to the Code of Conduct in accordance with its Board Charter and the *Mwongozo* and applicable legislation. The Board consistently upheld principles of integrity, accountability and ethical leadership acting in good faith, avoiding conflicts of interest, maintaining confidentiality and exercising independent judgment. As part of the annual Board performance evaluation, the ard of Directors were assessed on their fulfilment of legal and ethical duties, including their level of compliance with the Code of Conduct and Ethics, reinforcing the Board’s commitment to effective and principled governance.



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Governance Audit

In compliance with the provisions of *Mwongozo*, the Board conducts biennial governance audits through independent and qualified auditors. These audits assess compliance with governance principles, policy implementation and Board effectiveness, with recommendations used to strengthen institutional governance. During the period under review, the Board of Director continued to implement the recommendations of the Governance Audit that was undertaken in the Financial Year 2022/2023.

Communication Policy

The Board's communication is guided by the principles of responsiveness, accessibility, and timeliness. It has defined channels for internal and external communication as prescribed by its Corporate Communication Strategy, transparency, public trust, and accountability.

Policy on Related Party Transactions

The Board Charter provides that the Board of Directors/ Board shall disclose in its financial statements related party transactions. Related party transactions mean any financial transaction, arrangement or relationship in which the Board is a participant, and any Related Party has or has or will have a direct or indirect interest, regardless of whether or not there is a financial consideration.



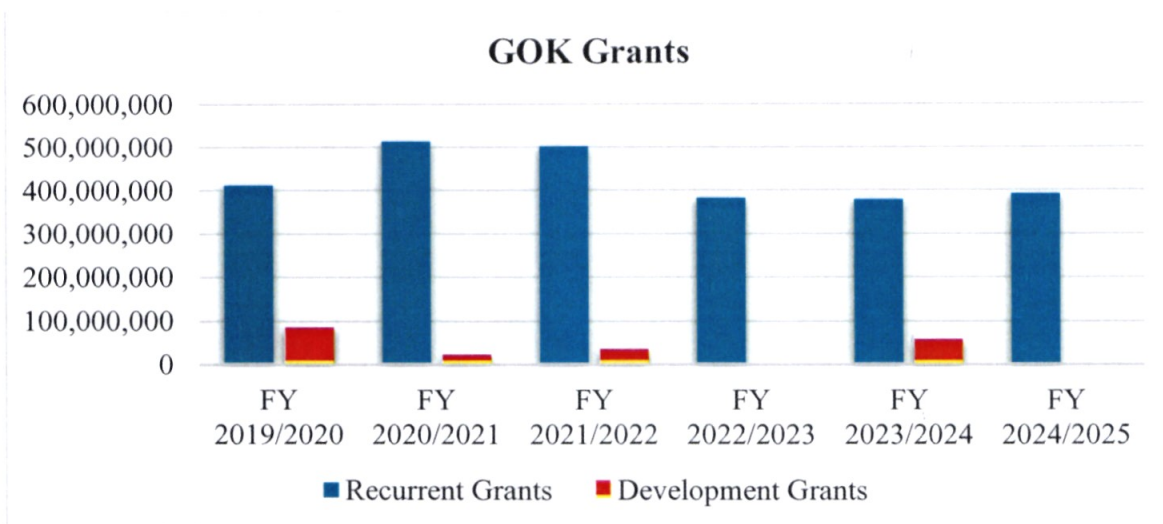
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9. Management Discussion and Analysis

Operational & Financial Review for the last five years

Income Analysis

During the FY 2024/2025, the Board’s total income was Kshs. 444.31 million. This comprised Government grants (GoK grants) of Kshs. 294.15 million, conditional grants of Kshs. 95.60 million and internally generated income of Kshs. 54.56 million. The GoK grants comprise of only Recurrent grants. In the period under review, the Board was not allocated any Development grants. Over the last five years, the Board has experienced an overall decline in the Recurrent funds by at least 23%.



The Government grants decreased by Kshs. 35.95 million from Kshs. 424.7 million to Kshs. 389.75 million compared to the previous FY 2023/2024. This translates to 8.44% decline.

Period	FY 2020/2021	FY 2021/2022	FY 2022/2023	FY 2023/2024	FY 2024/2025
	Kshs (M)	Kshs (M)	Kshs (M)	Kshs (M)	Kshs (M)
Recurrent Grants	511.20	500.00	380.74	376.80	389.75
Development Grants	17.00	30.00	0	52.50	0

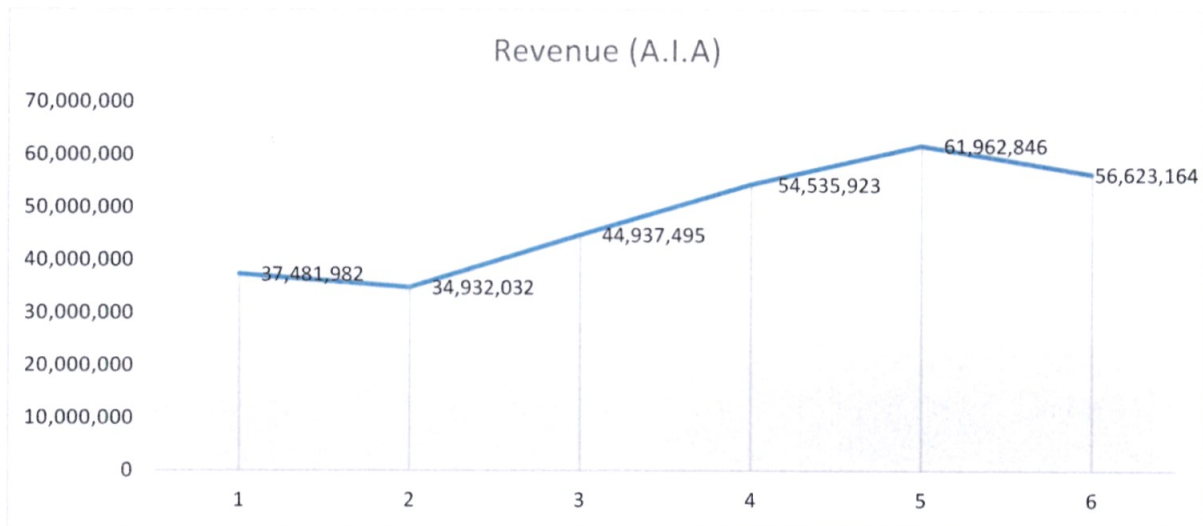
Revenue Analysis

The Board’s revenue collected from the over the last five years has experienced an increase in revenue collected through execution of its mandate by Sixty-One percent (61%). This has been occasioned by

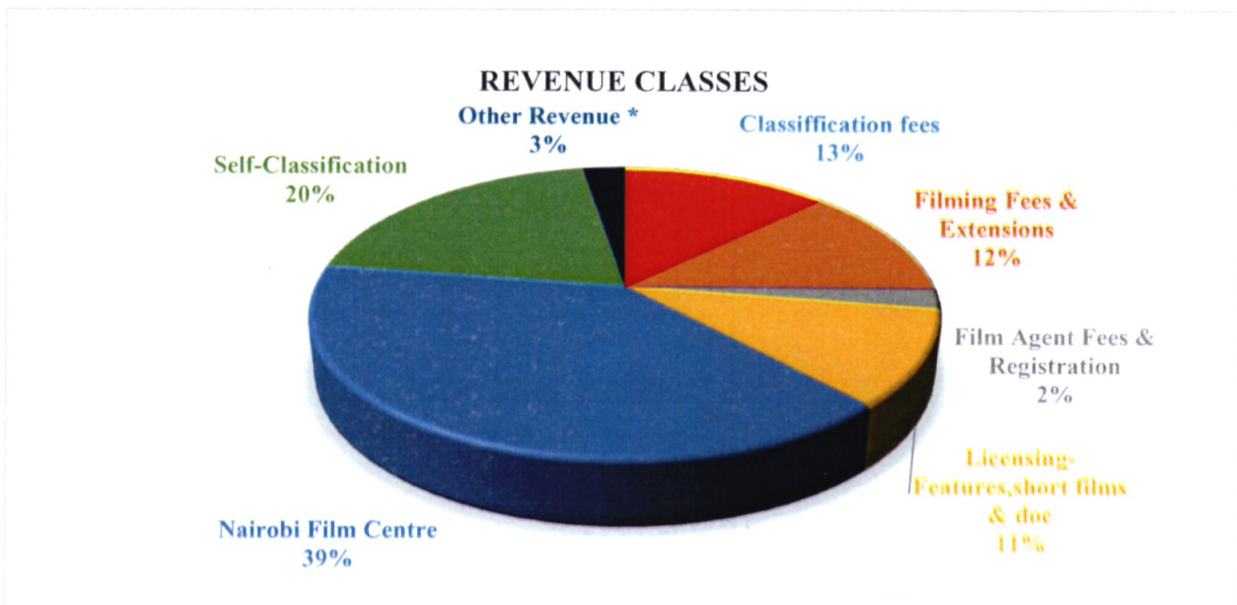


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several factors such as adoption of technology, enhanced compliance enforcement strategies and establishment of new revenue streams through realignment of the functions. However, the Board's internally generated revenue, Appropriation-in-Aid (A-I-A) for the FY 2024/2025, decreased by Kshs. 5.33 million from Kshs. 61.96 million in FY 2023/2024 to Kshs. 56.62 million, representing an Eight percent (8%) decrease. These figures represent the amount of revenue collected during the period. It is important to note that these figures include differed income for all the periods i.e., revenue collected but not yet earned. Analysis is as shown below.



The composition of the revenue collected based on the different classes is as shown below.





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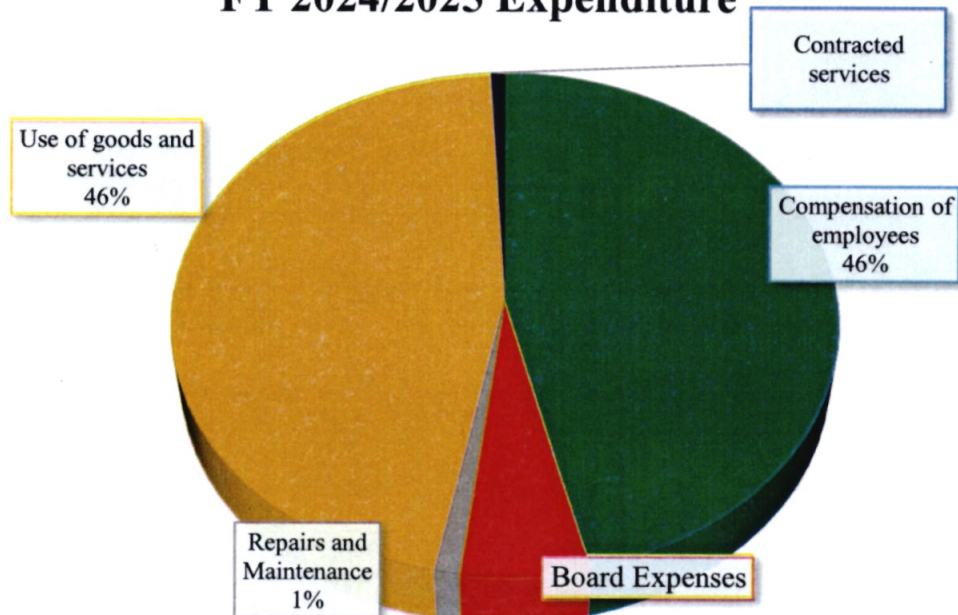
The chart above clearly illustrates the income collected over the last six years. However, in the period under review, the revenue earned in the period includes revenue collected in the F/Y 2023/2024 but earned in the FY 2024/2025. Revenue earned from licensing of exhibitors and distributors increased from Kshs. 6.37 million to Kshs. 9.46 million. However, revenue earned from sale of classification labels declined from Kshs. 3.12 million to Kshs. 1.58 million. Revenue earned from classification fees declined from Kshs. 12.15 million to Kshs. 10.3 million. Further, revenue from filming fees decreased from Kshs. 6.17 million to Kshs. 5.088 million while revenue from film agent fees increased from Kshs. 0.88 million to Kshs. 1.68 million. Revenue from Licensing of feature films, documentaries and series decreased from Kshs. 5.78 million to Kshs. 4.32 million. The revenue from the Nairobi Film Centre during the period increased from Kshs. 15.77 million to Kshs. 16.04 million.

Expenditure Analysis

The Board's total actual Recurrent expenditure was Kshs. 444.3 million against the planned budget of Kshs. 447.7 million. The Board's total actual recurrent expenditure decreased from Kshs. 572.52 million in the previous FY 2023/2024 to Kshs. 447.7 million. In the FY 2024/2025 the Board was not allocated any development funds. This translates to a 21% decline in the recurrent budget. The overall expenditure absorption for the period amounted to Kshs. 100%. This percentage comprises expenditure across different classes as follows: Compensation of Employees at 82%, Board Expenses at 200%, Repairs and Maintenance at 154%, Use of Goods & Services at 117% and Contracted Services at 124%. These over expenditures were attributed to contractual obligations that were ongoing during the period even though the Board suffered significant budget cut. The composition of the expenditure is as shown below.



FY 2024/2025 Expenditure



Compliance Analysis

During the 2024/25 FY, the Board continued to implement its core programmes, projects and activities as outlined in its Strategic Plan 2022-2027. These were implemented through commitment to the Annual Performance Contract and annual work plans. The activities were implemented under the following three key Compliance targets: enhancement with Film Classification Regulations, Film Creation, Distribution and Exhibition Regulations and Film and Broadcast Content Regulations.

Specifically, in the year under review, 2,620 licenses were issued to film distributors and exhibitors against a target of 2,650, representing 98.87%. The number of filming licenses and registered film agents was 769 and 125, respectively, against a target of 650 and 80, respectively. In comparison with the 2023/24 FY where 4,762 licenses were issued to film distributors and exhibitors while 1,036 filming licenses were issued and 129 film agents registered. There was a general decline of the targets set in the year under review to approximately 50% compared to the 2023/24 FY. This was attributed to budgetary cuts, which were reduced to almost half compared to the 2023/24 FY. However, despite this challenge, the Board continued to intensify field inspection of filming locations and enhanced enforcement of compliance among broadcasters and filmmakers



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Classification Decisions and Broadcast Content Compliance Monitoring

Section 15 (ii) of the Films and Stage Plays Act provides for examining and classifying film and broadcast content. This is done by classifying all programme and non-programme matters, namely commercials, infomercials, documentaries, programme promotions, programme listings, community service announcements, and station identification using the Board's Film Classification Guidelines. To enhance classification compliance in light of the above mandate, the Board classified 571 dramas, 49 documentaries, 53 action films, 85 reality TV shows, 27 commercials, 37 animations, 53 comedies, 29 talk shows, 11 horror films, six monologues, 6 romantic film, eight science fiction, two musical film and 1 trailer were classified. In this regard, 939 films were examined and classified during the period under review against a target of 800 films. Of the 939 films classified 84 % (798) were local films and 15 % (141) were foreign films. United States of America continue to be the biggest exporter of films into the country, out of the 141 foreign film examined 83 were from the USA, India comes in second at 38 films while African films were 20.

Compared to the FY 2023/2024, 1031 films were examined and classified. The decrease was attributed to increased uptake self-classification on pilot basis which has seen Netflix, Safaricom baze onboarded among others. Out of the 939 films submitted for classification, only one (1) was restricted, while most of the films examined were rated PG at 349 (37.1%), followed by GE at 322(34.2%), followed by 16 rating at 142 (15.1%), and 18 rating at 126 (13.4%).

Consumer Advice and Awareness

In the Financial Year 2024/2025, the Board conducted consumer awareness and public sensitisation forums on the Board's mandate, programs, and campaigns, targeting diverse stakeholders' country-wide in line with the Board's consumer advisory function as provided for in the Films and Stage Plays Act Cap 222 of the Laws of Kenya. This was undertaken jointly by the Corporate Communications jointly with the Technical Departments as well as the Regional Offices. In this regard, the Board carried out 20 consumer awareness sessions country-wide against a target of 22 consumer awareness sessions. In comparison with the previous review period, 35 consumer awareness sessions were undertaken against at target of 40. In addition, the Board, conducted awareness sessions on KFCB's social media platforms on responsible consumption of audio-visual content, reaching out to more than 20,000 people through the #FormNiSafi,



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#CleanIsCool and #YouAreWhatYouConsume taglines. Moreover, through the roll-out of CAFiL Phase II and III, the Board created awareness/education for the participants in eight counties across the country

In addition, the Board Conducted 3 inspections of filming locations in the country to enforce compliance among filmmakers. It developed and disseminated a Regulators' Handbook in collaboration with the Kenya Civil Aviation Authority (KCAA), Kenya Revenue Authority (KRA), Kenya Copyright Board (KECOBO), Kenya Wildlife Services (KWS), Office of the Data Protection Commissioner (ODPC) and the Directorate of Immigration Services.

In fulfillment of the government directive on Access to Government Procurement Opportunities (AGPO), the Board awarded tender to youth, women and persons with disabilities worth **Kshs. 16,167,679**, which translates to 27% of the total procurement value of **Kshs. 60,618,269**.

Key Projects

The Board, in the financial year 2024/2025, targets the implementation of the Sinema Mashinani. The project seeks to: Establish and Sustain an Efficient System for Regulating the Creation, Distribution and Exhibition of Film and Broadcast Content in the country in line; Encourage consumption of Film & Broadcast Content that has been duly rated by the Government for age suitability so as to protect children from exposure to inappropriate content, and to promote viability of film as an economic venture through promotion of a National Cinema Culture;

Create a platform for; Showcasing innovations, Conducting public sensitization initiatives on responsible consumption of Film & Broadcast content, Continuous Engagement between the Government and Industry Stake-holders and Players, Exhibitions and Education initiatives, and Maximizing access to Kenya's Film Culture in the context of the country's rich cultural diversity; Create Employment Opportunities and Nurture Cinematic Arts Talents in the Youth and the general Public interested in pursuing careers in Film and other Performing Arts; and Create an Asset that generates income to the People and the Government of Kenya.

The project comprises several components, such as Refurbishing and Equipping the Nairobi Film Centre and acquiring mobile Cinema systems.

In the Financial Year 2024/2025, the Board was not allocated any Development funds towards the project. Therefore, the overall project implementation rate still stands at 23%.



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The Mobile Cinema component of the project is currently ongoing and in its final stages of implementation. In the third quarter, the Project implementation team conducted two inspections and testing activities of the Mobile Cinema Solution to establish the compliance status of the solution on its entirety. On 25th April, 2025, the contractor handed over the specific deliverables that rendered the project practically complete. The Project Manager is finalising the project documentation so as to hand over all the project requirements and issue a certificate of completion.

Compliance with regulatory requirements

The Board complies with the Film Stage Plays Act Cap 222 which is the principal law outlining the mandate of the Board. In the period under review, the Board settled all its statutory requirements such as remittance of PAYE, NSSF, SHIF, Affordable Housing Levy, Withholding Rent and Withholding VAT and remitted the same withing the set timelines as stipulated by the different legislations. The Board at the moment is not exposed to any contingent liabilities with probability of causing any outflow of resources to meet the cost of such obligations.

Challenges & Major Risks

No.	Type of Risk	Risk	Proposed mitigation
1.	Operational and Legal	Lack of appropriate infrastructure and technology to match modern innovations in the new media and audio-visual industry thus inhibiting Board’s ability to regulate the creation, broadcasting, possession, distribution, and exhibition of film.	<ul style="list-style-type: none"> • The Board to acquire robust systems for regulation by purchasing appropriate media monitoring equipment and technology. • The Board is currently mobilizing resources for acquiring the equipment. • In the short run, the Board has collaborated with Communication Authority (CA) to use their existing broadcast logger for broadcast monitoring. A Standard Operating



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No.	Type of Risk	Risk	Proposed mitigation
			<p>Procedure is in place and operationalized.</p> <ul style="list-style-type: none"> • Developing a self-regulation framework to deal with regulation of content on Over-the-Top streaming platforms, Linear Broadcasters as well as Video on Demand services. • Additionally, where necessary the Board pursue a whole government approach to collaborate with state agencies to protect children from exposure to harmful content.
		Inability of the Board to regulate distribution and exhibition of film and broadcast content online; internet-based applications etc.	<ul style="list-style-type: none"> • Review the existing Film & Stage Plays Act to address the gaps occasioned by advancement in technology. • Enact and implement the Film Censorship - Self Classification Regulations • Develop a Regulations and guidelines to deal with regulation of content on User Generated Platforms. • Additionally, where necessary the Board will seek court interventions to protect children from exposure to harmful content
2.	Market Risk	Inability of Board to classify film and broadcast content to curb exposure of harmful	<ul style="list-style-type: none"> • Enact and implement the Film Censorship - Self Classification Regulations



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No.	Type of Risk	Risk	Proposed mitigation
		content to children, leading to non-compliance of broadcasting, exhibition and distribution of film and broadcast content.	<ul style="list-style-type: none"> Develop a Regulations and guidelines to deal with regulation of content on User Generated Platforms.
		Inability of the Board to address shifting expectations of various stakeholder in the industry.	Management to progressively engage all stakeholders to arrive at a consensus of regulations affecting the industry.
3.	Capital and Credit Risks	The risk is significantly low for the Board since it does not hold capital share and investments. In addition, the Board does not borrow from the market to finance its operations.	Management to keep in view (KIV) of this risk whenever it occurs
4.	Liquidity Risk	The Board is not exposed to liquidity risk, however, its ability to access sufficient capital/liquidity may restrict growth opportunity when there is a delay in receipt of GoK grants. This may lead to late implementation of programs and strategies by the Board. This risk has materialized during the Fourth quarter since disbursement were received on monthly	<ul style="list-style-type: none"> Engage the parent ministry to negotiate disbursement of allocation on a timely basis. Development and implementation of a Resource Mobilisation Strategy. In the long run, the management to develop a strategy for revenue generation through target programmes and projects.



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No.	Type of Risk	Risk	Proposed mitigation
		basis compared to previously on quarterly basis.	

Material arrears in statutory/financial obligations

In the period under review, there are no major material arrears in pending obligations of the Board.

The Board has an outstanding trade payable, employee obligations and other deduction obligation which it is capable to settle as shown below;

Trade and other payables		
Description	FY 2024/2025	FY 2023/2024
	Kshs.	Kshs.
Trade payables	13,723,048	19,008,324
Provisions for Audit Fees	403,680	403,680
Refund payables	501,500	466,700
VAT Payable	782,708	30,772
Employee obligations	13,431,540	6,625,109
Total trade and other payables	28,842,476	26,534,585

Review of the Economy Film Industry

According to the Africa Entertainment & Media outlook 2024-2028, 2025 by PWC, the African Entertainment & Media industry where the Film Industry falls in, is set to post exponential growth rates across the continent in the next four years. A comparison of the three leading three countries i.e., South Africa, Nigeria and Kenya, where the latter is the smallest, it is expected that Kenya is set to post a compound annual growth rate CAGR of 5.2% by 2028 which is a higher rate than the South Africa (CAGR 4.2%) which currently has a larger Film Industry. Internet advertising, and OTT are expected to lead the way, thus contributing to the fastest growing advertising market in the world at a CAGR of 17.4% through 2028.

The Board as a regulator of the film industry appreciates the importance of a conducive and facilitative film regulatory environment to spur economic growth especially in a budding sector with immense untapped potential. The growth witnessed in the Entertainment & Media industry has and continues to pose opportunities as well as challenges in the regulation of audio-visual content in the country. The Over The Top services have contributed significantly to the different distribution channels thus making content easily accessible over the internet. This has given rise



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to the advent of the likes of Netflix, Showmax and Viu Sasa as spaces for exhibiting and distributing films as opposed to the conventional channels such as Television and Cinemas. Their use has also impacted the appreciation of local content and has not only seen an increase in the traffic of content consumers on the platforms but also significant investment in the infrastructure. The regulatory environment plays a critical role in the success of any economy. In response to the evolving Film Industry, the Board set out to develop, review, implement its laws and regulations for the different gaps. Such include the Self-Classification Regulations which are meant to facilitate OTTs to classify the huge number of films on their platforms.

Future Developments

As the Board focuses on facilitating growth in the film industry it has put in place strategies and interventions to the different gaps identified over the years. These interventions include: Regulatory reforms, Infrastructure support mechanisms and forging of partnerships both locally and internationally.

The regulatory reforms intend to address gaps brought about by changes in technology and shall include the review of the Film & Stage Plays Act, Cap 222, development of regulations on to regulate User generated content platforms (social media), video games and harmonise the National and County film regulatory environment to facilitate ease of doing business.

The Board in its role, it intends to play a facilitatory role in supporting the industry by refurbishing and equipping the Nairobi Film Centre to a state-of-the-Art multi-purpose arena for the Creative economy to showcase and monetise their different forms of art.



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10. Environmental and Sustainability Reporting

i) *Sustainability Strategy and Profile*

During the FY 2024/2025, the Board integrated sustainability into its regulatory and operational strategies by aligning with the Strategic Plan (2022–2027), BETA, Vision 2030 (MTP IV), Agenda 2063, relevant SDGs (5, 8, 9, 10, 12, and 17) and international best practices. Strategic programs were aligned with the Bottom-Up Economic Transformation Agenda, particularly the Digital Superhighway and Creative Economy pillar, through digitalization of services and migration to eCitizen for ease of accessibility.

To enhance service delivery and institutional resilience, the Board developed key policies such as the Business Continuity Plan, Disaster Recovery Plan, Social-Media Policy and Crisis Communication Plan to ensure institutional preparedness and continuity during crises. Amid inflation and budget constraints, the Board implemented cost-effective, digital approaches and innovative methods such as virtual engagements for effectiveness.

During the Financial Year 2024/2025, the Board continued to procure its goods, works and services in accordance with the provisions of the *Public Procurement and Asset Disposal Act* and other such related policy directives. Further, the Board ensured compliance with the directive on Access to Government Procurement Opportunities (AGPO) to reserve and award a minimum of 30% of its procurement to youth, women and persons with disability and awarded procurements totalling Kshs. 16,167,679 which was 27% of the total procurement value. Additionally, the Board complied fully with the requirement on promotion of local content in procurement to reserve and award a minimum of 40% of its procurement achieving an actual local procurement of Kshs. 60,618,269.

ii) *Environmental performance*

During the FY 2024/2025, the Board advanced environmental sustainability through an integrated approach aligned with the Climate Change Act, National Climate Change Action Plan 2023–2027 and BETA. Key interventions included upgrading its automated licensing system for effective and far-reaching service delivery. The Board outsourced services such as cloud storage and email communication to avoid investing in infrastructure prone to obsolescence. It also adopted virtual meeting platforms in place of physical meetings, significantly reducing both energy and paper



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consumption. In a bid to reduce emissions, the Board prioritized regular maintenance of its vehicle fleet. In line with government directives on increasing the country's forest cover, the Board donated 500 seedlings and participated in a tree planting exercise in Makueni County.

However, there were gaps by the Board with regard to environmental conservation such as user uptake on the online licensing system and reduced paper use and adoption of waste practices. Mitigation measures initiated included increased sensitization to the Board's clients on the use of the licensing system as well as staff awareness on disposal of e-waste.

iii) Employee welfare

The Board promotes employee welfare through fair competitive, merit-based and inclusive recruitment practices. These practices promote gender balance, youth representation and the inclusion of persons with disabilities (PWDs), alongside competitive remuneration and a safe, supportive work environment in line with the following approved Human Resource Management instruments:

- i) Human Resource Policy and Procedures Manual;
- ii) Career Guidelines; and
- iii) Organisation Structure & Staff Establishment.

During the FY 2024/2025, the Board invested in capacity-building initiatives, in-house trainings and approvals for relevant courses to enhance staff skills and support career growth based on the recommendation of the Skills Gap Analysis done in the Financial Year 2023/2024. The Board utilized its annual performance appraisal system used to assess individual performance against targets derived from the Board's Corporate Performance Contract as aligned with the Performance Management System outlined in the Human Resource Policy and Procedures Manual with the results informing staff development and training needs plans. During the period under review, the Board operationalized its career progression guidelines and effected staff promotions in line with established criteria and performance outcomes.

In compliance with the *Occupational Safety and Health Act*, the Board maintained a workplace safety policy and established a Health and Safety Committee to oversee regulatory compliance, support the development and testing of emergency response plans as well as identify and address workplace health and safety risks. During the Financial Year 2024/2025, the Board continued to



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conduct routine risk assessments, safety drills and staff sensitizations on occupational health and safety. The Board also completed First Aid and Fire Marshal training programmes facilitated by St. John Ambulance and availed fire extinguishers, first aid kits and emergency signage at its headquarters. There were no major work-related injuries were reported and to further minimize risk, the Board enhanced first-aid readiness and ensured regular emergency equipment maintenance.

iv) *Market place practices*

a) *Responsible competition practice*

In the Financial Year 2024/2025, the Board continued to uphold responsible competition practices by enforcing strict adherence to relevant laws and policies, including the *Public Procurement and Asset Disposal Act*, *Anti-Corruption and Economic Crimes Act* and related policy directives. Open and transparent tendering processes were implemented to promote fair competition, with all procurement opportunities advertised and evaluated through objective criteria. The Board maintained neutrality in political affairs and demonstrated respect for competitors by upholding professional standards and discouraging unfair market practices.

To enhance service delivery, the Board continued to implement its Citizen's Service Charter detailing requirements, timelines and accessibility for effective service delivery. The Citizens Service Charter is placed at all strategic public areas in both English and Kiswahili languages and translated to Braille. The same has been replicated in all regional offices. For increased outreach, the Charter has been posted on the website, with audio-capabilities. Further, all public feedback and complaints were registered, resolved and shared with the relevant agency in line with the provisions of the *Access to Information Act and Commission on Administrative Justice Act*.

The Board's key services within its core mandate were automated to facilitate efficiency and self-service. In line with the government directive on cashless transactions, all client payments were made exclusively through the E-Citizen Portal, while payments to service providers were processed via Electronic Funds Transfer (EFT) to ensure transparency and accountability.

During the period under review, the continued to strengthen anti-corruption measures through periodic reporting and continuous sensitization of the Board's staff. The Board further intensified



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public outreach and brand protection efforts to enhance stakeholder awareness. This included targeted social media campaigns and participation in public forums to educate the public on the Board's mandate and services. These initiatives strengthened the Board's visibility, promoted responsible film content consumption and reinforced its commitment to transparency, accountability and public trust.

b) Responsible supply chain and supplier relations

During the Financial Year 2024/2025 the Board continued to maintain ethical business practices with regard to its suppliers by honouring the terms of its contracts, including payment, regularly reviewing contract performance and fostering strong supplier relationships. The Board continued to employ amicable dispute resolution mechanisms to maintain its relationship with suppliers and service providers.

c) Responsible marketing and advertisement or Responsible Engagement with the citizens.

In the Financial Year 2024/2025, the Board continued to embrace diverse channels of communication to sensitize stakeholders on its core-mandate and related programs at public sensitization, engagement forums, townhall meetings as well as issuing media briefs. The Board utilized conventional media platforms (television, newspaper and radio) as well as social media platforms and its website to ensure broader coverage. The Board further ensured demographic diversity through use of sign language, braille the use of influencers and bloggers.

d) Product stewardship or Awareness creation

In the Financial Year 2024/2025, the Board continued to protect consumer rights through its film classification function, ensuring film content was appropriately rated line with its regulatory and constitutional mandate. The Board is also registered as a Data Controller and Processor and during the Financial Year 2024/2025 developed a Privacy Notice to inform its stakeholders on the lawful the collection, processing and protection of personal data. Additionally, the Board continued to adhere to dispute resolution mechanisms are embedded in all its contracts as well as the Board's Human Resource Manual to address issues involving external clients and staff, respectively.



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During the period under review, the Board conducted consumer awareness and public sensitization forums on the Board's mandate, its related programs and campaigns, targeting diverse stakeholders' country-wide in line with the Board's consumer advisory function under the *Films and Stage Plays Act*.

v) ***Corporate Social Responsibility / Community Engagements***

During the Financial Year 2024/2025, the Board implemented initiatives aimed at supporting community development, youth empowerment and the growth of the creative sector in line with its Corporate Social Responsibility Policy. A key initiative included offering the Nairobi Film Centre to creatives at no cost, along with free publicity, to enable them to showcase their work, build their profiles and promote their talent within the film industry. This initiative aligned with the Board's mandate to nurture local talent and expand opportunities within the industry.



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11. Report of the Directors

This report is prepared and aligned with integrated reporting and includes principles of International Public Sector Accounting Standards and takes into account other guidelines published in this regard.

i. Principal activities

The principal activities of the Board include regulating the creation, broadcasting, possession, distribution and exhibition of films by; Examining every film and every poster submitted under the Act for purposes of classification; Imposing age restrictions on viewership; Giving consumer advice, having regard to the protection of women and children against sexual exploitation or degradation in cinematograph films and on the internet; and licensing and issuing certificates to: film producers, agents, distributors and exhibitors of films.

ii. Results

The results of the entity for the year ended June 30, 2025, are set out on **page 1 to 7**

iii. Directors

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

iv. Surplus remission

In accordance with Section 219 (2) of the Public Financial Management Act regulations, regulatory entities shall remit Ninety per cent of their surplus funds reported in the audited financial statements to the consolidated fund after the end of each financial year. The entity did not make any surplus during FY 2024/2025, so there was no remittance to the consolidated Fund.

v. Auditors

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

By Order of the Board

A handwritten signature in blue ink, appearing to be 'Eunice Mwanza', is written over a faint circular stamp.

Eunice Mwanza
Ag. Corporate Secretary



KENYA FILM CLASSIFICATION BOARD
Annual Report and Financial Statements for the year ended June 30, 2025

12. Statement of Directors' Responsibilities

In line with Section 81 of the *Public Finance Management Act*, Section 14 of the *State Corporations Act* and Section 11(2)(c) of the *Films and Stage Plays Act*, Board of Directors (Board of Director) are required to prepare financial statements in respect of that entity, which give a true and fair view of the state of affairs of the entity at the end of the financial year/period and the operating results of the entity for that year/period. The Directors are also required to ensure that the entity keeps proper accounting records which disclose with reasonable accuracy the financial position of the entity. The Directors are also responsible for safeguarding the assets of the entity.

The Board of Directors are responsible for the preparation and presentation of the **Kenya Film Classification Board's (The Board/KFCB)** 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.

These responsibilities include:

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

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



KENYA FILM CLASSIFICATION BOARD
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The Directors are of the opinion that the KFCB's financial statements give a true and fair view of the state of *KFCB's* transactions during the financial year ended June 30, 2025, and of its financial position as at 30th June 2025. The Directors further confirm the completeness of the accounting records maintained, which have been relied upon in the preparation of *KFCB's* financial statements as well as the adequacy of the systems of internal financial control.

Nothing has come to the attention of the Directors to indicate that KFCB 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 KFCB's financial statements were approved by the Board of Directors on this.....²⁸ day of
.....^{August}..... 2025 and signed on its behalf by:

John Njogu Njoroge
Chairman of the Board

Nelly Muluka Aluoch
Accounting Officer/Chief Executive Officer

REPUBLIC OF KENYA

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HEADQUARTERS
Anniversary Towers
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NAIROBI

REPORT OF THE AUDITOR-GENERAL ON KENYA FILM CLASSIFICATION 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 Film Classification Board set out on pages 1 to 58, 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 Film Classification 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 Kenya Film Classification Board Management in accordance with ISSAI 130 on Code of Ethics. I have fulfilled other ethical responsibilities in accordance with the ISSAI and in accordance with other ethical requirements applicable to performing audits of financial statements in Kenya. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion

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 Information

The Management is responsible for the Other Information set out on page ii to lxvi 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 Kenya Film Classification 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 effect of the matters 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

1. Delayed Handover of the Mobile Cinema System

Review of documents revealed that Kenya Film Classification Board, contracted a firm to install and commission a Mobile Cinema System at a cost of Kshs.96,782,000. The project was completed on 3 February, 2025 and amount totaling Kshs.41,982,615 had been paid as at 30 June, 2025. However, as at the time of audit in November, 2025 the project was complete, but the handover process had not been fully completed by the Contractor.

In the circumstances, the value for money to be realized from the expenditure of Kshs.41,982,615 incurred on the project could not be confirmed.

2. Delay in the Repeal of Stage Plays and Films Act, Cap 222

Review of documents revealed that the Board operates under the provisions of the Stage Plays Act, Cap 222 which contain certain sections that are either outdated, redundant, or no longer align effectively with the emerging technological issues affecting the contemporary core mandate and operational scope of Kenya Film Classification Board. In recognition of these emerging regulatory issues, the Management has initiated the process of amendments to the Act through Creative Economy Bill of Parliament to modernize the legal framework, to accurately reflect the entity's current functions, strategic objectives and evolving operational environment. However, as at the time of the audit, the drafted Bill had not yet undergone the requisite approval processes to be enacted into law.

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

3. Under Staffing at the Board

Review of staff establishment revealed under staffing in the position of Chief Executive Officer, Chief Managers and Managers as analysed below:

Post/Grade	Establishment	In-post	Audit Observation
Chief Executive Officer	1	0	Vacant since August, 2021
Chief Manager	5	0	None Filled
Manager	21	3	85 % Vacant

To bridge the gap, it was observed that most positions were held in acting capacity for more than six (6) months contrary to Section C.14 of Public Service Commission Manual 2016, which set the maximum acting limit of six (6) months. Although the Management has attributed the state of affairs to Government's suspension of recruitment, the understaffing may result to staff burnouts and inability to accomplish the organization's set objectives.

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

18 December, 2025



KENYA FILM CLASSIFICATION BOARD

Annual Report and Financial Statements for the year ended June 30, 2025

14. Statement of Financial Performance for the Year Ended 30 June 2025

	NOTES	FY 2024/2025	FY 2023/2024
		Kshs.	Kshs.
Revenue from non-Exchange Transactions			
Transfers from Other Government entities	6	389,754,114	519,900,000
Sub-Total		389,754,114	519,900,000
Revenue from Exchange Transactions			
Licenses and permits	7	57,726,991	50,296,007
Sub-Total		57,726,991	50,296,007
Total Revenue		447,481,105	570,196,007
Expenses			
Employee Costs	8	211,493,682	213,347,656
Board Expenses	9	25,518,498	30,852,259
Depreciation and Amortisation Expense	10	53,458,216	26,718,032
Repairs and Maintenance	11	4,810,759	14,444,217
Transfers	12	-	43,599,800
Use of goods and services	13	202,298,216	234,928,863
Contracted services	14	3,590,815	6,085,796
Total Expenses		501,170,186	569,976,623
Surplus/Deficit for the Period		(53,689,081)	219,384
Remission to National Treasury	25	-	197,445
Net Surplus/ Deficit for the Year		(53,689,081)	21,939

The notes set out on pages 8 to 47 form an integral part of these Financial Statements

Nelly Muluka Aluoch
Ag. Chief Executive Officer

Date... 9/12/25

CPA Christopher Masila
Ag. Head Finance and Accounts
ICPAK Member Number: 31024

Date... 9/12/2025

John Njogu Njoroge
Chairman

Date... 9/12/25





KENYA FILM CLASSIFICATION BOARD
Annual Report and Financial Statements for the year ended June 30, 2025

15. Statement of Financial Position as at 30 June 2025

Description	NOTES	FY 2024/2025	FY 2023/2024
		Kshs.	Kshs.
Assets			
Current Assets			
Cash and Cash Equivalents	15	146,398,901	143,961,476
Prepayments	16	21,374,939	21,565,094
Receivable from Non-Exchange Transactions	17	1,085,334	507,332
Inventories	18	9,828,524	11,238,597
		178,687,698	177,272,499
Non-Current Assets			
Property, Plant and Equipment	19	170,778,959	117,117,284
Intangible Assets	20	4,830,064	3,294,733
Right of Use Asset	21	201,914,189	-
		377,523,211	120,412,017
Total Assets		556,210,909	297,684,516
Liabilities			
Current Liabilities			
Lease Liability	21	29,153,724	-
Trade and Other Payables from Exchange Transactions	22	28,842,476	26,534,585
Deferred Income	23	11,986,012	12,647,839
Total Current Liabilities		69,982,212	39,182,424
Non - Current Liabilities			
Lease Liability	21	201,914,189	-
Total Non - Current Liabilities		201,914,189	-
Net Assets		284,314,508	258,502,092
Represented by:			
Accumulated Surplus		284,314,509	258,502,093
Net Assets		284,314,509	258,502,093

The Financial Statements set out on **pages 1 to 7** were signed on on behalf of the Board of Directors by:


 Nelly Muluka Aluoch
 Ag. Chief Executive Officer


 CPA Christopher Masila
 Ag. Head Finance and Accounts
 ICPAK Member Number: 31024


 John Njogu Njproge
 Chairman

Date... 9/12/25

Date... 9/12/2025

Date... 9/12/25

**KENYA FILM CLASSIFICATION 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**

	Accumulated surplus	Total
Balance as at 30 JUNE 2022	299,606,937	299,606,936
Surplus/(Deficit) for the period	(37,506,261)	(37,506,261)
Transfers to/from accumulated surplus	-	-
Remittance to National Treasury - Provision	-	-
Balance as at 30 JUNE 2023	262,100,676	262,100,675
Balance as at 1st July 2023	262,100,676	262,100,676
Prior Year Adjustment	(3,817,967)	(3,817,967)
Re-stated Balance as at 1ST JULY 2023	258,282,709	258,282,709
Surplus/(Deficit) for the period	219,384	219,384
Transfers to/from accumulated surplus	-	-
Remittance to National Treasury - Provision	-	-
Balance as at 30 JUNE 2024	258,502,093	258,502,093
Balance as at 1st July 2024	258,502,093	258,502,093
Transfer of excess depreciation on revaluation	79,501,498	79,501,498
Re-stated Balance as at 1ST JULY 2024	338,003,591	338,003,591
Surplus/(Deficit) for the period	(53,689,081)	(53,689,081)
Transfers to/from accumulated surplus	-	-
Remittance to National Treasury - Provision	-	-
Balance as at 30 JUNE 2025	284,314,509	284,314,509



KENYA FILM CLASSIFICATION BOARD
Annual Report and Financial Statements for the year ended June 30, 2025

17. Statement of Cash Flows for the Year Ended 30 June 2025

Description	NOTE	FY 2024/2025	FY 2023/2024
		Kshs.	Kshs.
Receipts			
Receipts of GoK Recurrent Grants		389,754,114	519,900,000
Receipts of GoK Development Grants		-	-
GOK Grants		389,754,114	519,900,000
Receipts from Internally Generated Revenue		57,099,964	62,343,846
Total Receipts		446,854,078	582,243,846
Payments			
Employee Costs		205,265,253	211,232,926
Board Expenses		25,518,498	30,852,259
Repairs and Maintenance		4,810,759	14,444,217
Transfers		-	43,599,800
Use of goods and services		205,231,328	218,129,378
Contracted Services		3,590,815	6,085,796
Total Payments		444,416,653	524,344,376
Net Cash generated from Operating Activities		2,437,425	57,899,470
CASHFLOW FROM INVESTING ACTIVITIES			
Purchase of Property, Plant and Equipment			(78,929,616)
Net Cash generated from investing activities		-	(78,929,616)
CASHFLOW FROM FINANCING ACTIVITIES			
Net Cash generated from Financing Activities		-	-
INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS		2,437,425	(21,030,146)
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF YEAR	15	143,961,476	164,991,622
CASH AND CASH EQUIVALENTS AT THE END OF YEAR	15	146,398,902	143,961,476



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18. Statement of Comparison of Budget and Actual Amounts for the Year Ended 30 June 2025

Statement of Comparison of Budget and Actual amounts for the year ended 30 June 2025						
	Original Budget	Adjustment	Final Budget	Actual on Comparable Basis	Performance	% of Utilization
Descriptions	FY 2024/2025	FY 2024/2025	FY 2024/2025	FY 2024/2025	FY 2024/2025	FY 2024/2025
	KSHS	KSHS	KSHS	KSHS	KSHS	KSHS
Opening balance from FY 2023/2024 - Cash balances						
Receipts for the period						
Transfers from government	224,148,914	165,605,200	389,754,114	389,754,114	-	100%
Licenses and permits	46,000,000	8,558,224	54,558,224	57,099,964	(2,541,740)	105%
Total Receipts	270,148,914	174,163,424	444,312,338	446,854,078	(2,541,740)	101%
Payments						
Compensation of employees	249,558,707	-	249,558,707	205,265,253	44,293,454	82%
Board Expenses	1,700,855	11,056,610	12,757,465	25,518,498	(12,761,033)	200%
Repairs and Maintenance	-	3,122,775	3,122,775	4,810,759	(1,687,984)	154%
Use of goods and services	18,889,352	157,090,624	175,979,976	205,231,328	(29,251,352)	117%
Contracted services	-	2,893,415	2,893,415	3,590,815	(697,400)	124%
Total Payments	270,148,914	174,163,424	444,312,338	444,416,653	(104,315)	100%
Capital Expenditure Payments	-	-	-	-	-	
Surplus/Deficit	-	-	-	2,437,425	(2,437,425)	
NOTES TO STATEMENT OF COMPARISON OF BUDGET ON ACTUAL BASIS						
Receipts:						
The change in original Budget from Kshs. 270,148,914 to Kshs. 444,312,338 is due to receipt of the Supplementary Funds of Kshs. Seventy Million (Kshs. 70,000,000) during the period. Further the supplementary II estimates proposed an increase in the revenue target by Kshs. Eight Million, Five Hundred and Fifty-Eight Thousand, Two Hundred and Twenty-Four (Kshs. 8,558,224). The Board also received Conditional Grants of Kshs. Ninety-Five Million Six Hundred Five Thousand Two Hundred (95,605,200) for implementation of Phase II and Phase III of the Creatives in Arts and Film Literacy (CAFIL) Programme.						
Compensation of employees:						
The expenditure for the Financial Year 2024/2025 is within range at an absorption rate of 82% of the allocation. The underutilisation is due to vacant positions of Manager, staff and the Chief Executive Officer that were set to appointed in the period. The process of appointment was halted by the different issues among them the Reorganisation of Government and a pending court case.						
Board Expenses:						



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<p>The expenditure for the Financial Year 2024/2025 is at an absorption rate of 200% of the allocation. Due to the budget cuts the vote was insufficient to cater for the entire expenditure. The over absorption is as a result of the Board meetings, signing of PC, Board retreats & training during the period.</p>
<p>Repairs and Maintenance:</p>
<p>The expenditure for the Financial Year 2024/2025 is at an absorption rate of 154% of the allocation. The amounts provided were insufficient to cater for the rising needs of the old motor vehicle and ICT infrastructure that require constant maintenance due to age. The amounts were also insufficient to cater for the Insurance cost for the motor vehicles.</p>
<p>Use of Goods & Services:</p>
<p>The expenditure for the Financial Year 2024/2025 is at an absorption rate of 115% of the allocation. The over absorption is as a result of payment of contractual obligations such as rent, internet and E-mails that continued to accrue during the year.</p>
<p>Contracted services</p>
<p>The expenditure for the Financial Year 2024/2025 is at an absorption rate of 124% of the allocation. The over absorption is as a result of payment of contractual obligations such as cleaning and Security guard which are critical services that the Board continued to receive during the period.</p>



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19. Notes to the Financial Statements

1. General Information

Kenya Film Classification Board is established by and derives its authority and accountability from the Films and Stage Plays Act, Cap 222. The entity is wholly owned by the Government of Kenya and is domiciled in Kenya. The entity's principal activity is regulating the creation, broadcasting, possession, distribution and exhibition of films by: Examining every film and every poster submitted under the Act for purposes of classification; Imposing age restrictions on viewership; Giving consumer advice, having regard to the protection of women and children against sexual exploitation or degradation in cinematograph films and on the internet; and licensing and issuing certificates to film producers, agents, distributors and exhibitors of films. In addition, the Kenya Information and Communications Act (KICA) 46 (I) further empowers the Board to impose age restrictions on all films and broadcast content to ensure that content which depicts scenes intended for an adult audience is not aired between 5am – 10pm (Watershed Period).

2. Statement Of Compliance and Basis of Preparation

The financial statements have been prepared on a historical cost basis except for the measurement at re-valued amounts of certain items of property, plant and equipment, marketable securities and financial instruments at fair value, impaired assets at their estimated recoverable amounts and actuarially determined liabilities at their present value. The preparation of financial statements in conformity with International Public Sector Accounting Standards (IPSAS) allows the use of estimates and assumptions. It also requires management to exercise judgement in the process of applying the entity's accounting policies. The areas involving a higher degree of judgement or complexity, or where assumptions and estimates are significant to the financial statements, are disclosed in **Notes 1-31 on pages 8-48**.

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 in accordance with the PFM Act, the State Corporations Act, the Films and Stage Plays Act, Cap 222 and International Public Sector Accounting Standards (IPSAS). The accounting policies adopted have been consistently applied to all the years presented.



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3. Adoption of New and Revised Standards

- i. *New and amended standards and interpretations in issue effective in the year ended 30 June 2025.*

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 2025*

Standard	Effective date and impact:
IPSAS 43: Leases	<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 cashflows of an Entity.</p> <p>The new standard requires entities to recognise, measure and present information on right of use assets and lease liabilities.</p> <p><i>State the expected impact of the standard to the Entity if relevant</i></p> <p><i>The Board, early adopted this standard. The adoption of the standard impacted both the Statement of Financial Performance and the Statement of Financial Position. i.e. in the Statement of Financial Performance, there is recognition of the depreciation expense of the Right of Use Asset for the period. In the Statement of Financial Position, there is recognition of the Right of Use Asset under the Non - Current Assets and also the recognition of the Right of Use Current and Non-Current Liabilities</i></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> <p><i>State the expected impact of the standard to the Entity if relevant</i></p> <p><i>This standard did not have any impact to the Board</i></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</p>



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Standard	Effective date and impact:
	<p>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 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><i>State the expected impact of the standard to the Entity if relevant</i> <i>This standard did not have any impact to the Board</i></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><i>State the expected impact of the standard to the Entity if relevant</i> <i>This standard did not have any impact to the Board</i></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><i>State the expected impact of the standard to the Entity if relevant</i> <i>This standard did not have any impact to the Board</i></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</p>



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Standard	Effective date and impact:
	<p>geared to provide guidance to entities that provide transfers on accounting for such transfers.</p> <p><i>State the expected impact of the standard to the Entity if relevant</i> <i>This standard did not have any impact to the Board</i></p>
<p>IPSAS 49: Retirement Benefit Plans</p>	<p><i>Applicable 1st January 2026</i></p> <p>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.</p> <p><i>State the expected impact of the standard to the Entity if relevant</i> <i>This standard did not have any impact to the Board</i></p>
<p>IPSAS 50: Exploration For & Evaluation of Mineral Resources</p>	<p><i>Applicable 1st January 2027</i></p> <p>The objective of this Standard is to specify the financial reporting for the exploration for and evaluation of mineral resources. The Standard requires:</p> <ul style="list-style-type: none"> i. Limited improvements to existing accounting practices for exploration and evaluation expenditures. ii. Entities that recognize exploration and evaluation assets to assess such assets for impairment in accordance with this Standard and measure any impairment in accordance with IPSAS 26. iii. Disclosures that identify and explain the amounts in the entity’s financial statements arising from the exploration for and evaluation of mineral resources and help users of those financial statements understand the amount, timing and certainty of future cash flows from any exploration and evaluation assets recognized. <p><i>State the expected impact of the standard to the Entity if relevant</i> <i>This standard did not have any impact to the Board</i></p>

iii. Early adoption of standards

The Board, early adopted IPSAS 43: Leases and has effected the respective impact in its reporting for the FY 2024/2025



4. Summary of Significant Accounting Policies

a) Revenue recognition

i) Revenue from non-exchange transactions

Licensing, Registration and Classification fees

The Board recognizes revenues from licensing fees, sale of classification stickers and classification fees when the event occurs and the asset recognition criteria are met. Other Non-exchange revenues are recognized when it is probable that the future economic benefits or service potential associated with the asset will flow to the Board and the fair value of the asset can be measured reliably. Others are recognized when it is probable that the future economic benefits or service potential associated with the asset will flow to the entity and the fair value of the asset can be measured reliably.

Transfers from other Government Entities

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

ii) Revenue from exchange transactions

Rendering of services

The entity recognizes revenue from rendering of services by reference to the stage of completion when the outcome of the transaction can be estimated reliably. The stage of completion is measured by reference to labour hours incurred to date as a percentage of total estimated labour hours.

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

Sale of goods

Revenue from the sale of goods is recognized when the significant risks and rewards of ownership have been transferred to the buyer, usually on delivery of the goods and when the amount of



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

Interest income

Interest income is accrued using the effective yield method. The effective yield discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount. The method applies this yield to the principal outstanding to determine interest income each period.

Dividends

Dividends or similar distributions must be recognized when the shareholder's or the entity's right to receive payments is established.

Rental income

Rental income arising from operating leases on investment properties is accounted for on a straight-line basis over the lease terms and included in revenue.

b) Budget information

The original budget for current FY was approved by the National Assembly on **5th June, 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 entity upon receiving the respective approvals in order to conclude the final budget. Accordingly, the entity recorded additional appropriations of Kshs. 174,163,424 on the 2024-2025 budget following the governing Board of Directory's approval.

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



c) Taxes

Current income tax

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

Deferred tax

Deferred tax is provided using the liability method on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date. Deferred tax liabilities are recognized for all taxable temporary differences, except in respect of taxable temporary differences associated with investments in controlled entities, associates and interests in joint ventures, when the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future. Deferred tax assets are recognized for all deductible temporary differences, the carry forward of unused tax credits and any unused tax losses. Deferred tax assets are recognized to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilized, except in respect of deductible temporary differences associated with investments in controlled entities, associates and interests in joint ventures, deferred tax assets are recognized only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilized.

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



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liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date. Deferred tax relating to items recognized outside surplus or deficit is recognized outside surplus or deficit. Deferred tax items are recognized in correlation to the underlying transaction in net assets. Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current income tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

Sales Tax

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

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

d) Investment property

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

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

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

Investment properties are measured initially at cost, including transaction costs. The carrying amount includes the replacement cost of components of an existing investment property at the time



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that cost is incurred if the recognition criteria are met and excludes the costs of day-to-day maintenance of an investment property.

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

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

e) Property, plant and equipment

All property, plant and equipment are stated at cost less accumulated depreciation and impairment losses. Cost includes expenditure that is directly attributable to the acquisition of the items. When significant parts of property, plant and equipment are required to be replaced at intervals, the entity recognizes such parts as individual assets with specific useful lives and depreciates them accordingly. Depreciation is calculated on a straight-line basis annually regardless of the date of purchase and carrying amount written-off after the useful life of the assets. The annual depreciation rates are as follows:

i. Furniture, Fixtures and fittings	12.5%
ii. Plant and Equipment	12.5%
iii. Electronic Data processing equipment	30.0%
iv. Motor Vehicles	25.0%

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.

f) Leases

Finance leases are leases that transfer substantially all the risks and benefits incidental to ownership of the leased item to the Entity. Assets held under a finance lease are capitalized at the



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commencement of the lease at the fair value of the leased property or, if lower, at the present value of the future minimum lease payments. The Entity also recognizes the associated lease liability at the inception of the lease. The liability recognized is measured as the present value of the future minimum lease payments at initial recognition.

Subsequent to initial recognition, lease payments are apportioned between finance charges and reduction of the lease liability so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are recognized as finance costs in surplus or deficit.

An asset held under a finance lease is depreciated over the useful life of the asset. However, if there is no reasonable certainty that the Entity will obtain ownership of the asset by the end of the lease term, the asset is depreciated over the shorter of the estimated useful life of the asset and the lease term.

Operating leases are leases that do not transfer substantially all the risks and benefits incidental to ownership of the leased item to the Entity. Operating lease payments are recognized as an operating expense in surplus or deficit on a straight-line basis over the lease term.

g) 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. Amortisation of intangible assets for the Board is calculated on a straight line at rate of 20%.

h) Biological Assets

The entity recognizes biological assets when it controls the assets due to past events, it is probable that future economic benefits associated with the asset will flow to the entity, and when the fair value or cost of the asset can be measured reliably. Biological assets are initially and subsequently measured at fair value less costs to sell, except where fair value cannot be reliably determined. In such cases, the asset is measured at its cost less accumulated depreciation and any accumulated impairment losses. Changes in fair value less costs to sell are recognized in surplus/deficit in the period in which they occur.



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i) Research and development costs

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

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

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

j) Financial instruments

IPSAS 41 addresses the classification, measurement and de-recognition of financial assets and financial liabilities, introduces new rules for hedge accounting and a new impairment model for financial assets. A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity. At initial recognition, the entity measures a financial asset or financial liability at its fair value plus or minus, in the case of a financial asset or financial liability not at fair value through surplus or deficit, transaction costs that are directly attributable to the acquisition or issue of the financial asset or financial liability.

a) Financial assets

Classification of financial assets

The entity classifies its financial assets as subsequently measured at amortised cost, fair value through net assets/ equity or fair value through surplus and deficit on the basis of both the entity's management model for financial assets and the contractual cash flow characteristics of the financial asset. A financial asset is measured at amortized cost when the financial asset is held within a management model whose objective is to hold financial assets in order to collect



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contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal outstanding. A financial asset is measured at fair value through net assets/ equity if it is held within the management model whose objective is achieved by both collecting contractual cash flows and selling financial assets and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. A financial asset shall be measured at fair value through surplus or deficit unless it is measured at amortized cost or fair value through net assets/ equity unless an entity has made irrevocable election at initial recognition for particular investments in equity instruments.

Subsequent measurement

Based on the business model and the cash flow characteristics, the entity classifies its financial assets into amortized cost or fair value categories for financial instruments. Movements in fair value are presented in either surplus or deficit or through net assets/ equity subject to certain criteria being met.

Amortized cost

Financial assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest, and that are not designated at fair value through surplus or deficit, are measured at amortized cost. A gain or loss on an instrument that is subsequently measured at amortized cost and is not part of a hedging relationship is recognized in profit or loss when the asset is de-recognized or impaired. Interest income from these financial assets is included in finance income using the effective interest rate method.

Fair value through net assets/ equity

Financial assets that are held for collection of contractual cash flows and for selling the financial assets, where the assets' cash flows represent solely payments of principal and interest, are measured at fair value through net assets/ equity. Movements in the carrying amount are taken through net assets, except for the recognition of impairment gains or losses, interest revenue and foreign exchange gains and losses which are recognized in surplus/deficit. Interest income from these financial assets is included in finance income using the effective interest rate method.



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Trade and other receivables

Trade and other receivables are recognized at fair values less allowances for any uncollectible amounts. Trade and other receivables are assessed for impairment on a continuing basis. An estimate is made of doubtful receivables based on a review of all outstanding amounts at the year end.

Fair value through surplus or deficit

Financial assets that do not meet the criteria for amortized cost or fair value through net assets/equity are measured at fair value through surplus or deficit. A business model where the entity manages financial assets with the objective of realizing cash flows through solely the sale of the assets would result in a fair value through surplus or deficit model.

Impairment

The entity assesses, on a forward-looking basis, the expected credit loss ('ECL') associated with its financial assets carried at amortized cost and fair value through net assets/equity. The entity recognizes a loss allowance for such losses at each reporting date.

b) Financial liabilities

Classification

The entity classifies its liabilities as subsequently measured at amortized cost except for financial liabilities measured through profit or loss.

k) Inventories

Inventory is measured at cost upon initial recognition. To the extent that inventory was received through non-exchange transactions (for no cost or for a nominal cost), the cost of the inventory is its fair value at the date of acquisition.

Costs incurred in bringing each product to its present location and conditions are accounted for as follows:

- Raw materials: purchase cost using the weighted average cost method
- Finished goods and work in progress: cost of direct materials and labour and a proportion of manufacturing overheads based on the normal operating capacity, but after initial recognition, inventory is measured at the lower of cost and net realizable value. However, to the extent that a class of inventory is distributed or deployed at no



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charge or for a nominal charge, that class of inventory is measured at the lower of cost and current replacement cost.

Net realizable value is the estimated selling price in the ordinary course of operations, less the estimated costs of completion and the estimated costs necessary to make the sale, exchange, or distribution.

Inventory is a composition of Classification stickers/labels which is valued at the lower cost and net realizable value. Inventory was purchased in two folds, the first batch of **four (4) million** stickers was bought at a cost of **Kshs.7.40** and the second batch of **two (2) million** stickers was bought at a cost of **Kshs.8.95**. The usage of the inventory is based on FIFO.

Net realizable value is the estimated selling price in the ordinary course of operations, less the estimated costs of completion and the estimated costs necessary to make the sale, exchange, or distribution.

Inventories are recognized as an expense when deployed for utilization or consumption in the ordinary course of operations of the Board.

l) Provisions

Provisions are recognized when the Entity has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits or service potential will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

Where the Entity expects some or all of a provision to be reimbursed, for example, under an insurance contract, the reimbursement is recognized as a separate asset only when the reimbursement is virtually certain.

The expense relating to any provision is presented in the statement of financial performance net of any reimbursement.

m) Social Benefits

Social benefits are cash transfers provided to i) specific individuals and / or households that meet the eligibility criteria, ii) mitigate the effects of social risks and iii) Address the need of society as a whole. The entity recognises a social benefit as an expense for the social benefit scheme at the same time that it recognises a liability. The liability for the social benefit scheme is measured at



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the best estimate of the cost (the social benefit payments) that the entity will incur in fulfilling the present obligations represented by the liability.

n) Contingent liabilities

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

o) Contingent assets

The Entity does not recognize a contingent asset but discloses details of a possible asset whose existence is contingent on the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Entity in the notes to the financial statements.

Contingent assets are assessed continually to ensure that developments are appropriately reflected in the financial statements. If it has become virtually certain that an inflow of economic benefits or service potential will arise and the asset's value can be measured reliably, the asset and the related revenue are recognized in the financial statements of the period in which the change occurs.

p) Nature and purpose of reserves

The Board creates and maintains accumulated surplus funds in terms of specific requirements. GOK Grants related to development expenditure that acquired property, plant & equipment and other assets are presented in the statement of financial position. To this extent, the accumulated surplus funds finances capital assets every year. GOK Grants for recurrent expenditure are dealt with in the income statement in the period in which it was received.

q) 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.

r) Employee benefits

Retirement benefit plans

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



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current and prior periods. The contributions to fund obligations for the payment of retirement benefits are charged against income in the year in which they become payable.

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

s) Foreign currency transactions

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

t) Borrowing costs

Borrowing costs are capitalized against qualifying assets as part of property, plant and equipment. Such borrowing costs are capitalized over the period during which the asset is being acquired or constructed and borrowings have been incurred. Capitalization ceases when construction of the asset is complete. Further borrowing costs are charged to the statement of financial performance.

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

v) Service concession arrangements

The Board analyses all aspects of service concession arrangements that it enters into in determining the appropriate accounting treatment and disclosure requirements. In particular, where a private party contributes an asset to the arrangement, the Entity 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.



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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 Entity also recognizes a corresponding liability, adjusted by a cash consideration paid or received.

w) Cash and cash equivalents

Cash and cash equivalents comprise cash-on-hand and cash-at-bank, short-term deposits on call and highly liquid investments with an original maturity of three months or less, which are readily convertible to known amounts of cash and are subject to insignificant risk of changes in value. Bank account balances include amounts held at the Central Bank of Kenya and at various commercial banks at the end of the financial year. For the purposes of these financial statements, cash and cash equivalents also include short term Cash Imprests and advances to authorised public officers and/or institutions which were not surrendered or accounted for at the end of the financial year.

x) Comparative figures

Opening balance for Statement of Changes in Net Assets have been amended. This relates to recognition of omitted Gratuity of Kshs. Three Million Eight Hundred Seventeen Thousand Nine Hundred Sixty-Seven (3,817,967) for Financial Years 2022/2023 and back.

y) 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, 2024.



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5. SIGNIFICANT JUDGMENTS AND SOURCES OF ESTIMATION UNCERTAINTY

The preparation of the Entity'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. State all judgements, estimates and assumptions made: e.g.

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 Entity 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 (IPSAS 1.140).

Useful lives and residual values

The useful lives and residual values of assets are assessed using the following indicators to inform potential future use and value from disposal:

1. The condition of the asset based on the assessment of experts employed by the Entity
2. The nature of the asset, its susceptibility and adaptability to changes in technology and processes
3. The nature of the processes in which the asset is deployed
4. Availability of funding to replace the asset
5. Changes in the market in relation to the asset

Provisions

Provisions were raised and management determined an estimate based on the information available. Additional disclosure of these estimates of provisions is included in **Note 24**.

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



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NOTES TO THE FINANCIAL STATEMENTS (Continued)

6. TRANSFERS FROM OTHER GOVERNMENT ENTITIES

6 (a) Transfers from Other Government entities		
Description	FY 2024/2025	FY 2023/2024
	Kshs.	Kshs.
Unconditional Grants		
Operational Grant - Recurrent Grants	294,148,914	376,800,000
Other Grants - Development Grants	-	52,500,000
Total	294,148,914	429,300,000
Conditional Grants		
Other Organizational Grants - Programme Funds	95,605,200	90,600,000
Total Government Grants and Subsidies	389,754,114	519,900,000

6 b) TRANSFERS FROM MINISTRIES, DEPARTMENTS AND AGENCIES					
Name of the Entity sending the grant	Amount recognized to Statement of Comprehensive Income	Amount deferred under deferred income	Amount recognized in capital fund.	Total grant income during the year	FY 2023/2024
	KShs	KShs	KShs	KShs	KShs
Ministry of Youth Affairs, Creative Economy and Sports	294,148,914	-	-	294,148,914	376,800,000
Ministry of Information, communication and The Digital Economy	-	-	-	-	52,500,000
The Media Council of Kenya	-	-	-	-	1,000,000
Sports Arts and Social Development Fund	95,605,200	-	-	95,605,200	88,700,000
Red Giant Ltd	-	-	-	-	300,000
Kenya Film Commission	-	-	-	-	500,000
Startimes Media Kenya	-	-	-	-	100,000
Total	389,754,114	-	-	389,754,114	519,900,000



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7. LICENSES AND PERMITS

7.(a) Licenses and permits	FY 2024/2025	FY 2023/2024
	Kshs	Kshs
Licensing	9,465,506	6,376,743
Classification Stickers/labels	1,575,500	3,116,900
Sale Of Tenders	-	3,830
Classification fees	10,297,656	12,151,148
Filming Fees & Extensions	5,069,000	6,165,600
Film Agent Fees & Registration	1,680,000	882,000
Licensing-Feature films, Doc& series etc	4,315,000	5,778,000
Main Cinema -Artists	16,040,000	15,770,000
Self-Classification	8,197,003	-
Other revenue *	1,087,327	51,786
Total	57,726,991	50,296,007

The reported income is defined under the Films and Stage Plays (cinematographic films) (forms and fees) Regulations Second Schedule provides fees charged on Films & extensions, Film Agents and registration, and licensing. On the other hand, the Films and Stage Plays (film censorship) Regulations provides fees charged on film examination & classification, License fees for video libraries, video shows, theatres and commercials.

7 (b) Other Revenues

7 (b) Other revenue	Kshs	Kshs
	FY 2024/2025	FY 2023/2024
Sale of Boarded Items	24,820	-
Miscellaneous	1,062,507	51,786
Total	1,087,327	51,786

Other income includes revenue received from sale of boarded items and income received but cannot be classified as the revenues prescribed under the Films and Stage Plays Act, Cap 222 Laws of Kenya. Total revenue comprises of GOK grants (Recurrent and Development) and internally generated income.



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8. EMPLOYEE COST

Employee cost comprises of total cost of benefits conferred to an employee and other employee benefits such as Staff medical cover, employer contribution to pension scheme etc. The remuneration of employees is determined as provided for in the Constitution of Kenya; the advice provided to the Board by the Salaries and Remunerations Commission (SRC) and Section 11C and 11D of the Films and Stage Plays Act, Cap 222 on terms of service for the Chief Executive Officer and Staff respectively. Currently Commission has provided the advice vide letter dated 7th December, 2017 Ref no. SRC/TS/JE/SRSC/3/33/4 Vol. VI (34), vide letter dated 24th February, 2018 Ref no. SRC/TS/SRSC/3/33/4 Vol.VI (58) and finally vide letter dated 4th August, 2015 Ref no. SRC/TS/CBT/3/3 Vol. IV (6).

8(a) Employee Costs		
Description	FY 2024/2025	FY 2023/2024
	Kshs.	Kshs.
Basic Salary	99,423,861	99,102,836
House allowance	38,052,100	38,655,856
Medical Allowance	-	-
Entertainment Allowance	-	-
Domestic Allowance	-	-
Commuter Allowance	9,960,267	10,075,246
Extraneous Duty Allowance	2,576,000	2,340,000
Leave allowance	2,524,580	2,490,676
Pension scheme	11,316,628	11,014,156
Staff Medical Insurance	29,304,015	32,705,842
Acting Allowance	1,780,479	1,703,280
Special Duty Allowance	1,355,891	1,791,270
NSSF Employers Contribution	3,336,050	1,739,880
Staff Personal Insurance	-	-
Responsibility allowance	3,539,534	4,289,092
Non-Practicing Allowance	382,000	420,000
Transfer Allowance	-	197,372
Casual Employees	1,446,825	1,206,215
Gratuity	2,554,276	3,380,235
Internship Programme	-	-
TL Employer Contribution	53,900	64,200
Hardship Allowance	1,545,500	275,208
Overtime	-	-
Housing Levy Employers Contribution	2,341,776	1,896,293
Employee costs	211,493,682	213,347,656



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9. BOARD EXPENSES

Board Expenses is the Directors' Remuneration and any other expenses that are incurred to facilitate the Board of Directors perform their oversight roles. The Directors' remuneration is in line with the guidelines provided in the State Corporations Act and the guidelines provided by the State Corporations Advisory Committee.

The Chairman is paid a monthly honorarium of Kshs. 80,000, monthly airtime of Kshs. 5,000 and a taxable sitting allowance for each meeting attended. The Directors are paid a taxable sitting allowance of Kshs. 20,000 for each meeting attended. The sitting allowance for the current financial year is prescribed in the circular Ref no. OP/CAB.9/21/2A/LII/43 dated 23rd November 2004. Other allowances such as accommodation and travelling are prescribed by circular Ref No. OP/SCAC.9/21.2 VOL.I (164) dated 28th April, 2015. The Chief Executive Officer does not qualify to receive the sitting allowance for any meeting he/she attends.

9. Board Expenses		
Description	FY 2024/2025	FY 2023/2024
	Kshs.	Kshs.
Board Members Allowance	8,575,661	11,062,400
Conferences, Committees and Seminars	1,937,700	1,736,500
Board Members Insurance	1,181,069	1,055,955
Honoraria to chairman	1,020,000	1,020,000
Board Trainings	2,025,652	936,600
Local Travel & Accommodation	10,778,416	15,040,804
Foreign Travel & Accommodation	-	-
Total Board Expenses	25,518,498	30,852,259



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10. DEPRECIATION AND AMORTIZATION EXPENSE

Depreciation is calculated on a straight-line basis annually regardless of the date of purchase and carrying amount written-off after the useful life of the assets. The annual depreciation rates are as follows:

Furniture, Fixtures and Fittings	12.5%
Plant and Equipment	12.5%
Electronic Data Processing Equipment	30.0%
Motor Vehicles	25.0%
Intangible Assets	20.0%

10. Depreciation and amortization		
Description	FY 2024/2025	FY 2023/2024
	Kshs.	Kshs.
Property, plant and equipment	23,096,976	25,474,815
Intangible assets	1,207,516	1,243,217
Right of Use Assets	29,153,724	-
Total depreciation and amortization	53,458,216	26,718,032

11. REPAIRS AND MAINTENANCE

11. Repairs and Maintenance		
Description	FY 2024/2025	FY 2023/2024
	Kshs.	Kshs.
Motor Vehicles	618,232	5,600,992
Property & Equipment	1,101,139	3,294,502
Minor Alterations to Building	182,440	139,150
Computer Softwares and Networks	371,153	936,731
Insurance of Motor Vehicle & plant Equipment	1,099,966	1,229,314
ICT Infrastructure & development	483,246	2,275,799
Insurance of Plant & equipment	954,583	967,729
Total repairs and maintenance	4,810,759	14,444,217



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12. TRANSFERS

12. Transfers		
Description	FY 2024/2025	FY 2023/2024
	Kshs.	Kshs.
Transfers	-	43,599,800
Total Transfers	-	43,599,800

13. USE OF GOODS AND SERVICES

13. Use of goods and services		
Description	FY 2024/2025	FY 2023/2024
	Kshs.	Kshs.
Audit Fees	403,680	403,680
Utilities Supplies & Services	4,778,975	4,919,650
Com Supplies & Services	12,284,218	10,425,569
Local Travelling Accommodation	12,490,253	19,656,038
Foreign Travel	-	1,426,251
Newspaper and Periodical Subscription	78,700	576,891
Printing Expenses	2,360,853	9,304,466
Advertising	615,135	1,709,569
Trade Shows and Exhibition	36,750	390,400
Technical Services	5,625,030	18,182,550
Rents and Rates	2,650,683	49,642,902
Right of Use Assets Expense	44,966,500	-
Training & Sensitization Prog.Costs	96,609,989	50,817,478
Bank Charges	397,813	536,554
Regional Offices Expense	5,927,550	19,424,130
Hospitality supplies and serv	6,950,177	12,427,756
Internal Audit Services	716,400	2,499,600
Office & Gen Supplies	2,109,852	16,118,226
Fuel Oil & Lubricants	3,295,658	6,027,587
Other Operating Expenses	-	10,439,566
Total Use of goods and services	202,298,216	234,928,863

14. CONTRACTED SERVICES

14. Contracted services		
Description	FY 2024/2025	FY 2023/2024
	Kshs.	Kshs.
Cleaning Services	3,050,815	3,505,796
Security Services	540,000	2,580,000
Total Contracted services	3,590,815	6,085,796



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15. CASH AND CASH EQUIVALENTS

15.Cash and Cash Equivalents		
Description	FY 2024/2025	FY 2023/2024
	KShs	KShs
Recurrent account	43,332,821	41,577,179
Development account	102,713,261	102,145,178
Others (cash in hand)	352,819	239,119
Other (cash Imprests and advances)	-	-
Total cash and cash equivalents	146,398,901	143,961,476

15(a). DETAILED ANALYSIS OF THE CASH AND CASH EQUIVALENTS			
Description		FY 2024/2025	FY 2023/2024
Financial institution	Account number	KShs	KShs
a) Recurrent account			
Co-operative Bank of Kenya	01141198827700	4,129,079	17,920,892
KCB-Recurrent	1256853542	39,104,692	23,644,241
KCB-MOMBASA REGION	1256854425	2,027	6,202
KCB-GARISSA REGION	1256854816	44,923	1,470
KCB-EMBU REGION	1256855146	303	248
KCB-NYERI REGION	1256855405	336	817
KCB-ELDOROT REGION	1256855588	815	1,658
KCB-KISUMU REGION	1256855774	49,667	720
KCB-NAKURU REGION	1256856320	483	738
KCB-KAKAMEGA REGION	1256856584	496	193
Sub- total		43,332,821	41,577,179
b) Development account			
Co-Operative Bank	01141198827701	84,365	521,062
KCB-Development	1256853917	102,628,896	101,624,117
Sub- total		102,713,261	102,145,178
c) Others(specify)			
Cash In Hand-HQRS		10,974	15,524
Petty Cash-HQRS		-	-
Cash in Hand-Mombasa		-	-
Cash In Hand-Garissa		-	-
Cash in Hand-Embu		200	200
Cash In hand-Eldoret		-	-
Cash In Hand-Kisumu		2,500	2,500
Cash In Hand-Nyeri		-	-
Cash In Hand-Kakamega		-	-
Cash In Hand-Nakuru		-	-
Cash in Transit		-	-
E-Citizen		339,145	220,895



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Sub- total		352,819	239,119
Cash imprests and advances		-	-
Sub- total		-	-
Grand total		146,398,901	143,961,476



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16. PREPAYMENTS

Prepayments consist of rent deposit paid as a result of renting a new office space in Nairobi Film Centre and 14th Floor, Fuel deposit, drinking water and Health insurance for staff and Directors as follows:

16 (a) Prepayments		
Description	FY 2024/2025	FY 2023/2024
	Kshs.	Kshs.
Rent Deposits	6,201,948	6,734,133
Insurance	14,154,233	12,849,748
Fuel	944,555	1,981,213
Other Prepayments	74,203	-
Total Prepayments	21,374,939	21,565,094

16 (b) Prepayments	
Description	Amount (Kshs)
Nairobi Film Centre	5,590,500
14 th Floor (Headquarters)	582,945
Nakuru Regional Office	28,503
Jubilee Health Insurance Ltd	14,154,233
Vivo Energy Kenya Ltd	944,555
Coca-Cola Beverages Kenya Ltd	74,203
Total	21,374,939

17. RECEIVABLES AND OTHER DEBTORS

17. (a) Receivables from Non- Exchange Transactions		
Description	FY 2024/2025	FY 2023/2024
	Kshs.	Kshs.
Salary advances	1,085,334	507,332
Total Receivable from Non-Exchange Transactions	1,085,334	507,332

17. (b) Ageing Analysis - Receivable from Non-Exchange Transactions	FY 2024/2025	% of the total	FY 2023/2024	% of the total
Less than 1 year	1,085,334	100%	507,332	100%
Between 1-2 years	-	0%	-	0%
Over 3 years	-	0%	-	0%
Total	1,085,334	100%	507,332	100%

17. (c) Receivables from Non- Exchange Transactions		
Description	FY 2024/2025	FY 2023/2024
	Kshs.	Kshs.
At the beginning of the year	507,332	83,576
Additional provisions during the year	2,582,038	1,306,250
Recovered during the year	(2,004,036)	(882,494)
Written off during the year	-	-
At the end of the year	1,085,334	507,332



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18. INVENTORIES

Inventory is a composition of Classification Stickers/Labels is valued at the lower cost and net realizable value. Inventory was purchased in two folds, the first batch of four million stickers (4) was bought at a cost of Kshs.7.40 and the second batch of two million stickers (2) was bought at a cost of Kshs.8.95. The usage of the inventory is based on FIFO.

18. (a) Classification Stickers Inventory		
Description	FY 2024/2025	FY 2023/2024
	Kshs.	Kshs.
Classification Stickers	9,828,524	11,238,597
Total Inventories	9,828,524	11,238,597

18.(b) Cost of Goods Sold		
Description	FY 2024/2025	FY 2023/2024
	Kshs.	Kshs.
Cost of Printing Classification Stickers	1,410,073	2,789,626
Total Cost of Goods Sold	1,410,073	2,789,626

Cost of goods sold is the cost of printing the stickers. This cost is closed in printing expenses under general expenses/administration cost.

<i>A</i>	<i>B</i>	<i>C</i>	<i>D</i>	<i>E</i>	<i>F</i>
FY/PERIOD	OPENING BALANCE (Kshs.)	CLOSING BALANCE (Kshs.)	PURCHASE COST OF STICKERS SOLD (Kshs.) [B-C]	COST PER STICKER (Kshs.)	AMOUNT REALISED (Kshs.) [D/E*10]
FY 2011/2012	47,500,000	47,228,797	271,203	7.40	366,491
FY 2012/2013	47,228,797	45,522,772	1,706,025	7.40	2,305,439
FY 2013/2014	45,522,772	43,589,478	1,933,294	7.40	2,612,560
FY 2014/2015	43,589,478	40,271,762	3,317,716	7.40	4,483,400
FY 2015/2016	40,271,762	36,788,567	3,483,195	7.40	4,707,020
FY 2016/2017	36,788,567	32,807,737	3,980,830	7.40	5,379,500
FY 2017/2018	32,807,737	29,570,607	3,237,130	7.40	4,374,500
FY 2018/2019	29,570,607	26,444,847	3,125,760	7.40	4,224,000
FY 2019/2020	26,444,847	23,707,439	2,737,408	7.40	3,699,200
FY 2020/2021	23,707,439	20,685,575	3,021,864	7.40	4,083,600
FY 2021/2022	20,685,575	17,900,000	2,785,575	7.40	3,764,291
FY 2021/2022	17,900,000	17,491,784	408,216	8.95	456,107
FY 2022/2023	17,491,784	14,028,223	3,463,561	8.95	3,869,900
FY 2023/2024	14,028,223	11,238,597	2,789,626	8.95	3,116,900
FY 2024/2025	11,238,597	9,828,524	1,410,073	8.95	3,116,900
TOTAL					50,559,808



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The Cost of Goods Sold is Kshs. One Million Four Hundred Ten Thousand Seventy-Three (1,410,073) during the period ended 30th June 2025. The revenue collected so far from sales of Classification Stickers is Kshs. Fifty Million Five Hundred Fifty-Nine Thousand Eight Hundred Eight (50,559,808) which represent 106.44% of the initial cost of printing the Classification Stickers.



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19. PROPERTY, PLANT AND EQUIPMENT

19. Property, Plant and Equipment						
Description	Motor Vehicle	Plant and Equipment	Data Processing	Furniture, Fixtures & Fittings	Work in Progress	Total
Cost	Motor Vehicle	Plant and Equipment	Data Processing	Furniture, Fixtures & Fittings	Work in Progress	Total
Depreciation Rate	Kshs	Kshs	Kshs	Kshs	Kshs	Kshs
As At 1 July (FY 2023/2024)	78,053,380	107,574,198	85,446,257	150,100,698	-	421,174,534
Additions	-	8,708,495	1,800,000	17,756,481	49,666,740	77,931,716
Disposals	-	-	-	-	-	-
Revaluation Adjustments	-	-	-	-	-	-
As at 30th June ((FY 2023/2024)	78,053,380	116,282,693	87,246,257	167,857,179	49,666,740	499,106,250
Additions	-	-	-	-	-	-
Disposals	-	-	-	-	-	-
Revaluation adjustments	(56,293,380)	(96,565,311)	(73,812,961)	(78,558,663)	-	(305,230,315)
As at 30th June (FY 2024/2025)	21,760,000	19,717,382	13,433,296	89,298,517	49,666,740	193,875,935
Depreciation And Impairment						-
At 1 July (FY 2023/2024)	(78,053,384)	(89,894,164)	(77,083,374)	(111,483,227)	-	(356,514,150)
Depreciation	-	(7,619,356)	(4,377,635)	(13,477,825)	-	(25,474,816)
Transfers/ Adjustments	-	-	-	-	-	-
As At 30th June (FY 2023/2024)	(78,053,384)	(97,513,520)	(81,461,009)	(124,961,052)	-	(381,988,966)
Depreciation	(5,440,000)	(2,464,673)	(4,029,989)	(11,162,315)	-	(23,096,976)
Disposals	-	-	-	-	-	-
Transfer/Adjustment	78,053,384	97,513,520	81,461,009	124,961,052	-	381,988,966
As at 30th June (FY 2024/2025)	(5,440,000)	(2,464,673)	(4,029,989)	(11,162,315)	-	(23,096,976)
Net Book Values						-
As at 30th June (FY 2023/2024)	(4)	18,769,173	5,785,248	42,896,127	49,666,740	117,117,284
As at 30th June (FY 2024/2025)	16,320,000	17,252,709	9,403,307	78,136,202	49,666,740	170,778,959



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NOTES TO THE FINANCIAL STATEMENTS (Continued)

20. INTANGIBLE ASSETS

20.Intangible Assets-Software		
Description	FY 2024/2025	FY 2023/2024
	Kshs	Kshs
Cost		
At 1st July	72,230,507	71,232,607
Additions	-	-
Revaluation Adjustments	(66,192,927)	
At 1st July	6,037,580	71,232,607
Additions-internal development	-	997,900
At 30 June	6,037,580	72,230,507
Amortization and impairment		
At 1st July	(68,935,774)	(67,692,557)
Amortization	(1,207,516)	(1,243,217)
Amortization on Revaluation	68,935,774	-
At 30 June	(1,207,516)	(68,935,774)
Impairment loss	-	-
At 30 June	-	-
Net Book Value	4,830,064	3,294,733

Valuation

Motor vehicles, Plant & Equipment, Data Processing, Furniture, Fixtures & Fittings and Intangible assets were valued by State Department for Roads professional valuers from the government in line with the National Assets and Liabilities Management Policy and Guidelines (issued 30th June 2020). The assets were revalued by Mechanical and Transport Division professional valuers on this date 31st May 2025. These amounts were adopted by the Board on 20th August 2025 with concurrence from the National Treasury.



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21. RIGHT OF USE ASSETS AND LEASE LIABILITY

Right of Use Asset and Lease Liability arise in accounting when parties enter into a lease agreement as prescribed in IPSAS 43. The Right of Use asset represents the lessee's right to use the underlying leased asset over the lease period, while the lease liability reflects the lessee's obligation to make future lease payments. The Right of Use asset is depreciated on a straight-line basis over the lease period and the lease liability is reduced as lease payments are made with an interest expense recognized on the outstanding balance.

21. (a) Right of Use Assets				
Description	Eldoret Office	Nairobi Film Centre	Head Quarters	Total
	Kshs	Kshs	Kshs	Kshs
At 30 June 2024	2,115,584	154,669,313	-	156,784,897
Additions	-	-	83,023,903	83,023,903
At 30 June 2025	2,115,584	154,669,313	83,023,903	239,808,800
Depreciation				
At 30 June 2024	(1,007,421)	(7,733,466)	-	(8,740,887)
Depreciation	(402,968)	(15,466,931)	(13,283,824)	(29,153,724)
At 30 June 2025	(1,410,389)	(23,200,397)	(13,283,824)	(37,894,611)
Net book values				
At 30 June 2025	705,195	131,468,916	69,740,079	201,914,189
At 30 June 2024	1,108,163	146,935,847	-	148,044,010

21. (b) Lease Liability				
Description	Eldoret Office	Nairobi Film Centre	Head Quarters	Total
Non-Current Liability	705,195	131,468,916	69,740,079	201,914,189
Current Liability	402,968	15,466,931	13,283,824	29,153,724
Total	1,108,163	146,935,847	83,023,903	231,067,913

21. (c) Right of Use Assets Expense	
Description	Amount (Kshs)
Eldoret Office	532,440
Nairobi Film Centre	25,939,920
Head Quarters	18,494,140
Total	44,966,500



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21. (d) Right of Use Assets Maturity analysis		
Description	Start Date	End Date
Eldoret Office	01/01/2022	31/03/2027
Nairobi Film Centre	01/01/2024	31/12/2033
Head Quarters	01/07/2024	30/09/2030

22. TRADE AND OTHER PAYABLES

22. (a) Trade and other payables		
Description	FY 2024/2025	FY 2023/2024
	Kshs.	Kshs.
Trade payables	13,723,048	19,008,324
Provisions for Audit Fees	403,680	403,680
Refund payables	501,500	466,700
VAT Payable	782,708	30,772
Employee obligations	13,431,540	6,625,109
Total trade and other payables	28,842,476	26,534,585

22. (b) Trade and other payables	FY 2024/2025	% of the total	FY 2023/2024	% of the total
Less than 1 year	22,851,970	79%	26,364,885	99%
Between 1-2 years	5,990,506	21%	169,700	1%
Over 3 years	-	0%	-	0%
Total	28,842,476	100%	26,534,585	100%



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23. DEFERRED INCOME

Deferred Income refers to income received from customers as an advance payment for issuance of annual licence to film exhibitors & distributors, annual self-classification fees, annual Film Agent Fees & Registration and booking to use Nairobi Film Centre. In order to use the space at Nairobi Film Centre, customers are required to pay before thus occasioning the deferred income.

23. Deferred Income		
Description	FY 2024/2025	FY 2023/2024
	Kshs.	Kshs.
Licensing	3,436,333	5,796,839
Self-Classification	6,424,679	5,120,000
Film Agent Fees & Registration	702,000	750,000
Main Cinema -Artists	1,423,000	981,000
Total Deferred Income	11,986,012	12,647,839

24. EMPLOYEE BENEFIT OBLIGATIONS

The entity operates a Defined Contribution scheme for all full-time employees from October 1, 2015. The scheme is based on 12.5 percent for employer contribution and 7.5 percent employee contribution based on the basic salary of an employee on a monthly basis. The scheme administrator is Britam Kenya.

The company also contributes to the statutory National Social Security Fund (NSSF). This is a defined contribution scheme registered under the National Social Security Act. The company's obligation under the scheme is limited to specific contributions legislated from time to time and is currently at 6 Percent of the employee's gross earnings to a maximum of Kshs. 4,320 per employee per month. All the obligations are up to date as at *30th June 2025*.



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25. SURPLUS REMISSION

In accordance with Section 219 (2) of the Public Financial Management Act regulations, regulatory entities shall remit into Consolidated Fund, ninety per centum of its surplus funds reported in the audited financial statements after the end of each financial year. The Entity did not make any surplus during the year (Previous FY Kshs. 197,445) and hence no remittance to the Consolidated Fund.

The Surplus Remission has been computed as follows:

25. Surplus Remission		
Description	FY 2024/2025	FY 2023/2024
	Kshs.	Kshs.
Surplus for the period	-	219,384
Less: Allowable deductions by National Treasury	-	-
90% Computation (Included in Statement of Financial Performance)	-	197,445

Surplus Remission Payable

Surplus Remission Payable		
Description	FY 2024/2025	FY 2023/2024
	Kshs.	Kshs.
Payable at the beginning of the year	197,445	-
Paid during the Year	391,277	-
Payable at end of the year	(193,832)	-

26. CASH GENERATED FROM OPERATIONS

Description	NOTE	FY 2024/2025	FY 2023/2024
		Kshs.	Kshs.
Net surplus from operations		(25,778,999)	219,384
Increase/Decrease in prepayments	16	1,134,710	(2,019,990)
Net change in receivables from non-exchange transaction	17	(1,239,829)	11,524,083
Increase/Decrease in Stock	18	1,410,073	2,789,626
Adjustment For Depreciation	19,20	24,603,578	26,718,032
Increase/Decrease in Trade and Other Payables from Exchange Transactions in Payables	22	2,307,891	22,486,302
Net Cash generated from Operating Activities	26	2,437,425	61,717,438



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27. FINANCIAL RISK MANAGEMENT

The Entity's activities expose it to a variety of financial risks including credit and liquidity risks and effects of changes in foreign currency. The company'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 company does not hedge any risks and has in place policies to ensure that credit is only extended to customers with an established credit history. The entity's financial risk management objectives and policies are detailed below:

(i) Credit risk

The entity 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.

Management assesses the credit quality of each customer, taking into account its financial position, past experience and other factors. Individual risk limits are set based on internal or external assessment in accordance with limits set by the directors. The amounts presented in the statement of financial position are net of allowances for doubtful receivables, estimated by the company's management based on prior experience and their assessment of the current economic environment. The 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
At 30 June 2025				
Receivables from exchange transactions	-	-	-	-
Receivables from non-exchange transactions	1,085,334	1,085,334	-	-
Bank balances	146,046,082	146,046,082	-	-
Total	147,131,416	147,131,416	-	-
At 30 June 2024				
Receivables from exchange transactions	-	-	-	-
Receivables from non-exchange transactions	507,332	507,332	-	-
Bank balances	143,722,357	143,722,357	-	-
Total	144,229,689	144,229,689	-	-



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The customers under the fully performing category are paying their debts as they continue trading. The credit risk associated with these receivables is minimal and the allowance for uncollectible amounts that the company has recognised in the financial statements is considered adequate to cover any potentially irrecoverable amounts. The entity has significant concentration of credit risk on amounts due from Staff salary advances. The Board of Directors sets the company's credit policies and objectives and lays down parameters within which the various aspects of credit risk management are operated.

(ii) Liquidity risk management

Ultimate responsibility for liquidity risk management rests with the Entity's Directors who have built an appropriate liquidity risk management framework for the management of the Entity's short, medium and long-term funding and liquidity management requirements. The entity manages liquidity risk through continuous monitoring of forecasts and actual cash flows. The table below represents cash flows payable by the company under non-derivative financial liabilities by their remaining contractual maturities at the reporting date:

The amounts disclosed in the table are the contractual undiscounted cash flows. Balances due within 12 months equal their carrying balances, as the impact of discounting is not significant.

Description	Less than 1 month	Between 1-3 months	Over 5 months	Total
	Kshs	Kshs	Kshs	Kshs
At 30 June 2025				
Trade payables	7,009,422	6,498,920	214,706	13,723,048
Current portion of borrowings	-	-	-	-
Provisions for Audit Fees	403,680	-	-	403,680
Refund payables	-	-	501,500	501,500
VAT Payable	723,093	59,615	-	782,708
Employee benefit obligation	9,726,259	-	3,705,282	13,431,540
Total	17,862,454	6,558,535	4,421,488	28,842,476
At 30 June 2024				
Trade payables	11,419,163	4,275,679	3,313,482	19,008,324
Current portion of borrowings	-	-	-	-
Provisions for Audit Fees	403,680	-	-	403,680
Refund payables	30,000	190,000	246,700	466,700
VAT Payable	30,772	-	-	30,772
Employee benefit obligation	2,538,486	-	4,086,623	6,625,109
Total	14,422,101	4,465,679	7,646,805	26,534,585



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(iii) 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 optimising the return. Overall responsibility for managing market risk rests with the Audit and Risk Management Committee. The Board's Finance and Accounts 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 Entity has transactional currency exposures. Such exposure arises through purchases of goods and services that are done in currencies other than the local currency. Invoices denominated in foreign currencies are paid after 30 days from the date of the invoice and conversion at the time of payment is done using the prevailing exchange rate. The Entity manages foreign exchange risk from future commercial transactions and recognised assets and liabilities by projecting for expected sales proceeds and matching the same with expected payments.

Financial Risk Management

The carrying amount of the entity's foreign currency denominated monetary assets and monetary liabilities at the end of the reporting period are as follows;

Description	Ksh	Other currencies	Total
	Kshs	Kshs	Kshs
At 30 June 2025			
Financial assets (investments, cash, debtors)	Nil	Nil	Nil
Liabilities			
Trade and other payables	Nil	Nil	Nil
Borrowings	Nil	Nil	Nil
Net foreign currency asset/(liability)	Nil	Nil	Nil



Foreign currency sensitivity analysis

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

Description	Change in	Effect on Profit	Effect on
	currency rate	before tax	equity
	Kshs	Kshs	Kshs
2025			
Euro	10%	-	-
USD	10%	-	-
2024			
Euro	10%	-	-
USD	10%	-	-

b) Interest rate risk

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

Management of interest rate risk

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

Sensitivity analysis

The Entity analyses its interest rate exposure on a dynamic basis by conducting a sensitivity analysis. This involves determining the impact on profit or loss 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. Using the end of the year figures, the sensitivity analysis indicates the impact on the statement of comprehensive income if current floating interest rates increase/decrease by one percentage point as a decrease/increase of Kshs nil (Current FY: Kshs nil). A rate increase/decrease of 5% would result in a decrease/increase in profit before tax of Kshs xxx (Current FY – Kshs nil)



Fair value of financial assets and liabilities

a) Financial instruments measured at fair value

Determination of fair value and fair values hierarchy

IPSAS 30 specifies a hierarchy of valuation techniques based on whether the inputs to those valuation techniques are observable or unobservable. Observable inputs reflect market data obtained from independent sources; unobservable inputs reflect the Entity's market assumptions.

These three types of inputs have created the following fair value hierarchy:

- Level 1 – Quoted prices (unadjusted) in active markets for identical assets or liabilities. This level includes listed equity securities and debt instruments on exchanges.
- Level 2 – Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices).
- Level 3 – inputs for the asset or liability that are not based on observable market data (unobservable inputs). This level includes equity investments and debt instruments with significant unobservable components. This hierarchy requires the use of observable market data when available. The Entity considers relevant and observable market prices in its valuations where possible.



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The following table shows an analysis of financial and non-financial instruments recorded at fair value by level of the fair value hierarchy:

Description	Level 1	Level 2	Level 3	Total
	Kshs	Kshs	Kshs	Kshs
As at 30 June 2025				
Financial Assets				
Quoted Equity Investments	-	-	-	-
Non- Financial Assets				
Investment Property	-	-	-	-
Land And Buildings	-	-	-	-
Total	-	-	-	-
As at 30th June 2024				
Financial Assets				
Quoted Equity Investments	-	-	-	-
Non- Financial Assets				
Investment Property	-	-	-	-
Land And Buildings	-	-	-	-
Total	-	-	-	-

There were no transfers between levels 1, 2 and 3 during the year. Disclosures of fair values of financial instruments not measured at fair value have not been made because the carrying amounts are a reasonable approximation of their fair values.

iv) Capital Risk Management

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

Description	FY 2024/2025	FY 2023/2024
	Kshs	Kshs
Revaluation Reserve	-	-
Retained Earnings	233,667,650	258,502,093
Capital Reserve	-	-
Total Funds	233,667,650	258,502,093
Total Borrowings	-	-
Less: Cash and Bank Balances	-	-
Net Debt/ (Excess Cash and Cash Equivalents)	-	-
Gearing	0%	0%



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28. RELATED PARTY DISCLOSURES

Nature of related party relationships

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

Government of Kenya

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

Other related parties include:

- i) The National Government
- ii) The Parent Ministry
- iii) Employees
- iv) Board of directors
- v) Konza Technopolis Development
- vi) College Of Insurance
- vii) PS State Department of Broadcasting & Telecommunications

28. Related Parties		
Description	FY 2024/2025	FY 2023/2024
	Kshs	Kshs
Transactions with related parties		
a) Sales to related parties		
Rent income from govt. Agencies	-	-
Water sales to govt. Agencies	-	-
Others (specify) e.g. interest and bank charges	-	-
Total	-	-
B) purchases from related parties		
Purchases of electricity from KPLC	1,051,982	1,342,050
Purchase of water from govt service providers	-	-
Rent expenses paid to govt agencies	46,226,434	46,957,564
Training and conference fees paid to govt. Agencies	227,700	-
Cloud Storage	343,006	343,006
Advertising	205,045	1,650,603
Total	48,054,167	50,293,223



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b) Grants/transfers from the government		
Grants from national govt	294,148,914	429,300,000
Grants from county government	-	-
Donations in kind	-	-
Total	294,148,914	429,300,000
c) Expenses incurred on behalf of related party		
Payments of salaries and wages for 92 employees	211,493,682	213,347,656
Payments for goods and services	206,833,586	241,014,659
Total	418,327,268	454,362,315
d) Key management compensation		
Directors' emoluments	25,518,498	30,852,259
Compensation to key management	-	-
Total	25,518,498	30,852,259

29. SEGMENT INFORMATION

29	Segment Information	
	The Board has ten (9) regional offices namely Nairobi, Mombasa, Nakuru, Eldoret, Kisumu, Kakamega, Nyeri, Embu and Garissa. The following is the cost of operating the regional offices during the FY 2024/2025. The cost is reported under the general expenses/administration costs for the FY 2024/2025.	
	Description	Amount
1	Cost of Running regional Offices	958,150
2	Inspections and Raids	2,071,500
3	Travelling Costs	2,867,900
4	Public Sens. Programmes	30,000
	Total	5,927,550

30. CAPITAL COMMITMENTS

30. Capital Commitments		
Description	FY 2024/2025	FY 2023/2024
	Kshs	Kshs
Authorised for	-	-
Authorised and contracted for	-	-
Total	-	-



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31. EVENTS AFTER THE REPORTING PERIOD

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

32. ULTIMATE AND HOLDING ENTITY

The entity is a State Corporation/ or a Semi- Autonomous Government Agency under the **Ministry of Youth Affairs, Creative Economy and Sports**. Its ultimate parent is the Government of Kenya.

33. CURRENCY

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



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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. We have nominated focal persons to resolve the various issues as shown below with the associated time frame within which we expect the issues to be resolved:



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REFERENC E NO. ON THE EXTERNAL AUDIT REPORT	ISSUE/OBSERVATIONS FROM AUDITOR	MANAGEMENT COMMENTS	(RESOLVED /NOT RESOLVED)	TIMEFRAME: PUT A DATE WHEN YOU EXPECT THE ISSUE TO BE RESOLVED
KFCB/375/ 2016-2016 (14) Audit Financial Statements for the year ended 30 June 2016	Bulk Purchase of Classification Stickers	Management Comments	NOT RESOLVED	The matter awaiting Parliamentary Investment Committee Decision
	Examination of stores records maintained at the Board's Uchumi House Stores disclosed that six (6) million Classification Stickers were procured at cost of Kshs.47, 500,000 between 30 November 2010 and January 2012 at Kshs.7.40 and Kshs 8.95 each respectively. Review of the Board of Survey Report as at 30 June 2016 together with the Stores Ledger and Stock Control Card revealed a balance of 4,552,509 stickers worth Kshs 36,788,567 which had not been used or issued to their regional officers across the country in the last five (5) years an indication that the stickers were slow moving items. Although the management has confirmed that the inventory is slow moving and is becoming obsolete with changes in technology, no justification has been provided for purchase of stickers in bulk without proper planning and consideration of emerging technology is likely to turn the stickers into dead-stock. In view of the foregoing, the propriety of the bulk purchase of Kshs.47, 500,000 could not be confirmed.	It is true that the financial statements availed for audit revealed that Inventory was purchased in two folds, the first batch of four million stickers (4) was bought at a cost of Kshs.7.40 each and the second batch of two million stickers (2) was bought at a cost of Kshs.8.95 each. The usage of the inventory is based on FIFO. It is also true that the current inventories which relates to classification stickers of Kshs.36, 788,567.00 has over five years in the stores and the rate at which these classification stickers are being demanded or sold to the market is very slow due to the change in technology. However, for the last six years the Board has collected Kshs.22, 067,600.		
Audit Financial Statements for the year ended 30 June 2017	Bulk Purchase of Classification Stickers	Management Comments	NOT RESOLVED	The matter awaiting Parliamentary Investment Committee Decision
	As previously reported, six million classification stickers were between 30 November 2010 and January 2012 procured at a total cost of Kshs 47,500,000. However, 4,014,559 stickers worth Kshs. 32,807,737 had not been used or issued to the regional offices across the country in the last six years an indication that the stickers were slow moving. No justification has been provided for purchase of stickers in bulk without proper planning and consideration of emerging technology which is likely to turn the stickers into dead stock. In view of the foregoing, it has not been possible to confirm that value for money was obtained from bulk purchase of stickers .worth Kshs.47,500,000 as at 30 June 2017.	It is true that the financial statements availed for audit revealed that Inventory was purchased in two folds, the first batch of four million stickers (4) was bought at a cost of Kshs.7.40 per sticker and the second batch of two million stickers (2) was bought at a cost of Kshs.8.95 per sticker. The usage of the inventory is based on FIFO. It is also true that the current inventories which relates to classification stickers of Kshs. 32,807,737 has over five years in the stores and the rate at which these classification stickers are being demanded or sold to the market is very slow due to the change in technology. The value of inventory MAY not be realizable due to change of technology. The Board has been faced with various challenges that have led to the low intake of the		



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REFERENC E NO. ON THE EXTERNAL AUDIT REPORT	ISSUE/OBSERVATIONS FROM AUDITOR	MANAGEMENT COMMENTS	(RESOLVED /NOT RESOLVED)	TIMEFRAME: PUT A DATE WHEN YOU EXPECT THE ISSUE TO BE RESOLVED
		classification labels such as new methods of exhibition and distribution due to change in technology such as the internet and flash disks. However, this notwithstanding the Board has in the last 5 years been able to raise Kshs. 146,922,640.00 from the sale of the classification stickers. Section 17 of the Films & Stage plays Act Cap 222 clearly states the various ratings that the Board will assign a film after it has been examined and classified so as to ensure that the consumers of the content are aware of the classification rating assigned for it.		
Audit Financial Statements for the year ended 30 June 2018	Bulk Purchase of Classification Stickers As previously reported, six million Classification Stickers were procured between 30 November 2010 and January 2012 at a total cost of Kshs. 47,500,000. Examination of stores records maintained at the Board's Uchumi House Stores disclosed that Classification Stickers worth Kshs 29,570,607 which had not been used or issued to their regional offices across the country in the last five (5) years an indication that the stickers were slow moving items. Although the Management has confirmed that the inventory is a slow moving an is becoming obsolete with changes in technology, no justification has been provided for purchase of stickers in bulk without proper planning and consideration of emerging technology which is likely to turn the stickers into deadstock. In view of the foregoing, it has not been possible to confirm that the Board obtained value for money from the bulk purchases of the stickers.	Management Comments It is true that the financial statements availed for audit revealed that Inventory was purchased in two folds, the first batch of four million stickers (4) was bought at a cost of Kshs.7.40 each and the second batch of two million stickers (2) was bought at a cost of Kshs.8.95 each. The usage of the inventory is based on FIFO. It is also true that the current inventories which relates to classification stickers of Kshs.29, 570,607.00 has over six (6) years in the stores and the rate at which these classification stickers are being demanded or sold to the market is very slow due to the change in technology. However, over the last six (6) years the Board has collected revenue of Kshs.26, 442,100 from the stickers which is more than half the cost of printing classification stickers.	NOT RESOLVED	The matter awaiting Parliamentary Investment Committee Decision
Audit Financial Statements for the year ended 30 June 2019	Bulk Purchase of Classification Stickers-Impairment of Inventories The statement of financial position reflects inventory of Kshs. 29,570,607. As previously reported, six million Classification Stickers were procured between 30 November 2010 and January 2012 at a total cost of Kshs.	Management Comments It is true that the Financial Statements reflect a balance of Kshs.26, 444,847.00 that relates to Classification Stickers and these were purchased in two folds; the First Batch of four million stickers (4) was bought each at a cost of Kshs.7.40	NOT RESOLVED	The matter awaiting Parliamentary Investment Committee Decision



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	47,500,000. Examination of stores records maintained at the Board's Uchumi House Stores disclosed that 2,784,789 stickers worth Kshs. 29,570,607 had not been used or issued to the Regional Offices across the country. Although the Management has confirmed that the inventory is slow moving and may have become obsolete due to changes in technology, no provision for impairment loss has been made in the financial statements. Consequently, the accuracy and fair statement of inventory as at 30 June, 2019 could not be confirmed.	and the Second Batch of two million stickers (2) was bought each at a cost of Kshs.8.95. The sales/disposal of the inventory is based on FIFO, and the current balance reflects usage and sale of the Classification Stickers over an eight (8) year period that they have been in the stores. The rate at which these Classification Stickers are being demanded for and or sold in the market is based on the number of films sold as well as the number of video shops in operation. The Board would however like to report that over the last eight (8) years, it has continued to sell and receive revenue totaling Kshs.28, 452,910.00 (2018/2019 FY Kshs.4, 224,000.00) from these Classification Stickers. The revenue collected so far is 60% of the initial cost of the Classification Stickers and the Board forecasts that the inventory will continue to move and generate income and therefore loss on account of obsolescence will not occur. The stickers are currently being retailed each at Kshs. 10.		
Audit Financial Statements for the year ended 30 June 2020	<p>Impairment of Inventories</p> <p>The statement of financial position reflects inventory of Kshs. 26,444,847. As previously reported, six million Classification Stickers were procured between 30 November 2010 and January 2012 at a total cost of Kshs.47, 500,000. Examination of stores records maintained at the Board's Uchumi House Stores disclosed that 2,784,789 stickers worth Kshs. 26,444,847 had not been used or issued to the Regional Offices across the country. Although the Management has confirmed that the inventory is slow moving and may have become obsolete due to changes in technology, no provision for impairment loss has been made in the financial statements. Consequently, the accuracy and fair statement of inventory as at 30 June, 2020 could not be confirmed.</p>	<p>Management Comments</p> <p>It is true that the Financial Statements reflect a balance of Kshs.23, 707,439.00 that relates to Classification Stickers and these were purchased in two folds; the First Batch of four million stickers (4) was bought each at a cost of Kshs.7.40 and the Second Batch of two million stickers (2) was bought each at a cost of Kshs.8.95. The sale of the inventory is based on FIFO, and the current balance reflects usage and sale of the Classification Stickers over a nine (9) year period that they have been in the stores. The rate at which these Classification Stickers are being demanded for and or sold in the market is based on the number of films sold as well as the number of video library shops in operation. In the last nine (9) years, the Board has received revenue totaling Thirty-Two Million One Hundred and Fifty-Two Thousand One Hundred and Ten (Kshs.32, 152,110.00) and in FY 2019/2020 Three Million Six Hundred and Ninety-Nine Thousand Two Hundred (Kshs. 3,699,200.00) from these</p>	NOT RESOLVED	The matter awaiting Parliamentary Investment Committee Decision



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		Classification Stickers The revenue collected so far is 68% of the initial cost of printing the Classification Stickers and the Board forecasts that the inventory will continue to move and generate income despite the fact that changes in technological advances may cause the stickers to be obsolete. In addition, to pre-empt the possibility of the stickers becoming obsolete, the Board will write to the Cabinet Secretary, National Treasury for authority to write-off the stock from the Statement of Financial Position. In which case, the Board will then utilize the Classification Stickers as material for information, education and communication (IEC) during public awareness campaigns, ensuring that the Board will get value from the stickers.		
Audit Financial Statements for the year ended 30 June 2021	Impairment of Inventories	Management Comments	NOT RESOLVED	The matter awaiting Parliamentary Investment Committee Decision
	As disclosed in Note 16 to the financial statements, the statement of financial position reflects inventory of Kshs.20, 685, 575. As previously reported, six million Classification Stickers were procured between 30 November 2010 and January 2012 at a total cost of Kshs.47, 500,000. Examination of stores records maintained at the Board's Uchumi House Stores disclosed that 2,376,429 stickers worth Kshs.20, 685,575 had not been used or issued to the Regional Offices across the country for over (11) years since they were procured. Although the Management has confirmed that the inventory is slow moving and may have become obsolete due to changes in technology, no provision for impairment loss has been made in the financial statements. In the circumstances, the accuracy and fair presentation of the inventories as at 30 June, 2021 could not be confirmed.	The management applies IPSAS 12 in classification of inventories held by the Board in the stores. Based on this, IPSAS 26 exempts the Board from providing for impairment loss on inventory. The standard states that "An entity that prepares and presents financial statements under the accrual basis of accounting shall apply this Standard in accounting for the impairment of cash-generating assets, except for:- Inventories IPSAS 12, "Inventories")		
Audit Financial Statements	Impairment of Inventories	Management Comments	NOT RESOLVED	The matter awaiting Parliamentary
	As disclosed in Note 16 to the financial statements, the statement of financial position reflects inventories of	It is true that the Financial Statements reflect a balance of Kshs.17,491,784 that relates to Classification Stickers and		



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REFERENC E NO. ON THE EXTERNAL AUDIT REPORT	ISSUE/OBSERVATIONS FROM AUDITOR	MANAGEMENT COMMENTS	<i>(RESOLVED /NOT RESOLVED)</i>	TIMEFRAME: PUT A DATE WHEN YOU EXPECT THE ISSUE TO BE RESOLVED
for the year ended 30 June 2022	Kshs.17, 491,784. As previously reported, the Board procured six (6) million Classification Stickers between 30 November 2010 and January 2012 at a total cost of Kshs.47, 500,000. Examination of stores records revealed 1,954,389 stickers valued at Kshs. 17,491,784 which had not been used or issued to the Regional Offices across the country for over twelve (12) years since they were procured. Although the Management acknowledges that the inventories are slow moving and may have become obsolete due to changes in technology, no provision for impairment loss has been made in the financial statements. In the circumstances, the accuracy and fair presentation of the inventories balance of Kshs. 17,497,784 could not be confirmed.	these were purchased in two folds; the First Batch of four million stickers (4) was bought each at a cost of Kshs.7.40 (fully sold out) and the Second Batch of two million stickers (2) was bought each at a cost of Kshs.8.95. The sale of the inventory is based on FIFO, the rate at which these Classification Stickers are being used and or sold in the market is based on the number of films sold as well as the number of video library shops in operation. In the last eleven (11) years, the Board has received revenue totaling Forty Million Four Hundred Fifty-Six Thousand One Hundred Eight (Kshs. 40,456,108) and in 2021/2022 FY Four Million Two Hundred Twenty Thousand Three Hundred Ninety-Eight (Kshs. 4,220,398) from these Classification Stickers The revenue collected so far is eight five percent (85%) of the initial cost of printing the Classification Stickers and the Board forecasts that the inventory will continue to move and generate income despite changes in technology over time, a slower pace in the sale of the stickers may however take place. On impairment loss, the management applies IPSAS 12 in classification of inventories held by the Board in the stores. Based on this, IPSAS 26 exempts the Board from providing for impairment loss on inventory. The standard states that “An entity that prepares and presents financial statements under the accrual basis of accounting shall apply this standard in accounting for impairment of cash-generating assets, except for: -Inventory IPSAS 12, “Inventories”)		Investment Committee Decision
Audit Financial Statements for the year ended 30 June 2024	<p>Delayed Completion of Refurbishment and Equipping of Nairobi Film Centre</p> <p>Review of procurement documents revealed that Kenya Film Classification Board, contracted a firm in August, 2021 to supply, install and commission mobile cinema system at a cost of Kshs. 96,782,000. The project was earmarked for completion on 26 August, 2022 which has been extended four (4) times, the last extension ended on</p>	<p>Management Comments</p> <p>The Mobile Cinema component of project is currently on its final stages of implementation. The Project implementation team conducted two inspections and testing activities of the Mobile Cinema Solution to establish the compliance status of the solution on its entirety. On April, 2025, the contractor handed over the specific deliverables that rendered the</p>	<i>NOT RESOLVED</i>	



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	03 November 2023. However, as at the time of audit in November, 2024, the project was not complete, the contract period had elapsed and the contractor was not on site.	project practically complete. The Project Manager is finalising the documentation of the project so as to hand over all the requirements of the project and issue a certificate of completion.		
	<p>Under Staffing</p> <p>Review of staff establishment revealed under staffing in the position of Chief Executive Officer, Chief Managers and Managers as analysed below: CEO's position has been vacant since August 2021, 5 Chief Managers positions has not been filled and 3 Manager are in post out of 21 required. To breach the gap, it was observed that most positions were held in acting capacity for more than six months contrary to Section C. 14 of Public Service Commission Manual 2016, which set the maximum acting limit of six months. Although the Management has attributed the state of affairs to government's suspension of recruitment, the understaffing may result to staff burnouts and inability to accomplish the organization's set objectives.</p>	<p>Management Comments</p> <p>The Board's Human Resource Policy Section 4.5.6 provides for extension of acting appointments by the CEO/Board if the posts remain vacant. The acting staff have been acting for managerial/principal officer's positions, these officers are expected to make decisions and work as heads of departments thus need of compensation. The Board however will endeavor to fill the positions in the coming days subject to availability of funds.</p>	<i>NOT RESOLVED</i>	



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Guidance Notes:

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

Nelly Muluka Aluoch
Accounting Officer/Chief Executive Officer

Date.....



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APPENDIX II: PROJECT IMPLEMENTED BY KENYA FILM CLASSIFICATION BOARD

Project Title	Project Number	Donor	Period/ Duration	Donor Commitment	Separate donor reporting required as per the donor agreement (Yes/No)	Consolidated in these Financial Statements (Yes/No)
Acquisition and Refurbishment of a Cinema Theatre	1135101501	Government of Kenya	8 Years	To fund the project fully	No	Yes

Status of Project Completion

	Project	Total project Cost	Total expended to date	Completion % to date	Budget	Actual	Sources
1	Acquisition and Refurbishment of a Cinema Theatre	1,225,744,000	272,000,000	22%	-	-	GOK GRANTS
	Total	1,225,744,000	272,000,000		-	-	



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APPENDIX III: TRANSFERS FROM OTHER GOVERNMENT ENTITIES

APPENDIX III: RECORDING OF 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 KSH	Where Recorded/recognized					Total Transfers during the Year
				Statement of Financial Performance	Capital Fund	Deferred Income	Receivables	Others - must be specific	
State Department of Youth Affairs and Creative Economy	01.08.2024	Recurrent	33,622,337	33,622,337	-	-	-	-	33,622,337
Sports Arts and Social Development Fund	02.09.2024	Conditional Grants	46,002,000	46,002,000	-	-	-	-	46,002,000
State Department of Youth Affairs and Creative Economy	12.09.2024	Recurrent	22,414,891	22,414,891	-	-	-	-	22,414,891
State Department of Youth Affairs and Creative Economy	07.11.2024	Recurrent	56,037,228.50	56,037,228.50					56,037,228.50
Sports Arts and Social Development Fund	25.11.2024	Conditional Grants	49,603,200	49,603,200					49,603,200
State Department of Youth Affairs and Creative Economy	07.02.2025	Recurrent	56,037,229	56,037,229					56,037,229
State Department of Youth Affairs and Creative Economy	09.05.2025	Recurrent	126,037,228	126,037,228					126,037,228
Total			389,754,113.50	389,754,113.50	-	-	-	-	389,754,113.50



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APPENDIX IV: INTER-ENTITY TRANSFERS CONFIRMATION LETTER

Name of Transferring Entity: State Department of Youth Affairs and Creative Economy					
Name of Beneficiary Entity: Kenya Film Classification Board					
Confirmation of amounts received by Kenya Film Classification Board as at 30th June 2024					
Reference Number	Date Disbursed	Recurrent (A)	Development (B)	Total (C)=(A)+(B)	Remarks
FT24214J4D9G	01.08.2024	33,622,337	-	33,622,337	Part Disbursement for Quarter One FY 2024/2025
FT24256ND714	12.09.2024	22,414,891		22,414,891	Final Disbursement for Quarter One FY 2024/2025
FT24312H6Z5K	07.11.2024	56,037,228.50	-	56,037,228.50	Disbursement for Quarter Two FY 2024/2025
FT25038GFYFC	07.02.2025	56,037,229	-	56,037,229	Disbursement for Quarter Three FY 2024/2025
FT251293Z5M2	09.05.2025	126,037,228	-	126,037,228	Disbursement for Quarter Four FY 2024/2025
Total		294,148,913.50	-	294,148,913.50	-

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

Head of Accounts Department - Disbursing Entity: State Department of Youth Affairs and Creative Economy

NameSign.....Date.....

Head of Accounts Department - Beneficiary Entity: Kenya Film Classification Board

Name *Christopher Masira*Sign *[Signature]*Date *9/12/2025*



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Name of Transferring Entity: Sports Arts and Social Development Fund					
Name of Beneficiary Entity: Kenya Film Classification Board					
Confirmation of amounts received by Kenya Film Classification Board as at 30th June 2024					
Reference Number	Date Disbursed	Recurrent (A)	Development (B)	Total (C)=(A)+(B)	Remarks
C717290824155833/ C761290824155957	02.09.2024	46,002,000	-	46,002,000	Funding for the Creatives in Arts and Film Creation Digital Literacy (CAFIL) programme Phase II
C780221124154200/ C788221124154341	25.11.2024	49,603,200	-	49,603,200	Funding for the Creatives in Arts and Film Creation Digital Literacy (CAFIL) programme Phase III
Total		95,605,200	-	95,605,200	-

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

Head of Accounts Department - Disbursing Entity: Sports Arts and Social Development Fund

NameSign.....Date.....

Head of Accounts Department - Beneficiary Entity: Kenya Film Classification Board

Name Christopher masiraSign [Signature]Date 9/12/2025