

REPUBLIC OF KENYA



THE NATIONAL ASSEMBLY
PAPERS LAID

REPORT DATE: 14 APR 2026 DAY: Tuesday

TABLED BY:	Hon. Naomi Wago, CBS, MP (Deputy Majority Whip)
CLERK-AT THE-TABLE:	INZOFU MWALE, HSC

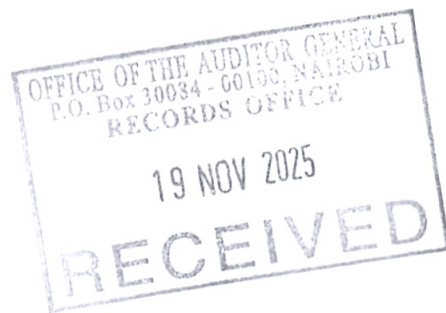
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ON

**KENYA INSTITUTE OF MASS
COMMUNICATION**

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



KENYA INSTITUTE OF MASS COMMUNICATION

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED

30TH JUNE 2025

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

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for the year ended June 30, 2025.**

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1. Acronyms and Definition of Key Terms

A: Acronyms

CEO	Chief Executive Officer
ICPAK	Institute of Certified Public Accountants of Kenya
IPSAS	International Public Sector Accounting Standards
NT	National Treasury
OAG	Office of the Auditor General
PFM	Public Finance Management
PPE	Property Plant & Equipment
PSASB	Public Sector Accounting Standards Board
SAGAs	Semi-Autonomous Government Agencies

B: Definition of Key Terms

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

Comparative Year – Means the prior period.

2. Key Entity Information and Management

(a) Background information

The Kenya Institute of mass communication was established in 1961. The Institute is domiciled in Kenya with its headquarters in Nairobi and a branch campus in Eldoret. Its main purpose was to train electronic engineering and technicians for Kenya Broadcasting Corporation. The Institute's mandate has since expanded to offer training in communication, info-tainment and cinematic arts and to produce and disseminate mass media products for training and commercial purposes. To ensure that the Institute keeps abreast with media market and personnel training requirements, the Government in the year 2011, transformed KIMC into a semi-Autonomous Government Agency (SAGA) under legal Notice No.197 of 2011.

(b) Principal Activities

The principal mandate of the institute is;

- i. Offer training in communication, info-tainment and cinematic arts
- ii. Produce and disseminate mass media products for training and commercial purposes.

(c) Key Management

The day-to-day management of the Institute is under the following:

No.	Designation	Name
1.	CEO	Peter Wakoli
2.	Academic Registrar	Godfrey Kareithi
3.	Head of Finance	Dr. Jenispher Korir
4.	Head of Procurement	George Miriti
5.	Human Resource Manager	Lucy Angwenyi
6.	Administration Manager	Brian Atenyo

(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.	CEO	Peter Wakoli
2.	Academic Registrar	Godfrey Kareithi
3.	Head of Finance	Dr. Jenispher Korir
4.	Head of Procurement	George Miriti

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No.	Designation	Name
5.	Human Resource Manager	Lucy Angwenyi
6.	Administration Manager	Brian Atenyo

(e) Fiduciary Oversight Arrangements

The oversight for financial management is vested in the three board committees and parliamentary oversight committees as discussed below;

i. Audit and risk committee

The responsibilities of the committee include reviewing the financial information of the Institute, monitoring the effectiveness of management information and reviewing the internal control systems, deliberating on significant findings arising from both internal and external audits, and reviewing the overall risks facing the Institute.

ii. Finance and Administration Committee

The committee is responsible for Financial Management and proper resource allocation in the Institute. The Committee's responsibilities include ensuring overall sound financial reporting, Performance contracts, procurement, setting of fees guidelines, budgets and Administrative and Human Resource matters.

iii. Training Committee

The committee oversees policy issues on core mandate of the School which is training and includes admission of students, Quality assurance on Academic standards, development of new courses and academic policy.

iv. Parliamentary Oversight Committee

The committee interrogates, recommends and approves GoK budgetary support of the Institute.

f. Institute Headquarters

P.O. Box 42422-00100
Kenya Institute of Mass Communication
Uholo Road
Nairobi, KENYA

g. Institute Contacts

Telephone :(254)708262895
E-mail: info@kimc.ac.ke
Website: www.kimc.ac.ke

h. Institute Bankers

1. Kenya Commercial bank
Kencom House
P.O.x 48400
G.P.O 00100
Nairobi, Kenya

Key Entity Information and Management (continued)

2. Housing Finance Corporation
Sameer Branch
P.O Box 30088
G.P.O 00100
Nairobi, Kenya

i. Independent Auditors




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

j. Principal Legal Adviser



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

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3. The Board of Directors/Council

Ref	Directors	Details
1	 Silas Otieno Jonyo Chairperson of Council	Born 28 th February 1974 Academic Qualifications He possesses a Master of Arts Linguistic from Nairobi University and a Bachelor of Arts in Education from Nairobi University. Work Experience He has over 17 years work experience. He has worked as a teacher at Yago Mixed Secondary School, lecturer at Sunbeam ECDE TTC and Africa Nazarene University, Unit Manager at Britam-Kisii Branch, Ag. Director Education and Migori County Director in the Dept. of Culture, Sports and Youth Development.
2	 John Kieru Wambui Chairperson, Finance & Administration Committee	Born 13 th July 1985 Academic Qualifications He possesses a Master of Development Studies specialised in Organisational Development from St. Paul's University, Bachelor of Arts in Leadership and Management and, certificate in Technology of Architecture from Technology University of Kenya and Certificate in Technology in Architectural Design & Draughtsmanship – Computer Aided Designs Expert from Kenya Polytechnic University College. Work Experience He has over 20 years work experience. He has worked as an untrained teacher at both Joy's Bridge Academy and ACK St. Peter's Academy Ol'Kalou, management & Design Technologist at JoyCot General Contractors, elected as a member of the County Assembly for Gatimu Ward. Professional Membership He is a member of the Chartered Institute of Arbitrators
3	 Bevin Angellah Bhoke	Born 26 th October 1979 Academic Qualifications. She possesses a Masters Business Administration (MBA) from Eastern and Southern Africa Management Institute (MBA), BA Journalism and Media Studies from University of Nairobi and a Diploma in Journalism from Kenya Institute of Mass Communication. Work Experience




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	Council Member	<p>She has over 20 years work experience. She is a media and communications expert as well as a consultant. She has worked as a Senior Reporter at Royal Media Services, Information Officer at the Ministry of Tourism, Programme Officer-Communication & Documentation at National Council of NGOs, Communications Expert at International Institute of Tropical Agriculture, and International Rescue Committee (IRC), Communications and Government Relations Manager at PASS Trust.</p>
4	 Festus Mwanzi Alt. to PS National Treasury	<p>Born 3rd July 1977</p> <p>Academic Qualifications He possesses a Bachelor of Arts in Business Studies and Sociology.</p> <p>Work Experience He has over 20 years work experience. He has worked as a teacher at Mutitu Boys High School, lecturer at TEC Institute of Business Studies, Youth Officer at Min. of Youth & Sports Affairs at Makueni County, Youth and Gender Officer and Kilome Sub-County, Makueni and Chief Investment Officer at Government Investment and Public Enterprise.</p> <p>Professional Membership A member of ICPAK</p>
5	 Evelyn Anupi Alt. PS. Min. of Education	<p>Born 22nd September 1971</p> <p>Academic Qualifications She possesses an MA in Development Economics from Williams College, M.A. United States and a BA in Economics from Moi University, Eldoret.</p> <p>Work Experience She has over 20 years work experience. She has worked as an Economist at the Ministry of planning and National Development, an Economist at the Ministry of Education and a Director Planning at the Ministry of Education – State Department of TVET.</p> <p>Professional Membership Economic Society of Kenya</p>



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<p>6</p>	 <p>Everlyne Koiyan Council Member</p>	<p>Born 20th January 1988</p> <p>Academic Qualifications. She Possesses a BA in Communications (Public Relations) from Daystar University and Certificate in Peer Counselling and Human Skills from Daystar University</p> <p>Work Experience She has over 15 years work experience. She has worked as a Public Relations Officer at Muungano Micro Financing, Resource Mobilisation Officer for Kenya Youth for Life, Group Administrator for Buzeki Group, Director of Administration and Administration Services at Narok County Government, Chief Officer in Charge of Livestock and Veterinary Services, Executive Committee Member in the Department of Agriculture, Livestock, Fisheries and Veterinary Services, County Executive Committee Member for Water, Energy and Natural Resources at Narok County Government.</p>
<p>7</p>	<p>Juanita Ombima Alt. PS Min. of Information Communication and the Digital Economy.</p>	<p>Born 7th August 1969</p> <p>Academic Qualifications She possesses an MA in Ecomics and BA in Economics.</p> <p>Work Experience She has worked as a Programme Officer at the Civil Service Reform, Human Resource Development and Management Consultant at Public Service and, Human Resource Management and Development in various ministries in Government.</p> <p>Professional Membership Institute of Human Resource Management</p>
<p>8</p>	 <p>Kizito Chesusio Chairperson, Audit Committee</p>	<p>Born 1st January 1969</p> <p>Academic Qualifications He possesses an MA in Sociology from Moi University, BA in Sociology from Moi University, Bachelor in Military Science from Kochi Naval College-India, Higher Diploma in Community Development from Tlokweng Community College-Botswana, Diploma in Personnel & Public Administration from Central Institute Management-India.</p> <p>Work Experience He has worked in the military holding various posts such as Demobilisation and Reintegration Officer, Commanding Officer, Military Assistant, Intelligence & Security officer among others. He has also worked as a lecturer School of Military Intelligence, Tlokweng Community College and Training Manager at Highlands Institute.</p>






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<p>9</p>	 <p>Rodney Edward Onyango Council Member</p>	<p>Born 1st September 1990</p> <p>Academic Qualifications Possesses BSc. Telecommunications from Strathmore University.</p> <p>Work Experience He has over 10 years work experience. He has worked as a Software Development Consultant at Henga Systems Ltd, Software Developer at iLabAfrica and Itelipo, Technical Project Manager at IntelliSOFT Kenya, Engineering Manager at Mwaluu Plus and Shara Ltd and Senior Developer at Yoco.</p>
<p>10</p>	 <p>Stephen Ng'ang'a Gitau Council Member</p>	<p>Born 30th August 1960</p> <p>Academic Qualifications He possesses Certificate in Kenya Institute of Bankers Part I & II</p> <p>Work Experience He has over 40 years work experience. He has worked as an untrained secondary school teacher, Bank Clerk and Senior Bank Manager in various banking sectors and worked at Highlands Microcredit.</p>
<p>11</p>	 <p>Esther Kagiri, MBS Chairperson, Training Committee</p>	<p>Born 15th December 1981</p> <p>Academic Qualifications She possesses a Masters Business Administration from United States International University-Africa (USIU-A) and BA in Communications from Daystar University.</p> <p>Work Experience She has over 20 years work experience. She is the first African Woman to serve on the Global Board of AMEC (International Association for the Measurement Evaluation of Communication) and is widely recognized as a leading voice in communications, media intelligence and public relations across Africa. With 20+ years of experience, she has served at Nairobi Equator Hospital, Daylink Placement and Careers and the National Council of Kenya, before rising to Director at Gina Din Corporate Communications. Today, she is the Founder and Managing Director of Globetrack, a global award-winning communication measurement agency.</p> <p>Professional Leadership & Membership Global Member, AMEC (International Association for the Measurement and Evaluation of Communication)</p>




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		<p>Member, International Federation of the Press Clipping Services (FIBEB)</p> <p>Senior Member, African Public Relations Associations (APRA)</p> <p>Member of Public Relations Society of Kenya (MPSRK)</p> <p>Member, Kenya Association of Women in Business Organisations (KAWBO)</p>
12.	 <p>Peter Wakoli C.E.O/Secretary to Council</p>	<p>Director /CEO</p> <p>He is responsible for the execution of the Institute's strategy, and the day-to-day business of the Institute and Secretary to the Council</p>
13	 <p>Brenda Wasilwa Corporation Secretary Member no 3504</p>	<p>Corporation Secretary</p> <p>In consultation with the Director, provide secretarial services to the Council and Council committees</p>

4. Key Management Team

Ref	Management	Details
1.	 Peter Wakoli CEO	Responsible for the execution of the Institute’s strategy, and the day-to-day business of the Institute and Secretary to the Council
2	 Brenda Wasilwa Corporation Secretary	In consultation with the Director, provide secretarial services to the Council and Council Committees.
3.	 Dr. Jenisphe Korir Finance Manager	Provision of Finance and Accounting services to the Institute
4.	 Lucy Angwenyi Human Resource Manager	Responsible for overall management of human resource matters in the Institute
5.	 Jane Kariuki Chief Internal Auditor	Managing enterprise – wide risks as well as ensuring compliance of the Institute with various statutory and operational requirements

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6.	 <p>George Miriti Chief Supply Chain Management Officer</p>	Planning of Supply Chain Management activities
7.	 <p>Godfrey Kareithi Registrar-Academics</p>	Coordinating Academic activities in Institute
8.	 <p>Brian Atenyo Administration Manager</p>	Overseeing transport, Hospitality, security, Maintenance, Telephone exchange and Coordinating disaster management and emergency response activities

5. Chairman's Statement

I take great pleasure in presenting to you once again the Annual Report and Financial statements for the Kenya Institute of Mass communication for the year ended 30 June 2025. Some of the milestones I wish to highlight include;

Recruiting and Training students in Mass Communication.

The Institute undertook a Single intake and recruited students into various courses. In May 2025 a total of 417 students were recruited. Further, the Institute graduated a total of 500 Diploma and Certificate students comprising 459 from Nairobi campus and 41 from Eldoret campus in the month of November and December 2024.

During the year, 34 productions in communication and cinematic arts for education and info-tainment were produced and disseminated 15 of the 34 productions.

Annual Budget & Strategic Plan

In the current Financial Year 2024/25, the Institute continued to implement its Strategic Plan in consultation with the stakeholders. The Strategic Plan prioritizes three strategic interventions:

First, Governance and Accountability. This involves three things; One, transiting the current legal instruments to an Act of Parliament to reposition KIMC as a premier specialised tertiary institution in communication and creative arts. Two, development of forward-looking institutional policy instruments and finally, review of the Kenya Institute of Mass Communication Organizational Structure and staff establishment to:

- i) Harmonize and upgrade faculty to student ratio;
- ii) Develop a structure that is responsive to heightened media demands for media graduates with cutting edge skills;
- iii) Determine a staff establishment that will match training needs in Nairobi and the campuses; and
- iv) Align the Institute's training priorities to government policies and strategies that recognise the Technical and Vocational Education and Training (TVET) sector as a driver in the country's youth skills development and knowledge transfer.

Second, Access and Inclusivity. This includes: (i) Upgrading and modernising of competence-based Infrastructure (ii) Financing support services and (iii) Expanding student enrolment including foreign students.

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Third, Quality and relevance of service. This involve (i) retaining industry responsive training programmes and curriculum review and development (ii) Institutionalization of research, innovation, authorship and outreach (iii) Accreditation, quality assurance and standards; and (iv) Institutional re-branding and visibility initiative that will involve service automation and incubation; and mentor-ship and entrepreneurship of talents.

The KIMC Council is alive to the fact that resources are limited and should therefore be utilized sustainably and prudently.

The resources received in the FY 2024/25 facilitated the Institute to: train and graduate 500 media practitioners; train 68 officers in short term aptitude courses; capacity build Council members; develop and review curricula; develop the 3rd Institute Strategic Plan for 2023-27, develop 5 institutional policy instruments and fully operationalize the TVET-CDAC based training framework.

The Council and its Committees met regularly as prescribed by their respective mandates and in accordance with the legal and regulatory requirements. The Council was also evaluated in a Board Evaluation exercise conducted by the State Corporations Advisory Committee (SCAC).

On behalf of the KIMC Council, we appeal for:

- (i) An enhanced budgetary support to enable us complete the implementation of the blue print contained in KIMC Strategic Plan 2023-2027.
- (ii) Approval to recruit academic staff comprising lecturers and instructing staff.
- (iii) Ring-fencing the training budget for the Institute against Austerity Measures given that technology driven training and student needs are a constant factor that the Institute must on-board.



.....
Silas Otieno Jonyo
Council Chairperson

6. Report of the Chief Executive Officer

In the Financial year 2024/2025, the Institute intensified implementation of its mandate in line with priorities set out in the Strategic Plan 2023-2027. Highlights of key achievements are presented hereunder.

Academics programmes

During the year under review, the Institute changed the commencement of the Academic year from September to May. During the year, 417 students were admitted vide a single intake to undertake various courses in Diploma, Certificate and Post Graduate Diploma while 500 students graduated having satisfied the board of examiners to be awarded various certificates and diplomas. Four curricula were reviewed and two developed during the year to realign the content to emerging trends in the ICT and media sub sector.

Infrastructure

- The works on final floor of tuition block in Nairobi campus was completed and handed over. The tuition block with a 160-seat facility is now in use.
- The Institute obtained the drawings of the master plan layout and estimates for phase 1 of the vertical infrastructure KIMC Eldoret Campus to be set up on the land donated by the County Government of Uasin Gishu:

Status brief on Ownership of land titles

The Institute has the following land parcels in South B, Nairobi County

- L.R NO.209/3578-Lease title issued on 24th June 2016
- L.R NO.209/3592-Lease title issued on 24th June 2016
- L.R NO.209/3593-Lease title issued on 24th June 2016
- L.R NO.209/3579-Letter of Allotment dated 1st November 2011

Institutional Capacity

In the Financial year 2024/2025, the Institute was allocated grant of Ksh 208 M and Internally generated revenue of Kshs 119 M to finance Recurrent Expenditures.

At the end of the year staff establishment stood at 79 against an approved staff establishment of 300. The Institute continued to modernize its operational environment by on-boarding its core mandate services on e-citizen platform and rolled out a framework for automation to enhance efficiency and effectiveness.

Challenges

The Institute faced a number of challenges in the implementation of its mandate in the FY 2024-25. During the year under review, the Institute experienced the following challenges:

i) Inadequate funding

Over the years, the amount of grant received from the exchequer has been declining making it difficult to fund some critical programmes, especially capital projects.

ii) Rapid technological changes

During the year, the Institute was not able to adopt to rapid technological changes in its operations due to limited funding. This affected the re-engineering of processes towards digitization of service delivery and modernization in training.

iii) Staff Stagnation

Seventy-one (71) out of seventy-nine (79) members of staff are at the maximum salary points of respective cadres. The seventy-one (71) members who represent eighty percent (80%) of the total staff have stagnated in the same Job Grade for between four (4) and sixteen (16) years. This has been occasioned by non-review of salary beacons. The stagnation has led to loss of seniority and low staff morale.

iv) Staff attrition

Over the years, due to a non-competitive salary structure compared to market salary structure for similar skills, the Institute has suffered significant staff attrition among the teaching staff. The current Institute salary structure is not able to attract and retain staff with unique and specialised skill sets required for delivery of its mandate. The Institute attrition is at an average rate of two (2) officers every year to other Public Agencies that offer more competitive remuneration and benefits. Noting that the in-post staff represent only 28% of the approved staff establishment, the attrition creates an extra burden for the lean in-post staff. The Salaries Remuneration Commission (SRC) approved a two phased basic salary review for Staff of the Institute that was implemented in Supplementary II of budget estimates for FY 2024-25.

v) Review of Human Resource Instruments

In the year under review the Public Service of Kenya Approved new Human Resource Instruments for the Institute. The approved Instruments include;

- a) Human Resource policies and procedures Manual
- b) Career guidelines for staff
- c) Organizational Structures for The Institute
- d) Staff Establishment for the Institute

vi) Regulatory Framework governing the Institute.

The Institute draws its mandate from Legal notice No. 197 of 2011 (amended 2012). The Legal Notice limits the Institute's capacity in expanding and resourcing for its mandate. Finally, the Legal Notice presents a limited structure that potentially limits efficiency, flexibility and creativity.

There is need to work towards transitioning the Legal Notice to an Act of Parliament to anchor the Institute's mandate in the law so as to position it to perform its rightful role as a centre of excellence in communication and mass media training as envisioned in Medium Term Plans (MTPs III and IV).

The transition from a Legal notice to an Act of parliament is further justified on the grounds that the scope of the Institute's mandate has changed over time. For instance, the existing Legal Notice (i) positions the Institute as a single campus Institute, yet the Institute now has two campuses all funded by the National Government and (ii) Mandates the Institute to offer training in communication and the cinematic arts yet the Institute is now also an incubation Centre for regional broadcasting enterprises and Creative Arts' sector.

Finally, I wish to appreciate the Government, Council and staff for the role they play in discharging the Institute's mandate.


.....
Peter W. Wakoli
Director/Chief Executive Officer

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

The Institute performance is summarized in the Annual report submitted to the Cabinet Secretary in accordance with paragraph 25 (1) of the KIMC Order, Legal Notice 197 of 2011 (amended 2012).

For the Kenya Institute of Mass communication to deliver on its mission, targeting production of highly skilled technical and professional personnel through hands-on training for the communication and creative arts sector, it focussed on three strategic pillars provided for in the strategic plan for the financial year 2024 -2025:

1. Strengthening governance and accountability.
2. Increasing access and inclusivity/participation.
3. Improving quality and relevance of service.

The Institute develops its annual plan based on the strategic focus areas provided for in its Strategic Plan. The assessment of the performance on each strategic area is a permanent agenda for the Council on quarterly basis. The Strategic Plan focus areas are indicated in the table below:

Strategic Pillars	Objective	Key Performance Indicators	Activities	Achievements
Pillar 1: Governance and accountability	SG 1: Strengthening governance and accountability.	legal framework	KRA 1: Policy and legal framework	ICT infrastructure/policy and Legal Framework
			KRA 2: Financial resources	
			KRA 3: Management and utilisation of ICT infrastructure.	
			KRA 4: Transparency and accountability in service delivery.	
Pillar 2: Access and inclusivity/participation	SG2: Increasing access and inclusivity/participation	Infrastructure and student financial support	KRA 5: Infrastructure development	Infrastructure development
			KRA 6: Student financial support services	
Pillar 3: Quality and relevance	SG 3: Improving quality and relevance of service	Curriculum development and Training	KRA 7: Curriculum and assessment	Curriculum Development
			KRA 8: Lecturers, researchers and training management	

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Strategic Pillars	Objective	Key Performance Indicators	Activities	Achievements
			KRA 9: Accreditation, quality, assurance and standards	
			KRA 10: Research and innovation	

8. Corporate Governance Statement

The Institute has the Council as the apex decision making organ which sets the direction for good corporate governance underpinned by effective leadership, oversight and management accountability based on a sound and ethical foundation.

1. The Role of the Council

The functions of the Council are provided for in Legal Notice No. 197 of 2011 (Amended 2012) clause 6(1). The Council discharges a number of functions which include administering the property and funds of the Institute in a manner and for purposes that promote the interests of the Institute; ensuring that a proper management structure is in place and that the structure functions to maintain corporate integrity, reputation and responsibility; and ensuring that the Institute complies with all the relevant laws, regulations, governance practices, accounting procedures and auditing standards.

The Council has so far developed a number of policy documents including Human Resource Procedures manual, Career Progression guidelines, Institute Knowledge Management Guidelines, Servicing and Maintenance of Assets Manual, Finance Management and Controls, Procurement Manual, Anti-Corruption Policy and the Academic Policy. As a Semi-Autonomous State Agency, the Institute enters into an annual Performance Contract with the Government, which process is overseen by the Council. The Performance Contract mandates the Institute to deliver on numerous strategic deliverables. Accordingly, the Council approves the annual budget that is aligned with the Vision 2030, Medium Term Plans, the 'Big Four' Initiatives and other national priorities.

2. Council Composition

The Legal Notice provides that the Council of the Institute shall Consist of a non-executive Chairman appointed by the President; the Principal Secretaries of the Ministries for the time being responsible for information and communications; finance; culture and heritage; youth and education; the Director, and not more than seven persons appointed by the Minister by virtue of their knowledge or experience and past and current membership to professional organizations dealing with matters relating to culture, national heritage, communications, media, and the performing arts or related fields. As at 30th June 2025, the Council comprises of twelve (12) Council members, of whom the majority, eight (8) in total, are independent non-executives while three (3) are alternate non-executive members and the Director. The Council comprises the appropriate balance of knowledge, skills, experience, diversity and independence for it to discharge its governance role and responsibilities objectively and effectively. The non-executive members have diverse skills, experience and backgrounds. They are principally free from any business relationship that could hamper their objectivity or judgment in terms of the business and activities of the Institute. The roles of the Chairperson and the Director (Chief Executive) are separate, with their individual responsibilities clearly defined. The Chairperson is an independent non-executive Council member and is responsible for leading the Council and ensuring its effectiveness. The Chief Executive is responsible for the execution of the Institute's strategy, and the day-to-day business of the Institute. He is supported by the Management Board and the Academic Board, of which he is the Chairperson. The Council is assisted by a competent, suitably qualified and experienced Corporation Secretary whose mandatory duties are formalized and adequately defined according to the role description provided for in the *Mwongozo*.

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3. Council Committees

The Council provides oversight through three main Committees namely Finance and Administration Committee, Training Committee and Audit Committee. The Committees are each chaired by an independent Council member.

a) Finance and Administration Committee

The Committee performs various roles set out in the Council Charter, including: guiding the preparation of the annual budget; monitoring financial performance against the approved budget, the Institute's strategic plan and priorities; formulating strategies for improving the financial position of the Institute and advice on sourcing and investment of funds; ensuring sound financial management and accounting practice including maintenance of proper books of accounts and preparation of periodical management accounts and annual financial statements; developing fees guidelines and reviewing them regularly; dealing with staff matters including recruitment, staff welfare, training and development, performance management, discipline and separation; guiding the development of the strategic plan and monitor its implementation and overseeing capital planning, construction and maintenance of the real property of the Institute.

The members of the Committee during the year under review were: John Kieru Wambui, Rodney Onyango, Festus Mwanzi and Juanita Ombima

b) Training Committee

The Committee performs various roles set out in the Council Charter, including: developing and overseeing implementation of guidelines on admission of students; monitoring quality assurance and academic standards of the Institute; coordinating the development and review of academic programmes; developing and monitoring the implementation of the academic policies of the Institute; monitoring the adequacy of library and learning facilities at the Institute; formulating policies and procedures for research and innovation; developing a capacity building programme for Council and staff members to ensure improved professional development and services; proposing and building collaborative relationships with strategic partners and stakeholders to promote mutually beneficial exchanges in education, research and training; ensuring the development, maintenance and use of information technology systems and facilities at the Institute; and promoting and supporting student participation in extracurricular activities. The members of the Committee during the year under review were: Esther Kagiri, Stephen Nganga Gitau, Evelyn Anupi, and Angellah Bevin Bhoke,

c) Audit Committee

The Committee performs various roles set out in the Council Charter, including: monitoring, recommending and providing advice to the Council on the Integrity of the Financial Statements of the Institute, including the annual and quarterly reports, compliance with accounting standards and the consistency of application of, and any changes in, accounting policies; overseeing the Internal audit function and reviewing the nature, scope and effectiveness of the internal audit work plan and reports; coordinating the auditing of the Institute's books of accounts and financial statements; monitoring the implementation of audit recommendations; reviewing and assessing the effectiveness of the Institute's financial controls and internal control and risk management systems; and reviewing the compliance framework (policies, training, monitoring and audit) at the Institute to ensure adherence

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to applicable legal and regulatory standards. The members of the Committee during the year under review were: Kizito Chesesio, Festus Mwanzi, Evelyn Anupi and Everlyne Koiyan

Effective meetings

The Council and its Committees meet on a quarterly basis as prescribed by their respective mandates. The meetings are planned for the financial year in the approved Council calendar. However, special meetings may be convened at the request of the Chairperson, or the Chairpersons of various Committees when necessary.

The table below discloses the number of meetings held and members' attendance during the year. The Council is satisfied that it has discharged its responsibilities in relation to its mandate.

Schedule of Council Members' Attendance at Council and Committee Meetings				
Council/Committee	Council	Finance & Administration Committee	Training Committee	Audit Committee
No. of meetings held as at 31st December 2025				
Charles Owino	3			
Silas Otieno Jonyo	4			
Esther Kagiri	7		5	
Miriam Gitau	3	2		
Juanita Ombima	4	4		
John Kieru Wambui	7	7		
Kizito Chesesio	7			6
Rodney Onyango	7	6		
Stephen Ng'ang'a Gitau	7	1	5	
Festus Mwanzi	7	7		6
Evelyn Anupi	7		5	6
Bhevin Bhoke	6		5	
Evelyn Koiyan	5			5
Gerald Mwangi	2	3	3	3

**Kenya Institute of Mass Communication
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4. Council Induction and Continuous Skills Development

As part of enhancing the Council members' skills, the Institute identifies training requirements for the Council and its Committees. Upon appointment, individual Council members are taken through an induction process organized by the State Corporations Advisory Council (SCAC).

5. Council Evaluation

The Council ensures the evaluation of its own performance and that of its Committees, Chairperson, Council members, the CEO, the Corporation Secretary and the Internal Auditor and, provides support for continued improvement in its performance and effectiveness. An annual independent evaluation is conducted to assess the effectiveness of the Council, its committees, and the individual contributions of the members. The process is conducted by the State Corporations Advisory Committee (SCAC).

6. Internal Audit Function

The Institute has a fully operational Internal Audit function that is led by a senior member of staff who is a member of the Institute of Certified Public Accountants of Kenya (ICPAK). The Internal Audit office monitors compliance with policies and standards and the effectiveness of internal control structures across the Institute through its audit programmes.

7. Council Remuneration

Council members are remunerated for their services in accordance with the prevailing Government Circulars. The aggregate amount of Council remuneration is disclosed in Note 5 page 24 on the Financial Statements.

• **Kenya Institute of Mass Communication
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9. Management Discussion and Analysis

This discussion and analysis provide an overview of the financial position and results of activities of the Institute for the year ended June 30, 2025. Comparative information for the year ended 30th June, 2025, has been provided where applicable. This overview has been prepared by management and should be read in conjunction with the financial statements and the notes that follow this section.

Kenya Institute of Mass Communication is a semi-Autonomous Government Agency (SAGA) established under legal notice No. 197 of 2011 (Amended 2012). The Institute consists of two major divisions being the Academic Division, and Finance and Administration Division.

Academic Division

The Academic affairs division is organized into five departments, namely;

- i. Television and Radio production
- ii. Film Production
- iii. Journalism and public relations
- iv. Engineering
- v. Post graduate and Research

Finance and Administration Division

- i. Administration
- ii. Human Resource Management
- iii. Finance and Accounting
- iv. Procurement

Financial Highlights

For the fiscal year ended 30 June 2023, 30 June, 2024 and 30 June, 2025

- The Institute received Kshs 218 M as at 30 June 2023, and Kshs 275 30 June 2024 and Kshs 208 M as at 30 June 25 from the exchequer respectively
- The Institute Collected A.I.A of Kshs 20.5 as at 30 June 2023, Kshs 30M as at 30 June 2024 and Kshs 80.6 m as at 30 June 25 from the Appropriation in Aid (A.I.A) respectively
- The Institute also collected Tuition and other related fees of Kshs 48 M as at 30th June 2025

Total cumulative recurrent expenditure was Kshs 349 M as at 30 June 2023, Kshs 348 as at 30 June 2024, and Kshs 363 as at 30th June 2025.

The Summary of Financial Performance is as indicated below;

Particulars	FY 2024/2025 Kshs Millions	FY 2023/2024 Kshs Millions	FY 2022/2023 Kshs Millions
Grants (Gok)	208	245	203
A.I.A	80	30	20
Tuition & other related fees	48	114	80
Total revenue	336	389	303
Reccurent cumulative expenses	363	327	349
Surplus/Deficit	(27)	62	(46)

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Management Discussion and Analysis(continued)

Deficit /Surplus

The deficit in the financial year 2021-22 was Kshs (2M) which was an increase in the year 2022/2023 due to reduction in grant in Financial 2023-24 More so in 2024-25 the deficit Increased due to increase in depreciation.

Capital Activities

One of the critical factors in sustaining the quality of the Institute's academic and research programs is the development and renewal of its capital assets. The Institute continues to implement its long-range plan to modernize its older teaching and research facilities, construct new facilities and fund its deferred maintenance obligations.

Capital additions primarily consist of replacement, renovation and new construction of academic, research and investment in training equipment and information technology. During the financial year ended 30th June 2025, the Institute received only 86% of approved budget of the recurrent budget in the financial year.

10. Environmental and Sustainability Reporting

The Institute exists to transform lives. This is our purpose and the driving force behind everything we do. This is what guides us to deliver our strategy which is founded on Training, Communications and Info-tainment.

The Institute is committed to conducting its affairs in a responsible and sustainable way and, in a manner that is beneficial to all stakeholders and the wider community. Below is a brief highlight of the Institute Achievements.

i) Sustainability Strategy and Profile

Our sustainability is anchored in our Vision, Mission and Core values which determine the strategic Objectives of the Institute. Our role is to ensure that Training and by extension our various stakeholders are able to grow in a sustainable manner in the long term. Our aim is to create value for stakeholders and the society alike, in order to achieve on several key areas:

- a) **Economic:** Kenya Institute of Mass Communication continues to contribute to the economy through the remittance of taxes such as Pay As You Earn (PAYE), withholding tax, withholding vat excise duty and Value Added Tax (VAT)
- b) **Socio -Economic:** KIMC awarded various tenders to special groups consisting of women, youth and people with disability (PWDs). In addition, sensitization for special groups in order to equip them with skills on how to successfully bid for tender opportunities was carried out by the Institute. All tenders were published in the Institute website and the public procurement Information portal (PPIP).

ii) Environmental performance

KIMC invested in indigenous, medicinal and fruit trees that were planted during the rainy season, in an effort to increase National Forest coverage in Kenya, KIMC partnered with local community to plant trees.

Environmental and Sustainability Reporting(continued)

iii) Employee welfare

The Institute has a human resource management policy and procedures manual to assist the Institute in implementing its strategic plan to ensure it is consistent with the legal framework governing employer-employee relationship in Kenya and internationally recognized best practice.

The purpose of the manual is to facilitate the attraction, development and retention of high performing staff. The policy is reviewed from time to time as necessary.

The institute has continued to train staff on short courses both held within the Institute and outside the Institute such as training's offered by professional bodies, in order to improve skills of staff. Further, the Institute has continued to reimburse fees for those who out of their own initiative embark on courses relevant to their duties in order to manage careers.

iv) Market place practices

The Institute has ensured:

a) **Responsible competition practice:** in order to ensure responsible competition practices with issues like anti-corruption, the Institute has been ensuring that it undertakes all the activities within the Laws of Kenya. Also, in order to ensure fair competition and respect for competitors the Institute has continued to engage the government for assistance where it may require such assistance.

b) **Responsible supply chain and supplier relations:** The institute has ensured that it complies with the Public Procurement and Disposal Act ,2015 while carrying out procurement operations in order to ensure good business practice. Further, the Institute has procurement and procedures manual that guides operations in procurement.

Environmental and Sustainability Reporting(continued)

c) **Responsibility marketing and advertisements:** The institute has been carrying out advertisements on MyGov Platform as well as on its website for new and existing programs.

d) **Product stewardship;** in order to protect consumer rights our customers are provided with information regarding the course requirement before admission and during the commencement of the course, Further the Institute ensures confidentiality while interacting with customers

v. Corporate Social Responsibility

The institute participates in many activities in its effort to contribute socially to the society in which it operates. The institute sponsors students during The Kenya Technical Institutions Sports Association (Ketisa) Sports and Games and Disability Access building.

11. Report of the Board of Directors

The Council of the Institute submits its report together with the Financial Statements for the year ended June 30, 2025, which show the state of the Institute's affairs.

i. Principal activities

The principal activity of the Institute is to offer training in Mass media, communication and cinematic arts.

ii. Results

The results of the Institute for the year ended 30 June, 2025 are set out on page 1-45

iii. Directors

The members of the Board of Directors who served during the year are shown on page vii to xi

iv. Auditors

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

By Order of the Board



.....
**Name : Brenda Wasilwa
Corporation Secretary**

12. Statement of Directors Responsibilities

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

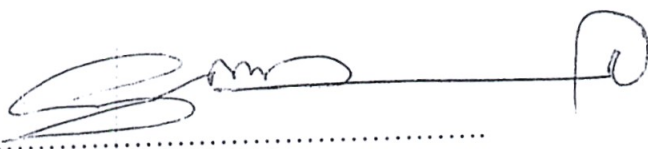
The Management is responsible for the preparation and presentation of the Institute's financial statements, which give a true and fair view of the state of affairs of the Institute and as at the financial period ended on June 30, 2025, this responsibility included: (i) maintaining adequate financial 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 Institute; (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 Institute; (v) selecting and applying appropriate accounting policies; and (vi) making accounting estimates that are reasonable in the circumstances.

The Management accepts responsibility for the Institute's financial statements, which have been prepared using appropriate accounting policies supported by reasonable and prudent judgement and estimates, in conformity with International Public Sector Accounting Standards (IPSAS), and in the manner required by the PFM Act 2012 and the State Corporations Act. The Management is of the opinion that the Institute's financial statements give a true and fair view of the state of Institute's transactions during the financial year ended June 30, 2025 and of the Institute's financial position as at that date. The Management further confirms the completeness of the accounting records maintained for the Institute, which have been relied upon in the preparation of the Institute's financial statements as well as the adequacy of the systems of internal financial control.

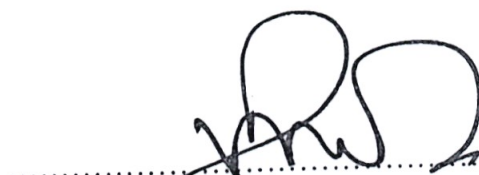
Nothing has come to the attention of the Management to indicate that the Institute will not remain a going concern for at least the next twelve months from the date of this statement.

Approval of the financial statements

The Institute financial statements were approved by the Board on 25 August 2025 and signed on its behalf by:



Name: Silas Otieno Jonyo
Chairperson of the Board/Council



Name: Peter wakoli
Accounting Officer

REPUBLIC OF KENYA

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



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

REPORT OF THE AUDITOR-GENERAL ON KENYA INSTITUTE OF MASS COMMUNICATION 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 the Financial Statements that considers whether the financial statements are fairly presented in accordance with the applicable financial reporting framework, accounting standards and the relevant laws and regulations that have a direct effect on the financial statements.
- B. Report on Lawfulness and Effectiveness in Use of Public Resources which considers compliance with applicable laws, regulations, policies, gazette notices, circulars, guidelines and manuals and whether public resources are applied in a prudent, efficient, economic, transparent and accountable manner to ensure the Government achieves value for money and that such funds are applied for the intended purpose.
- C. Report on the 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.

A Qualified Opinion is issued when the Auditor-General concludes that, except for material misstatements noted, the financial statements are fairly presented in accordance with the applicable financial reporting framework. The Report on the 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

Qualified Opinion

I have audited the accompanying financial statements of Kenya Institute of Mass Communication set out on pages 1 to 47, which comprise 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 the statement of comparison of budget and actual amounts for the year then ended, and a summary of significant accounting policies and other explanatory information in accordance with the provisions of Article 229 of the Constitution of Kenya and Section 35 of the Public Audit Act, 2015. I have obtained all the information and explanations which, to the best of my knowledge and belief, were necessary for the purpose of the audit.

In my opinion, except for the effects of the matter described in the Basis for Qualified Opinion section of my report, the financial statements present fairly, in all material respects the financial position of the Kenya Institute of Mass Communication 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) Legal Notice Number 197 of 2011(Amended 2012) under the State Corporations Act(Cap 446), and Public Finance Management Act, 2012.

Basis for Qualified Opinion

Encroachment of Land by a Private Developer

The statement of financial position reflects property, plant and equipment balance of Kshs.2,900,858,397 which as disclosed in Note 18 to the financial statement includes a land balance of Kshs.1,796,600,000. However, as previously reported, part of the Institute's land initially used as a walk path linking the catering unit and the men's hostels has been encroached by a private developer. The proposed development, if implemented, will cut off the men's hostels from the rest of the Institute's premises. The dispute is currently before the Court of Appeal and it is not clear how the outcome of the ruling will affect the plant, property and equipment balance. Further, the original title deed for the parcel of land was not provided for audit verification.

In the circumstances, the ownership and accuracy of the freehold land balance of Kshs.1,796,600,000 could not be confirmed.

The audit was conducted in accordance with International Standards of Supreme Audit Institutions (ISSAIs). I am independent of the Kenya Institute of Mass Communication Management in accordance with ISSAI 130 on the Code of Ethics. I have fulfilled other ethical responsibilities in accordance with the ISSAI and in accordance with other ethical requirements applicable to performing audits of financial statements in Kenya. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my qualified 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. Except for the effects of the matter described in the Basis for Qualified Opinion section, I have determined that there are no other key audit matters to communicate in my report.

Other Matter

Unresolved Prior Year Issues

In the prior year's audit report, several issues were raised under the Report on the Financial Statements, Report on Lawfulness and Effectiveness in Use of Public Resources, and Report on Effectiveness of Internal Controls, Risk Management and Governance. Review of the status during the audit of the Institute in the financial year 2024/2025 revealed that the fourteen (14) prior year audit issues remained unresolved as listed in **Appendix I**.

Other Information

The Management is responsible for the Other Information set out on page iv to xxx which comprise of Key Entity Information and Management, The Board of Directors/Council, Key Management Team, Chairman's Statement, Report of the Chief Executive Officer, Statement of Performance Against Predetermined Objectives, Corporate Governance Statement, Environmental and Sustainability Reporting, Report of Board of Directors and the Statement of Directors Responsibilities. The Other Information does not include the financial statements and my audit report thereon.

In connection with my audit on the Institute's 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 and 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 USE OF PUBLIC RESOURCES

Conclusion

As required by Article 229(6) of the Constitution and based on the audit procedures performed, I confirm that nothing has come to my attention to cause me to believe that public resources have not been applied lawfully and in an effective way.

Basis for Conclusion

The audit was conducted in accordance with ISSAI 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 THE 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, except for the effects of the matter described in the Basis for Conclusion on Effectiveness of Internal Controls, Risk Management and Governance section of my report, I confirm that, nothing else has come to my attention to cause me to believe that internal controls, risk management and governance were not effective.

Basis for Conclusion

Understaffing at the Institute

Review of the Institute's approved staff establishment indicated three hundred (300) employees as the optimal number for effective functioning of the Institute. However, examination of documents provided for audit revealed that the Institution has seventy-nine (79) staff members which represents 26% of the approved staff establishment of three hundred (300) resulting in a deficit of two hundred and twenty-one (221) employees or 74% of the total approved staff establishment. The Institute had written to the Principal Secretary for the State Department for Broadcasting and Telecommunications through the letter Ref: KIMC/G/A/4/VOL.VI(9) dated 4 July, 2025 requesting approval for recruitment of more staff. However, as at the time of the audit the recruitment process had not commenced.

In the circumstances, the Institute may not achieve its objectives and the effectiveness in service delivery could not be achieved.

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 Board of Directors

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 Institute'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.

Board of Directors is responsible for overseeing the Institute'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 also 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

11 December, 2025

Appendix I: Unresolved Prior Year Audit Matters

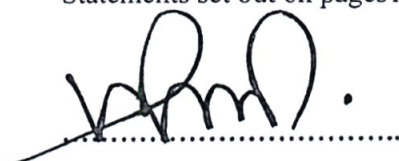
No.	Financial Year	Audit Issue
1	2023/2024	Encroachment of Land by a Private Developer
2	2023/2024	Unreconciled School Fees Balances
2	2023/2024	Long Outstanding Receivables
3	2023/2024	Budgetary Control and Performance
4	2023/2024	Irregularities in Construction of the Tuition Block
5	2023/2024	Long Outstanding Payables
6	2023/2024	Non-Compliance with the One-Third of Basic Salary Rule
7	2023/2024	Irregular Staff Establishment- Ethnic Imbalance
8	2023/2024	Retention of Staff Above Age of 60 Years
9	2023/2024	Poor Management of Assets
10	2023/2024	Lack of Approved Backup, Recovery and Business Continuity Strategy
11	2023/2024	Staff Salaries paid outside the Integrated Payroll and Personnel Data
12	2023/2024	Discrepancy in the Number of Staff
13	2023/2024	Understaffing at the Institute
14	2023/2024	Lack of Succession Planning

**Kenya Institute of Mass Communication
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14. Statement of Financial Performance for the year ended 30 June 2025

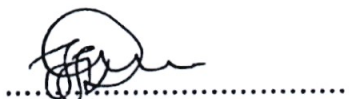
	Notes	2024-25	2023-24
			Kshs
Revenue from non-exchange transactions			
Transfers from other governments entities	6	208,206,750	245,500,000
Revenue from exchange transactions			
Tuition and other related income	7	128,188,141	144,346,899
Total revenue		336,394,891	389,846,899
Expenses			
Use of goods and services	8	67,901,214	68,170,788
Employee costs	9	157,417,743	155,101,004
Board Expenses	10	12,086,056	8,466,019
Depreciation and amortization expense	11	55,140,743	35,296,602
Repairs and maintenance	12	1,544,446	2,373,750
Academic Services	13	69,739,322	57,732,059
Total expenses		363,829,524	327,140,223
Surplus/(deficit) for the period/year		(27,434,633)	62,706,677

The notes set out on pages i to xxix form an integral part of these Financial Statements. The Financial Statements set out on pages 1 to 51 were signed on behalf of the Board of Directors by:



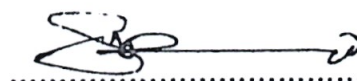
Name:
Peter Wakoli
Accounting Officer

Date: 14/11/2025



Name:
Dr. Jenispher Korir
Head of Finance

ICPAK M/No:9147
Date 14/11/2025



Name:
Silas Otieno Jonyo
Chairman of the Board

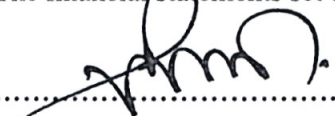
Date: 14/11/2025

**Kenya Institute of Mass Communication
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15. Statement of Financial Position as at 30 June 2025

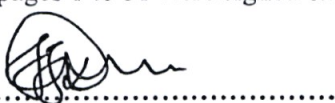
	Notes	2024-25	2023-24
			Kshs
Assets			
Current Assets			
Cash and Cash equivalents	14	54,289,695	100,010,412
Receivables from Exchange Transactions	15	51,722,915	33,076,510
Receivables from Non-Exchange Transactions	16	22,850,562	8,446,961
Stock	17	18,551,592	-
Total Current Assets		147,414,764	141,533,883
Non-Current Assets			
Property, Plant and Equipment	18	2,900,858,397	2,948,443,034
Intangible Assets	19	316,547	452,211
Total Non- Current Assets		2,901,174,944	2,948,895,245
Total Assets (A)		3,048,589,708	3,090,429,128
Liabilities			
Current Liabilities			
Trade and Other Payables	20	13,781,213	14,884,580
Refundable Deposits from Customers	21	6,156,914	6,156,914
Total Current Liabilities		19,938,127	21,041,494
Total Liabilities (B)		19,938,127	21,041,494
Net Assets (A-B)		3,028,651,580	3,069,387,634
Represented by:			
Reserves	22	3,328,787,188	3,326,332,804
Accumulated Surplus	23	(300,135,607)	(256,945,170)
Net Assets		3,028,651,580	3,069,387,634

The financial statements set out on pages 1 to 51 were signed on behalf of the Board of Directors by:



Name: Peter Wakoli
Accounting Officer

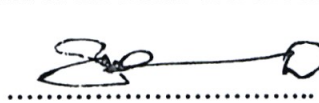
Date: 14/11/2025



Name: Dr. Jenispher Korir
Head of Finance

ICPAK Member No:9147

Date: 14/11/2025



Name: Silas Otieno Jonyo
Chairman of the Board

Date: 14/11/2025

**Kenya Institute of Mass Communication
Annual Report and Financial Statements
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16. Statement of Changes in Net Assets for the year ended 30 June 2025

Description	Ordinary share capital	Revaluation reserve	Retained earnings	Capital/ Development Grants/Fund	Total
	Kshs	Kshs	Kshs	Kshs	Kshs
As at July 1, 2023	-	2,794,834,006	-319,651,847	-	2,475,182,159
Revaluation gain	-	621,108,892	-	-	621,108,892
Transfer to revolving fund	-	-89,610,094	-	-	-89,610,094
Surplus/ (deficit) for the year	-	-	62,706,677	-	62,706,677
Adjustments			-15,755,804		-15,755,804
As at June 30, 2024-Re stated	-	3,326,332,804	-272,700,974		3,053,631,830
As at July 1, 2024	-	3,326,332,804	-272,700,974	-	3,053,631,829
Revaluation gain	-	6,354,384			6,354,384
Transfer to revolving fund	-	-3,900,000			-3,900,000
Surplus/ (deficit) for the year	-		-27,434,633		-27,434,633
As at June 30, 2025 -Re-stated	-	3,328,787,188	-300,135,607	-	3,028,651,580

Statement of Changes in net asset Notes

The restatement of kshs 15,755,804 relates to the receivables and payables which were received and paid in prior years and respective balances in receivables and payables were erroneously un amended in the reports

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

		2024-25	2023-24
	Notes		Kshs
Cash flows from operating activities			
Receipts			
Transfers from other governments entities	6	185,356,188	245,500,000
Tuition and other related fees	7	78,677,936	111,270,389
Total receipts		264,034,124	356,770,389
Payments			
Use of goods and services	8	67,901,214	68,170,788
Employee costs	9	157,417,743	155,101,004
Board Expenses	10	12,086,056	8,466,019
Repairs and maintenance	12	1,544,446	2,373,750
Academic Services	13	69,739,322	57,732,059
Total payments		308,688,781	291,843,621
Net cash flows from/(used in) operating activities		(44,654,657)	64,926,768
Cash flows from investing activities			
Purchase of PPE and Intangible assets		(1,066,060)	(12,696,140)
Net cash flows from/(used in) investing activities		(1,066,060)	(12,696,140)
Cash flows from financing activities			
		-	-
Repayment of borrowings		-	-
Proceeds from issue of shares		-	-
Net cash flows from financing Activities		-	-
Net increase/(decrease) in cash & Cash equivalents		(45,720,717)	52,230,628
Cash and cash equivalents at 1 July	14	100,010,412	47,779,784
Cash and cash equivalents at 30 June		54,289,695	100,010,412

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

	Original budget	Adjustments	Final budget	Actual on comparable basis	Performance difference	% of utilization
	Kshs	Kshs	Kshs	Kshs	Kshs	
	a	b	C=(a+b)	d	e=(c-d)	f=d/c*100
Revenue						
Transfers from Other Governments entities	186,206,751	22,000,000	208,206,751	208,206,751	-	100%
Tuition and other related fees	119,507,200	-	119,507,200	128,188,141	8,680,941	100%
Total Income	305,713,951	22,000,000	327,713,951	336,394,892	8,680,941	
Expenses						
Use of Goods and Services	70,785,786		70,785,786	67,986,717	2,799,069	95%
Employee costs	146,825,230	22,000,000	168,825,230	157,417,742	11,407,487	93%
Remuneration of Directors	12,144,072		12,144,072	12,086,056	58,016	100%
Repairs and Maintenance	1,594,540		1,594,540	1,544,446	50,094	100%
Academic Services	73,564,323		73,564,323	69,739,322	3,910,504	94%
Audit fees	800,000		800,000	-	-800,000	-100%
Total Expenditure	305,713,951	22,000,000	327,713,951	308,688,781	19,025,170	
Surplus for the period	-	-	-	27,706,111	27,706,111	

Budget notes

- i. The underutilization of Kshs. 11,401,487 for personnel emoluments was for position of Deputy Director, and other staff who had resigned, retired or passed on, whose replacement had commenced in the year under review
- ii. The underutilization in academic services was as a result of final year student projects and productions that commenced in June 2025 to end in July 2025.
- iii. The Changes between original and final budget is as a result of additional funding under supplementary 11 for compensation of Employees.
- iv. The underutilization in the audit fees was due to the fact that the institute was not able to honor the prior years based audit fees because of lack of invoices respectively

19. Notes to the Financial Statements

1. General Information

Kenya Institute of Mass Communication (KIMC) is a Semi-Autonomous Government Agency (SAGA) established under Legal Notice No. 197 of 2011 (Amended 2012) with a mandate to Offer training in communication and cinematic arts.

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 Institute'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 Note 5 of these financial statements.

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

The financial statements have been prepared in accordance with the PFM Act, the State Corporations Act, Legal Notice No. 197 of 2011 (Amended 2012), and International Public Sector Accounting Standards (IPSAS). The accounting policies adopted have been consistently applied to all the years presented.

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Notes to the Financial Statements (Continued)

3. Adoption of New and Revised Standards

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

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

ii. New and amended standards and interpretations in issue but not yet effective in the year ended 30 June 2025

Standard	Effective date and impact:
IPSAS 43	<i>Applicable 1st January 2025</i> 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. The new standard requires entities to recognise, measure and present information on right of use assets and lease liabilities.
IPSAS 44: Non- Current Assets Held for Sale and Discontinued Operations	<i>Applicable 1st January 2025</i> 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: 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.
IPSAS 45- Property Plant and Equipment	<i>Applicable 1st January 2025</i> The standard supersedes IPSAS 17 on Property, Plant and Equipment. IPSAS 45 has additional guidance/ new guidance for heritage assets, infrastructure assets and measurement. Heritage assets were previously excluded from the scope of IPSAS 17 in IPSAS 45, heritage assets that satisfy the definition of PPE shall be recognised as assets if they meet the criteria in the standard. IPSAS 45 has an

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

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<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>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.

iii. Early adoption of standards

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

Notes to the financial statements (continued)

4. Summary of Significant Accounting Policies

a) Revenue recognition

i) Revenue from non-exchange transactions

Fees, taxes and fines

The Institute recognizes revenues from fees, taxes and fines when the event occurs and the asset recognition criteria are met. To the extent that there is a related condition attached that would give rise to a liability to repay the amount, deferred income is recognized instead of revenue. 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 Institute 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 and property), if transfer is free from conditions and it is probable that the economic benefits or services potential related to the assets will flow to the Institute and can be measured reliably. Revenue from donors is recognized when the event occurs and asset recognition criteria are met. To the extent that there is a related condition attached that would give rise to a liability to repay the amount, Deferred income is recognized instead of revenue. Other non-exchange revenues are recognized when it is probable that the future economic benefits or services potential associated with the asset will flow to the Institute and fair value of the asset can be measured reliably.

ii) Revenue from exchange transactions

iii) Rendering of services

The Institute 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.

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Sale of goods

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

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 Institute'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 FY 2024-2025 was approved by the National Assembly on 15th March 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 budget by the Institute upon receiving the respective approvals in order to conclude the final budget.

The Institute'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

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approved budget. A comparison of budget and actual amounts, prepared on a comparable basis to the approved budget, is then presented in the statement of comparison of budget and actual amounts.

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

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

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 Institute 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.

Notes to the Financial Statements (Continued)

Summary of Significant Accounting Policies (Continued)

Deferred tax

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

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

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

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

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

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Notes to the Financial Statements (Continued)

Summary of Significant Accounting Policies (Continued)

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 de-recognized 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.

Summary of Significant Accounting Policies (Continued)

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

Motor vehicle	25%
Furniture & Fitting	12.5%
Office Equipment & Accessories	12.5%
Computers & Printers	30%
Computer Software	30%
Buildings	2.5%
Land	0%

f) Leases

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

Summary of Significant Accounting Policies (Continued)

Operating leases are leases that do not transfer substantially all the risks and benefits incidental to ownership of the leased item to the Institute. 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 infinite.

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.

i) Research and development costs

The Institute expenses research costs as incurred. Development costs on an individual project are recognized as intangible assets when the Institute 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.

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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. Financial assets within the scope of IPSAS 29 Financial Instruments: Recognition and Measurement are classified as financial assets at fair value through surplus or deficit, loans and receivables, held-to-maturity investments or available-for-sale financial assets, as appropriate. The Institute determines the classification of its financial assets at initial recognition.

a) Financial assets

Classification of financial assets

The Institute 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 Institute'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 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 cashflows 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.

Notes to the Financial Statements (Continued)

Summary of Significant Accounting Policies (Continued)

Subsequent measurement

Based on the business model and the cash flow characteristics, the Institute 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.

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.

Notes to the Financial Statements (Continued)

Summary of Significant Accounting Policies (Continued)

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 Institute assesses, on a forward-looking basis, the expected credit loss associated with its financial assets carried at amortized cost and fair value through net assets/equity. The Institute recognizes a loss allowance for such losses at each reporting date. Critical estimates and significant judgments made by management in determining the expected credit loss.

b) Financial liabilities

Classification

The Institute 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:

- i) Raw materials: purchase cost using the weighted average cost method.
- ii) Finished goods and work in progress: cost of direct materials and labour and a proportion of manufacturing overheads based on the normal operating capacity but excluding borrowing costs.

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

Notes to the Financial Statements (Continued)

Summary of Significant Accounting Policies (Continued)

l) Provisions

Provisions are recognized when the Institute 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 Institute 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 Institute 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 the best estimate of the cost (the social benefit payments) that the Institute will incur in fulfilling the present obligations represented by the liability.

n) Contingent liabilities

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

o) Contingent assets

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

Notes to the Financial Statements (Continued)
Summary of Significant Accounting Policies (Continued)

p) Nature and purpose of reserves

The Institute creates and maintains reserves in terms of specific requirements.

q) Changes in accounting policies and estimates

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

Notes to the Financial Statements (Continued)

Summary of Significant Accounting Policies (Continued)

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 Institute 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 Institute, 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 Institute analyses all aspects of service concession arrangements that it enters in determining the appropriate accounting treatment and disclosure requirements. In particular, where a private party contributes an asset to the arrangement, the Institute recognizes that asset when, and only when, it controls or regulates the services the operator must provide together with the asset, to whom it must provide them, and at what price. In the case of assets other than 'whole-of-life' assets, it controls, through ownership, beneficial entitlement or otherwise – any significant residual interest in the asset at the end of the arrangement. Any assets so recognized are measured at their fair value. To the extent that an asset has been recognized, the Institute 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 imprest and advances to authorised public officers and/or institutions which were not surrendered or accounted for at the end of the financial year.

Notes to the Financial Statements (Continued)
Summary of Significant Accounting Policies (Continued)

x) Comparative figures

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

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, 2025.

Notes to the Financial Statements (Continued)

Summary of Significant Accounting Policies (Continued)

5. Significant Judgments and Sources of Estimation Uncertainty

The preparation of the Institute 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 judgement, estimates and assumptions made:

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 Institute 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 Institute. Such changes are reflected in the assumptions when they occur. IPSAS 1.140

Useful lives and residual value

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

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

Provisions

Provisions were raised and management determined an estimate based on the information available. Additional disclosure of these estimates of provisions is included in Note 40. 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

Description	2024-25	2023-24
	Kshs	KShs
Unconditional Grants		
Operational Grant	208,206,750	218,000,000
Development grants		27,500,00
Other Grants		-
Total Unconditional Grants	208,206,750	245,500,000
Conditional Grants amortised/ transferred to revenue		
Housing Development Grant		-
Infrastructure Grant		-
Library Grant		-
Facilities Development Grant		-
Other Organizational Grants (specify)		-
Total Government Grants and Subsidies	208,206,750	245,500,000

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

Name of The Entity Sending the Grant	Amount recognized to Statement of Financial performance. *	Amount deferred under deferred income.	Amount recognised in capital fund.	Total transfers (2024-25)	Total transfers (2024-25)
	KShs	KShs	KShs		KShs
Ministry/State Department	208,206,750	-	-		208,206,750
Total	208,206,750	-	-		208,206,750

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Notes to the Financial Statements (Continued)

7. Rendering of Services

Description	2024-25	2023-24
	Kshs	Kshs
Tuition Fees	127,878,141	144,346,899
Training Fees		-
Health services		-
Service Fees (specify)		-
Quality Assurance		-
Proceeds from Disposal	310,000.0	-
Total Revenue from The Rendering of Services	128,188,141	144,346,899

There is a decrease in tuition fees due to Single intake in the year under review compared to prior year.

7 (a) Rendering Of Services

Description	2024-25	2023-24
	Kshs	Kshs
Tuition Fees	78,367,936	111,270,389
Outstanding fees (receivables)	49,510,205	33,076,510
Proceeds from disposal	310,000	-
Total Revenue from The Rendering of Services	128,188,141	144,346,899

The variations in tuition fees is due to single intake in the year under review compared to prior year

8. Use of Goods and Services

Description	2024-25	2023-24
	Kshs	Kshs
Electricity	11,927,290	8,267,979
Water	3,674,982	1,379,229
Professional Services	2,999,799	1,673,707
Subscriptions	-	398,291
Advertising	467,338	507,159
Admin Fees	-	-
Audit Fees	-	800,000
Conferences and Delegations	-	-
Consulting Fees	-	-
Consumables	22,883,235	24,028,496
Fuel and Oil	1,800,000	1,940,000
Insurance	-	1,573,768

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Description	2024-25	2023-24
	Kshs	Kshs
Legal Expenses	-	1,673,707
Licenses and Permits	-	1,746,001
Chemicals	-	-
Water Purification Cost	-	-
Postage	-	-
Printing and Stationery	474,513	720,152
Hire Charges	-	-
Rent expenses	-	-
Security Costs	17,013,355	15,807,474
Sewage Treatment Costs	-	-
Skills Development Levies	-	-
Inventory Scrapping	-	-
Telecommunication		310,720
Training	1,723,634	2,430,888
Travel, Subsistence & Other Allowances*	1,511,400	3,280,720
Bank charges	61,518	45,691
Internet connections and ICT infrastructure	1,565,191	
Other fuels	1,734,000	
Computer supplies and accessories	64,960	
Other General Expenses	-	3,260,514
Total	67,901,214	68,170,788

9. Employee Costs

Description	2024-25	2023-24
	Kshs	Kshs
Salaries and wages	61,001,158	56,742,991
Employer contribution to health insurance schemes		-
Employer contribution to pension schemes	7,841,447	11,464,166
Travel, accommodation, subsistence, & other allowances		-
Housing benefits and allowances	83,542,719	71,337,992
Overtime payments		-
Performance and other bonuses		-
Social contributions	2,892,800	-
Gratuity		-
Other employee related costs * Housing Levy	2,139,819	-
Employee costs	157,417,943	155,101,004

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10. Board Expenses

Description	2024-25	2023-24
	Kshs	Kshs
Chairman/Directors' Honoraria	1,044,000	1,044,000
Sitting Allowances	5,371,000	5,640,000
Medical Insurance	-	-
Induction and Training	980,800	480,000
Travel and Accommodation	2,763,600	913,636
Other Allowances	1,926,656	388,383
Total	12,086,056	8,466,019

The variations in board expenses is as a result of full board composition in the year under review compared to prior ye

11. Depreciation and Amortization Expense

Description	2024-25	2023-24
	Kshs	Kshs
Property, plant and equipment	55,005,081	35,102,797
Intangible assets	135,663	193,805
Investment property carried at cost	-	-
Total depreciation and amortization	55,140,744	35,296,602

12. Repairs and Maintenance

Description	2024-25	2023-24
	Kshs	Kshs
Property and equipment	419,982	1,089,112
Investment Property		-
Equipment and Machinery		-
Vehicles	1,080,054	1,264,918
Furniture and Fittings		-
Computers and Accessories	44,500	19,720
Others (specify)		-
Total Repairs and Maintenance	1,544,536	2,373,750

Notes to the Financial Statements (Continued)

13. Academic Expenses

Description	2024-25	2023-24
	Kshs	Kshs
Teaching & Academic expenses	50,355,251	44,525,184
Student Projects & Supervision	6,615,165	5,796,945
Extra-Curriculum & Students union	8,966,861	5,220,850
Graduation expense	3,802,045	2,189,080
Total academic services	69,739,322	57,732,059

14. Cash and Cash Equivalent

Description	2024-25	2023-24
	Kshs	Kshs
Current Account	12,582,875	11,031,401
Savings Account	-	-
On - Call Deposits	25,605,631	72,426,904
Fixed Deposits Account	-	-
Development Account	16,101,189	16,552,107
Total Cash and Cash Equivalent	54,289,695	100,010,412

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Notes to the Financial Statements (Continued)

Detailed Analysis of the Cash and Cash Equivalents

Financial Institution	Account number	2024-25	2023-24
		Kshs	Kshs
a) Current Account			
Kenya Commercial Bank		12,582,875	11,031,401
Equity Bank, etc.			-
Sub- Total		12,582,875	11,031,401
b) On - Call Deposits			
Kenya Commercial Bank		25,605,631	72,426,904
Equity Bank – etc.			-
Sub- Total		25,605,631	72,426,904
c) Fixed Deposits Account		-	-
Kenya Commercial Bank		-	-
Bank B		-	-
Sub- Total		-	-
d) Others (Specify)		-	-
Development Account		16,101,189	16,552,107
Mortgage and Car loan			-
Cash In Transit			-
Cash In Hand			-
Mobile Money Accounts			-
Sub- Total		16,101,189	16,552,107
Grand Total		54,289,695	100,010,412

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Notes to the Financial Statements (Continued)

15. Receivables from Exchange Transactions

(a) Receivables from Exchange Transactions (Current)

Description	2024-25	2023-24
	Kshs	Kshs
Receivables		
Service, Water and Electricity Debtors	-	-
Other Exchange Debtors	51,722,915	33,076,510
Total Current Receivables	51,722,915	33,076,510

(b) Receivables from Exchange Transactions (Long-term)

Description	2024-25	2023-24
	Kshs	Kshs
Total receivables		
Service, water and electricity debtors	-	-
Other exchange debtors	-	-
Less: impairment allowance	-	-
Total receivables	-	-
Current portion transferred to current receivables	-	-
Total non-current receivables	-	-
Total receivables (a+b)	51,722,915	33,076,510

(c) Ageing analysis for Receivables from exchange transactions

Description	2024-25		2023-24	
	Kshs		Kshs	
	2024-25	% of the total	2023-24	% of the total
Less than 1 year	49,510,205		33,076,510	100%
Between 1- 2 years				
Between 2-3 years			-	
Over 3 years	2,212,710		-	-
Total (a+b)	51,722,915		33,076,510	100%

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Notes to the Financial Statements (Continued)

(d) Reconciliation for Impairment Allowance on Receivables from Exchange Transactions

Impairment allowance/ provision	2024-25	2023-24
	Kshs	Kshs
At the beginning of the year	-	-
Additional provisions during the year	-	-
Recovered during the year	-	-
Written off during the year	-	-
At the end of the year	-	-

16. Receivables from Non-Exchange Transactions

Description	2024-25		2023-24	
	Kshs		Kshs	
Property tax debtors	-		-	
Levies, fines, and penalties	-		-	
Licences, fees and permits	-		-	
Other debtors (non-exchange transactions)	22,850,562		1	
Less: impairment allowance			-	
Total receivables from non- exchange transactions	22,850,562			
Ageing Analysis- Receivables from non-exchange transactions	2024-25	% of the total	2023-24	% of the total
Less than 1 year	22,850,562	%	-	%
Between 1-2 years	-	%		%
Over 3 years		%	-	%
Total	22,850,562	%	-	%

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Notes to the Financial Statements (Continued)

Receivables from Non-Exchange Transactions (continued)

Description	2024-25	2023-24
	Kshs	Kshs
At the beginning of the year	-	-
Additional provisions during the year	-	-
Recovered during the year	-	-
Written off during the year		
At the end of the year	22,850,562	-

17. Inventories

Description	2024-25	2023-24
	Kshs	Kshs
Consumables	18,551,592	-
	-	-
	18,551,592	

The inventory as at close of the financial year consisted of only consumable.

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18. Property, Plant and Equipment

Cost	Land	Buildings	Motor vehicles	Furniture and fittings	Computers	Tools and equipments	Capital Work in progress	Total
	Kshs	Kshs	Kshs	Kshs	Kshs	Kshs	Kshs	Kshs
As at 30 th June 2023	1,100,000,000	1,182,626,098	16,910,000	37,710,542	39,794,588	372,505,448	-	2,749,546,676
Gain /(Loss) in Valuations	696,600,000	-75,491,108	-					621,108,892
Additions	-	-	-	962,500	-	-	11,733,640	12,696,140
Transfer/Adjustments	-	-	-	-	-	-	-	-
As at 30 th June 2024	1,796,600,000	1,107,134,990	16,910,000	38,673,042	39,794,588	372,505,448	11,733,640	3,383,351,708
gain in valuation			6,354,384					6,354,384
additions				60,900	1,005,160			1,066,060
disposals								
Transfers/ Adjustments		11,733,640					-11,733,640	
As at 30 th June 2025	1,796,600,000	1,118,868,630	23,264,384	38,733,942	40,799,748	372,505,448	-	3,390,772,152
Depreciation And Impairment								
At 1 July 2023	-	-189,895,990	-12,897,178	-21,270,271	-26,341,042	-149,401,396	-	-399,805,877
Depreciation	-	-	-1,003,206	-2,175,221	-4,036,364	-27,888,007	-	-35,102,797
As At 30 th June 2024	-	-189,895,990	-13,900,384	-23,445,492	-30,377,405	-177,289,403	-	-434,908,675
Depreciation	-	-23,224,316	-2,341,000	-1,911,056	-3,126,703	-24,402,006	-	-55,005,081
As at 30 th June 2025	-	-213,120,306	-16,241,384	-25,356,548	-33,504,108	-201,691,409	-	-489,913,756
Net Book Values								
As at 30 th June 2024	1,796,600,000	917,239,000	3,009,616	15,227,550	9,417,183	195,216,045	11,733,640	2,948,443,033
As at 30 th June 2025	1,796,600,000	905,748,324	7,023,000	13,377,394	7,295,640	170,814,039	-	2,900,858,397

Notes:

i. Motor Vehicles were valued by Ministry of roads and transport state department of roads in the year under review while land & Buildings were valued in the prior year

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Notes to the Financial Statements (Continued)

Valuation

Motor vehicles were valued by Ministry of Roads Transport under State Department of Roads and, professional valuers in line with the National Assets and Liabilities Management Policy and Guidelines (issued 30th June 2020).

18 (b) Property, Plant and Equipment at Cost

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

Description	Cost	Accumulated Depreciation	NBV
	Kshs	Kshs	Kshs
Land	1,796,600,000	-	1,796,600,000
Buildings	928,972,640	23,224,316	905,748,324
Plant and Machinery	195,216,046	24,402,006	170,814,039
Motor Vehicles, Including Motorcycles	9,364,00	2,341,000	7,023,000
Computers and Related Equipment	10,422,343	3,126,703	7,295,640
Office Equipment, Furniture, And Fittings	15,228,450	1,911,056	13,377,394
Total	2,955,863,478	55,005,081	2,900,858,397

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Notes to the Financial Statements (Continued)

19. Intangible Assets

Description	2024-25	2023-24
	Kshs	Kshs
Cost		
At beginning of the year	6,744,139	6,744,139
Additions	-	-
At end of the year	6,744,139	6,744,139
Additions—internal development	-	-
At end of the year	6,744,139	6,744,139
Amortization and impairment		
At beginning of the year	6,291,929	6,098,124
Amortization	135,663	193,805
At end of the year	6,427,592	6,291,929
Impairment loss	-	-
At end of the year	6,427,592	6,291,929
NBV	316,547	452,211

20. Trade and Other Payables

Description	2024-25	2023-24	
	Kshs	Kshs	
Trade payables	10,159,184	11,060,553	
Payments received in advance	-	-	
Employee payables	118,828	-	
Third-party payments	-	-	
Other payables	3,503,200	3,824,027	
Total trade and other payables	13,781,213	14,884,580	
Ageing analysis: (Trade and other payables)	2024-25	2023-24	% of the Total
Under one year	13,781,213	3,824,027	25%
1-2 years		11,060,553	75%
2-3 years		-	
Over 3 years		-	
Total (tie to above total)	13,781,213	14,884,580	

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21. Refundable Deposits and Prepayments from Customers

Description	2024-25		2023-24	
	Kshs		Kshs	
Customer deposits	6,156,914		6,156,914	
Prepayments	-		-	
Other deposits	-		-	
Total deposits	6,156,914		6,156,914	
Ageing analysis: (Refundable deposits)	2024-25	% Of the Total	2023-24	% Of the Total
Under one year		%	xxx	%
1-2 years	6,156,914	100%	6,156,914	100%
2-3 years		%		%
Over 3 years	-	%		%
Total	6,156,914	6,156,914	6,156,914	6,156,914

22. Reserves

Description	2024-25		2023-24	
	Kshs		Kshs	
Reserves				
Re stated bal b/f	3,326,332,804		2,794,834,006	
Reserves for the year	2,454,384		531,498,798	
Total Reserves	3,328,787,188		3,326,332,804	

23. Accumulated Surplus

Description	2024-25		2023-24	
	Kshs		Kshs	
Accumulated Surplus				
Bal b/f	(272,700,974)		(319,651,847)	
Surplus/deficit for the financial year	(27,434,633)		46,950,873	
Total Accumulated Surplus	(300,135,607)		(272,700,974)	

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24. Cash Generated from Operations

Description	2024-25	2023-24
	Kshs	Kshs
Surplus for the year before tax	(43,190,437)	30,635,423
Adjusted for:		
Depreciation	55,005,081	35,102,797
Non-cash grants received		-
Contributed assets		-
Impairment	135,663	193,805
Gains and losses on disposal of assets	310,000	-
Contribution to provisions	-	-
Contribution to impairment allowance		-
Working capital adjustments		
Increase in inventory	(20,454,792)	-
Increase in receivables	(22,850,562)	-
Increase in deferred income	-	
Increase in payables	(27,175,422)	(1,005,258)
Increase in payments received in advance	-	-
Net cash flow from operating activities	(44,654,657)	64,926,767

Notes to the Financial Statements (Continued)

25. Financial Risk Management

The Institute activities expose it to a variety of financial risks including credit and liquidity risks and effects of changes in foreign currency. The Institute'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 Institute 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 Institute's financial risk management objectives and policies are detailed below:

i) Credit risk

The Institute 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 Institute's management based on prior experience and their assessment of the current economic environment.

Financial Risk Management

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

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Description	Total amount	Fully performing	Past due	Impaired
	Kshs	Kshs	Kshs	Kshs
As at 30th June 2025				
Receivables from exchange transactions	51,722,915	51,722,915		-
Receivables from non-exchange transactions	22,850,562	22,850,562		-
Bank balances	54,289,695	54,289,695		-
Total	128,863,172	128,863,172		-
As at 30th June 2024				
Receivables from exchange transactions	33,076,510	33,076,510	-	-
Receivables from non-exchange transactions	8,446,961	8,446,961	-	-
Bank balances	100,010,412	100,010,412	-	-
Total	141,533,883	141,533,883	-	-

Financial Risk Management

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 Institute has recognised in the financial statements is considered adequate to cover any potentially irrecoverable amounts. The KIMC Council sets the Institute'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 Institute's directors, who have built an appropriate liquidity risk management framework for the management of the Institute's short, medium and long-term funding and liquidity management requirements. The Institute manages liquidity risk through continuous monitoring of forecasts and actual cash flows. The table below represents cash flows payable by the Institute 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.

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Description	Less than 1 month	Between 1-3 months	Over 5 months	Total
	Kshs	Kshs	Kshs	Kshs
As at 30th June2025				
Trade payables	-	13,781,213		13,781,213
Current portion of borrowings	-	-		
Provisions	-	-		
Deferred income	-	-		
Employee benefit obligation	-	-		
Total	-	13,781,213	-	13,781,213
As at 30th June2024				
Trade payables	-	-	14,884,580	14,884,580
Current portion of borrowings	-	-	-	-
Provisions	-	-	-	-
Deferred income	-	-	-	-
Employee benefit obligation	-	-	-	-
Total	-	-	14,884,580	14,884,580

Notes to the Financial Statements (Continued)

Financial Risk Management

iii) Market risk

The Institute has put in place an internal audit function to assist it in assessing the risk faced by the Institute 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 Institute'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 Institute's Finance Department is responsible for the development of detailed risk management policies (subject to review and approval by Audit and Risk Management Committee) and for the day-to-day implementation of those policies. There has been no change to the Institute's exposure to market risks or the way it manages and measures the risk.

a) Foreign currency risk

The Institute 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 Institute 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.

Notes to the Financial Statements (Continued)

Financial Risk Management

iv) Capital Risk Management

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

Description	2024-25	2023-24
	Kshs	Kshs
Revaluation Reserve	3,328,787,188	3,359,409,314
Retained Earnings	(300,135,608)	(290,021,681)
Capital Reserve		-
Total Funds	3,028,651,580	3,069,387,633
Total Borrowings		-
Less: Cash and Bank Balances	54,289,695	100,010,412
Net Debt/(Excess Cash And Cash Equivalents)		-
Gearing	1.79%	3.25%

26. Related Party Disclosures

Nature of related party relationships

Entities and other parties related to the Institute 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 Institute, holding 100% of the Institute equity interest. The Government of Kenya has provided full guarantees to all long-term lenders of the Institute, both domestic and external.

Other related parties include:

- i) The Parent Ministry.
- ii) County Governments
- iii) Key management.
- iv) The KIMC Council.

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Notes to the Financial Statements (Continued)

Description	2024-25	2023-24
	Kshs	Kshs
Transactions with related parties		
a) Sales to related parties		
Sales of electricity to govt agencies	-	-
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	-	-
Purchase of water from govt service providers	-	-
Rent expenses paid to govt agencies	-	-
Training and conference fees paid to govt. Agencies	-	-
Others (specify)	-	-
Total	-	-
b) Grants /transfers from the government		
Grants from national govt	208,206,750	245,500,000
Grants from county government		-
Donations in kind		-
Total	208,206,750	245,500,000
c) Expenses incurred on behalf of related party		
Payments of salaries and wages for employees	-	-
Payments for goods and services	-	-
Total		
d) Key management compensation		
Directors' emoluments	12,086,056	8,466,019
Compensation to key management	5,111,988	5,111,988
Total	17,198,044	13,558,007

27. Events after the Reporting Period

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

28. Ultimate and Holding Entity

The Institute is a State Corporation under the Ministry of Information Communication and Digital Economy. Its ultimate parent is the Government of Kenya.

29. Currency

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

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30. Appendices

Appendix 1: 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.

Ref. No on the external audit reports	Issue / Observations from Auditor	Management comments	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
1.Basis of Qualified Opinion 2022/23				
1.0 Proposed Plant and Equipment				
1.1	Encroachment of Land by Private Developer	The matter on encroachment of land still before Court of Appeal	Not resolved	To be resolved by March 2026
1.Basis of Qualified Opinion 2023/24				
	Encroachment of Land by Private Developer	The matter on encroachment of land still before Court of Appeal	Not resolved	To be resolved by March 2026
	Unreconciled Fee Balance	The matter of un- reconciled fee balance has been resolved	Resolved	
	Long Outstanding Receivables	The matter has been resolved	Resolved	
	Irregularities in the Construction of Tuition Block	The matter has been resolved	Resolved	
	Poor Management of Assets	The matter has been resolved	Resolved	
	Lack of Approved Back up and Business Continuity Strategy	The matter has been resolved	Resolved	
	Staff Salaries Paid Outside IPPD	The matter has been resolved	Resolved	

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	Discrepancies in the Number of Staff	The matter has been resolved	Resolved	
	Under-staffing in the Institute	The matter is ongoing	To be resolved in March 2026	Accounting Officer
	Lack of succession planning	The matter is ongoing	Resolved	



Chief Executive Officer

Date: 17/11/2025

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Appendix II: Projects implemented by Kenya Institute of Mass Communication

Projects implemented by the State Corporation/ SAGA Funded by development partners and/or the Government.

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)
KIMC Eldoret Campus	7	-	5	-	No	Yes

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Appendix IV: Transfers from Other Government Entities

Name of the MDA/Donor Transferring the funds	Date received as per bank statement	Nature: Recurrent/Development/Others	Total Amount - KES	Statement of Financial Performance	Where Recorded/recognized				Total Transfers during the Year
					Capital Fund	Deferred Income	Receivables	Others - must be specific	
MICT-State Department of Broadcasting & Telecommunication	30/8/24	Recurrent	15,517,229	15,517,229					15,517,229
	13/9/2024	Recurrent	15,517,229.50	15,517,229.50	-	-	-	-	15,517,229.50
	8/10/24		15,517,230	15,517,230	-	-	-	-	15,517,230
	11/11/24		15,517,229	15,517,229.33	-	-	-	-	15,517,229.33
	2/12/24		15,517,229.33	15,517,229.33	-	-	-	-	15,517,229.33
	31/12/24		15,517,229.33	15,517,229.33	-	-	-	-	15,517,229.33
	6/2/25		15,517,229	15,517,229	-	-	-	-	15,517,229

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	11/3/25		15,517,229	15,517,229	15,517,229	-	-	-	15,517,229
	2/4/25		15,517,230	15,517,230	-	-	-	-	15,517,229
	2/5/2025		22,850,563	22,850,563	-	-	-	-	22,850,563
	29/5/25		22,850,563	22,850,563	-	-	-	-	22,850,563
	3/6/25		22,850,563	22,850,563	-	-	-	-	22,850,563
	Total		208,206,7510	208,206,7510					208,206,7510
	Grand Total		208,206,751	208,206,751					208,206,751

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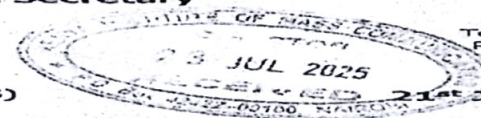
Appendix V- Inter-Entity Confirmation Letter

Name of Transferring entity; State Department of Broad casting and Digital economy
Name of Beneficiary entity; Kenya Institute of Mass Communication



REPUBLIC OF KENYA
MINISTRY OF INFORMATION, COMMUNICATIONS AND
THE DIGITAL ECONOMY
STATE DEPARTMENT FOR BROADCASTING AND TELECOMMUNICATION
Office of the Principal Secretary

Telephone Nairobi 020 4920000/100
Website: www.information.go.ke
Email: psbroadcasting@ict.go.ke
When replying please quote:



Teliposta Towers
P.O. Box 30025
NAIROBI
KENYA

Ref. No. MICDE/BT/ACCT/PFD/16//11 VOL.II (76)

Director
Kenya Institute of Mass Communication
NAIROBI

Attn. Finance Manager

RE: DISBURSEMENT OF FUNDS TO KENYA INSTITUTE OF MASS COMMUNICATION FOR FINANCIAL YEAR 2024/2025

The above subject matter refers.

The Statement Department for Broadcasting and Telecommunication wishes to confirm the amounts disbursed to you as at 30th June 2025 as indicated in the table below.

Please compare the amounts disbursed to you with the amounts you received and populate Column E in the table below. Sign and stamp in the space provided, and return it to this Office on or before 24th July, 2025.

Confirmation of amounts received by Kenya Institute of Mass Communication as at 30 th June 2025							
REFERENCE NO.	DATE DISBURSED	RECURRENT	DEVELOPMENT	INTER-MINISTERIAL	TOTAL	Amounts received by Kenya Institute of Mass Communication	DIFFERENCE
		(A)	(B)	(C)	(D)=(A+BC)	(E)	(F)=(D-E)
		Kshs	Kshs	Kshs	Kshs	Kshs	Kshs
30/8/2024	JULY 2024	15,517,229.00			15,517,229.00	15,517,229	
13/9/2024	AUGUST 2024	15,517,229.50			15,517,229.50	15,517,229.50	
8/10/2024	SEPTEMBER 2024	15,517,230.00			15,517,230.00	15,517,230	

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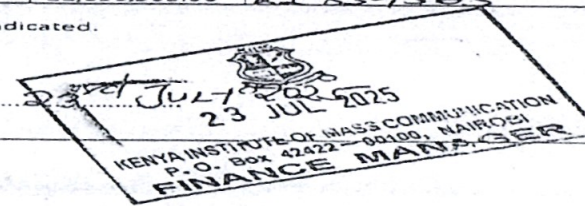
11/11/2024	OCTOBER 2024	15,517,229.33			15,517,229.33	15,517,229.33
2/12/2024	NOVEMBER 2024	15,517,229.33			15,517,229.33	15,517,229.33
31/12/2024	DECEMBER 2024	15,517,229.33			15,517,229.33	15,517,229.33
6/2/2025	JANUARY 2025	15,517,229.00			15,517,229.00	15,517,229
11/3/2025	FEBRUARY 2025	15,517,229.00			15,517,229.00	15,517,229
2/4/2025	MARCH 2025	15,517,230.00			15,517,230.00	15,517,229
2/5/2025	APRIL 2025	22,850,563.00			22,850,563.00	22,850,563
29/5/2025	MAY 2025	22,850,563.00			22,850,563.00	22,850,563
3/6/2025	JUNE 2025	22,850,563.00			22,850,563.00	22,850,563

Please confirm that the amount shown above are correct as of the date indicated.

Finance Manager:

Name: Dr. Jenisphor Korir Signature: [Signature]

Date and stamp: 23 JUL 2025



[Signature]
Karanja P.
 For: **PRINCIPAL SECRETARY**

CC: - Director General, Accounting Services & Quality Assurance
 National Treasury
 NAIROBI