KENYA FORESTRY RESEARCH INSTITUTE

DEFINED CONTRIBUTION RETIREMENT BENEFITS SCHEME

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2024

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KENYA FORESTRY RESEARCH INSTITUTE

DEFINED CONTRIBUTION RETIREMENT BENEFITS SCHEME

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2024

SCHEME INFORMATION

TRUSTEES	Mr.Charles Kiprono Koech	
	Dr.Agnes Ogada	
	Comm.Rose Osoro Bosibori	
	Mr.Joseph Machua	
	Eng.Davies Musau	
	Mr.Timothy Wanjala	
	Mr.Fredrick Odhiambo	
	Dr. George Muthike	Retired
	Mrs.Sarah Mogaka	Retired
CUSTODIAN	Standard Chartered Securities Service Kenya Chiromo,48 Westlands Road P.O Box 40984-00100 Nairobi,Kenya	
FUND MANAGER	Sanlam Investments East Africa Ltd Africa Re Centre 5th Floor Hospital Road Upperhill P.O Box 67262-00200 Nairobi,Kenya	
FUND ADMINISTRATOR	Minet Kenya Financial Services Limited Minet House Off Nyerere Road P.O Box 20102-00200 Nairobi,Kenya	
REGISTERED OFFICE	Kenya Forestry Research Institute Muguga,KEFRI-KARI Road Off Nairobi-Naivasha Road P.O Box 20412-00200 Nairobi,Kenya	
INDEPENDET AUDITOR	Ronalds LLP, Certified Public Accountant(K) 136 Manyani East Road Off Waiyaki Way P.O B0x 41331-00100 Nairobi,Kenya	

REPORT OF TRUSTEES

The Trustees have the pleasure of submitting their annual report together with the audited accounts for the year ended 30 June 2024, which disclose the state of affairs of the Scheme.

ESTABLISHMENT, NATURE, AND STATUS OF THE SCHEME.

The scheme is a defined contribution scheme and provides retirement benefits for the staff of Kenya Forestry Research Institute. It is an exempt and approved Scheme under the income tax Act and is registered with the Retirement Benefits Authority. The Scheme is governed by a trust deed.

SUMMARY OF MEMBERSHIP

	Active	Dormant	Deferred	Total	Total
				2024	**2023**
Membership at 1st July	649	14	29	**697**	**727**
New entrants	1	4	-	**5**	**67**
Withdrawals	-	(1)	-	**(1)**	**(90)**
Reinstatement	-	-	-	**-**	**-**
Retirement	(9)	-	-	**(9)**	**-**
Non-contributing	(4)	-	-	**(4)**	**-**
Adjustments	4	-	-	**4**	**4**
Deaths	(1)	-	-	**(1)**	**-**
Transfer out	-	-	(1)	**(1)**	**(11)**
As at 30th June	640	17	28	**685**	**697**

REPORT OF TRUSTEES CONT'D

CONTRIBUTIONS

As per the rule of the Scheme, employees contribute 10% of their respective Pensionable Emoluments and the Employer shall contribute to the Scheme an amount equal to 20% of the Members Pensionable Emoluments. However, members may voluntarily increase their contribution in addition to those prescribed above.

INVESTMENT OF FUNDS

The Scheme's funds are invested as provided under the Retirement Benefits Authority Act Regulations.

Under the terms of their appointment, Sanlam Investments East Africa Limited is responsible for the investment of the funds. During the year, the net rate of return (net of expenses) earned on the Fund assets was 12.29% (2023; 4.7%)

The net rate of return credited to the members' accounts excludes unrealized gains and losses (changes in fair value) arising from the valuation of financial assets (specifically debt instruments/bonds) at fair value as provided in The Retirement Benefits (Occupational Retirement Benefits Schemes) (Amendment) Regulations, 2023.

Below is the breakdown of the investments as carried out during the year

ASSET TYPE	**Actual Allocation as of 30th June 2024**		**RBA Limits**
	Ksh '000	**% of Portfolio**	**%**
Quoted Equities	328,778,203	10.38%	30%
Kenya Government debts	2,535,191,895	80.05%	90%
Corporate bonds	20,702,026	0.65%	70%
Fixed and time deposits	148,653,072	4.69%	30%
Off-shore investments	133,802,731	4.22%	15%
Total	**3,167,127,927**	**100%**	

REPORT OF TRUSTEES CONT'D

As a going concern, the scheme will continue to manage its liquidity needs and the unrealized gains and losses on treasury bonds will unwind over the remaining life of the bond. However, should there be a major liquidity event (such as a large transfer out or large number of member exits), the scheme could be forced to realize unrealized losses through asset transfers or sales. In the unlikely event that this occurs, the realized losses would form a part of the distributable income at that point.

The overall responsibility for the investment and performance of the Schemes' funds lies with the Trustees.

TRUSTEES

The Trustees who served during the year are as shown on page 1

INDEPENDENT AUDITOR

The Auditors Ronalds LLP, Certified Public Accountants (K), who were appointed during the year have indicated their willingness to continue in office in accordance to Section 29(1) of the Retirement Benefits Act, 1997.

BY ORDER OF THE TRUSTEE

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REPORT OF TRUSTEES ON GOOD GOVERNANCE

1. Trustees in Office

The Retirement Benefits (Good Governance Practices) Guidelines, 2018 Section (6) (1) noted that Trustees, Administrators and Trust Secretaries shall be responsible for ensuring compliance with these guidelines and shall report to Members in the Scheme's audited financial statements on the Scheme Governance Disclosure as provided in these guidelines.

1. Board diversity

The Board of Trustees is composed of individuals with a diverse set of skills and qualifications necessary for effective scheme governance. Their roles are critical in strategic decision-making and ensuring the scheme's adherence to its mission and values.

Trustee's Name	Age	Category	No. of Meetings Attended	TDPK Certification Status	Highest Qualification
Mr. Charles Kiprono Koech	54	Member elected	7	Certified	MA in Sociology from University of Nairobi
Dr. Agnes Ogada	64	Sponsor Nominated	7	Certified	FCPA, PHD in BA from USIU-Africa
Comm. Rose Osoro Bosibori	53	Sponsor Nominated	7	Certified	FCPA, MBA from University Of Nairobi
Mr. Joseph Machua*	60	Member elected	4	Certified	Msc. From Maseno University
Eng. Davies Musau	50	Sponsor Nominated	7	Certified	MBA From University of Nairobi
Mr. Timothy Wanjala	48	Member elected	7	Certified	CPA, MBA from Catholic University of East Africa
Mr.Fredrick Odhiambo*	40	Member Elected	4	Certified	Msc. From University Of Nairobi
Dr.George Muthike**	60	Member Elected	3	Certified	PHD from Jomo Kenyatta University of Agriculture and Technology
Mrs.Sarah Mogaka**	53	Member Elected	3	Certified	MBA from Daystar University

Note:

a) *Trustees were appointed on 01.11.2023
b) **Trustees were retired on 31.10.2023

REPORT OF TRUSTEES ON GOOD GOVERNANCE CONT'D

2. Meeting Attendance and Activities

The Board of Trustees held Seven (7) full Board meetings during the year under review as indicated hereunder.

a) Board of Trustees

	Date of Meeting	Method of Meeting
1.	20th September, 2023	Physical Meeting
2.	9th October, 2023	Physical Meeting
3.	20th November, 2023	Physical Meeting
4.	11th December, 2023	Physical Meeting
5.	31st January, 2024	Physical Meeting
6.	29th February, 2024	Physical Meeting
7.	7th June, 2024	Physical Meeting

b) Committee Meetings

Committee Name	No. of Meetings Held (excluding special purpose Meeting)	Any external advisors, invites to meetings
Audit and Risk Management Committee	4	**12.09.2023** • Stephen Ngugi – Minet Kenya • John Gitau – WIA Africa **27.11.2023** • Stephen Maina – Minet Kenya **20.02.2024** • Christine Muriithi – Minet Kenya • Hellen Mulwa – Minet Kenya • Teddy Ayoti – Minet Kenya • Robert Rotich – Minet Kenya **27.05.2024** • Stephen Ngugi – Minet Kenya

REPORT OF TRUSTEES ON GOOD GOVERNANCE CONT'D

Administration and Communication Committee	4	**11.09.2023** • Robert Rotich – Minet Kenya **28.11.2023** • Kelvin Macharia – Minet Kenya **19.02.2024** • Robert Rotich – Minet Kenya • Andrew Mutuku – Minet Kenya **28.05.2024** • Robert Rotich – Minet Kenya Andrew Mutuku – Minet Kenya
Finance and Investment Committee	4	**13.09.2023** • Mathew Mue – Sanlam Inv EA Ltd • Racheal Wambari – Standard Chartered Bnak **29.11.2023** • Mathew Mue – Sanlam Inv. EA Ltd • Amos Ogwang – Standard Chartered Bnak **21.02.2024** • Mathew Mue – Sanlam Inv EA Ltd • Amos Ogwang – Standard Chartered Bnak **29.05.2024** • Mathew Mue – Sanlam Inv EA Ltd • Amos Ogwang – Standard Chartered Bank

REPORT OF TRUSTEES ON GOOD GOVERNANCE CONT'D

3. Composition of Board of Trustees

The composition of the Board of Trustees is as hereunder:

a) Gender balance:

- Female Trustees: 28%
- Male Trustees: 72%

This indicates a commitment to gender diversity, though it highlights an area for potential improvement to achieve greater gender parity.

b) Skills mix:

- Number of trustees with financial skills: Three (3)
- Number of Trustees with Company Secretarial Skills: None, though the Sponsor's company secretary is the schemes' trust secretary.

This reflects the Board's strong foundation in financial oversight and investment management, critical for the scheme fund's success.

c) Age mix:

- Number of trustees who are younger than 35 years. None
- Number of trustees who are older than 35 years. Seven (7)

Trustees note the age distribution within the Board lacks a blend of youth and experience, preventing it from benefiting from both the innovative perspectives of younger members and the wisdom that comes with experience.

4. Fiduciary responsibility statement

The Board of Trustees is the governing body of the Kenya Forestry Research Institute Defined Contribution Retirement Benefits Scheme and is responsible for the corporate governance of the Scheme. The Trustees are responsible for ensuring that the administration of the Scheme is conducted in the best interests of the Scheme's Members and the Sponsor. To achieve this, the Trustees embraced their fiduciary responsibility by:

a) Acting honestly and did not improperly use inside information or abuse their position.
b) Exercising the highest degree of care and diligence in the performance of their duties that a reasonable person in a like position would exercise in the circumstances; and
c) Performing their duties with requisite degree of skill.

The Scheme has complied with the Laws, Regulations and Guidelines that govern Retirement Benefits Schemes and the Scheme's business operations.

The Trustees have ensured that the fund manager has carried out all Scheme investments and that all Scheme assets and funds are held by the Custodian.

REPORT OF TRUSTEES ON GOOD GOVERNANCE CONT'D

The board has developed the following policies in compliance with the Good Governance Guidelines:

a) The Board Charter and Code of Conduct
b) Communication Policy
c) Trustee Resignation and appointment policy
d) Trustee Induction Policy
e) Trustee Development and training Policy
f) Complaints handling Policy and Procedure
g) Risk management Policy
h) Conflict of Interest Policy
i) Trustee Renumeration Policy

5. Responsible corporate citizenship

The Scheme has participated in socially responsible investments and operations and has not been involved in any activity that may undermine the well-being of the Sponsor, Members or the community in which it operates.

6. Key outcomes

The Board of Trustees seeks to achieve the following:

a) Building Trust with the Members and Sponsor of the Scheme so that they are satisfied with the administration of the Scheme.

b) Supporting innovation and developing solutions that meet the Members' and Sponsor's needs; and

c) Ensuring that the Scheme's administrative processes remain transparent and accessible to Members and the Sponsor

The Board of Trustees will measure the progress towards these outcomes through:

a) Triennial Members' survey score shall be implemented by the Scheme during the Financial Year 2024/2025.

b) Regular reports and feedback from the Sponsor. Number of reports. None

7. Annual General Meeting

The Board of Trustees held the Annual General Meeting on the 18th October, 2023 at the headquarters at which one hundred and ninety-five (195) Members attended and Regional Annual General Meetings were held on 24th to 26th October 2023.

The Board of Trustees adequately addressed the Members' concerns.

REPORT OF TRUSTEES ON GOOD GOVERNANCE CONT'D

8. Members' sensitization

Channel/Methodology Used	Date Held	No. of Members	Centre	Comments
Physical Meeting	25.03.2024	39	Kitui & Garissa	Member Education Day
	18.03.2024	16	Kibwezi	Member Education Day
	19.03.2024	15	Taita Taveta	Member Education Day
	20.03.2024	38	Gede & Lamu	Member Education Day
	27.03.2024	23	Nyeri	Member Education Day
	26.03.2024	35	Karura	Member Education Day
	15.03.2024	327	Headquarters – Kiambu/Rumuruti	Member Education Day
	18.03.2024	42	Londiani	Member Education Day
	19.03.2024	18	Marigat	Member Education Day
	20.03.2024	21	Turbo & Turkana	Member Education Day
	26.03.2024	22	Kakamega	Member Education Day
	25.03.2024	38	Maseno & Ramogi	Member Education Day
	27.03.2024	21	Migori	Member Education Day

9. Trustees Renumeration

During the year under review, the scheme Trustees received a sitting allowance of Kshs. 2,194,518. This was in accordance with the Trustees Renumeration Policy, approved by the members Annual General meeting held on 8th October 2020.

10. Board of Trustees' evaluation

The Board of Trustees conducted a board evaluation……FY 2022/2023.

Signed on behalf of Trustees:

……………………………… 26/09/2024
Chairperson ……………………
Date

STATEMENT OF TRUSTEES RESPONSIBILITIES

The Retirement Benefit Act, (Occupational Retirement Benefits Schemes) Regulations 2000 requires the Trustees to prepare financial statements which give a true and fair view of the state of affairs of the Scheme as at the end of each financial year and of its operating results for that year. It also requires the Trustees to ensure that the Scheme keeps proper accounting records, which disclose with reasonable accuracy the financial position of the Scheme. They are also responsible for safeguarding the assets of the Scheme.

The Trustees accept responsibility for the preparation and fair presentation of the financial statements in accordance with International Financial Reporting Standards (IFRS) and in the manner required by the Retirement Benefit Act. This responsibility includes designing, implementing, and maintaining internal controls relevant to the preparation and presentation of financial statements that are free from material misstatement, whether due to fraud or error, selecting and applying appropriate accounting policies, and making accounting estimates that are reasonable in the circumstances.

The Trustees accept responsibility for the annual financial statements, which have been prepared using appropriate accounting policies supported by reasonable and prudent judgments and estimates, in conformity with International Financial Reporting Standards (IFRS) and the manner required by the Retirement Benefits Act. The Trustees are of the opinion that the financial statements give a true and fair view of the state of the financial affairs of the Scheme and of its operating results as of 30 June 2024. The Trustees further accept responsibility for the maintenance of accounting records which may be relied upon in the preparation of financial statements, as well as adequate systems of internal financial control.

Nothing has come to the attention of Trustees to indicate that the Scheme will not be able to meet its obligations for at least the next twelve months from the date of this statement.

The statement was approved by the Trustees on ....26/09/........ 2024 and signed on its behalf by:

TRUSTEE	TRUSTEE

REPORT OF THE INDEPENDENT AUDITOR TO THE MEMBERS OF KENYA FORESTRY RESEARCH INSTITUTE DEFINED CONTRIBUTION RETIREMENT BENEFITS SCHEME

Opinion

We have audited the accompanying financial statements of Kenya Forestry Research Institute Defined Contribution Retirement Benefits Scheme as set out on page 15 to 31 which comprise the statement of changes in net assets available for benefits, statement of net assets available for benefits as at 30 June 2024, statement of Cash flows for the year then ended, and a summary of significant accounting policies and other explanatory notes.

In our opinion the accompanying financial statements give a true and fair view of the state of financial affairs of the scheme as at 30 June 2024 and of the disposition of the assets and liabilities other than liabilities to pay benefits falling after the end of the year in accordance with International Financial Reporting Standards (IFRS) and requirements of the Retirement Benefit Act.

Basis of opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Those standards require that we plan and perform the audit to obtain reasonable assurance as to whether the financial statements are free of material misstatements. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by the Management, and evaluating the overall financial statement presentation.

We are independent of the Scheme in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code) together with the ethical requirements that are relevant to our audit of the financial statements in Kenya, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis to our opinion.

Key audit matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current year. These matters were addressed in the context of our audit of the organization's financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

There were no key audit matters.

Other Information

The trustees are responsible for the other information. The other information comprises scheme information, report of trustees, statement of trustees' responsibilities and scheme governance disclosure statement that form part of the annual report but does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements do not cover the other information and we do not express any form of assurance conclusion thereon. In connection with our audit of the financial statements, our responsibility is to read the other information and in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

Ronalds LLP
136 Manyani East Road, Off-Waiyaki Way
P.O. Box 41331-00100 Nairobi, Kenya

T: +254 717 558 212
E: info@ronalds.co.ke
W: www.ronalds.co.ke

REPORT OF THE INDEPENDENT AUDITOR TO THE MEMBERS OF KENYA FORESTRY RESEARCH INSTITUTE DEFINED CONTRIBUTION RETIREMENT BENEFITS SCHEME (CONT'D)

Other Information (Cont'd)

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Trustees' Responsibility for the Financial Statements.

The Trustees are responsible for the preparation and fair presentation of these financial statements in accordance with International Financial Reporting Standards (IFRS) and with the requirements of the Retirement Benefits Act. This responsibility includes designing, implementing and maintaining internal controls relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the financial statements are free from material misstatement.

As part of an audit in accordance with International Standards on Auditing, we exercise professional judgement and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Scheme's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Trustees.

- Conclude on the appropriateness of the Trustees' use of the going concern basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Scheme's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Scheme to cease to continue as a going concern.

Ronalds LLP
136 Manyani East Road, Off-Waiyaki Way
P.O. Box 41331-00100 Nairobi, Kenya

T: +254 717 558 212
E: info@ronalds.co.ke
W: www.ronalds.co.ke

REPORT OF THE INDEPENDENT AUDITOR TO THE MEMBERS OF KENYA FORESTRY RESEARCH INSTITUTE DEFINED CONTRIBUTION RETIREMENT BENEFITS SCHEME (CONT'D)

Auditors' Responsibility (Cont'd)

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Report on other legal requirements

As required by the Retirement Benefits Act we report to you, based on our audit, that:

i. We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;

ii. In our opinion, proper books of accounts have been kept by the Scheme, so far as appears from our examination of those books;

iii. The scheme's Net Assets Statement and Scheme Account are in agreement with the books of accounts.

The engagement partner responsible for the audit resulting in this independent auditor's report is CPA Ronald N. Bwosi – P/No 1865.

For and on behalf of
Ronalds LLP.
Certified Public Accountants (K)

RONALDS LLP
26 SEP 2024
P.O. Box 41331-00100, NAIROBI
CERTIFIED PUBLIC ACCOUNTANTS

C.P.A Ronald N. Bwosi
Practising No. P/1865

Ronalds LLP
136 Manyani East Road, Off-Waiyaki Way
P.O. Box 41331-00100 Nairobi, Kenya
T: +254 717 558 212
E: info@ronalds.co.ke
W: www.ronalds.co.ke

STATEMENT OF CHANGES IN NET ASSETS AVAILABLE FOR BENEFITS

	Notes	2024 Kshs	2023 Kshs
Income from dealings with members			
Contributions for the period	**4**	177,234,887	190,194,018
Transfers in from other schemes	**5**	22,942	3,022,839
Benefits to leavers	**6**	(473,827,081)	(322,605,828)
Net dealings with members		(296,569,252)	(129,388,971)
Returns on investments			
Investment income	**7**	376,789,216	355,511,053
Realised gain on sale of investment	**8**	2,490,944	7,468,384
Change in fair value of investments	**9(a)**	(2,965,393)	(177,827,988)
Investment management expenses	**10**	(10,995,355)	(11,463,217)
Administrative expenses	**11**	(26,598,970)	(23,373,526)
Net returns on investments before taxation		338,720,442	150,314,706
Tax expense	**19**	(12,635,699)	(11,647,372)
Net returns on investments after taxation		326,084,743	138,667,334
Net assets available for benefit at the start of the period		3,147,400,791	3,137,214,494
Increase in net assets for the period		29,515,490	9,278,364
Prior year adjustments		-	907,934
Net assets available for benefits at end of period		**3,176,916,281**	**3,147,400,791**

STATEMENT OF NET ASSETS AVAILABLE FOR BENEFIT

	Notes	2024 Kshs	2023 Kshs
Assets			
Investments	12	3,167,127,927	3,137,471,866
Office Equipment	13	1,756,234	2,120,544
Receivables	14	14,684,433	15,648,479
Benefits held in trust	15	92,020,926	95,517,433
Bank balances	16	7,123,950	15,910,294
		3,282,713,470	3,266,668,616
Less: liabilities			
Benefits held in trust	15	92,020,926	95,517,433
Unpaid benefits	17	2,663,066	11,180,491
Other payables and accrued expenses	18	11,113,200	11,043,172
Tax payable	19	-	1,526,728
		105,797,192	119,267,824
Net assets available for benefits		**3,176,916,281**	**3,147,400,791**
Funded by:			
Members fund		3,201,492,965	3,250,807,776
Revaluation reserve	9(b)	(24,576,684)	(103,406,985)
		3,176,916,281	**3,147,400,791**

The financial statements were approved and authorized for issue by the Trustees on 26/09/2024 and were signed on its behalf by:

TRUSTEE Joseph Machua SIGN ....

TRUSTEE FCPA ROSE OSORO SIGN ....

STATEMENT OF CASH FLOWS

	Notes	2024 Kshs	2023 Kshs
OPERATING ACTIVITIES			
Contribution received		178,375,342	191,658,474
Transfers in		22,942	3,022,839
Benefits paid		(482,344,506)	(318,481,939)
Administrative expenses		(25,886,353)	(22,832,227)
Tax paid		(14,338,836)	(12,399,539)
Net cash used in operating activities		(344,171,412)	(159,032,392)
INVESTING ACTIVITIES			
Investment income received		376,789,215	359,974,212
Investment management expenses paid		(11,273,636)	(11,530,787)
Purchase of investments		(496,385,932)	(657,166,902)
Proceeds from sale of investments		333,782,177	561,379,995
Net cash flows from investing activities		202,911,824	252,656,518
Movement in cash and cash equivalents			
At the start of the year		297,036,610	203,412,483
Movement during the year		(141,259,588)	93,624,126
At the end of the year	**20**	**155,777,022**	**297,036,610**

NOTES TO THE FINANCIAL STATEMENTS

1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

a) Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention, and comply with the International Financial Reporting Standards (IFRS) and the Retirement Benefit Acts, 1997 as amended, and the guidelines set out in the Accounting Guidelines - Financial Reports of Retirement Benefit Schemes and are prepared in Kenya Shillings.

Going concern

The financial performance of the Scheme is set out in the Trustees' report and in the statement of changes in net assets available for benefits. The financial position of the Scheme is set out in the statement of net assets available for benefits.

Based on the financial performance and position of the Scheme and its risk management policies, the Trustees are of the opinion that the Scheme is well placed to continue in business for the foreseeable future and as a result the financial statements are prepared on a going concern basis.

b) Statement of compliance

The financial statements have been prepared in accordance with International Financial Reporting Standards and as the requirements of the Kenya Retirement Benefits Act. The principal accounting policies adopted are as set below:

c) Changes in accounting policies and disclosures on new standards

The accounting policies are consistent with those reported in the previous year except as required in terms of the adoption of the following:

i. New and amended standards adopted by the Scheme

The following standards and amendments have been applied by the Scheme for the first time for the financial year beginning 1 July 2022:

Amendments to IFRS 7, IFRS 9, IAS 39, IFRS 4 and IFRS 16 Interest Rate Benchmark reform – Phase 2

The amendments to IFRS 9 and IAS 39 Financial Instruments: Recognition and Measurement provide a number of reliefs, which apply to all hedging relationships that are directly affected by interest rate benchmark reform. A hedging relationship is affected if the reform gives rise to uncertainty about the timing and/or amount of benchmark-based cash flows of the hedged item or the hedging instrument. These amendments have no impact on the Scheme.

The amendments require entities to update the effective interest rate to reflect the change to the alternative risk-free rates (ARRs), instead of derecognizing or adjusting the carrying amount of financial instruments, for changes required by the reform if the transition from the IBOR rate to the ARR is as a direct consequence of the reform and on an economically equivalent basis.

NOTES TO THE FINANCIAL STATEMENTS

Accounting policies(continued)

Changes in accounting policy and disclosures(continued)
Amendments to IFRS 7, IFRS 9, IAS 39, IFRS 4 and IFRS 16 Interest Rate Benchmark reform – Phase 2(continued)

The amendment also provides specific hedge accounting relief, including that an entity will not have to discontinue hedge accounting solely because it makes changes required by the reform to hedge designations and hedge documentation, if the hedge meets the other hedge accounting criteria. The amendments also require entities to provide additional information about new risks arising from the reform and how it manages the transition to ARRs. The Scheme is not affected by this amendment.

ii. Standards, interpretations and amendments issued and effective.
The following standards and interpretations apply for the first time to financial reporting periods commencing on or after 1 July 2023:

Title	Key requirements	Effective date
Amendments to IAS 1 - Non-current liabilities with covenants	The amendments, applicable to annual periods beginning on or after 1st January 2024, clarify a criterion in IAS 1 for classifying a liability as non- current: the requirement for an entity to have the right to defer settlement of the liability for at least 12 months after the reporting period.	Annual periods beginning on or after 1 January 2024 (Published January 2020 and November 2022)
Amendment to IFRS 16 – Leases on sale and leaseback	These amendments include requirements for sale and leaseback transactions in IFRS 16 to explain how an entity accounts for a sale and leaseback after the date of the transaction. Sale and leaseback transactions where some or all the lease payments are variable lease payments that do not depend on an index or rate are most likely to be impacted.	Annual periods beginning on or after 1 January 2024 (Published September 2022)

NOTES TO THE FINANCIAL STATEMENTS

Accounting policies(continued)

ii. Standards, interpretations and amendments issued and effective. Cont'd)

The following standards and interpretations apply for the first time to financial reporting periods commencing on or after 1 July 2023:

Title	Key requirements	Effective date
Amendments to Supplier Finance Arrangements (IAS 7 and IFRS 7)	These amendments require disclosures to enhance the transparency of supplier finance arrangements and their effects on an entity's liabilities, cash flows and exposure to liquidity risk. The disclosure requirements are the IASB's response to investors' concerns that some companies' supplier finance arrangements are not sufficiently visible, hindering investors' analysis.	Annual periods beginning on or after 1 January 2024 (Published May 2023)
Amendments to IAS 21 Lack of Exchangeability (Amendments to IAS 21)	An entity is impacted by the amendments when it has a transaction or an operation in a foreign currency that is not exchangeable into another currency at a measurement date for a specified purpose. A currency is exchangeable when there is an ability to obtain the other currency (with a normal administrative delay), and the transaction would take place through a market or exchange mechanism that creates enforceable rights and obligations.	Annual periods beginning on or after 1 January 2025 (Published August 2023)
Amendments to IAS 8 - Accounting policies,changes in Accounting Estimates and Errors	The amendments require entities to disclose the nature and effect of a change in an accounting estimate that has a significant impact on the financial statements.	Annual reporting periods begin on or after January 1 2024 (Published February 2021)
Amendments to the classification and Measurement of Finacial Instruments (IFRS 9 and IFRS 7)	The amendments to the application guidance of IFRS 9 permit an entity to deem a financial liability (or part of it) that will be settled in cash using an electronic payment system to be discharged before the settlement date if specified criteria are met.The amendments further require the disclosure of contractual terms that could change the timing of contractual cashflows on the occurrence (or non -occurrence of a contingent event that does not relate directly to changes in a basic lending risks and costs.This requirement is applicable to every class of financial asset measured at amortised cost or fair value through other comprehensive income and each class of financial liability measured at amortised cost.	Annual reporting periods beginning on or after 1 January 2026 (Published May 2022)

NOTES TO THE FINANCIAL STATEMENTS

Accounting policies(continued)
iii. Adoption of new and revised International Financial Reporting Standards

The trustees anticipate that there will be no material impact on the financial statements of the Scheme when these standards,interpretations andamendments are adopted and put into effect

The Scheme did not early adopt any new or amended standards in 2024

d) Statement of compliance and Basis of preparation

The financial statements are prepared in compliance with International Financial Reporting Standards,the Retirement Benefits Act,1997 as ammended and with the Retirement Benefits (Occupational Retirement Benefit Schemes)Regulations 2000

e) Key sources of estimation uncertainty

In the application of the accounting policies,the trustees are required to make the judgements,estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources.The estimated and associated assumptions are based on historical experience and other relevant factors.Such estimates and assumptions are on an ongoing basis.Revisions to estimates are recognised prospectively.

The trustees have made the following assumptions that have a significant risk of reesulting in a material adjustment to the carrying amounts of assets and liabilities within the next financial year;

i) **Impairment of receivables and accrued income** - The Scheme reviews The portfolio of receivables on an annual basis.In determining whether receivables are impaired,The management makes judgement as to whether there is any evidence indicating that there is a measurable decrease in The estimated future cashflows expected.

ii)**Fair value measurement and valuation process** - In estimating the fair value of an asset or a liability,the trustees use market-observable data to the extent it is available.Where level 1 inputs are unavailable,the trustees make use of financial models or engages third party qualified to peform the valuation and provide inputs to the model.

f) Revenue recognition

Contributions

Contributions are accounted for in the period in which they fall due. Contributions are generally accounted for on an accrual basis in the period to which they relate.

Investments income

Investment income includes interest and dividends receivable and net exchange (gains/(losses) in the year.

Interest income is recognized for all interest bearing instruments on an accrual basis using the effective yield method based on the actual purchase price. Interest income includes coupons earned on fixed income investments and accrued discount and premium on treasury bills and other discounted instruments.

Dividend income from investments is recognized when the Scheme's rights to receive payment as a shareholder have been established.

NOTES TO THE FINANCIAL STATEMENTS

Significant accounting policies (continued)

g) Benefits payable

Benefits to members are accounted for in the period in which they fall due.

h) Taxation

The fund is an exempt approved plan under the Income Tax Act and is registered with the Retirement Benefits Authority. However, income on contributions in excess of Kshs 240,000 per annum is subjected to income tax.

i) Foreign currencies

Monetary assets and liabilities in foreign currencies are translated into Kenya Shillings at rates of exchange ruling at the end of each reporting period. Transactions during the year in foreign currencies are translated at rates ruling at the dates of the transactions. The resulting exchange differences are dealt with in the statement of changes in net assets.

j) Cash and cash equivalents

Cash and cash equivalents include cash at bank and highly liquid financial assets with original maturities of less than three months, which are subject to insignificant risk of changes in their fair value and are used by the Scheme in the management of its short-term commitments. Cash and cash equivalents are carried at amortized cost in the statement of net assets available for benefits.

k) Financial Instruments

Classification

All recognised financial assets within the scope of IFRS 9 are required to be measured subsequently at amortised cost or fair value on the basis of the entity's business model for managing the financial assets and the contractual cash flow characteristics of the financial assets.

Specifically :

Debt instruments that are held within a business model whose objective is to collect the contractual cash flows ,and that have contractual cash flows that are solely payments of principal amount outstanding ,are measured subsequently at amortised cost.

Debt instruments that are held within a business model whose objective is both to collect the contractual cash flows and to sell the debt instruments ,and that have contractual cash flows that are solely payments of principal and interest on the principal amount outstanding ,are measured at fair value through other comprehensive income (FVTOCI).

Other debt instruments and equity investments are measured subsequently at fair value through profit and loss (FVTPL)instruments that are held within a business model whose objective is both to collect the contractual cash.

Despite the foregoing ,the Scheme may make the following irrevocable election/designation at initial recognition of a financial asset.

The scheme may irrevocably elect to present subsequent changes in fair value of an equity investment that is neither held for trading nor contingent consideration recognised by an acquirer in a business combination in other comprehensive income; and

The scheme may irrevocably designate a debt investment that meets the amortised cost or FVTOCI criteria as measured at FVTPL if doing so eliminates or significantly reduces an accounting mismatch.

Impairment of Financial assets

In relation to the impairment of financial assets ,IFRS 9 requires an expected credit loss model as opposed to an incurred credit loss model under IAS 39.The expected credit loss model requires the scheme to account for expected credit losses and changes in those expected credit losses at each reporting date to reflect changes in credit risk since initial recognition of the financial assets .In other words, it is no longer necessary for a credit event to have occurred before losses are recognized.

NOTES TO THE FINANCIAL STATEMENTS

ACCOUNTING POLICIES (CONT 'D)

Impairment of Financial assets

In particular ,IFRS 9 requires the scheme to measure the loss allowance for a financial instrument at an amount equal to the lifetime expected credit losses (ECL) if the credit risk on that financial instrument has increased significantly since initial recognition, or the financial instrument is a purchased or originated credit-impaired financial asset.

However ,if the credit risk on a financial instrument has not yet increased significantly since initial recognition (except for a purchased or originated credit-impaired financial instrument at an amount equal to 12 months ECL.IFRS 9 also requires a simplified approach for measuring the loss allowance at an equal amount to lifetime ECL for trade receivables, contract assets and lease receivables in certain circumstances.

Financial liabilities

All financial liabilities are measured subsequently at amortised cost using the effective interest method or at FVTPL.However ,financial liabilities that arise when a transfer of a financial asset does not qualify for derecognition or when the continuing involvement approach applies, and financial guarantee contracts issued by the Group ,are measured in accordance with specific accounting policies set out below.

Financial liabilities at FVTPL

Financial liabilities are classified at FVTPL when the financial liability is (i) contingent consideration of an acquirer in a business combination ,(ii) held for trading or (iii) it is designated at FVTPL.

A financial liability is classified as held for trading if:

i. It has been acquired principally for the purpose of repurchasing it in the near term.

ii. On its recognition it is part of a portfolio of identified financial instruments that the Group manages together and has a recent actual pattern of short -term profit-taking ;or it is a derivative ,except for a derivative that is a financial guarantee contract or a designated and effective hedging instrument.

A financial liability other than a financial liability held for trading or contingent consideration of an acquirer in a business combination may be designated as at FVTPL upon initial recognition if :

i. Such designation eliminates or significantly reduces a measurement or recognition inconsistency that would otherwise arise; or

ii The financial liability forms part of a group of financial assets or financial liabilities or both ,which is managed and its performance is evaluated on a fair value basis ,in accordance with the Group's documented risk management or investment strategy ,and information about the grouping is provided internally on that basis; or

iii. It forms part of a contract containing one or more embedded derivatives ,and IFRS 9 permits the entire combined contract to be designated at FVTPL

Financial liabilities at FVTPL are measured at fair value, with any gains or losses arising on changes in fair value recognized in profit or loss to the extent that they are not part of a designated hedging relationship (see Hedge accounting policy).The net gain or loss recognized in profit or loss incorporated any interest paid on the financial liability and is included in the 'other gains and losses' line item in profit or loss.

NOTES TO THE FINANCIAL STATEMENTS

ACCOUNTING POLICIES (CONT 'D)

Short term deposits

Short terms deposits are stated at amortised cost.

Government Securities

Government securities comprise treasury bills and treasury bonds, which debt securities are issued by the Government of Kenya .Treasury bills are stated at amortised cost while treasury bonds are classified as fair value through profit or loss stated at fair value.

Corporate Bonds

Corporate bonds are classified as fair value through profit or loss and are stated at market value as at 30th June 2024.

Equity shares

Quoted investments are classified as fair value through profit and loss and are stated at market value as at 30 June 2024.

Unquoted equity investments

Unquoted equity investments are classified as fair value through profit or loss and are stated at market value as at 30 June 2024.

Impairment of assets

The carrying amounts of the Scheme's assets are reviewed annually at the end of each reporting period to determine if there is any indication of impairment .If such a condition is identified, the asset's net recoverable amount is estimated. Where the asset's carrying amount exceeds it's net recoverable amount, it's written down immediately to the recoverable amount and the resulting impairment loss is treated as an expense in the statement of changes in net assets available for benefits.

Fair Value

For financial instruments traded in an organised financial market, fair value is determined by reference to quoted market prices.

2 CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS IN APPLYING THE SCHEME'S ACCOUNTING POLICIES

In the process of applying the Scheme's accounting policies, management has made estimates and assumptions that affect the reported amounts of assets and liabilities within the next financial year. Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. These are dealt with below;

Impairments losses on financial assets

At the end of each reporting period ,the Scheme reviews the carrying amounts of its financial assets to determine whether there is any indication that these assets have suffered an impaired loss. If any such indication exists, the recoverable amount of the asset is estimated and an impairment loss is recognized in the statement of changes in net assets available for benefits whenever the carrying amount of the asset exceeds its recoverable amount.

NOTES TO THE FINANCIAL STATEMENTS

CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS IN APPLYING THE SCHEME'S ACCOUNTING POLICIES (continued)

Impairments losses on financial assets

At the end of each reporting period ,the Scheme reviews the carrying amounts of its financial assets to determine whether there is any indication that these assets have suffered an impaired loss. If any such indication exists, the recoverable amount of the asset is estimated and an impairment loss is recognized in the statement of changes in net assets available for benefits whenever the carrying amount of the asset exceeds its recoverable amount.

3 FINANCIAL RISK MANAGEMENT

The scheme generates revenues for the members by investing in various income generating activities which involve investing in the equity shares quoted on the Nairobi Securities Exchange and Investing in Government securities. These activities expose the Scheme to a variety of financial risks, including credit risk and the effects of changes in debt and equity market prices ,foreign currency exchange rates and seeks to minimize potential adverse effects on its financial performance.

Risk management is carried out by the investment managers and the Trustees under policies approved by the Trustees .The Investment manager review the market trends and information available to evaluate the potential exposures .They then arrive at strategies to mitigate against market risks. The Trustees provide written principles for overall risk management ,as well as written policies covering specific areas such as foreign exchange risk ,interest rate risk, credit risk, use of derivative and non-derivative financial instruments and investing excess liquidity.

Market Risk

(i) Foreign exchange risk

The scheme invests internationally and is exposed to foreign exchange risk arising from various currency exposures. Foreign exchange risk arises from investment in offshore investments.

(ii) Price risk

The scheme is exposed to equity securities price risk because of investments in quoted shares and treasury bonds classified at fair value through the statement of changes in net assets. To manage its price risk arising from investments in equity and debt securities, the Schemes diversifies its portfolio.

Diversification of the portfolio is done in accordance with statement of investment policy which is reviewed after every three years. All quoted shares and government securities held by the Scheme are traded on the Nairobi Securities Exchange (NSE).

(iii) Cash flow and fair value interest rate risk

The Scheme does not have interest rate risks as the interest bearing assets which are investments in treasury bonds, corporate bonds, treasury bills ,and fixed deposits are at fixed interest rates.

NOTES TO THE FINANCIAL STATEMENTS

FINANCIAL RISK MANAGEMENT Cont'd

Liquidity risk management

The Scheme is required to make periodic payments in respect of pension payments when members retire from the Scheme and is therefore exposed to risk of difficulty in raising funds to make such payments. It therefore invests a portion of its assets in investments that are readily convertible to cash. The investment managers monitor the Schemes liquidity on a regular basis. However, all financial assets can be disposed of at any time before maturity should the need arise.

Credit risk

Credit risk arises from cash and cash equivalents, fixed deposits, interest bearing investments, deposits with banks and receivables. As part of the credit risk management system, the investment manager and the Trustees monitor and review information on significant investments.

The Trustees have approved a larger portfolio investment with the Government of Kenya debt securities which have a lower credit risk and no default record. For the other investments , Trustees ensure that they invest solely in large companies with good reputation.

The amount that best represents the Schemes maximum exposure to credit risk as at 30 June 2024 is made up as follows:

	2024 Kshs	2023 Kshs
Quoted equities	328,778,203	499,819,763
Kenya Government debts	2,535,191,895	2,217,658,153
Corporate bonds	20,702,026	20,702,026
Fixed and time deposits	148,653,072	281,126,317
Off-shore investments	133,802,731	118,165,608
	3,167,127,927	3,137,471,867

None of the above financial assets are either past due or impaired.

NOTES TO THE FINANCIAL STATEMENTS

		2024	2023
		Kshs	Kshs
4	**Contributions**		
	Employer Contributions	117,137,925	125,780,685
	Employee Contributions	58,568,962	62,914,333
	Additional Voluntary Contributions	1,528,000	1,499,000
		177,234,887	190,194,018
5	**Transfers In**	22,942	3,022,839
		22,942	3,022,839
6	**Benefits**		
	Benefits paid	473,827,081	322,605,828
		473,827,081	322,605,828
7	**Investment Income**		
	Dividends	31,959,243	44,006,053
	Interest on term deposits	19,198,291	26,761,431
	Interest on government debt	323,140,557	282,252,444
	Interest on corporate bonds	2,491,125	2,491,125
		376,789,216	355,511,053
8	**Realised Gain/(Loss) on Investment**		
	Gain on sale of shares	2,496,571	13,919,154
	Loss on sale of offshore investments	(243,347)	-
	Gain/(Loss) on sale of treasury bonds	237,720	(6,450,770)
		2,490,944	7,468,384
9(a)	**Change in Fair Value of Investments**		
	Quoted shares	5,730,821	(110,573,498)
	Offshore investments	15,880,470	36,152,495
	Treasury bonds	(24,576,684)	(103,406,985)
		(2,965,393)	(177,827,988)
9(b)	**Revaluation Reserve**		
	Unrealised losses on government securities	(24,576,684)	(103,406,985)
		(24,576,684)	(103,406,985)
	Opening balance	-	-
	Movement during the year	(24,576,684)	(103,406,985)
	Distributed to members	-	103,406,985
	Closing balance	(24,576,684)	-

The Retirement Benefit(Occupational Retirement Benefits Scheme)(Ammendment) Regulations,2023 which are gazetted by the Cabinet Secretary for the National Treasury and Economic Planning on 21st December 2023 provide that unrealised gains and losses arising from valuation of financial assets using the fair value approach shall not form part of the distributable income hence the creation of valuation reserve fund.The Retirement Benefits Authority issued Notice to the Retirement Benefits Industry on Ammendement to the Retirement Benefits Regulations where it clarified that the net returns declared and credited to members accounts shall exclude both gain and losses arising from changes in the value of debt instruments(bonds) held by the scheme at the end of the financial year.

NOTES TO THE FINANCIAL STATEMENTS

		2024 Kshs	2023 Kshs
10	**Investment Management Expenses**		
	Management fees	6,908,377	7,228,087
	Custody fees	4,086,978	4,235,130
		10,995,355	11,463,217
11	**Administration Expenses**		
	Administration fees	2,320,000	2,320,000
	Retirement Benefits Authority levy	3,912,282	3,910,822
	Trustees training	1,689,690	1,940,460
	Travelling and accommodation	2,078,774	2,594,620
	Trustees' allowances	2,194,518	2,079,460
	Audit fees	400,000	290,000
	Bank charges & other charges	89,987	45,491
	AGM expenses	2,156,005	2,292,540
	Members sensitization expenses	2,814,240	-
	Secretariat staff salaries	5,876,185	4,381,441
	Travelling and accommodation- secretariat	753,700	503,350
	Transport	919,832	1,001,948
	Stationery telephone and postage	87,185	85,678
	Publication	227,263	268,800
	Depreciation	364,309	456,156
	Strategic plan	-	616,000
	Subscription fee	-	50,000
	Newspapers	38,440	-
	Maintenance expenses	35,960	536,760
	Trustees evaluation	522,000	-
	Legal fees	118,600	-
		26,598,970	23,373,526
12	**Investments**		
	Quoted equities	328,778,203	499,819,763
	Kenya Government debts	2,535,191,895	2,217,658,153
	Corporate bonds	20,702,026	20,702,026
	Fixed and time deposits	148,653,072	281,126,317
	Offshore investments	133,802,731	118,165,608
		3,167,127,927	3,137,471,867

NOTES TO THE FINANCIAL STATEMENTS

13 PROPERTY AND EQUIPMENT

	Funitures & Fittings 12.5%	Computers 30%	Motor Vehicle 25%	Total
COST				
As at 01.07. 2022	3,291,532	1,045,580	3,636,356	7,973,468
Additions	-	-	-	-
Disposal	-	-	-	-
As at 30.06 2023	3,291,532	1,045,580	3,636,356	7,973,468
DEPRECIATION				
As at 01.07. 2022	1,727,490	895,847	2,773,432	5,396,769
Charge for the year	195,505	44,920	215,731	456,156
As at 30.06.2023	1,922,995	940,767	2,989,163	5,852,925
N.B.V 30 .06. 2023	**1,368,537**	**104,813**	**647,193**	**2,120,543**
COST				
As at 01.07.2023	3,291,532	1,045,580	3,636,356	7,973,468
Additions	-	-	-	-
Disposal	-	-	-	-
As at 30.06.2024	3,291,532	1,045,580	3,636,356	7,973,468
DEPRECIATION				
As at 01.07.2023	1,922,995	940,767	2,989,163	5,852,925
Charge for the year	171,067	31,444	161,798	364,309
As at 30.06.2024	2,094,062	972,211	3,150,961	6,217,234
N.B.V 30.06.2024	**1,197,470**	**73,369**	**485,395**	**1,756,234**

14 Receivables

Tax recoverable	176,409	-
Contributions due	14,508,024	15,648,479
	14,684,433	15,648,479

NOTES TO THE FINANCIAL STATEMENTS

		2024 Kshs	2023 Kshs
15	**Benefits Held in Trust**		
	Assets		
	Treasury Bonds	68,588,136	79,007,724
	Corporate Bonds	4,000,000	4,000,000
	Term Deposits	16,038,575	8,559,007
	Bank Balance	3,483,064	4,025,276
		92,109,775	95,592,007
	Liabilities		
	Management Fees Payable	61,727	64,762
	Custodian Fees Payable	27,122	9,811
		88,849	74,573
	NET ASSETS	92,020,926	95,517,434
	REPRESENTED BY :		
	Member Balances		
	Receipts	10,377,137	6,781,996
	Payments	(23,545,804)	(26,706,391)
		(13,168,667)	(19,924,395)
	Investment Income		
	Interest on Treasury Bonds	8,690,221	9,898,729
	Interest on Term Deposits	1,240,546	604,907
		9,930,767	10,503,636
	Management Expenses		
	Management Fees	120,419	200,916
	Custody Fees	103,369	139,067
	Bank Charges	34,549	70,198
		258,337	410,181
	Net Investment Income	9,672,430	10,093,455
	Decrease in Net Assets	(3,496,237)	(9,830,940)

		2024 Kshs	2023 Kshs
16	**Bank Balances**		
	Standard Chartered Bank Ltd - Custody	809,287	15,910,294
	Barclays Bank Westlands (Admin a/c)	6,314,663	-
		7,123,950	15,910,294

NOTES TO THE FINANCIAL STATEMENTS

		2024 Kshs	2023 Kshs
17	**Unpaid Benefits**		
	Amount due to leaving members	2,663,066	11,180,491
		2,663,066	11,180,491
18	**Other Payables and Accrued Expenses**		
	Retirement Benefits Authority levy	3,927,729	3,912,848
	Secretariat staff salaries	2,579,167	2,363,990
	Management fees	1,191,484	1,807,276
	Custody fees	686,570	349,058
	Admin expenses	2,320,000	2,320,000
	Audit fees	408,250	290,000
		11,113,200	11,043,172
19	**Corporate Tax**		
	Balance brought forward	1,526,728	2,278,895
	Tax charge for the Period	12,635,699	11,647,372
	Tax paid	(14,338,836)	(12,399,539)
		(176,409)	1,526,728
20	**Cash and Cash Equivalent**		
	Cash at Bank	7,123,950	15,910,294
	Term deposits	148,653,072	281,126,316
		155,777,022	297,036,610

For the purpose of cashflow ,cash and cash equivalent comprises of bank balances and deposits held at call with banks maturing within 3 months from the financial year end of the Scheme

STATEMENT OF CASHFLOW WORKINGS

	Kshs	B/f	C/f	Totals
Contributions				
Contributions received and receivable	177,234,887	15,648,479	14,508,024	178,375,342
Transfer in				
Transfer in	22,942	-	-	22,942
Benefits				
Withdrawals	473,827,081	13,654,674	5,137,249	482,344,506

	Kshs	B/f	C/f	Totals
Expenses				
Administration expenses				
Tax paid	12,635,699	1,526,728	(176,409)	14,338,836
Admin expenses				
Administration fees	2,320,000	2,320,000	2,320,000	2,320,000
Audit fees	290,000	290,000	298,250	281,750
Bank charges	89,987	-	-	89,987
Travel and accomodation	2,832,474	-	-	2,832,474
Transport expenses	919,832	-	-	919,832
RBA levy	3,912,282	3,912,848	3,927,729	3,897,401
Trustee expenses	2,194,518	-	-	2,194,518
AGM expenses	2,156,005	-	-	2,156,005
Members sensitization expenses	2,814,240	-	-	2,814,240
Trustees evaluation	522,000	-	-	522,000
Stationery telephone and postage	87,185	-	-	87,185
Maintenance expenses	35,960	-	-	35,960
Newspaper	38,440	-	-	38,440
Secretariat staff salaries	5,876,185	2,363,990	2,579,166	5,661,009
Trustees training	1,689,690	-	-	1,689,690
Publications	227,263	-	-	227,263
Legal fees	118,600	-	-	118,600
Totals	**26,124,661**	**8,886,838**	**9,125,145**	**25,886,353**
Investment Management expenses				
Management fees	6,908,377	1,807,276	1,191,484	7,524,169
Custody fees	4,086,978	349,058	686,570	3,749,467
	10,995,355	**2,156,334**	**1,878,054**	**11,273,636**