

KENYA PORTS AUTHORITY

RETIREMENT BENEFITS SCHEME 2012 (DC)

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE PERIOD ENDED 31 DECEMBER 2024



Ronalds

**KENYA PORTS AUTHORITY
RETIREMENT BENEFITS SCHEME 2012 (DC)
ANNUAL REPORT AND FINANCIAL STATEMENTS
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SCHEME INFORMATION

TRUSTEES

Geoffrey Kavate - Chairman	Sponsor Nominated	(Appointed 30.06.2022)
Emma Okello	Member Elected	(Elected 30.11.2023)
Dolorees S.K Maikah	Member Elected	(Elected 30.11.2023)
Samuel Tawa	Member Elected	(Elected 30.11.2023)
Mercy Kirui	Sponsor Nominated	(Appointed 12.05.2023)
Dr. Consolata Lusweti	Sponsor Nominated	(Appointed 12.05.2023)

REGISTERED OFFICE

Old Cannon Towers 7th Floor
Moi Avenue
P.O BOX 1019 -00100
Mombasa.

CUSTODIAN

The Cooperative Bank of Kenya Limited
Custody Division
P.O Box 48231 - 00100
Nairobi.

BANKERS

Stanbic Bank Kenya Limited
P.O Box 90131 - 80100
Mombasa.

The Co-operative Bank of Kenya Limited
P.O Box 48231 - 00100
Nairobi.

SCHEME ADMINISTRATOR

Benard K.Kibet
Kenya Ports Authority Pension Scheme
Old Cannon Towers 7th Floor, Moi Avenue
P.O Box 1019 -00100
Nairobi

SCHEME SECRETARY

Vincent Makaya Oweya
Kenya Ports Authority Pension Scheme
Old Cannon Towers 7th Floor, Moi Avenue
P.O Box 1019 -00100
Nairobi

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SCHEME INFORMATION (CONT'D)

FUND MANAGERS

Genafrika Asset Managers Limited
P.O Box 79217 -00200
Nairobi.

Kenindia Assurance Company Limited
P.O Box 44372 - 00100
Nairobi.

ICEA LION Asset Managers Limited
P.O Box 46143 - 00100
Nairobi.

ACTUARY

Zamara Actuaries,Administrators and Consultants
P.O Box 5439 - 00200
Nairobi.

LAWYERS

MMC Africa Law
P.O Box 90282 - 80100
Mombasa.

Munyao,Muthama & Kashindi Advocates
P.O Box 2419 -80100
Mombasa.

Miller & Co Advocates
P.O Box 90088 - 80100
Mombasa.

INDEPENDENT AUDITOR

Ronalds LLP
Certified Public Accountant (K)
P. O Box 10472 - 00100
Nairobi.

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REPORT OF TRUSTEES

The Trustees have the pleasure in submitting their annual report together with the audited accounts for the year ended 31 December 2024, which disclose the state of affairs of the Scheme.

ESTABLISHMENT, NATURE AND STATUS OF THE SCHEME

The Scheme is established and governed by the Trust Deed and Rules dated 24th October 2012, and was amended on 13th February 2018. It is a defined contribution scheme and provides, under its rules, retirement benefits for the staff of Kenya Ports Authority. It is an exempted approved scheme under the Income Tax Act and with the Retirements Benefits Authority respectively.

CONTRIBUTIONS

As per the rule of the scheme, employees contribute 10% of their respective pensionable salary and the employer contributes to the scheme an amount equal to 20% of the member's pensionable salary. However, members may with the consent of trustees, voluntarily increase their contributions in addition to those prescribed above.

OBJECTIVES OF THE SCHEME

The main purpose of the scheme is the provision of Pension and other retirement benefits for members upon their retirement from the employers service and relief for the dependents of deceased members.

SUMMARY OF MEMBERSHIP

	2024	2023
At start of the year	5,908	5,780
Joiners	156	305
Leavers	(111)	(116)
Dormant members	(72)	(61)
At the end of the year	<u>5,881</u>	<u>5,908</u>
Deferred		
At start of year	352	352
Entrants	72	81
Exits	(78)	(68)
	<u>346</u>	<u>365</u>
Total	<u>6,227</u>	<u>6,273</u>

FINANCIAL REVIEW

The statement of changes in net assets on page 12 shows an increase in net assets of the Scheme for the period by Kshs 7,292,794,389 (2023: Kshs 2,125,549,168) and the statement of net assets available for benefits on page 13 shows the Scheme's net assets for the year as Kshs 28,436,429,517 (2023: Kshs 21,143,635,128).

The net rate of return credited to the members' accounts for the year was ~~16.5%~~ 16.8% for the registered fund and ~~15.0%~~ 15.0% for the unregistered fund. 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 Funds) (Amendment regulations, 2023

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REPORT OF THE TRUSTEES

The net income to be allocated to the members' accounts has therefore been arrived at as follows;

	2024 Kshs	2023 Kshs
Net return/(loss) on investments, less investment management and administration expenses, as reported in the audited financial statements	5,762,477,044	(114,153,794)
Adjusted for:		
Unrealised (gains)/losses from the revaluation of debt instruments using the fair value model arising in the current year	(2,025,993,240)	1,136,015,626
Amounts credited to members' accounts	<u>3,736,483,804</u>	<u>1,021,861,832</u>

INVESTMENT OF FUNDS

Under the terms of their appointment, ICEA Lion Asset Manager, Gen Africa Asset Manager Limited and Kenindia Assurance Company Limited are responsible for the investment of the funds.

Trustees are responsible for determining the Scheme's Investment Strategy and have prepared the Investment Policy Statement dated 31 June 2023. The principal objective of the Scheme's Investment Policy is to outline the investment goals and objectives of the Fund and provide clear guidelines to ensure there is consistency in the investment decisions being undertaken by the Investment Manager.

The Fund investments for the year ended 31 December 2024 were done in accordance with the broad investment guidelines issued by Retirement Benefits Authority (RBA) as shown below;

Investment	Value as at 31/12/2024	% of portfolio	Value as at 31/12/2023	% of portfolio	% RBA Limit
Quoted investment	2,874,260,999	10.19%	2,052,016,396	9.79%	70
Kenya government securities	19,615,386,611	69.56%	13,838,129,100	66.05%	90
Commercial paper and corporate bonds	15,000,000	0.05%	15,000,000	0.07%	20
Fixed and time deposits (Kenya)	763,947,052	2.71%	1,622,564,043	7.74%	30
Guaranteed fund - Kenindia	4,650,396,133	16.49%	3,422,448,275	16.34%	100
Offshore investments	279,505,520	0.99%	-	-	15
Total	28,198,496,315	100%	20,950,157,815	100%	

We confirm that there is neither self-investment nor have any Scheme assets been used as collateral on behalf of the employer or any connected business or individual

TRUSTEES

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

INDEPENDENT AUDITOR

The Auditors Ronald's LLP, Certified Public Accountants (K), were appointed on 1/01/2022 for a period of three years.

BY ORDER OF THE TRUSTEE


Trustee

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GOVERNANCE DISCLOSURE STATEMENT
 1 Trustees in office

Name	Age (Yrs)	Category of Trustee (Member- elected/Sponsor-nominated/Professional)	No of meetings attended	Certified	Highest qualification	Membership of other boards
Geoffrey Kavate	53	Sponsor Nominated Trustee	8	Yes	Master of Business Administration, (Strategic Management)	Board Director Kenya National Shipping Line
Emma Okello	41	Member Elected Trustee	11	Yes	Master of Business Administration, (Strategic Management)	None
Dolorees Maikah	47	Member Elected Trustee	11	Yes	Master of Science in Information Technology	None
Samuel Tawa	40	Member Elected Trustee	11	Yes	Diploma in Business Management	None
Mercy Kirui	41	Sponsor Nominated Trustee	11	Yes	Master of Science in Procurement	Bamburi Cement Limited Staff Retirement Benefit Scheme
Dr. Consolata Lusweti	47	Sponsor Nominated Trustee	11	Yes	PHD Health Promotion	Director Kenya Ports Authority

2 The board of trustees held ..11.. meetings during the year ending 31 December 2024. The meetings were held on dates set out hereunder ;

Number	Type of meeting	Date
5	Regular Board	22/03/2024,24/05/2024,03/09/2024,04/09/2024 & 27/11/2024
2	Special Board	26/02/2024 & 03/12/2024
4	Joint Board	31/01/2024,01/02/2024,02/02/2024 & 20/03/2024

3 The composition of the board of trustees is as hereunder:

- (a) Gender balance : Female **67%** Male **33 %**
- (b) Skills mix :No of Trustees with financial skills : **33.3 %**
- (c) Age mix: Number of Trustees who are younger than 35 years : **0 %**
- (d) Number of Trustees who are older than 35 years : **100 %**

4 Committees of the board

The Scheme has the following sub-committees in place with terms of reference clearly defined to facilitate decision making of the Board

Committee name	No of meetings held	Any external advisors, invitees to meetings (Yes/No)	Allowances paid (Ksh)
1 Finance & Investment Committee	4	No	220,000
2 Audit & Risk Committee	3	No	180,000
3 Administration & Communication	5	No	500,000

The above sub-committees meet regularly to deliberate on issues that fall under their mandate.

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GOVERNANCE DISCLOSURE STATEMENT

5 Fiduciary responsibility statement

The board of trustees is the governing body of the Kenya Ports Authority Retirement Benefits Scheme 2012 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 responsible person in a like position would exercise in the circumstances; and
- c) Performing their duties with the 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 Scheme manager has carried out all Scheme investments and that all Scheme assets and Schemes are held by the custodian.

6 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.

7 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 sponsors' needs; and
- c) Ensuring that the Fund'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 will be undertaken
- b) Regular reports and feedback to the sponsor.

8 Annual general meeting

The board of trustees held the annual general meeting on the **11th October 2024** at which **3,725** members, making up **63.2 %** of scheme members attended. The board adequately addressed the members' concerns.

9 Members' Education

The board conducted the following sensitization activities	Date held	No. of members who attended	Remarks
Pre-Retirement Training	19th-21st June 2024, 26th -28th June 2024, 03rd-05th July 2024, 10th -12th July 2024, 24th -26th July 2024, 18th-20th Sept 2024, 25th-27th Sept 2024,	801	The training was held jointly with DB Scheme

During the member Education activity, members were reminded of the Retirement Benefits Authority Whistle Blower portal to report any unusual occurrences in the management of scheme affairs.

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GOVERNANCE DISCLOSURE STATEMENT

10 Trustees remuneration policy

During the year under review, the trustees were paid a gross sum of Kshs 3,660,000.00 The payments complied with the trustee's draft remuneration policy of the scheme which was approved by members at the annual general meeting.

11 Board of trustees evaluation

The board and individual Trustees undertook board evaluation in the year under review. The board review process was facilitated externally, and the process took the form of both interviews and questionnaire. The board was rated 84%.

Signed on behalf of the trustees


.....
Trustee
25th March 2025
.....

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STATEMENT OF TRUSTEES RESPONSIBILITIES

The Retirement Benefits Act (Occupational Retirement Benefits Schemes) Regulations 2000 made under the Retirement Benefits Act, 1997 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 Benefits Act 1997. 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 1997. 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 at 31 December 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 the Board of Trustees to indicate that the Scheme will not remain a going concern for at least the next twelve months from the date of this statement

The statement was approved by the Trustees on 26th March 2025 and signed on its behalf by:



TRUSTEE



TRUSTEE

REPORT OF THE INDEPENDENT AUDITOR TO THE MEMBERS OF KENYA PORTS AUTHORITY RETIREMENT BENEFIT SCHEME 2012 (DC)**Opinion**

We have audited the accompanying financial statements of Kenya Ports Authority Retirement Benefit Scheme 2012 (DC) as set out on page 12 to 27 which comprise the statement of changes in netassets available for benefits, statement of net assets available for benefits as at 31 December 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 31 December 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 1997 and the Scheme's trust deed.

Basis of opinion

We conducted our audit in accordance with International Standards on Auditing. 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.

Other information

The other information comprises the information included in the annual report other than the financial statements and our auditor's report thereon. The Trustees are responsible for the other information. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in this report, 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 identified above 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. If, based on the work we have performed on the other information, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report on this regard

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 Scheme'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 to report during the year.

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 1997. 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 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.
- 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.

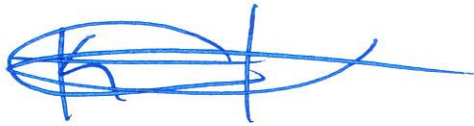
We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Report on other legal requirements

As required by the Retirement Benefit Act, 1997 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 Evelyn Kanjagua – P/No 2944**.



For and on behalf of
Ronalds LLP
Certified Public Accountants (K)
Nairobi, Kenya



KENYA PORTS AUTHORITY
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STATEMENT OF CHANGES IN NET ASSETS
FOR THE PERIOD ENDED 31 DECEMBER 2024

STATEMENT OF CHANGES IN NET ASSETS AVAILABLE FOR BENEFITS

		2024 Kshs	2023 Kshs
Income	Notes		
Income from dealings with members			
Contributions and transfer in	4	2,179,894,893	2,890,053,189
		<u>2,179,894,893</u>	<u>2,890,053,189</u>
Outgoing from dealings with members			
Benefits paid	5	(649,577,548)	(650,350,227)
		<u>(649,577,548)</u>	<u>(650,350,227)</u>
Net dealings with members		<u>1,530,317,345</u>	<u>2,239,702,962</u>
Return on investments			
Realised income	6	3,020,163,090	2,331,034,426
Unrealised income	7	2,949,393,436	(2,175,663,162)
Investment management expenses	8	(56,136,328)	(47,476,391)
		<u>5,913,420,198</u>	<u>107,894,873</u>
Net return on investments			
Other incomes	9	86,499,365	-
		<u>86,499,365</u>	<u>-</u>
Tax expense	10	(115,022,333)	(111,179,910)
Administrative expenses	11	(122,420,186)	(110,868,756)
		<u>(237,442,519)</u>	<u>(222,048,667)</u>
Increase in net assets for the period		<u>7,292,794,389</u>	<u>2,125,549,168</u>
Net assets available for benefits			
At start of the year		21,143,635,128	19,018,085,960
Increase for the period		7,292,794,389	2,125,549,168
Net assets available for benefits		<u>28,436,429,517</u>	<u>21,143,635,128</u>

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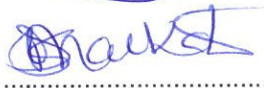
STATEMENT OF NET ASSETS AVAILABLE FOR BENEFITS

		2024 Kshs	2023 Kshs
Non-current assets			
Investments	12	28,197,312,899	20,941,767,906
Equipment	13	10,664,859	2,309,176
Intangible assets	14	13,137,289	13,757,985
		<u>28,221,115,047</u>	<u>20,957,835,067</u>
Current assets			
Receivables	15	79,691,038	20,057,221
Cash and cash equivalents	16	213,627,624	233,110,388
		<u>293,318,662</u>	<u>253,167,609</u>
Current liabilities			
Due to leavers	17	(19,542,852)	(13,496,555)
Other payables and accrued expenses	17	(58,461,340)	(51,230,378)
Current tax payable	18	-	(2,640,614)
		<u>(78,004,192)</u>	<u>(67,367,547)</u>
Net current assets		<u>215,314,470</u>	<u>185,800,061</u>
Net assets available for benefits		<u>28,436,429,517</u>	<u>21,143,635,128</u>
Funded by;			
Member balances	19	27,546,451,903	22,279,650,754
Revaluation reserve	20	889,977,614	(1,136,015,626)
		<u>28,436,429,517</u>	<u>21,143,635,128</u>

The financial statements were approved and authorized for issue by the Trustees on 26th March 2025 and were signed on its behalf by;



 TRUSTEE



 TRUSTEE

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STATEMENT OF CASHFLOWS

	Notes	2024 Kshs	2023 Kshs
Cash flows from operating activities			
Contributions received	4	2,139,220,695	2,128,956,728
Transfers In	4	40,674,198	761,096,461
Administrative expenses paid	11	(122,420,187)	(110,868,757)
Depreciation on equipment	13 & 14	2,869,045	616,676
Benefits paid to leavers	5	(649,577,548)	(650,350,226)
Receivables and accrued income	15	(59,633,817)	(3,698,613)
Payables and accrued expenses	17	10,636,646	(17,686,632)
Tax paid	10	(115,022,333)	(111,179,910)
Net cash generated from operating activities		1,246,746,698	1,996,885,728
Investing activities			
Purchase of plan investment	12	(5,828,764,065)	(3,817,355,905)
Proceeds from sale/maturity of plan investment	12	1,105,431,075	530,933,575
Investment income received	6	2,585,934,027	2,075,271,123
Other incomes received	9	79,292,871	(1,444,084)
Purchase of property & equipment	13	(9,765,029)	-
Purchase of intangible assets	14	(839,003)	(4,892,115)
Investment management expenses paid	8	(56,136,328)	(47,476,391)
Net cash (used) in investing activities		(2,124,846,452)	(1,264,963,797)
Increase in cash and cash equivalents		(878,099,754)	731,921,930
Movement in cash and cash equivalents			
At start of the year		1,855,674,430	1,123,752,500
Increase in cash and cash equivalents		(878,099,754)	731,921,930
At end of the year	22	977,574,676	1,855,674,430

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1 MATERIAL ACCOUNTING POLICY INFORMATION

a) Basis of preparation of financial statements

The accounting policy information considered material in the preparation of the financial statements is set out below.

The financial statements have been prepared under the historical cost convention, and comply with the International Financial Reporting Standards (IFRSs) issued by the International Accounting Standards Board the Kenyan Retirement Benefits Acts and the Retirements Benefits (Occupational Retirement Benefit Schemes) Regulations 2000.

The financial statements summarize the transactions of the Scheme and deal with the net assets at the disposal of the trustees. They do not take into account of obligations to pay benefits that fall due after the end of the year.

The financial statements are presented in Kenya Shillings (Ksh), and are prepared under the historical cost convention, as modified by the carrying of investments at fair value.

The financial statements, except for cash flow information, are prepared using the accrual basis of accounting.

For those assets and liabilities measured at fair value, fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. When measuring the fair value of an asset or a liability, the scheme uses market observable data as far as possible. If the fair value of an asset or a liability is not directly observable, it is estimated by the scheme using valuation techniques that maximise the use of relevant observable inputs and minimise the use of unobservable inputs (e.g. by use of the market comparable approach that reflects recent transaction prices for similar items or discounted cash flow analysis). Inputs used are consistent with the characteristics of the asset / liability that market participants would take into account.

Fair values are categorised into three levels in a fair value hierarchy based on the degree to which the inputs to the measurement are observable and the significance of the inputs to the fair value measurement in its entirety:

- Level 1 fair value measurements are those derived from quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2 fair value measurements are those derived from inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).
- Level 3 fair value measurements are those derived from valuation techniques that include inputs for the asset or liability that are not based on observable market data (unobservable inputs).

Transfers between levels of the fair value hierarchy are recognised by the scheme at the end of the reporting period during which the change occurred.

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Material accounting policy information (continued)

b) Changes in accounting policy and disclosures(continued)
Amendments to IFRS 7, IFRS 9, IAS 39, IFRS 4 and IFR S16 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 ARR. 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)
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 a company'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)

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Material accounting policy information)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 the classification and Measurement of Financial 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)

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 and amendments are adopted and put into effect.

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

c) 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 amended and with the Retirement Benefits (Occupational Retirement Benefit Schemes) Regulations 2000.

d) 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 resulting 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 engage a third party qualified to perform the valuation and provide inputs to the model.

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Material accounting policy information)continued)

e) 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.

f) Benefits payable

Benefits payable to seceding members are recognised as liabilities in the period in which they fall due.

g) Investments

All purchases and sales of investments are recognised on the trade date, which is the date the scheme commits to purchase or sell the investment. The cost of purchase includes all transaction costs. Investments are subsequently carried at fair value. Changes in the fair value of investments are recognised in the Statement of Changes in Net Assets Available for Benefits.

[NB: IAS 26 requires all investments to be carried at fair value, and this supersedes any conflicting requirement of IFRS 9.]

2 Significant judgements and key sources of estimation uncertainty

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including exceptions of future events that are believed to be reasonable under the circumstances. There are no estimates or judgements made that give rise to a significant risk of causing a material adjustment to the carrying amount of assets and liabilities within the next financial year.

3 Financial risk management objectives and policies

The Scheme's activities expose it to a variety of financial risks including credit, liquidity and market risks. The Scheme's overall risk management policies are set out by the fund managers and guidelines approved by the trustees, and focus on the unpredictability of changes in the financial markets and seek to minimise the potential adverse effects of such risks on its financial performance. The Scheme does not hedge against any risks.

i) Credit risk

Credit risk arises from investments other than equity investments, contributions receivable, cash at bank, and other receivables. The investment manager assesses the credit quality of each investment, taking into account its credit rating. Individual risk limits are set by the trustees.

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Financial risk management objectives and policies cont'd

The amount that best represents the Scheme's maximum exposure to credit risk at 31st December 2024 is made up as follows:

	2024	2023
	Kshs	Kshs
Other receivables	6,356,073	20,057,221
Cash at bank	977,574,676	1,855,674,431

ii) Liquidity risk

The trustees ensure that the fund's obligations are met as they arise. The trustees ensure prudent management of liquidity by planning and budgeting for cash requirements during the year. The trustees ensure adequate funds are retained in liquid or near liquid forms to pay leavers within thirty days of leaving. The trustees direct the Investment Manager to invest surplus funds not needed immediately for payments.

iii) Market risk

Market risk is the risk that the fair value or future cash flows of financial instruments will fluctuate because of changes in market price and comprises three types of risks: currency risk, interest rate risk and other price risk.

Interest rate risk

The fund's investments in variable rate deposits exposes it to cash flow interest rate risk, and its investments in fixed rate bonds expose it to fair value interest rate risk. The investment managers advise the trustees on the appropriate balance of the portfolio between equity, fixed rate interest, and variable rate interest investments. The fund has no interest bearing liabilities.

Currency risk

Currency risk arises on financial instruments that are denominated in foreign currency. The investment managers advise the trustees on the appropriate limit of exposure to offshore investments.

Other price risk

Marketable instruments held by the fund include Treasury Bonds, Offshore Investments, Corporate Bonds and Commercial Papers whose market prices are subject to change. The trustees review the portfolio, set exposure limits and respond to market price changes and conditions to secure both fair values and cash flow from such instruments.

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NOTES TO THE FINANCIAL STATEMENTS

	2024	2023
	Kshs	Kshs
4 Contributions and transfer in		
Employer	1,426,147,130	1,419,304,485
Employees	713,073,565	709,652,243
Transfer in	40,674,198	761,096,461
	<u>2,179,894,893</u>	<u>2,890,053,189</u>
Transfers		
Transfer in is from Kenya Ferry Services Merger with KPA in 2023. The transfer in for 2024 relates to differential interest.		
5 Benefits paid to seceding members		
On retirement	532,520,034	541,987,623
On death	117,057,514	108,362,604
	<u>649,577,548</u>	<u>650,350,227</u>
6 Return on investments		
Treasury bond interest	2,223,592,906	1,733,718,684
Treasury bills interest	3,647,218	12,610,456
Fixed deposit interest	71,813,373	69,223,667
Call deposit interest	79,975,717	64,698,161
Account balance interest	4,796,015	741,601
Guaranteed fund	407,903,115	255,763,303
Corporate bonds income	115,110	-
Dividends	201,993,688	183,923,854
Loss/profit on disposal of equity	(31,456,674)	9,137,121
Profit on treasury bond sale	57,782,622	1,217,578
	<u>3,020,163,090</u>	<u>2,331,034,426</u>
*The net rate declared on the guaranteed fund for the year is 10.3% (2023: 11.25%)		
7 Fair value change on investments		
Fair value change on equity	918,894,676	(1,039,647,535)
Fair value change on treasury bonds	2,025,993,240	(1,136,015,626)
Fair value change on offshore investments	4,505,520	-
	<u>2,949,393,436</u>	<u>(2,175,663,161)</u>

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NOTES TO THE FINANCIAL STATEMENTS (cont'd)

	2024	2023
	Kshs	Kshs
8 Investment management expenses		
Fund managers' fees	47,724,194	39,218,347
Custodian fees	8,412,134	7,030,705
	<u>56,136,328</u>	<u>46,249,052</u>
9 Other income		
Funds recovered by EACC from the Kikambala case	79,292,871	-
Decrease in expected credit loss	7,206,494	-
	<u>86,499,365</u>	<u>-</u>

10 Corporate tax

Taxation

The Scheme 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 Ksh 240,000 per member per annum is subject to income tax.

The tax charge for the year is calculated on the investment income less administrative and investment management expenses apportioned to the supplementary (taxable) scheme, which comprises the cumulative contributions in excess of the limits imposed by the Income Tax Act for tax exempt schemes, and income thereon.

The rate used for apportionment of expenses is calculated by taking the total of the opening fund value, contributions received during the year and benefits paid during the year of the supplementary scheme as a portion of the total opening fund value, contributions received during the year and benefits paid during the year.

	2024	2023
	Kshs	Kshs
Investment income - unregistered	348,552,526	408,529,543
Deductible expenses - unregistered	-	(37,929,842)
Taxable income	-	370,599,702
Estimated taxable income (Increasing tax liability of previous year by 10%)	383,407,778	-
Tax thereon at 30%	115,022,333	111,179,910
Tax charge for the period	<u>115,022,333</u>	<u>111,179,910</u>
Corporate tax		
Balance brought forward	2,640,614	8,232,068
Tax paid	(2,640,614)	(8,232,068)
Tax charge for the period	115,022,333	111,179,910
Installment taxes paid in the year	(115,022,333)	(108,539,296)
Corporate tax payable-unregistered fund	-	2,640,614
	<u>-</u>	<u>2,640,614</u>

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NOTES TO THE FINANCIAL STATEMENTS (cont'd)

	2024	2023
	Kshs	Kshs
11 (a) Administrative expenses		
Trustees allowances and subsistence	6,520,698	15,781,056
Trustees training	8,461,075	3,337,309
Trustees & staff retreat	2,208,827	2,015,198
Trustees liability insurance cover	2,266,192	532,801
Trustees (other expenses)	712,800	721,616
Board meeting expenses	202,550	63,550
Air tickets	3,659,080	2,601,320
Member education	13,241,687	16,845,324
Conferences	490,000	-
Customer service week	245,000	230,496
AGM expenses	7,212,100	5,405,750
Election expenses	-	1,870,420
Audit Fees: External	1,100,000	1,180,000
Internal	2,020,720	2,408,598
Actuarial fees	1,133,600	1,133,600
Legal fees	3,740,461	-
RBA levy	5,000,000	5,000,000
Consultancy	928,000	771,632
Office administration expenses	2,370,487	1,425,461
Staff training & professional development	7,382,719	4,573,522
Staff duty travel	847,505	-
Staff recruitment & restructuring	1,502,101	-
Telephone, wifi, internet, postage & courier	966,851	1,218,940
Bank charges	335,441	505,211
ICT expenses	5,511,781	1,860,670
Subscription to pension scheme associations	100,000	100,000
Motor vehicle running	242,873	506,526
Printing & stationery	645,237	599,520
Advertisement	151,351	-
Tender expenses	1,319,820	-
Depreciation	1,409,346	616,676
Amortization of intangible assets	1,459,699	-
	<u>83,388,001</u>	<u>71,305,196</u>
(b) Staff costs		
Staff payroll	28,098,213	28,488,546
Staff gratuity expense	6,732,366	6,834,117
Staff medical insurance	3,204,648	3,148,652
Staff group life insurance	996,957	1,092,246
	<u>39,032,184</u>	<u>39,563,560</u>
Total administrative expenses	122,420,186	110,868,756

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NOTES TO THE FINANCIAL STATEMENTS (cont'd)

	2024 Kshs	2023 Kshs
12 Investments		
Quoted shares	2,874,260,999	2,052,016,397
Kenya government securities	19,615,386,611	13,838,129,100
Commercial paper and corporate bonds	15,000,000	15,000,000
Guaranteed fund-Kenindia	4,650,396,133	3,422,448,275
Fixed and bank deposits	763,947,052	1,622,564,043
Offshore investment	279,505,520	-
Provision for expected credit loss	(1,183,416)	(8,389,910)
	<u>28,197,312,899</u>	<u>20,941,767,906</u>

(a) Investments at fair value

	Value at 01/01/2024 Kshs	Purchases at cost Kshs	Sale proceeds Kshs	Gain/ loss on disposal Kshs	Change in fair value Kshs	Maturities & impairment Kshs	Value at 31/12/2024 Kshs
Quoted shares	2,052,016,397	16,472,898	(81,666,298)	(31,456,674)	918,894,676	-	2,874,260,999
Kenya government securities	13,838,129,100	4,717,246,425	(937,411,995)	57,782,622	2,025,993,240	(86,352,782)	19,615,386,610
Commercial paper and corporate bonds	15,000,000	-	-	-	-	-	15,000,000
Guaranteed fund-Kenindia	3,422,448,275	820,044,743	-	-	407,903,115	-	4,650,396,133
Offshore investments	-	275,000,000	-	-	4,505,520	-	279,505,520
Totals	<u>19,327,593,772</u>	<u>5,828,764,066</u>	<u>(1,019,078,293)</u>	<u>26,325,948</u>	<u>3,357,296,552</u>	<u>(86,352,782)</u>	<u>27,434,549,262</u>

The financial assets of the scheme are split between registered and unregistered scheme which are managed by different fund managers.

	Quoted shares		Kenya government securities		Commercial paper and corporate bonds		Value at year end
	Registered	Unregistered	Registered	Unregistered	Registered	Unregistered	
Value as at start of the year 2024	1,441,314,202	610,702,195	9,352,414,426	4,485,714,674	15,000,000	-	15,905,145,496
Purchase cost	-	16,472,898	2,998,611,060	1,718,635,366	-	-	4,733,719,324
Sale proceeds	-	(81,666,298)	(633,116,085)	(304,295,910)	-	-	(1,019,078,292)
Gain/(Loss) on disposal	-	(31,456,674)	57,426,113.21	356,509	-	-	26,325,948
Change in fair value	703,502,017	215,392,660	1,388,681,386	637,311,854	-	-	2,944,887,917
Maturities	-	-	(86,352,782)	-	-	-	(86,352,782)
Value at the end of year	<u>2,144,816,218</u>	<u>729,444,781</u>	<u>13,077,664,118</u>	<u>6,537,722,493</u>	<u>15,000,000</u>	<u>-</u>	<u>22,504,647,610</u>

The real People Bond was purchased in 2015 by the Previous Fund Manager M/S Britam Asset Managers and Impaired by Kshs.35,000,000 in 2021. The balance relates to the balance outstanding after impairment.

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NOTES TO THE FINANCIAL STATEMENTS (Investments cont'd)

(c) Investments

Investments at fair value
Year ended 31 December 2023

	Value at 01/01/2023	Purchases at cost	Sale proceeds	Gain/ loss on disposal	Change in fair value	Maturities & impairment	Value at 31/12/2023
	Kshs	Kshs	Kshs	Kshs	Kshs	Kshs	Kshs
Quoted shares	3,178,453,590	58,795,284	(149,941,094)	4,356,151	(1,039,647,535)	-	2,052,016,396
Kenya government securities	12,980,907,883	2,378,585,478	-	1,217,578	(1,136,015,626)	(386,566,213)	13,838,129,100
Commercial paper and corporate bonds	15,000,000	-	-	-	-	-	15,000,000
Guaranteed fund-Kenindia	1,786,709,829	1,379,975,143	-	-	255,763,303	-	3,422,448,275
Totals	17,961,071,302	3,817,355,905	(149,941,094)	5,573,729	(1,919,899,858)	(386,566,213)	19,327,593,771

The financial assets of the scheme are split between registered and unregistered scheme which are managed by different fund managers.

	Quoted shares		Kenya government securities		Commercial paper and corporate bonds		Value at year end
	Registered	Unregistered	Registered	Unregistered	Registered	Unregistered	
Value as at start of the year 2023	2,350,090,643	828,362,947	9,433,143,726	3,547,764,157	15,000,000	-	16,174,361,473
Purchase cost	-	58,795,284	1,067,025,826	1,311,559,652	-	-	2,437,380,762
Sale proceeds	(103,807,754)	(46,133,340)	-	-	-	-	(149,941,094)
Gain/(Loss) on disposal	4,356,151	-	(939,180)	2,156,758	-	-	5,573,729
Change in fair value	(809,324,838)	(230,322,697)	(901,357,901)	(234,657,725)	-	-	(2,175,663,161)
Maturities	-	-	(245,458,045)	(141,108,168)	-	-	(386,566,213)
Value at the end of year	1,441,314,202	610,702,195	9,352,414,426	4,485,714,674	15,000,000	-	15,905,145,496

The categorisation of assets carried at fair value by the levels defined in Note 1(a) is as follows:

	Level 1 Kshs	Level 2 Kshs	Level 3 Kshs	Total Kshs
At 31st December 2024				
Quoted shares in Kenya	2,874,260,999	-	-	2,874,260,999
Quoted investments offshore	279,505,520	-	-	279,505,520
Government bonds and bills	19,615,386,611	-	-	19,615,386,611
Corporate bonds	15,000,000	-	-	15,000,000
Total	22,784,153,130	-	-	22,784,153,130
At 31st December 2023				
Quoted shares in Kenya	2,052,016,396	-	-	2,052,016,396
Quoted investments offshore	-	-	-	-
Government bonds and bills	13,838,129,100	-	-	13,838,129,100
Corporate bonds	15,000,000	-	-	15,000,000
Total	15,905,145,496	-	-	15,905,145,496

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NOTES TO THE FINANCIAL STATEMENTS (Investments cont'd)

There were no transfers between level 1 and 2 during the year

The fair value of financial instruments traded in active markets is based on quoted market prices at the statement of financial position date. A market is regarded as active if quoted prices are readily and regularly available from an exchange, dealer, broker, industry group, pricing service or regulatory agency, and those prices represent actual and regularly occurring market transactions on an arm's length basis. The quoted market price used for financial assets held by the Scheme is the current bid price. These instruments are included in Level 1. Instruments included in Level 1 comprise, primarily NSE equity investments classified as trading securities or available for sale.

The fair value of financial instruments that are not traded in an active market (for example, over-the-counter derivatives) is determined by using valuation techniques. These valuation techniques maximise the use of observable market data where it is available and rely as little as possible on entity specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2.

If one or more of the significant inputs is not based on observable market data, the instrument is included in Level 3

Specific valuation techniques used to value financial instruments include;

i) Quoted market prices or dealer quotes for similar instruments

ii) The fair value of interest rate swaps is calculated as the present value of the estimated future cash flows based on observable yield curves

iii) The fair value of foreign exchange contracts is determined using forward exchange rates at the statement of financial position date, with the resulting value discounted back to present value

There were no level 3 assets

13 Equipment

	Computer & Accessories Kshs	Furniture fittings & equipments Kshs	Total Kshs
Cost			
At start of year 01/01/2023	2,000,724	468,804	2,469,528
Additions	1,444,084	-	1,444,084
At end of period 31/12/2023	<u>3,444,808</u>	<u>468,804</u>	<u>3,913,612</u>
Depreciation			
At start of year 01/01/2023	800,238	187,522	987,760
Charge for the period	522,915	93,761	616,676
At end of the period 31/12/2023	<u>1,323,153</u>	<u>281,283</u>	<u>1,604,436</u>
Net book value as at 31 December 2023	<u>2,121,655</u>	<u>187,521</u>	<u>2,309,176</u>
Cost			
At start of year 01/01/2024	3,444,808	468,804	3,913,612
Additions	-	9,765,029	9,765,029
At end of period 31/12/2024	<u>3,444,808</u>	<u>10,233,833</u>	<u>13,678,641</u>
Depreciation			
At start of year 01/01/2024	1,323,153	281,283	1,604,436
Charge for the period	450,153	959,193	1,409,346
At end of the Period 31/12/2024	<u>1,773,306</u>	<u>1,240,476</u>	<u>3,013,782</u>
Net book value as at 31 December 2024	<u>1,671,502</u>	<u>8,993,357</u>	<u>10,664,859</u>

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NOTES TO THE FINANCIAL STATEMENTS (cont'd)

	2024 Kshs	2023 Kshs
14 Intangible assets		
ERP software		
At start of the year	13,757,985	8,865,870
Additions	839,003	4,892,115
	<u>14,596,988</u>	<u>13,757,985</u>
Amortisation		
At start of year 01/01/2024	-	-
Charge for the period	1,459,699	-
At end of the period 31/12/2024	<u>1,459,699</u>	<u>-</u>
Net book value	13,137,289	13,757,985
15 Receivable and accrued income		
Call deposits interest receivable	-	7,529,630
Fixed deposits interest receivable	-	11,276,555
Receivable from DB(KPAPS)	441,805	1,251,036
Contribution receivable	73,334,965	-
Dividend receivable	5,914,268	-
	<u>79,691,038</u>	<u>20,057,221</u>
16 Cash & cash equivalents		
Cooperative Bank a/c 40000(GenAfrica)	116,884,789	117,084,452
Cooperative Bank a/c 40001(ILAM)	9,981,026	81,763,070
Stanbic Bank a/c 0100002781179	86,761,809	34,262,866
	<u>213,627,624</u>	<u>233,110,388</u>
17 Payables and accrued expenses		
Accrued expenses	27,485,115	16,739,657
Due to DB(KPAPS)	10,254,065	12,252,542
Staff gratuity earned	15,722,160	17,238,179
RBA levy payable	5,000,000	5,000,000
Benefits payable	10,631,651	10,327,462
Death benefits payable	8,911,201	3,169,093
	<u>78,004,192</u>	<u>64,726,933</u>
18 Tax payable		
Current tax payable (Note 10)	-	2,640,614
	<u>-</u>	<u>2,640,614</u>
19 Member balances		
At the start of the year	22,279,650,754	19,018,085,960
Income to be allocated (see the report of the Trustees)	3,736,483,804	1,021,861,832
Net dealings with members	1,530,317,345	2,239,702,962
	<u>27,546,451,903</u>	<u>22,279,650,754</u>
20 Revaluation reserve		
Unrealised losses on treasury bonds at start of the year	(1,136,015,626)	(1,136,015,626)
Unrealised gain on treasury bonds during the year	2,025,993,240	-
	<u>889,977,614</u>	<u>(1,136,015,626)</u>

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NOTES TO THE FINANCIAL STATEMENTS (cont'd)

21 Related party transactions

Related parties comprise the trustees, the sponsoring company and companies which are related to these parties through common shareholding or common directorships.

The following transactions were carried out with related parties during the year.

	2024	2023
	Kshs	Kshs
Receivable from DB(KPAPS)	441,805	1,251,036
Due to DB (KPAPS)	10,254,065	12,252,542

22 Cash & cash equivalents

Cash at bank	213,627,624	233,110,388
Deposits	<u>763,947,052</u>	<u>1,622,564,043</u>
	<u>977,574,676</u>	<u>1,855,674,431</u>

For the purpose of the cash flow statement, cash and cash equivalents comprise cash in hand and fixed and term deposits held with banks maturing within 3 months from the date of acquisition.

23 Contingent liabilities

Other than the liability to pay future pensions and other benefits, there were no contingent liabilities of the Scheme as at 31 December 2024

24 Contingent assets

The Scheme is currently involved in an ongoing legal proceeding before the High Court of Kenya, initiated in 2017. The claim against the Scheme seeks Kshs 14.5 million, allegedly representing lost profits arising from a terminated fencing contract. In relation to the same matter, the Scheme had previously paid a deposit of Kshs 18.9 million and has instituted a counterclaim for its recovery. The case remains at the High Court stage, with both claims actively pursued. Given the uncertainty of the litigation outcome, no provision has been recognized in the financial statements. The Scheme continues to monitor the proceedings and will assess the need for any financial impact adjustments as the case progresses.

25 Presentation currency

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

26 Events after accounting period

The Trustees are not aware of any matters arising since the end of the financial year that would materially affect the operations of the Scheme.