




**KENYA PORTS AUTHORITY  
RETIREMENT BENEFITS  
SCHEME 2012 (DC)**



**ANNUAL REPORT &  
FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED 31 DECEMBER 2024**

## ABOUT US



*Active members who were below 45 years as at the date of closure of the DB scheme were moved to the new DC scheme*

The Kenya Ports Authority Retirement Benefits Scheme 2012 (“the Fund”) was established and started operations on 1st January 2013. The Fund was formed for the employees of the Kenya Ports Authority (“KPA”) as a result of the closure of Kenya Ports Authority Pension Scheme (“DB Fund”) as at 31st December 2012 as per the recommendations of the National Treasury circular No.18 of 2010 dated 24th November 2010 that required DB Schemes to be closed.

Active members who were below 45 years as at the date of closure of the DB scheme were moved to the new DC scheme and those who were above 45 years were given an option of remaining in the DB Scheme or move to the new DC Scheme.

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The main purpose of the Scheme is to provide cash benefits and pensions to members upon attaining the retirement age, and where applicable to provide benefits to the dependents of deceased members.





## MISSION, VISION & CORE VALUES



### VISION

Financial security for our members.

### CORE VALUES



#### Professionalism

We shall embrace openness and professional standards at all times.



#### Accountability

We shall be answerable and obliged to make things better.



#### Innovation

We shall constantly strive to cultivate ideas to enhance growth and excellence.



### MISSION

To create value for our members through sustainable retirement benefits management.

# NOTICE OF THE ANNUAL GENERAL MEETING 2024 OF KENYA PORTS AUTHORITY RETIREMENT BENEFITS SCHEME 2012 (DC)

[www.kpapension.co.ke](http://www.kpapension.co.ke)

## THE AGENDA OF THE MEETING

**NOTICE IS HEREBY GIVEN** that the **11<sup>th</sup> Annual General Meeting** of Kenya Ports Authority Retirement Benefits Scheme 2012 will be held on **Thursday 30<sup>th</sup> October 2025** at **9.00am** at **Mbaraki Sports Club**. All active and deferred members of KPA Retirement Benefits Scheme 2012 (DC Scheme) are requested to attend the Annual General Meeting to transact the following business.

1. Reading of the notice and Agenda
2. Opening of Meeting and Introductions
3. Consideration and Adoption of the Minutes of the Last AGM
4. Report by the Chair of the Board of Trustees
5. The Managing Director (Sponsor) Report
6. Presentation of the Audited Accounts for the year ended 31st December 2024, by the Scheme Auditor
7. Presentation of the Fund Investments by the Scheme's Fund Managers
8. Presentation of the Custody report by the Scheme's Fund Custodian
9. Presentation of the Structure of Benefits by the Scheme Actuary
10. Presentation of the Retirement Benefits Industry Changes by a from the Retirement Benefits Authority representative.
11. Questions and Answers
12. Vote of Thanks

## IMPORTANT NOTES FOR MEMBERS

- **Identification:** Members are requested to bring appropriate identification documents and to be seated by **8:45 AM**.
- **Access to Documents:** Copies of the Scheme's Audited Accounts will be available for perusal at the Scheme's registered offices or can be downloaded from the Scheme's website at [www.kpapension.co.ke](http://www.kpapension.co.ke).
- **Travel Costs:** Please note that the cost of travel and attendance is **NON-REFUNDABLE**.

By Order of the Board,

Bernard K. Kibet

**SCHEME ADMINISTRATOR**

**14<sup>th</sup> October 2025**





# 01

## SCHEME OVERVIEW

## SCHEME INFORMATION (CONT'D)

### TRUSTEES

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

### REGISTERED OFFICE

**Old Cannon Towers 7<sup>th</sup> Floor**  
Moi Avenue  
P.O. Box 1019-80100  
Mombasa

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### CUSTODIAN

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

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### BANKERS

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

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

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### SCHEME ADMINISTRATOR

**Bernard K. Kibet**  
Kenya Ports Authority Retirements Benefits Scheme 2012.  
Old Cannon Towers, 7<sup>th</sup> Floor  
Moi Avenue  
P.O. Box 1019-80100  
Mombasa

### SCHEME SECRETARY

Vincent Makaya Oweya  
Kenya Ports Authority Pension Scheme  
P.O. Box 1019 - 80100  
Mombasa



## SCHEME INFORMATION

### FUND MANAGERS

#### **Genafrica Asset Manager Limited**

P.O. Box 79217- 00200

Nairobi.

#### **Kenindia Assurance Company Limited**

P.O. Box 44372- 00100

Nairobi

#### **ICEA LION Asset Manager Limited**

P.O. Box 46143 - 00100

Nairobi.

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### ACTUARY

Zamara Actuaries, Administrators and Consultants

P.O. BOX 5439-00200

Nairobi

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### 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.

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### INDEPENDENT AUDITOR

#### **Ronalds LLP,**

Certified Public Accountants (K)

136 Manyani East Road, Off Waiyaki Way

P.O. Box 41331-00100

Nairobi, Kenya

## ABOUT US

### HISTORY OF THE SCHEME

The Kenya Ports Authority Retirement Benefits Scheme 2012 (“the Fund”) was established and started operations on 1st January 2013. The Fund was formed for the employees of the Kenya Ports Authority (“KPA”) as a result of the closure of Kenya Ports Authority Pension Scheme (“DB Fund”) as at 31st December 2012 as per the recommendations of the National Treasury circular No.18 of 2010 dated 24th November 2010 that required DB Schemes to be closed.

Active members who were below 45 years as at the date of closure of the DB scheme were moved to the new DC scheme and those who were above 45 years were given an option of remaining in the DB Scheme or move to the new DC Scheme.

The Fund is governed by a Trust Deed and Rules which has been approved by the Retirement Benefits Authority (RBA). The main purpose of the Fund is the provision of benefits to the members upon attainment of the retirement age of sixty years, and where applicable, benefits for the dependants of deceased members as provided by the Trust deed and rules of the Scheme.

The Scheme is also approved by the Kenya Revenue Authority as a registered Scheme under the Income Act (Cap 470) and is treated as an ‘exempt approved scheme’ for the purposes of that Act (1st Schedule 14). However, contributions in excess of the statutory limits of KShs 20,000 per month per member is subject to tax.

### Fund Benefits

The benefits of the Scheme are comprehensive and include:

- A cash lumpsum equivalent to one third of the member’s fund credit upon retirement age.
- A pension for life through a purchase of an annuity from the member’s preferred annuity provider.
- An income drawdown option.
- Early retirement option from the age of 50 years.
- A pension on ill health retirement.
- In case of death of a member while in service, the nominated beneficiaries are paid cash lumpsum of the member’s total fund credit.
- In case of death upon retirement, the beneficiaries may continue to receive pension depending on your annuity selection or income drawdown plan.

- If a member leaves service before retirement, 50% of the accumulated benefits can be accessed and the other 50% is payable at the normal retirement age or the benefits are transferable to another scheme if the member opts for transfer, or a deferred pension payable from the normal retirement age.
- In case a member is permanently emigrating out of the country; full fund credit is payable to the member upon submission of sufficient emigration documentation.
- A life Assurance Cover in case of death in service.

### Other Additional Benefits Include:

- Tax relief on member contribution subject to applicable tax limits
- Transfers into the scheme from the member’s previous employer/scheme before joining KPA
- A member may elect to pay additional voluntary contributions which will boost the benefits payable upon retirement of the member.
- Upon retirement, a member may elect to utilize up to a maximum of 10% of his fund credit for the purchase of post-retirement medical cover.

### SERVICE PROVIDERS

The service provider of KPARBS 2012 is:

**Fund Manager** - Our current Fund managers are ICEA Lion Asset Management, Gen Africa Asset Manager, and Kenindia Asset Managers. They are responsible for implementing the schemes’ investment strategy and managing its activities. They also oversee mutual funds, manage analysts, conduct research on pension industry matters, and guide trustees on important Investment decisions.

**Custodian** - Our current custodian is Co-operative Bank. They hold the scheme’s funds, assets, and investments in safe custody for our members and beneficiaries.

The Fund is managed by a Board of Trustees that is established under a Trust as required by the Retirement Benefits Act. The day to day running of the Fund is carried out by the Secretariat of the DC Fund that supports the Board in meeting its objectives.

The Secretariat headed by the Scheme Administrator works in liaison with the Fund service providers that include fund managers, custodians, actuaries, lawyers and auditors.



# MEMBER CENTRIC DIGITAL TRANSFORMATION



The scheme's digital transformation strategy is not merely a technology upgrade — it is a strategic enabler that strengthens operational resilience, protects assets, and delivers better value to delivering best-in-class retirement benefits to our members.

By modernizing systems, automating processes, enhancing cybersecurity, and improving digital service channels, the Scheme is safeguarding its financial sustainability while delivering faster, more reliable, and member-focused services.

Our digital transformation journey remains central to our strategy for operational excellence and member satisfaction.



## 1. Digital Service Excellence & Member Experience

The Scheme is committed to delivering intuitive, secure, and accessible digital platforms that enhance member engagement, build transparency, and foster long-term trust.



## 2. Data-Driven Decision Making & Analytics

Leverage big data, AI, and business intelligence tools to support prudent investment decisions and optimize scheme returns.



## 3. Cybersecurity & Risk Management

Protect scheme assets, sensitive data, ensure compliance, and digital infrastructure from cyber threats while ensuring compliance with regulatory requirements such as the Data Protection Act and the Computer Misuse and Cybercrimes Act.



## 4. Operational Efficiency & Automation

Streamline internal processes to reduce costs, improve turnaround time, and increase service reliability.



## 5. Innovation & Future-Readiness

Continuously explore, pilot, and adopt emerging technologies that align with the Scheme's sustainability goals.



## MEMBER CENTRIC DIGITAL TRANSFORMATION (CONT'D)



### Key Digital initiatives:

- Deployment of member apps and portals with real-time account visibility.
- Cross-functional collaboration through ERP Implementation with workflow digitization for claims, contributions, and benefits processing and integration across Finance, HR, and investment functions.
- Leveraging digital multi-channel communication platforms (email and SMS) to provide timely updates, enhance transparency, educate members, and promote transparency.
- Personalized benefit statements and interactive projection tools.
- Roll out E-Board for digital governance and board documentation management.
- Integrate systems for real-time data sharing between ERP, EDMS, and Member Portal.
- Continuous vulnerability scanning and penetration testing.
- Disaster recovery and business continuity readiness.
- Foster a security-conscious culture through continuous cyber security awareness and training.
- Cloud infrastructure for scalability and agility.

### Our Success Stories this year.

- o Integration between member app and member portal with a post-retirement medical fund modeler for the continuation of medical coverage upon retirement.
- o Actively embracing digital transformation, revamping our website to provide timely updates, educate members, and promote transparency.



# MEMBER CENTRIC DIGITAL TRANSFORMATION



## THE FUTURE IS DIGITAL DIGITIZATION ROADMAP

- Data governance and privacy, centralized data management with built-in data loss prevention mechanisms.
- Integrate Business Intelligence & Reporting for data-driven decision-making.
- Biometric Authentication with facial/voice matching during census periods.
- AI-powered members service support assistants and chatbots

(2021-2022)

### Quick Wins



- **Strength Baseline:**
  - o Installation of firewalls, email setup, website launch, and backup setups.

(2022-2023)

### Medium Term

- **Efficiency & Productivity:**
  - o Rollout of ERP systems and standard operating procedures (SOPs).
  - o Establishment of ICT policies and governance strategies.



## MEMBER CENTRIC DIGITAL TRANSFORMATION (CONT'D)



The Scheme is committed to driving further digital transformation initiatives that will enhance operational efficiency, improve customer satisfaction, and ensure robust risk management practices. Our future roadmap outlines a strategic approach to achieving these goals, positioning us for continued success.

(2023-2024)

### Long Term



- **Business Process Support:**
  - o Full back-office automation using the ERP system.
  - o High availability and virtualization.
  - o CRM system for members, online member portal, IDD System, Trust Fund System, and PRMF system integration.

(2024-2025)

### Continuous Emerging Technology:

- o Focus on integration, trend review, reporting (BI), digital rights management, and data loss prevention.
- o Implementation of biometrics with face/voice matching.



(2025-2026)



### Data-Driven Adaptation & AI Continuous Improvement:

- o Emphasis on business continuity and disaster recovery
- o Explore new opportunities and technology innovation.





02

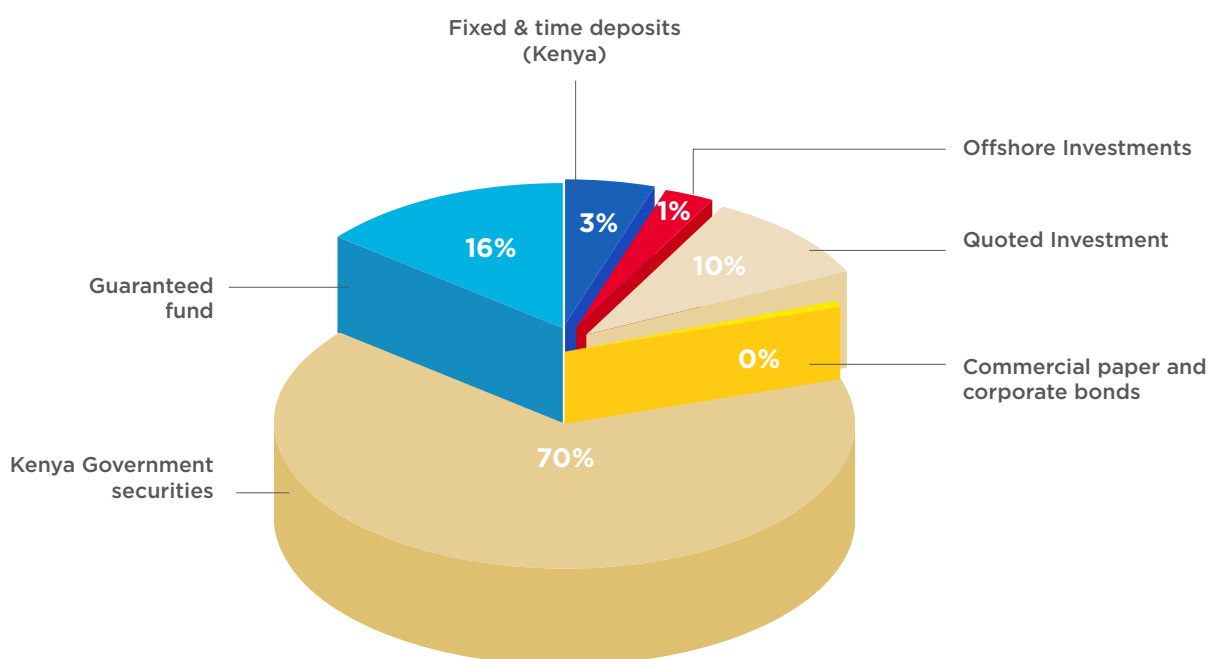
**SCHEME  
HIGHLIGHTS &  
ACTIVITIES**



### OUR INVESTMENTS

The scheme invests according to the regulations set by the Retirement Benefits Authority (RBA), as well as its own investment policy statement and strategic plan. In 2024, the scheme's assets were allocated as follows:

### ASSET ALLOCATION



*\*\*Representation on Chart/Diagram format*

INVESTMENT	VALUE AS AT 31/12/2024	% OF PORTFOLIO
Quoted investment	2,874,260,999	10.19%
Kenya government securities	19,615,386,611	69.56%
Commercial paper and corporate bonds	15,000,000	0.05%
Fixed and time deposits (Kenya)	763,947,052	2.71%
Guaranteed fund	4,650,396,133	16.49%
Offshore investments	279,505,520	0.99%
<b>Total</b>	<b>28,198,496,315</b>	<b>100%</b>

# FUND HIGHLIGHTS

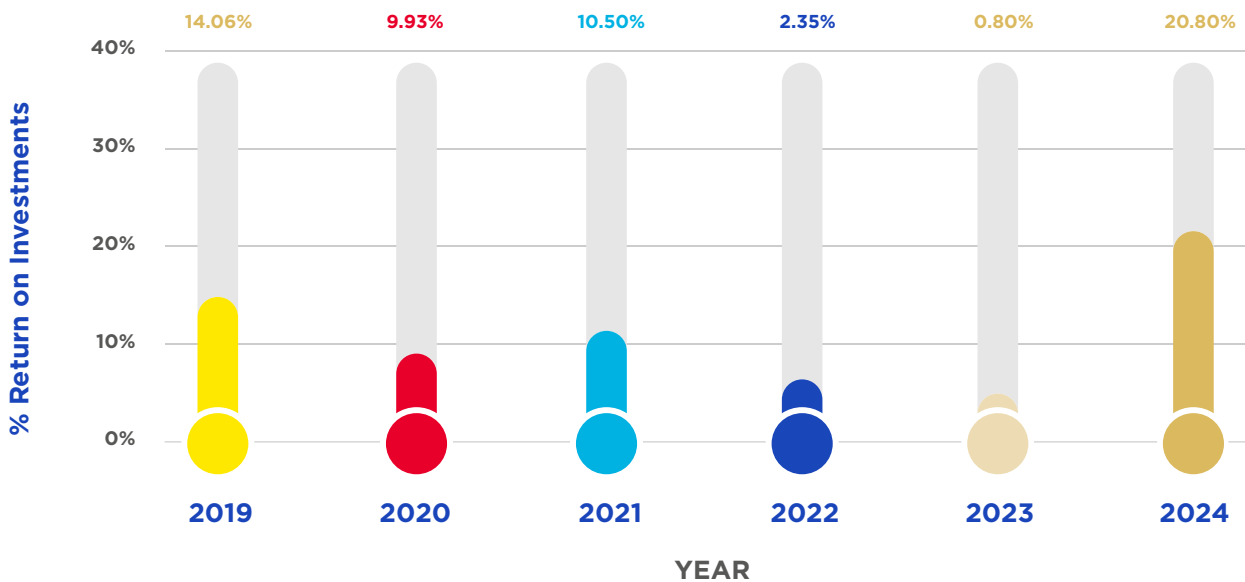


## RETURN ON INVESTMENTS

To safeguard members' contributions, the fund follows a strategic investment approach across different classes, guided by its commitment to meeting long-term obligations, especially the payment of pensions to retirees.

In 2024, financial markets rebounded and outperformed 2023, delivering a 20.8% nominal return on investments – the highest in the last five years. The Kenya shilling strengthened by 17%, reversing the 27% depreciation seen in 2023, as investor confidence improved following the successful eurobond refinancing. Inflation eased, prompting the central bank to lower interest rates, which in turn drove bond prices up, leading to a record 29% bond performance. These favorable conditions contributed significantly to the scheme's strong investment results.

## RETURN ON INVESTMENT



In 2024, the scheme declared and credited interest of **16.58%** for the tax-exempt portion and **15.01%** for the taxable portion of the fund, after accounting for all expenses and excluding paper gains on debt instruments. This was in line with a gazette notice directing pension schemes to exclude paper losses/Gains on debt instruments when calculating member returns.

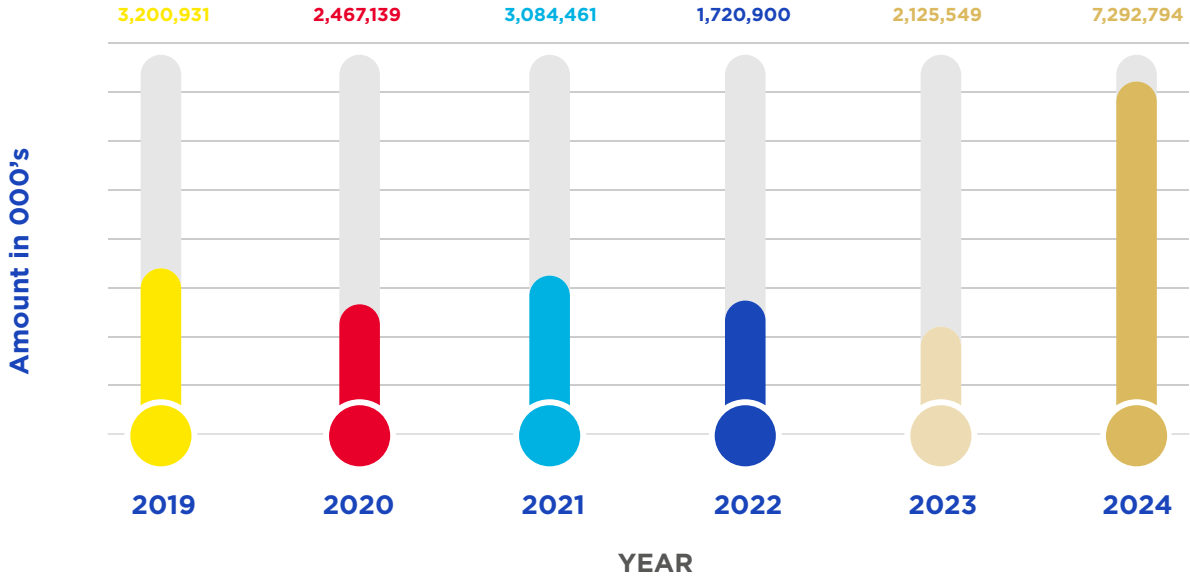


## INCREASE IN NET ASSETS

In 2024, the Fund's assets grew by Kshs. 7.29 billion, compared to Kshs. 1.13 billion in 2023 – the highest increase in the last five years.

The growth in net assets was mainly driven by the sponsor's timely and consistent contributions, along with the strong investment income during the year.

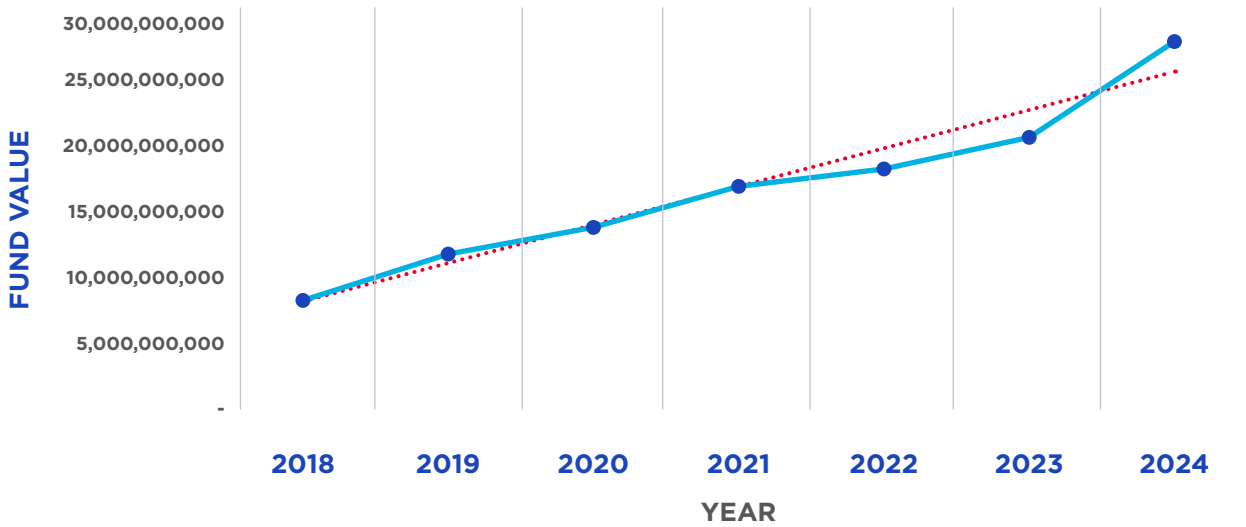
NET INCREASE IN FUND VALUE



FUND VALUE GROWTH

The funds have been on a steady growth each year since inception. The fund value as of 31st December 2024 was Kshs.28.4Bn.

SCHEME FUND VALUE (BNS)

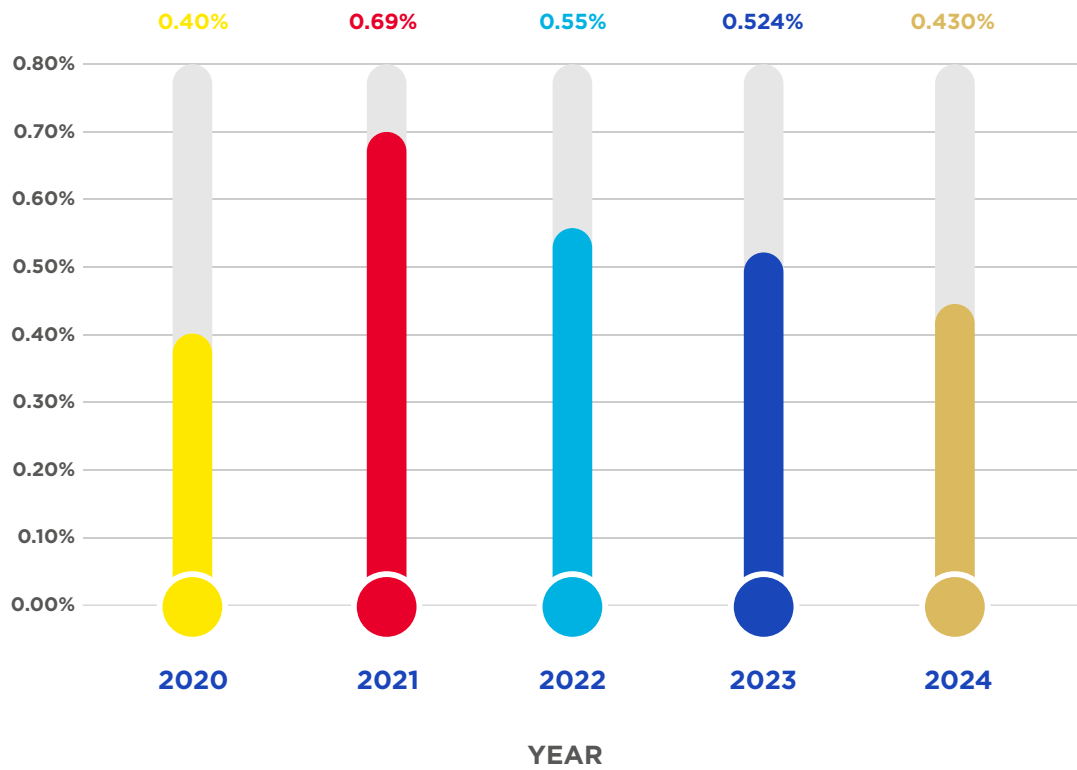


# FUND HIGHLIGHTS

## ADMINISTRATIVE EXPENSES

The Board of Trustees has put in place strong internal controls to keep administrative expenses below 1% of the Scheme's fund value, in line with industry best practice. In 2024, administrative expenses stood at 0.43%, down from 0.52% in 2023.

### ADMINISTRATIVE EXPENSE AGAINST FUND VALUE



# SCHEME ACTIVITIES

## MEMBERS PRE-RETIREMENT TRAINING SESSION



# SCHEME ACTIVITIES

## MEMBERS PRE-RETIREMENT TRAINING SESSION





# 03

## SCHEME GOVERNANCE



***As of 31st December 2024, the Scheme's assets were valued at Kshs. 28.25 billion. The portfolio remained well-diversified and compliant with RBA investment guidelines.***



**LUCAS M. KATEMA,**  
*Chairperson, Board of Trustees  
Kenya Ports Authority Retirement  
Benefits Scheme 2012*



### **Dear Distinguished Members,**

It is my honour and privilege to welcome you to the 11th Annual General Meeting of the Kenya Ports Authority Retirement Benefits Scheme 2012 and to present the Chairman's Report for the year ended 31st December 2024.

This report highlights the Scheme's performance, financial position, strategic progress, and key developments achieved during the year. Guided by prudent investment management, innovation, and sound governance, the Scheme continued to strengthen its financial resilience and deliver sustainable value to members.





**ECONOMIC AND MARKET ENVIRONMENT**

**Global Trends**

Global economic growth in 2024 slowed to approximately 2.8%, largely influenced by persistent inflationary pressures, geopolitical instability, and continued supply chain disruptions. Tight monetary policies in advanced economies, implemented to contain inflation, further constrained global liquidity and investment flows. Consequently, investor confidence and cross-border capital movements remained subdued, compelling many economies and institutional investors to adopt more cautious investment strategies aimed at preserving value in uncertain conditions.

**Kenya's Economic Overview**

Domestically, Kenya's economy experienced moderated growth, with GDP expanding by 4.5%



compared to 5.6% in 2023, effectively reverting to the pre-pandemic average of 4.6%. The agricultural sector recorded strong growth of 6.5%, buoyed by favourable weather conditions and improved productivity. In contrast, construction and mining activities contracted by 2.0% and 11.1%, respectively, reflecting reduced investment activity and cost pressures.

The services sector comprising transport, finance, real estate, and trade remained a key driver of economic stability. Fiscal pressures intensified due to rising public debt servicing obligations and revenue shortfalls, though support from the African Development Bank (AfDB) and the World Bank provided important fiscal relief. Inflationary trends and currency depreciation persisted, increasing import and energy costs and exerting pressure on household and corporate spending.

**45%**

GDP expanded compared to 5.6% in 2023

**6.5%**

strong growth recorded by the agricultural sector buoyed by favourable weather conditions and improved productivity.



# CHAIRMAN'S REPORT

## Pension Industry Highlights

According to the Retirement Benefits Authority (RBA), the Kenyan pension industry recorded strong growth during the year ended 31st December 2024, with total Assets Under Management (AUM) rising to Kshs. 2.255 trillion, representing a 14% increase from June 2024. This expansion was primarily driven by robust investment income, increased contributions particularly from the National Social Security Fund (NSSF) following revised contribution limits and a relatively stable macroeconomic environment that supported improved investment returns.

Government securities remained the dominant asset class, accounting for 52.5% of total pension assets, reflecting the industry's preference for stable and secure returns. Quoted equities rebounded significantly, registering 15.6% growth, buoyed by improved performance at the Nairobi Securities Exchange (NSE), where the NSE 20 Share Index and All Share Index rose by 21% and 13%, respectively. This resurgence enhanced both market capitalization and investor confidence.

Macroeconomic indicators supported a favourable investment climate, with inflation easing to 3.5% in the second half of 2024, a more stable exchange rate, and lower interest rates, all contributing to enhanced market performance. Contributions to pension schemes, including Post-Retirement Medical Funds (PRMF's), showed steady growth, supported by increased participation from public institutions. The industry's liquidity ratio of 89.18% reflected resilience in meeting short-term obligations, although the pension asset-to-GDP ratio of 14.6% remains below that of middle-income peers, highlighting the need to deepen pension coverage and participation.

The Retirement Benefits Authority projects continued industry growth in 2025, supported by rising contributions, stable fixed-income yields, and ongoing recovery in the equities market.

## Scheme Positioning

Within this dynamic and evolving environment, the Kenya Ports Authority Retirement Benefits Scheme 2012 maintained a balanced investment strategy anchored on diversification, prudent risk management, and long-term value preservation. This disciplined approach enabled the Scheme to deliver a strong performance, safeguard members' benefits, and reinforce its financial sustainability.

Kshs.   
**2.255**

**Trillion** total Assets Under Management (AUM) rising representing a 14% increase from June 2024.



**52.5%**

of total pension assets, of Government securities remained the dominant asset class reflecting the industry's preference for stable and secure returns.

*The Scheme is governed by a Board of Trustees, which provides **strategic oversight, formulates policies, and monitors the Scheme's operations.** The Board comprises a balanced mix of **sponsor-appointed, member-elected, and independent trustees**, each bringing relevant **expertise and experience to ensure prudent management.** Trustees serve for a **defined term, with provisions for renewal** under the Scheme's regulations.*



### SCHEME GROWTH AND FUND PERFORMANCE

#### Scheme Membership

As at 31st December 2024, the Scheme's total membership stood at 6,227, reflecting a slight decline from 6,273 members recorded as at 31st December 2023. The reduction was mainly due to member exits without corresponding recruitment by the Sponsor during the year. Notably, the year also marked the completion of the onboarding process for members absorbed from the defunct Kenya Ferry Services Staff Retirement Benefits Scheme, thereby consolidating the Scheme's membership base.

#### Fund Growth

The fund value increased by Kshs. 7.11 billion, representing a 33.6% growth, from Kshs. 21.14 billion as of 31st December 2023 to Kshs. 28.25 billion as of 31st December 2024. Total income for the year amounted to Kshs. 8.05 billion, while total expenditure stood at Kshs. 941.65 million, resulting in a net fund growth of Kshs. 7.11 billion.

Administrative expenses were maintained at 0.46% of the fund value, well within the 1% limit prescribed by the Retirement Benefits Authority (RBA).

#### Asset Allocation

As at 31st December 2024, the Scheme's assets were valued at Kshs. 28.25 billion. The portfolio remained well-diversified and compliant with RBA investment guidelines.

Government securities accounted for 69.4% of total assets, the guaranteed fund 15.0%, quoted equities 10.2%, and fixed and call deposits 2.7%. Offshore

investments stood at 0.97%, while corporate bonds and other fixed assets each represented 0.05%. Property holdings were nil during the period. The remaining 1.6% comprised cash, cash equivalents, and other current assets. This composition reflects the Scheme's prudent investment strategy focused on capital preservation, income stability, and sustainable long-term returns.

The 2024 fund performance was primarily driven by robust returns from government securities, disciplined expense management, and stable contribution inflows. This combination of prudent investment strategy and cost efficiency positioned the Scheme for continued sustainable growth and enhanced member value.

### SCHEME GOVERNANCE STRUCTURE

#### Board of Trustees

The Scheme is governed by a Board of Trustees, which provides strategic oversight, formulates policies, and monitors the Scheme's operations. The Board comprises a balanced mix of sponsor-appointed, member-elected, and independent trustees, each bringing relevant expertise and experience to ensure prudent management. Trustees serve for a defined term, with provisions for renewal under the Scheme's regulations.

#### Board Committees

To enhance governance and operational efficiency, the Board delegates specific oversight responsibilities to specialized committees, each focusing on key aspects of the Scheme's management. The committees and their roles are summarized below:

Governance Body	Composition / Role
<b>Board of Trustees</b>	Comprised of Sponsor-appointed, Member-elected, Independent Trustees  Role- overall strategic oversight and policy approval
<b>Strategy, Finance &amp; Investment Committee</b>	Oversees investment strategy, performance monitoring and compliance with the investment policy
<b>Audit &amp; Risk Committee</b>	Monitors financial reporting, risk management, internal controls and regulatory compliance
<b>Administration and Communication Committee</b>	Reviews member benefits administration, operational efficiency and service delivery

## CHAIRMAN'S REPORT (cont'd)

### Board Evaluation

During the year, the Board conducted a self-evaluation, achieving a score of 84%, reflecting a strong governance culture and commitment to continuous improvement in oversight and decision-making practices.

### Regulatory Compliance

The Scheme operates in full compliance with the Retirement Benefits Act and Retirement Benefits Authority (RBA) regulations. Clear policies and approval frameworks guide decision-making across the Scheme. The Scheme shall undertake a comprehensive Governance Audit to reinforce and enhance its governance structures, ensuring continuous improvement and alignment with best practices.

### KEY ACHIEVEMENTS AND MILESTONES FOR THE YEAR

#### Closure of the Kikambala Land Court Case.

During the year, the long outstanding Kikambala Case which has been going on since 2014 ended and it was a win to the scheme. The Ksh 70 Million, which was the transaction cost for the Kikambala land in dispute, was refunded to the scheme account with an additional 9 Million inform of interest for the period the money had been held under EACC custody pending determination of the case.

#### Improved Return on Investments for the Financial Year 2024.

We are pleased to report that the Scheme's investment strategy delivered excellent results for the financial year ending 2024. The Registered Fund achieved a net return of 16.58%, while the Unregistered Fund earned 15.01%.

Our investment strategic decisions in a dynamic market environment were key to securing this success for our members.

While we celebrate this year's success, it's important to remember that pension investing is a long-term journey. Investment markets naturally go up and down. Our strategy is focused on achieving strong, steady growth going into the future smoothing out short-term market fluctuations for a more secure retirement outcome.

#### Member Education and Pre Retirement Seminars

To prepare our members for a smooth transition into retirement, we continued our dedicated Pre-Retirement Training program where a total of 801 members were trained in 2024. Since launch ing the program in October 2022, we have successfully trained a cumulative total of 2,800 members approaching retirement age. This program is available

to all members, and we will continue implementing the same until all members go through the training. We also conducted various members Education and Awareness Sessions within the Port on new products.

These initiatives are a core part of our commitment to your financial well-being and satisfaction, ensuring you have the knowledge needed to make informed decisions about your retirement.

#### Progress Made Towards the Development of New Products.

We are pleased to report significant progress in developing new products such as Income Drawdown Fund, Post Retirement Medical Fund, Child Trust Fund to serve our members better. To ensure members understood the new products, we have begun a series of Member Education Programs, which will continue to help you understand and utilise these new products effectively.

### CHALLENGES AND MITIGATION MEASURES

#### Lack of Nomination forms for deceased members

The Scheme encountered challenges in administering benefits for deceased members who had not completed nomination forms. The absence of clear beneficiary information required the Trustees to undertake extensive due diligence to trace next of kin and verify legitimate claims in accordance with the Scheme's rules and applicable legislation.

The Scheme remains committed to ensuring that benefits are paid to rightful beneficiaries. Members are therefore encouraged to keep their nomination forms up to date to avoid unnecessary distress and delays experienced by their families.

Moving forward, a key focus will be to strengthen member communication by emphasizing the importance of completing and regularly updating nomination forms. This simple yet crucial action ensures that members' wishes are honoured and that their families receive timely and transparent assistance during difficult times.

#### Investment and Market Performance Challenges

The financial markets experienced profound instability throughout 2024, driven by both local and global economic pressures. Domestically, tight liquidity conditions and elevated interest rates affected investment returns, while internationally, geopolitical tensions and uncertain monetary policies contributed to volatility. Inflationary pressures and fluctuating asset valuations remained key headwinds, requiring the Scheme to adopt prudent portfolio management and strategic diversification to safeguard member value.

### Legislative and Regulatory Changes

The evolving regulatory landscape presented challenges that the Scheme continues to navigate diligently to ensure full compliance with all applicable requirements. In response, the Scheme has undertaken deliberate efforts to align its operations with emerging regulatory standards, including continuous monitoring of legislative changes, engaging professional advisors, and enhancing internal governance processes. These initiatives underscore the Scheme's commitment to maintaining compliance and upholding best practices in scheme administration.

### STRATEGIC PLAN AND DIRECTION

I am pleased to report that during the year, the Scheme made significant strides in implementing its strategic plan, guided by four key pillars.

First, in Portfolio and Return Optimization, the Scheme continued to focus on enhancing investment performance while carefully managing risk. This approach ensures that we maximize member wealth and safeguard the Scheme's long-term financial sustainability.

Second, under Enhancing Member Satisfaction, we prioritized delivering timely, responsive, and value-driven services. Efforts to improve communication, streamline benefits administration, and engage members have reinforced trust and confidence in the Scheme.

Third, in Improving Internal Processes, we strengthened operational efficiency by streamlining workflows, adopting technology, and enhancing service delivery. These improvements have reduced errors, accelerated benefit processing, and supported stronger governance.

Finally, in Strengthening Institutional Capacity and Governance, we invested in building robust governance frameworks, enhancing institutional capacity, and developing our human capital. Governance audits, risk management initiatives, and capacity-building programs have ensured the Scheme remains resilient, compliant, and well-positioned to meet future challenges.

Together, these pillars provide a clear roadmap for sustained growth, resilience, and the continued prosperity of our members, and I am confident that the progress made in 2024 has laid a strong foundation for the years ahead.

### FUTURE OUTLOOK

The Board remains optimistic about the prospects for better returns and growth. In line with our commitment to delivering value to our members, we will continue to enhance investment performance through our expertise and proactive strategies.

Through disciplined portfolio management and strategic investment decisions, the Scheme will continue to build a robust and adaptable investment portfolio that supports our members' long-term financial goals. This approach is aligned with our vision of maintaining a stable, sustainable, and resilient Scheme for current and future generations.

### APPRECIATION

On behalf of the Board of Trustees, I extend profound gratitude to the Sponsor, Kenya Ports Authority, for the unwavering support and timely remittance of contributions; to our Members, whose trust and confidence are the foundation of this Scheme; to my fellow Trustees, for their visionary leadership, dedication, and steadfast commitment to good governance; to the Scheme Secretariat, for their professionalism and tireless execution of duties; and to our regulators, service providers and our partners, whose guidance and collaboration continue to strengthen our operations.

Together, we are shaping a future where our members enjoy lasting financial security and prosperity. Guided by our mission to create value through sustainable retirement benefits management, we continue to build a strong foundation that supports growth today and tomorrow.

### CONCLUSION

The Board remains steadfast in its mission to safeguard members' retirement benefits and to deliver sustainable growth through prudent management, compliance, and innovation.

We look forward to another successful year of performance and partnership.  
Thank You.

God Bless You All.

### LUCAS M. KATEMA

*Chairperson, Board of Trustees*

Kenya Ports Authority Retirement Benefits Scheme 2012.





***kufikia tarehe 31 Desemba 2024, thamani ya Hazina iliongezeka hadi shilingi bilioni 28.25. Gharama za uongozi zilibaki katika kiwango cha chini ya kiwango kilichowekwa na Mamlaka ya Usimamizi wa Mafao ya Kustaafu (RBA).***



**LUCAS M. KATEMA,**  
*Mwenyekiti - Bodi ya Wadhamini Haina ya Pensheni ya Mamlaka ya Bandari ya Kenya*



### **Wanachama Wapendwa,**

Ni heshima kubwa kwangu kuwakaribisha kwenye Mkutano Mkuu wa Kila Mwaka wa 11 wa Hazina ya Mafao ya Kustaafu ya Mamlaka ya Bandari ya Kenya ya mwaka wa 2012 na kuwasilisha Ripoti ya Mwenyekiti ya mwaka ulioisha tarehe 31 Desemba 2024.

Ripoti hii inaangazia utendaji wa Hazina, nafasi yake ya kifedha, maendeleo ya kimkakati na matukio muhimu yaliyotokea katika kipindi cha mwaka huu. Ikiwa imeongozwa na usimamizi makini wa uwekezaji, ubunifu na uongozi bora, Hazina iliendelea kuimarisha uthabiti wake wa kifedha na kutoa thamani endelevu kwa wanachama wake.





**MAZINGIRA YA UCHUMI NA SOKO**

**Mienendo ya Kiuchumi Ulimwenguni**

Ukuaji wa uchumi wa dunia katika mwaka wa 2024 ulipungua hadi takribani asilimia 2.8%, hali iliyochangiwa kwa kiasi kikubwa na shinikizo la mfumuko wa bei, misukosuko ya kieneo na kisiasa na usumbufu unaoendelea katika minyororo ya usambazaji. Sera kali za kifedha katika nchi zilizoendelea, zilizotekelezwa ili kudhibiti mfumuko wa bei, ziliendelea kupunguza ukwasi wa kimataifa na mtiririko wa uwekezaji. Matokeo yake, imani ya wawekezaji na uhamishaji wa mitaji kati ya nchi mbalimbali ilibakia katika kiwango cha chini na kusababisha uchumi wa nchi nyingi na wawekezaji wa taasisi kuchukua mikakati ya uwekezaji ya tahadhari zaidi yenye lengo la kuhifadhi thamani katika mazingira yasiyobashirika.

**Muhtasari wa Uchumi wa Kenya**

Ndani ya nchi, uchumi wa Kenya ulikua kwa kasi ya wastani, huku



Pato la Taifa likiongezeka kwa asilimia 4.5 ikilinganishwa na asilimia 5.6 kwa mwaka wa 2023 na hivyo kurejelea wastani wa kabla ya janga wa asilimia 4.6. Sekta ya kilimo ilirekodi ukuaji imara wa asilimia 6.5, ikiungwa mkono na hali nzuri ya hewa na ongezeko la tija. Kwa upande mwingine, shughuli za ujenzi na uchimbaji madini zilipungua kwa asilimia 2.0 na asilimia 11.1, mtawalia, hali inayoonyesha kupungua kwa uwekezaji na kuongezeka kwa gharama za uendeshaji.

Sekta ya huduma — inayojumuisha usafiri, fedha, mali isiyohamishika na biashara — iliendelea kuwa nguzo kuu ya uthabiti wa kiuchumi. Shinikizo za kifedha ziliongezeka kutokana na kuongezeka kwa wajibu wa kulipia madeni ya umma na upungufu wa mapato, ingawa usaidizi kutoka Benki ya Maendeleo ya Afrika (AfDB) na Benki ya Dunia ulitoa nafuu muhimu ya kifedha. Mienendo ya mfumuko wa bei na kushuka kwa thamani ya sarafu iliendelea na hivyo kuongeza gharama za uagizaji na nishati, huku ikiongeza shinikizo kwa matumizi ya kaya na kampuni.

**45%**

**Pato la Taifa likiongezeka kwa asilimia 4.5 ikilinganishwa na asilimia 5.6 kwa mwaka wa 2023.**

**6.5%**

**Sekta ya kilimo ilirekodi ukuaji imara, ikiungwa mkono na hali nzuri ya hewa na ongezeko la tija.**



## TAARIFA YA MWENYEKITI

### Muhtasari wa Sekta ya Mafao ya Kustaafu

Kulingana na Mamlaka ya Usimamizi wa Mafao ya Kustaafu (RBA), sekta ya mafao ya kustaafu nchini Kenya ilirekodi ukuaji imara katika mwaka ulioisha tarehe 31 Desemba 2024, ambapo jumla ya Thamani ya Mali Zinazosimamiwa (AUM) iliongezeka hadi shilingi trilioni 2.255, ikionyesha ongezeko la asilimia 14 tangu Juni 2024. Upanuzi huu ulitokana zaidi na mapato thabiti ya uwekezaji, kuongezeka kwa michango — hasa kutoka kwa Shirika la Hifadhi ya Jamii (NSSF) kufuatia ongezeko la kiwango cha michango — na mazingira tulivu ya kiuchumi ambayo yaliunga mkono ongezeko la mapato ya uwekezaji.

Hati fungani za serikali zilibakia kuwa darasa kuu la mali, zikichukua asilimia 52.5 ya mali zote za pensheni, hali inayoonyesha upendeleo wa sekta hiyo kwa mapato salama na thabiti. Hisa zilizooodheshwa sokoni zilipanda kwa kiwango kikubwa, zikisajili ongezeko la asilimia 15.6, zikichochea na uboreshaji wa utendaji katika Soko la Hisa la Nairobi (NSE), ambapo Fahirisi ya Hisa za NSE 20 na Fahirisi ya Hisa Zote ziliongezeka kwa asilimia 21 na asilimia 13, mtawalia. Kuimarika huku kuliboresha thamani ya jumla ya soko na kuimarisha imani ya wawekezaji.

Viashiria vya uchumi mkuu vilitoa mazingira mazuri ya uwekezaji, huku mfumuko wa bei ukipungua hadi asilimia 3.5 katika nusu ya pili ya mwaka 2024, kiwango thabiti zaidi cha ubadilishaji wa fedha na viwango vya riba vilivyoshuka, yote yakichangia katika utendaji bora wa soko. Michango kwa mifumo ya pensheni, ikiwemo Hazina za Matibabu Baada ya Kustaafu (PRMFs), ilionyesha ukuaji wa taratibu, ikiungwa mkono na ushiriki ulioongezeka kutoka taasisi za umma. Uwiano wa ukwasi wa sekta wa asilimia 89.18 ulionyesha uimara katika kutimiza majukumu ya muda mfupi, ingawa uwiano wa mali za pensheni kwa Pato la Taifa wa asilimia 14.6 bado uko chini ya ule wa nchi za kipato cha kati, jambo linaloonyesha haja ya kuongeza wigo wa uanachama na ushiriki wa pensheni.

Mamlaka inatarajia ukuaji endelevu wa sekta katika mwaka wa 2025, unaongwa mkono na ongezeko la michango, mapato thabiti kutoka uwekezaji wa mapato ya kudumu na kuendelea kuimarika kwa soko la hisa.

### Mwelekeo wa Hazina

Katika mazingira haya yenye mabadiliko na maendeleo endelevu, Hazina ya Mafao ya Kustaafu ya Mamlaka ya Bandari ya Kenya ya mwaka wa 2012 iliendeleza mkakati wa uwekezaji uliosawazishwa, uliyojikita katika utofauti wa uwekezaji, usimamizi makini wa hatari na uhifadhi wa thamani ya muda mrefu. Mtazamo huu uliwezesha Hazina kutoa matokeo mazuri, kulinda mafao ya wanachama na kuimarisha uendelevu wake wa kifedha.

shilingi.   
**2.255**

**Trilioni** sekta ya mafao ya kustaafu nchini Kenya ilirekodi ukuaji imara katika mwaka ulioisha tarehe 31 Desemba 2024.



**52.5%**

Hati fungani za serikali zilibakia kuwa darasa kuu la mali.

*Hazina inasimamiwa na Bodi ya Wadhamini, ambayo hutoa uangalizi wa kimkakati, huandaa sera na kufuatilia shughuli za Hazina. Bodi inaundwa na mchanganyiko wenye uwiano wa wajumbe walioteuliwa na Mdamini, wajumbe waliochaguliwa na wanachama, pamoja na wadhamini huru, ambapo kila mmoja analeta utaalamu na uzoefu unaofaa kuhakikisha usimamizi makini. Wadhamini huhudumu kwa kipindi maalum, chenye masharti ya upyaishaji wa muda wa kuhudumu kulingana na kanuni za Hazina.*



## UKUAJI WA HAZINA NA UTENDAJI WA MFUKO WA UWEKEZAJI

### Uanachama wa Hazina

Kufikia tarehe 31 Desemba 2024, jumla ya wanachama wa Hazina ilikuwa 6,227, hali inayoonyesha upungufu mdogo ikilinganishwa na wanachama 6,273 waliorekodiwa kufikia tarehe 31 Desemba 2023. Kupungua huku kulitokana hasa na kuondoka kwa wanachama bila kuwepo kwa uandikishaji mpya kutoka kwa Mdhamini katika kipindi cha mwaka huo. Ni vyema kutambua kuwa mwaka huu pia uliashiria kukamilika kwa mchakato wa kuwaingiza wanachama waliopokelewa kutoka kwa Hazina ya Mafao ya Kustaafu ya Wafanyakazi wa Shirika lililovunjwa la Huduma za feri nchini Kenya na hivyo kuimarisha msingi wa uanachama wa Hazina.

### Ukuaji wa Hazina

Thamani ya Hazina iliongezeka kwa shilingi bilioni 7.11, ikiwakilisha ongezeko la asilimia 33.6, kutoka shilingi bilioni 21.14 kufikia tarehe 31 Desemba 2023 hadi shilingi bilioni 28.25 kufikia tarehe 31 Desemba 2024. Mapato yote kwa mwaka yalifikia shilingi bilioni 8.05, huku matumizi yote yakiwa shilingi milioni 941.65, hivyo kusababisha ongezeko halisi la Hazina la shilingi bilioni 7.11

Gharama za uongozi zilibaki katika kiwango cha asilimia 0.46 ya thamani ya Hazina, chini ya kiwango cha juu cha asilimia 1 kilichowekwa na Mamlaka ya Usimamizi wa Mafao ya Kustaafu (RBA).

### Mgao wa Mali

Kufikia tarehe 31 Desemba 2024, mali za Hazina zilikuwa na thamani ya shilingi bilioni 28.25 bilioni 28.25. Mfuko huu uliendelea kuwa na utofauti mzuri wa uwekezaji na kuzingatia kikamilifu miongozo ya uwekezaji ya RBA.

Hati za dhamana za serikali zilichukua asilimia 69.4 ya jumla ya mali, mfuko wa dhamana wenye mapato yaliyohakikishwa asilimia 15.0, hisa zilizo

sokoni asilimia 10.2, na pesa zilizoko kwenye benki asilimia 2.7. Uwekezaji wa nje ya nchi ulikuwa asilimia 0.97, huku hati fungani za kampuni na mali zisizohamishika kila moja zilichukua asilimia 0.05. Hakukuwa na umiliki wa mali isiyohamishika katika kipindi hiki. Asilimia 1.6 iliyosalia ilihusisha fedha taslimu, fedha mbadala za taslimu na mali nyingine za sasa. Muundo huu unaonyesha mkakati makini wa uwekezaji wa Hazina unaolenga kuhifadhi mtaji, kudumisha uthabiti wa mapato na kuhakikisha faida endelevu za muda mrefu.

Utendaji wa Hazina kwa mwaka wa 2024 uliendeshwa hasa na mapato mazuri kutoka hati fungani za serikali, usimamizi mzuri wa gharama na mtiririko thabiti wa michango. Muunganisho huu wa mkakati wa uwekezaji wa tahadhari na ufanisi wa gharama uliweka Hazina katika nafasi bora ya kuendelea kukua kwa njia endelevu na kuongeza thamani kwa wanachama wake.

## MUUNDO WA UONGOZI WA HAZINA

### Bodi ya Wadhamini

Hazina inasimamiwa na Bodi ya Wadhamini, ambayo hutoa uangalizi wa kimkakati, huandaa sera na kufuatilia shughuli za Hazina. Bodi inaundwa na mchanganyiko wenye uwiano wa wajumbe walioteuliwa na Mdhamini, wajumbe waliochaguliwa na wanachama, pamoja na wadhamini huru, ambapo kila mmoja analeta utaalumu na uzoefu unaofaa kuhakikisha usimamizi makini. Wadhamini huhudumu kwa kipindi maalum, chenye masharti ya upyaishaji wa muda wa kuhudumu kulingana na kanuni za Hazina.

### Kamati za Bodi

Ili kuimarisha uongozi bora na ufanisi wa kiutendaji, Bodi hukabidhi majukumu maalum ya uangalizi kwa kamati maalum, kila moja ikilenga nyanja muhimu za usimamizi wa Hazina. Kamati na majukumu yake yameelezewa kwa muhtasari kama ifuatavyo:

Baraza la Uongozi	Muundo / Jukumu
<b>Bodi ya Wadhamini</b>	Inaundwa na Wadhamini walioteuliwa na Mfadhili, wajumbe waliochaguliwa na Wanachama na Wadhamini Huru.  Jukumu- Uangalizi wa kimkakati kwa ujumla na uidhinishaji wa sera.
<b>Kamati ya Mkakati, Fedha na Uwekezaji</b>	Husimamia mkakati wa uwekezaji, ufuatiliaji wa utendaji, na utiifu wa sera ya uwekezaji.
<b>Kamati ya Ukaguzi na Usimamizi wa Hatari</b>	Hufuatilia taarifa za kifedha, usimamizi wa hatari, udhibiti wa ndani na ulinganifu na kanuni za udhibiti.
<b>Kamati ya Uongozi na Mawasiliano</b>	Hukagua usimamizi wa mafao ya wanachama, ufanisi wa kiutendaji na utoaji wa huduma.

## TAARIFA YA MWENYEKITI

### Tathmini ya Bodi

Katika mwaka huu, Bodi ilitekeleza tathmini yake ya ndani, ambapo ilipata alama ya asilimia 84%, ikionyesha utamaduni imara wa uongozi bora na dhamira ya kuboresha kwa uendeleu mbinu za uangalizi na maamuzi.

### Utiifu wa Kisheria

Hazina hufanya shughuli zake kwa kuzingatia kikamilifu masharti ya Sheria ya Mafao ya Kustaafu na kanuni za Mamlaka ya Usimamizi wa Mafao ya Kustaafu (RBA). Sera zilizo wazi, mamlaka yaliyogawanywa kati ya wanachama mbalimbali na mifumo ya idhini ndiyo inayoongoza mchakato wa kufanya maamuzi katika Hazina. Hazina itatekeleza Ukaguzi wa Uongozi wa kina ili kuimarisha na kuboresha zaidi mifumo yake ya uongozi, kuhakikisha maboresho endelevu na ulinganifu na viwango bora vya kimataifa vya uongozi.

## MAFANIKIO MAKUU NA HATUA KUBWA ZA MWAKA

### Kufungwa kwa Kesi ya Ardhi ya Kikambala

Katika mwaka huu, kesi ya muda mrefu ya Kikambala, ambayo imekuwa ikiendelea tangu mwaka 2014, ilikamilika na uamuzi uliotolewa ulifaa Hazina. Kiasi cha shilingi milioni 70, ambacho kilikuwa gharama ya muamala wa ununuzi wa ardhi ya Kikambala iliyokuwa ikibishaniwa, kilirejeshwa kwenye akaunti ya Hazina, kikiwa kimeongezwa Ksh milioni 9 kama riba kwa kipindi ambacho fedha hizo zilikuwa zimehifadhiwa na Tume ya Maadili na Kupambana na Ufisadi zikisubiri uamuzi wa kesi.

### Kuimarika kwa Mapato Kutokana na Uwekezaji kwa Mwaka wa Kifedha wa 2024

Tuna furaha kuripoti kwamba mkakati wa uwekezaji wa Hazina ulitoa matokeo bora kwa mwaka wa kifedha ulioisha 2024. Hazina iliyosajiliwa ilipata mapato halisi ya asilimia 16.58, ilhali Hazina lsiyosajiliwa ilipata asilimia 15.01.

Maamuzi yetu ya kimkakati ya uwekezaji katika mazingira yanayolingana ya soko yalikuwa muhimu katika kufanikisha matokeo haya kwa manufaa ya wanachama wetu.

Wakati tunasherehekea mafanikio ya mwaka huu, ni muhimu kukumbuka kwamba uwekezaji wa mafao ya kustaafu ni safari ya muda mrefu. Masoko ya uwekezaji kwa kawaida huwa na vipindi vya kupanda na kushuka. Mkakati wetu unalenga kufikia ukuaji imara na endelevu kwa miaka ijayo, huku ukipunguza athari za mabadiliko ya muda mfupi katika masoko ili kuhakikisha matokeo salama zaidi ya maisha baada ya kustaafu.

### Elimu kwa Wanachama na Mafunzo ya Kabla ya Kustaafu

Ili kuandaa wanachama wetu kwa mpito mwafaka kuelekea maisha ya kustaafu, tuliendeleza programu yetu maalumu ya Mafunzo ya Kabla ya Kustaafu. Tangu uzinduzi wake mnamo Oktoba 2022, tumeweza kuwafundisha jumla ya wanachama 2,800 wanaokaribia umri wa kustaafu. Programu hii inapatikana kwa wanachama wote na tutaendelea nayo hadi kila mwanachama awe amepata mafunzo haya. Vilevile, tulitekeleza programu mbalimbali za elimu na uhamasishaji kwa wanachama ndani ya Bandari kuhusu bidhaa mpya.

Mikakati hii ni sehemu muhimu ya dhamira yetu ya kukuza ustawi wa kifedha na kuridhika kwa wanachama, tukihakikisha kuwa mnapata maarifa ya kufanya maamuzi sahihi kuhusu mustakabali wa mafao yenu ya kustaafu.

### Maendeleo yaliyopatikana katika Uundaji wa Bidhaa Mpya

Tuna furaha kuripoti maendeleo makubwa katika uundaji wa bidhaa mpya kama vile Hazina ya Mapato Endelevu, Hazina ya Matibabu Baada ya Kustaafu, na Hazina ya Watoto, ili kuwahudumia wanachama wetu kwa ufanisi zaidi. Ili kuhakikisha wanachama wanaelewa kikamilifu bidhaa hizi mpya na kufaidika nazo ipasavyo, tumeanzisha mfululizo wa programu za elimu kwa wanachama ambazo zitaendelea kusaidia kuelewa na kutumia bidhaa hizi kwa ufanisi.

## CHANGAMOTO NA HATUA ZA KUKABILIANA NAZO

### Ukosefu wa Fomu za Uteuzi kwa Wanachama Waliofariki

Hazina ilikumbana na changamoto katika kusimamia mafao ya wanachama waliofariki ambao hawakuwa wamejaza fomu za uteuzi wa warithi Kutokuwepo kwa taarifa wazi za warithi kulihitaji Bodi ya Wadhamini kufanya uchunguzi wa kina ili kubaini ndugu wa karibu na kuthibitisha madai halali kwa mujibu wa kanuni za Hazina na sheria husika.

Hazina inaendelea kuwa na dhamira ya kuhakikisha kwamba mafao yanatolewa kwa warithi halali. Kwa hivyo, wanachama wanahimizwa kuweka taarifa zao za uteuzi zikiwa zimesasishwa ili kuepuka usumbufu na ucheleweshaji usio wa lazima kwa familia zao.

Tukiangazia mbele, mojawapo ya maeneo ya kipaumbele itakuwa kuimarisha mawasiliano na wanachama kwa kuisitiza umuhimu wa kujaza na kusasisha mara kwa mara fomu za uteuzi. Hatua hii rahisi lakini muhimu sana huhakikisha kwamba matakwa ya wanachama yanaheshimiwa na kwamba familia zao zinapata usaidizi wa haraka na wa uwazi katika nyakati ngumu.

### Changamoto za Uwekezaji na Utendaji wa Masoko

Masoko ya kifedha yalipitia misukosuko mikubwa katika mwaka wa 2024, hali iliyosababishwa na shinikizo za kiuchumi za kieneo na za kimataifa. Ndani ya nchi, hali ya ukwasi mdogo na viwango vya juu vya riba viliathiri mapato ya uwekezaji, ilhali kimataifa, misukosuko ya kieneo na kisiasa na sera za kifedha zisizo na uhakika zilichangia mabadiliko makubwa katika masoko. Shinikizo la mfumuko wa bei na mabadiliko ya thamani ya mali zilibaki kuwa changamoto kuu, hali iliyolazimu Hazina kuchukua hatua za usimamizi makini wa mali na utofauti wa kimkakati ili kulinda thamani ya wanachama.

### Mabadiliko ya Kisheria na Kanuni za Udhubiti

Mazingira ya udhubiti yanayoendelea kubadilika yameleta changamoto ambazo Hazina inaendelea kushughulikia kwa umakini ili kuhakikisha ulinganifu kamili na masharti yote yanayohusika. Kwa kujibu hali hiyo, Hazina imechukua hatua mahsusi za kulinganisha shughuli zake na viwango vipya vya udhubiti, ikiwemo ufuatiliaji endelevu wa mabadiliko ya kisheria, ushirikiano na washauri wa kitaalamu na uimarishaji wa michakato ya ndani ya uongozi. Mikakati hii inaonyesha dhamira ya Hazina ya kudumisha ulinganifu na kutekeleza uongozi bora zaidi katika usimamizi wa Hazina.

### MPANGO MKAKATI NA MIELEKEO YA KISERA

Nina furaha kuripoti kwamba katika mwaka huu, Hazina ilipiga hatua kubwa katika utekelezaji wa Mpango Mkakati wake, ikiongozwa na nguzo nne kuu.

Kwanza, chini ya Ubunifu wa Uwekezaji na Uboreshaji wa Mapato, Hazina iliendelea kuzingatia kuboresha utendaji wa uwekezaji huku ikisimamia kwa makini hatari za kifedha. Mbinu hii huhakikisha kwamba tunazidisha utajiri wa wanachama na kulinda uimara wa kifedha wa muda mrefu wa Hazina.

Pili, chini ya Kuboresha Urahisi na Kuridhika kwa Wanachama, tulipewa kipaumbele katika kutoa huduma za haraka, zenye mwingi na zenye thamani. Jitihada za kuboresha mawasiliano, kurahisisha usimamizi wa mafao na kushirikisha wanachama zimeimarisha imani na uaminifu kwa Hazina.

Tatu, katika Kuboresha Taratibu za Ndani, tuliimarisha ufanisi wa kiutendaji kwa kurahisisha mtiririko wa kazi, kutumia teknolojia na kuboresha utoaji wa huduma. Maboresho haya yamepunguza makosa, yameharakisha mchakato wa ulipaji wa mafao na yameimarisha uongozi bora.

Mwishowe, katika Kuimarisha Uwezo wa Taasisi na Uongozi Bora, tuliwekeza katika kujenga mifumo thabiti ya uongozi, kuimarisha uwezo wa taasisi na kukuza rasilimali watu wetu. Ukaguzi wa uongozi, mipango ya usimamizi wa hatari na programu za

kujenga uwezo vimehakikisha kwamba Hazina inabaki imara, inatii kanuni na ipo tayari kukabiliana na changamoto za siku zijazo.

Pamoja, nguzo hizi zinatoa ramani wazi ya ukuaji endelevu, uimara na ustawi wa kudumu wa wanachama wetu na nina imani kwamba maendeleo yaliyofikiwa katika mwaka wa 2024 yameweka msingi thabiti kwa miaka ijayo.

### MTAZAMO WA BAADAYE

Bodi inaendelea kuwa na matumaini kuhusu matarajio ya mapato bora na ukuaji endelevu. Kwa kuzingatia dhamira yetu ya kuleta thamani kwa wanachama, tutaendelea kuboresha utendaji wa uwekezaji kupitia utaalamu wetu na mikakati ya kimaamuzi.

Kupitia usimamizi bora wa hazina ya uwekezaji na maamuzi ya kimkakati ya uwekezaji, Hazina itaendelea kujenga mkoba imara na unaobadilika wa uwekezaji utakaounga mkono malengo ya kifedha ya muda mrefu ya wanachama wetu. Mbinu hii inalingana na maono yetu ya kudumisha Hazina thabiti, endelevu na yenye uwezo wa kustahimili changamoto kwa vizazi vya sasa na vijavyo.

### SHUKRANI

Kwa niaba ya Bodi ya Wadhamini, ninatoa shukrani za dhati kwa Mdamini, Mamlaka ya Bandari ya Kenya, kwa usaidizi wake na uwasilishaji wa michango kwa wakati; kwa Wanachama wetu, ambao imani na uaminifu wao ndio msingi wa Hazina hii; kwa Wadhamini wenzangu, kwa uongozi wao wa kimkakati, kujitolea na uadilifu katika uongozi bora; kwa Sekretarieti ya Hazina, kwa umahiri wao wa kitaalamu na utekelezaji wa majukumu kwa bidii; na kwa wadhibiti, watoa huduma na washirika wetu, kwa ushauri na ushirikiano wao unaoendelea kuimarisha shughuli zetu.

Pamoja, tunaunda mustakabali ambapo wanachama wetu watafurahia usalama na ustawi wa kifedha wa kudumu. Tukiongozwa na dhamira yetu ya kuunda thamani kupitia usimamizi endelevu wa mafao ya kustaafu, tunaendelea kujenga msingi imara unaounga mkono ukuaji leo na kesho.

### HITIMISHO

Bodi inabaki imara katika dhamira yake ya kulinda mafao ya kustaafu ya wanachama na kutoa ukuaji endelevu kupitia usimamizi makini, utiifu na ubunifu. Tunatarajia mwaka mwingine wenye mafanikio katika utendaji na ushirikiano. Asanteni.

Mungu awabariki nyote.

### LUCAS M. KATEMA

*Mwenyekiti, Bodi ya Wadhamini*

Hazina ya Mafao ya Kustaafu ya Mamlaka ya Bandari ya Kenya ya mwaka wa 2012

## BOARD OF TRUSTEES



### LUCAS M. KATEMA *Trustee - Chairman*

Lucas Katema joined the KPA Retirement Benefits Scheme 2012 (DC) on 1 June 2025 as a sponsor nominated Trustee and elected as the Chairman of the Board of Trustees on 23rd June 2025. He has over 27 years of experience in the fields of Human Resources and Administration, Occupational Safety and Health and Commercial and Insurance services. He holds a Bachelor of Science degree in Natural Resources Management from Egerton University and an MBA in Strategic Management from the University of Nairobi. He also holds an MSc in Maritime Affairs (Port Management) from the World Maritime University (Sweden) and an MSc in Occupational Health & Safety from Turin University (Italy). His professional training include Post Graduate Diploma in Marine Insurance Law and Practice from the World Maritime University and Strategic Leadership Development Program (SLDP) and Senior Management Course (SMC) from Kenya School of Government. He has successfully completed Trustee Development Training Program (TDPK) and attended Audit Compliance and Risk workshop among many others.

He is currently the Manager Commercial and Insurance Services at Kenya Ports Authority. He Previously served as the Principal Commercial Officer, Senior Occupational Health & Safety Officer and Field Training Officer. He is member of several professional bodies, including the Kenya Institute of Management (KIM), Institute of Human Resources Management (IHRM), Institute of Chartered Shipbrokers (ICS), and the Environment Institute of Kenya (EIK). These achievements reflects his commitment to professional development.



### MERCY KIRUI *Trustee*

Mercy Kirui joined the Scheme on 12 May 2023 as a Sponsor Nominated Trustee - KPA Retirement Benefits Scheme 2012 (DC). With over 13 years of professional experience, she is currently pursuing a Doctor of Business Management (Leadership and Accountability). She also holds a Master of Science in Procurement & Logistics, a Bachelor of Commerce (Finance), a Diploma in Professional Shipping & Logistics, and a Certificate in Conflict Resolution.

She is a Member of the Chartered Institute of Logistics and Transport (MCILT), a Member of the Kenya Institute of Supplies Management (MKISM), and an active member of Kenya Women in Logistics & Transport (KWILT) and the Logistics Board (LoB). Mercy also serves as a Trustee at BCLSRBS and is a Certified Trustee, having undertaken the Trustee Development Program of Kenya (TDPK).

With extensive experience in Supply Chain Management and Customer Excellence, Mercy currently serves as the Logistics & Shipping Manager at Bamburi Cement Plc.

**Committee Membership** - Finance & Investment Committee / Administration & Communication Committee.



### SAMWEL TAWA *Trustee*

Samwel joined the Scheme on 30 November 2023 as a member elected trustee - KPA Retirement Benefits Scheme 2012 (DC). With over 12 years of experience, he has a Diploma in Business Management from the University of Nairobi, Diploma in Clearing Warehousing & Practical Freight Forwarding and Advanced Certificate in Business Management. He is a Certified Trustee having undertaken the Trustee Development Program of Kenya (TDPK).

Samwel is currently employed at KPA as a Senior Operations Officer.

**Committee Membership** - Audit & Risk Committee/ Administration & Communication Committee, Finance & Investment Committee.



### **EMMA SELINE OKELLO**

#### *Trustee*

Emma joined the Scheme in December 2020 as a member elected Trustee - KPA Retirement Benefits Scheme 2012 (DC). Her experience is concentrated in maritime and logistics with over 12 years of working experience and is currently an Operations Officer at KPA. She is a holder of Masters in Business Administration (Strategic Management) from the University of Nairobi, Masters in International Transport and Logistics from Arab Academy, Institute of International Transport and Logistics Alexandria, Egypt, and Bachelor of Education (Arts) from Maseno University. She also serves in the committee on Sector Skills Advisory Committee (SSAC) for the maritime industry.

Emma is a member of IHRM, APTAK, Chartered Institute of Transport and Logistics and Women in Maritime East and South Africa Association (WOMESA). She is a Certified Trustee having undertaken the Trustee Development Program of Kenya (TDPK).

**Committee Membership** - *Audit & Risk Committee/ Administration & Communication Committee.*



### **DOLOREES MAIKAH**

#### *Trustee*

Dolorees joined the Scheme as member elected Trustee - KPA Retirement Benefits Scheme 2012 (DC) in 30th November 2023. With 18 years of experience, she has a M.Sc In Computer Systems Jomo Kenyatta University (JKUAT), Kenya, Bachelor of Business and Information Technology Kenya Methodist University (KEMU), Kenya, and a Higher Diploma in Computers and Networking Engineering from Mombasa Technical University.

Dolorees is currently employed at KPA as a Senior Business Software & Developer Officer. She is a Certified Trustee having undertaken the Trustee Development Program of Kenya (TDPK). She is also a SAP Certified-Development Associate- ABAP SAP Net weaver and a member of Computer Society of Kenya and Information Systems Audit and Control Association. (ISACA), Association for Women in Maritime Sector in Eastern and Southern Africa (WOMESA).

**Committee Membership** - *Finance & Investment Committee/ Administration & Communication Committee.*



### **DANIEL MURIUNGI MUGAO**

#### *Trustee*

Daniel Muriungi Mugao joined the KPA Retirement Benefits Scheme 2012 (DC) on July 1, 2025, as a sponsor-nominated Trustee, bringing a wealth of experience from the insurance and financial services sector, with a career spanning over three decades. He holds a Bachelor of Commerce (Honours) from the University of Nairobi and an MBA in Marketing from Egerton University. He is a Chartered Insurer and an Associate of the Chartered Insurance Institute (ACII) in the UK, among other professional qualifications.

He currently holds the position of Director at the Kenya Ports Authority (KPA). He has held top leadership roles, including CEO of Invesco Assurance, General Manager at Britam, and Head of Business Development at Jubilee Insurance. He is also a certified ISO auditor and holds certifications in AML and conflict of interest. His governance experience spans board memberships at Key Microfinance Bank and chairmanships at Tharaka Technical College and Sheth Naturals.

In addition to his corporate roles, he lectures part-time at Egerton University, KEMU, and the University of Nairobi, and consults for Pacis Insurance.

**Committee Membership** - *Finance and Investment Committee, Audit and Risk Committee, Administration and Communication Committee*





*'The Scheme achieved a return on investments was good and the Registered Fund achieved a net return of 16.58%, while the Unregistered Fund earned 15.01%. This performance demonstrates progress against our strategic objective of enhancing investment returns*



**BERNARD KIBET,**  
*Scheme Administrator*



**Dear Distinguished Members,**

It is my privilege to present the Scheme Administrator's Report for the financial year ended 31 December 2024. This report provides a comprehensive overview of the Scheme's financial standing, operational performance, and strategic progress.



# SCHEME ADMINISTRATOR'S REPORT



The past year was one of measured progress and we are pleased to report an improvement in our investment performance for the financial year 2024 compared to the previous year.

### Scheme Membership and Demographics

The Scheme is actively growing in terms of membership due to the recruitments done by the Sponsor.

A summary of the Scheme's membership composition is as follows:

Membership Category	31 Dec 2023	31 Dec 2024	Change
Total Membership	5,908	5,780	128
Joiners	156	305	(149)
Non-Contributing (Deferred) Members	346	365	(19)
Leavers	(183)	(177)	(6)
<b>Total Membership</b>	<b>6,227</b>	<b>6,273</b>	<b>(46)</b>



**Exemption of pension benefits from tax upon retirement.**

# 5%

**A reduction in capital gains tax from 15% to 5% for certain certified investments.**

# SCHEME ADMINISTRATOR'S REPORT

## Financial Performance

As of 31 December 2024, the market value of the Scheme's investment properties was KES 28.4 billion. The Funds are invested as per the RBA guidelines and the scheme continuous to explore more investment options to diversify.

## Investment Performance

The Scheme achieved a return on investments was good and the Registered Fund achieved a net return of 16.58%, while the Unregistered Fund earned 15.01%.

This performance demonstrates progress against our strategic objective of enhancing investment returns.

Market volatility, inflationary pressures, and exchange rate fluctuations influenced performance, but the Scheme's diversified strategy cushioned against major shocks.

## Benefits Administration

The Scheme improved turnaround time for benefits processing to one week, enhancing member experience.

Member engagement was strengthened through timely issuance of benefit statements, member education sessions, and enhanced access via the digital platforms.

## Legal and Regulatory Developments

Key regulatory developments that impacted the industry during the year included:

1. Tax Law (Amendment) Act, 2024: Assented to on 11 December 2024, the Act introduced several reforms including:
  - (a) Removal of the requirement for pension schemes to register with the Kenya Revenue Authority.
  - (b) An increase in the tax-free pension contribution limit from KES 240,000 to KES 360,000 annually.
  - (c) Exemption of pension benefits from tax upon retirement.
  - (d) Extension of the non-taxable withdrawal period from 15 to 20 years.
  - (e) A 5% withholding tax on interest from infrastructure bonds.
  - (f) A reduction in capital gains tax from 15% to 5% for certain certified investments.



**16.58%**  
net return achieved by  
the Registered Fund



**15.08%**  
the Unregistered Fund earned

**Transition from NHIF to SHA:** On 1 October 2024, the National Hospital Insurance Fund transitioned to the **Social Health Insurance Fund (SHA)**. All Kenyan citizens and their dependents are now required to register, with salaried employees contributing **2.75%** of gross salary and non-salaried households making income-based contributions. Penalties apply for late payment or non-compliance.



- 2. NSSF Contributions:** With effect from 1 February 2024, the lower earnings limit increased from KES 6,000 to KES 7,000 while the upper earnings limit doubled to KES 36,000. Consequently, total contributions to the NSSF rose to 12% of pensionable income, equally shared by employers and employees, with the maximum contribution rising to KES 2,160 each.
- 3. Transition from NHIF to SHA:** On 1 October 2024, the National Hospital Insurance Fund transitioned to the Social Health Insurance Fund (SHA). All Kenyan citizens and their dependents are now required to register, with salaried employees contributing 2.75% of gross salary and non-salaried households making income-based contributions. Penalties apply for late payment or non-compliance.
- 4. Affordable Housing Levy:** Signed into law on 19 March 2024, the Affordable Housing Act introduced a levy of 1.5% on gross salary, matched by employers, with self-employed persons contributing 1.5% of gross income. A 3% monthly penalty applies for late remittance.
- 5. Procurement Levy:** Effective 1 September 2024, the Public Procurement Regulatory Authority implemented a 0.03% levy on all public procurement contracts, renewals, and variations.

### VII. Risk Management

The Scheme recognizes the importance of proactively managing risks. In a bid to mitigate the risks, the Scheme is currently in the process of developing a comprehensive risk register which will enable the scheme to come up with risk mitigation strategies to ensure potential risk elimination and avoidance and adherence to best practices in governance.

### VIII. Operational and Administrative Developments

#### Member Engagement

We placed members at the heart of our initiatives. Notably, we conducted Pre-Retirement Planning Training sessions. These sessions not only enhanced member literacy but also deepened engagement, equipping members with the knowledge to prepare adequately for retirement.

#### Efficiency and Governance

The Board of Trustees underwent an external performance evaluation and achieved an impressive score of 84%. This outcome reaffirms the Board's

effectiveness, commitment to accountability, and adherence to best practices in governance.

#### System Automation

We also continued to invest in system automation, with significant enhancements made to the Enterprise Resource Planning (ERP) system. This has laid a solid foundation for operational efficiency, improved data integrity, and superior reporting, all of which are critical to sustaining long-term growth.

### IX. Strategic Considerations: Progress and Forward Outlook

Our work continues to be guided by the Scheme's Strategic Plan. At the heart of this plan is our Vision— Financial security for our members—and our Mission— To create value for our members through sustainable retirement benefits management. These two statements remain our compass, shaping every decision we make on behalf of our members.

#### Strategic Priorities for 2025-2026

As we look ahead to the remaining period of the Strategic Plan, our focus will sharpen on addressing the core challenges before us. At the same time, we will continue building resilience, ensuring that this Scheme not only overcomes today's hurdles but also secures a stronger and more sustainable future for generations to come.

Looking ahead, the Scheme will focus on:

- Diversification of Investments.
- Expanding digital member engagement platforms.
- Strengthening compliance with evolving RBA guidelines.
- Improving member education and financial literacy.
- Ensuring operational efficiency through automation and best practice governance.
- Scheme Registration as a data processor and controller.
- Conducting a governance audit for the scheme.
- Include setting up of income draw down fund as as part of items under looking ahead.

### X. Appreciation & Acknowledgements

We extend our gratitude to the Trustees, the Sponsor, members, service providers, and the Retirement Benefits Authority for their continued support and partnership.





*Hazina ilipata mapato mazuri ya uwekezaji, ambapo Hazina Iliyosajiliwa ilipata faida halisi ya asilimia 16.58, huku Hazina Isiyosajiliwa ikipata asilimia 15.01. Utendaji huu unaonyesha maendeleo kuelekea lengo la kimkakati la kuboresha mapato ya uwekezaji.*



**BERNARD KIBET,**  
*Msimamizi wa Hazina ya Pansheni ya Mamlaka ya Bandari ya Kenya*



### **Kwa wanachama wpendwa,**

Ni heshima yangu kuwasilisha Taarifa ya Msimamizi wa Hazina kwa mwaka wa kifedha ulioisha tarehe 31 Desemba 2024. Taarifa hii inatoa muhtasari kamili kuhusu hali ya kifedha ya Hazina, utendaji wa kiutendaji na maendeleo ya kimkakati yaliyofikiwa katika kipindi cha mwaka.



# TAARIFA YA MSIMAMIZI WA HAZINA



Mwaka uliopita ulikuwa wa maendeleo ya hatua kwa hatua na tunafuraha kuripoti kuwa kulikuwa na uimarikaji katika utendaji wa uwekezaji wa Hazina kwa mwaka wa kifedha wa 2024 ukilinganishwa na mwaka uliotangulia.

### Uanachama wa Hazina na Takwimu za Kidemografia

Hazina inaendelea kukua kwa upande wa uanachama kutokana na ajira mpya zinazofanywa na Mdhamini.

Muhtasari wa muundo wa uanachama wa Hazina ni kama ifuatavyo:

Kundi la Uanachama	31 Desemba 2023	31 Desemba 2024	Mabadiliko
Jumla ya Wanachama	5,908	5,780	128
Wanachama wapya	156	305	(149)
Wanachama Wasiochangia (Waliositisha Mafao Yao)	346	365	(19)
Wanachama waliotoka	(183)	(177)	(6)
<b>Jumla ya Wanachama</b>	<b>6,227</b>	<b>6,273</b>	<b>(46)</b>



**Msamaha wa ushuru kwa mafao ya pensheni wakati wa kustaafu..**

# 5%

**Kupunguzwa kwa ushuru wa faida ya mtaji kutoka asilimia 15 hadi asilimia 5 kwa baadhi ya uwekezaji fulani ulioidhinishwa.**

# TAARIFA YA MSIMAMIZI WA HAZINA

## Utendaji wa Uwekezaji

Kufikia tarehe 31 Desemba 2024, thamani ya soko ya mali za uwekezaji za Hazina ilikuwa shilingi bilioni 28.4. Fedha za Hazina zimewekezwa kulingana na miongozo ya Mamlaka ya Hazina za Kustaafu (RBA) na Hazina inaendelea kuchunguza nafasi zaidi za uwekezaji ili kuongeza utofauti wa uwekezaji wake.

## Utendaji wa Uwekezaji

Hazina ilipata mapato mazuri ya uwekezaji, ambapo Hazina Iliyosajiliwa ilipata faida halisi ya asilimia 16.58, huku Hazina Isiyosajiliwa ikipata asilimia 15.01.

Utendaji huu unaonyesha maendeleo kuelekea lengo la kimkakati la kuboresha mapato ya uwekezaji.

Licha ya mabadiliko ya soko, shinikizo la mfumuko wa bei na mabadiliko ya viwango vya ubadilishaji fedha, mkakati wa utofauti wa uwekezaji wa Hazina ulisaidia kuhimili misukosuko mikubwa ya soko.

## Usimamizi wa Mafao


Hazina imeboresha muda wa kushughulikia mafao hadi wiki moja tu, jambo lililoitua kiwango cha urahisi na kuridhika kwa wanachama.

Ushirikishwaji wa wanachama umeimarishwa kupitia utoaji wa taarifa za mafao kwa wakati, vipindi vya elimu kwa wanachama na upatikanaji bora kupitia majukwaa ya kidijitali.

## Mabadiliko ya Kisheria na Kikanuni

Maendeleo muhimu ya kisheria yaliyoathiri sekta katika mwaka huo ni pamoja na:

1. Sheria ya Ushuru (Marekebisho), 2024: Sheria hii iliyotiwa sahihi tarehe 11 Desemba 2024 ilianzisha mabadiliko kadhaa, yakiwemo:
  - (a) Kuondolewa kwa sharti la mifuko ya pensheni kusajiliwa na Mamlaka ya Mapato.
  - (b) Kuongezwa kwa kikomo cha michango isiyotozwa ushuru kutoka KSh 240,000 hadi KSh 360,000 kwa kila mwaka.
  - (c) Msamaha wa ushuru kwa mafao ya pensheni wakati wa kustaafu.
  - (d) Kuongezwa kwa muda wa kutoa mafao bila ushuru kutoka miaka 15 hadi 20.
  - (e) Ushuru wa zuio wa asilimia 5 kwa riba inayotokana na hati za dhamana za miundombinu.
  - (f) Kupunguzwa kwa ushuru wa faida ya mtaji kutoka asilimia 15 hadi asilimia 5 kwa baadhi ya uwekezaji fulani ulioidhinishwa



**16.58%**  
uwekezaji, ambapo Hazina Iliyosajiliwa ilipata faida



**15.08%**  
faida kwa Hazina Isiyosajiliwa

**Mabadiliko kutoka NHIF kwenda SHA** Kuanzia Oktoba 1 2024, Mfuko wa Bima ya Hospitali wa Taifa (NHIF) ulibadilishwa kuwa Mfuko wa **Bima ya Afya ya Jamii (SHA)**. Wakenya wote na wategemezi wao sasa wanahitajika kujisajili, ambapo waajiriwa huchangia **2.75%** ya mshahara wa jumla, watu wasiajiriwa huchangia kulingana na mapato. Adhabu hutolewa kwa ucheleweshaji wa malipo au kutokufuata masharti.



- 2. Michango ya NSSF:** Kuanzia Februari 1 2024, kikomo cha mapato ya chini kwa michango ya NSSF kiliongezeka kutoka shilingi 6,000 hadi shilingi 7,000, huku kikomo cha mapato ya juu kikiongezeka mara mbili hadi shilingi 36,000. Hivyo basi, jumla ya michango kwa NSSF iliongezeka hadi asilimia 12 ya mapato yanatolewa kwa ajili ya pensheni, ikigawanywa kwa usawa kati ya waajiri na wafanyakazi, huku kiwango cha juu cha mchango kikipanda hadi shilingi 2,160 kwa kila upande.
- 3. Mabadiliko kutoka NHIF kwenda SHA** Kuanzia Oktoba 1 2024, Mfuko wa Bima ya Hospitali wa Taifa (NHIF) ulibadilishwa kuwa Mfuko wa Bima ya Afya ya Jamii (SHA). Wakenya wote na wategemezi wao sasa wanahitajika kujisajili, ambapo waajiriwa huchangia 2.75% ya mshahara wa jumla, watu wasiajiriwa huchangia kulingana na mapato. Adhabu hutolewa kwa ucheleweshaji wa malipo au kutokufuata masharti.
- 4. Kodi ya Ujenzi wa Nyumba za Gharama Nafuu:** Sheria hii ya Nyumba za Gharama Nafuu iliyotiwa sahihi kuwa sheria tarehe 19 Machi 2024 ilianzisha ushuru wa asilimia 1.5 kwa mshahara wa jumla, inayolinganishwa na mchango wa mwajiri, watu walioajiri huchangia 1.5% ya mapato yao ya jumla Adhabu ya asilimia 3 kwa kila mwezi hutozwa kwa ucheleweshaji wa kutuma michango hiyo.
- 5. Kodi ya Ununuzi wa Umma:** Kuanzia Septemba 1 2024, Mamlaka ya Udhhibiti wa Ununuzi wa Umma ilianza kutekeleza ushuru wa asilimia 0.03 kwa mikataba yote ya ununuzi wa umma, pamoja na upyaishaji na mabadiliko ya mikataba hiyo.

### VII. Usimamizi wa Hatari

Hazina hii inatambua umuhimu wa kusimamia hatari kwa njia ya uangalifu na ya kimkakati. Ili kupunguza hatari hizo, Hazina iliteua wataalamu kufanya zoezi la kulinganisha mali na wajibu ili kuhakikisha kuwa changamoto za ufadhili wa Hazina zinashughulikiwa ipasavyo.

### VIII. Maendeleo ya Kiutendaji na Uongozi

#### Ushirikishwaji wa Wanachama

Tuliweka wanachama katikati ya mipango na shughuli zetu. Ni vyema kutambua kwamba tuliendesha vipindi vya Mafunzo ya Mipango Kabla ya Kustaafu. Vipindi hivi havikuongeza tu ujuzi wa kifedha kwa wanachama, bali pia viliimarisha ushirikiano na uelewa na kuwawezesha wanachama kujiandaa vyema kwa maisha ya baada ya kustaafu.

#### Ufanisi na Uongozi

Bodi ya Wadhamini ilipitia tathmini ya utendaji iliyofanywa na mtaalamu wa nje na ilipata alama ya

kuvutia ya 80%. Matokeo haya yanathibitisha uwezo wa Bodi, uwajibikaji wake na utiifu wake kwa viwango bora vya uongozi.

#### Kufanya Mifumo kuwa ya Kiotomatiki

Hazina iliendelea kuwekeza katika kufanya mifumo kuwa ya kiotomatiki, ikiwa ni pamoja na kuboresha mfumo wa usimamizi wa rasilimali (ERP). Hatua hii imeweka msingi imara kwa ufanisi wa kiutendaji, uaminifu wa data na ubora wa utoaji wa ripoti mambo muhimu kwa ukuaji endelevu wa muda mrefu.

### IX. Masuala ya Kimkakati: Maendeleo na Mtazamo wa Mbele

Kazi yetu inaongozwa na Mpango Mkakati wa Hazina, unaojengwa juu ya misingi miwili: Kiini cha mpango huu ni Dira yetu — Hazina thabiti na endelevu kwa vizazi vijavyo — na Dhamira yetu — kuwekeza mali za Hazina kwa uangalifu na kuongeza mapato ili kuboresha mafao ya wanachama. Kauli hizi mbili ndizo mwongozo wetu mkuu, zikiunda msingi wa kila uamuzi tunaoufanya kwa niaba ya wanachama wetu.

#### Vipaumbele vya Kimkakati kwa Miaka 2025–2026

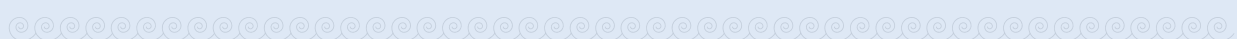
Tunapoangalia kipindi kilichosalia cha utekelezaji wa Mpango Mkakati, mkazo utakuwa katika kushughulikia changamoto kuu zilizopo. Wakati huohuo, tutaendelea kujenga ustahimilivu, tukihakikisha kwamba Hazina hii haipambani tu na changamoto za leo, bali pia inajijengea mustakabali imara na endelevu zaidi kwa vizazi vijavyo.

Tukiangazia siku zijazo, Hazina itajikita katika:

- Uwekezaji katika sekta tofauti.
- Kuendeleza majukwaa ya kidijitali ya ushirikishwaji wa wanachama.
- Kuimarisha utiifu wa miongozo inayoendelea kubadilika ya Mamlaka ya Hazina za Hifadhi ya Jamii (RBA).
- Kuboresha elimu ya wanachama na uelewa wa kifedha.
- Kuhakikisha ufanisi wa kiutendaji kupitia mifumo ya kiotomatiki na uongozi bora unaozingatia viwango bora zaidi.
- Usajili wa Mpango kama kichakataji na kidhibiti cha data.
- Kufanya ukaguzi wa utawala wa mpango huo.

### X. Shukrani na Pongezi

Tungependa kutoa shukrani zetu kwa Wajumbe wa Bodi ya Wadhamini, Mdamini, wanachama, watoa huduma na Mamlaka ya Hazina za Hifadhi ya Jamii kwa usaidizi wao endelevu na ushirikiano wao wa dhati.





## SECRETARIAT STAFF

**FRONT ROW L TO R:** Zuhura Askari, Bevaline Koech, Susan Ayoyi, Mary Nyambura.

**SECOND ROW L TO R:** Kazungu Changawa, Padwick Maratani, Solomon Ngei, Bramuel Kedogo, John Ndichu, Michael Kariuki, Stephen Chege, Allan Washiali, Dennis Bebora.





# 04

## FINANCIAL REPORT & STATEMENTS

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

YEAR	2024	2023
<b>Active members</b>		
At start of the year	5,908	5,780
Joiners	156	305
Leavers	(111)	(116)
Dormant members	(72)	(61)
<b>At the end of the year</b>	<b>5,881</b>	<b>5,908</b>
<b>Deferred members</b>		
At start of the year	352	356
Entrants	72	81
Exits	(78)	(68)
<b>At end of the year</b>	<b>346</b>	<b>365</b>
<b>Total members</b>	<b>6,227</b>	<b>6,273</b>

### FINANCIAL REVIEW

The statement of changes in net assets on page 56 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 57 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 16.58% for the registered fund and 15.01% 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).

## REPORT OF THE TRUSTEES (Cont'd)

### 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)
<b>Adjusted for:</b> 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	3,736,483,804	1,021,861,832

### 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 Shares	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%
<b>Total</b>	<b>28,198,496,315</b>	<b>100%</b>	<b>20,950,157,815</b>	<b>100%</b>	<b>-</b>

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 5.

### 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

## 1. Trustees in office

Name of trustee	Age (Yrs)	Category of Trustee (Member-elected/Sponsor-nominated/ Professional)	No. of meetings attended	Certified (Yes/ No)	Highest qualification	Membership of other boards
Geoffrey Kavate	53	Sponsor Nominated Trustee	8	Yes	Masters Business Administration, (Strategic management)	Board Director Kenya National Shipping Line
Emma Okello	41	Member Elected Trustee	11	Yes	Masters 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:** Number 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%**



## REPORT ON GOVERNANCE (Cont'd)

### 4. Committees of the board

	<b>Committee Name</b>	<b>No. of meetings held</b>	<b>Any external advisors, invitees to meetings (Yes/No) (if yes, mention the purpose)</b>	<b>Allowances paid (Ksh.)</b>
1	Finance & Investment Committee	4	No	220,000
2	Audit & Risk Committee	3	No	180,000
3	Administration & Communication Committee	5	No	500,000

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

### 5. Fiduciary responsibility statement (continued)

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**

<b>The board conducted the following sensitization activities</b>	<b>Date Held</b>	<b>No. of members who attended</b>	<b>Remarks</b>
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.

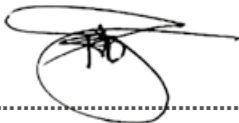
**10. Trustees' remuneration policy**

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 trustee's 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**

**Dated the 26/03/2025**

## 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:



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**TRUSTEE**



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**TRUSTEE**

## **REPORT OF THE INDEPENDENT AUDITOR TO THE MEMBERS OF KENYA PORTS AUTHORITY RETIREMENT BENEFITS 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 56 to 73 which comprise the statement of changes in 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 the 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 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**




## STATEMENT OF CHANGES IN NET ASSETS AVAILABLE FOR BENEFITS

	Notes	2024 Kshs	2023 Kshs
<b>Income from Dealings with Members</b>			
Contributions and transfer in	4	2,179,894,893	2,890,053,189
		2,179,894,893	2,890,053,189
Outgoing from dealings with members Benefits paid	5	(649,577,548)	(650,350,227)
		(649,577,548)	(650,350,227)
<b>Net dealings with members</b>		<b>1,530,317,345</b>	<b>2,239,702,962</b>
<b>Return on investments</b>			
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)
<b>Net return on investments</b>		<b>5,913,420,198</b>	<b>107,894,873</b>
Other incomes	9	86,499,365	-
		86,499,365	-
Tax expense	10	(115,022,333)	(111,179,910)
Administrative expenses	11	(122,420,186)	(110,868,756)
		<b>(237,442,519)</b>	<b>(222,048,667)</b>
<b>Increase in net assets for the period</b>		<b>7,292,794,389</b>	<b>2,125,549,168</b>
<b>Net assets available for benefits</b>			
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
<b>Net assets available for benefits</b>		<b>28,436,429,517</b>	<b>21,143,635,128</b>

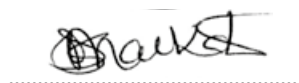
## STATEMENT OF NET ASSETS AVAILABLE FOR BENEFITS

	Note	2024 Kshs	2023 Kshs
<b>Non-current assets</b>			
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
		<b>28,221,115,047</b>	<b>20,957,835,067</b>
<b>Current assets</b>			
Receivables	15	79,691,038	20,057,221
Cash and cash equivalents	16	213,627,624	233,110,388
		<b>293,318,662</b>	<b>253,167,609</b>
<b>Current liabilities</b>			
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)
		(78,004,192)	(67,367,547)
<b>Net current assets</b>		<b>215,314,470</b>	<b>185,800,061</b>
<b>Net assets available for benefits</b>		<b>28,436,429,517</b>	<b>21,143,635,128</b>
Funded by;			
Member balances	19	27,546,451,903	22,279,650,754
Revaluation reserve	20	889,977,614	(1,136,015,626)
		<b>28,436,429,517</b>	<b>21,143,635,128</b>

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**

## STATEMENT OF CASHFLOWS

	Notes	2024 Kshs	2023 Kshs	2022 Kshs
<b>Cash flows from operating activities</b>				
Contributions received	4	2,139,220,695	2,128,956,728	2,060,645,976
Transfers In	4	40,674,198	761,096,461	-
Administrative expenses paid	11	(122,420,187)	(110,868,757)	(104,808,902)
Depreciation on equipment	13 & 14	2,869,045	616,676	493,880
Benefits paid to leavers	5	(649,577,548)	(650,350,226)	(577,135,856)
Receivables and accrued income	15	(59,633,817)	(3,698,613)	(22,571,459)
Payables and accrued expenses	17	10,636,646	(17,686,632)	12,360,109
Tax paid	10	(115,022,333)	(111,179,910)	(90,440,020)
<b>Net cash generated from operating activities</b>		<b>1,246,746,698</b>	<b>1,996,885,728</b>	<b>1,278,543,728</b>
<b>Investing activities</b>				
Purchase of plan investment	12	(5,828,764,065)	(3,817,355,905)	(3,651,003,405)
Proceeds from sale/maturity of plan investment	12	1,105,431,075	530,933,575	1,301,222,262
Investment income received	6	2,585,934,027	2,075,271,123	1,802,557,335
Other incomes received	9	79,292,871	(1,444,084)	-
Purchase of property & equipment	13	(9,765,029)	-	(4,387,812)
Purchase of intangible assets	14	(839,003)	(4,892,115)	
Investment management expenses paid	8	(56,136,328)	(47,476,391)	(46,249,052)
<b>Net cash (used) in investing activities</b>		<b>(2,124,846,452)</b>	<b>(1,264,963,797)</b>	<b>(597,860,672)</b>
<b>Increase in cash and cash equivalents</b>		<b>(878,099,754)</b>	<b>731,921,930</b>	<b>680,683,056</b>
<b>Movement in cash and cash equivalents</b>				
At start of the year		1,855,674,430	1,123,752,500	439,345,000
Increase in cash and cash equivalents		(878,099,754)	731,921,930	680,683,056
<b>At end of the year</b>	22	<b>977,574,676</b>	<b>1,855,674,430</b>	<b>1,123,752,500</b>

## NOTES TO THE FINANCIAL STATEMENTS

### 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.



## NOTES TO THE FINANCIAL STATEMENTS (cont'd)

### 1 MATERIAL ACCOUNTING POLICY INFORMATION (Cont'd)

#### (b) Changes in accounting policies and disclosures on new standards

##### Amendments to IFRS 7, IFRS 9, IAS 39, IFRS 4 and IFR S16 Interest Rate Benchmark reform – Phase 2

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)

## NOTES TO THE FINANCIAL STATEMENTS (Cont'd)

### 1 MATERIAL ACCOUNTING POLICY INFORMATION (Cont'd)

#### (b) Changes in accounting policies and disclosures on new standards Amendments to IFRS 7, IFRS 9, IAS 39, IFRS 4 and IFR S16 Interest Rate Benchmark reform – Phase 2

##### *ii. Standards, interpretations and amendments issued and effective. (Continued)*

Title	Key requirements	Effective date
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 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.



## NOTES TO THE FINANCIAL STATEMENTS (Cont'd)

### 1 MATERIAL ACCOUNTING POLICY INFORMATION (Cont'd)

#### (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.

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

	2024 Kshs	2023 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.

## NOTES TO THE FINANCIAL STATEMENTS (Cont'd)

### 3 FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (Cont'd)

#### (l) Investment property

Investment property is long-term investments in land and buildings that are not occupied substantially for own use. Investment property is initially recognised at cost and subsequently carried at fair value representing open market value at the reporting date. Changes in fair value are recorded in statement of comprehensive income.

Subsequent expenditure on investment property where such expenditure increases the future economic value in excess of the original assessed standard of performance is added to the carrying amount of the investment property. All other expenditure is recognised as an expense in the year which it is incurred.

Gains and losses on disposal of investment property is determined by reference to their carrying amount and are taken into account in determining operating surplus.

#### (m) 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 (Cont'd)

4	Contributions and transfer in	2024 Kshs	2023 Kshs
	Employer	1,426,147,130	1,419,304,485
	Employees	713,073,565	709,652,243
	Transfer in	40,674,198	761,096,461
		<b>2,179,894,893</b>	<b>2,890,053,189</b>
	<b>Transfers</b>		
	Transfer in is from Kenya Ferry Services Merger with KPA in 2023. The transfer in for 2024 relates to differential interest.		
5	<b>Benefits for the period</b>		
	On retirement	532,520,034	541,987,623
	On death	117,057,514	108,362,604
		<b>649,577,548</b>	<b>650,350,227</b>
6	<b>Return on investments</b>		
	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
		<b>3,020,163,090</b>	<b>2,331,034,426</b>
	*The net rate declared on the guaranteed fund for the year is 10.3% (2023: 11.25%)		
7	<b>Fair value change on investments</b>		
	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	-
		<b>2,949,393,436</b>	<b>(2,175,663,161)</b>
8	<b>Investment management expenses</b>		
	Fund managers' fees	47,724,194	39,218,347
	Custodian fees	8,412,134	7,030,705
		<b>56,136,328</b>	<b>46,249,052</b>
9	<b>Other income</b>		
	Funds recovered by EACC from the Kikambala case	79,292,871	-
	Decrease in expected credit loss	7,206,494	-
		<b>86,499,365</b>	<b>-</b>



## NOTES TO THE FINANCIAL STATEMENTS (Cont'd)

### 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 Kshs	2023 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
<b>Tax charge for the period</b>	<b>115,022,333</b>	<b>111,179,910</b>
<b>Corporate tax</b>		
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
	-	<b>2,640,614</b>

## NOTES TO THE FINANCIAL STATEMENTS (Cont'd)

11(a) Administrative expenses	2024 Kshs	2023 Kshs
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	-
	<b>83,388,001</b>	<b>71,305,196</b>
<b>(b) Staff costs</b>		
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
	<b>39,032,184</b>	<b>39,563,560</b>
<b>Total administrative expenses</b>	<b>122,420,186</b>	<b>110,868,756</b>
<b>12 Investments</b>		
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)
	<b>28,197,312,899</b>	<b>20,941,767,906</b>



## NOTES TO THE FINANCIAL STATEMENTS (Cont'd)

### 12 Investments (continued)

#### (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
<b>Totals</b>	<b>19,327,593,772</b>	<b>5,828,764,066</b>	<b>(1,019,078,293)</b>	<b>26,325,948</b>	<b>3,357,296,552</b>	<b>(86,352,782)</b>	<b>27,434,549,262</b>

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)
<b>Value at the end of year</b>	<b>2,144,816,218</b>	<b>729,444,781</b>	<b>13,077,664,118</b>	<b>6,537,722,493</b>	<b>15,000,000</b>	<b>-</b>	<b>22,504,647,610</b>

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.

## NOTES TO THE FINANCIAL STATEMENTS (Cont'd)

### 12 Investments (continued)

#### Investment at fair value

Year ended 31 December 2023

	Value at 01/01/2023 Kshs	Purchases at Cost Kshs	Sale proceeds Kshs	Gain/ Loss on disposal Kshs	Change in Fair Value Kshs	Maturities & Impairment Kshs	Value at 31/12/2023 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
<b>Totals</b>	<b>17,961,071,302</b>	<b>3,817,355,905</b>	<b>(149,941,094)</b>	<b>5,573,729</b>	<b>(1,919,899,858)</b>	<b>(386,566,213)</b>	<b>19,327,593,771</b>

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 at year end
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)
<b>Value at the end of year</b>	<b>1,441,314,202</b>	<b>610,702,195</b>	<b>9,352,414,426</b>	<b>4,485,714,674</b>	<b>15,000,000</b>	<b>-</b>	<b>15,905,145,496</b>

## NOTES TO THE FINANCIAL STATEMENTS (Cont'd)

### 12 Investments (continued)

At 31st December 2024	Level Kshs	Level Kshs	Level Kshs	Level Kshs
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
<b>Total</b>	<b>22,784,153,130</b>	<b>-</b>	<b>-</b>	<b>22,784,153,130</b>
<b>At 31st December 2023</b>				
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
<b>Total</b>	<b>15,905,145,496</b>	<b>-</b>	<b>-</b>	<b>15,905,145,496</b>

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.

## NOTES TO THE FINANCIAL STATEMENTS (Cont'd)

### 12 Investments (continued)

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

	<b>Computer &amp; Accessories Kshs</b>	<b>Furniture fittings &amp; Equipments Kshs</b>	<b>Total Kshs</b>
<b>Cost</b>			
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	3,444,808	468,804	3,913,612
<b>Depreciation</b>			
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	1,323,153	281,283	1,604,436
<b>Net book value as at 31 December 2023</b>	<b>2,121,655</b>	<b>187,521</b>	<b>2,309,176</b>
<b>Cost</b>			
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	3,444,808	10,233,833	13,678,641
<b>Depreciation</b>			
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
<b>At end of the Period 31/12/2024</b>	<b>1,773,306</b>	<b>1,240,476</b>	<b>3,013,782</b>
<b>Net book value as at 31 December 2024</b>	<b>1,671,502</b>	<b>8,993,357</b>	<b>10,664,859</b>

## NOTES TO THE FINANCIAL STATEMENTS (Cont'd)

14	<b>Intangible Assets</b>	<b>2024 Kshs</b>	<b>2023 Kshs</b>
	<b>ERP Software</b>		
	At start of the year	13,757,985	8,865,870
	Additions	839,003	4,892,115
		14,596,988	13,757,985
	<b>Amortisation</b>		
	At start of year 01/01/2024	-	-
	Charge for the period	1,459,699	-
	At end of the period 31/12/2024	1,459,699	-
	<b>Net book value</b>	<b>13,137,289</b>	<b>13,757,985</b>
	<b>15 Receivable and accrued income</b>		
	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	-
		79,691,038	20,057,221
	<b>16 Cash &amp; cash equivalents</b>		
	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
		213,627,624	233,110,388
	<b>17 Payables and accrued expenses</b>		
	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
		78,004,192	64,726,933
	<b>18 Tax payable</b>		
	Current tax payable (Note 10)	-	2,640,614
		-	2,640,614
	<b>19 Member balances</b>		
	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
		27,546,451,903	22,279,650,754
	<b>20 Revaluation reserve</b>		
	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	-
		889,977,614	(1,136,015,626)

## NOTES TO THE FINANCIAL STATEMENTS (Cont'd)

### 20 Revaluation reserve (continued)

The Retirement Benefit (Occupational Retirement Benefit Scheme) (Amendment) 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 the valuation reserve fund. The retirement Benefits Authority issued Notice to the Retirements Benefits Industry on Amendments to the Retirement Benefits Regulations where it clarified that net returns declared and credited to members accounts shall exclude both gains and losses arising from changes in the value of debt instruments (bonds) held by the Scheme at the end of the financial year.

### 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 Kshs	2023 Kshs
Receivable from DB (KPAPS)	441,805	1,251,036
Due to DB (KPAPS)	10,254,065	12,252,542
<b>22 Cash &amp; cash equivalents</b>		
Cash at bank	213,627,624	233,110,388
Deposits	763,947,052	1,622,564,043
	<b>977,574,676</b>	<b>1,855,674,431</b>

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

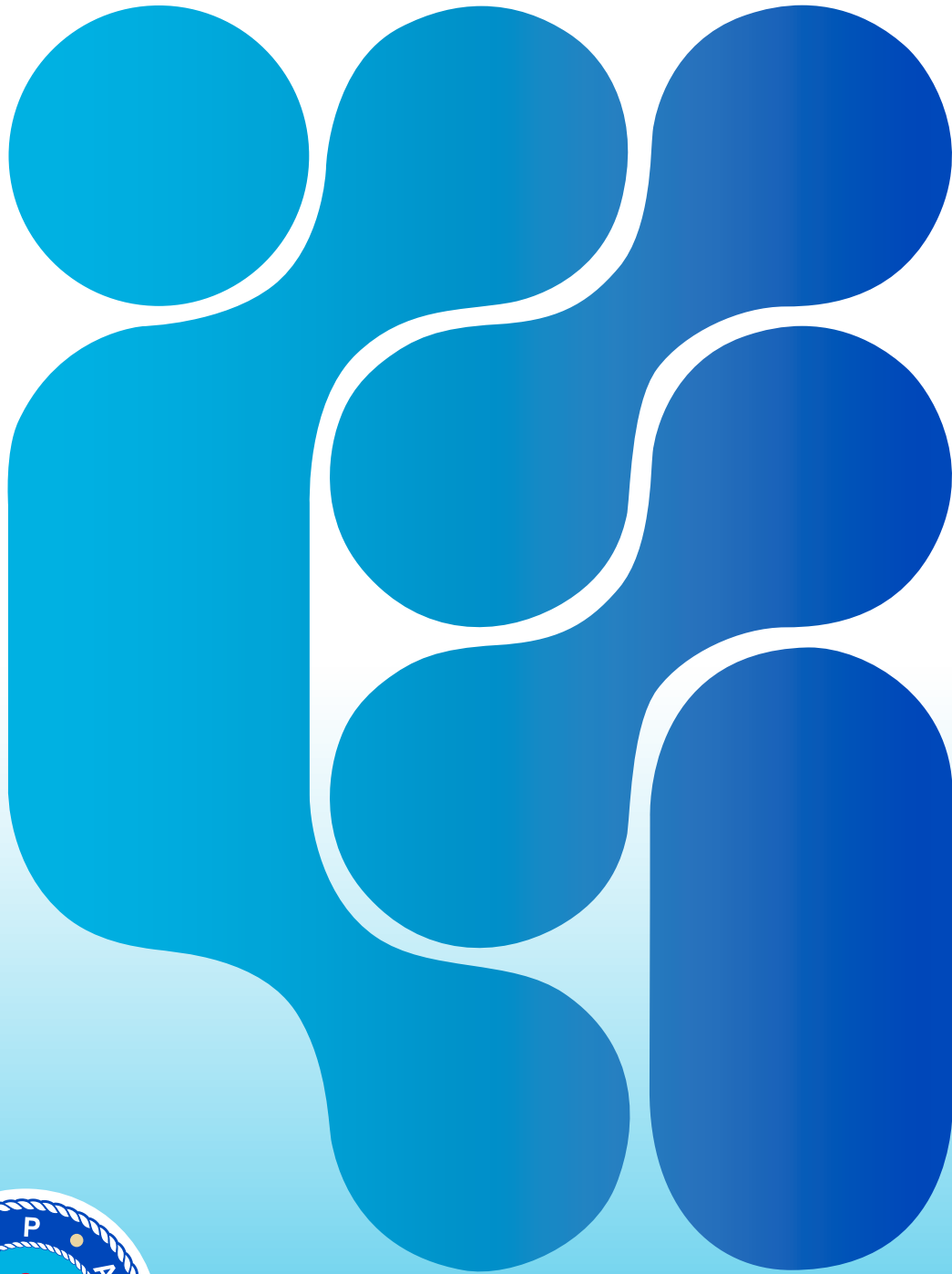
The financial statements are presented in Kenya Shillings (Kshs.)

### 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.







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