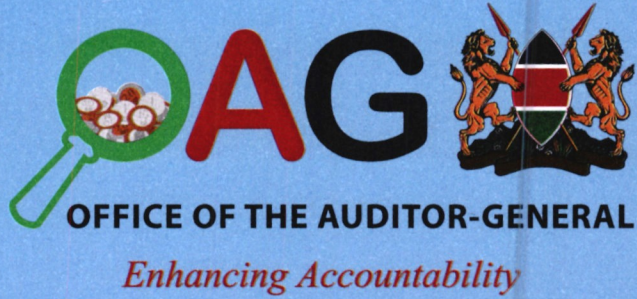


REPUBLIC OF KENYA



**REPORT**

THE NATIONAL ASSEMBLY  
PAPERS LAID

DATE: 05 OCT 2023

DAY Title  
05/10/2023

**OF**

ABLED  
Y:  
ERR-AT  
E TABLE:  
Hon. Silvanus Osondu, MP  
Majority party whip  
A. Shubuko

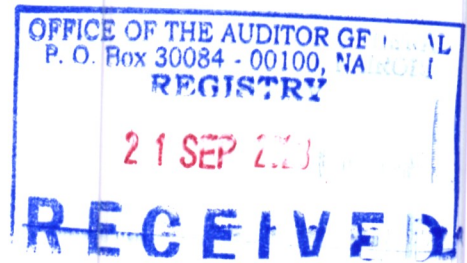
**THE AUDITOR-GENERAL**

**ON**

**UNIVERSITY OF NAIROBI PENSION  
SCHEME 2007**

**FOR THE YEAR ENDED  
30 JUNE, 2023**





# UNIVERSITY OF NAIROBI PENSION SCHEME 2007

ANNUAL REPORT AND FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30.06.2023



# UNIVERSITY OF NAIROBI PENSION SCHEME 2007

## ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2023

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# UNIVERSITY OF NAIROBI PENSION SCHEME 2007

## TRUSTEES AND PROFESSIONAL ADVISORS FOR THE YEAR ENDED 30 JUNE 2023

### KEY SCHEME INFORMATION

#### TRUSTEES

Prof. George K. Gitau	Chairman, Board of Trustees
Prof. Stephen G. Kiama	Sponsor Appointed Trustee
Dr. Caren B. Angima	Member elected Trustee for Academic Staff
Ms. Hannah N. Mukuah	Member elected Trustee for Non-Academic Staff
Mr. Meshack O. Juma	Member elected Trustee for Non-Academic Staff
Mrs. Flora Mtuweta	Sponsor Appointed Trustee (Joined Sept 22 and left in May 23)
Mr. Abdi Hassan	Sponsor Appointed Trustee (Joined in Sept 22 and left in May 23)
Mrs. Alison Kariuki	Sponsor Appointed Trustee (Joined in Sept 22 and left in May 23)

#### ADMINISTRATOR

Mrs. Theresia Alyela	Internal Scheme Administrator P.O.Box 30197-00100 Nairobi
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#### INVESTMENT MANAGER(S) /APPROVED ISSUER

Old Mutual Investment Group	P.O.Box 30059-00200, Nairobi
Genafrika Asset Managers	P.O.Box 79217-00200, Nairobi

#### CUSTODIAN

Standard Chartered Bank of Kenya	P.O.Box 40984-00100, Nairobi
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#### AUDITOR

Office of the Auditor General	P.O.Box 30084-00100, Nairobi
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#### LEGAL ADVISORS

Kaplan & Stratton Advocates	P.O.Box 40111-00100, Nairobi
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#### REGISTERED OFFICE

The address of the registered office is:	Unipen Apartments, 3 <sup>rd</sup> Floor Hurlingham Shopping Centre P.O.Box 30197-00100, Nairobi
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# UNIVERSITY OF NAIROBI PENSION SCHEME 2007

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## REPORT OF THE TRUSTEES FOR THE YEAR ENDED 30<sup>TH</sup> JUNE 2023

The Trustees present their annual report together with the audited financial statements for the year ended 30 June 2023.

### ESTABLISHMENT, NATURE, AND STATUS OF THE FUND

The Scheme was established under an irrevocable Trust Deed dated 13/06/2007 as a Defined Contribution Scheme to provide retirement benefits for the permanent and pensionable staff of University of Nairobi Pension Scheme 2007 under the rules of the Scheme.

The Scheme is an active Scheme.

The Scheme is registered with the Retirement Benefits Authority Ref No. RBA/SC/01722 and Certificate No. 01097 and is a tax exempt 92291B/2892 approved Scheme under the Income Tax Act.

### PRINCIPAL ACTIVITY

The main purpose of the Scheme is the provision of retirement benefits and other ancillary benefits to members upon their retirement at a specified age and relief for the dependents of deceased members as defined in the Trust Deed and Rules.

### CONTRIBUTIONS

Contributions represent remittances to the scheme by University of Nairobi and eligible employees who are members of the scheme. The employees contribute- 10% and employer contributes 20 % of the basic salary.

### MEMBERSHIP

The scheme membership movement as at beginning and end of financial year is as follows:

	Active	Deferred	Trust Fund	Total Current Year	Total previous year
<b>At the start of the year</b>	2,805	173	66	3,044	3,107
Joiners	112	25	17	154	134
Less: Leavers	(165)	(35)	(11)	(211)	(177)
<b>At the end of the year</b>	<b>2,752</b>	<b>163</b>	<b>72</b>	<b>2,987</b>	<b>3,044</b>



# UNIVERSITY OF NAIROBI PENSION SCHEME 2007

## REPORT OF THE TRUSTEES FOR THE YEAR ENDED 30 JUNE 2023

### FINANCIAL REVIEW

The statement of changes in net assets available for benefits on page 15 shows a decrease in the net assets of the Scheme for the year of Kshs. (195,492,000) {2022: Kshs. (121,878,000)} and the statement of net assets available for benefits on page 16 shows the Scheme's net assets as Kshs 20,840,836,000 {2022: Kshs 21,036,328,000}.

The Scheme earned a gross and net rate of return of 5.73% and .....respectively for the year ended 30 June 2023.

### INVESTMENT OF FUNDS AND INVESTMENT STRATEGY

Under the terms of appointment, Old Mutual Investment Group and GenAfrica Asset Managers are responsible for the investment of funds. The overall responsibility for investment and performance lies with the Trustees.

Trustees are responsible for determining the scheme's Investment Strategy and have prepared the Investment Policy Statement dated 1 July 2022.

The principal objective of the Fund Investment Policy is to ensure the solvency of the Scheme over time and meet its benefits obligations as required. The total return objective is to achieve capital appreciation and investment income. The capital appreciation is to ensure the Fund's value is inflation protected.

We confirm that there was no self-investment, nor have any scheme assets been used as security or collateral on behalf of the employer or any connected business or individual.

The Scheme investments for the year ended 30.06.2023 were done in accordance with the broad investment guidelines issued by Retirement Benefits Authority (RBA) as shown here below:

	ASSET CLASS	AMOUNT (KSHS)"000"	% OF PORTFOLIO	RBA MAX. LIMITS
1	Cash and Demand Deposits	215,900	1.411%	5%
2	Fixed Deposits	783,550	5.121%	30%
3	Listed Corporate Bonds,	4,730	0.031%	20%
4	East African Government Securities and infrastructure bonds issued by public institutions and Exchange Traded Funds	8,719,979	56.991%	90%
5	Preference shares and ordinary shares of companies quoted in a stock exchange in East Africa	3,363,474	21.983%	70%



## UNIVERSITY OF NAIROBI PENSION SCHEME 2007

	ASSET CLASS	AMOUNT (KSHS)"000"	% OF PORTFOLIO	RBA MAX. LIMITS
6	Unlisted shares and equity instruments of companies incorporated in Kenya	20,664	0.135%	5%
7	Offshore investments	482,333	3.152%	15%
8	Immovable property in Kenya, Property Funds Unit Trust Schemes and Collective Investment Schemes approved by Capital Market Authority	1,710,000	11.176%	30%
	<b>TOTAL PORTFOLIO VALUE</b>	<b>15,300,630</b>	<b>100%</b>	

There were no breaches during the year.

### TRUSTEES

Trustees are appointed in accordance with the Retirement Benefits Act. The names of the Trustees who served during the year and subsequent period to the date of this report are shown under the key Scheme information.

### AUDITOR

Office of the Auditor General, have expressed their willingness to continue in office. The Trustees monitor the effectiveness, objectivity, and independence of the auditor. They also approve the annual audit engagement contract, which sets out the terms of the auditor's appointment and the related fees.

### SIGNED ON BEHALF OF THE TRUSTEES

The Trustees' report was approved by the Trustees on 9<sup>th</sup> August 2023 and signed on their behalf by: -

### FOR THE TRUSTEES



PROF. GEORGE K. GITAU

19-09-2023

DATE

# UNIVERSITY OF NAIROBI PENSION SCHEME 2007

## STATEMENT OF TRUSTEES' RESPONSIBILITIES FOR THE YEAR ENDED 30 JUNE 2023

Section 34 of the Retirement Benefits Act requires the Trustees to prepare financial statements in respect of their scheme, which give a true and fair view of the state of affairs of the scheme at the end of the financial year and the operating results of the scheme for that year. It also requires the Trustees to

- a) ensure that the Scheme keeps proper accounting records which disclose with reasonable accuracy the financial position of the Scheme;
- b) Safeguard the assets of the Scheme.

The Trustees are responsible for the preparation and presentation of the Scheme's financial statements, which give a true and fair view of the state of affairs of the Scheme for and as at the end of the financial year ended on 30 June 2023. This responsibility includes: (i) maintaining adequate financial management arrangements and ensuring that these continue to be effective throughout the reporting period;

(ii) maintaining proper accounting records, which disclose with reasonable accuracy at any time the financial position of the entity;

(iii) designing, implementing and maintaining internal controls relevant to the preparation and fair presentation of the financial statements, and ensuring that they are free from material misstatements, whether due to error or fraud;

(iv) safeguarding the assets of the entity;

(v) selecting and applying appropriate accounting policies; and (vi) making accounting estimates that are reasonable in the circumstances.

The Trustees responsibility for the *Scheme's* financial statements, which have been prepared using appropriate accounting policies supported by reasonable and prudent judgements and estimates, in conformity with International Financial Reporting Standards (IFRS) or IFRS for SMEs, and in the manner required by the Retirement Benefits Act , 1997.

The Trustees are of the opinion that the *Scheme's* financial statements give a true and fair view of the state of *Scheme's* transactions during the financial year ended 30 June 2023, and of the *Scheme's* financial position as at that date. The Trustees further confirm the completeness of the accounting records maintained for the *Scheme*, which have been relied upon in the preparation of the *Scheme's* financial statements as well as the adequacy of the systems of internal financial control.

Nothing has come to the attention of the 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 Trustees acknowledge that the independent audit of the financial statements does not relieve them of their responsibilities

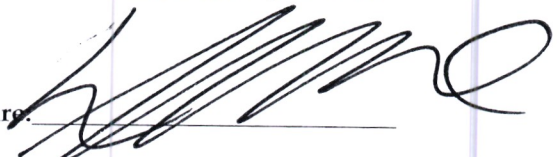
The Scheme's financial statements were approved by the Board of Trustees on 30 June 2023 and signed on its behalf by: -

Signature: \_\_\_\_\_



Name: Prof. George K. Gitau  
Designation: Chairman, Board of Trustees

Signature: \_\_\_\_\_



Name: Prof. Stephen G. Kiama  
Designation: Trustee



# UNIVERSITY OF NAIROBI PENSION SCHEME 2007

## SCHEME GOVERNANCE DISCLOSURE FOR THE YEAR ENDED 30 JUNE 2023

### 1. Trustees in office.

Name of Trustee	Age	Category (Member elected/Sponsor Nominated/Professional)	No. of meetings attended	Certified (Yes/No)	Highest Qualification	Membership of other boards (Provide Organization's name)
Prof. George Gitau	Above 35 yrs	Member Elected	11	Yes	PhD	NO
Prof. Stephen Kiama	Above 35 yrs	Sponsor	11	No	PhD	YES, UNES
Dr. Caren Angima	Above 35 yrs	Member Elected	11	Yes	PhD	NO
Ms. Hannah Mukua	Above 35 yrs	Member Elected	11	Yes	Masters	NO
Mr. Meshack Juma	Above 35 yrs	Member Elected	11	Yes	PhD ongoing	NO
Mrs. Flora Mtuweta	Above 35 yrs	Sponsor	6	Yes	Masters	YES, UNES
Mrs. Alison Kariuki	Above 35 yrs	Sponsor	2	Yes	Masters	YES, UNILEVER
Mr. Abdi Hassan	Above 35 yrs	Sponsor	4	No	Masters	YES, UNES

### 2. The Board of Trustees held eleven(11) meetings during the year ending 30.06.2023

The meetings were held on the dates set out hereunder:

- a) 29.07.2022
- b) 22.08.2022
- c) 30.09.2022
- d) 17.11.2022
- e) 28.11.2022
- f) 07.12.2022
- g) 03.02.2023
- h) 17.04.2023
- i) 16.05.2023
- j) 05.06.2023
- k) 29.06.2023

### 3. The composition of the board of Trustees is as hereunder:

- a) Gender balance:  
Female .....50%  
Male .....50%
- b) Skills mix: Number of Trustees with financial skills: Two (2)
- c) Age mix:  
Number of Trustees who are younger than 35 years: NONE  
Number of Trustees who are older than 35 years: Eight (8)

### 4. Committees of the board

## UNIVERSITY OF NAIROBI PENSION SCHEME 2007

Committee	Members	No. of meetings attended	Allowances paid (Kshs.)	Any allowances paid to external advisors, invitees to meetings? (Yes/No). If yes, mention the purpose	Allowances paid to advisors, invitees (Kshs.)
Finance and Investment Committee	• Prof. Kiama	4	80,000	-	-
	• Dr. Angima	4	60,000	-	-
	• Mr. Juma	4	60,000	-	-
	• Mrs. Mtuweta	3	45,000	-	-
	• Mrs. Kariuki	1	15,000	-	-
	Service Providers	4	N/A	To give quarterly reports	No allowance paid
Audit and Risk Management committee	• Dr. Angima	4	80,000	-	-
	• Mr. Abdi		45,000	-	-
	• Ms. Mukua	4	60,000	-	-
	• Mrs. Kariuki	2	30,000	-	-
	• Outsourced Internal Auditor	4	N/A	No allowance paid	N/A
Administration and Communication committee	• Ms. Mukua	4	80,000	-	-
	• Prof. Kiama	3	45,000	-	-
	• Mr. Juma	4	60,000	-	-
	• Dr. Angima	1	15,000	-	-
	• Mrs. Kariuki	3	45,000	-	-
Others	• Mr. Juma		226,570	-	-
	• Ms. Mukua		110,571	-	-
	• Dr. Angima		162,714	-	-
	• Prof. Gitau		80,257		
	• Prof. Kiama		20,000		
Full Board of Trustees	• Prof. Gitau	11	378,283		
	• Prof. Kiama	11	220,000		
	• Dr. Angima	11	220,000		
	• Mr. Juma	10	200,000		
	• Ms. Mukua	11	220,000		
	• Mr. Abdi	4	80,000		
	• Mrs. Mtuweta	6	120,000		
	• Mrs. Kariuki	2	40,000		
Service Providers	N/A	N/A	To give quarterly reports	No allowance paid	
Consultancies				Consultants	1,303,000
<b>TOTAL</b>			<b>2,798,395</b>		<b>1,303,000</b>



## UNIVERSITY OF NAIROBI PENSION SCHEME 2007

### SCHEME GOVERNANCE DISCLOSURE FOR THE YEAR ENDED 30 JUNE 2023

#### 5. Fiduciary responsibility statement

The Board of Trustees is the governing body of the University of Nairobi Pension Scheme 2007 and is responsible for the corporate governance of the scheme.

The Trustees are responsible for ensuring that the administration of the scheme is conducted in the best interests of the scheme's members and the sponsor. To achieve this, the Trustees embraced their fiduciary responsibility by:

- a) Acting honestly and did not improperly use inside information or abuse their position.
- b) Exercising the highest degree of care and diligence in the performance of their duties that a reasonable person in a like position would exercise in the circumstances; and
- c) Performing their duties with 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 fund manager has carried out all scheme investments and that all scheme assets and funds are held by the custodian.

The Scheme has a Board Charter in place.

#### 6. Implementation of the Good Governance Guidelines Policies

In the year under review, the scheme has been able to review and ratify the following governance policies in the scheme

POLICY	DATE DEVELOPED/REVIEWED	DATE RATIFIED	REMARKS
Code of Conduct	June 2020	30.06.2020	
Election Policy	June 2020	30.06.2020	
Remuneration Policy	Adopted by members in AGM held in Dec 2021		Approved by RBA
Communication Policy	July 2020	10.08.2020	
Risk Management Policy	Feb 2020	30.06.2020	
Conflict of Interest Policy	June 2020	30.06.2020	
ICT Policy	Feb 2020	30.06.2020	
HR Policy	Nov 2020	29.06.2023	Revised in June 2023

# UNIVERSITY OF NAIROBI PENSION SCHEME 2007

## SCHEME GOVERNANCE DISCLOSURE FOR THE YEAR ENDED 30 JUNE 2023

### 7. 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.

### 8. Key outcomes

The Board of Trustees seeks to achieve the following:

- a) Building trust with the members and sponsor of the scheme so that they are satisfied with the administration of the scheme;
- b) Supporting innovation and developing solutions that meet the members' and sponsor's needs;
- c) Ensuring that the scheme's administrative processes remain transparent and accessible to
- d) members and the sponsor; and
- e) Ensure that the nomination of Trustees to the Board is staggered to achieve continuity.

The Board of Trustees measures the progress towards these outcomes through Quarterly reports and feedback to the sponsor. Reports are sent to the Council every quarter. No member survey was carried out during the year.

### 9. Annual General Meeting (AGM)

The Board of Trustees held the annual general meeting on the 20.06.2023, at which 331 members attended, making up 12% of scheme members. The board adequately addressed the members' concerns.

### 10. Members' sensitization

The board conducted the following sensitization activities (Insert name of sensitization forum, examples below):	Date held	No.of members who attended	Remarks
Hybrid Annual General Meeting	20.06.2023	313 members	The feedback received reflected that members were satisfied
Physical Members' education days	Feb 2023	552 members	Trustees visited all the 8 University Campuses and member queries were answered adequately
Retirement Planning Webinars <ul style="list-style-type: none"> <li>• Teaching staff</li> <li>• Non-teaching staff</li> <li>• Members under 50 years</li> </ul>	16.06.2023 17.06.2023 18.06.2023		The presentations were tailor made to suit each category



# UNIVERSITY OF NAIROBI PENSION SCHEME 2007

## SCHEME GOVERNANCE DISCLOSURE FOR THE YEAR ENDED 30 JUNE 2023

During the sensitization forums, members were educated on the following:

- Roles and responsibilities of Members
- Complaints Portal
- Changes in Retirement Act & Regulations
- Scheme investments
- Psychological preparedness for retirement
- Food & nutrition
- Personal financial management
- Legal planning

### 11. Trustees remuneration policy

During the year under review, the Trustees were paid a gross sum of Kshs. 2,798,395.70 which was approved by members at the annual general meeting held on the 20.12.2021. The payments complied with the scheme's Trustees remuneration policy.

### 12. Board of Trustees evaluation

The board and individual Trustees did not undertake board evaluation in the year under review.

Signed.....

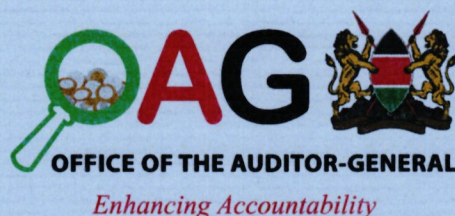
**PROF. GEORGE K. GITAU**  
**CHAIRMAN, BOARD OF TRUSTEES**

Dated .....19-09-2023.....



# REPUBLIC OF KENYA

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

## REPORT OF THE AUDITOR-GENERAL ON UNIVERSITY OF NAIROBI PENSION SCHEME 2007 FOR THE YEAR ENDED 30 JUNE, 2023

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### PREAMBLE

I draw your attention to the contents of my report which is in three parts:

- A. Report on the Financial Statements that considers whether the financial statements are fairly presented in accordance with the applicable financial reporting framework, accounting standards and the relevant laws and regulations that have a direct effect on the financial statements.
- B. Report on Lawfulness and Effectiveness in Use of Public Resources which considers compliance with applicable laws, regulations, policies, gazette notices, circulars, guidelines and manuals and whether public resources are applied in a prudent, efficient, economic, transparent and accountable manner to ensure Government achieves value for money and that such funds are applied for the intended purpose.
- C. Report on Effectiveness of Internal Controls, Risk Management and Governance which considers how the entity has instituted checks and balances to guide internal operations. This responds to the effectiveness of the governance structure, the risk management environment and the internal controls, developed and implemented by those charged with governance for orderly, efficient and effective operations of the entity.

An unmodified opinion does not necessarily mean that an entity has complied with all relevant laws and regulations, and that its internal controls, risk management and governance systems are properly designed and were working effectively in the financial year under review.

The three parts of the report are aimed at addressing the statutory roles and responsibilities of the Auditor-General as provided by Article 229 of the Constitution, the Public Finance, 2012 and the Public Audit Act, 2015. The three parts of the report, when read together constitute the report of the Auditor-General.

### REPORT ON THE FINANCIAL STATEMENTS

#### Qualified Opinion

I have audited the accompanying financial statements of University of Nairobi Pension Scheme 2007 set out on pages 15 to 38, which comprise of the statement of net assets available for benefits as at 30 June, 2023, the statement of changes in net assets



available for benefits, statement of change in member's funds and the statement of cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information in accordance with provisions of Article 229 of the Constitution of Kenya and Section 35 of the Public Audit Act, 2015. I have obtained all the information and explanations which, to the best of my knowledge and belief, were necessary for the purpose of the audit.

In my opinion, except for the effect of the matters described in the Basis for Qualified Opinion section of my report, the financial statements present fairly, in all material respects, the financial position of the University of Nairobi Pension Scheme 2007 as at 30 June, 2023, and of its financial performance and its cash flows for the year then ended, in accordance with International Financial Reporting Standards and comply with the Retirement Benefits (Occupational Retirement Benefits Schemes) Regulations, 2000, and Retirement Benefits Act, 1997 (Revised 2020).

### **Basis for Qualified Opinion**

#### **1. Unsupported Investment Income from Apartments**

The statement of changes in net assets available for benefits reflects investment income of Kshs.1,621,973,000 as disclosed in Note 7 to the financial statements. The amount includes Kshs.84,817,000 relating to net rent from Ambank House. However, examination of the ledgers provided in support of the amount revealed negative rental income amounting to Kshs.24,172,532. Management has not provided any explanation for recording negative income.

In addition, Note 19 reflects other receivables and accrued income of Kshs.194,831,000, out which Kshs.96,615,000 and Kshs.5,313,000 represents rent arrears from Ambank House and Unipen Apartments respectively. However, review of the debtors ageing analysis revealed that Kshs.71,287,492 for AmBank House and Kshs.2,701,356 for Unipen Apartments, were outstanding for more than one hundred and twenty (120) days.

Further, examination of records revealed that eleven (11) tenants with rent arrears amounting to Kshs.15,042,010 vacated the premises during the year under review. Management has not provided evidence of efforts made to collect these arrears.

In the circumstances, the accuracy of the other receivables and accrued income balance of Kshs.194,831,000 could not be confirmed.

#### **2. Unremitted Long Outstanding Pension Contributions**

The statement of net assets and Note 18 of the financial statements reflects contributions receivables balance of Kshs.6,160,872,000 which relates to outstanding contributions owing from the scheme sponsor. The outstanding contributions increased by Kshs.627,386,000 from the previous year's balance of Kshs.5,533,486,000. Review of records indicated that a remedial plan was prepared by the University Council, and approved by the Retirement Benefits Authority (RBA) on 8 October, 2019. The remedial plan, required the University to remit contributions totalling to Kshs.50,000,000 per month so as to clear the outstanding arrears by 30 September, 2025. However, as at the time



of audit in September, 2023 the University had not remitted the targeted amount to the Scheme.

In the circumstances, it was not possible to confirm the regularity and valuation of the long outstanding contributions of Kshs. 6,160,872,000 from the University of Nairobi.

The audit was conducted in accordance with International Standards of Supreme Audit Institutions (ISSAIs). I am independent of the University of Nairobi Pension Scheme 2007 Management in accordance with ISSAI 130 on Code of Ethics. I have fulfilled other ethical responsibilities in accordance with the ISSAI and in accordance with other ethical requirements applicable to performing audit of financial statements in Kenya. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my qualified opinion.

### **Key Audit Matters**

Key audit matters are those matters that, in my professional judgment, are of most significance in the audit of the financial statements. There were no key audit matters to report in the year under review.

## **REPORT ON LAWFULNESS AND EFFECTIVENESS IN USE OF PUBLIC RESOURCES**

### **Conclusion**

As required by Article 229(6) of the Constitution, based on the procedures performed, except for the matters described in the Basis for Conclusion on Lawfulness and Effectiveness in Use of Public Resources section of my report, I confirm that, nothing else has come to my attention to cause me to believe that public resources have not been applied lawfully and in an effective way.

### **Basis for Conclusion**

#### **1. Delayed Installation of a Pension Administrative Software**

The scheme entered into an agreement with a local contractor for the supply, delivery, installation, implementation, user training, support and commissioning of the Pension Administration Enterprise Resource Planning System at a contract sum of Kshs.13,359,789 on 17 October, 2022. The implementation duration was to be for a period of six (6) months upon signing of the contract. However, as at the time of audit in the month of September, 2023 the project was incomplete and no project status reports, follow up minutes and inspection reports were provided for audit verification.

In addition, and as previously reported, the scheme had in 2018 entered into a similar contract and where Kshs.7,162,000 had been paid to the contractor yet the contract was not fully implemented. Available information indicates that the contract has since been terminated by the Scheme and the contractor has sought for an out of court settlement.

In the circumstances, it was impossible to determine whether the Scheme received value for money on the expenditure of Kshs. 7,162,000 incurred on the terminated contract and



Kshs.13,359,789 incurred on the procurement of the pension software under the new contract.

## **2. Irregular Award of Entertainment Allowance**

Examination of personnel records provided for audit revealed that the Scheme accountant and Scheme officer's employment contracts were renewed on 29 June, 2023 as witnessed by Chairperson, Board of Trustees on behalf of University of Nairobi Pension Scheme 2007. The applicable allowances included entertainment allowance of Kshs.19,600 each, which was not provided for in Section 4 of the terms and conditions of service for employees of the Scheme and Chapter 5 of the Human Resource Policy Manual on administration of allowances payable in the Scheme.

In the circumstances, Management was in breach of the law.

The audit was conducted in accordance with ISSAI 4000. The standard requires that I comply with ethical requirements and plan and perform the audit to obtain assurance about whether the activities, financial transactions and information reflected in the financial statements are in compliance, in all material respects, with the authorities that govern them. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my conclusion.

## **REPORT ON EFFECTIVENESS OF INTERNAL CONTROLS, RISK MANAGEMENT AND GOVERNANCE**

### **Conclusion**

As required by Section 7(1)(a) of the Public Audit Act, 2015, based on the audit procedures performed, except for the matters described in the Basis for Conclusion on Effectiveness of Internal Controls, Risk Management and Governance section of my report, I confirm that, nothing else has come to my attention to cause me to believe that internal controls, risk management and governance were not effective.

### **Basis for Conclusion**

#### **1. Lack of a Bad Debts Policy**

Note 21 to the financial statements reflects other deposits with the Imperial Bank, Kenya Finance Bank and Chase Bank amounting to Kshs.30,835,000, Kshs.44,123,000 and Kshs.15,000,000 respectively, which have been fully written off as bad debts resulting to a nil balance. However, the Scheme does not have a bad debt policy. In addition, the Scheme has not taken an indemnity cover for both the Scheme Managers and Board of Trustees for protection of the managers of the Trust Fund in case that the actions they take while in the cause of their duties results in losses to the Scheme.

In the absence of an indemnity cover described above, it was not possible to confirm the effectiveness of internal controls on debt management.



## **2. Failure to Formulate and Implement Internal Control Systems**

Review of internal controls and systems of the Scheme revealed that the Scheme does not have its own internal audit function to oversight the operations of the Pension Scheme. In addition, the Scheme does not have an Information Technology (IT) Department which is necessary for implementation of crucial systems to manage members data on contributions, investments, incomes, benefit payments and expenses.

Further, it was established that the Scheme had outsourced the Internal Audit, Procurement and ICT functions. The Board resolutions recommended the outsourcing of these services, but as at the close of the financial year under review, no binding service agreements had been signed between the Pension Scheme and the service providers.

In the circumstances, the effectiveness of the internal controls could not be confirmed.

The audit was conducted in accordance with ISSAI 2315 and ISSAI 2330. The standards require that I plan and perform the audit to obtain assurance about whether effective processes and systems of internal control, risk management and overall governance were operating effectively, in all material respects. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my conclusion.

### **Responsibilities of Management and those Charged with Governance**

Management is responsible for the preparation and fair presentation of these financial statements in accordance with International Financial Reporting Standards (Accrual Basis) and for maintaining effective internal controls as Management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error and for its assessment of the effectiveness of internal controls, risk management and overall governance.

In preparing the financial statements, Management is responsible for assessing the Scheme's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless Management is aware of the intention to liquidate the Pension Scheme or to cease operations.

Management is also responsible for the submission of the financial statements to the Auditor-General in accordance with the provisions of Section 47 of the Public Audit Act, 2015.

In addition to the responsibility for the preparation and presentation of the financial statements described above, Management is also responsible for ensuring that the activities, financial transactions, and information reflected in the financial statements are in compliance with the authorities which govern them, and that public resources are applied in an effective way.

Those charged with governance are responsible for overseeing the Scheme's financial reporting process, reviewing the effectiveness of how Management monitors compliance with relevant legislative and regulatory requirements, ensuring that effective processes and systems are in place to address key roles and responsibilities in relation to



governance and risk management, and ensuring the adequacy and effectiveness of the control environment.

### **Auditor-General's Responsibilities for the Audit**

The audit objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion in accordance with the provisions of Section 48 of the Public Audit Act, 2015 and submit the audit report in compliance with Article 229(7) of the Constitution. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISSAIs will always detect a material misstatement and weakness when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

In addition to the audit of the financial statements, a compliance audit is planned and performed to express a conclusion about whether, in all material respects, the activities, financial transactions and information reflected in the financial statements are in compliance with the authorities that govern them and that public resources are applied in an effective way, in accordance with the provisions of Article 229(6) of the Constitution and submit the audit report in compliance with Article 229(7) of the Constitution.

Further, in planning and performing the audit of the financial statements and audit of compliance, I consider internal controls in order to give an assurance on the effectiveness of internal controls, risk management and overall governance processes and systems in accordance with the provisions of Section 7(1)(a) of the Public Audit Act, 2015 and submit the audit report in compliance with Article 229(7) of the Constitution. My consideration of the internal controls would not necessarily disclose all matters in the internal controls that might be material weaknesses under the ISSAIs. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements caused by error or fraud in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions.

Because of its inherent limitations, internal controls may not prevent or detect misstatements and instances of non-compliance. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies and procedures may deteriorate.

As part of an audit conducted in accordance with ISSAIs, I exercise professional judgement and maintain professional skepticism throughout the audit. I 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 my 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 controls.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Management.
- Conclude on the appropriateness of the Management's 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 I conclude that a material uncertainty exists, I am required to draw attention in the auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my audit report. However, future events or conditions may cause the Pension 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.
- Obtain sufficient appropriate audit evidence regarding the financial information and business activities of the Scheme to express an opinion on the financial statements.
- Perform such other procedures as I consider necessary in the circumstances.

I communicate with the Management regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal controls that are identified during the audit.

I also provide Management with a statement that I have complied with relevant ethical requirements regarding independence and communicate with them all relationships and other matters that may reasonably be thought to bear on my independence, and where applicable, related safeguards.

  
CPA Nancy Gathungu, CBS  
AUDITOR-GENERAL

**Nairobi**

**29 September, 2023**



## UNIVERSITY OF NAIROBI PENSION SCHEME 2007

### STATEMENT OF CHANGES IN NET ASSETS AVAILABLE FOR BENEFITS FOR THE YEAR ENDED 30 JUNE 2023

	Note	30.06.2023	30.06.2022
		Kshs'000'	Kshs'000'
<b>Contributions &amp; benefits</b>			
Contributions	4	1,214,254	1,215,980
Transfers in from other schemes	5(a)	86	1,014
Transfers out to other schemes	5(b)	(37,219)	(41,596)
Benefits paid	6	(1,968,269)	(1,700,792)
<b>A) .Net (withdrawals) from dealings with members</b>		<b>(791,148)</b>	<b>(525,394)</b>
<b>Returns on Investments</b>			
Investment income	7	1,621,973	1,555,898
Gains on disposal of investments	8	24,819	-
Change in fair value of investments	9	(745,347)	(1,573,569)
Less: Investment management expenses	10	(44,040)	(45,851)
<b>B). Gross return on investments</b>		<b>857,405</b>	<b>(63,522)</b>
<b>Other Incomes</b>			
Interest on contributions receivables	11	(85,131)	620,478
Other Income	12	-	743
<b>C). Total Other Incomes</b>		<b>(85,131)</b>	<b>621,221</b>
<b>Expenditures</b>			
Administrative expenses	13	(39,750)	(42,566)
Tax expense on the non- exempt fund	14	(136,397)	(111,263)
Depreciation - Property , Plant and Equipment	15	(471)	(354)
<b>D). Total Expenditures</b>		<b>(176,618)</b>	<b>(154,183)</b>
<b>E). Net return on investments (B+C-D)</b>		<b>595,656</b>	<b>403,516</b>
<b>Decrease in net assets for the year (A+E)</b>		<b>(195,492)</b>	<b>(121,878)</b>
<b>Net assets available for benefits at the start of the year</b>		<b>21,036,328</b>	<b>21,158,206</b>
<b>Net assets available for benefits at the end of the year</b>		<b>20,840,836</b>	<b>21,036,328</b>

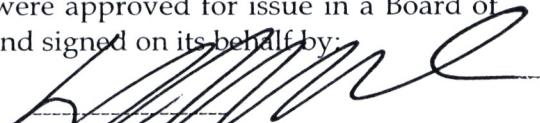
## UNIVERSITY OF NAIROBI PENSION SCHEME 2007

### STATEMENT OF NET ASSETS AVAILABLE FOR BENEFITS AS AT YEAR END 30 JUNE 2023

	Note	30.06.23 Kshs'000'	30.06.22 Kshs'000'
<b>Non- Current Assets</b>			
Equipment (PPE)	15	2,489	2,041
Intangible Assets	16	13,360	-
		<b>15,849</b>	<b>2,041</b>
<b>Investments</b>			
Immovable property		1,710,000	1,710,000
Quoted Shares		3,363,474	3,860,202
Unquoted Shares	17	20,664	20,664
Treasury Bonds		8,719,979	9,608,061
Treasury Bills		-	64,100
Corporate Bonds		4,730	8,730
Offshore Investments		482,333	277,471
Fixed and time deposits		999,450	361,100
<b>Total Investments</b>		<b>15,300,630</b>	<b>15,910,328</b>
<b>Current assets</b>			
Contributions receivables	18	6,160,872	5,533,486
Other receivables and accrued income	19	194,831	252,151
Cash at bank & hand	20	(131,095)	150,280
<b>Total current assets</b>		<b>6,224,608</b>	<b>5,935,917</b>
<b>Less: Current Liabilities</b>			
Other deposits	21	-	-
Benefits Payable	22	(445,890)	(584,976)
Death in service Trust Fund	23	(98,990)	(130,166)
Death Fund Reserve Account	24	(85,026)	(44,931)
Other payables and accrued expenses	25	(70,345)	(51,885)
<b>Total current liabilities</b>		<b>(700,251)</b>	<b>(942,124)</b>
<b>Net current assets</b>		<b>5,524,357</b>	<b>5,123,959</b>
<b>Net assets available for benefits</b>		<b>20,840,836</b>	<b>21,036,328</b>

The financial statements on pages 15 to 38 were approved for issue in a Board of Trustees meeting held on 9th August 2023 and signed on its behalf by:

  
**PROF. GEORGE K.GITAU**  
 CHAIRMAN, BOARD OF TRUSTEES

  
**PROF. STEPHEN G. KIAMA**  
 TRUSTEE



# UNIVERSITY OF NAIROBI PENSION SCHEME 2007

## STATEMENT OF CHANGE IN MEMBER'S FUND

	30.06.2023	30.06.2022
	Kshs."000"	Kshs."000"
Opening balance as at	21,036,328	21,158,206
Net (withdrawals) from dealings with members	(754,015)	(484,812)
Net return on investments	595,656	403,516
Transfers in	86	1,014
Transfers out	(37,219)	(41,596)
Closing balance	20,840,836	21,036,328

# UNIVERSITY OF NAIROBI PENSION SCHEME 2007

## STATEMENT OF CASH FLOW FOR THE PERIOD ENDED 30.06.2023

	30.06.23	30.06.22
	Kshs."000"	Kshs."000"
<b>Cash flows from operating activities: -</b>		
Contributions received	501,737	490,430
Transfers in from other schemes	86	1,014
Transfer out	(37,219)	(41,596)
Other income	-	743
Benefits Paid	(2,056,838)	(1,436,022)
Trust Fund death benefits paid	(44,375)	(48,372)
Administrative expenses	(32,386)	(42,282)
Tax paid in the year	(138,296)	(113,022)
<b>Net cash from operations of the fund</b>	<b>(1,807,291)</b>	<b>(1,189,107)</b>
<b>Cash flows from investing activities: -</b>		
Investment income received	1,682,552	1,440,689
Investment management expenses paid	(42,215)	(43,372)
Purchase of quoted shares	(93,617)	(229,352)
Purchase of Treasury Bonds	(259,470)	(1,539,096)
Purchase of treasury bills	(7,790)	(144,775)
Purchase of offshore investments	(91,086)	(50,000)
Sale of quoted equities	159,317	221,389
Sale/maturity of treasury bonds	744,276	1,199,000
Sale of Treasury Bills	71,890	190,693
Purchase of Corporate bond	-	(8,730)
Sale of Corporate bond	4,000	-
Purchase of Property, Plant and Equipment	(919)	-
Purchase of Intangible Asset	(2,672)	-
<b>Net Cash used in investing activities</b>	<b>2,164,266</b>	<b>1,036,446</b>
<b>Increase/(decrease) in cash and cash equivalents</b>	<b>356,975</b>	<b>(152,661)</b>
<b>Movement in cash and cash equivalents</b>		
Cash and cash equivalents at the start of the year	511,380	664,041
Increase in cash and cash equivalents	356,975	(152,661)
<b>Cash and cash equivalents at the end of the year</b>	<b>868,355</b>	<b>511,380</b>



# UNIVERSITY OF NAIROBI PENSION SCHEME 2007

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2023

### 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The principal accounting policies adopted in the preparation of the financial statements are set out below. These policies have been consistently applied over the periods presented unless otherwise stated

#### a) Basis of preparation of financial statements

The financial statements are presented in Kenya Shillings and are prepared under the historical cost basis except where revaluation has been done and certain investments that have been measured at fair value as disclosed.

#### b) Statement of compliance

The financial statements are prepared in compliance with International Financial Reporting Standards (IFRSs) as issued by the International Accounting Standards Board (IASB) and the Kenyan Retirement Benefits Act 1997. 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 account of obligations to pay pensions and other benefits which fall due after the end of the Scheme year.

#### c) Changes in accounting policies and disclosures on new standards

##### *(i) New and amended standards and interpretations effective for the period*

No new standards effective for the year being reported were issued.

##### *(ii) New and revised standards and interpretations that have been issued but are not yet effective*

The scheme has not applied any new or revised standards and interpretations that have been published but are not yet effective, and the trustees do not plan to apply any of them until they become effective. The new and amended standards and interpretations that are issued, but not yet effective, up to the date of issuance of the Scheme's financial statements are disclosed below. The Scheme intends to adopt these standards, if applicable, when they become effective.

#### d) Revenue from contracts with customers (IFRS 15)

The Scheme's revenue is generated from rental and license income from investment properties, sale of completed inventory properties, interest, discounts and rebates from government securities, interest on term deposits, interest on corporate bonds and dividends.

## UNIVERSITY OF NAIROBI PENSION SCHEME 2007

### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2023(continued)

Revenue represents the fair value of consideration received or receivable in the course of the Scheme's activities. It is recognized when it is probable that future economic benefits will flow to the Scheme and the amount of revenue can be measured reliably. It is stated net of value added tax, rebates and trade discounts.

#### **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.

#### **Investment income**

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

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

Interest income is accrued on a time basis, by reference to the principal outstanding and the effective interest rate applicable unless collectability is in doubt.

#### **Rent income**

Rental income is recognized in the income statement as it accrues using the effective interest implicit in lease agreements.

#### **Other income**

Other income is recognized as it accrues.

#### **e) Benefits payable**

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

#### **f) Property, Plant and equipment (IAS 16: Property, Plant and Equipment)**

Property and equipment are stated at cost less accumulated depreciation and accumulated impairment losses. Property and equipment are reviewed for impairment whenever there are any indications of impairment identified.

Where the carrying amount of an asset is greater than its estimated recoverable amount, it is written down immediately to its recoverable amount. Recoverable amount is the higher of an asset's fair value less costs to sell and its value in use. The impairment loss is recognized in the statement changes in net assets available for benefit for the year.

An item of property and equipment is derecognized upon disposal or when no further economic benefits are expected from its use or disposal. Gains and losses on



# UNIVERSITY OF NAIROBI PENSION SCHEME 2007

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2023

derecognition of property and equipment are determined by reference to their carrying amounts.

Increases in the carrying amounts of assets arising from re-valuation are credited to other comprehensive income. Decreases that offset previous increases in the carrying amount of the same asset are charged against the revaluation reserve account; all other decreases are charged to profit or loss in the income statement. Gains and losses on disposal of items of property, plant and equipment are determined by comparing the proceeds from the disposal with the net carrying amount of the items and are recognized in profit or loss in the income statement.

The residual value, useful lives and methods of depreciation of property and equipment are reviewed at each financial year end and are adjusted prospectively, if appropriate. Depreciation charge is on reducing balance method. The depreciation rates per respective class are as follows:

Computer hardware	30%
Furniture and fittings	10%
Motor Vehicles	25%

### **g) Accounting for leases-(IFRS 16: Leases)**

#### **Leases under which the scheme is the lessee**

On the commencement date of each lease (excluding leases with a term, on commencement, of 12 months or less and leases for which the underlying asset is of low value) the Scheme recognizes a right-of-use asset and a lease liability.

The lease liability is measured at the present value of the lease payments that are not paid on that date. The lease payments include fixed payments, variable payments that depend on an index or a rate, amounts expected to be payable under residual value guarantees, and the exercise price of a purchase option if the Scheme is reasonably certain to exercise that option. The lease payments are discounted at the interest rate implicit in the lease. If that rate cannot be readily determined, the Scheme's incremental borrowing rate is used. For leases that contain non-lease components, the Scheme allocates the consideration payable to the lease and non-lease components based on their relative stand-alone components.

The right-of-use asset is initially measured at cost comprising the initial measurement of the lease liability, any lease payments made on or before the commencement date, any initial direct costs incurred, and an estimate of the costs of restoring the underlying asset to the condition required under the terms of the lease.

Subsequently the lease liability is measured at amortized cost, subject to remeasurement to reflect any reassessment, lease modifications, or revised fixed lease payments.

# UNIVERSITY OF NAIROBI PENSION SCHEME 2007

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2023

All right-of-use assets are subsequently measured at cost less accumulated depreciation and any accumulated impairment losses, adjusted for any remeasurement of the lease liabilities.

Depreciation is calculated using the straight-line method to write-down the cost of each asset to its residual value over its estimated useful life. If the ownership of the underlying asset is expected to pass to the Scheme at the end of the lease term, the estimated useful life would not exceed the lease term.

For leases with a term, on commencement, of 12 months or less and leases for which the underlying asset is of low value, the total lease payments are recognized in profit or loss on a straight-line basis over the lease period.

### **Leases under which the Scheme is the lessor**

Leases that transfer substantially all the risks and rewards of ownership of the underlying asset to the lessee are classified as finance leases. All other leases are classified as operating leases. Payments received under operating leases are recognized as income in the profit or loss account on a straight-line basis over the lease term.

### **h) Intangible assets (IAS 38 : Intangible Assets)**

Intangible assets value is stated at cost less accumulated amortization and accumulated impairment losses. Amortization is calculated to write off the cost in line with the requirements of IAS 38-Intangible assets.

Costs associated with maintaining computer software programmes are recognized as an expense as incurred. Development costs that are directly attributable to the design and testing of identifiable and unique software products controlled by the Scheme are recognized as intangible assets when the following criteria are met:

- it is technically feasible to complete the software product so that it will be available for use;
- management intends to complete the software product and use or sell it;
- there is an ability to use or sell the software product.
- it can be demonstrated how the software product will generate probable future economic benefits.
- adequate technical, financial and other resources to complete the development and to use or sell the software product are available; and
- the expenditure attributable to the software product during its development can be reliably measured.



# UNIVERSITY OF NAIROBI PENSION SCHEME 2007

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2023

Other development expenditures that do not meet these criteria are recognized as an expense as incurred. Development costs previously recognized as an expense are not recognized as an asset in a subsequent period.

Computer software development costs recognized as assets are amortized over their estimated useful lives.

Acquired computer software licenses are capitalized on the basis of the costs incurred to acquire and bring to use the specific software. These costs are amortized on the basis of the expected useful lives.

Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset is accounted for by changing the amortization period or method, as appropriate, and are treated as changes in accounting estimates. The amortization expense on intangible assets with finite lives is recognized in profit or loss in the expense category consistent with the function of the intangible asset.

Intangible assets with indefinite useful lives are tested for impairment annually either individually or at the cash generating unit level. Such intangibles are not amortized.

Gains or losses arising from derecognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognized in the statement of net assets when the asset is derecognized.

### **i) Investment Properties (IAS 40: Investment Property)**

Investment property, which is property held to earn rentals and/or for capital appreciation (including property under construction for such purposes), is measured initially at cost, including transaction costs. Subsequent to initial recognition, investment property is measured at fair value. Gains or losses arising from changes in the fair value of investment property are included in profit or loss in the period in which they arise. An investment property is derecognized upon disposal or when the investment property is permanently withdrawn from use and no future economic benefits are expected from the disposal. Any gain or loss arising on derecognition of the property (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in profit or loss in the period in which the property is derecognized

### **j) Financial Instruments (IFRS 9: Financial Instruments)**

All recognized financial assets that are within the scope of IFRS 9 are required to be measured subsequently at amortized 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.

# UNIVERSITY OF NAIROBI PENSION SCHEME 2007

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2023 (continued)

- 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 and interest on the principal amount outstanding, are measured subsequently at amortized 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 subsequently at fair value through other comprehensive income (FVTOCI);
- all other debt investments and equity investments are measured subsequently at fair value through profit or loss (FVTPL).

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 credit losses are recognized.

### *Impairment of financial assets*

Specifically, IFRS 9 requires the Scheme to recognize a loss allowance for expected credit losses on:

- (1) Debt investments measured subsequently at amortized cost or at FVTOCI.
- (2) Lease receivables;
- (3) Trade receivables and contract assets; and
- (4) Financial guarantee contracts to which the impairment requirements of IFRS 9 apply.

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

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



# UNIVERSITY OF NAIROBI PENSION SCHEME 2007

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2023

### **k) Taxation**

Incomes generated by segregated funds above the statutory limit of tax-exempt contributions are taxable at the statutory tax rates.

### **l) Foreign currencies**

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

### **m) Cash and cash equivalents**

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

### **n) Events after the reporting period**

There were no events after reporting date 30.06.2023.

### **o) Contingent liabilities and provisions**

There were no contingent liabilities as at 30.06.2023

## **2. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS**

The preparation of financial statements requires the use of accounting estimates which, by definition, will seldom equal the actual results. The trustees also need to exercise judgment in applying the schemes/pension accounting policies.

All estimates and assumptions required in conformity with IFRS are best estimates undertaken in accordance with the applicable standard. Estimates and judgements are evaluated on a continuous basis and are based on experience and other factors, including expectations with regard to future events.

This note provides an overview of the areas that involve a higher degree of judgment or complexity, and major sources of estimation uncertainty that have a significant risk of resulting in a material adjustment within the next financial year. Detailed information about each of these estimates and judgements is included in the related notes together with information about the basis of calculation for each affected line item in the financial statements.

# UNIVERSITY OF NAIROBI PENSION SCHEME 2007

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2023(continued)

### Measurement of the expected credit loss allowance (IFRS 9)

The measurement of the expected credit loss allowance for financial assets measured at amortized cost and FVOCI is an area that requires the use of complex models and significant assumptions about future economic conditions and credit behavior (e.g., the likelihood of customers defaulting and the resulting losses).

Several significant judgements are also required in applying the accounting requirement for measuring ECL, such as:

- Determining criteria for significant increase in credit risk.
- Determining the relevant period of exposure to credit risk when measuring ECL for credit cards and revolving credit facilities; and
- Determining the appropriate business models and assessing the “solely payments of principal and interest (SPPI)” requirements for financial assets.

### 3. FINANCIAL RISK MANAGEMENT (IFRS 7)

The Fund generates income for the members by investing in various income generating activities which involve trading in the stock exchange, trading in government and other securities and offshore investments. These activities expose the Fund to a variety of financial risks, including credit risk and the effects of changes in debt and equity market prices, foreign currency exchange rates and interest rates. The Fund’s overall risk management programme focuses on the unpredictability of financial markets and seeks to minimize potential adverse effects on its financial performance.

Risk management is carried out by the Trustees together with the investment managers under policies approved by the Trustees. The investment managers review the market trends and information available to evaluate the potential exposures. They then arrive at strategies to mitigate against market risks. The Trustees provide written principles for overall risk management, as well as written policies covering specific areas such as foreign exchange risk, interest rate risk, credit risk, use of non-derivative financial instruments and investing excess liquidity. The Fund also follows guidelines issued by the Retirements Benefits Authority in respect of maximum allowed investment in different types of investments.

#### *Foreign exchange risk*

The Fund is exposed to the risk that the value of financial instruments will fluctuate due to changes in foreign exchange rates in relation to offshore investments. The Fund invests internationally and is exposed to foreign exchange risk arising from various currency exposures, primarily with respect to the US dollar. Foreign exchange risk arises from investment in offshore investments.



# UNIVERSITY OF NAIROBI PENSION SCHEME 2007

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2023 (continued)

The Fund's currency risk is ranked as low because the Fund has divested from offshore investments.

### *Price risk*

The Fund is exposed to equity securities price risk because of investments in quoted shares classified at fair value through profit or loss. The Scheme is also exposed to the risk that the value of debt securities will fluctuate due to changes in market value. To manage its price risk arising from investments in equity and debt securities, the Scheme diversifies its portfolio. For equities, the Scheme has invested in companies in different sectors of the economy, while for debt securities, the Scheme has invested in bonds with varying maturities. Diversification of the portfolio is done in accordance with resolutions passed on investments during quarterly Trustees meetings. All quoted shares held by the Scheme are traded on the Nairobi Securities Exchange (NSE), Tanzania Stock exchange (TSE) and Uganda Stock exchange (USE).

As at 30.06.2023, if the price of securities were to appreciate/depreciate by ...% with all other variables held constant, returns from investment for the year would have been

- Choosing the appropriate models and assumptions for the measurement of ECL;
- Establishing the number and relative weightings of forward-looking scenarios for each type of product/market and the associated ECL.
- Establishing Schemes of similar financial assets for the purposes of measuring ECL;

### *Interest rate risk*

The Scheme's interest-bearing assets are investments in treasury bonds, corporate bonds, treasury bills, commercial paper and fixed deposits. All of these instruments are at fixed interest rates. The nature of financial instruments held, that is fixed interest instruments, mitigates risk exposure of the Fund. Fluctuations in interest rates will have an insignificant effect on the Scheme's financial performance.

### *Credit risk*

Credit risk refers to the risk that a counter party will default on its contractual obligations resulting in financial loss to the Scheme. The Scheme has adopted a policy of only dealing with credit worthy counterparties.

Credit risk arises from cash and cash equivalents, fixed deposits, interest bearing investments, deposits with banks, and receivables. As part of the credit risk management system, the Investment Manager and the Trustees monitor and review information on significant investments. The Trustees have approved a larger portfolio investment with the Government of Kenya debt securities which have a low credit risk and no default record.

## UNIVERSITY OF NAIROBI PENSION SCHEME 2007

### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2023 (continued)

The amount that best represents the Fund's maximum exposure to credit risk is made up as follows:

	Up to 3 Months	4-12 Months	1-5 Years	Over 5 years	Total
30.06.2023	Months	Months	Years	5 years	Total
	Kshs'000'	Kshs'000'	Kshs'000'	Kshs'000'	Kshs'000'
Government securities	12,917	475,417	2,592,768	5,638,877	8,719,979
Corporate bonds			4,730		4,730
Fixed and term deposits	859,450	140,000			999,450
Bank balance	(131,095)				(131,095)
<b>TOTAL</b>	<b>741,272</b>	<b>615,417</b>	<b>2,597,498</b>	<b>5,638,877</b>	<b>9,593,064</b>

#### *Impairment of financial assets*

For the purposes of impairment assessment, the corporate bonds, investments Government securities, are considered to have low credit risk as the counterparties to these investments have a minimum BBB- credit rating. Accordingly, for the purpose of impairment assessment for these financial assets, the loss allowance is measured at an amount equal to 12-month ECL. As for the loans to related and other parties, as disclosed in note 2(b), lifetime ECL has been provided for them upon initial application of IFRS 9 until these financial assets are derecognized as it was determined on initial application of IFRS 9 that it would require undue cost and effort to determine whether their credit risk has increased significantly since initial recognition to the date of initial application of IFRS 9.

In determining the expected credit losses for these assets, the trustees have taken into account the historical default experience, the financial position of the counterparties, as well as the future prospects of the industries in which the issuers of the redeemable notes, bills of exchange and debentures operate obtained from economic expert reports, financial analyst reports and considering various external sources of actual and forecast economic information, as appropriate, in estimating the probability of default of each of these financial assets occurring within their respective loss assessment time horizon, as well as the loss upon default in each case.

There has been no change in the estimation techniques or significant assumptions made during the current reporting period in assessing the loss allowance for these financial assets.



# UNIVERSITY OF NAIROBI PENSION SCHEME 2007

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2023

### **Liquidity risk**

Liquidity risk is the risk that the Scheme will encounter difficulty in meeting obligations attributable to the financial liabilities. The ultimate responsibility for the liquidity risk management rests with the Board of Trustees, which has established an appropriate liquidity risk management framework for the management of the Scheme's short, medium and long-term funding and liquidity management requirements. The Scheme manages liquidity risk by maintaining banking facilities through continuous monitoring of forecast and actual cash flows.

The Scheme is required to make periodic payment in respect of pensions when members retire from the Fund and is therefore exposed to the risk of difficulty in raising funds to make such payments. It therefore invests a portion of its assets in investments that are readily convertible to cash. The investment managers monitor the Scheme's liquidity on a regular basis and the Trustees review it on a quarterly basis.

## UNIVERSITY OF NAIROBI PENSION SCHEME 2007

### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2023 (continued)

4	Contributions received	30.06.2023	30.06.2022
		Kshs'000	Kshs'000
	<b>From Employer:</b>		
	Normal (20%)	804,855	805,394
	<b>From members:</b>		
	Normal (10%)	402,427	402,697
	Additional Voluntary	6,972	7,889
	<b>Total</b>	<b>1,214,254</b>	<b>1,215,980</b>

5	Transfers in and out	30.06.2023	30.06.2022
		Kshs'000	Kshs'000
a)	<b>Transfer in</b>		
	Individual transfers in from other schemes	86	1,014
	<b>Total</b>	<b>86</b>	<b>1,014</b>
b)	<b>Transfer out</b>		
	Individual transfers out from other schemes	(37,219)	(41,596)
	<b>Total</b>	<b>(37,219)</b>	<b>(41,596)</b>

6	Benefits Paid	30.06.2023	30.06.2022
		Kshs'000	Kshs'000
	<b>Benefits paid:</b>		
	Commutation and lumpsum retirement	(1,814,129)	(1,228,272)
	Death in service fund credit	(31,496)	(104,153)
	Withdrawals	(49,939)	(105,171)
	Mortgage pay outs	(32,481)	-
		<b>(1,928,045)</b>	<b>(1,437,596)</b>
	Transfer to Death Trust Fund	(55,069)	(89,448)
	Interest on deferred benefits	14,845	(173,748)
		<b>(1,968,269)</b>	<b>(1,700,792)</b>

7	Investment Income	30.06.2023	30.06.2022
		Kshs'000'	Kshs'000'
	Net Rent from Ambank House	84,817	75,375
	Net Rent from Unipen Apartments	14,749	15,422
	Dividends from Quoted Shares	289,747	254,121
	Interest on Treasury Bills	2,553	11,165
	Interest and discount on Treasury Bonds	1,183,072	1,164,174
	Interest on Corporate Bonds	653	719
	Interest on Fixed and call Deposits	46,382	34,922
	<b>Total</b>	<b>1,621,973</b>	<b>1,555,898</b>



## UNIVERSITY OF NAIROBI PENSION SCHEME 2007

### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2023 (continued)

8	Gain/loss on disposal of investments	30.06.2023	30.06.2022
		Kshs'000'	Kshs'000'
	Gain on disposal of Quoted Shares	43,895	-
	(Loss) on disposal of Government Securities	(19,076)	-
		<b>24,819</b>	<b>-</b>

9	Change in fair value of investments	30.06.2023	30.06.2022
		Kshs'000'	Kshs'000'
	Change in fair value of offshore investments	113,776	(83,334)
	Change in fair value of equities investments	(384,200)	(1,064,630)
	Change in fair value of government securities	(474,923)	(425,605)
		<b>(745,347)</b>	<b>(1,573,569)</b>
10	Investment management expenses	30.06.2023	30.06.2022
		Kshs'000'	Kshs'000'
	<b>Investment Manager:</b>		
a)	GenAfrica Asset Managers	(16,966)	(16,129)
b)	Old Mutual Investment Group	(13,791)	(15,188)
	<b>Custodian:</b>		
c)	Standard Chartered Bank	(13,283)	(14,534)
		<b>(44,040)</b>	<b>(45,831)</b>

11	Interest on contributions receivables	30.06.2023	30.06.2022
		Kshs'000'	Kshs'000'
	Interest on outstanding contributions	(85,131)	620,478
		<b>(85,131)</b>	<b>620,478</b>
	<p><i>*Under the Trust Deed and Rules of UNIVERSITY OF NAIROBI PENSION SCHEME 2007, the sponsor is required to settle outstanding contributions at an interest rate of equivalent to the rate of return declared to members in a particular year. The rate of return declared the year ended 30.06.2022 was -1.7% (15.4% 2020/2021).</i></p>		

12	Other Income	30.06.2023	30.06.2022
		Kshs'000'	Kshs'000'
	Dividend Kenya Finance Bank	-	518
	Dividend Imperial Bank	-	225
		<b>-</b>	<b>743</b>

## UNIVERSITY OF NAIROBI PENSION SCHEME 2007

### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2023 (continued)

13	Administrative expenses	30.06.2023	30.06.2022
		Kshs. '000'	Kshs. '000'
a)	<b>Board of Trustees' expenses:</b>		
	As trustees		
	Sitting allowances	2,798	2,222
	Seminars and training expenses	1,280	4,485
	Indemnity cover	1,681	-
	AGM allowances	267	129
	Meeting expenses	129	143
	Transport/internet bundle allowance	618	350
	Christmas Vouchers	-	405
	Tablets	610	402
		7,383	8,136
b)	<b>Staff Costs</b>		
	Salaries & Benefits	16,813	16,555
	Medical	13	188
		16,826	16,743
c)	<b>Other Expenses</b>		
	Audit fees	1,160	1,160
	Actuarial Fees	1,260	1,206
	Legal fees	-	397
	Professional fees	1,062	87
	Change in regulations expenses	-	345
	Sitting allowances to professional	1,303	945
	RBA levy	5,000	5,000
	Seminars & Training	3,500	3,048
	Bank charges	237	224
	Stationery	97	119
	AGM expenses	121	36
	Software implementation expenses	1,107	0
	Insurance	147	479
	Motor Vehicle running expenses	106	90
	Telephone expenses	208	2,478
	Office expenses	233	202
	Election expenses	-	411
	Christmas vouchers	-	300
	Valuation fees	-	1,160
		15,541	17,687
	<b>Total Administrative Expenses</b>	<b>39,750</b>	<b>42,566</b>



## UNIVERSITY OF NAIROBI PENSION SCHEME 2007

### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2023 (continued)

14	Tax expense on the non- exempt fund	30.06.2023	30.06.2022
		Kshs. '000'	Kshs. '000'
a)	<b>Income tax expenses</b>		
	Total investment income	1,539,100	1,472,373
	Income exempt from tax	(1,118,613)	(1,101,496)
	Taxable income	420,487	370,877
	Tax charged @ 30%	126,146	111,263
	Under provision of tax in 2021/2022	10,251	-
	Tax payable in the year	<b>136,397</b>	<b>111,263</b>
b)	<b>Income tax payable</b>		
	Balance brought forward	4,308	6,067
	Taxation payable in the year	136,397	111,263
	Payments during the period	(138,296)	(113,022)
	<b>Balance carried forward</b>	<b>2,409</b>	<b>4,308</b>

### 15 Property, Plant and Equipment

	Motor Vehicle	Furniture and Equipment	Computer and Accessories	Total
	Kshs. '000'	Kshs. '000'	Kshs. '000'	Kshs. '000'
<b>COST</b>				
As at 01.07.2023	2,608	5,860	4,627	13,095
Additions	-	457	462	919
As at 30.06.2023	<u>2,608</u>	<u>6,317</u>	<u>5,089</u>	<u>14,014</u>
<b>DEPRECIATION</b>				
As at 01.07.2023	2,411	4,281	4,362	11,054
Charge for the year	49	204	218	471
As at 30.06.2023	<u>2,460</u>	<u>4,485</u>	<u>4,580</u>	<u>11,525</u>
<b>NET BOOK VALUE</b>				
As at 30.06.2023	<u>148</u>	<u>1,832</u>	<u>509</u>	<u>2,489</u>
As at 30.06.2022	<u>197</u>	<u>1,579</u>	<u>265</u>	<u>2,041</u>
<b>2021/2022 COMPARISON</b>				
<b>COST</b>	Kshs. '000'	Kshs. '000'	Kshs. '000'	Kshs. '000'
As at 01.07.2021	2,608	5,860	4,627	13,095
Additions				
As at 30.06.2022	<u>2,608</u>	<u>5,860</u>	<u>4,627</u>	<u>13,095</u>
<b>DEPRECIATION</b>				
As at 01.07.2021	2,346	4,105	4,249	10,700
Charge for the year	65	176	113	354
As at 30.06.2022	<u>2,411</u>	<u>4,281</u>	<u>4,362</u>	<u>11,054</u>
<b>NET BOOK VALUE</b>				
As at 30.06.2022	<u>197</u>	<u>1,579</u>	<u>265</u>	<u>2,041</u>
As at 30.06.2021	<u>262</u>	<u>1,755</u>	<u>378</u>	<u>2,395</u>

## UNIVERSITY OF NAIROBI PENSION SCHEME 2007

### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2023

16	Intangible Assets	30.06.2023	30.06.2022
		Kshs.'000'	Kshs.'000'
	<b>Cost</b>		
	Pension Administration Software	13,360	-
	<b>Amortization</b>		
	Amortization of Intangible Assets	-	-
	<b>Net Book Value</b>		
	As at 30.06.2023	13,360	-

The pension administration software is still under implementation and therefore no amortization for the current year.

#### 17. INVESTMENTS

Investments at fair value and amortized cost

Year ended 30 June 2023	Value as at 01.07.2022 Kshs.'000'	Additions at cost Kshs.'000'	Disposal proceeds Kshs.'000'	Gain/Loss on disposal Kshs.'000'	Fair value change Kshs.'000'	Value as at 30.06.2023 Kshs.'000'
Immovable property	1,710,000	-	-	-	-	1,710,000
Quoted Shares	3,860,202	93,617	(159,317)	43,895	(474,923)	3,363,474
Unquoted Shares	20,664	-	-	-	-	20,664
Treasury Bonds	9,608,061	259,470	(744,276)	(19,076)	(384,200)	8,719,979
Treasury Bills	64,100	7,790	(71,890)			-
Corporate Bonds	8,730		(4,000)			4,730
Offshore Investments	277,471	91,086	-	-	113,776	482,333
	<b>15,549,228</b>	<b>451,963</b>	<b>(979,483)</b>	<b>24,819</b>	<b>(745,347)</b>	<b>14,301,180</b>
Fixed and time deposits	361,100	4,278,709	(3,640,359)			999,450
<b>TOTAL</b>	<b>15,910,328</b>	<b>4,730,672</b>	<b>(4,619,842)</b>	<b>24,819</b>	<b>(745,347)</b>	<b>15,300,630</b>

Detailed analysis of the above investments are in the Appendices attached to the financial statements

Year ended 30 June 2022	Value as at 01.07.2021 Kshs.'000'	Additions at cost Kshs.'000'	Disposal proceeds Kshs.'000'	Gain/Loss on disposal Kshs.'000'	Fair value change Kshs.'000'	Value as at 30.06.2022 Kshs.'000'
Immovable property	1,710,000	-	-	-	-	1,710,000
Quoted Shares	4,916,869	229,352	(221,389)		(1,064,630)	3,860,202
Unquoted Shares	20,664					20,664
Treasury Bonds	9,693,570	1,539,096	(1,199,000)		(425,605)	9,608,061
Treasury Bills	110,018	144,775	(190,693)		-	64,100
Corporate Bonds		8,730			-	8,730
Offshore Investments	310,805	50,000			(83,334)	277,471
	<b>16,761,926</b>	<b>1,971,953</b>	<b>(1,611,082)</b>	<b>-</b>	<b>(1,573,569)</b>	<b>15,549,228</b>
Fixed and time deposits	608,490		(247,390)			361,100
	<b>17,370,416</b>	<b>1,971,953</b>	<b>(1,858,472)</b>	<b>-</b>	<b>(1,573,569)</b>	<b>15,910,328</b>



## UNIVERSITY OF NAIROBI PENSION SCHEME 2007

### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2023 (continued)

18	Contributions Receivables	30.06.2023	30.06.2022
		Kshs. '000'	Kshs. '000'
	Outstanding for more than 30 days	6,246,003	4,915,150
	Interest on contributions receivables	(85,131)	618,336
		<b>6,160,872</b>	<b>5,533,486</b>

Retirement Benefits Authority has requested the Sponsor, University of Nairobi to prepare a remedial plan on how the unremitted contributions will be paid.

19	Other receivables and accrued income	30.06.2023	30.06.2022
		Kshs. '000'	Kshs. '000'
	Water deposit	4	4
	Garbage deposit	5	5
	Electricity deposit	201	201
	Other sundry receivables	2	-
	Accrued interest income	6,327	6,398
	Accrued dividends	61,998	83,173
	KnightFrank Account-Ambank House	7,584	48,078
	KnightFrank Account-Unipen Apartments	(6,004)	19,431
	Rent Arrears-Ambank House	96,615	66,611
	Rent Arrears-Unipen Apartments	5,313	5,464
	Bad debts provision-Ambank House	1,182	1,182
	Bad debts provision-Unipen Apartments	21,604	21,604
		<b>194,831</b>	<b>252,151</b>

20	Cash at bank & hand	30.06.2023	30.06.2022
		Kshs. '000'	Kshs. '000'
	<b>Bank balances</b>		
	Absa Current Account	(131,661)	148,603
	Standard Chartered-Gen Africa Account	489	1,649
	Standard Chartered-OMIG Account	77	28
		<b>(131,095)</b>	<b>150,280</b>

For the purpose cash flow, cash and cash equivalents comprise of the following:

	30.06.2023	30.06.2022
	Kshs. '000'	Kshs. '000'
Cash and Bank balances	(131,095)	150,280
Fixed and time deposits maturing within 90 days	999,450	361,100
<b>Cash and cash equivalents</b>	<b>868,355</b>	<b>511,380</b>

## UNIVERSITY OF NAIROBI PENSION SCHEME 2007

### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2023 (continued)

21	Other deposits	30.06.2023	30.06.2022
		Kshs.'000'	Kshs.'000'
	Imperial Bank	30,835	30,835
	Bad debt-Imperial Bank	(30,835)	(30,835)
	Kenya Finance Bank	44,123	44,123
	Bad debt-Kenya Finance Bank	(44,123)	(44,123)
	Chase Bank	15,000	15,000
	Bad debt-Chase Bank	(15,000)	(15,000)
	Total	-	-

The above banks are in liquidation and from time to time, they declare dividends. No dividends were received during the year.

22	Benefits Payable	30.06.2023	30.06.2022
		Kshs.'000'	Kshs.'000'
	Retirement	142,608	225,872
	Death Fund Credit	104,951	168,768
	Deferred withdrawals	181,334	190,336
	Mortgage payouts	16,997	-
		445,890	584,976

*The following is the age analysis of the deferred amounts to members:*

	≤2 years	>2 years	Total
Retirement	115,305	27,303	142,608
Death Fund credit	21,126	83,825	104,951
Deferred withdrawals	16,624	164,710	181,334
Mortgage payouts	16,997		16,997
	170,052	275,838	445,890

Retirement deferred amounts is for members who have chosen to delay transferring their 2/3rds to annuity or Income Draw Down provider. Death fund credit is for beneficiaries waiting to purchase an annuity or IDD. Deferred withdrawals is for members who resigned or were terminated before age 50 years and requested their benefits to be held in the scheme as per the Retirement Benefits Act.

23	Death in service Trust Fund	30.06.2023	30.06.2022
		Kshs.'000'	Kshs.'000'
	Death in service Lumpsum Trust Fund	98,990	130,166

The Trust Fund is for beneficiaries who are minors and the scheme pays school fees for the beneficiaries on request by the guardians. Once they attain 18 years of age, they are paid the balance in their account.



## UNIVERSITY OF NAIROBI PENSION SCHEME 2007

### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2023 (continued)

24	<b>Death Fund Reserve Account</b>	<b>30.06.2023</b>	<b>30.06.2022</b>
		<b>Kshs.'000'</b>	<b>Kshs.'000'</b>
	Balance b/fwd	44,931	10,552
	Transfer for the year from members fund	55,069	89,448
	Payments made during the year	(14,974)	(55,069)
	Balance carried forward	<b>85,026</b>	<b>44,931</b>

Treasury through Circular No. 18/2010 directed that all public service retirement benefit schemes provide death in service benefits through an insurance policy purchased from a reputable insurance company. The Trustees appealed to Treasury and the Scheme was allowed to operate an in house death in service reserve fund. The Actuaries advised the Trustees to have a fund within the scheme of Kshs. 100 million per year to cater for death in service lumpsum benefits. The death lumpsum benefit is three times a member's last annual salary. During the year, six members passed on as compared to 13 members who passed on in 2021/2022.

25	<b>Other payables and accrued expenses</b>	<b>30.06.2023</b>	<b>30.06.2022</b>
		<b>Kshs.'000'</b>	<b>Kshs.'000'</b>
	RBA Levy	5,000	5,000
	Provision for Audit fees	1,160	1,160
	Standard Chartered Custody fees	1,065	1,116
	GenAfrica Fund management fees	4,055	7,775
	Old Mutual fund management fees	6,770	1,174
	Zamara Actuarial fees	315	630
	Agile -Pension Administration ERP	10,688	-
	KENET-hosting fees	1,067	-
	Unipen Rent Deposits	3,219	3,219
	Ambank House Rent Deposits	7,488	7,488
	Unipen Prepaid rent	303	292
	Ambank House Prepaid rent	7,161	3,915
	Tax provision	2,409	4,308
	Unidentified bankings	5,838	8,615
	Other accruals	13,807	7,193
	<b>TOTAL</b>	<b>70,345</b>	<b>51,885</b>

#### 26. Related party transactions

Related parties comprise the Trustees, the administrator, the participating companies, and companies which are related to these parties through common shareholdings or common directorships.

## **UNIVERSITY OF NAIROBI PENSION SCHEME 2007**

### **NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2023 (continued)**

The scheme did not have any related party transactions carried out or otherwise

#### **27. Self -Investment**

The scheme had no self- investment e.g., investment in the shares of the sponsoring employer and the extent

#### **28. Contingent receivables & liabilities**

The scheme did not have contingent receivables & liabilities as at the end of the period under considerations

#### **29. Currency**

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



**UNIVERSITY OF NAIROBI PENSION SCHEME 2007**

APPENDIX 1

**UNIVERSITY OF NAIROBI PENSION SCHEME 2007**

Treasury Bonds Movement between Friday, 1 July, 2022 and Friday, June 30, 2023

Term No. ISYR	01.07.2022				Disposals				Friday, June 30, 2023				Maturity Date/Coupon	
	Opening EA	Opening Cost	Open MA (Dirty Price)	Purchased FX	Rehired Cost	Disposed EA	Disposed Cost	Gain/(Less on Disposal)	Subs proceeds	Change EA	Change Cost	Change in Net Value		Closing MA (Dirty Price)
FXD3/2007/15A	26,000,000.00	26,797,290.00	26,797,290.00	0.00	0.00	(26,000,000.00)	26,797,290.00	(797,290.00)	26,000,000.00	0.00	0.00	0.00	0.00	21.09.39-13%
FXD1/2013/10	205,000,000.00	210,164,975.00	210,164,975.00	0.00	0.00	(205,000,000.00)	210,164,975.00	(5,164,975.00)	205,000,000.00	0.00	0.00	0.00	0.00	21.03.39-12.87%
FXD1/2017/005	195,000,000.00	204,899,760.00	204,899,760.00	0.00	0.00	(195,000,000.00)	204,899,760.00	(9,899,760.00)	195,000,000.00	0.00	0.00	0.00	0.00	20.02.40-14.40
FXD1/2018/005	100,000,000.00	105,131,900.00	105,131,900.00	0.00	0.00	(100,000,000.00)	105,131,900.00	(5,131,900.00)	100,000,000.00	0.00	0.00	0.00	0.00	21.01.41-12%
IFB1/2022/014 13.938	0.00	0.00	0.00	40,000,000.00	40,104,000.00	(40,000,000.00)	40,104,000.00	1,060,005.40	41,164,005.40	0.00	0.00	0.00	0.00	05.06.28-13.75%
IFB1/2021/018	40,000,000.00	39,899,400.00	39,762,360.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	07.10.24-12.50%
FXD1/2019/020	400,000,000.00	384,595,600.00	384,595,600.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	06.09.27-11%
IFB1/2023/017 14.399	0.00	0.00	0.00	20,000,000.00	20,000,000.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	06.09.27-11%
30 YR. SDBI/2011/30	200,000,000.00	183,613,800.00	183,613,800.00	0.00	0.00	(53,000,000.00)	55,165,114.95	328,920.15	55,494,035.10	0.00	0.00	0.00	0.00	07.02.28-11.25%
FXD1/2008/20	127,300,000.00	133,527,770.60	133,527,770.60	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	10.03.25-10.25%
FXD1/2009/15	230,000,000.00	239,979,700.00	239,979,700.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	05.05.31-10%
FXD1/2010/15	320,000,000.00	318,534,720.00	318,534,720.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	07.10.24-12.50%
EXD1/2011/20	175,000,000.00	146,613,950.00	146,613,950.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	10.03.25-10.25%
FXD1/2012/15	499,400,000.00	489,660,201.80	489,660,201.80	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	05.05.31-10%
FXD1/2012/20	401,000,000.00	370,849,612.00	370,849,612.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	06.09.27-11%
FXD1/2013/15	178,000,000.00	175,942,142.00	175,942,142.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	01.11.32-12%
FXD1/2014/10	245,000,000.00	261,395,890.00	261,395,890.00	0.00	0.00	(5,000,000.00)	5,334,610.00	(206,312.65)	5,128,297.35	0.00	0.00	0.00	0.00	07.02.28-11.25%
FXD1/2016/10	20,000,000.00	22,886,380.00	22,886,380.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	15.01.24-12.18%
FXD1/2016/20	85,200,000.00	89,229,704.40	89,229,704.40	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	17.08.26-15%
FXD1/2018/010	10,000,000.00	10,412,970.00	10,412,970.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	01.09.36-14%
FXD1/2018/15	220,000,000.00	210,258,180.00	210,258,180.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	14.08.28-12.65%
FXD1/2018/20	300,000,000.00	297,659,100.00	297,659,100.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	09.05.33-12.65%
FXD1/2018/25	590,000,000.00	571,072,210.00	571,072,210.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	01.03.38-13.20%
FXD1/2019/010	70,000,000.00	71,802,990.00	71,802,990.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	25.05.43-13.4%
FXD1/2019/015	144,000,000.00	144,764,496.00	144,764,496.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	12.02.29-12.44%
FXD1/2020/15	130,000,000.00	127,803,910.00	127,803,910.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	09.01.36-12.85%
FXD1/2020/5	330,000,000.00	334,108,500.00	334,108,500.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	05.02.35-12.76%
FXD1/2021/020	60,000,000.00	61,100,820.00	61,100,820.00	20,000,000.00	19,364,000.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	05.05.25-11.67%
FXD1/2021/025	200,000,000.00	203,659,800.00	203,659,800.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	22.07.41-13.44%
FXD1/2022/003	20,000,000.00	20,492,600.00	20,492,600.00	60,000,000.00	61,844,550.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	09.04.46-13.92%
FXD2/2010/15	230,000,000.00	211,795,270.00	211,795,270.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	07.04.25-11.77%
FXD2/2013/15	610,000,000.00	608,265,160.00	608,265,160.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	08.12.25-9%
FXD2/2018/015	30,000,000.00	29,123,790.00	29,123,790.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	10.04.28-12%
FXD2/2018/10	135,000,000.00	133,938,765.00	133,938,765.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	04.10.33-12.75%
FXD2/2018/20	200,000,000.00	202,466,600.00	202,466,600.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	04.12.28-12.2%
FXD2/2019/005	220,000,000.00	221,141,360.00	221,141,360.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	05.07.38-13.2%
														06.05.24-11%
														260,260.00



**UNIVERSITY OF NAIROBI PENSION SCHEME 2007**

FXD2/2019/010	150,000,000.00	151,853,700.00	151,853,700.00	39,045,400.00	0.00	0.00	0.00	0.00	190,000,000.00	190,899,100.00	(11,628,020.00)	179,271,080.00	07.04.29-12.9%
FXD2/2019/015	580,000,000.00	556,305,840.00	556,305,840.00	0.00	0.00	0.00	0.00	0.00	580,000,000.00	556,305,840.00	(23,694,160.00)	526,460,200.00	24.04.34-12.73%
FXD3/2019/010	135,000,000.00	131,404,140.00	131,404,140.00	0.00	0.00	0.00	0.00	0.00	135,000,000.00	131,404,140.00	(3,595,860.00)	124,715,700.00	06.08.29-11.51%
FXD3/2019/15	320,000,000.00	310,488,640.00	310,488,640.00	0.00	0.00	0.00	0.00	0.00	320,000,000.00	310,488,640.00	(5,511,360.00)	294,550,720.00	10.07.34-12.94%
FXD3/2019/5	98,000,000.00	98,053,900.00	98,053,900.00	0.00	0.00	(78,000,000.00)	78,042,900.00	1,020,003.10	20,000,000.00	20,011,000.00	(11,011,000.00)	19,696,880.00	09.12.24-11.49%
FXD4/2019/10	270,000,000.00	262,969,470.00	262,969,470.00	0.00	0.00	0.00	0.00	0.00	270,000,000.00	262,969,470.00	(7,030,530.00)	248,493,690.00	12.11.29-12.28%
IFB1/2014/12	89,600,000.00	90,282,931.20	90,282,931.20	0.00	0.00	(37,426,817.00)	37,712,084.20	(285,267.20)	52,173,183.00	52,570,847.00	(3,397,664.00)	51,192,379.34	12.10.26-11%
IFB1/2019/16	210,000,000.00	198,550,380.00	198,550,380.00	0.00	0.00	0.00	0.00	0.00	210,000,000.00	198,550,380.00	(11,449,620.00)	182,273,070.00	08.10.35-11.75%
IFB1/2022/006/13.215%	0.00	0.00	0.00	55,407,550.00	0.00	0.00	0.00	0.00	55,000,000.00	55,407,550.00	407,550.00	55,657,910.00	27.11.28-13.215%
IFB1/2013/12	31,712,352.00	32,241,789.72	32,241,789.72	0.00	0.00	0.00	0.00	0.00	31,712,352.00	32,241,789.72	(529,437.72)	31,586,866.22	15.09.25-11%
IFB1/2011/12	12,450,000.00	13,080,131.85	13,080,131.85	0.00	0.00	0.00	0.00	0.00	12,450,000.00	13,080,131.85	(630,131.85)	12,916,987.05	18.09.23-12%
IFB1/2015/12	18,000,000.00	18,257,274.00	18,257,274.00	0.00	0.00	0.00	0.00	0.00	18,000,000.00	18,257,274.00	(257,274.00)	18,112,068.00	15.03.27-11%
IFB1/2016/015	79,200,000.00	78,161,371.20	78,161,371.20	0.00	0.00	0.00	0.00	0.00	79,200,000.00	78,161,371.20	(1,038,628.80)	73,583,848.80	06.10.31-12%
IFB1/2018/015	10,000,000.00	10,262,770.00	10,262,770.00	0.00	0.00	0.00	0.00	0.00	10,000,000.00	10,262,770.00	(262,770.00)	10,022,910.00	10.01.33-12.5%
IFB1/2020/11	30,000,000.00	28,507,800.00	28,507,800.00	0.00	0.00	0.00	0.00	0.00	30,000,000.00	28,507,800.00	(1,492,200.00)	27,273,480.00	11.08.31-10.9%
IFB1/2021/021	320,000,000.00	319,076,160.00	319,076,160.00	0.00	0.00	0.00	0.00	0.00	320,000,000.00	319,076,160.00	(923,840.00)	323,273,600.00	18.01.42-12.74%
IFB1/2022/018	10,000,000.00	10,123,260.00	10,123,260.00	0.00	0.00	0.00	0.00	0.00	10,000,000.00	10,123,260.00	(123,260.00)	9,908,600.00	21.05.40-13.74%
IFB1/2022/019	420,000,000.00	434,988,960.00	434,988,960.00	15,492,233.645	0.00	0.00	0.00	0.00	435,000,000.00	450,481,196.45	(15,481,196.45)	424,681,365.00	28.01.41-12.97%
TOTAL	9,729,862,352.00	9,608,197,834.77	9,608,060,794.77	259,470,301.40	(739,426,817.00)	763,352,634.15	(19,076,576.20)	744,276,057.95	9,248,435,535.00	9,104,315,502.02	(134,119,032.98)	8,719,978,941.31	

End of Table One



**UNIVERSITY OF NAIROBI PENSION SCHEME 2007**

**APPENDIX II**

Equity Movement between  
Jul. 01 2022 and Jun. 30 2023

Description	Friday, July 1, 2022		Purchases		Disposals		30.06.2023		Marked Value			
	Number of Shares	Mkt Value	Number of Shares	Cost Kshs.	Number of Shares	Cost of Sales	Gain/(Loss) on disposals	Proceeds		Number of Shares	Mkt Price	Variation gain or Loss
BAMBURI CEMENT	336,200.00	11,548,470.00	0.00	0.00	0.00	0.00	0.00	0.00	336,200.00	25.20	(3,076,230.00)	8,472,240.00
BBK	11,433,200.00	119,476,940.00	0.00	0.00	0.00	0.00	0.00	0.00	11,433,200.00	11.80	15,434,820.00	134,911,760.00
BRITAM	220,000.00	1,232,000.00	0.00	0.00	0.00	0.00	0.00	0.00	220,000.00	5.02	(127,600.00)	1,104,400.00
CENTUM INVESTMENT	1,186,659.00	11,605,525.02	0.00	0.00	0.00	0.00	0.00	0.00	1,186,659.00	9.00	(925,594.02)	10,679,931.00
CFC STANBIC BANK	500,000.00	49,375,000.00	0.00	0.00	0.00	0.00	0.00	0.00	500,000.00	111.25	6,250,000.00	55,625,000.00
COOPERATIVE BANK	18,154,063.00	197,879,286.70	0.00	0.00	0.00	0.00	0.00	0.00	18,154,063.00	12.20	23,600,281.90	221,479,568.60
CRDB BANK PLC	3,620,000.00	67,677,605.00	0.00	0.00	0.00	0.00	0.00	0.00	3,620,000.00	27.35	31,322,777.64	99,000,382.64
DIAMOND TRUST	449,363.00	22,445,681.85	0.00	0.00	0.00	0.00	0.00	0.00	449,363.00	49.85	(44,936.30)	22,400,745.55
EABL	2,034,800.00	279,276,300.00	0.00	0.00	710,800.00	97,557,300.00	38,916,300.00	136,473,600.00	1,324,000.00	155.00	23,501,000.00	205,220,000.00
EQUITY BANK	14,239,100.00	612,281,300.00	0.00	0.00	0.00	0.00	0.00	0.00	14,239,100.00	38.25	(67,635,725.00)	544,645,575.00
I & M HOLDINGS	2,981,360.00	50,683,120.00	0.00	0.00	0.00	0.00	0.00	0.00	2,981,360.00	17.10	298,136.00	50,981,256.00
JUBILEE HOLDINGS	66,000.00	17,127,000.00	0.00	0.00	0.00	0.00	0.00	0.00	66,000.00	180.00	(5,247,000.00)	11,880,000.00
KCB	18,653,117.00	720,942,972.05	0.00	0.00	0.00	0.00	0.00	0.00	18,653,117.00	29.30	(174,406,643.95)	546,536,328.10
KENGEN	15.00	50.70	0.00	0.00	0.00	0.00	0.00	0.00	15.00	2.31	(16.05)	34.65
KPLC	3,590,178.00	5,133,954.54	0.00	0.00	0.00	0.00	0.00	0.00	3,590,178.00	1.58	538,526.70	5,672,481.24
NATION MEDIA GROUP	410,356.00	6,996,569.80	0.00	0.00	0.00	0.00	0.00	0.00	410,356.00	19.05	820,712.00	7,817,281.80
NIC BANK	2,692,059.00	63,532,592.40	0.00	0.00	757,000.00	17,865,200.00	4,978,561.60	22,843,761.60	1,935,059.00	38.85	29,509,649.75	75,177,042.15
NSE	240,400.00	1,711,648.00	0.00	0.00	0.00	0.00	0.00	0.00	240,400.00	5.98	(274,056.00)	1,437,592.00
SAFARICOM LIMITED	56,146,200.00	1,400,847,690.00	4,569,200.00	93,617,367.25	0.00	0.00	0.00	0.00	60,715,400.00	17.50	(431,945,557.25)	1,062,519,500.00
STANBIC UGANDA	60,005,420.00	41,370,292.80	0.00	0.00	0.00	0.00	0.00	0.00	60,005,420.00	1.00	18,448,474.30	59,818,767.10
STANCHART	623,461.00	77,776,739.75	0.00	0.00	0.00	0.00	0.00	0.00	623,461.00	160.50	22,288,730.75	100,065,490.50
TANZANIA BREWERIES	123,980.00	68,283,035.10	0.00	0.00	0.00	0.00	0.00	0.00	123,980.00	634.24	10,350,640.15	78,633,675.25
TPS EASTERN AFRICA	264,004.00	3,643,255.20	0.00	0.00	0.00	0.00	0.00	0.00	264,004.00	11.65	(567,608.60)	3,075,646.60
UMEME LTD	2,488,750.00	17,122,600.00	0.00	0.00	0.00	0.00	0.00	0.00	2,488,750.00	13.20	15,728,900.00	32,851,500.00
UMEME LTD KE	1,777,795.00	12,231,229.60	0.00	0.00	0.00	0.00	0.00	0.00	1,777,795.00	13.20	11,235,664.40	23,466,894.00
WPP SCAN GROUP LTD	90.00	277.20	0.00	0.00	0.00	0.00	0.00	0.00	90.00	2.89	(17.10)	260.10
<b>TOTAL</b>	<b>202,236,570.00</b>	<b>3,860,201,155.71</b>	<b>4,569,200.00</b>	<b>93,617,367.25</b>	<b>1,467,800.00</b>	<b>115,422,500.00</b>	<b>43,894,861.60</b>	<b>159,317,361.60</b>	<b>205,337,970.00</b>		<b>(474,922,670.68)</b>	<b>3,363,473,352.28</b>

End of Table Two

**UNIVERSITY OF NAIROBI PENSION SCHEME 2007**

**UON PENSION SCHEME 2007**

**APPENDIX  
III**

**Corporate Bonds Movement between Jul ,01 2022 and Jun ,30 2023**

No	Balance as at 30/06/22		Value	Accr. Interest	Cost	Sale		Closing Value as At 30/06/23			
	Cost	8,914,585.68				Gain or Loss	Sale Proceeds	Interest Received	Nominal	Interest Receivable	Market Value
EABL FDX03 5YR	8,730,000.00	8,914,585.68	184,585.68	(4,000,000.00)	-	4,154,307.00	154,307.00	4,730,000.00	101,597.81	4,831,597.81	
<b>TOTAL</b>	<b>8,730,000.00</b>	<b>8,914,585.68</b>	<b>184,585.68</b>	<b>(4,000,000.00)</b>	<b>-</b>	<b>4,154,307.00</b>	<b>154,307.00</b>	<b>4,730,000.00</b>	<b>101,597.81</b>	<b>4,831,597.81</b>	

**End of Table Three**



# UNIVERSITY OF NAIROBI PENSION SCHEME 2007

## UNIVERSITY OF NAIROBI PENSION SCHEME 2007 CALL ACCOUNT BALANCES 30.06.2023

### APPENDIX IV

No	Compon Rate	Value-01.07.22	Purchases	Sales	Value-30.06.23	Interest Receivable
COOP11DYDEP290623	12.00	0.00	50,000,000.00	-	50,000,000.00	32,876.71
COOP61DYDEP12.15%	12.15	0.00	24,000,000.00	-	24,000,000.00	303,583.56
COOP87DY11.75%	11.75	0.00	53,500,000.00	-	53,500,000.00	1,343,363.01
EQUITY112DYDEP13%	13.00	0.00	100,000,000.00	-	100,000,000.00	356,164.38
EQUITY140DYDEP13%	13.00	0.00	40,000,000.00	-	40,000,000.00	142,465.75
EQUITY33DYDEP13%	13.00	0.00	23,000,000.00	-	23,000,000.00	139,260.27
EQUITY50DYDEP13%	13.00	0.00	100,000,000.00	-	100,000,000.00	356,164.38
EQUITY66DYDEP11.75%	11.75	0.00	31,550,000.00	-	31,550,000.00	507,825.34
EQUITY83DYDEP13%	13.00	0.00	100,000,000.00	-	100,000,000.00	356,164.38
EQUITYCALL11%050423	11.00	0.00	15,200,000.00	-	15,200,000.00	398,531.51
EQUITYCALL11.75%17.0	11.75	0.00	80,000,000.00	-	80,000,000.00	1,158,904.11
EQUITYCALL11.75%19.0	11.75	0.00	19,700,000.00	-	19,700,000.00	272,696.58
KCB10DYDEP300623	12.00	0.00	50,000,000.00	-	50,000,000.00	0.00
KCB11DYDEP12.5%	12.50	0.00	2,500,000.00	-	2,500,000.00	1,712.33
NCBA10DYDEP230623	11.85	0.00	89,000,000.00	-	89,000,000.00	231,156.16
NCBA11DYDEP290623	13.00	0.00	70,000,000.00	-	70,000,000.00	49,863.01
NCBA13DYDEP270623	13.00	0.00	50,000,000.00	-	50,000,000.00	71,232.88
NCBACALL11.75%020623	11.75	0.00	26,000,000.00	-	26,000,000.00	242,726.03
NCBACALL11.85%270623	11.85	0.00	50,000,000.00	-	50,000,000.00	81,164.38
NCBACALL11.9%090623	11.90	0.00	25,000,000.00	-	25,000,000.00	179,315.07
<b>TOTAL</b>		<b>361,100,000.00</b>	<b>4,278,709,109.00</b>	<b>(3,640,359,109.00)</b>	<b>999,450,000.00</b>	<b>6,225,169.84</b>

**End of TableFour**

**UNIVERSITY OF NAIROBI PENSION SCHEME 2007**

