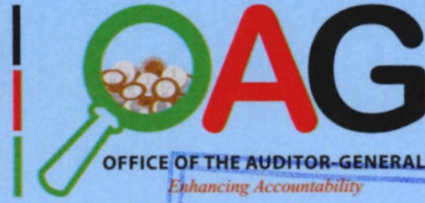


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REPORT

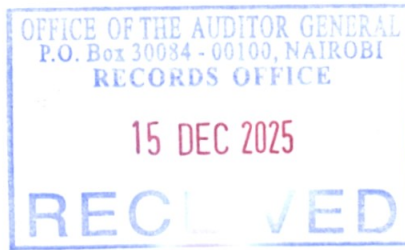
OF

THE AUDITOR-GENERAL

ON

KENYA POWER AND LIGHTING COMPANY  
PLC STAFF MORTGAGE AND CAR LOAN  
SCHEME

FOR THREE MONTHS PERIOD ENDED  
30 JUNE, 2025



**KENYA POWER AND LIGHTING COMPANY PLC**  
**STAFF MORTGAGE AND CAR LOAN SCHEME**

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**REPORT AND FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 30 JUNE 2025**  
**(Covering April - June 2025)**

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

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## 1. Acronyms and Definition of Key Terms

### A. Acronyms

CEO	Chief Executive Officer
DG	Director General
CBK	Central Bank of Kenya
CPA	Certified Public Accountant
CPS	Certified Public Secretary
FIEK	Fellow Institute of Engineers of Kenya
ICPAK	Institute of Certified Public Accountants of Kenya
IPSAS	International Public Sector Accounting Standards
KPLC	Kenya Power and Lighting Company Ltd
MD	Managing Director
NT	National Treasury
OCOB	Office of the Controller of Budget
OAG	Office of the Auditor General
OSHA	Occupational Safety and Health Act of 2007
PFM	Public Finance Management
PPE	Property Plant & Equipment
PSASB	Public Sector Accounting Standards Board
SACCO	Savings and Credit Cooperative
SAGAs	Semi-Autonomous Government Agencies

### B. Definition of Key Terms

**Fiduciary Management** - Members of Management directly entrusted with the entity's financial resources.

**Comparative Year**- Means the prior period.

## 2. Key Scheme information and management

### a) Background information

The KPLC Mortgage and Car Loan Scheme is established by Kenya Power & Lighting PLC and derives its authority and accountability from Salaries & Remuneration Commission Act, 2011 circulars referenced; SRC/ADM/CIR/1/13 VOL III (142) of 25<sup>th</sup> August 2015 which set and advised on the establishment of Mortgage and Car Loan Scheme. The scheme is wholly owned by KPLC and is domiciled in Kenya.

### b) Principal Activities

The principal mandate of the scheme is to provide for Company funded Mortgage and Car Loans.

The scheme is administered by a committee that is charged with the responsibility of processing loans from applicants in accordance with laid down policy, setting up a revolving Fund for the disbursement of loans, and supervising the day-to-day operations of the scheme.

The committee is responsible for the day-to-day operations.

The Scheme's primary objectives are to support employee welfare and enhance financial empowerment through access to affordable credit facilities. Specifically, the objectives are:

- i. **Facilitate Employee Asset Ownership-** To enable employees to acquire residential properties, land (plots), construct homes, or purchase vehicles through affordable and accessible loans.
- ii. **Promote Staff Welfare and Retention-** To improve staff motivation, morale, and long-term retention by offering financial assistance for critical personal investment.
- iii. **Provide Affordable Financing-** To offer low-interest or competitively priced loans compared to commercial lenders, thereby reducing employees' financial burden.
- iv. **Establish a sustainable Revolving Scheme -** To ensure continuity of the Scheme through timely loans repayments, allowing ongoing loan disbursement to new applicants without additional capital injection.
- v. **Support financial discipline and Inclusion-** To encourage financial planning and discipline among staff by facilitating structured repayment plans and fostering a savings culture through asset acquisition.

c) The Staff Mortgage and Car Loan Scheme management structure is as follows:

**i. Fiduciary Oversight Arrangements**

The Fiduciary Oversight Arrangements team is responsible for the following:

- Recommend the budget and annual report & financial statements
- Recommend the policy
- Recommending the loan amount limits, terms, and conditions.
- Recommend approval of the financing institutions
- Receive quarterly reports

The team is composed of:

SN	Name	Position
1	Ruth Muiruri	Chairperson
2	Dr. (Eng.) Joseph Siror, FIEK	Member
3	Eng. Isaac Kiva	Member
4	CPA Dr. Caleb Bwauma	Member
5	Ezekiel Saina	Member

**ii. Key Management**

The Key Management team is responsible for the following:

- Ensuring compliance with approved Mortgage & Car Loan Policy and eligibility criteria.
- Reviewing and proposing the loan amount limits, terms, and conditions.
- Oversight of Scheme operations, policies, and financial reporting.
- Advising on policy amendments and operational improvements

The team is composed of:

SN	Name	Position
1	Dr. (Eng) Joseph Siror, FIEK	Scheme Manager/ Administrator
2	CPA Stephen Vikiru	Scheme Accountant
3.	Cecilia Kalungu- Uvyu	Scheme Secretary

**iii. Staff Mortgage and Car Loan Scheme Implementation Committee**

The committee is responsible for the following:

- Implement the Mortgage and Car Loan Policy

The Kenya Power and Lighting Company PLC  
Staff Mortgage and Car Loan Scheme  
Report and Financial Statements for the financial year ended June 30, 2025

- Preparation and submission of quarterly and annual reports.
- Approval and monitoring of loan disbursements.
- Review of staff mortgage and car loan scheme performance, risk management, and internal controls.
- Ensuring compliance with applicable laws, IPSAS, and corporate governance standards.
- Preparation and receipt of monthly reconciliation and reports from financing institutions.

The committee is composed of:

SN	Name	Position
1	Duncan Ndung'u	Chairperson
2	Eric Abila	Member
3	Dan Nyatuka	Member
4	Jude Ochieng	Member
5	Collins Kibet	Member
6	Naomi Mureithi	Secretariat
7	Angela Kitur	Secretariat

**ii) Registered Offices**

P.O. Box 30099-00100  
KPLC Stima Plaza  
Kolobot Road  
Nairobi, KENYA

**iii) Scheme Contacts**

Telephone: (254) 711030000  
E-mail: CarMortgage@kplc.co.ke  
Website: [www.kplc.go.ke](http://www.kplc.go.ke)

**iv) Scheme Bankers**

1. KCB Bank Kenya Ltd

Moi Avenue Branch  
P.O Box 24030-00100 GPO  
Nairobi

2. NCBA Bank Kenya Ltd  
Parkside Towers Branch  
P.O Box 44599-00100 GPO  
Nairobi

3. Stima DT Sacco Ltd  
Stima Investment Plaza Phase III  
Mushembi Road, Parklands  
P.O Box 75629-00200  
Nairobi

**v) Independent Auditor**

Auditor-General  
Office of The Auditor General  
Anniversary Towers, University Way  
P.O. Box 30084  
GPO 00100  
Nairobi, Kenya

**vi) Principal Legal Adviser**

Imelda Bore  
Company Secretary & General Manager Legal Affairs  
Stima Plaza, Kolobot Road,  
P.O. Box 30099-00100  
GPO Nairobi, Kenya

### 3. Scheme Implementation Committee

Name	Position	Details of qualifications and experience
Duncan Ndung'u	Chairperson	MBA, BA, CHRP
Naomi Mureithi	Secretariat	B.Com Business Admin & Management, CHRP
Angela Kitur	Secretariat	B.Com Business Admin & Management
Jude Ochieng	Member	LLM, LLB, CPS (K)
Collins Kibet	Member	BBA Accounting & Finance, CPA (K)
Eric Abila	Member	B. Com Accounting, CPA (K)
Dan Nyatuka	Member	BA. Land Econ, LLB

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#### 4. Key Management Team

<b>Name</b>	<b>Position</b>	<b>Details of qualifications and experience</b>
Dr. (Eng) Joseph Siror, FIEK	Scheme Manager /Administrator	PhD. Engineering, MBA, BSc. Electrical Engineering
CPA Stephen Vikiru	Scheme Accountant	B. Com (Finance), MBA, CPA(K)
Cecilia Kalungu - Uvyu	Scheme Secretary	B.Sc., MBA, MCIPD

## **5. Report Of the Scheme Manager/ Administrator**

The Kenya Power & Lighting Company PLC (KPLC) continues to prioritize initiatives that promote staff welfare and motivation, recognizing that employees remain the Company's most valuable asset. A motivated workforce contributes directly to higher productivity, commitment, and overall organizational performance.

In this regard, Management identifies the Staff Mortgage and Car Loan Scheme as a key component of KPLC's employee benefit framework and an important tool for staff retention and financial empowerment.

I am therefore pleased to present the KPLC Mortgage and Car Loan Scheme Report and Financial Statements for the period ended 30th June 2025. The financial statements comprise the Statement of Financial Performance, Statement of Financial Position, Statement of Changes in Net Assets, Statement of Cash Flows, and Statement of Comparison of Budget and Actual Amounts.

Through automation and SAP integration, the Scheme has streamlined its loan processing systems, reducing approval time and improving efficiency in service delivery. Management has also initiated a review of the lending policy and risk management framework to ensure portfolio sustainability and compliance with best practices.

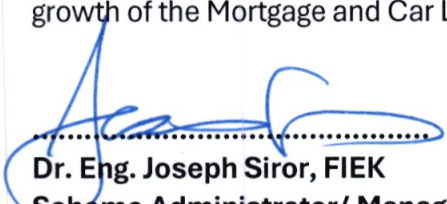
The Scheme operates as a revolving facility, whereby loan repayments and interest income are reinvested to finance additional staff applications. This structure ensures continuity and self-sufficiency of the Scheme over time.

Management remains focused on enhancing staff participation by reviewing loan limits, simplifying processes, and promoting awareness of the benefits available through the Scheme. The Company is also exploring strategic partnerships with financial institutions and Saccos to expand mortgage financing options and improve accessibility for staff across all cadres. The Scheme has continued to demonstrate positive uptake, affirming its role in improving employee welfare and promoting home ownership and mobility among staff.

I take this opportunity to appreciate the Board of Directors for their continued guidance, oversight, and commitment to the success of this initiative.

I also wish to appreciate the Scheme Implementation Committee for the administration of the Scheme.

The Management reaffirms its commitment to transparency, accountability, and sustainable growth of the Mortgage and Car Loan Scheme as part of KPLC's broader staff welfare strategy.

  
.....  
**Dr. Eng. Joseph Siror, FIEK**  
**Scheme Administrator/ Manager**

## **6. Scheme Secretary Report**

The Kenya Power & Lighting Company PLC Car Loan / Mortgage Scheme is committed to upholding high standards of corporate governance, integrity, and accountability. The Scheme recognizes that sound governance enhances sustainability, strengthens stakeholder confidence, and aligns scheme operations with applicable laws, regulations, and best practices. This statement outlines key aspects of the Scheme's governance framework during the year under review.

### **Appointment and Removal of Scheme Implementation Committee**

The Scheme is administered by a Scheme Implementation Committee appointed in accordance with the Scheme's governing policy and KPLC's Human Resource Manual. The process ensures representation from both management and employees.

Appointments are made based on merit, experience, and departmental representation, with endorsement from senior management.

Removal of members may occur through resignation, disciplinary action, or re-deployment, subject to due process and documentation.

### **Roles and Functions of the Scheme Implementation Committee**

- Implement the Mortgage and Car Loan Policy
- Preparation and submission of quarterly and annual reports.
- Approval and monitoring of loan disbursements.
- Review of staff mortgage and car loan scheme performance, risk management, and internal controls.
- Ensuring compliance with applicable laws, IPSAS, and corporate governance standards.
- Preparation and receipt of monthly reconciliation and reports from financing institutions.

### Committee Meetings and Attendance

In FY 2024/25, the Scheme Implementation Committee held four (4) meetings. Member attendance was as follows:

Name	Designation	No. of Meetings Attended	Attendance Rate
Duncan Ndung'u	Chairperson & HR Rep	4/4	100%
Naomi Mureithi	Secretary / Scheme Admin	4/4	100%
Collins Kibet	Member (Finance Rep)	4/4	100%
Angela Kitur	Member (HR Representative)	4/4	100%
Jude Ochieng	Member	4/4	100%
Eric Abila	Member	4/4	100%
Dun Nyatuka	Member	4/4	100%

### Conflict of Interest

All members are required to sign an annual Declaration of Conflict of Interest and disclose any related party transactions or personal interests in matters under discussion. No material conflict of interest was reported during the year.

### Committee Remuneration

Committee members served voluntarily without monetary remuneration. Any expenses incurred (e.g., transport or communication during official duties) are reimbursed in line with KPLC's staff policy. This ensures the Scheme's resources are fully directed toward member benefits.

### Compliance with Laws and Regulations

The Scheme complies with:

- The Public Finance Management (PFM) Act, 2012
- International Public Sector Accounting Standards (IPSAS)
- Internal financial policies and audit requirements
- Labour laws and data privacy regulation

### **Ethics, Conduct, and Governance Audit**

The Scheme promotes high ethical standards, guided by KPLC's Code of Conduct and Ethics Policy. All Committee members are expected to act with honesty, accountability, and transparency. No formal external governance audit was undertaken in FY 2024/25.

The Scheme remains committed to continuously improving its governance practices in line with evolving standards and stakeholder expectations. We believe this is fundamental to sustaining the trust placed in us by our members.

## 7. Management Discussion and Analysis

### The Scheme operational and financial performance during the period

#### a. Scheme's key projects or investments decision implemented or ongoing

In 2024/2025, the Scheme focused on:

- ✓ Sensitization
- ✓ Training and induction
- ✓ Development of Shariah Compliant product
- ✓ Governance structure

#### b. Number and amount of Loans issued during the period, loans outstanding at end of the period and loans repaid during the period.

Summary of disbursements to employees

Type of Loan	No. of Employees	Total Disbursements	Loans Repaid	Outstanding Loans
		Kshs'000'	Kshs'000'	Kshs'000'
Car Loans	56	89,480.00	1,819	87,661
Mortgage (Stima Sacco)	9	85,500.00	308	85,192
Mortgage (KCB)	1	8,000.00	-	8,000
<b>Totals</b>	<b>66</b>	<b>182,980.00</b>	<b>2,126</b>	<b>180,854</b>

#### c. Scheme's compliance with statutory requirements

The Scheme is managed by a committee that conducts its business affairs in compliance with applicable laws, regulations, policies and accepted national and international standards.

The Scheme does not have any court cases nor are there any contingent liabilities

**d. Major risks facing the Scheme, material arrears in statutory and other financial obligations**

Key risks identified:

Risk Category	Description	Mitigation Measures
Credit Risk	Risk of default of loans	Credit appraisal, Recovery follow-ups
Liquidity Risk	Demand for loans exceeding available cash	Monthly cash forecasting, rolling reserves and planning for additional allocation
Economic Risk	Inflationary pressure impacting affordability	Regulatory policy reviews and repricing
Operational Risk	Errors due to manual processing	Ongoing automation and controls

There were no statutory or other financial obligations as of 30<sup>th</sup> June 2025.

**e. Other Relevant Information**

- i) A review of scheme policy is schedule for 2025 to address emerging challenges and emerging financial trends
- ii) Plans are underway to establish a member self-service portal, enabling real-time loan status checks and e-statement.

## 8. Environmental And Sustainability Reporting

The Company has aligned its Corporate Strategy with sustainability principles to ensure long-term resilience while balancing commercial interests with environmental, social and governance (ESG) best practices. This alignment advances our contribution to the climate change agenda and supports the Sustainable Development Goals.

During the year, we launched a Sustainability Framework and cascaded it across all administrative regions. Key business operations were streamlined to embed safety, environmental stewardship, social responsibility and governance into daily practices, creating long-term value for customers, shareholders and communities.

The strategy also aligns with Kenya’s universal access and clean energy ambitions and is guided by the Global Reporting Initiative (GRI) Standards for transparent annual disclosures.

### Key Material Matters

Reference	Material Matters	Description	Linked Strategic Goal
L	Liquidity	The financial health of the Company is key to ensuring service delivery and creating long-term stakeholder value. Prudent management of our debt and short-term obligations, coupled with sustained sales growth and income diversification, determines our ability to achieve our Strategic and Sustainability targets.	SG1 <sup>1</sup> , SG3
G	Government Support	The Government remains a pivotal stakeholder for the Company - serving as majority shareholder, policy setter, and major customer at both national and county levels. Its support and collaboration are therefore critical to strengthening the resilience of the electricity sector, particularly through responsive tariff frameworks, well-structured PPAs, and effective management of outstanding receivables.	SG1

<sup>1</sup> SG = Strategic Goals. 1 = Financial Sustainability; 2 = Customer Centricity; 3 = Operational Excellence; 4 = Human Capital

Reference	Material Matters	Description	Linked Strategic Goal
R	Grid Reliability & Expansion	With a growing customer base and electricity's central role in driving our economy, enhancing grid reliability and availability is critical to improving customer experience while powering growth. Ongoing initiatives have thus prioritised this supply security and flexibility across the network.	SG2, SG3
C	Customer Experience	Customer centricity and operational excellence remain the pillars of our strategy to preserve and grow our customer base while sustaining demand. By fostering transparent communication, strengthening stakeholder engagements, and ensuring responsive service delivery, we consolidate our reputation as a trusted and dependable service provider.	SG2, SG3
P	Our People	Our employees are the cornerstone of our operations and the strongest ambassadors of our brand. We remain committed to attracting, developing, and retaining highly skilled talent by fostering engagement, enhancing productivity, and creating an enabling environment that empowers our people to excel.	SG3, SG4
S	Social Investments	With a legacy spanning over a century, Kenya Power remains deeply embedded in the nation's social and economic development. Recognising the material importance of corporate social responsibility, we continue to invest in initiatives that foster community trust, strengthen our social license to operate, and reinforce our purpose of powering lives with sustainable and inclusive growth.	SG2, SG4

Reference	Material Matters	Description	Linked Strategic Goal
E	Climate Change and Environmental Degradation	Climate change remains a material consideration for our business, with growing impacts posing both operational and strategic risks. In recognition of this, Kenya Power has prioritised initiatives aimed at reducing our carbon footprint and advancing sustainable environmental practices. These efforts not only align with global climate action goals but also safeguard the long-term resilience and competitiveness of our operations.	SG3
PG	Public Governance	Safeguarding the interests of our diverse stakeholders remains a material priority for Kenya Power. We have embedded initiatives that strengthen regulatory compliance, enhance transparency, and uphold accountability across all operations. By aligning our practices with ethical standards and evolving reporting requirements, we not only mitigate governance and reputational risks but also reinforce stakeholder trust.	SG3

**CLIMATE CHANGE, SAFETY AND SOCIAL IMPACT**

In the period, we anchored our work on four focus areas—Environmental Stewardship, Social Responsibility, Economic Resilience, and Robust Governance—supported by a Company-wide governance and monitoring framework. The Board sets strategic direction; the Managing Director & CEO serves as the Sustainability Accounting Officer; the Kenya Power Foundation (KPF) oversees Corporate Social Investment; and Business Strategy function coordinates execution and reporting. Our sustainability initiatives support 10 Sustainable Development Goals (SDGs), namely 3, 5, 7, 8, 9, 12, 13, 15, 16 and 1) and our reporting is aligned to the GRI framework.

## **Climate Change**

### **Energy and carbon-transition**

Kenya's vision for 100% renewable energy by 2030 remained central to our operations. In FY 2024/25, renewable energy accounted for 90% of the generation mix, compared to 92% the previous year. The marginal reduction in growth reflects system constraints that required increased thermal dispatch to meet rising electricity demand.

Initiatives towards carbon neutrality:

- Onboarding of renewable plants with Battery Energy Storage Systems (BESS) to manage intermittency.
- Hybridisation of four diesel plants with solar and battery storage, which is ongoing and is to be completed in the FY 2025-2026.
- Steady growth of Electric Vehicles adoption - The Company fleet expanded by 30% to 26 vehicles.
- KSh 25 million was invested in public charging, including a free charging hub at Stima Plaza.
- Promotion of electric cooking solutions through 173 *Pika na Power* forums and wider education initiatives.

### **Environmental stewardship**

Kenya Power supports national climate change mitigation and biodiversity conservation objectives through tree growing, ensuring environmental regulatory compliance for our projects and environmental monitoring among other ways. During FY 2024/25, 456,1351 seedlings were planted and nurtured across designated forest blocks, public institutions and community lands. Partnerships with KFS, CBOs, schools and local authorities as well as follow up care continue to enhance survival rates and community ownership. Targeted environmental monitoring for AfDB I Savings, JICA LMCP, and AFD/EU/EIB LMCP lots was done in the year. In addition, 11 Environmental Impact Assessment (EIA) submissions were made to NEMA as part of environmental compliance for our projects.

Some of the areas where trees were planted include -

- Southwest Mau Complex – Londiani (Sitoton & Kuresoi blocks) and Narasha (Mumberes) forests.
- Nairobi River Basin/Arboretum; Sirikwa and Gacharage forests; Meru, Embu and Bunyala forest blocks.
- Schools and community sites in Kitui, Kericho, Migori, Kajiado and Kilifi.

### **Energy access and network reliability**

Kenya Power is an enabler in the achievement of SDG 7 which provides for access to clean, reliable and affordable energy for all, necessary for economic and social development. During the year, the Company implemented network projects to improve power supply availability and also connected 456,135 new customers, including 105,924 households under the Last Mile Connectivity Project (LMCP).

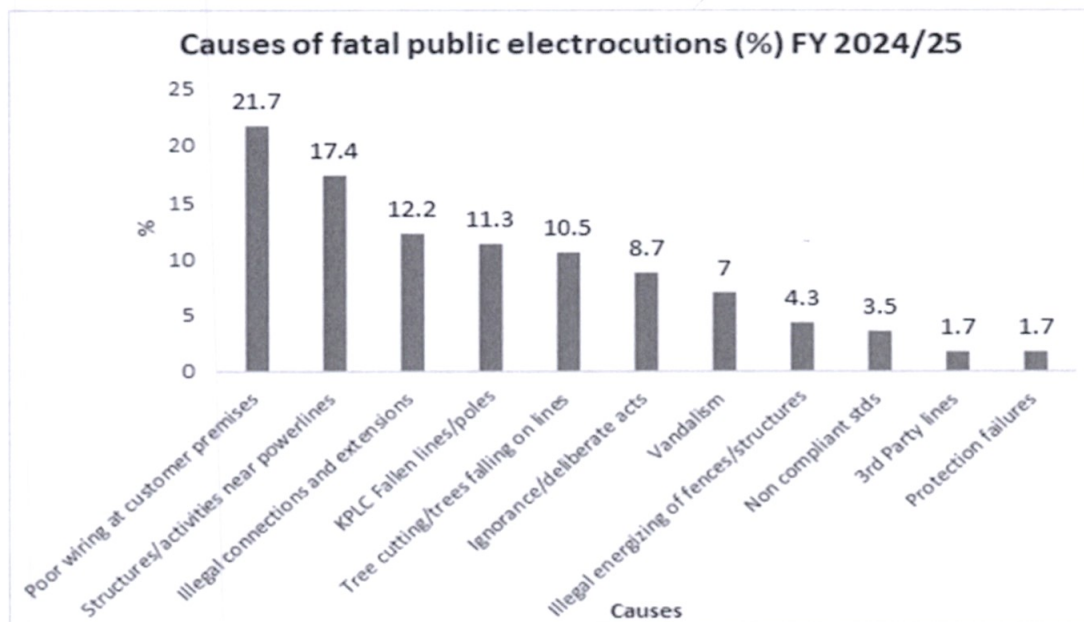
**Local empowerment and inclusion**

As part of contribution towards SDGs 1 (No Poverty) and 10 (Reduced Inequalities), in the year under review, the Company’s workforce comprised 10,582 staff all drawn from our local communities comprising of 27% female and 73% male, which was an improvement of 2 percentage points year-on-year. We engaged 376 contractors, employing about 6,200 people, mainly from host communities, and engaged 1,032 interns and 214 attachés to deepen the talent pipeline. Local procurement totalled KSh 23.6 billion, with 35% channelled through AGPO to youth, women and persons with disabilities.

**Occupational and Public Safety**

Safety remains a top priority for the Company, and we deeply regret every life lost or affected in the course of our operations. Unfortunately, there were 122 fatalities attributed to electrocutions and operational-related accidents, comprising 115 members of the public, five employees and two contractors. The number of occupational staff fatalities reduced by 50% from ten in the previous year to five in the year ended June 2025. The staff accident frequency per 100,000 man-hours decreased from 0.19 in the previous year to 0.13 in the year ended June 2025, while accident frequency per 1000 transformers decreased from 2.49 in the previous year to 2.19 in the year ended June 2025.

**Causes of public electrocutions**



**Key actions delivered**

To improve occupational and public safety, the Company intensified its safety interventions during the year, focusing on both prevention and awareness. We implemented targeted occupational safety and health programs, directly benefitting 6,686 employees, including routine surveillance to detect occupational illnesses at total cost of KShs.14.4 million. We also procured and supplied to our frontline and field-based employees Personal Protective Equipment (PPE) including overalls, safety shoes, gloves, reflector jackets, and helmets to the tune of Kshs.100

million. Additionally, we conducted routine worksite safety inspections to ensure compliance with safe operating procedures and conducted staff and contractor competency and authorisation interviews for safe operation of the network.

We also conducted 648 public safety campaigns through chiefs' *barazas*, schools and churches, 237 safety talks for technical teams, and delivered targeted training to reinforce safe work practices. We strengthened compliance with applicable safety regulations to entrench a culture of safety across all our operations.

While these measures have contributed to notable progress, our commitment remains steadfast: to continually enhance safety in our business operations towards a future where every employee, contractor, and member of the public is free from accidents.

### **Community investment & social impact (Kenya Power Foundation)**

Kenya Power's Corporate Social Responsibility and Investment (CSRI) programme is anchored on three strategic pillars — Education and Skills Development, Environmental Conservation, and Social Impact & Community Wellness — aligned to the Kenya Power Foundation's mission of creating lasting socio-economic value. These initiatives not only foster goodwill and trust but also directly support the Company's licence to operate, advance Kenya's national priorities, and contribute to the United Nations Sustainable Development Goals (SDGs), including SDG 4 (Quality Education), SDG 13 (Climate Action), and SDG 15 (Life on Land). In FY 2024/25, KShs.15 million was invested in CSRI, delivering measurable outcomes and sustainable impact nationwide.

The key achievements under CSRI were: -

- Rolled out mentorship programmes with a focus on STEM education and career readiness.
- Maintained a revolving fund at Starehe Boys' and Girls' Centres to provide full scholarships for academically gifted students from underprivileged backgrounds.
- Invested KSh 10.5 million in construction and rehabilitation of classrooms at schools including Miu CEB (Machakos), Our Lady of Mercy (Nairobi), Napetet Mixed Secondary (Lodwar), Nairobi School, Kabarnet High, Kositei High (Baringo), Athi School (Meru), Charera Special School (Kericho), and Kirigi Day Secondary (Embu).
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#### **Education & Skills Development – Outcomes**

- Invested KShs.10.5 million in construction and rehabilitation of classrooms across nine schools, benefiting over 3,500 learners with improved learning environments.
- Maintained a revolving fund at Starehe Boys' and Girls' Centres to support fully funded scholarships for academically gifted students from underprivileged backgrounds; 18 beneficiaries graduated into tertiary education this year.
- Rolled out STEM-focused mentorship programmes, reaching over 1,000 students through school visits and career talks, aimed at improving transition to STEM careers.
- Donation of 250 school uniforms to learners at Mukuru Kwa Njenga and Our Lady of Nazareth Primary under the Luku Safi Campaign; sanitary products supplied to Huruma Girls.

### **Environmental Conservation – Outcomes**

- Partnered with the Kenya Forest Service (KFS), community-based organisations (CBOs), and schools in the Kijani Tree Planting Campaign, planting 456,135 seedlings nationwide.
- Estimated carbon sequestration potential of ~9,000 tonnes CO<sub>2</sub> equivalent annually, supporting Kenya's National Climate Change Action Plan.
- Achieved an average seedling survival rate of 78% through community-led nurturing and follow-up visits.

### **Social Impact & Community Wellness – Outcomes**

- We distributed 250 school uniforms under the Luku Safi Campaign to learners in Mukuru Kwa Njenga and Our Lady of Nazareth Primary Schools, boosting attendance and morale.
- Provided sanitary towels to Huruma Girls, improving class attendance for adolescent girls and promoting dignity and health.
- Delivered community health awareness sessions alongside donations, aligning with Kenya Power's public safety and wellness campaigns.

### **Foundation Governance Progress**

- We launched the Kenya Power Foundation in September 2024 as the strategic delivery vehicle for CSRI programmes.
- Drafted and approved core governance policies, including the Trustees Charter, Financial Management Policy, and Donor Acceptance, Compliance, and Declaration policies.
- Selected KCB as the preferred banking partner after evaluating nine Tier One banks; account opening in progress.
- Allocated and branded dedicated office space on the 4th floor of Electricity House, Nairobi CBD, with fit-out planned for early 2025/26.

### **Looking Ahead – 2025/26 Targets**

- Double the number of scholarship beneficiaries by FY 2025/26.
- Expand tree planting to an additional 10 counties and target 500,000+ seedlings annually with an improved survival rate above 80%.
- Scale STEM mentorship programmes to reach 3,000+ students with a specific focus on girls in science and technology.
- Fully operationalise the Kenya Power Foundation and initiate annual independent impact assessments.

## Partnerships and Stakeholder Management

Area	Key Highlights
Customer & community	3,000+ LMCP IV engagements in 32 counties; 186 LMCP V (JICA) in 4 counties; 426 KOSAP engagements in 13 counties.
Brand & sponsorship	WRC Safari Rally 'Lighting Partner' with ~120m viewers reached across 70+ countries
Supply chain & local content	Local manufacturers spend 42.29%; local content 88.86% (up from 21.44% and 61.42% in 2023/24).
Access to Government Procurement Opportunities (AGPO)	8.43% of awards (KShs.3,193.97m, VAT excl.).
Policy & planning	Draft Medium-Term Plan 2024–2029 issued to electricity sub-sector CEOs.
Regional market (EAPP)	Trader certification, MTP site acceptance, operational readiness testing, and hosted regional trade conference.
Investors and banks	Regular engagements, updates on working capital and transaction execution.

### Strategic Stakeholder Engagements

Strategic and collaborative engagement underpins our license to operate, supports grid reliability, combats vandalism and electricity theft, accelerates growth areas such as e-mobility and regional power trade, and improves customer experience. Insights from stakeholders feed directly into our leadership and Board-level decision-making processes, influencing strategic priorities, partnerships, capital allocation, and programme design. This ensures that Kenya Power remains responsive to the evolving needs of customers, communities, investors, regulators, and other partners.

Our stakeholder engagements in FY 2024/25 directly supported the Company's strategic priorities across Customer Centricity, Reliability, Digital Transformation, Sustainability, and Financial Sustainability. By linking each initiative to our five-year strategy themes, we ensured that the voice of stakeholders shaped decisions, strengthened operational excellence, and delivered tangible benefits to customers, communities, partners, and investors.

### Stakeholder Engagement Summary

Stakeholder Group	Interests	How We Engage	What We Heard	Actions & Outcomes (2024/25)	Priorities 2025/26
Customers	Reliable, safe, affordable supply; transparent billing; fair connections; clear communication	County dialogues and forums with KARA; targeted customer meetings; LMCP/KOSAP consultations.	Need for reliability, billing clarity, faster connections; support for co-created solutions.	3,000+ LMCP IV engagements in 32 counties; 186 LMCP V in 4 counties; 426 KOSAP engagements in 13 counties; co-created local fixes.	Expand county-level co-creation; sharpen billing comms; sustain faster outage restoration.
Communities	Safe, reliable, affordable power; minimal disruption; socio-economic benefits.	Public consultations; project outreach; stakeholder energy dialogues.	Desire for timely information and local benefits from projects.	County dialogues and outreach shaped project planning, improved service delivery.	Publish 'you said, we did' summaries; integrate feedback into scheduling and safety campaigns.
National & County Government / Regulators	Energy security; affordability; reliability; policy alignment.	Sector planning sessions; policy dialogues; regulatory consultations; site visits.	Focus on coordinated planning, vandalism prevention, and affordable tariffs.	Issued draft Medium Term Plan 2024–2029; rolled out anti-vandalism campaigns.	Secure MTP approval; align anti-theft actions with county enforcement.
Investors & Financiers	Strategy execution; cash generation; risk management; ESG performance.	Investor briefings; bank meetings; regular financial updates.	Need for clarity on working capital improvements and transaction timelines.	Strengthened banking relationships; reinforced efficient capital operations.	Maintain proactive lender/investor engagement; publish working capital KPIs.

The Kenya Power and Lighting Company PLC  
 Staff Mortgage and Car Loan Scheme  
 Report and Financial Statements for the financial year ended June 30, 2025

Stakeholder Group	Interests	How We Engage	What We Heard	Actions & Outcomes (2024/25)	Priorities 2025/26
Supply Chain & Local Manufacturers	Fair procurement; local participation; capacity building.	Framework agreements; restricted tenders to local manufacturers; AGPO sensitisation.	Requests for faster procurement and financing linkages.	Local manufacturers spend 42.29%; local content 88.86%; AGPO awards 8.43% (KSh 3.19b); ordering cycle cut from 6 months to 14 days.	Deepen quality assurance; expand AGPO participation; maintain just-in-time deliveries.
Telecommunications Clients	Uninterrupted power for critical telecom infrastructure; accurate metering; responsive service.	Nationwide regional caravans with Safaricom, Airtel, ATC, Eaton Towers, JTL, Telkom.	Need for smart meter upgrades, billing accuracy, and rapid issue resolution.	Recovered KES 1.1B through reconciliations; 97% smart meter retrofit; 8 regional WhatsApp groups created for real-time issue management.	Maintain meter upgrade programme; sustain WhatsApp engagement groups; enhance proactive outage communication.
Residential & Commercial Cooking Customers	Affordable, clean, and reliable cooking solutions; energy efficiency awareness.	Nationwide 'Pika na Power' forums and e-cooking demonstrations.	Interest in affordable appliance financing, time-of-use tariffs, and efficiency tips.	Held 173 forums nationwide; promoted clean cooking and appliance adoption.	Expand forum reach; integrate appliance financing options; enhance tariff education.
General Public & Communities	Digital platform literacy; safety awareness; energy-	Barazas and door-to-door customer education campaigns.	Requests for improved access to self-service digital platforms	1,332 campaigns executed vs target of 1,272 (105% achievement)	Expand outreach to underperforming regions; integrate

The Kenya Power and Lighting Company PLC  
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Stakeholder Group	Interests	How We Engage	What We Heard	Actions & Outcomes (2024/25)	Priorities 2025/26
	efficient practices.		and faster fault reporting.	; regional highs: Mt. Kenya (122%), West Kenya (139%), North Eastern (147%).	digital demos into Barazas.
Large Power & SME Customers	Reliable supply; customised technical support; transparent communication.	On-site visits and structured customer forums.	Desire for improved outage management, technical advice, and tariff clarity.	839 visits; 33 forums held in final quarter; proactive technical engagement in NE, Coast, Nairobi South.	Institutionalise quarterly forums; publish regional reliability scorecards.
Corporate & Institutional Clients	Efficient issue resolution; strong partnership; customised services.	Dedicated account managers; scheduled visits to strategic clients.	Need for faster resolution of technical and billing issues; proactive infrastructure upgrades.	537 visits across water companies, county/national Governments, embassies, public health facilities, banks, corporates, Telcos, and parastatals.	Introduce quarterly performance reviews; implement proactive upgrade plans for key accounts.

**Medium Term Sustainability Priorities**

Looking ahead, the Company remains committed to advancing sustainability by scaling up renewable energy integration, strengthening grid resilience through BESS deployment, and promoting demand-side management initiatives such as time-of-use tariffs. We will continue championing energy transition programmes, including e-mobility and e-cooking, while reducing losses, curbing illegal connections and safeguarding operational viability. In line with the SDGs and GRI reporting standards, we are embedding stronger safety practices, enhancing disclosures with independently assured sustainability indicators, and deepening collaboration through PPPs and blended finance. These efforts position the Company to deliver long-term value whilst contributing to a just and inclusive energy transition.

## **9. Report of The Scheme Implementation Committee**

The Scheme Implementation Committee submitted their report together with the audited financial statements for the year ended 30<sup>th</sup> June 2025 , which showed the state of the Scheme's affairs.

### **Principal activities**

The principal activity of the Scheme is to provide Company funded Mortgage and Car loans facilities to employees

### **Performance**

The performance of the Scheme for the year ended 30<sup>th</sup> June 2025, is set out on page 1

### **Scheme Implementation Committee**

The members of the Scheme Implementation Committee who served during the year are shown on page iv

### **Auditors**

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



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**Cecilia Kalungu- Uvyu**

**Scheme Secretary**

## **10. Report of The Scheme Implementation Committee**

I am pleased to present the Scheme Performance report for the Kenya power & lighting company plc (KPLC) for the period ended 30<sup>th</sup> June 2025. This report provides an overview of the Scheme's performance, operational milestones, challenges encountered, and strategic priorities moving forward.

### **Overview of the Staff Mortgage and Car Loan Scheme**

The Staff Mortgage and Car Loan Scheme was established as an employee benefit facility with the objective of enhancing staff welfare through affordable financing for vehicle acquisition and home ownership. The scheme operates under internally defined policies, aligned with corporate governance standards, the PFM Act, IPSAS, and applicable regulatory frameworks.

### **Operational Highlights**

In FY 2024/25, the scheme operated for less than one quarter and the disbursements was as follows: -

- Kshs 89.48 million was disbursed in car loans,
- Kshs 93.5 million was disbursed in mortgage loans.

The loan approval process has been streamlined by leveraging on automation. i.e SAP integration which resulted in faster turnaround times and improved service delivery.

The Scheme is also undertaking a review of its lending policy and risk assessment models to improve portfolio quality and sustainability.

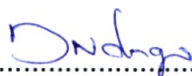
### **Strategic Outlook for 2025/26**

Looking ahead, the Scheme is committed to:

- Increasing the amount allocated to support the scheme.
- Reviewing car loan limits to better reflect current economic realities.
- Implementing end-to-end digitization for loan application, tracking, and reporting to improve transparency and responsiveness.
- Partnering with Sacco's and banks to co-finance larger mortgage products for staff.
- Capacity building for beneficiaries, including financial wellness training and homeownership advisory services.
- Increased sensitization is needed to encourage uptake of mortgage loans.

### **Acknowledgments**

I wish to extend my appreciation to the Board for their strategic support, guidance and approval to commit financial resources, to the Mortgage and Car loan Committee for their operational support, and to our staff for their continued enthusiasm to the Scheme. We reaffirm our commitment to transparency, performance, and service excellence.



.....  
**Name: Duncan Ndungu**  
**Chair- Scheme Implementation Committee**

## 11. Statement of Management's Responsibilities

Section 84 (1) of the Public Finance Management Act, 2012 requires that, at the end of each financial year, the Administrator of a Scheme established by Salaries & Remuneration Commission Act, 2011 circulars referenced; SRC/ADM/CIR/1/13 VOL III (142) of 25<sup>th</sup> August 2015 shall prepare financial statements for the Scheme in accordance with the standards and formats prescribed by the Public Sector Accounting Standards Board.

The Administrator of the Scheme is 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<sup>th</sup> June 2025. 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 Scheme, (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 Scheme; (v) Selecting and applying appropriate accounting policies, and (vi) Making accounting estimates that are reasonable in the circumstances.


The Administrator of the Scheme accepts 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 Public Sector Accounting Standards (IPSAS), and in the manner required by the PFM Act, 2012 and Salaries & Remuneration Commission Act, 2011. The Administrator of the Scheme is 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 June 30, 2025, and of the Scheme's financial position as at that date.


The Administrator 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. In preparing the financial statements, the Administrator of the Scheme has assessed the Scheme's ability to continue as a going concern.

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

### Approval of the financial statements

The Scheme's financial statements were approved by the Board on 13<sup>th</sup> November 2025 and signed on its behalf by:

  
Name: Dr. Eng. Joseph Siror  
Scheme Administrator

  
Name: CPA Stephen Vikiru  
Scheme Accountant  
ICPAK M/No.5051

  
Name: Cecilia Kalungu- Uyu  
Scheme Secretary

# REPUBLIC OF KENYA

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E-mail: info@oagkenya.go.ke  
Website: www.oagkenya.go.ke



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

## **REPORT OF THE AUDITOR-GENERAL ON KENYA POWER AND LIGHTING COMPANY PLC STAFF MORTGAGE AND CAR LOAN SCHEME FOR THREE MONTHS PERIOD ENDED 30 JUNE, 2025**

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### **PREAMBLE**

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

- A. Report on 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 the Use of Public Resources which considers compliance with applicable laws, regulations, policies, gazette notices, circulars, guidelines and manuals and whether public resources are applied in a prudent, efficient, economic, transparent and accountable manner to ensure the Government achieves value for money and that such funds are applied for the intended purpose; and,
- 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, risk management environment and internal controls, developed and implemented by those charged with governance for orderly, efficient and effective operations of the entity.

An Unmodified Opinion is issued when the Auditor-General concludes that the financial statements are fairly presented in accordance with the applicable financial reporting framework. The Report on Financial Statements should be read together with the Report on Lawfulness and Effectiveness in the Use of Public Resources, and the Report on Effectiveness of Internal Controls, Risk Management, and Governance.

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

### **REPORT ON THE FINANCIAL STATEMENTS**

#### **Opinion**

I have audited the accompanying financial statements of Kenya Power and Lighting Company Plc Staff Mortgage and Car Loan Scheme set out on pages 1 to 23 which

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*Report of the Auditor-General on Kenya Power and Lighting Company Plc Staff Mortgage and Car Loan Scheme for three months period ended 30 June, 2025*

comprise of the statement of financial position as at 30 June, 2025, and the statement of statement of financial performance, statement of changes in net assets, statement of cash flows and statement of comparison of budget and actual amounts for three months period then ended and a summary of significant accounting policies and other explanatory information in accordance with the provisions of Article 229 of the Constitution of Kenya and Section 35 of the Public Audit Act, 2015. I have obtained all the information and explanations which to the best of my knowledge and belief, were necessary for the purpose of the audit.

In my opinion, the financial statements present fairly, in all material respects, the financial position of Kenya Power and Lighting Company PLC Staff Mortgage and Car Loan Scheme as at 30 June, 2025 and of its financial performance and its cash flows for three months then ended, in accordance with International Public Sector Accounting Standards Accrual Basis and comply with the Public Finance Management Act, 2012.

### **Basis for Opinion**

The audit was conducted in accordance with International Standards of Supreme Audit Institutions (ISSAIs). I am independent of the Kenya Power and Lighting Company PLC Staff Mortgage and Car Loan Scheme Management in accordance with ISSAI 130 on the Code of Ethics. I have fulfilled other ethical responsibilities in accordance with the ISSAI and in accordance with other ethical requirements applicable to performing audits of financial statements in Kenya. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

### **Key Audit Matters**

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

### **Other Information**

Management is responsible for the Other Information set out on page iii to xxix which comprise of Key Scheme Information and Management, Scheme Implementation Committee, Key Management Team, Report of the Scheme Manager and Administrator, Scheme Secretary Report, Management Discussion and Analysis, Environmental and Sustainability Reporting, Report of the Scheme Implementation Committee, Statement of Management's Responsibilities. The Other Information does not include the financial statements and my audit report thereon.

In connection with my audit on the Scheme's financial statements, my responsibility is to read the Other Information and in doing so, consider whether the Other Information is materially inconsistent with the financial statements or my knowledge obtained in the audit or otherwise appears to be materially misstated. If based on the work I have performed, I

conclude that there is a material misstatement of this Other Information, I am required to report that fact. I have nothing to report in this regard.

My opinion on the financial statements does not cover the Other Information and accordingly, I do not express an audit opinion or any form of assurance thereon.

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

### Conclusion

As required by Article 229(6) of the Constitution, based on the audit procedures performed, except for the effects of the matter described in the Basis for Conclusion on Lawfulness and Effectiveness in the 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

#### Lack of Budget for Interest Income and Administrative Costs

The statement of comparison of budget and actual amount reflects Kshs.6,082,000 and Kshs.5,000 in respect of revenue and expenses budget respectively. However, there was no approved budget for interest income and scheme administration costs which recorded actual amounts of Kshs.6,082,000 and Kshs.5,000 respectively. This was contrary to the provision of Section 149(2)(h) of the Public Finance Management Act, 2012, which requires the Accounting Officer to prepare estimates of expenditure of the entity in conformity with the strategic plan.

In the circumstances, Management was in breach of law.

The audit was conducted in accordance with ISSAI 3000 and ISSAI 4000. The standards require that I comply with ethical requirements and plan and perform the audit to obtain assurance about whether the activities, financial transactions and information reflected in the financial statements comply in all material respects, with the authorities that govern them. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my conclusion.

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

### Conclusion

As required by Section 7(1)(a) of the Public Audit Act, 2015 and based on the audit procedures performed, except for the effects of the matter described in the Basis for Conclusion on the 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**

### **Lack of a Risk Management Policy and Strategy**

Review of policies revealed that the Scheme did not have a Risk Management Policy contrary to Regulation 165(1) of the Public Finance Management (National Government) Regulations, 2015 which requires the Accounting Officer of a National Government entity to develop risk management strategies which include fraud prevention mechanisms that builds robust business operations.

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

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

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

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

In preparing the financial statements, Management is responsible for assessing the 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 cease operations.

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

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

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**

My responsibility is to conduct an audit of the financial statements in accordance with Article 229(4) of the Constitution, Section 35 of the Public Audit Act, 2015 and the International Standards of Supreme Audit Institutions (ISSAIs). The standards require that, in conducting the audit, I obtain reasonable assurance about whether the financial statements as a whole are free from material misstatements, whether due to fraud or error and to issue an auditor's report that includes my opinion in accordance with Section 48 of the Public Audit Act, 2015. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISSAIs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

In conducting the audit, Article 229(6) of the Constitution also requires that I express a conclusion on whether or not in all material respects, the activities, financial transactions and information reflected in the financial statements are in compliance with the authorities that govern them and that public resources are applied in an effective way. In addition, I consider the entity's control environment in order to give an assurance on the effectiveness of internal controls, risk management and governance processes and systems in accordance with the provisions of Section 7 (1) (a) of the Public Audit Act, 2015.

Further, I am required to submit the audit report in accordance with Article 229(7) of the Constitution.

Detailed description of my responsibilities for the audit is located at the Office of the Auditor-General's website at: <https://www.oagkenya.go.ke/auditor-generals-responsibilities-for-audit/>. This description forms part of my auditor's report.

  
FCPA Nancy Gathungu, CBS  
**AUDITOR-GENERAL**

**Nairobi**

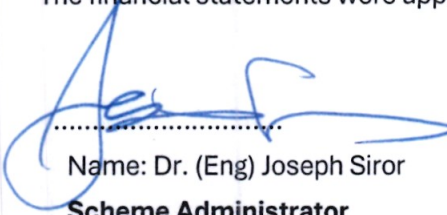
**18 December, 2025**


**13. Statement of Financial Performance for the Period 1<sup>st</sup> April to 30<sup>th</sup> June 2025**

Description	Note	2024/2025
		Kshs'000'
<b>Revenue from exchange transactions</b>		
Interest income	6	6,012
Other income	7	70
<b>Total revenue</b>		<b>6,082</b>
<b>Expenses</b>		
Use of goods and services	8	5
<b>Total expenses</b>		<b>5</b>
<b>Surplus/(deficit) before tax</b>		<b>6,077</b>
Taxation		-
<b>Surplus/ (Deficit) after Tax</b>		<b>6,077</b>

*The notes form an integral part of these Financial Statements*

The financial statements were approved on <sup>13<sup>th</sup> Nov 2025</sup> .....by:

  
 Name: Dr. (Eng) Joseph Siror  
**Scheme Administrator**

  
 Name: CPA Stephen Vikiru  
**Scheme Accountant**  
 ICPAK M/No.5051

  
 Name: Cecilia Kalungu- Uyu  
**Scheme Secretary**

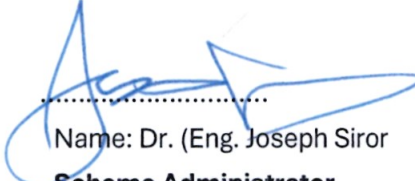
The Kenya Power and Lighting Company PLC  
Staff Mortgage and Car Loan Scheme  
Report and Financial Statements for the financial year ended June 30, 2025


**14. Statement of Financial Position as at 30<sup>th</sup> June 2025**

Description	Note	2024/2025
		Kshs'000'
<b>Assets</b>		
<b>Current assets</b>		
Cash and cash equivalents	9	271,998
Receivables from exchange transactions	10	29,905
<b>Total Current Assets</b>		<b>301,903</b>
Non-current assets		
Receivables from exchange transactions	10	153,982
<b>Total Non-Current Assets</b>		<b>153,982</b>
<b>Total assets (A)</b>		<b>455,885</b>
<b>Liabilities</b>		
Total Current Liabilities		-
Total non-current liabilities		-
<b>Total liabilities (B)</b>		<b>-</b>
<b>Net Assets (A-B)</b>		<b>455,885</b>
<b>Represented By:</b>		
Car loan revolving Scheme		199,800
Mortgage revolving Scheme		250,008
Accumulated surplus/Deficit		6,077
<b>Net Assets</b>		<b>455,885</b>

The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements.

The Scheme's financial statements were approved on 13<sup>th</sup> November 2025 and signed by:

  
.....  
Name: Dr. (Eng. Joseph Siror  
**Scheme Administrator**

  
.....  
Name: CPA Stephen Vikiru  
**Scheme Accountant**  
ICPAK M/No.5051

  
.....  
Name: Cecilia Kalungu- Uyu  
**Scheme Secretary**

**15. Statement of Changes in Net Assets for the year ended 30th June 2025**

Description	Mortgage Scheme	Car Loan Scheme	Accumulated surplus	Total
	Kshs'000'	Kshs'000'	Kshs'000'	Kshs'000'
<b>Balance as at 1 April 2024</b>	-	-	-	-
Surplus/(deficit) for the period	-	-	6,077	6,077
Funds received during the year	250,008	199,800	-	449,808
<b>As at 30<sup>th</sup> June 2025</b>	<b>250,008</b>	<b>199,800</b>	<b>6,077</b>	<b>455,885</b>

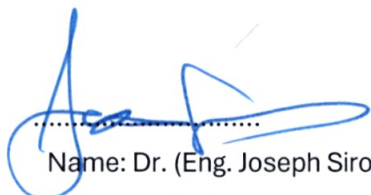
.....  
 Name: Dr. (Eng. Joseph Siror  
**Scheme Administrator**


.....  
 Name: CPA Stephen Vikiru  
**Scheme Accountant**  
**ICPAK M/No.5051**

.....  
 Name: Cecilia Kalungu- Uvyu  
**Scheme Secretary**

**16. Statement of Cash Flows for the year ended 30th June 2025**

Description	Note	2024/2025
		Kshs'000'
<b>Cash flows from operating activities</b>		
<b>Receipts</b>		
Interest from mortgage & Car loan		3,262
Other income		70
<b>Total receipts</b>		<b>3,332</b>
<b>Payments</b>		
Employee costs		-
Use of goods and services		(5)
W/Tax		(284)
<b>Total payments</b>		<b>(289)</b>
<b>Net cash flow from operating activities</b>	<b>11</b>	<b>3,044</b>
<b>Cash flows from investing activities</b>		
Proceeds from loan principal repayments		2,126
Loan disbursements paid out		(182,980)
<b>Net cash flows used in investing activities</b>		<b>(180,854)</b>
<b>Cash flows from financing activities</b>		
Receipts into the mortgage revolving Scheme		250,008
Receipts into the car loan revolving Scheme		199,800
<b>Net cash flows used in financing activities</b>		<b>449,808</b>
<b>Net increase/(decrease) in cash and cash equivalents</b>		<b>-</b>
Cash and cash equivalents at 1st July 2024		-
<b>Cash and cash equivalents at 30th June 2025</b>		<b>271,998</b>

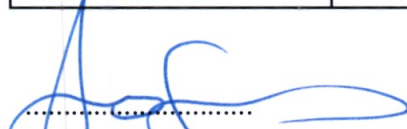
  
 Name: Dr. (Eng. Joseph Siror  
**Scheme Administrator**


  
 Name: CPA Stephen Vikiru  
**Scheme Accountant**  
 ICPAK M/No.5051

  
 Name: Cecilia Kalungu- Uvyu  
**Scheme Secretary**

**17. Statement of Comparison of Budget and Actual Amounts for the year ended 30.06.2025**

Description	Original budget	Adjustments	Final budget	Actual cumulative to date	% of utilization
	Kshs'000'	Kshs'000'	Kshs'000'	Kshs'000'	
	a	b	c=(a+b)	d	f=d/c
<b>Revenue</b>					
Interest income	6,011	-	6,011	6,011	100%
Other income	70	-	70	70	100%
<b>Total Revenue</b>	<b>6,082</b>	<b>-</b>	<b>6,082</b>	<b>6,082</b>	<b>100%</b>
<b>Expenses</b>					
Use of goods and services	5	-	5	5	100%
<b>Expenditure</b>	<b>5</b>	<b>-</b>	<b>5</b>	<b>5</b>	<b>100%</b>
<b>Surplus for the period</b>	<b>6,077</b>	<b>-</b>	<b>6,077</b>	<b>6,077</b>	<b>100%</b>
<b>Capital Expenditure</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

  
 Name: Dr. (Eng. Joseph Siror  
**Scheme Administrator**

  
 Name: CPA Stephen Vikiru  
**Scheme Accountant**  
 ICPAK M/No.5051

  
 Name: Cecilia Kalungu- Uvyu  
**Scheme Secretary**

## **18. Notes to the Financial Statements**

### **1. General Information**

KPLC Car Loan/Mortgage Scheme is established by and derives its authority and accountability from Salaries & Remuneration Act, 2011. The Scheme is wholly owned by the Kenya Power & Lighting Company PLC (KPLC) and is domiciled in Kenya. The Scheme's principal activity is to provide employees with Company funded Mortgage, plot purchase, Construction and Car Loans

### **2. Statement of Compliance and Basis of Preparation**

The financial statements have been prepared on a historical cost basis except for the measurement at re-valued amounts of certain items of property, plant, and equipment, marketable securities and financial instruments at fair value, impaired assets at their estimated recoverable amounts and actuarially determined liabilities at their present value. The preparation of financial statements in conformity with International Public Sector Accounting Standards (IPSAS) allows the use of estimates and assumptions. It also requires management to exercise judgement in the process of applying the Scheme's accounting policies. The financial statements have been prepared and presented in Kenya Shillings, which is the functional and reporting currency of the Scheme. The financial statements have been prepared in accordance with the PFM Act and International Public Sector Accounting Standards (IPSAS). The accounting policies adopted have been consistently applied to all the years presented.

### 3. Adoption Of New and Revised Standards

**i. New and amended standards and interpretations in issue effective in the year ended 30<sup>th</sup> June 2025.**

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

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

Standard	Effective date and impact:
IPSAS 43: Leases	<p><b>Applicable 1<sup>st</sup> January 2025</b></p> <p>The standard sets out the principles for the recognition, measurement, presentation, and disclosure of leases. The objective is to ensure that lessees and lessors provide relevant information in a manner that faithfully represents those transactions. This information gives a basis for users of financial statements to assess the effect that leases have on the financial position, financial performance and cashflows of an Entity.</p> <p>The new standard requires entities to recognise, measure and present information on right of use assets and lease liabilities.</p> <p><b>The standard has no impact to the Scheme</b></p>
IPSAS 44: Non- Current Assets Held for Sale and Discontinued Operations	<p><b>Applicable 1<sup>st</sup> January 2025</b></p> <p>The Standard requires,</p> <p>Assets that meet the criteria to be classified as held for sale to be measured at the lower of carrying amount and fair value less costs to sell and the depreciation of such assets to cease and:</p> <p>Assets that meet the criteria to be classified as held for sale to be presented separately in the statement of financial position and the results of discontinued operations to be presented separately in the statement of financial performance.</p> <p><b>The standard has no impact to the Scheme</b></p>
IPSAS 45: Property Plant and Equipment	<p><b>Applicable 1<sup>st</sup> January 2025</b></p> <p>The standard supersedes IPSAS 17 on Property, Plant and Equipment. IPSAS 45 has additional guidance/ new guidance for heritage assets, infrastructure assets and measurement. Heritage assets were previously excluded from the scope of IPSAS 17 in IPSAS 45, heritage assets that satisfy the definition of PPE shall be recognised as assets if they meet the criteria in the standard. IPSAS 45 has an additional application guidance for infrastructure assets, implementation guidance and illustrative examples. The standard has clarified existing principles e.g. valuation of land over or under the infrastructure assets, under- maintenance of assets and distinguishing significant parts of infrastructure assets.</p>

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	<b><i>The standard has no impact to the Scheme</i></b>
IPSAS 46: Measurement	<p><b><i>Applicable 1<sup>st</sup> January 2025</i></b></p> <p>The objective of this standard was to improve measurement guidance across IPSAS by:</p> <ol style="list-style-type: none"> <li>i. Providing further detailed guidance on the implementation of commonly used measurement bases and the circumstances under which they should be used.</li> <li>ii. Clarifying transaction costs guidance to enhance consistency across IPSAS.</li> <li>iii. Amending where appropriate guidance across IPSAS related to measurement at recognition, subsequent measurement and measurement related disclosures.</li> </ol> <p>The standard also introduces a public sector specific measurement bases called the current operational value.</p> <p><b><i>The standard has no impact to the Scheme</i></b></p>
IPSAS 47: Revenue	<p><b><i>Applicable 1<sup>st</sup> January 2026</i></b></p> <p>This standard supersedes IPSAS 9- Revenue from exchange transactions, IPSAS 11 Construction contracts and IPSAS 23 Revenue from non- exchange transactions. This standard brings all the guidance of accounting for revenue under one standard. The objective of the standard is to establish the principles that an entity shall apply to report useful information to users of financial statements about the nature, amount, timing and uncertainty of revenue and cash flow arising from revenue transactions.</p> <p><b><i>The standard has no impact to the Scheme</i></b></p>
IPSAS 48: Transfer Expenses	<p><b><i>Applicable 1<sup>st</sup> January 2026</i></b></p> <p>The objective of the standard is to establish the principles that a transfer provider shall apply to report useful information to users of financial statements about the nature, amount, timing and uncertainty of expenses and cash flow arising from transfer expense transactions. This is a new standard for public sector entities geared to provide guidance to entities that provide transfers on accounting for such transfers.</p> <p><b><i>The standard has no impact to the Scheme</i></b></p>
IPSAS 49: Retirement Benefit Plans	<p><b><i>Applicable 1<sup>st</sup> January 2026</i></b></p> <p>The objective is to prescribe the accounting and reporting requirements for the public sector retirement benefit plans which provide retirement to public sector employees and other eligible participants. The standard sets the financial statements that should be presented by a retirement benefit plan.</p> <p><b><i>The standard has no impact to the Scheme</i></b></p>
IPSAS 50:	<b><i>Applicable 1<sup>st</sup> January 2027</i></b>

Exploration For & Evaluation of Mineral Resources	<p>The objective of this Standard is to specify the financial reporting for the exploration for and evaluation of mineral resources. The Standard requires:</p> <ul style="list-style-type: none"><li>i. Limited improvements to existing accounting practices for exploration and evaluation expenditures.</li><li>ii. Entities that recognize exploration and evaluation assets to assess such assets for impairment in accordance with this Standard and measure any impairment in accordance with IPSAS 26.</li><li>iii. Disclosures that identify and explain the amounts in the entity's financial statements arising from the exploration for and evaluation of mineral resources and help users of those financial statements understand the amount, timing and certainty of future cash flows from any exploration and evaluation assets recognized.</li></ul> <p><b><i>The standard has no impact to the Scheme</i></b></p>
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**iii. Early adoption of standards**

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

#### **4. Significant Accounting Policies**

##### **a. Revenue recognition**

##### **i) Revenue from non-exchange transactions**

###### **Transfers from other government entities**

Revenues from non-exchange transactions with other government entities are measured at fair value and recognized on obtaining control of the asset (cash, goods, services and property) if the transfer is free from conditions and it is probable that the economic benefits or service potential related to the asset will flow to the Scheme and can be measured reliably. To the extent that there is a related condition attached that would give rise to a liability to repay the amount, the amount is recorded in the statement of financial position and realised in the statement of financial performance over the useful life of the assets that has been acquired using such funds. The Scheme did not have transfers from other government entities other than capital injection from Kenya Power & Lighting Company PLC

##### **ii) Revenue from exchange transactions**

###### **Interest income**

Interest income is accrued using the effective yield method. The effective yield discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount. The method applies this yield to the principal outstanding to determine interest income for each period.

###### **Dividends**

The Scheme did not receive any dividend income during the financial year

###### **Rental income**

The Scheme does not have any investment in properties

**b. Budget information**

The original budget for FY 2024/25 was approved on 21<sup>st</sup> February 2025. No subsequent revisions or additional appropriations were made to the approved budget in accordance with specific approvals from the appropriate authorities. The Scheme's budget is prepared on a different basis from the actual income and expenditure disclosed in the financial statements. The financial statements are prepared on accrual basis using a classification based on the nature of expenses in the statement of financial performance, whereas the budget is prepared on a cash basis. The amounts in the financial statements were recast from the accrual basis to the cash basis and reclassified by presentation to be on the same basis as the approved budget. A comparison of budget and actual amounts, prepared on a comparable basis to the approved budget, is then presented in the statement of comparison of budget and actual amounts. In addition to the Basis difference, adjustments to amounts in the financial statements are also made for differences in the formats and classification schemes adopted for the presentation of the financial statements and the approved budget.

**c. Property, plant, and equipment (PPE)**

The Scheme does not have any property, plant and equipment (PPE)

**d. Intangible assets**

The Scheme does not have any Intangible assets

**e. Investment property**

The Scheme does not have any Investment property

**f. Financial instruments**

IPSAS 41 addresses the classification, measurement and de-recognition of financial assets and financial liabilities, introduces new rules for hedge accounting and a new impairment model for financial assets. The Scheme does not have any hedge relationships and therefore the new hedge accounting rules have no impact on the Scheme's financial statements. A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity. At initial recognition, the entity measures a financial asset or financial liability at its fair value plus or minus, in the case of a financial asset or financial liability not at fair value through surplus or deficit, transaction costs that are directly attributable to the acquisition or issue of the financial asset or financial liability.

## **I. Financial assets**

### **Classification of financial assets**

The Scheme classifies its financial assets as subsequently measured at amortised cost, fair value through net assets/ equity or fair value through surplus and deficit on the basis of both the entity's management model for financial assets and the contractual cash flow characteristics of the financial asset. A financial asset is measured at amortized cost when the financial asset is held within a management model whose objective is to hold financial assets in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal outstanding. A financial asset is measured at fair value through net assets/ equity if it is held within the management model whose objective is achieved by both collecting contractual cashflows and selling financial assets and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. A financial asset shall be measured at fair value through surplus or deficit unless it is measured at amortized cost or fair value through net assets/ equity unless an entity has made irrevocable election at initial recognition for particular investments in equity instruments.

### **Subsequent measurement**

Based on the business model and the cash flow characteristics, the classifies its financial assets into amortized cost or fair value categories for financial instruments. Movements in fair value are presented in either surplus or deficit or through net assets/ equity subject to certain criteria being met.

### **Amortized cost**

Financial assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest, and that are not designated at fair value through surplus or deficit, are measured at amortized cost. A gain or loss on an instrument that is subsequently measured at amortized cost and is not part of a hedging relationship is recognized in profit or loss when the asset is de-recognized or impaired. Interest income from these financial assets is included in finance income using the effective interest rate method

**Fair value through net assets/ equity**

Financial assets that are held for collection of contractual cash flows and for selling the financial assets, where the assets' cash flows represent solely payments of principal and interest, are measured at fair value through net assets/ equity. Movements in the carrying amount are taken through net assets, except for the recognition of impairment gains or losses, interest revenue and foreign exchange gains and losses which are recognized in surplus/deficit. Interest income from these financial assets is included in finance income using the effective interest rate method.

**Fair value through surplus or deficit**

Financial assets that do not meet the criteria for amortized cost or fair value through net assets/ equity are measured at fair value through surplus or deficit. A business model where the entity manages financial assets with the objective of realizing cash flows through solely the sale of the assets would result in a fair value through surplus or deficit model.

**Trade and other receivables**

Trade and other receivables are recognized at fair values less allowances for any uncollectible amounts. Trade and other receivables are assessed for impairment on a continuing basis. An estimate is made of doubtful receivables based on a review of all outstanding amounts at the year end.

**Impairment**

The Scheme assesses, on a forward-looking basis, the expected credit loss ('ECL') associated with its financial assets carried at amortized cost and fair value through net assets/equity. The Scheme recognizes a loss allowance for such losses at each reporting date.

**II. Financial liabilities**

**Classification**

The Scheme classifies its liabilities as subsequently measured at amortized cost except for financial liabilities measured through profit or loss.

**g. Contingent liabilities**

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

**h. Contingent assets**

The Scheme does not recognize a contingent asset but discloses details of a possible asset whose existence is contingent on the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Scheme in the notes to the financial statements. Contingent assets are assessed continually to ensure that developments are appropriately reflected in the financial statements. If it has become virtually certain that an inflow of economic benefits or service potential will arise and the asset's value can be measured reliably, the asset and the related revenue are recognized in the financial statements of the period in which the change occurs.

**i. Nature and purpose of reserves**

The Scheme creates and maintains reserves in terms of specific requirements. The Scheme operates a revolving Scheme where accumulated surplus is plough back into the Scheme.

**j. Changes in accounting policies and estimates**

The Scheme recognizes the effects of changes in accounting policy retrospectively. The effects of changes in accounting policy are applied prospectively if retrospective application is impractical.

**k. Foreign currency transactions**

The Scheme does not have or trade in foreign currency.

**l. Related parties**

The Scheme regards a related party as a person or entity with the ability to exert control individually or jointly, or to exercise significant influence over the Scheme, or vice versa. Members of key management are regarded as related parties and comprise the Trustee, the Scheme Managers and Scheme Accountant. The Scheme does not remunerate any of its related parties

**m. Cash and cash equivalents**

Cash and cash equivalents comprise cash on hand and cash at bank, short-term deposits on call, and highly liquid investments with an original maturity of three months or less, which are readily convertible to known amounts of cash and are subject to insignificant risk of changes in value. Bank account balances include amounts held at the KCB Bank Kenya Ltd, NCBA Bank Kenya Ltd and Stima DT Sacco Ltd at the end of the financial year.

**n. Comparative figures**

The Scheme was operationalised within the current financial year 2024/25. There are no comparative figures for the previous year

**o. Events after the reporting period**

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

**p. Ultimate and Holding Scheme**

The Scheme is established by the Kenya Power & Lighting Company PLC and derives its authority and accountability from Salaries & Remuneration Commission Act, 2011 circulars referenced; SRC/ADM/CIR/1/13 VOL III (142) of 25<sup>th</sup> August 2015 which set and advised on the establishment of Mortgage and Car Loan Scheme. Its ultimate parent is the Kenya Power & Lighting Company PLC

**q. Currency**

The financial statements are presented in Kenya Shillings (Kshs.'000').

**5. Significant judgments and sources of estimation uncertainty**

The preparation of the Scheme 's financial statements in conformity with IPSAS requires management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the disclosure of contingent liabilities, at the end of the reporting period. However, uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of the asset or liability affected in future periods.

**a) Estimates and assumptions.**

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below. However, existing circumstances and assumptions about future developments may change due to market changes or circumstances arising beyond the control of the Scheme. Such changes are reflected in the assumptions when they occur.

**b) Useful lives and residual values**

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

- i) The condition of the asset is based on the assessment of experts employed by the Scheme
- ii) The nature of the asset, its susceptibility and adaptability to changes in technology and processes
- iii) The nature of the processes in which the asset is deployed
- iv) Availability of funding to replace the asset
- v) Changes in the market in relation to the asset

#### 6. Interest income

Description	2024/2025
	Kshs'000'
Interest Income from Mortgage Loans	2,949
Interest Income from Car Loans	3,347
Interest Income from Investments in financial assets	-
Interest Income on Bank Deposits	-
Withholding Tax	(284)
<b>Total Interest Income</b>	<b>6,012</b>

#### 7. Other income

Description	2024/2025
	Kshs'000'
Revenue sharing/Repayments	70
<b>Total Other income</b>	<b>70</b>

#### 8. Use of Goods and Services

Description	2024/2025
	Kshs'000'
Bank charges	5
<b>Total</b>	<b>5</b>

#### 9. Cash and cash equivalents

Description	2024/2025
	Kshs'000'
On – Call Deposits	252,859
Current Account	19,139
<b>Total Cash and Cash equivalents</b>	<b>271,998</b>

**9 a) Detailed analysis of the cash and cash equivalent**

Financial Institution	Account number	2024/2025
		Kshs'000'
<b>Mortgage and Car Loan Scheme</b>		
<b>On- Call Deposits</b>		
Stima Sacco	817111476601	111,059
NCBA	6635020114	49,800
KCB Commercial Bank Account	1335549528	92,000
<b>Sub- Total</b>		<b>252,859</b>
<b>Current Account</b>		
Stima Sacco - Mortgage	812111476601-0	16,449
Stima Sacco- Car loan	801111476601	2,682
KCB Commercial Bank Account	1335549528	8
<b>Sub- Total</b>		<b>19,139</b>
<b>Grand Total</b>		<b>271,998</b>

**10. Receivables from exchange transactions**

Description	2024/2025
	Kshs'000'
<b>Current Receivables</b>	
Interest Receivable	3,033
Short Term Loan Repayment Due	26,872
<b>Total Current Receivables</b>	<b>29,905</b>
<b>Non-Current Receivables</b>	
Long Term Loan Repayments Due	153,982
<b>Total Non- Current Receivables</b>	<b>153,982</b>
<b>Total Receivables</b>	<b>183,887</b>

## 11. Net cash flows from operating activities

Description	2024/2025
	Kshs'000'
<b>Surplus/ (deficit) for the year before tax</b>	<b>6,077</b>
<b>Adjusted for:</b>	
Interest income	
Finance cost	-
<b>Working capital adjustments</b>	<b>-</b>
Increase in receivables	<b>(3,033)</b>
<b>Net cash flow from operating activities</b>	<b>3,044</b>

## 12. Financial risk management

The Scheme's activities expose it to a variety of financial risks including credit and liquidity risks and effects of changes in foreign currency. The Scheme's overall risk management programme focuses on unpredictability of changes in the business environment and seeks to minimise the potential adverse effect of such risks on its performance by setting acceptable levels of risk. The Scheme does not hedge any risks and has in place policies to ensure that credit is only extended to customers with an established credit history.

The Scheme's financial risk management objectives and policies are detailed below:

### a) Credit risk

The Scheme has exposure to credit risk, which is the risk that a counterparty will be unable to pay amounts in full when due. Credit risk arises from cash and cash equivalents, and deposits with banks, as well as trade and other receivables and available-for-sale financial investments. Management assesses the credit quality of each customer, taking into account its financial position, past experience and other factors. Individual risk limits are set based on internal or external assessment in accordance with limits set by the directors. The amounts presented in the statement of financial position are net of allowances for doubtful receivables, estimated by the Scheme's management based on prior experience and their assessment of the current economic environment.

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

Description	Total amount	Fully performing	Past due	Impaired
	Kshs'000'	Kshs'000'	Kshs'000'	Kshs'000'
<b>Balance as at 30 June 2025</b>				
Receivables From Exchange Transactions-Car loans and mortgages	183,887	183,887	-	-
Receivables From Non-Exchange Transactions	-	-	-	-
Bank Balances	271,998	271,998	-	-
<b>Total</b>	<b>455,885</b>	<b>455,885</b>	-	-

The customers under the fully performing category are paying their debts as they continue trading. The credit risk associated with these receivables is minimal and the allowance for uncollectible amounts that the Scheme has recognised in the financial statements is considered adequate to cover any potentially irrecoverable amounts.

The board of trustees sets the Scheme's credit policies and objectives and lays down parameters within which the various aspects of credit risk management are operated.

**b) Liquidity risk management**

Ultimate responsibility for liquidity risk management rests with the Scheme Administrator, who has built 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 through continuous monitoring of forecasts and actual cash flows.

The scheme does not have any cash flows payable under non-derivative financial liabilities

**c) Market risk**

The trustees have put in place an internal audit function to assist it in assessing the risk faced by the Scheme on an ongoing basis, evaluate and test the design and effectiveness of its internal accounting and operational controls.

Market risk is the risk arising from changes in market prices, such as interest rate, equity prices and foreign exchange rates which will affect the Scheme's income or the value of its holding of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return. Overall responsibility for managing market risk rests with the Trust Committee.

There has been no change to the Scheme's exposure to market risks or the way it manages and measures the risk.

#### **d) Interest rate risk**

Interest rate risk is the risk that the Scheme's financial condition may be adversely affected because of changes in interest rate levels. The Scheme's interest rate risk arises from bank deposits. This exposes the Scheme to cash flow interest rate risk. The interest rate risk exposure arises mainly from interest rate movements on the Scheme's deposits.

#### ***Management of interest rate risk***

To manage the interest rate risk, management has endeavoured to bank with institutions that offer favourable interest rates.

#### ***Sensitivity analysis***

The Scheme analyses its interest rate exposure on a dynamic basis by conducting a sensitivity analysis. This involves determining the impact on profit or loss of defined rate shifts. The sensitivity analysis for interest rate risk assumes that all other variables, in particular foreign exchange rates, remain constant.

#### **e) Capital risk management.**

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

Description	2024/2025
	Kshs'000'
Revolving fund	449,808
Accumulated surplus ( <i>Reserves</i> )	6,077
<b>Total funds</b>	<b>455,885</b>
Less: cash and bank balances	(271,998)
Net debt/(excess cash and cash equivalents)	-
<b>Gearing</b>	<b>-</b>

### 13. Related party balances

#### a) Nature of related party relationships

Entities and other parties related to the Scheme include those parties who have ability to exercise control or exercise significant influence over its operating and financial decisions. Related parties include management personnel, their associates and close family members.

The scheme is related to the following entities:

- a) Kenya Power & Lighting Company PLC
- b) Key management of the Scheme
- c) Fiduciary Oversight Committee etc

#### b) Related party transactions

##### i. Transfers from related parties

Description	2024/2025
	Kshs'000'
Transfers from Kenya Power & Lighting Company	449,808

##### ii. Key management remuneration

Description	2024/2025
	Kshs'000'
Key Management Compensation*	-
Scheme Implementation Committee	-
<b>Total</b>	<b>-</b>

\*The Scheme does not remunerate Scheme Implementation Committee and Key Management members.

**14. Events after the Reporting Period**

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

**15. Ultimate And Holding Entity**

The Kenya Power & Lighting Company Car Loan/Mortgage Scheme is under the sponsorship of the Kenya Power & Lighting Company PLC which is a State Corporation

**16. Currency**

The financial statements are presented in Kenya Shillings (Kshs)' 000' rounded to the nearest one thousand shillings.

**17. Reporting Period**

The financial statements of the KPLC Staff Mortgage and Car Loan Scheme have been prepared for the period 1 April 2025 to 30 June 2025. This is a period of less than one year.

The shorter reporting period arose because the Scheme was established and commenced operations during the year, and its activities during the financial year were limited to the period from April to June 2025.