

REPUBLIC OF KENYA



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REPORT

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PAPERS LAID

DATE: 18 FEB 2026

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BY:

Deputy Leader of the
Majority Party

CLERK-AT
THE TABLE:

Irene Nduku

THE AUDITOR-GENERAL

ON

**KENYA NATIONAL COMMISSION ON
HUMAN RIGHTS CAR LOAN AND
MORTGAGE SCHEME**

**FOR THE YEAR ENDED
30 JUNE, 2025**



KENYA NATIONAL COMMISSION ON HUMAN RIGHTS CAR LOAN AND MORTGAGE SCHEME

**ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED
30TH JUNE 2025**

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

Table of Contents	Page
1. Acronyms and Definition of Key Terms.....	ii
2. Key Fund information and management.....	iii
3. The Fund Administration Committee.....	vi
4. Management Team.....	xi
5. Chairman's Report.....	xiii
6. Report of the Fund Manager/ Administrator.....	xiv
7. Statement of Performance Against Predetermined Objectives.....	xv
8. Corporate Governance Statement.....	xvii
9. Management Discussion and Analysis.....	xx
10. Environmental and Sustainability Reporting.....	xxi
11. Report of The Fund Administration Committee.....	xxv
12. Statement of Management's Responsibilities.....	xxvi
13. Report of the Independent Auditor for the Financial Statements of KNCHR Fund.....	xxviii
14. Statement of Financial Performance for the year ended 30th June 2025.....	1
15. Statement of Financial Position as at 30th June 2025.....	2
16. Statement of Changes in Net Assets for the year ended 30th June 2025.....	4
17. Statement of Cash Flows for the year ended 30 th June 2025.....	5
18. Statement of Comparison of Budget and Actual Amounts for the year ended 30th June 2025.....	6
19. Notes to the Financial Statements.....	7
20. Annexes.....	27

1. Acronyms and Definition of Key Terms

A. Acronyms

CEO	Chief Executive Officer
DG	Director General
CBK	Central Bank of Kenya
ICPAK	Institute of Certified Public Accountants of Kenya
IPSAS	International Public Sector Accounting Standards
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
SAGAs	Semi-Autonomous Government Agencies
SGBV	Sexual and Gender Based Violence
UN	United Nations
KESRA	Kenya School of Revenue Administration
CIPS	Chartered Institute of Procurement and Supply
KCB	Kenya Commercial Bank
SRC	Salaries Remuneration Commission
NEMA	National Environment Management Authority
KNCHR	Kenya National Commission on Human Rights
KEPHRA	Kenya Parliamentary Human Rights Association
PWGID	Protection Working Group on Internal Displacement

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 Fund information and management

a) Background information

The Kenya National Commission on Human Rights (KNCHR) is an independent institution established under Article 59 of the Constitution of Kenya 2010 and operationalized through an Act of Parliament (the Kenya National Commission on Human Rights Act 2011) in line with the United Nations Paris Principles. It is mandated to further the protection and promotion of human rights in Kenya, acting as a watchdog over the Government in the area of human rights, and the provision of leadership in moving the country towards a human rights state.

The Fund is established and derives its authority and accountability from the Salaries and Remuneration Commission circular no. SRC/ADM/CIR/1/13Vol. III (128) dated 17th December 2014, the KNCHR operationalized a Car Loan and Mortgage Scheme through internal guidelines approved by its board in 2015. An internal Committee was thereafter appointed to oversee the operationalization and implementation of the scheme.

The Fund is wholly owned by the Kenya National Commission on Human Rights and is domiciled in Kenya.

b) Principal Activities

The principal activity/mission/mandate of the Fund is to motivate the KNCHR staff by facilitating access to low-interest credit facilities to own cars and houses.

The Fund is administered by the Kenya Commercial Bank which manages the funds and disbursement of funds to successful applicants.

Internally, there is the Car Loan and Mortgage Committee charged with the responsibility of processing loans from applicants in accordance with laid down approved regulations. The Car Loan and Mortgage Committee offers advisory services to the Secretary to the Commission/Chief Executive Officer (CEO). However, the Secretary to the Commission/CEO is the overall approver for the Car Loan and Mortgage scheme for staff. He also engages with the National Treasury for funding issues.

**Kenya National Commission on Human Rights Car loan and Mortgage Scheme
Annual Report and Financial Statements For the year ended 30th June 2025**

c) Fund Administration Committee

Fund Administration Committee		
1	Chairperson Vice Chairperson	Cyrus M. Maweu Lynnette Manga Mwachiro
2	Other Committee Members	Winnie K. Ogutu - Secretary Martin Pepela John Karundu Maroo Mary Waithira Leah Kembo
3	Fund Manager/ Administrator	Dr. Bernard Mogesa

d) Key Management

Key Management		
1	Fund Manager/ Administrator	Dr. Bernard Mogesa
2	Fund Accountant	John Karundu Maroo

e) Fiduciary Oversight Arrangements

Fiduciary Oversight Arrangements		
1	Directorate Internal Audit	Fred Wasike
2	Staff Mortgage and car Loan Advisory Committee	Dr. Raymond Nyeris – V. Chairperson Prof. Marion Mutugi – Commissioner Dr. Dennis Wamalwa – Commissioner Hon. Sarah Bonaya - Commissioner

f) Registered Offices

P.O. Box 74359-00200
CVS Plaza, Lenana Road
Nairobi, KENYA

g) Fund Contacts

Telephone: (254) (020) 3969000, 0721245948

E-mail: info@haki.org

Website: www.knchr.org

h) Fund Bankers

1. Kenya Commercial Bank

Hurlingham Branch

Nairobi, Kenya,

Account Numbers:

1206077581 Mortgage

1206077107 Car Loan

i) Independent Auditor

Auditor-General

Office of The Auditor General

Anniversary Towers, University Way

P.O. Box 30084 - 00100

Nairobi, Kenya

j) Principal Legal Adviser

The Attorney General


State Law Office and Department of Justice

Harambee Avenue

P.O. Box 40112 - 00200

Nairobi, Kenya

3. The Fund Administration Committee

	Details of qualifications and experience
<p>1. Committee Member 1- Cyrus M. Maweu</p> 	<p>Mr. Maweu was appointed as the Chairman of the Committee on 20th November 2024. He holds a Bachelor of Laws (LL.B) Degree from the University of Nairobi, a Post Graduate Diploma in Law from the Kenya School of Law, a Masters of Arts (MA) Degree in Development and Governance from the University of Duisburg-Essen, Germany and a Master of Laws (LL.M) in Sustainable International Development from the University of Washington, United States.</p> <p>He is a legal practitioner with diverse experience in the human rights and social justice sector. Has worked extensively with National Human Rights Institutions, Civil Society Organizations and the public in receipt and processing of human rights complaints including the provision of appropriate legal advice, investigations, research, advocacy, and the application of Alternative Justice Systems.</p> <p>Cyrus is currently the Deputy Director Redress and Legal Services Directorate and the Chairman for the KNCHR Staff Car Loan and Mortgages Scheme.</p>
<p>2. Committee Member 2 – Lynnette Manga Mwachiro</p>	<p>Lynnette Manga Mwachiro joined the Commission on 1st of July 2024.</p> <p>Ms. Mwachiro holds a Bachelor of Laws (LL. B) Degree from Kenyatta University and a Post</p>



Graduate Diploma in Law from the Kenya School of Law. She is also a Certified Professional Mediator.

She is a legal practitioner with diverse experience in Human Rights and Alternative Dispute Resolution Mechanisms. Prior to joining the Commission, Lynnette worked as a Legal Counsel at Oseko & Ouma Advocates. She also served at Eric Kinyua & Co. Advocates, Njuguna, Kahari & Kiai Advocates, Kangethe & Co. Advocates, National Legal Aid (and Awareness) Programme (NALEAP among others).

Lynnette is currently the Assistant Director Redress and Legal Services. She is a Committee Member of the KNCHR Staff Car Loan and Mortgages Scheme.


**3. Committee Member 3 -Martin
Pepela**





Pepela Martin was appointed to the Committee on the 20th November 2024. He is an Advocate of the High Court of Kenya and a member of the Law Society of Kenya. He is a graduate of Law from Moi University. He also holds a Diploma from the Kenya School of Law. He is currently pursuing a Master of Laws Degree in Environmental studies – LSE (UK)



He has wealth of practical experience spanning over 18 years gained from various bodies; Council of Governors, International Development Law Organization (IDLO) United Nations of Drugs and Crime (UNODC)

**Kenya National Commission on Human Rights Car loan and Mortgage Scheme
Annual Report and Financial Statements For the year ended 30th June 2025**



	<p>He also serves as a Committee Member of the KNCHR Staff Car Loan and Mortgage Scheme.</p>
<p>4. Committee Member 4 – (CHRP-K) Winnie K. Ogutu</p> 	<p>CHRP-K Winnie K. Ogutu was appointed as the Secretary of the committee on 20th November 2024, she holds a Master of Business Administration (Human Resource Management), a Post Graduate Diploma in Human Resource Management and Bachelor of Education Arts. Winnie is also a Certified Human Resource Professional (CHRP-K)</p> <p>Prior to joining the Commission, Winnie worked as Principal Human Capital Officer for Kenya Plant Health Inspectorate Service (KEPHIS). She also served at Githunguri Water and Sanitation Company Limited as a Human Resource and Administration Manager, served as Human Resource Assistant at Murban Movers Limited, Faulu Microfinance Bank Limited and Regional Institute of Business Studies as a Lecturer.</p> <p>Winnie is currently the Deputy Director Human Resource and Administration Directorate and serves as the Secretary of KNCHR Staff Car Loan and Mortgages Scheme.</p>
<p>5. Committee Member 5 – John Karundu Maroo</p>	<p>CPA-K John Karundu Maroo was appointed a member of committee on 20th November 2024, He is currently serving as an Accountant at the Kenya National Commission of Human Rights. He holds a Bachelor of Commerce (Accounting Option) from The Technical University of Kenya and is a registered member of ICPAK, Member No.28803. With over 8 years’ experience in accounting field, Maroo has worked in various organizations in</p>

	<p>different capacities, gaining extensive expertise in Financial reporting and management.</p> <p>He also serves as a Committee Member of the KNCHR Staff Car Loan and Mortgage Scheme.</p>
<p>6. Committee Member 6 - Mary Waithera</p> 	<p>Mary Ndegwa was appointed to the Committee on the 24th November 2024.</p> <p>She holds a Diploma in advanced computer maintenance application as well as driving license from Heltz driving.</p> <p>Prior to joining the Commission, Mary Ndegwa served as a Driver at BAT Kenya, Huawei Technologies, Safaricom, Apollo Tours and Travels, ICAP Kenya under KEMPHIA, Windsor Golf Hotel and Country Club, Jimcab Services and Najma Enterprises</p> <p>She also serves as a Committee Member of the KNCHR Staff Car Loan and Mortgage Scheme.</p>

**Kenya National Commission on Human Rights Car loan and Mortgage Scheme
Annual Report and Financial Statements For the year ended 30th June 2025**

<p>7. Committee Member 7 – Leah Kembo</p> 	<p>Leah Achiong' Kembo.</p> <p>Was appointed a member on 20th November 2024, she is currently pursuing Bachelors in Counselling Psychology, holds a Diploma in Customer Care Service and Switchboard operations and a Diploma in Counselling Psychology. She is also a member of the Kisumu County Licensed Counsellors and Psychologists, and is Registered and Licensed by the Counsellors and Psychologists Board of Kenya.</p> <p>She also serves as a Committee Member of the KNCHR Staff Car Loan and Mortgage Scheme.</p>
<p>8. Fund administrator/ Secretary to the Board – Dr. Bernard Mogesa</p> 	<p>Dr. Bernard Mogesa became the Chief Executive Officer of KNCHR in 2018. He has over twenty years' work experience. He became the KNCHR Car and Mortgage Loan Scheme Fund Administrator in 2018.</p> <p>He is a holder of doctorate degree. He is also a Certified Public Mediator.</p>

4. Management Team

<p>1. Fund administrator – Dr. Bernard Mogesa</p> 	<p>Dr. Bernard Mogesa became the Chief Executive Officer of KNCHR in 2018. He has over twenty years’ work experience. He became the KNCHR Car and Mortgage Loan Scheme Fund Administrator in 2018.</p> <p>He is a holder of doctorate degree. He is also a Certified Public Mediator.</p>
<p>2. Fund Accountant – John Karundu Maroo</p> 	<p>CPA-K John Karundu Maroo was appointed a member of committee on 20th November 2024, He is currently serving as an Accountant at the Kenya National Commission of Human Rights. He holds a Bachelor of Commerce (Accounting Option) from The Technical University of Kenya and is a registered member of ICPAK, Member No.28803. With over 8 years’ experience in accounting field, Maroo has worked in various organizations in different capacities, gaining extensive expertise in Financial reporting and management.</p> <p>He also serves as a Committee Member of the KNCHR Staff Car Loan and Mortgage Scheme.</p>
<p>3. Chairperson of the Fund - Cyrus M. Maweu</p>	<p>Mr. Maweu was appointed a member of Committee on 20th November 2024, He holds a Bachelor of Laws (LL. B) Degree from the University of Nairobi, a Post Graduate Diploma in Law from the Kenya School of Law and a</p>

*Kenya National Commission on Human Rights Car loan and Mortgage Scheme
Annual Report and Financial Statements For the year ended 30th June 2025*



Masters of Arts (MA) Degree in Development and Governance from the University of Duisburg-Essen, Germany, and a Master of Laws (LL.M) in Sustainable International Development from the University of Washington, United States.

He is a legal practitioner with diverse experience in the human rights and social justice sector. Has worked extensively with National Human Rights Institutions, Civil Society Organizations and the public in receipt and processing of human rights complaints including the provision of appropriate legal advice, investigations, research, advocacy and the application of Alternative Justice Systems.

Cyrus is currently the Deputy Director Redress and Legal Services Directorate and the Chairman for the KNCHR Staff Car Loan and Mortgages Scheme.

The Fund does not have a management team of its own but uses a Committee appointed by the host institution-Kenya National Commission on Human Rights (KNCHR).

5. Chairman's Report

The KNCHR mortgage and car loan scheme was operationalized in 2016 and is managed by an internal Committee appointed by the Commission Secretary/CEO. The Car Loan and Mortgage Scheme is externally administered by the Kenya Commercial Bank which manages the scheme accounts and processes individual applications from KNCHR staff.

For the fifth time since its inception, the car loan and mortgage schemes received zero budgetary allocation in the financial year 2024/2025. As a result, this has seen a reduction in the number of staffs who have been able to enjoy the benefits of the scheme as the only funds available are from the revolving fund which is not sufficient to cater for the growing needs of the KNCHR staff.

The main challenges experienced during the reporting period remain the lack of sufficient funds to meet the growing needs of staff thereby limiting the attainment of the objective of the Fund which is to motivate staff of the Kenya National Commission on Human Rights. I appeal for the allocation of funds to adequately meet the objectives of the scheme and enhance the number of staff members who can enjoy the benefits of these two schemes.

Negotiations with its Fund Administrator, KCB, to amend the Memorandum of Understanding and include a provision for 100% financing in both the car loan and mortgage schemes subject to the thresholds provided for by the Salaries and Remuneration Commission (SRC) as well as inclusion of interest on the unutilized funds in the car loan account were successful and are at the stage of formalization.

Despite the challenges, the Scheme operated well in the period under review, and staff members were able to access the available funds from the revolving fund.



Cyrus M. Maweu

Chairperson - Fund Administration Committee

6. Report of the Fund Manager/ Administrator

I am pleased to present the financial statements for the year ending 30th June 2025, in compliance with Section 84 (2) of the Public Finance Management Act, 2012. The objective of the Kenya National Commission on Human Rights Car Loan and Mortgage Scheme is to motivate its staff by facilitating access to low interest credit facilities to own residential homes and acquire vehicles to facilitate their transport to work.

The Commission has engaged the Kenya Commercial Bank to manage the Fund. In the Financial Year 2024/2025, a total of Kshs. 6,700,000 was disbursed to one staff member who had applied for mortgage loan. With regards to the car loan scheme, two applications totalling to Kshs.2,810,000 have been approved and disbursed to the staff members.

Cumulatively from inception, sixteen staff members have been facilitated with mortgage loans in the sum of Kshs. 93,129,907. For the car loan scheme, cumulatively from inception, the Commission has facilitated the approval and disbursements of car loans to 18 staff members in the sum of Kshs. 24,332,100. It is encouraging to note that the beneficiaries of the Car Loan and Mortgage Scheme have continued to service their loans as scheduled, as contained in the financial statements.

In administering the Fund, the Commission maintained adequate financial management controls to ensure compliance, transparency and accountability. The measures were aimed at making sure that the funds are utilized prudently and included maintenance of proper accounting records. Further, the financial Statements have been prepared in accordance with the International Public Sector Accounting Standards (IPSAS) and represents a true and fair view of the state of affairs of the Fund for the period under review.

As the Accounting Officer and Fund Administrator, I confirm the completeness of the accounting records maintained for the Fund, which have been relied upon, in the preparation of the financial statements.



Dr. Bernard Mogesa

KNCHR Fund Administrator

7. Statement of Performance Against Predetermined Objectives

KNCHR envisions a society that respects and upholds human rights and fundamental freedoms. Its mission is to protect and promote human rights and freedoms through policy, law, and practice. The overarching goal is to deepen the culture of accountability and respect for human rights and fundamental freedoms. To achieve this goal during the strategic period 2023-2028, the Commission focusses on four broad strategic objectives, which have been revised to align with prevailing human rights trends:

1. ***Strategic Objective 1: Education and Capacity Building on Human Rights:*** The Commission aims to enhance awareness and understanding of human rights by providing education and capacity-building programs, empowering individuals and institutions to advocate for and protect these rights.
2. ***Strategic Objective 2 Monitoring Compliance and Observance of Human Rights:*** The Commission will actively monitor and assess compliance with human rights standards, ensuring that violations are identified, documented, and addressed promptly and effectively.
3. ***Strategic Objective 3 Access to Justice, Redress, and Accountability on Human Rights Violations:*** The Commission is committed to facilitating access to justice for victims of human rights violations, ensuring that redress mechanisms are in place, and holding perpetrators accountable for their actions.
4. ***Strategic Object 4: Institutional Efficiency and Effectiveness:*** The Commission's aims to enhance the efficiency and effectiveness of its institutions in fulfilling its mission. This involves promoting transparency, good governance, and responsible resource utilization, as well as optimizing resource mobilization, deployment, accountability, and monitoring and evaluation processes. It seeks to align human resources and harness the power of ICT to streamline organizational procedures while reinforcing internal policies, systems, and processes to elevate service delivery standards.

The Scheme develops its annual work plans based on Strategic Objective 4 of enhancing efficiency, effectiveness and sustainability. Assessment of the Board's performance against its annual work plan is done on a quarterly basis. The Scheme achieved its performance targets set for the FY 2024/2025 as shown in the diagram below:

**Kenya National Commission on Human Rights Car loan and Mortgage Scheme
Annual Report and Financial Statements For the year ended 30th June 2025**

Program	Objective	Outcome	Indicator	Actual Performance
KNCHR Staff Car Loan Scheme	Provide loan scheme for purchase of Motor vehicle	Strengthened Welfare of KNCHR Employees	No. of Staff benefited from Car loan Scheme	2 staff members benefited in the FY 2024/2025
KNCHR Staff Mortgage Scheme	Provide loan scheme for purchase or development of property	Strengthened Welfare of KNCHR Employees	No. of Staff benefited from Mortgage Scheme	1 staff member benefited in the FY 2024/2025

8. Corporate Governance Statement

The KNCHR Car Loan and Mortgage Scheme is governed by the internal policy approved by the board in 2015 that sets out the overarching guiding principles and frameworks for the operations. These include stipulating the eligibility criteria of staff, processing of applications, roles, and responsibilities of the key players in the process

The policies set out an elaborate governance structure that provides the necessary check and balances. The policy provides for a Staff Loans Committee composed of 7 members with a quorum of 5 members which shall be constituted by the Commissioners. Membership of the Committee shall be representative of all levels and will be headed by a Chair appointed by the Commission Secretary.

For the purpose of administration and supervision of the Staff Mortgage and Car Loans Schemes, the Deputy Director of Human Resources sits as secretary to the Committee.

The Current Membership of the Staff Loans Committee is as illustrated on the below table:

Ref	Name	Position
1	Cyrus M. Maweu	Chairperson
2	Lynnette Manga Mwachiro	Vice Chairperson
3	Martin Pepela	Member
4	John Karundu Maroo	Member
5	Mary Waithera	Member
6	Leah Kembo	Member
7	Winnie Ogutu	Secretary

The Roles and Functions of the Staff Loans Committee are as follows:

- (a) Vet all loans applications and advice the Commission Secretary. In determining the criteria for loans approval, the committee will consider the following;
 - (i) Terms of service
 - (ii) Period of service remaining
 - (iii) Pending disciplinary cases (suspension or interdiction)
 - (iv) Period of employment with KNCHR
 - (v) Waiting period
 - (vi) Ability to repay.

***Kenya National Commission on Human Rights Car loan and Mortgage Scheme
Annual Report and Financial Statements For the year ended 30th June 2025***

- (b) Approve or decline loan application and make recommendations to the Commission Secretary.
- (c) Advise the KNCHR’s Finance Division during budgeting based on the trend of the previous year.

Approvals of loan applications are done at two levels, by the staff loan committee and the Financial Institution upon appraisal. Appeals and representations of compelling nature may be presented to the Staff Loans Committee.

The Human Resources Manager is bestowed the responsibility of managing and facilitating the issuance of staff mortgage loans. She also serves as the Secretariat to the Staff Loans Committee. The Finance Manager as well has key obligations under the policy including preparing budgets, following up with the Treasury and ensuring funds are remitted to the Financial Institution, managing the funds on behalf of the Commission in conjunction with the Human Resource Manager and advising the Staff Loan Committee on funds balances. In addition, the Internal Auditor also plays a key role in ensuring compliance with the laid down rules and regulations.

The Staff Loans Committee is advisory and the overall approval and accountability lie with the Commission Secretary who is the accounting officer of all funds of the Kenya National Commission on Human Rights. The Commissioners provide general oversight of the Scheme.

The process of vetting and approval of applications by the staff loan committee entails deliberations that are minutes and recommendations issued to the Commission Secretary. In the period under review, the following is a log of Staff committee meetings held and the attendance:

	DATE OF MEETING	ATTENDANCE
1.	9 th of August 2024	<ul style="list-style-type: none"> 1. Anne Okutoyi - Chairing 2. Kasaine Saibulu 3. David Morema 4. Winnie Ogutu 5. Elijah Rottok – Taking notes
2.	3 rd December 2024	<ul style="list-style-type: none"> 1. Cyrus M. Maweu - Chairing 2. Anne Okutoyi – Outgoing Chair

		<ol style="list-style-type: none">3. Lynette Manga Mwachiro - (Taking notes)4. John Karundu Maroo5. Mary Waithera6. Winnie Ogutu
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The Staff Committee is guided by the Institutional service charter as well as the Human Resource Manual on its conduct and guiding values including declaration of conflict of interest at every meeting and deliberation. The KNCHR Mortgage and Car loan scheme is included in the induction training of all new staff. In terms of remuneration the members currently operate on a pro-bono basis. Based on the amount and nature of work that the Committee carries out in addition to their day-to-day tasks, it is highly recommended that remuneration be considered for the Members.

9. Management Discussion and Analysis

During the Financial year 2024/2025, the KNCHR Car Loan and Mortgage Scheme did not receive any financial allocation. The Scheme, therefore, operated on the available balances in the revolving accounts to facilitate applications.

In the period under review, the internal committee approved 2 applications for car loan totalling to Kes. 2,810,000. Similarly, mortgage loan applications totalling to Kes. 6,700,000 were successfully disbursed to members of staff.

The total number therefore of staff members that have been facilitated from the inception of the scheme to 30th June, 2025 is as follows; A total of 18 applications for car loan to the tune of Kenya Shillings 24,332,100 were approved and processed by the bank. With regards to the mortgage scheme, 16 applications totalling to Kenya Shillings 93,129,907 have been approved and funds disbursed by the bank.

10. Environmental and Sustainability Reporting

i) Sustainability strategy and profile

During the Financial Year 2024/2025, the Fund through the Kenya National Commission on Human Rights (KNCHR) upheld its commitment to promoting and protecting human rights throughout Kenya. The KNCHR adapted to shifting national priorities while remaining aligned with international standards. To reinforce its mandate and long-term sustainability, KNCHR's leadership advanced a clear strategic plan focused on strengthening resource mobilization, proactive risk management, integration of modern Information and Communication Technology (ICT), and expanding partnerships and communication channels.

A key driver of success was KNCHR's investment in technology to enhance efficiency and service delivery. The continued use of digital platforms such as the Complaints Management System, Grants Management System, and Human Resources Management System enabled improved case tracking, streamlined operations, and better communication with both internal and external stakeholders. This ensured that the Commission's services remained responsive and impactful. Aligning its strategies with national policy priorities through a human rights lens enabled KNCHR to engage effectively with Ministries, Departments, and Agencies (MDAs) and mobilize resources. In line with global best practices, the Commission also adopted cloud computing for secure data storage and remote work, ensuring operational continuity. The introduction of SharePoint further strengthened internal knowledge management by facilitating information sharing and promoting institutional memory, even during staff transitions.

To deepen public engagement, KNCHR maintained its dedicated 24/7 toll-free reporting line and an SMS platform, providing citizens with accessible channels to report human rights issues. These initiatives promoted inclusivity, transparency, and trust, expanding the Commission's reach across the country. Despite these advancements, KNCHR faced significant challenges that limited its operational effectiveness. Funding constraints and delayed disbursements hampered program implementation and procurement of essential tools and services. Staffing shortfalls further reduced the Commission's capacity to meet rising demands, while its limited presence, through only seven regional offices, restricted nationwide coverage.

ii) Environmental Performance

During the financial year 2024/2025, the fund did not independently engage in Environmental performance. However, this was done through Kenya National Commission on Human Rights

which committed to sustainable development, upholding the principle of meeting present needs without jeopardizing the ability of future generations to meet theirs. This commitment was articulated through its internal Environmental Policy, which guides the Commission's operational practices and aligns with Kenya's national environmental laws and the standards set by the National Environmental Management Authority (NEMA). The policy requires KNCHR to regularly assess its environmental footprint and set measurable targets for improvement. Evidence of this commitment is seen in practical actions such as reducing energy, water, and resource consumption within its offices, and promoting workplace practices that encourage all staff to take responsibility for sustainability.

A notable success has been the Commission's community engagement on environmental rights, particularly connecting environmental justice with broader human rights issues such as business practices and the protection of vulnerable communities from harmful industrial activities. Internally, KNCHR has made strides by providing training and support to staff, nurturing innovative ideas on waste reduction and resource efficiency. However, challenges persist, especially in fully integrating biodiversity conservation into all programs and enforcing a robust waste management plan across dispersed field operations.

iii) Employee Welfare

The Fund plays a key role in enhancing the Welfare of staff at the Kenya National Commission on Human Rights. The principal activity of the Fund is facilitating access to low-interest credit facilities to Employees, with the specific objective of aiding them to acquire cars and residential housing. This initiative is designed to not only improve the quality of life for staff but also to contribute to the overall job satisfaction, retention and motivation.

Access to reasonable credit remains a significant challenge for many employees, especially in the context of high interest commercial lending rates in Kenya. By offering loans at subsidized interest rates, the fund is able to bridge this gap and empower staff to make long term investments in asset that would otherwise be financially inaccessible. The loan products have favourable flexible repayment terms and affordable.

The fund also indirectly contributes to organizational performance by addressing the personal financial needs of staff. The Commission benefits from improved staff morale, increased

productivity and low turnover. The availability of this facility/scheme has become a pivotal component of KNCHR'S employee value proposition and it is thus regarded as one of the most impactful welfare initiatives within the commission.

iv) Community Engagements

In the 2024/2025 financial year, the Scheme through the Kenya National Commission on Human Rights deepened its commitment to Corporate Social Responsibility (CSR) as a vital extension of its human rights mission. Recognising that real human rights protection must uplift everyday community welfare, the Commission undertook impactful initiatives across the human rights spectrum. As the guardian of human rights in Kenya, KNCHR fulfilled its role through various initiatives, including:

- Investigating complaints against Human Rights Defenders at the grassroots level.
- Collaborating with agencies to provide safe houses for witnesses of human rights violations in appropriate cases.
- Supporting Human Rights Defenders in conflict with the law. .
- Providing training for judicial officers on Human Rights Defenders' rights.
- Advocating for human rights-related legislations, and review of bills and policies, and issuance of advisories for enhanced human rights compliance.
- Engaging with relevant bodies and organizations to influence policy changes.
- Organizing stakeholders' engagements to gather views on proposed legislations.
- Raising awareness and building capacity on human rights and government policies and legislative proposals.
- Directly engaging with legislative committees of Parliament and the Senate.
- Collaborating with governmental bodies and ministries.
- Supporting the implementation of Alternative Justice Systems.
- Operatizing the national Action Plan on Business and Human Rights through among others development of draft Human Rights Due Diligence framework, draft model Operational Grievance Mechanisms and Public Inquiry engagement.

The KNCHR further engages with communities through membership in various human rights and social justice working groups such as; Referral Partners Network Working Group; Penal Reforms Working Group; Death Penalty Working Group, Judicial Reforms Working Group; Kenya

***Kenya National Commission on Human Rights Car loan and Mortgage Scheme
Annual Report and Financial Statements For the year ended 30th June 2025***

Transitional Justice Network Working Group; Police Reforms Working Group; Human Rights Defenders Working Group; Protection Working Group on Internal Displacement (PWGID) and Intersex Person's Implementation Coordination Committee amongst others.

11. Report of The Fund Administration Committee

The Trustees/Fund Administration Committee submit their report together with the audited financial statements for the year ended 30th June 2025, which show the state of the Fund's affairs.

Principal activities

The principal activities of the Fund are to motivate the KNCHR staff by facilitating access to low interest credit facilities to own houses and cars.

Performance

The performance of the Fund for the year ended 30th June 2025, is set out on page no.1 to 6

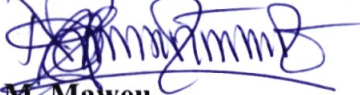
Trustees

The members of the Board of Fund Administration Committee who served during the year are shown on page iv.

Auditors

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

By Order of the Board



Cyrus M. Maweu

Chairperson of Fund Administration Committee

12. Statement of Management’s Responsibilities

The Administrator of the Fund is responsible for the preparation and presentation of the Fund’s financial statements, which give a true and fair view of the state of affairs of the Fund for and as at the end of the financial year ended on 30th 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 fund,
- (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 fund;
- (v) Selecting and applying appropriate accounting policies, and
- (vi) Making accounting estimates that are reasonable in the circumstances.

The Administrator of the Fund accepts responsibility for the Fund’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. The Administrator of the Fund is of the opinion that the Fund’s financial statements give a true and fair view of the state of Fund’s transactions during the financial year ended 30th June 2025, and of the Fund’s financial position as at that date.

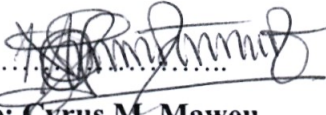
The Administrator further confirm the completeness of the accounting records maintained for the Fund, which have been relied upon in the preparation of the Fund’s financial statements as well as the adequacy of the systems of internal financial control.

In preparing the financial statements, the Administrator of the Fund has assessed the Fund’s ability to continue as a going concern and disclosed, as applicable, matters relating to the use of going concern basis of preparation of the financial statements.

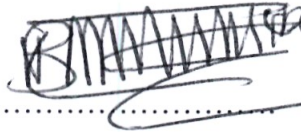
Nothing has come to the attention of the Administrator to indicate that the Fund will not remain a going concern for at least the next twelve months from the date of this statement.

Approval of the financial statements

The Fund's financial statements were approved by the Board on 28th, July 2025 and signed on its behalf by:



Name: **Cyrus M. Maweu**
Chairman of the Fund



Name: **Dr. Bernard Mogesa, PhD, CPM**
Fund Administrator

REPUBLIC OF KENYA

Telephone: +254-(20) 3214000
Email: 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 NATIONAL COMMISSION ON HUMAN RIGHTS CAR LOAN AND MORTGAGE SCHEME FOR THE YEAR ENDED 30 JUNE, 2025

PREAMBLE

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

- A. Report on the Financial Statements that considers whether the financial statements are fairly presented in accordance with the applicable financial reporting framework, accounting standards and the relevant laws and regulations that have a direct effect on the financial statements;
- B. Report on Lawfulness and Effectiveness in 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 aim to address the Auditor-General's statutory roles and responsibilities 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 National Commission on Human Rights Car Loan and Mortgage Scheme as set out on pages 1 to 27, which

comprise of the statement of financial position as at 30 June, 2025, and the statement of financial performance, statement of changes in net assets, statement of cash flows and the statement of comparison of budget and actual amounts for the year 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 National Commission on Human Rights Car Loan and Mortgage Scheme as at 30 June, 2025, and of its financial performance and its cash flows for the year then ended, in accordance with International Public Sector Accounting Standards (Accrual Basis) and comply with the Kenya National Commission on Human Rights Car Loan and Mortgage Loan Scheme Fund Regulations, 2015 and 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 National Commission on Human Rights Car Loan and Mortgage 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 year under review.

Other Information

The Management is responsible for the Other Information, set out on pages iii to xxvii, which comprise Key Fund Information and Management, Chairperson's Report, Report of the Fund Manager/Administrator, Statement of Performance Against Predetermined Objectives, Corporate Governance Statement, Management Discussion and Analysis, Environmental and Sustainability Reporting, Report of the Fund Administration Committee and the 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 conclusion thereon.

REPORT ON LAWFULNESS AND EFFECTIVENESS IN USE OF PUBLIC RESOURCES

Conclusion

As required by Article 229(6) of the Constitution, based on the audit procedures performed, I confirm that nothing 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

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, I confirm that nothing has come to my attention to cause me to believe that internal controls, risk management and governance were not effective.

Basis for Conclusion

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 the Fund Administration Committee

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 such internal control 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 control, risk management and overall governance.

In preparing the financial statements, the 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.

The Fund Administration Committee is responsible for overseeing the Scheme's financial reporting process, reviewing the effectiveness of how the 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 overall 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 also consider the Scheme'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


13 November, 2025

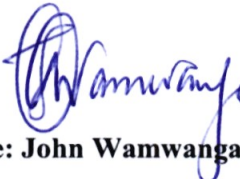
14. Statement of Financial Performance for the year ended 30th June 2025.

Revenue from non-exchange transactions			
Transfers from Parent Ministry/ SC/SAGA		-	-
		-	-
Revenue from exchange transactions			
Interest income	6	2,262,138	1,829,439
Other income		-	
		2,262,138	1,829,439
Total revenue		2,262,138	1,829,439
Expenses			
Employee costs		-	-
Use of goods and services	7	3,621	2,130
Depreciation and amortization expense		-	-
Finance costs	8	2,199,994	1,724,730
Total expenses		2,203,615	1,726,860
Other gains/losses			
Gain/loss on disposal of assets		-	-
Gain /Loss on fair value of investments		-	-
Surplus/(deficit) before tax		58,523	102,579
Taxation		(-)	(-)
Surplus/ (Deficit) after Tax		58,523	102,579

The financial statements were approved on 28/07/2025 by:


Name: **Cyrus M. Maweu**
Chairperson of the Fund


Name: **Dr. Bernard Mogesa**
Fund Administrator


Name: **John Wamwanga**
Fund Accountant
ICPAK M/No. 2872

**Kenya National Commission on Human Rights Car loan and Mortgage Scheme
Annual Report and Financial Statements For the year ended 30th June 2025**

15. Statement of Financial Position as at 30th June 2025

	Note	FY 2024/2025 Kshs.	FY 2023/2024 Kshs.
Assets			
Current assets			
Cash and cash equivalents	9	6,109,214	7,446,644
Receivables from exchange transactions	10	9,037,133	8,181,541
Receivables from non-exchange transactions		-	-
Prepayments		-	-
Inventory		-	-
Investments in Financial Assets		-	-
Total Current Assets		15,146,347	15,628,185
Non-current assets			
Receivables from exchange transactions	10	58,649,940	58,109,579
Property, plant, and equipment		-	-
Intangible assets		-	-
Investment Property		-	-
Total Non-Current Assets		58,649,940	58,109,579
Total assets (A)		73,796,287	73,737,764
Liabilities			
Trade and other payables		-	-
Refundable Deposits and Prepayments from Customers		-	-
Borrowings		-	-
Total Current Liabilities		-	-
Non-current liabilities			
Borrowings		-	-
Total non-current liabilities		-	-
Total liabilities (B)		-	-
Net Assets (A-B)		73,796,287	73,737,764
Represented By:			

**Kenya National Commission on Human Rights Car loan and Mortgage Scheme
Annual Report and Financial Statements For the year ended 30th June 2025**

	Note	2025 KSh	2024 KSh
Car loan revolving fund		14,000,000	14,000,000
Mortgage revolving fund		56,940,825	56,940,825
Accumulated surplus/Deficit		2,855,462	2,796,939
Net Assets		73,796,287	73,737,764

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

The Fund financial statements were approved on 28th, July 2025 and signed by:



Name: Cyrus M. Maweu
Chairperson of the Fund



Name: Dr. Bernard Mogesa
Fund Administrator



Name: John Wamwanga
Fund Accountant
ICPAK M/No. 2872

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

	Mortgage Fund KShs	Car Loan Fund KShs	Accumulated surplus KShs	Total KShs
As at 1 July 2023	56,940,825	14,000,000	2,694,360	73,635,185
Surplus for the period	-	-	102,579	102,579
Funds received during the year	-	-	-	-
Interest capitalized*	-	-	-	-
Transfers	-	-	-	-
As at 30 June 2024	56,940,825	14,000,000	2,796,939	73,737,764
Balance as at 1 July 2024	56,940,825	14,000,000	2,796,939	73,737,764
Surplus for the period	-	-	58,523	58,523
Funds received during the year	-	-	-	-
Interest capitalized*	-	-	-	-
Transfers	-	-	-	-
As at 30 June 2025	56,940,825	14,000,000	2,855,462	73,796,287

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

	Note	FY 2024/2025 KSh.	FY 2023/2024 KSh.
Cash flows from operating activities			
Receipts			
Transfers from Parent Ministry/ SC/SAGA		-	-
Interest received	6	2,262,138	1,829,439
Other income		-	-
Total receipts		2,262,138	1,829,439
Payments			
Employee costs		-	-
Use of goods and services		-	-
Finance cost	7 & 8	2,203,615	1,726,860
Total payments		2,203,615	1,726,860
Net cash flow from operating activities	11	58,523	102,579
Cash flows from investing activities			
Purchase of PPE and intangible assets		-	-
Proceeds from sale of PPE		-	-
Proceeds from loan principal repayments		8,114,047	7,540,074
Loan disbursements paid out		(9,510,000)	(23,031,707)
Net cash flows used in investing activities		(1,395,953)	(15,491,633)
Cash flows from financing activities			
Receipts into the mortgage revolving fund		-	-
Receipts into the car loan revolving fund		-	-
Net cash flows used in financing activities		-	-
Net increase/(decrease) in cash and cash equivalents		(1,337,430)	(15,389,054)
Cash and cash equivalents at 1 July	9	7,446,644	22,835,698
Cash and cash equivalents at 30 June	9	6,109,214	7,446,644

18. Statement of Comparison of Budget and Actual Amounts for the year ended 30th June 2025

Description	Original budget	Adjustments	Final budget	Actual on comparable basis	Performance difference	% of utilization
	Kshs.	Kshs.	Kshs.	Kshs.	Kshs.	
	A	B	C=(a+b)	D	E=(c-d)	F=d/c
Budget carryovers from the previous year*	-	-	-	-	-	-
Receipts						
Transfers from other Parent Ministry/ SC/SAGA	-	-	-	-	-	-
Interest income	2,262,138	-	2,262,138	2,262,138	-	100%
Other income	-	-	-	-	-	-
Total Revenue	2,262,138	-	2,262,138	2,262,138	-	100%
Expenses						
Employee cost	-	-	-	-	-	-
Use of goods and services	3,621	-	3,621	3,621	-	100%
Finance cost	2,199,994	-	2,199,994	2,199,994	-	100%
Expenditure	2,203,615	-	2,203,615	2,203,615	-	100%
Surplus for the period	58,523	-	58,523	58,523		100%
Capital Expenditure	-	-	-	-	-	100%

19. Notes to the Financial Statements

1. General Information

Car and Mortgage Fund is established by and derives its authority and accountability from Public Finance Management Act. The Fund is wholly owned by the Government of Kenya and is domiciled in Kenya. The Fund's principal activity is to issue car loan and mortgage to staff of Kenya National Commission on Human Rights.

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 Fund's accounting policies. The areas involving a higher degree of judgment or complexity, or where assumptions and estimates are significant to the financial statements, are disclosed in Note xx. The financial statements have been prepared and presented in Kenya Shillings, which is the functional and reporting currency of the Fund. 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 June 2025.

There were no new and amended standards issued in the financial year 2024/2025.

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

<p>IPSAS 43: Leases</p>	<p><i>Applicable 1st January 2025</i> 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. The new standard requires entities to recognise, measure and present information on right of use assets and lease liabilities.</p>
<p>IPSAS 44: Non- Current Assets Held for Sale and Discontinued Operations</p>	<p><i>Applicable 1st January 2025</i> The Standard requires, 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: 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>IPSAS 45: Property Plant and Equipment</p>	<p><i>Applicable 1st January 2025</i> 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>
<p>IPSAS 46: Measurement</p>	<p><i>Applicable 1st January 2025</i> The objective of this standard was to improve measurement guidance across IPSAS by:</p>

	<ul style="list-style-type: none"> i. Providing further detailed guidance on the implementation of commonly used measurement bases and the circumstances under which they should be used. ii. Clarifying transaction costs guidance to enhance consistency across IPSAS. iii. Amending where appropriate guidance across IPSAS related to measurement at recognition, subsequent measurement and measurement related disclosures. <p>The standard also introduces a public sector specific measurement bases called the current operational value.</p>
IPSAS 47: Revenue	<p><i>Applicable 1st January 2026</i></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>
IPSAS 48: Transfer Expenses	<p><i>Applicable 1st January 2026</i></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>
IPSAS 49: Retirement Benefit Plans	<p><i>Applicable 1st January 2026</i></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>
IPSAS 50: Exploration For & Evaluation of Mineral Resources	<p><i>Applicable 1st January 2027</i></p> <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"> i. Limited improvements to existing accounting practices for exploration and evaluation expenditures. 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. 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.

iii. Early adoption of standards

The Entity did not early – adopt any new or amended standards in the financial year 2024/2025.

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 Fund 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.

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

Dividends or similar distributions must be recognized when the shareholder's or the Entity's right to receive payments is established.

Rental income

Rental income arising from operating leases on investment properties is accounted for on a straight-line basis over the lease terms and included in revenue.

b. Budget information

The original budget for FY 2024/2025 was approved on 1st July 2024. Subsequent revisions or additional appropriations were made to the approved budget in accordance with specific approvals from the appropriate authorities. The additional appropriations are added to the original budget by the Fund upon receiving the respective approvals in order to conclude the final budget. Accordingly, the Fund did not receive additional appropriations for FY 2024/2025. The Fund'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. A statement to reconcile the actual amounts on a comparable basis included in the statement of comparison of budget and actual amounts as per the statement of cash flows has been presented on Section six of this Financial Statements.

c. Property, plant, and equipment (PPE)

All property, plant and equipment are stated at cost less accumulated depreciation and impairment losses. Cost includes expenditure that is directly attributable to the acquisition of the items. When significant parts of property, plant and equipment are required to be replaced at intervals, the Fund recognizes such parts as individual assets with specific useful lives and depreciates them accordingly. Likewise, when a major inspection is performed, its cost is recognized in the carrying amount of the plant and equipment as a replacement if the recognition criteria are satisfied. All other repair and maintenance costs are recognized in surplus, or deficit as incurred. Where an asset is acquired in a non-exchange transaction for nil or nominal consideration the asset is initially measured at its fair value.

d. Intangible assets

Intangible assets acquired separately are initially recognized at cost. The cost of intangible assets acquired in a non-exchange transaction is their fair value at the date of the exchange. Following initial recognition, intangible assets are carried at cost less any accumulated amortization and accumulated impairment losses. Internally generated intangible assets, excluding capitalized development costs, are not capitalized and expenditure is reflected in surplus or deficit in the period in which the expenditure is incurred. The useful life of the intangible assets is assessed as either finite or indefinite.

e. Investment property

Investment properties are measured initially at cost, including transaction costs. The carrying amount includes the replacement cost of components of an existing investment property at the time that cost is incurred if the recognition criteria are met and excludes the costs of day-to-day maintenance of an investment property. Investment property acquired through a non-exchange transaction is measured at its fair value at the date of acquisition. Investment properties are derecognized either when they have been disposed of or when the investment property is permanently withdrawn from use and no future economic benefit or service potential is expected from its disposal. The difference between the net disposal proceeds and the carrying amount of the asset is recognized in the surplus or deficit in the period of de-recognition

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. 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 entity 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 entity 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 entity 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 entity recognizes a loss allowance for such losses at each reporting date.

II. Financial liabilities

Classification

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

g. Contingent liabilities

The Fund 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 Fund 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 Fund 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 Fund creates and maintains reserves in terms of specific requirements. The Commission maintain revenue and specific reserves which cannot be used to pay for current expenses.

j. Changes in accounting policies and estimates

The Fund 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

Transactions in foreign currencies are initially accounted for at the ruling rate of exchange on the date of the transaction. At each reporting date, foreign currency monetary items are translated using the closing rate. Non-monetary items measured in historical cost are translated using the exchange rate at the date of the transaction, and those measured at fair value are translated using the exchange rates at the date when the fair value was determined. Exchange differences arising from the settlement of monetary items or translation of monetary/non-monetary items at rates different from those at which they were initially reported are recognized in surplus or deficit in the period.

l. Related parties

The Fund 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 Fund, or vice versa. Members of key management are regarded as related parties and comprise the Directors/Trustee, the Fund Managers, and Fund Accountant.

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 Kenya Commercial Bank at the end of the financial year.

n. Comparative figures

Where necessary comparative figures for the previous financial year have been amended or reconfigured to conform to the required changes in presentation.

o. Events after the reporting period

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

p. Ultimate and Holding Fund

The Fund is established under Section 24 (4) PFM Act under the Department of Kenya National Commission on Human Rights. Its ultimate parent is the Government of Kenya.

q. Currency

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

5. Significant judgments and sources of estimation uncertainty

The preparation of the Fund'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 Fund. 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 Fund
- 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

Notes to the Financial Statements

6. Interest income

Description		
Interest Income from Mortgage Loans	1,870,466	1,415,033
Interest Income from Car Loans	329,528	309,697
Interest Income from Investments in financial assets	-	-
Interest Income on Bank Deposits	62,144	104,709
Other	-	-
Total Interest Income	2,262,138	1,829,439

**Kenya National Commission on Human Rights Car loan and Mortgage Scheme
Annual Report and Financial Statements For the year ended 30th June 2025**

7. Use of Goods and Services

Description	FY 2024/2025 Kshs.	FY 2023/2024 Kshs.
Loan processing costs	-	-
General office expenses	-	-
Professional services costs	-	-
Administration fees	-	-
Committee allowances	-	-
Printing and Stationery	-	-
Telephone a communication expense	-	-
Bank charges	3,621	2,130
Audit fees	-	-
Provision for Doubtful Debts	-	-
Other	-	-
Total	3,621	2,130

8. Finance costs

Description	FY 2024/2025 Kshs.	FY 2023/2024 Kshs.
Interest on Bank Overdrafts	-	-
Interest on Loans from Banks	2,199,994	1,724,730
Total	2,199,994	1,724,730

9. Cash and cash equivalents

Description	FY 2024/2025 Kshs.	FY 2023/2024 Kshs.
KNCHR Car Loan/ Mortgage Account	6,109,214	7,446,644
Fixed Deposits Account	-	-
On – Call Deposits	-	-
Current Account	-	-
Others	-	-
Total Cash and Cash equivalents	6,109,214	7,446,644

9 a) Detailed analysis of the cash and cash equivalents

Mortgage and Car Loan Fund			
KCB Account	1206077581	4,587,954	5,962,869
KCB Account	1206077107	1,521,260	1,483,775
Fixed Deposit Accounts			
KCB Account		-	-
Sub- Total		6,109,214	7,446,644
Grand Total		6,109,214	7,446,644

10. Receivables from exchange transactions

Description				
Current Receivables				
Interest Receivable		-		-
Current Loan Repayments Due		9,037,132		8,181,541
Other Exchange Debtors		-		-
Less: Impairment Allowance		(-)		(-)
Total Current Receivables		9,037,132		8,181,541
Non-Current Receivables				
Long Term Loan Repayments Due		58,649,940		58,109,579
Total Non- Current Receivables		58,649,940		58,109,579
Total Receivables		67,687,072		66,291,120
Ageing analysis (receivable from exchange transactions)				
	<i>FY</i> <i>2024/2025</i>	<i>% of</i> <i>total</i>	<i>FY</i> <i>2023/2024</i>	<i>% of</i> <i>total</i>
Less than 1 year	9,037,132	13%	-	%
Between 1-2 years	8,877,247	13%	-	%
Between 2-3 years	7,412,619	11%	-	%
Over 3 years	42,360,074	63%	-	%
Total	67,687,072	100%	-	%

Kenya National Commission on Human Rights Car loan and Mortgage Scheme
Annual Report and Financial Statements For the year ended 30th June 2025

11. Net cash flows from operating activities

	FY 2024/2025 Kshs.	FY 2023/2024 Kshs.
Surplus/ (deficit) for the year before tax	-	-
Adjusted for:		
Depreciation	-	-
Amortisation	-	-
Gains/ losses on disposal of assets	(-)	(-)
Interest income	2,262,138	1,829,439
Finance cost	2,203,615	1,726,860
Working capital adjustments		
Increase in inventory	(-)	(-)
Increase in receivables	(-)	(-)
Increase in payables	(9,510,000)	(23,031,707)
Net cash flow from operating activities	(9,451,477)	(23,134,286)

12. Financial risk management

The Fund's activities expose it to a variety of financial risks including credit and liquidity risks and effects of changes in foreign currency. The Fund'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 Fund 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 Fund's financial risk management objectives and policies are detailed below:

a) Credit risk

The Fund 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 Fund's management based on prior experience and their assessment of the current economic environment.

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 Fund has recognised in the financial statements is considered adequate to cover any potentially irrecoverable amounts.

The board of trustees sets the Fund'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 Fund Administrator, who has built an appropriate liquidity risk management framework for the management of the

Fund's short, medium, and long-term funding and liquidity management requirements. The Fund manages liquidity risk through continuous monitoring of forecasts and actual cash flows. The table below represents cash flows payable by the Fund under non-derivative financial liabilities by their remaining contractual maturities at the reporting date. The amounts disclosed in the table are the contractual undiscounted cash flows. Balances due within 12 months equal their carrying balances, as the impact of discounting is not significant.

c) Market risk

The board has put in place an internal audit function to assist it in assessing the risk faced by the Fund 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 Fund'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 Audit and Risk Management Committee. The Fund's Finance Department is responsible for the development of detailed risk management policies and for the day-to-day implementation of those policies.

There has been no change to the Fund's exposure to market risks or the manner in which it manages and measures the risk.

d) Interest rate risk

Interest rate risk is the risk that the Fund's financial condition may be adversely affected as a result of changes in interest rate levels. The Fund's interest rate risk arises from bank deposits. This exposes the Fund to cash flow interest rate risk. The interest rate risk exposure arises mainly from interest rate movements on the Fund'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 Fund 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. The analysis has been performed on the same basis as the prior year.

e) Capital risk management.

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

Description		
Revolving fund	70,940,825	70,940,825
Accumulated surplus (<i>Reserves</i>)	2,855,462	2,796,939
Total funds	73,796,287	73,737,764
Less: cash and bank balances	(6,109,214)	(7,446,644)
Net debt/(excess cash and cash equivalents)	67,687,073	66,291,120
Gearing	92%	90%

13. Related party balances

a) Nature of related party relationships

Entities and other parties related to the Fund 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 fund/scheme is related to the following entities:

- a) National government Fund
- b) Key management;
- c) Board of Trustees/Committee; etc.

**Kenya National Commission on Human Rights Car loan and Mortgage Scheme
Annual Report and Financial Statements For the year ended 30th June 2025**

b) Related party transactions

i. Transfers from related parties

Description	FY 2024/2025 Kshs.	FY 2023/2024 Kshs.
Transfers from related parties	-	-

ii. Key management remuneration

Description	FY 2024/2025 Kshs.	FY 2023/2024 Kshs.
Board of Trustees	-	-
Key Management Compensation	-	-
Total	-	-

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 Entity is a Fund under the sponsorship of Kenya National Commission on Human Rights which is a Constitutional Commission.

16. Currency

The financial statements are presented in Kenya Shillings (Kshs) rounded to the nearest shilling.

*Kenya National Commission on Human Rights Car loan and Mortgage Scheme
Annual Report and Financial Statements For the year ended 30th June 2025*

20. Annexes

Annex I: Progress on Follow-Up of Prior Year Auditor's Recommendations

The following is the summary of issues raised by the external auditor, and management comments that were provided to the auditor.

Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status	Timeframe
OAG/GJL/AUD/9/8/2023-2024(21)	Irregular payment of loan administrative cost.	Resolved	Resolved	1st October 2025



Dr. Bernard Mogesa, PhD, CPM
Fund Manager/Accounting Officer

Date.....

