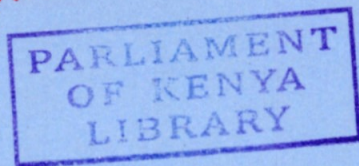


REPUBLIC OF KENYA



REPORT

 THE NATIONAL ASSEMBLY PAPERS LAID	
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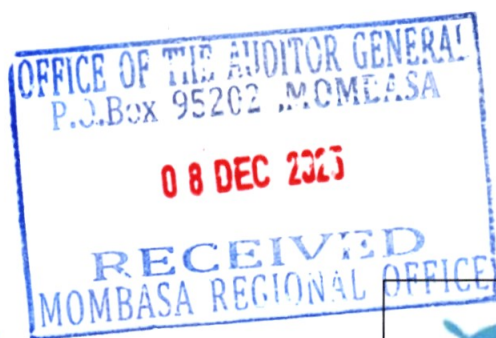
OF

THE AUDITOR-GENERAL

ON

**KENYA MARITIME AUTHORITY
STAFF MORTGAGE AND CAR
LOAN SCHEME**

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



KENYA MARITIME AUTHORITY
STAFF MORTGAGE AND CAR LOAN SCHEME

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

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

Kenya Maritime Authority Staff Mortgage and Car Loan Scheme
Annual Report and Financial Statements For the year ended 30th June 2025

***Kenya Maritime Authority Staff Mortgage and Car Loan Scheme
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1. Acronyms and Definition of Key Terms

A. Acronyms

DG	Director General
KMA	Kenya Maritime Authority
CBK	Central Bank of Kenya
ICPAK	Institute of Certified Public Accountants of Kenya
IPSAS	International Public Sector Accounting Standards
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

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

Kenya Maritime Authority (KMA) Staff Mortgage and Car Loan Scheme was established in the Financial Year 2012/2013 and pursuant to the Salaries and Remuneration Commission (SRC) Circular Ref No. SRC/ADMICIR/III13 Vol. III (128) of 17th December 2014 on Mortgage and Car Loan Schemes for State Officers and other Public Officers of Government of Kenya, with the objective of providing a loan scheme for the purpose of acquisition of motor vehicles and residential property for staff.

The scheme is fully owned by Kenya Maritime Authority and is domiciled in Kenya.

The Board is in charge of giving strategic direction and the Director General is charged with the day-to-day affairs of the Scheme

b) Principal Activities

The mandate of KMA is to regulate, coordinate, and oversee maritime affairs. Our vision is to be a "leading maritime administration transforming Kenya into a globally competitive nation," and the mission is to "ensure sustainable, safe, secure, clean, and efficient water transport for the benefit of stakeholders through effective regulation, coordination, and oversight of maritime affairs."

KMA staff mortgage and Car loan scheme that supports the Authority's staff to;

i. Acquire residential properties through

Purchasing an existing residential property; buying land and constructing; renovating and/or improving existing residential properties or plots; taking over loans on existing mortgages or releasing equity on currently mortgaged properties.

ii. Acquisition of motor vehicles

The scheme is administered by KMA Management. The management is responsible for ensuring that loans from applicants are processed in accordance with the approved scheme policies and for supervising the day-to-day operations of the scheme.

The scheme's management is under Family Bank, KCB Bank, and Consolidated Bank. These banks are responsible for managing the scheme and providing administrative services.

c) Board of Directors

The Directors who served during the period under review are:

Mr.Ahmed Kolosh Mohamed	Chairman, Appointed on 17 th January,2025
CS. Hon. John Mbadi, EGH	Cabinet Secretary, National Treasury & Economic Planning
Mr. Aden Millah	Principal Secretary, State Department for Shipping and Maritime Affairs
Hon. Dorcas Oduor	Attorney General
Ms. Janet Lang'at	Alternate to the Attorney General

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Mr. Daniel M. Ndolo OGW	Alternate to the Cabinet Secretary, National Treasury & Planning, Appointed on 23 rd April 2020
Mr. Julius Nyonga Segera	Alternate to the Principal Secretary, State Department for Shipping and Maritime Affairs, Appointed on 5 th February, 2025
Hon. Qalicha Guyo	Appointed on 6th March 2023
Ms. Annistain Kemunto Mogaka	Appointed on 6th March 2023
Mr. Rishad Hamid Ahmed	Appointed on 6th March 2023
Dr. Lillian Apadet	Appointed on 6th March 2023
Mr. Ezekiel Kibor	Appointed on 6th March 2023
Mr. Ali Abdalla Mondo	Appointed on 31st May 2023

d) Key Management

SN	Position	Name
1	Scheme Administrator	CPA Omae NYARANDI Director General
2	Scheme Accountant	CPA Ellyne Chepngetich Assistant Director, Finance & Accounts
3	Management	Martina Wato Yattani Ag. Asst. Director Human Resource & Administration
4	Management	Mr. Edwin Were Assistant Director, Kisumu Region
5	Management	Mr. Luke Samba Port State Control Officer

e) Fiduciary Oversight Arrangements

SN	Position	Name
1	Audit and Risk Assurance Committee	Mr. Qalicha G. Wario Independent Chairperson
2	Director Internal Audit	CPA Alex Mbega
3	Staff Mortgage and Car Loan Advisory Committee	Martina Wato Yattani

Audit and Risk Assurance Committee

The committee's activities include;

- Review with the internal and external auditors the coordination of audit effort to ensure completeness of coverage, avoid duplication of effort, and promote the effective use of audit resources.
- Provides oversight over governance, risk management, and control processes.

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- iii. Review the legal and regulatory matters that may have a material impact on the financial statements, related compliance policies, and reports received from consultants.
- iv. Give guidelines on risk management.

f) Registered Offices

Kenya Maritime Authority Headquarters
P.O. Box 95076 - 80104
KMA Bahari Towers, Mbaraki Road, Mombasa, Kenya.

g) Fund Contacts

Telephone: (254) 041 2318398/9
E-mail: info@kma.go.ke
Website: www.kma.go.ke

h) Fund Bankers

- i. Kenya Commercial Bank
Kilindini Branch
PO Box 90300
Mombasa.
- ii. Family Bank
Nkrumah Road Branch
P.O Box 74145-00200
Nairobi
- iii. Consolidated Bank of Kenya
Nkrumah Road Branch
P.O Box 82342 - 80100
Mombasa

i) Independent Auditor

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

j) Principal Legal Adviser

The Attorney General
State Law Office and Department of Justice
Harambee Avenue
P.O. Box 40112
City Square 00200
Nairobi, Kenya

3. The Board of Directors

 Hon. Ahmed Kolosh Mohammed Board Chairman	Hon. Ahmed Kolosh Mohamed assumed the role of Chairperson for the Board of Directors at the Kenya Maritime Authority on January 17, 2025. Hon. Kolosh is a seasoned leader with extensive expertise in public administration and infrastructure development with over two decades of experience. Prior to this appointment, he served as Chairman of the Board of Directors at the Kenya Roads Board. He has also held several key leadership positions, including Member of the National Assembly for Wajir West Constituency, County Chief Officer for Public Works and Housing and County Chief Officer for Water Services in the Wajir County Government. During his tenure, he successfully oversaw the completion of a modern county headquarters, facilitated the construction of low-cost housing for low-income residents and saw the successful completion of the County Assembly chambers, Wajir County. He holds a Master of Arts in Sociology (Disaster Management) and a Bachelor of Commerce (Finance) from the University of Nairobi. As Chairperson, Hon. Kolosh brings a wealth of experience and exceptional leadership acumen to the Kenya Maritime Authority, firmly positioning him as a visionary leader and key architect of its strategic direction and sustained success.
 Ali Abdalla Mondo Director	Mr. Ali Abdalla Mondo assumed the role of a Director on the Kenya Maritime Authority's Board on June 2, 2023, bringing to the Authority a wealth of experience and a commitment to diverse, inclusive, and human rights-focused perspectives. His multifaceted skill set encompasses mentoring, coaching, and a keen entrepreneurial acumen, particularly in incubation and management and Small and Medium Enterprises. These attributes promise to be invaluable assets for the Authority as it aspires to implement the Bottom-up Economic Transformation Agenda. Mr. Mondo's qualifications extend into research, leadership training, gender issues, and development, all of which stand to enrich the Authority's skills repertoire. With a Bachelor of Science Degree in Science and Humanity, his academic foundation further bolsters his capacity to contribute meaningfully to the maritime sector. Notably, Mr. Mondo is a certified Mediator, underlining his dedication to conflict resolution and negotiation. His involvement in youth empowerment initiatives and active engagement with the Kenya Red Cross demonstrate his commitment to fostering peaceful coexistence, making him a

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	driving force behind several pivotal projects across Kenya. In summary, Mr. Mondo's appointment brings a fresh perspective and a robust skill set to the Authority's Board of Directors. His dedication to human rights, inclusivity, and youth empowerment, combined with his expertise in management of SMEs and mediation, positions him as a valuable asset in furthering the Authority's mission and objectives. In summary, Mr. Mondo's appointment brings a fresh perspective and a robust skill set to the Authority's Board of Directors. His dedication to human rights, inclusivity, and youth empowerment, combined with his expertise in management of SMEs and mediation, positions him as a valuable asset in furthering the Authority's mission and objectives
 Annistain Mogaka Director	Ms. Annistain Mogaka assumed the role of Board Member at the Kenya Maritime Authority on March 10, 2023. As an innovative and forward-thinking leader, Ms. Mogaka is deeply committed to driving development and nation-building initiatives, making her a valuable addition to the Authority's board. Her Leadership was recognized and awarded by Pwani University for winning the Pwani Women Award 2023 – as a Senior Female Executive for the year 2022/2023. Her leadership style is characterized by a strategic and visionary approach, which aligns seamlessly with the Authority's mission and goals. Ms. Mogaka's unique perspective and expertise contribute to the board's ability to steer the organization effectively. In terms of her qualifications, Ms. Mogaka has a background in computer studies, reflecting her technological acumen and the ability to leverage digital solutions in the maritime sector's evolving landscape. Furthermore, she has obtained certification in Ministry from the JCC School of Ministry, showcasing her dedication to personal and professional development. With her blend of innovation, strategic thinking, and a commitment to community development, Ms. Annistain Mogaka is well-prepared to play a vital role in shaping the Authority's future and fostering its mission to advance the maritime sector and contribute to the nation's growth



Daniel Ndolo
Alternate Director

Mr. Daniel Ndolo is the Alternate Director to the Principal Secretary, National Treasury. Mr. Ndolo has over 20 years' experience working in the public sector institutions in Kenya and has a wealth of experience and professional knowledge in corporate governance, budgeting, investment and financial analysis, economic policy, risk management, negotiation, conflict resolution, monitoring and evaluation, performance management, public debt, and communication, among others. He has a Masters in Development Economics (Williams College, Massachusetts, USA); Bachelors in Economics (University of Nairobi); Certificate in Investment Appraisal and Management (Harvard University), Masters in Communication, Certificate in Financial Risk Management (Global Institute of Risk Management), as well as Certificates in Public Private Partnership (PPP) Management (IP3, USA), Leading High Performing Teams (Setym, Canada), among other qualifications.

He has served as senior advisor to senior public sector officials in public policy, public debt, public investments and stakeholder engagement. He previously worked as senior technical Advisor to the Chief Executive of the Capital Markets Authority (Kenya) doubling as the Project Coordinator for the Demutualization of the Nairobi Securities Exchange (NSE, formerly the Nairobi Stock Exchange).

In his early career days, he worked as Head of Programme Coordination Unit, in the External Resources Department (Now Resource Mobilization) of the National Treasury. This involved coordinating with all donor desks to and Budget Department to ensure that all mobilized resources to be captured in the national budget estimates. Member of all board committees



Ezekiel Kibor
Director

Mr Ezekiel Kibor is a member of the Board of Directors of Kenya Maritime Authority (KMA). He was appointed as a member for a period of three (3) years with effect from 10th March, 2023. Mr Ezekiel Kibor is an experienced manager, team player and problem solver with keen attention to right service delivery with regards to quantity, quality, cost and time.

He is a Finance, Purchasing and Supply Management professional with over eleven years of experience He also has a vast experience in accounting, procurement and logistics. He is the General Manager of Loita Farms LTD and has over the years served as a manager to various organizations within his scope of practise

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Ms. Janet Langat
Alternate Director

Ms. Janet Langat is an Alternate Member of the Board of Directors Kenya Maritime Authority representing the Hon. Attorney General. She is a holder of a Master's degree in Business Administration (Strategic Management) from Maseno University and a degree in Law from Moi university. She also has undertaken various trainings in Mediation and Negotiation from International Law Institute and has vast experience in management. Ms. Langat has 20 years of experience working in the Public and the Private Legal Sector. She has worked in different capacities in the Office of the Attorney General and is currently the Regional Head in Mombasa.

She has also successfully defended the Government in high level litigation and brings to the Authority a vast wealth of legal knowledge and experience.



Julius Segera
Alternate Director

Mr. Julius Segera is a distinguished member of the Board of Directors, serving as the alternate to the Principal Secretary – Shipping and Maritime Affairs.

Mr. Segera holds a Post Graduate Diploma in Marine Administration and Port Management from the University of Singapore, a Master of Science in Maritime Administration from the World Maritime University (Malmo, Sweden), a Master of Arts from the University of Nairobi and a Diploma in Port Security from Galilee International Management Institute.

With extensive experience and expertise in the maritime sector, Mr. Segera currently serves as the Director of Shipping and Maritime at the State Department for Shipping and Maritime Affairs.

Over the past 13 years, he has built a distinguished and exemplary career in public sector administration and results-oriented management, achieving notable milestones in the maritime industry, particularly in policy formulation, leadership and corporate governance. He has played a pivotal role in successfully coordinating the negotiation of Memorandum of Understanding (MoUs) between Kenya, Angola, Egypt and Saudi Arabia on Maritime Education and Recognition of Certificates.

Through his collaborative efforts

Mr. Segera has spearheaded the incorporation of 37 ratified international conventions into national laws and regulations, driving industry development, ensuring compliance and fostering strategic partnerships. Member of all board committees

 Dr.Lillian Apadet Osamong Director	Dr Lillian Apadet Osamong assumed the role of Board member at the Kenya Maritime Authority on March 10th 2023. With a distinguished career in the medical field. Dr Apadet brings a wealth of expertise to the board. She has 20 years' experience in leadership and governance both in the medical field and Government boards. She has been a Chair of the Kenya Medical research institute and board member KICC through which she gained experience, hands on and formal training in Directorship. Dr Apadet is a distinguished scholar and is renowned for the efforts to advance medical and dental profession earning her accolades including the prestigious Pierre Fauchard Academy fellowship award. She has been board member in various school boards and participated in mentorship and community outreach activities that she is passionate about. Currently Dr Lillian holds the position of Lecturer at Moi university where she imparts her extensive knowledge and skills to the next generation of health professionals. Her multifaceted skill set extends beyond the medical realm, encompassing strong leadership, organization and guidance capabilities. As a member of the board of Directors, Dr Apadet brings her wealth of experience and expertise to contribute to strategic direction and success of the authority ensuring that it continues to thrive in its mission within the maritime industry
 Qalicha Gufu Wario Director	Mr Qalicha Gufu Wario is a board member after being appointed from 10th march 2023 for a period of three years. He has vast experience of 24 years spread across different fields. He has served as a marketing support under the research and advisory services department. He has also worked as program Manager under the livestock marketing council and also as the chief executive officer of the same livestock marketing council. He has also served as the Member of Parliament of Moyale from 2017 to 2022. He has a Bachelor of Education in economics and commerce from University of Nairobi and also a Master's degree in Economics from the same university. He is presently working as a member of national research taskforce on agriculture and agriculture research systems which is mandated to develop the national research systems for Kenya.
	Mr. Rishad Amana assumed the role of Board Member at the Kenya Maritime Authority on March 10, 2023. With an impressive thirty-three years of entrepreneurial experience spanning various sectors of the economy. Mr. Ahmed brings a wealth of expertise to the board. Currently, he serves as a Director at Amana Freights Company and holds the position of Managing Director at

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Rishad Hamid Ahmed Director	Richlands Properties Limited, showcasing his active involvement in the business world. In the past, he was the sole proprietor of Rajaco Ship Contractors and a partner at Golden Freights Company from 2003 to 2005. Mr. Ahmed's dynamic career also includes a significant leadership role as Chairman of the Seafarers Union. Mr. Ahmed's educational journey includes graduation from Bandari College, Nairobi Aviation College, and the Bush Town School, underscoring his commitment to continuous learning and professional development. Beyond his business endeavors, he is the esteemed founder of the Muslim Youth of Kenya, highlighting his dedication to community and social initiatives. With his extensive entrepreneurial background, leadership acumen, and commitment to community welfare. Mr. Ahmed is poised to make valuable contributions to the Authority's strategic vision and mission
 CPA Omae NYARANDI Director General	CPA Omae Nyarandi was appointed as the Director General of the Kenya Maritime Authority on 16th July, 2025. He brings to the Authority over 30 years of cumulative experience in general management, strategy, finance, and procurement. CPA Nyarandi holds a Master of Business Administration (MBA) degree in Strategic Management. He is a Certified Public Accountant (CPA-K), a Certified Secretary (CS-K), and a member of the Chartered Institute of Purchasing and Supply (MCIPS). His broad professional background is complemented by a proven track record in public sector leadership and governance. As a distinguished strategist and leader, Mr. Nyarandi is expected to drive the Kenya Maritime Authority towards new heights of operational excellence and industry leadership. His expertise in strategic management, coupled with his extensive experience in the transport and logistics sectors, positions him to steer the Authority in fulfilling its mandate and realizing its vision for the maritime sector in Kenya and the region. CPA NYARANDI is responsible for setting and executing the overall business strategy for Kenya Maritime Authority (KMA) and translating Board and Shareholder mandates to the business and representing Management in the board. The position ensures that the Authority meets its strategic objectives to achieve its overall goals.
	CS Jessica Mbae, born on 29th September, 1986, is an Advocate of the High Court of Kenya of eleven (11) years standing and a member of the Law Society of Kenya and the Institute of Certified Secretaries of Kenya. She has a Bachelors Degree in Law from the Catholic University of Eastern Africa and a Masters Degree in Public Policy and Management from the Strathmore University

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CS Jessica Mbae Corporation Secretary & Director Legal Services	Business School. She is also a Certified Professional Mediator certified by the Nairobi Centre for International Arbitration (NCIA). She has over a decade experience in the Roads Sector and Corporate Governance having worked in various positions in the Legal Services Directorate of the Kenya National Highways Authority
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4. Management Team

Name	Details of qualifications and experience
CPA Omae NYARANDI Director General	CPA Omae Nyarandi was appointed as the Director General of the Kenya Maritime Authority on 16th July, 2025. He brings to the Authority over 30 years of cumulative experience in general management, strategy, finance, and procurement. CPA Nyarandi holds a Master of Business Administration (MBA) degree in Strategic Management. He is a Certified Public Accountant (CPA-K), a Certified Secretary (CS-K), and a member of the Chartered Institute of Purchasing and Supply (MCIPS). His broad professional background is complemented by a proven track record in public sector leadership and governance. As a distinguished strategist and leader, Mr. Nyarandi is expected to drive the Kenya Maritime Authority towards new heights of operational excellence and industry leadership. His expertise in strategic management, coupled with his extensive experience in the transport and logistics sectors, positions him to steer the Authority in fulfilling its mandate and realizing its vision for the maritime sector in Kenya and the region. CPA Omae NYARANDI is responsible for setting and executing the overall strategy for Kenya Maritime Authority (KMA) Mortgage & Car loan scheme and translating Board and Shareholder mandates to the business and representing Management in the Fund. The position ensures that the Fund meets its strategic objectives to achieve its overall goals.
CPA Ellyne Chepngetich Fund Accountant	CPA Chepngetich manages financial records, prepares reports, ensures compliance, supports audits, tracks disbursements and repayments, monitors cash flow, and analyzes financial data.
Martina Wato Yattani Fund Management	Miss Yattani is involved in the management of a mortgage scheme fund that involves administering and disbursing funds, implementing policies, managing risks, ensuring compliance, monitoring loan performance, coordinating stakeholders, raising capital, promoting the scheme, and leveraging technology for efficiency and transparency.
Edwin Were Fund Management	Mr. Were is involved in the management of a mortgage scheme fund that involves administering and disbursing funds, implementing policies, managing risks, ensuring compliance, monitoring loan performance, coordinating stakeholders, raising capital, promoting the scheme, and leveraging technology for efficiency and transparency.
Luke Samba Fund Management	Mr Samba is involved in the Management of a mortgage scheme fund that involves administering and disbursing funds, implementing policies, managing risks, ensuring compliance, monitoring loan performance, coordinating stakeholders, raising capital, promoting the scheme, and leveraging technology for efficiency and transparency.

5. Chairman's Report

I am pleased to present the Authority's Staff Mortgage and Car Loan Schemes' financial statements for the year ended 30th June 2025.

The scheme has gradually given staff opportunities to acquire plots, purchase or build houses using mortgage loans with repayment periods of up to twenty years. This has supported the Government's affordable housing initiative. Additionally, the scheme has enabled staff to purchase motor vehicles through loans that are repayable within five years.

The Staff Mortgage and Car Loan schemes were established in January 2013 through the Authority's Board of Directors initiative to motivate staff and improve retention. The scheme later adopted the provisions of the Car Loan and Mortgage schemes for State and other public officers of the Government of Kenya, as stipulated by the Salaries and Remuneration Commission.

A revolving fund was established to support the scheme's operations, with funding provided through budgetary allocations. Kenya Commercial Bank, Family Bank, and Consolidated Bank of Kenya manage the administration of the Staff Mortgage and Car Loan schemes.

The uptake of the scheme has been increasing, and the Authority continues to review the scheme's offerings to ensure optimal participation by all employees.



.....
Hon. Mohammed Ahmed Kolosh

***Kenya Maritime Authority Staff Mortgage and Car Loan Scheme
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6. Report of the Director General

The Authority is pleased to present the Staff Mortgage and Car Loan Scheme Reports and financial statements for the Financial Year 2024/2025.

The scheme has issued 44 house mortgage loans, totaling Kshs 322 million, and 69 car loans, amounting to Kshs 105 million, to staff since its inception. During the financial year under review, 9 car loans valued at Kshs 15 million were issued to staff, while 5 house mortgage and plot purchase loans worth Kshs 31 million were also advanced to staff.

The scheme is expected to stay active in the coming years.

The Authority will continue to mobilize budget allocations in the following financial years to enable all staff access to the facility.


.....
CPA Omae NYARANDI
Director General

***Kenya Maritime Authority Staff Mortgage and Car Loan Scheme
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7. Statement of Performance Against Predetermined Objectives

Section 81 Subsection 2 (f) of the Public Finance Management Act, 2012 requires the Accounting Officer to include in the financial statement, a statement of the national government Fund's performance against predetermined objectives.

Kenya Maritime Authority has 6 strategic pillars/ themes/issues and objectives within the current Strategic Plan for the 2013/2014 to FY 2027/2028. These strategic pillars are as follows:

- Pillar 1: Maritime Education and Training
- Pillar 2: Seafarers Welfare Development
- Pillar 3: Maritime Safety and Security
- Pillar 4: Marine Environment
- Pillar 5: Maritime Trade Facilitation and Development
- Pillar 6: KMA Institutional Governance

The Staff Mortgage and Car Loan Scheme Fund falls under Pillar 6

Kenya Maritime Authority develops its annual work plans based on the above 6 pillars. Assessment of the Board's performance against its annual work plan is done on a quarterly basis. The Kenya Maritime Authority achieved its performance targets set for the FY 2024/2025 period for its 6 strategic pillars, as indicated in the diagram below:

Strategic Pillar	Objective	Key Performance Indicators	Activities	Achievements
Pillar 6: KMA Institutional Governance	To attract and retain a productive and motivated human resource	Adequately funded scheme	Allocation of funds to the scheme	The scheme has continued to have adequate funds available to staff for the period under review
		Proportion of staff retained by the Authority who have been issued with Car and Mortgage Loans	Conduct staff sensitization on the benefits of the scheme and encourage uptake of the facility	The number of staff who have accessed the facility increased by fourteen (14). This has enhanced staff retention in the Authority

8. Corporate Governance Statement

The Kenya Maritime Authority is committed to the values and principles of good Corporate Governance as an integral part of the Corporate Culture. This guides the way its Directors, Management and Staff conduct the business of the organization.

As a public sector organization dedicated to providing quality service to its stakeholders, the Authority's decisions are guided by the core tenets prescribed in the Public Officers Ethics Act, the Leadership and Integrity Act, the Mwongozo Code of Governance for State Corporations and Board's Code of Conduct.

The Authority endeavours to develop, strengthen and sustain the trust that the Government, employees and the public have bestowed on it. The Board is committed to regularly evaluating national and international standards in responsible, transparent and efficient manner with a view of enhancing Corporate Governance at the Authority and consistently delivering on its statutory mandate.

Role And Function of The Board of Directors

The role and functions of the Board inter alia includes, to:

- i. Set and oversee the overall strategy and approve significant policies of the Authority; Approve the organizational structure;
- ii. Approve the annual budget of the organization;
- iii. Monitor the Authority's performance and ensure sustainability;
- iv. Ensure availability of adequate resources for the achievement of the Authorities objectives

In line with the provisions of the Kenya Maritime Authority Act, 2006, the Chairman and other members of the Board, other than designated public officers, hold office for a period of three (3) years from the date of appointment and may be eligible for re-appointment for one (1) further term.

The appointment of all members of the Board as first constituted and at every change in membership is by notice published in the Kenya Gazette.

The Director General is appointed by the Board in consultation with the Cabinet Secretary in charge of Maritime Affairs following a competitive recruitment process.

New Directors are provided with extensive materials on the Authority and its operations, the procedures relating to the Board and its Committees and their duties and responsibilities as Directors.

The primary function of the Board of Directors' (the Board) is to provide effective strategic leadership and direction to enhance the long-term value of the Authority to its stakeholders. The Board has the overall responsibility for overseeing the development and implementation of the strategic plan, performance objective, financial plans, annual budget, key operation initiatives, financial performance reviews and corporate governance practices.

They are also responsible for instilling the appropriate culture, value and behaviour throughout the organization. The Board is therefore committed to maintaining very high standards of corporate governance and ethical conduct.

The Board has established four (4) Committees from among its Members to assist in the execution of its responsibilities. These are the Audit and Risk Assurance Committee, the Human Resource Environment and Social Governance Committee, the Maritime and Industry Development Committee and the Finance and Investment Committee. Each of these Committees operates pursuant to approved Terms of Reference delegated to them by the Board. The Board and each Committee have scheduled meetings held in every quarter of the Financial Year. The Chairman of each Committee regularly reports to the full Board on the Committee's deliberations at quarterly meetings of the Board.

Succession Planning

The Authority recognizes that succession planning forms an integral part of the Authority Human Resource Strategy and ensures the presence of a 'talent pipeline' that guarantees continuity of business in the event that key persons exit the Authority. It allows for the selection and preparation of individuals to ascend to the next level in the organization through appropriate Human Resource Intervention.

Succession Planning on the Board is implemented by ensuring that the Parent Ministry is informed six (6) months prior to the expiry of the term of any of the Directors, for appointment, to ensure the Board is always fully constituted.

Board Charter

The Authority maintains a Board Charter that is a guide for Directors of the Authority when executing their mandate. It expounds and sets out the Directors' collective and individual powers, rights, duties, obligations, responsibilities and liabilities.

The Charter enshrines the requirements of good Corporate Governance applicable to the Authority that meets the requirements of the enabling legislation and the Code of Governance for State Corporations (Mwongozo). It serves to facilitate and promote effective Governance that is responsible and responsive to the Government's policies and guidelines on State Corporations. It also provides a framework through which the Board carries out its statutory mandate in compliance with the international principles of corporate governance, Laws, Regulations and Policies of state corporations.

Induction And Training of The Board

The Authority ensures that the Board's capacity is continually built through trainings and workshops and encourages Board Members to be up to date with continuous Professional Development in their respective professional bodies. The Authority further prepares and implements an annual Board Training Plan to ensure capacity building of the Board as regards their needs.

An induction process is undertaken for all new Board Members to familiarize themselves with their role as Directors and acquaint themselves with the Authority's mission, vision, core values, mandate, strategic direction, code of conduct and ethics, best Corporate Governance practices and approved policies and procedures.

Board And Member Performance

The Board undertakes an annual Board Self Evaluation exercise facilitated by the State Corporations Advisory Committee (SCAC) that enables the Board evaluate the Performance of the full Board, the individual Members, the Director General and the Corporation Secretary. Subsequent to the Self Evaluation the Board prepares a Board Performance Improvement Plan that enable the Board strategize and implement measures to enhance its performance in areas

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requiring improved performance. The Board evaluation for FY2024/2025 was conducted by State Corporations Advisory Committee on 27th August, 2024

Board Remuneration

Board Remuneration by the Authority is guided by the relevant statutory Guidelines from the State Corporations Advisory Committee (SCAC) and Circulars issued from time to time by SCAC. The Authority endeavours to remunerate the Board members fairly, ethically and responsibly.

Conflict Of Interest

The Board is under obligation to act in the best interest of the Authority and uphold the fiduciary responsibilities and duty of care. This obligation involves not disclosing confidential information, avoiding real and perceived conflicts of interest, and favouring the interests of the Authority over other interests. The Board members are expected to act honestly and in good faith so as to create a culture built on principles of integrity, accountability and transparency. The Authority has in place two separate Conflict of Interest Registers- one for the Board and the other for members of staff.

Governance Audit

The Board subjects the Authority to an annual Governance Audit. The Governance Audit covers the areas of, Leadership and Strategic Management, Transparency and disclosure, Compliance with Laws and Regulations, Communication with stakeholders, Board Independence and Governance and Board systems and procedures.

Corruption Prevention

There is a Corruption Prevention Policy in place that reiterates Chapter 6 of the Constitution of Kenya, 2010, the Anti- Corruption and Economic Crimes Act, 2003, Public Officer Act, 2003 and the Leadership and Integrity Act, 2012 with regards to issues of conflict of interest.

Board Meetings

The Board discharges its responsibilities through the Maritime Industry Development Committee, Finance and Investment Committee, the Human Resource and Environmental Social Governance Committee, and the Audit and Risk Assurance Committee.



CS - Ms. Jessica Mbae
CORPORATION SECRETARY BY ORDER OF THE BOARD.

9. Management Discussion and Analysis

a) Operational and Financial Performance of the Fund

Since its inception the scheme has had cash inflows of Kshs 245,500,000. The funds have been received from the Authority through budget allocations.

The Scheme Income declined from Kshs 941,753 in FY2023/2024 to Kshs.714,116.75 due to transfer of funds from KCB and Family Banks to Consolidated Bank of Kenya. Expenditure during the period increased by Kshs 4864 in comparison to FY2023/2024 expense of Kshs 1,440. Bank charges are incurred on transfer of funds to the new scheme accounts at the Consolidated Bank.

b) Scheme's key projects or investments decision implemented or ongoing

The Authority has continued to invest in the scheme with the intention of providing staff with affordable housing and facilitate its staff to conveniently commute to and from work.

c) Scheme Loans Performance Report.

Since its inception the scheme has issued 44 house mortgage loans, worth a total of Kshs 322 million, and 69 car loans, totaling Kshs 105 million, to staff since its inception. During the financial year under review, 9 car loans valued at Kshs 15 million were issued to staff, while 5 house mortgage loans and plot purchase loans worth Kshs. 31 million were also advanced to staff.

Total Loans outstanding for both Car Loan and Mortgage scheme stand at Kshs 211,851,814.45

d) Scheme's compliance with statutory requirements

The scheme complied with all its statutory and tax obligations in the implementation of its mandate as well as laws and regulations applicable to management of its funds.

e) Major risks facing the Scheme.

The scheme has no major risk facing it.

f) Material arrears in statutory financial obligation

The scheme has no statutory financial obligation arrears.

10. Environmental and Sustainability Reporting

The Kenya Maritime Authority (KMA) is committed to carrying out its affairs in a socially responsible, sustainable and meaningful way while creating shared value in a way that benefits the society by addressing its needs and challenges.

The Authority therefore regards CSR as a strategic means to:

- i. Create shared value and make a positive contribution to the society;
- ii. Build trust and confidence in the organization;
- iii. Foster teamwork among employees and commitment to the Authority;
- iv. Enhance responsibility for the environment, and society

11. Report of The Directors

The Directors submits their report together with the audited financial statements for the year ended June 30, 2025, which show the state of the Fund's affairs.

Principal activities

The principal activities of the Fund are to support the staff in acquiring residential properties and motor vehicles.

Performance

The performance of the Fund for the year ended June 30, 2025, is set out on page 1

Directors

The members of the Board of Directors who served during the year are shown on page (vi-xi)

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



.....
Ms. Jessica Mbae
Corporation Secretary

12. 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 Directors established section 14(3) of the State Corporations Act, Cap 446 (SCA) shall prepare financial statements for the Fund in accordance with the standards and formats prescribed by the Public Sector Accounting Standards Board.

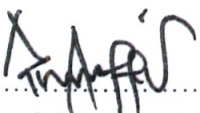
The Directors are responsible for the preparation and presentation of the Fund's financial statements, which give a true and fair view of the state of affairs of the Fund for and as at the end of the financial year ended on June 30, 2025. This responsibility includes: (i) maintaining adequate financial 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 and Salaries and Remuneration Commission (SRC) Circular Ref No. SRC/ADMICIR/III13 Vol. III (128) of 17th December 2014 on Mortgage and Car Loan Schemes for State Officers and other Public Officers of Government of Kenya. The Directors 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 June 30, 2025, and of the Fund's financial position as at that date.

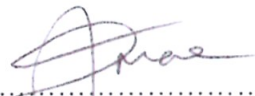
The Directors further confirm the completeness of the accounting records maintained for the Fund, which have been relied upon in the preparation of the Fund's financial statements as well as the adequacy of the systems of internal financial control. In preparing the financial statements, the Directors have assessed the Fund's ability to continue as a going concern. Nothing has come to the attention of the Directors 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 08/12/ 2025 and signed on its behalf by:


.....

Name: Hon Mohammed Ahmed Kolosh
Chairman of the Board


.....

Name: CPA Omae NYARANDI
Fund Administrator

REPUBLIC OF KENYA

Telephone: +254-(20) 3214000
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 MARITIME AUTHORITY STAFF MORTGAGE AND CAR LOAN 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 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 Maritime Authority Staff Mortgage and Car Loan Scheme set out on pages 1 to 24, 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 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 Maritime Authority Staff Mortgage and Car Loan 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 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 Maritime Authority 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 year under review.

Other Information

Management is responsible for the Other Information set out on page iii to xxiii which comprise of Key Entity Information and Management, Statement of Performance Against Predetermined Objectives, Corporate Governance Statement, Management Discussion and Analysis and Statement of Director's Responsibilities. The Other Information does not include the financial statements and my audit report thereon.

In connection with my audit on the Fund'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 revenue 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, 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, 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 Management and Fund Management 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 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 Fund'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 are in compliance with the authorities which govern them, and that public resources are applied in an effective way.

The Fund Management Committee is responsible for overseeing the Fund'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

08 December, 2025

Kenya Maritime Authority Staff Mortgage and Car Loan Scheme
Annual Report and Financial Statements For the year ended 30th June 2025

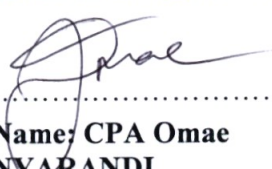
14. Statement of Financial Performance for the year ended 30th June 2025

	Note	2024/2025	2023/2024
		Kshs.	Kshs.
Revenue from exchange transactions			
Interest Income	1	6,907,611	7,643,093
		-	-
Total revenue		6,907,611	7,643,093
Expense			
Use of Goods and Services	2	6,199,799	6,665,491
Total expenses		6,199,799	6,665,491
Surplus/ (Deficit) after Tax		707,812	977,602

(The notes set out on pages 17 to 20 form an integral part of these Financial Statements).

The financial statements were approved on 08/12/2025 by:


 Name: Hon Mohammed
 Ahmed Kolosh
 Chairperson of the Board


 Name: CPA Omae
 NYARANDI
 Director General
 ICPAK No:5868


 Name: CPA Ellyne
 Chepngetich
 Fund Accountant
 ICPAK M/No:14326

Kenya Maritime Authority Staff Mortgage and Car Loan Scheme
Annual Report and Financial Statements For the year ended 30th June 2025

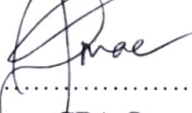
15. Statement of Financial Position as at 30th June 2025

	Note	2024/2025	2023/2024
		Kshs.	Kshs.
Assets			
Current assets			
Cash and cash equivalents	3	52,539,955	73,083,636
Loan Repayments Receivable	4	31,981,502	26,317,657
Total Current Assets		84,521,457	99,401,293
Non-current assets			
Receivables from exchange transactions	5	183,256,928	167,669,279
Total Non-Current Assets		183,256,928	167,669,279
Total assets (A)		267,778,385	267,070,572
Represented By:			
Revolving fund			
Mortgage Fund		210,000,000	210,000,000
Car Loan Fund		35,500,000	35,500,000
Accumulated surplus/Deficit		22,278,384	21,570,572
Net Assets		267,778,385	267,070,572

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 08/12/ 2025 and signed by:


 Name: Hon Mohammed
 Ahmed Kolosh
 Chairperson of the Board


 Name: CPA Omae
 NYARANDI
 Director General
 ICPAK M/No:5868


 Name: CPA Ellyne
 Chepngetich
 Fund Accountant
 ICPAK M/No. 14326

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

	Mortgage Revolving Fund	Car Loan Revolving Fund	Accumulated surplus	Total
	Kshs.	Kshs.	Kshs.	Kshs.
As at 1 July 2023	195,000,000	30,500,000	20,592,969	246,092,069
Surplus/(deficit) for the period	-	-	977,602	977,602
Funds received during the year	15,000,000	5,000,000	-	20,000,000
As at 30 June 2024	210,000,000	35,500,000	21,570,571	267,070,571
Balance as at 1 July 2024	210,000,000	35,500,000	21,570,571	267,070,571
Surplus/(deficit) for the period	-	-	707,812	707,812
Funds received during the year	-	-	-	-
Interest capitalized*	-	-	-	-
Transfers	-	-	-	-
As at 30 June 2025	210,000,000	35,500,000	22,278,385	267,778,385

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

	Note	2024/2025	2023/2024
		Kshs.	Kshs.
Cash flows from operating activities			
Receipts			
Interest received		6,193,495	6,664,051
Total receipts		6,193,495	6,664,051
Payments			
General Expenses		(6,199,799)	(6,665,491)
Total payments		(6,199,799)	(6,665,491)
Net cash flow from operating activities	7	(6,304.00)	(1,440)
Cash flows from investing activities			
Proceeds from loan principal repayments		26,174,911	25,544,760
Loan disbursements paid out		(44,685,000)	(18,850,514)
Net cash flows used in investing activities		(18,510,089)	6,694,246
Cash flows from financing activities			
Proceeds from the Revolving receipts		(2,027,288)	47,988,004
Net cash flows used in financing activities		(2,027,288)	47,988,004
Net increase/(decrease) in cash and cash equivalents		(20,543,681)	54,680,810
Cash and cash equivalents at 1 July	3	73,083,636	18,402,826
Cash and cash equivalents at 30 June	3	52,539,955	73,083,636

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	-	-	-	6,907,611	6,907,611	
Other income	-	-	-	-	-	
Total Revenue	-	-	-	6,907,611	6,907,611	
Expenses						
Employee cost	-	-	-	-	-	
Use of goods and services	-	-	-	6,193,495	6,193,495	
Finance cost				6,304	6,304	
Expenditure	-	-	-	6,199,799	6,199,799	
Surplus for the period	-	-	-	707,812	707,812	
Capital Expenditure	-	-	-	-		

19. Notes to the Financial Statements

1. General Information

Kenya Maritime Authority (KMA) Staff Mortgage and Car Loan Scheme was established in the Financial Year 2012/2013 and derives its authority and accountability from the PFM Act. The Fund is fully owned by Kenya Maritime Authority the Government of Kenya and is domiciled in Kenya. The Fund's principal activity is acquisition of residential properties and acquisition of motor vehicles

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. The financial statements have been prepared and presented in Kenya Shillings, which is the functional and reporting currency of the Kenya Maritime Authority Mortgage & Car Loan 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 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	<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.
IPSAS 44: Non- Current Assets Held for Sale and Discontinued Operations	<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
IPSAS 45: Property Plant and Equipment	<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.
IPSAS 46: Measurement	<i>Applicable 1st January 2025</i> The objective of this standard was to improve measurement guidance across IPSAS by: 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. The standard also introduces a public sector specific measurement bases called the current operational value.
IPSAS 47: Revenue	Applicable 1st January 2026 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.
IPSAS 48: Transfer Expenses	Applicable 1st January 2026 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.
IPSAS 49: Retirement Benefit Plans	Applicable 1st January 2026 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.
IPSAS 50: Exploration For & Evaluation of Mineral Resources	Applicable 1st January 2027 The objective of this Standard is to specify the financial reporting for the exploration for and evaluation of mineral resources. The Standard requires: - Limited improvements to existing accounting practices for exploration and evaluation expenditures. - 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. - 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

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 5th August 2025. 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 record additional appropriations of budget following the governing body's approval.

The KMA Mortgage and Car Loan 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 an 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.

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 Authority 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.

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, Family Bank and Consolidated 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 xxx/ State Corporation. Its ultimate parent is the Government of Kenya.

q. Currency

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

4. 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

1. Interest income

Description	<i>FY 2024/2025</i>	<i>FY2023/2024</i>
	Kshs.	Kshs.
Interest Income from Mortgage Loans	5,264,515	5,851,850
Interest Income from Car Loans	928,980	812,201
Interest Income on Bank Deposits	714,117	979,042
Total Interest Income	6,907,611	7,643,093

2. Use of Goods

Description	<i>FY 2024/2025</i>	<i>FY2023/2024</i>
	Kshs.	Kshs.
Bank Charges	6,304	1,440
Commission to Service Providers	6,193,495	6,664,051
Total	6,199,799	6,665,491

3. Cash and cash equivalents

Description	<i>FY2024/2025</i>	<i>FY2023/2024</i>
	Kshs.	Kshs.
KMA Car Loan/ Mortgage Account	-	-
Fixed Deposits Account	-	-
On – Call Deposits	-	-
Current Account	52,539,955	73,083,636
Others (<i>Specify</i>)	-	-
Total Cash and Cash Equivalents	52,539,955	73,083,636

3(a) Detailed analysis of the cash and cash equivalents

Financial Institution	Account number	<i>FY 2024/2025</i>	<i>FY 2023/2024</i>
		Kshs.	Kshs.
Mortgage and Car Loan Fund		-	

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Financial Institution	Account number	FY 2024/2025 Kshs.	FY 2023/2024 Kshs.
Current Account		52,539,955	73,083,636
Total Cash and cash equivalents		52,539,955	73,083,636
Financial Institution	Account Number	Kshs	Kshs
On- Call Deposits			
Kenya Commercial Bank			-
Family Bank	095000050277	-	-
Sub- Total		-	-
Current Account			
Kenya Commercial Bank	1145652417	115,369	-
Family Bank	095000042563	1,400,379	4,120,376
Consolidated Bank	1008120900000003	47,353,916	64,249,844
Consolidated Bank	1008120900000002	3,670,300	4,713,416
Sub- Total		52,539,955	73,083,636
Grand Total		52,539,955	73,083,636

4.Receivables from Exchange Transactions

Description	FY2024/2025 Kshs.	FY2023/2024 Kshs.
Current Receivables		
Interest Receivable	714,117	979,042
Current Loan Repayments Due	28,594,887	22,559,523
Other Exchange Debtors	2,672,499	2,779,092
Total Current Receivables	31,981,502	26,317,657
Non-Current Receivables		
Long Term Loan Repayments Due	183,256,928	167,669,279
Total Non- Current Receivables	183,256,928	167,669,279
Total Receivables	215,238,430	193,986,936

5. Mortgage and Car Revolving Fund

Description	<i>FY2024/2025</i>	<i>FY2023/2024</i>
	Kshs.	Kshs.
Revolving Funds as at 1st July	245,500,000	225,500,000
Mortgage Revolving Fund		15,000,000
Car Loan Revolving Fund	-	5,000,000
Total	245,500,000	245,500,000
Accumulated Reserves	22,278,385	21,570,572
Total Funds	267,778,385	267,070,572

6. Cash Generated from Operations

Description	<i>FY2024/2025</i>	<i>FY2023/2024</i>
	Kshs.	Kshs.
Surplus for the year before tax	707,812	977,602
Adjusted for:		
Accrued Interest income	(714,117)	(979,042)
Net cash flow from operating activities	(6,304)	(1,440)

Kenya Maritime Authority Staff Mortgage and Car Loan Scheme
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7. 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 carrying amount of financial assets recorded in the financial statements representing the Fund's maximum exposure to credit risk without taking account of the value of any collateral obtained is made up as follows:

Description	Total amount Kshs.	Fully performing Kshs.	Past due Kshs.	Impai red Kshs.
At 30 June 2025				
Receivables From Exchange Transactions-Car loans and mortgages	215,238,430	215,238,430	-	-
Receivables From Non-Exchange Transactions	-	-	-	-
Bank Balances	52,539,955	52,539,955	-	-
Total	267,778,385	267,778,385	-	-
At 30 June 2024				
Receivables From Exchange Transactions- Car loans and mortgages	193,986,936	193,986,936	-	-
Receivables From Non-Exchange Transactions	-	-	-	-
Bank Balances	73,083,636	73,083,636	-	-
Total	267,070,572	267,070,572	-	-

Kenya Maritime Authority Staff Mortgage and Car Loan Scheme
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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.

Description	Less than 1 month	Between 1-3 months	Over 5 months	Total
	Kshs.	Kshs.	Kshs.	Kshs.
At 30 June 2025				
Trade Payables	0	0	0	00
Total	0	0	0	00
At 30 June 2024	0	0	0	00
Trade Payables	0	0	0	00
Total	0	0	0	00

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 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	2024/2025	2023/2024
	Kshs.	Kshs.
Revolving fund	245,500,000	245,500,000
Accumulated surplus (<i>Reserves</i>)	22,278,385	21,570,572
Total funds	267,778,385	267,070,572
Less: cash and bank balances	(52,539,955)	(73,083,636)
Net debt/(excess cash and cash equivalents)	(52,539,955)	(73,083,636)
Gearing	0%	0%

8. 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) Kenya Maritime Authority
- b) The Parent Ministry; Ministry of Mining, Blue Economy and Maritime Affairs
- c) Key management;
- d) Board of Directors

b) Related party transactions

There were no related party transactions during the period

9. Events after the Reporting Period

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

10. Ultimate And Holding Entity

The Entity is a Fund under the sponsorship of Kenya Maritime Authority entity which is a SAGA

11. Currency

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

1. 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: (Resolved / Not Resolved)	Timeframe:
N/A	N/A	N/A	N/A	N/A

Guidance Notes:

- Use the same reference numbers as contained in the external audit report.
- Obtain the "Issue/Observation" and "management comments", required above, from the final external audit report that is signed by Management.
- Before approving the report, discuss the timeframe with the appointed Focal Point persons within your Fund responsible for implementation of each issue.
- Indicate the status of "Resolved" or "Not Resolved" by the date of submitting this report to the National Treasury.



 CPA Omae NYARANDI
 Date 08/12/2025

