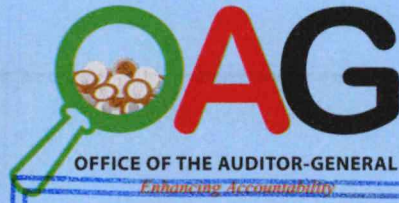




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THE AUDITOR-GENERAL

ON

**NATIONAL YOUTH OPPORTUNITIES
TOWARDS ADVANCEMENT (NYOTA) PROJECT
CREDIT NUMBERS 7355 - KE AND 7356 - KE
AND GRANT NUMBER TFC 1509 KE**

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

NATIONAL SOCIAL SECURITY FUND



**PROJECT NAME:
NATIONAL YOUTH OPPORTUNITIES TOWARDS ADVANCEMENT (NYOTA)
IMPLEMENTING ENTITY: NATIONAL SOCIAL SECURITY FUND**

PROJECT GRANT/CREDIT NUMBER 7355-KE, 7356 -KE AND TFC 1509-KE

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED

JUNE 30, 2025

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



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NATIONAL YOUTH OPPORTUNITIES TOWARDS ADVANCEMENT (NYOTA)
Annual Report and Financial Statements for the financial year ended June 30, 2025

Table Contents

	Page
1. Acronyms and Definition of Terms.....	ii
2. Project Information and Overall Performance.....	iii
3. Statement of Performance against Project's Predetermined Objectives.....	x
4. Environmental and Sustainability Reporting.....	xiv
5. Statement of Project Management Responsibilities	xx
6. Report of the Independent Auditor on Financial Statements for National Youth Opportunities Towards Advancement (NYOTA)	xxi
7. Statement of Financial Performance for the Year Ended 30th June 2025.....	1
8. Statement of Financial Position as at 30 th June 2025.....	2
9. Statement of Changes in Net Assets	3
10. Statement of Cash flows for the year ended 30 th June 2025.....	4
11. Statement of Comparison of Budget and Actual Amounts for the Year ended 30 th June 2025.....	5
12. Notes to the Financial Statements.....	6
13. Annexes	20



NATIONAL YOUTH OPPORTUNITIES TOWARDS ADVANCEMENT (NYOTA)
Annual Report and Financial Statements for the financial year ended June 30, 2025

1. Acronyms and Definition of Terms

CBK	Central Bank of Kenya
ICPAK	Institute of Certified Public Accountants of Kenya
IMF	International Monetary Fund
IPSAS	International Public Sector Accounting Standards
CT	County Treasury
NT	National Treasury
PFM	Public Finance Management.
PSASB	Public Sector Accounting Standards Board
WB	World Bank
Comparative FY	Financial year preceding the current financial year.

(Projects to include all acronyms and Definition of terms used in the annual report and financial statements)



NATIONAL YOUTH OPPORTUNITIES TOWARDS ADVANCEMENT (NYOTA)
Annual Report and Financial Statements for the financial year ended June 30, 2025

2. Project Information and Overall Performance

2.1 Name and registered office

The project's official name is **NATIONAL YOUTH OPPORTUNITIES TOWARDS
ADVANCEMENT (NYOTA)**

Objective

The key objective of the project is Improving Youth Employability, this will connect targeted youth to better employment opportunities by providing them with training, on the job experience, and access to intermediation services.

Address

National Social Security Fund
Social Security House
Bishops Road
P.O. Box 30599 - 00100
NAIROBI
info@nssfkenya.co.ke



NATIONAL YOUTH OPPORTUNITIES TOWARDS ADVANCEMENT (NYOTA)
Annual Report and Financial Statements for the financial year ended June 30, 2025

Project information and overall performance (continued)

2.2 Project Information

Project Start Date:	21st June 2024
Project End Date:	20th June 2029
Project Coordinator:	Ms. Millicent Awiti
Project Sponsor:	World Bank

2.3 Project Overview

Line Ministry and State/ County Department	Ministry of Labour and Social Protection National Social Security Fund
Project number	P179414
Strategic goals of the project	The strategic goals of the project are as follows: <i>Promote Youth Savings</i>
Summary of Project Strategies for achievement of strategic goals	The project management aims to achieve the goals through the following means: To enhance the culture of saving among youth through the “ <i>Haba Haba</i> ” Scheme administered by the National Social Security Fund (NSSF). The initiative contributes directly to key national priorities: a) Youth empowerment through promoting the culture of savings b) Gender equality and health equity
Other important background information of the project	<ul style="list-style-type: none"> • A performance-based matching incentive has been designed to encourage regular savings and responsible financial behaviour; • A portion of savings is accessible short-term, while long-term contributions are matched 2:1, up to a cap of Ksh 3,000 in personal savings to 190,000 beneficiaries. • This design promotes sustained saving behaviour and future income security for youth.



NATIONAL YOUTH OPPORTUNITIES TOWARDS ADVANCEMENT (NYOTA)
Annual Report and Financial Statements for the financial year ended June 30, 2025

	<ul style="list-style-type: none"> • The unitization process development is currently underway to enable members to clearly view and track their individual interests within the scheme. Once finalized, this will enhance transparency and allow members to monitor the growth and performance of their contributions in real time." <p>The initiative prioritizes long-term asset building while offering flexibility for short-term financial needs.</p> <p>b) Gender-Sensitive Design</p> <p>The initiative includes a dedicated maternity support benefit aimed at protecting young women during pregnancy and early motherhood. This innovation is aligned with Kenya’s commitment to reducing maternal and child health disparities and supports broader family well-being.</p> <p>Maternity Benefit (<i>Income Replacement</i>) will be accessible to the female beneficiaries who will save Kes 400 per month for four months and will receive Kes 4000 per month for a period of four months</p> <p>c) System Strengthening</p> <p>Strategic investments in NSSF’s digital infrastructure and customer outreach are enhancing service delivery, simplifying access, and positioning the institution to serve a wider, younger, and more informal demographic supporting Kenya’s long-term goals for social protection coverage expansion.</p>
<p>Areas that the project was formed to intervene</p>	<p>The project was formed to intervene in the following problems/gaps:</p> <ul style="list-style-type: none"> a) Youth empowerment through promoting the culture of savings b) Gender equality and health equity
<p>Project duration</p>	<p>5 Years</p>



***NATIONAL YOUTH OPPORTUNITIES TOWARDS ADVANCEMENT (NYOTA)
Annual Report and Financial Statements for the financial year ended June 30, 2025***

Project Information and Overall Performance (Continued)

2.4 Bankers

The following are the bankers for the project:

- (i) Equity Bank Kenya

2.5 Independent Auditor

The project is audited by the Office of Auditor General

2.6 Roles and Responsibilities

List the different people who are working on the project. This list would include the project coordinator and all the key officers involved.

No	Names	Title designation	Key qualification	Responsibilities
	Millicent Akinyi Awiti	General Manager, Strategy, Research and Risk /Project Coordinator	PhD Business Administration - Ongoing MBA, BA, Diploma in Monitoring and Evaluation	Project Coordinator
	Marietta Mutinda	Manager, Finance	MBA, CPAK	Finance Lead
	Bethuel Chemitei	Manager, Supply Chain	MBA, BCOM	Procurement Lead
	Sharon Museo	Officer, Strategy and Change	MBA	ESS Lead
	Joshua Mativo	Officer Finance	MBA, CPAK	Budget Officer

2.7 Funding summary

The Project is for a duration of 5 years from 2024 to 2028 with an approved budget of US\$ 20 million equivalent to Kshs 2.6 billion as highlighted in the table below:



NATIONAL YOUTH OPPORTUNITIES TOWARDS ADVANCEMENT (NYOTA)
Annual Report and Financial Statements for the financial year ended June 30, 2025

Project information and overall performance (continued)

Below is the funding summary:

A. Source of Funds

Source of funds	Donor Commitment		Amount received to date – (30 th June 2025)		Undrawn balance to date	
	Donor currency USD	Kshs	Donor currency USD	Ksh	Donor currency USD	Kshs
	(A)	(A')	(B)	(B')	(A)-(B)	(A') - (B')
(i) Grant						
GFF	9,000,000	1,170,000,000	736,800	95,784,018	8,263,200	1,074,216,000
	9,000,000	1,170,000,000	736,800	95,784,018	8,263,200	1,074,216,000
ii) On -Grant from Credit No 7355/ 7355 (IDA)	11,000,000	1,430,000,000	1,230,769	160,000,000	9,769,231	1,270,000,030
	-	-	-	-	-	-
(iii) Counterpart funds						
Government of Kenya	-	-	-	-	-	-
Total	20,000,000	2,600,000,000	1,967,569	255,784,018	18,032,431	2,344,216,030



NATIONAL YOUTH OPPORTUNITIES TOWARDS ADVANCEMENT (NYOTA)
Annual Report and Financial Statements for the financial year ended June 30, 2025

Project information and overall performance (continued)

B. Application of Funds

Application of funds	Amount received to date – (30 th June 2025)		Cumulative amount paid to date – (30 th June 2025)		Unutilised balance to date (30 th June 2025)	
	Donor currency	Kshs	Donor currency	Kshs	Donor currency	Kshs
	(A)	(A')	(B)	(B')	(A)-(B)	(A')-(B')
(i) Grant						
GFF	736,800	95,784,018.00	-	-	736,800	95,784,018.00
(i) On -Grant from Credit No 7355/ 7355 (IDA						
IDA	1,230,769	160,000,000.00	32	4,100	1,230,738	159,995,900
(ii)Counterpart funds	-	-	-	-	-	-
Government of Kenya	-	-	-	-	-	-
Total	1,967,569	255,784,018	32	4,100	1,967,538	255,779,918



Project information and overall performance (continued)

2.8 Summary of Overall Project Performance:

- i) The budget for the year was **Kes 645 million** where only Kes 255 Million was received. The amount was not absorbed since the funding came in the end of year on 26/05/2025 GFF grant and On-grant from IDA credit no. 7355/7356.
- ii) Physical progress based on outputs and outcomes since project commencement has been provided.
- iii) The preparatory project work has commenced with approvals sought for the design and development of terms of reference
- iv) List the implementation challenges and recommend the next steps.
 - a) Delay in disbursement
 - b) Under funding of key activities.

2.9 Summary of Project Compliance:

The project does not have compliance issue as the Fund is still at the preparatory stage



NATIONAL YOUTH OPPORTUNITIES TOWARDS ADVANCEMENT (NYOTA)
Annual Report and Financial Statements for the financial year ended June 30, 2025

3. Statement of Performance against Project's Predetermined Objectives

Sn. No.	Activity	Persons Responsible	Expected Output	Funding Model	Estimated Budget (Kes)	Status Update of Implementation
1.	Onboarding of Youth and generation of NSSF Numbers	Safaricom PLC NSSF – Manager, ICT	190,000 NYOTA beneficiaries	N/A	N/A	Process has commenced expected date of completion 25 th August 2025
2.	Matching Contributions to 190,000 Youth at approximately 3000 per youth	Project Coordinator	Enhanced Financial Inclusion among vulnerable youth	IDA	570,000,000	Pending randomization exercise by MSEA and OJE September 2025
3.	Maternity Benefit (<i>Income Replacement</i>) Estimated at 30,000 beneficiaries @ 16,000 per youth	Project Coordinator	Enhanced Financial Inclusion among vulnerable youth	GFF Grant	480,000,000	Pending randomization exercise by MSEA-September 2025
4.	Engagement of a communications Firm	Manager Public Relations and Communication	Increased awareness on importance of saving	IDA	50,000,000	Pending review of Terms of Reference and Approval by World Bank – August 2025
5.	Internal Sensitization	Manager Public Relations and	Increased awareness on the project	IDA	TBD	Regional Managers sensitized on last



NATIONAL YOUTH OPPORTUNITIES TOWARDS ADVANCEMENT (NYOTA)
Annual Report and Financial Statements for the financial year ended June 30, 2025

		Communica tion				<p>week of June virtually</p> <p>Plans underway to sensitize Branch Managers</p> <p>Internal communication through fliers to commence week of 25th July 2025</p> <p>Approval to be sought from WB to sensitize all BM, RM's and CO's</p>
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Introduction

Section 81(2)(f) /Section 164 (2)(f) of the Public Finance Management Act, 2012, requires that the Accounting Officer include a statement of the national/county government entity's performance against predetermined objectives at the end of each financial year.

The key development objectives of the *project's agreement/* plan are to:

1. Improving Youth Employability. This component will connect targeted youth to better employment opportunities by providing them with training, on the job experience, and access to intermediation services.
2. Expanding employment opportunities. This component aims to expand employment opportunities through entrepreneurship development and support to social enterprises.
3. Supporting youth savings component will provide savings opportunities to beneficiaries of components 1 and 2, of which 50 percent will be female.



4. Project Management and Strengthening Systems. This component will finance project management activities and strengthen the systems and capacity of national and county-level implementing agencies.

Progress on the attainment of strategic development objectives

To implement and cascade the above development objectives to specific sectors, all the development objectives were made specific, measurable, achievable, realistic, and time-bound (SMART) and converted into development outcomes. Attendant indicators were identified to track progress and performance measurement.



NATIONAL YOUTH OPPORTUNITIES TOWARDS ADVANCEMENT (NYOTA)
Annual Report and Financial Statements for the financial year ended June 30, 2025

Below, we provide the progress on attaining the stated objectives:

Project	Objective	Outcome	Indicator	Performance
<i>National Youth Opportunities Towards Advancement</i>	<i>To promote culture of savings among the Kenyan Youth</i>	Increased adoption and sustained practice of regular savings among Kenyan youth, particularly those in the informal sector, leading to improved financial resilience and inclusion in the national social protection system.	Percentage of youth enrolled in the Haba Haba savings scheme Proportion of youth (ages 18–35) registered and actively saving through the NSSF Haba Haba platform. <i>Target : 60% increase in youth enrollment over baseline by Year 3.</i>	<i>N/A</i>



4. Environmental and Sustainability Reporting

Component Three of the NYOTA Project focuses on promoting a culture of savings among youth and informal sector workers as a pathway to financial security, economic inclusion, and long-term social protection. Anchored within the broader framework of the Economic Inclusion Programme (EIP), this component aims to build sustainable savings behavior through structured mechanisms such as the NSSF-administered Haba Haba savings scheme. The core mandate of this component is to expand access to contributory social security for underserved populations, particularly those outside formal employment, by leveraging simplified enrollment, flexible contribution plans, financial literacy, and targeted incentives. Sustainability is central to this approach—defined as the project’s ability to continuously deliver impact and services over the long term without reliance on short-term external funding. This is achieved through a strategy that prioritizes institutional integration, financial viability, user empowerment, policy alignment, and strong monitoring systems. The five key sustainability pillars include: institutional capacity, financial self.

Sustainability Commitment and Alignment with SDGs

The Fund’s top management remains deeply committed to advancing sustainability as a strategic priority. This commitment is driven by the recognition that sustainable development is essential for improving the quality of life for current and future generations.

In line with this vision, the Fund has undertaken a broad range of initiatives that support environmental, social, and economic sustainability. These efforts are closely aligned with the United Nations Sustainable Development Goals (SDGs), which provide a global framework for addressing pressing development challenges.

a) Contribution to Sustainable Development Goals

The Fund’s operations and programs contribute both directly and indirectly to the achievement of several Sustainable Development Goals (SDGs). These include SDG 1, by supporting initiatives aimed at eradicating poverty in all its forms; SDG 3, through promoting access to quality healthcare and wellness programs for all age groups; and SDG 4, by enhancing access to inclusive, equitable, and quality education while promoting lifelong learning opportunities. The Fund also advances SDG 5 by promoting gender equality and empowering women and girls through targeted policies and programs. Additionally, it supports SDG 8 by fostering inclusive and sustainable economic growth, productive employment, and decent work for all, and contributes to SDG 11 by supporting the development of inclusive, safe, resilient, and sustainable urban environments.

b) Upholding National Values and Governance Principles

In addition to its alignment with global sustainability goals, the Fund is steadfast in its implementation of the national values and principles of governance as outlined in Article 10 of the Constitution of Kenya. These principles—such as integrity, transparency, accountability, and sustainable development—are embedded in the Fund’s policies, operations, and stakeholder engagements.

This dual commitment to both international and national sustainability frameworks underscores the Fund’s role as a responsible and forward-looking institution.



i. Environmental performance

At the NSSF, we are committed to promoting sustainable development and minimizing our environmental footprint. Our environmental performance during the 2024/2025 financial year reflects our ongoing dedication to responsible climate action, in alignment with the Government's directives.

Throughout the year, the Fund has actively participated in initiatives aimed at promoting environmental conservation and reducing ecological impact. Notably, NSSF continues to support tree-growing campaigns in collaboration with the Kenya Forest Service, schools, and other stakeholders. These efforts align with the Government's national tree-planting agenda and demonstrate our commitment to long-term environmental stewardship.

We recognize the critical role we play in fostering a culture of environmental responsibility. By integrating sustainability into our operations, we aim to create lasting positive change for both current and future generations.

Looking ahead, we remain focused on enhancing our environmental performance. We are committed to making a meaningful contribution to the global fight against climate change through sustainable practices, strategic partnerships, and environmentally conscious investments.

In conclusion, our achievements in the 2024/2025 financial year have laid a solid foundation for a greener, more sustainable future. NSSF will continue to pursue environmental excellence, ensuring that our actions and investments reflect our unwavering commitment to environmental protection and climate resilience.

Employee Welfare (Productivity Mainstreaming)

Productivity mainstreaming in the public service is a strategic approach aimed at embedding productivity principles into all aspects of organizational planning, policy-making, and service delivery. It involves the integration of efficiency, effectiveness, and performance measurement practices across public institutions to enhance value for citizens. NSSF being a public organization, productivity mainstreaming ensures that resources are utilized optimally, service delivery is continually improved, and operations align with national development goals, such as those outlined in Kenya Vision 2030 and the Bottom-Up Economic Transformation Agenda (BETA).

Productivity mainstreaming within NSSF is being integrated as part of broader public sector reforms aimed at enhancing service delivery and operational efficiency. Guided by the performance contracting guidelines and supported by the National Productivity and Competitiveness Centre (NPCC), NSSF has adopted the structured productivity management practices which includes the formation of productivity mainstreaming committees, training internal productivity champions, and sensitization of staff on the importance of measuring and improving productivity. The goal is to ensure that Fund's resources—labour, capital, and technology—are optimally utilized to deliver high-quality, cost-effective services to contributors and beneficiaries.



The Fund is on a transformative path to improve retirement savings and expand coverage, especially to the informal sector workers through the uptake of the Haba Haba product. This transformation includes phased increase in contributions as per the NSSF Act Chapter 258 following its full implementation, digital innovations, and broader inclusion of previously uncovered populations. By aligning these reforms with productivity mainstreaming efforts, NSSF is not only improving its financial sustainability but also enhancing transparency, accountability, and member centricity. The integration of productivity indicators into its operations will help fast track efficiency, inform policy decisions, and foster a culture of continual improvement across the Fund.

i. Market place practices

The Fund promotes responsible business practices through a number of areas:

Responsible competition practice

The Fund upholds responsible competition practices in its procurement activities by promoting fair competition among prospective suppliers of goods and services. Bid evaluations are conducted in accordance with the provisions of the Public Procurement and Asset Disposal Act, 2015, and other relevant legal frameworks that support the fight against corruption. To ensure fair competition within the pension industry, the Fund fully complies with the regulatory requirements of the Retirement Benefits Authority, the industry's governing body.

a) Responsible supply chain and supplier relations

The Fund upholds ethical and sound business practices in its dealings with suppliers by honouring contractual terms and adhering to agreed payment timelines.

b) Responsible marketing and advertisement

The Fund has made significant efforts to ensure that its members receive accurate and timely information through mainstream media, social media, and direct engagements with stakeholders. NSSF is committed to upholding transparency, trust, and credibility as core principles in its interactions with members and the public, with the aim of building and sustaining public confidence.

As part of this commitment, the Fund ensures that all marketing materials and advertisements accurately reflect the services offered and the benefits due to members. This emphasis on transparency and truthfulness helps prevent misinformation that could negatively impact potential members' understanding and decision-making.

Marketing communication plays a critical role in creating awareness and educating the public on the importance of social security and the value of saving for a secure future. The development of informative and targeted content is central to reaching and engaging the intended audiences effectively.

In line with responsible marketing practices, the Fund also considers the environmental impact of its campaigns. NSSF has embraced sustainable approaches—such as leveraging digital communication—to minimize the use of paper materials, thereby supporting environmental conservation through technology-driven solutions.



c) Product stewardship

The Fund is committed to protecting consumer rights and interests by implementing an internal whistleblowing policy and establishing clear reporting channels. These mechanisms enable members and other stakeholders to make inquiries or raise concerns regarding the services provided. Additionally, the Fund collaborates with government agencies such as the Office of the Ombudsman, offering an external avenue for stakeholders to voice their dissatisfaction when service expectations are not met.

Furthermore, the National Social Security Fund (NSSF) has adopted a proactive approach to ensure that its products and services meet the highest standards of quality and transparency, in full compliance with the provisions of the NSSF Act No. 45 of 2013. Through the adoption of product stewardship practices, NSSF demonstrates its commitment to delivering innovative and competitive retirement benefits. These efforts not only enhance the attractiveness of its offerings but also safeguard the interests of its members, significantly contributing to their financial security in retirement.

i. Corporate Social Responsibility / Community Engagements

At NSSF, we recognize the vital role we play in enhancing the well-being and development of the communities and stakeholders we serve. We understand that responsible corporate citizenship extends beyond our core business operations, and we are deeply committed to making a meaningful impact on society through our Corporate Social Responsibility and Investment (CSR/CSI) initiatives and community engagement efforts.

Driven by a strong sense of duty to give back, we continuously strive to be a positive force in the communities we operate in. Our CSR/CSI activities are not mere formalities—they reflect our dedication to creating lasting, positive change in the lives of those we touch. The Fund has integrated social and environmental considerations into its business operations and stakeholder interactions, reinforcing our commitment to sustainable development.

1. Education

NSSF is committed to enhancing access to quality education for disadvantaged and vulnerable communities in Kenya. The Fund recognizes that school children represent the future generation of contributors, and by supporting their education today, we help secure a more prosperous tomorrow.

The education sector in Kenya faces significant challenges due to limited resource allocation, which continues to hinder efforts to provide a conducive learning environment. In response, the Fund promotes education as a key Sustainable Development Goal through various corporate social responsibility initiatives. These include infrastructure development, library stocking, and the rehabilitation of sanitation facilities in schools across the country.

By investing in education, NSSF aims to empower young people with the knowledge and skills they need to build a better future for themselves, their families, and their communities.



2. Health

NSSF Kenya recognizes that a healthy population is essential for sustainable social and economic development. As such, the Fund actively supports healthcare initiatives aimed at improving access to essential medical services, particularly in marginalized and underserved communities.

To advance public health, NSSF collaborates with the Government and other reputable organizations to address key health challenges. These efforts focus on critical areas such as HIV/AIDS, malaria, malnutrition, reproductive health, and maternal and child health. The Fund also supports the creation and implementation of health awareness campaigns to educate and empower communities on these vital issues.

3. Sports

Kenyans strongly identify with sporting activities, particularly athletics and football. NSSF recognizes the important role of sports in promoting healthy lifestyles, nurturing talent, and fostering community cohesion through marathons.

The Fund's involvement in sports is driven by the need to instil a culture of social security within a sector that has historically had low uptake of social protection. Many sportsmen and women, despite enjoying celebrated careers, have retired into poverty due to lack of proper financial planning and savings.

Supporting sports also offers a strategic platform to engage with the youth and promote a saving culture within this largely untapped market segment.

As part of its commitment, the Fund has partnered with key stakeholders in the sports industry, including the Sports Personality of the Year Awards (SOYA), an annual event that honours outstanding athletes who have brought pride to the nation.

Social Welfare

NSSF is committed to promoting social welfare and inclusivity. The Fund has partnered with various local agencies and neighbouring communities to support vulnerable populations, including orphaned children, elderly individuals, and persons with disabilities. As part of these efforts, the Fund distributed food supplies to children's homes and families living in areas severely affected by poverty.

Many vulnerable individuals continue to suffer the harsh effects of socio-economic distress, which has led to a significant decline in their purchasing power and, consequently, a deterioration in their quality of life. Through its interventions, NSSF aims to alleviate these challenges and contribute to building more resilient and dignified communities.

4. Environmental conservation

NSSF is committed to environmental conservation and sustainability. The Fund actively engages in initiatives aimed at protecting the environment and mitigating the effects of climate change. These efforts are focused on reducing greenhouse gas emissions, halting and reversing deforestation, and restoring 5.1 million hectares of deforested and degraded landscapes.



5. Stakeholder Engagement

NSSF places strong emphasis on stakeholder engagement as a key strategic pillar. During the 2024/2025 financial year, the Fund conducted a series of stakeholder engagement forums in preparation for the second phase of the implementation of the NSSF Act, Cap. 258.

The Fund believes that effective and meaningful engagement with stakeholders is essential for developing impactful and sustainable initiatives. Stakeholder engagement enables NSSF to understand the diverse needs, expectations, and concerns of the individuals and communities it serves, ensuring that its strategic efforts are aligned with their priorities.

To guide this process, NSSF has mapped out its stakeholders based on their unique needs and expectations, in accordance with the Fund's Stakeholder Engagement Policy.



5. Statement of Project Management Responsibilities

The *Project Coordinator* are responsible for the preparation and presentation of the Project’s financial statements, which give a true and fair view of the state of affairs of the Project for 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 project, (iii) Designing, implementing and maintaining internal controls relevant to the preparation and fair presentation of the financial statement, and ensuring that they are free from material misstatements, whether due to error or fraud, (iv) safeguarding the assets of the project, (v) Selecting and applying appropriate accounting policies and (v) Making accounting estimates that are reasonable in the circumstances.


The *Project Coordinator* accept responsibility for the Project’s financial statements, which have been prepared on the Cash Basis Method of Financial Reporting, using appropriate accounting policies in accordance with International Public Sector Accounting Standards.

The *Project Coordinator* are of the opinion that the Project’s financial statements give a true and fair view of the state of the Project’s transactions during the financial year ended June 30, 2025, and of the Project’s financial position as at that date. *Project Coordinator* further confirm the completeness of the accounting records maintained for the Project, which have been relied upon in the preparation of the Project financial statements and the adequacy of the systems of internal financial control.


The the *Project Coordinator* confirm that the Project has complied fully with applicable Government Regulations and the terms of external financing covenants and that Project funds received during the financial year under audit were used for the eligible purposes for which they were intended and were properly accounted for.

Approval of the Project Financial Statements

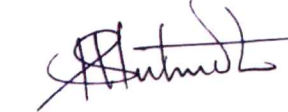
The Project financial statements were approved by the *Managing Trustee, Project Finance Officer and Project Coordinator* on 26TH SEPT 2025 and signed by:

.....


Managing Trustee/CEO

.....


Project Coordinator

.....


Project Accountant

ICPAK Member No: 6710



REPUBLIC OF KENYA

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

REPORT OF THE AUDITOR-GENERAL ON NATIONAL YOUTH OPPORTUNITIES TOWARDS ADVANCEMENT (NYOTA) PROJECT CREDIT NUMBERS 7355 - KE AND 7356 - KE AND GRANT NUMBER TFC 1509 KE FOR THE YEAR ENDED 30 JUNE, 2025 - NATIONAL SOCIAL SECURITY FUND

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 National Youth Opportunities

Report of the Auditor-General on National Youth Opportunities Towards Advancement (Nyota) Project Credit Numbers 7355-KE and 7356-KE and Grant Number TFC 1509 KE for the year ended 30 June, 2025 - National Social Security Fund

Towards Advancement (NYOTA) Project Credit Numbers 7355-KE and 7356-KE and Grant No. TFC 1509-KE-NSSF set out on pages 1 to 19, which comprise the statement of financial position as at 30 June, 2025 and the statement of financial performance, statement of changes in net assets, statement of cash flows and the statement of comparison of budget and actual amounts for the year then ended and a summary of significant accounting policies and other explanatory information in accordance with the provisions of Article 229 of the Constitution of Kenya and Section 35 of the Public Audit Act, 2015. I have obtained all the information and explanations which to the best of my knowledge and belief, were necessary for the purpose of the audit.

In my opinion, the financial statements present fairly, in all material respects, the financial position of National Youth Opportunities Towards Advancement (NYOTA) Project Credit Numbers 7355-KE and 7356-KE and Grant No. TFC 1509-KE - NSSF 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 Standard (Accrual Basis) and comply with the with Financing Agreements Numbers; 7355-KE, 7356-KE and TFC 1509-KE dated 6 December 2023 between the Republic of Kenya and the International Development Association and the Public Finance Management Act, 2012.

Basis for Opinion

The audit was conducted in accordance with International Standards for Supreme Audit Institutions (ISSAIs). I am independent of the National Youth Opportunities Towards Advancement (NYOTA) Project Credit Numbers 7355-KE and 7356-KE and Grant No. TFC 1509-KE 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.

In addition, the special accounts statements present fairly, transactions for the year, and the closing balance has been reconciled with the books of account.

Key Audit Matters

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

Other Information

The Management is responsible for the Other Information set out on page iii to xx which comprises of Project Information and Overall Performance, Statement of Performance Against Project's Predetermined Objectives, Environmental and Sustainability Reporting and Statement of Project Management Responsibilities. The

Other Information does not include the financial statements and my audit report thereon.

In connection with my audit on the Project's financial statements, my responsibility is to read the Other Information and in doing so, consider whether the Other Information is materially inconsistent with the financial statements or my knowledge obtained in the audit or otherwise appears to be materially misstated. If based on the work I have performed, I conclude that there is a material misstatement of this Other Information, I am required to report that fact. I have nothing to report in this regard.

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 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.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

Conclusion

As required by International Development Association (IDA), I report based on my audit that;

- i. 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.
- ii. Adequate accounting records have been kept by the Project, so far as appears from the examination of those records; and
- iii. The Project's financial statements are in agreement with the accounting records and returns.

Basis for Conclusion

The International Development Association (IDA), requires that, I report on the legal or regulatory requirements, or on performance information disclosed. These matters require expressing a separate opinion as to the Project's compliance with laws and regulations. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my conclusion.

Responsibilities of the Management and those Charged with Governance

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

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

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

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

Those charged with governance are responsible for overseeing the Project's financial reporting process, reviewing the effectiveness of how Management monitors compliance with relevant legislative and regulatory requirements, ensuring that

Report of the Auditor-General on National Youth Opportunities Towards Advancement (Nyota) Project Credit Numbers 7355-KE and 7356-KE and Grant Number TFC 1509 KE for the year ended 30 June, 2025 - National Social Security Fund (NSSF)

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 for 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

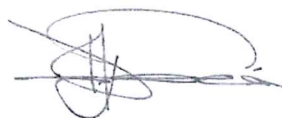
15 October, 2025

NATIONAL YOUTH OPPORTUNITIES TOWARDS ADVANCEMENT (NYOTA)
Annual Report and Financial Statements for the financial year ended June 30, 2025

7. Statement of Financial Performance for the Year Ended 30th June 2025.

	Note	Receipts and payments controlled by the entity	Payments made by third parties	Total	Cumulative to-date (From inception)
<i>30th June 2025</i>					
		Kshs.	Kshs.	Kshs.	Kshs.
Receipts					
Proceeds from domestic and foreign grants	5	95,784,018.00	-	95,784,018.00	95,784,018.00
On -grant by the Government of Kenya. (From credit no 7355 and 7356)	6	160,000,000.00	-	160,000,000.00	160,000,000.00
Total receipts		255,784,018.00	-	255,784,018.00	255,784,018.00
Payments					-
Other grants and transfers /payments(bank charges)	7	4,100.00	-	4,100.00	4,100.00
Total payments		4,100.00	-	4,100.00	4,100.00
Surplus/ (deficit)		255,779,918.00	-	255,779,918.00	255,779,918.00

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



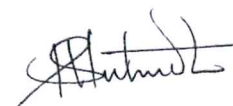
David Koross

Managing Trustee



Millicent Awiti

Project Coordinator



Marietta Mutinda

Project Accountant



NATIONAL YOUTH OPPORTUNITIES TOWARDS ADVANCEMENT (NYOTA)
Annual Report and Financial Statements for the financial year ended June 30, 2025

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

Description	Note	30th June 2025
		Kshs
Financial Assets		
Cash and Cash equivalents	8	255,779,918.00
Total Financial Assets		255,779,918.00
Represented By		
Surplus/(Deficit) for the Year		255,779,918.00
Net Financial Assets	9	255,779,918.00

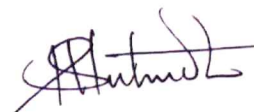
The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements. The financial statements were approved on 26TH SEPT 2025 and signed by:



Mr. David Koross, MBS
Managing Trustee
Chief Officer



Ms. Millicent Awiti
Project Coordinator



Ms. Marietta Mutinda
Project Accountant
ICPAK Member No:6710



NATIONAL YOUTH OPPORTUNITIES TOWARDS ADVANCEMENT (NYOTA)
Annual Report and Financial Statements for the financial year ended June 30, 2025

9. Statement of Changes in Net Assets

Description	Accumulated Surplus
	Kshs
As at 30th June 2024 (Cash Basis)	00
Adjustments:	
Asset Recognition	00
Liabilities recognition	00
As at 1st July 2024	00
Surplus/(Deficit) for the year	255,779,918.00
As at 30th June 2025	255,779,918.00

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

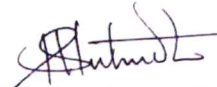
The financial statements were approved on 26TH SEPT 2025 and signed by:



David Koross, MBS
Principal Secretary/Chief
Officer



Ms. Millicent Awiti
Project Coordinator



Ms. Marietta Mutinda
Project Accountant
ICPAK Member No.



NATIONAL YOUTH OPPORTUNITIES TOWARDS ADVANCEMENT (NYOTA)
Annual Report and Financial Statements for the financial year ended June 30, 2025

10. Statement of Cash flows for the year ended 30th June 2025

Description	Note	2025
Cashflow from operating activities		Kshs
Receipts		
Proceeds from domestic and foreign grants	5	95,784,018.00
On -grant by the Government of Kenya. (From credit no 7355 and 7356)	6	160,000,000.00
Total receipts		255,784,018.00
Payments		
Other grants and transfers(bank charges, and cheque book processing)	7	4,100.00
Total Payments		4,100.00
Net receipts/(payments)		255,779,918.00
Net increase in cash and cash equivalents		255,779,918.00
Cash & cash equivalent at beginning of the year	8	-
Cash and cash equivalent at end of the year	8	255,779,918.00



11. Statement of Comparison of Budget and Actual Amounts for the Year ended 30th June 2025

Receipts/Payments Item	Original Budget	Adjustments	Final Budget	Actual on Comparable Basis	Budget Utilization Difference	% of Utilization
	a	b	c=a+b	d	e=c-d	f=d/c %
	Kshs	Kshs	Kshs	Kshs	Kshs	
Receipts						
Transfer from Government entities	645,000,000	-	645,000,000	255,784,018	389,215,982	40%
Total Receipts	645,000,000	-	645,000,000	255,784,018	389,215,982	40%
Payments						
Purchase of goods and services	645,000,000	-	645,000,000	4,100	-	0%
Total Payments						
Surplus or Deficit	-	-	255,779,918	255,779,918	389,215,982	

Note: The significant budget utilization/performance differences in the last column are explained in Annex 2 to these financial statements.



12. Notes to the Financial Statements

1. General Information

The NYOTA Project (National Youth Opportunities Towards Advancement) is a Kenyan government initiative funded by the World Bank, designed to unlock the potential of young people by increasing employment, enhancing income-generating opportunities, and promoting savings and entrepreneurship. Key features include improving youth employability through skills training and apprenticeship, expanding employment by supporting start-ups and social enterprises, and fostering financial security via the Haba Haba Savings Scheme in partnership with NSSF.

2. Statement of compliance and basis of preparation

The financial statements have been prepared in accordance with IPSAS Accrual basis of accounting, as prescribed by the PSASB and set out in the accounting policy note below. The financial statements comply with and conform to the form of presentation prescribed by the PSASB. The accounting policies adopted have been consistently applied to all the years presented.

a. Reporting entity

The financial statements are for *NYOTA* NSSF component under the State Department of Labour. The financial statements are for the reporting entity NSSF as required by Section 81/ Section 164 of the PFM Act, 2012.

b. Reporting currency

The financial statements are presented in Kenya Shillings (Kshs), the project's functional and reporting currency. All values are rounded to the nearest Kenya Shilling.

3. Adoption of New and Revised Standards

- i) *New and amended standards and interpretations in issue effective in the year ended 30 June 2025.*

Standard	Effective date and impact:
IPSAS 43	<p><i>Applicable 1st January 2025</i></p> <p>The standard sets out the principles for the recognition, measurement, presentation, and disclosure of leases. The objective is to ensure that lessees and lessors provide relevant information in a manner that faithfully represents those transactions. This information gives a basis for users of financial statements to assess the effect that leases have on the financial position, financial performance and cashflows of an Entity.</p> <p>The new standard requires entities to recognise, measure and present information on right of use assets and lease liabilities.</p> <p><i>The project has fully adopted the standard.</i></p>



NATIONAL YOUTH OPPORTUNITIES TOWARDS ADVANCEMENT (NYOTA)
Annual Report and Financial Statements for the financial year ended June 30, 2025

Standard	Effective date and impact:
<p>IPSAS 44: Non- Current Assets Held for Sale and Discontinued Operations</p>	<p>Applicable 1st January 2025 The Standard requires, Assets that meet the criteria to be classified as held for sale to be measured at the lower of carrying amount and fair value less costs to sell and the depreciation of such assets to cease and: Assets that meet the criteria to be classified as held for sale to be presented separately in the statement of financial position and the results of discontinued operations to be presented separately in the statement of financial performance.</p> <p><i>The project has fully adopted the standard.</i></p>
<p>IPSAS 45- Property Plant and Equipment</p>	<p>Applicable 1st January 2025 The standard supersedes IPSAS 17 on Property, Plant and Equipment. IPSAS 45 has additional guidance/ new guidance for heritage assets, infrastructure assets and measurement. Heritage assets were previously excluded from the scope of IPSAS 17 in IPSAS 45, heritage assets that satisfy the definition of PPE shall be recognised as assets if they meet the criteria in the standard. IPSAS 45 has an additional application guidance for infrastructure assets, implementation guidance and illustrative examples. The standard has clarified existing principles e.g valuation of land over or under the infrastructure assets, under- maintenance of assets and distinguishing significant parts of infrastructure assets.</p> <p><i>The project has fully adopted the standard.</i></p>
<p>IPSAS 46 Measurement</p>	<p>Applicable 1st January 2025 The objective of this standard was to improve measurement guidance across IPSAS by:</p> <ul style="list-style-type: none"> i. Providing further detailed guidance on the implementation of commonly used measurement bases and the circumstances under which they should be used. ii. Clarifying transaction costs guidance to enhance consistency across IPSAS; iii. Amending where appropriate guidance across IPSAS related to measurement at recognition, subsequent measurement and measurement related disclosures. <p>The standard also introduces a public sector specific measurement bases called the current operational value.</p> <p><i>The project has fully adopted the standard.</i></p>

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



NATIONAL YOUTH OPPORTUNITIES TOWARDS ADVANCEMENT (NYOTA)
Annual Report and Financial Statements for the financial year ended June 30, 2025

Standard	Effective date and impact:
IPSAS 47- Revenue	<p>Applicable 1st January 2026</p> <p>This standard supersedes IPSAS 9- Revenue from exchange transactions, IPSAS 11 Construction contracts and IPSAS 23 Revenue from non- exchange transactions. This standard brings all the guidance of accounting for revenue under one standard. The objective of the standard is to establish the principles that an entity shall apply to report useful information to users of financial statements about the nature, amount, timing and uncertainty of revenue and cash flow arising from revenue transactions.</p> <p><i>The project has fully adopted the standard.</i></p>
IPSAS 48- Transfer Expenses	<p>Applicable 1st January 2026</p> <p>The objective of the standard is to establish the principles that a transfer provider shall apply to report useful information to users of financial statements about the nature, amount, timing and uncertainty of expenses and cash flow arising from transfer expense transactions. This is a new standard for public sector entities geared to provide guidance to entities that provide transfers on accounting for such transfers.</p> <p><i>The project has fully early adopted the standard.</i></p>
IPSAS 49- Retirement Benefit Plans	<p>Applicable 1st January 2026</p> <p>The objective is to prescribe the accounting and reporting requirements for the public sector retirement benefit plans which provide retirement to public sector employees and other eligible participants. The standard sets the financial statements that should be presented by a retirement benefit plan.</p> <p><i>The project has fully early adopted the standard.</i></p>
IPSAS 50: Exploration For & Evaluation of Mineral Resources	<p>Applicable 1st January 2027</p> <p>The objective of this Standard is to specify the financial reporting for the exploration for and evaluation of mineral resources. The Standard requires:</p> <ol style="list-style-type: none"> i. Limited improvements to existing accounting practices for exploration and evaluation expenditures. ii. Entities that recognize exploration and evaluation assets to assess such assets for impairment in accordance with this Standard and measure any impairment in accordance with IPSAS 26. iii. Disclosures that identify and explain the amounts in the entity's financial statements arising from the exploration for and evaluation of mineral resources and help users of those financial statements understand the amount, timing and certainty of future cash flows from any exploration and evaluation assets recognized. <p><i>The standard will not affect the reporting of the project as the project does not deal in exploration and evaluation of minerals</i></p>

iii) Early adoption of standards

The Fund did early – adopt the above new or amended standards in the financial year.



4. Summary of Significant Accounting Policies

a. Revenue recognition

i) Recognition of receipts

NYOTA recognizes all receipts from various sources when an event occurs, and the related cash is received.

ii) Transfers from the Exchequer

Transfers from the Exchequer are recognized in the books of accounts when cash is received. Cash is considered received when a payment instruction is issued to the bank and the receiving entity is notified.

iii) External Assistance

External assistance is monies received through grants and loans from multilateral and bilateral development partners.

iv) Other receipts

This includes Appropriation-in-Aid and relates to receipts such as proceeds from the disposal of assets and the sale of tender documents. These are recognized in the financial statements when associated cash is received.

v) Donations and grants

Grants and donations shall be recognized in the books of accounts when cash is received. Cash is considered as received when payment advice is received by the recipient entity or by the beneficiary. In the case of a grant/donation in kind, such grants are recorded upon receipt of the grant item and its value determined. The transaction date is the value date indicated on the payment advice.

vi) Proceeds from borrowing.

Borrowing includes external loans acquired by the Project or any other debt the Project may take and will be treated on cash basis and recognized as a receipt during the year they were received.

vii) Undrawn external assistance

These are loans and grants at the reporting date specified in a binding agreement and relate to funding for the Project currently under development, where conditions have been satisfied, or their ongoing satisfaction is highly likely, and the project is anticipated to continue to completion. The funding summary analyzes the Project's undrawn external assistance.

b. Recognition of payments

The Project recognises all payments when the event occurs, and the related cash has been paid out by the Project.



Significant Accounting Policies (continued)

i) Compensation to employees

Salaries, wages, Allowances, and Statutory Contributions for employees are recognized when the compensation is paid.

ii) Use of goods and services

Goods and services are recognized as payments when the goods/services are consumed and paid for. If not paid for when goods/services are consumed, they shall be disclosed as pending bills.

iii) Interest on borrowing

Borrowing costs that include interest are recognized as payment in the period in which they incur and paid for.

iv) Repayment of borrowing (principal amount)

Repayment of the principal amount of borrowing is recognized as payment in the period in which the repayment is made. The debt stock is disclosed as an annexure to the consolidated financial statements.

v) Acquisition of fixed assets

The payment on the acquisition of property plant and equipment items is not capitalized. The cost of acquisition and proceeds from disposal of these items are treated as payments and receipts items, respectively. Where an asset is acquired in a non-exchange transaction for nil or nominal consideration and the fair value of the asset can be reliably established, a contra transaction is recorded as a receipt and as a payment. A fixed asset register is maintained by each public entity, and a summary is provided for consolidation purposes. This summary is disclosed as an annexure to the consolidated financial statements.

c. In-kind donations

In-kind contributions are donations made to the Project in the form of actual goods and/or services rather than in money or cash terms. These donations may include vehicles, equipment, or personnel services. Where the financial value received for in-kind contributions can be reliably determined, the Project includes such value in the statement of receipts and payments both as receipts and as payments in equal and opposite amounts; otherwise, the contribution is not recorded.

d. Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and cash at bank, short-term deposits on call and highly liquid investments with an original maturity of three months or less, which are readily convertible to known amounts of cash and are subject to insignificant risk of changes in value. Bank account balances include amounts held at the Central Bank of Kenya and at various commercial banks at the end of the financial year. For the purposes of these financial statements, cash and cash equivalents also include short term cash imprests and advances to authorised public officers and/or institutions which were not surrendered or accounted for at the end of the financial year.



Significant Accounting Policies (continued)

e. Restriction on cash

Restricted cash represents amounts that are limited/restricted from being used to settle a liability for at least twelve months after the reporting period. This cash is limited for direct use as required by stipulation. Amounts maintained in deposit bank accounts are restricted for use in refunding third part deposits.

f. Imprests and Advances

For the purposes of these financial statements, imprests and advances to authorised public officers and/or institutions which were not surrendered or accounted for at the end of the financial year is treated as receivables. This is in recognition of the government practice where the imprest payments are recognized as payments when fully accounted for by the imprest or AIE holders. This is an enhancement to the cash accounting policy. Other accounts receivables are disclosed in the financial statements.

g. Contingent Liabilities

A contingent liability is:

- a) A possible obligation that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the entity; or
- b) A present obligation that arises from past events but is not recognised because:
 - i) It is not probable that an outflow of resources embodying economic benefits or service potential will be required to settle the obligation; or
 - ii) The amount of the obligation cannot be measured with sufficient reliability.

Some of contingent liabilities may arise from: litigation in progress, guarantees, indemnities. Letters of comfort/ support, insurance, Public-Private Partnerships,

The Entity 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. **Annex 6** of this financial statement is a register of the contingent liabilities in the year.

h. Contingent Assets

NYOTA 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 NSSF 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.



Significant Accounting Policies (continued)

i. Pending bills

Pending bills consist of unpaid liabilities at the end of the financial year arising from contracted goods or services during the year or in past years. As pending bills do not involve the payment of cash in the reporting period, they are recorded as 'memorandum' or 'off-balance.' When the pending bills are finally settled, such payments are included in the statement of receipts and payments in the year in which the payments are made.

j. Budget

The budget is developed on a comparable accounting basis, the same accounts classification basis (except for accounts receivable - outstanding imprest and clearance accounts and accounts payable - deposits, which are accounted for on an accrual basis), and for the same period as the financial statements. The Project's budget was approved as required by Law and National Treasury Regulations, as well as by the participating development partners, as detailed in the Government of Kenya Budget Printed Estimates for the year. The Development Projects are budgeted for under the MDAs but receive budgeted funds as transfers and account for them separately. These transfers are recognised as inter-entity transfers and are eliminated upon consolidation. A high-level assessment of the Project's actual performance against the comparable budget for the financial year/period under review has been *included in an annex to these financial statements*.

k. Third-party payments

Included in the receipts and payments, are payments made on its behalf by to third parties in form of loans and grants. These payments do not constitute cash receipts and payments and are disclosed in the payment to third parties' column in the statement of receipts and payments.

l. Exchange rate differences

The accounting records are maintained in the functional currency of the primary economic environment in which the Project operates (Kenya Shillings). Transactions in foreign currencies during the year/period are converted into functional currency using the exchange rates prevailing at the dates of the transactions. Any foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognized in the statements of receipts and payments.

m. Comparative figures

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



Significant Accounting Policies (continued)

n. Subsequent events

There have been no events subsequent to the financial year/period end with a significant impact on the financial statements for the year ended June 30, 2025.



Notes to the Financial Statements (Continued)

5. Proceeds From Domestic and Foreign Grants

During the financial period to 30 June 2025, we received grants from donors as detailed in the table below:

Name of Donor	Current 30 th June 2025						Cumulative to date
	Date received	Amount received in donor currency USD	Grants received in cash	Grants received as direct payment*	Grants received in kind	Total amount	
			Kshs	Kshs	Kshs	Kshs	
GFF	26/05/2025	736,800	95,784,018	-	-	95,784,018	95,784,018
Total		736,800	95,784,018	-	-	95,784,018	95,784,018

(* The direct payment grants represent payments for goods and services done directly by the donor on behalf of the project. Projects should ensure adequate support documents are requested from the donors to support this grant).



NATIONAL YOUTH OPPORTUNITIES TOWARDS ADVANCEMENT (NYOTA)
Annual Report and Financial Statements for the financial year ended June 30, 2025

Notes to the Financial Statements (Continued)

6. Loan from External Development Partners

During the financial period to 30 June 2025, we received funding from development partners in the form of loans negotiated by the National Treasury, as detailed in the table below:

Description	Current 30 th June 2025					Cumulative to date
	Date received	Amount in loan currency	Loans received in actual amount	Loans received as direct payment*	Total amount in Kshs	
Name of Donor		USD	Kshs	Kshs	Kshs	Kshs
IDA/GRANT TO NSSF	28/05/2025	1,230,769	160,000,000	-	160,000,000	160,000,000
Total		1,230,769	160,000,000	-	160,000,000	160,000,000



Notes to the Financial Statements (Continued)

7. Other Grants, Transfers, and Payments

	30th June 2025			
Description	Payments made in Cash	Payments made by third parties	Total payments	Cumulative to-date
	Kshs	Kshs	Kshs	Kshs
bank Charges	-	4,100.00	4,100.00	4,100.00
Total	-	4,100.00	4,100.00	4,100.00

Bank charges and cheque fees



Notes to the Financial Statements (Continued)

8. Cash and Cash equivalents

Description	30th June 2025
	Kshs
Bank accounts (Note 6A)	255,779,918.00
Total	<u>255,779,918.00</u>

NYOTA has 1 number of project accounts spread within the project implementation area and no foreign currency designated accounts managed by the National/County Treasury as listed below:

8. A Bank Accounts

Project Bank Accounts

Details	30th June 2025
	Kshs
<u>Local Currency Accounts</u>	
Equity Bank (GRANT)	95,784,018
Equity Bank(CREDIT/GRANT)	159,995,900
Total local currency balances	<u>255,779,918</u>
Total bank account balances	<u>255,779,918</u>



NATIONAL YOUTH OPPORTUNITIES TOWARDS ADVANCEMENT (NYOTA)
Annual Report and Financial Statements for the financial year ended June 30, 2025

9. Fund Balance Brought Forward

Description	30th June 2025
	Kshs
Bank accounts	255,779,918.00
Total	255,779,918.00



Other Important Disclosures (Continued)

10. Related Party Disclosures

Nature of related party relationships

Entities and other parties related to the Entity 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.

Government of Kenya

The Government of Kenya is the principal contracting entity of the NYOTA project and the main party in the World Bank financing agreement. The Government of Kenya has provided full guarantees to all long-term lenders of the project, both domestic and external.

Other related parties include:

- (i) The Parent Ministry.
- (ii) County Governments
- (iii) Other SCs and SAGAs
- (iv) Key management of the project.
- (v) Key management of the NSSF.
- (vi) Board of Trustees of NSSF.

Related party transactions:

	30th June 2025
	Kshs
Grants /transfers from the government	
Grants from national govt	255,784,018
Grants from county government	0
Donations in kind	0
Total Transfers from related parties	255,784,018

11. Events after the Reporting Period

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

12. Ultimate And Holding Entity

The Entity is a State Corporation/ or a Semi-Autonomous Government Agency under the Ministry of xxx. Its ultimate parent is the Government of Kenya.

13. Currency

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



NATIONAL YOUTH OPPORTUNITIES TOWARDS ADVANCEMENT (NYOTA)

Annual Report and Financial Statements for the financial year ended June 30, 2025

13. Annexes

Annex 1: Variance explanations - Comparative Budget and Actual Amounts for Current FY

	Final Budget	Actual on Comparable Basis	Budget Utilization Difference	% of Utilization	Comments on Variance (below 90% and over 100%)
	a	b	c=a-b	d=b/a %	
Receipts					
Transfer from Government entities	255,784,018.00	-	255,784,018.00	0%	The funding was released in may 2025, there was not enough time to consume the budget.
Total Receipts	255,784,018.00	-	255,784,018.00	0%	
Payments					
Other grants and transfers	4,100.00	4,100.00	4,100.00	100%	
Total payments	4100.00	4,100.00	4,100.00	100%	



NATIONAL YOUTH OPPORTUNITIES TOWARDS ADVANCEMENT (NYOTA)

Annual Report and Financial Statements for the financial year ended June 30, 2025

Annex 2: Reconciliation of inter-entity transfers

Project Name:				
Break down of transfers from the State Department of labour				
a.	Government Counterpart funding			
		Bank Statement Date	Amount (Kshs)	Indicate the FY to which the amounts relate
			-	
			-	
			-	
		Total	-	
B.	Direct payments			
		Bank Statement Date	Amount (Kshs)	Indicate the FY to which the amounts relate
	Grant	26/05/2025	95,784,018.00	2024/2025
	IDA/Grant to NSSF	28/05/2025	160,000,000.00	2024/2025
		Total	255,784,018.00	
C.	Others			
		Bank Statement Date	Amount (Kshs)	Indicate the FY to which the amounts relate
			-	
			-	
		Total	-	
		Total (A+B+C)	255,784,018.00	

The above amounts have been communicated to and reconciled with the Parent Ministry/ State Department

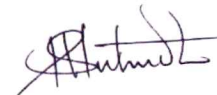
Project Coordinator: Millicent Awiti
NSSF

Sign



Head of Accounting Unit: Marietta Mutinda
NSSF

Sign




NATIONAL YOUTH OPPORTUNITIES TOWARDS ADVANCEMENT (NYOTA)
Annual Report and Financial Statements for the financial year ended June 30, 2025

Annex 3: Other Support Documents

- i. Bank Reconciliations statement as at 30th June 2025
- ii. Special Deposit Account(s) reconciliation statement(s)

