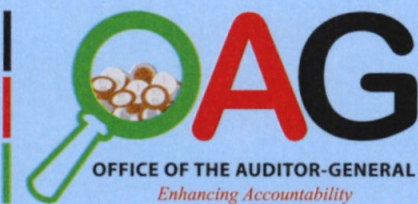


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# REPORT

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TABLED OF:	Member of the majority Party.
CLERK-AT THE-TABLE:	Kanda. T.

## THE AUDITOR-GENERAL

ON

## ESTATE AGENTS REGISTRATION BOARD

### FOR THE YEAR ENDED 30 JUNE, 2024



OFFICE OF THE AUDITOR GENERAL  
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**ESTATE AGENTS REGISTRATION BOARD**

**ANNUAL REPORT AND FINANCIAL STATEMENTS**

**FOR THE FINANCIAL YEAR ENDED**

**30<sup>TH</sup> JUNE 2024**

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

**ESTATE AGENTS REGISTRATION BOARD**  
**Annual Report and Financial Statements for the year ended June 30, 2024**

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**I. Acronyms and Definition of Key Terms**

**A: Acronyms**

CEO	Chief Executive Officer
DG	Director General
CBK	Central Bank of Kenya
ICPAK	Institute of Certified Public Accountants of Kenya
IPSAS	International Public Sector Accounting Standards
EATRIB	Estate Agents Registration Board
MD	Managing Director
NT	National Treasury
OCOB	Office of the Controller of Budget
OAG	Office of the Auditor General
OSHA	Occupational Safety and Health Act of 2007
PFM	Public Finance Management
PPE	Property Plant & Equipment
PSASB	Public Sector Accounting Standards Board
SAGAs	Semi-Autonomous Government Agencies
SC	State Corporations
WB	World Bank
VC	Vice Chancellor

**B: Glossary of Terms**

**Fiduciary Management-** Members of Management directly entrusted with the responsibility of financial resources of the organization

## 2. EARB Information and Management

### (a) Background information

Estate Agents Registration Board (EARB) is the regulatory body for estate agency practice in Kenya and it derives its mandate from Estate Agents Act, 1984 Cap 533 which was operationalized in 1987.

### (b) Principal Activities

#### Vision Statement

To be a globally reputable estate agency practice regulator.

#### Mission Statement

To promote best practices in the regulation and development of the estate agency profession to protect the public.

#### Strategic Objectives

- I. To ensure compliance and enforcement to the Estate Agents Act and regulations
- II. To enhance competence and professionalism of estate agents
- III. To enhance public awareness and visibility of the functions of the Board
- iv. To strengthen institutional capacity of the EARB
- v. Increase in resource funding – government funding, own source revenue streams, donor funding
- vi. To enhance collaboration and linkages with other partners - Local and international.

#### Functions of the Board

- IV. The Board shall be charged with the responsibility of registering estate agents ensuring that the competence and conduct of practising estate agents are of a standard sufficiently high to ensure the protection of the public.
  - a. The Board has the power to:
    - I. Discipline practicing estate agents
    - II. Remove from the register practicing estate agents
    - III. Reinstate into the register practicing estate agents
    - IV. Set prescribed rules and regulations
    - V. Exercise the powers conferred, and perform the duties imposed, upon the Board by the provisions of the Act.

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- b. The real estate sector in Kenya has experienced phenomenal growth over the period that the Act has been in operation and this growth has come with various challenges. Key among the challenges has been the entry into the market of a high number of unlicensed persons operating as estate agents, defrauding the public and the government.
- c. The Board thus commissioned the preparation of the strategic plan 2024 – 2028, several regulations and internal policies, with the overall goal of undertaking legal and institutional reforms aimed at improving the effectiveness of the Board in the regulation of the estate agency practice in Kenya. In addition, the plan is intended to enable the Board to serve its members and the society better. In preparing the strategic plan, the board developed its vision and mission statements, and the core values which will guide its future activities in order to remain relevant both locally and globally.
- d. The key objectives set for the planning period include the review of the Estate Agents Act, boosting of membership, enforcement and ensuring of compliance to the Act, creating public awareness and recognition of the Board’s functions, enhancement of institutional capacity of the Board and the development of collaborations and linkages with partners in other sectors. The Board looks forward to attaining these objectives by 2028 as per the implementation plan.

**(c) Key Management**

EARB’S day-to-day management is under the following key organs:

- The Board Members
- The Registrar/Chief Executive officer
- Assistant Executive Officer, Head of Secretariat

**(d) Fiduciary Management**

The key management personnel who held office during the financial period ended June 30, 2024 and who had direct fiduciary responsibility were:

No	Designation/Section	Name
1.	Registrar/Ag. CEO	Hellen Abuya
2.	Assistant Executive Officer	Phanice Daveta
3.	Communication Officer	Faithlyne Makena
4.	Esther Kuria	Assistant Office Administrator

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No	Designation/Section	Name
5.	Hesborn Gisemba	Accounting Assistant

**(e) Fiduciary Oversight Arrangements**

The Board has four (4) Board Committees:

- Finance and Administration Committee
  - Publicity, Education and Recruitment Committee;
  - Legal and Governance Committee; and
  - Audit Committee
- i. Finance and Administration Committee has direct oversight on the financial activities of the Board. The Committee reviews the long term and annual plans, budget, financial reports, human capital reports, procurement plans, performance contracting and Information Communication Technology reports and workplace policies.
  - ii. Publicity, Education and Recruitment Committee reviews plans and guidelines for public awareness and sensitization programmes to promote estate agents registration, protection of public interest and competence development for effective implementation of Section 4 of the Estate Agents Act Cap 533.
  - iii. Legal and Governance Committee has oversight on review of regulations, policies and guidelines governing the Board operations
  - iv. **Audit Committee**

The Audit Committee evaluates adequacy of management procedures with regard to issues relating to risk management, control and governance, reviews and assesses the adequacy and compliance of the Board's policies and procedures for identifying, assessing and managing risks.

**(f) EARB Headquarters**

17<sup>th</sup> Floor Prism Towers  
Upper hill 3<sup>rd</sup> Ngong Avenue  
Nairobi, KENYA

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**(g) EARB Contacts**

P.O. Box 30089-00100

Nairobi, Kenya.

Telephone: (254) 0741 088 144

E-mail: [info@estateagentsboard.go.ke](mailto:info@estateagentsboard.go.ke)

Website: [www.estateagentsboard.go.ke](http://www.estateagentsboard.go.ke)

**(h) EARB Bankers**

Kenya Commercial Bank

Kipande House Branch

P.O. Box **P.O. Box 48400 – 00100,**

**NAIROBI, KENYA**

**(i) Independent Auditor**

Auditor General

Office of the Auditor General

Anniversary Towers, University Way

P.O. Box 30084- 00100

**NAIROBI, KENYA**

**(j) Principal Legal Adviser**

The Attorney General


State Law Office

Harambee Avenue

P.O. Box 40112-00200

**NAIROBI, KENYA**

### 3. The Board Members

Name	Qualification
 <p><b>Ms. Eunice Macharia- Board Chairperson</b></p>	<ul style="list-style-type: none"> <li>• A senior consultant specializing in <b>real estate, valuation, property, and facilities management.</b></li> <li>• She brings extensive experience of over 30 years in advising clients on property investments, asset management, and valuation, as well as optimizing the management of facilities and real estate portfolios.</li> <li>• She holds a Bachelor’s degree in B.A, Land Economics from the University of Nairobi and a Master’s in Business Administration (MBA), from the Jomo Kenyatta University of Agriculture and Technical University (JKUAT).</li> <li>• She is a <b>Registered Estate Agent</b> and a <b>Registered Property Valuer</b>, demonstrating her professional competence and adherence to regulatory standards.</li> <li>• She has held senior government positions being the immediate past CECM for Lands, Housing, Physical Planning at Urban Development at Kiambu County and being a past Council Member (Deputy President) at Institution of Surveyors of Kenya.</li> <li>• Ms. Macharia is also a <b>Full Member of the Institution of Surveyors of Kenya (MISK)</b> under the Valuers and Estate Management Surveyors Chapter, where she has served as a council member for six years, reflecting her commitment to professional excellence and best practices in the real estate and property management sectors.</li> <li>• Her expertise and leadership in the industry position her to provide strategic guidance and oversight at the Board level.</li> </ul>

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**Mr. Stephen Omengo- Vice Chairperson**


- An experienced real estate consultant with over 20 years of professional experience at Tysons Limited, one of East Africa’s leading real estate consultancy firms, established in 1923 and headquartered in Nairobi, Kenya.
- He has previously served as Chairman of the Valuation & Estate Management Surveyors Chapter of the Institution of Surveyors of Kenya, highlighting his leadership and influence in the real estate and valuation profession.
- Mr. Omengo is a highly regarded expert witness in the High Court of Kenya, Rent Tribunals, Compulsory Land Acquisition Inquiries, and Arbitrations, providing expert advice for both individuals and organizations.
- He holds multiple professional licenses and registrations, including:
  - Registered & Licensed Valuer – Valuers Registration Board, Kenya
  - Registered & Licensed Estate Agent – Estate Agents Registration Board, Kenya
  - Registered & Licensed Lead Expert – Environmental Impact Assessment/Audit, National Environment Management Authority, Kenya
- He is also a Full Member of the Institution of Surveyors of Kenya (MISK) under the Valuers and Estate Management Surveyors Chapter, reflecting his commitment to professional excellence and adherence to industry standards.
- Mr. Omengo brings to the Board a wealth of experience in real estate consultancy, valuation, estate management, regulatory

**ESTATE AGENTS REGISTRATION BOARD**



Annual Report and Financial Statements for the year ended June 30, 2024

	<p>compliance, and environmental assessments, making him a key strategic advisor in governance and property-related decision-making.</p>
 <p><b>Mr. Cornelius Kimuyu- Board Member</b></p>	<ul style="list-style-type: none"> <li>• A Board Member with extensive expertise in land management, real estate, and strategic planning.</li> <li>• He holds a Master of Business Administration (MBA) in Strategy from the University of Nairobi and a Bachelor of Arts in Land Economics, providing him with a strong foundation in property valuation, land administration, and strategic decision-making.</li> <li>• He is a qualified Building Surveyor and Estate Agent, and a full member of the Institution of Surveyors of Kenya (Building Surveyors Chapter), reflecting his commitment to professional excellence and adherence to industry standards.</li> <li>• Mr. Kimuyu currently serves as the Acting Director of the Estates Department within the State Department for Housing and Urban Development under the Ministry of Lands, Public Works, Housing, and Urban Development.</li> <li>• In this role, he oversees the management, planning, and optimization of government estates, contributing to sustainable urban development and efficient utilization of public resources.</li> </ul>
 <p><b>Mrs. Stella Gitimu- Board Member</b></p>	<ul style="list-style-type: none"> <li>• An accomplished Board Member with extensive expertise in land management, housing development, and urban planning.</li> <li>• She holds a Bachelor of Arts degree in Land Economics from the University of Nairobi, providing her with a strong foundation in property valuation, real estate</li> </ul>


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	<p>management, and land administration.</p> <ul style="list-style-type: none"> <li>• She further advanced her professional competencies by earning an MBA from Africa Nazarene University, equipping her with leadership, strategic management, and organizational development skills.</li> <li>• She is also a distinguished member of the Institution of Surveyors of Kenya (ISK), under the Building Surveyors Chapter, which underscores her commitment to professional excellence and adherence to industry standards.</li> <li>• Professionally, Mrs. Gitimu serves as the Deputy Director of the Slum Upgrading Department (SUD) within the State Department for Housing and Urban Development, under the Ministry of Lands, Public Works, Housing and Urban Development.</li> <li>• In this role, she plays a pivotal part in formulating and implementing policies and programmes aimed at improving living conditions in informal settlements, enhancing access to adequate housing, and promoting sustainable urban development across the country.</li> </ul>
 <p><b>Mr. Ayub Naburi- Board Member</b></p>	<ul style="list-style-type: none"> <li>• A distinguished Lecturer, Author, and Researcher with broad expertise in real estate, valuation, and conflict resolution. He is a licensed and practicing Valuer as well as an Estate Agent, actively engaged in property appraisal, land economics, and real estate advisory services.</li> <li>• In addition, he is a skilled Portfolio Analyst and a Certified Professional Mediator, giving him a unique blend</li> </ul>

**ESTATE AGENTS REGISTRATION BOARD**  
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	<p>of technical, analytical, and interpersonal competencies.</p> <ul style="list-style-type: none"> <li>• He is currently pursuing a PhD in Real Estate Investments Analysis at the University of Cape Town in South Africa, further deepening his expertise in property markets, investment modelling, and financial analysis.</li> <li>• Ayub holds a Master’s Degree in Valuation and Property Management and a Bachelor’s Degree in Real Estate, qualifications that have provided a strong academic foundation and shaped his professional practice, teaching, and research contributions in the real estate sector.</li> </ul>
 <p><b>Mr. Daniel Kamunda- Board Member</b></p>	<ul style="list-style-type: none"> <li>• Mr. Daniel Kamunda is a Board Member with a strong legal background and extensive experience in legal practice.</li> <li>• He holds a Bachelor of Laws (LL.B) degree from the University of Nairobi and is an Advocate of the High Court of Kenya.</li> <li>• As a Partner at Kamunda Njue &amp; Company Advocates, he provides strategic legal advisory services and leads engagements across various areas of law, including commercial, corporate, and litigation matters.</li> <li>• His professional expertise and leadership contribute significantly to the governance and oversight functions of the Board.</li> </ul>
 <p><b>Mr. Benson Mukuru- Board Member</b></p>	<ul style="list-style-type: none"> <li>• Full Member Architectural Association of Kenya</li> <li>• Director Cadmax Limited</li> </ul>

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	<p><b>Mr. Joel Kathumbi-</b> <b>Board Member</b></p>	<ul style="list-style-type: none"><li>• Bachelor of Laws</li><li>• Partner, Kinyua Mwaniki &amp; Wainaina, Advocates</li></ul>
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**ESTATE AGENTS REGISTRATION BOARD**

Annual Report and Financial Statements for the year ended June 30, 2024

**2. Key Management Team**


Name	Qualification
 <p><b>Ms. Hellen Abuya – Registrar</b></p>	<ul style="list-style-type: none"> <li>• Ms. Hellen Abuya serves as the Registrar, bringing extensive expertise in land management, estate administration, and public sector governance.</li> <li>• She holds a Bachelor of Arts in Land Economics and a Master’s Degree in Project Planning and Management, both from the University of Nairobi, equipping her with strong skills in property valuation, strategic planning, and project execution.</li> <li>• She is a full member of the Institution of Surveyors of Kenya (ISK), a Registered Valuer (VRB), and a Registered Estate Agent (EARB), demonstrating professional competence and adherence to industry standards.</li> </ul>
 <p><b>Ms. Phanice Daveta- Executive Assistant</b></p>	<ul style="list-style-type: none"> <li>• Phanice Daveta holds a Bachelor of Business Administration degree in Finance from Maseno University, providing her with strong competencies in financial management, budgeting, and organizational finance.</li> <li>• She also possesses a Diploma in Information Technology from Jomo Kenyatta University of Agriculture and Technology (JKUAT), equipping her with practical skills in ICT systems, data management, and digital solutions.</li> <li>• Her combined expertise in finance and information technology positions her as a versatile professional capable of supporting modern, technology-driven financial operations and</li> </ul>

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 <p><b>Ms. Faithlyne Makena</b>  <b>-Communications</b>  <b>Officer</b></p>	<p>contributing to efficient organizational processes.</p> <ul style="list-style-type: none"> <li>• Faithlyne Makena holds a Bachelor of Journalism and Mass Communication, a qualification that has equipped her with strong skills in media relations, corporate communication, writing, digital content development, and public engagement.</li> <li>• She serves as a Communications Officer, where she is responsible for managing internal and external communication, coordinating media activities, crafting key messages, and enhancing the organization’s visibility and brand presence through effective communication strategies.</li> </ul>
 <p><b>Ms. Esther Kuria- Office</b>  <b>Administrator</b></p>	<ul style="list-style-type: none"> <li>• Esther Kuria holds a Diploma in Information Technology, giving her a solid foundation in ICT systems, data management, and digital operations. She also possesses a Certificate in Real Estate, which enhances her understanding of property management, documentation, and sector-related processes.</li> <li>• She serves as an Office Administrator, where she applies her combined ICT and real estate knowledge to support efficient office operations, coordinate administrative tasks, manage records, and ensure smooth day-to-day organizational workflow.</li> </ul>

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	<p><b>Mr. Hesborn Gisemba- Accountant</b></p>	<ul style="list-style-type: none"><li>• Hesborn Gisemba holds a Bachelor of Business Management (Accounting) degree from Moi University, providing him with strong competencies in financial reporting, budgeting, auditing, and organizational accounting practices.</li><li>• He is also a CPA Finalist, demonstrating advanced professional training in accounting, taxation, and financial management.</li><li>• His academic background and ongoing professional certification equip him with the technical expertise and analytical skills required to support sound financial decision-making and ensure effective financial control within an organization.</li></ul>
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## 5. Chairperson Statement

I am pleased to present the Statement for the financial year ended 30th June 2024, as part of the Annual Report and Financial Statements, prepared in line with the guidelines issued by the Public Sector Accounting Standards Board.

This report outlines the key achievements, challenges, and lessons learned by Estate Agents Registration Board (EARB) in delivering its statutory mandate of regulating the practice of estate agents.

During the year under review, the Board adopted a results-based management approach, aligned with the as per the Estate Agents Registration Act cap 533 of the Laws of Kenya. Notably, the Board initiated the process of review of the Estate Agents Act and development of regulations necessary to improve operationalization of the act and regulation of the estate agents and the real estate sector. The draft documents have since been shared with the mother ministry for further processing.

The registration of estate agents and issuance of issuance of annual licenses remained our key focus. To make the process successful and improve registration success, the Board initiated several training programs to both the prospective candidates and those that were already registered i.e. preregistration and induction programs, physical training and webinars. This was in an effort to ensure high competence of estate agents as per the Board's mandate. A key highlight was the 2023 Estate Agents conference. The Conference was also a resounding success with over 500 delegates in attendance and achieved increased publicity for the Board, development of collaborations with other government agencies and stakeholders and creation of a forum for the Board and stakeholders to exchange knowledge and ideas. The conference was attended by key government agencies and ministries led by the Cabinet Secretary, Ministry of Lands, Housing and Urban Development, key professional associations, property developers, financial institutions and practitioners in real estate. The Board also initiated regional forums in an effort to improve publicity, to expand service delivery and increase public access to the Board's services,

## **ESTATE AGENTS REGISTRATION BOARD**

### **Annual Report and Financial Statements for the year ended June 30, 2024**

The Board also initiated an ambitious restructuring program to improve on the institutions capacity both human and non-human, development of the necessary management policies aimed at aligning the institution to the necessary legal framework. This includes the 2024-2028 strategic plan, human resource policy, ICT policy, financial policy and Communication policy. The Board also implemented the automation of the Board's processes in an effort to make it easier and efficient to engage with the public and also make the registration and licensing processes easy and transparent. The Board also started actively developing and engaging partners that will assist in finalizing the legislative review and offer financial and other support to improve the operations of the board and in compliance.

The Board is proud of the above achievements and initiatives that have been made despite operating under lean staffing and tight financial constraints during the reporting period. These accomplishments and determination underscore our resilience and commitment to professional excellence.

As envisaged in our draft Strategic Plan 2024 - 2028, the Board shall endeavor to align it with the Bottom-up Economic Transformation Agenda (BETA) and MTP IV. The Board shall put in place compliance and enforcement initiatives, increase stakeholder engagement, implement human resource instruments, and enhance resource mobilization efforts through partnerships and setting up a fully-fledged secretariat. The Board will continue to champion for the legislative agenda including review of the Estate Agents Act Cap 533 and gazettelement of the regulations on Continuous Professional Development, Categorization of Estate Agents Rules and the Code of Conduct.

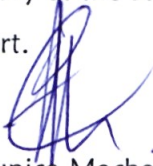
It is my hope that with the recently rebranding, completion of the legislative review, strategic plan, the necessary policies and the automation of the Board's processes, the board will have a firm foundation for future growth, ability to take on expanded mandate necessary to bring order in the real estate sector and efficient service delivery and fulfillment of its mandate.

Finally, I wish to acknowledge my fellow Board Members and the management team led by the Registrar for ensuring achievement of the performance. I wish to acknowledge the

**ESTATE AGENTS REGISTRATION BOARD**

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Cabinet Secretary, Ministry of Lands, Housing and Urban Development and the Permanent Secretary at the State Department of Housing and Urban Development for their immense support.



Ms. Eunice Macharia

**Chairperson**

**Estate Agents Registration Board**

## **6. Report of the Chief Executive Officer / Registrar**

I take this opportunity to acknowledge and express my appreciation for the invaluable contributions made by the Board Members, our dedicated staff, and a broad range of stakeholders. These include the State Department for Housing and Urban Development, the National Treasury, State Corporation Advisory Commission, Institution of Surveyors of Kenya, and our development partners for their continued support to EARB's to carry out our mandate.

EARB continues to play a critical role in supporting Kenya's Vision 2030 and the Bottom-Up Economic Transformation Agenda (BETA). By regulating and upholding standards in Estate Agency Services, we directly contribute to the professionalization and institutionalization of technical capacity in the country, an essential enabler for sustainable economic development.

### **Key Activities Undertaken in FY 2023/2024**

#### **i) Implementation of Member Management System**

To improve service delivery and public access to EARB services, we implemented the integrated member management system, the citizens are now able to access EARB services more efficiently and conveniently across the country.

#### **ii) Development of rules and regulations**

In an effort to fully operationalize the Estate Agents Act, Cap 533, the Board finalized the development of corresponding regulations. These regulations have been submitted to the office of the Cabinet Secretary for further processing.

#### **iii) Public Awareness and Sensitization**

Increased awareness of the Act and its provisions was a key focus. The Board carried out sensitization campaigns targeting a range of stakeholders, including holding regional sensitization workshop in Nairobi.

**ESTATE AGENTS REGISTRATION BOARD**  
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iv) Strategic Plan 2024–2028

The Board initiated development of draft Strategic Plan 2024-2028. This plan is anchored on four key result areas: Governance, Registration and Licensing, Compliance and Professional Development

These pillars are designed to ensure the Board achieves its mission and vision effectively over the next five years.

I am grateful for the collective efforts and support of the Board Members, Management, staff, and our partners. Together, we remain committed to advancing the Estate Agency profession in Kenya, ensuring regulatory compliance, and contributing meaningfully to the country's socio-economic transformation.

  
Hellen Abuya

**Registrar/ Ag. Chief Executive Officer**

**ESTATE AGENTS REGISTRATION BOARD**

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**7. Statement of Performance against Predetermined Objectives for FY 2023/2024**

EARB has four (4) strategic issues within the Performance Contract strategic for the FY 2023/2024. These strategic issues are as follows:

Strategic Pillar 1 - Inadequate enforcement and compliance

Strategic Pillar 2 – High number of unlicensed persons operating as estate agents

Strategic Pillar 3- Inadequate public awareness and visibility on regulation of estate agency

Strategic Pillar 4 -Inadequate institutional capacity

The annual work plans for EARB is derived from the performance contract targets that are aligned to the six (6) pillars. The achievement of FY 2023/2024 performance targets is indicated below:

Strategic Issues	Objective	Key Performance Indicators	Activities	Achievements
Inadequate enforcement and compliance	To enforce and ensure compliance to the Estate Agents Act	Number of : -complaints resolved -Estate Agents Inspected in order to monitor compliance of Act -New Registrations turnaround times improved -EARB complies with all applicable legislation and regulations and	<ol style="list-style-type: none"> <li>1. To address complaints received from property consumers and estate agents.</li> <li>2. Resolving stakeholder queries.</li> <li>3. Issue certificates to currently registered and new estate agents with good standing</li> <li>4. Conduct inspections on Estate Agents to assess compliance</li> <li>5. Establish collaboration mechanisms with other law enforcement agencies.</li> <li>6. Working with other agencies in detecting and reporting any money laundering activities in real estate sector</li> <li>7. Revision of the act to capture new emerging challenges and opportunities arising in estate agency</li> <li>8. Timely update of members register indicating their status</li> </ol>	

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		-To review the Estate Agents Act	9. Regular Inspection for compliance.	
High number of unlicensed persons operating as estate agents	To enforce and ensure compliance to the Estate Agents Act	Number of sensitization workshops held and dissemination of information done	<ol style="list-style-type: none"> <li>1. To train estate agents on ethics, code of conduct, best practice and implement CPD rules to build capacity.</li> <li>2. Undertake research/disseminate information on real estate agency.</li> <li>3. Develop/disseminate the appropriate rules/regulations for the practice.</li> </ol>	
In adequate public awareness and visibility on regulation of estate agency	To enhance public awareness and visibility of the functions of the Board	Number of sensitization workshops held	<p><b><u>Communication and Public Awareness</u></b>  <b><u>Sensitize public on estate agency and the role of Board</u></b></p> <ol style="list-style-type: none"> <li>1. Enhance visibility by branding the EARB/</li> <li>2. Revamp EARB website to increase visibility</li> <li>4. Enhance visibility by public awareness on the estate agents registration and roles of estate agents</li> <li>3. Publicize the registered members</li> <li>4. Good working rapport with the media</li> </ol> <p>Hold EARB conference every two years and organizing regular webinars, education and training awareness nationally and regionally in collaboration with partners</p>	
<b>Inadequate institutional capacity</b>	<b>To enhance institutional capacity of the EARB</b>	Number of estate agents sensitized and public forums held on ethics,	<ol style="list-style-type: none"> <li>1. Recruit additional staff in streamlining the activities of the Board</li> <li>2. Establish Enforcement and legal Units</li> </ol>	

**ESTATE AGENTS REGISTRATION BOARD**

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		best business practice and property transaction principles.	<ol style="list-style-type: none"><li>3. Board Training in strategic leadership and management</li><li>4. Secretariat Training in strategic areas in line with the Board's service delivery charter</li><li>5. Implement the various policies and guidelines as stipulated by Government agencies and the parent Ministry</li><li>6. Investment on a vehicle to facilitate mobility and presence</li></ol> Equip Board and staff with appropriate ICT Infrastructure and operational office space	
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## **8. Corporate Governance Statement**

Estate Agents Registration Board is the regulatory body for estate agency practice in Kenya and derives its mandate from estate Agents Act, 1984 cap 533, the act makes provision for regulation.

The Board of Board members is constituted of the full Board of Nine members plus the registrar and its committees which include: -Finance and Administration, Publicity, Education & Recruitment, Legal and Governance, Audit Committee and Disciplinary Committee. The purpose of these committees is to ensure that issues presented before the Board are interrogated by the relevant committee which makes appropriate recommendations to the Board for consideration and informed decision-making.

The purpose of these committees is to ensure that issues presented before the Board are interrogated by the relevant committee which makes appropriate recommendations to the Board for consideration and informed decision-making.

During the year under review, all Board meetings were held in line with the approved almanac. All meetings attended were on due notice and agenda having been previously issued within the statutory timelines and there was a quorum in all meetings. The number of meetings held was within the permissible statutory number as embodied in the law. The Board kept a record of the meetings.

Functions of the Board's Committee include: -

**Finance and Administration Committee** – Oversees the administrative and financial functions of the Board.

**Publicity, Education and Recruitment Committee:** Oversees the Publicity, Education of estate agents and recruitment functions of the Board.

**Legal and Governance Committee**—Oversees the Legal and Governance issues of the Board.

**Audit Committee:** Oversees internal audit function of the Board as stipulated in law.

## 9. Management Discussion and Analysis

### 9.1 Introduction

This section provides the management’s report on the operational and financial performance of the Board during the period. This includes the Board’s compliance with statutory requirements, major risks facing the organization, material arrears in statutory and other financial obligations, review of the economy, review of the sector and future developments as well as other information considered relevant to the users of the financial statements.

### 9.2 Management Report on Operational and Financial Performance.

The Board is currently developing the Strategic Plan 2024-2028. The strategic plan articulates EARB’s vision, mission and core values. The objectives, strategies and output/outcome that EARB aims to achieve are anchored on seven Key Result Areas (KRAs) which are linked to the Strategic Goals and Issues. The strategic model for the Board for the period 2024-2028 is shown in the table below.

#### EARB Strategic Model

Strategic issue	Goal	KRA
<ul style="list-style-type: none"> <li>• Compliance and Enforcement of set estate agency laws and regulations</li> <li>• Strengthening Policy, legal and institutional frameworks</li> </ul>	To improve enforcement and compliance to estate agency laws and regulations	Enhancement of Estate Agency registration, practice compliance and enforcement
<ul style="list-style-type: none"> <li>• Capacity Development and Strengthening</li> <li>• Public Sensitization and awareness</li> </ul>	To enhance access to quality estate agency services	Professional Competency Enhanced
<ul style="list-style-type: none"> <li>• Publicity and media engagement plans</li> <li>• Avail updated members register</li> <li>• Impact Evidence-based documentation</li> <li>• Media policy, Media campaigns and social media platform presence</li> </ul>	To strengthen the visibility and operations of the Board	Enhanced Visibility and Impact

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<ul style="list-style-type: none"> <li>To strengthen collaboration with the media and use of various social media platforms</li> </ul>		
<ul style="list-style-type: none"> <li>Strengthening Secretariate Human Resource capacity</li> <li>Strengthen and build Board capacity</li> <li>Operational excellence and continuity</li> </ul>	To strengthen institutional capacity	Strengthened institutional capacity, productivity
<ul style="list-style-type: none"> <li>Building legal strength by Updating the existing laws</li> <li>Creating new regulations</li> </ul>	To improve the regulatory environment	Strengthened regulatory environment
<ul style="list-style-type: none"> <li>Evidence-based advisories</li> </ul>	To strengthen monitoring, evaluation, learning and knowledge management framework	Evidence-based advisories
<ul style="list-style-type: none"> <li>Financial Resource mobilization and management</li> <li>Financial Strength</li> </ul>	To increase the financial base and network	Fundraising and Linkages enhanced

The Board has continued to make impressive strides in the realization of its mandate as it entrenches regulation of estate Agents through digitalization of services, enhanced registration & licensing, continuous professional development and strengthening institutional capacity as well as resource mobilization.

Further, the Board continued mainstreaming productivity by developing the Productivity Mainstreaming Strategy to guide implementation of the identified metrics, collection of productivity data and computing the productivity index which was targeted to improve. The objective was to continuously mainstream quality management practices, Review the estate agents act cap 533 and offer exceptional customer experience in our endeavor to regulate and promote development of the estate agency profession, uphold professional standards, foster excellence for achievement of national development goals.

EARB is keen to maintain its frontline position in the regulation of estate agents through development of estate agent's regulations in order to operationalize the Estate Agents Registration Board.

### **9.3 Monitoring and Evaluation**

The Board of Board members provides oversight and strategic leadership in the fulfilment of the Board's mandate and through the management has put in place a robust Monitoring and Evaluation (M&E) system to track and assess the realization of the goals and initiatives in the planned Strategic Plan 2024–2028, in its aspiration "A leading regulatory body for advancement of the estate agent's profession."

EARB undertakes M&E to, inter alia, evaluate progress in implementation of the KRAs as well as receive feedback from stakeholders on its provision of quality assurance services, identify challenges in implementation and identify remedies for continuous improvement. To enhance M&E, management has developed a Monitoring and Evaluation Framework aligned to track implementation of Strategic Plan 2024-2028.

### **9.4 Compliance with Statutory Requirements**

The Board is required to adhere to a set of laws, regulations, and guidelines that govern all organizations operating in the country. This was observed and maintained during the year under review.

This has enabled the Board's operations to continue uninterrupted by eliminating disruptions which may be occasioned by legal actions, fines, penalties, in depth audits, and the inability to access critical services from third party providers. In addition, statutory compliance boosts the image of the Board in the eyes of the public and gives confidence to its strategic partners and other stakeholders in forging long lasting partnerships and collaborations.

Specifically, the Board prepared and submitted the annual budget, monthly reports, quarterly reports and financial statements to the State Department for Housing and Urban Development. In addition, PAYE, NSSF, SHIF and NITA levy were submitted to the relevant government agencies.

## 9.5 Risk Management

The Board's Risk Management Framework, as outlined in the draft 2024-2028 strategic plan, integrates risk management into governance and performance management at both strategic and operational levels. It aims to proactively address anticipated risks to achieve set objectives. Key structures include:

**Audit Committee of the Board** - Oversees audit function of the Board.

**Finance and Administration Committee** – Oversees the administrative and financial functions of the Board.

**Publicity, Education and Recruitment Committee:** Oversees the Publicity, Education of estate agents and recruitment functions of the Board.

**Legal and Governance Committee**–Oversees the Legal and Governance issues of the Board.

### Risks

S/No.	Key Strategic Risks	Risk Mitigation Measure(s)
1.	<b>Illegal and unqualified practitioners</b>	Develop compliance and enforcement structure, strengthen monitoring and enforcement mechanisms to ensure compliance with estate agency laws and regulation
2.	<b>Lack of Public awareness and compliance</b>	Increase public awareness about the Board's role, functions, and importance in safeguarding estate agency investors and members of the public.
3.	<b>Inadequate human and financial resources</b>	Mobilize funds from internal sources, government and funding agencies. Increase Strengthen staff capacity
4.	<b>Professional Misconduct and unethical behaviour by registered members</b>	Invest in training and capacity building and continuous professional development programs to offer quality estate agency services Improve implementation of disciplinary processes and procedures
5.	<b>Inadequate collaboration with other government agencies</b>	Foster coordination with all relevant stakeholders for collaborative effort in regulating the sector and information sharing

6.	<b>Update and align laws, regulations and government policies</b>	Enhance the legal and regulatory framework to adapt to changing industry dynamics
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## 10. Environmental and Sustainability Reporting

### i) Sustainability strategy and profile

The Board delivers its mandate as an enabler of Kenya's Vision 2030 MTP IV, Bottom-Up Economic Transformation Agenda (BETA), and the United Nations (UN) Sustainable Development Goal No. 9 on building resilient infrastructure, promoting inclusive and sustainable industrialization and fostering innovation.

### ii) Environmental performance

To ensure environmental protection, the Board maintains an environmental policy and supports the government in its environmental initiatives.

### iii) Employee welfare

EARB has approved HR instruments that guide the hiring process, amongst them are the Human Resource (HR) policy and procedures manual, career guidelines, staff establishment and staffing & organizational structure.

The Board has also put into place mechanisms for stakeholder engagement during policy development. The Board offers training opportunities to its employees in order to improve their work performance and personal development, ensuring continuous upgrading of core competencies, knowledge, skills, and attitude.

The Board links individual performance with the Board's performance and set individual work plans at the beginning of the financial year.

The Board recognizes and commits itself to the achievement of the highest standards of health and safety in the workplace and the elimination or minimization of health and safety hazards and risks that may affect its employees. We implement policies and programs in compliance with the provisions of the Occupational Safety and Health Act, 2007, and other Labour Laws by maintaining healthy and safe working conditions.

### iv) **Market place practices: -**

#### **a) Responsible competition practice.**

The Board ensures customer satisfaction as a key factor during service delivery. It ensures fair competition in the procurement processes in line with Public Procurement and Assets Disposal Act, 2015. The Board ensures all the processes are within the spheres of Law in the execution of its mandate.

**b) Responsible Supply chain and supplier relations**

The Board ensures any procurement is within the Annual Procurement Plan and the approved annual budget to ensure all supplies, services and works are paid as and when they fall due to avoid cases of pending bills. Reservations are made for marginalized and special groups to ensure inclusivity.

**c) Responsible marketing and advertising**

The Board ensures all the advertisements for works, services and goods are done through the Government Advertising Agency and in the Board's, website as provided for in the law.

**d) Product stewardship**

The Board ensures protection of particulars of registered engineering technology professionals in accordance with the provisions of Data Protection Act 2019. This is emphasized during sensitization, stakeholder engagements, public participation forums and continuous professional development programs.

**e) Corporate Social Responsibility / Community Engagements**

In line with the Presidential directive of 21st December, 2022 and as part of Corporate Social Responsibility (CSR), the Board participated in various Tree Planting and Restoration Campaigns through mobilization of stakeholders and community for tree planting activities

**11. Report of the Board members**

The Board members submit their report together with the audited financial statements for the year ended June 30, 2024, which show the state of EARB 's affairs.

**i) Principal activities**

As per the provisions of the Act, the Board is charged with the responsibility of registering estate agents and ensuring that the competence and conduct of practicing estate agents are of a standard sufficiently high to ensure the protection of the public

**ii) Results**

The results of EARB for the year ended June 30, 2024, are set out on page 1 to 5

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**iii) Board members**

The Board members of the Board who served during the year are shown on page x to xiv

**iv) Surplus remission**

The Boards operations are supported by own source revenue and does not receive funds from the consolidated fund. Also, the Board is not engaged in commercial activities.

**v) Auditors**

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

By Order of the Board



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**Hellen Abuya**

**C.E.O/REGISTRAR**

**ESTATE AGENTS REGISTRATION BOARD**

**Annual Report and Financial Statements for the year ended June 30, 2024.**

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**12. Statement of Board members Responsibilities**

Section 81 of the Public Finance Management Act, 2012, Section 14 of the State Corporations Act Cap 446 and require the Board members to prepare financial statements in respect of EARB, which give a true and fair view of the state of affairs of EARB at the end of the financial year and the operating results of EARB for that year. The Board members are also required to ensure that EARB keeps proper accounting records which disclose with reasonable accuracy the financial position of EARB. The Board members are also responsible for safeguarding the assets of EARB.

The Board members are responsible for the preparation and presentation of EARB's financial statements, which give a true and fair view of the state of affairs of EARB for and as at the end of the financial year 2023/2024 ended on June 30, 2024. 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 EARB; (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 EARB; (v) Selecting and applying appropriate accounting policies; and (vi) Making accounting estimates that are reasonable in the circumstances.

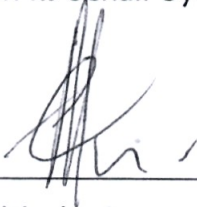
The Board members accept responsibility for EARB's financial statements, which have been prepared using appropriate accounting policies supported by reasonable and prudent judgements and estimates, in conformity with International Public Sector Accounting Standards (IPSAS), and in the manner required by the PFM Act, 2012, Section 14 of the State Corporations Act Cap 446. The Board members are of the opinion that EARB's financial statements give a true and fair view of the state of EARB's transactions during the financial year ended June 30, 2024, and of EARB's financial position as at that date. The Board members further confirms the completeness of the accounting records maintained for EARB which have been relied upon in the preparation of EARB's financial statements as well as the adequacy of the systems of internal financial control.

In preparing the financial statements, the Board members have assessed EARB's ability to continue as a going concern. Nothing has come to the attention of the Board members to indicate that EARB will not remain a going concern for at least the next twelve months from the date of this statement.

Nothing has come to the attention of the Board members to indicate that the EARB 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 EARB's financial statements were approved by the Board on 17/12/2025 2025 and signed on its behalf by:



\_\_\_\_\_  
Eunice Macharia  
**Chairperson of the Board**



\_\_\_\_\_  
Hellen Abuya  
**Registrar /CEO**

# REPUBLIC OF KENYA

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NAIROBI

## **REPORT OF THE AUDITOR-GENERAL ON ESTATE AGENTS REGISTRATION BOARD FOR THE YEAR ENDED 30 JUNE, 2024**

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### **PREAMBLE**

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

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

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

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

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

#### **Qualified Opinion**

I have audited the accompanying financial statements of Estate Agents Registration Board set out on pages 1 to 29, which comprise of the statement of financial position as

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*Report of the Auditor-General on Estate Agents Registration Board for the year ended 30 June, 2024*

at 30 June, 2024 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, except for the effect of the matters described in the Basis for Qualified Opinion section of my report, the financial statements present fairly, in all material respects, the financial position of Estate Agents Registration Board as at 30 June, 2024 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 and the Public Finance Management Act, 2012.

### **Basis for Qualified Opinion**

#### **1. Unsupported Investment Income**

The statement of financial performance and Note 6 to the financial statements reflects licenses, fees and permits balance of Kshs.22,691,253 which includes investment income balance of Kshs.5,816,833. However, the source of the investment income could not be confirmed since the financial statements did not reflect any investment asset.

In the circumstances, the accuracy and completeness of licenses, fees and permits could not be confirmed.

#### **2. Unsupported Cash and Cash Equivalents**

The statement of financial position reflects cash and cash equivalents balances of Kshs.2,907,763. However, during the financial year under review, the Board did not maintain a cash book, perform bank reconciliation and conduct a Board of Survey Report.

In the circumstances, the accuracy and completeness of the cash and cash equivalents balance could not be confirmed.

#### **3. Lack of Ownership Documents**

The statement of financial position reflects property, plant and equipment and intangible assets balance of Kshs.475,125 and Kshs.2,160,000 respectively, all totalling to Kshs.2,635,125. However, these balances were not supported by any documentation. Management did not provide supporting schedule, purchase invoices, valuation reports, amortization/depreciation schedules, or any verifiable evidence to confirm existence, ownership, condition, valuation, or accuracy of the reported balances.

In the circumstances, the accuracy and ownership of the property, plant and equipments; and intangible assets could not be confirmed.

#### **4. Unsupported Employees Cost**

The statement of financial performance reflects employees cost amount of Kshs.1,826,542. Review of the Board's Human Resource records revealed that during the year under review, the Board had four (4) employees. However, no recruitment records such as advertisements, shortlisting minutes, or appointment letters were provided to show how they were recruited.

In the circumstances, the regularity and completeness of the employees cost could not be confirmed.

The audit was conducted in accordance with International Standards of Supreme Audit Institutions (ISSAIs). I am independent of the Estate Agents Registration Board 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 qualified opinion.

#### **Emphasis of Matter**

##### **Budgetary Control and Performance**

The statement of comparison of budget and actual amounts reflects receipts final budget and actual on comparable basis of Kshs.30,000,000 and Kshs.22,691,253 respectively, resulting to under-funding of Kshs.7,308,747 or 24% of the budget. Similarly, the Board spent Kshs.20,498,388 against actual receipts of Kshs.22,691,253 resulting to under-utilization of Kshs.2,192,865 or 10% of actual receipts. The under-funding and under-utilization affected the planned activities and impacted negatively on service delivery to the public.

My opinion is not modified in respect of this matter.

#### **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. Except for the effect of the matters described in the Basis for Qualified Opinion, I have determined that there are no other key audit matters to communicate in my report.

#### **Other Information**

The Management is responsible for the Other Information set out on page v to xxxv which comprise of the Board Information and Management, The Board of Council, Key Management Team, Chairman's Statement, Report of the Chief Executive Officer, Statement of Performance Against Predetermined Objectives, Corporate Governance Statement, Management Discussion and Analysis, Environmental and Sustainability Reporting, Report of the Board Members and Statement of Board Members

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

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

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

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

### **Conclusion**

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

### **Basis for Conclusion**

#### **Late Submission of Financial Statements**

During the year under review, Management did not submit the financial statements to the Auditor-General by the statutory date of 31 August, 2025. The financial statements were submitted on 10 November, 2025 which was fourteen (14) months and ten (10) days after the statutory deadline. This is contrary to Regulation 101(4) of the Public Finance Management (National Government) Regulations, 2015 which states that (4) An Accounting Officer shall prepare the financial statements in a form that complies with the relevant accounting standards prescribed by the Public Sector Accounting Standards Board, not later than three months after the end of the financial year and submit them to the Auditor General with a copy to the County Treasury, the Controller of Budget and the National Treasury. Late submission of the financial report adversely affects the Office of the Auditor-General in meeting the statutory timelines.

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

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

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

## **Conclusion**

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

## **Basis for Conclusion**

### **1. Weakness in Internal Controls, Risk Management and Governance**

Review of the Board's records revealed that the Board did not develop and implement various policy documents namely; Risk Management, Information and Communication Technology and Human Resource policies.

In the circumstances, the effectiveness and efficiency of the Board's operations could not be confirmed.

### **2. Lack Audit Committee**

During the year under review, the Board did have an Audit Committee and there was no Internal Audit Department due to lack of staff. However, during the year under review, the Committee never met.

In the circumstances, the effectiveness and efficiency of the Board's internal controls, risks and governance weaknesses could not be confirmed.

### **3. Inadequate Staffing**

The Board's Management comprises of five (5) members of staff including the acting Chief Executive Officer/ Registrar who is deployed by the State Department for Housing and Urban Development. Although the Board has a fully constituted Board of Directors, the Board does not have adequate staff members.

In the circumstances, the effectiveness and efficiency of delivery of services to the public could not be confirmed.

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

## **Responsibilities of the Management and The Board of Directors**

Management is responsible for the preparation and fair presentation of these financial statements in accordance 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 Board's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless Management is aware of the intention to cease operations.

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

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

The Board of Directors is responsible for overseeing the Board's financial reporting process, reviewing the effectiveness of how Management monitors compliance with relevant legislative and regulatory requirements, ensuring that effective processes and systems are in place to address key roles and responsibilities in relation to governance and risk management, and ensuring the adequacy and effectiveness of the control environment.

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

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

In conducting the audit, Article 229(6) of the Constitution also requires that I express a conclusion on whether or not in all material respects, the activities, financial transactions

and information reflected in the financial statements are in compliance with the authorities that govern them and that public resources are applied in an effective way. In addition, I consider the entity's control environment in order to give an assurance on the effectiveness of internal controls, risk management and governance processes and systems in accordance with the provisions of Section 7(1)(a) of the Public Audit Act, 2015.

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

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

  
FCPA Nancy Gathungu, CBS  
AUDITOR-GENERAL

Nairobi

18 December, 2025

**13. Statement of Financial Performance for the year ended 30 June 2024**

Description	Notes	F/Y 2023-2024
		Kshs
Licenses, Fees and permits	6	22,691,253
<b>Total Revenue</b>		<b>22,691,253</b>
<b>Expenses</b>		
Use of goods and services	7	5,348,855
Employee costs	8	1,840,512
Repairs and Maintenance	9	10,100
Board Expenses	10	13,298,921
Depreciation and Amortization Expense	11	<b>669,875</b>
<b>Total Expenses</b>		<b>21,168,263</b>
<b>Surplus</b>		<b>1,522,990</b>

The notes set out on pages 23 to 26 form an integral part of these Financial Statements. The Financial Statements set out on pages 1 to 5 were signed on behalf of the Board of Board members by:

  
\_\_\_\_\_

Hellen Abuya  
**Registrar/CEO**

Date 17/12/2025

  
\_\_\_\_\_

Hesborn Gisemba  
**Head of finance**

Date: 17/12/25

  
\_\_\_\_\_

Eunice Macharia  
**Chairperson of the Board**


Date: 17/12/25

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**14. Statement of Financial Position as at 30 June 2024**

Description	Notes	F/Y 2023-2024
		Kshs
<b>ASSETS</b>		
<b>Current Assets</b>		
Cash and cash equivalents	12	2,907,763
Receivables – Non-Exchange Transaction	13	3,480,102
<b>Total Current Assets</b>		<b>6,387,865</b>
<b>Non-Current Assets</b>		
Property and Equipment	14	475,125
Intangible Assets	15	2,160,000
<b>Total Non- Current Assets</b>		<b>2,635,125</b>
<b>TOTAL ASSETS</b>		<b>9,022,990</b>
<b>LIABILITIES</b>		
<b>Other Payables</b>	16	7,500,000
<b>TOTAL LIABILITIES</b>		<b>7,500,000</b>
<b>NET ASSETS</b>		<b>1,522,990</b>
Accumulated Surplus		1,522,990
<b>Total Net Assets and Liabilities</b>		<b>9,022,990</b>

The financial statements set out on pages 1 to 5 were signed on behalf of the Board of Board members by:

  
 \_\_\_\_\_

**Registrar/C.E.O**  
 Hellen Abuya

Date 17/12/2025

  
 \_\_\_\_\_

**Head of Finance**  
 Hesborn Gisemba

Date: 17/12/25

  
 \_\_\_\_\_

**Chairperson of the Board**  
 Eunice Macharia

Date: 17/12/25

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**15. Statement of Changes in Net Assets for the year ended 30 June 2024**

Description	Accumulated Surplus	Capital	Revaluation reserve	Total
		Development Grants/Fund		
	Kshs.	Kshs.		Kshs.
<b>As at 1st July 2023</b>	0	0		0
Surplus/(deficit) for the period	<b>1,522,990</b>			<b>1,522,990</b>
<b>As at 30 June 2024</b>	1,522,990	<b>0</b>		1,522,990

**16. Statement of Cash Flows for the year ended 30 June 2024**

	Notes	FY 2023-2024
		Kshs
<b>Cash flows from operating activities</b>		
<b>Receipts</b>		
Licenses, Fees and permits	7	22,691,253
<b>Total Receipts</b>		<b>22,691,253</b>
<b>Payments</b>		
Use of goods and services	8	5,348,855
Employee costs	9	1,840,512
Repairs and maintenance	10	10,100
Board expenses	11	<b>13,298,921</b>
<b>Total Payments</b>		<b>20,498,388</b>
<b>Net cash flows from operating activities</b>		<b>2,192,865</b>
<b>Cash flows from investing activities</b>		
Net increase/(decrease) in cash and cash equivalents		
<b>Cash and cash equivalents at 1 July 2023</b>		<b>714,898</b>
<b>Cash and cash equivalents at 30 June 2024</b>		<b>2,907,763</b>

**17. Statement of Comparison of Budget and Actual amounts for the year ended 30 June 2024**

	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*100
<b>Receipts</b>						
Budget carryovers from the previous year*	-	0	0	0	0	0
License, fees and Permits	30,000,000	0	30,000,000	22,691,253	(7,308,747)	76%
<b>Total Receipts</b>	<b>30,000,000</b>	<b>0</b>	<b>30,000,000</b>	<b>22,691,253</b>	<b>(7,308,747)</b>	<b>76%</b>
<b>Payments</b>						
Use of Goods and Services	5,000,000	0	5,000,000	5,348,855	348,855	109%
Employee costs	2,000,000	0	2,000,000	1,840,512	(159,488)	91%
Repairs and Maintenance	1,250,000	0	1,250,000	10,100	(1,239,900)	1%
Board Expenses	12,000,000	0	12,000,000	13,298,921	1,298,921	111%
<b>Total Payments</b>	<b>20,250,000</b>	<b>0</b>	<b>20,250,000</b>	<b>20,498,388</b>	<b>569,507</b>	<b>102%</b>
<b>Surplus</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>2,192,865</b>	<b>(6,739,240)</b>	<b>22%</b>

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**Budget  
Reconciliation**

No.	Description of Particulars	Amount in Kshs
	Actual Surplus Amounts as per the statement of Budget	2,192,865
	Reason for differences	
	Opening Cash and Cash Equivalent	714,898
	<b>Closing Cash and Cash Equivalent as per the statement of Cash flows</b>	<b>2,907,763</b>

- **Licenses, Fees and permits:** The under registration and renewal fees did not meet the target due reduced number of applications for registration and estate agents license renewal
- **Use of Goods and Services:** The over absorption of use of goods increased due to high operational activities
- **Board Expenses:** The board expense increased due to higher meeting related costs.

**18. Notes to the Financial Statements**

**1. General Information**

Estate Agents Registration Board (EARB) is the regulatory body for estate agency practice in Kenya and it derives its mandate from Estate Agents Act, 1984 Cap 533 which was operationalized in 1987.

**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 EARB's accounting policies. The areas involving a higher degree of judgement or complexity, or where assumptions and estimates are significant to the financial statements, are disclosed in Note 5 of these financial statements. Financial statements have been prepared and presented in Kenya Shillings, which is the functional and reporting currency of the EARB. The financial statements have been prepared in accordance with the PFM Act, the State Corporations Estate Agents Act, 1984 Cap 533 and International Public Sector Accounting Standards (IPSAS). The accounting policies adopted have been consistently applied to all the years presented.

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**Notes to the Financial Statements (Continued)**

**3. Adoption of New and Revised Standards**

**New and amended standards and interpretations in issue effective in the year ended 30 June 2024.**

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

**i. New and amended standards and interpretations in issue but not yet effective in the year ended 30 June 2024**

<b>Standard</b>	<b>Effective date and impact:</b>
IPSAS 43: Leases	<p><b>Applicable 1<sup>st</sup> January 2024</b></p> <p>The standard sets out the principles for the recognition, measurement, presentation, and disclosure of leases. The objective is to ensure that lessees and lessors provide relevant information in a manner that faithfully represents those transactions. This information gives a basis for users of financial statements to assess the effect that leases have on the financial position, financial performance and cashflows of an Entity.</p> <p>The new standard requires entities to recognize, measure and present information on right of use assets and lease liabilities.</p>
IPSAS 46: Measurement	<p><b>Applicable 1<sup>st</sup> January 2024</b></p> <p>The objective of this standard was to improve measurement guidance across IPSAS by:</p> <ul style="list-style-type: none"> <li>i. Providing further detailed guidance on the implementation of commonly used measurement bases and the circumstances under which they should be used.</li> <li>ii. Clarifying transaction costs guidance to enhance consistency across IPSAS.</li> <li>iii. Amending where appropriate guidance across IPSAS related to measurement at recognition, subsequent measurement and measurement related disclosures.</li> </ul> <p>The standard also introduces a public sector specific measurement bases called the current operational value.</p>
IPSAS 47:	<b>Applicable 1<sup>st</sup> January 2025</b>

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Revenue	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	<b>Applicable 1<sup>st</sup> January 2026</b> 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	<b>Applicable 1<sup>st</sup> January 2026</b> 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	<b>Applicable 1<sup>st</sup> January 2027</b> The objective of this Standard is to specify the financial reporting for the exploration for and evaluation of mineral resources. The Standard requires: <ul style="list-style-type: none"> <li>i. Limited improvements to existing accounting practices for exploration and evaluation expenditures.</li> <li>ii. Entities that recognize exploration and evaluation assets to assess such assets for impairment in accordance with this Standard and measure any impairment in accordance with IPSAS 26.</li> <li>iii. Disclosures that identify and explain the amounts in the entity's financial statements arising from the exploration for and</li> </ul>

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	<p>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>
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**Notes to the financial statements (continued)**

**4. Summary of Significant Accounting Policies**

**a) Revenue recognition**

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

**Taxes, Levies and fines**

The EARB recognizes revenues from taxes, levies, and fines when the event occurs and the asset recognition criteria are met. To the extent that there is a related condition attached that would give rise to a liability to repay the amount, deferred income is recognized instead of revenue. Other non-exchange revenues are recognized when it is probable that the future economic benefits or service potential associated with the asset will flow to the Entity and the fair value of the asset can be measured reliably.

**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 EARB 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**

**Rendering of services**

The EARB recognizes revenue from rendering of services by reference to the stage of completion when the outcome of the transaction can be estimated reliably. The stage of completion is measured by reference to labour hours incurred to date as a percentage of total estimated labour hours. Where the contract outcome cannot be measured reliably, revenue is recognized only to the extent that the expenses incurred are recoverable.

**Notes to the Financial Statements (Continued)**

**Summary of Significant Accounting Policies (Continued)**

**Sale of goods**

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Revenue from the sale of goods is recognized when the significant risks and rewards of ownership have been transferred to the buyer, usually on delivery of the goods and when the amount of revenue can be measured reliably, and it is probable that the economic benefits or service potential associated with the transaction will flow to the Board.

**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 each period.

**Dividends**

Dividends or similar distributions must be recognized when the shareholder's or the Board'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 the Current FY was approved by the Board of Board members . 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 Entity upon receiving the respective approvals in order to conclude the final budget. Accordingly, the Entity recorded additional appropriations budget following the governing body's approval.

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**Notes to the Financial Statements (Continued)**

**Summary of Significant Accounting Policies (Continued)**

**Budget information (continued)**

The EARB budget is prepared on a different basis to the actual income and expenditure disclosed in the financial statements. The financial statements are prepared on accrual basis using a classification based on the nature of expenses in the statement of financial performance, whereas the budget is prepared on a cash basis. The amounts in the financial statements were recast from the accrual basis to the cash basis and reclassified by presentation to be on the same basis as the approved budget. A comparison of budget and actual amounts, prepared on a comparable basis to the approved budget, is then presented in the statement of comparison of budget and actual amounts. In addition to the Basis difference, adjustments to amounts in the financial statements are also made for differences in the formats and classification schemes adopted for the presentation of the financial statements and the approved budget. A statement to reconcile the actual amounts on a comparable basis included in the statement of comparison of budget and actual amounts and the actuals as per the statement of cash flows has been presented under section xxx of these financial statements.

**c) Taxes**

**Current income tax**

Current income tax assets and liabilities for the current period are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date in the area where KETR B operates and generates taxable income. Current income tax relating to items recognized directly in net assets is recognized in net assets and not in the statement of financial performance. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

**Notes to the Financial Statements (Continued)**

**Summary of Significant Accounting Policies (Continued)**

**d) Property, plant and equipment**

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 Entity 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.

**e) Leases**

Finance leases are leases that transfer substantially all of the risks and benefits incidental to ownership of the leased item to KETRB. Assets held under a finance lease are capitalized at the commencement of the lease at the fair value of the leased property or, if lower, at the present value of the future minimum lease payments. The Board also recognizes the associated lease liability at the inception of the lease. The liability recognized is measured as the present value of the future minimum lease payments at initial recognition. Subsequent to initial recognition, lease payments are apportioned between finance charges and reduction of the lease liability so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are recognized as finance costs in surplus or deficit. An asset held under a finance lease is depreciated over the useful life of the asset. However, if there is no reasonable certainty that the Board will obtain ownership of the asset by the end of the lease term, the asset is depreciated over the shorter of the estimated useful life of the asset and the lease term. Operating leases are leases that do not transfer substantially all the risks and benefits incidental to ownership of the leased item to the Board. Operating lease payments are recognized as an operating expense in surplus or deficit on a straight-line basis over the lease term.

**Notes to the Financial Statements (Continued)**

**Summary of Significant Accounting Policies (Continued)**

**f) 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. Intangible assets with an indefinite useful life are assessed for impairment at each reporting date.

**g) Research and development costs**

The Board expenses research costs as incurred. Development costs on an individual project are recognized as intangible assets when the Board can demonstrate:

- i) The technical feasibility of completing the asset so that the asset will be available for use or sale.
- ii) Its intention to complete and its ability to use or sell the asset.
- iii) How the asset will generate future economic benefits or service potential
- iv) The availability of resources to complete the asset.
- v) The ability to measure reliably the expenditure during development.

Following initial recognition of an asset, the asset is carried at cost less any accumulated amortization and accumulated impairment losses. Amortization of the asset begins when development is complete, and the asset is available for use. It is amortized over the period of expected future benefit. During the period of development, the asset is tested for impairment annually with any impairment losses recognized immediately in surplus or deficit.

**h) Financial instruments**

IPSAS 41 addresses the classification, measurement and de-recognition of financial assets and financial liabilities, introduces new rules for hedge accounting and a new impairment model for financial assets. The entity does not have any hedge relationships

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and therefore the new hedge accounting rules have no impact on the Company's financial statements. (amend as appropriate). 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.

**a) 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.

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**Notes to the Financial Statements (Continued)**

**Summary of Significant Accounting Policies (Continued)**

**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.

**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.

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**Notes to the Financial Statements (Continued)**

**Summary of Significant Accounting Policies (Continued)**

**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.

**Impairment**

The entity assesses, on a forward-looking basis, the expected credit loss ('ECL') associated with its financial assets carried at amortized cost and fair value through net assets/equity. The entity recognizes a loss allowance for such losses at each reporting date. Critical estimates and significant judgments made by management in determining the expected credit loss (ECL).

**b) Financial liabilities**

**Classification**

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

**i) Inventories**

Inventory is measured at cost upon initial recognition. To the extent that inventory was received through non-exchange transactions (for no cost or for a nominal cost), the cost of the inventory is its fair value at the date of acquisition. Costs incurred in bringing each product to its present location and conditions are accounted for, as follows:

- i) Raw materials: purchase cost using the weighted average cost method.

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- ii) Finished goods and work in progress: cost of direct materials and labour and a proportion of manufacturing overheads based on the normal operating capacity but excluding borrowing costs.

After initial recognition, inventory is measured at the lower of cost and net realizable value. However, to the extent that a class of inventory is distributed or deployed at no charge or for a nominal charge, that class of inventory is measured at the lower of cost and current replacement cost. Net realizable value is the estimated selling price in the ordinary course of operations, less the estimated costs of completion and the estimated costs necessary to make the sale, exchange, or distribution. Inventories are recognized as an expense when deployed for utilization or consumption in the ordinary course of operations of the Entity.

**j) Provisions**

Provisions are recognized when the Entity has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits or service potential will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. Where the Entity expects some or all of a provision to be reimbursed, for example, under an insurance contract, the reimbursement is recognized as a separate asset only when the reimbursement is virtually certain. The expense relating to any provision is presented in the statement of financial performance net of any reimbursement.

**k) Social Benefits**

Social benefits are cash transfers provided to i) specific individuals and / or households that meet the eligibility criteria, ii) mitigate the effects of social risks and iii) Address the need of society as a whole. The entity recognizes a social benefit as an expense for the social benefit scheme at the same time that it recognizes a liability. The liability for the social benefit scheme is measured at the best estimate of the cost (the social benefit payments) that the entity will incur in fulfilling the present obligations represented by the liability.

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**l) Contingent liabilities**

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.

**Summary of Significant Accounting Policies (Continued)**

**m) Contingent assets**

The Entity 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 Entity 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.

**n) Nature and purpose of reserves**

The Entity creates and maintains reserves in terms of specific requirements.

**o) Changes in accounting policies and estimates**

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

**p) Employee benefits**

**Retirement benefit plans**

EARB provides retirement benefits for its employees and Board members. Defined contribution plans are post-employment benefit plans under which an Entity pays fixed contributions into a separate Entity (a fund) and will have no legal or constructive obligation to pay further contributions if the fund does not hold sufficient assets to pay all employee benefits relating to employee service in the current and prior periods. The

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contributions to fund obligations for the payment of retirement benefits are charged against income in the year in which they become payable. Defined benefit plans are post-employment benefit plans other than defined-contribution plans. The defined benefit funds are actuarially valued tri-annually on the projected unit credit method basis. Deficits identified are recovered through lump sum payments or increased future contributions on proportional basis to all participating employers. The contributions and lump sum payments reduce the post-employment benefit obligation.

**Summary of Significant Accounting Policies (Continued)**

**q) 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.

**r. Borrowing costs**

Borrowing costs are capitalized against qualifying assets as part of property, plant and equipment.

Such borrowing costs are capitalized over the period during which the asset is being acquired or constructed and borrowings have been incurred. Capitalization ceases when construction of the asset is complete. Further borrowing costs are charged to the statement of financial performance.

**s. Related parties**

The EARB regards a related party as a person or an Entity with the ability to exert control individually or jointly, or to exercise significant influence over the EARB, or vice versa. Members of key management are regarded as related parties and comprise the Board of Board members, the CEO and Heads of Departments/Sections.

**r) Service concession arrangements**

The EARB analyses all aspects of service concession arrangements that it enters in determining the appropriate accounting treatment and disclosure requirements. In particular, where a private party contributes an asset to the arrangement, the Board recognizes that asset when, and only when, it controls or regulates the services the operator must provide together with the asset, to whom it must provide them, and at what price. In the case of assets other than 'whole-of-life' assets, it controls, through ownership, beneficial entitlement or otherwise – any significant residual interest in the asset at the end of the arrangement. Any assets so recognized are measured at their fair value. To the extent that an asset has been recognized, the Board also recognizes a corresponding liability, adjusted by a cash consideration paid or received.

**s) 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.

**t) Comparative figures**

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

**u) Subsequent events**

There have been no events subsequent to the financial year end with a significant impact on the financial statements for the year ended June 30, 2024.

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**Notes to the Financial Statements (Continued)**

**5. Significant Judgments and Sources of Estimation Uncertainty**

The preparation of the EARB'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. State all judgements, estimates and assumptions made:

**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. The Entity based its assumptions and estimates on parameters available when the consolidated financial statements were prepared. However, existing circumstances and assumptions about future developments may change due to market changes or circumstances arising beyond the control of the Entity. Such changes are reflected in the assumptions when they occur. IPSAS 1.140

Provisions were raised and management determined an estimate based on the information available. Additional disclosure of these estimates of provisions is included in Note 40. Provisions are measured at the management's best estimate of the expenditure required to settle the obligation at the reporting date and are discounted to present value where the effect is material.

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**Notes to the Financial Statements (Continued)**

**6. Licenses, Fees and permits**

Description	FY 2023-2024
	Kshs
Annual subscription fee	7,726,650
Registration fee	1,200,000
Interview fees	663,000
Member application fees	278,700
Pre-registration fees	1,842,000
Conference income	4,975,070
Induction fees	165,000
Investment income	5,816,833
Search fees	24,000
<b>Total</b>	<b>22,691,253</b>

**7. Use of Goods**

Description	FY 2023-2024
	Kshs
Subscriptions	194,679
Printing and Advertising	5,450
Hospitality	251,947
Daily subsequent allowance	349,000
Operating expenses	20,494
Air time	76,196
Postage and courier	30,000
Travel, subsistence & other allowances	56,698
Board room hire	925,628
Gazettement fee	306,240
Reimbursements	42,450
Interview expenses	1,297,804
Standard Development	252,000
Bank Charges	13,279
General office expenses	121,621
Software subscription	1,365,369
Financial consultancy fee	40,000
<b>Total</b>	<b>5,348,855</b>

**ESTATE AGENTS REGISTRATION BOARD**  
**Annual Report and Financial Statements for the year ended June 30, 2024.**

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**8. Employee Costs**

Description	FY 2023-2024
	Kshs
Salaries	1,649,625
Capacity building	158,600
NSSF	15,120
NITA	17,167
<b>Total</b>	<b>1,840,512</b>

**9. Repairs and Maintenance**

Description	FY 2023-2024
	Kshs
Computers	10,100
<b>Total Repairs and Maintenance</b>	<b>10,100</b>

**10. Board Expenses**

Description	FY 2023-2024
	Kshs
Chairman/Board members' Honoraria	662,750
Sitting Allowances	3,818,214
Capacity Building & Retreats	1,381,000
Hospitality	166,840
Transport	565,240
Airtime and internet	70,500
Board preregistration expense	2,226,250
Board induction programme	198,726
Board conference expenses	2,699,108
Marketing and publicity	1,510,293
<b>Total</b>	<b>13,298,921</b>

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**11. Depreciation and Amortization Expense**

Description	FY 2023-2024
	Kshs
Property and equipment	-
Furniture and fittings	33,750
Computer and ICT Equipment	93,000
Office equipment	3,125
Amortization	540,000
<b>Total depreciation and amortization</b>	<b>1,875</b>

**Notes to the Financial Statements (Continued)**

**12. (a) Cash and Cash Equivalents**

Description	FY 2023-2024
	Kshs
Current Account	2,851,763
Petty cash	56,000
<b>Total Cash and Cash Equivalents</b>	<b>2,907,763</b>

**13. Trade and other receivables**

Description	FY 2023-2024
	Kshs
Receivables	3,480,102
<b>Total trade and other receivables</b>	<b>3,480,102</b>

**14. (b) Detailed Analysis of the Cash and Cash Equivalents**

Financial Institution	Account number	FY 2024
		Kshs
a) <b>Current Account</b>		
Kenya Commercial Bank	1104163829	2,851,763
<b>Total</b>		<b>2,851,763</b>

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**14. Property and Equipment**

Cost Depreciation Rate	Furniture and fittings	Computers	Other Assets Office Equipment	Total
	Kshs	Kshs	Kshs	Kshs
As At 1July 2023	270,000	310,000	25,000	605,000
Additions	-	-	-	-
<b>As at 30<sup>th</sup> June 2024</b>	<b>270,000</b>	<b>310,000</b>	<b>25,000</b>	<b>605,000</b>
<b>Depreciation And Impairment</b>				
At 1July 2023	-	-	-	-
Depreciation	33,750	93,000	3,125	129,875
Impairment	-	-	-	-
Transfers/ Adjustments	-	-	-	-
<b>As At 30<sup>th</sup> June 2024</b>	<b>33,750</b>	<b>93,000</b>	<b>3,125</b>	<b>129,875</b>
<b>Net Book Values</b>				
<b>As at 30<sup>th</sup> June 2024</b>	<b>236,250</b>	<b>217,000</b>	<b>21,875</b>	<b>475,125</b>

**ESTATE AGENTS REGISTRATION BOARD**  
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**15. Intangible Assets**

Description	2023- 2024
	Kshs
<b>Cost</b>	
At beginning of the year	2,700,000
Additions	0
At end of the year	2,700,000
Additions–internal development	0
At end of the year	<b>2,700,000</b>
<b>Amortization and impairment</b>	
At beginning of the year	0
Amortization	(540,000)
At end of the year	2,160,000
At end of the year	<b>(540,000)</b>
<b>NBV</b>	<b>2,160,000</b>

**16. Trade and Other Payables**

Description	F/Y 2023- 2024
Payables	7,500,000
Audit Fees	0
<b>Total</b>	<b>7,500,000</b>

ESTATE AGENTS REGISTRATION BOARD  
Annual Report and Financial Statements for the year ended June 30, 2024.

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17. Cashflow from operating activities

Description	2023- 2024
	Kshs
Surplus for the year before tax	1,450,259
Adjusted for:	
Depreciation	129,875
Impairment	540,000
Working capital adjustments	
Change in receivables	-340,737
Change in payables	3,658,00
<b>Net cash flow from operating activities</b>	<b>2,370,763</b>

**ESTATE AGENTS REGISTRATION BOARD**  
**Annual Report and Financial Statements for the year ended June 30, 2024.**

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**Notes to the Financial Statements (Continued)**

**18. Related Party Disclosures**

**Nature of related party relationships**

Entities and other parties related to EARB 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.

**Other related parties include:**

- i) The Parent Ministry, State department for Housing and urban development.
- ii) Key management.
- iii) Board of Board members.

**19. Events after the Reporting Period**

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

**20. Ultimate And Holding Entity**

The Entity is a State Corporation/ or a Semi-Autonomous Government Agency under the Ministry of Lands, Public Works, Housing and urban development.

Its ultimate parent is the Government of Kenya.

**21. Currency**

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



**Hellen Abuya Ag. Registrar/CEO (EARB)**

**Date:**