

REPUBLIC OF KENYA



Enhancing Accountability

PARLIAMENT
OF KENYA
LIBRARY

REPORT

OF

THE AUDITOR-GENERAL

ON

PUBLIC SERVICE SUPERANNUATION FUND

FOR THE YEAR ENDED

30 JUNE, 2025

THE NATIONAL ASSEMBLY
PAPERS LAID

DATE: 02 OCT 2025 Thursday

FILED BY: Hon. Silvanus Oloo (Majority Party Whip)
Anastacia



Faint, illegible text centered below the stamps.



OFFICE OF THE AUDITOR GENERAL
P.O. BOX 30034 - 00103, NAIROBI

20 AUG 2025

RECEIVED



PUBLIC SERVICE SUPERANNUATION FUND
ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED
JUNE 30, 2025

Prepared in accordance with the accrual basis of accounting method under International Public
Sector Accounting Standards (IPSAS)

Leave blank.

15
16
17
18
19
20
21
22
23
24
25
26
27
28
29
30
31
32
33
34
35
36
37
38
39
40
41
42
43
44
45
46
47
48
49
50

Table of Contents	Page
1. Acronyms and Glossary of Terms.....	ii
2. Key Entity Information.....	iii
3. The Board of Trustees.....	i
4. Key Management Team.....	iv
5. Fiduciary Management.....	vi
6. Fiduciary Oversight Arrangements.....	vii
7. Chairman's Statement	x
8. Report of the Chief Executive Officer.....	xii
9. Statement of Performance against Predetermined Objectives for FY 2024/25 xiv	
10. Corporate Governance Statement.....	xix
11. Management Discussion and Analysis.....	xxiv
12. Environmental and Sustainability Reporting.....	xxix
13. Report of the Trustees.....	xxxvii
14. Statement of Trustees' Responsibilities	xxxviii
15. Report of the Independent Auditors on the financial statements for the year ended 30th June,2025.....	xl
16. Statement of Changes in Net Assets Available for Benefits for the year ended 30th June 2025.....	1
17. Statement of Financial Position as at 30 June 2025.....	2
18. Statement of Cash Flows for the year ended 30 June 2025.....	4
19. Statement of Comparison of Budget & Actual amounts for the period ended 30 June 2025.....	5
20. Notes to the Financial Statements.....	6
28. Appendices.....	35

1. Acronyms and Glossary of Terms

CEO	<i>Chief Executive Officer</i>
DG	<i>Director General</i>
IPSAS	<i>International Public Sector Accounting Standards</i>
MD	<i>Managing Director</i>
NT	<i>National Treasury</i>
PFMA	<i>Public Finance Management Act.</i>
PSASB	<i>Public Sector Accounting Standards Board</i>
PSSF	<i>Public Service Superannuation Fund</i>
PSSS	<i>Public Service Superannuation Scheme</i>

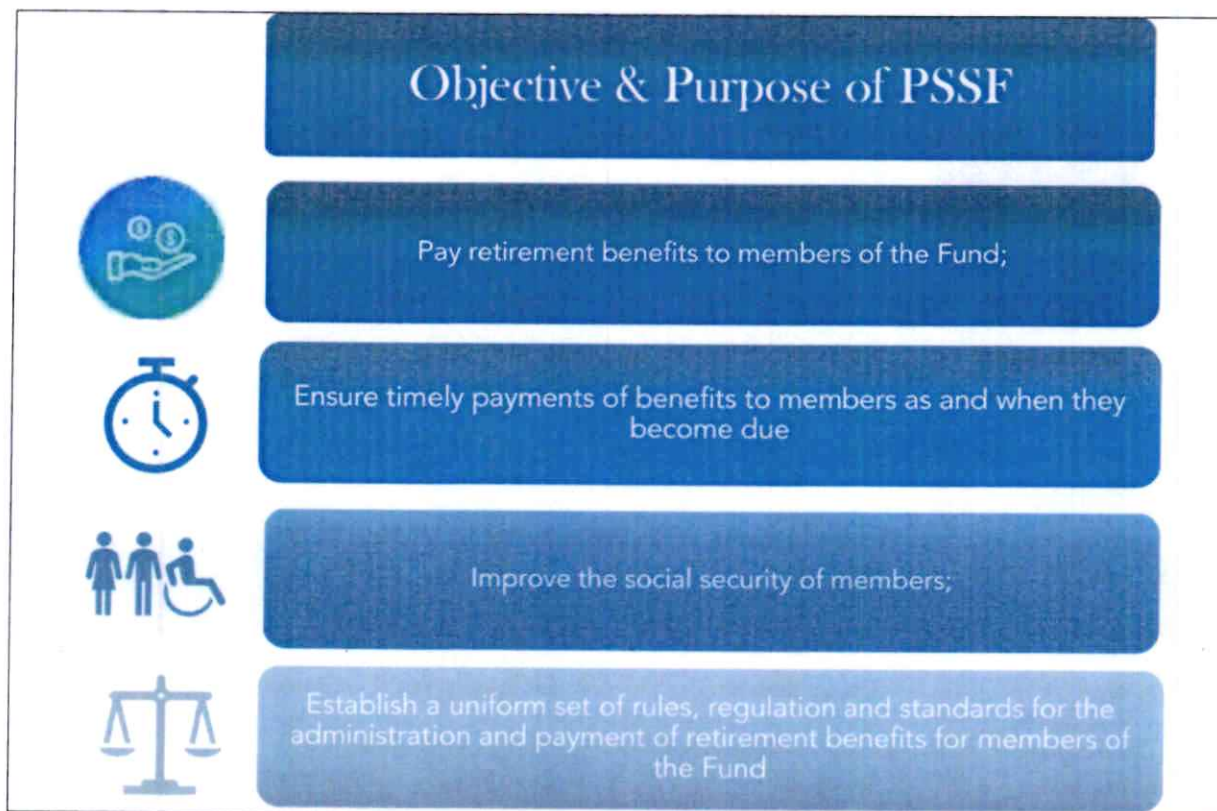
2. Key Entity Information

A) Background information

Public Service Superannuation Scheme (PSSS) is a Defined Contribution (DC) Retirement Benefits Fund established under the Public Service Superannuation Scheme Act No. 8 of 2012 which was enacted as part of Government reforms initiatives in the Pensions Sector. The Act established the contributory Public Service Superannuation Scheme (PSSS) in line with the policy direction issued by Government through the National Treasury Circular No. 18 of 2010.

The Public Service Superannuation Scheme commenced on 1st January 2021 as per Legal Notice No. 156 published in the Kenyan Gazette Supplement No. 146 of 12th August 2020. The Scheme membership is drawn from Civil Servants, Teachers employed by the Teachers Service Commission and Disciplined Services Personnel (National Police Service, Prisons Service and the National Youth Service). Section 9 of the PSSS Act establishes the Public Service Superannuation Fund which is managed by a Board of Trustees.

B) Principal Activities





Our Vision

"A trusted retirement benefits provider"



Our Mission

"To collect contributions, optimally invest and pay benefits to scheme members and their beneficiaries sustainably through sound financial, good governance and risk management policies in pension fund administration"



Core Value

Responsiveness

Independence

Fairness

Transparency & Accountability

Integrity

Teamwork

C) Trustees

S/ N.	Name of Trustee	Category (Sponsor/Stakeholder/Uni on Nominated)	Date of (Re) Appointment	Gender	Term	TDPK Certified
1	Wycliffe Wangamati	Chairperson	Appointed on 6 th June 2024	Male	1	Yes
2	Ms. Agnes Mwenda	Union of Kenya Civil Servants	Re appointed on 19 th April 2024	Female	2	Yes
3	Mr. David William Okoth	Representing the Principal Secretary, State Department for Public Service	Appointed on 19 th April 2024	Male	1	Yes
4	Mr. Amos Cheptoo	Representing the Principal Secretary, National Treasury	Appointed on 22 nd July 2024	Male	1	Yes
5	Ms. Rosemary Kuraru, EBS, ndc (k)	Inspector General - National Police	Re-appointed on 19 th	Female	2	Yes

		Service	April 2024			
6	Mr. Calvin Anyuor	Representing the Secretary, Teachers Service Commission	Appointed on 19 th April 2024	Male	1	Yes
7	Dr. Kiprono Philemon	Representing the Secretary, Public Service Commission	Appointed on 19 th April 2024	Male	1	Yes
8	Mr. Muuo Ndiku	Nominee of the Kenya National Union of Teachers	Appointed on 19 th April 2024	Male	1	Yes
9	Wicks Njenga	Nominee of the Kenya Union of Post Primary Education Teachers	Re-appointed on 19 th April 2024	Male	2	Yes
10	Amb. Tuneiya Hussein Dado	Sponsor Nominated	Appointed on 4 th July 2025	Male	1	No

a) Corporate Secretary

Ms. Angela Kiptoo
 P.O. Box 3561-00200
 Nairobi

b) Registered Office

CBK Pension Towers, 1st Floor
 Harambee Avenue
 P.O. Box 3561-200
 Nairobi, Kenya

c) Corporate Headquarters

Central Bank of Kenya
 Haile Selassie Avenue
 P.O. Box 60000
 City Square 00200
 Nairobi, Kenya

NCBA Bank-Trustees a/c

Mara Road, Upper Hill
 P.O. Box 44599 - 00100 Nairobi,
 Kenya

d) Custodians

1. NCBA Bank Kenya PLC
 Mara Road, Upper Hill
 P.O. Box 44599 - 00100 Nairobi,
 Kenya
2. Co-operative Bank Kenya LTD
 Co-operative Bank House
 P.O. Box 48231 -00100 Nairobi,
 Kenya
3. Stanbic Bank Kenya LTD
 CFC Centre, Chiromo Road
 P.O. Box 72833 - 00200
 Nairobi
 Kenya

e) Fund Managers

GenAfrica Asset Managers Limited
 Arlington Block, 14 Riverside Business Park,
 Off Riverside Drive
 P.O. Box 79217- 00200 Nairobi
 Kenya

f) Fund Administrators

CPF Financial Services Limited
CPF House 7th Floor, Haile Selassie Avenue
P.O Box 28938 - 00200
Nairobi, Kenya.

The Attorney General

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

g) Independent Auditors

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

Key Entity Information (continued)

3 The Board of Trustees



Hon. Amb. Hussein Dado holds a **Master's degree in Education** from **Kenya Methodist University**. His academic background complements his extensive experience in governance and diplomacy, reinforcing his leadership in public service reform and pension fund management. **Hon. Amb. Hussein Dado** is a seasoned Kenyan public servant and diplomat, He was previously the first Governor of Tana River County and has held diplomatic roles. His leadership focuses on governance, pension sustainability, and public service reform



Agnes Mwenda holds a Bachelor of Science in Health Systems Management (BSc- HSM) from Kenya Methodist University (KeMU), a higher diploma in Kenya Registered Psychiatric Nursing (KRPN) and Diploma in Kenya Registered Community Health Nursing (KRCHN) from Kenya Medical Training College (KMTTC). In addition, Ms. Mwenda has successfully completed other trainings including: a Management and Leadership course offered by Strategic Leadership Development Programme (SLDP), Corporate Governance training from the Centre for Corporate Governance (CCG), Senior Management Course (SMC) and a Supervisory Skills course at the Kenya School of Government (KSG).



Amos Cheptoo is a seasoned economist and public servant, currently he is the Director for Resource Mobilization Department at the National Treasury, a position he holds after serving as the special advisor for multilateral cooperation. He previously served as the Executive Director for Eastern Africa at the Board of the African Development Bank (2019–2022) and Senior Advisor (2016–2019), based in Abidjan. He also worked as the Programme Manager for the Macroeconomic and Financial Management Institute of Eastern and Southern Africa (MEFMI) (2006–2016), based in Harare. Prior to international assignments, he served as an Economist at the Central Bank of Kenya from 1996–2006.



David W. O. Ochiel, a Certified Human Resource Professional (CHRP-K), is a dedicated public servant with over 20 years of experience in the Kenyan government. He currently serves as the Director of Human Resource Management and Development at the State Department for Public Service. Ochiel holds a Master's and Bachelor's degree in Education from Kenyatta University and has advanced training in human resource management and leadership from institutions in Singapore and South Korea. His career began in education before transitioning to the Civil Service, where he has held various leadership roles. Ochiel has significantly contributed to professional and organizational development in the public sector. He has led initiatives to enhance career growth, coordinated a comprehensive medical insurance scheme for civil servants, and facilitated numerous competency development courses. His expertise in personal and career development, public sector management, and organizational leadership has resulted in high motivation and positive outcomes for individuals and organizations. Ochiel is committed to advancing Kenya's and Africa's presence on the global stage through effective human capital and leadership development.



Dr. Kiprono Philemon, Ph.D serves as the Head of Research and Policy Analysis at the Public Service Commission. With a Ph.D. and Master's degree in Development Economics, and a Bachelor of Science in Applied Statistics (First Class Honors), he brings over 18 years of extensive experience in policy analysis. Prior to his current role, Dr. Kiprono held the position of Efficiency Monitoring Officer, where he spearheaded the monitoring and evaluation of the implementation of various PSC policies. His responsibilities included ensuring the efficiency and effectiveness of policy implementation processes. He has also worked with Presidential Policy and Strategy Unity (PASU) as Agricultural advisor on the Big 4 Agenda. Besides, Dr. Kiprono has also worked with the State Department for Economic Planning as an economist. Dr. Kiprono's hands-on experience in policy analysis and implementation positions him as a seasoned professional driving evidence-based decision-making and fostering impactful policy development.



Mr Ndiku Muuo is the National Treasurer, The Kenya National Union of Teachers. He holds a Bachelor's Degree in Education from Kenya Methodist University, Diploma in Special Needs Education from the Kenya Institute of Special Education (KISE). Mr Ndiku has held the position of Deputy National Treasurer, KNUT 2016-2021 and Assistant National Treasurer, KNUT 2015-2016.



Ms. Kuraru is a Senior Assistant Inspector General and the Director - Human Capital Development in the National Police Service. She is an alumna of the prestigious National Defence College of Kenya. She holds an MBA (International Relations & Diplomacy) from the University of Nairobi (UoN), a Bachelor of Science in Counselling Psychology from Mt. Kenya University (MKU) and a Higher Diploma in Psychological Counselling from Kenya Methodist University (KEMU). In addition, Ms Kuraru has attended various trainings including: Corporate Governance Training (2022), Trustee Development Training in Kenya (2021), State Corporations Advisory Committee (SCAC) Training (2023), Senior Mission Leadership Course at the International Peace Support Training Centre (IPSTC, 2017), Strategic Leadership Development Programme (SLDP, 2016), and Senior Management Course (SMC, 2014) at the Kenya School of Government. Rosemary is a career Police Officer, who joined the National Police Service in 1993 as a Police Constable. She has served for Thirty years (30) years and has risen through the ranks in the male-dominated Police Service to become among the first women to achieve the rank of Senior Assistant Inspector General of Police and the first woman Director - Human Capital Development in the National Police Service. In the Board, she represents the Inspector General of National Police Service



Mr. Wicks Njenga served as a teacher (1988 – 2001) in various Public Secondary Schools. He was elected as the Kiambu Branch of Kenya Union of Post Primary Education Teachers (KUPPET) Executive Secretary (2001– 2010) and re-elected in January 2013. He also elected as the National Treasurer of KUPPET, a position he has served since 2006. He is also an Examiner at the Kenya National Examinations Council. Mr Wicks was appointed to the Board of the Public Service Superannuation Fund (PSSF) in 2021 to represent KUPPET. In the Board, he serves as the chairman of the Audit and Risk Management Committee. Mr. Wicks holds a Bachelor of Education degree from Kenyatta University 1988



CS. Cavin Anyuor is an Advocate of the High Court of Kenya of over 10 years post qualification experience with keen interest in Employment and Labour law. He holds a Master of Laws degree in Employment and Labour Law from the University of Turin's International Training Centre of the ILO, a Bachelor of Laws Degree from the University of Nairobi and a Post Graduate Diploma in Law from the Kenya School of Law. He is a Certified Public Secretary, an accredited Governance Auditor and a Certified Professional Mediator (CPM). Additionally, he has undertaken various leadership trainings including the Senior Leadership and Development Program (SLDP) from the Kenya School of Government (KSG). He is a member in good standing of the Law Society of Kenya, East Africa Law Society and the Institute of Certified Secretaries. He has had an illustrious career with the Teachers Service Commission spanning over 22 years. He has a wealth of experience in corporate governance, education, labour and employment law.



Dr. Jonah Aiyabei, Ph.D. is a scholar and corporate executive with an extensive track record in the pensions industry in Kenya. He is currently the Chief Executive Officer of the Public Service Superannuation Fund (PSSF). He most recently served as the Director, of Morendat Institute of Oil & Gas, where he led the Centre in building capacity for the Oil & Gas Industry. Previously he served as the CEO/Trust Secretary for the Kenya Pipeline Company Pension Scheme. He also serves as a council member for Mount Kenya University and sits on the KASNEB Board as a technical examination committee member. Dr. Aiyabei holds a PhD in Business Administration, Strategy and Financial Management from the Jomo Kenyatta University of Agriculture and Technology and MBA from Kenyatta University. He is a fellow of the Institute of Certified Investment and Financial Analysts (ICIFA).



Ms. Angela Kiptoo holds a Master of Laws degree in Commercial law, Master of Business Administration degree in Strategic Management, Bachelor of Laws, Postgraduate diploma in law and is a Certified Secretary (CS). She has over 15 years' post-admission experience in legal and corporate secretarial practice. Prior to joining the Fund, she served as Corporation Secretary at Kenya Power Pension Fund. She has also served in a similar capacity at Kenya Institute of Mass Communication and the Catholic University of Eastern Africa and as a senior Associate at Muthoga Gaturu & Co. Advocates. She is an active member of the Law Society of Kenya (LSK), East Africa Law Society (EALS) and the Institute of Certified Public Secretaries of Kenya (ICS), and a recipient of a Commendation Award from ICS for her outstanding contribution to the governance profession.

4. Key Management Team

Chief Executive Officer



Dr Jonah Aiyabei, Ph.D. is a scholar and corporate executive with an extensive track record in the pensions industry in Kenya. He is currently the Chief Executive Officer of the Public Service Superannuation Fund (PSSF). He most recently served as the Director, of Morendat Institute of Oil & Gas, where he led the Centre in building capacity for the Oil & Gas Industry. Previously he served as the CEO/Trust Secretary for the Kenya Pipeline Company Pension Scheme. He also serves as a council member for Mount Kenya University and sits on the KASNEB Board as a technical examination committee member. Dr Aiyabei holds a PhD in Business Administration, Strategy and Financial Management from the Jomo Kenyatta University of Agriculture and Technology and MBA from Kenyatta University. He is a fellow of the Institute of Certified Investment and Financial Analysts (ICIFA).

Manager, Legal



Ms Angela Kiptoo holds a Master of Laws degree in Commercial law, Master of Business Administration degree in Strategic Management, Bachelor of Laws, Postgraduate diploma in law and is a Certified Secretary (CS). She has over 15 years' post-admission experience in legal and corporate secretarial practice. Prior to joining the Fund, she served as Corporation Secretary at Kenya Power Pension Fund. She has also served in a similar capacity at Kenya Institute of Mass Communication and the Catholic University of Eastern Africa and as a senior Associate at Muthoga Gaturu & Co. Advocates. She is an active member of the Law Society of Kenya (LSK), East Africa Law Society (EALS) and the Institute of Certified Public Secretaries of Kenya (ICS), and a recipient of a Commendation Award from ICS for her outstanding contribution to the governance profession

Manager, Finance & Accounts



FA/CPA Obed Mbuvi holds a Master in Business Administration (MBA) from University of Nairobi, a Bachelor of Commerce degree majoring in Accounting from Daystar University, is a Certified Public Accountant of Kenya, CPA (K), Certified Investment & Financial Analyst (CIFA), Certified Trustee (TDPK).

He is a member of the institute of Certified Public Accountants of Kenya, Member of the Institute of certified Investment & Financial Analyst and Member Kenya Institute of Management. His senior leadership experience spans over 23 years having worked in various departments.

Manager, Procurement



Jonathan Makau is seasoned Procurement and supply chain management with over 20 years Wealth of Experience in Supply Chain and Management in both Public and Private Sector. He is currently the Supply Chain Manager of the Public Service Superannuation Fund (PSSF). Mr Makau holds a Master Degree in Management and Leadership and a Bachelor in Management and Leadership from the Management University of Africa, Diploma In Purchasing and Supplies from Chartered Institute of Purchasing and Supplies- (CIPS)-UK in addition to a Diploma In Purchasing And Supplies Chain Management and An Advanced Certificate In Purchasing & Supplies Management Both From Kenya Institute Of Management (Kim). Jonathan is a licensed Supply Chain Practitioner and Member in good standing with the Kenya Institute of Supplies Management (KISM).



Manager, Benefits

Ms Golda Larissa Akolo holds a Msc Actuarial Science, from University of Nairobi **with** vast experience in understanding of pension scheme administration with over two decades of cumulative experience, including seven years in senior managerial roles with experience in corporate governance, policy development and strategic management. She is also a member of Member of The Actuarial Society of Kenya and also Member of the Insurance Institute of Kenya,



Head, Internal Audit

Edwin has a Master of Business Administration (MBA) degree (Finance) from The University of Nairobi, Bachelor of Commerce (Accounting) Degree from Kenyatta University, Certified Public Accountant of Kenya (CPAK), Certified Information Systems Auditor (CISA). He is a member of the Institute of Certified Public Accountants of Kenya (ICPAK), Information Systems and Control Association (ISACA) and Institute of Internal Auditors (IIA).



Head, Strategy

Nandwa Mukolwe Erick holds a **Master's degree** in Economic Policy Management, from Makerere University **with** vast experience in providing leadership in economic planning; policy formulation, data collection and analysis; strategic planning and budgeting; monitoring and evaluation, resource mobilization, knowledge management as well as instituting and implementing performance management and evaluation systems. He is also a member of the Economic Society of Kenya

5 Fiduciary Management

The key management personnel who held office during the financial year ended 30th June 2025 and who had direct fiduciary responsibility were:

No.	Designation	Name
1.	CEO	Dr. Jonah Aiyabei PhD
2.	Head of Corporate Services	Ms. Angela Kiptoo
3.	Head of Finance & Accounts	CPA Obed Mbuvi
4.	Head of Procurement	Mr. Jonathan Makau
5.	Head of Audit	Mr. Edwin Ombaka

6 Fiduciary Oversight Arrangements

Board Committees

The Board has a comprehensive structure consisting of committees in line with current legislation and best practices. The Board has three Committees with specific delegated authorities. The Committees are established to support the Board in executing its responsibilities and obligations. The committees meet at least once every quarter and provide detailed reports and recommendations to the Board that assist in decision making. They are established with specific terms of reference that are regularly reviewed and streamlined in accordance with emerging trends. The appointment of the Committee members is based on the skills set and experience of individual Trustees.

BOARD OF TRUSTEE

Finance, Investments & Strategy	Benefits Administration, HR & Governance	Audit, Risk & Compliance
<ul style="list-style-type: none"> •Dr. Philemon Kiprono •Amos Cheptoo •Agnes Mwenda •David William Okoth Ochiel • Muuo Ndiku 	<ul style="list-style-type: none"> •David William Okoth Ochiel •Agnes Mwenda •Rosemary Kuraru EBS, ndc(k) •Cavin Anyuor •Wicks Njenga •Dr. Philemon Kiprono 	<ul style="list-style-type: none"> •Wicks Njenga •Amos Cheptoo •Rosemary Kuraru EBS, ndc(k) •Cavin Anyuor •Muuo Ndiku

I. Finance, Investments & Strategy Committee

The mandate of the committee but not limited to: -

- Review and present the Fund's annual budget to the board of trustees.
- Receive and consider the financial implications of any act proposed which involves expenditure or write-off of revenue or assets receive and consider the financial implications of any act proposed which involves expenditure or write-off of revenue or assets exceeding five percent of the value of the scheme's assets.
- Review the Fund's options for raising capital for any proposed projects for financial sustainability.
- Monitor, review and make recommendations to the board regarding the appointment and performance of the Fund's service providers.

- Monitor implementation of the investment strategy
- Monitor compliance with the statutory investment guidelines
- Report quarterly to the Board on issues relating to the schemes' investments
- Oversee the implementation of investment decisions
- Review proposals on alternative investments made by the fund managers
- Address other investment related issues as necessary for the prudent and cost-effective investment of schemes' assets.
- Consider the performance of the investment managers.
- Develop the long-term financial plan of the Scheme
- Develop the Board Annual budget and monitor its implementation
- Report to the Board on the financial health of the scheme
- Update the Board on overall financial trends
- Follow up on issues discussed at Board meetings requiring action
- Review the schemes' property portfolio
- Oversee the implementation of property development projects
- Oversee maintenance and renovations of property assets

- Recommend acquisitions and disposals of property assets

II. Benefits Administration, HR & Governance

The mandate of the committee is: -

- Review documentation pertaining to the death of members and the nominated beneficiaries, medical reports and documents pertaining to the emigration of members.
- Make decisions on the disbursement of benefits
- Approval or decline requests for discretionary benefits
- Make recommendations on the utilization of a trust for minors
- Ensure and monitor compliance with all legislative and regulatory frameworks relating to the disbursement of benefits
- Report quarterly to the Board on issues relating to the disbursement of benefits
- Review proposals on alternative disbursement of benefits by beneficiaries or dependents
- Be responsible for the education of members, trustees and the staff of the scheme secretariat.

III. Audit, Risk & Compliance

The mandate of the committee is: -

- Liaison and facilitation of both internal and external auditors for effective discharge of their respective assignments

- Monitoring and reviewing the integrity of the Fund's financial statements
- Reviewing the effectiveness and reliability of management information systems, risk and internal controls systems
- Oversight of the execution of the risk management strategies of the Fund

7. Chairman's Statement



It is my honor to present the Chairman's Statement for the Public Service Superannuation Fund (PSSF) for the financial year ended 30th June 2025. This year was marked by exceptional growth, enhanced governance, and an unwavering commitment to the welfare of our members.

I am pleased to provide an update on our pension scheme, a vital component of our commitment to our members' financial security and well-being. As Chairman, I recognize the significant role our pension scheme plays in shaping the futures of our members, both during their tenure in employment and into their retirement years.

Financial Performance

PSSF experienced an outstanding year, with record growth and strong financial fundamentals:

- The Fund's total value surged from KShs 142 billion in 2024 to KShs 242 billion in 2025, marking a remarkable 70.4% growth.
- Investment income increased from KShs 14.054 billion in 2024 to KShs 25.369 billion in 2025, reflecting a robust 80.5% rise driven by strategic allocations in government securities, equities, and offshore investments.
- Monthly contributions exceeded KShs 4.2 billion, supported by expanded membership and improved remittance compliance.
- Administrative costs were effectively managed, sustaining cost-efficiency without compromising service delivery.

These financial milestones position PSSF among the fastest-growing pension schemes in the region, reflecting members' trust and prudent stewardship

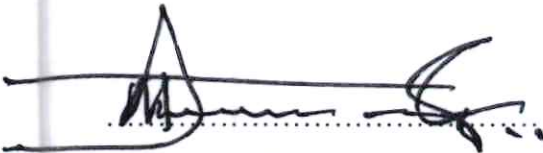
Corporate Governance

Governance remained at the heart of our operations:

- Quarterly Board meetings provided oversight and strategic guidance.
- A revised Governance Charter was adopted to reinforce ethical practices, fiduciary responsibility, and transparency.
- Trustee capacity-building and stakeholder consultations were actively pursued to improve governance outcomes.
- Full compliance with the PSSF Act, pension regulations, and international reporting standards was achieved.

Looking ahead, we remain committed to delivering value through the ongoing implementation of the Strategic Plan 2023–2027, which emphasizes operational excellence, sustainable growth, and digital transformation.

I extend my sincere appreciation to our members, staff, partners, and the Government of Kenya for their continued support and confidence in the Fund



Hon. Amb. Tuneiya Hussein Dado
Chairman of the Board

8. Report of the Chief Executive Officer

It is with great pride and responsibility that I present the Public Service Superannuation Fund's annual statement for the financial year ended 30th June 2025. This year has been transformative, not only for PSSF but also for Kenya's broader economic landscape.

Despite global headwinds, Kenya's economy demonstrated resilience, recording a GDP growth of 4.7% in 2024, driven by strong performance in agriculture, financial services, and real estate sectors. Inflation eased significantly from 9.6% in October 2022 to 3.8% by May 2025, while the Kenyan shilling strengthened from KES 159.7/USD to KES 129.3/USD, reflecting improved macroeconomic stability. These developments created a favourable environment for long-term institutional investors like PSSF.



In this context, PSSF achieved exceptional growth, with our asset base expanding from KES 142 billion to KES 242 billion, a 70% increase. This was fuelled by strategic investments, robust governance, and a commitment to sustainable value creation.

Strategically, PSSF focus for the year revolved entailed investment diversification from the traditional investments to alternative investments. In addition, PSSF pursued Digital Transformation where ERP system was acquired and operationalized with an aim of enhancing member experience through faster claims processing and expanded online services. The institution also pursued, Strengthened compliance and governance through policy alignment in line with evolving regulatory frameworks.

As a way forward, PSSF aims to accelerate Fund growth, sustainability and deepen stakeholder trust through undertaking strategic initiatives as anchored in the Five-Year Strategic Plan (2023–2028). Core priorities include undertaking investment diversification across high-yield sectors including real estate, infrastructure, and private equity; expanding the contribution base to secure long-term obligations; enhancing financial literacy initiatives through training and expanding digital self-service capabilities; as well as adopting advanced risk management frameworks and enhancing transparency across reporting channels.

We remain committed to ensuring the safety and dignity of retirement for our members, while actively contributing to Kenya's socioeconomic progress. I extend my sincere gratitude to all contributors, staff, the Board, and our stakeholders for their unwavering support. Together, we are building a resilient and inclusive retirement system for generations to come.



.....
Dr. Jonah Aiyabei PhD
Chief Executive Officer

9. Statement of Performance against Predetermined Objectives for FY 2024/25

Public Service Superannuation Fund (PSSF) has five (5) strategic issues and goals, eight (8) Key Result Areas (KRAs) and eight (8) strategic objectives within the current Strategic Plan for the FY 2023-2027. These issues are as follows:

Strategic Issue 1: Sustainability in provision of retirement benefits

Strategic Issue 2: Efficient pension administration structures and systems

Strategic Issue 3: Member-centric driven services

Strategic Issue 4: Business process efficiency

Strategic Issue 5: Corporate governance and Human resource development


PSSF develops its annual work plans based on the above five (5) Issues. Assessment of the Board's performance against its annual work plan is done on a quarterly basis. PSSF achieved its performance targets set for the FY 2024/2025 period for its strategic pillars, as indicated in the diagram below:

Strategic Issues/Goals	Strategic Objective	Key Performance Indicators	Activities	Achievements
SL 1 Sustainability in provision of retirement benefits S.G. 1: To Enhance sustainability in provision of retirement benefits	<i>To achieve financial growth and sustainability;</i>	Growth in assets under management	Receive, update, reconcile and follow up on unremitted member and employee contributions	Updated 100% of the member data and generated statements on member accounts Collected and invested member contributions which has grown to the current asset value of Ksh 242 Billion
		Growth in Scheme Membership	Receive return from employers, undertake review to identify new members, define and onboard new members to the scheme	Membership grew to 505,282 as at 30th June 2025 from 440, 554 as at 30 June 2024. Membership grew by 62,792
		Improved investment income	Identify opportunities for investment, diversify the investment portfolios and monitor performance	Diversified investment to nine (9) portfolios consistent with RBA regulations
			Develop PSSF investment master plan	Investment policy Statement reviewed and Alternative investment strategy as well as Property Strategy developed
		Undertake market evaluation to determine growth on investment	Undertook evaluation on investment performance and	

Strategic Issues/Goals	Strategic Objective	Key Performance Indicators	Activities	Achievements
			and declare annual returns for accreditation to member accounts	declared investment returns of 17.52% in FY 2024/2025
SL 2 Efficient pension administration structures and systems S.G. 2: Strengthen the institutions pension administration capacity;	<i>To enhance efficiency and effectiveness in collection of contributions, records management and discharge of benefits;</i>	Reduced turn-around time in payment of claims	Procure and onboard service providers to the scheme	Awarded contracts to local firms including PSSF four (4) fund Managers (GenAfrica Asset managers Limited, Sanlam Investments East Africa, African Alliance, CorpTrust Investment services) three custodians (NCBA, Corporative Bank and KCB) and one firm (Zamara Actuaries, Administrators & consultants limited) a data processing
			Undertake review and document the claim payment process,	Reduced the turn around time from 30 to 20 days
			Reengineer the process by undertaking automation	Automated Finance, procurement, staff appraisal through activation respective modules on the PSSF ERP system
			Enhance internal human capacity to process claims	Hired and deployed forty four (44) additional staff to support the process
			Initiated assumption of internal administration of the fund	Developed TOR, Procured and installed an internal administration system
SL 3 Member-centric delivery services S.G. 3: To Transform member and stakeholder experience;	<i>To improve customer experience;</i>	Enhances access to services	Undertake member training and capacity building	Held sensitization forums in 34 state departments and 47 counties where 16, 017 scheme members were reached out to
			Process and timely pay claims	Processed and paid 797 members Kshs. 143,854,178.60
			Establish a customer care desk and call centre	Customer care desk was established and a communication line dedicated
			Develop new pension products to enhance member choices upon exiting the scheme	Two (2) Pension Products developed. The Products include: 1. Trust Fund

Strategic Issues/Goals	Strategic Objective	Key Performance Indicators	Activities	Achievements
				2. PRMF product developed
			Undertake massive member registration to address data gaps	Received more than 20,000-member registration forms set to undergo digitization process
			Receive and handle all customer question and complaints	Received and resolved 100% of the complaints received, developed and submitted quarterly reports to CAJ
	To increase visibility and corporate branding	Enhanced institutional visibility and branding	Develop a communication policy	PSSF communication policy developed and approved
			Develop and disseminate PSSF Quarterly newsletters	Launched a quarterly newsletter to enhance communication with stakeholders
			Register with international reputable bodies in the pension for enhanced stakeholder engagement, learning and replication of best practices	Registered with ISSA, ASSA, AVCA done to Two (2) bench marking tours have so far been done and lessons replicated in terms of system development and adoption of Fund administrative approaches
			Develop and operationalise communication system	Operationalized various information sharing platforms (website, twitter, WhatsApp, shows LinkedIn, email,, webinars& exhibitions) Digital platform established with more than 20 thousand followers
			Undertake media campaigns to enhance visibility	Held four (4) TV/Radio Talk shows on Spice FM/TV and KBC where the public had an opportunity to engage PSSF through the show Broadcast 3 rd Annual General Meeting through virtual, physical and KBC live coverage of AGM that was held on 11th December, 2024 to enhance wide participation
			Undertake stakeholder engagement forums with key players in the Pension industry	Held eleven (11) webinar meeting where more than 1000 members of the scheme participated

Strategic Issues/Goals	Strategic Objective	Key Performance Indicators	Activities	Achievements
			Develop & disseminate assorted IEC materials on various PSSF products.	Developed & disseminated assorted IEC materials on various PSSF products. This included 10,000-member handbooks, 1000 copies of the Citizen Service delivery charter.
SL 4 Business process efficiency S.G. 4: To Institutionalize business transformation	To enhance business processes efficiency	Enhanced efficiency in service provision	Acquire, Install and operationalize ERP system for PSSF	PSSF adopted an Enterprise resource planning (ERP) system to enhance service delivery.
			Revamp and continuously update PSSF website	Developed a functional website (www.psss.go.ke) for the PSSF.
			Develop platforms to facilitate information access by members	Operated a functional USSD code (*378#) & portal (members.psss.or.ke) where members can view their statements
	To enhance internal risk management systems	Enhanced continuity in business processes	Undertake documentation and automation of business processes	Documented and automated the payment and staff appraisal processes through ERP system
			Undertake Audit and provide advisory	Internal audit of the PSSF systems and processes was undertaken and an assurance provided on five critical functions
			Undertook initiatives to identify and manage risk	Developed, approved and operationalized the risk policy framework
SL 5 Corporate governance and Human resource development S.G. 5: To Strengthen institutional capacity for enhanced service	To strengthen Human Capital	Enhanced capacity to deliver the institutions mandate	Undertake staff capacity enhancement initiatives	Recruited and deployed forty four (44) staff
			Review the Human resource instruments	Undertook skills gap analysis, Training needs assessment and developed a training projection. Developed a productivity index for the institution
		Improved working condition	Procure office premises and migrate staff	Refurbished, equipped and occupied CBK pension towers 2 nd floor offices staff
			Facilitate staff access to welfare services	Procured a pension scheme and health cover and onboarded PSSF staff and their beneficiaries

Strategic Issues/Goals	Strategic Objective	Key Performance Indicators	Activities	Achievements
			including pension and medical cover	
	To strengthen the legal framework and Corporate Governance	Improved corporate governance	Undertake initiatives to enhance corporate governance	Developed and finalized 18 policies including <ol style="list-style-type: none"> 1. Anti-Money Laundering and Economic Crimes Policy 2. Board Charter 3. Complaint handling and Dispute Resolution Policy 4. Conflict of Interest Policy 5. Corporate Communication Policy 6. Corporate Social Responsibility Policy 7. Data Protection Policy 8. Death Benefit Policy 9. Environmental, Social and Governance (ESG) Policy 10. Information, Communication and Technology Policy 11. Interest Declaration & Reserve Policy 12. Member Education Policy 13. Performance Management, Rewards and Sanctions Framework 14. Research Policy 15. Risk policy Framework 16. Staff Loan Policy 17. Transport Policy 18. Whistleblowing Policy
		Enhanced compliance to policy, statutory and regulatory requirements	Develop and submit compliance reports to statutory bodies and lead agencies	Undertook Board evaluation, governance and legal Audits and implemented recommendations Developed and submitted statutory reports including audited financial statements, filing of quarterly reports to RBA as provided for in the law; Filing of tax returns
			Organize and hold an AGM for Scheme members	PSSF held 3rd Annual General Meeting on 11 th December, 2024 at KICC and streamed across three (3) platforms including KBC TV channel, YouTube and Zoom

10. Corporate Governance Statement

Board of Trustee Composition

The Fund sets corporate governance at the centre of its activities to ensure that its operations align with the interests of its stakeholders. This governance model is inspired by the PSSS Act and *Mwongozo* the code of governance for State Corporations. At the top of the governance structure of the Fund lies the Board of Trustees which is constituted with membership drawn from the workers' Unions and employers. (TSC, Public Service, KNUT, KPET and Police) and government. The board of 10 members, including the CEO, is responsible for the effectiveness of Board itself, transparency and disclosure practices of the Fund, accountability, risk management, internal controls, ethical leadership and good corporate citizenship of the Fund. During the year under review the following Trustees served in the Board of Trustees of the PSSS Fund.

S/N.	Name of Trustee	Category (Sponsor/Stakeholder/ Union Nominated)	Date of (Re) Appointment	Gender	Term	TDPK Certified
1	Hon. Wycliffe Wangamati	Independent	Appointed on 7 th June 2024	Male	1 st term	Yes
2	Ms. Agnes Mwenda	Union of Kenya Civil Servants	Re appointed on 19 th April 2024	Female	2 nd Term	Yes
3	Mr. David William Okoth Ochiel	Representing the Principal Secretary, State Department for Public Service	Appointed on 19 th April 2024	Male	1 st term	Yes
4	Mr. Amos Cheptoo	Representing the Principal Secretary, National Treasury	Appointed on 22 nd July 2024	Male	1 st Term	Yes
5	Ms. Rosemary Kuraru, EBS, ndc (k)	Inspector General - National Police Service	Re-appointed on 19 th April 2024	Female	2 nd Term	Yes
6	Mr. Calvin Anyuor	Representing the Secretary, Teachers Service Commission	Appointed on 19 th April 2024	Male	1 st term	Yes
7	Dr. Kiprono Philemon	Representing the Secretary, Public Service Commission	Appointed on 19 th April 2024	Male	1 st term	Yes
8	Mr. Muuo Ndiku	Nominee of the Kenya National Union of Teachers	Appointed on 19 th April 2024	Male	1 st term	Yes
9	Wicks Njenga	Nominee of the Kenya Union of Post Primary Education Teachers	Re-appointed on 19 th April 2024	Male	2 nd Term	Yes

*Hon. Wangamati's appointment lapsed on 27th June 2025

Meetings

The Board of Trustees held 27 Full and special Board meeting for the year ended 30th June 2025. The meetings were held on the dates set out below:

FULL AND SPECIAL BOARD MEETING	FINANCE, INVESTMENT AND STRATEGY COMMITTEE MEETING	BENEFITS ADMINISTRATION, HR AND GOVERNANCE COMMITTEE MEETING
18 th July 2024	16 th July 2024	19 th August 2024
1 st August 2024	24 th July 2024	6 th November 2024
2 nd August 2024	6 th August 2024	30 th April 2025
20 th August 2024	18 th September 2024	
1 st November 2024	5 th November 2024	
14 th November 2024	7 th March 2025	
9 th December 2024	29 th April 2025	
11 th December 2024	18 th June 2025	
30 th January 2025		
29 th May 2025		
24 th June 2025		
RISK, AUDIT AND COMPLIANCE COMMITTEE MEETING	JOINT COMMITTEE MEETING (FINANCE INVESTMENT & STRATEGY AND BENEFITS ADMINISTRATION, HR & GOVERNANCE COMMITTEE MEETING)	
15 th August 2024	28 th January 2025	
2 nd December 2024		
1 st April 2025		
27 th May 2025		

Roles and Functions of Trustees

The Board of Trustees is mandated to acquire, control, and supervise the assets of the Fund to promote its mission. It lays down policies and guidelines for the proper operations and management of all the funds collected by the Fund. Moreover, the board hires senior staff approves contracts and other activities undertaken by the Management on behalf of the Fund whose value requires Board approval.

The board may appoint agents to perform any of its functions, including investing of funds that are not immediately required for Fund activities, opening and operating bank accounts for the Fund, and setting up and supporting Fund employee welfare system. The Board is also responsible for legal and ethical conduct of its Trustees, including on matters of conflict of interest, due diligence, and good corporate governance practices.

Succession Planning and Board Charter

Members of the board are appointed in a staggered manner, this provides stability in oversight of the Fund by ensuring that there is always a proportion of trustees on the board with requisite institutional memory concerning, not only the business of the Fund, but also its long-term strategic perspective. The board has a Board Charter and an approved Governance Framework. These provides trustees with the guiding principles to enable the effective discharge of their duties in overseeing the affairs of the Fund.

Removal of Trustees

The Cabinet Secretary responsible for Treasury can remove a trustee on a number of reasons including absence from Board meetings without the permission of the chairperson, bankruptcy, operation of the law, infirmity, criminal offence that questions his integrity standing.

Board Committees

The Board of Trustees has set up four principal Committees namely Finance, Investments and strategy, Benefits, Audit & Risk and Human resource before revising the number to three committees. These committees meet under well-defined terms of reference set up by the full board. This is intended to achieve efficient decision making by the Board of Trustees in discharging its duties and responsibilities.

The number of Board and Committee meetings held during the financial year 2024/2025 and attendance by individual Trustees is summarized in the schedule below:

Trustee	Full Board (Total No. Of Meetings 11)	Finance, Investments & Strategy Committee (Total No. Of Meetings 8)	Benefits, Administration, Hr & Governance Committee (Total No. Of Meetings 3)	Risk, Audit & Compliance Committee (Total No. Of Meetings 4)	Joint Committee (Finance & Benefits)- (Total No. Of Meetings 1)
Wycliffe Wangamati	11				
Agnes Mwenda	11	7	3		1
Michael Kagika, EBS	1	2			
Dr. Philemon Kiprono	10	8	3		1
David William Okoth Ochiel	11	7	3		1
Cavin Anyuor	7		3	3	1
Ndiku Muuo	3	4		1	1
Wicks Mwethi Njenga	7		2	4	1
Rosemary Kuraru, EBS	10		3	4	1
Amos Cheptoo	9	6		3	1

Audit Committee

The Audit Committee is the only mandatory committee of the board as per the corporate governance provisions shown in *Mwongozo code of Governance*. The committee is entrusted with the responsibility of ensuring overall compliance, governance and risk management. Specific roles include reviewing and approving the board charter, internal and external audit findings and preventive measures, systems and internal controls. The committee may also initiate special investigation of any allegations of malpractices within the Fund. The committee is guided by Audit Committee Charter.

Annual General Meetings

The Fund is required to hold annual general meetings as part of its corporate governance practice and in compliance with the law and regulations as set up by the Retirement Benefits Authority the Fund has complied and held its AGM within the required time.

Board's Work Plan

The Board of Trustees draws a work-plan that guides its annual work calendar. Special meetings are convened whenever an issue arises that need the board's attention outside the annual work-plan. The Fund has four board committees established as per the descriptions of the Board Charter. The trustees' remuneration is as per public service guidelines in compliance with the State Corporations Advisory Agency(SCAC) guidelines and the disclosure is in line with *Mwongozo*, the code of governance for State Corporations.

Capacity Building for Board of Trustees

During the year, Trustees were trained on the Trustee Development Programme (TDPK) and induction was done for new trustees.

11. Management Discussion and Analysis

Economic performance

Kenya's economy grew by 4.9% in 1Q25, supported by broad-based sectoral gains led by agriculture and public administration. The Stanbic PMI averaged 50.1 in 2Q25, down from 50.9 in 1Q25, signaling modest private sector expansion. The FY2025/26 budget rose 7.5% to KES 4.3trn, with recurrent expenditure rising to 73.2% of the total budget, while revenue is projected to decline by 0.6% to KES 3.32trn. The fiscal deficit widened to KES 923.2bn (4.8% of GDP), with a shift in financing toward domestic borrowing (68.8%). The CBK cut the policy rate by 100bps to 9.75%, as inflation averaged 3.9% and the shilling held steady, gaining 0.1% q/q.



Currency- The Kenya shilling remained stable, gaining 0.1% q/q to close 2Q25 at 129.2, supported by forex reserves and export inflows. Year-on-year (y/y), the KES gained by 0.2% against the USD.

Inflation- In 2Q25, the headline inflation averaged 3.9%, up from 3.5% recorded in the previous quarter. The rise in overall inflation during the quarter was mainly driven by upticks in the Housing and Transport indices, which rose by 1.7% and 1.6% respectively. The food index also rose by 0.3% q/q.



Equities Market- In the second quarter of 2025, the stock market posted strong performance across all indices. The Nairobi All Share Index (NASI) gained 17.3% quarter-on-quarter (q/q), while the NSE 25, NSE 10, and NSE20 rose by 11.5%, 13.0%, and 9.6% q/q, respectively. All indices recorded double-digit gains on both a year-to-date and year-on-year basis, supported by valuations, resilient corporate earnings, dividend declarations and improved sentiment toward frontier markets.

Operational and Financial Performance

The Fund's operational and financial performance is based on the 2023-2027 strategic plan, Budget for 2024/2025, and the set targets. During the year ending 30 June 2025, contributions of Kes 52.7 billion were collected, this is a 18% growth from Kes 44.71 billion collected in the previous year.

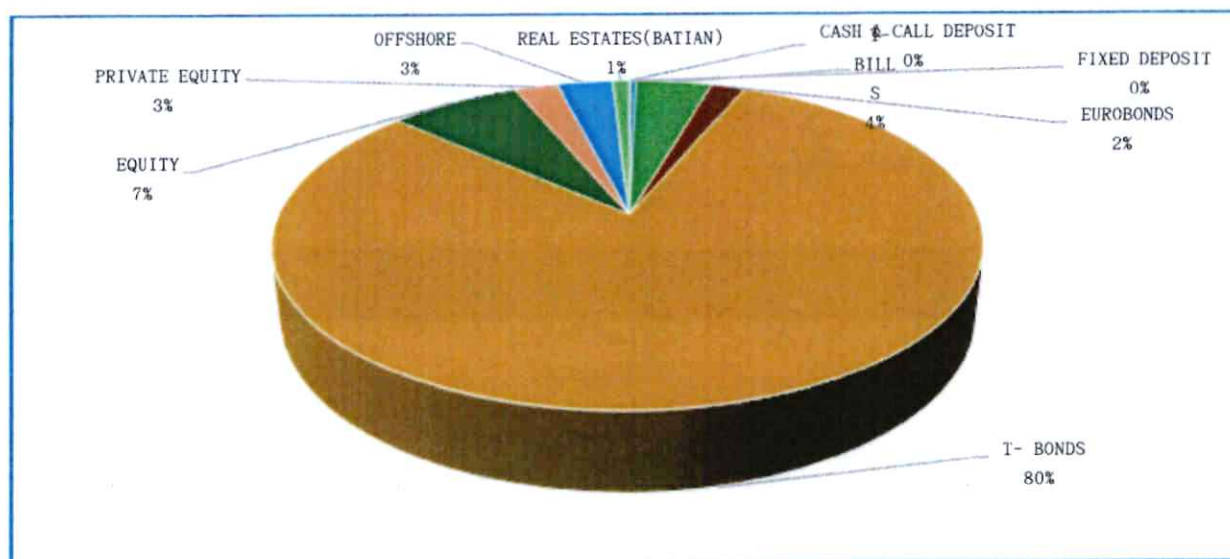
Benefit payments of **Kes 154 million** were paid during the year. This is a 153% increase in benefit claims paid in the previous year amounting to **Kes 59.7 million**. The Fund realised net income from investments of **Kes 25.3 billion**, up from **Kes 14.05 billion** in the previous year. The Fund's operating costs during the year amounted to **Kes 708 million** against **Kes 424 million** in the previous year. The Fund recorded a net increase in scheme funds of **Kes 100.6 billion** up from **Kes 57.49 billion** in the previous financial year. This was a good rebound compared with the poor market performance in the previous year. From this performance, the fund value increased from **Kes 142.2 billion** to **Kes 242.87 billion** as at 30 June 2025.

Active Employers and Members

Financial Year	No of active members	No. of active Employers
2021/2022	368,795	112
2022/2023	416,449	119
2023/2024	442,929	137
2024/2025	505,282	126

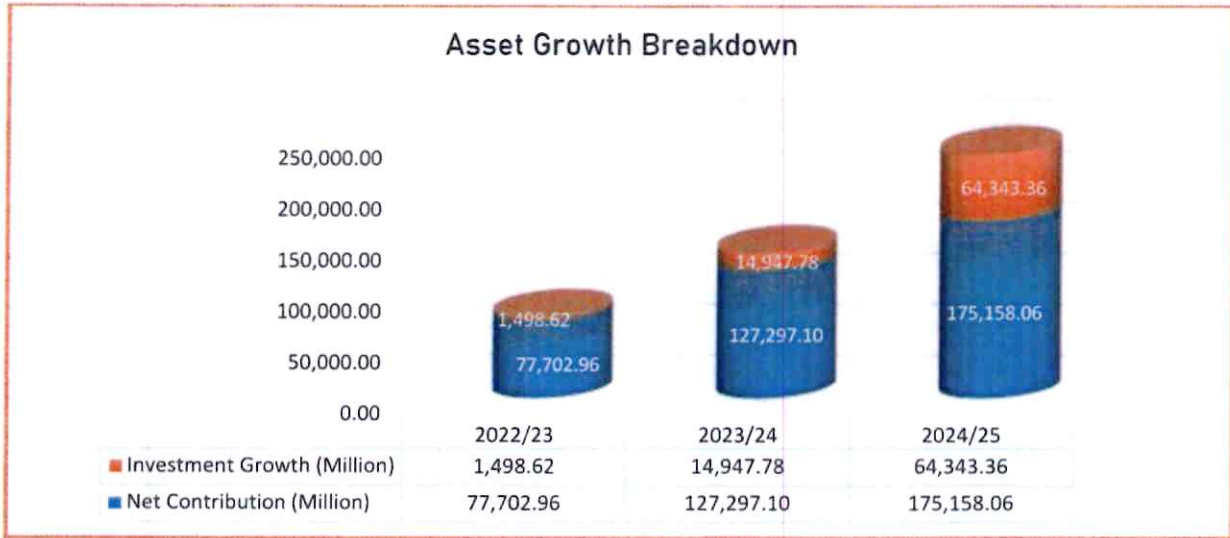
Investment Portfolio Distribution

Assets Class	Amount Kes	% of Portfolio	IPS Limit %	RBA %
Cash & Call Deposit	243,678,127	0.10%	0-4	5
Fixed Deposit	608,940,116	0.26%	0-10	30
T-Bills	9,836,509,906	4.17%	0-15	90
Eurobonds	4,372,331,293	1.86%	0-5	15
T- Bonds	188,325,759,150	80.26%	60-80	90
Equity	16,751,882,669	7.14%	60-80	70
Private Equity	5,415,535,249	2.31%	0-5	10
Offshore	7,061,596,851	3.01%	0-5	15
Real Estates (Batian)	2,093,289,848	0.89%	0-10	30
Total	234,736,741,558	100.00%		



Investment Asset Growth Breakdown

The fund investment assets value increased from KES 132Bn in in FY 2024 to KES 234Bn in the FY 2025. This was due to higher net contribution amounting to KES175 Bn during the year as well as an investment growth of KES 64Bn.



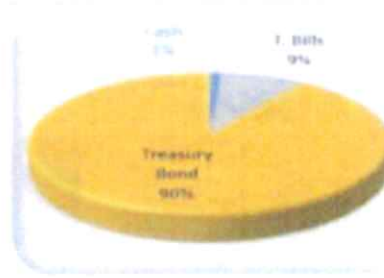
The three-year average performance is 19.07%.

Asset Allocation Changes Since Inception

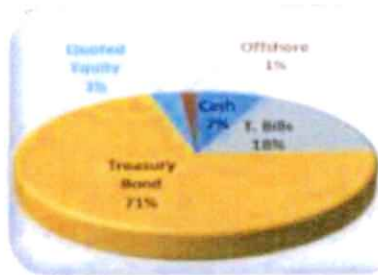
For the last four year the Fund has diversified its investment portfolio from one asset class to nine asset classes.



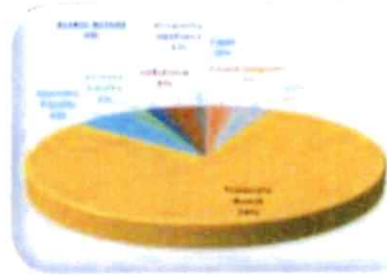
2022



2023

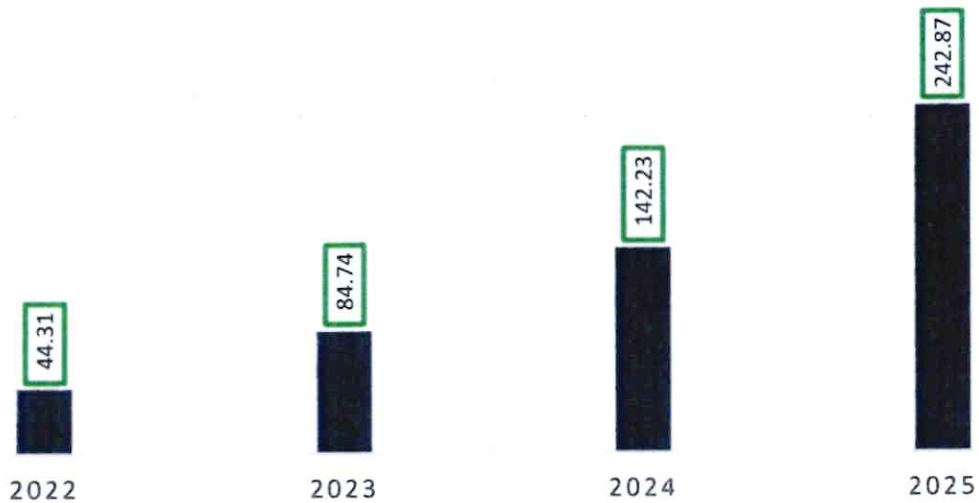


2024



2025

FUND VALUE GROWTH



Member Funds have grown steadily in the last four years from KES 44.31Bn in 2022 to KES 242.9Bn 2025 an annual growth rate of over 70% making it one of the fastest growing pension scheme in the country.

12. Environmental and Sustainability Reporting

Public Service Superannuation Fund (PSSF) exists to transform lives. This is our purpose; the driving force behind everything we do. It's what guides us to deliver our strategy, putting the customer/Citizen first, delivering relevant goods and services, and improving operational excellence. Below is an outline of the organization's policies and activities that promote sustainability.

As part of our stewardship obligations and commitment to long-term value creation, PSSF continues to integrate Environmental, Social, and Governance (ESG) principles into investment strategies and operational practices

Sustainability Strategy and Profile

Strategic Direction & Commitment

The PSSF is firmly committed to integrating sustainability across its core functions—fund management, pension administration, stakeholder engagement, and operational efficiency. This is embedded in its five-year Strategic Plan (2023–2027), which aligns with Kenya's Vision 2030 and the UN Sustainable Development Goals (SDGs).

Key strategic pillars:

- o Environmental stewardship and climate resilience
- o Economic inclusivity through responsible investing
- o Transparent governance and social accountability

Global Best Practices & Benchmarks

Our business directly and indirectly addresses some SDGs outlined as: ending poverty in all its forms everywhere (SDG1), ensuring healthy lives and promote well-being for all at all ages (SDG3), ensuring inclusive and equitable quality education and promoting lifelong learning opportunities for all (SDG4), achieving gender equality and empowering all women and girls (SDG5), promoting sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all (SDG8), and making cities and human settlements inclusive, safe, resilient and sustainable (SDG11).

Integration of these principles has enhanced reporting rigor and stakeholder trust.

Political & Macroeconomic Influences

Kenya's political landscape and macroeconomic factors have significantly shaped the Fund's sustainability priorities:

Trend	Impact on Sustainability Goals
Climate legislation reforms	Increased compliance burden, investment screening
Devolution and public sector growth	Expanded outreach in environmental programs
Inflation & fiscal pressures	Limited funding for infrastructure upgrades
Political transitions	Shifts in national climate investment priorities

PSSF continues to adapt through robust stakeholder dialogue and risk management practices.

(i) Environmental Performance

The Fund has been involved in activities that promote the management of biodiversity to reduce environmental impact of the Fund’s activities to the people. For instance, the Fund is involved in tree planting campaigns in partnership with schools and others every year in compliance with Government’s tree planting initiatives. Further, the Fund has automated its processes hence reducing the use of paper in the office and the use of energy saving power bulbs. The Fund has an approved ESG policy.

(ii) Employee Welfare

Hiring Policies and Diversity Measures

PSSF adheres to merit-based, transparent recruitment practices aligned with the Kenya Public Service Commission guidelines. Key features include:

- Gender Representation: Recruitment panels actively monitor gender ratios to ensure balanced shortlisting and hiring. PSSF targets a minimum 30% gender representation across departments.
- Stakeholder Engagement: Hiring policies are reviewed bi-annually with input from staff unions, departmental heads, and relevant oversight bodies.
- Inclusive Practices: Affirmative action policies support applications from marginalized communities and persons living with disabilities.

Employee Development and Career Management

PSSF prioritizes continuous learning, career advancement, and skills development:

- Training Framework: Annual Training Needs Assessment (TNA) guides tailored courses in pensions, finance, ESG, ICT, and leadership.
- Mentorship & Career Planning: A structured mentorship program pairs junior staff with experienced professionals to support personal growth.

- Promotion Pathways: Career progression is mapped in line with a competency-based framework and guided by internal job grading criteria.
- Education Support: Staff pursuing professional certifications or postgraduate studies may access tuition reimbursement upon approval.

Appraisal and Reward Systems

Performance management at PSSF follows the Kenya Public Service Performance Appraisal System (PAS):

- Bi-Annual Performance Reviews: Supervisors and employees jointly set deliverables and review progress.
- Recognition Awards: High-performing employees are acknowledged through non-financial awards, public recognition, and eligibility for promotion.
- Pay-for-Performance: Exceptional appraisal scores may translate into bonus allocations depending on available funding and policy approvals.

Workplace Safety & Legal Compliance

PSSF remains committed to providing a safe and compliant working environment:

- OSH Policy: The organization is fully compliant with the Occupational Safety and Health Act of 2007 (OSHA), including mandatory risk assessments and mitigation protocols.
- Safety Training: All staff undergo periodic OSH training, with emergency drills conducted quarterly.
- Health Monitoring: Employees are covered under medical insurance; workplace ergonomics and wellness assessments are carried out annually.
- Incident Reporting: A confidential whistleblowing and incident reporting channel is in place to capture any OSH violations or concerns.

Policy Review and Enhancement

All welfare policies—including hiring, safety, and development—are reviewed every three years, or sooner if triggered by legislative changes, audit findings, or stakeholder feedback

(iii) Market Place Practices

Responsible Competition Practices

PSSF upholds ethical business conduct and fair market engagement through the following mechanisms:

Anti-Corruption Measures:

- Full compliance with the *Leadership and Integrity Act (2012)* and the *Bribery Act (2016)*.
- Regular ethics training for staff, vendors, and Board members.
- An internal audit and whistle blower system ensure accountability in procurement and partner engagement.

Political Neutrality:

- PSSF maintains a non-partisan stance in all business activities.
- Employees are prohibited from using organizational assets for political campaigning.
- Disclosures are made per Public Service Commission guidelines to prevent undue political influence.

Fair Competition and Respect for Peers:

- No engagement in price fixing, bid rigging or market exclusion.
- Institutional policies discourage disparagement of peer funds and competitors.
- Collaboration with industry associations to set ethical standards for pension services.

Responsible Supply Chain and Supplier Relations

PSSF's supply chain is anchored in transparency, fair engagement, and respect for contractual obligations:

- Procurement Ethics:
 - Adheres to the Public Procurement and Asset Disposal Act of 2015.
 - All tenders are publicly advertised and adjudicated on merit.
 - Suppliers must comply with PSSF's Code of Conduct including labor and environmental standards.
- Supplier Engagement:

- Contract terms are honoured with timely payments and dispute resolution mechanisms.
- Supplier performance reviews are conducted bi-annually and shared transparently.
- Preference given to local and women-led enterprises in certain procurement categories.

Responsible Marketing and Advertisement

Although PSSF operates in a largely non-commercial environment, marketing and outreach activities align with public sector integrity standards:

- Transparent Communications:
 - All promotional content undergoes vetting by the Corporate Affairs Unit for factual accuracy and appropriateness.
 - Outreach campaigns avoid misleading claims and are supported by verified data.
- Ethical Representation:
 - Marketing materials reflect cultural sensitivity and avoid exploitative messaging.
 - Digital communication is aligned with national cyber ethics guidelines.

Product Stewardship

PSSF ensures the protection of member rights and fiduciary responsibility through:

- Consumer Rights Protection:
 - Members have access to grievance redress mechanisms, pension calculators, and contact centre's.
 - All changes to fund rules or benefits are communicated clearly and in advance.
- Continuous Improvement:
 - Regular stakeholder feedback is collected to enhance pension product delivery.
 - Investment products undergo ESG screening to ensure social and environmental safeguards.
- Data Privacy & Security:
 - Member data is secured under the *Data Protection Act (2019)*.
 - Cybersecurity protocols and staff awareness training are routinely updated.

(iv) Corporate Social Responsibility / Community Engagements

CSR Philosophy

The Public Service Superannuation Fund (PSSF) continued to deepen its commitment to national development by implementing Corporate Social Responsibility (CSR) initiatives aligned with its mandate, the Kenya Vision 2030, and the United Nations Sustainable Development Goals (SDGs). In line with its CSR Policy, PSSF dedicated KES 5 million (within the allowable 1% of the annual budget allocation) toward sustainable community development and environmental conservation across the country.

a). Education and Infrastructure Development

PSSF refurbished classrooms at Kamwago Comprehensive School in Elgeyo Marakwet County at a cost of KES 1,607,430.00, benefiting over 200 students. The renovations included new floors, desks, and learning resources. The project was launched in a high-profile event attended by the Principal Secretary for National Treasury and other dignitaries. The initiative was also supported by the KASNEB Foundation, which donated KES 250,000 and 100 desks, and the Kenya Literature Bureau, which provided curriculum textbooks.



PSSF Board of Trustees present a dummy cheque to the National Treasury Principal Secretary Dr Chris Kiptoo during the launch of the renovated classroom at Kamwago Comprehensive School, Elgeyo Marakwet County

Construction of Classrooms – Karare and Eleri

During the Financial year the Fund constructed a new classroom at Karare Primary School at a cost of KES 1,153,280.00, addressing infrastructure gaps in Marsabit County.

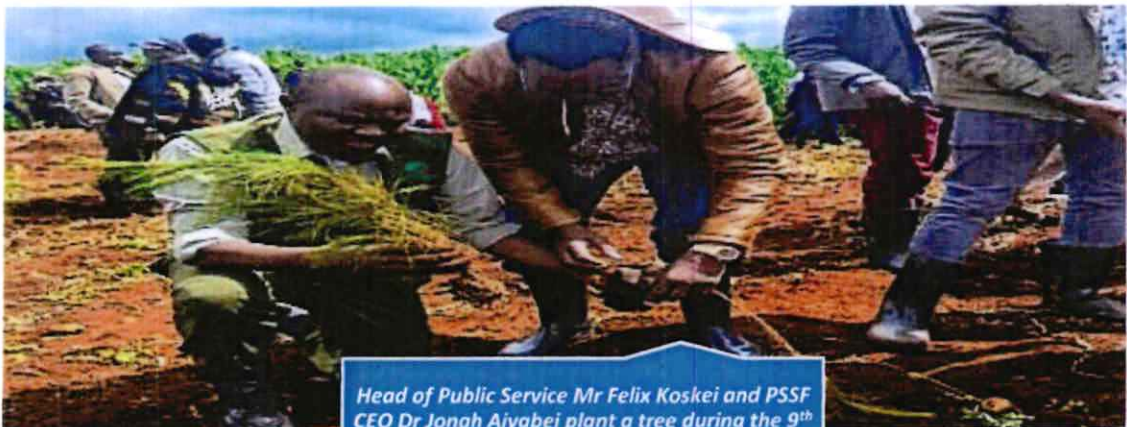
The Fund also constructed a new classroom at Eleri Baptist Comprehensive School in Laikipia County at a cost of KES 1,240,061.90.

These educational interventions reflect PSSF's vision to improve learning environments and promote equitable access to education in underserved areas.

b). Environmental Sustainability and Climate Action

Recognizing the urgency of climate change, PSSF invested in several tree-planting initiatives in partnership with the Kenya Forest Service (KFS) and other national stakeholders:

- i. Simotwo Forest (Kaptagat Annual Tree Growing Event) – KES 400,000.00 Participated in the 9th Annual Kaptagat Tree Growing Event in Elgeyo Marakwet, presided over by H.E. President Dr. William Ruto.
- ii. Sorget Forest (Kericho County) – KES 319,228.10. Funded the planting of 17,000 seedlings on a 12.5ha parcel in collaboration with KFS.
- iii. Kaptagat Forest – KES 250,000.00 Additional support was provided for continued conservation efforts.



Head of Public Service Mr Felix Koskei and PSSF CEO Dr Jonah Aiyabei plant a tree during the 9th Edition of the Annual Kaptagat Integrated Conservation Program

- iv. Geta Forest (Nyandarua County) – KES 30,000.00 Supported community-driven tree planting efforts.



These environmental efforts are consistent with the Fund's CSR Policy objectives and national climate goals.

13. Report of the Trustees

The Trustees submit their report together with the audited financial statements for the year ended June 30, 2025, which show the state of the Public Service Superannuation Fund affairs.

i) Principal activities

The principal activities of the Fund continue to be:

- a. Pay retirement benefits to members of the Fund;
- b. Ensure timely payments of benefits to members as and when they become due;
- c. Improve the social security of members; and
- d. Establish a uniform set of rules, regulation and standards for the administration and payment of retirement benefits for members of the Fund.

ii) Results

The results of the entity for the year ended June 30, 2025, are set out on page one (1).

iii) Dividends

Public Service Superannuation Fund (PSSF) did not make any surplus during the year ended 30th June 2025 and hence no remittance to the Consolidated Fund.

iv) Trustees

The Trustees who served during the year are shown on page xix

v) Auditors

The Auditor-General is responsible for the statutory audit of the Public Service Superannuation Fund (PSSF) in accordance with Article 229 of the Constitution of Kenya and the section 23 of the Public Audit Act, 2015.

By Order of the Board



.....
Dr. Jonah Aiyabei Ph.D.
Secretary to the Board

Date 19/8/2025

14. Statement of Trustees' Responsibilities

Section 81 of the Public Finance Management Act, 2012 and Section 44 of the Public Service Superannuation Scheme Act, 2012 require the Trustees to prepare financial statements in respect of the Fund, which give a true and fair view of the state of affairs of the Fund at the end of the financial year/period and the operating results of the Fund for that year/period. The Trustees are also required to ensure that the Fund keeps proper accounting records which disclose with reasonable accuracy the financial position of the Fund. The Trustees are also responsible for safeguarding the assets of the Fund.

The Trustees are responsible for the preparation and presentation of the Fund's financial statements, which give a true and fair view of the state of affairs of the Fund for and as at the end of the financial year (period) ended on June 30, 2025. This responsibility includes:

- i) Maintaining adequate financial management arrangements and ensuring that these continue to be effective throughout the reporting period,
- ii) Maintaining proper accounting records, which disclose with reasonable accuracy at any time the financial position of the entity,
- iii) Designing, implementing and maintaining internal controls relevant to the preparation and fair presentation of the financial statements, and ensuring that they are free from material misstatements, whether due to error or fraud,
- iv) Safeguarding the assets of the Fund,
- v) Selecting and applying appropriate accounting policies, and
- vi) Making accounting estimates that are reasonable in the circumstances.

The Trustees accept responsibility for PSSF's Financial Statements, which have been prepared using appropriate accounting policies, supported by reasonable and prudent judgement and estimates, in conformity with International Public Sector Accounting Standards (IPSAS), and in the manner required by the Public Finance Management Act, 2012, the Public Service Superannuation Scheme Act, 2012 and the Retirement Benefits Act 1997.

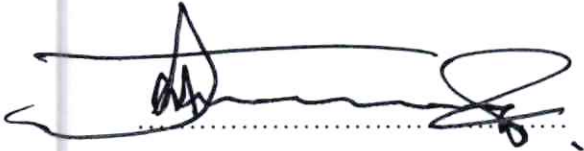
The Trustees are of the opinion that these Financial Statements give a true and fair view of the state of the Fund's transactions during the financial year ended June 30, 2025, and of the Fund's financial position as at that date.

The Trustees further confirm the completeness of the accounting records maintained for the Fund, which have been relied upon in the preparation of the Fund's financial statements as well as the adequacy of systems of internal financial control. Nothing has come to the attention of the Trustees to indicate that the Fund will not remain a going concern for at least the next twelve months from the date of this statement.

Statement of Trustees'/Pensions Fund management Responsibilities (Continued)

Approval of the financial statements

The Fund's financial statements were approved by the Board on 19th/08 2025 and signed on its behalf by:



Hon. Amb. Tuneiya Hussein Dado
Chairman of the Board



Dr. Jonah Aiyabei PhD
Chief Executive Officer

REPUBLIC OF KENYA

Telephone: +254-(20) 3214000
Email: info@oagkenya.go.ke
Website: www.oagkenya.go.ke



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

REPORT OF THE AUDITOR-GENERAL ON PUBLIC SERVICE SUPERANNUATION FUND FOR THE YEAR ENDED 30 JUNE, 2025

PREAMBLE

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

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

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

The three parts of the report aim to address the Auditor-General's statutory roles and responsibilities as provided by Article 229 of the Constitution, the Public Finance Management Act, 2012, and the Public Audit Act, 2015. The three parts of the report when read together constitute the report of the Auditor-General.

REPORT ON THE FINANCIAL STATEMENTS

Opinion

I have audited the accompanying financial statements of Public Service Superannuation Fund set out on pages 1 to 35, which comprise the statement of financial position as at 30 June, 2025, the statement of changes in net assets available for benefits, statement

of cash flows and statement of comparison of budget and actual amounts for the year then ended, and a summary of significant accounting policies and other explanatory information in accordance with the provisions of Article 229 of the Constitution of Kenya and Section 35 of the Public Audit Act, 2015. I have obtained all the information and explanations which, to the best of my knowledge and belief, were necessary for the purpose of the audit.

In my opinion, the financial statements present fairly, in all material respects, the financial position of Public Service Superannuation Fund as at 30 June, 2025, and of its financial performance and its cash flows for the year then ended, in accordance with International Public Sector Accounting Standards (Accrual Basis) and comply with the Public Finance Management Act, 2012 and the Public Service Superannuation Scheme Act, 2012.

Basis for Opinion

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

Emphasis of Matter

Budgetary Control and Performance

The statement of comparison of budget and actual amounts reflects actual receipts of Kshs. 77,899,755,972 against final budget of Kshs. 44,005,064,395 resulting in excess receipts of Kshs. 33,894,691,577 or 77% of the budget.

Further, the statement reflects actual total expenditure of Kshs.561,644,283 against final budgeted expenditure of Kshs.662,095,733 resulting in under-absorption of Kshs.100,451,450 or 15% of the budget.

The over collection and under expenditure is an indication of weakness in the budget making process and that some activities in the annual work plan were not implemented by the Fund which may have impacted negatively on the service delivery to the public.

Key Audit Matters

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

Other Information

The Trustees are responsible for the Other Information set out on page iii to xlv, which comprise of Key Entity Information, the Board of Trustees, Key Management Team, Fiduciary Management, Fiduciary Oversight Arrangements, 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 Trustees, and Statement of Trustees Responsibilities. The Other Information does not include the financial statements and my auditor's report thereon.

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

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

REPORT ON LAWFULNESS AND EFFECTIVENESS IN USE OF PUBLIC RESOURCES

Conclusion

As required by Article 229(6) of the Constitution, based on the audit procedures performed, except for the effect of the matters 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

1. Unremitted Pension – Employer Contributions

The statement of financial position and, as disclosed in Note 16 to financial statements, reflects a balance of Kshs.10,606,767,006 in respect of contributions receivable which relates to unremitted employer and employee contributions due to the Fund as at 30 June, 2025. Out of the outstanding amount, Kshs.9,385,345,050 had been received by the end of August, 2025 leaving a balance of Kshs.1,221,421,956 as unremitted. This is contrary to Section 8(c) of the Public Service Superannuation Scheme Act, 2012 which states that, not later than ten working days after the end of the month in which the contributions are due, the Government shall remit an amount comprising the member's and the Government's contribution to the custodian. Unless the outstanding balance is paid together with the penalty provided for under Section 6(2) of the Public Service Superannuation Scheme Act, 2012, contributors stand to lose returns that would have been earned had the contributions been received in time.

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

2. Non-compliance with the Law on Affirmative Action

Review of the Fund's staff establishment revealed that out of the total number of sixty-two (62) employees, none of the employees was under people living with disability

category, contrary to Section 13 of the Persons with Disabilities Act, 2003 which requires reservation of at least 5% of employees for persons with disabilities.

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

3. Board Meetings Exceeding the Required Number

During the year under review, the Fund's Board and its Finance, Investment and Strategy Committee held eleven (11) and seven (7) meetings respectively, contrary to Circular Ref. OP/CAB.9/1A of 11 March, 2020 which restricts Board meetings to a minimum of four (4) and a maximum of six (6) for each financial year. Management did not provide evidence of approval of the extra meetings by the Cabinet Secretary as required by the Circular.

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

4. Failure to Adhere to the Gender Rule on Appointments

Review of the composition of Fund's Board of Trustees revealed that during the year under review, the Fund had nine (9) Board of Trustees members out of whom seven (7) or 77% were of the same gender, contrary to the requirements of Article 27(8) of the Constitution of Kenya on equality and freedom from discrimination, which provides that no more than two-thirds of the members of elective or appointive bodies shall be of the same gender.

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 and based on the audit procedures performed, except for the effects of the matter described in the Basis for Conclusion on the Effectiveness of Internal Controls, Risk Management and Governance section of my report, I confirm that nothing else has come to my attention to cause me to believe that internal controls, risk management and governance were not effective.

Basis for Conclusion

Inadequate Controls on Members' Fund

The statement of financial position reflects members fund balance of Kshs.224,735,988,305. However, the following anomalies were noted:

- i. Section 35 of the Public Services Superannuation Scheme Act, 2012 requires the Fund administrator to register members. However, review of the Fund administrator's system revealed that the following critical information was missing: Fund pension status, contribution amount, date of normal retirement, other personal data including contacts, class, workstation, designation, next of kin and employment history.
- ii. Review of member balances provided for audit revealed that 16,701 members had no gender status, 194 were above 60 years old but were still active members, 13 had no sponsors while 1 had no personal number.

In the circumstances, existence of an effective controls on member details and data 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 Management and the Board of Trustees

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

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

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

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

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

Auditor-General's Responsibilities for the Audit

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

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

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

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


FCPA Nancy Gathungu, CBS
AUDITOR-GENERAL

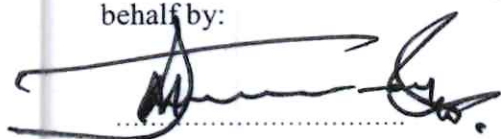
Nairobi

29 September, 2025

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

Description		2025	2024
		Kshs	Kshs
Net assets available for benefits(at the beginning of the year)		142,224,579,990	84,736,378,796
Dealings with Members			
Contributions receivable	6	52,651,235,682	44,706,025,675
Benefits paid and Payable	7	(154,969,119)	(59,499,485)
Net Surplus from dealings with members		52,496,266,563	44,646,526,190
Return on Investments			
Investment Income	8	25,338,562,704	14,093,232,894
Fair value gain/loss on revaluation of Investments	9	24,039,432,141	(601,304,661)
Investment Management Expenses	10	(493,585,038)	(267,322,837)
Total Net Return on Investments		48,884,409,807	13,224,605,396
Operating expenses			
Staff Costs	11	(107,379,550)	(57,204,243)
Administration Costs	12	(600,653,814)	(366,822,716)
Total operating expenses		(708,033,364)	(424,026,959)
Increase in Net Assets before Tax for the Year		100,779,550,073	57,504,308,870
Tax expense	13	(30,540,627)	(16,107,676)
Increase in Net Assets for the Year		100,642,102,379	57,488,201,194
Net Assets available for benefits		242,866,682,369	142,224,579,990


The financial statements were approved by the Board on 19/08/ 2025 and signed on its behalf by:



Name: Amb. Tuneiya Hussein Dado
Chairman of the Board



Name: Dr. Jonah Aiyabei PhD
C.E.O



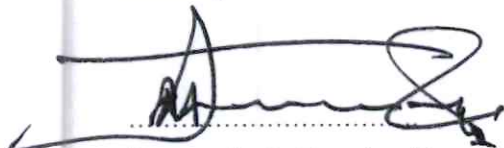
Name: Obed Mbuvi
Head of Finance
ICPAK M/NO:5891

17. Statement of Financial Position as at 30 June 2025

Description	Note	2025	2024
		Kshs	Kshs
Assets			
Cash and Cash Equivalent	18	1,996,467,343	9,822,795,765
Plan Investments			
Treasury Bills	15	9,836,509,906	24,821,597,207
Treasury Bonds	15	188,325,759,150	100,386,817,011
Quoted Investments	15b	16,751,882,669	4,392,106,669
Private Equities	15	5,415,532,568	0
Offshores	15	7,061,595,435	0
Investment Property	15	2,093,289,893	0
Eurobond	15	4,372,331,293	2,155,352,331
Total Plan Investments		233,856,900,914	131,755,873,218
Accrued interest and dividends receivable	16	236,964,825	57,789,600
Contributions receivable	16	10,695,457,189	3,205,373,558
Trade And Other Receivables	16	15,606,628	12,476,131
		10,948,028,642	3,275,639,289
Other assets			
Property, Plant And Equipment	17	229,774,211	116,626,618
Total Assets		229,774,211	116,626,618
Liabilities			
Benefits payable	7b	3,400,514	-
Tax Payable	18	12,822,184	14,008,325
Trade and Other Payables	19	4,148,266,043	2,732,346,575
Total Liabilities		4,164,488,805	2,746,354,900
Net Assets available for benefit as at 30 th June		242,866,682,369	142,224,579,990
Represented By:			
Members Fund		224,834,546,565	143,122,496,742
Reserves		108,898,868	108,898,868
Revaluation reserve	20	17,923,236,936	-1,006,815,620
Fund Value as at 30 th June		242,866,682,369	142,224,579,990

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

The financial statements were approved by the Board on 19/08/ 2025 and signed on its behalf by:



Name: Amb. Tuneiya Hussein Dado
Chairman of the Board



Name: Dr. Jonah Aiyabei PhD
C.E.O



Name: Obed Mbuvi
Head of Finance
ICPAK M/NO:5891

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

Description	Note	2025	2024
		Kshs	Kshs
Cash flows from operating activities			
Receipts			
Contributions		45,161,152,050	50,119,363,539
Interest received		23,937,175,530	12,142,070,024
Dividends		666,332,837	116,618,340
Total cash inflows		69,764,660,417	62,376,250,505
Payments			
Benefits paid		(154,969,119)	(58,979,328)
Taxation paid		(17,718,443)	(4,479,039)
Operational and administrative Expenses paid		(644,551,241)	(309,862,919)
Total cash outflow		(817,238,803)	(373,321,286)
Net Cash inflows/(outflows) from operating activities		68,990,752,557	62,002,929,219
Cash flows from investing activities			
Purchase of property, plant and equipment		(171,354,993)	(76,773,992)
Purchase of intangible assets		-	(42,085,437)
Property Fund	15	(2,000,000,000)	-
Purchase of treasury bills	15	(10,128,850,062)	(28,774,876,885)
Proceeds from sale of treasury bills	15	25,113,937,363	11,470,512,239
Purchase of treasury bonds	15	(85,885,391,984)	(29,216,462,754)
Proceeds from sale of treasury bonds	15	18,626,759,203	47,050,000
Purchase of quoted investments	15b	(8,032,857,855)	(3,967,549,951)
Purchase of Eurobond investments	15	(2,359,232,477)	(2,338,531,785)
Proceeds from disposal of Eurobond investments	15	150,525,730	-
Purchase of offshore investments	15	(6,465,753,665)	-
Purchase of private equities	15	(5,175,920,000)	-
Investment related expenses		(445,611,297)	(185,571,316)
Net cash generated from/(used in) investing activities		(76,773,750,037)	(53,084,289,881)
Increase/(decrease) in cash and cash equivalents		(7,826,328,423)	8,918,639,338
Cash and cash equivalents at beginning of year		9,822,795,766	904,156,428
Cash and cash equivalents at end of the year		1,996,467,343	9,822,795,766

19. Statement of Comparison of Budget & Actual amounts for the period ended 30 June 2025

Description	Original budget	Adjustments	Final budget	Actual on comparable basis	Performance difference	% of utilization
	a	b	c = a + b	d	E = c - d	d/c%
	Kshs	Kshs	Kshs	Kshs	Kshs	xxx%
Budget carryovers		145,376,484	145,376,484	0	145,376,484	0%
Receipts						
Contributions receivable	43,200,000,000	-	43,200,000,000	52,553,252,123	-9,353,252,123	122%
Investment income	805,064,395	-	805,064,395	805,064,395	-	
Total Receipts	44,005,064,395	-	44,005,064,395	53,358,316,518	-9,353,252,123	121%
Payments						
Staff Cost	99,804,322	35,943,936	135,748,258	107,379,550	28,368,708	79%
Administration Cost	228,889,075	31,000,000	259,889,075	251,704,138	8,184,937	97%
BOT COST	19,562,400	10,000,000	29,562,400	29,537,282	25,118	100%
Total Payments	348,255,797	76,943,936	425,199,733	388,620,969	36,578,764	
Capital Expenditure	226,896,000	10,000,000	236,896,000	157,374,219	79,521,781	66%
Surplus for the period	43,429,912,598	- 86,943,936	43,342,968,662	52,812,321,330	-9,469,352,668	

20. Notes to the Financial Statements

1. General Information

Public Service Superannuation Fund (PSSF) is established by and derives its authority and accountability from Public Service Superannuation Scheme Act No. 8 of 2012. The Fund is wholly owned by the Government of Kenya and is domiciled in Kenya. The PSSF's principal activity is to execute their mandate as per the PSSS Act.

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 entity'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 xx*. The financial statements have been prepared and presented in Kenya Shillings, which is the functional and reporting currency of the *entity*, and all values are rounded off to the nearest Kenya shillings. The financial statements have been prepared in accordance with the PFM Act, the State Corporations Act (*include any other applicable legislation*), and International Public Sector Accounting Standards (IPSAS). The accounting policies adopted have been consistently applied to all the years presented.

Notes to the Financial Statements (Continued)

3. Application of New and Revised International Public Sector Accounting Standards (IPSAS)

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

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

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

Standard	Effective date and impact:
IPSAS 43: Leases	<p>Applicable 1st January 2025</p> <p>The standard sets out the principles for the recognition, measurement, presentation, and disclosure of leases. The objective is to ensure that lessees and lessors provide relevant information in a manner that faithfully represents those transactions. This information gives a basis for users of financial statements to assess the effect that leases have on the financial position, financial performance and cashflows of an Entity.</p> <p>The new standard requires entities to recognise, measure and present information on right of use assets and lease liabilities.</p>
IPSAS 44: Non- Current Assets Held for Sale and Discontinued Operations	<p>Applicable 1st January 2025</p> <p>The Standard requires,</p> <p>Assets that meet the criteria to be classified as held for sale to be measured at the lower of carrying amount and fair value less costs to sell and the depreciation of such assets to cease and:</p> <p>Assets that meet the criteria to be classified as held for sale to be presented separately in the statement of financial position and the results of discontinued operations to be presented separately in the statement of financial performance.</p>
IPSAS 45: Property Plant and Equipment	<p>Applicable 1st January 2025</p> <p>The standard supersedes IPSAS 17 on Property, Plant and Equipment. IPSAS 45 has additional guidance/ new guidance for heritage assets, infrastructure assets and measurement. Heritage assets were previously excluded from the scope of</p>

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

	<p>IPSAS 17 in IPSAS 45, heritage assets that satisfy the definition of PPE shall be recognised as assets if they meet the criteria in the standard. IPSAS 45 has an additional application guidance for infrastructure assets, implementation guidance and illustrative examples. The standard has clarified existing principles e.g. valuation of land over or under the infrastructure assets, under-maintenance of assets and distinguishing significant parts of infrastructure assets.</p>
IPSAS 46: Measurement	<p>Applicable 1st January 2025</p> <p>The objective of this standard was to improve measurement guidance across IPSAS by:</p> <ol style="list-style-type: none"> i. Providing further detailed guidance on the implementation of commonly used measurement bases and the circumstances under which they should be used. ii. Clarifying transaction costs guidance to enhance consistency across IPSAS. iii. Amending where appropriate guidance across IPSAS related to measurement at recognition, subsequent measurement and measurement related disclosures. <p>The standard also introduces a public sector specific measurement bases called the current operational value.</p>
IPSAS 47: Revenue	<p>Applicable 1st January 2026</p> <p>This standard supersedes IPSAS 9- Revenue from exchange transactions, IPSAS 11 Construction contracts and IPSAS 23 Revenue from non- exchange transactions. This standard brings all the guidance of accounting for revenue under one standard. The objective of the standard is to establish the principles that an entity shall apply to report useful information to users of financial statements about the nature, amount, timing and uncertainty of revenue and cash flow arising from revenue transactions.</p>
IPSAS 48: Transfer Expenses	<p>Applicable 1st January 2026</p> <p>The objective of the standard is to establish the principles that a transfer provider shall apply to report useful information to users of financial statements about the nature, amount, timing and uncertainty of expenses and cash flow arising from transfer expense transactions. This is a new standard for public sector entities geared to provide guidance to entities that provide transfers on accounting for such transfers.</p>

IPSAS 49: Retirement Benefit Plans	<p>Applicable 1st January 2026</p> <p>The objective is to prescribe the accounting and reporting requirements for the public sector retirement benefit plans which provide retirement to public sector employees and other eligible participants. The standard sets the financial statements that should be presented by a retirement benefit plan.</p>
IPSAS 50: Exploration For & Evaluation of Mineral Resources	<p>Applicable 1st January 2027</p> <p>The objective of this Standard is to specify the financial reporting for the exploration for and evaluation of mineral resources. The Standard requires:</p> <ol style="list-style-type: none"> i. Limited improvements to existing accounting practices for exploration and evaluation expenditures. ii. Entities that recognize exploration and evaluation assets to assess such assets for impairment in accordance with this Standard and measure any impairment in accordance with IPSAS 26. iii. Disclosures that identify and explain the amounts in the entity's financial statements arising from the exploration for and evaluation of mineral resources and help users of those financial statements understand the amount, timing and certainty of future cash flows from any exploration and evaluation assets recognized.

(The Trustees have assessed the applicable standards and amendments. Based on their assessment of impact of application of the above, they do not expect that there will be a significant impact on the company's financial statements.

iii. Early adoption of standards

The Entity adopted IPSAS 49 which led to inclusion of statement of changes in net asset available to members as required in this standard. The scheme has been using International Financial Reporting Standards (IFRS) hence no impact on early adoption on the financial statements.

Notes to the Financial Statements (Continued)

4. Summary of Accounting Policies

The principle accounting policies adopted in the preparation of these financial statements are set out below:

a) Revenue recognition

Revenue is measured based on the consideration to which the entity expects to be entitled in a contract with a customer and excludes amounts collected on behalf of third parties. The entity recognizes revenue when it transfers control of a product or service to a customer.

- i) Revenue from the sale of goods and services is recognized in the year in which the *entity* delivers products to the customer, the customer has accepted the products and collectability of the related receivables is reasonably assured.
- ii) Grants from National Government are recognized in the year in which the *entity* actually receives such grants. Recurrent grants are recognized in the statement of comprehensive income. Development/capital grants are recognized in the statement of financial position and realised in the statement of comprehensive income over the useful life of the assets that has been acquired using such funds.
- iii) Finance income comprises interest receivable from bank deposits and investment in securities, and is recognized in profit or loss on a time proportion basis using the effective interest rate method.
- iv) Dividend income is recognized in the income statement in the year in which the right to receive the payment is established.
- v) Rental income is recognized in the income statement as it accrues using the effective interest implicit in lease agreements.
- vi) Other income is recognized as it accrues.

Notes to the Financial Statements (Continued)

Summary of Accounting Policies

b) In-kind contributions

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

c) Property, plant and equipment

All categories of property, plant and equipment are initially recorded at cost less accumulated depreciation and impairment losses.

Certain categories of property, plant and equipment are subsequently carried at re-valued amounts, being their fair value at the date of re-valuation less any subsequent accumulated depreciation and impairment losses.

Increases in the carrying amounts of assets arising from re-valuation are credited to other comprehensive income. Decreases that offset previous increases in the carrying amount of the same asset are charged against the revaluation reserve account; all other decreases are charged to profit or loss in the income statement. Gains and losses on disposal of items of property, plant and equipment are determined by comparing the proceeds from the disposal with the net carrying amount of the items, and are recognised in profit or loss in the income statement.

Notes to the Financial Statements (Continued)

Summary of Accounting Policies

d) Depreciation and impairment of property, plant and equipment

Freehold land and capital work in progress are not depreciated. Capital work in progress relates mainly to the cost of ongoing but incomplete works on buildings and other civil works and installations.

Depreciation on property, plant and equipment is recognized in the income statement on a straight-line basis to write down the cost of each asset or the re-valued amount to its residual value over its estimated useful life. The annual rates in use, as guided by National Treasury policy on assets depreciation are:

Freehold Land	Nil
Buildings and civil works	50 years or the unexpired lease period
Plant and machinery	8 years
Motor vehicles, including motor cycles	4 years
Computers and related equipment	3 years
Office equipment, furniture and fittings	8 years

A full year's depreciation charge is recognised both in the year of asset purchase and in the year of asset disposal.

Items of property, plant and equipment are reviewed annually for impairment. Where the carrying amount of an asset is assessed as greater than its estimated recoverable amount, an impairment loss is recognised so that the asset is written down immediately to its estimated recoverable amount.

e) Intangible assets

Intangible assets with finite useful lives that are acquired separately are carried at cost less accumulated amortization and accumulated impairment losses. Amortization is recognized on a straight-line basis over their estimated useful lives. The estimated useful life and

Notes to the Financial Statements (Continued)



Appendix IV: Equity

Description	Mkt value 30 th June 2024	No of shares 30 th June 2024	Additions Units	Additions Amount Kes	No of shares 30th June 2025	Market price	change in Fair Value 30th June 2025	Mkt value 30 th June 2025 Ksh
KCB Bank	1,330,875,000	42,588,000	49,095,200	1,855,569,313	91,683,200	46.60	1,085,992,807	4,272,437,120.00
ABSA Kenya	415,651,600.00	29,689,400.00	12,190,200	196,129,292.20	41,879,600	19.20	192,307,427.80	804,088,320.00
EABL	302,733,803.50	2,062,922.00	2,689,900	457,165,698.49	4,752,822	184.50	116,996,157.01	876,895,659.00
Co-operative bank	526,126,710.00	41,427,300.00	21,613,200	282,336,023.45	63,040,500	17.90	319,962,216.55	1,128,424,950.00
Equity	621,036,975.00	14,699,100.00	42,276,700	1,855,677,667.96	56,975,800	48.90	309,401,977.04	2,786,116,620.00
Safaricom Limited	1,195,682,580.00	69,114,600.00	204,268,200	3,338,986,959.55	273,382,800	25.00	2,299,900,460.45	6,834,570,000.00
Stanbic Holdings Ltd	-	-	300,000	46,992,900.00	300,000	164.50	2,357,100.00	49,350,000.00
	4,392,106,668.5 0	199,581,322.0 0	332,433,40 0	8,032,857,855.1 5	531,714,722		4,326,918,145.3 5	16,751,882,669.0 0

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

Appendix III: Treasury Bills

Issue No.	Cost	Face Value	Discount	Maturity Date	Balance as at 06/30/25
2546/364	128,334,130.00	185,000,000.00	56,665,870.00	2/23/2026	149,037,581.37
2550/364	170,968,600.00	200,000,000.00	61,350,350.00	3/23/2026	220,749,026.41
2550/364	208,840,500.00	225,000,000.00	16,159,500.00	3/23/2026	213,191,134.62
2550/364	208,840,500.00	225,000,000.00	16,159,500.00	3/23/2026	213,191,134.62
2559/364	227,328,200.00	250,000,000.00	22,671,800.00	5/25/2026	229,508,180.77
2559/364	227,328,200.00	250,000,000.00	22,671,800.00	5/25/2026	229,508,180.77
2559/364	227,328,200.00	250,000,000.00	22,671,800.00	5/25/2026	229,508,180.77
2550/364	588,649,650.00	650,000,000.00	61,350,350.00	3/23/2026	605,167,051.92
2546/364	607,893,000.00	650,000,000.00	42,107,000.00	2/23/2026	622,468,500.00
2546/364	622,293,700.00	665,000,000.00	42,706,300.00	2/23/2026	637,076,650.00
2550/364	815,055,150.00	900,000,000.00	84,944,850.00	3/23/2026	837,924,917.31
2513/364	812,985,450.00	950,000,000.00	137,014,550.00	7/14/2025	944,730,209.62
2513/364	812,985,450.00	950,000,000.00	137,014,550.00	7/14/2025	944,730,209.62
2513/364	812,985,450.00	950,000,000.00	137,014,550.00	7/14/2025	944,730,209.62
2546/364	1,358,520,800.00	1,500,000,000.00	141,479,200.00	2/23/2026	1,407,494,369.23
2546/364	1,358,520,800.00	1,500,000,000.00	141,479,200.00	2/23/2026	1,407,494,369.23
	9,188,857,780.00	10,300,000,000.00	3,824,030,000.00		9,836,509,905.88

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

IFB1/2021/16	25,000,000.00	12.26	-141,350.00	26,403,650.00	98.76	01/05/2037
IFB1/2021/18	14,200,000.00	12.67	1,083,332.20	15,909,651.60	92.13	3/21/2039
IFB1/2021/21	15,000,000.00	12.74	-399,390.00	15,611,760.00	101.02	8/18/2042
IFB1/2022/14	1,695,000,000.00	13.94	42,200,361.30	1,819,938,450.00	105.16	10/27/2036
IFB1/2022/18	600,000.00	13.74	55,518.60	689,072.40	99.09	5/21/2040
IFB1/2022/6	107,000,000.00	13.22	3,234,075.00	110,103,535.00	101.20	11/27/2028
IFB1/2023/17	9,679,500,000.00	14.40	1,470,890,652.25	10,917,527,409.00	100.53	2/20/2040
IFB1/2023/6.5	2,250,000,000.00	17.93	319,787,262.00	2,653,539,750.00	110.85	05/06/2030
IFB1/2023/7	750,000,000.00	15.84	26,892,000.00	843,995,250.00	101.78	06/10/2030
IFB1/2024/8.5	3,810,000,000.00	18.46	290,070,979.15	4,878,068,730.00	120.97	08/09/2032
Grand Total	169,699,450,000.00		18,930,050,531.60	188,325,759,150.45		

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

Appendix II: Schedule of Treasury Bonds Investments

Particulars	Sum of Face Value	Average of Rate	Sum of Fair Value Gain/Loss	Sum of Fair as at 06/30/25	Average of Price/Yield	Min of Maturity Date
FXD1/2008/20	962,000,000.00	13.75	-24,611,815.25	1,038,841,674.00	107.99	06/05/2028
FXD1/2012/20	1,710,000,000.00	12.00	63,860,550.00	1,658,342,610.00	96.98	11/01/2032
FXD1/2013/15	60,000,000.00	11.25	2,003,433.60	63,047,520.00	105.08	02/07/2028
FXD1/2016/10	3,928,500,000.00	15.04	381,682,909.50	4,350,739,108.50	104.14	8/17/2026
FXD1/2016/20	5,400,000,000.00	14.00	1,619,329,848.00	6,125,981,400.00	87.47	09/01/2036
FXD1/2017/10	5,950,000,000.00	12.97	85,920,581.55	6,514,298,000.00	109.48	7/19/2027
FXD1/2018/15	1,390,000,000.00	12.65	111,554,918.00	1,420,086,550.00	104.82	05/09/2033
FXD1/2018/20	13,594,500,000.00	13.20	1,979,480,670.00	14,678,104,000.50	96.06	03/01/2038
FXD1/2018/25	4,270,000,000.00	13.40	79,969,621.20	4,387,787,950.00	107.72	5/25/2043
FXD1/2019/20	3,552,900,000.00	12.87	487,404,586.50	3,704,548,430.70	91.68	3/21/2039
FXD1/2020/15	2,290,000,000.00	13.40	217,993,355.00	2,438,964,500.00	106.51	02/05/2035
FXD1/2021/20	3,800,000,000.00	13.44	485,305,600.00	4,116,072,600.00	97.89	7/22/2041
FXD1/2021/25	4,052,650,000.00	13.92	583,541,073.50	4,334,467,228.35	95.98	04/09/2046
FXD1/2022/10	2,552,000,000.00	13.49	362,287,146.00	2,697,068,440.00	100.94	05/03/2032
FXD1/2022/15	23,495,000,000.00	13.94	3,006,966,155.00	26,306,129,760.00	102.17	04/06/2037
FXD1/2022/25	11,436,000,000.00	14.19	994,563,622.00	12,448,360,464.00	108.16	9/23/2047
FXD1/2023/10	9,709,000,000.00	14.15	1,057,308,774.00	10,883,740,455.00	103.39	1/31/2033
FXD1/2023/2	2,010,000,000.00	16.97	23,000,430.00	2,156,774,220.00	103.69	8/18/2025
FXD1/2023/3	26,116,600,000.00	14.23	2,250,754,704.60	27,648,860,922.00	101.73	05/11/2026
FXD1/2023/5	6,837,800,000.00	16.84	756,840,935.30	8,415,150,541.80	112.13	07/10/2028
FXD1/2024/03	1,770,000,000.00	18.39	152,674,890.00	2,104,314,060.00	108.43	01/11/2027
FXD1/2024/10	16,069,000,000.00	16.00	2,029,596,786.00	19,133,454,714.00	106.51	2/27/2034
FXD2/2018/10	365,000,000.00	12.50	66,138,365.00	384,838,845.00	93.49	12/04/2028
FXD2/2018/20	10,200,000.00	13.20	1,448,134.80	11,198,508.60	96.40	07/05/2038
FXD2/2019/10	10,000,000.00	12.30	66,224.80	10,644,410.00	106.44	04/02/2029
FXD2/2019/15	12,000,000.00	12.73	1,295,592.00	12,154,980.00	90.77	4/24/2034

28. Appendices

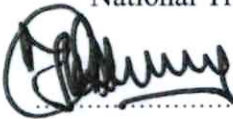
Appendix I: Implementation Status of Auditor-General prior year recommendations

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

Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
1	Unremitted pension employer contribution amounting to Kshs. 3,275,639,289	Follow up being done with Treasury to pay.	Resolved	Treasury has paid all the outstanding contributions
2	Delay in remitting instalment tax	The tax was paid	Resolved	The instalment tax was paid.
3	Failure to Tag Assets	The assets were received after year end.	Resolved	All assets have been tagged

Guidance Notes:

- (i) Use the same reference numbers as contained in the external audit report;
- (ii) Obtain the "Issue/Observation" and "management comments", required above, from final external audit report that is signed by Management.
- (iii) Indicate the status of "Resolved" or "Not Resolved" by the date of submitting this report to National Treasury



Dr. Jonah Aiyabei

Chief Executive Officer

Date 19/08/2025

26. Incorporation

PSSF is incorporated in Kenya through an Act of parliament, the Public Service Superannuation Scheme Act No. 8 of 2012

27. Events after the Reporting Period

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

21. Fair Value Adjustment Reserve

The fair value adjustment reserve arises on the revaluation of available-for-sale financial assets, principally the marketable securities. When a financial asset is sold, the portion of the reserve that relates to that asset is reduced from the fair value adjustment reserve and is recognised in profit or loss. Where a financial asset is impaired, the portion of the reserve that relates to that asset is recognised in profit or loss.

22. Revaluation Reserve

The revaluation reserve relates to the revaluation of certain items of property, plant and equipment. As indicated in the Statement of Changes in Equity, this is stated after transfer of excess depreciation net of related deferred tax to retained earnings. Revaluation surpluses are not distributable.

23. Fair Value Adjustment Reserve

The fair value adjustment reserve arises on the revaluation of available-for-sale financial assets, principally the marketable securities. When a financial asset is sold, the portion of the reserve that relates to that asset is reduced from the fair value adjustment reserve and is recognized in profit or loss. Where a financial asset is impaired, the portion of the reserve that relates to that asset is recognized in profit or loss.

24. Retained Earnings

The retained earnings represent amounts available for distribution to the *entity's* shareholders. Undistributed retained earnings are utilized to finance the *entity's* business activities.

25. Related Party Disclosures

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

Notes To The Financial Statements (Continued)

18. Tax payable

Description	2025	2024
	Kshs	Kshs
Balance b/f	(14,008,325)	(2,379,687)
Add: Tax charge	(30,540,627)	(16,107,677)
Less: Tax paid	17,718,443	4,479,039
Total	12,822,184	(14,008,325)

19. Trade and Other Payables

Description	2025	2024
	Kshs	Kshs
Retirement Benefits Levy	5,000,000	5,000,000
Fund Management fees	131,588,827	95,904,018
Custody fees	18,421,800	6,132,868
Administration fees	91,075,035	73,417,779
Other payables	5,166,593	4,573,565
Overpaid Employer Contributions	3,897,013,788	2,546,798,129
Total	4,148,266,043	2,732,346,575

20. Revaluation reserve

Description	2025	2024
	Kshs	Kshs
Opening Bond Valuation	(1,006,813,597)	0
Bond Valuation for the year	18,930,050,533	(1,006,813,597)
Closing Bond Valuation 30 th June 2025	17,923,236,936	(1,006,813,597)

21. Fair Value Adjustment Reserve

17. Property, Plant and Equipment

Description	Motor vehicles	Computers & related equipment	Office equipment, furniture & fittings	ERP	Capital work in progress-F&F	Capital work in progress-ERP	Total
Rate	25%	30%	12.5%	30%			
	Kshs	Kshs	Kshs		Kshs	Kshs	Kshs
As At 1 July 2024 (Cost)	28,560,001	11,078,250	-		45,735,641	42,085,437	127,459,329
Additions	18,461,395	23,578,580	26,804,182	10,646,360	51,665,929	40,198,547	171,354,993
Disposals	(16,510,000)	-	-		-	-	(16,510,000)
Transfers/Adjustments	-	-	45,735,641	42,085,437	(45,735,641)	(42,085,437)	-
Total	30,511,396	34,656,830	72,539,823	52,731,797	51,665,929	40,198,547	282,304,322
Depreciation							
At 1 July 2024	7,140,000	3,692,746	-	-	-	-	10,832,746
Depreciation	7,627,849	11,552,276	9,067,478	17,577,264	-	-	45,849,867
Disposals	(4,127,500)	-	-	-	-	-	(4,127,500)
As at 30 th June 2025	10,665,349	15,245,022	9,067,478		-	-	52,555,113
NBV As at 30 th June 2024	21,420,001	7,385,537	-	-	45,735,641	42,085,437	116,626,618
NBVAs at 30 th June 2025	19,946,047	19,411,808	63,472,345	35,154,533	51,665,929	40,198,547	229,774,211

16. Trade and Other Receivables

Description	2025	2024
	Kshs	Kshs
Contribution debtors (Note 6 (a))	10,695,457,189	3,205,373,558
Dividends (Note 6 (a))	236,964,825	57,789,600
WHT recoverable	2,061,812	135,492
Other Receivable	13,544,816	12,340,639
Total Receivables	10,948,028,642	3,275,639,289

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

15. Plan Investments

Description	Fair Value as at 1 st July 2024	Additions	Disposals	Gains/Loss On Sale	Gains/Loss on Revaluation	Fair Value as at 30 th June 2025)
	Kshs	Kshs	Kshs	Kshs	Kshs	Kshs
Treasury Bonds	100,386,817,011	85,885,391,984	(18,626,759,203)	1,750,258,827	18,930,050,532	188,325,759,151
Euro Bonds	2,155,352,331	2,359,232,477	(150,525,730)	-	(137,211,292)	4,372,331,293
Treasury Bills	24,821,597,207	10,128,850,062	(25,113,937,363)	-	-	9,836,509,906
Private equity	-	5,175,920,000	-	-	239,612,568	5,415,532,568
Investment Property*	-	2,000,000,000	-	-	93,289,893	2,093,289,893
Offshores	-	6,465,753,665	-	-	595,841,770	7,061,595,435
Total Plan Investments	127,363,766,549	112,015,148,188	(43,891,222,296)	1,750,258,827	19,721,583,471	217,105,018,246

15 b) Equity

Description	Mkt value as at 1 st July 2024	Opening No of shares	Additions Units	Additions Amounts KES	No of shares	Mkt price 30th June 2025	change in Fair Value	Mkt value 30th June 2025
KCB Bank	1,330,875,000	42,588,000	49,095,200	1,855,569,313	91,683,200	47	1,085,992,807	4,272,437,120
ABSA Kenya	415,651,600	29,689,400	12,190,200	196,129,292	41,879,600	19	192,307,428	804,088,320
EABL	302,733,804	2,062,922	2,689,900	457,165,698	4,752,822	185	116,996,157	876,895,659
Co-operative bank	526,126,710	41,427,300	21,613,200	282,336,023	63,040,500	18	319,962,217	1,128,424,950
Equity	621,036,975	14,699,100	42,276,700	1,855,677,668	56,975,800	49	309,401,977	2,786,116,620
Safaricom Limited	1,195,682,580	69,114,600	204,268,200	3,338,986,960	273,382,800	25	2,299,900,460	6,834,570,000
Stanbic Holdings Ltd	-	-	300,000	46,992,900	300,000	165	2,357,100	49,350,000
	4,392,106,669	199,581,322	332,433,400	8,032,857,855	531,714,722		4,326,918,145	16,751,882,669

14. Cash and cash equivalent

a) Short Term Deposits

Description	2025	2024
Financial institution	Kshs	Kshs
Current Account		
Co-op bank Custody A/C	900,962	12,518,714
CBK PSSS Fund Account	1,311,924,150	1,210,187,902
NCBA bank Custody A/C	1,860,643	47,031,891
Stanbic Custody account	557,805	25,368,219
Trustees Admin Account	(23,061,824.14)	8,337,223
Coop Custody USD a/c	0	3
NCBA Custody USD a/c	16,238	289
Sub Total	1,292,197,974	1,303,444,241
On Call Deposit		
Fixed Term Deposits	608,816,192	7,827,001,954
Call Deposits	0	491,432,682
USD Call Deposits	3,890,441	78,813,750
Trustees' a/c Call Deposits	91,562,736	122,103,139
Sub Total	704,269,369	8,519,351,524
Grand Total	1,996,467,343	9,822,795,766

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

12. Administration Costs

Description	2025	2024
	Kshs	Kshs
Administration fees	304,633,065	230,512,775
Board of Trustee Expenses (Note15a)	29,537,282	6,384,000
RBA Levy	5,000,000	5,000,000
AGM Costs	15,067,879	4,465,094
Member sensitization expenses	16,992,603	11,594,952
Rent expenses	32,446,128	4,677,120
Hospitality Expenses	4,012,839	1,080,749
Bank charges and commissions	(284,524)	1,750,355
Fuel Expenses	3,744,976	486,863
Stationary Expenses	3,722,778	256,436
Security Expenses	1,407,042	179,993
Professional Subscription	311,483	556,760
Depreciation	45,824,867	10,832,713
Development of Legislation	8,650,900	4,879,600
Training and Workshops	27,479,087	25,746,698
Motor Vehicle Expenses	1,302,789	753,030
Newspaper Expenses	387,728	60,343
Parcel expenses	150,885	16,450
Other Operating Expenses	100,266,007	384,542.00
Total	600,653,814	366,822,716

13. Tax expense

Description	2025	2024
	Kshs	Kshs
Taxable income for the year	101,802,091	53,692,254
Taxation at 30%	30,540,627	16,107,676
Total tax	30,540,627	16,107,676

9. Fair Value Gains and Losses of investments

Description	2025	2024
	Kshs	Kshs
Treasury Bonds	18,930,050,533	(345,840,989)
Offshore- Eurobonds	(137,211,297)	(660,974,632)
Quoted Equities	4,326,918,145	424,556,717
Revaluation Gain/Loss on offshore investments	595,841,770	0
Foreign exchange gains/(losses)	(9,069,471)	(19,045,757)
Change in Fair Value: Private Equity	239,612,568	0
Change in Fair Value - Real Estate	93,289,893	0
Total	24,039,432,141	(601,304,661)

10. Investment Management Expenses

Description	2025	2024
	Kshs	Kshs
Fund Management fees	431,630,643	233,581,138
Custodian Fees	60,524,637	33,741,699
Investment advisors fees	1,429,757	0
Total	493,585,038	267,322,837

11. Staff Costs

Description	2025	2024
	Kshs	Kshs
Basic salary and allowances	107,379,550	57,204,243
Total	107,379,550	57,204,243

8c. Investment Income Movement

Description	Accrued Investment Income as at 1 st July 2024	Receivables for the current year	Received for the current year	Accrued Investment Income as at 30 th June 2025
	Kshs	Kshs	Kshs	Kshs
Interest income from treasury bonds	-	19,112,937,132	19,112,937,132	-
Income from treasury bills	1,296,166,037	2,052,054,898	2,759,930,337	588,290,599
Interest from commercial banks and financial institutions	1,577,773,927	1,201,423,965	2,778,868,288	329,604
Interest from Eurobond	70,140,121	377,036,944	301,693,554	145,483,511
Dividends	57,789,600	845,508,062	666,332,837	236,964,825
Total Investment Income	3,001,869,685	23,588,961,001	25,619,762,148	971,068,539

8. Investment Income

8a Investment Income

Description	2024	2025
	Kshs	Kshs
Interest income from treasury bonds	19,112,937,132	10,743,514,543
Interest income from treasury bills	2,052,054,899	1,839,115,386
Interest from Call and Fixed Deposits	1,177,067,151	1,268,200,209
Offshore income	377,036,944	87,022,318
Dividends	845,508,062	116,618,340
Interest in Bank current accounts	24,356,814	26,720,261
Total	23,588,961,002	14,054,470,796

8b Other Investment Income

Description	2025	2024
	Kshs	Kshs
Rebates & other investment income	-	1,343,235
Other income	(657,125)	12,500,000
Gain/Loss on sale of Government securities	1,750,258,827	(1,801,398)
Total	1,749,601,702	38,762,098
Total Investment Income (8a+8b)	25,338,562,704	14,093,232,894

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

Notes to the Financial Statements (Continues)

6. Contributions

6a. Contributions receivable

Description	2025	2024
	Kshs	Kshs
Employer	34,983,477,579	29,726,909,221
Employee	17,663,624,092	14,979,116,454
Transfer-in	4,134,010	0
Total	52,651,235,681	44,706,025,675

6b. Reconciliation of contributions receivable

Description	Contributions receivable 2024	Contributions accrued 2025	Contributions Received 2025	Contributions receivable 2025
	Kshs	Kshs	Kshs	Kshs
Contributions	3,205,373,558	52,647,101,671	45,157,018,040	10,695,457,189
Transfers- in	0	4,134,010	4,134,010	0
Total	3,205,373,558	52,651,235,682	45,161,152,050	10,695,457,189

7. Benefits

7a. Benefits payable

Description	2025	2024
	Kshs	Kshs
Commutations/Lumpsum	24,186,452	9,696,445
Death in Service	130,782,667	49,803,040
Total	154,969,119	59,499,485

7b. Reconciliation of Benefits Payable

Description	Benefits Accrued 2025	Benefits Paid during the year 2025	Benefits Payable 2025	Benefits Payable 2024
	Kshs			Kshs
Commutations/Lumpsum	3,400,514	152,088,821	154,969,119	520,216
Total	3,400,514	152,088,821	154,969,119	520,216

changes or circumstances arising beyond the control of the Entity. Such changes are reflected in the assumptions when they occur.

b) Useful lives and residual values

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

- The condition of the asset based on the assessment of experts employed by the Entity
- The nature of the asset, its susceptibility and adaptability to changes in technology and processes
- The nature of the processes in which the asset is deployed
- Availability of funding to replace the assets

c) Provisions

Provisions were raised and management determined an estimate based on the information available. Additional disclosure of these estimates of provisions is included in Note xxx.

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.

(include provisions applicable for your organization e.g. provision for bad debts, provisions of obsolete stocks and how management estimates these provisions)

Notes to the Financial Statements (Continued)

an asset has been recognized, the Entity also recognizes a corresponding liability, adjusted by a cash consideration paid or received.

y) Comparative figures

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

z) 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, 2025

5. Significant Judgments and Sources of Estimation Uncertainty

The preparation of the Entity'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: e.g.

a) Estimates and assumptions

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below. The Entity based its assumptions and estimates on parameters available when the financial statements were prepared. However, existing circumstances and assumptions about future developments may change due to market.

Notes to the Financial Statements (Continued)

Notes to the Financial Statements (Continued)

Summary of Accounting Policies

w) Budget information

The original budget for FY 2024/25 was approved by the Board of Trustees and The National Treasury. 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.

The entity's 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.

x) Service concession arrangements

The Entity analyses all aspects of service concession arrangements that it enters into in determining the appropriate accounting treatment and disclosure requirements. In particular, where a private party contributes an asset to the arrangement, the Entity 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

Notes to the Financial Statements (Continued)

v) Exchange rate differences

The accounting records are maintained in the functional currency of the primary economic environment in which the entity operates, Kenya Shillings. Transactions in foreign currencies during the year/period are translated into the functional currency using the exchange rates prevailing at the dates of the transactions or valuation where items are re-measured. Any foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in profit or loss.

Notes to the Financial Statements (Continued)

r) Borrowings

Interest bearing loans and overdrafts are initially recorded at fair value being received, net of issue costs associated with the borrowing. Subsequently, these are measured at amortised cost using the effective interest rate method. Amortised cost is calculated by taking into account any issue cost and any discount or premium on settlement. Finance charges, including premiums payable of settlement or redemption are accounted for on accrual basis and are added to the carrying amount of the instrument to the extent that they are not settled in the period in which they arise. Loan interest accruing during the construction of a project is capitalised as part of the cost of the project.

s) Trade and other payables

Trade and other payables are non-interest bearing and are carried at amortised cost, which is measured at the fair value of contractual value of the consideration to be paid in future in respect of goods and services supplied, whether billed to the entity or not, less any payments made to the suppliers.

t) Retirement benefit obligations

The entity operates a defined contribution scheme for all full-time employees from July 1, 20XX. The scheme is administered by an in-house team and is funded by contributions from both the company and its employees. The company also contributes to the statutory National Social Security Fund (NSSF). This is a defined contribution scheme registered under the National Social Security Act. The company's obligation under the scheme is limited to specific contributions legislated from time to time and is currently at Kshs.XXX per employee per month.

u) Provision for staff leave pay

Employees' entitlements to annual leave are recognised as they accrue at the employees. At provision is made for the estimated liability for annual leave at the reporting date.

Notes to the Financial Statements (Continued)

enforceable right exists to set off current tax assets against current income tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

p) Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale. To the extent that variable rate borrowings are used to finance a qualifying asset and are hedged in an effective cash flow hedge of interest rate risk, the effective portion of the derivative is recognized in other comprehensive income and reclassified to profit or loss when the qualifying asset impacts profit or loss. To the extent that fixed rate borrowings are used to finance a qualifying asset and are hedged in an effective fair value hedge of interest rate risk, the capitalized borrowing costs reflect the hedged interest rate. Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalization. All other borrowing costs are recognized in profit or loss in the period in which they are incurred.

q) 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 reporting period. For the purposes of these financial statements, cash and cash equivalents also include short term cash imprests and advances to authorised public officers and/or institutions which were not surrendered or accounted for at the end of the financial year.

Notes to the Financial Statements (Continued)

o) Deferred tax

Deferred tax is provided using the liability method on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date.

Deferred tax liabilities are recognized for all taxable temporary differences, except in respect of taxable temporary differences associated with investments in controlled entities, associates and interests in joint ventures, when the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future. Deferred tax assets are recognized for all deductible temporary differences, the carry forward of unused tax credits and any unused tax losses. Deferred tax assets are recognized to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilized, except in respect of deductible temporary differences associated with investments in controlled entities, associates and interests in joint ventures, deferred tax assets are recognized only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilized.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilized. Unrecognized deferred tax assets are re-assessed at each reporting date and are recognized to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered. Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realized or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

Deferred tax relating to items recognized outside surplus or deficit is recognized outside surplus or deficit. Deferred tax items are recognized in correlation to the underlying transaction in net assets. Deferred tax assets and deferred tax liabilities are offset if a legally

incurred in bringing the inventories to their present location and condition. Cost is calculated using the weighted average cost method or First In First Out (FIFO) (*amend as appropriate*). Net realizable value represents the estimated selling price less all estimated costs of completion and costs to be incurred in marketing, selling and distribution.

m) Trade and other receivables

Trade and other receivables are recognized at amortized cost less allowances for any uncollectible amounts. These 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. Bad debts are written off after all efforts at recovery have been exhausted.

Summary of Accounting Policies

n) Taxation

i) 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 the Entity 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.

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 the Entity operates and generates taxable income.

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.

restore the underlying asset to the condition required by the terms and conditions of the lease, a provision is recognized and measured under IAS 37. To the extent that the costs relate to a right-of-use asset, the costs are included in the related right-of-use asset, unless those costs are incurred to produce inventories. Right-of-use assets are depreciated over the shorter period of lease term and useful life of the underlying asset. If a lease transfers ownership of the underlying asset or the cost of the right-of-use asset reflects that the entity expects to exercise a purchase option, the related right-of-use asset is depreciated over the useful life of the underlying asset. The depreciation starts at the commencement date of the lease. The right-of-use assets are presented as a separate line in the consolidated statement of financial position.

i) Fixed interest investments (bonds)

Fixed interest investments refer to investment funds placed under Central Bank of Kenya (CBK) long-term infrastructure bonds and other corporate bonds with the intention of earning interest income upon the bond's disposal or maturity. Fixed interest investments are freely traded at the Nairobi Securities Exchange. These bonds are measured at amortized cost/ at fair value through other comprehensive income (FVTOCI) or at fair value through profit or loss (FVTPL) *(entity to amend appropriately based on measurement/ classification)*

j) Quoted investments

Quoted investments are classified as non-current assets and comprise marketable securities traded freely at the Nairobi Securities Exchange or other regional and international securities exchanges. Quoted investments are stated at fair value through profit or loss (FVTPL).

k) Unquoted investments

Unquoted investments are measured at fair value through profit or loss (FVTPL).

l) Inventories

Inventories are stated at the lower of cost and net realizable value. Cost comprises direct materials and, where applicable, direct labour costs and those overheads that have been

Notes to the Financial Statements (Continued)

amortization method is reviewed at the end of each reporting period, with the effect of any changes in estimate being accounted for on a prospective basis. Intangible assets with indefinite useful lives that are acquired separately are carried at cost less accumulated impairment losses.

f) Amortisation and impairment of intangible assets

Amortisation is calculated on the straight-line basis over the estimated useful life of the intangible asset. All intangible assets are reviewed annually for impairment. Where the carrying amount of an intangible asset is assessed as greater than its estimated recoverable amount, an impairment loss is recognised so that the asset is written down immediately to its estimated recoverable amount.

g) Investment property

Investment property, which is property held to earn rentals and/or for capital appreciation (including property under construction for such purposes), is measured initially at cost, including transaction costs. Subsequent to initial recognition, investment property is measured at fair value. Gains or losses arising from changes in the fair value of investment property are included in profit or loss in the period in which they arise. An investment property is derecognized upon disposal or when the investment property is permanently withdrawn from use and no future economic benefits are expected from the disposal. Any gain or loss arising on derecognition of the property (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in profit or loss in the period in which the property is derecognized.

h) Right of Use Asset

The right-of-use assets comprise the initial measurement of the corresponding lease liability, lease payments made at or before the commencement day, less any lease incentives received and any initial direct costs. They are subsequently measured at cost less accumulated depreciation and impairment losses. Whenever the entity incurs an obligation for costs to dismantle and remove a leased asset, restore the site on which it is located or

Notes to the Financial Statements (Continued)