

REPUBLIC OF KENYA



REPORT

THE NATIONAL ASSEMBLY
PAPERS LAID

DATE: 04 DEC 2025

DAY:
THURSDAY

OF BY:

MAJORITY LEADER

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FINLAY

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THE KENYA SCOUTS ASSOCIATION

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



THE KENYA SCOUTS ASSOCIATION

ANNUAL REPORT AND FINANCIAL STATEMENTS

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

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

**The Kenya Scouts Association
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1. ACRONYMS AND DEFINITION OF KEY TERMS

Acronym/Abbreviation	Meaning
ALT	Adult Leader Training
BP	Baden Powell
Cap	Legal Chapter reference (Cap 219)
CEO	Chief Executive Officer
FY	Financial Year
ERP	Enterprise Resource Planning
GOK	Government of Kenya
HR	Human Resource
ICT	Information and Communications Technology
IPSAS	International Public Sector Accounting Standards
ITC	Introductory Training Course
KCB	Kenya Commercial Bank
KSA	Kenya Scouts Association
PFMA / PFM Act	Public Finance Management Act
PTC	Part of training certificates
SDGs	Sustainable Development Goals
TSC	Teachers Service Commission
UNES	University of Nairobi Enterprises and Services
UNICEF	United Nations Children's Fund
WOSM	World Organization of the Scout Movement

Key Terms	Meaning
Deferred Income	Income received in advance, recognized only when conditions are fulfilled.
Non-Exchange Transactions	Transactions where the Association receives value without giving equal value in return.
Revaluation Reserve	Surplus created when asset values increase after revaluation.
Restricted Funds	Funds given for specific projects or purposes only.
Exchange Transactions	Transactions where KSA provides goods/services for value.
Amortization (Intangibles)	Gradual expense recognition of intangible assets.
Gearing	Measure of financial leverage comparing debt vs internal funds.
Enterprise Wing (Kenya Scout Enterprise)	Proposed commercial arm for running shops/centres.
Fiduciary Management	Financial oversight ensuring assets and systems are safeguarded.

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2. KEY ENTITY INFORMATION AND MANAGEMENT

(a) Background information

The Kenya Scouts Association is an educational, voluntary, and non-political movement for young people open to all without distinction of origin, race, creed, tribe and gender. It is an Educational Institution for peace, national and international cohesion through development of young people.

Kenya Scouts Association was established by an Act of Parliament Cap 219 of the Laws of Kenya and is the largest youth organization in Kenya catering for young people between the ages of 6-26 years with a membership of over 4,400,000 scouts and 200,000 adult leaders by the year 2025. It is a registered member of the World Organization of Scout Movement (WOSM) whose headquarters is based in Malaysia and Geneva.

The Kenya Scouts Association, since its inception in 1910 has grown to a dynamic Youth Movement in Kenya today and continues to mould and impact the lives of young people in Kenya. It has maintained, improved and upgraded relevant structures and infrastructure so as to facilitate quality scouting.

The Association aims at developing the youth at their formative ages so that they become responsible citizens through physical, social, intellectual and spiritual development.

Kenya Scouts Association is the only National Scout Organisation in Kenya with its membership of (over 4000,000 boys and girls and 200,000 Adult Leaders) being part of the global youth movement with over 40 million members worldwide.

(b) Principal Activities

The principal activity of the Association is to contribute to the educational development of young people by promoting their intellectual, physical, social, emotional and spiritual wellbeing, equipping them with knowledge, positive attitudes and skills useful to themselves and their communities through a value based on the scout law and promise. The Association also sells uniforms to scouts countrywide.

Vision

Creating a Better World.

Mission

To contribute to the education of youth people through a value based on the Scouts Promise and Law, helping build a better world where people are self-fulfilled as individuals and play a constructive role in society.

Purpose

To contribute to the development of young people in achieving their full physical, intellectual, emotional, spiritual and social potentials, and character formation; equipping them with knowledge skills and positive attitudes useful to themselves and their local, national and international communities.

Core Values of the Organization

Our Strength lies in the fundamental Principles of Scouting found in the Scout promise and law:

(c) Key Management

The Association's day to day management is under the following key organs;

- i. The Kenya Scouts Council
- ii. The National Scouts Board
- iii. The National Secretariat

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KEY ENTITY INFORMATION AND MANAGEMENT (Continued)

(d) Fiduciary Management

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

No	Designation	Name
1.	National Executive Commissioner	Moses Jonathan Ochieng
2.	Head of Procurement	Harmon Mutunga
3.	Head of Internal Audit	John Wekesa
4.	Head of Finance	Joyce Jowi
6.	Head of Training	Paul Maina
7.	Head of Projects & Partnerships	Patrick Wambua
8.	Head of Communications	Risper Omala
9.	Head of Scouts Shop & Camps and sites	Fred Mosaisi

(e) Fiduciary Oversight Arrangements

Name of the Committee	Role
Board Finance Committee 1. Alice Kihungi - Chairman 2. Franklin Mugambi-Member 3. Caleb Musa-Member 4. David Ole Nanyokie-Member 5. Joyce Jowi-Secretary/Finance Officer	<ul style="list-style-type: none"> ✓ Playing a finance advisory role to all the organs of the Association. ✓ Review all financial related transactions that require board approvals such as acquisition of capital assets, bank accounts, infrastructure development projects. The secretariat shall table this projects. ✓ Review on a quarterly basis any reports on the disposal of assets to the board. ✓ Provide input to strategic investment decisions e.g. opening new outlets, upgrading of centers. ✓ Budgets: reviewing the Annual Budget as well as comparing the actual revenues and expenses incurred against the Budget and submit to the board for approval.
Board Audit and Risk Committee 1. George Wagaya - Chairperson 2. Brig. Elijah N. Gatere-Member 3. Joyce Kwamboka-Member 4. John Wekesa - Secretary/Internal Auditor	<ul style="list-style-type: none"> ✓ To provide the Board with a means of independent and objective review of financial reporting; ✓ Monitor, on behalf of the Board, the effectiveness and objectivity of internal and external auditors; ✓ Provide input to the Board in its assessment of organizational risks and determination of risk appetite as part of the overall setting of the strategy; ✓ Monitor corporate governance eg compliance with terms of legislations, Constitution, Codes of Conduct and Ethics and Standing Financial Instructions.
Board Scout Enterprise Committee 1. Caleb Musa -Chairman 2. Brig. Elijah N. Gatere-Member 3. Mwinyihaji Tela-Member 4. Simon Kanyingi-Member 5. Fred Mosaisi-Secretary/Manager, Scout Enterprise	<ul style="list-style-type: none"> ✓ Propose name, do name search and register a scout enterprise limited company that is fully owned by The Kenya Scouts Association. ✓ Launch the scout enterprise by getting information and tools needed to get the business started. ✓ Manage the scout enterprise by making it run smoothly separate from scouting activities. This will be done by formulation of policies, procedures and guidelines governing the enterprise ✓ Expand the scout enterprise online presence by advertising and reaching out to new customers digitally so that the business can grow ✓ Improve decision making insights by innovating insights, provide foresights, reduce bureaucracies, for better decision making and improved performance ✓ Monitor consistent implementation of formulated scout enterprise Policies ✓ Annually review scout enterprise policies and consider to adopt best practices based on cooperate governance framework.

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Board Committee	Technical	
1. Anthony Gitonga- Chairman 2. Mwinyihaji Tela-Member 3. George Wagaya -Member 4. Elizabeth Nyaberi- Member 5. Paul Maina- Secretary/Training Officer		✓ To provide technical and advisory support to the Youth Program and training committees; ✓ To recommend to the Board short, medium and long term plans for the implementation of the Strategic Plan 2025-2029 in regard to Youth Program and training;
Board Human Recourse Committee 1. Joyce Kwamboka - Chairperson 2. Franklin Mugambi- Member 3.Elizabeth Nyaberi-Member 4. Irene Musyoka- Secretary/Human Resource Officer		✓ The Board Human Resource Committee is tasked with the role of reviewing and providing recommendations on issues relating to all human resource matters including; career progression, performance management, training, staff recruitment and placement, promotions, employee discipline, staff welfare, organization structure review and staff establishment.

(f) Entity Headquarters

P.O Box 41422,
Rowallan Scouts Camp,
Jamhuri Park, Kibera Drive,
Nairobi, Kenya

(g) Entity Contacts

Telephone: (254) 2020819
Email: info@kenyascouts.org
Website: <http://kenyascouts.org/>

(h) Entity Bankers

1) Equity Bank Ltd.

P. O. Box 75104 – 00200
NAIROBI

2) Kenya Commercial Bank Ltd

P. O. Box 46950
NAIROBI

3) I&M Bank

P. O. Box 30238
NAIROBI

4) Absa Bank

P. O. Box 30120 - 00100
NAIROBI

(i) Independent Auditors






Auditor General
Anniversary Towers, University Way
P.O. Box 30084-00100
GOP Nairobi, Kenya

(j) Principal Legal Adviser

Mulwa & Abuja Advocates
ICEA Building
P.O Box 6876-00100 Nairobi, Kenya












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3. NATIONAL SCOUT BOARD

	Photo	Name/Title	Profile
1.		Mr Victor Owuor Radido Chief Commissioner	DOB: 1982 Level of Ed.: University Degree Speciality: IT Length of service: 5 Years
2.		Ms Alice Kihungi Deputy Chief Commissioner, Chair Finance Committee	DOB:1964 Level of Ed.: University Speciality: Education Length of Service: 3 years
3.		Mr Moses Jonathan Ochieng National Executive Commissioner	DOB: 1965 Level of Ed.: University Degree Speciality: Education Administration Length of service: 5 Years
4.		Mr. Anthony Gitonga Member, International Commissioner	DOB: 1988 Level of Ed.: University Degree Speciality: Communications Length of Service: 3 Years
5.		Mr. Caleb Musa Member, Special Needs Commissioner	DOB: 1958 Level of Edu.: Masters Speciality: Religious Studies Length of service: 5 Years
6.		Ms. Elizabeth Nyaberi Member	DOB:1998 Level of Ed: University Speciality: Law Length of service: 3 years
7.		Mr. Mwinyihaji Tela Member	DOB: 1994 Level of Ed: University Speciality: Engineer Speciality: Length of service: 1 Year
8.		Mr. David Ole Nanyokie Member	DOB: 1964 Level of Ed: Diploma Speciality: Education Length of Service: 5 Years
9.		Mr. George Wagaya Member	DOB: 1981 Level of Ed: University Degree Speciality: Theology Length of Service: 2 years
10.		Ms. Joyce Kwamboka Member	DOB: Level of Ed: Speciality: Education Length of Service: 3 years
11.		Mr. Simon Kanyingi	DOB: Level of Ed.: University Speciality: Length of Service: 2 years
12.		Mr. Franklin Mugambi	DOB: Level of Ed.: University Speciality: Education Length of Service: 1 year
13.		Brig. Elijah Ndegwa Gatere	DOB: Level of Ed.: University Speciality: International Security and Strategy Length of Service: 3 Months

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4. MANAGEMENT TEAM

	<p>Name: Moses Jonathan Ochieng Education Specialization- B.Ed(Arts); MA (Litt) Designation: National Executive Commissioner</p>
	<p>Name: Fred Mosaisi Education Specialization: Bachelor of Commerce(Finance) Designation: Deputy National Executive Commissioner</p>
	<p>Name: Joyce Jowi Education Specialization Bcom (Finance) and CPA (K) Designation: Finance and Admin Manager</p>
	<p>Name: John Wekesa Education Specialization: BCoM (Finance) and CPAK/IIA Designation: Internal Auditor</p>
	<p>Name: Irene Musyoka Education Specialization: Masters in HRM and Certified HR Professional Designation: Human Resource Officer</p>
	<p>Name: Risper Omala Education Specialization: Masters in Communications & Marketing Designation: Communication and IT</p>
	<p>Name: Patrick Wambua Education Specialization: Masters in Philosophy and Community development Designation: Project and Partnerships Officer</p>
	<p>Name:Paul Maina Education Specialization: Diploma in IT & Communication Designation: Ag. Head Adult in Scouting</p>
	<p>Name:Harmon Nyaosi Mutunga Education Specialization: Bachelor Degree in Business Management, Procurement Designation: Procurement Officer</p>
	<p>Name:Isaac Makinya Education Specialization: Bachelor Degree in Business Management, Designation: Youth Programme Officer</p>
	<p>Name:David Ngiela Education Specialization: BsC in Computer Security and Forencics, BeD Art Designation: Youth Programme Officer</p>

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5. CHAIRMAN'S STATEMENT

Dear delegates, on behalf of the National Scout Board I wish to go straight into giving our report. However, before I delve deeper into it, it's important that I put it into perspective by stating the framework by which you can evaluate our performance in the last one year. Our success should be evaluated by the extent to which we:

- a. Managed sustainable membership growth for both Scouts and adults;
- b. Increased the accessibility of youth program to the Scouts;
- c. Built the capacity of our adult leaders to facilitate the design, delivery and implementation of the youth program;
- d. Developed a diverse resource base with adequate financial system for association's sustainability;
- e. Accurately portrayed the Association's profile as the country's leading youth Movement in what it does and why, as reflected in the shared values;
- f. Strengthened the effectiveness of all structures at the association;
- g. Increased the level of participation in all decision making processes by young people at all levels;
- h. Forged partnerships and alliances with organizations of a similar nature with similar interests and principles;
- i. Addressed the SDGs and Kenya Vision 2030 and to what extent we related to the WOSM Triennial Plan; and finally,
- j. Scouting impacted in the community by addressing socio-cultural and environmental issues in the community.

Governance

It is possible to have all the financial resources, human resource, and good physical infrastructure in an organization. However, these alone cannot guarantee progress unless we put in place sustainable and effective good governance and management systems that reflect best practices and are in tandem with the Kenya Constitution (2010) and relevant Laws. During the period under review we endeavoured to update our regulations so that Chapter 6 of the Constitution becomes most important reference point in as far as management of all adults in Scouting is concerned. We went further to constitute a committee that would vet all adults to ensure they are still fit to lead young people effectively and with integrity.

As you may note further deeper into this report we also restructured and beefed up our secretariat so that it is able to deliver on its mandate of effectively implementing the Strategic Plan 2025 - 2029. Note that the Board is a policy making organ that also gives strategic direction on behalf of the Council. The secretariat on the other hand has the duty to implement as per the direction given by the Board. It is the duty of the Board therefore to ensure it puts in place a human resource that is adequate, effective and result oriented.

Financial and asset management was the other area we continued to put a lot of effort with strict adherence to the current Public Finance Management Act (PFMA). As you may note from the Finance report and that of the Auditor-General we did generally well in those areas. Despite acquiring at least two Leases, for the BP Memorial Park and Miritini, acquisition of Land documentation remained a challenge. We will, however, be approaching our new Patron with a request to help us fast track the process of acquiring these ownership documents which has indeed been quite expensive and tedious.



Victor Owuor Radido
Chief Commissioner

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6. REPORT OF THE CHIEF EXECUTIVE OFFICER

The KSA Constitution marks out clearly the decision making organs of the Association, especially at the national level, ie the National Council, the Board, and the Secretariat. Then it goes further to assign roles to the devolved units. The success of the Association depends solely to the extent at which each organ plays its role effectively and efficiently. There are responsibilities that are devolved to the counties while others are still being handled by the Headquarters. If each of the counties performed their roles as expected, then KSA would indeed become a world class organization.

Human Resource

The Association has created the right work environment that attracts, develops and retains staff who are highly dedicated, professional and self-driven. The Human Resources Department has ensured the hiring of the right talent and continued to support them grow to their optimal capabilities to achieve the Association's objectives. In the year under review we engaged three officers in the following functions: Internal Audit, Security and Special Programs, ICT.

Institutional Sustainability

The Kenya Scouts Association still heavily relies on government funding to run its operations. However, strides have been made towards driving the Association towards self-reliance. Both the Scouts Shop and the Camps and Centres have increased their sales volumes significantly under the Scout enterprise Department. Below is a more detailed report of the performance both the Shop and the Camps and Centres:

The Scout Shop.

The sale of scout uniform and camping gears has more than tripled in the last 5 years. This was due to the following;

- a. Expansion of the scout shops from only one outlet in Nairobi 5 years ago to nine outlets in 8 counties namely; Nairobi, Mombasa, Embu, Nyeri, Nakuru, Uasin Gishu, Kisumu and Kakamega. In partnership with the County Scout leadership, more Scout shop outlets will be opened. The target is to have a Scout shop in every county before the end of the next five years.

Camps and Centers

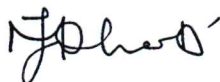
With steady water coming from the borehole we sank two years ago we have had more successful big scout events than before. The swimming pool too has created traffic to the Rowallan camp from the neighbouring schools. This translated to increased revenue generated from the camp.

We are receiving more rental income from Baden Powell House as is noticeable in the financials.

To spur the Association towards real financial sustainability the Board has initiated a process of registering a commercial wing referred to as the 'Kenya Scout Enterprise'. With the authority from the Board of Trustees this wing will run our shops and centres commercially without any encumbrances and will also go into joint ventures just like 'BOMA' of the Kenya Red Cross and UNES of the University of Nairobi. The proceeds thereof will be ploughed back to run the Scout Programs.

Title Deeds of KSA Land parcels

Lease documents for Miritini Campsite in Mombasa were processed successfully and are within our custody. The process is ongoing to acquire 5 more land titles in the current financial year. However, I want to report that this is one of the most challenging of tasks for our Board. However, we keep trying and it is our hope that our Scout Patron, H.E Hon. William Ruto, will help us out on this once we reach out to him.



**Moses Jonathan Ochieng
National Executive Commissioner**

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**7. STATEMENT OF THE KENYA SCOUTS ASSOCIATION'S PERFORMANCE
AGAINST PREDETERMINED OBJECTIVES FOR YEAR 2024/2025**

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

The effectiveness of the Association in the next 3 years will be evaluated on the extent to which it:

- i) Manages sustainable membership growth for both Scouts and adults in scouting.
- ii) Increases accessibility of the youth programme to the Scouts.
- iii) Builds the capacity of its adult leaders to facilitate the design, delivery and implementation of the youth programme.
- iv) Develops a diverse resource base with adequate financial system for its sustainability.
- v) Accurately portrays its profile as the country's leading youth movement in what it does and why, as reflected in its shared values.
- vi) Strengthens the effectiveness of all structures at the Association.
- vii) Increases the level of participation in all decision-making processes by young people at all levels.
- viii) It forms partnerships and alliances with organizations of a similar nature with similar interests and principles.
- ix) Addresses the SDGs and Kenya Vision 2030 and relates to the WOSM triennial plan.
- x) It impacts in the community by addressing socio-cultural and environmental issues in the community

KEY PILLARS OF THE STRATEGY

In line with the WOSM triennial strategic plan 2024-2027 the KSA 2025-2029 we adopted five key focus areas for the delivery of its youth programme. These are Innovating Scouting, Social and Environmental Impact, Communications and Relations, Governance and Institutional Sustainability. These five focus areas will enable KSA prepare our young people and the Association for a strong future, deliver our youth programme, face up to the challenges of growth retention and working smarter and positively impact on our communities.

KEY PILLARS	PRIORITY AREAS	STRATEGIC OBJECTIVES	Achievement
1. Innovate Scouting	Priority Area 1: Modernization and Digital Interjection	To Develop a KSA e-learning portal and Digital Badge System for all sections in Scouting. To Develop Online Learning Platforms for the Scouts by 2030 To Establish a Digital Community amongst the scouts	
	Priority Area 2: 21st Century Skills Development	To Achieve Science, Technology, Engineering and Mathematics (STEM) Integration by 2029 To initiate and support the implementation of Entrepreneurship Programs by 2029 To Initiate and support Critical Thinking Development.	
	Priority Area 3: Membership Growth	To grow Scout membership from approximately 4 million to 6 million and adults in scouting from 200,000 to 300,000 by 2029 To strengthen and build the capacity of adults in scouting to effectively design, deliver and implement the scout programme to the Scouts by 2029.	
2. Social and Environmental Impact	Priority Area 1: Promotion of Environmental Stewardship amongst scouts by 2029	To Initiate and support Environmental Sustainability Programs To conduct and support Environmental Conservation Programs by 2029 To Establish Strategic Partnerships with key stakeholders in Environmental Stewardship by 2029 To Promote and Undertake Community Outreach Programs by 2029	
	Priority Area 2: Diversity and Inclusion	To Scale up Inclusive Programming for differently able scouts by 2029 To promote Leadership Development among Scouts by 2029	

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	Priority Area 3: Mental Health and Well-being	To initiate and promote Mental Health and Well-being Awareness Programs by 2029 To Strengthen Mental Health and Well-being Support Systems by 2029 To Support Resilience Building initiatives on mental health and well-being by 2029	
	Priority Area 4: Community Engagement	To Promote and carry out Local Impact Projects with the community by 2029	
3. Communic ations, Partnershi p & Advocacy	Priority Area 1: Internal Communication	To implement structured, transparent, and accessible communication channels to enhance collaboration, reduce information silos, and ensure that all stakeholders are informed, aligned, and empowered to act.	
	Priority Area 2: External Communication	To develop and implement a comprehensive media and public relations strategy To build the capacity of youth leaders as effective media spokespersons and community correspondents To create a unified, recognizable, and authentic brand identity that communicates the organization's core values, vision, and mission, To develop and implement a standardized house style that ensures clarity, consistency, and professionalism across all organizational communications and publications. To Enhance the organization's reputation and social impact to Host Events & Public Engagement Initiatives Strengthen Partnerships & Collaborations with media	
	Priority Area 3: ICT	To Enhance ICT governance in the organization by 2029 Achieve an effective structure for ICT operations and governance To Improve ICT service delivery To Improve ICT Infrastructure	
	Priority Area 4: Stakeholders Engagement and Resource Mobilization	To Strengthen Partnerships and Collaboration by 2029 To develop Collaboration Programs To strengthen Donor Relations	
	Priority Area 5: Advocacy	To promote and enhance Youth Empowerment amongst the scouts To Increase Advocacy amongst Partners on youth issues	
	4. Good Governanc e and Financial Sustainabil ity	Priority Area 1: Leadership Development amongst adults in Scouting	To Undertake and promote Training Programs for Adults in Scouting by 2030
Priority Area 2: Human Resources Management		To be an Association that attracts, develops, and retains a highly skilled and diverse workforce that drives organizational success through innovation, collaboration, and a culture of excellence by 2029	
Priority Area 3: Sustainable Funding		To Ensure regular and effective Revenue Generation for KSA by 2029	
Priority Area 4: Safety and Risk Management		To Strengthen Safe Guarding and Safe from Harm Strategies in KSA by 2029 To conduct KSA Events Safety & Risk Assessment and Implementation of Risk Management by 2029	

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8. CORPORATE GOVERNANCE STATEMENT

This Corporate Governance Statement outlines the systems, structures, and practices through which the organization is directed and controlled. It demonstrates our commitment to accountability, transparency, ethical leadership, and sustainable value creation. Our governance approach is anchored on national laws, internal policies, and international best practices.

Our governance framework is based on the Constitution of Kenya, the Act of Parliament Cap 2019 of the Laws of Kenya and other applicable and relevant national legislation, Internal governance manuals, Codes of conduct, and Operational policies, and established Guidelines on Leadership, Risk Management, and Accountability.

The framework ensures effective oversight, clear separation of roles, and responsible decision-making at all levels.

The National Scout Board

The National Scout Board is committed to ensuring that the Association's obligations, roles and responsibilities to its various stakeholders are fulfilled through its corporate governance practices.

Members of the Association comprised the Chief Commissioner as the Chairperson of the Board, the Deputy Chief Commissioner, the National Executive Commissioner (Chief Executive Officer) as the Secretary and twelve (12) other members: four (4) of whom are nominated by the teams (Training, Youth Program, Administration, and County Youth Leaders), five (5) appointed for their special professional skills. And three (3) co-opted from Ministry of Education, Kenya Defence Forces, and the Ministry of Youth Affairs and Sports. The Board provides the overall strategic direction and operational guidance of the Association by:

- i. Establishing short and long-term goals of the Association and developing strategies to achieve these goals;
- ii. Monitoring the Association's performance against these set goals;
- iii. Overseeing the preparation of annual financial statements and reports;
- iv. Approving annual budgets;
- v. Ensuring that the Association has adequate systems of internal controls;
- vi. Monitoring compliance activities for business continuity.

The Chairperson

The Chairperson is responsible for providing leadership and governance to the Board and fosters the environment for the overall Board and individual Members effectiveness. This is by ensuring that all key and appropriate issues are considered by the Board in a timely manner. The Chairperson is also responsible for ensuring adherence to good corporate governance practices & procedures, and continuously promoting the highest standards of integrity and probity throughout the Association particularly at Board level. The Chairperson is charged with ensuring that the Board plays a full and constructive role in the development and determination of the Association's strategies and policies. The Chairperson also ensures that the Board is supplied with timely and sufficient information to enable it discharge its duties effectively.

Separation of Board and Management

The role of the Board is distinct from that of the Management. The Board is not involved in the conduct of day-to-day business as this is the responsibility given to the National Executive Commissioner.

The Board however, retains the responsibility of oversight and approving the policies of the Association. The Board has a formal schedule of meetings for deliberation of agenda items. Members are given appropriate and timely information to enable them provide and maintain full and effective direction and control over strategic, financial and operational issues of the Association.

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CORPORATE GOVERNANCE STATEMENT (Continued)

Board Appointments

During the period under review, the Ministry of Education nominated Mr. Francis Mugambi as its representative to the National Scout Board, replacing Mr. Eliud Wambua who had served effectively for a period of two years. The Kenya defence Forces also nominated to the Board Brig. Elijah Gatere. The appointments bolstered the numbers in Board to 13 competent, diverse and qualified Members. This enabled the reconstitution of Board Committees, specifically the Human Resource Committee and Finance Committee in addition to the Technical and the Audit Committees that supported the Board in the execution of its duties. The Members possess diverse professional backgrounds, representing various communities in Kenya and adhering to the one-third gender requirement.

Board Members' Designation and Professional Background

No.	Name	Designation	Professional/Skill Area
1	Victor Owuor Radido	Chairman	Information Technology
2	Mr Moses Jonathan Ochieng	Secretary	Education Management
3	Alice Kihungi	Vice Chair	Education Management
4	Mr. Anthony Gitonga	Member	Communication
5	Caleb Musa	Member	Theology
6	Brig. Elijah Gatere	Member	International Security and Strategy
7	Elizabeth Nyaberi	Member	Law
8	Mwinyihaji Tela	Member	Engineering
9	Francis Mugambi	Member	Education Management
10	David Ole Nanyokie	Member	Education
11	Maj. George Wagaya	Member	Theology
12	Joyce Kwamboka	Member	Education
13	Simon Kanyingi	Member	Youth Development

Board Meeting Attendance

The Board is required to meet at least once every quarter depending on the needs of the business of the Association. Four (4) full board meetings were held during the year ended 30th June, 2025.

Meetings Attendance Report for the Board Members for the Year 2024/5

Board Member	Classification	Designation	Audit & Risk Committee	Full Board Meeting
Victor Owuor Radido	Independent Member	Chairman	N/A	4
Moses Jonathan	National Executive Commissioner	Secretary	N/A	4
Alice Kihungi	Independent Member	Vice Chairperson	N/A	3
Anthony Gitonga	Independent Member	Member	N/A	4
Caleb Musa	Representing People leaving with disability	Member	2	4
Brig. Elijah Gatere	Representing KDF	Member	2	0
Elizabeth Nyaberi	Representing the Youth	Member	2	4
Francis Mugambi	Representing Ministry of Education	Member	N/A	4
Simon Kanyingi	Representing Ministry of Youth Affairs	Member	2	2
Mwinyihaji Tela	Independent Member	Member	N/A	4
David Ole Nanyokie	Independent Member	Member	N/A	4
George Wagaya	Independent Member	Member	2	4
Joyce Kwamboka	Independent Member	Member	2	4

**The Kenya Scouts Association
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For the year ended 30 June, 2025**

CORPORATE GOVERNANCE STATEMENT (Continued)

Board Remuneration

The Chairperson and members are paid sitting allowance for every meeting attended. The Secretary is paid a monthly salary and is eligible for staff loans.

Succession Management

The Board has established a succession plan in order to ensure the management team in the secretariat has the right mix of talent, expertise, and experience to meet the Association's short and long-term objectives. The plan also makes provision for inclusion in terms of gender and national diversity. The Kenya Scouts Association Constitution also provides mechanisms for the Board members to retire on rotational basis so as to maintain institutional memory and tradition.

Board and Management Performance Evaluation

Annual evaluations of the Board, committee, and management performance are conducted to strengthen governance effectiveness. Findings guide capacity-building, structural adjustments, and continuous improvement.

Audit and Risk Committee

The organization maintains a proactive risk management approach to identify, assess, and mitigate risks. Risk management policy and risk register reviewed quarterly, internal audits to test controls and recommend improvements, strengthened financial controls to safeguard assets and Compliance mechanisms aligned with regulatory and donor requirements are key measures undertaken by the Association.


The Audit Committee's obligation includes ensuring internal controls are planned, structured and implemented. The Committee reviews the proposed audit scope, approach and audit deliverables, and ensures that internal and external audit recommendations are implemented. The Audit Committee reviews the annual financial statements of the Association, the external auditor's opinion and their comments on internal controls and other observations. The Committee also reviews significant accounting and reporting issues and their impact on financial reports and legal matters that could significantly impact on the financial statements, among other financial reporting responsibilities. During the period under review, the Committee consisted of five (5) members, namely:

Ethics, Integrity, and Transparency

The Association upholds the highest standards of ethics and professionalism through the adherence to the Code of Conduct and Ethics Standards, Conflict of Interest policy requiring full disclosure, Anti-corruption and Whistleblowing Mechanisms and regular staff and leadership training on integrity standards.

Compliance and Reporting

The organization complies with legal, regulatory, and policy requirements governing operations. Annual audits, statutory submissions, and mandatory filings are completed in accordance with national laws and standards. The Association also complies with WOSM's constitutional and reporting obligations and annual audits and performance reports submission to the National Scout Council at the AGM.



Moses Jonathan Ochieng
National Executive Commissioner

**The Kenya Scouts Association
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9. MANAGEMENT DISCUSSION AND ANALYSIS

(a) Liquidity Risk

Liquidity risk is the risk that the Association will not have sufficient financial resources to meet its obligations when they fall due or will have no funds at its disposal. This risk can arise from mismatches in the timing of cash flows from revenue and capital/ operational outflows, assets and liabilities according to their maturity profiles and can occur where cash flow streams have been inconsistent.

During the year under review, this risk was well managed as the Association was able to meet all its obligations when they fell due.

(b) Credit risk

The Association is exposed to credit risk which is the risk that a debtor will not be able to pay the full amount of debts when they fall due.

Management of Credit risks

The Association has a well-established credit control procedure that monitor activities on customer accounts and allow for remedial action should the customer fail to comply with the payment terms.

These procedures include:

- Follow up of the customers by telephone or in-person
- Negotiation for mutually accepted payment arrangements terms
- Withdrawal of credit facilities
- Writing of debt demand letters to debtors

Legal action for those who fail to pay

c) Operational Risk

Operational risk is the risk of direct or indirect loss arising from a wide variety of causes associated with the Association's processes, personnel, technology and infrastructure and from external factors other than credit, market and liquidity risks such as legal and regulatory requirements and generally acceptable standards of corporate behavior.

Some of the key risks the Association has identified in its operations are

- (a) The sustainability of the Association in the event the grant in aid is withdrawn.
- (b) Encroachment of organizations land of 25.55 hectares valued at Kshs 78,956,800 by squatters and land grabbers

Material arrears in statutory/financial obligations

During the year under review the Association did not have any material arrears, in statutory, loan defaults, pending bills, tax default, and pension obligations.

Statement of Financial Performance Analysis

During the year under review the Association achieved a revenue realization of Kshs. 237,141,247 which accounts for Kshs. 42,181,724 increase from the previous year. This performance was attributable to various factors, including increased youth programme activities.

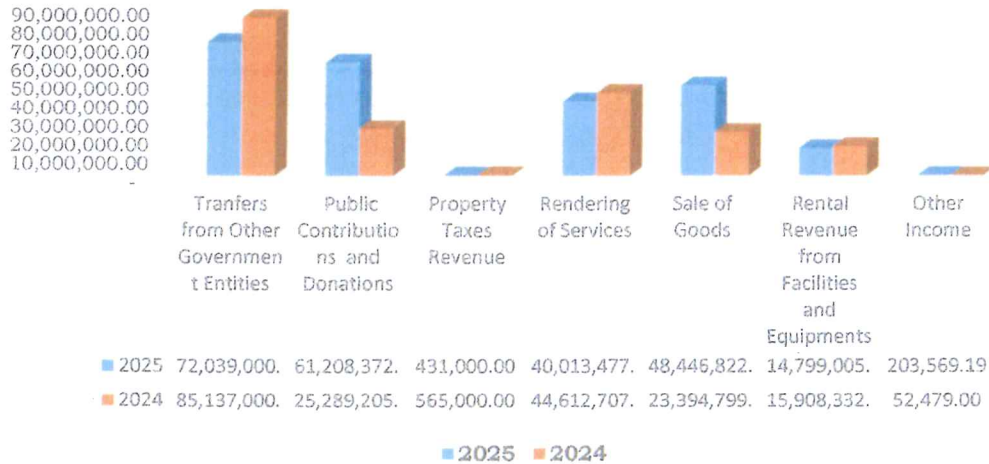
The total expenditure was Kshs. 240,572,434, representing an increase of Kshs. 60,188,333 from previous year.

This has been explained in the graph below.

**The Kenya Scouts Association
Annual Reports and Financial Statements
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MANAGEMENT DISCUSSION AND ANALYSIS (Continued)

REVENUE



The Association always continue to explore new and innovative ways of increasing its revenue collections. Some of the steps that the Association has taken towards improving its revenue generation include:

- ✓ Expansion of scout shop. Kisii shop has been opened. Other shops to be opened.
- ✓ Introduction of membership fees for scouts to boost income.

Expenditure



The Association has made progress in revenue generation as well as reduction on costs strategy.

Despite the progress, the following challenges continued to hamper effective resource mobilization;

- ❖ Over reliance on government funding. The government grant is still the main source of revenue to the Association
- ❖ Inadequate infrastructural development in Camp and centers. Most camps and centre still remain under developed.

**The Kenya Scouts Association
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10. ENVIRONMENT AND SUSTAINABILITY REPORTING

This Environmental Sustainability Report outlines the actions, progress, and commitments undertaken during the reporting period to promote responsible stewardship of natural resources, reduce environmental impact, and strengthen resilience within our operations and communities.

By demonstrating our commitment to community social development, we aim to align our activities, purpose, and strategy with the needs of our members, whilst embedding such responsible and ethical principles into everything we do. The elements of this report cover our approach in dealing with our members and the local community principles in an effort to support reducing our energy, transport, water use and other business usage so as to reduce our carbon footprint and environmental impact.

Environment

Protection of the environment in which we live and operate is part of Kenya Scouts Association's values and principles and we consider it to be sound business practice. Care for the environment is one of our key responsibilities and an important part of the way we work.

During 2024/25 FY, the Association was committed to:

- a. Complying with all relevant environmental legislation, regulations and approved codes of practice.
- b. Continued to work with the Government in its reforestation effort by planting over 1 million tree seedlings and giving the same to the members of the community to replant in their respective properties.
- c. Managing and disposing of all waste, particularly of non-degradable nature, in a responsible manner.
- d. Educating our youthful membership on management of plastic waste and adoption of renewable energy, with emphasis on solar.
- e. Developing our management processes to ensure that environmental factors are considered during planning and implementation of Scouting events such as camping.

The National Secretariat also ensured that the Association reduced the environmental impact by:

- a. Sourcing and buying locally to save fuel costs wherever possible.
- b. Using scrap paper for drafts and notes
- c. Printing in mono and double sided wherever possible.
- d. Sourcing recycled materials wherever possible.

Local Community

The National Scout Board also ensured that our work with the local community involved:

- a. Working with and supporting local charities
- b. Encouraging volunteer work in community activities.

Responsibility to Stakeholders

The Association prioritizes meaningful engagement with stakeholders including members, partners, government agencies, donors, and the communities we serve. We regularly communicate program progress, financial status, and organizational developments through reports, meetings and digital platforms. Through this we maintain strong relationships with our stakeholders.

The National Scout Board also ensures that we deal responsibly, openly and fairly with members and potential members by:

- a. Being open and honest about our activities
- b. We listen to our members to help us improve the Scouting activities.

The operational and ultimate responsibility for the commitment to our community social development lies with the National Scout Board. Every employee of the Association is expected to give their full co-operation to the above principles in their activities at work.

The Association remains committed to upholding good governance, inclusiveness, accountability, youth leadership, transparency, and responsible stewardship. These values underpin our mission of developing young people into responsible citizens and leaders of integrity.

**The Kenya Scouts Association
Annual Reports and Financial Statements
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11. REPORT OF THE DIRECTORS

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

Principal activities

The principal activities of the entity continue to be to contribute to the educational development of young people by promoting their intellectual, physical, social, emotional and spiritual wellbeing, equipping them with knowledge, positive attitudes and skills useful to themselves and their communities through a value based on the scout law and promise. The Association also sells uniforms to scouts countrywide.

Results

The results of the entity for the year ended June 30, 2025 are set out on page 1 to 32

Directors

The members of the Board of Directors who served during the year are shown above

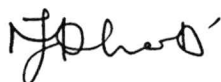
Dividends/Surplus remission

In accordance with Section 219 (2) of the Public Financial Management Act regulations, regulatory entities shall remit into Consolidated Fund, ninety per centum of its surplus funds reported in the audited financial statements after the end of each financial year. The entity did not make any surplus during the year as the surplus was not as a result of funds received from the government but generated from its various income generating activities and hence no remittance to the Consolidated Fund.

Auditors

The Auditor General is responsible for the statutory audit of the Association in accordance with Article 229 of the Constitution of Kenya and the Public Audit Act 2015 which empowers the Auditor General to appoint an auditor to audit on his behalf.

By Order of the Board



**Moses Jonathan Ochieng
National Executive Commissioner**

Nairobi.

Date: 16.08.2025

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 THE KENYA SCOUTS ASSOCIATION 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.

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

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

REPORT ON THE FINANCIAL STATEMENTS

Qualified Opinion

I have audited the accompanying financial statements of The Kenya Scouts Association set out on pages 1 to 31, which comprise of the statement of financial position as at 30 June, 2025 and the statement of financial performance, statement of changes in net assets, statement of cash flows and statement of comparison of budget and actual

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

In my opinion, except for the effects of the matter described in the Basis for Qualified Opinion section of my report, the financial statements present fairly, in all material respects, the financial position of The Kenya Scouts Association 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), the Kenya Scouts Association Act, 2008 and the Public Finance Management Act, 2012.

Basis for Qualified Opinion

Lack of Ownership Documents

As previously reported, the statement of financial position and as disclosed in Note 24 to the financial statements reflects property, plant and equipment balance of Kshs.1,814,155,339 which includes land valued at Kshs.1,670,527,285. Included in the balance are twenty-two (22) parcels of land, of which only seven (7) had land title documents while the remaining fifteen (15) lacked ownership documents. Further, the property, plant and equipment balance of Kshs.1,814,155,339 excludes twelve (12) parcels of land of undetermined value owned by the Association and located in ten (10) Counties.

In addition, status report issued by the Association's advocates revealed that the ownership of a parcel of land situated at Miritini, Rabai Ndogo area within Mombasa County whose title is held by the Association is the subject of ongoing litigation at the Environment and Land Court in Mombasa. The said parcel has been invaded by squatters.

Similarly, Baden-Powell House situated in the Nairobi County central business district was registered in the names of three persons who are since deceased. The Association has since appointed three new trustees in line with its constitution. However, the new Trust Deed that governs the relationship between the Trustees and the Kenya Scouts Council has not been approved and executed.

Further, the following parcels of land included in the fixed assets register are grounds for hire and not part of the Association's land;

	Description	Balance (Kshs)
1.	Honi Scouts Campsite	45,000,000
2.	Kabiru-Ini Campsite	38,000,000
3.	Mt Kenya Scouts Campsite, Gathiuru	43,000,000
4.	Kyuso Scouts Office	900,000
		126,900,000

In the circumstances, the accuracy, completeness, existence and ownership of property, plant and equipment balance of Kshs.1,814,155,339 could not be confirmed.

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

Key Audit Matters

Key audit matters are those matters that, in my professional judgement, are of most significance in the audit of the financial statements. Except for the effects of the matter described in the Basis for Qualified Opinion, I have determined that there are no other key audit matters to communicate in my report.

Other Matter

Unresolved Prior Year Matters

In the prior year’s audit report, several issues were raised under the Report on Financial Statements, Lawfulness and Effectiveness in the Use of Public Resources and Effectiveness of Internal Controls, Risk Management and Governance, respectively. Review of the status during audit of the Association in 2024/2025 revealed that the following six (6) matters remained unresolved;

	Issue
1.	Unsupported Property, Plant and Equipment Balance
2.	Inaccuracies in Designated Funds
3.	Long Outstanding Provision for Gratuity
4.	Lack of Internal Control Policies
5.	Weaknesses in Human Resource Management
6.	Lack of Annual Board Performance Evaluations

Other Information

The Directors are responsible for the Other Information set out on pages iii to xix which comprise of Key Entity Information and Management, The National Scouts Board, Management Team, Chairman’s Statement, Report of the Chief Executive Officer, Corporate Governance Statement, Management Discussion and Analysis, Environmental and Sustainability Reporting, Report of the Directors, Statement of Directors Responsibilities and Statement of Performance Against Predetermined Objectives. The Other Information does not include the financial statements and my audit report thereon.

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

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

REPORT ON LAWFULNESS AND EFFECTIVENESS IN THE USE OF PUBLIC RESOURCES

Conclusion

As required by Article 229(6) of the Constitution, based on the audit procedures performed, except for the 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. Long Outstanding Provision for Gratuity

As previously noted, the statement of financial position reflects a balance of Kshs.1,540,095 in respect of provision for gratuity as disclosed in Note 22 to the financial statements. However, the provision has been outstanding since the year 2014 and at the time of the audit in the month of November, 2025 had not been paid to the beneficiaries. This was contrary to Regulation 42(1a) of the Public Finance Management (National Government) Regulations, 2015 which stipulates that, debt service payments shall be a first charge.

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

2. Failure to Deduct and Remit Capacity Building Levy

The statement of financial performance reflects use of goods and services, contracted services and repairs and maintenance amounts of Kshs.37,348,835, Kshs.11,707,323 and Kshs.5,922,252 as disclosed in Notes 9, 13 and 15 to the financial statements respectively. However, no capacity building levy of 0.03% was deducted and remitted to the Public Procurement Regulation Authority in respect of contracts signed after 1st September, 2024. This was contrary to paragraph 3(1) of the Levy Order, 2023 which provides that, there shall be paid a levy by a supplier on all procurement contracts signed between the supplier and a procuring entity, at the rate of zero point zero three per centum (0.03%) of the value of the signed contract, exclusive of applicable taxes.

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

The audit was conducted in accordance with ISSAI 3000 and ISSAI 4000. The standards require that I comply with ethical requirements and plan and perform the audit to obtain assurance about whether the activities, financial transactions and information reflected in the financial statements comply in all material respects, with the authorities that govern

them. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my conclusion.

REPORT ON EFFECTIVENESS OF INTERNAL CONTROLS, RISK MANAGEMENT AND GOVERNANCE

Conclusion

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

Basis for Conclusion

Weak Internal Controls over Revenue Collection and Banking at Scout Centers

The statement of financial position reflects receivables from exchange transactions balance of Kshs.703,970 as disclosed in Note 17 to the financial statements. Audit review of the Association's revenue management systems and internal audit reports revealed weak internal controls over the collection, recording, and banking of income generated from various Scout Centers and Enterprises. In particular, the internal audit of Embu Scouts Centre conducted between September, 2022 and December, 2023 revealed that sales revenue amounting to Kshs.362,780 had not been banked by an officer in the Scouting Enterprise Department and the amount is subsequently being recovered through salary deductions. Further, the audit noted that there was lack of daily cash reconciliations and delays in banking, contrary to Regulation 64(1)(a) the Public Finance Management (National Government) Regulations, 2015, which require all national government revenue or other public moneys to be promptly collected and accounted for.

In the circumstances, there is potential risk of misappropriation, loss or diversion of revenue due to weak internal controls.

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 National Scouts Board

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 Association's ability to continue as a going concern, disclosing, as applicable, matters

related to going concern and using the going concern basis of accounting unless Management is aware of the intention to cease operations.

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

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

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

Auditor-General's Responsibilities for the Audit

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

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

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

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



FCPA Nancy Gathungu, CBS
AUDITOR-GENERAL

Nairobi

27 November, 2025

**The Kenya Scouts Association
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14. STATEMENT OF FINANCIAL PERFORMANCE FOR THE YEAR ENDED 30 JUNE 2025

	Notes	2025 KSHS	2024 KSHS
Revenue from Non - Exchange transactions			
Transfers from Other Government Entities	2	72,039,000	85,137,000
Public Contributions and Donations	3	61,208,372	25,289,206
		133,247,372	110,426,206
Revenue from exchange transactions			
Property Revenue	4	431,000	565,000
Rendering of Services	5	40,013,478	44,612,707
Sale of Goods	6	48,446,823	23,394,800
Rental Revenue from Facilities and Equipment	7	14,799,005	15,908,332
Other Income	8	203,569	52,479
		103,893,875	84,533,318
Total Revenue		237,141,247	194,959,523
Expenses			
Use of Goods and Services	9	37,348,835	32,342,938
Scouting Development Activities	10	116,009,846	69,881,706
Employee Cost	11	55,132,566	50,547,218
Board/Council Expenses	12	7,204,440	5,083,561
Contracted Services	13	11,707,323	12,686,103
Repairs & Maintenance	15	5,922,252	4,609,098
Depreciation and Amortization	14	7,247,172	5,233,477
		240,572,434	180,384,100
Total Expenses		240,572,434	180,384,100
Deficit for the period		(3,431,187)	14,575,423

The Financial Statements set out on pages 1 to 32 were signed on behalf of the Board of Directors by:



.....
Victor Owuor Radido
Chief Commissioner
Date: 24/11/25



.....
Moses Jonathan Ochieng
NEC
Date: 24/11/25



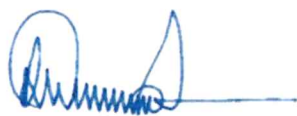
.....
Joyce Jowi
Finance & Admin Manager
Date: 24/11/25
ICPAK M/No. 35198

**The Kenya Scouts Association
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For the year ended 30 June, 2025**

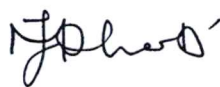
15. STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2025

	Notes	2025 KSH	2024 KSH
ASSETS			
Current Assets			
Cash & cash equivalents	16	39,416,182	53,892,013
Receivables from Exchange Transaction	17	703,970	703,970
Receivables from Non- Exchange Transaction	18	4,818,859	1,844,799
Inventories	19	137,544,309	104,811,806
Total Current Assets		182,483,319	161,252,588
Non - Current Assets			
Property, plant & equipment	24	1,814,155,339	1,814,131,007
Intangible Assets	25	4,117,513	184,238
Total Non-Current Assets		1,818,272,852	1,814,315,245
TOTAL ASSETS		2,000,756,171	1,975,567,833
LIABILITIES			
Current Liabilities			
Payables and Accruals	20	39,128,424	29,560,533
Short-Term Borrowing	21	83,376	-
Provision for gratuity	22	1,540,095	1,540,095
Total Current Liabilities		40,751,895	31,100,628
NET ASSETS		1,960,004,276	1,944,467,205
Represented by:			
Accumulated Surplus		889,597,194	893,028,381
Revaluation Reserve		1,006,753,186	1,006,753,186
Designated Funds		63,653,895	44,685,638
NET ASSETS		1,960,004,276	1,944,467,205

The Financial Statements set out on pages 1 to 32 were signed on behalf of the Board of Directors by:



.....
Victor Owuor Radido
Chief Commissioner
Date: 24/11/25



.....
Moses Jonathan Ochieng
NEC
Date: 24/11/25



.....
Joyce Jowi
Finance & Admin Manager
Date: 24/11/25
ICPAK M/No. 35198

**The Kenya Scouts Association
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16. STATEMENT OF CHANGES IN NET ASSETS FOR THE YEAR ENDED 30 JUNE 2025

	Notes	Designated Fund Kshs.	Accumulated Surplus Kshs.	Revaluation Reserve Kshs.	Total Fund Kshs.
1st July 2022		3,387,316	884,788,848	1,006,753,186	1,894,929,350
Surplus /(Deficit)for the period			(6,335,890)		(6,335,890)
Designated Fund	23	18,186,545			18,186,545
At 30th June 2023		21,573,861	878,452,958	1,006,753,186	1,906,780,005
1st July 2023		21,573,861	878,452,958	1,006,753,186	1,906,780,005
Surplus /(Deficit)for the period			14,575,423		14,575,423
Designated Fund	23	23,111,777			23,111,777
At 30th June 2024		44,685,638	893,028,381	1,006,753,186	1,944,467,205
1st July 2024		44,685,638	893,028,381	1,006,753,186	1,944,467,205
Surplus /(Deficit)for the period			(3,431,187)		(3,431,187)
Designated Fund	23	18,968,258			18,968,258
At 30th June 2025		63,653,895	889,597,194	1,006,753,186	1,960,004,276

The Financial Statements set out on pages 1 to 32 were signed on behalf of the Board of Directors by:



.....
Victor Owuor Radido
Chief Commissioner
Date: 24/11/25.



.....
Moses Jonathan Ochieng
NEC
Date: 24/11/25.



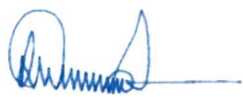
.....
Joyce Jowi
Finance & Admin Manager
Date: 24/11/25.
ICPAK M/No. 35198

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17. STATEMENT OF CASHFLOW FOR THE YEAR ENDED 30 JUNE 2025

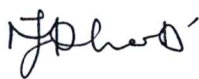
	Notes	2025 Kshs	2024 Kshs
Cash Flows from Operating Activities			
Receipt			
Transfers from Other Government Entities	2	72,039,000	85,137,000
Public Contributions and Donations	3	61,208,372	25,289,206
Property Taxes Revenue	4	431,000	565,000
Rendering of Services	5	40,013,478	44,612,707
Sale of Goods	6	48,446,823	23,394,800
Rental Revenue from Facilities and Equipment	7	14,799,005	15,908,332
Other Income	8	203,569	52,479
Net Receipts		237,141,247	194,959,523
Working Capital Adjustments			
		(26,138,672)	(17,932,132)
		211,002,575	177,027,391
Payments			
Use of Goods and Services	9	37,348,835	32,342,938
Scouting Development Activities	10	116,009,846	69,881,706
Employee Cost	11	55,132,566	50,547,218
Board/Council Expenses	12	7,204,440	5,083,561
Contracted Services	13	11,707,323	12,686,103
Repairs & Maintenance	15	5,922,252	4,609,098
Total Payments		233,325,262	175,150,623
Net Cash From Operating Activities		(22,322,687)	1,876,768
Cash Flows From Investing Activities			
Purchase of Property, Plant & Equipment	24	(5,506,856)	(1,865,294)
Increase in Intangible Assets	25	(5,697,923)	-
Net Cash From Investing Activities		(11,204,779)	(1,865,294)
Cash Flows from financing activities			
Increase in Designated funds	23	18,968,258	23,111,778
Short-Term Borrowing	21	83,376	-
Net cash used in financing activities		19,051,634	23,111,778
Net Increase in cash and cash equivalents		(14,475,832)	23,123,252
Cash & cash equivalents at beginning of the period		53,892,013	30,768,760
Cash & cash equivalents at end of the period		39,416,182	53,892,013

The Financial Statements set out on pages 1 to 32 were signed on behalf of the Board of Directors by:



Victor Owuor Radido
Chief Commissioner

Date: 24/11/25



Moses Jonathan Ochieng
NEC

Date: 24/11/25



Joyce Jowi
Finance & Admin Manager

Date: 24/11/25
ICPAK M/No. 35198

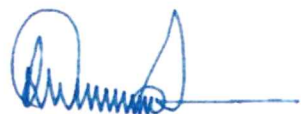
**The Kenya Scouts Association
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18. STATEMENT OF COMPARISON OF BUDGET AND ACTUAL AMOUNTS FOR THE YEAR ENDED 30 JUNE 2025

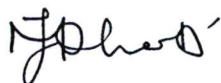
	ORIGINAL BUDGET	ADJUSTMENTS	FINAL BUDGET	ACTUAL ON COMPARABLE BASIS	% of utilization
	a	b	c=(a+b)	d	f=d/c
Revenue from Non - Exchange transactions					
Transfers from Other Government Entities	74,400,000	-	74,400,000	72,039,000	97%
Public Contributions and Donations	46,260,000	20,000,000	66,260,000	61,208,372	92%
	120,660,000	20,000,000	140,660,000	133,247,372	
Revenue from exchange transactions					
Rental Revenue from Facilities and Equipment	21,100,000	(5,000,000)	16,100,000	14,799,005	92%
Sale of Goods	97,350,000		97,350,000	88,460,301	91%
Property Revenue	5,400,000	(5,000,000)	400,000	431,000	108%
Other Income			-	203,569	
	123,850,000	(10,000,000)	113,850,000	103,893,875	
Total Revenue	244,510,000	10,000,000	254,510,000	237,141,247	
Expenses					
Use of Goods and Services	51,490,172	(4,600,000)	46,890,172	37,348,835	80%
Scouting Development Activities	115,556,200	4,000,000	119,556,200	116,009,846	97%
Board/Council Expenses	9,120,000	(1,200,000)	7,920,000	7,204,440	91%
Employee Cost	55,999,125	5,000,000	60,999,125	55,132,566	90%
Contracted Services	9,644,503	3,300,000	12,944,503	11,707,323	90%
Repairs and Maintenance	2,700,000	3,500,000	6,200,000	5,922,252	96%
					0%
Total Expenses	244,510,000	10,000,000	254,510,000	233,325,262	
			-		
Surplus for the period				3,815,985	

Budget Notes

Other than the depreciation and amortization recognized in the statement of financial performance and actual payments for the purchase of Assets and surplus on disposal of fixed assets shown on the face of the statement of comparison of budget and actual amounts, there are no reconciling items to warrant a reconciliation between surplus as per statements of financial performance and comparison of budget and actual amounts.



Victor Owuor Radido
Chief Commissioner
Date: 24/11/25



Moses Jonathan Ochieng
NEC
Date: 24/11/25



Joyce Jowi
Finance & Admin Manager
Date: 24/11/25
ICPAK M/No. 35198

**The Kenya Scouts Association
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Notes to the Statement of Comparison of Budget to Actual Amounts

Explanation of material variances (10 percent over/under)

1. Differences in Budgeted and Actual Figures (IPSAS 24.14)

i. Public Contributions and Donations

The above vote realized a performance of 92% due to the fact that some of the donors utilize calendar year in financing their project rather government fiscal year hence the realized shortfall.

ii. Rental Revenue from Facilities and Equipment

Revenue from rental facilities and equipment reduced due to fluctuations in scouting activities within the year. The Association realized a small drop of 8% in revenue generation from camps and centres.

iii. Use of Goods and Services

Low absorption of Use of goods and services was attributed to austerity measures towards reduction of expenditures within the Association operations including photocopying cost, removal of office tea and travel and substance claims

iv. Scouting Development Activities

This was within the budget at 97% absorption rate. The Association was able to carry out all the planed activities for the year.

v. Board/Council Expenses

The Board expenses were at KES. 7,204,440 with an absorption rate of 91%. The Association conducted some of the Committee meetings virtually thus reducing travelling cost.

vi. Employee Cost

The employee remuneration for the year was within the budget at a cost of KES. 60,999,125 with an absorption rate of 90%. This was realized by instituting in hiring interns and casuals' members of staff.

vii. Contracted Services

The contracted services cost relates to security guards, cleaning services, professional services contracted by the Association. The 10% underutilization was realized as a result of hiring cleaning service on need basis rather than on day to day basis and engaging professional service providers where no alternative can be sort within the Association workforce.

viii. Repairs and Maintenance

The absorption of repair and maintenance was at 96% of the budget. This cost mostly consists of repair of motor vehicles as well as the Association's buildings to realize the % drop in the budgeted estimates the Association utilized used its volunteers to undertake repairs work in some of its centre.

**The Kenya Scouts Association
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Notes to the Statement of Comparison of Budget to Actual Amounts (Continues)

2. Changes between original and final budget. (IPSAS 24.29)

a. Public Contributions and Donations

Project agreements and activities were undertaken during the year under review. Each project agreement has a schedule of expenditures approved by the financier to be undertaken in a given period.

b. Use of Goods and Services

The Association reduced the original budget by Kshs. 4,600,000 due to postponement of procurements. This reduction was as a result of austerity measures and casflow issues related to delay on government disbursement.

c. Scouting Development Activities

The Association reallocated Ksh. 4,000,000 to this cost since there was increased revenue from donations.

d. Board/Council Expenses

The Association reduced the original budget of board/council cost by Ksh. 1,200,000.

e. Employee Cost

This increased by Kshs. 5,000,000 due to hiring of additional staff higher than-expected statutory deductions

f. Contracted Services

The Association increased this cost by Kshs. 3,300,000 take care of legal services.

g. Repairs and Maintenance

The Association increased the repairs and maintenance cost by Kshs. 3,500,000

3. Reconciliation of Statement of Financial Performance to Statement of Budget and

Actual Amounts: The total actual on comparable amounts in this statement and the statement of financial performance amounts for all the expenditure items do not tie due to differences in accounting basis. The budget is prepared and implemented on cash basis, which the financial statements are prepared on the accrual basis. The differences are majorly caused by the accrued income, accrued expenses, provisions and prepayments.

	2025	2024
	Kshs	Kshs
Total Receipts Before Working Capital Adjustments		
Account Receivables from Exchange Transaction (Increase)/Decrease	-	12,760,223
Account Receivables from Non Exchange Transaction (Increase)/Decrease	(2,974,060)	1,993,740
Inventory (Increase)/Decrease	(32,732,503)	(24,283,455)
Account Payables Increase/(Decrease)	9,567,891	(8,402,640)
Total	(26,138,672)	(17,932,132)

**The Kenya Scouts Association
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19. NOTES TO THE FINANCIAL STATEMENTS

1. General Information

The Kenya Scouts Association was established by an Act of Parliament Cap 219 of the Laws of Kenya and is the largest youth organization in Kenya catering for young people between the ages 6-26 years with a membership of over 4,400,000 scouts and 200,000 adult leaders as at 2025. It is a registered member of the World Organization of Scout Movement (WOSM) whose headquarters is based in Malaysia and Geneva.

A. 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 *association's* accounting policies. The areas involving a higher degree of judgment or complexity, or where assumptions and estimates are significant to the financial statements, are disclosed in Note 5 of these financial statements

The financial statements have been prepared and presented in Kenya Shillings, which is the functional and reporting currency of the association.

The financial statements have been prepared in accordance with the PFM Act, the State Corporations Act, and International Public Sector Accounting Standards (IPSAS). The accounting policies adopted have been consistently applied to all the years presented.

B. Adoption of New and Revised Standards

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

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

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

Standard	Effective date and impact:
IPSAS 43	<p><i>Applicable 1st January 2025</i></p> <p>The standard sets out the principles for the recognition, measurement, presentation, and disclosure of leases. The objective is to ensure that lessees and lessors provide relevant information in a manner that faithfully represents those transactions. This information gives a basis for users of financial statements to assess the effect that leases have on the financial position, financial performance and cashflows of an Entity.</p> <p>The new standard requires entities to recognise, measure and present information on right of use assets and lease liabilities.</p> <p><i>The standard is relevant to the Association. Relevant information pertaining to the Lessor will be provided from time to time.</i></p>
IPSAS 44: Non-Current Assets	<p><i>Applicable 1st January 2025</i></p> <p>The Standard requires,</p>

**The Kenya Scouts Association
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Standard	Effective date and impact:
<p>Held for Sale and Discontinued Operations</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> <p><i>These changes have been assessed and at the moment they have no effect on the operations of the Association. Where the Association identifies assets for sale, they shall be classified separately from PPE in the year such decision is made.</i></p>
<p>IPSAS 45- Property Plant and Equipment</p>	<p><i>Applicable 1st January 2025</i></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 IPSAS 17 in IPSAS 45, heritage assets that satisfy the definition of PPE shall be recognised as assets if they meet the criteria in the standard. IPSAS 45 has an additional application guidance for infrastructure assets, implementation guidance and illustrative examples. The standard has clarified existing principles e.g valuation of land over or under the infrastructure assets, under- maintenance of assets and distinguishing significant parts of infrastructure assets.</p> <p><i>These changes have been assessed and the Association's assets will be impacted upon application of this standard.</i></p>
<p>IPSAS 46 Measurement</p>	<p><i>Applicable 1st January 2025</i></p> <p>The objective of this standard was to improve measurement guidance across IPSAS by:</p> <ul style="list-style-type: none"> i. Providing further detailed guidance on the implementation of commonly used measurement bases and the circumstances under which they should be used. ii. Clarifying transaction costs guidance to enhance consistency across IPSAS; iii. Amending where appropriate guidance across IPSAS related to measurement at recognition, subsequent measurement and measurement related disclosures. <p>The standard also introduces a public sector specific measurement bases called the current operational value.</p> <p><i>These changes have been assessed and the Association's assets and liabilities will be impacted upon application of this standard.</i></p>

i. Early adoption of standards

The Kenya Scouts Association did not early – adopt any new or amended standards in the financial year under review.

**The Kenya Scouts Association
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C. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

a) Revenue recognition

i) Revenue from non-exchange transactions

Fees, taxes and fines

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

Transfers from other government entities

Revenues from non-exchange transactions with other government entities are measured at fair value and recognized on obtaining control of the asset (cash, goods, services and property) if the transfer is free from conditions and it is probable that the economic benefits or service potential related to the asset will flow to the Association and can be measured reliably. 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.

ii. Revenue from exchange transactions

Rendering of services

The association recognizes revenue from rendering of services by reference to the stage of completion when the outcome of the transaction can be estimated reliably. The stage of completion is measured by reference to labour hours incurred to date as a percentage of total estimated labour hours.

Where the contract outcome cannot be measured reliably, revenue is recognized only to the extent that the expenses incurred are recoverable.

Sale of goods

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

Interest income

Interest income is accrued using the effective yield method. The effective yield discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount. The method applies this yield to the principal outstanding to determine interest income each period.

Revenue from exchange transactions

Dividends

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

Rental income

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

**The Kenya Scouts Association
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For the year ended 30 June, 2025**

NOTES TO THE FINANCIAL STATEMENTS (Continued)

b) Budget information

The original budget for FY 2024-2025 was approved by the National Scouts Board. 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 association upon receiving the respective approvals in order to conclude the final budget. The association'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.

A statement to reconcile the actual amounts on a comparable basis included in the statement of comparison of budget and actual amounts and the actuals as per the statement of financial performance has been presented under page 1 of these financial statements.

a) Investment property

Investment properties are measured initially at cost, including transaction costs. The carrying amount includes the replacement cost of components of an existing investment property at the time that cost is incurred if the recognition criteria are met and excludes the costs of day-to-day maintenance of an investment property.

Investment property acquired through a non-exchange transaction is measured at its fair value at the date of acquisition. Subsequent to initial recognition, investment properties are measured using the cost model and are depreciated over a 30-year period.

Investment properties are derecognized either when they have been disposed of or when the investment property is permanently withdrawn from use and no future economic benefit or service potential is expected from its disposal. The difference between the net disposal proceeds and the carrying amount of the asset is recognized in the surplus or deficit in the period of de-recognition.

Transfers are made to or from investment property only when there is a change in use.

a) Property, plant and equipment

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

**The Kenya Scouts Association
Annual Reports and Financial Statements
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NOTES TO THE FINANCIAL STATEMENTS (Continued)

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Depreciation

Property, plant and equipment are initially recorded at cost/valuation. Depreciation is calculated on reducing balance basis to write down the cost of each asset to its residual value over its predetermined useful life. The annual depreciation rates in use are as shown below:

Land	Nil
Building	2.5%
Motor vehicle	25%
Computers	30%
Furniture & Fittings	12.5%
Equipment & Machinery	12.5%
Amortization	30%
Work in Progress	Nil

b) Leases

Finance leases are leases that transfer substantially all of the risks and benefits incidental to ownership of the leased item to the Association. Assets held under a finance lease are capitalized at the commencement of the lease at the fair value of the leased property or, if lower, at the present value of the future minimum lease payments. The Association also recognizes the associated lease liability at the inception of the lease. The liability recognized is measured as the present value of the future minimum lease payments at initial recognition.

Subsequent to initial recognition, lease payments are apportioned between finance charges and reduction of the lease liability so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are recognized as finance costs in surplus or deficit. An asset held under a finance lease is depreciated over the useful life of the asset. However, if there is no reasonable certainty that the Association will obtain ownership of the asset by the end of the lease term, the asset is depreciated over the shorter of the estimated useful life of the asset and the lease term.

Operating leases are leases that do not transfer substantially all the risks and benefits incidental to ownership of the leased item to the Association. Operating lease payments are recognized as an operating expense in surplus or deficit on a straight-line basis over the lease term.

a) Intangible assets

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

The useful life of the intangible assets is assessed as either finite or indefinite.

b) Research and development costs

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

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

**The Kenya Scouts Association
Annual Reports and Financial Statements
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NOTES TO THE FINANCIAL STATEMENTS (Continued)

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

c) Financial instruments

Financial assets

Initial recognition and measurement

Financial assets within the scope of IPSAS 29 Financial Instruments: Recognition and Measurement are classified as financial assets at fair value through surplus or deficit, loans and receivables, held-to-maturity investments or available-for-sale financial assets, as appropriate. The Association determines the classification of its financial assets at initial recognition.

Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. After initial measurement, such financial assets are subsequently measured at amortized cost using the effective interest method, less impairment. Amortized cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the effective interest rate. Losses arising from impairment are recognized in the surplus or deficit.

Held-to-maturity.

Non-derivative financial assets with fixed or determinable payments and fixed maturities are classified as held to maturity when the Association has the positive intention and ability to hold it to maturity. After initial measurement, held-to-maturity investments are measured at amortized cost using the effective interest method, less impairment. Amortized cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the effective interest rate. The losses arising from impairment are recognized in surplus or deficit.

Impairment of financial assets

The Association assesses at each reporting date whether there is objective evidence that a financial asset or an Association of financial assets is impaired. A financial asset or an Association of financial assets is deemed to be impaired if, and only if, there is objective evidence of impairment as a result of one or more events that has occurred after the initial recognition of the asset (an incurred 'loss event') and that loss event has an impact on the estimated future cash flows of the financial asset or the Association of financial assets that can be reliably estimated. Evidence of impairment may include the following indicators:

The debtors or an Association of debtors are experiencing significant financial difficulty.
Default or delinquency in interest or principal payments
The probability that debtors will enter bankruptcy or other financial reorganization.
Observable data indicates a measurable decrease in estimated future cash flows (e.g., changes in arrears or economic conditions that correlate with defaults)

a) Financial liabilities

Initial recognition and measurement

Financial liabilities within the scope of IPSAS 29 are classified as financial liabilities at fair value through surplus or deficit or loans and borrowings, as appropriate. The Association determines the classification of its financial liabilities at initial recognition. All financial liabilities are recognized initially at fair value and, in the case of loans and borrowings, plus directly attributable transaction costs.

**The Kenya Scouts Association
Annual Reports and Financial Statements
For the year ended 30 June, 2025**

NOTES TO THE FINANCIAL STATEMENTS (Continued)

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Loans and borrowing

After initial recognition, interest bearing loans and borrowings are subsequently measured at amortized cost using the effective interest method. Gains and losses are recognized in surplus or deficit when the liabilities are derecognized as well as through the effective interest method amortization process. Amortized cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the effective interest rate.

b) Inventories

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

- i) Raw materials: purchase cost using the weighted average cost method.
- ii) Finished goods and work in progress: cost of direct materials and labour and a proportion of manufacturing overheads based on the normal operating capacity but excluding borrowing costs.
- iii) After initial recognition, inventory is measured at the lower of cost and net realizable value. However, to the extent that a class of inventory is distributed or deployed at no charge or for a nominal charge, that class of inventory is measured at the lower of cost and current replacement cost.
- iv) Net realizable value is the estimated selling price in the ordinary course of operations, less the estimated costs of completion and the estimated costs necessary to make the sale, exchange, or distribution.
- v) Inventories are recognized as an expense when deployed for utilization or consumption in the ordinary course of operations of the Association.

c) Provisions

Provisions are recognized when the Association has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits or service potential will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

Where the association expects some or all of a provision to be reimbursed, for example, under an insurance contract, the reimbursement is recognized as a separate asset only when the reimbursement is virtually certain. The expense relating to any provision is presented in the statement of financial performance net of any reimbursement.

d) Contingent liabilities

The association does not recognize a contingent liability but discloses details of any contingencies in the notes to the financial statements, unless the possibility of an outflow of resources embodying economic benefits or service potential is remote.

e) Contingent assets

The Association does not recognize a contingent asset but discloses details of a possible asset whose existence is contingent on the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Association in the notes to the financial statements. Contingent assets are assessed continually to ensure that developments are appropriately reflected in the financial statements. If it has become virtually certain that an inflow of economic benefits or service potential will arise and the asset's value can be measured reliably, the asset and the related revenue are recognized in the financial statements of the period in which the change occurs.

**The Kenya Scouts Association
Annual Reports and Financial Statements
For the year ended 30 June, 2025**

NOTES TO THE FINANCIAL STATEMENTS (Continued)

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

f) Nature and purpose of reserves

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

g) Changes in accounting policies and estimates

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

h) Related parties

The Association regards a related party as a person or an Association with the ability to exert control individually or jointly, or to exercise significant influence over the Association, or vice versa. Members of key management are regarded as related parties and comprise the directors, the CEO and senior managers.

i) Service concession arrangements

The Association 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 Association recognizes that asset when, and only when, it controls or regulates the services the operator must provide together with the asset, to whom it must provide them, and at what price.

In the case of assets other than 'whole-of-life' assets, it controls, through ownership, beneficial entitlement or otherwise – any significant residual interest in the asset at the end of the arrangement. Any assets so recognized are measured at their fair value. To the extent that an asset has been recognized, the Association also recognizes a corresponding liability, adjusted by a cash consideration paid or received.

j) 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 various commercial banks at the end of the financial year

Comparative figures

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

k) 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.

D. Significant Judgments and Sources of Estimation Uncertainty

The preparation of the Association'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.

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NOTES TO THE FINANCIAL STATEMENTS (Continued)

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

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 Association.
- 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 asset.
- Changes in the market in relation to the asset

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NOTES TO THE FINANCIAL STATEMENTS (Continued)

2 Transfers from Other Government Entities

	2025	2024
	KSHS	KSHS
Unconditional Grants		
Transfer during the year	72,039,000	85,137,000
Total Unconditional Grants	72,039,000	85,137,000

All the transfers recorded and recognized in the statement of financial performance have been confirmed and reconciled with those recognized by transferring ministry-Ministry of Education

3 Public Contributions and Donations

WOSM	4,335,246	4,596,128
Rainforest Alliance	1,479,538	1,587,050
Vi Agroforestry	22,391,757	11,343,491
UNICEF	22,717,800	7,177,600
Fund Raising	10,284,031	-
Solar Africa	-	584,937
Total Donations	61,208,372	25,289,206

The Association recognized support worth Shs61, 208,372 in the year from deferred donor funded income.

4 Property Revenue

Rental Income	431,000	565,000
Total-Property Taxes Revenue	431,000	565,000

5 Rendering of Services

Registration and Certificates	28,949,316	38,557,646
Woodbage , ALT PTC ITC Certificates	700,490	665,540
County Support -Training fee from counties	10,363,672	5,389,521
	40,013,478	44,612,707

6 Sale of Goods

Gross Revenue from Shop		
Sales of Scouts Uniforms & Camping gears	205,492,268	170,266,267
Cost of Sales		
Opening Stock	104,811,806	80,528,352
Add : Purchases	182,166,817	161,392,038
Less: Closing Stock	(137,544,309)	(104,811,806)
	149,434,314	137,108,583
Gross Profit	56,057,954	33,157,684
Less Operating Expenses	(7,611,131)	(9,762,884)
Net Profit/(Loss) from Shop Operations	48,446,823	23,394,800
Total Sale of Goods	48,446,823	23,394,800

This is revenue from sale of scout uniform, payment of membership registration and sale of certificates from trainings

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NOTES TO THE FINANCIAL STATEMENTS (Continued)

	2025	2024
	KSHS	KSHS
7 Rental Revenue from Facilities and Equipment		
Embu Centre	7,894,030	8,753,109
Kilifi Camp	66,850	78,900
Rowallan Camp	5,439,426	5,747,059
Machakos Camp	131,200	69,453
Nyeri Centre	729,254	662,711
Siaya Camp	538,245	597,100
Total Rental	14,799,005	15,908,332

This is revenue from hire of grounds, rooms and camping

8 Other Income		
Other Sundries	203,569	52,479
Total Other Income	203,569	52,479

The revenue includes interest on staff advances and last expense paid after demise of employee

9 Use of Goods and Services		
Communication Cost	983,750	832,500
Office Stationery	943,863	1,225,226
Printing and Photocopying	1,610,188	1,171,734
Subscription Fees	3,145,809	3,649,276
Utilities	2,687,310	3,437,787
Bank and Mpesa Charges	431,870	257,150
Rent and Rates	180,000	90,000
Restaurant Expenses	5,025,520	6,182,950
Chief Scout/Commissioner Office	1,010,895	1,434,416
Entertainment	450,000	-
Land Documentation	762,146	481,850
Domestic Travel Cost	4,568,277	3,037,296
Advertisement	1,156,700	138,040
Internet	1,020,050	1,269,480
Website Replacement/ Maintenance	871,692	500,400
Newspapers and Magazines	32,600	38,010
Events , Media & Publicity	1,296,250	1,084,800
ERP Support	2,950,340	372,260
IT Maintenance	953,517	492,902
Consultative meetings		207,056
Motor Vehicle Expenses	4,210,612	4,295,947
Staff Welfare	1,980,150	2,143,858
Foreign Exchange Loss	1,077,296	-
	37,348,835	32,342,938

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NOTES TO THE FINANCIAL STATEMENTS (Continued)

	2025	2024
	KSHS	KSHS
10 Scouting Development Activities		
Youth Programmes Expenses		
Certificates	2,926,040	4,656,310
Competition (Educational Camps)	8,429,670	7,599,143
Founderee and Founders Day	3,127,940	3,108,576
Membership Cards	1,976,000	767,750
National Youth training and Workshops	1,121,610	1,066,470
1st Africa Rover Moot	-	7,578,065
Scouts Jamboree	5,625,672	8,184,323
Youth Empowerment (Donor Funded)	55,247,861	11,758,694
Africa Scout Day	1,757,031	204,130
Membership Registration Cost	507,000	285,270
Youth Programme Meetings	556,019	603,362
Adult in Scouting Expenses		
Woodbadge	429,200	638,315
County Scouts Executives and ACC's meetings and workshops	2,939,994	375,500
Elections and Induction	-	46,600
LT/ALT/PTC Training	52,000	2,227,020
Capacity Building	2,571,250	-
County Scouts activities cost	11,412,820	8,786,710
Foreign travel, subsistence and other traveling cost	10,676,797	5,452,848
Others		
Task Force and Adhoc Meetings	496,522	146,650
Annual general Meeting	2,877,600	2,441,499
Training committee	209,270	224,120
Adults in Scouting Meeting	268,800	373,900
KSA Events and National Days Celebrations	2,669,000	1,070,251
National Admin	-	1,630,200
Monitoring & Evaluation	131,750	656,000
	116,009,846	69,881,706
11 Employee Cost		
Salaries & Wages	42,206,310	34,480,510
Medical Expenses	5,366,360	9,660,894
Group Life Insurance	494,216	425,722
Pension	6,291,680	5,148,232
Staff Other Expenses	774,000	831,860
	55,132,566	50,547,218

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NOTES TO THE FINANCIAL STATEMENTS (Continued)

	2025 KSHS	2024 KSHS
12 Board/Council Expenses		
National Scouts Board	2,750,950	1,063,736
Board of Trustees	171,950	58,300
Audit & Risk Committee	149,448	150,750
Executive Committee	3,266,356	2,696,538
Finance Committee Meeting	249,975	159,150
Technical Committee Meeting	192,700	167,155
Human Resource Committee Meetings	234,190	568,490
Scouting Enterprises Committee Meeting	188,871	219,442
	7,204,440	5,083,561
13 Contracted Services		
Safety and Security	6,180,925	6,857,463
Postage & Courier	977,425	2,850,638
Audit Cost	600,000	650,000
Cleaning & sanitation	778,073	535,002
Legal Fees	3,170,900	1,793,000
	11,707,323	12,686,103
14 Depreciation and Amortization		
Property Plant & Equipment	5,482,523	5,154,518
Intangible Assets	1,764,648	78,959
	7,247,172	5,233,477
15 Repairs & Maintenance		
Property Plant & Equipment	4,092,036	3,787,157
Motor Vehicles	1,830,216	821,941
	5,922,252	4,609,098

The cost of motor vehicle repair and maintenance increased due to the number of activities undertaken during the year.

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NOTES TO THE FINANCIAL STATEMENTS (Continued)

16 Cash and Cash Equivalents

	2025	2024
	KSHS	KSHS
Current Account	32,347,509	50,677,729
Staff Advance	476,851	1,419,235
Others (Paybill)	6,591,821	1,795,049
Total Cash and Cash Equivalents	39,416,182	53,892,013

Detailed Analysis of the Cash and Cash Equivalents

Current Account	2025	2024
Operating and Project Accounts	KSHS	KSHS
Absa Bank	-	(83,376)
Equity Bank Operations	1,236,244	1,858,971
Equity Bank Main	5,727,948	21,200,363
I & M Bank	5,001,083	4,517,573
KCB US Dollar	-	315,761
Equity Bank Vi Agroforestry	6,020,855	8,029,337
USD Account Equity	3,729,871	1,935,010
Centre & Camps Accounts		
Embu Centre, Equity Bank	1,246,921	366,349
Kilifi Centre, Equity Bank	92,709	65,949
Machakos Centre, Equity Bank	429,113	328,936
Rowallan Camp, Equity Bank	1,008,778	1,138,694
Siaya Centre, Equity Bank	359,123	1,710,220
Nyeri Centre, Equity Bank	675,733	448,315
Miritini Centre, Equity Bank	120,469	80,469
Shop Accounts		
Absa Bank	879,614	684,554
Equity Bank	3,221,803	6,500,394
Equity Agency	-	4,496
Equity Agency	-	110,010
County Scouts Accounts		
Equity Bank - Nairobi	1,956	102,065
Equity Bank - Mombasa	37,868	78,273
Equity Bank- Kwale	95,862	32,207
Equity Bank Kilifi	11	1,291
Equity Bank - Tana River	2,731	20,018
Equity Bank Taita Taveta	1,341	1,781
Equity Bank Marsabit	70,988	143
Equity Bank Meru	60,537	20,742
Equity Bank Embu	120,317	63,913
Equity Bank Mwingi	227	52,737
Equity Bank Machakos	15,471	35,586
Equity Bank Makueni	156,951	53,571
Equity Bank Nyeri	264,886	26,131

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NOTES TO THE FINANCIAL STATEMENTS (Continued)

16. Cash and Cash Equivalents (Continued)

Equity Bank Kirinyaga	48,156	7,991
Equity Bank - Muranga	151,468	52,988
Equity Bank Kiambu	396,503	121,985
Equity Bank Tharaka Nithi	26,528	11,418
Equity Bank - Turkana	760	760
Equity Bank - Trans Nzoia	196,945	265,338
Equity Bank - Uasin Gishu	10,675	89,267
Equity Bank Elgeyo Marakwet	2,502	1,502
Equity Bank Nandi	33,833	6,543
Equity Bank Laikipia	28,189	23,856
Equity Bank - Nakuru	93,818	63,018
Equity Bank - Narok	66	66
Equity Bank Kajiado	42,188	19,443
Equity Bank Kericho	1,246	496
Equity Bank Bomet	976	1,618
Equity Bank Kakamega	72	92
Equity Bank Bungoma	111,333	30,223
Equity Bank Busia	1,517	3,907
Equity Bank Siaya	104,225	235
Equity Bank Kisumu	260,309	177,511
Equity Bank Homa Bay	683	613
Equity Bank Migori	29,657	532
Equity Bank Kisii	39,393	508
Equity Bank Nyamira	64,200	37,895
Equity Bank Nyandarua	741	771
Equity Bank -West Pokot	429	40
Equity Bank Baringo	6,247	13,960
Equity Bank Vihiga	77,501	9,781
Equity Bank Wajir	3,845	3,845
Equity Bank Garissa	966	966
Equity Bank Samburu	320	320
Equity Bank Isiolo	32,416	30,086
Equity Bank Lamu	397	(323)
	32,347,509	50,677,729
Staff Advance		
KCB Moot 1	476,851	1,419,235
	476,851	1,419,235
Others		
963350 - KSA HQ	2,672,861	1,795,049
4041953 - KSA BP	1,728,870	-
4041955 - KSA ROWALLAN	212,260	-
4041957 - KSA EMBU	191,870	-
4041959 - KSA NYERI	152,080	-
4041961 - KSA MOMBASA	280,540	-
4041963 - KSA ELDORET	256,050	-
4041965 - KSA KAKAMEGA	191,100	-
40419695 - KSA NAKURU	485,310	-
4041967 - KSA KISUMU	420,880	-
	6,591,821	1,795,049
Grand Total	39,416,182	53,892,013

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NOTES TO THE FINANCIAL STATEMENTS (Continued)

	2025	2024
	KSHS	KSHS
17 Receivables from Exchange Transaction		
Scout Shop Debtors	363,970	363,970
Receivable from Bosco Sombe	190,000	190,000
Rubis Fuel Security	150,000	150,000
	703,970	703,970
18 Receivables from Non- Exchange Transaction		
Staff Loans	4,688,049	1,844,799
Staff Debtor	130,810	
	4,818,859	1,844,799

These funds are deposited with the bank to support concessionary interest rate facilities to staff.

(a) Ageing analysis for Receivables from exchange transactions

Description	2025		2024	
	Kshs	% of the total	Kshs	% of the total
Less than 1 year	-	0		0
Between 1- 2 years	-	0		0
Between 2-3 years	-	0	703,970	100%
Over 3 years	703,970	100%		0
Total (a+b)	703,970	100%	703,970	100%

(b) Ageing Analysis- Receivables from non- exchange transactions

Description	2025		2024	
	Kshs	% of the total	Kshs	% of the total
Less than 1 year	4,818,859	100%	1,844,799	100%
Between 1-2 years		0		
Over 3 years		0		
Total	4,818,859	100%	1,844,799	100%

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NOTES TO THE FINANCIAL STATEMENTS (Continued)

19 Inventories

Rowallan	1,249,919	1,142,528
Kisumu	2,363,926	2,970,865
Kakamega	1,940,863	2,108,467
Embu	1,610,283	1,814,029
Nakuru	2,421,776	3,002,538
Main store	109,742,482	73,064,497
Nyeri	2,031,390	2,050,425
Eldoret	1,704,496	1,953,283
Mombasa	3,510,455	3,495,932
BP Shop	6,879,571	11,453,211
Kisii	2,115,508	1,756,031
Kiambu	688,305	-
Meru	1,285,335	-
Total inventories at the lower of cost and net realizable value	137,544,309	104,811,806

Inventories consist of scouts uniforms, certificates and membership cards that are sold by the association. The Association buys the items in bulk to cushion itself against forex exchange uncertainties

20 Payables and Accruals

BP Shop Debtors	29,824,069	29,560,533
Accrued Bank Charges	83,376	-
Non Trade Creditors	9,304,355	-
Total Payables	39,211,800	29,560,533

21 Short-Term Borrowing

	83,376	
	83,376	-

22 Employee Benefit Obligations

The Association also contributes to the statutory National Social Security Fund (NSSF). This is a defined contribution scheme registered under the National Social Security Act. The association's obligation under the scheme is limited to specific contributions legislated from time to time and is currently at KShs. 4,320 per employee per month. Other than NSSF the Association also has a defined contribution scheme operated by UAP OLD MUTUAL Pension Fund. Employees contribute 7% while employers contribute 13% of basic salary. Employer contributions are recognized as expenses in the statement of financial performance within the period they are incurred.

Staff Gratuity

	2025	2024
	KSHS	KSHS
Beginning of the year	1,540,095	1,540,095
	1,540,095	1,540,095

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NOTES TO THE FINANCIAL STATEMENTS (Continued)

23 Designated Funds

As at 1st July	23,111,778	18,186,545
Net Surplus/(Deficit)	(4,143,520)	4,925,233
As at 30th June	18,968,258	23,111,778
Income		
WOSM	4,335,246	4,596,128
Rainforest Alliance	1,479,538	1,587,050
Vi Agroforestry	22,391,757	11,343,491
UNICEF	22,717,800	7,177,600
Solar Africa	-	584,937
World Scout Jamboree	-	7,253,952
	50,924,341	32,543,158
Expenditure		
Ticket to Life, Plastic Tide Turners, Msulli, COW	48,813,911	8,556,143
ASILI B	6,253,950	3,299,394
1st Africa Rover Moot	-	7,578,065
World Scout Jamboree	-	8,184,323
Total Expenditure	55,067,861	27,617,925
Surplus	(4,143,520)	4,925,233

Designated funds are restricted funds that is used to fund youth programme activities in different counties.

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NOTES TO THE FINANCIAL STATEMENTS (Continued)

24 Property, Plant and Equipment

	Land	Buildings	Motor vehicles	Computers	Furniture, Fixtures & Fittings	Equipment	Work in Progress	Total
Depreciation Rate	Nil	2.5%	25%	30%	12.5%	12.5%		
Cost/Valuation	Kshs	Kshs	Kshs	Kshs	Kshs	Kshs	Kshs	Kshs
As at 30/06/2023	1,669,446,042	173,989,142	11,549,520	7,703,901	6,971,309	7,296,215	11,350,420	1,888,306,549
Additions	-	-	-	946,344	918,950	-	-	1,865,294
As at 30/06/2024	1,669,446,042	173,989,142	11,549,520	8,650,245	7,890,259	7,296,215	11,350,420	1,890,171,843
Additions	1,081,243	-	-	1,624,280	886,950	1,914,383	-	5,506,856
As at 30/06/2025	1,670,527,285	173,989,142	11,549,520	10,274,525	8,777,209	9,210,598	11,350,420	1,895,678,699
Depreciation and Impairment								
As at 30/06/2023	-	46,033,433	10,482,796	5,761,014	4,553,739	4,055,337	-	70,886,318
Disposals	-	-	-	-	-	-	-	-
Charge for the year	-	3,198,893	266,681	866,769	417,065	405,110	-	5,154,518
As at 30/06/2024	-	49,232,325	10,749,477	6,627,783	4,970,804	4,460,447	-	76,040,836
Disposals	-	-	-	-	-	-	-	-
Charge for the year	-	3,118,920	200,011	1,094,023	475,801	593,769	-	5,482,523
As at 30/06/2025	-	52,351,246	10,949,488	7,721,806	5,446,604	5,054,215	-	81,523,359
Net Book Value								
As at 30/06/2025	1,670,527,285	121,637,896	600,032	2,552,719	3,330,605	4,156,382	11,350,420	1,814,155,339
As at 30/06/2024	1,669,446,042	124,756,817	800,043	2,022,462	2,919,455	2,835,768	11,350,420	1,814,131,007
As at 30/06/2023	1,669,446,042	127,955,709	1,066,724	1,942,887	2,417,570	3,240,878	11,350,420	1,817,420,231

25. INTANGIBLE ASSETS-ERP System

	2025 KSHS	2024 KSHS
Cost	4,385,973	4,385,973
30th June 2025	4,385,973	4,385,973
Additions	5,697,923	-
Cost As at 30/06/2025	10,083,896	4,385,973
Amortization		
Accumulated Amortization	4,201,735	4,122,775
Charge for the year	1,764,648	78,959
30th June	5,966,383	4,201,735
Net Book Value	4,117,513	184,238

It's policy of the association to amortize all intangible assets at the rate of 30% on reducing balance basic

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NOTES TO THE FINANCIAL STATEMENTS (Continued)

	2025	2024
	KSHS	KSHS
26. Cash Generated from Operating Activities		
Net Surplus/(Deficit)	(3,529,905)	14,575,423
Adjustment on non-cash income and expenditure		
Depreciation and Amortization expenses	7,247,172	5,233,477
Changes in working capital		
Account Receivables from Exchange Transaction (Increase)/Decrease	-	12,760,223
Account Receivables from Non Exchange Transaction (Increase)/Decrease	(2,843,250)	1,993,740
Inventory (Increase)/Decrease	(32,732,503)	(24,283,455)
Account Payables Increase/(Decrease)	9,567,891	(8,402,640)
Employee Benefit Obligation Increase/(Decrease)	-	-
Net Cash From Operating Activities	(22,239,311)	1,876,769

27. FINANCIAL RISK MANAGEMENT

The association's activities expose it to a variety of financial risks including credit and liquidity risks and effects of changes in foreign currency. The association's overall risk management programme focuses on unpredictability of changes in the business environment and seeks to minimise the potential adverse effect of such risks on its performance by setting acceptable levels of risk. The association does not hedge any risks and has in place policies to ensure that credit is only extended to customers with an established credit history.

i) Credit risk

The association has exposure to credit risk, which is the risk that a counterparty will be unable to pay amounts in full when due. Credit risk arises from cash and cash equivalents, and deposits with banks, as well as trade and other receivables and available-for-sale financial investments. Management assesses the credit quality of each customer, taking into account its financial position, past experience and other factors. Individual risk limits are set based on internal or external assessment in accordance with limits set by the directors. The amounts presented in the statement of financial position are net of allowances for doubtful receivables, estimated by the association's management based on prior experience and their assessment of the current economic environment.

Capital Risk Management

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

	2025	2024
	KSHS.	KSHS
General Fund	889,498,476	893,028,381
Revaluation Reserve	1,006,753,186	1,006,753,186
Designated Fund	63,653,895	44,685,638
Total funds	1,959,905,558	1,944,467,205
Less: cash and bank balances	(39,416,182)	(53,892,013)
Net debt/(excess cash and cash equivalents)	1,920,489,376	1,890,575,192
Gearing	0.98%	0.98%

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NOTES TO THE FINANCIAL STATEMENTS (Continued)

28. RELATED PARTY BALANCES

Nature of related party relationships

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

Government of Kenya

The Government of Kenya is the principal shareholder of the association, holding 100% of the association's equity interest. The Government of Kenya has provided full guarantees to all long-term lenders of the entity, both domestic and external. Other related parties include:

- i) The National Government;
- ii) The Parent Ministry;
- iii) Key management;
- iv) Board of directors;

Transactions with related parties	2025	2024
	KSHS	KSHS
a) Sales to related parties		
b) Grants from the Government		
Grants from National Govt	72,039,000	85,137,000
Donations in kind	-	-
Total	72,039,000	85,137,000
c) Expenses incurred on behalf of related party		
d) Key management compensation		
Total	72,039,000	85,137,000

29. SEGMENT INFORMATION

The Association has the following camps and centres

- a. Rowallan Camp
- b. Embu Scouts Centre
- c. Siaya Camp
- d. Machakos Camp
- e. Kilifi Camp
- f. Kayaba Camp
- g. Nyeri Camp

The revenues and expenses from this centres have been included in the report.

30. EVENTS AFTER THE REPORTING PERIOD

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

31. ULTIMATE AND HOLDING ENTITY

The entity is a Semi- Autonomous Government Agency under the Ministry of Education. Its ultimate parent is the Government of Kenya.

32. CURRENCY

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

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APPENDIX 1: PROGRESS ON FOLLOW UP OF AUDITOR RECOMMENDATIONS

The following is the summary of issues raised by the external auditor, and management comments that were provided to the auditor. We have nominated focal persons to resolve the various issues as shown below with the associated time frame within which we expect the issues to be resolved.

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)
1.0	<p>Unsupported Property, Plant and Equipment Balance Unsupported Property, Plant and Equipment Balance The statement of financial position and as disclosed in Note 23 to the financial statements reflects property, plant and equipment balance of Kshs. 1,814,131,007 which includes land valued at Kshs. 1,669,446,042. Included in the balance are twenty-two (22) pieces of land, of which only three (3) had land title documents while the remaining nineteen (19) lacked ownership documents. Further, the property, plant and equipment balance of Kshs. 1,814,131,007 excludes twelve (12) parcels of land of undetermined value owned by the Association and located in ten (10) Counties.</p> <p>In the circumstances, the accuracy, completeness, existence and ownership of property, plant and equipment balance of Kshs. 1,814,131,007 could not be confirmed.</p> <p>The audit was conducted in accordance with International Standards for Supreme Audit Institutions (ISSAIs). I am independent of the Kenya Scouts Association Management in accordance with ISSAI 130 on the Code of Ethics. I have fulfilled other ethical responsibilities in accordance with the ISSAI and in accordance with other ethical requirements applicable to performing audits of financial statements in Kenya. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my qualified opinion.</p>	<p>The Association notes that the Auditor General's observation is correct. The Association has engaged various Government agencies such as National Lands Commission, Ministry of Lands to fast tract the processing of the ownership documents. 21 files were submitted and received by the Land Ministry on 29th November 2023 as per the attached letters (Our Ref: KSA/ADM/34/325/VOL.4). Four files were successfully processed and documents obtained i.e. Miritini in Mombasa County, Rowallan Scouts Camp in Nairobi County, ESP and International Scouts Conference Centre in Nyeri County. See the Attachments.</p> <p>The land title for Miritini Scout Centre (Title No. CR No. 82371) was obtained during the financial year. Furthermore, Nakuru, Kilifi, Siaya, and Kiambu files are under process.</p>	In Progress	
2.0	<p>Inaccuracies in Designated Funds The statement of financial position and the statement of changes in net assets reflects a balance of Kshs 44,685,638 in respect of designated funds as disclosed in Note 22 to the financial statements. However Note 22 to the financial statements reflects designated funds addition or net surplus during the year under review amounting to Kshs 4,925,233 which differs with the balance reflected in the statement of changes in net assets amount of Kshs 23,111,777, resulting to an unexplained</p>	<p>The management is in agreement with the observation. However, we would like to state that the difference between Kshs 18,186,544 and Kshs 21,573,861 related to unreconciled opening balance of designated funds as at 1st July 2023 and necessary reconciliations were done and presented as required. To elaborate further, we would like indicate</p>	Resolved	

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	<p>variance of Kshs 18,186,544. Further, the statement of changes in net assets reflects a balance of kshs 21,573,861 as at 1 July 2023 and surplus for the year under review amounting to Kshs 23,111,777, all totaling Kshs 44,685,638 as at 30 June, 2024 and which differs with the re-casted balance of Kshs 26,499,094 again resulting to a variance of Kshs 18,186,544.</p> <p>In the circumstances, the accuracy and completeness of designated funds balance of Kshs 44,685,638 could not be confirmed.</p>	<p>that the accurate closing balance of designated fund amount of Kshs 44,685,638 will be carried forward to future financial statements for further review.</p>		
3.0	<p>Long Outstanding Provision for Gratuity</p> <p>The statement of financial position reflects a balance of Kshs. 1,540,095 in respect of provision for gratuity as disclosed in Note 21 to the financial statements. However, the provision has been outstanding since year 2014 and as of the time of the audit in the month of November, 2024 had not been paid to the beneficiaries. This was contrary to Regulation 42(1a) of the Public Finance Management (National Government) Regulations, 2015 stipulates that, debt service payments shall be a first charge.</p>	<p>The management is in agreement with the observation and would like to state that the above outstanding provision relates to gratuity of some members of staff after conversion of terms of engagement from contract based employment to permanent and pensionable term as at January 2019. However relevant approvals have been sort from Association's board of directors through board meeting held in February 2025 and payment will be done before the closure of FY 2025/26.</p>	Pending	
4.0	<p>Lack of Internal Control Policies</p> <p>Review of the internal controls and IT internal controls of the Association revealed that the Association had not prepared and adopted organization level policies and plans which included risk management policy, ICT strategic plan, disaster recovery plan and credit management policy. Lack of policies and procedures may lead to inefficiencies and poor controls in the entity's operations.</p> <p>In the circumstances, Management's failure to identify risks and institute mitigation measures may threaten the going concern of the entity.</p>	<p>The management agrees with the observation. The Association has formulated an ICT steering committee which has effectively developed an ICT Risk Management policy that will be used by all departments in the Association to mitigate all inherent risk.</p>	Resolved	
5.0	<p>Weaknesses in Human Resource Management</p> <p>The statement of financial performance reflects employee costs amount of Kshs. 50,547,218 as disclosed in Note 11 to the financial statements. However, the following anomalies on human resource records and documentation were observed:</p> <p>i. In the year under review, the Association did not have approved staff establishment showing the entity's staffing needs, approved staff training needs assessment and training program, and approved staff salary structure;</p>	<p>The statement of financial performance reflects employee costs amount of Kshs. 50,547,218 as disclosed in Note 11 to the financial statements. However, the following anomalies on human resource records and documentation were observed:</p> <p>i. In the year under review, the Association did not have approved staff establishment showing the entity's staffing needs, approved staff training needs assessment and training program, and approved staff salary structure;</p> <p>ii. Clause 5.0 of the Kenya Scouts Association Human Resource Policy, 2016 on promotion policy and</p>	Ongoing	

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	<p>ii. Clause 5.0 of the Kenya Scouts Association on promotion policy and performance management does not have staffing career progression guidelines.</p> <p>In the circumstances, the effectiveness human resource management could not be confirmed</p>	<p>performance management does not have staff career progression guidelines.</p> <p>In the circumstances, the effectiveness of human resource management could not be confirmed.</p>		
6.0	<p>Lack of Board Performance Evaluations</p> <p>The statement of financial performance reflects an amount of Kshs. 5,083,561 in respect of Board/ Council expenses as disclosed in Note 12 to the financial statements. However, there was no evidence to confirm that the Board/Council had conducted evaluations of their performance.</p> <p>In the circumstances, the participation of Association's stakeholders in providing appropriate recommendations for improvement is hampered.</p> <p>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.</p>	<p>The management is in agreement with the observation and would like to state that the association fully complied with the stated requirement by undertaking a board evaluation in August 2025 and facilitated by SCAC. See the attachment.</p>	Resolved	



Chairman of the Board
Date: 16.08.2025

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APPENDIX II: INTER-ENTITY TRANSFERS

ENTITY NAME: The Kenya Scouts Association				
Break down of Transfers from the State Department of Early Learning and Basic Education				
FY 24/25				
		<u>Bank Statement Date</u>	<u>Amount (KShs)</u>	<u>Indicate the FY to which the amounts relate</u>
a.	Recurrent Grants	-	-	
b.	Development Grants	-	-	
c.	Direct Payments			
	August 2024	08/19/2024	6,549,000	2024/2025
	September 2024	09/13/2024	6,549,000	2024/2025
	October 2024	10/23/2024	6,549,000	2024/2025
	November 2024	11/18/2024	6,549,000	2024/2025
	December 2024	12/17/2024	6,549,000	2024/2025
	January 2025	01/13/2025	6,549,000	2024/2025
	February 2025	02/13/2025	6,549,000	2024/2025
	March 2025	03/14/2025	6,549,000	2024/2025
	April 2025	04/08/2025	6,549,000	2024/2025
	May 2025	05/09/2025	6,549,000	2024/2025
	June 2025	06/11/2025	6,549,000	2024/2025
			72,039,000	

The above amounts have been communicated to and reconciled with the parent Ministry

Finance Officer
The Kenya Scouts Association

Sign

