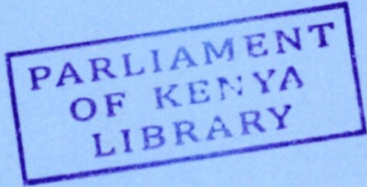


REPUBLIC OF KENYA



REPORT

OF



THE AUDITOR-GENERAL

ON

KENYA ACCOUNTANTS AND SECRETARIES NATIONAL EXAMINATIONS BOARD FOUNDATION

FOR THE YEAR ENDED

30 JUNE, 2025

THE NATIONAL ASSEMBLY
PAPERS LAID

DATE: 12 MAR 2026

DAY:

THUR

TABLED
BY:

Sp. Leader of the Majority
Party
HON. CHEN BAH, MP

CLERK AT
THE TABLE:

MERG CHUMO

OFFICE OF THE AUDITOR GENERAL
P.O. Box 30084 - 00100, NAIROBI
RECORDS OFFICE

25 NOV 2025

RECEIVED

KASNEB
FOUNDATION



The National Treasury



Empowering Your Professional Growth



**KASNEB FOUNDATION
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).*



Table of Contents	Page
1. Acronyms, Abbreviations and Definition of Key Terms	iv
2. Key Entity Information and Management.....	vi
3. The Board of Trustees	x
4. Key Management Team	xiv
5. Chairman’s Statement	xvi
6. Report of the Trust Secretary	xvii
7. Statement of Performance against Predetermined Objectives for FY 2024/2025.....	xviii
8. Corporate Governance Statement.....	xxii
9. Management Discussion and Analysis.....	xxvi
10. Environmental and Sustainability Reporting	xxxvii
11. Report of the Board of Trustees	xl
12. Statement of Board of Trustees Responsibilities	xli
14. Statement of Financial Performance for the year ended June 30, 2025	1
15. Statement of Financial Position as at June 30, 2025	2
16. Statement of Changes in Net Assets for the year ended June 30, 2025	3
17. Statement of Cash Flows for the year Ended 30 June 2025	4
18. Statement of Comparison of Budget & Actual Amounts for year ended June 30, 2025.....	5
19. Notes to the Financial Statements	7
20. Appendices.....	29
Appendix 1: Implementation Status of Auditor-General’s Recommendations.....	29
Appendix II: Transfers from Other Government Entities	30
Appendix III- Inter-Entity Confirmation Letter.....	31

1. ACRONYMS, ABBREVIATIONS AND DEFINITION OF KEY TERMS

BETA	-	Bottom-Up Transformational Agenda
BOT	-	Board of Trustees
CEO	-	Chief Executive Officer
CSI	-	Corporate Social Investments
ICPAK	-	Institute of Certified Public Accountants of Kenya
IPSAS	-	International Public Sector Accounting Standards
MTEF IV	-	-Medium Term Plan 2023-2027 (IV)
NT	-	National Treasury
OCOB	-	Office of the Controller of Budget
OAG	-	Office of the Auditor General
OSHA	-	Occupational Safety and Health Act of 2007
PFM	-	Public Finance Management
PPE	-	Property Plant & Equipment
PP & C	-	Planning, Programmes & Development Committee
PSASB	-	Public Sector Accounting Standards Board
SAGAs	-	Semi-Autonomous Government Agencies
SDG	-	Sustainable Development Goals
SC	-	State Corporations
TS	-	Trust Secretary

B: Definition of Key Terms

BETA - Bottom-Up Transformational Agenda (BETA) is anchored on five key pillars: Agriculture, MSME Economy, Housing and Settlement, Healthcare, as well as Digital and Creative Economy.

Board of Trustees - an appointed or elected group of individuals that has overall responsibility for the management of an organization

Comparative Year- Means the prior period.

Fiduciary Management- Members of Management that are directly entrusted with the responsibility of financial resources of the organisation.

Financial year - a period of twelve months, used by government, business, and other organizations in order to calculate their budgets, profits, and losses.

MTEF IV- Medium-Term Expenditure Framework (MTEF) is the backbone of public finance management for all the sectors in Kenya. MTEF is a tool to link planning, budgeting and performance review.

Prior period- Means the comparable period.

Strategic Plan – process in which an organization's leaders define their vision for the future and identify their organization's goals and objectives

Sustainable Development Goals - the United Nations adopted the Sustainable Development Goals (SDGs), also known as the Global Goals, in 2015 as a universal call to action to end poverty, protect the planet, and ensure that by 2030 all people enjoy peace and prosperity. The 17 SDGs are integrated—they recognize that action in one area will affect outcomes in others, and that development must balance social, economic and environmental sustainability.

Vision 2030 - The Kenya *Vision 2030* aims to transform Kenya into a newly industrializing, middle-income country providing a high quality of life to all its citizens by 2030.

2. KEY ENTITY INFORMATION AND MANAGEMENT

(a) Background information

The KASNEB Foundation established by KASNEB was incorporated under the Trustees (Perpetual Succession) Act Cap 164 Laws of Kenya on 13 September 2019. The Foundation officially started its operations in July 2020. The Foundation is domiciled in Kenya.

The Foundation's main function is enhancing inclusivity and equity by providing financial assistance through a revolving financing scheme to needy learners who wish to pursue KASNEB qualifications.

The Foundations' role in national development is to advance Public Finance Management by supporting learners pursuing accounting and finance courses by financing their tuition fees and kasneb examination fees.

(b) Principal Activities

The principal mandate of KASNEB Foundation is to:

a) Financial Aid Program

Administering a revolving financing scheme and program to provide financial assistance to eligible learners pursuing KASNEB qualifications aimed at enhancing access to education. The program gives students partial loans and bursaries to pay for KASNEB Fees and Tuition fees at KASNEB accredited training institutions.

b. Stakeholder Engagement and Collaboration

Engaging with various stakeholders such as accredited training institutions, Learners, donors, sponsors and collaborators to enable the KASNEB Foundation brand visibility by engaging in collaborative initiatives and agreements.

c. Corporate Social Investment Programs

The Foundation through various partnerships enhances execution of programs and projects that support education in Kenya such as scholarship disbursement, donation and equipping ICT hubs in institutions in marginalized areas across Kenya, donation of books and learning infrastructure and materials.

d. Financial Literacy and other fund development programs

The Foundation is evolving in developing comprehensive programs that will create a financially empowered generation through engaging the youth and women in financial literacy, financial skills and capacity development and capacity-building programs, while closely monitoring their impact.

e. Partnerships and Resource Mobilization and institutional sustainability

By establishing strategic partnerships to advance mobilizing resources through fundraising and grants to sustainably support the Foundations' programs, KASNEB Foundation is able to develop a long-lasting brand that will empower the Foundation and its activity increasing the capability of institutional sustainability.

Governance Structure:

The KASNEB Foundations' day-to-day management is under the following key organs:

No.	Details
1.	Board of Trustees
2.	Trust Secretary/ Accounting Officer
3.	Management

Responsibility of Individual Trustees:

- a) Exercise the highest degree of care, skill and diligence in discharging their duties;
- b) Act in the best interest of the Foundation and not for any other purpose;
- c) Act honestly at all times and must not place themselves in a situation where their personal interests' conflict with those of the Foundation;
- d) Devote sufficient time to carry out their responsibilities, regularly update their knowledge and enhance their skills;
- e) The custody of monies, deed, securities, assets and documents belonging to the Trust (including regulations enabling any property forming part of the Trust Fund
- f) employ any duly qualified professional and technical advisors, employees, agents or servants as may be necessary to provide assistance towards fulfillment of the object of the Trust; and
- g) Owe the Foundation the duty to hold in confidence all information available to them by virtue of their position.

(c) Fiduciary Management

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

No.	Designation	Name
1.	Trust Secretary	Prof. Nicholas K. Letting', Ph.D.
2.	Manager	CPA Jacinta Moraa
3.	Senior Accountant	CPA Daniel Mutie Mutua

The role of key management is to;

- a) Manage and administer the Trust on behalf of the Founder and for the sole benefit of the beneficiaries in accordance with the Trust Deed.
- b) To collect all sums contributed in accordance with the Rules together with its own funds raised and other such payments as are to be made hereunder.
- c) To provide quarterly and annual reports on the Foundation to the Founder.
- d) To comply with the provisions of the Trust Deed.

(d) Fiduciary Oversight Arrangements

The Board of Trustees established the Bursaries and Loans Committee that was later reconstituted to be the Planning, Programmed and Development Committee to oversee all aspects of management of KASNEB Foundation and advise the Trustees appropriately. The Committee reports to the Board of Trustees.

Planning programs and Development Committee

No.	Designation	Name
1	FCPA Julius Mwatu	Chairman
2	Prof. Nicholas K. Letting', Ph.D.	Trust Secretary
3	CPA Sailot Keke	Trust Treasurer
4	CPA Jacinta Moraa	Manager/ Secretary

The Planning Programmes and Development Committee Functions are;

1. Review and recommend to the Trustees policies for managing the Foundation operations.
2. Review and recommend to the Trustees Quarterly and Annual Financial statements regarding the performance of the scheme.
3. Review and recommend to the Trustees, the Annual Budgets and procurement plans for consideration
4. Review and recommend Resource Mobilization initiatives to be undertaken.
5. Review and recommend Corporate Social Investment (CSI) program initiatives.
6. Internal and external audit reports and recommendations from the Audit and Risk Committee of KASNEB and any matters recommended by the Auditor General.
7. Oversee the development of policies, strategies and initiatives on matters of Human Resource Management and advise the Trustees as appropriate.
8. To advice, the Board of Trustees in changes that relate to the Foundation & financing scheme deemed appropriate from time to time.
9. Perform any other function assigned by the Board of Trustees.

(a) KASNEB Foundation Headquarters

KASNEB Foundation
P.O. Box 41362 – 00100, Nairobi, Kenya
4th Floor of KASNEB Towers I,
Off Hospital Road,
Nairobi, KENYA

(b) KASNEB Foundation Contacts

KASNEB Foundation
Telephone: +254 111661529
Facebook: kasneb Official
Twitter: @KASNEB_FDN
Instagram: KASNEB Foundation
Email: kasnebfoundation@kasneb.or.ke
Website: www.kasneb.or.ke/kasneb-foundation

(c) KASNEB Foundation Bankers

KASNEB Foundation
Kenya Commercial Bank Ltd
Account Name: KASNEB Foundation
Account No: 1279381418
Branch: Capital Hill.

(d) Independent Auditor

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



(e) Principal Legal Adviser

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

3. THE BOARD OF TRUSTEES

Directors	Details
 <p>Prof. CPA Elizabeth N. Kalunda-Muvui Chairman, KASNEB Foundation <i>Date of Appointment: 13 December 2024</i></p>	<p>Prof. Kalunda is a holder of Doctor of Philosophy, Business Administration, Banking Specialization, University of Nairobi, Masters in Business Administration (M.B.A) Accounting option, University of Nairobi, Bachelor of Education from Moi University and is a Certified Public Accountant (Kenya).</p> <p>Prof. Kalunda is a Professor at the United States International University- Africa (USIU-A), in the Chandaria School of Business in the area of Finance and Accounting.</p> <p>Prof. Kalunda is the Chairman at ICPAK. She previously served at the Institute of Certified Public Accountant of Kenya in various positions including Training Manager, Head of Technical Training and Project Coordinator-World Bank-IDF. Prof. Kalunda is a seasoned consultant, facilitator and researcher and has been involved in research in the area of Corporate Finance, Corporate Governance, Women Economic Development and Banking Outreach. She has trained various groups in design thinking, business development, business plans and innovations.</p> <p>Prof. Kalunda is a member of the Institute of Certified Public Accountants of Kenya (ICPAK).</p>
 <p>Dr. Percy Opio Chairman, KASNEB Ex-Officio Trustee <i>Date of appointment: 13 December 2024</i></p>	<p>Dr. Percy Opio has a Doctorate in Strategic Leadership (Strategic Foresights Concentrate) from Regent University, Virginia Beach, VA, USA, and Master of Arts in Leadership degree from PAC University, Bachelor of Education (Arts) degree from Moi University, and Management Information Systems Diploma from the Institute of Management Information Systems (UK).</p> <p>He is a scholar-practitioner with expertise in Leadership Development, Strategy, Technology and Innovation with a keen interest in futures studies and strategic foresights. He serves as Chief Executive – Strategy and Innovation at The Leadership Group.</p> <p>He serves as an Adjunct Lecturer at PAC University and International Leadership University He is also involved in digitization and innovation initiatives in healthcare and education.</p> <p>Besides consulting, Dr. Percy Opio has over 25 years’ experience in ICT out of which 10 years were in the banking industry at management and executive levels. He previously held the position of General Manager-ICT</p>

	<p>at Equity Bank Kenya where he played a key role in rolling out digitization and automation projects. He is a member of the Association of Professional Futurists and author of The Future of Banking in Kenya.</p>
<div data-bbox="221 510 696 1003" data-label="Image"> </div> <div data-bbox="194 1167 727 1373" data-label="Caption"> <p>Prof. Nicholas K. Letting', Ph.D., EBS, HSC Trust Secretary, KASNEB Foundation CEO, KASNEB <i>Date of Re- appointment: 1 May 2025</i></p> </div>	<p>Prof. Letting' is the Trust Secretary of KASNEB Foundation and the Secretary and CEO of kasneb. He is a triple alumnus of the University of Nairobi. He is an Adjunct Associate Professor at KCA University, Kenya. He is the immediate past Vice – Chancellor/Chief Executive Officer of the Management University of Africa (MUA).</p> <p>Prof. Letting' holds a Doctor of Philosophy (PhD) in Business Administration (Strategic Management), Master of Business Administration (MBA) and Bachelor of Commerce (B. Coms Hons) (Marketing option) degrees from the University of Nairobi. Professionally, Prof. Letting' is a holder of Certificates from kasneb in the following Professional Qualifications: Certified Public Accountant (CPA); Certified Public Secretary (CPS) and Certified Investments and Financial Analyst (CIFA).</p> <p>Prof. Letting' has over twenty-five (25) years' experience in industry and academia in private, public and not-for-profit organizations.</p> <p>Prof. Letting is a Fellow and member of the Institute of Certified Secretaries (ICS), the Institute of Certified Public Accountants of Kenya (ICPAK), KIM and the Institute of Certified Investments and Financial Analysts (ICIFA). He is a member of in good standing of: The Institute of Directors (IoD) and the Institute of Human Resource Management (IHRM).</p> <p>He is also a Council Member at ICPAK, ICS and ICIFA.</p> <p>Prof. Letting' is the Chairman of the Association of Professional Societies of East Africa (APSEA) where he previously served as Honorary Treasurer for four (4) years. In 2020 Prof. Letting' was awarded the Elder of the Order of the Burning Spear (EBS) and in 2012 he received the Head of State of Commendation (HSC).</p> <p>Prof. Letting' was Chairman of the Institute of Certified Public Secretaries of Kenya (ICPSK) in 2014 - 2016. He has been a member of Multi – Agency Taskforces (MAT) in The National Treasury for the review of the Accountants' Act and the Certified Secretaries' Act amendments and drafting of regulations.</p>

 <p style="text-align: center;">FCPA Julius Mwatu Trustee</p> <p><i>Date of Appointment: 30 January 2024</i></p>	<p>FCPA Mwatu is the Managing Partner at CPJ & Associates and has extensive experience in the accountancy profession spanning over 20 years specializing in audit, tax, integrated reporting and governance. He is a past Chairman of the Institute of Certified Public Accountants of Kenya (ICPAK) and a fellow of the Institute. Julius also previously served as a Board of Trustee of KCA University, a Council Member of the International Federation of Accountants (IFAC), the global body of Professional Accountancy Organisations (PAOs), and as a Board Member of the Pan African Federation of Accountants (PAFA), the African body of PAOs.</p> <p>FCPA Mwatu holds an MBA in Finance and a BSc. in Statistics. He is a Certified Public Accountant of Kenya – CPA (K), a Certified Secretary – CS and a Certified Financial Analyst – CFA.</p>
 <p style="text-align: center;">Mr. Geoffrey Monari Trustee</p> <p><i>Date of appointment: 12 March 2025</i></p>	<p>Mr. Geoffrey Monari is the CEO/Board Secretary of Higher Education Loans Board (HELB) with over 15 years in senior management experience across the higher education financing sector. He has demonstrated strong leadership acumen and deep understanding of the higher education financing landscape. He has served as the founding Chief Executive Officer of the Universities Fund from 2020 – 2025. Prior to joining the Universities Fund, he served as the Chief Operations Officer [COO] at HELB from 2016 – 2020 where he oversaw the strategic delivery of vital transformative initiatives across the board from student lending, strengthening debt management fund and supporting HELB wide partnerships, resource Mobilisation and key stakeholder consultations. Mr. Monari holds a Master of Business Administration degree from Jomo Kenyatta University of Agriculture & Technology and a Bachelor of Commerce Degree. He holds the Senior Management Leadership Programme certificate and is currently pursuing the Global CEO Africa Programme at Strathmore Business School. He also chairs the Board of the Association of Entrepreneurial Universities of Africa, serves as a director at the Institute of Economic Affairs Board and is the honorary patron of the HELB staff Sacco.</p>



CPA Sailot Keke
Treasurer, KASNEB Foundation
Deputy Director, Finance at kasneb

Date of Re-appointment: 27 April, 2025

CPA Sailot Keke serves as the Trust Treasurer of KASNEB Foundation. She has over 15 years' experience in Finance and Auditing both in public and private sector service.

She currently serves as the Deputy Director Finance having previously served as Manager Internal Audit for over 7 years in kasneb. Before joining kasneb, she served as the Information systems auditor with IEBC and previously as a Regional Auditor with NGCDF Board.

She holds a Bachelor of Commerce Accounting Option and a Master of Business Administration degree in Finance. She is a holder of the CPA, CISA and CS qualifications. She is an active member of the Institute of Certified Public Accountants of Kenya (ICPAK), Information and Systems Audit and Control Association (ISACA) where she has actively participated as a member of the Audit Committee and served as a chair. She is also a member of the Institute of Internal Auditors (IIA) and Association of Women Accountants in Kenya (AWAK) where she is a member of the Training and Development Committee and served previously in the Audit Committee.




CPA Douglas Muhati
Trustee

Date of Appointment : 1 February 2025

CPA Douglas Muhati is the Manager Internal Audit and Risk at Mwanandege SACCO. He is a seasoned auditor with over 10 years of extensive experience in internal and external audits for public, private, not-for-profit and SACCO sector entities.

CPA Muhati has wide experience in financial reporting, taxation, Governance, risk management and compliance. He is a Certified Public Accountant (CPA) and holds a Bachelor of Commerce Degree in Human Resource Management together with a Diploma in Business Management. He is a member of the Institute of Certified Public Accountants of Kenya (ICPAK), the Institute of Internal Auditors of Kenya (IIAK) and the Kenya Institute of Management (KIM), all in good standing. . He currently serves as the Convener of the Youths and Student Affairs sub Committee of the ICPAK Council, He is also the Vice Chairman for ICPAK Western Branch with a wider network in the accountancy profession.

4. KEY MANAGEMENT TEAM

Management	Details
 <p>Prof. Nicholas K. Letting', Ph.D., EBS, HSC Trust Secretary <i>Date of Re- appointment: 1 May 2025</i></p>	<p>Prof. Letting' is the Trust Secretary at KASNEB Foundation and the Secretary and CEO of kasneb. He is a triple alumnus of the University of Nairobi. He is an Adjunct Associate Professor at KCA University, Kenya. He is the immediate past Vice – Chancellor/Chief Executive Officer of the Management University of Africa (MUA). Prof. Letting' holds a Doctor of Philosophy (PhD) in Business Administration (Strategic Management), Master of Business Administration (MBA) and Bachelor of Commerce (B. Coms Hons) (Marketing option) degrees from the University of Nairobi. Professionally, Prof. Letting' is a holder of Certificates from kasneb in the following Professional Qualifications: Certified Public Accountant (CPA); Certified Public Secretary (CPS) and Certified Investments and Financial Analyst (CIFA). Prof. Letting' has over twenty-five (25) years' experience in industry and academia in private, public and not-for-profit organizations. Prof. Letting is a Fellow and member of the Institute of Certified Secretaries (ICS), the Institute of Certified Public Accountants of Kenya (ICPAK), KIM and the Institute of Certified Investments and Financial Analysts (ICIFA). He represents APSEA on the Board of Public Sector Accounting Standards Board (PSASB). In 2020 Prof. Letting' was awarded the Elder of the Order of the Burning Spear (EBS) and in 2012 he received the Head of State of Commendation (HSC). Prof. Letting' was Chairman of the Institute of Certified Public Secretaries of Kenya (ICPSK) in 2014 - 2016. He has been a member of Multi – Agency Taskforces (MAT) in The National Treasury for the review of the Accountants' Act and the Certified Secretaries' Act amendments and drafting of regulations.</p>



CPA Jacinta Moraa
Manager, KASNEB Foundation

Date of appointment: 19 January 2024

CPA Jacinta Moraa currently serves as the Manager at KASNEB Foundation. She is responsible for the day-to-day operations of the Foundation including but not limited to: Implementing the loans and bursaries programme needy students undertaking kasneb qualifications; Mentorship and coaching for beneficiaries; resource mobilization; Corporate Social Investment programmes, strategic planning, and establishing and maintaining strategic partnerships.

She holds an MBA (Project Management) from Kenyatta University, Bachelor of Commerce (Finance and Banking). She is a CPA-K and a member of Institute of Certified Public Accountants -Kenya (ICPAK) and Association of Women Accountants in Kenya (AWAK). Jacinta is a Trained ISO 9001-2015 Implementation Champion, a former NCLR Pension Scheme Trustee and a certified Trainer of Trainees.



CPA Daniel Mutie Mutua
Senior Accountant

Date of appointment: 1 February 2024

CPA Daniel Mutua is the senior accountant at The Foundation in charge of all the financial Reporting and management of financial Processes in the foundation.

He also Coordinates the Internal and External Audit processes.

He holds a Bachelor of Commerce degree (Accounting) from Jomo Kenyatta University of Agriculture & Technology (JKUAT) with over 7 years in public sector financial management. He is a member of the Institute of Certified Public Accountants of Kenya (ICPAK).

5. CHAIRMAN'S STATEMENT



It is my pleasure to present the Annual Report and Financial Statements for the KASNEB Foundation for the financial year ended 30 June 2025.

This year marked a period of significant growth, transformation, and renewed commitment to our core mission enhancing access to professional development for deserving and underserved learners across Kenya.

The Foundation in the past 5 years has disbursed a total of Ksh. 169.4 million in financial aid, supporting over 4,388 beneficiaries, a near 100% increase year on year. Notably, our support has reached students from all the 47 counties demonstrating equity, inclusiveness and stronger beneficiary engagement.

Beyond financial aid, we continued to expand our footprint through impactful partnerships, institutional mapping, and outreach to marginalized and special-needs groups, including students in correctional facilities. The development and adoption of key policies on resource mobilization, financial aid, investment, and communication strengthened our governance framework and positioned us for long-term sustainability.

The Board of Trustees have also developed initiatives that enhance resource mobilization and fundraising, a landmark step in securing a stable financial future for the Foundation's programs. Additionally, the proposal to allocate funding of income towards operational sustainability while directing a major percentage to loans and to CSR will guide our resource utilization going forward. As the Foundation, remain steadfast in our commitment to transparency, innovation, and results-driven programs.

I extend my sincere appreciation to the Board of Trustees, all our partners including KASNEB, HELB, CISI Future Foundation, KCB Foundation, The Fund Managers Association, Training Institutions and our learners for their trust and continued support in the KASNEB Foundation brand. Together, we are building a future where no dream is deferred for lack of opportunity.

Thank you.

A handwritten signature in black ink, appearing to read 'Elizabeth N. Kalunda-Muvui'. The signature is fluid and cursive.

PROF. ELIZABETH N. KALUNDA- MUVUI
CHAIRMAN, KASNEB FOUNDATION.

6. REPORT OF THE TRUST SECRETARY



I am honoured to present the Trust Secretary’s statement for this Annual Report, reflecting on the governance, compliance, and strategic achievements of the KASNEB Foundation for the year ended 30 June 2025. Our commitment to transparency, ethical standards, and rigorous oversight remains central to our operations and to achieving our vision of transforming lives through education.

As the Trust Secretary, entrusted with leading the day-to-day operations of the Foundation and serving as a member of the Board of Trustees, I am privileged to offer a unique perspective into our strategic direction, operational milestones, and financial stewardship.

Throughout the year, the Foundation continued to uphold the highest standards of governance, ensuring all activities aligned with our mandate and adhered to applicable legal, policy, and regulatory requirements. Our governance structures were strengthened to support institutional accountability, integrity, and long-term sustainability.

Our financial practices remained robust, with all funds managed prudently in accordance with International Public Sector Accounting Standards (IPSAS). During the year under review, the Foundation secured critical financial support including Ksh. 100 million from the National Treasury, Ksh. 2 million from KASNEB (the Founder), and over 3.6 million from other partners and donors. These contributions enabled us to effectively implement our strategic programmes and expand our impact footprint.

As we look ahead, our promise is simple yet bold to remain accountable, inclusive, and innovative in everything we do. We are committed to deepening impact, expanding partnerships, and ensuring that every contribution we receive translates into lasting opportunities for our beneficiaries.

Let us continue to walk this journey together to inspire hope, build capacity, and create a legacy of empowerment for generations to come.

Sincerely,

A handwritten signature in black ink, appearing to be 'Nicholas K. Letting'. The signature is written over a horizontal line that serves as a baseline. The ink is dark and the strokes are fluid.

Prof. Nicholas K. Letting’ Ph. D., EBS, HSC
TRUST SECRETARY, KASNEB FOUNDATION.

7. STATEMENT OF PERFORMANCE AGAINST PREDETERMINED OBJECTIVES FOR FY 2024/2025

KASNEB Foundation has four (4) strategic pillars and objectives within the current Strategic Plan for the FY 2024/2025. These strategic pillars are as follows:

- Pillar 1: Enabling access to Funding for professional qualifications
- Pillar 2: Enhanced visibility and awareness for corporate Social Programs
- Pillar 3: Promoting the brand to aid in Fund development
- Pillar 4: Institutional Development and Sustainability

KASNEB Foundation develops its annual work plans based on the above four (4) pillars. Assessment of the Board's performance against its annual work plan is done on a quarterly basis.

7.1 Strategic Objectives and Strategies

KRAs	Strategic Objectives	Strategies	outcomes	Year 1 (2023/24)
1. Enabling Access to funding professional qualifications - Pathways to Prosperity	Create pathways to make KASNEB Foundation products and services easily accessible to students.	<ul style="list-style-type: none"> • Operationalize a financing scheme for students. • Develop systems to support beneficiary operations. • Create and manage a centralized beneficiary database. • Conduct impact evaluations of two flagship programs aligned with BETA priorities. 	<ul style="list-style-type: none"> • Increased access to education and training. • Efficient beneficiary data management. • Measurable impact from funded programs. 	2,000 students 50% of target groups

<p>2. Enhanced Visibility and Awareness for Corporate Social Investment (CSI) Programs</p>	<ul style="list-style-type: none"> • Improve the Foundation’s visibility and stakeholder awareness. 	<ul style="list-style-type: none"> • Enhance marketing and communication strategies. Implement a robust media engagement plan. • Provide mentorship and coaching to beneficiaries. Roll out CSI programs across diverse groups. • Strengthen branding and risk management. 	<ul style="list-style-type: none"> • Improved public engagement and brand recognition. • Increased local partnerships. Greater uptake of Foundation programs. 	<p>4 local partnerships formed. CSI programs rolled out in 15 counties.</p>
<p>3. Promoting Brand to Aid Fund Development</p>	<ul style="list-style-type: none"> • Increase and diversify funding sources to ensure sustainability. 	<ul style="list-style-type: none"> • Strengthen resource mobilization initiatives. <ul style="list-style-type: none"> - Engage donors, partners, and county/national governments. - Organize forums to lobby stakeholders. - Establish strategic cross-sectoral partnerships. 	<ul style="list-style-type: none"> • Growth in funding from government and partners. • Improved financial sustainability. 	<p>5% increase in external funding.</p>

<p>4. Strengthened Institutional capacity and Sustainability</p>	<ul style="list-style-type: none"> • To utilize all allocated financial resources. • To enhance staff productivity. • To strengthen institutional, Legal governance, and Administrative capacity to deliver on its mandate • To enhance corporate governance. 	<ul style="list-style-type: none"> • Enhance technology and organizational knowledge Strengthen corporate governance Improve infrastructure • Manage, recognize and reward good performance. • Attract and retain requisite skills Talent management. • Ensure alignment of employees to corporate objectives. • Promote creativity and Innovation Develop and implement a Performance Management system. • Review terms and conditions of service. 	<ul style="list-style-type: none"> • Optimal use of resources. Improved staff performance and governance. Full compliance with applicable laws and regulations. 	<p>60%</p> <p>100%</p>
--	---	--	--	------------------------

The Foundation to achieve strategic objectives and meet the performance indicators is a strategic approach to ensure accountability and motivation in the workplace.

7.2 Steps to effectively implement the strategic objectives and strategies

1. The management has set clear objectives and goals for each employee; Define specific, measurable, achievable, relevant, and time-bound (SMART) goals that align with the overall organizational objectives that link performance to organizational objectives.

2. The Foundation has established performance metrics;

The Foundation has developed quantifiable performance indicators to monitor and evaluate progress toward strategic goals. These include:

- Fundraising targets and resource mobilization outcomes;
- Implementation of project milestones and deliverables;
- Number of students supported through bursaries and loans;
- Number and quality of strategic partnerships developed;
- Amount of funds contributed to the revolving fund kitty; and
- Other relevant Key Performance Indicators (KPIs) aligned with the Foundation's mandate.

3. Regular Review and Feedback;

Performance is continually monitored through regular reviews, meetings, and progress reports. These engagements enable management to:

- Assess operational efficiency and the level of activity implementation;
- Identify strengths, challenges, and areas for improvement; and
- Provide constructive feedback to enhance individual and team performance.

4. Link achievements to rewards;

The Foundation fosters performance by linking achievements and rewards. Employees undergo performance evaluation:

Clearly outline the rewards for meeting or exceeding performance targets, such as bonuses, promotions, or other incentives. Ensure that the rewards are meaningful to motivate employees.

5. Foster a Supportive Environment;

At the Foundation, we encourage open communication and idea sharing opportunities and provide resources to enhance the work environment while providing training opportunities to help employees achieve their goals.

Management provides the necessary resources, tools, and training opportunities to enable employees to achieve their objectives effectively. Regular staff development programs and capacity-building initiatives are implemented to strengthen technical, managerial, and leadership competencies essential for strategy execution.

8. CORPORATE GOVERNANCE STATEMENT

KASNEB Foundation recognizes the importance of corporate governance to the success of the organization. We view governance not simply as a set of rules but the framework supporting core values which define the acceptable practices in the management of public institutions. It is an expression of the way we want to conduct ourselves, which informs our actions and decisions, defines and supports our culture as an institution.

The operations of KASNEB Foundation are conducted in accordance with the best practices anchored in principles of accountability and transparency as espoused in the Constitution and in compliance with relevant laws and regulations as espoused in the Mwongozo code. The institution discharges its mandate based on strong corporate governance principles and consistently applies high ethical standards.

Board of Trustees Charter

The Foundation has a Charter that guides its operations and facilitates efficient decision making in discharging its duties and responsibilities. The Charter offers guidance on matters including but not limited to the following; The separation of the roles, functions, responsibilities and powers of the Board of Trustees and its individual members; Powers delegated to the committees, Matters reserved for final decision-making and approval by the Board of Trustees.

Policies and practices of the Board of Trustees on matters of corporate governance, Trustee declarations and conflict of interest, conduct of Trustees and Board of Trustees meetings and nomination, appointment, induction, on-going training and performance evaluation of the BOT.

The governance framework, the corporate culture and human relationships that underpin all governance frameworks, are operating as expected. The roles and functions of the Chairman and the Trust Secretary are distinct and their respective responsibilities clearly defined within the Foundation.

Board of Trustees size, Composition and appointments

The Board of Trustees comprises of Seven (7) Trustees. The Board comprises of representatives from KASNEB, Higher Education Loans Board (HELB), independent Trustees and members with diverse expertise in areas of Financial Management, Human Resource management and audit to complement its capacity.

Roles and Responsibilities of Directors

The roles and responsibilities of Trustees are outlined in the Trust Deed. These roles and responsibilities are detailed in the Foundations' Strategic Plan, in the annual work plans, and in the Board Charter. New members, once appointed, are given these documents to familiarize themselves with the roles and responsibilities outlined in the law. An induction training is also held for new Board members.

In the period ended 30 June 2025, the terms of two (2) Trustee ended and three (3) new Trustee appointed.

Constitution and Appointment of Board of Directors

The Board members as of 30th June 2025 were as follows.

	Designation	Role in the Board	Date of Appointment / Re appointment	Date of Exit
1.	Prof. Elizabeth N Kalunda Muvui	Chairman, Board of Trustees	13 December 2024	12 December 2027
2.	Dr. Percy Opio	Chairman, KASNEB Foundation	1 May 2022	12 December 2024
3.	Dr. Percy Opio	<i>Ex- Officio Trustee</i>	13 December 2024	12 December 2027
4.	FCS Dr. Nancy N. Muriuki	Trustee	1 December 2020	1 November 2024
5.	Prof. Nicholas K. Letting' Ph.D	Trust Secretary	1 May 2025	30 April 2027
6.	FCPA Charles Ringera	Trustee representing HELB	1 December 2020	28 February 2025
7.	Mr. Geoffrey Monari	Trustee representing HELB	12 March 2025	11 March 2028
8.	FCPA Julius Mwatu	Trustee	30 January 2024	29 January 2027
9.	CPA Sailot Keke	Trust Treasurer	24 April 2025	23 April 2028
10.	CPA Dauglas Muhati	Trustee	1 February 2025	31 January 2028

Remuneration of Board of Directors

- The Board of Trustees are paid sitting allowance for every meeting attended at the rate of **Kshs. 20, 000** per meeting.
- The meeting of the Board of Trustees is held at least once quarterly and four meetings in a financial year. The meetings are structured to allow for open discussions and availability of all members.
- In addition to the Quarterly Trustees meetings, other (special) meetings are held to address specific as and when need arises. To facilitate the smooth running of its affairs, the Board of Trustees has established the Programmes, Planning & Development Committee of the Board. The Committee meets at least quarterly under well-defined terms of reference:

Conflict of Interest

The Board of Trustees are under a fiduciary duty to act honestly and in the best interest of the organization. Accordingly, Trustees are expected to refrain from discussing or voting on a matter of real, perceived, or potential conflict of interest. Trustees are obligated to disclose to the Board any real or potential conflict of interest, which may come to their attention whether direct or indirect. During every Board meeting, an agenda item exists which requires members to make a declaration of any conflict of interest, they may have in the business to be discussed.

Board of Trustees Attendance schedule in the financial year 2024/2025

	Name of Trustee	23 July 2025	Board Retreat August 6-9, 2025	22 October 2024	21 January 2025	17 April 2025	No of Meetings
1.	Prof. Elizabeth Kalunda - Muvui	-	-	-	1	1	2/2
2.	Dr. Percy Opio- Chairman of KASNEB Foundation	1	1	1	-	-	3/3
3.	Dr. Percy Opio – Chairman of KASNEB		-	-	1	1	2/2
4.	Dr. Nancy N. Muriuki (exited 1 November 2024)	1	1	1	-	-	3/3
5.	FCPA Charles Ringera (exited 28 February 2025)	1	1	1	1	-	4/4
6.	Mr. Geoffrey Monari	-	-	-	-	1	1/1
7.	FCPA Julius Mwatu	1	1	1	1	1	5/5
8.	Prof. Nicholas K. Letting' Ph.D	1	1	1	1	1	5/5
9.	CPA Sailot Keke	1	1	1	1	1	5/5
10.	CPA Dauglas Muhati	-	-	-	-	1	1/1

Board Committees

To ensure effective oversight of the Foundation, The Board of Trustees created the Bursaries and Loans committee whose mandate was to oversee the operations of the financial aid scheme. As the Foundation matured, the Board evaluated the roles played by the BLC Committee and enhanced them and created the Planning, Programmes and Development committee with more responsibilities.

Bursaries and Loans Committee - FY 2024/2025

Name	7 July 2024	7 October 2024	No of Meetings
FCPA Julius Mwatu - Chairman	1	1	2/2
Ms. Jemimah Swanya	0	1	1/2
CPA Solomon Wanyama	1	1	2/2
CPA Moses Wanyingi	1	1	2/2
Mr. Geoffrey Gitau	1	1	2/2
Ms. Hamida Mwilu	1	1	2/2
CS Joyce Afanda	1	1	2/2
CPA Jacinta Moraa	1	1	2/2

Planning, Programmes & Development committee - FY 2024/2025

The Terms of reference for the Committee shall include but not limited to:

- a) Overseeing the Financial aid scheme
- b) Annual budgets and financial statements
- c) Planning and Development
- d) Internal and external audit review
- e) Development of policies, strategies and initiatives on Human Resource Matters
- f) Any other functions assigned by the Board.

Name	6 January 2025	7 April 2025	No. of meetings
FCPA Julius Mwatu - Chairman	Yes	Yes	2/2
Prof. Nicholas K. Letting' Ph.D	Yes	Yes	2/2
CPA Sailot Keke	Yes	Yes	2/2

Risk Management

The Board of Trustees are responsible for risk management. The Trustees conducts risk assessment on regular basis during Board of Trustees meetings. The identification and management of risk is a continuous process linked to the achievement of the Trustees objectives. Risk based audits are carried out by the KASNEB Internal Audit department.

Ethics and Code of Conduct

The Board of Trustees and employees are expected to act with integrity, courtesy and equity in all their dealings with each other and with all our stakeholders as guided by KASNEB code of conduct.

Engagement with stakeholders

KASNEB Foundation recognizes the importance of maintaining transparency and accountability to its shareholders and works to ensure that all stakeholders are treated equitably. Stakeholder forums are held on an annual basis to consult on areas that would improve service delivery and create efficiency.

IT Governance

The Foundation in partnership with the Higher Education Loans Board support the students through the application processes, award, disbursement and collection of loans and bursaries. The Foundation therefore is leveraging on the partnership with HELB, which has heavily invested in IT systems to reap from the economies of scale arising from its diversified customer base spread over a wide geographical space including the diaspora. It has equally put adequate mechanisms in place to deal with the challenges emanating from IT governance.

9. MANAGEMENT DISCUSSION AND ANALYSIS

The Kenya Accountants and Secretaries National Examinations Board Foundation (KASNEB Foundation) Trust was registered under the Trustees (Perpetual Succession) Act Cap 164 Laws of Kenya. The Foundation was established in Kenya with effect from 13 September 2019. As per the Trust Deed and Rules, the Foundation's mandate is to hold money and assets in trust and to utilize the same for purposes of providing a funding scheme by the Founder only or in partnership with reputable lending institutions, financial institutions or any such other authorized body to needy students to enable them pursue the qualifications of kasneb and to invest in the community as a way of giving back to the society.

Since its inception, guided by the Foundation's Vision of Empowered and globally recognized business professionals and communities, the Foundation has developed work-plans, systems and operational manuals that will propel the KASNEB Foundation to greater heights. The journey is anchored on four key pillars namely fund development, pathways to prosperity, together in prosperity as well as institutional development and sustainability. Under each pillar, several goals and objectives have been identified. The Foundation work-plan and intention to successfully develop and implement a 5 Year strategic plan that will contribute immensely to the achievement of Kenya's Vision 2030, The United Nations Sustainable Development Goals and the Bottom Up Economic Transformational Agenda (BETA) priorities by addressing issues related to accessible and equitable quality education and learning.

As the Foundation commences its operations, the role of our partners and stakeholders will be critical to its success. The Foundation will develop an engagement framework that will ensure mutual benefits accrue to all involved. The scope of work at the KASNEB Foundation has grown since operationalization of the office. It is proposed that the Foundation structure follows the functions as envisaged in the trust deed, the mission statement as well as the strategic priorities. The broad functions identified include: Fund Development; Loans and Bursaries; Social Investments; Partnerships and Collaborations and Operations. The Foundation will establish strategies to enhance appropriate staff training and development in respect to each financial year. This will be established through the staff performance appraisal. The KASNEB Foundation has one operational office. Additional office space is required to enhance service delivery to the stakeholders. Furthermore, as the number of members of staff increase, more office space will be required.

- (a) Access to equitable learning opportunities ensuring inclusivity irrespective of sex, disability, race, ethnicity, origin or religious status.
- (b) Empowerment to enhance economic opportunities for the youth as well as financial means and necessary resources to realize their potential.
- (c) Promoting online mode of learning and examinations that has increased the need for use of computers and internet connectivity. This would significantly reduce the amount of financial support required by applicants.
- (d) Enhance strategic partnerships to mobilise knowledge, expertise, technology and financial resources towards implementation of Foundation programmes.

9.1 Key Reporting Areas in Line with the Strategic Plan 2023-2027

Strategic Objectives, Key Performance Indicators (KPIs) & Quarterly Performance.

This report provides a comprehensive overview of KASNEB Foundation's activities aligned with the FY 2024/2025 Workplan and the KASNEB Foundation Strategic Plan 2023-2027. The report highlights key achievements, challenges, and lagging targets across four Key Performance Indicators (KPIs):

1. Enabling Access to the financial aid scheme
2. Marketing, Brand Awareness and Corporate Social Investment programs
3. Promoting the Brand for Fund Development
4. Enhancing institutional Capacity & Sustainability

Strategies for improvement and operational efficiency are also outlined to ensure continued growth and impact.

KPI 1: Enabling Access to the financial aid scheme

Objective: Increase financial support to students pursuing KASNEB qualifications.

KASNEB Foundation entered partnership with HELB with an aim of providing affordable financing in the form of loans and bursaries to students pursuing KASNEB qualifications in all KASNEB approved institutions. The Scheme has two products:

- KASNEB Fees- Caters for KASNEB exam Fee and is payable to KASNEB.
- KASNEB Tuition-Caters for tuition fee and is payable to the respective institutions where the applicants are undertaking their KASNEB qualification courses

The guidelines for the selection of loan applicants were developed, approved and operationalized.

FY 2024/2025 Performance for loans and bursaries

Description	Budgeted FY 2024/2025	Actual FY 2024/2025	Variance	%Variance
Funds disbursed (Ksh. Millions) Loans, Bursaries and Prison students	124,822,335	114,173,688	-10,648,647	92%
Number of Beneficiaries (No.)	2,000	2,223	223	111%
Loan Recovered from students (Ksh.)	28,065,282	1,394,915	-26,670,367	5%
Interest earned (Ksh.)	1,000,000	76,521	-923,479	8%

KPI 2: Brand Visibility, Marketing and Corporate Social Investment programs

Objective: Strengthen KASNEB Foundation’s visibility and engagement.

The Corporate Social Investment program focuses on creating long-term educational impact through resource support to schools and institutions.

Item	Number
Trees	1341
Desks/ Chairs and Tables	305
Computers	30
Computers (PWD School)	1
Sanitary towels	3628
Knitting & Sewing Machine (PWD Support	2
Textbooks	645

Investment Programs and No.17 through partners who can support its programs.



Picture 1: CSI activities at Diba Abakiri Comprehensive school, Isiolo



Picture 2: Donation and sensitization at Osupuko Primary School, Ngong

Social Media Engagements

KASNEB Foundation maintains an active presence on all major social media platforms, including Facebook, X (formerly Twitter), LinkedIn, Instagram, and YouTube. The Foundation implements a weekly and continuous posting strategy to ensure timely updates, visibility of activities, and stakeholder engagement.

KPI 3: Promote the KASNEB Foundation Brand for Fund Development

Objective: Secure sustainable funding through partnerships & donor engagement. To secure long-term, diversified, and sustainable funding by strengthening strategic partnerships, engaging donors, expanding alumni involvement, and leveraging internal revenue-generating opportunities.

a. Income and Revenue

The table below shows the sources of income to the Foundation in the FY 2024/2025.

s/no	DESCRIPTION	AMOUNT
1.	Grants from the National Treasury	100,000,000
2.	Grant from KASNEB	2,000,000
3.	Grants – CISI Future Foundation	1,250,000
4.	Donation – KCB Foundation	2,500,000
5.	Investment Income	197,106
6.	Interest from loans to students	114,179
7.	Sale of Merchandise	419,151
	TOTAL Revenue	106,480,436

Challenges:

- Limited donor engagements activities.
- Bringing to action and closing initiatives started with potential clients, donors or institutions.

Improvement Strategies:

- Expand corporate donor and alumni outreach - target 5 new donors and CSR partners in Q1 2025.
- Advertise for a Resource Mobilization expert
- Host a Forum that will act as resource mobilization initiatives.



Picture 3: Meeting with a team from Chartered Institute of Securities and Investment

KPI 4: Enhance institutional Capacity & Sustainability

Objective: Enhance operational efficiency and long-term viability and sustainability.

Activity	June 2024	June 2025	Activities
Staff Training	4 Main Staff 1 Intern	4 Main Staff 3 Interns	<ul style="list-style-type: none"> • Staff participated in capacity-building workshops in financial management, financial literacy, and Resource Mobilization. • The number of students on Internship increased to support operational output.
Performance Evaluation	Conducted internally for all staff	Conducted for staff & interns	<ul style="list-style-type: none"> • Regular evaluations have improved accountability, motivation, and role clarity. • Recommendations will be integrated into 2025/26 training programs.
Board and Corporate Governance	6 Trustees	7 Trustees (1 new induction)	<ul style="list-style-type: none"> • New Trustee was inducted in the period.

			<ul style="list-style-type: none"> The Board composition is complete Board size increased to strengthen governance.
Board Activities	4 Statutory Meetings held	4 Statutory Meetings Board Retreat Board Induction Board Training	Retreat and induction facilitated strategic alignment and governance refresh.
Governance & Oversight	Continued implementation of oversight protocols	Enhanced board engagement in KASNEB Foundation activities	Improved strategic planning activities including Budget preparation, Policy Work plans approvals and Strategic Plan reporting on quarterly basis. Compliance mechanisms have been improved.



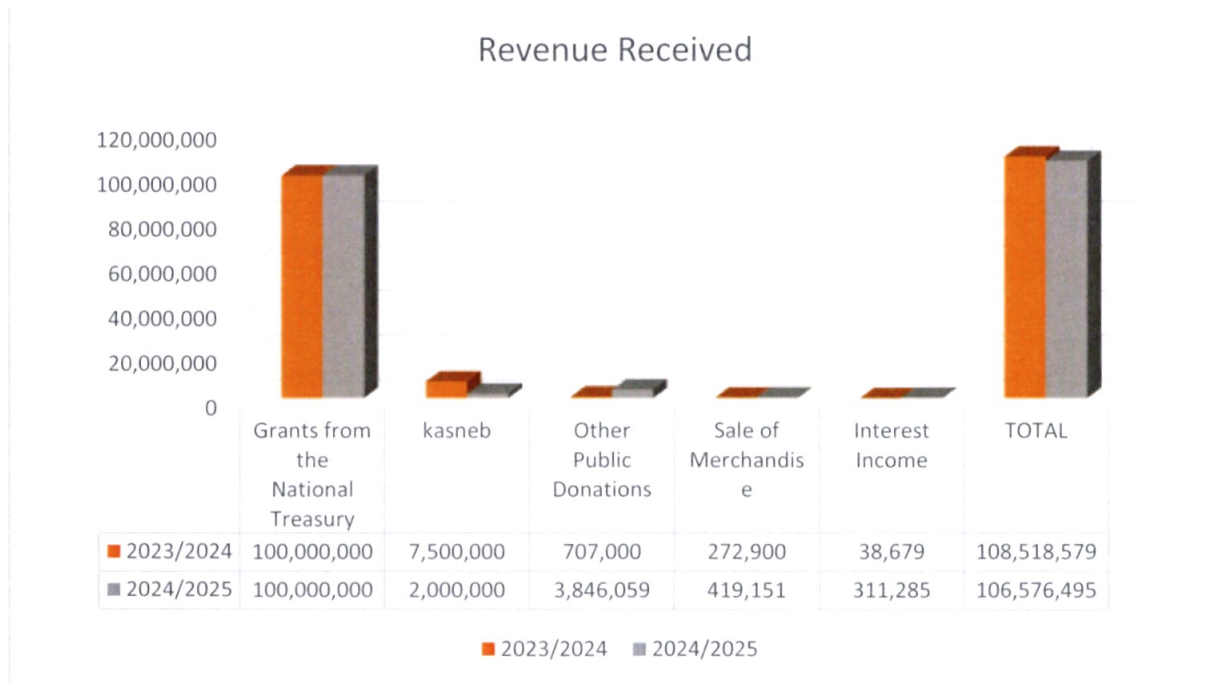
Picture 4- KASNEB Foundation, HELB and KASNEB Technical Working group Meeting

9.2 FINANCIAL PERFORMANCE

KASNEB Foundations financial performance for the year ending 30th June 2025 was good and the Foundation continued on a healthy balance sheet position at the end close of the year. The details of the financial performance are as indicated below:

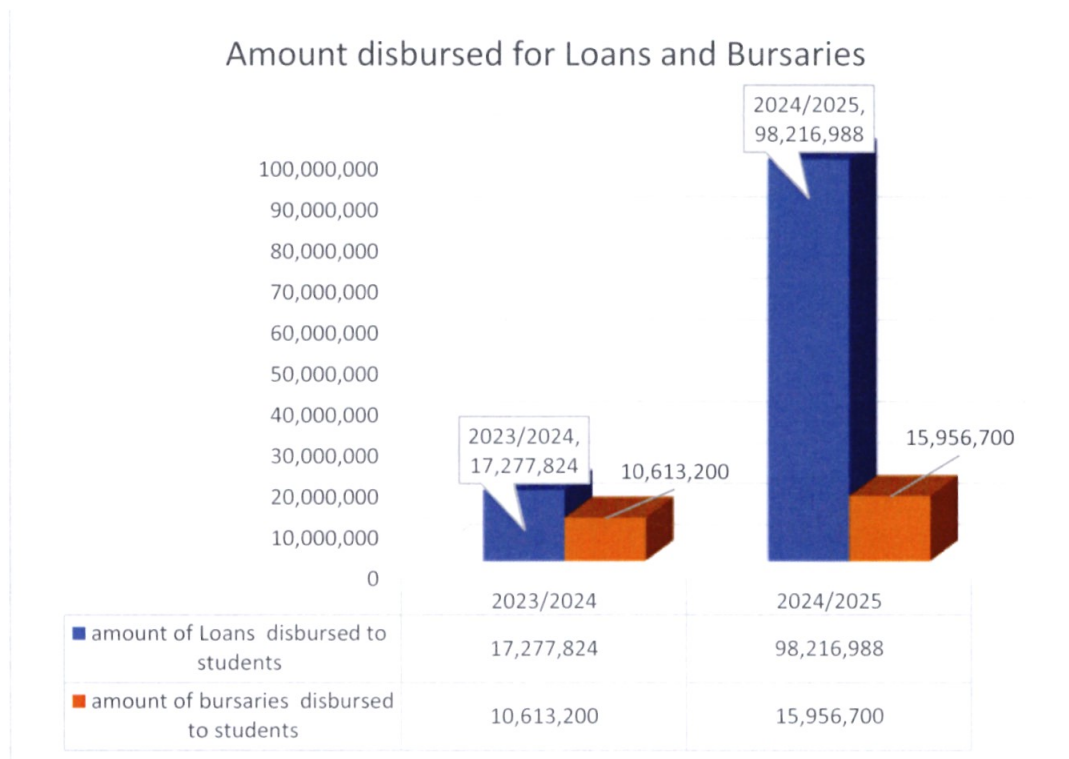
a) Trends in Revenue

Total Revenues received earned by KASNEB Foundation of Ksh. 106,533,208 in FY 2024/2025 compared to the Ksh. 108,514,272 received in the FY 2023/2024.



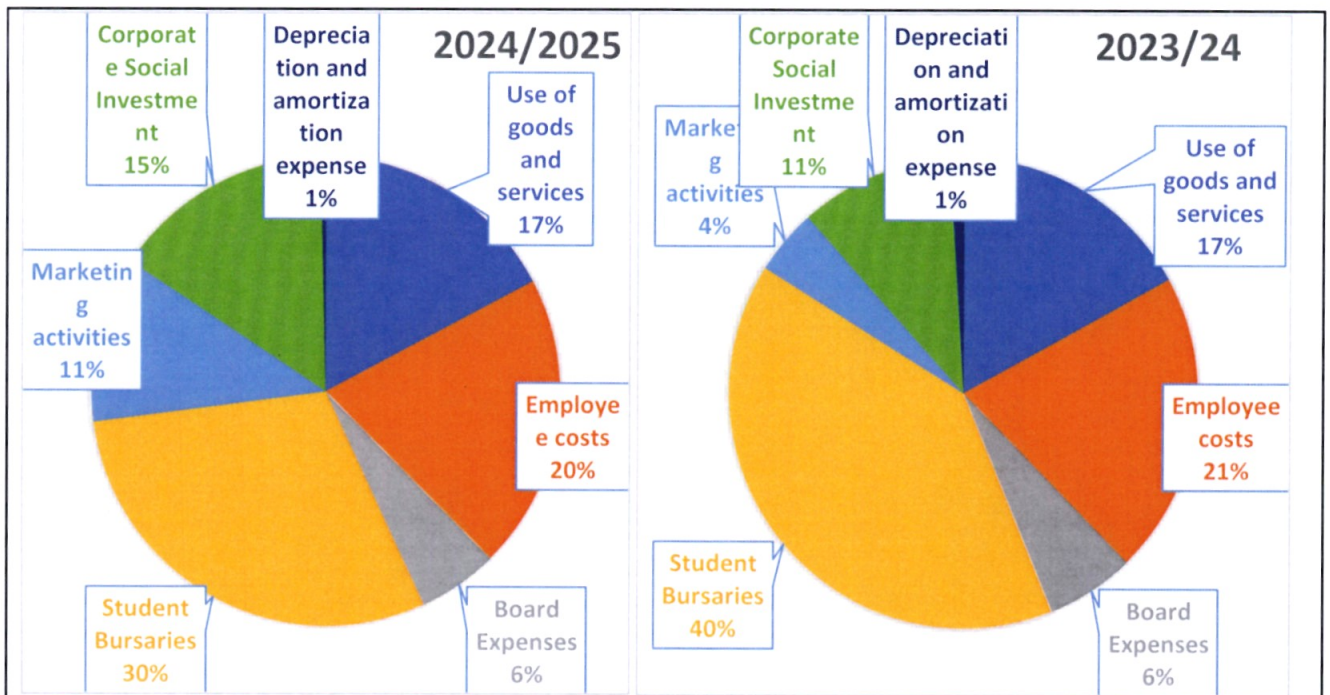
b) Disbursements to Students

The Foundation supports students pursuing KASNEB qualifications by financing tuition fees and KASNEB examination fees in partnership with HELB. Disbursements towards loans in FY 2024/2025 amounted to Ksh. 98,216,988 and bursaries of Ksh.10,613,200 compared to Ksh. 17,277,824 in loans and Ksh. 15,956,700 for bursaries in the FY 2023/2024, as outlined below:



c) Trends in expenditure

Total Expenditure for the period amounted to Ksh. 54,002,021 in the FY 2024/2025, compared to Ksh. 26,377,833 in FY 2023/2024. Other expenditures included employee emoluments, which recorded a 21% increase rising to Ksh. 10,437,693 from Ksh. 5,514,725 in the previous financial year. Overall, total expenditures in FY 2024/2025 increased by 47%, reaching Ksh. 50,332,240, up from Ksh. 26,377,823 in FY 2023/2024.



9.3 FINANCIAL RATIO ANALYSIS

(i) Current Ratio

The *Current Ratio* (Current Assets ÷ Current Liabilities) of 50.45 for the KASNEB Foundation reflects a strong liquidity position in FY 2024/2025 compared to 99.56 in FY 2023/2024. This demonstrates the Foundation's ability to comfortably meet its short-term financial obligations as they fall due.

(ii) Quick Ratio

The *Quick Ratio* (Current Assets – Inventories – Prepayments) ÷ Current Liabilities) of 50.33 indicates a healthy liquidity level in FY 2024/2025, comparable to 98.82 previous financial year. Even after excluding less-liquid assets such as inventories and prepayments, the Foundation remains capable of covering its current liabilities efficiently.

(iii) Receivables Efficiency to Total Assets

The *Receivables to Total Assets Ratio* [(Current Receivables + Non-Current Receivables) ÷ Total Assets] stood at 65.3:1 in FY 2024/2025, compared to 50.8:1 in FY 2023/2024. This increase signifies that a significant portion of the Foundation's assets is tied up in receivables, primarily reflecting higher loan and bursary disbursements to beneficiaries through revolving fund mechanisms.

(iv) Fixed Asset Ratio

The *Fixed Asset Ratio* [(Property, Plant & Equipment + Intangible Assets) ÷ Total Assets] was 0.3:1 in FY 2024/2025, compared to 0.44:1 in FY 2023/2024. This indicates minimal investment in fixed assets, consistent with the Foundation's strategic focus on program funding rather than asset acquisition. Operational needs are largely supported through shared services and donations in kind from KASNEB.

(v) Net Assets Ratio (Equity Sustainability)

The *Net Assets Ratio* (Equity ÷ Total Assets) as at 30 June 2025 stood at 99.3:1, compared to 99.2:1 in FY 2023/2024. This underscores the Foundation's strong equity position, confirming that operations are primarily equity-funded and that the Foundation continues to maintain financial sustainability with minimal external liabilities.

(vi) Program and Partnership Funding Trend

During the review period, partnership funds recorded a significant increase, reflecting enhanced donor engagement and diversification beyond the main donor activities. Similarly, the revolving fund exhibited a sharp growth trajectory, supported by increased recoveries and new disbursements under the student aid program.

Overall, the Foundation remains liquid and financially sound, operating with minimal liabilities and a strong equity base that underpins its operational stability and program expansion.

SECTION B

Compliance with statutory requirements

KASNEB Foundation had no non-compliance issue raised by either internal or external audits, all statutory compliance and requirements have been complied with. KASNEB Foundation was able to meet its statutory obligations during the year under review remitted for PAYE to Kenya Revenue Authority, to the NHIF, to HELB, NSSF and The Housing Levy deductions.

Enterprise Risk Management

The Board undertakes risk assessment and management activities to identify and manage the key risks that could potentially affect our ability to meet our corporate objectives. These are documented within the KASNEB Foundation Risk Register, which is owned by the KASNEB Foundation team and includes the actions we have taken to reduce risk and to respond should they arise. The Board through the Board Audit, Risk Management Committee of KASNEB.

The management manage the functional level risk registers and escalate to the Foundations Risk Register. They are also responsible for coordinating risk activities across the organization, reviewing, and updating the risk framework and reporting to Trust Secretary and Board.

Key Risks to the Foundation

Through our risk management approach and on-going review, the undernoted key organizational risks were actively considered and managed during this year

Key risks identified and mitigation frameworks include the following:

RISK	RISK DESCRIPTION	RISK MITIGATION
Financial Risks	Unutilized funds by students, increasing the risk of default or fund loss. Low repayment rates on loans issued to students.	<ul style="list-style-type: none"> • Continuous monitoring and follow-up on fund utilization. • Periodic reconciliation and closure of inactive accounts. Strengthen loan agreements and communication with beneficiaries. • Introduce loan repayment sensitization and incentives.
Reputation risks	<ul style="list-style-type: none"> • Delays in the award and disbursement of loans and bursaries, leading to loss of stakeholder trust. 	<ul style="list-style-type: none"> • Establish and adhere to a clear disbursement timeline. • Improve stakeholder communication and transparency.
Operational/ Process risks	<ul style="list-style-type: none"> • Non-compliance with financial reporting standards and donor guidelines. • Absence of comprehensive policies and procedures 	<ul style="list-style-type: none"> • Regular training of staff on compliance requirements. • Develop and update operational and finance policy manuals. • Internal audits and periodic process reviews.

Governance and Compliance risks	<ul style="list-style-type: none"> Limited institutional capacity to meet growing demand. Emerging risks not adequately anticipated. Conflicts of interest in decision-making. 	<ul style="list-style-type: none"> Strengthen Board and staff capacity through training. Periodic risk assessments and scenario planning. Implement conflict-of-interest disclosure protocols and policies.
Technological risks	<ul style="list-style-type: none"> Loss or theft of ICT equipment. Data loss or hacking of ICT systems. 	<ul style="list-style-type: none"> Maintain a fixed asset register with tracking and insurance. Invest in secure cloud-based backup systems. Implement cybersecurity protocols and regular ICT audits.

The following challenges were experienced in the year 2024-2025 in setting up the KASNEB Foundation:

- Lack of a sustainable sources of financing
- Inadequate staff at the Foundation to cover the large scope of activities.
- Inadequate office space.
- Absence of an automated management system.
- Absence of KASNEB Foundation policies and operation manuals.

SECTION E

Material arrears in statutory/financial obligations

The Foundation has no outstanding arrears and will continue planning its activities in a prudent manner to avoid pending bills.

SECTION F

The KASNEB Foundation's financial probity and serious governance issues. The Foundation has no reported financial improbity reported by either the internal or the external auditor. The governance structures put in place continue to be enhanced to ensure any area that may be prone to exposure is addressed promptly.

10. ENVIRONMENTAL AND SUSTAINABILITY REPORTING

Sustainability strategy and profile

We have aligned our programmes and activities to the overall national development agenda espoused in the socio-economic development blueprints, we have enhanced the synergy amongst members of staff and between departments for the overall success of the institution. We have enhanced teamwork, learning, innovation and creativity to facilitate effective inter and intradepartmental co-ordination, exposure to industry trends, as well as acceptance and effective management of positive change.

Environmental performance

KASNEB Foundation does not have an environmental policy but rather borrows largely from the Government of Kenya policy on protecting the environment and increasing the forest cover by 10% in the medium term. To supplement Government efforts in this area, KASNEB Foundation encourages its employees plant trees, conserve water within office and personal use, switch off lights when not in use and put off electronics when not in use. KASNEB Foundation participates in tree planting exercises as part of its effort in environmental management. Also as part of the saving the environment initiatives, kasneb and KASNEB Foundation have started a “Go Paperless workspace” initiative to save on costs for purchasing paper.



The Foundation planted over 1,341 trees in the year 2024/2025.

Employee welfare

KASNEB Foundation has put in place performance management measurement systems through the use of a Performance Management Appraisal System such as staff evaluation that guides the evaluation and monitoring of employee performance. The process helps in identifying performance problems and solving them. The process involves setting performance targets and reviewing them over a period. The outcomes of performance management inform staff training and development, career progression, succession management, promotions, performance incentives and performance improvement strategies.

KASNEB Foundation recognizes that the safety of employees, stakeholders and property at work is critical. It has ensured a safe working environment.

Objective: Enhance operational efficiency and long-term viability and sustainability.

Activity	June 2025	Activities
Staff Training	4 Main Staff 3 Interns	<ul style="list-style-type: none"> Staff participated in capacity-building workshops in financial management, financial literacy, and Resource Mobilization. The number of students on Internship increased to support operational output.
Performance Evaluation	Conducted for staff & interns	<ul style="list-style-type: none"> Regular evaluations have improved accountability, motivation, and role clarity. Recommendations will be integrated into 2025/26 training programs.
Board and Corporate Governance	7 Trustees (1 new induction)	<ul style="list-style-type: none"> New Trustee was inducted. The Board composition is complete Board size increased to strengthen governance.
Board Activities	4 Statutory Meetings Board Retreat Board Induction Board Training	Retreat and induction facilitated strategic alignment and governance refresh.
Governance & Oversight	Enhanced board engagement in KASNEB Foundation activities	<ul style="list-style-type: none"> Improved strategic planning activities including Budget preparation, Policy Development, work plans approvals and Strategic Plan reporting on quarterly basis. Compliance mechanisms have been improved.

o **Market place practices**

In pursuit of its mandate Kasneb Foundation always considers various policy documents including the Constitution of Kenya, Big Four Agenda, the Kenya Vision 2030, This is to assist the Foundation develop and align itself with current market place practises o, equity and equality.

The Foundation has put in place measure to ensure that we meet:

a. Responsible competition practice.

Through use of procurement guidelines stated in PPDA Act (2015) including developing a list of suppliers, Request for quotations, Advertising tenders in both the national dailies and the National Treasury website.

a. Responsible Supply chain and supplier relations

KASNEB Foundation has developed responsible supplier relationships through service agreements and MOU'S including developing and implementing good business practices, treats its own suppliers responsibly by honouring contracts and respecting payment practices on a timely manner.



b. Responsible marketing and advertisement

The KASNEB Foundation undertakes its marketing and advertising activities to customers when needed. The advertisements are also done on national dailies, social media platforms and on the kasneb website adhering to international best practices and adherence to the Data Protection Act.

c. Product stewardship

THE KASNEB Foundation ensures that it puts in place efforts to safeguard consumer rights and interests by meeting customer needs, undertaking customer feedback seriously and responding back to customer questions on an open and timely manner.

11. REPORT OF THE BOARD OF TRUSTEES

The Board of Trustees submit their report together with the unaudited financial statements for the year ended June 30, 2025 that show the state of affairs of KASNEB Foundation.

(i). Principal activities

- To hold money and assets in trust and to utilize the same for purposes of issuing bursaries and loans to needy students to enable them to pursue the qualifications of kasneb.
- To administer a loan fund in partnership with reputable lending institutions, financial institutions or any such other authorized body, to provide loans to needy students who wish to obtain the qualifications at KASNEB.
- To invest in the community as a way of giving back to the society.

(ii). Results

The results for KASNEB Foundation for the year ended June 30, 2025 are set out on pages 1 to 6.

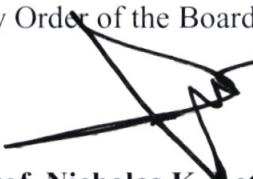
(iii). Directors

The members of the Board of Trustees who served during the year are shown on page X – Xiii above.

(iv). Auditors

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

By Order of the Board,



Prof. Nicholas K. Letting', Ph. D, EBS, HSC

Trust Secretary.

12. STATEMENT OF BOARD OF TRUSTEES RESPONSIBILITIES

Section 81 of the Public Finance Management Act, 2012 and Trustees (Perpetual Succession) Cap 164)) require the Board of Trustees to prepare financial statements in respect of KASNEB Foundation, which give a true and fair view of the state of affairs of KASNEB Foundation at the end of the financial period and the operating results of the KASNEB Foundation for that period. The Directors are also required to ensure that KASNEB Foundation keeps proper accounting records which disclose with reasonable accuracy the financial position of KASNEB Foundation. The Board of Trustees are also responsible for safeguarding the assets of KASNEB Foundation.


The Board of Trustees are responsible for the preparation and presentation of KASNEB Foundation financial statements, which give a true and fair view of the state of affairs of KASNEB Foundation for and as at the end of the financial year (period) ended on June 30, 2025. This responsibility includes: (i) Maintaining adequate financial management arrangements and ensuring that these continue to be effective throughout the reporting period; (ii) Maintaining proper accounting records, which disclose with reasonable accuracy at any time the financial position of KASNEB Foundation; (iii) Designing, implementing and maintaining internal controls relevant to the preparation and fair presentation of the financial statements, and ensuring that they are free from material misstatements, whether due to error or fraud; (iv) Safeguarding the assets of KASNEB Foundation; (v) Selecting and applying appropriate accounting policies; and (vi) Making accounting estimates that are reasonable in the circumstances.

The Board of Trustees accept responsibility for KASNEB Foundation financial statements, which have been prepared using appropriate accounting policies supported by reasonable and prudent judgements and estimates, in conformity with International Public Sector Accounting Standards (IPSAS), and in the manner required by the PFM Act, 2012 and (the State Corporations Act) The Trustees are of the opinion that KASNEB Foundation's financial statements give a true and fair view of the state of KASNEB Foundation transactions during the financial year ended June 30, 2025, and of KASNEB Foundation financial position as at that date. The Trustees further confirms the completeness of the accounting records maintained for KASNEB Foundation, which have been relied upon in the preparation of the KASNEB Foundation financial statements as well as the adequacy of the systems of internal financial control.

In preparing the financial statements, the Trustees have assessed KASNEB Foundation ability to continue as a going concern.

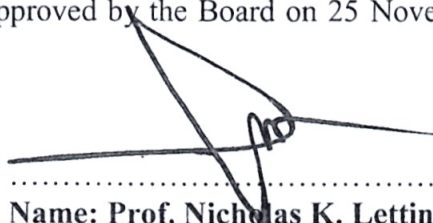
Approval of the financial statements

The KASNEB Foundation financial statements were approved by the Board on 25 November 2025 and signed on its behalf by:



.....
Name: Prof. Elizabeth N. Kalunda- Muvui

Chairman, Board of Trustees



.....
Name: Prof. Nicholas K. Letting' Ph. D

Accounting Officer/Trust Secretary

REPUBLIC OF KENYA



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

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

REPORT OF THE AUDITOR-GENERAL ON KENYA ACCOUNTANTS AND SECRETARIES NATIONAL EXAMINATION FOUNDATION FOR THE YEAR ENDED 30 JUNE, 2025

PREAMBLE

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

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

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

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

REPORT ON THE FINANCIAL STATEMENTS

Opinion

I have audited the accompanying financial statements of Kenya Accountants and Secretaries National Examination Foundation set out on pages 1 to 29, which comprise of the statement of financial position as at 30 June, 2025 and the statement of financial performance, statement of changes in net assets, statement of cash flows

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

In my opinion, the financial statements present fairly, in all material respects, the financial position of Kenya Accountants and secretaries national Examination Foundation as at 30 June, 2025 and of its financial performance and its cash flows for the year then ended, in accordance with International Public Sector Accounting Standards (Accrual Basis) and comply with the Trustees (Perpetual Succession) Act CAP 164 and the Public Finance Management Act, 2012.

Basis for Opinion

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

Emphasis of Matter

Budgetary Control and Performance

The statement of comparison of budget and actual amounts reflects revenue budget and actual on comparable basis of Kshs.183,368,706 and Kshs.170,925,202 resulting in under-funding of Kshs.12,443,504. Similarly, the statement reflects final expenditure budget and actual on comparable basis of Kshs.180,368,706 and Kshs.152,219,009 respectively resulting to an under absorption of Kshs.28,149,697 or 16% of the budget.

The under-funding and under-expenditure affected the planned activities of the Foundation and may have impacted negatively on service delivery to the Public.

My opinion is not modified in respect of this matter.

Key Audit Matters

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

Other Information

Management is responsible for the Other Information set out on page vi to xli which comprise of Key Entity Information and Management, The Board of Trustees, Key Management Team, Chairman's Statement, Report of the Trust Secretary, Statement of Performance Against Predetermined Objectives, Corporate Governance Statement, Management Discussion and Analysis, Environmental and Sustainability Reporting,

Report of the Board of Trustees, Statement of Board of Trustees Responsibilities. The Other Information does not include the financial statements and my audit report thereon.

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

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

REPORT ON LAWFULNESS AND EFFECTIVENESS IN THE USE OF PUBLIC RESOURCES

Conclusion

As required by Article 229(6) of the Constitution, based on the audit procedures performed, I confirm that nothing has come to my attention to cause me to believe that public resources have not been applied lawfully and in an effective way.

Basis for Conclusion

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

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

Conclusion

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

Basis for Conclusion

Understaffing at the Foundation

The Foundation's approved structure and staff establishment dated 30 June, 2024 provides for twenty-three (23) positions. However, as per the June 2025 payroll, only five (5) positions have been filled. This represents a shortfall of eighteen (18) staff members, or 78% of the approved establishment.

In the circumstances, the significant understaffing could adversely affect the Foundation's ability to deliver on its mandate.

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

Responsibilities of the Management and the Board of Trustees

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

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

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

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

The Board of Trustees is responsible for overseeing the Foundation'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, SBS
AUDITOR-GENERAL

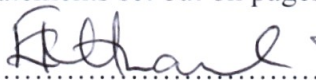
Nairobi

10 December, 2025

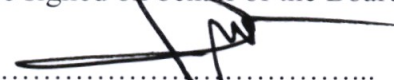
14. STATEMENT OF FINANCIAL PERFORMANCE FOR THE YEAR ENDED JUNE 30, 2025

	Notes	2024/2025	2023/2024
		Kshs	Kshs
Revenue from non-exchange transactions			
Transfers from other governments entities	6	48,960,000	68,204,734
Public contributions and donations	7	1,846,181	8,300
Total revenue from non-exchange transactions		50,806,181	68,213,034
Revenue from exchange transactions			
Interest income	8	311,286	33,072
Other income	9	419,000	272,900
Total revenue from exchange transactions		730,286	305,972
Total revenue		51,536,467	68,519,006
Expenses			
Use of goods and services	10	10,355,354	4,484,662
Employee costs	11	10,434,266	5,514,726
Board Expenses	12	2,674,520	1,620,598
Student Bursaries	13	15,956,700	10,613,200
Marketing activities	14	6,637,474	1,189,433
Corporate Social Investment	15	7,736,410	2,817,290
Depreciation and amortization expense	16	207,297	259,724
Total expenses		54,002,021	26,377,833
Surplus/deficit from operating activities		(2,465,555)	42,141,174
Other gains/(losses)			
Expected Credit Loss on Debtors	17	(1,595,651)	
Total Other gains/(losses)		(1,595,651)	
Net Surplus/deficit for the year		(4,061,206)	42,141,174


The notes set out on pages 7 to 27 form an integral part of these Financial Statements. The Financial Statements set out on pages 1 to 6 were signed on behalf of the Board of Trustees by:


 Prof. Elizabeth N. Kalunda- Muvui
 Chairman of the Board

Date: 25 November 2025


 Prof. Nicholas K. Letting' Ph. D
 Trust Secretary

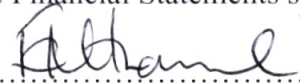
Date: 25 November 2025

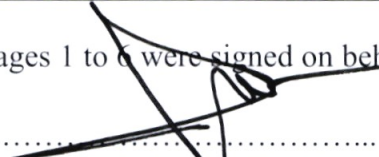

 CPA Jacinta Moraa
 ICPAK M/No:13693
 Head of Finance
 Date: 25 November 2025

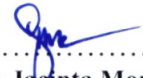
15. STATEMENT OF FINANCIAL POSITION AS AT JUNE 30, 2025

Description	Notes	2024/2025	2023/2024
		Kshs	Kshs
Assets			
Current Assets			
Cash and Cash equivalents	18	84,152,676	91,926,723
Receivables from Exchange Transactions	19	17,735,406	52,008,732
Inventories	21	235,517	653,045
Prepayment	22		439,500
Total Current Assets		102,123,599	145,028,001
Non-Current Assets			
Un-Matured Student Loans	20	140,234,051	45,343,106
Property, Plant and Equipment	23	630,262	690,291
Intangible Assets	24	110,305	147,074
Total Non- Current Assets		140,974,618	46,180,470
Total Assets		243,098,217	191,208,471
Liabilities			
Current Liabilities			
Trade and Other Payables	25	660,685	1,099,230
Employee Benefit Obligations	26	1,349,467	357,585
Total Current Liabilities		2,010,152	1,456,815
Non-Current Liabilities			
Employee Benefit Obligations	27	357,585	
Total Non-Current Liabilities		357,585	
Total Liabilities		2,367,737	1,456,815
Represented By:			
Partnership Funds			1,200,000
Accumulated Surplus		81,165,372	149,256,390
Revolving Fund		159,565,108	39,295,266
Net Assets		240,730,479	189,751,656
Total Net Assets & Liabilities		243,098,217	191,208,471

The Financial Statements set out on pages 1 to 6 were signed on behalf of the Board of Trustees by:


Prof. Elizabeth N. Kalunda- Muvui
Chairman of the Board


Prof. Nicholas K. Mutitu Ph. D
Trust Secretary


CPA Jacinta Moraa
Head of Finance
ICPAK M/No:13693
25 November 2025

Date: 25 November 2025

Date: 25 November 2025

16. STATEMENT OF CHANGES IN NET ASSETS FOR THE YEAR ENDED JUNE 30, 2025

	Partnership Funds	Accumulated surplus	Revolving Fund	Total
As at July 1, 2023		107,338,285		107,338,285
Fair value adjustment on inventory		276,931		276,931
Surplus/ (deficit) for the year		42,141,174		42,141,174
Funds received During the year	700,000			700,000
Transfers from accumulated surplus to partnership funds	500,000	(500,000)		-
Capital grants received during the year			39,295,266	39,295,266
As at June 30, 2024	1,200,000	149,256,390	39,295,266	189,751,656
As at July 1, 2024	1,200,000	149,256,390	39,295,266	189,751,656
Surplus/ (deficit) for the year		(4,061,206)		(4,061,206)
Public Contributions and Donations received			2,000,029	2,000,029
Transfers from accumulated surplus to revolving fund		(64,029,812)	64,029,812	-
Transfers from partnership funds to revolving fund	(1,200,000)		1,200,000	-
Capital grants received during the year			53,040,000	53,040,000
As at June 30, 2025	-	81,165,372	159,565,108	240,730,479

1. *Partnership Funds*- These represents the funds received from donors for specific programs
2. *Fair value adjustment in inventory* - reflect the current market value on the existing KASNEB Foundation branded merchandise held for sale in the period.

17. STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 30 JUNE 2025

		2024/2025	2023/2024
		Kshs	Kshs
Cash flows from operating activities			
Receipts			
Transfers from other governments entities		48,960,000	68,204,734
Public contributions and donations		1,846,181	8,300
Other income-Sale of Merchandise		419,000	272,900
Interest Income		311,286	33,072
Total receipts		51,536,467	68,519,006
Payments			
Use of goods and services		11,168,524	8,584,867
Employee costs		8,833,622	4,574,052
Board Expenses		2,608,320	1,620,598
Student Bursaries		430,700	-
Marketing and Communications		5,820,286	-
Corporate Social Investment		7,319,160	-
Disbursements to HELB		77,625,090	39,295,266
Total payments		113,805,703	54,074,783
Net cash flows from/(used in) operating activities	26	(62,269,236)	14,444,224
Cash flows from investing activities			
Purchase of PPE		(110,500)	(900,990)
Purchase of inventories		(320,160)	(528,960)
Student Interest Income		(114,179)	(33,072)
Net cash flows from/(used in) investing activities		(544,839)	(1,463,022)
Cash flows from financing activities			
Revolving fund receipts		55,040,029	39,295,266
Partnership fund receipts			700,000
Net cash flows from financing Activities		55,040,029	39,995,266
Net increase/(decrease) in cash & Cash equivalents		(7,774,046)	52,976,467
Cash and cash equivalents at the beginning (1st July 2024)	17	91,926,723	38,950,256
Cash and cash equivalents at the end (30th June 2025)	17	84,152,677	91,926,723

18. STATEMENT OF COMPARISON OF BUDGET & ACTUAL AMOUNTS FOR YEAR ENDED JUNE 30, 2025

Description	Original budget	Revised Budget	Actual on comparable basis	Performance difference	% of utilization
	Kshs		Kshs	Kshs	
Revenue					
Government Grants	100,000,000	100,000,000	100,000,000	-	100%
Grants (Founder)	10,000,000	10,000,000	2,000,000	(8,000,000)	20%
Other Income	1,020,000	1,020,000	419,000	(601,000)	41%
Interest income	2,000,000	2,000,000	311,286	(1,688,714)	16%
Donations and Partner Funds	6,000,000	6,000,000	3,846,210	(2,153,790)	64%
Balances B/F FY 2023/2024		64,348,706	64,348,706	-	100%
Total Income	119,020,000	183,368,706	170,925,202	(12,443,504)	93%
Expenses					
Loans & Bursaries	60,473,629	124,822,335	114,173,688	10,648,647	91%
Use of Goods and Services	22,258,960	21,258,960	10,355,354	10,903,606	49%
Employee costs	10,746,040	10,746,040	10,434,266	311,774	97%
Board Expenses	7,140,000	5,140,000	2,674,520	2,465,480	52%
Marketing activities	10,209,833	10,209,833	6,637,474	3,572,359	65%
Corporate Social Investment	7,853,718	7,853,718	7,736,410	117,308	99%
Depreciation and amortisation	316,300	337,820	207,297	130,523	61%
Total Expenditure	118,998,480	180,368,706	152,219,009	28,149,697	84%
Surplus for the period	21,520	3,000,000	18,706,193	(18,684,673)	
Capital Expenditure	3,150,000	3,000,000	110,500	3,039,500	4%

FUNDS ABSORPTION	
BUDGET	183,368,706
TOTAL ACTUAL EXPENDITURE	152,329,509
ABSORPTION RATE	84%

Budget notes

- The original budget of Ksh. 119,020,000, The foundation was granted a budget revision to Ksh. 183,368,706.
- The expected Ksh. 100 million from the National Treasury was received in full, reflecting a 100% performance and strong government support to the Foundation's financial aid program. Of the projected Ksh. 10 million from KASNEB, only Ksh. 2 million was received during the year, resulting in an underperformance of Ksh. 8 million (20% utilization). The shortfall was mitigated by additional donations.
- The Foundation mobilized Ksh. 3.85 million, against a target of Ksh. 6 million, representing a 64% performance. While below target, this indicates increasing external engagement and potential for future growth.
- Actual interest income amounted to Ksh. 311,286, against a forecast of Ksh. 2 million (16% achievement). This variance is attributed to the fact that student loans are yet to reach maturity. Management plans to use historical audited data to make more accurate forecasts in future periods.
- Comprising proceeds from sales of promotional materials, other income reached Ksh. 419,000, falling short of the Ksh. 1.02 million target (41% performance). Future strategies will explore diversified income-generating activities.
- The Foundation did not raise the targeted funding during the year. This remains an area for strategic resource mobilization in the next financial period.
- The Foundation disbursed Ksh. 114 million out of a revised budget of Ksh. 124.8 million, achieving 91% performance. This reflects successful implementation of the financial aid scheme, though Ksh. 10.6 million remained unutilized at year-end.
- The budget assumed recruitment at the beginning of the financial year. However, two key officers joined in January and February 2025, leading to cost savings for the first five months. This was at 97% absorption reflecting full-year obligations.
- Actual spending on board activities was Ksh. 2.67 million, against a budget of Ksh. 5.14 million (57% utilization). The underutilization is attributed to the non-establishment of planned Board committees. Instead, the Foundation relied on the KASNEB Audit Committee for oversight on risk and governance matters.
- Total actual expenditure amounted to Ksh. 152.2 million, resulting in an absorption rate of 84% against the revised budget. The unutilised funds are attributable to underperformance in capital expenditure and goods/services categories, among others.
- The Foundation recorded a net surplus of Ksh. 18.7 million, largely due to savings in program and operational costs, and lower-than-expected disbursements in some categories.

19. NOTES TO THE FINANCIAL STATEMENTS

1. General Information

KASNEB Foundation is established by and derives its authority and accountability from (The perpetual Succession) Act Cap 164 Act. The KASNEB Foundation is wholly owned by the Government of Kenya and is domiciled in Kenya. The KASNEB Foundation principal activity is Loans and Bursaries.

2. Statement of Compliance and Basis of Preparation

The financial statements have been prepared on a historical cost basis except for the measurement at re-valued amounts of certain items of property, plant and equipment, marketable securities and financial instruments at fair value, impaired assets at their estimated recoverable amounts and actuarially determined liabilities at their present value. The preparation of financial statements in conformity with International Public Sector Accounting Standards (IPSAS) allows the use of estimates and assumptions. It also requires management to exercise judgement in the process of applying the KASNEB Foundation accounting policies. The areas involving a higher degree of judgement or complexity, or where assumptions and estimates are significant to the financial statements, are disclosed in Note 5 of these financial statements.

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

3. Adoption of New and Revised Standards

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

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

	discontinued operations to be presented separately in the statement of financial performance.
IPSAS 45: Property Plant and Equipment	Applicable 1st January 2025 The standard supersedes IPSAS 17 on Property, Plant and Equipment. IPSAS 45 has additional guidance/ new guidance for heritage assets, infrastructure assets and measurement. Heritage assets were previously excluded from the scope of IPSAS 17 in IPSAS 45, heritage assets that satisfy the definition of PPE shall be recognised as assets if they meet the criteria in the standard. IPSAS 45 has an additional application guidance for infrastructure assets, implementation guidance and illustrative examples. The standard has clarified existing principles e.g. valuation of land over or under the infrastructure assets, under- maintenance of assets and distinguishing significant parts of infrastructure assets.
IPSAS 46: Measurement	Applicable 1st January 2025 The objective of this standard was to improve measurement guidance across IPSAS by: <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. 1. Clarifying transaction costs guidance to enhance consistency across IPSAS. iii. Amending where appropriate guidance across IPSAS related to measurement at recognition, subsequent measurement and measurement related disclosures. The standard also introduces a public sector specific measurement bases called the current operational value.
IPSAS 47: Revenue	Applicable 1st January 2026 This standard supersedes IPSAS 9- Revenue from exchange transactions, IPSAS 11 Construction contracts and IPSAS 23 Revenue from non-exchange transactions. This standard brings all the guidance of accounting for revenue under one standard. The objective of the standard is to establish the principles that KASNEB Foundation shall apply to report useful information to users of financial statements about the nature, amount, timing and uncertainty of revenue and cash flow arising from revenue transactions.
IPSAS 48: Transfer Expenses	Applicable 1st January 2026 The objective of the standard is to establish the principles that a transfer provider shall apply to report useful information to users of financial statements about the nature, amount, timing and uncertainty of expenses and cash flow arising from transfer expense transactions. This is a new standard for public sector entities geared to provide guidance to entities that provide transfers on accounting for such transfers.
IPSAS 49: Retirement Benefit Plans	Applicable 1st January 2026

	The objective is to prescribe the accounting and reporting requirements for the public sector retirement benefit plans which provide retirement to public sector employees and other eligible participants. The standard sets the financial statements that should be presented by a retirement benefit plan.
--	---

ii. Early adoption of standards

The KASNEB Foundation did not early – adopt any new or amended standards in the financial year.

4. Summary of Significant Accounting Policies

a) Revenue recognition

i) Revenue from non-exchange transactions

Fees, taxes and fines

The KASNEB Foundation 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 KASNEB Foundation 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 KASNEB Foundation and can be measured reliably. To the extent that there is a related condition attached that would give rise to a liability to repay the amount, the amount is recorded in the statement of financial position and realised in the statement of financial performance over the useful life of the assets that has been acquired using such funds.

Interest from short term investments

The Foundation invests in short term government securities (91- day Treasury bills) through investment on unutilized funds and interest earned is earned income for the Foundation.

ii) Revenue from exchange transactions

Rendering of services

KASNEB Foundation 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 KASNEB Foundation.

Financial Aid scheme

Interest income from student loans

KASNEB Foundation recognises interest income earned from students' loans. Interest from students' loans is recognized when received due to uncertainties in recoverability. The uncertainty about whether or when the interest from students' loans will be collected, recognizing on accrual bases in the financial statements will not be appropriate. KASNEB Foundation chooses to be conservative and to only recognize interest when it is collected, rather than accruing them before they are due. Interest is charged at 6% with HELB retaining 4% and 2% is credited to KASNEB Foundation Fund

Timelines for Loan Repayment

Program	Repayment Commencement
Certificate (CAMS)	After completion of CAMS certificate course
Accounting Technician Diploma (ATD)	After completion of ATD certificate course
Professional Courses	After completion of Professional certificate course

Note: Students who do not transition from CAMS to ATD or ATD to Professional courses within the specified period automatically move to "mature loan" or loans due for repayment status, triggering repayment obligations.

Loans repayment period shall be 60 months upon completion of the course.

Dividends

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

b) Budget information

The Board of Trustees approved the original budget for the Current FY 2024/2025 on *January 2025*. Subsequent revisions or additional appropriations were made to the approved budget in accordance with specific approvals from the appropriate authorities. The additional appropriations are added to the original budget by the KASNEB Foundation upon receiving the respective approvals in order to conclude the final budget In April 2025.

KASNEB Foundation 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 9 of these financial statements.

c) Taxes

Current income tax

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

Deferred tax

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilized. Unrecognized deferred tax assets are re-assessed at each reporting date and are recognized to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered. Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realized or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date. Deferred tax relating to items recognized outside surplus or deficit is recognized outside surplus or deficit. Deferred tax items are recognized in correlation to the underlying transaction in net assets. Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current income tax liabilities and the deferred taxes relate to the same taxable KASNEB Foundation and the same taxation authority.

Sales tax

Expenses and assets are recognized net of the amount of sales tax, except:

- When the sales tax incurred on a purchase of assets or services is not recoverable from the taxation authority, in which case, the sales tax is recognized as part of the cost of acquisition of the asset or as part of the expense item, as applicable.
- When receivables and payables are stated with the amount of sales tax included
The net amount of sales tax recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the statement of financial position.

d) Property, plant and equipment

All property, plant and equipment are stated at cost less accumulated depreciation and impairment losses. Cost includes expenditure that is directly attributable to the acquisition of the items. When significant parts of property, plant and equipment are required to be replaced at intervals, KASNEB Foundation 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.

Assets are depreciated on a quarterly basis and their values recorded at net book values at the end of the reporting period. Depreciation is applied on a reducing balance basis. Different classes are depreciated at the following rates as follow:

SNo	Category	Depreciation percentage
1.	Computers and ICT Equipment	25%
2.	Furniture and Fittings	10%
3.	Computer Software	25%

e) Intangible assets

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

f) Research and development costs

KASNEB Foundation expenses research costs as incurred. Development costs on an individual project are recognized as intangible assets when the

KASNEB Foundation can demonstrate:

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

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

g) Financial assets

i. Classification of financial assets

KASNEB Foundation classifies its financial assets as subsequently measured at amortised cost, fair value through net assets/ equity or fair value through surplus and deficit on the basis of both the Foundations management model for financial assets and the contractual cash flow

characteristics of the financial asset. A financial asset is measured at amortized cost when the financial asset is held within a management model whose objective is to hold financial assets in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal outstanding. A financial asset is measured at fair value through net assets/ equity if it is held within the management model whose objective is achieved by both collecting contractual cash flows and selling financial assets and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. A financial asset shall be measured at fair value through surplus or deficit unless it is measured at amortized cost or fair value through net assets/ equity unless KASNEB Foundation has made irrevocable election at initial recognition for particular investments in equity instruments.

ii. Subsequent measurement

Based on the business model and the cash flow characteristics, KASNEB Foundation classifies its financial assets into amortized cost or fair value categories for financial instruments. Movements in fair value are presented in either surplus or deficit or through net assets/ equity subject to certain criteria being met.

iii. Amortized cost

Financial assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest, and that are not designated at fair value through surplus or deficit, are measured at amortized cost. A gain or loss on an instrument that is subsequently measured at amortized cost and is not part of a hedging relationship is recognized in profit or loss when the asset is de-recognized or impaired. Interest income from these financial assets is included in finance income using the effective interest rate method.

iv. Impairment of Receivables – Expected Credit Losses (IPSAS 41)

The Foundation assesses impairment of receivables in accordance with IPSAS 41 *Financial Instruments*. IPSAS 41 requires entities to recognise lifetime expected credit losses (ECL) for receivables arising from exchange transactions, in line with the Foundation's accounting policy which requires receivables to be measured at fair value less allowances for uncollectible amounts.

ECL Methodology

The Foundation applies the simplified approach permitted under IPSAS 41, which requires the measurement of lifetime expected credit losses for all receivables arising from exchange transactions, including student loan advances. The ECL model incorporates the Probability of Default (PD), Loss Given Default (LGD), exposure at default, forward-looking information, and historical repayment expectations.

Classification Under the IPSAS 41 Staging Model

In compliance with IPSAS 41, receivables are assessed and classified into three stages based on credit risk since initial recognition:

- Stage 1 – Performing: Assets with no significant increase in credit risk; for receivables from exchange transactions, lifetime ECL is recognised.

- Stage 2 – Underperforming: Assets with a significant increase in credit risk, but not credit-impaired; lifetime ECL is recognised.
- Stage 3 – Credit-impaired: Assets with objective evidence of impairment; lifetime ECL is recognised, and interest income is based on the net carrying amount.

For the year ended 30 June 2025, all receivables were assessed as Stage 1 (Performing). The student loans remain within the grace period before repayment commences, and no indicators of significant credit deterioration or default were identified. Management has identified 125 students with a total of Kshs 5,520,380 to have graduated. The 125 students are within the 1 year grace period. Management will continue to assess the behaviour of the students based on the loan repayments within the next 12 months. Accordingly, the Foundation recognised lifetime ECL on the entire receivable portfolio using Stage 1 assumptions. Based on management's assessment, the Foundation applied a Probability of Default (PD) of 2% and a Loss Given Default (LGD) of 50%, resulting in an effective ECL rate of 1%. The Foundation will continue to refine its ECL inputs as more repayment data becomes available through its partnership with HELB

h) Financial liabilities

Classification

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

i) Inventories

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

- Raw materials: purchase cost using the weighted average cost method.
- Finished goods and work in progress: cost of direct materials and labour and a proportion of manufacturing overheads based on the normal operating capacity but excluding borrowing costs.

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

j) Provisions

Provisions are recognized when KASNEB Foundation 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 KASNEB Foundation expects some or all of a provision to be reimbursed, for example, under an insurance contract, the reimbursement is recognized as a separate asset only when the reimbursement is virtually certain. The expense

relating to any provision is presented in the statement of financial performance net of any reimbursement.

k) Contingent liabilities

KASNEB Foundation 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.

l) Contingent assets

KASNEB Foundation 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 KASNEB Foundation 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.

m) Nature and purpose of reserves

KASNEB Foundation creates and maintains reserves in terms of specific requirements.

n) Changes in accounting policies and estimates

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

o) Employee benefits

Retirement benefit plans

KASNEB Foundation Intends to provide retirement benefits for its employees. Defined contribution plans are post-employment benefit plans under which an KASNEB Foundation pays fixed contributions into a separate KASNEB Foundation (a fund) and will have no legal or constructive obligation to pay further contributions if the fund does not hold sufficient assets to pay all employee benefits relating to employee service in the current and prior periods. The contributions to fund obligations for the payment of retirement benefits are charged against income in the year in which they become payable. Defined benefit plans are post-employment benefit plans other than defined-contribution plans. The defined benefit funds are actuarially valued tri-annually on the projected unit credit method basis. Deficits identified are recovered through lump sum payments or increased future contributions on proportional basis to all participating employers. The contributions and lump sum payments reduce the post-employment benefit obligation. The Foundation also provides for gratuity benefits for employees who are on contract basis.

p) Foreign currency transactions

Transactions in foreign currencies are initially accounted for at the ruling rate of exchange on the date of the transaction. Trade creditors or debtors denominated in foreign currency are reported at the statement of financial position reporting date by applying the exchange rate on that date. Exchange differences arising from the settlement of creditors, or from the reporting of creditors at

rates different from those at which they were initially recorded during the period, are recognized as income or expenses in the period in which they arise.

q) Borrowing costs

Borrowing costs are capitalized against qualifying assets as part of property, plant and equipment. Such borrowing costs are capitalized over the period during which the asset is being acquired or constructed and borrowings have been incurred. Capitalization ceases when construction of the asset is complete. Further borrowing costs are charged to the statement of financial performance.

r) Related parties

KASNEB Foundation regards a related party as a person or an KASNEB Foundation with the ability to exert control individually or jointly, or to exercise significant influence over the KASNEB Foundation or vice versa. Members of key management are regarded as related parties and comprise *the Board of Trustees, the Trust Secretary and management*.

s) Service concession arrangements

KASNEB Foundation analyses all aspects of service concession arrangements that it enters in determining the appropriate accounting treatment and disclosure requirements. In particular, where a private party contributes an asset to the arrangement, KASNEB Foundation 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, KASNEB Foundation also recognizes a corresponding liability, adjusted by a cash consideration paid or received.

t) Cash and cash equivalents

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

u) Comparative figures

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

v) Subsequent events

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

5. Significant Judgments and Sources of Estimation Uncertainty

The preparation of KASNEB Foundation financial statements in conformity with IPSAS requires management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the disclosure of contingent liabilities, at the end of the reporting period. However, uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of the asset or liability affected in future periods. State all judgements, estimates and assumptions made:

Estimates and assumptions.

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below. KASNEB Foundation 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 KASNEB Foundation. Such changes are reflected in the assumptions when they occur. IPSAS 1.140

Useful lives and residual value

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

KASNEB Foundation The condition of the asset based on the assessment of experts employed by the KASNEB Foundation.

- 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

Provisions

Provisions were raised and management determined an estimate based on the information available. Provisions are measured at the management's best estimate of the expenditure required to settle the obligation at the reporting date and are discounted to present value where the effect is material.

NOTES TO THE FINANCIAL STATEMENTS

6. a) Transfers from Other Government Entities

Description	2024/2025	2023/2024
	KShs	KShs
Unconditional Grants		
Operational Grant	48,960,000	68,204,734
Unconditional development grants	53,040,000	39,295,266
Total Unconditional Grants	102,000,000	107,500,000

b) Transfers from Ministries, Departments and Agencies (MDAs)

Name of The Entity Sending The Grant	Amount recognized to Statement of Financial performance.	Amount deferred under deferred income.	Amount recognised in capital fund	2024/2025	2023/2024
	KShs	KShs		KShs	KShs
National Treasury and Planning-GOK Funds	48,000,000	-	52,000,000	100,000,000	96,250,000
Kasneb Grant	960,000	-	1,040,000	2,000,000	9,895,168
Total	48,960,000	-	53,040,000	102,000,000	106,145,168

7. Public Contributions and Donations

Description	2024/2025	2023/2024
	Kshs	Kshs
Donation from partners	3,750,000	700,000
Other Public Donations	96,210	8,300
Total Transfers and Sponsorships	3,846,210	708,300
Reconciliation of Public Contributions and Donations		
Transferred to revolving fund	2,000,029	700,000
Amount recognized to Statement of Financial performance.	1,846,181	8,300

8. Interest income

Description	2024/2025	2023/2024
	Kshs	Kshs
Interest on Student Loans	114,179	33,072
Short term investments (CBK)	197,107	-
Total	311,286	33,072

*The fund received a total of Kshs 114,179 as interest payments from loan repayments for loans and Ksh. 197,107 from Investments in Treasury bills.

9. Other Income

Description	2024/2025	2023/2024
	Kshs	Kshs
Sale of Promotional Materials	419,000	272,900
Net income from sale of merchandise	419,000	272,900

*The Foundation sells branded merchandise to the public as a way of resource mobilization and creating brand visibility.

10. Use Of Goods and Services

Description	2024/2025	2023/2024
	Kshs	Kshs
Advertising and Publicity	232,000	733,290
Bank charges	54,752	31,652
Conferences and Delegations	2,093,400	720,240
Survey and Consultancies	-	1,220,160
Printing and Stationery	244,420	231,207
Subscription and membership fee	20,000	63,150
Training	4,009,800	1,224,300
Travel, Subsistence & Other Allowances*	1,001,947	252,200
Development of bills and manuals	1,981,500	0
Monitoring and Evaluation	357,760	0
End of Year Party (gifts)	60,000	0
Telephone	20,000	0
Office Provisions	279,775	8,463
Total	10,355,354	4,484,662

11. Employee Costs

Description	2024/2025	2023/2024
	Kshs	Kshs
Salaries and wages	8,581,192	4,916,876
Employer contribution to Affordable Housing Levy	119,009	51,185
Employer contribution to pension schemes	179,920	70,080
Performance and other bonuses	-	44,000
Other payroll deductions	68,178	-
Casual Wages	136,500	75,000
Gratuity	1,349,467	357,585
Total	10,434,266	5,514,726

12. Board Expenses

Description	2024/2025	2023/2024
	Kshs	Kshs
Sitting Allowances	1,740,000	801,050
Induction and Training	477,700	97,200
Travel and Accommodation	456,820	713,600
Other Allowances	-	8,748
Total	2,674,520	1,620,598

13. Grants and Bursaries

Description	2024/2025	2023/2024
	Kshs	Kshs
Bursaries issued through HELB	15,526,000	10,491,400
Bursaries issued to prison students	430,700	121,800
Total	15,956,700	10,613,200

14. Marketing Expense

Description	2024/2025	2023/2024
	Kshs	Kshs
Marketing activities	6,637,474	1,189,433
Total	6,637,474	1,189,433

15. Corporate Social Investment

Description	2024/2025	2023/2024
	Kshs	Kshs
Corporate Social Investment	7,736,410	2,817,290
Total	7,736,410	2,817,290

16. Depreciation And Amortization Expense

Description	2024/2025	2023/2024
	Kshs	Kshs
Property, plant, and equipment	170,529	210,699
Intangible assets	36,768	49,025
Total	207,297	259,724

17. Expected credit Loss on Debtors

Description	2024/2025	2023/2024
	Kshs	Kshs
Funds held by HELB	179,146	-
Loan loss provision	1,416,506	-
Total depreciation and amortization	1,595,651	-

18. Cash And Cash Equivalent

Description	2024/2025	2023/2024
	Kshs	Kshs
Current Account	50,036,830	91,926,723
Central Bank of Kenya	34,086,518	0
KCB Debit Card	29,328	0
Total	84,152,676	91,926,723

18. (a) Detailed Analysis of the Cash and Cash Equivalents

Financial Institution	Account number	2024/2025	2023/2024
		Kshs	Kshs
a) Current Account			
Kenya Commercial Bank	1279381418	50,036,830	91,908,616
Central Bank of Kenya		34,086,518	
Sub- Total		84,123,348	91,908,616
b) Other			
KCB Debit Card	8052995582	29,328.00	-
Sub- Total			-
Grand Total		84,152,676	91,908,616

--

19. Receivables From Exchange Transactions

Description	2024/2025	2023/2024
	Kshs	Kshs
Funds held for distribution by HELB		
At the beginning of the year	52,008,732	40,272,218
Additional provisions during the year	77,625,090	39,295,266
Principal Loan Repayment during the year	1,909,538	
Loan interest received during the year	114,179	33,072
Loans disbursed to students during the year	(98,216,988)	(17,277,824)
Less bursaries issued to students	(15,526,000)	(10,314,000)
Total receivable exposure	17,914,552	52,008,732
Less: Lifetime Expected Credit Loss	(179,146)	
Total Current Receivable from Exchange Transactions	17,735,406	52,008,732
Ageing analysis for Receivables from exchange transactions		
Less than 1 year	17,914,552	40,272,218
Between 1- 2 years		11,736,514
Between 2-3 years		
Over 3 years		
Total Receivables from Exchange Transactions	17,914,552	52,008,732

20. Unmatured Student Loans

Description	2024/2025	2023/2024
	Kshs	Kshs
Balance brought forward	45,343,106	28,065,282
Add: Loans awarded during the year	98,216,988	17,277,824
Less: Principal Loan Repayment	(1,909,538)	

Total receivable exposure	141,650,556	45,343,106
Less: Lifetime Expected Credit Loss	(1,416,506)	
Total receivable from Unmatured Student Loans	140,234,051	45,343,106
Ageing analysis for Unmatured Student Loans		
Less than 5 years	141,650,556	45,343,106
Between 5- 10 years		
Between 10 - 15 years		
Over 20 years		
Total Receivable from Unmatured Student Loans	141,650,556	45,343,106

21. Inventories

Description	2024/2025	2023/2024
	Kshs	Kshs
Goods held for resale	235,517	653,045
Total inventories	235,517	653,045

21. (b) Reconciliation of Inventories

Description	2024/2025	2023/2024
	Kshs	Kshs
Promotional materials		
Opening stock	653,045	118,192
Purchases during the year	320,160	604,360
Adjustments on inventory during the year		
Stock adjustments during the year	-	54,420
Stock adjustments at the end of the year	-	221,339
Understated value of opening stock	-	1,172
Fair value adjustment on inventory		276,931
Less: Promotional materials issued	(368,475)	(119,596)
Less: Cost of Sales	(369,213)	(226,842)
Closing Inventory	235,517	653,045

22. Prepayments

Description	2024/2025	2023/2024
	Kshs	Kshs
Deposit to School Equipment Production Unit *	0	79,500
At the end of the year	0	360,000
At the end of the year	0	439,500

This for a procurement for corporate social investment items (desks) that were being produced by SEPU in the period.

23. Property, Plant and Equipment

Description	Office Equipment/Furniture	ICT Equipment	Total
	Kshs	Kshs	Kshs
Cost			
As at 1st July 2023			
Additions during the year	96,990	804,000	900,990
Disposals during the year	-	-	-
Transfers/adjustments during the year	-	-	-
As at 30th June 2024	96,990	804,000	900,990
			-
As at 1st July 2024	96,990	804,000	900,990
Additions during the year	110,500		
Disposals during the year			
As at 30 June 2025	207,490	804,000	1,011,490
Depreciation and impairment			-
As at 01 st July 2023	-	-	-
Depreciation for the period	9,699	201,000	210,699
Disposals for the period	-	-	-
As at 30 June 2024	9,699	201,000	210,699
As at 01st July 2024	9,699	201,000	210,699
Depreciation for the period	19,779	150,750	170,529
As at 30 June 2025	29,478	351,750	381,228
Net book values			-
As at 30th June 2025	178,012	452,250	630,262

23. (a) Property, Plant and Equipment at Cost

Description	Cost	Accumulated Depreciation	
	Kshs	Kshs	Kshs
Computers And Related Equipment	804,000	351,750	452,250
Office Equipment/Furniture	207,490	29,478	178,012
Total	1,011,490	381,228	630,262

24. Intangible Assets

Description	2024/2025	2023/2024
	KShs	KShs
At beginning of the period	147,074	0
Additions during the period	-	196,098
Amortization for the period	(36,768)	(49,025)
NBV at end of the period	110,305	147,074

25. Trade and Other Payables

Description	2024/2025		2023/2024	
	Kshs		Kshs	
Employee payables	251,176		650,752	
Trade Payables	286,059		331,498	
Accrued expenses	123,450		116,980	
Total trade and other payables	660,685		650,752	
Ageing analysis: (Trade and other payables)	2024/2025	% of the Total	2023/2024	% of the Total
Under one year	660,685	100%	650,752	100%
1-2 years	-	-	-	-
2-3 years	-	-	-	-
Over 3 years	-	-	-	-
At end of the period	660,685	-	650,752	-

26. Employee Benefit Obligations

Description	2024/2025	2023/2024
Current Benefit Obligation	1,349,467.20	357,585
Non-Current Benefit Obligation	357,585.00	
Total Employee Benefits Obligation	1,707,052.20	357,585

27. Taxation

There was no tax liability during the period. However, the Foundation is actively pursuing a tax exemption certificate from the Kenya Revenue Authority (KRA), which is currently under review.

28. Cash Generated from Operations

Description	2024/2025	2023/2024
	Kshs	Kshs
Surplus for the year before tax	(2,465,555)	42,141,174
Adjusted for:		
Depreciation	207,297	259,724
Fair value adjustment on inventory	-	269,510
Interest income from investments	197,107	-
Interest Income from Student Loans	(120,351)	(33,072)
Working capital adjustments		
Increase/Decrease in current receivables	(46,844,983)	(29,047,411)
Increase/Decrease in non-current receivables	(15,368,286)	-
Increase/Decrease in inventory	417,528	(534,853)
Decrease in prepaid expenses	439,500	-
Increase/Decrease in current payables	910,922	1,389,152
Increase/Decrease in non-current payables	357,585	-
Net cash flow from operating activities	(62,269,236)	14,444,224

29. Financial Risk Management

The KASNEB Foundation activities expose it to a variety of financial risks including credit and liquidity risks and effects of changes in foreign currency. The KASNEB Foundation overall risk management programme focuses on the 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 Foundation does not hedge any risks and has in place policies to ensure that credit is only extended to customers with an established credit history. The Foundation financial risk management objectives and policies are detailed below:

i. Credit Risk

The Board 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, student loans, as well as trade and other receivables. Management assesses the credit quality of each customer, considering 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 credit loss, estimated by the Board's management based on prior experience and their assessment of the current economic environment.

ii. Financial Risk Management

The carrying amount of financial assets recorded in the financial statements representing the Foundation maximum exposure to credit risk without taking account the value of any collateral obtained is made up as follows:

Description	Total amount	Fully performing
	Kshs	Kshs
As at 30th June 2025		
Receivables from exchange transactions	17,735,406	17,735,406
Receivables from unmatured student loans	140,234,051	140,234,051
Bank balances	84,152,676	84,152,676
Total	242,122,133	242,122,133
As at 30th June 2024		
Receivables from exchange transactions	52,008,732	52,008,732
Receivables from unmatured student loans	45,343,106	45,343,106
Bank balances	91,926,723	91,926,723
Total	189,278,562	189,278,562

(NB: The totals column should tie to the individual elements of credit risk disclosed in the Foundation statement of financial position).

The customers under the fully performing category are paying their debts as they continue trading. The credit risk associated with these receivables is minimal and the allowance for uncollectible amounts that the Foundation has recognised in the financial statements is considered adequate to cover any potentially irrecoverable amounts. The Foundation has a significant concentration of credit risk on amounts due from student loans. The board of directors sets the Foundation credit policies and objectives and lays down parameters within which the various aspects of credit risk management are operated.

iii. Liquidity risk management

Ultimate responsibility for liquidity risk management rests with the Foundation directors, who have built an appropriate liquidity risk management framework for the management of the Foundation short, medium, and long-term funding and liquidity management requirements. The Foundation manages liquidity risk through continuous monitoring of forecasts and actual cash flows. The table below represents cash flows payable by the Foundation under non-derivative financial liabilities by their remaining contractual maturities at the reporting date. The amounts

disclosed in the table are the contractual undiscounted cash flows. Balances due within 12 months equal their carrying balances, as the impact of discounting is not significant.

Description	Less than 1 month	Between 1-3 months	Over 5 months	Total
	Kshs	Kshs	Kshs	Kshs
As at 30th June 2025				
Trade payables	660,685			660,685
Employee benefit obligation	1,349,467		357,585	1,707,052
Total	2,010,152		357,585	2,367,737
As at 30th June 2024				
Trade payables	1,099,230			1,099,230
Employee benefit obligation	357,585			357,585
Total	1,456,815			1,456,815

iv. Market risk

The Foundation has put in place an internal audit function to assist it in assessing the risk faced by the Foundation on an ongoing basis, evaluate and test the design and effectiveness of its internal accounting and operational controls. Market risk is the risk arising from changes in market prices, such as interest rates, equity prices, and foreign exchange rates which will affect the Foundation income or the value of its holding of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters while optimising the return. Overall responsibility for managing market risk rests with the Audit and Risk Management Committee. The Foundations' Finance Department is responsible for the development of detailed risk management policies (subject to review and approval by the Audit and Risk Management Committee) and for the day-to-day implementation of those policies. There has been no change to the Foundation exposure to market risks or the way it manages and measures the risk.

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 KASNEB Foundation established by KASNEB, which is a state institution under the National Treasury and Economic Planning.

32. Currency

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

20. APPENDICES

Appendix 1: Implementation Status of Auditor-General's Recommendations

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

Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
Ref: OAG/TNT/KAS NEB F/2023/2024 (17)	Budgetary Control and performance The Auditor noted that the Foundation's budget absorption in FY 2023/2024 was 61%, indicating underutilization of allocated resources.	In FY 2024/2025, the Foundation improved budget absorption to 86%, up from 61% in the FY 2023/2024. This improvement reflects stronger budgetary control, improved planning, and better alignment between expenditure and program activities. The Foundation continues to strengthen financial management processes to ensure full alignment with the annual work plan.	Progress ongoing actions to ensure full implementation of the Budget.	June 2026

Guidance Notes:

- (i) Use the same reference numbers as contained in the external audit report;
- (ii) Obtain the "Issue/Observation" and "management comments", required above, from the final external audit report that is signed by Management;
- (iii) Before approving the report, discuss the timeframe with the appointed Focal Point persons within your Entity responsible for the implementation of each issue;
- (iv) Indicate the status of "Resolved" or "Not Resolved".

.....
Prof. Nicholas K. Letting', Ph.D, EBS, HSC

Trust Secretary

Date: 24 November 2025

Appendix II: Transfers from Other Government Entities

Name of the Entity Transferring the funds	Date received	Nature: Recurrent/Development	Total Amount - KES	Where Recorded/recognized		
	As per bank statement			Statement of Financial Performance	Revolving Fund	Total Transfers
National Treasury	06.11.2024	Recurrent	25,000,000	12,00,000	13,000,000	25,000,000
National Treasury	17.12.2024	Recurrent	25,000,000	12,00,000	13,000,000	25,000,000
National Treasury	15.03.2025	Recurrent	25,000,000	12,00,000	13,000,000	25,000,000
KASNEB	03.04.2025	Recurrent	2,000,000	960,000	1,040,000	2,000,000
National Treasury	05.06.2025	Recurrent	25,000,000	12,00,000	13,000,000	25,000,000
Total			102,000,000	48,960,000	53,040,000	102,000,000

Appendix III- Inter-Entity Confirmation Letter.

Name of transferring entity:.....NATIONAL TREASURY.....

Name of beneficiary entity:.....KASNEB FOUNDATION.....

Confirmation of amounts received by KASNEB FOUNDATION as at 30 th June (Current FY)					
Reference Number	Date Disbursed	Recurrent (A)	Development (B)	Total (C)=(A+B)	Remarks
National Treasury	06.11.2024	25,000,000	0	25,000,000	
National Treasury	17.12.2024	25,000,000	0	25,000,000	
National Treasury	15.03.2025	25,000,000	0	25,000,000	
National Treasury	05.06.2025	25,000,000	0	25,000,000	
Total				100,000,000	

I confirm that the amounts shown above are correct as of the date indicated.

Head of Accounts Department - Disbursing Entity:
 Name CPT Geoffrey A. K. Sign [Signature] Date 30/6/25

Head of Accounts Department - Beneficiary Entity:
 Name JACINTA MORAA Sign [Signature] Date 30.06.2025





[Faint, illegible text or markings at the bottom of the page, possibly bleed-through from the reverse side.]