NATIONAL SOCIAL SECURITY FUND
STAFF PENSION SCHEME

ANNUAL REPORT AND AUDITED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30TH JUNE 2026

BON & DREW ASSOCIATES
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FOR THE YEAR ENDED 30TH JUNE 2026

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Trustees

The Trustees who held office during the year and to the date of this report were:

Dr. Kaberia Isaac Kubai	-	Chairperson
FCPA Dr. Anne Owuor		
Mr. David Koros		
Hon. Shadrack Mwadime		
Ms Hellen Koech		
CPA Obed Mbuvi		
CPA James Njiru		
CPA Alfred Ouko		
Mr.Michael Ndichu	-	Trust Secretary

Administrator

Zamara Actuaries, Administrators & Consultants Limited
Chiromo Road, Waiyaki Way, Westlands
P.O. Box 52439 - 00200
Nairobi

Investment Managers

GenAfrica Asset Managers Limited (Main Fund)
1st Floor Arlington Block,
14 Riverside Business Park,
Off Riverside Drive
P. O. Box 79217-00200, Nairobi

African Alliance Kenya Asset Management Ltd. (Main Fund)
Kenya Re Towers, Upper Hill
P.O Box 27639-00506,Nairobi

Coop Trust Investment Services Ltd. (Main Fund)
Co-operative Bank .House, Haile Selassie Avenue
P.O. Box 48231-00100, Nairobi

Sanlam Investments East Africa (PRMF Fund)
Sanlam House, Kenyatta Avenue
P.O Box 67262 - 00200,Nairobi

Investment Advisor

Riscura Solutions (Kenya) Limited
Nairobi Garage, Mirage Towers Westlands
P.O. Box 73248-00200, Nairobi

Custodians

Kenva Commercial Bank Limited
Custody Services
KCB Towers, 7th Floor Upper Hill
P.O. Box 30664 - 00100, Nairobi

Standard Chartered Bank Kenya Limited
Standard Chartered Securities Services
48 Chiromo Road
P.O. Box 40984-00100, Nairobi

Independent Auditor

Bon & Drew Associates
Certified Public Accountants (K),
Jetro Chambers, 3rd Floor, Wing B
P. O. Box 13657, 00800, Nairobi,
E-mail: info@bondrew.co.ke

REPORT OF THE TRUSTEES

The Trustees have the pleasure in submitting their report together with the audited financial statements of the scheme for the year ended 30 June 2026.

ESTABLISHMENT, NATURE AND STATUS OF THE SCHEME

National Social Security Fund-Staff Pension Scheme is a defined contribution scheme that was transformed from a defined benefits scheme with effect from July 2011 and is governed by a Trust Deed. Under the Defined Benefit Scheme, the sponsors obligation was to provide the agreed benefits to current and former employees and actuarial risk (that benefits will cost more than expected) and investment risks (that assets invested will be insufficient to meet expected benefits) fell, in substance, on the sponsor. Under the defined contribution scheme, the sponsor's obligation is limited to the amount that the sponsor agrees to contribute to the scheme and actuarial risk and investment risk fall on the scheme members.The Board plays a critical role in ensuring prudent financial management, safeguarding member interests, and guiding strategic decisions on fund governance, actuarial assessments, and investment performance.

PRINCIPAL ACTIVITY

The primary objective of the Scheme is the provision of pension and retirement benefits to members in accordance with the rules of the Scheme. It is registered with the Retirement Benefits Authority (RBA) and is an exempt approved scheme under the Income Tax Act.

NSSF Staff Pension Scheme provides a range of specialized services, including:

1 Retirement Benefits Administration: Manages member contributions and ensures timely payment of retirement benefits.

2 Investment Management: Invests pension funds prudently to grow member savings and ensure sustainability.

3 Claims Processing: Handles retirement, death, and withdrawal claims efficiently and accurately.

4 Member Education: Provides information sessions to help members understand their pension rights and plan for retirement.

5 Regulatory Compliance: Ensures all operations align with legal and RBA requirements through regular reporting and audits.

RESULTS

	2026	2025
Active Members at 1 July	1,000	1024
Joiners	608	-
Reinstated	3	-
Dormant/	(25)	-
Leavers	(58)	(24)
Active Members at 30 June	1,528	1,000
Deferred & Dormant Members at 1 July	122	137
Joiners	30	9
Reinstated to active	(3)	-
Leavers	(27)	(24)
Deferred & Dormant Members at 30 June	122	122
Members at 30 June	1,650	1,122
PRMF Membership as at 30 June	986	794

BUSINESS REVIEW OF THE FINANCIAL RESULTS & ACTIVITIES

The statement of changes in net assets available for benefits on page 11 shows an increase in the net assets of the Scheme for the year ended 30 June 2026 of Kshs.2,275,304,960 (2025: Kshs.3,279,867,563) and the statement of net assets available for benefits on page 12 shows the Scheme's net assets as Kshs.18,362,221,829 (2025: Ksh.16,086,916,869).

INVESTMENT OF FUNDS

Under the terms of their appointment, GenAfrica Asset Managers, Coop Trust Investment Services Limited, African Alliance Kenya Asset Management Ltd and Sanlam Investments were responsible for the investment of the funds. During the year, the net interest declared and credited to members' accounts was at a rate of 23% for Main Fund and 16.5% for the Post-retirement Medical Fund.

The overall responsibility for the investment and performance of the scheme's funds lies with the Trustees.

REPORT OF THE TRUSTEES CONT...

CONTRIBUTIONS

Current contribution rates, based on a members' pensionable salary, are 8% (2025: 8%) and 16% (2025: 16%) by the member and employer, respectively.

INVESTMENT

The Trustees have adopted a sound investment policy for the Scheme assets geared towards ensuring optimum spread of portfolio risk, maximum yield and diversifying the liquidity position of the Scheme. The schemes investments as at the year-end consisted of:

	Investment	Percentage of Portfolio %	IPS	RBA
1	Property	3.43%	8%	30%
2	Short -term deposits	4.37%	10%	30%
4	Treasury bonds	63.12%	80%	90%
5	Treasury bills	0.40%	80%	90%
6	Corporate bonds	0.06%	5%	20%
7	Offshore investments	5.33%	15%	15%
8	Equity investments	23.28%	30%	70%
	TOTAL	100%		

All investments are in line with RBA investment guidelines. The Scheme has been registered as an approved scheme by the Commissioner of Income Tax thus it is exempt from income tax up to a limit of Kshs. 30,000 per employee per month. Contributions in excess of the Kshs. 30,000 limit are invested in the non-exempt scheme whose investment income is taxed at the corporate tax rate of 30%.

We confirm that none of the Scheme's assets have been used as security or collateral on behalf of the sponsoring employer or any connected business or individual

SUMMARY OF BENEFITS

A summary of the main benefits offered under the Scheme are as follows:

(i) Normal retirement benefit

All the benefits derived from contributions made by the employer and members shall vest immediately to the respective member. The retirement benefits accrued from membership shall be fully vested in a member immediatley they join service with the organization. The pension shall be purchased in the member's name from a registered insurer of the member's choice. On retirement, a member can have a third of his/her benefits commuted and paid out as a lump sum with the rest being paid out as annuities. Retirement is at 60 years.

(ii) Early retirement/ resignation benefit

Where a member leaves the employment of NSSF before the age of retirement with the consent of the employer , the member can withdraw 50% of the total vested benefits.

(iii) Death benefits

In case of death of a member,all his/her contributions and those of the employer are payable to the beneficiaries.

(iv) Emigration benefit

An emigrating member who leaves the Scheme before attaining the retirement age and the Trustees are satisfied that the member has no present intention of returning to the country, the member will be paid both the employer's and employee's contribution in full plus accrued interest.

INDEPENDENT AUDITOR

During the year, Bon & Drew Associates were appointed as the independent auditor of the NSSF Staff Pension Scheme and have expressed their willingness to continue in office in accordance with the Scheme's Trust Deed & Rules.

TERMS OF APPOINTMENT OF THE AUDITORS

Bon & Drew Associates continue in office as the independent auditor of the NSSF Staff Pension Scheme in accordance with the Scheme's Trust Deed and Rules. The Trustees monitor the effectiveness, objectivity, and independence of the auditor. They also approve the annual audit engagement contract, which outlines the terms of the auditor's appointment and the related audit fees.

Signed on behalf of the trustees

.....
Chairperson
Dr. Kaberia Isaac Kubai

Date 25/09/2026 2026

.....
Trustee
Ms. Hellen Koech

Date 28/09/2026 2026

FURTHER INFORMATION

Individual members of the Scheme are welcome to obtain further information about the Scheme. The Trust Secretary will be pleased to answer any queries, general or about individual entitlements to benefits, which can be sent to him at NSSF headquarters

The Kenyan Retirement Benefits Act requires the Trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the Scheme as at the end of the financial year and of its operating results for that year. It also requires the Trustees to ensure that the Scheme keeps proper accounting records which disclose with reasonable accuracy at any time the financial position of the Scheme. They are also responsible for safeguarding the assets of the Scheme.

The Trustees are responsible for the preparation and fair presentation of these financial statements in accordance with International Financial Reporting Standards and the requirements of the Kenyan Retirement Benefits Act and for such Internal controls as the Trustees determine are necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

(i) The Trustees accept responsibility for the annual financial statements, which have been prepared using appropriate accounting policies supported by reasonable and prudent judgments and estimates, in conformity with International Financial Reporting Standards and the requirements of the Kenyan Retirement Benefits Act. The Trustees are of the opinion that the financial statements give a true and fair view of the financial affairs of the Scheme and of its net assets. The Trustees _further accept responsibility for the maintenance of accounting records which may be relied upon in the preparation of financial statements, as well as adequate systems of internal financial control.

(ii) The Trustees certify that to the best of their knowledge and belief, the information furnished to the auditors for the purpose of the audit was correct and complete in every respect.

(iii) Making accounting estimates and judgments that are reasonable in the circumstances.

Nothing has come to the attention of the Trustees to indicate that the Scheme will not be able to meet its obligations for at least the next twelve months from the date of this statement.

The Trustees acknowledge that the independent audit of the financial statements does not relieve them of their responsibilities.

Approved by the Board of Trustees and signed on its behalf by:

.....
Chairperson
Dr. Kaberia Isaac Kubai

Date 25/09/2026 **2026**

.....
Trustee
Ms. Hellen Koech

Date 28/09/2026 **2026**

1. Board Diversity

Trustees Name	Category	No. Of Meetings Attended	TDPK Certification Status	Highest Qualification	Memberships Of Other Board
Dr.Kaberiah Isaac Kubai	Sponsor Appointed	6	Certified	Doctor Of Philosophy (PhD)	NSSF
FCPA Dr. Anne Owuor	Sponsor Appointed	6	Certified	Doctor Of Philosophy (PhD)	NSSF
Mr. David Koros	Sponsor Appointed	1	Certified	Master Of Business Administration	NSSF
Hon Shadrack Mwadime	Sponsor Appointed	1	-	Master Of Science Degree	NSSF
CPA Obed Mbuvi	Member Elected	6	Certified	Master Of Business Administration	
Ms. Hellen Koech	Member Elected	6	Certified	Degree,LLB	
CPA James Njiru	Member Elected	6	Certified	Master Of Business Administration	
CPA Alfred Ouko	Member Elected	6	Certified	Degree,Bachelor Of Commerce	

2. The Board of Trustee held 4 Full Board Meetings, 1 Special Board Meeting, and Pre-Annual General Meeting during the year under review as indicated here-under;

a) Board of Trustees

Date of Meeting	Type of Meeting	Methods for Meeting
3rd September 2025	Full Board	Physical Meeting
23rd September 2025	Pre-AGM (Special Board)	Physical Meeting
24th September 2025	Special Board	Physical Meeting
14th November 2025	Full Board	Physical Meeting
23rd February 2026	Full Board	Physical Meeting
29th May 2026	Full Board	Physical Meeting

b) Committee Meetings

Currently, the Fund has 2 standing committees; the audit and risk committee and the finance & investment committee.Further, the fund has 4 Ad Hoc committees i.e. Ad Hoc procurement committee,Ad Hoc HR committee,Ad Hoc Special Project committee,Ad Hoc Transition Committee.The committees held 19 meetings during the year under review as highlighted below.

Committee Name	No. of Meetings Held
Audit & Risk Committee	6
Finance & Investment Committee	4
Ad Hoc Transition Committee	9

3. The Composition of the Board of Trustees is as Hereunder:
a) Gender balance: Female: 25% Male: 75%
b) Skills mix: Number of Trustees with financial skills: Four (4)
c) Number of Trustees with company secretarial skills: One (1)
d) Age mix: Number of Trustees who are younger than 35 years. None
e) Number of Trustees who are older than 35 years. Eight (8)

4.Fiduciary Responsibility Statement

The Board of Trustees is the governing body of the National Social Security Fund Staff Pension Scheme and is responsible for the corporate governance of the scheme. The Trustees are responsible for ensuring that the administration of the scheme is conducted in the best interests of the scheme's members and the sponsor. To achieve this, the Trustees embraced their fiduciary responsibility by:

a) Acting honestly and did not improperly use inside information or abuse their position;
b) Exercising the highest degree of care and diligence in the performance of their duties that a reasonable person in a like position would exercise in the circumstances; and
c) Performing their duties with requisite degree of skill.

The scheme has complied with the laws, regulations and guidelines that govern retirement benefits schemes and the scheme's business operations.

The Trustees have ensured that the fund manager has carried out all scheme investments and that all scheme assets and funds are held by the custodian.

The Board charter for the scheme has been developed

5.Responsible Corporate Citizenship

The scheme has participated in socially responsible investments and operations and has not been involved in any activity that may undermine the well-being of the sponsor, members or the community in which it operates.

6. Key Outcomes

The Board of Trustees seeks to achieve the following:

a) Building trust with the members and sponsor of the scheme so that they are satisfied with the Administration of the scheme;
b)Supporting innovation and developing solutions that meet the members' and sponsor's needs; and
c) Ensuring that the scheme's administrative processes remain transparent and accessible to members and the sponsor.

The Board of Trustees will measure the progress towards these outcomes through:

a) Triennial members' survey score.
b) Regular reports and feedback from the sponsor. No. of reports. 4

7. Annual General Meeting (AGM)

The Board of Trustees held the Annual General Meeting on 21st November 2025 at which over 180 members attended.
The Board adequately addressed the members' concerns.

8. Members' Sensitization

The Board conducted the following sensitization activities

	Date held	No. of Attendants	Remarks
Annual General Meeting	21/11/2025	Over 180	Satisfactory
Country wide Member Retirement Planning Sessions	August 2025 to September 2025	Over 700	Satisfactory

During the sensitization activity, members were reminded of the Retirement Benefits Authority Whistle Blower portal to report any unusual occurrences in the management of scheme affairs.

9.Trustees' Remuneration Policy

During the year under review, the Trustees were paid a gross sum of Kshs 3,779,049.
The payments complied with the Trustee's remuneration provisions in the Trust deed and the Schemes Trustees remuneration policy.

10. Board of Trustees' Evaluation

The Board and individual Trustees did not undertake Board Evaluation in the year conducted by State Corporation Advisory Committee.

Approved by the Board of Trustees and signed on its behalf by:

.....
Chairperson
Dr. Kaberiah Isaac Kubai
Date 25/09/2026 **2026**

.....
Trustee
Ms. Hellen Koech
Date 28/09/2026 **2026**

Independent Auditor's Report to the Trustees of the NSSF Staff Pension Scheme
Report on the audit of the financial statements

Opinion:

We have audited the accompanying financial statements of the NSSF Staff Pension Scheme set out on pages 11 to 33, which comprise the Statement of Net Assets Available for Benefits as at 30th June 2026, the Statement of Changes in Net Assets Available for Benefits, the Statement of Cash Flows for the year then ended, and the related notes, including a summary of significant accounting policies.

In our opinion, the financial statement gives a true and fair view of the financial transactions of the Scheme during the year ended 30th June 2026 and of the disposition at that date of its assets and liabilities, other than liabilities to pay pensions and benefits falling due after the end of the year, in accordance with International Financial Standards.

Basis for Opinion:

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the audit of the Financial Statements section of our report. We are independent of the Scheme in accordance with International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code) together with the ethical requirements that are relevant to our audit of the Financial Statements in Kenya, and we have fulfilled our responsibilities in accordance with these requirements and the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matter

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters

Going concern

Our responsibility as auditors was to obtain sufficient and appropriate audit evidence about the appropriateness of Trustee's use of the going concern assumption in the financial statements and to conclude whether there is a material uncertainty about the Scheme's ability to continue as a going concern basis. The assumption is that the Scheme will carry on its activities in the same way for the foreseeable future.

Independent Auditor's Report to the Trustees of the NSSF Staff Pension Scheme
Report on the audit of the financial statements

We tested these assumptions and were satisfied that the Scheme had the cash to fund its operations.
The Scheme will continue meeting its obligations to members and their dependants.

The Trustees' Responsibilities for the Financial Statements:

The Trustees are responsible for the preparation and fair presentation of these financial statements following International Financial Reporting Standards, This responsibility includes designing, implementing and maintaining internal control relevant to the preparation and fair presentation of the financial statements that are free from material misstatements, whether due to fraud or errors, selecting and applying appropriate accounting policies, and making accounting estimates that are reasonable in the circumstances. The Trustees need to ensure that the scheme maintains proper books of accounts, which are in agreement with the financial statements.

Auditor's Responsibilities for the Audit of the Financial Statements:

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decision of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risk of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis of our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Management.
- Conclude on the appropriateness of the Trustees' use of the going concern basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Scheme's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the scheme to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the scheme to express an opinion on the financial statements. We are responsible for the direction, supervision and performance of the Scheme's audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we may identify during our audit.

Independent Auditor's Report to the Trustees of the NSSF Staff Pension Scheme

Report on the audit of the financial statements

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards

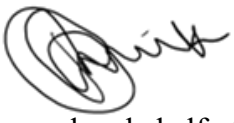
From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on other Legal and Regulatory Requirements

As required by the Retirement Benefits Act, 1997, the Retirement Benefits (Occupational Retirement Benefits Schemes) Regulations, and the Scheme Rules, we report to you, based on our audit, that:

- We have obtained all information and explanations which to the best of our knowledgeand belief were necessary for the purpose of our audit.
- In our opinion, proper books of account have been kept by the Scheme;
- The Scheme's Fund Account and Assets Statements agree with the books of account.
- The information in the trustees' report are consistent with the financial statements.

The engagement Partner responsible for the audit resulting in independent Auditor's Report is FCPA Risper Olick P/2496.



For and on behalf of Bon & Drew Associates
Certified Public Accountants
Nairobi, Kenya

Date: .....28..SEPTEMBER.....2026

UNIQUE CODE: 50282260928

STATEMENT OF CHANGES IN NET ASSETS AVAILABLE FOR BENEFITS

	Notes	2026 Ksh	2025 Ksh
Income from Dealings with Members			
Contributions	**4(a)**	783,410,267	591,514,294
Transfers In	**4(b)**	31,528,663	14,665,926
Benefits Paid Out	**5**	(1,563,078,036)	(830,914,491)
Net Deficit from Dealings with Members		**(748,139,106)**	**(224,734,271)**
Returns On Investments			
Investment Income	**6**	1,868,665,943	1,647,015,319
Realised Gain on Sale of Investments	**7**	133,922,368	254,445,319
Unrealized Profit on Revaluation of Investments	**8**	1,193,587,345	1,754,215,035
Investment Management Expenses	**9**	(45,318,774)	(36,816,619)
Net Returns on Investments		**3,150,856,882**	**3,618,859,054**
EXPENSES			
Administrative expenses	**15**	(62,821,709)	(58,454,392)
Net Returns on Investments Before Tax		3,088,035,173	3,560,404,662
Net Increase In Net Assets Before Tax		**2,339,896,067**	**3,335,670,391**
Taxation Charge On Income From Unregistered Fund	**26**	(64,591,107)	(55,802,828)
Net Increase In Net Assets Available For Benefits		2,275,304,960	3,279,867,563
Net Assets At The Start Of The Period		16,086,916,869	12,807,049,306
Members Funds At The End Of The Period		**18,362,221,829**	**16,086,916,869**

The notes on pages 14 to 33 are an integral part of these financial statements.

NATIONAL SOCIAL SECURITY FUND STAFF PENSION SCHEME
ANNUAL REPORT AND AUDITED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30TH JUNE 2026
STATEMENT OF NET ASSSETS AVAILABLE FOR BENEFITS

	Notes	2026 Ksh	2025 Ksh
INVESTMENTS			
Property	19	630,000,000	630,000,000
Short-Term Deposits	10	801,425,618	544,865,789
Treasury Bonds	12	11,580,944,108	10,956,775,092
Treasury Bills	13	72,974,247	138,354,519
Corporate Bonds	14	11,561,588	36,017,706
Offshore Investments	16	977,757,494	695,291,260
Equity Investments	17	4,271,826,995	3,041,810,545
Total Investments		**18,346,490,050**	**16,043,114,911**
Other Assets			
Property & Equipment	25	6,999,518	1,545,499
Income Receivable & Prepayments	18	31,704,880	28,672,039
Contributions Due from the Sponsor	23(a).	-	48,242,338
Bank Balance	22	6,610,438	2,640,751
Total Other Assets		**45,314,836**	**81,100,627**
Current Liabilities			
Other Payables and Accruals	20	26,375,061	28,781,082
Due To Sponsor	23(b).	-	4,587,969
Tax Payable	26(a).	3,207,996	3,929,618
		29,583,057	**37,298,669**
Net Assets		**18,362,221,829**	**16,086,916,869**
Represented By:			
Post Retirement Medical Scheme	26(b).	384,092,589	301,043,052
Members' Fund	21(a).	17,380,549,324	14,938,508,659
Revaluation Reserve Fund	21(b).	597,579,916	847,365,158
Total Accumulated Fund		**18,362,221,829**	**16,086,916,869**

The financial statements on pages 11 to 33 were approved for issue by the board of Trustees on....., 2026.

signed on its behalf by:

.....
Chairperson
Dr. Kaberiah Isaac Kubai

Date 25/09/2026 2026

.....
Trustee
Ms. Hellen Koech

Date 28/09/2026 2026

The notes on pages 14 to 33 are an integral part of these financial statements.

	Notes	2026	2025
Cash flows from Operating Activities		**Ksh**	**Ksh**
Contributions Received		831,710,909	545,146,827
Transfers In		31,528,663	14,665,926
Benefits Paid		(1,563,078,036)	(830,864,277)
Administration Expenses Paid		(62,485,409)	(56,389,579)
Taxation Paid		(65,312,729)	(61,154,880)
Net Cash used in Operating Activities		**(827,636,602)**	**(388,595,983)**
Investing Activities			
Investment Income Received		1,750,105,184	1,590,699,795
Investment Management Expenses Paid		(46,114,202)	(30,541,409)
Purchase Treasury Bonds	**12**	(2,327,901,436)	(2,929,958,566)
Proceeds on Maturity of Treasury Bonds	**12**	1,553,993,406	1,661,892,300
Proceeds From the Disposal of Quoted Equity Shares	**17**	587,592,882	373,384,050
Purchase of Quoted Equity Shares	**17**	(382,970,031)	(163,690,229)
Proceeds from the Disposal of Corporate Bonds		23,306,679	15,956,209
Purchase of Offshore Investments	**16**	(292,789,029)	(241,220,969)
Proceeds from Disposal of Offshore	**16**	152,934,829	175,619,558
Purchase of Computers		(301,000)	(92,000)
Purchase of Property,Plant & Equipment		(4,732,753)	-
Purchase of Treasury Bills		(69,958,430)	(197,307,785)
Proceeds From Maturity Of Treasury Bills		145,000,000	94,629,860
Net Cash Generated From Investing Activities		**1,088,166,117**	**349,370,813**
Net Increase/decrease in cash and cash equivalent		260,529,515	(39,225,171)
Cash and Cash Equivalent at start of the period		547,506,539	586,731,710
Cash and Cash Equivalent at the end of the period	**22**	**808,036,054**	**547,506,539**
Represented by			
Bank balances		6,610,438	2,640,751
Short term deposits		801,425,616	544,865,788
Net Cash Flow Statement	**22**	**808,036,054**	**547,506,539**

The notes on pages 14 to 33 are an integral part of these financial statements.

NOTES TO THE FINANCIAL STATEMENTS

General information

The NSSF Staff Pension Scheme is a retirement benefits scheme domiciled in Kenya and established under an irrevocable trust deed and rules in accordance with the provisions of the Retirement Benefits Act, 1997. The registered office and principal place of administration of the Scheme are set out on page 2 of these financial statements. The principal activities of the Scheme, as set out on page 3, are to receive contributions from the sponsor and members, invest the funds of the Scheme, and pay out retirement and related benefits to members in accordance with the Scheme Rules.

1. Significant Accounting Policies

(a) Basis of preparation

The financial statements are prepared on a going concern basis in compliance with International Financial Reporting Standards (IFRSs) and the requirements of the Kenyan Retirement Benefits Act. The financial statements have been prepared on a historical cost basis, except for financial assets at fair value through profit or loss and investment property which have been measured at fair value. The financial statements are presented in Kenya Shillings (Kshs).

(b) Contributions and Benefits

Contributions receivable and benefits payable are recognized in the period in which they fall due.

(c) Investment Income

Investment income is recognized in the period in which it is earned.

(d) Dividend Income

Dividend income from investments is recognized when the Scheme's right to receive payment has been established.

(e) Withdrawals

Withdrawals are charged to the statement of changes in net assets available for benefits when they fall due, which could be at normal retirement, early retirement, on resignation or passing on (death). The date when the benefits fall due depends on the reason of exit as outlined below:

Normal retirement - When a member attains the normal retirement age and receives a retirement letter from the sponsor.
Early retirement - When upon attaining the early retirement age, a member notifies the sponsor of their intention to retire and sponsor consents to the retirement.
Resignation - When a member resigns from service and the sponsor consents to the resignation.
Death - When a member dies.

The notes on pages 14 to 33 are an integral part of these financial statements.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

1. Significant Accounting Policies (continued)

(f) Cash and Cash Equivalents

Cash and cash equivalents in the statement of net assets available for benefits comprise of cash at bank. For the purpose of the statement of cash flows, cash and cash equivalents consist of cash at bank and short-term deposits with a maturity of three months or less, which are subject to an insignificant risk of changes in value. The Scheme has no cash and cash equivalents in foreign currency.

(g) Members' balances

Members' balances comprise the accumulated net surpluses or deficits realized from dealings with members and any earnings/ surpluses or deficits/losses arising from the Scheme's investing activities.

(h) Tax

The Scheme comprises an exempt and non-exempt Scheme. Contributions received by the Scheme up to a limit of Kshs. 30,000 per employee per month are invested in the exempt Scheme, which is exempted from taxation. Contributions in excess of the Kshs. 30,000 limit are invested in the non exempt Scheme whose investment income is taxed at the corporate tax rate of 30%.

(i) Foreign Currencies

Monetary assets and liabilities expressed in foreign currencies are translated into Kenya Shillings at the rates of exchange ruling at year end. Transactions during the year in foreign currencies are translated at the rates ruling at the dates of the transactions. Gains and losses on exchange are included in the statement of changes in net assets available for benefits.

The notes on pages 14 to 33 are an integral part of these financial statements.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

1. Significant Accounting Policies (continued)

(j) Investment property

Investment property consists of land whose future use is currently undetermined. It has therefore been regarded as held for capital appreciation. Investment properties are measured initially at cost, including transaction costs. Subsequent to initial recognition, investment properties are stated at fair value, which reflects market conditions at the reporting date. Gains or losses arising from changes in the fair values of investment properties are included in profit or loss in the period in which they arise, including the corresponding tax effect. Fair values are determined based on an annual evaluation performed by an accredited external independent valuer applying a valuation model recommended by the International Valuation Standards Committee.

Investment properties are derecognized either when they have been disposed off or when they are permanently withdrawn from use and no future economic benefit is expected from their disposal. The difference between the net disposal proceeds and the carrying amount of the asset is recognized in profit or loss in the period of disposal.

(k) Depreciation

Depreciation on other items of plant and equipment is calculated to write off the cost or the revalued amounts in equal annual instalments over their expected useful lives, The annual rates used are:

Furniture & Equipment	25%
Computer	30%
Property,Plant & Equipment	25%

(l) Investment Management Expenses

Investment management expense comprise of investment management fees charged by the Scheme investment managers and custodial fees charged by the Scheme custodians. The expense is recognized in the statement of changes in net assets available for benefits in the period in which it is incurred.

(m Comparatives

Where necessary, comparative figures have been adjusted to conform to changes in presentation in the current year

(n) Financial instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

Financial assets

Initial recognition and measurement

Financial assets are classified, at initial recognition, as subsequently measured at amortized cost, fair value through other comprehensive income (OCI), and fair value through profit or loss.

The classification of financial assets at initial recognition depends on the financial asset's contractual cash flow characteristics and the Scheme's business model for managing them. The Scheme initially measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs.

In order for a financial asset to be classified and measured at amortized cost or fair value through OCI, it needs to give rise to cash flows that are 'solely payments of principal and interest (SPPI)' on the principal amount outstanding. This assessment is referred to as the SPPI test and is performed at an instrument level..

The Scheme's business model for managing financial assets refers to how it manages its financial assets in order to generate cash flows. The business model determines whether cash flows will result from collecting contractual cash flows, selling the financial assets, or both. Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the market place (regular way trades) are recognized on the trade date, i.e., the date that the Scheme commits to purchase or sell the asset.

The notes on pages 14 to 33 are an integral part of these financial statements.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

1. Significant Accounting Policies (continued)

Financial instruments (continued)

Financial assets (continued)

Subsequent measurement

For purposes of subsequent measurement, financial assets are classified into four categories:

* Financial assets at amortized cost (debt instruments)
* Financial assets at fair value through OCI with recycling of cumulative gains and losses (debt instruments)
* Financial assets designated at fair value through OCI with no recycling of cumulative gains and losses upon derecognition (equity instruments)
* Financial assets at fair value through profit or loss

Financial assets at amortized cost (debt instruments)

This category is relevant to the Scheme. The Scheme measures financial assets at amortized cost if both of the following conditions are met:

* The financial asset is held within a business model with the objective 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 amount outstanding.

Financial assets at amortized cost are subsequently measured using the effective interest (EIR) method and are subject to impairment. Gains and losses are recognized in profit or loss when the asset is derecognized, modified or impaired.

The Scheme's financial assets at amortized cost includes bank balances, other receivables, corporate bonds, short term deposits and treastny bills.

Financial assets at fair value through OCI (debt instruments)

The Scheme measures debt instruments at fair value through OCI if both of the following conditions are met:

* The financial asset is held within a business model with the objective of both holding to collect contractual cash flows and selling; 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.

For debt instruments at fair value through OCI, interest income, foreign exchange revaluation and impairment losses or reversals are recognized in the statement of profit or loss and computed in the same manner as for financial assets measured at amortized cost. The remaining fair value changes are recognized in OCI. Upon derecognition, the cumulative fair value change recognized in OCI is recycled to profit or loss. The Scheme does not have any financial assets classified as debt instruments at fair value through OCI.

Financial assets designated at fair value through OCI (equity instruments)

Upon initial recognition, the Scheme can elect to classify irrevocably its equity investments as equity instruments designated at fair value through OCI when they meet the definition of equity under IAS 32 Financial Instruments: Presentation and are not held for trading. The classification is determined on an instrument-by-instrument basis.

Gains and losses on these financial assets are never recycled to profit or loss. Dividends are recognized as other income in the statement of profit or loss when the right of payment has been established, except when the Scheme benefits from such proceeds as a recovery of part of the cost of the financial asset, in which case, such gains are recorded in OCI.

The notes on pages 14 to 33 are an integral part of these financial statements.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

1. Significant Accounting Policies (continued)

Financial instruments (continued)

Financial assets (continued)

Subsequent Measurement (continued)

Equity instruments designated at fair value through OCI are not subject to impairment assessment. The Scheme does not have any equity instruments designated at fair value through OCI.

Financial assets at fair value through profit or loss

Financial assets at fair value through profit or loss include financial assets held for trading, financial assets designated upon initial recognition at fair value through profit or loss, or financial assets mandatorily required to be measured at fair value. Financial assets are classified as held for trading if they are acquired for the purpose of selling or repurchasing in the near term. Derivatives, including separated embedded derivatives, are also classified as held for trading unless they are designated as effective hedging instruments. Financial assets with cash flows that are not solely payments of principal and interest are classified and measured at fair value through profit or loss, irrespective of the business model.

Notwithstanding the criteria for debt instruments to be classified at amortized cost or at fair value through OCI, as described above, debt instruments may be designated at fair value through profit or loss on initial recognition if doing so eliminates, or significantly reduces, an accounting mismatch. Financial assets at fair value through profit or loss are carried in the statement of financial position at fair value with net changes in fair value recognized in the statement of profit or loss.

This category is most relevant to the Scheme and includes quoted equities, treasury bonds and offshore investments. Dividends on listed equity investments are also recognized as investment income in the statement of profit or loss when the right of payment has been established.

Derecognition

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognized (i.e., removed from the Scheme's statement of net assets available for benefits) when:

* The rights to receive cash flows from the asset have expired; or
* The Scheme has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either (a) the Scheme has transferred substantially all the risks and rewards of the asset, or (b)the Scheme has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

The notes on pages 14 to 33 are an integral part of these financial statements.

(n) Financial instruments (continued)

When the Scheme has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if, and to what extent, it has retained the risks and rewards of ownership.

When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Scheme continues to recognize the transferred asset to the extent of its continuing involvement. In that case, the Scheme also recognizes an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Scheme has retained.

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Scheme could be required to repay.

Impairment of financial assets

The Scheme recognizes an allowance for expected credit losses (ECLs) for all debt instruments not held at fair value through profit or loss. The Scheme applies the low credit risk simplification. At every reporting date, the Scheme evaluates whether the debt instrument is considered to have low credit risk using all reasonable and supportable information that is available without undue cost or effort. In making that evaluation, the Scheme reassesses the credit rating of the debt instrument. In addition, the Scheme considers that there has been a significant increase in credit risk when contractual payments are more than 30 days past due.

The Scheme considers a financial asset in default when contractual payments are 30 days past due. However, in certain cases, the Scheme may also consider a financial asset to be in default when internal or external information indicates that the Scheme is unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements held by the Scheme. A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows.

Financial liabilities

(a) Initial recognition and measurement

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, loans and borrowings, payables, or as derivatives designated as hedging instruments in an effective hedge, as appropriate.

All financial liabilities are recognized initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs. The Scheme's financial liabilities include other payables.

(b) Subsequent measurement

The measurement of financial liabilities depends on their classification, as described below:

Financial liabilities at fair value through profit or loss

Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss.

The Scheme has not designated any financial liability at fair value through profit or loss.

The notes on pages 14 to 33 are an integral part of these financial statements.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

Loans and payables

This is the category most relevant to the Scheme. After initial recognition, payables are subsequently measured at amortized cost using the EIR method. Gains and losses are recognized in profit or loss when the liabilities are derecognized as well as through the EIR amortization process.

Amortized cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortization is included as finance costs in the statement of profit or loss. This category generally applies to other payables.

Derecognition

A financial liability is derecognized when the obligation under the liability is discharged or cancelled or expires

When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognized in the statement of profit or loss

Offsetting of Financial Instruments

Financial assets and financial liabilities are offset and the net amount is reported in the consolidated statement of financial position if there is a currently enforceable legal right to offset the recognized amounts and there is an intention to settle on a net basis, to realize the assets and settle the liabilities simultaneously.

In the process of applying the Scheme's accounting policies, Trustees have made estimates and assumptions that affect the reported amounts of assets and liabilities within the next financial year. Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

The notes on pages 14 to 33 are an integral part of these financial statements.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

2.Critical Accounting Estimates and Judgements in Applying the Scheme's Accounting Policies

The most significant use of judgment, estimates and assumptions are as follows: Valuation of investment property

Investment property is measured based on estimates prepared by independent real estate valuation experts. The significant methods and assumptions used by valuers in estimating the fair value of investment property are set out in note 19.

3. New Standards, Amendments and Interpretations

The Scheme applied for the first-time certain standards and amendments, which are effective for annual periods beginning on or after 1 January 2019. The Scheme has not early adopted any other standard, interpretation or amendment that has been issued but is not yet effective. The following new standards and amendments became effective as of 1 January 2019:

* IFRS 16 Leases
* IFRIC 23: Uncertainty over Income Tax Treatments
* Amendments to IFRS 9: Prepayment Features with Negative Compensation
* Amendments to IAS 28: Long-term Interests in Associates and Joint Ventures
* Amendments to IAS 19: Plan Amendment, Curtailment or Settlement
* AIP IFRS 3 Business Combinations - Previously held Interests in a joint operation
* AIP IFRS 11 Joint Arrangements- Previously held Interests in a joint operation
* AIP IAS 12 Income Taxes- Income tax consequences of payments on financial instruments classified as equity
* AIP IAS 23 Borrowing Costs- Borrowing costs eligible for capitalization

Except adoption of IFRIC 23: Uncertainty over Income Tax Treatments discussed below, all the other amendments and annual improvements did not have an impact on the entity.

IFRIC 23: Uncertainty over Income Tax Treatment

The Interpretation addresses the accounting for income taxes when tax treatments involve uncertainty that affects the application of IAS 12 Income Taxes. It does not apply to taxes or levies outside the scope of IAS 12, nor does it specifically include requirements relating to interest and penalties associated with uncertain tax treatments. The Interpretation specifically addresses the following:

* Whether an entity considers uncertain tax treatments separately
* The assumptions an entity makes about the examination of tax treatments by taxation authorities
* How an entity determines taxable profit/ (tax loss), tax bases, unused tax losses, unused tax credits and tax rates
* How an entity considers changes in facts and circumstances

The notes on pages 14 to 33 are an integral part of these financial statements.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

The Scheme determines whether to consider each uncertain tax treatment separately or together with one or more other uncertain tax treatments and uses the approach that better predicts the resolution of the uncertainty.

The scheme applies significant judgement in identifying uncertainties over income tax treatments. Since the scheme operates in a simple environment, it assessed whether the interpretation had an impact on its financial statements.

Upon adoption of the interpretation, the scheme considered whether it has any uncertain tax positions, particularly those relating to income tax. The scheme's tax filings include income tax filings and the taxation authorities may challenge those income tax treatments. The scheme determined, based on its tax compliance that it is probable that its tax treatments will be accepted by the taxation authorities. The interpretation did not have an impact on the financial statements of the scheme.

Standards issued recently

i). Effective for accounting period beginning on or after
ii). Amendments to IFRS 3: Definition of a Business 1 January 2020
iii). Amendments to IAS 1 and IAS 8: Definition of Material 1 January 2020
iv). The Conceptual Framework for Financial Reporting 1 January 2020
v). Amendments to IFRS 10 and IAS 28: Sale or Contribution of Assets between an Investor and its Associate or Joint Venture 1 January 2023
vi). IFRS 17 Insurance contracts , Effective date deferred indefinitely

The above new standards and amendments to existing standards issued but not yet effective are not expected to have an impact except for Amendments to IAS 1 and IAS 8: Definition of Material.

IAS I and IAS 8 Definition of Material

The amendment refines the definition of Material to make it easier to understand and aligning the definition across IFRS Standards and the Conceptual Framework.

The amendment includes the concept of 'obscuring' to the definition, alongside the existing references to 'omitting' and 'misstating'. Additionally, the amendments also add the increased threshold of 'could influence' to 'could reasonably be expected to influence' as below.

Information is material if omitting, misstating or obscuring it could reasonably be expected to influence decisions that the primary users of general-purpose financial statements make on the basis of those financials, which provide financial information about a specific reporting entity. '

However, the amendment has also removed the definition of material omissions or misstatements from IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors.

The amendments are effective from 1 January 2020 but may be applied earlier. The scheme is assessing the potential impact on its financial statements resulting from the application of the refined definition of materiality.

The notes on pages 14 to 33 are an integral part of these financial statements.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

4 Contributions and transfers in

	2026	2025
a. Contributions	**Ksh**	**Ksh**
Employer	475,889,062	367,418,704
Employees	237,883,789	183,748,475
Additional voluntary contribution	37,529,676	13,936,875
PRMF contributions	32,107,740	26,410,240
	783,410,267	**591,514,294**
b. Transfers In		
Transfers in (Main Scheme)	3,479,462	2,414,718
Transfers in (PRMF)	28,049,201	12,251,208
	31,528,663	**14,665,926**

5 Benefits

Withdrawals paid (Main Scheme)	1,512,498,098	800,674,029
Withdrawals paid (PRMF)	22,530,737	17,989,254
Transfers out to PRMF	28,049,201	12,251,208
	1,563,078,036	**830,914,491**

6 Investment income

Held at fair value		
Interest on treasury bonds at fair value	1,546,605,891	1,350,034,748
Interest on corporate bonds at fair value	1,711,378	4,923,637
	1,548,317,269	**1,354,958,385**
Interest on fixed deposits	27,594,952	40,848,217
Interest on Treasury bills	9,661,298	17,682,155
Dividend income	278,272,842	233,526,562
Other Income	4,819,582	-
	1,868,665,943	**1,647,015,319**

7 Realised gain/(loss) on investment

Quoted equity investments	119,193,008	78,769,010
Realised FX Gain	-	509,916
Treasury bonds	5,680,150	168,357,161
Offshore Investments	9,049,210	6,809,232
	133,922,368	**254,445,319**

8 Unrealized (loss)/gain on revaluation of Investments

Offshore investments	133,562,827	54,361,147
Quoted equity investments	1,315,446,314	839,470,545
Corporate Bonds	125,143	
Treasury bonds	(255,546,939)	940,383,343
Property Investement	-	(80,000,000)
	1,193,587,345	**1,754,215,035**

The notes on pages 14 to 33 are an integral part of these financial statements.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

	2026 Ksh	2025 Ksh
9. **Investment Management Expenses**		
Management Fees	39,183,887	31,588,250
Custody Fees	6,134,887	5,228,369
	45,318,774	**36,816,619**
10. **Fixed & Term Deposits**		
At amortized Cost:		
Balance at 1 July	544,865,789	525,283,497
Purchases	5,549,660,001	4,972,993,344
Sales	(5,293,350,000)	(4,946,483,344)
Change in Accrued Interest	249,828	(6,927,708)
Balance at 30 June	**801,425,618**	**544,865,789**
11. **Foreign Deposits**		
Balance 1 July	-	15,091,616
Movement	-	(15,091,616)
Balance at 30 June	**-**	**-**
12. **Treasury Bonds At**		
Fair Value:		
Balance at 1 July	10,956,775,092	8,531,716,379
Purchases	2,327,901,436	2,929,958,566
Sales	(1,553,993,406)	(1,661,892,300)
Gain on Sale	5,680,150	168,357,161
Change in Fair Value	(255,546,939)	940,383,343
Change in Accrued Interest	100,127,775	48,251,943
Balance at 30 June	**11,580,944,108**	**10,956,775,092**
13. **Treasury Bills**		
Maturing after 3 months	**72,974,247**	**138,354,519**
14. **Corporate Bonds**		
EABL.DMT.FXD	-	20,974,626
FXD-KMRC-01/22/7-TR1	11,561,588	15,043,080
	11,561,588	**36,017,706**

The notes on pages 14 to 33 are an integral part of these financial statements.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

		2026 Ksh	2025 Ksh
15	**ADMINISTRATIVE EXPENSES**		
	Employment:		
	Staff salaries & wages	12,382,825	11,853,504
	Prior Years-Gratuity	1,854,830	-
	Staff insurance	973,690	984,297
	Secretariat training	1,525,217	361,000
	Total employment costs	**16,736,562**	**13,198,801**
	Other administration expenses:		
	RBA levy	5,000,050	5,000,000
	Actuarial Fees	2,086,379	1,625,000
	Actuarial Fees-Prior Year**	870,000	-
	Administration fees	4,015,358	2,923,758
	Audit fees	550,000	550,000
	Trustee indemnity	2,385,738	2,385,731
	Printing & Stationery	250,763	41,644
	Professional fees	676,414	1,550,920
	Procurement Costs	1,054,840	-
	Telephone and Postage Expenses	233,756	9,000
	Office expenses	595,273	676,658
	Advertising expenses	-	467,318
	Bank & other charges	362,614	263,084
	Strategic plan expenses	-	1,586,492
	Depreciation on equipment	774,743	352,099
	Training & Meeting Expenses		
	Trustees sitting allowances	3,779,049	5,251,884
	AGM expenses	1,374,083	1,315,693
	Trustees training & workshops	11,731,305	7,169,590
	Member education expenses	6,606,329	5,491,520
	Retreats	3,296,233	2,466,000
	ARBS Subscription & Professional membership Fee	44,000	-
	Refreshments during meetings	105,720	287,650
	Property Expenses		
	Land valuation fees	-	1,533,500
	Property consultation fees	-	2,900,000
	Land rates	56,000	56,000
	Security expense & squatter eviction	236,500	1,352,050
	Total other administration expenses	**46,085,147**	**45,255,591**
	Total administrative expenses	**62,821,709**	**58,454,392**

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The notes on pages 14 to 33 are an integral part of these financial statements.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

16. Offshore Investments

Year ended 30 June 2026

	07/01/2025	Additions	Bonus/Rights Issue	Disposals	06/30/2026	07/01/2025	Additions	Disposals	Disposal Gain/Loss	Fair Value Gain/Loss	06/30/2026
	Units	Units	Units	Units	Units	Kshs	Kshs	Kshs	Kshs	Kshs	Kshs
FRANKLIN US OPPORTUNITIES-799	25,707	-	-	-	25,707	122,789,676	-	-	-	15,133,231	137,922,780
BLK DEVELOPED W INDEX INST ACC	48,301	-	-	-	48,301	246,952,188	-	-	-	53,155,762	300,108,070
VCG US Offshore Multi-Asset Special Fund	-	10,000	-	-	10,000	-	129,980,000	-	-	6,251,707	136,231,707
Satrix World Equity Tracker Fund - L Class (Usd)	789,714	-	-	-	789,714	181,663,777	-	-	-	40,257,889	221,921,670
Templeton Franklin US-AFS	10,970	-	-	10,970	-	143,885,619	-	(152,934,829)	9,049,210	-	-
Ishares Msci World Etf	-	383	-	-	383	-	9,874,200	-	-	176,441	10,050,640
FranklinTechnology Fund Class W (ACC) USD	-	13,076	-	-	13,076	-	152,934,829	-	-	18,587,798	171,522,627
TOTAL	**874,692**	**23,459**	**-**	**10,970**	**887,181**	**695,291,260**	**292,789,029**	**(152,934,829)**	**9,049,210**	**133,562,828**	**977,757,494**

Year ended 30 June 2025

		Additions	Bonus/Rights Issue	Disposals	06/30/2025	01/07/2024	Additions	Disposals	Disposal Gain/Loss	Fair Value Gain/Loss	06/30/2025
	Units	Units	Units	Units	Units	Kshs	Kshs	Kshs	Kshs	Kshs	Kshs
FRANKLIN US OPPORTUNITIES-799	64,587	-	-	38,881	25,707	280,423,529	-	(175,619,558)	6,809,232	11,176,473	122,789,676
BLK DEVELOPED W INDEX INST ACC	-	48,301	-	-	48,301	-	241,220,969	-	-	5,731,219	246,952,188
Satrix World Equity Tracker Fund - L Class (Usd)	789,714	-	-	-	789,714	158,548,539	-	-	-	23,115,238	181,663,777
Templeton Franklin US-AFS	10,970	-	-	-	10,970	129,547,274	-	-	-	14,338,345	143,885,619
TOTAL	**865,271**	**48,301**	**-**	**38,881**	**874,692**	**568,519,342**	**241,220,969**	**(175,619,558)**	**6,809,232**	**54,361,275**	**695,291,260**

The notes on pages 14 to 33 are an integral part of these financial statements.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

17 Equity Investments

Year ended 30 June 2026	07/01/2025	Additions	Bonus/Rights Issue	Disposals	06/30/2026	Market value at 01/07/2025	Additions	Disposals	Disposal Gain/Loss	Fair Value Gain/Loss	Market value at 30/06/2026
	Units	Units	Units	Units	Units	Kshs	Kshs	Kshs	Kshs	Kshs	Kshs
Quoted Equity											
ABSA Bank Kenya PLC	5,583,828	230,000	-	650,000	5,163,828	107,209,497	5,898,195	(19,040,200)	6,237,984	65,195,212	165,500,688
British American Tobacco	173,907	-	-	-	173,907	62,780,427	-	-	-	32,520,609	95,301,036
CFC Stanbic	764,200	20,000	-	434,024	350,176	125,710,900	3,971,363	(103,596,546)	32,199,598	39,851,510	98,136,824
Co-Operative Bank of Kenya	8,448,087	-	-	1,422,534	7,025,553	151,220,757	-	(29,790,692)	4,327,334	115,219,069	240,976,468
Diamond Trust Bank Kenya Ltd	369,861	-	-	-	369,861	28,571,762	-	-	-	25,058,083	53,629,845
East African Breweries	865,000	20,000	-	57,000	828,000	159,592,500	4,736,078	(12,279,438)	1,762,938	68,919,923	222,732,000
Equity Bank Ltd.	8,354,900	45,000	-	2,083,424	6,316,476	408,554,610	2,807,714	(116,762,970)	14,883,536	195,835,191	505,318,080
I&M Holdings Ltd	182,340	-	-	-	182,340	6,518,655	-	-	-	6,153,975	12,672,630
Jubilee Holdings	1,000	-	-	-	1,000	225,000	-	-	-	135,750	360,750
KenGen Co.	714	-	-	-	714	5,326	-	-	-	1,642	6,969
Kenya Commercial Bank	10,962,817	1,075,000	-	4,118,600	7,919,217	510,867,272	52,116,241	(233,140,531)	41,027,099	252,768,258	623,638,339
Kenya Pipeline	-	11,496,000	-	-	11,496,000	-	103,464,000	-	-	5,288,160	108,752,160
Kenya Power & Lighting Co.	4,968,296	-	-	-	4,968,296	57,135,404	-	-	-	28,070,872	85,206,276
Kenya Re Insurance Corporation Ltd	14,400,000	-	-	-	14,400,000	28,368,000	-	-	-	19,584,000	47,952,000
KPC IPO	-	6,888,889	-	-	6,888,889	-	62,000,001	-	-	3,168,889	65,168,890
Nation Media Group K	49,760	-	-	-	49,760	646,880	-	-	-	(12,440)	634,440
NCBA Group Plc	1,221,762	-	-	278,100	943,662	72,694,840	-	(24,476,962)	7,930,012	28,309,860	84,457,750
Safaricom Plc	44,977,304	1,700,000	-	1,500,000	45,177,304	1,124,432,600	48,352,489	(48,505,543)	10,824,488	403,183,167	1,538,287,201
Standard Chartered Bank	444,533	-	-	-	444,533	133,248,767	-	-	-	12,446,924	145,695,691
Umeme Kenya Ltd	1,114,582	-	-	-	1,114,582	19,895,289	-	-	-	(11,691,965)	8,203,324
Sub Total	**102,882,891**	**21,474,889**	**-**	**10,543,682**	**113,814,098**	**2,997,678,486**	**283,346,081**	**(587,592,882)**	**119,192,989**	**1,290,006,689**	**4,102,631,361**
Unquoted Equity											
ACORN SA D-REIT	502,700	-	-	-	502,700	13,412,036	-	-	-	1,462,857	14,874,893
ACORN SA I-REIT	1,340,900	-	-	-	1,340,900	30,720,019	-	-	-	1,126,356	31,846,375
TRIFIC REIT	-	769,000	-	-	769,000	-	99,623,950	-	-	22,850,416	122,474,366
Sub Total	**1,843,600**	**769,000**	**-**	**-**	**2,612,600**	**44,132,055**	**99,623,950**	**-**	**-**	**25,439,629**	**169,195,634**
Total	**104,726,491**	**22,243,889**	**-**	**10,543,682**	**116,426,698**	**3,041,810,541**	**382,970,031**	**(587,592,882)**	**119,192,989**	**1,315,446,318**	**4,271,826,995**

The notes on pages 14 to 33 are an integral part of these financial statements.

17 Equity Investment Continued

Year ended 30 June 2025	07/01/2024	Additions	Bonus/Rights Issue	Disposals	06/30/2025	Market Value at 07/01/2024	Additions	Disposals	Disposal Gain/Loss	Fair Value Gain/Loss	Market Value at 06/30/2025
	Units	Units	Units	Units	Units	Kshs	Kshs	Kshs	Kshs	Kshs	Kshs
Quoted Equity											
ABSA Bank Kenya PLC	7,083,828	-	-	(1,500,000)	5,583,828	99,173,592	-	(28,469,984)	7,469,984	29,035,906	107,209,498
Bamburi Cement Ltd.	635,512	-	-	(635,512)	-	26,564,402	-	(37,123,512)	10,559,111	-	-
British American Tobacco	173,907	-	-	-	173,907	61,519,601	-	-	-	1,260,826	62,780,427
CFC Stanbic	764,200	-	-	-	764,200	87,309,850	-	-	-	38,401,050	125,710,900
Co-Operative Bank of Kenya	8,648,087	-	-	(200,000)	8,448,087	109,830,705	-	(3,305,283)	765,283	43,930,052	151,220,757
Diamond Trust Bank Kenya Ltd	369,861	-	-	-	369,861	17,198,537	-	-	-	11,373,226	28,571,762
East African Breweries	1,005,000	-	-	(140,000)	865,000	147,483,750	-	(26,304,736)	5,759,736	32,653,750	159,592,500
Equity Bank Ltd.	9,846,000	-	-	(1,491,100)	8,354,900	415,993,500	-	(71,613,847)	8,614,872	55,560,085	408,554,610
I&M Holdings Ltd	241,848	-	-	(59,508)	182,340	5,211,824	-	(1,272,391)	(10,006)	2,589,228	6,518,655
Jubilee Holdings	1,000	-	-	-	1,000	179,000	-	-	-	46,000	225,000
KenGen Co.	278,039	-	-	(277,325)	714	664,513	-	(650,600)	(12,207)	3,620	5,326
Kenya Commercial Bank	12,162,817	2,555,300	-	(3,755,300)	10,962,817	380,088,031	108,569,437	(165,189,808)	38,956,328	148,443,284	510,867,272
Kenya Power & Lighting Co.	4,968,296	-	-	-	4,968,296	8,247,371	-	-	-	48,888,033	57,135,404
Kenya Re Insurance Corporation Ltd	14,400,000	-	-	-	14,400,000	20,448,000	-	-	-	7,920,000	28,368,000
MTN	2,487,975	-	-	(2,487,975)	-	14,766,616	-	(16,887,711)	2,121,095	-	-
Nation Media Group K	49,760	-	-	-	49,760	840,944	-	-	-	(194,064)	646,880
NCBA Group Plc	1,221,762	-	-	-	1,221,762	50,214,418	-	-	-	22,480,421	72,694,839
Safaricom Plc	42,677,304	3,000,000	-	(700,000)	44,977,304	738,317,359	53,178,874	(17,129,468)	4,960,101	345,105,734	1,124,432,600
Standard Chartered Bank	434,533	10,000	-	-	444,533	84,299,402	1,941,919	-	-	47,007,446	133,248,767
Umeme Kenya Ltd	1,493,352	-	-	(378,770)	1,114,582	23,072,288	-	(5,436,709)	(415,287)	2,674,997	19,895,289
Sub Total	**108,943,081**	**5,565,300**	**-**	**(11,625,490)**	**102,882,891**	**2,291,423,704**	**163,690,229**	**(373,384,050)**	**78,769,010**	**837,179,593**	**2,997,678,486**
Unquoted Equity											
Acorn SA D-Reit	502,700	-	-	-	502,700	12,301,076	-	-	-	1,110,960	13,412,036
Acorn SA I-Reit	1,340,900	-	-	-	1,340,900	29,540,027	-	-	-	1,179,992	30,720,019
	1,843,600	**-**	**-**	**-**	**1,843,600**	**41,841,103**	**-**	**-**	**-**	**2,290,952**	**44,132,055**
GRAND TOTAL	**110,786,681**	**5,565,300**	**-**	**(11,625,490)**	**104,726,491**	**2,333,264,807**	**163,690,229**	**(373,384,050)**	**78,769,010**	**839,470,545**	**3,041,810,545**

The notes on pages 14 to 33 are an integral part of these financial statements.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

		2026 Ksh	2025 Ksh
18	**Other Receivables**		
	Dividend Income	30,710,825	27,677,977
	Prepaid Trustee Indemnity	994,055	994,062
	Net Receivables	**31,704,880**	**28,672,039**

There were no other receivables written off during the year.

19 Investment Property

The property consists of land acquired for development of either housing projects for sale and rental and/or capital appreciation. The land is situated in Athi River, Machakos County. Currently the land is held for capital appreciation until specific use for the property is determined. The valuation of investment property was carried out by Ministry of Lands and concluded on 4th November 2024.

Valuations fair value gains and losses are recorded in the statement of changes in net assets available for benefits.

	2026 Ksh	2025 Ksh
Investment Property As at 1 July	630,000,000	710,000,000
Fair value adjustment	-	(80,000,000)
	630,000,000	630,000,000
Investment Property As at 30 June	**630,000,000**	**630,000,000**

The notes on pages 14 to 33 are an integral part of these financial statements.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

20 Other payables and accruals

	2026 Ksh	2025 Ksh
Management fees	15,852,556	16,291,644
RBA levy	5,000,000	5,000,000
Administration fees	2,060,230	1,519,378
Custodial fees	834,915	1,191,255
Audit fees	550,000	550,000
Acturial Fees	366,379	-
Benefits payable	132,426	132,426
Gratuity payable	1,313,256	3,864,766
Contribution Overremitted From NSSF	58,305	
Other Payables-PAYE	206,994	231,613
	26,375,061	**28,781,082**

21 Movement in Main Fund Balances

(a) Movement - Member Balances

	2026 Ksh	2025 Ksh
As at beginning of the period	14,938,508,659	12,663,502,104
Net increase during the period	2,442,040,665	2,275,006,555
Member balances as at the end of the period	17,380,549,324	14,938,508,659

(b) Movement - Bond Revaluation Reserve

	Ksh	Ksh
At start of the Year	847,365,158	(78,252,243)
Revaluation for the Year	(249,785,242)	925,617,401
At end of the Year	**597,579,916**	**847,365,158**

The Retirement Benefits (Occupational Retirement Benefit Schemes) (Amendment) Regulation ,2023 which was gazetted by the Cabinet Secretary for the National Treasury and Economic Planning on 21st December 2023 provide that unrealised gains and losses arising from valuation of financial assets (specifically debt instruments/bonds) using the fair vale approach shall not form part of the distributable income hence the creation of the bond revaluation reserve fund. The bond revaluation reserve fund is not distributable.

The notes on pages 14 to 33 are an integral part of these financial statements.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

22 Cash and cash equivalent

	2026 Ksh	2025 Ksh
KCB Cash Account 1286949742 - 3024	2,257,739	1,203,846
KCB Cash Account 1286949807 - 3024	97,827	850,411
KCB Cash Account 1286949866 - 3024	493,746	400,238
Standard Chartered Bank	3,756,273	7,501
KCB Disbursement Account 1305316746-3024	4,853	178,755
Total	**6,610,438**	**2,640,751**
Bank balance	6,610,438	2,640,751
Short term deposits	801,425,616	544,865,788
Foreign deposit	-	-
	808,036,054	**547,506,539**

23 Related parties

Related parties comprise the Trustees and Scheme sponsor. The Trustees are related to the Scheme through being the key management personnel of the Scheme while the sponsor is related to the Scheme through being the post-employment benefit plan for the benefit of employees of the sponsor.

Amounts due to and due from related parties as at 30 June 2026 and transactions with related parties during the year are disclosed below.

	2026 Ksh	2025 Ksh
23(a). Amount Due from Related Parties:		
Contribution Receivable From NSSF	-	48,242,338
23(b). Amount Due to Related Parties:		
Expenses Paid by the Sponsor on behalf of the Scheme	-	4,587,969

24 Tax

This represents tax payable at the rate of 30% on investment income of the (non-tax exempt unregistered) Scheme. The Scheme comprises a registered and an unregistered Scheme (registered with the Retirement Benefits Authority but not exempt for tax purposes).

Contributions received by the Scheme up to a limit of Kshs. 30,000 per employee per month are invested in a registered scheme, which is exempt from taxation. Contributions in excess of the Kshs. 30,000 limit are invested in an unregistered scheme whose investment income is taxed at the corporate tax rate of 30%.

The notes on pages 14 to 33 are an integral part of these financial statements.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

25 PROPERTY,PLANT AND EQUIPMENT

Year Ended 30th June 2026	**Property,Plant & Equipment Ksh 25.0%**	**Furniture and Equipment Ksh 25.0%**	**Computers Ksh 30.0%**	**Total Ksh**
Cost or Valuation				
At 1st July 2025	**-**	**2,014,180**	**924,719**	**2,938,899**
Additions	4,832,753	1,095,009	301,000	6,228,762
Disposal	-	-	-	-
At 30th June 2026	**4,832,753**	**3,109,189**	**1,225,719**	**9,167,661**
Accumulated depreciation				
At 1st July 2025	**-**	**955,008**	**438,392**	**1,393,400**
Depreciation charge	-	538,545	236,198	774,743
Eliminated on disposal	-	-	-	-
At 30 June 2026	**-**	**1,493,553**	**674,590**	**2,168,143**
Carrying amount				
At 30th June 2026	**4,832,753**	**1,615,636**	**551,129**	**6,999,518**

Year Ended 30th June 2025	**Property,Plant & Equipment Ksh 25.0%**	**Furniture and Equipment Ksh 25.0%**	**Computers Ksh 30.0%**	**Total Ksh**
Cost or Valuation				
At 1st July 2024	**-**	**2,014,180**	**832,719**	**2,846,899**
Additions	-	-	92,000	92,000
Disposal	-	-	-	-
At 30th June 2025		**2,014,180**	**924,719**	**2,938,899**
Accumulated depreciation				
At 1st July 2024	**-**	**717,391**	**323,910**	**1,041,301**
Depreciation charge	-	237,617	114,482	352,099
Eliminated on disposal	-	-	-	-
At 30th June 2025	**-**	**955,008**	**438,392**	**1,393,400**
Carrying amount				
At 30th June 2025	**-**	**1,059,172**	**486,327**	**1,545,499**

The notes on pages 14 to 33 are an integral part of these financial statements.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

26 TAX CALCULATIONS

		2026 Ksh	2025 Ksh
26(a).	**Taxation Payable**		
	At the beginning of the period	**3,929,618**	**9,281,671**
	Paid within the period	(65,312,729)	(61,154,879)
	Charge for the period	64,591,107	55,802,826
	At the end of the period	**3,207,996**	**3,929,618**

		2026 Ksh	2025 Ksh
26(b).	**Post-Retirement Medical Fund**		
	Opening Fund	301,043,052	221,799,446
	Contributions Received	32,107,740	26,410,240
	Transfers In	28,049,201	12,251,208
	Withdrawals	(22,530,737)	(17,989,254)
	Accumulated Investment Income	46,533,943	59,364,500
	Accumulated Expenses	(1,110,610)	(793,088)
	Closing Fund	**384,092,589**	**301,043,052**

The notes on pages 14 to 33 are an integral part of these financial statements.