

**POSTAL CORPORATION OF KENYA
STAFF PENSION SCHEME**



**ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE PERIOD ENDED
30TH JUNE 2023**

Matengo & Associates
Certified Public Accountants (K)
Financial & Management Consultants
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Postal Corporation of Kenya Staff Pension Scheme
Annual Report and Financial Statements
For the Year Ended 30 June 2023

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**Postal Corporation of Kenya Staff Pension Scheme
Annual Report and Financial Statements
For the Year Ended 30 June 2023**

Scheme Information

Trustees

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

Mr. John Gikandi Thongori	-	Retired on 3 March 2023
Mr. Erick Kipkemei Bett	-	Retired on 17 October 2022
Ms. Zuleikha Mohamed	-	Re - appointed on 17 April 2023
Mr. Moses Mugo Mwai	-	Appointed on 25 March 2021
Mr. Joseph Tele	-	Appointed on 25 March 2021
Mr. Julius Opini	-	Appointed on 14 January 2021
Mr. Weldon Kirui	-	Appointed on 17 April 2023
Mr. Abraham Macharia	-	Retired on 15 June 2023

Trust Secretary

Mr. Elijah K. Koskey

Trust secretary

Registered Office

Postal Corporation of Kenya
Staff Pension Scheme
9th floor, NHIF Building
P. O. Box 46621 - 00800
NAIROBI.

Custodian

Stanbic Bank Limited
3rd floor, Stanbic Centre, Chiromo road
P. O. Box 30550 - 00100
NAIROBI.

Investment Manager

Sanlam Investments East Africa Limited
Africa Re Center, 5th floor
Hospital Road, Upper Hill
P. O. Box 67262 - 00200
NAIROBI.

Investment Manager

Old Mutual Investment Group (Kenya) Limited
Old Mutual Centre
Junction of Mara and Hospital roads, Upper Hill
P. O. Box 30059 - 00100
NAIROBI.

Consulting Actuaries

Zamara Actuaries Administrators & Consultants Limited
Landmark Plaza, 10th Floor, Argwings Kodhek Road
P. O. Box 52439 - 00200
Nairobi.

Principal Banker

Standard Chartered Bank Kenya Limited
Kenyatta Avenue Branch
Chiromo, Level 5, 48 Westlands Road
P. O. Box 40984 - 00100 GPO
Nairobi.

Independent Auditor

Matengo & Associates
Financial & Management Consultants
Applewood Adams 5th Floor, Suite 504 Ngong Road
P. O. Box 67603-00200, Nairobi.
Cell phone: 0723893260/+254-020-2420016
Email: info@matengo-associates.com
Website: www.matengo-associates.co.ke

Principal Banker

Kenya Commercial Bank Limited
Milimani - Capital Hill Satellite Branch
NAIROBI.

Corporate Governance Statement

1. Trustees in Office

During the financial year under review the following Trustees served in the Board of Postal Corporation of Kenya Staff Pension Scheme.

Name of Trustee	Age	Category (Member Elected, Sponsor Nominated or Professional)	Number of BOT Meetings Attended	Certified (Yes / No)	Highest Qualification	Membership of Other Boards
Mr. Erick Bett	63	Sponsor nominated	3	Yes		Yes
Mr. John Thongori	60	Sponsor nominated	6	Yes		None
Ms. Zuleikha Mohamed	59	Sponsor nominated	8	Yes	Bachelors (HRM)	
Mr. Moses Mugo Mwai	60	Member Elect	8			None
Mr. Julius Opini	57	Sponsor nominated	8	Yes	MBA	None
Mr. Joseph Tele	57	Member Elected	7	Yes	MBA	None
Mr. Abraham Macharia	40	Sponsor nominated	1	No	Diploma	None
Mr. Weldon Kirui	40	Sponsor nominated	1	Yes	Bachelors	None

2. Composition of the Board of Trustees

Gender mix	Female:	20.00%
	Male:	80.00%
Skills mix	Financial skills:	1
Age mix	Below 35 years of age:	None
	Above 35 years of age:	All

Corporate Governance Statement (Continued)

3. Board Meetings

The Board of Trustees held nine (9) meetings during the year ending 30 June 2023. The meetings were held on the dates set out hereunder:

Date of Meeting	Board Members Present
19 July 2022	Mrs. Zuleikha Mohamed Mr. Erick Bett Mr. John Thongori Mr. Moses Mwai Mr. Julius Opini Mr. Joseph Tele
25 August 2022	Mrs. Zuleikha Mohamed Mr. John Thongori Mr. Moses Mwai Mr. Julius Opini Mr. Joseph Tele Mr. Erick Bett
29 September 2022	Mrs. Zuleikha Mohamed Mr. Erick Bett Mr. John Thongori Mr. Moses Mwai Mr. Julius Opini Mr. Joseph Tele
07 October 2022	Mrs. Zuleikha Mohamed Mr. Erick Bett Mr. John Thongori Mr. Moses Mwai Mr. Julius Opini Mr. Joseph Tele
25 October 2022	Mrs. Zuleikha Mohamed Mr. Erick Bett Mr. John Thongori Mr. Moses Mwai Mr. Julius Opini Mr. Joseph Tele

Corporate Governance Statement (Continued)

3. Board Meetings (Continued)

Date of Meeting	Board Members Present
08 February 2023	Mrs. Zuleikha Mohamed Mr. Julius Opini Mr. John Thongori Mr. Moses Mwai Mr. Joseph Tele
03 May 2023	Mrs. Zuleikha Mohamed Mr. Julius Opini Mr. Moses Mwai Mr. Joseph Tele Mr. Weldon Kirui Mr. Abraham Macharia
13 June 2023	Mrs. Zuleikha Mohamed Mr. Julius Opini Mr. Abraham Macharia Mr. Weldon Kirui Mr. Moses Mwai Mrs. Zuleikha Mohamed

4. Joint Meetings of the Board

The Board of Trustees of Postal Corporation of Kenya Staff Pension Scheme jointly with Postal Corporation of Kenya Staff Pension Scheme held Three (3) meetings during the year ending 30 June 2023 to deliberate on joint Administration matters. The meetings were held on the dates set out hereunder:

Date of Meeting	Board Members Present
08 December 2022	Mr. Simon Gachara Mr. Alister D'souza Mr. Muktar Abdullahi Mr Philemon Munai Mr. John Tonui
17 April 2023	Mr. Simon Gachara Mr. Philemon Munai Mr. Alister D'Souza
18 April, 2023	Mr. Simon Gachara Mr. Alister D'souza Mr Philemon Munai

Corporate Governance Statement (Continued)

5. Committees of the Board of Trustees

The Board of Trustees has formed three committees to help it deliver its duties effectively. The committees are constituted as follows:

Finance and Investments Committee

The committee held two meetings during the year ended 30 June 2023. The Board members who constitute this committee are:

Committee Member	Number of Meetings Attended
Mr. Joseph Tele	Two
Mr. John Thongori	One
Mr. Julius Opini	Two
Mr. Weldon Kirui	One
Mr. Abraham Macharia	One

Audit and Risk Management Committee

The committee held one meeting during the year under review. The Board members who constitute this committee are:

Audit Committee	Number of Meetings Attended
Mr. Moses Mwai	One
Mr. Weldon Kirui	One

Administration and communication committee

The committee held two meetings during the year ended 30 June 2023. The Board members who constitute this committee are:

Administration and Operations Committee	Number of Meetings Attended
Mr. Julius Opini	Two
Mr. Moses Mwai	Two
Mr. Muktar Abdullahi	Two
Mr. Philemon Munai	Two

Corporate Governance Statement (Continued)

6. Fiduciary Responsibility of the Board of Trustees

The Board of Trustees is the governing body of the Postal Corporation of Kenya 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 interest 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 the requisite degree of skills.

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.

7. Responsibility as a Corporate Citizenship

The scheme has participated in socially responsible investment 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.

8. 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 has also been sending quarterly reports to the sponsor detailing the activities that have taken place in each quarter.

9. Annual General Meeting

The Board of Trustees held the 2022 Annual General Meeting (AGM) on 14th December, 2022 via a hybrid method comprising Live Broadcasting through NTV, Zoom and Social media platforms at the City Square Post Office. The meeting was used as a forum to communicate all Scheme activities in the financial year and also to sensitize members on the various channels available in getting information and also raising their complaints.

Corporate Governance Statement (Continued)

10. Trustees Remuneration Policy

During the year under review, the Trustees were paid a gross sum of Kshs. 2,148,489 as Trustees allowances.

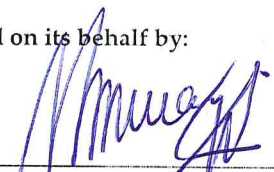
The payment complied with the Trustee Remuneration Policy of the Scheme as consented to by the sponsor on advice of the Scheme Actuary, and was approved by members at the Annual General Meeting held for the year ended 30 June, 2020.

The Board and individual Trustees undertook Board evaluation in the year under review. The Board review process is facilitated externally and the process takes the form of e-board questionnaire.


Approved by the Board of Trustees on 25th September 2023 and signed on its behalf by:



Ms. Zuleikha Mohamed



Mr. Moses Mugo Mwai




Mr. Joseph Tele



Mr. Julius Opini



Mr. Weldon Kirui



Ms. Elizabeth Shungula

**Postal Corporation of Kenya Staff Pension Scheme
Annual Report and Financial Statements
For the Year Ended 30 June 2023**

Report of the Trustees

The Trustees present their report together with the audited financial statements for the year ended 30 June 2023.

1. Establishment, Nature and Status of the Scheme

The scheme was established under an irrevocable trust, and is governed by a Trust Deed dated 20 February 2003 and as subsequently amended with deeds of amendment and closure dated 29 January 2011. The scheme commenced operations on 1 January 2002. It is a defined benefit scheme and provides, under the rules of the scheme, retirement benefits for the staff of Postal Corporation Kenya or their nominated beneficiaries. The scheme was closed to new entrants and contributions effective 1 January 2010 and the sponsor set up a new defined contribution scheme for future accrual of benefits effective 1 January 2010 in compliance with the Treasury Circular No. 18 of 2010.

The Accrued (past service) benefits in respect of the scheme's in-service members at the closure date are revalued at the lower of the actual salary increase and a maximum of 3% per annum over the period to retirement or earlier exit from service. In addition, pensions in payment and deferred pensions are entitled to a pension increase of 3% every 3 years.

2. Registration

The scheme is registered under the Retirement Benefits Act (Scheme reference number 01336 and certificate number 155). The Scheme is an exempt approved plan under the Income Tax Act.

3. Membership

	2023	2022
Contributing members	1,068	1,227
Deferred members	229	242
Pensioners	112	1,934
Dormant members	2,083	112
	<u>3,492</u>	<u>3,515</u>
(a) Active Members		
At Start of Year	1,227	1,564
Less: Leavers	(159)	(337)
At End of Year	<u>1,068</u>	<u>1,227</u>
(b) Deferred Members		
At Start of Year	242	246
Add: Members whose benefits were deferred	10	10
Less: Leavers	(23)	(14)
At End of Year	<u>229</u>	<u>242</u>
(c) Pensioners		
At Start of Year	1,934	1,795
Add: Joiners	160	149
Less: Leavers	(24)	(23)
Frozen Pensioners	13	13
At End of Year	<u>2,083</u>	<u>1,934</u>
(d) Dormant Members		
At START of Year	112	-
Add: Joiners	-	112
At End of Year	<u>112</u>	<u>112</u>

Deferred members comprise of those members who have left employment service of the founder and have left all or part of their benefit within the scheme.

Postal Corporation of Kenya Staff Pension Scheme
Annual Report and Financial Statements
For the Year Ended 30 June 2023

Report of the Trustees (Continued)

4. Financial Review

The statement of changes in net assets available for benefits on page 13 shows a decrease in the net assets of the Scheme for the year of Kshs. 349,371,547 (2022: a decrease of Kshs. 433,388,895) and the statement of net assets available for benefits on page 14 shows the Scheme's net assets as Kshs. 5,028,391,029 (2022: Kshs. 5,377,762,576).

5. Investment of Funds

Under the terms of their appointment, Sanlam Investments East Africa Limited and Old Mutual Investments Group (Kenya) Limited are responsible for the investment of funds. The overall responsibility for investment and performance lies with the Trustees.

The full investment allocation as at the end of the year was as follows:

	Amount	Portfolio	RBA Limit
	Kshs	Percentage	Percentage
Offshore Investments	32,092,346	0.63%	15.00%
Cash Balances	77,668,817	1.53%	5.00%
Fixed and Call Deposits	276,166,891	5.46%	30.00%
Local and Regional Quoted Equities	272,762,130	5.39%	70.00%
Kenya Government Securities	1,179,621,232	23.31%	90.00%
Investment Property	3,222,000,000	63.67%	30.00%
	5,060,311,415		

6. Actuarial Position

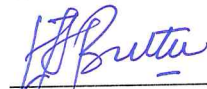
- The valuation results show that the actuarial value of assets was more than the actuarial value of liabilities in respect of past service benefits for in-service members at the closure date as at 30 June 2021 by Kshs. 621,249,000. The funded ratio for the scheme was 111.97% which is more than the statutory minimum funding requirement of 100% prescribed in the Retirement Benefits Act (minimum funding level and winding up of schemes) Regulations 2000. The next statutory actuarial valuation is due by 30 June 2024.

7. Auditor

The Trustees approve the annual audit engagement contract which sets out the terms of the auditor's appointment and the related fees. The agreed auditor's remuneration has been charged to Statement of changes in net assets available for benefits in the year.

During the year, Matengo & Associates, Certified Public Accountants, were appointed as the Scheme's auditors and have expressed their willingness to continue in office.

For the Trustees



Mr. Elijah K. Koskey
Trust Secretary

26/09/2023
Date

Statement of Trustees' Responsibilities

The Retirement Benefits (Occupational Retirement Benefit Schemes) Regulations, 2000 requires the Trustees to prepare financial statements in a prescribed form for each financial year. They also require the Trustees to ensure that the scheme keeps proper accounting records of its income, expenditure, liabilities and assets, and that contributions are remitted to the custodian in accordance with the rules of the scheme. They are also responsible for designing, implementing, and maintaining internal controls relevant to the preparation and fair presentation of the financial statements that are free of material misstatements whether due to fraud or error, selecting and applying appropriate accounting policies and making reasonable estimates that are appropriate in the circumstances. The Trustees are also responsible for safeguarding the assets of the scheme.

The Trustees accept responsibility for the audited 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 Retirement Benefits (Occupational Retirement Benefit Scheme) Regulations, 2000.

The Trustees are of the opinion that the financial statements give a true and fair view of the financial transactions of the scheme and of the disposition of its assets and liabilities, other than liabilities to pay pensions and benefits falling due after the end of the year. 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 for safeguarding the assets of the scheme and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

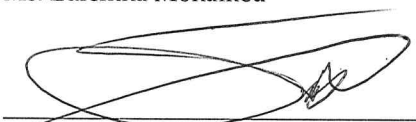
The Trustees certify that to the best of their knowledge and belief the information furnished to the auditors for the purpose of the audit was correct and complete in every respect.

Nothing has come to the attention of the Trustees to indicate that the scheme will not remain a going concern for at least the next twelve months from the date of this statement.

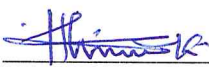
Approved by the Board of Trustees on 25th September 2023 and signed on its behalf by:



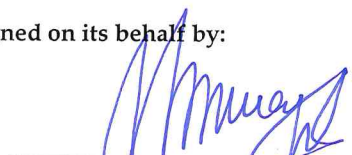
Ms. Zuleikha Mohamed



Mr. Joseph Tele



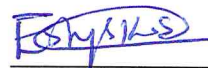
Mr. Weldon Kirui



Mr. Moses Mugo Mwai



Mr. Julius Opini



Ms. Elizabeth Shungula



**REPORT OF THE INDEPENDENT AUDITOR TO THE MEMBERS OF POSTAL CORPORATION OF KENYA
STAFF PENSION SCHEME FOR THE YEAR ENDED 30 JUNE 2023**

Opinion

We have audited the accompanying financial statements of Postal Corporation of Kenya Staff Pension Scheme (the Scheme) set out on pages 13 to 33, which comprise the statement of net assets available for benefits as at 30 June 2023, the statements of changes in net assets available for benefits and statement of cash flows for the year then ended, and notes, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements give a true and fair view of the state of financial transactions of the Scheme during the year ended 30 June 2023 and of the disposition at that date of its assets and liabilities in accordance with the International Financial Reporting Standards and the Retirement Benefits (Occupational Retirement Benefit Schemes) Regulations, 2000.

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 the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (including International Independence Standards) (IESBA Code) together with the ethical requirements that are relevant to our audit of the financial statements in Kenya, and we have fulfilled our ethical 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.

Emphasis of Matter

Without qualifying our opinion, we draw attention the following:

- i) Note 13 of the financial statements with respect of allocation of investments of the scheme where investment property is above the limit set out in the Retirement Benefits Act, 1997. This investment category accounts for 63% of the total scheme assets.
- ii) The investment property has a low return rate of 3% compared to the other investment categories. The trustees should dispose of the property and reinvest the funds into other investments with better returns.
- iii) The scheme contributions having been discontinued; the scheme should hold investments that are easy to dispose in order to meet the annual net payments to members that average 420 Million per annum.

Trustees' Responsibility for the Financial Statements

The Trustees are responsible for the preparation and fair presentation of the financial statements that give a true and fair view in accordance with International Financial Reporting Standards and the requirements of the Retirement Benefits (Occupational Retirement Benefit Schemes) Regulations, 2000, and for such internal control as the Trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Trustees are responsible for assessing the scheme'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 the Trustees either intend to liquidate the scheme or to cease operations, or have no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Financial Statements

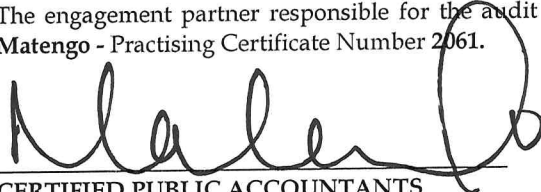

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee 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 the aggregate, they could reasonably be expected to influence the economic decisions 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 risks 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 for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for 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 audit 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 management.
- Conclude on the appropriateness of management's 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 the 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.

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 identify during our audit.

The engagement partner responsible for the audit resulting in this independent auditor's report is CPA Meshack Matengo - Practising Certificate Number 2061.

 & 
CERTIFIED PUBLIC ACCOUNTANTS

Date: 27/09 2023

Postal Corporation of Kenya Staff Pension Scheme
Annual Report and Financial Statements
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Statement of Changes in Net Assets Available for Benefits


	Note	2023 Kshs	2022 Kshs
Contributions and Benefits			
Transfers In	4	59,582,991	-
Transfers Out		(13,208)	-
Less: Payments to and on Account of Leavers	5	<u>(479,048,502)</u>	<u>(461,298,435)</u>
Net Withdrawal from Dealings with Members		<u>(419,478,719)</u>	<u>(461,298,435)</u>
Return on Investments			
Investment Income	6	316,396,457	334,362,662
Change in Fair Value of Financial Assets	7	(124,470,434)	(186,374,088)
Less: Investment Management Expenses	8	<u>(33,583,798)</u>	<u>(40,755,081)</u>
Net Return on Investments		<u>158,342,224</u>	<u>107,233,493</u>
Less: Administrative Expenses	9	<u>(79,088,672)</u>	<u>(79,323,953)</u>
(Decrease) / Increase in Net Assets for the Year		(340,225,166)	(433,388,895)
Net Assets Available for Benefits at Start of the Year		5,377,762,576	5,811,151,471
Prior Year Adjustment	10	<u>135,720</u>	<u>-</u>
Net Assets Available for Benefits at End of the Year		<u><u>5,037,673,130</u></u>	<u><u>5,377,762,576</u></u>

Postal Corporation of Kenya
 Staff Pension Scheme
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 For the Year Ended 30th June 2023


Statement of Net Assets Available for Benefits

	Note	2023 Kshs	2022 Kshs
Non-Current Assets			
Intangible Assets	11	211,391	854,224
Property and Equipment	12	2,704,771	3,581,845
Investment Property	13 (a)	3,222,000,000	3,222,000,000
Investments at Fair Value and Amortized Cost	13 (b)	1,768,366,452	2,110,227,910
		<u>4,993,282,614</u>	<u>5,336,663,979</u>
Current Assets			
Accounts Receivable	15	68,837,882	62,521,473
Cash and Cash Equivalents	16	77,668,817	45,596,755
		<u>146,506,699</u>	<u>108,118,228</u>
Current Liabilities			
Unpaid Benefits and Other Payables	17	102,116,183	67,019,631
Net Current Assets		<u>44,390,516</u>	<u>41,098,597</u>
Total Net Assets Available for Benefits		<u><u>5,037,673,130</u></u>	<u><u>5,377,762,576</u></u>
Financed By			
Members' Balances	18	<u><u>5,037,673,130</u></u>	<u><u>5,377,762,576</u></u>

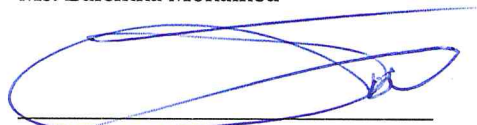
The financial statements on pages 13 to 15 were approved by the Trustees on 25th September 2023 and signed on their behalf by:



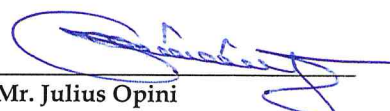
 Ms. Zuleikha Mohamed



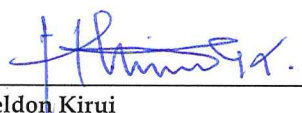
 Mr. Moses Mugo Mwai



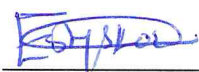
 Mr. Joseph Tele



 Mr. Julius Opini



 Mr. Weldon Kirui



 Ms. Elizabeth Shungula

Postal Corporation of Kenya Staff Pension Scheme
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For the Year Ended 30th June 2023

Statement of Cash Flows

	Note	2023 Kshs	2022 Kshs
Cash Flows from Operating Activities			
Transfers In from Other Schemes	4	59,582,991	-
Transfers to Other Schemes		(13,208)	-
Benefits Paid		(447,433,451)	(461,456,218)
Administrative Expenses Paid		(52,206,144)	(24,561,740)
Net Cash Used in Operating Activities		<u>(440,069,811)</u>	<u>(486,017,958)</u>
Cash Flows from Investing Activities			
Investment Income Received		286,562,422	308,150,613
Investment Management Expenses Paid		(32,636,833)	(40,371,751)
Purchase of Intangible Assets	11	(104,632)	(10,784,287)
Purchase of Property and Equipment	12	(692,880)	(1,184,867)
Purchase of Quoted Equities	13 (b)	-	(10,337,704)
Purchase of Treasury Bonds	13 (b)	(66,031,350)	(440,046,223)
Purchase of Treasury Bills	13 (b)	(52,482,265)	(140,500,000)
Purchase of Offshore Investments	13 (b)	-	(7,000,000)
Sale of Quoted Equities	13 (b)	54,443,908	103,630,120
Sale of Treasury Bonds	13 (b)	340,592,784	532,404,218
Sale of Treasury Bills	13 (b)	140,880,115	71,654,159
Net Cash Generated from Investing Activities		<u>670,531,269</u>	<u>365,614,278</u>
Net Movement in Cash and Cash Equivalents		230,461,458	(120,403,680)
Cash and Cash Equivalents at Start of Year		<u>123,374,250</u>	<u>243,777,930</u>
Cash and Cash Equivalents at the End of Year	16	<u><u>353,835,708</u></u>	<u><u>123,374,250</u></u>
Cash And Cash Equivalents			
Bank Balances	15	77,668,817	45,596,755
Fixed and Time Deposits Maturing Within 90 Days	15	276,166,891	77,777,495
Cash and Cash Equivalents at the End of Year	16	<u><u>353,835,707</u></u>	<u><u>123,374,250</u></u>

Notes to the Financial Statements

1. Summary of Significant Accounting Policies

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

a) Basis of Preparation

The financial statements are prepared in accordance with and comply with International Financial Reporting Standards, the Retirement Benefits Act, 1997 as amended, and with the Retirement Benefits (Occupational Retirement Benefit Schemes) Regulations, 2000.

The financial statements summarise the transactions of the Scheme and deal with the net assets at the disposal of the Trustees. They do not take account of obligations to pay pensions and benefits that fall due after the end of the scheme year.

The financial statements are presented in Kenya Shillings (Kshs) and are prepared under the historical cost convention as modified by the carrying of certain investments at fair value.

Measurement basis

The measurement basis used is the historical cost basis except where otherwise stated in the accounting policies summarised below.

For those assets and liabilities measured at fair value, fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. When measuring the fair value of an asset or a liability, the company uses market observable data as far as possible. If the fair value of an asset or a liability is not directly observable, it is estimated by the scheme using valuation techniques that maximise the use of relevant observable inputs and minimise the use of unobservable inputs (e.g., by use of the market comparable approach that reflects recent transaction prices for similar items or discounted cash flow analysis). Inputs used are consistent with the characteristics of the asset / liability that market participants would take into account.

Fair values are categorised into three levels in a fair value hierarchy based on the degree to which the inputs to the measurement are observable and the significance of the inputs to the fair value measurement in its entirety:

- Level 1 fair value measurements are those derived from quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2 fair value measurements are those derived from inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).
- Level 3 fair value measurements are those derived from valuation techniques that include inputs for the asset or liability that are not based on observable market data (unobservable inputs).

Transfers between levels of the fair value hierarchy are recognised by the company at the end of the reporting period during which the change occurred.

Notes to the Financial Statements (Continued)

1 Summary of Significant Accounting Policies (Continued)

b) New and Revised Standards

i) Adoption of new and revised standards already effective

One new Standard, one new Interpretation and a number of Amendments to standards became effective for the first time in the financial year beginning 1st July 2021 and have been adopted by the Scheme. Neither the Amendments nor the Interpretation has had an effect on the Scheme's financial statements, but the new Standard has had an impact, as follows:

IFRS 16: Leases

From 1st January 2019, to comply with IFRS 16, Leases, which replaced IAS 17, Leases, the Scheme now recognises lease liabilities relating to leases under which the Scheme is the lessee that had previously been classified as operating leases (other than leases with less than 12 months to run from 1st January 2019 and leases of low value items). Such liabilities have been measured at 1st January 2019 at the present value of the remaining lease payments discounted using the Scheme's incremental borrowing rate as at 1st January 2019. Corresponding right-of-use assets have been recognised, measured as if the Scheme's new accounting policy had been applied since the commencement of each lease but discounted using the Scheme's incremental borrowing rate as at 1st January 2019.

IFRS 9: Financial Instruments

IFRS 9 sets out requirements for recognising and measuring financial assets, financial liabilities and some contracts to buy or sell non-financial items. This standard replaces IAS 39 Financial Instruments:

Recognition and Measurements

The Scheme has adopted IFRS 9 Financial Instruments.

IFRS 9 also changes the classification and measurement of financial assets. The category of available-for-sale investments (where fair value changes were deferred in reserves until disposal of the investment) has been replaced with the category of financial assets at Fair Value through Profit and Loss (for most investments) and the category of financial assets at Fair Value through Other Comprehensive Income (for qualifying equity investments).

Notes to the Financial Statements (Continued)

1 Summary of Significant Accounting Policies (Continued)

IFRS 9: Financial Instruments (Continued)

Cash and Cash Equivalents

The Scheme held cash and cash equivalents of Kshs 1,804,697,173. The cash and cash equivalents are held and rated on S&P Global Ratings, Fitch and Moody's as below:

Product Group	Rating Agency	Credit Rating	Probability of Default Rates
Treasury Bills	Fitch	B-	2.36%
Treasury Bonds	Fitch	B-	2.39%
Fixed & Call Deposits	Fitch	B	2.05%
Cash Balances	Fitch	B+	1.33%
Corporate Bond	Fitch	A+	0.05%
Grand Total			2.14%

Product Group	Exposure Amount (Kshs)	Probability of Default Rates	Loss given Default (Exposure X Probability of Default)
Treasury Bills	29,633,969	2.36%	698,089
Treasury Bonds	1,406,929,589	2.39%	33,490,795
Fixed & Call Deposits	281,942,569	2.05%	5,775,678
Cash Balances	78,621,046	1.33%	287,844
Corporate Bond	7,570,000	0.05%	3,665
Grand Total	1,804,697,173	2.14%	40,256,072

Impairment on cash and cash equivalents has been measured on a 12-month expected credit loss basis and reflects the short maturities of the exposures. The Corporation considers that its cash and cash equivalents have low credit risk based on the external credit ratings of the counterparties.

ii) New and revised standards and interpretations in issue but not yet effective

At the date of authorization of these financial statements, various new and revised standards and interpretations became effective. Where applicable to the scheme, the trustees have assessed the potential impact of the new and revised standards and interpretations and expect that they will not have a significant impact on the scheme's financial statements for the year ended 30 June 2023.

iii) Early adoption of standards

The Scheme did not early adopt any new or amended standards in year ended 30 June 2023.

Notes to the Financial Statements (Continued)

1 Summary of Significant Accounting Policies (Continued)

b) Contributions and Benefits

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

c) Interest Income

Interest income is accrued on a time basis by reference to the principal outstanding and the effective interest rate applicable.

d) Dividend Income

Dividend income from investments is recognised when the Schemes' rights to receive payment have been established.

e) Foreign Currencies

Assets and liabilities denominated in foreign currencies are translated into Kenya Shillings on rates of exchange ruling at the end of reporting period. Transactions during the year which are expressed in foreign currencies are translated at rates ruling at the dates of the transactions. The resulting exchange differences are dealt with in the statement of changes in net assets.

f) Taxation

The Scheme is a registered pension scheme and is, therefore, exempt from tax on investment income arising from tax exempt contributions. Investment income from taxable contributions is taxed at the prevailing corporate tax rates.

g) Quoted Investments

Quoted investments are classified as fair value through profit or loss and are stated at market values as at 30 June 2023.

For financial instruments traded in an organised financial market, fair value is determined by reference to quoted market prices.

h) Government Securities

Government securities comprise treasury bills and treasury bonds, which debt securities are issued by the Government of Kenya.

Treasury bills are classified as held to maturity and are stated at amortised cost while treasury bonds are classified as fair value through profit or loss and are stated at fair value.

Notes to the Financial Statements (Continued)

1 Summary of Significant Accounting Policies (Continued)

i) Corporate bonds

Corporate bonds are classified as fair value through profit or loss and are stated at fair value.

j) Off-shore investments

Offshore investments are translated into Kenya Shillings at the exchange rate ruling on 30 June 2023. These investments are classified as fair value through profit or loss and are stated at market value.

k) Cash and cash equivalents

For the purposes of the statement of cash flows, cash and cash equivalents comprise cash and bank balances, treasury bills maturing within three months from date of acquisition and term deposits.

l) Financial instruments

Financial assets and liabilities are recognised when the scheme becomes a party to the contractual provisions of the instrument.

i) Receivables

Receivables are financial assets with fixed or determinable payments and are not quoted in an active market. After initial measurement at cost, receivables are subsequently re-measured to amortised cost using the effective interest rate method, less allowance for impairment. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees and costs that are an integral part of the effective interest rate.

ii) Financial assets at fair value through profit or loss (FVTPL)

Financial assets at fair value through profit or loss are those which were either acquired for generating a profit from short-term fluctuations in price or dealer's margin, or are securities included in a portfolio in which a pattern of short-term profit-taking exists. Investments classified as fair value through profit or loss are initially recognised at cost and subsequently re-measured to fair value based on quoted bid prices or dealer price quotations, without any deduction for transaction costs. All related realised and unrealised gains and losses are included in the statement of changes in net assets. Interest earned whilst holding held for trading investments is reported as interest income.

Notes to the Financial Statements (Continued)

1. Summary of Significant Accounting Policies (Continued)

iii) Held to Maturity Investment

Held to maturity financial investments are those which carry fixed or determinable payments and have fixed maturities and which the Scheme has the intention and ability to hold to maturity.

After initial measurement, held to maturity financial investments are subsequently measured at amortised cost using the effective interest rate method, less any allowances for impairment.

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees that are an integral part of the effective interest rate. The amortisation and losses arising from impairment of such investments are recognised in the statement of changes in net assets.

iv) Available for Sale Financial Assets

Investment securities intended to be held for an indefinite period of time, which may be sold in response to needs for liquidity, or changes in interest rates, exchange rates or equity prices are classified as available for sale and are initially recognised at cost. These investments are subsequently re-measured to fair value, based on quoted bid prices or amount derived from cash flow models. Unrealised gains and losses arising from changes in the fair value of securities classified as available for sale are recognised in other comprehensive income and accumulated in the investments revaluation reserve, with the exception of impairment losses, interest calculated using effective interest method, and foreign exchange gains and loss on monetary assets which are recognized in profit or loss. When the investment is disposed of or is determined to be impaired, the cumulative gain or loss previously accumulated in the investments revaluation reserve is reclassified to the statement of changes in net assets.

m) Impairment

At the end of each reporting period, the scheme reviews the carrying amounts of its financial assets to determine whether there is any indication that these assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated and an impairment loss is recognised in the statement of changes in net assets whenever the carrying amount of the asset exceeds its recoverable amount.

Notes to the Financial Statements (Continued)

2. Critical Accounting Estimates and Judgements in Applying the Accounting Policies

In the process of applying the Scheme's accounting policies, the 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. These are dealt with below:

Held to maturity investments

The Scheme classifies non-derivative financial assets with fixed or determinable payments and fixed maturity as held-to-maturity. This classification requires significant judgment. In making this judgment, the Scheme evaluates its intention and ability to hold such investments to maturity. If the Scheme fails to keep these investments to maturity other than for the specific circumstances - for example, selling an insignificant amount close to maturity - it will be required to reclassify the entire class as available-for-sale. The investments would therefore be measured at fair value not amortised cost.

Impairment losses on financial assets

At the end of each reporting period, the Scheme reviews the carrying amounts of its financial assets to determine whether there is any indication that these assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated and an impairment loss is recognised in the statement of changes in net assets whenever the carrying amount of the asset exceeds its recoverable amount.

3. Financial Risk Management Objectives and Policies

The Scheme generates revenues for the members by investing in various income generating activities which involve trading in the stock exchange, trading in government and other securities and offshore investments. These activities expose the Scheme to a variety of financial risks, including credit risk and the effects of changes in debt and equity market prices, foreign currency exchange rates and interest rates. The Scheme's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimize potential adverse effects on its financial performance.

Risk management is carried out by the Trustees together with the investment managers under policies approved by the Trustees. The investment managers review the market trends and information available to evaluate the potential exposures. They then arrive at strategies to mitigate against market risks. The Trustees provide written principles for overall risk management, as well as written policies covering specific areas such as foreign exchange risk, interest rate risk, credit risk, use of derivative and non-derivative financial instruments and investing excess liquidity. The Scheme also follows guidelines issued by the Retirements Benefits Authority in respect of maximum investment in different types of investments.

Notes to the Financial Statements (Continued)

3. Financial Risk Management Objectives and Policies (Continued)

a) **Market risk**

i) **Foreign exchange risk**

The Scheme operates mainly within Kenya and its assets and liabilities are reported in the local currency. The Scheme also invests internationally and is exposed to foreign exchange risk arising from various currency exposures, primarily with respect to the USD dollar. Foreign exchange risk arises from investment in offshore investments.

The Scheme's evaluation of currency risk is low because the funds are held for a long-term period and any currency losses are expected to be recouped through interest income received and which comprises the value of the fund. The investment manager manages foreign exchange risk by limiting offshore investments to strategic range of 15% of total portfolio.

ii) **Price risk**

The Scheme is exposed to equity securities price risk because of investments in quoted shares classified at fair value through profit and loss. The Scheme is also exposed to the risk that the value of debt securities will fluctuate due to changes in market value. To manage its price risk arising from investments in equity and debt securities, the Scheme diversifies its portfolio. For equities, the Scheme has invested in companies in different sectors of the economy, while for debt securities; the Scheme has invested in bonds of varying maturities. Diversification of the portfolio is done in accordance with resolutions passed on investments during quarterly trustees meetings. All quoted shares held by the Scheme are traded on the Nairobi Securities Exchange (NSE).

b) **Credit risk**

Credit risk arises from cash and cash equivalents, fixed deposits, interest bearing investments and deposits with banks. As part of the credit risk management system, the investment manager and the Trustees monitor and review information on significant investment. The Trustees have approved a larger portfolio investment with the Government of Kenya debt securities which have a low credit risk and no default record. The credit risk for liquid funds and bank balances is limited because the counter parties are banks with high credit ratings assigned by the regulator. For other investments the Trustees ensure that the issuers of the investments have been assessed so as to reduce the risk of non-recoverability of the amounts invested as well as the interest accrued on the same.

Notes to the Financial Statements (Continued)

3. Financial Risk Management Objectives and Policies (Continued)

b) Credit risk (continued)

The amount that best represents the Scheme's maximum exposure to credit risk at 30 June 2023 is made up as follows:

	2023 Kshs	2022 Kshs
Government Securities	1,213,810,116	1,616,458,479
Fixed and Time Deposits	281,942,569	77,777,495
Bank Balances	77,668,811	45,596,755
Corporate Bonds	7,727,517	7,626,830
	1,581,149,014	1,747,459,559

There are no collateral held against these assets. There are no concentration risks as the investments are diversified.

c) Liquidity risk

The Scheme is required to make periodic payment in respect of pension payments when members retire from the Scheme, and is therefore exposed to the risk of difficulty in raising funds to make such payments. It therefore invests a portion of its assets in investments that are readily convertible to cash. The investment managers monitor the Scheme's liquidity on a regular basis and the trustees review it on a quarterly basis.

The undiscounted liabilities payable after year end were:

	2023 Kshs	2022 Kshs
Unpaid benefits and other payables	102,116,183	67,019,631

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Notes to the Financial Statements (Continued)

	2023 Kshs	2022 Kshs
4 Transfers In		
Receipts from Other Schemes	59,582,991	-
This represents amounts received from PCK SPF (in liquidation) in respect of upgraded members.		
5 Benefits Paid and on Account of Leavers		
Lump Sum Retirement Benefits	184,373,636	184,726,409
Monthly Pensions	291,092,786	267,043,409
Death Benefits	3,582,080	9,528,617
	479,048,502	461,298,435
6 Investment Income		
Dividends from Quoted Equities	23,808,084	27,988,029
Interest on Term Deposits	15,451,756	4,534,045
Interest on Treasury Bonds	181,815,045	220,201,521
Interest on Corporate Bonds	929,874	621,179
Discount on Treasury Bills	5,782,615	4,034,064
Rental Income	94,551,992	88,850,955
Miscellaneous Income	455,817	917,357
Gain on Sale of Quoted Equities	2,929,938	152,732
Loss on Sale / Maturity of Treasury Bonds	(9,328,665)	(12,937,220)
	316,396,457	334,362,662
7 Change In Fair Value of Financial Assets		
Fair Value (Loss) / Gain on Quoted Equities	(61,697,374)	(141,057,490)
Fair Value Loss on Treasury Bonds	(57,528,881)	(76,320,819)
Fair Value (Loss) / Gain on Offshore Investments	9,700,732	(6,599,667)
Fair Value Gain on Corporate Bonds	(9,175)	9,175
Decrease / (Increase) in Provision (IFRS 9)	(14,935,743)	37,594,713
	(124,470,440)	(186,374,088)
8 Investment Management Expenses		
Residential Investment Property Expenses	6,466,858	10,454,600
Commercial Investment Property Expenses	19,813,088	21,222,931
Management Fees	5,127,960	6,429,256
Custody Fees	2,175,892	2,648,294
	33,583,798	40,755,081

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Notes to the Financial Statements (Continued)

9 Administrative Expenses	2023	2022
	Kshs	Kshs
Staff Costs	16,381,211	14,196,418
Actuarial Fees	1,113,600	2,277,200
Audit Fees	430,520	556,017
RBA Levy	5,000,000	5,000,000
Trustee Allowances and Expenses	7,172,240	5,016,320
Members Annual General Meeting Expenses	2,326,023	2,290,614
Office Rent, Service Charge and Car Parking Fees	3,869,429	3,128,623
Subscriptions and Annual Licenses	2,045,928	1,754,974
Insurance	1,201,409	1,026,935
Training and Development	271,343	243,420
Legal Fees	614,632	726,656
Printing and Stationery	237,685	286,051
Motor Vehicle Running Costs	126,927	223,100
Travel and Subsistence	3,372,625	2,367,188
Advertising	221,158	-
Bank and Other Transaction Charges	2,513,557	2,472,871
Journals and Periodicals	33,984	40,570
Office Equipment Repairs and Maintenance	95,241	39,221
Depreciation on Property and Equipment	862,194	805,061
Amortisation of Intangible Assets	420,536	443,586
Other Administrative Expenses	575,508	895,723
IFRS 9 Consultancy Fees	250,000	1,467,400
Customer Service	8,439	-
Procurement and Disposal Services	28,130	-
Increase in Provision for Doubtful Debts	29,916,353	34,066,005
	79,088,673	79,323,953
10 Prior Year Adjustment	135,720	-
This Relates to Credit Note For 2022 IFRS 9 Fees For 2022		
11 Intangible Assets		
Cost		
At Start of the Year	25,038,005	24,815,633
Additions	104,632	222,372
At End of The Year	25,142,637	25,038,005
Amortisation		
At Start of the Year	24,183,781	23,403,681
Charge for the Year	747,465	780,100
At End of the Year	24,931,246	24,183,781
Net Book Value at End of the Year	211,391	854,224

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Notes to the Financial Statements (Continued)

12 Property and Equipment

	Motor Vehicles Kshs	Furniture and Fittings Kshs	Office Equipment Kshs	Computers Kshs	Total Kshs
Cost / Valuation					
At 1 July 2021	9,523,445	7,939,927	1,533,747	11,552,033	30,549,152
Additions	100,000	391,987	-	692,880	1,184,867
At 30 June 2022	9,623,445	8,331,914	1,533,747	12,244,913	31,734,019
At 1 July 2022	9,623,445	8,331,914	1,533,747	12,244,913	31,734,019
Additions	-	-	98,400	557,000	655,400
At 30 June 2023	9,623,445	8,331,914	1,632,147	12,801,913	32,389,419
Depreciation					
At 1 July 2021	6,883,445	7,939,927	1,087,741	10,362,257	26,273,370
Charge for the Year	760,320	48,998	73,534	995,952	1,878,804
At 30 June 2022	7,643,765	7,988,925	1,161,275	11,358,209	28,152,174
At 1 July 2022	7,643,765	7,988,925	1,161,275	11,358,209	28,152,174
Charge for the Year	660,320	44,145	76,472	751,537	1,532,474
At 30 June 2023	8,304,085	8,033,070	1,237,747	12,109,746	29,684,648
Net Book Value					
At 30 June 2023	1,319,360	298,844	394,400	692,167	2,704,771
At 30 June 2022	1,979,680	342,989	372,472	886,704	3,581,845

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Notes to the Financial Statements (Continued)

13 Investments

(a) Investment Property

	Value as at 1st July Kshs	Capital Expenditure Kshs	Market Value Gain Kshs	Value as at 30 June Kshs
Year Ended 30 June 2023				
IR18339 - L.R. 1870/VI/270 to 305: - Lantana Rd	1,160,000,000	-	-	1,160,000,000
IR18339 - L.R. 1870/VI/268 to 269: - Lantana Rd	136,000,000	-	-	136,000,000
Nrb/Block 23/251/2 to 233: - Likoni Lane	370,000,000	-	-	370,000,000
Voi/Block 1956/197	6,000,000	-	-	6,000,000
LR No. Msa Block XXIV/113 and XXIV/114	1,230,000,000	-	-	1,230,000,000
Ronald Ngala PO - 209/2300	320,000,000	-	-	320,000,000
Total	3,222,000,000	-	-	3,222,000,000

	Value As At 1st July Kshs	Capital Expenditure Kshs	Market Value Gain Kshs	Value As At 30 June Kshs
Year ended 30 June 2022				
IR18339 - L.R. 1870/VI/270 to 305: - Lantana Rd	1,160,000,000	-	-	1,160,000,000
IR18339 - L.R. 1870/VI/268 to 269: - Lantana Rd	136,000,000	-	-	136,000,000
Nrb/Block 23/251/2 to 233: - Likoni Lane	370,000,000	-	-	370,000,000
Voi/Block 1956/197	6,000,000	-	-	6,000,000
LR No. Msa Block XXIV/113 and XXIV/114	1,230,000,000	-	-	1,230,000,000
Ronald Ngala PO - 209/2300	320,000,000	-	-	320,000,000
Total	3,222,000,000	-	-	3,222,000,000

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Notes to the Financial Statements (Continued)

13 Investments (Continued)

		Value As At		Additions At		Disposals		Gain/		Accrued Interest		IFRS 9		Fair Value		Value As At	
		1st July		Cost		Proceeds		(Loss) on		Adjustment		Provision		Change		30 June	
		Kshs		Kshs		Kshs		Disposal		Kshs		Movement		Kshs		Kshs	
Year Ended 30 June 2023																	
Quoted Equities		385,973,491	-			(54,443,908)	2,929,938							(61,697,392)			272,762,130
Treasury Bonds		1,505,803,214	66,031,350			(340,592,784)	(9,328,665)							(57,528,886)			1,150,685,352
Treasury Bills		110,655,265	52,482,265			(140,880,115)	-			(208,303)		(698,089)		-			28,935,880
Corporate Bonds		7,626,830	-			-	-			157,517		(3,665)					7,723,853
Offshore Investments		22,391,614	-			-	-							9,700,732			32,092,346
Fixed and Time Deposits		2,032,450,415	118,513,615			(535,916,807)	(6,398,727)			(50,787)		(34,192,549)		(109,525,545)			1,492,199,561
		77,777,495	1,564,934,000			(1,364,140,000)	-			2,698,569		(5,775,678)					276,166,891
		2,110,227,910	1,683,447,615			(1,900,056,807)	(6,398,727)			2,647,782		(39,968,228)		(109,525,545)			1,768,366,452
Year Ended 30 June 2022																	
Quoted Equities		620,170,666	10,337,704			(103,630,120)	152,732							(141,057,490)			385,973,492
Treasury Bonds		1,662,907,061	440,046,223			(532,404,218)	(12,937,220)			(7,991,678)		32,503,865		(76,320,819)			1,505,803,214
Treasury Bills		41,648,683	140,500,000			(71,654,159)	-			395,636		(234,895)		-			110,655,265
Corporate Bonds		-	7,570,000			-	-			157,516		(109,861)		9,175			7,626,830
Offshore Investments		21,991,282	7,000,000			-	-							(6,599,668)			22,391,614
Fixed and Time Deposits		2,346,717,692	605,453,927			(707,688,497)	(12,784,488)			(7,438,526)		32,159,109		(223,968,802)			2,032,450,415
		153,341,570	1,129,890,000			(1,209,240,000)	-			(97,437)		3,883,362		-			77,777,495
		2,500,059,262	1,735,343,927			(1,916,928,497)	(12,784,488)			(7,535,963)		36,042,471		(223,968,802)			2,110,227,910

Postal Corporation of Kenya Staff Pension Scheme
Annual Report and Financial Statements
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Notes to the Financial Statements (Continued)

14 Investments Allocation	Amount Kshs	Portfolio Percentage	RBA Limit Percentage
Offshore Investments	32,092,346	0.63%	15.00%
Cash Balances	77,668,817	1.53%	5.00%
Fixed and Call Deposits	276,166,891	5.45%	30.00%
Local and Regional Quoted Equities	272,762,130	5.38%	70.00%
Kenya Government Securities	1,179,621,232	23.28%	90.00%
Investment Property	<u>3,222,000,000</u>	63.58%	30.00%
	<u><u>5,067,938,245</u></u>		

Investment property allocation is at 63% which is above the prescribed limit of 30.00% set by the Retirement Benefits Authority.

15 Accounts Receivable	2023 Kshs	2022 Kshs
Rent Income Receivable		
- Due from Postal Corporation of Kenya (Note 18)	286,685,584	256,769,231
- Due from Other Tenants	20,391,220	16,417,595
Less: Provision for Impairment	<u>(299,544,634)</u>	<u>(269,628,281)</u>
	7,532,171	3,558,545
Dividend Income Receivable	6,456,414	11,674,154
Due from PCK Staff Retirement Benefits Scheme (Note 18)	49,066,944	44,695,805
Other Receivables	<u>5,782,354</u>	<u>2,592,969</u>
	<u><u>68,837,882</u></u>	<u><u>62,521,473</u></u>

The Trustees have reviewed the collectability of accounts receivable and determined that a credit risk arises from rent receivable. In view of this, the Trustees have made a provision for the portion of receivables whose recovery is in doubt.

Provision for impairment losses is identified by long outstanding balances which the Trustees consider as uncollectable. Long outstanding balances identified from such analyses are considered for inclusion in the allowance for doubtful debts. The Scheme uses the International Financial Reporting Standard (IFRS 9) impairment model for providing for expected credit losses (ECLs).

Movement in Impairment Provisions	2023 Kshs	2022 Kshs
At Start of the Year	269,628,281	235,562,276
Increase in Provisions in the Year	<u>29,916,353</u>	<u>34,066,005</u>
At End of the Year	<u><u>299,544,634</u></u>	<u><u>269,628,281</u></u>

Postal Corporation of Kenya
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Notes to the Financial Statements (Continued)

16 Cash and Bank Balances	2023	2022
	Kshs	Kshs
Custodial Account	1,105,692	21,584,953
Rent and Operating Accounts	76,808,798	24,503,925
Cash at Hand	42,166	282,201
IFRS 9 Provision	(287,839)	(774,324)
	<u>77,668,817</u>	<u>45,596,755</u>
For purposes of statement of cash flows, cash and cash equivalents comprise of the following:		
Cash and Bank Balances	77,668,817	45,596,755
Fixed and Time Deposits Maturing Within 90 Days	276,166,891	77,777,495
	<u>353,835,707</u>	<u>123,374,250</u>
17 Unpaid Benefits and Other Payables		
Unpaid Benefits	51,022,753	19,407,702
Rent and Utility Bills		
Deposits	9,308,610	7,376,484
Audit Fees Payable	1,119,001	556,018
IFRS 9 Consultancy Fees Payable	-	1,467,400
Tenants Refundable Deposits	14,700,000	17,500,000
Actuarial Fees Payable	1,070,400	1,348,800
Fund Management Fees Payable	1,756,861	749,832
Custody Fees Payable	333,959	394,022
RBA Levy Payable	5,000,000	5,000,000
Penalties Payable	-	158,333
Sundry Creditors	17,804,600	13,061,040
	<u>102,116,183</u>	<u>67,019,631</u>
18 Members Balances		
At 1st July	5,377,762,576	5,811,151,471
Transfers In	59,582,991	-
Transfers Out	(13,208)	-
Withdrawals For the Year	(479,048,502)	(461,298,435)
Investment Income	316,396,457	334,362,662
Fair Value (Loss) / Gain on Financial Assets	(124,470,434)	(186,374,088)
Investment Management Expenses	(33,583,798)	(40,755,081)
Administrative Expenses	(79,088,672)	(79,323,953)
At 30th June	<u>5,037,537,410</u>	<u>5,377,762,576</u>

Notes to the Financial Statements (Continued)

19 Contingent Liabilities

i). Case I - Past service members vs. PCK Staff Pension Scheme Trustees

In the year 2017, some members of the scheme whose benefits were transferred from the previous scheme (Kenya Post and Telecommunication Corporation (KP&TC) Pension Scheme), filed a suit with the Retirement Benefits Authority citing that their benefits needed to be computed on the rules and regulations of the Kenya Post and Telecommunication Corporation (KP&TC) Pension Scheme and not Postal Corporation of Kenya Staff Pension Scheme rules and regulations.

The Retirement Benefits Authority directed that the trustees of the scheme to recalculate the benefits for the concerned members using KPTC Pension Scheme, TelePosta Pension Scheme and PCK Staff Pension Scheme rules and regulations respectively based on the years of service under each employer and make the necessary adjustments.

Upon re-computation of the benefits based on the Retirement Benefits Authority directive, it emerged that the benefits paid to the concerned members were overstated and not understated as was initially thought. This scenario has been communicated to the Retirement Benefits Authority. However, the matter has not been concluded and the financial impact on the Scheme (if any exists) has not been determined.

ii). Case II - Maringo KP&TC Estate owners vs. PCK Staff Pension Scheme Trustees

The Trustees of the Scheme have a law suit in court with owners of Maringo KP&TC Estate in relation to disputed unpaid land rent and rates and the matter is ongoing. No liability has been recognised in these financial statements since in the opinion of the trustees the scheme has no legal standing to cater for the land rent and rates of the said estate. The lawyers however estimate that if the claimants succeed with the litigation, the likely liability would be Kshs. 5,000,000 in legal costs which may be awarded by the court against the scheme and a further Kshs. 5,000,000 which may be awarded against the scheme for the unpaid land rent and rates.

20 Related Party Transactions

Related parties comprise of the Trustees, the administrator, Postal Corporation of Kenya (the sponsor) and other schemes set up by the sponsor (Postal Corporation of Kenya Staff Retirement Benefits Scheme and Postal Corporation of Kenya Staff Provident Fund). Receivables and payables as at year end in relation to related parties were as follows:

Notes to the Financial Statements (Continued)

21 Related Party Transactions

Related parties comprise of the Trustees, the administrator, Postal Corporation of Kenya (the sponsor) and other schemes set up by the sponsor (Postal Corporation of Kenya Staff Retirement Benefits Scheme and Postal Corporation of Kenya Staff Provident Fund). Receivables and payables as at year end in relation to related parties were as follows:

	2023 Kshs	2022 Kshs
Rent receivable from Postal Corporation of Kenya (Note 13)	<u>286,685,584</u>	<u>256,769,231</u>
Due from PCK Staff Retirement Benefits Scheme (Note 13)	<u>49,066,944</u>	<u>44,695,805</u>

22 Capital Commitments

The Scheme had no capital commitments as at 30 June 2023.

23 Comparatives

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

**Postal Corporation of Kenya Staff Pension Scheme
Annual Report and Financial Statements
For the Year Ended 30th June 2023**

Appendices

Appendix I - Regional Quoted Equities

	Number of Shares	Number of Shares	Number of Shares	Market Value At	Disposal Proceeds	Realised Gain/(Loss)	Unrealised Market Gain/(Loss)	Market Value At
	1-Jul-2022	(Disposals)	30-Jun-2023	1-Jul-2022		on Disposal		
	Units	Units	Units	Kshs	Kshs	Kshs	Kshs	Kshs
ABSA Bank Kenya PLC Ord 0.50	506,880	-	506,880	5,296,896	-	-	684,288	5,981,184
Diamond Trust Bank Kenya Ltd Ord 4.00	57,570	-	57,570	2,875,622	-	-	(5,757)	2,869,865
Equity Group Holdings Plc Ord 0.50	1,377,500	(150,000)	1,227,500	59,232,500	(6,774,914)	324,914	(5,830,625)	46,951,875
KCB Group PLC Ord 1.00	1,577,409	-	1,577,409	60,966,858	-	-	(14,748,774)	46,218,084
Stanbic Holdings PLC ord.5.00	152,000	(30,000)	122,000	15,010,000	(3,227,906)	265,414	1,525,000	13,572,508
Standard Chartered Bank Kenya Ltd Ord 5.00	50,114	-	50,114	6,251,746	-	-	1,791,576	8,043,322
The Co-operative Bank of Kenya Ltd Ord 1.00	1,061,481	-	1,061,481	11,570,143	-	-	1,379,913	12,950,056
KenGen Co. PLC Ord. 2.50	1,080,189	-	1,080,189	3,651,039	-	-	(1,155,802)	2,495,237
East African Breweries Ltd Ord 2.00	326,790	(188,590)	138,200	44,851,928	(36,209,280)	10,325,303	2,453,050	21,421,000
Safaricom PLC Ord 0.05	7,064,800	(650,000)	6,414,800	176,266,760	(8,231,808)	(7,985,692)	(47,790,260)	112,259,000
	13,254,733	(1,018,590)	12,236,143	385,973,491	(54,443,908)	2,929,938	(61,697,392)	272,762,130

Postal Corporation of Kenya Staff Pension Scheme
Annual Report and Financial Statements
For the Year Ended 30th June 2023

Appendices (Continued)

	Historical Cost		Nominal Value		Dirty / Full Mkt Value		Purchases		Disposal		Realised Gain/ (Loss) On Disposal		Unrealised Mkt Gain/ (Loss)		Nominal Value		Dirty / Full Mkt Value	
	1-Jul-2022 Kshs	1-Jul-2022 Kshs	1-Jul-2022 Kshs	1-Jul-2022 Kshs	Cost Kshs	Nominal Kshs	Proceeds Kshs	Nominal Kshs	Disposal Kshs	Disposal Kshs	Disposal Kshs	Disposal Kshs	30-Jun-2023 Kshs	30-Jun-2023 Kshs	30-Jun-2023 Kshs	30-Jun-2023 Kshs	30-Jun-2023 Kshs	30-Jun-2023 Kshs
FXD1/2019/015	24,708,920	24,000,000	24,127,437	24,127,437	-	-	"	(14,000,000)	(739,825)	(521,532)	10,000,000	9,535,100	10,000,000	10,000,000	9,535,100	10,000,000	10,000,000	9,535,100
FXD1/2018/025	49,695,860	45,000,000	43,556,380	43,556,380	-	-	-	-	-	(1,900,540)	45,000,000	41,672,385	45,000,000	45,000,000	41,672,385	45,000,000	45,000,000	41,672,385
FXD1/2011/020	23,287,518	25,000,000	20,944,866	20,944,866	-	-	-	-	-	(940,575)	25,000,000	20,011,150	25,000,000	25,000,000	20,011,150	25,000,000	25,000,000	20,011,150
FXD1/2018/020	127,665,084	115,000,000	114,102,670	114,102,670	-	-	-	-	-	(5,727,317)	115,000,000	108,417,055	115,000,000	115,000,000	108,417,055	115,000,000	115,000,000	108,417,055
FXD2/2013/015	191,453,189	192,000,000	191,454,084	191,454,084	-	-	(19,762,287)	(20,000,000)	(1,167,393)	(8,536,494)	172,000,000	162,493,044	172,000,000	172,000,000	162,493,044	172,000,000	172,000,000	162,493,044
FXD1/2017/005	9,999,767	10,000,000	10,507,685	10,507,685	-	-	(10,065,930)	(10,000,000)	(65,930)	-	-	-	-	-	-	-	-	-
FXD2/2017/005	30,010,267	30,000,000	31,102,449	31,102,449	-	-	(30,349,366)	(30,000,000)	(349,364)	-	-	-	-	-	-	-	-	-
FXD1/2019/005	6,000,000	6,000,000	6,000,000	6,000,000	-	-	-	-	-	(10,306)	6,000,000	6,224,532	6,000,000	6,000,000	6,224,532	6,000,000	6,000,000	6,224,532
FXD2/2018/010	5,000,000	5,000,000	4,960,697	4,960,697	-	-	-	-	-	(288,138)	5,000,000	4,674,275	5,000,000	5,000,000	4,674,275	5,000,000	5,000,000	4,674,275
FXD1/2018/010	14,128,220	14,000,000	14,578,168	14,578,168	-	-	-	-	-	(798,323)	14,000,000	13,784,722	14,000,000	14,000,000	13,784,722	14,000,000	14,000,000	13,784,722
FXD1/2017/010	4,970,250	5,000,000	5,401,366	5,401,366	-	-	-	-	-	(319,797)	5,000,000	5,083,350	5,000,000	5,000,000	5,083,350	5,000,000	5,000,000	5,083,350
FXD1/2013/010	112,724,068	86,000,000	88,166,825	88,166,825	-	-	(96,851,076)	(86,000,000)	(1,874,540)	-	-	-	-	-	-	-	-	-
FXD1/2008/015	66,219,300	60,000,000	63,320,007	63,320,007	-	-	(61,094,733)	(60,000,000)	(1,094,734)	-	-	-	-	-	-	-	-	-
FXD1/2018/015	65,817,650	65,000,000	62,121,799	62,121,799	-	-	-	-	-	(3,316,296)	65,000,000	58,828,120	65,000,000	65,000,000	58,828,120	65,000,000	65,000,000	58,828,120
FXD2/2018/015	50,105,667	50,000,000	48,539,670	48,539,670	-	-	-	-	-	(2,581,217)	50,000,000	45,975,950	50,000,000	50,000,000	45,975,950	50,000,000	50,000,000	45,975,950
FXD2/2010/015	10,849,094	10,000,000	9,208,496	9,208,496	-	-	-	-	-	(184,863)	10,000,000	9,026,110	10,000,000	10,000,000	9,026,110	10,000,000	10,000,000	9,026,110
FXD1/2012/015	33,115,411	33,500,000	32,846,653	32,846,653	-	-	(13,312,158)	(13,500,000)	(1,223,802)	91,648	20,000,000	18,624,620	20,000,000	20,000,000	18,624,620	20,000,000	20,000,000	18,624,620
FXD1/2013/015	37,197,668	41,000,000	40,526,017	40,526,017	-	-	(5,559,171)	(6,000,000)	(459,374)	(1,366,331)	35,000,000	32,918,305	35,000,000	35,000,000	32,918,305	35,000,000	35,000,000	32,918,305
FXD2/2019/015	42,127,100	40,000,000	38,365,922	38,365,922	-	-	-	-	-	(2,072,305)	40,000,000	36,307,600	40,000,000	40,000,000	36,307,600	40,000,000	40,000,000	36,307,600
FXD3/2019/015	62,064,400	62,000,000	60,157,196	60,157,196	-	-	-	-	-	(3,108,967)	62,000,000	57,069,264	62,000,000	62,000,000	57,069,264	62,000,000	62,000,000	57,069,264
FXD1/2008/020	49,775,639	48,700,000	51,082,533	51,082,533	-	-	(24,542,047)	(23,700,000)	(1,329,074)	(1,586,724)	25,000,000	24,645,775	25,000,000	25,000,000	24,645,775	25,000,000	25,000,000	24,645,775
FXD1/2012/020	96,689,337	103,500,000	95,718,074	95,718,074	-	-	-	-	-	(4,743,006)	103,500,000	91,009,206	103,500,000	103,500,000	91,009,206	103,500,000	103,500,000	91,009,206
FXD1/2016/020	49,965,700	52,000,000	54,459,473	54,459,473	-	-	-	-	-	(3,125,117)	52,000,000	51,354,368	52,000,000	52,000,000	51,354,368	52,000,000	52,000,000	51,354,368
Sub-Total C/D	1,163,570,108	1,122,700,000	1,105,248,467	1,105,248,467	-	-	(261,536,767)	(263,200,000)	(8,304,037)	(41,036,201)	859,500,000	797,654,931	859,500,000	859,500,000	797,654,931	859,500,000	859,500,000	797,654,931

**Postal Corporation of Kenya Staff Pension Scheme
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Appendices (Continued)

Appendix II - Treasury Bonds (Continued)

	Historical Cost Kshs	Nominal Value Kshs	Dirty / Full Mkt Value Kshs	Purchases Cost Kshs	Purchases Nominal Kshs	Disposal Proceeds Kshs	Disposal Nominal Kshs	Realised Gain/ (Loss) On Disposal Kshs	Unrealised Mkt Gain/ (Loss) Kshs	Nominal Value Kshs	Dirty / Full Mkt Value Kshs
	1-Jul-2022	1-Jul-2022	1-Jul-2022						30-Jun-2023	30-Jun-2023	30-Jun-2023
Sub-Total B/D	1,163,570,108	1,122,700,000	1,105,248,467	-	-	(261,536,767)	(263,200,000)	(8,304,037)	(41,036,201)	859,500,000	797,654,931
FXD2/2018/020	75,273,770	69,000,000	69,850,979	-	-	-	-	-	(3,356,985)	69,000,000	66,519,036
FXD1/2019/020	53,153,844	47,000,000	45,190,010	-	-	-	-	-	(2,117,080)	47,000,000	43,089,553
SDB1/2011/030	44,134,000	49,000,000	44,985,386	-	-	-	-	-	(1,794,230)	49,000,000	43,207,318
IFB1/2011/012	1,476,199	1,750,000	1,838,573	-	-	-	-	-	(23,508)	1,750,000	1,815,641
IFB1/2017/007	25,055,450	20,000,000	20,569,340	-	-	(10,000,000)	(10,000,000)	-	(267,800)	10,000,000	10,174,490
FXD3/2007/015	67,080,342	64,800,000	66,787,127	-	-	(65,629,984)	(64,800,000)	(829,981)	-	-	-
IFB1/2016/009	14,416,801	11,650,000	12,065,008	-	-	(3,426,032)	(3,426,032)	(194,647)	(15,604)	8,223,968	8,377,797
IFB1/2015/012	19,402,600	12,000,000	12,171,516	-	-	-	-	-	(100,428)	12,000,000	12,074,712
IFB1/2019/016	19,175,000	20,000,000	18,909,560	-	-	-	-	-	(1,556,680)	20,000,000	17,359,340
FXD1/2021/025	25,391,904	24,000,000	24,439,192	-	-	-	-	-	(1,413,990)	24,000,000	23,034,384
FXD1/2021/020	50,130,200	50,000,000	50,917,351	-	-	-	-	-	(1,989,984)	50,000,000	48,945,850
FXD1/2022/015	35,593,750	35,000,000	36,022,433	10,529,800	10,000,000	-	-	-	(2,487,926)	45,000,000	43,771,275
FXD3/2019/010	14,506,500	15,000,000	14,480,234	-	-	-	-	-	(747,915)	15,000,000	13,857,300
FXD1/2022/010	-	-	-	25,504,000	25,000,000	-	-	-	(762,746)	25,000,000	24,000,050
FXD1/2022/025	-	-	-	5,008,850	5,000,000	-	-	-	(194,309)	5,000,000	4,849,620
IFB1/2023/007	-	-	-	24,988,700	25,000,000	-	-	-	336,500	25,000,000	25,444,850
Pre-acquisition Interest	-	-	(2,183,082)	-	-	-	-	-	-	-	-
Provision for ECL	-	-	(21,721,856)	-	-	-	-	-	-	-	(33,490,795)
	1,608,360,466	1,541,900,000	1,499,570,237	66,031,350	65,000,000	(340,592,784)	(341,426,032)	(9,328,665)	(57,528,886)	1,265,473,968	1,150,685,352

**Postal Corporation of Kenya Staff Pension Scheme
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Appendices (Continued)

Appendix III - Treasury Bills

Reference	Nominal Value		Accrued Interest		Market Value		Purchases		Disposal		Disposal Proceeds		Nominal Value		Cost		Accrued Interest		Market Value	
	1-Jul-2022	Kshs	1-Jul-2022	Kshs	1-Jul-2022	Kshs	Value	Kshs	Cost	Kshs	Cost	Kshs	30-Jun-2023	Kshs	30-Jun-2023	Kshs	30-Jun-2023	Kshs	30-Jun-2023	Kshs
T Bill 2245 - 364 Days	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
T Bill 2263 - 364 Days	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
T Bill 2266 - 364 Days	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
T Bill 2272 - 364 Days	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
T Bill 2389 - 364 Days	10,000,000	9,112,100	263,443	9,375,543	9,375,543	9,375,543	-	-	(9,112,100)	-	(10,000,000)	-	-	-	-	-	-	-	-	-
T Bill 2391 - 364 Days	16,500,000	15,381,482	32,188	15,413,669	15,413,669	15,413,669	-	-	(15,381,482)	-	(16,500,000)	-	-	-	-	-	-	-	-	-
T Bill 2394 - 364 Days	10,000,000	9,114,200	177,647	9,291,847	9,291,847	9,291,847	-	-	(9,114,200)	-	(10,000,000)	-	-	-	-	-	-	-	-	-
T Bill 2396 - 364 Days	5,000,000	4,555,850	71,991	4,627,841	4,627,841	4,627,841	-	-	(4,555,850)	-	(4,831,615)	-	-	-	-	-	-	-	-	-
T Bill 2401 - 364 Days	30,000,000	27,297,600	178,180	27,475,780	27,475,780	27,475,780	-	-	(27,297,600)	-	(27,547,520)	-	-	-	-	-	-	-	-	-
T Bill 2402 - 364 Days	20,000,000	18,194,200	84,337	18,278,537	18,278,537	18,278,537	-	-	(18,194,200)	-	(18,541,460)	-	-	-	-	-	-	-	-	-
T Bill 2404 - 364 Days	10,000,000	9,095,300	7,456	9,102,756	9,102,756	9,102,756	-	-	(9,095,300)	-	(9,517,820)	-	-	-	-	-	-	-	-	-
T Bill 2391 - 364 Days	20,000,000	18,224,800	458,431	18,683,231	18,683,231	18,683,231	-	-	(18,224,800)	-	(18,941,700)	-	-	-	-	-	-	-	-	-
TBILL 2406/364DAYS	-	-	-	-	-	-	10,000,000	9,094,800	-	-	-	-	10,000,000	-	-	9,094,800	-	880,332	-	9,975,132
TBILL 2468/182DAYS	-	-	-	-	-	-	20,000,000	19,081,200	-	(19,081,200)	(20,000,000)	-	-	-	-	-	-	-	-	-
TBILL 2399/364DAYS	-	-	-	-	-	-	5,000,000	4,832,465	-	(4,832,465)	(5,000,000)	-	-	-	-	-	-	-	-	-
TBILL 2527/364DAYS	-	-	-	-	-	-	20,000,000	19,473,800	-	-	-	-	20,000,000	-	-	19,473,800	-	185,037	-	19,658,837
Provision for Expected Credit Loss	-	-	-	(1,593,939)	(1,593,939)	(1,593,939)	-	-	-	-	-	-	-	-	-	-	-	-	-	(698,089)
	121,500,000	110,975,532	1,273,673	110,655,265	110,655,265	110,655,265	55,000,000	52,482,265	(134,889,197)	(140,880,115)	(140,880,115)	30,000,000	28,568,600	1,065,369	28,935,880	19,473,800	185,037	19,658,837	(698,089)	28,935,880

**Postal Corporation of Kenya Staff Pension Scheme
Annual Report and Financial Statements
For the Year Ended 30th June 2023**

Appendices (Continued)

Appendix IV - Corporate Bonds

	Nominal Value		Cost		Accrued Interest		Dirty / mkt Value		Purchases nominal		Purchases Cost		Nominal Value		Cost		Accrued Interest		Dirty / mkt Value	
	1-Jul-2022	Kshs	1-Jul-2022	Kshs	1-Jul-2022	Kshs	1-Jul-2022	Kshs	1-Jul-2022	Kshs	1-Jul-2022	Kshs	30-Jun-2023	Kshs	30-Jun-2023	Kshs	30-Jun-2023	Kshs	30-Jun-2023	Kshs
EABL - Fixed Medium-Term Note (12.25%)	7,570,000		7,570,000		166,691		7,736,691	-	-	-	-	7,570,000		7,570,000		157,517		7,727,517		
Chase Bank - In Receivership	7,000,000		7,000,000		-		7,000,000	-	-	-	-	7,000,000		7,000,000		-		7,000,000		
Imperial Bank - In Receivership	3,000,000		3,000,000		-		3,000,000	-	-	-	-	3,000,000		3,000,000		-		3,000,000		
Impairment - Chase Bank & Imperial Bank	-		-		-		(10,000,000)	-	-	-	-	-		-		-		(10,000,000)		
Provision for Expected Credit Loss	-		-		-		(109,861)	-	-	-	-	-		-		-		(3,665)		
	17,570,000		17,570,000		166,691		7,626,830	-	-	-	-	17,570,000		17,570,000		157,517		7,723,852		

Postal Corporation of Kenya Staff Pension Scheme
Annual Report and Financial Statements
For the Year Ended 30th June 2023

Appendices (Continued)

Appendix V - Offshore Investments

	Number of Shares of Shares 1-Jul-2022	Number of Shares Additions	Number of Shares 30-Jun-2023	Mkt Value 1-Jul-2022	Purchases At Cost	Unrealised Market Gain/(Loss)	Market Price 30-Jun-2023	Market Value at 30-Jun-2023
Franklin U.S Opportunities Fund Class 1 (Acc)	2,466	-	2,466	16,527,286	-	7,285,440	9,657	23,812,726
Satrix World Equity Tracker Fund	45,530	-	45,530	5,864,328	-	2,415,292	182	8,279,621
				<u>22,391,614</u>	<u>-</u>	<u>9,700,732</u>	<u>9,839</u>	<u>32,092,346</u>