

The background of the cover features a large, stylized puzzle piece in the center, with a bright sunburst effect emanating from its right side. The puzzle piece is set against a light blue and green gradient. The entire cover is framed by a purple border with white circular accents on the left side.

2019

ANNUAL REPORT

& FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST DECEMBER 2018



KenGen
Staff Retirement
Benefits Scheme

DEFINED BENEFIT SCHEME



KenGen

**Staff Retirement
Benefits Scheme**

**ANNUAL REPORT & ACCOUNTS FOR
THE YEAR ENDED 31ST DECEMBER 2018**





MISSION, VISION & CORE VALUES



To be the leading Defined Benefits Scheme in providing sufficient, sustainable benefits and pension to members.



To provide expeditious and consistent benefits to members by prudently investing in members' contribution and scheme assets.



- Professionalism
- Customer Focus
- Integrity
- Teamwork
- Creativity & Innovation
- Diversity

NOTICE OF ANNUAL GENERAL MEETING FOR THE PERIOD ENDED 31st DECEMBER 2017

NOTICE IS HEREBY GIVEN that the Annual General Meeting of KenGen Staff Retirement Benefits Scheme (DB Scheme) will be held on 26th July, 2019 at KenGen Pension Plaza II, 6th floor, Lower parking bay, Nairobi.

The meeting will commence at 10.00 AM

THE AGENDA OF THE MEETING WILL BE:

1. To read the Notice Convening the Meeting
2. To Receive Chairperson's Report
3. To receive the Fund Managers' Reports
4. To receive the Custodial Report
5. To receive the Administrator Report
6. To receive the Scheme's Annual Report for the period ended 31st December, 2018 together with the Auditors' Report thereon.
7. To receive RBA's remarks
8. Plenary Session
9. Any Other Business
10. Closing remarks.

By Order of the Board



Josphat Muriuki
CEO & Trust Secretary
5th July, 2019



OUR BUSINESS



Inside

OUR BUSINESS

About The Scheme	
Achievements	
Strategy Plan: 2019 – 2028	
Performance Highlights	
Registered Office and Professional Advisors	
Report of The Trustees	
Membership	
KenGen RBS Gardens	

CORPORATE GOVERNANCE

Board of Trustees	
Kengen Pensions Plaza II	
Kengen SRBS 2018 Trustee Meetings	
Board Diversity	
Trustee Capacity Building	
Summary of Compliance Status	
Rosslyn Springs	

MANAGEMENT

The Secretariat	
The Management	

SUSTAINABILITY

Economic	
Social	
Environmental	

5 FINANCIALS

7	Statement of Trustees' Responsibilities	36
7	Independent Auditors' Report	37
7	Statement of Changes In Net Assets	39-40
8	Statement of Cash Flows	41
9	Notes To The Financials Statements	42

10 INDUSTRY STATISTICS

11	Z-Cass Survey	54
18	Actsर्व Survey	54

19

MEMBER SERVICES

20-22	Members' Rights	55
23	Members' Obligations	55
24	Pensioners' Education	55
24	Members' Education	55
24	Annual General Meeting	55
25	Pensioners' Visits Report	56

27 GALLERY

28	2018 Members' Education	58
30	2018 Pensioners' Visits	59
32	2018 Pensioners' Education	60
33	Other 2018 Events	61



About The Scheme

The Defined Benefits (DB) Scheme is an occupational scheme of KenGen staff and has 2,298 members with KES 7.7B in Assets Under Management (AUM).



2,290

members



KES 7.7B

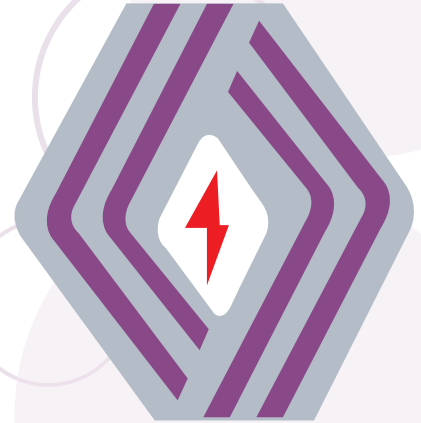
Assets Under
Management (AUM).

Achievements



Formulation of
the Strategic Plan
2019-2028

2019-2028



KenGen
Staff Retirement
Benefits Scheme

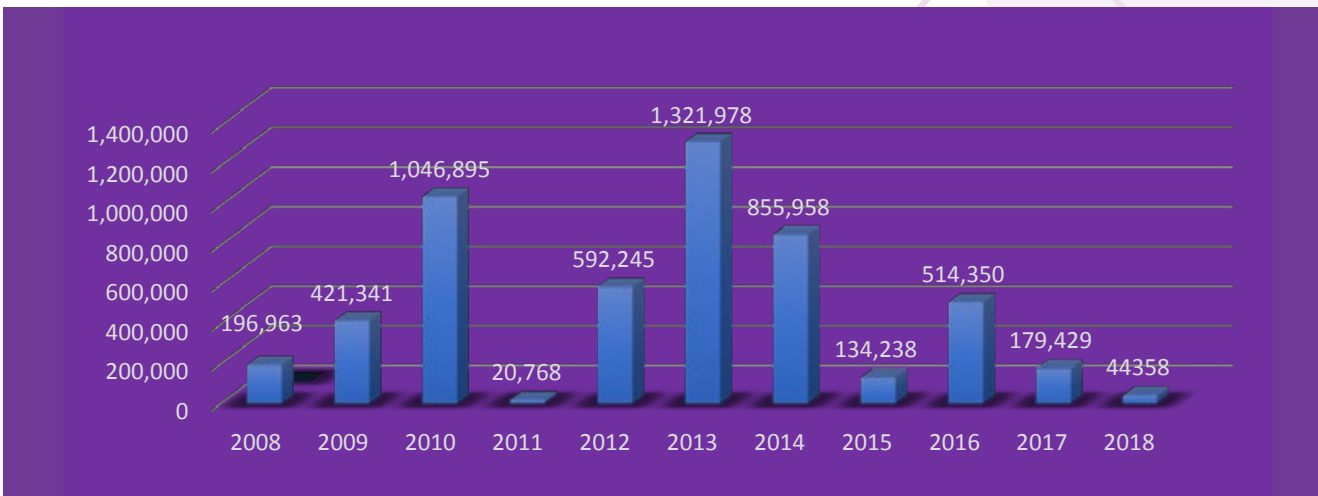
Strategy Plan: 2019 - 2028

The strategic plan is divided into 3 pillars



PERFORMANCE HIGHLIGHTS

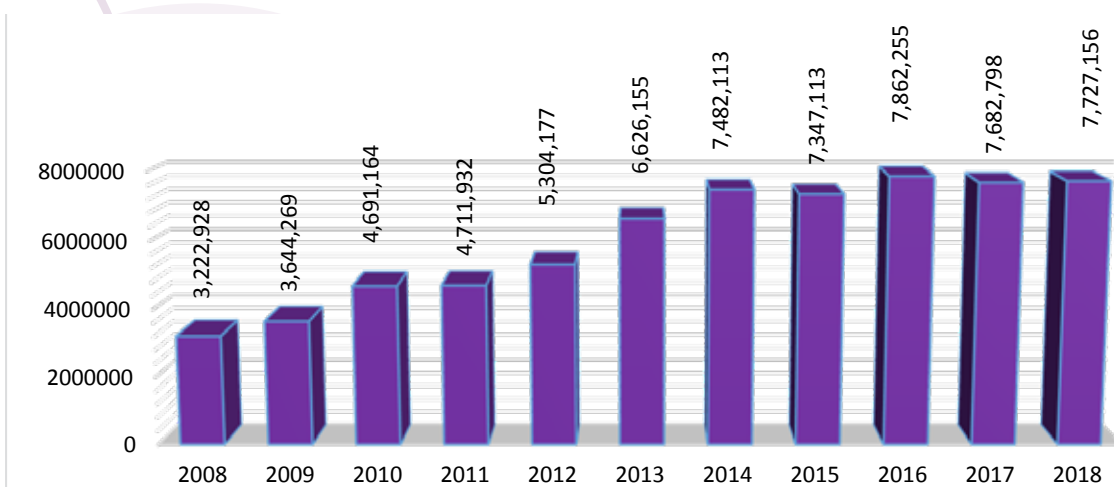
Change in Net Assets Available in Ksh '000



Scheme Membership



Fund Value Ksh '000



REGISTERED OFFICE AND PROFESSIONAL ADVISORS

REGISTERED OFFICE

KenGen Pension Plaza 2
Kolobot Road, Parklands
P. O Box 1811 - 00606
Sarit Centre
Nairobi

INTERNAL AUDITORS

UHY Kenya
Centro House
1st Floor, Ring Road Westlands
P O Box 13550 - 00800
Nairobi

ADMINISTRATORS

Zamara Actuaries, Administrators &
Consultants Limited
Landmark Plaza
P O Box 52439 - 00200
Nairobi

INVESTMENT MANAGERS

BRITAM
British American Centre
Mara, Ragati Road Junction
P.O. BOX 30375 - 00100
Nairobi

EXTERNAL AUDITORS

Deloitte & Touche Certified Public
Accountants (Kenya)
Deloitte Place Waiyaki Way, Muthangari
P O Box 40092 - 00100
Nairobi

Co-op Trust Investment
Services Ltd
Co-operative Bank House
P O Box 48231 - 002000
Nairobi

CUSTODIANS

NIC Bank Ltd,
NIC House
P O Box 44599 - 00100,
Nairobi

BANKERS

NIC Bank Ltd
NIC House
P O Box 44599 - 00100
Nairobi

Co-operative Bank of Kenya Ltd
Co-operative Bank House
P O Box 48231 - 00100
Nairobi

REPORT OF THE TRUSTEES

The Trustees present their report together with the audited financial statements for the period ended 31 December 2018.

Establishment, nature and purpose of the Scheme

The Scheme was established with effect from 1st January 2000 and is governed by a Trust Deed dated 6th November 2000.

It is a defined benefit scheme and provides, under the rules of the Scheme, retirement benefits for the staff of Kenya Electricity Generating Scheme PLC (KenGen). It is a tax exempt approved scheme under the Income Tax Act and is registered with the Retirement Benefits Authority.

Employees contribute to the Scheme at the rate of 10% (2017: 10%) of their respective basic salaries. The employer contributes at rates based on periodic advice of the actuary. The current rate is 20% (2017: 20%) of employees' basic salaries.

In compliance with the Treasury Circular No. 18 dated 24th November 2011, KenGen undertook a redesign of the retirement benefits arrangement whereby a new defined contributory (DC) scheme 2012 was established with effect from 1st January 2012. As stipulated in the aforementioned circular, the members who were below 45 years were required to transfer and join the new DC scheme. The members who were 45 years and above were given the option to either remain in this scheme or move to the DC Scheme.

Background to the Scheme

Prior to 1st January 2000, the Kenya Power and Lighting Scheme Staff Retirement Benefits Scheme ("Kenya Power SRBS") was the only Scheme existing for the employees of Kenya Power and Lighting Scheme Limited ("Kenya Power") and Kenya Electricity Generating Scheme PLC ("KenGen"). A decision was made by the two employers to operate two separate Schemes and the KenGen Staff Retirement Benefits Scheme ("KenGen SRBS") was established as at 1st January 2000.

Actuarial Valuation

The last actuarial valuation was as at 31 December 2017 by Zamara (formerly Alexander Forbes Financial Services (E.A) Limited) an independent firm of actuaries, using the Attained Age Method.

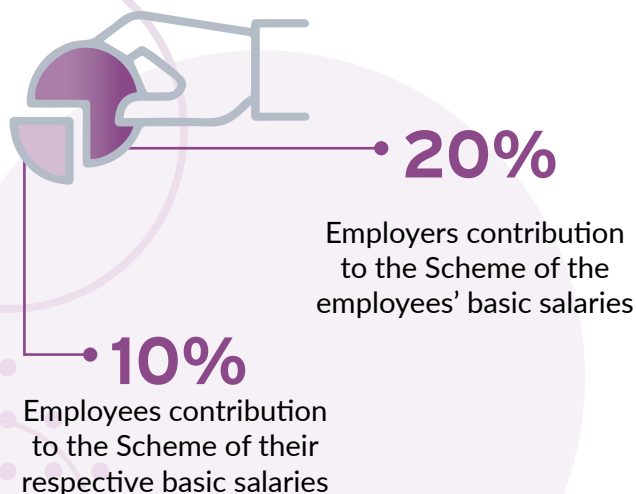
According to the valuations at that date, the actuarial present value of promised retirement benefits was Shs 8.9 Billion.

Financial Review

The statement of changes in net assets available for benefits on page 39 shows an increase in the net assets of the Scheme for the year of Shs 44,358,000 (2017: Decrease of Shs 179,427,000) and the net assets statement shows the Scheme's net assets as Shs 7,727,156,000 (2017: Shs 7,682,798,000).

Assets Management

Under the terms of their appointment, Co-op Trust Investment Services Limited and British American Asset Managers were responsible for the investment of available funds. They are not responsible for investment in properties, which are managed in-house. However, the overall responsibility for investment and performance lies with the Trustees.



MEMBERSHIP

The Scheme's membership was as follows:

	2018	2017
a) Total members		
Contributing Members	1,373	1,443
Pensioners and Beneficiaries	917	872
	-----	-----
	2,290	2,315
	=====	=====
b) Contributing members		
Contributing	96	115
Deferred	65	68
Contributing in DC	1,212	1,260
	-----	-----
At end of year	1,373	1,443
	=====	=====
c) Pensioners		
At start of year	872	467
Contributing members who retired	61	39
2016 retirees who joined payroll in 2017	-	4
Widows or widowers pension becoming payable	25	17
2017 Adjustments	-	403
	-----	-----
	958	930
	-----	-----
Less: Deaths	(12)	(5)
Less: Cessation of children pension	(29)	(53)
	-----	-----
At end of year	917	872
	=====	=====



Joseph Sitati - Chairman

CHAIRMAN'S STATEMENT

Dear Members,

I am pleased to present the DB Scheme's Annual Accounts for the fiscal year ended December 31st 2018 and also share the achievements we have made.

DB Scheme was established in the year 2000. Over the past 18 years, we have grown to represent nearly a total of 1,373 members and 917 beneficiaries and with the portfolio assets of Ksh 7.727 billion as of December 31, 2018. The Scheme models best practices in corporate governance, employing risk mitigation policies and dedicating resources to increase our members' financial awareness and retirement security. Long-term value creation continues to be the essence of our commitment to the cohesive vision.



"To be the leading Defined Benefit Scheme in providing sufficient, sustainable benefits and pension to members"

Global & Domestic Macro-economic environment

Members, the global economy took off on an upbeat note in 2018, registering growth of 3.7 percent from 3.5 percent recorded in 2017 according to estimates by the International Monetary Fund (IMF). The synchronized global economic momentum that investors enjoyed coming into 2018 faded as a result of developed economies monetary policy which took divergent paths as the US embarked on a tightening cycle, while Europe and Japan continued to have broadly accommodative monetary policy. Growth in China was weaker amid a crackdown on high debt levels as well as pressure from the country's trade war with the United States.

The Kenyan macroeconomic environment recorded a marked improvement in 2018. Overall GDP grew by 6.3% in 2018. This was due to improved weather conditions in the year which boosted agricultural output, improved business sentiment as the economy cycled out of the prolonged electioneering period and stable macroeconomic variables. Sustained strong performance of the agriculture sector is expected to continue to boost economic growth in 2019. Key risks to GDP growth in 2019 are delay in long rains and subdued private sector credit growth if the interest rate caps are maintained.

Inflation touched a low of 3.7 percent in April but closed the year at 5.7 percent, well within the central Bank's target range of 2.5 percent to 7.5 percent. This was as a result of lower food prices following the improved weather conditions and subsequent improvement in agricultural output. Low crude oil prices also kept the transport, electricity and fuel indices contained, although a spike was noted in September on the back of higher fuel prices upon implementation of 16% VAT on fuel. These effects however abated when VAT on fuel was adjusted downward to 8%. Going forward, the Consumer Price Index is expected to remain stable around the CBK's medium term target of 5.0 percent over the coming months supported by stable food and non-food non-fuel prices.

The interest rate environment continued to exhibit stability during the year with rates generally trending lower as ample liquidity among the large banks continued to support short term rates.

we are confident our disciplined investment philosophy will yield sustainable returns.

The yields on the 3-month, 6-month and 1-year Treasury Bills declined along the yield curve to 7.3 percent, 9.0 percent and 10.0 percent respectively. The money market was more liquid during the year, with the interbank rate averaging 5.2 percent from 6.4 percent in the previous year.

The Kenya Shilling strengthened against the US Dollar during the year, even as it weakened significantly against other major international currencies. The local currency gained 1.4 percent in 2018 to close the year at 101.82 to the US Dollar. The local unit also appreciated against both the Euro and the Sterling Pound by 5.5 percent and 7.0 percent respectively. Regionally, the Kenya Shilling appreciated against the Ugandan Shilling by 3.5 percent and the Tanzania Shilling by 4.1 percent.

Equities did not perform well in 2018 with the NASI losing 18% during the year. This was mainly driven by negative investor sentiment from the non-reversal of interest rate caps as well as the global emerging markets sell off. The negative equities return dragged the overall investment returns in 2018.

The real estate markets had mixed reactions for its different sectors. Sale and rental of office and commercial space was shrouded by low uptake mainly due to oversupply. However, there was renewed optimism for the hotel industry and for short-term letting as tourism increased by 37.3% in 2018 from 2017. The year 2017 had a 9.8% increase in arrivals. Investor confidence has withstood the recent economic challenges and the long-term real estate prospects are encouraging. We are confident that through our disciplined investment philosophy as guided by the Scheme's investment policy statement, we will continue to endeavour to earn above market and sustainable returns.

Scheme's Financial Results

Despite the turbulent financial markets witnessed in the year, we continued to see resilience in our asset growth which saw the net assets position increase by 0.6% to close at Ksh 7.73 billion as December 31st, 2018, compared with Ksh 7.68 billion as of December 31st, 2017. As our assets increased, our objective to operate with adequate levels of liquidity was still a critical driver, since the amount we pay to leavers & retirees continued to increase over the previous fiscal year. As of December 31st, 2018, the Scheme paid out Ksh 460.9 million in benefits, a Ksh 112 million increase from the previous fiscal year which represents a 32% increase. This increase was primarily due to the rise in the number of retirees and



0.6%

Net assets growth margin
from December 31, 2017

32%

Increase in the number of
retirees & beneficiaries



460.9 M

Total benefits payout
by the scheme as of
December 31, 2018



7.73 B

Net assets value of
the scheme as at
December 31, 2018

beneficiaries.

Defining the Strategic Path

This past fiscal year marks multiple accomplishments achieved under the last year of the five-year 2013-2018 Strategic Plan. Key to this is that the Board in December 2017 approved a new asset allocation mix for our investments.

The Board of Trustees now embarks on its new goals in our 2019 – 2029 Strategy: Align investments to Scheme's liabilities, improve member services, cost management and optimizing HR and governance functions. One of the Board's key decisions is informed by the need to increase liquidity while retaining the actuarial assumptions which as a result, our cash flow will significantly improve going forward. These

decisions are prudent and are consistent with our fiduciary obligations which lay the foundation for meeting our investment, retirement, and benefits to our dependants' needs for the years ahead.

Changes in the Board

The Board would like to thank the outgoing Trustee Mr. Albert Mugo for his invaluable contribution during his tenure. At the same time, the Board welcomes the newly sponsor-nominated Trustee, Mr. Paul Ndungi, who brings a wealth of skills and experience from the legal sector to further strengthen the Scheme's governance framework.

Awards

For the second time in a row, the Scheme's quest for outstanding performance reflected in its corporate governance, compliance and excellent customer service. We bagged the top award in two categories of Think Business Investment Awards that is; Occupation Scheme of the Year & Public Entity Scheme of the Year. The awards are organized by Think Business Limited and supported by Retirement Benefits Authority, Nairobi Securities Exchange and The Kenya Association of Stockbrokers and Investment Banks (KASIB).



Secondly, the Scheme participated in the Champion of Governance (COG) Awards 2018 which were hosted by Institute of Certified Secretaries. We emerged 1st runners up in the Retirement Benefits Sector category.



Appreciation

On behalf of the Board, I convey our sincere gratitude to the Sponsor for the relentless support. I also extend my gratitude to my colleagues in the Board, all professional advisors, the Secretariat Staff and most importantly you members for working with our leadership during the year 2018 as we drive the commitment to provide sustainable retirement benefits.

Joseph Sitati
Chairman



Josphat Muriuki - Trust Secretary

TRUST SECRETARY REPORT

Dear Members,

It was delightful to witness the strong progress achieved on the DB Scheme's long-term sustainability agenda during 2018; we were able to continue in delivery of positive financial results with good cash flow and profitability development enabling continued attractive returns relative to the industry.

Investment Growth, Returns and Balancing Risk

The Scheme assets have had a tremendous growth over the years whose value stood at Kshs. 7.727 billion as at the end of year 2018 compared to KShs. 7.683 billion for the year ended 2017.

The Scheme enjoyed positive investment returns in 2018, with a 5.7% return compared to fiscal year 2017's return of 1.76%. The fund in the year was subject to a slowed economic growth and not to mention the sensitivity to market volatility. Nonetheless, the Scheme continues to underscore and emphasize the long-term nature of pension funding as it pertains to investment performance and the need to look beyond the immediate impacts of any single year's returns. And, although meeting investment assumptions is very important to the overall funding picture, it is just one factor in keeping the plan on track. Factors such as member earnings and career and lifetime longevity also play important roles

Helping Members Build for the Future: The Importance of Retirement Planning

Reflecting on the longevity of our members' careers and their increased lifespans, the Scheme dedicates resources to emphasize awareness, outreach and education throughout their careers. We offer a financial awareness workshop series every two years that emphasizes the importance of supplemental savings plans in addition to the defined benefit pension. By providing these financial awareness and retirement planning tools, we aim to empower our members as they embark on a well-thought-out plan and identify steps, they can take to meet their future income needs.

Towards greater Member experiences

Adding value to our members is amongst key success metrics for the daily work of the Secretariat team of employees. Every interaction counts in creating a seamless good experience for our members. As part of the Scheme's renewal, we have set up mechanisms and processes to keep constantly up to date with our members' sentiments. This includes feeding the insights from our customers back to the

Scheme to foster understanding and ambitions for continuous improvement. Look out for targeted publications based on life and career priorities. The goal of these educational efforts, tools and resources is to support members in taking the necessary steps toward realizing a rewarding, sustainable and secure retirement.

Our research conducted over the period showed medical expenses as a major financial burden to any retiree. It is because of this that my team embarked on a search for a solution which has enabled us to

Launch the Enhanced Medical cover for our retirees. We trust this will reduce if not completely suppressing this problem. We will keep searching for more sophisticated medical solutions as we proceed in this journey

Looking ahead

DB Scheme is a long-term investor, and as with any large, mature financial services organization, the challenges of balancing assets and liabilities, investment gains and losses, and operational growth and sustainability guide our business strategies as we look to advance sustainability forward well into the future. An appropriate forward-thinking strategy and vision are in place and serve to strengthen our success, with our priority focused on the long-term financial health of the fund and securing the financial futures of KenGen's dedicated employees.

Looking ahead, we will focus our efforts on putting you our members first, delivering sustainable benefits and operational excellence



Josphat Muriuki
CEO & Trust Secretary

Scheme Property Investment- KENGEN RBS GARDENS



A photograph of a modern, multi-story building with a light beige facade and dark brown window frames. The building has a prominent corner with a dark brown vertical element. In the foreground, there is a swimming pool with a blue metal railing. The sky is blue with some clouds. The text "CORPORATE GOVERNANCE" is overlaid in a purple, bold, sans-serif font. Below the text is a purple double arrow pointing right. The background is decorated with several overlapping circles of varying sizes, some with a dotted pattern.

CORPORATE GOVERNANCE



BOARD OF TRUSTEES

Joseph Sitati
Chairman



He was appointed to the Board of Trustees of KenGen Staff Retirement Benefits Scheme in 2017 as a sponsor appointed Trustee. He is the Chairman of the DB Scheme. He holds a BSc (Mechanical Engineering) from the University of Nairobi. He is a Fellow of the Association of Chartered Certified Accountant and is a Certified Information Systems Auditor. He has attended various professional development training programs. He has served as the Chief Finance and Administration Officer at Deacons Limited Nairobi, Commercial Finance Manager-Central East & West Africa Business Unit at CocaCola Scheme Nairobi, Group Finance Director at Old Mutual Group Nairobi and Finance Manager at Shell BP Kenya Limited among other positions. He brings a wealth of experience in investments and finance. He is currently a Non-Executive Director on the KenGen Board.

Rebecca Miano,
OGW
Trustee



She was appointed to the Board of Trustees of KenGen Staff Retirement Benefits Scheme on in 2014 as a sponsor appointed Trustee. She is a member of Audit & Risk Committee, Procurement Oversight Committee and the Administration & Legal Committee. She holds a Bachelor of Laws (LLB) degree with Honours, a diploma in Law and Post-graduate studies in Comparative Law. In 2010, she completed the Advanced Management Programme from Strathmore University.

She is a registered Certified Public Secretary of Kenya and is a member of the Institute of Certified Public Secretaries of Kenya (ICPSK) and the Law Society of Kenya (LSK). She was awarded the Company Secretary of the Year award in 2010 under the auspices of the ICPSK Champions of Governance. She is currently the MD and CEO of KenGen PLC.

Ernest Nadome
Trustee



He was appointed to the Board of Trustees of KenGen Staff Retirement Benefits Scheme on 1st January, 2006 as a member elected trustee. He is the Chairman of the Finance & Investment Committee and a member of the Procurement Oversight Committee, Administration & Legal Committee. He holds a Master of Arts (MA) in Labour Management Relations, Bachelor of Arts (B.A) Degree (Hons). He is the General Secretary of the Kenya Electrical Trades & Allied Workers Union (KETAWU) a position he has held for the past 16yrs. He is well versed in energy, human resources and labour matters, having worked for The Kenya Power and Lighting Company Ltd and KenGen PLC for 16 years.

BOARD OF TRUSTEES

Abraham Serem
Trustee



He has extensive experience in the Human Resources industry having worked in both private and public sectors in various capacities. He was appointed to the Board of Trustees of KenGen Staff Retirement Benefits Scheme in 2016 as a sponsor nominated Trustee.

He is the Chairperson of Administration & Legal Committee. He is a member of Strategy and Projects Committee, Audit & Risk Committee and Procurement Oversight Committee. He holds a bachelor of Arts from University of Nairobi and he is a Trained Executive Coach. He is currently the Human Resources & Administration Director with KenGen PLC.

Mary Maalu
Trustee



She was appointed to the Board of Trustees of KenGen Staff Retirement Benefits Scheme in 2017 as a sponsor appointed Trustee. Her vast knowledge and experience in the finance field bolsters the Scheme's finance and investments skills sets.

She is the Chairperson of Audit & Risk Committee. She is a member of the Finance & Investment Committee and Strategy & Project Committee. She holds an MBA Finance, a Bachelor of Commerce (Accounting Option), both from University of Nairobi and she is a Certified Public Accountant CPA(K).

She has served in several senior positions in Kenya Airways and is currently the Corporate Finance Manager with KenGen PLC.

Yaola Kizito
Trustee



He was appointed to the Board of Trustees of KenGen Staff Retirement Benefits Scheme in 2017 as a sponsor appointed Trustee.

He is the Chairman of the Strategy and Projects Committee & a member of the Procurement Oversight Committee and Audit & Risk Committee. Going forward, the Scheme shall borrow heavily from Mr. Kizito's knowledge in steering the Scheme's strategy to the next level.

He is currently KenGen's Strategy Development Manager

BOARD OF TRUSTEES

Peter Mutemi
Trustee



He has an experience of 34 years in the energy sector having been employed by East African Power in 1982 then KPLC and thereafter KenGen. He has been a union leader since 2003 where he has been the National Treasurer for KETAWU. He is also the Team leader in Negotiations & Central Joint Council.

He has been a member elected Trustees of KenGen Defined Contribution (DC) Scheme 2012 since 2012. He is a member of Finance & Investment Committee and Audit & Risk Committee.

He is currently an Assistant Lab Foreman at KenGen Olkaria and a Change Agent.

Paul Ndungi
Trustee



He was appointed to the Board of Trustees in 2019 as a Sponsor Nominated Trustee. He holds a Bachelor of Laws (LLB) degree with Honours from University of Nairobi and a Diploma in Law from the Kenya School of Law. He is an Advocate of the High Court of Kenya, Commissioner for Oaths, Notary Public as well as a registered Certified Secretary. He is currently pursuing a Master of Laws – Dual LL.M in U.S. Law and International Corporate Law at the Washington University – St. Louis School of Law. He joined KenGen as the Company Secretary and Legal Affairs Director on July 25, 2018, prior to joining KenGen, Mr. Ndungi served as the Company Secretary and Senior Legal Counsel at Barclays Bank of Kenya Limited. He has previously served in various legal and governance capacities at Ecobank Kenya Limited, I&M bank Limited, First American Bank of Kenya Limited and M/s TripleOKLaw Advocates. He is currently the Company Secretary and Legal Affairs Director with KenGen PLC.

Patrick Kimemia
Trustee



He was appointed to the Board of Trustees of KenGen Staff Retirement Benefits Scheme in 2017 as a pensioners' elected trustee. He is the Chairman of the Procurement Oversight Committee and a member of the Audit & Risk Committee and Administration & Legal Committee. He retired from the service of KenGen PLC in year 2014. At the time of retirement from KenGen PLC, he held the position of a Supply Chain Manager. Mr. Kimemia shall greatly provide experience in setting up a procurement framework for the scheme following the passing of the Procurement & Asset Disposal Act, 2015 that schemes are now required to comply to.

Josphat Muriuki
Trust Secretary



He was appointed Chief Executive Officer and Trust Secretary in 2016. He holds a Master of Business Administration (MBA-Finance) and Bachelor's Degree in Applied Statistics (Actuarial Science). He is a Certified Investment and Financial Analyst (CIFA), a Certified Information and Security Auditor (CISA) and a Certified Pensions Trustee (CPT). He is a student at Jomo Kenyatta University of Agriculture and Technology pursuing PhD in Leadership & Governance. He has wide experience in Pensions, Finance, Accounting, Information Audit and Investments spanning over 10 years having previously worked as the Pensions Administration Manager with Liaison Group (I.B) Ltd a leading Risk, Insurance, Pensions and Investments Consultancy in Eastern Africa. He is a member of Institute of Certified Investment and Financial Analysts (ICIFA) and Information Systems Audit & Control Association – Kenya (ISACA - K).

Scheme Property Investment
KenGen Pensions Plaza II



KENGEN SRBS 2018 TRUSTEE MEETINGS

Description	No. of Meetings	Overall Terms of Reference
Full Board	7	Overall strategic direction of the Scheme
Administration/ Legal Committee	4	Compliance with all relevant regulations& Governance
Procurement Oversight Committee	5	Ensure compliance with Public Procurement and Assets Disposal Act provisions in all procurement
Audit & Risk Committee	5	Scheme Audit, Assurance & Risk Management
Finance & Investment Committee	5	Ensuring Profitable Investments
Strategy & Projects Committee	4	Guiding Scheme Strategy & Projects Implementation

BOARD DIVERSITY

No.	Trustee	Age (in Years)	Profession	Gender	Experience (in Years)
1	Joseph Sitati	45	Finance, Systems Auditor & Engineering	Male	20
2	Rebecca Miano	52	Legal, Governance & Management	Female	27
3	Abraham Serem	53	HR & Administration	Male	28
4	Yaola Kizito	48	Strategy & Projects	Male	23
5	Mary Maalu	52	Finance & Audit	Female	27
6	Paul Ndungi	43	Legal & Governance	Male	18
7	Ernest Nadome	51	Labor Relations & Management	Male	26
8	Patrick Kimemia	64	Procurement	Male	35
9	Peter Mutemi	56	Scientist	Male	34
Average		51.5			26

TRUSTEE CAPACITY BUILDING

Name	Training
Joseph Sitati	Executive Leadership and Governance, Next Generation Leadership, Trustee Development Program Kenya
Ernest Nadome	Retirement Policies and Guidelines, Managing Financial Reforms, Next Generation Leadership, Executive Leadership and Governance, Trustee Development Program Kenya, Corporate Responsibility and Governance
Rebecca Miano	Pension Reforms, Pension Planning Analysis, Managing Teams to Achieve Change, Leadership and Management, Trustee Development Program Kenya
Abraham Serem	Next Generation Leadership, Pension Planning Analysis, Trustee Development Program
Mary Maalu	Investment of Pension Funds Analysis, Trustee Development Program Kenya
Yaola Kizito	Trustee Development Program Kenya, Leadership Masterclass
Peter Mutemi	Leadership Masterclass, Pension Reforms, Pension in Developing Environment, Next Generation Leadership, Trustee Development Program
Paul Ndungi	Trustee Development Program Kenya
Patrick Kimemia	Executive Leadership and Governance, Pension Governance and regulations, Trustee Development Program Kenya

SUMMARY OF COMPLIANCE STATUS OF THE SCHEME

The Scheme is compliant on most statutory requirements and best industry standards excluding the actuarial deficit and the RBA property limits which are being addressed by the Board of Trustees







MANAGEMENT



THE SECRETARIAT

Billy Olick

Assistant Procurement
Officer

Peter Miano

ICT Officer

Francis Maina

Property Maintenance
Technician

Ras
Assista



Jane Namnyak

Office Assistant

Purity Kamau

Pensions Officer

Shid Kanyua
Finance Officer

Josphat Muriuki
CEO & Trust Secretary

Albert Moturi
Assistant Pension Officer

Anthony Mang'eli
Property Officer



Gloria Kikete
Finance Officer

Hannah Nguhi
Investment Officer

Maryanne Muthuuri
Administrative Assistant

THE MANAGEMENT



Josphat Muriuki – CEO & Trust Secretary

He was appointed Chief Executive Officer and Trust Secretary in 2016. He holds a Master of Business Administration (MBA-Finance) and Bachelor's Degree in Applied Statistics (Actuarial Science). He is a Certified Investment and Financial Analyst (CIFA), a Certified Information and Security Auditor (CISA) and a Certified Pensions Trustee (CPT). He is a student at Jomo Kenyatta University of Agriculture and Technology pursuing PhD in Leadership & Governance. He has wide experience in Pensions, Finance, Accounting and Investments spanning over 10 years having previously worked as the Pensions Administration Manager with Liaison Group (I.B) Ltd a leading Risk, Insurance, Pensions and Investments Consultancy in Eastern Africa. He is a member of Institute of Certified Investment and Financial Analysts of Kenya (ICIFA) and Information Systems Audit & Control Association – Kenya (ISACA - K).



Hannah Nguhi - Investment Officer

Ms. Hannah Nguhi is a versatile investment professional with over 14 years' experience in the pension industry cutting across investment management (equities, fixed income & offshore products), corporate financing & pension administration. She joined KenGen Staff Retirement Benefits Scheme in April 2013 as the Investment Officer. Hannah holds a Master's degree in Business Administration (Finance) from the University of Nairobi, a Bachelor of Science in Actuarial Science from Jomo Kenyatta University of Agriculture & Technology (JKUAT) and is currently pursuing the Certified Investment and Financial Analyst (CIFA) qualification. She is an associate member of Kenya Institute of Management. Prior to joining KenGen SRBS, Hannah served as a Portfolio Manager at Dry Associates Ltd. She has also served as a Pensions Administrator at Zamara Financial Services (formerly Alexander Forbes).



Purity Kamau - Pensions Officer

She joined the scheme in 2009 as a Pension Officer, in charge of Pension Administration. She has over 22 years of experience in Human Resource and Pensions Administration. She holds a Bachelor's Degree in Business Administration, Diploma and Advanced Diploma in Business Administration with the Association of Business Executive (ABE) UK, Certificate of Proficiency in Insurance (COP), Insurance Fundamentals and Life & Pension Business. She is a Certified Pension Analyst Manager (CPAM) by Global Academy of Finance Management. She is a member of the Association of Business Executives and Global Academy of Finance Management. Before joining the scheme, she worked in the Human Resources departments of KenGen, Kenya Power and Daystar University.



Peter Miano - ICT Officer

He joined KenGen Staff Retirement Benefits Scheme in January 2014 as an ICT Officer in charge of ICT. He has over 10 Years' experience in the Information and Communication Technology sector. He holds a Masters of Business Administration (MBA) Strategic Option and a Bachelor of Science Degree in Information Technology with honours both from JKUAT. He also holds a Diploma in Information Technology. He is a fellow member of both the Information Communication Association of Kenya (ICTAK) and Computer Society of Kenya. He is a Cisco Certified Network Associate. He has other professional training in Axis Fundamentals and IT Corporate Governance. Prior to his employment, he has also worked with several other reputable firms that is Kenya National Bureau of Statistics, Kenya Shell and executed projects with HP and UNEP.



Gloria Kikete - Finance Officer

She joined KenGen Staff Retirement Scheme in November 2014 as Finance Officer in charge of Finance. She has over 9 years' experience in Finance, Accounting, Risk Management, Taxation and Audits. She has a Master of Science in Finance and a Bachelor of Commerce, Finance Option; both from the University of Nairobi. She is also a Certified Public Accountant of Kenya (CPA K) and a CPS Graduate. She is currently pursuing an Advanced Diploma in International Taxation (ADIT) by the Chartered Institute of Taxation, UK. She is a member of ICPAK, AWAK and an associate member of KIM. Prior to her appointment at KenGen Staff Retirement Scheme, she worked at CPF Financial Services (Laptrust) and Octagon Africa.

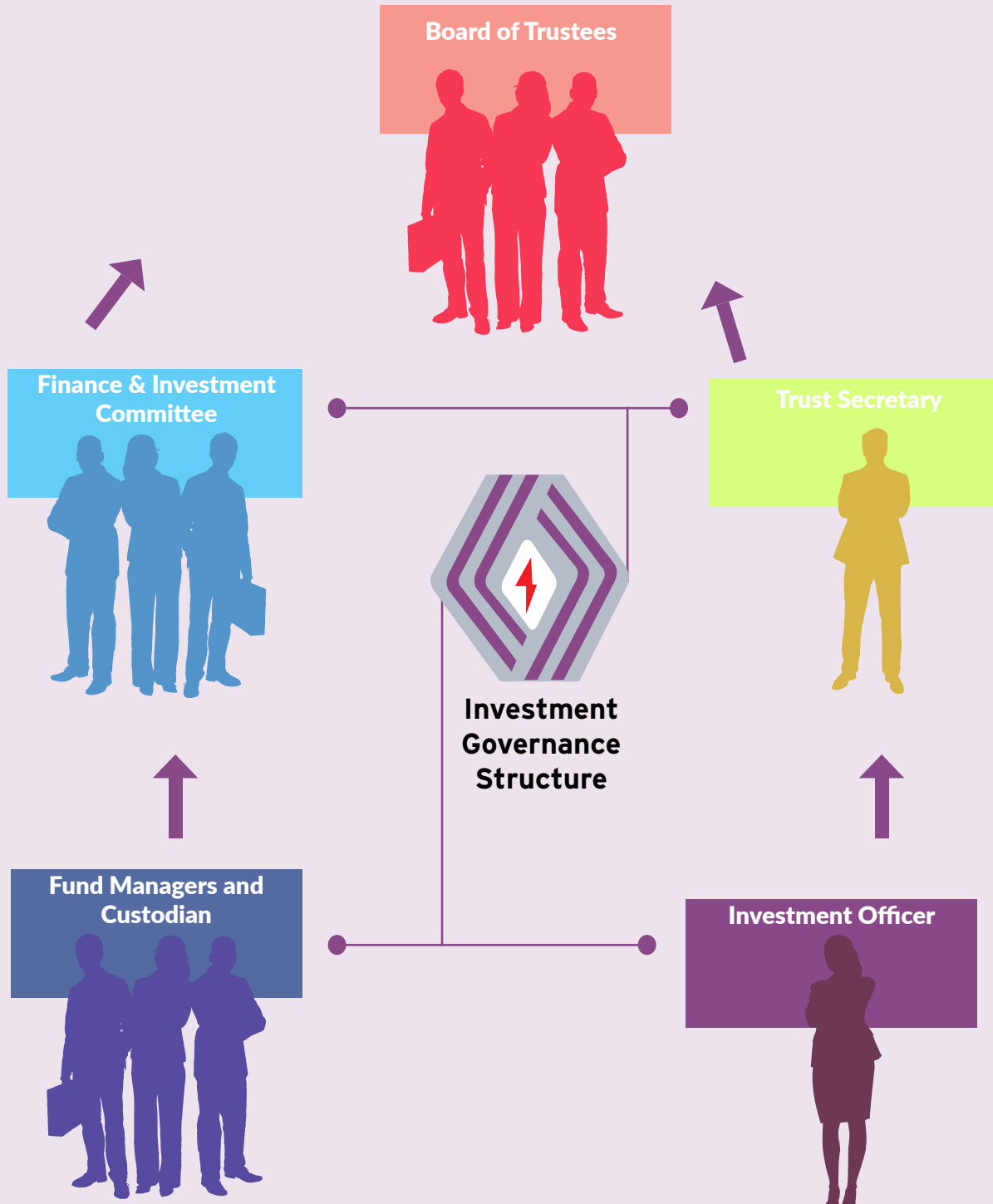


Anthony Mang'eli - Property Officer

Anthony Mang'eli joined KenGen Staff Retirement Benefits Scheme in November 2016 as Property Officer in charge of Property Management. He has over 11 years experience in the real estate industry cutting across valuation, property management, investment appraisal, and feasibility studies. He holds a Master's degree in Valuation & Property Management and a B.A. Land Economics, both from The University of Nairobi. He is a Full Member of the Institution of Surveyors of Kenya (VEMs Chapter) and a Registered and Practicing Valuer. Prior to his appointment at KenGen Pension Scheme, Anthony headed the Property Department at Actuarial Services (E.A) having come from Prestige Management Valuers Ltd as a Senior Valuer and Property Manager.

SCHEME INVESTMENT GOVERNANCE STRUCTURE

Governance is increasingly of significant importance to pension funds. The Trustees have adopted high level of corporate governance in management of the Scheme Investments.





SUSTAINABILITY



ECONOMIC



The lifeline of the Scheme depends on the financial status and the ability to pay its obligations to members and other stakeholders. The Scheme ensures the economic sustainability by

- Diversifying investments to ensure that risk is spread, and the different asset classes ensure fair returns throughout.
- Close monitoring of the funding level to ensure that any deficit is corrected on time.
- Holding assets that can easily be converted to cash to fund liquidity requirements.
- Maintaining close contact with the Sponsor to get retirement notices in good time so as to plan for cashflows.
- Signing performance contracts with the Fund Managers to encourage good returns from the financial investments.
- Managing Scheme costs at the minimum so as to obtain high net returns on investments.

SOCIAL



Our social environment includes our human stakeholders who we need to be alive and well. The scheme has put in place the below measures to ensure that our members, pensioners and beneficiaries are well

- Inclusion of a lifestyle training in our member education awareness programs to ensure members live healthy lifestyles.
- Partnering with medical insurance providers in an arrangement where we have negotiated favorable group rates to afford the pensioners and their beneficiaries' medical insurance even after leaving KenGen.
- Running a 'Widows and Orphans' account where deceased members with young families can have their benefits locked in an account with periodic withdrawals, which helps the beneficiaries to draw the funds in a systematic manner, so that funds are not depleted quickly.
- The pensioners ambassadors program ensures that the pensioners, as well as their beneficiaries are reached on a timely manner in case of any issue. This helps the Scheme in locating the beneficiaries who sometimes may not have office contacts to have their matters resolved quickly.

ENVIRONMENTAL



The Scheme ensures that the environment in which it operates is preserved by engaging in partnerships with organizations that conserve the environment as part of their core business. To this end the Scheme has partnered with the KenGen Foundation in a clean-up activity.





FINANCIALS



STATEMENT OF TRUSTEES' RESPONSIBILITIES

The Retirement Benefits Act requires the Trustees to prepare financial statements for each financial year, which give a true and fair view of the Scheme's financial affairs as at the end of the financial year and of the operating results of the Scheme 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 of the financial statements that give a true and fair view in accordance with International Financial Reporting Standards and Retirement Benefits Act, and for such internal controls as trustees determine are necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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 in the manner required by Retirement Benefits Act.

The Trustees also accept responsibility for:

- i. Designing, implementing and maintaining such internal controls as they determine necessary to enable the presentation of financial statements that are free from material misstatement, whether due to fraud or error.
- ii. Selecting suitable accounting policies and applying them consistently.
- iii. Making accounting estimates and judgements that are reasonable in the circumstances.

Having made an assessment of the Scheme's ability to meet its obligations, the Trustees are not aware of any material or uncertainties related to events or conditions that may cast doubt upon the Fund's ability to meet its obligations.

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

Approved by the Trustees on 27th March 2019 and signed on its behalf by:



Joseph Sitati
Chairman



Josphat Muriuki
CEO & Trust Secretary

INDEPENDENT AUDITORS' REPORT

Opinion

We have audited the financial statements of KenGen Staff Retirement Benefits Scheme, set out on pages 36 to 49, which comprise the statement of net assets available for benefits as at 31 December 2018, the statement of changes in net assets available for benefits and the statement of cash flows for the year then ended, and a summary of significant accounting policies and other explanatory notes.

In our opinion, the accompanying financial statements give a true and fair view of the financial transactions of the Fund during the year ended 31st December 2018 and of the disposition at that date of its assets and liabilities, other than liabilities to pay retirement and other benefits falling due after the end of the year in accordance with International Financial Reporting Standards and the requirements of the Retirement Benefits Act.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing ("ISA"). 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 Institute of Certified Public Accountants Kenya Code of Ethics (ICPAK Code of Ethics) which is consistent with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code), together with other 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 codes

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other Information

The trustees are responsible for the other information. The other information comprises the Report of the Trustees, which is obtained prior to the date of this auditor's report. The other information does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed on the other information that we obtained prior to the date of this auditor's report, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Trustees for the Financial Statements

The trustees are responsible for the preparation of financial statements that give a true and fair view in accordance with International Financial Reporting Standards and the requirements of the 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.

In preparing the financial statements, the trustees are responsible for assessing the Fund's ability to continue as 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 Fund 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 ISA's 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 judgement 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 controls.
- Obtain an understanding of internal controls 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 Fund's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the trustees.
- 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 Fund'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 Fund 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 are required to 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.



Certified Public Accountants (Kenya)

27th March 2019

CPA Fred Aloo, P/No 1537

Signing partner responsible for the independent audit

P&L

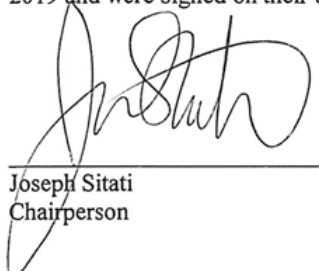
STATEMENT OF CHANGES IN NET ASSETS AVAILABLE FOR BENEFITS FOR THE PERIOD ENDED 31st DECEMBER 2018

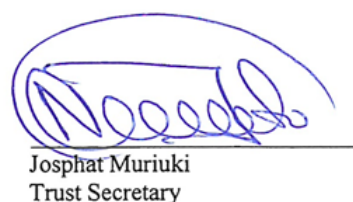
		2018	2017
	Notes	Shs'000	Shs'000
CONTRIBUTIONS AND WITHDRAWALS			
Contributions	1	76,463	58,570
Withdrawals - Pensioners		(243,700)	(198,624)
- Leavers		(217,171)	(150,209)
Net deficit from dealings with members		(384,408)	(290,263)
RETURN ON INVESTMENTS			
Investment Income	2	412,860	460,133
Fair Value Gain/(Loss) on Investments		118,158	(201,093)
Investment Management Expenses	3	(4,396)	(8,855)
Net returns on Investments		526,622	250,185
Fund Expenses	4	(90,669)	(104,504)
Taxation	5	(7,187)	(34,845)
INCREASE/(DECREASE) IN NET ASSETS FOR THE YEAR		44,358	(179,427)
NET ASSETS AT 1 JANUARY		7,682,798	7,862,225
NET ASSETS AT 31 DECEMBER		7,727,156	7,682,798

BALANCE SHEET**STATEMENT OF CHANGES IN NET ASSETS AVAILABLE FOR BENEFITS FOR THE PERIOD ENDED 31st DECEMBER 2018**

		2018	2017
	Notes	Shs'000	Shs'000
ASSETS			
Cash and bank balances	6(a)	21,699	46,715
Short term deposits	7	217,169	203,394
Other Receivables & Accrued income	8	15,988	19,801
Government Securities – Treasury Bills	9(a)	18,533	58,434
Government Securities – Treasury Bonds	9(b)	1,508,025	1,336,465
Corporate bonds	10	155,188	194,396
Quoted Equity Investments	11	699,162	734,015
Investment Property	12(a)	3,944,167	3,750,970
Investment Property – Held for sale	12(b)	990,500	1,062,500
Due from Related parties	14	215,797	393,930
Intangible Asset	14	2,056	3,483
Equipment	15	1,208	631
		7,789,492	7,804,734
LIABILITIES			
Payables and Accruals	16	59,740	95,470
Tax Payable	17	2,596	26,466
		62,336	121,936
NET ASSETS		7,727,156	7,682,798
REPRESENTED BY			
FUND BALANCE		7,727,156	7,682,798

The financial statements on pages 36-49 were approved and authorised for issue by the Board of Trustees on 27 March 2019 and were signed on their behalf by:


 Joseph Sitati
 Chairperson


 Josphat Muriuki
 Trust Secretary

CASH FLOW**STATEMENT OF CASH FLOWS FOR THE PERIOD ENDED 31st DECEMBER 2018**

		2018	2017
	Notes	Shs'000	Shs'000
CASH FLOWS FROM OPERATING ACTIVITIES			
Contributions	1	76,463	58,570
Benefits		(460,871)	(348,833)
Fund expenses	4	(90,669)	(104,504)
Adjustments for Fair value changes on Short Term Deposits	2	875	400
Amortisation of Intangible Assets	14	1,607	4,461
Depreciation of Property And Equipment	15	270	5,124
Decrease in Receivables		3,813	27,328
(Decrease)/Increase in Payables		(35,730)	27,977
Decrease/ (increase) in receivable from Related parties		178,133	(6,769)
Income Tax Paid	5	(31,057)	(8,379)
Net cash used in operating activities		(357,166)	(344,625)
CASH FLOWS GENERATED IN INVESTING ACTIVITIES			
Investment Income	2	412,860	460,133
Investment Management Expenses	3	(4,396)	(8,855)
Purchase of Treasury Bills	9 (a)	(56,362)	(57,054)
Purchase of Treasury Bonds	9 (b)	(434,633)	(338,454)
Purchase of Corporate Bonds	10	-	(21,200)
Purchase of Quoted Equities	11	(167,028)	(255,135)
Proceeds From Sale of Treasury Bills	9 (a)	95,150	86,837
Proceeds From Sale of Treasury Bonds	9 (b)	298,131	428,149
Proceeds From Sale of Corporate Bonds	10	38,210	115,373
Proceeds From Sale of Equities		69,523	39,210
Purchase of Investment Property	12 (a)	(11,657)	(19,100)
Purchase of Investment Property - Held For Sale	12 (b)	-	(2,029)
Proceeds on Sale of Property- Held For Sale	12 (b)	107,154	-
Purchase of Intangible Asset	14	(180)	(22)
Purchase of Computer	15	(847)	(78)
Net cash generated from Investing Activities		345,925	427,775
(DECREASE)/INCREASE IN CASH AND CASH EQUIVALENTS		(11,241)	83,150
CASH AND CASH EQUIVALENTS AT 1 JANUARY		250,109	166,959
CASH AND CASH EQUIVALENTS AT 31 DECEMBER	9(b)	238,868	250,109

NOTES TO THE FINANCIALS STATEMENTS

1 CONTRIBUTION	2018	2017
	Sh'000	Sh'000
CONTRIBUTIONS		
Employer and Employee	60,623	58,570
Employer – one off pension increment for KenGen Service	15,840	-
	76,463	58,570
	=====	=====
2 INVESTMENT INCOME		
Rent		
Rent Receivable	240,618	253,691
Less: Operating Expenses	(78,737)	(73,812)
	161,881	179,879
	=====	=====
Interest on Deposits	15,216	16,918
Interest on Government Securities	161,491	148,471
Interest on Corporate Bonds	19,550	32,652
Dividend Income	24,112	31,802
Loss on Sale of Corporate Bond	(822)	-
Gain on Sale of Government Securities	2,611	1,863
Gain on Sale of Offshore	-	36,134
Loss on Sale of Equities	(5,687)	(17,963)
Interest on Treasury Bills	4,851	7,163
Interest on Partitioning –(Contractual works)	19,728	19,728
Other Income	9,929	3,486
	412,860	460,133
	=====	=====
Treasury Bills (note 12 (a))	(1,113)	140
Treasury Bonds (note 12(b))	35,058	41,689
Equity Investments (note 14)	(132,358)	129,375
Property (Note 15(a))	181,540	(77,801)
Property- Held for sale (Note 15(b))	35,154	(295,729)
Deposits	875	400
Corporate Bonds (Note 13)	(998)	833
	118,158	(201,093)
	=====	=====
3 INVESTMENT MANAGEMENT EXPENSES		
Investment Manager	2,346	4,470
Custodian Fees	2,050	4,385
	4,396	8,855
	=====	=====

	2018	2017
	Shs'000	Shs'000
4 FUND ADMINISTRATIVE EXPENSES		
Administration Fees	1,785	2,100
Actuarial Fees	3,276	3,150
RBA Levy	5,000	5,000
Audit Fees	1,964	2,100
AGM Expenses	1,532	3,763
Trustee Sitting Expenses	6,575	6,792
Trustee Capacity Building	9,009	10,406
Salary and Wages	21,090	21,985
Consultancy Fees	12,930	2,010
Leave Accrual	1,538	4,384
Provision for Bad debts	441	3,093
Other Administrative Costs	25,529	39,721
	-----	-----
	90,669	104,504
	=====	=====

5 TAXATION		
Taxation on Investment Income for the Non-Tax exempt fund at 30% - 2018	2,596	-
Taxation on Investment Income for the Non-Tax exempt fund at 30% - 2017	4,591	4,174
Taxation on Investment Income for the Non-Tax exempt fund at 30% - 2013 to 2016	-	22,292
Taxation on investment income for the non-tax exempt fund at 30% - 2009 to 2012	-	8,379
	-----	-----
	7,187	34,845
	=====	=====
Taxation movement during the year		
At 1 January	26,466	-
Taxation charge	7,187	34,845
Taxation paid	(31,057)	(8,379)
	-----	-----
At 31 December (Note 20)	2,596	26,466
	=====	=====

6	(a) CASH AND BANK BALANCE	2018	2017
		Sh'000	Sh'000
	Bank balances	21,699	46,715
		=====	=====
	(b) CASH AND CASH EQUIVALENTS		
	Cash and bank balances (note 9(a))	21,699	46,715
	Short term deposits (note 10)	217,169	203,394
		-----	-----
	At 31 December	238,868	250,109
		=====	=====

7 SHORT TERM DEPOSITS HELD TO MATURITY

Average interest rate				
		Maturity	Shs'000	Shs'000
CFC DEPOSIT	9.20%	20.03.2019	68,489	-
NIC BANK	9.00%	28.01.2019	2,502	-
CO-OP DEPOSIT	8.50%	On Call	4,012	-
KCB DEPOSIT	8.50%	21.01.2019	50,885	-
CO-OP DEPOSIT	8.00%	21.01.2019	30,500	-
CO-OP DEPOSIT	9.00%	21.01.2019	5,016	-
CO-OP DEPOSIT	9.50%	01.04.2019	14,026	-
EQUITY BANK	9.00%	28.01.2019	10,010	-
CO-OP DEPOSIT	9.50%	01.01.2019	16,512	-
CO-OP DEPOSIT	8.50%	04.02.2019	15,217	-
EQUITY BANK DEPOSIT	8.50%	On Call	-	822
CO-OP DEPOSIT	8.00%	On Call	-	1,011
CO-OP DEPOSIT	8.50%	On Call	-	1,016
CO-OP DEPOSIT	10.25%	On Call	-	907
CO-OP DEPOSIT	10.00%	On Call	-	35,251
EQUITY BANK	10.90%	On Call	-	23,151
KCB DEPOSIT	10.00%	On Call	-	23,151
KCB DEPOSIT	10.00%	On Call	-	40,135
KCB DEPOSIT	10.25%	On Call	-	37,125
CO-OP DEPOSIT	10.90%	On Call	-	8,007
EQUITY BANK	8.50%	On Call	-	1,742
CO-OP DEPOSIT	10.25%	On Call	-	-
QUITY BANK	7.50%	On Call	-	1,015
KCB DEPOSIT	8.50%	On Call	-	715
EQUITY BANK	8.50%	On Call	-	5,215
EQUITY BANK	8.00%	On Call	-	304
NIC DEPOSIT	.50%	On Call	-	811

			2018	2017
			Sh'000	Sh'000
EQUITY DEPOSIT	8.50%	31-Dec-17	-	10,007
DTB DEPOSIT	8.50%	31-Dec-17	-	13,009
Short term deposits maturing within 90 days				
			-----	-----
			217,169	203,394
			=====	=====

The weighted average interest rate as at 31 December 2018 was 8.87% (2017: 9%)

Maturing as follows:		
Within 1 Month	97,732	150,333
Between 1 – 3 Months	119,437	53,061
	-----	-----
Included in the cash and Cash Equivalents in note 9(b)	217,169	203,394
	=====	=====

The weighted average interest rate as at 31 December 2018 was 8.87% (2017: 9%).

Maturing as follows:		
Within 1 Month	97,732	150,333
Between 1 – 3 Months	119,437	53,061
	-----	-----
Included in the cash and Cash Equivalents in note 9(b)	217,169	203,394
	=====	=====

8 RECEIVABLES AND ACCRUED INCOME

Rent Income Receivable	14,056	11,625
Provision for Bad debts	(3,534)	(3,093)
	-----	-----
Net Rent Income Receivable	10,522	8,532
Contribution Receivable	4,578	-
Prepayments	121	2,125
Dividend Receivables	767	9,144
	-----	-----
	15,988	19,801
	=====	=====

The receivable balances are interest free, unsecured and have no fixed repayment period.

9 GOVERNMENT SECURITIES

(a) TREASURY BILLS HELD TO MATURITY	2018	2017
	Shs'000	Shs'000
At the beginning of the reporting period	58,434	88,077
Additions at Face Value	56,362	57,054
Disposals	(95,150)	(86,837)
Change in Fair Value	(1,113)	140
At the end of the reporting period	18,533	58,434
	=====	=====
Maturing as follows:		
Within 1 year	18,533	58,434
	=====	=====

The weighted average interest rate as at 31 December 2018 was 9.52 % (2017: 10.36 %)

(b) TREASURY BONDS AT FAIR VALUE THROUGH PROFIT OR LOSS

At the beginning of the reporting period	1,336,465	1,384,471
Additions at Face Value	434,633	338,454
Disposals at Face Value	(298,131)	(428,149)
Change in Fair Value	35,058	41,689
At the end of the reporting period	1,508,025	1,336,465
	=====	=====
Between 1 – 3 years	26,122	82,892
After 3 years	1,481,903	1,253,573
	1,508,025	1,336,465
	=====	=====

The weighted average interest rate as at 31 December 2018 was 12.51% (2017: 12.47 %)

10 CORPORATE BONDS AT FAIR VALUE THROUGH PROFIT OR LOSS

	Maturity date	Interest rate	Sh '000	Sh '000
BRITAM Bond	22.07.2019	13%	-	26,067
EABL Medium Term Note	28.03.2022	14%	21,951	21,943
Imperial Bank Fixed Rate Note	21.12.2020	0.1%	15,004	15,004
Real People Medium Term Note	03.08.2020	14%	22,158	22,150
HFCK Bond HFCK Mtn 7	14.10.2019	13%	8,734	8,731
KenGen Bond	31.10.2019	13%	5,850	11,635
CBA fxd1/14/6	14.12.2020	13%	21,103	21,088
ABC Bond	31.07.2019	13%	20,373	20,373
Consolidated Bank Bond	24.07.2019	13%	21,172	21,165
CIC 2014/2015	02.10.2019	13%	16,302	16,297
I & M Bond	11.03.2019	11.5%	10,066	10,072
KenGen Pibo	31.10.2019	12.5%	7,479	14,875
			170,192	209,400
			=====	=====

			2018	2017
	Maturity date	Interest rate	Sh '000	Sh '000
Imperial Bank Fixed Rate Note	21.12.2020	0.1%	(15,004)	(15,004)
			155,188	194,396
			=====	=====

Movements in corporate bonds is analysed as follows:

At the beginning of the reporting period	194,396	287,736
Additions	-	21,200
Disposals	(38,210)	(115,373)
Fair value (loss)/gain	(998)	833
	155,188	194,396
	=====	=====
At the end of the reporting period		

11 QUOTED EQUITY INVESTMENTS AT FAIR VALUE THROUGH PROFIT OR LOSS**CO-OP TRUST**

Number of shares	Additions	0 Disposal	Bonus/ Share split	Number of shares	Description	Market value at 31-Dec-17
126,000	-	-	-	126,000	Bamburi Cement Plc	22,680
1,686,280	416,800	-	-	2,103,080	The Co-operative Bank of Kenya Limited	26,980
55,000	74,500	-	-	129,500	Diamond Trust Bank Limited	10,560
435,000	28,000	-	-	463,000	Equity Group Holdings	17,291
131,000	10,000	2,600	-	138,400	EABL Kenya Limited	31,178
1,182,197	275,000	-	-	1,457,197	KCB Group	50,539
5,750,553	-	2,000,000	-	3,750,553	KenGen Plc	49,167
890,000	-	-	-	890,000	Kenya Oil Scheme Limited	12,460
14	-	-	-	14	Nation Media Group Plc	2
2,060,000	1,842,000	-	-	3,902,000	Safaricom Plc	55,105
1,973,665	-	-	-	1,973,665	Kenya power	17,961
45,852	-	-	-	45,852	Standard Chartered Bank Limited	9,537
14,335,561	2,646,300	2,002,600		14,979,261	Sub Total	303,460

11 QUOTED EQUITY INVESTMENTS AT FAIR VALUE THROUGH PROFIT OR LOSS**BRITAM**

333,100	-	333,100	-	-	Athi River Mining Plc	4,331
123,100	-	60,000	-	63,100	Bamburi Cement Plc	22,158
6,870	-	5,600	-	1,270	British American Tobacco Kenya Ltd	5,221
148,200	-	-	-	148,200	British American Holdings Plc	1,978
1,380,760	424,000	-	-	1,804,760	The Co-operative Bank of Kenya Limited	22,092
116,399	-	-	-	116,399	Diamond Trust Bank Limited	22,349
151,000	-	13,000	-	138,000	East African Breweries Limited	35,938
1,024,000	619,800	-	-	1,643,800	Equity Group Holdings	40,704
1,128,537	482,900	-	-	1,611,437	KCB Group	48,245
840,796	-	-	-	840,796	Kenya oil Scheme Limited- KENOL	11,771
-	-	-	-	-	HF Group Plc	-
217,333	-	217,333	-	-	Nairobi Securities Exchange	4,281
-	-	-	-	-	Nation Media Group Plc	-
-	-	-	-	-	NIC Group Plc	-
5,478,100	935,000	-	-	6,413,100	Safaricom Plc	146,539
315,000	-	315,000	-	-	Bank of Kigali	10,962
3,000,000	-	-	-	3,000,000	Uganda Clays	2,460
469,000	-	-	-	469,000	Umeme C. Limited -USHS	5,328
394,500	-	-	-	394,500	Umeme C. Limited-KSH	5,286
-	-	-	-	-	WPP Scangroup Plc	-
1,916,200	-	-	-	1,916,200	KenGen Plc	16,384
584,702	-	300,000	-	284,702	Kenya Re Corporation	10,583
94	-	-	-	94	Kenya power	1
67,035	-	20,000	-	47,035	Standard Chartered Bank Limited	13,943
17,694,726	2,461,700	1,264,033		18,892,393	Sub Total	430,554
32,030,287	5,108,000	3,266,633		33,871,654	Total	734,014

Additions-Cost Shs'000	Disposal Cost Shs'000	Gain/(Loss) on Disposal Shs'000	Market gain/ (loss) Shs'000	Market value at 31-Dec-18 Shs'000
-	-	-	(5,985)	16,695
6,412	-	-	(3,318)	30,074
12,973	-	-	(3,266)	20,267
1,187	-	-	(2,342)	16,136
2,164	(643)	(25)	(8,489)	24,185
10,959	-	-	(6,926)	54,572
-	(16,663)	(5,688)	(487)	26,329
-	-	-	4,495	16,955
-	-	-	(1)	1
47,119	-	-	(15,600)	86,624
-	-	-	(9,928)	8,033
-	-	-	(619)	8,918
80,814	(17,306)	(5,713)	(52,466)	308,789
-	(3,732)	(1,867)	1,268	-
-	(10,707)	255	(3,345)	8,361
-	(4,247)	293	(346)	921
-	-	-	(496)	1,482
7,600	-	-	(3,884)	25,808
-	-	-	(4,133)	18,216
-	(3,245)	331	(8,908)	24,116
28,478	-	-	(11,896)	57,286
23,023	-	-	(10,920)	60,348
-	-	-	4,247	16,018
-	-	-	-	-
-	(4,377)	1,106	(1,010)	-
-	-	-	-	-
-	-	-	-	-
27,113	-	-	(31,281)	142,371
-	(9,934)	(2,931)	1,903	-
-	-	-	(897)	1,563
-	-	-	(1,212)	4,116
-	-	-	(2,091)	3,195
-	-	-	-	-
-	-	-	(2,932)	13,452
-	(5,608)	1,570	(2,573)	3,972
-	-	-	(1)	-
-	(4,679)	1,269	(1,385)	9,148
86,214	(46,529)	26	(79,892)	390,373
167,028	(63,835)	(5,687)	(132,358)	699,162

Notes:

Market values for quoted equity investments are determined by reference to Nairobi Securities Exchange prices prevailing at the end of each reporting date.

12 (a) INVESTMENT IN PROPERTY				
	KenGen Pension Plaza I & II	KenGen RBS Gardens	Land Malindi - Kilifi	Total 2018
	Sh'000	Sh'000	Sh'000	Sh'000
At the beginning of the reporting period	1,808,815	1,854,055	88,100	3,750,970
Additions	11,608	49	-	11,657
Change in Fair Value	71,635	99,405	10,500	181,540
At the end of the reporting period	1,892,058	1,953,509	98,600	3,944,167
2017				
At the beginning of the reporting period	1,793,068	1,871,603	145,000	3,809,671
Additions	19,003	97	-	19,100
Change in Fair Value	(3,256)	(17,645)	(56,900)	(77,801)
At the end of the reporting period	1,808,815	1,854,055	88,100	3,750,970
12 (b) INVESTMENT IN PROPERTY- HELD FOR SALE				
	2018	2017		
	Sh'000	Sh'000		
Rosslyn Springs Estate				
At the beginning of the reporting period	1,062,500	1,356,200		
Additions	-	2,029		
Sales	(107,154)	-		
Change in Fair Value	35,154	(295,729)		
At the end of the reporting period	990,500	1,062,500		

12 (c) FAIR VALUE MEASUREMENTS OF THE COMPANY'S INVESTMENT PROPERTIES & PROPERTY HELD FOR SALE

The scheme's Investment Properties & Properties held for sale are stated at their revalued amounts, being the fair values at the date of revaluation. The fair value measurements of part of the scheme's investment property as at 31 December 2018 and 31 December 2017 were performed Ark Consultants Limited, registered and independent valuers (i.e. not related to the scheme).

The valuers are members of the Institute of Surveyors of Kenya and they have appropriate qualifications and relevant and recent experience in the fair value measurement of properties in various locations in Kenya. The fair value of investment property was determined by reference to market evidence of recent transactions for similar properties. The valuations were based on open market value.

12 (c) FAIR VALUE MEASUREMENTS OF THE COMPANY'S INVESTMENT PROPERTIES & PROPERTY HELD FOR SALE

Details of the Scheme's Investment Property and information about fair value hierarchy as at 31 December 2018 are as follows:

	Level 1	Level 2	Level 3	Fair value as at 31 December
	Sh 000	Sh 000	Sh 000	Sh 000
31 December 2018				
Investment Property	-	3,944,167	-	3,944,167
Investment Property-Held for sale	-	990,500	-	990,500
31 December 2017				
Investment Property	-	3,750,970	-	3,750,970
Investment Property-Held for sale	-	1,062,500	-	1,062,500

13 RELATED PARTIES

Related parties comprise the Trustees, the sponsoring company and KenGen Defined Contribution (DC) Scheme, which is related to these parties through common Sponsorship and Trusteeship.

Amounts due from the sponsors represent relates to contractual works at KenGen Pension Plaza 2 outstanding at year-end and transactions with KenGen Defined Contribution (DC) Scheme 2012.

a) Due from related parties		
	2018	2017
	Sh'000	Sh'000
Due from KenGen-DC Scheme	21,633	10,025
Due from KenGen –Sponsor *	194,164	383,905
	-----	-----
	215,797	393,930
	=====	=====

* The related party balances with KenGen-Sponsor relates to contractual works at KenGen Pension Plaza 2, which attracts interest at 10%. Interest accrued as at 31 December 2018 19 Million (2017: 19 Million)

The following transactions were carried out with related parties during the year:

b) Due to related parties		
	2018	2017
	Sh'000	Sh'000
Rent receivable	77,886	132,932
	-----	-----
Included in net assets at the year-end are		
Quoted shares held in KenGen (Sponsor) Scheme	8,034	17,961
KenGen Bonds	13,329	26,510
	=====	=====

14 INTANGIBLE ASSETS-Computer Software

	2018	2017
COST	Shs	Shs
At 1 January	7,944	7,922
Additions	180	22
	-----	-----
	8,124	7,944
	-----	-----

	2018	2017
	Shs	Shs
AMORTISATION		
At 1 January	4,461	-
Charge for the year	1,607	4,461
	-----	-----
At 31 December	6,068	4,461
NET BOOK VALUE		
At 31 December	2,056	3,483
	=====	=====

15 EQUIPMENT		
COST		
At 1 January	6,274	6,196
Additions	847	78
	-----	-----
At 31 December	7,121	6,274
	-----	-----
ACCUMULATED DEPRECIATION		
At 1 January	5,643	519
Depreciation	270	5,124
	-----	-----
At 31 December	5,913	5,643
	-----	-----
NET BOOK VALUE	1,208	631
	=====	=====

16 PAYABLES AND ACCRUALS		
Accrued Payables	27,110	59,781
Accrued Expenses	1,538	10,390
Rent Deposit	9,348	9,559
Other Payables	21,744	15,740
	-----	-----
	59,740	95,470
	=====	=====

17 TAX PAYABLE		
Tax payable	2,596	26,466
	=====	=====

18 ACTUARIAL VALUATION

An actuarial review was last carried out as at 31 December 2016 by Zamara Actuaries, Administrators & Consultants Limited. The purpose of the review was:

- To assess the financial position of the Scheme as at 31 December 2016;
- To undertake calculations to provide projections of Scheme's Benefits expenditure; and
- To fulfill the requirements of the Retirement Benefits Act and the Income Tax Rules.

Actuarial review results

	2016
Below is a summary of the results of the review	Sh'000
Outstanding benefits payments	
Value of:	
Future benefits to current pensioners (including spouses and dependants pensions)	1,739,942
Past service pension benefits for active in service members based on projected earnings	6,000,277
Future benefits to deferred pensioners	99,602
Outstanding benefit payments	155,058
Additional Voluntary Contributions ("AVCs")	2,100
Expense reserve	903,235

Total accrued past service liabilities	8,900,214
Value placed on scheme's assets	(7,862,225)

Actuarial deficit	(1,037,989)
	=====
Funding level	88.3%
	=====

A remedial plan has been prepared by the Trustees of KenGen SRBS to cover the actuarial deficit

18 ACTUARIAL VALUATION (Continued)

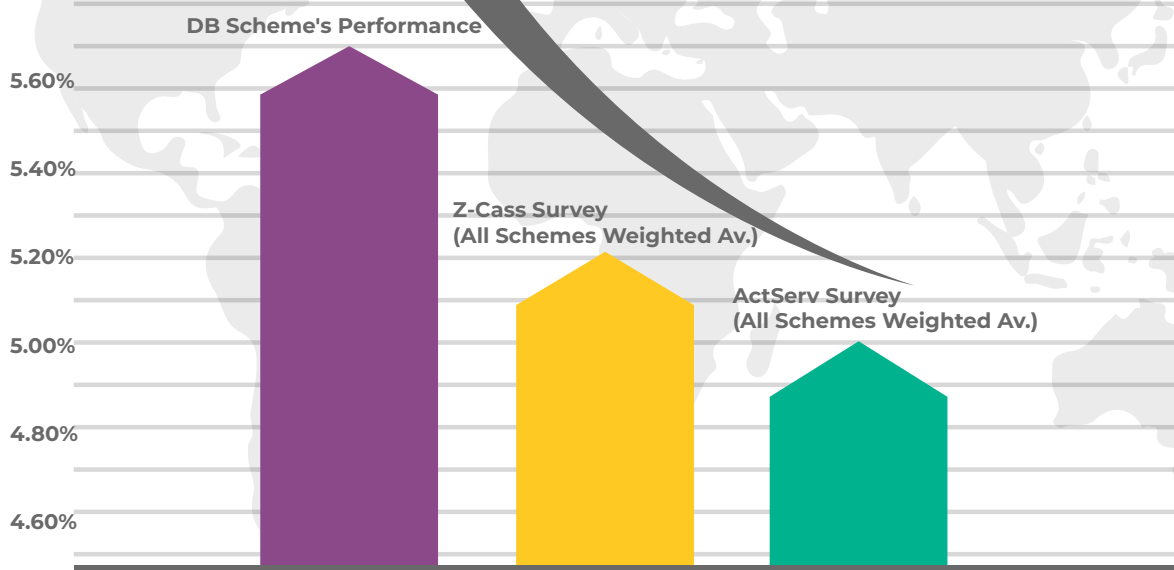
The principal actuarial assumptions used were as follows:

- discount rate	10%
- future pension increases	8%
	=====

In accordance with the requirements of the Retirement Benefits Authority Act, defined benefits schemes are subjected to actuarial valuations every 3 years. A valuation is therefore due in 2019.

INDUSTRY STATISTICS

1 YEAR PERIOD



5.70%

KENGEN DB SCHEME'S PERFORMANCE

5.20%

ZAMARA CONSULTING ACTUARIES SCHEMES SURVEY
(ALL SCHEMES WEIGHTED AV.)

5.00%

ACTUARIAL SERVICES (EA) LTD – PENSION SCHEMES
INVESTMENT PERFORMANCE SURVEY (ALL SCHEMES
WEIGHTED AV.)

MEMBER SERVICES

Member Rights

- To be issued with a summary of scheme Trust Deed & Rules and be informed of their role to nominate beneficiaries.
- Be issued with member statements.
- Access to annual report and be informed of changes to scheme benefits and contributions.
- Access to a summary of the Audited Financial Statements
- Knowledge on immediate vesting of benefits and options available to early leavers.
- Knowledge on non-assignability of benefits.
- Select an annuity or income drawdown providers one year to retirement.
- Be issued with a statement of how the benefits have been calculated.
- Attend Annual General Meeting (AGM).

Member Obligations

- To make effort and understand scheme documentation e.g. the Trust Deed and Rules.
- Seeking guidance from the Board of Trustees or the Secretariat on matters not clear or in dispute.
- Make effort to attend members information forums on invitation.
- Give the right and accurate information to the Board of Trustees timely.
- Conduct themselves with decorum and respect when dealing with Trustees and Service Providers.

Pensioners' Education

The Scheme carries out pensioner education every two years. The objective of this exercise is to touch base with the retired members, get feedback on our services, teach them on their benefits in retirement and give them an opportunity to meet each other after many years.

We also have Pensioner's Ambassadors who represent the pensioners in the geographical regions of the country. These representatives give us continuous update on how the pensioners in their areas are faring, and any areas of improvement.

Members' Education

Once every two years the Scheme organizes engagement sessions in all the areas of operations which are aimed at:

- Equipping members with knowledge about the operations of the Scheme
- Advising members of their benefit calculations in retirement
- Encouraging members to save more for retirement
- Preparing members for retirement with practical skills to use while retired.
- Obtaining feedback from members
- Demystifying life after retirement
- Providing an opportunity to all members from all stations to have their queries answered
- Updating members on any new regulations in the Pension Industry as well as the Scheme

Annual General Meeting

This is done annually on rotational basis in the KenGen PLC areas of operations. It brings together both Active Staff (those still working for KenGen), Pensioners, as well as Dormant Members (those that left KenGen but deferred part of their benefits in the Scheme until they reach retirement age).

The AGM is an opportunity to know how the Scheme performed in the previous financial year, what return was distributed to members, any changes in the Scheme, as well as networking with all classes of members.

It is the responsibility of all members to attend the AGM.

Pensioners' Visits Report

KenGen RBS Will Walk With You, Long into Retirement
Many have retired from KenGen. From as far back as January 2001. Where are they now?

Well, Josphat Muriuki & Purity Kamau sought to answer this question and put together this report for you! Retirement is a time dreaded by many since its outcome is unknown. However, it may turn out to be the best phase of one's life.

Many members have retired from KenGen. To be precise the first batch of pensioners dates back 1st January 2001. Wako Wapi? What are they doing? What do they say about retirement and KenGen? Can they relate their retirement from KenGen? How did they use their lump sum? What about their monthly pension? The questions are endless. To solve this puzzle, we embarked on a journey of tracing these senior pensioners who are above 70 years old. Our 1st sample lands us in Nyeri Country, Mukurwe-ini.

Here, we meet Mzee Richmond Kihara who is 72 years. He receives us in Mukurwe-ini town full of energy, excitement and unexplained joy.

Mzee Kihara was employed on 2nd June, 1964 by the East Africa Power and Lighting Company at Parklands sub-station as a General Worker. His first salary was Kshs.188.00 and a house allowance of Kshs.35.00. He was transferred to KenGen in 1997 upon split of KenGen and KPLC. He worked in Mesco, Wanjii and Ndula in Various capacities.

His last workstation was Sagana Falls where he worked for 16 years before his retirement on 31st December 2000 as a Shift Operator Grade 1. He worked with KenGen for 38 years. He discloses his last salary with a big smile Ksh.34,000.00 with a house allowance of about Kshs.8,000.00 which was a milestone from where he started.

You Look Relaxed and jovial, not like many retirees we have met. You must have planned well for retirement. How did You do this?

(Laughs) Retirement is a journey. The weight it comes with does need an overnight planning; you need to have a long-term plan. I started planning for my retirement while working since I did not want to be caught unaware. I made personal savings from my salary with Stima Sacco. I ensured I saved something however hard the times were.

I also complemented my salary with other sources of income like Matatu Business which I abandoned after five years since it was very hectic and concentrated on farming. I will show you a number of projects which I did while working.

I completed the first project, a one storey building with 10 units of one-bedroom houses and 30 single rooms

and another building which is right next to the first one and has twenty-five single rooms fully occupied. I have also other plots some developed while others not. My farms and plots are within one-kilometer radius from home and hence this makes it easy for supervision. Some of my tenants include the Taifa Sacco and AIPCA Church who have leased my property on long term basis.

During my retirement, I have realized my passion in farming which has made me venture in this field with major interests in coffee, Macadamia, Avocados and dairy farming amidst other crops and domestic animals. Averagely I earn a net income of over one hundred and fifty thousand per month from both my real estate's investment and farming venture. I made sure I had built some fortunes before retirement and most important my retirement home which we currently live with my lovely wife.

That was a tremendous plan. Most people of your age always tell me they wish they would have been added more working years in KenGen to plan well for retirement. How has Retirement Life been for you?

Well, time will never be enough. I treasure my retirement and hope to be a motivation to many. In retirement, you need to keep yourself busy and focused. Once you let your mind idle, it slowly dies and once dead, you are too in life. It is the mind that dies not the body. I keep myself busy by feeding my farm animals, supervising my farm activities and taking a walk to town to check on my investments. I maintain a very social lifestyle. (A walk with him in Mukurwe-ini town clearly demonstrated this. Not a minute would end, or a question fully answered without a disruption for his social network.). I have friends who are my peers and not forgetting I am a member of the local Baptize Church (Smile) which is constructed in my land.

My retirement started on a very high notch with a receipt of lump sum payment which by that time was a lot of money. I treasured this as a gift from my employer for work well done and it's something I am to date. (Loud laughter) I am what I am because of KenGen.

This amount of funds helped me buy two acres of land and finalized my second real estate development. Despite my monthly pension being lower compared to my investments return, it is good enough since it pays for my medical cover premiums and put a decent meal on the table for me and my wife and of course visitors like you.

You Look Very Healthily! What is the Secret?

(Smile) Oh Yes, I am. I quit smoking and taking alcohol after I realized they had no benefit in my body and not suitable for my age. I also choose what I eat since not everything is healthy. I walk around my farm to ensure that I do some exercise each day. I shunned wrong company since I was occupying my mind with

unnecessary issues which had great impact on my health. The Enhanced NHIF Medical Cover that you have recently given to Pensioners has also made my life even better.

Some Retirees struggle to cope with family life due to the many years they have spent in employment away from their family. Tell us Something About your Family? How was it for you?

I am and have remained a husband to one wife with whom we are blessed with six children, four boys and two girls all of who I have educated and are on their own. (Looks at his wife with a smile) Si ndiyo Mama Maina, na hata tulifanya arusi na ikawekwa kwa KenGen Weekly (Smile at points towards a framed page from KenGen Weekly Newsletter) something I fondly remember.

I used to visit my family weekly during my whole time in employment which enabled me to keep the relation and interaction with them alive. When I retired, I just walked to a territory which I was well familiar with.

You joined KenGen as a young employee and worked throughout your life till retirement. What message do you have for future retirees who are currently under 40 Years?

Nothing comes easy. They must work hard since KenGen cannot do everything for them. Success is composed of Hard work, Respect, Appreciation of salary, patience and daily preparation for retirement because it will one day come.

I know you remember very well of the anxiety with staff who are about to retire, what is your message to them?

Retirement is not the end of their life. This is not the final destination, it's just a change of career to a more flexible timetable with no per diem (laughs). They need to accept that change is coming and most benefits they enjoy in KenGen will come to the end.

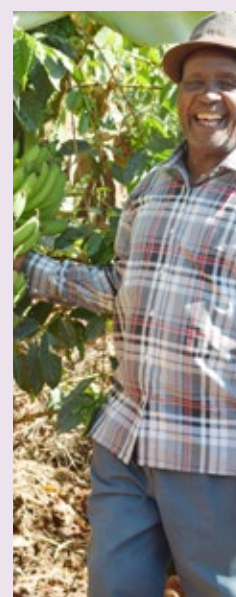
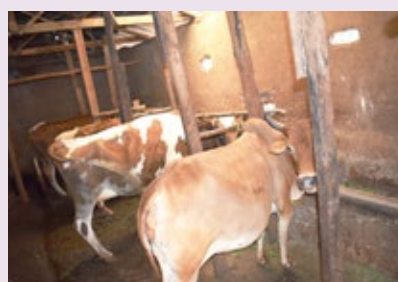
They will now depend on Pension and other incomes if they planned well for their retirement. They need to adjust their spending budget appropriately and ensure they surround themselves with likeminded individuals.

After that long journey with KenGen, what message you send to the organization?

I thank God for KenGen since it made me who I am. Employing me and ensuring that I have something for my retirement. The pre-retirement training, I was taken before I retired was very useful. Kindly tell the management not to forget pensioners who are over seventy years.

They are KenGen senior citizens who would appreciate even if its just recognition. Before I forget if a vacancy arises, I would appreciate a consideration for my last-born child (laughs)

We leave Mzee Kihara's home full of counsel, enlightened and well taken care of. Members be inspired as we look forward to retirement. Retirement life is wonderful., You live to enjoy the fruits of your hands.



GALLERY



MEMBER EDUCATION





PENSIONERS' VISITS





2018 PENSIONERS' EDUCATION





OTHER 2018 EVENTS



Notes

Notes



KenGen

Staff Retirement Benefits Scheme

KenGen Staff Retirement Benefits Scheme
KenGen Pension Plaza 2, 11th Floor
Kolobot Road, Parklands
P. O. BOX 47936, 00100, Nairobi-Kenya.
Tel: (+254) 0711 036000 / 0732116000 / 20 3666000
Email: info@kengensrbs.co.ke