

REPUBLIC OF KENYA



Paper Laid
Pay Lomp, Hon. Duale, MP
on 28/3/2018 at the
Table

OFFICE OF THE AUDITOR-GENERAL



REPORT

OF

THE AUDITOR-GENERAL

ON

THE FINANCIAL STATEMENTS OF
KENYA NATIONAL SHIPPING LINE
LTD

FOR THE YEAR ENDED
30 JUNE 2014



KENYA NATIONAL SHIPPING LINE LTD

REPORTS AND FINANCIAL STATEMENTS

**FOR THE FINANCIAL YEAR ENDED
JUNE 30, 2014**

Prepared in accordance with the Accrual Basis of Accounting Method under the International Financial Reporting Standards (IFRS)

KENYA NATIONAL SHIPPING LINE LTD
REPORTS AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2014

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KENYA NATIONAL SHIPPING LINE LTD
REPORTS AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2014

KEY COMPANY INFORMATION

Background information

The *company* was established under the Companies Act (Cap 486) on 2nd November 1987. At cabinet level, the *company* is represented by the Cabinet Secretary for Ministry of Transport, Infrastructure, Housing & Urban Development who is responsible for the general policy and strategic direction of the *company*.

Principal Activities

The principal activity of the *company* is shipping.

Directors

The Directors were as follows:

- | | | | |
|-----|----------------------------|---|---------------------------|
| 1. | Mr. Edward Karani, HSC | - Chairman | - Appointed on 10.03.2016 |
| 2. | Mr. Joseph Juma | - Ag. Managing Director | - Appointed on 17.07.2013 |
| 3. | Mrs. Nancy Karigithu, EBS | - PS, State Department of Shipping & Maritime Affairs | |
| 4. | Dr. Kamau Thuge | - PS, The National Treasury | |
| 5. | Mrs. Catherine Mturi-Wairi | - MD, Kenya Ports Authority | |
| 6. | Mr. Farid Ahmed Swaleh | - Director | - Appointed on 02.10.2015 |
| 7. | Mr. Jacob Mwarua | - Director | - Appointed on 02.10.2015 |
| 8. | Ms. Poline Kanyora | - Director | - Appointed on 02.10.2015 |
| 9. | Capt. G Cuomo * | - Director | |
| 10. | Peter Reschke ** | - Director | |

* Italian ** German

Corporate Secretary

Ms. Addraya Dena – KPA Corporate Secretary
Certified Public Secretary (Kenya)
P.O. Box 88206 - GPO 80100
MOMBASA

Corporate Headquarters

1st Floor, Cannon Towers II
MSA/BLOCK XXI/435, 436 & 437
Moi Avenue
P.O. Box 88206 - 80100
MOMBASA, KENYA

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Corporate Contacts

Telephone: (020) 2300015/17, (+254) 700 510592

E-mail: admin@knsl.co.ke

Website: www.knsl.co.ke

Corporate Bankers

1. Kenya Commercial Bank Limited
P.O. Box 90254 - GPO 80100
MOMBASA
2. Barclays Bank of Kenya Limited
P.O. Box 90182 - GPO 80100
MOMBASA

Principal Auditor

The Auditor General

Office of the Auditor General

Anniversary Towers, University Way

P.O. Box 30084 - 00100

NAIROBI

Principal Legal Advisers

1. The Attorney General
State Law Office
Harambee Avenue
P.O. Box 40112
City Square 00200
Nairobi, Kenya
2. Omondi Waweru & Company Advocates
P.O. Box 1606
MOMBASA

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THE BOARD OF DIRECTORS

1.	Mr. Edward Karani, HSC	Chairman, Board of Directors
2.	Mr. Joseph Juma	Acting Managing Director
3.	Mrs. Nancy Karigithu, EBS	PS, State Department of Shipping & Maritime Affairs
4.	Dr. Kamau Thuge	PS, The National Treasury
5.	Mrs. Catherine Mturi-Wairi	MD, Kenya Ports Authority
6.	Mr. Farid Ahmed Swaleh	Director
7.	Mr. Jacob Mwarua	Director
8.	Ms. Poline Kanyora	Director
9.	Capt. G Cuomo	Director
10.	Mr. Peter Reschke	Director

BOARD COMMITTEES

Name of the Committee	Members
Finance and General Purpose Committee	1. Mr. Issa Muslim 2. Mr. Tom Mokaya 3. Mr. Farid Swaleh 4. Mr. Jacob Mwarua
Audit and Risk Committee	1. Mr. George Ndegwa 2. Mrs. Catherine Mturi-Wairi 3. Ms. Poline Kanyora

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MANAGEMENT TEAM

1.	Mr. Joseph Juma Masters -MBA, PGD, CPA(K), CPS(K)	Acting Managing Director / Chief Accountant
2.	Mr. Gerald Kamau Bachelor of Arts - Economics, CPA(K)	Cost Controller / Administration Manager
3.	Ms. Jazaka Kabar Bachelor of Education, Higher Diploma Marketing.	Sales & Operation Manager
4.	Mr. Joseph Kinyua Higher Diploma - Shipping Management	Container Control Manager
5.	Ms. Rollyn Chebosi Bachelor of Business Administration - Accounting, CPA (K)	Management Accountant

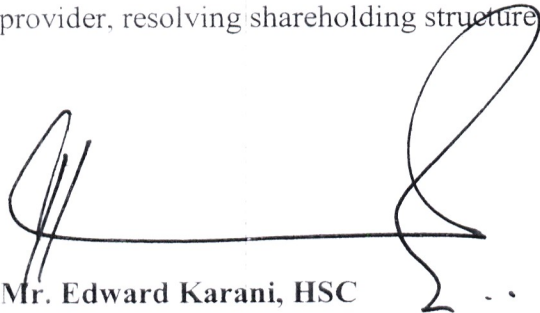
KENYA NATIONAL SHIPPING LINE LTD
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FOR THE YEAR ENDED JUNE 30, 2014

CHAIRMAN'S STATEMENT

The Chairman wish to present the estimates of financial statements for the year ended June 30, 2014.

The company registered an estimated loss of Kshs 22.5 Million and Kshs 33.9 million for the year ending 30 June 2014 and period ending 30 June 2013 respectively.

The directors and management are pursuing a number of strategies to ensure the company returns to profitable trading. These measures include restructuring of the company, partnering with a service provider, resolving shareholding structure and implementing a five year Strategic Plan 2016 - 2021.



Mr. Edward Karani, HSC
Chairman, Board of Directors

KENYA NATIONAL SHIPPING LINE LTD
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REPORT OF THE MANAGING DIRECTOR

KNSL was formed in 1987 under the Company's Act and is the National Carrier of the Kenya Government. At the time, the Shareholders included the Kenya Government through Kenya Ports Authority (KPA) with majority shares together with two foreign investors DEG and UNIMAR. Later on in 1997 the company's shareholding was re-organized to bring into the fold a strategic partner Mediterranean Shipping Company (MSC) through Heywood Shipping Co. Ltd (formerly UAL) as an additional shareholder.

The company is based in Mombasa with a branch office in Nairobi and operates as a Non-Vessel Owning Common Carrier (NVOCC) which charters slot from Mediterranean Shipping Company (MSC). Also, KNSL uses other shipping lines for cargo destined to various ports of the world. Aside from the direct shipping business, KNSL also offers Agency and inland haulage services. KNSL is a Principal to various Agents spread in greater parts of Europe, Mediterranean region and East Africa.

The company ships containerised cargo through MSC mainly to European ports such as Felixstowe, Barcelona, Antwerp, Hamburg, Bremen, Rotterdam, Le Havre, Lisbon, Lexoies. KNSL also calls to other ports in the world through other shipping lines though on a limited way.

The company changed its financial year from year ending December to year ending June. Due to the change of financial year, the financial statements for period ending 30 June 2013 is for 18 months (January 2012 to June 2013) while the financial statements for year ending 30 June 2014 is for 12 months (July 2013 to June 2014).

The company reported an estimated loss of Kshs 22.5 Million and Kshs 33.9 million for the year ending 30 June 2014 and period ending 30 June 2013 respectively.

The overall indication given by the financial position statement as at 30 June 2014 is that of negative net current assets. This implies that the company cannot meet, at least in the short term, its current obligations from the existing current assets.

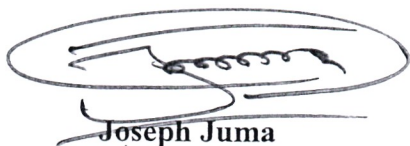
KENYA NATIONAL SHIPPING LINE LTD
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REPORT OF THE MANAGING DIRECTOR (Continued)

However, the Directors and management are pursuing a number of strategies to ensure the company returns to profitable trading. These measures include:

- (i) Restructuring of the company
- (ii) Partnering with a service provider – the company is in the process of seeking service providers to ensure it offers global shipping services.
- (iii) Resolving shareholding structure

With the expected implementation of above strategies, the financial statements have been prepared on the going concern basis.



Joseph Juma
Ag. Managing Director

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CORPORATE GOVERNANCE STATEMENT

Corporate governance is the process and structure used to direct and manage the business affairs of the Company in order to enhance prosperity, corporate performance and accountability. KNSL Board is committed to upholding high standards of corporate governance.

The day-to-day running of the business of the company's system of internal control is bestowed on the Managing Director,

The role of the Board includes to:

- a) Exercise leadership, integrity and sound judgement in directing KNSL to achieved continued prosperity;
- b) Review, evaluate and approve KNSL strategic business and operational plans and ensure that the company has sufficient and appropriate resources to achieve its goals;
- c) Ensure that effective processes and systems of risk management and internal controls are in place;
- d) Review, evaluate and approve the overall organizational structure, the assignment of senior management responsibilities and plans for senior management development and succession;
- e) Review, evaluate and approve the remuneration structure of the organization;
- f) Adopt, implement and monitor compliance with the organization's code of conduct and ethics;
- g) Review on a quarterly basis the attainment of targets and objectives set out in the agreed performance measurement framework with the Government of Kenya;
- h) Protect the rights of shareholders and optimize shareholder value;
- i) Enhance the organization's public image and ensure engagement with stakeholders through effective communication; and
- j) Monitor compliance with the constitution, all applicable laws, regulations and standards; and

Board Committees

The Board discharges its functions through committees. KNSL has two two Board Committees:

1. Finance and General Purpose Board Committee
2. Audit and Risk Board Committee

KENYA NATIONAL SHIPPING LINE LTD
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REPORT OF THE DIRECTORS

The Directors submit their report together with the audited financial statements for the year ended June 30, 2014 which disclose the company's state of affairs.

PRINCIPAL ACTIVITY

The principal activity of the company is the provision of shipping services.

RESULTS

The results of the company for the year ended June 30, 2014 are set out on page 13.

DIRECTORS

The members of the Board of Directors who served during the year are shown on page 2.

AUDITORS

The Auditor General is responsible for the statutory audit of the *company* in accordance with the provisions of the Public Finance Management (PFM) Act, 2012, which also empowers the Auditor General to nominate other auditors to carry out the audit on his behalf.

By Order of the Board


Corporate Secretary
Mombasa

Date: ..22.8.2016

KENYA NATIONAL SHIPPING LINE LTD
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STATEMENT OF DIRECTORS' RESPONSIBILITIES

The Public Finance Management Act, 2012 and the Kenya Company's Act, require the Directors to prepare financial statements in respect of that *company*, which give a true and fair view of the state of affairs of the *company* at the end of the financial year/period and the operating results of the *company* for that year/period. The Directors are also required to ensure that the *company* keeps proper accounting records which disclose with reasonable accuracy the financial position of the *company*. The Directors are also responsible for safeguarding the assets of the *company*.

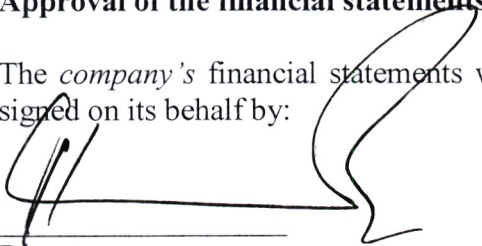
The Directors are responsible for the preparation and presentation of the *company's* financial statements, which give a true and fair view of the state of affairs of the *company* for and as at the end of the financial year ended on June 30, 2014. This responsibility includes: (i) maintaining adequate financial management arrangements and ensuring that these continue to be effective throughout the reporting period; (ii) maintaining proper accounting records, which disclose with reasonable accuracy at any time the financial position of the company; (iii) designing, implementing and maintaining internal controls relevant to the preparation and fair presentation of the financial statements, and ensuring that they are free from material misstatements, whether due to error or fraud; (iv) safeguarding the assets of the *company*; (v) selecting and applying appropriate accounting policies; and (vi) making accounting estimates that are reasonable in the circumstances.

The Directors accept responsibility for the *company's* financial statements, which have been prepared using appropriate accounting policies supported by reasonable and prudent judgements and estimates, in conformity with International Financial Reporting Standards (IFRS), and in the manner required by the PFM Act and the Kenya Company's Act. The Directors are of the opinion that the *company's* financial statements give a true and fair view of the state of *company's* transactions during the financial year ended June 30, 2014, and of the *company's* financial position as at that date. The Directors further confirm the completeness of the accounting records maintained for the *company*, which have been relied upon in the preparation of the *company's* financial statements as well as the adequacy of the systems of internal financial control.

The directors acknowledge that the continued existence of the company as a going concern depends on the continued success of the various strategic measures that are being pursued by the directors to achieve optimal volumes of cargo handled to return the company to profitable trading and continued financial support from shareholders. The directors are of the view that, once these measures are fully implemented, the company's solvency will be restored and it will trade profitably for the foreseeable future.

Approval of the financial statements

The *company's* financial statements were approved by the Board on 22.8 2016 and signed on its behalf by:



Director



Director

REPUBLIC OF KENYA

Telephone: +254-20-342330
Fax: +254-20-311482
E-mail: oag@oagkenya.go.ke
Website: www.kenao.go.ke



P.O. Box 30084-00100
NAIROBI

OFFICE OF THE AUDITOR-GENERAL

REPORT OF THE AUDITOR-GENERAL ON KENYA NATIONAL SHIPPING LINE LTD FOR THE YEAR ENDED 30 JUNE 2014

REPORT ON THE FINANCIAL STATEMENT

I have audited the accompanying financial statements of Kenya National Shipping Line Limited set out on pages 13 to 31, which comprise the statement of financial position as at 30 June 2014, and the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information in accordance with the provisions of Article 229 of the Constitution of Kenya and Section 35 of the Public Audit Act, 2015. I have obtained all the information and explanations which, to the best of my knowledge and believe, were necessary for the purpose of the audit.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with International Financial Reporting Standards and for such internal control as management determines is necessary to enable the preparation and fair presentation of the financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor-General's Responsibility

My responsibility is to express an opinion on these financial statements based on the audit and report in accordance with the provisions of Section 48 of the Public Audit Act, 2015 and submit the audit report in compliance with Article 229 of the Constitution. The audit was conducted in accordance with International Standards of Supreme Audit Institutions. These standards require compliance with ethical requirements and that the audit be planned and performed to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of risks of material misstatement in the

Report of the Auditor-General on the Financial Statements of Kenya National Shipping Line Ltd for the year ended 30 June 2014

financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements 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. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the management, as well as evaluating the overall presentation of the financial statements.

I believe that the audit evidence obtained is sufficient and appropriate to provide a basis for my qualified audit opinion.

Basis for Qualified Opinion

1. Going Concern

As reported in the previous year, the statement of comprehensive income for the year ended 30 June 2014 indicate that the Company recorded a loss of Kshs.22,532,597 (2013 - Kshs.33,929,046) resulting to accumulated deficits of Kshs.262,106,953 as at 30 June 2014 (2013 – Kshs.239,574,356). Further, income from operations reduced to Kshs.11,676,100 compared to Kshs.84,296,412 during the financial period 2012/2013. In addition, the current liabilities of Kshs.85,300,430 exceeded the current assets of Kshs.18,323,803 resulting to a negative working capital of Kshs.66,976,627.

Under the circumstances, the financial statements have been prepared on a going concern basis on the assumption that the entity will continue getting financial support from its creditors and related parties.

2. Service Income

The statement of comprehensive income reflects an amount of Kshs.11,676,100 relating to service income for the year ended 30 June 2014. Out of this amount, Kshs.6,938,720 was indicated to be revenue realized from Freight Currency Adjustment Factor(CAF) and Bunker Adjustment Factor (BAF). Records availed for audit indicated that the revenue was initially recorded using the manifested rate submitted by shipping agents on behalf of their clients. However, revenue records were later reversed in the revenue books and receipted using a different rate. The difference of the manifested rate and rates used amounted to Kshs.2,856,545.14, which the entity has not explained or reconciled. This resulted to understatement of revenue and cash by the same amount.

Under the circumstances, it was not possible to confirm the accuracy and completeness of service income amount of Kshs.11,676,100 for the year ending 30 June 2014.

3. Advertisement

Included in Note 10 to the financial statements for the year ended 30 June 2014 is expenditure on advertising of Kshs.688,352 in respect of local and overseas advertisements. However, details on selection of the service providers were not availed for audit review.

Under the circumstances, it was not possible to authenticate the expenditure amounting to Kshs.688,352 spent on advertising for the year ending 30 June 2014.

4. Non-Current Assets

The statement of financial position as at 30 June 2014 reflects a balance of Kshs.2,074,174 relating to non-current assets. However, examination of the fixed assets register indicated that the location and code numbers of the assets were not recorded. This resulted in difficulties in identifying and physically verifying the assets thus reducing the effectiveness of the register as a control tool.

Under the circumstance, it has not been possible to confirm the completeness and accuracy of non-current assets balance of Kshs.2,074,174 as at 30 June 2014.

5. Trade and Other Receivables

The statement of financial position reflects trade and other receivables balance of Kshs.14,642,676 as at 30 June 2014. It was however noted that the company recorded a provision for bad and doubtful trade receivables of Kshs.52,524,385. The company currently does not have clear policies and procedures in place with respect to estimating and recording an allowance for doubtful debts in its financial statements.

Consequently, the accuracy and recoverability of trade and other receivables totalling to Kshs.14,642,676 as at 30 June 2014 could not be confirmed.

6. Bank and Cash Balances

The statement of financial position reflects bank and cash balance of Kshs.3,503,455, out of which Kshs.57,692.67 (USD 658.39) is in respect of the Barclays Bank Plc (US) current account. However, no monthly bank statements and bank balance confirmation certificate were availed for audit review.

Consequently, it has not been possible to confirm the validity, accuracy and completeness of the bank and cash balance of Kshs.3,503,455 as at 30 June 2014.

7. Trade and Other Payables

The statement of financial position as at 30 June 2014 reflects a balance of Kshs.59,243,045 in respect of the trade and payables out of which amounts totaling Kshs.4,707,866 is due to container leasing companies, most of whom stopped sending invoices for container leasing charges and monthly statements to the Kenya National Shipping Line several years back. The liabilities carried in trade payables in respect of the amounts due to these suppliers are based on balances outstanding when the statements were last received from these suppliers.

In the absence of statements, invoices or direct confirmation from these companies it has not been possible to confirm the accuracy of trade and other payables balance of Kshs.59,243,045 as at 30 June 2014.

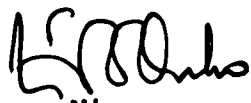
Qualified Opinion

In my opinion, except for the effect of the matters described in the Basis for Qualified Opinion paragraph, the financial statements present fairly, in all material respects, the financial position of the Kenya National Shipping Line Limited as at 30 June 2014, and of its financial performance and its cash flows for the year then ended, in accordance with International Financial Reporting Standards and comply with Kenyan Companies Act.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

As required by the Kenya Companies Act, I report based on the audit, that;

- i. I have obtained all the information and explanations which, to the best of my knowledge and belief, were necessary for the purpose of the audit.
- ii. In my opinion, proper books of account have been kept by the Company, so far as appears from my examination of those books; and,
- iii. The Company's statement of financial position and statement of comprehensive income are in agreement with the books of account.



FCPA Edward R. O. Ouko, CBS
AUDITOR-GENERAL

Nairobi

19 February 2018

KENYA NATIONAL SHIPPING LINE LTD
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STATEMENT OF COMPREHENSIVE INCOME

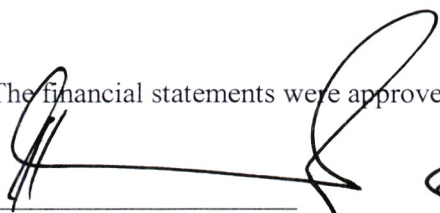
	Note	2014 12 Months Kshs	2013 18 Months Kshs
SERVICE INCOME	5	11,676,100	84,296,412
SERVICE COSTS	6	(8,040,240)	(60,627,135)
SERVICE PROFIT		3,635,860	23,669,277
FINANCE INCOME	7	184,380	1,064
GAIN ON DISPOSAL OF NON-FINANCIAL ASSETS	8	1,454,674	4,431,519
EMPLOYMENT COSTS	9	(13,030,599)	(23,844,533)
ADMINISTRATION COSTS	10	(12,691,946)	(29,780,783)
DEPRECIATION AND AMORTIZATION EXPENSES	13-14	(939,858)	(3,224,043)
NET FOREIGN EXCHANGE LOSSES	15	(1,145,108)	(5,181,547)
LOSS BEFORE TAXATION		(22,532,597)	(33,929,046)
TAXATION CHARGE	11	-	-
TOTAL COMPREHENSIVE LOSS		(22,532,597)	(33,929,046)
FOR THE YEAR/PERIOD		(22,532,597)	(33,929,046)


KENYA NATIONAL SHIPPING LINE LTD
REPORTS AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2014

STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2014

	Note	2014 Kshs	2013 Kshs
ASSETS			
Non-Current Assets			
Vehicles and equipment	13	2,074,174	3,550,061
Intangible assets	14	-	-
		<u>2,074,174</u>	<u>3,550,061</u>
Current Assets			
Inventories	16	177,672	405,468
Trade and other receivables	17	14,642,676	13,308,529
Due from Directors		-	101,467
Bank and cash balances	18	3,503,455	2,870,681
		<u>18,323,803</u>	<u>16,686,145</u>
TOTAL ASSETS		<u><u>20,397,977</u></u>	<u><u>20,236,206</u></u>
EQUITY AND LIABILITIES			
Capital and Reserves			
Ordinary share capital	19	93,523,000	93,523,000
Funds awaiting allotment of shares	19	103,681,500	73,681,500
Accumulated deficit		(262,106,953)	(239,574,356)
Capital and Reserves		<u>(64,902,453)</u>	<u>(72,369,856)</u>
Current Liabilities			
Trade and other payables	20	59,243,045	66,741,899
Due to related party	21	26,057,385	25,864,163
		<u>85,300,430</u>	<u>92,606,062</u>
TOTAL EQUITY AND LIABILITIES		<u><u>20,397,977</u></u>	<u><u>20,236,206</u></u>

The financial statements were approved by the Board on 22/8 2014 and signed on its behalf by:


 Chairman of the Board
 Edward Karani


 Ag. Managing Director
 Joseph Juma
 ICPAK M/No: 9945

KENYA NATIONAL SHIPPING LINE LTD

**REPORTS AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2014**

STATEMENT OF CHANGES IN EQUITY

	Ordinary share capital	Funds awaiting allotment of shares	Accumulated deficit	Total
At January 1 , 2012	93,523,000	73,681,500	(205,645,310)	(38,440,810)
Total comprehensive loss for the period	-	-	(33,929,046)	(33,929,046)
At June 30 , 2013	93,523,000	73,681,500	(239,574,356)	(72,369,856)
At July 1 , 2013	93,523,000	73,681,500	(239,574,356)	(72,369,856)
Total comprehensive loss for the year	-	-	(22,532,597)	(22,532,597)
Capital Injection	-	30,000,000	-	30,000,000
At June 30, 2014	93,523,000	103,681,500	(262,106,953)	(64,902,453)

(Note 19)

(Note 19)

KENYA NATIONAL SHIPPING LINE LTD

**REPORTS AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2014**

STATEMENT OF CASH FLOWS

	Note	2014 12 Months Kshs	2013 18 Months Kshs
OPERATING ACTIVITIES			
Cash generated used in operations	23	(31,542,309)	(8,804,957)
Interest received		184,380	1,064
Net cash generated used in operating activities		(31,357,929)	(8,803,893)
INVESTING ACTIVITIES			
Purchase of vehicles and equipment	13	(765,117)	(1,380,386)
Proceeds from disposal of equipment		2,755,820	8,453,462
Net cash generated from investing activities		1,990,703	7,073,076
FINANCING ACTIVITIES			
Proceeds from capital injection	19	30,000,000	-
Net cash generated from financing activities		30,000,000	-
INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS		632,774	(1,730,817)
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR		2,870,681	4,601,498
CASH AND CASH EQUIVALENTS AT END OF THE YEAR		3,503,455	2,870,681

KENYA NATIONAL SHIPPING LINE LTD
REPORTS AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2014

NOTES TO THE FINANCIAL STATEMENTS

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

1. Statement of compliance and basis of preparation

The financial statements are prepared under the historical cost convention. The principal accounting policies adopted in the preparation of these financial statements, which are set out below, remain unchanged from previous years.

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

The financial statements have been prepared in accordance with the PFM Act, the Kenya Company's Act, and International Financial Reporting Standards (IFRS). The accounting policies adopted have been consistently applied to all the years presented.

2. Revenue recognition

Service income represents the invoiced value of shipping services rendered and is recognised once the goods have been shipped net of discounts where applicable.

Interest income is accrued on a time basis by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount.

3. Retirement benefit costs and employment leave entitlements

The company contributes to the statutory National Social Security Fund. This is a defined contribution scheme registered under the National Social Security Fund Act. The company's obligations under this scheme are limited to specific contributions legislated from time to time and are currently limited to Sh 200 per month per employee.

The company also operates a defined contribution pension scheme for all its employees. The assets of this scheme are held in a separate trustee administered fund. The scheme is funded by payments from both the employees and the company.

The company's obligations to these schemes are charged to the profit or loss as they fall due.

4. Leave pay provision

A provision is made for the estimated liability for annual leave as a result of services rendered by employees up to the end of the reporting period. Employee's entitlement to annual leave is also charged to the profit or loss when they accrue to employees.

5. Foreign currency translation

In preparing the financial statements, transactions in currencies other than the entity's functional currency are recognised at the rates of exchange prevailing at the dates of the transactions. At the end of each reporting period, monetary items denominated in foreign currencies are retranslated at the rates prevailing at that date. Non – monetary items that are measured in terms of historical cost in a foreign currency are not retranslated. Gains and losses on exchange are recognised in profit or loss.

KENYA NATIONAL SHIPPING LINE LTD

REPORTS AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2014

NOTES TO THE FINANCIAL STATEMENTS (Continued)

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

6. Taxation

Income tax expense represents the sum of the tax currently payable and deferred tax.

Current taxation is provided on the basis of the results for the period as shown in the financial statements, adjusted in accordance with tax legislation.

Deferred tax is provided using the liability method, for all temporary differences arising between the tax bases of assets and liabilities and their carrying values for financial reporting purposes.

Deferred tax liabilities are recognised for all taxable temporary differences, while deferred tax assets are recognised only to the extent that it is probable that future taxable profits will be generated against which the unused tax losses and unused tax credit can be utilised.

7. Vehicles and equipment

Vehicles and equipment are stated at cost less accumulated depreciation and any accumulated impairment losses.

8. Depreciation

Depreciation is calculated on the straight- line basis to write-off the cost of motor vehicles and equipment over their expected useful lives at the following annual rates:

Vehicles	25%
Furniture, fittings and equipment	12.5%
Computers	33.33%
Containers	25%

9. Computer software costs

Computer software costs are recognised as intangible assets and are stated at cost less accumulated amortisation. Acquisition costs are amortised on the straight- line basis over the expected useful lives, not exceeding a period of three years.

10. Accounting for leases

Leases are classified as finance leases whenever the terms of the lease transfer substantially all risks and rewards of ownership to the company as a lessee. All other leases are classified as operating leases.

The company as lessee

Rentals payable under operating leases are charged to the profit or loss on a straight line basis over the term of the relevant lease.

11. Impairment

At the end of each reporting period, the company reviews the carrying amounts of its tangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss.

If the recoverable amount of an asset is estimated to be less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount. Impairment losses are recognised as an expense immediately, unless the relevant asset is carried at a revalued amount in which case the impairment loss is treated as a decrease in the revaluation surplus.

KENYA NATIONAL SHIPPING LINE LTD
REPORTS AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2014

NOTES TO THE FINANCIAL STATEMENTS (Continued)

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

12. Financial instruments

Financial assets and liabilities are recognised on the company's statement of financial position when the company has become a party to the contractual provisions of the instrument.

Trade receivables

Trade receivables are carried at anticipated realisable value. An estimate is made for doubtful receivables based on the review of all outstanding amounts at the year end. Bad debts are written off when all reasonable steps to recover them have failed.

Trade payables

Trade payables are stated at their nominal value.

Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by the company are recorded at the proceeds received, net of direct issue costs.

13. Cash and cash equivalents

For the purposes of the statement of cash flows, cash and cash equivalents comprise cash in hand, bank balances net of outstanding bank overdrafts and short term deposits. Short term deposits are liquid investments which are readily convertible into known amounts of cash and which were within three months of maturity when acquired.

14. Comparatives

Following the change of financial year, the figures for the current period (12 months) have been matched against those of previous financial year (18 months).

2. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

In the application of the company's accounting policies, which are described in note 1, the directors are required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and future periods if the revision affects both current and future periods.

The key areas of judgment in applying the entities accounting policies and sources of estimation uncertainty are dealt with below:

(a) Critical judgements in applying accounting policies

There are no critical judgments, apart from those involving estimations [see (b) below], that the directors have made in the process of applying the group's accounting policies and that have the most significant effect on the amounts recognised in financial statements.

KENYA NATIONAL SHIPPING LINE LTD
REPORTS AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2014

NOTES TO THE FINANCIAL STATEMENTS (Continued)

2 CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

(b) Key sources of estimation uncertainty

Impairment losses

At the end of each reporting period, the company reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss. Where it is not possible to estimate the recoverable amount of an individual asset, the company estimates the recoverable amount of the cash generating unit to which the asset belongs.

Vehicles, equipment and intangible assets

Critical estimates are made by the directors in determining depreciation rates for vehicles, equipment and intangible assets.

Contingent liabilities

As disclosed in note 22 to these financial statements, the company is exposed to various contingent liabilities in the normal course of business including certain pending audits with Kenya Revenue Authority and a number of outstanding legal cases. The directors evaluate the status of these exposures on a regular basis to assess the probability of the company incurring related liabilities.

However, provisions are only made in the financial statements where, based on the directors' evaluation, a present obligation has been established.

3. GOING CONCERN

As at 30 June 2014, the company had an accumulated deficit of Sh 262,106,953 (2013: Sh. 239,574,356) and its current liabilities exceeded its current assets by Sh 66,976,627 (2013: Sh. 75,919,917) primarily because of the trading losses made in the past years. It also incurred a loss for the period ended 30 June 2014 of Sh 22,532,597 (2013: 18 months Sh. 33,929,046).

The directors and management are pursuing a number of strategies to ensure the company returns to profitable trading. These measures include; restructuring, partnering with a service provider, resolving shareholding structure and implementing Strategic Plan (2016-2021).

On this basis, the directors consider it appropriate to prepare the financial statements on the going concern basis.

KENYA NATIONAL SHIPPING LINE LTD
REPORTS AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2014

NOTES TO THE FINANCIAL STATEMENTS (Continued)

	2014 12 Months Kshs	2013 18 Months Kshs
4. (LOSS)/PROFIT BEFORE TAXATION		
The (loss)/profit before taxation is arrived at after charging / (crediting):		
Auditors' remuneration	881,000	2,000,000
Bad debts less recoveries	(517,707)	5,312,903
Depreciation on motor vehicles and equipment	939,858	3,062,337
Amortisation of intangible assets	-	161,706
Employments costs	13,030,599	23,844,533
Gain/(Loss) on disposal of equipment	(1,454,674)	(4,345,229)
Operating lease rentals	2,075,282	3,633,766
	<u>=====</u>	<u>=====</u>
5. SERVICE INCOME		
Freight & Currency Adjustment Factor (CAF)	5,121,763	44,134,735
Terminal Handling Charges (THC)	1,269,324	8,602,577
Bunker Adjustment Factor (BAF)	1,816,957	10,288,798
Inland Freight	1,077,305	8,374,336
Container Demurrage Revenue	199,049	3,519,465
Miscellaneous Revenue	2,191,702	9,376,501
	<u>=====</u>	<u>=====</u>
	11,676,100	84,296,412
	<u>=====</u>	<u>=====</u>
6. SERVICE COSTS		
Loading Charges	1,030,907	15,000,230
Discharging Charges	631,893	3,291,917
Commissions	473,689	3,113,778
Inland Freight	1,596,786	8,565,338
Containers Costs	1,697,246	14,442,698
Slot Charter	1,833,371	11,899,220
Other Surcharges	776,348	4,313,954
	<u>=====</u>	<u>=====</u>
	8,040,240	60,627,135
	<u>=====</u>	<u>=====</u>
7. FINANCE INCOME		
Interest income on short-term bank deposits	184,380	1,064
	<u>=====</u>	<u>=====</u>
8. GAIN ON DISPOSAL OF NON-FINANCIAL ASSETS		
Gain on disposal of non-financial assets	1,454,674	4,431,519
	<u>=====</u>	<u>=====</u>
	1,454,674	4,431,519
	<u>=====</u>	<u>=====</u>

KENYA NATIONAL SHIPPING LINE LTD
REPORTS AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2014

NOTES TO THE FINANCIAL STATEMENTS (Continued)

	2014 12 Months Kshs	2013 18 Months Kshs
9. EMPLOYMENT COSTS		
Salaries and wages	9,645,468	19,103,345
Pension funds contributions	1,597,667	1,953,510
Medical expenses	1,095,511	1,451,955
Staff training and welfare	653,553	1,266,123
NSSF contributions	38,400	69,600
	<u>13,030,599</u>	<u>23,844,533</u>

The average number of employees at the end of the year was:

Permanent employees – Management	5	6
Permanent employees – Non -Managerial	11	14
Temporary and contract employees	1	2
	<u>17</u>	<u>22</u>

	2014 12 Months Kshs	2013 18 Months Kshs
10. ADMINISTRATION COSTS		
Advertising	688,352	1,369,249
Audit fees - current	881,000	2,000,000
Bad debts less recoveries	(517,707)	5,312,903
Bank charges	138,760	379,995
Board Expenses	1,828,116	3,855,190
Donations	-	77,940
Electricity & water	267,167	526,413
Entertainment	460,563	623,594
Insurance	305,894	290,290
Legal and professional	110,980	280,240
Miscellaneous	520,864	2,895,151
Motor vehicle running	734,602	1,231,633
Penalties	194,853	58,060
Printing and stationery	537,102	986,110
Rent	2,075,282	3,633,766
Repairs and maintenance	106,387	699,894
Security	45,000	512,392
Subscriptions and renewals	1,070,330	807,360
Telecommunication	837,814	2,091,640
Transport, travelling and accommodation	2,406,587	2,148,963
	<u>12,691,946</u>	<u>29,780,783</u>

KENYA NATIONAL SHIPPING LINE LTD
REPORTS AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2014

NOTES TO THE FINANCIAL STATEMENTS (Continued)

	2014 12 Months Kshs	2013 18 Months Kshs
11. TAXATION		
(a) Tax charge		
Current taxation based on the taxable (loss)/profit for the year at 30%	-	-
Deferred taxation (credit)/charge	-	-
	<u> </u>	<u> </u>
	<u> </u>	<u> </u>
(b) Reconciliation of tax charge to expected tax based on accounting (loss)/profit		
Accounting (loss)/profit before taxation	(22,532,597)	(33,929,046)
	<u> </u>	<u> </u>
Tax at the applicable rate of 30%	(6,759,779)	(10,178,714)

12. DEFERRED TAXATION

At 30 June 2014, there was a potential deferred tax asset which has not been recognised in these financial statements because of the uncertainty regarding the company's ability to generate sufficient future taxable profits against which the accumulated tax losses can be utilised.

13. VEHICLES AND EQUIPMENT

2014	Motor vehicles,	Computers, Containers, furniture, fittings & equipment	Total
COST	Ksh	Ksh	Ksh
At July 1, 2013	4,397,301	14,815,684	19,212,985
Additions	-	765,117	765,117
Disposals	-	(3,895,923)	(3,895,923))
At June 30, 2014	4,397,301	11,684,878	16,082,179
DEPRECIATION			
At July 1, 2013	4,382,301	11,280,623	15,662,924
Charge for the year	-	939,858	939,858
Eliminated on disposal	-	(2,594,777)	(2,594,777)
At June 30, 2014	4,382,301	9,625,704	14,008,005
NET BOOK VALUE			
At June 30, 2014	15,000	2,059,174	2,074,174

KENYA NATIONAL SHIPPING LINE LTD
REPORTS AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2014

NOTES TO THE FINANCIAL STATEMENTS (Continued)

13 VEHICLES AND EQUIPMENT (Continued)

2013	Motor vehicles,	Computers, Containers, furniture, fittings & equipment	Total
	Ksh	Ksh	Ksh
COST			
At January 1, 2012	5,131,016	25,558,009	30,689,025
Additions	-	1,380,386	1,380,386
Disposals	-	(7,021,946)	(7,021,946)
Written-off	(733,715)	(5,100,765)	(5,834,480)
At June 30, 2013	4,397,301	14,815,684	19,212,985
DEPRECIATION			
At January 1, 2012	4,467,466	16,967,604	21,435,070
Charge for the period	648,550	2,413,787	3,062,337
Eliminated on disposal	-	(3,015,939)	(3,015,939)
Eliminated on write-off	(733,715)	(5,084,829)	(5,818,544)
At June 30, 2013	4,382,301	11,280,623	15,662,924
NET BOOK VALUE			
At June 30, 2013	15,000	3,535,061	3,550,061

KENYA NATIONAL SHIPPING LINE LTD

REPORTS AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2014

NOTES TO THE FINANCIAL STATEMENTS (Continued)

	2014 12 Months Kshs	2013 18 Months Kshs
14. INTANGIBLE ASSETS		
COST		
At 1 January 2012, 1 July 2013 and 30 June 2014	485,020	1,275,020
Additions	-	-
Written-off	-	(790,000)
At 30 June	<u>485,020</u>	<u>485,020</u>
AMORTISATION		
At 1 July 2013/1 January 2012	485,020	1,113,314
Charge for the year/period	-	161,706
On write-off	-	(790,000)
At 30 June	<u>485,020</u>	<u>485,020</u>
NET BOOK VALUE		
At 30 June	<u>-</u>	<u>-</u>
At 30 June 2014, intangible assets with a cost of Sh 485,020 had been fully amortised.		
15. FOREIGN EXCHANGE TRANSACTIONS		
Unrealized foreign exchange gain	103,906	1,029,400
Unrealized foreign exchange loss	(1,249,014)	(6,210,947)
	<u>(1,145,108)</u>	<u>(5,181,547)</u>
16. INVENTORIES		
Stationery and general stores	177,672	405,468
	<u>177,672</u>	<u>405,468</u>
17. (a) TRADE AND OTHER RECEIVABLES		
Trade receivables (note 17 (b))	38,142,939	42,275,291
Deposits and prepayments	759,417	954,219
VAT recoverable	6,960,029	6,355,295
Staff receivables	136,309	257,583
Other receivables	21,168,367	16,379,357
Gross trade and other receivables	<u>67,167,061</u>	<u>66,221,745</u>
Provision for bad and doubtful trade receivables	(52,524,385)	(52,913,216)
Net trade and other receivables	<u>14,642,676</u>	<u>13,308,529</u>

KENYA NATIONAL SHIPPING LINE LTD
REPORTS AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2014

NOTES TO THE FINANCIAL STATEMENTS (Continued)

	2014 12 Months Kshs	2013 18 Months Kshs
20. TRADE AND OTHER PAYABLES		
Trade payables	39,242,528	45,687,687
Accruals and other payables	20,000,517	21,054,212
	<u>59,243,045</u>	<u>66,741,899</u>

Included in the trade payables balance are amounts totalling Sh. 4,707,866 (2013 – Sh 4,620,862) due to container leasing companies, most of whom stopped sending invoices for container lease charges and monthly statements to the company several years back. The liabilities carried in trade payables in respect of amounts due to these suppliers are based on balances outstanding when statements were last received from these suppliers (also see note 22 (iii)). Based on compromise arrangements that are being negotiated with major container leasing companies, a number of which have been successful, the directors believe that no further liabilities have accrued since the determination of these balances.

	2014 12 Months Kshs	2013 18 Months Kshs
21. RELATED PARTY BALANCE AND TRANSACTIONS		
Due to a related party		
Kenya Ports Authority (KPA)	26,057,385	25,864,163

The transactions between Kenya National Shipping Line Ltd and Kenya Ports Authority are as a result of trading and are related through common shareholding and directorship. Refer to note 19 on shareholding.

22. CONTINGENT LIABILITIES

- (i) The company, in the normal course of business, holds containers leased from various companies. Should any container be lost or damaged, the company has the responsibility to compensate the owners. The directors do not anticipate any significant liabilities to accrue from these arrangements, apart from those liabilities already provided for in the financial statements (2013: Nil).
- (ii) In 2004, Kenya Revenue Authority (KRA) carried out a withholding tax audit of the company covering the year 2003 and issued a demand of Sh 2,922,898 for unpaid withholding taxes, interest and penalties. The company has raised an objection with regard to this, and the amount has not been provided for as, in the opinion of the directors, the company has good grounds for the objection lodged. An amount of Sh 974,298 already paid in respect of this demand has been reflected as a claim recoverable within trade and other receivables (2013: Sh 974,298).
- (iii) A claim from Textainer Equipment Limited for US\$17,571 (Sh. 1,539,692) in respect of unpaid invoices included in their statement when last received, has not been provided for in the financial statements because the directors believe that the claim is not valid (2013: US\$ 17,571 – Sh. 1,511,238)
- (iv) A claim from P. N. Communications Limited for US\$ 17,660 (Sh 1,547,491) in respect of advertisement services rendered has not been provided for, as, in opinion of the directors having regard to legal advice received, the claim is not valid (2013: US\$ 17,660- Sh 1,518,892).
- (v) There are ongoing legal claims for specific damages which have been brought against the company by former employees. Based upon legal opinions received, the directors do not anticipate that these claims will result in significant losses to the company.

KENYA NATIONAL SHIPPING LINE LTD
REPORTS AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2014

NOTES TO THE FINANCIAL STATEMENTS (Continued)

24 FINANCIAL INSTRUMENTS (Continued)

	2014 12 Months Kshs	2013 18 Months Kshs
Assets		
<i>Trade and other receivables</i>		
US Dollars	3,397,339	2,172,235
Euros	697,688	1,135,212
Sterling Pounds	499,224	1,785,048
Swedish Krona (SK)	11,320	-
	<u>4,605,571</u>	<u>5,092,495</u>
 <i>Bank and cash balances</i>		
US Dollars	3,405,333	2,312,782
	<u>3,405,333</u>	<u>2,312,782</u>
 Liabilities		
<i>Trade and other payables</i>		
US Dollars	32,901,391	39,689,831
Euros	2,645,614	45,310
Sterling Pounds	159,726	-
Swedish Krona (SK)	33,348	32,417
	<u>35,740,079</u>	<u>39,767,558</u>

10% is the sensitivity rate used when reporting foreign currency risk internally to key management personnel and represents management's assessment of the reasonably possible change in foreign exchange rates. The sensitivity analysis includes only outstanding foreign currency denominated monetary items and adjusts their translation at the period end for a 10% change in foreign currency rates.

In management's opinion, the sensitivity analysis is unrepresentative of the inherent foreign exchange risk as the year end exposure does not reflect the exposure during the year/period.

Interest rate risk

The interest rate risk exposure arises mainly from interest rate movements on the Company's fixed deposits and borrowings. The Company does not have any fixed deposits or bank borrowings. It is therefore not subject to interest rate risk.

Price risk

The Company does not have financial instruments subject to price risk hence this risk is not relevant.

Credit risk management

Credit risk refers to the risk that customers will default on their contractual obligations resulting in financial loss to the company.

The company's credit risk is primarily attributable to its trade receivables. The amounts presented in the statement of financial position are net of allowances for doubtful receivables, estimated by the company's management based on prior experience and their assessment of the current economic environment.

KENYA NATIONAL SHIPPING LINE LTD
REPORTS AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2014

NOTES TO THE FINANCIAL STATEMENTS (Continued)

24 FINANCIAL INSTRUMENTS (Continued)

The credit risk on trade receivables is limited because the customers are known customers with high credit ratings.

The credit risk on liquid funds with financial institutions is also low, because the counter parties are banks with high credit-ratings.

The amount that best represents the company's maximum exposure to credit as at 30 June 2013 and 30 June 2014 is made up as follows:

2014

	Fully performing Sh	Past due Sh	Impaired Sh
Cash and cash equivalents	3,463,455	-	-
Trade receivables	205,568	-	36,861,099
Due from Directors	-	-	101,467
	<u>3,669,023</u>	<u>-</u>	<u>36,962,566</u>

2013

	Fully performing Sh	Past due Sh	Impaired Sh
Cash and cash equivalents	2,830,681	-	-
Trade receivables	5,003,304	-	37,271,987
Due from Directors	101,467	-	3,920,951
	<u>7,935,452</u>	<u>-</u>	<u>41,192,938</u>

Cash and cash equivalents are fully performing.

The customers under the fully performing category are paying their debts as they continue trading. The default rate is low.

The debts that are due are not impaired and continue to be paid.

The debts that are impaired have been fully provided for.

Liquidity risk management

Ultimate responsibility for liquidity risk management rests with the board of directors, which has built an appropriate liquidity risk management framework for the management of the company's short and medium-term funding and liquidity management requirements. The company manages liquidity risk by maintaining banking facilities through continuous monitoring of forecast and actual cash flows and matching the maturity profiles of financial assets and liabilities.

KENYA NATIONAL SHIPPING LINE LTD
REPORTS AND FINANCIAL STATEMENTS
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NOTES TO THE FINANCIAL STATEMENTS (Continued)

25. OPERATING LEASE RENTAL COMMITMENTS

	2014 12 Months Sh	2013 18 Months Sh
Payment made under operating leases during the year	<u>2,075,282</u>	<u>3,633,766</u>

26. INCORPORATION

The company is incorporated in Kenya under the Companies Act. The ultimate holding company is Kenya Ports Authority, which is also incorporated in Kenya.

27. CURRENCY

These financial statements are presented in Kenya Shillings (Sh).

