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**REPORT**

THE NATIONAL ASSEMBLY  
PAPERS LAID

DATE: 11 FEB 2026

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WEDNESDAY

TABLED OF:	LEADER OF MAJORITY PARTY HON. KIMANI ICHUNGWAA
CLERK-AT THE-TABLE:	J. LEMERELLE

**THE AUDITOR-GENERAL**

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**KENYA PORTS AUTHORITY**

**FOR THE YEAR ENDED  
30 JUNE, 2025**



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# **KENYA PORTS AUTHORITY**

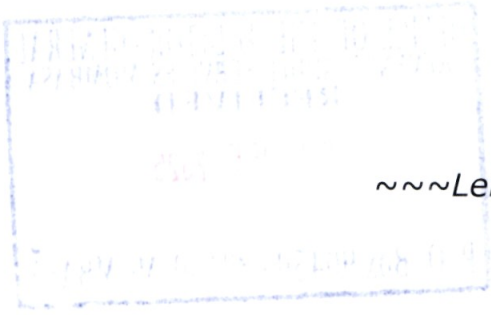
## **ANNUAL REPORT AND FINANCIAL STATEMENTS**

**FOR THE FINANCIAL YEAR ENDED 30 JUNE 2025**

**"WORLD-CLASS PORTS OF CHOICE"**

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**Prepared in accordance with the International Financial Reporting  
Standards (IFRS)**



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# KENYA PORTS AUTHORITY

## ANNUAL REPORT & FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 30 JUNE 2025

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# **KENYA PORTS AUTHORITY**

**ANNUAL REPORT & FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 30 JUNE 2025**

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## **ACRONYMS/ABBREVIATIONS**

|          |                                                             |
|----------|-------------------------------------------------------------|
| AD       | Alternate Director                                          |
| AFNI     | Associate Fellow Nautical Institute                         |
| AG       | Attorney General                                            |
| Ag.      | Acting                                                      |
| BEEEP    | Business Environment and Export Enhancement Program         |
| C        | Chairman                                                    |
| CBOs     | Community Based Organizations                               |
| CBK      | Central Bank of Kenya                                       |
| CBS      | Chief of Burning Spear                                      |
| CSC      | Customer Service Charter                                    |
| CIAC     | Chartered Institute of Arbitration                          |
| CoK 2010 | Constitution of Kenya 2010                                  |
| CT2      | Second Container Terminal                                   |
| D        | Director                                                    |
| DB       | Defined Benefit                                             |
| DC       | Defined Contribution                                        |
| DSSI     | Debt Service Suspension Initiative                          |
| EAP      | Employee Assisted Program                                   |
| EGH      | Elder of the Order of the Golden Heart                      |
| EMS      | Environmental Management System                             |
| ESIA     | Environmental and Social Impact Assessments                 |
| EXCOM    | Executive Management Committee                              |
| FAMP-K   | Fellow of the Association of Maritime Practitioners - Kenya |
| FVOCI    | Future Value Through Comprehensive Income                   |
| FVTPL    | Future Value Through Profit & Loss                          |
| GM       | General Manager                                             |
| GoK      | Government of Kenya                                         |
| GPP      | Green Port Policy                                           |
| HOMS     | Home Ownership Mortgage Scheme                              |
| HRPP     | Human Resources Policies & Procedure                        |
| HSE      | Health, Safety and Environment                              |
| IASB     | International Accounting Standards Board                    |
| ICDN     | Inland Container Depot Nairobi                              |
| ICPAK    | Institute of Certified Public Accountants Kenya             |
| ICT      | Information Communication Technology                        |
| IFRSs    | International Financial Reporting Standards                 |
| IQSK     | Institute of Quantity Surveyors of Kenya                    |
| ISC      | Inspector of State Corporations                             |
| ISO      | International Organization for Standardization              |
| JICA     | Japan International Cooperation Agency                      |
| JPY      | Japanese Yen                                                |
| KECOSO   | Kenya Communication Sports Organization                     |
| KeNHA    | Kenya National Highway Authority                            |
| KeTRACO  | Kenya Electricity Transmission Company                      |

# **KENYA PORTS AUTHORITY**

**ANNUAL REPORT & FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 30 JUNE 2025**

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## **ACRONYMS/ABBREVIATIONS (CONT'D)**

|                   |                                                                     |
|-------------------|---------------------------------------------------------------------|
| KFS               | Kenya Ferry Services Ltd                                            |
| KISM              | Kenya Institute of Supplies Management                              |
| KOT               | Kipevu Oil Terminal                                                 |
| KRC               | Kenya Railways Cooperation                                          |
| LAPSSET           | Lamu Port South Sudan Ethiopia Transport                            |
| MARPOL            | International Convention for the Prevention of Pollution from Ships |
| MD                | Managing Director                                                   |
| MMUST             | Masinde Muliro University of Science and Technology                 |
| MoRT              | Ministry of Roads and Transport                                     |
| MP                | Member of Parliament                                                |
| MPDP              | Mombasa Port Development Project                                    |
| MRIP              | Mombasa Resilient Improvement Program                               |
| MSEZ              | Mombasa Special Economic Zone                                       |
| NBV               | Net Book Value                                                      |
| NEMA              | National Environment Management Authority                           |
| NSL               | National Super League                                               |
| NT                | National Treasury and Planning                                      |
| OSHA              | Occupational Safety and Health Act                                  |
| PAT               | Profit After Tax                                                    |
| PBT               | Profit Before Tax                                                   |
| PC                | Performance Contracting                                             |
| PFM Act           | Public Finance Management Act                                       |
| PMAESA            | Port Management Association of Eastern and Southern Africa          |
| PPE               | Property Plant & Equipment                                          |
| PSASB             | Public Sector Accounting Standards Board                            |
| QMS               | Quality Management Systems                                          |
| SCAC              | State Corporations Advisory Committee                               |
| SDMA-K            | State Department and Maritime Affairs-Kenya                         |
| SDT               | State Department of Transport                                       |
| STS               | Ship to Shore                                                       |
| tCO <sub>2e</sub> | tonnes (t) of carbon dioxide (CO <sub>2</sub> ) equivalent (e)      |
| TEUs              | Twenty Foot Equivalent units                                        |
| TMEA              | TradeMark East Africa                                               |
| TOPA              | Take or Pay Agreement                                               |
| VTMIS             | Vessel Traffic Management and Information System                    |
| WIP               | Works in Progress                                                   |

# **KENYA PORTS AUTHORITY**

**ANNUAL REPORT & FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 30 JUNE 2025**

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## **WHO WE ARE**

### **Establishment**

Kenya Ports Authority (KPA) is a statutory body under the Ministry of Roads and Transport. It was established by an Act of Parliament Cap 391 on 20<sup>th</sup> January 1978 with the mandate to develop, maintain, operate, improve, and regulate the Port of Mombasa, Port of Lamu and all other seaports along the Kenya coastline as well as ferry operations. In addition, the Authority manages Inland Waterways and Inland Container Depots at Embakasi, Naivasha, Eldoret and Kisumu in Kenya. At the cabinet level, the Authority is represented by the Cabinet Secretary for the Ministry of Roads and Transport. The Authority is domiciled in Kenya with liaison offices in Uganda and Rwanda.

### **Principal Activities**

KPA's mandate is to develop, maintain, operate, improve, and regulate the Port of Mombasa, Port of Lamu and all other scheduled seaports along Kenya's coastline as well as ferry operations. In addition, the Authority manages Inland Waterways and Inland Container Depots at Embakasi, Naivasha, Eldoret and Kisumu in Kenya. Core activities include:

- i. Pilotage
- ii. Towage
- iii. Mooring
- iv. Dockage
- v. Provision of navigational aids, and maintenance of the channel
- vi. Stevedoring and shore handling services: cargo handling services for containers, general cargo, dry bulk, and bulk liquid
- vii. Reception of cruise passengers
- viii. Storage of cargo awaiting onward shipment

### **Vision**

"World-Class Ports of Choice"

### **Mission**

"To Provide Efficient and Competitive Port Services to Facilitate Global Trade"

### **Core Values**

- *Customer Focus: Service excellence is key to our operations, and we endeavor to exceed customer expectations.*
- *Integrity: We uphold fairness, honesty, professionalism and transparency in all our undertakings.*
- *Teamwork: We embrace team spirit in all that we do.*
- *Care: We care for our staff, the communities around us and are sensitive to the environment*
- *Innovation: We are innovative and continuously create value for our customers*

**WHO WE ARE (CONT'D)**

**Strategic Goals and Outcomes**

- **Strategic Goal 1:** To improve customer experience by providing responsive services that exceed customer expectations.
- **Strategic Goal 2:** To improve our competitiveness by enhancing productivity and efficiency in a safe and secure environment while leveraging on data and modern technology.
- **Strategic Goal 3:** To increase the volume of cargo through the Kenyan ports to sustain the Authority's financial base.
- **Strategic Goal 4:** To build a result-oriented and ethical workforce backed by transformative leadership.
- **Strategic Goal 5:** To build strong partnerships and networks, with both private and government players, that are mutually beneficial and deliver value to our customers.

**Strategic Objectives**

**Strategic Objective 1**  
Attain a customer satisfaction index of **75%**.

**Strategic Objective 2**  
Improve port efficiency by **41%**.

**Strategic Objective 3**  
Promote a safe and healthy working environment with zero accidents.

**Strategic Objective 4**  
Increase common transit market share by **7%**.

**Strategic Objective 5**  
Increase profitability to Kshs. **20 billion** by 2027/2028

**Strategic Objective 6**  
Increase employee productivity index to **2**

**Strategic Objective 7**  
Promote 100% Compliance to legal and regulatory requirements and good governance principles



# KENYA PORTS AUTHORITY

ANNUAL REPORT & FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 30 JUNE 2025

## AUTHORITY INFORMATION

### Directors

| Name                          | Position                       | Appointments/Exits           |
|-------------------------------|--------------------------------|------------------------------|
| Hon. Benjamin D. Tayari       | Chairman                       | Appointed 13 January 2023    |
| Hon. Dorcas Oduor, SC, OGW    | AG                             | Appointed 20 August 2024     |
| Hon. Justin Muturi            | AG                             | Left on 11 July 2024         |
| FCPA Hon. John Mbadi, EGH     | CS, NT                         | Appointed 24 July 2024       |
| Prof. Njuguna Ndungu, CBS     | CS, NT                         | Left on July 2024            |
| Mr. Mohamed A. Daghar         | PS, SDT                        | Appointed on 2 November 2022 |
| Capt. William Ruto, AFNI, MBS | MD                             | Appointed on 10 March 2023   |
| Mr. Wilson Mwai               | Director                       | Appointed on 7 March 2025    |
| Mr. Peter Omingo              | Director                       | Left on 20 June 2025         |
| Mr. Daniel M. Mugao           | Director                       | Appointed on 2 May 2025      |
| Ms. Caroline N. Maina         | Director                       | Left on 7 March 2025         |
| Mr. Emmanuel Kibet            | Director                       | Re-appointed on 20 June 2025 |
| Hon. Lucas Maitha             | Director                       | Appointed 23 January 2023    |
| Hon. Ahmed A. Muktar          | Director                       | Appointed 23 January 2023    |
| Dr. Consolata Lusweti         | Director                       | Appointed 23 January 2023    |
| Mr. Philip J. Mainga, EBS     | Director (KRC)                 |                              |
| Ms. Beatrice Nyamoita         | AD (SDT)                       | Appointed 30 November 2023   |
| Mr. Lawrence Kibet            | AD (NT)                        | Appointed 9 May 2023         |
| Ms. Cheryl Majiwa             | AD (NT)                        |                              |
| Hon. Shadrack Mose, CBS       | AD (AG)                        | Appointed 23 December 2024   |
| Mr. Chris Makokha             | AD (ISC)                       |                              |
| Mr. Turasha Kinyanjui         | CS & GM Board & Legal Services |                              |

## **KENYA PORTS AUTHORITY**

**ANNUAL REPORT & FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 30 JUNE 2025**

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### **AUTHORITY INFORMATION (CONT'D)**

#### **Authority's Secretary**

Turasha Kinyanjui  
Corporation Secretary & General Manager Legal Services  
Kenya Ports Authority Administration Block,  
P.O Box 95009-80104  
**Mombasa, Kenya**

#### **Registered Office:**

Kenya Ports Authority  
Administration Block, Kipevu  
P.O Box 95009-80104  
Telephone: +254-41-2112999, +254-41-2113999  
Mobile: +254-709092999, 709093999, 730653999  
Website: [www.kpa.co.ke](http://www.kpa.co.ke)  
**Mombasa, Kenya**

#### **Authority's Headquarters**

Administration Block, Kipevu  
P.O Box 95009-80104  
Telephone: +254-41-2112999,  
Mobile: +254-709092999,  
Website: [www.kpa.co.ke](http://www.kpa.co.ke)  
**Mombasa, Kenya**

#### **Authority's Contacts**

[customerfeedback@kpa.co.ke](mailto:customerfeedback@kpa.co.ke)  
[ca@kpa.co.ke](mailto:ca@kpa.co.ke)  
+254797690600 (For Text Messages)  
+254709092999 (For calling)  
+254709093999  
+254730653999  
+254794272376 (Corruption Hotline)  
+254110921564 (Corruption Hotline)

#### **Independent Auditor**

Auditor General  
Office of The Auditor General  
Anniversary Towers, University way  
P.O. Box 30084-00100  
**Nairobi, Kenya**

#### **Principal Legal Adviser**

The Attorney General  
State Law Office  
Harambee Avenue  
P.O. Box 40112-00100  
**Nairobi, Kenya**

#### **Authority's Banker:**

Central Bank of Kenya  
Haile Selassie Avenue  
P.O. Box 60000-00200  
**Nairobi, Kenya**

#### **Other Bankers:**

Citibank N. A.  
Citibank House, Nkrumah Road  
P.O. Box 83615-80100  
**Mombasa, Kenya**

Equity Bank Ltd.  
UTC Building, Moi Avenue  
P.O. Box 84628-80100  
**Mombasa, Kenya**

Equity Bank Rwanda  
Grand Pension Plaza  
Avenue De La Paix  
**Kigali, Rwanda**

National Bank of Kenya  
Nkrumah Road,  
P.O. Box 90363-80100  
**Mombasa, Kenya**

Kenya Commercial Bank Ltd.  
Treasury Square Branch  
P.O. Box 90254-80100  
**Mombasa, Kenya**

Kenya Commercial Bank Ltd.  
Avenue Pierre NGENDANDUMWE  
P.O. Box 6119  
**Bujumbura, Burundi**

Stanbic Bank  
Stanbic Bank Centre, Westland Rd  
P.O Box 30550-00100  
**Nairobi, Kenya**

Stanbic Bank  
Crested Towers Plot17,Hannington Rd  
P.O Box 7131  
**Kampala, Uganda**

# **KENYA PORTS AUTHORITY**

**ANNUAL REPORT & FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 30 JUNE 2025**

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## **AUTHORITY INFORMATION (CONT'D)**

### **Other Bankers (Cont'd):**

Diamond Trust Bank Kenya Ltd  
Diamond Trust Building, Moi Avenue  
P.O BOX 90564 - 80100  
**Mombasa, Kenya**

Credit Bank Ltd  
One Africa Place, Westlands  
P.O BOX 61064-00400  
**Nairobi, Kenya**

Co-operative Bank of Kenya  
Nkrumah Road Branch  
P.O BOX 87771 - 80100  
**Mombasa, Kenya**

Middle East Bank Kenya  
Nkrumah Road  
P.O BOX 90343 - 80100  
**Mombasa, Kenya**

Family Bank Ltd  
Nkrumah Road Branch  
P.O BOX 81630 - 80100  
**Mombasa, Kenya**

Sidian Bank Ltd.  
K-Rep Centre, Kilimani  
P.O BOX 25363-00603  
**Nairobi, Kenya**

# KENYA PORTS AUTHORITY

ANNUAL REPORT & FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 30 JUNE 2025

## THE BOARD OF DIRECTORS



**Hon. Benjamin Dalu Stephen Tayari**  
(born 1974)  
**Chairman**

He was appointed the Chairman of the Board of Directors with effect from 13 January 2023.

He holds Masters of Arts in International Relations from the University of Nairobi, Bachelor of Arts Degree in Political Science from the University of Nairobi, an HBO bachelor's degree in Logistics Management from NCOI Hogeschool Utrecht, Netherlands, and a Diploma in Freight Forwarding, Warehousing, Maritime Transport and Shipping from the Bandari College.

He is a former MP for Kinango Constituency in the 12th Parliament (2017-2022) and has served as a member of the Departmental Committee on Environment and Natural Resources and the Implementation committee. He was voted the best MP in the Coast region for 2 years in a row for timely completion of CDF projects under his stewardship and efficient funds management.

Over the years, he has served in various other capacities such as Director, MD, Chief operations officer, Warehouse Manager, Warehouse coordinator, amongst others in the corporate world locally and internationally.



**CPA John Mbadi Ng'ongo, EGH**  
(born 1972)  
**CS, National Treasury & Economic Planning**

He was appointed the Cabinet Secretary by the President on 24 July 2024. Before his appointment, Hon. Mbadi had an extensive career in public service, most recently serving as a nominated Member of Parliament (MP) and the Chairperson of the Public Accounts Committee in the National Assembly. He has served as the elected MP for Suba South Constituency, Suba Constituency, and Gwassu Constituency. His experience extends to roles such as Assistant Minister in the Office of the Prime Minister and Leader of Minority in the National Assembly. Throughout his parliamentary tenure, he was a member of numerous key committees. Notably, he was also a member of the Legislative Taskforce responsible for drafting the PFM Act of 2012.

In addition to his political and legislative accomplishments, the CS is a seasoned finance professional with 28 years of experience. Hon. Mbadi holds a Bachelor of Commerce degree with a specialization in Accounting from the University of Nairobi and is a registered member of ICPAK. His professional affiliations extend to the Architectural Association of Kenya (AAK), the Institute of Quantity Surveyors of Kenya (IQSK), and the Chartered Institute of Arbitration (CAD). His skills span

planning, budgeting, financial analysis, accounting, economics, and community development, complemented by strong leadership, effective communication, and interpersonal skills.



**Mr. Mohamed Daghar**  
(born 1981)  
**PS State Department of Transport**

He is responsible for the Transport Policy formulation and execution, development of regulatory framework for transport sector, oversee implementation of various transport programmes and projects. As the PS in charge of Transport, he is a member of the Executive Committee of the Northern Corridor Transit and Transport Coordination Authority (NCTTCA) and therefore he is responsible for all matters relating to NCTTCA.

He is a holder of BA International Relations from United States International University, Kenya, Masters in Peace, Conflict and Development studies from Universitat Jaume I, Spain. He has wealth of experience in safety and security matters. During his tenure, he is expected to steer the State Department to successfully implement mass transit system in Nairobi, develop and improve airports and airstrips, seaport and inland water ports, Nairobi Railway City, the Standard Gauge Railway and multimodal transport corridors in addition to revitalisation of road transport services and safety among other projects of strategic national importance.

**THE BOARD OF DIRECTORS' PROFILES (CONT'D)**



**Mr. Wilson Mwai,  
(born 1981)  
Independent Non-Executive Director**

He was appointed on 7 March 2025.

He holds a Bachelor of Science in Environmental Sciences from Egerton University. He also has Occupation Safety and Health Training by Strategic SHE Ltd & EHS Health and Safety Solutions in addition to a Certificate in Chaplaincy from St. Pauls University.

He is trained Environmental scientist who has acquired great Experience through the banking career with a proven track record in branch operations management, compliance, risk management, incident management and customer service.

He has over 15 years career in the banking industry, whwreby he has developed a strong understanding of controls and governance within the sector.



**Mr. Daniel Mugao  
(born 1966)  
Independent Non-Executive Director**

He was appointed to the board on 2 May 2025.

He has a Bachelor Commerce (Hons.) from the University of Nairobi, an MBA (Marketing) from Egerton University. He also has an Advanced Diploma in Insurance from the Chartered Insurance Institute (London).

He is an associate of the Insurance Institute of London and the Insurance Institute of Kenya.

He has over 30 years experience working in the corporate world, 13 years in senior management at the executive levelShe is a Human Resource Consultant with Synergy Sphere Consultancy (January 2022 to date).

He is the former Chief Executive Officer of Invesco Assurance Company Limited and he previously served as the General Manager of Britam General Assurance Company Limited. In the public service, he was the first chairman of Tharaka Technical and Vocational College. In private ventures, he was the director of Key Microfinance Bank, previously REMU Microfinance Bank and today, LOLC Microfinance Bank, for eight years. In academia, he has been a part-time lecturer at Egerton University, Nairobi University, and Kenya Methodist University teaching Insurance, Banking and Management for over eight years cumulatively.



**Dr. Consolata Lusweti  
(born 1978)  
Independent Non-Executive Director**

She was appointed to the board on 19 January 2023.

She holds a PHD in Health Promotion from Masinde Muliro University, Masters in Community health and Development and Bsc Nursing degree from University of Eastern Africa Baraton.

Prior to her appointment, she worked as a lecturer, researcher, consultant and exam cordinator in Masinde Muliro University of Science and Technology, Community Health and management.

She has served as a Nursing Manager in various hospitals including Malava district hospital and Kakamega Provincial hospital.

She has excellent leadership skills, board room negotiator and business acumen skills amongst other key skills.

### THE BOARD OF DIRECTORS' PROFILES (CONT'D)



**Hon. Lucas Maitha  
(born 1968)**

**Independent Non-Executive Director**

He was appointed to the board on 19 January 2023.

He holds Master of Politics in international relations from University of Mumbai Bombay India and Bachelors degree (Economics) from Lucknow university India.

He has vast leadership skills having worked as chairman of betting Control and Licencing Board office of the Vice president and Chairman of Kenya Bureau of statistics (KEBS) in the ministry of industrialization and enterprise development.



**Mr. Emmanuel Kibet,  
(born 1991)**

**Independent Non-Executive Director**

He was re-appointed to the board on 20 June 2025.

He has Bachelor of Laws (LLB) from Moi University school of law and Advocates Training Programme (ATP) from the Kenya School of Law, Nairobi, Kenya. He has Bachelor of Laws (LLB) from Moi University school of law and Advocates Training Programme (ATP) from the Kenya School of Law, Nairobi, Kenya.

Mr. Kibet is a lawyer and distinguished Advocate of the High Court of Kenya, specializing in Business, Commercial Law, and Dispute Resolution. With a notable career in both legal practice and public service, Mr. Kibet has held various roles, including serving as a rapporteur for the Royal Danish Embassy, Director for Legal and Compliance at a Political Party and as a Joint Secretary to an independent tribunal among other different capacities. He is a Partner at H&K Law Advocates in Nairobi and serves as a sponsor nominated Trustee for KPA Pension Scheme. In 2023, he was honored with the Order of the Grand Warrior (O.G.W) for his outstanding service by his excellency the President of the Republic of Kenya.



**Hon. Ahmed Mukhtar  
(born 1982)**

**Independent Non-Executive Director**

He was appointed to the board on 24 November 2023.

He has a Bachelor of Science degree in Computer Science from the International University of Africa, Khartoum, Sudan and is pursuing a Master's degree in public policy and Management at the Strathmore University. He also has a Certificate in Project Management from the Kenya Institute of Management.

He is the immediate former Governor (May 2021-Mar 2022) and Deputy Governor (Aug 2017-May 2021 & Mar 2022-Aug 2022) of Wajir County with a track record of success in leadership and management, results-driven governance, and public policy. He is a leadership expert with over 14 years of solid experience and a proven record of achievement in both government and non-governmental organizations, such as International Research & Evaluation Consulting (IREC), International Committee of the Red Cross (ICRC), Medicins Sans Frontieres (MSF, Switzerland) amongst others.

His key qualifications, amongst many, are Financial & Administrative Management, Program/Project concepts, an excellent orientation specialist, Strategic management concepts, Skills in Organizational internal control framework, financial rules, policies, and procedures, good knowledge of the nation's policies, and development goals.

He has undertaken several consultancies and training over the last 14 years.

**THE BOARD OF DIRECTORS' PROFILES (CONT'D)**

**Ms. Beatrice Nyamoita**  
**Alternate Director (SDT)**

She was appointed as AD on 30 November 2023.

She heads the Maritime Transport Department at the State Department for Transport, where she leads the formulation and review of policies governing ports and inland water transport systems.

She holds a Bachelor of Arts degree from the University of Nairobi and a Master of Science in Shipping Management from the prestigious World Maritime University in Sweden.

She is a seasoned professional in maritime transport with extensive expertise in policy formulation, port development, and inland waterway management.

As Alternate Director to the PS, representing him in various boards, she provides expert input on maritime and transport matters. She previously served as the Chairperson of the Indian Ocean Memorandum of Understanding (IOMOU) on Port State Control, a crucial international initiative focused on the inspection of foreign vessels in national ports to ensure compliance with maritime safety and environmental standards.

She is an Associate Member of the Association of Maritime Practitioners.



**Brig. (Rtd.) Alice Mate**  
**Alternate Director (AG)**

She was appointed as the AD on 23 January 2023.

She is the Director of the Asset Recovery Agency where she provides leadership in setting up policies and procedures that assist in identifying and tracing of proceeds of crime as well as Coordination of investigation, litigation and enforcement of Court Orders for the Agency, amongst many other responsibilities.

She holds Master of Laws in International Maritime Law, IMO from the International Maritime Law Institute - Malta, a Post Graduate Diploma in Law from Kenya School of Law and a Bachelor of Laws from the University of Nairobi.

She is an accomplished and versatile legal professional with extensive experience in civil litigation, general liability, legal risk management and public entity administration. In the defense forces, she has served as colonel Litigation In-Charge, state officer in litigation, Staff Officer II Kenya Navy and legal officer Kenya Navy.



**Mr. Lawrence Kibet**  
**Alternate Director (NT)**

He was appointed as AD on 9 May 2023.

He is the Director General, Public Investments and Portfolio Management in the National Treasury and economic planning where he coordinates, manages and provides leadership in Government investments and public enterprises, assets and liabilities in Government, public investment management and Government pensions

He has a Master in Public Policy and Management (MPPM) finalist from Strathmore University with an exposure to the international module from New York University, Wagner School of Public Service and also holds a Bachelor of Commerce Degree (Finance Option), Bachelor of Laws Degree (LL.B) and an MBA, all from the University of Nairobi.

He is a seasoned professional with solid & successful experience in General Management, Commercial and Business Strategy, Accounting and Finance Management, Corporate Governance, Capital Raising, Commercial Law Practice, Project Management and, Innovation Management.

His overall exposure cuts across several sectors including Finance and Banking, Energy and Petroleum, Telecommunications and Technology, Logistics and, Consumer Products.

He is a Member of ICPAK, Certified Public Secretaries of Kenya (ICPSK), Law Society of Kenya (LSK) and Investor Relations Society (UK).

**THE BOARD OF DIRECTORS' PROFILES (CONT'D)**



**HON. Shadrack J Mose, CBS**  
**Solicitor General (AG)**

He is the current Solicitor General of the Republic of Kenya, having assumed office on 20th March, 2023.

He is the principal assistant to Honourable the Attorney General in the performance of attorney General duties as the principal legal advisor to the Government. He is responsible for organizing, co-ordinating and managing the administrative and legal functions of the office; supervising all court cases and overseeing the formulation and implementation of development strategies for Government Legal services.

Hon Mose is an advocate of the high Court of Kenya with over thirty years of experience in legal practice. He holds a Bachelors of Law degree (LL.B) degree from the University of Nairobi and a Post graduate Diploma from Kenya School of Law.

He is a dedicated Public servant who served as Member of the National Assembly for Kitutu Masaba constituency in the 12th Parliament of Kenya between the years 2017 and 2022.



**MS. Cheryl Majiwa**  
**Alternate Director, PS the National Treasury**

She is the Deputy Director Investment, at the Directorate of Public Investments and Port Folio Management, National Treasury.

She holds a Bachelor of Commerce (Accounting & Finance) from Strathmore University and a Masters in Business Administration (Strategic Management) from the University of Nairobi.

She represents the Cabinet Secretary National Treasury in selected Boards of State Corporations and in Public Accounts and Public Investment Committees of Parliament.

She previously worked as Head of Accounting unit and Administration of an advertising company for 6 years.

Academically, she has excelled in various disciplines and is a member of Institute of certified Public Accountants of Kenya, an associate member of the Institute of Certified Investments/Financial Analyst and a member of the secretariat of the Public Accounting Standards Board.

**THE BOARD OF DIRECTORS' PROFILES (CONT'D)**

**Mr. Philip J. Mainga**  
(born 1966)

**Managing Director KRC**

He holds Masters in Project Planning and Management (MAPM) from the University of Nairobi, a Master of Arts in Economics (M.A.) and a Bachelor of Arts (B.A.) both from University of Mysore, India. He also holds a certificate from Harvard University in Driving Government Performance. He is a member of Certified Finance Management for Project Managers (FMPM), Associate member MEGADEV Consultants and member Kenya Institute of Management (KIM).

Before being appointed the Acting MD, he was the GM Business and Operations, a role that covered the operations of the Madaraka Express, SGR Freight services and Estates management.

He has over 20 years in the Planning and Research profession and has worked in several capacities holding Corporate Planning and Research Manager Position.

Mr. Mainga is author of Economics and Ethics first edition 2010 - (Book), doing business in Kenya 2006 - Hand book (UNDP -Kenya).



**Capt. William K. Ruto, AFNI, MBS**  
(born 1968)

**Managing Director**

He holds a Master of Business Administration (MBA) Strategic Management option, from Jomo Kenyatta University of Agriculture and Technology (JKUAT).

The MD is a seasoned mariner who has practiced and worked both in private and public sector, where under private sector he worked at sea starting his career as a Cadet Marine Deck Officer from 1991 until December 1998 where he joined the Authority as a Deck Officer Trainee Pilot. He completed his seetime training as a master mariner and attained the highest qualification as a Ship Captain (Class 1 Master Mariner FG) from South Tynside College, School of Nautical Science - UK.

He is an Associate Fellow of the Nautical Institute (AFNI) and a Member of International Harbour Master's Association (IHMA - UK).

He has attended various local and international seminars and workshops on shipping, maritime, transport and logistics matters. He has done Port Security course at the University of Maryland (USA), IMO course on Port Management and Operations, in France - Port Le Havre France and several other short courses on port maritime and management.



**Mr. Turasha Kinyanjui**  
(born 1972)

**CS & GM, Board and Legal Services**

He holds a Bachelor of Laws LLB degree from the University of Nairobi and a diploma from Kenya school of Law. He is an advocate of the High Court of Kenya and is a Certified Public Secretary Kenya-CPS (K) and a member of the Institute of Credit Management Kenya.

He is a former lecturer of School of Credit Management, a former Credit Officer at Co-operative Bank of Kenya and has also served as a legal officer at the same Bank, Industrial and Commercial Development Corporation (ICDC), Agricultural Finance Corporation (AFC).

He is the Board Secretary and oversees the Contracts & Conveyance department, Litigation & Disputes, Ethics & Integrity including Archives and Maritime Museum.

# KENYA PORTS AUTHORITY

ANNUAL REPORT & FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 30 JUNE 2025

## KEY MANAGEMENT TEAM

### •Managing Director

- He holds a Master of Business Administration (MBA) Strategic Management option, from Jomo Kenyatta University of Agriculture and Technology (JKUAT).
- The MD is a seasoned mariner who has practiced and worked both in private and public sector, where under private sector he worked at sea starting his career as a Cadet Marine Deck Officer from 1991 until December 1998 where he joined the Authority as a Deck Officer Trainee Pilot. He completed his seetime training as a master mariner and attained the highest qualification as a Ship Captain (Class 1 Master Mariner FG) from South Tynside College, School of Nautical Science - UK.
- He is an Associate Fellow of the Nautical Institute (AFNI) and a Member of International Harbour Master's Association (IHMA - UK).

He has attended various local and international seminars and workshops on shipping, maritime, transport and logistics matters. He has done Port Security course at the University of Maryland (USA), IMO course on Port Management and Operations, in France - Port Le Havre France and several other short courses on port maritime and management.

**Capt. William K. Ruto,  
AFNI, MBS**



### •GM, Finance, Commercial & Insurance Services

- He holds a Masters degree in Business Administration (MBA) from the University of Nairobi and a Bachelor of Arts Degree (Economics) from Kenyatta University. He is a Certified Public Accountant-CPA(K) and a member of the Institute of Certified Public Accountants of Kenya (ICPAK).
- He is responsible for Financial Accounting, Management Accounting, Commercial and Insurance services and Asset Management functions.

**CPA Geoffrey Kavate**



### •CS & GM, Board and Legal Services

- He holds a Bachelor of laws LLB degree from the University of Nairobi and a diploma from Kenya school of Law. He is an advocate of the High Court of Kenya and is a Certified Public Secretary Kenya-CPS (K) and a member of the Institute of Credit Management Kenya.
- He is also a former lecturer of School of Credit Management, a former Credit Officer at Co-operative Bank of Kenya and has served as a legal officer at Co-operative Bank of Kenya, Industrial and Commercial Development Corporation (ICDC), Agricultural Finance Corporation(AFC)
- He is the Board Secretary and oversees the Contracts & Conveyance division, Litigation & Disputes, Ethics & Integrity including Archives and Maritime Museum.

**Turasha Kinyanjui**



### •GM, Cargo Operations

- He Holds a Ph.D in Economics specialising in Maritime Economics from the Moi university in Eldoret, Kenya. He also has a Master of Science Degree in Maritime Affairs with a bias in Port Management from the World Maritime University in Malmo, Sweden. He has also attended the African Development Programme and studied Container Terminal Operations course at the University of Montana, School of Business Administration in the United States of America.
- His docket includes all operations in the Container Terminal, Conventional Cargo, Kenya Ports Inland Container Depots in Nairobi and Naivasha and Logistics with a focus on overseeing, development and implementation of port cargo operations strategies and policies.

**Dr. Sudi A. Mwasinago**



**KEY MANAGEMENT TEAM (CONT'D)**

**•GM, Lamu port**

- He holds a Master of Arts in Project Planning and Management from the University of Nairobi, a Bachelor of Science in Civil Engineering from the Jomo Kenyatta University of Agriculture and Technology. He also holds a Postgraduate in Program for Management Development from Strathmore University and Gordon Institute of Business Science, Diploma in Advanced Concrete Technology from the Institute of Concrete Technology in the UK and a Certificate in Concrete Technology from the Cement & Concrete Institute in South Africa. He's a Registered Consultant and Professional Civil Engineer with the Engineers Board of Kenya and a Fellow of the Institution of Engineers of Kenya.
- He has over Twenty-One (21) years of progressive professional experience in the construction industry, business planning and logistical management, corporate governance and has interpersonal skills gained through working with various organizations both in the public and corporate sector including but not limited to, Egis International / Kenya Consulting Engineers, Bamburi Cement Limited, Howard Humphreys East Africa Limited, Gibb Africa Limited and Norconsultant A.S. National Water Conservation and Pipeline Corporation.
- Eng. Sidai has also reserved as Members of the Board of the National Water Conservation and Pipeline Corporation and Joint Secretary, National Concrete Pavements Steering Committee – Kenya.
- He is incharge of the Lamu port.

**Eng. Vincent S. Eseyepet**



**•GM, Corporate Services**

- He holds a Master of Business Administration and Bachelors of Commerce Degree (Marketing) both from the University of Nairobi, a postgraduate Diploma from the UK's Diageo Academy.
- He is in charge of Human resource, Administration, Medical Services, Marketing Cruise & Customer Services and ICT & Business Process Re-engineering.

**Edward Kamau**



**•GM, Supply Chain Management**

- She is a certified supply chain practitioner with a Masters degree in Science of Procurement and Logistics from Jomo Kenyatta University of Agriculture and Technology, a Post Graduate Diploma from the Chartered Institute of Purchasing and Supplies UK (MCIPS) UK , and a Member of Kenya Institute of Purchasing and Supplies ( MKISM).
- Her Docket includes Procurement & Contract management and Supply Chain management divisions

**Eveline I. Shigoli**



**KEY MANAGEMENT TEAM (CONT'D)**

**•GM, Corporate Research, Planning and Compliance**

- She holds an MSc Degree in Port Management from World Maritime University (WMU), Sweden and BSc in Math & Computer from JKUAT and SAP Consultant in Sales & Distribution Module. She holds a Diploma in Senior Port Management from Galilee College, Israel.
- She's a member of WOMESA (Association of Women in the Maritime Sector in Eastern and Southern Africa), former Chair of the Kenya Chapter between 2010 and 2016. First Woman Operations Manager of the Port Of Mombasa, both in Conventional and Container Operations, between 2008 and 2018.
- Her docket includes Corporate Research, Quality Assurance and Risk Management, and Safety, Health and Environment divisions.

**Evelyn U. Mwamure**



**•GM, Engineering Services**

- He holds a Master of Business Administration in Strategic Management from the University of Nairobi (UoN) and Bachelor of Science in Mechanical Engineering (UoN).
- He is a member of the Institution of Engineering Technologists and Technicians of Kenya (IET-K). He is also a Graduate Member of the Institution of Engineers of Kenya and Engineers Board of Kenya.
- He has vast experience in port handling equipment maintenance and project management spanning over 23 years.
- The Engineering Services department includes Marine Engineering, Container Terminal Engineering, Conventional Cargo Engineering and Engineering Projects and Inspection divisions.

**Eng. Julius K. Tai,**



**•GM, Ferry Services**

- He holds a Bachelors degree in Education, a CPA (K), CPS (K) and also holds Diplomas in CIPS, IMIS and is currently pursuing an MBA.
- He is the immediate former MD of the defunct KFS Ltd. He has over fifteen years experience in Financial Management.
- He oversees the General Operations and Engineering services at the Ferry Services.

**CPA Bakari Gowa**



**•GM, Infrastructure Development**

- He hold a Master of Arts in Strategic Management from Kenyatta University and a Bachelor of Science in Electrical and Electronics from Jomo Kenyatta University of Agriculture and Technology.
- He is a registered Consulting Engineer with the Engineers Board of Kenya, Corporate Member Institution of Engineers of Kenya and Member Institution of Engineering and Technology (UK).
- Has over 32 years experiences in the maritime engineering both of maintenance of cargo handling equipments and port infrastructure development and maintenance.
- His docket covers Civil Engineering, Project Development and Management and Port Electrical Engineering divisions.

**Eng. Maurice Amuti**



**KEY MANAGEMENT TEAM (CONT'D)**

**•Harbour Master and General Manager, Marine Operations**

- He holds an M.A in Ports & Shipping Administration and Class I Master Mariner (Unlimited) CoC. A Port Manager with wide-ranging experience in port operations including pilotage, marine & cargo survey, Aids to Navigation, oil terminal operations and port consultancy. ISO 9001:2015/ISM Code certified trainer and Lead auditor. UNCTAD – PMP Certified Trainer. Capable of quickly adopting to dynamic maritime and port operations. Flexible, committed individual with excellent communication skills..
- His docket included, Marine Operations services including, Pilotage, Vessel Traffic Management Information System (VTMIS), Marine & Cargo Surveys, Hydrography, Marine Oil terminals, Marine Safety and Harbour conservancy within the Harbour and Small ports.

**Capt. Patrick O Odenyi**



**•GM, Internal Audit & Risk Assurance**

- He has a Ph.D in Business Administration (Finance) from the University of Nairobi. He has a Master’s in Business Administration (Finance) and a Bachelor of Commerce Degree (Accounting).
- He is a Certified Public Accountant (CPA-K), Certified Information Systems Auditor(CISA), Certified ISO Quality Management Systems Auditor, Certified Ethics officer from the Ethics Institute in South Africa, a member of the ICPAK, Institute of Internal Auditors (IIA) and Information Systems and Control Association (ISACA).
- He has over 30 years of professional experience in Auditing, IT audit, Enterprise Risk Management and Finance. He has also served as KPA Board Audit & Risk Committee secretary from the year 2008 to 2019,2022 to date. From 2019 to 2022, served as Head of SGR reconciliation. From 2012 to 2016, held position of Chair of Board Finance committee of PMAESA. He previously worked in PKF Audit firm.

**Dr. CPA Fredrick Oyugi**



**•Harbour Master and General Manager Marine Operations**

- He holds a Master of Science degree in operations of Marine ships and Marine safety and a Bachelor of science in Marine Transport (Nautical Technology)
- He is a Master mariner class 1 COC,Egypt and attended other relevant courses on Maritime Port and Harbour security management.
- A career Naval officer with over 30years of excellent practical knowledge and experience in Ship and Shore operations in the Maritime industry.
- His docket included Marine operations services including Pilotage, vessel traffic management Information Systems (VTMIS), Marine and Cargo surveys, Hydrography,Marine Oil terminals, <arine safety and Harbour conservancy within the Harbour and small ports.
- He Retired from service in March 2025

**Captain Ali Abdille, FAMP K**



**•GM, Shimoni Port**

- He holds Masters in Business Administration (MBA) from Eastern & Southern Africa Management Institute (ESAMI) TZ and Maastricht School of Management, Bachelors of Education Arts (Kenyatta University), Higher National Diploma in Human Resources Management – KNEC, Kisumu Polytechnic.
- He has undertaken various professional training in Strategic Leadership Program, Quality Management Systems (KBS), Kenya Labour laws(IHRM), Human Resources Management and Development (ESAMI), Diploma in Marketing (Institute of Commercial Management) and in Management (University of Witwatersrand Johannesburg.
- He has vast experience in HR profession having served in various Government Ministries in different capacities namely; at the Directorate of Personnel Management and Ministry of State for Provincial Administration and Internal Security as the Principal Human Resources Management Officer and went on to work for the Ministry of State for Public Service on the same capacity and later joined Agricultural Finance Corporation (AFC) as the General Manager Human Resources & Administration and most notably as a Commissioner and Vice Chair at the Salaries and Remuneration Commission (SRC).
- His contract expired in May 2025

**Daniel O. Ogutu, MBS, EBS**



# KENYA PORTS AUTHORITY

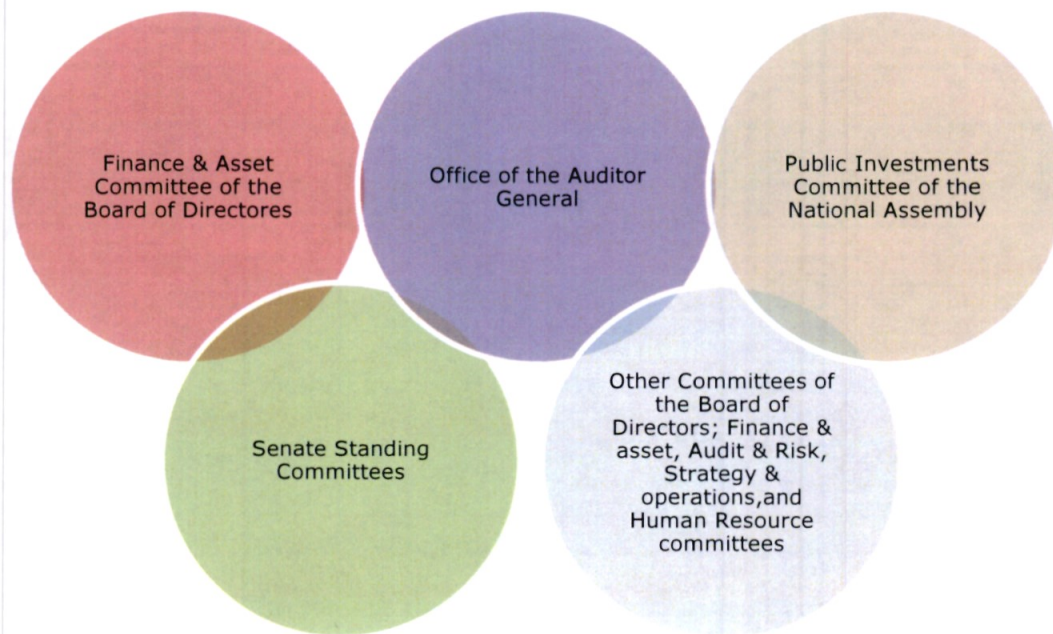
ANNUAL REPORT & FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 30 JUNE 2025

## FIDUCIARY MANAGEMENT

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

| Designation                                                       | Name                         |
|-------------------------------------------------------------------|------------------------------|
| Managing Director                                                 | Capt. William K. Ruto        |
| Corporation Secretary & General Manager, Board and Legal Services | Turasha Kinyanjui            |
| Harbor Master and General Manager, Marine Operations              | Capt. Patrick Onyango        |
| General Manager, Cargo Operations                                 | Dr. Sudi Mwasinago, Ph. D    |
| General Manager, Corporate Services                               | Edward Kamau                 |
| General Manager, Corporate Research, Planning & Compliance        | Evelyn Mwamure               |
| General Manager, Engineering Services                             | Eng. Julius Tai              |
| General Manager, Ferry Services                                   | CPA Bakari Gowa              |
| General Manager Finance and Commercial Services                   | CPA Geoffrey Kavate          |
| General Manager Infrastructure Development                        | Eng. Mathews Amuti           |
| General Manager, Internal Audit & Risk Assurance                  | Dr. CPA Fredrick Oyugi, Ph.D |
| General Manager, Lamu Port                                        | Eng. Vincent S. Esyepet      |
| General Manager, Supply Chain Management                          | Eveline Shigoli              |

## FIDUCIARY OVERSIGHT MANAGEMENT



**KENYA PORTS AUTHORITY**

ANNUAL REPORT & FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 30 JUNE 2025

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**CHAIRMAN'S STATEMENT**



## **KENYA PORTS AUTHORITY**

**ANNUAL REPORT & FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 30 JUNE 2025**

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### **CHAIRMAN'S STATEMENT (CONT'D)**

#### **Introduction**

It is my pleasure to present the Kenya Ports Authority Annual Report and Financial Statements for the year ended 30 June 2025. This annual report reflects the milestones achieved during the financial year in the quest to position our port facilities to world-class status. The port continued in the same trend from the last financial year with impressive results in operational and financial performance.

#### **Operational Performance**

The Port of Mombasa had an outstanding performance, surpassing two million TEUs for the first time, in financial year 2024/2025. This underscores our commitment to securing a leading position in the maritime and transport industry. This remarkable achievement inspires us to continue striving for greater excellence.

#### **Strategic Direction**

The Authority's five-year Strategic Plan 2023/2024-2027/2028 provides a clear roadmap for expansion and operational growth. Recognizing that the Authority serves as a catalyst for supporting local and regional economies, our primary focus remains on enhancing the efficiency and effectiveness of our port facilities.

The plan is anchored on four key result areas: customer focus, operational excellence, business growth and good governance. The financial year saw the customer satisfaction index rise from 63% to 71%.

#### **Infrastructure Developments and Equipment Modernization**

Significant progress has been made in infrastructure development across key ports facilities including the Port of Mombasa, Port of Lamu, Kisumu Port, Homabay Pier and Shimoni Port. The Port of Mombasa is enhancing capacity with consultancy for channel dredging of Berth 19B underway. The Authority also progressed construction of Shimoni port to 98% while Homa Bay pier is nearing completion. The construction site for Development of Dongo Kundu Berth 1 (DK1) was handed over to the contractor for Civil Works to commence. This infrastructure development has been complemented by equipment acquisition aligned with capacity expansion initiatives.

#### **Stakeholder engagement**

Stakeholder engagement has also been a vital component of our advancement. Through ongoing consultations, we have gained valuable insights that are guiding initiatives to enhance service delivery and better meet customer needs.

#### **Corporate Social Investment (CSI)**

Our commitment to community development remains core. Through Corporate Social Investment (CSI) programs, we have expanded our outreach, particularly in education, recognizing it as the foundation of societal growth. We also sponsored medical outreach programs in various counties in the Country, cultural events, sporting activities for the youth including marathons, basketball, volleyball, netball and football league. These initiatives aim to improve the socio-economic wellbeing of local communities.

## **KENYA PORTS AUTHORITY**

**ANNUAL REPORT & FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 30 JUNE 2025**

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### **CHAIRMAN'S STATEMENT (CONT'D)**

#### **Collaborations with National Government and Partner Government Agencies**

Furthermore, we continue to strengthen collaborations with the national government and partner government agencies, working tirelessly to streamline operations and eliminate trade barriers. Our goal is to ensure a seamless and efficient supply chain across all service providers in the Port operations.

#### **Dividends**

During the financial year, the Authority paid dividends of KES 7 billion of the declared dividends for financial year 2023/2024 of KES 9.742 billion at the rate of 80% of Profit after Tax to the National Treasury in recognition of the return on investment by the Government of Kenya. This was in addition to the payment of normal dividends of KES 899.5 million declared in the financial year 2022/2023 based on the previous Dividend Payout Policy of remitting 7.5% of the Profit after Tax. The balance of the declared dividend for financial year 2023/2024 of KES 2.742 billion was paid during the first week of financial year 2025/2026.

In FY 2024/2025, the directors recommend a Dividend payout of KES 10.83 billion based on the revised dividend policy of remitting 80% of the Profit After Tax as dividends to the National Treasury in line with the Government directive.

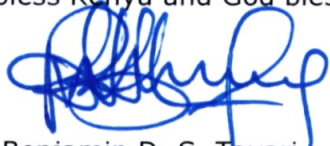
#### **Conclusion**

The positive performance across all our port facilities, despite facing challenges during the year including budget constraints, affirms that we are on the right track.

As a Board, we remain committed to supporting management in implementing strategic policies that foster growth, efficiency and sustainability.

Finally, I wish to appreciate my colleagues on the Board and the management team for their significant input in the strategic direction of the Port. I also acclaim the staff for their unwavering commitment and resilience, working diligently to achieve splendid business growth in the financial year 2024/2025 despite the challenges experienced during the year. Equally, acknowledgements go to the Government, our stakeholders, Customers and the community for their backing. I am confident that we will continue to do our best to attain and surpass the targets set for the new financial year. Let us rededicate our efforts in achieving the mantra "world-class ports of choice".

God bless Kenya and God bless us all. Long live Kenya Ports Authority.



Hon. Benjamin D. S. Tayari

**CHAIRMAN**

**KENYA PORTS AUTHORITY**

ANNUAL REPORT & FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 30 JUNE 2025

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**REPORT OF THE MANAGING DIRECTOR**



**REPORT OF THE MANAGING DIRECTOR (CONT'D)****Introduction**

I am honored to present the Authority's Annual Report and Financial Statements for the fiscal year ended 30 June 2025. The Port of Mombasa recorded a remarkable performance, setting new benchmarks and reaffirming its position as a pivotal gateway for regional trade.

**Financial Performance**

During the financial year 2024/2025, the Authority generated a total income of KES 70.722 billion, against total expenditure and losses of KES 51.834 billion, resulting in a profit before tax of KES 18.888 billion. The performance compares favorably with the financial results of the previous financial year by 9.3%. In the financial year, 2023/2024, the total income generated was KES 67.677 billion while expenditure amounted to KES 50.392 billion resulting in a profit before tax of KES 17.285 billion. The Authority's financial position remains healthy, with an asset base of KES 363.07 billion, reflecting a 3.47% growth from KES 350.89 billion in the last fiscal year. These figures exemplify our solid financial strength and strategic resilience.

**Operational Performance**

One of the most notable milestones in Financial Year 2024/2025 was surpassing the two million TEUs mark for the first time in the history of the Port of Mombasa. Container traffic saw significant growth, registering a 15.64% increase, from 1.789 million TEUs in financial year 2023/2024 to 2.069 million TEUs in the current financial year. For the calendar year 2024, TEUs recorded were 2,004,683 and from January 2025 to June 2025 1,012,949 TEUs were handled. For the financial year 2024/2025, the Port of Mombasa handled 42.595 million tons of cargo, a 13.13% increase from 37.637 million tons handled in FY 2023/2024.

This achievement underscores our dedication to operational efficiency and the unwavering commitment of our team to excel despite industry challenges. Key performance indicators across all port facilities reflect not only the increased cargo throughput but also significant improvements in service quality and customer satisfaction.

**Equipment Acquisition and infrastructure development**

Our commitment to modernization is evident through strategic investments in infrastructure and equipment. We prioritized acquiring environmentally friendly machinery aligned with our Green Port Policy, reinforcing our dedication to sustainability. These enhancements have significantly increased our operational efficiency, enabling us to meet the rising demand for port services while minimizing our ecological footprint.

**Stakeholder engagement**

Effective stakeholder engagement remains central to our success. We have maintained dynamic collaborations with government agencies, trade partners, and industry stakeholders through strategic meetings and joint initiatives. These interactions have maximized the port's potential, streamlined operations and fostered a collaborative environment conducive to growth of regional trade.

## **KENYA PORTS AUTHORITY**

**ANNUAL REPORT & FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 30 JUNE 2025**

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### **REPORT OF THE MANAGING DIRECTOR (CONT'D)**

#### **Stakeholder engagement (Cont'd)**

We have further strengthened our relationships with customers by engaging directly within their industries and operational environments. Understanding their processes allows us to tailor our services proactively, ensuring customer satisfaction remains a core strategic priority. Our commitment is to anticipate and meet customer needs proactively, positioning our ports as a preferred trade facilitator.

#### **Transit Market and regional trade**

The transit cargo segment has shown impressive growth, reaffirming the Port of Mombasa's vital role in regional trade. Uganda remains our leading transit destination, and with the accession of the Democratic Republic of Congo (DRC) to the East African Community, we are preparing to meet increased demand from this emerging market.

Despite operational challenges in DRC, we continue engaging with stakeholders and launching targeted programs to expand cargo volumes in this market segment. Additionally, we have observed a notable rise in transshipment traffic, driven by vessel diversions facilitated by our efficient turnaround times. Throughout the year, we have actively engaged Rwanda and Uganda through stakeholder meetings held in Mombasa, Kigali and Kampala, fostering stronger regional cooperation.

#### **Communication Policy**

Recognizing the importance of transparent and effective communication, the Authority has implemented a comprehensive communication policy. This framework guides our dissemination of port-related information to stakeholders and the public, ensuring consistent and responsible messaging. We leverage mainstream media, digital platforms and internal communication tools to enhance our brand visibility and stakeholder engagement, fostering trust and a positive image for the Authority and its ports facilities.

#### **Data Protection and Cybersecurity**

As digitalization deepens within port operations, adherence to national and international data privacy laws has become paramount. During the concluded financial year, we prioritized staff training on Data Protection, focusing on emerging issues such as Artificial Intelligence, cyber risks, and cross-border data flows. This initiative aligns with the Government's 2019 Data Protection Act and underscores our commitment to secure transparent and compliant data management practices.

#### **Supporting Society**

Our Corporate Social Investment initiatives underscore our role as a responsible corporate citizen. We focus on sustainable community development through projects in education, health, environmental conservation, sports, arts and culture, humanitarian aid, relief and support for natural causes. These focus areas are integral to our commitment to making a meaningful and lasting difference in the communities we serve. Notable activities include infrastructural support for schools, organizing medical camps, and participating in Kenya's ambitious goal of planting 15 billion trees – our contribution of over 100,000 mangroves along the coastal strip is a testament to this commitment.

## **KENYA PORTS AUTHORITY**

ANNUAL REPORT & FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 30 JUNE 2025

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### **REPORT OF THE MANAGING DIRECTOR (CONT'D)**

#### **Supporting Society (Cont'd)**

We continue to nurture local talents through sports sponsorships and humanitarian programs, reaffirming our dedication to positively impacting the communities where we operate.

#### **Agricultural Society of Kenya (ASK) shows**

Participation in the ASK trade fairs provides us with a strategic platform to connect with farmers, importers and exporters. These events enable us to promote port services, raise awareness of our facilities and facilitate trade opportunities. Despite the competitive landscape, our involvement in ASK has yielded significant benefits including enhanced brand visibility, strengthened customer relationships and the formation of new partnerships and joint ventures, all contributing to increased business prospects.

The Authority's participation in the ASK Trade faire serves as a strategic opportunity to engage with the farmers, importers, and exporters in their bid to access international markets efficiently and contribute to the growth and development of agriculture and trade sector in the country. Equally through the ASK shows the Authority promotes port services, creates awareness of our services and enhances trade opportunities for our various port facilities.

During the financial year, the Authority participated and won an avalanche of awards in four ASK Shows namely Nakuru ASK National Show, Kisumu ASK Show, Mombasa International ASK Show and Nairobi International ASK Show. Besides winning awards in different categories, the Authority reaped many benefits through ASK shows including brand exposure, customer engagement as well as partnerships and Collaborations leading to increased business opportunities, joint ventures and strategic alliances.

#### **Implementation and Certification of ISO Management Systems**

We are implementing four Management Systems based on ISO standards. These ISO management systems include Quality Management System (QMS) based on ISO 9001 standard, Information Security Management System (ISMS) based on ISO 27001 standard, Environment Management System (EMS) based on ISO 14001 and Occupational Health and Safety Management System (OHSMS) based on ISO 45001 standard

The QMS has been certified since 2009. The Authority was recertified in 2024 for the cycle 2024-2027. The Authority is in the process of seeking certification for the other three management systems, namely;

- i. Quality Management System (QMS) based on ISO 9001 standard
- ii. Environment Management System (EMS) based on ISO 14001
- iii. Occupational Health and Safety Management System (OHSMS) based on ISO 45001 standard.

**KENYA PORTS AUTHORITY**

**ANNUAL REPORT & FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 30 JUNE 2025**

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**REPORT OF THE MANAGING DIRECTOR (CONT'D)**

**Acknowledgements**

I am extremely grateful to the Board for the continued strategic foresight and oversight. This has kept us on course and aligned us with the new strategic plan 2024-2027. I extend my deepest gratitude to our customers for their unwavering support throughout the financial year. Special honor goes to our staff for their relentless efforts in pursuing our objectives and sustaining the push to attain greater efficiency and productivity.

I also wish to acknowledge the vital contributions of our development partners, service providers, county, national, and regional governments, and all stakeholders who have supported the Authority throughout the year. With your continued support, we are well on course to making the Port of Mombasa a world-class port of choice.



Capt. Wiliana K. Ruto, AFNI, MBS  
**MANAGING DIRECTOR**

**STATEMENT OF PERFORMANCE AGAINST PREDETERMINED OBJECTIVES**

As required by Section 81 Subsection 2 (f) of the PFM Act, 2012, the Kenya Ports Authority (KPA) is expected to achieve specific performance indicators and targets to enhance service delivery to Kenyans. The Authority's performance contract is designed to align with national development goals and promote accountability in service delivery.

This structure is supported by KPA's Strategic Plan 2023–2028, which is aligned with Kenya's Medium-Term Plan IV (MTP IV) and Bottom-up Economic Transformation Agenda (BETA). These framework guides the Authority's operational and developmental goals. Namely:

1. Attain a customer satisfaction index of 75%.
2. Improve port efficiency by 41%.
3. Increase employee productivity index to 2.
4. Promote a safe and healthy working environment with zero accidents.
5. Promote 100% Compliance to legal and regulatory requirements and good governance principles.
6. Increase common transit market share by 7%.
7. Increase Profitability to KES 20 billion by 2027.

Annual work plans are formulated based on the above objectives. The Board's performance is assessed quarterly against its annual work plan. To ensure effective tracking, the Strategic Plan advocates for a results-based and comprehensive Monitoring and Evaluation (M&E) process conducted every quarter.

Performance reporting is carried out both internally and externally through quarterly submissions to relevant government agencies under the performance contracting framework. The outcomes of M&E are vital for:

- Enhancing implementation of Strategic Plan initiatives
- Supporting evidence-based decision-making
- Informing development of future strategic plans

Performance contracting score for FY2020-2021 to FY2023-2024 are as shown below.

| 2020/21 |           | 2021/22 |           | 2022/23 |           | 2023/24 |           |
|---------|-----------|---------|-----------|---------|-----------|---------|-----------|
| Score   | Rank      | Score   | Rank      | Score   | Rank      | Score   | Rank      |
| 2.9752  | Very Good | 2.9945  | Very Good | 2.9374  | Very Good | 2.9697  | Very Good |

The key highlights for Fy2024/2025 are summarized below.

**Strategic Objective 1: Attain a customer satisfaction index of 75%.**

The following initiatives recorded satisfactory performance: Development of a Masterplan & logistics strategy for the Naivasha Dry Port through the support of TradeMark East Africa (TMEA) and Feasibility Study for cool logistics infrastructure for exports. Additionally, collaboration with KR has been enhanced and embedded in the Joint KPA KR rail freight and ICD Utilization strategy.

## **KENYA PORTS AUTHORITY**

ANNUAL REPORT & FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 30 JUNE 2025

### **STATEMENT OF PERFORMANCE AGAINST PREDETERMINED OBJECTIVES (CONT'D)**

#### **Strategic Objective 2: Improve port efficiency by 41%.**

During the financial year 2024/2025, the Port of Mombasa handled 42.595 million tons of cargo, a 13.13% increase from 37.637 million tons handled in FY 2023/2024. The following activities recorded satisfactory performance; construction of Shimoni fish port to 98%, rehabilitation of ferry ramps, progressed development of Operations Control Centre (OCC) to 97%, installation of safety signages & berth/yard markings at the port of Mombasa.

#### **Strategic Objective 3: Promote a Safe and Healthy Working Environment with zero accidents.**

The following initiatives recorded satisfactory performance: Review of the Green port Policy, installations of drinking water points (CT2, Fire Section, mooring area and Berth 5&7), establishment of 5 rest shelters at CT2, berth 5, & K-Section, progressed installation of ISS at Likoni ferry to 70% and completed detailed designs for storm water drainage.

#### **Strategic Objective 4: Increase common transit market share by 7%.**

The total transit cargo registered 14.4 million tons against 12.36 million tons handled in the same period in 2023/24, posting a positive variance 16.6%.

The Authority has also established DRC liaison office space and developed a draft Marketing strategy. However, due to the civil unrest, operationalization of the DRC liaison office was affected.

#### **Strategic Objective 5: Increase profitability to KES 20 billion by 2027/28.**

The Authority attained a pre-tax profit of KES. 18.888 billion, surpassing the previous FY2023/2024 pre-tax profit of KES. 17.285 billion by KES 1.6 billion.

#### **Strategic Objective 6: Increase employee productivity index to 2.**

There was satisfactory progress in construction of the Mbaraki Sports Stadium running track which progressed to 89%. Further, the Authority trained 3,731 staff during the reporting period.

#### **Strategic Objective 7: Promote 100% compliance with legal and regulatory requirements and good governance principles.**

Initiatives with satisfactory performance include undertaking ISO surveillance and recertification audit, conducted Ethics and Integrity Corruption Perception Survey and dissemination of findings, fishermen compensation amongst others.

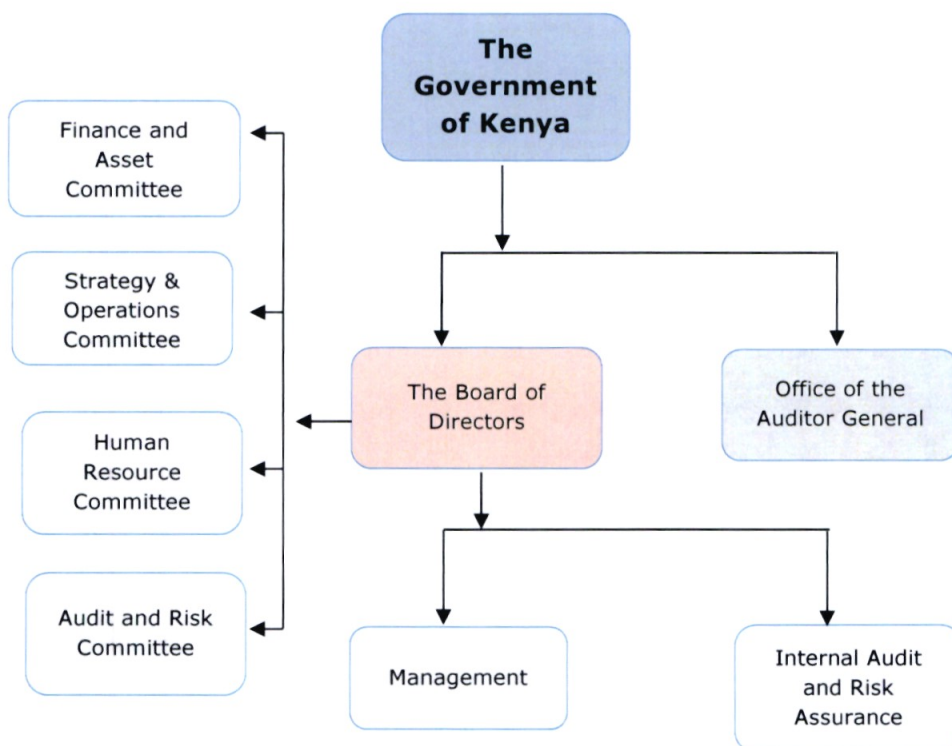
# KENYA PORTS AUTHORITY

ANNUAL REPORT & FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 30 JUNE 2025

## CORPORATE GOVERNANCE STATEMENT

The Board is committed to ensuring that the Authority is run in a professional, transparent, effective, efficient, and equitable manner so as to protect and enhance shareholder value and satisfy the interest of stakeholders. The principles and standards adhered to by the Board have been developed with close reference to the Mwongozo code of governance for state corporations and guidelines on corporate governance issued by the SCAC.

The Authority's governance structure, by appointment, is summarized in the chart below:



### Process of appointment and removal of directors

The KPA Act vests the mandate to appoint members of the Board in the Cabinet Secretary Ministry of Transport. The composition of the Board meets the parameters of Article 27 of the CoK 2010 with regards to equal opportunities. It has also captured a diversity of skills and competencies required for the achievement of the organization's long-term goals, as evidenced by the Director's data submitted herein.

Removal of directors is guided by the provisions of the State Corporations Act. The power to appoint also envisages the inherent power to remove or discharge, and as long as the power to appoint is vested in the Cabinet Secretary, members of the Board can only recommend removal.

## **CORPORATE GOVERNANCE STATEMENT (CONT'D)**

### **Board Size, Composition, and Independence**

The Board is made up of 11 directors, including 7 independent non-executive members—with the Chairman among them. Three of the directors are female. The Board composition draws a good mix of skills, experience and proficiencies in various fields. The directors' biographies are shown on pages 9 to 14. The non-executive Directors are independent of Management. Their role is to advise, constructively challenge and monitor the success of Management in delivering the agreed strategy within the risk appetite and control framework set by the board.

### **Board Charter**

Board protocols are regulated by a Board Charter as well as provisions of the Mwongozo Code of Corporate Governance, Schedule 1 of the KPA Act Chapter 391 of the Laws of Kenya, and the State Corporations Act.

The Board Charter defines the governance parameters within which the board exists and operates, sets out specific responsibilities of the board, its committees and directors collectively, as well as certain roles and responsibilities incumbent upon directors as individuals.

### **Roles and functions of the Board**

The Board serves as the focal point and custodian of corporate governance in the organization by providing strategic guidance and oversight. A summary of the Board's responsibilities are as follows:

- Providing entrepreneurial leadership to the Authority within a framework of prudent and effective controls which allow risk to be assessed and managed.
- Monitoring Port performance against strategic plans and objectives on a going concern basis.
- Strategy formulation and ensuring that there are adequate policies, systems, and structures to successfully implement the Authority's strategy.
- Approval of publication of the Annual report and company financial statements.
- Selection, appointment and appraisal of senior managers.
- Approval of the risk management framework and review its effectiveness
- Reviewing the effectiveness of internal control systems for monitoring while ensuring compliance with laws and regulations.
- Reviewing and monitoring the Authority's corporate governance policies and practices to ensure that appropriate governance structures are put in place.
- Reviewing the Authority's Capital levels to ensure that there is adequate capital for the planned growth and expansion within the strategic cycle.
- Approval of among other things, major capital expenditures, borrowings, budget, write offs, acquisition of land etc.

### **Chairman and Managing Director**

The roles of the Chairman of the Board and the Managing Director remain distinct and separate. The Chairman gives overall leadership to the Board without limiting the principles of collective responsibility for the Board decisions. The Managing Director reports to the Board and takes responsibility for the effective and efficient running of the port on a day-to-day basis.

## KENYA PORTS AUTHORITY

ANNUAL REPORT & FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 30 JUNE 2025

### CORPORATE GOVERNANCE STATEMENT (CONT'D)

#### Board Induction, training and development

Upon appointment to the Board the directors are provided with a comprehensive tailored induction program covering the authority's business operations and regulatory framework. The induction provides an overview of the Organization's operating environment and new developments and entails a series of well-planned capacity development activities. The newly appointed Board members also visit all the Authority's offices for familiarization to understand the intricacies of different business operations.

The Authority provides professional development education to each board member through training to sharpen their skills and knowledge through continuous education and professional development.

Training conducted for the Directors during FY 2024/25 and their attendance is summarized below;

Capacity Building program for Board Chairman & Board Members held at KSG, Mombasa from 16/09/24 to 18/09/24

Hon. Benjamin Tayari  
Hon. Lucas Maitha  
Mr. Emmanuel Kibet  
HE. Ahmed Muktar

Board Port & Maritime Leadership Development Training of the Board Audit Committee and thereafter a study tour of the port of Jebel Ali, UAE from 2<sup>nd</sup> to 6<sup>th</sup> June 2025

Hon. Hon. Benjamin Tayari  
Hon. Lucas Maitha  
HE. Ahmed Muktar  
Dr. Consolata Lusweti  
Mr. Wilson Mwai  
Ms. Beatrice Nyamoita  
Mr. Chris Makokha  
Ms. Cheryl Majiwa

Directors Induction workshop was held in Naivasha from 27/03/25 to 29/03/25

Mr. Wilson Mwai  
Ms. Cheryl Majiwa  
Dr. Consolata Lusweti

#### Board and members performance

Corporate governance best practices require that the Board of Directors conduct a self-evaluation of its performance on an annual basis. Further, Mwongozo, the Code of Governance State Corporations, requires that the Board of Directors in State Corporations carry out annual performance evaluation and file a report thereof with the parent Ministry and the SCAC.

The Authority's Board's Self-evaluation for the year 2024/2025 was conducted as a self/peer review with each Board Member completing a form for the Board (BE 1), Chairman (BE 2), self and fellow Board Members (BE 3), CEO (BE 4) and (BE 6) Internal Auditor, and the results were analyzed to obtain an aggregate Authority mean score, shown below;

|                             | Raw   | %     |
|-----------------------------|-------|-------|
| Name                        | Score | Score |
| Corporate Board Performance | 4.4   | 88.08 |

## KENYA PORTS AUTHORITY

ANNUAL REPORT & FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 30 JUNE 2025

### CORPORATE GOVERNANCE STATEMENT (CONT'D)

#### Board Meetings

The Board and its committees meet regularly in accordance with business requirements. The board's work plan together with the calendar of meetings for the FY 2024/2025 were fixed in advance and provided to all the directors. Adequate notice was given for each meeting and the agenda and supporting papers were distributed in advance to all the board and committee members to allow time for appropriate review.

Meetings of the board are structured to allow sufficient time for consideration of the matters to be discussed. All directors participate in discussing strategy, performance, financial and risk management of the Port.

The chairpersons of board committees report at each meeting of the board on the activities of the committee since the previous Board meeting. The board receives regular reports from the Managing Director on the maritime trade environment, strategy, business development and financial performance of the port. Members of the executive management are regularly invited to attend board and committee meetings as required to make presentations that give directors an insight into specific technical business areas.

During FY 2024/25 the Authority had 5 regular Board meetings, 2 Special Board meetings and 2 Strategic Board meetings with several meetings of the Committees of the Board. The attendance is as indicated below.

| Director Name                     | Board Position | Full Board  |                      | Special Board |                      | Strategic Board |                      |
|-----------------------------------|----------------|-------------|----------------------|---------------|----------------------|-----------------|----------------------|
|                                   |                | No. of Mtgs | No. of Mtgs attended | No. of Mtgs   | No. of Mtgs attended | No. of Mtgs     | No. of Mtgs attended |
| Hon. Benjamin Tayari              | C              | 5           | 5                    | 2             | 2                    | 2               | 2                    |
| Capt. William K. Ruto, AFNI, MBS. | MD             | 5           | 5                    | 2             | 2                    | 2               | 2                    |
| Hon. Lucas Maitha                 | D              | 5           | 5                    | 2             | 2                    | 2               | 2                    |
| Mr. Lawrence Kibet                | AD (NT)        | 5           | -                    | 2             | 1                    | 2               | -                    |
| Dr. Consolata Lusweti             | D              | 5           | 5                    | 2             | 2                    | 2               | 2                    |
| Mr. Emmanuel Kibet                | D              | 5           | 4                    | 2             | 2                    | 2               | 1                    |
| Ms. Caroline Njoki Maina          | D              | 5           | 4                    | 2             | 1                    | 2               | 1                    |
| Hon. Ahmed Muktar                 | D              | 5           | 5                    | 2             | 2                    | 2               | 2                    |
| Mr. Peter Omingo                  | D              | 5           | 5                    | 2             | 2                    | 2               | -                    |
| Mr. Wison Mwai                    | D              | 5           | 1                    | 2             | -                    | 2               | 1                    |
| Mr. Daniel Mugao                  | D              | 5           | 1                    | 2             | 1                    | 2               | 1                    |
| Mr. Mohamed Daghar                | Director       | 5           | 1                    | 2             | -                    | 2               | -                    |
| Ms. Beatrice Nyamoita             | AD (MoRT)      | 5           | 5                    | 2             | 1                    | 2               | 2                    |
| Hon. Shadrack J Mose              | AD (AG)        | 5           | 1                    | 2             | 1                    | 2               | 1                    |
| Mr. Philip J. Mainga              | MD (KRC)       | 5           | 1                    | 2             | -                    | 2               | -                    |
| Ms. Cheryl Majiwa                 | AD (NT)        | 5           | 5                    | 2             | 1                    | 2               | 1                    |
| Mr. Chris Makokha                 | IG SCs         | 5           | 4                    | 2             | 1                    | 2               | 2                    |

**CORPORATE GOVERNANCE STATEMENT (CONT'D)****Board Committees**

The Board operates under a comprehensive structure made up of committees established to assist in discharging its responsibilities and obligations as guided by the State Corporation Act Cap 446, section 9 and the Mwongozo Code of Conduct Chapter 1 Section 1.7. These committees assist the board in carrying out its functions and ensuring that there is independent oversight of internal controls and risk management.

The appointment of members to these committees draws on the skills and experience of individual directors. The role played by board committees forms the principal point of contact between the Directors and Management. All committees have at least four non-executive directors as members. The chair of the committee is a non-executive director. The chairman of the Board does not sit in any of the committees.

At every full board meeting, the chair of each committee presents a report on its activities, decisions and recommendations of their respective committees since the date of the previous meeting for further consideration and approval where necessary.

Details of the committees are as given below;

| <b>Finance &amp; Assets Committee</b> | <b>Strategy &amp; Operations Committee</b> | <b>Human Resources Committee</b> | <b>Audit &amp; Risk Committee</b> |
|---------------------------------------|--------------------------------------------|----------------------------------|-----------------------------------|
| Mr. Emmanuel Kibet (Chairperson)      | Hon. Lucas Maitha (Chairperson)            | Mr. Peter Omingo (Chairperson)   | HE. Ahmed Muktar (Chairperson)    |
| Hon. Lucas Maitha                     | HE. Ahmed Muktar                           | Mr. Emmanuel Kibet               | Dr. Consolata Lusweti             |
| Mr. Peter Omingo                      | Ms. Caroline Njoki Maina                   | Dr. Consolata Lusweti            | Ms. Caroline Njoki Maina          |
| Ms. Cheryl Majiwa                     | Ms. Beatrice Nyamoita                      | Ms. Beatrice Nyamoita            | Mr. Wilson Maina                  |
| Ms. Beatrice Nyamoita                 | Mr. Philip Mainga                          | Hon. Shadrack Mose               | Ms. Beatrice Nyamoita             |
| Hon. Shadrack Mose                    | Mr. Wilson Maina                           | Mr. Chris Makokha                | Ms. Cheryl Majiwa                 |
| Mr. Chris Makokha                     | Mr. Chris Makokha                          |                                  | Mr. Fred Oyugi                    |
| Capt. William K. Ruto, AFNI, MBS      | Capt. William K. Ruto, AFNI, MBS           | Capt. William K. Ruto, AFNI, MBS |                                   |

**Finance and Assets Committee****Mandate**

The core function of the Finance and Asset Committee is to ensure that the undertakings of the Authority are operated efficiently, and according to sound commercial principles in accordance with Part V and VI of the KPA Act 1978.

**Membership**

The committee is led by a non-executive director, while the membership comprises of three (3) independent & non-executive directors and one (1) non-executive director.

## KENYA PORTS AUTHORITY

ANNUAL REPORT & FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 30 JUNE 2025

### CORPORATE GOVERNANCE STATEMENT (CONT'D) Finance and Assets Committee (Cont'd)

| Director              |             | Meetings |          | Date of Appointment & Expiry of Contract |
|-----------------------|-------------|----------|----------|------------------------------------------|
|                       |             | Held     | Attended |                                          |
| Mr. Emmanuel Kibet    | Chairperson | 5        | 4        | 23/01/23 to 02/05/25                     |
| Hon. Lucas Maitha     | Member      | 5        | 5        | 23/01/23 to 22/01/26                     |
| Mr. Peter Omingo      | Member      | 5        | 5        | 24/11/23 to 20/06/25                     |
| Ms. Cheryl Majiwa     | Member      | 5        | 5        | 09/05/23                                 |
| Ms. Beatrice Nyamoita | Member      | 5        | 4        | 30/11/23                                 |
| Hon. Shadrack Mose    | Member      | -        | -        | 23/12/24                                 |
| Mr. Chris Makokha     | Member      | -        | -        |                                          |

### Strategy & Operations Committee

#### Mandate

The Committee reviews and recommends to the Board matters pertaining to business strategic plans, investment decisions, annual business and financial plans and budgets. Its functions include;

- Implementation of the Authority's Strategic Plan and any emerging challenges and makes recommendations to the management.
- Develop and review the progress of the organization's strategy execution plan.
- Identifies obstacles that may hamper smooth operations and formulate policies on improvement of port performance

#### Membership

The committee is led by a non-executive director, while the membership comprises six (6) directors and the KPA Managing Director.

| Director                                               |                   | Meetings |          | Date of Appointment & Expiry of Contract |
|--------------------------------------------------------|-------------------|----------|----------|------------------------------------------|
|                                                        |                   | Held     | Attended |                                          |
| Hon. Lucas Maitha                                      | Chairperson       | 4        | 4        | 23/01/23 to 22/01/26                     |
| HE. Ahmed Muktar                                       | Member            | 4        | 4        | 24/11/23 to 23/11/26                     |
| Ms. Caroline Njoki Maina                               | Member            | 4        | 3        | 23/01/23 to 07/03/25                     |
| Ms. Beatrice Nyamoita                                  | Member            | 4        | 4        | 30/11/23                                 |
| Mr. Philip Mainga                                      | Member            | -        | -        |                                          |
| Mr. Wilson Maina                                       | Member            | 4        | 1        | 07/03/25 to 06/03/28                     |
| Mr. Chris Makokha                                      | Member            | 4        | 2        |                                          |
| Capt. William K. Ruto, AFNI, MBS                       | Managing Director | 4        | 4        | 10/03/23 to 09/03/26                     |
| <b>In Attendance:</b>                                  |                   |          |          |                                          |
| General Manager Operations                             |                   | 4        | 4        |                                          |
| General Manager Engineering Services                   |                   | 4        | 4        |                                          |
| Corporation Secretary & General Manager Legal Services |                   | 4        | 4        |                                          |
| General Manger Corporate Research & Compliance         |                   | 4        | 4        |                                          |

**CORPORATE GOVERNANCE STATEMENT (CONT'D)**  
**Strategy & Operations Committee (Cont'd)**

| Director                                   | Meetings |          | Date of Appointment & Expiry of Contract |
|--------------------------------------------|----------|----------|------------------------------------------|
|                                            | Held     | Attended |                                          |
| <b>In Attendance:</b>                      |          |          |                                          |
| General Manager Corporate Services         | 4        | 4        |                                          |
| General Manager Ferry Services             | 4        | 4        |                                          |
| General Manager Infrastructure Development | 4        | 4        |                                          |

**Human Resources Committee**

**Mandate**

The committee reviews the Human Resources policies and procedures and company staff welfare and reward system. The functions include;

- The committee ensures that the Authority maintains a policy of providing remuneration packages that fairly reward staff for their contribution to the business, whilst considering the need to attract, retain and motivate staff of the highest caliber.
- Continually examine the Company structure
- Engagement, recruitment of senior management staff (KPA 5 to KPA 2)

**Membership**

The committee is led by a non-executive director, while the membership comprises five (5) directors.

| Director              |             | Meetings |          | Date of Appointment & Expiry of Contract     |
|-----------------------|-------------|----------|----------|----------------------------------------------|
|                       |             | Held     | Attended |                                              |
| Mr. Peter Omingo      | Chairperson | 4        | 4        | 24/11/23 to 20/06/25<br>23/01/23 to 02/05/25 |
| Mr. Emmanuel Kibet    | Member      | 4        | 1        | 20/06/25 to 19/06/28                         |
| Dr. Consolata Lusweti | Member      | 4        | 4        | 23/01/23 to 22/01/26                         |
| Ms. Beatrice Nyamoita | Member      | 4        | 4        | 30/11/23                                     |
| Hon. Shadrack Mose    | Member      | 4        | 1        | 23/12/24                                     |
| Mr. Chris Makokha     | Member      | 4        | 2        |                                              |

**Audit and Risk Committee**

**Mandate**

The committee plays a vital role in ensuring the integrity of financial statements prior to their review and approval by the board. Its functions include;

- Review of financial reports and compliance with applicable financial reporting standards
- Oversight of the organization's internal audit functions
- Receives and reviews reports of the Internal and External Auditors and management's corrective response to the findings
- Monitoring compliance with legal and regulatory requirements
- Reviewing risk management issues within the company

## KENYA PORTS AUTHORITY

ANNUAL REPORT & FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 30 JUNE 2025

### CORPORATE GOVERNANCE STATEMENT (CONT'D) Audit and Risk Committee (Cont'd)

#### Membership

The committee is led by a non-executive director, while the membership comprises of five (5) independent & the KPA General Manager Internal Audit.

| Director                 |             | Meetings |          | Date of Appointment & Expiry of Contract |
|--------------------------|-------------|----------|----------|------------------------------------------|
|                          |             | Held     | Attended |                                          |
| HE. Ahmed Muktar         | Chairperson | 4        | 4        | 24/11/23 to 23/11/26                     |
| Dr. Consolata Lusweti    | Member      | 4        | 4        | 23/01/23 to 22/01/26                     |
| Ms. Caroline Njoki Maina | Member      | 4        | 3        | 23/01/23 to 07/03/25                     |
| Mr. Wilson Maina         | Member      | 4        | 1        | 07/03/25 to 06/03/28                     |
| Ms. Beatrice Nyamoita    | Member      | 4        | 4        | 30/11/23                                 |
| Ms. Cheryl Majiwa        | Member      | 4        | 4        | 09/05/23                                 |
| Dr. CPA Fred Oyugi       | Secretary   | 4        | 4        |                                          |

#### Succession Plan

The Board has in place a structure that ensures business continuity in the absence of the MD where any of the General Managers can be nominated to perform the duties of the office of the Managing Director.

#### Directors' External Activities and Conflict of Interest

The Authority's Board recognizes the importance of disclosure in any circumstance that may give rise to an actual or potential conflict of interest. Directors have a statutory duty to avoid situations and engagements which may conflict with the interests of the Authority. The Board also requires all directors to make disclosures at the beginning of each Board and Board committee meeting by signing a conflict-of-interest register and any emerging interest is recorded.

The Independent directors are not in the service of the National or County Governments and do not hold positions in more than two state corporations as described in the table.

#### Board Remunerations

The non-executive Board members are paid a taxable sitting allowance of KES 20,000 for every meeting attended as provided for by the GoK circulars and has been disclosed under note 8 of the financial statements. Directors' fees are paid to directors subject to approval by the MoRT in liaison with the National Treasury and Planning. As at the close of the financial year, no requisite approval from the National Treasury on payment of Directors' fees from FY 2013/2014 to FY 2024/2025 had been received. Directors' fees are provided for in the financial statements upon approval of the Financial Statements by the Board and payable on submission of the audit report by the office of the Auditor General for the respective financial year statements. Non-executive Board members not representing any Government institutions are paid Directors' fees directly while Directors' fees for those representing the Government and/or its institutions are paid to the Cabinet Secretary, National Treasury as a body corporate.

All Directors are paid annually a director's fee of KES 600,000 or pro rata subject to the National Treasury's approval for any part served thereof, for each eligible Director. The Authority granted no loans to its directors during the year. Board of Directors are paid a bonus upon achieving targets set in the performance contract. The Directors are also provided with personal insurance cover.

## **CORPORATE GOVERNANCE STATEMENT (CONT'D)**

### **Governance Audit**

During the FY, the Authority engaged a consultant to offer consultancy services on governance instruments. This will enable the Authority to review and monitor the Authority's corporate governance policies and practices.

### **Ethics and Integrity Statement**

The Board is committed to the promotion of good Corporate Governance as envisaged in the Authority's strategic plan. The Authority has in place an Ethics and Integrity policy that is posted on its website.

Unethical corrupt practices or public complaints can be and are reported through the following dedicated email address: [stopcorruption@kpa.co.ke](mailto:stopcorruption@kpa.co.ke).

In addition, stakeholders can also reach us through the following lines: -

Managing Director: +254 - 41 - 2113497

Manager, Ethics, and Integrity: +254 - 41 - 2113464

### **Management Committees**

A significant factor in the Authority's success is the strength of the Management team. Members of the Management team bring together vital leadership skills and extensive maritime trade experience from both local and international exposure. To harness their strength, the Managing Director has established the Executive Committee of Management (EXCOM). This committee meets regularly and at least monthly to discuss strategy formulation and implementation, policy matters and financial performance.

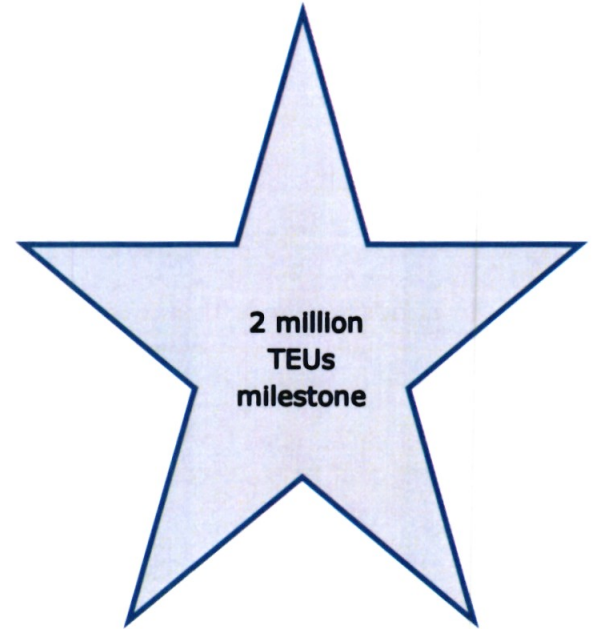
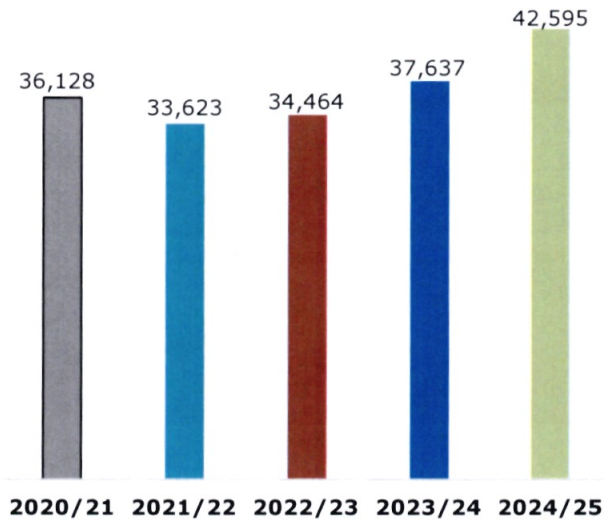
It is also responsible for ensuring compliance with the regulatory framework and guidelines and adherence to the Authority's policies and procedures. The committee also serves as the link between the Board and Management. The EXCOM also doubles up as the Public Finance Management Standing Committee (PFMSC) as per the provision of PFM Act (Regulation 18) to provide strategic guidance and oversee transactions with the objective of achieving a zero-fault audit in line with the GoK directive. The Managing Director has also established other standing committees to execute various mandates and to support the EXCOM in the realization of its objectives. Some of the committees include the Information Technology Steering Committee, Port Productivity Committee, Change Management Committee, Corporate Training committee, Tariff Committee among others.

# KENYA PORTS AUTHORITY

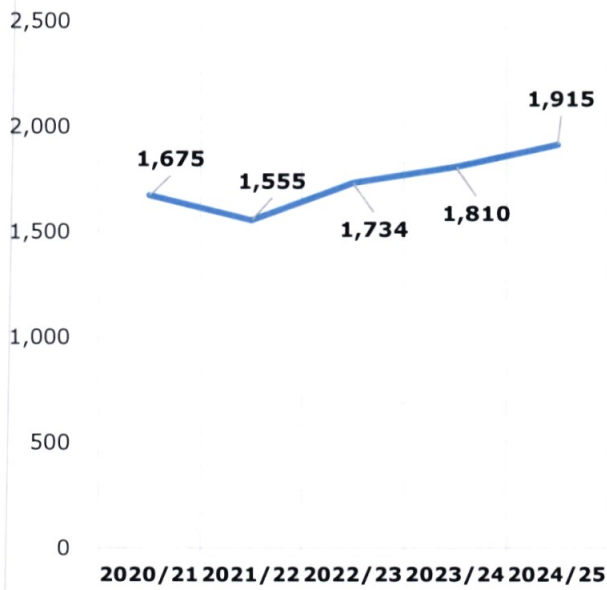
ANNUAL REPORT & FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 30 JUNE 2025

## THE YEAR IN REVIEW

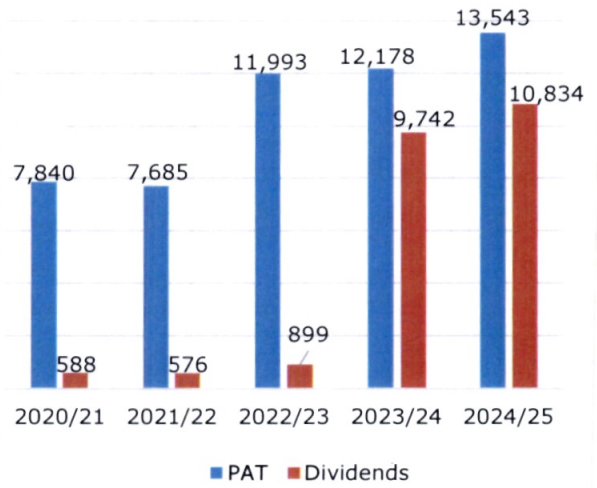
**Throughput (MTs in '000)**



**No. of Vessel Calls**



**PAT Vs. Dividends (KES'Million)**



**MANAGEMENT DISCUSSION AND ANALYSIS****1.0 Introduction**

Management wishes to present an analysis of the Authority's performance for the period ending 30 June 2025.

**2.0 Global Outlook and Performance**

The global economy remained resilient in 2024 despite ongoing challenges such as high energy and food prices and tighter monetary policies. World real Gross Domestic Product (GDP) grew by 3.2 per cent in 2024, compared with 3.3 per cent growth recorded in 2023. The Advanced Economies seemed to catch up with the output levels projected before the pandemic while the Emerging Market and Developing Economies (EMDEs) were still bearing the scars of post COVID-19 pandemic as evidenced by a large output shortfall. The advanced Economies real GDP grew by 1.7 per cent in 2024, down from 1.8 per cent in 2023. This growth was mainly supported by loosening of monetary policy, strong domestic demand and increased investment. Emerging Market and Developing Economies real GDP expanded by 4.2 per cent in 2024 compared to 4.4 per cent growth in 2023.

Sub-Saharan Africa entered 2025 with cautious optimism following a modest economic recovery in 2024. Growth was supported by improved agricultural output, easing inflation, and a rebound in services. However, this progress is now at risk. The International Monetary Funds' latest projections revise regional GDP growth downward to 3.8 per cent in 2025, reflecting a convergence of external and internal shocks. Persistent global trade tensions, tighter international financial conditions, reduced commodity revenues, and climate-related disruptions are compounding existing structural weaknesses. These challenges risk reversing gains made in poverty reduction, fiscal stability, and macroeconomic resilience.

**3.0 National Outlook and Performance (Kenya)**

Kenya's real Gross Domestic Product grew by 4.7 per cent in 2024 compared to a revised growth of 5.7 per cent in 2023. The country's trade volumes rose to KES 3.8 trillion in 2024, up from KES 3.6 trillion in 2023, driven by increased imports and exports. Export earnings grew to KES 1.1 trillion, boosted by tea, apparel, oils, fruits, coffee, and jet fuel re-exports. Imports rose to KES 2.7 trillion, mainly due to higher imports of rice, telecom equipment, plastics, machinery, and aircraft. With exports outpacing imports, the trade deficit narrowed to KES 1.594 trillion.

**4.0 Performance Summary Overview**

The Authority recorded an impressive performance with the highlight of achieving two million TEUs handled in the FY. Throughput also increased as compared to the last FY. This translated to increased revenue for the Authority and is in tandem with increase in operational cost.

**KENYA PORTS AUTHORITY**

ANNUAL REPORT & FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 30 JUNE 2025

**MANAGEMENT DISCUSSION AND ANALYSIS (CONT'D)**

**4.1 Operations**

**4.1.1 Throughput Overview**

During the period ended 30 June 2025, the Port handled a record 42,594,806 tons as compared to 37,636,576 tons registered in the similar period in 2024/2025 tons representing an increase of 4,958,230 tons or 13.2%.

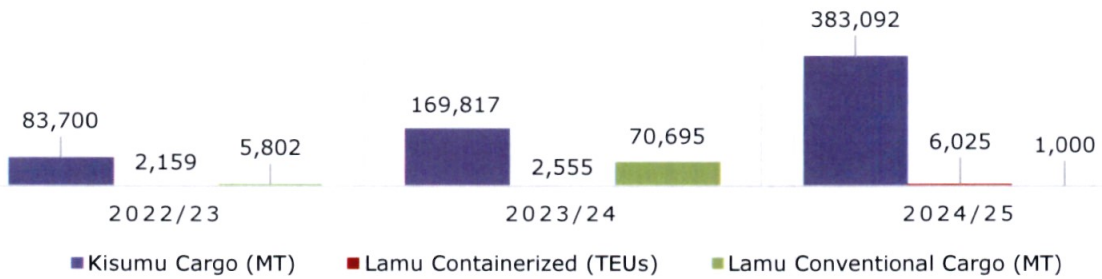
The positive performance was driven by increased handling of imports of containerised cargo and liquid bulk which grew by 1.9MT and 1.1MT respectively. Other cargo types also increased compared to the previous year, same period.

The throughput surpassed its target of 40,195,000 tons by 2,399,806 tons or 6%.

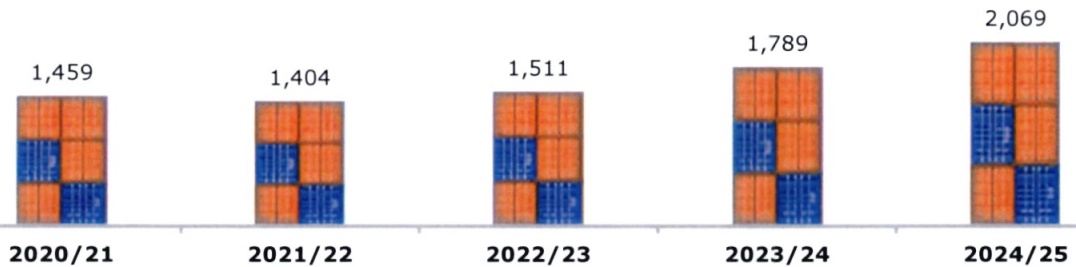
**Throughput (MTs in '000)**



**KISUMU & LAMU VOLUMES**



**CONTAINER TRAFFIC TEUS IN '000**



**KENYA PORTS AUTHORITY**

ANNUAL REPORT &amp; FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 30 JUNE 2025

**MANAGEMENT DISCUSSION AND ANALYSIS (CONT'D)****Throughput Traffic (MTs in '000) July - July 2024/2025 against 2023/2024**

| Type of Cargo          | Actual<br>2024/25 | Budget<br>2024/25 | Actual<br>2023/24 | Actual Volume<br>Change | Actual<br>Growth % |
|------------------------|-------------------|-------------------|-------------------|-------------------------|--------------------|
| <b>Non - Container</b> |                   |                   |                   |                         |                    |
| Dry Bulk               | 7,530             | 7,473             | 6,997             | 533                     | 8%                 |
| Liquid Bulk            | 10,612            | 9,814             | 9,189             | 1,422                   | 16%                |
| Conventional           | 2,505             | 1,709             | 1,600             | 905                     | 57%                |
| <b>Sub- Total</b>      | <b>20,647</b>     | <b>18,996</b>     | <b>17,787</b>     | <b>2,860</b>            | <b>16%</b>         |
| Containerized          | 21,948            | 21,199            | 19,850            | 2,098                   | 11%                |
| <b>TOTAL</b>           | <b>42,595</b>     | <b>40,195</b>     | <b>37,637</b>     | <b>4,958</b>            | <b>13%</b>         |
| <b>Import/Export</b>   |                   |                   |                   |                         |                    |
| Imports                | 32,264            | 30,412            | 28,476            | 3,788                   | 13%                |
| Exports                | 5,038             | 5,162             | 4,833             | 205                     | 4%                 |
| Transshipment          | 5,139             | 4,421             | 4,139             | 999                     | 24%                |
| Restows                | 154               | 200               | 188               | (34)                    | 18%                |
| <b>TOTAL</b>           | <b>42,595</b>     | <b>40,195</b>     | <b>37,637</b>     | <b>4,958</b>            | <b>13%</b>         |

**4.1.2 Performance Overview by Markets**

During the period July-June 2024/25, Kenya, which is a high margin market, recorded a remarkable growth of **9.2%**. The total transit cargo registered **14,415,989 tons against 12,360,468 tons** handled in the same period in 2023/24, posting a positive variance of 2,055,521 tons or 16.6%.

The strong improvement in transit performance is attributed to significant growth of Uganda cargo by **2,491,485 tons or 32.4%**. However, South Sudan and D.R.C experienced declined volumes of **415,568 or 21.5%** and **112,790 or 7.0%** respectively compared to the previous period under review.

| COUNTRY      | TRAFFIC (MTs in '000) |                   |                   | CHANGE (MTs in '000) |             |
|--------------|-----------------------|-------------------|-------------------|----------------------|-------------|
|              | ACTUAL<br>2024/25     | BUDGET<br>2024/25 | ACTUAL<br>2023/24 | ACTUAL<br>VOLUME     | ACTUAL<br>% |
| KENYA        | 22,927                | 22,574            | 21,137            | 1,790                | 9%          |
| TRANSHIPMENT | 5,139                 | 4,421             | 4,139             | 999                  | 24%         |
| UGANDA       | 10,179                | 8,210             | 7,688             | 2,491                | 32%         |
| SOUTH SUDAN  | 1,521                 | 2,069             | 1,937             | (416)                | -22%        |

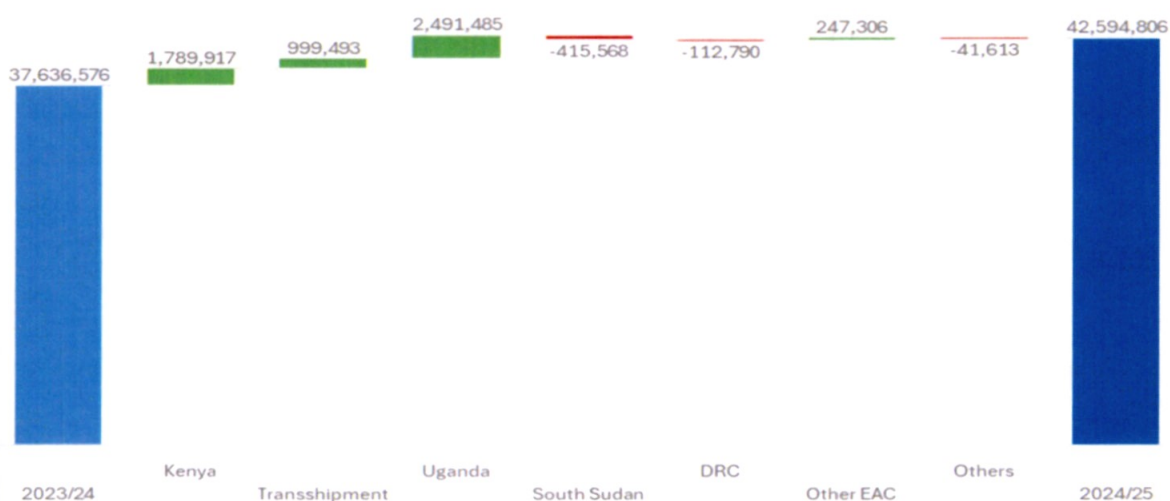
## KENYA PORTS AUTHORITY

ANNUAL REPORT & FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 30 JUNE 2025

### MANAGEMENT DISCUSSION AND ANALYSIS (CONT'D)

| COUNTRY      | TRAFFIC (MTs in '000) |                |                | CHANGE (MTs in '000) |            |
|--------------|-----------------------|----------------|----------------|----------------------|------------|
|              | ACTUAL 2024/25        | BUDGET 2024/25 | ACTUAL 2023/24 | ACTUAL VOLUME        | ACTUAL %   |
| D.R.C.       | 1,505                 | 1,728          | 1,618          | (113)                | -7%        |
| RWANDA       | 734                   | 635            | 595            | 140                  | 24%        |
| TANZANIA     | 462                   | 422            | 395            | 67                   | 17%        |
| SOMALIA      | 1                     | 0              | 0              | 1                    | 567%       |
| BURUNDI      | 76                    | 39             | 36             | 40                   | 109%       |
| ETHIOPIA     | 44                    | 95             | 89             | (45)                 | -51%       |
| OTHERS       | 6                     | 3              | 2              | 3                    | 140%       |
| <b>TOTAL</b> | <b>42,595</b>         | <b>40,195</b>  | <b>37,637</b>  | <b>4,958</b>         | <b>13%</b> |

Actual Throughput by Market 'MTs

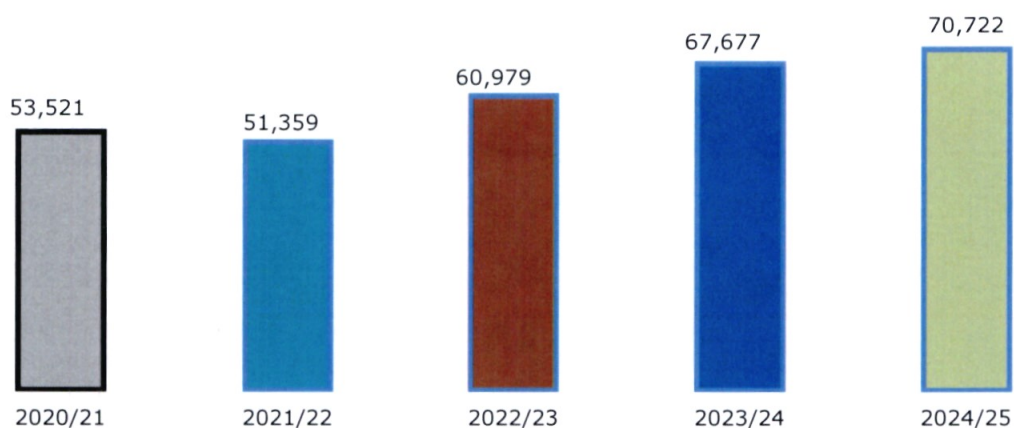


### 5.0 Revenue Performance

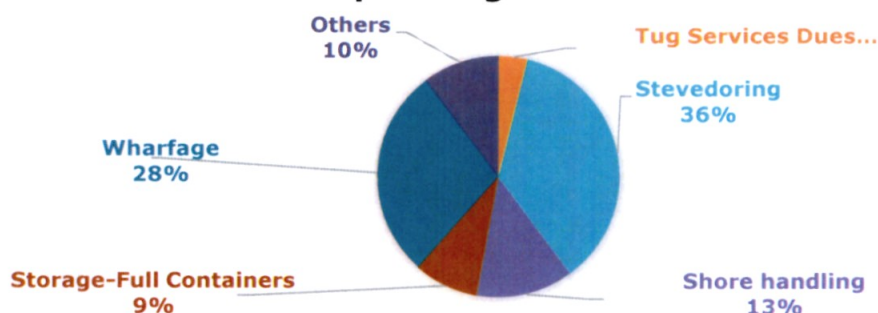
The Authority recorded total revenue (including finance income) of KES 70.722B an increase of KES 3.05B (5%) from KES 67.677B last FY 2023/2024. Five (5) major revenue heads mainly Stevedoring, Wharfage, Tug Services, Shore Handling and Storage recorded revenues of KES 24.708B, KES 19.450B, KES 2.692B, KES 8.966B & KES 5.915B respectively. Cumulatively, these five (5) revenues heads recorded 87.18% (KES 61.688B) out of the KES 70.722B total revenue (including finance income) recorded in the FY. Throughput increased by 13.2% compared to same period last year and revenue increased by 5%.

**MANAGEMENT DISCUSSION AND ANALYSIS (CONT'D)**

**Total Revenue (+Finance Income & Gains) KES'Million**



**Operating Revenue**



**5.1.1 Revenue Classes Performance**

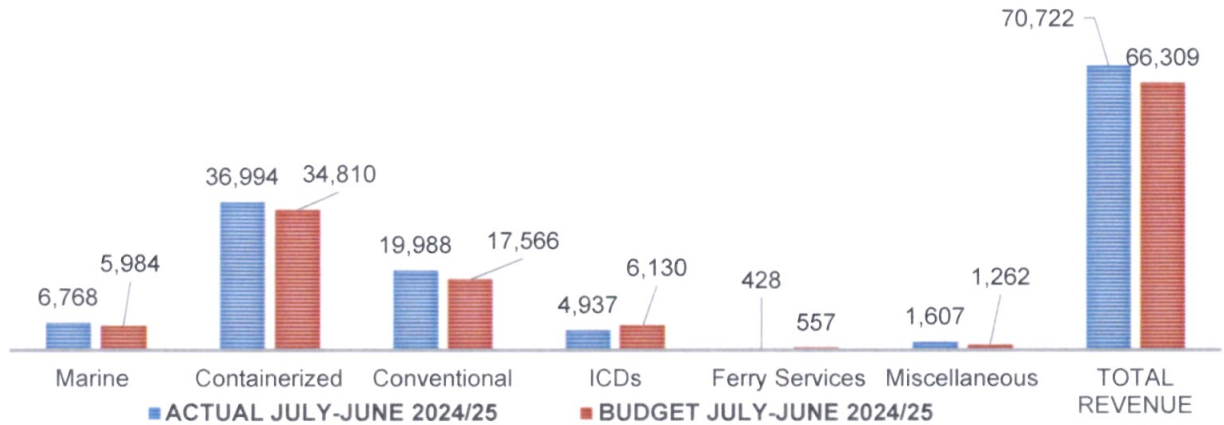
Below is a summary of revenue performance per class, for the period compared to same period last year and budget.

**Revenue Classes Performance (in KES Millions)**

|                      | FY 2024/25    |               |                        | FY 2023/24    |             |
|----------------------|---------------|---------------|------------------------|---------------|-------------|
|                      | Actual        | Budget        | Actual/<br>Budget<br>% | Actual        | Actual<br>% |
| Marine               | 6,768         | 5,984         | 13%                    | 6,523         | 4%          |
| Containerized        | 36,994        | 34,810        | 6%                     | 35,974        | 3%          |
| Conventional         | 19,988        | 17,566        | 14%                    | 17,752        | 13%         |
| ICDs                 | 4,937         | 6,130         | -19%                   | 4,985         | -1%         |
| Ferry Services       | 428           | 557           | -23%                   | 608           | -30%        |
| Miscellaneous        | 1,607         | 1,262         | 27%                    | 1,835         | -10%        |
| <b>Total Revenue</b> | <b>70,722</b> | <b>66,309</b> | <b>7%</b>              | <b>67,677</b> | <b>5%</b>   |

**MANAGEMENT DISCUSSION AND ANALYSIS (CONT'D)**

**BUDGET VS ACTUAL (KES MILLION)**



Marine revenue performed above the budget and previous year resulting to a favourable variance of KES 784 million or 13% and KES 245 million or 4%, respectively. This is driven by the increased number of the container cargo vessels handled. There has been an increase in vessels calls due to growth of transshipment business.

During the period under review, container traffic recorded a 2,068,649 TEUs against 1,788,938 TEUs handled in the same period in 2023/24 registering an increase of 279,711 TEUs or 15.6%. Transshipment Traffic was the major driver for growth over the period recording an increase of 116,211 TEUs or 33.5%. In addition, there was a growth in both Imports and Exports segments which registered a strong positive performance of 85,008 TEUs or 11.6% and 80,340 TEUs or 11.5% respectively, brought about by Macroeconomic stability and increased economic activities in Kenya and the transit markets.

Operating revenue earned at the Depots recorded an unfavourable variance during the period compared to the budget. The adverse variance was at -19% below the budget. ICD was negatively affected by the directive to allow clearance of cargo destined for Nairobi at the Port of Mombasa and emergence of competition. There are various initiatives by management to improve its performance including offering volume rebates and discounted tariff.

Conventional cargo throughput increased in the year under review exceeding budget projections and throughput handled same period last year. This was as a result of an increase in the throughput of bulk cargo especially petroleum and vegetable oil and supplemented by growth other conventional cargo handled in the period.

**MANAGEMENT DISCUSSION AND ANALYSIS (CONT'D)**

The revenue generated from ferry services during the reporting period experienced a decline of 30% compared to the previous year. This is primarily due to the diversion of traffic to the recently commissioned Dongo Kundu bypass. High-revenue vehicles such as trucks and tourist vans have shifted to the bypass, as their primary starting points Mombasa Port and Moi International Airport.

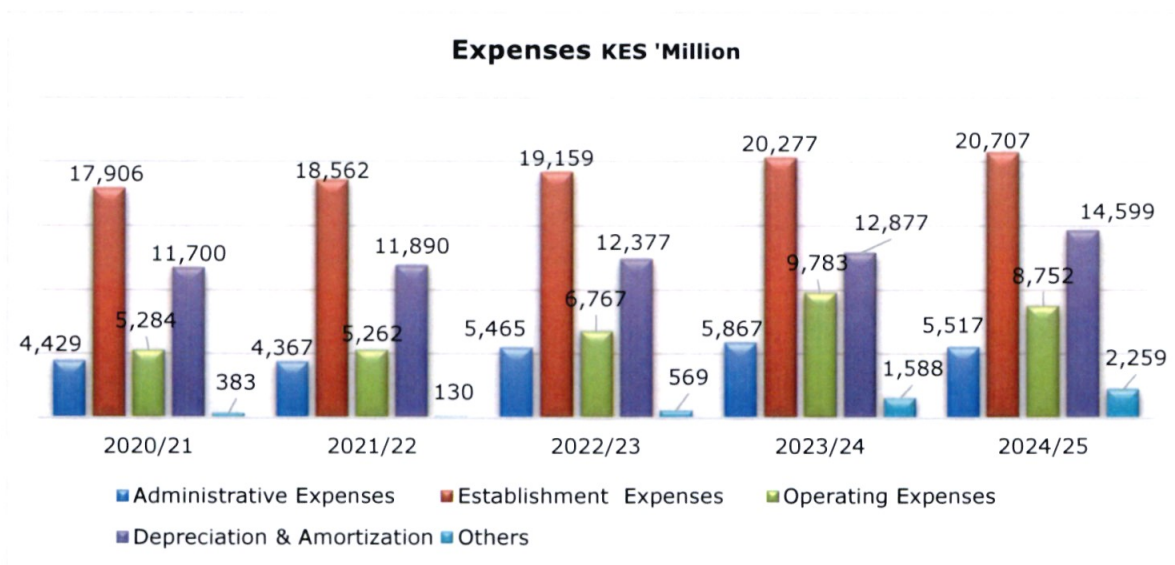
Revenue earned from miscellaneous services during the period had a significant favourable variance of 27% compared to budget. The major driver is a result of revenue recognition from rental income. This was for tenants occupying Authority premises with expired leases.

**6.0 Total Expenditure of KES 51,834 Million**

An increase in expenditures by KES 1.512B (3.00%) was recorded this FY from KES 50.392B to KES 51.834 B. Administrative expenses decreased by 5.97% (KES 351M), Establishment expenses increased by 2.12% (KES 430M), Operating expenses decreased by 10.53% (KES 1.03B) and Depreciation & Amortization expenses increased by 13.38% (KES 1.723B).

The increased throughput led to higher utilization of consumables such as fuel, spares and electricity.

Below is a table summarising the expenditure classes.



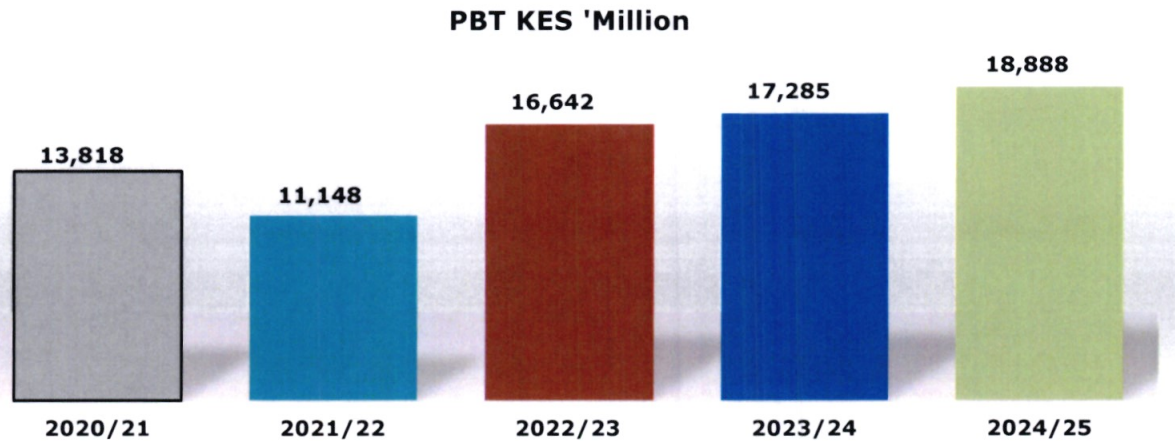
**7.0 Profits KES 18,888 Million**

Profit before Tax (PBT) for the Authority increased by 9.28% (KES 1.604B) from KES 17.285B to KES 18.888B. The Authority's operations since FY 2019/2020 have recorded 130.83% (KES 10.699B) increase in PBT from KES 8.178B to KES 18.877B.

## KENYA PORTS AUTHORITY

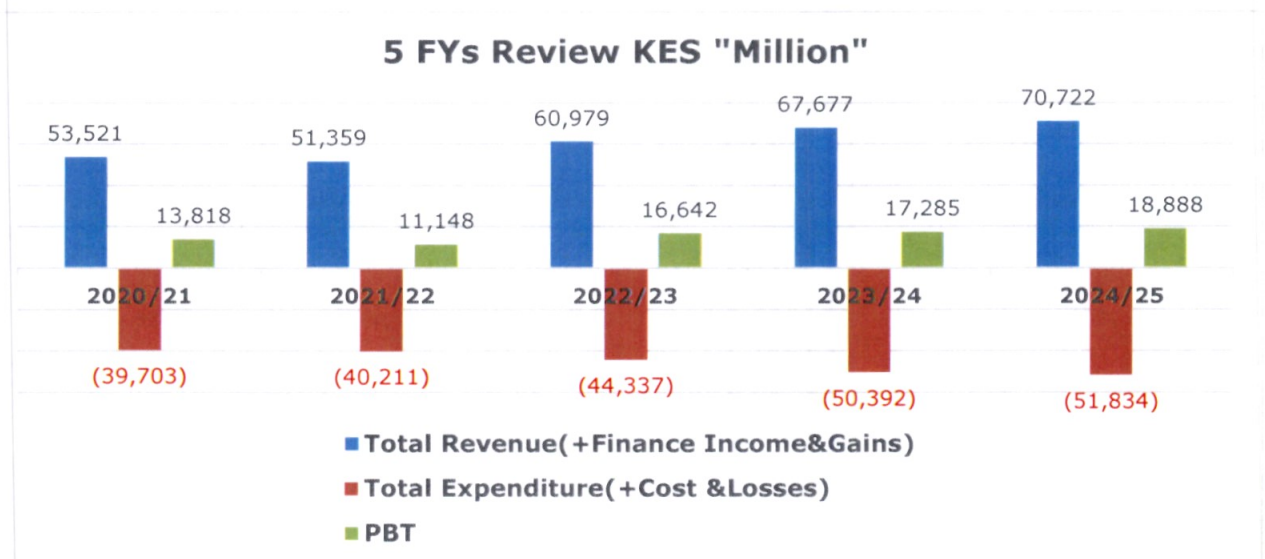
ANNUAL REPORT & FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 30 JUNE 2025

### MANAGEMENT DISCUSSION AND ANALYSIS (CONT'D)



A five (5) year review of the Authority's revenue against expenditure indicates a growth.

| <b>Summarized Statement of Profit or Loss</b> |               |               |               |               |               |
|-----------------------------------------------|---------------|---------------|---------------|---------------|---------------|
|                                               | 2020/2021     | 2021/2022     | 2022/2023     | 2023/2024     | 2024/2025     |
|                                               | KES 'M        | KES 'M        | KES 'M        | KES 'M        | KES 'M        |
| Total Revenue                                 | 52,851        | 50,639        | 58,944        | 67,041        | 70,343        |
| Total Operating Expenses                      | (39,320)      | (40,081)      | (43,768)      | (48,804)      | (49,575)      |
| <b>Operating Profit</b>                       | <b>13,530</b> | <b>10,558</b> | <b>15,177</b> | <b>18,236</b> | <b>20,768</b> |
| Finance Income                                | 168           | 167           | 266           | 589           | 379           |
| Finance Cost                                  | (140)         | (130)         | (526)         | (1,079)       | (820)         |
| Impairment (loss)/Gain                        | (243)         | 55            | (43)          | (508)         | (528)         |
| Other Gain/(Loss)                             | 503           | 498           | 1,769         | 47            | (912)         |
| <b>PBT</b>                                    | <b>13,818</b> | <b>11,148</b> | <b>16,642</b> | <b>17,285</b> | <b>18,888</b> |
| Tax Charge                                    | (5,978)       | (3,463)       | (4,649)       | (5,106)       | (5,345)       |
| <b>PAT</b>                                    | <b>7,840</b>  | <b>7,685</b>  | <b>11,993</b> | <b>12,178</b> | <b>13,543</b> |



**MANAGEMENT DISCUSSION AND ANALYSIS (CONT'D)**

**8.0 Financial Position KES 363,708 Million**

|                                     | <b>Summarized Statement of Financial Position</b> |                  |                  |                  |                  |
|-------------------------------------|---------------------------------------------------|------------------|------------------|------------------|------------------|
| <b>Assets:</b>                      | <b>2020/2021</b>                                  | <b>2021/2022</b> | <b>2022/2023</b> | <b>2023/2024</b> | <b>2024/2025</b> |
|                                     | <b>KES 'M</b>                                     | <b>KES 'M</b>    | <b>KES 'M</b>    | <b>KES 'M</b>    | <b>KES 'M</b>    |
| Total Non-Current Assets            | 280,791                                           | 307,383          | 313,642          | 321,937          | 329,428          |
| Total Current Assets                | 23,425                                            | 31,021           | 33,350           | 28,954           | 33,640           |
| <b>Total Assets</b>                 | <b>304,216</b>                                    | <b>338,404</b>   | <b>346,992</b>   | <b>350,891</b>   | <b>363,068</b>   |
| <b>Equity and Liabilities</b>       |                                                   |                  |                  |                  |                  |
| Total Capital and Reserves          | 192,876                                           | 222,692          | 215,084          | 221,517          | 266,458          |
| Total Non-Current Liabilities       | 94,193                                            | 103,294          | 118,976          | 112,279          | 71,874           |
| Total Current Liabilities           | 17,147                                            | 12,417           | 12,932           | 17,095           | 24,736           |
| <b>Total Equity and Liabilities</b> | <b>304,216</b>                                    | <b>338,404</b>   | <b>346,992</b>   | <b>350,891</b>   | <b>363,068</b>   |

**8.1.1 Assets & Liabilities**

The Authority’s Balance Sheet trend has been on upward trajectory over the last five (5) FYs from KES 304,216 million to KES 363,068 million, a 19.35% increase. This FY recorded 3.47% (KES 12,177 million) increase from KES 350,891 million to KES 363,068 million. All categories of the Balance Sheet items recorded an improvement.

The semi-annual repayment for JICA loan 2 (KE P30) also become effective in March 2025 and has been factored into the current Liabilities. The balance of dividend for FY 2023/2024 of KES 2,742 million is also payable in FY 2025/2026.

**8.1.2 Non-Current Assets**

Non-current assets amounted to KES 329,428 million during the period, up from KES 321,937 million reported in the comparative period. The increase of 2.3% is attributed to additions of new assets.

**8.1.3 Current Assets**

Current assets stood at KES 33,639 million compared to KES 28,954 million recorded last year, an increase of 16.18%. The increase is attributed to increase in Trade and Other Receivables.

**8.1.4 Cash & Cash Equivalents KES 7,996 million**

Cash in bank & at hand amounted to KES 7,996 million during the period under review compared to KES 7,098 million recorded during the comparative period.

## **KENYA PORTS AUTHORITY**

**ANNUAL REPORT & FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 30 JUNE 2025**

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### **MANAGEMENT DISCUSSION AND ANALYSIS (CONT'D)**

#### **8.1.5 Reserves**

Reserves stood at KES 266,457 million compared to KES 221,517 million recorded last year, an increase of 20.29%. The increase is attributed to transfer of retained profits of KES 13,543 million, reclassification of Government Project funds of KES 47,800 million and transfer from Revaluation Reserves of KES 4,778 million. Reserves were negatively impacted by foreign currency gains on loans revaluation of KES 4,630 million and Actuarial deficit on the Defined Benefit Scheme of KES 1,749 million.

#### **8.1.6 Non-Current Liabilities**

Non-Current liabilities stood at KES 71,874 million compared to KES 112,279 million recorded the previous year, a decrease of 35.99%. The decrease is attributed to the reclassification of Government Project funds to General Reserves. Long Term Borrowings increased by 10.38% on account of additional disbursements relating to Stanbic Bank loan 2 and JICA Special Economic Zone loan.

#### **8.1.7 Current Liabilities**

Current liabilities stood at KES 24,736 million compared to KES 17,095 million recorded during the previous year, an increase of 44.70%. The increase is mainly attributed to unpaid dividends, accounts payables and current portion of retirement benefit liability.

#### **8.1.8 Borrowings**

**JICA loans I (KE-P25, KE-P25A):** JICA funded the implementation of the Mombasa Port Development Project phase I. The project was completed and commissioned in September 2016. As of 30 June 2025, the outstanding balance for the JICA 1 loan was JPY 19,825 million translated to KES 17,728 million

**JICA Loan II (KE-P30):** JICA funded the implementation of the Mombasa Port Development Project phase II. As of 30 June 2025, the outstanding balance for the loan was JPY 31,552 million translated to KES 28,214 million.

**JICA III (Special Economic Zone KE-P35):** The agreement on this loan is between JICA and the Government of Kenya, and on lent to KPA as the implementing Agency for the implementation of the MSEZ Development Project. As of 30 June 2025, a total of JPY 1,083 million translating to KES 969 million had been received.

**Stanbic Loan 1:** The loan was for the operationalisation of the first three Berths of Lamu Port specifically the completion of construction and procurement of marine equipment. As of 30 June 2024, a total of USD 49 Million translating to KES 6,435 million had been disbursed. Repayment of this loan started in financial year 2025. As at 30<sup>th</sup> June 2025, the outstanding balance for the loan was USD 41.52 million translated to KES 5,366 million.

**Stanbic Loan 2 -** The Loan was for the purpose of the loan is to finance the purchase of four (4) rubber tyred gantries and three (3) STS gantries for Lamu Port. As of 30 June 2025, a total of USD 39.998 million translating to KES 5,170 million had been disbursed. The equipment has been delivered. The repayments will start in July 2025.

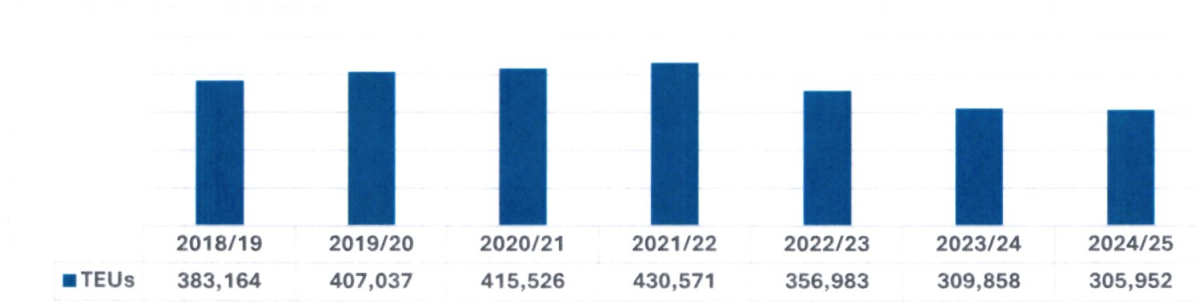
**MANAGEMENT DISCUSSION AND ANALYSIS (CONT'D)**

**8.1.9 Dividends Payment to National Treasury**

During the year, the Authority remitted KES 7,899 million to the National Treasury as Dividends comprising of KES 7,000 million and KES 899 million for financial years 2024/2025 and 2023/2024 respectively. The balance of dividends of KES 2,742 million for financial year 2024/2025 was outstanding as at 30<sup>th</sup> June 2025. The Dividend obligation for the year ended 30 June 2025 is KES 10,834.5 million and will be paid subject to approval by the board and the issuance of an audit certificate for the financial statements.

**9.0 Report on the revert/clearing of goods at importers place of clearance**

In 2019, the government issued a directive to have all cargo cleared in Inland Container Depot in Nairobi. As result, in the period 2018/19-2021/22, the ICDN recorded improved performance from 383,164 TEUs in 2018/19 to 430,571 TEUs in 2021/22 and thereafter declined in the period between the 2022/23 to 2024/25 following the change in policy to client nomination from joint KPA-KRA-KR nomination. The figure below shows the 7-year performance of the ICDN. The ICD Nairobi was refurbished in 2017 from an annual capacity of 180,000 TEUs to 450,000 TEUs. Structural readjustments on the yards have led to increased annual capacity which stands at 538,551 TEUs translating to 54.2% utilization capacity.



## **KENYA PORTS AUTHORITY**

**ANNUAL REPORT & FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 30 JUNE 2025**

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### **ENVIRONMENTAL AND SUSTAINABILITY REPORTING**

The Authority exists to transform lives. This is our purpose: the driving force behind everything we do as per the Vision 2030 flagship projects and the Strategic Plan 2023/2024 – 2027/2028 implementation matrix. It's what guides us to deliver our strategy, putting the customer/citizen first, delivering relevant services and operational excellence.

The Strategic Plan takes into account the 2030 agenda for sustainable development by ensuring contribution to attainment of various Sustainable Development Goals (SDGs).

The Authority's current sustainability efforts are focused on:

- Sustainability strategy and profile
- Environmental performance
- Employee Welfare
- Market Place Practice
  - Responsible Competition
  - Supply Chain Relation
  - ICT Strategy and Solutions
  - Customer Focus and Service Delivery
  - Corporate Social Investments and Sports
- Key Projects
- Quality Assurance and Risk Management

Below is an outline of the activities that promote the Authority's sustainability initiatives.

**ENVIRONMENTAL AND SUSTAINABILITY REPORTING (CONT'D)****A. Sustainability Strategy**

The Kenya Ports Authority (KPA) continues to prioritize environmental sustainability as a core pillar of its broader sustainability agenda. In line with this commitment, and in response to the growing global urgency around climate change and environmental degradation, the Authority launched the revised Green Port Policy (GPP) 2024–2028 during the year under review. This updated policy builds upon the foundation established by the initial GPP 2015, reinforcing KPA's dedication to sustainable development and aligning its operations with United Nations Sustainable Development Goals and best practices.

Globally, and in line with the UN Sustainable Development Goals (SDGs), port development and operations are changing towards meeting the requirements for sustainable people, profit, and planet. KPA focuses on lowering carbon footprint, building resilient business models and empowering its workforce. KPA contributes significantly to the attainment of the following SDGs among others:

- a) SDG 8 - Decent Work and Economic Growth - KPA supports economic growth through trade facilitation, generation of foreign exchange earnings and provides direct employment to staff and indirect employment through port related activities.
- b) SDG 9 - Industry, Innovation, and Infrastructure - KPA is committed to the development of modern infrastructure which adapts to the ever-changing technology in the shipping and maritime industry.
- c) SDG 13 - Climate Action - The Authority is implementing the Green Port Policy to ensure mitigation against the negative effects to the environment from its operations.
- d) SDG 14 - Life Below Water - In development of infrastructure the Authority undertakes strategic Environmental Social Impact Assessment to ensure preservation of the Marine ecosystem. The Authority is also committed to sustainable exploration of the Blue Economy.
- e) SDG 17 - Partnerships for the Goals - KPA continues to collaborate with other institutions including: Development Partners, Ministries, Departments County Governments and Agencies (MDACs), the Private Sector, the Community, and other regional states in realization of the SDGs.

Further, the Authority in partnership with TMEA has been implementing the Mombasa Resilient Improvement Program (MRIP) as follows.

- iv. Quality Management System (QMS) based on ISO 9001 standard
- v. Environment Management System (EMS) based on ISO 14001
- vi. Occupational Health and Safety Management System (OHSMS) based on ISO 45001 standard.

The Authority has been implementing a certified Quality Management System (QMS) based on ISO 9001 standard since 2009. Financial year 2024/25 marked the beginning of the 6<sup>th</sup> cycle of ISO 9001 QMS certification. The Authority's QMS successfully underwent a surveillance audit by KEBS in February 2025.

**ENVIRONMENTAL AND SUSTAINABILITY REPORTING (CONT'D)**

**Sustainability Strategy (Cont'd)**

**Environmental Management System (EMS) & Occupational Health and Safety Management System (OHSMS)**

The Authority in partnership with Trade Mark East Africa (TMEA) is currently implementing the EU-funded Business Environment and Export Enhancement Program (BEEEP). One of the projects in the program is the implementation of EMS and OHSMS. This will enhance the international status of the Port in line with our vision of being world class ports of choice and demonstrate environmental stewardship.

In 2024/25 FY, the Authority completed the following activities in pursuit of certification for the two management systems:

- a) Review and update of all EMS and OHSMS documentation and Risk Assessments
- b) A physical and digital awareness campaign across all KPA stations and relevant stakeholders
- c) An EMS and OHSMS internal audit covering 27 divisions in the Authority

Some of the benefits the Authority has had from implementing Management Systems include:



## **ENVIRONMENTAL AND SUSTAINABILITY REPORTING (CONT'D)**

### **B. Environmental Performance**

The Authority continues to strengthen its commitment to environmental stewardship through targeted policies and practical initiatives that promote sustainability across port operations as outlined below;

#### **📌 Green Port Policy (GPP) and Compliance**

The policy focuses on pollution prevention, resource efficiency, waste minimization and the conservation of marine and terrestrial ecosystems. Over the year, the Authority has maintained compliance with the NEMA guidelines, with all major infrastructure projects undergoing Environmental and Social Impact Assessments (ESIAs). Regular internal audits and external inspections have confirmed adherence to these regulations.

Some of the initiatives under the GPP is combating Air pollution by suppressing the dust along Berth 9 and 10 through dust suppression system. This is a key component of the Authority's ongoing GPP, which seeks to minimize the environmental footprint of port operations while protecting the health and safety of port workers, users, and surrounding communities.

Below is a picture of the dust suppression system.



#### **Energy Efficiency and Renewable Energy Initiatives**

Kenya Ports Authority (KPA) continues to leverage Kenya's strong renewable energy profile, with over 75% of the national energy mix derived from hydro, geothermal, wind, and solar sources. Building on this advantage, the Port of Mombasa now generates over 750 kWh of solar energy, reducing reliance on the national grid and significantly lowering operational costs. This transition not only supports the national goal of affordable and clean energy but also enhances energy security for critical port operations.

In addition to harnessing solar power, KPA has taken proactive steps to improve energy efficiency across its facilities. These include the replacement of conventional lighting systems with energy-efficient LED technology, and the pilot deployment of solar energy at key operational sites such as administrative buildings and workshops.

**ENVIRONMENTAL AND SUSTAINABILITY REPORTING (CONT'D)**

**Environmental Performance (Cont'd)**

**Reduction of Environmental Impact from Services.**

The Authority has also advanced its paperless office initiative by digitizing records, workflows and billing systems. Online cargo tracking and customer service platforms have reduced the need for physical documentation and in-person visits, contributing to a lower carbon footprint. KPA is actively reducing Carbon Dioxide (CO<sub>2</sub>) emissions by upgrading cargo handling equipment, promoting cleaner fuels, and introducing fuel-efficient and hybrid vehicles into its fleet.



**Electric Forklift**



**Hybrid RTG**



**LED Efficient Lights**



**Solar Panels**

To ensure continuous improvement, energy consumption is monitored regularly, enabling the Authority to track progress and identify further opportunities for optimization.

**ENVIRONMENTAL AND SUSTAINABILITY REPORTING (CONT'D)**

**Environmental Performance (Cont'd)**

**Biodiversity Management**

Marine pollution has been a critical challenge for coastal ecosystems and to this end the GPP introduces enhanced waste management systems to prevent plastic and chemical discharges into the ocean, to protect marine life and curb pollution. Additionally, KPA is implementing strict oil spill containment protocols to safeguard marine biodiversity.

Equally with port expansions often threatening fragile ecosystems, KPA's GPP will ensure that development does not come at nature's expense. Through collaboration with environmental agencies, the local communities and the national government, the authority is implementing coastal and marine conservation programs. These include mangrove restoration projects and measures to mitigate the impact of port activities on nearby wildlife habitats.



Mangrove restoration in Tsunza



Mangrove restoration in Mkupe

**The Authority Advances Climate Action Through Mangrove Growing and Carbon Asset Development**

To this effect the Authority has engaged four contractors for a period of three (3) years to spearhead Mangrove Growing and Carbon Asset Development initiatives.

The progress made contributes significantly to carbon sequestration efforts and reinforces the Authority's role in supporting Kenya's blue economy and global climate goals.

The following are some of the conservation programmes carried out in the last financial year:

| Company             | No. of Mangrove trees | Zone                                                    |
|---------------------|-----------------------|---------------------------------------------------------|
| Tarzon Enterprises  | 87,000                | Zone 4-Shimoni, Wasini and vanga (Kwale County)         |
| Uniah Ventures      | 213,000               | Zone 1-Ngomeni, Mida, Kilifi and Mtwapa (Kilifi County) |
| Sea Horse           | 86,200                | Zone 2-Tudor and porteiz creeks (Mombasa County)        |
| Princos Company Ltd | 42,000                | Zone 3-Ukunda, Gazi, Ramisi and Funza (Kwale county)    |

# KENYA PORTS AUTHORITY

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## ENVIRONMENTAL AND SUSTAINABILITY REPORTING (CONT'D)

### Environmental Performance (Cont'd)

In line with the Presidential directive to participate in monthly national tree growing exercises, additional mangrove and terrestrial tree planting activities were undertaken during the reporting period. The Authority staff also actively contributed by planting terrestrial trees within their homesteads, a move that was successfully driven through targeted helpdesk campaigns.

| Category                           | No. planted |
|------------------------------------|-------------|
| Mangroves                          | 13,730      |
| Terrestrial trees from the nursery | 5,361       |
| KPA staffs                         | 34,870      |



### Waste Management

The Authority enforces a waste management policy that emphasizes reduction, segregation, recycling and responsible disposal. Waste oil and other hazardous materials are handled in accordance with international safety standards. Initiatives to reduce the use of ozone-depleting substances have been implemented and vessels are required to adhere to garbage disposal protocols as guided by MARPOL

Waste segregation infrastructure at the new Kipevu clinic



**ENVIRONMENTAL AND SUSTAINABILITY REPORTING (CONT'D)****Environmental Performance (Cont'd)****Climate Change Initiatives**

The Authority acknowledges the port's vulnerability to climate change effects, especially sea-level rise and extreme weather. The Authority has initiated a climate risk assessment to inform long-term infrastructure planning. There is ongoing dialogue with national and regional stakeholders on integrating climate resilience into port development. Plans for green infrastructure, including permeable paving and stormwater management systems, are part of the design for upcoming projects.

**Social and Environmental Mitigation Measures.**

For major port expansion projects, KPA has implemented Environmental and Social Management Plans (ESMPs), which include resettlement and compensation for affected persons. Community engagement forums are held regularly to discuss concerns and provide updates. Environmental monitoring programs track air and water quality to ensure that operations remain within safe thresholds.

**Compensation of Fishermen**

Fisheries survey was conducted to determine the impact of dredging activities associated with port expansion. The outcome was identification of fishing grounds that would be impacted by dredging activities. A total of 3,867 BMU members were compensated KES. 283M.

**Carbon Emission Overview**

In conclusion, the **carbon footprint** for the **Port of Mombasa (POM)** in 2024 was assessed across three categories:

- **Scope 1:** Direct emissions from sources owned or fully controlled by POM, such as on-site fossil fuel combustion.
- **Scope 2:** Indirect emissions resulting from the purchase of electricity.
- **Scope 3:** Other indirect emissions associated with POM operations, including fuel consumption from sources not owned by KPA.

The Port of Mombasa's annual carbon footprint is estimated at 225,740.68 tCO<sub>2e</sub>, representing emissions specific to its operations. When extended to cover all Kenya Ports Authority (KPA) facilities and activities, the total carbon footprint is projected to be approximately 400,000 tCO<sub>2e</sub>.

The annual carbon footprint over the past three years shows a notable fluctuation. In 2022, emissions totaled 136,069.25 tCO<sub>2e</sub>, followed by an increase of approximately 53% to 208,129.40 tCO<sub>2e</sub>. In 2024, emissions also increased by about 24.44% from 2023, totaling 225,740.68 tCO<sub>2e</sub> which is 65.9% higher than in 2022. The continued increase from 2022 to 2024 can be attributed to expanding operations, as indicated by the number of Twenty-Foot Equivalent Units (TEUs) handled which likely amplified overall carbon output. In addition, the rise in emissions may not solely stem from increased activity but also from improvements in data collection processes that captured the carbon footprint more comprehensively.

**ENVIRONMENTAL AND SUSTAINABILITY REPORTING (CONT'D)**

**Environmental Performance (Cont'd)**

**Carbon Emissions (tCO2e)**



**Carbo footprint reduction targets**

| KPI                       | Baseline 2024 | Target 2025-27 | 2027-30       | Beyond 2030   |
|---------------------------|---------------|----------------|---------------|---------------|
| Carbon footprint/emission | 225,740 tCO2e | 15% reduction  | 25% reduction | 30% reduction |

There are a number of strategies to be employed to achieve the target reduction including 50% hybridization of equipment by 2030, 50% reduction in paper communication and 15% transitioning to E-mobility.

**Renewable energy**

Enhancing the use of alternative green and renewable energy through increasing the renewable energy fraction mix.

| KPI                         | Baseline 2025                                                                          | Target 2026-28   | 2028-32          | Beyond 2032                |
|-----------------------------|----------------------------------------------------------------------------------------|------------------|------------------|----------------------------|
| Renewable energy - Solar PV | Current installed capacity is 1060kWp<br><br>Renewable energy fraction (REF) mix is 2% | 10% Solar PV REF | 20% Solar PV REF | More than 30% Solar PV REF |

Beyond 2032 we expect that more than 30% of the energy used by the Port of Mombasa will be from Solar PV.

**ENVIRONMENTAL AND SUSTAINABILITY REPORTING (CONT'D)****C. Employee Welfare**

KPA has productive workforce who are all committed to delivering value for the benefit of our customers. As of 30 June 2025, the Authority's staff strength stood at 6,019, compared to 6,245 in FY 2022/23. During the financial year, 22 new employees were recruited.

Staff distribution across the Authority's workstations was as shown below;

| Workstation | Management  | Union       | Grand Total |
|-------------|-------------|-------------|-------------|
| Kampala     | 2           | 1           | 3           |
| Kisumu      | 15          | 3           | 18          |
| Lamu        | 40          | 52          | 92          |
| Mombasa     | 2484        | 2871        | 5355        |
| Nairobi     | 327         | 222         | 549         |
| Rwanda      | 1           | 1           | 2           |
|             | <b>2869</b> | <b>3150</b> | <b>6019</b> |

**Performance Management**

The Authority has in place a Performance appraisal policy, where employees are accorded an opportunity to conduct a self-appraisal before they are appraised by their supervisor. At the end of the year, an employee's overall performance is assessed, and new performance targets are set for the next review period.

Upon commencement of the current financial year, the management staff were guided and supported to develop their Balanced Scorecards by aligning them to the Divisional, Departmental and Corporate Scorecards.

The Authority undertook "**Kazi Safi**" campaign phase III whose messages were on two (2) themes, namely; Kazi Safi brings out our Best – ***Our work is where we are challenged to do our best, where we are trained to make the best even better. It is worth our very best*** and Kazi Safi gives us Pride – ***There is nothing more fulfilling like a job done right, done well and done on time. That is what Kazi Safi means.***

The campaign is expected to enhance customer service excellence, operational excellence, business growth, good governance, teamwork, risk management, and environmental sustainability geared towards improved performance.

**Discipline Management**

Employee Discipline Management is a systematic process of controlling and influencing all employees in the organization to achieve and maintain standards of behavior to accomplish organizational goals and objectives.

Employees in the Authority are expected to display high standards of conduct, act with integrity by consistently upholding the highest standards of honesty and ethical behavior to foster a conducive work environment.

## **KENYA PORTS AUTHORITY**

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### **ENVIRONMENTAL AND SUSTAINABILITY REPORTING (CONT'D)**

#### **Employee Welfare (cont'd)**

The table below shows a summary of cases of employees who were reported to have violated different provisions of the Human Resources Policies & Procedure Manual 2021 (HRPP). Interdiction and suspension cases hearings are ongoing.

| <b>Description</b>        | <b>Number</b>         |                       |
|---------------------------|-----------------------|-----------------------|
|                           | <b>2024/<br/>2025</b> | <b>2023/<br/>2024</b> |
| Interdiction              | 18                    | 19                    |
| Suspension                | 5                     | 7                     |
| Show Cause Letters issued | 36                    | 52                    |
| Dismissal                 | 0                     | 1                     |
| <b>TOTAL</b>              | <b>59</b>             | <b>79</b>             |

#### **Skills & Competence Development**

Learning and development play a significant role in honing employees' skills and competencies and developing new capacities to help the Authority effectively deliver on its broad mandate

A total of 3,731 staff underwent training during the period to enhance their productivity, foster innovation and organizational performance and productivity amidst rapid technological advancements, port expansion, operations work challenges, diverse learning needs, evolving workforce dynamics, amongst many other dynamics.

#### **Youth Internships/Apprenticeship**

During the year, 206 interns took part in a one-year internship program. The Authority provided industrial attachment to 1,572 students enrolled in various degrees, diploma, and certificate programs linked to their field of study to apply their knowledge and obtain work experience.

#### **Hiring**

As outlined in the Authority's HR policy manual (April 2021), the MD declares to the Board all vacant posts within the establishment, which are to be filled substantively, or in an acting capacity. Such a declaration originates from the various Heads of Departments and must be supported by good justification for the recruitment and confirmation that the positions are within the approved establishment.

During the year, the Authority recruited twenty-two (22) staff in the Medical Services Division, Marine and the Administration Departments.

**ENVIRONMENTAL AND SUSTAINABILITY REPORTING (CONT'D)**

**Employee Welfare (cont'd)**

**Gender Ratio**

The Authority is an equal opportunity employer and does not in its recruitment and selection process discriminate on the basis of gender, race, religion, ethnicity, or any other form of discrimination. The constitutional requirement on mainstreaming of gender and persons with disabilities as stipulated in Article 52 to 57 of the Constitution is observed alongside any other policies issued by the National Cohesion and Integration Commission.

The principles of affirmative action, gender and persons living with disability and national values apply. The Authority observes gender mainstreaming, balance on appointment, promotion and ensures that a minimum of a third (1/3) are of either gender.

Due to the nature of the main port operations (cargo handling) which are labor intensive, historically the Authority had to employ male staff to stevedore. Upon the enactment and enforcement of the National Gender and Equality Act 2011, the Authority hadn't met the threshold of one third of its workforce to represent female. Over the years and with employment opportunities the Authority is working towards meeting this threshold.

**ENVIRONMENTAL AND SUSTAINABILITY REPORTING (CONT'D)**

**Employee Welfare (cont'd)**

**Health and Safety**

The Authority recognizes the impact caused by our activities and services and therefore undertakes to employ environmentally friendly practices and provides a safe and healthy working and operating environment for all employees, contractors, customers, port users and visitors.

**Accidents:** During the financial year 2024/2025, a total of 485 accidents were reported within the Authority.



**The Authority continues to undertake the following measures/actions to prevent/reduce work-related injuries;**

- Safety Inspections of Workplaces to identify unsafe acts and conditions to eradicate hazardous elements in the work environment.
- Investigations of workplace incidents & accidents to identify root causes and recommendation of prevention strategies.
- Risk assessments of workplaces, operations, processes and activities for the purposes of identification, evaluation and control of health, safety and environmental hazards and their potential risks at workplaces.
- Safety training, inductions, awareness and monitoring of contractors, Port Users, employees, to ensure necessary information is shared to all parties on safe work practices.
- Inspection of Dangerous Cargo to ensure compliance with International and National Regulations
- Statutory Inspections of Equipment

**ENVIRONMENTAL AND SUSTAINABILITY REPORTING (CONT'D)**

**HSE Training, Awareness and Sensitization;** HSE training, inductions, and awareness programs are critical for ensuring employee safety, maintaining regulatory compliance, reducing accident-related costs, and improving overall workplace performance and sustainability. The sessions were tailored to address the specific needs of various teams engaged in different tasks, thereby effectively achieving the desired outcomes.

**Medical Services**

The Authority offers Medicare to its employees and their dependents through the different clinics run by the Authority and referrals to consultants and inpatient care in contracted hospitals. The Authority runs 4 clinics, 2 in Mombasa and 2 in Nairobi. Medical care for employees in Lamu, Kisumu, and Naivasha is outsourced through contracted facilities. The Authority’s medical facilities also attend to emergencies for port users/members of the public as required by the constitution of Kenya 2010 article 43(2) that states ‘A person shall not be denied emergency medical treatment’. The Authority’s medical policy was implemented in January 2023 and control measures were instituted to ensure the sustainability of the scheme. It provides tiered benefits as per employee’s category. The Authority complies with the Statutory Regulations of Social Health Insurance Act. No.16 of 2023. The Authority ensures that employees benefit as per the approved rates for every level of hospital.

**Workplace Preventive Programs**

The Authority provides promotive and preventive initiatives through sensitization campaigns, peer education, and wellness programs in addressing key areas such as mental health, substance abuse, HIV/AIDS, and non-communicable diseases.

**HIV & AIDS**

This comprises HIV counseling and testing, Antiretroviral treatment and treatment for opportunistic infections for employees found to have such challenges of health. There are psychosocial support groups among employees who live positively with the disease.

**Employee Assistance Programs (EAP)**

The Authority’s medical Division conducts a biannual wellness program aimed at primary prevention, early detection and treatment of non-communicable diseases (NCDs). During the EAP activities, the division conducts a biannual Health week where various activities are carried out to include anthropometric studies (weight, height, BMI), blood pressure taken, ECG, screening for cancer, diabetes, hypertension, ophthalmology, Bone density, Neuropathy, Nutritional Counseling, Dental check-up and mental. During the year under review, a total of 3241 clients were screened for non -communicable diseases (NCDs),1540 In November 2024 and 1701 in June 2025 as shown below.



**ENVIRONMENTAL AND SUSTAINABILITY REPORTING (CONT'D)**

**D. Market Place Practice**

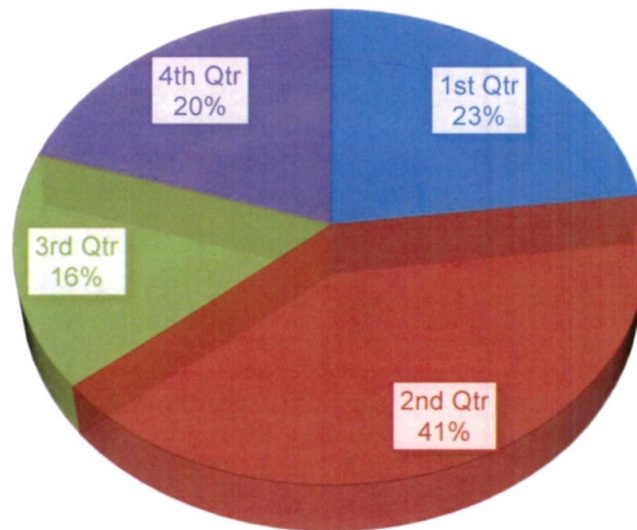
**i. Responsible competition practices**

KPA endeavors to ensure its ports and facilities remain competitive while adhering to policies and legal statutes governing competition. During the year, the Authority continued to promote an ethical organizational culture, guided by the KPA Code of Ethics & Conduct, statutory frameworks, and international standards such as COSO (2003), ISO 9001:2015, and ISO 37001:2016.

As part of its commitment to enhancing good corporate governance and in line with the Authority's strategic plan, KPA, through its Ethics and Integrity Officers, supports departments in all matters related to the execution of ethics and integrity activities.

During the period under review, 18 cases were reported. Of these, 11 were investigated and resolved, while 7 remain pending. The Authority also held 174 Correction Prevention Committee (CPC) meetings to reinforce its corruption prevention mechanisms, in line with EACC and Head of Public Service circulars.

**NO. OF CPC MEETINGS FY 2024/2025**



Article 35 of the Constitution of Kenya (2010) and the Access to Information Act (2016) guarantee citizens the right to access information, thereby promoting transparency, accountability, and improved service delivery.

In the financial year, the Authority achieved an aggregate compliance score of 99% in statutory reporting on public complaints and access to information. Of 52 complaints received directly and 13 through the Commission on Administrative Justice (CAJ); all were addressed promptly. Additionally, 154 information requests from the public were processed and satisfactorily concluded.

**ENVIRONMENTAL AND SUSTAINABILITY REPORTING (CONT'D)**

Regarding training and awareness, a total of 94,165 external stakeholders were sensitized through ASK on public complaints management. The Authority also:

- Sensitized Integrity Assurance Officers, divisional champions, and staff on ethics, corruption prevention, and national values.
- Participated in International Anti-Corruption Day and International Fraud Week, enhancing KPA's public profile in integrity efforts.
- Trained 55 participants on National Values and Governance through Training of Trainers and sensitization programs.

Looking ahead, the Authority has initiated a review of the Code of Ethics & Conduct Policy and the Whistleblowing Policy to enhance risk assessments and conflict of interest checks.

In conclusion, progress was made in promoting transparency, accountability, and ethical conduct across KPA during FY 2024/2025. While challenges remain—particularly in case resolution and policy finalization, the Authority has laid a strong foundation to ensure that ethics and integrity remain central to its operations and public service delivery.

**ii. Responsible Supply Chain and Suppliers relations****✚ Access to procurement opportunities to women, youth (AGPO)**

It is a requirement in the PPAD Act that the Authority reserves 30% of its Procurement budget for AGPO. The Authority has over the years allocated 30% of its budget to preference groups. In FY 2024/2025 the Authority awarded KES 2.025B (FY 2023/2024 KES 5.536B) worth of tenders to under AGPO.

| Category     | Q1         | Q2         | Q3         | Q4         |
|--------------|------------|------------|------------|------------|
| Youth        | 409        | 120        | 97         | 415        |
| Women        | 127        | 83         | 166        | 451        |
| PWD          | 28         | 44         | 1          | 83         |
| <b>Total</b> | <b>564</b> | <b>248</b> | <b>264</b> | <b>949</b> |

**✚ Supply chain and supplier relations:**

The Authority organized a suppliers' conference in December 2024 to enlighten its suppliers on opportunities available. During this forum, the Authority took the suppliers through the obligations of suppliers and or KPA when they win contracts.

- ✚ The Authority endeavours to achieve the highest degree of professionalism, transparency, legal compliance, and value for money in the procurement processes. The Leadership at the SCM ensures that all Supply Chain Officers are licensed by the Kenya Institute of Supplies Management. The Supply Chain Management (SCM) Department regularly organizes refresher and CPD Trainings with KISM to ensure that all staff are abreast with emerging issues in SCM.

## KENYA PORTS AUTHORITY

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### ENVIRONMENTAL AND SUSTAINABILITY REPORTING (CONT'D)

Key Procurements undertaken during FY 2024/2025 include:

| Tender No. & Description                                                                                                                        | Awarded to                                        | Contract Amount '000 | Key Highlights                                                                                                                                                                                                         |
|-------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------|----------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Tender No. KPA/001/2024-25/PDM-Propose widening of port road from gantry workshop to gate no 18/20                                              | Stecol Corporation and Miliki Development Company | KES 8,344,522        | The Contract has been signed and Advance payment paid. Completion period is 24 months.                                                                                                                                 |
| Tender No. KPA/004/2024-25/PSM-Proposed construction of Mombasa Berth 19 B and associated infrastructure                                        | China Communication Construction Company Limited  | KES 16,945,163       | The Contract has been signed. Completion period is 24 months.                                                                                                                                                          |
| Tender No. KPA/007/2024-25/TE-Quality Assurance for design, manufacture, and commissioning of 10 RTG'S                                          | Zpojawa consulting Engineers                      | USD 2,804            | The Consulting Engineer was appointed to Provide Quality Assurance Services for the design, manufacture, and commissioning of 10 RTG'S. The 10 RTGs have already been shipped. They will arrive at KPA in August 2025. |
| Tender No. KPA/080/2024-25/PDM-Conversion of crude oil (CO) pipeline to automotive gasoline oil (ago) pipeline                                  | China Communication Construction Company Limited  | KES 398,757          | The Contract has been signed. Advance payment Guarantee has been provided. Once Paid, the project will commence. Completion period is 4 months.                                                                        |
| Tender N0. KPA/140/2024-25/FS-Management of Design of Construction, Supply. Testing and Commissioning of One (1no.) New Vehicle/Passenger Ferry | Zpojawa consulting Engineers                      | USD 3,187            | The Consulting Engineer was appointed to Provide Quality Assurance Services for the Design, Construction, Supply, Testing and Commissioning of One (1no.) New Vehicle/Passenger Ferry. The Ferry Is 40% Complete.      |

#### Buy Kenya Build Kenya Initiatives

The Authority is committed to continuously allocating more procurement opportunities for locally produced goods, works and services to sustain this drive. Some of the items already procured under this initiative include various civil works within the Port, Cleaning Services, Printing Services, Food Stuffs, Provision of Bus Transport Services, Repair and Fabrication of Port Equipment and Appliances. Motor Vehicles, Uniforms and PPEs which are partially stitched and or assembled in Kenya are included in this Category.

**ENVIRONMENTAL AND SUSTAINABILITY REPORTING (CONT'D)**

The summarized breakdown on award of business on Buy Kenya Build Kenya initiative for FY 2024/2025 is as shown below.

|    | <b>Target<br/>(KES '000)</b> | <b>Actual<br/>(KES '000)</b> | <b>Percentage<br/>Realized</b> |
|----|------------------------------|------------------------------|--------------------------------|
| Q1 | 2,443,589                    | 570,119                      | 23.33%                         |
| Q2 | 2,443,589                    | 1,001,192                    | 40.97%                         |
| Q3 | 2,443,589                    | 824,262                      | 33.73%                         |
| Q4 | 2,443,589                    | 2,433,164                    | 99.57%                         |

- ✚ On disposals done, several assets were identified for disposal. The same were approved by the disposal committee and Tender No. KPA/169/2024-25/PSM advertised. The Tender is yet to be awarded.
- ✚ There were five (5) cases filed at the Public Procurement Administrative Review Board (PPRAB) against the Authority in the 2024/25 financial year. The Authority has implemented all the recommendations of PPARB.

**iii. ICT Strategy and Solutions**

The Authority continues to leverage on ICT to enable it to offer better services to customers. Our Systems managed an average uptime of 99.7% throughout the FY 2024-2025 with minor downtimes, thus ensuring our stakeholders got the much-needed port services without delays.

**a. ICT charter, policy, and strategy**

The Authority's ICT Strategy (2023-2027) aims to enhance service delivery through innovation, aligning with national ICT policy and corporate strategic goals. It focuses on transforming the Port of Mombasa into a digital E-Port by implementing smart ICT solutions and supporting continuous technological advancement in seaport operations.

## KENYA PORTS AUTHORITY

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### ENVIRONMENTAL AND SUSTAINABILITY REPORTING (CONT'D)

#### ICT Improvements and Solutions (cont'd)

##### New ICT systems or upgrades done during the year

The Authority undertook the undernoted System and application upgrades as summarized in the table below.

| Module         | ICT activities 2024/2025                             | Challenges                                                                                               | Remarks                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   |
|----------------|------------------------------------------------------|----------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Infrastructure | Replacement of servers, storage and backup appliance | N/A                                                                                                      | Completed. Upgraded ICT infrastructure to ensure improved efficiency, enhanced security and cost savings.                                                                                                                                                                                                                                                                                                                                                                                                 |
|                | Implementation of new backup and recovery solution   | N/A                                                                                                      | 90% complete. Protects against data loss from various causes like hardware failure, accidental deletion, malware or natural disasters.                                                                                                                                                                                                                                                                                                                                                                    |
| SAP            | EHP upgrade and Unicode conversion                   | Production environment implementation put on hold due to huge database which required extended downtime. | EHP and Unicode conversion done for QAS and DEV servers. Production to be completed after data archiving project.                                                                                                                                                                                                                                                                                                                                                                                         |
|                | SAP ERP Data Archiving                               | N/A                                                                                                      | Project kick off done 1st training of project team done Table analysis ongoing.                                                                                                                                                                                                                                                                                                                                                                                                                           |
| TOS (KWATOS)   | KWATOS Upgrade from Ver. 7.1 to Ver 8.1              | N/A                                                                                                      | A contract to upgrade the Terminal Operating System (TOS) was awarded on 7th February 2025, and the Vendor (TSB) has completed the User Requirements and GAP Analysis between Versions 7.1 and 8.1. System Design is currently in progress.<br>During the 2025/2026 period, key activities will include:<br><b>System Development:</b> software development, system testing, and quality assurance<br><b>System Implementation:</b> system installation, super user training, and user acceptance testing |
|                | Pre-Arrival Processing integration completed (PAP)   | On boarding of other PGAs systems and integrations of the system                                         | <b>System Rollout and Post-Support:</b> training for end users and the ICT team<br>Project development completed awaiting the other partner government agencies (PGAs) to rollout. This project will facilitate lodging of clearance documents before vessel arrival.                                                                                                                                                                                                                                     |

**ENVIRONMENTAL AND SUSTAINABILITY REPORTING (CONT'D)**

**New ICT systems or upgrades done during the year (Cont'd)**

| Module                                                             | ICT activities 2024/2025                                                                                                                                        | Challenges                                                                                                                              | Remarks                                                                                                                                                                                                                                                                                                                                |
|--------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| System Security                                                    | Implementation of enhanced anti-malware solution                                                                                                                | N/A                                                                                                                                     | Improves system and network protection from malicious software, ensuring data security and maintaining system integrity.                                                                                                                                                                                                               |
|                                                                    | Addition of Consumables screens to MCH Clinics (ANC, MFP, CHC), Internal Referrals (Injection Room) and Laboratory Services                                     | N/A                                                                                                                                     | New screens and functionalities developed/added successfully. Compilation of Laboratory Services with costs done and updated in the system successfully.                                                                                                                                                                               |
| Medical System                                                     | Implementation of Internal Consumables Billing in the Smart System - Consumables provided within KPA Facilities to patients                                     | API Integration between SAP and Smart Link faced constraints in format necessitating a DB-to-DB approach                                | The Internal Consumables Billing of Pharmacy Services went live in July 2024. Visit extension and invoiced consumables flagging functionalities done awaiting final UAT. The Internal Consumables Billing of Laboratory Services implementation and prototype testing done awaiting final UAT and go-live scheduling by user division. |
| Network Infrastructure                                             | Supply, Installation and Commissioning of Intelligent Structured Cabling and Associated Management Platform                                                     | Some activities being done on weekends thus delay the project timeline.<br>Adequate staff from the contractor to implement the project. | The project is 70% complete and expected to be completed by October 2025.                                                                                                                                                                                                                                                              |
| Service Delivery                                                   | Supply, Installation and Commissioning of the audio-visual conferencing solution Finance block 6 <sup>th</sup> floor conference.                                | N/A                                                                                                                                     | Phase one of the project is completed awaiting Phase two.                                                                                                                                                                                                                                                                              |
| Migration of Website from SharePoint 2019 to Azure Web Application | Development of the new prototype website done. New website branding and content update ongoing. Microsoft Azure Web Application environment configuration done. | Delays in getting new website content for update.                                                                                       | Go-live of the new website implementation to be done once branding is complete.                                                                                                                                                                                                                                                        |

The Authority endeavors to constantly implement new ICT systems and upgrades. This goes a long way in ensuring that we improve our systems' performance, security and availability to better serve our key stakeholders in the market.

**ENVIRONMENTAL AND SUSTAINABILITY REPORTING (CONT'D)****ICT Improvements and Solutions (cont'd)****Product/Service Stewardship.**

The Authority has invested in a robust ICT security infrastructure and architecture to safeguard its IT Assets, applications and stakeholders' data against malicious actors, unlawful access and damage and data loss. We are committed to handling and processing customer data in accordance with our responsibilities under the Data Protection Act (2019). We have also instituted appropriate technical and security measures such as anti-malware solutions to protect against unauthorized or unlawful processing, loss, damage of organizations data.

**Challenges**

Challenges experienced in the course of the financial year are highlighted below:

- 1) Lack of an adequate budget to upgrade our mission critical applications i.e. SAP ERP Solution to better serve our customers effectively.
- 2) Inability to adapt to technological advancement hence running end-of-life infrastructure and applications. This affected some of the application's functionalities, performance and availability.
- 3) Lack of adequate skill sets to appropriately manage technological dynamism and emerging systems changes.
- 4) Shortage of ICT officers to fill critical areas of the ICT function to satisfy the growing need of users.

**iv. Customer Focus and Service Delivery Enhancements**

KPA has an established **Customer Service Charter (CSC)** that outlines its commitment to clients and sets clear standards for service delivery, with the goal of enhancing customer satisfaction. This commitment is aligned with the **Strategic Plan 2023/24–2027/28**, which emphasizes customer service excellence as a key driver of operational success.

The strategy's success is anchored in achieving **higher levels of customer satisfaction**, which in turn supports strong financial performance and informed investment decisions. At the core of KPA's operations is a firm belief in **customer service excellence**, which guides every aspect of service delivery and organizational growth.

In FY 2024/25, KPA implemented several initiatives to improve service delivery:

- Customer Engagement: progressed the establishment of a modern Customer Engagement Centre to streamline communication and feedback.
- Digital Transformation: Upgrades to the Terminal Operating System (TOS) and increased automation of port processes to improve efficiency and transparency.
- Customer Satisfaction: Targeted a customer satisfaction index of 71%, up from 63% in FY 2023/24.

These efforts reflect KPA's commitment to becoming a world-class port of choice, delivering efficient, responsive, and customer-centric services.

**ENVIRONMENTAL AND SUSTAINABILITY REPORTING (CONT'D)**

**v. Corporate Social Investments (CSI)**

The Authority's CSI programs are committed to making a meaningful impact on promoting development in coastal communities, poverty alleviation and other social activities in areas within our operational scope.

In line with our CSI policy, our focus areas for support and implementation of CSI activities include education, healthcare, environmental conservation, sports, arts & culture, humanitarian aid & relief, and support for various natural causes.

At the start of the financial year 2024/2025, the Authority encountered GoK budget cuts which affected the CSI vote and approval came in later in November 2024. Nevertheless, the Authority carried out the following CSI initiatives:

- i. Educational support initiatives such as school infrastructure development and vocational training
- ii. Healthcare initiatives such as medical outreaches as well as support to healthcare facilities
- iii. Sports and cultural events sponsorships
- iv. Humanitarian aid and disaster relief efforts
- v. Support for natural causes like environmental protection

The Authority made a cumulative KES 78 million worth of CSI projects to schools in the Coastal counties amongst other counties in the Republic emphasizing the importance of education in promoting growth and progress.

The Authority's commitment truly reflects the Authority's comprehensive approach to the responsibility and support we provide to the communities in which we operate. In this regard, the Authority considers it one of our primary responsibilities to demonstrate our commitment to, and effectiveness in responding appropriately to our communities' sustainability challenges, especially since they are critical to our long-term and developmental success as a business and as a caring organization.



Donations of class desks to Gwakaithi Primary School, Embu County

**ENVIRONMENTAL AND SUSTAINABILITY REPORTING (CONT'D)**

The Authority also supported medical, humanitarian, cultural, community and youth talent search initiatives in the Coastal Counties and other parts of the Republic to the tune of KES 36.9 million



**Sports**

The Authority, in recognition of the value of sports for healthy lifestyles, improving employee welfare and wellness and enhancing productivity at work, provides support for participation of its teams in planned National sporting events and the KECOSO games.

The Authority also sponsors the following teams:

- i. Men Volleyball team – which participates in the KVF National league.
- ii. Ladies & Men Basketball teams – which participate in the KBF National League.
- iii. Annual KECOSO games which involve variety of sporting disciplines for both genders & PWD's.
- iv. Bandari Football Club – which participates in the FKF National League together with the Bandari Queens, Bandari Junior and Bandari Youth.

**KPA Volleyball Team**

The Authority's team participated in the KNVF League where they finished 1st runners up against General service unit. The team will represent the country in the African Men 2026 Volleyball club championship in April next year.

On April 17<sup>th</sup> to 30<sup>th</sup> April 2025, the KPA Volleyball team represented Kenya and the Authority alongside General service unit and Prisons Kenya in the African Club Volleyball Championship in Misrata, Libya and finished 11<sup>th</sup> best team out of 24 teams that participated. In the just ended Kenya cup Volleyball Tournament, the men's volleyball team finished third with a bronze medal during the inaugural Kenya Cup Tournament at Moi International sports Centre Kasarani in Nairobi.

**ENVIRONMENTAL AND SUSTAINABILITY REPORTING (CONT'D)**  
**Sports (cont'd)**

**KPA Men Volleyball Team**

**2025 KENYA CUP  
BRONZE MEDALISTS**



**Basketball Men & Women**

The Authority's Men & Women Basketball Clubs participated in the 2024/2025 KBF National Premier League.



**ENVIRONMENTAL AND SUSTAINABILITY REPORTING (CONT'D)**

**Sports (cont'd)**

**Bandari Football Club**

The Authority continues to sponsor the Bandari FC to the FKF national premier league. The club finished at position 8 in the concluded 2024/2025 season. Despite a mid-table finish that fell short of their lofty ambitions, the Dockers have emerged stronger off the pitch, with renewed stability, a thriving youth system, and a women's team that has taken the nation by storm.

**Bandari Queens**

The Bandari Queens has established itself as a formidable force in Kenyan women's football. Bandari women's team, competing in the Kenya Women's Premier League (KWPL) and the Women's National Super League (WNSL), was another highlight. In their debut season, the ladies dominated the WNSL, showcasing flair and grit under coach Janet Amunga. Though they fell short in the KWPL playoffs, their commanding performances have made them favorites for next season's title.

**Bandari Youth FC**

Bandari FC's strong youth development program nurtures talent that can contribute at higher levels. The Bandari Youth had an outstanding season, marked by significant milestones and commendable performances across various competitions.

**Bandari Junior**

Bandari Junior is more than a football program—it reflects KPA and Bandari FC's commitment to nurturing young talent from the coastal region. By offering a structured and supportive environment, the initiative instills discipline, commitment, and passion for sport. Through participation in the County League, Bandari Junior not only develops future football stars but also strengthens community ties and contributes to social development in the region.

**ENVIRONMENTAL AND SUSTAINABILITY REPORTING (CONT'D)**

**E. Key Project Implementation**

During the period under review, the Authority implemented various Vision 2030 flagship projects including construction of Shimoni fish port and completed the procurement process for Dongo Kundu Berth number I.

**Shimoni Port**

The development of Shimoni Fish Port was identified by the Government of Kenya as one of the Vision 2030 projects. The project entails the development and implementation of a Fish Port. As at the end of the FY, the Works were substantially completed, and the Defects Liability Period took off from mid-June 2025 for a period of one year ending 14 June 2026. As at the end of the FY, the project was ready for taking over and it is expected the official handing over to be conducted by mid of July 2025.

The Shimoni artisanal fish port consists of a modern jetty measuring 75m by 30m with a causeway of 7m wide by 125 m long, a cold storage facility, a fish processing plant, ice-making plant, a goods warehouse, a fish auction market, power substation with 500KVA Gen set, wastewater treatment plant, access roads, port gates, water tanks among others. The project cost is KES 2.649 billion.

The project is expected to stimulate the coastal economy through additional job creation and entrepreneurial opportunities through the exploitation of blue-economy resources thus improving the living standards of the rural communities as well as generating additional revenue for the government.



**Jetty**



**Port Access Road**



**Waste Water Treatment Plant**



**Warehouse 3 (Fish Meal Plant)**

**ENVIRONMENTAL AND SUSTAINABILITY REPORTING (CONT'D)**

**Dongo Kundu Port project under the Special Economic Zone**

The Authority is implementing the Port sub-project (Dongo Kundu Berth 1) with funding from Japan International Cooperation Agency (JICA) under the Mombasa Special Economic Zone Development Project (MSEZDP) (I). The MSEZ, is a vision 2030 project and is essential to promoting Kenya's international trade position, through provision of required SEZ infrastructure, facilitation of local and foreign investment.

During FY 2024/2025, the Authority completed implementation of Resettlement Action Plan (RAP) where Persons Affected by the Project (PAPs) were compensated through resettlement in new plots, payment of Transitional Allowance and vocational training.

Following completion of the compensation process, the construction site for Development of Dongo Kundu Berth 1 (DK1) was handed over to the contractor for Civil Works. The contractor finalized mobilization and commenced initial site works including geotechnical investigations DK1 comprises of 300 m in quay length and depth of -15 meters. Other works include dredging, construction of Access Bridge and procurement of associated equipment.

**Collaboration between KPA and the county governments and other development partners.**

The Authority submitted a proposal to Africa Development Bank (AfDB) seeking technical assistance to support green energy transition and decarbonization at the port of Mombasa was submitted. Further, there is collaboration with Trademark Africa on the development of work plans for GPP and review of KPA's Safety Management Systems.

**ENVIRONMENTAL AND SUSTAINABILITY REPORTING (CONT'D)**

**F. Quality Assurance and Risk Management**

**Enterprise Risk Management Statement**

The Authority is actively applying an enterprise-wide risk management framework—anchored in ISO 31000:2018 structured guidelines for identifying, evaluating, treating, monitoring, and communicating risks alongside the Committee of Sponsoring Organizations of the Treadway Commission (COSO) control-activities and internal-control principles to ensure risks are systematically managed. The framework allows the Authority to consistently oversee and report its strategic and operational risks. The Authority remains dedicated to enhancing customer experience and supporting regional trade while proactively and systematically managing risks.



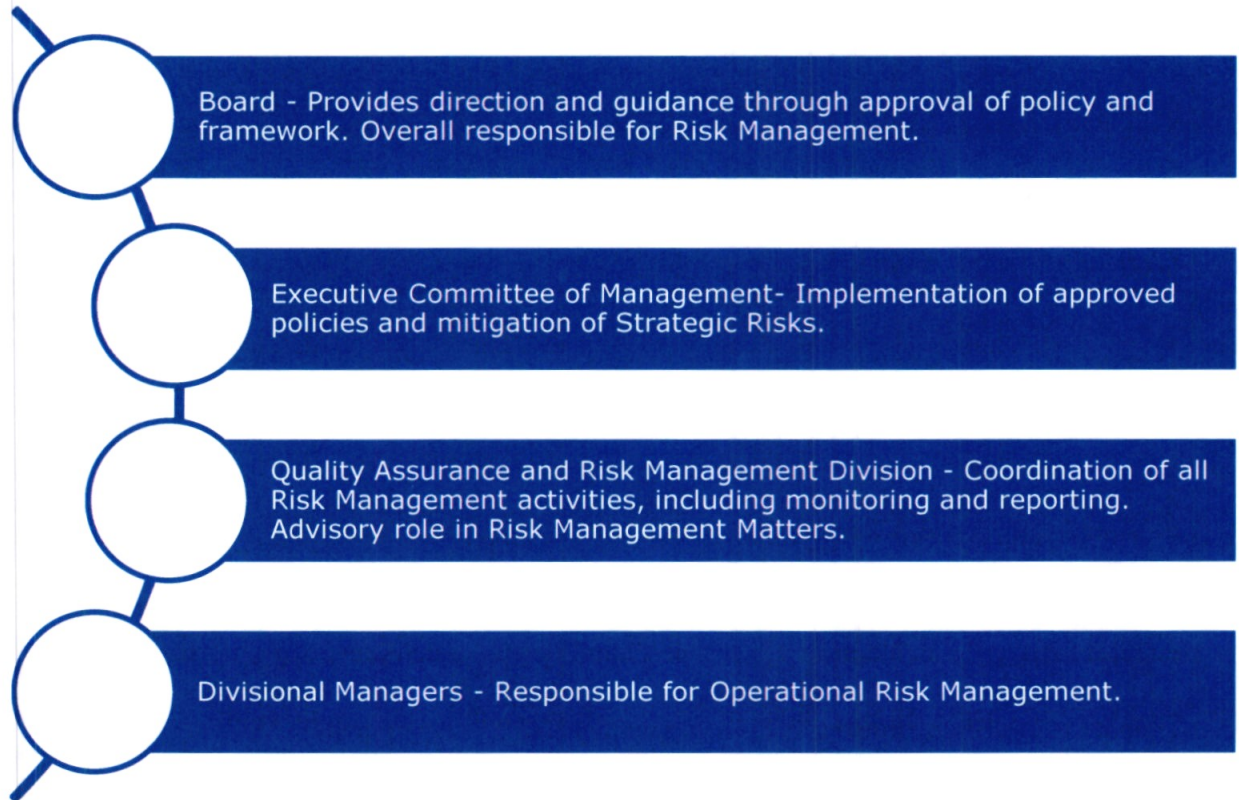
**Risk Management Governance**

The Board assumes ultimate responsibility for risk oversight, while the Executive Committee of Management ensures effective implementation of Board-approved policies. Our Risk Management Framework supports informed, risk-based decision-making across the organization. The Authority remains firmly committed to embedding strong risk management as a pillar of sound corporate governance.

**ENVIRONMENTAL AND SUSTAINABILITY REPORTING (CONT'D)**

**Quality Assurance and Risk Management (Cont'd)**

**Risk Management Governance (Cont'd)**



Risk Management Levels with Responsibilities

**Strategic Risks**

The strategic risks for the Authority were identified through an integrated iterative process with a focus on the impact on the achievement of the seven (7) strategic objectives outlined in the Strategic Plan for 2023/24 – 2027/28.

The Quality Assurance and Risk Management (QARM) Division coordinates the implementation of the identified mitigations with the process owners. Regularly, QARM also provides the Board and Executive Committee of Management with a current assessment of the key risks facing the Authority.

The table below shows the status of mitigation efforts to address the identified strategic risks in FY 2024/25.

**ENVIRONMENTAL AND SUSTAINABILITY REPORTING (CONT'D)**

**Quality Assurance and Risk Management (Cont'd)**

**Strategic Risks (Cont'd)**

The Authority's Status of Implementation of Risk Mitigations is as shown below;

|    | <b>Strategic Risk</b>                                                                                                                                                                                                                                                                                                                                                                                                  | <b>Strategic Objectives</b>                                                                                                                                                                                                                                                                                                                                                                                                                                          |
|----|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| 1. | Dynamism in customer needs and expectations                                                                                                                                                                                                                                                                                                                                                                            | Attain a customer satisfaction index of 75%                                                                                                                                                                                                                                                                                                                                                                                                                          |
|    | <b>Identified Mitigations:</b> <ul style="list-style-type: none"> <li>— Continuous customer satisfaction/engagement and employing best practices across all touchpoints</li> <li>— Customer satisfaction surveys</li> </ul>                                                                                                                                                                                            | <b>Actions taken:</b> <ul style="list-style-type: none"> <li>— Ongoing engagement with the customers through customer visits, stakeholder engagements and Port Community meetings.</li> <li>— Establishment of the Customer Engagement Center is at an advanced stage.</li> <li>— The 2023/24 index was 79%. Ongoing implementation of the recommendations from the survey.</li> </ul>                                                                               |
| 2. | Financial and general insecurity (cyber threats and terrorism) risks                                                                                                                                                                                                                                                                                                                                                   | Improve port efficiency by 41%                                                                                                                                                                                                                                                                                                                                                                                                                                       |
|    | <b>Identified Mitigations:</b> <ul style="list-style-type: none"> <li>— Prioritizing CAPEX projects</li> <li>— Adopting Public-Private Partnerships</li> <li>— Implementing information security and business continuity initiatives</li> <li>— Process automation, system upgrades, cyber fusion, etc.</li> </ul>                                                                                                     | <b>Actions taken:</b> <ul style="list-style-type: none"> <li>— Development of Berth 19B, CT2 Phase III</li> <li>— Implementation of BEEEP through TradeMark funding, Dongo Kundu DK1,2,3</li> <li>— Continuous implementation and update of the Emergency Management and associated contingency and response plans.</li> <li>— Upgrading of the Terminal Operating System, SAP ERP, setting up of the Operations Control Center, and automation of VTIMS.</li> </ul> |
| 3. | Health, safety and environmental risks                                                                                                                                                                                                                                                                                                                                                                                 | Promote a safe and healthy working environment with zero accidents                                                                                                                                                                                                                                                                                                                                                                                                   |
|    | <b>Identified Mitigations:</b> <ul style="list-style-type: none"> <li>— 100% Compliance with HSE laws and regulations, such as Environmental Audits and OSH Audits</li> <li>— Develop and implement a disaster management plan</li> <li>— Adherence to preventive maintenance schedules for equipment</li> <li>— Incorporate and enforce Health Safety and Environment criteria in the supply chain process</li> </ul> | <b>Actions taken:</b> <ul style="list-style-type: none"> <li>— Continuous monitoring of Health Safety and Environment (HSE) compliance level. Environmental Audits and OSH Audits carried out</li> <li>— Continuous implementation of disaster management plans.</li> <li>— Scheduled maintenance of all equipment.</li> <li>— HSE requirements are incorporated in TORs for projects, civil works and equipment acquisition.</li> </ul>                             |

**ENVIRONMENTAL AND SUSTAINABILITY REPORTING (CONT'D)**

**Quality Assurance and Risk Management (Cont'd)**

**Strategic Risks (Cont'd)**

|    | <b>Strategic Risk</b>                                                                                                                                                                                                                                                                                                                                                    | <b>Strategic Objectives</b>                                                                                                                                                                                                                                                                                                                                                                                                                       |
|----|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| 4. | Geopolitical reorganization within the region                                                                                                                                                                                                                                                                                                                            | Increase common transit market share by 7% by 2027/28                                                                                                                                                                                                                                                                                                                                                                                             |
|    | <p><b>Identified Mitigations:</b></p> <ul style="list-style-type: none"> <li>— Collaboration with government agencies</li> <li>— Regional Partnership Management Framework e.g., through bilateral meetings</li> </ul>                                                                                                                                                   | <p><b>Actions taken:</b></p> <ul style="list-style-type: none"> <li>— Implementation of cruise and transshipment promotion plans is ongoing</li> <li>— Cargo tracking of top customers in the different cargo categories is carried out monthly</li> <li>— Reports on market intelligence research done and reported quarterly</li> <li>— Continuous participation in International, regional and domestic trade fairs and exhibitions</li> </ul> |
| 5. | Political, Infrastructure and logistics barriers                                                                                                                                                                                                                                                                                                                         | Increase profitability to KES 20 billion by 2027/28                                                                                                                                                                                                                                                                                                                                                                                               |
|    | <p><b>Identified Mitigations:</b></p> <ul style="list-style-type: none"> <li>— Collaboration with government agencies to reduce logistics barriers</li> <li>— The Authority emphasizes cost management and securing revenue in line with our strategic priorities.</li> <li>— Advocacy and lobbying for investments in inland waterways such as Lake Victoria</li> </ul> | <p><b>Actions taken:</b></p> <ul style="list-style-type: none"> <li>— Implementation of existing SLAs with KRA, KEBS and Kenya Railways to reduce logistical barriers</li> <li>— Cost-cutting measures and prioritization of infrastructure projects.</li> <li>— Ongoing projects in Kisumu Port; Development of small ports (Homabay), design of an early warning system for microphytes, bathymetric survey of Lake Victoria</li> </ul>         |
| 6. | Talent Risk – Availability and retention of specialized skills                                                                                                                                                                                                                                                                                                           | Increase employee productivity by 2 percent by 2027/28                                                                                                                                                                                                                                                                                                                                                                                            |
|    | <p><b>Identified Mitigations:</b></p> <ul style="list-style-type: none"> <li>— Effective implementation of the Authority’s succession plan</li> </ul>                                                                                                                                                                                                                    | <p><b>Actions taken:</b></p> <ul style="list-style-type: none"> <li>— The draft succession management policy and the corporate succession plan were prepared.</li> <li>— The five-year Human Resource Plan for 2024-2028 was prepared and presented to Human Resource Management Committee (HRMAC).</li> <li>— A skills gap analysis exercise (A pilot of 3 divisions - Phase 1) is also underway.</li> </ul>                                     |

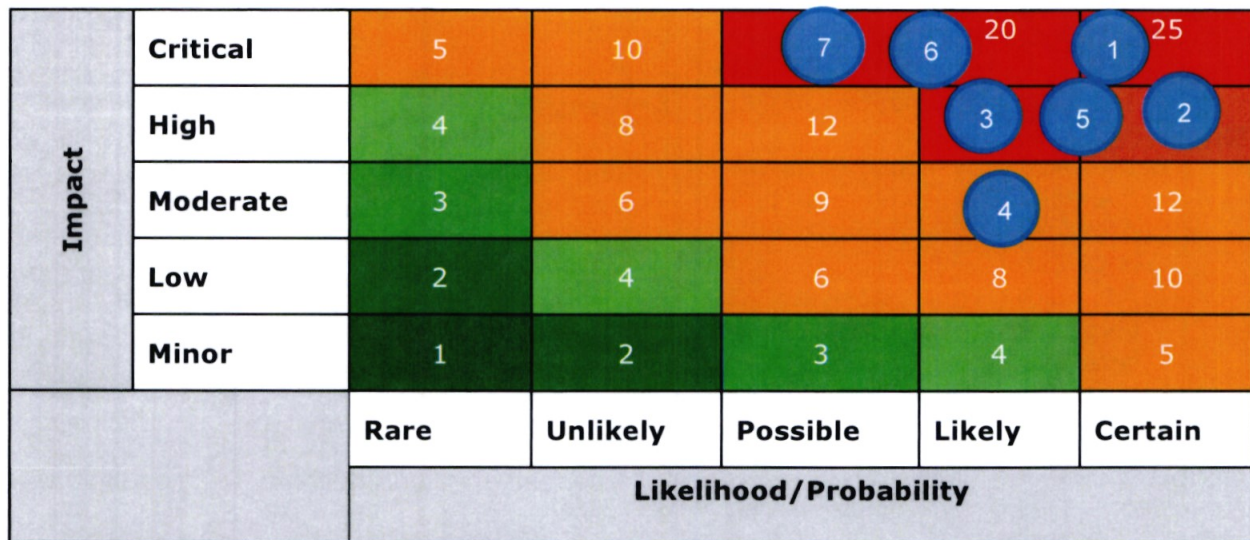
**ENVIRONMENTAL AND SUSTAINABILITY REPORTING (CONT'D)**

**Quality Assurance and Risk Management (Cont'd)**

**Strategic Risks (Cont'd)**

|    | <b>Strategic Risk</b>                                                                  | <b>Strategic Objectives</b>                                                                                                                                                   |
|----|----------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| 7. | Governance and regulatory requirements risks                                           | Promote 100% compliance with legal and regulatory requirements and good governance principles                                                                                 |
|    | <b>Identified Mitigations:</b><br>— Implementation of ethics and integrity initiatives | <b>Actions taken:</b><br>— Training of Integrity Assurance Officers done<br>— Regular Reporting on National Values is done as required<br>— Corruption perception survey done |

The following is the Authority’s Risk Assessment Heat-Map Dashboard of the identified strategic risks



## **KENYA PORTS AUTHORITY**

**ANNUAL REPORT & FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 30 JUNE 2025**

### **REPORT OF THE DIRECTORS**

The Board of Directors submits the annual report together with the audited financial statements for the year ended 30 June 2025 which show, the state of the Authority's affairs.

#### **Principal Activities**

The Authority's mandate is to develop, maintain, operate, improve, and regulate all scheduled seaports along Kenya's coastline as well as ferry operations. In addition, the Authority also manages Inland Waterways. Core activities include pilotage, towage, mooring, dry docking, navigational aids, and maintenance of the channel, stevedoring and shore handling and reception of cruise vessels in accordance with the KPA Act CAP 391.

#### **Results for the year**

|                         | <b>2024/2025</b>  | <b>2023/2024</b>  |
|-------------------------|-------------------|-------------------|
|                         | <b>KES '000</b>   | <b>KES '000</b>   |
| Profit Before Tax       | 18,888,469        | 17,284,512        |
| Tax                     | (5,345,333)       | (5,106,436)       |
| <b>Profit after Tax</b> | <b>13,543,136</b> | <b>12,178,076</b> |

#### **Dividend**

The Dividend obligation for the year ended 2024/2025 is KES 10,834.5 million (2023/24 was KES 9,742.46 million) and will be paid subject to approval by the Board upon issue of the Audit certificate on the Financial Statements by the Office of the Auditor General in conformity with the Authority's policy on dividends.

#### **Directors**

The directors who held office during the year and to date are shown on page 6.

#### **Auditors**

The Auditor General is responsible for the statutory audit of the Authority in accordance with Article 229 of the Constitution of Kenya and the Public Audit Act 2015. In accordance with section 23 of the Public Audit Act 2015, the Auditor General is empowered to nominate another Auditor to carry out the audit on their behalf.

By order of the Board



Turasha Kinyanjui

**CS & GM, BOARD & LEGAL SERVICES**

**STATEMENT OF DIRECTORS' RESPONSIBILITIES**

Section 81 of the PFM Act 2012, Section 14 of the State Corporations Act, 1986 and Section 20 of KPA Act, 1978 requires the Directors to prepare financial statements for each financial year, which give a true and fair view of the state of affairs of the Authority as at the end of the financial year and of the operating results. It also requires the directors to ensure that the Authority keeps proper accounting records which disclose, with reasonable accuracy the financial position of the Authority. The directors are also responsible for safeguarding the assets of the Authority.

The Directors are responsible for the preparation and presentation of Kenya Ports Authority financial statements which give a true and fair view of the state of affairs of the Authority for and as at the end of the financial year ended on 30 June 2025. The 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 Authority.
- (iii) Designing, implementing and maintaining internal controls relevant to the preparation and fair presentation of the financial statement and ensuring that they are free from material misstatements, whether due to error or fraud
- (iv) Safeguarding the assets of the Authority
- (v) Selecting and applying appropriate accounting policies, and
- (vi) Making accounting estimates that are reasonable in the circumstances.

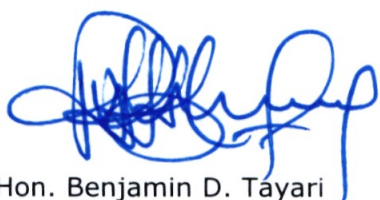
The Directors responsibility for the Authority's financial statements, which have been prepared using appropriate accounting policies supported by reasonable and prudent judgments and estimates, in conformity with the International Financial Reporting Standards and in the manner required by the Public Finance Management Act, 2012, the State Corporations Act, 1986 and KPA Act, 1978.

The Directors are of the opinion that the Authority's financial statements give a true and fair view of the state of the Authority's transactions during the financial year ended 30 June 2025 and of the Authority's financial position as at that date. The directors further confirm the completeness of the accounting records maintained for the Authority, which have been relied upon in the preparation of the Authority's financial statement as well as the adequacy of the systems of internal financial control.

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

**Approval of the financial statements**

The Authority's financial statements were approved by the Board of Directors on 22 August 2025 and signed on its behalf by:



Hon. Benjamin D. Tayari  
**CHAIRMAN**



Capt. William Ruto, AFNI, MBS  
**MANAGING DIRECTOR**

**KENYA PORTS AUTHORITY**

**ANNUAL REPORT & FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 30 JUNE 2025**

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**REPORT OF THE AUDITOR GENERAL**

**KENYA PORTS AUTHORITY**

**ANNUAL REPORT & FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 30 JUNE 2025**

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**ANNUAL REPORT & FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 30 JUNE 2025**

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**REPORT OF THE AUDITOR GENERAL**

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**ANNUAL REPORT & FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 30 JUNE 2025**

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**REPORT OF THE AUDITOR GENERAL**

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**ANNUAL REPORT & FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 30 JUNE 2025**

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**REPORT OF THE AUDITOR GENERAL**

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**ANNUAL REPORT & FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 30 JUNE 2025**

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**REPORT OF THE AUDITOR GENERAL**

**KENYA PORTS AUTHORITY**

**ANNUAL REPORT & FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 30 JUNE 2025**

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**REPORT OF THE AUDITOR GENERAL**

**KENYA PORTS AUTHORITY**  
**ANNUAL REPORT & FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 30 JUNE 2025**

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**REPORT OF THE AUDITOR GENERAL**

# REPUBLIC OF KENYA

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



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

## REPORT OF THE AUDITOR-GENERAL ON KENYA PORTS AUTHORITY FOR THE YEAR ENDED 30 JUNE, 2025

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### PREAMBLE

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

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

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

The three parts of the report are aimed at addressing the statutory roles and responsibilities of the Auditor-General as provided by Article 229 of the Constitution, the Public Finance Management Act, 2012, and the Public Audit Act, 2015. The three parts of the report when read together constitute the report of the Auditor-General.

### REPORT ON THE FINANCIAL STATEMENTS

#### Qualified Opinion

I have audited the accompanying financial statements of Kenya Ports Authority set out on pages 94 to 158, which comprise of the statement of financial position as at 30 June, 2025 and the statement of profit or loss and other comprehensive income, statement of changes in equity, statement of cash flows and statement of comparison of

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

In my opinion, except for the effect of the matters described in the Basis for Qualified Opinion section of my report, the financial statements present fairly, in all material respects, the financial position of Kenya Ports Authority as at 30 June, 2025 and of its financial performance and its cash flows for the year then ended, in accordance with International Financial Reporting Standards and comply with the Kenya Ports Authority Act, Cap 391 and the Public Finance Management Act, 2012.

### **Basis for Qualified Opinion**

#### **1. Inaccurate Bank and Cash Balances**

The statement of financial position for the year ended June, 30 reflects Bank and Cash balance of Kshs.2,061,274,000 as disclosed in Note 24 to the financial statements. Analysis of bank reconciliations revealed long outstanding uncredited receipts in three (3) bank accounts of United States Dollar (USD) 3,581,438 (equivalent of Kshs.462,005,502) and Kshs.19,755,591 from various uncredited income entries dating back to August 2017.

In the circumstances, the accuracy and completeness of the reported bank and cash balances of Kshs.2,061,274,000 could not be confirmed.

#### **2. Property Plant & Equipment Balance**

The statement of financial position reflects property, plant and equipment balance of Kshs.326,548,150,000 as disclosed in Note 11 to the financial statements. The balance includes plant equipment, motor vehicles and furniture with a net book value of Kshs.53,136,508,000. However, the assets register provided in support of the of the Note indicates a net book value of Kshs.53,041,344,477 resulting to a variance of Kshs.95,163,523 which has not been reconciled. Further, assets with a net book value of Kshs.3,149,082,723 were transferred to the Authority by Kenya Railways Corporation and were in possession and use by the Authority. However, the management did not provide evidence of transfer of ownership documents of the assets.

In addition, physical verification of the assets at Eldoret Inland Container Depot (ICD) valued at Kshs.556,112,000 and assets at Kisumu ICD of unknown value revealed that the assets were idle and not in use. However, the assets were not impaired in accordance with Paragraph 12 (g) of IAS 36 which states that if the economic performance of an asset is, or will be, worse than expected is an indication of impairment of the asset.

In the circumstances, the completeness, accuracy, ownership and disclosure of property, plant and equipment balance of Kshs.326,548,150,000 could not be confirmed.

### **3. Presentation and Disclosure of Leased Property Balance**

The statement of financial position reflects a leased property balance of Kshs.556,112,000 as disclosed in Note 13 to the financial statements. The property is in respect of assets at Eldoret Inland Container Depot. However, review of the underlying lease agreements, revealed that the lease had since expired yet the assets were disclosed in the financial statements as leased assets.

In the circumstance, the accuracy, presentation and disclosure of leased assets of Kshs.556,112,000 could not be confirmed.

### **4. Inventories Balance**

The statement of financial position reflects an inventory balance of Kshs.883,703,000, as disclosed in Note 21 to the financial statements. The Note indicated nil provision for obsolete stock. However, review of the stock records revealed obsolete stock valued at Kshs.22,631,752. This is contrary to the provisions of Paragraph 9 of IAS 2 which requires inventories to be measured at the lower of cost and net realizable value. Further, two hundred and twenty-seven (227) stock items had Nil values in the stock reports. Management indicated that the stock items were back up spares supplied with newly purchased equipment resulting in understatement of inventory and overstatement of the equipment where spares are wrongly capitalized together with the cost of the plant cost.

In the circumstances, the accuracy and completeness of inventories of Kshs.883,703,000 could not be confirmed.

### **5. Long Outstanding Rent Debtors**

The statement of financial position reflects receivables and prepayments of Kshs.21,432,018,000 as disclosed under Note 22 to the financial statements. Included in the balance is Kshs.54,202,625 in respect of long outstanding debts for tenants at ICD Nairobi. Examination of the tenancy records maintained by the Authority revealed five (5) tenants had expired letters of offer while another tenant had not paid rent since occupying the premises on 1 July, 2022. Further, the occupants of the premises were not paying rent due to expired letter of offer but continued enjoying tenancy. Management did not explain why the lease had not been executed. In addition, seven (7) tenants were found to have been allowed to take occupancy of the premises without paying the initial required deposit before occupancy.

In the circumstances, the recoverability and validity of the rent receivables of Kshs.54,202,625 could not be confirmed.

### **6. Unsupported Accrued Expenditure**

The statement of financial position reflects trade and other payables of Kshs.17,808,119,000 as disclosed in Note 31 to the financial statements. The balance includes Kshs.1,906,381,000 in respect of accrued expenditure. Review of the

expenditure general ledger and supporting records for the accruals revealed that, repairs expenses of Kshs.334,039,895, corporate social responsibility expenditure of Kshs.99,072,039 and legal expenditure of Kshs.51,247,175 were accrued but not supported by goods received notes, work completion certificates, or interim payment certificates (IPCs), and evidence that services had been rendered.

Further, accrued expenditure in respect of legal expenses were in respect of fee notes of financial years 2021/2022, 2022/2023 and 2023/2024. The management did not provide explanation why the same had not been accrued in the previous financial years' contrary to provisions of Paragraph 27 of IAS 1 which requires an entity to prepare its financial statements except for cash flow information using the accrual basis of accounting.

In the circumstances, the accuracy and occurrence of accrued expenditure of Kshs.1,906,381,000 could not be confirmed.

## **7. Returns on Investments Below Cost**

The statement of financial position reflects property plant and equipment and leased assets balances of Kshs.326,548,150,000 and Kshs.556,112,000 respectively as disclosed in Notes 11 and 13 to the financial statements. The leased assets of Kshs.566,112,000 comprises of individual buildings, services & systems and basic construction at Eldoret ICD that had not been operational since acquisition of the assets. The management has not explained the investments which had not generated any returns associated with the Authority's mandate and which continues to spend resources through maintenance and loss of value through depreciation.

Further, included in the PPE balance of Kshs.326,458,150,000 is investment in Lamu Port Project assets of Kshs.51,310,518,512. The assets were acquired at different dates and capitalized since 1994 as per the asset capitalization entries. However, the investment generated revenue amounting to Kshs.136,987,512 (2024) and Kshs.59,637,782 (2025) translating to a negative return on investment considering the recurrent expenditure incurred by the Authority of Kshs.684,161,889 (2024) and Kshs.849,139,106 (2025).

In addition, the Authority operates a Port at Kisumu following the transfer of the investment from Kenya Railways Corporation. Kisumu ICD forms part of the Authority's assets with a net book value of Kshs.1,853,238,977. Revenue generated from the port amounted to Kshs.13,737,714 (2024) and Kshs.36,398,711 (2025) but expenses amounted to Kshs.189,305,562 (2024) and Kshs.113,220,334 (2025) resulting to a negative net revenue. The ICD at Kisumu is not operational and the management has not provided evidence of plans or strategies to revive the investment.

In the circumstances value for money on investments and valuation of property plant and equipment and leased assets of Kshs.326,548,150,000 and Kshs.556,112,000 respectively could not be confirmed.

## **8. Variance in E-Citizen Receivables Balance**

The statement of financial position reflects receivables and prepayments balance of Kshs.21,432,018,000 as disclosed in Note 22 to the financial statements. The balance includes E-citizen receivable balance of Kshs.204,449,000. However, E-citizen revenue accountability statements reflects payables balance of Kshs.70,233,758 resulting in unreconciled variance of Kshs.134,215,242.

In the circumstances, the completeness and accuracy of E-Citizen receivable balance of Kshs.204,449,000 could not be confirmed.

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

### **Emphasis of Matter**

#### **Unresolved Dispute in Take or Pay Arrangement**

Reference is made to Note 39 ii to the financial statements on related party transactions which states that the Standard Gauge Railway Take or Pay Arrangement (TOPA) places the Authority as a guarantor for minimum traffic and commits to paying Kenya Railways Corporation (KRC) any shortfall. The arrangement increases the level of commitment and hence the risk on the Authority's cashflows. Review of records revealed that Kenya Railway Corporation demanded settlement of USD.45,894,680 (equivalent of Kshs.5,934,182,092) claimed to have been retained by the Authority instead of transfer to escrow account contrary to Paragraph 6 (B) of TOPA governing loan repayment. Further analysis of the revenue collections revealed that the amount demanded comprised of USD.43,949,791 volume discounts issued to customers (Container Freight Stations riling cargo to Inland Container Depot-Embakasi) following KRC written instructions to the Authority to issue volume discounts and USD.1,944,889 which relates to disputes and uncollected cargo. The Authority disputed the demand on the aforementioned basis and the two parties have continued to engage in meetings in a bid to resolve the matter. However, the matter had not been resolved as at 30 June, 2025.

My opinion is not modified in respect of this matter.

### **Key Audit Matters**

Key audit matters are those matters that, in my professional judgement, are of most significance in the audit of the financial statements. Except for the effect of the matters described in the Basis for Qualified Opinion, I have determined that there are no other key audit matters to communicate in my report.

## **Other Matter**

### **Unresolved Prior Year Matters**

In the audit report of the previous years, several issues were raised under the Report on Financial Statements, Report on Lawfulness and Effectiveness in use of Public Resources, and Report on Effectiveness of Internal Controls, Risk Management and Governance as analysed in **Appendix 1**. The issues remained unresolved as at 30 June, 2025.

### **Other Information**

The Directors are responsible for the Other Information set out on page 1 to 84 which comprise of Key Entity Information and Management, The Board of Directors, Management Team, Chairman's Statement, Report of the Managing Director, Statement of Performance Against Predetermined Objectives, Corporate Governance Statement, The Year in Review, Management Discussion and Analysis, Environmental and Sustainability Reporting, Report of the Directors, Statement of Directors Responsibilities. The Other Information does not include the financial statements and my audit report thereon.

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

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

## **REPORT ON LAWFULNESS AND EFFECTIVENESS IN THE USE OF PUBLIC RESOURCES**

### **Conclusion**

As required by Article 229(6) of the Constitution, based on the audit procedures performed, except for the effect of the matters described in the Basis for Conclusion on Lawfulness and Effectiveness in the Use of Public Resources section of my report, I confirm that nothing else has come to my attention to cause me to believe that public resources have not been applied lawfully and in an effective way.

### **Basis for Conclusion**

#### **1. Non-Compliance with Guidelines on Directors Allowances**

The statement of profit or loss and other comprehensive income reflects administrative expenses of Kshs.5,516,697,000 as disclosed in Note 8 to the financial statements. The

amount includes Kshs.89,188,000 in respect to directors' allowances. Review of the supporting schedules and related records for this expenditure revealed that the expenditure exceeds the limit set in Office of the President Circular No. OP/CAB.9/1A on Management of State Corporations which provides that Board expenses for any financial year shall be capped at Kshs.30 million or 5% of the operations and maintenance budget, whichever is lower.

Further, examination of expenditure records revealed that expenses relating to Board activities including the board's meeting facilitation, transport, and logistics totaling to Kshs.30,606,878 were expensed against development studies budget contrary to Part 3.0 (VIII) of The National Treasury Circular No. 2/2024, which states that it is irregular for any State Corporation to charge Board-related expenses to any vote other than the approved Board expenses budget. In addition, the schedule of payments made to each director for various activities and meeting attendances was not provided for audit.

In the circumstance, the Management was in breach of the law and value for money on directors' allowance of Kshs.89,188,000 could not be confirmed.

## **2. Non-Compliance with the Law on Expenditure Commitment**

The statement of financial position reflects trade and other payables balance of Kshs.17,808,119,000 as disclosed in Note 31 to the financial statements. Review of records provided in support of the balance including the local purchase and service orders indicated that Kshs.453,229,310 was in respect of orders committed by the management after 31 May, 2025. However, the management did not provide evidence that the orders were committed with written approval of the accounting officer as required by Regulation 51(1) of the Public Finance Management (National Government) Regulations, 2015 which states that all commitments for supply of goods or services shall be done not later than 31 May, each year except with the express approval of the accounting officer in writing.

In the circumstances, the Management was in breach of the law

## **3. Proposed Improvement of Mbaraki Sports Ground and Upgrading of Running Track to Athletic Tartan Standard.**

The Authority entered into a contract for improvement of Mbaraki sports ground and upgrading of running track to athletic tartan standard through an open national tender process with a local contractor at a cost of Kshs.327,735,496. Review of the procurement records revealed the following anomalies;

- i. The successful bidders' National Construction Authority (NCA) registration could not be traced and confirmed in the NCA registration portal casting doubt of its authenticity.
- ii. The bills of quantities (BOQ) provided for Kshs.4,000,000 for NEMA and statutory approvals which was paid as per the BOQ without production of receipts to support the cost incurred.

- iii. Item 7 in the BOQ indicated as synthetic fibre surfacing with a cost of Kshs.57,516,000 was paid in full. However, during the physical inspection in June, 2025 the surface had not been installed. The management indicated that the same was done during the East Africa Legislative Assembly (EALA) games and removed thereafter information which was not supported by photographic evidence or specific fitting and removal instructions.
- iv. The projects BOQ included a contingency sum of Kshs.30,000,000 out of which Kshs.25,198,672 was expended on airlifting of tartan material. However, the cost was not a contingency since the contractor had failed to meet the set deadline and therefore the employer unlawfully incurred a cost that should have been borne by contractor.

In the circumstance, the value for money on expenditure of Kshs.327,735,496 incurred on upgrading of Mbaraki Sport Grounds could not be confirmed.

#### **4. Irregular Expenditure on National Police Service (NPS) Officers Housing**

The statement of profit or loss and other comprehensive income reflects establishment expenses of Kshs.20,707,188,000 as disclosed in Note 9 to the financial statements. The amount includes expenditure on leased staff housing of Kshs.26,061,696 in respect of payments to Kenya Ports Authority Pension Scheme as rent for houses occupied by National Police Service Officers attached to the Port (Port Police). The payment was based on a Memorandum of Understanding (MOU) ref MOTC/S/2.0005/Vol. V(17) dated 5 April, 2004. Information available indicates that at the time of the MOU the police officers were not entitled to house allowance. However, following the introduction of payment of house allowance to the officers, the lease of the houses occupied by the NPS officers amount to double benefits to the officers.

In the circumstances, the validity of housing expenditure of Kshs.26,061,696 could not be confirmed.

#### **5. Over expenditure on Internship Program**

The statement of profit or loss and other comprehensive income reflects establishment expenses of Kshs.20,707,188,000 as disclosed in Note 9 to the financial statements. The amount includes Intern allowances of Kshs.53,884,000. However, the approved budget was Kshs.45,000,000 resulting to over expenditure of Kshs.8,884,000. Approval for expenditure above the budget was not provided for audit. Further, the Authority recruited two hundred (200) interns while the original plan was to recruit fifty (50) interns. The information provided indicated that the variation was accommodated through a Board approval and revision of the budget contrary to The National Treasury Circular No. 2/2024 of 27 March, 2024 which prohibited revision of the approved budget regardless of whether or not it is less than 10% or from one sub item to another

In the circumstances, Management was in breach on the law.

## **6. Non-Compliance with Service Level Agreements by Cleaning, Landscaping and Garbage Collection Contractors**

The statement of profit or loss and other comprehensive income reflects operating expenses of Kshs.8,752,280,000 as disclosed in Note 10 to the financial statements. The amount includes operational/running supplies of Kshs.1,388,734,000 which further include Kshs.276,310,610 in respect of cleaning, landscaping and garbage collecting services. Review of the service level agreement between the service providers and the Authority revealed that the service providers were required to pay a certain amount of salary to the employees engaged to offer the services in line with minimum wage statutory requirements. However, records provided and interviews held with a selected sample of service provider employees indicated that three (3) of the service providers underpaid staff by Kshs.1,655,232, contrary to contractual and statutory wage requirements.

Further, one (1) service provider deployed eleven (11) staff for provision of services to the Authority against the contractual requirement of fifteen (15) staff, resulting to payment for services not rendered.

In the circumstance, the validity and value for money for the expenditure on cleaning, landscaping and garbage collection of Kshs.276,310,610 could not be confirmed.

## **7. Construction of Shimoni Fish Port**

The statement of financial position reflects property plant and equipment balance of Kshs.326,548,150,000 as disclosed in Note 11 to the financial statements. The balance includes Kshs.2,352,914,464 in respect of construction of Shimoni Port and Kshs.62,392,296 in respect of hydrological, geotechnical and Environmental Social Impact Assessment (ESIA) for Shimoni Port Jetty. Review of procurement records for the works revealed that the works were awarded to the contractor following an open national tender process at a contract sum of Kshs.2,649,126,134. Site visit and physical inspection of the project revealed that the port does not have water supply, a key component in operationalization of the facility despite substantial completion and handover certificate dated 30 June, 2025 having been issued.

In the circumstance, the value for money and utilization of the investment valued at Kshs.2,649,126,134 could not be confirmed.

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

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

### **Conclusion**

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

### **Basis for Conclusion**

#### **1. Allocation and Leasing of Port Land**

Review of the Authority's land assets records revealed that the Board had over time approved request from third parties to lease land and shed within the Port precincts/confines to carry out different businesses. This resulted in straining of the Ports overall consolidated storage space. Financial records indicate that the Authority had sought financing to facilitate expansion of the Port terminal under the Mombasa Port Development project with an outstanding loan balance of Kshs.45,941,699,000 as at 30 June, 2025.

However, the rationale to lease land and shed to third parties to undertake private business within the Port while borrowing funds to invest in expansion of terminal to create additional storage spaces has not been explained. Further, the process of identification of available land for allocation and selection of the beneficiaries lacks clarity and evidence that the leased assets were being used for purposes of carrying out the functions of the entity was not provided.

In addition, physical inspection of the sheds revealed that the third parties were utilizing a substantial area around the leased facilities for their operations, cargo handling and as storage of cargo before removal.

In the circumstances, the effectiveness of Management control over leased assets could not be confirmed.

#### **2. Inconsistencies in Authority Performance Indicators**

The statement of profit or loss and other comprehensive income reflects establishment expenses of Kshs.20,707,188,000 as disclosed in Note 9 to the financial statements. Included in the expenditure is overtime payments of Kshs.1,859,274,000 an increase of Kshs.428,170,000 (30%) from the Kshs.1,431,104,000 reported in 2023/2024. However, the annual throughput which is the variable associated with increase in overtime expenditure increased by 13%. Further, revenue for the period increased by 5.3%.

In the circumstances, the effectiveness of management operational efficiencies could not be confirmed.

### **3. Implementation of Development Projects Outside the Approved Strategic Plan**

Review of the Authority's approved 5-year strategic plan (2023-2028) revealed that the management initiated capital projects during the year under review with an aggregate contractual commitment of Kshs. 11,902,547,588 which were not in the approved strategic plan. Management did not provide the justification, rationale, identification of the need, and factors supporting the deviation from the approved strategic plan. The deviation from the strategic plan may result in a negative financial impact through wasteful and unplanned use of resources and is a pointer to governance failure in oversight to ensure achievement of the Authority's long-term strategic goals and objectives.

In the circumstances, the effectiveness of Management in execution of its strategic plan could not be confirmed.

### **4. Weaknesses in Human Resource Operations**

Review of human resource management records and operations revealed the following weaknesses;

- i. The salary structure in use is not aligned to the approved Career Progression Guidelines. Although management indicated that it is awaiting approval by the Salaries and Remuneration Commission (SRC) to implement the salary structure aligned with the new grades. At the time of audit, correspondence on the same had not been received.
- ii. Lack of documented procedures and manual alteration of staff time entries without formal approvals.
- iii. Lack of established complaints resolution mechanism.
- iv. Loss of eighty-five thousand, six hundred and forty (85,640) man hours due to staff absenteeism with most hours lost from container operations and conventional cargo operations. Evidence of action taken by Management to curtail the malpractice which could be the driver to increased overtime costs, was not provided for audit.

In the circumstances, the effectiveness of Management control over human resource operations could not be confirmed.

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

## **Responsibilities of Management and Board of Directors**

Management is responsible for the preparation and fair presentation of these financial statements in accordance with International Financial Reporting Standards and for maintaining effective internal controls as Management determines is necessary to enable

the preparation of financial statements that are free from material misstatement, whether due to fraud or error and for its assessment of the effectiveness of internal controls, risk management and governance.

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

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

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

The Board of Directors are responsible for overseeing the Authority's financial reporting process, reviewing the effectiveness of how Management monitors compliance with relevant legislative and regulatory requirements, ensuring that effective processes and systems are in place to address key roles and responsibilities in relation to governance and risk management, and ensuring the adequacy and effectiveness of the control environment.

## **Auditor-General's Responsibilities for the Audit**

My responsibility is to conduct an audit of the financial statements in accordance with Article 229(4) of the Constitution, Section 35 of the Public Audit Act, 2015 and the International Standards of Supreme Audit Institutions (ISSAIs). The standards require that, in conducting the audit, I obtain reasonable assurance about whether the financial statements as a whole are free from material misstatements, whether due to fraud or error and to issue an auditor's report that includes my opinion in accordance with Section 48 of the Public Audit Act, 2015. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISSAIs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

In conducting the audit, Article 229(6) of the Constitution also requires that I express a conclusion on whether or not in all material respects, the activities, financial transactions and information reflected in the financial statements are in compliance with the authorities that govern them and that public resources are applied in an effective way. In addition, I consider the entity's control environment in order to give an assurance on the effectiveness of internal controls, risk management and governance processes and systems in accordance with the provisions of Section 7 (1) (a) of the Public Audit Act, 2015.

Further, I am required to submit the audit report in accordance with Article 229(7) of the Constitution.

Detailed description of my responsibilities for the audit is located at the Office of the Auditor-General's website at: <https://www.oagkenya.go.ke/auditor-generals-responsibilities-for-audit/>. This description forms part of my auditor's report.

  
FCPA Nancy Gathungu, CBS  
AUDITOR-GENERAL

Nairobi

16 December, 2025

## Appendix 1-Unresolved Prior Year Matters

| S/No | Issue                                                                          |
|------|--------------------------------------------------------------------------------|
|      | <b>Report on the Financial Statements</b>                                      |
| 1    | Unsupported sports expenditure                                                 |
| 2    | Lack of valuation of fully depreciated assets                                  |
| 3    | Lack of valuation and uncertainties of land leased out                         |
| 4    | Lack of ownership documents for Lamu Port and Kisumu Port                      |
| 5    | Bank and cash balances                                                         |
| 6    | Variance in overtime payment balance                                           |
| 7    | Unsupported board expenses                                                     |
|      | <b>Report of Lawfulness and Effectiveness in Use of Public Resources</b>       |
| 8    | Non compliance with law on public finance management                           |
| 9    | Design, supply, integration and implementation of an operations control center |
| 10   | Procurement and supply of one hundred and fifty portable handheld VHF radios   |
| 11   | Irregular purchase of ferry operations site management equipment               |
| 12   | Maintenance of Fuel Management System                                          |
| 13   | Encroachment of KPA land                                                       |
| 14   | Operational inefficiencies at Lamu Port                                        |
| 15   | Non compliance with the law on gender and Ethnic Composition                   |
| 16   | <b>Report on Internal Controls, Risk Management and Governance</b>             |
| 17   | Weaknesses in payroll management                                               |
| 18   | Overtime payment not defines in KPA HR Policy Manual                           |

## KENYA PORTS AUTHORITY

ANNUAL REPORT & FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 30 JUNE 2025

### STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE YEAR ENDED 30 JUNE 2025

|                                                                         | Note  | 2024/2025<br>KES '000 | 2023/2024<br>KES '000 |
|-------------------------------------------------------------------------|-------|-----------------------|-----------------------|
| Operating Revenue                                                       | 6     | 68,686,592            | 65,233,738            |
| Other Incomes                                                           | 7     | 1,656,768             | 1,806,565             |
| <b>Total Revenues</b>                                                   |       | <b>70,343,360</b>     | <b>67,040,303</b>     |
| <b>Less Expenses:</b>                                                   |       |                       |                       |
| Administrative Expenses                                                 | 8     | (5,516,697)           | (5,867,235)           |
| Establishment Expenses                                                  | 9     | (20,707,188)          | (20,277,353)          |
| Operating Expenses                                                      | 10    | (8,752,280)           | (9,783,066)           |
| Depreciation of PPE and Leased Property                                 | 11,13 | (14,090,097)          | (12,498,702)          |
| Amortization of Intangible Assets                                       | 12    | (509,215)             | (378,048)             |
| <b>Total Operating Expenses</b>                                         |       | <b>(49,575,477)</b>   | <b>(48,804,404)</b>   |
| <b>Operating Profit</b>                                                 |       | <b>20,767,883</b>     | <b>18,235,899</b>     |
| Finance Income                                                          | 14    | 379,377               | 589,035               |
| Finance Cost                                                            | 15    | (819,513)             | (1,079,305)           |
| Impairment Loss                                                         | 16    | (527,558)             | (508,410)             |
| Other Gains/(Losses)                                                    | 17    | (911,720)             | 47,293                |
| <b>Profit Before Tax</b>                                                |       | <b>18,888,469</b>     | <b>17,284,512</b>     |
| Tax Charge                                                              | 18    | (5,345,333)           | (5,106,436)           |
| <b>Profit for the Year</b>                                              |       | <b>13,543,136</b>     | <b>12,178,076</b>     |
| <b>Other Comprehensive Income (OCI)</b>                                 |       |                       |                       |
| <b>OCI not to be reclassified to Profit or Loss in subsequent years</b> |       |                       |                       |
| Deficit Resulting from Pension Valuation                                | 32    | (1,749,400)           | (2,272,200)           |
| <b>OCI to be reclassified to Profit or Loss in subsequent years</b>     |       |                       |                       |
| Unrealized Foreign Exchange Gain/(Loss)                                 | 26    | 389,448               | (17,024,646)          |
| Unrealized Forex Gain/(Loss) from Valuation of Loans                    | 29    | (4,630,067)           | 10,127,465            |
| <b>Earnings Reported</b>                                                |       | <b>7,553,117</b>      | <b>3,008,695</b>      |


## KENYA PORTS AUTHORITY

ANNUAL REPORT & FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2025

### STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2025

|                                        | Note | 2024/2025<br>KES '000 | 2023/2024<br>KES '000 |
|----------------------------------------|------|-----------------------|-----------------------|
| <b>Non-Current Assets:</b>             |      |                       |                       |
| Property Plant and Equipment           | 11   | 326,548,150           | 318,873,928           |
| Intangible Assets                      | 12   | 1,203,051             | 1,096,543             |
| Leased Property                        | 13   | 556,112               | 579,123               |
| Assets Held for Sale                   | 19   | 47,291                | 324,319               |
| Long Term Investment                   | 20   | 1,073,691             | 1,063,068             |
| <b>Total Non-Current Assets</b>        |      | <b>329,428,295</b>    | <b>321,936,981</b>    |
| <b>Current Assets:</b>                 |      |                       |                       |
| Inventories                            | 21   | 883,703               | 995,739               |
| Receivables and Prepayments            | 22   | 21,432,018            | 15,968,859            |
| Tax paid in advance                    | 23   | 3,327,766             | 4,891,292             |
| Short Term deposits                    | 24   | 5,934,553             | 5,880,305             |
| Bank & Cash Balances                   | 24   | 2,061,274             | 1,217,580             |
| <b>Total Current Assets</b>            |      | <b>33,639,314</b>     | <b>28,953,775</b>     |
| <b>TOTAL ASSETS</b>                    |      | <b>363,067,609</b>    | <b>350,890,756</b>    |
| <b>Capital and Reserves:</b>           |      |                       |                       |
| Revaluation Reserves                   | 25   | 65,808,034            | 70,585,679            |
| General Reserves                       | 26   | 196,904,601           | 142,696,223           |
| Grants                                 | 27   | 3,745,083             | 8,234,800             |
| <b>Total Capital and Reserves</b>      |      | <b>266,457,718</b>    | <b>221,516,702</b>    |
| <b>Non-Current Liabilities:</b>        |      |                       |                       |
| GOK Project Funds                      | 28   | 800,000               | 48,300,157            |
| Borrowings                             | 29   | 54,499,437            | 49,373,450            |
| Deferred Tax Liability                 | 30   | 9,411,743             | 6,952,168             |
| Retirement Benefit Liability           | 32   | 7,162,400             | 7,653,600             |
| <b>Total Non-Current Liabilities</b>   |      | <b>71,873,580</b>     | <b>112,279,375</b>    |
| <b>Current Liabilities</b>             |      |                       |                       |
| Borrowings                             | 29   | 2,947,331             | 2,337,375             |
| Trade and Other Payables               | 31   | 17,808,119            | 13,322,646            |
| Retirement Benefit Liability           | 32   | 1,238,400             | 535,200               |
| Dividends Payable                      | 38   | 2,742,461             | 899,458               |
| <b>Total Current Liabilities</b>       |      | <b>24,736,311</b>     | <b>17,094,679</b>     |
| <b>TOTAL CAPITAL &amp; LIABILITIES</b> |      | <b>363,067,609</b>    | <b>350,890,756</b>    |

The financial statements were approved by the Board of Directors on 22 August 2025 and signed on their behalf by:

  
Hon. Benjamin D. Tayari  
**CHAIRMAN**

  
CPA Geoffrey Kavate  
**GM, FINANCE**  
ICPAK M/No: 6399

  
Capt. William Ruto, AFNI, MBS  
**MANAGING DIRECTOR**

## KENYA PORTS AUTHORITY

ANNUAL REPORT & FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2025

### STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 30 JUNE 2025

|                                      | Note | Revaluation<br>Reserves<br>KES '000 | General<br>Reserves<br>KES '000 | Grants<br>KES '000 | Total<br>KES '000  |
|--------------------------------------|------|-------------------------------------|---------------------------------|--------------------|--------------------|
| Balance brought down                 |      | 70,585,679                          | 141,433,864                     | 8,234,800          | 220,254,343        |
| Bonus provision                      |      | 0                                   | 1,262,359                       | 0                  | 1,262,359          |
| <b>Balance as at 01.07.2024</b>      |      | <b>70,585,679</b>                   | <b>142,696,223</b>              | <b>8,234,800</b>   | <b>221,516,702</b> |
| Profit After Tax                     |      |                                     | 13,543,136                      |                    | 13,543,136         |
| <b>Other Comprehensive Income:</b>   |      |                                     |                                 |                    |                    |
| Unrealized Foreign Exchange (Loss)   | 26   | 0                                   | 389,448                         | 0                  | 389,448            |
| Revaluation Gain on Loans            | 29   | 0                                   | (4,630,067)                     | 0                  | (4,630,067)        |
| Increase in Pension DB Deficit       | 32   | 0                                   | (1,749,400)                     | 0                  | (1,749,400)        |
| <b>Others:</b>                       |      |                                     |                                 |                    |                    |
| Asset Revaluation Effect/Adjustments | 26   | (4,777,645)                         | 4,777,645                       | 0                  | 0                  |
| Other adjustments                    | 26   | 0                                   | (81,921)                        | 0                  | (81,921)           |
| Bonus Reversal                       | 26   | 0                                   | (587,876)                       | 0                  | (587,876)          |
| Grants                               | 27   | 0                                   | 4,145,139                       | (4,145,139)        | 0                  |
| SGR Assets Revaluation effect        | 27   | 0                                   | 344,578                         | (344,578)          | 0                  |
| GOK Project Funds                    | 28   | 0                                   | 47,800,157                      | 0                  | 47,800,157         |
| Dividends                            | 38   | 0                                   | (9,742,461)                     | 0                  | (9,742,461)        |
| <b>Balance as at 30.06.2025</b>      |      | <b>65,808,034</b>                   | <b>196,904,601</b>              | <b>3,745,083</b>   | <b>266,457,718</b> |

### STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 30 JUNE 2024

|                                      | Note | Revaluation<br>Reserves<br>KES '000 | General<br>Reserves<br>KES '000 | Grants<br>KES '000 | Total<br>KES '000  |
|--------------------------------------|------|-------------------------------------|---------------------------------|--------------------|--------------------|
| Balance brought down                 |      | 78,066,325                          | 127,820,632                     | 8,608,913          | 214,495,870        |
| Bonus provision                      |      | 0                                   | 587,876                         | 0                  | 587,876            |
| <b>Balance as at 01.07.2023</b>      |      | <b>78,066,325</b>                   | <b>128,408,508</b>              | <b>8,608,913</b>   | <b>215,083,746</b> |
| Profit After Tax                     |      | 0                                   | 12,178,076                      | 0                  | 12,178,076         |
| <b>Other Comprehensive Income:</b>   |      |                                     |                                 |                    |                    |
| Unrealized Foreign Exchange (Loss)   | 26   | 0                                   | (17,024,646)                    | 0                  | (17,024,646)       |
| Revaluation Gain on Loans            | 29   | 0                                   | 10,127,465                      | 0                  | 10,127,465         |
| Increase in Pension DB Deficit       | 32   | 0                                   | (2,272,200)                     | 0                  | (2,272,200)        |
| <b>Others:</b>                       |      |                                     |                                 |                    |                    |
| Asset Revaluation Effect/Adjustments | 26   | (7,480,646)                         | 7,480,646                       | 0                  | 0                  |
| Other adjustments                    | 26   | 0                                   | (652)                           | 0                  | (652)              |
| Bonus Reversal                       | 26   | 0                                   | (563,539)                       | 0                  | (563,539)          |
| Other Valuation adjustments          | 26   | 0                                   | 15,464,310                      | 0                  | 15,464,310         |
| SGR Assets Revaluation effect        | 27   | 0                                   | 374,113                         | (374,113)          | 0                  |
| Dividends Paid (Special & Normal)    | 38   | 0                                   | (10,576,400)                    | 0                  | (10,576,400)       |
| Dividends payable                    | 38   | 0                                   | (899,458)                       | 0                  | (899,458)          |
| <b>Balance as at 30.06.2024</b>      |      | <b>70,585,679</b>                   | <b>142,696,223</b>              | <b>8,234,800</b>   | <b>221,516,702</b> |

## KENYA PORTS AUTHORITY

ANNUAL REPORT & FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 30 JUNE 2025

### STATEMENT OF CASH FLOW FOR THE YEAR ENDED 30 JUNE 2025

|                                                             | Notes | 2024/2025<br>KES '000 | 2023/2024<br>KES '000 |
|-------------------------------------------------------------|-------|-----------------------|-----------------------|
| <b>Operating Activities:</b>                                |       |                       |                       |
| Cash Generated from Operations                              | 33    | 33,739,308            | 36,967,197            |
| Interest Received                                           | 14    | 379,377               | 589,035               |
| Interest Paid                                               | 15    | (796,996)             | (793,205)             |
| Tax Paid                                                    | 23    | (1,867,546)           | (6,568,970)           |
| Dividends Paid                                              | 38    | (7,899,458)           | (576,400)             |
| Special Dividend paid                                       | 38    | 0                     | (10,000,000)          |
| Pension paid                                                | 32    | (1,537,400)           | (535,200)             |
| <b>Net cash generated from Operating Activities</b>         |       | <b>22,017,285</b>     | <b>19,082,457</b>     |
| <b>Investing Activities:</b>                                |       |                       |                       |
| Purchase of Property, Plant and Equipment                   | 37    | (21,009,451)          | (21,310,485)          |
| Direct Acquisitions PPE                                     |       | (1,470,450)           | (398,880)             |
| Proceeds from Disposal of Assets                            |       | 42,083                | 0                     |
| Purchase of Long-Term Investment                            | 20    | (10,623)              | (6,154)               |
| Proceeds from sale of surveyed stock                        |       | 7,366                 | 1,174                 |
| <b>Net Cash used in Investing Activities</b>                |       | <b>(22,441,075)</b>   | <b>(21,714,345)</b>   |
| <b>Financing Activities:</b>                                |       |                       |                       |
| Receipt of GoK Project Funds                                | 28    | 300,000               | 150,000               |
| Receipts from Stanbic Loans                                 | 29    | 3,371,602             | 1,535,872             |
| Payment of JICA I Loan                                      | 29    | (902,142)             | (970,201)             |
| (Payment)/Receipt of JICA II Loan                           | 29    | (446,136)             | 137,699               |
| Payment of Stanbic Loan                                     | 29    | (1,073,293)           | 0                     |
| Receipt of JICA Dongo Kundu loan                            | 29    | 71,701                | 507,048               |
| <b>Net Cash generated from Financing Activities</b>         |       | <b>1,321,732</b>      | <b>1,360,418</b>      |
| <b>Net increase /(decrease) in Cash and Cash Equivalent</b> |       | <b>897,942</b>        | <b>(1,271,470)</b>    |
| Cash and Cash Equivalents as of 1 July                      |       | 7,097,885             | 8,369,355             |
| <b>Cash and Cash Equivalents as of 30 June</b>              | 24    | <b>7,995,827</b>      | <b>7,097,885</b>      |

## KENYA PORTS AUTHORITY

ANNUAL REPORT & FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 30 JUNE 2025

### STATEMENT OF COMPARISON OF BUDGET AND ACTUAL AMOUNTS FOR THE PERIOD ENDED 30 JUNE 2025

|                                     | Original<br>budget  | Adjustment          | Final Budget        | Actual on<br>Comparable<br>Basis | Performance<br>Difference | % of<br>utilization |
|-------------------------------------|---------------------|---------------------|---------------------|----------------------------------|---------------------------|---------------------|
|                                     | a                   | b                   | c= a+b              | d                                | E=d-c                     | d/c%                |
|                                     | KES '000            | KES '000            | KES '000            | KES '000                         | KES '000                  | %                   |
| <b>Revenue</b>                      |                     |                     |                     |                                  |                           |                     |
| Operating Revenue                   | 64,490,113          | 0                   | 64,490,113          | 68,686,592                       | 4,196,479                 | 107%                |
| Other Incomes                       | 1,475,752           | 0                   | 1,475,752           | 1,656,768                        | 181,016                   | 112%                |
| <b>Total Revenues</b>               | <b>65,965,865</b>   | <b>0</b>            | <b>65,965,865</b>   | <b>70,343,360</b>                | <b>4,377,495</b>          | <b>107%</b>         |
| <b>Expenses:</b>                    |                     |                     |                     |                                  |                           |                     |
| Administrative Expenses             | (2,980,212)         | (1,921,060)         | (4,901,272)         | (5,516,697)                      | (615,425)                 | 113%                |
| Establishment Expenses              | (15,953,093)        | (3,957,450)         | (19,910,543)        | (20,707,188)                     | (796,645)                 | 104%                |
| Operating Expenses                  | (2,581,721)         | (5,105,106)         | (7,686,827)         | (8,752,280)                      | (1,065,453)               | 114%                |
| Depreciation                        | (12,450,055)        | 0                   | (12,450,055)        | (14,090,097)                     | (1,640,042)               | 113%                |
| Amortization                        | (449,945)           | 0                   | (449,945)           | (509,215)                        | (59,270)                  | 113%                |
| <b>Total Operating<br/>Expenses</b> | <b>(34,415,026)</b> | <b>(10,983,615)</b> | <b>(45,398,642)</b> | <b>(49,575,477)</b>              | <b>(4,176,835)</b>        | <b>109%</b>         |
| <b>Operating Profit</b>             | <b>31,550,839</b>   | <b>(10,983,615)</b> | <b>20,567,223</b>   | <b>20,767,883</b>                | <b>200,660</b>            | <b>101%</b>         |
| Finance Income                      | 342,291             | 0                   | 342,291             | 379,377                          | 37,086                    | 111%                |
| Finance cost                        | (1,323,924)         | 575,990             | (747,934)           | (819,513)                        | (71,578)                  | 110%                |
| Impairment Loss                     | (218,734)           | (283,900)           | (502,634)           | (527,558)                        | (24,923)                  | 105%                |
| Other Gains                         | 844                 | 0                   | 844                 | (911,720)                        | (912,564)                 |                     |
| <b>PBT</b>                          | <b>30,351,315</b>   | <b>(10,691,526)</b> | <b>19,659,789</b>   | <b>18,888,469</b>                | <b>(771,320)</b>          | <b>96%</b>          |

**Note:** PFM Act section 81(2) ii and iv requires Kenya Ports Authority to present appropriation accounts showing the status of votes compared with the appropriation for the vote. IFRSs does not require entities complying with IFRSs to prepare budgetary information. However, for public sector entities, the PSASB has considered the requirements of the PFM Act, 2012 which these statements comply with, the importance that the budgetary information would provide to the users of the statements and the fact that the public entities make their budgets publicly available and decided to include this statement under the IFRSs compliant financial statements and a statement explaining any variations between actual expenditure and the sums voted.

#### Explanation of variances

**Operating Revenue:** The revenue exceeded the budgeted amount due to higher-than-expected throughput. While the budget anticipated a throughput of 40.2 million tons, the Authority handled 42.6 million tons.

**Other Incomes:** The primary driver for increase is increased receipts from rental income. This was as a result renewal of leases for tenants occupying Authority's premises and collection of overdue rent.

**Administrative Expenses:** The Budget variance is due to Budget cuts and increased costs for Insurance and licenses which are contracted. Also, Directors' fees have been capped at 30 million but due to location of the Authority and the number of activities the amount is insufficient to cover the expenditure.

**Operating Expenses:** The overrun was due to budget cuts on fuel and spares. Their consumption in the period has increased in tandem with increased throughput.

**Depreciation and Amortization:** The expense increased compared to same period last year due to capitalization of assets especially Lamu Port Berth 2 & 3 and the cargo handling.

**Finance Income:** The earnings from investment in call deposits increased due to prudent fund management.

## **KENYA PORTS AUTHORITY**

**ANNUAL REPORT & FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 30 JUNE 2025**

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### **NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 30 JUNE 2025**

#### **1. General Information**

Kenya Ports Authority is established by and derives its authority and accountability from Cap 391 of the laws of Kenya. The entity is wholly owned by the Government of Kenya and is domiciled in Kenya with liaison offices in Uganda and Rwanda.

The entity's principal activity is to develop, maintain, operate, improve, and regulate the Port of Mombasa, Port of Lamu and all other seaports along the Kenya coastline as well as ferry operations. In addition, the Authority manages Inland Waterways and Inland Container Depots at Embakasi, Naivasha, Eldoret and Kisumu in Kenya. At the cabinet level, the Authority is represented by the Cabinet Secretary for the Ministry of Roads and Transport. The Authority is domiciled in Kenya.

#### **2. Statement of Compliance and Basis of Preparation**

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

The financial statements are prepared and presented in Kenya Shillings (KES), which is the functional and reporting currency of the Authority, and all values are rounded to the nearest thousand (KES '000) unless otherwise stated. The financial statements have been prepared in accordance with the PFM Act, the State Corporations Act, and the International Financial Reporting Standards (IFRS). The accounting policies adopted have been consistently applied to all the years presented.

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2025****3. Application for New and Revised International Financial Reporting Standards (IFRS)****i. New and amended standards and interpretations in issue and effective in the year ended 30 June 2025**

The following new and revised IFRSs, which became effective for annual periods beginning on or after 1 January 2024, have been adopted in the financial statements. The application of these revised IFRSs has not had any material impact on the amounts reported for the current and prior years but may affect the accounting for future transactions.

**Amendments to IAS 1 - Classification of Liabilities as Current or Non-current (issued in January 2020, amended in October 2022)**

**Description:** The amendments, applicable to annual periods beginning on or after 1st January 2024, clarify a criterion in IAS 1 for classifying a liability as non-current: the requirement for an entity to have the right to defer settlement of the liability for at least 12 months after the reporting period. The amendments improve the information an entity provides about liabilities arising from loan arrangements for which an entity's right to defer settlement of those liabilities for at least twelve months after the reporting period is subject to the entity complying with conditions specified in the loan arrangement.

**Effective date:** The amendments are effective for annual periods beginning on or after January 1, 2024. Earlier application is permitted.

**Amendment to IFRS 16 - Lease Liability in a Sale and Leaseback (issued in September 2022).**

**Description:** The amendment, applicable to annual periods beginning on or after 1<sup>st</sup> January 2024, requires a seller-lessee to subsequently measure lease liabilities arising from a leaseback in a way that does not recognize any amount of the gain or loss.

**Effective date:** The amendments are effective for annual periods beginning on or after January 1, 2024. Earlier application is permitted.

**Amendments to IAS 7 - Statement of Cashflows and IFRS 7 Financial Instruments Disclosure**

**Description:** Additional disclosure requirements regarding supplier finance arrangements.

**Effective Date:** The amendments are effective for annual reporting periods beginning on or after January 1, 2024. Early adoption is permitted.

**Amendments to IFRS 16 Leases - Lease Liability in a Sale and Leaseback**

**Description:** Provides guidance on determining whether a transaction is a sale and lease back transaction and how to account for the transaction.

**Effective Date:** The amendment is effective for annual reporting periods beginning on or after January 1, 2024. Early adoption is permitted.

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2025**

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

**New standard IFRS S1 - General Requirements for Disclosure of Sustainability-related Financial Information**

**Description:** The general standard provides a framework for companies to report on all relevant sustainability-related topics across the areas of governance, strategy, risk management, and metrics and targets. The standard requires entities to disclose information about their sustainability-related risks and opportunities useful to primary users of general-purpose financial reports in making decisions to provide resources to the organization.

**Effective Date:** The standard is effective from 1 January 2024, but it will be for individual jurisdictions to decide whether and when to adopt them. While voluntary adoption of IFRS Sustainability Disclosure Standards began in January 2024 for all organizations, Institute of Certified Public Accountants of Kenya (ICPAK) has guided that the mandatory application for Public Interest Entities (PIEs) is set for annual financial reporting periods starting on or after January 1, 2027. Large non-public interest entities have an additional year, with mandatory application beginning in 2028, and small to medium-sized entities will follow in 2029.

**New standard IFRS S2 - Climate-related Disclosures**

**Description:** The standard requires entities to disclose information about climate-related risks and opportunities useful to the primary users of general-purpose financial reports in making decisions about whether they should provide resources to the entity. Requires disclosure about climate-related risks and opportunities that could reasonably be expected to affect the entity's cash flows, access to finance or cost of capital over the short, medium and long term.

**Effective Date:** The standard is effective from 1 January 2024, but it will be for individual jurisdictions to decide whether and when to adopt them. While voluntary adoption of IFRS Sustainability Disclosure Standards began in January 2024 for all organizations, Institute of Certified Public Accountants of Kenya (ICPAK) has guided that the mandatory application for Public Interest Entities (PIEs) is set for annual financial reporting periods starting on or after January 1, 2027. Large non-public interest entities have an additional year, with mandatory application beginning in 2028, and small to medium-sized entities will follow in 2029.

**Amendments to IAS 21 - The Effects of Changes in Foreign Exchange Rates**

**Description:** Contains guidance to specify when a currency is exchangeable and how to determine the exchange rate when it is not.

The IASB has published 'Lack of Exchangeability (Amendments to IAS 21)' that contains guidance to specify when a currency is exchangeable and how to determine the exchange rate when it is not. Amendments to clarify the accounting when there is a lack of exchangeability contains guidance to specify when a currency is exchangeable and how to determine the exchange rate when it is not.

**Effective Date:** The amendments are effective for annual reporting periods beginning on or after January 1, 2025. Early adoption is permitted.

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2025****Amendments to IFRS 9 Financial Instruments and IFRS 7 Financial Instruments: Disclosures Amendments to the Classification and Measurement of Financial Instruments**

**Description:** IFRS 9 - The amendments include guidance on the classification of financial assets, including those with contingent features.

IFRS 7 Financial Instruments: Disclosures. Companies will now be required to provide additional disclosures on financial assets and financial liabilities that have certain contingent features.

**Effective Date:** The amendments apply for reporting periods beginning on or after 1 January 2026. Companies can choose to early adopt these amendments (including the associated disclosure requirements), separately from the amendments for the recognition and derecognition of financial assets and financial liabilities.

**Amendment to IFRS 9 Financial Instruments**

**Description:** The IASB's amendments remove the conflict between IFRS 9 and IFRS 15 over the amount at which a trade receivable is initially measured. Under IFRS 15, a trade receivable may be recognized at an amount that differs from the transaction price e.g. when the transaction price is variable. Conversely, IFRS 9 requires that companies initially measure trade receivables without a significant financing component at the transaction price.

The IASB has amended IFRS 9 to require companies to initially measure a trade receivable without a significant financing component at the amount determined by applying IFRS 15

**Effective Date:** The amendments apply for annual reporting periods beginning on or after 1 January 2026. Earlier application is permitted.

**Description:** If a lease liability is derecognized, then the derecognition is accounted for under IFRS 9. However, when a lease liability is modified, the modification is accounted for under IFRS 16 Leases. The IASB's amendment states that when lease liabilities are derecognized under IFRS 9, the difference between the carrying amount and the consideration paid is recognized in profit or loss.

**Effective Date:** The amendments apply for annual reporting periods beginning on or after 1 January 2026. Earlier application is permitted. The amendment on derecognition of lease liabilities applies only to lease liabilities extinguished on or after the beginning of the annual reporting period in which the amendment is first applied.

**Amendments to the Classification and Measurement of Financial Instruments  
Amendments to IFRS 9 and IFRS 7****Description:**

The amendments specify:

- i. when a financial liability settled using an electronic payment system can be deemed to be discharged before the settlement date.
- ii. how to assess the contractual cash flow characteristics of financial assets with contingent features when the nature of the contingent event does not relate directly to changes in basic lending risks and costs; and
- iii. new or amended disclosure requirements relating to investments in equity instruments designated at fair value through other comprehensive income and financial instruments with contingent features that do not relate directly to basic lending risks and costs.

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2025**

**Effective Date:** The amendments apply for annual reporting periods beginning on or after 1 January 2026.

**IFRS 18 Presentation and Disclosure in Financial Statements**

**Description:** The new Standard changes how entities present their results in the face of the income statement and disclose information in the notes to the financial statements. It introduces a newly defined 'operating profit' subtotal and a requirement for all income and expenses to be classified into three new distinct categories based on a company's main business activities. IFRS 18 also requires companies to analyze their operating expenses directly on the face of the income statement – either by nature, by function or on a mixed basis.

**The International Accounting Standards Board (IASB) has published 'Annual Improvements to IFRS Accounting Standards – Volume 11' issued on 18 July 2024**

**Amendment to IFRS 1 First-time Adoption of International Financial Reporting Standards**

**Description:** Hedge accounting by a first-time adopter. The amendment addresses a potential confusion arising from an inconsistency in wording between paragraph B6 of IFRS 1 and requirements for hedge accounting in IFRS 9 *Financial Instruments*.

**Effective Date:** The amendments are effective for annual reporting periods beginning on or after 1 January 2026 with earlier application permitted.

**Amendment to IFRS 7 Financial Instruments: Disclosures**

**Description: Gain or loss on derecognition.** The amendment addresses potential confusion in paragraph B38 of IFRS 7 arising from an obsolete reference to a paragraph that was deleted from the standard when IFRS 13 Fair Value Measurement was issued.

**Description: Disclosure of deferred difference between fair value and transaction price.** The amendment addresses an inconsistency between paragraph 28 of IFRS 7 and its accompanying implementation guidance that arose when a consequential amendment resulting from the issuance of IFRS 13 was made to paragraph 28, but not to the corresponding paragraph in the implementation guidance.

**Description: Introduction and credit risk disclosures.** The amendment addresses a potential confusion by clarifying in paragraph IG1 that the guidance does not necessarily illustrate all the requirements in the referenced paragraphs of IFRS 7 and by simplifying some explanations.

**Effective Date:** The amendments are effective for annual reporting periods beginning on or after 1 January 2026 with earlier application permitted.

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2025**

**Amendment to IFRS 9 Financial Instrument**

**Description: Lessee derecognition of lease liabilities.** The amendment addresses a potential lack of clarity in the application of the requirements in IFRS 9 to account for an extinguishment of a lessee's lease liability that arises because paragraph 2.1(b)(ii) of IFRS 9 includes a cross-reference to paragraph 3.3.1, but not also to paragraph 3.3.3 of IFRS 9.

**Description: Transaction price.** The amendment addresses a potential confusion arising from a reference in Appendix A to IFRS 9 to the definition of 'transaction price' in IFRS 15 *Revenue from Contracts with Customers* while term 'transaction price' is used in particular paragraphs of IFRS 9 with a meaning that is not necessarily consistent with the definition of that term in IFRS 15.

**Effective Date:** The amendments are effective for annual reporting periods beginning on or after 1 January 2026 with earlier application permitted.

**Amendment to IFRS 7 Statement of Cash Flows**

**Description: Cost method.** The amendment addresses a potential confusion in applying paragraph 37 of IAS 7 that arises from the use of the term 'cost method' that is no longer defined in IFRS Accounting Standards.

**Effective Date:** The amendment is effective for annual reporting periods beginning on or after 1 January 2026 with earlier application permitted.

Management anticipates that these new standards, interpretations and amendments will have no material impact on the financial statements in the period of initial application.

**iii. Early adoption of standards**

The Authority did not early adopt any new or amended standards in the year.

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2025****4. Summary of Accounting Policies**

The significant accounting policies adopted in the preparation of these Financial Statements are set below:

**(a) Revenue Recognition**

IFRS 15 replaced the previous revenue recognition requirements in IAS 18 Revenue and applies to all revenue arising from contracts with customers. According to the new standard, revenue is recognized when a customer obtains control of the goods or services.

Revenue represents the fair value of consideration received or receivable for the sale of services in the course of the Authority's activities. It is recognized when it is probable that future economic benefits will flow to the Authority and the amount of revenue can be measured reliably. Determining the timing of the transfer of control – at a point in time or over time – requires judgment.

It is stated net of Value Added Tax (where applicable), rebates and trade discounts. Discounts are included as part of finance costs.

The Authority's revenue mainly consists of revenue from port-related services and lease rentals. Where the Authority is an agent between a service provider and the end customer, an administrative fee is recognized as revenue on satisfaction of the performance obligation. Revenues earned by the Authority are recognized on the following basis.

**Sale of services** are recognized upon performance of the services and customer acceptance. The Authority only bills once the consignee for the cargo has been determined and upon lodgment of customs approved documents. It is only then that it is probable that future economic benefits will flow to the Authority and the amount of revenue can be measured reliably.

**Rental income** is recognized at the time of billing as per the effective lease agreements. Where lease agreements are under preparation, billing is based on letters of offer, signed, and accepted by the tenants. A signed letter of offer is a commitment from the tenant.

**Finance income** comprises of Interest receivable from bank deposits and investments in securities and is recognized in profit or loss on a time proportion basis using the effective interest rate.

**(b) Property, Plant and Equipment**

All categories of property, plant and equipment are initially recognized at cost and subsequently carried at cost less accumulated depreciation and accumulated impairment losses. Cost includes expenditure directly attributable to the acquisition of the assets. Computer software, including the operating system that is an integral part of the related hardware, is capitalized as part of the computer equipment. All items in an asset category are re-valued every 5 (five) years.

The categories of assets listed below were last re-valued in the FY 2018/2019: -

- Land and Buildings
- Plant and Equipment
- Basic Constructions
- Services and systems
- Intangible Assets

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2025****Summary of Accounting Policies (cont'd)****Property, Plant and Equipment (cont'd)**

The exercise was undertaken by M/s Sec & M Limited. Details and qualifications for the director of M/s Sec & M Ltd are:

- Director Name: H.M. Kaburu,  
M.A. (Valn & Ppty Mgmt.) University of Nairobi, MRICS No. 1280168  
B.A Land Econ (Hons) University of Nairobi, MISK No. 690, REA  
NEMA EIA/EA Lead Expert No 1025  
Chartered Valuation Surveyor/RV 405

A revaluation exercise currently being undertaken by M/s Crystal Valuers Limited for all categories of assets commenced in the Financial Year 2024/2025 and is still on going. The final revaluation report is expected in the Financial Year 2025/2026, and the Authority shall use the report to update the assets register. The details and qualifications of the lead consultant of M/s Crystal valuers Limited are:

- Lead Expert: Edwin Mukira,  
B.A Land Econ University of Nairobi, M.I.S.K, R.V, R.E.A NO.418  
Registered Valuer No.237

The methodology, the basis of valuation and significant assumptions, are in accordance with the procedures and guidelines as laid down by the international Assets Valuation Standards Committee. Both M/s Sec & M Co. Limited and Crystal Valuers Limited valuations and appraisals are carried out in accordance with the RICS Appraisal and Valuation Standards and are Uniform Standards of Professional Appraisal Practice (USPAP) compliant. The valuers therefore consider all three approaches to valuation.

Subsequent costs are included in the assets carrying amount or recognized as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Authority and the cost of the item can be measured reliably. Repairs and maintenance expenses are charged to the profit or loss account in the year in which they are incurred.

Increases in the carrying amount arising on revaluation are recognized in other comprehensive income and accumulated in equity under the heading of revaluation surplus. Decreases that offset previous increases of the same asset are recognized in other comprehensive income.

All other decreases are charged to the Statement of Profit or Loss and Other Comprehensive Income. Annually, the difference between depreciation charge based on the valued carrying amount of the asset charged to the Statement of Profit or Loss and Other Comprehensive Income and depreciation based on the asset's original cost is transferred from the revaluation surplus reserve to retained earnings.

## **KENYA PORTS AUTHORITY**

**ANNUAL REPORT & FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 30 JUNE 2025**

### **NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 30 JUNE 2025**

#### **Summary of Accounting Policies (cont'd) Property, Plant and Equipment (cont'd)**

##### **(c) Depreciation and impairment of property, plant, and equipment**

Freehold land and capital works in progress are not depreciated. Capital works in progress relates to the costs of ongoing but incomplete works on buildings and other civil works and installations.

Depreciation on property, plant and equipment is calculated using the straight-line method to write down the cost or the revalued amount of each asset to its residual value over its estimated useful life using the following annual rates:

|                                             | <b>Rate</b> |
|---------------------------------------------|-------------|
| Dredging/reclamation                        | 2.5%        |
| Building commercial and non-commercial      | 2.5%        |
| Rail lines                                  | 2.5%        |
| Roads and Bridges                           | 2.5%        |
| Quays/wharves                               | 2.5%        |
| Berthing Tugs                               | 5%          |
| Pilot & Mooring Boats and Navigational Aids | 10%         |
| Cranes                                      | 10%         |
| Forklifts/Reach takers                      | 20%         |
| Tractors/Trailers                           | 20%         |
| Vehicles                                    | 20%         |
| Equipment                                   | 20%         |
| Furniture                                   | 20%         |
| Data processing equipment                   | 33.33%      |
| Software/ Intangibles                       | 33.33%      |

Depreciation is charged from the date of asset recognition and ceases on the date of asset disposal.

Items of property, plant and equipment are reviewed annually for impairment. Where the carrying amount of an asset is assessed as greater than its estimated recoverable amount, an impairment loss is recognized so that the asset is written down immediately to its estimated recoverable amount.

Gains and losses on disposal of property, plant and equipment are determined by reference to their carrying amount and are considered in determining operating profit. On disposal of revalued assets, amounts in the revaluation surplus reserve relating to that asset are transferred to retained earnings.

##### **(d) Impairment of non-financial assets**

Non-financial assets that are carried at amortized cost are reviewed at the end of each reporting period for any indication that an asset may be impaired.

If any such indication exists, an impairment loss is recognized for the amount by which the asset's carrying amount exceeds its recoverable amount.

The recoverable amount is the higher of an asset's fair value less costs to sell and value in use.

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2025****Summary of Accounting Policies (cont'd)****(e) Intangible Assets**

Intangible assets comprise purchased computer software licenses and other software, which are capitalized based on costs incurred to acquire and bring to use the specific software. These costs are amortized over the estimated useful life of the intangible assets from the year that they are available for use, usually over three years.

**(f) Amortization and impairment of intangible assets**

Amortization is calculated on the straight-line basis over the estimated useful life of computer software of three years.

All computer software is reviewed annually for impairment. Where the carrying amount of an intangible asset is assessed as greater than its estimated recoverable amount, an impairment loss is recognized so that the asset is written down immediately to its estimated recoverable amount.

**(g) Assets Held for Sale**

Non-current assets held for sale (or disposal) are classified as assets held for sale when their carrying amount is to be recovered principally through a sale transaction and a sale is considered highly probable. They are stated at Net Book Value.

**(h) Leased Property**

Standalone properties for which lease rentals are received are treated in the Statement of Financial Position according to the nature of the asset.

**(i) Retirement Benefits**

The Authority operates a defined benefit and defined contribution plans for eligible employees. The Authority is running the two schemes in parallel with the intention of phasing out the defined benefit scheme in the long run.

The defined benefit scheme was closed effectively on 31<sup>st</sup> December 2012 to new entrants and future accrual of benefits for members below age 45 as at 31<sup>st</sup> December 2011 and also those above age 45 who opted to accrue their future service benefits in the new defined contribution scheme.

In addition, the Authority makes contributions to the Social Security Fund for employees other than those covered under the retirement benefit scheme and those in other countries of operation, which are statutory, defined. The Authority's obligations under these schemes are limited to specific contributions as legislated from time to time.

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2025****Summary of Accounting Policies (cont'd)  
Retirement Benefits (cont'd)****Defined Benefit**

The Scheme is established and governed by a trust deed with effect from 1<sup>st</sup> January 1998. The Scheme is administered by Actuarial Services (E. A) Ltd ('ACTSERV'). The Scheme assets are invested by Co-op Trust Investment Services and Britam Asset Managers (Kenya) Limited in a segregated fund. The Scheme was previously administered by Zamara Actuaries, Administrators and Consultants Ltd. Employees contribute to the fund at the rate of 7.5% of their respective basic salary while the employer's current contribution rate is 14.7% of the basic salary.

The Authority recognizes actuarial gains and deficits in its books of accounts whenever an actuarial valuation of the scheme is done. Actuarial gains are recognized as non-current assets (excess of accrued scheme assets less liabilities) while deficits are recognized as long term liabilities. Where there is a deficit, the Authority increases its contribution to the scheme to offset the actuarial deficit. Where there is a gain, the Authority stops payment of additional contributions to the scheme.

The scheme is assessed annually by independent actuaries using the actuarial assumptions adopted. The valuation method used is known as the "Attained Age Method". Under this method, the future service contribution rate is calculated as the level percentage of payroll which would be adequate to fund the cost of future benefits of existing members arising over the full period to their normal retirement date. Allowances have been made for assumed future salary increase and pension increase, mortality, and investment returns.

The objective of this method of funding is to aim for a funding level equal to 100% and then accumulate sufficient surplus in the earlier years to maintain the contribution rate even though the average age of the membership will increase.

As at 30 June 2025, the scheme had an actuarial deficit of KES 8,400.8 million (KES 8,188.8 million deficit FY 2023/2024). The actuarial report as at 31<sup>st</sup> December 2024 showed an actuarial deficit of KES 9,020 million. Within the year the Authority made additional monthly payments of KES 103.2 million as part of the remedial plan to fund the deficit. The remedial plan as per the amortization schedule runs for six years.

The last discretionary pension increase was awarded as of 31<sup>st</sup> December 2017 and effected in November 2018 in line with Rule 17, the next pension increase shall be actuarially determined.

There was no pension increases granted to pensions in payments and deferred pensions during the inter-valuation period. Rule 17 of the Deed of Amendments dated 12 May 2020 stipulates that 'The Founder and the Trustees shall once every (3) years review the level of pensions in payment.

The Scheme was underfunded as at 31<sup>st</sup> December 2024. The assets taken at market value represented 65.58% of the accrued liabilities at this date.

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2025****Summary of Accounting Policies (cont'd)  
Retirement Benefits (cont'd)****Defined Contribution**

The Authority started a defined contribution scheme for her employees who were below the age of 45 as at 31<sup>st</sup> December 2012. The employees contribute 10% of their basic salary while the employer contributes 20% of the employee's basic salary.

The employer's contribution is charged to the Statement of Profit or Loss and Other Comprehensive Income for the period it relates. Both the employee and employer contribution are paid to an independent scheme which manages the resources pooled. Employees will benefit from the employer's contributions on meeting specific criteria set out in the pension scheme trust deed.

The employer's contributions payable for DC scheme of KES 1,389 million (FY 2023/2024 KES 1,486 million) was recognized in the Statement of Profit or Loss and Other Comprehensive Income.

**(j) Inventories**

Inventories are stated at cost. Cost of inventories includes import duties, non-refundable taxes, transport, and handling costs, and any other directly attributable costs less trade discounts, rebates, and similar items. The cost of inventories is assigned by weighted average cost formula. The Authority has a policy of stocking strategic consumable spare parts for a line of operational equipment. The spares are included in the inventory as of the Statement of Financial Position date.

**(k) Trade and other receivables**

Trade receivables are stated at their nominal value and reduced by appropriate allowances for estimated irrecoverable amounts.

Objective evidence of impairment of the receivables is when there is significant financial difficulty of the counterparty or when there is a default or delinquency in payment according to agreed terms. When a trade receivable is considered uncollectible, it is written off against the Statement of Profit or Loss and Other Comprehensive Income while adjusting the impairment provision.

**(l) Financial Instruments**

On initial recognition a financial asset is classified and measured at:

**➤ Amortized cost:**

A financial asset is measured at amortized cost if it meets both of the following conditions and is not designated as at FVTPL:

- It is held within a business model whose objective is to hold assets to collect contractual cash flows: and
- Its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2025****Summary of Accounting Policies (cont'd)****Financial Instruments (cont'd)**

Gains and losses are recognized in profit or loss when the asset is derecognized or impaired. The Authority's financial assets measured at amortized cost include trade receivables, other receivables and cash and cash equivalents.

Trade receivables are amounts due from customers for or services performed in the ordinary course of business. They are generally due for settlement within 90 days and therefore are all classified as current. Trade receivables are recognized initially at the amount of consideration that is unconditional. The Authority holds the trade receivables with the objective of collecting the contractual cash flows. Details about the Authority's impairment policies and the calculation of the loss allowance are provided in Risk Management.

➤ **Fair value through other comprehensive income ('FVOCI') –**

**Debt instrument:** A debt investment is measured at FVOCI if it meets both of the following conditions and is not designated as at FVTPL:

- It is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets: and
- Its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

**Equity instrument:** On initial recognition of an equity investment that is not held for trading, the Authority may irrevocably elect to present subsequent changes in the investment's fair value in OCI. This election is made on an investment-by-investment basis.

➤ **Fair value through profit or loss (FVTPL').**

All financial assets not classified as measured at amortized cost or FVOCI as described above are measured at FVTPL.

In addition, on initial recognition, the Authority may irrevocably designate a financial asset that otherwise meets the requirements to be measured at amortized cost or at FVOCI as at FVTPL if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

Financial assets are not reclassified subsequent to their initial recognition unless the business model changes for managing financial assets, in which case all affected financial assets are reclassified on the first day of the first reporting period following the change in the business model. At the reporting date, the Authority has not identified a change in its business model.

**Derecognition of financial assets**

The Authority derecognizes a financial asset when the contractual rights to the cash flows from the asset expire, or it transfers the rights to receive the contractual cash flows on the

financial asset in a transaction in which substantially all the risks and rewards of ownership of the financial asset are transferred and it does not retain control of the financial asset.

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2025****Summary of Accounting Policies (cont'd)****Impairment of non-derivative financial assets**

The financial assets at amortized cost consist of trade receivables and cash and cash equivalents.

Trade and other receivables are initially recognized at fair values and subsequently measured at amortized cost using the effective interest method, less an allowance for Expected Credit Loss ("ECL").

The Authority applied the 'simplified approach' for determining the allowance for ECL for trade receivables, where lifetime ECL are recognized in the Profit and Loss at initial recognition of receivables and updated at each reporting date. Lifetime ECL represents the expected credit losses that will result from all possible default events over the expected life of the receivable. When determining the allowance for ECL, the Authority's considers reasonable and supportable information that is relevant and available for customer types. This includes both qualitative and quantitative information based on the Authority's historical experience and general economic factors. Loss events include financial difficulty or bankruptcy of the debtor, and breaches of contracts. Trade and other receivables are written off against the allowance for ECL when there is no reasonable expectation of recovery. Subsequent recoveries of amounts previously written off are recognized in the statement of Profit or Loss. The Authority assumes that the credit risk on a financial asset increases significantly if it is more than 90 days past due.

**Non-derivative financial liabilities Classification, initial recognition, and measurement**

The Authority's non-derivative financial liabilities consist of loans and borrowings, amounts due to related parties, and trade and other payables. All non-derivative financial liabilities are recognized initially at fair value, less any directly attributable transaction costs. The Authority classifies all its non-derivative financial liabilities as financial liabilities to be carried at amortized cost using the effective interest method.

The subsequent measurement of non-derivative financial liabilities are carried at their amortized cost using the effective interest method.

The Authority derecognizes financial liability when its contractual obligations are discharged or cancelled or expired.

The Authority also derecognizes financial liability when its terms are modified and the cash flows of the modified liability are substantially different, in which case a new financial liability based on the modified terms is recognized at fair value.

**• Offsetting**

Financial assets and liabilities are offset, and the net amount reported in the Statement of Financial Position only when there is a legally enforceable right to set off the recognized amounts and there is an intention to settle on a net basis or realize the asset and settle the liabilities simultaneously.

**(m) Cash and cash equivalents**

Cash and cash equivalents comprise cash on hand and cash at bank, short-term deposits on call and highly liquid investments which are readily convertible to known amounts of cash and are subject to an insignificant risk of changes in value. Bank account balances include amounts held at various commercial banks at the end of the financial year.

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2025****Summary of Accounting Policies (cont'd)****(n) Borrowing**

Interest bearing bank loans are recorded at the proceeds received, net of direct issue costs. Finance charges, including premiums payable on settlement or redemption, are accounted for on an accrual basis and are added to the carrying amount of the instrument to the extent that they are not settled in the year in which they arise.

**(o) Borrowing Costs**

Borrowing costs that are attributable to acquisition, construction or production of a qualifying asset are capitalized as part of the asset. The costs refer to all costs incurred in the acquisition and management of the borrowed funds during the qualifying asset construction. In the case of general borrowings, the borrowing cost is charged to the Statement of Profit or Loss and Other Comprehensive Income.

Capitalization of borrowing costs ceases when all activities necessary to prepare the qualifying asset for its intended use are complete. All other borrowing costs are recognized in the profit or loss in the year in which they are incurred.

**(p) Trade and other payables**

Trade and other payables are non-interest bearing and are carried at cost, which is consideration to be paid in future in respect of goods and services supplied, whether billed to the Authority or not.

**(q) Taxation****Income Tax**

Income tax expense is the aggregate amount charged/ (credited) in respect of current tax and deferred tax in determining the profit or loss for the year. Tax is recognized in the Statement of Profit or Loss and Other Comprehensive Income except when it relates to items recognized in other comprehensive income, in which case it is also recognized in other comprehensive income, or to items recognized directly in equity, in which case it is also recognized directly in equity.

Current income tax is the amount of income tax payable on the taxable profit for the year, and any adjustment to tax payable in respect of prior years, determined in accordance with the Kenyan Income Tax Act.

**Deferred Tax**

Deferred income tax assets are recognized only to the extent that it is probable that future taxable profits will be available against which temporary differences can be utilized. Recognized and unrecognized deferred tax assets are reassessed at the end of each reporting period. The recognized amount is adjusted to reflect the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2025****Summary of Accounting Policies (cont'd)****(r) Translation of Foreign Currencies**

On initial recognition, all transactions are recorded in the functional currency, which is Kenya Shillings. Transactions in foreign currencies during the year are converted into the functional currency using the exchange rate prevailing at the transaction date. Monetary assets and liabilities at the Statement of Financial Position date denominated in foreign currencies are translated into the functional currency using the exchange rate prevailing as at that date. The resulting foreign exchange gains and losses from the settlement of such transactions and from year-end translation are recognized on a net basis in the Statement of Profit or Loss and Other Comprehensive Income in the year in which they arise.

**(s) Short term employee benefits**

The estimated monetary liability for employees accrued at the Statement of Financial Position date is recognized as an employment cost accrual. Gratuity earned at Statement of Financial Position date is accrued and recognized as an employee cost in the Statement of Profit or Loss and Other Comprehensive Income.

**(t) Dividends**

In line with the Government directive to pay 80% of PAT as dividend to the National government, the Directors recommend dividend payout of 80% to the National Treasury.

Dividend payment is pegged on financial statements being duly audited and certified by the Office of the Auditor General. Dividends are charged to equity in the period in which they are paid.

**(u) Grants from donors and the National Government**

The grants are received in the form of direct payments to suppliers or contractors for the construction of specific capital projects of the Authority. The grants are recognized in the Statement of Financial Position and realized in the Statement of Profit or Loss and Other Comprehensive Income over the useful life of the assets.

**(v) Comparative figures**

Where necessary the comparative figures for the previous financial year 2023/2024 have been amended to conform to changes in presentation.

**(w) Subsequent events**

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

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2025****5. Significant Judgements and Sources of Estimation Uncertainty**

The preparation of financial statements in conformity with IFRSs requires management to make judgments, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income, and expenses. The estimates and the associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances that prevailed during the period.

The Board has reassessed its assumptions and estimates used in the measurement of assets and liabilities at the reporting date against the background of uncertainty in operating environment resulting from political agitations, Government fiscal programs, inflationary pressures experienced in the country, the foreign currency regime and impact of activities at the Suez Canal. There is no indication of any significant impairment or valuation risks for existing receivables and other assets or liabilities. Actual results may differ from these estimates. The estimates and underlying assumptions are reviewed on an ongoing basis.

In the process of applying the Authority's accounting policies, management has made judgment in determining:

- i. The depreciation rates and impairment of PPE, PPE balances represent a significant component of the Authority's assets. PPEs are recorded at cost and depreciated on a straight-line basis over the estimated useful lives of the assets. The management reviews the estimated useful lives of property, plant and equipment on an annual basis based on factors such as expected level of usage, forecasts, and assumptions. It is possible that future results of operations could be materially affected by changes in these estimates brought about by changes in the factors mentioned above.
- ii. Basis of Valuation and fair value measurement – in estimating the fair value of assets and liabilities, management uses market observable data where available. Where not available the management uses value of identical assets and liabilities or engages a third party to perform the valuation.
- iii. ECL of Trade receivables: At each reporting date, the Authority assesses whether trade receivables are credit impaired. Management makes judgement on the collectability of individual customer accounts taking into consideration the credit worthiness and financial condition of those customers. The Authority also records an allowance for receivables based on management's collective assessment of their collectability taking into consideration factors such as including historical experience of credit losses and the aging of the receivables with allowances generally increasing as the receivables age.
- iv. The amortization of Intangible assets
- v. The impairment of long-term investments in Kenya National Shipping Line, Consolidated Bank and deposits in Chase Bank Ltd in receivership-KDIC,
- vi. Provisions for obsolete inventory based on frequency of usage either dormant or slow moving and technological obsolescence where the inventory can no longer be utilized due to change in technology and lack of support for the technology by the vendors.
- vii. Deferred tax assets and liabilities the probability that the tax asset will be utilized in future, or the liability will crystallize.
- viii. The recognition of Retirement Benefit Asset/Liability, Judgments required by actuaries in respect of discount rates, future salary increments, mortality rates and inflation rates used for computation of defined benefit liability.

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2025****Significant Judgements and Sources of Estimation Uncertainty (cont'd)***ix. Chase Bank (IR) and SBM Bank Deposits*

Chase Bank Ltd. was placed under receivership in April 2016 by Central Bank of Kenya. The Authority's Board made a 25% impairment provision on the deposits during the 336<sup>th</sup> regular meeting held in December 2017.

*x. Revenue Recognition*

As stated in Note 4 (a) on Sales of services: Revenue represents the fair value of consideration received or receivable for the sale of services in the course of the Authority's activities. It is recognized when it is probable that future economic benefits will flow to the Authority and the amount of revenue can be measured reliably. Determining the timing of the transfer of control – at a point in time or over time – requires judgment.

On rental income, where lease agreements are under preparation, billing is based on letters of offers, signed, and accepted by the tenants. A signed letter of offer is a commitment from the tenant.

*xi. Contingent Liabilities*

The management consults with its legal counsel on matters related to litigation, and other experts both within and outside the Authority with respect to matters in the ordinary course of business. As at the reporting date, the Authority was involved in various legal proceedings where it has been vigorously defending its claims. Assessment on whether the risk of loss is remote, possible, or probable requires significant judgment given the complexities involved.

*xii. Accounting for leases*

Accounting for leases under IFRS 16 involves the use of judgements, estimates and assumptions that impact the amounts recognized as right-of-use assets and lease liabilities. The Authority does not also recognize leases of low-value assets and or leases it has no right of control on the Statement of Financial Position but instead recognizes an expense on a straight-line basis.

**KENYA PORTS AUTHORITY**

ANNUAL REPORT &amp; FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 30 JUNE 2025

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2025**

| <b>6. Operating Revenue</b>  | <b>2024/2025</b>  | <b>2023/2024</b>  |
|------------------------------|-------------------|-------------------|
|                              | <b>KES '000</b>   | <b>KES '000</b>   |
| Pilotage                     | 867,002           | 872,716           |
| Tug Services Dues –          | 2,629,242         | 2,625,738         |
| Mooring                      | 475,744           | 471,426           |
| Navigational Dues            | 357,121           | 366,039           |
| Port Dues                    | 818,236           | 840,719           |
| Dockage                      | 965,029           | 863,992           |
| Fresh Water - Normal         | 5,403             | 3,216             |
| Laid Up Vessels              | 1,121             | 703               |
| Security                     | 216,689           | 222,896           |
| Stevedoring                  | 24,708,257        | 23,737,409        |
| Hire of Labor/Equipment      | 93,854            | 110,994           |
| Handling of Empty Containers | 388,135           | 266,436           |
| Handling of Full Containers  | 26,574            | 20,446            |
| Shore handling               | 8,965,534         | 9,128,360         |
| Re Marshaling Charges        | 1,131,958         | 1,108,308         |
| Container Stripping/Stuffing | 5,436             | 4,066             |
| Verification Charges         | 16                | 101               |
| Storage of General Cargo     | 304,568           | 15,742            |
| Storage - Empty Containers   | 464,458           | 304,923           |
| Storage-Full Containers      | 5,914,926         | 5,171,980         |
| Jetty Fees                   | 14,948            | 172               |
| Licenses                     | 534,950           | 255,309           |
| Other Revenue                | 57,550            | 73,705            |
| Wharfage                     | 19,449,825        | 18,532,145        |
| Sale of Fresh Water          | 121               | 319               |
| Other Miscellaneous Revenue  | 289,895           | 235,878           |
| <b>TOTAL</b>                 | <b>68,686,592</b> | <b>65,233,738</b> |

The increase in revenue is attributed to the increase in total cargo throughput from 37.6 million tonnes to 42.59 million tonnes.

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2025**

| <b>7. Other Income:</b>        | <b>2024/2025</b> | <b>2023/2024</b> |
|--------------------------------|------------------|------------------|
|                                | <b>KES '000</b>  | <b>KES '000</b>  |
| Toll Collections               | 427,900          | 608,049          |
| Rent & Rates Receivable        | 572,889          | 485,886          |
| Recovery from Housed Employees | 115,498          | 114,463          |
| Sale of Passes                 | 136,656          | 123,115          |
| Sundry Income                  | 403,825          | 475,052          |
| <b>TOTAL</b>                   | <b>1,656,768</b> | <b>1,806,565</b> |

Included in Sundry Income is KES 45 million being monies received for salvage operation of a Barge which had run aground in the Port of Mombasa.

| <b>8. Administrative Expenses:</b>  | <b>2024/2025</b> | <b>2023/2024</b> |
|-------------------------------------|------------------|------------------|
|                                     | <b>KES '000</b>  | <b>KES '000</b>  |
| Telephone/Telex/Fax Services        | 6,603            | 7,980            |
| Water Supply Services               | 81,784           | 143,014          |
| City & Municipal Council Rates      | 94,167           | 133,991          |
| Office Rental Charges               | 14,643           | 14,647           |
| Library & Archives                  | 2,967            | 3,588            |
| Nursery Schools                     | 1,454            | 5,753            |
| Laundry                             | 0                | 440              |
| Provisions & Catering               | 12,865           | 10,470           |
| Cleaning of Carpets & Curtains      | 319              | 333              |
| Directors Allowances                | 89,188           | 109,540          |
| Furniture & Equipment               | 1,310            | 0                |
| Printing & Stationery               | 82,785           | 97,545           |
| Postage & Courier Services          | 2,183            | 2,061            |
| Office Incidentals & Consumables    | 37,229           | 37,502           |
| Entertainment Allowance             | 2,007            | 6,233            |
| Club Membership Fees                | 150              | 3,364            |
| Police Services                     | 17,072           | 16,971           |
| Security Guards Services            | 156,018          | 161,665          |
| Port Passes                         | 26,071           | 16,902           |
| Publicity & Advertising             | 80,967           | 205,136          |
| Subscriptions & Donations           | 17,306           | 7,052            |
| Hire of Commuter Bus Service        | 219,315          | 238,584          |
| Agricultural Society of Kenya Shows | 36,364           | 56,294           |
| Sports                              | 217,282          | 199,251          |
| Welfare                             | 27,811           | 67,052           |
| Industrial Relations Costs          | 18,864           | 39,806           |
| Development Studies                 | 192,306          | 188,436          |

**KENYA PORTS AUTHORITY**

ANNUAL REPORT &amp; FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 30 JUNE 2025

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2025**

|                                        | <b>2024/2025</b> | <b>2023/2024</b> |
|----------------------------------------|------------------|------------------|
|                                        | <b>KES '000</b>  | <b>KES '000</b>  |
| <b>Administrative Expenses Cont'd:</b> |                  |                  |
| Consultant Fees                        | 117,033          | 87,686           |
| Training                               | 304,633          | 522,808          |
| Survey Fees                            | 17,577           | 92               |
| Recruitment costs                      | 8,155            | 11,793           |
| Retirement costs                       | 33,932           | 31,357           |
| Computer & Network Maintenance         | 408,037          | 360,951          |
| Licenses & Computers                   | 844,423          | 1,017,235        |
| Insurance Premiums                     | 1,470,961        | 1,184,407        |
| Un-Insured Loss                        | 18,384           | 8,627            |
| Car Registration & Licenses            | 377              | 839              |
| Stock Take Expenses                    | 1,510            | 982              |
| Corporate Social Responsibility        | 407,888          | 262,459          |
| Victuals & Snacks                      | 57,903           | 42,640           |
| Staff Performance & Change Management  | 10,405           | 16,383           |
| Professional Education                 | 82,040           | 111,718          |
| Audit Fees                             | 7,211            | 8,050            |
| Bank Charges                           | 32,937           | 13,376           |
| Bank Commission                        | 18,289           | 22,508           |
| Legal Fees                             | 200,546          | 298,902          |
| Revaluation Fees                       | 35,426           | 80,000           |
| Additional Taxes                       | 0                | 10,812           |
| <b>TOTAL</b>                           | <b>5,516,697</b> | <b>5,867,235</b> |

During the year, a total of 3,731 employees of various cadres underwent training to enhance their productivity, foster innovation and organisational performance and productivity.

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2025**

| <b>9. Establishment Expenses:</b> | <b>2024/2025</b>  | <b>2023/2024</b>  |
|-----------------------------------|-------------------|-------------------|
|                                   | <b>KES '000</b>   | <b>KES '000</b>   |
| Basic Salary                      | 7,525,269         | 7,529,875         |
| Overtime                          | 1,859,274         | 1,431,104         |
| Paid break Allowances             | 89,085            | 109,342           |
| Staff Allowances                  | 2,024,067         | 1,894,533         |
| 3rd Shift Allowance               | 436,690           | 472,528           |
| Normal Staff Housing              | 2,739,361         | 2,782,526         |
| House Development Levy            | 289,072           | 196,350           |
| Leased Staff Housing              | 26,062            | 28,802            |
| Special Accommodation             | 15,283            | 14,994            |
| Duty Travel                       | 530,117           | 521,021           |
| Leave Travel                      | 634,013           | 522,231           |
| Transport Allowance               | 1,713,284         | 1,721,415         |
| Intern Allowances                 | 53,884            | 19,359            |
| Staff Pension-DC                  | 1,388,820         | 1,486,392         |
| Staff Pension-DB                  | 39,930            | 59,976            |
| Staff Gratuity                    | 31,385            | 18,930            |
| Social Security                   | 1,660             | 63,310            |
| Medicines                         | 245,958           | 293,419           |
| Hospital/Referral Bills           | 708,223           | 831,718           |
| First Aid                         | 13,111            | 8,721             |
| Medical Education Expenses        | 17,208            | 17,246            |
| Incentive Scheme                  | 325,432           | 253,561           |
| <b>TOTAL</b>                      | <b>20,707,188</b> | <b>20,277,353</b> |

The Authority recruited twenty-two (22) staff during the financial year ending 30th June 2025; Two staff were reinstated back in service while one staff was engaged on contract.

|                                   | <b>2024/2025</b> | <b>2023/2024</b> |
|-----------------------------------|------------------|------------------|
| Permanent employees – management  | 2,869            | 2,675            |
| Permanent employees – unionisable | 3,150            | 3,570            |
| <b>Total</b>                      | <b>6,019</b>     | <b>6,245</b>     |

A total of 251 employees exited the Authority during the year through normal retirement (192), early retirement (13), death (37), dismissal (3), resignation (5) and contract expiry (1).

The Authority took 206 interns in a one-year internship program whereas 1,572 students undertaking various degrees, diploma, and certificate programs were given industrial attachment opportunities linked to their field of study to apply their knowledge and obtain work experience.

**KENYA PORTS AUTHORITY**

ANNUAL REPORT &amp; FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 30 JUNE 2025

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2025**

| <b>10. Operating Expenses:</b>  | <b>2024/2025</b> | <b>2023/2024</b> |
|---------------------------------|------------------|------------------|
|                                 | <b>KES '000</b>  | <b>KES '000</b>  |
| Operational / Running Supplies  | 1,388,734        | 1,333,116        |
| Marine Spares                   | 938,192          | 971,638          |
| Diving & Signaling Equip.       | 0                | 5,845            |
| Buoys                           | 0                | 14,068           |
| Flowers & Plants                | 0                | 734              |
| Crane Spares                    | 1,083,848        | 908,237          |
| Fuel                            | 1,950,285        | 2,070,081        |
| Oils and Lubricants             | 92,220           | 106,619          |
| Cleansing Agents                | 11,312           | 6,946            |
| Gas/Welding Supplies            | 150              | 1,904            |
| Uniforms & Clothing             | 127,534          | 218,326          |
| Cleaning Implements/ Detergents | 22,872           | 24,487           |
| Workshop Tools and Equipment    | 64,599           | 104,268          |
| Comm./ Equipment Spares         | 233,689          | 36,622           |
| Medical Equipment               | 18,810           | 17,907           |
| Repairs: Port Infrastructure    | 791,256          | 1,995,079        |
| Electricity Services            | 713,375          | 718,788          |
| Cargo Verification              | 186,644          | 167,133          |
| Mobile Plant Spares             | 511,133          | 599,775          |
| Electrical Spares               | 223,922          | 206,344          |
| Tyres and Tubes                 | 257,046          | 184,529          |
| Refrigeration/ Air Conditioning | 54,152           | 61,125           |
| Batteries Charges and Clocks    | 82,507           | 29,495           |
| <b>TOTAL</b>                    | <b>8,752,280</b> | <b>9,783,066</b> |

# KENYA PORTS AUTHORITY

ANNUAL REPORT & FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 30 JUNE 2025

## NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 30 JUNE 2025

### 11. Property, Plant & Equipment For the Year Ended 30 June 2025

| Cost/Valuation                  | Land Leased<br>Out<br>KES '000 | Land and<br>Buildings<br>KES '000 | Plant Equipment,<br>Motor Vehicles and<br>Furniture<br>KES '000 | Services and<br>Systems<br>KES '000 | Basic<br>Constructions<br>KES '000 | Balance as at 30<br>June, 2025<br>KES '000 |
|---------------------------------|--------------------------------|-----------------------------------|-----------------------------------------------------------------|-------------------------------------|------------------------------------|--------------------------------------------|
| Balance as at 01.07.2024        | 60,017,222                     | 36,255,517                        | 72,458,924                                                      | 13,505,981                          | 149,373,889                        | <b>331,611,533</b>                         |
| Additions                       | 0                              | 1,388,612                         | 9,971,477                                                       | 1,483,035                           | 38,904,100                         | <b>51,747,224</b>                          |
| Disposals                       | 0                              | 0                                 | (184,319)                                                       | 0                                   | 0                                  | <b>(184,319)</b>                           |
| Re-classification Adj.          | 0                              | 0                                 | 475,831                                                         | 0                                   | (475,831)                          | <b>0</b>                                   |
| <b>Balance as at 30.06.2025</b> | <b>60,017,222</b>              | <b>37,644,129</b>                 | <b>82,721,913</b>                                               | <b>14,989,016</b>                   | <b>187,802,158</b>                 | <b>383,174,438</b>                         |
| <b>Depreciation</b>             |                                |                                   |                                                                 |                                     |                                    |                                            |
| <b>Balance as at 01.07.2024</b> | 0                              | 3,612,421                         | 23,500,189                                                      | 6,116,393                           | 42,018,442                         | <b>75,247,445</b>                          |
| Charge for the year             | 0                              | 757,229                           | 6,044,482                                                       | 886,028                             | 6,379,345                          | 14,067,084                                 |
| Disposals                       | 0                              | 0                                 | (60,614)                                                        | 0                                   | 0                                  | (60,614)                                   |
| Re-classification Adj.          | 0                              | 0                                 | 101,348                                                         | 0                                   | (101,348)                          | 0                                          |
| <b>Balance as at 30.06.2025</b> | <b>0</b>                       | <b>4,369,650</b>                  | <b>29,585,405</b>                                               | <b>7,002,421</b>                    | <b>48,296,439</b>                  | <b>89,253,915</b>                          |
| N.B.V as at 01.07.2024          | 60,017,222                     | 32,643,096                        | 48,958,735                                                      | 7,389,588                           | 107,355,447                        | <b>256,364,088</b>                         |
| <b>N.B.V as at 30.06.2025</b>   | <b>60,017,222</b>              | <b>33,274,479</b>                 | <b>53,136,508</b>                                               | <b>7,986,595</b>                    | <b>139,505,719</b>                 | <b>293,920,523</b>                         |
| W.I.P as at 01.07.2024          | 0                              | 328,798                           | 7,435,882                                                       | 1,399,117                           | 54,021,473                         | <b>63,185,270</b>                          |
| <b>W.I.P as at 30.06.2025</b>   | <b>0</b>                       | <b>365,597</b>                    | <b>9,129,612</b>                                                | <b>1,637,407</b>                    | <b>22,170,464</b>                  | <b>33,303,080</b>                          |
| <b>Sub Totals</b>               | <b>60,017,222</b>              | <b>33,640,076</b>                 | <b>62,266,120</b>                                               | <b>9,624,002</b>                    | <b>161,676,183</b>                 | <b>327,223,603</b>                         |
| Impairment                      | 0                              | (633,835)                         | (610)                                                           | 0                                   | (41,008)                           | (675,453)                                  |
| <b>Grand Total</b>              | <b>60,017,222</b>              | <b>33,006,241</b>                 | <b>62,265,510</b>                                               | <b>9,624,002</b>                    | <b>161,635,175</b>                 | <b>326,548,150</b>                         |
| <b>Assets with Nil Balances</b> |                                |                                   |                                                                 |                                     |                                    |                                            |
| Cost                            | 0                              | 39,774                            | 5,470,115                                                       | 602,136                             | 21,863,275                         | <b>27,975,300</b>                          |
| Expected Depreciation           | 0                              | 994                               | 547,012                                                         | 30,107                              | 1,093,164                          | <b>1,671,277</b>                           |

## KENYA PORTS AUTHORITY

ANNUAL REPORT & FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 30 JUNE 2025

### NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 30 JUNE 2025 Property, Plant & Equipment For the Year Ended 30 June 2024

| Cost/Valuation                  | Land Leased<br>Out<br>KES '000 | Land and<br>Buildings<br>KES '000 | Plant Equipment,<br>Motor Vehicles and<br>Furniture<br>KES '000 | Services and<br>Systems<br>KES '000 | Basic<br>Constructions<br>KES '000 | Balance as at 30<br>June, 2024<br>KES '000 |
|---------------------------------|--------------------------------|-----------------------------------|-----------------------------------------------------------------|-------------------------------------|------------------------------------|--------------------------------------------|
| Balance as at 01.07.2023        | 15,192,362                     | 80,846,815                        | 60,503,791                                                      | 12,866,508                          | 112,821,135                        | 282,230,611                                |
| Additions                       | 0                              | 448,828                           | 12,085,033                                                      | 648,036                             | 36,555,154                         | 49,737,051                                 |
| Write-offs                      | 0                              | (215,266)                         | (132,300)                                                       | (8,563)                             | 0                                  | (356,129)                                  |
| Re-classification Adj.          | 44,824,860                     | (44,824,860)                      | 2,400                                                           | 0                                   | (2,400)                            | 0                                          |
| <b>Balance as at 30.06.2024</b> | <b>60,017,222</b>              | <b>36,255,517</b>                 | <b>72,458,924</b>                                               | <b>13,505,981</b>                   | <b>149,373,889</b>                 | <b>331,611,533</b>                         |
| <b>Depreciation</b>             |                                |                                   |                                                                 |                                     |                                    |                                            |
| <b>Balance as at 01.07.2023</b> | 0                              | 2,964,333                         | 18,401,566                                                      | 5,368,313                           | 36,206,603                         | 62,940,815                                 |
| Charge for the year             | 0                              | 727,118                           | 5,181,076                                                       | 755,598                             | 5,811,879                          | 12,475,671                                 |
| Eliminated on Write off         | 0                              | (79,030)                          | (82,493)                                                        | (7,518)                             | 0                                  | (169,041)                                  |
| Re-classification Adj.          | 0                              | 0                                 | 40                                                              | 0                                   | (40)                               | 0                                          |
| <b>Balance as at 30.06.2024</b> | <b>0</b>                       | <b>3,612,421</b>                  | <b>23,500,189</b>                                               | <b>6,116,393</b>                    | <b>42,018,442</b>                  | <b>75,247,445</b>                          |
| N.B.V as at 01.07.2023          | 15,192,362                     | 77,882,482                        | 42,102,225                                                      | 7,498,195                           | 76,614,532                         | 219,289,796                                |
| <b>N.B.V as at 30.06.2024</b>   | <b>60,017,222</b>              | <b>32,643,096</b>                 | <b>48,958,735</b>                                               | <b>7,389,588</b>                    | <b>107,355,447</b>                 | <b>256,364,088</b>                         |
| W.I.P as at 01.07.2023          | 0                              | 330,944                           | 1,691,991                                                       | 38,210,206                          | 51,138,256                         | 91,371,397                                 |
| <b>W.I.P as at 30.06.2024</b>   | <b>0</b>                       | <b>328,798</b>                    | <b>7,435,882</b>                                                | <b>1,399,117</b>                    | <b>54,021,473</b>                  | <b>63,185,270</b>                          |
| <b>Sub Totals</b>               | <b>60,017,222</b>              | <b>32,971,894</b>                 | <b>56,394,617</b>                                               | <b>8,788,705</b>                    | <b>161,376,920</b>                 | <b>319,549,358</b>                         |
| Impairment                      | 0                              | (633,835)                         | (587)                                                           | 0                                   | (41,008)                           | (675,430)                                  |
| <b>Grand Total</b>              | <b>60,017,222</b>              | <b>32,338,059</b>                 | <b>56,394,030</b>                                               | <b>8,788,705</b>                    | <b>161,335,912</b>                 | <b>318,873,928</b>                         |
| <b>Assets with Nil Balances</b> |                                |                                   |                                                                 |                                     |                                    |                                            |
| Cost                            | 0                              | 29,809                            | 5,018,294                                                       | 529,836                             | 14,391,801                         | <b>19,969,740</b>                          |
| Expected Depreciation           | 0                              | 745                               | 501,829                                                         | 26,492                              | 359,795                            | <b>888,861</b>                             |

## KENYA PORTS AUTHORITY

ANNUAL REPORT & FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 30 JUNE 2025

### NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 30 JUNE 2025

| <b>12. Intangible Assets:</b>                     | <b>2024/2025</b> | <b>2023/2024</b> |
|---------------------------------------------------|------------------|------------------|
| <b>Cost:</b>                                      | <b>KES '000</b>  | <b>KES '000</b>  |
| Balance as at 1 July                              | 3,226,086        | 3,099,790        |
| Additions                                         | 615,723          | 126,296          |
| <b>Balance as at 30 June</b>                      | <b>3,841,809</b> | <b>3,226,086</b> |
| <b>Amortization:</b>                              |                  |                  |
| Balance as at 1 July                              | 2,129,543        | 1,751,495        |
| Charge for the year                               | 509,215          | 378,048          |
| <b>Balance as at 30 June</b>                      | <b>2,638,758</b> | <b>2,129,543</b> |
| <b>Net Book Values as at 30<sup>th</sup> June</b> | <b>1,203,051</b> | <b>1,096,543</b> |
| <b>Assets with Nil Balance</b>                    |                  |                  |
| Cost                                              | 1,615,280        | 2,129,543        |
| Expected Depreciation                             | 323,056          | 1,096,543        |

### 13. Leased Property As at 30 June 2025

|                                 | <b>Buildings</b> | <b>Basic<br/>Construction</b> | <b>Services<br/>and<br/>Systems</b> | <b>Bal. as at 30<br/>June 2025</b> |
|---------------------------------|------------------|-------------------------------|-------------------------------------|------------------------------------|
| <b>Cost/Valuation</b>           | <b>KES '000</b>  | <b>KES '000</b>               | <b>KES '000</b>                     | <b>KES '000</b>                    |
| Balance as at 01.07.2024        | 183,579          | 502,261                       | 18,474                              | 704,314                            |
| <b>Balance as at 30.06.2025</b> | <b>183,579</b>   | <b>502,261</b>                | <b>18,474</b>                       | <b>704,314</b>                     |
| <b>Depreciation:</b>            |                  |                               |                                     |                                    |
| <b>Balance as at 01.07.2024</b> | 35,255           | 83,441                        | 6,495                               | 125,191                            |
| Charge for the year             | 5,002            | 17,052                        | 957                                 | 23,011                             |
| <b>Balance as at 30.06.2025</b> | <b>40,257</b>    | <b>100,493</b>                | <b>7,452</b>                        | <b>148,202</b>                     |
| N.B.V as at 01.07.2024          | 148,324          | 418,820                       | 11,979                              | 579,123                            |
| <b>N.B.V as at 30.06.2025</b>   | <b>143,322</b>   | <b>401,768</b>                | <b>11,022</b>                       | <b>556,112</b>                     |

### Leased Property As at 30 June 2024

|                                 | <b>Buildings</b> | <b>Basic<br/>Construction</b> | <b>Services<br/>and<br/>Systems</b> | <b>Bal. as at 30<br/>June 2024</b> |
|---------------------------------|------------------|-------------------------------|-------------------------------------|------------------------------------|
| <b>Cost/Valuation</b>           | <b>KES '000</b>  | <b>KES '000</b>               | <b>KES '000</b>                     | <b>KES '000</b>                    |
| Balance as at 01.07.2023        | 183,579          | 502,261                       | 18,474                              | 704,314                            |
| <b>Balance as at 30.06.2024</b> | <b>183,579</b>   | <b>502,261</b>                | <b>18,474</b>                       | <b>704,314</b>                     |
| <b>Depreciation:</b>            |                  |                               |                                     |                                    |
| <b>Balance as at 01.07.2023</b> | 30,253           | 66,369                        | 5,539                               | 102,161                            |
| Charge for the year             | 5,002            | 17,072                        | 956                                 | 23,030                             |
| <b>Balance as at 30.06.2024</b> | <b>35,255</b>    | <b>83,441</b>                 | <b>6,495</b>                        | <b>125,191</b>                     |
| N.B.V as at 01.07.2023          | 153,326          | 435,892                       | 12,935                              | 602,154                            |
| <b>N.B.V as at 30.06.2024</b>   | <b>148,324</b>   | <b>418,820</b>                | <b>11,979</b>                       | <b>579,123</b>                     |

**KENYA PORTS AUTHORITY**

ANNUAL REPORT &amp; FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 30 JUNE 2025

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2025**

| <b>14. Finance Income:</b> | <b>2024/2025</b> | <b>2023/2024</b> |
|----------------------------|------------------|------------------|
|                            | <b>KES '000</b>  | <b>KES '000</b>  |
| Bank Interest Earnings     | 379,377          | 589,035          |
| <b>TOTAL</b>               | <b>379,377</b>   | <b>589,035</b>   |

| <b>15. Finance Costs:</b>          | <b>2024/2025</b> | <b>2023/2024</b> |
|------------------------------------|------------------|------------------|
|                                    | <b>KES '000</b>  | <b>KES '000</b>  |
| Interest Charges - Long-Term Loans | 796,996          | 793,205          |
| Discounts                          | 0                | 81,066           |
| Fringe Benefit Tax                 | 22,517           | 15,374           |
| Write-off of PPE                   | 0                | 187,088          |
| Compensation for Cargo Claims      | 0                | 2,572            |
| <b>TOTAL</b>                       | <b>819,513</b>   | <b>1,079,305</b> |

| <b>16. Impairment Loss:</b>           | <b>2024/2025</b> | <b>2023/2024</b> |
|---------------------------------------|------------------|------------------|
|                                       | <b>KES '000</b>  | <b>KES '000</b>  |
| Prov. Impairment Loss on Debtors      | 527,534          | 183,781          |
| Prov. Impairment Loss/Reversal on PPE | 24               | 324,629          |
| <b>TOTAL</b>                          | <b>527,558</b>   | <b>508,410</b>   |

| <b>17. Other Gains/(Losses)</b>                 | <b>2024/2025</b> | <b>2023/2024</b> |
|-------------------------------------------------|------------------|------------------|
|                                                 | <b>KES '000</b>  | <b>KES '000</b>  |
| (Loss)/Gain on Disposal of Non-Financial Assets | (351,282)        | 1,218            |
| Realized Foreign exchange (Loss)/Gain           | (561,766)        | 44,901           |
| Price Difference Gain                           | 1,328            | 1,174            |
| <b>TOTAL</b>                                    | <b>(911,720)</b> | <b>47,293</b>    |

| <b>17a. Gain/(Loss) on Disposal of Non-Financial Assets:</b> | <b>2024/2025</b> | <b>2023/2024</b> |
|--------------------------------------------------------------|------------------|------------------|
|                                                              | <b>KES '000</b>  | <b>KES '000</b>  |
| Loss on sale of fixed assets                                 | (358,648)        | (180)            |
| Profit on sale of surveyed stock                             | 7,366            | 1,398            |
| <b>TOTAL</b>                                                 | <b>(351,282)</b> | <b>1,218</b>     |

**KENYA PORTS AUTHORITY**

ANNUAL REPORT &amp; FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 30 JUNE 2025

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2025**

| <b>18. Income Tax Expense</b>                                                           | <b>2024/2025</b>  | <b>2023/2024</b>  |
|-----------------------------------------------------------------------------------------|-------------------|-------------------|
|                                                                                         | <b>KES '000</b>   | <b>KES '000</b>   |
| <b>(a) Current Taxation</b>                                                             |                   |                   |
| Current taxation based on the adjusted profit for the year                              | 2,885,758         | 3,373,709         |
| Current year deferred tax charge                                                        | 2,459,575         | 1,732,727         |
| <b>Tax charge for the year</b>                                                          | <b>5,345,333</b>  | <b>5,106,436</b>  |
| <b>(b) Reconciliation of tax expense to the expected tax based on accounting profit</b> |                   |                   |
| <b>Profit before taxation</b>                                                           | <b>18,888,469</b> | <b>17,284,512</b> |
| Tax at the applicable tax rate                                                          | 5,666,541         | 5,185,353         |
| Tax effects of expenses not deductible for tax purposes                                 | 5,358,175         | 4,944,631         |
| Tax effects of income not taxable                                                       | (227,113)         | (133,573)         |
| Tax effects of excess capital allowances over depr. /amort.                             | (7,911,845)       | (6,622,702)       |
| <b>Current taxation based on adjusted profit</b>                                        | <b>2,885,758</b>  | <b>3,373,709</b>  |

| <b>19. Non-Current Assets Held for Sale</b> | <b>2024/2025</b> | <b>2023/2024</b> |
|---------------------------------------------|------------------|------------------|
|                                             | <b>KES '000</b>  | <b>KES '000</b>  |
| Equipments                                  | 42,622           | 117,050          |
| Motor Vehicles                              | 4,669            | 5,933            |
| Berthing Tug MT-El Lamy                     | 0                | 201,336          |
| <b>Total</b>                                | <b>47,291</b>    | <b>324,319</b>   |

## KENYA PORTS AUTHORITY

ANNUAL REPORT & FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 30 JUNE 2025

### NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 30 JUNE 2025

| 20. Long Term Investment          | Note | 2024/2025<br>KES '000 | 2023/2024<br>KES '000 |
|-----------------------------------|------|-----------------------|-----------------------|
| <b>Fixed Deposits:</b>            | (a)  |                       |                       |
| Housing Scheme Backup Funds- HFCK |      | 415,044               | 261,863               |
| Fixed Deposits- HFCK              |      | 185,759               | 329,956               |
| KCB -Savings and Loans            |      | 421,278               | 420,015               |
| Eco-Bank Kenya Ltd                |      | 22,510                | 22,134                |
| <b>Subtotal</b>                   |      | <b>1,044,591</b>      | <b>1,033,968</b>      |
| <b>Equities:</b>                  | (b)  |                       |                       |
| Kenya National Shipping Line      |      | 54,346                | 54,346                |
| Impairment of Trade Investment    |      | (54,346)              | (54,346)              |
| Consolidated Bank of Kenya        |      | 29,100                | 29,100                |
| <b>Subtotal</b>                   |      | <b>29,100</b>         | <b>29,100</b>         |
| <b>Other Investment:</b>          | (c)  |                       |                       |
| Chase bank Deposits (KDIC)        |      | 747,608               | 747,608               |
| Impairment                        |      | (747,608)             | (747,608)             |
| <b>Subtotal</b>                   |      | <b>0</b>              | <b>0</b>              |
| <b>TOTAL</b>                      |      | <b>1,073,691</b>      | <b>1,063,068</b>      |

Chase Bank Ltd. was placed under receivership in April 2016 by the CBK. The Authority's Board made a 25% impairment provision on the deposits during the 336<sup>th</sup> regular meeting held in December 2017.

#### a. Fixed Deposits

Details and movement of the fixed deposits are shown below:

|                                | Balance<br>1 July 2024<br>KES '000 | Interest/<br>Charges<br>KES '000 | Inter<br>Account<br>Transfer<br>KES '000 | Balance 30<br>June 2025<br>KES '000 | Balance 30<br>June 2024<br>KES '000 |
|--------------------------------|------------------------------------|----------------------------------|------------------------------------------|-------------------------------------|-------------------------------------|
| Housing Scheme<br>Backup- HFCK | 261,863                            | 0                                | 153,181                                  | <b>415,044</b>                      | 261,863                             |
| Fixed Deposits- HFCK           | 329,955                            | 8,985                            | (153,181)                                | <b>185,759</b>                      | 329,955                             |
| KCB-Savings and Loan           | 420,016                            | 1,262                            | 0                                        | <b>421,278</b>                      | 420,016                             |
| Eco-Bank Kenya Ltd             | 22,134                             | 376                              | 0                                        | <b>22,510</b>                       | 22,134                              |
| <b>TOTAL</b>                   | <b>1,033,968</b>                   | <b>10,623</b>                    | <b>0</b>                                 | <b>1,044,591</b>                    | <b>1,033,968</b>                    |

- i. Funds invested with Housing Finance amounted to KES 601 million out of which KES 415 million is held as lien on loans advanced to staff under the HOMS and earns interest at 2% pa. The balance of KES 186 million is held in a fixed deposit account and earns interest of 7% pa.
- ii. Funds invested with Kenya Commercial Bank amounting to KES 421 million is held as security on loans advanced to staff under HOMS. They earn interest at 2% p.a.
- iii. Funds invested with ECO-Bank amounting to KES 23 million are held as security on loans advanced to staff under HOMS. They earn interest at 2% p.a.

## KENYA PORTS AUTHORITY

ANNUAL REPORT & FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 30 JUNE 2025

### NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 30 JUNE 2025

**b. Equities:** The effective shareholding is 0% because the investments were fully impaired.

**c. Other Investment:**

Chase Bank Ltd was placed under receivership in April 2016 by the Central Bank of Kenya. The Authority's Board approved a 25% impairment provision on the deposits during the 336<sup>th</sup> regular meeting held in December 2017.

| <b>21. Inventories</b>        | <b>2024/2025</b> | <b>2023/2024</b> |
|-------------------------------|------------------|------------------|
|                               | <b>KES '000</b>  | <b>KES '000</b>  |
| Engineering stores            | 803,322          | 904,777          |
| Fuel, oil, and lubricants     | 100              | 1,267            |
| Motor vehicle spare parts     | 9,715            | 39,354           |
| Stationery and general stores | 25,129           | 16,851           |
| Medicines                     | 45,437           | 33,490           |
| <b>Sub-Total</b>              | <b>883,703</b>   | <b>995,739</b>   |
| Provision for Write-off       | 0                | 0                |
| <b>Total</b>                  | <b>883,703</b>   | <b>995,739</b>   |

| <b>22. Receivables &amp; Prepayments</b> |             | <b>2024/2025</b> | <b>2023/2024</b> |
|------------------------------------------|-------------|------------------|------------------|
| <b>Trade Receivables</b>                 | <b>Note</b> | <b>KES '000</b>  | <b>KES '000</b>  |
| Trade Cargo                              |             | 3,576,187        | 2,963,434        |
| Trade Marine                             |             | 925,710          | 710,509          |
| Rental                                   |             | 813,465          | 487,429          |
| <b>Subtotals (i)</b>                     | <b>(a)</b>  | <b>5,315,362</b> | <b>4,161,372</b> |
| Railways Debtors                         |             | 292,614          | 218,684          |
| Misc. A/C Receivables                    |             | 18,518           | 16,467           |
| <b>Subtotals (ii)</b>                    |             | <b>311,132</b>   | <b>235,151</b>   |
| Less: Provision for Impairment (iii)     |             | (3,216,012)      | (2,688,479)      |
| <b>Subtotals (i+ii-iii)</b>              |             | <b>2,410,482</b> | <b>1,708,044</b> |
| KNSL                                     |             | 1,507            | 1,507            |
| MoRT (Treasury / Dredgco)                |             | 287,231          | 287,231          |
| Impairment of Other Debtors              |             | (288,738)        | (288,738)        |
| <b>Subtotals</b>                         |             | <b>0</b>         | <b>0</b>         |
| <b>Other Receivables:</b>                |             |                  |                  |
| Staff Receivables                        |             | 142,581          | 95,957           |
| Prepayments & Accrued Income             | <b>(b)</b>  | 1,373,283        | 1,187,185        |

**KENYA PORTS AUTHORITY**

ANNUAL REPORT &amp; FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 30 JUNE 2025

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2025**

| <b>Receivables &amp; Prepayments (Cont'd)</b> | <b>Note</b> | <b>2024/2025</b>  | <b>2023/2024</b>  |
|-----------------------------------------------|-------------|-------------------|-------------------|
|                                               |             | <b>KES '000</b>   | <b>KES '000</b>   |
| Advance Creditors                             | (c)         | 5,500,637         | 2,266,510         |
| E-Citizen                                     |             | 204,449           | 15,296            |
| Deposit Others                                |             | 54,232            | 119,207           |
| Valuation Adjustment                          |             | 1,057,255         | 1,030,518         |
| Tax Recoverable                               | (d)         | 7,729,478         | 7,894,528         |
| VAT In                                        |             | 0                 | 40,387            |
| VAT Payable                                   |             | 892,231           | 0                 |
| Others                                        |             | 2,067,390         | 1,611,227         |
| <b>Subtotals</b>                              |             | <b>19,021,536</b> | <b>14,260,815</b> |
| <b>TOTAL</b>                                  |             | <b>21,432,018</b> | <b>15,968,859</b> |

- a. As at June 30, 2025, the ageing analysis of the Trade, Rental and Miscellaneous receivables was as follows:

| <b>Ageing Analysis<br/>Period</b> | <b>2024/2025<br/>KES '000</b> | <b>2023/2024<br/>KES '000</b> |
|-----------------------------------|-------------------------------|-------------------------------|
| From 0 To 90                      | 1,271,194                     | 1,167,558                     |
| From 91 To 120                    | 155,406                       | 58,147                        |
| From 121 To 150                   | 782,938                       | 72,413                        |
| From 151 To 180                   | 163,819                       | 81,746                        |
| From 181 To 365                   | 577,876                       | 386,652                       |
| 1 To 2 Years                      | 323,793                       | 808,293                       |
| Over 2 years                      | 2,351,468                     | 1,821,714                     |
| <b>Total</b>                      | <b>5,626,494</b>              | <b>4,396,523</b>              |

In compliance with the Authority's impairment policy and IFRSs, all overdue debts have been impaired. The Authority assumes that the credit risk on a financial asset increases significantly if it is more than 90 days past due. Debts over 2 years old have been impaired 100%.

| <b>b. Prepayments &amp; Accrued Income</b> | <b>2024/2025<br/>KES '000</b> | <b>2023/2024<br/>KES '000</b> |
|--------------------------------------------|-------------------------------|-------------------------------|
| Accrued income                             | 150,143                       | 111,219                       |
| Rents & rates – prepaid                    | 46,854                        | 47,295                        |
| Insurance – prepaid                        | 828,195                       | 664,537                       |
| Prepayments Others                         | 348,091                       | 364,134                       |
| <b>Total</b>                               | <b>1,373,283</b>              | <b>1,187,185</b>              |

**KENYA PORTS AUTHORITY**

ANNUAL REPORT &amp; FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 30 JUNE 2025

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2025**

|                             | <b>2024/2025</b> | <b>2023/2024</b> |
|-----------------------------|------------------|------------------|
|                             | <b>KES '000</b>  | <b>KES '000</b>  |
| <b>c. Advance Creditors</b> |                  |                  |
| Advance Lamu Creditors      | 333,860          | 336,267          |
| Advance Other Creditors     | 5,005,083        | 1,768,549        |
| Dongo Kundu Creditors       | 161,694          | 161,694          |
| <b>Total</b>                | <b>5,500,637</b> | <b>2,266,510</b> |

|                           | <b>2024/2025</b> | <b>2023/2024</b> |
|---------------------------|------------------|------------------|
|                           | <b>KES '000</b>  | <b>KES '000</b>  |
| <b>d. Tax Recoverable</b> |                  |                  |
| Balance as at 01 July     | 7,894,528        | 7,463,633        |
| Total Output VAT          | (8,093,536)      | (3,216,244)      |
| Total Input VAT           | 7,928,486        | 3,647,139        |
| <b>Total</b>              | <b>7,729,478</b> | <b>7,894,528</b> |

|                                           | <b>2024/2025</b> | <b>2023/2024</b> |
|-------------------------------------------|------------------|------------------|
|                                           | <b>KES '000</b>  | <b>KES '000</b>  |
| <b>23. Tax Paid in Advance</b>            |                  |                  |
| Balance as at 1st July                    | 4,891,292        | 1,696,031        |
| Income tax charge for the year            | (2,885,758)      | (3,373,709)      |
| Income tax paid during the year           | 3,713,764        | 5,219,927        |
| Final Tax paid                            | 0                | 1,315,827        |
| Overpaid tax utilized/Tax paid in advance | (2,391,532)      | 33,216           |
| <b>Total</b>                              | <b>3,327,766</b> | <b>4,891,292</b> |

|                                      |          | <b>2024/2025</b> | <b>2023/2024</b> |
|--------------------------------------|----------|------------------|------------------|
|                                      |          | <b>KES '000</b>  | <b>KES '000</b>  |
| <b>24. Cash and Cash Equivalents</b> |          |                  |                  |
| Short Term Deposits                  | Note (a) | 5,934,553        | 5,880,305        |
| Bank and Cash Balances               | Note (b) | 2,061,274        | 1,217,580        |
| <b>Total</b>                         |          | <b>7,995,827</b> | <b>7,097,885</b> |

|                                |  | <b>2024/2025</b> | <b>2023/2024</b> |
|--------------------------------|--|------------------|------------------|
|                                |  | <b>KES '000</b>  | <b>KES '000</b>  |
| <b>a. Short Term Deposits:</b> |  |                  |                  |
| National bank                  |  | 1,876,750        | 0                |
| Citibank                       |  | 517,000          | 1,748,205        |
| Equity bank                    |  | 1,894,406        | 766,600          |
| Housing finance bank           |  | 1,517,247        | 1,311,140        |
| Stanbic bank                   |  | 129,150          | 2,054,360        |
| <b>Total</b>                   |  | <b>5,934,553</b> | <b>5,880,305</b> |

## KENYA PORTS AUTHORITY

ANNUAL REPORT & FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 30 JUNE 2025

### NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 30 JUNE 2025

| <b>b. Bank and Cash Balances</b> | <b>2024/2025</b> | <b>2023/2024</b> |
|----------------------------------|------------------|------------------|
| <b>Name of Bank</b>              | <b>KES '000</b>  | <b>KES '000</b>  |
| National Bank of Kenya           | 182,147          | 175,533          |
| Kenya Commercial Bank            | 23,780           | 1,656            |
| Citibank N. A                    | 388,377          | 47,676           |
| Equity Bank                      | 513,959          | 336,542          |
| Stanbic Bank                     | 894,111          | 652,193          |
| Diamond Trust Bank               | 54,351           | 0                |
| Cooperative Bank                 | 3,300            | 0                |
| Petty Cash                       | 1,249            | 1,714            |
| C2B Safaricom Mpesa              | 0                | 2,266            |
| <b>Total</b>                     | <b>2,061,274</b> | <b>1,217,580</b> |

Details of cash and cash equivalents are as follows:

| <b>Financial Institution</b> | <b>Bank Account</b> |                 | <b>2024/2025</b> | <b>2023/2024</b> |
|------------------------------|---------------------|-----------------|------------------|------------------|
| <b>i) Current account</b>    | <b>Nos.</b>         | <b>Currency</b> | <b>KES '000</b>  | <b>KES '000</b>  |
| National Bank of Kenya       | 1003057307400       | KES             | 66,922           | 49,221           |
| "                            | 2003057307400       | USD             | 99,937           | 78,041           |
| "                            | 1003000909000       | KES             | 0                | 0                |
| "                            | 1003057007203       | KES             | 15,288           | 48,271           |
| Kenya Commercial Bank        | 1107638127          | KES             | 78               | 0                |
| "                            | 1146962908          | USD             | 23,703           | 1,657            |
| "                            | 6690361829          | BIF             | 0                | 0                |
| "                            | 6690361837          | USD             | (1)              | (1)              |
| Citibank N, A                | 300046401           | KES             | 275,868          | (239,092)        |
| "                            | 300046428           | USD             | 112,509          | 286,768          |
| Equity Bank                  | 1560267794795       | KES             | 109,022          | 204,376          |
| "                            | 1560261552619       | USD             | 404,935          | 132,160          |
| "                            | 4002200349395       | RWF             | 2                | 6                |
| Stanbic bank                 | 9030008175933       | USD             | 11,360           | 10,086           |
| "                            | 9030005614383       | UGX             | 83               | 99               |
| "                            | 100009442566        | KES             | (100,847)        | (190,263)        |
| "                            | 100009442582        | USD             | 983,515          | 832,271          |
| Diamond Trust Bank           | 316356001           | KES             | 12,072           | 0                |
| "                            | 316356002           | USD             | 42,279           | 0                |
| Cooperative Bank             | 1101379763001       | KES             | 100              | 0                |
| "                            | 2101379763002       | USD             | 3,200            | 0                |
| <b>Sub-total</b>             |                     |                 | <b>2,060,025</b> | <b>1,213,600</b> |
| <b>ii) Others:</b>           |                     |                 |                  |                  |
| Petty Cash                   |                     | KES             | 1,249            | 1,714            |
| Safaricom Mpesa              | 929929              | KES             | 0                | 2,266            |
| <b>Sub-Total</b>             |                     |                 | <b>1,249</b>     | <b>3,980</b>     |
| <b>iii) Short-Term</b>       |                     |                 |                  |                  |
| <b>Deposit Account</b>       |                     |                 |                  |                  |
| Investment Deposits          |                     | KES             | 5,934,553        | 5,880,305        |
| <b>Sub-Total</b>             |                     |                 | <b>5,934,553</b> | <b>5,880,305</b> |
| <b>Grand-Total</b>           |                     | KES             | <b>7,995,827</b> | <b>7,097,885</b> |

## KENYA PORTS AUTHORITY

ANNUAL REPORT & FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 30 JUNE 2025

### NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 30 JUNE 2025

| <b>25.Movement in Revaluation Reserves</b> | <b>2024/2025</b>  | <b>2023/2024</b>  |
|--------------------------------------------|-------------------|-------------------|
|                                            | <b>KES '000</b>   | <b>KES '000</b>   |
| Opening Balance                            | 70,585,679        | 78,066,325        |
| <b>Transfers to General Reserves:</b>      |                   |                   |
| Effects on Revaluation                     | 0                 | (7,480,646)       |
| Transfer on Revaluation Surplus            | (4,777,645)       | 0                 |
| <b>Closing Balance</b>                     | <b>65,808,034</b> | <b>70,585,679</b> |

| <b>26.Movement in General Reserves</b>  | <b>2024/2025</b>   | <b>2023/2024</b>   |
|-----------------------------------------|--------------------|--------------------|
|                                         | <b>KES '000</b>    | <b>KES '000</b>    |
| Balance B/d                             | 141,433,864        | 127,820,632        |
| Bonus provision                         | 1,262,359          | 587,876            |
| <b>Opening Balance</b>                  | <b>142,696,223</b> | <b>128,408,508</b> |
| <b>Adjustments for:</b>                 |                    |                    |
| Profit After Tax                        | 13,543,136         | 12,178,076         |
| Revaluation Effects                     | 4,777,645          | 7,480,646          |
| Grants                                  | 4,489,717          | 374,113            |
| GoK Project Funds- Lamu Port            | 47,800,157         | 0                  |
| Other Adjustments                       | (81,921)           | (652)              |
| Increase in Pension Deficit             | (1,749,400)        | (2,272,200)        |
| Unrealized Foreign Exchange Gain/(Loss) | 389,448            | (17,024,646)       |
| Bonus Reversal                          | (587,876)          | (563,539)          |
| Dividends Paid (Special & Normal)       | 0                  | (10,576,400)       |
| Dividends Payable                       | (9,742,461)        | (899,458)          |
| Other Valuation adjustments             | 0                  | 15,464,310         |
| Loan Revaluation Effects                | (4,630,067)        | 10,127,465         |
| <b>Closing Balance</b>                  | <b>196,904,601</b> | <b>142,696,223</b> |

#### 27.Grants

Grants represent funds provided by donors, either directly or via a sponsor for the purpose of financing specific capital projects. No additional grants were received for the listed projects in the year. The credit amount under SGR Grant is recognition of the grant asset utilization over the useful life.

|                       | <b>1/7/2024</b>  | <b>Capitalized/<br/>Adjusted</b> | <b>Cumulative</b>   |
|-----------------------|------------------|----------------------------------|---------------------|
|                       | <b>KES '000</b>  | <b>2024/25</b>                   | <b>to 30/6/2025</b> |
|                       |                  | <b>KES '000</b>                  | <b>KES '000</b>     |
| Free trade Area       | 1,050,000        | 0                                | <b>1,050,000</b>    |
| Ferry services        | 4,145,139        | (4,145,139)                      | <b>0</b>            |
| Trademark East Africa | 251,704          | 0                                | <b>251,704</b>      |
| SGR                   | 2,580,300        | (344,578)                        | <b>2,235,722</b>    |
| Dongo Kundu SEZ- JICA | 207,657          | 0                                | <b>207,657</b>      |
| <b>Total</b>          | <b>8,234,800</b> | <b>(4,489,717)</b>               | <b>3,745,083</b>    |

## KENYA PORTS AUTHORITY

ANNUAL REPORT & FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 30 JUNE 2025

### NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 30 JUNE 2025

#### Grants (cont'd)

|                       | <b>1/7/2023</b>  | <b>Capitalized/<br/>Adjusted</b> | <b>Cumulative</b>   |
|-----------------------|------------------|----------------------------------|---------------------|
|                       | <b>KES '000</b>  | <b>2023/24</b>                   | <b>to 30/6/2024</b> |
|                       |                  | <b>KES '000</b>                  | <b>KES '000</b>     |
| Free trade Area       | 1,050,000        | 0                                | <b>1,050,000</b>    |
| Ferry services        | 4,145,139        | 0                                | <b>4,145,139</b>    |
| Trademark East Africa | 251,704          | 0                                | <b>251,704</b>      |
| SGR                   | 2,954,413        | (374,113)                        | <b>2,580,300</b>    |
| Dongo Kundu SEZ- JICA | 207,657          | 0                                | <b>207,657</b>      |
| <b>Total</b>          | <b>8,608,913</b> | <b>(374,113)</b>                 | <b>8,234,800</b>    |

#### 28. Government Project Funds

GoK project funds are disbursed to the Authority for specific GoK projects with the Authority as the implementing Agency. During the year, the movement was as below:

|                            | <b>1/7/2024</b>   | <b>Received/<br/>(Adjusted)</b> | <b>Cumulative</b>   |
|----------------------------|-------------------|---------------------------------|---------------------|
|                            | <b>KES '000</b>   | <b>2024/25</b>                  | <b>to 30/6/2025</b> |
|                            |                   | <b>KES '000</b>                 | <b>KES '000</b>     |
| Infrastructure Kisumu Port | 500,000           | 300,000                         | <b>800,000</b>      |
| Lamu Port Development      | 47,800,157        | (47,800,157)                    | <b>0</b>            |
| <b>Total</b>               | <b>48,300,157</b> | <b>(47,500,157)</b>             | <b>800,000</b>      |

|                            | <b>1/7/2023</b>   | <b>Received</b> | <b>Cumulative</b>   |
|----------------------------|-------------------|-----------------|---------------------|
|                            | <b>KES '000</b>   | <b>2023/24</b>  | <b>to 30/6/2024</b> |
|                            |                   | <b>KES '000</b> | <b>KES '000</b>     |
| Infrastructure Kisumu Port | 350,000           | 150,000         | <b>500,000</b>      |
| Lamu Port Development      | 47,800,157        | 0               | <b>47,800,157</b>   |
| <b>Total</b>               | <b>48,150,157</b> | <b>150,000</b>  | <b>48,300,157</b>   |

During the year the Authority received KES 300 million from the State Department of Transport for the Kisumu Port development project.

# KENYA PORTS AUTHORITY

ANNUAL REPORT & FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 30 JUNE 2025

## NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 30 JUNE 2025

### 29. Borrowings: As at 30 June 2025

| Domestic Loans        | Balances 01 July<br>KES '000 | Disbursements<br>KES '000 | Repayments        |                       | Valuation effects<br>KES '000 | Total<br>KES '000 | Closing Balances    |                         | Interest Paid<br>KES '000 |
|-----------------------|------------------------------|---------------------------|-------------------|-----------------------|-------------------------------|-------------------|---------------------|-------------------------|---------------------------|
|                       |                              |                           | Forex<br>KES '000 | Principal<br>KES '000 |                               |                   | Current<br>KES '000 | Non-Current<br>KES '000 |                           |
| Stanbic1              | 6,434,778                    | 0                         | 830               | (1,073,293)           | 4,152                         | 5,366,467         | 1,073,294           | 4,293,173               | 603,991                   |
| Stanbic2              | 1,808,009                    | 3,371,602                 | 0                 | 0                     | (9,872)                       | 5,169,739         | 0                   | 5,169,739               | 120,254*                  |
| <b>Sub-Total</b>      | <b>8,242,787</b>             | <b>3,371,602</b>          | <b>830</b>        | <b>(1,073,293)</b>    | <b>(5,720)</b>                | <b>10,536,206</b> | <b>1,073,294</b>    | <b>9,462,912</b>        | <b>724,245</b>            |
| <b>External Loans</b> |                              |                           |                   |                       |                               |                   |                     |                         |                           |
| JICA-1                | 16,814,463                   | 0                         | 60,964            | (902,142)             | 1,754,544                     | 17,727,829        | 933,575             | 16,794,254              | 67,838                    |
| JICA-2                | 25,845,293                   | 0                         | 22,350            | (446,136)             | 2,792,363                     | 28,213,870        | 940,462             | 27,273,408              | 4,812                     |
| JICA SEZ              | 808,282                      | 71,701                    | 0                 | 0                     | 88,880                        | 968,863           | 0                   | 968,863                 | 101*                      |
| <b>Sub-Total</b>      | <b>43,468,038</b>            | <b>71,701</b>             | <b>83,314</b>     | <b>(1,348,278)</b>    | <b>4,635,787</b>              | <b>46,910,562</b> | <b>1,874,037</b>    | <b>45,036,525</b>       | <b>72,752</b>             |
| <b>Total</b>          | <b>51,710,825</b>            | <b>3,443,303</b>          | <b>84,144</b>     | <b>(2,421,571)</b>    | <b>4,630,067</b>              | <b>57,446,768</b> | <b>2,947,331</b>    | <b>54,499,437</b>       | <b>796,996</b>            |

### As at 30 June 2024

| Domestic Loans        | Balances 01 July<br>KES '000 | Disbursements<br>KES '000 | Repayments        |                       |                                | Valuation effects<br>KES '000 | Total<br>KES '000 | Closing Balances    |                         | Interest Paid<br>KES '000 |
|-----------------------|------------------------------|---------------------------|-------------------|-----------------------|--------------------------------|-------------------------------|-------------------|---------------------|-------------------------|---------------------------|
|                       |                              |                           | Forex<br>KES '000 | Principal<br>KES '000 | Front end fee adj.<br>KES '000 |                               |                   | Current<br>KES '000 | Non-Current<br>KES '000 |                           |
| Stanbic1              | 6,342,741                    | 681,755                   | 0                 | 0                     | 0                              | (589,718)                     | 6,434,778         | 1,072,463           | 5,362,315               | 572,535                   |
| Stanbic2              | 1,123,543                    | 854,117                   | 0                 | 0                     | 0                              | (169,651)                     | 1,808,009         | 0                   | 1,808,009               | 143,325*                  |
| <b>Sub-Total</b>      | <b>7,466,284</b>             | <b>1,535,872</b>          | <b>0</b>          | <b>0</b>              | <b>0</b>                       | <b>(759,369)</b>              | <b>8,242,787</b>  | <b>1,072,463</b>    | <b>7,170,324</b>        | <b>715,860</b>            |
| <b>External Loans</b> |                              |                           |                   |                       |                                |                               |                   |                     |                         |                           |
| JICA-1                | 21,444,472                   | 0                         | (58,047)          | (970,201)             | 0                              | (3,601,761)                   | 16,814,463        | 841,178             | 15,973,285              | 29,577                    |
| JICA-2                | 31,287,291                   | 137,699                   | 0                 | 0                     | (25,876)                       | (5,553,621)                   | 25,845,293        | 423,734             | 25,421,559              | 47,768                    |
| JICA SEZ              | 513,947                      | 507,048                   | 0                 | 0                     | 0                              | (212,713)                     | 808,282           | 0                   | 808,282                 | 0*                        |
| <b>Sub-Total</b>      | <b>53,245,510</b>            | <b>644,747</b>            | <b>(58,047)</b>   | <b>(970,201)</b>      | <b>(25,876)</b>                | <b>(9,368,095)</b>            | <b>43,468,038</b> | <b>1,264,912</b>    | <b>42,203,126</b>       | <b>77,345</b>             |
| <b>Total</b>          | <b>60,711,794</b>            | <b>2,180,619</b>          | <b>(58,047)</b>   | <b>(970,201)</b>      | <b>(25,876)</b>                | <b>(10,127,464)</b>           | <b>51,710,825</b> | <b>2,337,375</b>    | <b>49,373,450</b>       | <b>793,205</b>            |

## **KENYA PORTS AUTHORITY**

**ANNUAL REPORT & FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 30 JUNE 2025**

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### **NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 30 JUNE 2025**

#### **Borrowings (cont'd)**

##### **JICA Loan 1 (KE-P25, KE-P25A)**

JICA funded the implementation of the Mombasa Port Development Project, phase I. The principal value of the loan is JPY 26,711 million, interest rate is 0.2% paid per annum paid semi-annually.

The loan disbursements were completed. The total amount disbursed was JPY 26,329 million translated to KES 24,359 million as at 30th June 2017. The Loan repayment will be for thirty (30) years, paid semi-annually on 20th May and 20th November. The loan repayment commenced on 20th November 2017 and the last instalment will be repaid on 20th November 2047. The loan was for the purchase of goods and services from suppliers and contractors of civil works and building, equipment, and consultancy and related items, to facilitate the implementation of the MPDP Phase I (berth 20 and 21).

On 15 April 2020, the G20 together with the Paris club announced DSSI to assist developing countries tackle Covid 19. Following the GoK's application to the Paris club and in line with DSSI, JICA temporarily suspended the obligation from 1<sup>st</sup> January 2021 to 31<sup>st</sup> December 2021 and did not issue any invoices for the May 2021 and November 2021 instalments. A total of JPY 863 million translating to KES 849 million was deferred.

Upon conclusion of the exchange of notes between JICA and GoK, it was agreed that the deferred portion be paid in equal semi-annual instalments every 15<sup>th</sup> June and 15<sup>th</sup> December at an interest rate of 0.8% p.a. Repayment resumed in December 2022.

By 30 June 2025, the outstanding balance of the loan was JPY 19,825 million translating to KES 17,728 million. This is inclusive of the deferred portion which now stands at JPY 407 million translating to KES 364 million.

##### **JICA Loan 2 (KE-P30)**

JICA funded the implementation of the MPDP phase II. The Loan agreement became effective on 24 August 2016. The purpose of the loan is to purchase goods and services from suppliers and contractors of civil works and building equipment. Security systems and consultancy to facilitate the implementation of the MPDP Phase II.

The principal value of the loan is JPY 32,116 million. The final disbursement was on 24 August 2023.

As of 30 June 2025, the total disbursed amount was JPY 32,110, and the outstanding balance for the loan was JPY 31,552 Million translated to KES 28,214 million. The Loan repayment commenced 20<sup>th</sup> March 2025 and will be for thirty (30) years, paid semi-annually every 20 March and 20th September 20 at an interest rate is 0.1% per annum. The last instalment will be payable on 20<sup>th</sup> March 2055.

The Government of Kenya guaranteed both JICA 1 and 2 loans.

##### **Stanbic Loan 1**

Stanbic Bank Ltd is for the the operationisation of the first three Berths of Lamu Port specifically procurement of vessels and equipment. The Loan agreement became effective on 5 April 2022 for the sum of USD 63 Million.

The loan tenure is 8 years with a grace period of 24 months after the agreement date. Repayment commences on 31 October 2024 and will be in equal semiannual instalments. The interest rate will be determined by the prevailing market rate (SOFR) at the time of repayment plus a margin of 3.55% per annum. Final loan repayment will be on 5 April 2030.

As at 30<sup>th</sup> June 2025, the loan balance was USD 42 Million translating to KES 5,366 million.

## KENYA PORTS AUTHORITY

ANNUAL REPORT & FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 30 JUNE 2025

### NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 30 JUNE 2025

#### Borrowings (cont'd)

##### Stanbic Loan 2

The Loan agreement became effective on 26 July 2022 for the sum of USD 39.99 million. The purpose of the loan is to finance the purchase of four (4) rubber-tired gantries and three (3) ship-to-shore gantry cranes for Lamu Port.

As at 30 June 2025, a total of USD 39.99 Million translating to KES 5,170 million had been disbursed.

\*Interest of USD 632,745 equivalent to KES 82.69 Million has been accounted for in accordance with IAS 23 on Borrowing Costs.

##### JICA Loan KE P35 Mombasa Special Economic Zone

The loan agreement between JICA and the Government of Kenya came into effect on 27 February 2020 for the sum of JPY 37.09 million. It is to finance the implementation of the Mombasa Special Economic Zone Development Project. The implementing/executing agencies for the project are KPA, KENHA and KETRACO.

As at 30 June 2025, a total of JPY 1,083 million translating to KES 969 million had been received.

Repayment will be at an interest 0.1% per annum semi-annually every 20 February and 20 August commencing on 20 February 2032 up to 20 February 2060.

\*Interest of JPY 104,474 equivalent to KES 93,295 has been accounted for in accordance with IAS 23 on Borrowing Costs.

#### 30. Deferred Tax:

The net deferred tax liability movement at year-end is as shown below:

|                       | 2024/2025<br>KES '000 | 2023/2024<br>KES '000 |
|-----------------------|-----------------------|-----------------------|
| Balance as at 1 July  | 6,952,168             | 5,219,441             |
| Movement for the year | 2,459,575             | 1,732,727             |
| <b>Total</b>          | <b>9,411,743</b>      | <b>6,952,168</b>      |

#### 31. Trade & Other Payables

##### Trade Payables:

|                               | Note | 2024/2025<br>KES '000 | 2023/2024<br>KES '000 |
|-------------------------------|------|-----------------------|-----------------------|
| General Trade Creditors       |      | 1,707,254             | 3,070,194             |
| General Foreign Suppliers     |      | 2,037,189             | 1,741,152             |
| Third-Party payroll Creditors |      | 585,416               | 536,601               |
| Accrued Expenditure           |      | 1,906,381             | 1,241,814             |

##### Other Payables

|                                    |     |           |           |
|------------------------------------|-----|-----------|-----------|
| Ministry of Finance/Dredgco        |     | 287,231   | 287,231   |
| 2 <sup>nd</sup> Terminal Suppliers |     | 1,737     | 1,737     |
| Staff Payables                     |     | 11,874    | 12,111    |
| Stock accruals                     |     | 7,377,851 | 2,206,998 |
| Advance Receipts                   | (a) | 297,638   | 187,263   |
| KPA Directors                      |     | 508       | 0         |
| Creditors Valuation                |     | 2,600,642 | 2,977,756 |
| Tax Clearing                       |     | 0         | 5,376     |
| Contractors Deposit                |     | 0         | 151,150   |
| Down Payment Cargo Customers       |     | 500       | 500       |

## KENYA PORTS AUTHORITY

ANNUAL REPORT & FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 30 JUNE 2025

### NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 30 JUNE 2025

| <b>Trade &amp; Other Payables</b> |             | <b>2024/2025</b>  | <b>2023/2024</b>  |
|-----------------------------------|-------------|-------------------|-------------------|
| <b>Other Payables</b>             | <b>Note</b> | <b>KES '000</b>   | <b>KES '000</b>   |
| Lamu Port Project Suppliers       |             | 22,333            | 202,134           |
| Mombasa County waste management   |             | 2,962             | 16,548            |
| Mombasa County parking            |             | 7,305             | 0                 |
| KRC                               |             | 335,369           | 312,844           |
| VAT                               |             | 481,076           | 72,873            |
| Verification Payable              |             | 60,535            | 51,340            |
| Others                            |             | 84,318            | 247,024           |
| <b>Total</b>                      |             | <b>17,808,119</b> | <b>13,322,646</b> |

As at 30 June 2025, the ageing analysis of General Trade and General Foreign Suppliers was as follows:

|                      | <b>2024/2025</b> | <b>2023/2024</b> |
|----------------------|------------------|------------------|
| <b>Period (Days)</b> | <b>KES '000</b>  | <b>KES '000</b>  |
| From 0 to 30         | 1,199,432        | 2,904,151        |
| From 31 to 90        | 379,928          | 54,635           |
| Above 90             | 2,165,083        | 1,852,560        |
| <b>TOTAL</b>         | <b>3,744,443</b> | <b>4,811,346</b> |

| <b>a) Advance Receipts</b> | <b>2024/2025</b> | <b>2023/2024</b> |
|----------------------------|------------------|------------------|
|                            | <b>KES '000</b>  | <b>KES '000</b>  |
| Marine                     | 37,529           | 66,825           |
| Cargo                      | 190,043          | 77,777           |
| Rentals                    | 58,865           | 41,067           |
| Miscellaneous              | 0                | 2                |
| Freight                    | 11,201           | 1,592            |
| <b>Total</b>               | <b>297,638</b>   | <b>187,263</b>   |

### 32. Retirement Benefits

The Authority operates a Defined Benefit (DB) and Defined Contribution (DC) scheme for its employees. The assets of the two schemes are held in separate trustee-administered funds which are funded by both contributions from the Authority and employees. The Scheme is administered by Actuarial Services (E.A) Ltd (ACTSERV'). The Scheme assets are invested by Co-op Trust Investment Services and Britam Asset Managers (Kenya) Limited in a segregated fund.

The Authority's contribution to the Defined contribution scheme is the final obligation. The employer's contributions payable for DC scheme was KES 1,389 million (FY 2023/2024 KES 1,486 million) and has been recognized in the Statement of Profit or Loss and Other Comprehensive Income.

The Authority Defined Benefit retirement scheme was closed to new entrants and future accrual of benefits effectively on 31<sup>st</sup> December 2012. The Authority only contributes to the scheme in respect of those members who opted to remain in the Defined Benefit scheme.

## KENYA PORTS AUTHORITY

ANNUAL REPORT & FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 30 JUNE 2025

### NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 30 JUNE 2025

#### Retirement Benefits (cont'd)

The actuarial report as at 31<sup>st</sup> December 2024 showed an actuarial deficit of KES 9,020 million. The Authority, as the sponsor, contributes KES 103.2 million monthly as part of the remedial plan to fund the deficit. A total of KES 1,537.4 million was remitted in FY 2024/2025. As at 30 June 2025, the scheme had an actuarial deficit of KES 8,400.8 million (KES 8,188.8 million deficit FY 2023/2024), with KES 1,238.4 million being classified as current.

|                                 | <b>2024/2025</b> | <b>2023/2024</b> |
|---------------------------------|------------------|------------------|
|                                 | <b>KES '000</b>  | <b>KES '000</b>  |
| Valuation at beginning          | 8,188,800        | 6,451,800        |
| Payments                        | (1,537,400)      | (535,200)        |
| Changes in valuation (Increase) | 1,749,400        | 2,272,200        |
| <b>Valuation at end</b>         | <b>8,400,800</b> | <b>8,188,800</b> |

#### Apportioned as:

|                       | <b>2024/2025</b> | <b>2023/2024</b> |
|-----------------------|------------------|------------------|
|                       | <b>KES '000</b>  | <b>KES '000</b>  |
| Non-Current Liability | 7,162,400        | 7,653,600        |
| Current Liability     | 1,238,400        | 535,200          |
| <b>Total</b>          | <b>8,400,800</b> | <b>8,188,800</b> |

#### 33.Reconciliation of operating profit to cash generated from operations

##### Cash Flow from Operating Activities:

|                                                        | Note  | <b>2024/2025</b>  | <b>2023/2024</b>  |
|--------------------------------------------------------|-------|-------------------|-------------------|
|                                                        |       | <b>KES '000</b>   | <b>KES '000</b>   |
| Operating profits before tax                           |       | 18,888,469        | 17,284,512        |
| <b>Add/Deduct):</b>                                    |       |                   |                   |
| Interest income                                        | 14    | (379,377)         | (589,035)         |
| Interest expense                                       | 15    | 796,996           | 793,205           |
| <b>Non-Cash Items:</b>                                 |       |                   |                   |
| Depreciation of Property Plant and Equipment           | 11,13 | 14,090,097        | 12,498,702        |
| Amortization of Intangible Assets                      | 12    | 509,215           | 378,048           |
| Increase in Provision for impairment of debts          | 16    | 527,534           | 183,781           |
| Increase /(decrease)in Impairment of Asset-PPE         | 16    | 24                | 324,629           |
| Bonus paid                                             |       | (587,876)         | (563,539)         |
| Adjustment of loan Front End Fee                       |       | 0                 | (25,876)          |
| Write-off of Asset (PPE)                               |       | 0                 | 187,088           |
| Ex-KFS adjustment                                      |       | 401               | 0                 |
| Loss on sale of assets                                 | 17    | 358,648           | 0                 |
| Profit on sale of Surveyed stock                       | 17    | (7,366)           | (1,398)           |
| Other Net Gain/Loss                                    | 17    | 4,342             | (1,174)           |
| <b>Operating Profit before working capital changes</b> |       | <b>34,201,107</b> | <b>30,468,943</b> |
| (Increase)/Decrease in Inventories                     | 34    | 112,036           | (306,629)         |
| (Increase) in Prepayments                              | 35    | (186,098)         | (220,100)         |
| (Increase)/Decrease in Trade & other receivables       | 35    | (5,250,324)       | 5,663,135         |
| Increase in Trade & other payables                     | 36    | 4,862,587         | 1,361,848         |
| <b>Cash generated from operations</b>                  |       | <b>33,739,308</b> | <b>36,967,197</b> |

**KENYA PORTS AUTHORITY**

ANNUAL REPORT &amp; FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 30 JUNE 2025

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2025**

|                                                  |                   |                   |                    |
|--------------------------------------------------|-------------------|-------------------|--------------------|
| <b>34.Reconciliation of Inventories:</b>         | <b>2024/2025</b>  | <b>2023/2024</b>  | <b>Movement</b>    |
|                                                  | <b>KES '000</b>   | <b>KES '000</b>   | <b>KES '000</b>    |
| Balance as at 30 June                            | 883,703           | 995,739           |                    |
| <b>Reconciled Movement Amount</b>                | <b>883,703</b>    | <b>995,739</b>    | <b>112,036</b>     |
| <hr/>                                            |                   |                   |                    |
| <b>35.Reconciliation of Accounts Receivables</b> | <b>2024/2025</b>  | <b>2023/2024</b>  | <b>Movement</b>    |
|                                                  | <b>KES '000</b>   | <b>KES '000</b>   | <b>KES '000</b>    |
| Balance as at 30 June                            | 21,432,018        | 15,968,859        |                    |
| <b>Add/(Less):</b>                               |                   |                   |                    |
| Prepayment                                       | (1,373,283)       | (1,187,185)       |                    |
| <b>Subtotal</b>                                  | <b>20,058,735</b> | <b>14,781,674</b> |                    |
| Add: Valuation Adjustment                        | (1,057,255)       | (1,030,518)       |                    |
| <b>Reconciled Movement Amount</b>                | <b>19,001,480</b> | <b>13,751,156</b> | <b>(5,250,324)</b> |
| <hr/>                                            |                   |                   |                    |
| <b>36.Reconciliation of Accounts Payables:</b>   | <b>2024/2025</b>  | <b>2023/2024</b>  | <b>Movement</b>    |
|                                                  | <b>KES '000</b>   | <b>KES '000</b>   | <b>KES '000</b>    |
| Balance as at 30 June                            | 17,808,119        | 13,322,646        |                    |
| <b>Less/Add:</b>                                 |                   |                   |                    |
| <b>Subtotal</b>                                  | <b>17,808,119</b> | <b>13,322,646</b> |                    |
| Less: Creditors Valuation                        | (2,600,642)       | (2,977,756)       |                    |
| <b>Reconciled Movement Amount</b>                | <b>15,207,477</b> | <b>10,344,890</b> | <b>4,862,587</b>   |
| <hr/>                                            |                   |                   |                    |
| <b>37.Purchase of PPE</b>                        | <b>2024/2025</b>  | <b>2023/2024</b>  |                    |
|                                                  | <b>KES '000</b>   | <b>KES '000</b>   |                    |
| Purchase of PPE as at 30 June                    | 21,009,451        | 21,310,485        |                    |
| <b>Purchase of PPE as per Cashflow</b>           | <b>21,009,451</b> | <b>21,310,485</b> |                    |

## KENYA PORTS AUTHORITY

ANNUAL REPORT & FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 30 JUNE 2025

### NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 30 JUNE 2025

#### 38.Dividends

| <b>Dividends</b>                          | <b>2024/2025</b>  | <b>2023/2024</b>  |
|-------------------------------------------|-------------------|-------------------|
| <b>Special</b>                            | <b>KES '000</b>   | <b>KES '000</b>   |
| Requested in the year                     | 0                 | 10,000,000        |
| Paid during the year                      | 0                 | (10,000,000)      |
| <b>Balance at end of the year</b>         | <b>0</b>          | <b>0</b>          |
| <br>                                      |                   |                   |
| <b>Normal (7.5%)</b>                      | <b>2024/2025</b>  | <b>2023/2024</b>  |
|                                           | <b>KES '000</b>   | <b>KES '000</b>   |
| FY 2022/2023                              | 899,458           | 899,458           |
| <b>Normal (80%)</b>                       |                   |                   |
| FY 2023/2024                              | 9,742,461         | 9,742,461         |
| FY 2024/2025                              | 10,834,509        | 0                 |
| <b>Paid within the year;</b>              |                   |                   |
| FY 2022/2023                              | 899,458           | 0                 |
| FY 2023/2024                              | 7,000,000         | 0                 |
| <b>Proposed Dividends as at 30 June</b>   | <b>13,576,970</b> | <b>10,641,919</b> |
| <br>                                      |                   |                   |
| <b>Dividends Payable in Balance Sheet</b> | <b>2,742,461</b>  | <b>899,458</b>    |

During the year, the Authority remitted dividends for the financial year 2022/2023, amounting to KES 899.458 million. The Dividend obligation for the year ended 2023/24 was KES 9,742.46 million out of which the Authority remitted KES 7 billion and the balance to be cleared in the FY 2025/2026.

## KENYA PORTS AUTHORITY

ANNUAL REPORT & FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 30 JUNE 2025

### NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 30 JUNE 2025

#### 39. Related Party Transactions

The Government of Kenya is the principal shareholder of the Authority, holding 100% of the Authority's equity interest. Other related parties are.

##### i. Debtors and Investments balances owing or receivable from.

| Description of Related Party              | 2024/2025        | 2023/2024        |
|-------------------------------------------|------------------|------------------|
|                                           | KES '000         | KES '000         |
| Ministry of Transport                     | 287,231          | 287,231          |
| Kenya National Shipping Line (Debtor)     | 28,178           | 28,178           |
| Kenya National Shipping Line (Investment) | 54,347           | 54,347           |
| Impairment provision                      | (369,756)        | (369,756)        |
| <b>Total</b>                              | <b>0</b>         | <b>0</b>         |
| DB Retirement Benefit Liability           | 7,781,600        | 8,188,800        |
| <b>Total</b>                              | <b>7,781,600</b> | <b>8,188,800</b> |

##### ii. Kenya Railway Corporation

- SGR

Assets located at Kisumu, Naivasha, ICD Nairobi and Portreitz were transferred to the Authority from Kenya Railways under the SGR project. These assets have been incorporated into the statement of financial position based on estimated values of similar assets acquired by the Authority. Revaluation exercise is underway to reflect the assets at market value.

- Take or Pay Arrangement (TOPA)

The SGR TOPA places the Authority as a guarantor for minimum traffic and commits to paying KRC any shortfall. This arrangement increases the level of commitment and hence the risk on the Authority's cashflows. The agreement provides for a possible crystallization of the liability, relating to the SGR project.

The minimum tonnage for the calendar year 2025 is 6,777,000 Tons as per Clause 7 of the TOPA. If this is prorated, the Authority should have railed 3,525,666.66 Tons in the last six months of 2024 and 3,388,500 Tons in the first six months of 2025 giving a total of 6,914,166.66 Tons for financial year 2024/2025. However, 7,048,427 Tons were railed and USD 81,976,517.02 remitted to the SGR Escrow Account, against the expected USD 80,415,006.20. This gives an excess of 134,260.34 Tons translating to an excess of USD 1,561,510.82. The maximum addition of profit or the contingent asset for the year 2024/25 (12 months) is therefore USD 1,561,510.82.

**KENYA PORTS AUTHORITY**

ANNUAL REPORT &amp; FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 30 JUNE 2025

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2025****Related Party Transactions (Cont'd)  
Take or Pay Arrangement (Cont'd)**

Cumulatively from the year 2020, the shortfall in tonnages is 4,519,144.98 translating to USD57,647,329.81 as tabulated below;

| TOPA OBLIGATIONS |                       |                     |                    |                   | ACTUAL PERFORMANCE   |                 | VARIANCE           |               |
|------------------|-----------------------|---------------------|--------------------|-------------------|----------------------|-----------------|--------------------|---------------|
| CALENDAR YEAR    | TONNAGE CALENDAR YEAR | CALENDAR YR TONNAGE | FINANCIAL YEAR     | EXPECTED USD '000 | FINANCIAL YR TONNAGE | ACTUAL USD '000 | TONNAGE            | USD '000      |
| 2020             | 6,000,000             | 3,000,000           | JAN 2020-JUNE 2020 | 14,002            | 1,983,059            | 9,256           | (1,016,941)        | 4,746         |
|                  |                       | 3,000,000           | JULY 2020-DEC 2020 |                   | 2,427,844            | 50,851          | (572,156)          |               |
| 2021             | 5,723,333             | 2,861,667           | JAN 2021-JUNE 2021 | 118,377           | 2,717,833            | 50,651          | (143,834)          | 16,876        |
|                  |                       | 2,861,667           | JULY 2021-DEC 2021 |                   | 2,689,573            | 48,873          | (172,094)          |               |
| 2022             | 7,583,333             | 3,791,667           | JAN 2022-JUNE 2022 | 102,210           | 2,976,802            | 48,820          | (814,865)          | 4,516         |
|                  |                       | 3,791,667           | JULY 2022-DEC 2022 |                   | 3,113,158            | 45,149          | (678,509)          |               |
| 2023             | 7,309,000             | 3,654,500           | JAN 2023-JUNE 2023 | 101,917           | 3,182,097            | 39,612          | (472,403)          | 17,156        |
|                  |                       | 3,654,500           | JULY 2023-DEC 2023 |                   | 3,350,930            | 42,108          | (303,570)          |               |
| 2024             | 7,051,333             | 3,525,667           | JAN 2024-JUNE 2024 | 93,315            | 3,046,632            | 35,293          | (479,035)          | 15,914        |
|                  |                       | 3,525,667           | JULY 2024-DEC 2024 |                   | 3,484,303            | 40,133          | (41,364)           |               |
| 2025             | 6,777,000             | 3,388,500           | JAN 2025-JUNE 2025 | 80,415            | 3,564,124            | 41,843          | 175,624            | (1,562)       |
| <b>TOTAL</b>     |                       | <b>37,055,500</b>   |                    | <b>510,236</b>    | <b>32,536,355</b>    | <b>452,589</b>  | <b>(4,519,145)</b> | <b>57,647</b> |

**iii. Key Management Compensation**

During the year, the senior management team comprising of the MD, Divisional & Departmental Heads, and the Principal Managers were paid KES 1,298 million as salaries, bonus and other allowances. Director fees of KES 6 million have been provided for in the financial statements.

|                                        | KES Million |
|----------------------------------------|-------------|
| Salaries and Other short-term benefits | 1,212       |
| Bonus Paid                             | 36          |
| Pension Contribution                   | 44          |
| Termination Benefits                   | 6           |

## **KENYA PORTS AUTHORITY**

**ANNUAL REPORT & FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 30 JUNE 2025**

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### **NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 30 JUNE 2025**

#### **Related Party Transactions (Cont'd)**

##### **iv. Kenya National Shipping Line**

KNSL enjoyed secretarial services from the Authority on the understanding that this would be paid for. The company has, however, operated under difficulties and has been unable to pay.

The Authority has fully impaired the investment and the debt as per the impairment policy. Negotiations on the revival of operations and the restructuring of the shareholding of KNSL are ongoing.

##### **v. Kenya Ports Authority Pension Scheme**

The Authority operates the Defined Benefit (DB) scheme alongside the Defined Contributory (DC) scheme. The Scheme is administered by an Internal Scheme Administrator assisted by Actuarial Services (E.A) Ltd (ACTSERV) the Scheme Actuaries. The Scheme assets are invested in a segregated fund by two Fund Managers: Co-op Trust Investment Services and Britam Asset Managers (Kenya) Limited who are registered by the Capital Markets Authority and Retirement Benefits Authority.

The actuarial report as at 31<sup>st</sup> December 2024 indicated a funding level of 65.58%. The Authority, as the sponsor, contributes KES 103.2 million monthly as part of the remedial plan to fund the deficit. A total of KES 1,537.4 million was contributed in FY 2024/2025. As at 30 June 2025, the scheme had an actuarial deficit of KES 8,400.8 million (KES 8,188.8 million deficit FY 2023/2024), with KES 1,238.4 million being classified as current.

Treasury Circular No. 18 of 2010 directed all Government Agencies Pension Schemes to be autonomous and be delinked from the Sponsor. The Authority as the sponsor complied with the Circular in June 2021 by fully delinking from the Management of the Schemes.

The Schemes employed their independent employees who manage the Secretariat headed by the Scheme Administrator. The overall Management responsibility rests with the Scheme Trustees. The Sponsor and members each appoint 50% of the Trustees.

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2025****40. Financial Risk Management Policies**

The Authority's activities expose it to a variety of financial risks including credit and liquidity risks and the effects of changes in foreign currency. The Authority's overall risk management policies are set out by the board and implemented by the management and focus on unpredictability of changes in the business environment and seek to minimize the potential adverse effect of such risks on its performance by setting acceptable levels of risk. The Authority does not hedge any risks and has in place policies to ensure that credit is only extended to customers with an established credit history.

The Authority's financial risk management objectives and policies are detailed below:

**(i) Credit Risk Management**

Credit risk is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation. Credit risk mainly arises from financial assets and is managed on an Authority-wide basis. The Authority does not grade the credit quality of financial assets that are neither past due nor impaired.

Credit risk on financial assets with banking institutions is managed by dealing with institutions with good credit ratings and placing limits on deposits that can be held with each institution, as stated in the investment policy.

On Trade receivables, Management assesses the credit quality of each customer, taking into account its financial position, past experience and other factors. Individual risk limits are set based on internal or external assessment in accordance with limits set by the directors. The amounts presented in the statement of financial position are net of allowances for doubtful receivables, estimated by the company's management based on prior experience and their assessment of the current economic environment.

The amounts presented in the Statement of Financial Position are net of provisions for impairment, estimated by the management based on prior experience and their assessment of the current economic environment.

The carrying amount of financial assets recorded in the financial statements represents the Authority's maximum exposure to credit risk without taking account of the value of any collateral obtained is as follows:

| <b>30-Jun-25</b>            | <b>Fully<br/>Performing<br/>KES '000</b> | <b>Past due<br/>KES '000</b> | <b>Impaired<br/>KES '000</b> | <b>Total<br/>KES '000</b> |
|-----------------------------|------------------------------------------|------------------------------|------------------------------|---------------------------|
| Dues from related companies | 0                                        | 0                            | 373,848                      | 373,848                   |
| Trade receivables:          |                                          |                              |                              |                           |
| Marine                      | 451,810                                  | 321,510                      | 152,390                      | 925,710                   |
| Cargo                       | 217,953                                  | 1,143,084                    | 2,215,149                    | 3,576,187                 |
| Rental                      | 66,102                                   | 747,363                      | 0                            | 813,465                   |
| Bank balances               | 2,060,025                                | 0                            | 0                            | 2,060,025                 |
| <b>Total</b>                | <b>2,795,890</b>                         | <b>2,211,957</b>             | <b>2,741,387</b>             | <b>7,749,234</b>          |

## KENYA PORTS AUTHORITY

ANNUAL REPORT & FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 30 JUNE 2025

### NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 30 JUNE 2025

#### Financial Risk Management Policies (cont'd)

| 30-Jun-24                   | Fully<br>Performing<br>KES '000 | Past due<br>KES '000 | Impaired<br>KES '000 | Total<br>KES '000 |
|-----------------------------|---------------------------------|----------------------|----------------------|-------------------|
| Dues from related companies | 0                               | 0                    | 373,848              | 373,848           |
| Trade receivables:          |                                 |                      |                      |                   |
| Marine                      | 381,544                         | 176,575              | 152,390              | 710,509           |
| Cargo                       | 248,330                         | 499,955              | 2,215,149            | 2,963,434         |
| Rental                      | 90,381                          | 99,340               | 297,708              | 487,429           |
| Bank balances               | 1,213,600                       | 0                    | 0                    | 1,213,600         |
| <b>Total</b>                | <b>1,933,855</b>                | <b>775,870</b>       | <b>3,039,095</b>     | <b>5,748,820</b>  |

The customers are paying their debts as they continue trading. The Authority is actively pursuing this debt. The debt that is impaired has been provided for as per the Authority Credit control policy. The allowance for uncollectible amounts that the Authority has recognized in the financial statements is considered adequate to cover any potential irrecoverable amounts. The Authority is pursuing various measures to recover the impaired amounts.

The board of directors sets the Authority's credit policies and objectives and lays down parameters within which the various aspects of credit risk management are operated.

#### (ii) Liquidity Risk Management

Liquidity risk is the risk that the Authority will encounter difficulty in meeting obligations associated with financial liabilities. Ultimate responsibility for liquidity risk management rests with the Authority's directors, who have built an appropriate liquidity risk management framework for the management of the entity's short, medium and long-term funding and liquidity management requirements, thereby ensuring that all financial liabilities are settled as they fall due.

The Authority manages liquidity risk through continuous monitoring of forecasts and actual cash flows and maintaining banking facilities to cover any shortfalls. The forecast provides details of additional undrawn facilities that may be utilized by the Authority to further reduce liquidity risk.

The table below analyses the Authority's financial liabilities as at 30 June 2025 that will be settled on a net basis on maturity date. The amounts disclosed in the table are the contractual undiscounted cash flows.

#### As at 30 June 2025

| Payables                     | Less than<br>1 month<br>KES'000 | Between<br>1 - 3 months<br>KES'000 | Over<br>KES'000  | Total<br>KES'000 |
|------------------------------|---------------------------------|------------------------------------|------------------|------------------|
| General & Foreign Payables   | 1,199,432                       | 379,928                            | 2,165,083        | 3,744,443        |
| Third Party Payroll Payments | 348,107                         | 48,188                             | 189,121          | 585,416          |
| Borrowings-Current portion   | 0                               | 0                                  | 2,947,331        | 2,947,331        |
| Employee Benefit Obligation  | 133,800                         | 401,400                            | 1,070,400        | 1,605,600        |
| <b>Total</b>                 | <b>1,681,339</b>                | <b>829,516</b>                     | <b>6,371,935</b> | <b>8,882,790</b> |

## KENYA PORTS AUTHORITY

ANNUAL REPORT & FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 30 JUNE 2025

### NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 30 JUNE 2025

#### Financial Risk Management Policies (cont'd)

As at 30 June 2024

| Payables                     | Less than        | Between        | Over             | Total            |
|------------------------------|------------------|----------------|------------------|------------------|
|                              | 1 month          | 1 – 3 months   |                  |                  |
|                              | KES'000          | KES'000        | KES'000          | KES'000          |
| General & Foreign Payables   | 2,904,151        | 54,635         | 1,852,560        | 4,811,346        |
| Third Party Payroll Payments | 301,686          | 9,920          | 224,995          | 536,601          |
| Borrowings-Current portion   | 0                | 0              | 2,337,375        | 2,337,375        |
| Employee Benefit Obligation  | 44,600           | 133,800        | 356,800          | 535,200          |
| <b>Total</b>                 | <b>3,250,437</b> | <b>198,355</b> | <b>4,771,730</b> | <b>8,220,522</b> |

#### (iii) Market risk Management

The Board takes overall responsibility for managing risk. A Risk Management Committee is in place to oversee the implementation of policies approved by the Board. The Risk Management Framework provides Management with a clear and informed Risk-Based decision-making process. The Authority continues to be committed to robust risk management practices as an integral part of good corporate governance.

The Authority maintains a sound risk management and internal control system that determines the nature and extent of the risks to take in pursuit of the strategic objectives. The Risk Management Committee reviews the risk management framework to ensure that it readily identifies key risks and strategies to mitigate them.

All business units have developed risk registers, based on a standardized risk management methodology to identify, assess and monitor the key risks faced by the business. Information on the efficacy of the risk treatment plans, trends, and direction of risk over time is provided in relation to each risk on a quarterly basis. The identified risks are assessed in terms of their impact and likelihood. Mitigation plans are put in place to manage the risks identified and exploit the attendant opportunities.

Risk Management is factored in the day-to-day processes thereby informing sound decision making.

Market risk is the risk arising from changes in market prices, such as interest rate, and foreign exchange rates which will affect the Authority's income or the value of its holding of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimizing the return.

## KENYA PORTS AUTHORITY

ANNUAL REPORT & FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 30 JUNE 2025

### NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 30 JUNE 2025

#### Financial Risk Management Policies (cont'd)

Market risk comprises two types of risk: currency risk and interest rate risk.

##### a) Foreign Currency Risk

The Authority's is exposed to foreign exchange risk arising from various transactions denominated in foreign currencies, primarily with respect to the US dollar and Japanese Yen. This results in exposures to exchange rate fluctuations. The balances impacted in this regard are the balances due to foreign suppliers, balances due from debtors, and bank balances. Exchange rate exposures are managed within approved policy parameters utilizing matching assets and liabilities. Invoices denominated in foreign currencies are paid using the prevailing exchange rate at the time of payment.

The carrying amounts of the Authority's main foreign currency-denominated monetary assets and monetary liabilities at the end of the reporting period are as follows:

| Currency<br>(USD)      | Liabilities<br>30-Jun<br>2024/25 |               | Assets<br>30-Jun<br>2024/25 |               | Liabilities<br>30-Jun<br>2023/24 |              | Assets<br>30-Jun<br>2023/24 |               |
|------------------------|----------------------------------|---------------|-----------------------------|---------------|----------------------------------|--------------|-----------------------------|---------------|
|                        | KES '000                         | USD '000      | KES '000                    | USD '000      | KES '000                         | USD '000     | KES '000                    | USD '000      |
|                        |                                  |               |                             |               |                                  |              |                             |               |
| <b>Assets</b>          |                                  |               |                             |               |                                  |              |                             |               |
| Bank                   |                                  |               | 1,418,375                   | 10,974        |                                  |              | 1,118,830                   | 8,663         |
| Receivables            |                                  |               | 6,906,125                   | 53,432        |                                  |              |                             | 36,534        |
| <b>Liabilities</b>     |                                  |               |                             |               |                                  |              |                             |               |
| Borrowings-<br>Current | 1,073,294                        | 8,304         |                             |               | 1,072,463                        | 8,304        |                             |               |
| Payables               | 3,004,045                        | 23,242        |                             |               | 2,587,596                        | 20,034       |                             |               |
| <b>Total</b>           | <b>4,077,339</b>                 | <b>31,546</b> | <b>8,324,500</b>            | <b>64,406</b> | <b>3,659,969</b>                 | <b>7,982</b> | <b>5,837,137</b>            | <b>45,197</b> |

| Currency<br>(JPY)      | Liabilities<br>30-Jun<br>2024/25 |                  | Assets<br>30-Jun<br>2024/25 |                | Liabilities<br>30-Jun<br>2023/24 |                  | Assets<br>30-Jun<br>2023/24 |                |
|------------------------|----------------------------------|------------------|-----------------------------|----------------|----------------------------------|------------------|-----------------------------|----------------|
|                        | KES '000                         | JPY '000         | KES '000                    | JPY '000       | KES '000                         | JPY '000         | KES '000                    | JPY '000       |
|                        |                                  |                  |                             |                |                                  |                  |                             |                |
| <b>Assets</b>          |                                  |                  |                             |                |                                  |                  |                             |                |
| Receivables            |                                  |                  | 749,472                     | 775,993        |                                  |                  | 698,889                     | 720,400        |
| <b>Liabilities</b>     |                                  |                  |                             |                |                                  |                  |                             |                |
| Borrowings-<br>Current | 1,874,038                        | 2,095,770        |                             |                | 1,264,912                        | 1,569,954        |                             |                |
| Payables               |                                  |                  |                             |                |                                  |                  |                             |                |
| <b>Total</b>           | <b>1,874,038</b>                 | <b>2,095,770</b> | <b>749,472</b>              | <b>775,993</b> | <b>1,264,912</b>                 | <b>1,569,954</b> | <b>698,889</b>              | <b>720,400</b> |

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2025****Financial Risk Management Policies (cont'd)****b) Foreign currency sensitivity analysis**

The sensitivity analysis in foreign currency arises from bank balances, trade receivables and payables denominated in foreign currency mainly US dollars and Japanese Yen.

The following table demonstrates the effect on the Authority's Statement of Profit or Loss and Other Comprehensive Income on applying the sensitivity for a reasonable possible 10% change in the exchange rate of the main foreign transaction currencies, with all other variables held constant. The reverse would also occur if the Kenya Shilling appreciated with all other variables held constant.

|             | <b>Exchange rate</b> | <b>Change in<br/>currency rate</b> | <b>Effect on<br/>Profit before tax<br/>KES '000</b> |
|-------------|----------------------|------------------------------------|-----------------------------------------------------|
| <b>2025</b> |                      |                                    |                                                     |
| USD         | 129.25               | 10%                                | 424,716                                             |
| JPY         | 0.8942               | 10%                                | 100,559                                             |
| <b>2024</b> |                      |                                    |                                                     |
| USD         | 129.15               | 10%                                | 217,717                                             |
| JPY         | 0.8057               | 10%                                | 68,449                                              |

**c) Interest Rate Risk**

Interest rate risk is the risk that the Authority financial condition may be adversely affected as a result of changes in interest rate levels. The Authority is exposed to interest rate risk as it borrows and invests funds. The interest earning financial assets that the Authority holds include bank and short-term deposits whose rates of return are predetermined. The Authority regularly monitors the interest rate movements to ensure that the optimum interest rates are obtained.

**Management of interest rate risk**

To manage the interest rate risk, management has endeavored to bank with institutions that offer favorable interest rates.

**Sensitivity Analysis**

The Authority analyses its interest rate exposure on a dynamic basis by conducting a sensitivity analysis. This involves determining the impact on profit or loss of defined rate shifts. The sensitivity analysis for interest rate risk assumes that all other variables, in particular foreign exchange rates, remain constant.

Using the end of the year figures, the sensitivity analysis indicates the impact on the statement of comprehensive income if current floating interest rates increase/decrease by percentage point. A 1% increase in the rate of interest would result in an increase of Bank interest earnings from 379,377 thousand to 455,095 thousand, while a 5% increase would result in an increase of income from 379,377 thousand to 757,967 thousand.

## KENYA PORTS AUTHORITY

ANNUAL REPORT & FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 30 JUNE 2025

### NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 30 JUNE 2025

#### Financial Risk Management Policies (cont'd)

##### (iv) Fair value of financial assets and liabilities (a) Financial instruments measured at fair value.

Determination of fair value and fair values hierarchy

IFRS 7 specifies a hierarchy of valuation techniques based on whether the inputs to those valuation techniques are observable or unobservable. Observable inputs reflect market data obtained from independent sources; unobservable inputs reflect the Authority's market assumptions. These two types of inputs have created the following fair value hierarchy:

- Level 1 – Quoted prices (unadjusted) in active markets for identical assets or liabilities. This level includes listed equity securities and debt instruments on exchanges.
- Level 2 – Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices).
- Level 3 – inputs for the asset or liability that are not based on observable market data (unobservable inputs). This level includes equity investments and debt instruments with significant unobservable components. This hierarchy requires the use of observable market data when available.
- The authority considers relevant and observable market prices in its valuations where possible.

As at 30 June 2025, the Authority held the following financial instruments measured at fair value.

| At 30 June 2025            | Level 1<br>KES '000 | Level 2<br>KES '000 | Level 3<br>KES '000 | Total<br>KES '000 |
|----------------------------|---------------------|---------------------|---------------------|-------------------|
| <b>Financial Assets</b>    |                     |                     |                     |                   |
| Investment Deposit*        | 5,934,553           | 0                   | 0                   | 5,934,553         |
| <b>Total</b>               | <b>5,934,553</b>    | <b>0</b>            | <b>0</b>            | <b>5,934,553</b>  |
| <b>Financial Liability</b> |                     |                     |                     |                   |
| Borrowings - JICA 1        | 17,727,829          | 0                   | 0                   | 17,727,829        |
| JICA 2                     | 28,213,870          | 0                   | 0                   | 28,213,870        |
| JICA SEZ                   | 968,863             | 0                   | 0                   | 968,863           |
| Stanbic1                   | 5,366,467           | 0                   | 0                   | 5,366,467         |
| Stanbic2                   | 5,169,739           | 0                   | 0                   | 5,169,739         |
| <b>Total</b>               | <b>57,446,768</b>   | <b>0</b>            | <b>0</b>            | <b>57,446,768</b> |

## KENYA PORTS AUTHORITY

ANNUAL REPORT & FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 30 JUNE 2025

### NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 30 JUNE 2025

#### Financial Risk Management Policies (cont'd)

| At 30 June 2024            | Level 1<br>KES '000 | Level 2<br>KES '000 | Level 3<br>KES '000 | Total<br>KES '000 |
|----------------------------|---------------------|---------------------|---------------------|-------------------|
| <b>Financial Assets</b>    |                     |                     |                     |                   |
| Investment Deposit*        | 5,880,305           | 0                   | 0                   | 5,880,305         |
| <b>Total</b>               | <b>5,880,305</b>    | <b>0</b>            | <b>0</b>            | <b>5,880,305</b>  |
| <b>Financial Liability</b> |                     |                     |                     |                   |
| Borrowings - JICA 1        | 16,814,463          | 0                   | 0                   | 16,814,463        |
| JICA 2                     | 25,845,293          | 0                   | 0                   | 25,845,293        |
| JICA SEZ                   | 808,282             | 0                   | 0                   | 808,282           |
| Stanbic1                   | 6,434,778           | 0                   | 0                   | 6,434,778         |
| Stanbic2                   | 1,808,009           | 0                   | 0                   | 1,808,009         |
| <b>Total</b>               | <b>51,710,825</b>   | <b>0</b>            | <b>0</b>            | <b>51,710,825</b> |

\* Call deposits held with various banks Refer to Note 24.

There were no transfers between levels during the year.

#### **(b) Financial instruments not measured at fair value.**

Disclosures of fair values of financial instruments not measured at fair value have not been made because the carrying amounts are a reasonable approximation of their fair values.

#### **(v) Capital Risk Management**

The Authority's objectives when managing capital are:

- (i) To match the profile of its assets and liabilities, taking account of the risks inherent in the business:
- (ii) To maintain financial strength to support business growth: and
- (iii) To safeguard the Authority's ability to continue as a going concern so that it can continue to provide adequate returns to the GoK and value to all other stakeholders. Capital adequacy is monitored regularly by the corporation's management and the Board of Directors.

The capital structure of the Authority consists of debt, which includes borrowings, and capital, other reserves and retained earnings. The Authority monitors capital on the basis of the gearing ratio. This ratio is calculated as net debt divided by total capital and reserves.

| Description                                         | 2024/2025<br>KES '000 | 2023/2024<br>KES '000 |
|-----------------------------------------------------|-----------------------|-----------------------|
| <b>Total Capital and Reserves</b>                   | <b>267,153,234</b>    | <b>221,516,702</b>    |
| Total Borrowings                                    | 57,446,768            | 51,710,825            |
| Less: Cash and Bank balances                        | (2,061,274)           | (1,217,580)           |
| <b>Net Debt/ (Excess Cash and Cash Equivalents)</b> | <b>55,436,543</b>     | <b>50,493,245</b>     |
| <b>Gearing</b>                                      | <b>21%</b>            | <b>23%</b>            |

## **KENYA PORTS AUTHORITY**

**ANNUAL REPORT & FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 30 JUNE 2025**

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### **NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 30 JUNE 2025**

#### **41. Contingent Liabilities**

Claims lodged and cases filed against the Authority in respect of third-party claims are estimated and are disclosed in the table below:

|              | <b>2024/2025</b>  | <b>2023/2024</b>  |
|--------------|-------------------|-------------------|
|              | <b>KES '000</b>   | <b>KES '000</b>   |
| Court cases  | 7,540,211         | 34,105,111        |
| Others*      | 7,450,917         | 2,055,285         |
| <b>Total</b> | <b>14,991,128</b> | <b>36,160,396</b> |

\*Refer to TOPA disclosure Note 39

#### **42. Incorporation**

The Authority was established through an Act of parliament Cap 391 on 20<sup>th</sup> January 1978.

#### **43. Events after the Reporting Period**

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

#### **44. Reporting Currency**

The functional and reporting currency is Kenya Shillings (KES).

## KENYA PORTS AUTHORITY

ANNUAL REPORT & FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 30 JUNE 2025

### APPENDICES

#### I. PROGRESS ON FOLLOW-UP OF AUDITOR RECOMMENDATIONS

The following is a summary of issues raised by the Office of the Auditor General, management comments and status:

| Audit Report | Observations From the auditor                                 | Management Comments                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                | Status                                                                 |
|--------------|---------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------|
| FY 2023/24   | Lack of valuation of Fully Depreciated Assets                 | The Authority's Non-current assets management policy provides for revaluation of assets after every 5 years. The last one was done in 2019. A tender of revaluation of assets (Tender no.KPA/082/2023/AM) was awarded to Crystal valuers. The valuation exercise was delayed due to a dispute lodged. The dispute has since been settled and the valuation of assets kicked off in September 2024. Crystal valuers have provided an inception report and are in the process of compiling an interim report after successful carrying out the inspection of the Authority assets. The final valuation report shall facilitate the updating of the assets register.                                                                                                                                                                                                                                                                                                                                  | Asset Valuation is ongoing to be completed in Financial Year 2025/2-26 |
|              | Lack of Proper Valuation and Uncertainties of Land Leased Out | The Authority has filed several cases and initiated court proceedings to recover the lands. The third parties have purportedly acquired rights (ownership) over the plots, and some have even undertaken developments. However, in the month of January 2018 the National Land Commission published a notice listing parcels illegally alienated from KPA and gave the registered parcel owners 90 days to vacate the parcel.<br>The High Court in ELC Civil Suit No. 245 of 2004 Kenya Ports Authority Vs. G. Wayumba (Geometer Surveys Ltd), Commissioner of Lands, District Land Registrar Mombasa, Wayland Ltd, Essam Properties Ltd and Kilifi Gardens Ltd entered judgement in Favor of KPA declaring that excision of portions from KPAs original parcels by creating new ones in the names of private parties and ordered for the excisions be revoked and rectification of the register. An application for a stay of the decision and setting it aside has been filed by the defendants. | Asset Valuation is ongoing to be completed in Financial Year 2025/2-26 |

## KENYA PORTS AUTHORITY

ANNUAL REPORT & FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 30 JUNE 2025

### APPENDICES (CONT'D)

#### PROGRESS ON FOLLOW-UP OF AUDITOR RECOMMENDATIONS

| Audit Report | Observations From the auditor                                  | Management Comments                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                | Status                                                                      |
|--------------|----------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------|
| FY 2023/24   | Lack of Land Ownership Documents for Lamu Port and Kisumu Port | <p><b><u>Lamu Port</u></b></p> <p>The process of title transfer of LR No. 29639 from LAPSET Corridor Development Authority (LCDA) is underway as evidenced by various correspondence on the same between LCDA and KPA. The transfer is as per advisory by the Attorney General (AG) and directions by Ministry of Transport. KPA is awaiting finalisation of the transfer.</p> <p><b><u>Kisumu Port</u></b></p> <p>Title to the port and other feeder ports in Lake Victoria are under processing accordingly. However, vide gazette notice number 22 of 2012, parcels for these ports were vested on KPA as communicated by the National Land Commission (NLC) vide letter dated 18th October 2022.</p> <p>KPA is therefore rightfully undertaking projects on the subject facilities as required by the law.</p> | KPA is awaiting finalisation of the transfer.                               |
|              | Bank and Cash Balances                                         | <p>The Authority National Bank Account Number 02020057007200 with a balance of USD 3,105 was not disclosed in the financial statements. The Account was a letter of credit account by for the defunct Kenya Ferry Services Limited. The account had not been included nor disclosed in the Audited Financial Statements of Kenya Ferry Services Limited for financial year 2020 - 2021 which were used for purposes of merger between KFS and KPA. KPA discovered the account in the FY 2024/2025 and has included it as part of the assets.</p> <p>The uncredited receipts in 3 bank accounts totalling to USD 44,299 were not reconciled due to system error which occurred in 2017. The issue has been escalated to SAP and are working to resolving the issue.</p>                                             | Amount transferred to KPA Bank Account and the account closed.              |
|              | Unsupported Board Expenses                                     | <p>The over-expenditure on Directors' Allowance was due to the following reasons.</p> <ol style="list-style-type: none"> <li>1. Some of the Directors were new and therefore were inducted. This is an additional expenditure from the usual board tasks</li> <li>2. The Directors were trained and familiarized to the Authority mandate. This prepared them for effective oversight.</li> <li>3. The Directors were fully involved in strategy preparation as this exercise coincided with their entry into the organization.</li> </ol> <p>Supporting documents for amounts totalling KES 45,451,714 has been provided</p>                                                                                                                                                                                      | Supporting documents for amounts totalling KES 45,451,714 has been provided |

**KENYA PORTS AUTHORITY**

ANNUAL REPORT &amp; FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 30 JUNE 2025

**APPENDICES (CONT'D)****PROGRESS ON FOLLOW-UP OF AUDITOR RECOMMENDATIONS**

| <b>Audit Report</b> | <b>Observations From the auditor</b>                                                 | <b>Management Comments</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       | <b>Status</b>                                           |
|---------------------|--------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------|
| FY 2023/24          | Variance in Overtime Payment Balances                                                | <p>At the time of the payroll run, all unpaid overtime is automatically posted to the General Ledger (GL) accounts, ensuring accurate and consistent financial reporting. As a result, there is no variance in accounting treatment. Key clarifications:</p> <p>1. The overtime recomputed by the auditor for July 2023 is for May 2023, pertains to the financial year 2023/2024.</p> <p>2. Similarly, overtime earned in June 2024 but paid in July 2024 relates to the financial year 2024/2025.</p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          | Management is pursuing closure with the Auditor General |
|                     | Design, Supply, Integration and Implementation of an Operations Control Center (OCC) | <p>1. Concept Note &amp; PIM Guidelines<br/>The Concept Note outlines the project's deliverables and benefits. It was developed in 2019, before the Public Investment Management (PIM) Guidelines were issued in 2020 and revised in 2022. The project received Treasury budget approval and began before PIMIS was introduced; therefore, PIM regulations cannot be applied retrospectively.</p> <p>2. Furniture Specifications &amp; Pricing<br/>The pricing for furniture is based on technical specifications in Contract No. 10, including ISO 11064 standards for control room furniture.</p> <p>3. Budget Approval<br/>The project was allocated KES 586 million in the 2021/22 Financial Year based on the approved Concept Note.</p> <p>4. Existing monopoles are being used except in four locations (e.g. SGR Marshalling Yard) where new ones are to be installed. Some cameras have already been mounted; work was paused due to safety concerns, which have now been resolved.</p> | Project documents and approvals availed.                |

**KENYA PORTS AUTHORITY**

ANNUAL REPORT &amp; FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 30 JUNE 2025

**APPENDICES (CONT'D)****PROGRESS ON FOLLOW-UP OF AUDITOR RECOMMENDATIONS**

| <b>Audit Report</b> | <b>Observations From the auditor</b>                                              | <b>Management Comments</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      | <b>Status</b>                                                                                      |
|---------------------|-----------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------|
| FY 2023/24          | Procurement and Supply of One-hundred and fifty (150) Portable handheld VHF Radio | <p>The Delivery was made on 4th April 2024. The Performance Bond was valid up to 30th April 2024 and was therefore valid at the time of Delivery.</p> <p>An advance Payment Guarantee from SUMAC Micro Finance Bank Ref: SMB/APG/KS/BZ/23/009 dated 24th October 2024 was provided for the Advance Payment that was made by the Authority Management confirms that the goods were delivered as per the contract and within the LPO Period and did not necessitate the invocation of the liquidated damages clause.</p> <p>The Items have been in use since April 2024 and no defects have been noted and therefore there is no risk of loss of money. To enhance contract management, the Authority has put in place Contract Implementation Teams to manage all contracts from date of signing to date of project closure.</p> | Supporting documents availed.                                                                      |
|                     | Maintenance of Fuel Management Systems                                            | <p>The Contract was extended for a period of 1 year. This was occasioned by the fact that the Authority had not completed the process of reviewing the Terms of Reference that would lead to advertisement of the new Tender. So as not to disrupt service delivery, the Authority proceeded to extend the existing contract with M/s.Vemart Engineering Consultants Limited from August 2023 to August 2024.</p> <p>A performance guarantee for the extended period and a Copy of the PB Ref: EBKL/026/PBG0007/18023 from Equity Bank was provided.</p>                                                                                                                                                                                                                                                                        | Supporting documents availed.                                                                      |
|                     | Encroachment of KPA Land                                                          | <p>Assets are normally valued after every five years. The said parcel of land was valued by Sec &amp; M Co. Ltd in 2019, and revaluation is ongoing as at this reporting date. In the FY 2024/25 Crystal valuers have been awarded a contract by the Authority, currently revaluation exercise has commenced, and the authority is awaiting the report to update the records. The Land in Kisumu valued at Kshs.27M is occupied by squatters, attempt by the Authority to fence the plot was resisted by the occupants including demolition of the fence. The Authority has previously published a caveat on the plot</p>                                                                                                                                                                                                       | Revaluation exercise has commenced, and the authority is awaiting the report to update the records |

# KENYA PORTS AUTHORITY

ANNUAL REPORT & FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 30 JUNE 2025

## APPENDICES (CONT'D)

### PROGRESS ON FOLLOW-UP OF AUDITOR RECOMMENDATIONS

| Audit Report | Observations From the auditor                                | Management Comments                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     | Status                                                                                                                            |
|--------------|--------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------|
| FY 2023/24   | Operational Inefficiencies at the Port of Lamu               | <p>The Port of Lamu is the anchor Project of the LAPSSET corridor. The Port is positioned to serve Ethiopia and South Sudan over and above being a transshipment hub. Since operationalization of the first berth on 20<sup>th</sup> May 2021, KPA has put efforts towards making the Port competitive, key among them being the adoption of a Promotional Port Tariff that was extended twice up to May 2024. Recognizing that the Port of Lamu's success depends on a multiplicity of factors key amongst them being inland connectivity, an Inter-Agency committee under the banner of LCDA (LAPSSET Corridor Development Authority) has been constituted to oversee joint business promotion aspects of the Port and the LAPSSET Corridor. The Team has held several meetings to plan for the upcoming LAPSSET Heads of State Summit and commissioning of the First three berths of the Port of Lamu by the three Heads of States from Kenya, Ethiopia and South Sudan. The Team has also been tasked with the responsibility of looking at sustainability of business at the new Port after the Commissioning.</p> | Management is aggressively marketing the Port of Lamu and has secured understanding with Shipping lines for use of the Lamu Port. |
|              | Non-compliance with the Law on Gender and ethnic Composition | <p>The Authority operates within one of the most male-dominated nature of the port and Shipping Industries. Despite this, it has made commendable efforts to implement the gender provisions of Article 232(1)(h) and (i) of the Constitution, promoting representation of Kenya's diverse ethnic groups, both genders, and persons with disabilities.</p> <p>Since the issuance of the gender directives, the Authority has progressively improved gender balance. In October 2006, before the 30% gender directive, female representation stood at 18.66%. By June 2024, this had increased to 22%, demonstrating ongoing commitment to gender inclusivity.</p> <p>In addition, the Authority recruited 16 staff during the 2023/2024 Financial Year, of whom 11 (69%) were female. This reflects a deliberate effort by Management to increase female representation within the Authority.</p>                                                                                                                                                                                                                       | Not resolved                                                                                                                      |
|              | Weakness in payroll Management                               | <p>Management confirms that the Authority has clear procedures to ensure immediate updates to payroll and master data upon employee exit, with prompt communication across relevant HR sections. The observation that ninety-nine (99) staff members on contract terms who had exited the organization with effect May 2024, as per the provided exit list, were paid the salary for the month of June 2024 has been noted. The above-mentioned staff members were Lamu dockers whose contract terminated in May 2024 and the termination action immediately implemented in the system. Their contracts were renewed effective May 2024, as approved in the Board Human Resources Committee Meeting held on 6th May 2024 (Minute 185) at the Kenya Ports Authority.</p>                                                                                                                                                                                                                                                                                                                                                 | Management confirms that the Authority has clear procedures to ensure immediate updates to payroll and master data                |

**KENYA PORTS AUTHORITY**

ANNUAL REPORT &amp; FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 30 JUNE 2025

**APPENDICES (CONT'D)****PROGRESS ON FOLLOW-UP OF AUDITOR RECOMMENDATIONS**

| <b>Audit Report</b> | <b>Observations From the auditor</b>                       | <b>Management Comments</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 | <b>Status</b>                                                                           |
|---------------------|------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------|
| FY 2023/24          | Overtime Payment Not Defined in KPA HR Policy Manual ,2021 | <p>Management acknowledges the observations regarding the payment of overtime to employees Due to the operational nature of the Authority's work, most employees fall under non-managerial roles covered by a Recognition Agreement with the Dock Workers Union. Overtime payment is governed by the Employment Act and further anchored in the Collective Bargaining Agreement (CBA), which is legally binding and registered in court. The CBA outlines terms including overtime eligibility and compensation, aligned with Section 59 of the Labour Relations Act, 2007. Relevant details are provided on Page 9 of the CBA. The current CBA follows a four-year cycle per Salaries and Remuneration Commission (SRC) guidelines. The last review was in 2020 (for the 2020-2023 CBA) under the Human Resource Manual 2017, which continues to guide overtime provisions.</p> <p>To enhance accountability, Management has implemented overtime control measures, including:</p> <ul style="list-style-type: none"><li>• Mandatory approval by Division Heads within allocated budgets.</li><li>• A system cap limiting overtime to 30% of basic salary, in force since March 2020.</li><li>• Any payments beyond the cap require Managing Director's approval.</li></ul> <p>The overtime expenditure was incurred to support critical business operations. Additionally, the HR Manual was reviewed in 2021 and implemented in 2022. Management is currently reviewing the 2021 HR Manual to address any gaps and incorporate recent developments.</p> | Management confirms that all requisite procedures were observed in payment of overtime. |

# KENYA PORTS AUTHORITY

ANNUAL REPORT & FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 30 JUNE 2025

## APPENDICES (CONT'D)

### PROGRESS ON FOLLOW-UP OF AUDITOR RECOMMENDATIONS

| Audit Report | Observations From the auditor                                   | Management Comments                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            | Status                                                       |
|--------------|-----------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------|
| FY 2023/24   | Unsupported Sports Expenditure                                  | <p>The requested KES. 10,000,000 additional amount on the Club's sponsorship budget was not a request for expanded ambitions, but it was a critical intervention to ensure:</p> <ul style="list-style-type: none"> <li>• Continued compliance with CAF and FKF licensing regulations.</li> <li>• Uninterrupted participation in national and preparation for continental competitions.</li> <li>• Sustainability of the newly established women's and youth teams.</li> <li>• Fulfillment of financial obligations to players, staff, and partners.</li> </ul> <p>The funds were utilized transparently and accounted for in accordance with financial guidelines. Invoices, receipts, travel documents and amongst others are available for audit.</p>                                        | The expenditure was a necessary compliance requirement       |
|              | Irregular Purchase of Ferry Operation Site Management Equipment | <p>To ensure that this does not occur again, the Authority has put in place Contract Implementation Teams to be in charge of contract administration whose roles includes but not limited to:</p> <ol style="list-style-type: none"> <li>i. Monitoring the performance of the contractor and ensure that goods, services or works are executed within the contract timelines and to the right quality and standard.</li> <li>ii. Manage submission of documents, warranties and guarantees.</li> <li>iii. Review any contract variation requests and make recommendations</li> <li>iv. Manage handover or acceptance procedures</li> <li>v. make recommendations for contract termination, where appropriate.</li> <li>vi. Ensure discharge of performance guarantee where required</li> </ol> | The Authority has put in place Contract Implementation Teams |

  
 Capt. William Ruto, AFNI, MBS  
**MANAGING DIRECTOR**

**KENYA PORTS AUTHORITY**

ANNUAL REPORT &amp; FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 30 JUNE 2025

**APPENDICES (CONT'D)****II. INTER-ENTITY TRANSFERS FROM OTHER GOVERNMENT ENTITIES**

| Name of the MDA/Donor Transferring the funds | Nature of Development Funds | Date received | Amount received KES'000 | Total Amount KES'000 | Where Recorded/<br>recognized      | Total Transfer FY 2024/25 KES'000 |
|----------------------------------------------|-----------------------------|---------------|-------------------------|----------------------|------------------------------------|-----------------------------------|
|                                              |                             |               |                         |                      | Statement of Financial Performance |                                   |
| State Department for Transport               | Dredging of Lake Victoria   | 27.05.2025    | 300,000                 | 300,000              | Non-Current Liabilities            | 300,000                           |
| <b>Total</b>                                 |                             |               | <b>300,000</b>          | <b>300,000</b>       |                                    | <b>300,000</b>                    |

**III. REPORTING OF CLIMATE RELEVANT EXPENDITURES**

| Project Name                                  | Project Objectives                            | Project Site                                | Source Of funds  | Amount (KES '000) | Partners                                                                                            |
|-----------------------------------------------|-----------------------------------------------|---------------------------------------------|------------------|-------------------|-----------------------------------------------------------------------------------------------------|
| Dust Suppression System                       | To arrest fugitive dust dirty cargo operation | Berth ,5, 9 and 10                          | Internal Funding | 143,000           | Self-funded                                                                                         |
| Mangrove Growing and carbon asset development | Restoration of degraded mangrove forest       | -Magarini<br>-Tunza<br>-Majoreni<br>-Kiwegu | Internal Funding | 100,000           | The respective contractors in collaboration with KFS, Local Administration, CBOs, Self Help Groups. |

**IV. PROJECTS IMPLEMENTED**

As at 30 June 2025 the Authority was undertaking the underlisted projects with the objective of expanding capacity and modernization of equipment to increase efficiency in port services.

| Project title                                      | Donor | Period/<br>duration      | Donor Commitment (JPY 'Million) | Separate donor reporting required as per the donor agreement (Yes/No) |
|----------------------------------------------------|-------|--------------------------|---------------------------------|-----------------------------------------------------------------------|
| Dongo Kundu Special Economic Zone (Loan Agreement) | JICA  | 27/02/2020 to 31/12/2028 | 37,090                          | Yes                                                                   |

## KENYA PORTS AUTHORITY

ANNUAL REPORT & FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 30 JUNE 2025

### APPENDICES (CONT'D)

#### Projects Implemented by the Entity (cont'd)

| Project title                                       | Donor | Period/<br>duration      | Donor<br>Commitment<br>(JPY 'Million) | Separate donor<br>reporting required as<br>per the donor<br>agreement (Yes/No) |
|-----------------------------------------------------|-------|--------------------------|---------------------------------------|--------------------------------------------------------------------------------|
| Dongo Kundu Special Economic Zone (Grant Agreement) | JICA  | 16/06/2022 to 31/12/2025 | 6,000                                 | Yes                                                                            |

#### V. STATUS OF PROJECTS COMPLETION AND VIABILITY

| Project                                                        | Total project Cost ('000) | Total expended to date ('000) | Completion % to date                                                                | Budget ('000)  | Actual ('000) | Sources of funds |
|----------------------------------------------------------------|---------------------------|-------------------------------|-------------------------------------------------------------------------------------|----------------|---------------|------------------|
| Shimoni Fish Port                                              | KES 2,436,720             | KES 2,352,914                 | 100% Complete & in DNP                                                              | KES 3,261,000  | KES 2,352,914 | KPA              |
| Extension of Berth 19B and Decommissioning of KOT              | USD 5,444<br>KES. 510,631 | KES 897,811                   | Decommissioning KOT at 75% Complete and Project Construction in mobilization Stage. | KES 3,200,000  | KES 897,811   | KPA              |
| Dongo Kundu Special Economic Zone (Loan Component)             | JPY 49,900,000            | JPY 1,008,901                 | Detailed Design and Tender Assistance Complete. Commenced Construction Stage        | JPY 37,900,000 | JPY 1,008,901 | JICA             |
| Widening of Port Road from Gantry Workshop to Gate 18/20       | KES 7,347,520             | KES 72,741                    | Construction at 1.2% Complete                                                       | KES 3,535,000  | KES 72,741    | KPA              |
| Capital and maintenance Dredging of Port Channel               | USD 2,776                 | USD 1,185                     | Design stage                                                                        | KES 1,000,000  | USD 1,185     | KPA              |
| Storm Water Drainage Design & Construction for port of Mombasa | KES 150,672               | KES 71,840                    | Design, Tender Preparation Supervision                                              | KES 200,000    | KES 71,840    | KPA              |

**KENYA PORTS AUTHORITY**

ANNUAL REPORT &amp; FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 30 JUNE 2025

**APPENDICES (CONT'D)****Status of Projects completion and viability (cont'd)**

| Project                                                                                                        | Total project Cost ('000) | Total expended to date ('000) | Completion % to date | Budget ('000) | Actual ('000) | Sources of funds |
|----------------------------------------------------------------------------------------------------------------|---------------------------|-------------------------------|----------------------|---------------|---------------|------------------|
| Mbaraki Sports Stadium Running Track                                                                           | KES 379,124               | KES 253,648                   | 89% Complete         | KES 417,000   | KES 379,124   | KPA              |
| Improvement of Traffic Circulation Plan, expansion of ramp and reconstruction of Likoni Mainland Side Crossing | KES 191,003               | KES 126,733                   | Design Stage         | KES 600,000   | KES 126,733   | KPA              |
| Rehabilitation and Extension of Peleleza Jetty                                                                 | KES 94,400                | KES 56,640                    | Design Stage         | KES 200,000   | KES 56,640    | KPA              |
| Removal of Asbestos roof and Reroofing with Aluminium Sheet                                                    | KES 1,049,568             | KES 384,590                   | 51% Complete         | KES 550,000   | KES 384,590   | KPA              |
| Refendering berth 1 - 10                                                                                       | KES 103,468               | KES 78,296                    | 75% Complete         | KES 200,000   | KES 78,296    | KPA              |

**NOTE:** The project costs and expenditure shown are net of VAT.

**APPENDICES (CONT'D)**

**Status of Projects completion and viability (cont'd)**

| <b>Project Name</b>                                          | <b>Facilitation in KPA mandate delivery</b>                                                                                                                                                                                                                                                                                                                                    | <b>Alignment with National Government Strategic Objectives</b>                                                                                                                                                                                                                                                                                                                                                                   | <b>Expected Completion Date</b>                             | <b>Current Percent Completion</b>             | <b>Key Achievements and Challenges</b>                                                                                                                                                                                                                                                                                              | <b>Way Forward</b> |
|--------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------|-----------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------|
| Shimoni Fish Port<br><i>(Construction of a Modern Jetty)</i> | The current jetty is used for small scale fishing with yearly output of 10,000 metric tonnes. It is underdeveloped for deep sea fishing and there is lack of resources and knowledge by local small-scale fishermen for deep sea commercial fishing. This project will result in improved revenues for the small-scale farmers and underutilized natural resources in Shimoni. | KPA developed a Master Plan for Small Ports in November 2012 which provided the development plan for small ports based on their socio-economic significance, anticipated cargo and traffic volumes as well as future development needs of the coastal region and the Country. Shimoni Port was among the small ports which had the highest Economic Viability, creating an opportunity for development in line with Vision 2030. | Attained practical completion on 14 <sup>th</sup> June 2025 | 100% and in Defects Notification period (DNP) | Construction of the Fish Processing Plant, the Goods Warehouse at the existing Jetty side, the Fish Meal Plant, access road and Gates and support facilities are complete. The Safe Removal and Disposal of Asbestos materials is also complete. Site Constraints due to hard strata and dynamic strata increased the pile lengths. |                    |
| Dongo Kundu Berth No. 1                                      | The Authority is working closely together with other government agencies to develop a Special Economic Zone and Port facilities at Dongo-Kundu which includes Dongo Kundu Berth 1 with a Berth Length of 300m and draft of 15m and other related infrastructural works.                                                                                                        | Aligned to the job creation and cost of living initiatives of the National Government BETA.<br>-Aligned to support a Special Economic Zone and fostering Manufacturing.                                                                                                                                                                                                                                                          | Dec 2028                                                    | N/A                                           | Areas for PAPs, roads, dispensary, and other social amenities were identified, and the issue of Cargo Handling Equipment has been cleared. The contract has been awarded and the contractor for package 1 – Civil and Building Works are at mobilization stage.                                                                     |                    |

**KENYA PORTS AUTHORITY**

**ANNUAL REPORT & FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 30 JUNE 2025**

**APPENDICES (CONT'D)**

**Status of Projects completion and viability (cont'd)**

**Projects Viability Report (cont'd)**

| <b>Project Name</b>                                      | <b>Facilitation in KPA mandate delivery</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                          | <b>Alignment with National Government Strategic Objectives</b>                              | <b>Expected Completion Date</b> | <b>Current Percent Completion</b>         | <b>Key Achievements and Challenges</b>                                                                                                    | <b>Way Forward</b>                                                                                                                                          |
|----------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------|---------------------------------|-------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Widening of Port Road from Gantry Workshop to Gate 18/20 | The project entails the provision of an approximately 1.4 km long road extending from the Gantry Workshop to gate 18 exit via the One-Stop center. The envisaged benefit is that it shall provide an expressway from Kilindini Side to the Second Terminal avoiding the crossing at Gate 18 Junction and also the level crossing at the Western side of One Stop Centre Parking. Ultimately the project will ease congestion in the Port while enhancing safety by removing non-operational vehicles from the yards. | Aligned to the job creation and cost of living initiatives of the National Government BETA. | July 2026                       | Construction is at 1.2% Complete          | The contract for construction has been awarded and works have commenced.                                                                  | Mobilization, bush clearing and top-soil stripping works have commenced. Geotechnical confirmation scheduled to commence to finalize drilling preparations. |
| Rehabilitation and Extension of Peleleza Jetty           | To construct a jetty that would allow berthing of at least two ferry-lengths. The new jetty would be made with offshore facilities like electrical and water connection. A boat landing area would also be constructed for use by the service and rescue boats. Currently, there is no emergency securing area for the ferries on the mainland side at night.                                                                                                                                                        | Aligned to the cost-of-living initiative of the National Government BETA.                   | Dec 2025                        | 100% (Design Review and ESIA Preparation) | The consultant has submitted the final design report inclusive of investigations and survey reports. The project is awaiting procurement. | Expedite ongoing process to enable construction commencement                                                                                                |

# KENYA PORTS AUTHORITY

ANNUAL REPORT & FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 30 JUNE 2025

## APPENDICES (CONT'D)

### Status of Projects completion and viability (cont'd)

#### Projects Viability Report (cont'd)

| Project Name                                                         | Facilitation in KPA mandate delivery                                                                                      | Alignment with National Government Strategic Objectives                                                                                                      | Expected Completion Date                                                         | Current Percent Completion | Key Achievements and Challenges                                                                                                                                                                                                                                                                                                                             | Way Forward                 |
|----------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------|----------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------|
| Removal of Asbestos Roofing and re-roofing with Aluminum Iron Sheets | Asbestos removal and re-roofing with non-corrosive and non-hazardous material.                                            | To enhance the implementation of the Green Port Policy in line with the Government's initiative to ensure a clean and healthy environment for its citizenry. | Ongoing                                                                          | 51%                        | Removal of asbestos and re-roofing Gantry Workshop, Shed BP3, Shed BP 4 parking, Cooperative Bank building and Kephis Parking shed completed. Shed BP2 and BP4 partially completed, solar PV modules and ESS system installed, power cabling in progress. The underground water reservoir is 65% completed. Delay in execution due to a court imposed halt. | Fastrack ongoing activities |
| Extension of Berth 19B and Decommissioning of KOT                    | The project entails increasing the total quay line to 1,040m and dredging the bottom level of the water basin to -15.0CD. | Aligned to the job creation and cost of living initiatives of the National Government BETA                                                                   | Decommissioning of KOT is at 75% complete. Construction is at mobilization stage | N/A                        | The contract has been awarded                                                                                                                                                                                                                                                                                                                               |                             |

**KENYA PORTS AUTHORITY**

ANNUAL REPORT &amp; FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 30 JUNE 2025

**APPENDICES (CONT'D)****Status of Projects completion and viability (cont'd)****Projects Viability Report (cont'd)**

| <b>Project Name</b>                       | <b>Facilitation in KPA mandate delivery</b>                                                                                                           | <b>Alignment with National Government Strategic Objectives</b>                               | <b>Expected Completion Date</b> | <b>Current Percent Completion</b> | <b>Key Achievements and Challenges</b>                                                                                                                                                                                          | <b>Way Forward</b>                       |
|-------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------|---------------------------------|-----------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------|
| Mbaraki Sports Club Stadium Running track | The project entails the Improvement and upgrading of the Mbaraki Sports Club running track to meet the required National and International standards. | Aligned with the job creation and cost of living initiatives of the National Government BETA |                                 | 89% Complete                      | Drainage works completed, running track formation completed, track fence fixed and detachable athletic equipment delivered and preparations for permanent installation of the tartan track ongoing. Delay in release of funding | Fastrack ongoing construction activities |