

REPUBLIC OF KENYA



Enhancing Accountability

THE NATIONAL ASSEMBLY
PAPERS LAID
REPORT

DATE: 26 FEB 2026

DAY.
THUR

PARLIAMENT
OF KENYA
LIBRARY

TABLED
BY:

DEPUTY MAJORITY WHIP

OF
CHECK-AT
THE-TABLE:

V. WAMBUI

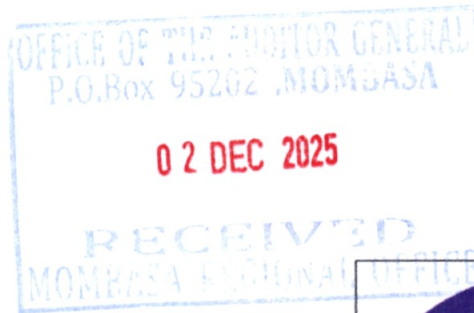
THE AUDITOR-GENERAL

ON

BANDARI MARITIME ACADEMY

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





BANDARI MARITIME ACADEMY

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED

30TH JUNE 2025

**Prepared in accordance with the Accrual Basis of Accounting Method under the International
Public Sector Accounting Standards (IPSAS)**

BANDARI MARITIME ACADEMY
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE, 2025

TABLE OF CONTENTS

1.	Acronyms, Abbreviations And Glossary Of Terms	iv
a.	Acronyms and Abbreviations	iv
b.	Glossary of Terms	iv
2.	Key Entity Information and Management.....	v
a.	Background Information	v
b.	Principal Activities	v
c.	Key Management	vi
d.	Fiduciary Management.....	vii
e.	Fiduciary Oversight Arrangement Board Committees.....	vii
f.	BMA Headquarters	viii
g.	BMA Contact	ix
h.	BMA Bankers	ix
i.	Independent Auditors	ix
j.	Principal Legal Adviser.....	ix
3.	Board of Directors	x
4.	Key management team.....	xviii
5.	Chairman’s Statement	xxvi
6.	Report of the Chief Executive Officer	xxvii
7.	Statement of the Academy’s Performance Against Pre-Determined Objectives For Fy 2024/25 ..	xxviii
8.	Corporate Governance Statement.....	xxix
a.	Role And Function Of The Board Of Directors	xxix
b.	Performance Evaluation And Governance Audit	xxix
c.	Conflict of Interest.....	xxix
d.	Corruption Prevention	xxx
e.	Board Structure	xxx
f.	Appointment and Removal of the Members of the Board	xxx
g.	Board Induction.....	xxx
h.	Board Remuneration	xxx
i.	Board Meetings	xxxii
j.	Full Board Meetings	xxxii
k.	Special Board Meetings.....	xxxii
l.	Technical and Operations Committee Meetings.....	xxxii
m.	Finance and human resource committee meetings	xxxii
n.	Risk and Audit Committee Meetings	xxxii
o.	Strategy and Business Continuity Committee Meetings	xxxii
p.	Employee Welfare.....	xxxiii
9.	Management Discussion and Analysis.....	xxxiv
10.	Environmental and Sustainability Reporting.....	xxxv
11.	Report of the Directors	xxxvii
12.	Statement of Directors' Responsibilities	xxxviii
13.	Report of the Independent Auditor on the Financial Statements of Bandari Maritime Academy.....	xl

BANDARI MARITIME ACADEMY
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE, 2025

14.	Statement Of Financial Performance for the Year Ended 30 June 2025.....	1
15.	Statement Of Financial Position As At 30 June 2025.....	2
16.	Statement Of Changes in Net Assets for the Year Ended 30 June 2025	3
17.	Statement Of Cash Flows for the Year Ended 30 June 2025.....	4
18.	Statement of Comparison of Budget and Actual Amounts for the Year Ended 30 June 2025	5
19.	Notes to the Financial Statements	6
1.	Accounting Policies	6
2.	Transfers from Ministries, Departments and Agencies.....	19
3.	Rendering of Services.....	20
a.	Rendering of Services-Service Fees	20
a.	Rental revenue from Facilities and Equipment.....	20
4.	Use of Goods and Services	21
5.	Employee Costs	23
6.	Remuneration of Directors.....	23
7.	Repairs and Maintenance	24
8.	Depreciation and Amortization Expense	24
9.	Property, Plant and Equipment	25
10.	Intangible Assets	26
11.	Work-In-Progress	26
12.	Cash And Cash Equivalents	26
13.	Inventory	26
14.	Receivables From Exchange Transactions.....	27
15.	Trade And Other Payables.....	27
16.	Refundable Deposits	28
17.	Cash Inflows From Operating Activities	28
18.	Cash Outflow From Operating Activities	29
19.	Cash Flows From Investing Activity	30
20.	Retained Earnings	30
21.	Budget Reconciliation	30
22.	Financial Risk Management	31
vi.	Credit Risk.....	31
vii.	Liquidity Risk Management.....	31
viii.	Market Risk.....	32
ix.	Fair Value Of Financial Assets And Liabilities.....	34
23.	Related Party Balances	35
24.	Appendices.....	37
	Appendix i: Implementation Status Of Auditor-General’s Recommendations	37
	Appendix ii: Projects Implemented By Bandari Maritime Academy	41
	Appendix iii: Inter-Entity Transfers	42
	Appendix iv: Recording of Transfers from other Government Entities.....	44

1. ACRONYMS, ABBREVIATIONS AND GLOSSARY OF TERMS

a. Acronyms and Abbreviations

BMA	Bandari Maritime Academy
CEO	Chief Executive Officer
DG	Director General
CBET	Competency-Based Education & Training
CBK	Central Bank of Kenya
ICPAK	Institute of Certified Public Accountants of Kenya
IPSAS	International Public Sector Accounting Standards
MD	Managing Director
NT	National Treasury
OCOB	Office of the Controller of Budget
OAG	Office of the Auditor General
OSHA	Occupational Safety and Health Act of 2007
PFM	Public Finance Management
PPE	Property Plant & Equipment
PSASB	Public Sector Accounting Standards Board
SAGAs	: Semi-Autonomous Government Agencies
KENET	Kenya Education Network
KNQA	Kenya National Qualifications Authority
KPA	Kenya Ports Authority
TVETA	Technical and Vocational Education and Training Authority
CMA CGM	Worldwide shipping Company

b. Glossary of Terms

Fiduciary Management- Members of Management directly entrusted with the responsibility of the financial resources of the organization

Comparative Year- Means the prior period.

Academy – Bandari Maritime Academy

2. KEY ENTITY INFORMATION AND MANAGEMENT

a. Background information

Bandari Maritime Academy (BMA) was established under the Legal Notice No. 233 of 28th November 2018. Bandari Maritime Academy is domiciled in Kenya. The Board is in charge of giving strategic direction and the Director / CEO is in charge of the day-to-day affairs of the Academy.

b. Principal Activities

The Academy is the successor to the Bandari College, whose principal activity is to be an institution of excellence in teaching, training, scholarship, innovation, and research in maritime skills. The Academy will generate employable skills in the marine sector to support the development of the Blue Economy. The Academy, in addition thereto, fosters partnerships with multiple institutions at both the local and international levels to ensure that the highest international maritime standards in maritime human resource development are established and maintained.

Vision Statement

A World Class Centre for Maritime Education and Training

Mission Statement

To Provide Competent Maritime Human resources for a Sustainable Blue Economy

Mandate

BMA's mandate is to develop academic and vocational skills and provide the maritime labour needed for the sustainable growth of the Blue Economy.

BMA functions are specified under Clause 4(1) of Legal Notice No. 233, dated 28 November 2018, and published in Gazette Notice No. 233 dated 28 November 2018. The functions are:

1. Be an Institution of excellence in teaching, training, scholarship, innovation, and research in maritime skills;
2. Provide and advance education and training to appropriately qualified candidates, leading to the award of diplomas and certificates and such other qualifications as the Board may, from time to time, prescribe;
3. Conduct examinations for such academic awards as the Board may, from time to time, prescribe;
4. Implement government policy on maritime education and training;
5. Ensure the highest international maritime standards in maritime human resource development;
6. Recommend and advise the Government on the development of relevant legislation to facilitate the successful implementation of maritime education and training;
7. Serve as the Regional Maritime Centre of Excellence for training for ports, terminals, logistics, and maritime transport skills;
8. Establish centers of excellence in maritime education and training based on international

BANDARI MARITIME ACADEMY
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE, 2025

- maritime standards in maritime human resource development;
9. Partner with other institutions in furtherance of maritime education and training;
 10. Serve as a national center for motion simulator training for seagoing competencies; and
 11. Perform any other functions necessary or incidental to achieving the tasks of the Academy.

c. Key Management.

The Academy's day-to-day management is under the following key organs:

- Board of Directors
- Chief Executive Officer (CEO)
- Management

i. The Board of Directors

S/No.	Name of Director	Position	Meetings Held	Attendance	%Age
1.	Prof. Kinandu Muragu	Chairman	4	4	100%
2.	PS Geoffrey Kaituko	Director	-	-	-
	PS Aden Millah		-	-	-
	CPA Joel Ngao	Alt. Director	4	3	80%
	Mr. Gideon Mwangi		1	1	20%
3.	Mr. Archer Arina	Alt. Director	4	4	100%
4.	Dr. Chris K. Kiptoo, CBS	Director	-	-	-
	Ms. Grace Sian	Alt. Director	4	4	100%
5.	Capt. Moses Muthama	Alt. Director	4	4	100%
6.	CPA Cathrine Juma	Director	4	4	100%
7.	Capt. Mohamed Ali	Director	4	4	100%
8.	Rtd. Maj Nishit Maru	Director	4	4	100%
9.	Mr. Duncan Ndegwa	Director	4	4	100%
10.	Dr. Eric Katana	CEO	4	4	100%

ii. Senior Management Team

No	Designation	Name	Period
	CEO	Dr. Eric Lewa Katana	12 Feb 2024 – Present
	Deputy Director Maritime Education Training	Eng. Titus Kilonzi	1 st May 2023 – Present
	Deputy Director Corporate Services	CPA. Evans Oyieyo	1 st May 2023 – Present
4.	Assistant Director of Finance and Accounts	Moses Odero	1 st July 2023 – Present
5	Assistant Director Supply Chain Management	Samson C. Murigi	1 st Feb 2024 – Present
6	Registrar	Dr. Irene Mugo	1 st May 2023 – Present
7	Ag. Deputy Director MTOT	Enock Okemwa	1 st Sep 2023 – Present
8	Corporation Secretary and Head of Legal Services	CS Said Swalehe Gongo	1 st May 2023 – Present

BANDARI MARITIME ACADEMY
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE, 2025

d. Fiduciary Management

The Key Management personnel who held office during the Financial Year ended 30th June 2025 and who had direct Fiduciary responsibility were:

No	Designation	Name	Period
1	CEO	Dr. Eric Lewa Katana	12 Feb 2024 – Present
2.	Deputy Director Maritime Education Training	Eng. Titus Kilonzi	1st May 2023 – Present
3.	Deputy Director Corporate Services	CPA. Evans Oyieyo	1st May 2023 – Present
4.	Assistant Director Finance and Accounts	CPA Moses Odero	1st July 2023 – Present
5	Assistant Director Supply Chain Management	Samson C Murigi	1st Feb 2024 – Present
6	Registrar	Dr. Irene Mugo	1st May 2023 – Present
7	Ag. Deputy Director, MTOT	Enock Okemwa	1st Sep 2023 – Present
8.	Corporation Secretary/Head of Legal Services	CS Said Swalehe Gongo	1st May 2023 – Present

e. Fiduciary Oversight Arrangement Board Committees

i. Finance and Human Resource Committee

S/No.	Name of Director	Position
1.	Maj. (Rtd.) Nishit D Maru	Chair
2.	PS. Geoffrey E. Kaituko ACI Arb October 2023-March 2025 PS Adem Milah from April 2025 to Jun 2025	Member
	CPA Joel Ngao Alt Director to the PS (October 2023 Jun 2025)	
	Grace S. Kahindi (28 th March 2024 to Jun 2025)	
3.	Mr. Duncan Ndegwa	Member
4.	Capt. Moses Muthama, Alt. Director to the MD, KPA	Member
5.	Dr. Eric Lewa Katana, CEO, 11th Feb 2024 to Jun 2025	

ii. Risk and Audit Committee

S/No.	Name of Director	Position
1.	CPA Cathrine Juma	Chair
2.	PS. Geoffrey E. Kaituko ACI Arb - October 2023-March 2025 PS Aden Millah, April 2025 to Jun 2025 CPA Joel Ngao Alt Director to the PS (Oct 2023 Jun 2025) Grace S. Kahindi (28 th March 2024 to Jun 2025)	
3.	Mr. Archer Arina - Alt. Director to the PS, TVETs	Member
4.	Capt. Mohamed A Ali	Member

iii. Strategy and Business Development Committee

S/No.	Name of Director	Position
1.	Mr. Duncan Ndegwa Masai	Chair
2.	PS. Geoffrey E. Kaituko ACI Arb - October 2023 to Mar 2025 PS Aden Millah, April 2025 to June 2025 CPA Joel Ngao Alt Director to the PS (Oct 2023 Jun 2025)	
3.	CPA Cathrine Juma	Chair
4.	Mr. Archer Arina, Alt. Director to the PS, State Department for TVETs	Member
5.	Capt. Moses Muthama, Alt. Director to the MD, KPA	Member
6.	Dr. Eric Lewa Katana, CEO, 11 Feb 2024 to June 2025	

iv. Technical and Operations Committee

S/No.	Name of Director	Position
1.	Capt. Mohamed A Ali	Chair
2.	PS. Geoffrey E. Kaituko ACI Arb October 2023 – March 2025 PS Aden Millah, April 2025 to Jun 2025 CPA Joel Ngao, Alt Director to the PS - Oct 2023-Jun 2025	
3.	Mr. Archer Arina Alt. Director to the PS, State Department for TVETs	Member
4.	Maj. (Rtd.) Nishit D Maru	Member
5.	Capt. Moses Muthama, Alt. Director to the MD, KPA	Member
6.	Dr. Eric Lewa Katana, CEO, 11 th Feb 2024 to June 2025	

f. BMA Headquarters

Bandari Maritime Academy Complex
P.O. Box 99469-80107
Bishop Makarios Road
Mombasa

g. BMA Contact

Telephone Contact: +254709665000 / +254
254709665011 Email: bandarimaritime@gmail.com or
info@bma.ac.ke Website: www.bma.ac.ke

h. BMA Bankers

Kenya Commercial
Bank, Kilindini Branch,
P O Box 90300,
Mombasa


i. Independent Auditors



Auditor - General
Office of the Auditor-General
Anniversary Towers, University Way
P.O. Box 30084
GPO 00100
Nairobi.



j. Principal Legal Adviser,



The Attorney - General,
State Law Office,
Harambee Avenue,
P.O. Box 40112,
City Square 00200, Nairobi



3. BOARD OF DIRECTORS

<p>1.</p>	 <p>FCPA Prof. Kinandu Muragu PHD Key Profession – Finance Consultant Academic</p> <p>Qualifications</p> <ol style="list-style-type: none"> 1. Ph.D. in Finance from the University of Glasgow 2. MBA – Finance & Accounting - University of Nairobi 3. B. Com (Hons)Accounting - University of Nairobi <p>D.O.B - 1957</p>	<p>Chairman of the Board - Independent</p> <p>Prof. Kinandu Muragu, has experience that includes working for the Central Bank of Kenya. He has held the following positions; the Executive Director of the Kenya School of Monetary Studies, Dean of Finance and Administration and Chief Finance Officer at the United States International University (USIU)-Africa, an Associate Professor of Finance at USIU, Senior lecturer in the Department of Accounting and Finance at the University of Nairobi.</p> <p>He has consulted with a variety of international organizations such as the World Bank, World Food Programme and UNICEF. He has carried out consulting assignments in Kenya, Uganda, Tanzania, Malawi, Zimbabwe and Swaziland as a Senior Consultant for the Eastern and Southern African Management Institute (ESAMI).</p> <p>Prof. Muragu is also a Fellow of the Institute of Certified Public Accountants of Kenya</p>
------------------	---	---


<p>2.</p>	 <p>Mr. Geoffrey E. Kaituko ACI Arb October 2023 – March 2025 Key Profession – PS, State Department for Shipping and Maritime at the Ministry of Mining, Blue Economy and Maritime Affairs.</p> <p>Academic Qualifications</p> <ol style="list-style-type: none"> 1. Bachelor of Laws (LLB, University of South Africa) 2. Bachelor of Arts degree in Government and Arabic (University of Nairobi) 3. a recipient of the WMU Alumni Achievement Award. 4. Holds a professional membership at the Chartered Institute of Arbitrators in the United Kingdom and Kenya 5. Holds a professional membership with the Association of Chief Executive Officers (ACEOs) and Turkana Professional Association 	<p>October 2023 – March 2025</p> <p>Hon. Kaituko Geoffrey Eyanae is the current Principal Secretary for the State Department of Shipping and Maritime Affairs, in the Ministry of Mining, Blue Economy and Maritime Affairs. His objective is to transform and elevate the Maritime Sector, ensuring it sails towards sustainable growth, global competitiveness and enhanced resilience. He is the former Principal Secretary for Labour and Skills Development. Before his nomination in November 2022 and subsequent appointment as PS, by President Dr. William Ruto, he was an Advisor for Social Sector, to then Deputy President.</p> <p>His prior professional positions, include being The First Speaker of the Turkana County Assembly; Project Coordinator at the National Drought Management Authority, District Coordinator at the Constitution of Kenya Review Commission, and Field Coordinator at K-Rep Development Agency. He had a stint as an adjunct faculty for the University of Nairobi and Mt. Kenya University. He also consulted for various agencies in the area of governance and development. He doubles up as the Patron of Turkana Lawyers Association and the Frontier Children Development Organisation, a nonprofit. Apart from sitting in the public sector bodies, he also serves in the Board of Northern Rangelands Trust. An alumnus of the WMU MPA program. He is a distinguished author of the book “Getting Things Done: The Key to Exemplary Leadership “</p>
	 <p>PS Eng. Aden Abdi Millah Principal Secretary, State Department for Shipping and Maritime Affairs April 2025 to present</p>	<p>Mr. Aden Abdi Millah holds a Master of Business Administration from Mount Kenya University, a Bachelor of Electrical Engineering from the University of Minnesota, Institute of Technology Twin Cities, and a diploma in Electrical Engineering from Jomo Kenyatta University of Agriculture & Technology.</p>


<p>3</p>	 <p>Dr. Chris K. Kiptoo, CBS Key Profession - PS - National Treasury.</p>	<p>Director - Executive</p> <p>In his working career, Dr. Kiptoo has acquired a rich wealth of experience in economic policy analysis, mainly gained at the Central Bank of Kenya, Capital Market Authority and the International Monetary Fund, where he has served in various capacities. His expertise especially relates to the design and implementation of monetary policy; balance of payments and exchange rates; fiscal operations and policy; financial sector matters including capital markets; national accounts/real sector and macroeconomic accounting, and modelling and forecasting.</p> <p>He has proven experience in environment and climate change policies, trade policy and regional integration, private sector development and advocacy, infrastructure development, institutional development of Government institutions and organisational management, all mainly gained at the Ministry of Environment and Forestry, State Department of Trade as well as Trade Mark East Africa. Noteworthy, he also has four years of experience in economic policy coordination gained while working at the then Office of the Prime Minister.</p>
<p>4</p>	 <p>Ms. Grace Sian Kaindi Academic Qualifications BSc, Economics & Statistics, Egerton University D.O.B 1996</p>	<p>Ms. Grace Sian Kaindi is an economist with extensive experience in sustainable development.</p> <p>She is a Senior Investment Officer in the Government Investments and Public Enterprises (GIPE) department of the National Treasury and Economic Planning.</p>



	 <p>Mr. Archer Arina Key Profession – Deputy Director, Technical Training at the State Department Vocational and Technical Training under the Ministry of Education. Academic Qualifications</p> <ol style="list-style-type: none"> 1. Master Degree in Technology Economics and Management (Southwest Jiaotong University China); 2. Bachelor’s Degree in Agricultural Education and Extension (Egerton University) <p>D.O.B – 1966</p>	<p>Alt. Director – Executive</p> <p>Mr. Archer Arina is currently serving as the Deputy Director Technical Training at the State Department Vocational and Technical Training under the Ministry of Education.</p> <p>Mr Arina previously served in various capacities as an education officer over the last twenty-eight years in various regions of the Country.</p> <p>He has acquired vast knowledge and skills in leadership and Strategic Development. He is a linguist.</p>
<p>5</p>	 <p>Dr. Eric Lewa Katana</p> <p>11th Feb 2024 – present Key Profession – CEO/Director BMA</p> <p>Academic Qualifications</p>	<p>Dr. Katana is a seasoned Maritime Administrator with demonstrated distinguished service in the sector.</p> <p>Dr. Katana holds a Bachelor of Science (Honors) Degree from Jomo Kenyatta University of Agriculture and Technology (JKUAT), a Master of Business Administration Degree from the University of Nairobi, a Doctor of Philosophy (PhD) in Business Administration from JKUAT and a Diploma in Business Management from the Kenya Institute of Management.</p> <p>He has attended several short courses on maritime, transport and logistics both locally and internationally. Dr. Katana is a full member of IAME, a member of the Kenya Institute of Management (KIM), Institute of</p>

	<ol style="list-style-type: none"> 1. Doctor of Philosophy (PhD) in Business Administration, JKUAT 2. Master of Business Administration, UoN 3. B Bachelor of Science (Honors), JKUAT 4. Diploma in Business Management from the Kenya Institute of Management <p>D.O.B – 1980</p>	<p>Economic Affairs-Kenya and a Sector Training Committee member of the Transport, Storage, Communication and Allied Agencies at the National Industrial Training Authority (NITA).</p>
<p>6</p>	 <p>Captain William K. Ruto Managing Director</p>	<p>Director – Executive</p> <p>Captain Ruto was appointed as the Managing Director Of Kenya Ports Authority on 10th March 2023, after successful interviews. He takes over from Amb. John Mwangemi who has been the MD on an acting capacity since 2022.</p> <p>Captain, holds an (MBA in Strategic Management from the Jomo Kenyatta University of Agriculture and Technology (JKUAT) and a Class 1 Master Mariner seafarer qualification from South Tyneside Marine College, UK.</p> <p>He is also an associate fellow of the Nautical Institute (AF-NI) and a member of the International Harbour Master’s Association, UK.</p> <p>He has also 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 du Havre and several other short courses on port maritime and management.</p>
		<p>Alt. Director -Executive</p> <p>Capt. Moses Muthama has 19 years’ experience as a Senior Pilot at Kenya Ports Authority. His career entails safe piloting of ships calling at Port of Mombasa, training of pilot apprentices, draft survey, Ship and cargo damage surveys Salvage and towing operations and deputizing the Chief pilot</p>


BANDARI MARITIME ACADEMY
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE, 2025

	<p>Capt. Moses Muthama Key Profession – Pilotage of Ships calling at the Port of Mombasa Academic Qualifications - Master Class 1 COC D.O.B 1968</p>	<p>Captain has HND Nautical Science + Master Class 1 COC from South Tyneside Marine College – UK.</p>
<p>7</p>	 <p>Captain A M Ali,</p> <p>Key Profession – Master Mariner & Accredited Marine Surveyor, Society of Accredited Marine Surveyors of U.S.A</p> <p>Academic Qualifications</p> <p>1. Certificate of Competency (Deck Officer) 1ST Class Mariner issued by the Department of Trade under the Maritime Coastguard (MCA) UK;</p> <p>D.O.B – 1953</p>	<p>Director - Independent</p> <p>Capt. Ali has garnered a variety of Certificates over his entire educational study period in different study areas such as Maritime Labour Inspection, Maritime Security, Maritime Auditor, Marine Surveying, Master Mariner and many others.</p> <p>He has over 30 years’ experience in the marine industry with career achievements such as working as a Dock Master and Marine Pilot with Kenya Ports Authority, non-Exclusive Surveyor - Bahamas Maritime Authority Flag State Inspector - Alba Petroleum Limited Operations Manager, Company Director with Condor Maritime Services (K) among other top positions.</p> <p>Some of his professional membership include; member of the International Register of Certified Auditors, member of the International Association of Marine Investigators (USA), member of the International Institute of Marine Surveyors (UK), Nautical Institute (UK) and finally member of the Associate Fellow of the Royal Institute of Navigation (UK).</p>

8	 <p>C.P.A. Cathrine W. Juma,</p> <p>Key Profession – Consultant and Trainer in Financial Management</p> <p>Academic Qualifications</p> <ol style="list-style-type: none"> 1. Bachelor of Commerce – Panjab University India 2. MBA (Entrepreneurship) from London Metropolitan University <p>D.O.B -1958</p>	<p>Director -Independent</p> <p>Mrs. Catherine Juma is currently the Managing Consultant and Trainer in Financial Management at Centwise Business Consulting. She is also a certified public accountant (CPAK).</p> <p>She has previously been the Shared Services Centre Manager in Oxfam, Horn East and Central Africa Region (HECA) from May 2014 to March 2017 before taking up the role of a global corporate financial trainer in Oxfam until March 2018. She has held various positions in external and internal audit, accounting in public and private sectors and international NGOs in Kenya and internationally. She is a member of Professional Trainers Association of Kenya (PTAK) and Institute of Certified Public Accountants of Kenya (ICPAK).</p> <p>Catherine is an experienced finance professional with over 25 years of experience in Financial Management, Audit and Business planning as well as in independent consultancy. She has hands-on experience in designing and running Shared Services Centre (SSC) having pioneered the running of the SSC Business Model</p>
---	---	--

<p>9</p>	 <p>Major (Rtd) Nishit Dhanvantrai Maru L.L.M (MALTA), LL. B (PUNE), Dip KSL, ICPSK</p> <p>Key Profession – Advocate of the High Court of Kenya</p> <p>Academic Qualifications</p> <ol style="list-style-type: none"> 1. Master of Laws in International Maritime Law from the IMO-International Maritime Law 2. Bachelor of Law from University of Pune 3. Diploma from Kenya School of Law. <p>D.O.B – 1973</p>	<p>Director – Independent</p> <p>Maj Maru is an advocate of the High Court of Kenya and currently a partner at CMS Daly Inamdar. Besides practice Major Maru also lecturers at the University of Nairobi (Mombasa Law Campus) where he teaches Public International Law, International Law of the Sea and International Shipping Law</p> <p>He is a Member of the Institute of Certified Company Secretaries of Kenya and a Notary Public.</p>
<p>10</p>	 <p>Mr. Duncan Ndegwa Masai</p> <p>Key profession - Regional Sales Manager at Brookside Dairy Ltd in-charge of the North Eastern Region.</p> <p>Academic Qualifications</p> <ol style="list-style-type: none"> 1. PHD – Strategic management (ongoing UON) 2. Master's in Business Administration 3. Bachelor of Science Communication and Public Relations – Moi University <p>D.O.B – 1974</p>	<p>Director - Independent</p> <p>Duncan Ndegwa is the Regional Sales Manager at Brookside Dairy Ltd in-charge of the North Eastern Region. He has experience in executive business negotiations and has received recognition in completion of projects in the Coast region, Zanzibar and Pemba.</p> <p>Mr. Ndegwa has a wealth experience well over 22 years in marketing, establishment of business relations, strategy development and implementation among other areas.</p> <p>Duncan Ndegwa is the founding member of Operational Management Society of Kenya</p>

4. KEY MANAGEMENT TEAM

Name of The Staff / Picture	Responsibility
 <p>Dr. Eric Lewa Katana 11th Feb 2024 – Present</p> <p>Key Profession – CEO/Director BMA</p> <p>Academic Qualifications</p> <ol style="list-style-type: none"> 1. Doctor of Philosophy (PhD) in Business Administration, JKUAT 2. Master of Business Administration, UoN 3. B Bachelor of Science (Honors), JKUAT 4. Diploma in Business Management from the Kenya Institute of Management 	<p>Dr. Katana is a seasoned Maritime Administrator with demonstrated distinguished service in the sector.</p> <p>Dr. Katana holds a Bachelor of Science (Honors) Degree from Jomo Kenyatta University of Agriculture and Technology (JKUAT), a Master of Business Administration Degree from the University of Nairobi, a Doctor of Philosophy (PhD) in Business Administration from JKUAT and a Diploma in Business Management from the Kenya Institute of Management. He has attended several short courses on maritime, transport and logistics both locally and internationally.</p> <p>Dr. Katana is a full member of IAME, a member of the Kenya Institute of Management (KIM), Institute of Economic Affairs-Kenya and a Sector Training Committee member of the Transport, Storage, Communication and Allied Agencies at the National Industrial Training Authority (NITA).</p>



Eng. Titus M. Kilonzi

Eng Titus M. Kilonzi is a highly skilled and experienced Chief Marine Engineer with a strong background in marine engineering and project management. With over 30 years sea-time experience, Eng. Titus extensive professional experience includes over 9,000 sea days as a Chief Marine Engineer on board various sea going vessels. This experience has given him valuable insights into the practical aspects of marine operations and further enhances his ability to contribute to the field of maritime Education and training at the BMA

Eng. is well versed in maritime laws, regulations, and safety compliance, and has extensive knowledge of maritime policies in line with the IMO, Standards of Training, Certification and watchkeeping For seafarers regulations as espoused in the Kenya Merchant Shipping Act 2009.

He holds a Class 1 Chief Marine Engineer's Certificate of Competency (Honduras), from Hellenic Maritime Institute in Greece.

Deputy Director Maritime Education and Training Department.

He is an alumnus of Kenyatta University B.Ed. (Science) and hold a Diploma in Mechanical Engineering from the then Kenya Polytechnic under the aegis of the Railways Training Institute, a Fellow IASMP and an invited member to the IAMCS (under process).

In his current role as Deputy Director at Bandari Maritime Academy, Titus provides advisory services to the Director/CEO on matters related to Maritime Education and Training.

Prior to his current position, he played a role in Curriculum Development, and he was an instructor at the academy.

Eng. Titus Kilonzi is a highly competent and knowledgeable professional in the maritime industry.

With his vast experience, educational background, and leadership skills, he is well equipped to make significant contributions to the management team in his role as Deputy Director of Maritime Education and Training.

The department coordinates the following Schools: -
Nautical Science; Marine Engineering; Standards Of Training, Certification And Watchkeeping For Seafarers Safety & Ancillary and Commercial Diving;

The department implements for the following functions:

- a. Ensure adherence to the provisions of the Legal notice 233 of November 2018, Merchant Shipping Act, 2009 (No. 4 of 2009) and any other international Conventions and national legislation relating to training in the maritime sector
- b. Developing training plans and learning strategies in line with maritime education and training goals, objectives, policies
- c. Preparing schemes of work and lesson plans
- d. Preparing training & learning materials in accordance with the set syllabi
- e. Teaching, lecturing and instructing

BANDARI MARITIME ACADEMY
 ANNUAL REPORT AND FINANCIAL STATEMENTS
 FOR THE YEAR ENDED 30 JUNE, 2025

	<ul style="list-style-type: none"> f. Demonstrating and conducting practical exercises g. Monitoring and evaluation of training programs h. Research and consultancy i. Undertaking training need assessment j. Co-ordinate the implementation of policies relating to training in maritime affairs and promote the integration of such policies into the national development plan k. Oversee matters pertaining to the training of seafarers l. Plan, monitor and evaluate training programs to ensure conformity with standards laid down in international maritime conventions m. Oversee examination and certification processes; and, n. Implement training programmes according to the set syllabus



Enock Okemwa (October 2023 to present)

Academic Qualifications

A graduate of Jomo Kenyatta University of Agriculture and Technology (JKUAT) with a First- Class Hons for Bachelor of Business Management;

Masters of Science in Maritime Affairs from the Prestigious World Maritime University in Malmo, Sweden.

He has also attended International Training Programme on Port Management and Development from the Indian Maritime University – Chennai Campus besides many management and leadership professional training courses both locally and internationally.

Mr. Enock Mong'are Okemwa, HSC is the Ag. Deputy Director – Maritime Transport Operations Training in the School of Maritime Transport Operations and Logistics at the Bandari Maritime Academy. Prior to Joining the Academy, he was the Ag. Asst. Director, Shipping and Maritime, State Department for Shipping and Maritime Affairs at the Ministry of Mining, Blue Economy and Maritime Affairs with an overall responsibility for promotion of the Maritime and Shipping Industry in Kenya.

He has 15 years working experience in the Public Sector.

As an Ag. Assistant Director at the State Department for Shipping and Maritime Affairs, Mr. Okemwa was very instrumental in policy development and strategies in the following areas: - Marine Pollution and Prevention, Maritime Safety and Security, Maritime Governance and Administration, Strategic Planning, Project Management, Review of Maritime Conventions, Development of Cabinet Papers and Memorandums, Review of Service Charter among other technical areas for advisory in shipping and maritime affairs.

As the Ag. Deputy Director, Maritime Transport Operations Training at the Academy, he is overseeing matters Training in Maritime Transport Operations Training and BMA Driving School as well as Cargo handling equipment operators and port operations and logistics.

In 2021, due to his exemplary and distinguished service in the Public Sector, he was he was feted and honored by H.E The retired President of the Republic of Kenya. Hon. Uhuru Muigai Kenyatta, EGH and awarded the title “Head of State Commendation”.

BANDARI MARITIME ACADEMY
 ANNUAL REPORT AND FINANCIAL STATEMENTS
 FOR THE YEAR ENDED 30 JUNE, 2025



Dr. Irene Mugo

The Registrar's Department coordinates the following divisions: - Curriculum Development, Academic Quality Assurance, Research & Development, Library Services and E-Resource, Students Admissions and Examinations, Student's Welfare (Chaplaincy, Nursing, Guidance and Counselling and Sports).

The departmental functions include:

- a. Formulating and coordinating admission policies, procedures, strategies and plans for all divisions, sections, and units in the department;
- b. Formulating, coordinating and implementing examinations policies, strategies, and plans;
- c. Facilitating institutional and industrial research and publications;
- d. Designing, compiling and disseminating tailor-made curriculum for implementation.
- e. Observe the provisions of gender mainstreaming policies;
- f. Organizing and facilitating academic ceremonies;
- g. Initiating the development and implementation of students' rules and regulations in the Academy;
- h. Developing and delivering a strategy for student recruitment at the Academy;
- i. Monitoring student experience and progress at the academy;
- j. Developing and implementing a policy for quality standard system on training;
- k. Ensure compliance with academic regulatory framework;
- l. Develop proactive relationships with relevant external stakeholders and monitor development of best practice within the maritime sector;
- m. Formulate and disseminate information on courses offered;
- n. Develop and implement procedures for student clearance for issuance of transcripts and certificates;
- o. Coordinate the activities of the student's welfare and co-curricular activities;
- p. Coordinate the provision of library services;
- q. Coordinate the establishment of student database; and, Maintain students' database.



CPA. Evans Oyieyo

Deputy Director Corporate Support Services;

CPA. Evans is a seasoned professional with over 20 years' experience in management, administration, human resource, audit, accounting and finance. He is a certified accountant and holds an undergraduate degree in Bachelor of Commerce Finance Option together with a Master's Degree in Business Administration from University of Nairobi. He has broad experience and exposure to a number of organizations in the region and the world.

The office of Deputy Director Corporate Support Services provides overall management and coordination of corporate support services of the Academy in finance and accounts, strategy and planning, human resource and administration, information technology, hospitality and maintenance. The division has six (6) departments;

- a. Department of Planning and Strategy
- b. Department of Finance and Accounts
- c. Department of Human Resource and Administration
- d. Department of Hospitality
- e. Department of ICT; and,
- f. Department of Maintenance



CS. Saidi Swalehe Gongo

Corporation Secretary and Head of Legal Services

Mr. Saidi Swalehe Gongo is an Advocate of the High Court of Kenya and Commissioner for oaths. He has over 10 years' experience in the practice of Law.


He holds a bachelor's degree in laws (LLB) and a post graduate Diploma in Law from the Kenya School of Law. Mr. Gongo also holds a master's degree in law (LLM) and is a member of the Institute of Certified Public Secretaries.

He also holds a Diploma in Human Resources Management from the Kenya Institute of Management (KIM).

Mr. Saidi has over 15 years' experience in both in the Public and the Private Sector.

The office provides the following services: -

- a. legal advisory, represent the Academy in any civil or criminal proceedings, draft and/or review contracts, agreements and other legal instruments;
- b. liaise with ministries and government departments on legal matters pertaining MET;
- c. Initiate and/or progress drafting of laws and regulations on matters pertaining MET;
- d. Provide guidance to the Board on their duties and responsibilities and on matters of governance;
- e. Arrange and conduct periodic and special meetings of the Board, preparing agenda and

	<p>board papers and ensuring all board members receive agenda before scheduled meetings; and,</p> <p>f. Make administrative arrangement for board meetings among other aspects.</p>
 <p>Mr. Samson C Murigi (April 2023 to present)</p> <p>Academic Qualifications Currently undertaking PhD in Supply Chain Management at JKUAT;</p> <p>Holds a Master’s Degree in Procurement and Contracts Management from JKUAT;</p> <p>Degree in Purchasing and Supplies Management from Dedan Kimathi University of Technology; and,</p> <p>a Diploma in Purchasing & Supplies Management from JKUAT.</p> <p>He’s a member and a licensed practitioner with Kenya Institute of Supplies Management and in good standing.</p>	<p>Mr. Samson Chira joins us with vast experience in Supply Chain Sector and especially Public Procurement having worked with various Public Entities in the country.</p> <p>Prior to joining the Academy, he was a Principal Supply Chain Management Officer at Kenya National Examinations Council. He also worked at Egerton University as the Head of Procurement Department.</p> <p>He has more than 15 years’ work experience in both the Private and Public Sector in Supply Chain Management Matters.</p> <p>The Supply Chain Management Department undertakes the following tasks.</p> <ol style="list-style-type: none"> i. Compilation and preparation of yearly Procurement Plan. ii. Implementation of the Procurement Plan. iii. Preparation, advertisement, and evaluation of Tenders. iv. Advising the Director/CEO on appointment of Ad hoc procurement committees. v. Rendering of Procurement professional advice to the Director/CEO. vi. Overseeing the implementation of awarded contracts; and vii. Receipt of stores and store management. viii. Disposal of all the unserviceable, surplus or obsolete, obsolescence stores, asset or equipment.

5. CHAIRMAN'S STATEMENT

Bandari Maritime Academy was launched by H.E. President Uhuru Kenyatta on July 8, 2019, to develop skills that support the growth of Kenya's blue economy and the region.

During the financial year 2024/2025, the Academy finalised and launched its revised Strategic Plan 2023- 2027 after a thorough review, which, together with other policy documents, played a critical role in enhancing the Academy's strategic development and growth during the planned period. The Academy has partnered with various institutions to develop a collaborative and supportive framework involving stakeholders from both the public and private sectors. Additionally, the Academy has established an operational framework with several institutions to ensure effective training delivery, including KENET, KNQA, TVETA, CMA CGM, the Coast Guard Service, the Kenya Navy, and others. Collaboration with Pioneer University, the Technical University of Mombasa, and Jaramogi Oginga Odinga University, among others, is also progressing well.

During the 2024/2025 fiscal year, the Academy made significant progress in building the Maritime Survival Training and Certification Centre as part of implementing its master plan, which guides its long-term development. Once finished, the Survival Training Centre will be a significant step toward establishing the Academy as a world-class institution in maritime education and training. I thank the Government for the budgetary support for the project, which was allocated and released as Ksh 370 million during the financial year.

The Academy appreciates the continued support from the State Department for Shipping and Maritime Affairs and partner institutions, notably the Kenya Maritime Authority, Kenya Ports Authority, the Kenya Coast Guard Service, and the National Treasury, among others. The technical and financial support provided is critical in this new field of economic development.

Some notable challenges include slow progress in operationalizing the Academy, particularly in enacting the BMA Bill; inadequate staff capacity; insufficient funding; and difficulties in securing sea time opportunities for trainees.



Prof. Kinandu Muragu
CHAIRMAN

6. REPORT OF THE CHIEF EXECUTIVE OFFICER

The Academy conducted several key activities during the Financial Year, including the recruitment of staff and the development of CBET curricula for various courses offered. The Academy also registered students for various examinations for the January/February and July/August National Examinations.

Students in the Academy pursued various technical aspects of training, including industrial attachments and technical visits to various maritime installations, to familiarize themselves with the sector's activities. There has been a positive development, with more BMA alumni able to participate in sea-time activities.

The Academy engaged in the following activities, among others;

- i. Developed and approved an additional five curricula for seafaring courses. Similarly, two curricula were converted to competency-based curricula.
- ii. Finalised and re-launched the strategic plan 2023-2027 and planned for the new Financial Year;
- iii. Developed three learning guides and one training manual.
- iv. Conducted several Standards of Training, Certification and Watchkeeping for Seafarers training programmes and revalidation courses to support employability. The Kenya Fisheries Service and other Government Institutions partnered with the Academy to train their personnel
- v. Conducted tailor-made courses for specialized agencies such as KPA on cargo and equipment handling;
- vi. Members of staff in the Academy participated in several workshops and international visits to expand collaboration and strategic development.
- vii. Finalised the review of the human resource instruments and conducted 1 training of trainers' workshop.
- viii. Proceeded with the Construction of the Maritime Survival Training and Certification Centre.



Dr. Eric Katana
Chief Executive Officer

7. STATEMENT OF THE ACADEMY'S PERFORMANCE AGAINST PRE-DETERMINED OBJECTIVES FOR FY 2024/25

Section 81 Subsection 2 (f) of the Public Finance Management Act, 2012 requires the accounting officer to include in the financial statement a statement of the national government entity's performance against predetermined objectives.

Bandari Maritime Academy has five (5) objectives within the current Strategic Plan for the FY 2024/2025. These are:

- Maritime Skills Development
- Internal Capacity Development
- Research, Innovation, and Development
- Industry Linkages and Partnerships
- Policy, Legal and Institutional Framework

Bandari Maritime Academy develops its annual work plans in accordance with the above objectives. The Board's performance is assessed quarterly against its annual work plan. The Academy achieved its performance targets set for the FY 2024/2025 period for its five (5) Strategic pillars as indicated in the diagram below:

Delivery Unit	Key Outputs	Key Performance Indicators	Target 2024/25	Achievement 2024/25
Bandari Maritime Academy	Graduates in Maritime Courses	Number of graduates in Maritime Courses	4,000	3,995
	Curriculum development	Number of Curricula developed	7	7
	Survival Training Centre Established	% completion of	5	5%
	Advanced Firefighting Centre Established	% completion of	0	0%
	Review BMA Strategic Plan	% completion of	100	100%

8. CORPORATE GOVERNANCE STATEMENT

In line with the Board Charter and the Code of Best Practices, the Academy has set high standards and enforces strict rules of conduct in fulfilling its functions. As part of this commitment, the Board promotes good Corporate Governance by adhering to principles of high ethical and moral standards, acting in the best interest of the Academy, and recognizing that the Academy functions as an exemplary corporate citizen. The Board of Directors has also received training on various aspects of Corporate Governance on different dates.

a. Role and Function of the Board of Directors

The role and functions of the Board *inter alia* include:

- i. Set and oversee the overall strategy and approve significant policies of the Academy;
- ii. Approve the organizational structure;
- iii. Approve the annual budget of the organization;
- iv. Monitor the Academy's performance and ensure sustainability; and,
- v. Ensure availability of adequate resources for the achievement of the Academy's objectives

The Board also reviews and approves the Academy's strategic and financial plans, respectively.

b. Performance Evaluation and Governance Audit

The Board conducts an annual self-evaluation process to measure its own performance and ensure that it constantly adheres to the objectives and mandate of the Academy. The State Corporation Advisory Committee conducted its last Board evaluation on September 19, 2024.

The CEO is an ex officio member of the Board and is accountable to the Board for the management of the Academy, as prescribed in the Legal Notice and more specifically in the Board Charter and Code of Best Practice.

The Board monitors the performance of the Academy's senior Management by reviewing the financial performance on a quarterly and annual basis. The Academy, in terms of performance, undertook a performance contract for FY 2024/25.

The Academy reviewed and launched its Strategic Plan on July 5, 2025, to ensure that it executes its mandate in accordance with the provisions of the Legal Notice and the Merchant Shipping Act, as well as the associated regulations.

The Academy, in accordance with the Mwongozo Code, is scheduled for its second Legal and Governance Audit for the FY 2024/25.

c. Conflict of Interest

The Board is under obligation to act in the best interest of the Academy and uphold the fiduciary responsibilities and duty of care. This obligation involves not disclosing confidential information,

avoiding real and perceived conflicts of interest, and favoring the interests of the Academy over other interests. Board members are expected to act honestly and in good faith so as to create a culture built on principles of integrity, accountability, and transparency.

d. Corruption Prevention

BMA Board of Directors executed the Code of Conduct and Ethics in respect of dealings with the Academy. The Academy has in place a Conflict-of-Interest Register for purposes of implementation of the Anti-Corruption and Economic Crimes Act, 2003, Public Officer Act, 2003 and the Leadership and Integrity Act, 2012.

e. Board Structure

The Board presently has a Chairman and four (4) independent Directors appointed in accordance with section 5 (1) (g) of the Bandari Maritime Academy Order, 2018 and representatives of the Government as per section 5 (1) (b-e) of the Bandari Maritime Academy Order, 2018. The members possess diverse qualifications that make them well-suited to lead the Academy in executing its mandate. Directors' terms of appointment to office are governed by the Bandari Maritime Academy Order, 2018, State Corporations Act, 1986 and the *Mwongozo* Code of Governance for State Corporations, 2015 among other government circulars and directives.

f. Appointment and Removal of the members of the Board

The President appoints the Chairman, whereas the members of the Board are appointed by the Cabinet Secretary of the Ministry of Mining, Blue Economy, and Maritime Affairs for a term of three years, renewable for a further three-year term upon satisfactory performance of duties. The members of the Board going forward shall be appointed at different times so that the respective expiry dates of their terms of office do not coincide.

The Bandari Maritime Academy Order, 2018, provides that the Board may vacate office through a written resignation to the Cabinet Secretary. There are specified circumstances under which Board may be removed from Office and this includes absence from three consecutive meetings of the Board without permission from the Chairperson, where a member is adjudged bankrupt or enters into a composition scheme or arrangement with his creditors, or where a member is convicted of an offence involving dishonesty or fraud is convicted of a criminal offence.

g. Board Induction

Most of the Board members have undergone compulsory induction training by the State Corporations Advisory Committee (SCAC). Any Directors appointed subsequently will undergo induction training immediately after such appointment.

h. Board Remuneration

The Directors are remunerated as per prevailing government circulars and official directives.

i. Board Meetings

The Board discharges its responsibilities through the Finance and Human Resource Committee, the Risk and Audit Committee, the Strategy and Business Development Committee and the Technical and Operations Committee. In the Financial Year 2024/2025, the Board held the following meetings:

j. Full Board Meetings

During the period under review a total of four (4) meetings were held. The attendance to the meetings during the financial year are as summarized below;

S/No.	Name of Director	Position	Meetings Held	Attendance	%Age
1.	Prof. Kinandu Muragu	Chairman	4	4	100%
2.	PS Geoffrey Kaituko	Director	-	-	-
	PS Aden Millah		-	-	-
	CPA Joel Ngao	Alt. Director	4	3	75%
	Mr. Gideon Mwangi		1	1	25%
3.	Mr. Archer Arina	Alt. Director	4	4	100%
4.	Ms. Grace Sian	Alt. Director	4	4	100%
5.	Capt. Moses Muthama	Alt. Director	4	4	100%
6.	CPA Cathrine Juma	Director	4	4	100%
7.	Capt. Mohamed Ali	Director	4	4	100%
8.	Rtd. Maj Nishit Maru	Director	4	4	100%
9.	Mr. Duncan Ndegwa	Director	4	4	100%
10.	Dr. Eric Katana	CEO	4	4	100%

k. Special Board Meetings

A total of two (2) - Special Full Board Meetings were held during the period under review and the attendance of the members were as summarized below;

S/No.	Name of Director	Position	Meetings Held	Attendance	%Age
1.	Prof. Kinandu Muragu	Chairman	2	2	100%
2.	PS Geoffrey Kaituko	Director	-	-	-
	PS Aden Millah		-	-	-
	CPA Joel Ngao	Alt. Director	2	2	100%
3.	Mr. Archer Arina	Alt. Director	2	2	100%
4.	Ms. Grace Sian	Alt. Director	2	2	100%
5.	Capt. Moses Muthama	Alt. Director	2	2	100%
6.	CPA Cathrine Juma	Director	2	2	100%
7.	Capt. Mohamed Ali	Director	2	2	100%
8.	Rtd. Maj Nishit Maru	Director	2	2	100%
9.	Mr. Duncan Ndegwa	Director	2	2	100%
10.	Dr. Eric Katana	CEO	2	2	100%

l. Technical and Operations Committee Meetings

During the period under review the TOC held a total of four (4) meetings. The attendance to the meetings during the period when members were appointed are as summarized below;

BANDARI MARITIME ACADEMY
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE, 2025

S/No.	Name of Director	Position	Meetings Held	Attendance	%Age
1.	Capt. Ali Mohamed	Chair	4	4	100%
2.	CPA Joel Ngao	Alt. Director	4	4	100%
3.	Mr. Archer Arina	Member	4	4	100%
4.	Capt Moses Muthama	Alt. Director	4	4	100%
5.	Rtd Maj Nishit Maru	Member	4	4	100%
6.	Dr. Eric Katana	CEO	4	2	50%
	Dr. Irene Mugo	Ag. CEO	4	2	50%

m. Finance and Human Resource Committee Meetings

During the period under review, the FHRC held a total of four (4) meetings. The attendance to the meetings during the eriod was as summarised below;

S/No.	Name of Director	Position	Meetings Held	Attendance	%AGE
1.	Rtd. Maj Nishit Maru	Chair	4	4	100%
2.	CPA Joel Ngao	Alt. Director	4	4	100%
3.	Duncan Ndegwa	Member	4	4	100%
4.	Ms. Grace Sian	Member	4	4	100%
5.	Capt. Mosess Muthama	Member	4	4	100%
6.	Dr. Eric Katana	CEO	4	2	50%
	Mr. Evans Oyieyo	Ag. CEO	4	2	50%

n. Risk and Audit Committee Meetings

During the period under review RAC held four (4) meetings. The attendance to the meeting was as summarised below:

S/No.	Name of Director	Position	Meetings Held	Attendance	%Age
1.	CPA Cathrine Juma	Chair	4	4	100%
2.	CPA Joel Ngao	Alt Director	4	4	100%
3.	Ms. Grace Sian	Member	4	4	100%
4.	Mr. Archer Arina	Member	4	4	100%
5.	Capt. Mohamed Ali	Member	4	4	100%

o. Strategy and Business Continuity Committee Meetings

During the period under review, SBDC held a total of four (4) meetings. The attendance to the meetings during the period was as summarized below

S/No.	Name of Director	Position	Meetings Held	Attendance	%Age
1.	Duncan Ndegwa	Chair	4	4	100%
2.	CPA Cathrine Juma	Member	4	4	100%
3.	CPA Joel Ngao	Alt. Director	4	4	100%
4.	Mr. Archer Arina	Member	4	4	100%
5.	Capt. Moses Muthama	Member	4	4	100%
6.	Dr. Eric Katana	CEO	4	2	50%
	Mr. Evans Oyieyo	Ag. CEO	4	2	50%

p. Employee Welfare

The Academy's staff hiring is guided by its approved human resource policies. The policies provide for the approved establishment and take provisions for:

- (i) the gender balance in hiring, ensuring that not one gender exceeds 2/3
- (ii) Affirmative action for persons living with disabilities (PWDs), giving such persons an opportunity to be employed where they meet the minimum requirement (c)
- (iii) Annual skills gap analysis of the staff and making provisions for skills improvement in the areas where gaps may have been identified through continuous training.
- (iv) The conduct of annual staff appraisal, together with the associated rewards and/or sanctions as may be appropriate.
- (v) Safety of employees and a conducive work environment. The academy has taken Group Personal Accident insurance (GPA) and ensures that the work environment meets and exceeds the requirements set out in the Occupational Safety and Health Act of 2007. No work-related injuries were reported during the year 2024/2025.

9. MANAGEMENT DISCUSSION AND ANALYSIS

The Academy's Operational and Financial Performance

The Management of the Academy is headed by the Executive, who directs all operations, and is led by the Director, who also serves as the Chief Executive Officer. The Academy has several departments, including Corporation Secretary and Legal Services, Corporate Services, Maritime Education and Training, Maritime Transport and Operations Training Department, Office of the Registrar, Advancement and Placement Department, and Supply Chain Management Division.

The Maritime Education Training Department, the Maritime Transport and Operations Training Department, the Office of the Registrar, and the Advancement and Placement Department comprise the core mandate of the Academy, coordinating all training and development programs. The Corporation Secretary and Legal Services Department provide legal and policy guidance and advice to the core department, while the Corporate Services Department provides support services to the Academy. It facilitates the delivery of other departments' mandates by providing finance and administrative support.

Academy Compliance with Statutory Requirements

The Academy operates under the following key statutes: Legal Notice No 233 of 28th November 2018, State Corporations Act, 1986, Public Finance Management Act, 2012, Income Tax Act, 1996, Public Procurement and Asset Disposal Act, 2015, among other statutes. Management ensures that the Academy complies with all the relevant sections of these statutes. During the period under review, the Academy complied with all the statutes.

Key Projects and Investment Decisions the Academy is planning/implementing

The Academy was allocated and received **Ksh 370 million** for infrastructural development for the construction of the Maritime Survival Training & Certification Centre during the year 2024/2025. As of 30 June 2025, **Ksh 621,891,901.00** had been spent on the project, and the works are ongoing. The project was identified as a primary infrastructural requirement for the Academy to support seafarers' training.

Significant risks facing the Academy.

The Academy faces a significant risk to its financial stability. The AiA raised cannot meet its needs, and the government faces increasing fiscal constraints, putting future support at risk.

Material arrears in statutory/financial obligation

The Academy has met all its statutory obligations in the reporting period.

Financial probity and serious governance issues

Governance issues by internal and external parties where and when they arise are appropriately addressed by Management.

The Academy exists to transform lives. This is our purpose; the driving force behind everything we do. It's what guides us in delivering our strategy, putting the customer/citizen first, providing relevant goods and services, and enhancing operational excellence. Below is an outline of the organization's policies and activities that promote sustainability.

10. ENVIRONMENTAL AND SUSTAINABILITY REPORTING

i. Sustainability strategy and profile

The Academy is aware of national and International Trends in economic dynamics. The Academy aspires to align with national development priorities to ensure sustainability and adopt international best practices to enhance its performance.

ii. Environmental performance

The Academy has endeavored to comply with the provisions embedded in the Environmental Management and Coordination Act, 1999, and other Relevant Environmental Policies, rules, and regulations.

iii. Employee welfare

The Academy supports employees' welfare on a need basis.

iv. Market Place Practices

The Academy awards contracts fairly to suppliers in compliance to the constitutional requirements of fair competition and diversity.

a. Responsible competition practice

The Academy ensures responsible competition practices with issues like anti-corruption, responsible political involvement, fair competition and respect for competitors by implementing the constitutional provisions.

b. Responsible Supply Chain and supplier relations

The Academy maintains good business practices and treats its own suppliers responsibly by

honouring contracts and respecting payment practices.

c. Responsible marketing and advertisement

The Academy aspires to maintain ethical marketing practices.

d. Product Stewardship

The Academy has made efforts to safeguard consumer rights and interests.

v. Corporate Social Responsibility/ Community Engagements

The Academy, jointly with the community from Lamu County, participated in the planting of three thousand (3000) mangrove trees in a Re-Afforestation programme.

11. REPORT OF THE DIRECTORS

The Directors submit their report together with the audited financial statements for the year ended June 30, 2025, which show the Academy's affairs.

i. Principal Activities of the Academy

The Academy is the successor to Bandari College, whose principal activity is to be an institution of excellence in teaching, training, scholarship, innovation, and research in maritime skills. The Academy will generate employable skills in the maritime sector to support the development of the Blue Economy. The Academy, in addition thereto, fosters partnerships with multiple institutions both at the local and international level to ensure the highest international maritime standards in maritime human resource development are established and maintained.

ii. Results for the year ended June 30, 2025

The results of the Academy for the year ended June 30, 2025, are presented on pages 1–5.

iii. Director's Paragraph

The members of the Board of Directors who served during the year ended June 30, 2025, are shown on pages vi-xvii.


iv. Surplus Remissions

The Academy did not make any remittances to the Consolidated Fund in the FY 2024/25, since there were no surplus funds to remit.

v. Auditor's

The Auditor General is responsible for conducting the statutory audit of the Academy in accordance with Article 229 of the Constitution of Kenya and the Public Audit Act, 2015, for the year ended June 30, 2025.

By Order of the Board

Date..... 1/12/2025
Cs. Saidi Swalehe Gongo
Corporation Secretary

12. STATEMENT OF DIRECTORS' RESPONSIBILITIES

Section 81 of the Public Finance Management Act, 2012 and (section 14 of the State Corporations Act, 1986, require the Directors to prepare financial statements in respect of that entity, which give a true and fair view of the state of affairs of the entity at the end of the financial year/period and the operating results of the entity for that year/period. The Directors are also required to ensure that the entity maintains proper accounting records, which disclose the entity's financial position with reasonable accuracy. The Directors are also responsible for safeguarding the assets of the entity.

The Directors are responsible for the preparation and presentation of the entity's financial statements, which give a true and fair view of the state of affairs of the entity for and as at the end of the financial year ended on June 30, 2025. This responsibility includes: (i) Maintaining adequate financial management arrangements and ensuring that these continue to be effective throughout the reporting period; (ii) Maintaining proper accounting records, which disclose with reasonable accuracy at any time the financial position of the entity;


(iii) Designing, implementing and maintaining internal controls relevant to the preparation and fair presentation of the financial statements, and ensuring that they are free from material misstatements, whether due to error or fraud; (iv) Safeguarding the assets of the entity; (v) Selecting and applying appropriate accounting policies; and (vi) Making accounting estimates that are reasonable in the circumstances.

The Directors accept responsibility for the entity's financial statements, which have been prepared using appropriate accounting policies supported by reasonable and prudent judgements and estimates, in conformity with International Public Sector Accounting Standards (IPSAS), and in the manner required by the Public Finance and Management Act, 2012, the State Corporations Act, 1986 among others. The Directors think that the Academy's financial statements give an accurate and fair view of the state of Academy's transactions during the financial year ended 30 June, 2025 and of the Academy's financial position as at that date. The Directors further confirms the completeness of the accounting records maintained for the entity, which have been relied upon in the preparation of the Academy's financial statements 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 entity 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 Academy's Financial Statements were approved by the Board on11-07-2025..... and signed on its behalf by:

Signature:

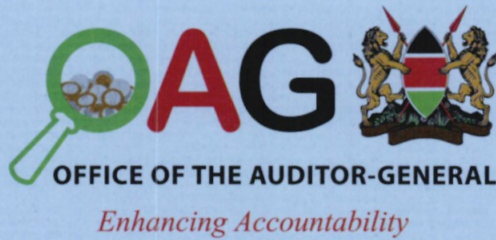
 **Name: Prof. Kinandu Muragu**
Chairperson of the Board

Signature:

Name: Dr. Eric Katana
Chief Executive Officer

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 BANDARI MARITIME ACADEMY FOR THE YEAR ENDED 30 JUNE, 2025

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 Bandari Maritime Academy set out on pages 1 to 40, which comprise of the statement of financial position as at 30 June 2025, the statement of financial performance, statement of changes in net assets, statement of cashflows 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 Bandari Maritime Academy as at 30 June, 2025 and of its financial performance and its cash flows for the year then ended, in accordance with International Public Sector Accounting Standards (Accrual Basis) and the Public Finance Management Act, 2012.

Basis for Qualified Opinion

1. Long Outstanding Student Accounts Receivables

The statement of financial position and Note 14 to the financial statements reflect receivable from exchange transactions balance of Kshs.159,222,822. Included in the balance are long outstanding student debtors totaling Kshs.137,499,840. However, there was no evidence provided to indicate that the institution had established effective measures or strategies to recover these long-outstanding amounts.

In the circumstances, recoverability of the long outstanding student fees of Kshs.137,499,840 could not be confirmed.

2. Statement of Comparison of Budget and Actual Amounts

2.1 Failure to Explain Material Variances Between Budget and Actual Amounts

Review of financial records and statements revealed that there were variances between the final budget and actual amounts on other income, rentals, and agency fees whose utilization percentage was below 90% of the budget. Management did not explain these variances

2.2 Unexplained Adjustments of Original Budget

The statement of comparison of budget and actual amounts reflects original budget of Kshs.300,000,000, and adjustments of Kshs.144,411,299 resulting to a final budget of Kshs.444,411,299. The statement further reflects Nil original budget adjusted to final budget of Kshs.370,000,000 for capital projects – Survival Training Centre. However, there was no note explaining the changes between the original and final budget as required by the Public Sector Accounting Standards Board template.

2.3 Inaccuracy of Budget Reconciliation Statement

The statement of comparison of budget and actual amounts reflects a deficit of Kshs.40,799,962, which excludes Kshs.10,000,000 being unspent development funds. The resultant cumulative deficit of Kshs.30,799,967 differs with cash and cash equivalents of Kshs.15,080,171 reflected in the statement of cash flows.

In the circumstances, the accuracy and completeness of the financial statements could not be confirmed.

The audit was conducted in accordance with International Standards of Supreme Audit Institutions (ISSAIs). I am independent of the Bandari Maritime Academy 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

Budgetary Control and Performance

The statement of comparison of budget and actual amounts reflects final expenditure budget and actual amounts on comparable basis of Kshs.403,735,477 and Kshs.804,535,439 respectively, resulting to over expenditure of Kshs.400,799,962 or 99% of the budget.

The over-expenditure may imply unrealistic budgeting and may result to unauthorized expenditure.

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 section, I have determined that there are no other key audit matters to communicate in my report.

Other Matter

Prior Year Audit Matters

In the prior year's audit report, 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. Review of the status during audit of the Academy in 2024/2025 revealed that the following eight (8) issues remained unresolved:

No.	Financial Year	Audit Issue
1	2023/2024	Inaccuracies of cash flow statements
2	2023/2024	Unsupported land cost
3	2023/2024	Lack of ethnic diversity in staff establishment
4	2023/2024	Delay in project implementation for supply, installation, and commissioning of library management and security system
5	2023/2024	Unutilized ERP software
6	2023/2024	Weak controls in imprest management
7	2023/2024	Long outstanding students accounts receivables
8	2022/2023	Assets donated by KPA not supported by handing /taking over reports

Other Information

The Management is responsible for the Other Information set out on page v to xxxix which comprise of Key Entity Information and Management, Board of Directors, Key Management Team, Chairman's Statement, Report of the Chief Executive Officer, Statement of the Academy's performance against Predetermined objectives, Corporate Governance Statement, Management Discussion and Analysis, Environmental and Sustainability Reporting, Report of the Directors, and 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 Bandari Maritime Academy 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. Compliance with Law on Affirmative action

1.1 Lack of Ethnic Diversity in Staff Establishment

Review of the human resource records shows that the Academy had 37 or 42% of the eighty-eight (88) employees from the dominant ethnic community. This is contrary to Section 7(2) of the National Cohesion and Integration Act, 2008 which provides that no public establishment to have more than one third of its staff from the same ethnic community.

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

1.2 Lack of Affirmative Action for Persons Living with Disabilities

Review of the June 2025 payroll revealed that the Academy engaged sixty-one (61) staff on contract terms. However, none of the staff engaged were persons living with

disabilities. This is contrary to Section 13 of the Persons with Disabilities Act, 2003 which states that the National Council for Persons with Disabilities shall endeavor to secure the reservation of five per cent of all casual, emergency and contractual positions in employment in the public and private sectors for persons living with disabilities.

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

2. Non-Competitive Recruitment and Appointment of a Coxswain

The statement of financial performance reflects employee costs of Kshs.173,943,571. Review of the recruitment report for officers under the permanent and pensionable terms revealed that Management appointed an officer as a Coxswain despite having been ranked third during the interviews conducted on 1 July, 2024 with 82 points. The interview panel had recommended the appointment of another candidate who had been ranked second with 87.4 points. Management did not provide a plausible justification for this anomaly.

In the circumstance, the Academy was in breach of part 2.2.2. of Bandari Maritime Academy Human resource policies and procedure.

3. Non-Compliance with Circular on Composition of Board Committees

The statement of financial performance and Note 6 to the financial statements reflect board expenses amounting to Kshs. 21,931,630. Review of board records established that the Academy' had four (4) board committees, namely: the technical and operations, finance and human resources, risk and audit, and strategy Committees. Each of the committees comprised of five (5) members out the board membership of ten (10) directors. However, the composition of the committees exceeded the one-third (1/3) membership limit of the full board as per Circular No. OP/CAB.9/1A of the Office of the President dated 11 March, 2020 on the establishment of board committees.

In the circumstances, the Academy management was in breach of the law.

4. Slow Project Implementation-Proposed Construction of Maritime Survival Training and Certification Centre

The statement of financial position and Note 11 to the financial statements reflects Work-in-progress balance of Kshs.630,796,901. This balance includes Kshs.621,891,901 for the ongoing construction of the Maritime Survival Training and Certification Centre under Contract No. BMA/ONT/03/2023-2024. The project, was awarded on 13 May, 2024 to a local contractor at a contract sum of Kshs. 2,402,225,481 and commenced on 1 July, 2024 and is scheduled for completion on 31 December 2026. By 30 June, 2025, cumulative payments amounted to Kshs.621,891,901 (about 26% of the contract sum), while actual project progress stood at only 5%. Further, the payments included advance payments of Kshs.376,228,120, for which the contractor did not provide written confirmation that the funds would be used solely for the project. Additionally, a site inspection on 9 October, 2025 showed significant delays. Although the approved program of works projected progress up to the third-floor shear wall and columns by that date, the project

remained at the pile foundation stage, a phase meant to have been completed in December 2024.

In the circumstances, value for money may not have achieved on funds already spent on the project.

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. Clearance of Students with Outstanding Fee Balances

The Statement of Financial Position and Note 14 to the financial statements reflect receivables from exchange transactions balance of Kshs.159,222,822, which includes student debtors totaling Kshs.137,499,840. Audit verification of the student debtors' schedule provided and subsequent comparison with records from the Office of the Registrar revealed that seventy-nine (79) students had outstanding fee balances amounting to Kshs.10,925,213 had been cleared by the institution and allowed to graduate.

In the circumstances, effectiveness of debt collection measures and the recoverability of receivables from exchange transactions of Kshs.10,925,213 is doubtful.

2. Non-application of the ERP Software in Automation

Review of the Academy's ICT infrastructure revealed that the Academy procured an Enterprise Resource Planning (ERP) software in August 2020 at a contract price of Kshs. 17,253,840, as per the contract agreement provided for audit. However, the software had not been put to use since installation. Despite the system remaining idle, it continues to be recognized as part of the institution's intangible assets and is subject to annual amortization. For the year under review, an amortization expense of Kshs.5,414,313 was charged, despite the software not generating any economic or operational benefits to the Academy.

In the circumstances, value for money for the ERP software 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 the Management and Board of Directors

Management is responsible for the preparation and fair presentation of these financial statements in accordance with International Public Sector Accounting Standards (Accrual Basis) 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 Bandari Maritime Academy 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 Bandari Maritime Academy'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

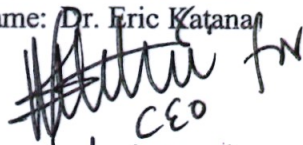
05 December, 2025

14. STATEMENT OF FINANCIAL PERFORMANCE FOR THE YEAR ENDED 30 JUNE 2025

Description	Notes	2024/2025	2023/2024 (Restated)	2023/2024 (Audited)
Revenue from Non-exchange transactions				
GoK Recurrent Grants	2	199,517,394	187,403,005	187,403,005
Deffered Income		-	71,804,731	71,804,731
		199,517,394	259,207,736	259,207,736
Revenue from exchange transactions				
Rendering of services	3a	201,858,579	201,508,018	201,508,018
Rental revenue from facilities and equipment	3b	2,359,505	-	-
Total revenue Frm Exchange Transactions		204,218,083	201,508,018	201,508,018
Total Revenue		403,735,477	460,715,754	460,715,754
Expenses				
Use Of Goods And Services	4	199,986,794	302,043,533	302,043,533
Employee Costs	5	173,943,571	151,537,898	151,537,898
Board Expenses	6	21,931,631	26,951,547	26,951,547
Repairs And Maintenance	7	28,491,215	69,012,229	69,012,229
Depreciation And Amortization Expense	8	120,938,614	123,221,468	123,221,468
Total expenses		545,291,824	672,766,675	672,766,675
Surplus before tax		(141,556,346)	(212,050,921)	(212,050,921)
Taxation				-
Surplus/(deficit) for the period		(141,556,346)	(212,050,921)	(212,050,921)
Attributable to:				
Surplus/(deficit) to minority interest		-		-
Surplus to owners of the controlling entity		(141,556,346)	(212,050,921)	(212,050,921)

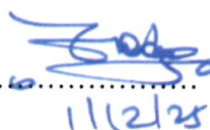
The notes set out on pages 6 to 41 form an integral part of these Financial Statements. The Financial Statements set out on pages 1 to 5 were signed on behalf of the Board of Directors by:

Chief Executive Officer
Name: Dr. Eric Katana


CEO

Date: 1/12/2025

Head of Finance
Moses Odero
ICPAK No. 4924


11/12/25

Date: 11/12/25

PP Chairman of the Board
Prof. Kinandu Muragu



Date: 1/12/25

BANDARI MARITIME ACADEMY
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE, 2025

15. STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2025

Description	Notes	As at 30 June		
		2025	2024 (Restated)	2024 (Audited)
Assets				
Non-current assets				
Property, plant, and equipment	9	1,222,523,062	1,327,842,134	1,327,842,134
Intangible Assets	10	19,819,439	25,233,753	25,233,753
Work-in-Progress	11	630,796,901	125,498,056	125,498,056
Total Non-Current Assets		1,873,139,402	1,478,573,943	1,478,573,943
Current assets				
Cash and cash equivalents	12	15,080,171	120,057,691	120,057,691
Inventories	13	5,245,433	4,203,412	4,203,412
Receivables from exchange transactions	14	159,222,822	173,132,284	173,132,284
Total Current Assets		179,548,425	297,393,388	297,393,388
Current liabilities				
Trade and other payables	15	131,133,712	124,536,992	124,536,992
Refundable deposits from customers	16	41,680,125	-	-
Total Current Liabilities		172,813,837	124,536,992	124,536,992
Net Current Assets		6,734,589	172,856,395	172,856,395
Net Total assets		1,879,873,990	1,651,430,338	1,651,430,338
Accumulated surplus		32,383,536	173,939,885	173,939,885
Capital Fund		1,847,490,454	1,477,490,454	1,477,490,454
Total net assets and liabilities		1,879,873,990	1,651,430,338	1,651,430,338

The notes set out on pages 6 to 41 form an integral part of these Financial Statements. The Financial Statements set out on pages 1 to 5 were signed on behalf of the Board of Directors by:

Chief Executive Officer
Name: Dr. Eric Katana

[Signature]
for CEO

Date: 1/12/2025

Head of Finance

Moses Odera
ICPAK No. 4924

Date: *[Signature]*
1/12/25

Chairman of the Board

[Signature] Prof. Kinandu Muragu

Date: *[Signature]*
1/12/25

BANDARI MARITIME ACADEMY
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE, 2025

16. STATEMENT OF CHANGES IN NET ASSETS FOR THE YEAR ENDED 30 JUNE 2025

Description	Ordinary share capital	Revaluation reserve	Fair value adjustment reserve	Retained earnings	Capital/Development Grants/Fund	Total
	Kshs	Kshs	Kshs	Kshs	Kshs	Kshs
As at July 1, 2023	0	0	0	385,990,803	1,299,295,185	1,685,285,988
Issued new capital	0	0	0	-	-	-
Revaluation gain	0	0	0	-	-	-
Transfer of excess depreciation on revaluation	0	0	0	-	-	-
Deferred tax on excess depreciation	0	0	0	-	-	-
Fair value adjustment on investments	0	0	0	-	-	-
Surplus/ deficit for the year	0	0	0	(212,050,920)	-	(212,050,920)
Capital/development grants received during the year	0	0	0	-	250,000,000	250,000,000
Transfer of depreciation/amortisation from capital fund to retained earnings	0	0	0	-	(71,804,731)	(71,804,731)
Dividends paid	0	0	0	-	-	-
Interim dividends paid	0	0	0	-	-	-
Proposed final dividends	0	0	0	-	-	-
As at 30 June 2024	0	0	0	173,939,883	1,477,490,454	1,651,430,336
As at July 1, 2024	0	0	0	173,939,883	1,477,490,454	1,651,430,336
Issue of new share capital	0	0	0	-	-	-
Revaluation gain	0	0	0	-	-	-
Transfer of excess depreciation on revaluation	0	0	0	-	-	-
Deferred tax on excess depreciation	0	0	0	-	-	-
Fair value adjustment on investments	0	0	0	-	-	-
Surplus/ (deficit) for the Quarter	0	0	0	(141,556,346)	-	(141,556,346)
Capital/development grants received during the year	0	0	0	-	370,000,000	370,000,000
Transfer of depreciation/amortisation from capital fund to retained earnings	0	0	0	-	-	-
Dividends paid	0	0	0	-	-	-
Interim dividends paid	0	0	0	-	-	-
Proposed final dividends	0	0	0	-	-	-
As at 30 June 2025	0	0	0	32,383,537	1,847,490,454	1,879,873,991

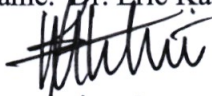
BANDARI MARITIME ACADEMY
ANNUAL REPORTS AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE, 2025

17. STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 30 JUNE 2025

Description	Notes	2024/2025	2023/2024 (Restated)	2023/2024 (Audited)
Cash flows from operating activities				
Receipts				
Transfers from other governments entities -Recurrent	2	199,517,394	187,403,005	187,403,005
Rendering of services	17(a)	215,768,041	145,668,475	201,508,018
Rental revenue from facilities and equipment	17(b)	2,359,505	-	-
Transfers from other governments entities -Development		-	-	250,000,000
Total Receipts		417,644,940	333,071,480	638,911,023
Payments				
Use of goods and services	18a	(142,133,233)	(177,051,358)	(302,043,533)
Employee costs	18b	(153,445,059)	(140,770,647)	(151,537,898)
Board Expenses	18c	(21,348,030)	(26,951,547)	(26,951,547)
Repairs and maintenance	18d	(28,491,215)	(69,012,229)	(69,012,229)
Contracted services	18e	(32,948,850)	(47,800,390)	-
Total Payments		(378,366,387)	(461,586,171)	(549,545,207)
Net cash flows from/(used in) operating activities		39,278,553	(128,514,691)	89,365,816
Cash flows from investing activities				
Development Grants inflows		370,000,000	250,000,000	-
Changes in Current Assets		-	-	(44,469,189)
Changes in Current Liabilities		-	-	92,681,936
Changes in Intangible Asset		-	-	(6,409,000)
Changes in work in progress				(125,498,056)
Purchase of PPE and intangible assets	19	(514,256,072)	(223,943,832)	(108,130,030)
Net cash flows from investing activities		(144,256,072)	26,056,168	(191,824,339)
Cash flows from financing activities				
Proceeds from borrowings		-	-	
Net increase/(decrease) in cash and cash equivalents		(104,977,520)	(102,458,522)	(102,458,523)
Cash and cash equivalents at period Start		120,057,691	222,516,214	222,516,214
Cash and cash equivalents at Period end		15,080,171	120,057,692	120,057,691

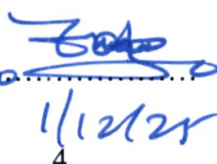
This cash flow statement has been prepared using the direct method of cash flow preparation. The Financial Statements set out on pages 1 to 5 were signed on behalf of the Board of Directors by:

Chief Executive Officer
Name: Dr. Eric Katana



Date: 1/12/2025

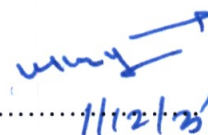
Head of Finance
Moses Odero
ICPAK No. 4924



1/12/25

Date:

Chairman of the Board
Prof. Kinandu Muragu



Date:

BANDARI MARITIME ACADEMY
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE, 2025

18. STATEMENT OF COMPARISON OF BUDGET AND ACTUAL AMOUNTS FOR THE YEAR ENDED 30 JUNE 2025

Description	Original Budget	Adjustments	Final Budget	Actual Cumulative to June 2025	Performance Difference	% of Utilization
	a	b	c=a+b	d	e=d-c	f=d/c %
Revenue	Kshs	Kshs	Kshs	Kshs		Kshs
Transfers from other governments entities	-	236,411,299	236,411,299	199,517,394	(36,893,905)	84.4%
		236,411,299	236,411,299	199,517,394	(36,893,905)	
Rendering of services	291,868,000	(92,000,000)	199,868,000	201,858,579	1,990,579	
Other income, rentals, and agency fees	8,132,000	-	8,132,000	2,359,505	(5,772,495)	
AiA Total	300,000,000	(92,000,000)	208,000,000	204,218,083	(3,781,917)	98%
Total income	300,000,000	144,411,299	444,411,299	403,735,477	(40,675,822)	91%
Expenses						
Use of Goods and services	110,655,000	56,258,419	166,913,419	167,037,944	(124,525)	100.07%
Employee costs	141,473,494	32,492,791	173,966,285	173,943,571	22,714	99.99%
Director emoluments	11,086,225	10,849,712	21,935,937	21,931,630	4,307	99.98%
Repairs and maintenance	8,316,165	20,159,866	28,476,031	28,491,215	(15,184)	100.05%
Contracted Services	24,969,116	7,965,400	32,934,516	32,948,850	(14,334)	100.04%
Purchase Of Nonfinancial assets	3,500,000	16,685,111	20,185,111	20,182,230	2,881	99.99%
Total expenditure	300,000,000	144,411,299	444,411,299	444,535,439	(124,140)	100.03%
Surplus/(Deficit)	-	-	-	(40,799,962)	(40,551,681)	
Development						
Capital Projects-Survival Train Centre	-	370,000,000	370,000,000	360,000,000	10,000,000	97%
Total Budget	300,000,000	514,411,299	814,411,299	804,535,439	9,875,860	99%

Budget notes

1. The Academy received an exchequer of **Ksh. 199,517,394** in the FY 2024/25 against a budget of Ksh 236,411,299, being 84.40%. The National Treasury did not fund the budget as earlier scheduled by an amount of Ksh 36,893,905.
2. Funds reported herein included:
 - a. Recurrent funds generated and received from GoK during the year
 - b. Development funds for the financial year 2024/2025 -Ksh 370 million. (This has been reported as capital grants in the statement of changes in equity)
3. Budget reconciliations shown in Note 21

19. NOTES TO THE FINANCIAL STATEMENTS

1. Accounting Policies

1.1 General Information

Bandari Maritime Academy (BMA) was established through the Legal Notice No 233 of 28th November 2018 and derives its authority therein and accountability from PFM Act 2012 and other Legal Instruments. The entity is wholly owned by the Government of Kenya and is domiciled in Kenya. The entity is a successor to the Bandari College whose principal activity is an institution of excellence in teaching, training, scholarship, innovation and research in maritime skills. The Academy will generate employable skills in the maritime sector to support the development of the Blue Economy. The Academy in addition thereto fosters partnerships with multiple institutions both at the local and international level to ensure the highest international maritime standards in maritime human resource development are established and maintained

1.2 Statement of Compliance and Basis of Preparation

The preparation of financial statements is in conformity with International Public Sector Accounting Standards (IPSAS) which allows the use of estimates and assumptions. It also requires management to exercise judgement in the process of applying the *entity'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 various Notes.

The financial statements have been prepared and presented in Kenya Shillings, which is the functional and reporting currency of the Bandari Maritime Academy

The financial statements have been prepared in accordance with the PFM Act, the State Corporations Act and the International Public Sector Accounting Standards (IPSAS). The accounting policies adopted have been consistently applied to all the years presented.

1.3 Adoption of New and Revised Standards

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

Standard	Effective date and impact:
IPSAS 45	<p>Applicable 1st January 2025 The standard prescribes the accounting treatment for Property, Plant, And Equipment (PPE). The principal issues in accounting for PPE are the recognition of the assets, determination of their carrying amounts, depreciation charges, and impairment losses to be recognized in relation to them. The standard applies to all entities using the IPSAS accrual accounting basis. This standard applies to all PPE, which include: a) Heritage assets, e.g., historical sites, archeological sites, paleontological items, monuments, scientific collections b) Infrastructure Assets, e.g., power lines, roads, water systems, and communication network assets. c) Service Concession arrangements after initial recognition and measurement. e.g., roads, bridges, tunnels, airports, energy distribution networks, prisons, or hospitals d) Weapon systems such as warships, tanks, aircraft, and submarines.</p>
IPSAS 43	<p>Applicable 1st January 2025 The standard sets out the principles for the recognition, measurement, presentation, and disclosure of leases. The objective is to ensure that lessees and lessors provide relevant information in a manner that faithfully represents those transactions. This information gives a basis for users of financial statements to assess the effect that leases have on the financial position, financial performance and cashflows of an Entity. The new standard requires entities to recognise, measure and present information on right of use assets and lease liabilities</p>
IPSAS 44: Non-Current Assets Held for Sale and Discontinued Operations	<p>Applicable 1st January 2025 The Standard requires, Assets that meet the criteria to be classified as held for sale to be measured at the lower of carrying amount and fair value less costs to sell and the depreciation of such assets to cease and: Assets that meet the criteria to be classified as held for sale to be presented separately in the statement of financial position and the results of discontinued operations to be presented separately in the statement of financial performance.</p>

1.4. Early adoption of standards

The entity did not early-adopt any new or amended standards in the year 2024/2025

1.5. Summary of Significant Accounting Policies

(a). Revenue recognition –

(i) Revenue from non-exchange transactions

Fees, taxes, and fines

The entity recognizes revenues from fees, taxes, and fines when the event occurs and the asset recognition criteria are met. To the extent that there is a related condition attached that would give rise to a liability to repay the amount, deferred income is recognized instead of revenue. Other non-exchange revenues are recognized when it is probable that the future economic benefits or service potential associated with the asset will flow to the entity and the fair value of the asset can be measured reliably.

Transfers from other government entities

Revenues from non-exchange transactions with other government entities are measured at fair value and recognized on obtaining control of the asset (cash, goods, services and property) if the transfer is free from conditions and it is probable that the economic benefits or service potential related to the asset will flow to the entity and can be measured reliably. Recurrent grants are recognized in the statement of comprehensive income. Development/capital grants are recognized in the statement of financial position and realized in the statement of comprehensive income over the useful life of the assets that have been acquired using such funds.

(ii) Revenue from exchange transactions,

Rendering of services

The entity recognizes revenue from the rendering of services by reference to the stage of completion when the outcome of the transaction can be estimated reliably. The stage of completion is measured by reference to labour hours incurred to date as a percentage of total estimated labour hours.

Where the contract outcome cannot be measured reliably, revenue is recognized only to the extent that the expenses incurred are recoverable.

Sale of goods

Revenue from the sale of goods is recognized when the significant risks and rewards of ownership have been transferred to the buyer, usually on delivery of the goods and when the amount of revenue can be measured reliably and it is probable that the economic benefits or service potential associated with the transaction will flow to the entity.

Interest income

Interest income is accrued using the effective yield method. The effective yield discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount. The method applies this yield to the principal outstanding to determine interest income each period.

Dividends

Dividends or similar distributions must be recognized when the shareholder's or the entity's right to receive payments is established.

Rental income

Rental income arising from operating leases on investment properties is accounted for on a straight-line basis over the lease terms and included in revenue

b. Budget information

The original budget for FY 2024-2025 was approved by the National Assembly. Subsequent revisions or additional appropriations were made to the approved budget in accordance with specific approvals from the appropriate authorities. The additional appropriations are added to the original budget by the entity upon receiving the respective approvals in order to conclude the final budget.

The entity's budget is prepared on a different basis to the actual income and expenditure disclosed in the financial statements. The financial statements are prepared on accrual basis using a classification based on the nature of expenses in the statement of financial performance, whereas the budget is prepared on a cash basis. The amounts in the financial statements were recast from the accrual basis to the cash basis and reclassified by presentation to be on the same basis as the approved budget. A comparison of budget and actual amounts, prepared on a comparable basis to the approved budget, is then presented in the statement of comparison of budget and actual amounts.

In addition to the Basis difference, adjustments to amounts in the financial statements are also made for differences in the formats and classification schemes adopted for the presentation of the financial statements and the approved budget.

c.) Taxes

Current income tax

Current income tax assets and liabilities for the current period are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date in the area where the Entity operates and generates taxable income. Current income tax relating to items recognized directly in net assets is recognized in net assets and not in the statement of financial performance. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

Deferred tax

Deferred tax is provided using the liability method on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date.

BANDARI MARITIME ACADEMY
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE, 2025

Deferred tax liabilities are recognized for all taxable temporary differences, except in respect of taxable temporary differences associated with investments in controlled entities, associates and interests in joint ventures, when the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

Deferred tax assets are recognized for all deductible temporary differences, the carry forward of unused tax credits and any unused tax losses. Deferred tax assets are recognized to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilized, except in respect of deductible temporary differences associated with investments in controlled entities associates and interests in joint ventures, deferred tax assets are recognized only to the extent that the temporary differences will probably reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilized.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilized. Unrecognized deferred tax assets are re-assessed at each reporting date. They are recognized to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realized or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

Deferred tax relating to items recognized outside surplus or deficit is recognized outside surplus or deficit.

Deferred tax items are recognized in correlation to the underlying transaction in net assets.

Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current income tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

Sales tax

Expenses and assets are recognized net of the amount of sales tax, except:

- When the sales tax incurred on a purchase of assets or services is not recoverable from the taxation authority, in which case, the sales tax is recognized as part of the cost of acquisition of the asset or as part of the expense item, as applicable
- When receivables and payables are stated with the amount of sales tax included

The net amount of sales tax recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the statement of financial position.

d.) Investment property

Investment properties are measured initially at cost, including transaction costs. The carrying amount includes the placement cost of components of an existing investment property at the time that cost is incurred if the recognition criteria are met and excludes the costs of day-to-day maintenance of an investment property.

Investment property acquired through a non-exchange transaction is measured at its fair value at the date of acquisition. Following initial recognition, investment properties are measured using the cost model and depreciated over a 30-year period.

Investment properties are derecognized either when they have been disposed of or when the investment property is permanently withdrawn from use and no future economic benefit or service potential is expected from its disposal. The difference between the net disposal proceeds and the carrying amount of the asset is recognized in the surplus or deficit in the period of de-recognition. Transfers are made to or from investment property only when there is a use change.

e.) Property, plant and equipment

All property, plant and equipment are stated at cost less accumulated depreciation and impairment losses. The cost includes expenditures that are directly attributable to the acquisition of the items. When significant parts of property, plant and equipment are required to be replaced at intervals, the entity recognizes such parts as individual assets with specific useful lives and depreciates them accordingly. Likewise, when a major inspection is performed, its cost is recognized in the carrying amount of the plant and equipment as a replacement if the recognition criteria are satisfied. All other repair and maintenance costs are recognized in surplus or deficit as incurred. Where an asset is acquired in a non-exchange transaction for nil or nominal consideration, the asset is initially measured at its fair value.

Depreciation is calculated on a straight-line basis, based on the useful lives of different asset categories.

f.) Leases

Finance leases are leases that transfer substantially all of the risks and benefits incidental to ownership of the leased item to the Entity. Assets held under a finance lease are capitalized at the commencement of the lease at the fair value of the leased property or, if lower, at the present value of the future minimum lease payments. The Entity also recognizes the associated lease liability at the inception of the lease. The liability recognized is measured as the present value of the future minimum lease payments at the initial recognition date. Subsequent to initial recognition, lease payments are apportioned between finance charges and reduction of the lease liability so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are recognized as finance costs in surplus or deficit.

An asset held under a finance lease is depreciated over the useful life of the asset. However,

BANDARI MARITIME ACADEMY
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE, 2025

suppose there is no reasonable certainty that the Entity will obtain ownership of the asset by the end of the lease term. In that case, the asset is depreciated over the shorter of the estimated useful life of the asset and the lease term.

Operating leases are leases that do not transfer substantially all the risks and benefits incidental to ownership of the leased item to the Entity. Operating lease payments are recognized as an operating expense in surplus or deficit on a straight-line basis over the lease term.

g.) Intangible assets

Intangible assets acquired separately are initially recognized at cost. The cost of intangible assets acquired in a non-exchange transaction is their fair value at the date of the exchange. Following initial recognition, intangible assets are carried at cost less any accumulated amortization and accumulated impairment losses. Internally generated intangible assets, excluding capitalized development costs, are not capitalized and expenditure is reflected in surplus or deficit in the period in which the expenditure is incurred.

The useful life of the intangible assets is assessed as either finite or indefinite.

h.) Research and development costs

The Entity expenses research costs as incurred. Development costs on an individual project are recognized as intangible assets when the Entity can demonstrate:

- The technical feasibility of completing the asset so that the asset will be available for use or sale
- Its intention to complete and its ability to use or sell the asset
- How the asset will generate future economic benefits or service potential
- The availability of resources to complete the asset
- The ability to measure reliably the expenditure during development.

Following initial recognition of an asset, it is carried at cost, less any accumulated amortization and accumulated impairment losses. Depreciation of the asset begins when development is complete and the asset is available for use. It is amortized over the period of expected future benefit. During the period of development, the asset is tested for impairment annually with any impairment losses recognized immediately in surplus or deficit.

i) Financial instruments

a) Financial assets

Initial recognition and measurement

Financial assets within the scope of IPSAS 29 Financial Instruments: Recognition and Measurement are classified as financial assets at fair value through surplus or deficit, loans and receivables, held-to-maturity investments or available-for-sale financial assets, as appropriate. The Entity determines the classification of its financial assets at initial recognition.

Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. After the initial measurement, these financial assets are subsequently measured at amortized cost using the effective interest method, less any impairment. Amortized cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the effective interest rate. Losses arising from impairment are recognized in the surplus or deficit.

Held-to-maturity

Non-derivative financial assets with fixed or determinable payments and fixed maturities are classified as held to maturity when the Entity has the positive intention and ability to hold it to maturity. After initial measurement, held-to-maturity investments are measured at amortized cost using the effective interest method, less impairment. Amortized cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the effective interest rate. The losses arising from impairment are recognized in surplus or deficit.

Impairment of financial assets

The Entity assesses at each reporting date whether there is objective evidence that a financial asset or an entity of financial assets is impaired. A financial asset or entity of financial assets is deemed to be impaired if, and only if, there is objective evidence of impairment as a result of one or more events that has occurred after the initial recognition of the asset (an incurred 'loss event') and that loss event has an impact on the estimated future cash flows of the financial asset or the entity of financial assets that can be reliably estimated. Evidence of impairment may include the following indicators:

The debtors or an entity of debtors are experiencing significant financial difficulty

- Default or delinquency in interest or principal payments
- The probability that debtors will enter bankruptcy or other financial reorganization
- Observable data indicates a measurable decrease in estimated future cash flows (e.g., changes in arrears or economic conditions that correlate with defaults)

b) Financial liabilities

Initial recognition and measurement

Financial liabilities within the scope of IPSAS 29 are classified as financial liabilities at fair value through surplus or deficit or loans and borrowings, as appropriate. The Entity determines the classification of its financial liabilities at initial recognition.

All financial liabilities are recognized initially at fair value and, in the case of loans and borrowings, plus directly attributable transaction costs.

Loans and borrowing

After initial recognition, interest bearing loans and borrowings are subsequently measured at amortized cost using the effective interest method. Gains and losses are recognized in surplus or deficit when the liabilities are derecognized as well as through the effective interest method amortization process.

Amortized cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the effective interest rate.

j) Inventories

Inventory is measured at cost upon initial recognition. To the extent that inventory was received through non-exchange transactions (for no cost or for a nominal cost), the cost of the inventory is its fair value at the date of acquisition.

Costs incurred in bringing each product to its present location and conditions are accounted for, as follows:

- Raw materials: purchase cost using the weighted average cost method; and
- Finished goods and work in progress: cost of direct materials and labour and a proportion of manufacturing overheads based on the normal operating capacity, but excluding borrowing costs.

After initial recognition, inventory is measured at the lower of cost and net realizable value. However, to the extent that a class of inventory is distributed or deployed at no charge or for a nominal charge, that class of inventory is measured at the lower of cost and current replacement cost.

Net realizable value is the estimated selling price in the ordinary course of operations, less the estimated costs of completion and the estimated costs necessary to make the sale, exchange, or distribution.

Inventories are recognized as an expense when they are deployed for utilization or consumption in the ordinary course of the Entity's operations

k) Provisions

Provisions are recognized when the Entity has a present obligation (legal or constructive) as a result of a past event, an outflow of resources embodying economic benefits or service potential will probably be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

Where the Entity expects some or all of a provision to be reimbursed, for example, under an insurance contract, reimbursement is recognized as a separate asset only when it is virtually certain.

The expense relating to any provision is presented in the statement of financial performance net of any reimbursement.

l) Contingent liabilities

The Entity does not recognize a contingent liability, but discloses details of any contingencies in the notes to the financial statements, unless the possibility of an outflow of resources embodying economic benefits or service potential is remote.

m.) Contingent assets

The Entity does not recognize a contingent asset, but discloses details of a possible asset whose existence is contingent on the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Entity in the notes to the financial statements. Contingent assets are assessed continually to ensure that developments are appropriately reflected in the financial statements. If it has become virtually certain that an inflow of economic benefits or service potential will arise and the asset's value can be measured reliably,

the asset and the related revenue are recognized in the financial statements of the period in which the change occurs.

n) Nature and purpose of reserves

The Academy does not maintain any reserves

o) Changes in accounting policies and estimates

The Entity recognizes the effects of changes in accounting policy retrospectively. The effects of changes in accounting policy are applied prospectively if retrospective application is impractical.

p) Employee benefits

Retirement benefit

plans

The academy currently does not have a retirement benefit scheme for its employees. The employees serving in the academy are seconded from various MDAS, where their retirement benefits are catered for.

q.) Foreign currency transactions

Transactions in foreign currencies are initially accounted for at the ruling rate of exchange on the date of the transaction. Trade creditors or debtors denominated in a foreign currency are reported at the statement of financial position reporting date by applying the exchange rate in effect on that date. Exchange differences arising from the settlement of creditors, or from the reporting of creditors at rates different from those at which they were initially recorded during the period, are recognized as income or expenses in the period in which they arise. The academy did not engage in any foreign currency transactions in the Financial Year 2024/2025.

r.) Borrowing costs

Borrowing costs are capitalized against qualifying assets as part of property, plant and equipment. Such borrowing costs are capitalized over the period during which the asset is being acquired or constructed and borrowings have been incurred. Capitalization ceases when construction of the asset is complete. Further borrowing costs are charged to the statement of financial performance. The borrowing costs did not apply in the 2024/2025 financial year.

s.) Related parties

The Entity regards a related party as a person or an entity with the ability to exert control individually or jointly, or to exercise significant influence over the Entity, or vice versa. Members of key management are regarded as related parties and comprise the directors, the CEO and senior managers.

t.) Service concession arrangements

The Entity analyses all aspects of service concession arrangements that it enters into in determining the appropriate accounting treatment and disclosure requirements. In particular, where a private party contributes an asset to the arrangement, the Entity recognizes that asset when, and only when, it controls or regulates the services the operator must provide together with the asset, to whom it must provide them, and at what price. In the case of assets other than 'whole- of-life' assets, it controls, through ownership, beneficial entitlement or otherwise – any significant residual interest in the asset at the end of the arrangement. Any assets so recognized are measured at their fair value. To the extent that an asset has been recognized, the Entity also recognizes a corresponding liability, adjusted by a cash consideration paid or received.

u.) 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 with an original maturity of three months or less, which are readily convertible to known amounts of cash and are subject to insignificant risk of changes in value. Bank account balances include amounts held at the Central Bank of Kenya and at various commercial banks at the end of the financial year. For these financial statements, cash and cash equivalents also include short-term cash imprests and advances to authorised public officers and/or institutions which were not surrendered or accounted for at the end of the financial year.

v) Comparative figures

Where necessary comparative figures for the previous financial year have been amended or reconfigured to conform to the required 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 June 30, 2024.

1.6 Significant Judgments and Sources of Estimation Uncertainty

The preparation of the Entity's financial statements in conformity with IPSAS requires management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the disclosure of contingent liabilities, at the end of the reporting period. However, uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of the asset or liability affected in future periods. State all judgements, estimates and assumptions made

Estimates and assumptions

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below. The Entity based its assumptions and estimates on parameters available when the consolidated financial statements were prepared.

However, existing circumstances and assumptions about future developments may change due to market changes or circumstances arising beyond the control of the Entity. Such changes are reflected in the assumptions when they occur. IPSAS 1.140

Useful lives and residual values

The useful lives and residual values of assets are assessed using the following indicators to

BANDARI MARITIME ACADEMY
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE, 2025

inform potential future use and value from disposal:

- The condition of the asset based on the assessment of experts employed by the Entity
- The nature of the asset, its susceptibility and adaptability to changes in technology and processes
- The nature of the processes in which the asset is deployed
- Availability of funding to replace the asset
- Changes in the market in relation to the asset

Provisions

Provisions were raised and management determined an estimate based on the information available. Provisions are measured at the management's best estimate of the expenditure required to settle the obligation at the reporting date. They are discounted to present value where the effect is material.

BANDARI MARITIME ACADEMY
 ANNUAL REPORT AND FINANCIAL STATEMENTS
 FOR THE YEAR ENDED 30 JUNE, 2025

2. **Transfers from Ministries, Departments and Agencies**

a. **Transfers from National Treasury**

Description	2024/2025	2023/2024 (Restated)	2023/2024 (Audited)
	KSh	KSh	KSh
15-Nov-24	15,873,289		
06-Dec-24	15,765,266		
31-Dec-24	15,878,839		
10-Feb-25	15,633,307		
03-Apr-25	10,000,000		
11-Apr-25	21,260,598		
11-Apr-25	35,500,000		
02-May-25	35,500,000		
30-May-25	34,106,095		
	199,517,394	187,403,005	187,403,005

b. **Deferred Income-Income on Assets Donated by KPA**

Description	2024/2025	2023/2024 (Restated)	2023/2024 (Audited)
Deferred Income	-	71,804,731	71,804,731

BANDARI MARITIME ACADEMY
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE, 2025

3. Rendering of Services

a. Rendering of Services-service fees

Description	2024/2025	2023/2024 (Restated)	2023/2024 (Audited)
	KSh	KSh	KSh
111501 Admission fees	315,800	70,400	70,400
110501 Tuition fees:Modular courses-Diploma	93,162,884		
110502 Tuition fees:Modular courses-Certificate	24,095,417		
110503 Tuition fees:STCW Mandatory Basic Safety	39,965,202		
110504 Tuition fees:STCW Revalidation Basic Safety	2,023,000		
110506 Tuition fees:Cert in Forklift and Empty Container Handling	6,699,000		
110507 Tuition fees:Crowd Control Course	483,000		
110508 Tuition fees:Survival Craft & Rescue Boats	2,040,500		
110516 Tuition fees:Coxwain level iii	860,000		
110520 Tuition fees:Port operations Supervisory Course	640,000		
111502 Student ID Fees	140,000	167,437,751	167,437,751
111503 Student welfare charges	283,000		
111504 Internal Examination Fees	563,000		
111505 Library charges	15,150		
111506 ICT Charges	198,100		
112001 Hostels Accommodation income	568,885		
110521 Ratings Forming Part of Navigational Watch II/4	210,000		
1101516 Tuition fees:Advance fire fighting	1,000,000		
110525 Passenger Ship Crisis Management and Human Behaviour	364,000		
110517 Tuition fees:LifeGuard & Scoober diving course	4,780,000		
112002 Conferences income	23,451,641	33,561,867	33,561,867
112003 Hospitality - Hire of Conference rooms/facilities	-	99,000	99,000
112005 Swimming pool charges	-	240,000	240,000
113001 Rental income	-	99,000	99,000
Total Rvenue fron Exchange transactions	201,858,579	201,508,018	201,508,018

b. Rental Revenue from Facilities and Equipment

Description	2024/2025	2023/2024 (Restated)	2023/2024 (Audited)
	KSh	KSh	KSh
112003 Hospitality - Hire of Conference rooms/facilities	308,621	-	-
112004 Hire of Amphetheatre	1,154,310	-	-
112005 Swimming pool charges	220,000	-	-
113001 Rental income	33,000	-	-
113004 Misceleneous income	643,574	-	-
Total Rentals	2,359,505	-	-

NB:

- Tuition fees are charged to students who attend the various courses offered at Bandari Maritime Academy.
- All income is classified as far as possible in the relevant classes. Other income has been used to recognize income not elsewhere classified.

BANDARI MARITIME ACADEMY
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE, 2025

4. Use of Goods and Services

Description	2024/2025	2023/2024 (Restated)	2023/2024 (Audited)
a) Core Mandate Expenses	KSh	KSh	KSh
230501 Curriculum development:	4,625,173	18,632,608	18,632,608
230507 Learning guides	1,646,575	-	-
230509 Recognition of prior learning	864,328	-	-
230506 Training programmes	33,640	-	-
233503 Quality assurance cost	1,498,490	160,900	160,900
231002 Examination Materials Expenses	8,831,856	12,359,320	12,359,320
230505 Monitoring tools	604,800	-	-
232503 Library Subscriptions/Books/Periodicals	921,250	2,692,699	2,692,699
231501 Accred of Certificate Courses	271,000	1,050,000	1,050,000
232003 Training Aids	5,366,080	38,826,823	38,826,823
233003 Boat Repairs and Maintenance	981,740	-	-
233004 Other Boat expenses	14,338	-	-
233002 Boat Fuel, oil and Lubricants	34,600	-	-
233501 student welfare	686,000	-	-
233502 student mentorship	562,575	20,000	20,000
233505 Graduation Ceremony	901,320	-	-
233510 Design and Develop BMA certificate	45,000	-	-
233514 Student placement	327,930	-	-
2131004 Policies development	4,720,800	6,923,701	6,923,701
International Maritime Activities	-	1,614,405	1,614,405
Strategic Plan	-	361,284	361,284
Career Services Framework	-	159,700	159,700
	32,937,495	82,801,440	82,801,440
b) Administrative costs			
241501 Partnership:Air Travel-Domestics	715,506	1,087,500	1,087,500
241504 Partnership:Subsistence Allowances-Domestic	4,836,640	13,879,613	13,879,613
2131005 Policies development:policies development Dsa cost	3,451,990	-	-
213502 ISO Expenses	1,362,533	6,118,514	6,118,514
241001 Shows and exhibitions	5,853,431	2,761,144	2,761,144
260505 Fuel and Gas MTOT Equipment	43,669	-	-
211003 Staff Medical Insurance	10,581,090	6,109,553	6,109,553
211004 Other staff Medical Expenses	773,913	27,000	27,000
211011 Staff Recruitment Costs	248,690	-	-

BANDARI MARITIME ACADEMY
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE, 2025

2100503 Road Safety Mainstreaming	83,300		
2100504 Ethics and Anti corruption Training	476,700		
Data Protection Compliance	431,200		
2100505 National Cohesion Values	1,604,900		
2100509 PC cross cutting issues -other	2,679,200		
2110504 Other taxes	458,729		
2111001 Bank Charges-Local	433,885		
2120503 Food Provision - Conference Attendees	14,903,359		
2120505 Hospitality - Staff	3,552,006		
2120507 Cooking Gas	608,000		
2130502 Subsistence Allowances-legal	1,894,340		
2130504 Hire of legal services	245,100		
2131503 Membership Fees	17,550		
Asset Tagging	449,500		
2142501 Fumigation	3,698,500		
2142503 Uniform/Protective clothing/gear	795,700		
2143001 Conference facilities	5,862,450		
2143501 Water bills	5,344,900	162,629,653	162,629,653
240501 Print media advertising	1,097,473		
240503 Other advertising	1,067,484		
251001 Telephone expenses	85,344		
251002 Mobile Airtime to staff	2,272,000		
260504 Motor vehicle Fuel, oil & lubricants	585,524		
261002 Staff Air Travel-Domestic	4,554,167		
261003 Staff Air travel-foreign	6,081,360		
261004 Staff Taxi hire expenses	4,668,608		
261501 Staff Daily subsistence allowance-Domestic	19,853,557		
261502 Staff Daily subsistence allowance-Foreign	6,350,635		
290503 Printing & Stationary	573,779		
291002 Staff Training and Skills Development	5,771,571		
291502 Other General Services	3,328,226		
260503 Motor vehicle Insurance	445,709		
2144005 Other Insurance	4,988,712		
Audit fees -External Audit	700,000		
291503 Staffs Subscription to Professional bodies	159,520		
	134,100,449	192,612,977	192,612,977
c. Contracted Services			
211005 Contracted Security	6,069,010	6,069,120	6,069,120
2121003 Cleaning & Gabbage Collection	18,292,763	15,156,220	15,156,220
2121001 Laundry Services	2,011,402	5,403,776	5,403,776
270501 ICT Expenses:Email &Internet	2,275,967	-	-
271501 ICT Expenses:E-Board	440,675	-	-
272501 ICT Expenses:Website and Logo Development	249,400	-	-
271502 ICT Expenses:Quick- books	147,733	-	-
271503 ICT Expenses:ERP License	2,315,600	-	-
272002 ICT Expenses:Network Upgrade and Maintanance	346,400	-	-
272003 ICT Expenses: Upgrade of Server Storage Capacity	799,900	-	-
	32,948,850	26,629,116	26,629,116
Total Use of Goods and services	199,986,794	302,043,533	302,043,533

BANDARI MARITIME ACADEMY
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE, 2025

5. Employee Costs

Description	2024/2025	2023/2024 (Restated)	2023/2024 (Audited)
	KSh	KSh	KSh
210501 Staff:Basic Pay	81,437,037	70,613,377	70,613,377
210502 Staff:House Allowance	19,215,000	8,110,000	8,110,000
210503 Staff:Commuter Allowance	14,718,000	3,890,000	3,890,000
210504 Staff:Extertainment Allowance	330,000	1,198,000	1,198,000
210505 Staff:Extraneous Allowance	622,000	570,000	570,000
210506 Staff:Non-practice allowance	510,000	480,000	480,000
210507 Staff:Leave Travelling Allowance	406,000	-	-
210508 Staff:Acting Allowance	456,000	624,307	624,307
210510 NSSF Employer's Cont	3,097,649	1,199,761	1,199,761
210511 Pension Scheme Employer's Cont	2,810,267	-	-
210512 Housing Levy employer contribution	1,861,874	1,333,261	1,333,261
210513 Gratuity contractual staff	12,199,016	10,765,551	10,765,551
210517 NITA Contribution	72,300	-	-
210518 Top-p Allowances	652,380	-	-
211002 Resource Persons/Trainers Wages	35,058,926	45,577,332	45,577,332
211009 Casuals Wages	497,122	1,039,756	1,039,756
Staff Medical	-	6,136,553	6,136,553
Total Employee costs	173,943,571	151,537,898	151,537,898

6. Remuneration of Directors

Description	2024/2025	2023/2024 (Restated)	2023/2024 (Audited)
	KSh	KSh	KSh
220501 Board Expenses: Sitting Allowances-Domestic	6,248,850	10,010,400	10,010,400
221002 Board Expenses: Air Travel- Domestic	4,622,676	4,172,433	4,172,433
221003 Board Expenses: Mileage claims	545,730	653,061	653,061
Board Medical Insurance	-	901,083	901,083
221005 Board Expenses: Board Taxi Expenses claims	608,262	463,935	463,935
221501 Board Expenses: Telephone Allowance-Chairman	104,000	88,000	88,000
221502 Board Expenses: Telephone Allow- Other BOD	106,000	112,000	112,000
222001 Board Expenses: Daily Subsistence allow- (Domestic)	7,345,212	8,964,635	8,964,635
222003 Board Expenses: Board Lunch Allowances	66,500	2,000	2,000
223002 Board Expenses: Board Training Expense	1,324,400	624,000	624,000
223003 Board Expenses: Honorarium -Chairman	960,000	960,000	960,000
Total director emoluments	21,931,630	26,951,547	26,951,547

BANDARI MARITIME ACADEMY
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE, 2025

7. Repairs and Maintenance

Description	2024/2025	2023/2024 (Restated)	2023/2024 (Audited)
	KSh	KSh	KSh
2150505 Repair of other plant and equipment	499,205	9,446,793	9,446,793
2151001 Repair& Maint Computers	435,602	184,016	184,016
2151003 Repair& Maintena Photocopiers	450,000	94,936	94,936
2151006 Repair and Maintenance	210,500	-	-
2151504 Repair & Maint OF Buildings	16,570,567	35,337,276	35,337,276
2151005 Other Repair of Office Machinery & Equip	242,863	-	-
2152001 Motor Vehicle Repairs & Maint	900,875	6,819,740	6,819,740
2152501 Repair and Maintenance others	7,968,076	8,373,727	8,373,727
260501 Motor Vehicle Maintenance	252,827	-	-
2151502 Repair& Maint Workshop Equipment	927,500	5,999,300	5,999,300
2151501 Repair & Maint Swimming Pool	33,200	2,756,441	2,756,441
Total repairs and maintenance	28,491,215	69,012,229	69,012,229

8. Depreciation and Amortization Expense

Description	2024/2025	2023/2024 (Restated)	2023/2024 (Audited)
	KSh	KSh	KSh
320503 Buildings Depreciation - 2.5%	16,520,044	16,520,044	16,520,044
321002 Computers depreciation-33.333%	8,619,439	12,203,311	12,203,311
321502 Furniture depreciation - 12.5%	9,934,919	9,934,919	9,934,919
322002 Motor Vehicles depreciation - 25%	5,943,295	6,769,795	6,769,795
323002 Plant Machinery and Equipment Depreciation - 25%	17,714,280	15,359,712	15,359,712
323502 House hold Equipment(Hostels) Depreciation - 25%	233,875	116,938	116,938
324002 kitchen Equipment Depreciation - 25%	6,183,769	3,055,219	3,055,219
324502 Boats Depreciation - 25%	263,275	263,275	263,275
325002 Bridge Simulators Depreciation - 12.5%	41,399,840	40,189,562	40,189,562
325502 Intangible Assets Depreciation - 12.5%	5,414,313	5,414,313	5,414,313
322502 Communications Equipments depreciation-25%	8,711,564	13,394,380	13,394,380
	120,938,614	123,221,468	123,221,468

Depreciation and amortization have been calculated on all assets acquired through purchases by Bandari Maritime Academy and donations by Kenya Ports Authority. Depreciation is calculated on a straight line basis at the rates indicated against each class of assets.

BANDARI MARITIME ACADEMY
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE, 2025

9. Property, Plant and Equipment

Description	Land	Buildings	Motor Vehicles	Furniture, Fixtures & Fittings	Plant & Machinery	Office Equipment & Computers	Communication Equipment	Kitchen Equipment	Household Equipment	Boats	Ship Simulators	Total
Cost	Shs	Shs	Shs	Shs		Shs	Shs	Shs	Shs			Shs
Cost at end of 30 Jun 2024	453,900,000	660,801,770	46,044,577	79,479,356	122,877,692	50,982,555	44,013,703	24,212,074	935,500	15,991,534	321,516,493	1,820,755,254
Add: Additions	-	-	-	-	-	-	-	523,000	-	-	9,682,230	10,205,230
Cost at end of 30 June 2025	453,900,000	660,801,770	46,044,577	79,479,356	122,877,692	50,982,555	44,013,703	24,735,074	935,500	15,991,534	331,198,723	1,830,960,484
Acc as at 30 June 2024	-	79,080,942	29,041,193	32,161,138	67,179,758	29,599,859	30,826,168	13,171,113	265,498	15,728,259	195,859,193	492,913,120
Depre Charge to 30 June 2025	-	16,520,044	5,943,295	9,934,919	17,714,280	8,619,439	8,711,564	6,183,769	233,875	263,275	41,399,840	115,524,301
Acc as at 30 June 2025	-	95,600,986	34,984,488	42,096,058	84,894,038	38,219,298	39,537,732	19,354,881	499,373	15,991,534	237,259,033	608,437,420
NBV's as at 30 Jun 2024	453,900,000	581,720,828	17,003,384	47,318,217	55,697,935	21,382,697	13,187,535	11,040,962	670,003	263,275	125,657,300	1,327,842,135
NBV's as at 30 June 2025	453,900,000	565,200,784	11,060,090	37,383,298	37,983,655	12,763,258	4,475,971	5,380,193	436,128	-	93,939,690	1,222,523,064

BANDARI MARITIME ACADEMY
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE, 2025

10. Intangible Assets

Description	As at 30 June		
	2025	2024 (Restated)	2024 (Audited)
	KSh	KSh	KSh
325501 Intangible Assets Original Cost	43,314,505	43,314,505	43,314,505
325502 Intangible Assets Accumulated Depreciation prior year	(18,080,753)	(12,666,439)	(12,666,439)
NBV AS AT prior year	25,233,752	25,233,752	25,233,752
Depreciation Chrg for the current year	(5,414,313)	(5,414,313)	(5,414,313)
325502 Intangible Assets Accumulated Depreciation current year	(23,495,066)	(18,080,752)	(18,080,752)
NBV as at close of current year	19,819,439	25,233,753	25,233,753

11. Work-in-Progress

Description	As at 30 June		
	2025	2024 (Restated)	2024 (Audited)
	KSh	KSh	KSh
Construction of Maritime Survival Training and Certification Centre	621,891,901	117,389,434	117,389,434
Other Capitalised Costs- Maritime Survival Training and Certification	-	8,108,622	8,108,622
Construction of Bus	8,905,000	-	-
	630,796,901	125,498,056	125,498,056

12. Cash and Cash Equivalent

Description	As at 30 June		
	2025	2024 (Restated)	2024 (Audited)
	KSh	KSh	KSh
310502 Operations Acc 1264378726	1,635,077	3,159,020	3,159,020
310503 Refundable deposits Acc 1303252694	604,925	26,670,551	26,670,551
310504 Development Acc 1328860167	12,840,169	90,228,120	90,228,120
Sub- total	15,080,171	120,057,691	120,057,691

13. Inventory

Description	As at 30 June		
	2025	2024 (Restated)	2024 (Audited)
	KSh	KSh	KSh
311501 Consumable stores at hand	5,245,433	4,203,412	4,203,412
Total inventories at the lower of cost and net realizable value	5,245,433	4,203,412	4,203,412

BANDARI MARITIME ACADEMY
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE, 2025

14. Receivables from Exchange Transactions

Description	As at 30 June		
	2025	2024 (Restated)	2024 (Audited)
	KSh	KSh	KSh
311001 Temporary Imprest	3,264,800	2,070,280	2,070,280
311002 Standing Imprest	270,000	-	-
311005 Trade/conference/services debtors	18,071,029	35,805,034	35,805,034
311010 Prepayments (Insurance etc)	97,153	-	-
311012 Student debtors	137,499,840	77,187,858	77,187,858
311013 Other Receivable /recoverable	20,000	20,000	20,000
	159,222,822	115,083,172	115,083,172
Receivables From Non-Exchange Transactions			
Receivables from Non-Exchange Transactions-Recurrent	-	15,666,667	15,666,667
Receivables from Non-Exchange Transactions-Decelopment	-	42,382,445	42,382,445
	-	58,049,112	58,049,112
Grand Total Receivables	159,222,822	173,132,284	173,132,284
Under one year	16,227,532		
1-2 Years	20,599,958		
2-3 Years	41,911,662		
Over 3 Years	80,483,670		
Total	159,222,822		

15. Trade and Other Payables

Description	As at 30 June		
	2025	2024 (Restated)	2024 (Audited)
	KSh	KSh	KSh
410507 Accounts Payable (A/P)	11,117,804	40,356,921	40,356,921
413003 Accrued other expenses	81,351,551	49,077,734	49,077,734
411501 V.A.T. Withheld 2%	1,292,889	-	-
411502 Withholding income tax 5%	4,622,909	-	-
411506 VAT Control 16%	216,449	-	-
411507 Withholding income tax 0.5% on goods	50,087	-	-
411006 Public Procurement Capacity Building Levy 0.03%	20,263	-	-
412503 Other payables	612,399	-	-
413006 Accrued Expenses-Board Sitting Allowance Payable	197,270	-	-
413004 Accrued Expense-Board DSA Payable	273,000	-	-
413008 Accrued Expenses-Board Taxi claims payable	113,330	-	-
	99,867,949	89,434,655	89,434,655
412507 Payroll and other deduction:PAYE payable	2,985,735	-	-
412510 Payroll and other deduction:Housing Levy payable	370,143	-	-
411001 HELB payable	-	-	-
412512 KMA Certification	923,495	-	-
412514 Payroll and other deduction:Bandari SACCO contributions	270,730	-	-
413001 Accrued Payroll expenses	1,159,095	-	-
414001 Payroll liabilities:NSSF Payable	750,819	-	-
414003 Payroll liabilities:NHIF/SHA Payable	299,567	-	-
414007 Payroll and other deduction:Gratuity Payable	21,690,661	10,767,251	10,767,251
414008 Payroll and other deduction:Pension Payable	2,810,267	-	-
414006 Payroll and other deduction:NITA Payable	5,250	-	-
	31,265,763	10,767,251	10,767,251
Total	131,133,712	100,201,906	100,201,906
Ageing analysis: (Trade and other payables)			
Under one year	112,277,418		
1-2 Years	13,658,147		
2-3 Years	5,198,147		
Over 3 Years	-		
	131,133,712		

BANDARI MARITIME ACADEMY
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE, 2025

16. Refundable Deposits

Description	As at 30 June		
	2025	2024 (Restated)	2024 (Audited)
	KSh	KSh	KSh
410504 Deferred Income	16,143,605	6,776,873	6,776,873
410505 Unidentified Deposits-Customers/students	4,354,007	-	-
411005 Unremitted KNEC Exam fees	6,060,060	4,175,400	4,175,400
412501 Project Retention Monies	2,831,026	3,946,382	3,946,382
412502 Students Caution Money	12,291,426	9,436,431	9,436,431
	41,680,125	24,335,086	24,335,086
Ageing analysis: Refundable Deposits and Customer Prepayments			
Under one year	26,557,672		
1-2 Years	2,831,026		
2-3 Years	12,291,426		
Over 3 Years	-		
Total	41,680,125		
Total Payables	172,813,836	124,536,992	124,536,992

17. Cash Inflows from Operating Activities

Description	2024/2025	2023/2024 (Restated)	2023/2024 (Audited)
	KSh	KSh	KSh
(a) Rendering of Services			
Opening Balance - debtors	173,132,284	117,292,741	-
Add Revenue Earned during the year	201,858,579	201,508,018	201,508,018
Less Closing debtors	(159,222,822)	(173,132,284)	-
Cash generated from service operations	215,768,041	145,668,475	201,508,018
(b) Rental revenue from facilities and equipment			
Opening Balance - debtors	-	-	-
Add Revenue Earned during the year	2,359,505	-	201,508,018
Less Closing debtors	-	-	-
Cash generated from service operations	2,359,505	-	201,508,018

BANDARI MARITIME ACADEMY
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE, 2025

18. Cash Outflow from Operating Activities

Description	2024/2025	2023/2024 (Restated)	2023/2024 (Audited)
	KSh	KSh	KSh
(a) Cash paid out for use of goods and services			
Opening Balance - Unpaid goods and services	113,769,741	31,855,057	-
Expenses incurred during the year on goods and services	167,037,944	254,243,142	302,043,533
Less Closing unpaid other services	(137,632,431)	(97,678,511)	-
Cash paid out for use of goods and services	143,175,254	188,419,688	302,043,533
Cash Generated from Inventories			
Opening Balance - Inventories	4,203,412	15,571,742	15,571,742
Less Closing Inventories	(5,245,433)	(4,203,412)	(4,203,412)
Cash generated from purchase of inventory	(1,042,021)	11,368,330	11,368,330
Total Cash paid out for use of goods and services	142,133,233	-	-
(b) Cash paid out as Employee Costs			
Opening Balance - Unpaid Staff & related emoluments	10,767,251	-	-
Add Staff Costs for the year	173,943,571	151,537,898	151,537,898
Less Closing unpaid staff expenses	(31,265,763)	(10,767,251)	-
Cash paid out as employee costs	153,445,059	140,770,647	151,537,898
(c) Cash paid out to Board of Directors			
Opening Balance - Unpaid Board Expenses	-	-	-
Expenses incurred during the year on Board of Directors	21,931,630	26,951,547	26,951,547
Less Closing unpaid Board expenses	(583,600)	-	-
Cash paid out to Board of Directors	21,348,030	26,951,547	26,951,547
(d) Cash paid out to Repairs & Maintenance			
Opening Balance - Unpaid R&M Costs	-	-	-
Expenses incurred during the year on R&M	28,491,215	69,012,229	69,012,229
Less Closing unpaid R&M Costs	-	-	-
Cash paid out for Repairs and Maintenance	28,491,215	69,012,229	69,012,229
(e) Cash paid out to Contracted Services			
Opening Balance - Unpaid Contracted Services	-	-	-
Expenses incurred during the year on Contracted Services	32,948,850	47,800,390	-
Less Closing unpaid Contracted Services	-	-	-
Cash paid out for Contracted Services	32,948,850	47,800,390	-

BANDARI MARITIME ACADEMY
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE, 2025

19. Cash Flows from Investing Activity

Description	2024/2025	2023/2024 (Restated)	2023/2024 (Audited)
	KSh	KSh	KSh
Opening Balance -Unpaid Purchase of Assets	16,091,230	-	
Purchase of Property, Plant and Equipment	10,205,230	114,537,006	108,130,030
Expenditure on Work in Progress-Survival Training Centre Const	496,393,842	125,498,056	125,498,056
Expenditure on Work in Progress-Bus Body Building	8,905,000	-	-
Less unpaid purchase of assets-Simulator	(9,682,230)	(9,682,230)	-
Less unpaid purchase of assets-Bus	(1,248,000)	-	-
Upaid purchase of software	(6,409,000)	(6,409,000)	-
Changes in Current Assets	-	-	44,469,189
Changes in Current Laibilities	-	-	(92,681,936)
Changes in Intangible Asset	-	-	6,409,000
Net cash flow from non-current assets	514,256,072	223,943,832	191,824,339

20. Retained Earnings

Description	2024/2025	2023/2024 (Restated)	2023/2024 (Audited)
	KSh	KSh	KSh
420504 Capital Grants	1,847,490,454	1,477,490,454	1,477,490,454
510501 Retained earnings/Deficit prior years	32,383,537	173,939,883	173,939,883
	1,879,873,991	1,651,430,336	1,651,430,336

21. Budget Reconciliation

Description	2024/2025	2023/2024 (Restated)	2023/2024 (Audited)
	KSh	KSh	KSh
Actual amount on a comparable basis as presented in the Statement of Comparison of Budget and Actual Amounts	(30,799,962)		
Basis differences	(13,909,463)		
Timing differences	-		
Entity differences			
Presentation/Classification differences	66,169,052		
Other differences (Specify)	(6,379,456)		
Actual amounts in the IPSAS Statement of Cash Flows	15,080,171		

22. Financial Risk Management

vi. Credit risk

The carrying amount of financial assets recorded in the financial statements representing the entity's maximum exposure to credit risk without taking into account of the value of any collateral obtained is made up as follows:

	Total amount	Fully performing	Past due	Impaired
	Kshs	Kshs	Kshs	Kshs
At 30 June 2025				
Receivables from exchange transactions	0	0	0	0
Receivables from non-exchange transactions	0	0	0	0
Bank balances	0	0	0	0
Total	0	0	0	0
At 30 June 2025				
Receivables from exchange transactions	0	0	0	0
Receivables from non-exchange transactions	0	0	0	0
Bank balances	0	0	0	0
Total	0	0	0	0

(NB: The totals column should tie to the individual elements of credit risk disclosed in the entity's statement of financial position)

The customers under the fully performing category are paying their debts as they continue trading. The credit risk associated with these receivables is minimal and the allowance for uncollectible amounts that the entity has recognised in the financial statements is considered adequate to cover any potentially irrecoverable amounts. The entity has significant concentration of credit risk on amounts due from debtors.

The board of directors sets the entity's credit policies and objectives and lays down parameters within which the various aspects of credit risk management are operated.

vii. Liquidity risk management

Ultimate responsibility for liquidity risk management rests with the entity'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. The entity manages liquidity risk through continuous monitoring of forecasts and actual cash flows.

The table below represents cash flows payable by the entity under non-derivative financial liabilities by their remaining contractual maturities at the reporting date. The amounts disclosed in the table are the contractual undiscounted cash flows. Balances due within 12 months equal their

BANDARI MARITIME ACADEMY
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE, 2025

carrying balances, as the impact of discounting is not significant.

viii. **Market risk**

The board has put in place an internal audit function to assist it in assessing the risk faced by the entity on an ongoing basis, evaluate and test the design and effectiveness of its internal accounting and operational controls.

Market risk is the risk arising from changes in market prices, such as interest rate, equity prices and foreign exchange rates which will affect the entity'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 optimising the return. Overall responsibility for managing market risk rests with the Audit and Risk Management Committee.

The entity's Finance Department is responsible for the development of detailed risk management policies (subject to review and approval by Audit and Risk Management Committee) and for the day-to-day implementation of those policies.

There has been no change to the entity's exposure to market risks or the manner in which it manages and measures the risk.

a) **Foreign currency risk**

The entity has transactional currency exposures. Such exposure arises through purchases of goods and services that are done in currencies other than the local currency. Invoices denominated in foreign currencies are paid after 30 days from the date of the invoice and conversion at the time of payment is done using the prevailing exchange rate.

The carrying amount of the entity's foreign currency denominated monetary assets and monetary liabilities at the end of the reporting period are as follows:

	Ksh	Othe F currencie s	Total
	Kshs	Kshs	Kshs
At 30 June 2025			
Financial assets	0	0	0
Investments	0	0	0
Cash	0	0	0
Debtors	0	0	0
Total financial assets	0	0	0
Financial Liabilities			
Trade and other payables	0	0	0
Borrowings	0	0	0
Total financial liabilities	0	0	0
Net foreign currency asset/(liability)	0	0	0

BANDARI MARITIME ACADEMY
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE, 2025

The entity manages foreign exchange risk from future commercial transactions and recognised assets and liabilities by projecting for expected sales proceeds and matching the same with expected payments.

	Ksh	Other currencies	Total
	Kshs	Kshs	Kshs
At 30 June 2025			
Financial assets	0	0	0
Investments	0	0	0
Cash	0	0	0
Debtors	0	0	0
Total financial assets	0	0	0
Financial Liabilities	0	0	0
Trade and other payables	0	0	0
Borrowings	0	0	0
Total financial liabilities	0	0	0
Net foreign currency asset/(liability)	0	0	0

Foreign currency sensitivity analysis

The following table demonstrates the effect on the entity's statement of comprehensive income on applying the sensitivity for a reasonable possible change in the exchange rate of the three main transaction currencies, with all other variables held constant. The reverse would also occur if the Kenya Shilling appreciated with all other variables held constant.

	Change in currency rate	Effect on Profit before tax	Effect on equity
	Kshs	Kshs	Kshs
2025			
Euro	10%	0	0
USD	10%	0	0
2025		0	0
Euro	10%	0	0
USD	10%	0	0

b) Interest rate risk

Interest rate risk is the risk that the entity's financial condition may be adversely affected as a result of changes in interest rate levels. The entity's interest rate risk arises from bank deposits. This exposes the entity to cash flow interest rate risk. The interest rate risk exposure primarily arises from interest rate fluctuations on the entity's deposits.

Management of interest rate risk

To manage the interest rate risk, management has endeavoured to bank with institutions that offer favourable interest rates.

Sensitivity analysis

The entity 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. The analysis has been performed on the same basis as the prior year. 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 one percentage point as a decrease/increase.

ix. **Fair value of financial assets and liabilities**

a) **Financial instruments measured at fair value**

Determination of fair value and fair values hierarchy

IPSAS 30 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 *entity'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 *entity* considers relevant and observable market prices in its valuations where possible.

The following table shows an analysis of financial and non-financial instruments recorded at fair value by level of the fair value hierarchy:

	Level 1 Kshs	Level 2 Kshs	Level 3 Kshs	Total Kshs
On 30 June 2025				
Financial Assets				
Quoted equity investments	0	0	0	0
Non-financial Assets				
Investment property	0	0	0	0
Land and buildings	0	0	0	0
At 30 June 2025				
Financial Assets				

BANDARI MARITIME ACADEMY
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE, 2025

Quoted equity investments	0	0	0	0
Non-financial Assets				
Investment property	0	0	0	0
Land and buildings	0	0	0	0

There were no transfers between levels 1, 2 and 3 during the year. 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.

iii) Capital Risk Management

The objective of the entity's capital risk management is to safeguard the Board's ability to continue as a going concern. The entity capital structure comprises of the following funds:

	2024-2025	2023-2024
	Kshs	Kshs
Revaluation reserve	0	0
Retained earnings	0	0
Capital reserve	0	0
	0	0
Total funds		
Total borrowings	0	0
Less: cash and bank balances	0	0
Net debt/(excess cash and cash equivalents)	0	0
Gearing		

23. Related Party Balances

Nature of related party relationships

Entities and other parties related to the entity include those parties who have ability to exercise control or exercise significant influence over its operating and financial decisions. Related parties include management personnel, their associates and close family members.

Government of Kenya

The Government of Kenya is the principal shareholder of the *Bandari Maritime Academy*, holding 100% of the *Bandari Maritime Academy* equity interest. The Government of Kenya has provided full guarantees to all long-term lenders of the entity, both domestic and external. Other related parties include:

- i. The National Government;
- ii. The Ministry of Transport, Infrastructure, Housing and Urban Development and Public Works- State Department for Shipping and Maritime;
- iii. Kenya Ports Authority;
- iv. Key management; and
- v. Board of directors.

BANDARI MARITIME ACADEMY
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE, 2025

	2024-2025	2023-2024
	Kshs	Kshs
Transactions with related parties		
a) Sales to related parties		
Sales of goods	0	0
Sales of services	0	0
Total	0	0
b) Grants from the Government		
Grants from the National Government	569,517,394	437,403,005
Grants from County Government		
Donations in kind		
Total	569,517,394	437,403,005
c) Expenses incurred on behalf of related party		
Payments of salaries and wages for employees	173,943,571	151,537,898
Payments for goods and services	371,348,252	524,328,776
Total	545,291,823	675,866,674
d) Key management compensation		
Directors' emoluments	21,931,630	25,531,947
Compensation to the CEO	9,280,470	3,701,590
Compensation to key management	21,924,835	20,588,743
Total	53,136,935	49,822,280

24. Appendices

Appendix 1: Implementation Status of Auditor-General's Recommendations

Since inception of the Academy no report has been tabled to any oversight committee. No recommendation for implementation has been given by the committee. However, included in the column for management comments is what the institution has done.

Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Focal Point person to resolve the issue (Name and designation)	Status (Resolved / Not Resolved)	Timeframe (Put a date when you expect the issue to be resolved)
Basis of Qualified Opinion- FY 2023/2024	Inaccuracies in the Cash Flow Statement - Reported decrease in current liabilities of Ksh 92,681,936 against the correct figure of Ksh 92,087,578	This was corrected in the subsequent financial year financial statements	Head of Finance & Accounts	Resolved	
	Unsupported reported Land Cost of Ksh 453,900,000 due to no Valuation	This has not been concluded. Procurement of a valuer was done in June 2025.	CEO	Not Resolved	FY 2025/2026
Emphasis of Matter- FY2023/2024	Budgetary Control & Performance - Observed under funding and Under absorption of planned funds	Under absorption was addressed in FY 2024/25, with 100% absorption. Under funding however occurred again due to National Treasury not releasing all the budgeted exchequer to the Academy	CEO	Resolved	
Report on Lawfulness and effective use of public resources - 2023/2024	Lack of Ethnic Diversity in the staff establishment	This was due to the majority of applicants for the advertised short-term contracts emanating from the local community. Will be corrected in subsequent recruitments, when the positions will be filled substantively	Head of Human Resource	Not Resolved	FY 2025/2026
	Delayed Project Implementation regarding the Library Management Information System	The Library Management Information system was fully operationalised during the year 2024/2025 and is in use, in spite of the earlier delays in its implementation.	Head of ICT	Resolved	
	Unutilized ERP Software	The use of the ERP system commenced in FY 2025/2026 and is in use, despite earlier delays in its implementation.	Head of ICT	Not Resolved	FY 2025/2026

BANDARI MARITIME ACADEMY
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE, 2025

Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Focal Point person to resolve the issue (Name and designation)	Status (Resolved / Not Resolved)	Timeframe (Put a date when you expect the issue to be resolved)
Report on the Effectiveness of Internal Controls, Risk Management and Governance- FY2023/2024	Weak Controls in Imprest Mnagement	This weakness was addressed when Management implemented a newer version of QuickBooks in July 2024. It is now possible to track imprests from issue to surrender	Head of Finance & Accounts	Resolved	
	Long Outstanding Student Receivables	Efforts continue to recover the long-standing outstanding student debtors, some of whom predate the academy's existence. Controls are however in place to ensure current students pay ip for services rendered.	Head of Finance & Accounts	Not Resolved	FY 2025/2026
Basis of Qualified Opinion- FY 2022/2023	The reporting of Ksh 75,889,886 as deferred income equal to the depreciation of the donated assets from KPA is contrary to IPSAS 23.	This matter has been addressed in the subsequent financial statements for the year ended June 2024, in which the treatment is in comiance with the IPSAS 23	Assistat Director Finance & Accountts	Resolved - in the Financial Statement sof the FY 2023/2024	
Basis of Qualified Opinion- FY 2022/2023 & FY 2020/2021	Inaccuracy in the statement of comparison of budget with actuals	The funds reported in the statement of comparison of actual with budget emanated from both the statement of financial performance and the rolled over funds from the previous financial year. An additional note has been added to the financial statements of FY 2023/24 to clarify these matters	Head of Finance & Accounts	Resolved - An explanatory note has been added to the statement of comparison of actual with budget to explain the source of all the funds reported therein	
Basis of Qualified Opinion- FY 2022/2023, FY 2021/2022, FY 2020/2021 & FY 2019/2020	Assets donated by KPA, reported at Ksh 1,526,964,840 were not supported by handing/taking over reports and documentary evidence to support their nature and values.	The Assets handing-over report was obtained in the FY 2023/24. The process of transfer of land title from KPA to BMA has begun. Thereafter asset valuation will be carried out.	CEO	Resolved -Handing over report Received & Shared	
Basis of Qualified Opinion FY 2021/2022	Unsupported receivables from exchange transactions. An amount of	Resolved. All receivables reported are now supported with an aged listing of the same.	CEO	Resolved - Support Schedules provided during audit	
Basis of Qualified Opinion FY 2020/2021	Unsupported expenditure of staff daily subsistence allowances-Ksh 641,600	The supporting documents for these imprest were subsequently provided as required.	CEO	Resolved -Supporting documents provided	

BANDARI MARITIME ACADEMY
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE, 2025

Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Focal Point person to resolve the issue (Name and designation)	Status (Resolved / Not Resolved)	Timeframe (Put a date when you expect the issue to be resolved)
Emphasis of Matter- FY2022/2023, FY2021/2022, FY2020/2021 & FY2019/2020	Budget for the year was under-spent by a significant percentage, which may have negatively affected planned activities and impaired service delivery to stakeholders.	Funds under-absorption was due to a lack of staff at the time to implement programs. These has been addressed and the budget implementation /execution has improved in subsequent financial year.	C.E. O	Ongoing-The Academy has recruited most of the staff it needs to imple,e t its programs and the budget peformance has improved significantly. It is ongoing.	FY 2025/2026
Report on Lawfulness and effective use of public resources - FY2021/2022 & FY2020/2021	Lack of business continuity plan	The Academy has prepared and implemented a business continuity plan	C.E. O	Resolved	
Report on Lawfulness and effective use of public resources-FY2019/2020	Operations without approved budget - no evidence was provided that the budget was approved	This was the Academy's first year of operations, and the timeline for Budget preparation had expired by the time the Academy was constituted. Budgets have been prepared and approved every year thereafter	C.E. O	Resolved	
Report on the Effectiveness of Internal Controls, Risk Management and Governance FY2022/2023	Failure to open and operate a separate bank account for refundable deposits, thereby impairing internal control and risk management effectiveness.	The Academy has designated a sepcific bak account for refundable deosits. Board resolution to that effect is attached. The bank account is no 1303252694, held at KCB Bank Kilindinn branch	C.E. O	Resolved	
Report on the Effectiveness of Internal Controls, Risk Management and Governance FY2021/2022	Unexplained variances in reported student numbers between finance department and registrar office, risk of making the wrong decisison based on inaccurarte data	The Academy has improved its record keeping and reconcilled all the records. No such variances exists going forward	Registrar/ADFA	Resolved	
Report on the Effectiveness of Internal Controls, Risk Management and Governance FY 2020/2021	Lack of risk managemnt policy framework	The Academy has prepared and implemented a risk management framework and established audit department from FY 2023/2024. The Board Audit Committee now meets regularly	C.E. O	Resolved	
Report on the Effectiveness of Internal Controls, Risk Management and Governance FY 2019/2020	The Academy had not established an internal audit department and the board audit committee was not effective	The Academy has established an Internal Audit Department and the Audit Committee of the Board receives reports accordingly.	C.E. O	Resolved	

BANDARI MARITIME ACADEMY
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE, 2025

Handwritten signature in blue ink

Handwritten initials in blue ink
Name: Prof. Kinandu Muragu
Chairman of the Board
Date...01-12-2025.....

Handwritten signature in black ink

Name: Dr. Eric Katana
Chief Executive Officer
Date:01-12-2025.....

Appendix ii: Projects Implemented By Bandari Maritime Academy

Projects

The Academy is undertaking the construction of the Maritime Survival Training and Certification Centre

Project title	Project Number	Donor	Period/duration	Donor commitment	Separate donor reporting required as per the donor agreement (Yes/No)	Consolidated in these financial statements (Yes/No)
1. Construction of Maritime Survival Training & Certification Centre			01-07-2023 to 31-12-2026		No	Yes
2						

Status of Projects completion

1. Bandari Maritime Academy is undertaking the Construction of Maritime Survival Training & Certification Centre during the year 2024/2025

BANDARI MARITIME ACADEMY
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE, 2025

Appendix iii: Inter-Entity Transfers

ENTITY NAME: Bandari Maritime Academy			
Breakdown of Transfers from the State Department of Shipping and Maritime			
a.	Recurrent Grants		
		Bank Statement Date	Amount (Ksh)
			Indicate the FY to which the amounts relate
		15-Nov-24	15,873,289
		06-Dec-24	15,765,266
		31-Dec-24	15,878,839
		10-Feb-25	15,633,307
		03-Apr-25	10,000,000
		11-Apr-25	21,260,598
		11-Apr-25	35,500,000
		02-May-25	35,500,000
		30-May-25	34,106,095
		TOTAL	199,517,394
b.	Development Grants		
		Bank Statement Date	Amount (Ksh)
			Indicate the FY to which amounts relate
		12-May-25	370,000,000
		Total	370,000,000
c.	Direct Payments		
		<u>Bank Statement Date</u>	<u>Amount (Ksh)</u>
			<u>Indicate the FY to which the amounts relate</u>
		Total	
d.	Donor Receipts		
		<u>Bank Statement Date</u>	<u>Amount (KShs)</u>
			<u>Indicate the FY to which the amounts relate</u>
		Total	0

The above amounts have been communicated to and reconciled with the parent Ministry

BANDARI MARITIME ACADEMY
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE, 2025

CPA Henry Mobegi
Deputy Accountant General
State Department for Shipping & Maritime Affairs
ICPAK Member Number: **9167**

CPA Moses Odera
Dep. Director Finance & Accounts
Bandari Maritime Academy
ICPAK Member Number: **4924**

Sign 

01-12-2025

Sign 

01-12-2025

BANDARI MARITIME ACADEMY
 ANNUAL REPORT AND FINANCIAL STATEMENTS
 FOR THE YEAR ENDED 30 JUNE, 2025

Appendix iv: Recording of Transfers from Other Government Entities

	Date Received as per bank statement	Nature:	Total Amount - KES	Statement of Financial Performance	Capital Fund	Others must be specific	Total Transfers during the Year
		Recurrent/					
		Development/ Others					
State Department for Shipping and Maritime Affairs		Recurrent	-	-	0	0	-
	15-Nov-24	Recurrent	15,873,289	15,873,289			15,873,289
	6-Dec-24	Recurrent	15,765,266	15,765,266			15,765,266
	31-Dec-24	Recurrent	15,878,839	15,878,839			15,878,839
	10-Feb-25	Recurrent	15,633,307	15,633,307			15,633,307
	3-Apr-25	Recurrent	10,000,000	10,000,000			10,000,000
	11-Apr-25	Recurrent	21,260,598	21,260,598			21,260,598
	11-Apr-25	Recurrent	35,500,000	35,500,000			35,500,000
	2-May-25	Recurrent	35,500,000	35,500,000			35,500,000
	30-May-25	Recurrent	34,106,095	34,106,095			34,106,095
	12-May-25	Capital			370,000,000		370,000,000
Total			199,517,394	199,517,394	370,000,000	0	569,517,394