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 THE NATIONAL ASSEMBLY P. D. REPORT NOV 2022 DAY: <i>Wednesday</i>	
TABLED BY:	<i>Lom</i>
CLERK-AT THE-TABLE:	<i>Marah Wanjiku</i>

OF

THE AUDITOR-GENERAL

ON

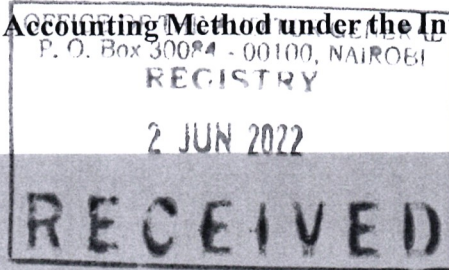
KENYA AIRPORTS AUTHORITY

FOR THE YEAR ENDED
30 JUNE, 2021



KENYA AIRPORTS AUTHORITY
ANNUAL REPORTS AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30TH JUNE 2021

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



Vision Statement: Travel Stress free

Mission Statement: To provide consistent and delightful Travel experience

Core Values:

- Customer focus
- Team spirit
- Integrity
- Innovation

Quality Status: KAA is certified in ISO 9001:2015 Quality Management System.

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Significant Statistics of the Year

Total Asset Base

Kshs 72.98 Billion

Total Revenue

Kshs 8.39 Billion

Loss before Tax

Kshs 7.97 Billion

Capital Expenditure

Kshs 6.14 Billion

**Number of
Passengers 4.47
Million**

Cargo Movement

Kgs 357.1 Million

**Number of Aircrafts
Movement 180.8 Thousands**

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KEY ENTITY INFORMATION

Background Information

Kenya Airports Authority is a body corporate in Kenya formed under the Kenya Airports Authority Act Cap 395, and is domiciled in Kenya.

Principal Activities

The principal activities of Kenya Airports Authority are:

- To construct, operate and maintain aerodromes and other related facilities;
- To construct or maintain aerodromes on an agency basis on the request of any Government department;
- To provide such other amenities or facilities for passengers and other persons making use of the services or the facilities provided by the Authority
- Construct any other necessary or desirable works required for the purposes of the Authority;
- Control the construction and use of prescribed aerodromes;
- Carry on any business that may be necessary or desirable for the purposes of the Authority and act as an agent for the Government in the provision of any agreed functions;
- Acquire, construct, manufacture, maintain or repair any works, plants or apparatus necessary or desirable for the purposes of the Authority;
- Determine, impose and levy rates, charges, dues or fees for any services performed by the Authority, or for use by any person of the facilities provided by the Authority, or for the grant to any person of a license, permit or certificate.

Risk Management Framework and Policy Statement

Kenya Airports Authority is exposed to a wide range of risks which affects the achievement of our vision. To mitigate on this, the Authority has come up with an enterprise risk management policy & framework. The purpose of the risk management policy is to ensure that the Authority pursues a structured approach to management of risks. The ERM supports value creation by enabling management to deal effectively with potential future events that create uncertainty and allows responses that reduce likelihood of downside outcomes.

The strategic imperative of the risk management framework is to develop risk management as a core capability that assists the Board and management determine the appetite for risk (choice of strategies and actions) and tolerance to risk (economic and operating sensitivities) and to communicate these throughout the Authority.

The year ended 30th June 2021 was marked with effects of Novel Coronavirus (Covid-19) pandemic. The pandemic has had a negative impact on both domestic and international travels thereby significantly affecting the Authority's revenues.

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The key risks are as follows:

- **Going Concern:** The current global travel restrictions necessitated by the effects of Covid-19 pandemic has significantly affected the Authority's cashflows. The effects and the impact of this pandemic can be attested by the 2020/21 financial performance.
- **Revenue Diversification:** The Authority's revenues are aviation driven with minimal diversification. The current disruption by the Covid-19 pandemic continues to affect the Authority's revenue generated.
- **Competitive pressure from regional airports:** The Authority's aviation hub JKIA has over the years faced steep competition and its dominant position has either been taken over or is being eroded by the neighboring regional airports particularly Addis Ababa's Bole International Airport, Kigali International Airport, Bugesera International Airport and Mwalimu Nyerere International Airport.
- **Credit risk:** Inability to collect debts from our customers which has been worsened by the effects of COVID 19.
- **Liquidity risk:** The Authority faces the possibility of not being able to meet both short-term and long-term obligations as they fall due as a result of the declining cash flow position resulting from the impact of COVID 19 to the revenues.
- **Operational Risks:** Serious safety and security incidents that could arise from pandemics, terrorism attacks, fires and aircraft accidents etc.
- **Infrastructure risk:** Ageing infrastructure and facilities to support business growth and good customer experience. Modernization of these facilities to a competitive level may be a challenge due to the dwindling cashflows.
- **Project Risks:** Failure to deliver project benefits within time, budget and expected quality.
- **Cyber Security:** Information technology *security* risks, threats and vulnerabilities which compromises the Authority's networks, computers, programs and data resulting to attacks, damage or unauthorized access. The risk has been escalated due to new ways of working from home resulting to connections to unsecure WIFI networks.
- **Legal and regulatory risks:** This may be as a result of violation of laws and regulations, internal policies, including not able to meet our contractual obligations as they fall due.
- **Human Resource Risk:** The key drivers of this risk include but not limited to; inability to attract and retain competent personnel, increased percentage of ageing work force, unstructured succession management and the associated effects of the National Aviation Bill implementation.
- **Risks associated with National Aviation Management Bill 2020.** Enactment of this Bill is expected to restructure collection of the KAA's revenue streams including Airport Passenger Service Charge (APSC). This may strain the Authority's ability to meet its core mandate of aerodromes infrastructure development.

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KEY ENTITY INFORMATION (Continued)

Directors

The Directors who served the entity during the year were as follows:

- | | |
|-------------------------------|--|
| 1. Mr. Isaac Awuondo | Chairman |
| 2. Alex Gitari | Managing Director/CEO |
| 3. Capt. Bootsy Mutiso | Director (Term expired 22 nd May 2021) |
| 4. Ms. Susan Kiama | Director. |
| 5. | |
| 6. Mr. Mbatia Kimani | Director |
| 7. Mr. William Ole Mayiani | Director |
| 8. Ms. Jeridah Bosibori Mbaka | Director |
| 9. Mr. Solomon Kitungu | Director
Principal Secretary
Ministry of Transport, Infrastructure, Housing,
Urban Development and Public Works |
| 10. Dr. Julius Muia | Director
Principal Secretary
National Treasury |
| 11. Dr. Eng. Karanja Kibicho | Director
Principal Secretary
Ministry of Interior & Coordination of
National Government |
| 12. Ms. Eunice Kigen | Alternate Director
National Treasury |
| 13. Mr. Nicholas E. Bodo | Alternate Director
Ministry of Transport, Infrastructure, Housing,
Urban Development and Public Works |

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KEY ENTITY INFORMATION (Continued)

- | | |
|----------------------|--|
| 14. Mr. Wilson Njega | Alternate Director
Principal Secretary
Ministry of Interior & Coordination of
National Government |
| 15. Mr. Isaac Odek | Representative
Inspectorate of State Corporations |

Ag. Corporation Secretary
Margaret Munene
Kenya Airports Authority Headquarters
Airport North Road
P. O. Box 19001-00501
NAIROBI

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KEY ENTITY INFORMATION (Continued)

Registered Office/Corporate Headquarters

Kenya Airports Authority- Headquarters
Airport North Road
P. O. Box 19001-00501
NAIROBI
Tel: +254-020-6822111/6611000/6612000
Mobile: +254 722 205 061/2/3/4/5/6/7/8
Email: talk2us@kaa.go.ke, info@kaa.go.ke
www.kaa.go.ke

BRANCH NETWORK

Jomo Kenyatta International Airport

P. O. Box 19087-00501
NAIROBI
Tel: +254-020-6822111/6611000/6612000
Mobile: +254 722 205 061/2/3/4/5/6/7/8

Moi International Airport

P. O. Box 93904-80115
MOMBASA
Tel: +254-041-3433211
Mobile: +254 726318515/6/7, 727417791

Eldoret International Airport

P. O. Box 2323
ELDORET
Tel: +254-053-2061299/ 2063377/ 2063844
Mobile: +254 712-452170, 712-452172, 712-452174

Kisumu International Airport

P. O. Box 13
KISUMU
Tel: +254- (057)2531186/2524399
Mobile: +254 728 765349/728 765360/1

Wilson Airport

P. O. Box 19005
NAIROBI
Tel: +254-020-501941/2/3
Mobile: +254 724256837, 724255343

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KEY ENTITY INFORMATION (Continued)

Lokichoggio Airport

P. O. Box 88
LOKICHOGIO
Tel: +254-054-32266/32441

Malindi Airport

P. O. Box 67
MALINDI
Tel: +254-042-2131201/2131931
Mobile: +254 710230386, 710261550, 738231201

Kitale Airstrip

P. O. Box 1718
KITALE
Tel: +254-054- 31017

Wajir Airport

P. O. Box 512
WAJIR
Tel: +254-046-421019/421362

Ukunda Airstrip

P. O. Box 139
KWALE
Tel: +254-040-3202126/3203246

Manda Airstrip

P. O. Box 167
LAMU
Tel: +254-042-633018

Lodwar Airstrip

Tel + 254 708081418
LODWAR

Eldoret Airstrip

ELDORET

Isiolo Airport

Tel + 254 703482571
P.O. Box 817 - 60300
ISIOLO

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KEY ENTITY INFORMATION (Continued)

Nanyuki Airstrip

P. O. Box 1436- 10400

NANYUKI

Kabunde Airstrip

P. O Box 887

HOMABAY

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KEY ENTITY INFORMATION (Continued)

Principal Bankers

Absa Bank Kenya Plc
Enterprise Road Branch
P. O. Box 18060-Nairobi
NAIROBI
Tel: +254 -020-530700-1

Citibank N.A
Upper Hill Branch
P.O Box 30711-00100
NAIROBI
Tel: +254 -020-2754800

Kenya Commercial Bank
Moi Avenue Branch
P.O. Box 48400-00100
NAIROBI
Tel: +254-020-327000

National Bank of Kenya Limited
Jomo Kenyatta International Airport Branch
P. O. Box 19230-00501-GPO Nairobi, Kenya
Tel: +254-020-827286, 0710-223623

Standard Chartered Bank of Kenya limited
Kenyatta Avenue Branch
P.O. Box 30001-00100
NAIROBI.
Tel: +254-020-329400

Equity Bank Limited
Equity Centre,
P.O Box 75104-00200
Nairobi, Kenya
Tel: +254-020-226200

NCBA Bank Limited
NIC House, Masaba Road,
P.O Box 44599-00100
Nairobi, Kenya
Tel: +254-020-2888217

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KEY ENTITY INFORMATION (Continued)

Family Bank Limited
Family Bank Towers-Corporate Branch
P.O. Box 74145-00200
NAIROBI
Tel: +254 -020-318173

Independent Auditor
Auditor General
Kenya National Audit Office
Anniversary Towers
P. O. Box 30084-00100
NAIROBI
Tel: +254-20-335777

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BOARD OF DIRECTORS



Mr. Isaac Awuondo

Chairman

Bachelor of Commerce (Accounting and Finance) degree from the University of Nairobi. He is a Fellow of the Institute of Chartered Accountants in England and Wales (FCA) and member of the Institute of Certified Public Accountants of Kenya (K).

He is Chairman of NCBA Bank Kenya PLC. Chairman the Council of Riara University. He is a Member of the Advisory Board of the Kenya Private Sector Alliance (KEPSA) and a director of Bata Shoes Company Kenya Limited. He is also Chairman of the Kenya Conservatoire of Music, WWF Kenya, The Rhino Trust and a Trustee of the Zawadi Africa Educatio



Mr. Alex Gitari

Managing Director/ CEO

MBA (Finance)

Bachelor of Commerce, Accounting Option,
Certified Public Accountant (K),

Alumnus of Harvard Business School's Advanced Management Program

Member of Institute of Certified Public Accountants of Kenya.



Dr. Eng. Karanja Kibicho

**Principal Secretary, State Department of
Interior and Coordination of National**

Government Doctorate in Mechanical Engineering –
University of Cape Town, South Africa

Master of Science (MSc) degree in Mechanical Engineering

Bachelor of Science (BSc) in Mechanical Engineering.

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THE BOARD OF DIRECTORS (Continued)

Mr. Solomon Kitungu



Director

Principal Secretary, Ministry of Transport, Infrastructure, Housing, Urban Development & Public Works

Bachelor of Arts Degree- (UON)

Master of Arts degree in Economics (University of Manchester)

Has attended the Advanced Management Programme at Strathmore Business School and University of Navarra Barcelona
He served as an Executive Director of the Privatization Commission from 2009 – 2017

Dr. Julius Muia



Director

Principal Secretary, National Treasury

PhD and Master's Degree in Finance (UON).

Degree in Accounting;

Certified Public Accountant (K);

Certified Public Secretary (K),

Associate Kenya Institute of Bankers; Associate Chartered Institute of Arbitrators; and Certified Coach. Now serving as a non-executive board member in several companies and a number of not-for profit organizations

Capt.Bootsy Mutiso (MILM)



Director

Diploma in Airport Operations

Diploma in Business & Professional Administration, City & Guilds of London Institute

Currently Managing Director, Flex Air Charters.

Member of the Institute of Leadership & Management of England

BA (Hons) in Business Management – University of Lincoln - (UK)

(Term expired 22nd May 2021)

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THE BOARD OF DIRECTORS (Continued)



Mr. Mbatia Kimani

Director

Master of Business Administration
Bachelor of Commerce
Certified Public Accountant (K)

He has previously held diverse Multi-Country roles up to CFO level for ASSA ABLOY for the Africa/Middle region based in Johannesburg and as Head of Finance for Kenya Airways. In addition, he also worked for Coca-Cola Africa and Best Foods (Unilever).



Ms. Jeridah Bosibori Mbaka

Director

Master of Business Administration
Higher Diploma in HR Management
Bachelor of Arts

Member of the Institute of Human Resource Management
She has a wide working knowledge of Human Resource Management Services, having worked in several institutions including NSSF, Plan International – Kenya and Directorate of Personnel Management



Mr. William Ole Mayiani

Director

Bachelor of Arts – Business Economics

Currently a Director at Sky Realtors Limited.

He has vast management experience having worked at Shell Kenya Ltd, Total Kenya Ltd, Raiser Resource Group, iPhone Global Ltd, Marathon Marketing Ltd and Nairobi City Council

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THE BOARD OF DIRECTORS (Continued)



Ms. Susan Kiama

Director

Post Graduate Diploma in Personnel Management & Industrial Relations
Bachelor of Arts (Business Administration & Economics)
Fellow of the Chartered Institute of Personnel & Development UK, Fellow of the Institute of Human Resource Management-Kenya, Member of World at Work-USA, Member of Society for Human Resource Management- USA, member of Kenya Institute of Management. Currently Managing Consultant with Three Green Apples Consulting Ltd. She has a vast working knowledge of Human Resource Management Services, having worked as Chief Human Resource Officer at Safaricom Ltd, Head of Human Resource at Citibank NA-Kenya, Principal Consultant with Deloitte & Touche Consulting-Kenya, and Tetra Pak-UK



Ms. Eunice Kigen

**Alternate Director
The National Treasury**

Executive Master of Business Administration
Bachelor of Commerce (Accounting option)
Certified Public Accountant (K).
Currently Senior Deputy Director of Budgets at the National Treasury.



Mr. Nicholas Bodo

**Alternate Director
Ministry of Transport, Infrastructure, Housing, Urban
Development & Public Works**

Bachelor of Arts degree from Osmania University, India.
Master of Business Administration (Laikipia University)
Certified Public Secretary (K)
Graduate Diploma in Aviation Management from the National University of Singapore and the Singapore Aviation Academy
Certificate in Air Law from the Egyptian Aviation Academy.

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THE BOARD OF DIRECTORS (Continued)

Mr. Wilson Njega



Alternate Director
Principal Secretary, Ministry of Interior & Coordination of
National Government

Bachelor of Arts University of Nairobi
Masters of Arts University of Nairobi

Margaret Munene



Ag. Corporation Secretary

Master of Arts, International Studies,
Bachelor of Laws (LLB),
Bachelor of Arts (Sociology),
Certified Public Secretary (CPS-K),
Advocate of the High Court, Commissioner for Oaths, Notary
Public

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SENIOR MANAGEMENT TEAM



Mr. Alex Gitari
Managing Director/ CEO

Master of Business Administration (Finance)
Bachelor of Commerce, Accounting Option,
Certified Public Accountant (K),
Alumnus of Harvard Business School's Advanced
Management Program
Member of Institute of Certified Public Accountants of
Kenya.



Mr. Patrick Chonde
Ag. General Manager, Finance

Master of Business Administration (Finance)
Bachelor of Commerce, Accounting option,
Certified Public Accountant (K),
Member of Institute of Certified Public Accountants of
Kenya
International Airport Professional(IAP).



Margaret Munene
Ag. Corporation Secretary

Master of Arts, International Studies,
Bachelor of Laws (LLB),
Bachelor of Arts (Sociology),
Certified Public Secretary (CPS-K),
Advocate of the High Court, Commissioner for Oaths,
Notary Public

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SENIOR MANAGEMENT TEAM (Continued)



Mr. Kasaine Ole Pertet
General Manager, Information and Communication Technology

Master of Business Administration (Finance),
Bachelor's Degree in Mathematics,
Certified Public Accountant (K),
Member of Institute of Certified Public Accountants of Kenya



Mr. Samson Kimilu
General Manager Risk Management & Internal Audit

Master of Business Administration Strategic Management and Finance
Bachelor of Science in Business Administration,
Certified Public Accountant (K),
International Airport Professional (IAP),
Member of Institute of Certified Public Accountants of Kenya
Member of Association of Airport Internal Auditors (AAIA)
Member of Institute of Internal Auditors (IIA)



Mr. Harrison Machio
General Manager Safety and Operations

Master of Business Administration (Aviation).
BA Hons. (Political Science & Linguistics)
International Airport Professional (IAP)

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SENIOR MANAGEMENT TEAM (Continued)



Mr. Anthony Muriithi Njagi
General Manager Human Resource & Development

Master of Business Administration (Human Resource)
Bachelor of Arts,
Higher National Diploma – Human Resource.

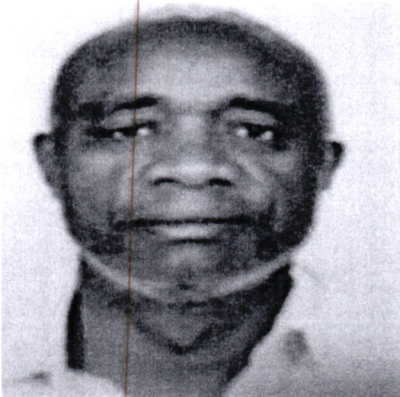
Brig. (Rtd) Henry Noah Ofulah
General Manager Security Services

Elder of the Order of the Burning Spear - (EBS)
Masters Degree Of Philosophy
Bachelor of Science Degree in Military Studies



Mr. Jacob Bwana
Ag. General Manager, Marketing & Business Development

PhD Applicant Business & Management.
MSc, International Logistics,
BEd., Economics & Geography
Member, Chartered Institute of Logistics & Transport
Full Member – Marketing Society of Kenya



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SENIOR MANAGEMENT TEAM (Continued)



Arch. Fredrick Odawo
General Manager, Projects & Engineering Services

Postgraduate diploma in Airport Engineering
Bachelor's Degree in Architecture
Corporate Member – Architectural Society of Kenya
Associate Arbitrator
Associate Member – Chartered Institute of Arbitrators (ACI Arb)



Mr. Patrick Wanjuki
General Manager, Procurement & Logistics

Master's Degree in Public Procurement Law & Policy from the University of Nottingham,
Bachelor of Law Degree from the University of Nairobi
Bachelor of Commerce (Finance) from the University of Nairobi
Post Graduate Diploma in Purchasing and Supplies Management from the Chartered Institute of Purchasing & Supply,
Post Graduate Diploma from the Kenya School of Law
Certified Public Accountant (K)



Mr. Henry Ogoye
Head of Corporate Planning

Master of Business Administration Finance and MA(Economics),
Bachelor of Arts (Mathematics and Economics),
Diploma Financial Management
Chairman, Karen South Welfare Association
Director, Airports Sacco Limited

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CHAIRMAN'S STATEMENT

For the financial year ended June 30, 2021 civil aviation experienced depressed economic activities globally and locally due to travel restrictions aimed at containing the spread of Covid-19 pandemic. According to International Air Travel Association-IATA, international air passenger traffic declined by 60%, airports revenues by 66.3% equivalent to US\$ 125 billion and airline revenue per kilometer declined by 65.9% globally.

Locally, aircraft movements and passenger volumes declined 50.5% and 26.7% respectively relative to the period ended June 30, 2020. On a positive note, cargo remained marginally buoyant with a growth of 1.8% attributable to imports of Covid-19 essential supplies.

Consequently, the Authority recorded a 37% decline in revenue to reach Kshs. 8.4 billion in comparison with Kshs.13.3 billion recorded in similar period ended June 2020. Operating expenses increased by 31% to reach Kshs. 16 billion in comparison with Kshs.12.2 billion recorded in a similar period the previous year due to an increase in the provisions for bad debts. Overall, the Authority recorded a net loss of Kshs. 6.7 billion. The Authority reduced its contingent liabilities exposure by Kshs. 14 billion following resolution of a number of claims and disputes.

Despite the tough business environment, the Authority's facilities and infrastructure were maintained in serviceable state supported by requisite service standards. We also carried out a number of facility and infrastructure expansion projects to meet demand growth and connectivity requirements. These projects include the ongoing refurbishment of terminals 1B and 1C at Jomo Kenyatta International Airport-JKIA, a project aimed at enhancing customer experience and retail value. JKIA also benefitted from the construction of walkways canopies at terminals T1A and T1E, pavement reinforcement works and enhanced access through additional exit and entry lanes.

Moi International Airport-MIA rehabilitation works covering pavements, upgrade of airfield ground lighting, sink hole remediation, slope stabilization, rainwater harvesting and drainage works were at 90.9% completion. Other connectivity enhancement projects undertaken during the year include construction of a cargo shed at Isiolo and rehabilitation of Lanet, Nanyuki, Suneka, Manda, Ukunda, Migori, Kakamega, Nyaribo, Kutulo and Kitale airstrips and Lokichoggio airport.

To navigate through the recessionary business environment, the Authority consolidated operations to specific terminal facilities at JKIA, renegotiated contracts, implemented mainly externally funded capital projects, negotiated restructuring of AfD and World Bank loans besides leveraging on technology to optimize operations. Despite the challenging business environment, the Authority extended support estimated at Kshs. 700 million to airlines and concessionaires in terms of waivers on aircraft parking and concession payments, to catalyze business recovery.

With respect to competency development, motivation and general ambience of the work environment, the Authority continued to offer competency development programs, and also provided personal protective equipment to all staff to contain the spread of Covid-19.

Against the backdrop of challenging business environment occasioned by the COVID-19 pandemic the Authority was able to discharge its statutory mandate and contribute meaningfully

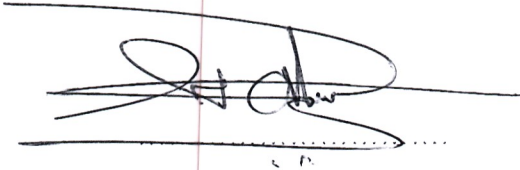
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CHAIRMAN'S STATEMENT *continued*

The impact of these measures should enable the Authority withstand the effects of COVID-19 and prepare for the imminent recovery of the aviation sector.

On board matters, Capt. Bootsy Mutiso retired after successfully completing his term as Director. We sincerely thank him for his invaluable service to the Kenya Airports Authority. In a related development, the Board of Directors completed the recruitment process for the Managing Director/CEO position a process that culminated in the appointment of Mr. Alex Gitari to the position.

I wish to sincerely salute all our stakeholders including members of the Board, Management and Staff who have enabled the Authority to weather the vagaries of Covid-19 pandemic and sustain operational resilience during a recoverably challenging year. I urge all of us to adequately prepare to be at the cutting edge of reaping the fruits of imminent business recovery.



Mr. Isaac Awuondo
Chairman of the Board

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MANAGING DIRECTOR'S REPORT

Business Performance

Aviation business environment was depressed due to closure of airspaces and travel restrictions to contain Covid-19 pandemic leading to business performance challenges. Consequently, passenger traffic declined 50.5% to 4.47 million and flights 26.7% to 181,000 in the year under review. As for cargo, covid-19 and medical related supplies supported its operations with a 1.8% growth to 357 million kilograms. Financial performance also experienced similar impact with a 37% decline in revenue and 31% increase in operating expenditure culminating in a post-tax loss of Ksh.7.58 billion. Operating expenditure was exacerbated by the provisioning of Ksh. 6 billion in respect of bad and/or doubtful debts.

Assets and Liabilities

The asset base for the period under review declined 7.2% to Ksh. 72.98 billion attributable to provisioning of bad and doubtful receivables of Ksh. 7.3 billion and retirement of fixed deposits under cash and cash equivalent by 36% to Ksh. 4.8 billion.

Liabilities on the other hand expanded 2.0% to Ksh. 21.5 billion due to the drawdown of Agence Francaise De Developpement (AFD) loan on Moi International Airport-MIA pavement rehabilitation project. Capital and reserves declined 10.6% to Ksh. 51.4 billion attributable to the impact of the post-tax financial loss Authority.

Network Connectivity

Refurbishment of terminals 1B and 1C at JKIA to enhance customer experience and retail value through centralization of secondary security screening; increase in passenger seating and retail space was under implementation at 43% progress alongside construction of walkways canopies at terminals T1A and T1E as well as pavement reinforcement works. JKIA also benefitted from enhanced access through additional exit and entry lanes.

Rehabilitation works at MIA covering pavements, upgrade of airfield ground lighting, sink hole remediation, slope stabilization, rainwater harvesting and drainage works were at 90.9% completion. Other connectivity enhancement projects at various stages implementation in the year included construction of a cargo shade at Isiolo and rehabilitation of Lanet, Nanyuki, Suneka, Manda, Ukunda, Migori, Kakamega, Nyaribo, kutulo and Kitale airstrips and Lokichoggio airport.

Environmental Stewardship

A four-stage journey of Airport Carbon Accreditation for zero carbon emission commenced in the year and covers JKIA, MIA, Eldoret and Kisumu International Airports.

Customer Experience

Airports Council International ranked JKIA and MIA as top airports in customer experience in African region under passenger throughput of 5-15 million in the former and 2 million in the latter.

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FOR THE YEAR ENDED 30TH JUNE 2021

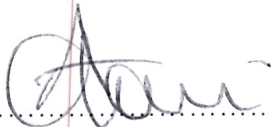
MANAGING DIRECTOR'S REPORT Continued

Human Capital Development

Our human resource was supported in the year in the area of employee wellness for productivity covering post- Covid-19 interventions, mental health, Alcohol and Drug Abuse, HIV/AIDS and lifestyle diseases counselling and testing. The staff were also capacity built in financial wellness. On a sad note, we lost some of our staff to covid-19 related complications as well as through natural attrition and again reiterate my deepest condolences to the affected families.

Future outlook

We will continue to maintain and expand our operation capacity and service standards to leverage on the ongoing recovery from Covid-19 pandemic and urge KAA fraternity, other stakeholders and business partners to work closely with us in working back to normalcy.



.....

ALEX GITARI

MANAGING DIRECTOR/CEO

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Review of Performance for FY 2020/2021

Strategic Pillar	Objective	Key Performance Indicators	Activities	Achievements
Business Growth	Process 149,619 flights, 3.98M passengers and 346M Kg of cargo	Flights and passenger numbers and cargo volumes	Traffic Development and Customer Experience	180,761 flights, 4.47 million passengers and 357.1 million kg of cargo
	Optimize revenue growth to Ksh. 6.98B	Aeronautical and Non-Aeronautical Revenue	Traffic Development Customer Experience	Ksh. 7.2billion
Customer Experience	Attain customer approval rating of 4.20	Customer Satisfaction Index	Operation Efficiency and Service Excellence	4.03 due to concerns on retail experience
Operation Excellence	Enhance Operation Efficiency	Terminal, Airside and Landside Capacity, Safety and Security Performance and Service Standards	Network growth Capacity availability enhanced safety and security performance and service improvement	Implemented connectivity and capacity improvement projects at JKIA, MIA and a number of public airstrips
Environmental Stewardship	Strengthen Environment Stewardship	Green initiative Airport Carbon Accreditation	Pursue carbon neutrality realization program	Commenced the program for airport carbon accreditation and rainwater harvesting
Human Capital Development	Develop Human Capital for productivity	Corporate performance	Implement corporate performance targets for 100% performance	76.2%

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CORPORATE GOVERNANCE STATEMENT

The Kenya Airports Authority Board of Directors provide policy guidance on the overall well-being of the organization in meeting its legal mandate. To this end, the Board of Directors oversees the Authority's activities with respect to strategic direction, infrastructure development, operational efficiency and adherence to sound governance principles.

Board Membership

The Board is made up of nine members. Six of these members are independent directors, among them the Chair who is appointed by the President. The independent Directors are appointed by the Minister of Transport and Infrastructure. The appointment is guided by reference to expertise in civil aviation, aerodromes management, operation, commerce, industry, finance or administration generally. The independent directors are appointed for a renewable period of three years or for a shorter period as may be specified in the notice. The appointments are made at different times to vary the expiry dates. Discharge is provided for under Section 6(2) of the State Corporations Act (Cap 446).

The remaining Board members include Principal Secretaries in the Ministry of Transport, Infrastructure, Housing, Urban Development and Public Works, National Treasury and State Department of Interior and Coordination of National Government, alongside the Managing Director. Substantive members from the Government as above have alternates who attend Board meetings on their behalf whenever they are unable to attend. These alternates are deemed, for all purposes and intent, to be Board members. The Corporation Secretary provides secretarial services to the Board. Other than the Managing Director, the other Board members are non-executive.

Role of the Chairman and Other Directors

The Chairman provides overall leadership to the Board in areas of policy development and direction, maintains a harmonious working relationship with both Management and the Board, harnesses the collective skills of the Board and its Committees and those of the executive team for attainment of the corporate objectives and performance targets agreed with the Government, prompts the appointing authority to appoint Board Members in the event of a vacancy on the Board and encourages Directors to participate fully in the deliberations of the Board and its Committees.

Other responsibilities of the Chairman include ensuring that strategies are in place for constant monitoring and evaluation of the effectiveness of the Board, individual Directors, Senior Management and the entire Corporation, participation in setting of agenda for Board meetings, chairing and conducting Board meetings effectively, signing the confirmed Minutes of Board meetings, monitoring implementation of Board decisions, ensuring that new Board Members are properly inducted and that there are adequate training programs for Board Members to keep them abreast of developments in corporate governance, and signing the Performance Contract between the Government and the Authority. The Managing Director is responsible for the day-to-day operations of the Authority. Individual Directors are expected to serve the Board diligently while being faithful to performance, rule of law and to the principle of separation of powers, political neutrality, gender balance, integrity and confidentiality.

KENYA AIRPORTS AUTHORITY
ANNUAL REPORTS AND FINANCIAL STATEMENTS
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CORPORATE GOVERNANCE STATEMENT (Continued)

Role of the Corporation Secretary

The Corporation Secretary arranges Board meetings and attendances, prepares agendas for meetings set by the Chairman in consultation with the Managing Director and the attendant minutes, keeps Common Seal of the Board and communicates Board decisions to Management.

Board Committees, Meetings, Procedures and Emoluments

The Board holds four statutory meetings in each financial year. Meetings are held at the registered office of the Authority. A quorum for meetings requires two-thirds of the total number of Members. Members may appoint one of their own to preside over the meeting in the absence of the Chairman. Decisions are made unanimously or by majority votes of the Members present. The Chairman has a casting vote in the event of a tie of votes. The Board has four standing committees dealing with respective delegated mandates prior to submitting to the Board for consideration and approval.

The Board has five standing committees detailed below with the responsibility of dealing with respective delegated mandates prior to submitting to the Board for consideration and approval.

Finance and Strategy Committee

The committee members are as follows:

Mr. William Ole Mayiani - Chair

Ms. Eunice Kigen

Mr. Nicholas Bodo

Managing Director

The responsibilities of the Finance Committee are to:

- a) Review and advise on proposals for raising of long-term capital to achieve and fund the strategic objectives of the Authority
- b) Review the financial Performance of the Authority and make appropriate recommendations to the Board.
- c) Adopt and periodically review the charges and rates levied, philosophy, strategy and principles that support the Authority's strategy.
- d) Oversee the preparation of the Financial Statements of the Authority and recommend to the board its adoption.
- e) Make recommendations to the Board on investments to be made by the Authority.
- f) Monitor the Expenditures of the Authority.
- g) Oversee the formulation, review and implementation of the Authority's Strategic Plans, Business Plans and Annual Budgets; and
- h) Oversee the Business Development of the Authority

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CORPORATE GOVERNANCE STATEMENT (Continued)

Human Resources Committee

The committee members are as follows:

Ms. Jeridah Mbaka - Chair

Ms. Susan Kiama

Mr. Wilson Njega

Managing Director

The Staff Committee's responsibilities include:

- a) Reviewing the Human Resource policies and practices of the Authority.
- b) Reviewing remuneration of staff by making recommendations to the Board regarding remuneration of Staff, incentive compensation and bonuses.
- c) Adopting and periodically reviewing the remuneration philosophy, strategy and principles that support the Authority's strategy; and
- d) Making recommendations to the Board in regard to the contributions to the Authority's Pension Scheme and matters related thereto.

Technical Committee

The committee members are as follows:

Ms. Susan Kiama - Chair

Mr. Mbatia Kimani

Mr. Nicholas Bodo

Managing Director

The Technical Committee's responsibilities include overseeing:

- a) Major expansion projects of the Authority.
- b) The operations and engineering aspects of the Authority.
- c) Airports & airstrips management, operation and control and.
- d) Monitoring adequacy of the Authority's facilities, equipment and operations and their maintenance.

The Committee may in addition perform such other function as may be necessary for the performance of its duties and has the power to delegate its authority to subcommittees or individual members of the Committee, as it deems appropriate.

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CORPORATE GOVERNANCE STATEMENT (Continued)

Audit Committee

The committee members are as follows:

Mr. Mbatia Kimani - Chair

Ms. Eunice Kigen

Ms. Jeridah Mbaka

Mr. Nicholas Bodo

The Committee assists the Board in fulfilling its oversight responsibilities in respect of: -

- a) Evaluating the integrity of the Authority's financial reporting process and financial statements.
- b) Reviewing and making recommendations to the Board of Directors in respect to Corporate Governance Policies and Practices of the Authority
- c) Developing and recommending to the Board Corporate Governance Principles applicable to the Authority.
- d) Compliance with legal and regulatory requirements applicable to the operations of the Authority.
- e) Assisting the Board in enhancing internal controls in order to improve efficiency, transparency and accountability.
- f) Reviewing audit issues raised by both internal and external auditors.
- g) Resolving Public Accounts and Public Investment Committees recommendations.
- h) Reviewing the systems established to ensure sound Public Financial Management and Internal Controls as well as compliance with policies, laws, regulations, procedures, plans and ethics.
- i) Initiating special audit/investigations on any allegations concerns and complaints regarding corruption, lack of accountability and transparency and
- j) Evaluating adequacy of the Authority's procedures with regard to issues relating to risk management, control and governance.

Security Committee

The committee members are as follows:

Mr. Wilson Njega - Chair

Mr. Nicholas Bodo

Mr. William Ole Mayiani

Managing Director

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CORPORATE GOVERNANCE STATEMENT (Continued)

The responsibilities of the Security Committee are to:

- a) Review the security policies and practices of the Authority
- b) Assess security risks posed to the Authority and make recommendations to the Board
- c) Continually assess operational requirements of the Authority to ensure smooth running of all security related functions
- d) Review Management's reports on security, safety and operations and make requisite recommendations to the Board
- e) Assure compliance with regulatory requirements through regular security, safety and operations reports, indicators, trends and recommend corrective measures
- f) Make regular recommendations to the Board to strategically support the Authority's operations
- g) Review findings from external audits by regulatory bodies and make appropriate recommendations to the Board
- h) Receive and review reports from management regarding major security, operational and safety projects
- i) Aviation security service provision
- j) Undertake such other activities as may be referred to it from time to time by the Board

KENYA AIRPORTS AUTHORITY
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FOR THE YEAR ENDED 30TH JUNE 2021

CORPORATE SOCIAL RESPONSIBILITY

Kenya Airports Authority CSR Policy document clearly stipulates areas of our engagement with society's social, environment and economic concerns and needs as follows:

- Education
- Environment and sustainability
- Health & Wellness
- Staff engagement in CSR programs

The above tenets guided the Authority's Corporate Social Responsibility activities and donations for the year 2020/2021, which greatly improved our corporate image and enhanced our relationship with communities around our stations.

Through our Corporate Social Responsibility strategy, KAA demonstrated a commitment to behaving ethically in all our business transactions, by contributing to the economic development and improving the quality of life of its workforce and their families as well as the community and society at large.

The CSR committee considers both ad-hoc requests and donations from all airports and airstrips for maximum community impact.

During the year 2020/2021 KAA stopped on all forms of donations including both ad hoc as well as planned medical camps, which forms part of the Government agenda 4 pillars on healthcare. In this financial year we had planned for a KAA medical camp, which was to take place in Meru County, but this was cancelled at the last minute due to Covid 19 infection detected in Kenya in the month of March 2020. The introduction of government restrictions on gatherings and Covid 19 protocol measures could not have allowed this activity to proceed as had earlier planned.

Secondly the aviation industry was generally hit by the pandemic thus forcing the government to close some of our busy airports for several months. This affected our budget planning and therefore all of our CSR activities were put on hold due to budgetary constraints.

With the gradual recovery of the economy the Authority is reviewing the CSR budget and plan to continue to support some of the requests and engage in more CSR projects and activities in the 2021/22 calendar.

KENYA AIRPORTS AUTHORITY
ANNUAL REPORTS AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30TH JUNE 2021

REPORT OF DIRECTORS

The Directors submit their report together with audited financial statements for the year ended 30 June 2021, which disclose the state of affairs of the corporation.

Principal Activities

The principal activities of Kenya Airports Authority are:

- To construct, operate and maintain aerodromes and other related facilities;
- To construct or maintain aerodromes on an agency basis on the request of any Government department;
- To provide such other amenities or facilities for passengers and other persons making use of the services or the facilities provided by the Authority
- Construct any other necessary or desirable works required for the purposes of the Authority;
- Control the construction and use of prescribed aerodromes;
- Carry on any business that may be necessary or desirable for the purposes of the Authority and act as an agent for the Government in the provision of any agreed functions;
- Acquire, construct, manufacture, maintain or repair any works, plants or apparatus necessary or desirable for the purposes of the Authority;
- Determine, impose and levy rates, charges, dues or fees for any services performed by the Authority, or for use by any person of the facilities provided by the Authority, or for the grant to any person of a license, permit or certificate.

Results

The net loss for the year of Kshs 6,673 million (2020: Net profit of Kshs 289.3 million) has been added to retained earnings.

DIRECTORS

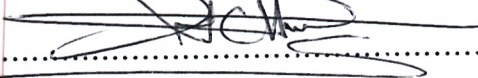
The Directors who held office during the year and to the date of this report are set out on pages 12 to 16.

KENYA AIRPORTS AUTHORITY
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FOR THE YEAR ENDED 30TH JUNE 2021

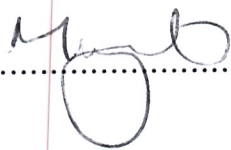
APPROVAL OF FINANCIAL STATEMENTS

The financial statements were approved by the Board of Directors on

24TH ~~SEPTEMBER~~ 2021 and signed on its behalf by:


.....
Chairman

By order of the Board


.....

Margaret Munene
Ag. Corporation Secretary
NAIROBI

Date 29.09.2021.....

KENYA AIRPORTS AUTHORITY
ANNUAL REPORTS AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30TH JUNE 2021

STATEMENT OF DIRECTORS' RESPONSIBILITIES

In accordance to the Kenya State Corporations Act Cap 446, the Directors are required to prepare Financial Statements for each financial year which gives a true and fair view of the state of affairs of the Authority as at the end of the financial year and of its operating results for that year. It also requires the Directors to ensure the Authority keeps proper accounting records, which disclose with reasonable accuracy, the financial position of the Authority. They are also responsible for safeguarding the assets of the Authority.

The Directors accept responsibility for the preparation and fair presentation of financial statements that are free from material misstatement whether due to fraud or error. They accept responsibility for:

- i. Designing, implementing and maintaining internal controls relevant to the preparation and fair presentation of the financial statements;
- ii. Selecting and applying appropriate accounting policies and
- iii. Making accounting estimates and judgments that are reasonable in the prevailing circumstances.

The Directors are of the opinion that the financial statements give a true and fair view of the state of the financial affairs of the Authority as at 30th June 2021 and its profit/loss and cash flows for the year then ended in accordance with International Financial Reporting Standards and in the manner required by the State Corporations Act Cap 446.

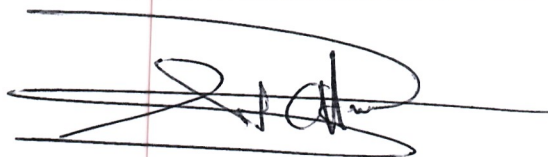
The Directors further accept responsibility for the maintenance of accounting records, which may be relied upon in the preparation of Financial Statements, as well as adequate systems of internal financial control.

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

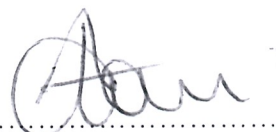
Approval of the financial statements

The Kenya Airports Authority financial statements were approved by the Board on

.....²⁴ 24TH SEPTEMBER.....2021 and signed on its behalf by:



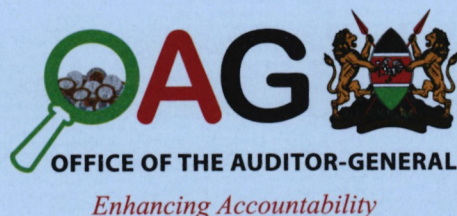
.....
Chairman



.....
Managing Director/ Chief Executive Officer

REPUBLIC OF KENYA

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

REPORT OF THE AUDITOR-GENERAL ON KENYA AIRPORTS AUTHORITY FOR THE YEAR ENDED 30 JUNE, 2021

PREAMBLE

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

- A. Report on the 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 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 Government achieves value for money and that such funds are applied for intended purpose.
- 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, the risk management environment, and the internal controls developed and implemented by those charged with governance for orderly, efficient and effective operations of the entity.

An unmodified opinion does not necessarily mean that an entity has complied with all relevant laws and regulations, and that its internal controls, risk management and governance systems are properly designed and were working effectively in the financial year under review.

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

REPORT ON THE FINANCIAL STATEMENTS

Qualified Opinion

I have audited the accompanying financial statements of Kenya Airports Authority set out on pages 35 to 83, which comprise of the statement of financial position as at 30 June, 2021, and the statement of profit or loss and other comprehensive income, statement of changes in equity, statement of cash flows and statement of comparison of

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

In my opinion, except for the effect of the matters described in the Basis for Qualified Opinion section of my report, the financial statements present fairly, in all material respects, the financial position of the Kenya Airports Authority as at 30 June, 2021, and of its financial performance and its cash flows for the year then ended, in accordance with International Financial Reporting Standards and comply with the Kenya Airports Authority Act, Cap.395 and the Public Finance Management Act, 2012.

Basis for Qualified Opinion

1. Property, Plant and Equipment

The property, plant and equipment balance of Kshs.52,420,326,000 as at 30 June, 2021 as disclosed in Note 31 to the financial statements, include balances of Kshs.309,263,000 and Kshs.5,944,758,000 in respect of freehold and leasehold land respectively. However, examination of the land balances and the supporting records revealed the following unsatisfactory observations;

1.1. Unsupported Leasehold on Land at Embakasi

As previously reported, the leasehold land balance excludes land of undetermined value measuring 3.29 acres located at Nairobi - Embakasi Village. Although Management explained that the parcel of land on which the Kenya Airports Authority Police Station is located will be surrendered to the National Police Service, documents and correspondences in evidence of the surrender and its consideration were not provided for audit review.

1.2. Unsupported Freehold Land Balance

As previously reported, included in the freehold land balance is the cost of acquisition of land amounting to Kshs.190,763,189 for the expansion of Kisumu International Airport. However, the supporting documents were not provided for audit review.

1.3. Duplicate Title Deeds for Kisumu International Airport

As previously reported, records at the Headquarters indicated that the Authority had two title deeds for the Kisumu International Airport but with different acreage measuring 206.09 and 362.9 hectares. However, no satisfactory explanations were provided for the duplicated ownership documents.

1.4. Unsupported Valuation of Land at Moi International Airport

As previously reported, the leasehold land balance recorded in the books for Moi International Airport amounted to Kshs.583,000,000 which differs with the valuation report

amount of Kshs.538,000,000 resulting to an unexplained variance of Kshs.45,000,000. Further, Management did not explain the gaps in the lease registration documents (stamping) on the original title deed for the period between June, 2003 and May, 2006.

1.5. Parcels of Land in Dispute

Various parcels of land owned by the Authority continue to be disputed as detailed below:

1.5.1. Nairobi – Embakasi

An unregistered parcel of land measuring 0.867 acres at Embakasi Village valued at Kshs.4,335,000 had not been incorporated in the leasehold land balance. Information available indicated that the Authority obtained partial allotment for the parcel of land measuring 0.443 acres from the National Land Commission on 25 September, 2017. The other part measuring 0.47 acres had been illegally excised and allocated to a third party. Although Management wrote to the Commission requesting for investigation of the illegal excision, there was no evidence of follow up and the outcome.

1.5.2. Jomo Kenyatta International Airport

Two parcels of land within the original Jomo Kenyatta International Airport land were excised and allocated to third parties. Although court proceedings were instituted vide HCCC Nos. 206 and 489 both of 2004 and temporary orders issued restraining the third parties, the latter proceeded to subdivide, resell and develop the land parcels. To vacate the land, the Authority demolished the illegal structures in 2011. The private developers subsequently sued the Authority and the case is still pending in court.

1.5.3. Wilson Airport

Wilson Airport land whose size and value are yet to be determined was registered in favour of the Authority on 29 July, 2003. However, a case challenging the registration was filed in the High Court by third parties. The plaintiffs sought temporary injunction restraining the Authority or their agents from demolishing or otherwise interfering with their ownership or possession or right of use of the parcel of land until hearing and determination of the case. Information available indicated that on 25 October, 2006, the court declined to issue the injunction orders sought. Although Management has indicated they wrote to the National Land Commission on 24 October, 2017 requesting it to intervene and revoke the title issued irregularly, no action had been taken and ownership of the property remained in dispute.

1.5.4. Malindi Airport

As previously reported, the leasehold land balance also includes a portion of land measuring 0.8925 hectares at Malindi Airport, irregularly allocated to a church organization. Further, land measuring 0.0549 hectares at the Airport was also irregularly allocated to a petroleum company and had been excluded from the reported leasehold land balance.

1.5.5. Airports, Airstrips and Staff Quarters

Review of records and correspondences relating to the Authority's land revealed ownership disputes affecting eighty-five (85) parcels of land at eight (8) airports / airstrips. Management did not provide details on the nature and the value of land in dispute as well as the parties involved and their current status. It was also not possible to confirm if there are other parcels of land in dispute and the exposure these may have on the Authority's claim to the land.

1.5.6. Land Parcels at Isiolo and Garissa Airstrips

Land measuring 253.61 hectares and 47.15 hectares of undetermined value at Isiolo and Garissa airstrips respectively were also excluded from the property, plant and equipment balance.

1.6. Valuation of Assets

The statement of profit or loss and other comprehensive income reflects a comparative expenditure of Kshs.8,389,067,000 under administrative expenses which, as disclosed in Note 30 a(ii) to the financial statements, includes an expenditure of Kshs.120,930,000 relating to valuation of land, buildings and pavements during the financial year 2019/2020. However, the revaluation of Kshs.1.2 trillion for the three asset categories was not incorporated in the financial statements for the years ended 30 June, 2020 and 30 June, 2021.

1.7. Stalled Projects

The statement of financial position reflects a balance of Kshs.52,420,326,000 under property, plant and equipment which, as disclosed in Note 31 to the financial statements, includes an amount of Kshs.9,847,409,000 in respect of capital works in progress. The latter balance includes an amount of Kshs.821,270,270 relating to costs incurred on five (5) stalled project as detailed below: -

Date Capitalized	Details	(Kshs.)
31/08/2013	Greenfield Terminal	498,712,166
28/02/2014	Greenfield Terminal	172,174,282
31/03/2013	Second Runway	16,073,047
31/05/2013	Second Runway	48,511,572
01/07/2016	Second Runway	85,799,203
Total		821,270,270

The completion of the projects is doubtful and the likelihood of the costs being impaired is high.

1.8. Biological Assets

As disclosed in Note 49 to the financial statements, the Authority had biological assets in form of trees planted at Eldoret International Airport valued at Kshs.443,000,000 as at

30 June, 2021. However, the value of the trees was not incorporated in the financial statements.

Under the circumstances, the fair statement and accuracy of the reported property, plant and equipment balance of Kshs.52,420,326,000 could not be confirmed.

2. Trade and Other Receivables

As disclosed in Note 34(a) to the financial statements, the trade and other receivables reflects a balance of Kshs.12,497,039,000. However, the following unsatisfactory matters were noted: -

2.1. Long Outstanding Debtors

Included in the trade receivables balance of Kshs.11,642,112,000 are debtors of Kshs.7,814,418,304 which have remained uncollected for more than 270 days. These long outstanding debtors represents 67% of the total trade receivables. Although Management has highlighted measures taken to ensure recovery of the debt, the measures have not materialized as the balances remained outstanding as at 30 June, 2021.

2.2. Kenya Airways Debt

Included in the trade receivables balance of Kshs.11,642,112,000 is an amount of Kshs.4,620,753,146 owed by Kenya Airways Limited, having increased by Kshs.377,553,785 from Kshs.4,243,199,361 as at 30 June, 2020. This constitutes 40% of the total trade receivables disclosed in Note 34(a) to the financial statements. Further, out of the trade receivables balance of Kshs.11,642,112,000, an amount of Kshs.570,085,586 is owed by Kenya Airfreight Handling Limited, a subsidiary company of Kenya Airways Limited.

2.3. Receivables from the Kenya Revenue Authority

Included in the trade receivables balance of Kshs.11,642,112,000 is an amount of Kshs.1,736,036,094 due from the Kenya Revenue Authority (KRA). This amount arose from invoicing of Airport Passenger Service Charge (APSC). This was an increase of Kshs.287,889,727 from Kshs.1,448,146,367 as 30 June, 2020 representing 17%. Further, out of the receivables of Kshs.1,736,036,094 due from KRA, an amount of Kshs.464,966,221 was noted to be outstanding for over a period of 270 days. However, the KRA ledger from the Systems Applications and Products (SAP) system showed significant un-cleared (unreconciled) items casting doubt on the validity of the receivable amount.

Consequently, recoverability and fair statement of the receivable balance Kshs.1,736,036,094 due from Kenya Revenue Authority could not be confirmed.

2.4. Unremitted Car Parking Revenue

The concession agreement for the installation, operation and maintenance of an automated car parking management system at Jomo Kenyatta International Airport, Nairobi was entered on 1 August, 2019 between Kenya Airports Authority and Kenya Airports Parking Services (KAPS).

Article III Clause 3 of the agreement on concession fees states that “The concessionaire shall pay to the Authority a concession fee at the rate of 82% of parking revenue collections, subject to a Minimum Annual Guarantee (MAG) of Kshs.250,000,000. This amount shall be payable in equal monthly instalments by the 5th of every month, in arrears.” However, it was noted that KAPS had not remitted revenue totalling Kshs.205,067,842. Further, included in this unremitted revenue is an amount of Kshs.132,821,058 representing 65% of the revenue arrears which has been outstanding for over a period of 270 days.

As a result, the recoverability of Kshs.205,067,842 due from KAPS remains doubtful.

2.5. One Time Customer Account Balances

Review of trade debtors’ schedules revealed debtors amounting to Kshs.20,082,355 owed by one-time customers in various airports. These one-time customers were cash operators with no credit facility with the Authority who were expected to pay their dues before take-off but were provided with credit facilities without any credit arrangements.

Consequently, the recoverability of the balance of Kshs.20,082,355 from the one-time customers account balances remains doubtful.

2.6 Debtors with Credit Balances

Paragraph 32 of the International Financial Reporting Standards (IFRS) No.1 on presentation of financial statements requires that assets and liabilities, and revenue and expenses, shall not be offset unless required or permitted by an International Financial Reporting Standard. However, the trade receivables balance of Kshs.11,642,112,000 was arrived after netting off debtors with credit balances of Kshs.248,851,408.

Management did not therefore comply with the requirements of IFRS.

Term Deposits

and other receivables balance of Kshs.12,497,039,000 includes a term deposit of Kshs.78,790,000 with Prudential Bank which is under receivership. However, the Board of Directors to place the term deposit with the bank was not reviewed. Further, during the year under review, the term deposit amount was not reviewed for. However, there were no records such as board minutes or confirmation of the deposit and no records were provided to show that the amount was recoverable.

Although the issue has been considered by the Public Investment Committee (PIC), no notable progress has been made in recovering the deposits.

3. Misstatement of Trade and Other Payables

Included in the trade and other payables balance of Kshs.3,521,657,000 is trade payables balance of Kshs.2,499,846,000 as disclosed at Note 38 to the financial statements which was arrived after netting off creditors with debit balances of Kshs.168,071,273. This is contrary to Paragraph 32 of the International Financial Reporting Standards (IFRS) 1 on presentation of financial statements which states that assets and liabilities, and revenue and expenses, shall not be offset unless required or permitted by an International Financial Reporting Standard.

Consequently, the accuracy and fair statement of the trade payables balance of Kshs.3,521,657,000 could not be confirmed.

The audit was conducted in accordance with International Standards of Supreme Audit Institutions (ISSAIs). I am independent of the Kenya Airports Authority Management in accordance with ISSAI 130 on 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

Contingent Liabilities and Disputed Pending Claims

As disclosed in Note 45 to the financial statements, the Authority had contingent liabilities estimated at Kshs.32.8 Billion arising from pending cases in court and tax assessment and disputed pending contracts' claims of Kshs.27.14 Billion and Kshs.5.66 Billion respectively. Although the liabilities have not crystallized to warrant recognition in the financial statements by way of provisions, the financial impact on the Authority would be significant if the rulings are not in its favor.

My opinion is not modified in respect of this matter.

Key Audit Matters

Key audit matters are those matters that, in my professional judgment, are of most significance in the audit of the financial statements. There were no key audit matters to report in the year under review.

Other Matter

Unresolved Prior Year Matters

Various prior year audit issues remained unresolved . The un-resolved prior year issues were not disclosed under the progress on follow up of auditor's recommendations section of the financial statements as required by the Public Sector Accounting Standards Board.

REPORT ON LAWFULNESS AND EFFECTIVENESS IN USE OF PUBLIC RESOURCES

Conclusion

As required by Article 229(6) of the Constitution, based on the audit procedures performed, except for the matters described in the Basis for Conclusion on Lawfulness and Effectiveness in 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. Projects Implementation

As previously reported the Authority has been implementing several projects across various airports. However, the following unsatisfactory matters were noted:

1.1. Provision of Material Handling and Logistical Support Services at Manda Airport

The contract was awarded to a contractor on 4 September, 2019 at a contract sum of Kshs.51,583,200 through direct procurement method without meeting the conditions set out under Section 103(2) of Public Procurement and Asset Disposal Act, 2015. The commencement date was 24 February, 2020 while the expected completion date was 13 July, 2020. However, there was a delay in commencement of the project due to failure to advance payments to the contractor as stipulated under Clause 5 of the contract.

In the circumstances, the project is at risk of incurring interest and penalties for delayed payments.

1.2. Alteration Works to Stem Rain Water Ingress at Kisumu International Airport

The proposed alteration works to stem rain water ingress into the passenger terminal building, Kisumu International Airport contract was awarded for a sum of Kshs.15,699,840 for which the scope of works included roof and repair works and other associated ancillary works. However, the contractor was to carry out the works within a duration of 4 months which expired on 9 March, 2020 with the contractor requesting for extension which was delayed until 30 June, 2020 when the evaluation committee recommended that the request to extension of time be granted for 60 days. The project remained incomplete as by 30 June, 2021 even after the time extensions.

The amount certified and paid during the year under review was Kshs.7,446,086 and the works was at 95% complete. The technical team was to undertake final inspection of the works on 30 December, 2021 and 13 January, 2022 respectively. However, the final inspection report of the technical team was not provided for audit review. Further

information indicates that the Authority had issued a notice of default to the contractor in a letter dated 4 March, 2022.

1.3. Replacement of Technical Ring Switchgear and Low Voltage Boards at JKIA

The contract for the replacement of 11KV Technical Ring Switchgear and Low Voltage Boards at JKIA within the Jomo Kenyatta International Airport (JKIA) was awarded at a contract sum of Kshs.199,979,023 with a commencement date of 24 January, 2019 and expected completion date of 31 October, 2019. The value of works certified as at the date of the audit amounted to Kshs.82,363,015 with an advance payment of Kshs.24,856,978.

However, records provided indicated that the employer was to provide the contractor with letter of credit for Kshs.69,410,307 but due to its inability to provide the requisite letter, advance payment was proposed instead. A supplementary contract between the contractor and employer was then signed on 25 February, 2020 to introduce advance payment. The contractor was, subsequently, paid an advance payment contrary to the original terms of the contract.

Further, the contractor was granted extension of time twice with the last revised completion date being 5 January, 2020 but the project remained incomplete.

In the circumstances, value for money may not have been realized from the above project.

1.4. Moi International Airport Mombasa

1.4.1. Pavements Rehabilitation at Moi International Airport

The Authority engaged several contractors in a joint venture at a contract sum of Kshs.7.008 Billion and the project commenced on 28 May, 2018. At the time of audit, the Authority had paid the contractors a total sum of Kshs.5,309,702,130 including Value Added Tax (VAT). Detailed components of the project included; rehabilitation of the runway, taxiways and apron; airfield lighting including upgrading existing AGL; sink hole remediation and slope stabilization; rainwater harvesting and drainage works. Examination of project status report as at 31 December, 2021 showed the works progress at 92%.

However, physical verification done in February, 2022 revealed that the contractor had demobilized all their equipment and machineries and abandoned the site. The project thus stalled and the slope stabilization and rainwater harvesting works had not been completed. The incomplete components are crucial and thus posing a danger of soil erosion to the already rehabilitated runway. The water harvesting tank constructed was also abandoned with leakages and it may disintegrate if not properly maintained and put into the right use.

1.4.2. Refurbishment of the Freight Terminal Building at Moi International Airport

The contract was awarded to a local contractor on 13 January, 2020 at a contract sum of Kshs.18,420,325 for a period of 6 months with an expected completion date of 13 July, 2020. At the time of audit, the Management had certified works done by the

contractor valued at Kshs.3,803,500 including VAT. The detailed components of the project entailed rehabilitation of the cargo terminal and the offices. It involved demolition of the failing walls at the cargo terminal, construction of wet areas and cargo pre-screening area. However, physical verification conducted in the month of February, 2022 revealed that the project had already stalled, and was hardly halfway done. In addition, the floor screed was dilapidated and in bad state an indication of shoddy works or lack of proper supervision by the project manager. The security of the building was also compromised as the walling was temporarily done using corrugated roofing sheets. The contractor had already abandoned the site and Management had issued a notice to terminate the contract.

1.4.3. Perimeter Wall Fencing at Mombasa International Airport

The Authority engaged a contractor to erect a fence on the reclaimed land at AGL Approach 21 at an approved budget of Kshs.75,000,000. Although the tender documents were forwarded to procurement for contract signing on 9 March, 2020, nothing had been done as at February, 2022. In addition, the physical verification carried out in February, 2022, revealed that the land to be fenced had been encroached to a very great extent along Approach - 21 thus posing a security threat to the aircrafts and endangering the lives of the encroachers and passengers. The continued delay in fencing the land increases the risk of encroachment.

In view of the above, the Management may not have realized value for money on the projects.

1.5. Refurbishment of VIP Lounge at Malindi International Airport

The Authority engaged a contractor to refurbish the VIP lounge at a contract sum of Kshs.3,987,940. The project commenced on 31 January, 2020 for a contract duration of six months. The contract period expired on 30 July, 2020 and contract extension granted up to 8 February, 2021. Examination of project status report as at 31 December, 2021 showed works progress at 90%.

However, audit verification conducted in February, 2022 revealed that the project had stalled, contractor abandoned the site and the television unit was already dilapidated. The proposed kitchenette at the VIP lounge was also left incomplete and thus the project could not achieve the purpose for which it was intended.

2. Greenfield Terminal Project

Included in the trade and other receivables are prepayment of Kshs.4,043,684,000 for Greenfield project. As reported previously, the above project was awarded on 13 November, 2013 to a local Engineering company in joint venture with another company at a contract sum of USD 653,782,814 (about Kshs.56.2 Billion). The supervision contract for the project was awarded to a consulting company at a contract price of USD 8.83 million equivalent to about Kshs.759,380,000. The new terminal building was to cover a floor area of 178,000 square and once complete, it would comprise of: - fifty and ten international and domestic check in positions respectively; thirty-two and eight contact and remote gates respectively, associated aprons with forty-five stands and linking

taxiways. It was expected to handle 8.7 million passengers per annum. The terminal was to be an environmentally sustainable building and be certified by the World Green Building Council using either LEED or green star certification processes. The project was to be implemented on design and build contract. However, the following inconsistencies have been outstanding;

2.1. Irregular Contract Award

Clause 5 of the Request for Proposal (RFP) document required the contractor to secure a project financier as a condition for award. However, the employer entered into a contract agreement with an engineering group of companies in joint venture with another corporation on 13 November, 2013 and was given possession of the site through a letter dated 6 December, 2013 before a project financier had been identified.

2.2. Irregular Variation of Contract Sum

The letter of notification of award dated 16 November, 2011 stated that the contract sum of USD 653,782,814 was inclusive of all taxes. However, the contract agreement entered with the Management on 13 November, 2013 indicates the sum as exclusive of 16% VAT. It is not clear why the contract sum was varied.

2.3. Irregular Payment for Ground Breaking Expenses

As previously reported, a review of the project file revealed that an amount of Kshs.75,020,680 was paid to the contractors on 9 June, 2014 described as a contract variation. Other information available indicate the payment was in respect of preparation of project's ground-breaking ceremony. However, a review of the bill of quantities in the signed contract agreement revealed that there was no provision for such expenditure and it was not clear why it was charged to the project and described as contract variation.

2.4. Nugatory Payments

A previous reported, review of the project documentation revealed that the contractor and the consultant had been paid Kshs.4,310,901,806 and Kshs.216,100,000 respectively despite no evidence of work done. Further, an audit firm was contracted to provide technical advisory service on the project financing at a contract price of Kshs.29,777,268 but was subsequently terminated in unclear circumstances. The firm presented an invoice for Kshs.19,356,693 which was later negotiated to Kshs.7,444,882.

In light of the payments having been made for work not done, the expenditure is nugatory.

2.5. Termination of the Contract

In a letter dated 29 March, 2016, the Management informed the contractor that the contract was void from the beginning and requested them to vacate the site. On the same date, the consultants were also notified of termination of their contract. No evidence had

been provided for audit review to confirm that the contractor and the consultants were in concurrence with the termination by way of correspondences.

2.6. Legal Services

A legal firm was appointed to represent the Authority in the disputes arising from the project termination. However, the process of identifying and their terms of engagement are not clear.

Further, in a special board meeting held at the Authority's Headquarters, a representative of the law firm in attendance sought the authorization to seek expertise of an international firm in quantum to conduct an analysis of the value of work undertaken by the contractor. This was granted and the law firm engaged for a fee of USD 1,158,520 (equivalent to about Kshs.120 Million) on behalf of the Authority. It is not clear why the Management sought the services of a foreign consultant to undertake the exercise instead of using the Authority's engineers and local consultants.

In the circumstances, it was not possible to confirm that value for money was realized from the above usage of public resources and the amounts that may become payable under the ongoing dispute.

3. Acting Allowances Paid for more than Six Months

Review of the personnel records showed that twenty-one (21) employees who were acting in various capacities had overstayed in those acting roles by acting for a period more than six (6) months. It was noted that the duration of the acting ranged between 7 months and 60 months.

This is contrary to the Authority's human resource policies and procedures manual which restricts the period of acting appointment to six months.

The audit was conducted in accordance with ISSAI 4000. The standard requires 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 are in compliance, 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 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 overall governance were not effective.

Basis for Conclusion

1. Vulnerability of the Power House at Eldoret International Airport

A power house is a highly critical facility that requires perimeter protection systems including cameras, sensors, intrusion devices, access controls, lighting, fencing, buffer zone security among other security features. The power house at the airport contained; medium voltage switchgear panels for control and distribution of power within the airport, constant current regulators (CCR) for supply of power to airfields and Uninterrupted Power Supply (UPS) for provision of uninterruptable power to AGL cables supported by several equipment, machines including generators. This equipment was not well secured against internal and external threats.

However, audit verification indicated that accessibility to the power house rooms was not controlled and no logs of those who entered the rooms at a particular time was maintained. The doors had no security features to control entry and one door was not lockable. There were several entry points to the power house and CCTV cameras were not installed at the premise.

In the circumstances, risk management systems may not have been sound enough to mitigate against vulnerabilities.

2. Grounded and Unserviceable Motor Vehicles

The Authority operates a fleet of one hundred and fifty-eight (158) motor vehicles in all stations out of which thirty- six (36) motor vehicles, though serviceable, were grounded for different duration. No assessments report from the Chief Mechanical and Transport Engineer were provided to support the motor vehicles condition. Further, twelve (12) motor vehicles were reported grounded and unserviceable at various station but were also unsupported by assessment reports by the Chief Mechanical and Transport Engineer.

In addition, the ownership of thirty-three (33) motor vehicles at various stations could not be confirmed as the log books were not provided for audit verification. Further, six (6) motor vehicles returned to the Authority after completion of projects had private number plates and the ownership documents in the names of the contractor while one was under a bank.

In the circumstances, internal controls may not have been sound enough to guarantee proper control of motor vehicles.

3. Lack of Adequate Controls over Revenue Collection

Examination of the revenue supporting ledgers showed that the Authority collected Kshs.316,419,105 from car parking during the year. However, field verification and spot revenue tests carried out at Moi International Airport - Mombasa and Malindi International Airport revealed that car parking revenue collection was done manually with issuance of physical receipts and sometimes no receipts issued.

In the circumstances, the Authority is at risk of losing critical revenue from car parking fees.

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 control, risk management and overall governance were operating effectively, in all material respects. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my conclusion.

Responsibilities of Management and Board of Directors

Management is responsible for the preparation and fair presentation of these financial statements in accordance with International Financial Reporting Standards and for maintaining effective internal control 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 control, risk management and governance.

In preparing the financial statements, Management is responsible for assessing the Authority's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless Management is aware of the intention to liquidate the Authority or 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 are in compliance with the authorities which govern them, and that public resources are applied in an effective way.

Board of Directors is responsible for overseeing the Authority's financial reporting process, reviewing the effectiveness of how the 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

The audit objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion in accordance with the provisions of Section 48 of the Public Audit Act, 2015 and submit the audit report in compliance with Article 229(7) of the Constitution. 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 and weakness 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 addition to the audit of the financial statements, a compliance audit is planned and performed to express a conclusion about whether, 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 accordance with the provisions of Article 229(6) of the Constitution and submit the audit report in compliance with Article 229(7) of the Constitution.

Further, in planning and performing the audit of the financial statements and audit of compliance, I consider internal control 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 and submit the audit report in compliance with Article 229(7) of the Constitution. My consideration of the internal control would not necessarily disclose all matters in the internal control that might be material weaknesses under the ISSAIs. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements caused by error or fraud in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions.

Because of its inherent limitations, internal control may not prevent or detect misstatements and instances of non-compliance. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the Authority's policies and procedures may deteriorate.

As part of an audit conducted in accordance with ISSAIs, I exercise professional judgement and maintain professional skepticism throughout the audit. I also:


- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Management.
- Conclude on the appropriateness of the Management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material

uncertainty exists related to events or conditions that may cast significant doubt on the Authority's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in the auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my audit report. However, future events or conditions may cause the Authority to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information and business activities of the Authority to express an opinion on the financial statements.
- Perform such other procedures as I consider necessary in the circumstances.

I communicate with the Management regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that are identified during the audit.

I also provide Management with a statement that I have complied with relevant ethical requirements regarding independence, and communicate with them all relationships and other matters that may reasonably be thought to bear on my independence, and where applicable, related safeguards.


CPA Nancy Gathungu, CBS
AUDITOR-GENERAL

Nairobi

02 September, 2022

KENYA AIRPORTS AUTHORITY ANNUAL REPORTS AND FINANCIAL
STATEMENTS FOR THE YEAR ENDED 30TH JUNE 2021

**STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME AS AT 30TH
JUNE 2021**

		2020-2021	2019-2020 (Restated*)
REVENUES	Notes	Kshs' 000	Kshs' 000
Operating Revenue	27(a)	7,233,193	12,072,765
Gain on Assets Disposal	27(b)	-	3,687
Other Income	28(a)	182,552	344,739
Amortisation Income	28(b)	974,239	840,753
TOTAL REVENUES		8,389,984	13,261,944
OPERATING EXPENSES			
Administrative Expenses	30(a) (iii)	12,382,650	8,389,067
Establishment Expenses	30(b)	3,574,447	3,774,514
Other Expenses	30(c)	9,329	41,051
TOTAL OPERATING EXPENSES		15,966,426	12,204,632
OPERATING PROFIT		(7,576,441)	1,057,312
Financial Income (Loss)	28 (c)	52,318	318,124
Financial Costs	29	(440,660)	(490,389)
(LOSS)/PROFIT BEFORE TAXATION		(7,964,784)	885,047
INCOME TAX EXPENSE	41	1,291,777	(595,719)
(LOSS)/PROFIT AFTER TAXATION		(6,673,007)	289,328

* Please refer to note 52 for prior year adjustments.

The notes on pages 40 to 79 form an integral part of these financial statements

STATEMENT OF FINANCIAL POSITION AS AT 30TH JUNE 2021


	Notes	2020-2021 Kshs' 000	2019-2020 (Restated*) Kshs' 000
ASSETS & LIABILITIES:-			
Non-Current Assets			
Property, Plant and Equipment	31	52,420,326	49,194,863
Intangible Assets	32	111,916	156,371
Total Non-Current assets		52,532,243	49,351,234
Current Assets			
Inventories	33	90,954	102,146
Trade and Other Receivables	34(a)	12,497,039	16,222,417
Balances held in Reserve Accounts	35	728,038	2,528,263
Cash and Cash Equivalents	36(a)	4,778,236	7,452,617
Airstrips Fund Cash Balance	36(b)	2,193,600	2,794,578
Deferred Tax Asset	42	156,385	226,237
Total Current assets		20,444,252	29,326,258
TOTAL ASSETS		72,976,495	78,677,492
EQUITY AND LIABILITIES			
Capital and Reserves			
Government Grant		17,399,655	17,642,284
Revaluation Reserve		989,839	989,839
Retained Earnings		33,044,685	38,930,051
Capital and Reserves		51,434,180	57,562,175
Non- Current liabilities			
Airstrip Fund	37	2,193,600	2,794,578
Long Term Loans	39	12,034,359	10,166,716
Deferred Tax Liability	42	-	-
Total Non-Current Liabilities		14,227,959	12,961,294
Current Liabilities			
Trade and Other Payables	38	3,521,657	5,044,394
Current Portion of Long Term Loan	39(b) & (c)	1,024,307	974,065
Provisions for Liabilities and Charges	40	2,768,392	2,135,564
Total Current Liabilities		7,314,356	8,154,022
TOTAL EQUITY AND LIABILITIES		72,976,495	78,677,492


* Please refer to note 52 for prior year adjustments.

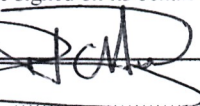
The notes on pages 40 to 79 form an integral part of these financial statements. The financial statements on pages 35 to 38 were approved by the Board on

24TH SEPTEMBER

2021 and were signed on its behalf by:


 Managing Director/ CEO
 Name: Mr. Alex Gitari


 Ag. General Manager Finance
 Name: Mr. Patrick Chonde
 ICPAK No: 2582


 Chairman
 Name:

STATEMENT OF CHANGES IN EQUITY AS AT 30TH JUNE 2021				
	Government Grants	Revaluation Surplus	Retained Earnings	Total
	Kshs.'000	Kshs.'000	Kshs.'000	Kshs.'000
At 1st July 2019	17,800,388	989,839	46,299,887	65,090,115
Re-instatements				
As at 30 June 2019	17,800,388	989,839	46,299,887	65,090,115
Changes in equity in 2019/2020				
Amortization income for the year	(840,753)	-	-	(840,753)
Airstrip Funds	154,382	-	-	154,382
World Bank**	18,267	-	-	18,267
Land from GOK- Embu, Lokichogio & Embaksi	510,000	-	-	510,000
Adjustments for staff rentals	-	-	(1,126)	(1,126)
Adjustment for expenses	-	-	30,806	30,806
Adjustment for Accrued revenue	-	-	(38,459)	(38,459)
Special Dividend	-	-	(7,500,000)	(7,500,000)
Profit/(loss) for the year			280,195	280,195
At 30th June 2020- As reported	17,642,284	989,839	39,071,302	57,703,425
*Adjustment for prior years expenses - (Note 52)	-	-	(150,384)	(150,384)
*Profit for the Year adjustment- (Note 52)			9,133	9,133
At 30th June 2020- Restated	17,642,284	989,839.484	38,930,051	57,562,175
Changes in equity in 2020/2021				
Amortization income for the year	(974,239)			(974,239)
Airstrip Funds	444,471			444,471
Land from GOK- Isiolo Airstrip	287,140			287,140
Reversal of Accrued deficit on Pension			851,154	851,154
Adjustment for expenses			(60,563)	(60,563)
Adjustment for Accrued revenue			(2,950)	(2,950)
	17,399,655	989,839	39,717,692	58,107,187
(Loss) for the year	-	-	(6,673,007)	(6,673,007)
At 30th June 2021	17,399,655	989,839	33,044,685	51,434,180

* Please refer to note 52 for prior year adjustments

** World Bank. These relate to supply of fire vehicles to KAA

The notes on pages 39-75 are an integral part of these financial statements

STATEMENT OF CASH FLOWS AS AT 30TH JUNE 2021

	Notes	2020-2021 Kshs.'000	2019-2020 Kshs.'000
Operating activities			
Cash generated from/ (used in) operations	43(a)	(762,513)	1,674,042
Interest received	28 (c)	149,304	353,698
Taxation paid		(5,441)	-
Net Cash generated from/ (used in) operating activities		(618,650)	2,027,740
Investing Activities			
Cash from Investing activities			
Purchase of Property, Plant and Equipment	31	(5,856,686)	(2,711,380)
Additions Intangible Assets	32	(696)	(10,162)
Net Cash generated from/ (used in) investing activities		(5,857,381)	(2,721,542)
Financing activities			
Cash flow from Financing activities			
Repayment of World Bank loan	39(a)	-	(98,653)
Repayment of AFD loan	39(c)	(1,024,307)	(776,759)
Refund of unutilized WB loan amount	39(a)	(13,841)	(16,274)
Proceeds from long term borrowing from World Bank	39(a)	81,357	-
Proceeds from long term borrowing from AFD Loan	39(c)	2,769,153	1,744,662
Proceeds from Airstrips Fund	37	227,220	3,488,184
Disbursement of Airstrips fund	37	(383,727)	(101,511)
Provisions Utilised during the year	40	(110,357)	(316,187)
Grant received from World Bank		-	18,267
Refund of Airstrip fund		-	(2,500,000)
Special Dividend		-	(7,500,000)
Net Cash generated from/ (used in) financing activities		1,545,499	(6,058,271)
Net Decrease (Increase) in cash and cash equivalents		(4,930,532)	(6,752,073)
Cash & cash equivalents at 1st July 2020		12,775,457	19,590,579
Effects of exchange rate changes		(145,052)	(63,049)
Cash and cash equivalents at 30th June, 2021	43 (c)	7,699,874	12,775,457

KENYA AIRPORTS AUTHORITY FINANCIAL STATEMENTS FOR QUARTER ENDED 30TH JUNE 2021

STATEMENT OF COMPARISON OF BUDGET AND ACTUAL AMOUNTS FOR YEAR ENDED 30th JUNE 2021							
	Original budget	Adjustments	Final budget	budget for the Year	Actual on comparable basis	Performance difference	
	2020-2021	2020-2021	2020-2021	12 Months	2020-2021	2020-2021	
	Kshs	Kshs	Kshs		Kshs	Kshs	% variance
Revenue							
Aeronautical Revenues	3,945,811,510	217,836,359	4,163,647,869	4,163,647,869	4,899,842,164	736,194,295	18%
Non Aeronautical Revenues	2,187,472,668	121,277,930	2,308,750,598	2,308,750,598	2,333,350,843	24,600,245	1%
Other Revenues	197,280,000	219,253,914	416,533,914	416,533,914.32	1,132,494,109	715,960,195	172%
Total Revenues	6,330,564,178	558,368,203	6,888,932,381	6,888,932,381	8,365,687,116	1,476,754,735	21%
Operating Expenses							
Staff Costs	4,499,573,573	172,620,014	4,672,193,587	4,672,193,587	4,649,294,736	22,898,851	0%
Depreciation & Amortization	2,821,542,890	-	2,821,542,890	2,821,542,890	2,821,172,198	370,692	0%
Repairs & Maintenance	856,793,024	(177,506,908)	679,286,116	679,286,116	596,688,895	82,597,222	12%
Purchase of stores	246,707,676	(42,999,225)	203,708,451	203,708,451	172,407,184	31,301,266	15%
Administration Expenses- oth	1,767,413,869	(32,407,427)	1,735,006,442	1,735,006,442	1,651,412,005	83,594,437	5%
Admin- Bad debts					5,947,562,755	(5,947,562,755)	-100%
Admin- Branding affairs- from Capex					100,841,613	(100,841,613)	-100%
Finance Costs (bank charges)	506,504	6,198,496	6,705,000	6,705,000	2,749,151	3,955,849	59%
Total Operating Expenses	10,192,537,536	(74,095,051)	10,118,442,485	10,118,442,485	15,942,128,536	(5,823,686,051)	-58%
Operating Profit	(3,861,973,358)	632,463,254	(3,229,510,104)	(3,229,510,104)	(7,576,441,420)	4,346,931,316	-135%
Interest on loans	424,219,404	20,485,852	444,705,256	444,705,256	440,660,239	4,045,017	1%
Finance income	65,000,000	25,000,000	90,000,000	90,000,000	149,303,803	59,303,803	66%
forex Gain and (Loss)		-			(96,985,725.4)	96,985,725	-100%
Profit/(Loss)	(4,221,192,762)	636,977,401	(3,584,215,361)	(3,584,215,361)	(7,964,783,581.2)	(4,380,568,221)	-122.2%

REVISION OF BUDGET

The revenue budget was revised upwards by Ksh. 558 Million and operating expenses revised downwards by Ksh. 74 Million

BUDGET VS ACTUAL PERFORMANCE

1.Revenues budget had favourable variance of 21%. This was contributed by variances in various revenue streams as follows:

- Airport Passenger Service Charge favorable variance due to increase in international passengers and depreciation of Kshs against USD.
- Landings and parking fees favorable variance is due to the gradual return of passenger flights and cargo flights for emergency delivery of medical facilities and export for flowers & fresh produce to Europe. Ethiopian Airline, KQ and Emirates airline converted passenger equipment to cargo.
- Air bridge fees has a positive variance due to gradual return of the International flights after suspension of the same due to Covid 19 and the depreciation of Kshs against US\$.
- Duty free Income has a favorable variance due to increase in passenger numbers in comparison to the passenger numbers anticipated in the budget. The inclusion of minimum annual guarantee for the last quarter boosted the actual performance.
- Advertisement income has an unfavorable variance due to slow uptake of advertising media
- Car Park revenues have a favorable variance because of the gradual return of normal activities at the Airports resulting to increased vehicle traffic

2. Operating expenses recorded unfavourable variace of 58%. Reasons for the variance expenditure streams include:

- Staff Costs – A marginal favorable variance of 0.3% (Kshs 16.7 million).
- Repairs and maintenance –Favorable variance mainly because of the closure of terminal I B&C at JKIA and reduced activities in all the Airports.
- Administration costs had afavorable variance of 5% .
- Provision for bad debts was made of Kshs 5.9 Billion that was not budgeted for.
- Branding affairs cost that was budgeted as a capital expenditure under signage was recognised as a re-current expense for the year.
- Purchase of stores –savings as result of reduced consumption of material.

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SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

General Information

Kenya Airports Authority is established by and derives its authority and accountability from Kenya Airports Authority Act Cap 395. The entity is wholly owned by the Government of Kenya and is domicile in Kenya. The entity principal activity is to develop, maintain, operate, improve and regulate all aerodromes and other related facilities in Kenya.

For the Kenyan Companies Act reporting purposes, in these financial statements, the balance sheet is represented by the statement of financial position and the profit and loss account is presented in the statement of profit or loss and other comprehensive income.

a. Statement of Compliance & Basis of Preparation

The financial statements have been prepared in accordance with the PFM Act, the State Corporations Act and the International Financial Reporting Standards (IFRSs). The preparation of financial statements in conformity with International Financial Reporting Standards (IFRSs) allows the use of estimates and assumptions. It also requires management to exercise judgment in the process of applying the Authority's accounting policies.

Where necessary the comparative figures for the previous financial year 2019/2020 have been stated in the financial statements to conform to changes in presentation.

The financial statements were approved by the Board of Directors on 24th September 2021.

The accounting policies applied in the preparation of these financial statements are set out below. The Authority adopted all the new and revised IFRS as adopted by the PSASB and IASB that are relevant to its operations and are effective for accounting periods beginning on 1 January 2018. Apart from the accounting policy changes resulting from the adoption of IFRS 9 and IFRS 15 that are effective from 1 January 2018, the adoption of the standards did not have a material effect in the financial statements.

The financial statements are prepared and presented in Kenya Shillings (Kshs), which is the functional and reporting currency of the Authority and all values are rounded to the nearest thousand (Kshs '000). The financial statements are prepared on historical cost basis except for the recognition at fair value of financial instruments, impaired assets at their estimated recoverable amounts and actuarially determined assets at their present value.

b. Going concern

Based on the financial performance of the Authority and the risk management policies, the Board is of the opinion that the Authority is well placed to continue business in the foreseeable future. The financial report is therefore prepared on the going concern basis, which contemplates the continuity of normal business activities, the realization of assets and the settlement of liabilities in the ordinary course of business.

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SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

1. Accounting policies

a) Basis of preparation

The financial statements have been prepared in accordance with International Financial Reporting Standards (“IFRS”). The measurement basis applied is the historical cost basis, except for land and buildings, which have been measured at fair value. The preparation of financial statements in conformity with IFRS requires the use of certain critical accounting estimates. It also requires the Directors to exercise judgement in the process of applying the Company’s accounting policies. The areas involving more judgement or complexity, or where assumptions and estimates are significant to the financial statements.

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a) Application of new and revised International Financial Reporting Standards (IFRSs)
i) Relevant new standards and amendments to published standards effective for the year ended 30 June 2021

Title	Description	Effective Date
IAS 39-Financial Instruments: Recognition and Measurement	IAS 39 "Financial Instruments: Recognition and Measurement" outlines the requirements for the recognition and measurement of financial assets, financial liabilities, and some contracts to buy or sell non-financial items. Financial instruments are initially recognized when an entity becomes a party to the contractual provisions of the instrument and are classified into various categories depending upon the type of instrument, which then determines the subsequent measurement of the instrument (typically amortized cost or fair value). Special rules apply to embedded derivatives and hedging instruments.	The amendments are effective for annual periods beginning on or after January 1, 2020. Earlier application is permitted
IFRS 4- Insurance Contracts (Superseded)	IFRS 4 "Insurance Contracts" applies, with limited exceptions, to all insurance contracts (including reinsurance contracts) that an entity issues and to reinsurance contracts that it holds. In light of the IASB's comprehensive project on insurance contracts, the standard provides a temporary exemption from the requirements of some other IFRSs, including the requirement to consider IAS 8 "Accounting Policies, Changes in Accounting Estimates and Errors" when selecting accounting policies for insurance contracts.	The amendments are effective for annual periods beginning on or after January 1, 2020. Earlier application is permitted.
IFRS 7- Financial Instrument Disclosures	IFRS 7 "Financial Instruments: Disclosures" requires disclosure of information about the significance of financial instruments to an entity, and the nature and extent of risks arising from those financial instruments, both in qualitative and quantitative terms. Specific	The amendments are effective for annual periods beginning on or after January 1, 2020. Earlier application is permitted.

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Title	Description	Effective Date
IFRS 16- Leases	disclosures are required in relation to transferred financial assets and a number of other matters. IFRS 16 specifies how to recognize, measure, present and disclose leases. The standard provides a single lessee accounting model, requiring the recognition of assets and liabilities for all leases, unless the lease term is 12 months or less or the underlying asset has a low value. Lessor accounting however remains largely unchanged from IAS 17 and the distinction between operating and finance leases is retained.	The amendments are effective for annual periods beginning on or after January 1, 2020. Earlier application is permitted.

The Directors have assessed the applicable standards and amendments. Based on their assessment of impact of application of the above, they do not expect that there will be a significant impact on the company's financial statements.

ii) *New and amended standards and interpretations in issue but not yet effective in the year ended 30 June 2021.*

Title	Description	Effective Date
IAS 1 — Presentation of Financial Statements	IAS 1 "Presentation of Financial Statements" sets out the overall requirements for financial statements, including how they should be structured, the minimum requirements for their content and overriding concepts such as going concern, the accrual basis of accounting and the current/non-current distinction. The standard requires a complete	The amendments are effective for annual periods beginning on or after January 1, 2023. Earlier application is permitted.

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Title	Description	Effective Date
	set of financial statements to comprise a statement of financial position, a statement of profit or loss and other comprehensive income, a statement of changes in equity and a statement of cash flows.	
IAS 12 — Income Taxes	IAS 12, "Income Taxes" implements a so-called 'comprehensive balance sheet method' of accounting for income taxes which recognizes both the current tax consequences of transactions and events and the future tax consequences of the future recovery or settlement of the carrying amount of an entity's assets and liabilities. Differences between the carrying amount and tax base of assets and liabilities, and carried forward tax losses and credits, are recognized, with limited exceptions, as deferred tax liabilities or deferred tax assets, with the latter also being subject to a 'probable profits' test.	Earlier application is permitted. The amendments are effective for annual reporting periods beginning on or after January 1, 2023. Early adoption is permitted.
IAS 16 — Property, Plant and Equipment	IAS 16 "Property, Plant and Equipment" outlines the accounting treatment for most types of property, plant and equipment. Property, plant and equipment is initially measured at its cost, subsequently measured either using a cost or revaluation model, and depreciated so that its depreciable amount is allocated on a systematic basis over its useful life.	The amendments are effective for annual periods beginning on or after January 1, 2022. Early application is permitted.
IAS 37 — Provisions, Contingent Liabilities and Contingent Assets	IAS 37 "Provisions, Contingent Liabilities and Contingent Assets" outlines the accounting for provisions (liabilities of uncertain timing or amount), together with contingent assets (possible assets) and contingent liabilities (possible obligations and present obligations that are not probable or not reliably measurable).	The amendments are effective for annual periods beginning on or after January 1, 2022. Early application is permitted.

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Title	Description	Effective Date
IAS 41 — Agriculture	IAS 41 "Agriculture" sets out the accounting for agricultural activity – the transformation of biological assets (living plants and animals) into agricultural produce (harvested product of the entity's biological assets). The standard generally requires biological assets to be measured at fair value less costs to sell.	The amendments are effective for annual periods beginning on or after January 1, 2022. Early application is permitted.
IFRS 1 — First-time Adoption of International Financial Reporting Standards	IFRS 1 "First-time Adoption of International Financial Reporting Standards" sets out the procedures that an entity must follow when it adopts IFRS for the first time as the basis for preparing its general purpose financial statements. The IFRS grants limited exemptions from the general requirement to comply with each IFRS effective at the end of its first IFRS reporting period.	The amendments are effective for annual periods beginning on or after January 1, 2022. Early application is permitted.
IFRS 3 — Business Combinations	IFRS 3 "Business Combinations" outlines the accounting when an acquirer obtains control of a business (e.g. an acquisition or merger). Such business combinations are accounted for using the 'acquisition method', which generally requires assets acquired and liabilities assumed to be measured at their fair values at the acquisition date.	The amendments are effective for annual periods beginning on or after January 1, 2022. Early application is permitted if an entity also applies all other updated references (published together with the updated Conceptual Framework) at the same time or earlier.
IFRS 17 — Insurance Contracts	IFRS 17 establishes the principles for the recognition, measurement, presentation and disclosure of insurance contracts within the scope of the standard. The objective of IFRS 17 is to ensure that an entity provides relevant information that faithfully represents those contracts. This information gives a basis for users of financial statements to assess the effect that insurance contracts have on the entity's financial	The IASB tentatively decided to defer the effective date of IFRS 17, Insurance Contracts to annual periods beginning on or after January 1, 2022. [The IASB has also published "Extension of the Temporary Exemption from Applying

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Title	Description	Effective Date
	position, financial performance and cash flows.	IFRS 9 (Amendments to IFRS 4) to defer the fixed expiry date of the amendment also to annual periods beginning on or after January 1, 2023.]

The Directors do not plan to apply any of the above until they become effective. Based on their assessment of the potential impact of application of the above, they do not expect that there will be a significant impact on the company's financial statements.

i. Early adoption of standards

The entity did not early – adopt any new or amended standards in year 2020/2021

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SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2. Depreciation and impairment of property, plant and equipment

Freehold land and capital work in progress are not depreciated. Capital work in progress relates mainly to the costs of ongoing but incomplete works on buildings and other civil works and installations. Depreciation on property, plant and equipment is recognized in the income statement on a straight-line basis to write down the cost of each asset or the re-valued amount to its residual value over its estimated useful life. The annual rates in use are:

	Rate
Freehold Land	Nil
Leasehold Land	99 years
Pavements (Runways, aprons, taxiways and roads)	4.0%
Permanent buildings	2.5%
Emergency Service Vehicles	10.0%
Other Motor vehicles	25.0%
Electrical -Mechanical Equipment	5.0%
Other Machinery	10.0%
Office Equipment, Furniture and Fixtures	20.0%
Computer and accessories	33.0%

Depreciation of these assets, on the same basis of other property assets commences when the assets are ready for intended use.

Items of property, plant and equipment are reviewed annually for impairment. Where the carrying amount of an asset is assessed as greater than its estimated recoverable amount, an impairment loss is recognized so that the asset is written down immediately to its estimated recoverable amount.

3. Intangible assets

Software license costs and computer software that is not an integral part of the related hardware are initially recognized at cost, and subsequently carried at cost less accumulated amortization and accumulated impairment losses. Costs that are directly attributable to the production of identifiable computer software products controlled by the Authority are recognized as intangible assets. Amortization is calculated using the straight line method to write down the cost of each license or item of software to its residual value over its estimated useful life using an annual rate of 33.3%.

4. Amortization and impairment of intangible assets

Amortization is calculated on the straight-line basis over the estimated useful life of computer software of three years. All computer software is reviewed annually for impairment. Where the carrying amount of an intangible asset is assessed as greater than its estimated recoverable amount, an impairment loss is recognized so that the asset is written down immediately to its estimated recoverable amount.

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SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

5. Investment property

Buildings, or part of a building (freehold or held under a finance lease) and land (freehold or held under an operating lease) held for long term rental yields and/or capital appreciation, and which are not occupied by the entity, are classified as investment property under non-current assets.

Investment property is carried at fair value, representing open market value determined periodically by independent external values. Changes in fair values are included in profit or loss in the income statement.

6. Finance and operating leases

Leases which confer substantially all the risks and rewards of ownership to the *entity* are classified as finance leases. Upon initial recognition, the leased asset is measured at an amount equal to the lower of its fair value and the present value of the minimum lease payments, and the asset is subsequently accounted for in accordance with the accounting policy applicable to that asset

All other leases are treated as operating leases and the leased assets are recognized in the statement of financial position to the extent of prepaid lease rentals at the end of the year. Payments made under operating leases are recognized in profit or loss on a straight-line basis over the term of the lease. Lease incentives received are recognized as an integral part of the total lease expense over the term of the lease.

7. Fixed interest investments (bonds)

Fixed interest investments refer to investment funds placed under Central Bank of Kenya (CBK) long-term infrastructure bonds and other corporate bonds with the intention of earning interest income upon the bond's disposal or maturity. Fixed interest investments are freely traded at the Nairobi Securities Exchange. The bonds are measured at fair value through profit or loss.

8. Inventories

Inventories are stated at the lower of cost and net realizable value. The cost of inventories comprises purchase price, import duties, transportation and handling charges, and is determined on the moving average price method.

9. Trade and other receivables

Trade and other receivables are recognized at fair values less allowances for any uncollectible amounts. These are assessed for impairment on a continuing basis. An estimate is made of doubtful receivables based on a review of all outstanding amounts at the year end. Bad debts are written off after all efforts at recovery have been exhausted.

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SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

10. Taxation

Current tax

Current income tax assets and liabilities for the current and prior periods are measured at the amount expected to be recovered from or paid to the tax authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantially enacted as at the reporting date. Current income tax relating to items recognized directly in equity, in which case it is also recognized directly in equity.

Deferred income tax

Deferred income tax is provided using the liability method on all temporary differences arising between the tax bases of assets and liabilities and their carrying values for financial reporting purposes, using tax rates and laws enacted or substantively enacted at the balance sheet date and expected to apply when the related deferred income tax asset is realized or the deferred tax liability is settled

Deferred income tax assets are recognized only to the extent that it is probable that future taxable profits will be available against which temporary differences can be utilized. Recognized and unrecognized deferred tax assets are reassessed at the end of each reporting period and, if appropriate, the recognized amount is adjusted to reflect the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

11. 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 the purposes of these financial statements, cash and cash equivalents also include short term cash imprests and advances to authorized public officers and/or institutions which were not surrendered or accounted for at the end of the financial year.

12. Borrowings

Interest bearing loans and overdrafts are initially recorded at fair value being received, net of issue costs associated with the borrowing. Subsequently, these are measured at amortized cost using the effective interest rate method. Amortized cost is calculated by taking into account any issue cost and any discount or premium on settlement. Finance charges, including premiums payable of settlement or redemption are accounted for on accrual basis and are added to the carrying amount of the instrument to the extent that they are not settled in the

13. Trade and other payables

Trade and other payables are non-interest bearing and are carried at amortized cost, which is measured at the fair value of contractual value of the consideration to be paid in future in respect of goods and services supplied, whether billed to the *entity* or not, less any payments made to the suppliers

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SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

period in which they arise. Loan interest accruing during the construction of a project is capitalized as part of the cost of the project.

14. Retirement benefit obligations

Defined Benefit Scheme

The Authority operates a defined benefit scheme for all its employees, funded by contribution from employees. The scheme defines the benefits an employee will receive on retirement. The assets of the scheme are held in a separate trustee administered scheme. The Authority's contributions are charged to the profit and loss account in the year to which they relate.

The Authority changed to Defined Contribution scheme from Defined Benefit scheme with effect from 1/7/2011 in accordance with the Treasury circular No. 18/2010 dated 24th November 2010. Based on the directive of this circular and the fact that the Defined Benefit scheme is in surplus, the scheme is ready for winding-up and members benefit to be transferred to Defined Contribution Scheme.

The Authority also contributes to the statutory National Social Security Fund (NSSF). This is a defined contribution scheme registered under the National Social Security Act. The Authority's obligation under the scheme is limited to specific contributions legislated from time to time and is currently at Kshs. 200= per employee per month.

15. Provision for Staff leave pay

The estimated monetary liability for employees' accrued annual leave entitlement at the balance sheet date is recognized as an employment cost accrual. A provision is made for the estimated liability for annual leave at reporting date.

16. Exchange Rate Difference

Transactions during the year are converted into Kenya shilling at exchange rates ruling at the transaction dates. Monetary assets and liabilities, which are expressed in foreign currencies, are translated into Kenya shillings at exchange rates ruling at the balance sheet date. Revenue and Expense items in other currencies are translated into Kenya Shillings using the rate ruling at the transaction date. The resulting differences from conversion and translation are dealt with in the profit and loss account in the year in which they arise.

17. Offsetting

Financial assets and liabilities are offset and the net amount reported in the statement of financial position only when there is a legally enforceable right to set off the recognized amounts and there is an intention to settle on a net basis, or realize the asset and settle the liability simultaneously.

18. Provision for liabilities and charges

Provisions are recognized when the Authority has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and a reliable estimate of the amount of the obligation can be made.

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SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

19. Biological Assets

The Biological assets comprise of trees that were planted at Eldoret International Airport in the year 2006. All the costs incurred to date have been treated as expenses in determining the profit in each year they were incurred. The total proceeds from the sale of these trees minus the incidental costs shall be recognized as income in the year of sale. The assets were valued at fair value by Integrated Forestry Consultancy and Management Services as per IAS 41.

20. Comparative figures

Where necessary, comparative figures for the previous financial year have been amended or reconfigured to conform to the required changes in presentation.

21. 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, 2021.

22. Related Party Policy

Parties are considered to be related if one party has the ability to control the other party or exercise significant influence over the other party in making financial or operational decisions. Jointly controlled entities are also considered as related parties. The companies transact business with parties that are related by virtue of common directorship and/or ownership and jointly controlled entities. The Authority's related parties include:

- Key Management and Directors are in charge of decision making for the Authority
- National Government: The Authority receives Grants and Funds to carry out projects.
- Ministry of Transport, Infrastructure, Housing, Urban Development and Public Works: The Ministry has a representative in the Board of Directors.

23. Significant judgments and key sources of estimation uncertainty

In the process of applying the accounting policies adopted by the Kenya Airports Authority, the directors make certain judgments and estimates that may affect the carrying values of assets and liabilities in the next financial period. Such judgments and estimates are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the current circumstances. The directors evaluate these at each financial reporting date to ensure that they are still reasonable under the prevailing circumstances based on the information available.

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SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Going Concern: The financial statements have been prepared on a going concern basis on the belief that the Authority shall continue operations in the near future.

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

Intangible assets, vehicles and equipment: Critical estimates are made by the management in determining the useful life for intangible assets, vehicles and equipment.

Contingent liabilities: The management evaluates the status of any exposures to contingent liabilities on a regular basis to assess the probability of the Authority incurring related liabilities and the same is disclosed as a note in the financial statements. Provisions are only made in the financial statements where, based on the management's evaluation, a present obligation has been established.

Revaluation reserve: The revaluation reserve relates to the revaluation of certain items of property, plant and equipment. As indicated in the Statement of Changes in Equity, this is stated after transfer of excess depreciation net of related deferred tax to retained earnings. Revaluation surpluses are not distributable.

Retained earnings: The retained earnings represent amounts available for distribution to the *entity's* shareholders. Undistributed retained earnings are utilised to finance the *entity's* business activities.

24. Financial Instruments

Classification: The Authority classifies its financial instruments into the following categories:

Loans and receivables, which comprise non-derivative financial assets with fixed or determinable payments that are not quoted in an active market, and exclude assets which the entity intends to sell immediately or in the near term or those which the entity upon initial recognition designates as at fair value through profit or loss or as available for sale financial assets.

Financial liabilities: which comprise all financial liabilities except financial liabilities at fair value through profit or loss.

25. Risk management objectives and policies

Financial risk management

i) **Credit Risk**

Credit risk refers to the risk that a counter party will default on its contractual obligations

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SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

resulting in a financial loss to the Authority.

The credit risk exposures are classified in three categories:

- Fully performing
 - Past due
 - Impaired
- i) Credit risk on Fixed, Call and Reserves with banking institutions is managed by dealing with institutions with good credit ratings. Credit risk on concessions,
- ii) Tenancies and similar business transactions is mitigated through requirement for performance guarantees issued by financial institutions with good credit ratings.

Credit Risk

Credit risk on Trade Receivables is managed by ensuring that credit is extended to customers with an established credit history. The credit history is determined by taking into account the financial position, past experience and other relevant factors. Credit is managed by setting the credit limit and credit period for each customer.

The maximum exposure of the Authority to credit risk as at the balance sheet date is as follows:

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SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

	Fully Performing	Past due but not Impaired	Past due and Impaired	Total
	Kshs'000	Kshs'000	Kshs'000	Kshs'000
30th June 2021				
Trade receivables	4,370,014		7,272,098	11,642,112
Other receivables	8,127,025		78,790	8,205,815
Fixed Deposits, Call Deposits & Treasury Bills	6,078,856			6,078,856
Reserve Account	728,038			728,038
Cash at bank	892,979			892,979
Gross Financial Assets	20,196,913	-	7,350,887	27,547,800
30th June 2020				
Trade receivables (*Restated)	8,985,417		1,324,229	10,309,646
Other receivables (*Restated)	7,237,306		78,790	7,316,096
Fixed Deposits, Call Deposits & Treasury Bills	8,974,026			8,974,026
Reserve Account	2,528,263			2,528,263
Cash at bank	1,273,169			1,273,169
Gross Financial Assets	28,998,181	-	1,403,019	30,401,200

Past due and Impaired

As at 30 th June	2021	2020 (*Restated)
	Kshs'000	Kshs'000
Bad Debts	7,271,791	1,324,229
Term Deposits-Prudential Bank	78,790	78,790
Other Receivables	306	306
	<u>7,350,887</u>	<u>1,403,019</u>

* Please refer to note 52 for prior year adjustments.

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SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

25. Risk management objectives and policies (Continued)

i) Credit Risk (Continued)

An impairment provision of Kshs.7.35 Billion (**2020: Kshs. 1.403 Billion**) is held against the impaired receivables. The Authority does not hold any collateral against the past due or impaired receivables. The management continues to actively follow up past due and impaired receivables.

ii) Liquidity risk

Liquidity risk is the risk that the Kenya Airports Authority will encounter difficulty in meeting obligations associated with financial liabilities. The board has developed a risk management framework for the management of the Authority's short, medium and long-term liquidity requirements thereby ensuring that all financial liabilities are settled as they fall due. The Authority manages liquidity risk by continuously reviewing forecasts and actual cash flows, and maintaining banking facilities to cover any shortfalls.

The table below summarizes the maturity analysis for financial liabilities to their remaining contractual maturities at the reporting date.

	Within 12 months Kshs'000	Over 12 months Kshs'000	Total
Year ended 30th June 2021			
Trade payables	2,560,750		2,560,750
Other payables		960,907	960,907
Interest bearing Loans	1,024,307	12,034,359	13,058,665
Total	3,585,057	12,995,265	16,580,322
Year ended 30th June 2020			
Trade payables (*Restated)	3,375,559		3,375,559
Other payables (*Restated)		1,668,835	1,668,835
Interest bearing Loans	974,065	10,166,716	11,140,781
Total	4,349,624	11,835,551	16,185,175

* Please refer to note 52 for prior year adjustments

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SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

25. Risk management objectives and policies (Continued)

iii) Market risk

Market risk is the risk that the fair value or future cash flows of financial instruments will fluctuate because of changes in market price and comprises three types of risks: currency risk, interest rate risk.

Interest rate risk: The Authority is exposed to cash flow interest risk on its variable rate borrowings because of changes in market interest rates. The Authority manages this exposure by maintaining a high interest cover ratio, which is the extent to which profits are available to service borrowing costs. If the interest rates on the Authority's borrowings at the year-end were to increase/decrease by 1% percentage points, with all other factors remaining constant, the post-tax profit would be lower/higher by Shs 4.41 Million (2020: Shs 4.90 Million) respectively.

Price Risk: The Authority does not hold investment that would be subject to price risks: hence this risk is not relevant.

Foreign currency sensitivity risk: The Authority has foreign currency denominated bank accounts and it also transacts in foreign currency. The Authority receives US\$ denominated receipts as part of its revenue. These receipts are banked in dollar denominated bank accounts. The Authority mitigates against foreign exchange risks: By negotiating contracts based on the available currency (Dollar/KES). Secondly loans are negotiated and maintained in dollar equivalent to hedge against foreign exchange risk fluctuations.

The carrying amounts of the Authority's foreign currency denominated monetary assets at the balance sheet date are as follows:

	USD ' 000	USD ' 000
As at	30 th June 2021	30 th June 2020
Financial Assets		
Bank and cash balances	8,150	25,624
Term deposits	30,070	57,617
Trade receivables	64,340	42,154
Sub Total	102,559	125,395
Financial liabilities		
Trade payables	36,599	29,446
Long Term Loans	101,175	85,001
		-
Sub Total	137,774	114,447
Net exposure	(35,215)	10,948

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SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

26. 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:

	2020/21	2019-2020 (*Restated)
	Kshs '000	Kshs '000
Revaluation reserve	989,839	989,839
Retained earnings	33,044,685	38,930,051
Capital reserve	17,399,655	17,642,284
Total funds	51,434,180	57,562,175
Total borrowings	13,058,665	11,140,781
Less: cash and bank balances	(7,699,874)	(12,775,457)
Net debt/(excess cash and cash equivalents)	5,358,791	(1,634,677)
Gearing	10%	(3%)

* Please refer to note 52 for prior year adjustments

NOTES TO THE FINANCIAL STATEMENTS

	2020-2021	2019-2020 (Restated*)
Revenues	Kshs' 000	Kshs.'000
27(a) Operating Revenue		
Aeronautical Revenue		
Airport Passenger Service Charge Fund	2,194,152	5,868,102
Landing and Parking	2,375,671	2,903,830
Airbridge Charges	132,965	162,941
Fuel Uplift	193,505	261,354
Other Aeronautical Revenue	3,549	6,430
Total Aeronautical Revenue	4,899,842	9,202,657
Non Aeronautical Revenue		
Rentals	876,281	1,019,531
Concessions	1,388,677	1,761,239
Security Passes Income	67,418	89,020
Other Non aeronautical revenue	975	317
Total Non Aeronautical Revenue	2,333,351	2,870,107
Total Operating Revenue	7,233,193	12,072,765
27(b) Gain on Assets Disposal		
Gain/(loss) on assets disposal	(24,297)	3,687
28 (a) Other Income		
Sale of Tender documents	2	-
Interest on Staff Loans	3,428	3,124
Fines and Penalties	1,259	1,830
Utility Recoveries	132,094	167,744
Other Income	45,770	172,041
	182,552	344,739
28 (b) Amortization Income		
Amortization Income	974,239	840,753
	974,239	840,753
28 (c) Financial Income (Loss)		
Investment Income	139,748	306,514
Bank Interest	9,556	47,184
Exchange gain (loss) on Forex	(96,986)	(35,574)
	52,318	318,124
29 Financial Costs		
Interest Expense	440,660	490,389
	440,660	490,389

* Please refer to note 52 for prior year adjustments.

NOTES TO THE FINANCIAL STATEMENTS (Continued)

	2020-2021	2019-2020 (Restated*)
Profit/(loss) before tax expenses/income	Kshs' 000	Kshs.'000
30 (a) Administrative Expenses		
i) Staff Costs -Note 30 (d)	4,649,295	5,681,244
ii) Other Administrative expenses		
Electricity and Water	614,529	672,036
Communication services and supplies	22,847	59,263
Transportation, Travelling and Subsistence	19,958	90,621
Advertising, Printing , Stationery and Photocopying	20,263	28,395
Marketing and Promotion Expenses	136,064	122,043
Staff Training Tuition and Subsistence	3,337	103,204
Insurance costs	138,120	133,495
Bank charges	2,749	3,106
Loss on Assets Disposal	24,297	-
KRA Commission	51,766	138,676
Legal Fees	59,415	75,044
Consultancy Fees	24,736	19,998
Stores consumed	156,812	202,825
Cleaning Services	136,180	136,677
Environmental Preservation	106,609	98,697
VAT Expense -Allowable & Non Allowable	119,410	428,989
Provision for bad debts	5,947,563	36,198
Provision for Obsolete Stocks	4,712	-
Valuation of Property & Rentals	-	120,930
Other Operating Expenses	143,989	237,625
	7,733,356	2,707,823
iii) Administrative Expenses	12,382,650	8,389,067
30(b) Establishment Expenses		
Repairs and Maintenance	753,275	860,263
Depreciation of property, plant and Equipment	2,753,581	2,771,422
Intangible Assets	67,591	142,829
	3,574,447	3,774,514
30(c) Other Expenses		
Directors' Expenses	7,293	39,051
Audit Fees	2,035	2,000
	9,329	41,051

* Please refer to note 52 for prior year adjustments.

NOTES TO THE FINANCIAL STATEMENTS (Continued)

	2020-2021	2019-2020
	Kshs' 000	Kshs.'000
30 (d) Staff Costs		
Salaries and Wages	3,207,501	4,095,813
Contractual Staff (One month & above)	100,254	101,917
Pension Fund Costs	334,721	401,947
NSSF Company Contribution	4,504	4,578
Group Life Insurance Costs	14,666	17,867
Group Personal Accident (GPA)	12,261	11,961
Other Staff Costs	975,388	1,047,160
	<u>4,649,295</u>	<u>5,681,244</u>

NOTES TO THE FINANCIAL STATEMENTS (Continued)

31 Property, Plant & Equipment

2019	Freehold land	Leasehold land	Capital Work in Progress	Pavements and Buildings	Plant, Machinery, & Motor Vehicles,	Office Equip. Furniture and Fittings	TOTAL
	Kshs.'000	Kshs.'000	Kshs.'000	Kshs.'000	Kshs.'000	Kshs.'000	Kshs.'000
COST OR VALUATION							
At July 1, 2019	249,263	6,856,205	5,100,656	34,248,359	16,542,793	2,628,487	65,625,763
Additions	60,000	450,000	2,600,455	1,065	72,808	37,052	3,221,380
Transfers				(72,264)	(6,468)		(78,733)
Reclassification			(2,195,503)	1,249,822	703,984	241,698	-
Transfer from AUC			(89,762)				(89,762)
Transfer to Intangible assets from AUC							
Provisions paid during the year							
Capitalised from acquisition			(143,691)				(143,691)
Transfer to Operating expenses							
Transfer to Intangible assets from acquisition							
Write off					(9,626)		(9,626)
Disposal							
At June 30, 2020 As reported	309,263	7,306,205	5,272,156	35,426,982	17,303,490	2,907,237	68,525,332
* Adjustment- Note 52: Transfer to Operating expenses			(150,384)				(150,384)
At June 30, 2020 Restated	309,263	7,306,205	5,121,772	35,426,982	17,303,490	2,907,237	68,374,948
DEPRECIATION							
At July 1, 2019		1,509,836		9,171,062	3,849,288	1,888,010	16,418,196
Charge for the year		69,255		1,372,178	931,793	398,196	2,771,422
Eliminated on write off					(9,530)		(9,530)
Eliminated on disposal							
At June 30, 2020 As reported	-	1,579,091	-	10,543,240	4,771,551	2,286,206	19,180,087
* Adjustment- Note 52: Transfer to Operating expenses							
At June 30, 2020 Restated	-	1,579,091	-	10,543,240	4,771,551	2,286,206	19,180,087
NET BOOK VALUE							
At June 30, 2020 As reported	309,263	5,727,114	5,272,156	24,883,741	12,531,940	621,030	49,345,245
At June 30, 2020 Restated	309,263	5,727,114	5,121,772	24,883,741	12,531,940	621,030	49,194,861

KENYA AIRPORTS AUTHORITY ANNUAL REPORTS AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 30TH JUNE 2021

NOTES TO THE FINANCIAL STATEMENTS (Continued)									
31 Property, Plant & Equipment (Continued)									
2020									
COST OR VALUATION									
At July 1, 2020	309,263	7,306,205	5,121,772	35,426,982	17,303,490	2,907,237	68,374,948		
Additions	-	287,140	5,765,696	-	58,258	32,732	6,143,825		
Transfers			(22,440)				(22,440)		
Reclassification			(114,646)				(114,646)		
Transfer from AUC			(902,973)	302,897	566,542	33,534	-		
Disposal				(57,903)	(4,121)	(4,121)	(62,024)		
At June 30, 2021	309,263	7,593,345	9,847,409	35,729,878	17,870,387	2,969,381	74,319,663		
DEPRECIATION									
At July 1, 2020		1,579,091	-	10,543,240	4,771,551	2,286,206	19,180,087		
Charge for the year		69,496		1,405,049	967,721	311,314	2,753,581		
Impairment loss							-		
Eliminated on write off							-		
Eliminated on disposal					(30,508)	(3,823)	(34,331)		
At June 30, 2021	-	1,648,587	-	11,948,290	5,708,765	2,593,697	21,899,337		
NET BOOK VALUE									
At June 30, 2021	309,263	5,944,758	9,847,409	23,781,589	12,161,623	375,684	52,420,326		
FULLY DEPRECIATED ASSETS									
At June 30, 2020 As reported	-	-	-	-	1,101,649	867,104	1,968,753		
At June 30, 2021	-	-	-	-	1,340,363	1,331,372	2,671,735		

Note

During the year the valuation of land, pavement and buildings was completed by the Ministry of land and physical planning, at a revalued amount of 1.2 trillion, as per policy the Authority has disclosed the revalued amount while maintaining the assets at costs in the financial statement. In the year 2011/2012, assets under the classes of Motor vehicles, machinery and equipment and office equipment, furniture and fittings were valued by Chapter Property Ltd, who are registered valuers. A loss on Revaluation due to impairment of Kshs. 796,509,710 was w/off to the reserves. Assets of Kshs 2,671,735,000 had been fully depreciated as at the close of the year. These assets are however still in use by the Authority. Capital works in progress relates to Moi International Airport by rehabilitating the entire pavement with modern facilities, JKIA Terminal 1 B & C consultancy, JKIA Apron Rehabilitation, Wajir Airport Runway & Access Road Rehabilitation, Greenfield payments, Wilson Airport Pavements and Various Airstrips ongoing works etc.

*Amount adjusted & transferred under note 52 to operating expenses relates to second runway consultancy costs.

NOTES TO THE FINANCIAL STATEMENTS (Continued)

	2020-2021	2019-2020
	Kshs' 000	Kshs.'000
32 Intangible Assets		
Cost		
At 1st July	1,465,065	1,365,141
Transfers from AUC	22,440	89,762
Additions during the year	696	10,162
At end of the year	<u>1,488,201</u>	<u>1,465,065</u>
Amortisation		
At 1st July	1,308,694	1,165,865
Charge for the year	67,591	142,829
At end of the year	<u>1,376,285</u>	<u>1,308,694</u>
Net book amount		
At end of the year	<u>111,916</u>	<u>156,371</u>

Intangible assets comprise costs incurred on acquisition of computer software. Amortisation is calculated on a straight line basis over estimated useful life not exceeding three years. The ERP software is fully amortized.

Fully depreciated Intangible Assets : Kes 494,602,604

NOTES TO THE FINANCIAL STATEMENTS (Continued)

	2020-2021	2019-2020
33 Inventories	Kshs' 000	Kshs.'000
Inventories comprises:-		
Hardware	4,293	5,092
Electrical, Electronics & Electro-Mechanical	11,741	15,790
Stationery & Office Supplies	17,616	17,610
Petrol, Oil and Lubricants	8,583	4,167
Motor Vehicles Spares	1,175	1,045
Environment & Cleaning Materials	462	624
Fire & rescue spares	47,085	53,107
Inv-Obsolete Stocks	10,862	10,862
	<u>101,816</u>	<u>108,296</u>
Less provision for obsolete stock	(10,862)	(6,150)
	<u>90,954</u>	<u>102,146</u>

Inventories are stated at the lower of cost and net realisable value. The cost of inventories comprises purchase price, import duties, transportation and handing charges, and is determined on the moving average price method.

NOTES TO THE FINANCIAL STATEMENTS (Continued)

	2020-2021	2019-2020
	Kshs' 000	(Restated*) Kshs.'000
34(a) Trade and Other Receivables		
Trade receivables	11,642,112	10,309,646
Term Deposit	78,790	78,790
Prepayments - Greenfield Project	4,043,684	4,043,684
Prepayments - Others	1,459,556	1,988,836
Staff receivables	238,812	187,222
Other Taxes Prepaid	2,379,533	1,017,564
Prepaid Corporation Tax	5,441	-
Gross trade and other receivables	19,847,926	17,625,742
Provision for bad and doubtful receivables - Note 34 (b)	(7,271,791)	(1,324,229)
Investment Provisions -Note 34 ©	(78,790)	(78,790)
Provision for other unrecoverable receivables	(306)	(306)
Total provisions	(7,350,887)	(1,403,325)
Net trade and other receivables	12,497,039	16,222,417
34(b) Bad Debts Provision (Specific)	2020-2021	2019-2020
	Kshs.'000	Kshs.'000
As at July 1	1,324,229	1,288,031
Additions	5,947,563	36,198
for uncollectable debts.		
34 (c) Term Deposits		
As at July 1	78,790	78,790
Specific provision for the year	-	-
This relates to a Kshs.78,789,626.45 term deposit with Prudential Bank which is under Receivership. The amount has been fully provisioned for.		

* Please refer to note 52 for prior year adjustments.

NOTES TO THE FINANCIAL STATEMENTS (Continued)

	2020-2021	2019-2020
35 Balances held in Reserve Accounts	Kshs' 000	Kshs.'000
Barclays Bank Paris-AFD Loan Reserve Account	263,414	1,807,872
ABSA Kenya-AFD Loan Debt Service A/C	464,624	720,391
	<u>728,038</u>	<u>2,528,263</u>

These are cash balances held in both Barclays Bank (Paris) and Barclays Bank (Kenya) under special security arrangements with AFD in respect of servicing of the long term loan for Jomo Kenyatta International Airport rehabilitation, and Moi International Airport pavements and Expansion projects. These funds are not available for day to day operations of the Authority.

	2020-2021	2019-2020
36(a) Cash and Cash Equivalents (KAA)	Kshs' 000	Kshs.'000
Cash in hand and at bank	646,009	424,060
Call Deposits	152,088	193,952
Fixed Deposits	3,980,138	6,834,604
	<u>4,778,236</u>	<u>7,452,617</u>

	2020-2021	2019-2020
36(b) Airstrips Fund Cash Balance	Kshs' 000	Kshs.'000
Cash at bank	246,970	849,108
Treasury Bills	1,946,630	1,945,470
	<u>2,193,600</u>	<u>2,794,578</u>

	2020-2021	2019-2020
37 Airstrip Fund	Kshs' 000	Kshs.'000
As at beginning of the year	2,794,578	2,062,287
Received during the year	60,000	3,281,301
Interest earned	167,220	206,883
Total Receipts	<u>227,220</u>	<u>3,488,184</u>
Airport disbursements (GOK grants)	(444,471)	(154,382)
Refund of Airstrip Funds	-	(2,500,000)
Airstrip disbursements	(383,727)	(101,511)
As at end of the year	<u>2,193,600</u>	<u>2,794,578</u>

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NOTES TO THE FINANCIAL STATEMENTS (Continued)

	2020-2021	2019-2020 (Restated*)
38 Trade and Other Payables		
	Kshs' 000	Kshs.'000
Trade Payables	2,499,846	3,293,360
Pension Liability	-	851,154
Security Deposits	138,516	122,897
Tax Liability	57,064	78,462
Retention payable	822,391	694,785
Staff Creditors	3,840	3,737
	3,521,657	5,044,394
	2020-2021	2019-2020
39 Long Term Loans	Kshs' 000	Kshs.'000
World Bank Loan -Note 39(a)	2,153,764	2,086,248
AFD Loan -Note 39(c)	10,904,901	9,054,532
	13,058,665	11,140,781
Due within the year	1,024,307	974,065
Due after the year	12,034,359	10,166,716

* Please refer to note 52 for prior year adjustments.

NOTES TO THE FINANCIAL STATEMENTS (Continued)

	2020-2021	2019-2020
39(a) World Bank Loan	Kshs' 000	Kshs.'000
Balance b/f	2,086,248	2,201,175
Received during the year	81,357	-
Refund of unutilised loan to IDA	(13,841)	(16,274)
Repayments during the year	-	(98,653)
Total loan outstanding	2,153,764	2,086,248
less: Amounts due in the year	-	(197,305)
Balance c/f	2,153,764	1,888,943

	2020-2021	2019-2020
39(b) Analysis of World Bank loan per project	Kshs' 000	Kshs.'000
Northern Corridor Transport Improvement Project	1,582,343	1,582,343
Kenya Transport Sector Support Projects	118,767	132,608
Kenya Aviation Modernization Project	452,655	371,298
	2,153,765	2,086,249
less: Amounts due during the year	-	(197,305)
	2,153,765	1,888,943

The Northern Corridor Transport Improvement loan is denominated in Kenya Shillings with a duration of 23 years from 2004, a grace period of 8 years and 5% interest rate per annum.

The Kenya Transport Sector Support Project loan is denominated in Kenya shillings with a duration of 23 years from 2011, a grace period of 8 years and interest rate of 5% per annum

The World Bank through The National Treasury granted a moratorium for a period of twelve months on the repayment of the IDA on-lent due for repayment between April 2020 and June 2021

	2020-2021	2019-2020
39(c) Agence Francaise De Developpement (AFD) Loan	Kshs' 000	Kshs.'000
Balance as at 1st July	9,054,532	7,752,353
Amount Received	2,769,153	1,744,662
Exchange(Gain)/Loss	105,522	334,277
Loan Repayment	(1,024,307)	(776,759)
Total loan outstanding	10,904,901	9,054,532
less: Amount due during the year	(1,024,307)	(776,759)
Balance c/f	9,880,594	8,277,773

Agence Francaise De Developpement are co-financiers in the construction of Terminal 1A and a multi-storey car park which are part of the expansion and upgrade of facilities project at Jomo Kenyatta International Airport. The USD 90 million principal loan has a duration of 20 years from 2011, a grace period of 5 years and interest rate at libor plus 2.75% per annum.

Agence Francaise De Developpement has also funded the rehabilitation of Moi international airport. The US D 66 million principal loan has a duration of 20 years from 2014 with a grace period of 5 years and interest rate at Libor plus 3.78% per annum.

40 Provision for liabilities and charges

	Dividend Kshs.'000	Leave Pay Kshs.'000	Others Kshs.'000 Note	Total Kshs.'000
At 1st July 2020	256,886	7,023	1,871,655	2,135,564
At end of year	256,886	7,023	1,871,655	2,135,564
Less: current portion	-	-	-	-
Non current portion	<u>256,886</u>	<u>7,023</u>	<u>1,871,655</u>	<u>2,135,563</u>
At 1st July 2020	256,886	7,023	1,871,655	2,135,564
Net increase charged to profit and loss	-	7,313	768,975	776,288
Utilized during the year		-	(110,356)	(110,356)
Unutilised & Reversed during the year		-	(33,103)	(33,103)
At 30th June 2021	<u>256,886</u>	<u>14,336</u>	<u>2,497,171</u>	<u>2,768,392.27</u>

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NOTES TO THE FINANCIAL STATEMENTS (Continued)

	2020-2021	2019-2020 (Restated*)
41 Tax expense/ income		
Tax	Kshs' 000	Kshs.'000
Balance Sheet		
Balance bfwd	1,779,799	975,332
Charge for the year	(1,361,630)	804,467
Paid during the year	(5,441) -	
Balance cfwd	412,729	1,779,799
Profit and Loss account		
Current Tax at 30% on the taxable profit for the year	(1,361,630)	804,467
Deferred Taxation charge/(credit) (note 42)	69,853	(208,748)
Tax Expense	(1,291,777)	595,719

The income tax based on accounting profit before taxation differs from the theoretical amount computed using the applicable tax rate as follows:

	2020-2021	2019-2020 (Restated*)
	Kshs.'000	Kshs.'000
Accounting profit before taxation	(7,964,784)	885,047
Tax applicable rate of 30%	(2,389,435)	265,514
Tax effects of:		
Net (revenue)/expense not deductible for tax purposes	1,031,460	538,953
(Reversing)/originating temporary differences	69,853	(208,748)
	(1,288,122)	595,719

* Please refer to note 52 for prior year adjustments.

NOTES TO THE FINANCIAL STATEMENTS (Continued)

42 Deferred Tax Liability

Deferred income tax is calculated using the income tax rate of 30%

The movement on the deferred income tax account is as follows:-

	2020-2021	2019-2020 (Restated*)
	Kshs' 000	Kshs.'000
Balance at the beginning of the year	226,237	17,488.938
Charged/(credited) to Profit or Loss	(69,853)	208,748.245
At end of year	156,385	226,237.183

* Please refer to note 52 for prior year adjustments.

NOTES TO THE FINANCIAL STATEMENTS (Continued)

43 Notes to the Statement of Cashflows

43(a) Reconciliation of operating profit/ (loss) to cash generated from /(used in) operations

	2020-2021	2019-2020 (Restated*)
	Kshs' 000	Kshs.'000
Operating profit before tax	(7,964,784)	885,047
Depreciation and Amortization Expense	2,821,172	2,914,251
Amortization Income	(974,239)	(840,753)
Write back on provision	(33,103)	(121,408)
Gain/(Loss) on Disposal of property, plant and equipment	27,693	(3,687)
Net Exchange loss/ (gain) on Forex	187,343	(27,474)
Utilised provisions		
Interest received	(149,304)	(353,698)
Reclassification from AUC	114,646	143,690
Material Inventory (loss) & Price Difference	12,473	2,195
Provisions	768,975	702,879
Provisions for bad debts	5,947,563	36,198
Operating profit/(loss) before working capital changes	758,435	3,337,239
(Increase)/decrease in inventories	11,192	5,508
(Increase)/decrease in trade and other receivables	(860,556)	(232,114)
Increase/(decrease) Trade payables and accruals	(671,584)	(1,436,591)
	(1,520,948)	(1,663,197)
Cash generated from/(used in) operations	(762,513)	1,674,042

43(b) Analysis of changes in loans

Balance at beginning of the year	11,140,781	9,953,528
Receipts during the year	2,850,511	1,744,662
Refund of unutilized WB loan amount	(13,841)	334,277
Exchange(Gain)/Loss	105,522	(16,274)
Repayments during the year	(1,024,307)	(875,412)
Balance at end of the year	13,058,665	11,140,781

43(c) Analysis of cash and cash equivalents

Balances held in Reserve Accounts	728,038	2,528,263
Treasury Bills - Airstrip Fund	1,946,630	1,945,470
Short term deposits - KAA	4,132,226	7,028,556
Cash at hand and bank - KAA	646,009	424,060
Cash at hand and bank - Airstrip Fund	246,970	849,108
Balance at end of the year	7,699,874	12,775,457

* Please refer to note 52 for prior year adjustments.

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NOTES TO THE FINANCIAL STATEMENTS (Continued)

44 Commitments

	2020-2021 Kshs 000	2019-2020 kshs 000
a) Contracted but not provided For in the financial statements.	524,782	389,571
b) Commitments approved and Authorized but not Contracted for at the close of the year	-	-
c) Letters of Credit	78,282	188,653

45 Contingent liabilities (Kshs 32.80 billion)

A. Pending cases in court and tax assessment

These are pending court cases involving KAA and other third parties & tax assessment claims by Kenya Revenue Authority (KRA). The amounts claimed by the petitioners are estimated at **Kshs.27.14 billion**. The following are summaries of the main cases: -

(i) KRA has submitted a tax assessment claim of Kshs. 4,219,186,112 for financial years 2014 to 2016. The Authority has objected to this tax assessment on the grounds that Air Passenger Service Charge (APSC) is a statutory charge collected by KRA and remitted to KAA and is therefore not subject to tax. KRA has informed that they have sort for calendar of mediation meetings from the Attorney General's Office for all matters withdrawn by the State Agencies. The Attorney General has requested both KAA and KRA to send their submissions for mediation.

(ii) H.C Misc. App No. 86 of 2008 Republic vs MD KAA, Exparte; Patrick T. Kanyuira HCCC No. 268 of 2012 Kenya Commercial Bank vs Patrick Thoithi, KAA (As 3rd Party). The plaintiff is seeking Kshs. 992,336,004 compensation plus general damages of Kshs. 10 million and costs arising from KAA's stoppage of development on LR 209/11444 on flight safety grounds.

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(iii) Mitu Bell and 2 Others vs KAA. The High Court ruled in the plaintiffs' favour and held that KAA had illegally evicted the plaintiffs and demolished their houses and further that the Authority should acquire alternative land for the displaced people. The Authority successfully appealed the High Court decision and the High Court judgement was set aside. The plaintiffs have made an application before the Supreme Court seeking to challenge the court of Appeal's decision. The plaintiff's claim for compensation is Kshs. 766,250,000.

(iv) KAA/JKIA/CS/752 VOL. 1(12) Relief & Mission Logistics Vs KAA. The plaintiff is seeking to be paid Kshs. 719,712,373.28 as compensation for termination of contract for concession agreement for passenger transfer services at JKIA on 15th May, 2015. The Arbitral Award of Ksh 150,871,247 plus interest was issued on 4th February 2021. The Attorney General's legal advisory was issued on 3rd May, 2021 advising the Authority to set aside the award. The Authority has filed an application at the High Court to challenge the award and seeking to set aside the same.

(v) Baseline Architects Ltd & 3 others vs KAA. An arbitral award of Kshs. 404,870,293 was given against the Authority in 2013. The Authority has filed an appeal seeking to set aside the arbitral award.

(vi) HCCC No. 505 of 2017 – Moniks Agencies vs KAA. The plaintiff, through its advocates, filed application seeking orders for payment of Kshs. 318,814,701 for clearing services, bond cancellation and interest thereon. The court directed the Authority to deposit security in form of a guarantee of Kshs. 10,000,000/=. Judgement was delivered on 28th February, 2022. The Plaintiff has since filed a Notice of Appeal.

(vii) Roder Hts: The contractor is claiming Kshs. 156,111,049.23 for unpaid certificate, extension of time, demurrage charges and interest on delayed payments. The arbitration proceedings are yet to commence.

(viii) ACEG-CATIC Joint Venture: In 2016, the contract between the Authority and the Contractor (ACEG-CATIC Joint Venture) was invalidated on account of inconsistencies in the contract and tender documents. Subsequently, the Contractor lodged a claim for Kshs. 17.61 billion for work done and compensation for termination.

(ix) Maya Duty Free: claim that its right to own property had been violated by the Authority. Payment of compensation for lost revenue at shop in gate 7 at JKIA measuring 47.47 sq.m from December 2010 to 2017 of USD 10,848,000.

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NOTES TO THE FINANCIAL STATEMENTS (Continued)

B. Disputed pending contracts' claims

These comprise unverified and disputed claims lodged by various contractors. As at 30th June 2021, the gross value of these claims amounted to **Kshs. 5.66 billion**.

The main claims include: -

- i. CATIC: The Contractor has lodged claims amounting to Kshs 2,058,242,440 million relating to works done on JKIA's apron stands, arrival and departure terminals (T1A) and interest thereon.
- ii. Sino Hydro Corporation Kshs.1,532,491,071 relates to the runway capacity and ILS upgrade and rehabilitation of aircraft pavement works at JKIA demanded by the contractor for the work done and disputed taxes.
- iii. Machiri Ltd: The Contractor is claiming Kshs.388,087,164 for interest on late payments of interim certificates and deducted retention amounts; the claim also includes accelerated cost, extension of time and unpaid certificates.
- iv. Doch company Ltd : The claim of 955,275,371 is anchored in a dispute involving the refurbishment of Nanyuki Airstrip. The contractor seeks a declaration that the termination of contract was unlawful, null and void with no legal effect and an injunction restraining the Authority from continuing with or carrying out any civil works at the airstrip. The matter under is arbitration.

46 Revaluation Reserves

The revaluation reserve relates to the revaluation of certain items of property, plant and equipment. As indicated in the Statement of Changes in Equity, this is stated after transfer of excess depreciation net of related deferred tax to retained earnings. Revaluation surpluses are not distributable.

47 Currency

The financial statements are presented in Kenya Shillings Thousands.

48 Staff levels

The number of persons employed by the Authority as at 30th June 2021 was 1,879 (2019/20 – 1,893).

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NOTES TO THE FINANCIAL STATEMENTS (Continued)

49 Biological Assets

The Biological assets comprise of trees that were planted at Eldoret International Airport in the year 2006. All the costs incurred to date have been treated as expenses in determining the profit in each year they were incurred. The total proceeds from the sale of these trees shall be recognized as income in the year of disposal. The assets were valued at fair value by Integrated Forestry Consultancy and Management Services as per IAS 41 at Kshs 443M.

50 The closing rate of exchange as at 30th June, 2021 was *Kshs. 107.7824 per USD 1*

NOTES TO THE FINANCIAL STATEMENTS (Continued)

51 Related Party Disclosures

Transactions between the Authority and its related parties are as stated below:

	2020-2021	2019-2020
	Kshs' 000	Kshs.'000
a) Directors Expenses		
Remuneration	668	960
Other Expenses	6,625	38,091
	7,293	39,051
b) Key Management Compensations		
Salary	166,105	168,383
Other Benefits	67,793	34,713
	233,899	203,097
c) National Government		
Grants received through the Government		
World Bank Grant	-	18,267
	-	18,267
d) Ministry of Transport, Infrastructure, Housing, Urban Development and Public Works		
Grants disbursed through the Ministry of Transport , Infrastructure, Housing, Urban Development and Public Works		
Airstrip Funds	444,471	154,382
e) Kenya Civil Aviation Authority & Special Tourism Promotion Fund (STPF)		
Amount paid to Kenya Civil Aviation Authority	911,291	1,576,291
Amount paid to Special Tourism Promotion Fund	770,969	1,471,092
Total Paid	1,682,260	3,047,382

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52 Prior year adjustments

The prior year errors were corrected as follows:

- a) Adjustment for accrued revenue.
- b) Adjustment for provision for bad debts relating to job evaluation debtors that are recoverable.
- c) Adjustments for realized forex gain and losses.
- d) Adjustment for correct recognition of prior period recurrent cost earlier classified as Work in Progress.
- e) Final adjustment for taxes. After adjusting above errors.

a) Restatement of audited statement of profit or loss and comprehensive income for the period ended 30th June 2020

	For the year ended 30 June 2020 (as previously reported)	Adjustment	For the year ended 30 June 2020 (as restated)
	Kshs' 000	Kshs' 000	Kshs' 000
Operating Revenue	12,056,493	16,272	12,072,765
Administrative Expenses	(8,452,303)	63,237	(8,389,067)
Financial Income /(Loss)	391,924	(73,800)	318,124
Income Tax Expense	(599,143)	3,425	(595,719)
Profit After Taxation	<u>280,195</u>	<u>9,133</u>	<u>289,328</u>

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52 Prior year adjustments continued

b) Restatement of audited statement of financial position as at 30th June 2020

	For the year ended 30 th June 2020 (as previously reported)	Adjustment	For the year ended 30 th June 2020 (as restated)
	Kshs' 000	Kshs' 000	Kshs' 000
Non-Current Assets			
Property, Plant and Equipment	49,194,863	150,383	49,345,246
Current Assets			
Trade and Other Receivables	16,222,417	725,415	16,947,832
Deferred Tax Asset	226,237	(226,237)	-
Capital and Reserves			
Retained Earnings	38,930,051	141,251	39,071,302
Non- Current liabilities			
Deferred Tax Liability	-	189,452	189,452
Current Liabilities			
Trade and Other Payables	5,044,394	318,860	5,363,254

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Additional Information

Five year Financial and Statistical Records

	2016/2017	2017/2018	2018/2019	2019/2020 (* Restated)	2020/2021
Aeronautical Revenue	Kshs.'000	Kshs.'000	Kshs.'000	Kshs.'000	Kshs.'000
Landing and Parking	3,273,616	3,396,166	3,413,243	2,903,830	2,375,671
Airbridge Charges	189,163	252,298	227,271	162,941	132,965
Other Aeronautical Revenue	12,919	11,785	10,370	6,430	3,549
Rentals	758,833	850,938	985,719	1,019,531	876,281
Concessions	1,999,786	2,187,388	2,329,149	1,761,239	1,388,677
Other Non aeronautical revenue	97,415	90,232	103,593	350,691	261,897
Airport Passenger Service Charge	9,567,298	10,147,238	7,655,347	5,868,102	2,194,152
Total Operating Revenue	15,899,030	16,936,044	14,724,691	12,072,765	7,233,193
Other Revenue					
Other income	782,999	1,051,742.58	1,175,884	1,189,179.27	1,132,494.11
Financial Income	517,899	(359,861)	496,466	318,124	52,318
	17,199,928	17,627,926	16,397,041	13,580,068	8,418,005
Financial Costs	756,817	532,852	464,634	490,389	440,660
Staff Costs	4,745,806	4,686,474	4,691,259	5,681,244	4,649,295
Other Administrative expenses	2,785,210	2,659,184	3,317,939	2,707,823	7,733,356
Repairs and Maintenance Expenses	687,167	820,118	786,204	860,263	753,275
Depreciation and Amortization Expenses	2,678,381	3,138,762	3,273,507	2,914,251	2,821,172
Other Costs	34,477	15,278	34,476	41,051	9,329
	11,687,857	11,852,669	12,568,019	12,695,020	16,407,086
Profit Before Tax	5,512,071	5,775,257	3,829,022	885,047	(7,989,081)
Taxation	(256,284)	(803,468)	(784,805)	(595,719)	1,291,777
Profit After Tax	5,255,787	4,971,789	3,044,217	289,328	(6,697,304)

* Please refer to note 52 for prior year adjustments.

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Additional Information (Continued)					
Five year Financial Performance					
	2016/2017	2017/2018	2018/2019	2019/2020 (*Restated)	2020/2021
	KSHS'000	KSHS'000	KSHS'000	KSHS'000	KSHS'000
ASSETS & LIABILITIES:-					
Non-Current Assets					
Property, Plant and Equipment	50,773,193	50,360,119	49,207,591	49,194,863	52,420,326
Intangible Assets	870,181	484,567	199,276	156,371	111,916
Operating Lease	-	-	-	-	-
Total Non-Current assets	51,643,374	50,844,686	49,406,867	49,351,234	52,532,243
Current Assets					
Inventories	147,994	128,894	107,655	102,146	90,954
Trade and Other Receivables	10,785,252	14,321,565	16,334,627	16,222,417	12,497,039
Reserve Account	2,221,651	2,324,107	2,521,401	2,528,263	728,038
Cash and Cash Equivalents	8,274,294	11,791,943	15,006,891	7,452,617	4,778,236
Airstrips Fund Cash Balance	1,366,998	2,301,414	2,062,287	2,794,578	2,193,600
Deferred Tax Asset	234,288	545,126	17,489	226,237	156,385
Total Current assets	23,030,477	31,413,052	36,050,352	29,326,259	20,444,253
TOTAL ASSETS	74,673,851	82,257,737	85,457,218	78,677,492	72,976,495
EQUITY AND LIABILITIES					
Capital and Reserves					
Government Grant	17,969,352	18,158,970	17,800,388	17,642,284	17,399,655
Revaluation Reserve	988,739	988,739	989,839	989,839	989,839
Retained Earnings	36,023,734	43,383,699	46,299,910	38,930,051	33,044,685
Capital and Reserves	54,981,804	62,531,408	65,090,138	57,562,175	51,434,180
Non- Current liabilities					
Airstrip Fund	1,366,998	2,301,414	2,062,287	2,794,578	2,193,600
Long Term Loans	9,823,613	8,996,744	9,141,867	10,166,716	12,034,359
Deferred Tax Liability	-	-	-	-	-
Total Non-Current Liabilities	11,190,611	11,298,159	11,204,154	12,961,294	14,227,959
Current Liabilities					
Trade and Other Payables	5,775,419	5,279,334	6,480,985	5,044,394	3,521,657
Current Portion of Long Term Loan	825,785	821,501	811,660	974,065	1,024,307
Provisions for Liabilities and Charges	1,900,231	2,327,331	1,870,278	2,135,564	2,768,392
Total Current Liabilities	8,501,435	8,428,166	9,162,924	8,154,022	7,314,356
TOTAL EQUITY AND LIABILITIES	74,673,851	82,257,733	85,457,216	78,677,491	71,976,494

* Please refer to note 52 for prior year adjustments.

Additional Information (Continued)

Five year Operational Statistics

Aircraft (No.)

Airport/Airstrip	2016/2017	2017/2018	2018/2019	2019/2020	2020/2021
Jomo Kenyatta Int. Airport	108,241	111,126	114,201	91,968	57,905
Moi Int. Airport	22,626	25,198	28,364	21,628	15,875
Eldoret Int. Airport	9,243	9,044	9,118	6,888	5,852
Wilson Airport	97,286	99,445	99,891	72,938	65,512
Kisumu Int. Airport	7,698	8,548	11,255	8,046	6,640
Malindi Airport	14,722	13,336	12,981	9,083	7,641
Lokichoggio Airport		1,881	1,746	1,269	971
Wajir Airport	14,983	12,545	11,653	10,432	4,024
Manda Airstrip	4,732	5,632	6,299	4,083	3,355
Ukunda Airstrip	11,717	12,323	12,451	7,519	4,885
Isiolo Airport				526	272
Other Airstrips**	10,020	8,765	15,197	12,082	7,829
Total	301,268	307,843	323,156	246,462	180,761

Passengers (No.)

Airport/Airstrip	2016/2017	2017/2018	2018/2019	2019/2020	2020/2021
Jomo Kenyatta Int. Airport	7,163,704	7,609,465	8,123,681	6,187,601	2,563,491
Moi Int. Airport	1,387,853	1,401,206	1,551,502	1,176,239	646,498
Eldoret Int. Airport	233,127	255,960	262,662	204,362	164,142
Wilson Airport	454,682	660,099	911,959	577,922	383,953
Kisumu Int. Airport	376,904	416,690	505,098	358,184	298,189
Malindi Airport	158,011	178,049	181,660	128,547	133,308
Lokichoggio Airport	4,888	4,475	4,786	2,901	898
Wajir Airport	116,102	97,805	115,836	112,981	51,296
Manda Airstrip	84,762	107,833	121,641	74,795	61,724
Ukunda Airstrip	128,441	173,460	188,676	128,198	126,683
Isiolo Airport	-	-	-	922	541
Other Airstrips**	114,669	116,407	117,622	86,772	43,072
Total	10,223,143	11,021,449	12,085,123	9,039,424	4,473,795

Freight (Kgs)

Airport/Airstrip	2016/2017	2017/2018	2018/2019	2019/2020	2020/2021
Jomo Kenyatta Int. Airport	234,813,380	313,074,491	350,818,919	335,989,918	342,728,719
Moi Int. Airport	3,669,530	3,326,268	4,638,373	1,478,439	1,475,494
Eldoret Int. Airport	12,129,038	12,123,537	12,079,467	13,128,281	12,879,372
Wilson Airport	2,796,470	2,794,158	591,402	87,892	-
Isiolo Airport	-	-	-	700	15,325
Total	253,469,655	331,318,454	368,128,161	350,685,230	357,098,910

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Detailed analysis of the cash and cash equivalents				
			30th June 2021	30th June 2020
RESERVE ACCOUNTS			Kshs.	Kshs.
Name of the Bank	Bank Account	Currency		
BBK RES Current (USD) Main A/C-05	05000000340	USD	-	1,280,399,248
BBK D/SERVICE Current (USD) Main	2021464751	USD	463,668,508	239,246,967
BBK RES Current (USD) Main MIA A	2032129067	USD	341,020	25,902,205
BBK D/SERVICE Current(USD)MIA N	2032129091	USD	69,739	331,394,280
BBKCurrent(USD)Main MIA A/C-203	2032129156	USD	544,848	123,847,435
BB PARIS RESERVE USD (MIA)-005	05000000342	USD	263,414,236	527,472,475
TOTAL			728,038,350	2,528,262,611
TREASURY BILLS				
CENTRAL BANK OF KENYA	Treasury Bills	KES	1,946,630,000	1,945,470,000
SHORT TERM DEPOSITS				
Name of Bank	Type and tenor	Currency		
NATIONAL BANK OF KENYA	CALL	KES	-	6,473,494
HF COMPANY OF KENYA	CALL	KES	152,088,135	187,478,878
HF COMPANY OF KENYA	MORTGAGE	KES	739,157,617	697,059,207
COMMERCIAL BANK OF AFRICA	Fixed Deposit	USD	564,545,418	541,372,012
NIC BANK	Fixed Deposit	USD	220,635,716	448,145,436
KENYA COMMERCIAL BANK	Fixed Deposit	USD	651,177,809	2,699,370,139
NATIONAL BANK OF KENYA	Fixed Deposit	USD	1,060,745,541	1,082,400,405
BANK OF AFRICA LTD	Fixed Deposit	USD	-	540,608,408
EQUITY BANK	Fixed Deposit	USD	743,875,964	825,648,389
BARCLAYS BANK KENYA	Fixed Deposit	USD	-	-
TOTAL			4,132,226,201	7,028,556,368
CASH AT HAND AND BANK				
Name of the Bank	Bank Account	Currency		
BARCLAYS BANK KENYA	2022988088	KES	42,709,170	96,936,741
BARCLAYS BANK KENYA	2021464654	USD	567,217	35,723,371
NATIONAL BANK OF KENYA	0100305823420	KES	34,399,431	21,029,290
NATIONAL BANK OF KENYA	0200305823470	USD	42,689,262	20,497,201
KENYA COMMERCIAL BANK	1108348521	KES	12,079,018	5,387,508
KENYA COMMERCIAL BANK	1128430460	USD	1,310,125	240,067
CITIBANK	300090001	KES	124,130,888	55,724,979
CITIBANK	300090012	USD	246,609,860	132,039,900
CITIBANK	3000090613	KES	20,001,000	
CITIBANK	300090621	KES	1,001,000	
STANDARD CHARTERD BANK	010409889480	KES	246,963,398	802,751,181
STANDARD CHARTERD BANK	0-10409889480	KES	-	98,575,630
BARCLAYS BANK KENYA	2029771084	USD	114,416,671	3,521,631
NIC BANK	10001206024	KES	7,115	11,211,132
EQUITY BANK	148026234139	KES	3,573,416	3,705,805
EQUITY BANK	1480262341788	USD	8,165,294	9,265,763
FAMILY BANK	068000008283	KES	6,518	6,518
CASH IN HAND		KES	12,464	40,053
CASH IN HAND		USD	-	(26,637)
TOTAL			898,641,846	1,296,630,132

APPENDIX I: PROJECTS IMPLEMENTED FROM JULY 2020 TO JUNE 2021

No	Project	Funder/Budget	Timelines	Contractor/Consultant	Milestones Achieved/Status
1)	Proposed Refurbishment of Terminal IB and IC – Jomo Kenyatta International Airport:	Funder: KAA Contract Sum: Kshs. 963,541,535.22 Amount Certified: Kshs. 128,554,678.26	Commencement Date: 08 th December, 2020 Completion Date: 8 th December 2021 Contract Period: 12 Months.	M/s China Jiangxi International Economic and Technical Cooperation Company Limited.	Work progress at 44%:
2)	Rehabilitation of Apron Pavements - JKIA:	Funder: KAA Contract Sum: KShs. 265M Amount Certified: Kshs. 149,437,748.76 (IPC I, II & III) Amount Paid: Kshs. 149,437,748.76 (IPC I, II & III)	Commencement Date: 27 th November, 2019 Completion Date: 26 th November, 2020 (contract period elapsed, Contractor has formally applied for EoT & under review by CIT) Contract Period: 12 Months.	M/s Northern Construction Ltd.	Works are ongoing & progress is currently at 80% complete:
3)	Replacement of 11KV Technical Ring Switchgear and low	Funder: KAA	Commencement Date: 24 th January, 2019	M/s Ascot Mehta JV.	Works progress at 80% complete

No	Project	Funder/Budget	Timeline	Contractor/ Consultant	Milestones Achieved/Status
	voltage boards at SSM, carry, HQ and technical ring, electrical substations - JKIA:	<p>Contract Sum: Kshs. 199,979,023.30</p> <p>Amount Paid to date: Kshs. 128,395,476.20 (inclusive of advanced payment of Kshs. 24,856,978.62)</p> <p>Amount Certified: Kshs. 156,075,876.20 (inclusive of advanced payment of Kshs. 24,856,978.62)</p>	Contractor has requested for 4 th extension of time up to: and February, 2022		
4)	Replacement of the two (2No) old 1400 KVA Blackstone Generators at M-Station with two new 2MVA generators - JKIA:	<p>Funder: KAA</p> <p>Contract Sum: Kshs. 147,960,078.00</p> <p>Amount Certified: a) Kshs. 123,755764.00 b) LC Amount – Kshs. 80,281,764.00</p>	<p>Commencement Date: 27th January, 2020</p> <p>Completion Date: 27th January, 2021</p> <p>Contract Period: 12 Months</p>	M/s Kensun Enterprises JV Guangdong Honny Power-Tech Co. Ltd.	Works progress at 90% complete

No	Project	Funder/Budget	Timelines	Contractor/ Consultant	Milestones Achieved/Status
		c) IPC No.1 – Kshs. 8,624,000.00 d) IPC No. 2 – Kshs. 20,450,000.00 e) VAT on Generators – Kshs. 14,400,000.00 Amount Paid: a) Kshs. 103,305,764.00 b) (LC Amount – Kshs. 80,281,764.00 c) IPC No.1 – Kshs. 8,624,000.00 d) Generators VAT - Kshs.14,400,00 0.00	Revised Completion Date: 26 th May, 2021 (Contractor has submitted a request for further extension of time up to 21 st July, 2021). Contractor has submitted a request for further extension of time by 8 weeks. Awaiting evaluation by CIT.		
5)	Runway Approach 06 and 24 lighting fittings, installation of new cabling – JKIA:	Funder: KAA Approved Budget Sum: Kshs. 88M	Commencement Date: 29 th March 2018	M/s Ascot Mehta JV.	i. Works complete, ii. Training which was affected by the Covid-19 pandemic now proposed to be done from 12th

No	Project	Funder/Budget	Timelines	Contractor/ Consultant	Milestones Achieved/Status
8)	Walkway Canopies (assuming 1Km long, 3.0m wide & Normal soils i.e. Syokimau parking to ring bldg) - JKIA	Funder: KAA Contract Sum: Kshs. 37,628,882.72 Amount Certified: 3No. IPCs have been certified. Kshs. 26,788,538.14 VAT Incl	End of Defects Liability Period: 30 th March, 2021 Commencement Date: 20 th January, 2020 Completion Date: 20 th July, 2020 Revised Completion Date (a): 20 th October, 2020 Revised Completion Date (b): 20 th February, 2021 Contract Period: 6 Months Revised Contract Period (a): 9 Months Revised Contract Period (b): 13 Months	M/s Contralinks & Solutions Services Limited.	Works progress (Phase I) at 100% complete:

No	Project	Funder/Budget	Timelines	Contractor/Consultant	Milestones Achieved/Status
9)	Proposed Fencing work - JKIA:	Funder: KAA Contract Sum: Kshs. 21,578,130.00 Amount Certified: Kshs. 1,952,307.00 (Advance Payment)	Commencement Date: 25 th February, 2020 Revised Commencement date: 1 st July 2020 Completion Date: 1 st April, 2021 Contract Period: 9 Months Revised Completion Date: E.O.T submitted to GM (P & L) for review	M/s Thwana Building Services Limited.	Works progress at 75%:
10)	Proposed Construction of Oil Marketers Yard – JKIA	Funder: KAA Contract Sum: Kshs. 44,621,946.48	Commencement Date: TBC Completion Date: TBA Contract Period: TBA	M/s Dhamany Contractors Ltd.	<ul style="list-style-type: none"> i. PIT has been constituted to review the designs and Contract documents. ii. Commencement order to be issued. iii. Design review ongoing. (Anticipated to be complete by end of August 2021).
11)	Airport Carbon Accreditation: 4 Kenyan airports (JKIA, MIA, EIA & KIA) to have joined the Airport Carbon Accreditation (ACA) programme Level 1, committing the facilities to	Funder: KAA Contract Sum: Kshs. (1,200,000 + 880,000)	Commencement Date: 2018 (baseline) Completion Date: 2020	M/s Verifavia & WSP	<ul style="list-style-type: none"> i. Collection of data on fuel consumption, electricity consumption, use of natural gas etc. for the calendar year 2018, which is the base year Forward the collected data to the third party verifier for verification. ii.

No	Project	Funder/Budget	Timelines	Contractor/Consultant	Milestones Achieved/Status
	reduce their carbon emissions, with the ultimate goal of achieving carbon neutrality.		Contract Period: Varied over a period of time		iii. ACA certificates were issued for the following airports: <ul style="list-style-type: none"> • Eldoret International Airport. • Jomo Kenyatta International Airport. • Kisumu International Airport. • Moi International Airport.
12)	Pavements Rehabilitation - MIA:	Funder: AFD/KAA Contract Sum: Kshs. 7,008B Total Amount Certified: Kshs. 5,309,702,130.48 including VAT (Excluding advance payment of Kshs. 700M). Advance Payment Recovered: 100% recovered.	Commencement Date: 28 th May 2018 Completion Date: 20 th December, 2020 The Employer and Contractor reviewing Project Completion Date owing to new instructions issued. End of Defects Liability Period: 20 th October, 2021	Works Contract: M/s Sogea Satom / Razel BEC JV. Supervision Consultant: M/s Yooshin Corporation / APEC Consortium JV.	Works progress at 90.9%:

No	Project	Funder/Budget	Timelines	Contractor/ Consultant	Milestones Achieved/Status
13)	Proposed Refurbishment of the Freight Terminal Building at MIA	Funder: KAA Contract Sum: Kshs. 18,420,325 Amount Certified: NIL	Commencement Date: 13 th January, 2020 Completion Date: Contract period expired, first extension expired; second extension of time forwarded to CIT for consideration. Contract Period: 6 Months	M/s Ready Go Limited.	Works in progress currently at 55%.
14)	Proposed construction of Crisis/Emergency Operations Centre at MIA:	Funder: KAA Contract Sum: Kshs. 13,995,131.66 Amount Certified: NIL	Expected Commencement Date: TBA Expected Completion Date: TBA	M/s Marble Co. Ltd.	i. Contract signed. ii. Awaiting budget approval so as to issue Order to Commence.
15)	Proposed Alterations to Stem Rainwater Ingress into Passenger Terminal Building – KIA:	Funder: KAA Contract Sum: Kshs. 15,699,840.20 Amount Certified: Kshs. 7,446,086.44 Amount Paid: Kshs. 7,446,086.45 – IPC 1	Commencement Date: 07 th November 2019 Revised Completion Date: 30 th April 2021 Contract Period: 17 months	M/s Facelift Enterprises Limited	Works progress currently at 97%

No	Project	Funder/Budget	Timelines	Contractor/Consultant	Milestones Achieved/Status
16)	Construction of Security Watch Towers Lot 1- KIA:	Funder: KAA Contract Sum: KShs 3,960,826.38	Commencement Date: 20 th Dec 2019 Contract Period: 12 Weeks Original Completion Date: 16 th March 2020 Revised Completion Date: 8th June 2020	M/s Lais Link Enterprises	Progress is 60% Complete: i.
17)	Replacement of AGL Cables and Accessories at EIA:	Contract Sum: Kshs. 32,184,664.10 USD 609,043.24	Commencement Date: TBA Completion Date: TBA Contract Period: TBA	M/s Magnate Ventures Ltd.	Works progress at 0% i. Tender Evaluation complete. ii. Letter of Award issued on 20 th August, 2020. iii. Performance Bond delivered on 17 th September, 2020. iv. Awaiting signing of Contract before issuance of commencement letter. v. Awaiting approval of Revised Budget for the contractor to sign contract.
18)	Pavement works at Wilson Airport	Funder: KAA	Commencement Date: 6th June 2016	M/s Kiu Construction Ltd	i. Works have been completed as per total value of tender.

No	Project	Funder/Budget	Timelines	Contractor/ Consultant	Milestones Achieved/Status
		Contract Sum: Kshs. 298,57,714.40	Revised Completion Date: 18 th January, 2019 Revised Contract Period: 31 Months		
19)	Fencing works at Wilson Airport.	Funder: KAA Contract Sum: KShs 86,923,727.10 Amounts Certified: KShs 62,465,230.34	Commencement Date: 11 th August 2015 Contract Period: 10 Months Completion Date: 10th June 2016 Revised Completion Date: 30th August 2017	M/s Kaguanjai Builders Ltd	Progress is 95% Complete; Final Accounts under preparation (inaccessible portion of boundary to be removed from Scope).
20)	Proposed Refurbishment of VIP Lounge at Malindi Airport:	Funder: KAA Contract Sum: Kshs. 3,987,940.00 Amount Certified: NIL	Commencement Date: 31 st Jan, 2020 Completion Date: 30 th Jul, 2020 (Contract period expired; first extension expired; awaiting professional	M/s Ready Go Limited.	Works in progress currently at 90%.

No	Project	Funder/Budget	Timelines	Contractor/ Consultant	Milestones Achieved/Status
			opinion on first EoT request). Contract Period: 6 Months.		
21)	Resettlement Action Plan for Airport Expansion – MALINDI AIRPORT:	Funder: KAA Contract Sum: Kshs. 8.3M Amount Certified: Kshs. 1.2M	Commencement Date: 7 th November, 2019 Completion Date: 6 th July, 2020 Revised Completion Date: 27 th November, 2020 (contract period elapsed) Contract Period: 8 Months. Revised Contract Period: 12 Months	M/s Eco Solutions Ltd & IPPlan Consult (Int'l.) Ltd.	<ul style="list-style-type: none"> i. ESIA ongoing. ii. Stakeholder consultations held severally. iii. The Original Contract period has expired. iv. An EoT has been granted to 27th November, 2020. v. A presentation of the Draft ESIA & RAP studies reports by the consultants was done at KAA – P&ES Department virtually in the 1st week of Nov, 2020.

No	Project	Funder/Budget	Timelines	Contractor/Consultant	Milestones Achieved/Status
22)	<p>ISIOLO INTERNATIONAL AIRPORT: Phase 1: Construction of a 1.4km long runway, 30m wide.</p> <p>Phase 2: Passenger terminal building, administration block & car park.</p> <p>Phase 3: Construction of a 2km long access road (off Isiolo-Meru highway), aircraft apron (for 6 Code 'C' aircraft) & taxiway</p>	<p>Funder: GoK</p> <p>Revised Contract Sum: Kshs. 844,782,253.84</p> <p>Contract Sum: Kshs. 963,051,933.02</p> <p>Revised Contract Sum: Kshs. 844,782,253.84</p>	<p>Phase 1: Completed in 2012, commissioned in March, 2013.</p> <p>Phase 2: Completed in March, 2016, commissioned in July, 2017.</p> <p>Phase 3: Completed in 29th December, 2017.</p>	<p>M/s Kundan Singh Co. Ltd.</p> <p>M/s Northern Construction Limited.</p> <p>M/s Northern Construction Limited.</p>	<p>i. Phase 1: 100% complete.</p> <p>ii. Phase 2: 100% complete.</p> <p>iii. Phase 3: 100% complete.</p>
23)	<p>Isiolo International Airport: Erection of floodlights & Street lighting installation works.</p>	<p>Contract Sum: Kshs. 27,783,139.77</p> <p>Amount Certified: IPC I- Kshs 20,744,406.57 IPC II – Kshs 1,938,510 Both IPC's paid.</p> <p>IPC III – Kshs. 4,298,503.04 – (Kshs 3m paid pending re-inspection).</p>	<p>Commencement Date: 12th January 2018</p> <p>Completion Date: 8th June 2018</p>	<p>M/s Ascot Engineering Solutions</p>	<p>i. Works 100% complete.</p> <p>ii. Defects Liability Period over.</p>

No	Project	Funder/Budget	Timelines	Contractor/Consultant	Milestones Achieved/Status
24)	Pavement Rehabilitation Works - Isiolo International Airport:	Contract Sum: KShs. 82,434,788.10	Commencement Date: 05 th April, 2017 Completion Date: May 2018 (Contract stalled due to exhaustion of contract amount)	M/s Star General Contractors	i. Due to changes in designs, the cost of works had increased. ii. The contractor had issued IPC No. 3 claiming total value of works done at Kshs. 82,350,556 indicating a 99.9% completion. iii. The Inspection & Acceptance Committee report indicated the project at 74% complete.
25)	Relocation of KK Nkengechia School - Isiolo International Airport: Phase I Phase II	Contract Sum: Kshs. 76,798,330 Amounts Paid: Kshs. 76,798,330 Contract Sum: KShs. 20,409,611.88 Amount Certified: Kshs. 19,984,185.00 Amount Paid: Kshs. 19,940,185.00	Commencement Date: 11 th January, 2018 Completion Date: 11 th October, 2018 Contract Period: 9 Months. Commencement Date: 2 nd December, 2019 Completion Date: 2 nd November 2020 Contract Period: 11 Months.	M/s Greatdanne Co. Ltd.	i. Phase I works complete & handed over to KAA. Phase II i. Site handed over to Contractor on 2nd Dec 2019. ii. Practical Completion achieved. iii. DLP Certificate issued to Contractor on 2 nd June 2021. iv. Works complete and handed over to the users.
26)	Proposed Construction of Cargo Processing Facility - Isiolo International Airport:	Contract Sum: Kshs. 20,983,495.50 Amount Certified: Nil	Commencement Date: 7 th January 2021 Completion Date: 7 th September 2021	M/s Reliance City Housing Co. Ltd.	i. Works Progress at 40%:

No	Project	Funder/Budget	Timelines	Contractor/Consultant	Milestones Achieved/Status
27)	Extra Mechanical Services - Isiolo International Airport:	Contract Sum: Kshs. 55,000,000 Amount Certified: Kshs. 42.5M	Contract Period: 8 Months. Commencement date: October 2017 Completion Date: 12 th December, 2018. Contract Period: 14 Months.	M/s Cementech Eng. Co. Ltd	Works are at 100% complete; under DLP. i. Training completed. ii. Contractor clearing the snag list items.
28)	LANET AIRSTRIP: Phase 1: Rehabilitation of the 1.7km long runway to bitumen standards, ducting for future services, 4 Taxiways, 1 Apron; Phase 2: 2 nd Apron, Access road and Parking, Fence, 2 Terminal Buildings (Military and Civilian), Air Rescue and Fire Fighting Building, Power Sub-station, Patrol Road, Gate Houses Phase 3: Land acquisition Phase 4: Runway widening to 30m, Patrol Road,	Funder: GoK Approved Budget Sum: Kshs. 400M Contract Sum: Kshs. 406,761,591.97 Amount Certified: Kshs. 39,418,827.00 (Advance Payment)	Commencement date: 23 rd February, 2021 Completion Date: 22 nd August, 2022 Contract Period: 18 Months	M/s Ongata Works Ltd.	Works are at 8.89% complete

No	Project	Funder/Budget	Timelines	Contractor/ Consultant	Milestones Achieved/Status
	Airfield Ground Lighting, Non-precision Approach Installations, Runway extension to 3.1km, Fencing, New Public Road.				
29)	NANYUKI AIRSTRIP (Civil)	Funder: GoK Contract Sum: KShs. 329,853,680.94 Amount Certified: Kshs. 102,132,321.20 (inclusive of advanced payment of Kshs. 30,873,000.62)	Notice to Commence: 04 th June, 2020 Commencement Date: 04 th July, 2020 Completion Date: 03 rd October, 2021 Contract Period: Fifteen (15) Months.	M/s Kiu Construction Company Limited.	Works are at 52% complete

No	Project	Funder/Budget	Timelines	Contractor/ Consultant	Milestones Achieved/Status
30)	Rehabilitation of Apron, Runway, Taxiways, security road and Access Road - WAJIR AIRPORT:	Funder: GoK Contract Sum: Kshs. 819,264,953.10 Amount Certified: a) The total value of works done as per IPC V was reported to be Kshs. 415,050,028.91	Notice to Commence: 24 th March, 2017 Site Handover Date: 7 th May, 2017 Commencement Date: 8 th May, 2017 Completion Date: 8 th November, 2020 (revised). Revised Completion Date 12 th September 2021 Contract Period: Eighteen (18) Months 1 st EoT - 11 months 2 nd EoT - 339 Days	M/s Halane Construction Limited.	Works progress at 77% complete
31)	Runway Rehabilitation (Phase II) - SUNEKA AIRSTRIP:	Funder: GoK Contract Sum: Kshs. 134,000,949.60 revised through an addendum to Kshs. 129,187,955.23	Commencement Date: 13 th Feb, 2020 Completion Date: 12 th Aug, 2021	M/s Alro Logistique Co. Ltd JV Lesma Engineering Limited.	Works progress at 55% complete:

No	Project	Funder/Budget	Timelines	Contractor/ Consultant	Milestones Achieved/Status
		Amount Paid: a) Kshs. 10,606,564.00 (Advance Payment) b) Kshs. 40,201,854.31 (inclusive of advance payment)	Contract Period: Eighteen (18) Months.		
32)	Passenger Terminal Lounge (Phase I) – SUNEKA AIRSTRIP:	Funder: GoK Contract Sum: KShs. 52,846,114.20 Amount Certified: Kshs. 37,587,918.14 Amount Paid: Kshs. 37,587,918.14	Commencement Date: 14 th January 2015 Completion Date: 16 th October 2016 Revised Expected Completion date: 16 th October, 2021	M/s Vinbel International Limited	The progress of work is at 100%; under Defects Liability Period. i. Practical Completion achieved on the 13th July 2020. ii. DLP Certificate issued to the contractor on 31 st May 2021. iii. Works Complete and awarded to KAA.
33)	Proposed Construction of NEW KUTULO AIRSTRIP - Wajir:	Funder: GoK Contract Sum: Kshs. 80,151,829.80 Amount Certified: Kshs. 72,655,607.93	Commencement Date: 26 th Aug, 2018 Completion Date: 26 th Feb, 2020 Contract Pe riod: 17 Months	M/s Nurki Constructio n Company Jv Frontier Engineering, Limited.	Works 100% complete: i. Final inspection was carried out on 7th July 2020.

No	Project	Funder/Budget	Timelines	Contractor/ Consultant	Milestones Achieved/Status
34)	Reconstruction of Taxiway and Apron -- MANDA AIRPORT: Package 1: Reconstruction of Taxiway and Apron -- Civil works. Package 2: Provision of Material handling and Logistical support services for civil works.	Funder: GoK Contract Sum: Kshs. 121,726,189 Amount Certified: NIL	Revised Completion Date: 27 th August, 2020 Revised Contract Period: 22 Month. Expected Commencement Date: 24 th Feb, 2020 Expected Completion Date: 13 th Jul, 2020 (No formal EoT application has been made). Actual Commencement Date: 8 th March 2021 Actual Completion Date: 8 th August 2021 Contract Period: 5 Months.	M/s Dhanjal Brothers Limited.	Works progress at 32.8%:

No	Project	Funder/Budget	Timelines	Contractor/ Consultant	Milestones Achieved/Status
35)	Provision of Material Handling and Logistical Support Services for Civil Works - MANDA AIRPORT:	Funder: GoK Contract Sum: Kshs. 51,583,200 Amount Certified: a) Advance Payment: Kshs. 4,613,383.45 b) IPC II: Kshs. 14,082,960.00.	Expected Commencement Date: 24 th Feb, 2020 Expected Completion Date: 13 th Jul, 2020 (No formal EoT application has been made) Actual Commencement Date: December, 2020 Actual Completion Date: 8 th August 2021 Contract Period: 5 Months.	M/s Dhanjal Brothers Limited.	Works Progress at 30%
36)	Fence Completion (security & perimeter) -- MANDA AIRPORT:	Funder: GoK Contract Sum: Kshs. 17,176,747.56 Amount Certified: NIL	Commencement Date: 21 st Feb, 2020 Completion Date: 20 th Aug, 2020 (Contract period is elapsed). Contract Period: 6 Months.	M/s Namsosiid Investment Ltd.	Works are at 98% complete:

No	Project	Funder/Budget	Timelines	Contractor/Consultant	Milestones Achieved/Status
37)	Fence, Access Road & New school fence - UKUNDA AIRSTRIP:	Funder: GoK Contract Sum: Kshs. 40,335,653.40 Amount Certified: NIL	Commencement Date: 19 th Feb, 2020 Completion Date: 18 th Nov, 2020 (Contract period is elapsed) Contract Period: 9 Months.	M/s Eastem Link Ltd.	Works progress at 65% complete:
38)	Proposed Runway Rehabilitation, Expansion & Security Fencing - MIGORI AIRSTRIP.	Funder: GoK Contract Sum: Kshs. 243,085,407.18 Amount Paid: a) Kshs. 22,751,836.14 (Advance Payment). b) 2 No. payments totalling to Kshs. 87,208,372.67 (inclusive of advance payment).	Site Handover Date: 09 th June, 2020 Contract Start Date: 10 th June, 2020 Completion Date: 09 th June, 2021 Contract Period: Twelve (12) Months.	M/s Halane Construction Limited.	Works progress at 82% complete:
39)	Proposed Pavements Rehabilitation Works - KAKAMEGA AIRSTRIP:	Funder: GoK	Commencement Date: 5 th June, 2020	M/s Halane Construction Limited.	Works at 75.5% complete:

ID No	Project	Funder/Budget	Timelines	Contractor/ Consultant	Milestones Achieved/Status
		Contract Sum: Kshs. 174,715,461.90	Completion Date: 5 th September, 2021		
		Amount Certified: a) Advance payment of Kshs. 16,352,678.00, b) IPC No. II Kshs. 53,673,480.72 (Being processed)	Contract Period: Fifteen (15) Months.		
40)	Proposed Rehabilitation Works on the Runway, Apron & Security Fence - KITALE AIRSTRIP	Funder: GoK Contract Sum: Kshs. 221,685,653 Amount Certified: Kshs. 76,235,569.41 (inclusive of advanced payment of Kshs. 20,748,903.45)	Commencement Date: 10 th June, 2020 Completion Date: 11 th December, 2021	M/s ASAL Frontiers Limited	Works are at 60% complete:
41)	Proposed VIP Lounge at N'VARIBO AIRSTRIP - Nyeri	Funder: GoK Contract Sum: Kshs. 39,920,629.12	Contract Period: Eighteen (18) Months. Commencement Date: 23 rd September, 2020	M/s Ongata Works Ltd.	Works are at 40% complete:

No	Project	Funder/Budget	Timelines	Contractor/ Consultant	Milestones Achieved/Status
42)	<p>Rehabilitation of ANGAMA (OLUURUK-MAASAI (IARA) AIRSTRIP:</p> <p>Scope: The Airstrip is planned to be upgraded to accommodate larger aircrafts and International flights in the long run. The biggest aircraft operating at the Airstrip is a Bombardier Dash 8-106, with a 37-passenger seat capacity. Working with a critical aircraft as Airbus A320, with 170-180 passenger capacity, preliminary calculations indicate the runway needs to be extended to about 3300 x 45m.</p> <p>Other critical related facilities will also need to be upgraded to serve the increased passenger and aircraft numbers;</p> <ol style="list-style-type: none"> 1. Passenger Terminal Building, 2. Aircraft Parking and Apron, 3. Airport Fire Fighting and Rescue Station, 4. VIP Lounge, 5. Flight Terminal and Hangers, 6. Car parking and Landside Access roads 	<p>Amount Certified: Total Kshs. 12,660,055</p> <p>Funder: GoK</p> <p>Contract Sum: Kshs. 243,000,000.00</p>	<p>Completion Date: 2nd June, 2021</p> <p>Contract Period: 9 Months</p> <p>Commencement Date: TBA</p> <p>Completion Date: TBA</p> <p>Contract Period: TBA</p>	M/s Ongata Works Ltd.	<ol style="list-style-type: none"> i. Geotechnical and Topographical survey was undertaken on 13th March 2020. ii. Preliminary and detailed Engineering design complete. Tender advertised, on KAA Website. iii. Pretender site visit held on 12th May 2021. iv. Addendum issued extending closing date from 19th May 2021 to 26th May 2021. v. Contract was signed on 6th August 2021. vi. Waiting for NEMA Licence prior to issuance of order to commence. <p>Phase II: This is to cover the following:</p> <ol style="list-style-type: none"> i. Extension of the existing runway from 1380m to 2500m and width 23m to 30m; ii. Construction of a VIP Lounge Approx. 270m² and Associated Mechanical and Electrical Works; iii. Extension of apron (Approx. 120m x 120m);

No	Project	Funder/Budget	Timelines	Contractor/ Consultant	Milestones Achieved/Status
					iv. Perimeter Fence; and v. Car parking and Landside Access roads; vi. Relocation of the Immigration Building since it will fall within the runway strip.
					Estimates for this phase is Kshs. 839,081,860.00 Phase III: This is to cover the following: i. Construction of a new runway 3300x45m, Associated Civil Works; ii. Construction of a Terminal Passenger Building Approx. 4000m2 and Associated; Mechanical and Electrical Works; iii. Airport Ground Lighting (AGL); iv. Airport Fire Fighting and Rescue Station; and v. Air Traffic Control Tower. Estimates for this phase is Kshs. 3,809,770,859.00
43)	Proposed Land Acquisition for the Expansion of the Airstrip - KAHUNJE AIRSTRIP: Whilst the Airstrip is in full operations and receiving scheduled flights, there is an	Funder: GoK Approved Budget Sum: : Kshs. 128M Contract Sum: Nil	Commencement Date: TBA Completion Date: TBA	TBA	i. The Land acquisition exercise is in the process and jointly been undertaken by KAA & National Land Commission (NLC). ii. The Proposed acquisition areas are already beacons.

Sl. No.	Project	Bids/Engage	Timeline/s	Contractor/Consultant	Milestones Achieved/Status
43)	<p>urgent need to expand the facility. The Objective is to acquire more land adjacent to the Air strip for expansion purposes.</p>	<p>Amount Certified: Nil</p>	<p>Contract Period: TBA</p>	<p>iii. iv. v.</p>	<p>Inspection & analysis of the parcels of land by NLC is complete. Valuation of the affected parcels of land by NLC is complete. KAA has received the NLC report & reviewing of the same in progress.</p>
44)	<p>Runway rehabilitation Phase II – LOKICHOGGIO AIRPORT:</p>	<p>Funder: GoK Contract Sum: Kshs. 281.041M Amount Certified: Kshs. 26.765.849.10 (Advance Payment)</p>	<p>Commencement Date: 25th November, 2020 Completion Date: 24th November, 2021 Contract Period: 12 Months</p>	<p>M/s Amamak Company Ltd.</p>	<p>Works progress is at 15.74%</p>
45)	<p>Mo. Project Rehabilitation of the Perimeter Fence – LODWAR AIRSTRIP:</p>	<p>Funder: GoK Contract Sum: Kshs 7.646.653.40 Amount Certified: Nil</p>	<p>Commencement Date: 22nd September, 2020 Completion Date: 21st January, 2021 Contract Period: 4 Months</p>	<p>M/s Panadium Holding Ltd.</p>	<p>Works progress at 50% complete:</p>
46)	<p>Proposed roof rehabilitation at Training School and Fuel Station – KAA HQ:</p>	<p>Funder: KAA Contract Sum: Kshs. 18,769,806.88 Amount Certified: Nil</p>	<p>Commencement Date: 01st July, 2020 Completion Date: 31st Dec. 2020 Contract Period: 6 Months.</p>	<p>M/s Triple N</p>	<p>Works progress at 22% complete: CIT recommended nil extension of time and contract termination.</p>

