

REPUBLIC OF KENYA



# REPORT

PARLIAMENT  
OF KENYA  
LIBRARY

OF

THE AUDITOR-GENERAL

THE NATIONAL ASSEMBLY  
PAPERS LAID

DATE: 26 FEB 2026

DAY.

THUR

ON

TABLED  
BY:

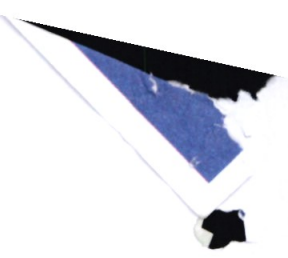
DEPUTY MAJORITY WHIP

CLERK-AT  
THE-TABLE:

Y. WAMBUI

## KENYA MARITIME AUTHORITY

FOR THE YEAR ENDED  
30 JUNE, 2025





---

**KENYA MARITIME AUTHORITY**

**ANNUAL REPORT AND FINANCIAL STATEMENTS**

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

---

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

**Kenya Maritime Authority**  
**Annual Reports and Financial Statements**  
**For the year ended June 30, 2025**

---

2025-2026

**Kenya Maritime Authority**  
**Annual Reports and Financial Statements**  
**For the year ended June 30, 2025**

---

**Table of Contents**

1. ACRONYMS, ABBREVIATIONS AND GLOSSARY OF TERMS.....	iv
2. KEY AUTHORITY INFORMATION AND MANAGEMENT.....	vi
3. THE BOARD OF DIRECTORS.....	xii
4. MANAGEMENT TEAM.....	xx
5. CHAIRPERSON'S STATEMENT.....	xxii
6. REPORT OF THE DIRECTOR GENERAL.....	xxiv
7. STATEMENT OF PERFORMANCE AGAINST PREDETERMINED OBJECTIVES FOR FY 2024/2025.....	xxxvi
8. CORPORATE GOVERNANCE STATEMENT.....	xl
9. MANAGEMENT DISCUSSION AND ANALYSIS.....	xlvi
10. ENVIRONMENTAL AND SUSTAINABILITY REPORTING.....	lvii
11. REPORT OF THE DIRECTORS.....	lxiv
12. STATEMENT OF DIRECTORS' RESPONSIBILITIES.....	lxv
13. REPORT OF THE INDEPENDENT AUDITOR FOR THE FINANCIAL STATEMENTS OF KENYA MARITIME AUTHORITY.....	lxvi
14. STATEMENT OF FINANCIAL PERFORMANCE FOR THE YEAR ENDED 30 JUNE 2025.....	1
15. STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2025.....	2
16. STATEMENT OF CHANGES IN NET ASSETS FOR THE YEAR ENDED 30 JUNE 2025.....	3
17. STATEMENT OF CASHFLOWS FOR THE YEAR ENDED 30 JUNE 2025.....	5
18. STATEMENT OF COMPARISON OF BUDGET AND ACTUAL AMOUNTS FOR THE YEAR ENDED 30 JUNE 2025.....	6
19. STATEMENT OF COMPARISON OF BUDGET AND ACTUAL AMOUNTS FOR THE YEAR ENDED 30 JUNE 2024.....	7
20. NOTES TO THE FINANCIAL STATEMENTS.....	10
21. 1.FINANCIAL RISK MANAGEMENT.....	34
22. APPENDICES.....	41

**1. ACRONYMS, ABBREVIATIONS AND GLOSSARY OF TERMS.**

**A: Acronyms and Abbreviations**

ADF&A	Assistant Director Finance & Accounts
DG	Director General
CBK	Central Bank of Kenya
ICDN	Inland Container Depots - Nairobi
ICPAK	Institute of Certified Public Accountants of Kenya
ICZM	Integrated Coastal Zone Management
IMO	International Maritime Organization
IOPC	International Oil Pollution Compensation Fund
IPSAS	International Public Sector Accounting Standards
ISPS	International Ship and Port Facility Security
KIFWA	Kenya International Freight and Warehousing Association
KMA	Kenya Maritime Authority
KPA	Kenya Ports Authority
KPI	Key Performance Indicator
KRC	Kenya Railways Corporation
LPG	Liquified Petroleum Gas
MARPOL	International Convention for the Prevention of Pollution from Ships
MSA	Merchant Shipping Act
MSC	Mediterranean Shipping Company
MTCC	Maritime Technology Cooperation Centre
NCTTCA	Northern Corridor Transit and Transport Coordination Authority
NEMA	National Environment Management Authority
NT	National Treasury
OCOB	Office of the Controller of Budget
OAG	Office of the Auditor General
OPRC	International Convention on Oil Pollution Preparedness, Response and Co-operation
OSHA	Occupational Safety and Health Act of 2007
PFM	Public Finance Management

**Kenya Maritime Authority**  
**Annual Reports and Financial Statements**  
**For the year ended June 30, 2025**

---

PFSP	Port Facility Security Plan
PPE	Property Plant & Equipment
PS	Principal Secretary
PSASB	Public Sector Accounting Standards Board
RSO	Recognized Security Organization
SAGAs	Semi-Autonomous Government Agencies
SECO	Southern Engineering Co. Ltd
SC	State Corporations
SGR	Standard Gauge Railway
SME	Small & Medium Enterprises
TOS	Terminal Operating System
UN	United Nations
WIO	Western Indian Ocean

**B: Glossary of Terms**

**Fiduciary Management-** Members of Management directly entrusted with the responsibility of financial resources of the organisation.

**Comparative Year-** Means the prior period.

## **2. KEY AUTHORITY INFORMATION AND MANAGEMENT**

### **(a) Background Information**

Kenya Maritime Authority (KMA) was established on 21<sup>st</sup> June 2004 vide Legal Notice Number 79 of 2004. The Board is in charge of giving strategic direction and the Director General is charged of the day-to-day affairs of the Authority.

### **(b) Principal Activities**

The mandate of KMA is to regulate, co-ordinate and oversee maritime affairs. Our Vision is to be a *“leading maritime administration transforming Kenya into a globally competitive nation”* and the Mission is to *“ensure sustainable safe, secure, clean and efficient water transport for the benefit of stakeholders through effective regulation, coordination and oversight of maritime affairs”*.

#### **Key objectives**

The following are the key objectives of KMA:-

- (i) To develop an appropriate legal and regulatory framework and partnerships for maritime development.
- (ii) To strengthen the Authority’s institutional capacity to deliver on its mandate.
- (iii) To enhance maritime safety, security and protection of marine and aquatic environment.
- (iv) To advocate for the provision of a globally competitive maritime education and training.
- (v) To promote maritime research and development.
- (vi) To create a conducive environment for supply of competitive and quality commercial maritime services.

**Kenya Maritime Authority**  
**Annual Reports and Financial Statements**  
**For the year ended June 30, 2025**

**KEY AUTHORITY INFORMATION AND MANAGEMENT(Continued)**  
**(c) Key Management**

No.	Designation	Name
1.	Director General	<b>CPA Omae NYARANDI</b>
2.	Director, Maritime Safety	<b>Eng. Julius Koech</b>
3.	Ag. Director, Maritime Education Training & Labour	<b>Mr. Luke Samba</b>
4.	Director Maritime Trade and Development	<b>Mr. Joseph Kapeku</b>
5.	Director, Internal Audit & Risk Assurance	<b>Mr. Alex Mbega</b>
6.	Corporation Secretary and Director Legal Services	<b>Ms. Jessica Mbae</b>
7.	Asst. Director Finance & Accounts	<b>Ms. Ellyne Chepng'etich</b>
8.	Asst. Director Supply Chain Management	<b>Ms. Bevaline Lundu</b>
9.	Ag. Assistant Director Human Resource & Administration	<b>Ms. Martina Yattani</b>

**(d) Fiduciary Management**

The key management personnel who held office during the financial year ended 30<sup>th</sup> June 2025 and who had direct fiduciary responsibility were:

No.	Designation	Name
1.	Director General	<b>CPA Omae NYARANDI</b>
2.	Director, Maritime Safety	<b>Eng. Julius Koech</b>
3.	Ag. Director, Maritime Education Training & Labour	<b>Mr. Luke Samba</b>
4.	Director Maritime Trade and Development	<b>Mr. Joseph Kapeku</b>
5.	Corporation Secretary and Director Legal Services	<b>Ms. Jessica Mbae</b>
6..	Asst. Director Finance & Accounts	<b>Ms. Ellyne Chepng'etich</b>
7.	Asst. Director Supply Chain Management	<b>Ms. Bevaline Lundu</b>

**KEY AUTHORITY INFORMATION AND MANAGEMENT(Continued)**

**(e) Fiduciary Oversight Arrangements**

**Finance and Investment Committee**

The committee's activities include;

- a) Ensuring that KMA observes good financial governance in all its activities.
- b) Ensure that KMA complies with the relevant laws.
- c) Establish policies, procedures and controls to facilitate financial governance, which includes financial planning, budget approvals, expenditure approvals and financial reporting.
- d) Reviewing quarterly financial reports for adoption by the Board.
- e) Reviewing annual financial statements for adoption by the Board.
- f) Improving the quality of reporting on financial management.
- g) Ensuring integrity of the assets of KMA.
- h) Overseeing and recommending investments of KMA to the Board.
- i) Reviewing and making recommendations on issues of management of the Staff Pension Fund on behalf of the Board to ensure that the obligations of KMA are discharged.
- j) Considering and recommending budget proposals to the Board.
- k) Reviewing the Finance and General-Purpose Committee terms of reference and work plan where applicable.
- l) Reviewing annual procurement plans and schedule of assets due for disposal for the Committee's consideration and recommendation to the Board.
- m) To approve any policy or proposed course of action that will have a significant impact on the financial or budgetary position of KMA.
- n) To monitor key risks and performance indicators for those areas within the remit of the Committee.
- o) Review periodically and if appropriate, recommend amendments to the Board for approval of the Finance Manual.
- p) Ensure that the Management has allocated sufficient resources to comply with social and ethics policies, codes of best practice and all other regulatory requirements.
- q) Perform any other tasks and assignments as may be directed by the Board.

**Maritime Industry Development Committee**

The committee's activities include;

- a) Setting targets and negotiating on performance contracts;
- b) Reviewing and reporting on performance contract obligations to the Board;
- c) Ensuring that KMA's maritime safety and security obligations are effectively discharged;
- d) Facilitating, monitoring and overseeing the implementation of the maritime education and training curriculum in various institutions;
- e) Enhancing the legal framework;
- f) Setting strategic direction for KMA and monitoring the implementation of the strategic plan;

**KEY AUTHORITY INFORMATION AND MANAGEMENT (Continued)**

- g) Raising the standards of corporate governance on behalf of the Board;
- h) Overseeing the development, preparation and implementation of corporate communication policies and recommending management publicity programmes to the Board; and
- i) Providing guidance on Corporate Social Responsibility activities and monitoring their implementation.

**Audit and Risk Assurance Committee**

The committee's activities include;

- (a) Review with the internal and external auditors the co-ordination of audit effort to ensure completeness of coverage, avoid duplication of effort, and promote the effective use of audit resources.
- (b) Provides oversight over governance, risk management and control processes;
- (c) Review the legal and regulatory matters that may have a material impact on the financial statements, related compliance policies, and reports received from consultants.
- (d) Give guidelines on risk management.

**Human Resource and Environmental Social Governance**

The committee's activities include;

- (a) to enhance corporate affairs and communication within and outside KMA;
- (b) to monitor KMA's compliance with Corporate Governance principles;
- (c) to monitor and have an oversight role in KMA's Corporate Social Responsibility activities;
- (d) to safeguard the image of KMA by ensuring that ethical governance is upheld at all times;
- (e) assist in ensuring that the law is complied with; and
- (f) ensuring good governance for the KMA Board.

**(a) Kenya Maritime Authority Headquarters**

P.O. Box 95076 - 80104  
Bahari Towers, Mbaraki Road  
Mombasa.

**KEY AUTHORITY INFORMATION AND MANAGEMENT (Continued)**

**(b) Contacts**

Telephone: (254) 041 2318398/9  
E-mail: [info@kma.go.ke](mailto:info@kma.go.ke)  
Website: [www.kma.go.ke](http://www.kma.go.ke)

**(c) Bankers**

- i. Kenya Commercial Bank  
Kilindini Branch  
P O Box 90300  
Mombasa.
- ii. Kenya Commercial Bank  
Kisumu Branch  
P. O. Box 4117-40100  
Kisumu.
- iii. National Bank of Kenya  
P. O. Box 87770-80100,  
Mombasa.
- iv. Kenya Commercial Bank  
P.O Box4087  
Lamu.
- v. Kenya Commercial Bank  
P.O Box4021  
Lodwar.
- vi. Family Bank of Kenya,  
Nkurumah Road Branch,  
P.O Box 81630-80100  
Mombasa.
- vii. Consolidated Bank of Kenya  
Nkrumah Road Branch,  
P.O Box 82342 - 80100,  
Mombasa

**(d) Independent Auditors**

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

**Kenya Maritime Authority  
Annual Reports and Financial Statements  
For the year ended June 30, 2025**

---

**KEY AUTHORITY INFORMATION AND MANAGEMENT (Continued)**

**(e) Principal Legal Adviser**

The Attorney General  
State Law Office and Department of Justice  
Harambee Avenue  
P.O. Box 40112  
City Square 00200  
Nairobi, Kenya

### 3. THE BOARD OF DIRECTORS



**Hon. Ahmed Mohammed Kolosh**  
**Board Chairman**

Hon. Ahmed Kolosh Mohamed assumed the role of Chairperson for the Board of Directors at the Kenya Maritime Authority on January 17, 2025.

Hon. Kolosh is a seasoned leader with extensive expertise in public administration and infrastructure development with over two decades of experience. Prior to this appointment, he served as Chairman of the Board of Directors at the Kenya Roads Board. He has also held several key leadership positions, including Member of the National Assembly for Wajir West Constituency, County Chief Officer for Public Works and Housing and County Chief Officer for Water Services in the Wajir County Government. During his tenure, he successfully oversaw the completion of a modern county headquarters, facilitated the construction of low-cost housing for low-income residents and saw the successful completion of the County Assembly chambers, Wajir County.

He holds a Master of Arts in Sociology (Disaster Management) and a Bachelor of Commerce (Finance) from the University of Nairobi.

As Chairperson, Hon. Kolosh brings a wealth of experience and exceptional leadership acumen to the Kenya Maritime Authority, firmly positioning him as a visionary leader and key architect of its strategic direction and sustained success.



**Ali Abdalla Mondo**  
**Director**

Mr. Ali Abdalla Mondo assumed the role of a Director on the Kenya Maritime Authority's Board on June 2, 2023, bringing to the Authority a wealth of experience and a commitment to diverse, inclusive, and human rights-focused perspectives. His multifaceted skill set encompasses mentoring, coaching, and a keen entrepreneurial acumen, particularly in incubation and management and Small and Medium Enterprises.

These attributes promise to be invaluable assets for the Authority as it aspires to implement the Bottom-up Economic Transformation Agenda. Mr. Mondo's qualifications extend into research, leadership training, gender issues, and development, all of which stand to enrich the Authority's skills repertoire.

With a Bachelor of Science Degree in Science and Humanity, his academic foundation further bolsters his capacity to contribute meaningfully to the maritime sector. Notably, Mr.

Mondo is a certified Mediator, underlining his dedication to conflict resolution and negotiation.

His involvement in youth empowerment initiatives and active engagement with the Kenya Red Cross demonstrate his commitment to fostering peaceful coexistence, making him a driving force behind several pivotal projects across Kenya. In summary, Mr. Mondo's appointment brings a fresh perspective and a robust skill set to the Authority's Board of Directors. His dedication to human rights, inclusivity, and youth empowerment, combined with his expertise in management of SMEs and mediation, positions him as a valuable asset in furthering the Authority's mission and objectives.

In summary, Mr. Mondo's appointment brings a fresh perspective and a robust skill set to the Authority's Board of Directors. His dedication to human rights, inclusivity, and youth empowerment, combined with his expertise in management of SMEs and mediation, positions him as a valuable asset in furthering the Authority's mission and objectives

He is an independent Director and a Chairperson of the Finance and Investment committee of the Board and Audit and a member of the Audit and Risk Assurance Committee of the Board



**Annistain Mogaka**  
**Director**

Ms. Annistain Mogaka assumed the role of Board Member at the Kenya Maritime Authority on March 10, 2023. As an innovative and forward-thinking leader, Ms. Mogaka is deeply committed to driving development and nation-building initiatives, making her a valuable addition to the Authority's board.

Her Leadership was recognized and awarded by Pwani University for winning the Pwani Women Award 2023 – as a Senior Female Executive for the year 2022/2023. Her leadership style is characterized by a strategic and visionary approach, which aligns seamlessly with the Authority's mission and goals.

Ms. Mogaka's unique perspective and expertise contribute to the board's ability to steer the organization effectively.

In terms of her qualifications, Ms. Mogaka has a background in computer studies, reflecting her technological acumen and the ability to leverage digital solutions in the maritime sector's evolving landscape.

Furthermore, she has obtained certification in Ministry from the

JCC School of Ministry, showcasing her dedication to personal and professional development.

With her blend of innovation, strategic thinking, and a commitment to community development, Ms. Annistain Mogaka is well-prepared to play a vital role in shaping the Authority's future and fostering its mission to advance the maritime sector and contribute to the nation's growth

She is an independent Director and is a member of the Maritime Industry Development Committee of the Board and a member of the Audit and Risk Assurance Committee of the Board



**Daniel Ndolo  
Alternate Director**

Mr. Daniel Ndolo is the Alternate Director to the Principal Secretary, National Treasury. Mr. Ndolo has over 20 years' experience working in the public sector institutions in Kenya and has a wealth of experience and professional knowledge in corporate governance, budgeting, investment and financial analysis, economic policy, risk management, negotiation, conflict resolution, monitoring and evaluation, performance management, public debt, and communication, among others.

He has a Masters in Development Economics (Williams College, Massachusetts, USA); Bachelors in Economics (University of Nairobi); Certificate in Investment Appraisal and Management (Harvard University), Masters in Communication, Certificate in Financial Risk Management (Global Institute of Risk Management), as well as Certificates in Public Private Partnership (PPP) Management (IP3, USA), Leading High Performing Teams (Setym, Canada), among other qualifications.

He has served as senior advisor to senior public sector officials in public policy, public debt, public investments and stakeholder engagement. He previously worked as senior technical Advisor to the Chief Executive of the Capital Markets Authority (Kenya) doubling as the Project Coordinator for the Demutualization of the Nairobi Securities Exchange (NSE, formerly the Nairobi Stock Exchange).

In his early career days, he worked as Head of Programme Coordination Unit, in the External Resources Department (Now Resource Mobilization) of the National Treasury. This involved coordinating with all donor desks to and Budget Department to ensure that all mobilized resources to be captured in the national budget estimates. Member of all board committees

He is a member of all board committees



**Ezekiel Kibor  
Director**

Mr Ezekiel Kibor is a member of the Board of Directors of Kenya Maritime Authority (KMA). He was appointed as a member for a period of three (3) years with effect from 10th March, 2023. Mr Ezekiel Kibor is an experienced manager, team player and problem solver with keen attention to right service delivery with regards to quantity, quality, cost and time.

He is a Finance, Purchasing and Supply Management professional with over eleven years of experience He also has a vast experience in accounting, procurement and logistics.

He is the General Manager of Loita Farms LTD and has over the years served as a manager to various organizations within his scope of practise

He is an independent Director and Chair of the Maritime Industry Development Committee of the Board and a member of the Audit and Risk Assurance Committee of the Board



**Ms. Janet Langat  
Alternate Director**

Ms. Janet Langat is an Alternate Member of the Board of Directors Kenya Maritime Authority representing the Hon. Attorney General. She is a holder of a Master's degree in Business Administration (Strategic Management) from Maseno University and a degree in Law from Moi university.

She also has undertaken various trainings in Mediation and Negotiation from International Law Institute and has vast experience in management. Ms. Langat has 20 years of experience working in the Public and the Private Legal Sector.

She has worked in different capacities in the Office of the Attorney General and is currently the Regional Head in Mombasa.

She has also successfully defended the Government in high level litigation and brings to the Authority a vast wealth of legal



**Julius Segera**  
**Alternate Director**

knowledge and experience.

She is a member of the Audit and Risk Assurance Committee of the Board and the Human Resource and Environmental Social Governance Committee of the Board

Mr. Julius Segera is a distinguished member of the Board of Directors, serving as the alternate to the Principal Secretary – Shipping and Maritime Affairs.

Mr. Segera holds a Post Graduate Diploma in Marine Administration and Port Management from the University of Singapore, a Master of Science in Maritime Administration from the World Maritime University (Malmo, Sweden), a Master of Arts from the University of Nairobi and a Diploma in Port Security from Galilee International Management Institute.

With extensive experience and expertise in the maritime sector, Mr. Segera currently serves as the Director of Shipping and Maritime at the State Department for Shipping and Maritime Affairs.

Over the past 13 years, he has built a distinguished and exemplary career in public sector administration and results-oriented management, achieving notable milestones in the maritime industry, particularly in policy formulation, leadership and corporate governance. He has played a pivotal role in successfully coordinating the negotiation of Memorandum of Understanding (MoUs) between Kenya, Angola, Egypt and Saudi Arabia on Maritime Education and Recognition of Certificates.

Through his collaborative efforts

Mr. Segera has spearheaded the incorporation of 37 ratified international conventions into national laws and regulations, driving industry development, ensuring compliance and fostering strategic partnerships. Member of all board committees. Member of all board committees



**Dr. Lillian Apadet Osamong**  
**Director**

Dr Lillian Apadet Osamong assumed the role of Board member at the Kenya Maritime Authority on March 10th 2023. With a distinguished career in the medical field. Dr Apadet brings a wealth of expertise to the board. She has 20 years' experience in leadership and governance both in the medical field and Government boards. She has been a Chair of the Kenya Medical research institute and board member KICC through which she gained experience, hands on and formal training in Directorship.

Dr Apadet is a distinguished scholar and is renowned for the efforts to advance medical and dental profession earning her accolades including the prestigious Pierre Fauchard Academy fellowship award. She has been board member in various school boards and participated in mentorship and community outreach activities that she is passionate about. Currently Dr Lillian holds the position of Lecturer at Moi university where she imparts her extensive knowledge and skills to the next generation of health professionals. Her multifaceted skill set extends beyond the medical realm, encompassing strong leadership, organization and guidance capabilities.

As a member of the board of Directors, Dr Apadet brings her wealth of experience and expertise to contribute to strategic direction and success of the authority ensuring that it continues to thrive in its mission within the maritime industry

She is a Chair of the Human Resource and Environmental Social Governance committee of the Board and a member of the Maritime Industry Development Committee of the Board



**Qalicha Gufu Wario**  
**Director**

Mr Qalicha Gufu Wario is a board member after being appointed from 10th march 2023 for a period of three years. He has vast experience of 24 years spread across different fields. He has served as a marketing support under the research and advisory services department. He has also worked as program Manager under the livestock marketing council and also as the chief executive officer of the same livestock marketing council. He has also served as the Member of Parliament of Moyale from 2017 to 2022.

He has a Bachelor of Education in economics and commerce from University of Nairobi and also a Master's degree in Economics from the same university. He is the Chair of the Audit and Risk Assurance Committee of the Board and



**Rishad Hamid Ahmed**  
**Director**

Maritime Industry Development Committee of the Board

He is presently working as a member of national research taskforce on agriculture and agriculture research systems which is mandated to develop the national research systems for Kenya.

Mr. Rishad Amana assumed the role of Board Member at the Kenya Maritime Authority on March 10, 2023. With an impressive thirty-three years of entrepreneurial experience spanning various sectors of the economy.

Mr. Ahmed brings a wealth of expertise to the board. Currently, he serves as a Director at Amana Freights Company and holds the position of Managing Director at Richlands Properties Limited, showcasing his active involvement in the business world.

In the past, he was the sole proprietor of Rajaco Ship Contractors and a partner at Golden Freights Company from 2003 to 2005. Mr. Ahmed's dynamic career also includes a significant leadership role as Chairman of the Seafarers Union.

Mr. Ahmed's educational journey includes graduation from Bandari College, Nairobi Aviation College, and the Bush Town School, underscoring his commitment to continuous learning and professional development. Beyond his business endeavors, he is the esteemed founder of the Muslim Youth of Kenya, highlighting his dedication to community and social initiatives. With his extensive entrepreneurial background, leadership acumen, and commitment to community welfare.

Mr. Ahmed is poised to make valuable contributions to the Authority's strategic vision and mission

He is a member of the Finance and Investment Committee of the Board and the Maritime Industry Development Committee of the Board



CPA Omae Nyarandi was appointed as the Director General of the Kenya Maritime Authority on 16th July, 2025. He brings to the Authority over 30 years of cumulative experience in general management, strategy, finance, and procurement.

CPA Nyarandi holds a Master of Business Administration (MBA) degree in Strategic Management. He is a Certified Public Accountant (CPA-K), a Certified Secretary (CS-K), and a member of the Chartered Institute of Purchasing and Supply

**Kenya Maritime Authority**  
**Annual Reports and Financial Statements**  
**For the year ended June 30, 2025**

---

**CPA Omae NYARANDI**  
**Director General**

(MCIPS). His broad professional background is complemented by a proven track record in public sector leadership and governance.

As a distinguished strategist and leader, Mr. Nyarandi is expected to drive the Kenya Maritime Authority towards new heights of operational excellence and industry leadership. His expertise in strategic management, coupled with his extensive experience in the transport and logistics sectors, positions him to steer the Authority in fulfilling its mandate and realizing its vision for the maritime sector in Kenya and the region.

CPA NYARANDI is responsible for setting and executing the overall business strategy for Kenya Maritime Authority (KMA) and translating Board and Shareholder mandates to the business and representing Management in the board. The position ensures that the Authority meets its strategic objectives to achieve its overall goals



**CS Jessica Mbae**  
**Corporation**  
**Secretary & Director Legal**  
**Services**

CS Jessica Mbae, born on 29th September, 1986, is an Advocate of the High Court of Kenya of eleven (11) years standing and a member of the Law Society of Kenya and the Institute of Certified Secretaries of Kenya. She has a Bachelors Degree in Law from the Catholic University of Eastern Africa and a Masters Degree in Public Policy and Management from the Strathmore University Business School. She is also a Certified Professional Mediator certified by the Nairobi Centre for International Arbitration (NCIA). She has over a decade experience in the Roads Sector and Corporate Governance having worked in various positions in the Legal Services Directorate of the Kenya National Highways Authority

#### **4. MANAGEMENT TEAM**



**CPA Omae  
NYARANDI**

CPA Omae Nyarandi was appointed as the Director General of the Kenya Maritime Authority on 16th July, 2025. He brings to the Authority over 30 years of cumulative experience in general management, strategy, finance, and procurement.

CPA Nyarandi holds a Master of Business Administration (MBA) degree in Strategic Management. He is a Certified Public Accountant (CPA-K), a Certified Secretary (CS-K), and a member of the Chartered Institute of Purchasing and Supply (MCIPS). His broad professional background is complemented by a proven track record in public sector leadership and governance.

As a distinguished strategist and leader, Mr. Nyarandi is expected to drive the Kenya Maritime Authority towards new heights of operational excellence and industry leadership. His expertise in strategic management, coupled with his extensive experience in the transport and logistics sectors, positions him to steer the Authority in fulfilling its mandate and realizing its vision for the maritime sector in Kenya and the region.

CPA NYARANDI is responsible for setting and executing the overall business strategy for Kenya Maritime Authority (KMA) and translating Board and Shareholder mandates to the business and representing Management in the board. The position ensures that the Authority meets its strategic objectives to achieve its overall goals.



**Eng. Julius Koech.**

**Director, Maritime Safety.**

Responsible for the implementation of the provisions of the Merchant Shipping Act, KMA Act, relevant national legislation/policies/directives and International Conventions, in relation to maritime safety, security and protection of the marine environment.



**Mr. Luke Samba**

**Ag. Director Maritime Education Training&Labour**

Responsible for the implementation of the provisions of the Merchant Shipping Act, KMA Act, relevant national legislation/policies/directives and International Conventions, in relation to training and certification of seafarers, engagement and welfare of seafarers and training on maritime transport logistics.



**Joseph Kapeku**  
**Director Maritime Trade**  
**and Development**

Responsible for coordinating and implementing strategies towards orderly development of an efficient and effective framework for provision of optimal commercial maritime services. Oversee the development and implementation of efficiency monitoring framework for maritime transport services. Assist in policy formulation and implementation of commercial maritime services cluster.



**CS Jessica Mbae**  
**Corporation**  
**Secretary & Director**  
**Legal Services**

Responsible for providing Board Secretarial and related services to the Board of Directors and ensure effective and efficient management of contract administration, company insurance, legislative drafting and compliance with legal and regulatory legislation including provision of legal advice to members of management.

## **5. CHAIRPERSON'S STATEMENT**

On behalf of the Board of Directors, Management and Staff of Kenya Maritime Authority, I am pleased to present the Annual Report and Financial Statements for the Financial Year ended 30th June, 2025. This report reflects the Authority's performance, during the period under review and demonstrates our alignment with the functions and objectives as stipulated in the Kenya Maritime Authority Act, CAP 370, the Merchant Shipping Act, CAP 389 and the Kenya Maritime Authority Strategic Plan 2023-2028.

The report highlights the Authority's achievements and measures undertaken towards the continued actualization of its mandate and commitment to transforming Kenya into a globally competitive nation in line with Kenya's Vision 2030.

The **Key milestones** in the Financial Year 2024/2025 include:

1. Strengthening the Legal and Regulatory framework of the Authority through the finalization of the development/review of Maritime Laws Bill, seven (7) MARPOL Regulations, Port State Control Regulations, Cabotage Regulatory framework, SOLAS Verified Gross Mass Regulatory framework, Fees Regulations and six (6) Solas Regulations.
2. Maritime Education and Training (MET) awareness forums conducted in counties with navigable water bodies;
3. Seven (7) MET institutions inspected and audited;
4. Twenty (20) Maritime Trainers were trained under the STCW Trainer of Trainers Programme
5. Eight (8) MET Syllabi, one (1) training manual, and five (5) learning guides developed and validated;
6. One hundred (100) Oil Spill responders trained;
7. Two (2) sensitization workshops on shipping decarbonization conducted;
8. Forty (40) personnel from stakeholder agencies and MDAs on Maritime Search and Rescue (SAR) response trained;
9. Fifteen (15) Recruitment and Placement Services (RPSs) inspected for compliance with maritime labour laws;
10. Surveys and inspections for forty-five (45) Kenya-flagged ships conducted;
11. Six (6) additional Recognized Organizations (ROs) engaged to act on behalf of the Authority;
12. Safety inspections for one thousand five hundred and forty-two (1542) small vessels were conducted;
13. Maritime safety awareness campaigns were conducted in six (6) counties;
14. Security Audits were conducted for four (4) Port facilities;
15. One hundred (100) Oil spill responders were trained;
16. Two (2) sensitization workshops on shipping decarbonization were conducted
17. Forty (40) Personnel from Stakeholder Agencies & MDAs were trained on Maritime Search and Rescue Response;
18. Maritime Search and Rescue (SAR) Contingency Plans for three (3) riparian Counties of Lake Victoria were developed;

**Kenya Maritime Authority  
Annual Reports and Financial Statements  
For the year ended June 30, 2025**

---

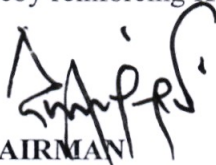
19. Two (2) Trade facilitation and maritime investment awareness workshops were conducted;
20. Development of the Frontier Counties Development Council (FCDC) Multi-Agency Framework on implementation of Blue Economy initiatives was finalized and launched;

**Challenges and Way Forward**

Despite these notable achievements, the Authority continues to face challenges in regulating the maritime industry, in particular, delays in the gazettelement of critical regulations and human resource constraints that have affected timely service delivery. However, with the enactment of the requisite Regulations and the recruitment of additional staff, in line with approved Human Resource instruments, the Authority is confident of strengthening its capacity for efficient and effective service delivery.

**Acknowledgement**

I wish to express my sincere appreciation to the members of the Board, the staff of KMA, our strategic partners, stakeholders, and the general public for their unwavering support and collaboration in the realization of our mandate. Together, we remain committed to advancing Kenya's maritime sector. As we move forward, the Authority will continue to strengthen its regulatory and institutional frameworks, thereby reinforcing Kenya's position as a responsible and competitive maritime nation.



**CHAIRMAN  
BOARD OF DIRECTORS  
KENYA MARITIME AUTHORITY**

## **6. REPORT OF THE DIRECTOR GENERAL**

### **Introduction**

The Kenya Maritime Authority Annual Report and Financial Statements for the 2024/2025 Financial Year have been prepared pursuant to the Public Finance Management Act and in line with International Public Sector Accounting Standards.

Kenya Maritime Authority in its regulatory role is committed to leading the transformation of Kenya into a globally competitive maritime nation. As guided by its own Act, Merchant Shipping Act and other key policy documents such as the “2050 Africa’s Integrated Maritime Strategy (2050 AIM Strategy)”, integrated transport policy, international treaties and conventions that Kenya has acceded to, the Authority put in place various measures to raise awareness on the significant role the maritime sector plays in the economy and the need for its enhanced development. Highlighted below are some of Authority's accomplishments during the stipulated period:

### **Annual Report on Maritime Safety**

Maritime safety in Kenya is a statutory and international obligation grounded in the Merchant Shipping Act, 2009, the Lake Victoria Transport Act, 2007, and the suite of maritime conventions to which Kenya is a contracting party, including the Safety of Life at Sea (SOLAS) Convention, the International Convention on Standards of Training, Certification and Watchkeeping for Seafarers (STCW), the International Convention for the Prevention of Pollution from Ships (MARPOL), The International Convention on Load Lines, 1966 among others. These instruments require Kenya to establish, maintain, and enforce a comprehensive framework for the safety of vessels, the welfare of seafarers, the protection of the marine environment, the security of ports and port facilities, and the effective coordination of search and rescue operations.

The Authority, as the national maritime administration, is the lead institution charged with implementing these obligations. During the reporting period, significant progress was made in strengthening vessel safety oversight, enhancing search and rescue capacity, reinforcing maritime security, improving environmental protection, and ensuring the safety of navigation in both coastal and inland waters. The scope of activity covered the entire Kenyan maritime domain, including the Indian Ocean coastline, the Lake Victoria Basin, and other navigable inland waters.

**REPORT OF THE DIRECTOR GENERAL(Continued)**

**Administration of the Kenyan Ship Register, Inspection and Survey**

The administration of the Kenyan Ship Register is central to maritime safety compliance. Registration confers nationality to vessels, records proprietary interests such as mortgages and ownership changes, and brings ships under the safety, environmental, and labour standards applicable to Kenyan-flagged vessels. Between FY 2021/22 and FY 2024/25, nineteen Kenyan ships exceeding twenty-four meters in length and seven smaller vessels engaged in foreign voyages were registered, while twelve vessels were deregistered. The deregistered vessels were either decommissioned for scrapping or their owners opted to transfer registration to other jurisdictions. The Authority advanced the KENSHIP initiative, which seeks to establish an international register aimed at attracting quality tonnage to the Kenyan flag. Consultations with relevant government agencies focused on incentive structures, service responsiveness, and cost competitiveness. To enhance survey and certification service reach, five additional Recognized Organizations with global coverage were authorized to undertake statutory surveys and certification of Kenyan ships worldwide.

Flag State Implementation activities intensified, with forty-six surveys and inspections conducted on Kenyan-registered vessels to ensure compliance with safety and environmental conventions. Small vessel safety oversight was also strengthened: one thousand five hundred and forty-five vessels were inspected across Kenya, twenty-six boatbuilders were assessed and approved under a formal compliance programme, and a pilot vessel marking and identification system was rolled out to improve traceability. On the Port State Control front, one hundred and twenty-five inspections of foreign ships were carried out to identify and eliminate substandard vessels from Kenyan waters. Kenya also took part in the global inspection campaign on seafarers' employment conditions between September and November 2024, reinforcing its commitment to decent work at sea.

To strengthen this function, the Authority appointed two additional Port State Control Officers, enhancing inspection coverage.

Capacity building of the technical officers involved in inspections and survey was also prioritized through the Trainee Surveyor Programme, with four officers undertaking sea service training and one undertaking Certificate of Competency (CoC) certification training. These initiatives are expected to ensure a sustainable pipeline of qualified personnel capable of carrying out inspection and survey of ships to the highest international standards

**REPORT OF THE DIRECTOR GENERAL(Continued)**

**Maritime Search and Rescue (SAR)**

Kenya's obligations under SOLAS, the SAR Convention, and the national legislative framework require the provision of a 24-hour maritime search and rescue service. This is delivered through the Rescue Coordination Centre (RMRCC) and associated facilities, which maintain operational readiness with GMDSS communications, satellite tracking, and an updated National SAR Plan. In February 2024, the SAR function relocated to the fifteenth to seventeenth floors of Bahari Towers, providing improved facilities for coordination and communication.

Between FY 2022/23 and FY 2024/25, the SAR service coordinated ten incidents involving SOLAS-class vessels and multinational crews within the East African SAR Region. Capacity was further enhanced through a European Union partnership that delivered five SAR boats valued at Ksh 129 million, which were strategically deployed along the coastline to reduce response times. In addition, the Authority began the process of acquiring three SAR vessels in collaboration with Kenya Shipyard Limited, further strengthening national rescue coverage and operational readiness along both the coastal and inland waterways

County-level integration was achieved through memoranda of understanding with five coastal counties, embedding SAR Emergency Operations Centres within county disaster management units. Jointly with the Kenya Civil Aviation Authority, the National Aeronautical and Maritime SAR Plan was reviewed, and standard operating procedures for mobilizing multi-agency SAR assets were developed.

Training remained a key priority, with one hundred and twenty responders from national agencies and Beach Management Units trained as On-Scene Coordinators. Communications resilience improved with the acquisition of an Iridium terminal and four Thuraya portable satellite phones. Field surveys for a coastal AIS-VHF repeater network were completed.

Under the Kenya Lake Victoria Maritime Communication and Transport Project, construction of the Kisumu Maritime Rescue Coordination Centre reached eighteen percent completion. Additional SAR centres and two specialized boats are in the procurement pipeline. The Lake Victoria vessel census conducted in February 2025 provided crucial data for infrastructure siting and resource deployment.

**REPORT OF THE DIRECTOR GENERAL(Continued)**

**Maritime Security**

Maritime security oversight is mandated under the Merchant Shipping (Maritime Security) Regulations and the ISPS Code, both of which require port facilities to implement security measures against unlawful acts. During the year, Port Facility Security Audits were conducted at Base Titanium, KPA Mbaraki Wharf, and Southern Engineering Company, resulting in improved mitigation against threats and increased confidence of vessels visiting Kenya's ports. Security integration was also achieved in new infrastructure through the assessment of the Lake Gas LPG facility at Vipingo, ensuring that security considerations were embedded from the design stage.

A joint coastal and Lake Victoria border porosity assessment was undertaken under the leadership of the Border Control Operations Coordination Committee (BCOCC) in collaboration with the Border Management Secretariat. This initiative sought to identify and mitigate risks associated with border porosity, including smuggling, illegal immigration, and other cross-border threats. The findings informed targeted deployment of enforcement agencies to high-risk entry points.

On maritime domain awareness, the Republic of India offered support towards the establishment of a National Maritime Information-Sharing Centre. Consequently, the Maritime Domain Awareness (MDA) Subcommittee, chaired by Kenya, convened to evaluate the proposal and assess its suitability to Kenya's operational and strategic needs.

Border Management Committee (BMC) meetings were held regularly to discuss maritime security issues and share information, enabling all agencies to maintain a common operating picture and situational awareness on security matters. These engagements facilitated joint inspections of passenger vessels and ferries in Mombasa, Kisumu, and Mbita, leading to enforcement actions.

Additionally, work commenced on the development of a national Maritime Security Strategy, which will provide a comprehensive framework for identifying, prioritizing, and addressing security risks across Kenya's maritime domain. Considerable progress has been made, and the strategy is expected to be finalized in the next financial year. These initiatives collectively advance Kenya's compliance with the ISPS Code and the Merchant Shipping (Maritime Security) Regulations, reinforcing national capacity to detect, deter, and respond to maritime security threats.

**REPORT OF THE DIRECTOR GENERAL(Continued)**

**Marine Environment Protection**

The protection of the marine environment remains a critical component of Kenya's maritime obligations under the International Convention for the Prevention of Pollution from Ships, 1973 as modified by the Protocol of 1978 (MARPOL 73/78), the International Convention on the Control and Management of Ships' Ballast Water and Sediments, 2004, the International Convention on the Control of Harmful Anti-Fouling Systems on Ships, 2001, and the International Convention on Oil Pollution Preparedness, Response and Co-operation, 1990 (OPRC 1990). These conventions collectively require Kenya to prevent, reduce, and control ship-sourced pollution, ensure proper handling of ballast water to prevent the transfer of invasive aquatic species, prohibit the use of harmful anti-fouling paints, and maintain preparedness and cooperation mechanisms for oil spill response.

In the reporting period, pollution prevention compliance inspections were conducted on vessels visiting Kenyan ports to verify adherence to MARPOL Annexes I through VI requirements on oil, noxious liquid substances, harmful substances in packaged form, sewage, garbage, and air emissions. Inspections also included checks on ballast water management systems to ensure compliance with the Ballast Water Management Convention.

On oil spill preparedness, the Authority implemented the National Oil Spill Contingency Plan through enhanced national and regional coordination mechanisms. The Authority conducted several national tabletop and field exercises in collaboration with the industry (Oil Spill Mutual Aid Group Society (OSMAG)) and in partnership with the Norwegian Coastal Administration. Ongoing capacity building was prioritised, with specialised training provided to responders, port facility personnel, and Beach Management Units on shoreline clean-up, incident reporting, dispersant application, and safety in oil spill operations.

Regarding decarbonisation, the Authority made significant progress in advancing the IMO 2023 GHG Strategy. KMA led the African Green Shipping Conference, bringing together international and regional maritime authorities, port operators, industry players, energy experts, and development partners to shape Africa's unified stance on the green shift in shipping. In partnership with GIZ and the Global Maritime Forum (GMF), the Authority carried out essential studies and stakeholder consultations, including an assessment of Kenya's maritime decarbonisation potential, a gap analysis of Kenya's readiness for alternative fuels, and the formulation of policy recommendations for green shipping and energy

**REPORT OF THE DIRECTOR GENERAL(Continued)**

transition. These efforts are informing the creation of Kenya's National Action Plan on the Reduction of GHG Emissions from Ships, which will direct sector-wide initiatives, such as adopting low- and zero-carbon fuels, implementing energy efficiency measures, and supporting green port projects. The development of this National Action Plan is backed by the International Maritime Organisation (IMO) through the Green Voyage 2050 project.

In tackling marine litter, the Authority implemented measures aligned with MARPOL Annex V and the National Action Plan to Address Marine Plastic Litter from Ships. Routine Port State Control and Flag State inspections included checks of Garbage Management Plans, Garbage Record Books, and the use of waste reception facilities. Through the GloLitter Partnerships Project, KMA conducts awareness campaigns to sensitise port operators and shipping lines, promoting waste segregation, offloading of ship-generated waste, and improving the efficiency of reception facilities. The Authority also supported beach clean-up campaigns in partnership with county governments, Beach Management Units, and civil society organisations, particularly focusing on high-debris coastal areas such as Kilifi, Lamu, and Diani. Data from these clean-ups contributed to national marine litter monitoring, supporting the development of evidence-based policy measures. Capacity building on marine litter prevention was extended to seafarers, port workers, and fishing communities to raise awareness of the impacts of plastic pollution on fisheries, tourism, and biodiversity.

At the international level, Kenya, through KMA, continues to influence global maritime policies by actively participating in IMO negotiations in the Intersessional Working Group on Reduction of GHG Emissions from Ships (ISWG-GHG) and the Marine Environment Protection Committee (MEPC) sessions. The Kenyan delegation championed a just and equitable transition, ensuring the needs and circumstances of developing countries are reflected in global policy outcomes. Kenya also contributed to discussions on the revision of MARPOL Annex VI, leading to the adoption of a legally binding framework aimed at reducing greenhouse gas (GHG) emissions from ships, to achieve net-zero emissions by or around 2050.

These combined efforts strengthen the Authority's leadership in marine environmental protection, ensuring preparedness to prevent and respond to pollution incidents while establishing Kenya as a credible and influential voice in shaping the global green transition and fighting marine litter.

**REPORT OF THE DIRECTOR GENERAL(Continued)**

**Licensing of Maritime Transport Operators.**

The Licensing of Maritime Transport to Operators is guided by the Maritime Transport Operators 2024, Regulations. The licensing of Maritime Transport Operators was moved to an online platform in the FY 2022/23. The applications are lodged through the Authority's public portal and processed internally through the Enterprise Resource Planning (ERP) system. The online system enables the applicants to lodge the application from the comfort of their desk, track the application, and even make the relevant payments. This has reduced the licensing period considerably from 14 days in FY 2021/22 day to 9days in the FY 2023/24 and 7 days in 2024/25 thus demonstrating the Authority's commitment to enhancing service delivery.

In the FY 2023/24 a total of 31 shipping lines were registered, 58 shipping agents and 58 cargo consolidator's licenses. In the FY 2023/24, the Authority integrated the payments for maritime transport operator's related fees with the E-Citizen thus complying with the Government directive on integrating payments with the E-citizen platform. In the FY 2024/25, the Authority registered an increase in the Maritime Transport Operators who sought to be registered and licensed respectively.

A total of 34 shipping lines were registered, 84 shipping agents and 95 cargo consolidators licensed. The registration of maritime transport operators licensed by related government agencies namely: clearing agents, empty depots operators, port facility operators and container freight station will be implemented in the FY 2025/26.

**Coordination of compliance with the Mombasa Port and Northern Corridor Community Charter (MPNCCC)**

The Authority coordinates the implementation of industry standards through the respective Key Performance Indicators targets set under the MPNCCC framework. The Authority commenced the role since the launch of the first edition of the MPNCCC in 2014. The Authority undertakes monitoring, evaluation, and coordination of the framework through quarterly Steering Committee, sub-committee meetings, and annual stakeholders' engagement forums. The implementation of the MPNCCC is a collaborative effort among private, public, and regional development partners.

The MPNCCC represents the culmination of extensive consultation among all port and Northern Corridor stakeholders aimed at achieving a seamless transport and logistics chain. Toward implementation of the MPNCCC, the Authority has been able to identify areas of inefficiency and undertake corrective actions through bilateral engagements with the respective signatory and through

**REPORT OF THE DIRECTOR GENERAL(Continued)**

policy proposals development.

Towards enhancing the visibility of the MPNCCC, in collaboration with Trademark Africa developed the MPNCCC website (mpnccc.go.ke). The website is used to publish the MPNCCC-related initiatives and provide real-time data on the port and corridor performance. Authority is responsible for renewing the website domain name and making payments for the website's SSL Certificate and hosting fee.

The implementation of the MPNCCC second edition ended in December 2024. Towards assessing the impact of the implementation, the Authority, together with the monitoring and evaluation team from anchor signatories, undertook an MPNCCC impact assessment study. The study was validated in July 2024. In the FY 2025/26 the Authority will commence the review of the industry performance standards under the MPNCCC to inform the launch of the 3rd edition of the MPNCCC.

**Coordination of the multi-agency action plans on blue economy initiatives**

Under the coordination of the blue economy initiatives, the Authority has coordinated the mapping and implementation of the Multi-agency Action Plan under the Lake Region Economic Block (LREB) and Frontiers Counties Development Council (FCDC). In the FY 2025/2026, the Authority is set to coordinate the development of a multi-agency Action Plan for Jumuiya za Kaunti ya Pwani and review the Lake Region Economic plan following the lapse of the implementation period. The multi-agency action plans map out the resources within an economic block and identify the parties to take the lead in the implementation of the identified initiative. The commitment is made through a signed action plan, memorandum of understanding, by the identified lead implementing agencies. The implementation of the economic blocks multi-agency action plan was informed by the inaugural sustainable Blue Economy Conference, whose theme was the blue economy and the 2030 Agenda for Sustainable Development.

**Development of measures for compliance with Section 14 of the MSA Act on Cabotage**

The Authority in FY 2022/2023 carried out a survey and a comprehensive desktop review of the current trade along the Kenyan coastline and inland waters, as well as the applicable fees charged by government agencies. The study's findings informed the development of the cabotage policy. The policy's primary objective is to regulate and reserve domestic maritime transport of goods and passengers between Kenyan ports for Kenyan-registered ships and seafarers, thereby promoting local participation in maritime trade. Public participation for the cabotage policy was undertaken in the FY 2024/2025.

**REPORT OF THE DIRECTOR GENERAL(Continued)**

**Development of the Maritime Data Bank project**

In recognition of the inadequacy of information on the enormous opportunities in Kenya's maritime sector, approval was granted for the development of national capacity to collect, classify, collate, and code all maritime-related data for analysis and the presentation of useful information. The main objective is to readily avail data on a centralized information sharing platform for decision making by the Government, investors, academia, and researchers.

The Kenya Maritime Data Bank is designed to provide accurate, detailed information and regular updates on maritime activities, particularly and blue economy initiatives and opportunities in general.

The Authority contracted Centric Technology Solutions Limited (the Consultant) on 25th March, 2024, to undertake Consultancy Services for the provision of Business Analysis and Design of the Kenya Maritime Data Bank (KMDB). The first phase of the consultancy ended in the FY2024/2025, the second phase will commence in the FY 2025/2026.

**Development of Maritime Single Window System**

The Authority, in collaboration with the Kenya Trade Network Agency, implemented a Maritime Single Window system in compliance with the International Maritime Organization (IMO) Convention on Facilitation of International Maritime Traffic (FAL Convention). The convention was adopted in 1965 and aims to streamline and harmonize maritime administrative procedures.

Amendments to the IMO FAL Convention made it mandatory for member states to implement Maritime Single Window Systems by January 1, 2024. In compliance with the IMO requirement, Kenya went live with the system on 7 June 2021. The system has connected all the relevant Government bodies involved in the clearance of ships.

The Kenya Maritime Authority (KMA), in its functions to oversee training, employment, and welfare of seafarers, implements international instruments to which Kenya is party through the Merchant Shipping Act and subsidiary legislation. In the oversight of seafarer training, the Authority implements the International Convention on Training Certification and Watchkeeping for Seafarers (STCW) Convention, 1978 as amended.

**REPORT OF THE DIRECTOR GENERAL(Continued)**

**Maritime Education Training**

The Kenya Maritime Authority (KMA), in its role to oversee the training, employment, and welfare of seafarers, implements international instruments to which Kenya is a party through the Merchant Shipping Act and subsidiary legislation. In overseeing seafarer training, the Authority implements the International Convention on Standards of Training, Certification, and Watchkeeping for Seafarers (STCW) Convention, 1978, as amended.

The Authority has signed Recognition agreements with other IMO Member states for mutual recognition and endorsement of seafarers' certifications to open more employment opportunities for Kenyans. The Authority has developed eight occupational standards on seafarer training programs in line with the directive to implement CBET programmes, monitors compliance of MET institutions and during the FY 2024/2025 11 MET institutions were approved to offer seafarers training programmes and in promoting certification of seafarers the Authority verified 206 STCW certificates

**Maritime Labour Department**

In the oversight of seafarer employment and welfare of seafarers, the Authority implements IMO and ILO instruments including: the Maritime Labour Convention, 2006 (MLC, 2006) which consolidates 65 International Maritime Labour Conventions, ILO Convention, 185 the Seafarer Identity Document (C.185), ILO Convention 188 for Personnel Working on Board Fishing Vessels (C.188), ILO Convention 109 (Wages, hours of work and Manning at Sea) (C.109).

The Conventions are implemented through different processes and procedures and each of the instrument is subject to audits, evaluation and reporting procedures undertaken by the ILO and IMO Committee of Experts. The Audits determine how the country is putting the Conventions into full and complete effect and therefore determine its standing among the IMO and ILO Member States with respect to implementation of respective instrument.

The Authority has initiated the development of a wage standard for Kenyan seafarers through collaboration with the State department of Labour and Social Protection. The Authority continues to provide technical and financial support to the Wages Council towards the development of a wage standard for Kenyan seafarers. Once the standard is gazetted, Kenyan seafarers will benefit through equitable wages hence reduction of wage disputes.

The Authority oversees recruitment services for seafarers which monitoring audits and licensing of complaint agencies. During the last financial year, the Authority licensed 12 recruitment and placement agencies for seafarers

**REPORT OF THE DIRECTOR GENERAL(Continued)**

The Authority monitors compliance and recognizes medical practitioners who carry out medical fitness examinations for seafarers in accordance with the international and national standards. The Authority has recognized 20 medical practitioners.

The Authority, in collaboration with a multi-agency team, is working on the development and production of the Kenya Seafarer's Identification Document (KSID). A specimen KSID has been produced and submitted to the International Labour Organization.

During the FY 2024/2025, the Authority issued 3024 seafarers discharge certificates and record books (CDCs) and renewed 226 CDCs.

To promote employment of seafarers the Authority verified CDCs and STCW certificates 206 as requested by ship-owners. During the FY 2024/2025 the Authority issued 4575 seafarers medical fitness certificates required as a prerequisite to training and employment of seafarers. The Authority maintains a register of Kenyan seafarers whose population has increased exponentially in the last five years from 5000 to 16000.

The Authority continues to engage seafarers on a day-to-day basis as well as in sensitization forums to keep them updated on services the Authority avails toward training, employment, and welfare, and receive feedback on areas that can assist in improving service delivery to seafarers. The Authority has received complaints from Kenyan and foreign seafarers in Kenyan ports. It has resolved various complaints leading to wage payment, repatriation, and compliance of vessels in accordance with the relevant legal instruments.

**Maritime Transport Logistics**

To facilitate approval of courses in MTL institutions and to increase stakeholder awareness on maritime transport and logistics training in Kenya, the Authority has so far been able to map out 20 Institutions offering maritime transport logistics and related courses, and also sensitized them on the importance of regulation of the sector by KMA. What would follow next is the development of the relevant instruments by KMA to professionalize and regulate the training institutions in the industry entirely. In the FY 2024/2025 the Authority conducted planned institutional audits to check on quality areas such as quality

**REPORT OF THE DIRECTOR GENERAL(Continued)**

of training, ensure the availability of relevant Infrastructure and equipment (simulators, laboratories, libraries) and to monitor trainees/stakeholders' feedback and examination/assessment integrity and to administer the performance scorecards and compliance checklists to assist institutions improve.

**Projects**

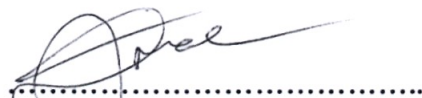
During the year the Authority was able to achieve key milestones on some of the projects being implemented

On the Kenya Lake Victoria Transport and Communication Project, the construction of the Kisumu Regional office commenced when the ground breaking was done by H.E. William Samoei Ruto, the President of the Republic of Kenya. The Authority contracted Arprim Consultants to design and supervise the construction of the project. Arprim Consultants have developed the designs. The Authority contracted The Kenya Shipyards Limited for the construction of the Kisumu Regional Office. The construction is ongoing and the project was at the 17% completion as of 30th June 2025

The KMDB project contract was successfully signed on 21st March, 2024, between KMA ("the Client") and Centric Technology Solutions Ltd ("the Consultant"). The Consultancy Services for the provision of Business Analysis and Design of the Kenya Maritime Data Bank (KMDB) were done by the consultant and the first phase of the consultancy ended in the FY2024/2025; the second phase will commence in the FY2025/2026

**II. Financial Performance**

In the year under review, the Authority collected a total of Kshs 2.180 Billion in terms of revenue as compared to Kshs. 2.230 Billion from the previous year which translates to 2% decrease. Operation Surplus increased from Kshs. 797 Million in FY2024/2025 to Kshs 1.056 Billion, translating to a 32% increase



**CPA Omae NYARANDI**  
**DIRECTOR GENERAL**

**7. STATEMENT OF PERFORMANCE AGAINST PREDETERMINED OBJECTIVES  
FOR FY 2024/2025**

Kenya Maritime Authority has 12 strategic issues and objectives within the current Strategic Plan for the FY 2023-2028. These strategic issues are as follows:

1. Low revenue as a result of low tonnage in the ship register;
2. Low Safety Compliance;
3. Growing threats to maritime security;
4. Inadequate Capacity for Effective Search & Rescue and Radio communication;
5. Inadequate Aids to Navigation and Hydrographic Services;
6. Increased Marine Pollution incidences;
7. Climate Change as a result of Increased GHG emissions from Shipping and maritime activities;
8. Inadequate capacity for delivery of quality Maritime education and training, examination and certification;
9. Low number of Kenyan seafarers in the global maritime industry;
10. Low level of participation in maritime Transport Services;
11. Inadequate Legal and Regulatory Framework for the sustainable development of the maritime sector;  
and
12. Insufficient Institutional Capacity to effectively deliver on the Authority's Mandate.

KMA develops its annual work plans based on the above 12 issues. Assessment of the Board's performance against its annual work plan is done on a quarterly basis. The Authority achieved its performance targets set for the FY 2024/2025 period for its 12 strategic pillars, as indicated in the table below:

**Kenya Maritime Authority**  
**Annual Reports and Financial Statements**  
**For the year ended June 30, 2025**

S/N	Strategic Issue	Objective	Key Performance Indicators	Activities	Achievements
1	Low revenue as a result of low tonnage in the ship register	Increase the tonnage of the Kenyan Register	Increase in registered tonnage in the Kenyan Ship Register	Assess and audit performance of Recognized Organizations on Surveys and Inspections  Inspect ships in the Kenyan Ship Register	Performance of five (5) Recognized Organizations assessed as per performance contract  45 ships inspected against a target of 44 in the performance contract
2	Low Safety Compliance	Increase small vessel compliance to safety standards	% of Increase in seaworthiness certificates issued	Conduct Safety inspections for small vessels	1,542 small vessels inspected against a target of 1,500 in the performance contract
3	Growing threats to maritime security	Enhance compliance with maritime security requirements	% Compliance with the International Ship and Port Facility Security Code (ISPS Code)	Conduct security assessment for port facilities	Security assessments done for Four (4) Facilities against a target of 4 in the performance contract
4	Inadequate Capacity for Effective Search & Rescue and Radio communication	Improve maritime Search and Rescue (SAR) and Radio-communication capacity	No. of Counties with Maritime SAR services	Train Search and Rescue responders in both coastal and inland waters	Forty (40) Search and Rescue responders trained in various counties as per performance contract

**Kenya Maritime Authority**  
**Annual Reports and Financial Statements**  
**For the year ended June 30, 2025**

5	Inadequate Aids to Navigation and Hydrographic Services	Improve safety of Navigation and availability of hydrographic services	% of functional Aids to Navigation (AtN)	No activity targeted in the FY 2024/2025	N/A
6	Increased Marine Pollution incidences	Enhance capacity to prevent and effectively respond to marine pollution incident	Increase in spill response capability	Conduct oil spill response training on oiled wildlife rehabilitation	100 oil spill responders trained
7	Climate Change as a result of Increased GHG emissions from Shipping and maritime activities	Reduce GHG emission from shipping and maritime activities	% reduction in GHG emission from shipping and maritime activities	Sensitization workshop on shipping decarbonization	Two (2) Sensitization workshops on shipping decarbonization
8	Inadequate capacity for delivery of quality Maritime education and training, examination and certification;	Strengthen oversight and regulation of standards of Maritime Education and Training	Improvement in Kenyan Seafarers' employment index	Conduct audit of Maritime Education and Training (MET) Institutions	7 Maritime Education and Training (MET) Institutions audited
			Improvement in Maritime Training Standards Compliance index	Conduct awareness workshop for MET institutions on seafarer training standards	Workshop conducted in 8 counties

**Kenya Maritime Authority**  
**Annual Reports and Financial Statements**  
**For the year ended June 30, 2025**

9	Low number of Kenyan seafarers in the global maritime industry;	Strengthen oversight of labour standards and promote employment of Kenyan seafarers	Increase in the No. of Kenyan Seafarers employed globally	Conduct audit of Seafarers Recruitment and Placement Services	Fifteen (15) Seafarers Recruitment and Placement Services audited
10	Low level of participation in maritime Transport Services;	Facilitate trade and investment in the maritime sector	% Level of awareness of maritime trade facilitation and investment opportunities	Conduct workshop on trade facilitation and maritime investments	Two (2) Trade facilitation and maritime investments workshop
11	Inadequate Legal and Regulatory Framework for the sustainable development of the maritime sector; and	Strengthen Policy Legal and Regulatory regime	% of International Maritime Instruments domesticated	Develop regulations	2 regulations drafted
12	Insufficient Institutional Capacity to effectively deliver on the Authority's Mandate.	Strengthen institutional capacity	% Level of automation	On-board Seafarer government services on e-citizen	125 Services on boarded

## **8. CORPORATE GOVERNANCE STATEMENT**

The Kenya Maritime Authority is committed to the values and principles of good Corporate Governance as an integral part of the Corporate Culture. This guides the way its Directors, Management and Staff conduct the business of the organization.

As a public sector organization dedicated to providing quality service to its stakeholders, the Authority's decisions are guided by the core tenets prescribed in the Public Officers Ethics Act, the Leadership and Integrity Act, the Mwongozo Code of Governance for State Corporations and Board's Code of Conduct.

The Authority endeavours to develop, strengthen and sustain the trust that the Government, employees and the public have bestowed on it. The Board is committed to regularly evaluating national and international standards in responsible, transparent and efficient manner with a view of enhancing Corporate Governance at the Authority and consistently delivering on its statutory mandate.

### **ROLE AND FUNCTION OF THE BOARD OF DIRECTORS**

The role and functions of the Board *inter alia* includes, to:

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

In line with the provisions of the Kenya Maritime Authority Act, 2006, the Chairman and other members of the Board, other than designated public officers, hold office for a period of three (3) years from the date of appointment and may be eligible for re-appointment for one (1) further term.

The appointment of all members of the Board as first constituted and at every change in membership is by notice published in the Kenya Gazette.

The Director General is appointed by the Board in consultation with the Cabinet Secretary in charge of Maritime Affairs following a competitive recruitment process.

New Directors are provided with extensive materials on the Authority and its operations, the procedures relating to the Board and its Committees and their duties and responsibilities as Directors.

The primary function of the Board of Directors' (the Board) is to provide effective strategic leadership and direction to enhance the long-term value of the Authority to its stakeholders. The Board has the overall responsibility for overseeing the development and implementation of the strategic plan, performance objective, financial plans, annual budget, key operation initiatives, financial performance reviews and corporate governance practices. They are also responsible for instilling the appropriate culture, value and behaviour throughout the organization. The Board is therefore committed to maintaining very high standards of corporate governance and ethical conduct.

The Board has established four (4) Committees from among its Members to assist in the execution of its responsibilities. These are the Audit and Risk Assurance Committee, the Human Resource Environment and Social Governance Committee, the Maritime and Industry Development Committee and the Finance and Investment Committee. Each of these Committees operates pursuant to approved Terms of Reference delegated to them by the Board. The Board and each Committee have scheduled meetings held in every

### **CORPORATE GOVERNANCE STATEMENT(Continued)**

quarter of the Financial Year. The Chairman of each Committee regularly reports to the full Board on the Committee's deliberations at quarterly meetings of the Board.

### **SUCCESSION PLANNING**

The Authority recognizes that succession planning forms an integral part of the Authority Human Resource Strategy and ensures the presence of a 'talent pipeline' that guarantees continuity of business in the event that key persons exit the Authority. It allows for the selection and preparation of individuals to ascend to the next level in the organization through appropriate Human Resource Intervention. Succession Planning on the Board is implemented by ensuring that the Parent Ministry is informed six (6) months prior to the expiry of the term of any of the Directors, for appointment, to ensure the Board is always fully constituted.

### **BOARD CHARTER**

The Authority maintains a Board Charter that is a guide for Directors of the Authority when executing their mandate. It expounds and sets out the Directors' collective and individual powers, rights, duties, obligations, responsibilities and liabilities.

The Charter enshrines the requirements of good Corporate Governance applicable to the Authority that meets the requirements of the enabling legislation and the Code of Governance for State Corporations (Mwongozo). It serves to facilitate and promote effective Governance that is responsible and responsive to the Government's policies and guidelines on State Corporations.

It also provides a framework through which the Board carries out its statutory mandate in compliance with the international principles of corporate governance, Laws, Regulations and Policies of state corporations.

### **INDUCTION AND TRAINING OF THE BOARD**

The Authority ensures that the Board's capacity is continually built through trainings and workshops and encourages Board Members to be up to date with continuous Professional Development in their respective professional bodies. The Authority further prepares and implements an annual Board Training Plan to ensure capacity building of the Board as regards their needs.

An induction process is undertaken for all new Board Members to familiarize themselves with their role as Directors and acquaint themselves with the Authority's mission, vision, core values, mandate, strategic direction, code of conduct and ethics, best Corporate Governance practices and approved policies and procedures.

### **BOARD AND MEMBER PERFORMANCE**

The Board undertakes an annual Board Self Evaluation exercise facilitated by the State Corporations Advisory Committee (SCAC) that enables the Board evaluate the Performance of the full Board, the individual Members, the Director General and the Corporation Secretary.

Subsequent to the Self Evaluation the Board prepares a Board Performance Improvement Plan that enable the Board strategize and implement measures to enhance its performance in areas requiring improved performance. The Board evaluation for FY2024/2025 was conducted by the State Corporations Advisory Committee on 27<sup>th</sup> August 2024.

**CORPORATE GOVERNANCE STATEMENT(Continued)**  
**BOARD REMUNERATION**

Board Remuneration by the Authority is guided by the relevant statutory Guidelines from the State Corporations Advisory Committee (SCAC) and Circulars issued from time to time by SCAC. The Authority endeavours to remunerate the Board members fairly, ethically and responsibly.

**CONFLICT OF INTEREST**

The Board is under obligation to act in the best interest of the Authority and uphold the fiduciary responsibilities and duty of care. This obligation involves not disclosing confidential information, avoiding real and perceived conflicts of interest, and favouring the interests of the Authority over other interests. The Board members are expected to act honestly and in good faith so as to create a culture built on principles of integrity, accountability and transparency. The Authority has in place two separate Conflict of Interest Registers- one for the Board and the other for members of staff.

**GOVERNANCE AUDIT**

The Board subjects the Authority to a Governance Audit once every two years. The Governance Audit covers the areas of, Leadership and Strategic Management, Transparency and disclosure, Compliance with Laws and Regulations, Communication with stakeholders, Board Independence and Governance and Board systems and procedures.

**CORRUPTION PREVENTION**

There is a Corruption Prevention Policy in place that reiterates Chapter 6 of the Constitution of Kenya, 2010, the Anti- Corruption and Economic Crimes Act, 2003, Public Officer Act, 2003 and the Leadership and Integrity Act, 2012 with regards to issues of conflict of interest.

**BOARD MEETINGS**

The Board discharges its responsibilities through the Maritime Industry Development Committee, Finance and Investment Committee, the Human Resource and Environmental Social Governance Committee and the Audit and Risk Assurance Committee. In the Financial Year 2024/2025 the Board held the following meetings:

**a) Full Board Meetings**

During the period under review a total of **Five (5)** meetings were held. It is noted that the attendance to the meetings are listed from when members were appointed until exit;

S/No.	NAME OF DIRECTOR	POSITION	MEETINGS HELD	ATTENDANCE
1.	Mr. Hamisi Mwanguya	Chairman	5	3
2.	Hon Ahmed Kolosh	Chairman	5	2
3.	Mr. Daniel Ndolo	Alternate Member	5	5
4.	Ms Janet Chepkorir	Alternate Member	5	5
5.	Mr Julius Segera	Alternate Member	5	1
6.	Dr. Lillian Apadet	Member	5	5

**Kenya Maritime Authority  
Annual Reports and Financial Statements  
For the year ended June 30, 2025**

7.	Mr. Isaiah Nakoru	Member	5	3
8.	Mr. Rishad Ahmed	Member	5	4
9.	Mr Ezekiel Kibor	Member	5	5
10.	Mrs. Annistain K. Mogaka	Member	5	5
11.	Hon Qalicha G. Wario	Member	5	5
12.	Mr. Ali Mondo	Member	5	5

**(b) Special Board Meetings**

A total of **fifteen (15)** special board meetings were held during the period under review. It is noted that the attendance to the meetings are listed from when members were appointed until exit. All the Special Board Meetings were held subsequent to the receipt of approval as per the requirements of Head of Public Service, Circular Ref No. OP/CAB.9/1A dated 11th March, 2020:

S/No.	NAME OF DIRECTOR	POSITION	MEETINGS HELD	ATTENDANCE
1.	Mr. Hamisi Mwanguya	Chairman	15	4
2.	Mr. Daniel Ndolo	Alternate Member	15	14
3.	Ms Janet Chepkorir	Alternate Member	15	15
4.	Dr. Lillian Apadet	Member	15	11
5.	Mr. Isaiah Nakoru	Member	15	15
6.	Mr. Rishad Ahmed	Member	15	15
7.	Mr Ezekiel Kibor	Member	15	15
8.	Mrs. Annistain K. Mogaka	Member	15	15
9.	Hon Qalicha G. Wario	Member	15	15
10.	Mr. Ali Mondo	Member	15	15

c)

**(c) Finance and Investment Committee Meetings**

This Committee held a total of **Four (4)** meetings during the period under review. It is noted that the attendance to the meetings is listed from when members were appointed until exit.

S/No	NAME OF DIRECTOR	POSITION	MEETINGS HELD	ATTENDANCE
1.	Mr Rishad Ahmed	Chairman	4	2
2.	Mr Ali Mondo	Chairman	4	2

**Kenya Maritime Authority  
Annual Reports and Financial Statements  
For the year ended June 30, 2025**

3.	Mr Ezekiel Kibor	Member	4	2
4.	Mr Isaiah Nakoru	Member	4	3
5.	Mr Daniel Ndolo	Alternate Member	4	4
6.	Dr. Lillian Apadet	Member	4	2
7.	Mrs. Annistain K. Mogaka	Member	4	2

**d) Maritime Industry Development Committee Meetings**

This Committee held a total of Five (5) meetings during the period under review. It is noted that the attendance to the meetings is listed from when members were appointed until exit.

S/No	NAME OF DIRECTOR	POSITION	MEETINGS HELD	ATTENDANCE
1.	Mr. Ezekiel Kibor	Chair	5	5
2.	Mrs. Annistain K. Mogaka	Member	5	5
3.	Dr. Lillian Apadet	Member	5	2
4.	Mr. Ali A. Mondo	Member	5	5
5.	Mr Isaiah Nakoru	Alternate Member	5	3
6.	Ms Janet Chepkori	Alternate Member	5	1
7.	Mr Daniel Ndolo	Alternate Member	5	3
8.	Hon Qalicha Wario	Member	5	3
9.	Mr Rishad Ahmed	Member	5	1

**(e) Human Resource and Environmental Social Governance Committee Meetings**

This Committee formerly referred to as Human Resource and Governance Committee held a total of **Eight (8)** meetings during the period under review. It is noted that the attendance to the meetings is listed from when members were appointed until exit;

S/No.	NAME OF DIRECTOR	POSITION	MEETINGS HELD	ATTENDANCE
1.	Dr. Lillian Apadet	Chair	8	7
2.	Mr. Qalicha G. Wario	Member	8	2
3.	Mr. Rishad Ahmed	Member	8	7
4.	Ms Janet Chepkorir	Alternate Member	8	7
5.	Mr Daniel Ndolo	Alternate Member	8	4
6.	Mr Isaiah Nakoru	Alternate Member	8	3
7.	Mr Julius Segera	Alternate Member	8	5

**CORPORATE GOVERNANCE STATEMENT(Continued)**

**(f) Audit and Risk Assurance Committee Meetings**

During the period under review the Audit and Risk Assurance Committee held a total of **Four (4)** meetings. It is noted that the attendance to the meetings are listed from when members were appointed until exit;

S/No	NAME OF DIRECTOR	POSITION	MEETINGS HELD	ATTENDANCE
1.	Mr. Qalicha G. Wario	Member	4	4
2.	Mrs. Annistain K. Mogaka	Member	4	2
3.	Mr Ali Mondo	Member	4	2
4.	Mr Ezekiel Kibor	Member	4	2
5.	Mr Isaiah Nakoru	Member	4	3
6.	Mr Daniel Ndolo	Alternate Member	4	3
7.	Ms Janet Chepkorir Langat	Alternate Member	4	2
8.	Mr Julius Segera	Alternate Member	4	1



CS - Ms. Jessica Mbae  
**CORPORATION SECRETARY**  
**BY ORDER OF BOARD**

## **9. MANAGEMENT DISCUSSION AND ANALYSIS**

### **The Authority Operational and Financial performance**

Kenya Maritime Authority (the “Authority”) was established through Legal Notice No.79 of 2004 to regulate, co-ordinate and oversee maritime affairs in Kenya. To strengthen Kenya’s maritime administration, Parliament enacted the Kenya Maritime Authority Act in 2006.

The Authority’s Vision is “*To be a leading maritime authority transforming Kenya into a globally competitive nation*” and its Mission Statement is “*To ensure sustainable safe, secure, clean and efficient water transport for the benefit of stakeholders through effective regulation, coordination and oversight of maritime affairs in Kenya.*”

### **I. Operation Performance**

#### **1. Legislative drafting**

A key function of the Authority is to administer and enforce the provisions of the Merchant Shipping Act, 2009 and any other legislation relation to the Maritime Sector for the time being in force in Kenya. Further, Kenya being a member State of the IMO which is a specialized Agency of the United Nations having submitted the Instrument of Acceptance of the Convention on the International Maritime Organization, 1948 on 22nd August 1973, has ratified a number of IMO Conventions. IMO is the global standard-setting Authority for safety, security and environmental performance of international shipping. Owing to the global nature of shipping, its main role is to create a regulatory framework for the shipping industry that is fair and effective, universally adopted and implemented.

Noting that the IMO instruments are not self-executing or immediately operative in Kenya although the Constitution of Kenya 2010 provides that any international instrument ratified by Kenya forms part of the laws of Kenya, the Authority in consultation with the Kenya Law Reform Commission (KLRC) has developed the following Regulations to domesticate ratified international instruments to meet Kenya’s international obligations under the International Maritime Organization (IMO).

For the period under review, the following laws were finalized and submitted to the Office of the Honourable Attorney General for further review: -

- i. 7 MARPOL regulations;
- ii. Port state control regulation ;
- iii. Cabotage regulatory framework;
- iv. SOLAS verified gross mass regulatory framework; and,
- v. 6 SOLAS regulations.

## **MANAGEMENT DISCUSSION AND ANALYSIS (Continued)**

### **2. Inspection of small vessels**

To ensure compliance with small vessel's safety requirements, the Authority during the financial year 2024/25, inspected a total of one thousand, five hundred and forty two (1542) small vessels operating in the navigable inland waters and Kenyan coastal waters. This was a 116% increase compared to the 2023/2024 financial year

The increase of the number of small vessels inspected was attributable to the Safety Campaigns and sensitization workshop conducted by the Authority across various counties bordering the Kenyan coastal and navigable inland waterways.

The Authority instituted an inspection program geared towards conducting inspection at least once every month in each landing site to ensure that boats that miss out or fail inspections on scheduled dates are given another chance to comply hence do not operate unregulated for a long period. After vessel inspection exercise, an Enhanced Safety Compliance Campaign was undertaken to ensure non-compliant vessels are barred from operating.

### **3. Flag State Survey and Oversight of Recognized Organizations**

To ensure Kenyan registered ships comply with the provisions of the Merchant Shipping Act and subsidiary regulations in regard to safety, prevention of pollution of the marine environment, the Authority inspected 45 Kenyan registered vessels.

In verification of conformance with the requirement of the Code for Recognized Organization (RO) guiding the authorization of recognized organizations to carry out survey and issue certificates on behalf of the maritime administration, the Authority engaged six(6) additional ROs to act on behalf of the Authority.

### **4. Maritime Search and Rescue**

Within the financial year the Authority undertook the development of the Maritime Search and Rescue (SAR) contingency plan for Three (3) riparian counties of Lake Victoria. The Authority procured four (4) search and rescue boats to facilitate the efforts of search and rescue.

Within the same period the Authority's trained Forty (40) personnel from Stakeholder Agencies & MDAs on Maritime Search and Rescue Response. Additionally, the Authority received five (5) search and rescue boats from the European Union through the GoBLUE programme. The Boats have since been distributed to serve various Kenya Counties in the Search and Rescue efforts.

## **MANAGEMENT DISCUSSION AND ANALYSIS (Continued)**

### **5. Seafarer Registration**

During the year, 2023/2024 the Authority issued 3024 Seafarers Continuous Discharge and record book (CDC) and renewed 3226 CDC. A total of 4575 Seafarers Medical certificate issued by Authorized medical practitioners were endorsed by the Authority. Further, the Authority undertook verification of 293 certificates issued by other maritime Administration in accordance with the provisions of the International Convention for training and certification of seafarers were verified and authenticated.

As per the seafarer embarkation reports received from the approved recruitment and placement agents a total of 2328 seafarers were recruited in the financial year.

In monitoring to ensure compliance for the provisions of the Maritime Labour Convention and national regulations for certification and employment of seafarers, the Authority conducted 17 inspections of Recruitment and placement services agents and 20 medical practitioners on the conduction of medical examination for seafarers in accordance with the Merchant Shipping (Seafarers' Medical Examination and Certification) 2016.

### **6. Maritime Education and Training**

To ensure compliance with the requirements for approval and monitoring of Maritime Education and Training institutions, during the second quarter the Authority carried out an audit of 11 MET institutions namely; Mount Kenya University Malindi, Mombasa Polytechnic Mtongwe, Kenya Coast National Polytechnic, Bandari Maritime Academy-Mombasa, Indian Ocean Maritime Training Centre-Watamu, Pioneer International University- Nairobi, Technical University of Mombasa-Mombasa, Railways Training Institute-Kisumu, Kisumu Maritime Center and Premier Maritime Academy. The conducted 20 Training of Trainers trainings virtually and physically. ToT was conducted in collaboration with NOVIA and KMA for BMA staff. Training of trainers conducted in partnership with Pioneer International University in January 2025

In the FY 202/2025, the Authority developed 3 MET syllabi, 1 training manual and 4 learning guides. 8 Occupational Standards and 8 Curricula and Assessment tools, evaluated and validated with TVET CDACC and submitted to TVETA Authority for Approval, 2 occupational standards and 2 curricula evaluated and validated with BMA for Engineering level 5 and 6 and for Nautical level 5 and 6. 8 Training Record Books and one workshop Manual Developed

### **7. Marine Environment Protection**

The protection of the marine environment remains a critical component of Kenya's maritime obligations under the International Convention for the Prevention of Pollution from Ships, 1973 as modified by the Protocol of 1978 (MARPOL 73/78), the International Convention on the Control and Management of Ships' Ballast Water and Sediments, 2004, the International Convention on the Control of Harmful Anti-

## **MANAGEMENT DISCUSSION AND ANALYSIS (Continued)**

Fouling Systems on Ships, 2001, and the International Convention on Oil Pollution Preparedness, Response and Co-operation, 1990 (OPRC 1990). These conventions collectively require Kenya to prevent, reduce, and control ship-sourced pollution, ensure proper handling of ballast water to prevent the transfer of invasive aquatic species, prohibit the use of harmful anti-fouling paints, and maintain preparedness and cooperation mechanisms for oil spill response.

In the reporting period, pollution prevention compliance inspections were conducted on vessels visiting Kenyan ports to verify adherence to MARPOL Annexes I through VI requirements on oil, noxious liquid substances, harmful substances in packaged form, sewage, garbage, and air emissions. Inspections also included checks on ballast water management systems to ensure compliance with the Ballast Water Management Convention.

On oil spill preparedness, the Authority implemented the National Oil Spill Contingency Plan through enhanced national and regional coordination mechanisms. The highlight of the year was Kenya's successful hosting of the Regional Marine Spill Preparedness and Response Exercise (MASEPOLREX-25) in July 2025, one of the largest oil spill drills in Africa, which brought together over 400 participants from IMO, ITOPF, OSRL, IPIECA, regional partners, industry stakeholders, and countries within the Western Indian Ocean region. The exercise tested and validated Kenya's ability to mobilise and coordinate multi-agency resources, operate command structures, and carry out shoreline and offshore recovery operations. Additionally, KMA conducted several national tabletop and field exercises in collaboration with the industry (Oil Spill Mutual Aid Group Society (OSMAG)) and in partnership with the Norwegian Coastal Administration. Ongoing capacity building was prioritised, with specialised training provided to responders, port facility personnel, and Beach Management Units on shoreline clean-up, incident reporting, dispersant application, and safety in oil spill operations.

Regarding decarbonisation, the Authority made significant progress in advancing the IMO 2023 GHG Strategy. KMA led the African Green Shipping Conference, bringing together international and regional maritime authorities, port operators, industry players, energy experts, and development partners to shape Africa's unified stance on the green shift in shipping. In partnership with GIZ and the Global Maritime Forum (GMF), the Authority carried out essential studies and stakeholder consultations, including an assessment of Kenya's maritime decarbonisation potential, a gap analysis of Kenya's readiness for alternative fuels, and the formulation of policy recommendations for green shipping and energy transition. These efforts are informing the creation of Kenya's National Action Plan on the Reduction of GHG Emissions from Ships, which will direct sector-wide initiatives, such as adopting low- and zero-carbon fuels, implementing energy efficiency measures, and supporting green port projects. The development of this National Action Plan is backed by the International Maritime Organisation (IMO) through the Green Voyage 2050 project.

In tackling marine litter, the Authority implemented measures aligned with MARPOL Annex V and the National Action Plan to Address Marine Plastic Litter from Ships. Routine Port State Control and Flag State inspections included checks of Garbage Management Plans, Garbage Record Books, and the use of waste reception facilities. Through the GloLitter Partnerships Project, KMA conducts awareness campaigns to sensitise port operators and shipping lines, promoting waste segregation,

## **MANAGEMENT DISCUSSION AND ANALYSIS (Continued)**

offloading of ship-generated waste, and improving the efficiency of reception facilities. The Authority also

supported beach clean-up campaigns in partnership with county governments, Beach Management Units, and civil society organisations, particularly focusing on high-debris coastal areas such as Kilifi, Lamu, and Diani. Data from these clean-ups contributed to national marine litter monitoring, supporting the development of evidence-based policy measures. Capacity building on marine litter prevention was extended to seafarers, port workers, and fishing communities to raise awareness of the impacts of plastic pollution on fisheries, tourism, and biodiversity.

At the international level, Kenya, through KMA, continues to influence global maritime policies by actively participating in IMO negotiations in the Intersessional Working Group on Reduction of GHG Emissions from Ships (ISWG-GHG) and the Marine Environment Protection Committee (MEPC) sessions. The Kenyan delegation championed a just and equitable transition, ensuring the needs and circumstances of developing countries are reflected in global policy outcomes. Kenya also contributed to discussions on the revision of MARPOL Annexe VI, leading to the adoption of a legally binding framework aimed at reducing greenhouse gas (GHG) emissions from ships, with the goal of achieving net-zero emissions by or around 2050.

These combined efforts strengthen the Authority's leadership in marine environmental protection, ensuring preparedness to prevent and respond to pollution incidents while establishing Kenya as a credible and influential voice in shaping the global green transition and fighting marine litter.

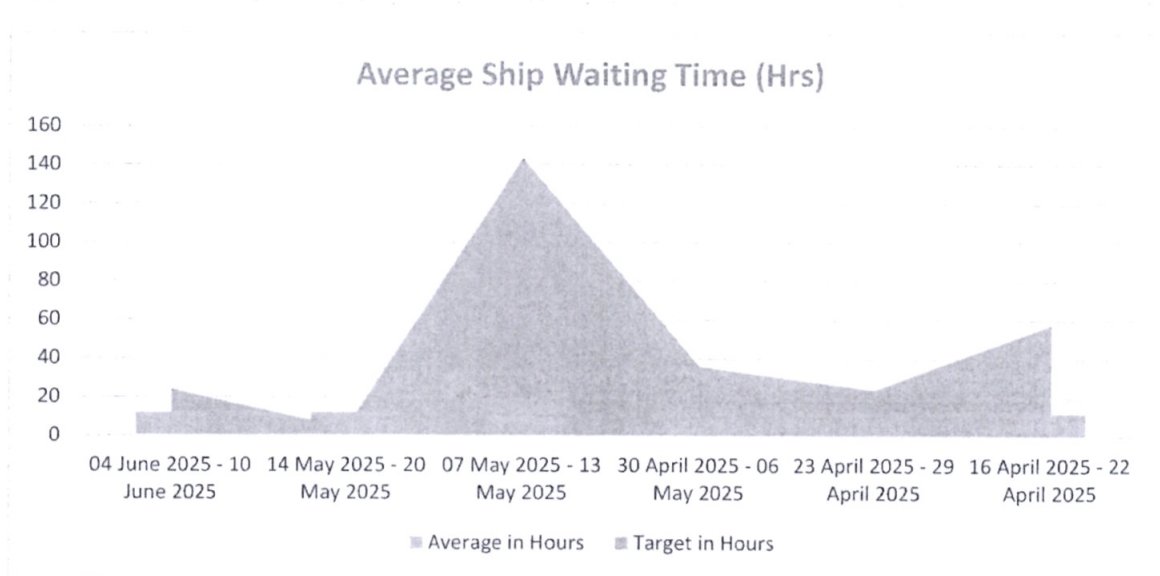
### **8. Maritime service performance delivery framework**

The Authority in collaboration with the industry players developed maritime service operator's service delivery framework under the Mombasa Port and Northern Corridor Community Charter named the "The Charter". The Charter monitors the performance of service providers through clearly defined Key performance indicators (KPIs). Under the financial year, the performance of key indicators was as discussed below:

**MANAGEMENT DISCUSSION AND ANALYSIS (Continued)**

**a) Ship Waiting Time (Hrs.)**

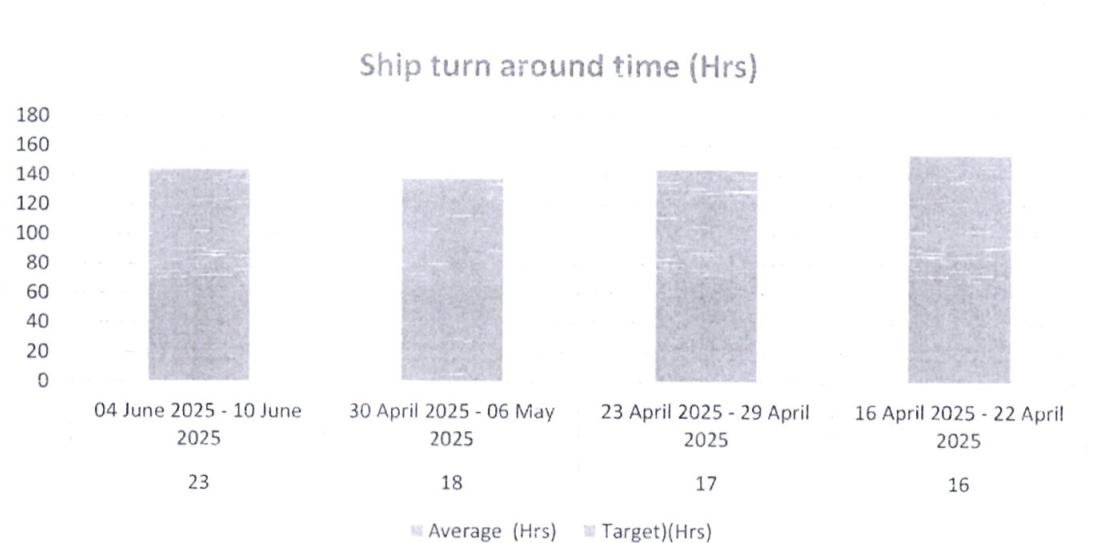
This indicator measures the average of the time difference in hours from the entry in the port area to the berthing time.



The average ship turnaround time was 48.18hrs which is way above the target of 12 hours. The performance is greatly linked to increased vessel call at the port of Mombasa following the diversion of most vessels through the Cape of Good Hope.

**b) Ship Turn Around Time (Hrs.)**

This is the average time difference between ships entering the port area and exiting.

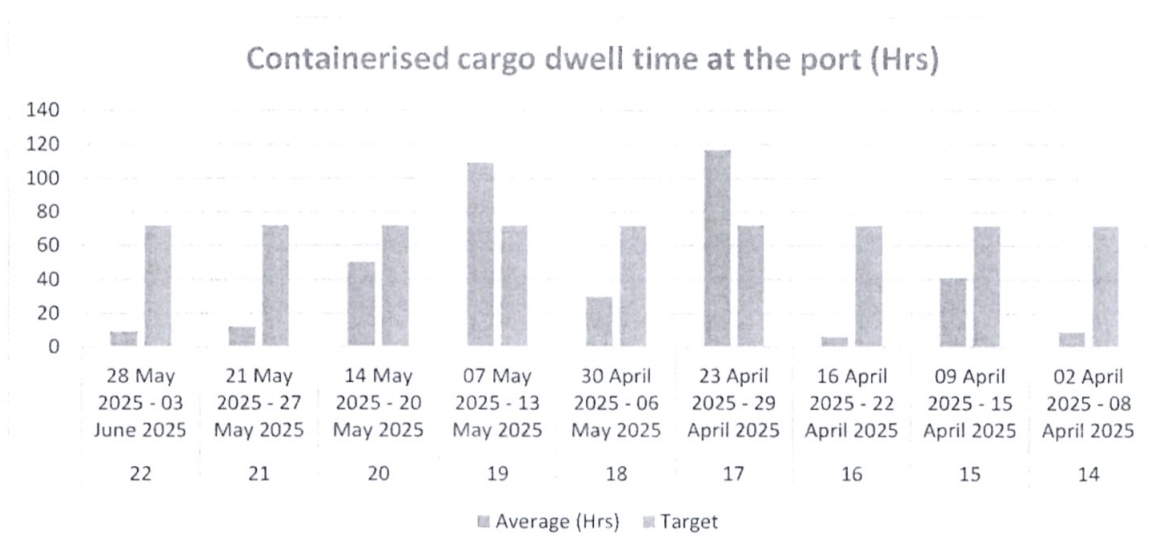


**MANAGEMENT DISCUSSION AND ANALYSIS (Continued)**

The average ship turnaround time for the period was 72.99hrs which is close to the set target of 72hrs. The performance has been made possible with the current port modernization programme among them purchase of new cargo handling equipment's.

**c) Containerized Cargo Dwell Time at the Port**

This is the average time between landing & exit of the containers from the port.



The average container dwell time for the period was 42.62 hours against a target of 72 hours. The KPI was achievements, is mainly attributed to seamless exit of containers from the port following review of standard operating procedure (SOPs) on export and import cargo evacuation. Increase awareness by the Authority to clearing agents, transporters and cargo owners on the need to eliminate payment of storage charges by quick evacuating of containers cargo from the port has also increased to expedited clearance from the port.

**II. Financial Performance**

**Introduction**

Management presents an analysis of the Authority's financial performance for the period ended 30 June 2025.

**End Year Performance Summary Overview**

The table below summarizes the Authority's performance as at 30<sup>th</sup> June on revenue, expenditure and operating surplus over the last 5-year period.

**Kenya Maritime Authority**  
**Annual Reports and Financial Statements**  
**For the year ended June 30, 2025**

**MANAGEMENT DISCUSSION AND ANALYSIS (Continued)**

Description	FY2024/2025	FY2023/2024	FY2022/2023	FY2021/2022	FY2020/2021
Total Revenue	2,180,787,381.00	2,231,736,904	2,008,535,745	1,697,134,124	1,742,256,439
Total Expenditure	1,124,052,946.00	1,432,017,578	1,105,401,016	926,443,010	833,056,713
Operating Surplus	1,056,734,435.00	799,719,326	903,134,729	773,954,297	909,716,784

There was a 2% decrease in total revenues on comparison of FY2024/2025 revenues and FY2023/2024 driven majorly by decrease of Merchant Shipping fees collection by Kshs 89 Million. On the other hand, recurrent expenditure decreased by 25% through the decrease in Use of Goods and Services by Kshs 226Million, Employee costs increased by Kshs 36Million, Board Expenses decreased by Kshs 22Million, Repairs and maintenance increased by Kshs 5.9Million, Administrative Expenses decreased by Kshs 154Million, Contracted Services decreased by Kshs 24.Million, Depreciation and Amortization Expense increased by Kshs 5.2Million. While project costs decreased by 2.7M. The year under review Operating surplus increased by 37% in comparison to FY2023/2024 owing to the marked decrease in Operating expenditure.

**Revenue Collection Monthly Performance**

Quarterly Revenue collection averaged at Kshs 545 million over the reporting period. The best performing quarters were the second and fourth quarters.

Description	1st Quarter	2nd Quarter	3rd Quarter	4th Quarter	Average
Quarterly Revenue	492,463,184	561,608,065	556,990,552	569,724,994	545,196,699
Quarterly Revenue %	22%	25%	25%	26%	24%

**Kenya Maritime Authority**  
**Annual Reports and Financial Statements**  
**For the year ended June 30, 2025**

**5 Year Review of Statement of Financial Performance**

Revenues from non-exchange transactions decreased by Kshs 289 million contributed by the decrease in MS Fees collection over the period while revenues from Exchange transaction decreased by Kshs 50Million emanating from the reduction of Finance income by Kshs 16Million and decreases in Rendering of service income by Kshs 1Million, Rental Revenue by Kshs 8Million and Other Income by Kshs 13Million. The cumulative effect of the movements in the two revenue categories led to an decrease of Total revenue by Kshs 50 Million over the two financial years.

Expenses decreased by Kshs 307 Million in comparison of the FY2024/2025 to FY2023/2024 recurrent expenditures. Over the period employee costs increased by Kshs 36 Million, Use of goods

	<b>FY2024/2025</b>	<b>FY2023/2024</b>	<b>FY2022/2023</b>	<b>FY2021/2022</b>	<b>FY2020/2021</b>
	<b>Kshs</b>	<b>Kshs</b>	<b>Kshs</b>	<b>Kshs</b>	<b>Kshs</b>
<b>Revenues</b>					
Revenue from non-exchange transactions	2,049,640,983.00	2,139,201,153	1,909,660,833	1,608,592,702	1,691,498,595
Revenue from exchange transactions	131,146,398.00	92,535,751	98,874,912	88,541,422	50,757,844
<b>Total Revenue</b>	<b>2,180,787,381.00</b>	<b>2,231,736,904</b>	<b>2,008,535,745</b>	<b>1,697,134,124</b>	<b>1,742,256,439</b>
<b>Expenses</b>					
Employee costs	457,506,852.00	421,491,757	516,282,972	450,847,010	403,929,064
Board of Directors Cost	43,267,480.00	66,280,541	51,308,198	37,930,104	31,863,186
Use of Goods and Services	471,538,366.00	266,398,704	518,905,219	420,383,580	374,802,537
Depreciation	151,740,248.00	131,009,623	18,904,627	17,282,316	22,461,926
<b>Total Expenses</b>	<b>1,124,052,946.00</b>	<b>885,180,625</b>	<b>1,105,401,016</b>	<b>926,443,010</b>	<b>833,056,713</b>
<b>Surplus from Operating Activities</b>	<b>1,056,734,435.00</b>	<b>1,346,556,279</b>	<b>903,134,729</b>	<b>770,691,114</b>	<b>909,199,726</b>
<b>Other Gains</b>					
Gain on sale of assets					-
Gain on foreign exchange transactions	205,153.00	-7,353,591	6,412,649	3,263,183	517,058
<b>Surplus for the Period</b>	<b>1,056,939,588.00</b>	<b>1,339,202,688</b>	<b>909,547,378</b>	<b>773,954,297</b>	<b>909,716,784</b>

**Kenya Maritime Authority**  
**Annual Reports and Financial Statements**  
**For the year ended June 30, 2025**

and services expenditure increased by Kshs 205 Million, Board of Directors expenses decreased by Kshs 23 Million and Depreciation and amortization increased by Kshs 20 Million which was arose from the depreciation of the Authority's Bahari Towers , acquired furniture and computer equipment and motor vehicles for a total of Kshs 151 Million during the financial year.

**5 Year Review of Statement of Financial Performance (Continued)**

**5 Year Review of Statement of Financial Position**

Total assets increased by 20% from Kshs 4.04 Billion in FY2023/2024 to Kshs 5.23 Billion in FY2023/2024 majorly as a result of increase in Property, Plant and Equipment by a net book value of Kshs 674Million. Current Assets increased by Kshs 203Million from a increase in Cash and Cash Equivalents by Kshs 189 Million and Trade receivables by Kshs 17Million.

The increase in current liabilities from Kshs 433 Million in FY2023/2024 to Kshs 461Million in FY2024/2025 is attributed to increase of Trade Payables by Kshs 93Million, increase of Gratuity payable by Kshs 6 Million and decrease of current provisions by 70M. There was no change in Non-Current liabilities.

**5 Year Review of Statement of Financial Position (Continued)**

	<b>FY2024/2025</b>	<b>FY2023/2024</b>	<b>FY2022/2023</b>	<b>FY2021/2022</b>	<b>FY2020/2021</b>
<b>Assets</b>	<b>Kshs</b>	<b>Kshs</b>	<b>Kshs</b>	<b>Kshs</b>	<b>Kshs</b>
Total Current Assets	1,242,507,412.00	1,039,465,642.00	1,150,200,446	1,656,229,303	1,720,946,629
Total Non-Current Assets	3,989,630,923.55	3,297,521,037.02	2,886,397,916	2,468,756,696	2,297,181,222
<b>Total Assets</b>	<b>5,232,138,335.55</b>	<b>4,336,986,679.02</b>	<b>4,036,598,362</b>	<b>4,124,985,999</b>	<b>4,018,127,851</b>
<b>Liabilities</b>					
Total Current Liability	461,597,038.00	433,429,019.00	630,601,319	644,184,611	777,850,826
Total Non-Current Liability	-	-	0	5,101,821	10,203,642
<b>Total Liabilities</b>	<b>461,597,038.00</b>	<b>433,429,019.00</b>	<b>630,601,319</b>	<b>649,286,432</b>	<b>788,054,468</b>
<b>Net Assets</b>					
<b>Total Net Assets</b>	<b>4,770,541,298.19</b>	<b>3,903,557,660.19</b>	<b>3,405,997,043</b>	<b>3,475,699,567</b>	<b>3,230,073,383</b>
<b>Total Net Assets &amp; Liabilities</b>	<b>5,232,138,336.19</b>	<b>4,336,986,679.19</b>	<b>4,036,598,362</b>	<b>4,124,985,999</b>	<b>4,018,127,851</b>

**Key Projects**

During the financial year the Authority started the construction of the Kenya Lake Victoria Maritime Communication and Transport Project, construction of the Kisumu Maritime Rescue Coordination Centre reached eighteen percent completion

The Kenya Maritime Databank (KMDB) projects is complete and occupied while the KMDB is at 15% completion as at the close of the year.

**Kenya Maritime Authority  
Annual Reports and Financial Statements  
For the year ended June 30, 2025**

---

**Major risks facing the Authority.**

The Authority has no major risk facing it.

**Material arrears in statutory /financial obligation**

The only arrears that the Authority is due to clear is the 90% surplus of approximately Kshs 239Million. This will be cleared in the second quarter of FY2025/2026 after submitting financial report to the OAG in line with the PFM regulation requirements.

## **10. ENVIRONMENTAL AND SUSTAINABILITY REPORTING.**

The Kenya Maritime Authority (KMA) is committed to carrying out its affairs in a socially responsible, sustainable and meaningful way while creating shared value in a way that benefits the society by addressing its needs and challenges.

The Authority therefore regards CSR as a strategic means to:

- i. create shared value and make a positive contribution to the society;
- ii. build trust and confidence in the organization;
- iii. foster teamwork among employees and commitment to the Authority;
- iv. enhance responsibility for the environment and society.

During the financial year 2024/2025, the Authority's expenditure towards its Corporate Social Responsibility (CSR) initiatives amounted to Kshs.1, 940,000. This was achieved in alignment with the Authority's Strategic Plan and CSR policy with priority given to activities that promoted environmental sustainability and to foster long-term positive impact within local communities. The activities are as outlined below.

### **a) Marine Environment Protection**

The Authority remains firmly committed to environmental conservation efforts particularly in safeguarding the marine ecosystem. These efforts include:

- Supporting initiatives aimed at protecting coastal and marine environments.
- Promoting the rehabilitation of mangrove forests which play a vital role in shoreline stabilization.
- Collaborating with schools, local communities and organizations to implement initiatives like the green initiative challenge in schools, tree planting partnerships and promotion of environmentally sustainable practices.

#### **i. Planting of Mangroves**

In line with the Presidential Directive under the National Tree Growing Restoration Campaign, the Authority partnered with the Community in Tana river County and the State Department of Shipping and Maritime Affairs to plant mangroves in Kipini, Tana River. The Authority supported the initiative by donating 100,000 mangrove seedlings acquired from the community at a cost of Kshs.1,000,000. Together with the local community, KMA employees planted 100,000 mangrove seedlings in Kipini, Tana River County. The mangrove restoration project fostered a shared commitment to preserving the coastal marine ecosystem and supporting the nation's Tree Planting and Blue Economy agenda while aligning with global climate action goals.



**ii) Mangrove Planting in Partnership with Kwale Heritage**

During the 3<sup>rd</sup> Edition of Kwale Heritage & Cultural Festivals, the Kenya Maritime Authority supported the mangrove restoration initiative through donating 500 seedlings at a cost of Kshs. 100,000. In addition, the Authority joined the local community and the Kwale Heritage in the tree-planting exercise to support and promote environmental rehabilitation of the mangrove ecosystem.



**iii) Partnership with the Ministry in commemoration of Mazingira Day**

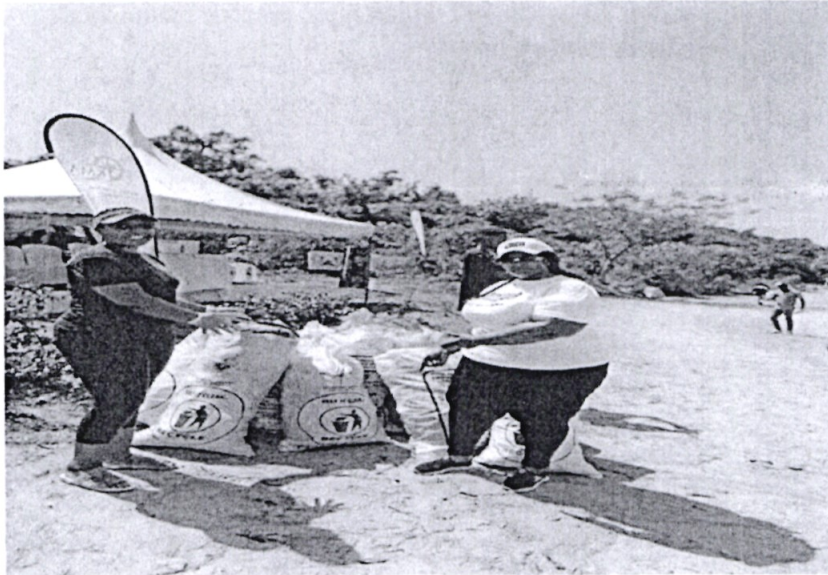
The Authority partnered with the Ministry of Mining, Blue Economy and Maritime Affairs and the State Department for Shipping and Maritime Affairs during **Mazingira Day** on 10<sup>th</sup> October, 2024

to donate **15,000 mangrove seedlings** at a cost of **Kshs. 50,000** which were planted by the local community and KMA employees in **Kipini, Tana River County**.



**iii) Partnership in Beach Clean-up and mangrove planting**

Kenya Maritime Authority (KMA) partnered with Akili Kadhaa, a community based organization, to combat pollution, promote cleaner oceans and sensitize Beach Management Units (BMUs) on maritime safety issues during World Maritime Day 2024. KMA joined the community to clean-up Manyani Beach in Junda, Mombasa County, where 962 kilograms of garbage was collected and plant 2,000 mangrove seedlings to restore coastal ecosystems. The initiative costed Kshs. 250,000 reflects KMA's commitment to environmental sustainability and advancing the Sustainable Development Goals particularly SDG 13 (Climate Action) and SDG 14 (Life Below Water).



*KMA staff weigh garbage after cleaning up Manyani Beach in Junda, Mombasa and planting trees.*

**iii) Bahari Huru Project**

The Kenya Maritime Authority (KMA) partnered with Jukwaa Arts; a community-based organization dedicated to promoting marine environmental conservation, to advocate against ocean marine pollution through community theatre, street art installations, beach cleanups and visual arts within Mombasa, Kwale and Kilifi counties during the 3<sup>rd</sup> edition of the Bahari Huru Festival. As part of this collaboration, the Authority supported the purchase of 1,000 mangrove seedlings at a cost of Kshs. 50,000 contributing to a range of impactful pollution prevention campaigns. These included the use of creative arts to sensitize students in various schools on sustainable environmental practices as well as beach clean-up exercises and mangrove planting activities.



**iii) Youth Dialogue and Maritime Sensitization**

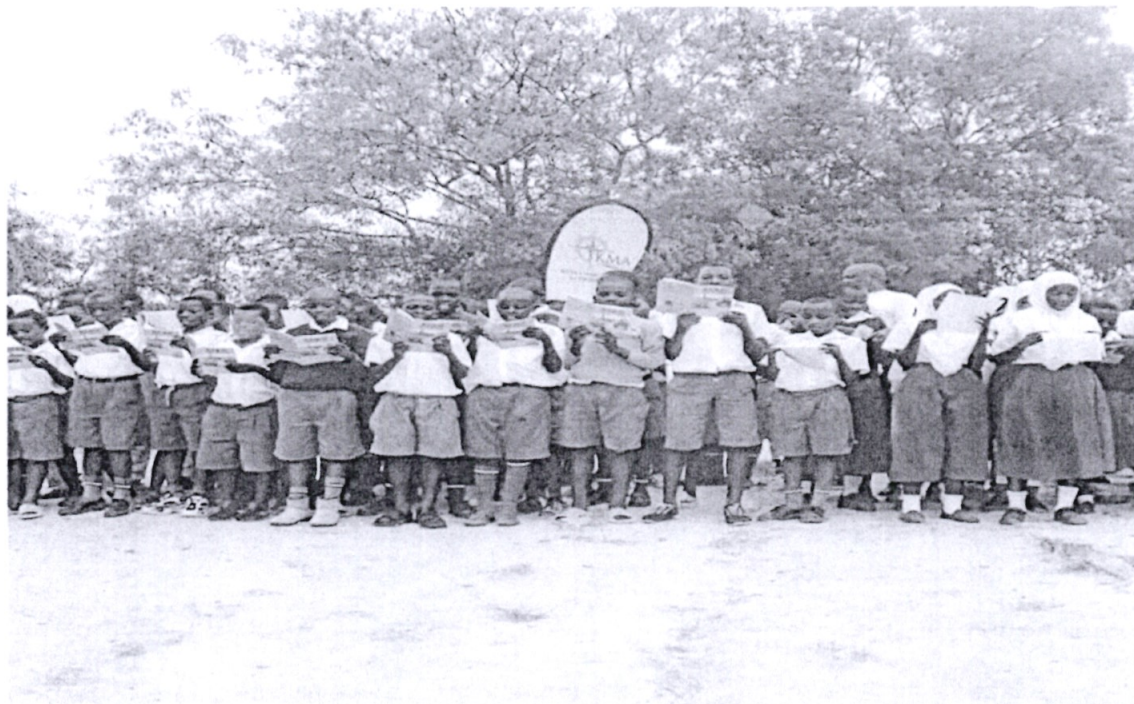
The Authority supported the 2<sup>nd</sup> edition of the Mombasa Youth Dialogue to sensitize the public and youth on the effects of climate change on maritime activities and job opportunities as well as foster dialogue on marine conservation, maritime education and training, maritime careers and opportunities the Blue Economy. The Authority supported the dialogue with Kshs. 50,000 bringing together key industry players and members of the maritime community as panellists to educate and engage the youth and public.



*KMA staff engage the youth on important maritime issues*

**vii) Promoting Climate Change and Marine Environment Literacy in Primary Schools**

In line with Sustainable Development Goals (SDGs) to tackle climate change and ensure inclusive and equitable quality education and promote long learning opportunities, the Authority partnered with the Start a Library Trust to support literacy among Primary School pupils on environmental issues and climate change by donating story books to Gede Comprehensive and Kinango Primary schools and KMA staff as Reading Ambassadors to mentor the pupils during the National 'Read Aloud' Campaign. The initiative costed Ksh. 440,000 and was also aimed at amplifying voices of Kenyan Children in fostering climate change awareness by leveraging the transformative power of reading.



*Kinango Primary School pupils reading out aloud together with KMA's reading ambassadors during the National Read Out aloud Campaign using the books donated by the Authority.*



*Gede Comprehensive Primary School pupils reading out aloud together with KMA's reading ambassadors during the National 'Read Out aloud' Campaign using the books donated by the Authority*

## **11. REPORT OF THE DIRECTORS**

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

### **i) Principal Activities**

The principal activity of the Authority is to regulate, co-ordinate and oversee maritime affairs.

### **ii) Results**

The results of the Authority for the year ended June 30, 2025 are set out on page 1.

### **iii) Directors**

The members of the Board of Directors who served during the year are shown on page vi to xii in accordance with section 6(1) of the Kenya Maritime Authority Act. During the year two directors retired, one resigned and one was appointed.

### **iv) Surplus Remission**

In accordance with Section 219 (2) of the Public Financial Management Act regulations, regulatory entities shall remit into Consolidated Fund, ninety per centum of its surplus funds reported in the audited financial statements after the end of each financial year. During the financial year the Authority remitted **Kshs 190,927,336** to The National Treasury being payment of 90% surplus funds of Kshs for the Financial Year 2023/2024. This financial year **Kshs 189,955,950.00** is the realized surplus due to the National Treasury that will be transferred in the second quarter of Financial Year 2025/2026.

### **v) Auditors**

The Auditor General is responsible for the statutory audit of the Authority in accordance with article 229 of the Constitution of Kenya and section 35 of the Public Audit Act 2015.

### **By Order of the Board**

**Name: CS. Jessica Mbae**  
**CORPORATION SECRETARY**

  
.....  
**SIGNATURE**

**08/12/2025**  
.....  
**DATE**

## **12. STATEMENT OF DIRECTORS' RESPONSIBILITIES**

Section 81(5) of the Public Finance Management Act, Cap 412C (PFMA) and section 14(3) of the State Corporations Act, Cap 446 (SCA) require the Directors to prepare financial statements in respect of the Authority, which give a true and fair view of the state of affairs of the Authority at the end of the financial year and the operating results of the Authority for that year. The Directors are also required to ensure that the Authority keeps proper accounting records which disclose with reasonable accuracy the financial position of the Authority. The Directors are also responsible for safeguarding the assets of the Authority.

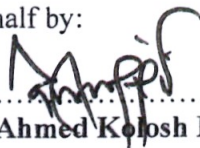
The Directors are responsible for the preparation and presentation of the Authority's financial statements, which give a true and fair view of the state of affairs of the Authority for and as at the end of the financial year ended on June 30, 2025. This responsibility includes: (i) maintaining adequate financial management arrangements and ensuring that these continue to be effective throughout the reporting period; (ii) maintaining proper accounting records, which disclose with reasonable accuracy at any time the financial position of the Authority; (iii) designing, implementing and maintaining internal controls relevant to the preparation and fair presentation of the financial statements, and ensuring that they are free from material misstatements, whether due to error or fraud; (iv) safeguarding the assets of the Authority; (v) selecting and applying appropriate accounting policies; and (vi) making accounting estimates that are reasonable in the circumstances.

The Directors accept responsibility for the Authority's financial statements, which have been prepared using appropriate accounting policies supported by reasonable and prudent judgements and estimates, in conformity with International Financial Public Sector Accounting Standard (IPSAS), and in the manner required by the PFMA and the SCA. The Directors are of the opinion that the Authority's financial statements give a true and fair view of the state of Authority's transactions during the financial year ended June 30, 2025, and of the Authority's financial position as at that date. The Directors further confirm the completeness of the accounting records maintained for the Authority, which have been relied upon in the preparation of the Authority's financial statements as well as the adequacy of the systems of internal financial control.

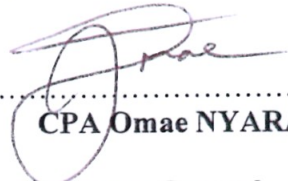
Nothing has come to the attention of the Directors to indicate that the Authority will not remain a going concern for at least the next twelve months from the date of this statement.

### **Approval of financial statements**

The Authority's financial statements were approved by the Board on ..... and signed on its behalf by:

  
.....  
**Hon. Ahmed Kolosh Mohammed**

**Chairperson of the Board**

08/12/2025  
  
.....  
**CPA Omae NYARANDI**

**Director General**

# REPUBLIC OF KENYA

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



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

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

---

### PREAMBLE

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

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

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

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

### REPORT ON THE FINANCIAL STATEMENTS

#### Qualified Opinion

I have audited the accompanying financial statements of Kenya Maritime Authority set out on pages 1 to 43, which comprise of the statement of financial position as at 30 June, 2025 the statement of financial performance, statement of changes in net assets, statement of 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 effects of the matter 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 Maritime Authority as at 30 June, 2025 and of its financial performance and its cash flows for the year then ended, in accordance with International Public Sector Accounting Standards (Accrual Basis) and comply with the Public Finance Management Act, 2012.

### **Basis for Qualified Opinion**

#### **Trade Receivables from Exchange Transactions**

The statement of financial position and Note 22 to the financial statements reflect Kshs.44,542,179 in respect of trade receivables from exchange transactions. However, the balance was not supported by aging analysis as required by the reporting template.

In the circumstances, the valuation of the trade receivables from exchange transactions of Kshs.44,542,179 could not be confirmed.

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

### **Emphasis of Matter**

#### **Budgetary Control and Performance**

The statement of comparison of budget and actual amounts reflects final revenue budget and actual amounts on comparable basis of Kshs.2,074,293,087 and Kshs.2,181,002,897 respectively resulting in overfunding of Kshs.106,709,810. However, Management spent Kshs.1,112,166,290 against actual receipt of Kshs.2,181,002,897 resulting in under absorption of Kshs.1,068,836,607 or 49% of the actual receipts.

The overfunding implies lack of budget rationalization while under absorption may have affected implementation of the planned activities and impacted negatively on services delivery to the public.

My opinion is not modified in respect of this matter.

### **Key Audit Matters**

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

## Other Matter

### Unresolved Prior Year Matters

In the prior year's audit reports, several issues were raised under the Report on Financial Statements and Report on Lawfulness and Effectiveness in Use of Public Resources. Review of the status during audit of the Authority in 2024/2025 revealed that the following four (4) issues remained unresolved:

No.	Financial Year	Audit Issue
1	2023/2024	Unapproved excess board expenditure
2	2023/2024	Unsupported payments on motor vehicle repairs and maintenance
3.	2023/2024	Unsupported and unapproved use of taxi services
4	2023/2024	Noncompliance with Kenya Maritime Authority Act on board appointments

### Other Information

Management is responsible for the Other Information set out on page vi to lxxv which comprise of Key Authority Information and Management, Chairperson's Statement, Report of the Director General, Statement of performance Against Predetermined Objectives, Corporate Governance Statement, Management Discussion and Analysis, Environmental and Sustainability Reporting, Report of the Directors and Statement of the Directors' Responsibilities. The Other Information does not include the financial statements and my audit report thereon.

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

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

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

### Conclusion

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

## **Basis for Conclusion**

### **1. Lack of Land Ownership Documents and Unapproved Construction Project**

Review of records provided revealed that the Authority undertook construction of Lake Victoria Regional Office and Maritime Rescue Co-ordination Centre in Kisumu at a contract sum of Kshs.795,911,049. However, the entity did not have title deed to the land on which the buildings and structures are being constructed. Further, an approval from the National Environmental Management Authority (NEMA) was not provided for audit review. This is contrary to Section 58 of the Environmental Management and Coordination Act (EMCA), 1999 which requires that a proponent of a project to submit an environmental impact assessment report to the National Environmental Management Authority before commencing a project and to be accompanied by the prescribed fee.

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

### **2. Long Outstanding Imprest for Board Members**

The statement of financial position and Note 21 to the financial statements reflects cash and cash equivalents balance of Kshs.1,022,797,672. Included in the balance is Kshs.2,689,656 in respect of outstanding imprests issued to board members on various dates which were not surrendered within the stipulated timelines. This is contrary to Section 93 (5) of Public Finance Management (National Government) Regulations, 2015 that requires that a holder of a temporary imprest to account or surrender the imprest within seven (7) working days after return to duty station.

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

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

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

### **Conclusion**

As required by Section 7(1)(a) of the Public Audit Act, 2015, based on the audit procedures performed, I confirm that, nothing has come to my attention to cause me to believe that internal controls, risk management and governance were not effective.

### **Basis for Conclusion**

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

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

Management is responsible for the preparation and fair presentation of these financial statements in accordance with International Public Sector Accounting Standards (Accrual Basis) and for maintaining effective internal controls as Management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error and for its assessment of the effectiveness of internal controls, risk management and governance.

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

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

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

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

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

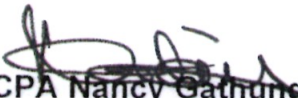
My responsibility is to conduct an audit of the financial statements in accordance with Article 229(4) of the Constitution, Section 35 of the Public Audit Act, 2015 and the International Standards of Supreme Audit Institutions (ISSAIs). The standards require that, in conducting the audit, I obtain reasonable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

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

governance processes and systems in accordance with the provisions of Section 7 (1) (a) of the Public Audit Act, 2015.

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

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

  
FCPA Nancy Gathungu, CBS  
AUDITOR-GENERAL

Nairobi

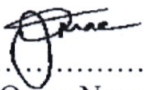
09 December, 2025

**Kenya Maritime Authority**  
**Annual Reports and Financial Statements**  
**For the year ended June 30, 2025**

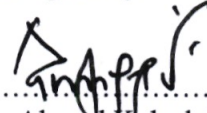
**14. STATEMENT OF FINANCIAL PERFORMANCE FOR THE YEAR ENDED  
30 JUNE 2025**

		2024-2025	2023-2024
		Kshs	Kshs
<b>Revenue from non-exchange transactions</b>	<b>Note</b>		<b>RESTATED</b>
Levies	6	2,049,640,983	2,139,201,153
Deferred Income	7	-	-
		<u>2,049,640,983</u>	<u>2,139,201,153</u>
<b>Revenue from exchange transactions</b>			
Rendering service	8	24,390,576	23,146,092
Finance income	9	37,433,298	21,252,596
Rental Revenue from facilities and Equipment	10	11,270,340	3,086,207
Other income	11	58,493,383	45,050,856
		<u>131,587,597</u>	<u>92,535,751</u>
<b>Total Revenue</b>		<u><u>2,181,228,580</u></u>	<u><u>2,231,736,904</u></u>
<b>Expense</b>			
Use of Goods and Services	13	46,757,537	266,398,704*
Employee costs	14	457,506,852	421,491,757
Board Expenses	15	43,267,480	66,280,741
Repairs and maintenance	16	13,340,870	7,404,302
Administrative Expenses	17	369,213,680	501,732,774
Project Costs	18	11,890,009	14,645,787
Contracted Services	19	30,339,623	23,053,890
Depreciation and Amortization Expense	20	151,740,248	131,009,623
<b>Total Expenses</b>		<u>1,124,056,299</u>	<u>1,432,017,578</u>
<b>Surplus from Operating Activities</b>		<u>1,057,172,281</u>	<u>799,719,326</u>
<b>Other Gains</b>			
Gain on sale of assets			
Gain/(Loss) on foreign exchange transactions	12	(1,407,856)	(7,353,591)
<b>Surplus for the Period</b>		<u>1,055,764,425</u>	<u>792,365,735</u>
Remission to National Treasury	32	261,470,427	447,372,132*
<b>Net Surplus for the year</b>		<u><u>794,293,998</u></u>	<u><u>344,993,603*</u></u>

The notes set out on page .....to ..... form an intergral part of the Financial Statements  
The Fund financial statements were approved on 08/12/2025 and signed by:

  
.....  
CPA Omae Nyarandi  
ICPAK Member NO:5868  
**Director General**

  
.....  
CPA Ellyne Chepnetich  
ICPAK Member No:14326  
**Asst. Director Finance &  
Accounts**

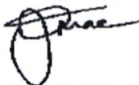
  
.....  
Hon. Ahmed Kolosh Mohammed  
**Board Chairman**


**Kenya Maritime Authority  
Annual Reports and Financial Statements  
For the year ended June 30, 2025**

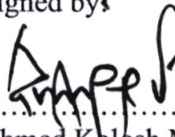
**15. STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2025**

Assets	Note	2024-2025 Kshs	2023-2024 Kshs RESTATED
<b>Current Assets</b>			
Cash and cash equivalents	21	1,022,797,672	771,928,114*
Trade receivable from exchange	22	44,542,179	51,971,190
Trade receivable from non-exchange	23	232,420,495	211,398,034
Inventories	24	8,437,130	4,168,304
<b>Total Current Assets</b>		<b>1,308,197,476</b>	<b>1,039,465,642*</b>
<b>Non Current Assets</b>			
Property, plant & equipment	27	3,588,372,710	2,994,831,942*
Intangible assets	26	47,439,498	27,478,784
Mortgage Guarantees	25	273,183,023	275,210,311
<b>Total Non Current Assets</b>		<b>3,908,995,231</b>	<b>3,297,521,037</b>
<b>Total Assets</b>		<b>5,217,192,707</b>	<b>4,336,986,679</b>
<b>Liability</b>			
<b>Current Liability</b>			
Trade and Other Payables	28	142,628,962	130,050,125*
Current Provision	29	14,324,767	84,324,767
Refundable Deposits from Customers	30	73,467,256	6,752,244
Gratuity	31	11,514,521	5,439,431
Surplus Remission Payable	32	277,405,543	206,862,452*
<b>Total Current Liability</b>		<b>519,341,049</b>	<b>433,429,019</b>
<b>Non-Current liability</b>			
Deferred Government Grant		-	-
<b>Total Non-Current liability</b>		<b>-</b>	<b>-</b>
<b>Total Liabilities</b>		<b>519,341,049</b>	<b>433,429,019</b>
<b>Net Assets</b>			
Capital Reserve		76,771,434	76,771,434
Revenue Reserve		4,234,139,740	3,439,845,742
Revaluation Reserve		156,940,484	156,940,484
Specific Reserve		230,000,000	230,000,000
<b>Total Net Assets</b>		<b>4,697,851,658</b>	<b>3,903,557,660*</b>
<b>Total Net Assets and Liabilities</b>		<b>5,217,192,707</b>	<b>4,336,986,679*</b>

The Financial Statements set out on pages 1 to 50 were signed on behalf of the Board of Directors by:  
The Fund financial statements were approved on 08/12/2025 and signed by

  
.....  
CPA Omae Nyarandi  
ICPAK Member No:5868  
**Director General**

  
.....  
CPA Ellyne Chepngetich  
ICPAK Member No:14326  
**Asst. Director Finance &  
Accounts**

  
.....  
Hon. Ahmed Kolosh Mohammed  
**Board Chairman**

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

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

Notes	Capital	Revenue reserves	Fair Value Adjustment Reserve	Revaluation reserves	Proposed Dividends	Specific reserves	Total
	Kshs	Kshs		Kshs		Kshs	Kshs
Balance as at 30th June 2024	76,771,434	3,439,845,742	-	156,940,484	-	230,000,000	3,903,557,660
Surplus for the year	-	1,055,764,425	-	-	-	-	1,055,764,425
Revaluation Reserve	-	-	-	-	-	-	-
Transfer of excess depreciation on revaluation	-	-	-	-	-	-	-
Oil Spill Response Mobilization Fund	-	-	-	-	-	-	-
Donated assets	-	-	-	-	-	-	-
90% Operating Surplus	-	(261,470,427)	-	-	-	-	(261,470,427)
Revenue Reserves Remission	=	=	=	=	=	=	=
<b>Balance as at 30th June 2025</b>	<b><u>76,771,434</u></b>	<b><u>4,234,139,740</u></b>	<b>=</b>	<b><u>156,940,484</u></b>	<b>=</b>	<b><u>230,000,000</u></b>	<b><u>4,697,851,658</u></b>

**STATEMENT OF CHANGES IN NET ASSETS FOR THE YEAR ENDED 30 JUNE  
2024 (Continued)**

**Nature and Purpose of Reserves**

**Revenue Reserves**

These are surplus/deficits which the Authority has accumulated over the years.

**Revaluation Reserves**

The revaluation reserves are created by the revaluation surplus emanating from revaluation of Authority's assets from time to time.

**Specific Reserves**

**i. Oil Spill Mobilization Reserve**

This is a reserve set up for mobilizing services providers to conduct a cleanup in case of an oil spill incidence. This would minimize the response time to contain an oil spill and the impact on marine environment thereof. There was no change this financial year.

**ii. Search and Rescue Mobilization Reserve**

This is a fund set up for mobilizing services providers to conduct a search and/or rescue in case of an accident at sea. This would minimize the response time to save lives and loss of life thereof. There was no change this financial year.

**Kenya Maritime Authority**  
**Annual Reports and Financial Statements**  
**For the year ended June 30, 2025**

**17. STATEMENT OF CASHFLOWS FOR THE YEAR ENDED 30 JUNE 2025**

	Note	2024-2025 Kshs	2023-2024 Kshs
<b>Cash Flows From Operating Activities</b>			
<b>Receipts</b>			
Levies		2,027,896,375	2,172,760,088
Deferred Income		-	-
Rendering service		20,879,113	22,998,191
Finance Income		50,453,598	16,208,051
Rental Revenue from facilities and Equipment		11,270,340	3,086,207
Other income		59,722,041	45,268,052
<b>Total Receipts</b>		<b>2,170,221,467</b>	<b>2,260,320,589</b>
<b>Payments</b>			
Use of Goods and Services		46,757,537	266,398,704*
Employee Costs		457,531,503	418,718,123
Board Expenses		43,327,630	66,247,191
Repairs And Maintenance		13,340,870	7,404,302
Administrative Expenses		360,615,103	622,789,642*
Project Costs		11,890,009	14,645,787
Contracted Services		30,339,623	23,053,890
<b>Total Payments</b>		<b>963,802,275</b>	<b>1,419,257,639</b>
<b>Net Cash Flows From/(Used In) Operating Activities</b>	<b>28</b>	<b>1,206,419,192</b>	<b>841,062,950</b>
<b>Cash Flows From Investing Activities</b>			
Purchase of PPE and Intangible assets		(765,241,730)	(279,369,484)*
Investment in Fixed Deposits and Long Term Deposits		2,027,288	(40,196,248)
Foreign Exchange Gain /(Loss)		(1,407,856)	(7,353,591)
<b>Net Cash Flows From/ (Used In) Investing Activities</b>		<b>(764,622,298)</b>	<b>(326,919,323)</b>
<b>Cash Flows From Financing Activities</b>			
90% Operating Surplus Remission		(190,927,336)	(600,594,362)
Revenue Reserves Remission		-	-
<b>Net Cash Flows From Financing Activities</b>		<b>(190,927,336)</b>	<b>(600,594,362)</b>
<b>Net Increase/(Decrease) In Cash &amp; Cash Equivalents</b>		<b>250,869,558</b>	<b>(86,450,735)</b>
Cash And Cash Equivalents At 1 July	21	771,928,114	858,378,850
<b>Cash And Cash Equivalents At 30 June</b>	<b>21</b>	<b>1,022,797,672</b>	<b>771,928,114</b>

**Kenya Maritime Authority**  
**Annual Reports and Financial Statements**  
**For the year ended June 30, 2025**

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

Revenue	Original budget	Adjustments	Final budget	Actual on comparable basis	Performance difference	% Change
	A	b	C=(a+b)	d	e=(c-d)	F=d/c
MS Levy	2,472,500,000	(533,695,663)	1,938,804,337	2,049,640,983	110,836,646	105.7%
Rendering Service	56,580,000	-	56,580,000	24,390,575	(32,404,941)	42.7%
Finance Income	43,613,750	-	43,613,750	37,433,298	(6,180,452)	85.8%
Other Income	14,135,000	-	14,135,000	69,538,041	55,403,041	492.0%
<b>Total income</b>	<b>2,607,988,750</b>	<b>(533,695,663)</b>	<b>2,074,293,087</b>	<b>2,181,002,897</b>	<b>106,709,810</b>	<b>105.1%</b>
<b>Expense</b>						
Employee Costs	468,000,000	7,923,490	475,923,490	457,506,852	18,416,638	96.1%
Board of Directors Cost	19,000,000	21,000,000	40,000,000	43,267,480	(3,267,480)	108.2%
Insurance and Medical	40,000,000	6,875,009	46,875,009	44,000,870	2,874,139	93.9%
Contracted Services	20,000,000	16,500,000	36,500,000	30,339,623	6,160,377	83.1%
Use of Goods and Services	71,864,501	146,775,088	218,639,589	46,757,537	171,882,052	21.4%
Administrative Expenses	99,473,000	112,947,000	212,420,000	325,212,810	(112,789,457)	153.1%
Repairs and Maintenance	10,961,265	22,973,735	33,935,000	13,340,870	20,594,130	39.3%
Depreciation	92,000,000	38,000,000	130,000,000	151,740,248	(21,740,248)	116.7%
<b>Total Expenditure</b>	<b>821,298,766</b>	<b>372,994,322</b>	<b>1,194,293,088</b>	<b>1,112,166,290</b>	<b>82,130,151</b>	<b>93.1%</b>
<b>Surplus for the period</b>	<b>1,786,689,984</b>	<b>(906,689,985)</b>	<b>879,999,999</b>	<b>1,069,062,290</b>	<b>(188,624,445)</b>	<b>121.4%</b>
<b>Capital Expenditure</b>						
Maritime Information System (Maritime Data Bank)	-	70,000,000	70,000,000	31,116,575	38,883,425	44.5%
Kenya Lake Victoria Maritime Communication and Transport	-	570,000,000	570,000,000	578,311,977	(8,311,977)	101.5%
Capital Items	-	291,000,000	291,000,000	242,156,822	48,843,178	83.2%
<b>Total Capital Expenditure</b>	<b>-</b>	<b>931,000,000</b>	<b>931,000,000</b>	<b>851,585,374</b>	<b>79,414,626</b>	<b>91.5%</b>

**19. STATEMENT OF COMPARISON OF BUDGET AND ACTUAL AMOUNTS FOR  
THE YEAR ENDED 30 JUNE 2024**

**Reconciliation Statement**

Description	Amount Kshs	Amount Kshs
Surplus for the period as per the Statement of Comparison of Budget		1,069,062,290
Project Costs	(11,890,009)	
Capital Expenditure Items		(11,890,009)
Add: Other Gains		
Gain on Sale of Assets	-	
Gain on foreign exchange transactions	(1,407,856)	
Total Other Gains		(1,407,856)
Surplus for the period as per the Statement of Financial Performance		1,055,764,425

**Explanation of differences between Actual and Budgeted amounts (10% over/ under)**

1. Revenue collection from Rendering Service had a negative variance of 57% due to projected revenues from the projected number of compliant vessels inspected was not attained, Detention and follow up fees were lower due to few vessels with detainable deficiencies,
2. Finance Income did attain the Budgeted amount by 14% due to reduced funds available for Investment as due to the Kenya Lake Victoria Maritime and Communication Project.
3. Revenue from Other Income surpassed target as a result -Training levy recovered from long term staff training and bad debts recovered during the period contributed to the good performance. Agency commission also increased
4. Administrative Expenses surpassed budget by 53% due to participation in International Maritime Organization (IMO) meetings and events including Campaigns and support for Kenya's candidature for IMO Secretary General's position and Committees/Subcommittees and technical working groups' meetings. Increased Merchant Shipping Fees collection also led to increase in commission paid to KRA.
5. The budget absorption for Repairs and maintenance was below target 60% as a result of delay in servicing and repair of the Authority's building, Bahari Towers.

**Kenya Maritime Authority**  
**Annual Reports and Financial Statements**  
**For the year ended June 30, 2025**

---

6. Depreciation and amortization surpassed the Budget by 16% due to depreciation of new assets during the financial year, which included the motor vehicles purchased.
7. The Budget on the Blue Economy Data System/ Kenya Maritime Data Bank was under-absorbed due to challenges with the deliverables by the Consultant
8. Capital Items was under absorbed by 16% as Seafarer Identity Document (eSID) procurement was not concluded during the period.

STATEMENT OF COMPARISON OF BUDGET AND ACTUAL AMOUNTS (Continued)

Explanation of Changes between Original and Final Budget

Revenue	Original budget	Adjustments	Final budget	Reason for adjustment
	A	b	C=(a+b)	d
MS Levy	2,472,500,000	(533,695,663)	1,938,804,337	Foreign exchange loss
Rendering Service	56,580,000	-	56,580,000	No change
Finance Income	43,613,750	-	43,613,750	No change
Other Income	14,135,000	-	14,135,000	No change
Government Grants	21,160,000	-	21,160,000	No change
<b>Total income</b>	<b>2,607,988,750</b>	<b>(533,695,663)</b>	<b>2,074,293,087</b>	
<b>Expense</b>				
Employee Costs	468,000,000	7,923,490	475,923,490	Recruitment
Board of Directors Cost	19,000,000	21,000,000	40,000,000	Numerous board meetings
Administrative Expenses	99,473,000	112,947,000	212,420,000	Acquisition of assets
Use of Goods	71,864,501	146,775,088	218,639,589	Core mandate
Contracted Services	20,000,000	16,500,000	36,500,000	Increase in suppliers
Insurance and Medical	40,000,000	6,875,009	46,875,009	Assets and Staff
Repairs and Maintenance	10,961,265	22,973,735	33,935,000	Bahari Towers and boats
Depreciation	92,000,000	38,000,000	130,000,000	Purchase of assets
<b>Total Expenditure</b>	<b>821,298,766</b>	<b>372,994,322</b>	<b>1,194,293,088</b>	
<b>Surplus for the period</b>	<b>1,786,689,984</b>	<b>(906,689,985)</b>	<b>879,999,999</b>	
<b>Capital Expenditure</b>				
Maritime Information System (Maritime Data Bank)	70,000,000	-	70,000,000	No change
Kenya Lake Victoria Maritime Communication and Transport Capital Items	570,000,000	-	570,000,000	No change
	-	287,020,000	291,000,000	Acquisition
<b>Total Capital Expenditure</b>	<b>640,000,000</b>	<b>287,020,000</b>	<b>931,000,000</b>	

## 20. NOTES TO THE FINANCIAL STATEMENTS

### 1. GENERAL INFORMATION

Kenya Maritime Authority is established by and derives its authority and accountability from KMA Act. The Authority is wholly owned by the Government of Kenya and is domiciled in Kenya. Kenya Maritime Authority's principal activity is to regulate, co-ordinate and oversee maritime affairs.

### 2. STATEMENT OF COMPLIANCE AND BASIS OF PREPARATION

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

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

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

### 3. ADOPTION OF NEW AND REVISED STANDARDS

*i. New and amended standards and interpretations in issue effective in the year ended 30 June 2024*

There were no new and amended standards issued in the financial year.

*ii. New and amended standards and interpretations in issue but not yet effective in the year ended 30 June 2023.*

Kenya Maritime Authority  
Annual Reports and Financial Statements  
For the year ended June 30, 2025

NOTES TO THE FINANCIAL STATEMENTS (Continued)

Standard	Effective date and impact:
IPSAS 43	<p><i>Applicable 1<sup>st</sup> January 2025</i></p> <p>The standard sets out the principles for the recognition, measurement, presentation, and disclosure of leases. The objective is to ensure that lessees and lessors provide relevant information in a manner that faithfully represents those transactions. This information gives a basis for users of financial statements to assess the effect that leases have on the financial position, financial performance and cashflows of an Entity.</p> <p>The new standard requires entities to recognise, measure and present information on right of use assets and lease liabilities.</p>
IPSAS 44: Non- Current Assets Held for Sale and Discontinued Operations	<p><i>Applicable 1<sup>st</sup> January 2025</i></p> <p>The Standard requires,</p> <p>Assets that meet the criteria to be classified as held for sale to be measured at the lower of carrying amount and fair value less costs to sell and the depreciation of such assets to cease and:</p> <p>Assets that meet the criteria to be classified as held for sale to be presented separately in the statement of financial position and the results of discontinued operations to be presented separately in the statement of financial performance.</p>
IPSAS 45- Property Plant and Equipment	<p><i>Applicable 1<sup>st</sup> January 2025</i></p> <p>The standard supersedes IPSAS 17 on Property, Plant and Equipment. IPSAS 45 has additional guidance/ new guidance for heritage assets, infrastructure assets and measurement. Heritage assets were previously excluded from the scope of IPSAS 17 in IPSAS 45, heritage assets that satisfy the definition of PPE shall be recognised as assets if they meet the criteria in the standard. IPSAS 45 has an additional application guidance for infrastructure assets, implementation guidance and illustrative examples. The standard has clarified existing principles e.g valuation of land over or under the infrastructure assets, under- maintenance of assets and distinguishing significant parts of infrastructure assets.</p>

Kenya Maritime Authority  
Annual Reports and Financial Statements  
For the year ended June 30, 2025

Standard	Effective date and impact:
<p>IPSAS 46 Measurement</p>	<p><i>Applicable 1<sup>st</sup> January 2025</i></p> <p>The objective of this standard was to improve measurement guidance across IPSAS by:</p> <ul style="list-style-type: none"> <li>i. Providing further detailed guidance on the implementation of commonly used measurement bases and the circumstances under which they should be used.</li> <li>ii. Clarifying transaction costs guidance to enhance consistency across IPSAS;</li> <li>iii. Amending where appropriate guidance across IPSAS related to measurement at recognition, subsequent measurement and measurement related disclosures.</li> </ul> <p>The standard also introduces a public sector specific measurement bases called the current operational value.</p>
<p>IPSAS 47- Revenue</p>	<p><i>Applicable 1<sup>st</sup> January 2026</i></p> <p>This standard supersedes IPSAS 9- Revenue from exchange transactions, IPSAS 11 Construction contracts and IPSAS 23 Revenue from non- exchange transactions. This standard brings all the guidance of accounting for revenue under one standard. The objective of the standard is to establish the principles that an entity shall apply to report useful information to users of financial statements about the nature, amount, timing and uncertainty of revenue and cash flow arising from revenue transactions.</p>
<p>IPSAS 48- Transfer Expenses</p>	<p><i>Applicable 1<sup>st</sup> January 2026</i></p> <p>The objective of the standard is to establish the principles that a transfer provider shall apply to report useful information to users of financial statements about the nature, amount, timing and uncertainty of expenses and cash flow arising from transfer expense transactions. This is a new standard for public sector entities geared to provide guidance to entities that provide transfers on accounting for such transfers.</p>

**Kenya Maritime Authority**  
**Annual Reports and Financial Statements**  
**For the year ended June 30, 2025**

Standard	Effective date and impact:
IPSAS 49- Retirement Benefit Plans	<i>Applicable 1<sup>st</sup> January 2026</i> The objective is to prescribe the accounting and reporting requirements for the public sector retirement benefit plans which provide retirement to public sector employees and other eligible participants. The standard sets the financial statements that should be presented by a retirement benefit plan.

**iii. Early adoption of standards**

The Authority did not early – adopt any new or amended standards in year 2023.

**NOTES TO THE FINANCIAL STATEMENTS (Continued)**

**4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**a) Revenue recognition**

**i) Revenue from non-exchange transactions**

**Fees/Levy**

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

**Transfers from the Government**

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

**ii) Revenue from exchange transactions**

***Rendering of services***

The Authority recognizes revenue from rendering of services by reference to the stage of completion when the outcome of the transaction can be estimated reliably.

Inspection fee is recognized only after the vessel is compliant with all the safety requirement and the related cost can reliably be measured. Where the inspection outcome cannot be measured reliably, revenue is recognized only to the extent that the expenses incurred are recoverable.

***Interest income***

Interest income is accrued using the negotiated interest rate. The negotiated interest rate estimated future cash receipts through the expected life of the financial asset to that asset's net applicable taxes (withholding tax). The method applies this yield to the principal outstanding to determine interest income each period.

***Rental income***

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

**Kenya Maritime Authority**  
**Annual Reports and Financial Statements**  
**For the year ended June 30, 2025**

---

**b) Budget information**

The original budget for FY 2024-2025 was approved by the National Assembly on 5th August 2024. Subsequent revisions or additional appropriations were made to the approved budget in accordance with specific approvals from the appropriate authorities.

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

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

The actual amounts on a comparable basis included in the statement of comparison of budget and actual amounts and the actuals as per the statement of financial performance are similar therefore no reconciliation statement has been presented.

**c) Property, plant and equipment**

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

**d) Intangible assets**

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

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

**e) Research and development costs**

The Authority expenses research costs as incurred. Development costs on an individual project are recognized when incurred and expensed in relevant period.

## NOTES TO THE FINANCIAL STATEMENTS (Continued)

### f) Financial instruments

#### *Financial assets*

##### **Initial recognition and measurement**

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

##### *Receivables*

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

##### *Held-to-maturity*

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

##### **Impairment of financial assets**

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

- 1) The debtors or an Authority of debtors are experiencing significant financial difficulty.
- 2) Default or delinquency in interest or principal payments
- 3) The probability that debtors will enter bankruptcy or other financial reorganization.
- 4) Observable data indicates a measurable decrease in estimated future cash flows (e.g. changes in arrears or economic conditions that correlate with defaults)
- 5) Financial liabilities

## NOTES TO THE FINANCIAL STATEMENTS (Continued)

### g) Inventories

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

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

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

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

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

Inventories are recognized as an expense when deployed for utilization or consumption in the ordinary course of operations of the Authority.

### h) Provisions

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

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

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

#### *Contingent liabilities*

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

**NOTES TO THE FINANCIAL STATEMENTS (Continued)**

***Contingent assets***

The Authority does not recognize a contingent asset but discloses details of a possible asset whose existence is contingent on the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Authority in the notes to the financial statements. Contingent assets are assessed continually to ensure that developments are appropriately reflected in the financial statements.

If it has become virtually certain that an inflow of economic benefits or service potential will arise and the asset's value can be measured reliably, the asset and the related revenue are recognized in the financial statements of the period in which the change occurs.

**NOTES TO THE FINANCIAL STATEMENTS (Continued)**

**i) Nature and purpose of reserves**

The Authority creates and maintains reserves in terms of specific requirements. Authority has got two reserves in place: Oil spill and mobilization reserves for emergency SAR service. The two reserves are meant to cushion against any emergency that might arise due to oil spill in our Ocean and inland waters. The Authority has policy to gradually build these reserves annually. All held in Kenya Commercial bank savings account.

**j) Changes in accounting policies and estimates**

The Authority recognizes the effects of changes in accounting policy retrospectively. The effects of changes in accounting policy are applied prospectively if retrospective application is impractical. There was no change in any accounting policy during the financial year.

**k) Employee benefits**

**Retirement benefit plans**

The Authority provides retirement benefit for its employees. Defined contribution plans are post-employment benefit plans under which an Authority pays fixed contributions into a separate Authority (a fund) and will have no legal or constructive obligation to pay further contributions if the fund does not hold sufficient assets to pay all employee benefits relating to employee service in the current and prior periods. The contributions to fund obligations for the payment of retirement benefits are charged against income in the year in which they become payable.

The scheme is being administered by Zamara Fanaka Retirement Fund (formerly Alexander Forbes Retirement Funds - Pension and Sections)

Rate of contribution for the period under audit is -

- Self-10% of basic pay
- Employer 20% of basic pay

**NOTES TO THE FINANCIAL STATEMENTS (Continued)**

**Gratuity**

The Authority provides gratuity to Employees serving on contract terms at a rate of 31% of their Basic salary. Gratuity is payable at the end of the contract net of applicable taxes. Gratuity are charged against income in the year in which they have been earned with corresponding liability created for the year.

**l) Foreign currency transactions**

Transactions in foreign currencies are initially accounted for at the ruling rate of exchange on the date of the transaction. Trade creditors or debtors denominated in foreign currency are reported at the statement of financial position reporting date by applying the closing CBK mean exchange rate prevailing at the close of the financial year. Exchange differences arising from the settlement of creditors, or from the reporting of creditors at rates different from those at which they were initially recorded during the period, are recognized as income or expenses in the period in which they arise.

**m) Related parties**

The Authority regards a related party as a person or an Authority with the ability to exert control individually or jointly, or to exercise significant influence over the Authority, or vice versa.

The Authority regarded the Ministry of Mining, Blue Economy and Maritime Affairs and Board of directors as related parties during the year. The following are transaction with related party for the year.

- Board of Directors-Incurred the following cost for the board **Kshs 43,267,480**.

**n) 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 amount 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 authorised public officers and/or institutions which were not surrendered or accounted for at the end of the financial year.

**o) Comparative figures**

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

**p) 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, 2023.

## 5. SIGNIFICANT JUDGMENTS AND SOURCES OF ESTIMATION UNCERTAINTY

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

### *Estimates and assumptions*

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below. The Authority based its assumptions and estimates on parameters available when the financial statements were prepared. However, existing circumstances and assumptions about future developments may change due to market changes or circumstances arising beyond the control of the Authority. Such changes are reflected in the assumptions when they occur. IPSAS 1.140

### *Useful lives and residual values*

The useful lives and residual values of assets are assessed using the following indicators to inform potential future use and value from disposal:

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

Fixed Assets are stated at cost or valuation less accumulated depreciation/amortisation.

Depreciation and amortisation is calculated on a straight line method.

The Annual depreciation/amortisation rates are as stated below:

i.	Motor Vehicles	20%
ii.	Computers and IT Equipment	33.3%
iii.	Furniture & Equipment	12.5%
iv.	Software	33.3%
v.	Boats	12.5%
vi.	Buildings	2.5%

**Kenya Maritime Authority**  
**Annual Reports and Financial Statements**  
**For the year ended June 30, 2025**

**NOTES TO THE FINANCIAL STATEMENTS (Continued)**

**q) Taxation**

Kenya Maritime Authority is a Government Agency fully owned by Ministry of Mining, Blue Economy and Maritime Affairs thus exempt from Income Tax.

**6. Levies**

<b>Description</b>	<b>2024-2025</b> <b>Kshs.</b>	<b>2023-2024</b> <b>Kshs.</b>
Merchant Shipping Levy	2,002,035,925	2,089,542,519
Collection cost (KRA commission)	47,605,058	49,658,634
<b>Total Levies</b>	<b><u>2,049,640,983</u></b>	<b><u>2,139,201,153</u></b>

The Merchant Shipping levy is a charge on all imported goods destined for the local market (Kenya) and export goods that are sea bound. The levies are collected by Kenya Revenue Authority on behalf of Kenya Maritime Authority through an agency agreement. The fees are based on the Fourth schedule of the Merchant Shipping (Fees) Regulations (2011).

**7. Deferred Income**

<b>Description</b>	<b>2024-2025</b> <b>Kshs.</b>	<b>2022-2023</b> <b>Kshs.</b>
Deferred Income Recognized	-	-
<b>Total Deferred Income</b>	<b><u>-</u></b>	<b><u>-</u></b>

**8. Rendering of service**

<b>Description</b>	<b>2024-2025</b> <b>Kshs.</b>	<b>2023-2024</b> <b>Kshs.</b>
Boat survey fees	12,341,485	11,062,278
Shipping agents fees	12,049,091	12,083,814
<b>Total Rendering of Service Income</b>	<b><u>24,390,576</u></b>	<b><u>23,146,092</u></b>

Boat survey fees are charges for inspection of ships and issuance of requisite certificates/licenses in accordance with First and Second schedules of the Merchant Shipping (Fees) Regulations (2011).

**Kenya Maritime Authority  
Annual Reports and Financial Statements  
For the year ended June 30, 2025**

Shipping agents' fees are the oversight and monitoring fees through issuance of requisite licenses in respect of Cargo consolidators, Shipping agents and Shipping lines in accordance with the Fourth schedule of Merchant Shipping (Fees) Regulations (2011).

**9. Finance Income**

<b>Description</b>	<b>2024-2025 Kshs.</b>	<b>2023-2024 Kshs.</b>
Interest from Bank Deposits	174,821	79,301
Interest from Govt Securities	23,495,530	21,173,295
Interest from call deposits	13,762,947	
<b>Total Finance Income</b>	<b>37,433,298</b>	<b>21,252,596</b>

Interest income from deposits is revenue earned on placing surplus funds in fixed deposits with Commercial Banks at competitively sought return rates while interest from Government securities are earned from investing in treasury bills.

**10. Rental Revenue from facilities and equipment**

<b>Rental Revenue from facilities and equipment</b>	<b>2024-2025</b>	<b>2023-2024</b>
<b>Description</b>	<b>Kshs.</b>	<b>Kshs.</b>
Office Rentals	11,270,340	3,086,207
<b>Total Rental Revenue</b>	<b>11,270,340</b>	<b>3,086,207</b>

Rental income is earned from letting out Office space to tenants at contracted rates over a period of occupancy.

**11. Other Income**

<b>Description</b>	<b>2024-2025 Kshs.</b>	<b>2023-2024 Kshs.</b>
Agency fee	9,781,673	4,108,399
Sale of books	10,273,664	8,124,079
Others	38,416,493	32,818,378
<b>Total Other Income</b>	<b>58,493,383</b>	<b>45,050,856</b>

**Kenya Maritime Authority**  
**Annual Reports and Financial Statements**  
**For the year ended June 30, 2025**

**NOTES TO THE FINANCIAL STATEMENTS (Continued)**

Agency fees are revenue earned from acting as a collection agent for the Government of DRC in respect to levy on cargo destined/from the Democratic Republic of Congo (DRC). Sale of books are revenue earned from sale of curriculum books. Others include STCW & Medical Certificates fees, Training Fees, Accreditation Fees and Other Miscellaneous Income.

**12. Gain on Foreign Exchange Transactions**

Description	2024-2025 Kshs.	2023-2024 Kshs.
Gain on foreign exchange transaction	(1,407,856)	(7,353,591)
	<u>(1,407,856)</u>	<u>(7,353,591)</u>

Foreign currency exchange gain/loss are as result of exchange differences in revenues received and/or payments made in foreign currencies. The Authority's Merchant Shipping (Fees) Regulations (2011) provides for fees to be charged in USD.

**13. Use of Goods and Services**

Description	2024-2025 Kshs.	2023-2024 Kshs.
Staff Training	36,945,685	101,044,618**
Professional & Consultancy Fees	723,740	2,555,636
Office Incidentals	8,488,080	4,367,749
Collaborations & Partnerships	300,032	118,554,701
Maritime Sector Support	300,000	39,876,000
<b>Total Use of Goods and Services</b>	<u><b>46,757,537</b></u>	<u><b>266,398,704</b></u>

A wrongly posted claim of Ksh. 5,768,509 has been rectified

Description	Amount
Audited Amount	106,813,127
Reversal of double expense	5,768,509
<b>Restated</b>	<u><b>101,044,618</b></u>

**Kenya Maritime Authority**  
**Annual Reports and Financial Statements**  
**For the year ended June 30, 2025**

**14. Employee Costs**

<b>Description</b>	<b>2024-2025 Kshs.</b>	<b>2023-2024 Kshs.</b>
Basic Salaries	283,647,105	258,449,240
House Allowances	42,997,425	39,365,164
Other Allowances	14,599,520	13,388,462
Leave Allowances	4,909,833	5,348,099
Commuter Allowances	26,555,574	24,584,873
Staff Wages	0	0
Internship	0	0
Entertainment	718,656	895,806
Induction and Orientation	0	0
Pension Expenditure	64,743,689	60,914,520
Gratuity	6,075,090	4,971,719
Recruitment	1,402,520	2,194,188
Fringe Benefit	5,924,932	6,114,320
Personal Guide	360,000	240,000
Affordable Housing Levy	5,572,508	5,025,366
<b>Total Employee Costs</b>	<b>457,506,852</b>	<b>421,491,757</b>

**15. Board of Directors Costs**

<b>Description</b>	<b>2024-2025 Kshs.</b>	<b>2023-2024 Kshs.</b>
Chairman's Honoraria	960,000	960,000
Sitting Allowances	9,360,000	17,160,000
Medical Insurance	562,030	419,643
Induction and Training	1,235,500	2,818,592
Travel & Accommodation	28,035,280	38,811,092
Other Allowances & Expenses	3,114,670	6,111,414
<b>Total Board of Directors Costs</b>	<b>43,267,480</b>	<b>66,280,741</b>

**16. Repairs and Maintenance**

<b>Description</b>	<b>2024-2025 Kshs.</b>	<b>2023-2024 Kshs.</b>
Motor vehicle	2,399,774	4,151,114
Boats	1,195,071	1,286,587
Computer	6,489,982	1,609,101
Building	3,256,043	357,500
<b>Total Repairs and Maintenance</b>	<b>13,340,870</b>	<b>7,404,302</b>

**Kenya Maritime Authority**  
**Annual Reports and Financial Statements**  
**For the year ended June 30, 2025**

**NOTES TO THE FINANCIAL STATEMENTS (Continued)**

**17. Administrative Expenses**

<b>Description</b>	<b>2024-2025</b>	<b>2023-2024</b>
	<b>Kshs.</b>	<b>Kshs.</b>
Domestic and Overseas Air Travel	23,648,480	19,760,939
Duty Travel Allowances - Domestic and Foreign	125,661,279	145,297,532
Conference and Seminars	15,985,337	21,149,726
Advertising	-	7,403,020
Publicity & Awareness	38,400,280	93,697,633
Library Expenses	1,126,437	541,131
Office Rent	3,964,380	7,101,842
HIV and AIDs related Awareness	-	-
Transport Hire	16,015,913	22,864,369
Fuel Costs	11,550,153	11,956,659
Community Support	8,512,638	16,938,766
Bank Charges	419,420	489,556
KRA Commissions	47,605,058	49,658,634
Marine Safety & Env. Protection	-	-
Uniform and Clothing	-	-
Entertainment	-	-
Printing and Stationery	3,090,974	10,498,592
Bad and Doubtful Debts Increase	-	-
Other Admin Expense	8,462,066	27,320,816
Communication Costs	2,976,708	7,211,277
Insurance and Medical	44,000,870	39,986,010
Water	1,098,431	820,982
Electricity	16,695,256	17,689,638
Contingency & Disaster Management	-	1,345,652
<b>Total Administrative Expenses</b>	<b><u>369,213,680</u></b>	<b><u>501,732,774</u></b>

**18. Project Costs**

<b>Description</b>	<b>2024-2025</b>	<b>2023-2024</b>
	<b>Kshs.</b>	<b>Kshs.</b>
Direct Payments of Project Expenses	<u>11,890,009.00</u>	<u>14,645,787</u>
<b>Total Project Costs</b>	<b><u>11,890,009.00</u></b>	<b><u>14,645,787</u></b>

Kenya Maritime Authority  
Annual Reports and Financial Statements  
For the year ended June 30, 2025

NOTES TO THE FINANCIAL STATEMENTS (Continued)

19. Contracted Services

Description	2024-2025 Kshs.	2023-2024 Kshs.
Security Services	11,952,000	10,421,286
Audit Fees	1,401,984	1,400,000
Office Carpet and Curtain Cleaning	13,705,144	11,232,604
Service Level- IT Equipment and Systems	3,280,495	-
<b>Total Contracted Services</b>	<b><u>30,339,623</u></b>	<b><u>23,053,890</u></b>

Description	2024-2025 Kshs.	2023-2024 Kshs.
Property, Plant and Equipment	143,962,496.00	123,231,870
Intangible Assets	<u>7,777,752.00</u>	<u>7,777,753</u>
<b>Total Depreciation and amortization</b>	<b><u>151,740,248.00</u></b>	<b><u>131,009,623</u></b>

21. Cash and Cash Equivalents

Description	2024-2025 Kshs.	2023-2024 Kshs.
Current Account	700,763,235	350,963,779
On-call Deposits	243,762,947	-
Fixed Deposit Accounts	-	386,979,700
Treasury Bills < 3 Months	-	33,984,635
Others	<u>78,271,490</u>	<u>33,984,635</u>
<b>Total Cash and Cash Equivalents</b>	<b><u>1,022,797,672</u></b>	<b><u>771,928,114</u></b>

16 (a). Detailed Analysis of the Cash and Cash Equivalents

Financial Institutions	Account Number	2024-2025 Ksh.	2023-2024 Ksh.
<b>a) Current Account</b>			
KCB Current Account (Ksh)	1101575093	528,217,474	274,153,846*
KCB Current Account (Dollar)	1167698452	167,874,419	75,313,965
KCB Current Account-Kisumu (Ksh)	1111688923	1,851	1,383
KCB Current Account-Lamu (Ksh)	1215829051	18,876	19,547
KCB Current Account-Lodwar (Ksh)	1218308931	19,654	39,770
	020030577291		
NBK Current (Dollar)	00	<u>4,630,961</u>	<u>1,435,268</u>
<b>Sub-Total</b>		<b><u>700,763,235</u></b>	<b><u>350,963,779</u></b>

**Kenya Maritime Authority**  
**Annual Reports and Financial Statements**  
**For the year ended June 30, 2025**

**b) On-Call Deposits**

Consolidated Bank of Kenya	<u>243,762,947</u>
<b>Sub-Total</b>	<u><b>243,762,947</b></u>

**c) Fixed Deposit Accounts**

Kenya Commercial Bank  
 Cooperative Bank of Kenya

**c) Treasury Bills < 3 Months**

Central Bank of Kenya	<u>0</u>	<u>386,979,700</u>
-----------------------	----------	--------------------

**Sub-Total**

<u>-</u>	<u><b>386,979,700</b></u>
----------	---------------------------

**e) Others**

Petty Cash-Mombasa Office	2,000	7,500
Petty Cash-Lamu Office	11,250	3,885
Petty Cash-Turkana Office	39,650	650
Petty Cash-Kisumu Office	17,377	1,579
KCB Savings Account	1107477549	3,391,780
e-Citizen	60,536,890	9,509,870
Standing Imprests	200,000	352,845
Outstanding Imprest-Staff	11,382,887	18,063,270*
Outstanding Imprest-Directors	2,689,656	2,653,256*
<b>Sub-Total</b>	<u><b>78,271,490</b></u>	<u><b>33,984,635</b></u>
<b>Grand Total</b>	<u><b>1,022,797,672</b></u>	<u><b>771,928,114</b></u>

A wrongly posted claim of Ksh. 5,688,455 has been rectified

Description KCB Current Account (Ksh)	Amount
Audited Amount	268,465,391
Correction of posted imprest	5,688,455
<b>Restated</b>	<b>274,153,846</b>

Wrongly posted imprest has been corrected

Description Outstanding Imprest-Staff	Amount
Audited Amount	17,948,447
Correction of posted imprest	114,823
<b>Restated</b>	<b>18,063,270</b>

Wrongly posted imprest has been reversed

Description Outstanding Imprest-Directors	Amount
Audited Amount	2,687,725
Reversal of Double Posting	-34,469
<b>Restated</b>	<b>2,653,256</b>

Kenya Maritime Authority  
Annual Reports and Financial Statements  
For the year ended June 30, 2025

**NOTES TO THE FINANCIAL STATEMENTS**  
(Continued)

<b>22. Trade Receivable from exchange transaction</b>	<b>2024-2025</b>	<b>2023-2024</b>
<b>Description</b>	<b>Kshs.</b>	<b>Kshs.</b>
Trade	22,051,290	18,539,827
Interest receivable	8,731	13,029,031
Prepayments	37,661,848	35,479,295
Others non trade	2,454,509	2,557,260
Less: Provision for Doubtful debts	<u>(17,634,223)</u>	<u>(17,634,223)</u>
<b>Total Trade Receivable from exchange transactions</b>	<b><u>44,542,179</u></b>	<b><u>51,971,190</u></b>

<b>Provision for Doubtful debts Movement Schedule</b>	<b>2024-2025</b>	<b>2023-2024</b>
<b>Description</b>	<b>Kshs.</b>	<b>Kshs.</b>
Balance as at 1st July	17,634,223.00	17,824,895
Increase/decrease recognized in Statement of Financial Performance	-	<u>(190,672)</u>
Balance as at 30 June	<b><u>17,634,223.00</u></b>	<b><u>17,634,223</u></b>

**23. Receivable from Non-Exchange Transaction**

<b>Description</b>	<b>2024-2025</b>	<b>2023-2024</b>
<b>Description</b>	<b>Kshs.</b>	<b>Kshs.</b>
MS Levy fees	177,893,749	156,149,141
Staff Debt	3,382,617	3,640,185
Salary Advance	1,144,129	482,777
Training Levy	0	1,125,931
Other	<u>50,000,000</u>	<u>50,000,000</u>
<b>Total Receivable from non-exchange transaction</b>	<b><u>232,420,495</u></b>	<b><u>211,398,034</u></b>

**24. Inventories**

<b>Description</b>	<b>2024-2025</b>	<b>2023-2024</b>
<b>Description</b>	<b>Kshs.</b>	<b>Kshs.</b>
General supplies	8,149,698.00	3,880,872
Publications & library books	<u>287,432.00</u>	<u>287,432</u>
<b>Total Inventories</b>	<b><u>8,437,130.00</u></b>	<b><u>4,168,304</u></b>

Kenya Maritime Authority  
Annual Reports and Financial Statements  
For the year ended June 30, 2025

25. Mortgage Guarantees

Description	2024-2025 Kshs.	2023-2024 Kshs.
House Loan Guarantee	237,961,907.00	237,961,907
Car Loan Guarantee	35,221,116.00	37,248,404
<b>Total Mortgage Guarantees</b>	<b>273,183,023.00</b>	<b>275,210,311</b>

Mortgage Guarantees Movement Schedule

Description	House Mortgage	Car Loan	Total
	Kshs	Kshs	Kshs
Balance as at 1st July 2024	237,961,907	37,248,404	275,210,311
Transfers-Refund of un utilized car loan	-	(2,027,288)	(2,027,288)
Interest Earned			
Balance as at 30 June 2025	237,961,907	35,221,116	273,183,023

26. Intangible Assets

Description	2024-2025 Kshs	2023-2024 Kshs
<b>Cost</b>		
At beginning of the year	106,565,018	102,938,860
Additions	-	3,626,158
At end of the year	106,565,018	106,565,018
Additions-Work in Progress	46,230,778	18,492,311
At end of the year	152,795,796	125,057,329
<b>Amortization And Impairment</b>		
At beginning of the year	97,578,545.00	89,800,792
Amortization	7,777,753.00	7,777,753
At end of the year	105,356,298.00	97,578,545
Impairment loss	-	-
At end of the year	105,356,298.00	97,578,545
<b>NBV</b>	<b>47,439,497.50</b>	<b>27,478,784</b>

**Kenya Maritime Authority**  
**Annual Reports and Financial Statements**  
**For the year ended June 30, 2025**

**NOTES TO THE FINANCIAL STATEMENTS (Continued)**

**27. Property, Plant and Equipment**

Assets Cost or Valuation	Land	Building	Motor vehicles	Computers & IT Equipment	Furniture & Equipment	Capital in Progress	Total
	Kshs	Kshs	Kshs	Kshs	Kshs	Kshs	Kshs
As at 30 June 2023	237,716,383	4,390,414	57,815,468	83,049,868	155,628,439	2,381,963,667	2,920,564,239
Disposal	-	-	-	-	-	-	-
Additions	-	-	-	66,666,785	222,622,609	172,588,242	461,877,636
Transfer/Adjustments	-	2,477,279,639	17,940,392	-	-	(2,477,279,639)	17,940,392
As at 30 June 2024	237,716,383	2,481,670,053	75,755,860	149,716,653	378,251,048	77,272,270	3,400,382,267
Disposal	-	-	99,318,222	2,338,600	846,258	634,500,183	737,503,263
Additions	-	-	-	-	-	-	-
Transfer/Adjustments	-	-	-	-	-	-	-
As at 30 June 2025	237,716,383	2,481,670,053	175,574,082	152,055,253	379,097,306	711,772,453	4,137,885,530
Depreciation and impairment	-	-	-	-	-	-	-
As at 30 June 2023	-	768,322	57,815,467	76,247,572	135,151,500	-	269,982,861
Disposal	-	-	-	-	-	-	-
Charge for the year	-	109,760	-	1,217,137	11,008,696	-	12,335,593
Transfer/Adjustments	-	-	-	-	-	-	-
As at 30 June 2024	-	878,082	57,815,467	77,464,709	146,160,196	-	282,318,454
Disposal	-	-	-	-	-	-	-
Charge for the year	-	62,041,751	3,588,078	24,473,506	33,128,535	-	123,231,870
Transfer/Adjustments	-	-	-	-	-	-	-
As at 30 June 2024	-	62,919,833	61,403,545	101,938,215	179,288,731	-	405,550,325
Disposal	-	-	23,551,723	25,134,706	33,234,316	-	143,962,496
Charge for the year	-	-	-	-	-	-	-
Transfer/Adjustments	-	-	-	-	-	-	-
As at 30 June 2025	-	124,961,584	84,955,268	127,072,921	212,523,047	-	549,512,821
Net Book values	237,716,383	2,356,708,469	90,618,813	24,982,332	166,574,260	711,772,453	3,588,372,710
As at 30 June 2025	237,716,383	2,418,750,220	14,352,314	47,778,438	198,962,318	77,272,270	2,994,831,942

**Kenya Maritime Authority**  
**Annual Reports and Financial Statements**  
**For the year ended June 30, 2025**

---

**NOTES TO THE FINANCIAL STATEMENTS (Continued)**

**28. Trade and Other Payables**

<b>Description</b>	<b>2024-2025 Kshs.</b>	<b>2023-2024 Kshs.</b>
Trade Payables	134,007,476	118,617,355**
Audit Fees Payable	1,400,000	1,400,000
Staff payables	11,441	5,707,398
Statutory	5,835,743	3,517,327
Other payable	1,374,302	808,045
<b>Total</b>	<b><u>142,628,962</u></b>	<b><u>130,050,125</u></b>

An invoice of Ksh 4,083,894 had not been posted now corrected

<b>Description</b>	<b>Amount</b>
Audited Amount	114,533,461
Capitalization of WIP	4,083,894
<b>Restated</b>	<b>118,617,355</b>

**29. Current Provision**

<b>Description</b>	<b>2023-2024 Kshs.</b>	<b>2023-2024 Kshs.</b>
Payroll Provision	11,024,767.00	11,024,767
Trade Provision	3,300,000.00	3,300,000
Other Provisions	=	<u>70,000,000</u>
<b>Total</b>	<b><u>14,324,767.00</u></b>	<b><u>84,324,767</u></b>

Kenya Maritime Authority  
Annual Reports and Financial Statements  
For the year ended June 30, 2025

**30. Refundable Deposit and Prepayment from Customer**

Description	2023-2024	2023-2024
	Kshs.	Kshs.
Third Party Deposits	328,305	566,680
Direct Bank Deposits	71,358,582	4,547,201
Refundable Deposits	<u>1,784,893</u>	<u>1,638,363</u>
<b>Total</b>	<b><u>73,467,256</u></b>	<b><u>6,752,244</u></b>

**31. Gratuity**

Description	2024-2025	2023-2024
	Kshs.	Kshs.
As at 1 July	5,439,431.00	7,548,093
Charge for the year	6,075,090	4,971,719
Payment during the year	-	<u>(7,080,381)</u>
<b>As at 30 June</b>	<b>11,514,521.00</b>	<b><u>5,439,431</u></b>

**32. Surplus Remission Payable**

DESCRIPTION	2024-2025	2023-2024
	Kshs.	Kshs.
Surplus for the Year	1,055,764,425	792,365,735
Less: Allowable deductions by NT		
Purchase of Assets	- 765,241,730.00	(275,285,590)
Oil Spill & SAR Fund Transfer	-	-
Mortgage & Car Loan Guarantees	-	(20,000,000)
<b>Total Allowable deductions</b>	<b>- 765,241,730</b>	<b>(295,285,590)</b>
Realised Surplus Funds	290,522,695	497,080,145
<b>90% of Realised Surplus Funds</b>	<b>261,470,427</b>	<b>447,372,132</b>

**Kenya Maritime Authority**  
**Annual Reports and Financial Statements**  
**For the year ended June 30, 2025**

**Surplus Remission Payable**

Description	2024-2025	2023-2024
	Kshs.	Kshs.
As at 1 July	206,862,452	360,084,682
Realised Surplus Funds	261,470,427	447,372,132
Paid during the year	<u>(190,927,336)</u>	<u>(600,594,362)</u>
As at 30 June	<u><u>277,405,543</u></u>	<u><u>206,862,452</u></u>

**33. Cash Generated from Operations**

	Note	2024-2025	2023-2024
		Kshs	Kshs
<b>Cash flow from operating activities</b>			
Surplus for the Year		1,055,764,425	792,365,735
<b>Adjusted for:</b>			
Depreciation	20	151,740,248	131,009,623
Foreign Exchange (Gain) Loss	12	1,407,856	7,353,591
<b>Working Capital Adjustments</b>			
Increase in Trade Receivables	22 & 23	(13,593,450)	24,576,987
Increase in Inventories	24	(4,268,826)	(292,919)
Increase in Trade Payables	28	12,578,837	(103,722,743)
Decrease in Gratuity	31	6,075,090	(2,108,662)
Decrease in Current Provisions	29	(70,000,000)	(5,201,018)
Increase in Refundable Deposits	30	<u>66,715,012</u>	<u>(2,917,647)</u>
<b>Net cash generated from operating activities</b>		<u><u>1,206,419,192</u></u>	<u><u>841,062,947</u></u>

**Kenya Maritime Authority**  
**Annual Reports and Financial Statements**  
**For the year ended June 30, 2025**

**34. FINANCIAL RISK MANAGEMENT**

The Authority's activities expose it to a variety of financial risks including credit and liquidity risks and effects of changes in foreign currency. The Authority's overall risk management programme focuses on unpredictability of changes in the business environment and seeks to minimise the potential adverse effect of such risks on its performance by setting acceptable levels of risk. The Authority does not hedge any risks and has in place policies to ensure that credit is only extended to customers with an established credit history.

The Authority's financial risk management objectives and policies are detailed below:

**(i) Credit risk**

The Authority has exposure to credit risk, which is the risk that a counterparty will be unable to pay amounts in full when due. Credit risk arises from cash and cash equivalents, and deposits with banks, as well as trade and other receivables and available-for-sale financial investments.

Management assesses the credit quality of each customer, taking into account its financial position, past experience and other factors. Individual risk limits are set based on internal or external assessment in accordance with limits set by the directors. The amounts presented in the statement of financial position are net of allowances for doubtful receivables, estimated by the Authority's management based on prior experience and their assessment of the current economic environment.

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

	<b>Total amount</b>	<b>Fully performing</b>	<b>Past due</b>	<b>Impaired</b>
	<b>Kshs</b>	<b>Kshs</b>	<b>Kshs</b>	<b>Kshs</b>
<b>At 30 June 2025</b>				
Receivables from exchange transactions	44,542,179	26,907,956	17,634,223	
Receivables from non exchange transactions	232,420,495	232,420,495		
Bank balances	1,022,797,672	1,022,797,672		
<b>Total</b>	<b>1,299,760,346</b>	<b>1,282,126,123</b>	<b>17,634,223</b>	
<b>At 30 June 2024</b>				-
Receivables from exchange transactions	51,971,190	34,336,967	17,634,223	-
Receivables from non exchange transactions	211,398,034	211,398,034		-
Bank balances	766,159,305	766,159,305		-
<b>Total</b>	<b>1,029,528,529</b>	<b>1,011,894,306</b>	<b>17,634,223</b>	

**Kenya Maritime Authority**  
**Annual Reports and Financial Statements**  
**For the year ended June 30, 2025**

**33. FINANCIAL RISK MANAGEMENT (Continued)**

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

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

**(ii) Liquidity risk management**

Ultimate responsibility for liquidity risk management rests with the Authority's directors, who have built an appropriate liquidity risk management framework for the management of the Authority's short, medium and long-term funding and liquidity management requirements. The Authority manages liquidity risk through continuous monitoring of forecasts and actual cash flows.

The table below represents cash flows payable by the Authority under non-derivative financial liabilities by their remaining contractual maturities at the reporting date. The amounts disclosed in the table are the contractual undiscounted cash flows. Balances due within 12 months equal their carrying balances, as the impact of discounting is not significant.

	<b>Less than 1 month</b>	<b>Between 1-3 months</b>	<b>Over 5 months</b>	<b>Total</b>
	<b>Kshs</b>	<b>Kshs</b>	<b>Kshs</b>	<b>Kshs</b>
<b>At 30 June 2025</b>				
Trade payables	74,867,756	41,192,820	17,946,900	<b>134,007,476</b>
Provisions	-	3,300,000	11,024,767	<b>14,324,767</b>
Deferred Government Grant	-	-	-	-
<b>Total</b>	<b>74,867,756</b>	<b>44,492,820</b>	<b>28,971,667</b>	<b>148,332,243</b>
<b>At 30 June 2024</b>				
Trade payables	43,238,100	17,127,500	54,167,862	<b>114,533,462</b>
Provisions	-	3,300,000	11,024,767	<b>14,324,767</b>
Deferred Government Grant	-	-	-	-
<b>Total</b>	<b>43,238,100</b>	<b>20,427,500</b>	<b>65,192,629</b>	<b>128,858,229</b>

**Kenya Maritime Authority**  
**Annual Reports and Financial Statements**  
**For the year ended June 30, 2025**

---

**(iii) Market risk**

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

Market risk is the risk arising from changes in market prices, such as interest rate, equity prices and foreign exchange rates which will affect the Authority's income or the value of its holding of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return.

Overall responsibility for managing market risk rests with the Audit and Risk Management Committee.

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

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

**a) Foreign currency risk**

The Authority has transactional currency exposures. Such exposure arises through purchases of goods and services that are done in currencies other than the local currency. Invoices denominated in foreign currencies are paid after 30 days from the date of the invoice and conversion at the time of payment is done using the prevailing exchange rate. The carrying amount of the Authority's foreign currency denominated monetary assets and monetary liabilities at the end of the reporting period are as follows: The Authority manages foreign exchange risk from future commercial transactions and recognised assets and liabilities by projecting for expected sales proceeds and matching the same with expected payments.

**FY 2025**

	<b>Ksh</b>	<b>Other currencies</b>	<b>Total</b>
	<b>Kshs</b>	<b>Kshs</b>	<b>Kshs</b>
<b>At 30 June 2025</b>			
Financial assets			
Cash	850,292,301	172,505,371	1,022,797,672
Debtors	260,992,557	13,686,275	274,678,832
<b>Total Financial Assets</b>	<b>1,111,284,858</b>	<b>186,191,646</b>	<b>1,297,476,504</b>
Liabilities			
Trade and other payables	519,161,404	179,645	519,341,049
Net foreign currency asset/(liability)	<b>592,123,454</b>	<b>186,012,001</b>	<b>778,135,455</b>

**Kenya Maritime Authority**  
**Annual Reports and Financial Statements**  
**For the year ended June 30, 2025**

**Foreign currency sensitivity analysis**

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

	<b>Change in Currency rate</b>	<b>Effect on Profit before tax</b>	<b>Effect on equity</b>
	<b>Kshs</b>	<b>Kshs</b>	<b>Kshs</b>
<b>2025</b>			
USD	10%	8,498,463	8,498,463
<b>2024</b>			
USD	10%	9,944,590	9,944,590

appreciated with all other variables held constant.

**b) Interest rate risk**

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

*Management of interest rate risk*

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

*Sensitivity analysis*

The Authority analyses its interest rate exposure on a dynamic basis by conducting a sensitivity analysis. This involves determining the impact on profit or loss of defined rate shifts. The sensitivity analysis for interest rate risk assumes that all other variables, in particular foreign exchange rates, remain constant. The analysis has been performed on the same basis as the prior year.

Using the end of the year figures, the sensitivity analysis indicates the impact on the statement of comprehensive income if current floating interest rates increase/decrease by one percentage point as a decrease/increase of Kshs 7,750,799 (2024: Kshs 8,590,456). A rate increase/decrease of 5% would result in a decrease/increase in profit before tax of Kshs 38,753,994 (2024 – Kshs 42,952,280).

**Kenya Maritime Authority**  
**Annual Reports and Financial Statements**  
**For the year ended June 30, 2025**

**iv) Capital Risk Management**

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

	<b>2024-2025</b>	<b>2023-2024</b>
	<b>Kshs</b>	<b>Kshs</b>
Revaluation reserve	156,940,484	156,940,484
Retained earnings	4,234,139,740	3,439,268,912
Capital reserve	76,771,434	76,771,434
Specific reserves	230,000,000	230,000,000
<b>Total funds</b>	<b>4,697,851,658</b>	<b>3,902,980,830</b>
Total borrowings	0	0
Less: cash and bank balances	1,022,797,672	766,159,305
Net debt/(excess cash and cash equivalents)	(1,022,797,672)	(766,159,305)
<b>Gearing</b>	<b>0%</b>	<b>0%</b>

**1. Related Party Balances**

**Nature of related party relationships**

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

**Government of Kenya**

The Government of Kenya is the principal shareholder of the *Authority*, holding 100% of the *Authority's* equity interest. The Government of Kenya has provided full guarantees to all long-term lenders of the Authority, both domestic and external.

Other related parties include:

- i) The Parent Ministry;
- ii) County Governments;
- iii) Other SCs and SAGAs
- iv) Key Management;
- v) Board of Directors;

Kenya Maritime Authority  
Annual Reports and Financial Statements  
For the year ended June 30, 2025

34. Related Party Balances (Continued)

	2024-2025	2023-2024
	Kshs	Kshs
<b>Transactions with related parties</b>		
<b>a) Sales to related parties</b>		
Sales of electricity to Govt agencies	-	-
Rent Income from govt. agencies	-	-
Water sales to Govt. agencies	-	-
Others (Specify) e.g. Interest and Bank charges	-	-
<b>Total</b>	<b>-</b>	<b>-</b>
<b>b) Purchases from related parties</b>		
Purchases of electricity from KPLC	16,695,256	17,688,738
Purchase of water from Govt service providers	1,098,431	820,377
Rent expenses paid to Govt agencies	3,964,380	5,818,214
Training and conference fees paid to govt. agencies	10,936,500	9,745,520
Others (specify)		-
<b>Total</b>	<b>32,694,567</b>	<b>34,072,849</b>
<b>b) Grants /Transfers from the Government</b>		
Grants from National Govt	-	-
Grants from County Government	-	-
Donations in kind	-	-
<b>Total</b>	<b>-</b>	<b>-</b>
<b>c) Expenses incurred on behalf of related party</b>		
Payments of salaries and wages for xxx employees	-	-
Payments for goods and services for xxx	-	-
<b>Total</b>	<b>-</b>	<b>-</b>
<b>d) Key management compensation</b>		
Directors' emoluments	39,035,280	37,904,597
Compensation to key management	24,973,411	25,732,351
<b>Total</b>	<b>64,008,691</b>	<b>63,636,948</b>

2. Capital Commitments

Capital Commitments	2024-2025	2023-2024
	Kshs	Kshs
Authorised and contracted for	616,578,978	738,747,355
<b>Total</b>	<b>616,578,978</b>	<b>738,747,355</b>

**Kenya Maritime Authority**  
**Annual Reports and Financial Statements**  
**For the year ended June 30, 2025**

**3. Surplus Remission**

In accordance with Section 219 (2) of the Public Financial Management Act regulations, regulatory entities shall remit into Consolidated Fund, ninety per centum of its surplus funds reported in the audited financial statements after the end of each financial year. In line with this legal requirement the Authority remitted Kshs **190,927,336** (FY2023/2024)

The Surplus Remission has been computed as follows:

DESCRIPTION	2024-2025	2023-2024
	Kshs.	Kshs.
Surplus for the Year	1,055,764,425	792,365,735
Less: Allowable deductions by NT		
Purchase of Assets	- 765,241,730	(275,285,590)
Oil Spill & SAR Fund Transfer	-	-
Mortgage & Car Loan Guarantees	-	(20,000,000)
<b>Total Allowable deductions</b>	<b>- 765,241,730.00</b>	<b>(295,285,590)</b>
Realised Surplus Funds	290,522,695	497,080,145
<b>90% of Realised Surplus Funds</b>	<b>261,470,427</b>	<b>447,372,132</b>

**Surplus Remission Payable**

Description	2024-2025	2023-2024
	Kshs.	Kshs.
As at 1 July	206,862,452	360,084,682
Realised Surplus Funds	261,470,427	447,372,132
Paid during the year	(190,927,336)	(600,594,362)
<b>As at 30 June</b>	<b><u>277,405,543</u></b>	<b><u>206,862,452</u></b>

**4. Events After the Reporting Period**

There were no material adjusting and non- adjusting events after the reporting period.

**5. Ultimate and Holding Authority**

Kenya Maritime Authority is a State Corporation under the Ministry of Mining, Blue Economy and Maritime Affairs. Its ultimate parent is the Government of Kenya.

**6. Currency**

The financial statements are presented in Kenya Shillings (Kshs).

Kenya Maritime Authority  
 Annual Reports and Financial Statements  
 For the year ended June 30, 2025

35. APPENDICES

APPENDIX I: PROGRESS ON FOLLOW UP OF AUDITOR RECOMMENDATIONS

Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status:	Timeframe :
<b>Basis for Qualified Opinion</b>				
1.1	<p>The statement of Financial Performance and Note 15 to the financial statements reflect board expenses of Kshs.66,280,541. The expenditure incurred exceeded the approved capping of Kshs.30,000,000 by Kshs.36,280,541 (or 121%). Further, the approved budget for board expenses was Ksh.19,000,000 resulting in over expenditure of Kshs.46,487,096(or 245%) of the budget. This is contrary to the provisions Circular No.OP/CAB,9/1A of March 11,2020 which states that Board Expenses for a financial year shall be capped at Kshs.30 million or 5% of the operations and maintenance budget of the state corporation, whichever is less and any exceeding budgets shall require approval of the Cabinet Secretary from the National Treasury.</p> <p>In addition, as disclosed in the corporate governance section of the annual report, the Board held twenty five (25) meetings comprised of five(5) full Board sittings and twenty(20) special Board meetings. However, management did not provide for audit review approval of the extra sittings by the Cabinet Secretary in consultation with State Corporations Advisory Committee</p>			
1.2	The statement of financial performance and Note 16 to the			

**Kenya Maritime Authority  
Annual Reports and Financial Statements  
For the year ended June 30, 2025**

Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status:	Timeframe :
	<p>financial statements reflect repairs and maintenance expenses of Kshs . 7,404,302. The expenditure includes Kshs.4,151,661 incurred in respect to motor vehicles. However, the expenditure totalling to Kshs.1,447,661 was not supported with work tickets, pre-inspection and post inspection reports, Motor vehicles logbook(Gp55) entries and ETR Receipts for payments. In the circumstances, the accuracy and completeness of the repairs and maintenance expenditure of Kshs. 4,151,114 could not be confirmed</p>			
1.3	<p>The statement of financial performance and Note 15 of the financial statements reflect Board of Directors Costs of Kshs.66,280,541 which includes travel and accommodation expenditure of Kshs.38,811,092. Review of records provided for audit in support of travel and accommodation revealed that the Authority incurred Kshs.4,806,000 on taxi services for 177 days during the year covering a distance of 16,666 kilometres on the Board Chairperson’s travel. However the itinerates and activities were not supported by an approved Board work plan, invitations and justification for use of taxi services instead of the official vehicle allocated to the Board Chairperson. In the circumstance the propriety of the Board expenditure on travel and</p>			

Kenya Maritime Authority  
 Annual Reports and Financial Statements  
 For the year ended June 30, 2025

Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status:	Timeframe :
	accommodation of Kshs.38,811,092 could not be confirmed			

Director General

Date: 08/12/2025



**APPENDIX II: PROJECTS IMPLEMENTED BY KENYA MARITIME AUTHORITY**

Project Title	Project Number	Donor	Period/Duration	Donor Commitment	Separate Donor reporting required as per the Donor agreement (Yes/No)	Consolidated in these financial statements (Yes/No)
Lake Victoria Maritime Communication and Transport		N/A	4years		NO	NO
Kenya Maritime DataBank		N/A	3 years		NO	NO

**Status of Projects completion**

	Project	Total Project Cost	Total Expended To Date	Completion % To Date	Budget	Actual	Sources of Funds
1.	Kenya Lake Victoria Maritime Communication & Transport Project	1.6B	570M	18%	570M	570M	KMA
3	Kenya Maritime Data Bank	332M	18.5M	15%	120M	18	KMA

**APPENDIX III: INTER-AUTHORITY TRANSFERS**

ENTITY NAME:		KENYA MARITIME AUTHORITY		
<b>Break down of Transfers from the State Department for Shipping and Maritime</b>				
<b>FY 2024/2025</b>				
a.	Recurrent Grants			
		<u>Bank Statement Date</u>	<u>Amount (KShs)</u>	<u>Indicate the FY to which the amounts relate</u>
			-	N/A
			-	N/A
			-	N/A
		<b>Total</b>	-	N/A
b.	Development Grants			
		<u>Bank Statement Date</u>	<u>Amount (KShs)</u>	<u>Indicate the FY to which the amounts relate</u>
		-	-	N/A
		<b>Total</b>	-	
c.	Direct Payments			
		<u>Bank Statement Date</u>	<u>Amount (KShs)</u>	<u>Indicate the FY to which the amounts relate</u>
			-	N/A
			-	N/A
			-	N/A
		<b>Total</b>	-	N/A
d.	Donor Receipts			
		<u>Bank Statement Date</u>	<u>Amount (KShs)</u>	<u>Indicate the FY to which the amounts relate</u>
			-	N/A
			-	N/A
			-	N/A
		<b>Total</b>	-	N/A

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

Finance Manager  
Kenya Maritime Authority

Sign -----

Head of Accounting Unit  
Ministry of Mining, Blue Economy and  
Maritime Affairs

Sign-----

**APPENDIX IV: TRANSFERS FROM OTHER GOVERNMENT ENTITIES**

Name of the MDA/Donor Transferring the funds	Date received			Where Recorded/recognized					
	as per bank statement	Nature: Recurrent/ Development/Others	Total Amount - KES	Statement of Financial Performance	Capital Fund	Deferred Income	Receivables	Others - must be specific	Total Transfers during the Year
Ministry of Mining, Blue Economy and Maritime Affairs	-	-	-	-	-	-	-	-	-
<b>Total</b>			-	-	-	-	-	-	-

**APPENDIX V- INTER-ENTITY CONFIRMATION**

*Kenya Maritime Authority*

The Kenya Maritime Authority wishes to confirm the amounts disbursed to you as at 30<sup>th</sup> June 2025 as indicated in the table below. Please compare the amounts disbursed to you with the amounts you received and populate the column E in the table below Please sign and stamp this request in the space provided and return it to us.

Confirmation of amounts received by Kenya Maritime Authority as at 30 <sup>th</sup> June 2025							
Reference Number	Date Disbursed	Amounts Disbursed by Kenya Maritime Authority (KShs) as at 30th June 2025				Amount Received by [beneficiary Entity] (KShs) as at 30 <sup>th</sup> June 2025 (E)	Differences (KShs) (F)=(D-E)
		Recurrent (A)	Development (B)	Inter-Ministerial (C)	Total (D)=(A+B+C)		
Total							

In confirm that the amounts shown above are correct as of the date indicated.

**Head of Accountants department of beneficiary Entity:**

Name ..... Sign .....Date .....

**APPENDIX VI: REPORTING OF CLIMATE RELEVANT EXPENDITURES**

Kenya Maritime Authority  
 (254) 041 2318398/9  
 ir.fo@kma.go.ke  
 C<sup>o</sup>A Omae NYARANDI

Name and contact details of contact person (in case of any clarifications) .....N/A.....

There were no projects with climate relevant expenditures during the Financial Year.

Project Name	Project Description	Project Objectives	Project Activities					Source Of Funds	Implementing Partners
				Q1	Q2	Q3	Q4		

**APPENDIX VII: DISASTER EXPENDITURE REPORTING**

Date: 30 June 2025  
**Kenya Maritime Authority**

<b>Period to which this report refers (FY)</b>	<b>Year</b> 2024/2025			<b>Quarter</b>		
<b>Name of Reporting Officer</b>	CPA Omae NYARANDI					
<b>Contact details of the reporting officer:</b>	<b>Email</b> info@kma.go.ke			<b>Telephone</b> 0724319344		
Column I	Column II	Column III	Column IV	Column V	Column VI	Column VII
Programme	Sub-programme	Disaster Type	Category of disaster related Activity that require expenditure reporting (response/recovery/mitigation/preparedness )	Expenditure item	Amount (Kshs.)	Comments