

Kenya Ports Authority

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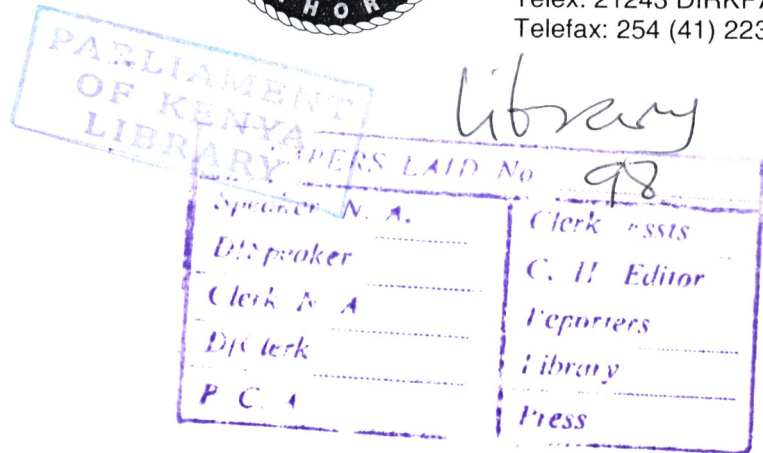


Office of the Managing Director

FGM/2/3/02

14th December, 2006

The Hon. Minister
Ministry of Transport
P.O. Box 52692
NAIROBI



Dear Sir,

RE: KENYA PORTS AUTHORITY ACCOUNTS **FOR THE YEAR ENDED 30TH JUNE 2005**

On behalf of the Board of Directors of Kenya ports Authority, I have the honor to present the audited financial statements of accounts for the period ended 30th June 2005 in accordance with the provision of section 20(3) of the Kenya ports Authority Act, 1978.

In conformity with provisions section 20(2) of the same Act, the statement of Accounts were in October 2005 submitted to the Auditor General (Corporations) for Audit.

Yours faithfully,

Abdallah H. Mwaruwa
MANAGING DIRECTOR

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KENYA NATIONAL AUDIT OFFICE

REPORT OF THE CONTROLLER AND AUDITOR GENERAL ON THE FINANCIAL STATEMENTS OF KENYA PORTS AUTHORITY FOR THE YEAR ENDED 30 JUNE 2005

I have audited the financial statements of Kenya Ports Authority for the year ended 30 June 2005 in accordance with the provisions of Section 14 of the Public Audit Act, 2003. 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. The financial statements are in agreement with the books of account.

Respective Responsibilities of the Directors and the Controller and Auditor General

As set out in the statement of directors' responsibilities, the directors are responsible for the preparation of financial statements which give a true and fair view of the Authority's state of affairs and its operating results. My responsibility is to express an independent opinion on the financial statements based on my audit.

Basis of Opinion

The audit was conducted in accordance with the International Standards on Auditing. Those Standards require that the audit be planned and performed with a view to obtaining reasonable assurance that the financial statements are free from material misstatement. An audit includes an examination, on a test basis, of evidence supporting the amounts and disclosures in the financial statements. It also includes an assessment of the accounting policies used and significant estimates made by the directors, as well as an evaluation of the overall presentation of the financial statements. I believe the audit provides a reasonable basis for my opinion.

Comments

1. Assets Write Offs - Kshs.1,599,647,223

As disclosed in note 3(a) to the financial statements the fixed assets balance of Kshs.14,526,356,792 is net of assets written off valued at Kshs.1,599,647,223. The assets written off include Kshs.761,121,098 being the accumulated cost under Berthing tugs. However, the Authority traded in six (6) Berthing tugs at a cost of Euros 635,000 (Kshs.53,975,000) with an international company through

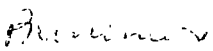
open international public tendering. The Kenya Ports Authority has not justified the decision to write off the expenditure totalling Kshs.761,121,098. Similarly, the write off includes an expenditure of Kshs.40,363,347 for consultancy services for which the anticipated projects did not take off. No explanation has been given for failure of the projects to take off. In view of the foregoing, it has not been possible to ascertain that the amount written off amounting to Kshs.1,599,647,223 has been prudent or the effect that the amount written off has on the reported profits.

2. Work-In-Progress

Included in Work-In-Progress figure of Kshs.5,431,442,586 (2004-Kshs.4,083,922,699) are projects valued at Kshs.13,184,998 completed more than three (3) years ago that have not been capitalized as completion certificates have not been issued. Under the circumstances, I am unable to confirm that the carrying values in the financial statements reflect the fair values of work in progress as at the balance sheet date.

Opinion

Except for any adjustments that might be necessary arising from the matters referred to above, in my opinion, proper books of account have been kept and the financial statements give a true and fair view of the state of the financial affairs of the Authority as at 30 June 2005 and of its profit and cash flow for the year then ended and comply with Kenya Ports Authority Act (Cap 391 of the laws of Kenya)


P. N. KOMORA
CONTROLLER & AUDITOR GENERAL

Nairobi

13 September 2006

REPUBLIC OF KENYA

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NAROI

KENYA NATIONAL AUDIT OFFICE

REPORT OF THE CONTROLLER AND AUDITOR GENERAL ON THE
FINANCIAL STATEMENTS OF KENYA PORTS AUTHORITY FOR THE YEAR
ENDED 30 JUNE 2005



KENYA PORTS AUTHORITY

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KENYA PORTS AUTHORITY

VISION, MISSION AND OBJECTIVES

VISION

To be rated among the top twenty ports in the world in terms of reputation and performance by the year 2010.

MISSION

To facilitate sea-borne trade in the most efficient manner by progressively benchmarking against international standards

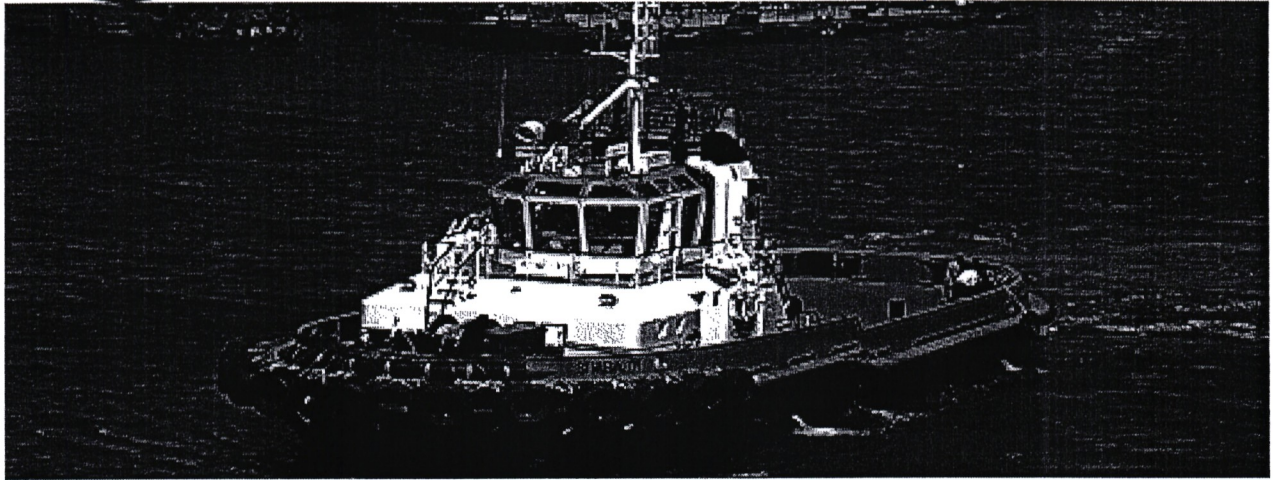
KEY OBJECTIVES

The following are key objectives of Kenya Ports Authority:-

- To maintain and enhance financial performance of the Authority
- To enhance customer satisfaction through attainment of operating indicators
- To finalize policy and regulatory framework review
- To complete approved infrastructural developments
- To align staff complement to organizational needs
- To manage business risks



KENYA PORTS AUTHORITY



CORPORATE GOVERNANCE

Corporate governance is the process by which companies are directed, controlled and held to account. The Authority applies corporate governance to direct and manage its business affairs towards enhancing prosperity and corporate accounting with the ultimate objective of realizing goals.

The Board of Directors is responsible for the Authority's corporate governance in all its operations and ensures adhere to the best business practices in providing services to our customers.

The Board achieves this through:

Regular and Special Board meetings

Performance trends are analyzed and Management is directed on the best action plans.

COMMITTEES OF THE BOARD

Subject to fundamental, strategic, policy and formal matters reserved for its decision, the Board has delegated some of its responsibilities to a number of Standing Committees which operate within defined terms of reference laid down by the main Board. The Board currently has four Standing Committees as highlighted below.

Governance and Risk Management Committee

This Committee will primarily focus on good corporate governance, business risk management and corporate strategy. It also sits quarterly or as required.

Corporation Tender Committee

Corporation Tender Committee was set up under the provisions of Public Procurement Act to guide tendering procedures in state corporations. It has a lateral responsibility to the main Board and meets as the need arises.

Finance and Asset Management Committee

This Committee meets six times in a year or so as required. It monitors the overall financial and operational performance. It is also charged with the responsibility of making sure that the best accounting practices are adhered to in conformity with International Financial Reporting

Human Resource Committee

This Committee also sits four times in a year or as required. Its primary responsibility is to look into the human resource aspects, particularly those that touch on remuneration and other staff matters.

MANAGEMENT COMMITTEES

Management Committees are applied in a similar fashion. Currently, the Authority operates four Standing Management Committees under specific terms of reference.

Included here are:

- Executive Management Committee
- Corporate Training Committee
- Land Use Development Committee
- Tariff Interpretation Committee

There are also several ad-hoc Management Committees formed by Management from time to time as the need arises.



KENYA PORTS AUTHORITY

CHAIRMAN'S STATEMENT

I am pleased to report that Kenya Ports Authority registered excellent result during the year ended 30th June 2005. The Authority was able to exceed all key financial and traffic indicators by large margins.

Profit before tax registered a record growth of 72% from Kshs. 1.8 billion in 2004 to Kshs. 3.1 billion in the year under review. This growth was made possible by a remarkable increase in cargo volumes, both for domestic and transit markets.

At 13.9 million DWT and 438,000 TEUs, total throughput exceeded the budget by 20%. The highest growth of 36% was recorded in containerized cargo where ongoing efforts to upgrade and modernize our container handling and operational capabilities in all aspects have started bearing fruits.

In line with the strategic road map of the Authority, significant strides in capital replacement program were made during the year. In particular, state-of-the-art crafts, cranes and tractors were acquired with the assistance of a consortium loan. We will also continue to invest in computerization, including traffic management and community based systems in order to enhance documentation clearance.

Whilst economic growth in the hinterland recorded an average growth of 4.5% pa, the Authority's growth in key areas was in the region of 15%. This expansion would not have been possible without the contribution of customers, shipping-related service providers and stakeholders, both public and private. We wish to thank them for their invaluable input and support.

The Authority has been particularly receptive to the principles of performance contract as part of the wider change management in state corporations. It is encouraging to report that all the financial, planning and dynamic targets Stipulated in the Contract, which KPA and 15 other state corporations piloted, were surpassed.



KENYA PORTS AUTHORITY

I am also pleased to note, as I join the Board of Directors as Chairman, that appreciable progress has been made towards the adoption of the Authority's Master plan, its roadmap to the year 2030. Subject to Cabinet approval, the Master Plan has been received with very encouraging observations during the roll-out presentations to the public and members of staff.

As we look forward to another year under performance contract, we will endeavor to take every opportunity and tackle the challenges ahead in order to achieve our vision.

Finally, I wish to thank my fellow Board Members, Management and Staff for their contribution during the year under review.



General J. R. Kibwana, EGH CBS
CHAIRMAN

15 June 2006



KENYA PORTS AUTHORITY

BOARD OF DIRECTORS

The directors who served the Authority during the year are:

Directors:

General J. R. Kibwana, EGH, CBS	Chairman (appointed Aug, 2005)
Major General (Retired) A.A Rafrouf	Chairman (retired 1 April, 2005)
Mr. Brown Ondego MBS	Managing Director (retired Jan 06)
Mr. Abdallah H. Mwaruwa	Managing Director (w.e.f. Jan 06)
Dr. Gerrishon K. Ikiara, MBS	Director (PS Ministry of Transport)
Mr. Joseph Kinyua, CBS	Director (PS Ministry of Finance)
Mr. Michael K. Mure	Director
Mr. Muturi Kigano	Director
Mr. Musyoki Muoki	Director
Mr. Erick N. Konchela	Director
Mr. Komora M. Jilo	Director
Eng. Vitalis A. Ong'ong'o	Director (MD Kenya Railways)

Alternate Directors and Advisors:

Hon. Amos Wako, EGH EBS MP	Attorney General
Mrs. C. Kimura	Alt. to PS Treasury (Up to 1 Apr, 05)
Ms. Esther Koimett	Alt. to PS Treasury (from 2 Apr, 05)
Mr. G. G. Irungu	Alternate Director to PS, MOT

Corporation Secretary:

Ms. Muthoni Gatere	Corporation Secretary
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Registered Office

KPA Headquarters, Kipevu
Po Box 95009 MOMBASA

Auditors

Kenya National Audit Office
P.O BOX 49384 NAIROBI





KENYA PORTS AUTHORITY

REPORT OF THE DIRECTORS:

The Directors present their report together with the financial statement for the year ended 30th June, 2005.

The Principal activities of the Authority are provision of port cargo handling facilities and services in accordance with KPA Act CAP 391.

FINANCIAL RESULTS:

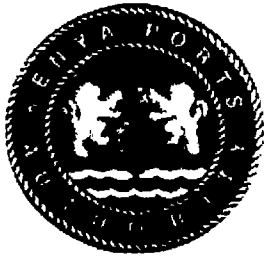
	Kshs
Profit after tax	1,791,340,938
Proposed dividend	405,000,000

Retained profit	1,386,340,938

DIVIDEND:

The Directors recommend a dividend of Kshs 405 million for the year. This dividend will be paid on or about 30th September 2005 in line with the provisions of the Authority's Performance Contract for 2004-2005.





KENYA PORTS AUTHORITY

DIRECTOR'S RESPONSIBILITIES

It is the responsibility of the Directors to prepare financial statements that give a true and fair view of the state of affairs of the Authority as at the end of the financial year and of the profit or loss and cash flow for the year. In preparing those financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently
- make judgments and estimates that are reasonable and prudent
- state whether applicable accounting standards have been followed
- prepare the financial statements on the going concern basis unless it is inappropriate to presume the Authority will continue in business

The Directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the Authority. They are also responsible for safeguarding the Assets of the Authority and hence taking reasonable steps for the prevention and detection of fraud and other irregularities.

The Directors do hereby accept responsibility for the annual financial statements, which have been prepared in conformity with the International Financial Reporting Standards. Nothing has come to the attention of the directors to indicate that the Authority will not remain a going concern in the foreseeable future.

A large, stylized handwritten signature in black ink, belonging to General J.R. Kibwana.

General J.R. Kibwana, EGH, CBS
CHAIRMAN

Thursday, June 15, 2006

A handwritten signature in black ink, belonging to Abdallah H. Mwaruwa.

Abdallah H. Mwaruwa
MANAGING DIRECTOR



KENYA PORTS AUTHORITY

REPORT OF THE AUDITORS



KENYA PORTS AUTHORITY

PROFIT & LOSS ACCOUNT

FOR THE YEAR ENDED 30 JUNE 2005

	NOTE	2005	2004
		Kshs	Kshs
INCOME	2	13,669,405,267	10,282,304,823
EXPENDITURE	2	<u>10,553,537,927</u>	<u>8,527,870,525</u>
PROFIT BEFORE TAXATION		3,115,867,340	1,754,434,298
TAXATION	10	<u>1,324,526,402</u>	<u>1,021,357,164</u>
PROFIT AFTER TAX		<u>1,791,340,938</u>	<u>733,077,134</u>




KENYA PORTS AUTHORITY

BALANCE SHEET AS AT 30 JUNE 2005

ASSETS:	NOTE	2005	2004
		Kshs	Kshs
Non Current Assets			
Fixed Assets	3a	14,526,356,792	12,231,321,421
Work in Progress	3b	5,431,442,586	4,083,922,699
Long Term Investments	4	786,670,352	634,875,388
		20,744,469,730	16,950,119,508
Current Assets			
Short Term Investments	4	2,618,511,437	25,462,474
Stocks	5	296,183,944	606,984,316
Debtors	6	1,974,576,118	1,823,618,944
Prepayments & Accrued Income	7b	5,405,205	13,773,442
Cash & Bank	7a	642,812,088	1,887,790,258
		5,537,488,792	4,357,629,434
TOTAL ASSETS		26,281,958,522	21,307,748,942
LIABILITIES			
Capital and Reserves			
General Reserves	13	(2,690,544,480)	(4,446,132,472)
Capital Reserves	13	15,759,726,492	15,759,726,492
Currency Fluctuation	13	(21,038,891)	(264,129,693)
		13,048,143,121	11,049,464,327
Non-Current Liabilities			
External Debt		3,472,033,112	1,024,842,360
Accrued Pension Liability	1 (h)	6,883,951,798	7,318,949,355
		10,355,984,910	8,343,791,715
Current Liabilities			
Creditors	8	1,040,549,672	1,180,857,826
Tax	10	218,303,702	260,783,749
Proposed dividends	1k	405,000,000	
External Debt: Current portion	9	1,213,977,117	472,851,325
		2,877,830,491	1,914,492,900
TOTAL CAPITAL & LIABILITIES		26,281,958,522	21,307,748,942


General (Ret) J.R. Kibwana, EGH, CBS
CHAIRMAN


Abdallah H. Mwaruwa,
MANAGING DIRECTOR

KENYA PORTS AUTHORITY

CASH FLOW FOR THE YEAR ENDED 30 JUNE 2005

	2005	2005	2004	2004
	Kshs.	Kshs.	Kshs.	Kshs.
1 OPERATING ACTIVITIES				
Operating profits before tax		3,115,867,340		1,754,434,298
Add/Deduct				
1.2 Depreciation	1,670,371,458		1,039,099,461	
1.3 Write off fixed assets	654,068,392		963,508,588	
1.4 Write off trade debtors	65,087,960			
1.5 Write off other debtors	10,368,310			
Loss on stock			9,312,251	
Interest recognized reinvested			-28,435,323	
1.6 Write off stock	317,643,956			
1.7 Loss on foreign exchange	62,106,880		329,868,044	
1.8 Interest provision Accrued	167,423,096		50,453,929	2,363,806,950
		2,947,070,052		
Net Cash Generated From operations		6,062,937,392		4,118,241,248
Working Capital Changes				
2.1 Decrease in stocks	310,800,372		82,187,590	
2.2 Prepayments	8,368,237		1,038,423,418	
2.3 Increase in Debtors	-150,957,174		-94,250,434	
2.4 Decrease/increase in creditors	-140,308,154		144,359,766	
		27,903,281		1,170,720,340
Net cash from operating activities		6,090,840,673		5,288,961,588
2.5 Tax paid	-1,324,113,824		1,392,112,670	
Dividends paid			-300,000,000	
2.6 Interest paid	-291,732,834			
2.7 Pension Paid	-434,997,557		-425,052,315	
Net cash out flow		-2,050,844,215		2,117,164,985
5 Investing Activities				
5.1 Capital Works	-5,820,185,368		1,790,598,041	
5.2 Direct acquisition/Capitalization	-60,056,840		-344,057,575	
		-5,880,242,208		-2,134,655,616
6 Financing Activities				
6.1 Repayment of long term loans	-1,715,832,431		-690,232,228	
6.2 Bank loan	4,904,148,974		0	
6.3 Additions on long term investment			-79,602,081	
Retirement long term investments			37,325,820	
		3,188,316,543		-732,508,489
NET INCREASE IN CASH & CASH EQUIVALENTS		1,348,070,793		304,632,498
Cash and cash equivalents as at 01.07.2004		1,913,252,732		1,608,620,234
Cash and cash equivalents as at 30.06.2005		3,261,323,525		1,913,252,732



KENYA PORTS AUTHORITY

STATEMENT OF CHANGES IN EQUITY: 30 JUNE 2005

RESERVES	CAPITAL RESEVES KSHS.	GENERAL RESERVES KSHS.	FOREIGN CURRENCY RESERVES KSHS.	TOTAL KSHS.
Balance as at 01/07/2003	15,759,726.492	(5,730,232,683)	(151,938,949)	9,877,554,860
Forex movement			(112,190,744)	(112,190,744)
Adjustments		937,116,084	-	937,116,084
Dividend		(386,093,007)	-	(386,093,007)
Retained Earnings		733,077,134	-	733,077,134
Balance as at 30/06/2004	15,759,726,492	(4,446,132,472)	(264,129,693)	11,049,464,327
Balance as at 01/07/2004	15,759,726,492	(4,446,132,472)	(264,129,693)	11,049,464,327
Profit after tax		1,791,340,938		1,791,340,938
Dividends		(405,000,000)		(405,000,000)
Forex account			243,090,802	243,090,802
Fixed assets adjustments		35,752,946		35,752,946
BALANCE AS AT 30.06.2005	15,759,726,492	(2,690,544,480)	(21,038,891)	13,048,143,121



KENYA PORTS AUTHORITY

1. ACCOUNTING POLICIES

Principal Accounting Policies adopted in the preparation of the financial statements are set out below:

a) Basis of Accounting

The financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS). The financial statements have been prepared on the historical cost basis of accounting as modified by the revaluation of certain fixed assets.

b) Revenue Recognition

- (i) Revenue is recognized at the time of billing while interest income is accrued on a time basis by reference to the principal outstanding and the effective interest rate applicable.
- (ii) Expenditure is recognized when the Authority is invoiced. Expenditure which can be ascertained is accrued at year-end.

c) Leasehold property

Leased assets have not been amortized since they are infinite in life and the monthly amortization is not material.

d) Foreign currency transactions

Foreign currency items are expressed in Kenya Shillings at the rate of exchange ruling at the balance sheet date. Transactions during the year are accounted for at the rates ruling when the transactions took place. The resultant realized profit or losses are dealt with in the profit and loss account, the unrealized gain and losses are adjusted through a currency fluctuation account.



e) Debtors

Debtors are recognized at cost. A general provision of 5% has been made on the trade debtors' balance to cater for the doubtful debts.

f) Stocks

Stocks are recognized at the lower of current cost and net realizable value. A provision of 5% of the stock value has been made to cater for losses arising from deterioration and obsolescence of store stocks.

g) Investments

The Authority recognizes its investment at cost. Provision for impairment is only made where management is of the opinion that the historical cost does not reflect the fair market values. Interest is recognized as and when earned.

h) Retirement Policy

Provisions have been made to meet contributions to staff Pension Scheme. The Authority operates a defined benefits scheme for its employees. The Scheme is administered by a Board of Trustees and is funded by contributions from both the Authority (as the Sponsor) and the employees. Contributions to the Scheme are charged to profit and loss account in the year to which they relate.

i) Cash and cash equivalents

For purposes of Cash flow statement, cash and cash equivalents comprise cash in hand, deposits held at call and Treasury Bills with maturity of 91 days.

j) Taxation

Income tax expense represents the sum of current tax payable and deferred taxation.

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



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

Currently enacted tax rates are used to determine deferred income tax.

k) Dividend policy

Dividend is charged on profit after tax at the predetermined rate as agreed by the shareholder under performance contract.

l) Comparatives

Where applicable comparatives have been restated to conform to changes in presentation

m) Fixed assets and Depreciation

Fixed assets are stated at cost or valuation less accumulated depreciation. Fixed assets in the books as at 30th June 1994 were revalued by Tyson's Ltd, registered property valuers. The Authority revalues assets as and when Management deems it necessary.

Depreciation is calculated on the straight line basis at annual rates estimated to write off the carrying values of the assets over their expected useful lives. The annual rates used are stated below:-

Computers and software capitalized during the year were subjected to depreciation over a period of 3 years. But those capitalized prior to 30th June 2004 were depreciated over a period of 5 years.



KENYA PORTS AUTHORITY

DEPRECIATION RATES **FOR THE YEAR ENDED 30 JUNE 2005**

	No of years	Rate (%)
Dredging	40	2.5
Building	40	2.5
Rail Lines	40	2.5
Roads	40	2.5
Quays	40	2.5
Cranes	20	5
Forklift Trucks	5	20
Tractors	5	20
Vehicles	5	20
Tugs	20	5
Telecom Equipment	10	10
IT software and equipment	3	33.3
Boats	10	10

KENYA PORTS AUTHORITY

DETAILED PROFIT AND LOSS ACCOUNT: 30 JUNE 2005

	Notes	2005		2004	
		Kshs	Kshs	Kshs	Kshs
REVENUE	2a		12,443,528,032		9,660,256,820
Operating expenditure					
Establishment Expenses	2b(i)	4,511,934,222		4,442,153,492	
Administrative Expenses	2b(ii)	355,501,348		284,093,502	
Other Operating Expenses	2b(iii)	3,087,347,155	7,954,782,725	2,092,457,064	6,818,704,058
Gross Operating Profit			4,488,745,307		2,841,552,762
Non Operating Income	2a(i)		1,225,877,235		622,048,003
Profit before Finance Costs			5,714,622,542		3,463,600,765
Finance & Legal Costs	2c&d		2,598,755,202		1,709,166,467
Profit before Tax			3,115,867,340		1,754,434,298
Tax for year	10		1,324,526,402		1,021,357,164
Profit after tax			1,791,340,938		733,077,134
Dividends		405,000,000			386,093,007
Retained Earnings			1,386,340,938		346,984,127



KENYA PORTS AUTHORITY

DETAILED NOTES TO THE FINANCIAL STATEMENTS

PROFIT & LOSS ACCOUNT:

Note 2a: Operating Revenue

	<u>2005</u> Kshs	<u>2004</u> Kshs
PILOTAGE	183,725,072	169,252,805
TUG SERVICES DUES	311,610,589	284,433,416
MOORING	37,876,385	33,923,123
NAVIGATIONAL DUES	52,153,416	46,362,068
PORT DUES	169,781,008	155,686,479
DOCKAGE	199,831,097	178,613,899
FRESH WATER - NORMAL	5,323,285	3,418,403
LAID UP VESSELS	2,394,322	3,295,630
STEVEDORING	3,488,636,099	3,019,879,980
HIRE OF LABOUR/EQUIPMENT	51,239,595	53,101,427
HANDLING OF EMPTY CONTAINERS	452,142,426	412,078,035
HANDLING OF FULL CONTAINERS	373,013	77,551
SHOREHANDLING	4,666,206,330	3,957,270,199
REMOVAL CHARGES	166,501,060	127,312,899
CONTAINER STRIPPING/STUFFING	5,791,053	10,283,641
CUSTOMS WAREHANDLING CHARGES	348,664,070	318,382,624
STORAGE OF GENERAL CARGO	198,440,125	173,718,337
STORAGE - EMPTY CONTAINERS	4,625,731	19,384,357
STORAGE-FULL CONTAINERS	2,079,751,661	671,705,350
JETTY FEES	758,580	895,962
LICENCES	1,977,150	248,470
CREW LIST	43,560	13,540
OTHER REVENUE	7,470,921	11,779,101
MARINE CHARGES	2,113,661	944,022
SALE OF FRESH WATER	1,073,040	675,054
OTHER MISCELLANEOUS REVENUE	5,024,782	7,606,548
	12,443,528,032	9,660,256,820



KENYA PORTS AUTHORITY

Note 2a(i) : Non-Operating Revenue

	2005	2004
	Kshs	Kshs
RENT & RATES RECEIVABLE	100,698,959	106,651,265
BANDARI COLLEGE	34,014,674	24,784,131
RECOVERY FROM HOUSED EMPLOYEES	115,147,102	60,353,860
P/L - SALE OF SURVEYED STOCK	4,342,205	1,077,535
SALE OF PASSES	35,847,027	26,759,285
SALE OF BOOKS AND DOCUMENTS	5,294,591	9,839,712
SUNDRY INCOME	52,311,350	245,850,652
K. S. A. EXPORT EARNINGS	0	13,912,688
RENT FROM LEASED HOUSES	0	159,798
REALISED FOREIGN EXCHANGE GAIN	130,557,718	23,852,620
UNREALISED FOREIGN EXCHANGE GAIN	528,923,123	0
PRICE DIFFERENCE GAIN	346,162	31,230
INVENTORY DIFFERENCE GAIN	497,330	39,363,205
INTEREST ON STAFF LOANS	21,941,495	28,863,133
BANK INTEREST EARNINGS	195,955,499	40,548,890
	1,225,877,235	622,048,004

Note 2b(iii) : Utilities

	2005	2004
	Kshs.	Kshs
ELECTRICITY SERVICES	99,550,324	89,850,191
TELEPHONE/TELEX/FAX SERVICES	41,055,973	37,528,896
WATER SUPPLY SERVICES	55,444,537	47,557,726
CITY & MUNICIPAL COUNCIL RATES	34,435,821	41,397,103
OFFICE RENTAL-KAMPALA	1,597,180	2,223,782
	232,083,835	218,557,699



KENYA PORTS AUTHORITY

Note 2b(i) Establishment Expenses

	2005	2004
	Kshs.	Kshs.
BASIC SALARY	1,690,193,219	1,474,860,189
TOOLS ALLOWANCE	55,340	352,208
SURVEY ALLOWANCES	818,999	525,544
OVERTIME	601,228,312	647,239,963
STAFF ALLOWANCES	320,153,762	458,340,891
WAGES CASUALS	109,588,150	104,696,404
OVERTIME CASUALS	64,605,822	59,758,555
NORMAL STAFF HOUSING	620,291,299	667,227,401
LEASED STAFF HOUSING	48,591,009	1,139,629
HOUSEHOLD EQUIPMENTS	148,154	42,109
SPECIAL ACCOMMODATION	4,925,133	2,494,986
DUTY TRAVEL	198,801,140	146,057,277
DUTY TRAVEL	61,720	4,055,441
LEAVE TRAVEL	82,687,928	83,466,628
MOTOR MILEAGE	86,004,689	72,569,336
STAFF PENSION	406,400,302	404,578,745
STAFF GRATUITY	18,457,330	18,877,932
PROVIDENT FUND	0	1,576
LONG SERVICE AWARDS	5,342,957	6,411,278
SOCIAL SECURITY	8,753,371	9,055,447
MEDICINES	82,542,344	72,476,997
REFERRALS	35,296,389	44,419,623
HOSPITAL BILLS	57,866,367	54,170,368
X-RAY COSTS	7,081,845	6,144,243
LABORATORY SERVICES	2,322,098	1,517,692
FIRST AID	2,591,949	2,649,403
FIRST AID	0	36,125
AMBULANCE SERVICES	26,200	2,700
PRESERVATION CHARGES	332,750	222,500
MEDICAL EDUCATION EXPENSES	1,744,541	2,830,387
STAFF HOUSES REPAIR	50,489,044	87,321,703
INCENTIVE SCHEME	3,196,502	1,649,229
AIDS TREATMENT	1,335,560	6,961,052
	4,511,934,222	4,442,153,492



KENYA PORTS AUTHORITY

Note 2b. (ii) : Administrative Expenses

	2005	2004
	Kshs	Kshs
LIBRARY & ARCHIVES	2,382,537	2,482,763
NURSERY SCHOOLS	650,000	367,416
LAUNDRY	339,351	340,027
PROVISIONS & CATERING	3,050,333	3,199,695
CLEANING OF CARPETS & CURTAINS	1,084,235	441,713
ARCHIVAL EXPENSES	0	13,445
DIRECTORS ALLOWANCES	18,000	0
FURNITURE & EQUIPMENT	23,533,915	10,861,073
PRINTING & STATIONERY	40,867,957	38,788,431
STAMP FRANKING & COURIER SERV.	1,509,211	1,187,671
PHOTOCOPYING SERVICES	2,484,437	2,110,113
OFFICE EQUIPMENT AND CONSUMABLES	10,253,967	10,306,358
ENTERTAINMENT ALLOWANCE	3,238,783	3,735,377
CLUB MEMBERSHIP FEES	1,527,571	936,805
PRINTING MATERIALS	41,162,811	41,797,147
EXTERNAL SERVICES MAJOR	112,084,148	60,087,950
EXTERNAL SERVICES MINOR	232,775	374,859
RETIRES ENTERTAINMENT EXPENS	5,000	0
POLICE SERVICES	4,353,148	4,404,830
SECURITY GUARDS SERVICES	35,797,162	36,388,161
PORT PASSES	9,445,182	13,197,441
RADIO SERVICES	927,839	405,882
EQUIPMENT	161,250	0
OUTREACH	14,252,212	14,686,228
DONATIONS	3,577,210	5,637,666
VALUE ADDED TAX EXPENDITURE	42,598,315	32,342,452
	355,501,348	284,093,502



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Note 2b (iii) : Personnel and Public Relations Costs

	2005 Kshs	2004 Kshs
PUBLICITY & ADVERTISING	21,841,020	27,389,003
SUBSCRIPTIONS & DONATIONS	5,831,730	3,035,312
GUEST HOUSE COSTS	366,533	343,278
HIRE OF TRANSPORT FOR VIPs	59,068	0
HIRE OF COM. BUS SERVICE	19,486,557	20,186,367
AGRICULTURAL SOCIETY OF KENYA SHOWS	10,061,094	8,698,440
KENYA COMMUNICATION SPORTS ORGANIZATION	4,090,933	3,711,370
OTHER SPORTS	9,137,878	2,464,517
WELFARE	18,189,144	17,211,668
INDUSTRIAL RELATIONS COSTS	1,903,788	2,389,080
DEVELOPMENT STUDIES	64,930,354	17,800,150
CONSULTANT FEES	7,116,965	827,296
TRAINING - BANDARI COLLEGE	45,000	0
TRAINING - OTHER LOCAL	30,936,852	19,333,495
TRAINING - ESAMI, ARUSHA	9,990	200,220
TRAINING - OTHER ABROAD	40,736,375	62,479,427
TRAINING -Industr.ATTACHMENT	1,100,660	1,537,200
TRAINING LEVY	2,098,565	1,932,675
TRAINEES ACCOMMODATION COSTS	0	60,249
CONFERENCES & SEMINARS	649,445	948,215
CONFERENCES & SEMINARS	0	817,673
CURRICULUM DEVELOPMENT	4,753,334	5,320,828
TRADE TESTING MATERIALS	86,500	198,300
RECRUITMENT COSTS	3,621,449	2,597,593
ACCOMMODATION COSTS	3,635,847	5,376,052
RETIRES TOKEN GIFTS	7,307,428	3,797,752
RETIRES TRAVEL WARRANTS	8,588,998	7,550,785
RETIRES PERSONAL EFFECTS COST	22,690,978	19,603,144
MARKETTING ALLOWANCE	262,875	1,300,512
	289,539,358	237,110,602



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Note 2b (iii) Maintenance Costs.

	2005	2004
	Kshs	Kshs
HARDWARE BUILDING MAINTENANCE	138,393,084	195,515,050
HIGHWAY MAINTENANCE	2,662	0
RUNNING STORES	968,100	1,478,324
MARINE SPARES	7,976,989	14,320,476
DIVING & SIGNAL EQUIPMENT	449,585	181,746
BUOYS	3,866,715	371,000
ANTI-POLLUTION MATERIALS	1,074,183	2,173,804
ANTI-POLLUTION MATERIALS	0	12,088
FLOWERS & PLANTS	708,491	1,148,630
THIRD PARTY REPAIRS-ACCIDENTS	40,413	7,500
CRANE SPARES	110,779,128	9,435,916
CRANE SPARES	88,607	125,166
FUEL	213,984,510	172,562,829
OILS	23,591,766	24,916,114
LUBRICANTS AND CLEANISING AGENTS	4,325,761	1,738,259
GAS CUTTING AND WELDING SUPPLIES	3,016,409	4,134,817
GAS CUTTING AND WELDING SUPPLIES	2,604	0
UNIFORMS & CLOTHING	12,938,279	29,542,133
CLEANING IMPLEMENTS AND DETERGENTS	11,325,985	4,194,359
WORKSHOP TOOLS AND EQUIPMENT	10,283,414	7,242,741
WORKSHOP TOOLS AND EQUIPMENT	25,400	0
COMMUNICATION & EQUIPMENT SPARES	6,230,210	2,149,372
MEDICAL EQUIPMENT	13,281,292	4,137,820
REPAIR OF OFFICE MACHINES	69,051	218,165
STORES MAINTENANCE	8,720	22,243
REPAIRS: PORT INFRASTRUCTURE WORK	106,152,426	26,001,387
MOBILE PLANT SPARES	84,746,354	44,482,801
MOBILE PLANT SPARES	617,419	330,471
ELECTRICAL SPARES	14,202,681	9,673,402
TYRES AND TUBES	52,517,292	29,512,912
TYRES AND TUBES	460,100	0
REFRIGERATION AND AIR CONDITIONING	2,964,143	2,356,653
BATTERIES CHARGES AND CLOCKS	1,881,677	3,454,961
CAPITAL MINOR WORKS	68,379,053	6,248,157
	895,352,503	597,689,303



KENYA PORTS AUTHORITY

Note 2b (iii): Depreciation

	2005	2004
	Kshs	Kshs
ANNUAL DEPRECIATION	1,670,371,458	1,039,099,461

Note 2c: Finance Costs

	2005	2004
	Kshs	Kshs
DISCOUNT ALLOWED TO CUSTOMERS	12,904,521	5,536,480
AUDIT FEES	27,360,000	31,780
BANK COMMISSION	48,715,519	11,255,733
BANK CHARGES	33,867,416	6,146,648
SURVEY FEES	7,310,758	255,800
EXT.AUDIT OFFICE EXPENSES	122,745	54,452
INTEREST CHARGES ON OVERDRAFT	885,547	14,314
FRINGE BENEFIT TAX	-546,077	1,598,243
CONSULTANT FEES	1,260,164	4,622,921
INTEREST CHARGES- L/TERM LOANS	166,537,549	50,453,929
WRITE-OFFS -STOCK	317,643,956	0
WRITE-OFFS - TRADE DEBTORS.	65,087,960	0
WRITE-OFFS- OTHER DEBTORS	10,368,310	0
WRITE-OFFS - FIXED ASSETS	654,068,392	963,508,589
TAX ARREARS ,INTEREST AND PENALTIES	243,219,300	0
REALISED FOREIGN EXCHANGE LOSS	109,994,578	353,720.664
UNREALISED FOREIGN EXCHANGE LOSS	611,593,143	0
COMPUTER BUREAU	11,427,176	18,793,221
MICROCOMPUTER DEVELOPMENT	3,392,692	6,636,208
WEBSITE	149,522	362,279
LICENCES _COMPUTERS	62,451,550	80,601,290
COST OF INTERDEPOT TRANSFERS	44,405	1,537,966
GENERAL PROV. BAD DEBT	12,744,355	6,341,582
PRICE DIFFERENCES LOSS	221,008	3,062,379
INVENTORY DIFFERENCES LOSS	1,055,473	48,675,456
STOCK TAKE EXPENSES	1,115,825	1,157,977
MISCELLANEOUS EXPENSES	5,721,275	9,434,695
PROFESSIONAL EDUCATION EXPENSES	692,970	0
MISCELLANEOUS WORK IN PROGRESS	0	260,079
	2,409,410,034	1,574,062,686



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Note 2d: Legal Costs

	2005	2004
	Ksh	Ksh
INSURANCE PREMIA	132,371,350	41,388,121
ACCIDENT CLAIMS	13,238,575	1,606,809
UN-INSURED LOSS/CLAIMS	5,476,170	1,084,775
COMPEN.CLAIMS/CARGO INTERESTS	256,515	9,008,054
WORKMAN'S COMPENSATION	410,207	396,040
COURT FEES	36,572,544	80,860,844
REGISTRATION - LEGAL DOCUMENTS	403,068	235,092
CAR REGISTRATION & LICENCES	616,739	524,047
	189,345,168	135,103,782



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NOTE 3a: FIXED ASSETS SCHEDULE AS AT 30 JUNE 2005

ASSETS	LAND AND BUILDINGS	MOTOR VEHICLES, BOAT, FORKLIFT, TUGS, & CRANES	EQUIPMENT, SERVICES, SYSTEMS & INTANGIBLE ASSETS	ROADS, BRIDGES, JETTIES & WHARVES	TOTAL
	Kshs	Kshs	Kshs	Kshs	Kshs
Balance as at 01.07.2004	7,399,469,093	9,429,354,142	369,843,369	7,141,359,251	24,340,025,855
Write offs	(8,953,067)	(1,532,718,876)	(777,000)	(57,198,280)	(1,599,647,223)
Disposals	(31,100,000)	(9,683,578)			(40,783,578)
Additions	141,601,773	2,307,610,707	1,523,953,706	330,871,632	4,304,037,818
Adjustments	652,526,930	(302,461,000)	515,270,944	(318,518,028)	546,818,846
Balance as at 30.06.2005	8,153,544,729	9,892,101,395	2,408,291,019	7,096,514,575	27,550,451,717
DEPRECIATION					
Balance as at 01.07.2004	1,759,629,704	6,401,410,801	283,748,252	3,663,915,677	12,108,704,435
Disposals/Write offs	(11,778,590)	(985,050,691)	(233,100)	(9,523,765)	(1,006,586,146)
Charge for the year	161,832,655	611,572,997	500,225,002	396,740,805	1,670,371,458
Adjustments	383,649,019	(76,509,317)	167,309,254	(222,843,777)	251,605,179
Balance as at 30.06.2005	2,293,332,788	5,951,423,790	951,049,408	3,828,288,939	13,024,094,926
N.B.V. as at 01.07.2004	5,639,839,388	3,027,943,340	86,095,117	3,477,443,575	12,231,321,420
N.B.V. as at 30.06.2005	5,860,211,940	3,940,677,605	1,457,241,611	3,268,225,636	14,526,356,792
W.I.P. as at 01.07.2004	204,882,649	3,416,708,817	141,400,900	320,930,332	4,083,922,699
Period Movement	(112,099,038)	1,594,951,359	302,629,466	(209,277,397)	1,576,204,390
W.I.P. as at 30.06.2005	92,783,611	4,782,975,673	444,030,366	111,652,935	5,431,442,586
Grand Totals	5,952,995,551	8,723,653,278	1,901,271,977	3,379,878,571	19,957,799,378



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NOTE 3b : WORK IN PROGRESS: 30 JUNE 2005

	Ksh.	Ksh.	Ksh.	Ksh.		
PROJECT DESCRIPTION	BALANCE AS AT 1.7.2004	EXPENDITURE DURING THE YEAR	WRITE OFF	CAPITALISATION	ADJUSTMENT	BALANCE AT 30.06.2005
	Kshs	Kshs	Kshs	Kshs	Kshs	Kshs
BASIC CONSTRUCTION	320,930,331	44,938,740		(249,367,106)	(4,849,030)	111,652,935
BUILDINGS	204,882,649	98,458,718	(3,316,522)	(193,167,669)	(14,073,565)	92,783,611
SERVICE AND SYSTEMS	141,400,899	348,627,586		(38,203,204)	(7,794,915)	444,030,366
PLANT AND EQUIPMENT	3,416,708,817	4,752,617,558		(3,763,242,999)	376,892,298	4,782,975,674
TOTAL	4,083,922,696	5,244,642,602	(3,316,522)	(4,243,980,978)	350,174,788	5,431,442,586



KENYA PORTS AUTHORITY

NOTE 4a: Long Term Investments

<u>DESCRIPTION</u>	2005 KSHS.	2004 KSHS.
1. Fixed Deposits:		
i) Housing Scheme Backup Funds	205,458,172	211,631,403
ii) Fixed Deposits- HFCK	193,850,428	196,616,776
Savings and Loans Ltd.	183,234,544	
East African Building Society	20,680,708	20,680,708
Sub total	603,223,852	428,928,887
2. Equities:		
Kenya National Shipping Lines	54,346,500	54,346,500
Consolidated Bank	29,100,000	29,100,000
Bunty Estates	0	22,500,000
Kenya Ferry Services	100,000,000	100,000,000
Sub total	183,446,500	205,946,500
Total	786,670,352	634,875,388

Funds invested with Housing Finance amounted to Kshs. 399,308,600 out of which Kshs. 205,458,172 were held as lien on loans advanced to staff under the House Ownership Mortgage Scheme. The mortgage funds earn interest of 10% pa while the rest of funds held earn 7.5% pa.

- (i) Funds invested with EABS amounting to Kshs. 20,680,708 are held as security on loans advanced to staff under the House Ownership Mortgage Scheme. They earn interest at 2.0% pa.
- (ii) Kshs.100, 000,000 advanced to Kenya Ferry Services was converted and held as investment.
- (iii) Funds held with Savings and Loan Ltd amounting to Kshs.183,234,544 are held as a back up for advances to staff
- (iv) Included in long term investments is cost of equity held in:
 - a) Kenya National Shipping Lines: Kshs. 54,346,500
 - b) Consolidated Bank of Kenya Ltd: Kshs. 29,100,000



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NOTE 4b: Short Term Investments

	2005	2004
	Kshs	Kshs
	-----	-----
Treasury bills 9 % Maturing 12.12.2005	345,400,000	-
Treasury bills 8.722 % Maturing 10.10.2005	311,000,000	-
Treasury bills 8.60 % Maturing 25.7.2005	163,400,000	-
Treasury bills 9.001 % Maturing 1.8.2005	150,000,000	15,000,000
Treasury bills 9.002 % Maturing 5.9.2005	100,000,000	-
Treasury bills 8.943 % Maturing 19.12.2005	643,350,000	-
Treasury bills 8.926 % Maturing 26.12.2005	227,900,000	-
Treasury bills 8.950 % Maturing 26.12.2005	150,000,000	-
Barclays call deposit 7.009%	13,027,410	-
Citibank call deposit 7.5%	190,950,000	-
Treasury Bonds 5.957 % Maturing 16.1.2006	200,000,000	10,462,474
Cooperative Bank 9.25% Maturing 24.8.2005	123,484,027	-
	-----	-----
	2,618,511,437	25,462,474
	-----	-----

NOTE 4c: Cash and Cash equivalent

Cash on hand and at bank	642,812,088	1,887,790,258
Short term investments	2,618,511,437	25,462,474
	-----	-----
Cash and cash equivalent as at 30.06.05	<u>3,261,323,525</u>	<u>1,913,252,732</u>



KENYA PORTS AUTHORITY

NOTE 5: STOCKS

	2005	2004
	<u>Ksh.</u>	<u>Ksh.</u>
Net realizable value	311,772,572	638,930,858
5% provision for obsolescence and deterioration of stock	15,588,628	31,946,542
	-----	-----
	296,183,944	606,984,316
	-----	-----

NOTE 6: DEBTORS

	2005	2004
	<u>Kshs</u>	<u>Kshs</u>
Trade Cargo debtors	406,628,653	206,412,621
Trade Marine debtors	<u>201,468,789</u>	<u>268,796,895</u>
Total trade debtors	608,097,442	475,209,516
5% Provision for bad debts	(30,649,184)	(23,760,476)
Sub-total	577,448,258	451,449,040
Staff advances:	319,107,240	441,199,620
<u>Other debtors:</u>		
Kenya Ferry Services	441,189,136	438,297,920
Mobilization	132,983,290	30,559,856
Ministry of Transport / Dredgco	287,231,402	287,231,402
Non Trade debtors	124,970,065	117,626,909
Kenya Railways Freight debtors	74,229,046	42,557,162
Cents adjustments Cargo Bills	2,938	0
Sub-Total	1,060,605,877	916,273,249
Others	17,414,744	13,358,563
	-----	-----
Grand Total	1,974,576,118	1,822,280,472
	-----	-----



KENYA PORTS AUTHORITY

NOTE 7a: CASH AND BANK BALANCES

		2005 KShs.	2004 KShs.
1.	National Bank Of Kenya	98,869,447	176,904,250
2.	Kenya Commercial Bank	2,421,986	2,161,344
3.	Standard Chartered Bank	371,446,962	0
4.	Citibank N.A	91,523,235	1,531,241.774
5.	Stanbic Uganda	638,685	(1,713)
6.	Barclays Bank Of Kenya	13,609,732	0
7.	Petty cash	4,999,575	3,305,344
8	Cash In Transit	58,389,560	19,893,316
9	Collections	907,036	1,112,321
10	Crown Agents	5,870	5,870
11.	Saving & loan		153,167,752
	Total	642,812,088	1,887,790,258

NOTE 7b: PREPAYMENTS & ACCRUED EXPENSES

This account comprises prepaid expenses and taxes.





KENYA PORTS AUTHORITY

NOTE 8 : CREDITORS

	2005	2004
	<u>Kshs.</u>	<u>Kshs.</u>
<u>Trade Creditors</u>		
General Foreign Creditors	1 57,979,705	108,002,822
General Trade Creditors	44,096,675	71,441,188
Sub -total	202,076,380	179,444,010
Payroll Creditors:	66,836, 816	219,822,209
<u>Other Creditors:</u>		
Contract Deposits (Retention Money)	85,589,947	65,571,976
Accrued expenditure	300,014,687	0
Ministry of Finance / Dredgco	287,231,402	287,231,402
Tax Clearing Account	12,257,678	8,251,483
Advance Investment Income (Treasury Bills)	14,420,544	0
Dividend		86,093,007
Others	<u>72,122,219</u>	<u>334,443,739</u>
Grand Total	<u>1,040,549,672</u>	<u>1,180,857,826</u>



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NOTE 9: EXTERNAL DEBTS

Loan	Unit	Int. rate %	Balances as at 30/06/2004	Balances as at 30/06/2005	Payable 2005/2006	Over 1 Year
Foreign Loans						
NIO Loan	EURO	2.5	35,302,122			
Bank Loans						
Consortium	US\$	6.83		4,476,732,311	1,096,342,607	3,380,389,700
On-Lent Loans						
Dutch	KSHS	7.5	122,068,097	42,588,628	2,588,628	
French Local	KSHS	10	213,900,774			
British 101m	KSHS	10	106,917,799	47,978,222	22,819,606	25,158,610
British Crane	KSHS	9.5	44,888,969	19,892,809	9,485,159	10,407,650
British Pip	KSHS	12	184,774,110	88,765,921	40,210,133	48,555,780
French For.	KSHS	10	773,252,330			
Belgium	KSHS	10	16,589,484	10,052,337	2,530,984	7,521,350
TOTAL			1,497,693,686	4,686,010,229	1,213,977,117	3,472,033,110





KENYA PORTS AUTHORITY

NOTE10: TAXATION

Instalment taxes totaling to Kshs 1,106,222,699 were paid during the year under review. A self-assessment on corporation tax of Kshs. 1,227,286,319 for the year 2004/2005 has been provided in these accounts.

Tax Movement	2005 Kshs.	2004 Kshs.
Balance B/F	260,783,749	631,539,255
Tax for the year	1,227,286,319	1,021,357,164
Deferred tax	97,240,083	0
Total taxation	1,585,310,151	1,652,896,419
Final tax paid	(217,891,125)	0
Instalment taxes paid	(1,106,222,699)	(1,392,112,670)
	261,196,326	260,783,749
Less: Over-provision of previous year's taxes	42,892,624	
Tax Payable	218,303,702	260,783,749



KENYA PORTS AUTHORITY

NOTE 11: CORPORATE SOCIAL RESPONSIBILITY

The Authority is committed to the principle of responsible corporate citizenship. Corporate Social Responsibility (CSR) is an integral part of the Authority's annual business plans and funds are put aside to finance related activities.

The Authority sponsors local, regional and national activities and regularly donates towards charitable causes of all kinds.

The authority has made donations totaling shilling 4.9 million to its social responsibility

NOTE 12: CONTINGENT LIABILITIES:

- (i) The Authority has got pending cases filed against it arising from third party claims for loss of cargo, personal injury and loss of life. The Management estimates a contingent liability of Kshs. 500 million.
- (ii) The Authority has a tax contingent liability in penalties and interests which are yet to be waived by the Minister of Finance. Despite several applications for waiver, we are yet to get response from the Treasury. The contingent liability associated with this is Kshs 400 million

NOTE 13: RESERVES

Capital reserves arose from the revaluation of asset carried out in 1994 by Tyson Ltd. General reserves are created from accumulated retained earnings or deficit; the negative balance arose from the recognition of actuarial deficit following actuarial investigation conducted by Pension Scheme actuary in accordance with RBA Legislation.



KENYA PORTS AUTHORITY

CURRENCY FLUCTUATION RESERVE

Currency Fluctuation arise from transactions resulting into unrealized gains and Losses. The Authority's accounting system records such transaction through the unrealized gains and unrealized losses accounts which are subsequently closed to the account at the end of the year. When these gains or losses are subsequently realized subsequent periods, they are transferred from the currency Fluctuation reserve to the Profit and Loss A/c



KENYA PORTS AUTHORITY

NOTES TO THE CASHFLOW STATEMENT FOR THE YEAR 2004/2005

1.1 Operating profit before tax Kshs. 3,115,867,340

The above figure relates to profit before tax realized during the year as reflected under Profit and Loss Account.

1.2 Depreciation Kshs. 1,670,371,458

This is the depreciated figure on assets charged to Profit and Loss Account.

1.3 Write off of Fixed Assets Kshs. 654,068,392

These relates to assets written-off during the year.

1.4 Write off of trade debtors Kshs. 65,087,960

This amount relates to unrecoverable trade debts.

1.5 Writeoff other debtors Kshs. 10,368,310

This amount relates unrecoverable advances to staff due to death and dismissals of staff.

1.6 Writeoff of Stock Kshs. 317,643,956

This figure relates to write off of damaged and obsolete stock during the year.



KENYA PORTS AUTHORITY

1.7 Loss on foreign exchange Kshs. 62,106,880

This figure is the net loss on foreign exchange realized from our operating activities

1.8 Interest Provision Accrued Kshs 167,423,096

This is a provision charged to profit and loss for the year for interest payment on Longterm loans.

2.1-2.4 Working Capital Movement items

This is movement in working capital items as shown in the balance. Movement for the year is arrived at by comparing opening and closing balances.

2.5 Tax paid Kshs. 1,324,113,824

This is the actual cash outflow in the year in respect to tax

2.6 Interest paid Kshs 291,732,834

This is the amount paid against interest accrued from our long term obligations.

2.7 Pension paid Kshs 434,997,557

This is payment made during the year to offset pension actuarial deficit reflected as a liability in our books.

5.1 Capital Works Kshs 5,820,185,368

Amount spent on capital works programs for the year

5.2 Direct acquisitions Kshs 60,056,840

This is an amount spent on direct acquisition of fixed assets



6.1 Repayment off long term loan Kshs 1,715,832,431

This is payment made against our principal loan amounts.

6.2 Bank loan Kshs 4,,904,148,974

This is a consortium loan that was acquired to finance the acquisition of fixed assets.