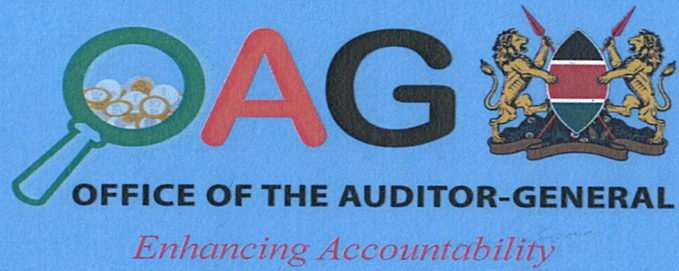


REPUBLIC OF KENYA



REPORT

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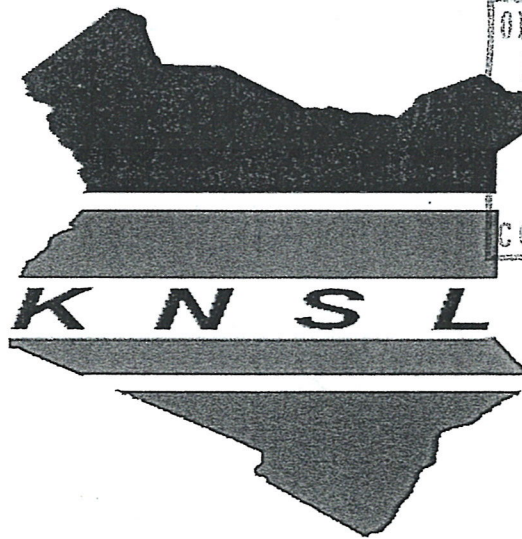
THE AUDITOR-GENERAL

ON

**KENYA NATIONAL SHIPPING LINE
LIMITED**

**FOR THE YEAR ENDED
30 JUNE, 2022**





OFFICE OF THE AUDITOR GENERAL
P.O. Box 95202, NAIROBI
RECEIVED
COAST REGIONAL OFFICE

KENYA NATIONAL SHIPPING LINE LTD

ANNUAL REPORTS AND FINANCIAL STATEMENTS

**FOR THE FINANCIAL YEAR ENDED
JUNE 30, 2022**

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

**KENYA NATIONAL SHIPPING LINE LTD
ANNUAL REPORTS AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2022**

**KENYA NATIONAL SHIPPING LINE LTD
ANNUAL REPORTS AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2022**

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**KENYA NATIONAL SHIPPING LINE LTD
ANNUAL REPORTS AND FINANCIAL STATEMENTS
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I. KEY COMPANY INFORMATION

Background information

The *Company* was established under the Companies Act (Cap 486) on 2nd November, 1987. At cabinet level, the *Company* is represented by the Cabinet Secretary for Ministry of Transport, Infrastructure, Housing, Urban Development and Public Works who is responsible for the general policy and strategic direction of the *Company*. The *Company* is domiciled in Kenya and has branch office in Nairobi and global representation.

Principal Activities

The principal activity of the *Company* is shipping.

Directors

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

1. Mr. Juvenal J.M. Shiundu - Chairman - Appointed on 06.05.2019
2. Amb. Nancy Karigithu, CBS - PS, State Department for Shipping & Maritime - Appointed on 03.09.2020 (KNSL's Transfer from State Department of Transport to Shipping & Maritime).
3. Dr. Julius Muia, CBS - PS, National Treasury & Planning – Appointed on 24.07.2019
4. Amb. John Mwangemi - Acting MD, Kenya Ports Authority - Appointed on 01.07.2021
5. Mr. Kennedy Ogeto, CBS - Solicitor General of Republic of Kenya
6. Capt. Giovanni Cuomo * - Director - Appointed on 18.12.2021
7. Mr. David El Bez * - Director - Appointed on 18.12.2021
8. Capt. Fiorenzo Castellano * - Director - Appointed on 18.12.2021
9. Ms. Ndanu Ndeti - Director - Appointed on 18.12.2021
10. Mr. Joseph Juma - Ag. Managing Director - Appointed on 17.07.2013
11. Mr. Geoffrey Kavate - Alternate to MD, Kenya Ports Authority.
12. Mr. Mark Ngecho - Alternate to PS, National Treasury & Planning.
13. Eng. Joseph Atonga - Alternate to PS, Shipping & Maritime.
14. Mr. Ashley Towya - Alternate to Solicitor General.
15. Ms. Aparna Kendell - Alternate to Mr. El Bez and Ms. Ndanu Ndeti
16. Mr. Miika Heiskanen - Alternate to Capt. Cuomo and Capt. Castellano

* Italian

**KENYA NATIONAL SHIPPING LINE LTD
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I KEY COMPANY INFORMATION (continued)

Corporate Secretary

Mr. John Turasha Kinyanjui – KPA Corporate Secretary
Certified Public Secretary (Kenya)
P.O. Box 88206 - 80100
MOMBASA, KENYA

Corporate Headquarters

1st Floor, Cannon Towers II
MSA/BLOCK XXI/435, 436 & 437
Moi Avenue
P.O. Box 88206 - 80100
MOMBASA, KENYA

Corporate Contacts

Telephone: (020) 2300015/17, (+254) 700 510592
E-mail: admin@knsl.co.ke
Website: www.knsl.go.ke

Corporate Bankers

Kenya Commercial Bank Limited
P.O. Box 90254 - 80100
MOMBASA, KENYA

Absa Bank Kenya PLC
P.O. Box 90182 - 80100
MOMBASA, KENYA

Principal Auditor

The Auditor General
The Office of the Auditor General
Anniversary Towers, University Way
P.O. Box 30084 - 00100
NAIROBI, KENYA






Principal Legal Advisers

The Attorney General
State Law Office
Harambee Avenue
P.O. Box 40112 - 00200
NAIROBI, KENYA

Omondi Waweru & Company Advocates
P.O. Box 1606 - 80100
MOMBASA, KENYA







**KENYA NATIONAL SHIPPING LINE LTD
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II. THE BOARD OF DIRECTORS

<p>1. Mr. Juvenal J.M Shiundu. Chairman, Board of Directors (Independent).</p>	<p>Master of Science in Maritime Safety Administration, Bachelor of Science (Hons), Naval Architecture and Ship building D.O.B 1957</p>	
<p>2. Dr. Julius Muia, CBS Principal Secretary, The National Treasury & Panning Chair, Finance & General Purpose Committee</p>	<p>Doctor of Philosophy (PhD) degree in Finance, Master's degree in Finance, Bachelor of Commerce (Accounting) degree.</p>	
<p>3. Amb. Nancy Karigithu, CBS. Principal Secretary, State Department for Shipping & Maritime.</p>	<p>Masters Degree in International Maritime Law, Bachelor's Degree in Law.</p>	
<p>4. Amb. John Mwangemi Acting Managing Director, Kenya Ports Authority. (Shareholder). Chair, Audit & Risk Committee</p>	<p>Kenya's ambassador to Rwanda and Djibout.</p>	
<p>5. Mr. Kennedy Ogeto ,CBS Solicitor General of the Republic of Kenya. Advocate of the High Court of Kenya of over twenty-seven (27) years standing.</p>	<p>Masters in Law degree and Bachelor of Laws (LL.B) degree from the University of Nairobi. Post-graduate diploma in law from the Kenya School of Law.</p>	


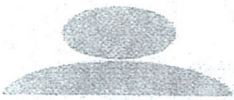
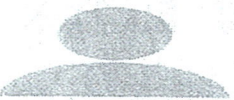



**KENYA NATIONAL SHIPPING LINE LTD
ANNUAL REPORTS AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2022**

II THE BOARD OF DIRECTORS (continued)

<p>6. Capt. G. Cuomo. Director (Shareholder).</p>	<p>Business person D.O.B 1950</p>	
<p>7. Mr. David Elbez. Director (Shareholder).</p>	<p>Business person</p>	
<p>8. Capt. Fiorenzo Castellano Director (Shareholder).</p>	<p>Business person</p>	
<p>9. Ms. Ndanu Ndeti Director (Shareholder).</p>	<p>Business person</p>	
<p>10. Mr. Joseph Juma. Acting Managing Director (Executive).</p>	<p>MBA, PGD, CPA (K), CPS (K). D.O.B 1973</p>	
<p>11. Mr. John Turasha Kinyanjui Company Secretary</p>	<p>Bachelor of Law (Hons) Degree and Diploma in Law from the Kenya School of Law. Member of ICS D.O.B 1972</p>	

KENYA NATIONAL SHIPPING LINE LTD
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II THE BOARD OF DIRECTORS (continued)

<p>12. Mr. Mark Ngecho Alternate to PS, National Treasury & Planning.</p>	<p>Civil Servant</p>	
<p>13. Eng. Joseph Atonga Alternate to PS, Shipping & Maritime.</p>	<p>Technical Adviser</p>	
<p>14. Mr. Geoffrey Kavate Alternate to MD, Kenya Ports Authority.</p>	<p>Head of Finance - KPA</p>	
<p>15. Mr. Ashley Towya Alternate to Solicitor General.</p>	<p>Senior State Counsel</p>	
<p>16. Ms. Aparna Kendell Alternate to Mr. El Bez and Ms. Ndanu Ndeti</p>	<p>Finance</p>	
<p>17. Mr. Miika Heiskanen Alternate to Capt. Cuomo and Capt. Castellano</p>	<p>Counsel</p>	

**KENYA NATIONAL SHIPPING LINE LTD
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FOR THE YEAR ENDED JUNE 30, 2022**






II THE BOARD OF DIRECTORS (continued)

Board Committees

Name of the Committee	Members
Finance and General Purpose Committee	<ol style="list-style-type: none">1. PS, National Treasury - chair2. Capt. Fiorenzo Castellano3. Mr. Kennedy Ogeto ,CBS
Audit and Risk Committee	<ol style="list-style-type: none">1. Amb. John Mwangemi - chair2. Amb. Nancy Karigithu, CBS3. PS, National Treasury

**KENYA NATIONAL SHIPPING LINE LTD
ANNUAL REPORTS AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2022**

III. MANAGEMENT TEAM

<p>1. Mr. Joseph Juma Acting Managing Director/ Chief Accountant</p>	<p>MBA, PGD, CPA(K), CPS(K)</p>	
<p>2. Mr. Gerald Kamau Cost Controller / Administration Manager</p>	<p>Bachelor of Arts - Economics, CPA(K)</p>	
<p>3. Mr. Jacob Safari Sales & Operation Manager</p>	<p>Bachelor of Arts - Economics & Business Studies, Diploma in Shipping</p>	
<p>4. Mr. Joseph Kinyua Container Control Manager</p>	<p>Higher Diploma - Shipping Management</p>	
<p>5. Mrs. Rollyn Chebosi Management Accountant</p>	<p>Bachelor of Business Administration - Accounting, CPA (K)</p>	

**KENYA NATIONAL SHIPPING LINE LTD
ANNUAL REPORTS AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2022**

IV. CHAIRMAN'S STATEMENT

The Chairman wishes to present the financial statements for the year ended June 30, 2022.

The company registered a loss of Kshs 73.73 million and Kshs 57.40 million for the year ending June 30, 2022 and year ending June 30, 2021 respectively. The Company performance was affected by withdrawal of service by the service provider.

The Government is committed to restructure the Company under the Blue Economy sector. The framework for the restructuring and revitalization of KNSL is now complete and implementation is on course. It is anticipated that a revamped KNSL will establish the Kenyan coast as the pre-eminent transshipment and logistics hub on the eastern seaboard for Africa.

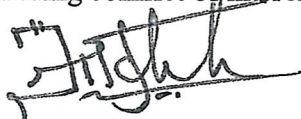
Through operational partnership with multinational shipping company and terminal operator, KNSL's revival is strategically placed to provide efficiency and contribute significantly towards creating a hub status in Mombasa for the distribution of the regional cargo to the final ports by way of transshipment.

The short-term objectives of the Company are:

- (i) To position KNSL as a preferred Company in leveraging our national status to attract new market opportunities.
- (ii) To develop business models that will sustain the company.
- (iii) To build high performing organization and improve work environment.
- (iv) Provide our customers with competitive, efficient and consistent global shipping service.

KNSL Board is committed to upholding high standards of corporate governance. The day-to-day running of the business of the company is bestowed on the Managing Director.

There were no governance issues among the Board or member of the Board and top management including conflict of interest



Chairman, Board of Directors

**KENYA NATIONAL SHIPPING LINE LTD
ANNUAL REPORTS AND FINANCIAL STATEMENTS
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V. REPORT OF THE MANAGING DIRECTOR

KNSL was formed in 1987 under the Company's Act and is the National Carrier of the Kenya Government. At the time, the Shareholders included the Kenya Government through Kenya Ports Authority (KPA) with majority shares together with two foreign investors DEG and UNIMAR. Later on in 1997 the company's shareholding was re-organized to bring into the fold a strategic partner Mediterranean Shipping Company (MSC) through Heywood Shipping Co. Ltd (formerly UAL) as an additional shareholder. The shareholding was further reorganized following the exit of DEG and UNIMAR as shareholders.

The company is based in Mombasa with a branch office in Nairobi and operates as a Non-Vessel Owning Common Carrier (NVOCC) with the mandate of undertaking shipping business, agency services and inland haulage services.

The company reported a loss of Kshs 73.73 million and Kshs 57.40 million for the year ending June 30, 2022 and June 30, 2021 respectively. The Company performed poorly due to lack of service provider which is being addressed under the restructure.

The overall indication given by the financial position statement as at June 30, 2022 is that of negative net current assets. This implies that the company cannot meet, at least in the short term, its current obligations from the existing current assets.

To return the company into profit making, the Government undertook to restructure KNSL. The framework for the restructuring and revitalization of KNSL is now complete and implementation is on course. It is anticipated that a revamped KNSL will establish the Kenyan coast as the pre-eminent transshipment and logistics hub on the eastern seaboard for Africa. KNSL expect to tap into Government interest cargo currently estimated at 60,000 TEUs (Twenty-foot container equivalent) and with potential freight value of Kshs. 11 billion currently all paid to foreign shipping lines in foreign currency, thus saving the country huge amounts in foreign exchange as well as port efficiencies.

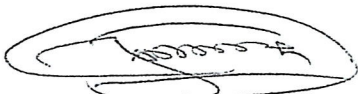
**KENYA NATIONAL SHIPPING LINE LTD
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V REPORT OF THE MANAGING DIRECTOR (Continued)

KNSL has negotiated 1,500 seafaring jobs for Kenyan youth on an annual basis as well as a similar number of trainee positions on board the international fleet of the partnering institution. These are quality jobs which based on prevailing international salary scales in the sector are expected to yield over 19 billion in foreign remittances and therefore injection into the local economy.

The revitalization of KNSL supported transfer of Government Clearing Agency (GCA) to KNSL. The functions of GCA were transferred to KNSL and currently the Company is clearing air, land and sea Government cargo. This will contribute immensely to the growth of logistics, offering a seamless cargo transfer for safety, convenience and shorter transit time to shippers. The clearing and forwarding services is estimated to generate Kshs 540 Million annually.

With the expected implementation of the restructuring process, the financial statements have been prepared on the going concern basis.



Joseph Juma
Ag. Managing Director

**KENYA NATIONAL SHIPPING LINE LTD
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FOR THE YEAR ENDED JUNE 30, 2022**

**VI. STATEMENT OF PERFORMANCE AGAINST PREDETERMINED OBJECTIVES FOR
FY 2021/2022**

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

In the year ending June 30, 2022, the company performed poorly due to lack of service provision. The company therefore relied on alternative service routes which are uncompetitive and have minimal profit margin which cannot cover fixed operation costs. This led to loss of numerous bookings with the Company managing to register a lifting of 155 Teus in the year 2021/22 against the target of 250 Teus. The Company is undergoing restructuring to improve the performance.

Restructure of KNSL

The Government of Kenya, through the inaugural National Maritime Conference of 2015 resolutions and communiqué, identified the urgent need to, in addition to exploitation and development of land-based resources, focus on and create a development agenda for the maritime domain in order to maximize competitive advantages in both maritime and national development agendas.

In its endeavour to facilitate and promote global maritime trade, Blue Economy Implementation Committee appointed by H.E. the President of the Republic of Kenya has identified the restructuring of Kenya National Shipping Line Ltd as a critical intervention with a potential of participating in the estimated Kshs 300 billion annual revenue paid out to foreign shipping lines.

KNSL annual work plans were based on the restructuring process. Assessment of the Board's performance against its annual work plan is done on a quarterly basis. The framework for the restructuring and revitalization of KNSL is now complete and implementation is on course.

Corporate governance is the process and structure used to direct and manage the business affairs of the Company in order to enhance prosperity, corporate performance and accountability. KNSL Board is committed to upholding high standards of corporate governance.

The day-to-day running of the business of the Company is bestowed on the Managing Director.

VII. CORPORATE GOVERNANCE STATEMENT

The role of the Board includes to:

- a) Exercise leadership, integrity and sound judgement in directing KNSL to achieve continued prosperity;
- b) Review, evaluate and approve KNSL strategic business and operational plans and ensure that the Company has sufficient and appropriate resources to achieve its goals;
- c) Ensure that effective processes and systems of risk management and internal controls are in place;
- d) Review, evaluate and approve the overall organizational structure, the assignment of senior management responsibilities and plan for senior management development and succession;
- e) Review, evaluate and approve the remuneration structure of the organization;
- f) Adopt, implement and monitor compliance with the organization's code of conduct and ethics;
- g) Review on a quarterly basis the attainment of targets and objectives set out in the agreed performance measurement framework with the Government of Kenya;
- h) Protect the rights of shareholders and optimize shareholder value;
- i) Enhance the organization's public image and ensure engagement with stakeholders through effective communication; and
- j) Monitor compliance with the constitution, all applicable laws, regulations and standards.

Board Committees

The Board discharges its functions through committees. KNSL has two Board Committees:

1. Finance and General Purpose Board Committee.
2. Audit and Risk Board Committee.

**KENYA NATIONAL SHIPPING LINE LTD
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VII CORPORATE GOVERNANCE STATEMENT (Continued)

There were four Board of Directors meetings held during the year as below:

Director	Details	Meetings		% Attendance
		Held	Attended	
Juvenal J. M. Shiundu	Chairperson	4	3	75
Amb. Nancy Karigithu / Eng. Joseph Atonga	Member	4	4	100
Amb. John Mwangemi / Geoffrey Kavate	Member	4	4	100
David Kiprop (Alternate PS National Treasury)	Member	4	4	100
Cecilia Ndeti	Member	4	4	100
Capt. Giovanni Cuomo	Member	4	3	75
Capt. Fiorenzo Castellano	Member	4	1	25
David El Bez	Member	4	1	25
Ashley Toywa (Alternate Solicitor General)	Member	4	1	25
Victor Momanyi	Member	4	2	50
Joseph Juma	Managing Director	4	4	100

Further to the shareholding reorganisation, the Company has eight directors and the chairperson. Out of the eight directors, four are appointed by the Government and the other four by the other shareholder (Shipping Agencies Services SARL). The chairman is appointed by the Office of the President.

The Board of Directors are usually evaluated by the State Corporations Advisory Committee. The Board evaluation was conducted on 20th August, 2020. No board evaluation was conducted in the current financial year due to the reorganization of shareholding.

The directors are remunerated as per the Salaries and Remuneration Commission guidelines. The directors are paid sitting allowance while the chairman is also paid honorarium.

During the financial year 2021/22 some of the Board Members undertook board induction. The Company is in the process of developing a Board Charter. There were no governance issues among the Board or member of the Board and top management including conflict of interest during the year.

**KENYA NATIONAL SHIPPING LINE LTD
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VIII. MANAGEMENT DISCUSSION AND ANALYSIS

SECTION A: OPERATIONAL AND FINANCIAL PERFORMANCE

As at June 30, 2022 the company had a shareholders' deficit of Ksh 644,627,470 (2021: Ksh. 570,898,083) and its current liabilities exceeded its current assets by Ksh 28,360,493 (2021: Ksh. 23,532,654) primarily because of the trading losses made in the past years. It also incurred a loss for the year ended 30 June 2022 of Ksh 73,729,387 (2021: Ksh. 57,390,830).

	2017/2018	2018/2020	2020/2020	2020/2021	2021/2022
TEUS	145	144	242	123	155
Revenues	1,713,144.00	1,174,472.00	3,477,979.00	1,677,835.00	1,366,470.00
Expenditure	(44,542,671.00)	(48,161,550.00)	(51,351,362.00)	(59,068,665.00)	(75,095,857)
Profit/ (Loss)	(42,829,527.00)	(46,987,078.00)	(47,873,383.00)	(57,390,830.00)	(73,729,387)

The Company has been relying on subventions from the Government which are used for recurrent expenditure. The grants has been captured as Capital Grants from the Government in the Statement of Financial Position. In the year ending June 30, 2022, the company performed poorly due to lack of service provision. The company therefore relied on alternative service routes which are uncompetitive and have minimal profit margin which cannot cover fixed operation costs. This led to loss of numerous bookings with the Company managing to register a lifting of 155 Teus in the year 2021/22.

To return the company into profit making, the Government undertook to restructure KNSL. The framework for the restructuring and revitalization of KNSL is now complete and implementation is on course.

SECTION B: COMPLIANCE WITH STATUTORY REQUIREMENTS

KNSL has been remitting its statutory deductions like PAYE, NHIF, NSSF, HELB and Pension on time as required by law.

SECTION C: KEY PROJECTS AND INVESTMENT DECISIONS

Currently the company has no projects being implemented due to limited resources. However, upon restructuring KNSL will undertake key projects which will be included in the reviewed Strategic Plan.

VIII MANAGEMENT DISCUSSION AND ANALYSIS (Continued)

SECTION D: MAJOR RISKS

(i) Operational Risk

The company operates as a Non-Vessel Owning Common Carrier (NVOCC) which charters slot from Mediterranean Shipping Company (MSC). KNSL uses other shipping lines for cargo destined to various ports of the world which creates operational risks in case such services are withdrawn by the service provider.

(ii) Financial risk management

The company's activities expose it to a variety of financial risks including credit and liquidity risks, effects of changes in foreign currency and interest rates and changes in market prices of the company's services. The company'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 company does not hedge any risks and has in place policies to ensure that credit is extended to customers with an established credit history.

(iii) Foreign currency risk management

The company undertakes certain transactions denominated in foreign currencies primarily in US Dollars. The fluctuations in currency exchange rates result in changes in the value of monetary assets and monetary liabilities denominated in foreign currencies hence exposures to the risk of incurring exchange losses. Foreign exchange risk arises from future commercial transactions, recognised assets and liabilities.

(iv) Credit risk management

The company's credit risk is primarily attributable to its trade receivables. The amounts presented in the statement of financial position are net of allowances for doubtful receivables, estimated by the company's management based on prior experience and their assessment of the current economic environment.

The credit risk on trade receivables is limited because the customers are known to be customers with high credit ratings. The credit risk on liquid funds with financial institutions is also low, because the counter parties are banks with high credit-ratings.

VIII MANAGEMENT DISCUSSION AND ANALYSIS (Continued)

SECTION D: MAJOR RISKS (Continued)

(v) Liquidity risk management

Ultimate responsibility for liquidity risk management rests with the board of directors, which has built an appropriate liquidity risk management framework for the management of the company's short and medium-term funding and liquidity management requirements. The company manages liquidity risk by maintaining banking facilities through continuous monitoring of forecast and actual cash flows and matching the maturity profiles of financial assets and liabilities.

SECTION E: MATERIAL ARREARS IN STATUTORY & OTHER FINANCIAL OBLIGATIONS

The company current liabilities increased from Ksh 69.79 million in the year ending June 30, 2021 to Kshs 72.36 million in the year June 30, 2022.

IX. ENVIRONMENTAL AND SUSTAINABILITY REPORTING

Kenya National Shipping Line Ltd exists to transform lives. This is our purpose; the driving force behind everything we do. It's what guides us to deliver our strategy, putting the customer/Citizen first, delivering relevant goods and services, and improving operational excellence. Below is an outline of the organisation's policies and activities that promote sustainability.

i) Sustainability strategy and profile

The Company is being restructured to enhance its capacity in revenue generation and creation of jobs in the Blue Economy sector.

ii) Environmental performance

Upon restructuring, the Company will develop environmental policies to guide in the protection of the environment in general.

The Company has a fully pledged Asset and Disposal Committee which handles disposal of obsolete and damaged assets including e-waste. The Company regularly conducts regular service and maintenance of its vehicles and equipments to increase their life span and thereby reducing the amount of e-waste generated.

The Company in collaboration with Government institutions and the local community has participated in tree planting exercise within the coast region as part of Corporate Social Responsibility. This has improved the national forest coverage and contributed in mitigation of climate change.

iii) Employee welfare

The Company has been implementing the affirmative action on gender and has complied with Occupational Safety and Health Act of 2007, (OSHA).

iv) Market place practices

a) Responsible competition practice.

The Company has a Corruption Prevention Committee and trained Integrity Officers.

b) Responsible Supply chain and supplier relations

The Company settles its pending bills on time.

c) Responsible marketing and advertisement

The Company is committed to best market place and business practice in the maritime sector.

d) Product stewardship

A restructured Kenya National Shipping Line Ltd will ensure consumer rights and interests in the maritime sector are safeguarded.

IX ENVIRONMENTAL AND SUSTAINABILITY REPORTING (Continued)

v) Corporate Social Responsibility

Tree Planting Activity

The Company in partnership with the Kenya Forest Services (KFS) and Mombasa Kilindini Community Forest Association (MOKICFA) participated in planting of 2000 mangrove seedlings at Mkupe in Miritini, Mombasa County on 30th April 2022 in support of the National Tree Planting Program which is set up by the Ministry of Environment and Forestry.

The Company together with the Kenya Forest Services, Kenya Prison Services representative, area Chief, and Shanzu Community participated in planting 2000 casuarinas seedlings at Kenya Prisons Services, Shanzu (Buston Annex).



Figure 1: The team from KNSL, Kenya Prisons Services and Local Administration during the tree planting exercise.

IX ENVIRONMENTAL AND SUSTAINABILITY REPORTING (Continued)

v) Corporate Social Responsibility (Continued)



Figure 2: The Acting Managing Director plants a casuarina tree during the tree planting exercise.



Figure 3: The participants during the tree planting exercise.

**KENYA NATIONAL SHIPPING LINE LTD
ANNUAL REPORTS AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2022**

X. REPORT OF THE DIRECTORS

The Directors submit their report together with the audited financial statements for the year ended June 30, 2022 which disclose the company's state of affairs.

PRINCIPAL ACTIVITY

The principal activity of the company is the provision of shipping services.

RESULTS

The results of the company for the year ended June 30, 2022 are set out on page 1.

DIRECTORS

The members of the Board of Directors who served during the year are shown on page III - V.

1. Mr. Juvenal J.M. Shiundu term as Chairman expired on 5th May 2022. Mr. Juvenal J. M. Shiundu was replaced by Lieutenant General (Retired) Levi Franklin Mghalu, MGH on 5th August 2022.
2. Eng. Rashid Salim, acting Managing Director Kenya Ports Authority was replaced by Amb. John Mwangemi on 1st July 2021.
3. Mr. Peter Reschke (shareholder) passed on and was replaced through reorganization of shareholding.

AUDITORS

The Auditor General is responsible for the statutory audit of the entity in accordance with Article 229 of the Constitution of Kenya and the Public Audit Act 2015, which also empowers the Auditor General to appoint an auditor to audit on his behalf.

By Order of the Board


Corporate Secretary
Mombasa

Date:

KENYA NATIONAL SHIPPING LINE LTD
ANNUAL REPORTS AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2022

XI. STATEMENT OF DIRECTORS' RESPONSIBILITIES

The Public Finance Management Act, 2012 and the Kenya Company's Act, require the Directors to prepare financial statements in respect of that *company*, which give a true and fair view of the state of affairs of the *company* at the end of the financial year and the operating results of the *company* for that year. The Directors are also required to ensure that the *company* keeps proper accounting records which disclose with reasonable accuracy the financial position of the *company*. The Directors are also responsible for safeguarding the assets of the *company*.

The Directors are responsible for the preparation and presentation of the *company's* financial statements, which give a true and fair view of the state of affairs of the *company* for and as at the end of the financial year ended on June 30, 2022. 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 company; (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 *company*; (v) selecting and applying appropriate accounting policies; and (vi) making accounting estimates that are reasonable in the circumstances.


The Directors accept responsibility for the *company's* financial statements, which have been prepared using appropriate accounting policies supported by reasonable and prudent judgements and estimates, in conformity with International Financial Reporting Standards (IFRS), and in the manner required by the PFM Act and the Kenya Company's Act.

The Directors are of the opinion that the *company's* financial statements give a true and fair view of the state of *company's* transactions during the financial year ended June 30, 2022, and of the *company's* financial position as at that date. The Directors further confirm the completeness of the accounting records maintained for the *company*, which have been relied upon in the preparation of the *company's* financial statements as well as the adequacy of the systems of internal financial control.

The directors acknowledge that the continued existence of the company as a going concern depends on the continued success of the various strategic measures that are being pursued by the directors to achieve optimal volumes of cargo handled to return the company to profitable trading and continued financial support from shareholders. The directors are of the view that, once these measures are fully implemented, the company's solvency will be restored and it will trade profitably for the foreseeable future.

Approval of the financial statements

The *company's* financial statements were approved by the Board on 28/09 2022 and signed on its behalf by:



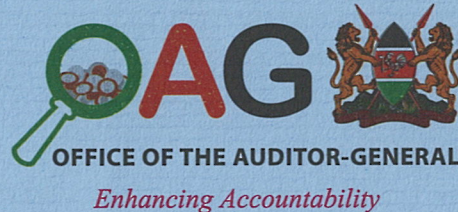
Chairman of the Board



Ag. Managing Director
Joseph Juma

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 NATIONAL SHIPPING LINE LIMITED FOR THE YEAR ENDED 30 JUNE, 2022

PREAMBLE

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

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

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

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

REPORT ON THE FINANCIAL STATEMENTS

Qualified Opinion

I have audited the accompanying financial statements of Kenya National Shipping Line Limited set out on pages 1 to 28, which comprise the statement of financial position as at 30 June, 2022, and the statement of comprehensive income, statement of changes in equity, statement of cash flows and statement of comparison of budget and actual amounts for the year then ended, and a summary of significant accounting policies and

other explanatory information in accordance with the provisions of Article 229 of the Constitution of Kenya and Section 35 of the Public Audit Act, 2015. I have obtained all the information and explanations which, to the best of my knowledge and belief, were necessary for the purpose of the audit.

In my opinion, except for the effect of the matters described in the Basis for Qualified Opinion section of my report, the financial statements present fairly, in all material respects, the financial position of the Kenya National Shipping Line Limited as at 30 June, 2022, and of its financial performance and its cash flows for the year then ended, in accordance with International Financial Reporting Standards and comply with the Companies Act, 2015 and the Public Finance Management Act, 2012.

Basis for Qualified Opinion

1. Unsupported Trade Payables

The statement of financial position reflects trade and other payables balance of Kshs.45,683,235. As previously reported, included in the balance is an amount of Kshs.4,700,326 due to container leasing companies. The companies have since stopped sending invoices for container leasing charges and monthly statements in respect of the amounts due. The amount of Kshs.4,700,326 is based on balances outstanding when statements were last received from the container leasing companies, hence not up to date or supported.

In the circumstances, the accuracy and completeness of trade and other payables balance of Kshs.4,700,326 due to container leasing companies could not be confirmed.

2. Unsupported Trade and Other Receivables

The statement of financial position reflects trade and other receivables balance of Kshs.27,309,320 which, as disclosed in Note 19 to the financial statements, include amounts of Kshs.2,252,840 and Kshs.7,034,882 in respect of trade receivables and deposits and prepayments respectively, all totalling to Kshs.9,287,722. However, the deposits and prepayments were not supported by invoice details and customer statements of account to confirm when services were provided.

In the circumstances, the accuracy and recoverability of trade receivables and deposits and prepayments balance of Kshs.9,287,722 could not be confirmed.

3. Administrative Costs - Unsupported Entertainment Costs

The statement of comprehensive income reflects administrative costs of Kshs.33,656,517 which, as disclosed in Note 12 to the financial statements, includes an amount of Kshs.1,277,740 in respect of entertainment cost, out of which Kshs.1,076,056 was not supported by a requisition for funds and supporting documents on how the amount was utilized.

In the circumstances, the accuracy and propriety of the expenditure of Kshs.1,076,056 could not be confirmed.

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

Material Uncertainty in Relation to Going Concern

As previously reported, the statement of comprehensive income reflects a loss of Kshs.73,729,387 resulting in an accumulated deficit of Kshs.644,627,470 as at 30 June, 2022. Further, the current liabilities of Kshs.72,358,421 exceeded current assets of Kshs.43,997,928, resulting in a negative working capital of Kshs.28,360,493 as at 30 June, 2022 (2021: Kshs.23,532,654). The Directors have stated that the Company's going concern depends on implementation of various strategies, whose success is yet to be realized. Under the circumstances, the financial statements have been prepared on a going concern basis on the assumption that the Company will continue to get financial support from the National Government, shareholders and creditors.

My opinion is not modified in respect of this matter.

Key Audit Matters

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

Other Matter

Budgetary Control and Performance

The statement of comparison of budget and actual amounts reflects actual receipts of Kshs.71,122,556 against an approved budget of Kshs.86,593,000, resulting to an under-collection of Kshs.15,470,444 or 17% of the total budget. Further, actual expenditure for the year amounted to Kshs.76,851,943 against a budget of Kshs.82,077,000, resulting to an under expenditure of Kshs.5,225,057 or 6% of the total budget. The under-expenditure may have impacted negatively on the achievement of the planned goals and objectives of the Company.

Other Information

The Directors are responsible for the other information, which comprises the Chairman's Statement, Report of the Managing Director, statement of performance against predetermined objectives, corporate governance statement, management discussion and analysis, environmental and sustainability reporting, corporate social responsibility statement and the statement of Directors' responsibilities. The other information does not include the financial statements and my auditor's report thereon.

My opinion on the financial statements does not cover the other information and I do not express any form of assurance or conclusion thereon.

REPORT ON LAWFULNESS AND EFFECTIVENESS IN USE OF PUBLIC RESOURCES

Conclusion

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

Basis for Conclusion

1. Changes in Ordinary Share Capital

The statement of changes in equity for the year ended 30 June, 2022 reflects ordinary share capital of Kshs.168,600,000 (comprising 168,600 ordinary shares of Kshs.1,000 each), an increase of Kshs.75,077,000 from Kshs.93,523,000 as at 30 June, 2021. The increase was as a result of reorganization of share capital by allocation of 19,335 ordinary shares of Kshs.1,000 each to the Kenya Ports Authority, increasing the Authority's shareholding from 70,023 to 89,358 shares. An additional 55,742 ordinary shares of Kshs.1,000 each was allocated to M/S SAS Shipping Agencies Services SARL in respect of Kshs.54,346,500 paid to the Kenya National Shipping Line Limited (KNSL) by M/S Heywood Shipping Company Limited and Kshs.1,395,500 in new capital call paid by M/S SAS Shipping Agencies Services SARL, all totalling to Kshs.55,742,000.

Further, the reorganization of share capital entailed transfer of 11,750 ordinary shares of Kshs.1,000 each by M/S Unimar and a similar number of shares by M/S DEG to M/S SAS Shipping Agencies Services SARL.

The changes in shareholding structure reduced the Kenya Ports Authority equity ownership in the Company by 21.8% from 74.8% to 53%, while reducing M/S Unimar and M/S DEG's equity from 12.5% each to nil and increasing M/S SAS Shipping Agencies Services SARL shareholding from zero to 47%. Information provided indicates that this was done in compliance and fulfilment of a Memorandum of Understanding between the Cabinet Secretary for Infrastructure, Housing and Urban Development and Mediterranean Shipping Company (MSC) of August, 2018. The Memorandum of Understanding required KNSL to give M/S Heywood the opportunity to convert its economic interest in KNSL shareholding and to complete the allocation of necessary shares to increase M/S Heywood's shareholding to not less than 47%.

The Memorandum of Understanding further required that the restructured KNSL be given a place at the port of Mombasa to operate from. Consequently, a Terminal Operation Agreement transferring the operation and management of Container Terminal 2 (CT2) at

the port of Mombasa to KNSL, was signed between the Kenya Ports Authority and the Kenya National Shipping Line Limited on 24 January, 2022. However, available information indicates that there is a court case seeking stoppage of transfer of the operation and management of CT2 to KNSL. The case has not been determined and the information is not disclosed in the financial statements.

In addition, due diligence on MSC and its affiliates was to be concluded and The National Treasury provided an undertaking that all the necessary steps would be followed in order to adhere to the laws, regulations and procedures for achieving better value for the Kenyan public. However, documentary evidence detailing how M/S SAS Shipping Agencies Services SARL was selected as an equity holder in KNSL and whether due diligence on MSC and its affiliates was concluded were not provided for audit review.

In the circumstances, the regularity of the selection of the Company as an equity holder in KNSL could not be confirmed.

2. Over- Commitment of Salary

Review of the Company's payroll revealed that eighteen (18) employees committed their salaries beyond the two thirds (2/3) of the basic salary. This was contrary to Section C.1 (3) of the Human Resource Policies and Procedures Manual for the Public Service, 2016 which states that public officers should not over-commit their salaries beyond two thirds (2/3) of their basic salaries and Heads of Human Resource Units should ensure compliance.

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

3. Irregular Payment of Salary and Allowances

The statement of comprehensive income reflects employment costs of Kshs.39,722,183 which, as disclosed in Note 11 to the financial statements, includes an expenditure of Kshs.26,064,530 in respect of salaries and wages. The latter balance includes an amount of Kshs.549,114 being salary overpaid to the Acting Managing Director. The overpayment was as a result of 10% increment approved by the Board to a monthly basic salary of Kshs.351,380 against the maximum basic salary of Kshs.263,997 set by the Salaries and Remuneration Commission vide Circular No. SRC/TS/JE/3/33/2 Vol III (109) dated 15 December, 2017.

Further, the officer was paid a monthly telephone allowance of Kshs.40,000 totalling Kshs.480,000 during the year under review. Although the monthly telephone allowance of Kshs.40,000 was approved by the Board, Ministerial approval of the same was not provided for audit review. This is contrary to Section 4(3) of the State Corporations Act which states that a state corporation may engage and employ such number of staff, including the chief executive, on such terms and conditions of service as the Minister may, in consultation with the Committee, approve.

In addition, the salaries and wages expenditure includes acting allowance of Kshs.632,484 paid to the Managing Director who has been serving in an acting capacity for over seven years. This was contrary to Section C.14(1) of the Public Service Commission Human Resources Policies and Procedures Manual for Public Service which states that acting allowance will not be payable to an officer for more than six months.

In the circumstances, regularity of the expenditure totalling Kshs.1,661,598 on employment costs for the year ended 30 June, 2022 could not be confirmed.

4. Over-Contribution to Pension Fund

The expenditure of Kshs.39,722,183 on employment costs includes an amount of Kshs.4,459,173 relating to pension funds contributions. However, records provided for audit review indicated that the amount comprises employer contribution of 20% of the basic salary plus house allowance instead of Kshs.3,947,039 based on basic salary only. This is contrary to The National Treasury Circular No. 18/2010 of 24 November, 2010 which states that, "personal emoluments must be defined as basic salary excluding housing, transport and any other allowances or fluctuating emoluments". This resulted in a higher contribution of Kshs.511,259 by the employer.

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

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

REPORT ON EFFECTIVENESS OF INTERNAL CONTROLS, RISK MANAGEMENT AND GOVERNANCE

Conclusion

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

Basis for Conclusion

1. Failure to Develop and Adopt Board Committee Charters

The other information accompanying the financial statements for the year ended 30 June, 2022 indicates under Corporate Governance Statement that the Board discharges its function through two committees, Finance and General Purpose Board Committee and Audit and Risk Committee. However, available information indicates that

these committees have not developed and adopted charters outlining their roles, responsibilities and functions, contrary to Circular Ref. No. OP/ CAB.9/1A dated 11 March, 2020 which requires each committee to have a charter that outlines its roles, responsibilities and functions.

In the circumstances, the effectiveness of the governance arrangements could not be confirmed.

2. Lack of an Internal Audit Function

The Company did not have an Internal Audit Function to carry out internal control assessments of the Company's operations. The absence of such a function implies that the Company's Audit and Risk Committee of the Board lacks a means of obtaining reasonable assurance on the state of internal control, risk management and governance within the Company. Further, failure to establish an Internal Audit Function is contrary to Section 73(1)(a) of the Public Finance Management Act, 2012 which states that every national government entity should ensure that it has appropriate arrangements in place for conducting internal audit according to the guidelines of the Public Sector Accounting Standards Board.

3. Use of a Motor Vehicle Without Work Tickets

During the year under review, an amount of Kshs.104,713 was spent on fuel, repairs and maintenance of a motor vehicle registration number KBH 882R for the period between January, 2022 to June, 2022. However, the Management did not provide work tickets to confirm fuel utilization and repairs undertaken during the period. Failure by the Management to maintain work tickets for the motor vehicles points to weak internal controls on maintenance and running costs of motor vehicles, a situation which may occasion loss of public funds.

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

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

As required by the Kenyan Companies Act No.17 of 2015, I report based on the audit, that:

- (i) I have obtained all the information and explanations which, to the best of my knowledge and belief, were necessary for the purpose of my audit.
- (ii) In my opinion, adequate accounting records have been kept by the Company, so far as appears from the examination of those records; and
- (iii) The Company's financial statements are in agreement with the accounting records and returns.

Responsibilities of Management and Board of Directors

Management is responsible for the preparation and fair presentation of these financial statements in accordance with International Financial Reporting Standards and for maintaining effective internal control as the Management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error and for its assessment of the effectiveness of internal control, risk management and overall governance.

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

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

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

The Board of Directors is responsible for overseeing the Company'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

The audit objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion in accordance with the provisions of Section 48 of the Public Audit Act, 2015 and submit the audit report in compliance with Article 229(7) of the Constitution. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISSAIs will always detect a material misstatement and weakness when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

In addition to the audit of the financial statements, a compliance audit is planned and performed to express a conclusion about whether, in all material respects, the activities, financial transactions and information reflected in the financial statements are in compliance with the authorities that govern them and that public resources are applied in

an effective way, in accordance with the provisions of Article 229(6) of the Constitution and submit the audit report in compliance with Article 229(7) of the Constitution.

Further, in planning and performing the audit of the financial statements and audit of compliance, I consider internal control in order to give an assurance on the effectiveness of internal controls, risk management and overall governance processes and systems in accordance with the provisions of Section 7(1)(a) of the Public Audit Act, 2015 and submit the audit report in compliance with Article 229(7) of the Constitution. My consideration of the internal control would not necessarily disclose all matters in the internal control that might be material weaknesses under the ISSAIs. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements caused by error or fraud in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions.

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


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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by Management.
- Conclude on the appropriateness of the Management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in the auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my audit report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

- Obtain sufficient appropriate audit evidence regarding the financial information and business activities of the Company to express an opinion on the financial statements.
- Perform such other procedures as I consider necessary in the circumstances.

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

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


CPA Nancy Gathungu, CBS
AUDITOR-GENERAL

Nairobi

29 June, 2023

KENYA NATIONAL SHIPPING LINE LTD
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XIII. STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED JUNE 30, 2022


	Note	2021-2022	2020-2021
		Kshs	Kshs
REVENUES			
Service Income	7	824,981	377,835
Service Costs	8	(2,285)	-
Gross Profit		822,696	377,835
OTHER INCOME			
Other Income	9	1,300,000	1,300,000
		1,300,000	1,300,000
OTHER GAINS AND LOSSES			
Unrealized foreign exchange gain	10	997,575	136,842
Unrealized foreign exchange loss	10	(1,753,801)	(416,996)
		(756,226)	(280,154)
TOTAL REVENUES		1,366,470	1,397,681
OPERATING EXPENSES			
Employment Costs	11	(39,722,183)	(35,328,824)
Administration Costs	12	(33,656,517)	(21,946,216)
Depreciation of vehicles and equipment	16	(1,685,606)	(1,481,920)
Amortization of Intangible Assets	17	(31,551)	(31,551)
TOTAL OPERATING EXPENSES		(75,095,857)	(58,788,511)
OPERATING PROFIT/(LOSS)		(73,729,387)	(57,390,830)
TAXATION CHARGE(CREDIT)		-	-
TOTAL COMPREHENSIVE LOSS FOR THE YEAR		(73,729,387)	(57,390,830)

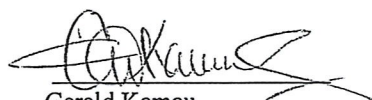
**KENYA NATIONAL SHIPPING LINE LTD
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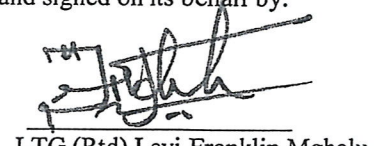
XIV. STATEMENTS OF FINANCIAL POSITION AS AT JUNE 30, 2022

	Note	2021-2022	2020-2021
		Kshs	Kshs
ASSETS			
Non-Current Assets			
Vehicles and equipment	16	2,628,365	3,402,862
Intangible assets	17	94,658	126,209
Total Non-Current Assets		2,723,023	3,529,071
Current Assets			
Inventory & stores	18	748,180	595,600
Trade and other receivables	19	27,309,320	25,640,207
Bank and cash balances	20	15,940,428	20,021,340
Total Current Assets		43,997,928	46,257,147
TOTAL ASSETS		46,720,951	49,786,218
EQUITY AND LIABILITIES			
Capital and Reserves			
Ordinary share capital	21	168,600,000	93,523,000
Funds awaiting allotment of shares	21	-	73,681,500
Capital grants from Government	21	449,090,000	381,090,000
Accumulated deficit		(644,627,470)	(570,898,083)
Capital and Reserves		(26,937,470)	(22,603,583)
Long Term Liability			
Deferred income	22	1,300,000	2,600,000
		1,300,000	2,600,000
Current Liabilities			
Trade and other payables	23	45,683,235	43,114,615
Due to related party	24	26,675,186	26,675,186
Total Current Liabilities		72,358,421	69,789,801
TOTAL EQUITY AND LIABILITIES		46,720,951	49,786,218

The financial statements were approved by the Board on 28/09/2022 and signed on its behalf by:


Joseph Juma
Ag. Managing Director
ICPAK M/No: 9945


Gerald Kamau
Head of Finance
ICPAK M/No: 18488


LTG (Rtd) Levi Franklin Mghalu
Chairman of the Board

KENYA NATIONAL SHIPPING LINE LTD
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XV. STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED JUNE 30, 2022

	Ordinary Share Capital	Funds Awaiting Allotment Of Shares	Capital Grants From Government	Accumulated Deficit	Total
	Kshs	Kshs	Kshs	Kshs	Kshs
2021					
At July 1 , 2020	93,523,000	73,681,500	321,090,000	(513,507,253)	(25,212,753)
Total comprehensive loss for the year	-	-	-	(57,390,830)	(57,390,830)
Capital Grants From Government	-	-	60,000,000	-	60,000,000
At June 30, 2021	93,523,000	73,681,500	381,090,000	(570,898,083)	(22,603,583)
2022					
At July 1 , 2021	93,523,000	73,681,500	381,090,000	(570,898,083)	(22,603,583)
Total comprehensive loss for the year	-	-	-	(73,729,387)	(73,729,387)
Allotment of Shares	73,681,500	(73,681,500)	-	-	-
New Capital Call	1,395,500	-	-	-	1,395,500
Capital Grants From Government	-	-	68,000,000	-	68,000,000
At June 30, 2022	168,600,000	-	449,090,000	(644,627,470)	(26,937,470)

(Note 21)

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XVI. STATEMENTS OF CASH FLOWS FOR THE YEAR ENDED JUNE 30, 2022

	Note	2021-2022	2020-2021
		Kshs	Kshs
OPERATING ACTIVITIES			
Cash used in operations	26	(72,565,303)	(57,410,283)
Interest received		-	-
Interest paid		-	-
Taxation paid		-	-
Net cash used in operating activities		(72,565,303)	(57,410,283)
INVESTING ACTIVITIES			
Purchase of vehicles and equipment	16	(911,109)	(184,860)
Purchase of intangible assets		-	-
Proceeds from disposal of equipment		-	-
Net cash used in investing activities		(911,109)	(184,860)
FINANCING ACTIVITIES			
Proceeds from Government grants	21	68,000,000	60,000,000
Additional capital injection	21	1,395,500	-
Net cash generated from financing activities		69,395,500	60,000,000
INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS		(4,080,912)	2,404,857
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE YEAR		20,021,340	17,616,483
CASH AND CASH EQUIVALENTS AT END OF THE YEAR		15,940,428	20,021,340

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**XVII. STATEMENTS OF COMPARISON OF BUDGET AND ACTUAL AMOUNTS FOR THE
YEAR ENDED JUNE 30, 2022**

	Original Budget	Adjusted Budget	Final Budget	Actual on Comparable Basis	Performance Difference	% of Utilisation
	2021-2022	2021- 2022	2021-2022	2021-2022	2021-2022	2021-2022
	Kshs	Kshs	Kshs	Kshs	Kshs	Kshs
Revenue						
Service Income	14,443,000	-	14,443,000	824,981	(13,618,019)	6
Government grants	68,000,000	-	68,000,000	68,000,000	-	100
Other Income	1,300,000	-	1,300,000	1,300,000	-	100
Finance Income	2,850,000	-	2,850,000	997,575	(1,852,425)	35
Total income	86,593,000		86,593,000	71,122,556	(15,470,444)	
Expenses						
Service costs	2,285	-	2,285	2,285	-	-
Employment Costs	40,965,000	-	40,965,000	39,722,183	(1,242,817)	97
Administration Expenses	36,187,715		36,187,715	32,070,338	(4,117,377)	89
Rent	3,656,000		3,656,000	3,339,980	(316,020)	91
Depreciation of assets	1,266,000	-	1,266,000	1,717,157	451,157	136
Taxation paid	-	-	-	-	-	-
Total expenditure	82,077,000	-	82,077,000	76,851,943	(5,225,057)	
Surplus / (Deficit) for the period	4,516,000	-	4,516,000	(5,729,387)	(10,245,387)	

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XVIII. NOTES TO THE FINANCIAL STATEMENTS

1. GENERAL INFORMATION

Kenya National Shipping Line Ltd is established by and derives its authority and accountability from Kenya Company's Act. The entity is owned by the Government of Kenya through the Kenya Ports Authority and foreign investors. The Company is domiciled in Kenya and the principal activity is shipping services.

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

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 Financial Reporting Standards (IFRS) allows the use of estimates and assumptions. It also requires management to exercise judgement in the process of applying the entity's accounting policies.

The financial statements have been prepared and presented in Kenya Shillings, which is the functional and reporting currency of Kenya National Shipping Line Ltd.

The financial statements have been prepared in accordance with the PFM Act, the State Corporations Act, and International Financial Reporting Standards (IFRS). The accounting policies adopted have been consistently applied to all the years present.

3. APPLICATION OF NEW AND REVISED INTERNATIONAL FINANCIAL REPORTING STANDARDS (IFRS)

(i) *Relevant new and amended standards and interpretations in issue effective in the year ended 30 June 2022*

Title	Description	Effective Date
Amendments to IAS 16 titled Property, Plant and Equipment: Proceeds before Intended Use (issued in May 2020)	The amendments, applicable to annual periods beginning on or after 1 January 2022, prohibit a company from deducting from the cost of property, plant and equipment amounts received from selling items produced while the company is preparing an asset for its intended use. Instead, a company will recognise such sales proceeds and related cost in profit or loss	The amendments are effective for annual periods beginning on or after January 1, 2022. Early application is permitted.

**KENYA NATIONAL SHIPPING LINE LTD
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XVIII NOTES TO THE FINANCIAL STATEMENTS (Continued)

3. APPLICATION OF NEW AND REVISED INTERNATIONAL FINANCIAL REPORTING STANDARDS (IFRS) (Continued)

(i) Relevant new and amended standards and interpretations in issue effective in the year ended 30 June 2022 (Continued)

Amendments to IAS 37 titled Onerous Contracts - Cost of Fulfilling a Contract (issued in May 2020)	The amendments clarify that for the purpose of assessing whether a contract is onerous, the cost of fulfilling the contract includes both the incremental costs of fulfilling that contract and an allocation of other costs that relate directly to fulfilling contracts. They are effective for contracts for which an entity has not yet fulfilled all its obligations on or after 1 January 2022.	The amendments are effective for annual periods beginning on or after January 1, 2022. Early application is permitted
Amendment to IFRS 9 titled Fees in the '10 per cent' Test for De-recognition of Financial Liabilities	The amendment, applicable to annual periods beginning on or after 1 January 2022, to IFRS 9 clarifies the fees that a company includes when assessing whether the terms of a new or modified financial liability are substantially different from the terms of the original financial liability.	The amendments are effective for annual periods beginning on or after January 1, 2022. Early application is permitted
Amendment to IAS 41 titled Taxation in Fair Value Measurements (issued in May 2020 as part of the Annual Improvements to IFRS Standards 2018-2020)	The amendment, applicable to annual periods beginning on or after 1 January 2022, to IAS 41 removed the requirement to exclude taxation cash flows when measuring fair value. This amendment aligned the requirements in IAS 41 on fair value measurement with those in other IFRS	The amendments are effective for annual periods beginning on or after January 1, 2022. Early application is permitted.

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

**KENYA NATIONAL SHIPPING LINE LTD
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XVIII NOTES TO THE FINANCIAL STATEMENTS (Continued)

3. APPLICATION OF NEW AND REVISED INTERNATIONAL FINANCIAL REPORTING STANDARDS (IFRS) (Continued)

(ii) *New and amended standards and interpretations in issue but not yet effective in the year ended 30 June 2022.*

Title	Description	Effective Date
IFRS 17 Insurance Contracts (issued in May 2017)	The new standard, effective for annual periods beginning on or after 1st January 2023, establishes principles for the recognition, measurement, presentation and disclosure of insurance contracts issued. It also requires similar principles to be applied to reinsurance contracts held and investment contracts with discretionary participation features issued. The objective is to ensure that entities provide relevant information in a way that faithfully represents those contracts. The Company does not issue insurance contracts.	The amendments are effective for annual periods beginning on or after January 1, 2023. Earlier application is permitted
Amendments to IAS 1 titled Classification of Liabilities as Current or Non-current (issued in January 2020)	The amendments, clarify a criterion in IAS 1 for classifying a liability as non-current: the requirement for an entity to have the right to defer settlement of the liability for at least 12 months after the reporting period.	The amendments are effective for annual periods beginning on or after January 1, 2023. Earlier application is permitted.
Amendments to IAS 1 titled Disclosure of Accounting Policies (issued in February 2021)	The amendments, applicable to annual periods beginning on or after 1 st January 2023, require entities to disclose their material accounting policy information rather than their significant accounting policies	The amendments are effective for annual periods beginning on or after January 1, 2023. Earlier application is permitted.
IAS 12 — Income Taxes	IAS 12, "Income Taxes" implements a so-called 'comprehensive balance sheet method' of accounting for income taxes which recognizes both the current tax consequences of transactions and events and the future tax consequences of the future recovery or settlement of the carrying amount of an entity's assets and liabilities. Differences between the carrying amount and tax base of assets and liabilities, and carried forward tax losses and credits, are recognized, with limited exceptions, as deferred tax liabilities or deferred tax assets, with the latter also being subject to a 'probable profits' test.	The amendments are effective for annual reporting periods beginning on or after January 1, 2023. Early adoption is permitted.

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XVIII NOTES TO THE FINANCIAL STATEMENTS (Continued)

3. APPLICATION OF NEW AND REVISED INTERNATIONAL FINANCIAL REPORTING STANDARDS (IFRS) (Continued)

(ii) *New and amended standards and interpretations in issue but not yet effective in the year ended 30 June 2022.*

Title	Description	Effective Date
IAS 8- Accounting Policies, Errors and Estimates	The amendments, applicable to annual periods beginning on or after 1st January 2023, introduce a definition of 'accounting estimates' and include other amendments to IAS 8 to help entities distinguish changes in accounting policies from changes in accounting estimates.	The amendments are effective for annual reporting periods beginning on or after January 1, 2023. Early adoption is permitted.

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

(iii) **Early adoption of standards**

The Company did not early – adopt any new or amended standards in year 2021.

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

a) Revenue recognition

Revenue is recognised to the extent that it is probable that future economic benefits will flow to the Company and the revenue can be reliably measured. Revenue is recognised at the fair value of consideration received or expected to be received in the ordinary course of the Company's activities, net of value-added tax (VAT), where applicable and when specific criteria have been met for each of the Company's activities as described below.

- i) **Service Income** is recognised in the year in which the Company renders the shipping services to the customer, the customer has accepted the products and collectability of the related receivables is reasonably assured.
- ii) **Grants from National Government** are recognised in the year in which the *Company* actually receives such grants. Recurrent grants and Development/capital grants are recognized in the statement of financial position and realised in the statement of comprehensive income.
- iii) **Finance income** comprises interest receivable from bank deposits and investment in securities, and is recognised in profit or loss on a time proportion basis using the effective interest rate method.
- iv) **Other income** is recognised as it accrues.

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XVIII NOTES TO THE FINANCIAL STATEMENTS (Continued)

4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

a) In-kind contributions

In-kind contributions are donations that are made to the entity in the form of actual goods and/or services rather than in money or cash terms. These donations may include vehicles, equipment or personnel services. Where the financial value received for in-kind contributions can be reliably determined, the entity includes such value in the statement of comprehensive income both as revenue and as an expense in equal and opposite amounts; otherwise, the contribution is not recorded.

b) Vehicles and equipment

Vehicles and equipment are stated at cost less accumulated depreciation and any accumulated impairment losses.

c) Depreciation

Depreciation on vehicles and equipment is recognised in the income statement on a straight-line basis to write down the cost of each asset over their expected useful lives at the following annual rates:

Vehicles	25%
Furniture, fittings and equipment	12.5%
Computers	33.33%
Containers	25%

A full year's depreciation charge is recognised both in the year of asset purchase and in the year of asset disposal.

d) Intangible Assets

Computer software costs are recognised as intangible assets and are stated at cost less accumulated amortisation. Acquisition costs are amortised on the straight-line basis over the expected useful lives, not exceeding a period of three years.

e) Impairment

At the end of each reporting period, the company reviews the carrying amounts of its tangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss.

If the recoverable amount of an asset is estimated to be less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount. Impairment losses are recognised as an expense immediately, unless the relevant asset is carried at a revalued amount in which case the impairment loss is treated as a decrease in the revaluation surplus.

f) Accounting for leases

IFRS 16 introduces new or amended requirements with respect to lease accounting. It introduces significant changes to lessee accounting by removing the distinction between operating and finance lease and requiring the recognition of a right-of-use asset and a lease liability at commencement for all leases, except for short-term leases and leases of low value assets. In contrast to lessee accounting, the requirements for lessor accounting have remained largely unchanged

The company as lessee

Rentals payable are of low value and are charged to the profit or loss.

**KENYA NATIONAL SHIPPING LINE LTD
ANNUAL REPORTS AND FINANCIAL STATEMENTS
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XVIII NOTES TO THE FINANCIAL STATEMENTS (Continued)

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

g) Inventories

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

h) Trade and other receivables

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

i) Taxation

Current income tax

Current income tax assets and liabilities for the current period are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date in the area where the Entity operates and generates taxable income. Current income tax relating to items recognized directly in net assets is recognized in net assets and not in the statement of financial performance.

Current income tax assets and liabilities for the current period are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date in the area where the Entity operates and generates taxable income.

Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

Deferred tax

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

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

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

**KENYA NATIONAL SHIPPING LINE LTD
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XVIII NOTES TO THE FINANCIAL STATEMENTS (Continued)

4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Deferred tax (Continued)

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

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

Deferred tax relating to items recognized outside surplus or deficit is recognized outside surplus or deficit. Deferred tax items are recognized in correlation to the underlying transaction in net assets. Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current income tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

j) Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and cash at bank. Bank account balances include amounts held at various Commercial Banks at the end of the reporting period.

k) Trade and other payables

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

l) Retirement benefit obligations

The company operates a defined contribution scheme for all full-time employees. The scheme is administered by an independent fund manager and is funded by contributions from both the company and its employees.

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

m) Provision for staff leave pay

Employees' entitlements to annual leave are recognised as they accrue at the employees. Provision is made for the estimated liability for annual leave at the reporting date.

n) Exchange rate differences

The accounting records are maintained in the functional currency of the primary economic environment in which the entity operates, Kenya Shillings. Transactions in foreign currencies during the year/period are translated into the functional currency using the exchange rates prevailing at the dates of the transactions or valuation where items are re-measured. Any foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year- end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in profit or loss.

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XVIII NOTES TO THE FINANCIAL STATEMENTS (Continued)

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

o) Budget Information

The original budget for financial year 2021-22 was approved by the National Assembly. Subsequent revisions or additional appropriations were made to the approved budget in accordance with specific approvals from the appropriate authorities. The additional appropriations are added to the original budget by the entity upon receiving the respective approvals in order to conclude the final budget.

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

A statement to reconcile the actual amounts on a comparable basis included in the statement of comparison of budget and actual amounts and the actual as per the statement of financial performance has been presented under section XVII of these financial statements.

p) Comparatives

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

q) 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, 2022.

5. SIGNIFICANT JUDGMENTS AND SOURCES OF ESTIMATION UNCERTAINTY

In the application of the company's accounting policies, which are described in note 1, the directors are required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and future periods if the revision affects both current and future periods.

The key areas of judgment in applying the entities accounting policies and sources of estimation uncertainty are dealt with below:

(a) Critical judgements in applying accounting policies

There are no critical judgments, apart from those involving estimations [see (b) below], that the directors have made in the process of applying the group's accounting policies and that have the most significant effect on the amounts recognised in financial statements.

**KENYA NATIONAL SHIPPING LINE LTD
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XVIII NOTES TO THE FINANCIAL STATEMENTS (Continued)

5. SIGNIFICANT JUDGMENTS AND SOURCES OF ESTIMATION UNCERTAINTY (Continued)

(b) Key sources of estimation uncertainty

Impairment losses

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

Vehicles, equipment and intangible assets

Critical estimates are made by the directors in determining depreciation rates for vehicles, equipment and intangible assets.

Contingent liabilities

As disclosed in note 26 to these financial statements, the company is exposed to various contingent liabilities in the normal course of business including certain pending audits with Kenya Revenue Authority and a number of outstanding legal cases. The directors evaluate the status of these exposures on a regular basis to assess the probability of the company incurring related liabilities. However, provisions are only made in the financial statements where, based on the directors' evaluation, a present obligation has been established.

6. GOING CONCERN

As at June 30, 2021 the company had a shareholders' deficit of Sh 644,627,470 (2021: Sh. 570,898,083) and its current liabilities exceeded its current assets by Sh 28,360,493 (2021: Sh. 23,532,654) primarily because of the trading losses made in the past years. It also incurred a loss for the year ended 30 June 2022 of Sh 73,729,387 (2021: Sh. 57,390,830).

The directors and management are pursuing a number of strategies to ensure the company returns to profitable trading. These measures include the ongoing restructuring of the Company.

On this basis, the directors consider it appropriate to prepare the financial statements on the going concern basis.

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XVIII NOTES TO THE FINANCIAL STATEMENTS (Continued)

7. SERVICE INCOME

	2021-2022	2020-2021
	Kshs	Kshs
Other Revenues - Local	113,298	
Handing Over Fee	219,066	376,835
Clearing & Forwarding Agency Fee	472,597	-
Telex Release Fee	20,020	-
Miscellaneous Revenue	-	1,000
Total	824,981	377,835

8. SERVICE COSTS

	2021-2022	2020-2021
	Kshs	Kshs
Other surcharges	2,285	-
Total	2,285	-

9. OTHER INCOME

	2021-2022	2020-2021
	Kshs	Kshs
Other miscellaneous receipts	1,300,000	1,300,000
Total	1,300,000	1,300,000

10. OTHER GAIN AND LOSSES

	2021-2022	2020-2021
	Kshs	Kshs
Unrealized foreign exchange gain	997,575	136,842
Gain on disposal of non-financial assets	-	-
Taxation	-	-
Unrealized foreign exchange loss	(1,753,801)	(416,996)
Total	(756,226)	(280,154)

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XVIII NOTES TO THE FINANCIAL STATEMENTS (Continued)

11. EMPLOYMENT COSTS

	2021-2022	2020-2021
	Kshs	Kshs
Salaries and wages	26,064,530	24,344,114
Pension funds contributions	4,459,173	3,898,750
Medical expenses	5,351,766	4,925,288
Staff training and welfare	3,801,114	2,117,672
NSSF contributions	45,600	43,000
Total	39,722,183	35,328,824
The average number of employees at the end of the year was:		
Permanent employees – management	5	5
Permanent employees – non-management	14	14
Temporary and contracted employees	-	-
Total	19	19

12. ADMINISTRATION COSTS

	2021-2022	2020-2021
	Kshs	Kshs
Advertising	198,014	838,052
Audit fees	450,000	450,000
Bad debts less recoveries	-	497,248
Bank charges	179,695	142,773
Electricity & water	123,220	36,799
Entertainment	1,277,740	518,425
Insurance - note 5 (a)	62,002	56,988
Legal and professional	-	-
Miscellaneous - note 5 (b)	1,834,857	446,207
Motor vehicle running	1,077,699	1,206,153
Penalties	1,000	-
Printing and stationery	434,398	358,038
Rental	3,339,980	2,803,800
Repairs and maintenance - note 5 (c)	387,314	148,098
Corporate Social Responsibilities (CSR)	210,195	264,810
Subscriptions & renewals	166,518	194,436
Telecommunication - note 5 (d)	749,048	606,592
Transport, travelling & accommodation - note 5 (e)	17,746,207	8,564,229
Board Expenses - note 5 (f)	5,418,630	4,813,568
Total	33,656,517	21,946,216

KENYA NATIONAL SHIPPING LINE LTD
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XVIII NOTES TO THE FINANCIAL STATEMENTS (Continued)

13. OPERATING PROFIT / (LOSS)

	2021-2022	2020-2021
Description	Kshs	Kshs
The operating profit/(loss) is arrived at after charging/(crediting):	(73,729,387)	(57,390,830)
Staff Costs (Note 11)	39,722,183	35,328,824
Depreciation of property, plant and equipment	1,685,606	1,481,920
Amortisation of intangible assets	31,551	31,551
Provision for bad and doubtful debts	(36,898,137)	(36,405,499)
Directors' emoluments – fees	864,167	1,020,000
Auditors' remuneration - current year fees	450,000	450,000
Net foreign exchange loss	(756,226)	(280,154)
Operating Profits/(Loss) Net	(68,630,243)	(55,764,188)

14. TAXATION

(a) Current taxation		
Current taxation based on the adjusted profit for the year at 30%	-	-
Current tax: prior year under/(over) provision	-	-
Current year deferred tax charge	-	-
Prior period under-provision for deferred tax	-	-
(b) Reconciliation of tax expense/(credit) to the expected tax based on profit		
Profit before taxation	(73,729,387)	(57,390,830)
Tax at the applicable tax rate of 30%	(22,118,816)	(17,217,249)
Total	(22,118,816)	(17,217,249)

As at 30 June 2022, the Company had tax losses amounting to Ksh. 495,762,251 (2021 – Ksh. 425,053,253) available for set-off against future taxable profits.

15. DEFERRED TAXATION

As at 30 June 2022, there was a potential deferred tax asset which has not been recognised in these financial statements because of the uncertainty regarding the company's ability to generate sufficient future taxable profits against which the accumulated tax losses can be utilised.

**KENYA NATIONAL SHIPPING LINE LTD
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XVIII NOTES TO THE FINANCIAL STATEMENTS (Continued)

16. VEHICLES AND EQUIPMENT

2022	Motor Vehicles	Computers, Containers, furniture, fittings & equipment	Total
COST	Ksh	Ksh	Ksh
At July 1, 2021	8,704,201	7,649,716	16,353,917
Additions	-	911,109	911,109
Disposals	-	-	-
At June 30, 2022	8,704,201	8,560,825	17,265,026
DEPRECIATION			
At July 1, 2021	6,103,201	6,847,854	12,951,055
Charge for the year	1,300,000	385,606	1,685,606
Eliminated on disposal	-	-	-
At June 30, 2022	7,403,201	7,233,460	14,636,661
NET BOOK VALUE			
At June 30, 2022	1,301,000	1,327,365	2,628,365
2021			
COST			
At July 1, 2021	8,704,201	9,795,963	18,500,164
Additions	-	184,860	184,860
Disposals	-	(2,331,107)	(2,331,107)
At June 30, 2022	8,704,201	7,649,716	16,353,917
DEPRECIATION			
At July 1, 2021	4,803,201	8,972,581	13,775,782
Charge for the year	1,300,000	181,920	1,481,920
Eliminated on disposal	-	(2,306,647)	(2,306,647)
At June 30, 2022	6,103,201	6,847,854	12,951,055
NET BOOK VALUE			
At June 30, 2022	2,601,000	801,862	3,402,862

As at June 30, 2022, vehicles and equipment with a cost of Kshs 14,484,973 (2021: Kshs 13,785,666) had been fully depreciated.

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XVIII NOTES TO THE FINANCIAL STATEMENTS (Continued)

17. INTANGIBLE ASSETS

Description	2021-2022	2020-2021
	Kshs	Kshs
Cost		
At July 1	737,434	737,434
Additions	-	-
Disposals	-	-
At June 30	737,434	737,434
Amortisation		
At July 1	611,225	579,674
Charge For The Year	31,551	31,551
Disposals	-	-
At June 30	642,776	611,225
Net Book Value		
At June 30	94,658	126,209

At 30 June 2022, intangible assets with a cost of Sh 485,020 had been fully amortised.

18. INVENTORIES

	2021-2022	2020-2021
	Kshs	Kshs
Stationery and general stores	891,514	738,934
Provision for obsolete stocks	(143,334)	(143,334)
Total	748,180	595,600

19. TRADE AND OTHER RECEIVABLES

	2021-2022	2020-2021
	Kshs	Kshs
Trade receivables (Note 19a)	2,252,840	2,280,974
Deposits and prepayments	7,034,882	6,404,279
VAT recoverable	13,730,230	12,418,650
Other receivables (Note 19b)	4,291,368	4,536,304
Total	27,309,320	25,640,207

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XVIII NOTES TO THE FINANCIAL STATEMENTS (Continued)

19 (a) Trade Receivables

	2021-2022	2020-2021
	Kshs	Kshs
Gross Trade Receivables	39,150,977	38,686,473
Provision for Doubtful Receivables	(36,898,137)	(36,405,499)
Net Trade Receivables	2,252,840	2,280,974
At June 30, the ageing analysis of gross Trade Receivables was as follows:		
Less than 30 Days	178,231	-
Between 30 and 60 Days	26,414	-
Between 61 and 90 Days	43,355	-
Between 91 and 120 Days	-	-
Over 120 Days	2,004,840	2,280,974
Total	2,252,840	2,280,974

19(b) Other Receivables

	2021-2022	2020-2021
	Kshs	Kshs
Gross Other Receivables	18,755,434	18,602,810
Provision for Other Receivables	(14,464,066)	(14,066,506)
Net Trade Receivables	4,291,368	4,536,304

20. BANK AND CASH BALANCES

	2021-2022	2020-2021
	Kshs	Kshs
Kenya Commercial Bank (Kshs A/C)	5,382,290	9,273,136
Kenya Commercial Bank (Usd A/C)	3,735,576	5,751,261
Absa Bank Kenya PLC - Khs A/C	4,146,054	2,549,809
Absa Bank Kenya PLC - Usd A/C	2,636,508	2,407,134
Cash in hand	40,000	40,000
Total	15,940,428	20,021,340

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XVIII NOTES TO THE FINANCIAL STATEMENTS (Continued)

21. SHARE CAPITAL

21(a) ORDINARY SHARE CAPITAL

Description	2021-2022	2020-2021
	Kshs	Kshs
Authorized:		
200,000 Ordinary Shares of Kshs 1,000 par value each	200,000,000	200,000,000
Issued and Fully paid:		
168,600 Ordinary Shares of Kshs 1,000 par value each	168,600,000	93,523,000

The funds awaiting allotment received from Kenya Ports Authority amounting to Ksh 19,335,000 and from Heywood Shipping Company Limited amounting to Ksh 54,346,500 (totalling to Ksh 73,681,500) was allotted following the reorganisation of share capital by the shareholders. There was an additional share capital call of Kshs 1,395,500.

21(b) CAPITAL GRANTS FROM GOVERNMENT

Since July 2013, the Government through Kenya Ports Authority has injected capital of Ksh. 449,090,000 (2021: Ksh. 381,090,000) million which is treated as capital grants. The funds continue to be carried in the statement of financial position as capital grants from Government until such time that an alternative way of reorganising share capital is agreed upon between the existing shareholders and Heywood Shipping Company Limited.

22. DEFERRED INCOME

The deferred income is recognition of donation of two motor vehicles by a sister State Corporation valued at Sh. 5,200,000. The motor vehicles have been depreciated in line with the Company depreciation policy. A deferred income of Sh. 1,300,000 has been recognised under other income.

23. TRADE AND OTHER PAYABLES

	2021-2022	2020-2021
	Kshs	Kshs
Trade payables	28,142,136	27,915,534
Accruals and other payables	17,541,099	15,199,081
Total	45,683,235	43,114,615

Included in the trade payables balance are amounts totalling Sh. 4,700,326 (2021 – Sh 5,794,378) due to container leasing companies, most of whom stopped sending invoices for container lease charges and monthly statements to the company several years back. The liabilities carried in trade payables in respect of amounts due to these suppliers are based on balances outstanding when statements were last received from these suppliers [also see note 26 (iii)]. Based on compromise arrangements that are being negotiated with major container leasing companies, a number of which have been successful, the directors believe that no further liabilities have accrued since the determination of these balances.

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XVIII NOTES TO THE FINANCIAL STATEMENTS (Continued)

24. RELATED PARTY BALANCE AND TRANSACTIONS

(a) Kenya Ports Authority

	2021-2022	2020-2021
	Kshs	Kshs
Kenya Ports Authority (KPA)	26,675,186	26,675,186
Total	26,675,186	26,675,186

Kenya Ports Authority is the majority share holder of Kenya National Shipping Line Ltd, holding 53% of the company's equity interest. Kenya Ports Authority has provided full guarantees to all long term lenders of the entity, both domestic and external.

(b) Other related parties include:

- (i) The Parent Ministry
- (ii) Board of Directors
- (iii) Key Management

(c) Transactions with related parties

	2021-2022	2020-2021
	Kshs	Kshs
(i) Grants from National Government	68,000,000	60,000,000
Total	68,000,000	60,000,000
(ii) Key Management Compensation		
Directors' Emoluments (Honorarium & Telephone Allowances)	864,167	1,020,000
Compensation to CEO and Key Management	14,039,387	12,785,057
Total	14,903,554	13,805,057

25. CONTINGENT LIABILITIES

- (i) The company, in the normal course of business, holds containers leased from various companies. Should any container be lost or damaged, the company has the responsibility to compensate the owners. The directors do not anticipate any significant liabilities to accrue from these arrangements, apart from those liabilities already provided for in the financial statements (2021: Nil).
- (ii) In 2004, Kenya Revenue Authority (KRA) carried out a withholding tax audit of the company covering the year 2003 and issued a demand of Sh 2,922,898 for unpaid withholding taxes, interest and penalties. The company has raised an objection with regard to this, and the amount has not been provided for as, in the opinion of the directors, the company has good grounds for the objection lodged. An amount of Sh 974,298 already paid in respect of this demand has been reflected as a claim recoverable within trade and other receivables.
- (iii) A claim from Textainer Equipment Limited for US\$17,571 (Sh. 2,070,433) in respect of unpaid invoices included in their statement when last received, has not been provided for in the financial statements because the directors believe that the claim is not valid (2021: US\$ 17,571 – Sh. 1,895,032)

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XVIII NOTES TO THE FINANCIAL STATEMENTS (Continued)

25 CONTINGENT LIABILITIES (Continued)

- (iv) A claim from P. N. Communications Limited for US\$ 17,660 (Sh 2,080,920) in respect of advertisement services rendered has not been provided for, as, in opinion of the directors having regard to legal advice received, the claim is not valid (2021: US\$ 17,660- Sh 1,904,631).
- (v) There are ongoing legal claims for specific damages which have been brought against the company by former employees. Based upon legal opinions received, the directors do not anticipate that these claims will result in significant losses to the company.

26. NOTES TO THE STATEMENT OF CASH FLOWS

	2021-2022	2020-2021
	Kshs	Kshs
(a) Reconciliation Of Operating Profit/(Loss) To Cash Generated From/(Used In) Operations		
Loss for the year	(73,729,387)	(57,390,830)
Depreciation	1,685,606	1,481,920
Amortisation	31,551	31,551
(Gain)/Loss on disposal of Equipment	-	24,460
Deferred Income	(1,300,000)	(1,300,000)
Loss before Working Capital changes	(73,312,230)	(57,152,899)
(Increase)/Decrease in Inventories	(1,669,113)	(86,790)
(Increase)/Decrease in Trade and Other Receivables	(152,581)	(1,906,203)
Increase/(Decrease) in Trade and Other Payables	2,568,621	1,735,609
Net movement in related company balance	-	-
Cash Generated from/(used In) operations	(72,565,303)	(57,410,283)

27. FINANCIAL RISK MANAGEMENT

The company manages its capital to ensure that it will be able to continue as a going concern while maximising the return to shareholders through the optimisation of the debt and equity balance. The company's overall strategy remains unchanged from 2021.

Significant accounting policies

Details of the significant accounting policies and methods adopted, including the criteria for recognition, the basis of measurement and the basis on which income and expenses are recognised, in respect of each class of financial asset, financial liability and equity instrument are disclosed in note 4 to the financial Statements.

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XVIII NOTES TO THE FINANCIAL STATEMENTS (Continued)

27 FINANCIAL RISK MANAGEMENT (Continued)

Financial risk management objectives

The company's activities expose it to a variety of financial risks including credit and liquidity risks, effects of changes in foreign currency and interest rates and changes in market prices of the company's services. The company'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 company does not hedge any risks and has in place policies to ensure that credit is extended to customers with an established credit history.

(i) Credit risk management

Credit risk refers to the risk that customers will default on their contractual obligations resulting in financial loss to the company.

The company's credit risk is primarily attributable to its trade receivables. The amounts presented in the statement of financial position are net of allowances for doubtful receivables, estimated by the company's management based on prior experience and their assessment of the current economic environment.

The credit risk on trade receivables is limited because the customers are known customers with high credit ratings.

The credit risk on liquid funds with financial institutions is also low, because the counter parties are banks with high credit-ratings.

The amount that best represents the company's maximum exposure to credit as at 30 June 2022 and 30 June 2021 is made up as follows:

2022

Description	Total amount Kshs	Fully performing Kshs	Past due Kshs	Impaired Kshs
At 30 June 2022				
Trade Receivables	39,150,977	248,000	-	38,902,977
Bank balances	15,940,428	15,940,428	-	-
Total	55,091,405	16,188,428	-	38,902,977
At 30 June 2021				
Trade Receivables	38,686,473	34,732	-	38,651,741
Bank balances	20,021,340	20,021,340	-	-
Total	58,707,813	20,056,072	-	38,651,741

Cash and cash equivalents are fully performing.

The customers under the fully performing category are paying their debts as they continue trading. The default rate is low.

The debts that are due are not impaired and continue to be paid. The debts that are impaired have been fully provided for.

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XVIII NOTES TO THE FINANCIAL STATEMENTS (Continued)

27 FINANCIAL RISK MANAGEMENT (Continued)

(ii) Liquidity risk management

Ultimate responsibility for liquidity risk management rests with the Board of Directors, which has built an appropriate liquidity risk management framework for the management of the company's short and medium-term funding and liquidity management requirements. The company manages liquidity risk by maintaining banking facilities through continuous monitoring of forecast and actual cash flows and matching the maturity profiles of financial assets and liabilities.

The table below analyses the company's financial liabilities that will be settled on a net basis into relevant maturity groupings based on the remaining period at the end of the reporting period to the contractual maturity date. Balances due within 12 months equal their carrying balances, as the impact of discounting is not significant.

	Less than 1 month	Between 1-3 months	Over 5 months	Total
	Kshs	Kshs	Kshs	Kshs
At 30 June 2022				
Trade payables	5,764,943	431,606	21,945,587	28,142,136
Due to related company	-	-	26,675,186	26,675,186
Total	5,764,943	431,606	48,620,773	54,817,322
At 30 June 2021				
Trade payables	3,488,631	157,655	24,269,248	27,915,534
Due to related company	-	-	26,675,186	26,675,186
Total	3,488,631	157,655	50,944,434	54,590,720

(iii) Market risk

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

Market risk is the risk arising from changes in market prices, such as interest rate, equity prices and foreign exchange rates which will affect the entity's income or the value of its holding of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return. Overall responsibility for managing market risk rests with the Audit and Risk Management Committee.

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

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

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XVIII NOTES TO THE FINANCIAL STATEMENTS (Continued)

27 FINANCIAL RISK MANAGEMENT (Continued)

(iii) Market risk (Continued)

(a) Foreign currency risk management

The company undertakes certain transactions denominated in foreign currencies primarily in US Dollars. The fluctuations in currency exchange rates result in changes in the value of monetary assets and monetary liabilities denominated in foreign currencies hence exposures to the risk of incurring exchange losses. Foreign exchange risk arises from future commercial transactions, recognised assets and liabilities. The carrying amounts of the Company's foreign currency denominated monetary assets and liabilities at the end of the reporting period are as follows:

	2021-2022	2020-2021
	Kshs	Kshs
Assets		
Trade and other receivables		
US Dollars	2,490,023	2,435,918
Euros	141,207	145,966
Sterling Pounds	33,078	34,345
Swedish Krona (SK)	2,873	3,129
Total	2,667,181	2,619,358
Bank and cash balances		
US Dollars	6,372,084	8,158,395
Total	6,372,084	8,158,395
Liabilities		
Trade and other payables		
US Dollars	14,221,187	14,204,167
Euros	809,878	837,345
Swedish Krona (SK)	22,042	24,005
Total	15,053,107	15,065,517

(b) Foreign Currency Sensitivity Analysis

10% is the sensitivity rate used when reporting foreign currency risk internally to key management personnel and represents management's assessment of the reasonably possible change in foreign exchange rates. The sensitivity analysis includes only outstanding foreign currency denominated monetary items and adjusts their translation at the period end for a 10% change in foreign currency rates.

At 30 June 2022, if the Kenya Shilling had weakened/strengthened by 10% against the relevant foreign currencies with other variables held constant, the impact on the Company's Statement of Comprehensive Income for the year would have been higher/lower by Sh 0.60M (2021: 0.43M). In management's opinion, the sensitivity analysis is unrepresentative of the inherent foreign exchange risk as the year end exposure does not reflect the exposure during the year/period.

(c) Interest rate risk

The interest rate risk exposure arises mainly from interest rate movements on the Company's fixed deposits and borrowings. The Company does not have any bank borrowings. It's therefore not subject to interest rate risk.

(d) Price risk

The Company does not have financial instruments subject to price risk hence this risk is not relevant.

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XVIII NOTES TO THE FINANCIAL STATEMENTS (Continued)

28. OPERATING LEASE RENTAL COMMITMENTS

	2021-2022 Ksh	2020-2021 Ksh
Rental	3,339,980	2,803,800

29. INCORPORATION

The company is incorporated in Kenya under the Companies Act and is domiciled in Kenya.

30. EVENTS AFTER THE REPORTING PERIOD

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

31. CURRENCY

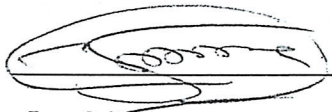
These financial statements are presented in Kenya Shillings (Kshs).

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XIX. APPENDICES

APPENDIX 1: PROGRESS ON FOLLOW UP OF AUDITOR RECOMMENDATIONS

Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: (Resolved / Not Resolved)	Timeframe
1.	Unsupported Trade and Other Receivables	The trade receivables of Kshs 38,686,473 relates to debtors most of whom are more than thirty years and are fully provided for.	Resolved	-
2.	Unsupported Trade and Other Payables	Management negotiated for waiver and discount with leasing companies who were owed monies by KNSL. Majority issued waivers/discounts and the Company settled the balances. The outstanding amount of Kshs 5,723,051 is disclosed in the books and there are no current engagements with Gunther & Hoffman and Textainer Equipment.	Resolved	-
3.	Share Capital - Funds Awaiting Allotment of Shares	The reorganization of the company's shareholding has been completed and the said funds been allotted. They will no longer be recognized as funds awaiting allotment going forward.	Resolved	-
4.	Materiality uncertainty in relation to going concern	The Company is being restructured and is expected to return to profitability upon finalization of restructuring.	Unresolved	1



**Joseph Juma
Ag. Managing Director**

Date.....28/09/2022

APPENDIX II: PROJECTS IMPLEMENTED BY KNSL

The Company is undergoing restructuring as a National Carrier. During the year under review, the Company did not implement any projects.

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APPENDIX III: INTER-ENTITY TRANSFERS

KENYA NATIONAL SHIPPING LINE LTD			
FY 2021/2022			
a. Recurrent Grants – Transfers from the State Department for Shipping and Maritime			
Bank Statement Date	Amount (KShs)	Financial Year	
10-09-2021	11,333,333	2021/2022	
28.10.2021	5,666,667	2021/2022	
06.12.2021	17,000,000	2021/2022	
09.03.2022	17,000,000	2021/2022	
03.06.2022	17,000,000	2021/2022	
Total	68,000,000	2021/2022	

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

APPENDIX IV: RECORDING OF TRANSFERS FROM OTHER GOVERNMENT ENTITIES

Name of the MDA Transferring the funds	Date received as per bank statement	Nature: Recurrent/ Development/ Others	Total Amount - Kshs	Where Recorded/ recognized
				Capital Fund - Kshs
Ministry of Transport, Infrastructure, Housing & Urban Development - State Department for Shipping & Maritime	10-09-2021 28.10.2021 06.12.2021 09.03.2022 03.06.2022	Recurrent	68,000,000	68,000,000
Total			68,000,000	68,000,000