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Scheme information

Trustees

- : Mr. Salim Chingabwi – Chairman (Appointed on 02 October 2017)
- : Dr. Architect Daniel Manduku (Discharged on 01 November 2019)
- : Mr. Harrison Lusigi (Appointed on 14 July 2017)
- : Mr. Moses Otieno (Appointed on 14 July 2017)
- : Mr. Maurice Munyao (Appointed on 14 July 2017)
- : Mr. Yobesh Oyaro (Appointed on 01 April 2019)
- : Mr. Alex Ole Leteipan (Appointed on 02 October 2017)
- : Ms. Delilah Ngala (Appointed on 14 May 2019)
- : Mr. Daniel Ogutu (Appointed on 14 May 2019)
- : Mr. Patrick Nyoike (Appointed on 01 November 2019)
- : Dr. Amani Komora (Discharged on 14 May 2019)
- : Ms. Catherine Wairi (Discharged on 31 May 2019)
- : Mr. Valentine Mwakamba (Discharged on 14 May 2019)

Custodian

- : Kenya Commercial Bank Nominees Limited
- : C/O Kenya Commercial Bank Limited
- : P. O. Box 30664 - 00100
- : Nairobi

EMPLOYER/SPONSOR

- : Kenya Ports Authority
- : P. O. Box 95009 - 80104
- : Mombasa

SCHEME ADMINSTRATOR

- : Caroline Kodo (Mrs)
- : Keny Ports Authority Pension Scheme
- : Old Cannon Towers, 7th floor
- : Moi Avenue
- : P. O. Box 1019 - 80100
- : Mombasa

Secretary

- : Mr. Stephen Kyandih
- : Kenya Ports Authority
- : P. O. Box 95009 - 80104
- : Mombasa

ACTUARY

- : Zamara Actuaries, Administrators and Consultants
- : P. O. Box 52439 - 00200
- : Nairobi

FUND MANAGERS

- | | |
|--|--|
| <p>1. Britam Asset Managers Kenya Limited
Britam Centre
Mara / Ragati Road Junction, Upper Hill
P.O. Box 30375 - 00100
GPO Nairobi</p> | <p>2. Co – op Trust Investment Services Limited
Co – operative House 13th Floor, Haile Selassie Avenue
P.O. Box 48231 – 00100, Nairobi
Telephone: 020 3276416
Email: co-optrust@co-opbank.co.ke</p> |
|--|--|

INDEPENDENT AUDITOR

- : Obiria & Co.
- : Certified Public Accountants
- : P. O. Box 282 - 80100
- : Mombasa

SCHEME INFORMATION (CONTINUED)

REGISTERED OFFICE

: Kenya Ports Authority Pension Scheme
: Old Cannon Towers, 7th Floor
: Moi Avenue
: P. O. Box 1019 - 80100
: Mombasa

PROPERTY MANAGERS

- | | |
|--|--|
| 1. Kiragu and Mwangi Limited
P. O. Box 10169 - 00100
Nairobi | 2. NW Realite Limited
P. O. Box 2211 - 00202
Nairobi |
|--|--|

BANKERS

- | | |
|--|--|
| 1. Citibank N. A.
P. O. Box 83615 - 80100
Mombasa | 2 KCB Bank Kenya Limited
P. O. Box 90254 - 80100
Mombasa |
| 3 Stanbic Bank Kenya Limited
P. O. Box 90131 - 80100
Mombasa | |

LAWYERS

- | | |
|--|--|
| 1. M/s MMC Africa Law
P.O. Box 90282 – 80100
Mombasa | 2. Miller and Company Advocates
P.O. Box 90088 – 80100
Mombasa |
| 3 Kittony Maina Karanja & Company
P.O. Box 80271 - 80100
Mombasa | 4 CM Advocates LLP
P.O. Box 90056 – 80100
Mombasa |
| 5 S. M. Righa & Company
P.O. Box 889 – 80300
Voi | 6 M/s Nyiha Mukoma & Company
P.O. Box 28491-00200,
Nairobi |
| 7 M/s Lumatete Muchai & Company
P.O. Box 80271 – 80100
Mombasa | 8 M/s Robson Harris & Company
PO Box 67845-00200
Nairobi |
| 9 M/s Kipkenda & Company
P.O. Box 56832 – 00200
Nairobi | 10 M/s Muthee Soni & Associates
P.O Box 87919-80100
Mombasa |

REPORT OF THE TRUSTEES

The trustees present their report together with the audited financial statements for the Kenya Ports Authority Pension Scheme (the "scheme") for the year ended 31 December 2019.

ESTABLISHMENT, NATURE, AND STATUS OF THE SCHEME

The scheme was established, and is governed by a trust deed with effect from 1 January 1998. It is a defined benefit scheme and provides, under the rules of the scheme, retirements benefits for the staff of Kenya Ports Authority. It is a tax exempt (92291B/1765) approved scheme under the Income Tax Act and is registered with the Retirement Benefits Authority. Employees contribute to the fund at the rate of 7.5% (2018: 7.5%) of their respective pensionable salaries. The employer contributes at rates based on periodic advice of the actuary. The employer's current contribution rate is 14.7% (2018: 14.7%) of employees' pensionable salaries.

SCHEME MEMBERSHIP

	2019 Number	2018 Number
Total Members		
Contributing members	831	963
Non-contributing members	2,658	2,714
Pensioners	4,238	4,175
Pension beneficiaries	1,253	1,079
	<u>8,980</u>	<u>8,931</u>
Contributing members		
At start of year	963	1,095
Less: Retired with pension	(123)	(117)
Died in service	(9)	(9)
Other secessionists	-	(6)
At end of year	<u>831</u>	<u>963</u>
Pensioners and pension beneficiaries		
At start of year	5,254	5,029
Add: Contributing members who retired	123	117
Widows, widowers and dependants pension becoming payable	258	255
Less: Ceased pensions	(144)	(147)
At end of year	<u>5,491</u>	<u>5,254</u>

FINANCIAL REVIEW

	2019 Shs	2018 Shs
Net assets		
At start of year	23,926,246,251	25,420,879,000
Prior Year Fund Value Understatement	3,936,291	-
Increase / Decrease in net assets during the year	<u>102,757,624</u>	<u>(1,494,632,749)</u>
At end of year	<u>24,032,940,166</u>	<u>23,926,246,251</u>

REPORT OF THE TRUSTEES (CONTINUED)

INVESTMENT OF FUNDS

Under the terms of their appointment the fund managers Britam Asset Manager (K) Limited, Co-op Trust Investment Services Limited are responsible for the investment of funds. The overall responsibility for investment and performance of funds lies with the trustees.

ACTUARIAL POSITION

The last actuarial valuation was carried out as at 31 December 2017 in August 2018 by Zamara Actuaries, Administrators and Consultants Limited, an independent firm of actuaries, using the projected unit credit method. According to the valuation at that date, the actuarial present value of promised benefits was as follows:

	2017 Shs '000	2016 Shs '000
Vested benefits	9,701	8,138
Non vested benefits	17,487	18,953
Total	27,188	27,091

The fair value of the net assets available for benefits was Shs 25.421 (2016 :Shs 26.007) billion resulting in a deficit of Shs 1.768 (2016 :Shs 1.084) billion

The sponsor commissions an actuarial valuation on an annual basis as agreed with the Retirement Benefits Authority (RBA) although the RBA requires an actuarial valuation at least once in every three years.

REMEDIAL PLAN

A remedial plan to reduce the actuarial deficit was agreed upon between the trustees, the employer and the Retirement Benefits Authority. This plan is being implemented and is expected to bring the scheme to financial balance.

The specific remedial actions that were agreed upon were as follows:

- 1 The Sponsor agreed to finance the actuarial deficit by making contributions amounting to approximately Shs 44.6 million per month for 72 months in order to cover the actuarial deficit over a period of 6 years . The amount was arrived at by adjusting the actuarial deficit as at 31 December 2017 to 30 June 2018 and allowing for the payments to be made by the Sponsor for a period of 6 years from 1 July 2018
- 2 The Scheme Trustees to undertake annual actuarial valuations of the Scheme to monitor the change in the financial position with the aim of targeting a 100% funding level and the Scheme achieving compliance within 6 years from signing of this Plan. In the event an actuarial valuation discloses that the Scheme has attained a funding level of at least 105% within the 6 years, the Sponsor will cease making the additional contributions mentioned in (i) above. The 5% above the minimum funding level of 100% is to provide a buffer to cater for adverse future experience.
- 3 The Scheme Trustees resolved to reduce the exposure to property investments to 20% of the Scheme assets within a period of 10 years and invest the proceeds in fixed income instruments and quoted equities for the following reasons

for the following reasons

- To improve the Scheme's liquidity position.
- To enhance the Scheme's overall returns; and
- To provide a better match of the Scheme's assets and liabilities over the long term

REPORT OF THE TRUSTEES (CONTINUED)

On the basis of the above proposed remedial actions and the realisations of the assumptions the Scheme Actuary has used, the Scheme is expected to return to the minimum statutory solvency level of 100% by the end of the sixth year

TRUSTEES

The trustees who held office to the date of this report are shown on page 1.

EXPENSES

The scheme meets all its expenses as from 1st January 2019.

TAXATION

Kenya Ports Authority Pension Scheme has been approved by Kenya Revenue Authority and is exempt from income tax on its investment income.

INDEPENDENT AUDITOR

The scheme's auditor, Obiria & Co. has indicated willingness to continue in office in accordance with Section 34 (3) of the Retirement Benefits Act.

BY ORDER OF THE BOARD OF TRUSTEES



CHAIRMAN
MOMBASA

28-05- 2020

STATEMENT OF TRUSTEES' RESPONSIBILITIES

The Kenyan Retirement Benefits Act requires the Trustees to prepare financial statements for each financial year which show a true and fair view of the financial transactions of the Scheme for the year and of disposition at year end of its assets and liabilities. It also requires the Trustees to ensure that the Scheme keeps proper accounting records which disclose with reasonable accuracy at any time the financial position of the Scheme. They are also responsible for safeguarding the assets of the Scheme.

The Trustees are responsible for the preparation and fair presentation of these financial statements in accordance with International Financial Reporting Standards and in the manner required by the Kenyan Retirement Benefits Act, and for such internal controls as Trustees determine is necessary to enable the preparation of financial statements that are free from material misstatements, whether due to fraud or error. They are also obligated to send to the members a summary of its audited financial accounts together with the members' benefits statements

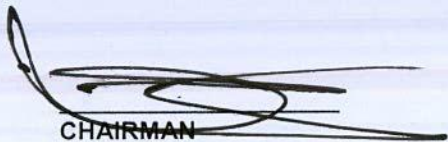
The Trustees accept responsibility for the annual financial statements, which have been prepared using appropriate accounting policies supported by reasonable and prudent judgments and estimates, in conformity with International Financial Reporting Standards and the Scheme's rules. The Trustees are of the opinion that the financial statements give a true and fair view of the financial affairs of the Scheme and of its operating results. The Trustees further accept responsibility for the maintenance of accounting records which may be relied upon in the preparation of financial statements, as well as adequate systems of internal financial control.

The Trustees certify that, to their best knowledge and belief, the information furnished to the auditor for the purpose of the audit was correct and complete in every respect.

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

The trustees acknowledge that the independent audit of the financial statements does not relieve them of their responsibilities.

Approved by the board of trustees on 28-05- 2020 and signed on its behalf by:


CHAIRMAN


TRUSTEE

**REPORT OF THE INDEPENDENT AUDITOR
TO THE MEMBERS OF KENYA PORTS AUTHORITY PENSION SCHEME**

Opinion

We have audited the accompanying financial statements of Kenya Ports Authority Pension Scheme set out on pages 8 to 29 which comprise the statement of net assets available for benefits as at 31 December 2019 and the statement of changes in net assets available for benefits, statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, report, the accompanying financial statements give a true and fair view of the financial position of the scheme as at 31 December 2019, and of its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards and the requirements of the Retirement Benefits Act, 1997 and the scheme's trust deed.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the company in accordance with the International Ethics Standards Board for Accountants' audit of the financial statements in Kenya, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Emphasis of matter:

a) Project balances

Included in receivables and payables are amounts of Shs 1,760,816,885 and Shs 136,171,120 respectively relating to completed property development projects undertaken by the scheme.

b) Actuarial deficit

We draw your attention to Note 21 in the notes to the financial statements which indicates that there was an actuarial deficit of Shs 1.768 billion as at 31 December 2017.

c) Non-compliance with Retirement Benefits Act investment guidelines

We draw your attention to Note 18 to the financial statements which indicates that that investment in investment property is more than that stipulated in the Retirement Benefits Act.

Our opinion is not qualified in respect of this matters.

Other information

The trustees are responsible for the other information. The other information comprises the report of the trustees' but does not include the financial statements and our auditor's report thereon.

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

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Trustees for the Financial Statements

The trustees are responsible for the preparation of financial statements that give a true and fair view in accordance with 'International Financial Reporting Standards and the Retirement Benefits Act 1997, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

**REPORT OF THE INDEPENDENT AUDITOR
TO THE MEMBERS OF KENYA PORTS AUTHORITY PENSION SCHEME (CONTINUED)**

Responsibilities of Trustees for the Financial Statements (continued)

In preparing the financial statements, the trustees are responsible for assessing the Scheme'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 the trustees either intend to liquidate the Scheme or to cease operations, or has no realistic alternative

Those charged with governance are responsible for overseeing the Scheme's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our 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 our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We 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 our 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.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the scheme's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the trustees.
- Conclude on the appropriateness of the trustee'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 scheme's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the scheme 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.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguard

The engagement partner responsible for the audit resulting in this independent auditor's report is CPA Gideon Obiria P/No. 2157

Certified Public Accountants
Mombasa

29-05-2020

STATEMENT OF CHANGES IN NET ASSETS AVAILABLE FOR BENEFITS

	Notes	2019 Shs	2018 Shs
Income from dealings with members			
Contributions received in the year	2.	<u>766,947,981</u>	<u>438,083,093</u>
Outgoings from dealings with members			
Benefits payable and paid	3.	<u>(2,232,204,356)</u>	<u>(2,266,812,007)</u>
Net reduction from dealings with members		<u>(1,465,256,375)</u>	<u>(1,828,728,914)</u>
Returns on investments			
Investment income	4.	1,197,032,091	1,175,690,732
Gain/(loss) on disposal of financial assets	5.	344,185,520	(1,261,507)
Fair value gain on investment properties	8	(82,817,000)	-
Changes in fair value of plan assets	11.	425,891,582	(466,202,636)
Investment management expenses	6.	(32,526,089)	(32,225,016)
Impairment of plan investment	11.	<u>-</u>	<u>(110,000,000)</u>
Net return on investments		<u>1,851,766,105</u>	<u>566,001,573</u>
Administrative expenses	7.	<u>(283,752,362)</u>	<u>(231,905,408)</u>
(Decrease)/increase in net assets for the year		<u><u>102,757,368</u></u>	<u><u>(1,494,632,749)</u></u>
Net assets available for benefits			
At start of year		23,926,246,251	25,420,879,000
Prior Year Fund Value Understatement		3,936,291	-
(Decrease)/increase		<u>102,757,624</u>	<u>(1,494,632,749)</u>
At end of year		<u><u>24,032,940,166</u></u>	<u><u>23,926,246,251</u></u>

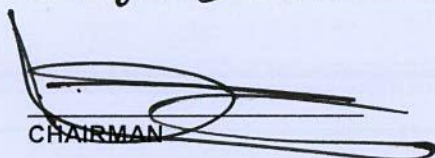
The notes on pages 12 - 31 form an integral part of these financial statements.

Report of the independent auditor - pages 7 - 8.

STATEMENT OF NET ASSETS AVAILABLE FOR BENEFITS

		As at 31 December	
	Notes	2019 Shs	2018 Shs
Assets			
Investment properties	8.	11,303,500,000	12,491,912,000
Motor vehicle and equipments	9.	4,754,942	8,034,859
Assets classified as held for sale	10.	1,170,595,000	65,000,000
Plan investments	11.	10,363,992,543	10,618,555,284
Intangible assets	12.	6,403,200	7,203,600
Receivables and accrued income	13.	1,874,436,403	679,162,428
Cash and cash equivalents	14.	<u>110,068,689</u>	<u>280,990,632</u>
Total assets		<u>24,833,750,777</u>	<u>24,150,858,803</u>
Less: liabilities			
Payables and accrued expenses	15	<u>800,810,611</u>	<u>224,612,552</u>
Net assets available for benefits		<u>24,032,940,166</u>	<u>23,926,246,251</u>

The financial statements on pages 8 to 29 were approved and authorised for issue by the Board of Trustees on 28-05- 2020 and were signed on its behalf by:


CHAIRMAN


TRUSTEE

The notes on pages 12 - 31 form an integral part of these financial statements.

Report of the independent auditor - pages 7 - 8.

STATEMENT OF CASH FLOWS

	Notes	2019 Shs	2018 Shs
Operating activities			
Reconciliation of decrease in net assets to cash from operating activities:			
Decrease in net assets (excluding fair value changes)		(323,134,214)	(1,028,430,113)
Adjustments for:			
Depreciation of motor vehicles and equipment	7.	3,279,916	3,518,702
Amortisation of intangible assets		800,400	800,400
Revaluation Loss		82,817,000	-
		-	110,000,000
(Gain)/loss on disposal of financial assets	5.	(344,185,520)	1,261,507
		(580,422,418)	(912,849,504)
Changes in:			
Receivables and accrued income		(1,195,273,975)	(78,593,489)
Payables and accrued expenses		576,198,059	(25,807,059)
Net cash used in operating activities		(1,199,498,334)	(1,017,250,052)
Investing activities			
Cash paid for purchase of motor vehicle and equipments	9.	-	(1,136,800)
Cash paid for purchase of intangible asset	12.	-	(576,258)
Purchase of plan assets	11.	(2,883,536,330)	(2,106,423,849)
Proceeds from sale/maturity of financial assets	5.	3,894,188,080	3,417,352,493
Net cash from investing activities		1,010,651,750	1,309,215,586
Decrease in cash and cash equivalents		(188,846,584)	291,965,534
Movement in cash and cash equivalents			
At start of year		810,293,393	518,327,859
Decrease		(188,846,584)	291,965,534
At end of year	14.	621,446,676	810,293,393

The notes on pages 12 - 31 form an integral part of these financial statements.

Report of the independent auditor - pages 7 - 8.

NOTES

1. SIGNIFICANT ACCOUNTING POLICIES

The principal accounting policies adopted in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented unless otherwise stated.

a) Basis of preparation

The financial statements have been prepared under the historical cost convention, except as indicated otherwise below and are in accordance with International Financial Reporting Standards (IFRS), Retirement Benefits Act, 1997 as amended, and with the Retirement Benefits (Occupational Retirement Benefit Schemes) Regulations, 2000. Historical cost convention is generally based on the fair value of the consideration given in exchange of assets. Fair value is the price to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or liability, the scheme takes into account the characteristics of the asset or liability if market participants would take those characteristics into when pricing the asset or liability at the measurement date.

In addition, for financial reporting purposes, fair value measurements are categorised into level 1, 2 or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety, which are described as follows:

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date;
- Level 2 inputs are inputs, other than quoted prices included within Level 1, that are observable for the asset or liability, either directly or indirectly; and
- Level 3 inputs are unobservable inputs for the asset or liability.

The financial statements summarise the transactions of the scheme and deal with the net assets available for benefits disposal of the trustees. They do not take account of obligations to pay pensions and benefits that fall due after the end of scheme year.

These financial statements are presented in Kenyan Shillings (Shs), rounded to the nearest thousand. The measurement applied is the historical cost basis, except where otherwise stated in the accounting policies.

Going concern

The financial performance of the scheme is set out in the trustees' report and in the statement of changes in net assets available for benefits. The financial position of the scheme is set out in the statement of net assets available for benefits. Disclosures in respect of risk management are set out in note 23.

Based on the financial performance and position of the scheme and its risk management policies, the trustees are of the opinion that the scheme is well placed to continue in business for the foreseeable future and as a result the financial statements are prepared on a going concern basis.

New and amended standards adopted by the scheme

A number of new and revised Standards and Interpretations have been adopted in the current year. Their adoption has had no material impact on the amounts reported in these financial statements.

NOTES (CONTINUED)

1. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

a) Basis of preparation (continued)

New standards, amendments and interpretations issued but not effective

At the date of authorisation of these financial statements the following Standards and Interpretations which have not been applied in these financial statements were in issue but not yet effective for the year presented:

- Amendments to IAS 40 'Transfers of Investment Property' (issued in December 2017) that are effective for annual periods beginning on or after 1 January 2018, clarify that transfers to or from investment property should be made when, and only when, there is evidence that a change in use of property has occurred.
- Amendment to IFRS 1 (Annual Improvements to IFRSs 2014–2016 Cycle, issued in December 2016) that is effective for annual periods beginning on or after 1 January 2018, deletes certain short-term exemptions and removes certain reliefs for first-time adopters.
- IFRS 9 'Financial Instruments' (issued in July 2014) will replace IAS 39 and will be effective for annual periods beginning on or after 1 January 2018. It contains requirements for the classification and measurement of financial assets and financial liabilities, impairment, hedge accounting and de-recognition.

In respect of financial liabilities, the most significant effect of IFRS 9 where the fair value option is taken will be in respect of the amount of change in fair value of a financial liability designated as at fair value through profit or loss that is attributable to changes in the credit risk of that liability is recognised in other comprehensive income (rather than in profit or loss), unless this creates an accounting mismatch.

In respect of impairment of financial assets, IFRS 9 introduces an "expected credit loss" model based on the concept of providing for expected losses at inception of a contract.

In respect of hedge accounting, IFRS 9 introduces a substantial overhaul allowing financial statements to better reflect how risk management activities are undertaken when hedging financial and non-financial risks.

- IFRS 15 'Revenue from Contracts with Customers' (issued in May 2014) effective for annual periods beginning on or after 1 January 2018, replaces IAS 11 'Construction Contracts', IAS 18 'Revenue' and their interpretations (SIC-31 and IFRIC 13, 15 and 18). It establishes a single and comprehensive framework for revenue recognition based on a five-step model to be applied to all contracts with customers, enhanced disclosures, and new or improved guidance.
- IFRS 16 'Leases' (issued in January 2016) effective for annual periods beginning on or after 1 January 2019, replaces IAS 17 'Leases', IFRIC 4 'Determining whether an Arrangement Contains a Lease' and their interpretations (SIC-15 and SIC-27). IFRS 16 establishes principles for the recognition, measurement, presentation and disclosure of leases, with the objective of ensuring that lessees and lessors provide relevant information that faithfully represents those transactions.
- The trustees expect that the future adoption of IFRS 9 may have a material impact on the amounts reported. However, it is not practicable to provide a reliable estimate of the effects of the above until a detailed review has been completed. The trustees do not expect that adoption of the other standards and interpretations will have a material impact on the financial statements in future periods. The scheme plans to apply the changes above from their effective dates noted above.

NOTES (CONTINUED)

b) Key sources of estimation uncertainty

In the application of the accounting policies, the trustees are required to make the judgments, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other relevant factors. Such estimates and assumptions are reviewed on an ongoing basis. Revisions to estimates are recognised prospectively.

In the application of the accounting policies, the trustees are required to make the judgments, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other relevant factors. Such estimates and assumptions are reviewed on an ongoing basis. Revisions to estimates are recognised prospectively.

The trustees have made the following assumptions that have a significant risk of resulting in a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

- **Impairment of receivables and accrued income**- the scheme reviews their portfolio of receivables on an annual basis. In determining whether receivables are impaired, the management makes judgement as to whether there is any evidence indicating that there is a measurable decrease in the estimated future cashflows expected.
- **Fair value measurement and valuation process** - In estimating the fair value of an asset or a liability, the trustees uses market-observable data to the extent it is available. Where level 1 inputs are not available, the trustees makes use of financial models or engages third party qualified values to perform the valuation and provide inputs to the model.

c) Significant judgements made by management in applying the scheme's accounting policies

Trustees have made the following judgements that are considered to have the most significant effect on the amounts recognised in the financial statements:

- **Held to maturity financial assets** - The trustees have reviewed the scheme's held to maturity financial assets in the light of its capital maintenance and liquidity requirements and have confirmed the scheme's positive intention and ability to hold those assets to maturity.

d) Contributions receivable

Current service and other contributions are accounted for in the period in which they fall due.

e) Benefits payable

Pensions and other benefits payable are accounted for in the period in which they fall due.

f) Income from investments

- i) Interest income is recognised for all interest bearing instruments on a accrual basis. Interest income includes coupons earned on fixed income investments and accrued discounts and premium on treasury bills and other discounted instruments.
- ii) Dividends are recognised as income in the period in which the right to receive payment is established.
- iii) Rental income is recognised in the period in which it is earned.

NOTES (CONTINUED)

1. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

g) Translation of foreign currencies

Transactions in foreign currencies during the year are converted into Kenya Shillings (the functional currency), at rates ruling at the transaction dates. At the end of each reporting period, items denominated in foreign currencies are retranslated at the rates prevailing at that date.

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 the statements of changes in net assets available for benefits.

h) Motor vehicle and equipments

All motor vehicle and equipments are initially recorded at cost and thereafter stated at historical cost less depreciation. Historical cost comprises expenditure initially incurred to bring the asset to its location and condition ready for its intended use.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the company and the cost can be reliably measured. The carrying amount of the replaced part is derecognised. All other repairs and maintenance are charged to the income statement during the financial period in which they are incurred.

Depreciation is calculated on the straight line basis to write down the cost of each asset, to its residual value over its estimated useful life using the following annual rates:

Motor vehicle	- over 4 years
Computer and equipments	- over 5 years

The assets residual values and useful lives of the assets are reviewed, and adjusted if appropriate, at the end of each reporting date.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Gains and losses on disposal of motor vehicles and equipment are determined by reference to their carrying amount and are taken into account in determining net return on investments.

i) Investment property

Investment property is carried at fair value representing open market value. Fair value is determined every three years by external independent valuers as required by the Retirement Benefits Act. Investment properties are not subject to depreciation. Changes in the carrying amount between reporting dates are processed through the statement of changes in net assets.

On disposal of an investment property, the difference between the net disposal proceeds and the carrying amount is charged or credited to the statement of changes in net assets.

Repairs and maintenance expenses in respect of investment property are charged to income in the period in which the expense is incurred.

NOTES (CONTINUED)

1. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

j) Financial instruments

Financial assets and financial liabilities are recognised when the scheme becomes a party to the contractual provisions of the instrument. Management determines all classification of financial assets at initial recognition.

- Financial assets

The scheme's financial assets which include quoted shares, government securities and corporate bonds and commercial paper and loans and receivables are carried at fair value and fall into the following categories:

Held-to-maturity: financial assets with fixed or determinable payments and fixed maturity where the management have the positive intent and ability to hold to maturity. Such assets are carried at amortised cost using the effective interest rate method. Changes in the carrying amount are recognised in the statement of changes in net assets available for benefits.

Available-for-sale: financial assets that are held for an indefinite period of time, which may be sold in response to needs for liquidity or changes in interest rate. Such assets are carried at fair value where fair value gains or losses are recognised directly in statement of changes in net assets available for benefits.

Interest on available-for-sale securities is calculated using the effective interest method and is recognised in statement of changes in net assets available for benefits as part of investment income. Dividends on available-for-sale equity instruments are also recognised in statement of changes in net assets available for benefits as part of investment income when the scheme's right to receive payments is established.

Receivables: financial assets that are created by the scheme by providing money directly to a debtor are carried at amortised cost using the effective interest rate method. Changes in the carrying amount are recognised in the statement of changes in net assets available for benefit.

Purchases and sales of financial assets are recognised on the trade date i.e. the date on which the scheme's fund managers commit to purchase or sell the asset.

Financial assets carried at fair value through statement of changes in net assets available for benefits are initially recognised at fair value and transaction costs are expensed in the statement of changes in net assets.

Financial assets are derecognised when the rights to receive cash and cash flows from the investments have expired or have been transferred and the scheme has transferred substantially all risks and rewards of ownership. Available-for-sale financial assets are subsequently carried at fair value.

A financial asset is impaired if its carrying amount is greater than its estimated recoverable amount. Impairment of financial assets is recognised in statement of changes in net assets available for benefits under administrative expenses when there is objective evidence that the company will not be able to collect all amounts due per the original terms of the contract. Significant financial difficulties of the issuer, probability that the issuer will enter bankruptcy or financial reorganisation, default in payments and a prolonged decline in fair value of the asset are considered indicators that the asset is impaired.

The amount of the impairment loss is calculated at the difference between the assets carrying amount and the present values of expected future cash flows, discounted at the financial instrument's effective interest rate. Impairment losses are recognised in statement of changes in net assets available for benefits.

NOTES (CONTINUED)

1. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

j) Financial instruments (continued)

- Financial assets (continued)

Subsequent recoveries of amounts previously written off/impaired are credited to changes in net assets available for benefits.

Gains and losses on disposal of assets whose changes in fair value were initially recognised in statement of changes in net assets available for benefits are determined by reference to their carrying amount and are taken into account in determining changes in net assets available for benefits.

Trustees classify investments as follows:

Quoted shares, government securities, corporate bonds and commercial paper are classified as available-for-sale financial instruments. The fair values of quoted shares are based on current bid prices at the reporting date.

Cash with financial institutions are classified as loans and receivables and are carried at amortised cost. Receivables are classified as loans and receivables and are carried at amortised cost.

A financial asset is impaired if its carrying amount is greater than its estimated recoverable amount. The amount of the impairment loss for assets carried at amortised cost is calculated as the difference between the assets carrying amount and the present values of expected future cash flows, discounted at the financial instrument's effective interest rate. Impairment losses are taken into account for determining increase/decrease in net assets for the year.

Trustees classify investments as follows:

Quoted investments are classified as 'available for sale' financial instruments. The fair values of quoted investments are based on current bid prices at the reporting date.

Government securities, corporate bonds and commercial paper are classified as held to maturity as the scheme has the intention and ability to hold these to maturity. These are carried at amortised cost.

Cash with financial institutions are classified as loans and receivables and are carried at amortised cost. Receivables are classified as loans and receivables and are carried at amortised cost.

Management classify the fair values of financial assets based on the qualitative characteristics of the fair valuation as at the financial year end. The three hierarchy levels used by management are:

- **Level 1:** where fair values are based on non-adjusted quoted prices in active markets for identical financial.
- **Level 2:** where fair values are based on adjusted quoted prices and observable prices of similar financial assets.
- **Level 3:** where fair values are not based on observable market data.

- Financial liabilities

The scheme's financial liabilities which includes payables fall into the following category:

Financial liabilities measured at amortised cost: These include payables. These are initially measured at fair value and subsequently measured at amortised cost, using the effective interest rate method.

Payables are initially recognised at fair value and are subsequently stated at amortised cost.

NOTES (CONTINUED)

1. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

j) Financial instruments (continued)

- Financial liabilities (continued)

All financial liabilities are classified as current liabilities unless the scheme has an unconditional right to defer settlement of the liability for at least 12 months after the date of the statement of financial position.

Financial liabilities are derecognised when, and only when, the scheme's obligations are discharged, cancelled or expired.

Benefits payable and other liabilities are classified as financial liabilities. Benefits payable to leaving members are taken into account as they fall due for payment.

Offsetting financial instruments

Financial assets and liabilities are offset and the net amount reported in the statement of net assets available for benefits when there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis, or realise the asset and settle the liability simultaneously.

k) Intangible assets - Software

Computer software is capitalised on the basis of the costs incurred to acquire and bring to use the specific software. These costs are amortised over their estimated useful lives which is estimated to be 5 years.

l) Cash and cash equivalents

For the purposes of the statement of cash flows, cash and cash equivalents comprise cash in hand, deposits held at call with banks and fixed and time deposits maturing within 90 days.

m) Taxation

The scheme is exempt from income tax under the Income Tax (Cap. 470).

n) Comparatives

Where necessary, comparative figures have been reclassified to conform to changes in presentation in the current year.

NOTES (CONTINUED)

2. Contributions received	2019 Shs	2018 Shs
Employer's contributions at 14.7% (2018: 14.7%)	153,454,943	171,952,630
Employees' contributions at 7.5% (2018: 7.5%)	78,293,038	87,730,463
Additional contribution	535,200,000	178,400,000
	<u>766,947,981</u>	<u>438,083,093</u>
There were no revisions on Employer's contributions		
3. Benefits payable and paid	2019 Shs	2018 Shs
Monthly pensions	1,374,907,276	1,356,888,660
Lump sum	838,717,003	876,808,869
Death benefits	4,180,077	19,531,148
Burial allowance	14,400,000	13,583,330
	<u>2,232,204,356</u>	<u>2,266,812,007</u>
4. Income from investment		
Rental income		
Gross rental income	371,506,105	367,905,266
Less: direct rental expenses*	(132,031,864)	(119,241,077)
- residential house repairs**	(21,623,973)	(86,175,301)
Net rental gain /(loss)	217,850,268	162,488,888
Plan investment		
Dividends receivable on quoted shares (Kenya and offshore)	166,274,507	163,197,730
Interest and discounts receivable on Kenya Government securities, commercial paper and corporate bonds, and loans and receivables	811,529,316	849,264,344
Miscellaneous income	1,378,000	739,770
	<u>1,197,032,091</u>	<u>1,175,690,732</u>
* Relates to property manager's charges and expenses incurred.		
** Relates to repairs of residential houses sourced by the scheme.		
5. Gain/(loss) on disposal of plan investments	2019 Shs	2018 Shs
Sale proceeds on disposal of financial assets	2,801,929,779	3,418,614,000
Fair value of financial assets disposed	(2,457,744,259)	(3,417,352,493)
Net gain/(loss)	<u>344,185,520</u>	<u>1,261,507</u>

NOTES (CONTINUED)

	2019 Shs	2018 Shs
6. Investment management expenses		
Fund managers' fees	24,955,560	24,474,098
Custodian's fees	7,570,529	7,750,918
	<u>32,526,089</u>	<u>32,225,016</u>
7. Administrative expenses		
Meetings and allowances	34,801,488	28,334,669
Trustees' travelling	7,850,350	10,807,552
Trustees' education	10,183,219	-
Agm and member education	10,598,198	6,649,420
Staff travelling	67,600	615,800
Administration and processing:		
- printing and stationery, postage, internet and telephone	3,536,308	4,891,820
- pensioners' bank cheques, charges and commissions	5,630,146	3,670,974
- fund master license and system upgrades	2,465,657	2,314,126
Audit fees	2,473,400	2,625,000
Legal and professional fees	50,371,066	4,722,283
Consultancy fees	1,345,282	40,099,118
Repairs and maintenance	5,056,232	5,037,217
Staff Costs	37,145,561	-
Brokerage Commission	627,513	-
Census trustee expenses	8,232,800	-
Census transport allowance	36,639,200	-
Actuarial fees	4,255,259	3,736,485
Delinking expenses	2,347,402	-
Specific provision for bad debts	16,368,499	16,304,755
General provision for bad debts	-	44,234,973
Auctioneer fees	66,403	50,000
RBA levy	5,000,000	5,000,000
Fines & penalties	2,194,128	18,503,350
Depreciation on motor vehicle and equipments	3,279,916	3,518,702
Advertising	5,572,836	1,892,540
Land rates	7,387,748	8,050,000
Security	17,357,459	18,773,297
Subscription fees	1,050,000	1,025,000
Motor vehicle expenses	886,832	247,927
Armotisation of intangible assets	800,400	800,400
Miscellaneous expenses	161,459	-
	<u>283,752,362</u>	<u>231,905,408</u>

NOTES (CONTINUED)

7. Administrative expenses (continued)

In accordance with the Trust Deed, some administrative expenses including pension staff remuneration, stationery and other office facilities are provided for by the sponsor as below:

	2019 Shs	2018 Shs
Pension staff remuneration*	-	43,822,000
Office administration expenses*	-	1,160,000
	<u>-</u>	<u>44,982,000</u>

*The scheme meets all its expenses as from 1st January 2019.

8. Investment properties

	2019 Shs	2018 Shs
At start of year	12,491,912,000	12,556,912,000
Assets held for sale (Note 10)	(1,105,595,000)	(65,000,000)
Fair value loss	<u>(82,817,000)</u>	<u>-</u>
At end of year	<u>11,303,500,000</u>	<u>12,491,912,000</u>

Investment properties were professionally valued in July 2019 by Rubiland Limited independent registered valuers

The properties were valued on the basis of open market value. The book values of the properties were adjusted to the revaluations and the resultant deficit was debited to the statement of changes in net assets available for benefits

The fair valuation of property, plant and equipment is considered to represent a level 3 valuation based on significant non-observable inputs being the location and condition of the assets and replacement costs for plant & machinery. Management does not expect there to be a material sensitivity to the fair values arising from the non-observable inputs. There were no transfers between level 1, 2 or 3 fair values during the year

In accordance with the requirements of the Retirement Benefits Act, valuations of investment properties are to be carried out every 3 years. The next valuation is therefore due in 2022.

Titles to the properties transferred from the sponsor are registered in the scheme's name. All other documents of title are in the name of Kenya Commercial Bank Nominees Limited as custodian trustee of Kenya Cargo Handling Services Limited Staff Pension Scheme and are in the process of being transferred to Kenya Ports Authority Pension Scheme.

There was no existence of restrictions on the realisability of investment properties or the remittance of income and proceeds of disposal of investment properties. There were no contractual obligations to purchase or for repairs, maintenance or enhancements

Amounts included under the statement of changes in net amounts available for benefits which comprise gross rental income less direct rental expenses in respect of the investment properties are disclosed in Note 4.

The scheme leases out all its investment property under operating leases.

9. Motor vehicles and equipment

Year ended 31 December 2019

	Computers Shs	Equipment Shs	Motor vehicle Shs	Total Shs
Cost				
At start of year	4,212,922	15,110,988	3,050,638	22,374,548
Additions	-	-	-	-
At end of year	4,212,922	15,110,988	3,050,638	22,374,548
Depreciation				
At start of year	3,497,923	7,791,128	3,050,638	14,339,689
Charge for the year	504,919	2,774,998	-	3,279,916
At end of year	4,002,842	10,566,126	3,050,638	17,619,606
Net book value	210,080	4,544,862	-	4,754,942

The gross carrying amount of fully depreciated Motor vehicles and equipment amounted to Sh 3,050,638.

Year ended 31 December 2018

	Computers Shs	Equipment Shs	Motor vehicle Shs	Total Shs
Cost				
At start of year	4,212,922	10,319,014	3,050,638	17,582,574
Additions	-	1,137,000	-	1,137,000
Transfers from intangible assets (note 8)	-	3,654,974	-	3,654,974
At end of year	4,212,922	15,110,988	3,050,638	22,374,548
Depreciation				
At start of year	2,754,219	5,016,131	3,050,638	10,820,987
Charge for the year	743,704	2,774,998	-	3,518,702
At end of year	3,497,923	7,791,128	3,050,638	14,339,689
Net book value	714,999	7,319,860	-	8,034,859

10. Assets classified as held for sale

Some Scheme's investment property are held for sale following approval by the board of trustees .

	2019 Shs '000	2018 Shs '000
Property held for sale (Note 8)		
At start of year	65,000,000	-
Additions	1,105,595,000	65,000,000
At end of year	1,170,595,000	65,000,000

NOTES (CONTINUED)

11. Plan investments

	2019 Shs	2018 Shs
Shares	3,097,164,482	3,445,087,500
Kenya government securities	6,486,521,540	5,516,878,695
Commercial paper and corporate bonds	238,388,835	1,091,786,270
Reits	30,539,698	35,499,805
Fixed term bank deposits (Note 14)	511,377,988	529,303,014
	<u>10,363,992,543</u>	<u>10,618,555,284</u>

The following table analyses the movement of plan investments during the year.

Year ended 31 December 2019

	As previously reported Shs	Restatement adjustment Shs	Restated Shs	Purchases at cost Shs	Disposals/ maturity Shs	Gain on disposal Shs	Change in fair value Shs	Shs	Value at end of year Shs
Shares									
- unquoted investments	262,992,000	-	262,992,000	-	-	-	-	-	262,992,000
- quoted shares (Kenya and Uganda)	3,182,095,500	3,936,933	3,186,032,433	278,245,921	(1,319,282,610)	261,183,444	427,993,294	-	2,834,172,482
Kenya government securities	5,516,878,695	1,000	5,516,879,695	2,605,290,408	(1,735,680,049)	82,371,356	17,660,130	-	6,486,521,540
Commercial paper and corporate bonds	1,091,786,270	(1,000)	1,091,785,270	-	(839,225,420)	630,720	(14,801,736)	-	238,388,835
Reits	35,499,805	-	35,499,805	-	-	-	(4,960,107)	-	30,539,698
	<u>10,089,252,270</u>	<u>3,936,933</u>	<u>10,093,189,203</u>	<u>2,883,536,330</u>	<u>(3,894,188,080)</u>	<u>344,185,520</u>	<u>425,891,582</u>	<u>-</u>	<u>9,852,614,555</u>

Year ended 31 December 2018

Shares									
- unquoted investments	266,929,000	-	-	-	-	(3,937,000)	-	-	262,992,000
- quoted shares (Kenya and Uganda)	3,989,425,476	-	-	355,743,495	(557,001,041)	(615,329,132)	9,256,701	-	3,182,095,500
Kenya government securities	6,345,716,133	-	-	1,750,680,354	(2,727,400,274)	151,791,245	(3,908,763)	-	5,516,878,695
Commercial paper and corporate bonds	1,324,621,118	-	-	-	(117,927,500)	461,776	(5,369,124)	(110,000,000)	1,091,786,270
Reits	50,953,330	-	-	-	(15,023,678)	810,475	(1,240,322)	-	35,499,805
	<u>11,977,645,058</u>			<u>2,106,423,849</u>	<u>(3,417,352,493)</u>	<u>(466,202,636)</u>	<u>(1,261,507)</u>	<u>(110,000,000)</u>	<u>10,089,252,270</u>

In the opinion of the trustees, the carrying value of plan investments are carried at ultimate redemption value

Included in unquoted investments is an amount of Shs 200,000,000 in respect of investment Bellevue development project. The agreement was to charge interest at 8%, no interest has been accrued on this investment

The following carry values of commercial papers and bonds were held with institutions under statutory management:

	2019 Shs	2018 Shs
Imperial Bank Limited	-	10,000,000
Chase Bank Limited	-	100,000,000
Impairment of financial assets	-	(110,000,000)
Net Carrying value		<u>(110,000,000)</u>

NOTES (CONTINUED)

11 Plan investment (continued)

The following table analyses financial assets other than shares (which have no fixed maturity) into relevant maturity groupings based on the remaining period at 31 December 2019 to the contractual maturity date.

	Up to 1 year Shs	1 - 5 years Shs	Over 5 years Shs	Total Shs
Kenya government securities	470,713,159	2,138,694,830	3,877,113,551	6,486,521,540
Commercial paper and corporate bonds	190,048,297	48,340,538	-	238,388,835
	<u>660,761,455</u>	<u>2,187,035,368</u>	<u>3,877,113,551</u>	<u>6,724,910,375</u>

12. Intangible assets

Software costs	2019 Shs	2018 Shs
Cost		
At start of year	8,004,000	11,082,916
Additions	-	576,258
Transfers to motorvehicle and equipment (Note 9)	-	(3,655,174)
At end of year	<u>8,004,000</u>	<u>8,004,000</u>
Cost		
At start of year	800,400	-
Charge for the year	<u>800,400</u>	<u>800,400</u>
At end of year	<u>1,600,800</u>	<u>800,400</u>
Net book value	<u>6,403,200</u>	<u>7,203,600</u>

The software work in progress relates to electronic document management system.

13. Receivables and accrued income

	2019 Shs	2018 Shs
Rent receivable	128,092,475	101,678,611
Less: specific provision for bad debts	<u>(108,406,166)</u>	<u>(92,037,667)</u>
Net rent receivable	19,686,309	9,640,944
Other receivables	12,983,759	12,983,759
Receivables under development properties	384,091,253	384,091,253
Deposits	3,300,302	3,300,302
Purchase of Generator for Bandari Plaza	8,932,640	-
Deposits - Refundable Wireless Lines Deposit	10,000	-
Contributions Receivable	62,803,792	-
Bellevue project	1,376,725,632	269,146,175
KPARBS 2012	<u>5,902,716</u>	<u>-</u>
	<u>1,874,436,403</u>	<u>679,162,428</u>

Movement in impairment provision

At start of year	92,037,667	47,802,695
Additions	16,368,499	44,234,973
Recoveries	<u>-</u>	<u>-</u>
	<u>108,406,166</u>	<u>92,037,668</u>

NOTES (CONTINUED)

13. Receivables and accrued income (continued)

In the opinion of the trustees, the carrying amounts of receivables and accrued income approximate to their value

The carrying amounts of scheme's other receivables and accrued income are denominated in Kenya

The trustees have identified certain specific bad debts from the property managers' reports and have made specific provisions against these balances. The trustees have also deemed it prudent to maintain a general provision for bad debts

Trustees have made a provision for all receivables above 90 days and those receivables whose recovery is in doubt

Belle Vue project balance relates to various expenditure incurred by the Scheme on the projects. The amounts will be repaid when the projects are completed.

Receivables under development properties relates to parcels of land previously owned by the scheme transferred to property developers under a special purpose vehicle agreement with the objective of building housing units. Upon completion of the housing units, the scheme would be compensated the value of land at a premium.

The parcels of land under development is analysed as follows:

Project	Land Reference Number	Cost Shs
Bombolulu	MSA/123/MN/I	
	LR. No. 209/12736	
	LR. No. 209/12737	31,400,000
Nairobi South C	LR. No. 209/12738	78,500,000
Bellevue phase 1	LR/209/10479	98,800,000
Bellevue phase 2	LR/209/10478	59,300,000
Bellevue phase 3	LR/209/10477	116,091,253
		<u>384,091,253</u>

The maximum exposure to credit risk at the reporting date is the fair value of each class of receivable mentioned above. The scheme does not hold any collateral as security.

14. Cash and cash equivalents

	2019 Shs	2018 Shs
Cash at bank	<u>110,068,689</u>	<u>280,990,632</u>

For the purposes of statement of cash flows, the year-end cash and fixed term bank deposits comprise the following:

Cash and bank	110,068,689	280,990,632
Fixed term bank deposits (Note 10)	<u>511,377,988</u>	<u>529,302,761</u>
	<u>621,446,676</u>	<u>810,293,393</u>

The scheme's cash and bank balances are held with major Kenyan financial institutions and, insofar as the trustees are able to measure any credit risk to these assets, it is deemed to be limited.

NOTES (CONTINUED)

15 Payables and accrued expenses	2019 Shs	2018 Shs
Rent deposits	33,202,473	30,833,571
Benefits payable	-	1,487,124
Accrued expenses	108,647,783	45,066,891
Tender Security deposits	53,010	53,010
RBA levy	5,000,000	5,000,000
Investment property sale deposit	517,736,225	6,001,225
Nairobi South C project	87,951,442	87,951,442
Bombolulu project	48,219,678	48,219,678
Total other payables and accrued expenses	800,810,611	224,612,552

Nairobi South C project and Bombolulu project relates to money deposited in the scheme's bank account by some third parties who purchased housing units.

In the opinion of the trustees, the carrying amounts of payables and accrued expenses approximate to their fair value.

The maturity analysis of other payables and accrued expenses is as follows:

Year ended 31 December 2019	3 to 12 months Shs	Over 1 year Shs	Total Shs
Rent deposits	-	33,202,473	33,202,473
Death benefits payable	-	-	-
Accrued expenses	108,647,783	-	108,647,783
Tender Security deposits	-	53,010	53,010
RBA levy	5,000,000	-	5,000,000
Investment property sale deposit	517,736,225	-	517,736,225
Nairobi Project	-	87,951,442	87,951,442
Bombolulu project	-	48,219,678	48,219,678
	631,384,008	169,426,603	800,810,611
Year ended 31 December 2018			
Rent deposits	-	30,833,571	30,833,571
Death benefits payable	1,487,124	-	1,487,124
Accrued expenses	45,066,891	-	45,066,891
Tender Security deposits	53,010	-	53,010
RBA levy	5,000,000	-	5,000,000
Investment property sale deposit	6,001,225	-	6,001,225
Nairobi Project	-	87,951,442	87,951,442
Bombolulu project	-	48,219,678	48,219,678
	57,608,250	167,004,691	224,612,552

16 Related party transactions and balances

Related parties comprise the trustees, the administrator and the sponsor.

	2019 Shs	2018 Shs
The following transactions were carried out with related parties during the year:		
(i) - administration expenses paid by the sponsor	-	44,981,622

NOTES (CONTINUED)

17	Related party transactions and balances (continued)	2019 Shs	2018 Shs
ii)	Key management compensation		
	Meetings and allowances	12,140,000	28,335,000

Key management are the board of Trustees who are entitled to a sitting allowance for Board meetings attendance.

18 Investments guidelines

The Retirement Benefits Authority has issued guidelines stating the maximum amount of investment that the scheme can invest in a particular asset as a percentage of the aggregate market value of net assets of scheme. The table below shows the current investment in assets compared to the investment guidelines issued by the Retirement Benefits Authority.

Category of asset	2019 %	2018 %	Maximum investment as per RBA %
Cash and demand deposits	0.56	1.24	5
Fixed and time deposits	2.23	2.33	30
Commercial paper and corporate bonds	1.04	4.74	15
Kenya Government securities	28.24	23.54	70
Shares - Kenya	12.24	13.54	70
Private equity	0.1	0.00	15
Shares - unquoted	1.15	1.13	5
Reits	0.13	0.23	30
Immoveable properties	54.3	52.50	30

The trustees are aware that investment in investment property is more than that stipulated in the Retirement Benefits Act and are working towards restructuring the scheme's investments portfolio to ensure that it complies with the Retirement Benefits Act.

19 Tax status of the scheme

Kenya Ports Authority Pension Scheme has been approved by the Kenya Revenue Authority and is exempt from income tax on its investment income.

20 Contingent liabilities

Other than the liability to pay future pensions and other benefits, there were no contingent liabilities of the scheme at 31 December 2019, except as disclosed below:

The scheme is a defendant/plaintiff in various legal actions. Although there can be no absolute assurances, the trustees believe, based on information currently available, that the ultimate resolution of these legal proceedings is not likely to have a material adverse effect on the results of its operations, financial position or liquidity.

21 Actuarial position

The last actuarial valuation was carried out as at 31 December 2017 in August 2018 by Zamara Actuaries, Administrators and Consultants Limited, an independent firm of actuaries, using the projected unit credit method. According to the valuation as at that date, the actuarial present value of promised benefits was as follows:

NOTES (CONTINUED)

22 Actuarial position	2017 Shs	2016 Shs
Vested benefits	9,701,300,000	8,138,000,000
Non vested benefits	17,487,100,000	18,953,000,000
Total	27,188,400,000	27,091,000,000

The fair value of the net assets available for benefits was Shs 27,188,400 (2016 :Shs 27,091,000) resulting in a deficit of Shs 1.768,000,000 (2016 :Shs 1.084,000,000)

A remedial plan to reduce the actuarial deficit was agreed upon between the trustees, the employer and the Retirement Benefits Authority. This plan is being implemented and is expected to bring the scheme to financial balance

The specific remedial actions that were agreed upon were as follows:

- i) The Sponsor has agreed to finance the actuarial deficit by making contributions amounting to approximately Shs 44.6 million per month for the next 72 months in order to cover the actuarial deficit over a period of 6 years. The amount has been arrived at by adjusting the actuarial deficit as at 31 December 2017 to 30 June 2018 and allowing for the payments to be made by the Sponsor for a period of 6 years from 1 July 2018
- ii) The Scheme Trustees will undertake annual actuarial valuations of the Scheme to monitor the change in the financial position with the aim of targeting a 100% funding level and the Scheme achieving compliance within 6 years from signing of this Plan. In the event an actuarial valuation discloses that the Scheme has attained a funding level of atleast 105% within the 6 years, the Sponsor will cease making the additional contributions mentioned in (i) above. The 5% above the minimum funding level of 100% is to provide a buffer to cater for adverse future experience
- iii) The Scheme Trustees have resolved to reduce the exposure to property investments to 20% of the Scheme within a period of 10 years and invest the proceeds in fixed income instruments and quoted equities for the following reasons:
 - To improve the Scheme's liquidity position.
 - To enhance the Scheme's overall returns; and
 - To provide a better match of the Scheme's assets and liabilities over the long term

On the basis of the above proposed remedial actions and the realisations of the assumptions the Scheme Actuary has used, the Scheme is expected to return to the minimum statutory solvency level of 100% by the end of the sixth year.

The principal actuarial assumptions used were as follows:

	% per annum
- discount rate	10
- future salary increases	8
- future pension increases	0

The sponsor commissions an actuarial valuation on an annual basis. The Retirement Benefits Authority requires that an actuarial valuation be undertaken at least once in every three years.

23 Risk management objectives and policies

Financial risk management

The scheme's activities expose it to a variety of financial risks: market risk (including foreign exchange risk, interest rate risk and price risk), credit risk and liquidity risk.

The scheme's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the scheme's financial performance.

Risk management is carried out by the fund managers appointed by the trustees. The trustees and fund managers identify, evaluate and hedge financial risks.

NOTES (CONTINUED)

23 Risk management objectives and policies (continued)

a) Market risk

Foreign exchange risk

A proportion of the scheme's financial assets are held in foreign currency. These comprise quoted shares held offshore as disclosed in Note 10.

At 31 December 2019, if the Kenya Shilling had weakened 10 per cent against the US dollar and the Uganda Shilling with all other variables held constant, the increase in net assets available for benefits for the year would have been Shs nil (2018: 371,000) higher/lower.

Interest rate risk

A proportion of the scheme's financial assets which include Kenya Government securities, commercial papers and corporate bonds, and fixed and time deposits are interest earning assets.

At 31 December 2019, an increase/decrease in interest rates of 100 basis points with all other variables held constant would have resulted in a decrease/ increase in the increase in net assets available for benefits of Shs 67,249,100 (2018: Shs 67,029,600) arising substantially from the change in market value of debt securities

b) Price risk

The Scheme is exposed to equity price risk in respect of its investments in quoted shares. The exposure to price risk is managed primarily by setting limits on the percentage of the net assets available for benefits that may be invested in equity and by ensuring sufficient diversity of the investment portfolio.

At 31 December 2019, if the prices of all equity investments had increased/decreased by 10% with all other variables held constant, the increase in net assets available for benefits for the year would have been Shs 28,341,720 (2018: 39,832,000 higher/lower).

c) Credit risk

Credit risk arises from investments other than equity investments, contributions due, other receivables and cash and cash equivalents. The scheme does not have any significant concentrations of credit risk. The investment manager assesses the credit quality for each investment, taking into account its age and liability profile, past experience and other factors.

d) Liquidity risk

Prudent liquidity risk management implies maintaining sufficient cash and marketable securities.

The scheme maintains adequate amounts of cash and cash equivalents to pay off liabilities (except for pension liabilities falling due after the balance sheet date) as they fall due. The actuarial position of the scheme which deals with the actuarial present value of promised benefits is disclosed in Note 22.

e) Fair value measurements

The carrying amounts of all financial assets and liabilities at the reporting date approximate their fair values. The table below shows an analysis of all assets and liabilities for which fair value is measured or disclosed in the financial statements by level hierarchy. The fair values are grouped into three levels as mentioned in Note 1 of these financials, based on the degree to which the fair value is observable. The table below gives information about how the fair values of these assets and liabilities are determined.

NOTES (CONTINUED)

23 Risk management objectives and policies (continued)

e) Fair value measurements (continued)

Year ended 31 December 2019	Level 1 Shs	Level 2 Shs	Level 3 Shs	Totals Shs
Financial assets				
Shares				
- unquoted investments	-	-	262,992,000	262,992,000
- quoted shares (Kenya)	2,864,712,180	-	-	2,864,712,180
Kenya government securities	-	6,486,521,540	-	6,486,521,540
Commercial paper and corporate bonds	-	238,388,835	-	238,388,835
	<u>2,864,712,180</u>	<u>6,724,910,375</u>	<u>262,992,000</u>	<u>9,852,614,555</u>
 Year ended 31 December 2018				
	Level 1 Shs	Level 2 Shs	Level 3 Shs	Totals Shs
Financial assets				
Shares				
- unquoted investments	-	-	262,992,000	262,992,000
- quoted shares (Kenya)	3,217,595,305	-	-	3,217,595,305
Kenya government securities	-	5,516,878,695	-	5,516,878,695
Commercial paper and corporate bonds	-	1,091,786,270	-	1,091,786,270
	<u>3,217,595,305</u>	<u>6,608,664,965</u>	<u>262,992,000</u>	<u>10,089,252,270</u>

The different level of fair value measurement hierarchy is described as follows:

- Quoted prices (unadjusted) in active markets for identical assets (level 1)
- Inputs other than quoted prices included within level 1 that are observable for the asset, either directly (that is, as prices) or indirectly (that is, derived from prices) (level 2)
- Inputs for the asset that are not based on observable market data (that is, unobservable data) (level 3).

The fair value of financial instruments traded in active markets is based on quoted market prices at the reporting date. A market is regarded as active if quoted prices are readily and regularly available from an exchange, dealer, broker, industry group and those prices represent actual and regularly occurring market transactions on arm's length basis. The quoted market prices used for financial assets held by the Scheme is the current market price. These instruments are included in level 1.

The fair value of financial instruments that are not traded in an active market is determined by using valuation techniques such as discounted cashflow analysis. These valuation techniques maximise the use of observable market data where it is available and rely as little as possible on entity specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2.

If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3.

24 Commitments

There were no contractual obligations to purchase or for repairs, maintenance or enhancements

NOTES (CONTINUED)

25 Fund management

The scheme's objectives when managing fund are:

- to comply with The Retirement Benefit (Occupational Retirement Benefit Schemes) Regulations, 2000 made under Retirement Benefit Act, 1997.
- to safeguard the scheme's ability to continue as a going concern, so that it can continue to provide returns for members and benefits for other stakeholders

The Retirement Benefits Act requires the scheme's trustees to invest members' funds using prudent investment policies that will get the members market rates on their investments. The scheme's compliance with this requirement has been disclosed in Note 18.

The scheme sets the amount of the fund in proportion to risk. The scheme manages the fund structure and makes adjustments to it in the light of changes in economic conditions and the risk characteristics of the underlying assets. The fund comprises members' funds.

26 Presentation currency

The financial statements are presented in Kenya Shillings (Shs), except where indicated otherwise.

27 Events after the reporting period

The Trustees are not aware of events after the reporting date that require disclosure in or adjustments to the financial statements as at the date of this report

28 General information

The Kenya Ports Authority Pension Scheme was established by an original Trust Deed which became operational on 1 January 1998. The original Trust deed was amended effective from 1 July 2002. The scheme which is registered under the Income Tax (Retirement Benefits) Rules incorporates predecessor schemes, namely the East Africa Cargo Handling Services Limited Staff Pension Scheme and the Kenya Cargo Handling Services Limited Staff Pension Scheme in whose books of account, the assets and liabilities are maintained by the trustees. The trustees are in the process of effecting the necessary legal transfers of the assets and liabilities.

LISTING OF INVESTMENT PROPERTIES

PROPERTY	LOCATION	2019 Shs	2018 Shs
1 MN/Sec 1/1660	Mombasa Mbuni Road-Nyali	72,400,000	73,000,000
2 MN/Sec 1/1662	Mombasa Mbuni Road-Nyali	72,400,000	73,000,000
3 MN/Sec 1/2505	Mombasa Kittaruni Road-Nyali	21,500,000	20,000,000
4 MN/Sec 1/2506	Mombasa Kittaruni Road-Nyali	23,400,000	21,000,000
5 MN/Sec 1/2512	Mombasa Kittaruni Road-Nyali	29,800,000	22,000,000
6 MN/Sec 1/1592	Mombasa Simba Road-Nyali	-	75,000,000
7 MN/Sec 1/2509	Mombasa Kittaruni Road-Nyali	-	16,000,000
8 MN/Sec 1/2511	Mombasa Kittaruni Road-Nyali	21,600,000	25,000,000
9 MN/Sec 1/1605	Mombasa Kasuku Road-Nyali	72,000,000	75,000,000
10 MN/Sec 1/1604	Mombasa Kasuku Road-Nyali	72,000,000	73,000,000
11 MN/Sec 1/1339	Mombasa Off Bandari-Nyali	72,400,000	76,300,000
12 MN/Sec 1/533	Mombasa Jamhuri Road-Nyali	148,800,000	135,000,000
13 MN/Sec 1/724	Mombasa Links Road-Nyali	108,200,000	120,000,000
14 MN/Sec 1/1332	Mombasa Mukoma Road off Kongoni Road-Nyali	61,000,000	65,000,000
15 MN/Sec 1/1334	Mombasa Off Kongoni Road-Nyali	75,800,000	69,000,000
16 MN/Sec 1/1338	Mombasa Off Bandari-Nyali	72,200,000	52,000,000
17 MN/Sec 1/1352	Mombasa Off Makongeni Road-Nyali	64,600,000	77,600,000
18 MN/Sec 1/1353	Mombasa Off Makongeni Road-Nyali	-	45,000,000
19 MN/Sec 1/1351	Mombasa Off Makongeni Road-Nyali	64,500,000	75,000,000
20 MN/Sec 1/1350	Mombasa Off Makongeni Road-Nyali	64,800,000	82,500,000
21 MN/Sec 1/1345	Mombasa Off Makongeni Road-Nyali	62,400,000	74,000,000
22 MN/ Sec 1/2513	Mombasa Kittaruni Road-Nyali	30,700,000	40,000,000
23 MN/Sec 1/3960	Mombasa Off Mt. Kenya Road-Nyali	-	55,000,000
24 MN/Sec 1/3188	Mombasa 5th Avenue-Nyali	72,500,000	55,000,000
25 MN/Sec 1/3185	Mombasa 5th Avenue-Nyali	72,500,000	52,000,000
26 MN/Sec 1/3184	Mombasa 5th Avenue-Nyali	71,600,000	50,000,000
27 MN/Sec 1/2523	Mombasa Kittaruni Road-Nyali	24,400,000	20,000,000
28 M/B XXI/542,545 & 546	Mombasa Off Archbishop Makarios Road-Ganjoni	106,800,000	141,750,000
29 MN/Sec 1/1286	Mombasa Links Road-Nyali	110,000,000	120,000,000
30 MN/Sec 1/534	Mombasa Off Jamhuri Road-Nyali	162,600,000	130,000,000
31 M/B XXV/119	Mombasa Dedan Kimathi Estate Road	1,295,400,000	1,415,002,000
32 M/B X/323	Mombasa Rassini Road-Tudor area	-	33,550,000
33 M/B XXVI/1000	Mombasa Kaunda Street-Kizingo	340,200,000	325,000,000
34 M/B XXVI/328	Mombasa Margaret Avenue-Kizingo	182,600,000	160,000,000
35 M/B XXVI/53	Mombasa Tritton Road-Kizingo	252,300,000	135,000,000
36 M/B X/322	Mombasa Rassini Road-Tudor area	-	35,000,000
37 L.R.No 1870/IX/118	Nairobi Bandari Plaza-Westlands	932,000,000	1,200,000,000
38 M/B XXI/435,436,437 & 508	Mombasa Cannon House 1 & 2-Moi avenue	880,000,000	817,500,000
39 L.R.No 7785/304	Nairobi Runda Estate-Off Runda Grove	-	100,000,000
40 L.R.No 209/384/4	Nairobi Nyaku House-Hurlingham	706,000,000	900,000,000
41 M/B XXI/64	Mombasa Rex House-Moi avenue	142,000,000	150,000,000
42 L.R.No 7785/305	Nairobi Runda Estate-Off Runda Grove	-	100,000,000
43 M/B XX/149	Mombasa Motor Mart Building-Moi avenue	78,000,000	60,000,000
44 M/B XX/150	Mombasa Motor Mart Building-Moi avenue	78,000,000	60,000,000
45 M/B XX/151	Mombasa Motor Mart Building-Moi avenue	78,000,000	60,000,000
46 M/B XXV/86	Mombasa NSSF Plots-Off Security lane	162,000,000	120,000,000
47 M/B XXV/93	Mombasa NSSF Plots-Off Security lane	158,000,000	115,000,000
48 L.R. Number 209/378/10	Nairobi Hurlingham Court-Hurlingham	724,000,000	800,000,000
49 M/B XI/582	Mombasa Wakauma Avenue-Tudor area	23,400,000	20,250,000
50 M/B XI/580	Mombasa Wakauma /Msaada Avenue-Tudor area	23,400,000	22,000,000
51 M/B XI/579	Mombasa Wakauma /Msaada Avenue-Tudor area	27,800,000	30,000,000
52 M/B XI/578	Mombasa Wakauma Avenue-Tudor area	27,800,000	30,000,000
53 M/B XI/581	Mombasa Wakauma /Msaada Avenue-Tudor area	23,400,000	22,000,000
54 M/B XXVI/30	Mombasa Kaunda Avenue-Kizingo	102,300,000	100,000,000
55 M/B XXVI/50	Mombasa Kaunda Avenue-Kizingo	198,500,000	190,000,000
56 M/B XXIII/216	Mombasa Off Mbaraki Road-Mbaraki	-	38,745,000
57 M/B XXIII/217	Mombasa Off Mbaraki Road-Mbaraki	68,200,000	41,175,000
58 M/B XXIII/215	Mombasa Off Mbaraki Road-Mbaraki	-	24,300,000
59 M/B XXIII/214	Mombasa Off Mbaraki Road-Mbaraki	-	38,000,000
Balance carried forward		8,334,200,000	9,150,672,000

LISTING OF INVESTMENT PROPERTIES

PROPERTY	LOCATION		2019 Shs	2018 Shs
Brought forward			8,334,200,000	9,150,672,000
60 M/B XXIII/219	Mombasa	Off Mbaraki Road-Mbaraki	61,200,000	38,610,000
61 M/B XXIII/223	Mombasa	Off Mbaraki Road-Mbaraki	60,600,000	38,745,000
62 M/B XXIII/224	Mombasa	Off Mbaraki Road-Mbaraki	56,500,000	37,000,000
63 M/B XXIII/221	Mombasa	Off Mbaraki Road-Mbaraki	-	36,450,000
64 M/B XXIII/220	Mombasa	Off Mbaraki Road-Mbaraki	62,600,000	39,825,000
65 M/B XXIII/218	Mombasa	Off Mbaraki Road-Mbaraki	69,700,000	44,550,000
66 M/B XXIII/222	Mombasa	Off Mbaraki Road-Mbaraki	53,800,000	34,560,000
67 M/B XI/474	Mombasa	Tom Mboya/Wajir Road-Tudor area	58,000,000	60,000,000
68 M/B XI/475	Mombasa	Tom Mboya/Wajir Road-Tudor area	58,000,000	60,000,000
69 L.R.No 209/10216	Nairobi	KPA Bellevue Estate-Off Popo Road Sc	1,616,800,000	1,600,000,000
70 L.R.No 10530/153	Nairobi	Siwaka Estate-Off Ole Sangare Road	17,200,000	16,500,000
71 L.R.No 10530/89	Nairobi	Siwaka Estate-Off Ole Sangare Road	17,200,000	16,500,000
72 L.R.No 10530/86	Nairobi	Siwaka Estate-Off Ole Sangare Road	17,200,000	16,500,000
73 L.R.No 10530/87	Nairobi	Siwaka Estate-Off Ole Sangare Road	17,200,000	16,500,000
74 L.R.No 10530/88	Nairobi	Siwaka Estate-Off Ole Sangare Road	17,200,000	16,500,000
75 L.R.No 10530/151	Nairobi	Siwaka Estate-Off Ole Sangare Road	-	16,500,000
76 L.R.No 10530/155	Nairobi	Siwaka Estate-Off Ole Sangare Road	-	16,500,000
77 L.R.No 10530/156	Nairobi	Siwaka Estate-Off Ole Sangare Road	17,200,000	16,500,000
78 L.R.No 10530/85	Nairobi	Siwaka Estate-Off Ole Sangare Road	17,200,000	16,500,000
79 L.R.No 10530/148	Nairobi	Siwaka Estate-Off Ole Sangare Road	17,200,000	16,500,000
80 L.R.No 10530/93	Nairobi	Siwaka Estate-Off Ole Sangare Road	17,200,000	16,500,000
81 L.R.No 10530/91	Nairobi	Siwaka Estate-Off Ole Sangare Road	17,200,000	16,500,000
82 L.R.No 10530/92	Nairobi	Siwaka Estate-Off Ole Sangare Road	17,200,000	16,500,000
83 L.R.No 10530/150	Nairobi	Siwaka Estate-Off Ole Sangare Road	17,200,000	16,500,000
84 L.R.No 10530/149	Nairobi	Siwaka Estate-Off Ole Sangare Road	17,200,000	16,500,000
85 L.R.No 10530/152	Nairobi	Siwaka Estate-Off Ole Sangare Road	17,200,000	16,500,000
86 L.R.No 10530/154	Nairobi	Siwaka Estate-Off Ole Sangare Road	-	16,500,000
87 L.R.No 10530/90	Nairobi	Siwaka Estate-Off Ole Sangare Road	17,200,000	16,500,000
88 L.R.No 10530/130	Nairobi	Siwaka Estate-Off Ole Sangare Road	15,600,000	15,500,000
89 L.R.No 10530/57	Nairobi	Siwaka Estate-Off Ole Sangare Road	15,600,000	15,500,000
90 L.R.No 10530/62	Nairobi	Siwaka Estate-Off Ole Sangare Road	15,600,000	15,500,000
91 L.R.No 10530/55	Nairobi	Siwaka Estate-Off Ole Sangare Road	-	15,500,000
92 L.R.No 10530/34	Nairobi	Siwaka Estate-Off Ole Sangare Road	15,600,000	15,500,000
93 L.R.No 10530/40	Nairobi	Siwaka Estate-Off Ole Sangare Road	15,600,000	15,500,000
94 L.R.No 10530/37	Nairobi	Siwaka Estate-Off Ole Sangare Road	15,600,000	15,500,000
95 L.R.No 10530/31	Nairobi	Siwaka Estate-Off Ole Sangare Road	15,600,000	15,500,000
96 L.R.No 10530/27	Nairobi	Siwaka Estate-Off Ole Sangare Road	15,600,000	15,500,000
97 L.R.No 10530/132	Nairobi	Siwaka Estate-Off Ole Sangare Road	-	15,500,000
98 L.R.No 10530/128	Nairobi	Siwaka Estate-Off Ole Sangare Road	15,600,000	15,500,000
99 L.R.No 10530/127	Nairobi	Siwaka Estate-Off Ole Sangare Road	15,600,000	15,500,000
100 L.R.No 10530/69	Nairobi	Siwaka Estate-Off Ole Sangare Road	15,600,000	15,500,000
101 L.R.No 10530/80	Nairobi	Siwaka Estate-Off Ole Sangare Road	15,600,000	15,500,000
102 L.R.No 10530/68	Nairobi	Siwaka Estate-Off Ole Sangare Road	15,600,000	15,500,000
103 L.R.No 10530/60	Nairobi	Siwaka Estate-Off Ole Sangare Road	15,600,000	15,500,000
104 L.R.No 10530/52	Nairobi	Siwaka Estate-Off Ole Sangare Road	-	15,500,000
105 L.R.No 10530/59	Nairobi	Siwaka Estate-Off Ole Sangare Road	15,600,000	15,500,000
106 L.R.No 10530/39	Nairobi	Siwaka Estate-Off Ole Sangare Road	15,600,000	15,500,000
107 L.R.No 10530/54	Nairobi	Siwaka Estate-Off Ole Sangare Road	-	15,500,000
108 L.R.No 10530/47	Nairobi	Siwaka Estate-Off Ole Sangare Road	15,600,000	15,500,000
109 L.R.No 10530/56	Nairobi	Siwaka Estate-Off Ole Sangare Road	-	15,500,000
110 L.R.No 10530/61	Nairobi	Siwaka Estate-Off Ole Sangare Road	15,600,000	15,500,000
111 L.R.No 10530/50	Nairobi	Siwaka Estate-Off Ole Sangare Road	15,600,000	15,500,000
112 L.R.No 10530/49	Nairobi	Siwaka Estate-Off Ole Sangare Road	15,600,000	15,500,000
113 L.R.No 10530/29	Nairobi	Siwaka Estate-Off Ole Sangare Road	15,600,000	15,500,000
114 L.R.No 10530/38	Nairobi	Siwaka Estate-Off Ole Sangare Road	15,600,000	15,500,000
115 L.R.No 10530/44	Nairobi	Siwaka Estate-Off Ole Sangare Road	15,600,000	15,500,000
116 L.R.No 10530/65	Nairobi	Siwaka Estate-Off Ole Sangare Road	15,600,000	15,500,000
117 L.R.No 10530/26	Nairobi	Siwaka Estate-Off Ole Sangare Road	15,600,000	15,500,000
118 L.R.No 10530/30	Nairobi	Siwaka Estate-Off Ole Sangare Road	15,600,000	15,500,000
119 L.R.No 10530/53	Nairobi	Siwaka Estate-Off Ole Sangare Road	-	15,500,000
120 PLOT NO. MSA/BLOCK 1/491	Mombasa	Makande, Mombasa	-	350,000,000
121 L.R.NO.MN/1/ 3153	Mombasa	Mnazi Moja, Nyali	45,000,000	45,000,000
122 L.R. NO. 209/12015	Nairobi	Off Kaunda Street Nairobi	163,500,000	163,500,000
			11,303,500,000	12,491,912,000

LISTING OF ASSETS HELD FOR SALE

PROPERTY	LOCATION		2019 Shs	2018 Shs
1 MN/Sec 1/1592	Mombasa	Simba Road-Nyali	75,000,000	-
2 MN/Sec 1/2509	Mombasa	Kittaruni Road-Nyali	16,000,000	-
3 MN/Sec 1/1353	Mombasa	Off Makongeni Road-Nyali	45,000,000	-
4 MN/Sec 1/3960	Mombasa	Off MT. Kenya Road-Nyali	55,000,000	-
5 M/B X/323	Mombasa	Rassini Road-Tudor area	35,000,000	-
6 M/B X/322	Mombasa	Rassini Road-Tudor area	33,550,000	-
7 L.R.No 7785/304	Nairobi	Runda Estate-Off Runda Grove	100,000,000	-
8 L.R.No 7785/305	Nairobi	Runda Estate-Off Runda Grove	100,000,000	-
9 M/B XXIII/216	Mombasa	Off Mbaraki Road-Mbaraki	38,745,000	-
10 M/B XXIII/215	Mombasa	Off Mbaraki Road-Mbaraki	24,300,000	-
11 M/B XXIII/214	Mombasa	Off Mbaraki Road-Mbaraki	38,000,000	-
12 L.R.No 10530/151	Nairobi	Siwaka Estate-Off Ole Sangare Road	16,500,000	-
13 L.R.No 10530/152	Nairobi	Siwaka Estate-Off Ole Sangare Road	16,500,000	-
14 L.R.No 10530/85	Nairobi	Siwaka Estate-Off Ole Sangare Road	16,500,000	-
15 L.R.No 10530/86	Nairobi	Siwaka Estate-Off Ole Sangare Road	16,500,000	-
16 L.R.No 10530/87	Nairobi	Siwaka Estate-Off Ole Sangare Road	16,500,000	-
17 L.R.No 10530/88	Nairobi	Siwaka Estate-Off Ole Sangare Road	16,500,000	-
18 L.R.No 10530/89	Nairobi	Siwaka Estate-Off Ole Sangare Road	16,500,000	-
19 L.R.No 10530/90	Nairobi	Siwaka Estate-Off Ole Sangare Road	16,500,000	-
20 L.R.No 10530/155	Nairobi	Siwaka Estate-Off Ole Sangare Road	16,500,000	-
21 L.R.No 10530/132	Nairobi	Siwaka Estate-Off Ole Sangare Road	15,500,000	-
22 L.R.No 10530/37	Nairobi	Siwaka Estate-Off Ole Sangare Road	15,500,000	-
23 L.No. 209/10530/65	Nairobi	Siwaka Estate-Off Ole Sangare Road	15,500,000	-
24 L.R. No. MSA/BLOCK 1/491	Mombasa	Makande, Mombasa	350,000,000	-
25 L.R. NO. MSA/XVIII/335	Mombasa	Msanifu Kombo Road, Mwembe Tayari	65,000,000	65,000,000
			1,170,595,000	65,000,000