



**KENYA PORTS AUTHORITY  
PENSION SCHEME (DB)**

**POWERED BY  
INNOVATION**

.....  
**ANNUAL REPORT &  
FINANCIAL STATEMENTS  
2022**





The Fund is governed by a Trust Deed and Rules which has been approved by the Retirement Benefits Authority (RBA). The main purpose of the Fund is the provision of benefits to the members upon attainment of the retirement age of sixty years, and where applicable, benefits for the dependants of deceased members as provided by the Trust deed and rules of the Scheme.

## ABOUT US

Prior to 1998, the history of the Scheme dates to 1932 – 1933 where transport logistics were provided through the Kenya and Uganda Railways and Harbours Corporation.

The Scheme was by then regulated by the Kenya and Uganda Railways and Harbours European Officers Pension Regulations of 1932 which continued to govern the scheme along with subsequent amendments up until the dissolution of the East African Community in 1977.

Over the period 1969 to 1977, the East African Cargo Handlers Corporation handled all cargo related business while Kenya Ports Authority handled the real estate issues. The employees of the EACHC contributed to the scheme while the KPA Scheme was non-contributory.



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# 7.5%

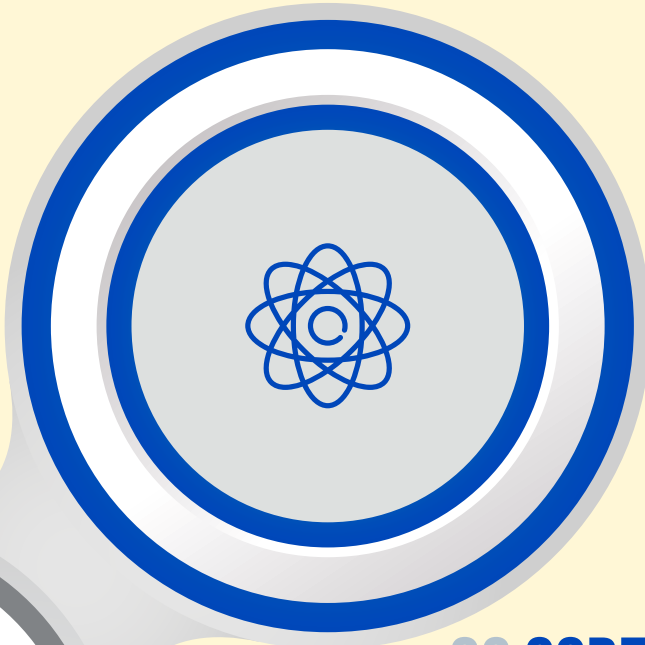
### RATE OF CONTRIBUTION TO THE SCHEME

KPA PENSION SCHEME HAS EMBARKED ON AN AGGRESSIVE DIGITAL TRANSFORMATIVE PROGRAM AIMED AT SUPPORTING THE SCHEMES STRATEGIC PLAN AND VISION. WE HAVE EMBARKED ON STANDARDIZED BUSINESS PROCESSES, ENHANCED AUTOMATION, OPERATIONAL EFFICIENCY, HAVE INTRODUCED SYSTEM DRIVEN CONTROLS AND TIGHTENED INFORMATION SECURITY TO BRING SERVICES CLOSER TO MEMBERS IN THE MOST RAPID AND SECURE WAY POSSIBLE.

# MISSION, VISION & CORE VALUES

## 01 VISION

To prudently invest scheme assets and optimize on returns to enhance member benefits.



## 02 MISSION

A Stable and sustainable scheme for generations



## 03 CORE VALUES

### Teamwork

We collaborate and focus on a common team goal in order to maximize effectiveness. Every team member is a keeper of the other, valuing the common good more than individual interest and supporting one another's efforts with respect.

### Excellence

We are committed to being the best in order to deliver the finest and ever improving service to our customers.

### Simplicity

We strive for simplicity and clarity in inspiring change and delivering sustainable value.

### Integrity

We demonstrate honesty, fairness, truthfulness and openness in all our interactions, behavior and practices within the organization and with our each other, our customers and all our stakeholders.

# NOTICE OF THE ANNUAL GENERAL MEETING 2022 OF KENYA PORTS AUTHORITY PENSION SCHEME (DB)

Notice is hereby given that the **16th Annual General Meeting** of Kenya Ports Authority Pension Scheme will be held on **Friday 27th October 2023 from 9.00am at Mbaraki Sports Club, Mombasa**. All contributing/deferred members and pensioners of KPA Pension Scheme (DB Scheme) are requested to attend the Annual General Meeting to transact the following business.

1. Reading of the notice and Agenda
2. Opening of Meeting and Introductions.
3. Consideration and Adoption of the minutes of the last AGM
4. Report by the Chair of Board of Trustees
5. The Managing Director (Sponsor) Report
6. Presentation of the Audited Accounts for the year ended 31st December 2022, by the Scheme Auditor
7. Presentation of the Fund Investments by the Scheme's Fund Managers
8. Presentation of the Custody report by the Scheme's Fund Custodian.
9. Presentation of the Structure of Benefits by the Scheme Actuary.
10. Presentation of the Retirement Benefits Industry Changes by a representative from the Retirement Benefits Authority.
11. Remuneration of Trustees.
12. Questions and Answers
13. Vote of Thanks

Members are requested to come with appropriate identification documents and to be seated by 8.45am. Copies of the Scheme's Audited Accounts can be perused at the Scheme's registered offices or downloaded from the scheme's website on **[www.kpapension.co.ke](http://www.kpapension.co.ke)**.

Members are politely informed that the cost of travel/attendance is **NON-REFUNDABLE**.

**CPA OMAE NYARANDI**

**CHAIRMAN, BOARD OF TRUSTEES**

## SCHEME INFORMATION

**TRUSTEES**

- : Mr. Yobesh Oyaro (Retired on 13 May 2022)
- : Mr. Alex Ole Leteipan (Appointed on 03 October 2020)
- : Mr. Daniel Ogutu (Retired on 13 May 2022)
- : Salim Chingabwi (Appointed on 03 October 2020)
- : Mr. David Bonyi (Appointed on 01 January 2021)
- : Ferdinand K. Malumbo (Appointed on 18 December 2020)
- : Violet M.O. Mugambi (Appointed on 18 December 2020)
- : Paul Muthwii Mwaka (Appointed on 18 December 2020)
- : Mr. Conrad Thorpe (Appointed on 01 April 2022)

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**CUSTODIAN**

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

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**EMPLOYER/SPONSOR**

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

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**AG. SCHEME ADMINISTRATOR**

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

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**SECRETARY**

- : Vincent Oweya Makaya
- : Kenya Ports Authority Pension Scheme
- : P.O. Box 1019-80100
- : Mombasa

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**ACTUARY**

- : Acturial Services E.A Limited
- : P.O. Box 10472-00100
- : Nairobi

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### FUND MANAGERS & PROPERTY ADVISORY

1. Co-op Trust Investment Services Limited  
Co-operative House 13th Floor  
P.O. Box 48231 - 00100, Nairobi  
Telephone: 020 3276416
2. Fusion Investment Management Limited  
4th Floor, Ngong Towers  
P.O. Box 47538-00100, Nairobi
3. GenAfrica Asset Managers Limited  
14 Riverside Business Park  
P.O. Box 79217 - 00200, Nairobi

## SCHEME INFORMATION (Cont'd)

### INDEPENDENT AUDITOR

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

### REGISTERED OFFICE

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

### 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
2. M/s Kittony Maina Karanja & Company
3. M/s S. M. Righa & Company
4. M/s Lumatete Muchai & Company
5. M/s Kipkenda & Company
6. M/s Miller and Company Advocates
7. M/s CM Advocates LLP
8. M/s Nyiha Mukoma & Company
9. M/s Robson Harris & Company
10. M/s Muthee Soni & Associates
11. M/s Namasaka & Kariuki Advocates
12. M/s Munene Wambugu & Kiplagat Advocates
13. M/s Muchoki Kangata & Njenga Advocates
14. M/s Triple OK Law Advocates
15. M/s Munyao Muthama & Kashindi Advocates
16. M/s Oundo Muriuki Advocates
17. M/s Munyithya Mutugi Umara & Muzna Advocates
18. M/s Walubengo Waningilo & Company Advocates
19. M/s Hassan Alawi & Company Advocates
20. M/s Swanya & Company Advocates
21. M/s CIM Advocates LLP
22. M/s Migos Ogamba & Waudu Advocates
23. M/s Kimakia Magara Advocates LLP
24. M/s Gathuka Ngugi Advocates
25. M/s Muhoro & Gitonga Advocates
26. M/s Silas, Evans & Stevens Advocates LLP
27. M/s Abdulhakim & Company Advocates,
28. M/s J P Ngoya & Associates Advocates
29. M/s Manyonga Wanyama & Associates LLP
30. M/s Kimani & Muchiri Advocates





**BANDARI BELLEVUE APARTMENTS**  
**SOUTH C NAIROBI**

## ABOUT US

### HISTORY OF THE SCHEME

Prior to 1998, the history of the Scheme dates to 1932 – 1933 where transport logistics were provided through the Kenya and Uganda Railways and Harbours Corporation.

The Scheme was by then regulated by the Kenya and Uganda Railways and Harbours European Officers Pension Regulations of 1932 which continued to govern the scheme along with subsequent amendments up until the dissolution of the East African Community in 1977.

Over the period 1969 to 1977, the East African Cargo Handlers Corporation handled all cargo related business while Kenya Ports Authority handled the real estate issues. The employees of the EACHC contributed to the scheme while the KPA Scheme was non-contributory.

Kenya Ports Authority was established through an Act of parliament on 20th January 1978 under Act chapter 371 laws of Kenya after the East African Harbours Corporation ceased following the breakup of the East African Community in 1975. In 1983, the Kenya Ports Authority (Pensions) regulations were gazetted and deemed to have come into force in 1st January 1978. In this period, the Kenya Cargo Handling Services Ltd Staff Pension Scheme was established on 16th March 1981 and commenced on 1st September 1982 as per the published TDR.

In 1986, following the merger of the Kenya Ports Authority and the Kenya Cargo Handling Service Ltd, the employees of KPA were transferred to the Kenya Cargo Handling Services Ltd Staff Pension Scheme and the sponsor, KPA, was deemed to have absorbed all liabilities of the scheme. The later, Kenya Cargo Handling Services Ltd, had a contributory scheme whereas KPA had a non-contributory pension scheme for staff.

### OBJECTIVES OF THE SCHEME

The Scheme was established with effect from 1st April 1998 and is governed by a Trust Deed and Rules dated 1st April 1998.

It is a defined benefit scheme and provides, under the rules of the Scheme, retirement benefits for the Employees of Kenya Ports Authority (KPA). It is a tax-exempt approved scheme under the Income Tax Act and is registered with the Retirement Benefits Authority.

Employees contribute to the Scheme at the rate of 7.5% of their respective basic salaries. The employer contributes at rates based on periodic advice of the actuary. The current rate is 14.7% of employees' basic salaries.

The main Purpose of the Scheme is to provide Cash benefits and pensions to the members upon attainment of the retirement age and where applicable benefits for dependents of deceased members.

In compliance with the Treasury Circular No. 18/2010 dated 24th November 2010, KPA undertook a redesign of the retirement benefits arrangement whereby a new defined contributory (DC) scheme 2012 was established with effect from 1st January 2013. As stipulated in the circular, the members who were below 45 years were required to transfer and join the new DC scheme.

The members who were 45 years and above were given the option to either remain in this scheme or move to the DC Scheme.

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# 7.5%

**RATE OF CONTRIBUTION  
TO THE SCHEME**

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# SCHEME ICT DIGITAL TRANSFORMATION 2.0

Technology plays an important role in our society in enhancing efficiency and service delivery.

System driven controls considerably reduce human error and KPA Pension Scheme has been on the trajectory of implementing cost efficient, scalable and sustainable technologies in the past 2 years.

Our digital transformation strategy is bearing fruit.

We began by successfully launching an Enterprise Resource Planning (ERP) system in the year 2022.

That system has enabled our Schemes members to view and access their statements digitally at a touch of a button; has given them the ability to project their benefits up front for ease of planning pre retire as well as the ability to view and verify their beneficiaries. These apply mostly for the Defined Contributions (DC) Scheme.

The direct impact on us as the joint Schemes' Secretariate is that we are now better placed to synchronize inter departmental activities and it is possible to deliver on our roles timeously and efficiently. It is for instance quite easy now to process payroll, track expenses vs budget and so on.

We are better placed to uptake and manage new products like income drawdown, trust fund and post-retirement medical fund through the support of the deployed technologies. The scheme has additionally rolled out Microsoft power BI, a business intelligence reporting technology to enhance the ERP system resulting in real time graphical reporting with trend analysis, filters, drilldown, and sorting at the touch of a button for efficient and timely decision making.

For ease of coordination from the top the Scheme has onboarded a modern web-based Trustees Eboard

Meeting system that enables online access to Board Packs and Reports by Trustees at the touch of a button giving room for the scheme to cut down on associated printing costs and reducing bulk. Trustees are now able to conduct board meetings virtually which enhances operational efficiency given that it is also now possible for Trustees to review historical meetings on the Eboard System. This goes for both Defined Benefits (DB) and Defined Contribution (DC) Schemes.

With the introduction of VOIP telephony system, the Scheme has now provisioned a new number for members to call our pension office on **0768-777-444**.

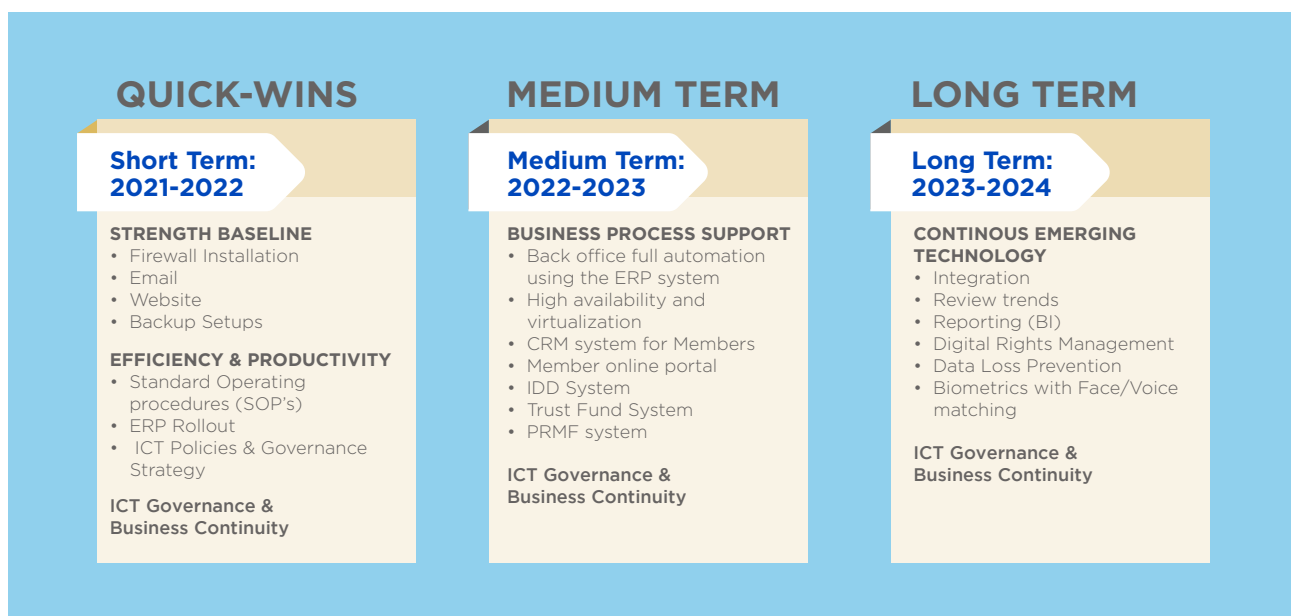
Eboard systems and the Microsoft Power BI platform are supplementary components of the ERP system which we were able to enhance within the very set up cost for the ERP. To achieve that, it was key to keenly word and scope of the ERP contracts to ensure that such modules are secured.

Next was the introduction of biometric technologies for life certification/census program. This was rolled out in 2023 followed by a nationwide census exercise, the biometric technologies specifically voice biometric would enable subsequent verification exercises to be conducted remotely where pensioners can call a toll-free number at the comfort of their homes tremendously reducing on logistics and operational costs associated with the Census program.

In summary it is important to mention that looking into the future, we project to establish a warm disaster recovery site to mitigate against unforeseeable risks since technology plays a big role in the day-to-day operations in the Scheme.

The future is digital!

## DIGITIZATION ROAD MAP



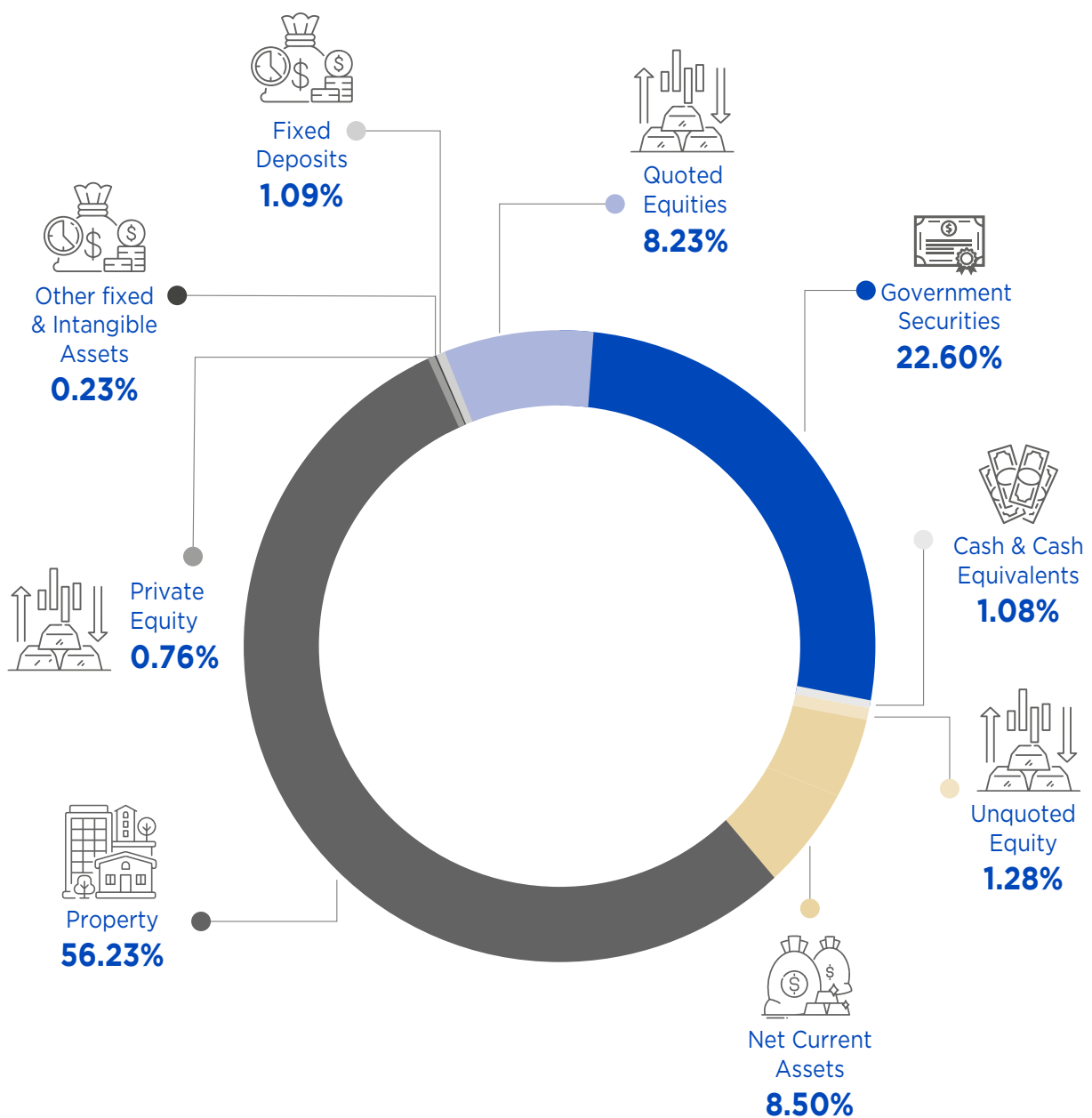
# FUND HIGHLIGHTS

## FUNDS INVESTMENTS

Our primary investment goal is to generate sufficient returns to fulfill the Fund's extended financial commitments. These commitments encompass providing pension benefits to employees upon retirement or withdrawal, as well as supporting the beneficiaries of deceased members.

The Scheme has invested in: Government Securities (Treasury Bonds and Treasury Bills), Equity Market, Bank deposits, Private Equity, Unquoted Equity Investment and Properties

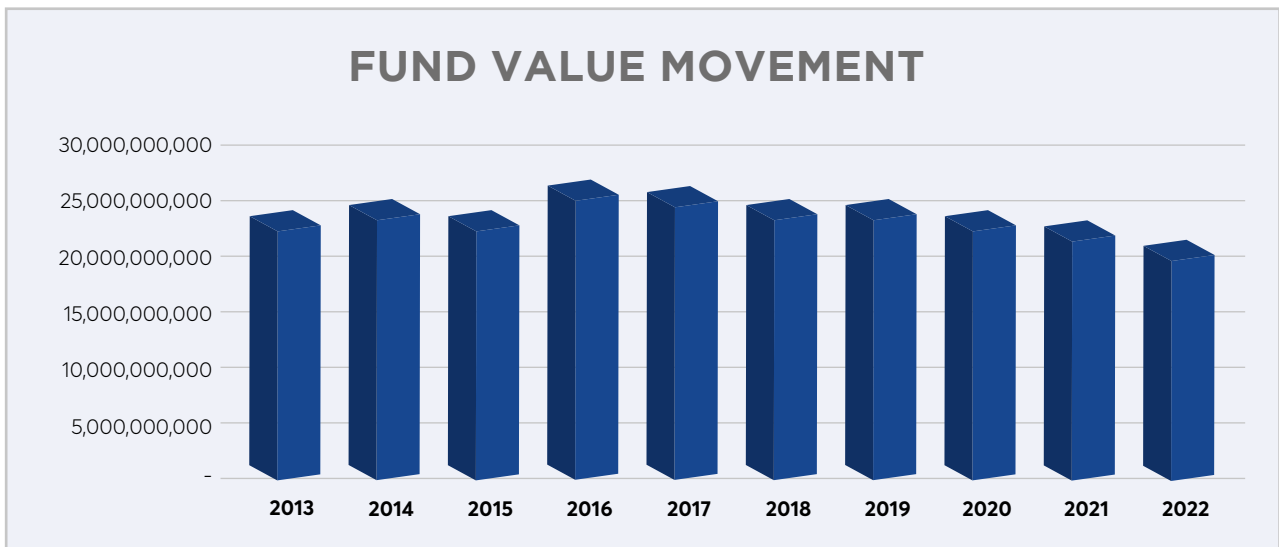
The scheme is guided by the RBA regulations on investment, the Investment policy statement, and the strategic plan.



## FUND HIGHLIGHTS (Cont'd)

### FUND VALUE

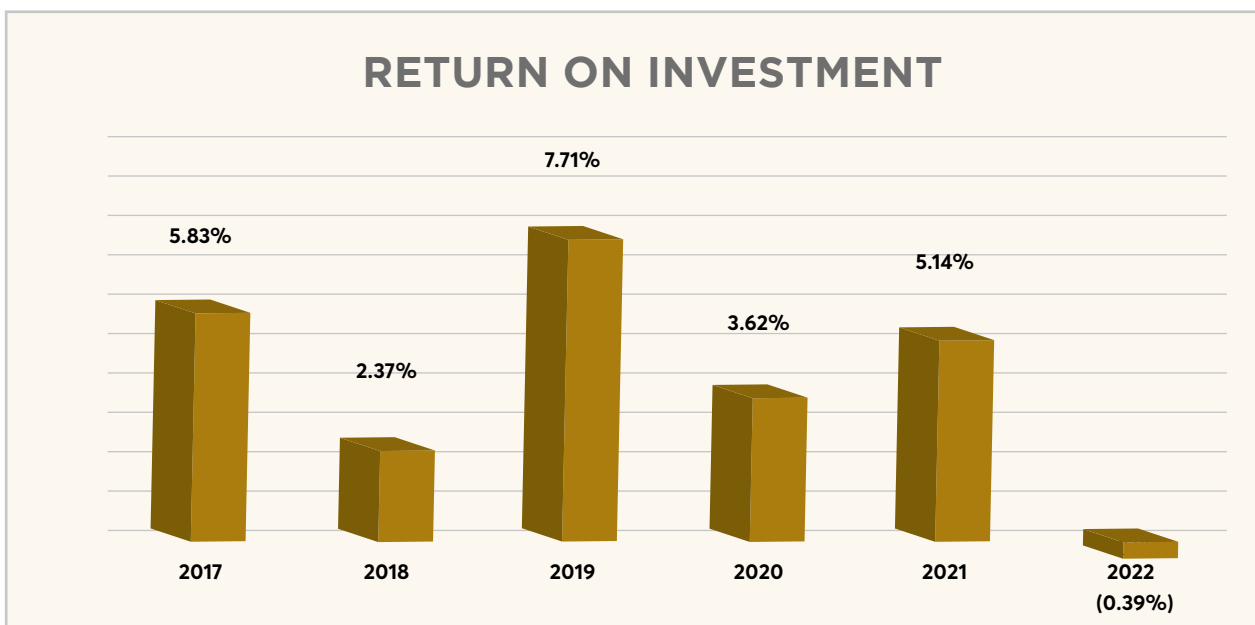
Over the past four years, a decline in growth has been noted, primarily attributed to the rising outflow. The Scheme is no longer open to active members, and there has been a decrease in the number of active contributors, while the count of pensioners and beneficiaries is on the rise.



The scheme fund value as of 31st December is Kshs.20.1Bn.

### RETURN ON INVESTMENT.

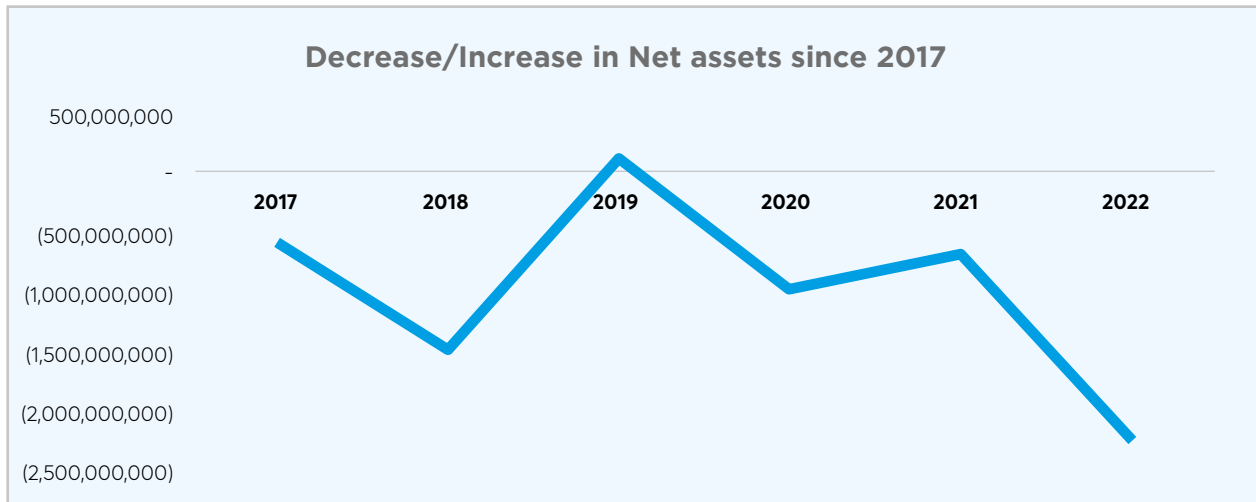
The Fund's performance in 2022 was subdued, primarily due to the lower returns observed in both the stock market and property return. The Fund has implemented strategies aimed at optimizing long-term investment returns while managing and reducing short-term volatility.



## FUND HIGHLIGHTS (Cont'd)

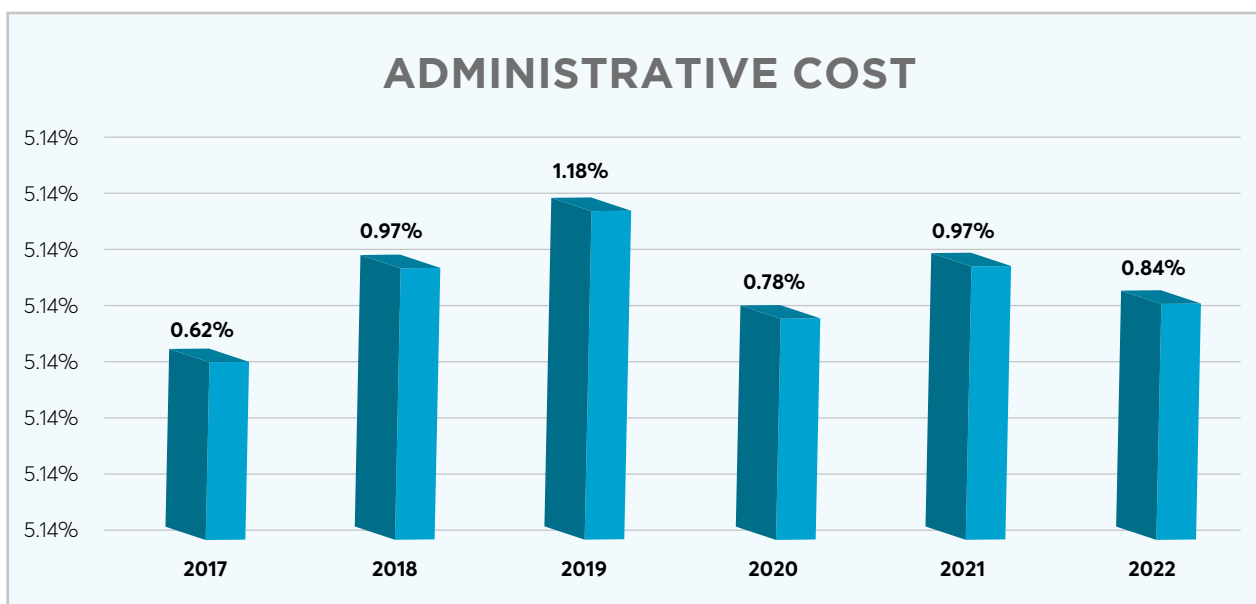
### DECREASE IN NET ASSETS

The assets decreased by Kshs.2.2Billion during the year.



### ADMINISTRATIVE EXPENSES

The fund has proactively maintained its administrative costs below 1% consistently for the last three years. The 2022 administrative costs was 0.84% of the Fund value..



## SCHEME INVESTMENTS



*Dedan Kimathi Estate, Mombasa*



*Bellevue Estate, South C Nairobi*



*Kafoca, Mombasa*



*Kizingo, Mombasa*



*Kizingo, Mombasa*



*Kizingo, Mombasa*

## SCHEME INVESTMENTS



*Kizingo, Mombasa*



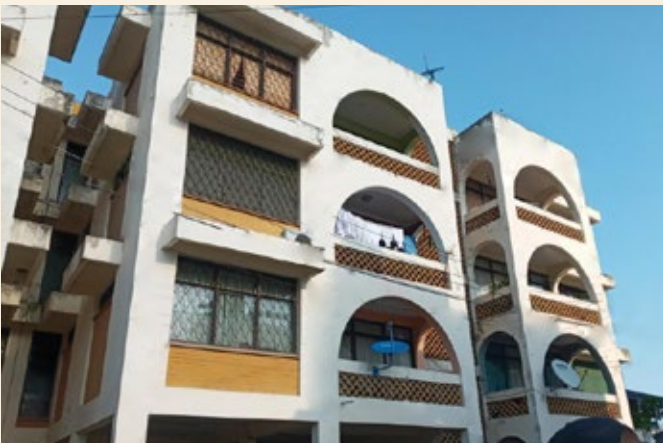
*Lotus Estate, Mombasa*



*Rex House, Mombasa*



*Hurlingham Court, Nairobi*



*Ganjoni, Mombasa*



*Nyaku House, Hurlingham, Nairobi*



## CHAIRMAN'S STATEMENT

**Dear Esteemed Members,**

I am honored to present to you the 16th Annual Report for the Kenya Ports Authority Pension Scheme. This report covers the period ending December 2022. This past year has been a testament to our collective commitment to secure the financial futures of our members and beneficiaries, and I am proud to report on the progress and achievements we have made in this pursuit.

I stand before you today not only as the Chairperson of the Board of Trustees, but also as a member of the scheme having been appointed a trustee on 12<sup>th</sup> May 2023 in the middle of the scheme transition.

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### ECONOMIC LANDSCAPE FOR THE YEAR 2022

#### *General Economic Outlook:*

The year 2022 marked a staggered growth in the local and global economy. From a global perspective, the International Monetary Fund reported that the global GDP (Gross Domestic Product) exhibited a slower growth rate of 3.4% as opposed to 6% which had been reported in the year 2021. On the local front, the Kenya National Bureau of Statistics reported that Kenyan GDP expanded by 4.8 per cent in 2022. This was a decline from performance in the 2021 when the GDP was reported to have expanded by 7.6%.

This deceleration can be attributed to several factors, including but not limited to weakening global markets due to surging inflation, leading to a cost-of-living crisis; the Russian invasion in Ukraine, which disrupted commodity supplies and triggered an energy crisis in Europe; and the lingering impact of Covid-19, which contributed to an economic slowdown in China. From a domestic perspective, 2022 was an election year, and this impeded economic activities within the country.



***This past year has been a testament to our collective commitment to secure the financial futures of our members and beneficiaries.***



increase of total assets of pension funds in Kenya as of December 2021.



Increase of value of guaranteed funds witnessed as of December 2022.

### Pension Industry Summary:

According to the report from the Kenya National Bureau of Statistics, the total assets of pension funds in Kenya exhibited a 1.9 percent increase, rising from KSh 1,547.4 billion as of December 2021 to KSh 1,576.2 billion as of December 2022. Additionally, assets invested in government securities saw a 2.1 percent growth, reaching KSh 722.0 billion by December 2022. Fixed deposits also experienced an increase, going from KSh 27.9 billion in 2021 to KSh 42.2 billion as of December 2022. The value of guaranteed funds witnessed a significant 14.7 percent rise, reaching KSh 298.0 billion by December 2022. On the other hand, the value of quoted equities declined by 15.5 percent during the review period, contrasting with the 42.9 percent growth reported as of December 2021.

### The Scheme's Investment Overview & Performance

#### Scheme Overview

##### (i) Membership

The Scheme is a closed scheme, and this has seen the number of active contributing members decline steadily. According to the Scheme's Actuarial Valuation report, the active membership of the Scheme has decreased from 3,091 at the previous actuarial valuation to 2,854 members as at the end of the year 2022. The number of active contributing members reduced from 566 members as at end of December 2021 to 431 members in December 2022. The decline in scheme membership was attributed to, among others, the fact that the scheme is closed from new entrants.

##### (ii) Scheme Funding

The Scheme funding position as of December 2022 was Kshs. 20,121,390,226/-. This marked approximately 10% decline from December 2021 when the scheme funding was at Kshs. 22,387,189,460/-. The rationale for the decline in funding include the fact that the scheme, being a closed scheme has more liabilities as opposed to contribution from members.

Whereas the scheme fund is in diverse portfolio, the allocation on property remains huge and beyond the limit set by the Retirement Benefits Authority. A summary of the scheme's asset class allocation can be highlighted as follows:

### Asset Allocation as of December 31, 2022:

No.	Asset Class	Value in 2021	Value in 2022	Percentage (2022)	RBA Limit
1.	Government Securities	6,228,602,583	4,547,032,418	22.60%	90%
2.	Fixed Deposits	130,291,561	219,845,369	1.09%	30%
3.	Unquoted Equity	256,692,800	256,692,800	1.28%	5%
4.	Quoted Equity	2,324,453,145	1,655,616,997	8.23%	70%
5.	Private Equity	-	153,896,386	0.76%	10%
6.	Property	11,851,251,360	11,314,851,360	56.23%	30%
7.	Other Fixed and Intangible Assets	58,421,522	46,120,651	0.23%	10%
8.	Cash & Cash Equivalents	288,628,015	217,389,908	1.08%	5%
9.	Net Current Assets	1,248,848,474	1,709,944,337	8.50%	
	<b>TOTAL</b>	<b>22,387,189,460</b>	<b>20,121,390,226</b>	<b>100%</b>	

## CHAIRMAN'S STATEMENT (Cont'd)

The scheme's property portfolio represented 56.23% of the scheme fund as of the end of December 2022, signifying an increase of approximately 4.5% compared to the property holdings in 2021. Consequently, the scheme continues to breach the limit established by the Retirement Benefits Authority concerning property allocation. To elucidate, the law specifies that the scheme's allocation to property should not surpass 30% of the scheme fund. Unless the scheme promptly takes corrective actions, there is a possibility that the property allocation may lead to liquidity issues in the near future.

### **The Scheme's Financial Position for the Period ending December 2022**

As the Chairperson of the scheme, I feel it is my duty to address you all and provide an update on our current financial situation. First and foremost, I want to acknowledge the trust and confidence you have placed in us as stewards of your hard-earned pensions. We understand the significance of the financial security that this scheme represents for each and every one of you.

However, I must start by sharing some challenging news. Our scheme is currently facing a significant deficit. This is a situation that we take very seriously, and it is crucial that we address it promptly and effectively. The Actuarial Valuation for the period ending

December 2022 revealed that the scheme had a deficit of Kshs. 6.987 billion, resulting in a funding level of 74.2%. This represented a further decline compared to the year ending 2021 when the deficit was Kshs. 5.029 billion, equating to 81.7%. This is below the minimum funding requirement of 100% prescribed by the Retirement Benefits Regulations 2000.

### **Remedial plans on the deficit issue**

#### **(i) Strategic Disposal of Properties**

One of the key issues contributing to this deficit is the allocation of our assets. As many of you may know, our property asset class currently constitutes more than 50% of our entire scheme fund. Unfortunately, this allocation is in direct violation of regulations that govern pension schemes, which require that our property asset class not exceed 30% of our scheme fund. Furthermore, the poor returns posted by this asset class (especially the residential properties) has not gone unnoticed, and we are fully aware of the consequences it may entail.

It is imperative that we take immediate and decisive action to rectify this situation. To that end, the Board of Trustees will revalue the property and put them in the market. The proceeds from the sale of property shall be reinvested in near liquid investments such government securities which normal give a higher return.

#### **(ii) Engagement with the Sponsor**

In efforts to close this gap, the Scheme had previously submitted a corrective plan to the Retirement Benefits Authority. This plan led the Sponsor to contribute Kshs. 535.2 million annual as additional contribution towards bridging the deficit.

The Board of Trustees is firmly committed to addressing this shortfall and ensuring that the Scheme returns to full funding. To achieve this goal, the have initiated extensive discussions with the Sponsor to tackle this matter. Specifically, the Board of Trustees is engaged in talks with the Sponsor to potentially raise contributions towards the deficit further, thereby expediting the resolution of this shortfall.

#### **(iii) Development of a comprehensive remedial plan**

The Board has taken note of the existing deficit, and in response, we have been hard at work developing a comprehensive remedial plan. This plan represents a crucial step in addressing the challenges we face. I'm happy to report that the process is now at a critical juncture in this process. Our remedial plan is currently pending approval by our valued sponsor. We greatly appreciate their support and collaboration throughout this endeavor, and we are hopeful that they will see the tremendous potential in our plan.



The World Bank has projected that the Kenyan GDP will grow by at least 5%



The pension sector in Kenya continued to stabilize by recording a 10.6% growth in cumulative asset value.

Once approved, this plan will serve as a formidable basis for alleviating and reducing the deficit. We believe that its implementation will not only help us bridge the gap but also create a stronger, more resilient foundation for the future.

### **Governance and Scheme Administration**

#### **Board of Trustees**

In the year ending 2022, there were slight changes in the composition of the Board of Trustees. Trustee Conrad D. Thorpe joined the Board of Trustees, as a Sponsor Nominated Trustee effective 1st April 2022. Trustee Yobesh Oyaro's term lapsed on 13th May 2022. During the period under review the Board had seven (7) Trustees as opposed to the required nine (9).

#### **Scheme Administration/ Secretariat**

The Scheme is internally administered under the leadership of the Scheme Administrator. In April 2022, the former Scheme Administrator, Mrs. Caroline Kodo, was recalled by the Sponsor. The Board of Trustees appointed Mr. Bernard Kibet as the Scheme Administrator from May 2022, albeit in an acting capacity.

The Scheme Administrator is supported by a total of twenty-one (21) staff, organized into three (3) departments and two (2) units. These departments include the Information and Communication Technology Department, Benefits Department, and Finance & Investments Departments, each of which is further supported by two (2) units: the Legal Unit and the Human Resources & Administration Unit.

In the past, the Scheme's internal management depended on employees assigned from the Sponsor. Nonetheless, starting in January 2021, as part of the goal to detach the scheme from the sponsor, the Scheme initiated the recruitment of its own autonomous staff. This move has contributed to greater independence, improved efficiency, and enhanced service delivery.

#### **Instruments of Governance**

The Board of Trustees operated through four (4) main Board Committees namely the Finance and Investment Committee, the Audit and Risk Committee, the Administration and Communications Committee as well as the Project Implementation Committee. Additionally, the

Board of Trustees has fully complied with and incorporated the Good Governance Guidelines which were introduced by the Retirement Benefits Authority.

Furthermore, the Board of Trustees has established working committees, including the Finance and Investment Committee, the Audit & Risk Committee, and the Administration and Communication Committee, to ensure efficient operations.

#### **Looking Ahead**

The global economy is expected to fall further with the International Monetary Fund (IMF) predicting a growth of 2.8% in the year 2023. This translates to 0.6% decline from the year 2022 when the growth was 3.4%. On the other hand, the World Bank has projected that the Kenyan GDP will grow by at least 5%.

In line with this projection, the Board of Trustees will take all the reasonable measures to ensure that the scheme investments are well cushioned. Whereas the Board of Trustees is entrusted with steering the scheme's affairs and investment, the Scheme can only move forward with the support of members. Together we can achieve more.

## CHAIRMAN'S STATEMENT (Cont'd)

I am aware that previously the Trustees and the Members of the scheme have been entangled in court battles. I extend an olive branch and invite any member with any issue for dialogue. I reiterate that as a scheme together we shall move far.

### **Appreciation**

On behalf of the Board of Trustees, I would like to convey our heartfelt appreciation to the Board of Directors of our Sponsor, Kenya Ports Authority. Their unwavering support throughout the year, including the punctual remittance of contributions, has been invaluable. We also extend our gratitude to the Regulator, the Retirement Benefits Authority, as well as our service providers, which include, among others, the Scheme Administrator and the entire Secretariat, the Auditors, and the Investment Managers.

Lastly, I wish to extend my appreciation to our esteemed members for their unwavering commitment to the long-term success of our Scheme. Together, we have accomplished much, and I am confident that the future holds even greater promise for our Pension Scheme. Thank you for your trust, and I look forward to working together to achieve the objects of the scheme.

Thank you and God bless you all!

**CPA Omae NYARANDI**

*Chairman - Board of Trustees*

Kenya Ports Authority Pension Scheme



**BANDARI PLAZA**  
**WESTLANDS, NAIROBI**

## BOARD OF TRUSTEES



**CPA Omae NYARANDI**  
*Trustee - Chairman*

CPA Nyarandi joined the Scheme on 12 May 2023 as a Sponsor nominated Trustee - KPA Pension Scheme (DB). With over 30 years of experience, he has an MBA (Strategic Management) from the University of Nairobi and a Bachelor of Commerce (Business Administration - UoN). Among his professional qualifications include as a Certified Public Accountant and Certified Secretary and a qualified Procurement Professional.

Nyarandi is currently serving as Chief Executive Officer/Executive Secretary, Northern Corridor Transit & Transport Coordination Authority and Board Chairman, Mombasa Water & Sanitation Company.



**DAVID BONYI**  
*Trustee*

David joined the Scheme in January 2021 as sponsor nominated Trustee - KPA Pension Scheme (DB). He has a Bachelor of Laws degree from the University of Nairobi and Master of Laws (LLM) in International Trade and Investments Law. He also holds a post-graduate diploma in Law from the Kenya School of Law.

David is an established advocate well experienced in employment law, financial sector regulation, statutory compliance, legal audit and corporate law. He is an advocate of the High Court of Kenya with over 35 years of experience, a Certified Public Secretary (CS) and a qualified trainer in Corporate Governance. He has served in various capacities at the Retirement Benefits Authority and engaged by the IMF and World Bank to countries within the East African region as an Independent Consultant. David has also been contracted by the Government of Gambia to draft a new Pensions Act to replace the Pensions Act of 1950. He is a Certified Trustee having undertaken the Trustee Development Program of Kenya (TDPK).

**Committee Membership** - *Finance and Investment Committee/Administration and Communication Committee*



**FERDINAND MALUMBO**  
*Trustee*

Ferdinand joined the Scheme in December 2020 as member, elected Trustee - KPA Pension Scheme (DB). He has a diploma in Clinical Medicine & Surgery, Sports Medicine and Higher National Diploma, Clinical Medicine and Surgery (Orthopaedics and trauma) from KMTC. He is a member of the Kenya Clinical Officer Association and Kenya Clinical Officer Council with 29 years of experience.

Ferdinand has served as Bandari FC medical practitioner and is currently a medical practitioner at Bandari Clinic at the Kenya Ports Authority (KPA). Ferdinand is a Certified Trustee having undertaken the Trustee Development Program of Kenya (TDPK).

**Committee Membership** - *Audit & Risk/ Project Implementation Committee (SPV)*

## BOARD OF TRUSTEES

Violet joined the Scheme in December 2020 as member, elected Trustee - KPA Pension Scheme (DB). She has a Bachelor's degree in Business Administration (Human Resource) from KEMU, and Higher National Diploma in Human Resource Management from Technical University of Mombasa, Masters in Entrepreneurship from KEMU, Master's in Counselling from Manchester University and a PHD in Arts and Counselling from Washington International University. She is currently pursuing a PhD in Human Resource Management in JKUAT.

With 30 years of experience, she is a Certified Professional Mediator and a Certified Human Resource Professional Trainer. She is a member of IHRM and Kenya Association of Psychological Counsellors.

Currently, Violet is an Administrator (Container Operations) at Kenya Ports Authority (KPA) and a Certified Trustee having undertaken the Trustee Development Program of Kenya (TDPK).

**Committee Membership** - Finance and Investment Committee/ Administration and Communication Committee



**VIOLET MUGAMBI**  
Trustee

Paul joined the Scheme in December 2020 as member, elected Trustee - KPA Pension Scheme (DB). He holds a Bachelor of Arts in Criminal Justice and Security Management, BSc in Environmental Health Sciences, MSc. OSH and PGD.OSH from Turin University, Italy. With 27 years of experience, he is a Certified Trustee at Trustee Development Program Kenya (TDPK), NEBOSH Certified and International Commission on Occupational Health (ICOH). Paul is currently employed at the Kenya Ports Authority.

**Committee Membership** - Audit & Risk/ Finance and Investment Committee



**PAUL MWAKA**  
Trustee

Catherine joined the Scheme on 12 May 2023 as a Sponsor Nominated Trustee - KPA Pension Scheme (DB). She holds a Bachelor of Commerce (Hons) from the University of Nairobi and a Higher Diploma in HR Management (KNEC). She is currently pursuing a Masters in Human Resource Management (JKUAT). With 25 years of experience, she is a Certified Agile Associate IPMA Level D and holds a Professional Workplace Mediation & Conflict Resolution Certificate from the Mediation Training International, Kenya.

Catherine is a member of the Institute of Human Resource Management(IHRM), has a certificate in Foundations of Industrial Relations and Effective CBA Negotiation Skills from the Federation of Kenya Employers(FKE) and has attended the International Labour Conference of the International Labour Organisation (ILO) in Geneva, Switzerland. Catherine is currently employed at the Kenya Ports Authority.

**Committee Membership** - Administration & Communication Committee/ Project Implementation Committee(SPV)



**CATHERINE WANGARI**  
Trustee

## BOARD OF TRUSTEES



**FRANCIS TSUMA LELI**  
Trustee

Francis joined the Scheme on 12 May 2023 as a Sponsor Nominated Trustee – KPA Pension Scheme (DB) he is a dynamic and accomplished Sales and Marketing professional with over 24 years of experience in the manufacturing industry, he holds an Executive MBA in Strategic Management - Maastricht School of Management (MSM), a Bachelor of Science, International Business Administration in Marketing (USIU) and a certification in Program for Management Development PMD (Strathmore Business School).

Francis is the current head of Distribution and Logistics at Savannah Cement.

**Committee Membership** - Finance and Investment Committee/ Project Implementation Committee (SPV).



**KIBET KIRUI EMMANUEL**  
Trustee

Mr. Kibet is a qualified Lawyer and an Advocate of the High Court of Kenya with notable experience and expertise in Business, Commercial and Dispute Resolution. Mr. Kibet is currently a Partner at the H&K Law Advocates, Nairobi. He is a professional member of the Law Society of Kenya and East Africa Law Society.

In recognition of his skillful craft, Kibet was appointed by H.E, President of the Republic of Kenya as a Joint Secretary to an independent Tribunal established under Article 251 of the Constitution of Kenya to investigate the Conduct of four (4) Independent Electoral and Boundaries Commission (IEBC) Commissioners. Kibet presently holds the position of Director, Kenya Ports Authority, appointed by the Cabinet Secretary, Ministry of Roads, and Transport in January 2023. At the Board of Directors, Mr. Kibet Chairs the Finance & Asset Committee. He is also a Sponsor Nominated Trustee to the Kenya Ports Authority Pension Scheme.

He has previously served as an Associate in different Law Firms and as a rapporteur for the Royal Danish Embassy in Kenya in 2013 general elections. Mr. Kibet has been recognized by a merit award for pioneering a legal journal for Moi University, School of Law in 2013, as the Editor-in-Chief. He won the National First Place Award in the Youth for Democracy Innovation Award 2012/2013, by the UNDP. He has also published in esteemed law journals and periodicals.

**Committee Membership** - Finance and Investment Committee/ Project Implementation Committee (SPV)



**CAROLINE NJOKI**  
Trustee

Caroline joined the Scheme on 12 May 2023 as a Sponsor nominated Trustee - KPA Pension Scheme (DB). With over 2 years of experience.

Caroline has a Bachelor of Science in Human Resource Management from JKUAT. She is currently a Director at SynergySphere Consulting Limited and a Board Director, KPA.

**Committee Membership** - Audit & Risk/ Administration and Communication Committee



**CANNON TOWERS**  
**MOMBASA**



# SCHEME ADMINISTRATOR'S REPORT

## Dear Esteemed Members,

Welcome to our 16th Annual General Meeting. It is a privilege to have an opportunity to present to you the Scheme Administration report for the financial year ended 31st December 2022.

The Scheme is a Defined Benefits Scheme where your benefits at exit are determined using a defined formula. Members contribute 7.5% while the sponsor contributes 14.7% of the members basic salary.

## STRUCTURE OF THE SCHEME ADMINISTRATION

The Scheme administration team comprise of experienced staff with diverse skill sets this has been highly beneficial for effectively managing and administering a scheme and in ensuring that the scheme runs smoothly and efficiently.

For streamlined operations, the administration team is categorized as follows; Benefits Department, ICT and Records, Finance and Investment Department, Human Resource, and the Legal Department.

## MILESTONES DURING THE YEAR

I would like to highlight some key achievements and milestones for the year:

**Implementation of Enterprise Resource Planning (ERP) system** - The ERP system has been implemented to the fullest and has tremendously streamlined our service delivery to our members.

**Introduction of member portal** - The ERP system has a member portal which has allowed our members to make projections of their expected lumpsum payment upon retirement and access their statements in real time which has enhanced transparency in the calculation and payments of benefits to our members.

**Pre-retirement trainings programs** - During the year, the scheme conducted a pre-retirement training program in partnership with the Retirement Benefits



*The Scheme administration team comprise of experienced staff with diverse skill sets this has been highly beneficial for effectively managing and administering the scheme*



The ERP system has been implemented to the fullest and has tremendously streamlined our service delivery to our members.



We have focused on enhancing communication with our members, providing them with regular updates and educational resource

Authority to equip members with the necessary skills for retirement planning. The aim of the pre-retirement trainings is to ensure that our members have a smooth transition to retirement life. The scheme will continuously engage members for these trainings until all members are reached.

**Member Engagement:** We have focused on enhancing communication with our members, providing them with regular updates and educational resources to help them make informed decisions about their retirement savings.

**Efficiency and Transparency:** We have continued to streamline our administrative processes, improving efficiency while maintaining a high level of transparency in our operations.

**Compliance:** Our scheme remains fully compliant with all regulatory requirements safe for property investment and ensuring that our members' investments are secure and protected

**Investment Performance-** Our primary investment goals is to generate good and sustainable returns for the benefit of our members and to improve the overall scheme funding level. The Fund's performance in 2022 was subdued, primarily due to the lower returns observed in both the stock market and property investments. The

Fund has implemented strategies aimed at optimizing long-term investment returns while managing and reducing short-term volatility. The residential property asset class remains the least performing scheme investment. This is occasioned partly by the fact that the tenants in those houses are not paying the market rates. The Scheme's efforts to realize maximum returns has been hampered by the court cases filed in court by the tenants.

#### **Litigation and Case Management**

– During the year, the Scheme came up with a robust engagement system and structures to ensure that member concerns are addressed expeditiously and without the need to escalate them to judicial proceedings. The scheme has also adopted an open-door policy to address any member concerns. This has greatly reduced the number of court cases in the scheme which has greatly reduced the litigation costs previously incurred by the scheme.

#### **STRATEGIC PLAN & DIRECTION**

The Scheme developed a five (5) year strategic plan which was set to be implemented from 2022-2026. In our first year of Implementing the Scheme's 5-year strategy, we continue to foster sustainability of the scheme, enhance member satisfaction and ensure improved efficiency.

Our pension scheme is well-positioned to provide financial security for our members in their retirement years. Together, we will work diligently to achieve our strategic goals and fulfill our fiduciary responsibilities.

#### **FUTURE PROMISE**

The Scheme Administration, under the stewardship of the Board of Trustees, is committed to adhere to the Strategic Plan 2022-2026 and deliver the promise of making the scheme sustainable for the generations to come.

#### **APPRECIATION ON BEHALF OF THE SCHEME SECRETARIAT**

I wish to thank the Board of Trustees, the members of the Scheme as well as all the other stakeholders for your cooperation and attendance of this AGM. Without you, we would not be here.

I also want to express my gratitude to board members who has provided us with leadership and guidance and believed us to execute their mandate. We say thank you. Finally, a big thank you, to our members, pensioners and beneficiaries for allowing us the opportunity to serve you.

Thank you very much.

**BERNARD KIBET,**  
Scheme Administrator

## MANAGEMENT TEAM



**BERNARD KIBET**  
*Scheme Administrator*

Bernard joined the Scheme in January 2021 to provide leadership in the development and implementation of the Scheme's strategy, as well as pension scheme administration management.

He is currently pursuing a Masters in Financial Economics (JKUAT) and holds a Bachelor of Science in Actuarial Science (Makerere University). Among his professional credentials are a Certified Investment & Financial Analyst CIFA (K) and an ongoing Diploma in Insurance from the College of Insurance Kenya. He is also a Certified Trustee through the Trustee Development Program Kenya (TDPK), a member of the Institute of Certified Financial Analysts (ICIFA) and a member of Chartered Institute for Securities and Investment (CISI).

Bernard is an accomplished professional with over 12 years of experience in the pension industry. Previously, he was Head of Retail Pension Business Development at Octagon Pension Services Ltd.



**TOM MUSAU**  
*Manager ICT and Records*

Tom joined the Scheme in December 2020 to lead the ICT & Records department, which is responsible for facilitating an effective information flow that ensures the Scheme's ICT and records management programs are met.

He is currently pursuing a Masters of Science in Computer Systems (JKUAT) and holds a Diploma in Oracle 10g (Institute of Software Technologies), a Bachelor of Business Information Technology (Strathmore University), and a Diploma in Information Technology and Management (JKUAT). He is an Oracle Certified Professional (OCP), a Microsoft Certified Information Technology Professional (MCITP), a Linux +, a CISA Certified Professional, and an ITIL Certified Professional, among other professional certifications.

Tom is also a Certified Trustee -Trustee Development Program Kenya (TDPK). He has 13 years of experience in banking, manufacturing and media industry and previously worked as the ICT and Broadcast Manager at Radio Africa Group.

## MANAGEMENT TEAM

Makaya joined the Scheme in January 2021 to take charge of the Legal Unit, which provides legal services, Board secretariat services, legal risk mitigation and ensures compliance with relevant legislation.

He is currently pursuing a Masters of Law (UON) and holds a Postgraduate Dip. in Law - Kenya School of Law as well as a Bachelor of Laws degree (UON). He is a High Court of Kenya advocate, a Certified Trustee - Trustee Development Program Kenya (TDPK), undertaken Leadership & Governance course (SMC) at Kenya School of Government, a Judiciary Accredited Mediator, a trained Legal Auditor, and a member of the Law Society of Kenya.

He has over 9 years of legal and regulatory compliance experience. He has previously served as Dispute Resolution and Risk Management Associate at GVA Advocates where he represented and advised various corporate clients, including pension schemes.



**MAKAYA OWEYA**  
*Legal Officer*

Bevaline joined the Scheme in January 2021 and is responsible for the day-to-day and general administration of pension benefits in the pension management department, including the DB and DC Schemes, as well as liaising with Scheme service providers in matters related to pension. She is currently pursuing a Master of Business Administration (Strategic Management, UON) as well as a CPA (K) - both of which are ongoing. She holds a Bachelor of Business Administration (Accounting, Kenya Methodist University).

Bevaline holds an Investment Operations Certificate - CISI, as well as professional qualifications such as Certified Trustee - Trustee Development Program Kenya (TDPK), Customer Relationship Management - International Sales Training Institute, and Anti-Money Laundering & Anti-terrorism Financing Training - Global Finance & Compliance Hub.

She has over 10 years of experience in the financial and pension sectors, having worked as a Fund Operations Supervisor for Cytonn Investment Management Ltd, as well as for several financial institutions handling Unit Trusts and Pension Funds.



**BEVALINE KOECH**  
*Pension Administration Officer*

Dennis joined the Scheme in January 2021 and is in charge of the HR & Administration Unit, which is in charge of implementing the Scheme's human resource management strategy and providing leadership in human resource operations.

Dennis has a Masters of Business Administration in Strategic Management (Kenyatta University), a Postgraduate Diploma in Human Resource Management (KNEC), and a Bachelor of Business Administration (Uganda Christian University). He is a Certified Trustee - Trustee Development Program Kenya (TDPK), Member Practitioner - IHRM and undertaken Leadership & Governance course (SMC) at Kenya School of Government.

He previously served as HR Officer - Kenya Ferry Services and has over 11 years of experience working with non-governmental organizations, government state corporations, and the pension sector.



**DENNIS BEBORA**  
*Human Resource & Administration Officer*

## SECRETARIAT STAFF



**FRONT ROW L TO R:** Dennis Bebora, Bevaline Koech, Bernard Kibet, Tom Musau, Stephen Chege, Zuhura Said.

**BACK ROW L TO R:** Bramuel Kedogo, Kazungu Changawa, Nehemiah Owino, Alex Kimanzi, Makaya Oweya, Solomon Ngei, Wilberforce Odhiambo, Mary Mwangi, Padwick Maratani

## ACTIVITIES IN PICTORIAL DURING DB AGM FOR 2022



## ACTIVITIES IN PICTORIAL DURING DB AGM FOR 2022



## 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 2022.

### 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% (2021: 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% (2021: 14.7%) of employees’ pensionable salaries.

<b>SCHEME MEMBERSHIP</b>	<b>2022 Number</b>	<b>2021 Number</b>
Total Members		
Contributing members	431	566
Non-contributing members	2,918	2,552
Pensioners	4,354	4,155
Pension beneficiaries	1,563	1,730
	9,266	9,003
Contributing members		
At start of year	566	684
<b>Less:</b> Retired with pension	(104)	(89)
Died in service	(11)	(2)
Other secessionists	(20)	(27)
At end of year	431	566
Pensioners and pension beneficiaries		
At start of year	5,842	5,708
<b>Add:</b> Contributing members who retired	104	89
Widows, widowers and dependants pension becoming payable	54	202
<b>Less:</b> Ceased pensions	(83)	(157)
At end of year	5,917	5,842
<b>FINANCIAL REVIEW</b>	<b>2022 Kshs</b>	<b>2021 Kshs</b>
<b>Net assets</b>		
At start of year	22,387,189,460	23,061,519,268
Prior year adjustment	(31,200,000)	(25,200,000)
Increase / Decrease in net assets during the year	(2,234,599,241)	(649,129,809)
At end of year	20,121,390,219	22,387,189,460

Under the terms of their appointment the fund managers 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.

## REPORT OF THE TRUSTEES (Cont'd)

### ACTUARIAL POSITION

The last actuarial valuation was carried out as at 31 December 2021 in September 2022 by Acturial Services EA Limited, an independent firm of actuaries, using the attained age method. According to the valuation at that date, the actuarial present value of promised benefits was as follows:

<b>SCHEME MEMBERSHIP</b>	<b>2021</b> <b>Kshs '000,000</b>	<b>2020</b> <b>Kshs '000,000</b>
Vested benefits	12,206	12,163
Non vested benefits	15,210	15,278
<b>Total</b>	<b>27,416</b>	<b>27,441</b>

The fair value of the net assets available for benefits was Kshs 22,387 (2020: Kshs 23,062) billion resulting in a deficit of Kshs 5,329 (2020 :Kshs 4,379) 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 has not been agreed upon between the trustees, the employer and the Retirement Benefits Authority.

### TRUSTEES

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

### EXPENSES

The scheme meets all its expenses.

### 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



**TRUSTEE**  
MOMBASA

**21st March 2023**

# 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.

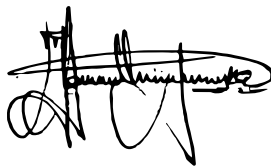
The Trustees certify that, to their best knowledge and belief, the information furnished to the auditor for the purpose of the audit was correct and complete in every respect.

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 **21st March 2023** and signed on its behalf by:



**TRUSTEE**



**TRUSTEE**

# CORPORATE GOVERNANCE STATEMENT

Trustees who were in office during the year were as follows:-

Name of Trustee	Age	Category of Trustee	Gender	Certified	Qualification	Other board membership
David Bonyi	61	Nominated	Male	Yes	Master of Laws (LLM)	None
Salim Ching-abwi	68	Nominated	Male	Yes	MSc. Human Resource Management	None
Alex Ole-Leteipan	75	Nominated	Male	Yes	Advanced Accountancy	Chairman Mombasa Club
Ferdinand Malumbo	58	Elected	Male	Yes	HND. Clinical Medicine & Surgery (Orthopaedics & Trauma)	None
Paul Mwaka	51	Elected	Male	Yes	MSc.OSH	None
Violet Mugambi	57	Elected	Female	Yes	PHD. In Arts in Counselling	None
Conrad Thorpe	59	Nominated	Male	No	Masters of Art War Studies & Defence Tech.	Trustee - UN Trust Fund Somalia. Board Director - Tsavo Trust
Yobesh Oyaro	60	Nominated	Male	Yes	MBA Statagic Management, Masters in Logistics & Supply Chain, CPAK	None

## BOARD COMMITTEES

The Scheme has the following sub-committees in place with terms of reference clearly defined to facilitate decision making of the

## STANDING COMMITTEES

1. Finance & Investment Committee
2. Audit & Risk Committee
3. Administration & Communication Committee
4. Project Implementation Committee

The above sub-committees meet regularly to deliberate on issues that fall under their mandate.

## MEETINGS HELD

The Board of Trustees held 26 meetings during the year ending the 31st December 2022 The meetings were held on the dates set out hereunder:-

Type of meeting	Number held	Dates
Regular Board	13	17/02/2022, 01/03/2022, 02/03/2022, 04/03/2022, 17/03/2022, 18/5/2022, 19/05/2022, 07/09/2022, 08/09/2022, 22/11/2022, 13/12/2022, 14/12/2022
Special Board	8	22/03/2022, 13/06/2022, 06/09/2022, 28/09/2022, 13/10/2022, 14/10/2022, 18/10/2022, 19/10/2022
Joint Board (with DC Scheme)	5	06/07/2022, 05/04/2022, 17/06/2022, 28/01/2022, 18/02/2022

## CORPORATE GOVERNANCE STATEMENT (Cont'd)

### MEETINGS HELD (cont'd)

The number of Board and Committee meetings held during the year and attendance by individual Trustees is summarized in the schedule below:

Name of Trustee	Meeting type	Attendance		
		No	Out of	%
David Bonyi	Regular Board	7	13	54%
	Special Board	7	8	88%
	Joint Board	1	5	20%
	Joint Administration	2	17	12%
	Finance and Investment	1	5	20%
Salim Chingabwi	Regular Board	13	13	100%
	Special Board	7	8	88%
	Joint Board	5	5	100%
Alex Ole-Leteipan	Regular Board	13	13	100%
	Special Board	8	8	100%
	Joint Board	5	5	100%
	Audit Committee	3	3	100%
	Finance and Investment	2	8	25%
	Project Implementation	1	1	100%
	Joint Administration	4	17	24%
	Adhoc	2	8	25%
Tender Committee	13	38	34%	
Ferdinand Malumbo	Regular Board	13	13	100%
	Special Board	8	8	100%
	Joint Board	4	5	80%
	Administrative Committee	5	5	100%
	Joint Administration	16	17	94%
	Project Implementation	1	1	100%
	Adhoc	5	8	63%
	Tender Committee	28	38	74%
Paul Mwaka	Regular Board	13	13	100%
	Special Board	7	8	88%
	Joint Board	5	5	100%
	Finance and Investment	8	8	100%
	Audit Committee	3	3	100%
	Joint Administration	12	17	71%
	Project Implementation	1	1	100%
	Adhoc	8	8	100%
	Tender Committee	24	38	63%

## CORPORATE GOVERNANCE STATEMENT (Cont'd)

### MEETINGS HELD (cont'd)

The number of Board and Committee meetings held during the year and attendance by individual Trustees is summarized in the schedule below:

Name of Trustee	Meeting type	Attendance		
		No	Out of	%
Violet Mugambi	Regular Board	13	13	100%
	Special Board	7	8	88%
	Joint Board	5	5	100%
	Finance and Investment	5	8	63%
	Project Implementation	1	1	100%
	Administrative Committee	5	5	100%
	Audit Committee	1	3	33%
	Joint Administration	17	17	100%
	Adhoc	6	8	75%
	Tender Committee	26	38	68%
Conrad Thorpe	Regular Board	5	13	38%
	Special Board	2	8	25%
	Joint Board	1	5	20%
	Audit Committee	1	3	33%
	Regular Board	5	13	38%
	Special Board	1	8	13%
	Joint Board	3	5	60%
	Finance and Investment	4	8	50%
	Joint Administration	11	17	65%
Adhoc	2	8	25%	

### FIDUCIARY RESPONSIBILITY STATEMENT

The Board of Trustees is the governing body of the Kenya Ports Authority Pension Scheme and is responsible for the corporate governance of the scheme.

The Trustees are responsible for ensuring that the administration of the scheme is conducted in the best interests of the scheme's members and the sponsor. To achieve this, the Trustees embraced their fiduciary responsibility by:

- a) Acting honestly and did not improperly use inside information or abuse their position.
- b) Exercising the highest degree of care and diligence in the performance of their duties that a reasonable person in a like position would exercise in the circumstances; and
- c) Performing their duties with the requisite degree of skill.

The scheme has complied with the laws, regulations and guidelines that govern retirement benefits schemes and the scheme's business operations.

The Trustees have ensured that the fund manager has carried out all scheme investments and that all scheme assets and funds are held by the custodian.

The Board Charter has been developed and ratified by the Board of Trustees.

# CORPORATE GOVERNANCE STATEMENT (Cont'd)

## IMPLEMENTATION OF THE GOOD GOVERNANCE GUIDELINES POLICIES

In the year under review, the scheme has been able to review and ratify the following governance policies in the scheme.

Policy	Date Developed/ Reviewed	Date Ratified
Code of Conduct	August - September 2022	7th Sept 2022
Election Policy	August - September 2022	7th Sept 2022
Remuneration Policy	August - September 2022	7th Sept 2022
Communication Policy	August - September 2022	7th Sept 2022
Risk Management Policy	August - September 2022	7th Sept 2022
Conflict of Interest Policy	August - September 2022	7th Sept 2022
ICT Policy	August - September 2022	7th Sept 2022
Procurement Policy	August - September 2022	7th Sept 2022

## RESPONSIBLE CORPORATE CITIZENSHIP

The scheme has participated in socially responsible investments and operations and has not been involved in any activity that may undermine the well-being of the sponsor, members, or the community in which it operates.

## KEY OUTCOMES

The Board of Trustees seeks to achieve the following:

- a) Building trust with the members and sponsor of the scheme so that they are satisfied with the administration of the scheme;
- b) Supporting innovation and developing solutions that meet the members' and sponsor's needs;
- c) Ensuring that the scheme's administrative processes remain transparent and accessible to members and the sponsor; and
- d) Ensure that the nomination of Trustees to the Board is staggered to achieve continuity.

The Board of Trustees will measure the progress towards these outcomes through quarterly reports and feedback to the sponsor.

## ANNUAL GENERAL MEETING (AGM)

The Board of Trustees held the annual general meeting on the 2nd December 2022, at which 2391 members attended, making up 27.12% of scheme members eligible to attend the meeting. The board adequately addressed the members' concerns.

# CORPORATE GOVERNANCE STATEMENT (Cont'd)

## IMPLEMENTATION OF THE GOOD GOVERNANCE GUIDELINES POLICIES (continued)

No.	Number of Attendees	No. of people eligible to attend	Percentage
1	2391	8816	27.12

## MEMBERS' SENSITIZATION

Activities	Date held	No. of members who attended	Remarks
Annual General Meeting	12/02/2022	2391	Attendance were both Pensioners and Active Members
Retirement Planning Training	10/10/2022 to 16/11/2022	152	The training was held jointly with DC Scheme

During the sensitization forums, members were educated on the following: roles and responsibilities of members, complaints portal, changes in Retirement Act & Regulations.

## TRUSTEES REMUNERATION

During the year under review, the Trustees were paid a gross sum of **Kshs.13,020,000.00**. The payments complied with the scheme's Trustees remuneration policy.

## BOARD OF TRUSTEES EVALUATION

The board and individual Trustees undertook board evaluation in the year under review. The board review process was facilitated externally, and the process took the form of both interviews and questionnaire. The board was rated **82%**.

In summary the board as an entity achieved an above average performance characterized by the Trustees promoting a positive image of the Scheme. Factors contributing to the performance include:-

- a) The Legal Instruments of the Scheme provides the Scheme with an effective process to nominate and select new Board Trustees.
- b) The Board's composition reflects the diversity of background, expertise, and other resources needed by the Scheme.
- c) The Scheme's management provides new Board of Trustees with a comprehensive orientation to the Scheme's services.
- d) The Scheme's establishing Act regarding the length of Board service and rotation of Board trustees ensures necessary leadership and synergy.
- e) The frequency of Board meetings is appropriate for the responsible discharge of the Board's responsibilities.

# CORPORATE GOVERNANCE STATEMENT (Cont'd)

## BOARD OF TRUSTEES EVALUATION (continued)

- f) The frequency of Board meetings is appropriate for the responsible discharge of the Board's responsibilities.
- g) The size of the Board of Trustees is appropriate for effective governance of the Scheme and most Board of Trustees are actively engaged in work of the Scheme.
- h) Each appointed committee and task force has a stated purpose and work plan. Trustees come to meetings prepared



Signed:.....

**Dated: 21st March 2023**

**SALIM CHINGABWI**  
(CHAIRPERSON)



# FINANCIAL STATEMENTS

**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 46 to 69 which comprise the statement of net assets available for benefits as at 31 December 2022 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 the accompanying financial statements give a true and fair view of the financial position of the scheme as at 31 December 2022, 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 Kshs 2,144,686,115 and Kshs 48,219,678 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 Kshs 5,329 billion as at 31 December 2021.

A remedial plan to reduce the actuarial deficit has not been agreed upon between the trustees, the employer and the Retirement Benefits Authority.

**c) Non-compliance with Retirement Benefits Act investment guidelines**

We draw your attention to Note 17 to the financial statements which indicates that investment in investment property is more than that stipulated in the Retirement Benefits Act.

**d) Expired lease of leasehold property**

We draw your attention to Note 8 to the financial statements which indicates the the value of investment in investment property in a sum of Kshs 10,640,151,360. Included in the amount is Kshs 142,000,000 relating to Property No. Mombasa/Block/XXI/64 whose lease has expired. 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.

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

**For and on behalf of:**  
**Obiria & Co.**  
**Certified Public Accountants**  
**Mombasa**  
**23rd March 2023**



## STATEMENT OF CHANGES IN NET ASSETS AVAILABLE FOR BENEFITS

	Notes	2022 Kshs	2021 Kshs
<b>Income from dealings with members</b>			
Contributions received in the year	2.	683,956,732	705,256,217
Outgoings from dealings with members			
Benefits payable and paid	3.	(2,670,019,189)	(2,287,149,349)
Net reduction from dealings with members		(1,986,062,457)	(1,581,893,132)
Returns on investments			
Investment income	4.	821,964,954	1,016,434,866
Gain/(loss) on disposal of financial assets	5.(i)	24,500,232	16,315,053
Gain/(loss) on disposal of investment property	5.(ii)	(38,800,000)	-
Fair value gain on investment properties	8	-	-
Changes in fair value of plan assets	11.	(867,447,119)	142,037,253
Investment management expenses	6.	(19,630,241)	(24,249,445)
Impairment of plan investment	11.	-	-
Net return on investments		(79,412,174)	1,150,537,727
Administrative expenses	7.	(169,124,610)	(217,774,403)
<b>(Decrease)/increase in net assets for the year</b>		<b>(2,234,599,241)</b>	<b>(649,129,809)</b>
<b>Net assets available for benefits</b>			
At start of year		22,387,189,460	23,061,519,268
Prior year adjustment		(31,200,000)	(25,200,000)
(Decrease)/increase		(2,234,599,241)	(649,129,809)
At end of year		20,121,390,226	22,387,189,460

The notes on pages 49 - 69 form an integral part of these financial statements. Report of the independent auditor - pages 44 - 45.

# STATEMENT OF NET ASSETS AVAILABLE FOR BENEFITS

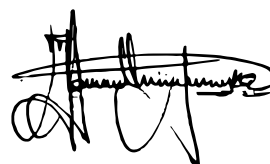
AS AT 31 DECEMBER

	Notes	2022 Kshs	2021 Kshs
<b>Assets</b>			
Investment properties	8.	10,640,151,360	11,285,851,360
Motor vehicle and equipments	9.	41,854,141	53,321,549
Assets classified as held for sale	10.	674,700,000	565,400,000
Plan investments	11.	6,833,083,971	8,940,040,089
Intangible assets	12.	4,266,510	5,099,973
Receivables and accrued income	13.	2,284,765,277	1,975,740,148
Cash and cash equivalents	14.	217,389,908	288,628,015
<b>Total assets</b>		<b>20,696,211,167</b>	<b>23,114,081,134</b>
<b>Less: liabilities</b>			
Payables and accrued expenses	15	574,820,940	726,891,674
<b>Net assets available for benefits</b>		<b>20,121,390,226</b>	<b>22,387,189,460</b>

The financial statements on pages 46 to 69 were approved and authorised for issue by the Board of Trustees on 21st March 2023 and were signed on its behalf by:



**TRUSTEE**



**TRUSTEE**

The notes on pages 49 - 69 form an integral part of these financial statements.  
Report of the independent auditor - pages 44 - 45.

# STATEMENT OF CASH FLOWS

	Notes	2022 Kshs	2021 Kshs
<b>Operating activities</b>			
Reconciliation of decrease in net assets to cash from operating activities:			
Decrease in net assets (excluding fair value changes)		(1,394,098,441)	(791,167,062)
<b>Adjustments for:</b>			
Depreciation of motor vehicles and equipment	7.	13,941,308	12,893,153
Amortisation of intangible assets		833,464	833,464
Gain/(loss) on disposal of investment property		38,800,000	-
Unrealised Exchange Gain/ (Loss)		-	(3,114,563)
(Gain)/loss on disposal of financial assets	5.(i)	26,946,319	(16,315,053)
		(1,313,577,351)	(796,870,060)
<b>Changes in:</b>			
Receivables and accrued income		(303,344,902)	(88,496,478)
Payables and accrued expenses		(152,070,734)	330,092,819
Net cash used in operating activities		(1,768,992,987)	(555,273,719)
<b>Investing activities</b>			
Cash paid for purchase of PPE	9.	(2,473,900)	(4,040,372)
Cash paid for purchase of intangible asset	12.	-	(330,637)
Purchase of plan assets	11.	(478,751,063)	(1,056,203,924)
Proceeds from sale of investment property		466,400,000	-
Proceeds from sale/maturity of financial assets	5.(i)	1,802,133,652	1,255,480,767
Net cash from investing activities		1,787,308,689	194,905,834
<b>Decrease in cash and cash equivalents</b>		<b>18,315,702</b>	<b>(360,367,885)</b>
<b>Movement in cash and cash equivalents</b>			
At start of year		418,919,577	779,287,462
Increase (decrease)		18,315,702	(360,367,885)
At end of year	14.	437,235,277	418,919,577

The notes on pages 49 - 69 form an integral part of these financial statements. Report of the independent auditor - pages 44 - 45.

## 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 (Kshs), 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 21.

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 (Cont'd)

## 1. SIGNIFICANT ACCOUNTING POLICIES

### a) Basis of preparation (continued)

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.

**1. SIGNIFICANT ACCOUNTING POLICIES**

**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 (Cont'd)

## 1. SIGNIFICANT ACCOUNTING POLICIES

### a) Basis of preparation (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.

## 1. SIGNIFICANT ACCOUNTING POLICIES

### 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 (Cont'd)

## 1. SIGNIFICANT ACCOUNTING POLICIES

### 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.

### 1. SIGNIFICANT ACCOUNTING POLICIES

#### 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 (Cont'd)

	2022 Kshs	2021 Kshs
<b>2. Contributions received</b>		
Employer's contributions at 14.7% (2020: 14.7%)	97,992,912	112,637,525
Employees' contributions at 7.5% (2020: 7.5%)	50,763,819	57,418,692
Additional contribution	535,200,000	535,200,000
	683,956,732	705,256,217

There were no unremitted contributions as at 31st December 2022 and no penalty was paid by the sponsor for failure to remit contributions or accrued interest on unpaid benefits.

	2022 Kshs	2021 Kshs
<b>3. Benefits payable and paid</b>		
Monthly pensions	1,676,015,302	1,443,567,665
Lump sum	986,437,221	737,686,278
Lumpsum & Pension(Recalculation)	-	81,995,408
Burial allowance	7,566,665	23,899,998
	2,670,019,189	2,287,149,349

<b>4. Income from investment</b>		
<b>Rental income</b>		
Gross rental income	313,588,897	299,508,718
Less: direct rental expenses	(302,720,361)	(108,359,536)
Net rental gain	10,868,535	191,149,182
<b>Plan investment</b>		
Dividends receivable on quoted shares (Kenya and offshore)	111,357,859	86,929,909
Interest and discounts receivable on Kenya Government securities, commercial paper and corporate bonds, and loans and receivables	689,068,411	738,160,593
Miscellaneous income	10,670,150	195,181
	821,964,954	1,016,434,866

<b>5.(i) Gain/(loss) on disposal of plan investments</b>	<b>2022 Kshs</b>	<b>2021 Kshs</b>
Sale proceeds on disposal of financial assets	883,804,545	1,041,176,967
Fair value of financial assets disposed	(859,304,313)	(1,024,861,915)
Net gain	24,500,232	16,315,053
<b>5.(ii) Fair value gain/(loss) on investment properties &amp; plan assets</b>		
Fair value gain on investment properties	-	-
Changes in fair value of plan assets	(867,447,119)	142,037,253
Gain on disposal of investment property	(38,800,000)	-
	(906,247,119)	142,037,253

	2022 Kshs	2021 Kshs
<b>6. Investment management expenses</b>		
Fund managers' fees	15,388,700	17,688,444
Custodian's fees	4,241,541	6,561,000
	19,630,241	24,249,445
<b>7. Administrative expenses</b>		
Meetings and allowances	16,054,618	17,171,061
Trustees' education	6,147,442	5,676,547
Trustee travelling	4,126,820	-
Trustees expenses	4,940,797	3,681,329
AGM and member education	5,983,095	13,443,290
Staff duty travelling	2,377,939	3,890,659
Administration and processing:		
- printing and stationery, postage, internet and telephone	2,064,131	2,365,340
- pensioners' bank cheques, charges and commissions	4,496,222	4,488,106
- fund master license and system upgrades	475,275	2,088,000
Audit fees	4,723,525	2,235,132
Computer server and maintenance	2,837,931	872,883
Legal and professional fees	15,794,184	50,489,522
Consultancy fees	2,529,022	1,432,455
Tendering expenses	2,901,425	1,365,000
Conference fees	1,182,283	770,220
Office expenses	1,510,740	2,312,208
Staff costs	44,979,764	60,896,792
Staff gratuity earned	8,949,932	11,498,839
Brokerage commission	196,616	155,324
Customer care week expense	-	215,329
Tax advisory	-	2,296,900
Actuarial fees	1,740,000	3,546,585
Delinking expenses	-	1,439,040
General provision for bad debts	6,435,380	-
Auctioneer fees	300,000	86,760
RBA levy	5,000,000	5,000,000
Fines & penalties	21,697	310,552
Depreciation on motor vehicle and equipments	13,941,308	12,893,153
Advertising	1,509,629	2,857,848
APTAK sponsorship	-	200,000
EDRMS support	-	422,762
Subscription fees	1,368,000	1,185,000
Motor vehicle expenses	474,949	662,468
Armotisation of intangible assets	833,464	833,464
Internal audit expenses	-	625,171
Last expense insurance	5,228,422	366,667
	169,124,610	217,774,403

The scheme meets all its expenses.

## NOTES (Cont'd)

	2022 Kshs	2021 Kshs
<b>8. Investment properties</b>		
At start of year	11,285,851,360	11,592,451,360
Additions	-	-
Re-statement	99,400,000	(56,400,000)
Assets held for sale (Note 10)	(745,100,000)	(250,200,000)
At end of year	10,640,151,360	11,285,851,360

Included in the amount is Kshs 142,000,000 relating to Property No. Mombasa/Block/XXI/64 whose lease has expired.

Investment properties were professionally valued in July 2019 by Rubiland Limited independent registered valuers. All properties are scheduled for re valuation this year in compliance with RBA requirements.

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 was 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 2022**

	<b>Computers Kshs</b>	<b>Equipment Kshs</b>	<b>Motor vehicle Kshs</b>	<b>Total Kshs</b>
<b>Cost</b>				
At start of year	7,459,935	71,202,602	7,997,796	86,660,333
Disposals	-	-	(3,050,638)	(3,050,638)
Additions	2,473,900	-	-	2,473,900
At end of year	9,933,835	71,202,602	4,947,158	86,083,595
<b>Depreciation</b>				
At start of year	4,862,324	24,322,538	4,153,922	33,338,784
Disposals	-	-	(3,050,638)	(3,050,638)
Charge for the year	710,301	12,241,576	989,432	13,941,308
At end of year	5,572,625	36,564,113	2,092,716	44,229,454
Net book value	4,361,210	34,638,488	2,854,443	41,854,141

**Year ended 31 December 2021**

	<b>Computers Kshs</b>	<b>Equipment Kshs</b>	<b>Motor vehicle Kshs</b>	<b>Total Kshs</b>
<b>Cost</b>				
At start of year	4,212,922	70,409,242	7,997,796	82,619,960
Additions	3,247,013	793,360	-	4,040,372
At end of year	7,459,935	71,202,602	7,997,796	86,660,333
<b>Depreciation</b>				
At start of year	4,151,801	13,129,339	3,164,490	20,445,630
Charge for the year	710,523	11,193,199	989,432	12,893,153
At end of year	4,862,324	24,322,538	4,153,922	33,338,784
<b>Net book value</b>	2,597,611	46,880,064	-	53,321,549

**10. Assets classified as held for sale**

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

	<b>2022 Kshs</b>	<b>2021 Kshs</b>
Property held for sale (Note 8)		
At start of year	565,400,000	284,000,000
Additions/disposals	457,900,000	281,400,000
Reclassification	(65,000,000)	-
Disposals	(283,600,000)	-
At end of year	674,700,000	565,400,000

## NOTES (Cont'd)

### 11. Plain investments

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

	<b>2022</b> <b>Kshs</b>	<b>2021</b> <b>Kshs</b>
Shares	1,912,309,797	2,581,145,945
Kenya government securities	4,547,032,418	6,228,602,583
Commercial paper and corporate bonds	-	-
Private equity	153,896,386	-
Fixed term bank deposits (Note 14)	219,845,369	130,291,561
	<b>6,833,083,971</b>	<b>8,940,040,089</b>

**11. Plain investments (continued)**

Year ended	31 December	As previously reported		Restatement adjustment		Restated	Purchases at cost		Disposals/maturity		Gain on disposal		Change in fair value		Fair value gain/loss on disposal		Value at end of year		
		Kshs	Kshs	Kshs	Kshs		Kshs	Kshs	Kshs	Kshs	Kshs	Kshs	Kshs	Kshs	Kshs	Kshs	Kshs	Kshs	Kshs
Shares																			
- unquoted investments		256,692,800	-	-	256,692,800	-	-	-	-	-	-	-	-	-	-	-	-	256,692,800	
- quoted shares (Kenya and Uganda)		2,324,453,145	(93,429,808)	(93,429,808)	2,231,023,337	-	-	(37,963,327)	(2,446,088)	(535,793,689)	796,765	796,765	796,765	796,765	796,765	796,765	1,655,616,997		
Kenya government securities		6,228,602,583	-	-	6,228,602,583	100,274,929	(1,476,341,218)	(410,764,095)	26,946,319	26,946,319	78,313,900	78,313,900	78,313,900	78,313,900	78,313,900	78,313,900	4,547,032,418		
Commercial paper and corporate bonds		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Private equity		-	93,429,808	93,429,808	93,429,808	48,476,134	-	-	11,990,444	-	-	-	-	-	-	-	153,896,386		
		8,809,748,528	-	-	8,809,748,528	148,751,063	(1,514,304,545)	(934,567,340)	24,500,231	24,500,231	79,110,665	79,110,665	79,110,665	79,110,665	79,110,665	79,110,665	6,613,238,602		
<b>Year ended 31 December 2021</b>																			
Shares																			
- Unquoted investments		262,992,000	-	-	262,992,000	-	-	-	(6,299,200)	-	-	-	-	-	-	-	256,692,800		
- Quoted shares (Kenya and Uganda)		2,554,076,993	-	-	2,554,076,993	32,497,778	(575,094,580)	238,067,179	31,947,681	31,947,681	42,958,094	42,958,094	42,958,094	42,958,094	42,958,094	42,958,094	2,324,453,145		
Kenya government securities		6,012,205,194	-	-	6,012,205,194	1,023,706,146	(658,261,480)	(172,095,457)	3,944,652	3,944,652	19,103,528	19,103,528	19,103,528	19,103,528	19,103,528	19,103,528	6,228,602,583		
Commercial paper and corporate bonds		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Reits		18,284,316	-	-	18,284,316	-	(22,124,708)	3,840,392	-	-	-	-	-	-	-	-	-	-	-
		8,847,558,502	-	-	8,847,558,502	1,056,203,924	(1,255,480,767)	65,971,723	33,433,525	33,433,525	62,061,622	62,061,622	62,061,622	62,061,622	62,061,622	62,061,622	8,809,748,528		

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 Kshs 200,000,000 in respect of investment Bellevue development project. The agreement was to charge interest at 8%, no interest has been accrued .

The Scheme does not hold more than 10% equity in any one company or related companies.

## NOTES (Cont'd)

### 11. Plain investments (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 2022 to the contractual maturity date.

	Up to 1 year Kshs	1-5 years Kshs	Over 5years Kshs	Total Kshs
Kenya government securities	141,897,618	1,505,647,065	2,899,487,735	4,547,032,418
Commercial paper and corporate bonds	-	-	-	-
	141,897,618	1,505,647,065	2,899,487,735	4,547,032,418

### 12. Intangible assets

	2022 Kshs	2021 Kshs
<b>Cost</b>		
At start of year	8,004,000	8,004,000
Additions	330,637	330,637
At end of year	8,334,637	8,334,637
<b>Amortisation</b>		
At start of year	3,234,664	2,401,200
Charge for the year	833,464	833,464
At end of year	4,068,127	3,234,664
<b>Net book value</b>	<b>4,266,510</b>	<b>5,099,973</b>

The software relates to electronic document management system.

### 13. Receivables and accrued income

	2022 Kshs	2021 Kshs
Rent receivable	138,927,541	148,464,061
Less: provision for bad debts	(103,970,218)	(97,534,838)
Net rent receivable	34,957,324	50,929,223
Other rent receivables	12,983,759	12,983,759
Service charge receivables	28,593,282	26,913,398
Receivables under development projects	2,144,686,115	1,834,777,485
Utilities deposits	3,310,302	3,310,302
Prepayments	26,001,562	7,553,738
Related parties	12,652,223	23,036,587
Dividends receivable	8,632,499	8,967,670
ERP System Implementation-W.I.P.	12,948,213	7,267,986
	2,284,765,277	1,975,740,148
<b>Movement in impairment provision</b>		
At start of year	97,534,838	97,534,838
Additions	6,435,380	-
Recoveries	-	-
	103,970,218	97,534,838

**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:

<b>Project</b>	<b>Land Reference Number</b>	<b>Cost Kshs</b>
Bombolulu	MSA/123/MN/I	31,400,000
Bellevue phase 1	LR/209/10479	98,800,000
Bellevue phase 2	LR/209/10478	116,091,253
Bellevue phase 3	LR/209/10477	59,300,000
		<b>305,591,253</b>

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**

	<b>2022 Kshs</b>	<b>2021 Kshs</b>
Cash at bank	217,389,908	288,628,015

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

Cash and bank	217,389,908	288,628,015
Fixed term bank deposits (Note 11)	219,845,369	130,291,561
	<b>437,235,277</b>	<b>418,919,576</b>

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 (Cont'd)

### 15. Payables and accrued expenses

	2022 Kshs	2021 Kshs
Rent deposits	58,963,399	46,425,083
Due to Domestic Taxes Department	47,384,310	57,717,657
Accrued expenses	119,803,968	201,308,580
Staff gratuity	17,502,508	-
Accrued pension liability	23,445,497	53,010
RBA levy	5,000,000	5,000,000
Investment property sale deposit	253,890,000	280,216,225
Motor vehicle disposal proceeds	611,580	-
Nairobi South C project	-	87,951,442
Bombolulu project	48,219,678	48,219,678
<b>Total other payables and accrued expenses</b>	<b>574,820,940</b>	<b>726,891,674</b>

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 2022

	3 to 12 months Kshs	Over 1 year Kshs	Total Kshs
Rent deposits	11,704,222	47,259,177	58,963,399
Due to Domestic Taxes Department	26,438,602	20,945,708	47,384,310
Accrued expenses	70,126,392	49,677,575	119,803,968
Staff gratuity	8,949,933	8,552,575	17,502,508
Accrued pension liability	-	23,445,497	23,445,497
RBA levy	5,000,000	-	5,000,000
Investment property sale deposits	141,770,000	112,120,000	253,890,000
Motor vehicle disposal proceeds	611,580	-	611,580
Bombolulu project	-	48,219,678	48,219,678
	264,600,729	310,220,211	574,820,940

#### Year ended 31 December 2021

Rent deposits	9,738,592	36,686,491	46,425,083
Due to Domestic Taxes Department	24,485,956	24,503,579	48,989,535
Accrued expenses	177,087,458	32,949,243	210,036,702
Related parties	-	-	-
Tender security deposits	-	53,010	53,010
RBA levy	5,000,000	-	5,000,000
Investment property sale deposit	196,140,000	84,076,225	280,216,225
Nairobi South C project	-	87,951,442	87,951,442
Bombolulu project	-	48,219,678	48,219,678
	412,452,006	314,439,668	726,891,674

**16. Related party transactions and balances**

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

The following transactions were carried out with related parties during the year:

	2022 Kshs	2021 Kshs
(i)- Kenya Ports Authority-outstanding staff costs refunds	-	-
(ii)- KPARBS 2012-Outstanding expenses refund	12,652,223	23,036,587

**ii) Key management compensation**

	2022 Kshs	2021 Kshs
Meetings and allowances	13,020,000	11,000,000

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

**17. 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	%	%	%
Cash and demand deposits	1.2%	1.6%	5
Fixed and time deposits	1.2%	0.4%	30
Commercial paper and corporate bonds	0.0%	0.0%	20
Kenya Government securities	25.7%	29.8%	90
Shares - Kenya	9.4%	10.7%	70
Private equity	0.9%	0.4%	10
Shares - unquoted	1.5%	0.3%	5
Reits	0.0%	0.0%	30
Immovable properties	59.1%	55.8%	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.

**18. 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.

**19. Contingent liabilities**

Other than the liability to pay future pensions and other benefits, there were no contingent liabilities of the scheme at 31 December 2022, 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.

## NOTES (Cont'd)

### 20. Actuarial position

The last actuarial valuation was carried out as at 31 December 2021 in September 2022 by Acturial Services EA Limited, an independent firm of actuaries, using the attained age method.

According to the valuation as at that date, the actuarial present value of promised benefits was as follows:

	2021 Kshs	2020 Kshs
Vested benefits	12,206,000,000	12,163,000,000
Non vested benefits	15,210,000,000	15,278,000,000
<b>Total</b>	<b>27,416,000,000</b>	<b>27,441,000,000</b>

The fair value of the net assets available for benefits was Kshs 22,087,000,000 (2020 :Kshs 23,062,000,000) resulting in deficit of Kshs 5,329,000,000 (2020 :Kshs 4,379,000,000)

A remedial plan to reduce the actuarial deficit has not been agreed upon between the trustees, the employer and the Retirement Benefits Authority.

### 21. 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.

#### 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 2022, 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 Kshs nil (2021: nil) 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 2022, 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 Kshs 45,470,324 (2021: Kshs 62,286,026) arising substantially from the change in market value of debt securities.

**21. Risk management objectives and policies (continued)**

**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 2022, if the prices of all equity investments had increased/decreased by 1% with all other variables held constant, the increase in net assets available for benefits for the year would have been Kshs 20,696,211 (2021: 23,244,531) 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 the fair values of these assets and liabilities are determined.

## NOTES (Cont'd)

### 21. Risk management objectives and policies (continued)

#### e) Fair value measurements (continued)

Year ended 31 December 2022	Level 1 Kshs	Level 2 Kshs	Level 3 Kshs	Totals Kshs
Financial assets				
Shares				
- unquoted investments	-	-	256,692,800	256,692,800
- quoted shares (Kenya)	1,655,616,997	-	-	1,655,616,997
Kenya government securities	-	4,547,032,418	-	4,547,032,418
Commercial paper and corporate bonds	-	-	-	-
	<b>1,655,616,997</b>	<b>4,547,032,418</b>	<b>256,692,800</b>	<b>6,459,342,215</b>

Year ended 31 December 2021	Level 1 Kshs	Level 2 Kshs	Level 3 Kshs	Totals Kshs
<b>Financial assets</b>				
Shares				
- unquoted investments	-	-	250,393,600	250,393,600
- quoted shares (Kenya)	2,094,829,296	-	-	2,094,829,296
Kenya government securities	-	6,444,999,973	-	6,444,999,973
Commercial paper and corporate bonds	-	-	-	-
	<b>2,094,829,296</b>	<b>6,444,999,973</b>	<b>250,393,600</b>	<b>8,790,222,869</b>

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.

### 22. Commitments

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

### 23. 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.

### 24. Presentation currency

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

### 25. 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

### 26. 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	2022 Kshs	2021 Kshs
1. MN/Sec 1/1662	Mombasa Mbuni Road-Nyali	72,400,000	72,400,000
2. MN/Sec 1/2505	Mombasa Kittaruni Road-Nyali	21,500,000	21,500,000
3. MN/Sec 1/2512	Mombasa Kittaruni Road-Nyali	29,800,000	29,800,000
4. MN/Sec 1/2511	Mombasa Kittaruni Road-Nyali	21,600,000	21,600,000
5. MN/Sec 1/1605	Mombasa Kasuku Road-Nyali	72,000,000	72,000,000
6. MN/Sec 1/1604	Mombasa Kasuku Road-Nyali	72,000,000	72,000,000
7. MN/Sec 1/1339	Mombasa Off Bandari-Nyali	72,400,000	72,400,000
8. MN/Sec 1/1332	Mombasa Mukoma Road off Kongoni Road-Nyali	61,000,000	61,000,000
9. MN/Sec 1/1334	Mombasa Off Kongoni Road-Nyali	75,800,000	75,800,000
10. MN/Sec 1/1352	Mombasa Off Makongeni Road-Nyali	64,600,000	64,600,000
11. MN/Sec 1/1350	Mombasa Off Makongeni Road-Nyali	64,800,000	64,800,000
12. MN/Sec 1/1345	Mombasa Off Makongeni Road-Nyali	62,400,000	62,400,000
13. MN/ Sec 1/2513	Mombasa Kittaruni Road-Nyali	30,700,000	30,700,000
14. MN/Sec 1/3188	Mombasa 5th Avenue-Nyali	72,500,000	72,500,000
15. MN/Sec 1/3185	Mombasa 5th Avenue-Nyali	72,500,000	72,500,000
16. MN/Sec 1/3184	Mombasa 5th Avenue-Nyali	71,600,000	71,600,000
17. MN/Sec 1/2523	Mombasa Kittaruni Road-Nyali	24,400,000	24,400,000
18. M/B XXI/542,545 & 546	Mombasa Off Archbishop Makarios Road-Ganjoni	106,800,000	106,800,000
19. MN/Sec 1/1286	Mombasa Links Road-Nyali	110,000,000	110,000,000
20. MN/Sec 1/534	Mombasa Off Jamhuri Road-Nyali	162,600,000	162,600,000
21. M/B XXV/119	Mombasa Dedan Kimathi Estate Road	1,295,400,000	1,295,400,000
22. M/B XXVI/1000	Mombasa Kaunda Street-Kizingo	340,200,000	340,200,000
23. M/B XXVI/328	Mombasa Margaret Avenue-Kizingo	182,600,000	182,600,000
24. M/B XXVI/53	Mombasa Tritton Road-Kizingo	252,300,000	252,300,000
25. L.R.No 1870/IX/118	Nairobi Bandari Plaza-Westlands	932,000,000	932,000,000
26. M/B XXI/435,436,437 & 508	Mombasa Cannon House 1 & 2-Moi avenue	880,000,000	880,000,000
27. L.R.No 209/384/4	Nairobi Nyaku House-Hurlingham	706,000,000	706,000,000
28. M/B XXI/64	Mombasa Rex House-Moi avenue	142,000,000	142,000,000
29. M/B XX/149	Mombasa Motor Mart Building-Moi avenue	78,000,000	78,000,000
30. M/B XX/150	Mombasa Motor Mart Building-Moi avenue	78,000,000	78,000,000
31. M/B XX/151	Mombasa Motor Mart Building-Moi avenue	78,000,000	78,000,000
32. M/B XXV/86	Mombasa NSSF Plots-Off Security lane	162,000,000	162,000,000
33. M/B XXV/93	Mombasa NSSF Plots-Off Security lane	158,000,000	158,000,000
34. L.R. Number 209/378/10	Nairobi Hurlingham Court-Hurlingham	724,000,000	724,000,000
35. M/B XI/582	Mombasa Wakauma Avenue-Tudor area	23,400,000	23,400,000
36. M/B XI/579	Mombasa Wakauma /Msaada Avenue-Tudor area	27,800,000	27,800,000
37. M/B XI/578	Mombasa Wakauma Avenue-Tudor area	27,800,000	27,800,000
38. M/B XI/581	Mombasa Wakauma /Msaada Avenue-Tudor area	23,400,000	23,400,000
39. M/B XXVI/30	Mombasa Kaunda Avenue-Kizingo	102,300,000	102,300,000
40. M/B XXVI/50	Mombasa Kaunda Avenue-Kizingo	198,500,000	198,500,000
41. M/B XXIII/217	Mombasa Off Mbaraki Road-Mbaraki	68,200,000	68,200,000
42. M/B XXIII/219	Mombasa Off Mbaraki Road-Mbaraki	61,200,000	61,200,000
43. M/B XXIII/223	Mombasa Off Mbaraki Road-Mbaraki	60,600,000	60,600,000
44. M/B XXIII/224	Mombasa Off Mbaraki Road-Mbaraki	56,500,000	56,500,000
45. M/B XXIII/221	Mombasa Off Mbaraki Road-Mbaraki	56,400,000	56,400,000
46. M/B XXIII/220	Mombasa Off Mbaraki Road-Mbaraki	62,600,000	62,600,000
47. M/B XXIII/218	Mombasa Off Mbaraki Road-Mbaraki	69,700,000	69,700,000
48. M/B XXIII/222	Mombasa Off Mbaraki Road-Mbaraki	53,800,000	53,800,000
49. M/B XI/474	Mombasa Tom Mboya/Wajir Road-Tudor area	58,000,000	58,000,000
50. M/B XI/475	Mombasa Tom Mboya/Wajir Road-Tudor area	58,000,000	58,000,000
51. L.R.No 209/10216	Nairobi KPA Bellevue Estate-Off Popo Road South	1,616,800,000	1,616,800,000
52. L.R.No 10530/34	Nairobi Siwaka Estate-Off Ole Sangare Road	15,600,000	15,600,000
53. L.R.No 10530/80	Nairobi Siwaka Estate-Off Ole Sangare Road	15,600,000	15,600,000
54. L.R.No 10530/60	Nairobi Siwaka Estate-Off Ole Sangare Road	15,600,000	15,600,000
55. L.R.No 10530/56	Nairobi Siwaka Estate-Off Ole Sangare Road	15,600,000	15,600,000
56. L.R.No 10530/50	Nairobi Siwaka Estate-Off Ole Sangare Road	15,600,000	15,600,000
57. L.R.No 10530/38	Nairobi Siwaka Estate-Off Ole Sangare Road	15,600,000	15,600,000
58. L.R.No 10530/26	Nairobi Siwaka Estate-Off Ole Sangare Road	15,600,000	15,600,000
59. L.R.No 10530/30	Nairobi Siwaka Estate-Off Ole Sangare Road	15,600,000	15,600,000
<b>Balance carried forward</b>		<b>10,099,700,000</b>	<b>10,099,700,000</b>

## LISTING OF INVESTMENT PROPERTIES (Cont'd)

PROPERTY	LOCATION	2022 Kshs	2021 Kshs
<b>Brought forward</b>		10,099,700,000	10,099,700,000
60. MSA/BLOCK 1/2262 FMR BLK 49	Mombasa Makande, Mombasa	232,551,360	232,551,360
61. L.R.NO.MN/1/ 3153***	Mombasa Mnazi Moja, Nyali	45,000,000	45,000,000
62. L.R. NO. 209/12015	Nairobi Off Kaunda Street Nairobi	163,500,000	163,500,000
63. L R.No MSA/XVIII/335	Mombasa Msanifu Kombo Road, Mwembe Tayari	65,000,000	-
64. L.R.No 10530/86	Nairobi Siwaka Estate-Off Ole Sangare Road	17,200,000	-
65. L.R.No 10530/89	Nairobi Siwaka Estate-Off Ole Sangare Road	17,200,000	-
66. L.R.No 10530/37	Nairobi Siwaka Estate-Off Ole Sangare Road	-	15,600,000
67. L.R.No 10530/65	Nairobi Siwaka Estate-Off Ole Sangare Road	-	15,600,000
68. L.R.No 10530/153	Nairobi Siwaka Estate-Off Ole Sangare Road	-	17,200,000
69. L.R.No 10530/152	Nairobi Siwaka Estate-Off Ole Sangare Road	-	17,200,000
70. MN/Sec 1/1660	Mombasa Mbuni Road-Nyali	-	72,400,000
71. MN/Sec 1/2506	Mombasa Kittaruni Road-Nyali	-	23,400,000
72. MN/Sec 1/533	Mombasa Jamhuri Road-Nyali	-	148,800,000
73. MN/Sec 1/724	Mombasa Links Road-Nyali	-	108,200,000
74. MN/Sec 1/1351	Mombasa Off Makongeni Road-Nyali	-	64,500,000
75. M/B XI/580	Mombasa Wakauma /Msaada Avenue-Tudor area	-	23,400,000
76. L.R.No 10530/148	Nairobi Siwaka Estate-Off Ole Sangare Road	-	17,200,000
77. L.R.No 10530/93	Nairobi Siwaka Estate-Off Ole Sangare Road	-	17,200,000
78. L.R.No 10530/149	Nairobi Siwaka Estate-Off Ole Sangare Road	-	17,200,000
79. L.R.No 10530/57	Nairobi Siwaka Estate-Off Ole Sangare Road	-	15,600,000
80. L.R.No 10530/55	Nairobi Siwaka Estate-Off Ole Sangare Road	-	15,600,000
81. L.R.No 10530/40	Nairobi Siwaka Estate-Off Ole Sangare Road	-	15,600,000
82. L.R.No 10530/31	Nairobi Siwaka Estate-Off Ole Sangare Road	-	15,600,000
83. L.R.No 10530/27	Nairobi Siwaka Estate-Off Ole Sangare Road	-	15,600,000
84. L.R.No 10530/69	Nairobi Siwaka Estate-Off Ole Sangare Road	-	15,600,000
85. L.R.No 10530/68	Nairobi Siwaka Estate-Off Ole Sangare Road	-	15,600,000
86. L.R.No 10530/59	Nairobi Siwaka Estate-Off Ole Sangare Road	-	15,600,000
87. L.R.No 10530/39	Nairobi Siwaka Estate-Off Ole Sangare Road	-	15,600,000
88. L.R.No 10530/49	Nairobi Siwaka Estate-Off Ole Sangare Road	-	15,600,000
89. L.R.No 10530/29	Nairobi Siwaka Estate-Off Ole Sangare Road	-	15,600,000
90. L.R.No 10530/53	Nairobi Siwaka Estate-Off Ole Sangare Road	-	15,600,000
		<b>10,640,151,360</b>	<b>11,285,851,360</b>

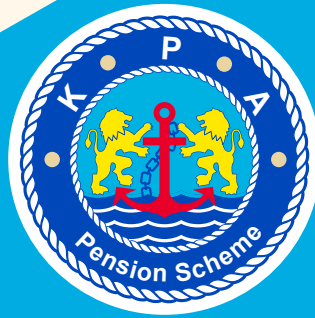
## LISTING OF ASSETS HELD FOR SALE

PROPERTY	LOCATION	2022 Kshs	2021 Kshs
1. M/B XXIII/214	Mombasa Off Mbaraki Road-Mbaraki	38,000,000	38,000,000
2. MN/Sec 1/3960	Mombasa Off Mt. Kenya Road-Nyali	55,000,000	55,000,000
3. MN/Sec 1/1353	Mombasa Off Makongeni Road-Nyali	45,000,000	45,000,000
4. L.R.No 10530/151	Nairobi Siwaka Estate-Off Ole Sangare Road	16,500,000	16,500,000
5. L.R.No 10530/130	Nairobi Siwaka Estate-Off Ole Sangare Road	15,600,000	15,600,000
6. L.R.No 10530/47	Nairobi Siwaka Estate-Off Ole Sangare Road	15,600,000	15,600,000
7. L.R.No 10530/61	Nairobi Siwaka Estate-Off Ole Sangare Road	15,600,000	15,600,000
8. L. R.No 10530/132	Nairobi Siwaka Estate-Off Ole Sangare Road	15,500,000	15,500,000
9. L.R.No 10530/149	Nairobi Siwaka Estate-Off Ole Sangare Road	17,200,000	
10. L.R.No 10530/68	Nairobi Siwaka Estate-Off Ole Sangare Road	15,600,000	-
11. L.R.No 10530/69	Nairobi Siwaka Estate-Off Ole Sangare Road	15,600,000	-
12. L.R.No 10530/53	Nairobi Siwaka Estate-Off Ole Sangare Road	15,600,000	-
13. MN/Sec 1/724	Mombasa Links Road-Nyali	108,200,000	-
14. MN/Sec 1/533	Mombasa Jamhuri Road-Nyali	148,800,000	-
15. MN/Sec 1/1660	Mombasa Mbuni Road-Nyali	72,400,000	-
16. MN/Sec 1/1351	Mombasa Off Makongeni Road-Nyali	64,500,000	-
17. L. R.No MSA/XVIII/335	Nairobi Msanifu Kombo Road, Mwembe Tayar	-	65,000,000
18. L. R.No 10530/155	Nairobi Siwaka Estate-Off Ole Sangare Road	-	16,500,000
19. Nyali MN/Sec 1/1338	Mombasa Off Bandari-Nyali	-	72,200,000
20. L.R.No 10530/156	Nairobi Siwaka Estate-Off Ole Sangare Road	-	17,200,000
21. L.R.No 10530/91	Nairobi Siwaka Estate-Off Ole Sangare Road	-	17,200,000
22. L.R.No 10530/92	Nairobi Siwaka Estate-Off Ole Sangare Road	-	17,200,000
23. L.R.No 10530/150	Nairobi Siwaka Estate-Off Ole Sangare Road	-	17,200,000
24. L.R.No 10530/152	Nairobi Siwaka Estate-Off Ole Sangare Road	-	16,500,000
25. MN/Sec 1/2509	Mombasa Kittaruni Road-Nyali	-	16,000,000
26. L.R.No 10530/62	Nairobi Siwaka Estate-Off Ole Sangare Road	-	15,600,000
27. L.R.No 10530/128	Nairobi Siwaka Estate-Off Ole Sangare Road	-	15,600,000
28. L.R.No 10530/127	Nairobi Siwaka Estate-Off Ole Sangare Road	-	15,600,000
29. L.R.No 10530/52	Nairobi Siwaka Estate-Off Ole Sangare Road	-	15,600,000
30. L.R.No 10530/54	Nairobi Siwaka Estate-Off Ole Sangare Road	-	15,600,000
31. L.R.No 10530/44	Nairobi Siwaka Estate-Off Ole Sangare Road	-	15,600,000
		<b>674,700,000</b>	<b>565,400,000</b>









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