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**AUDIT SERVICES  
CORPORATION**

**ETHIOPIAN SHIPPING AND LOGISTICS SERVICES ENTERPRISE**

**INDEPENDENT AUDITOR'S REPORT**

**AND**

**FINANCIAL STATEMENTS**

**30 JUNE 2023**

Ethiopian Shipping and Logistics Services Enterprise  
Annual financial statements for the year ended 30 June 2023  
*Table of contents*

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Management, professional advisers and registered office	2
Report of the management board	3
Statement of management board's responsibilities	4
Independent auditor's report	5 - 10
Statement of profit or loss and other comprehensive income	11
Statement of financial position	12
Statement of changes in equity	13
Statement of cash flows	14
Notes to the financial statements	15 - 54





Ethiopian Shipping and Logistics Services Enterprise  
Annual financial statements for the year ended 30 June 2023  
Management, professional advisers and registered office

**Management board**

H.E Ato Ahmed Shide	Chairperson	Appointed January 2022
H.E Dr. Gedion Timotios	Deputy Chairperson	Appointed June 2018
Ato Dange Boru	Member	Appointed February 2017
Ato Africa Zeleke	Member	Appointed April 2019
W/ro Yenehasab Tadesse	Member	Appointed April 2019
Dr. Sewale Abate	Member	Appointed April 2019
Ato Metasebia Hailu	Member	Appointed August 2018
Ato Shumet Minwiyelet	Member	Appointed August 2018
Ato Biruk Yibeyin	Member	Appointed August 2018
Ato Tewodros Feleke	Board Secretary	Appointed June 2017

**Executive management**

Dr. Berisso Amallo Hamato	Chief Executive Officer
Ato Siraj Abdulahi Hussien	Deputy CEO, Freight Forwarding Services Sector
Ato Wondimu Denbu Yiroga	Deputy CEO, Corporate Services
Ato Mihretab Teklu Gebre	Deputy CEO, Port Operations
Captain Wondwossen Kassa Assefa	Deputy CEO, Shipping Services Sector
Ato Hagos Tesfahunegn Kokeb	Director, Internal Audit
Ato Anduamlak Demessie Berta	Director, Multi Modal Operation
Ato Melaku Mekonnen Mitiku	Director, Legal, Insurance & Claims
Ato Tewodros Million Endeshaw	Director, Commercial
Ato Abera Diriba Gemechu	Director, ICT Department Director
Ato Eskedar Behailu Amare	Director, Uni Modal Operation
Ato Teshome Bogale Abegaz	Director, Human Resource and Administration
Ato Assefa Workinsh Asegahegne	Director, Port & Facility Development
Ato Mekuria Ansa Tekletsadik	Director, Accounts & Finance Department
W/ro Munira Jemal Lalemda	Director, Procurement
Ato Dereje Medekisa	Director, Mojo Port & Facility
Ato Tessema Fote Roba	Director, Kality Port & Facility
Ato Biruk Baza Boda	Director, Inland Port Operation
Ato Hailesellase Girmay	Director, Change Management
Ato Demissew Benti Anchemo	Director, Corporate Commercial Department
Ato Birhane Gebreegzabher Beyene	Director, Planning & Business Development

**Independent auditor**

Audit Services Corporation  
No 5720  
Addis Ababa  
Ethiopia

**Corporate office**

Ethiopian Shipping and Logistics Services Enterprise  
Legehar Building  
Gambia Street  
Addis Ababa, Ethiopia

**Principal Banker**

Commercial Bank of Ethiopia  
Ras Desta Damtew St, 01, Kirkos,  
Tel: 251-551-50-04 , Fax: 251-551-45-22  
SWIFT Code: CBETETAA Email: info@cbe.com.et  
Addis Ababa, Ethiopia





Ethiopian Shipping and Logistics Services Enterprise  
Annual financial statements for the year ended 30 June 2023  
Report of the management board

The management board submits its report together with the financial statements for the year ended 30 June 2023 to the Ethiopian Investment Holding(EIH).

**Incorporation and address**

Ethiopian Shipping and Logistics Services Enterprise, was established as an autonomous public enterprise on November 2011. The Enterprise is governed by the Public Enterprises Proclamation No. 25/1992.

The Enterprise has its head office at Legehar Building, Gambia Street Addis Ababa, Ethiopia and has branches and coordinating offices both in Ethiopia and abroad.

**Principal activities**

The Enterprise's principal activities are to render coastal and international marine and inland transport services; freight forwarding agency, multimodal transport, shipping agency and air agency services and to provide the services of stevedoring, shore-handling, dry port, warehousing and other logistics services for import and export goods.

**Results**

The Enterprise's results for the year ended 30 June 2023 are set out on page 11. The profit for the year has been transferred to state dividend payable account after deduction of legal reserve. The summarized results are presented below.

	<b>30 June 2023</b>	<b>30 June 2022</b>
	<b>Birr'000</b>	<b>Birr'000</b>
Revenue	43,303,148	51,126,680
Profit before tax	8,788,923	12,837,877
Tax (charge) / credit	<u>(2,043,907)</u>	<u>(2,819,630)</u>
Profit for the year	6,745,015	10,018,247
Other comprehensive income / (loss) net of taxes	82,104	183,748
Total comprehensive income for the year	<u>6,827,119</u>	<u>10,201,995</u>

**Management board**

Members of the management board who held office during the year and to the date of this report are set out on page 2.

H.E Ato Ahmed Shadie  
Chairperson, Management Board  
[Date]

**Ahmed Shide**  
**Board Chairman**







Ethiopian Shipping and Logistics Services Enterprise  
Annual financial statements for the year ended 30 June 2023  
Statement of management board's responsibilities

In accordance with the Financial Reporting Proclamation No 847/2014, the Accounting and Auditing Board of Ethiopia (AABE) directed the Enterprise to prepare financial statements in accordance with International Financial Reporting Standards ("IFRS").

The Enterprise's management board is responsible for ensuring proper books of accounts are kept.

To enable the management board to meet this responsibility, the management board and executive management implement systems of internal control, accounting and information systems aimed at providing reasonable assurance that assets are safeguarded and the risk of error, fraud or loss is reduced in a cost-effective manner. These controls, contained in established policies and procedures, include the proper delegation of responsibilities and authorities within a clearly defined framework, effective accounting procedures and adequate segregation of duties.

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

Signed on behalf of the management board by:

H.E Ato Ahmed Shadie  
Chairperson, Management Board

Ahmed Shide  
Board Chairman







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Office of the Federal Auditor General  
Audit Services Corporation

**INDEPENDENT AUDITOR'S REPORT TO THE  
SUPERVISING AUTHORITY OF  
ETHIOPIAN SHIPPING AND LOGISTICS SERVICES ENTERPRISE**

**Report on the Audit of the Financial Statements**

*Qualified Opinion*

We have audited the financial statements of Ethiopian Shipping and Logistics Services Enterprise (the Enterprise), which comprise the statement of financial position as at 30 June 2023, and the statement of profit or loss and other comprehensive income, statement of changes in equity and 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, except for the possible effects of the matters described in the *Basis for Qualified Opinion* section of our report, the accompanying financial statements present fairly, in all material respects, the financial position of the Enterprise as at 30 June 2023 and its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRSs).

*Basis for Qualified Opinion*

1. Trade and other receivables are included in the statement of financial position after deducting credit balances totalling Birr 70,703,000. Trade and other payables are included in the statement of financial position after deducting debit balances totalling Birr 232,092,000. On the other hand, receivables include amounts totalling Birr 1,161,292,000 recorded as receivable from the Enterprise itself and payables include amounts totalling Birr 926,109,000 recorded as payable to itself, as well as long outstanding balances totalling Birr 2,214,592,000. We obtained no satisfactory explanations for this accounting and, in consequence, were unable to satisfy ourselves that the trade and other receivables and the trade and other payables reflected in the statement of financial position are correctly stated.



**INDEPENDENT AUDITOR'S REPORT TO THE  
SUPERVISING AUTHORITY OF  
ETHIOPIAN SHIPPING AND LOGISTICS SERVICES ENTERPRISE (continued)**

**Report on the Audit of the Financial Statements (continued)**

***Basis for Qualified Opinion*** (continued)

2. Cash at bank is included in the statement of financial position in the amount of Birr 29,567,934,000. This amount does not agree with the total of balances recorded by the Enterprise's bankers and sufficient documentary support for some reconciling items was not made available to us. In consequence, we were unable to satisfy ourselves that cash and cash equivalents shown on the statement of financial position at Birr 29,508,830,000, after a deduction of Birr 74,000,000 for expected credit losses, is correctly stated.

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 Enterprise in accordance with the *International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code)* together with the ethical requirements that are relevant to our audit of the financial statements in Ethiopia, and we have fulfilled our other ethical responsibilities in accordance with those requirements and the *IESBA Code*. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified opinion.

***Key Audit Matters***

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

In addition to the matters described in the *Basis for Qualified Opinion* section we have determined the matter described below to be a key audit matter to be communicated in our report.

*Ase*





**INDEPENDENT AUDITOR'S REPORT TO THE  
SUPERVISING AUTHORITY OF  
ETHIOPIAN SHIPPING AND LOGISTICS SERVICES ENTERPRISE (continued)**

**Report on the Audit of the Financial Statements (continued)**

***Key Audit Matters*** (continued)

**Revenue recognition**

Recognition of the Enterprise's revenue is complex due to the significant volume of transactions and the extent of the revenue streams within the Enterprise. There are risks that revenue may not be appropriately and completely recognized. In response to the assessed risk, we have tested the operating effectiveness of key controls designed for the revenue process. We have tested a sample of revenue from cargo freight services and voyage charters in the shipping sector to ensure that the revenue was recognized in the correct periods, as well as samples of revenue from transit handling in the freight and forwarding sector. Our testing did not identify major weaknesses in the design and operation of controls that would have required us to expand the nature or scope of our planned detailed test work. Overall, we found no concerns in respect to the recording of revenue at appropriate values.

***Management's Responsibilities for the Financial Statements***

The general manager is responsible for the preparation and fair presentation of the financial statements in accordance with IFRSs and for such internal control as the general manager 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, management is responsible for assessing the Enterprise's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Enterprise or to cease operations, or has no realistic alternative but to do so.

The management board is responsible for overseeing the Enterprise's financial reporting process.

***Auditors' 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.

*Asc*







**INDEPENDENT AUDITOR'S REPORT TO THE  
SUPERVISING AUTHORITY OF  
ETHIOPIAN SHIPPING AND LOGISTICS SERVICES ENTERPRISE (continued)**

**Report on the Audit of the Financial Statements (continued)**

***Auditors' Responsibilities for the Audit of the Financial Statements (continued)***

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional scepticism 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 Enterprise's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Enterprise'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 Enterprise 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 audit.

*ase*



**INDEPENDENT AUDITOR'S REPORT TO THE  
SUPERVISING AUTHORITY OF  
ETHIOPIAN SHIPPING AND LOGISTICS SERVICES ENTERPRISE (continued)**

**Report on the Audit of the Financial Statements (continued)**

*Auditors' Responsibilities for the Audit of the Financial Statements (continued)*

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 safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

The engagement audit director on the audit resulting in this independent auditor's report is Woizero Alganesh Araya.

*ase*





**INDEPENDENT AUDITOR'S REPORT TO THE  
SUPERVISING AUTHORITY OF  
ETHIOPIAN SHIPPING AND LOGISTICS SERVICES ENTERPRISE (continued)**

**Report on the Audit of the Financial Statements (continued)**

**Other Information**

***Information Other than the Financial Statements and Auditor's Report Thereon***

Management is responsible for the other information. The other information comprises the Report of the Management Board and the Statement of Management Board's Responsibilities, 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.

*Audit Services Corporation*

3 January 2025







Ethiopian Shipping and Logistics Services Enterprise  
Annual financial statements for the year  
ended 30 June 2023  
*Statement of profit or loss and other  
comprehensive income*

	Notes	30 June 2023 Birr'000	30 June 2022 Birr'000
Revenue from contracts with customers	6	43,303,148	51,126,680
Direct costs	7(a)	(32,510,427)	(37,588,534)
<b>Gross profit</b>		<b>10,792,721</b>	<b>13,538,146</b>
Administrative expenses	7(b)	(1,703,428)	(2,202,349)
Net impairment losses on financial and contract assets	16,18,19	(938,684)	(935,739)
Foreign Currency exchange rate (gains)/loss	10, a	301,819	2,423,088
Other income	9	1,149,860	93,080
<b>Operating profit</b>		<b>9,602,289</b>	<b>12,916,227</b>
Finance costs	10	(813,366)	(78,351)
<b>Profit before income tax</b>		<b>8,788,923</b>	<b>12,837,877</b>
Income tax expense	11(a)	(2,043,907)	(2,819,630)
<b>Profit after tax</b>		<b>6,745,015</b>	<b>10,018,247</b>
<b>Other comprehensive income (OCI) net on income tax</b>			
<i>Will not be reclassified subsequently to profit or loss</i>			
Remeasurement gain/(loss) on retirement benefits	23	39,342	43,313
Less : Deferred tax (liability)/asset on remeasurement gain or loss	11(a)	(11,803)	(12,994)
		27,539	30,319
<i>Will be reclassified subsequently to profit or loss when specific conditions are met.</i>			
Exchange differences on translating the net assets of foreign operations		77,949	219,185
Income tax relating to gains/(losses) arising on translating the net assets of foreign operations	11(a)	(23,385)	(65,755)
		54,564	153,429
		82,104	183,748
<b>Total comprehensive income for the period</b>		<b>6,827,120</b>	<b>10,201,995</b>

The notes on pages 15 to 54 are an integral part of these financial statements.



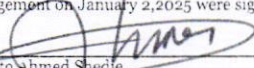


Ethiopian Shipping and Logistics Services Enterprise  
Annual financial statements for the year ended 30 June 2023  
Statement of financial position

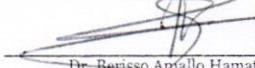
	Notes	30 June 2023 Birr'000	30 June 2022 Birr'000
<b>ASSETS</b>			
<b>Non current assets</b>			
Property, plant and equipment	12	17,679,771	13,409,019
Right of Use Asset	13	5,698	5,899
Investment property	14	790	7,488
Intangible assets	15	254,626	215,638
Equity investments		-	-
		<b>17,940,886</b>	<b>13,638,044</b>
<b>Current assets</b>			
Inventories	17	1,725,777	1,707,230
Other assets	18(a)	4,557,879	4,229,948
Trade and other receivables	18(b)	10,100,714	10,120,499
Investment in foreign branch		1,000	6,085
Contract assets	18(d)	158,826	663,269
Investment securities held at amortized cost	16	2,000	319,797
Cash and cash equivalents	19	29,495,750	23,664,424
		<b>46,041,946</b>	<b>40,711,253</b>
<b>Total assets</b>		<b>63,982,834</b>	<b>54,349,297</b>
<b>EQUITY AND LIABILITIES</b>			
<b>LIABILITIES</b>			
<b>Non-current liabilities</b>			
Deferred tax liabilities	11(d)	1,024,687	825,186
Lease obligation		2,916	3,050
Investment in foreign branch		-	-
Defined benefit obligations	23	73,520	62,081
		<b>1,101,122</b>	<b>890,317</b>
<b>Current liabilities</b>			
Borrowings	20	-	-
Trade and other payables	21(a)	31,244,273	22,327,656
Contract liabilities	21(b)	462,074	464,733
Intersectoral receivables	18(c)	6,605	2,786
Provisions	22(a)	22,108	7,037
Defined benefit obligations	23	5,024	1,696
Current tax liabilities	11(c)	7,246,468	7,062,191
		<b>38,986,552</b>	<b>29,866,099</b>
<b>Total liabilities</b>		<b>40,087,674</b>	<b>30,756,416</b>
<b>Equity attributable to owners</b>			
Capital	24	20,000,000	20,000,000
Legal reserve	25	2,021,162	1,683,912
Other reserves( remeasurement difference on employee benefit	26	62,531	34,933
Other reserves( foreign currency exchange rate difference on translation)		569,358	514,794
Revaluation reserve	27	1,242,109	1,359,243
<b>Total equity</b>		<b>23,895,160</b>	<b>23,592,882</b>
<b>Total equity and liabilities</b>		<b>63,982,834</b>	<b>54,349,297</b>

The notes on pages 15 to 54 are an integral part of these financial statements.

The financial statements on pages 11 to 14 were authorized for issue by the management board and executive management on January 2, 2025 were signed on their behalf by:

  
H.E. Ato Ahmed Shide  
Chairperson, Management Board

**Ahmed Shide**  
Board Chairman

  
Dr. Berisso Amallo Hamato  
Chief Executive Officer

**Berisso Amallo (PhD)**  
Chief Executive Officer



Ethiopian Shipping and Logistics Services Enterprise  
Annual financial statements for the year ended 30 June 2023  
Statement of changes in equity

Notes	Capital	Legal reserve	Other reserves (remeasurement of DBO)	Other reserves (foreign operation translation)	Revaluation reserve	Retained earnings	Total equity
<b>As at 1 July 2021</b>	<b>20,000,000</b>	<b>1,182,999</b>	<b>4,552</b>	<b>361,365</b>	<b>1,476,377</b>	<b>(635,499)</b>	<b>22,389,794</b>
Profit for the period	-	-	-	-	-	10,018,247	10,018,247
Transfer to legal reserve	-	500,912	-	-	-	(500,912)	-
IFRS adoption reserve recycled to retained earning	-	-	-	-	(117,134)	117,134	-
Exchange rate difference on DBO remeasurement gain/loss	-	-	62	-	-	-	62
<b>Other comprehensive income:</b>							
Re-measurement gains on defined benefit plans (net of tax)	-	-	30,319	-	-	-	30,319
Foreign currency translation difference (net of tax)	-	500,912	30,381	153,429	(117,134)	9,634,468	153,429
<b>Total comprehensive income for the period</b>	<b>-</b>	<b>500,912</b>	<b>30,381</b>	<b>153,429</b>	<b>(117,134)</b>	<b>9,634,468</b>	<b>10,202,057</b>
<b>Transaction with owners in their capacity as owners :</b>							
State dividends provided for	-	-	-	-	-	(8,998,969)	(8,998,969)
<b>As at 30 June 2022</b>	<b>20,000,000</b>	<b>1,683,912</b>	<b>34,933</b>	<b>514,794</b>	<b>1,359,243</b>	<b>-</b>	<b>23,592,882</b>
<b>As at 1 July 2022</b>	<b>20,000,000</b>	<b>1,683,912</b>	<b>34,933</b>	<b>514,794</b>	<b>1,359,243</b>	<b>-</b>	<b>23,592,882</b>
Profit for the period	-	-	-	-	-	6,745,015	6,745,015
Transfer to legal reserve	-	337,251	-	-	-	(337,251)	-
IFRS adoption reserve recycled to retained earning	-	-	-	-	(117,134)	117,134	-
Exchange rate difference on DBO remeasurement gain/loss	-	-	58	-	-	-	58
<b>Other comprehensive income:</b>							
Re-measurement gains on defined benefit plans (net of tax)	-	-	27,539	-	-	-	27,539
Foreign currency translation difference (net of tax)	-	337,251	27,597	54,564	(117,134)	6,524,898	54,564
<b>Total comprehensive income / (loss) for the period</b>	<b>-</b>	<b>337,251</b>	<b>27,597</b>	<b>54,564</b>	<b>(117,134)</b>	<b>6,524,898</b>	<b>6,827,177</b>
<b>Transaction with owners in their capacity as owners :</b>							
State dividends provided for	-	-	-	-	-	(6,524,898)	(6,524,898)
<b>As at 30 June 2023</b>	<b>20,000,000</b>	<b>2,021,162</b>	<b>62,531</b>	<b>569,358</b>	<b>1,242,109</b>	<b>-</b>	<b>23,895,160</b>

The notes on pages 15 to 54 are an integral part of these financial statements.





Ethiopian Shipping and Logistics Services Enterprise  
Annual financial statements for the year ended 30 June 2023  
*Statement of cash flows*

	Notes	30 June 2023 Birr'000	30 June 2022 Birr'000
<b>Cash flows from operating activities</b>			
Cash generated from operations	28 (a)	12,533,768	12,997,844
Interest paid	20	-	(16,570)
Income tax paid	11 (c)	(1,695,316)	(2,179,468)
<b>Net cash (outflow)/inflow from operating activities</b>		<b>10,838,451</b>	<b>10,801,807</b>
<b>Cash flows from investing activities</b>			
Purchase of intangible assets	15	(84,129)	(98,748)
Purchase of property plant and equipment	12	(4,245,874)	(3,222,094)
Proceeds from disposal of property plant and equipment		293,291	60
<b>Net cash (outflow)/inflow from investing activities</b>		<b>(4,036,712)</b>	<b>(3,320,782)</b>
<b>Cash flows from financing activities</b>			
Lease payment		(378)	(338)
Dividend paid		(1,919,464)	-
Principal repayments of borrowings	20	-	(646,895)
<b>Net cash (outflow)/inflow from financing activities</b>		<b>(1,919,842)</b>	<b>(647,232)</b>
<b>Net increase/(decrease) in cash and cash equivalents</b>		<b>4,881,897</b>	<b>6,833,794</b>
Cash and cash equivalents at the beginning of the year	19	23,664,424	14,574,923
Effects of exchange rate changes on cash and cash equivalents	10	949,429	2,255,708
<b>Cash and cash equivalents at the end of the year</b>	19	<b>29,495,750</b>	<b>23,664,424</b>

The notes on pages 15 to 54 are an integral part of these financial statements.



Ethiopian Shipping and Logistics Services Enterprise  
IFRS financial statements  
Notes to the financial statements

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**1 General information**

Ethiopian Shipping and Logistics Services Enterprise ("Enterprise") was established as an autonomous public enterprise on November 2011. The Enterprise is governed by the Public Enterprises Proclamation No. 25/1992. The Enterprise registered office is at :  
Ras Mekonen Avenue  
Addis Ababa,  
Ethiopia

The Enterprise's principal activities are to render coastal and international marine and inland transport services; freight forwarding agency, multimodal transport, shipping agency and air agency services and to provide the services of stevedoring, shore-handling, dry port, warehousing and other logistics services for import and export goods.

**2 Summary of significant accounting policies**

**2.1 Introduction to significant accounting policies**

The principal accounting policies applied 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.

**2.2 Basis of preparation**

The financial statements for the period ended 30 June 2023 have been prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB").

The financial statements comprise the statement of profit or loss and other comprehensive income, the statement of financial position, the statement of changes in equity, the statement of cash flows and the notes to the financial statements.

For those assets and liabilities measured at fair value, fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. When measuring the fair value of an asset or a liability, the Enterprise uses market observable data as far as possible. If the fair value of an asset or a liability is not directly observable, it is estimated by the Enterprise using valuation techniques that maximize the use of relevant observable inputs and minimize the use of unobservable inputs (e.g. by use of the market comparable approach that reflects recent transaction prices for similar items or discounted cash flow analysis). Inputs used are consistent with the characteristics of the asset / liability that market participants would take into account.

The financial statements are presented in Ethiopian Birr. All values are rounded to the nearest thousand.





Ethiopian Shipping and Logistics Services Enterprise  
IFRS financial statements  
Notes to the financial statements

The preparation of financial statements in accordance with IFRS requires the use of certain critical accounting judgements, estimates and assumptions.

Changes in judgements, estimates and assumptions may have a significant impact on the financial statements in the period the judgements, estimates and assumptions are changed. The areas involving a higher degree of judgment or areas where assumptions and estimates are significant to the financial statements, are disclosed in Note 3.

**2.3 Going concern**

The financial statements have been prepared on a going concern basis. The management have no doubt that the Enterprise would remain in existence after 12 months from date of these financial statements.

**2.4 Changes in accounting policies and disclosures**

**i) New Standards, amendments, interpretations not yet effective but earlier adopted by the Enterprise**

There are no new standards and amendments to standards and interpretations that are not mandatory for the period ending 30 June 2023 and have been early adopted by the Enterprise.

**ii) New Standards, amendments, interpretations not yet effective and not early adopted by the Enterprise**

**IAS 1 – Presentation of Financial Statements**

IAS 1 "Presentation of Financial Statements" sets out the overall requirements for financial statements, including how they should be structured, the minimum requirements for their content and overriding concepts such as going concern, the accrual basis of accounting and the current/non-current distinction. The amendments are effective for annual reporting periods beginning on or after January 1, 2023 and are to be applied retrospectively. Earlier application is permitted. The Enterprise has opted not to adopt early. No significant impact is expected.

**IAS 12 amendments on deferred tax**

Deferred Tax related to Assets and Liabilities arising from a Single Transaction (Amendments to IAS 12) that clarify how companies account for deferred tax on transactions such as leases and decommissioning obligations. The amendments are effective for annual periods beginning on or after 1 January 2023. The Enterprise shall apply the amendment when due. The amendments are not expected to have an impact on the Enterprise's financial statements.

**Definition of Accounting Estimates (Amendments to IAS 8)**

The amendments replace the definition of a change in accounting estimates with a definition of accounting estimates. Under the new definition, accounting estimates are "monetary amounts in financial statements that are subject to measurement uncertainty". Entities develop accounting estimates if accounting policies require items in financial statements to be measured in a way that involves measurement uncertainty. The amendments clarify that a change in accounting estimate that results from new information or new developments is not the correction of an error. Effective for annual reporting periods beginning on or after 1 January 2023. The Enterprise will apply the amendment when due. The amendments are not expected to have an impact on the Enterprise's financial statements.

**Disclosure of Accounting Policies (Amendments to IAS 1 and IFRS Practice Statement 2)**

The amendments require that an entity discloses its material accounting policies, instead of its significant accounting policies. Further amendments explain how an entity can identify a material accounting policy. Examples of when an accounting policy is likely to be material are added. To support the amendment, the Board has also developed guidance and examples to explain and demonstrate the application of the 'four-step materiality process' described in IFRS Practice Statement 2. Effective for annual reporting periods beginning on or after 1 January 2023. The Enterprise will apply the amendment when due. The amendments are expected to have an impact on the Enterprise's financial statements.



