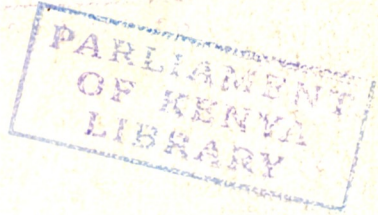


93

PAPER	1140
Speaker	
D/Speaker	
Clerk	
D/Clerk	
P. C. A.	Press



# Kenatco Taxis Ltd

## ANNUAL REPORT AND ACCOUNTS

As at  
**30th June 1994.**

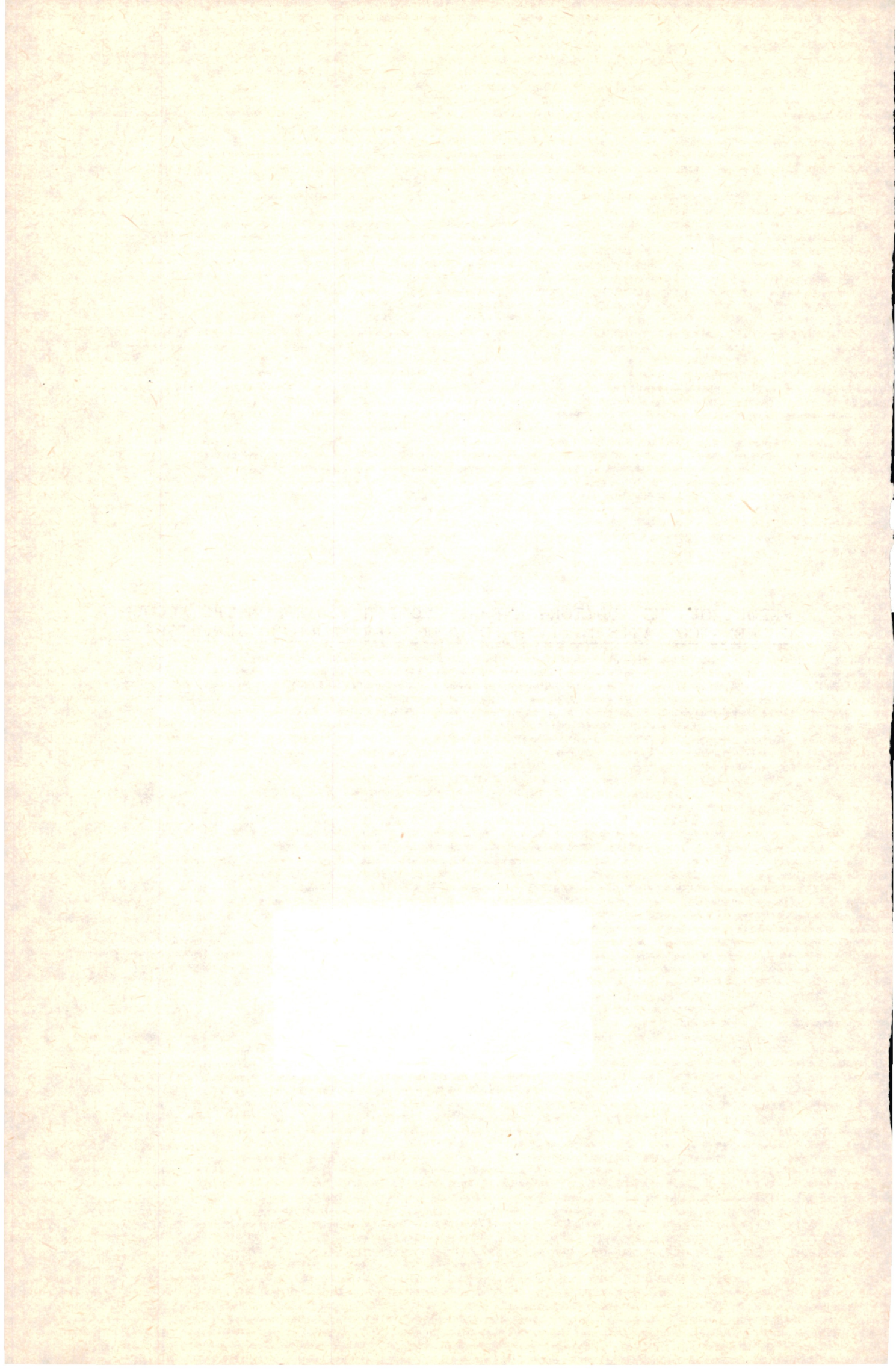
REPORT OF THE AUDITOR-GENERAL (CORPORATIONS) ON THE ACCOUNTS  
OF KENATCO TAXIS LIMITED FOR THE YEAR ENDED 30 JUNE 1994

KENYA NATIONAL ASSEMBLY

Accession: 10012904

Call No: 657-3 KTL





## K E N A T C O T A X I S L T D.

REPORT OF THE DIRECTORS

The Directors have pleasure in presenting their report and Financial Statements for the year ended 30th June 1994.

PRINCIPAL ACTIVITIES:

The Company operates a fleet of taxis in Nairobi and Mombasa.

RESULTS:

An operating loss of Kshs. 5,300,052/= was reported during the Financial Year ended 30th June 1994.

DIVIDENDS:

The Directors do not recommend payment of dividends.

DIRECTORS:

The Directors who served during the period were:-

Industrial & Commercial Development Corporation

Mr. M. Kaitany

Mr. E.N. Wainaina

Mr. W. Rono

Permanent Secretary, Ministry of Commerce & Industry

Mr. S.A. Wasike

AUDITORS:

The Auditor-General (Corporations) who is the Company's Auditor, will continue in office in accordance with the Exchequer and Audit (Amendment) Act 1985 (Cap 412).

By order of the Board,



F.G. GACIRI  
SECRETARY.

## K E N A T C O T A X I S L I M I T E D .

PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED  
30TH JUNE 1994

	1994	1993
	KSHS	KSHS
TURNOVER	74,041,658	53,809,735
OPERATING PROFIT		
BEFORE TAX	(5,300,052)	3,627,891
TAX		808,838
PROFIT AFTER TAX	(5,300,052)	2,819,053
DIVIDEND PROPOSED		
PROFITS RETAINED FOR THE PERIOD	(5,300,052)	2,819,053

THE YEAR 1901

NOVEMBER 1901

THE YEAR 1901

NOVEMBER 1901

THE YEAR 1901

NOVEMBER 1901

THE YEAR 1901

NOVEMBER 1901

THE YEAR 1901

NOVEMBER 1901

THE YEAR 1901

NOVEMBER 1901

REPORT OF THE AUDITOR-GENERAL (CORPORATIONS) ON THE ACCOUNTS OF  
KENATCO TAXIS LIMITED FOR THE YEAR ENDED 30 JUNE 1994

I have examined the accounts of Kenatco Taxis Limited for the year ended 30 June 1994 in accordance with Section 29 (2) of the Exchequer and Audit Act, (Cap 412). I have obtained all the information and explanations that were required for the purpose of the audit. Proper books of accounts have been kept and the accounts which have been prepared under the historical cost convention are in agreement therewith and comply with the Companies Act, (Cap 486).

Subject to the reservations set out herebelow, in my opinion, the accounts when read together with the notes thereon, give a true and fair view of the state of affairs of the Company as at 30 June 1994 and of its loss and source and application of funds for the year then ended.

1. Late submission of Accounts

Kenatco Taxis Limited Company's accounts for the year ended 30 June 1994, which under the law should have been submitted to me for audit by 31 October 1994 were not submitted until 20 February 1995. Further, the draft accounts so submitted contained many errors and required several revisions. The final signed accounts were only received on 20 November 1995. This situation adversely affected my programme of audit in so far as compliance with reporting within the statutory deadline of 31 January is concerned. Consequently, I was unable to comply with this statutory requirement.

2. Unsurrendered Income

A sample check of the operations returns revealed an unsatisfactory state of affairs in which drivers collected money from clients through cash sales amounting to Kshs.277,728.00 and as at 30 June 1994, this amount was still unsurrendered to the Corporation. I am therefore unable to confirm whether all the revenue earned was wholly accounted for by the drivers and operation supervisors.

3. Irregular Procurement Procedures

In July 1993, the Corporation purchased a second hand Mercedes Benz vehicle Registration No. KAC 774X from a 3rd party for Kshs.1,350,000.00 against the Automobile Association of Kenya Professional valuation of Kshs.620,000.00. Further, during the same month, another second hand Mercedes Benz Vehicle Registration No. KAC 344G was purchased for Kshs.600,000.00 but the vehicle was grounded a week thereafter. It would appear that procurement of these vehicles was made without due consideration of the Company's interests. It has also not been established how the 3rd parties who sold the vehicles to the Company were identified.

The accounts of the Director General of the Customs and Excise Department for the year 1904-05 have been examined and found to be correct and in accordance with the accounts of the various departments under his control.

The accounts of the Director General of the Customs and Excise Department for the year 1904-05 have been examined and found to be correct and in accordance with the accounts of the various departments under his control.

Statement of the Receipts and Expenditure of the Department for the Year 1904-05

The receipts of the Department for the year 1904-05 were Rs. 1,00,00,000 and the expenditure was Rs. 95,00,000. The balance carried forward from the previous year was Rs. 5,00,000.

Statement of the Receipts and Expenditure of the Department for the Year 1904-05

The receipts of the Department for the year 1904-05 were Rs. 1,00,00,000 and the expenditure was Rs. 95,00,000. The balance carried forward from the previous year was Rs. 5,00,000.

Statement of the Receipts and Expenditure of the Department for the Year 1904-05

The receipts of the Department for the year 1904-05 were Rs. 1,00,00,000 and the expenditure was Rs. 95,00,000. The balance carried forward from the previous year was Rs. 5,00,000.



Besides the irregular procurement of the vehicles, it was also noted that purchase of spare parts in Mombasa Branch was done by one officer who raised the LPOs, delivered them to the suppliers, received the goods, entered the goods in the stores records and issued the goods to the users. This reflects lack of internal control system on procurement of spares.



**W.K. KEMEI**  
**AUDITOR-GENERAL (CORPORATIONS)**

**7 May 1996**

Besides +  
notes

KENATCO TAXIS LIMITED

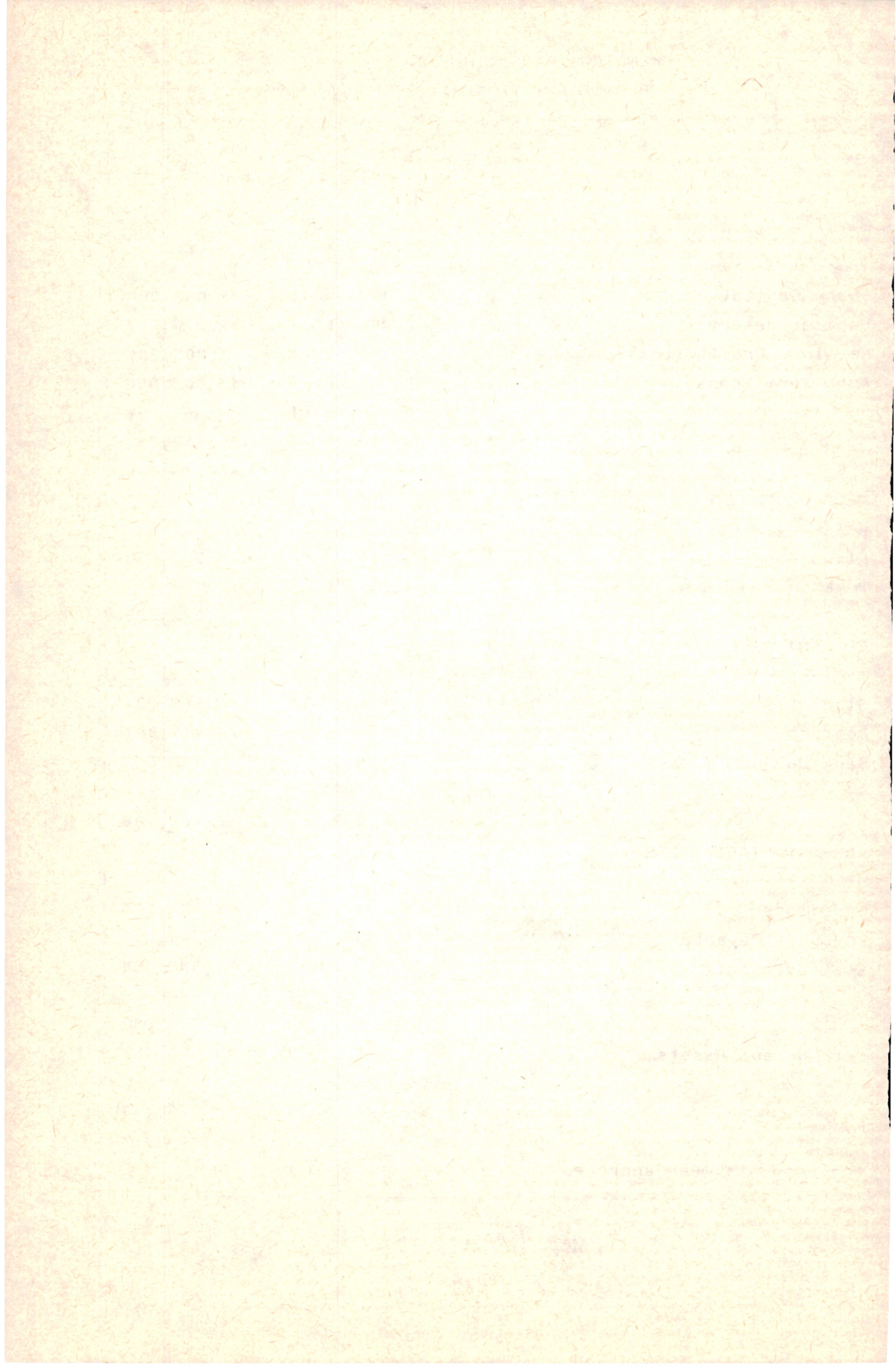
BALANCE SHEET AS AT '30TH JUNE 1994

		1994	1993
		KSHS	KSHS
<b>CAPITAL EMPLOYED</b>			
Share Capital	4	5,000,000	5,000,000
Capital reserve	5	2,074,467	2,074,467
Retained Profit/(Loss)	7	(3,351,218)	1,905,284
Long Term Loans	8	20,700,000	17,000,000
		<u>24,423,249</u>	<u>25,979,753</u>
<b>REPRESENTED BY</b>			
Fixed Assets	3	17,620,814	12,532,956
Work in Progress	6	1,059,784	-
		<u>18,680,598</u>	<u>12,532,956</u>
<b>CURRENT ASSETS</b>			
Stocks	9	4,956,934	3,969,932
Debtors	10	15,724,372	13,414,887
Bank Balance & Cash		990,055	798,670
		<u>21,671,361</u>	<u>18,183,489</u>
<b>CURRENT LIABILITIES</b>			
Creditors	11	5,739,605	2,464,541
Interest Payable	12	4,239,875	340,000
Bank Overdraft		5,949,230	1,932,151
		<u>15,928,710</u>	<u>4,736,692</u>
Net Current Assets		5,742,651	13,446,797
		<u>24,423,249</u>	<u>25,979,753</u>

The accounts were approved by the Board of Directors on

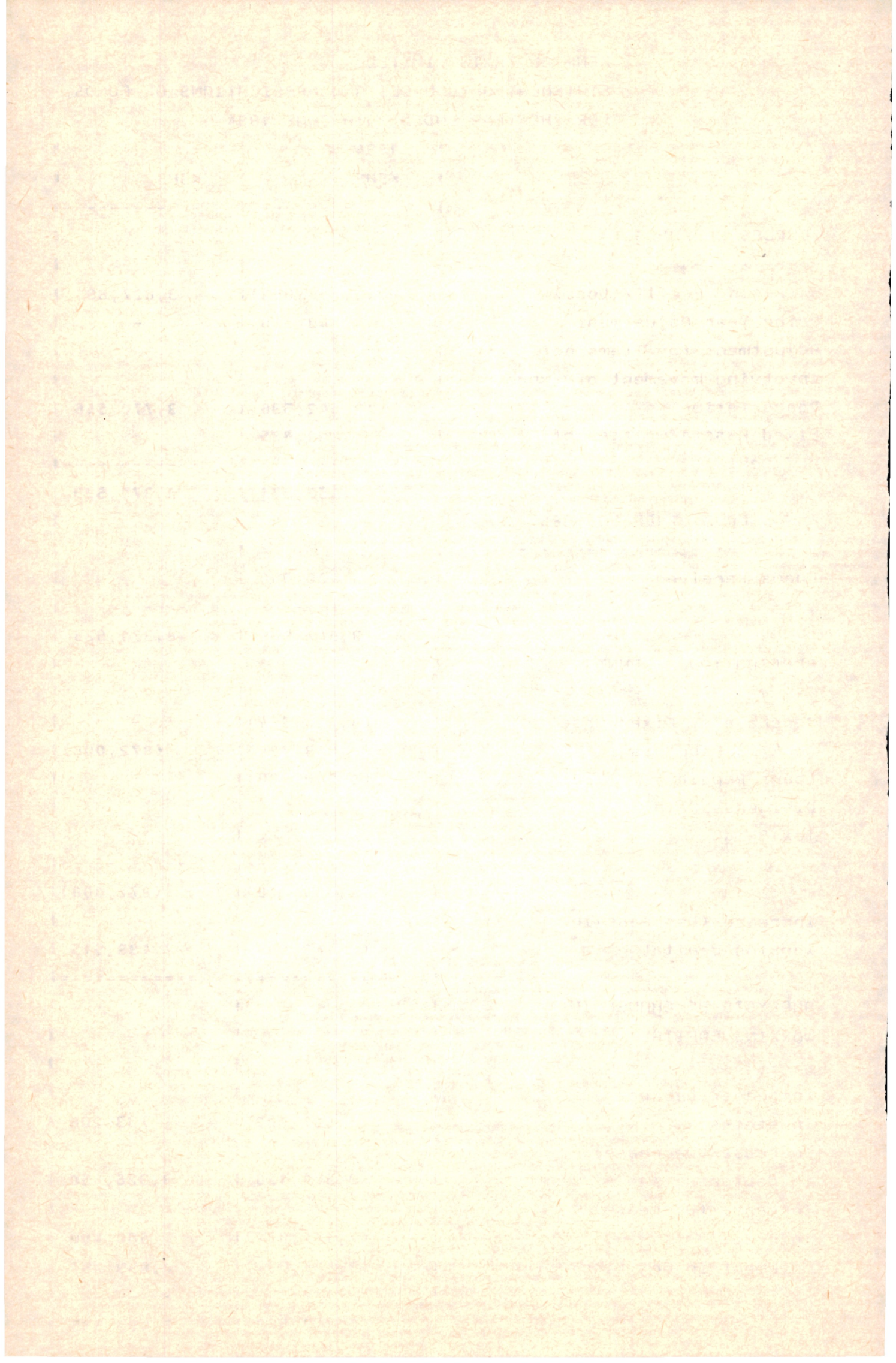
DIRECTOR

) *M. M. M. M. M.*  
 ) *H. L. L. L. L.*



KENATCO TAXIS LIMITED  
STATEMENT OF SOURCES AND APPLICATIONS OF FUNDS  
FOR THE YEAR ENDED 30TH JUNE 1994

	1994	
	KSHS	KSHS
	-----	-----
<b>SOURCES OF FUNDS</b>		
-----		
Operating Profit/(loss)	(5,300,052)	3,627,891
Prior Year Adjustment	43,550	-
Adjustment for Items not involving movement of funds		
Depreciation	3,542,536	3,770,546
Fixed Assets written off	261,635	-
Bad Debts		
	-----	-----
	(1,452,331)	8,371,523
<b>FUNDS FROM OTHER SOURCES</b>		
-----		
Loans Received	5,400,000	
	-----	-----
	3,947,669	8,371,523
<b>APPLICATION OF FUNDS</b>		
-----		
Purchase of Fixed Assets	(8,630,394)	-
Work in Progress	(1,059,784)	(872,008)
Loans Repaid	(1,700,000)	-
Dividends Paid	-	-
Tax Paid	-	-
	-----	-----
	(11,390,178)	(872,008)
Increase/(Decrease) in working capital	(7,442,509)	7,499,515
	=====	=====
<b>ANALYSIS OF CHANGE IN WORKING CAPITAL</b>		
-----		
Increase/(Decrease) in stocks	987,002	733,208
Increase/(Decrease) in debtors	2,571,120	3,326,450
Increase/(Decrease) in creditors	(7,174,937)	580,400
Movement in net liquid funds	(3,825,694)	2,859,757
	-----	-----
	(7,442,509)	7,499,515



KENATCO TAXIS LIMITED  
 NOTES TO THE ACCOUNTS FOR THE YEAR ENDED  
 30TH JUNE 1994

1. SIGNIFICANT ACCOUNTING POLICIES.

a) ACCOUNTING CONVENTION

The accounts are prepared under the historical cost convention.

b) TURNOVER

Turnover comprises the amount receivable for services rendered.

c) FIXED ASSETS AND DEPRECIATION.

Fixed assets are stated at cost/revaluation less depreciation. Depreciation has been calculated on reducing balance method at annual rates as follows:

Motor Vehicles	25%
W/Shop Eq. & Loose tools	12.5%
Furniture, Fittings & Office Equipment	12.5%
Buildings	2.5%

d) STOCKS.

Stocks is stated at lower of cost or net realisable value.

OPERATING LOSS BEFORE TAX

Operating loss before tax is stated after charging:

	1993/94		1992/93	
	KSHS		KSHS.	
Depreciation	3,542,536		3,770,546	
Interest Payable	4,239,875		340,000	
Auditors Remuneration	80,000		80,000	
Directors Fees	145,000		20,000	
Directors Remuneration	59,816		26,464	

NOTED TO THE ACCOUNTS FOR THE YEAR ENDING 30TH JUNE 1981

SIGNIFICANT ACCOUNTING POLICIES

NET WORTH DETERMINATION

The accounts are prepared on a historical cost basis.

Depreciation

Provisions

Income is calculated on the basis of the value of the assets.

Reserves

FIXED ASSETS AND DEPRECIATION

Fixed assets are stated at cost less depreciation on a straight line basis.

Depreciation is provided on a straight line basis over the expected useful life of the assets.

The following table shows the depreciation charges for the year:

Category	1980-81	1979-80
Motor vehicles	252	252
Workshop & home tools	125	125
Furniture, fittings & office equipment	125	125
Buildings	252	252
Stocks	252	252

Stocks are stated at lower of cost or net realizable value.

Value

OPERATING LOSS BEFORE TAX

Operating loss before tax is stated after the following adjustments:

Adjustment	1980-81	1979-80
Depreciation	1,000	1,000
Interest payable	100	100
Director's remuneration	100	100
Director's fees	100	100
Director's expenses	100	100



KENATCO TAXIS LIMITED  
NOTES TO THE ACCOUNTS (CONTINUED)

3 FIXED ASSETS

	LAND	BUILDINGS	VEHICLES	FUR. FITT. & EQUIP.	W/SHOP EQ. L. TOOLS	TOTAL
<b>COST</b>						
As at 1.7.93	1,400,000	4,000,000	34,142,791	1,681,972	513,908	41,738,671
Additions	517,550	-	2,425,159	140,650	147,035	3,230,394
As at 30.6.94	1,917,550	4,000,000	36,567,950	1,822,622	660,943	44,969,065
<b>DEPRECIATION</b>						
As at 1.7.93	-	-	23,074,052	459,665	271,998	23,805,715
Charge for the year	-	100,000	3,249,196	160,061	33,279	3,542,536
As at 30.6.94	-	100,000	26,323,248	619,726	305,277	27,348,251
<b>NET BOOK VALUE</b>						
As at 30.6.94	1,917,550	3,900,000	10,244,702	12,202,896	355,666	17,620,814
As at 30.6.93	-	-	11,068,739	1,222,307	241,910	12,532,956

4 SHARE CAPITAL

Authorised 250,000 ordinary shares Kshs. 20/= each 5,000,000

Issued and fully paid 250,000 ordinary shares of 20/= each 5,000,000

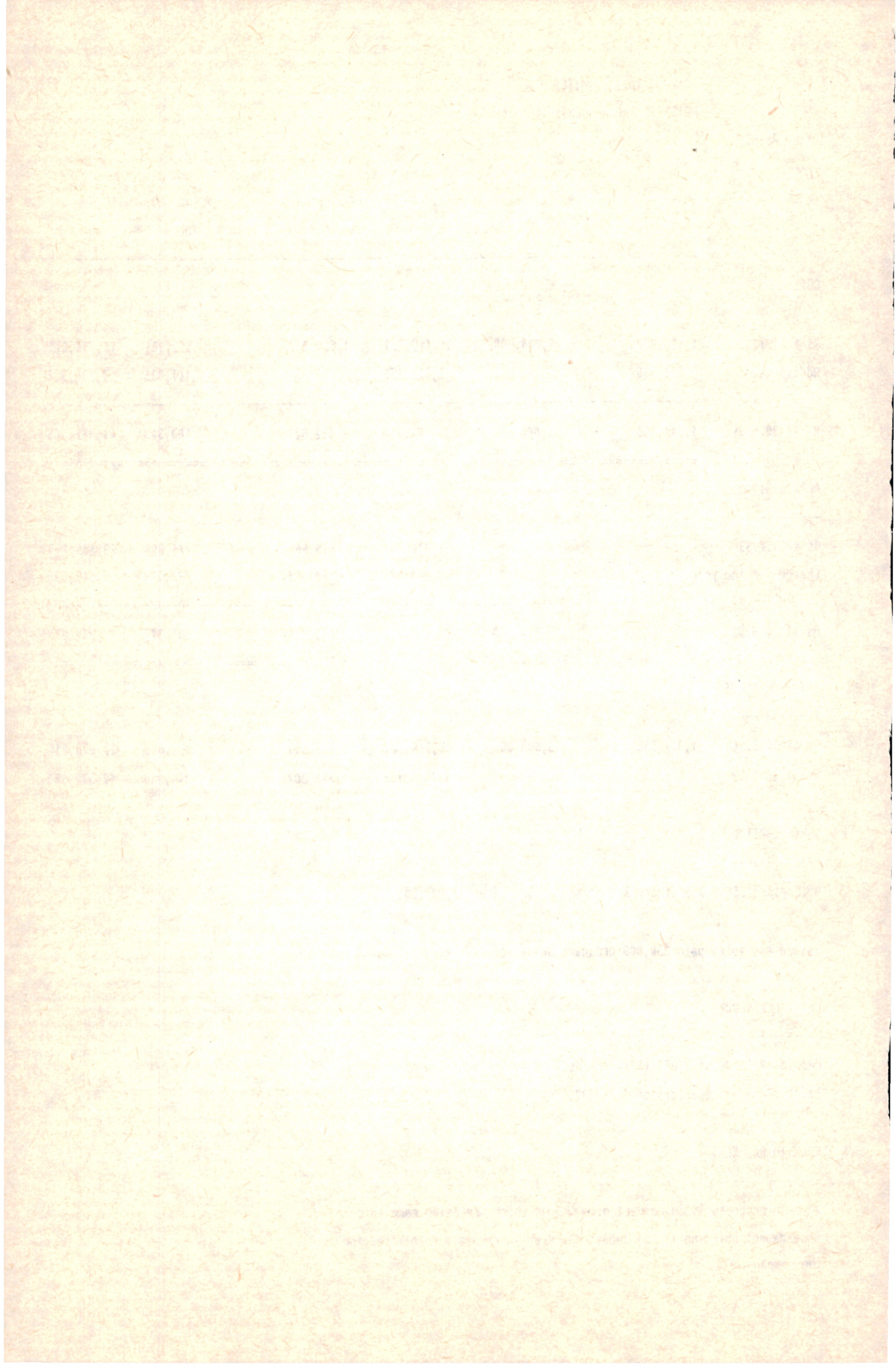
CAPITAL RESERVE

5

Capital Reserve of 2,074,467/= arises from the revaluation of seven mercedes benz cars on 1.7.1992.

6 WORK IN PROGRESS

Work in progress is in respect of operations which are being carried on a permanent building at the Industrial Area to create more offices for the company.



## K E N A T C O T A X I S L I M I T E D

## RETAINED PROFIT/(LOSS)

	1994	1993
AS AT 1.7.93	1,905,284	(1,722,607)
PRIOR YEAR ADJUSTMENT	43,550	-
PROFITS/(LOSS)FOR THE PERIOD	(5,300,052)	3,627,891
RETAINED PROFIT/(LOSS)C/F	(3,351,218)	1,905,284
<b>8 LONG TERM LOANS</b>		
SECURED PAYABLE		
QUARTERLY REPAYMENT TO		
BE RESCHEDULED	15,300,000	17,000,000
SECURED PAYABLE MONTHLY	5,400,000	-
	20,700,000	17,000,000
<b>9 STOCKS</b>		
STOCKS COMPRISE OF:-		
STATIONERY	904,583	-
FUEL & OIL	38,550	-
SPARE PARTS	3,851,530	3,625,424
TYRES & TUBES	162,271	344,508
	4,956,934	3,969,932
<b>** DEBTORS</b>		
DEBTORS COMPRISE OF:-		
TRADE DEBTORS	12,958,917	10,994,622
OTHER DEBTORS	1,368,928	1,265,427
PREPAID EXPENSES	963,518	533,435
DEPOSITS	694,644	621,403
	15,986,007	13,414,887

Section	Block	Acres	Original Grantee	Original Date	Original Patent No.	Original Patent Date	Original Patent Price	Original Patent Location
1	1	100	John A. King	1852	100	1852	\$100.00	Section 1, Block 1, Township 10N, Range 10E, County 10C, State of Texas
2	2	100	John A. King	1852	100	1852	\$100.00	Section 2, Block 1, Township 10N, Range 10E, County 10C, State of Texas
3	3	100	John A. King	1852	100	1852	\$100.00	Section 3, Block 1, Township 10N, Range 10E, County 10C, State of Texas
4	4	100	John A. King	1852	100	1852	\$100.00	Section 4, Block 1, Township 10N, Range 10E, County 10C, State of Texas
5	5	100	John A. King	1852	100	1852	\$100.00	Section 5, Block 1, Township 10N, Range 10E, County 10C, State of Texas
6	6	100	John A. King	1852	100	1852	\$100.00	Section 6, Block 1, Township 10N, Range 10E, County 10C, State of Texas
7	7	100	John A. King	1852	100	1852	\$100.00	Section 7, Block 1, Township 10N, Range 10E, County 10C, State of Texas
8	8	100	John A. King	1852	100	1852	\$100.00	Section 8, Block 1, Township 10N, Range 10E, County 10C, State of Texas
9	9	100	John A. King	1852	100	1852	\$100.00	Section 9, Block 1, Township 10N, Range 10E, County 10C, State of Texas
10	10	100	John A. King	1852	100	1852	\$100.00	Section 10, Block 1, Township 10N, Range 10E, County 10C, State of Texas

## K E N A T C O T A X I S L I M I T E D .

LESS: PROVISION FOR BAD & DOUBTFUL DEBTS			
		261,635	-
		-----	-----
		15,724,372	13,414,887
		=====	=====
11 CREDITORS			
-----			
CREDITORS COMPRISE OF:-			
TRADE CREDITORS		3,869,600	1,258,869
PROVISION FOR AUDIT FEES			
I C D C		180,000	180,000
PROVISION FOR AUDIT FEES			
AUDITOR GENERAL		80,000	80,000
PROVISION FOR MANAGEMENT			
FEES		1,411,800	1,200,000
DEBTORS ACCOUNT WITH CREDIT			
BALANCES		198,125	85,672
		-----	-----
		5,739,605	2,804,541
		=====	=====
12 INTEREST PAYABLE			
-----			
INTEREST PAYABLE ON:-			
I C D C LOAN (KSHS 17 MILLION)		2,479,875	340,000
I C D C LOAN (KSHS 5.4 MILLION)		1,760,000	-
		-----	-----
		4,239,875	340,000
		=====	=====

THE COMPANY IS INCORPORATED IN KENYA UNDER THE COMPANIES  
ACT CAP 486

STATE OF KENYA

			LESS: PROVISION FOR BAD &
		281,632	DOUBTFUL DEBTS
13,414,887	12,724,378		
			11 CREDITORS
			CREDITORS COMPRISE OF
1,252,888			TRADING CREDITORS
			PROVISION FOR AUDIT FEES
100,000	100,000		I C D C
			PROVISION FOR AUDIT FEES
80,000	80,000		AUDITOR GENERAL
			PROVISION FOR MANAGEMENT
1,200,000	1,411,800		FEES
			DEBTORS ACCOUNT WITH CREDIT
82,673	108,122		BALANCE
2,904,241	2,732,602		
			12 INTEREST PAYABLE
			INTEREST PAYABLE ON:
340,000	2,459,602		I C D C LOAN (KSHS 75 MILLION)
	1,780,000		I C D C LOAN (KSHS 25 MILLION)
340,000	4,239,602		

THE COMPANY IS INCORPORATED IN KENYA UNDER THE COMPANIES ACT CAP 486

KENATCO TAXIS LIMITED  
 DETAILED PROFITS & LOSS ACCOUNT FOR THE  
 YEAR ENDED 30TH JUNE 1994

	1994	1993
	KSHS	KSHS
TURNOVER	74,031,761	53,799,167
SUNDRY INCOME	9,892	10,568
OPERATING EXPENSES	74,041,658	53,809,735
CREW WAGES	10,534,207	6,851,899
FUEL & OILS	13,298,088	9,002,348
REPAIRS AND RENEWALS	14,950,184	6,893,368
TYRES & TUBES	2,063,539	1,650,170
CREW TRAVELLING	424,393	294,945
UNIFORMS & CLOTHING	105,189	700,777
FERRY & TOLL	214,441	212,204
TOWING CHARGES	63,470	73,725
LICENCES	134,524	133,100
INSURANCES	670,227	609,937
RENTS & RATES	1,209,830	1,203,852
DEPRECIATION	3,282,475	3,697,359
CAR CLEANING	25,567	29,314
WORKSHOP SUNDRIES	312,896	77,632
TOTAL OPERATING EXPENSES	47,289,030	31,430,630
GROSS OPERATING PROFIT	26,752,628	22,379,105
ADMINISTRATION EXPENSES		
SALARIES	12,672,592	7,527,440
STAFF WELFARE	648,004	237,007
STAFF TRAINING	534,115	35,554
PUBLIC RELATIONS & B.PROMOTION	421,361	292,529
TRAVELLING EXPENSES	1,316,560	253,120

STATE OF TEXAS  
DEPARTMENT OF PUBLIC HEALTH  
BUREAU OF LABOR STATISTICS  
STATEMENT OF PROFITS & LOSS ACCOUNT FOR THE  
YEARS ENDED 30TH JUNE 1934

Table with multiple columns and rows, containing financial data and labels. The text is heavily mirrored and difficult to read, but appears to include figures for the years 1933 and 1934.

TURNOVER  
GROSS OPERATIONS  
ADMINISTRATIVE EXPENSES  
TOTAL  
PROFIT  
PUBLIC HEALTH DEPARTMENT  
BUREAU OF LABOR STATISTICS



## K E N A T C O T A X I S L I M I T E D .

## PROFIT AND LOSS ACCOUNT (CONTINUED)

COURT FINES	5,870	890
FIXED ASSETS WRITTEN OFF	-	973,086
MISC. ADMIN. EXPENSES	30	744
DISCOUNT ALLOWED	-	-
REPAIRS W/SHOP EQUIPMENT	28,449	36,900
WATER & CONSERVANCY	56,330	408
OTHER INSURANCES	1,497,680	633,921
ADVERTISING	691,666	189,970
RENT & RATES	651,447	402,617
ELECTRICITY	57,647	20,067
POSTAGES	66,950	39,618
TELEPHONE & TELEGRAMS	2,398,539	1,361,207
DAILIES PERIODICALS	33,608	7,701
PRINTING AND STATIONERY	1,422,378	110,753
DEPRECIATION	260,061	73,187
TRADE LICENCE	26,771	35,580
COMPUTER CHARGES	188,549	97,645
OFFICE CLEANING & MAINTENANCE	224,610	223,591
REPAIRS AND OFFICE FURNITURE	229,311	77,965
DONATIONS & SUBSCRIPTIONS	37,500	72,450
DIRECTOR'S FEES	145,000	20,000
SITTING ALLOWANCES	-	26,404
BOARD EXPENSES	80,816	85,500
PENSION	130,826	273,300
MEDICAL	134,851	33,441
END OF YEAR PARTY	-	140,824
	23,961,521	14,284,119
PROFESSIONAL EXPENSES		
MANAGEMENT FEES	211,800	200,000
AUDIT FEES 1993/94	80,000	80,000
LEGAL & PROFESSIONAL FEES	499,838	115,559
	791,638	395,559

K E N A T C O T A X I S L I M I T E D.  
 PROFIT AND LOSS ACCOUNT (CONTINUED)

FINANCIAL EXPENSES

-----			
BAD DEBTS		261,635	-
INTEREST ON LOAN		6,727,778	3,910,000
BANK CHARGES		310,108	161,470
		-----	-----
		7,299,521	4,071,470
		-----	-----
TOTAL ADMIN. & FINANCIAL EXPENSES		32,052,680	16,007,540
		-----	-----
TOTAL EXPENSES		79,341,710	50,181,844
		-----	-----
PROFIT/(LOSS) BEFORE TAX		(5,300,052)	3,627,891
		=====	=====

THE UNIVERSITY OF CHICAGO

LIBRARY OF THE UNIVERSITY OF CHICAGO  
540 EAST 57TH STREET  
CHICAGO, ILL. 60637  
TEL: 773-936-3200  
WWW.CHICAGO.EDU

