REPORT OF THE AUDITOR-GENERAL (CORPORATIONS) ON THE ACCOUNTS OF MUHORONI SUGAR COMPANY LIMITED FOR THE YEAR ENDED 30 JUNE 1995

MUHORONI SUGAR COMPANY LIMITED

P.O. BOX 2, MUHORONI

DIRECTORS REPORT FOR THE YEAR ENDED 30TH JUNE 1995

The Directors have the pleasure in submitting their report and the Audited Financial Statements for the Financial year ended 30th June 1995, which shows the state of the companies affairs as outlined below:-

PRINCIPAL ACTIVITIES

The company is a sugar manufacturing concern incorporated under the companies Act (Cap. 486).

The company's original budget for cane crushing was 316,790 M/Tonnes of cane, producing 26,542 M/Tonnes of sugar at a recovery of sugar% of cane of 8.38.

The Actual crushing achieved was 172,034 M/Tonnes of cane producing 14,054 M/Tonnes of sugar at a recovery of 8.16%.

There was substantial decrease of 45.69% of cane crushed as compared to the original budget, and a decrease of 17.04% as compared to the previous financial year ended 30th June, 1994.

The normal annual plant maintenance was not carried out due to lack of funds hence the plant efficiency was adversely affected by lack of maintenance.

The company incurred an operating loss of KShs. 180.588 million. This included depreciation of KShs. 48.354 million, resulting to cash loss of KShs. 132.234 million compared to cash loss of KShs. 154.505 million in the previous year ended 30th June, 1994.

RESULTS

The results of the financial year are as follows:-

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The original budgeted profit/loss for the year was KShs. 94.327 million profit; and the company made a loss of KShs. 180.588 million as compared to a loss of KShs. 200.324 million in the previous year ended 30th June, 1994.

The main factors contributing to loss of KShs. 180.588 million are summarised below:-

The plant was closed down from July 1994 to November 1994, when the operations were resumed. During the closure period, the company continued to meet fixed costs such as salaries and wages of staff.

Due to the closure of the plant and insufficient cane supply, cane availability target was not achieved. The factory expected to receive and crush 316,790 M/Tonnes of cane when the actual cane received and crushed was only 172,034 M/Tons.

Decrease in revenue due to reduction in production. The actual sugar sales for the financial year was KShs. 420,298 million against the original budgeted sugar sales of KShs. 794.47 million.

Increase in interest and financial charges. During the financial year, the company accrued interest on Kenya Sugar Authority Loan and National Bank of Kenya loan amounting to KShs. 19.56 million and KShs. 11.440 million respectively. Interest on loans was not accrued in the previous financial year ended 30th June, 1994.

RESTRUCTURING

The "Restructuring Proposal", thus converting the company's outstanding long term loans, Customs and Excise Duty and the accrued interest thein to equity was submitted to the Government many years ago and follow ups have been made to the Government. The outcome is over due.

DIVIDENDS

The Directors do not recommend any payment of dividend due to losses incurred by the company.

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CANE DEVELOPMENT

During the year the company developed 464 ha. of cane in the Nucleus and 1208 ha. of cane in the Outgrowers compared to the targets of 500 ha. and 2300 has. repectively.

CANE PURCHASES

A total of 159,666.67 M/Tonnes of cane worth KShs. 249.64 million was purchased from the contracted Outgrowers with a net of KShs. 162.269 million payment after deductions for services rendered.

PERSONNEL AND TRAINING

There was good labour relations as there was no industrial unrest during the financial year. Training and manpower development of staff during the period was minimised due to lack of funds.

Based on the current liberalisation of sugar price by the Government, the Company would be able to survive, and all its operations would be economical provided the proposal of "Restructuring of Capital Base" is implemented, and external funding is available.

DIRECTORS:

The Directors who held the office during the year were:-

Mr. Tom. Ogechi	-	Chairman
Mr. Jeremiah Onyango	-	Ministry of Agriculture Livestock Development and Marketing
Mr. F. M. Chahonyo	-	Kenya Sugar Authority
Mr. K. O. Anyim	-	Treasury
Mr. Dan Ameyo	-	Attorney General's Chambers
Mr. O. P. Narang	-	Mehta Group International Ltd
Dr. B. Muruli	-	Agricultural Development Corporation
Mr. Job Siror	-	Agricultural Development Corporation

AUDITORS:

The Auditor General (Corporations) will continue in the office in acordance with Section 29(1) of the Exhequer and Audit - (Amendment) Act 1985.

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SHARE HOLDERS

	No. of shares in '000'	Percentage
Government of the Republic of Kenya	2067	74.2
UKETA	470	16.9
Development Finance Co. of Kenya	240	8.6
Others	10	0.3
	2787	100.0

CONCLUSION

The Company is facing financial crisis unless external funding is immediately available for factory rehabilitation and cane development.

ACKNOWLEDGEMENT

The Directors on behalf of members would like to thank the Managing Director and all the employees for their hard work during the difficult year and their continued commitment to the company.

DIRECTOR: .....

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SECRETARY

ADVOCATES

Robson Harris and Company, Advocates

AUDITORS

Auditor General (Corporations)

BANKERS

National Bank of Kenya Limited - Kisumu
Kenya commercial Bank Limited - Kisumu

REGISTERED OFFICE

Muhoroni Sugar Company Limited
P.O. Box 2
MUHORONI

SENIOR MANAGEMENT

Managing Director	-	Mr. J. W. Oluga
Deputy Managing Director	-	Mr. F. Ruto
Financial Controller	-	Mr. W. B. Nyundo
Factory Manager	-	Mr. M. F. Alwala
Personnel & Training Manager	-	Mr. M. A. Mulama
Agricultural Manager	-	Mr. J. K. Sawe
Agricultural Services Manager	-	Mr. A. B. Sifuna

REPORT OF THE AUDITOR-GENERAL (CORPORATIONS) ON THE ACCOUNTS OF MUHORONI SUGAR COMPANY LIMITED FOR THE YEAR ENDED 30 JUNE 1995

I have examined the accounts of Muhoroni Sugar Company for the year ended 30 June 1995 in accordance with Section 29 (2) of the Exchequer and Audit Act, (Cap 412). I have obtained all the information and explanations that I required for the purpose of the audit. Proper books of account have been kept by the company and the accounts are in agreement therewith.

Except for the matters referred to herebelow, in my opinion, the accounts when read together with the notes thereon, present a true and fair view of the financial state of affairs of the company and of its loss and source and application of funds for the year ended on that date.

1. FINANCIAL POSITION

As highlighted in my previous years' reports, the company continued to incur huge losses and during the year under review it sustained a loss of Kshs.180,588,886 (1993/94 Kshs.200,324,870) thereby bringing the accumulated losses to Kshs.1,120,222,780 as at 30 June 1995. The Balance Sheet reflects a negative working capital of Kshs.636,093,261 (1993/94 Kshs.592,753,904) the company was incapable of servicing its long term loans and accrued interest of Kshs.940,867,040 and Kshs.192,268,668 respectively. The company also depended heavily on bank overdraft facility which rose from Kshs.284,489,979 as at 30 June 1994 to Kshs.367,060,386 as at 30 June 1995 against an approved limit of Kshs.150,000,000. The overdraft attracted bank interest amounting to Kshs.101,501,352 (1993/94 Kshs.74,427,370). The company has explained that the adverse financial position is partly attributable to the five month plant closure occassioned by serious cane shortage since only 172,034 m/tonnes of cane were crushed against a target of 316,700 tonnes, producing 14,054 tonnes of sugar (1993/94 - 15,678 tonnes).

The Company's accounts have therefore been drawn on a going concern basis on the assumption that the Company will continue to receive the necessary support from the Government, its bankers and creditors.

2. LOSS OF GROSS PROFITS

Due to lack of cane caused by inadequate agricultural planning, the company continued to buy sugar cane, as in 1993/94, from non-contracted farmers at higher prices per tonne than that approved by the Government. In particular, in 1994/95 the company purchased 159,666 tonnes of cane at prices averaging Kshs.1,774.05 instead of the Government price of Kshs.1,553 per tonne thereby incurring an excess expenditure of Kshs.35,294,169. Despite the large amount of money being incurred on an uncontracted cane yearly the company has not explained why it has failed to contract or develop cane farms of its own.

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3. DEFERRED DEBTS

Deferred debts include an amount of Kshs.86,140,192 owed by farmers and relate to years between 1982 and 1992 on individual accounts which have since become dormant. This category of debtors either delivered cane partially or never supplied cane at all to the company. Some of the developed fields have since gone fallow and others have changed ownership rendering the recovery of debts very doubtful. The Company has attributed the non-recovery of the debts partly to re-zoning of plots, crop failure due to severe drought and land clashes in addition to its inability to harvest mature cane promptly.

4. OTHER DEBTORS

Included in Other Debtors figure of Kshs.21,730,470 are staff loans amounting to Kshs.4,495,057 which in turn includes Kshs.2,733,342 in respect of former employees which had not been recovered as at 30 June, 1995. Out of Kshs.2,733,342, Kshs.1,931,250 relates to the former Managing Director and Kshs.450,170 to the former Chairman. Further, the debtors also include Kshs.1,820,000 being overpayment to a supplier who was paid twice for the same transaction. As far as I am aware, no serious efforts have been made to recover the overpaid amount.

W. K. KEMEI
AUDITOR-GENERAL (CORPORATIONS)

16 October 1997.

MUHORONI SUGAR COMPANY LIMITED
BALANCE SHEET AS AT 30TH JUNE 1995

	NOTE	1995 KShs.	1994 KShs.
FIXED ASSETS	2	598,691,812	605,246,799
Capital Work in Progrss		5,661,367	5,661,367
Deferred Debts and Loans	3	213,482,326	171,150,560
Standing Crop - Forestry	4	5,358,170	5,384,478
Investment at Cost		583,180	583,180
CURRENT ASSETS			
Stocks	5	126,387,431	138,504,494
Standing Cane		36,496.235	23,555,435
Goods in Transit		1,712,949	3,217
Debtors - Trade	6	308,824	6,358,283
Debtors - Others		21,730,470	24,776,187
Cash and Bank Balances	7	55,452,392	1,380,757
		242,088,301	194,578,373
CURRENT LIABILITIES			
Creditors	8	155,814,427	188,701,271
Accruals	9	355,306,749	314,141,027
Bank Overdraft - Secured	10	367,060,386	284,489,979
		878,181,562	787,332,277
		(636,093,261)	(592,753,904)
		187,683,594	195,272,480
SHARE HOLDERS EQUITY			
Share Capital	11	55,741,920	55,741,920
Reserves	12	(808,925,366)	(628,336,480)
Total Share Holders Equity		(753,183,446)	(572,594,560)
Long Term Loans	13	940,867,040	767,867,040
		187,683,594	195,272,480

DIRECTOR ..... DIRECTOR .....

MUHORONI SUGAR COMPANY LIMITED
MANUFACTURING TRADING AND PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 30TH JUNE 1995

	1995	1994	1995	1994
	Tons	Tons	KShs.	KShs.
Sugar Sales	13,693.30	15,851.70	462,336,995	434,045,419
Less: VAT/KSA levy			42,038,572	39,848,919
			420,298,423	394,196,500
Add: Closing Stock	360.60	0.60	15,293.601	19,636
			435,592,024	394,216,136
Less: Opening Stock	0 60	141.00	19,636	11,960,220
	14,053.30	15,711.30	435,572,388	382,255,916
Less: Storage and Transport			869,030	978,989
			434,703,358	381,276,927
Molasses Sales (Net)			5,177,031	5,950,414
Other Income			714,842	1,170,828
			440,595,231	388,398,169
Less: Cost of Cane (Schedule "B")			301,657,464	292,773,641
Factory Cost Schedule "E")			157,752,460	169,954,872
General Overheads (Schedule "F")			60,125,075	70,675,825
			519,534,999	533,404,338
Trading Profit/(Loss)			(78,939,768)	(145,006,169)
Add/(Less):				
Directors Fees and Expenses			315,589	201,136
Audit Fees			300,000	300,000
Legal and Professional Fees			4,110,716	3,551,526
Interest & Financial Charges (Schedule 'G')			96,892,281	49,766,039
Profit on Disposal of Fixed Assets			(1,469,468)	-
Provision for Bad and Doubtful Debts			1,500,000	1,500,000
			101,649,118	55,318,701
PROFIT/(LOSS) FOR THE YEAR			(180,588,886)	(200,324,870)

MUHORONI SUGAR COMPANY LIMITED

PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 30TH JUNE 1995

	1995	1994
	KShs.	KShs.
Turnover	420,298,423	394,196,500
Loss for the year	180,588,886	200,324,870
After Charging:		
Auditors Renumaration	300,000	300,000
Financial Charges		
Bank Overdraft and Interest	101,501,352	74,427,370
Other Interest	33,771,897	2,025,139
Depreciation	48,354,832	45,819,754
After Crediting		
Profit on Disposal of Fixed Assets	1,469,468	-
Statement of Accumulated Losses		
Loss for the year	180,588,886	200,324,870
Accumulated Loss Brought Forward	939,633,894	739,309,024
Accumulated Loss Carried Forward	1,120,222,780	939,633,894

MUHORONI SUGAR COMPANY LIMITED
SOURCE AND APPLICATION OF FUNDS
FOR THE YEAR ENDED 30TH JUNE 1995

	1995	1994
	Kshs	KShs
Source of Funds		
Sales of Fixed Assets	1,600,000	
National Bank of Kenya)		
Kenya Sugar Authority)	173,000,000	72,800,000
Net Outlay Recoverable on Outgrowers Accounts	(42,331,766)	(62,496,904)
	132,268,234	10,303,096
Application of Funds		
From Operations:		
Net Loss	(180,588,886)	(200,324,870)
Add: Items not affecting Working Capital:		
Depreciation	48,354,832	45,819,754
Profit on Sale of Fixed Assets	(1,469,468)	-
	(133,703,522)	(154,505,116)
Purchase of Fixed Assets	41,930,377	23,387,674
Increase/Decrease in Capital Work in Progress	-	651,250
	175,633,899	178,544,040
Movement in Funds	43,365,665	(168,240,944)
Represented By:		
Increase/Decrease in Components of working Capital:		
Stocks	2,507,161	21,267,291
Debtors	(9,095,176)	5,388,330
Creditors and Accruals	(8,278,878)	(101,264,030)
Bank Overdraft	(82,570,407)	(91,124,732)
Cash and Bank Balances	54.071,635	(2,507,803)
	43,365,665	(168,240,944)

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30TH JUNE, 1995

1. ACCOUNTING POLICIES

ACCOUNTING CONVENTIONS

The Company's Financial Statements have been prepared under the historical cost convention as modified for the revaluation of freehold land, plant and machinery and permanent buildings which is incorporated in these Financial Statements.

DEPRECIATION

No depreciation is provided on freehold land or capital work in progress. Other Fixed Assets are being written off by annual instalments over their anticipated useful lives. Half the annual rate of depreciation is provided in the year of purchase of an asset while no provision is made in the year of disposal.

Depreciation has been charged on the cost or valuation of the fixed assets at the following rates.

	% P.A
Freehold land	Nil
Capital Work in progree	Nil
Buildings (Non-residential)	2
Buildings (Residential)	2
Factory Plant and Machinery	5
Motor Vehicles	25
Tractors and Trailers	20
Agricultural Implements	20
Office Machines, Fittings and Equipment	7.5
Office Furniture	7.5
Roads and Drainage	2
Household & Equipment	33.33

Maintenance, repairs and minor renewals are charged to expenses as incurred. Major renewals or improvements are captitalised. When depreciable assets are retired or otherwise disposed of, the cost and the related allowances for depreciation are removed from the accounts and the resulting gain or loss is reflected in the profit and loss account.

VALUATION OF STOCK

Stock are valued at the lower of cost (including materials and labour) and net realisable value except for sugar and molasses (which is a by-product of sugar production) which are valued at estimated realisable value.

The stock of growing cane is valued at direct cost.

TURNOVER

Turnover comprises of net invoiced sales of sugar excluding VAT (Value Added Tax) and SDF levy.

MUHORONI SUGAR COMPANY LIMITED

2. FIXED ASSETS

COST VALUATION

	AT 1/7/94	ADDITIONS	DEDUCTIONS	AT 30/6/95
	KSHS	KSHS	KSHS	KSHS.
Free Hold Land	19,946,280	-	-	19,946,280
Buildings	74,244,591	-	-	74,244,591
Plant and Machinery	670,546,775	6,941,776	-	677,488,551
Vehicles and Mobile Equipment	108,399,292	25,548,948	1,895,291	132,052,949
Furniture and Equipment	24,482,051	9,439,653	-	33,921,704
Roads and Drainage	7,118,259	-	-	7,118,259
	904,737,248	41,930,377	1,895,291	944,772,334
DEPRECIATION		Charge for the year	Reversal of Depreciation	Cumulative Depreciation
Buildings	12,263,929	1,561,526		13,825,455
Plant and Machinery	198,262,520	33,700,882		231,963,402
Vehicles and Mobile Equipment	79,537,760	10,934,285	1,764,759	88,707,286
Furniture and Equipment	8,448,038	2,034,914		10,482,952
Roads and Drainage	978,202	123,225		1,101,427
	299,490,449	48,354,832	1,764,759	346,080,522
NET BOOK VALUE				
Free Hold Land	19,946,280			19,946,280
Buildings	61,980,662			60,419,136
Plant and Machinery	472,284,255			445,525,149
Vehicles and Mobile Equipment	28,861,532			43,345,663
Furniture and Equipment	16,034,013			23,438,752
Roads and Drainage	6,140,057			6,016,832
	605,246,799			598,691,812

MUHORONI SUGAR COMPANY LIMITED

3. DEFERRED DEBTS AND LOANS

	1995	1994
	KSHS.	KShS
Outgrowers Account (net of Provision for doubtful Accounts)	213,482,326	171,150,560

The Debts and loans are made up of advances and loans to cane - Outgrowers and are to be recovered from cane Proceeds. Recoveries in most cases take more than one and a half years to be effected.

4. STANDING CROP - FORESTRY

This represents Gum trees planted in the Nucleus Estate Forestry and is valued at cost:

	1995	1994
	KSHS	KSHS
Value	5,353,170	5,384,478

MUHORONI SUGAR COMPANY LIMITED

5. STOCK

	1995	1994
	KShs.	KShs.
Stores	110,696,206	138,068,402
Sugar	15,293,601	19,636
Molasses	68,724	27,806
Unmilled Cane	-	-
Livestock	328,900	388,650
	126,387,431	138,504,494

6. TRADE DEBTORS

	1995	1994
	KShs	KShs
Agro-Chemical & Food Company	1,085,060	
Kenya National Trading Corporation	392,830	6,358,283
Homalime Company	10,686	
(Direct Sales)	(1,179,752)	
	308,824	6,358,283

7. CASH AND BANK BALANCES

	1995	1994
	KShs.	KShs.
Cash in Hand	1,024,538	1,380,757
Cash at Bank	54,427,854	
	55,452,392	1,380,757

8 CREDITORS

	1995	1994
	KShs	KShs
Trade Creditors	155,814,427	188,701,271
Cane Suppliers	43,544,044	54,448,117
	199,058,471	243,149,388

MUHORONI SUGAR COMPANY LIMITED

9. ACCRUED EXPENSES

	1995 KShs	1994 KShs.
Interest on loans	192,268,668	160,641.190
Other Accruals	163,038,081	99,051,723
	355,306,749	259,692,913

10. BANK OVERDRAFT

The bank overdraft is secured by a debenture over the entire assets of the company. The debenture is held pari - passu with the Government of Kenya to secure loans analysed in Note 13 below:-

11. SHARE CAPITAL

	1995 KSHS:	1994 KShs:
Authorised Issued and Fully paid 2787096 Ordinary Shares of KShs. 20.00 each	55,721,920	55,721,920

12. RESERVES

	CAPITAL RESERVE	ACCUMULATED LOSSES	TOTAL
	KSHS.	KSHS	KSHS
Balance at 1/7/94	311,297,414	(939,633,894)	(628,336,480)
Loss for the year ended 30th June 1995		(180,588,886)	180,588,886
	311,297,414	(1,120,222,780)	(808,925,366)

13. LOANS

	INTEREST RATE %	OUTSTANDING AT 30/6/95 KSHS:	OUTSTANDING AT 30/6/94 KSHS:
Kenya Government Loan	6	189,900,235	24,900,235
Ministry of Agriculture Loan	10.5	64,342,000	49,342,000
World Bank Loan	10.5	151,049,893	151,049,893
Stork Sugar Loan		305,574,912	305,574,912
National Bank of Kenya Loan	16.5	30,000,000	175,000,000
Kenya Sugar Authority Loan		200,000,000	62,000,000
		940,867,040	767,867,040

MUHORONI SUGAR COMPANY LIMITED

The Company had proposed to the Kenya Government to convert long term debts to equity and the Government's reponse and implementation is still being awaited as indicated in the above Notes.

No interest has been accrued on the long term loans for reasons indicated above, except Kenya Sugar Authority Loan and National Bank of Kenya Loan on which interest have been accrued.

All the above loans are secured by a debenture charging all the assets of the company held pari - passu with the National Bank of Kenya Limited.

The Stork Sugar loan has been guaranteed by the Kenya Government.

MUHORONI SUGAR COMPANY LIMITED

COST OF CANE FOR THE YEAR ENDED 30TH JUNE 1995

SCHEDULE "B"

	1995		1994	
	Tons	KShs	Tons	KShs.
NUCLEUS ESTATE				
Cane Harvested (Schedule "C)	12,367.36	17,908,393	23,158.21	26,185,155
Cost per Ton		1,448.03		1,129.73
SOCIETIES				
Cane Purchases	128,490.94	200,889,346	149,046.54	198,486,835
Agricultural Services (Schedule "D")		27,445,660		17,506,510
		228,335,006		215,993,345
Cost Per Ton		1,777.05		1,,449.16
OTHER FARMERS				
Cane Purchases	31,175.92	48,755,672	34,891.01	46,467,916
Agricultural Services (Schedule "D")		6,658,393		4,127,225
		55,414,065		50,595,141
Cost Per Ton		1,777.05		1,449.16
Total	172,034.22	301,657,464		292,773,641
Add: Opening Stock	247.87	309,087	247.27	309,087
Less: Closing Stock	-	-	-	-
	172,282.09	301,966,551	207,363.03	393,082,728
Cost per Ton		1,752.74		1,413.37

MUHORONI SUGAR COMPANY LIMITED

COST OF ESTATE CANE FOR THE YEAR ENDED 30TH JUNE 1995

SCHEDULE "C"

	1995	1994
	KShs.	KShs.
PLANTING AND CULTIVATION		
Land Preparation - Mechanical	7,221,753	4,166,604
Planting and Maintenance	12,238,466	11,938,306
	19,460,219	16,104,910
Add: Standing Cane - 1st July 1994	23,555,435	16,779,048
	43,015,654	32,883,958
Less: Standing Cane - 30th June, 1995	36,496,235	23,555,435
	6,519,419	9,328,523
Harvesting, Loading and Transport	8,057,818	13,111,965
Roads and Drainage	251,428	954,680
Depreciation	437,683	67,552
Agricultural Services Expenses (Schedule "D")	2,642,045	2,722,435
Total Cane harvested	17,908,393	26,185,155
Cane harvested - Tons	12,367.36	23,178.21
Cost Per Ton of Cane Harvested -KShs.	1,448.03	1,129.73

MUHORONI SUGAR COMPANY LIMITED

AGRICULTURAL SERVICES EXPENSES FOR THE YEAR ENDED 30TH JUNE 1995

SCHEDULE "D"

	1995	1994
OUTGROWERS	KSHS	KSHS
Salaries, Wages and Benefits	4,146,437	3,409,138
Seedcane	14,074,243	10,555,650
Contract Work - Land Preparation	915,304	-
Land Development by MUSCO Ltd to Outgrowers	4,347,665	6,575,115
Fertilizers and Weedicides	260,110	13,868,344
Planting and Weeding	4,074,399	7,643,246
Motor Vehicles	757,564	1,235,684
Depreciation	405,472	217,366
Total Outgrowers	28,981,194	43,504,543
GENERAL ADMINISTRATION		
Salaries, Wages and Benefits	2,679,379	3,158,695
Travelling	415,871	530,900
Insurance	62,442	47,431
General Services	1,849,427	2,167,678
Maintenance	1,197,895	1,349,788
Depreciation	576,187	463,303
Total General Administration	6,781,201	7,717,795

MUHORONI SUGAR COMPANY LIMITED

AGRICULTURAL SERVICES EXPENSES FOR THE YEAR ENDED 30TH JUNE 1995

SCHEDULE "D"

	1995 KSHS.	1994 KSHS.
TRACTOR OPERATIONS		
Salaries, Wages and Benefits	3,025,814	3,547,761
Fuel	3,355,016	5,301,427
Maintenance	3,772,316	2,130,940
Insurance	649,832	410,587
Depreciation	2,944,725	1,821,530
	13,747,703	13,212,245
Less: Land Development Recoveries	4,347,665	4,620,636
Total: Tractor Operations	9,400,038	8,591,609
MOTOR VEHICLES OPERATIONS		
Salaries, Wages and Benefits	465,743	700,812
Fuel	120,541	79,754
Maintenance	152,629	242,672
Depreciation	-	6,103
Total: Motor Vehicle Operations	738,913	1,029,341
GARAGE OPERATIONS		
Salaries, Wages and Benefits	6,164,757	6,119,697
Maintenance	2,082,054	1,283,184
Insurance	64,356	19,401
Depreciation	256,582	210,416
Total Garage Operations	8,567,749	7,632,698

MUHORONI SUGAR COMPANY LIMITED
AGRICULTURAL SERVICES EXPENSES FOR THE YEAR ENDED 30TH JUNE 1995

	1995	1994
	KSHS	KSHS
CANE TRANSPORT		
Salaries, Wages and Benefits	3,352,613	2,694,111
Fuel	3,544,682	4,419,597
Hire of Private Tensport (Less Winch)	(10,409,556)	(317,844)
Maintenance	4,459,976	7,348,828
Insurance	410,951	567,418
Depreciation	4,861,722	4,970,074
	6,220,388	19,952,194
IMPLEMENTS		
Maintenance	2,728,484	1,194,094
	2,728,484	1,194,094
Grand Total - Agricultural Services Operations	63,417,967	89,622,274

MUHORONI SUGAR COMPANY LIMITED

AGRICULTURAL SERVICES EXPENSES FOR THE YEAR ENDED 30TH JUNE 1995

(SCHEDULE "D")

	1995	1994
	KSHS	KSHS
GRAND TOTAL	63,417,967	89,622,274
Less: Land Preparation -		
(a) Nucleus Estate	7,221,753	4,166,604
(b) Cane Transport - Outgrowers	1,588,049	4,262,024
(e) Cane Transport - Nucleus Estate	2,609,513	4,890,602
(d) Receivable from Outgrowers	15,154,938	51,613,910
(e) Factory Works and Others	97,616	330,964
	26,671,869	65,266,104
Net Agricultural Services Expenses	36,746,098	24,356,170
Allocated as Follows:		
Nucleus Estate	2,642,045	2,722,435
Societies	27,445,660	17,506,510
Others	6,658,393	4,127,225
	36,746,098	24,356,170

MUHORONI SUGAR COMPANY LIMITED

FACTORY COST FOR THE YEAR ENDED 30TH JUNE 1995

SCHEDULE "E"

	1995	1994
	KSHS	KSHS
Slaries, Wages and Benefits	38,241,976	37,687,103
Chemical and Additives	5,269,412	9,190,596
Fuel Power and Lubricants	19,994,937	26,171,231
Plant maintenance	48,251,722	48,777,215
Depreciation	35,673,902	35,351,697
Factory packing Materials	9,240,530	10,340,842
Weighbridge	829,150	876,424
Factory Insurance	250,831	1,559,764
	157,752,460	169,954,872
Through put (Cane Crushed) - Tons	172,034.22	207,363.03
Cost per Ton - KShs	916.98	819.60
Sugar Bagged - Tons	14,053.80	15,711.30
Cost per Ton - KShs.	11,224.89	10,817.36

MUHORONI SUGAR COMPANY LIMITED

GENERAL OVERHEADS FOR THE YEAR ENDED 30TH JUNE 1995

SCHEDULE "F"

	1995	1994
	KSHS	KSHS
GENERAL ADMINISTRATION		
Salaries, Wages and Benefits	16,237,031	12,260,489
Housing Mintenance	6,240,554	7,354,804
General Office Expenses	962,531	10,659,316
Travelling and Motor Vehicles	3,573,348	4,798,602
Guest House	382,097	840,877
Depreciation	3,198,827	2,719,396
Insurance	4,473,211	2,193,868
Public Relations and Trade	2,065,485	2,186,176
	37,133,084	43,013,528
GENERAL SERVICES		
Stores Expenses	1,598,303	2,408,941
Medical Expenses	4,236,570	6,979,702
Upkeep of Grounds	683,061	606,181
Personnel and Welfare	6,213,474	9,729,086
Security Expenses	8,632,854	6,168,472
School and Kindergarten	1,627,729	1,769,915
	22,991,991	27,662,297
Total Overheads	60,125,075	70,675,825
Cost per Ton Cane Crushed	349.49	340.83
Cost per Ton Sugar Bagged	4,278.20	4,498.40

MUHORONI SUGAR COMPANY LIMITED

FINANCIAL CHARGES FOR THE YEAR ENDED 30TH JUNE , 1995

SCHEDULE "G"

	1995	1994
	KSHS	KSHS
Interest on Overdraft (NBK)	101,501,352	74,427,370
Interest on Loan (NBK) and (KSA)	31,005,438	1,278,819
Bank charges and Commission	1,082,183	746,320
Others	1,684,276	-
	135,273,249	76,452,509
Less: Receivables:-		
Outgrowers Loan Interest	38,380,968	26,686,470
	38,380,968	26,686,470
	96,892,281	49,766,039
Cost per Ton of Cane Crushed	563.21	240.00
Cost Per Ton Sugar Bagged	6,894.38	3,167.53