

Library

PAPERED LARD	No.
Speaker N.A.	Clerk Asst. IV
Clerk N.A.	Clerk Asst. III
Clerk Asst. I	Clerk Asst. II
Clerk Asst. II	Clerk Asst. I
Clerk Asst. III	Clerk Asst. IV

Sisal Board of Kenya

**ANNUAL REPORT 1987
AND
ANNUAL AUDITED ACCOUNTS:
1986/87 FINANCIAL YEAR**

657.45
SBK



PARLIAMENT
OF KENYA
LIBRARY

KENYA NATIONAL ASSEMBLY LIBRARY

Accession: 10012484

Call No: 657.455BK





SISAL BOARD OF KENYA

BOARD MEMBERSHIP - 1987

- CHAIRMEN** - Lucas K. Ngunjiri (Jan. - Feb., 1987)
- MEMBERS** - A.R.H. Abass (Feb. 1987 - May , 1988)
Hon. James Mbori, M.P.
Joseph Wathua Kigwe
Constantine G. Emmanuel
Anthony George Combos
David Mulama
Permanent Secretary, Ministry of Agriculture
Director of Agriculture
- CHIEF EXECUTIVE**
(Secretary to
to the Board) - Eustace G. Karanja
- REGISTERED HEAD OFFICE** - Old Mutual Building, Kimathi Street,
P.O. Box 41179, NAIROBI.
- INSPECTORATE** - Kenya Sisal Board Inspectorate, Mozambique Road,
P.O. Box 81764, MOMBASA.

REVIEW OF THE SISAL INDUSTRY - JANUARY TO DECEMBER, 1987

(a) Sisal Fibre Production

Production of Sisal, of all grades, in 1987 totalled 37,024 metric tons: showing a drop of 10.8 percent as compared with the level of production in 1986. The highest monthly production figure was recorded in July - 3,406 metric tons. And the lowest monthly production figure was for the month of April - 2,688 metric tons. The year in particular recorded a sharply declining trend in the production of U.H.D.S. (the small-holder farmer produced hand decorticated unwashed sisal).

Production figures for the two successive years (1986 and 1987) by provinces were:-

Province	Production - 1986 (metric tons)	Production - 1987 (metric tons)
Coast	14,973	13,923
Rift Valley	15,777	13,730
Central	4,653	5,132
Eastern	3,543	3,253
Nyanza	2,561	986
	<u>41,507</u>	<u>37,024</u>
	-----	-----

(b) Sisal Fibre Marketing

During the year 1987, Kenya's exports of sisal fibre and tow totalled 28,493 metric tons. Foreign exchange earned from the sale of the fibre overseas amounted to the equivalent of Ksh. 200,048,211.

The amount of sisal fibre and tow consumed in local manufactures rose from 7,199 metric tons (valued at Ksh. 43,225,081) in 1986 to 9,963 tons (valued at Ksh. 60,074,408) for 1987. The bulk of local manufactures consisted of grain and coffee bags; ropes and twines. Two new factories - Teita estate, Ropeworks Division and Majani Mingi Sisal Estate Spinning Factory - came into operation in addition to Messrs. East African Bag & Cordage Company Limited.

SISAL BOARD OF KENYA

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 30TH JUNE 1987

1. ACCOUNTING POLICIES

(a) The Board prepares the accounts on the historical basis of accounting.

(b) DEPRECIATION

Depreciation is calculated to write-off the cost of the assets on the reducing balance method at the following rates:-

Godowns	3%
Godown equipment	10%
Inspectorate Plant equipment.	10%
Motor vehicles	25%
Office, furniture & fittings.	10%

(c) CESS INCOME

Cess Income is calculated on sisal production. Cess is calculated at the rate of Kshs. 30 per ton.

(d) Stocks are shown at cost.

SISAL BOARD OF KENYA

2. FIXED ASSET SCHEDULE

	Godowns K£	Godown Furniture & Fittings K£	Motor Vehicle K£	Head-Office Furniture & Fittings K£	A.S.K. Stand K£	Total K£
Cost						
At 30/6/86	176,144	16,977	22,240	12,700	7,345	235,406
Additions	35,175	393	15,095	1,917	-	52,580
Disposals	-	-	(6,500)	-	-	(6,500)
30/6/87	<u>211,319</u>	<u>17,370</u>	<u>30,835</u>	<u>14,617</u>	<u>7,345</u>	<u>281,486</u>
DEPRECIATION						
30/6/86	80,871	14,099	11,590	4,113	1,515	112,188
Accumulated Dep. on disposal	-	-	(6,225)	-	-	(6,225)
Charge for year	3,913	328	6,367	1,051	74	11,733
At 30/6/87	<u>84,784</u>	<u>14,427</u>	<u>11,732</u>	<u>5,164</u>	<u>1,589</u>	<u>117,696</u>
NET BOOK VALUE						
At 30/6/87	126,535	2,943	19,103	9,453	5,756	163,790
At 30/6/86	95,273	2,878	10,650	8,587	5,830	123,218

3. DEBTORS

Included in debtors is a car loan to the former Deputy Chief Executive bearing an interest of 8%.

4. GENERAL FUND	1986/87	1985/86
At 30th June	154,522	179,462
Transfer from Income & Expenditure	(17,005)	(24,940)
Prior-year adjustment	2,000	
Suspense A/C	3,937	
	<u>143,454</u>	<u>154,522</u>

5. CESS ON PRODUCTION

	1986/87 K£	1985/86 K£
64895 tonnes at shs 30 per ton.	-----	97,342
38695 tonnes at shs 30 per ton.	<u>58,043</u>	-----
	58,043	97,342
	-----	-----
	-----	-----

**REPORT OF THE AUDITOR-GENERAL (CORPORATIONS) ON THE
ACCOUNTS OF THE KENYA SISAL BOARD FOR THE YEAR ENDED
30TH JUNE, 1987**

I have examined the Balance Sheet and the Income and Expenditure Account of the Kenya Sisal Board in accordance with the provisions of Section 10 (1) of the Sisal Industry Act, (Cap 341) as amended by the Exchequer and Audit (Amendment) Act, 1985. I have obtained all the information and explanations that I have required for the purpose of the audit. Proper books of account have been kept and the accounts are in agreement therewith.

The Board's Trial Balance as at 30th June, 1987 did not balance and showed a credit balance difference of K£3,937. Accordingly, the Balance Sheet as at that date was only balanced through a Suspense Account in the amount of K£3,937. The Board has not been able to identify the nature of the difference or explain what it represents and under the circumstances, I am unable to confirm the effect, if any, that the Trial Balance difference may have on the accuracy of the board's accounts for the year 1986/87.

Except for the above reservation, in my opinion, the Balance Sheet and the Income and expenditure Account, when read together with the notes thereon, give a true and fair view of the state of affairs of the Board as at 30th June, 1987 and of its excess expenditure for the year ended on that date.

A.J. OKOTH
AUDITOR -GENERAL (CORPORATIONS)

13th May, 1988

BALANCE SHEET

30TH JUNE 1987	Notes	1986/87 K£	1985/86 K£
FIXED ASSETS	2	163,790	123,218
CURRENT ASSETS			
Stock		333	801
Debtors		33,659	27,327
Deposits		-	25,000
Bank & Cash		7,748	9,408
		<u>41,740</u>	<u>62,536</u>
CURRENT LIABILITIES			
Creditors		62,076	31,232
Net Current Assets		<u>(20,336)</u>	<u>31,304</u>
		<u>143,454</u>	<u>154,522</u>
Finance by: -			
GENERAL FUND		<u>143,454</u>	<u>154,522</u>

Signed.

A.R.H. ABASS - CHAIRMAN

E.G. KARANJA - CHIEF EXECUTIVE

SISAL BOARD OF KENYA

INCOME AND EXPENDITURE ACCOUNT FOR THE YEAR ENDED 30TH JUNE 1987

	Notes	1986/87 K£	1985/86 K£
INCOME			
Cess on Production	1 & 5	58,043	97,342
Sundry Credit		5,401	2,944
Fixed Deposit interest receivable		625	10,250
Rent receivable		68,990	87,953
		<u>133,059</u>	<u>198,489</u>
EXPENDITURE			
Storage and Inspectorate			
Expenses	7 & 8		58,992
Administration and general expenses.	7 & 8	-	160,951
Conference expenses		451	3,486
Administration and Storage expenses.	7 & 8	149,613	-
		<u>150,064</u>	<u>223,429</u>
TRANSFERED TO GENERAL FUND			
		(17,005)	(24,940)

During the year, Kenya's sisal fibre was exported to thirty two countries. The most notable were U.S.S.R., United Kingdom, Japan, Spain, South Korea, Ivory Coast, and Belgium.

(c) **Sisal Board Operations**

The Board's four godowns at Mombasa continued to be leased to licensed marketing agents of the Board. And the Board's sisal inspectorate section conducted strict inspection of sisal fibre destined for export markets throughout the year.

In spite of a worsening financial situation, the Board completed re-roofing of godowns No. 1 and No. 3. Plans were also put underway to re-roof godown No. 2.

Unfortunately the deteriorating cash-flow problems resulted in the Board failing to begin implementation of the proposed small-scale sisal rehabilitation and the research centre projects. The Board in fact incurred an operating deficit of over K£17,000 during the 1986/87 financial year.

The Board consequently renewed recommendations to the Minister for Agriculture with a view to raising additional revenue and reviving essential field operations.

E.G. KARANJA
Chief Executive

SISAL BOARD OF KENYA

ACCOUNTS FOR THE YEAR ENDED 30TH JUNE 1987

CONTENTS	PAGES
Balance Sheet	2
Income and Expenditure account	3
Notes to Accounts	4 - 7

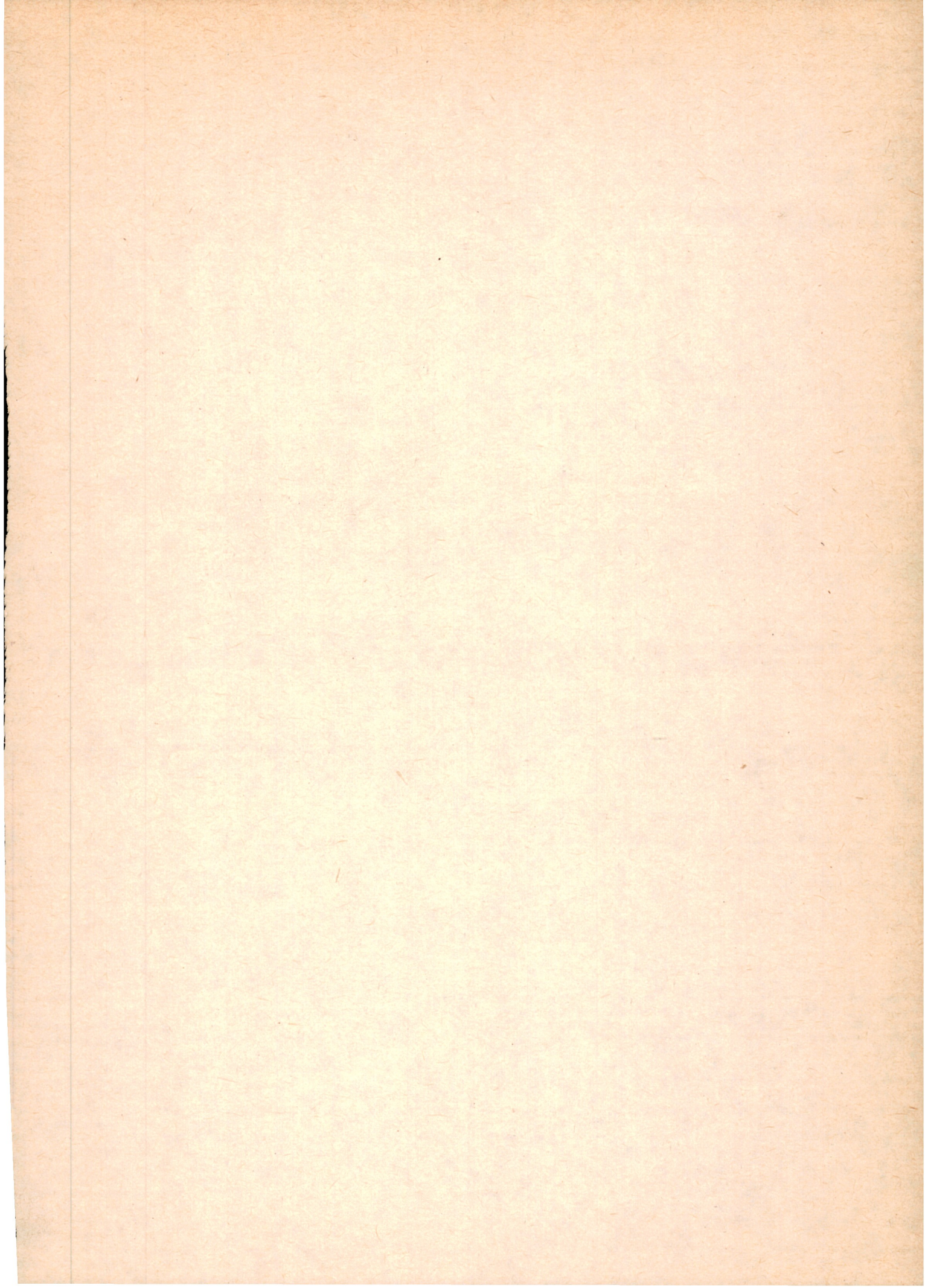
SISAL BOARD OF KENYA

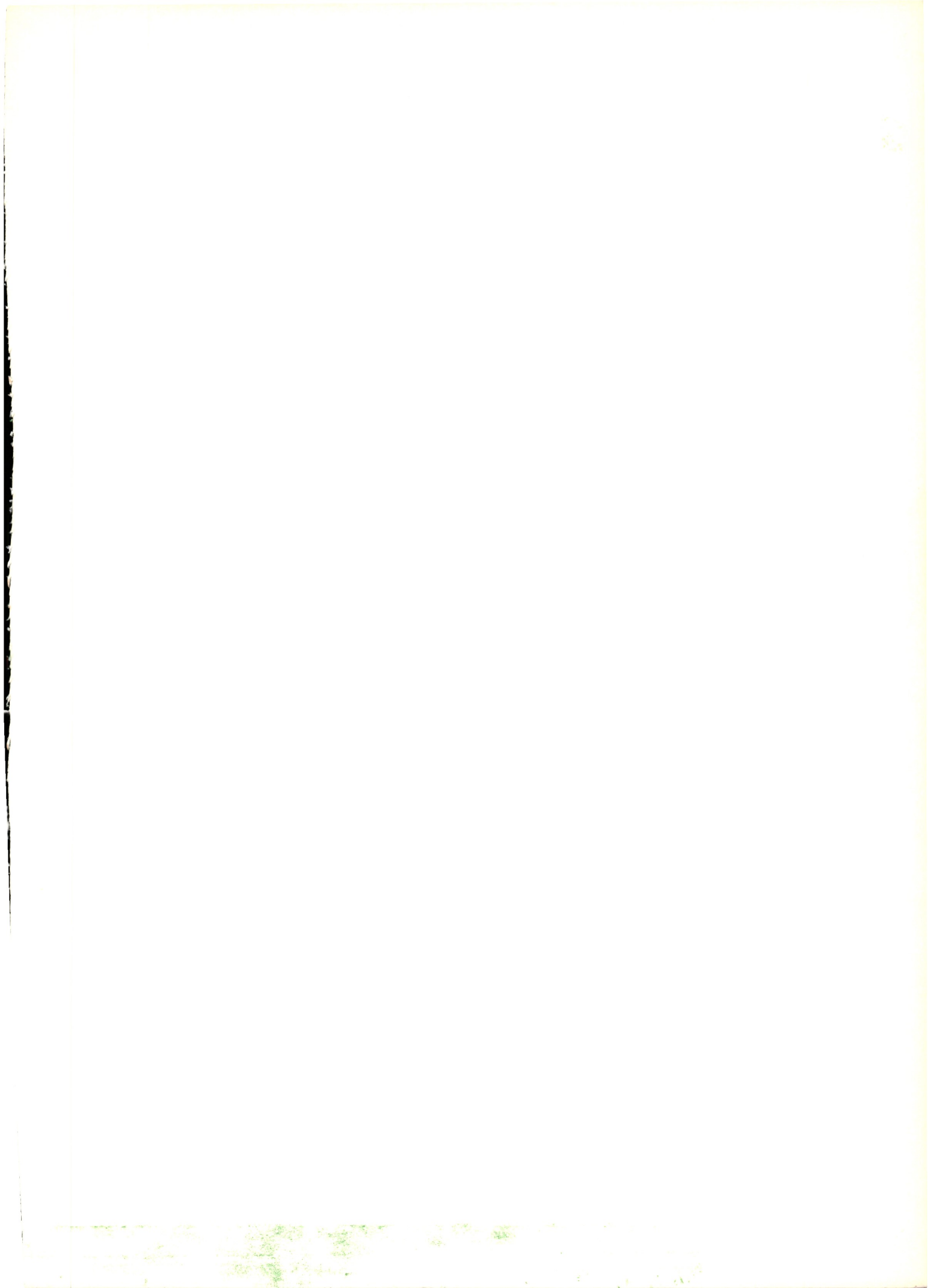
ADMINISTRATION AND INSPECTORATE EXPENSES

	1986/87	1985/86.
	K£	(18 months) K£
Electricity	351	447
Water and Security	491	334
Office rent	7,456	9,903
Exhibitions and fairs	1,877	1,766
Newspapers and Publications	699	752
Entertainments	734	2,840
Accommodation & Travelling	4,118	5,168
Bank charges	214	233
Conference expenses	451	3,487
Repairs & A.S.K. Stand	798	907
Office equipment maintenance	1,338	943
Repairs & Office premises	780	1,185
Medical expenses	1,910	1,920
Insurances	6,034	11,031
Salaries and wages	50,342	64,451
Members fee	3,790	6,448
Printing & Stationery	4,727	5,211
Postages, Telephones	7,484	6,974
Rates	5,472	8,208
Subscriptions	95	193
Sundry expenses	1,069	1,361
Motor vehicles expenses- depreciation	6,367	5,578
" " " running	5,018	8,210
Mileage claims	-	18
Chairman's Honoraria & Allowances	5,228	6,411
Advertising	4,980	5,680
Legal expenses	1,036	130
Travelling Imprest	300	2,468
	<u>123,059</u>	<u>162,257</u>
	-----	-----

SISAL BOARD OF KENYA

	1986/87	1985/86 (18 months)
	K£	K£
Balance B/F	123,059	162,257
Furniture & Fittings maintenance	-	200
Gratuity Retirement benefits	2,045	2,419
R.B.S. Contribution	2,130	7,137
Accounting services	-	450
Audit fees	750	750
Secretarial services	-	264
Car loan interest w/o	-	539
Donations	634	300
Loan Interest	1,528	-
Land rent	773	1,473
Baling machine oil	208	194
Baling materials	1,531	5,397
Transport	1,222	2,063
Repairs & Maintenance - Godown prem.	9,201	29,982
Godown equipment maintenance,	601	-
Staff welfare	192	2,678
N.S.S.F.	824	1,798
<u>Depreciation</u>		
Godowns	3,913	3,463
Equipment Furniture & fittings	168	262
Tools & Equipment	29	39
Baling press	131	222
Stand Premium	74	111
Head Office, Furniture & fittings	1,051	1,352
	<u>150,064</u>	<u>223,429</u>
	-----	-----





[Faint, illegible text, possibly bleed-through from the reverse side of the page]

[Faint, illegible text, possibly bleed-through from the reverse side of the page]



SISAL BOARD OF KENYA