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withdrawn from the privatisation account to finance commercial loans and for general use in the Corporation respectively contrary to existing financial regulations. Further in the report for the year 2000/2001, concern was expressed over four fixed deposit receipts totalling Kshs.105,259,553 held at Daima and Euro Banks whose fate were unknown since they were held on behalf of the Corporation by a former Managing Director who did not disclose their existence to the Corporation's finance department or to the auditors of Kenya National Audit Office. Details received from Daima Bank after the Managing Director was sent on compulsory leave revealed that a total of Kshs.38,000,000 was withdrawn on 17 April 2001 and 15 June 2001 to finance commercial loans to Garden Hotel Co. Ltd in Machakos and Church Road Development Co. Ltd. These loans together with accumulated interest thereon were not reflected in Corporation's books of account for 2000/2001. Although the two loans amounting to Kshs.38,000,000 and interest totalling Kshs.10,107,616 have been reflected in the financial statements for 2001/2002, the loanees had not serviced the principal loan and the accrued interest as at 30 June 2002. It is not clear under what circumstances the Corporation loaned the money and the chance of their recovery appear slim. The Post Balance Sheet events indicate that the Euro Bank where the Corporation held fixed deposits totalling Kshs.61,692,978 is under receivership. The Corporation therefore stands a high risk of losing the fixed deposits. Under the foregoing circumstances it has not been possible to confirm the recoverability of the total fixed deposits of Kshs.313,417,584 held by the Corporation as at 30 June 2002.

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Opinion

Except for the reservation set out in the foregoing paragraph, in my opinion, the financial statements when read together with the notes thereon present fairly the state of affairs of the Corporation as at 30 June 2002.



E. N. MWAI
CONTROLLER AND AUDITOR GENERAL

Nairobi.

29 April 2005

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KENYA TOURIST DEVELOPMENT CORPORATION

BALANCE SHEET AS AT 30 JUNE 2002

	Note	2002 KShs	2001 KShs
ASSETS			
Non-Current Assets			
Property, Plant and Equipment	2	67,860,607	69,195,084
Investments and Loans	3 (a)	749,913,560	690,992,598
		<u>817,774,167</u>	<u>760,187,682</u>
Current Assets			
Debtors and Prepayments	4	116,551,258	74,080,992
Cash and Cash Equivalents	5	321,986,328	380,906,840
		<u>438,537,586</u>	<u>454,987,832</u>
TOTAL ASSETS		<u><u>1,256,311,753</u></u>	<u><u>1,215,175,514</u></u>
EQUITY AND LIABILITIES			
Capital and Reserves			
Equity Funds		106,000,000	106,000,000
Pre-Investment Studies Grant		281,212	281,212
General Fund	6	718,017,534	840,777,711
Restructuring Reserve	7	88,580,842	88,580,842
		<u>912,879,588</u>	<u>1,035,639,765</u>
Non-Current Liabilities			
Irredeemable GOK Revolving Funds Loan		48,000,000	48,000,000
Irredeemable Long Term Loan	3 (b)	714,274	714,274
Redeemable Long Term Loan	8 (a)	5,900,335	7,743,672
Employees Benefits Provision		19,121,475	18,764,121
		<u>73,736,084</u>	<u>75,222,067</u>
Current Liabilities			
Current Maturity For Long Term Loans	8 (c)	1,843,337	1,781,616
Creditors and Provisions	9	252,757,306	75,749,493
Corporation Tax		1,668,417	11,220,541
Bank Overdraft		13,427,021	15,562,032
		<u>269,696,081</u>	<u>104,313,682</u>
TOTAL EQUITY AND LIABILITIES		<u><u>1,256,311,753</u></u>	<u><u>1,215,175,514</u></u>

R. M. MAINA CHAIRMAN

DATE 3/5/04

M. P. NZOKA MANAGING DIRECTOR

DATE 3/5/04

KENYA TOURIST DEVELOPMENT CORPORATION

INCOME AND EXPENDITURE STATEMENT FOR THE YEAR ENDED 30 JUNE 2002

	Note	2002 KShs	2001 KShs
INCOME			
Interest From Commercial Fund Loans		17,964,822	5,877,806
Rental Income		85,211,837	80,204,731
Revolving Fund Loans Interest		38,933,530	32,318,714
Dividend Income	10	-	2,885,144
Bank Deposit Interest Income		28,997,474	39,689,299
Other Income		619,820	571,284
TOTAL OPERATING INCOME BEFORE EXPENSES		171,727,483	161,546,978
EXPENSES			
Personnel Costs		49,445,605	52,569,434
Directors' Emoluments and Expenses		1,384,229	2,143,396
Entertainment		1,105,252	750,025
Travelling Costs		8,323,825	8,159,584
Motor Vehicle Expenses		2,814,699	2,576,548
Depreciation		4,653,138	4,887,900
Office Expenses	11	9,194,060	7,738,623
P.M Communications(Ministry of Tourism & Information)		-	15,455,200
Property Maintenance & Security		4,684,734	5,367,446
Lifts Maintenance		1,541,100	1,509,791
Electricity		8,122,996	10,021,545
Water & Conservancy		881,941	748,464
Interest on Loans		4,388,604	5,675,878
Auditors Remuneration		350,000	250,000
Legal & Consultancy Fees		71,013	1,414,857
Bank Charges		261,055	188,701
Interest on Bank Overdraft		2,409,923	1,876,574
Msafiri Inns Expenses	12	311,877	898,553
Rent and Rates		1,053,069	1,000,559
Valuation Fees		56,342	104,400
TOTAL EXPENSES ON ORDINARY ACTIVITIES		101,053,462	123,337,478
Surplus/(Deficit) From Ordinary Activities		70,674,021	38,209,500
Less:			
Bad Debts Written Off	13	31,891,834	-
Bad Debts Provision	14	161,814,411	-
		193,706,245	-
Surplus/(Deficit) For The Year Before Taxation		(123,032,224)	38,209,500
Less: Provision for Tax		-	11,462,850
Net Income/(Loss) Before Exceptional Item		(123,032,224)	26,746,650
Exceptional Item	15	272,047	77,173
RETAINED EARNINGS/(LOSS) FOR THE YEAR		(122,760,177)	26,823,823

KENYA TOURIST DEVELOPMENT CORPORATION

CASH FLOW STATEMENT FOR THE YEAR ENDED 30 JUNE 2002

	Note	2002 <u>KShs</u>	2001 <u>KShs</u>
<u>Cash Flows From Operating Activities</u>			
Surplus/(Deficit) for the year before Taxation and Exceptional Item		(123,032,224)	38,209,500
Adjustments:			
Depreciation		4,653,138	4,887,900
Gain/(Loss) on Disposal of Fixed Assets		272,047	77,173
Net increase/(Decrease) in Employees Benefits Provision		357,354	18,764,121
Adjustment on Cost of Fixed Assets		-	84,963
Revolving Loan Balance Expensed		-	1,455,611
Bad Debts Written Off		31,891,834	-
Prior Period Adjustment		-	(17,293,597)
Interest Expense	16	6,798,527	7,552,452
Investment or Dividend Income		-	(2,885,144)
Interest From Bank Deposits		(28,997,474)	(39,689,299)
Operating Surplus/(Deficit) before working Capital changes		(108,056,798)	11,163,680
(Increase)/Decrease in Debtors		(42,470,266)	42,879,199
Increase/(Decrease) in Creditors		177,007,813	(13,161,345)
Cash generated from Operations		26,480,749	40,881,534
Corporation & Withholding Taxes Paid		(9,552,124)	(122,209,523)
Exceptional Item		(272,047)	(77,173)
Revolving & Commercial Loans Interests' Capitalised		(47,685,727)	(27,343,539)
Net Cash Inflow/(Outflow) From Operating Activities		(31,029,149)	(108,748,701)
<u>Cash Flows From Investing Activities:</u>			
Interest from Bank Deposits		28,997,474	39,689,299
Dividends Received		-	2,885,144
Purchase of Fixed Assets		(705,860)	(951,300)
Purchase of Investments		(100,000)	(4,615,890)
Capital Work In Progress		(2,639,496)	(455,763)
Sale of Fixed Assets		298,742	171,450
Loans Disbursed		(53,257,400)	(5,116,630)
Loans Recovered		10,230,331	4,013,648
Net Cash Inflow/(Outflow) From Investing Activities		(17,176,209)	35,619,958

KENYA TOURIST DEVELOPMENT CORPORATION

CASH FLOW STATEMENT FOR THE YEAR ENDED 30 JUNE 2002 - Continuation.

	Note	2002 <u>KShs</u>	2001 <u>KShs</u>
<u>Cash Flows From Financing Activities:</u>			
Interest Expense Paid		(6,798,527)	(7,552,452)
Loans Repaid		(1,781,616)	(44,621,277)
Net Cash Inflow/(Outflow) From Financing Activities		<u>(8,580,143)</u>	<u>(52,173,729)</u>
Net Increase/ (Decrease) in Cash and Cash Equivalents		(56,785,501)	(125,302,472)
Cash & Cash Equivalents at beginning of the period		365,344,808	490,647,280
Cash & Cash Equivalents at end of the Period	5	<u>308,559,307</u>	<u>365,344,808</u>

NOTE: Cash & Cash Equivalents are reconciled below

Cash at Bank & in Hand	8,568,744	452,553
Bank Overdraft	(13,427,021)	(15,562,032)
Fixed Deposits	313,417,584	380,454,287
Cash & Cash Equivalents at end of the period	<u>308,559,307</u>	<u>365,344,808</u>

KENYA TOURIST DEVELOPMENT CORPORATION

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 30 JUNE 2002

1. ACCOUNTING POLICIES

The principal accounting policies adopted in the preparation of these financial statements are set out below:

a) BASIS OF ACCOUNTING

The accounts have been prepared under the historical cost convention and in accordance with the Kenya Tourist Development Corporation Act and the February 1991 Investment Guidelines issued by the Treasury through the parent Ministry of Tourism and Information.

The financial statements have been prepared in accordance to and in compliance with International Accounting Standards.

b) ACCOUNTING FOR SUBSIDIARY AND ASSOCIATED COMPANIES

Financial statements of subsidiary and associated companies have not been consolidated in the accounts. However, the corporation's investments in these companies are shown at cost in accordance with Treasury's Investment Guidelines.

c) CLASSIFICATION OF FUNDS

The Corporation's financing has been classified in accordance with the February 1991 Investment Guidelines as follows:

i) Equity:

Irredeemable funds supplied by the Government to purchase equity interest in tourism related companies.

ii) Commercial Loan:

Funds provided by the Government to lend on a commercial basis to tourism related companies and to be repaid to the Government over a period of fifteen years from January 1991. The Loan was fully repaid in the year 2000/2001.

iii) Revolving Fund:

This fund was set up by the Government for the corporation to manage and provide loan finance to assist Kenyans to become established in the tourism industry.

d) ACCOUNTING FOR FEASIBILITY STUDIES GRANT

The Corporation was granted funds by the Government to carry out feasibility studies. Payments made or to be made on completed feasibility studies are charged fully against this fund at the time of payment or completion of the study, whichever is earlier.

e) PROVISION FOR DOUBTFUL DEBTS

The corporation is responsible for bad debts incurred in both Commercial and Revolving Fund Programmes in accordance with the February 1991 Investment Guidelines.

KENYA TOURIST DEVELOPMENT CORPORATION

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 30 JUNE 2002

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KENYA TOURIST DEVELOPMENT CORPORATION

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 30 JUNE 2002

f) DEPRECIATION OF FIXED ASSETS

Depreciation is calculated on a straight line basis over the estimated useful lives of the assets concerned. The annual rates are:

Land	NIL
Buildings	2.5 %
Furniture & Fittings	12.5 %
Electronic Equipment	30.0%
Motor Vehicles	25.0 %

A full depreciation is provided for during the year of acquisition but no depreciation is provided for during the year of disposal.

g) INCOME

Income is accounted for on the following basis:

i) Interest:

This consists of amount received and accrued up to 30 June 2002.

ii) Loan Interest Income:

Interest receivable in respect of administering the commercial and Revolving Funds in accordance with the Investments Guidelines.

iii) Rental Income:

Rent is accounted for on an accrual basis.

iv) Other Income:

Major items include Personnel loans' interest, interest from Loan given to USICO Ltd to acquire Shares in The Ark Ltd, Loans appraisal fees and Proceeds from Supply Tender applications during the year.

KENYA TOURIST DEVELOPMENT CORPORATION

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 30 JUNE 2002

2. PROPERTY, PLANT AND EQUIPMENT SCHEDULE FOR THE YEAR ENDED 30 JUNE 2002

FIXED ASSETS	Land and Buildings KShs	Furniture and Equipment KShs	Cutlery and Holloware KShs	Motor Vehicles KShs	Total KShs
Cost or Valuation					
01 July 2001	89,511,916	16,484,660	146,379	13,550,340	119,693,295
Additions for the year	-	705,860	-	-	705,860
Disposal during the year	-	-	(26,695)	(441,000)	(467,695)
As at 30 June 2002	89,511,916	17,190,520	119,684	13,109,340	119,931,460
Depreciation					
01 July 2001	35,379,577	14,205,999	-	11,535,487	61,121,063
Charge for the year	1,841,831	1,210,833	-	1,600,474	4,653,138
Elimination on disposals	-	-	-	(441,000)	(441,000)
As at 30 June 2002	37,221,408	15,416,832	-	12,694,961	65,333,201
Net Book Value					
30 June 2002	52,290,508	1,773,688	119,684	414,379	54,598,259
Capital Work In Progress	13,262,348	-	-	-	13,262,348
Balances on 30 June 2002	65,552,856	1,773,688	119,684	414,379	67,860,607
30 June 2001	54,132,339	2,278,661	146,379	2,014,853	58,572,232
Capital Work In Progress	10,622,852	-	-	-	10,622,852
Balances on 30 June 2001	64,755,191	2,278,661	146,379	2,014,853	69,195,084

a) No depreciation is provided for Cutlery and Holloware since none of the items have been put into use.

b) Capital work in progress refer to Architects, structural design & Consultancy fees incurred so far as regards the proposed construction of Utalii House's 12th Floor.

KENYA TOURIST DEVELOPMENT CORPORATION

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 30 JUNE 2002

3 (a). INVESTMENTS & LOANS SCHEDULE AS AT 30 JUNE 2002

Project	% Held KShs	Equity KShs	Principal		2,001 KShs
			Loan KShs	2002 KShs	
(i) Subsidiaries					
Zimmerman (1973)Ltd	51.00	1,071,000	-	1,071,000	1,071,000
Meru Mulika Lodge Ltd	91.70	5,653,740	9,570,810	15,224,550	14,753,610
Kenya Safari Lodges & Hotels Ltd	63.40	6,407,553	60,552,936	66,960,489	70,674,749
Bomas of Kenya Ltd	100.00	5,080,000	11,058,239	16,138,239	16,138,239
Mt.Elgon Lodge Ltd	72.90	1,345,780	1,596,371	2,942,151	2,942,151
Sunset Hotel Ltd	95.40	11,450,000	-	11,450,000	11,450,000
KTDC Utalii Investments Ltd	100.00	2,000,000	-	2,000,000	2,000,000
Kabarnet Hotel Ltd	98.20	5,432,120	16,086,000	21,518,120	21,518,120
Kakamega Hotel Ltd	80.00	4,000,000	9,762,823	13,762,823	13,762,823
African Tours & Hotels Ltd	52.60	4,691,900	6,148,983	10,840,883	10,840,883
Subtotals		47,132,093	114,776,162	161,908,255	165,151,575
(ii) Associates					
Mountain Lodges Ltd	39.70	2,893,520	-	2,893,520	2,893,520
International Hotel (K) Ltd	33.10	119,574,692	-	119,574,692	119,574,692
Kenya Hotel Properties Ltd	33.80	114,189,360	-	114,189,360	114,189,360
Buffalo Springs Ltd	41.00	1,000,000	4,944,310	5,944,310	5,944,310
Subtotals		237,657,572	4,944,310	242,601,882	242,601,882
(iii) Others					
Marsabit Lodge Ltd	-	-	1,470,035	1,470,035	1,470,035
Maralal Safari Lodge Ltd	15.50	802,000	-	802,000	802,000
Mombasa Island Hotel Ltd	-	6,180,471	-	6,180,471	6,180,471
Solar Hotel Ltd	-	-	400,082	400,082	400,082
Kitale Hotel Ltd	-	1,992,756	-	1,992,756	1,892,756
African Tours & Hotels Preference Shares	-	29,100	-	29,100	29,100
Watalii Street Project	-	38,659,077	-	38,659,077	38,659,077
Kithyululu Farm Ltd	-	-	19,324,896	19,324,896	19,323,896
Garden Hotel Co. Ltd-Machakos	-	-	20,152,502	20,152,502	1,652,502
Church Road Development Co. Ltd	-	-	28,000,000	28,000,000	-
Subtotals		47,663,404	69,347,515	117,010,919	70,409,919
Grand Totals		332,453,069	189,067,987	521,521,056	478,163,376
Revolving Fund Principal Loan				69,489,493	73,410,287
Revolving Fund Interest Arrears				134,384,418	128,715,444
Commercial Fund Interest Arrears				24,518,593	10,703,491
TOTAL INVESTMENTS AND LOANS				749,913,560	690,992,598

(b) ZIMMERMAN (1973) LTD.

The Corporation has an equity Investment of Kshs 1,071,000 in this Company which ceased operation in 1978. An Irredeemable loan of Kshs 714,274 received from the Company together with the corporation's equity Contribution have both been reflected in the accounts.

KENYA TOURIST DEVELOPMENT CORPORATION

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 30 JUNE 2002

4. DEBTORS AND PREPAYMENTS

	2002 <u>KShs</u>	2001 <u>KShs</u>
These Comprise:		
Debtors	98,429,009	73,872,616
Deposit and Prepayments	18,122,249	208,376
	<u>116,551,258</u>	<u>74,080,992</u>

5. CASH AND CASH EQUIVALENTS

These are:

Cash at Bank and in Hand	8,568,744	452,553
Fixed Deposits	313,417,584	380,454,287
	<u>321,986,328</u>	<u>380,906,840</u>

For the purpose of Cash Flow Statement, the year end Cash and Cash equivalents shown above have been offset and reduced by Bank Overdraft.

The Corporation holds at book value a Fixed Deposit investment of KSh. 51,669,761 with the collapsed Euro Bank Ltd. (in liquidation).

As at the time of finalizing these accounts, the value of the investment including interest was KShs. 61,692,978 but the Bank had already collapsed. For prudent purposes, this Fixed Deposit has been stated and reflected in the accounts at book value.

6. GENERAL FUND

This Comprises:

a) GENERAL FUND CAPITALIZED

Invested in equity portfolio	4,741,000	4,741,000
Invested in commercial advances	2,000,000	2,000,000
	6,741,000	6,741,000
Surplus on revaluation	13,765,020	13,765,020
	<u>20,506,020</u>	<u>20,506,020</u>

b) RETAINED EARNINGS

Balance brought forward		
As previously stated	820,271,691	822,076,030
i) Prior Period Adjustment	-	(17,293,597)
ii) Prior Period Tax Adjustment	-	(11,334,565)
As Restated	820,271,691	793,447,868
Retained Earnings/(Loss) for the year	(122,760,177)	26,823,823
Retained Earnings/(Loss) Carried Forward	<u>697,511,514</u>	<u>820,271,691</u>
TOTAL GENERAL FUND	<u>718,017,534</u>	<u>840,777,711</u>

KENYA TOURIST DEVELOPMENT CORPORATION

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 30 JUNE 2002

	2002 <u>KShs</u>	2001 <u>KShs</u>
7. RESTRUCTURING RESERVE		
Revolving Fund Programme	27,005,775	27,005,775
Commercial Fund Programme	109,315,303	109,315,303
	<u>136,321,078</u>	<u>136,321,078</u>
Less: Deferred Loans' Interests	(47,740,236)	(47,740,236)
	<u>88,580,842</u>	<u>88,580,842</u>

8. LONG TERM LOANS

a) These loans comprise:

Catering Levy Trustees (CLT)	7,743,672	9,525,288
Government of Kenya (GOK) Commercial Loan	-	24,525,533
	<u>7,743,672</u>	<u>34,050,821</u>
Less: GOK Long Term Loan repaid	-	(24,525,533)
Current Maturity for the next year	(1,843,337)	(1,781,616)
	<u>5,900,335</u>	<u>7,743,672</u>

b) The loan due to Catering Levy Trustees was given to the corporation to assist in the construction of hotels in 1984 at an interest rate of 12% p.a. repayable in thirty two quarterly instalments.

The loan was later rescheduled in 1991 and is for 15 years at an interest rate of 12% p.a. effective 1st July 1991.

c) The current maturity balance is made up of the following:

	2002 <u>KShs</u>	2001 <u>KShs</u>
Outstanding Current Maturity on 01 July	1,781,616	20,095,744
Current maturity due for next year	1,843,337	1,781,616
Less: Current maturity repaid during the year:		
Catering Levy Trustees (CLT)	(1,781,616)	(1,719,895)
GOK Commercial loan	-	(18,375,849)
	<u>1,843,337</u>	<u>1,781,616</u>

9. CREDITORS AND PROVISIONS

These Comprise:

(a) Creditors

(b) Provisions:

(i) Gratuity for Employees on Contract Terms

(ii) Bad debts on Commercial & Revolving loans

(iii) General Provision for bad debts

(a) Creditors	34,085,012	18,981,054
(i) Gratuity for Employees on Contract Terms	1,973,899	1,884,454
(ii) Bad debts on Commercial & Revolving loans	185,813,485	23,999,075
(iii) General Provision for bad debts	30,884,910	30,884,910
	<u>252,757,306</u>	<u>75,749,493</u>

KENYA TOURIST DEVELOPMENT CORPORATION

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 30 JUNE 2002

	<u>2002</u> <u>KShs</u>	<u>2001</u> <u>KShs</u>
10. DIVIDEND INCOME		
This refer to (over)/under accrued dividends received but relating to prior years as shown below:		
KTDC Utalii Investments Ltd for 1995/96	-	-150,000
The Ark Ltd for 1993/94	-	407,644
Tourism Promotion Services Ltd for 1994/95 to 1996/97	-	2,627,500
	<u>-</u>	<u>2,885,144</u>
11. OFFICE EXPENSES		
These Comprise:		
Publicity and Advertising	2,046,828	1,307,490
Printing and Stationery	1,128,670	1,583,137
Telephone and Postages	3,312,295	2,643,698
Subscriptions and Donations	835,421	845,085
General Office Expenses	625,523	654,621
Repairs and Maintenance of office Equipment	610,538	268,277
Insurances	139,509	139,647
Ask Shows	495,276	296,668
	<u>9,194,060</u>	<u>7,738,623</u>
12. MSAFIRI INNS EXPENSES		
These Comprise:		
Exhibition and Fairs	310,877	897,753
Bank Charges	1,000	800
	<u>311,877</u>	<u>898,553</u>
13. BAD DEBTS WRITTEN OFF		
Subsequent to the Board Approval, the following Revolving Fund Loans were written off as bad during the year. These are those whose proceeds from realisation of their securities were inadequate to cover loan balance and there are no prospects of recovering from the loan guarantors. These are:		
(i) Tsavo Motel Ltd.	357,505	-
(ii) Kisumu Hillside Inn Ltd.	12,386,450	-
(iii) Uyundo Enterprise Ltd.	7,346,710	-
(iv) Sportsview Hotel Ltd.	512,169	-
(v) Milima Agencies Ltd.	836,514	-
(vi) Kentur Tours and Travels Ltd.	2,734,911	-
(vii) Kibo Safaris Ltd.	7,717,575	-
	<u>31,891,834</u>	<u>-</u>

KENYA TOURIST DEVELOPMENT CORPORATION

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 30 JUNE 2002

	2002 <u>KShs</u>	2001 <u>KShs</u>
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14. BAD DEBTS PROVISION

The following loans have not had any repayment for a long time. Due to their non-performing nature their balances as at 30 June 2002 have been provided for. However, management will continue with recovery efforts.

(a) Revolving Fund Loans

(i) Ikolomani Enterprises Ltd. ✓	7,620,761 ✓	-
(ii) New Milimani Inn Ltd, Meru. ✓	1,729,884	-
iii Diani Enterprises Ltd.	30,269,793	-
iv Jomina Tours and Travels Ltd.	8,446,014	-
(v) Lake Turkana El-Molo Lodges Ltd. ✓	17,137,324	-
vi Bush Bar Ltd.	14,604,577	-
vii Naivasha Hill Park Motel Ltd.	15,582,150	-
viii Delight Dreamland Hotel Ltd. ✓	13,868,809	-
ix Wajir Tourist Hotel Ltd.	9,358,440	-
(x) Githuku Investments Ltd.	13,074,167	-
xi Kenya Agro Business Ltd.	9,514,837	-
xii Gasden Co. Ltd.	12,618,452	-
xiii Narokville Enterprises Ltd.	3,179,112	-
xiv Kendu Bay Country Hotel Ltd.	1,221,612	-
	<u>158,225,932</u>	<u>-</u>
(b) <u>Commercial Fund Loan</u> ✓		
Solar Hotel Ltd	3,588,479	-
	<u>161,814,411</u>	<u>-</u>

15. EXCEPTIONAL ITEM

This is Gain/(Loss) from sale of Fixed Assets

272,047	77,173
<u>272,047</u>	<u>77,173</u>

16. INTEREST EXPENSE

This refers to the amount incurred and paid on borrowings by the Corporation as shown below:

Long Term Loans' Interest	4,388,604	5,675,878
Bank Overdraft Interest	2,409,923	1,876,574
	<u>6,798,527</u>	<u>7,552,452</u>