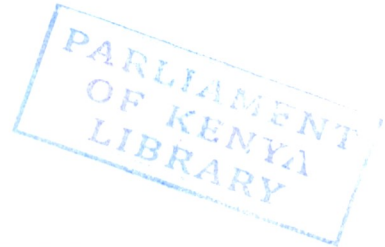




KENYA NATIONAL AUDIT OFFICE

**REPORT
OF
THE CONTROLLER
AND AUDITOR-GENERAL**



ON

**THE FINANCIAL STATEMENTS OF
SUNSET HOTEL LTD FOR THE YEAR
ENDED 30 JUNE 2009**



FINANCIAL STATEMENTS

FOR THE

YEAR ENDED

30TH JUNE, 2009

FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30th June 2009

<u>CONTENTS:</u>	<u>PAGES</u>
1. Company information	1
2. Board of Directors	2
3. Senior Management staff	3
4. Board of Directors Report	4
5. Statement of Directors' Responsibilities	5
6. Report of the Controller & Auditor General	6
7. Profit and Loss Account	7
8. Balance Sheet	8
9. Statement of changes in Equity	9
10. Cash flow statement	10
11. Accounting policies	11-12
12. Notes to the Financial Statements	13-21

VISION

To be the leader in the hotel industry in Western Kenya.

MISSION

To provide Hotel products and services of such quality that our customers will receive superior value, our employees and business partners will share in our success and our shareholders will receive a sustained, superior return on the investment.

VALUES

To achieve our vision and mission core values will be our guiding principles:-

Integrity: We ascribe in totality to practice honesty, integrity and fairness in everything we do.

Professionalism: We strive to attain the highest standard of professional ethics.

Team Sprit: : We seek to pursue team work as a means of building understanding and co-operation in our Internal and External relationships to ensure every customer receives value, quality and satisfaction.

Our employees are our guests' assets.

SUNSET HOTEL LIMITED

COMPANY INFORMATION

REGISTERED OFFICE

SUNSET HOTEL LIMITED
APUT LANE
P.O. BOX 215 - 40100
KISUMU

LAWYERS/ADVOCATES

C.B.G OUMA & CO ADVOCATES
STANDARD BANK
2ND FLOOR
P.O.BOX
KISUMU

BANKERS

NATIONAL BANK OF KENYA LIMITED
P.O. BOX 1152 - 40100
KISUMU

CO-OPERATIVE BANK OF KENYA
P.O. BOX 1151 - 40100
KISUMU

KENYA COMMERCIAL BANK
P O BOX 17 - 40100
KISUMU

INDEPENDENT AUDITORS

THE CONTROLLER AND AUDITOR GENERAL
KENYA NATIONAL AUDIT OFFICE
P.O.BOX 30084 - 00100
NAIROBI

SUNSET HOTEL LIMITED

BOARD OF DIRECTORS



DR. PIUS ONGORO ODUNGA
CHAIRMAN



MS. DELILAH KADZO
VICE CHAIRMAN



MS. MARYANNE JORDAN
Ag. MANAGING DIRECTOR
K.T.D.C.



CLLR. SAM OKELLO
MAYOR KSM. MUN. COUNCIL
MEMBER



MR. BENJAMIN ORWA
TOWN CLERK
MEMBER



MR. EDGAR IMBAMBA
COMPANY SECRETARY-K.T.D.C.

SUNSET HOTEL LIMITED

SENIOR MANAGEMENT STAFF



MR. JAMES NYAUNDI
HOTEL MANAGER



MR. PATRICK MADANJI
HOTEL ACCOUNTANT

SUNSET HOTEL LIMITED

DIRECTORS REPORT

The Directors submit their report and statement of account for the Year ended 30th June 2009.

1. PRINCIPAL ACTIVITY

The principal activity of the company is that of carrying out hotel business.

2. RESULTS

The results of the year are shown in details on pages 7 to 21

3. DIVIDEND

The directors do not recommend payment of a dividend.

4. RESERVES

The Directors propose to carry forward the balance of accumulated Losses amounting to Kshs 15,767,907.00

5. DIRECTORS

Dr. Pius Odunga Chairman
Ms Delilah Kadzo -Member
Ms Maryanne Jordan - Managing Director KTDC
Mr. Sam Okello - Mayor -Kisumu City Council
Mr Benjamin Orwa – Kisumu Town Clerk

6. AUDITORS

The Controller and Auditor General continues in office in accordance with Section 14 of the Public Audit Act 2003

BY ORDER OF THE BOARD



Mr. Edgar Imbamba

SECRETARY

SUNSET HOTEL LIMITED

STATEMENT OF DIRECTORS RESPONSIBILITIES

The Kenyan Companies Act requires the directors to prepare financial statements for each financial year, which gives a true and fair view of the state of affairs of the company as at the end of the financial year and of the operating results of the company that year. It also requires the Directors to ensure that the company keeps proper accounting records, which also disclose with reasonable accuracy the financial position of the company. They are also responsible for safeguarding the assets of the company.

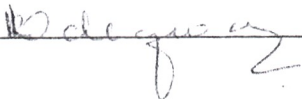
The directors accept responsibility for the financial statements, which have been prepared using appropriate accounting policies supported by reasonable and prudent judgments and estimates, in conformity with international financial reporting standards and in the manner required by the Kenya Companies Act. The directors are of the opinion that the financial statement gives a true and a fair view of the state of the financial affairs of the company and of its operating results.

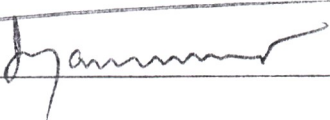
The directors further accepts responsibility for the maintenance of the accounting records, which may be relied upon in the preparation of the financial statements, as well as adequate systems of internal financial controls.

Nothing has come to the attention of the directors to indicate the company will not remain a going concern for at least the next twelve months from the date of this statement.

Approval of financial statement

The financial statements are set out on pages 6 to 13 approved at a meeting of Directors as below.

) Director Date 20th October 2009

) Director Date 20th Oct 2009



KENYA NATIONAL AUDIT OFFICE

REPORT OF THE CONTROLLER AND AUDITOR GENERAL ON THE FINANCIAL STATEMENT OF SUNSET HOTEL LTD FOR THE YEAR ENDED 30 JUNE 2009

I have audited the financial statements of Sunset Hotel Limited set out at pages 7 to 21 which comprises the balance sheet as at 30 June 2009, the income statement, statement of changes in equity and the cash flow statement for the year then ended together with a summary of significant accounting policies and other explanatory notes in accordance with Public Audit Act, 2003. I have obtained all the information and explanations which, to the best of my knowledge and belief, were necessary for the purpose of the audit.

Directors' Responsibility for the Financial Statements

The directors are responsible for the preparation of financial statements which give a true and fair view of the Hotel's state of affairs and its operating results in accordance with the International Financial Reporting Standards. This responsibility includes: designing, implementing and maintaining internal controls relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error, selecting and applying appropriate accounting policies, and making accounting estimates that are reasonable in the circumstances.

Responsibility of the Controller and Auditor General

My responsibility is to express an independent opinion on the financial statements based on the audit. The audit was conducted in accordance with the International Standards on Auditing. Those standards require compliance with ethical requirements and that the audit be planned and performed with a view to obtaining reasonable assurance that the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of materials misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal controls

relevant to the entity's preparation and fair presentation of the financial statements 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 Hotel's internal controls. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the financial statements. I believe the audit provides a reasonable basis for my opinion.

1. Financial Position

Although the Hotel recorded a profit of Kshs.1,011,582 (2008—Kshs.881,499) during the year ended 30 June 2009, the accumulated losses stood at Kshs.15,767,907 (2008—Kshs.16,779,789). Further, the current liabilities of Kshs.18,288,175 exceeded the current assets of Kshs.14,853,756 resulting in a negative working capital of Kshs.3,434,419 (2008 – Kshs.4,254,154). The Hotel was therefore technically insolvent and clearly unable to meet its financial obligations as and when they fell due, including creditors and accruals of Kshs.18,186,115 relating to, amongst others, trade creditors, VAT and withholding income tax of Kshs.9,147,278, Kshs.3,974,140 and Kshs.1,703,383 respectively. The financial statements have, in consequence, been prepared on a going concern basis on the assumption that the Hotel will continue to receive the necessary financial support from the shareholders and creditors.

2. Lack of Board Meetings

During the year under review, the Hotel operated without a Board of Directors and as a result there were no Board Meetings contrary to Section 8 of the State Corporations Act, Cap 446. The functions of the Board were therefore performed by the Hotel Manager.

3. Kenya Tourist Development Corporation (KTDC) Long Term Advance

3.1 Legal Charge

As previously reported, KTDC had in April 2001 granted a loan of Kshs.28.2 million to the Hotel which was not supported by a signed agreement. Although the agreement was later presented for audit verification, the terms and conditions of the loan under the security clause and as similarly observed in 2007/2008, have not yet been perfected in that a legal debenture creating a first charge on all the assets of the Hotel has not been taken out.

3.2 Loan Balance

The long term advance of Kshs.21,230,232 as at 30 June 2009 is at variance with the figure of Kshs.31,092,335 reflected in the books of KTDC. The resultant difference of Kshs.9,862,103 between the two sets of records has not been reconciled or explained. Further, interest amounting to Kshs.2,899,575 for the year under review has not been accrued in the financial statements. Had the interest been accrued as appropriate, the Hotel would have reported a loss of Kshs.1,887,993 for the year instead of the profit of Ksh.1,011,582 now shown. Although and while the Hotel has indicated that KTDC will cancel the interest in question, correspondence from the Corporation confirming this commitment has not been made available for audit review.

In the circumstances, it has not been possible to confirm the accuracy of the loan balance of Kshs.21,230,232 and the net profit figure of Kshs.1,011,582 as at 30 June 2009.

3.3 Renovation and Refurbishment of the Hotel

In July 2004, the Hotel signed a contract with a construction firm for renovation, extension and refurbishment of the facility at a cost of Kshs.18,474,512. However, and as at the balance sheet date, the contractor had moved out of the site, while the works were still incomplete. The contractor had as the time of desertion been paid an amount of Ksh.17,618,136 or about 95% of the contract sum. As the position now stands it is not clear how or when the project will be completed. It has as a result not been possible to ascertain that the Hotel obtained value for money on the amount of Kshs.17,618,136 so far incurred on the project.

4. Debtors

The debtors balance of Kshs.12,723,367 as at 30 June 2009 is net of provision for bad debts of Kshs.1,011,789 (7% of the debts), which had been made for specific cases handed over to the Hotel's lawyer to pursue recovery. The debtors also include staff advances totalling Kshs.454,708 made up of long outstanding imprests taken by the management staff which has since been converted to advances and a figure of Kshs.74,572 due from ex-staff. However, inactive debts which the Hotel has not been able to recover in many years and totalling Kshs.5,829,174 (45% of the debts) have not been provided for, leading to an indication that the Hotel does not have a clear policy on provision for bad and doubtful debts.

In the circumstances, it has not been possible to confirm the propriety and recoverability of the debts, totalling Kshs.12,723,367 as at 30 June 2009.

Opinion

Except for the reservations set out in the preceding paragraphs, in my opinion, proper books of account have been kept and the accompanying financial statements give a true and fair view of the financial position of the Hotel as at 30 June 2009 and of its profit and cash flows for the year then ended in accordance with the International Financial Reporting Standards and the Kenya Companies Act, Cap 486 of Laws of Kenya.



A. S. M. Gatumbu

CONTROLLER AND AUDITOR GENERAL

Nairobi

3 December 2009

SUNSET HOTEL LIMITED
INCOME STATEMENT
FOR THE YEAR ENDED 30TH JUNE 2009

	2009	2008
	Kshs	Kshs
Sales	59,259,627	52,737,059
Cost of Sales	<u>17,245,591</u>	<u>13,509,765</u>
GROSS PROFIT	<u>42,014,036</u>	<u>39,227,294</u>
 EXPENDITURE		
Salary & Wages	10,998,575	10,502,232
Staff Expenses	5,627,739	4,838,276
Staff Travel	1,066,409	976,017
Property Upkeep & Expenses	620,522	670,985
Repairs & Renewals	2,351,405	2,498,441
Operating Costs	13,492,249	10,416,136
Office Expenses	1,706,850	1,982,669
Administration Expenses	550,397	555,704
Advertising & Promotion	1,730,163	2,035,708
General Charges	890,069	961,053
Interest & Other Charges	1,800	1,008,330
Depreciation	<u>1,966,276</u>	<u>1,900,244</u>
Total Expenditure	<u>41,002,453</u>	<u>38,345,795</u>
Net Profit/(Loss) for the year	<u><u>1,011,582</u></u>	<u><u>881,499</u></u>

SUNSET HOTEL LIMITED

BALANCE SHEET

AS AT 30TH JUNE 2009

	NOTES	2009	2008
ASSETS			
Non Current assets			
		Kshs	Kshs
Property, Plant and Equipment	2	101,590,506	101,389,492
Current Assets			
Inventories	3	1,817,527	1,681,928
Trade & Other Receivables	4	12,723,367	10,992,793
Cash and Bank Balances	5	312,862	926,012
Total current assets		14,853,756	13,600,732
Total Assets		116,444,262	114,990,225
EQUITY AND LIABILITIES			
Equity attributable to shareholders			
Share Capital	6	12,000,000	12,000,000
Revaluation reserves	7	79,262,476	79,262,476
Accumulated Losses	8	(15,767,907)	(16,779,789)
Owners equity		75,494,569	74,482,687
Non Current Liabilities			
Shareholders Loan	9	1,431,286	1,431,286
KTDC Long Term Advance	9	21,230,232	21,221,366
Total Non Current Liabilities		22,661,518	22,652,652
CURRENT LIABILITIES			
Trade & Other Payables	10	18,186,115	17,854,886
Bank Overdraft		102,059	
Total Current Liabilities		18,288,175	17,854,886
Total Liabilities		40,949,693	40,507,537
Total Equity and Liabilities		116,444,262	114,990,225

DIRECTOR'S (Name)

SIGNATURE

DATE

MARIA DE NDEGWA
JORDAN

Maria de Ndegwa

20/10/2009

JAMES NYAUWI

James Nyauwi

20/10/09

SUNSET HOTEL LIMITED

Statement of changes in Equity and Loans
For the year ended 30th June 2009

	Share Capital	Capital Reserves	Retained Earnings	Total Ksh
As at 1st July 2006	12,000,000	79,262,476	(19,816,996)	71,445,480
Additional shares/loans				
Revaluation				
Profit for the year				
Bal as at 30th June 2007	12,000,000	79,262,476	2,155,708	2,155,708
As at 1st July 2007	12,000,000	79,262,476	(17,661,288)	73,601,188
Additional shares/loans				
Revaluation				
Profit for the year				
Bal as at 30th June 2008	12,000,000	79,262,476	881,499	881,499
As at 1st July 2008	12,000,000	79,262,476	(16,779,789)	73,601,188
Additional shares/loans				
Revaluation				
Profit for the year				
Bal as at 30th June 2009	12,000,000	79,262,476	1,011,582	1,011,582
			(15,768,207)	74,612,770

SUNSET HOTEL LIMITED
CASH FLOW STATEMENT
FOR THE YEAR ENDED 30th JUNE 2009

	2009	2008
	<u>Ksh</u>	<u>Ksh</u>
CASH FLOW FROM OPERATING ACTIVITIES		
Net Profit/(Loss) before tax	1,011,582	881,499
Prior Year Adjustment	(14,700)	
<u>Adjustments for:</u>		
Add: Depreciation	1,966,276	1,900,244
Interest		
Adjusted profit before working capital adjustments	<u>2,963,158</u>	<u>2,781,744</u>
ANALYSIS OF WORKING CAPITAL		
(Increase)/Decrease in Debtors	(1,730,574)	(180,969)
(Increase)/Decrease in Stocks	(135,599)	251,163
Increase/(Decrease) in Creditors	331,230	(2,091,315)
NET CASH FLOW FROM OPERATING ACTIVITIES	<u>1,428,214</u>	<u>760,623</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of Fixed Assets	(2,152,287)	(194,970)
NET CASH FLOWS FROM INVESTING ACTIVITIES	(724,073)	565,653
CASH FLOWS FROM FINANCING ACTIVITIES		
Interest		
Advance from KTDC	1,658,866	
KTDC Loan Repayment	(1,650,000)	(1,150,000)
NET CASH FLOWS FROM FINANCING ACTIVITIES	<u>8,866</u>	<u>(1,150,000)</u>
Net Increase / (Decrease) Cash and Cash Equivalent	(715,207)	(584,347)
Opening balance of Cash & Cash equivalent	<u>926,012</u>	<u>1,510,359</u>
Closing balance of Cash & Cash equivalent	<u><u>210,803</u></u>	<u><u>926,012</u></u>
CASH BALANCES		
Bank Overdraft	(102,059)	-
Cash and Bank Balances	<u>312,862</u>	<u>926,012</u>
	<u><u>210,803</u></u>	<u><u>926,012</u></u>

SUNSET HOTEL LIMITED

ANNUAL NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30TH JUNE, 2009

Accounting Policies

The principal policies adopted in the preparation of the Financial statement are set out below:-

a) **Basis of Preparation**

The Financial statements are prepared under the historical cost conventions as modified by the evaluation of certain property, plant and equipment.

b) **Revenue Recognition**

Sales are recognized upon performance of services and are stated Net of VAT and discounts.

c) **Translation of Foreign Currencies**

Foreign currency translation during the Year has been converted at the approximate rate of exchange ruling at the time of transaction. Any gains or losses resulting from have been taken direct to the Profit and Loss account.

d) **Property Plant and Equipment**

Property Plant and Equipment are initially recorded at cost. Land and Buildings are subsequently shown at market value, based on valuations by external independent valuers, less subsequent Depreciation for Buildings. All other property Plant and Equipment is stated at historical cost less Depreciation.

Depreciation is calculated on the straight-line basis to write down the cost of each asset or valued amount to their residual values over the expected useful life as follows:-

- No depreciation is charged on the Lease terms of 99 years or estimated useful life of 90 years.
- Property, Plant & Machinery - 12.5%
- Furniture, Fittings and Equipment - 12.5%
- Motor Vehicle - 25.0%

SUNSET HOTEL LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30TH JUNE, 2009

e) **STOCK**

Stocks are valued at the lower of cost and net realizable value. The cost is determined by the first in, first out (FIFO) method. Stocks are held for sale and as raw materials for kitchen production supplies.

f) **TURNOVER**

Turnover represents amounts received and receivable for services provided net of government taxes and levies.

g) **COMPARATIVES**

Where necessary comparative figures have been adjusted to conform to the changes in the presentation in the current year.

SUNSET HOTEL LIMITED
2. PROPERTY PLANT & EQUIPMENT SCHEDULE
FOR THE YEAR ENDED 30TH JUNE 2009

	LAND	BUILDING	PROPERTY PLANT & EQUIPMENT	FURNITURE & FITTING	MOTOR VEHICLE	TOTAL
COST OR VALUATION	Kshs	Kshs	Kshs	Kshs	Kshs	Kshs
As at 1.7.2008	15,000,000.00	92,786,270.90	7,847,588.00	5,944,183.65	528,700.00	122,106,742.55
Additions		1,658,866.20	87,616.00	405,806.50		2,152,288.70
As at 30-06-2009	15,000,000.00	94,445,137.10	7,935,204.00	6,349,990.15	528,700.00	124,259,031.25
DEPRECIATION						
As at 1.7.2008	NIL	10,220,068.20	5,492,068.80	4,476,413.19	528,700.00	20,717,250.19
Prior year adjustment				(15,000.00)		(15,000.00)
Charge for the year		944,451.30	535,209.10	486,615.84		1,966,276.24
As at 30-06-09	NIL	11,164,519.50	6,027,277.90	4,948,029.03	528,700.00	22,668,526.43
NET BOOK VALUE						
As at 30-6-2008	15,000,000.00	82,566,202.70	2,355,519.20	1,467,770.46	NIL	101,389,492.36
As at 30-6-2009	15,000,000.00	83,280,617.60	1,907,926.11	1,401,961.12	NIL	101,590,504.82

SUNSET HOTEL LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30TH JUNE 2009

3. INVENTORIES

	2009	2008
	Kshs.	Kshs.
Food Stores	260,859.99	232,278.46
Cellar Stores	227,394.96	202,140.43
Bar Stocks	160,087.56	171,690.80
Tobacco Store	2,655.00	7,720.00
Empties Stock	98,993.00	114,571.00
Operating Equipment Store	257,004.06	259,979.23
Consumable Stores	199,442.00	221,994.23
Stationary Stock	569,180.81	509,556.44
Fuel & Gas	152,569.70	37,291.26
Misc. Electrical Tools Store	180,708.80	216,074.96
Less: Provision for Obsolete stock	(291,369.19)	(291,369.19)
	1,817,526.69	1,681,927.62

4. TRADE AND OTHER RECEIVABLES

	2009	2008
	Kshs.	Kshs.
Debtors & Prepayments	13,735,156.07	12,004,581.69
Less: Provision for bad and doubtful debt	(1,011,789.00)	(1,011,789.00)
	-	-
	12,723,367.07	10,992,792.69

5. CASH & BANK BALANCES

	2009	2008
	Kshs.	Kshs.
Co - Operative Bank	-	-
KCB	-	476,804.40
National Bank	21,033.65	159,064.15
Cash Control	59,063.40	44,652.60
Petty Cash Control	17,765.00	30,490.00
Cash Float	180,000.00	180,000.00
	35,000.00	35,000.00
	312,862.05	926,011.15

SUNSET HOTEL LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30TH JUNE 2009

6. SHARE CAPITAL

Authorised, issued and fully paid
572,500 Ordinary Shares @ Kshs.20/= (KTDC)
27500 Ordinary Shares @ Kshs 20/= (Municipal Council of Kisumu)

2009	2008
Kshs.	Kshs.
11,450,000.00	11,450,000.00
550,000.00	550,000.00
12,000,000.00	12,000,000.00

7. REVALUATION RESERVES	2009	2008
	Kshs.	Kshs.
Revaluation reserve	79,262,476.00	79,262,476.00
	79,262,476.00	79,262,476.00

8. ACCUMULATED LOSSES

TRADING PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 30TH JUNE 2009

TURNOVER

Profit/(Loss) before Taxation

AFTER CHARGING

Depreciation
Auditors Fees
Interest on Loan
Directors Emoluments
Land Rent & Rates

TAXATION

Profit /Loss after taxation
Prior Year Adjustment
Retained Loss b/f
Retained Loss c/f

2,009	2,008
Kshs	Kshs
59,259,627	52,737,059
1,011,582	881,499
1,966,276	1,900,244
250,000	250,000
1,800	841,834
236,775	236,775
1,011,582	881,499
300	
(16,779,789)	(17,661,288)
(15,767,907)	(16,779,789)

SUNSET HOTEL LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30TH JUNE 2009

9. Non Current Liabilities

Shareholders Loan
KTDC Long Term Advance

2009	2008
Kshs.	Kshs.
1,431,286.00	1,431,286.00
21,230,232	21,221,366
22,661,518.00	22,652,651.80

The interest accruing on KTDC Long term advance (kshs 2,653,036) was also waived by KTDC Management.

10. Trade and other payables

	2009	2008
	Kshs.	Kshs.
Trade Creditors		
Sundry Creditors	9,147,278.03	7,476,168.35
Value Added Tax	501,002.30	501,002.30
Service Charge	2,342,064.44	3,507,006.71
Catering Levy Training Trustee	281,904.75	255,900.00
Deposits Payable	319,616.85	303,393.80
Payroll Control	365,011.40	222,673.25
P.A.Y.E	72,492.45	33,650.05
N.S.S.F	346,224.80	516,843.70
N.H.I.F.	67,200.00	64,200.00
COTU	28,520.00	145,620.00
Other Payroll Deductions	40,858.00	39,538.00
Local Authority Service Charge	12,133.25	12,133.25
Staff Insurance Deductions	66,700.00	66,700.00
Accrued Expenses	28,416.00	18,539.45
Withholding Tax	1,231,234.32	896,258.20
VAT Penalty	1,703,382.80	2,163,182.58
	1,632,076.00	1,632,076.00
	18,186,115.39	17,854,885.64

11. TAXATION

No provision has been made for Corporation Tax in the current year due to loss brought forward.

SUNSET HOTEL LIMITED
TRIAL BALANCE
AS AT 30TH JUNE 2009

	DR	CR
	KSHS	KSHS
A. SALES & OTHER INCOME		
Accommodation		29,434,877.86
Food-Resident		11,088,508.35
Food-Casual		11,130,925.00
Drinks		6,136,095.00
Tobacco		154,295.00
Laundry		159,441.35
Telephone		3,377.00
Shop		108,800.00
Miscellaneous income		1,043,307.00
		59,259,626.56
B. COST OF SALES		
Food	13,066,085.20	
Drinks	4,058,438.52	
Tobacco	119,221.79	
Telephone	1,845.45	
	17,245,590.96	
C. SALARIES & WAGES		
Administration	3,126,541.00	
Rooms	2,587,740.05	
Food	1,125,421.00	
Bars	1,519,003.85	
Maintenance	646,006.50	
NSSF	130,600.00	
Casual Wages	1,863,262.50	
	10,998,574.90	
D. STAFF EXPENSES		
Meals & Allowances	1,332,922.20	
Housing	3,278,927.50	
Medical	839,783.50	
Staff Welfare	173,106.00	
Staff Training	3,000.00	
	5,627,739.20	
E. STAFF TRAVEL		
Leave Passage - Management		
Leave Passage - Other Staff	175,250.00	
Transport Allowance	168,000.00	
Travelling Expenses	253,899.00	
Staff Transport	469,260.00	
	1,066,409.00	

SUNSET HOTEL LIMITED
 TRIAL BALANCE
 AS AT 30TH JUNE 2009

F. PROPERTY UPKEEP EXPENSES		
Ground Rent		36,000.00
Rates		200,775.00
Insurance		285,937.40
Buliding Maintanance		70,967.00
Gardens & Ground		26,842.40
		620,521.80
G. REPAIRS & RENEWALS		
Glassware		59,375.30
Linen		566,085.70
Uniforms		188,746.66
Cutlery & Holloware		30,031.60
Crockery		
Kitchen Unitensils		11,753.75
Furniture & Equipment		271,281.43
Plant & Machinery		660,151.20
Motor Vehicle repairs		196,188.97
Miscellaneous Electrical Tools		367,790.20
		2,351,404.81
H. OPERATING EXPENSES		
Electricity		3,851,127.30
Fuel & Gases		3,138,459.91
Water & Sanitation		2,926,601.40
Laundry Expenses		320,972.67
Cleaning Expenses		367,132.40
Toilet Requisites		484,084.50
Kitchen Restaurant & Bar Sundries		569,540.50
Guest Supplies		1,032,036.45
Guest Entertainment		30,426.00
Vehicle Operating		615,551.52
Licences		156,316.47
		13,492,249.12
I. OFFICE EXPENSES		
Telephone & Postage		824,330.04
Printing & Stationary		784,237.59
Office Miscellaneous		49,887.00
Delivery Charges		48,395.83
		1,706,850.46

SUNSET HOTEL LIMITED
 TRIAL BALANCE
 AS AT 30TH JUNE 2009

J.	ADMINISTRATION EXPENSES		
	Bank Charges	246,136.80	
	Audit Fees	250,000.00	
	Audit expenses	54,260.00	
		550,396.80	
K.	Advertisement & PROMOTION		
	Advertising	137,285.86	
	Entertainment	725,062.50	
	Agents Commission	867,814.47	
		1,730,162.83	
L.	GENERAL CHARGES		
	Flowers & Decorations	111,058.10	
	Donation & Subscriptions	219,135.80	
	Other Expenses	18,328.00	
	Security Services	541,546.64	
		890,068.54	
N.	DEPRECIATION & AMORTISATION		
	Land	-	
	Plant & Machinery	535,209.00	
	Furniture & Equipment	486,616.00	
	Motor Vehicle	-	
	Bulding	944,451.00	
		1,966,276.00	
O.	INTEREST & OTHER CHARGES		
	Dirctors' Fees	-	
	Directors' Expenses	1,800.00	
	Directors ' Honorarium	-	
	Long Term Loan interest		
		1,800.00	

SUNSET HOTEL LIMITED
 TRIAL BALANCE
 AS AT 30TH JUNE 2009

<u>CASH & BANK ACCOUNT.</u>		
Co - Operative Bank		
National Bank		102,059.30
KCB Bank	59,063.40	
Cash Control	21,033.65	
Petty Cash Control	17,765.00	
Cash Float	180,000.00	
	35,000.00	
	312,862.05	102,059.30
<u>TRADE & OTHER RECEIVABLES</u>		
Trade Debtors	10,794,369.22	
Sundry Debtors	563,976.95	
Staff Advances	454,708.15	
Prepayments	1,510,040.30	
Deposits Receivable	319,855.00	
Staff Imprests	28,500.00	
Staff Loan	20,000.00	
Diner Club cash point	11,000.00	
Sunset sacco	32,706.45	
Provision For Debtors		520,857.00
Provision for Sundry Debtors		479,932.00
Provision for Diner Club Deposits		11,000.00
	13,735,156.07	1,011,789.00
<u>INVENTORIES</u>		
Food	260,859.99	
Cellar	227,394.96	
Bar	160,087.56	
Tobacco	2,655.00	
Empties Stock	98,993.00	
Operating Equipment	257,004.06	
Consumable Stores	199,442.00	
Stationary	569,180.81	
Fuel & Gas	152,569.70	
Misc. Electrical Tools	180,708.80	
Provision For Absolute Stock.		291,369.19
	2,108,895.88	291,369.19
<u>NON CURRENT ASSETS</u>		
Leasehold Land	15,000,000.00	
Building	94,445,137.10	
Paint & Machinery	7,935,204.00	
Furniture & Equipment	6,349,990.15	
Motor Vehicles	528,700.00	
	124,259,031.25	

SUNSET HOTEL LIMITED
 TRIAL BALANCE
 AS AT 30TH JUNE 2009

<u>Provision For Depreciation</u>		
Land & Building		11,164,519.50
Plant & Machinery		6,027,277.20
Furniture & Fitting		4,948,028.53
Motor Vehicle		528,700.00
		22,668,525.23
TRADE & OTHER PAYABLES		
Trade Creditors		9,147,278.03
Sundry Creditors		501,002.30
Value Added Tax		2,342,064.44
Service Charge		281,904.75
Catering Levy Training Trustee		319,616.85
Deposits Payable		365,011.40
Payroll Control		72,492.45
P.A.Y.E		346,224.80
N.S.S.F		67,200.00
N.H.I.F.		28,520.00
COTU		40,858.00
Other Payroll Deductions		12,133.25
Local Authority Service Charge		66,700.00
Staff Insurance Deductions		28,416.00
Accrued Expenses		1,231,234.32
Withholding Tax		1,703,382.80
VAT Penalty		1,632,076.00
		18,186,115.39
SHAREHOLDERS FUND		
Shareholders Account		12,000,000.00
Retained Earning/Loss	16,779,489.00	
Revaluation reserves		79,262,476.00
KTDC Advance		21,230,232.00
Shareholders Loan		1,431,286.00
	16,779,489.00	113,923,994.00
	215,443,478.67	215,443,478.67