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OFFICE OF THE AUDITOR-GENERAL

REPORT

OF

THE AUDITOR-GENERAL

ON

**THE FINANCIAL STATEMENTS OF
KIPCHABO TEA FACTORY LIMITED**

**FOR THE YEAR ENDED
30 JUNE 2017**

KIPCHABO TEA FACTORY LIMITED

FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30TH JUNE 2017

(Prepared in accordance with International Financial Reporting Standards)

**OFFICE OF THE AUDITOR GENERAL
P. O. Box 30084 - 00100, NAIROBI**

28 FEB 2018

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CHAIRMAN'S STATEMENT

I am pleased to present to you the Annual Report and financial statements of Kipchabo Tea Factory Limited for the year ended 30 June 2017. The Factory is a wholly owned subsidiary of Nyayo Tea Zones Development Corporation.

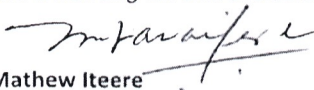
The Company's performance during the last financial year continued to improve in terms of green leaf processed, processed tea volumes and tea sold. The volumes of both local and export sales continue to grow compared to the previous years.

The Company continued to invest in technology and equipment to enhance its capacity and efficiency. During the year the company expanded its fleet of green leaf carriers as well as vehicles for made tea distribution and marketing. The company also is undertaking expansion of its withering facilities and acquiring latest tea withering technology to boost efficiency and save costs. To boost local sales, a new warehouse is under construction which will be used to blend and pack finished tea for local market.

We have also continued to invest in our human resource capacity through staff training and recruitment to improve productivity. The company also has maintained the required certifications for food standards to comply with requirements and market standards.

The commercial unit which markets finished tea in the local markets has continued to expand its market share. Our tea brands have continued to penetrate in the market segments previously held by traditional players in the market and we expect the trend will continue into the future.

I take this opportunity to appreciate the invaluable support given by the Board of Directors, management and staff and the Government for being committed to the Company's affairs. We assure you of our commitment to growing and enhancing our shareholders value.



Mathew Iteere
CHAIRMAN

Date..... 26 - 02 - 2018

MANAGING DIRECTOR'S STATEMENT

General

I am delighted to present to you the Annual Report and financial statements of Kipchabo Tea Factory Limited for the year ended 30 June 2017. The Factory is a wholly owned subsidiary of Nyayo Tea Zones Development Corporation.

Financial Results

During the year volumes of processed tea sold increased by 39% to 3,617,503 Kgs compared to 2,606,418 Kgs in the previous year. Revenues increased by 53% to Ksh. 859 million which was mainly attributed to higher volumes of processed tea. Direct expenses increased by 89% to Ksh. 713 million compared to Ksh. 377 million in the previous year primarily due to increased volumes of green leaf tea processed. Indirect expenses decreased to Ksh. 140 Million compared to Ksh.150 Million in the previous year. Overall the company recorded a lower net profit of Ksh. 8.1 million compared to a net profit of Ksh. 36.9 million recorded in the previous year as a result of sharp increase in direct costs mainly green leaf occasioned by high competition among other players. However, the trend is expected to be reversed in the coming financial years due to investment in efficient technology and higher volumes.

Operations

Total green leaf received by the factory was 15,202,189 Kgs which is a increase of 37% compared to 11,126,318 Kgs in the previous year. Out of the total green leaf received, out growers contribution was 6,401,447 Kgs which is 42% while the rest was collected from Nyayo Tea Zones factory catchment namely Nandi, Kakamega and Kaptarakwa. Out-growers volume 6,401,447 Kgs is a increase of 149% compared to 2,570,162 Kgs in the previous year. Processed tea volumes increased by 39% to 3,673,186 Kgs compared to 2,606,380 Kgs in the previous year giving an out-turn of 24% (2015/2016 - 23%).

Future outlook

Tea prices in the global market are expected to improve in future and this will boost the company's revenues. The company projects to grow its local market share which will also generate additional revenue and cushion against volatility in the Mombasa Auction prices as well as exchange rate fluctuations.

Appreciation

I take this opportunity to appreciate the valuable support given by our stake holders namely the customers, suppliers, bankers and the local community. On behalf of the board I also wish to express my gratitude to the management, staff and the Government for their commitment to the Company. With your support the company will continue to grow sustainably for the benefit of all stakeholders.


Peter K. Korir

Managing Director

Date.....

26/2/2018

CORPORATE INFORMATION

Directors:

Mr. Mathew Iteere – Director – Re-appointed to the board in 2016
Mr. Peter K. Korir - Director - appointed to the board in 2012

Registered Office and Principal place of Business:

Nyayo House- 11 Floor
Kenyatta Avenue
P.O. Box 48552 - 00100
NAIROBI



Auditors:

Auditor-General
Anniversary Towers
P.O. Box 30084-00100
NAIROBI





Bankers:

Kenya Commercial Bank Ltd
Kipande House Branch
P.O. Box 30012
NAIROBI

BOARD OF DIRECTORS

1	 Mathew Iteere (MGH, CBS, OGW, DCO) – Director	<p>Mr. Iteere is 57 years old and joined the board in February 2013. Prior to joining the board, he was the Commissioner of Police of Republic of Kenya from 2009 to 2012. Mr Iteere holds a Diploma in Education.</p>
2	 Peter K. Korir – Managing Director	<p>Mr. Peter Korir is 48 years and joined the board in November 2012. He holds a Bachelor of Science degree in Mathematics from Egerton University and MBA (Strategic Management) from University of Nairobi. He is also a graduate of IESE Business school in Advanced Management. He has over 20 years’ experience in management having previously worked with East African Portland Cement and Unilever Kenya in various management positions.</p>

MANAGEMENT TEAM

1	Peter K. Korir – Managing Director	
2	 Samuel Njire – Head of Finance	<p>Mr Samuel Njire joined the corporation in 2009 and is the Head of Finance. He holds a Bachelor of Commerce (Accounting) and MBA (Finance) degrees both from University of Nairobi. He is also a certified Public Accountant and a member of the Institute of Certified Public Accountants of Kenya (ICPAK) – Membership No. 6527. He is responsible for overall financial stewardship of the corporation. He has over 26 years’ experience in finance in both public and private institutions</p>
3	 Charles Mucheke – Head of Operations	<p>Mr Charles Mucheke joined the Corporation in 2005 and is the Head of Operations. He holds a Bachelor of Science (Agriculture) and MBA (Operations Management) degrees both from University of Nairobi. He is responsible for all agronomy operations in the Corporation. Prior to joining the Corporation, he worked with KTDA and has over 25 years’ experience in the tea industry.</p>
4	 William Togom – Head of Human Resource and Administration	<p>Mr Togom joined the corporation in 2003 and is the head of human resources and administration. He holds a Bachelor of Arts degree in Anthropology. He also hold a Diploma in Human Resource Management from Kenya Institute of management (KIM). He is a member of Human Resource Management Institute of Kenya – Membership No. 03386. He has over 21 years’ experience in human resource and administration.</p>
5	 David Chepkwony – Head of Commercial	<p>Mr Chepkwony is 46 years old and joined the corporation in 2014 as head of commercial unit. He holds a Bachelor of Commerce degree in Marketing. Prior to joining the Corporation, he worked with Ketepa, Del Monte Kenya Ltd, Reckitt Benckiser EA Ltd & Unilever Kenya Ltd and has over 19 years’ experience in sales and marketing.</p>

REPORT OF THE DIRECTORS

The directors submit their report together with the audited financial statements for the year ended 30 June 2017, which disclose the state of affairs of the Corporation.

Incorporation

The Company is registered in Kenya under the companies Act (Cap.486) registration certificate number CPR/2010/33168. It is a wholly owned subsidiary of Nyayo Tea Zones Development Corporation which is registered in Kenya through a Gazette notice LN265/1986 as a parastatal and is resident in Kenya.

Principal Activity

The Company's principal activity is processing of CTC black Teas from green leaf. The green leaf is produced from the tea buffer belts established in the gazette forests and from outgrowers. This enhances conservation through value addition.

Results

	2016/2017 (Ksh)	2015/2016 (Ksh)
Profit /(Loss) before tax	8,105,703	36,867,654
Net Profit/ (Loss) for the year	<u>8,105,703</u>	<u>36,867,654</u>

Directors

The directors who held office during the year and to date of this report are shown on page (vi)

Auditors

The Auditor-General is responsible for the statutory audit of the Corporation books of account

By order of the Board



Peter Korir

Managing Director

Date.....21/7/2018

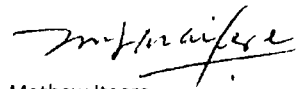
STATEMENT OF DIRECTORS' RESPONSIBILITIES

The State Corporatlons Act requires the directors to prepare financial statements for each year, which give a true and fair view of the state of affairs of the corporation and of its operating results for that year. It also requires the directors to ensure that the corporation keeps a set of proper accounting records, which disclose with reasonable accuracy at any time the financial position of the corporation. They are also responsible for safeguarding the assets of the corporation.

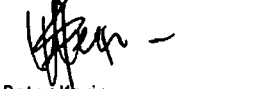
The directors accept responsibility for the annual financial statements, which have been prepared using appropriate accounting policies supported by reasonable and prudent judgments and estimates, in conformity with International Financial Reporting Standards and the legal requirements.

The directors are of the opinion that the financial statements give a true and fair view of the financial affairs of the company and of its operating results. The directors further accept responsibility for the maintenance of accounting records, which may be relied upon in the preparation of financial statements, as well as adequate systems of internal financial control.

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


Mathew Iteere

Chairman
Date.....26-02-2018


Peter Kbrir

Managing Director
Date.....26/2/2018

REPUBLIC OF KENYA

Telephone: +254-20-342330
Fax: +254-20-311482
E-mail: oag@oagkenya.go.ke
Website: www.kenao.go.ke



P.O. Box 30084-00100
NAIROBI

OFFICE OF THE AUDITOR-GENERAL

REPORT OF THE AUDITOR-GENERAL ON KIPCHABO TEA FACTORY LIMITED FOR THE YEAR ENDED 30 JUNE 2017

REPORT ON THE FINANCIAL STATEMENTS

Opinion

I have audited the accompanying financial statements of Kipchabo Tea Factory Limited set out on pages 1 to 9, which comprise the statement of financial position as at 30 June 2017, and the statement of profit and loss and comprehensive income, statement of changes in equity, statement of cash flows and statement of comparative budget and actual amounts for the year then ended, and a summary of significant accounting policies and other explanatory information in accordance with the provisions of Article 229 of the Constitution of Kenya and Section 35 of the Public Audit Act, 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.

In my opinion, the financial statements present fairly, in all material respects, the financial position of Kipchabo Tea Factory Limited as at 30 June 2017, and (of) its financial performance and its cash flows for the year then ended, in accordance with International Financial Reporting Standards and comply with Kenya Companies Act.

In addition, as required by Article 229(6) of the Constitution, based on the audit procedures performed, I confirm that nothing has come to my attention to cause me to believe that public money has not been applied lawfully and in an effective way.

Basis of Opinion

The audit was conducted in accordance with International Standards of Supreme Audit Institutions (ISSAIs). I am independent of Kipchabo Tea Factory in accordance with ISSAI 30 on Code of Ethics. I have fulfilled other ethical responsibilities in accordance with the ISSAI and in accordance with other ethical requirements applicable to performing audits of financial statements in Kenya. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

Key Audit Matters

Key audit matters are those matters that, in my professional judgement, are of most significance in the audit of financial statements. I have determined that there were no Key Audit Matters to communicate in my report.

Report of the Auditor-General on the Financial Statements of Kipchabo Tea Factory Limited for the year ended 30 June 2017

Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with International Financial Reporting Standards and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the management either intends to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

Management is also responsible for the submission of the financial statements to the Auditor-General in accordance with the provisions of Section 47 of the Public Audit Act, 2015.

Those charged with governance are also responsible for overseeing the Company's financial reporting process.

Auditor-General's Responsibilities for the Audit of the Financial Statements

The audit objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion in accordance with the provisions of Section 48 of the Public Audit Act, 2015 and submit the audit report in compliance with Article 229(7) of the Constitution of Kenya. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISSAIs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit conducted in accordance with ISSAIs, I exercise professional judgement and maintain professional skepticism throughout the audit. I also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, and for the purpose of giving an assurance on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the management.
- Conclude on the appropriateness of the management's use of the going concern basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in the auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my audit report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities of the Company to express an opinion on the financial statements.
- Perform such other procedures as I consider necessary in the circumstances.

I communicate with the management regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that are identified during the audit.

I also provide management with a statement that I have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on my independence, and where applicable, related safeguards.

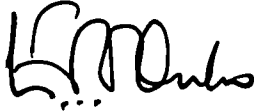
REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

As required by the Companies Act, I report based on my audit that:

- i. I have obtained all the information and explanations which to the best of knowledge and belief, were necessary for the purpose of the audit;
- ii. in my opinion, adequate accounting records have been kept by the Company and returns adequate for their audit have been received from the Company's

branches not visited so far as appears from the examination of those records;
and

- iii. the Company's financial statements are in agreement with the accounting records and returns.



FCPA Edward R. O. Ouko, CBS
AUDITOR-GENERAL

Nairobi

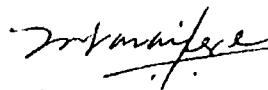
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	Notes	2016/2017 Kshs	2015/2016 Kshs
Turnover	2 (a)	859,527,511	561,149,720
Cost of Production	2 (b)	*(712,836,782)	(377,003,502)
Gross Profit		146,690,729	184,146,218
Administrative Expenses	2 (c)	(33,893,343)	(48,304,789)
Other Operating Expenses	2 (d)	*(59,768,840)	(55,258,190)
Employment Expenses	2 (e)	*(46,624,269)	(46,432,388)
		(140,286,452)	(149,995,367)
Operating Profit Before finance Costs		6,404,277	34,150,850
Finance Costs	2 (e)	-	-
Profit before Exceptional Item		6,404,277	34,150,850
Other income/(Exchange Loss)	2(g)	-1,701,426	2,716,804
Net profit/(loss) for the year		8,105,703	36,867,654

KIPCHABO TEA FACTORY LIMITED
STATEMENT OF FINANCIAL POSITION
AS AT 30th June 2017

	Notes	2016/2017 Ksh.	2015/2016 Ksh.
Property, Plant & Equipment	3	754,548,602	762,065,260
CURRENT ASSETS			
Inventories	4	89,107,265	122,291,937
Trade Receivables	6	503,945,955	74,452,805
Cash & Bank Balances	5	6,497,000	9,064,351
TOTAL CURRENT ASSETS		599,550,220	205,809,093
CURRENT LIABILITIES			
Trade & Other Payables	7	520,536,885	142,418,120
TOTAL CURRENT LIABILITIES		520,536,885	142,418,120
NET CURRENT ASSETS		79,013,335	63,390,973
TOTAL NET ASSETS		833,561,937	825,456,233
FINANCED BY			
Ordinary Shares	8	100,000	100,000
Share Premium	8	809,171,518	809,171,518
Accumulated Profit	8	24,290,419	16,184,715
TOTAL CAPITAL		833,561,937	825,456,233

The financial statements were approved by the Board of Directors on..... 26/02/2018
and were signed on Its behalf by:-



Mathew Iteere
Chairman



Peter Korir
Managing Director

STATEMENT OF CHANGES IN EQUITY

	Accumulated Fund Kshs	Revenue Reserves Kshs	Total Kshs
Shareholders Funds	809,271,518	(20,682,939)	788,588,579
Shareholders capital Injection			-
Net Profit/(Loss) for the year		36,867,654	36,867,654
As at 30th June 2016	<u>809,271,518</u>	<u>16,184,715</u>	<u>825,456,233</u>
	-		-
Net Profit/(Loss) for the year		8,105,703	8,105,703
As at 30th Jun 2017	<u>809,271,518</u>	<u>24,290,419</u>	<u>833,561,937</u>

Note: Reserves are maintained by the Company for future expansion
 2015/2016

	Accumulated Fund Kshs	Revenue Reserves Kshs	Total Kshs
Shareholders Funds	809,271,518	(58,678,732)	750,592,786
Net Profit/(Loss) for the year		37,995,794	37,995,794
As at 30th June 2015	<u>809,271,518</u>	<u>(20,682,939)</u>	<u>788,588,579</u>
	-		-
Net Profit/(Loss) for the year		36,867,654	36,867,654
As at 30th June 2016	<u>809,271,518</u>	<u>16,184,715</u>	<u>825,456,233</u>

STATEMENT OF CASHFLOWS

	Note	2016/2017 Kshs	2015/2016 Kshs
Cashflow from Operating Activities			
Operating Profit (Loss)		8,105,703	36,867,654
Exchange gain	2(g)	(1,700,584)	(2,716,804)
Depreciation of Fixed Assets	2 (d)	56,412,263	52,999,807
Interest Income		(843)	-
Profit Before Working Capital Changes		62,816,540	87,150,657
(Decrease) / Increase in Debtors & Prepayments	6	(429,493,149)	(1,303,597)
Increase / (Decrease) in Creditors & Accruals	7	378,118,766	(62,481,692)
Increase in Stock	4	33,184,672	(72,825,410)
Net Changes in working Capital		(18,189,712)	(136,610,699)
Net Cash Generated from Operating Activities		44,626,828	(49,460,041)
Cashflows used in Investing Activities			
Purchase of Fixed Assets	3	(48,895,605)	(27,792,144)
Interest income	2(g)	843	-
Net Cash (Used) in Investing Activities		(48,894,762)	(27,792,144)
Net Increase in Cash and Cash Equivalents		(4,267,934)	(77,252,185)
Movement in Cash and Cash Equivalents			
At 1st July 2016		9,064,351	86,316,536
Effect of exchange gain on cash & cash equivalent		1,700,584	-
Increase/(Decrease) in the year		(4,267,934)	(77,252,185)
At 30th Jun 2017	5	6,497,000	9,064,351

Report and Accounts for the Year ended 30th Jun 2017
Statement of Comparative Budget and Actual amounts

	Budget 2016/2017	Actual 2016/2017	Variance	Variance
	Kshs	Kshs	Kshs	%
Receipts				
Sale of Finished Tea	907,934,029	859,527,511	(48,406,518)	-5.33%
Payments				
Green Leaf Intake	475,121,768	499,325,723	(24,203,955)	-5.09%
Other factory operating expenses	9,585,389	14,998,485	(5,413,096)	-56.47%
Factory Materials & Consumables	13,957,875	9,232,759	4,725,116	33.85%
Motor Vehicle & Generator Fuel	10,104,300	3,455,029	6,649,271	65.81%
Electricity and Water	48,082,323	35,366,742	12,715,581	26.45%
Factory running expenses	46,170,102	43,469,634	2,700,468	5.85%
Fuelwood	24,284,001	23,030,560	1,253,441	5.16%
Manufacturing Labour	39,462,658	24,090,518	15,372,140	38.95%
Transport of finished tea	12,898,660	11,578,991	1,319,669	10.23%
Warehousing	10,257,562	9,210,651	1,046,911	10.21%
Brokerage and Catalogue fee	5,972,696	5,893,018	79,677	1.33%
Advertising Marketing & Publicity	18,028,783	2,467,324	15,561,459	86.31%
Bank charges	800,000	594,727	205,273	25.66%
Insurance	5,661,677	3,984,489	1,677,188	29.62%
Other administrative expenses	27,000,000	26,846,804	153,196	0.57%
Repairs & Maintenance	3,500,000	1,204,388	2,295,612	65.59%
Security	2,099,484	2,152,190	(52,706)	-2.51%
Depreciation	78,934,118	56,412,263	22,521,855	28.53%
Salaries and wages	59,567,245	46,624,269	12,942,976	21.73%
Exchange Loss	-	-	-	-
Interest on Loan	27,290,000	-	27,290,000	100.00%
Other Incomes				
Interest Income	1,000,000	843	(999,157)	-99.92%
Exchange Gain	-	1,700,584	1,700,584	

NOTES TO THE ACCOUNTS

	2016/2017	2015/2016
	Kshs	Kshs
2 (a) Turnover		
Sale of Finished Tea	859,527,511	561,149,720
	859,527,511	561,149,720
2 (b) Cost of Production		
Opening Stock	122,291,937	49,466,527
Green Leaf Intake	499,325,723	332,926,989
Other factory operating expenses	14,998,485	23,547,486
Factory Materials & Consumables	9,232,759	5,475,574
Motor Vehicle & Generator Fuel	3,455,029	15,511,618
Electricity and Water	35,366,742	28,873,021
Factory running expenses	43,469,634	14,495,773
Fuelwood	23,030,560	28,998,451
Manufacturing Labour	24,090,518	-
Transport of finished tea	11,578,991	-
Warehousing	9,210,651	-
Brokerage and Catalogue fee	5,893,018	-
Less Closing Stock	(89,107,265)	(122,291,937)
	712,836,782	377,003,502
2 (c) Administrative Expenses		
Advertising Marketing & Publicity	2,467,324	2,439,270
Bank charges	594,727	231,200
Insurance	3,984,489	3,188,096
Other administrative expenses	26,846,804	42,446,224
	33,893,343	48,304,789
2 (d) Other Operating expenses		
Light & Water	-	259,042
Repairs & Maintenance	1,204,388	249,772
Security	2,152,190	1,749,569
Depreciation	56,412,263	52,999,807
	59,768,840	55,258,190
	93,662,184	103,562,979
2 (e) Employment Expenses		
Salaries and wages	46,624,269	46,432,388
	46,624,269	46,432,388
2 (g) Other income		
Interest Income	843	-
Exchange Gain/ (Loss)	1,700,584	2,716,804
	1,701,426	2,716,804

Exchange gain relates to changes in value in sales denominated in US dollars when converted to Kenya shillings.

Kipchabo Tea Factory Ltd
Reports and Accounts for the Period Ended 30th Jun 2017

Note 3

	Land Kshs	Work-in-Progress Kshs	Factory Buildings Kshs	Factory Machinery Kshs	Furniture & Fixtures Kshs	Office Equipment Kshs	Computers & Assessories Kshs	Motor Vehicles Kshs	Total Kshs
Cost									
As at 1st Jul 2016	8,044,682	-	452,542,378	477,972,274	3,749,997	1,204,795	12,222,641	68,365,750	1,024,102,516
Transfer from Nyayo Tea Zone	-	13,035,860	3,667,845	14,366,842	(0)	155,551	83,507	17,586,000	48,895,605
Additions	-	-	-	-	-	-	-	-	-
Disposal	-	-	-	-	-	-	-	-	-
30 Jun 2017	8,044,682	13,035,860	456,210,224	492,339,116	3,749,997	1,360,345	12,306,148	85,951,750	1,072,998,121
Acum Deprn 1st Jul 2016	-	-	51,550,923	156,255,050	2,812,498	1,204,795	11,815,441	38,398,550	262,037,257
Charge for the year	-	-	9,124,204	32,740,551	468,750	31,110	413,728	13,633,920	56,412,263
On Disposal	-	-	-	-	-	-	-	-	-
30 Jun 2017	-	-	60,675,128	188,995,601	3,281,247	1,235,905	12,229,169	52,032,470	318,449,520
Net Book Value	8,044,682	13,035,860	395,535,096	303,343,515	468,750	124,441	76,979	33,919,280	754,548,602
30 Jun 2017	8,044,682	-	400,991,455	321,717,224	937,499	-	407,200	29,967,200	762,065,261

2015/2016

	Land Kshs	Work-in-Progress Kshs	Factory Buildings Kshs	Factory Machinery Kshs	Furniture & Fixtures Kshs	Office Equipment Kshs	Computers & Assessories Kshs	Motor Vehicles Kshs	Total Kshs
Cost									
As at 1st Jul 2015	8,044,682	-	452,542,378	475,161,930	3,749,997	1,204,795	12,158,841	43,447,750	996,310,373
Transfer from Nyayo Tea Zone	-	-	-	2,810,344	-	-	63,800	24,918,000	27,792,144
Additions	-	-	-	-	-	-	-	-	-
Disposal	-	-	-	-	-	-	-	-	-
30 Jun 2016	8,044,682	-	452,542,378	477,972,274	3,749,997	1,204,795	12,222,641	68,365,750	1,024,102,516
Acum Deprn 1st Jul 2015	-	-	42,500,076	124,469,894	2,343,748	1,204,795	11,429,508	27,089,430	209,037,450
Charge for the year	-	-	9,050,848	31,785,156	468,750	-	385,933,33	11,309,120	52,999,807
On Disposal	-	-	-	-	-	-	-	-	-
30 Jun 2016	-	-	51,550,923	156,255,050	2,812,498	1,204,795	11,815,441	38,398,550	262,037,257
Net Book Value	8,044,682	-	400,991,455	321,717,224	937,499	-	407,200	29,967,200	762,065,261
30 Jun 2016	8,044,682	-	410,042,303	350,692,036	1,406,249	-	729,333	16,358,320	787,272,924

NOTES TO THE ACCOUNTS -Continued

	2016/2017 Kshs	2015/2016 Kshs
4. Inventories		
Finished Tea at Mombasa Warehouse	39,621,028	92,779,515
Finished Tea at Kipchabo Factory	39,903,554	18,693,207
Fuelwood at Kipchabo factory	8,416,080	10,146,780
Other Inventories	1,166,603	672,435
	89,107,265	122,291,937
5. Cash & Cash Equivalents		
KCB Current Account	3,447,590	3,573,539
CFC Stanbic Bank	1,720,233	2,126,309
Mpesa Cash Account	1,324,364	2,364,503
Cash in hand	4,813	-
KCB Fixed Deposit	-	1,000,000
	6,497,000	9,064,351
6. Trade Receivables		
Trade Debtors	60,395,313	51,258,075
Other Debtors	25,897,681	23,194,730
Nyayo Tea Zones Devt. Corporation - Advances	417,652,960	-
	503,945,955	74,452,805
7. Trade and other Payables		
Trade Payables	24,098,789	1,594,451
Green leaf Creditors - Nyayo Tea Zones	458,921,404	101,140,808
Green Leaf Creditors - Outgrowers	32,397,874	28,085,264
Accruals	5,118,818	11,597,597
	520,536,885	142,418,120
8. Shareholders Funds		
Authorised No. of Shares - 5,000 Shares		
Type of Shares - Ordinary Shares		
Par value per Share Ksh. 20 each		
Total No. of Shares Subscribed - 5,000 Shares		
Value of subscribed Shares - Ksh 100,000	100,000	100,000
Share Premium	809,171,518	809,171,518
Deficit brought forward	16,184,716	(20,682,939)
Profit / (Loss) for the year	8,105,703	36,867,654
	833,561,937	825,456,234