



Library

PARLIAMENT  
OF KENYA  
LIBRARY

PARLIAMENT OF KENYA	34
Speaker	Clerk + ASST
Deputy Speaker	IT Editor
Clerk	Members
Deputy Clerk	Library
P. C. A.	Press



**Agro-chemical and food company limited**

**ANNUAL REPORT & ACCOUNTS  
1999/2000**

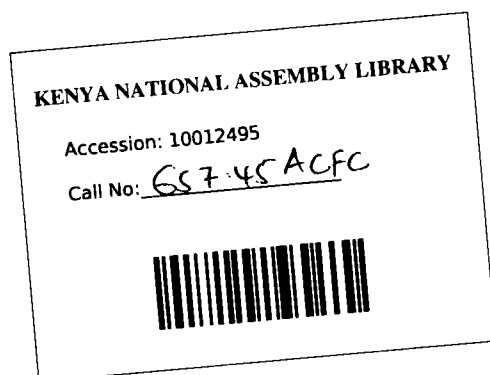
Factory : P.O. Box 18, MUHORONI  
Phone : 51622, 51075/7/8/9 MUHORONI Telex: 37077 ACFC. Fax: 51260  
REDG. Office Jeevanbharti 7<sup>th</sup> Floor Harambee Avenue  
P.O. Box 41175 Nairobi. Phone: 338849 Telex: 22499 Cables "SUCCESS"

57-46  
ACFC

# **AGRO-CHEMICAL AND FOOD COMPANY LIMITED**

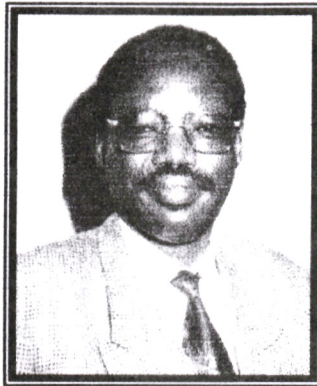
## **REPORT AND ACCOUNTS FOR THE YEAR ENDED 30<sup>TH</sup> JUNE 2000**

<b><u>CONTENTS</u></b>	<b><u>PAGES</u></b>
Chairman's Report for the year	1 - 3
Directors' Report	4 - 5
Report of the Auditor General (Corporations)	6 - 7
Profit and Loss Account	8
Balance Sheet	9
Cash Flow Statement for the year	10
Notes to the Accounts	11 - 16
Charts	17 - 18



# **AGRO-CHEMICAL AND FOOD COMPANY LIMITED**

## **CHAIRMAN'S REPORT FOR THE YEAR TO 30<sup>TH</sup> JUNE 2000**



It is my pleasure to present the ACFC Annual Report and audited accounts for the year ended 30<sup>th</sup> June 2000. Like the previous year, there were unmatched challenges emanating from a very difficult economic environment characterized by reduced economic activity and growth in almost all sectors which was further aggravated by the prolonged drought throughout the country leaving the power sector with no alternative but to ration power supply drastically to both the manufacturing sector and the consumer.

ACFC has not fully recovered from the effects. The early part of the year saw over-dependence on the Diesel generators which had hitherto been put in place. We spent upto about Kshs.3.7 million on diesel. The sugar sector which is the source of our raw material – molasses continued to gradually recover from the same problems. I must appreciate the co-operation given to us in molasses procurement. The year marked an all-round record of molasses receipt of upto 83,770 tonnes compared to 78,819 in 1999 and 74,916 in 1998. This made it possible for us to run our alcohol plant continuously with closure of 8 days only between July 1999 and June 2000. Thus we achieved alcohol production of 19.125 million litres against budgeted quantity of 18.9 million litres. This was 101% of the budget. It is my hope that the good working relationship we have with the sugar factories, Kenya Sugar Authority and Ministry of Agriculture will continue by giving priority in molasses supply to ACFC.

### **SUMMARISED OPERATING RESULTS**

It is impressive to note that inspite of the economic difficulties, our production and sales saw great improvement by going above the budget as shown below. However our operations resulted an upward increase profit to only Kshs. 37.9 million before loan interest and exchange losses which have continued to deplete our capital base, besides increasing total indebtedness to GOK.

## THE FINANCIAL HIGHLIGHTS

1999 / 2000			1998 / 1999		
PRODUCTION	BUDGET	ACTUAL	BUDGET %	BUDGET	ACTUAL
Alcohol (000)Lts	18,900	19,125	101.2	18,900	19,516
Yeast (Tonnes)	1,200	1,073	89.4	1,200	1,159
Wet Yeast (Tons)	300	142	47.3	-	-
SALES:					
Alcohol (000) Lts	18,900	21,528	113.9	18,900	16,835
Yeast (Tonnes)	1,200	1,124	93.7	1,200	1,175
Wet Yeast (Tons)	300	142	47.3	-	-
*GROSS REV.	Ksh.585M	Ksh.654M	111.8M	Ksh.641M	533M
OPER. PROFIT BEFORE INTER.	Kshs. 55M	Kshs. 37.9M	Ksh.68.9M	Ksh.81M	Kshs. 34M

**M = Million**

- Gross Revenue includes sales turnover and other income i.e. interest on short term deposits or treasury bills, miscellaneous sales like Fodder Yeast, scrap and old vehicles. The total sales turnover for the year under review was Kshs.637.7 million compared to Kshs.515.1 million in the previous year. The operating profit resulting before the loan interest was Kshs.37.9 million compared to Kshs.34 million in 1998/1999. However, due to heavy exchange losses arising from translation of our foreign currency loans, the company registered an overall net loss of Kshs.751.3 million compared to a loss of Kshs. 1,060.9 million in the previous year. The burden of heavy loans continue to be felt and efforts to approach the GOK in finding a lasting solution would continue.

### FUTURE PROSPECTS

As we entered into this year with a plummeted GDP growth of -0.4%, it really calls for a concerted effort from all of us in order to achieve any positive realisation. I am glad, however that we have taken bold steps in improving the performance of our plant. The final inauguration of our multimillion Effluent Treatment Plant on 16<sup>th</sup> October 2000 is a clear manifestation of our undeterred efforts towards environmental conservation. We have also embarked on the second phase of instrumentation, a project that when completed shall not only enhance maximized production but also improved quality of products.

It is evident that with Kenya being one of the member states of COMESA, unless we go for quality products, we might not be able to compete favourably in the market. Therefore this calls for the intensive and aggressive marketing strategy from our end. The use of media campaign should be emphasized.

Within this year, we have realised an improved local sales of Rectified Spirit and Neutral Spirit in Kenya and in East African region. With the unsteady world alcohol pricing, we have to intensify our efforts in not only maintaining the market we have acquired but also expand. This will liberate us from over dependence on the export market.

The acceptance of our newly introduced brand of Wet Yeast into the market by some of the Bakeries, is also an achievement worth mentioning. The results have been quite impressive leading to realisation of Kshs. 36 million. With the newly refrigerated van already in use, we should expand to other areas as we target the whole nation. We have to compete favourably and request the government to guard against the unnecessary influx of imported Instant yeast.

Finally as we endeavor to undergo ISO 9000 certification, the training of all staff towards this course becomes a task for all of us. It is therefore the responsibility of all our staff to strive towards the above stated objectives in readiness for the challenges ahead.

### **ACKNOWLEDGEMENTS**

ACFC has stayed afloat even in difficult times because of the commitment and quality of our employees, who continue to perform their duties with skill, loyalty and team spirit. I take pride therefore in thanking all of them for their selfless dedication and urge them to uphold these trails in future also. The positive contribution by our major stakeholders, customers, suppliers, transporters, bankers and other service providers cannot also go unnoticed. May I especially acknowledge the important role played by the Ministry of Agriculture, Kenya Sugar Authority and Sugar Companies in supplying molasses to us. I also thank Ministry of Finance and Office of the President for their continued guidance and support.

Finally, my appreciation goes to all my colleagues on the Board for their tireless devotion and valued guidance. I look forward to similar enthusiastic co-operation in future.

**JOB SIROR**  
**CHAIRMAN**

**October 2001**

# **AGRO-CHEMICAL AND FOOD COMPANY LIMITED**

## **DIRECTORS' REPORT**

The Directors present their report and the accounts for the year ended 30<sup>th</sup> June, 2000.

### **Principal Activities:**

The Company produces Rectified spirit, Neutral spirit, Industrial Methylated spirit, Kenya Methylated spirit, Active Dry Yeast and Fresh wet yeast from sugar cane molasses for both local and export to other countries.

### **Results:**

During the year the Company produced 19.1 million litres of alcohol and spirits and 1073 tons of yeast and realized a turnover of Kshs. 638 million (1998/99: 515 million). The operating loss before exchange gains/(losses) was Kshs. 454,536,589 which includes interest on foreign loans of Kshs.492 million (1998/99: 372 million). The loss for the year – carried forward is Kshs. 751,346,198. This loss is after considering an exchange loss amounting to Kshs. 296,809.609 arising from the translation of the foreign currency loans at the exchange rate ruling at the balance sheet date.

### **Dividends:**

The Directors do not recommend the payment of dividends in view of the cumulative loss position.

### **Auditors:**

The Auditor General (Corporations) will continue in office in accordance with section 29 (2) of the Exchequer and Audit Act (Cap. 412).

# **AGRO-CHEMICAL AND FOOD COMPANY LIMITED**

## **Directors as at 30<sup>th</sup> June 2000**

Mr. Job Siror : Chairman  
Mr. M.N.Mehta : (Alternate: Mr. Jay Mehta)  
Mr. Kipn'getich Arap Korir : (Alternate: Mr. W. Shimanyula)  
Mr. S.C. Sharma :  
Industrial and Commercial Development Corporation : (Alternate : Mr. S.K.Maina)

## **Managing Agent and Registered Office**

Mehta Group Management Limited  
Jeevanbharati Building, 7<sup>th</sup> Floor  
P.o. Box 41175  
NAIROBI.

## **RESIDENT DIRECTOR AND CHIEF EXECUTIVE**

**MR. O.P. NARANG**

### **Advocates**

Ombija & Co. Advocates  
P.o. Box 77  
**KISUMU**

Robson Harris & Co Advocates  
P.o. Box 30423  
**NAIROBI**

### **Bankers:**

National Bank of Kenya Limited  
Barclays Bank of Kenya Limited  
Kenya Commercial Bank Limited

### **Senior Executives**

Dy. Chief Executive (Finance) and Company Secretary: Mr. J.Z. Abuta (Upto 15.5.2001)  
Dy. Chief Executive (Works) : Mr. A.O. Gumo(Upto 15.5.2001)

By order of the Board

**F.S. GITIHA**

**Financial Controller**

**REPORT OF THE AUDITOR GENERAL (CORPORATIONS) ON THE ACCOUNTS OF AGRO-CHEMICAL AND FOOD COMPANY LIMITED FOR THE YEAR ENDED 30 JUNE 2000**

I have examined the Accounts of Agro-Chemical and Food Company Limited for the year ended 30<sup>th</sup> June 2000 in accordance with Section 29 (2) of the Exchequer and Audit Act (Cap 412). I have obtained all the information and explanations required for the purpose of the audit. Proper books of account have been kept by the Company and Accounts are in agreement therewith and comply with the Companies Act (Cap 486).

In my opinion, and subject to the reservations set out herebelow, the Accounts, when read together with the Notes thereon, present fairly the Company's financial state of affairs as at 30 June 2000 and of its loss and cashflow for the year then ended.

**1. FINANCIAL POSITION**

The Company realized a loss of Kshs. 751,346,198 in 1999/2000 compared to a loss of Kshs. 1,060,928,958 incurred in the previous year which brought its adjusted accumulated losses to Kshs. 5,249,848,601 as at 30 June 2000. In addition the Company's Balance Sheet as at 30 June 2000 reflects negative working capital of Kshs. 294,206,135 while the Company was also unable to meet its loan repayment obligations as they fell due. Evidently, therefore, the Company is facing serious financial problems and the Accounts for 1999/2000 have been prepared on a going concern basis on the assumption that the Company will continue to get support from Government, lenders and other creditors.

**2. FIXED ASSETS**

Included in the Balance Sheet fixed assets figure of Kshs. 1,548,059,578 is an amount of Kshs. 7,014,105 in respect of Gasohol Blending Equipment installed at various oil companies in the late 1980s to mix petrol with power alcohol supplied by the Company. However, and for reasons not indicated the project was rejected by the oil firms in 1991 after which the gasohol equipment was dumped at various yards and stores of those oil companies where its physical condition continued to deteriorate.

It is now doubtful whether this equipment is still in working condition, or whether the same is of any use to the Company at all. Under the circumstances, therefore, it is not possible to confirm the correctness of the balance of Kshs. 7,014,105 reflected in these Accounts against the Gasohol Blending Equipment.

### **3. PURCHASE OF LAND**

During the year 1999/2000 the Company purchased some land from M/s Muhoroni Sugar Company Limited for which it paid Kshs.2 million through the National Bank of Kenya. Sale Agreement to support the land transaction was, however, not seen. In addition no title deeds were seen as no transfer appears to have taken place. It is, however, understood that the main property title from which the sold portions of land had been excised had been charged by the vendor in favour of the National Bank of Kenya for overdraft facilities. Under the circumstances and in the absence of any sale agreement or title documents for the subject land, it is not possible to confirm the ownership, by the Company, as well as security of land on which the Company buildings and other facilities stand.

### **4. DEBTORS – M/S KASAMANI ADVOCATE**

Included in the Balance Sheet debtors figure of Kshs.123,207,080 as at 30<sup>th</sup> June 2000 is an amount of Kshs. 22,453,975 collected in December 1997 but still retained by the Company's appointed advocates instead of remitting the same to the Company. The original amount collected was Kshs.13,399,890, but the advocates failed to remit the collections to the Company despite an agreement reached in a meeting dated 02 February 1998 and the balance on 16<sup>th</sup> February, 1998. At the same meeting, the two parties agreed that the Company would charge the advocates interest based on the prevailing bank rate on any outstanding balance which remained unpaid. A review of the matter during the year 1999/2000 showed that the Company appointed another firm of advocates to pursue the recoveries from the other firm of advocates. Although available information indicates that the indebted advocates paid Kshs. 1 million on 22 December 2000 and undertook to pay the balance in monthly instalments of Kshs. 500,000, it is not clear, however, why the Company has not taken drastic action to recover this long outstanding debt. As far as it has been possible to ascertain, the Company has not even taken up the matter with the Law Society of Kenya for the advocates misconduct.

**S.M. MALUKI**

**AUDITOR GENERAL (ORPORATIONS)**

13 August 2001.

# AGRO-CHEMICAL AND FOOD COMPANY LIMITED

## PROFIT AND LOSS ACCOUNT

FOR THE YEAR ENDED 30<sup>TH</sup> JUNE 2000

	<b>2000</b>	<b>1999</b>
	<b>SHS.</b>	<b>SHS.</b>
TURNOVER	637,753,847	515,104,937
	=====	=====
PROFIT (LOSS)		
BEFORE TAXATION	(751,346,198)	(1,060,928,958)
TAXATION**	---	---
	=====	=====
PROFIT (LOSS)	(751,346,198)	(1,060,928,958)
FOR THE YEAR	=====	=====

\*\*See Note 3

# AGRO-CHEMICAL AND FOOD COMPANY LIMITED

BALANCE SHEET AS AT 30<sup>TH</sup> JUNE 2000

		1999/2000 (12M)	1998/99 (12M)
	<u>NOTES</u>	<u>KSHS.</u>	<u>KSHS.</u>
<u>FIXED ASSETS</u>	4	1,548,059,578	1,579,120,181
INVESTMENT (AT COST)	5		6,000
<u>CURRENT ASSETS</u>			
STOCK AND WORK IN PROGRESS	6	110,571,776	133,320,212
DEBTORS	7	123,207,080	118,737,530
SHORT TERM DEPOSITS	8	100,088,343	54,618,046
BANK AND CASH BALANCES		40,280,427	19,980,775
		<u>374,147,626</u>	<u>326,656,653</u>
<u>CURRENT LIABILITIES</u>			
CREDITORS	9	668,353,761	1,716,305,767
BANK OVERDRAFT (SECURED)		-	12,732,129
		<u>668,353,761</u>	<u>1,729,037,896</u>
NET CURRENT ASSETS/LIABILITY		<u>(294,206,135)</u>	<u>1,402,381,333</u>
		<u>1,253,853,443</u>	<u>176,744,848</u>
<u>FINANCED BY:</u>			
SHAREHOLDERS FUNDS	11	60,000,000	60,000,000
RESERVES	12	<u>(3,712,559,462)</u>	<u>(2,964,903,609)</u>
SHAREHOLDERS FUNDS		<u>(3,652,559,462)</u>	<u>(3,081,648,457)</u>
LOANS	10	4,906,412,905	3,081,648,457
		<u>1,253,853,443</u>	<u>176,744,848</u>

Accounts on Pages 7 to 13 were approved by the Board of Directors on 17<sup>th</sup> Oct,2000 and were signed on its behalf by:

)  
 ) Directors  
 )

# AGRO-CHEMICAL AND FOOD COMPANY LIMITED

## CASH FLOW STATEMENT FOR THE YEAR 30<sup>TH</sup> JUNE 2000

	1999/2000(12M) <u>SHS.</u>	1998/1999(12M) <u>SHS.</u>
Net Cash inflow from Operating Activities:		
Net Profit/(Loss) before taxation	(751,346,198)	(1,060,928,958)
Adjustment for items not involving		
Movement of funds:		
Deferred interest capitalized	1,664,656,800	
Depreciation	88,727,254	82,192,301
Prior year Adjustment to reserves	(3,690,345)	249,365,001
Exchange (gain)/loss on foreign loans	182,494,338	(174,756,647)
Profit on sale of fixed assets	(921,900)	(975,991)
	<hr/>	<hr/>
Net Operating Profit/(Loss) before	1,179,919,949	(905,104,294)
Changes in working capital:		
Changes in:		
Stock	22,748,436	( 30,689,835)
Debtors	(4,469,550)	(18,828,497)
Creditors	(1,047,952,006)	778,179,910
	<hr/>	<hr/>
(a) Net Cash Flow from operating	150,246,829	(176,442,716)
activities.		
<u>Cash Flow from investing Activities:</u>		
Purchase of Assets	(57,666,651)	112,534,700
Proceeds from sale of fixed assets	921,900	1,132,000
	<hr/>	<hr/>
(b) Net Cash Flow from investing	(56,744,751)	113,666,700
activities		
(c)		
<u>Cash Flow from Financing Activities</u>		
Repayment of Loans	15,000,000	-
	<hr/>	<hr/>
Net Increase/(decrease) in cash	78,502,078	(62,776,016)
And cash equivalents (a+b+c+)		
Cash and cash equivalent at the		
Beginning of the year	61,866,692	124,642,708
	<hr/>	<hr/>
Cash and Cash equivalent at the end	140,368,770	61,866,692
Of the period	<hr/> <hr/>	<hr/> <hr/>

# AGRO-CHEMICAL AND FOOD COMPANY LIMITED

## NOTES TO THE ACCOUNTS

### 1. ACCOUNTING POLICIES

a) **Basis of accounting**

The Company basically prepares its accounts on the historical cost basis of accounting, modified as necessary to ensure compliance with the requirements of the International Accounting Standards (IAS).

b) **Turnover**

Turnover represents the fair value of alcohol, spirits and yeast sales invoiced to or collected from customers (net of discounts, taxes and levies) and other income earned from normal trading activities.

c) **Fixed assets and Depreciation**

Fixed assets are recorded at historical cost or at the revalued amounts. Depreciation is calculated to write off such cost or valuation using the straight line method at the following rates:-

Land	1.05%
Buildings	2.5%
Plant and Machinery	4.0%
Instrumentation & Computers	10%
Motor Vehicles	25%
Furniture and fixtures	15% for revalued assets and 10% for additions thereafter

Tangible fixed assets are depreciated in the year of acquisition and no provision for depreciation is provided for in the year of disposal. Fixed assets were revalued in 1993 other than furniture and fixtures which were revalued last in 1986.

d) **Foreign Currencies**

Assets and liabilities denominated in foreign currencies are translated into Kenya Shillings at the rates of exchange at balance sheet date. Transactions during the year in foreign currencies are translated at the rate ruling at the date of the transactions. Realised and unrealized exchange rate gains or losses arising from such transactions are recorded in the profit and loss account as financial expenses or income.

## NOTES TO ACCOUNTS (CONTINUED)

### (e) Inventories

Inventories are recorded at the lower of cost and net realizable value calculated on "Average" basis. Historical costs include purchase costs as well as transportation, processing And allocable portion of direct salaries and other production overheads.

### 2. PROFIT/(LOSS) BEFORE TAXATION

Loss before taxation is arrived at after charging:

	<b>2000</b> <b><u>KSHS.</u></b>	<b>1999</b> <b><u>KSHS.</u></b>
Depreciation	88,727,254	82,192,301
Auditors' remuneration & Exp.	490,000	350,000
Directors " "	2,590,249	2,538,961
Interest payable (received) on:		
Loans	492,488,448	371,664,918
Bank overdraft	629,900	1,453,188
Deposits	(12,136,514)	13,386,013
Others	(3,101,187)	(5,209,206)
(Gains) / loss on exchange	<u>296,809,609</u>	<u>723,377,689</u>

### 2. TAXATION

Current tax rate is 32.50% on adjusted profit. There is no tax liability in view of losses available for carry forward of approximately Shs. 4,065 million (1999: 2,965 million).

# AGRO CHEMICAL AND FOOD COMPANY LIMITED

## ANNEXTURE TO BALANCE SHEET 4. FIXED ASSETS

	Land, Housing & Factory Kshs.	Plant and Machinery Kshs.	Work in Progress Kshs.	Vehicle Furniture and Fixtures Kshs.	Total Kshs.
<b>COST OF VALUATION</b>					
At 30 <sup>th</sup> June 1999	278,281,495	1,652,807,126	14,994,057	51,084,803	1,997,167,481
Additions	1,865,746	18,808,464	30,978,438	6,014,003	57,666,651
Disposals				(3,182,000)	(3,182,000)
Transfers	0	6,208,030	(8,816,726)	2,608,696	0
At 30 <sup>th</sup> June, 2000	280,147,241	1,677,823,620	37,155,769	56,525,502	2,051,652,132
<b>DEPRECIATION</b>					
At 30 <sup>th</sup> June 1999	37,467,750	348,609,861	--	31,969,689	418,047,300
Eliminate in Respect of disposals				(3,182,000)	(3,182,000)
Charge for the July 1999 June 2000	6,678,331	73,849,767	--	8,199,156	88,727,254
At 30 <sup>th</sup> June 2000	44,146,081	422,459,628	--	36,986,845	503,592,554
<b>NET BOOK VALUE AT 30<sup>TH</sup> JUNE ' 2000</b>	236,001,160	1,255,363,992	37,155,769	19,538,657	1,548,059,578
At 30 <sup>TH</sup> JUNE 1999	240,813,745	1,304,197,265	14,994,057	19,115,114	1,579,120,181

# AGRO-CHEMICAL AND FOOD COMPANY LIMITED

## NOTES TO THE ACCOUNTS (CONTD.)

	<b>2000</b>	<b>1999</b>
	<b><u>SHS.</u></b>	<b><u>SHS.</u></b>
5. INVESTMENT		
Cost of 300 shares 20/= each in K.G.G.C.U Limited (written off in current year).	---	6,000
6. STOCK AND WORK IN PROGRESS		
Goods in transit	3,259,130	864,178
Raw Materials and spares	78,202,451	61,805,948
Work in progress	2,884,432	4,064,193
Finished Products	26,225,763	66,585,893
	<u>110,571,776</u>	<u>133,320,212</u>
7. DEBTORS		
Trade	44,939,070	50,279,762
Less Prov. for doubtful debts	-----	(3,342,405)
Pre-payments	7,585,543	5,885,352
Creditors debit balances	4,427,055	3,058,004
Others	66,255,412	62,856,817
	<u>123,207,080</u>	<u>118,737,530</u>
8. SHORT TERM DEPOSITS		
Fixed Deposit	99,100,000	52,500,000
Interest Receivable	988,343	664,927
	<u>100,088,343</u>	<u>53,164,927</u>

NOTES TO ACCOUNTS (CONTD.)

	<b>2000</b> <b><u>KSHS</u></b>	<b>1999</b> <b><u>KSHS</u></b>
9. CREDITORS		
Trade creditors	31,957,937	31,502,410
Other Creditors*	<u>636,395,824</u>	<u>1,684,803,357</u>
	<u>668,353,761</u>	<u>1,716,305,767</u>

\*Includes interest accrued on foreign loan of Kshs.614,184,657 (1998/99:Kshs.1,664,656,800).

10. LOANS**		<b>2000</b> <b><u>KSHS</u></b>	<b>1999</b> <b><u>KSHS</u></b>
<u>Lender:</u>	<u>Interest Rates</u>		
GOK ON – LENT	9%p.a.	2,719,999,872	2,544,892,225
Loans interest deferred		1,664,656,800	-
Giro – Credit Bank amt.			
Paid by GOK	Variable	<u>521,756,232</u>	<u>536,756,232</u>
		<u>4,906,412,904</u>	<u>3,081,648,457</u>

\*\*Foreign loans were restructured as at 31st December 1993 i.e converted to GOK on - lent loan of US\$34,960,000 payable in fourteen semi - annual instalments upto 2002. The unconverted balance of Aus. Sch. 98,273,477.42 i.e Kshs. 521,756,232 in respect of Giro-Credit long term loan was paid on ACFC's behalf by GOK in 1995/96 and 1997/98. Included in deferred interest on loan represents Kshs.1,259,721,649 and Kshs.404,935,151 being accrued interest on both on-lent loan and loan paid on our behalf by GOK capitalized during the current year.

11. SHARE CAPITAL	<b>2000</b> <b><u>KSHS</u></b>	<b>1999</b> <b><u>KSHS.</u></b>
Authorised 3,750,000 ordinary Shares of Shs. 20/=	75,000,000	75,000,000
Issued and fully paid 3,000,000 Ordinary shares of Shs. 20/=	60,000,000	60,000,000

NOTES TO ACCOUNTS (CONTD.)

12. **RESERVES**

	<b>CAPITAL RESERVE SHS.</b>	<b>REVENUE RESERVE SHS.</b>	<b>TOTAL SHS.</b>
As at 30 <sup>th</sup> June 1999	1,537,289,139	(4,502,192,748)	(2,964,903,609)
Prior Year Adjustment (Note 15)		3,690,345	3,690,345
Re-state of balance as at 30.6.99	1,537,289,139	(1,498,502,403)	(2,961,213,264)
Loss for the year at 30.6.2000	-	(751,346,198)	( 751,346,198)
	<u>1,537,289,139</u>	<u>(5,249,848,601)</u>	<u>(3,712,559,462)</u>

13. **CAPITAL COMMITMENTS**

	<b>2000 SHS.</b>	<b>1999 SHS.</b>
Contracted but not provided for	43,212,000	51,463,000
Authorised but not contracted for	51,200,000	30,034,000
TOTAL	<u>94,412,000</u>	<u>81,497,000</u>

14. **CONTINGENT LIABILITY**

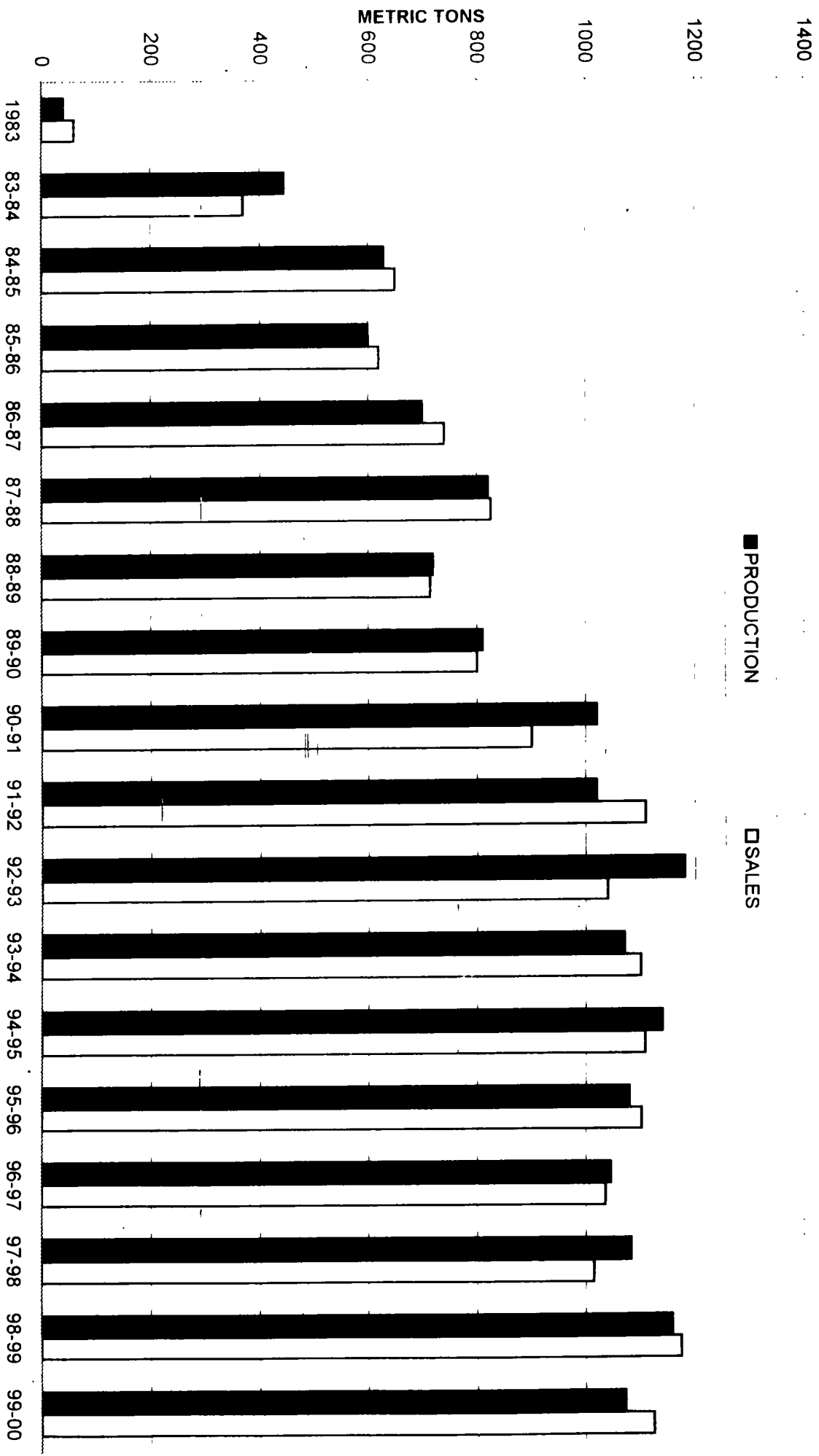
There was a contingent liability of Kshs. 6,838,700 (1999: Kshs. 5,426,500) in respect of bank letters of credit issued and outstanding as at 30.6.2000.

15. Prior year adjustment of Kshs. 3,690,345 represents the following:

i) Caltex (K) Oil C. debt previously provided now paid.	3,342,405
ii) Audit fees for 1997/98 payment reversed from accruals	350,000
iii) Payment on taxation services on previous years.	(186,150)
iv) Write off on KGGCU shares	( 6,000)
v) Payment on Council levies for previous years.	( 19,200)
vi) Insurance premiums for previous years	(248,293)
vii) Write back on creditors with debit balance.	4,340
viii) Provision on Mumias invoices reversed	453,243
	<u>3,690,345</u>

# AGRO CHEMICAL AND FOOD COMPANY LIMITED

## PRODUCTION AND SALES OF A.D.Y FROM 1983 TO JUNE 2000



**AGRO CHEMICAL AND FOOD COMPANY LIMITED  
PRODUCTION AND SALES OF ALCOHOL FROM 1983 TO JUNE 2000**

