

PARLIAMENT  
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REPORT OF THE CONTROLLER AND AUDITOR GENERAL ON THE  
FINANCIAL STATEMENTS OF KENYA SUGAR BOARD FOR THE  
YEAR ENDED 30 JUNE 2003



# KENYA SUGAR BOARD

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## ***KENYA SUGAR BOARD***

The Directors have the pleasure in forwarding the report and financial statements for Kenya Sugar Board for the year ended 30/06/03.

### **1. Principal Activities**

The main activity of Kenya Sugar Board is that of providing advisory services to the government of the Republic of Kenya and the sugar industry as spelt out in the Sugar Act 2001.

### **2. Results**

	2001/2002 Kshs.	2002/2003 Kshs.
Gross income	125,505,414.20	79,908,650.72
Total expenses	<u>129,741,829.50</u>	<u>178,243,491.43</u>
(Deficit)	(4,236,415.30)	(98,334,840.71)

### **3. Dividends**

The Board does not pay dividends as per its Articles and Memorandum of Association.

### **4. Directors**

The directors who served during the year were:

Eng J O Nyarotho	Chairman
Mr. D Mule/ Mr. J Akoyo	Chief Executive Officer
Mr. H Patel	Director (Millers)
Mr. A Tuikong	Director (Millers)
Mr. D Driscoll	Director (Millers)
Mr. S Busolo	Director (Growers)
Mr. Z O Okoth	Director (Growers)
Mrs. O O`wakwabi	Director (Growers)
Mr. C W Muganda	Director (Growers)
Dr F Owako	Director (Growers)

Dr M Kagumba	Director (Growers)
Prof. S Migot-Adholla / D Mate / D Mule/	PS, Min of Agriculture
J Kinyua	Alt. A Gakere/ E Gatuguta
Dr. J K Wanjama	Director of Agriculture
	Alt. J Wanjaiya
Mr M Mwachofi / J Kinyua	PS, Treasury
	Alt. T Gathara / C Kimura
Mr J Otenyo	Inspector General (Corps)
	Alt. T Gichana

## 5. Statement of Income and Expenditure

### I. Income

During the year 2002/2003, the Board received gross income of Kshs 79,908,650.72 as compared to Kshs. 125,505,414.20 recorded in the previous year. The reduction in income was mainly because of decreased collection of interest income on loans.

The gross income is made up of the following:

	2001/2002 Kshs.	2002/2003 Kshs.
Receipts from SDF	63,925,368	64,507,040
Receipts from molasses	177,864	289,750
Miscellaneous receipts	2,632,188	716,745
Interest income on loans	57,530,371	13,458,109
Interest income on deposits	<u>1,239,621</u>	<u>937,006</u>
TOTAL	125,505,414	79,908,650

### II. Expenditure

Total expenditure for the year was Kshs. 178,243,491 as compared to Kshs. 129,741,829 recorded in the prior year. The increase in costs was reflected in finance charges arising from back taxes due to the government. Other classes of expenditure remained stable as seen below:

	2001/2002 Kshs.	2002/2003 Kshs.
Employment	51,877,831	49,849,551
Consumables	5,900,949	6,883,461
Overheads	56,114,522	57,475,997
Finance charges	9,796,834	57,321,076

## 6. Balance Sheet

### I. Fixed Assets

Additions to the Boards assets amounted to Kshs. 19,392,495 during the period.

The additions were as follows:

	Kshs.
Office equipment	1,240,508
Motor vehicle	35,800
Office furniture	422,251
Computers	2,746,282
Capital work in progress	14,887,621
Farm equipment	60,032

### II. Depreciation

Total depreciation charged for the year was Kshs. 6,713,404 as compared to Kshs. 6,051,690 charged in 2001/2002.

### III. Debtors and Prepayments

Debtors and prepayments amounted to Kshs. 9,184,603. The corresponding figure was Kshs 5,964,849 in 2001/2002.

### IV. Investments

The collateral for staff car loans held at National Bank of Kenya in the form of term deposits stood at Kshs. 15,912,542 as compared to Kshs. 18,036,504 in 2001/2002.

### V. Cash and Bank Balance

The closing cash balances were as follows:

	2001/2002 Kshs.	2002/2003 Kshs.
NBK Hill Branch	-875,080	14,918,720
BBK Kisumu	192,637	0
KCB Milimani	99,659	0
KCB Kakamega	<u>110,167</u>	<u>0</u>
TOTAL	-472,615	14,918,720

VI. Creditors and Accruals

These amounted to Kshs. 14,301,967 by the close of the period as compared to Kshs. 15,657,556 recorded for 2001/2002

VII. Deficit for the period

Because of the shortfall in incomes and the increase in finance charges, a deficit of Kshs. 98,334,840 was recorded in the period as compared to the deficit of Kshs. 4,236, 415 for the period 2001/2002.

VIII. Reserves

The Board's reserves amounted to 30,028,149 analysed as follows:

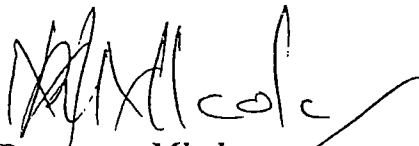
	2001/2002 Kshs.	2002/2003 Kshs.
From previous years	120,801,405	116,564,989
Revaluation reserves	4,523,000	4,523,000
Capital reserves	6,900,000	6,900,000
Deficit for the period	<u>-4,236,415</u>	<u>-98,334,840</u>
	127,987,989	30,028,149

The capital reserve represents the value of land allocated by the government for KSB headquarters in Kabete.

7. Staff

Finally, the Board wishes to thank all staff for their loyalty and dedication to work during the year

By order of the Board



Rosemary Mkok  
Company Secretary

REPUBLIC OF KENYA

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P.O. Box 30084-00100  
NAIROBI

# KENYA NATIONAL AUDIT OFFICE

## REPORT OF THE CONTROLLER AND AUDITOR GENERAL ON THE FINANCIAL STATEMENTS OF KENYA SUGAR BOARD FOR THE YEAR ENDED 30 JUNE 2003

---

I have audited the financial statements of Kenya Sugar Board for the year ended 30 June 2003 in accordance with Section 29 of the Exchequer and Audit Act, (Cap 412). I have obtained all the information and explanations necessary for the purpose of the audit. Proper books of account have been kept and the financial statements, which have been prepared under the historical cost convention are in agreement therewith.

### Respective Responsibilities of the Directors and the Controller and Auditor General

---

The Directors are responsible for the preparation of financial statements which give a true and fair view of the Company's state of affairs and its operating results. My responsibility is to express an independent opinion on the financial statements based on my audit.

### Basis of Opinion

The audit was conducted in accordance with the International Standards on Auditing. Those standards require that the audit be planned and performed with a view to obtaining reasonable assurance that the financial statements are free from material misstatements. An audit includes an examination on a test basis, of evidence supporting the amounts and disclosures in the financial statements. It also includes an assessment of the accounting principles used and significant estimates made by the Directors as well as evaluating the overall financial statements presentation. I believe my audit provides reasonable basis for the opinion.

### QUALIFICATION POINTS

#### 1. Financial Performance

During the year ended 30 June 2003 the Board realized a deficit of Kshs.98,334,840.00 (2002 Kshs.4,236,415) thereby reducing the accumulated reserves to Kshs.18,230,149.24. In addition the Board has heavily borrowed from the Sugar Development Fund – which borrowing stood at Kshs.277,034,275

as at 30 June 2003. There was no formal agreement neither was there approval by the Board for the loan. Apart from the fact that the Board continued to use Sugar Development Fund without approval by the Board of Directors, the declining financial performance if not checked would jeopardize the financial position of the Board.

**2. Debtors and Prepayments – Kshs.9,184,608.47**

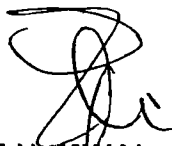
Included in the debtors and prepayments figure of Kshs.9,184,608.00 as at 30 June 2003 are staff imprests totalling Kshs.6,240,076.65 out of which Kshs.6,180,898.00 is owed by a former employee and a Board Member. Further, included in the debtors and prepayments figure are advances amounting to Kshs.2,226,780.12 out of which Kshs.944,564.30 is owed by two former employees of the Board. No adequate efforts appear to have been made to recover these debts.

**3. Honoraria and Meetings of Directors Expenses**

During the year ended 30 June 2003 the Board incurred an expenditure of Kshs.24,000.00 and Kshs.1,200,000.00 in honoraria payments to its staff and the Board Chairman respectively. However, no Government approval was seen authorizing the payment of honoraria as well as the rates used.

**Opinion**

Except for the reservations set out in the foregoing paragraphs, in my opinion the financial statements when read together with the notes thereon present fairly the financial position of the Board as at 30 June, 2003 and of its deficit and cash flows for the year then ended.



**E.N. MWAI**  
**CONTROLLER AND AUDITOR GENERAL**

**NAIROBI**

**10 May 2005**

# KENYA SUGAR BOARD

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## STATEMENT OF INCOME & EXPENDITURE FOR TWELVE MONTHS ENDED 30TH JUNE 2003

<u>CODE</u>	<u>ACCOUNT DESCRIPTION</u>	<u>30.06.03</u>	<u>30.06.02</u>
<u>INCOME</u>		<u>KSHS:</u>	<u>KSHS:</u>
602	Receipts from Sugar Development Levy	64,507,040.07	63,925,368.85
603	Receipts from Molasses Levy	289,750.00	177,864.00
604	Miscellaneous Receipts	716,745.55	2,632,188.00
605	Interest Income On Loans	13,458,109.03	57,530,371.65
606	Interest Income On Deposits	<u>937,006.08</u>	<u>1,239,621.70</u>
	<b>GROSS INCOME</b>	<b><u>79,908,650.72</u></b>	<b><u>125,505,414.20</u></b>
<u>OPERATING EXPENSES</u>			
<u>EMPLOYMENT COSTS</u>			
100	Basic Pay	13,746,083.05	16,634,210.00
101	Overtime	0.00	0.00
102	House Allowance	20,697,233.00	19,486,500.00
103	Car Allowance	0.00	0.00
104	Entertainment Allowance	2,145,096.00	1,965,709.00
106	Other Allowances	1,642,862.60	3,548,561.00
107	Passage & Leave Expenses	506,000.00	1,002,205.00
108	Honorarium	1,224,000.00	260,000.00
109	Company NSSF Contribution	190,400.00	151,834.50
110	Company Pension Contribution	3,027,588.00	3,160,147.45
111	Company Gratuity Contribution	0.00	0.00
112	Retrenchment	0.00	0.00
113	Responsibility Allowance	2,448,096.00	2,324,665.00
114	Utilities	<u>4,222,193.00</u>	<u>3,344,000.00</u>
	<b>TOTAL EMPLOYMENT EXPENSES</b>	<b><u>49,849,551.65</u></b>	<b><u>51,877,831.95</u></b>
<u>CONSUMABLES</u>			
200	Stationery Expenses	3,175,050.99	2,270,450.90
201	Uniforms & Clothing	152,700.00	282,460.00
202	Books & Periodicals	22,764.00	41,236.00
203	Library Expenses	8,809.00	0.00
210	Fuel - Premium	775,043.20	509,777.90
211	Fuel - Regular	0.00	0.00
212	Fuel - Gasoil	470,660.30	542,728.45
213	Oils & Greases	5,660.00	6,080.00
214	Tyres & Tubes	96,800.00	323,300.00
215	Newspapers	365,265.25	430,720.00
218	Motor Vehicle Spares	1,235,242.43	829,717.65
230	Office Tea / Beverages	<u>575,466.00</u>	<u>664,479.00</u>
	<b>TOTAL CONSUMABLES</b>	<b><u>6,883,461.17</u></b>	<b><u>5,900,949.90</u></b>

# KENYA SUGAR BOARD

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## STATEMENT OF INCOME & EXPENDITURE FOR TWELVE MONTHS ENDED 30TH JUNE 2003

<u>OVERHEADS</u>	<u>30.06.03</u>	<u>30.06.02</u>
300 Travelling & Accomodation - Employees	10,745,528.10	9,544,118.90
301 Travelling & Accomodation - Directors	2,759,772.60	3,982,179.50
302 Travelling & Accomodation - Others	329,600.00	831,420.00
303 Telephone Expenses	6,251,883.35	4,827,133.45
304 Postage & Telegrams	306,929.10	422,210.90
305 Official Entertainment	1,840,360.50	1,643,491.25
306 Expenses on Conferences & Meetings - Directors	5,192,289.00	0.00
307 Expenses on Conferences & Meetings - Others	2,030,954.00	1,317,620.00
308 Electricity	865,118.90	1,029,013.10
309 Water	134,221.00	10,253.60
310 Rents	826,800.00	2,255,289.85
311 Rates	0.00	1,660.00
312 A.S.K Show Expenses	467,242.55	53,183.60
313 Toll Charges	8,520.00	10,580.00
314 Publicity	2,079,054.25	831,034.20
315 Road Licences	41,150.00	57,900.00
316 Audit Fees	50,000.00	100,000.00
317 Other Professional Fees & Commissions	539,657.15	33,770.00
318 Training Expenses	2,313,852.85	2,161,660.00
319 Maintenance of Plant & Equipment	851,110.25	1,120,459.70
320 Maintenance of Buildings & Stations	615,316.30	1,117,034.10
321 Maintenance of Rental Houses	0.00	685,271.30
322 Consultancy	817,134.00	126,255.00
323 Motor Vehicle Insurance	934,824.40	1,232,584.00
324 Medical Insurance	6,741,288.35	6,708,148.45
325 Director's Insurance	154,310.10	135,852.80
326 Workman's Compensation Insurance	422,261.50	552,854.45
327 Group Personal Accident Insurance	1,001,173.90	1,119,748.10
328 Money , Fire & Perils Insurance	640,384.75	473,741.85
329 Office Equipment Insurance	81,796.30	92,779.20
330 Domestic Package Insurance	18,796.00	29,959.60
331 Motor Vehicle Inspection Fees	0.00	8,510.00
332 Hire of Security Services	2,582,813.21	3,820,070.40
336 Staff Welfare Expenses	151,061.00	2,333,854.00
337 Rates: Parking Fees	0.00	0.00
338 Ex-Gratia Expenses	0.00	0.00
339 Company Service Charge	0.00	39,024.00
340 Other Insurances	1,002.00	5,738.50
341 Compensation for use of Personal Vehicles	4,412,437.55	6,123,555.50
342 Miscellaneous & Other Charges	691,279.40	694,228.05
343 Fixed Assets Expensed	154,820.00	270,345.00
344 Legal Fees	0.00	0.00
345 Members Clubs	164,555.00	11,990.00
346 Donations	37,800.00	300,000.00
351 Compound Maintenance	<u>218,900.00</u>	<u>0.00</u>
<b>TOTAL OVERHEADS</b>	<b><u>57,475,997.36</u></b>	<b><u>56,114,522.35</u></b>

# KENYA SUGAR BOARD

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## STATEMENT OF INCOME & EXPENDITURE FOR TWELVE MONTHS ENDED 30TH JUNE 2003

	<u>30.06.03</u>	<u>30.06.02</u>
<b><u>FINANCE CHARGES</u></b>		
400 Bank Charges	174,859.20	286,346.00
401 Interest on Bank O/D	66,170.00	331,244.15
402 Interest Subsidy on Staff Car Loans	558,520.45	241,963.15
403 Other Interest	0.00	0.00
430 Provision for Bad Debts	0.00	8,937,281.15
Provision for Tax	<u>56,521,527.00</u>	<u>0.00</u>
<b>TOTAL FINANCE CHARGES</b>	<b><u>57,321,076.65</u></b>	<b><u>9,796,834.45</u></b>
<b><u>DEPRECIATION EXPENSES</u></b>		
500 Depreciation - Buildings	595,521.27	381,744.40
501 Depreciation - Motor Vehicles	2,424,329.33	2,604,448.55
502 Depreciation - Office Equipment	578,079.91	928,270.80
503 Depreciation - Office Furniture	449,286.86	487,621.95
504 Depreciation - Furniture & Fittings	750,886.86	203,938.55
505 Depreciation - House Furniture	87,722.79	100,254.65
Depreciation - Computers	1,821,324.19	1,345,411.95
506 Depreciation - Farm Equipment	<u>6,253.39</u>	<u>0.00</u>
<b>TOTAL PROVISION FOR DEPRECIATION</b>	<b><u>6,713,404.60</u></b>	<b><u>6,051,690.85</u></b>
<b><u>TOTAL EXPENSES</u></b>	<b><u>178,243,491.43</u></b>	<b><u>129,741,829.50</u></b>
<b>SURPLUS / ( DEFICIT ) FOR THE PERIOD</b>	<b>-98,334,840.71</b>	<b>-4,236,415.30</b>

# KENYA SUGAR BOARD

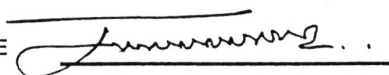
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## BALANCE SHEET AS AT 30TH JUNE 2003

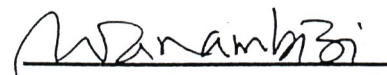
<u>FIXED ASSETS</u>	<u>Note</u>	<u>30.06.03</u> <u>KSHS</u>	<u>30.06.02</u> <u>KSHS</u>
Opening Balance	6	267,019,698.13	265,773,604.75
Additions (less disposals)	6 & 7	<u>19,392,495.50</u>	<u>7,297,784.25</u>
Depreciation	6	286,412,193.63 <u>-6,713,404.60</u>	273,071,389.00 <u>-6,051,690.85</u>
<b>TOTAL FIXED ASSETS</b>		<b><u>279,698,789.03</u></b>	<b><u>267,019,698.15</u></b>
 <u>CURRENT ASSETS</u>			
Stores	8	1,649,737.35	2,090,295.15
Debtors and Prepayments	8	9,184,603.47	5,964,849.50
Short term Deposits	8	15,912,542.23	18,036,504.15
Cash and Bank	8	<u>14,918,720.00</u>	<u>-472,615.90</u>
		<b>41,665,603.05</b>	<b>25,619,032.90</b>
 <u>CURRENT LIABILITIES</u>			
Creditors and Accruals	9	14,301,967.75	15,657,556.20
		<b><u>14,301,967.75</u></b>	<b><u>15,657,556.20</u></b>
<b>NET CURRENT ASSETS</b>		<b>27,363,635.30</b>	<b>9,961,476.70</b>
<b>TOTAL ASSETS</b>		<b>307,062,424.33</b>	<b>276,981,174.85</b>
 <u>FINANCED BY :</u>			
Capital Reserves	9	6,900,000.00	6,900,000.00
Revaluation Reserves	9	4,898,000.00	4,898,000.00
Short Term Loan ( SDF )	9	277,034,275.09	148,618,184.90
Accumulated Reserves	9	116,564,989.95	120,801,405.25
Surplus / (Deficit ) for the Period		<u>-98,334,840.71</u>	<u>-4,236,415.30</u>
		<b><u>307,062,424.33</u></b>	<b><u>276,981,174.85</u></b>

The Accounts were approved by the Board of directors on 28/10/2003 and signed on behalf of the Board by:

SIGNATURE



SIGNATURE



NAME

Eric Julius Nyarotho

NAME

Saulo W. Busolo

# KENYA SUGAR BOARD

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## CASH FLOW STATEMENT FOR TWELVE MONTHS ENDED 30TH JUNE 2003

	<u>30.06.03</u> <u>KSHS</u>	<u>30.06.02</u> <u>KSHS</u>
<b>From Operations</b>	-98,334,840.71	-4,236,415.30
Add Non - Cash Items		
Depreciation for the Year	6,713,404.60	6,051,690.85
<b>OTHER SOURCES</b>	0.00	0.00
Revaluation of assets	<u>0.00</u>	<u>375,000.00</u>
<b>TOTAL SOURCES</b>	<b><u>-91,621,436.11</u></b>	<b><u>2,190,275.55</u></b>
<b><u>APPLICATIONS</u></b>		
Purchase of Fixed Assets	19,392,495.50	7,297,784.25
<b>TOTAL APPLICATIONS</b>	<b><u>19,392,495.50</u></b>	<b><u>7,297,784.25</u></b>
Surplus for the Period	-111,013,931.61	-5,107,508.70
Change in Working Capital Items	126,405,267.49	-1,228,202.45
Opening Cash Balances	<u>-472,615.95</u>	<u>5,863,095.20</u>
<b>Closing Cash Balances</b>	<b><u>14,918,719.93</u></b>	<b><u>-472,615.95</u></b>
<b><u>Change in Working Capital Items</u></b>		
Decrease / Increase In Stores	440,557.80	205,037.80
Decrease / Increase In Debts	-3,219,753.97	-1,932,289.65
Decrease / Increase In Deposits	2,123,961.92	-4,005,111.45
Decrease / Increase In Creditors	<u>127,060,501.74</u>	<u>4,504,160.85</u>
	<b><u>126,405,267.49</u></b>	<b><u>-1,228,202.45</u></b>

**KENYA SUGAR BOARD****ACCOUNTING POLICIES****1. BASIS OF ACCOUNTING**

The financial statements have been prepared under the historical cost concept basis.

**2. INCOME RECOGNITION**

Income is recognized on an accrual basis.

**3. DEPRECIATION**

Depreciation is computed on the straight-line method for vehicles and computers and on reducing balance method for other assets at the annual rates as indicated below:

Motor Vehicles	25.0%
Office Equipment	12.5%
Office Furniture	12.5%
Household Furniture	12.5%
Office fittings	12.5%
Buildings	2.5%
Computers	40.0%

**4. INVESTMENTS**

Investments are stated at cost plus provision for accrued interest in the case of Term Deposits with various Banks and financial institutions.

**5. STOCKS AND STORES**

The stocks are valued at the weighted average cost.

# KENYA SUGAR BOARD

**Note 6** FIXED ASSETS SCHEDULE THE PERIOD ENDED 30TH JUNE 2003

	BUILDINGS KSHS	MOTOR VEHICLES KSHS	OFFICE EQUIPMENT KSHS	OFFICE FURNITURE KSHS	FIXTURES AND FITTINGS KSHS	HOUSE FURNITURE KSHS	LAND AND IMPROVEMENTS KSHS	CAPITAL WORK IN PROGRESS KSHS	COMPUTERS EQUIPMENT KSHS	FARM EQUIPMENT KSHS	TOTALS KSHS
Depreciation Rates ( P.A )	2.5%	25%	12.5%	12.5%	12.5%	12.5%	NIL	NIL	40%	12.5%	
<b>Residual b/f As At 01.07.02</b>	<b>14,888,031.70</b>	<b>4,812,789.15</b>	<b>3,871,798.45</b>	<b>3,432,811.85</b>	<b>6,007,084.90</b>	<b>701,782.30</b>	<b>7,336,180.55</b>	<b>222,874,263.50</b>	<b>3,094,944.75</b>	<b>0.00</b>	<b>267,019,698.15</b>
Additional during the year	0.00	35,800.00	1,240,508.65	422,251.00	0.00	0.00	0.00	14,887,621.20	2,746,282.15	60,032.50	19,392,495.50
Disposals during the year	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Capital Work In Progress Capitalized During The Year	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Sub total	0.00	35,800.00	1,240,508.65	422,251.00	0.00	0.00	0.00	14,887,621.20	2,746,282.15	60,032.50	19,392,495.50
Total assets	<b>14,888,031.70</b>	<b>4,848,589.15</b>	<b>5,112,308.10</b>	<b>3,855,062.85</b>	<b>6,007,084.90</b>	<b>701,782.30</b>	<b>7,336,180.55</b>	<b>237,761,884.70</b>	<b>5,841,226.90</b>	<b>60,032.50</b>	<b>286,417,193.65</b>
Less depreciations	<b>595,521.27</b>	<b>2,424,329.33</b>	<b>578,079.91</b>	<b>449,286.86</b>	<b>750,886.86</b>	<b>87,722.79</b>	<b>0.00</b>	<b>0.00</b>	<b>1,821,324.19</b>	<b>6,263.39</b>	<b>6,713,404.60</b>
<b>Residual c/d As At 30.06.03</b>	<b>14,292,510.43</b>	<b>2,424,259.82</b>	<b>4,534,228.19</b>	<b>3,405,775.99</b>	<b>5,256,208.04</b>	<b>614,059.51</b>	<b>7,336,180.55</b>	<b>237,761,884.70</b>	<b>4,019,902.71</b>	<b>53,779.11</b>	<b>279,698,789.05</b>

**COMPUTATION FOR THE YEAR**

Cost as at 01.07.02	16,825,276.25	24,050,823.15	9,271,159.35	7,658,242.80	37,207,511.85	1,274,708.00	7,336,180.55	222,874,263.50	6,374,618.90	0.00	332,872,784.35
Gross Cost Before Disposals as at 30.06.03	16,825,276.25	24,086,623.15	10,511,668.00	8,080,493.80	37,207,511.85	1,274,708.00	7,336,180.55	237,761,884.70	9,120,901.05	60,032.50	362,265,279.85
Less Disposals	0.00	0.00	0.00	0.00	26,653,482.05	0.00	0.00	0.00	0.00	0.00	26,653,482.05
Net Cost After Disposals as at 30.06.03	<b>16,825,276.25</b>	<b>24,086,623.15</b>	<b>10,511,668.00</b>	<b>8,080,493.80</b>	<b>10,554,029.80</b>	<b>1,274,708.00</b>	<b>7,336,180.55</b>	<b>237,761,884.70</b>	<b>9,120,901.05</b>	<b>0.00</b>	<b>325,551,765.30</b>
Less											
Accumulated Depreciation B/F as at 01.07.02	1,937,244.55	19,238,034.00	5,399,359.90	4,225,430.95	4,546,834.90	572,925.70	0.00	0.00	3,279,674.65	0.00	39,199,604.65
Less Accumulated Depreciation On Disposals	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Accumulated Depreciation as at 30.06.03	<b>2,532,765.82</b>	<b>21,662,363.33</b>	<b>5,977,439.81</b>	<b>4,674,717.81</b>	<b>5,297,621.76</b>	<b>660,648.49</b>	<b>0.00</b>	<b>0.00</b>	<b>5,100,998.84</b>	<b>6,263.39</b>	<b>45,913,009.25</b>
<b>Net Book Value C/D as at 30.06.03</b>	<b>14,292,510.43</b>	<b>2,424,259.82</b>	<b>4,534,228.19</b>	<b>3,405,775.99</b>	<b>5,256,208.04</b>	<b>614,059.51</b>	<b>7,336,180.55</b>	<b>237,761,884.70</b>	<b>4,019,902.21</b>	<b>53,779.11</b>	<b>279,698,789.55</b>

## KENYA SUGAR BOARD

Note 7

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### ADDITIONS TO FIXED ASSETS FOR THE PERIOD ENDED 30TH JUNE 2003

#### MOTOR VEHICLES

**KSHS**

Sept. 2002 Car Radios 35,800.00

**35,800.00**

#### OFFICE FURNITURE

Sept. 2002 Various Furniture 52,100.00  
 Oct. 2002 21,480.00  
 Jan. 2003 174,961.00  
 Jun. 2003 133,930.00  
 Jun. 2003 39,780.00

**422,251.00**

#### FURNITURE & FITTINGS

**0.00**

#### OFFICE EQUIPMENT

Aug. 2002 LG Refrigerator 33,040.00  
 Sept. 2002 Canon Projector 557,188.20  
 Nov 2002 Safe 94,164.00  
 Dec 2002 Nokia mobile phone 17,841.00  
 Feb. 2003 GSM lines 238,761.00  
 Feb. 2003 Mita photocopier 205,350.45  
 Jun. 2003 Accruals 94,164.00

**1,240,508.65**

#### COMPUTERS

Aug. 2002 HP 1220 Printer 38,350.00  
 Sept. 2002 Personal Computer 503,849.10  
 Oct. 2002 448,400.00  
 Jan. 2003 133,600.00  
 Feb. 2003 513,300.00  
 Feb. 2003 374,000.00  
 Mar. 2003 32,500.00  
 Mar. 2003 70,390.25  
 Mar. 2003 562,500.00  
 Apr. 2003 28,320.00  
 Jun. 2003 13,332.80  
 Jun. 2003 6,500.00  
 Jun. 2003 Accruals 21,240.00

**2,746,282.15**

#### FARM EQUIPMENT

Aug. 2002 Lawn Mower **60,032.50**

#### LAND AND IMPROVEMENTS ( CAPITAL WORK IN PROGRESS)

Jul. 2002 KSB HQ 5,111,534.65  
 Aug. 2002 KSB HQ 46,980.00  
 Aug. 2002 KSB HQ 790,627.80  
 Aug. 2002 KSB HQ 2,644,276.70  
 Nov. 2002 KSB HQ 4,657,833.10  
 Nov. 2002 KSB HQ 206,098.80  
 Nov. 2002 KSB HQ 260,897.50  
 Nov. 2002 KSB HQ 361,527.40  
 Jan. 2003 KSB HQ 69,308.90  
 Jan. 2003 KSB HQ 113,114.00  
 Feb. 2003 KSB HQ 625,422.35

**14,887,621.20**

Total Additions To Fixed Assets

**19,392,495.50**

#### SCHEDULE OF DISPOSALS AS AT 30TH JUNE 2003

COST	Disposal Value KSHS	Written Down Value KSHS
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0.00

0 0.00 0.00

# KENYA SUGAR BOARD

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Note 8a

## SCHEDULE OF STORES AS AT 30TH JUNE 2003

	<u>30.06.03</u> <u>KSHS</u>	<u>30.06.02</u> <u>KSHS</u>
Nairobi office	1,512,495.00	1,879,153.10
Kisumu office	68,112.35	128,607.80
Kakamega office	69,130.00	82,534.25
	<u>1,649,737.35</u>	<u>2,090,295.15</u>

Note 8b

## DEBTORS AND PREPAYMENTS SCHEDULE AS AT 30TH JUNE 2003

	<u>30.06.03</u> <u>KSHS</u>	<u>30.06.02</u> <u>KSHS</u>
Rents and Rates	16,292.00	37,500.00
Security Deposit ( NSSF )	114,750.00	114,750.00
Service Contracts	22,799.90	46,990.10
Trade Debtors	0.00	151,251.75
Staff Imprests	6,240,076.65	4,509,453.15
Staff Advances	2,267,780.12	479,341.70
Insurance Prepaid	<u>522,904.80</u>	<u>625,562.80</u>
	<u>9,184,603.47</u>	<u>5,964,849.50</u>

Note 8c

## CASH AND BANK BALANCES AS AT 30TH JUNE 2003

	<u>30.06.03</u> <u>KSHS</u>	<u>30.06.02</u> <u>KSHS</u>
N.B.K. Hill Branch NRB	14,918,720.00	-875,080.95
N.B.K. Kisumu Branch	0.00	192,637.90
K.C.B. Milimani Branch NRB	0.00	99,659.30
K.C.B. Kakamega	0.00	110,167.85
Cash on Hand	<u>0.00</u>	<u>0.00</u>
	<u>14,918,720.00</u>	<u>-472,615.90</u>

Note 8d

## INVESTMENT SCHEDULE AS AT 30TH JUNE 2003

	<u>30.06.03</u> <u>KSHS</u>	<u>30.06.02</u> <u>KSHS</u>
N.B.K. Hill Branch ( Car Loan Scheme )	15,912,542.23	14,972,928.80
Treasury Bills	0.00	3,063,575.35
Co-operative Bank	<u>0.00</u>	<u>0.00</u>
	<u>15,912,542.23</u>	<u>18,036,504.15</u>

# KENYA SUGAR BOARD

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Note 9a

## CREDITORS AND ACCRUALS AS AT 30TH JUNE 2003

	<u>30.06.03</u> <u>KSHS</u>	<u>30.06.02</u> <u>KSHS</u>
Audit Fees	700,000.00	700,000.00
Retrenchment	793,364.00	793,364.00
Miscellaneous	48,091.00	131,640.35
Official Entertainment	152,515.00	117,686.00
Payroll Clearances	0.00	716,607.90
Publicity	5,000.00	0.00
Director's travel	0.00	36,000.00
Telephone	440,421.90	881,690.60
Fuels & Oils	50,212.00	108,254.00
Medical Expenses	862,646.95	290,021.95
Accrued Expenses ( as per Budget )	1,220,000.00	1,220,000.00
Accrued Ex-gratia Expenses	320,000.00	320,000.00
Maintenance Works	42,249.20	121,209.70
Hire of Security Services	60,578.00	87,453.00
Staff Pension ( Retirement Benefits )	3,183,077.00	3,183,077.00
Tax Provision on Retrenchment	2,077,878.80	2,077,878.80
Motor Vehicle Repairs	17,133.00	96,642.00
Staff Personal Claims	91,500.00	105,000.00
Legal Expenses	1,200,000.00	1,200,000.00
Gratuity Provision	249,787.50	249,787.50
Consultancy	1,500,000.00	1,500,000.00
Postage & Telegrams	4,761.90	38,527.00
Water, Electricity & Conservancy	82,056.00	83,025.70
Purchase of Stationary	76,270.00	475,334.50
General Accruals	<u>1,124,425.50</u>	<u>1,124,425.50</u>
	<b><u>14,301,967.75</u></b>	<b><u>15,657,625.50</u></b>

## Note 9b CAPITAL RESERVES AS AT 30TH JUNE 2003

Value of Land Allocated by GOK to KSB at Kabete	6,900,000.00	6,900,000.00
Revaluation Reserves KAD 099M	2,293,000.00	2,293,000.00
KAG 050F	2,230,000.00	2,230,000.00
KAC 319G	<u>375,000.00</u>	<u>375,000.00</u>
	<b><u>11,798,000.00</u></b>	<b><u>11,798,000.00</u></b>

## Note 9c SHORT TERM SDF LOANS AS AT 30TH JUNE 2003

Balance b/f	KSA Headquarters	117,940,825.35
Additions:	Inter-company a/c summary	<u>159,093,449.74</u>
		<b><u>277,034,275.09</u></b>