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**KENATCO TAXIS  
LIMITED**

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**BALANCE SHEET  
AND ACCOUNTS  
AT 30TH JUNE 1988**

CERTIFICATE OF THE AUDITOR-GENERAL (CORPORATIONS) ON THE ACCOUNTS  
OF KENATCO TAXIS LIMITED FOR THE YEAR ENDED 30TH JUNE, 1988

KENYA NATIONAL ASSEMBLY

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KENATCO TAXIS LIMITED

REPORT AND ACCOUNTS  
FOR THE YEAR ENDED 30 JUNE 1988

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KENATCO TAXIS LIMITED

REPORT OF THE DIRECTORS

The Directors have pleasure in submitting their Report and the Audited Financial statements for the year ended 30 June 1988, which show the state of the Company's affairs.

1. PRINCIPAL ACTIVITIES

The Company operates a fleet of taxis in Nairobi and Mombasa

2. RESULTS

An operating profit of Shs 978,456 before taxation was realised for the year ended 30 June 1988.

3. DIVIDENDS

A dividend of Shs 1.00 per share is recommended for approval by the shareholders.

4. DIRECTORS

The Directors who served during the period were:-

Industrial & Commercial Development Corporation (Chairman)

J P N Simba

E N Wainaina

Permanent Secretary to Ministry of Industry

5. AUDITORS

The Auditors Oigo Omwenga & Co have acted on behalf of the Auditor-General (Corporations) in accordance with the Exchequer and Audit (Amendment) Act, 1985 (Cap. 412) Oigo Omwenga & Co have expressed their willingness to continue as the authorised auditors subject to reappointment by the Auditor-General (Corporations).

BY ORDER OF THE BOARD  
ICDC MANAGEMENT SERVICES DIVISION

  
SECRETARY

CERTIFICATE OF THE AUDITOR-GENERAL (CORPORATIONS) ON THE ACCOUNTS  
OF KENATCO TAXIS LIMITED FOR THE YEAR ENDED 30TH JUNE, 1988

The Accounts of Kenatco Taxis Limited for the year ended 30th June, 1988 have been examined on my behalf by the Company's authorized auditors in accordance with Section 29 (2) (b) of the Exchequer and Audit Act, (Cap 412). The authorized auditors have reported to me the results of their audit and on the basis of their report, I am satisfied that all the information and explanations required for the purpose of the audit were obtained. Proper books of account have been kept and the accounts which have been prepared under the historical cost convention are in agreement therewith and comply with the Companies Act.

In my opinion, the Balance Sheet and the Profit and Loss Account, when read together with the notes thereon, give a true and fair view of the state of affairs of the Company and of its profits and source and application of funds for the year ended on that date.

  
A. J. OKOTH

AUDITOR-GENERAL (CORPORATIONS)

16th February, 1989

PROFIT AND LOSS ACCOUNT FOR  
THE YEAR ENDED 30 JUNE 1988

	<u>NOTES</u>	1988 <u>Shs</u>	9 Months 1987 <u>Shs</u>
TURNOVER		20,889,250 =====	13,143,154 =====
OPERATING PROFIT BEFORE TAX	2	978,456	1,302,613
TAX	3	645,000 -----	586,176 -----
PROFIT AFTER TAX		333,456	716,437
DIVIDENDS	6	250,000 -----	250,000 -----
PROFIT RETAINED FOR THE PERIOD	8	83,456 =====	466,437 =====

KENATCO TAXIS LIMITED

BALANCE SHEET  
AT 30 JUNE 1988

	NOTES	1988 <u>Shs</u>	9 Months 1987 <u>Shs</u>
<u>CAPITAL EMPLOYED</u>			
SHARE CAPITAL	7	5,000,000	5,000,000
RETAINED PROFIT	8	549,893	466,437
LONG TERM LOANS	9	<u>1,750,000</u>	<u>3,230,000</u>
		7,299,893	8,716,437
		=====	=====
<u>REPRESENTED BY</u>			
FIXED ASSETS	5	5,769,872	8,205,500
CURRENT ASSETS			
Stock	10	1,003,614	478,457
Debtors	11	2,296,877	1,320,407
Bank balances and cash		155,419	1,695,473
Short Term Deposits		<u>1,500,000</u>	<u>-</u>
		4,955,910	3,494,337
		-----	-----
<u>CURRENT LIABILITIES</u>			
Creditors	12	771,900	1,147,224
Loans repayable within twelve months	9	1,000,000	1,000,000
Bank Overdraft		738,989	-
Dividends	6	250,000	250,000
Tax	3	<u>645,000</u>	<u>386,176</u>
		3,405,889	2,983,400
		-----	-----
NET CURRENT ASSETS		1,530,021	510,937
		-----	-----
		7,299,893	8,716,437
		=====	=====

DIRECTOR

*[Handwritten Signature]*

DIRECTOR

*[Handwritten Signature]*

The accounts were approved by the board of directors on

## KENATCO TAXIS LIMITED

STATEMENT OF SOURCE AND APPLICATION OF FUNDS  
FOR THE YEAR ENDED 30 JUNE 1988

	<u>1988</u> Shs	9 Months <u>1987</u> Shs
SOURCE OF FUNDS		
Operating profit before tax	978,456	1,302,613
Adjustment for items not involving movement of funds:		
Depreciation	2,541,883	1,837,500
Loss on disposal of fixed assets	<u>270,000</u>	<u>-</u>
FUNDS GENERATED FROM OPERATIONS	<u>3,790,339</u>	<u>3,140,113</u>
FUNDS FROM OTHER SOURCES		
Shares issued	-	5,000,000
Loans received	-	5,000,000
Proceeds on sale of fixed assets	<u>-</u>	<u>-</u>
	3,790,339	13,140,113
	=====	=====
APPLICATION OF FUNDS		
Purchase of fixed assets	(376,255)	(10,043,000)
Loans repaid	(1,500,000)	(750,000)
Dividends paid	(250,000)	-
Tax paid	<u>(586,176)</u>	<u>-</u>
	(2,712,431)	(10,793,000)
INCREASE IN WORKING CAPITAL	<u>1,077,908</u>	<u>2,347,113</u>
ANALYSIS OF CHANGE IN WORKING CAPITAL		
Stock	525,157	478,457
Debtors	976,470	1,320,407
Creditors	375,324	(1,147,224)
Movement in net liquid funds	<u>(799,043)</u>	<u>1,695,473</u>
	1,077,908	2,347,113
	=====	=====



NOTES TO THE ACCOUNTS  
FOR THE YEAR ENDED 30 JUNE 1988

1. SIGNIFICANT ACCOUNTING POLICIES

a) Accounting Convention

The accounts are prepared under the historical cost convention.

b) Turnover

Turnover comprises the amounts receivable for services rendered.

c) Fixed Assets and Depreciation

Fixed assets are stated at cost less depreciation. Depreciation is calculated on a straight line basis, at annual rates estimated to write off the assets over their expected useful lives.

The annual rates used for this purpose are:-

Motor vehicles	25%
Workshop equipment	12.5%
Furniture, fittings and office equipment	12.5%

d) Stock

Stock is stated at the lower of cost and net realisable value.

e) Deferred Tax

Provision for deferred tax is made when income, expenditure or depreciation falls into different periods for accounting and for tax purposes. Provision is calculated at rates of tax current at the balance sheet date. Provision is made only when directors consider that a tax benefit or charge is likely to crystallise in the foreseeable future.

2. OPERATING PROFIT BEFORE TAX

Operating profit before tax is stated after charging:

	<u>1988</u> Shs	<u>1987</u> Shs
Depreciation	2,541,883	1,837,50
Interest payable	578,448	571,94
Auditors' remuneration	50,000	80,00
Directors' Emoluments :		
Fees	7,800	-
Other remuneration	-----	-----
And after crediting :		
Interest receivable	74,742	-
	-----	-----

NOTES TO THE ACCOUNTS (CONTINUED)  
FOR THE YEAR ENDED 30 JUNE 1988

9 Months

	<u>1988</u>	<u>1987</u>
	Shs	Shs
3. <u>TAX</u>		
At 45% on the profit for the year adjusted for tax purposes	645,000	586,176
Deferred Tax	—	—
Total	<u>645,000</u> =====	<u>586,176</u> =====

4. DEFERRED TAX

There are no timing differences which could give rise to deferred tax.

5. FIXED ASSETS

	<u>MOTOR VEHICLES</u>	<u>FURNITURE FITTINGS &amp; OFFICE EQUIP.</u>	<u>WORK - SHOP EQUIP. &amp; LOOSE TOOLS</u>	<u>TOTAL</u>
<u>Cost</u>	Shs	Shs	Shs	Shs
Cost at 1 July 1987	9,500,000	245,000	200,000	10,045,000
Additions	315,803	55,852	24,600	376,255
Disposals	<u>(480,000)</u>	—	—	<u>(480,000)</u>
	<u>9,435,803</u>	<u>278,852</u>	<u>224,600</u>	<u>9,939,255</u>
<u>Depreciation</u>				
At 1 July 1987	1,800,000	18,750	18,750	1,837,500
Charge for the Year	2,478,951	34,857	28,075	2,541,883
Disposals	<u>(210,000)</u>	—	—	<u>(210,000)</u>
At 30 June 1988	<u>4,068,951</u>	<u>53,607</u>	<u>46,825</u>	<u>4,169,383</u>
Net Book Value	<u>5,366,852</u>	<u>225,245</u>	<u>177,775</u>	<u>5,769,872</u>

6. DIVIDENDS

Dividend is provided at the rate of 5% on ordinary share Capital

7. SHARE CAPITAL

	<u>Shs</u>
<u>Authorised</u>	
250,000 Ordinary Shares of Shs 20/- each	5,000,000 =====
<u>Issued and fully paid</u>	
250,000 Ordinary Shares of Shs20/= each	5,000,000 =====

## ENATCO TAXIS LIMITED

NOTES TO THE ACCOUNTS (CONTINUED)  
FOR THE YEAR ENDED 30 JUNE 1988

9 Months

	<u>1988</u> SHS	<u>1987</u> SHS
<u>RETAINED PROFIT</u>		
At 1 July 1987	466,437	-
Retained Profit for the period	<u>83,456</u>	<u>466,437</u>
	549,893	466,437
<u>LONG TERM LOAN</u>		
I C D C - Unsecured, repayable quarterly to 30 September 1990.	2,750,000	4,250,000
Interest at 2% above bank rate		
<u>Less:</u> Loan repayments due within next twelve months included under current liabilities	<u>1,000,000</u>	<u>1,000,000</u>
	1,750,000	3,250,000
	=====	=====
<u>STOCK</u>		
Spares accessories and Consumable stores	1,003,614	478,457
	=====	=====
<u>DEBTORS</u>		
Trade debtors	2,010,902	1,105,913
Other debtors and prepaid expenses	<u>285,975</u>	<u>214,494</u>
	2,296,877	1,320,407
	=====	=====
<u>2. CREDITORS</u>		
Trade creditors	491,900	703,459
Other Creditors and accrued expenses	<u>280,000</u>	<u>443,765</u>
	771,900	1,147,224
	=====	=====

3. The Company is incorporated in Kenya under the Companies Act.

4. CURRENCY

These accounts are presented in Kenya Shillings (Shs.)



KENATCO TAXIS LIMITED

DETAILED PROFIT AND LOSS ACCOUNT  
FOR THE YEAR ENDED 30 JUNE 1988

	9 Months	
	<u>1988</u>	<u>1987</u>
	Shs	Shs
Turnover	20,889,250	13,143,154
	=====	=====
<u>Operating Expenses</u>		
Crew Wages	3,222,528	2,023,693
Fuel and Oils	2,912,132	1,797,948
Repairs and Renewals	2,976,484	1,463,870
Tyres and Tubes	444,774	316,615
Crew Travel	201,822	70,944
Uniforms	90,380	106,731
Ferry and Toll charges	26,902	10,515
Towing charges	3,000	17,283
Licences and Insurances	455,648	380,887
Rent and Rates	733,861	680,714
Depreciation	2,507,026	1,818,750
Car Cleaning	21,276	15,225
Workshop Sundries	60,274	44,693
	<u>13,656,107</u>	<u>8,747,868</u>
Gross Operating Profit	7,233,143	4,395,286
	=====	=====
<u>Administration Expenses</u>		
Salaries and Wages	2,488,805	1,448,122
Administration Travelling	2,843	28,027
Insurance	42,690	2,900
Fixed assets write-off	270,000	-
Advertising	- 190,220	21,433
Rent and Rates	422,776	113,617
Electricity	10,283	4,149
Postage and Telephone	226,230	151,153
Printing and Stationery	455,282	244,213
Depreciation	34,857	18,750
Trade Licences	7,210	7,475
Computer Bureau Charges	52,000	22,500
Office Cleaning	31,428	52,981
Repairs and maintenance	1,007	16,761
Staff Welfare	176,958	10,324
Entertainment	8,919	-
Directors fees	7,800	-
	<u>4,407,308</u>	<u>2,142,405</u>
	=====	=====

DETAILED PROFIT AND LOSS ACCOUNT (CONTINUED)  
FOR THE YEAR ENDED 30 JUNE 1988

	<u>1988</u> Shs	9 months <u>1987</u> Shs
<u>Professional Expenses</u>		
Management Fees	363,160	218,000
Secretarial Fees	15,000	65,919
Audit Fees	<u>50,000</u>	<u>80,000</u>
	428,160	363,919
	<hr/>	<hr/>
<u>Financial Charges</u>		
Bad Debts	884,329	-
Loan Interest	578,448	571,945
Bank charges	<u>34,078</u>	<u>11,404</u>
	1,496,855	586,349
	<hr/>	<hr/>
Total Administration and Financial	<u>6,332,323</u>	<u>3,092,673</u>
<u>Other Income</u>		
Interest receivable	(74,742)	-
Sundry	<u>(2,894)</u>	-
	(77,636)	-
	<hr/>	<hr/>
Net Administration and Financial	<u>6,254,687</u>	<u>3,092,673</u>
	<hr/>	<hr/>
Profit Before Tax	<u>978,456</u>	<u>1,302,613</u>
	<hr/>	<hr/>

