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JOMO KENYATTA FOUNDATION

**DIRECTORS' REPORT
AND
FINANCIAL STATEMENTS
YEAR ENDED
30TH JUNE 1996**



JOMO KENYATTA FOUNDATION



**DIRECTORS' REPORT
AND
FINANCIAL STATEMENTS YEAR
ENDED
30 JUNE 1996**

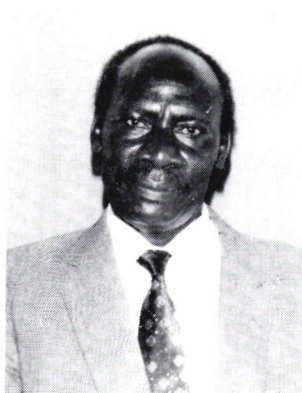
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BOARD OF DIRECTORS



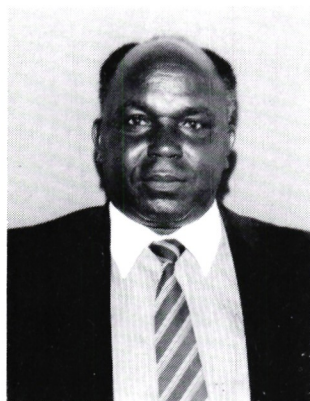
*Mr. S. Lesrima
PS, Ministry of Education*



*Mr. Mark G. Bosire
Chairman*



*Mr. B. K. Kipkulei
PS, Ministry of Finance*



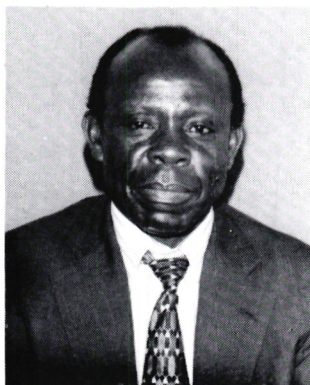
*Mr. I. K. Mungai
Alternate, PS, Education*



*Mr. Herbert A. Chabala
MD, Secretary to the Board*



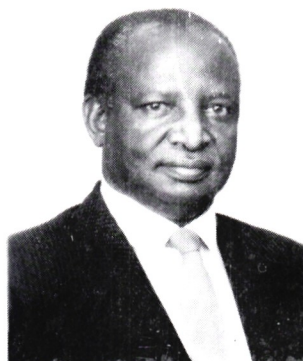
*Mr. A. U. Wandera
Alternate, PS, Finance*



*Prof. O. J. E. Shiroya
Kenyatta University*



*Mr. P. C. Kilel
Office of the President*



*Mr. J. B. Mboga
KNUT*



*Mr. S. C. Langat
Kenya Literature Bureau*

MANAGEMENT



Mrs. Nancy W. Karimi
Publishing Manager



Mrs. Sarah A. Majani
Production Manager



Mr. Jimmy Chepkwony
Chief Administrative Officer



Mrs. Veronica W. Kameti
Former Sales & Marketing
Manager

THE JOMO KENYATTA FOUNDATION

NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that the **ANNUAL GENERAL MEETING** for the year 1995/96 will be held at the offices of the Foundation in Industrial Area, Enterprise Road, Nairobi on **Wednesday 19 November, 1997 at 2.00 p.m.**

AGENDA

1. To read the Notice convening the meeting.
2. To receive Minutes of the last AGM held on 18 March, 1996.
3. To receive the Chairman's Report for the year 1995/96 ended 30 June 1996.
4. To receive the Accounts for the year ended 30 June 1996 and the reports of the Directors and Auditors.
5. To appoint the Auditors for the year 1996/97 and to authorize the Directors to fix the Auditors' remuneration.
6. To transact any other ordinary business of the Company.

By order of the Board.



HERBERT ANDAMBI CHABALA
SECRETARY TO THE BOARD

3 November 1997

NB: In accordance with Section 136(2) of the Companies Act (Cap 486), every member entitled to attend and vote at the above meeting is entitled to appoint a proxy to attend and vote on his/her behalf. A proxy need not be a member. A form is enclosed and should be returned to the Secretary, P. O. Box 30533, Nairobi to arrive not later than 48 hours before the meeting or any adjournment thereof.

CHAIRMAN'S REPORT AS AT 30TH JUNE 1996

The year ending 30th June 1996 was a year of remarkable achievement and results arising from strong and dynamic management following the Board of Director's guidance. The dynamic management and visionary guidance by the Board motivated staff to revolutionary performance as envisaged in the exceptional turnover and profits.

It is my great pleasure to once again have this opportunity to report on the results of the Jomo Kenyatta Foundation for the year ended 30th June 1996.

The Company realized a net profit of KShs.40,974,987.00 compared to a loss of KShs. 768,716.00 realized in the previous year. This was a remarkable achievement and all round record posted in a world of stiff competition from other publishers.

To post even higher results for the coming year, every effort is being made to acquire vehicles for the Sales and Marketing Department to enable it intensify its sales promotion strategies, to cover wider catchment area and also, to generally optimize cost effectiveness in all day to day operations of the Foundation.

TURNOVER AND GROSS PROFIT

Total Sales net of discount amounted to KShs. 193,531,591.00 compared to KShs. 133,217,012 in 1994/95 indicating a marginal improvement of KShs. 60,314,579.00 or 45%. The units sold in 1995/96 were 1,812,534 compared to 1,223,496 in the year 1994/95. This high production units were achieved as a result of well planned production schedules in advance of the peak season ensuring that there were no stock outs. The two titles Primary Maths 7 and Primary Maths 8 which were firmed out were also available for the high season sales.

The Sales figure was further boosted by the large Arid and Semi-Arid lands (ASAL) order from the Ministry of Education of 337,250 units worth KShs.34,056,362. The other major factor contributing to the high sales turnover for the year 1995/96 was the staff motivation. This is the time the Foundation was upgraded to Parastatal Category 'D', and the upward adjustment of salaries and other allowances boosted the morale of staff hence accelerating production and sales of the final product.

The gross profit as a percentage of sales was 46% compared to 36% in 1994/95. The substantial increase in gross profit margin was brought about by the fact that the work contracted out was greatly reduced from a figure of KShs. 28,346,890.00 in the previous year to KShs. 18,289,151.00 in the current year 1995/96.

Most of our printing work was done in-house and this lends credence to the fact that it is far much cheaper to undertake in-house printing of our work, than contracting it out. The amount of KShs. 2,444,623.00 spent on repairs and servicing of printing machines went a long way to rehabilitate the machines to workable conditions enhancing higher production capacity.

OPERATING EXPENSES

The year under review also witnessed a marked rise in the operating expenses. This rise is mainly attributed to the implementation of new salaries and allowances for staff. In general, the expenses rose by KShs.8,900,854.00 from KShs. 51,550,698.00 in the previous financial year to KShs. 60,451,552.00. Of all the items of expenditure, salaries contribute the largest portion. While during the 1994/95 financial year the Company spent KShs. 21,535,409.00 for staff salaries in the year under review a sum of KShs. 28,380,650.00 was spent. Similarly, medical expenses rose from K.Shs. 1,225,324.00 to K.Shs. 2,639,838.00. Staff canteen expenses went up from K.Shs. 1,872,528.00 to K.Shs. 2,792,687.00 and insurance expenses shot from KShs. 2,736,128.00 to KShs. 3,716,027.00.

Other factors accounting for the marked rise in operating expenses include the ever skyrocketing prices of foodstuffs and the costs of insurance of the new Isuzu truck acquired by the Foundation in the course of the year. Notwithstanding the rise in the operating expenses, the Foundation was well within its approved budget of KShs. 65,069,845.00. In all, a net saving of 7% on the budget was realised; an indication of prudent financial management.

CAPITAL EXPENDITURE

During the 1995/96 financial year the Foundation spent KShs. 4,936,519. 00 in the acquisition of a new motor vehicle, computers, plant and machinery and office furniture and fittings. The motor vehicle cost the Company KShs. 2,697,700.00 while the computers and their accessories were acquired at a cost of K.Shs. 1,282,850.00. Also bought was a Process Camera and a Photo mechanical transfer (PMT) Camera worth K.Shs. 856,255.00. Consequently, the distribution of books and the processing of manuscripts and service jobs have been significantly enhanced thereby boosting the overall production capacity and performance of the Foundation.

SCHOLARSHIPS

During the year under review the Foundation paid out school fees arrears and examination fees to the sum of KShs. 4,123,955.00 as compared to KShs. 7,234,640.00 spent in the previous year. It is noted that the amount spent on Scholarships in the 1995/96 financial year is lower than in the past financial year. This is mainly attributed to the delay on the part of beneficiary schools in the submission of the requisite details to support the scrutiny

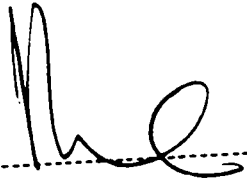
of scholarships by the Foundation. It is the intention of the Foundation to clear the school fees arrears in the coming financial year.

DIRECTORATE

There were no changes in the composition of the Board of Directors. The Government has not yet made a replacement of the late Mr. Menezes but it is our hope that this will soon be done to enhance the able leadership of the Board to steer the Foundation to even greater heights of prosperity.

MANAGEMENT AND STAFF

Finally I take this opportunity to extend my sincere thanks and congratulations to the Management and staff for their loyalty, hard work and commitment to the goals and objectives of the Foundation. Their clear vision and dynamism have given the Foundation its current strong financial base. It is my hope that the tempo will be maintained to see the Foundation emerge as a pace-setter in the publishing and printing industry in Kenya and beyond.



MARK G. BOSIRE
CHAIRMAN

**REPORT OF THE AUDITOR GENERAL (CORPORATIONS) ON THE ACCOUNTS
OF JOMO KENYATTA FOUNDATION FOR THE YEAR ENDED 30TH JUNE, 1996**

I have examined the accounts of Jomo Kenyatta Foundation for the year ended 30th June, 1996 in accordance with Section 29(2) of the Exchequer and Audit Act, (Cap. 412).

I have obtained all the information and explanations which were considered necessary for the purpose of the audit. Proper books of account have been maintained by the Foundation and the accounts which have been prepared under the historical cost convention as modified by revaluation of certain fixed assets are in agreement therewith and comply with the Companies Act, (Cap. 486).

In my opinion, the accounts when read together with the notes thereon, present a true and fair view of the Foundation's financial state of affairs as at 30th June, 1996 and the state of changes in the financial position for the year then ended.



W.K. KEMEI
AUDITOR-GENERAL (CORPORATIONS)

24 October, 1997

DIRECTORS' REPORT FOR THE YEAR ENDED 30TH JUNE 1996

The Directors have pleasure in presenting the Accounts for the year ended 30th June 1996.

1. PRINCIPAL ACTIVITIES

The principal activity of the Foundation during the year remained that of publishing and printing of school text books.

2. PROFIT AND LOSS ACCOUNT

Profit (loss) for the year 40,974,987.00

Add: Retained Profit brought forward 86,480,742.00

Retained profit carried forward 127,455,729.00

3. DIVIDENDS

The Foundation is a Company limited by guarantee and does not pay dividends from its earnings.

4. DIRECTORS

The Directors who served during the year were:

Mr. Mark G. Bosire	-	Chairman
Mr. S. Lesrima	-	PS, Ministry of Education
Mr. I.K. Mungai	-	Alternate PS, Ministry of Education
Mr. B.K. Kipkulei	-	PS, Ministry of Finance
Mr. A.U. Wandera	-	Alternate, PS, Ministry of Finance
Mr. P.C. Kilel	-	Office of the President
Mr. S.C. Langat	-	Kenya Literature Bureau
Mr. O.J. Menya	-	Kenya Institute of Education
Mr. J.B. Mboga	-	KNUT
Prof. O.J.E. Shiroya	-	Kenyatta University

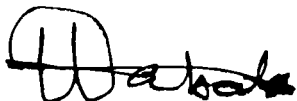
5. AUDITORS

The Auditor General (Corporations) continues in office in accordance with the Audit and Exchequer Act.

6. **APPRECIATION**

The Directors have much pleasure in recording once again their appreciation for the untiring effort of Management and staff for enabling the Foundation achieve its goals and objectives as charitable organization.

BY ORDER OF THE BOARD

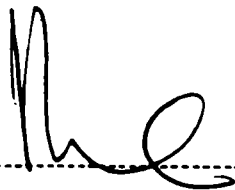


HERBERT ANDAMBI CHABALA
SECRETARY TO THE BOARD

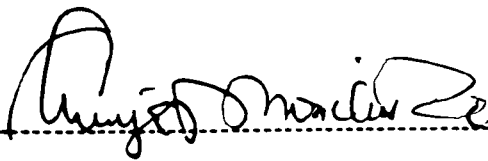
5 SEPTEMBER 1996

**PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 30 JUNE 1996**

	30.6.96 KSHS	30.6.95 KSHS
TURNOVER	193,531,591.00	133,217,012.00
Balance brought forward	86,480,742.00	83,749,835.00
Add: Net (loss) profit for the year	40,974,987.00	(786,716.00)
Add/(Deduct) Prior Year Adjustment	<u> —</u>	<u>3,499,623.00</u>
	<u>127,455,729.00</u>	<u>86,480,742.00</u>



.....
DIRECTOR

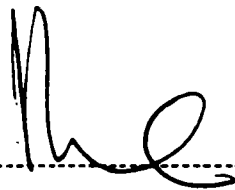


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DIRECTOR

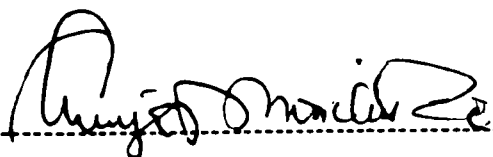
5 September 1996

**BALANCE SHEET
AS AT 30TH JUNE 1996**

	NOTE	30.6.96 KSHS.	30.6.95 KSHS.
Capital Reserve	3	4,000,000.00	4,000,000.00
Revaluation Reserve	4(a)	70,919,684.00	70,919,684.00
Profit and Loss Account	5	<u>127,455,729.00</u>	<u>86,480,742.00</u>
		<u>202,375,413.00</u>	<u>161,400,426.00</u>
REPRESENTED BY:			
Fixed Assets	4(b)	102,338,968.00	105,919,145.00
CURRENT ASSETS:			
Stocks	6	50,906,918.00	53,593,755.00
Debtors and Prepayment	7	23,715,692.00	33,034,680.00
Cash and Bank Balance	8	<u>52,422,383.00</u>	<u>4,471,859.00</u>
		<u>127,044,993.00</u>	<u>91,100,294.00</u>
CURRENT LIABILITIES:			
Creditors and Accruals	9	27,008,548.00	35,619,013.00
		<u>27,008,548.00</u>	<u>35,619,013.00</u>
Net Current Assets		<u>100,036,445.00</u>	<u>55,481,281.00</u>
		<u>202,375,413.00</u>	<u>161,400,426.00</u>



----- DIRECTOR



----- DIRECTOR

5 SEPTEMBER 1996

**STATEMENT OF CHANGES IN FINANCIAL POSITION
FOR THE YEAR ENDED 30TH JUNE 1996**

	30.6.96 KSHS.	30.6.95 KSHS.
<u>SOURCES OF FUNDS</u>		
Net Profit (loss) for the year	40,974,987.00	(768,716.00)
<u>Adjustments for Items not involving Movement of funds:</u>		
Depreciation	8,516,693.00	8,905,792.00
Gain on Disposal of Fixed Assets	—	(1,765,795.00)
Prior Year Adjustment	—	3,499,623.00
	<u>49,491,680.00</u>	<u>9,870,854.00</u>
<u>Other Sources:</u>		
Proceed on Sale of Fixed Assets	—	1,773,170.00
	<u>49,491,680.00</u>	<u>11,644,024.00</u>
<u>APPLICATION OF FUNDS:</u>		
Acquisitions of Fixed Assets	(4,936,519.00)	(6,167,116.00)
	<u>44,555,161.00</u>	<u>5,476,908.00</u>
<u>Movement in Working Capital:</u>		
Stocks	2,686,837.00	14,670,163.00
Debtors & Prepayments	9,318,991.00	(45,443,970.00)
Creditors & Accruals	(8,610,465.00)	21,264,997.00
Movement in Net Liquid Funds	(47,950,524.00)	14,985,718.00
	<u>44,555,161.00</u>	<u>5,476,908.00</u>

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 30 JUNE 1996

1. ACCOUNTING POLICIES

(a) **Basis of Accounting**

The accounts are prepared on the historical cost basis of accounting modified to include the revaluation of certain fixed assets.

(b) **Turnover**

Turnover represents the proceeds from the sale of goods and services to customers.

(c) **Stocks**

Stocks are stated at the lower of cost or net realisable value. Cost comprises purchase price, or direct production cost together with manufacturing overheads as appropriate.

(d) **Depreciation**

No depreciation is provided on land which is freehold. Leasehold land is depreciated over the unexpired period of the lease.

Assets are depreciated to write off the cost or valuation in equal annual instalments at the following annual rates:

Land	Nil
Leashold land	2% equal annual instalments over the period of the lease whichever is greater
Plant and Machinery	6%-15% on cost
Office furniture and fittings	15%-20% on cost
Motor vehicles	25% on reducing balance

The Foundation is exempted from income tax on all sources of income. Profits earned are applied for the payment of scholarships and retained to solidify the financial base.

2. TRADING PROFIT

	30.6.96 KSHS.	30.6.95 KSHS.
Trading profit is arrived at after charging:		
Interest on overdraft	1,165,078.00	1,265,395.00
Depreciation	8,516,693.00	8,905,742.00
Auditors remuneration	150,000.00	150,000.00
Directors fees	216,907.00	168,768.00
	<u>10,048,678.00</u>	<u>10,489,837.00</u>

3. CAPITAL RESERVE

	30.6.96 KSHS.	30.6.95 KSHS.
Initial grant to set up the Foundation	<u>4,000,000.00</u>	<u>4,000,000.00</u>

4. (a) REVALUATION RESERVE

	30.6.96 KSHS.	30.6.95 KSHS.
The revaluation reserve represents the gain on revaluation of certain fixed assets. This is in compliance with accounting standards. The revaluation was carried out by M/S Bageine Karanja Mbuu on existing use basis in June 1993.	<u>70,919,684.00</u>	<u>70,919,684.00</u>

5. RETAINED PROFIT

	30.6.96 KSHS.	30.6.95 KSHS.
Net profit (loss) as per profit and loss (including stock & W.I.P. Fluctuations)	40,974,987.00	(768,716.00)
Add/deduct; Prior year adjustment.	—	<u>3,499,623.00</u>
	<u>40,974,987.00</u>	<u>2,730,907.00</u>
 Add: Retained profit carried forward	 86,480,742.00	 83,749,835.00
	<u>127,455,729.00</u>	<u>(1,393,476.54)</u>
		<u>85,087,265.46</u>

6. **STOCKS**

	30.6.96 KSHS.	30.6.95 KSHS.
Printed Books	47,965,327.00	36,746,787.00
Raw Materials	928,958.00	13,816,773.00
Work in Progress	<u>2,012,633.00</u>	<u>3,030,195.00</u>
	<u>50,906,918.00</u>	<u>53,593,755.00</u>

7. **DEBTORS AND PREPAID EXPENSES**

	30.6.96 KSHS.	30.6.95 KSHS.
Trade Debtors	13,665,615.00	17,355,900.00
Other Debtors	5,895,383.00	11,995,531.00
Prepaid Expense	<u>4,154,696.00</u>	<u>3,683,249.00</u>
	<u>23,715,694.00</u>	<u>33,034,680.00</u>

8. **CASH ON HAND AND BANK BALANCES**

	30.6.96 KSHS.	30.6.95 KSHS.
Cash on hand	191,400.00	254,806.00
Bank Balance	<u>52,230,983.00</u>	<u>4,217,053.00</u>
	<u>52,422,383.00</u>	<u>4,471,859.00</u>

9. **CREDITORS AND ACCRUED EXPENSES**

	30.6.96 KSHS.	30.6.95 KSHS.
Trade Creditors	6,327,677.00	17,398,927.00
Other Creditors	<u>20,680,871.00</u>	<u>18,220,086.00</u>
	<u>27,008,548.00</u>	<u>35,619,013.00</u>

10. **CORPORATE STATUS**

The Foundation is a Company limited by guarantee and does not have a share capital. The capital reserve represents the initial grant to set up the Foundation.

11. **CURRENCY**

These accounts are presented in Kenya Shillings.

4(b)

FIXED ASSETS AS AT 30TH JUNE 1996

	LEASEHOLD LAND AND BUILDING ENTERPRISE RD	KIJABE	PLANT & MACHINERY	OFFICE FURNITURE & EQUIPMENT	COMPUTERS	MOTOR VEHICLES	TOTAL
	KSHS.	KSHS.	KSHS.	KSHS.	KSHS.	KSHS.	KSHS.
COST OR VALUATION	45,785,040	1,066,360	65,882,691	5,338,819	4,553,211	6,750,929	129,377,050
ADDITIONS	—	—	808,075	147,895	1,282,849	2,697,700	4,936,519
DISPOSALS	—	—	—	—	—	—	—
AS AT 30.6.95	45,785,040	1,066,360	66,690,766	5,486,714	5,836,060	9,448,629	134,313,569
DEPRECIATION							
AS AT 30.6.95	2,425,160	654,624	10,074,471	3,492,832	3,296,164	3,514,654	23,457,905
CHARGE FOR THE YEAR	915,700	38,084	4,994,403	382,990	702,022	1,483,494	8,516,693
ON DISPOSAL	—	—	—	—	—	—	—
AS AT 30.6.96	3,340,860	692,708	15,068,874	3,875,822	3,998,186	4,998,148	31,974,598
NET BOOK							
AS AT 30.6.96	42,444,180	373,652	51,621,892	1,610,892	1,837,874	4,450,481	102,338,971
AS AT 30.6.95	43,359,880	411,736	55,808,220	1,845,987	1,257,047	3,236,275	105,919,145

**PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 30TH JUNE 1996**

	30.6.96 KSHS.	30.6.95 KSHS.
INCOME		
Sales (Net of Discounts)	193,531,591.00	133,217,012.00
Cost of Sales	<u>103,072,433.00</u>	<u>(84,538,677.00)</u>
GROSS PROFIT	<u>90,459,158.00</u>	<u>48,678,335.00</u>
G.P.%	46%	36%
<u>EXPENSES</u>		
<u>STAFF</u>		
Staff Salaries	19,444,517.00	15,659,977.00
Staff Training	114,890.00	3,770.00
Medical Expenses - Out-Patient	2,639,838.00	1,225,324.00
Industrial Training Levy	42,600.00	57,500.00
Staff Travelling	1,049,395.00	714,940.00
Staff Provident Fund	2,076,065.00	1,556,743.00
Staff Canteen and Welfare	2,792,687.00	1,872,528.00
Staff Uniforms	6,700.00	516,122.00
Staff Bonus	546,447.00	353,305.00
Staff Recruitment	<u>76,140.00</u>	<u>132,000.00</u>
	<u>28,789,279.00</u>	<u>22,116,209.00</u>
<u>ADMINISTRATION</u>		
Printing & stationery	603,397.00	1,511,477.00
Postage and Telephone	1,287,146.00	1,185,832.00
Computer Expenses	190,458.00	40,236.00
Rent and Rates	1,664,239.00	1,145,947.00
Light and Water	468,787.00	357,082.00
Repairs and Maintenance	2,701,804.00	2,925,615.00
Licence	55,025.00	43,270.00
Insurance	3,716,027.00	2,736,128.00
Directors' Expenses	216,907.00	168,738.00
Subscription and Cash Donations	91,305.00	196,277.00
Donations Books	266,498.00	165,129.00
Entertainment	30,000.00	298,659.00
General Expenses	565,041.00	710,562.00

Motor Vehicle Running expenses	1,543,276.00	1,179,113.00
Sales Promotion	880,577.00	880,890.00
Packing Materials	1,063,810.00	479,230.00
Mileage Expenses	1,103,600.00	1,284,494.00
Depreciation (Excl.Plant & Machinery)	2,576,665.00	2,790,190.00
Hire of Security	678,056.00	334,657.00
Cash Lost	<u>123,548.00</u>	<u>74,614.00</u>
	<u>19,826,166.00</u>	<u>18,510,140.00</u>

EDITORIAL

Editorial Charges	9,781.00	219,105.00
Royalties	373,417.00	202,427.00
Honoraria	149,480.00	148,511.00
Library Expenses	<u>25,260.00</u>	<u>31,481.00</u>
	<u>557,938.00</u>	<u>601,524.00</u>

FINANCIAL

Standard Levy	468,328.00	367,158.00
Bad Debts	700.00	1,722,088.00
Bank Charges and interest	1,605,175.00	1,935,579.00
Audit fees	150,000.00	150,000.00
Legal and other professional fees	107,396.00	272,568.00
Income Tax Penalties	<u>10,437.00</u>	<u>—</u>
	<u>2,342,036.00</u>	<u>4,447,393.00</u>

TOTAL EXPENSES	<u>51,515,419.00</u>	<u>45,675,266.00</u>
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NET OPERATING PROFIT	<u>38,943,739.00</u>	<u>3,003,069.00</u>
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Add: Other Income	1,987,815.00	3,462,855.00
Service Jobs	4,167,388.00	-
Less: Scholarships	<u>(4,123,955.00)</u>	<u>(7,234,640.00)</u>
NET PROFIT(LOSS) FOR THE YEAR	<u>40,974,987.00</u>	<u>(768,716.00)</u>

**MANUFACTURING ACCOUNT
FOR THE YEAR ENDED 30TH JUNE 1996**

	KSHS.	KSHS.
DIRECT MATERIALS		
Opening Stock, 1.7.95	13,068,067.00	
Add: Purchases	<u>63,390,132.00</u>	
Cost of Direct Materials available for use	76,458,199.00	
Less: Closing Stock, 30.6.96	<u>(9,190,931.00)</u>	
Direct Materials Used		67,267,268.00
Direct Labour		
(Machine Operator Salaries)	8,936,133.00	
FACTORY OVERHEADS:		
Printing Charges - Work contracted	18,289,151.00	
Repairs and Maintenance (Machines)	2,444,623.00	
Electricity (Press)	1,131,200.00	
Water Charges (Press)	74,077.00	
Depreciation	5,940,028.00	
		<u>36,815,212.00</u>
Manufacturing Costs incurred during the year		104,082,480.00
Add: Opening Work in Progress, 1.7.95		<u>3,030,195.00</u>
Manufacturing Costs to account for		107,112,675.00
Less: Closing Work in Progress stock, 30.6.96		<u>(2,012,633.00)</u>
COST OF GOODS MANUFACTURED		<u>105,100,042.00</u>

**BALANCE SHEET
FIVE YEAR REVIEW AS AT 30TH JUNE 1996**

	1995/96	1994/95	1993/94	1992/93	1991/92
	1995/96	1994/95	1993/94	1992/93	1991/92
	KSHS.	KSHS.	KSHS.	KSHS.	KSHS.
Capital Reserve	4,000,000.00	4,000,000.00	4,000,000.00	4,000,000.00	4,000,000.00
Revaluation Reserve	70,919,684.00	70,919,684.00	70,919,684.00	70,919,684.00	—
Profit and Loss Account	127,455,729.00	86,480,742.00	83,749,835.00	84,070,744.00	82,454,312.00
	202,375,413.00	161,400,426.00	158,669,519.00	158,990,428.00	86,454,312.00
Represented By:					
Fixed Assets	102,338,968.00	105,919,145.00	108,665,148.00	113,366,674.00	46,475,604.00
Current Assets:					
Stocks	50,906,918.00	53,593,755.00	38,923,592.00	39,883,692.00	37,528,079.00
Debtors and Prepayments	23,715,692.00	33,034,680.00	78,478,650.00	38,448,211.00	40,102,927.00
Cash and Bank Balance	52,422,383.00	4,471,859.00	135,265.00	77,723.00	357,955.00
	127,044,993.00	91,100,294.00	117,537,507.00	78,409,626.00	77,988,961.00
Current Liabilities					
Creditors and Accruals	27,008,548.00	35,619,013.00	56,884,010.00	30,373,785.00	14,223,985.00
Bank Overdraft	—	—	10,649,124.00	913,349.00	19,410,147.00
Suspense Account	—	—	—	1,498,738.00	4,208,509.00
	27,008,548.00	35,619,013.00	67,533,134.00	32,785,872.00	37,842,641.00
Net Current Assets	100,036,445.00	55,481,281.00	50,004,373.00	45,623,754.00	40,146,320.00
	202,375,413.00	161,400,426.00	158,669,519.00	158,990,428.00	86,454,312.00

FIVE YEAR REVIEW OF SALES AND PROFIT

	1995/96	1994/95	1993/94	1992/93	1991/92
	KSHS.	KSHS.	KSHS.	KSHS.	KSHS.
SALES	193,531,591.00	133,217,012.00	128,309,724.00	103,144,080.00	73,020,855.00
Cost of Sales	(103,072,433.00)	(84,538,677.00)	(73,327,747.00)	(61,133,220.00)	(48,245,726.00)
Gross Profit	90,459,158.00	48,678,335.00	54,981,977.00	42,010,860.00	24,775,129.00
G.P. %	46%	35%	43%	41%	34%
Total Expenses	(51,515,419.00)	(45,675,266.00)	(40,714,452.00)	(32,439,303.00)	(24,925,473.00)
Net Operating Profit (loss)	38,943,739.00	3,003,069.00	14,267,526.00	9,571,557.00	(150,344.00)
Add: Other Income	6,155,203.00	3,462,855.00	895,704.00	700,291.00	—
Less: Scholarships	(4,123,955.00)	(7,234,640.00)	(10,676,964.00)	(8,631,183.00)	(8,643,407.00)
NET (LOSS)/PROFIT	40,974,987.00	(768,716.00)	4,486,266.00	1,640,665.00	(8,793,751.00)



