



Sisal Board of Kenya

ANNUAL REPORT - 2004

AND

ANNUAL AUDITED ACCOUNTS

2003 / 2004 FINANCIAL YEAR

SISAL BOARD OF KENYA

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KENYA SISAL BOARD

ANNUAL REPORT 2004

Board Membership

Permanent Secretary	Member
Ministry of Agriculture	
Director of Agriculture	Member
Managing Director	
Sisal Board of Kenya	Member and Secretary
Registered Head Office	Old Mutual Bdg. Kimathi Street P. O. Box 41179 NAIROBI.
Regional office	Sisal Board Inspectorate Mozambique Road P. O. Box 81764 Mombasa
Bankers	
National Bank of Kenya	
Harambee Avenue	
P. O. Box 41862 – 00100	
NAIROBI.	
Independent Auditor	
Controller and Auditor General	
P. O. Box 30084	
NAIROBI.	

SISAL INDUSTRY REVIEW - 2004

(a) Sisal Production

Production in the year 2004 increased by 1595 Metric tonnes as compared to the year 2003 production of 25,009 Metric tonnes. This increase in production is attributed to increased production capacity following heavy redevelopment carried out by sisal estates in the past five years in responses to increased demand for sisal fibre in the export market.

Sisal fibre production of all grades and tow for the last two consecutive years was as follows: -

<u>Province</u>	<u>Production in 2003</u> <u>(Metric tonnes)</u>	<u>Production in 2004</u> <u>(Metric tonnes)</u>
Coast	11,045	11,012
Eastern	6,811	5,285
Rift Valley	5,314	5,181
Nyanza	<u>1,839</u>	<u>5,126</u>
	<u>25,009</u>	<u>26,604</u>

(b) Sisal Marketing

In the year 2004, a total of 20,876 metric tonnes of sisal and tow produced in Kenya were exported overseas to 39 countries, earning the country Kshs 1,108,707,301/=. The balance of total production were sold locally earning farmers Kshs 169,860,450/=.

The world demand for sisal has been contracting for many years, but the past two years witnessed increased demand particularly for East Africa sisal to the extent that demand was higher than supply. This has maintained high and stable prices which is a motivation for farmers. Currently the average price of the widely exported sisal grades UG or 3L stands of US\$783 per metric ton F.O.B. Mombasa.

The ten top importers are: China, Spain, Saudi Arabia, Egypt, Morocco, Portugal, Belgium, India, Indonesia and South Africa.

(c) Sisal Board operation results

Financial performance showed improvement in net surplus of Kshs 675,608/= compared to Kshs 112,092/= in the previous financial year.

The Board fully discharges its functions as required under the sisal Industry Act (Cap 341).

The Board has been exploring and developing new strategies in the long and short term to revitalize and sustain the sisal markets.

Among these strategies are; -

- (i) Exploration and development of alternative uses for sisal fibre, sisal decortication waste, poles and boles.
- (ii) Encouragement of more participation of small-holders in sisal production and marketing.
- (iii) Revival of Sisal Research.



C. K. KAGWIMI

AG. MANAGING DIRECTOR

SISAL EXPORT BY COUNTRY OF DESTINATION FOR 2004

	<u>COUNTRY</u>	<u>TONNES</u>
1	CHINA	4668
2	SPAIN	3836
3	S, ARABIA	2070
4	EGYPT	1523
5	MOROCCO	947
6	PORTUGAL	941
7	BELGIUM	882
8	INDIA	805
9	INDONESIA	636
10	S.AFRICA	552
11	JAPAN	496
12	SYRIA	477
13	GERMANY	454
14	GHANA	364
15	PHILIPPINES	354
16	NIGERIA	315
17	ITALY	200
18	JORDAN	200
19	SENEGAL	149
20	AUSTRALIA	124
21	IVORY COAST	124
22	TURKEY	113
23	S.KOREA	112
24	TANZANIA	76
25	GREECE	64
26	TAIWAN	56
27	ALGERIA	54
28	ISRAEL	40
29	U.K	32
30	SUDAN	30
31	SRI LANKA	29
32	LIBYA	28
33	U.A.E	28
34	THAILAND	27
35	BAHRAIN	26
36	TOGO	20
37	LEBANON	14
38	YEMEN	10
	TOTAL	<u>20876.00</u>
	TOTAL VALUE	<u>1,108,704,301.00</u>

WORLD MARKET AVERAGE PRICES IN US\$ PER TONNE FOB MOMBASA PORT 2004

MONTHS	GRADES									
	NO.1	NO.2	NO.3	3L	UG	UHDS	TOW. 1	TOW. 11		
JANUARY	741	635	704	718	662	475	363		445	
FEBRUARY	741	635	729	774	703	485	381		473	
MARCH	895	695	773	811	720	495	403		441	
APRIL	811	695	785	808	718	495	469		441	
MAY	811	695	783	775	717	495	420		455	
JUNE	811	695	730	915	728	495	400		520	
JULY	811	695	778	868	725	495	448		520	
AUGUST	811	695	801	847	729	503	495		520	
SEPTEMBER	811	695	830	801	750	503	400		520	
OCTOBER	1000	695	805	883	797	503	518		520	
NOVEMBER	915	860	830	900	784	503	535		530	
DECEMBER	915	860	830	899	756	503	520		530	
TOTAL	840	713	782	833	733	537	446		493	

MONTHLY SISAL PRODUCTION BY GRADES IN METRIC TONNES BY 2004

	JAN	FEB	MAR	APRI	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC	TOTAL
NO.1	5	3	5	3	-	6	11	10	9	5	5	11	73
NO.2	9	7	8	5	2	11	23	13	17	15	19	25	154
3L	306	135	157	75	28	123	158	132	127	99	103	281	1724
NO.3	223	215	196	162	223	185	208	194	215	222	298	211	211
UG	804	1150	1282	1209	1302	1158	1513	1435	1526	1184	1175	2593	16331
UHDS	402	218	319	243	287	697	408	209	338	305	400	420	4246
TOW 1	95	69	84	66	63	62	89	129	94	69	84	94	998
TOW 2	34	27	32	34	25	21	16	17	26	13	-	32	277
F/TOW	31	25	25	20	25	24	20	18	20	10	10	21	249
TOTAL	1909	1849	2108	1817	1955	2287	2446	2157	2372	1922	2094	3688	26604

MANAGEMENT REPORT FOR THE YEAR ENDED 30th JUNE 2004

Historical Background

- Sisal was introduced in Kenya in 1903 by the department of Agriculture.
- The first sisal plantation (by White Settlers) was established in 1907 at Punda Milia near Thika.
- By 1914, Sisal had firmly established itself in Kenya as a cash crop and 42 tons of fibre was exported to Europe.
- The growth of the industry expanded leading to the establishment of the high Level Sisal Research Station at Thika in 1937.
- Between 1903 and 1940, sisal growers under the auspices of the Kenya Sisal Growers & employers Association solely ran the sisal industry.

Small holder

- Small sisal production was started before 1950 as hedgerow around homestead and boundary demarcation.
- By 1954, government established several smallholder schemes e.g. the Machakos African Sisal scheme. Sisal produced from these schemes was processed by large estates.
- Smallholder sisal reached a stage where the large estate could not process and this led to the establishment of a spinning factory E.A bag & cordage (currently Premier Bag & Cordage) in Juja in 1954 to absorb and process the hand decorticated sisal fibre from the small holders.

· 1963 Sisal Industry Land Marks

- Area under sisal 102,000 ha
- Production 70,154 tons
- Export 63,821 tons
- Value of export Kshs 7,533,044
- Employment 20,000 people
- Number of estates reached 64
- Smallholder production of 11,200 tons of fibre, (16% of total production).

- During the same year, the government published the National Cash Crop Policy with a view of increasing the smallholder sisal production to about 20,000 tons per year. The thrust of the policy was; -
 1. Formation of the nucleus estates in the smallholder areas run by either private sector or government to undertake the processing of sisal leaves and encourage the smallholder surrounding the nucleus estate to grow sisal and deliver the leaves to the estate for processing.

2. Encourage co-operative ventures involving private individuals and co-operatives societies in planting, processing and marketing of sisal with financial and technical assistance from the private sector and the government.
- The programme got underway in Machakos spreading to Embu and Meru with plans for Busia, Kakamega, Kilifi, Kwale and Nyanza province.
 - The programme however overlooked the welfare and protection of small holders in terms of market behavior, extension services and an association to voice their views. This led to collapse of the programme and further marginalization of smallholder sector to date.

Large Estates

- Production remained mainly large scale, producing around 90% of the total sisal fibre produced.
- In the 1970s, the effect of synthetic fibres in the industry was severely felt leading to depressed sisal fibre prices worldwide.
- Depressed sisal fibre prices discouraged production and some of the estates either diversified to other enterprises or were sold out to co-operative societies who subdivided the land into small units for farming, settlement etc.

Performance of the industry from 1963 to date

- The number of estates dropped from 64 in 1963 to 13 in 1998.
- Production fell from 70,150 tons in 1963 to 19,228 tons in 1998.
- Area under sisal fell from 102,000 hectares in 1963 to 31,286 hectares in 1998.
- However 21st century opened favourably with a lot of interest in the conservation of the environment, thereby creating demand for the natural (bio-degradable) fibres.
- Thus by the year 2004: -
 - The area under sisal was 32,731 hectares
 - Production was 26,629 tonnes
 - Sisal exported was 20,876 tonnes
 - Domestic sisal consumption 5,577 tonnes

- Value of sisal exported was Kshs 1,108,704,301
- Value of sisal sold domestically Kshs 166,661,260

Therefore total sisal earnings was Kshs 1,275,365,561

Research

- The High-Level Sisal Research Station in Thika was converted to the present day horticulture Research Station in 1972.
- The government should seriously consider re-establishing a Sisal Research foundation to revitalize the sisal research.

Legal Framework

- In January 1946, Sisal industry act Cap 341 came into operation establishing the Kenya Sisal Board for purposes of promoting the advancement, welfare and regulation of the industry.
- From 1946 to the year 2000, Board of Directors were being appointed and gazetted by the Minister for Agriculture as provided for in Cap 341 to govern the Kenya sisal Board.
- Since the year 2000, the minister for agriculture has not appointed/gazette a Board of Directors leading to a situation where the major stakeholders question the legality of the Kenya sisal Board's operation.

Strategic focus

The Board developed a five-year strategic plan covering the period 2005/2006 to 2009/2010. The focus of the strategy is: -

- Make sisal a cash crop of choice in the ASAL where ten million Kenyans occupying 80 per cent of the Kenyan land mass live.
- Increase land under smallholder sisal to 15,500 hectares producing 11,000 tons of fibre in the fifth year.
- Increase land under estates scheme to 54,000 hectares producing 39,900 tons in the fifth year.
- Create a Sisal development fund for: -
 - Sisal Development
 - Research and development
 - Infrastructural development.

Way forward

- For the Board to fulfill its mandate, as set out in Cap 341, the Minister for Agriculture is kindly requested to appoint a Board of Directors to re-instate the Board's legal authority.
- The Ministry of Agriculture should speed up sisal policy review and the revision of cap 341 to meet the current needs of the sisal industry.



CHARLES K. KAGWIMI
AG. MANAGING DIRECTOR

STATEMENT OF MANAGEMENT'S RESPONSIBILITIES FOR
THE YEAR ENDED 30TH JUNE 2004

The Management is required to prepare financial statements which give a true and fair view of the state of affairs of the Board, as at the end of the financial year and of its surplus or deficit for the year. The management is required to ensure that the Board maintains proper accounting records, which disclose, with reasonable accuracy, the financial position of the Board. The management is also responsible for safeguarding the assets of the Board.

The management accepts responsibility for the financial statements, which have been prepared using appropriate accounting policies supported by reasonable and prudent judgements and estimates estimates, which are consistent with previous years, and in conformity with international Financial Standards. The management confirms the accuracy and completeness of the accounting records maintained by the Board, which have been relied upon in the preparation of the financial statements, as well as on the adequacy of the systems of internal financial controls.

Apart from not satisfying the legal requirement i.e. operating without a Board of Directors since mid 2000, nothing has been drawn to the attention of the management to indicate that the Board will not remain a going concern for at least twelve months from the date of this statement.

This statement is approved by the management and signed on its behalf by: -



CHARLES K. KAGWIMI
AG. MANAGING DIRECTOR



MARY A. OKUL (MRS)
SENIOR EXECUTIVE OFFICER

**REPORT OF THE CONTROLLER AND AUDITOR GENERAL ON THE
FINANCIAL STATEMENTS OF KENYA SISAL BOARD FOR THE YEAR
ENDED 30TH JUNE 2004**

I have audited the financial statements of Kenya Sisal Board for the year ended 30 June 2004 in accordance with the provisions of section 14 of the Public Audit Act, 2003. 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. The financial statements are in agreement with the books of account.

Respective responsibilities of the Board of Directors and of the controller and Auditor general

As set out in the statement of directors responsibilities, the directors are responsible for the preparation of financial statements which give a true and fair view of the Board'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 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 misstatement. An audit includes an examination on test basis, of evidence supporting the amounts and disclosures in the financial statements. It also includes an assessment of the accounting policies used and significant estimates made by the directors as well as an evaluation of the overall presentation of the financial statements. I believe my audit provides reasonable basis for my opinion.

Comment

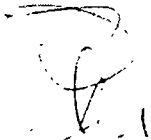
Constitution for the Board of Directors

As reported in prior years, the Board operated during the year under review without a board of Directors and as a result, all the functions, including policy decisions, normally

performed by a Board of directors were undertaken by the Chief Executive. Although the parent ministry was notified of the expiry of the term of the board of directors in March 2000, a new board has to date not been constituted, and consequently the Chief Executive continued to run the affairs of the Board. No explanation has been provided for failure to have the Board of directors appointed.

Opinion

Except for the foregoing reservation, in my opinion, proper books of accounts have been kept and the financial statements give a true and fair view of the state of the financial affairs of the Board as at 30 June 2004 and of its surplus and cash flows for the year then ended in accordance with International financial reporting Standards and the Sisal industry Act (cap 341)



E.N. MWAI
CONTROLLER AND AUDITOR GENERAL
Nairobi.

29 September 2005

KENYA SISAL BOARD

INCOME AND EXPENDITURE ACCOUNT FOR THE YEAR ENDED 30TH JUNE 2004

INCOME	NOTES	2003/2004 KSHS	2002/2003 KSHS
Cess	10	580,387	572,266
Rent	11	5,387,470	8,118,976
Inspection Service charges	12	5,156,921	4,043,500
Licence fees	13	83,640	59,700
Rebaling fees	14	302,506	268,250
Miscellaneous		<u>8,041</u>	<u>8,114</u>
TOTAL INCOME		<u>11,518,965</u>	<u>13,070,806</u>
 EXPENDITURE			
Administration and general Expenditure	15	5,565,120	7,434,214
Personal Emoluments	16	<u>5,278,237</u>	<u>5,524,530</u>
TOTAL EXPENSES		<u>10,843,357</u>	<u>12,958,744</u>
 OPERATING SURPLUS		 675,608	 112,062
Surplus for the year transferred To general fund		<u>675,608</u>	<u>112,062</u>

KENYA SISAL BOARD

BALANCE SHEET AS AT 30TH JUNE, 2004

	NOTES	2003/2004 KSHS	2002/2003 KSHS
NON CURRENT ASSETS	1 & 2	67,493,650	68,104,863
CURRENT ASSETS			
Stocks	3	21,354	116,958
Debtors and prepayments	4	1,130,104	720,349
Cash and bank Balances	5	<u>38,032</u>	<u>73,351</u>
TOTAL CURRENT ASSETS		<u>1,189,490</u>	<u>910,658</u>
CURRENT LIABILITIES			
Creditors and provisions	6	1,051,424	1,010,410
PMDSHP project	7	<u>-811,401</u>	<u>243,606</u>
TOTAL CURRENT LIABILITIES		<u>240,023</u>	<u>1,254,016</u>
NET CURRENT ASSETS (WORKING CAPITAL)		<u>949,467</u>	<u>-343,358</u>
TOTAL NET ASSETS		<u>68,443,117</u>	<u>67,761,505</u>
FINANCED BY:-			
Revaluation Reserve	8	58,435,530	58,435,530
General fund	9	<u>10,007,587</u>	<u>9,325,975</u>
		<u>68,443,117</u>	<u>67,761,505</u>

SIGNED BY: C. K. KAGWIMI

AG. MANAGING DIRECTOR

Altomari

DATE 4/10/05

KENYA SISAL BOARD

NOTE 1 - Accounting Policies

The principal accounting policies adopted in the preparation of the financial statements are set out below:

(a) Basic preparation

The financial statements are prepared under the historical cost convention and are in compliance with international financial reporting standards.

(b) Revenue Recognition

Revenue and expenses are recognized and matched in the period to which they accrue.

(c) Property and Equipment

Property, plant and equipment is stated at historical cost less accumulated depreciations. Depreciation is calculated at a reducing balance method at the following rates: -

- (i) Godowns 3%
- (ii) Property, Plant and Equipment 10%
- (iii) Motor vehicle 25%

(d) Inventories

Inventories are stated at the lower of cost and net realisable value. Cost is determined by first-in-first-out (FIFO) method. Net realisable value is the estimate of the selling price in the ordinary course of business, less the selling expenses.

(e) Retirement benefit obligation

The Board operates a defined contribution staff retirement benefits scheme for its employees. The Board's contribution to the defined contribution retirement benefits scheme are charged to the income and expenditure statement in the year to which they relate.

NOTE 2

		Leasehold Land	Furniture & Fittings	Motor Vehicle	Motor Motor
Property, plant and equipment	Godowns				
Cost	<u>KSHS</u>	<u>KSHS</u>	<u>KSHS</u>	<u>KSHS</u>	<u>KSHS</u>
At start of year	23,547,123	49,580,000	1,595,579	2,311,091	77,033,793
Additions	0	0	0	0	0
Disposals	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
At end of the year	<u>23,547,123</u>	<u>49,580,000</u>	<u>1,595,579</u>	<u>2,311,091</u>	<u>77,033,793</u>
Depreciation					
At start of year	5,575,889	0	1,153,371	2,199,663	8,928,923
On disposals	0	0	0	0	0
Charge for the year	<u>539,137</u>	<u>0</u>	<u>44,220</u>	<u>27,856</u>	<u>611,213</u>
At end of year	<u>6,115,026</u>	<u>0</u>	<u>1,197,591</u>	<u>2,227,519</u>	<u>9,540,136</u>
Net book value					
At 30 th June 2004	<u>17,432,097</u>	<u>49,580,000</u>	<u>397,988</u>	<u>83,572</u>	<u>67,493,650</u>
At 30 th June 2003	<u>17,971,232</u>	<u>49,580,000</u>	<u>442,205</u>	<u>111,426</u>	<u>68,104,863</u>

NOTE 3 - STOCKS

Stocks are stated at the lower of cost and net realizable value. They consist of baling ropes and baling press oils at Kshs 10,000 and Kshs 11,354 respectively.

NOTE 4 - DEBTORS AND PREPAYMENTS

Trade debtors	1,107,155	688,508
Staff debtors	50,449	16,047
Prepayments	72,500	115,794
Less provision for bad debts	<u>-100,000</u>	<u>-100,000</u>
	<u>1,130,104</u>	<u>720,349</u>

NOTE 5 - CASH AND BANK BALANCES

	2003/2004	2002/2003
Petty cash inspectorate - Msa.	3,610	-251
Petty cash - Head office	8,988	27,069
Bank Balances - NBK	25,434	21,192
Bank Balances - KCB Kilindini	<u>0</u>	<u>25,341</u>
	<u>38,032</u>	<u>73,351</u>

NOTE 6 - CREDITORS AND PROVISIONS

Trade Creditors	71,253	188,455
Other Creditors	703,997	579,019
Staff Creditors	36,174	2,936
Audit fees provisions	<u>240,000</u>	<u>240,000</u>
	<u>1,051,424</u>	<u>1,010,410</u>

NOTE 7 - PMDSHP PROJECT

The Board by the close of the financial year had prefinanced project activities to the tune of kshs 811,401/= in terms of imprest for harvesting at Variety Trials and salaries for field staff. This was because 1st instalment on contract for 2004 was delayed to be paid and also due to variation in financial year between project and the board whereby Board's financial year ends on June 30 while project's end on December 31st.

NOTE 8 - REVALUATION RESERVE

Balance brought forward	58,435,530
Balance carried forward	58,435,530

NOTE 9 - STATEMENT OF CHANGES IN ACCUMULATED FUND YEAR ENDED 30TH JUNE 2004

	2003/2004	2002/2003
	<u>KSHS</u>	<u>KSHS</u>
At start of the year	9,325,975	9,213,913
Prior period adjustments	6,004	
Surplus for the year	<u>675,608</u>	<u>112,062</u>
At end of the year	<u>10,007,587</u>	<u>9,325,975</u>

NOTE 10 - CESS INCOME

During the 2003/2004 financial year, a total of 19,345.24 metric tons of sisal were levied cess earning the Board a sum of Kshs 580,387/= compared to 19,075.54 metric tonnes in 2002/2003 where the Board earned Kshs 572,266/= from this source. This represents a revenue increase of Kshs 8,121/= i.e. 1.42%. This is as a result of improved production level during the year.

NOTE 11 - RENT INCOME

The rental income of kshs 5,387,470/= represents a drop of (kshs 2,731,506) which represents a revenue drop of about (33.65%) from this source.

This rental reduction is as a result of the longest and very reliable tenant (M/S Swife Ltd.) vacating the Board's largest warehouse in February 2003 due to its poor state of disrepair.

The Board has not been able to lease it out to date and cannot afford to repair it at the moment due to high costs of repair.

NOTE 12 - INSPECTION SERVICE CHARGE

During the 2003/2004 financial year, the Board earned a sum of kshs 5,156,921/= from this source of revenue. This reflects a revenue increase of Kshs 1,113,421/= which represents 27.54% over the previous year where a sum of kshs 4,043,500/= was realized from this source. This increase is attributed to increased demand for sisal in the world market and good trading prices.

NOTE 13 - LICENCE FEES

During the 2003/2004 financial year, the Board earned K shs 83,640/= from this source of revenue. This reflects an increase of kshs 17,940/= which represents 27.31% of revenue compared to the previous financial year when a sum of kshs 65,700/= was realized.

NOTE 14 - REBALING CHARGES

During the 2003/2004 financial year, the Board earned a sum of 302,506 from this source of revenue. This reflects a revenue increase of Kshs 34,256/= which represents 12.78% over the previous financial year when a sum of Kshs 268,250/= was realized. This is attributed to the increase of number of bales reballed.

NOTE 15 - ADMINISTRATION AND GENERAL EXPENSES

	2003/2004	2002/2003
National Social security fund	74,000	75,000
Retirement Benefits Scheme	490,146	525,490
Medical Expenses	431,680	556,534
Repairs and Maintenance	137,778	166,671
Travelling and Accommodation expenses	125,340	243,060
Security Expenses	119,814	56,505
Conservancy Expenses	46,849	49,355
Rent Expenses	866,880	930,090
Motor vehicle expenses	304,317	416,807
Staff Uniforms expenses	0	66,240
Staff training and welfare	9,875	0
Trade fairs and exhibitions	0	14,000
Telephone expenses	335,916	449,543
Electricity expenses	97,966	88,416
Bank charges expenses	88,177	130,307
Subsistence allowance expenses	12,050	55,530
Printing and stationery expenses	63,321	88,024
Postage expenses	47,979	43,595
Sundry expenses	35,942	161,848
Transport expenses	48,714	27,545
Wages expenses	7,000	14,750
Leave travelling expenses	70,910	84,010
Newspapers and publication expenses	18,480	39,666
Advertising and Publicity expenses	800	0
Subscription expenses	0	22,115
Audit fees expenses	150,000	140,000
Insurance expenses	327,214	430,141
Baling press operating expenses	322,104	204,780
Land rent expenses	103,586	100,499
Land rate expenses	272,722	203,700
Penalties/interest expenses	0	21,034
Depreciation	611,213	639,047
Official entertainment expenses	27,835	56,715
Legal expenses	133,215	0
Loan interest expenses	22,899	1,115,215
Project expenses	155,458	216,682
Consumable expenses	<u>4,940</u>	<u>900</u>
	<u>5,565,120</u>	<u>7,434,214</u>

NOTE 16 - PERSONAL EMOLUMENTS	2003/2004	2002/2003
	KSHS	KSHS
Salaries	9,924,010	3,000,248
House allowance	2,295,500	2,477,900
Acting allowance	22,485	1,515
Overtime	5,242	3,667
Driver's allowance	10,800	10,800
Entertainment Allowance	18,000	18,000
Transport Allowance	-	10,000
Watchman Allowance	<u>2,200</u>	<u>2,400</u>
	<u>5,278,237</u>	<u>5,524,530</u>

NOTE 17 - PRINCIPAL ACTIVITIES

To develop and promote the advancement of the sisal Industry, through demand-led research and extension service, quality control and licencing, cost effective production, Processing and effective marketing of sisal products at competitive prices and conservation of environment to the satisfaction of all stakeholders.

NOTE 18 - LOAN INTEREST

The Board was advanced a loan facility of Kshs 5,700,000/= for 5 years at an interest rate of 30% in July, 1997 to support the reconstruction of godown No. 4. The principal amount was serviced in full by June 2003.



Sisal Board of Kenya

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