

EAAGADS LIMITED

REPORT AND ACCOUNTS
FOR THE YEAR ENDED 31 MARCH 1992

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EAAGADS LIMITED

DIRECTORS AND OFFICIALS

DIRECTORS

J V S Hermon-Gill	British
J D Enoch, FCIS, FCCA, FBIM	British
A M Michaelides	British
R E J Hemmings	British

BANKERS

Standard Chartered Bank Kenya Limited
P O Box 30001
Nairobi

AUDITORS

Gill & Johnson
P O Box 40092
Nairobi

SECRETARY

John Maonga
P O Box 30029
Nairobi

REGISTERED OFFICE

P O Box 10
Ruiru
Kenya

EAAGADS LIMITED

REPORT OF THE DIRECTORS

The directors present their report together with the accounts of the company for the year ended 31 March 1992.

PRODUCTION

The coffee crop harvested during the year was 284.657 tonnes, compared to 221.650 tonnes in 1990/91. Although better than the previous crop, this is still below average. Leaf miner and Aspidiotus caused damages which the trees did not recover from in time to produce a good late flowering.

FINANCIAL RESULTS

	Sh
Loss before taxation	(1,088,918)
Taxation	343,896
	<hr/>
Loss after taxation	(1,432,814)
Retained profits brought forward	11,955,267
	<hr/>
Profits available for distribution	10,522,453
Proposed final dividend	401,962
	<hr/>
Retained profits carried forward	10,120,491
	=====

DIVIDEND

The directors recommend the payment of a first and final dividend of 5% on the issued capital in respect of the year ended 31 March 1992, out of the retained profits.

DIRECTORS

The members of the present board of directors are listed on page 2.

In accordance with the provisions of the Company's Articles of Association Mr A M Michaelides retires by rotation and, being eligible, offers himself for re-election.

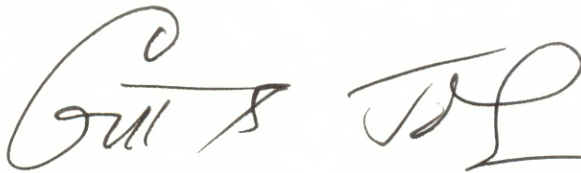
AUDITORS

The auditors, Gill & Johnson, will continue in office in accordance with section 159(2) of the Companies Act (Cap. 486).

REPORT OF THE AUDITORS
TO THE MEMBERS OF EAAGADS LIMITED

We have examined the accounts on pages 6 to 12 and have obtained all the information and explanations considered necessary for our audit.

In our opinion, proper books of account have been kept by the company and the accounts, which are in agreement therewith, comply with the Companies Act and give a true and fair view of the state of the company's affairs at 31 March 1992 and of its loss and source and application of funds for the year ended on that date.

A handwritten signature in dark ink, consisting of stylized cursive letters, likely representing the names of the auditors.

Certified Public Accountants (Kenya)

Nairobi

6 November, 1992

EAAGADS LIMITED

PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 31 MARCH 1992

	Note	1992 Sh	1991 Sh
Loss before taxation	2	(1,088,918)	(1,174,547)
Taxation	3	(343,896)	(790,221)
		<hr/>	<hr/>
Loss after taxation		(1,432,814)	(1,964,768)
Retained profits brought forward		11,955,267	14,321,997
		<hr/>	<hr/>
		10,522,453	12,357,229
Proposed dividend (gross)	4	(401,962)	(401,962)
		<hr/>	<hr/>
Retained profits carried forward		10,120,491	11,955,267
		=====	=====

EAAGADS LIMITED

BALANCE SHEET
31 MARCH 1992

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	Note	1992 Sh	1991 Sh
SHARE CAPITAL	5	8,039,250	8,039,250
CAPITAL RESERVE		30,185,615	30,185,615
RETAINED PROFITS		10,120,491	11,955,267
		<hr/>	<hr/>
SHAREHOLDERS' FUNDS		48,345,356 =====	50,180,132 =====
Represented by:			
FIXED ASSETS	6	39,691,371	39,882,969
INVESTMENTS	7	587,543	587,543
		<hr/>	<hr/>
LONG TERM ASSETS		40,278,914	40,470,512
		<hr/>	<hr/>
CURRENT ASSETS	8	10,463,038	12,288,370
CURRENT LIABILITIES	9	(2,396,596)	(2,578,750)
		<hr/>	<hr/>
NET CURRENT ASSETS		8,066,442	9,709,620
		<hr/>	<hr/>
TOTAL NET ASSETS		48,345,356 =====	50,180,132 =====

The accounts on pages 6 to 12 were approved by the board of directors on
5/11/1992 and were signed on its behalf by:

R. K. K. K.
J. K. K. K.) Directors

EAAGADS LIMITED

STATEMENT OF SOURCE AND APPLICATION OF FUNDS
FOR THE YEAR ENDED 31 MARCH 1992

	1992 Sh	1991 Sh
APPLICATIONS		
Loss before taxation	(1,088,918)	(1,174,547)
Adjustment for item not involving the movement of funds:		
Depreciation of fixed assets	744,714	744,714
	<hr/>	<hr/>
Funds applied to operations	(344,204)	(429,833)
	<hr/>	<hr/>
OTHER APPLICATIONS		
Dividends paid to shareholders	325,711	717,790
Taxation paid in the year	872,758	913,292
Expenditure on fixed assets	553,116	143,716
	<hr/>	<hr/>
	1,751,585	1,774,798
	<hr/>	<hr/>
OUTFLOW OF FUNDS	(2,095,789)	(2,204,631)
	=====	=====
REPRESENTED BY MOVEMENT IN:		
Consumable stores	106,388	(193,066)
Debtors	778,586	(1,538,727)
Creditors	(349,865)	(54,582)
Amount due to holding company	608,270	(870,869)
	<hr/>	<hr/>
	1,143,379	(2,657,244)
Net liquid funds:		
Short term deposits, bank and cash balances	(3,239,168)	452,613
	<hr/>	<hr/>
NET MOVEMENT IN WORKING CAPITAL	(2,095,789)	(2,204,631)
	=====	=====



1 ACCOUNTING POLICIES

BASIS OF ACCOUNTING

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

FIXED ASSETS

Fixed assets are stated at cost or as professionally valued.

Depreciation is calculated to write off the cost or valuation of fixed assets in equal annual instalments over the period of their anticipated useful lives, at the following annual rates:

	%
Long leasehold land and development	Nil
Other immovables	2.0 - 7.5
Rolling stock	10.0

The cost of new planting on the estate is capitalised. Infilling expenditure together with the cost of upkeep of mature areas is charged to revenue.

STOCK AND STORES

Coffee stocks are valued on the basis of net proceeds received up to 15 June following each year end.

Consumable stores are valued at the lower of weighted average cost and net realisable value.

TAXATION

Current taxation is provided on the basis of the results for the year adjusted in accordance with tax legislation.

Deferred taxation is provided using the liability method on timing differences which may arise between the treatment of certain items for accounting and taxation purposes, except where the differences are not expected to reverse in the foreseeable future.

COFFEE REVENUE

Coffee revenue in respect of deliveries during the year is based on the proceeds received from the Coffee Board of Kenya up to 15 June following each year end.

NOTES TO THE ACCOUNTS (Continued)

	1992 Sh	1991 Sh
2 LOSS BEFORE TAXATION		
The loss before taxation is stated after -		
charging:		
Auditors' remuneration	105,243	82,424
Depreciation	744,714	744,714
crediting:		
Interest and dividend from		
Trade investment	13,080	13,080
Other investment	902,664	283,500
Short term deposit	542,909	756,603
	=====	=====
3 TAXATION		
Based on the taxable profit for the year at 37.5% (1991 - 40%)	343,896	421,273
Prior year adjustment	-	368,948
	<hr/>	<hr/>
	343,896	790,221
	=====	=====

The taxation charge for the year is in respect of investment and interest income. At 31 March 1992 there were tax losses, in respect of farming activities, amounting to approximately Sh 5,200,000 which have been carried forward to be offset against future trading profits.

DEFERRED TAXATION

In accordance with the company's accounting policy, no provision for deferred taxation is required. The amount of the potential deferred tax asset not provided in the accounts is as follows:

	Sh
At 1 April 1991	339,831
Arising in the year	(1,030,327)
	<hr/>
At 31 March 1992	(690,496)
	=====

	1992 Sh	1991 Sh
4 DIVIDEND		
The dividend is shown gross and comprises:		
Proposed final - 5%	401,962	401,962
	=====	=====

NOTES TO THE ACCOUNTS (Continued)

		1992 Sh	1991 Sh	
5	SHARE CAPITAL			
	Authorised:			
	10,000,000 ordinary shares of Sh1.25 each	12,500,000 =====	12,500,000 =====	
	Issued and fully paid:			
	6,431,400 ordinary shares of Sh1.25 each	8,039,250 =====	8,039,250 =====	
6	FIXED ASSETS			
		Long leasehold land and development Sh	Other immovables Sh	Rolling stock Sh
				Total Sh
	COST OR VALUATION			
	At 1 April 1991	30,012,715	9,871,783	2,713,730
	Additions	553,116	-	-
		-----	-----	-----
	At 31 March 1992	30,565,831	9,871,783	2,713,730
		-----	-----	-----
	Comprising:			
	Cost	2,235,831	246,421	1,430,030
	Valuation in 1987	28,330,000	9,625,362	1,283,700
		-----	-----	-----
		30,565,831	9,871,783	2,713,730
		-----	-----	-----
	DEPRECIATION			
	At 1 April 1991	-	1,883,883	831,376
	Charge for the year	-	473,341	271,373
		-----	-----	-----
	At 31 March 1992	-	2,357,224	1,102,749
		-----	-----	-----
	NET BOOK VALUE			
	At 31 March 1992	30,565,831 =====	7,514,559 =====	1,610,981 =====
	At 31 March 1991	30,012,715 =====	7,987,900 =====	1,882,354 =====

EAAGADS LIMITED

NOTES TO THE ACCOUNTS (Continued)

	1992 Sh	1991 Sh
7 INVESTMENTS		
Trade -		
At cost	51,610	51,610
At directors' valuation	63,433	63,433
Other -		
Unquoted at directors' valuation	472,500	472,500
	<hr/>	<hr/>
	587,543	587,543
	=====	=====
8 CURRENT ASSETS		
Consumable stores	4,647,881	4,541,493
Crop proceeds receivable	1,969,765	1,368,405
Debtors, deposits and prepayments	258,310	81,084
Short term deposit, bank and cash balances	2,584,730	5,823,898
Tax reclaimable	1,002,352	473,490
	<hr/>	<hr/>
	10,463,038	12,288,370
	=====	=====
9 CURRENT LIABILITIES		
Creditors and accruals	1,083,194	733,329
Amount due to holding company	288,863	897,133
Dividends:-		
Prior years	622,577	546,326
Current year proposed	401,962	401,962
	<hr/>	<hr/>
	2,396,596	2,578,750
	=====	=====