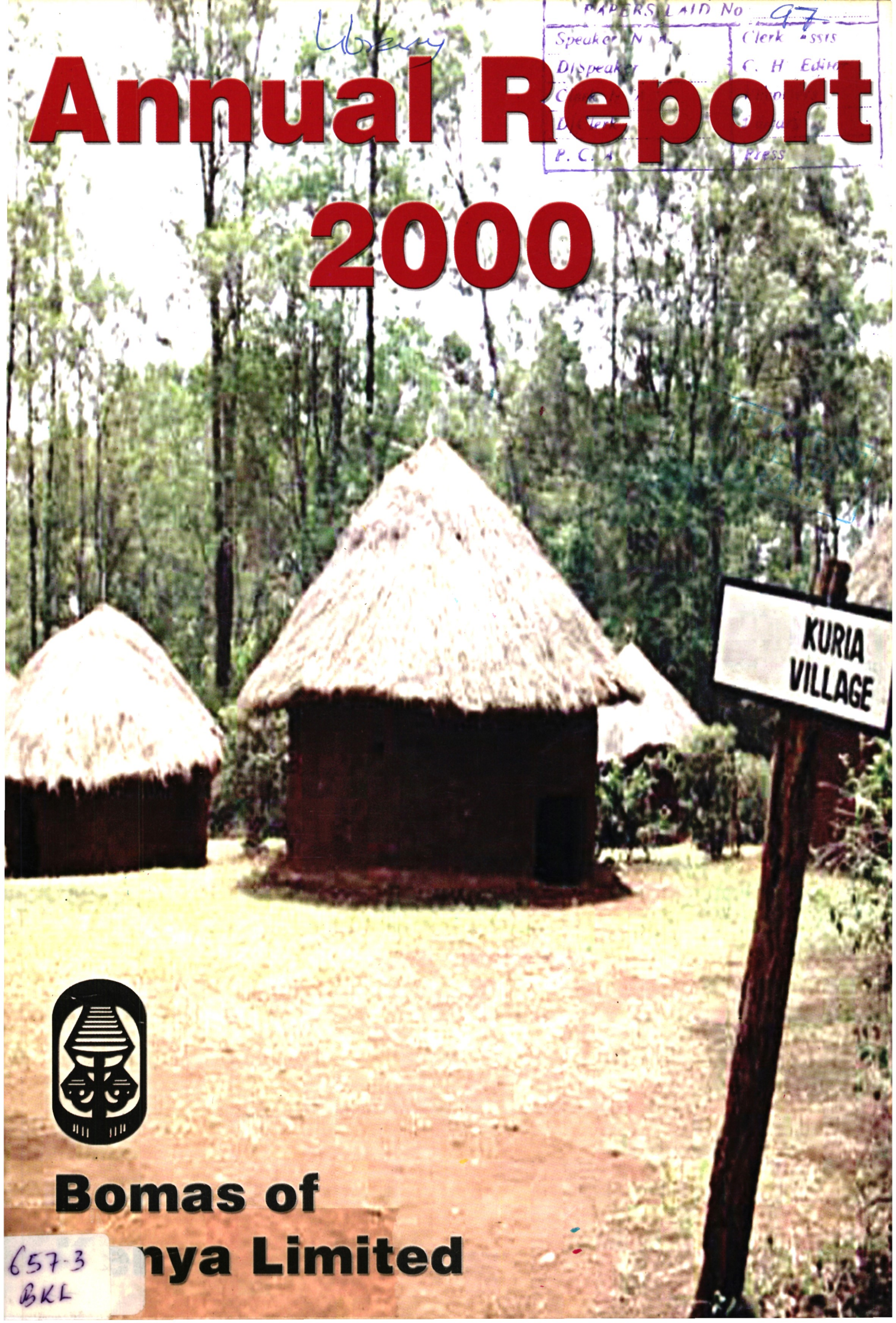


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Annual Report 2000



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REPORT OF THE CONTROLLER AND AUDITOR GENERAL ON THE ACCOUNTS OF BOMAS OF KENYA LIMITED FOR THE YEAR ENDED 30TH JUNE 2000

I have examined the Accounts of the Bomas of Kenya for the year ended 30 June, 2000 in accordance with the provision of Section 29 of the Exchequer and Audit Act (Cap 412). I have obtained all the information and explanations required for the purpose of the audit. Proper books of account have been kept by the Company and the Accounts, which have been prepared under the historical cost convention, are in agreement therewith and comply with the companies act, (Cap 486).

In my opinion, and except for the matters set out herebelow, the accounts, when read together with the Notes thereon, give a true and fair view of the financial state of affairs of the Company as at 30th June, 2000 and of its loss and cash flow for the year then ended.

1. FINANCIAL POSITION

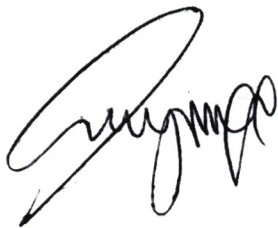
During the year 1999/2000 the Company realized a net loss of Kshs. 14,924,695 which brought its accumulated losses to Kshs. 112,552,453 as at 30th June 2000. The accounts also reflect negative working capital of Kshs. 8,450,337 which is inclusive of bank overdraft balance of Kshs. 2,382,357 as at 30th June 2000. Further, the Company was unable to meet its loan repayment obligation which increased by Kshs. 18,504,318 from Kshs. 97,627,758 as at 30th June 1999 to Kshs. 116,132,076 as at 30th June 2000. The Company was also unable to remit statutory deductions totalling Kshs. 922,195 as of the same date. Evidently, therefore, the Company was facing serious financial problems and was in effect technically insolvent. Its continued operations as a going concern will depend on whether Government considers its mandate and operations as presently constituted are relevant to Government aims and policy and therefore continue to support and underwrites the company losses.

2. DEBTORS

The Balance Sheet shows net debtors figure of Kshs. 4,151,478 as at 30th June 2000 which includes other trade and staff debtors totalling Kshs. 4,315,336 some which have been outstanding for between four to thirteen years and whose recoverability is, therefore doubtful due to lapse of time. Consequently I am unable to confirm the accuracy and recoverability of the debtors figure of Kshs. 4,151,478 reflected on the Balance Sheet as at 30 June 2000.

3. IRREGULAR EXPENDITURE

During the year under review the Company paid Kshs. 50,000 to some 3 employees of the department of the Directorate of Personal Management and the parent Ministry who were involved in a staff rationalization exercise which covered the period 20 August 1996 to 12 November 1997. Although available records indicate that the staff were on official duty while carrying out the exercise of staff rationalization it has not been indicated under what arrangements the officers became entitled to the payments. Accordingly, it has not been possible to confirm the propriety of the expenditure of Kshs. 50,000 paid to three public officers.

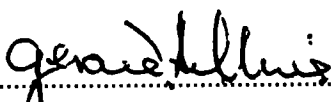


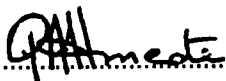
D. G. NJOROGE
CONTROLLER AND AUDITOR GENERAL
NAIROBI
11 FEBRUARY 2003

BOMAS OF KENYA LIMITED

BALANCE SHEET AS AT 30TH JUNE, 2000

	NOTE KSHS	2000 KSHS	1999 KSHS
FIXED ASSETS	2	192,213,122	192,601,101
CURRENT ASSETS			
Stock	1.3	141,632	179,484
Debtors	4	4,151,478	4,342,371
Fixed Deposit		5,620,300	1,205,885
Cash at Bank		—	—
Cash in Hand		14,040	14,469
		<u>9,927,450</u>	<u>5,742,209</u>
CURRENT LIABILITIES			
Overdrawn Bank Balance		2,382,357	1,908,495
Creditors	8	6,067,980	7,065,126
		<u>(8,450,337)</u>	<u>(8,973,621)</u>
NET CURRENT (LIABILITIES) / ASSETS		<u>1,477,11</u>	<u>(3,341,517)</u>
TOTAL NET ASSETS		<u>193,690,235</u>	<u>189,259,584</u>
FINANCED BY:			
Share Capital	5	5,080,000	5,080,000
Deficit Carried Forward	7	(112,552,453)	(97,627,758)
Revaluation Reserve		164,829,167	164,829,167
Capital Grant		20,201,445	20,201,445
		<u>77,558,159</u>	<u>92,482,854</u>
LOAN			
Kenya Tourist Development Corp	6	116,132,076	96,776,730
		<u>193,690,235</u>	<u>189,259,584</u>





DIRECTORS

BOMAS OF KENYA LIMITED
PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 30TH JUNE, 2000

PARTICULARS	NOTE	2000 KSHS	1999 KSHS
TURNOVER		<u>16,247,125</u>	<u>16,738,385</u>
Net Profit / (Loss) for the year		<u>(14,924,695)</u>	<u>(18,627,344)</u>
AFTER CHARGING			
Provision for Depreciation	2	4,046,936	4,055,534
Interest in KTDC Loan	6	19,355,346	16,129,455
Audit Fee		50,000	50,000
Directors Allowances		656,327	1,054,745
And After Crediting Grant Received from Government (MTI)		<u>20,705,000</u>	<u>20,135,000</u>

ETIMBONAS ORKEMVA LIMITED

CASH FLOW STATEMENT FOR THE YEAR ENDED 30TH JUNE, 2000

	2000 KSHS	1999 KSHS
CASH FLOW FROM OPERATING ACTIVITIES		
Net Profit/(loss) after prior year adjustment	(35,629,696)	(38,762,344)
Add: Items not Involving Movement of Cash		
Provision for Depreciation	4,046,936	4,055,534
Interest in KTDC Loan	19,355,346	16,129,455
	23,402,282	20,184,989
Add: Changes In Working Capital		
(Increase)/Decrease in Stock	37,852	4,960
(Increase)/Decrease in Debtors	190,893	(706,074)
Increase/(Decrease) in Creditors	(1,107,250)	(1,381,334)
	(878,505)	(680,220)
Net Cash generated from Operations	(13,105,919)	(17,897,133)
RETURN ON INVESTMENTS & SERVICING OF FINANCE		
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of Fixed Assets	(3,658,957)	(3,031,635)
CASH FLOWS FROM FINANCING ACTIVITIES		
Government Grants	20,705,000	20,135,000
Net Increase/(Decrease) in Cash and Cash Equivalents	3,940,124	(793,768)
Add: Begining Balance of Cash and Cash Equivalents	(688,141)	105,627
ENDING BALANCE OF CASH AND CASH EQUIVALENTS	3,251,983	(688,141)

BOMAS OF KENYA LIMITED
NOTES TO THE ACCOUNTS
FOR THE YEAR ENDED 30TH JUNE, 2000

1. PRINCIPAL ACCOUNTING POLICIES:

a) CONVENTION

The company prepares its Accounts under the historical cost convention.

b) DEPRECIATION

Depreciation is calculated on the reducing balance method using the following Rates per Annum

Land	Nil
Buildings	2.5%
Motor Vehicles	25%
Furniture, Fittings & Equipments	12.5%
Loose Tools	50%
Pumps & Pipes	20%

c) STOCK:

Stocks are stated at the lower Cost or net realizable value.

d) CAPITAL GRANT:

i) In 1987 a Hall was constructed by the Government on the grounds belonging to the Bomas Of Kenya Limited at a cost of Ksh. 20,201,445/=. The building has been handed over to the company. The value of the hall has been treated as a Capital Grant in the Accounts.

e) PROVISION FOR DEPRECIATION OF BUILDINGS.

Provision for depreciation of buildings at 2.5% for the year under review amounts to Ksh. 2,789,269/=.

f) PROVISION FOR BAD AND DOUBTFUL DEBTS

A general provision for bad and doubtful debt has been made at 10% of the Trade debtor figure.

g) RENT INCOME KSHS.7,200,000

The Company leased one acre of land to Total Kenya Limited for 5 years

BOMAS OF KENYA LIMITED

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 30TH JUNE 2000.

2. FIXED ASSETS	LAND	BUILDINGS & CIVIL WORKS	MOTOR VEHICLES	FURNITURE FITTINGS & EQUIPMENT	LOOSE TOOLS	PUMPS & PIPES	TOTAL
Cost/Revaluation as at 1.7.1999	KSHS. 76,950,000	KSHS. 119,352,928	KSHS. 4,866,562	KSHS. 8,863,877	KSHS. 105,301	KSHS. 218,069	KSHS. 210,356,737
Additions	...	2,536,758	...	420,802	106,354	595,043	3,658,957
Depreciation as at 1.7.1999	...	10,318,933	3,291,562	3,917,357	99,635	128,149	17,755,636
Charge for the year	...	<u>2,789,269</u>	<u>393,750</u>	<u>670,915</u>	<u>56,010</u>	<u>136,922</u>	<u>4,046,936</u>
Net Value as at 30.6.2000	<u>76,950,000</u>	<u>108,781,484</u>	<u>1,181,250</u>	<u>4,696,407</u>	<u>56,010</u>	<u>547,971</u>	<u>192,213,122</u>
Net Value as at 30.6.1999	<u>76,950,000</u>	<u>109,033,995</u>	<u>1,575,000</u>	<u>4,946,520</u>	<u>5,666</u>	<u>89,920</u>	<u>192,603,101</u>

BOMAS OF KENYA LIMITED
NOTES TO THE ACCOUNTS
FOR THE YEAR ENDED 30TH JUNE, 2000

		2000 KSHS	1999 KSHS
3.	STOCK		
	Drinks	48,616	88,675
	Cigarettes	1,894	10,186
	Provisions	<u>91,122</u>	<u>80,623</u>
		<u>141,632</u>	<u>179,484</u>
4.	DEBTORS		
	Trade Debtors	3,473,584	2,964,712
	Staff Debtors	841,752	1,234,927
	Deposits Paid	<u>183,500</u>	<u>183,500</u>
		<u>4,498,836</u>	<u>4,383,139</u>
	Provision for bad & Doubtful Debts	<u>(347,358)</u>	<u>(40,768)</u>
		<u>4,151,478</u>	<u>4,342,371</u>
5.	SHARE CAPITAL		
	Authorized & Issued		
	254,000 ordinary shares of ksh.20/= each	5,080,000	5,080,000
	All the Issued Share Capital is held by Kenya Tourists Development Corporation		
6.	LOAN		
	KTDC Interest Bearing Loan	116,132,076	96,776,730
7.	STATEMENT OF ACCUMULATED LOSSES		
	Balance as at 30 th June, 2001	(97,627,758)	(79,000,414)
	Net Loss for the year	<u>(14,924,695)</u>	<u>(18,627,344)</u>
		<u>(112,552,453)</u>	<u>(97,627,758)</u>
8.	CREDITORS		
	Trade Creditors	1,641,560	5,490,673
	Other creditors	<u>4,426,420</u>	<u>1,574,453</u>
		<u>6,067,980</u>	<u>7,065,126</u>

BOMAS OF KENYA LIMITED
DETAILED PROFIT AND LOSS ACCOUNTS
FOR THE YEAR ENDED 30TH JUNE 2000.

	<u>2000</u> <u>KSHS</u>	<u>1999</u> <u>KSHS</u>
BAR & RESTAURANT SALES	<u>9,403,495</u>	<u>10,181,385</u>
<u>COST OF SALES</u>		
Opening stock	179,484	184,344
Purchases	6,387,622	7,114,630
Closing Stock	<u>(141,632)</u>	<u>(179,484)</u>
	6,425,474	7,119,490
Gross Profit/ (Loss)	<u>2,978,011</u>	<u>3,011,736</u>
<u>OTHER INCOME</u>		
Gate Collection & Programmes	4,985,200	4,728,802
Hire of Dancers, Hall/Audition	1,858,440	1,828,198
Rent	9,113,672	2,263,989
Sundry Income	693,296	307,132
Interest on Fixed Deposit	416,478	137,647
Grant from Government (MOTI)	<u>20,705,000</u>	<u>20,135,000</u>
	<u>37,536,520</u>	<u>29,400,768</u>
TOTAL INCOME	<u>40,514,531</u>	<u>32,412,504</u>
<u>EXPENSES</u>		
Administration & General	28,620,209	28,812,564
Finance & Professional	21,503,830	17,810,123
Establishment Expenses	<u>5,315,187</u>	<u>4,417,161</u>
	<u>55,439,226</u>	<u>51,039,848</u>
Net Profit / (Loss) for the year	<u>(14,924,695)</u>	<u>(18,627,344)</u>

BOMAS OF KENYA LIMITED
ANALYSIS OF EXPENSES
FOR THE YEAR ENDED 30TH JUNE, 2000

	2000 KSHS	1999 KSHS
<u>ADMINISTRATION & GENERAL</u>		
Salaries and Wages	10,725,233	11,702,856
Motor Vehicle Running	1,026,558	1,201,508
Traveling & Entertainment	2,787,810	2,006,517
Medical Expenses	557,796	656,444
Dancers Expenses	102,125	342,090
Food & Accomodation	745,615	—
Acrobats Expenses	349,650	225,500
Guest Dancers	336,328	353,300
Uniforms for Staff	358,557	723,067
Publicity & Promotion	1,775,340	2,174,928
Printing & Stationery	1,081,259	1,152,805
Telephone & Postage	1,364,737	1,068,134
Cleaning & laundry	298,846	540,123
Security Charges	21,500	165,268
Directors Emoluments	656,327	1,054,745
Hiring Charges	587,742	552,922
Staff Training	447,689	471,570
Sundry Expenses	865,644	132,631
Subscriptions & Donations	484,517	202,550
Provision for Depreciation	<u>4,046,936</u>	<u>4,055,534</u>
	<u>28,620,209</u>	<u>28,812,564</u>
<u>FINANCIAL & PROFESSIONAL</u>		
Interest & Bank Charges	711,048	657,025
Insurance & Licences	846,072	638,696
Interest on KTDC Loan	19,355,346	16,129,455
Legal & Professional Fees	234,774	334,947
Audit Fees	50,000	50,000
Provision for Bad & Doubtful debt	<u>306,590</u>	—
	<u>21,503,830</u>	<u>17,810,123</u>
<u>ESTABLISHMENT</u>		
Land Rates	305,764	309,631
Electricity & Water charges	3,577,163	2,286,189
Repairs & Maintenance	<u>1,432,260</u>	<u>1,821,341</u>
	<u>5, 315, 187</u>	<u>4,417,161</u>

BOMAS OF KENYA LIMITED

ANALYSIS OF CREDITORS

AS AT 30TH JUNE, 2000

PATICULARS	AMOUNT (KSHS)
Trade Creditors	1,641,560.00
Sundry Creditors	1,297,036.00
Auditor General Corporation	382,000.00
Cotu	2,645.00
Deposit Received (Rent)	378,410.00
Insurance Premium	812.00
KUEMIE	19,570.00
NCC Land Rates	1,110,194.55
Service Charge (Staff)	142,328.00
NHIF	140,260.00
ASSF	424,640.00
PAYE	357,295.00
Utalii Co-op Sacco (Overpayment)	(44,871)
Bomas Sacco	216,102
TOTAL	6,067,980

