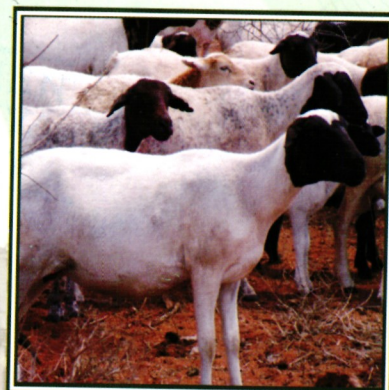
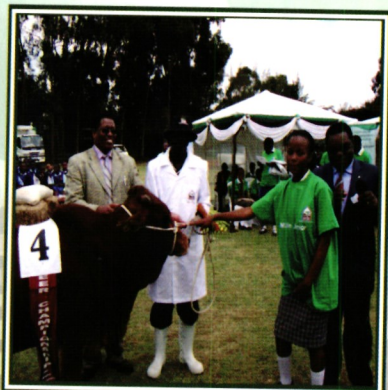




# AGRICULTURAL DEVELOPMENT CORPORATION (AND ITS SUBSIDIARY LANDS LIMITED)



**Consolidated Annual Report & Financial Statements**  
**31<sup>st</sup> March 2012**

*Excellence in Agriculture*



## **OUR VISION**

To be the Leader of Agricultural Development in Eastern Africa and beyond.

## **OUR MISSION**

To promote Agricultural development in Kenya by expanding agricultural undertakings through production and supply of quality seed, livestock, technological transfers and training in a sustainable and affordable manner.



## OUR CORE VALUES



### **Team work and commitment**

We will embrace team work and will be committed to maintaining high standards of service delivery.

### **Professionalism**

We will adhere to impeccable professional and personal standards in the conduct of our affairs and services in a professional manner.

### **Innovativeness**

We believe that the challenges facing the Corporation can be solved through generation of creative and innovative ideas

### **Integrity, Accountability and Transparency**

We will be accountable to our stakeholders and the public for our actions, decisions and policies including administration, governance and implementation.

### **Delivery of quality Service**

The success of the Corporation largely depends on effectiveness and efficiency in delivery of quality products and services.

### **Partnership with others**

Importance of partnering with others is aspire to venture into more collaboration geared towards improving agricultural undertakings in the country.

### **Corporate Social Responsibility**

The Corporation embraces responsibility for the impact of their activities on the society, hence it will proactively promote the public interest by encouraging community growth and development.

### **Environment Friendly**

The Corporation values the environment and will ensure that all activities are not compliant with laws but also friendly to environment..



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# CORPORATE INFORMATION

## 1. LEGAL STATUS

The Corporation was formed through an act of parliament, referred to as the Agricultural Development Corporation Act, Cap 444 of 1986.

## 2 PRINCIPAL ACTIVITY

- ☞ The Corporation's principal activity is the development of agriculture in Kenya including:-
- ☞ Provision of quality seeds to the Kenyan farmer.
- ☞ Custodian of national livestock stud.
- ☞ Playing a major role in the transfer of technology from research institutions to the Kenyan farmer.
- ☞ Playing a major role in support of industries processing agricultural goods being a major producer of agricultural produce.

## 3 REGISTERED OFFICE

Development House, 10th Floor, Moi Avenue.

P.O. Box 47101-00100 Nairobi.

Tel: 020-2250695185 / 0724 930920 / 0735 930920

Fax: 020-2243571. Email: [info@adc.co.ke](mailto:info@adc.co.ke). Website: [www.adc.co.ke](http://www.adc.co.ke)

## 4 DIRECTORS

The following directors served during the year

Mr. L.W. Waruingi	-	Chairman
Mr. W.K. Kirwa	-	Managing Director
Mr. J.N Kipyegon	-	Resigned on 27/12/2012
Mr. E.Manyu		
Mr. S. Aluda		
Mr. G. M. Mugo	-	Retired on 21/07/2012
Mr. M. M. Mithega		
Mr. L. Kaanto	-	Retired on 6/1/2013
Dr. L. W. Karau		
Mr. S. Sareto		
Mr. E. Ethuro		
Mr. P. K. Osero		
Mr. Cleopas Okore	-	Alt. to Ps - Ministry of Livestock Development
Mr. W. K. Mwambia	-	Alt to Ps - Treasury
Ms. Mary Kamau	-	Alt to Ps - Ministry of Agriculture

### Board Committee Members

1. Mr. Sammy Sareto - Chairman finance staff & all purpose committee
2. Mr. P. Manyu
3. Mr. M. M. Mithega



4. Mrs. Mary Kamau
5. Mr. W. Mwambia
6. Mr. P. Muturi

**(ii) Audit Committee**

1. Dr. Lucy Karau - Chairman
2. Mr. P. Manyu
3. Mr. E. Edung
4. Mrs. Mary Kamau
5. Mr. W. Mwambia

**(iii) Project Committee**

1. Mr. Sammy Aluda - Chairman
2. Mrs. Mary Kamau
3. Mr. Cleopas Okore

**5. LEGAL ADVISORS**

Kiarie & Company Advocates  
Nyaencha Waichari & Company Advocates

**6. BANKERS**

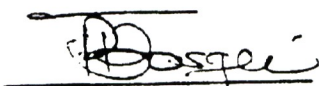
KCB  
Moi Avenue Branch  
P.O. Box 48400-00100  
Nairobi

National Bank of Kenya  
Harambee Avenue Branch  
P.O. Box 41862-00100  
Nairobi

**7. AUDITORS**

Auditor General Kenya  
National Audit Office  
P.O. Box 30084-00100  
Nairobi.

By Order of the Board



Beatrice Kosgei  
Corporation Secretary



# BOARD OF DIRECTORS



Mr. Lee W. Waruingi  
**Chairman**



Mr. William K. Kirwa  
**Managing Director**



Mr. Johana N. Kipyegon  
**Director**  
Resigned on 27/12/2012



Mr. Enock Manyu  
**Director**



Mr. Samwel Aluda  
**Director**



Mr. Martin Mithega  
**Director**



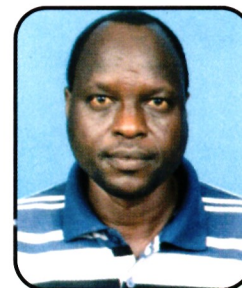
Dr. Lucy W. Karau  
**Director**



Mr. Sammy K. Sareto  
**Director**



Mr. L. Kaanto  
**Director**  
Retired 6/1/2013



Mr. Edward E. Edung  
**Director**



Mr. Patrick K. Osero  
**Director**



Mr. Cleopas Okore  
**Alt Director**  
Ministry of Livestock



Mr. W. K. Mwambia  
**Alt Director Treasury**



Ms. Mary Kamau  
**Alt Director MOA**



# REPORT OF THE DIRECTORS

The Directors have the pleasure of presenting their report together with the audited financial statement for the period ended 31st March 2012.

## ACTIVITY

the principal activities of the Corporation is the development of agriculture in Kenya.

## RESULTS

The profit for the year amounted to **Kshs. 64,075,000** which comprises

	<b>Kshs. '000'</b>
Loss attributed to Lands Ltd	(179)
Profit attributable to A.D.C	64,254

## DIVIDENDS

No dividends were declared or paid during the year.

## AUDITORS

The Auditor General will continue in the office under power vested in him by Public Audit Act 2003.



## STATEMENT OF DIRECTORS' RESPONSIBILITIES

The Agricultural Development Corporation Act (Cap.444 of the Laws of Kenya) requires the directors to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the Corporation as at the end of the financial year and of the profit or loss for the period. It also require the directors to ensure the Corporation and its wholly-owned subsidiary, lands Limited keep proper accounting records which disclose with reasonable accuracy at any time the financial position of the Corporation and Land Limited. They are also responsible for safeguarding the assets of the Corporation and its wholly-owned subsidiary, Lands Limited.

The Directors are responsible for the preparation and fair presentation of these financial statements in accordance with International Financial Reporting Standards and the requirement of the Kenya Companies Act. This responsibility includes designing, supplementing and maintaining, internal controls relevant to the preparation and presentation of financial statements that are free from material misstatements whether due to fraud, or error, selecting and applying appropriate accounting policies and making accounting estimates that are reasonable in the circumstances. The Kenya Companies Act also requires the Directors to ensure that the Company maintains proper books of Accounts which are in agreements with balance sheet and profit and loss account.

The Directors accept responsibility for the annual financial statements, which have been prepared using appropriate accounting policies supported by reasonable and prudent judgments and estimates, in conformity with International Financial Reporting Standards and the requirements of the ADC Act. The directors are of the opinion that the financial statements give a true and fair view of the state of the financial affairs of Agricultural Development Corporation and its wholly-owned subsidiary, Lands Limited, and its operating results. The directors further accept responsibility for the maintenance of accounting records, which may be relied upon in the preparation of financial statements, as well as adequate systems of internal financial controls and in accordance with IFRS.


Nothing has come to the attention of the directors to indicate that the Corporation and its wholly-owned subsidiary, Lands Limited will not remain going concerns for at least next twelve months from the date of this statement.

### DIRECTORS

### SIGNATURE

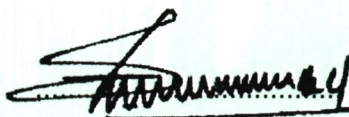
### DATE

Mr. Lee Waruingi  
Chairman



.....  
27.09.12

Mr. W.K. Kirwa  
Managing Director



.....  
27.09.12



# REPORT OF THE AUDITOR GENERAL

Telephone: +254-20-342330  
Fax: +254-20311482  
Email: [cag@kenao.go.ke](mailto:cag@kenao.go.ke)  
Website: [www.kenao.go.ke](http://www.kenao.go.ke)



P.O. Box 30084-00100  
NAIROBI

## KENYA NATIONAL AUDIT OFFICE

### REPORT OF THE AUDITOR-GENERAL ON THE CONSOLIDATED FINANCIAL STATEMENTS OF AGRICULTURAL DEVELOPMENT CORPORATION (ADC) AND ITS SUBSIDIARY, LANDS LIMITED, FOR THE YEAR ENDED 31 MARCH 2012

#### REPORT ON THE FINANCIAL STATEMENTS

I have audited the accompanying Consolidated financial statements of Agricultural Development Corporation and its Subsidiary, Land Limited, set out at page 9 to 30, which comprise the consolidated statements of financial position as at 31 March 2012, the consolidated statement of comprehensive income, the statement of changes in equity, the statement of cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information in accordance with the provisions of Article 229 of the Constitution of Kenya and 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 purpose of the audit.

#### Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with the International Financial Reporting Standards and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

The management is also responsible for the submission of the financial statements to the Auditor-General in accordance with the provisions of Section 13 of the Public Audit Act, 2003.

#### Auditor-General's Responsibility

My responsibility is to express an independent opinion on these financial statements based on the audit and report in accordance with the provisions of Section 15 of the Public Audit Act, 2003. The audit was conducted in accordance with the international Standards on Auditing. Those Standards require compliance with ethical requirements and that the audit be planned and performed to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Corporation's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Management, as well as evaluating the overall presentation of the financial statements.

I believe that the audit evidence obtained is sufficient and appropriate to provide a basis for my qualified opinion.



# REPORT OF THE AUDITOR GENERAL FOR THE YEAR ENDED 31ST MARCH 2012 (CONTD)

## Basis for Qualified Opinion

### 1.0 Property, Plant and Equipment

#### 1.1 Repossessed Land

As reported in 2010/2011 additions of Lands Limited on Repossessed land-Farms managed by ADC had a cost of Kshs. 20,703,000. These farms, referred to as ADC Private Forest Ndabibi L.R Nos. 7281/3 & 20591/86 were in respect of 4000 acres of land re-possessed from allottees who had been unable to pay allotment fees. In addition, land LR No. 20591/86 in Ndabibi and the parcel in Molo do not have ownership documents including title deeds, while LR 7281/3 has been encroached on by squatters although a title deed has been secured by the Corporation. Further and according to information available, the process of exchanging 700 acres in Molo with 1,000 of the Corporation's land at Ndabibi had not been finalized as at 31 March 2012 as only transfer document were availed for audit verification. In the absence of title deeds for the land in Molo and in Ndabibi, it has not been possible to confirm its ownership status as at 31 March 2012.

#### 1.2 Capital Work-In-Progress

As reported in 2010/2011, the capital work-in-progress balance of Kshs. 22,668,000 includes work-in-progress in respect of a dam construction project at Suam Orchard in Kitale valued at Kshs. 8,740,000 and started in 2006 and a figure of Kshs. 5,526,000 for rehabilitation of cold store in Molo which has continued to be carried forward. In addition, no documents were availed in relation to work-in-progress at Olgantongo and sabwani of Kshs. 2,085,000 and Kshs. 2,009,000 respectively as at 31 March 2012. In the circumstances, it has not been possible to confirm that work-in-progress balance of Kshs. 22,668,000 as at 31 March 2012 is fairly stated.

### 2. Trade and Other Receivables

The trade and other receivable balance of Kshs. 304,336,000 as at 31 March 2012 (2011- Kshs. 356,637,000) which as shown under note 9 includes a trade debtor figure of Kshs. 152,482,000 and a non-trade debtors amount of Kshs. 151,855,000. These debts have remained outstanding for a considerable long period, some dating back to the 1980. In the circumstances, it has not been possible to confirm the recoverability of the trade and other receivable balance of Kshs. 304,336,000 as at 31 March 2012 and whether the balance is fairly stated.

### 3. Loss of Fertilizer

As reported in 2010/2011, the corporation lost a sum Kshs. 24,447,500, through fake bank deposit slips in respect of sale of fertilizer in Eldoret. The fertilizer, which was part of 40,000 bags of imported grade worth Kshs. 111,680,000 had for unclear reasons been stored in a private store in the town. According to information available, the mode of payment was to be either through direct bank deposits where bank slips would be issued and later used for collection of the fertilizer or by bankers' cheques which had to be confirmed before the sale. The corporation however adopted the direct bank deposits method where and as a result of weak controls, fertilizer worth Kshs. 24,447,500 was sold before the respective bank deposits had been confirmed. Although the management has indicated that the criminal case opened at Eldoret High Court, was decided on and the accused acquitted, a warrant of arrest is still in force for one of the accused who absconded during the trial and has not been effected. Consequently, and until the matter has been concluded, the recoverability of loss of Kshs. 24,447,500 remains unresolved.



**4. Trade and Other Payables**

As similarly reported in 2010/2011, Note 11 to the financial statements reflects an increased trade and non-trade creditors balance of Kshs. 440,947,000 and Kshs. 215,745,000 as at 31 March 2012 respectively. These balances have been long outstanding and some dates as far as in 1998/1999. The balance of Kshs. 215,745,000 also includes outstanding audit fees totaling to Kshs. 12,173,920 which have been outstanding since 1995. The Corporation has persistently failed to pay its maturing obligation or pay the audit fees as required by Section 19 (1) of the Public Audit Act, 2003.

**Qualified Opinion**

In my opinion, except for the effect of the matters described in the Basis for Qualified Opinion paragraph, the financial statements present fairly, in all material respect the financial position of the Corporation and its Subsidiary as at 31 March 2012, and of its financial performance and its cash flows for the year then ended, in accordance with International Financial Reporting Standards and comply with the Agricultural Development Corporation Act, Cap 444 of the Laws of Kenya.



**Edward R. O. Ouko**  
**AUDITOR - GENERAL**

Nairobi

15 November 2012

# CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 31ST MARCH 2012

	NOTES	<u>2012</u> KShs'000s	<u>2011</u> KShs'000s
<b>TURNOVER (page 18 -schedule 1)</b>		<b>1,183,796</b>	<b>980,641</b>
Profit/(Loss) on farming operations (exclusive of depreciation, rent receivable, revaluation, interest payable and provision for obsolete stocks and bad debts)		230,347	315,971
<b>RENT RECEIVABLE</b>			
Tenant farmers	19	9	5
Other properties	20	<u>41,538</u>	<u>40,582</u>
		41,547	40,587
Interest receivable	21	6,460	9,020
Dividends receivable	22	29,929	29,929
Other incomes	23	106,960	16,898
Management fees	24	<u>927</u>	<u>878</u>
		144,276	56,725
<b>TOTAL INCOME</b>		<b>416,170</b>	<b>413,283</b>
Board Members' Expenses		6,859	5,883
Administrative Expenses		363,319	300,349
Depreciation	4(a)	<u>62,049</u>	<u>41,106</u>
		432,227	347,338
<b>INTEREST PAYABLE</b>			
Overdraft		16,517	18,586
Loans & Others		<u>73,315</u>	<u>66,827</u>
		<u>89,832</u>	<u>85,413</u>
		522,059	432,751
<b>LOSS FOR THE YEAR</b>		<b>(105,889)</b>	<b>(19,468)</b>
Profit on sale of Fixed Assets		1,131	4,238
Change in Biological assets	25	168,262	21,990
Change in stocks	26	<u>551</u>	<u>(8,922)</u>
<b>NET PROFIT/ LOSS FOR THE YEAR</b>		<b><u>64,055</u></b>	<b><u>(2,162)</u></b>



# CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 31ST MARCH 2012

	NOTES	<u>Year 2012</u> <u>KShs'000s</u>	<u>Year 2011</u> <u>KShs'000s</u>
<b>NON-CURRENT ASSETS</b>			
Property, Plant and Equipment	4a	769,407	696,223
Capital work in progress	5	<u>22,668</u>	<u>36,712</u>
		792,075	732,935
Investments	6	471,721	318,398
Loans - Lands Ltd.		-	0
Current Account with Garrisa Irrigation Project	7	5,602	4,494
<b>Biological Assets</b>			
Livestock	8a	326,656	205,500
Crops and Cultivations	8b	<u>231,730</u>	<u>196,036</u>
		<u>558,386</u>	<u>401,536</u>
<b>CURRENT ASSETS</b>			
Stores	8c	252,982	152,018
Trade and other receivables	9	304,336	356,637
Cash & Bank	10	<u>12,333</u>	<u>13,111</u>
		<u>569,651</u>	<u>521,766</u>
<b>CURRENT LIABILITIES</b>			
Trade and other payables	11	656,692	465,652
Current Account with National Livestock Project	12	4,114	18,676
Bank Overdraft	13	<u>119,852</u>	<u>38,335</u>
		<u>780,658</u>	<u>522,663</u>
<b>NET CURRENT ASSETS</b>		(211,007)	<u>(897)</u>
<b>TOTAL ASSETS</b>		<u><b>1,616,776</b></u>	<u><b>1,456,466</b></u>
<b>FINANCED BY</b>			
Grants	14	1,096,892	957,065
Capital Reserves	15	12,775	12,775
Accumulated Loss (pg 13)	16	(254,476)	(329,398)
Loans	17	313,884	368,323
Revaluation Reserve	27	<u>447,701</u>	<u>447,701</u>
		<u><b>1,616,776</b></u>	<u><b>1,456,466</b></u>

These accounts were approved by the Board of Directors.

	Sign	Date
Board Chairman - L. W. Waruingi		27.09.12
Managing Director - W.K. Kirwa		27.09.12

## STATEMENT OF CHANGE IN EQUITY FOR THE YEAR ENDED 31ST MARCH 2012

	GRANTS Kshs'000	RESERVES Kshs'000	(LOSS) Kshs'000	TOTAL Kshs'000'
BALANCE AS AT 01.04.2010	957,065	12,775	(327,236)	642,604
LOSS FOR THE YEAR			(2,162)	(2,162)
<b>BALANCE AS AT 31.03.2011</b>	<b>957,065</b>	<b>12,775</b>	<b>(329,398)</b>	<b>640,442</b>
<b>BALANCE AS AT 01.04.2011</b>	<b>957,065</b>	<b>12,775</b>	<b>(329,398)</b>	<b>640,442</b>
PRIOR YEAR ADJ(Change in Investments/ Agribusiness) Page 17				
Note 31.	139,827	-	10,868	150,695
PROFIT FOR THE YEAR		-	64,055	64,055
<b>BALANCE AS AT 31.03.2012</b>	<b><u>1,096,892</u></b>	<b><u>12,775</u></b>	<b><u>(254,476)</u></b>	<b><u>855,192</u></b>



# STATEMENT OF CASHFLOW FOR THE YEAR ENDED 31ST MARCH 2012

	NOTES	<u>Year 2012</u> <u>KShs'000s</u>	<u>Year 2011</u> <u>KShs'000s</u>
<b>Cash Flows From Operating Activities:</b>			
Net profit/(Loss) for the year	28 a.	64,055	(2,162)
<b>Adjustments for:-</b>			
Depreciation	28 j.	62,049	41,106
Interest Expense	28 k.	89,832	85,413
Profit on sale of Fixed Assets	28 l.	(172)	(2,558)
Management fees	28 m.	(927)	(878)
Revaluation	28 b.	(168,813)	(11,896)
Rent income	28 n.	(41,547)	(40,587)
Dividend income	28 o.	(17,102)	(29,929)
Operating Profit before Working Capital changes		<u>(12,625)</u>	<u>38,509</u>
Increase/(Decrease) in debtors	28 p.	52,301	89,644
Increase/(Decrease) in stores	28 q.	(100,964)	64,830
Increase/(Decrease) in crops & cultivation	28 r.	35,694	(2,528)
Increase in livestock	28 s.	26,774	-
Increase in creditors	28 t.	191,040	30,234
		<u>204,845</u>	<u>182,180</u>
Cash Generated From Operations		<u>192,220</u>	<u>220,689</u>
<b>Returns on Investments and servicing of finance</b>			
Dividend received	28 d.	17,102	29,929
		<u>17,102</u>	<u>29,929</u>
<b>Cash flows from investing Activities:</b>			
Purchase of fixed assets	28 e.	(46,321)	(40,739)
Current Account-Garissa Irrigation Project	28 f.	(1,108)	(1,402)
Current Account Agribusiness project	28 c.	(54,210)	-
Rental income	28 n.	41,547	40,587
Proceeds from sale of assets	28 g.	1,076	3,626
		<u>(59,016)</u>	<u>2,072</u>
<b>Cash flows from financing Activities:</b>			
Loan and Interest repayment	28 h.	(218,039)	(249,676)
National Livestock Project	28 i.	(14,562)	5,341
		<u>(232,601)</u>	<u>(244,335)</u>
Net Increase in Cash and Cash equivalents		<u>(82,295)</u>	<u>8,355</u>
<b>Cash and Cash equivalents at:-</b>			
Beginning of period		(25,224)	(33,579)
End of period		<u>(107,519)</u>	<u>(25,224)</u>
Net Increase in Cash and Cash equivalents		<u>(82,295)</u>	<u>8,355</u>



# ADC STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 31ST MARCH 2012

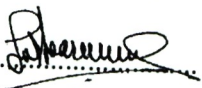

	NOTES	Year 2012 <u>KShs'000s</u>	Year 2011 <u>KShs'000s</u>
<b>TURNOVER (page 18-schedule 1)</b>		<b>1,180,454</b>	<b>979,386</b>
Net income on farming operations (exclusive of depreciation, rent receivable, revaluation, interest payable and provision for obsolete stocks and bad debts)		230,347	315,971
<b>RENT RECEIVABLE</b>			
Tenant farmers	19	-	-
Other properties	20	<u>41,538</u>	<u>40,582</u>
		41,538	40,582
Interest receivable	21	4,958	7,770
Dividends receivable	22	29,929	29,929
Other incomes	23	105,958	16,898
Management fees	24	<u>927</u>	<u>878</u>
		141,772	55,475
		413,657	412,028
<b>TOTAL INCOME</b>			
Board Members' Expenses		6,859	5,883
Administrative Expenses		360,336	296,896
Depreciation	4(a)	<u>61,511</u>	<u>41,090</u>
		428,706	343,869
<b>INTEREST PAYABLE</b>			
Overdraft		16,517	18,586
Loans & Others		<u>73,315</u>	<u>66,827</u>
		<u>89,832</u>	<u>85,413</u>
		518,538	429,282
<b>LOSS FOR THE YEAR</b>		<b>(104,881)</b>	<b>(17,254)</b>
Profit on sale of Fixed Assets		302	4,238
Change in Biological assets	25	168,262	21,990
Change in stocks	26	<u>551</u>	<u>(8,922)</u>
<b>NET PROFIT</b>		<b><u>64,234</u></b>	<b><u>52</u></b>



# ADC STATEMENT OF FINANCIAL POSITION AS AT 31ST MARCH 2012

	NOTES	Year 2012 KShs'000s	Year 2011 KShs'000s
<b>NON-CURRENT ASSETS</b>			
Property, Plant and Equipment	4b	283,927	212,304
Capital work in progress	5	22,668	36,712
		<b>306,595</b>	<b>249,016</b>
<b>Investments ( Page 21 &amp; 22 - annex 1 &amp; II)</b>			
Current Account with Garrisa Irrigation Project	6	471,721	318,398
	7	<u>5,602</u>	<u>4,494</u>
		<u>5,602</u>	<u>4,494</u>
<b>SUBSIDIARY COMPANY - LANDS LTD.</b>			
1,000 Ordinary Shares of Kshs.20 each		20	20
Grant to subsidiary		<u>31,414</u>	<u>31,414</u>
		<u>31,434</u>	<u>31,434</u>
<b>Biological Assets</b>			
Livestock	8a	326,656	205,500
Crops and Cultivation	8b	231,730	196,036
		<u>558,386</u>	<u>401,536</u>
<b>CURRENT ASSETS</b>			
Stores	8c	252,982	152,018
Trade and other receivables	9	269,565	317,920
Cash & Bank	10	<u>11,032</u>	<u>13,005</u>
		<u>533,579</u>	<u>482,943</u>
<b>CURRENT LIABILITIES</b>			
Trade and other payables	11	654,852	463,932
Current Account with National Livestock Project	12	4,114	18,676
Current Account with Subsidiary Co.		541,092	539,960
Bank Overdraft	13	<u>119,852</u>	<u>38,335</u>
		<u>1,319,910</u>	<u>1,060,903</u>
<b>NET CURRENT ASSETS</b>		(786,331)	(577,960)
<b>TOTAL ASSETS</b>		<b><u>587,407</u></b>	<b><u>426,918</u></b>
<b>FINANCED BY :</b>			
Grants	14	1,072,612	932,785
Profit and Loss (pg 22)	16	(799,089)	(874,190)
Loans	17	313,884	368,323
		<b><u>587,407</u></b>	<b><u>426,918</u></b>

These accounts were approved by the Board of Directors.

	Sign	Date
Board Chairman - L. W. Waruingi		27/09/12
Managing Director - W.K. Kirwa		27/09/12



# LANDS STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 31ST MARCH 2012

	Notes	<u>Year 2012</u> <u>Kshs.000</u>	<u>Year 2011</u> <u>Kshs.000</u>
TURNOVER (page 18-schedule 1)		<u>3,342</u>	<u>1,255</u>
<b>INCOME</b>			
Interest on loans		3,333	1,250
Rent receivable		9	5
		<u>3,342</u>	<u>1,255</u>
<b>EXPENDITURE</b>			
Management fees payable to Parent Co.		598	598
Bank charges		83	38
Audit fees		120	120
Staff costs		1,824	1,704
Depreciation		538	16
Rates		358	68
Legal fees		0	925
Incidentals		0	0
Survey fees		-	<u>0</u>
		<u>3,521</u>	<u>3,469</u>
<b>NET LOSS FOR THE YEAR</b>		<u>(179)</u>	<u>(2,214)</u>
 <b><u>STATEMENT OF CHANGES IN EQUITY</u></b>			
Accumulated Profit brought forward		544,792	547,006
Net Loss for the Year		(179)	(2,214)
Accumulated Profit carried forward		<u>544,613</u>	<u>544,792</u>



# LANDS LTD STATEMENT OF FINANCIAL POSITION AS AT 31ST MARCH 2012

	NOTES	<u>Year 2012</u> <u>Kshs. '000'</u>	<u>Year 2011</u> <u>Kshs. '000'</u>
<b>NON-CURRENT ASSETS</b>			
Property, Plant and Equipment		485,479	483,918
Loans Advanced		-	-
<b>CURRENT ASSETS</b>			
Current Account with Parent Co.	18	541,092	539,961
Accounts Recievables		34,771	38,717
Cash and Bank balances	10	<u>1,301</u>	<u>106</u>
		<u>577,164</u>	<u>578,784</u>
<b>CURRENT LIABILITIES</b>			
Accounts Payables		<u>1,840</u>	<u>1,720</u>
		<u>1,840</u>	<u>1,720</u>
<b>NET CURRENT ASSETS</b>			
		<u>575,324</u>	<u>577,064</u>
<b>TOTAL ASSETS</b>			
		<u>1,060,803</u>	<u>1,060,982</u>
<b>FINANCED BY:</b>			
Authorised and issued fully paid 1,000 ordinary shares of Kshs. 20 each.		20	20
Capital Reserves	15	12,775	12,775
Grants		55,694	55,694
Profit & Loss Account	16	<u>544,613</u>	<u>544,792</u>
Revaluation Reserve	27	<u>447,701</u>	<u>447,701</u>
		<u>1,060,803</u>	<u>1,060,982</u>



# NOTES OF FINANCIAL STATEMENT FOR THE YEAR ENDED 31ST MARCH 2012

## **1 SIGNIFICANT ACCOUNTING POLICIES**

The principal accounting policies adopted in the preparation of these financial statements are set out below:- These policies have been consistently applied over the years presented unless otherwise stated:-

### **(a) Basis of preparation**

The financial statements are prepared on a going concern basis to comply with International Financial Reporting Standards (IFRS). They are presented in Kenya shillings (Kshs) rounded to the nearest thousand and prepared under historical cost convention except where otherwise stated in the accounting policies

The Financial statements comprise statement of comprehensive income, statement of financial position, statement of changes in equity, statement of cash flows and notes.

The preparation of financial statement in conformity with international financial reporting standards require the use of estimates and assumptions. It's also requires management to exercise it judgment in the process of applying accounting policies adopted by the corporation

### **(b) Consolidated Financial Statements**

The consolidated accounts comprise the accounts of the Agricultural Development Corporation and its subsidiary, Lands Limited. They do not include the accounts of Chemelil Sugar Company, Muhoroni Sugar Industries Limited and Kenya Seed Company Ltd which are subsidiaries of the Corporation. The Corporation has no control in the management of non-consolidated subsidiaries.

### **(c) Income Recognition**

Income is recognised in the period in which it is earned. However, dividends from investments are recognised when declared.

### **(d) Property, Plant and Equipment**

Property, plant and equipment is initially recorded at cost. All the property, plant and equipment are



## NOTES OF FINANCIAL STATEMENT FOR THE YEAR ENDED 31ST MARCH 2012 (CONTD)

stated at historical cost less depreciation. Depreciation has been charged on the book value of fixed assets at the following rates:-

Land	Nil
Building	5% p.a
Fencing and water supply	10% p.a
Furniture and equipment	20% p.a
Computers	30% p.a
Motor vehicles and tractors	25% p.a
Permanent improvements in subsidiary company	25% p.a
Farm equipment and machinery	20% p.a
Small tools	50% p.a
Land reclamation and drainage	20% p.a

### (e) Investments

Investments in subsidiaries is stated at cost without provision for possible impairment losses

### (f) Taxation

There is no tax liability arising because the Corporation has been exempted from taxation according to Kenya Gazette Supplement Number 59 of 21st April, 1986.

### (g) Rent

The wholly owned subsidiary, Lands Limited, did not charge the Corporation rent for farms occupied during the year. Results of farms as disclosed in the financial statements do not therefore include any charge for rent.

### (h) Inventories

The Corporation adopted IAS no 41 "Agriculture" in the valuation of its biological assets. Consequently the valuation of standing crops(coffee and fruit trees)and livestock have been done on the basis of their fair value less estimated point of sale cost.

### Harvested crops and cultivation

Harvested crops and cultivation are valued at net realisable value. Costs comprise expenditure incurred in normal course of business including direct material cost, labour and production overheads wherever appropriate. Net realisable value is the price at which the stocks can be realised in normal course of business after allowing for costs of realisation. Provision is made for obsolete stock.



# NOTES OF FINANCIAL STATEMENT FOR THE YEAR ENDED 31ST MARCH 2012 (CONTD)

## (i) Cash and cash equivalent

Cash and cash equivalent include cash in hand, deposit at call with banks and bank overdrafts. Bank overdrafts are included within borrowing under current liabilities in the statement of financial position.

## (j) Employee benefits

The Corporation operates a contributory benefit plan for its employees. The employee contributes 5% and the employer contributes 15.72% of the basic salary. The assets are held in a separate trustee administered scheme managed by an insurance company. The plan defines the benefits an employee will receive on retirement.

## NSSF

The Corporation and the employees also contribute to the National Social Security fund (NSSF) a national defined contributions are determined by local statute and the Corporation's contribution currently limited to Kshs. 200 per month are charged to profit or loss account in the year to which they relate.

## (k) Borrowing costs

Borrowing costs are recognized in the profit or loss in the year to which they relate.

## (l) Trade and other receivables

The fair value of trade and other receivables is estimated after making a provision for bad and doubtful debts

## (m) Grants

Grants are accounted for under the Income approach where they are recognized as income over the periods necessary to match them with the rated assets which they are intended to compensate on a systematic basis in accordance with IAS 20-Accounting for Government Grants and Financial Assistance from Donors.

2. Turnover	GROUP		ADC		LANDS LTD	
	2012	2011	2012	2011	2012	2011
	Kshs'000'	Kshs'000'	Kshs'000'	Kshs'000'	Kshs'000'	Kshs'000'
Schedule 1- pg 18	<u>1,183,796</u>	<u>980,641</u>	<u>1,181,585</u>	<u>979,386</u>	<u>3,342</u>	<u>1,255</u>

Turnover is total sales of all ADC units and its subsidiary Lands limited.

It excludes profit on sale of fixed assets and any Extra-ordinary income.



# NOTES TO THE FINANCIAL STATEMENT FOR THE YEAR ENDED 31ST MARCH 2012

## 3. The net profit for the year is stated;

<u>after charging:</u>	GROUP		ADC		LAND LTD	
	<u>Year 2012</u>	<u>Year 2011</u>	<u>Year 2012</u>	<u>Year 2011</u>	<u>Year 2012</u>	<u>Year 2011</u>
	<u>Kshs.'000</u>	<u>Kshs.'000</u>	<u>Kshs.'000</u>	<u>Kshs.'000</u>	<u>Kshs.'000</u>	<u>Kshs.'000</u>
Depreciation	62,049	41,106	61,511	41,090	538	16
Auditors' Remuneration	965	965	845	845	120	120
Interest on Loans	89,832	85,413	89,832	85,413	-	-

### and Crediting:

Profit on sale of fixed assets	1,131	4,238	302	4,238	829	-
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## 4a. Schedule of Fixed Assets

As per schedule 2a and 2b( page 19 & 20).

## 5. Capital Work In Progress

Relates to in-complete capital works .

	<u>Year 2012</u>	<u>Year 2011</u>
	<u>Kshs.'000</u>	<u>Kshs.'000</u>
Namandala	0	12,126
Chorlim ( Construction of store & Eco housing)	601	600
Japata (Fencing, store & Eco housing construction)	1,195	1,179
Nai (Eco housing construction)	477	475
Olingantongo (Eco housing construction)	2,085	1,352
Sabwani (Zero grazing & Eco housing consruction)	2,009	1,337
Feedmill (construction of Reject maize shade)	1,157	1,157
Katuke	0	3,546
Suam Orchards (Dam and Office construction)	8,740	8,338
A I Centre (Consruction of a kitchen)	195	195
Kiswani (Bush clearing)	418	418
Lanet	0	219
Machinery pool (Construction of a shade)	266	245
Molo (Rehabilitation of cold store)	<u>5,525</u>	<u>5,525</u>
	<u>22,668</u>	<u>36,712</u>



# NOTES OF FINANCIAL STATEMENT FOR THE YEAR ENDED 31ST MARCH 2012 (CONTD)

## 6. Investments

Investments are stated at cost. No provision has been made in the accounts against the cost of the investments in companies which have accumulated losses. The shares are not traded at The Nairobi Stock Exchange, hence the difficulty in establishing their fair market values as required by IAS 40 - Investment Property in the following companies :

	<u>Year 2012</u> <u>KSHS'000</u>	<u>Year 2011</u> <u>KSHS'000</u>
Muhoroni Sugar Company Limited	41,342	19,500
Kenya Co-op. Creameries	4,151	4,151
Kenya Grain Growers' Co-op. Union	1,404	1,404
Pyrethrum Board of Kenya	36	36
Kenya Planters' Co-op Union	31	17
<b>Total Cost of Investments</b>	<b><u>46,964</u></b>	<b><u>25,108</u></b>

See Investments schedule ( Page 21 & 22 - annex 1 &II)

	<u>Year 2012</u> <u>KSHS'000</u>	<u>Year 2011</u> <u>KSHS'000</u>
7. <u>Current Account with Garissa Irrigation Project</u>		
Total expenditure by ADC on the project	5,602	4,494

## 8. Stocks

### (a) Standing crops and Livestock

The Corporation adopted the International Accounting Standard No. 41 "Agriculture" in the valuation of its biological assets. Consequently, the valuation of standing crops (coffee and fruit trees) and livestock have been done on the basis of their "fair value less estimated point-of-sale-cost".

### (b) Harvested crops and cultivation

Harvested crops are valued at net realizable value. Costs comprises expenditure incurred in normal course of business, including direct material costs, labour and production overheads wherever appropriate. Net realizable value is the price at which the stocks can be realized in normal course of business after allowing for costs of realization. Provision is made for obsolete stocks.

### (c) Stores

The stores have been stated at cost net of provision for obsolete stocks.

	<u>Year 2012</u> <u>KSHS'000</u>	<u>Year 2011</u> <u>KSHS'000</u>
Stores	264,045	163,081
Specific Provisions	(11,063)	(11,063)
	<b><u>252,982</u></b>	<b><u>152,018</u></b>



## 9. Trade and other receivables

Comprise of both trade and non-trade debtors as follows;

### a) Trade debtors:

Are stated at net of provision for bad and doubtful debts:

	GROUP		ADC		LANDS LTD	
	Year 2012 Kshs'000	Year 2011 Kshs'000	Year 2012 Kshs'000	Year 2011 Kshs'000	Year 2012 Kshs'000	Year 2011 Kshs'000
Debtors	218,952	288,852	197,430	261,882	21,522	26,970
Less: Specific provision	(52,499)	(53,139)	(51,962)	(52,602)	(537)	(537)
Less: General provision	(13,971)	(13,971)	(13,971)	(13,971)	-	-
	<u>152,482</u>	<u>221,742</u>	<u>131,497</u>	<u>195,309</u>	<u>20,985</u>	<u>26,433</u>

### b) Non-trade debtors

	GROUP		ADC		LANDS LTD	
	Year 2012 Kshs'000	Year 2011 Kshs'000	Year 2012 Kshs'000	Year 2011 Kshs'000	Year 2012 Kshs'000	Year 2011 Kshs'000
Non-Trade Debtors	151,855	134,895	138,068	122,611	13,786	12,284
Less: Specific provision	-	-	-	-	-	0
	<u>151,855</u>	<u>134,895</u>	<u>138,068</u>	<u>122,611</u>	<u>13,786</u>	<u>12,284</u>
Total trade & other receivables	<u>304,337</u>	<u>356,637</u>	<u>269,565</u>	<u>317,920</u>	<u>34,771</u>	<u>38,717</u>

## 10. Cash and Bank Balances

	GROUP		ADC		LANDS LTD	
	Year 2012 Kshs'000	Year 2011 Kshs'000	Year 2012 Kshs'000	Year 2011 Kshs'000	Year 2012 Kshs'000	Year 2011 Kshs'000
Cash in hand	625	1,367	625	1,367	0	0
Cash at bank	<u>11,708</u>	<u>11,744</u>	<u>10,407</u>	<u>11,638</u>	<u>1,301</u>	<u>106</u>
	<u>12,333</u>	<u>13,111</u>	<u>11,032</u>	<u>13,005</u>	<u>1,301</u>	<u>106</u>

## 11. Trade and other payables comprise of ;

	GROUP		ADC		LANDS LTD	
	Year 2012 Kshs'000	Year 2011 Kshs'000	Year 2012 Kshs'000	Year 2011 Kshs'000	Year 2012 Kshs'000	Year 2011 Kshs'000
Trade Creditors	440,947	244,395	440,947	242,675	0	1,720
Non-trade creditors	<u>215,745</u>	<u>221,257</u>	<u>213,905</u>	<u>221,257</u>	<u>1,840</u>	<u>0</u>
	<u>656,692</u>	<u>465,652</u>	<u>654,852</u>	<u>463,932</u>	<u>1,840</u>	<u>1,720</u>



**12. Current Account with National Livestock Off-take**

The Government provided funds for emergency Livestock off take in arid areas. During the year the Corporation utilized cash to the tune of Kshs. 4,114,178 from the project account on operations.

**13. Bank Overdraft**

Relates to an overdraft facility by Kenya Commercial Bank to ADC Feedmill & Driers Kshs. 9,497,412 and ADC Head Office Kshs. 110,355,438

**14. Grants**

	<u>Year 2012</u> <u>KShs'000s</u>	<u>Year 2011</u> <u>KShs'000s</u>
Government of Kenya	849,071	849,071
Dutch Government	16,132	16,132
British Government	67,582	67,582
UNDP	<u>139,827</u>	<u>0</u>
	<b><u>1,072,612</u></b>	<b><u>932,785</u></b>
ADC and Subsidiary	1,096,892	957,065
Grants attributable to subsidiary	(24,280)	(24,280)

**15. Capital Reserves**

Reserves comprise the General Reserve Fund taken over from Agricultural Settlement Fund - 1976 net of Government Trust Fund on farms taken over from Agricultural Settlement Trust.

**16. Profit and Loss**

Comparative profit/(loss) carried forward at the end of each of the two financial years.

	<u>GROUP</u>		<u>ADC</u>		<u>LANDS LTD</u>	
	<u>Year 2012</u> <u>Kshs'000</u>	<u>Year 2011</u> <u>Kshs'000</u>	<u>Year 2012</u> <u>Kshs'000</u>	<u>Year 2011</u> <u>Kshs'000</u>	<u>Year 2012</u> <u>Kshs'000</u>	<u>Year 2011</u> <u>Kshs'000</u>
Loss B/d	(329,398)	(327,236)	544,792	547,006	(874,190)	(874,242)
Prior year adjustment	10,868	-	-	-	10,868	-
Loss for the year	<u>64,055</u>	<u>(2,162)</u>	<u>(179)</u>	<u>(2,214)</u>	<u>64,234</u>	<u>52</u>
Loss c/d	<u>(254,476)</u>	<u>(329,398)</u>	<u>544,613</u>	<u>544,792</u>	<u>(799,089)</u>	<u>(874,190)</u>

**17. Loans**

**Kenya Commercial Bank Ltd**

		<u>Year 2012</u> <u>Kshs'000</u>	<u>Year 2011</u> <u>Kshs'000</u>
KCB term loan LC	191,721		
KCB term loan	(22)	<u>313,884</u>	<u>368,323</u>
Galana Revolving	47,998		
Assets Financing	<u>74,187</u>		
Total	<u>313,884</u>		

The loans are secured by land owned by the subsidiary company- Lands Ltd.



**18. Current Account- Lands Ltd**

This is a control account that reflects the financial transaction between the Subsidiary company (Lands Ltd) and its Parent Company (Agricultural Development Corporation).

**19. Rent Receivable-Tenant Farmers**

This relates to rent received from land leased to farmers by the subsidiary Company.

**20. Rent Receivable-Other Properties**

Relates to rent received for half ownership of Development House and other rented properties.

**21. Interest Receivable**

This is interest income charged on house loans, car loans and land tenants and other overdue creditors.

**22. Dividends Receivable**

Relates to dividend income from Kenya Seed Company accrued at Kshs.5.25 per share.

**23. Other Incomes**

Relates to income from any other source other than the core business.

**24. Management Fees**

Relates to fees for managing Garissa Irrigation Project and FAMS.

**25. Change in Biological Assets**

As per the International Accounting Standards No. 41, the Corporation's biological assets (livestock) increased by Kshs. 168.2m during the year arising from increased prices in the market in the year.

**26. Change in stocks**

In complying with International Accounting Standards No. 41 of valuing stock at realizable value, the Corporation stock during the year decreased by Kshs.0.5m arising from the decreased stock of the harvested crops.

**27. Revaluation Reserve**

Relates to Part revaluation of ADC Sabwani and Ol'Ngantongo.

**28. Notes to cashflow statement**

- a. Profit / loss from farming activities comprise profit of Kshs. 64.23 million from ADC and loss of Kshs. 0.179 million from Lands Ltd.
- b. The revaluation figure of Kshs.169m relates to the movement between change in biological assets and change in stock. Refer to note 26 & 27.
- c. Relates to funds injected to Agribusiness project by the Corporation.
- d. Kshs. 17m relates to dividends received from Kenya Seed during the year.
- e. Kshs.46 m relates to purchase of fixed assets during the year.



- f. Ksh.1.1m relates to funds injected to Garissa Irrigation project by the Corporation.
- g. Kshs.1m relates to proceeds from sale of assets from various units during the year.
- h. Relates to loan and interest paid during the year.
- l. Ksh. 14.5m relates to funds utilized by the Corporation on National Livestock Project.
- j. Relates to depreciation charge for the year..
- k. Relates to interest paid by the Corporation.
- l. This is profit realized from the sale of the fixed assets
- m. Relates to fees charged to Lands Ltd for the managements of its operations.
- n. Relates to income received from the rent of properties.
- o. Relates to devidend received from Kenya seed Company Ltd.
- p. Relates to changes in debtors
- q. Relates to changes in stores.
- r. Relates to changes in crops and cultivations.
- s. Relates to changes in livestock.
- t. Relates to changes in creditors.

### 29. Contingent Liabilities

The Corporation has pending cases in court whose outcome has not been decided. The extent of the liability accruing from the cases is not likely to adversely affect the Corporation.

### 30. Prior year Adjustment.

This relates to prior year profits and loss and interest accrued on asset Financing loans brought forward from Agri-Business Project.

	Ksh'000'
Profit and Loss account	(109,412)
Agri-Business Asset Financing	(33,043)
Investments	<u>153,323</u>
Total Prior year adjustments	<u>10,868</u>

31. Miscellaneous Income include fertilizer subsidy of Ksh.63 million received from the Ministry of Agriculture.



**4a FIXED ASSETS:**

**FIXED ASSETS - AGRICULTURAL DEV. CORPORATION & ITS SUBSIDIARY**

	Lands Ltd- Leased Farms Kshs.000s	Lands Ltd Farms Managed by ADC 'Kshs.000s	Buildings Kshs.000s	Fencing Water Supply Kshs.000s
<b>COST</b>				
At 1st April 2011	454	521,513	72,309	54,609
Adjustment	-	-	-	-
Additions	-	-	16,337	-
Disposals	-	-	-	-
At 31st March 2012	454	521,513	88,646	54,609
<b>DEPRECIATION</b>				
At 1st April 2011	164	-	45,928	47,736
Charge for the year	7	-	2,137	689
Adjustment Depreciation	-	-	-	-
Disposals	-	-	-	-
At 31st March 2012	171	-	48,065	48,425
<b>NET BOOK VALUE</b>				
At 31st March 2012	283	521,513	40,581	6,184
At 1st April 2011	290	521,513	26,381	6,873

**4b FIXED ASSETS - AGRICULTURAL DEVELOPMENT CORPORATION**

	Farms managed by ADC 'Kshs.000s	Lands Ltd 'Kshs.000s	Buildings Kshs.000s	Fencing Water Supply Kshs.000s
<b>COST</b>				
At 1st April 2011	37,910	-	72,309	54,609
Adjustments	-	-	-	-
Additions	-	-	16,337	-
Disposals	-	-	-	-
At 31st March 2012	37,910	-	88,646	54,609
<b>DEPRECIATION</b>				
At 1st April 2011	-	-	45,928	47,736
Charge for the year	-	-	2,137	689
Adjustments Depreciation	-	-	-	-
Disposals	-	-	-	-
At 31st March 2012	-	-	48,065	48,425
<b>NET BOOK VALUE</b>				
At 31st March 2012	37,910	-	40,581	6,184
At 1st April 2011	37,910	-	26,381	6,873

**4.(c)**

Included in the adjustment is figures relating to Farm Equipment\_ and Machinery, Furniture and Equipments, Motor Vehicles and Tractors and Small Tools figure of Ksh. 192,488 Million which relates to assets that were transferred to ADC from Agri-Business. Accumulated depreciation of Ksh. 101,464 Million has also been included in the opening balances of depreciation.



Farm Equipment Kshs.000s	Furniture & Equipment Kshs.000s	Motor Vehicles Kshs.000	Small Tools Kshs.000s	Land Reclamation Kshs.000s	Totals Kshs.000s
-----------------------------	------------------------------------	----------------------------	--------------------------	-------------------------------	---------------------

200,383	37,146	307,588	3,522	5,487	1,203,011
48,851	171	140,021	2		189,045
21,316	3,249	4,215	163	1,041	46,321
(275)	-	(3,585)	-	-	(3,860)
270,275	40,566	448,239	3,687	6,528	1,434,517

144,799	27,554	234,115	3,185	3,308	506,788
20,152	2,606	35,596	218	644	62,049
23,855	34	77,575	2		101,466
(234)	-	(4,958)	-	(2)	(5,194)
188,572	30,194	342,328	3,405	3,950	665,109

81,703	10,372	105,911	282	2,578	769,407
55,584	9,592	73,473	337	2,180	696,223

Farm Equipment Kshs.000s	Furniture & Equipment Kshs.000s	Motor Vehicles Kshs.000	Small Tools Kshs.000s	Land Reclamation Kshs.000s	Totals Kshs.000s
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200,357	37,146	304,288	3,522	5,487	715,628
48,851	171	140,021	2		189,045
21,316	3,249	2,116	163	1,041	44,222
(275)	-	(3,585)	-	-	(3,860)
270,249	40,566	442,840	3,687	6,528	945,035

144,799	27,554	230,815	3,185	3,308	503,324
20,152	2,606	35,065	218	644	61,511
23,855	34	77,575	2		101,466
(234)	-	(4,958)	-	(2)	(5,194)
188,572	30,194	338,497	3,405	3,950	661,107

81,677	10,372	104,343	282	2,578	283,927
55,558	9,592	73,473	337	2,179	212,304



# NOTES OF THE FINANCIAL STATEMENT FOR THE YEAR ENDED 31ST MARCH 2012

		Year 2012 <u>KShs'000</u>	Year 2012 <u>KShs'000</u>
ADC Turnover			
Production Units	Mutara	29,488	25,356
	Galana	45,160	51,120
	Molo	10,138	15,093
	Lanet	25,809	18,169
	Kiswani	9,412	9,122
	Enchilli	11,790	0
	Chorlim	74,906	63,621
	Japata	125,666	157,202
	Katuke	86,924	67,469
	Nai	70,756	73,171
	Namandala	73,262	57,999
	Olgantongo	112,428	76,992
	Sabwani	127,406	108,552
	Kiswani Butchery	11,939	8,933
	Suam	<u>93,755</u>	<u>88,244</u>
		<u>908,839</u>	<u>821,043</u>
Administrative Units	Head Office	120,299	60,227
	Kitale Office	<u>4,754</u>	<u>4,608</u>
		<u>125,053</u>	<u>64,835</u>
Service Units	Machinery pool	22,739	21,397
	Feedmill	91,348	67,761
	FAMS	107	40
	Agri-business	29,267	0
	AI Centre	<u>4,232</u>	<u>8,548</u>
		147,693	97,746
Total Turnover		1,181,585	983,624
Less Profit on sale of fixed assets		(1,131)	(4,238)
		<u>1,180,454</u>	<u>979,386</u>
Lands Ltd Turnover		3,342	1,255
Less Profit on sale of fixed assets		0	0
		<u>3,342</u>	<u>1,255</u>
<b>TOTAL TURNOVER</b>		<u><u>1,183,796</u></u>	<u><u>980,641</u></u>



# SCHEDULE OF INVESTMENTS

<u>INVESTMENT &amp; NATURE OF INVESTMENT</u>	<u>SOURCE OF FINANCE</u>	<u>Year 2012 KShs.000</u>	<u>Year 2011 KShs.000</u>
<b>CHEMELIL SUGAR CO. LTD</b> 10,179,581 shares of Kshs.20 each.	Grant -MoA	203,592 <u>203,592</u>	181,203 <u>181,203</u>
<b>DEVELOPMENT HOUSE PHASE I &amp; II</b> Dev House Block 1 Dev House Block 2 Capital Development 1 & 2	Corp. fund Corp. fund Corp. fund	12,034 32,205 <u>46,012</u> <u>90,251</u>	12,034 32,205 <u>46,012</u> <u>90,251</u>
<b>MUHORONI SUGAR CO.</b> 2,067,096 ordinary shares of Kshs.20 each.	Grant -MoA	<u>41,342</u>	<u>19,500</u>
<b>KENYA CO-OP CREAMERIES</b> 10 ordinary shares of Kshs. 20 each. 154,808 ordinary levy shares of Kshs. 20 each. 42,414 5% "D" Cum Red. Pref. shares of Kshs. 20 each. 4,194 5% "C" Cum Red. Pref. shares of Kshs. 20 each. 256 deffered shares of Kshs. 20 each. 5,891 "A" deferred shares of Kshs. 20 each.	Corp. fund Corp. fund Corp. fund Corp. fund Corp. fund Corp. fund	- 3,096 848 84 5 118 <u>4,151</u> <u>1,404</u>	- 3,096 848 84 5 118 <u>4,151</u> <u>1,404</u>
<b>KENYA GRAIN GROWERS' CO-OP. UNION</b> 70,214 Ordinary shares of Kshs. 20 each.	Corp. fund	<u>1,404</u>	<u>1,404</u>
<b>KENYA SEED COMPANY LTD.</b> 465,874 Ordinary shares of Kshs. 20 each. 8,586 Ordinary shares of Kshs. 20 each. 600 Ordinary shares of Kshs. 20 each. 5,225,660 Ordinary shares of Kshs. 20 each.	Corp. funds Corp. funds Corp. funds Bonus issue	9,317 172 12 <u>104,513</u> 114,014	4,465 429 42 <u>0</u> 4,936



# SCHEDULE OF INVESTMENTS

## Annex II

INVESTMENT & NATURE OF INVESTMENT	SOURCE OF FINANCE	Year 2012	Year 2011
		<u>KShs.000</u>	<u>KShs.000</u>
<b>PYRETHRUM BOARD OF KENYA</b> 1,782 Ordinary shares of Kshs. 20 each.	Corp. funds	<u>36</u>	<u>36</u>
<b>KENYA PLANTERS' CO-OP. UNION</b> 1429 Ordinary share of Ksh. 10 each	Corp. funds	14	
1,691 Red. Ordinary shares of Kshs. 10 each (Conversion of stock).	Corp. funds	<u>17</u>	<u>17</u>
		<u>31</u>	<u>17</u>
<b>AGRO-CHEMICAL &amp; FOOD CO. LTD.</b> 157,500 shares of Kshs. 20 each. 687,500 shares of Kshs. 20 each.	Corp. funds Grant -MoA	3,150 <u>13,750</u>	3,150 <u>13,750</u>
		<u>16,900</u>	<u>16,900</u>
<b>TOTAL COST OF INVESTMENTS</b>		<u><u>471,721</u></u>	<u><u>318,398</u></u>









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