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Agro Chemical & Food Company Ltd.

COMPANY OF THE YEAR
GALA NIGHT

Promoting excellence and integrity



Annual Report & Accounts 2002 / 2003



Cover photo caption

The Resident Director & Chief Executive, Mr. O. P. Narang (left) and the chairman, Board of Directors of ACFC, Mr. William Kirwa (right) receiving the trophy from Prof. Ratemo Michieka (centre), the Director General of NEMA, having won the trophy for the best company in the Environmental Management Practice during Company of the Year Award (COYA) 2004, conducted by Kenya Institute of Management (KIM) on 9th July 2004



agro chemical and food company limited

**ANNUAL REPORT AND ACCOUNTS
2002 / 2003**

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CHAIRMAN'S REPORT

FOR THE YEAR ENDED 30TH JUNE 2003



*I*t is my pleasure to present the Annual Report and Audited Accounts of ACFC for the year ended 30th June 2003. The challenges emanating from a very difficult economic environment characterized by reduced economic activity and growth in almost all sectors impacted negatively on the manufacturing sector and the consumer.

My appreciation, however, goes to the Sugar Sector in total for the co-operation they have given to us. It is my hope that the good working relationship we have with the sugar factories, Kenya Sugar Board and the Ministry of Agriculture will continue.

SUMMARISED OPERATING RESULTS

I may mention that the Company fell short of achieving the set budgets in production. However, the sales in alcohol realized slight improvement of three percent in value over the budget. Out of the budgeted alcohol production of 20.00 million litres, a quantity of only 17.2 million litres was produced compared to 18.603 million litres in the previous year. The budgeted yeast production of 1200 tons could not be achieved either, due to some technical problems. Only 932 tons was produced compared to 946 tons in the previous years, 2001/2002.

Out of the budgeted gross revenue of Kshs.1052.40million, only 859.9million was realized compared to 893 million in the year 2001/2002. However, operating profit (before interest on loan) during the year was Kshs.273 million as compared to Kshs.267 million during the previous year. This was a big achievement.

The above mentioned results translates to the gross and net operating profit as below:



FINANCIAL HIGHLIGHTS

2002/2003				2001/2002		2000/2001	
PRODUCTION	BUDGET '000'	ACTUAL '000'	%Age Actual Budget	BUDGET	ACTUAL	BUDGET	ACTUAL
Alcohol (000) lts	20,000	17,208	86%	16,000	18,603	19,000	16,122
Yeast (Tons)	1,200	932	78%	1100	946	1,200	973
Wet Yeast (Tons)	1,000	532	53%	1000	486	1,000	470
SALES:							
Alcohol (000) Lts	16,382	16,923	103%	16,000	18,413	19,600	15,600
Yeast (Tons)	941	876	93%	1,100	950	1,200	967
Wet Yeast (Tons)	532	488	92%	1,000	489	1,000	470
GROSS REVENUE K.shs. (mill.)	1,052.60	859.9	82%	813	893	643	734
Operating Profit Before Interest	324M	273M	84%	108M	267M	46M	165M

M=Million

Gross Revenue includes sales turnover and other income i.e. interest on short-term deposits or treasury bills, miscellaneous sales of Fodder Yeast and scrap. The total sales turnover for the Year under review was 810.6million compared to Kshs.852million in the previous year.

The operating profit before the loan interest was Kshs.273 million compared to Kshs.267million in 2001/2002. However, due to heavy exchange gain arising from favourable exchange rate in the year, the company registered an overall net profit of Ksh.318 million compared to a loss of Kshs131 million in the previous year. The total exchange gain for the year was Kshs.312 million compared to exchange gain of Kshs. 12 million in the previous year.

We continue feeling the burden of heavy loans. Once again, we request the GOK to assist us by restructuring these loans as a lasting solution.



FUTURE PROSPECTS

We have continued to gain from savings realized from Effluent Treatment Plant since its inception on 16th October 2000. The approximate total savings was about Kshs.32 million for the year under review. This is an impressive performance, which should not go unnoticed. The conservation of environment has equally improved with the company receiving the environmental award for COYA.

The instrumentation project, which was completed during the previous year has equally continued serving us effectively by enhancing the general production performance and quality of our products. This is indeed a way forward.

It is also important to note that during the same period, we successfully went through ISO 9001:2000 Quality Management System Certification. A ceremony was successfully held in March, 2004 during which we were awarded the certificate by the Bureau Veritas Quality International (BVQI). This was a great manifestation of our commitment towards placing our company in the global market. We thank our customers and all the stakeholders who stood by us to mark this occasion. It is my hope that we maintain the standards for further improvement in terms of quality and sales of our products.

I am pleased to note that the Enterprise Resource Planning System (ERP) has also been successfully implemented. This project has already posted positive realization in our service departments through accurate and timely data processing and general information.

With our increased storage capacity of our big raw material, molasses, we hope to run a continuous production for a higher revenue realization.

As we strive for further mileage in coping up with the fast growing customer demand in the competitive market, we plan to introduce a new product, Extra Neutral Alcohol (ENA), in order to meet our changing requirements and remain relevant in the years ahead. This will be one of the most ambitious projects the company has ever undertaken since inception. With the advent of competitive atmosphere setting in, this will definitely be a part of a strategic plan, if implemented and completed in time, would guarantee our sustainability in the Kenya Alcohol industry.

Finally, I congratulate the Management for having scooped the winning award in Environmental Management Practices in the company of the Year Award (COYA) 2004 competition conducted by Kenya Institute of Management. The retention of the trophy for the last three consecutive years portends well for our concern in environmental conservation. May we continue in the same spirit.

With all the above-mentioned achievements, the support from various stakeholders is vital for the continued success of the Company.



ACKNOWLEDGEMENTS

ACFC has stayed afloat even in difficult times because of the commitment and dedication of our employees, who have continued to perform their duties with skill, loyalty and team spirit. Therefore, I take pride in thanking all for their selfless dedication and urge them to uphold these traits in future.

The positive contribution by our major customers, suppliers, transporters, bankers and other service providers cannot go unnoticed. May I especially acknowledge the vital role played by the Ministry of Agriculture, Kenya Sugar Board and sugar companies in supplying molasses to us. I also thank the Ministry of Finance and Office of the President for their continued guidance and support.

Finally, my sincere appreciation goes to all my colleagues on the Board for their tireless devotion and valued guidance. I look forward to similar enthusiastic co-operation in future.

W. K. KIRWA

CHAIRMAN

15th September 2004



DIRECTORS' REPORT

The Directors present their report and accounts for the year ended 30th June 2003.

Principal Activities

The company produces Rectified Spirit, Neutral Spirit, Industrial Methylated Spirit, Active Dry yeast and Fresh wet Yeast from sugar cane molasses for both local and export to other countries.

During the year, the company produced 17.2million litres of alcohol and 932tons of Active Dry Yeast and realized a turnover of kshs 811million(2001/2002:852million). The operating profit before exchange gains was kshs 6,346,625 which includes interest on foreign loans of kshs 266million (2001/2002:410million). The profit for the year carried forward is kshs 318,071,658. This profit is after considering an exchange gain amounting to kshs 311,725,034 arising from the transaction of foreign currency loans at exchange rate ruling at balance sheet date.

Dividends:

The Directors do not recommend the payment of dividends in view of the cumulative loss position.

Auditors:

The Auditors General (Corporations) will continue in office in accordance with section 29 (2) of the Exchequer and Audit Act (cap. 412)



COMPANY INFORMATION

DIRECTORS AS AT 30TH JUNE 2003

ADC
ADC
ICDC
ICDC
IIC
IIC
IIC

OFFICE OF THE PRESIDENT
P.S. MINISTRY OF AGRICULTURE
P.S. MINISTRY OF FINANCE

MR. J. KIRWA (CHAIRMAN)
MS. J. GATHEE
ENG. J. MUNENE.
S.K. MAINA
MR. M.N. MEHTA-(Alternate:Mr. Jay Mehta
MR. S.C. SHARMA
MR. J. A EMUKULE
MR. J. OTENYO
Alternate Mr.N. WAWERU
Alternate MR. J.G. MWANGI

RESIDENT DIRECTOR & CHIEF EXECUTIVE

MR. O.P. NARANG

MANAGING AGENT & REGISTERED OFFICE

Mehta Group Management Limited
Jeevanbharati Building, 7th Floor
P.O. BOX 41175,
NAIROBI

ADVOCATES

Andhoga Staussi & co Advocates
P.O. BOX 3140,
KISUMU.

Robson Harris & co. Advocates
P.O. BOX 30423,
NAIROBI

BANKERS:

National Bank of Kenya
Barclays Bank of Kenya
Kenya Commercial bank

SECRETARIES:

Equatorial Secretaries & Registrars, Kisumu.

SENIOR EXECUTIVES

MR. C.O. OGUYA	Marketing Manager
MR. F.S.GITIHA	Financial Controller
MR. C. J. NYABUNDI	Project Manager



REPORT OF THE CONTROLLER AND AUDITOR GENERAL ON THE FINANCIAL STATEMENTS OF AGRO-CHEMICAL AND FOOD COMPANY FOR THE YEAR ENDED 30TH JUNE 2003

I have examined the financial statements of Agro-chemical and Food company limited for the year ended 30th June 2003 in accordance with section 2992) 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 financial statements which have been prepared under the historical cost convention as modified as necessary to ensure compliance with the international Accounting Standards are in agreement therewith and comply with the companies Act (Cap 486).

GOING CONCERN

During the year ended 30th June 2003, the financial position of the company improved slightly in that it made a profit of Kshs318,071,658 compared to loss of Kshs 131,189,325 in previous year, thereby bringing the accumulated losses Kshs 3,448,568,315. Further the company was unable to pay long term loans together with accrued interest of Kshs 5,518,957,638 and kshs266,775,467 respectively which matured in December 2002. Evidently the company was facing serious problems and the financial statements have, therefore, been prepared on a going concern basis assuming continued financial support from Government and Creditors and satisfactory outcome of negotiations going on between Government and the company concerning its restructuring.

Except for the reservation set out in foregoing paragraph, in my opinion, the financial statements when read together with the notes thereon present fairly the financial state of affairs of the company as at 30th June 2003 and of its surplus and cash-flow for the year then ended.

E. N. MWAI

**CONTROLLER AND AUDITOR GENERAL
NAIROBI**

28TH JULY, 2004



PROFIT AND LOSS ACCOUNT
FOR THE PERIOD ENDED 30TH JUNE 2003

	2003	2002
	(KSHS)	(KSHS)
TURNOVER	810,663,702	851,641,245
	=====	=====
PROFIT /(LOSS)	318,071,658	(131,189,325)
TAXATION	=====	=====
PROFIT/(LOSS)	318,071,358	(131,189,325)
	=====	=====


BALANCE SHEET AS AT 30TH JUNE 2003

	NOTES	2002/2003(12M) <u>KSHS</u>	2001/2002(12M) <u>KSHS</u>
FIXED ASSETS	4	1,436,905,774	1,477,668,148
CURRENT ASSETS			
STOCK AND WORK			
IN PROGRESS	5	123,480,024	110,342,784
DEBTORS	6	143,006,265	132,209,062
SHORT TERM DEPOSITS	7	686,083,950	541,774,691
BANK & CASH BALANCES		79,771,016	9,783,868
		1,032,341,255	794,110,405
CURRENT LIABILITIES			

CREDITORS	8	338,858,481	451,088,691
NET CURRENT ASSETS/ LIABILITIES		693,482,774	343,021,714
		2,130,388,548	1,820,689,862
FINANCED BY:			
SHARE CAPITAL	10	60,000,000	60,000,000
RESERVES	11	(3,448,569,315)	(4,329,266,920)
SHARE HOLDER FUNDS		(3,388,569,315)	(4,269,266,920)
LOANS	9	5,518,957,863	6,089,956,782
		2,130,388,548	1,820,689,862

Accounts on pages 7 to 17 were approved by the Board of Directors on.....

and signed on its behalf by:

)
)Directors
)


CASH FLOW STATEMENT FOR THE YEAR 30TH JUNE 2003

	2002 / 2003 (KSHS)	2001 / 2002 (KSHS)
Net Cash inflow from operating Activities		
Net Profit/(loss) before taxation	318,071,658	(131,198,325)
Adjustment for items not involving		
Movement of funds:		
Deffered Interest Capitalised	(159,273,885)	575,360,535
Depreciation	104,385,303	101,292,652
Prior Year Adjustment to reserves	562,625,949	(28,698,363)
Exchange (gain)/loss on foreign loans	(311,725,034)	(12,038,911)
	=====	=====
Net Operating Profit/(Loss) before		
Changes in working capital:	514,083,991	504,717,588
Changes in: Stock	(13,137,240)	7,855,097
Debtors	(10,797,203)	15,466,832
Creditors	(112,230,210)	(139,216,036)
	=====	=====
(a) Net Cash Flow from operating		
Activities	377,919,338	388,823,481
Cash flow from investing activities		
Purchase of assets	(63,622,931)	(73,198,121)
	=====	=====
(b) Net cash flow from investing activities	(63,622,931)	(73,198,121)
(c) Cash flow from Financing activities		
Repayment of loans	(100,000,000)	(50,000,000)
	=====	=====
Net increase/(decrease) in cash and		
Cash equivalents(a+b+c)	214,296,407	265,625,360
Cash and cash equivalent at the		
Beginning of the year	551,558,559	285,933,199
	=====	=====
Cash and cash equivalent at the end		
Of the period	765,854,966	551,558,559
	=====	=====



NOTES TO THE ACCOUNTS

1. ACCOUNTING POLICIES

a) **Basis of accounting**

The Company basically prepares its accounts on the historical cost basis of accounting, modified as necessary to ensure compliance with the requirements of the International Accounting Standards (IAS).

b) **Turnover**

Turnover represents the fair value of alcohol, spirits and yeast sales invoiced to or collected from customers (net of discounts, taxes and levies) and other income earned from normal trading activities.

c) **Fixed assets and Depreciation**

Fixed assets are recorded at historical cost or at the revalued amounts. Depreciation is calculated to write off such cost or valuation using the straight-line method at the following rates:-

Land	1.05%
Buildings	2.5%
Plant, Machinery & Instrument.	4.0%
Instrumentation	20 %
Cooling Units	20%
Motor Vehicles & Computers	25%
Furniture and fixtures	15% for revalued assets and 10% for additions thereafter.

Tangible fixed assets are depreciated in the year of acquisition and no provision for depreciation is provided for in the year of disposal. Fixed assets were revalued in 1993 other than furniture and fixtures, which were revalued last in 1986.

d) **Foreign Currencies**

Assets and liabilities denominated in foreign currencies are translated into Kenya Shillings at the rates of exchange at balance sheet date. Transactions during the year in foreign currencies are translated at the rate ruling at the date of the transactions. Realised and unrealized exchange rate gains or losses arising from such transactions are recorded in the profit and loss account as financial expenses or income.

e) **Inventories**

Inventories are recorded at the lower of cost or net realizable value calculated on "average" basis. Historical costs include purchase costs as well as transportation, processing and allocable portion of direct salaries and other production overheads.



2. PROFIT/(LOSS) BEFORE TAXATION

Loss before taxation is arrived at after charging:

	<u>2003</u> <u>KSHS.</u>	<u>2002</u> <u>KSHS.</u>
Depreciation	104,385,303	101,292,652
Auditors' remuneration & Exp.	649,000	600,000
Directors' " "	2,717,449	2,427,116
Interest payable/(received) on:		
Loans	266,775,467	410,248,792
Bank overdraft	115,397	603,128
Deposits	(41,596,129)	(34,095,808)
Others	(819,783)	(4,092,935)
(Gains)/loss on exchange	(311,725,034)	(12,031,548)
	=====	=====

3. TAXATION

Current corporate tax rate is 30.0% on adjusted profit. There is no tax liability in view of losses available for carry forward of approximately Shs.4,706 million (2002: 4,715 million).



4. ANNEXTURE TO BALANCE SHEET

FIXED ASSETS

	Land, Housing & Factory Kshs.	Plant and Machinery Kshs.	Work in Progress Kshs.	Vehicle Furniture and Fixtures Kshs.	Total Kshs.
COST OR VALUATION					
At 30th June 2002	299,773,764	1,766,467,591	22,189,043	72,959,360	2,161,389,758
Additions	13,046,414	23,069,407	15,803,196	11,703,914	63,622,931
Disposals	-	-	-	(1,365,218)	(1,365,218)
Transfers	-	22,189,043	(22,189,043)	-	-
At 30th June 2003	312,820,178	1,811,726,041	15,803,196	83,298,056	2,223,647,471
DEPRECIATION					
At 30th June 2002	58,349,925	576,826,192	-	48,545,495	683,721,612
Eliminated in respect of disposals	-	-	-	(1,365,218)	(1,365,218)
Charge for the July 2002- June 2003	7,679,832	86,542,179	-	10,163,292	104,385,303
At 30th June 2003	66,029,757	663,368,371	-	57,343,569	786,741,697
NET BOOK VALUE					
At 30th June 2003	246,790,421	1,148,357,670	15,803,196	25,954,487	1,436,905,774
At 30th June 2002	241,423,839	1,189,641,399	22,189,043	24,413,865	1,477,668,146



NOTES TO THE ACCOUNTS. (CONTD)

5. STOCK AND WORK IN PROGRESS

	2003 KSHS.	2002 KSHS.
Goods in transit	4,659,020	1,916,185
Raw Materials and spares	76,422,231	77,752,141
Work in progress	2,448,787	2,452,097
Finished Goods	<u>39,949,986</u>	<u>28,222,361</u>
	123,480,024	110,342,784
	=====	=====

6. DEBTORS

Trade	97,281,369	78,054,260
Less prov. for doubtful debts	(31,008,929)	(31,008,928)
Pre-payments	(8,252,101)	4,822,992
Creditors with debit balances	6,828,919	5,130,291
Others	<u>78,157,007</u>	<u>75,210,447</u>
	143,006,265	132,209,062
	=====	=====

7. SHORT TERM DEPOSITS

Fixed Deposit	105,016,623	269,121,046
Interest Receivable	1,067,327	2,653,645
Treasury Bills	<u>580,000,000</u>	<u>270,000,000</u>
	686,083,950	541,774,691
	=====	=====

NOTES TO ACCOUNTS (CONTD.)

	2003	2002
	<u>KSHS</u>	<u>KSHS</u>
8. CREDITORS		
Trade Creditors	23,302,563	23,829,528
Debtors with credit balances	7,497,133	7,435,674
Other Creditors*	<u>308,058,785</u>	<u>419,823,489</u>
	338,858,481	451,088,691
	=====	=====

*Includes interest accrued on foreign loan of Kshs. 266,775,467 (2001/2002: Kshs.404,450,165).

9. LOANS**

<u>Lender:</u>	<u>Interest Rates</u>	2003	2002
		<u>KSHS</u>	<u>KSHS</u>
GOK ON-LENT	9%p.a.	2,592,867,832	2,754,362,056
Loans interest deferred		1,848,304,228	2,883,838,493
Loan interest on Giro credit			
Loan		726,029,570	
Giro-Credit Bank amt.			
paid by GOK	Variable	<u>351,756,233</u>	<u>451,756,233</u>
		5,518,957,863	6,089,956,782
		=====	=====

**Foreign loans were restructured as at 31st December 1993 i.e converted to GOK on-lent loan of US\$34,960,000 payable in fourteen semi-annual instalments up to 2002. The unconverted balance of Kshs. 351,756,233 in respect of Giro-Credit long-term loan was paid on ACFC's behalf by GOK in 1995/96 and 1997/98. Deferred interest on loan of Kshs 1,848,304,228 represents interest on GOK lent loan and Loan interest on GOK credit loan of Kshs.726,029,570 represents interest on loan paid on our behalf by GOK.



NOTES TO ACCOUNTS (CONTD.)

10. SHARE CAPITAL

	2003	2002
	<u>KSHS</u>	<u>KSHS</u>
Authorised 3,750,000 ordinary Shares of Shs. 20/=	75,000,000	75,000,000
Issued and fully paid 3,000,000 Ordinary shares of Shs.20/=	60,000,000	60,000,000

11. RESERVES

	<u>CAPITAL RESERVE SHS.</u>	<u>REVENUE RESERVE SHS.</u>	<u>TOTAL SHS.</u>
As at 30 th June 2002	1,526,684,013	(5,855,950,933)	(4,329,266,920)
Prior Year Adjustment	-	562,625,947	562,625,947
Re-state of balance as at 30 TH JUNE 2003	1,526,684,013	(5,293,324,986)	(3,766,640,973)
profit for the period	-	318,071,658	318,071,658
	=====	=====	=====
30th June 2003	1,526,684,013	(4,975,253,328)	(3,448,569,315)
	=====	=====	=====

12. CAPITAL COMMITMENTS

	2003	2002
	<u>KSHS</u>	<u>KSHS</u>
contracted but provided for	16,000,000	21,280,000
Authorised but not contracted For	<u>47,300,000</u>	<u>42,470,000</u>
Total	<u>63,300,000</u>	<u>63,750,000</u>
	=====	=====



13. CONTINGENT LIABILITY

There was a contingent liability of:

- a) Kshs 7,714,081.5 (2002: Kshs 3,378,200) in respect of bank letter of credit issued and outstanding as at 30.06.2003
- b) Kshs 2,905,997 in respect of telephone directory charges under dispute with Telkom Kenya

14. Prior year adjustment to revenue of Kshs 562,625,949 represents the following:

a) <u>Revenue</u>		
i. Last years expenditure paid in Current year and adjustment thereof.		514,405
b)		
i. Penalty on VAT-KRA		385,912
ii. Reallocations of various payment last year		(61,630)
iii. Previous year insurance expenses		259,414
iv. Loan interest for previous year Adjusted as per Treasury statement		(563,724,050)
		=====
		(562,625,949)
		=====



AGRO CHEMICAL AND FOOD COMPANY LIMITED

TRADING PROFIT AND LOSS ACCOUNT FOR THE PERIOD ENDED 30TH JUNE 2003

	BUDGET	ACTUAL	ACTUAL	ACTUAL
	2002/2003(12M)	2002/2003(12M)	2001/2002(12M)	2000/2001(12M)
	KSHS.	KSHS.	KSHS.	KSHS.
SALES	1,002,400,000	810,663,702	851,641,245	713,372,343
COST OF SALES	468,997,000	363,439,442	397,635,567	375,078,486
GROSS PROFIT/(LOSS)	533,403,000	447,224,260	454,005,678	338,293,857
PROFIT ON SALE OF FIXED ASSETS		495,763	1,354,499	524,880
INTEREST ON TREASURY BILLS/ F. DEPOSITS	44,000,000	41,596,129	34,095,808	16,728,782
MISCELLANEOUS INCOME	6,000,000	5,165,888	5,756,468	2,900,721
	583,403,000	494,482,040	495,212,453	358,448,240
ADMINISTRATION EXPENSES				
Advertising & Public Relations	1,265,000	1,573,407	1,090,421	497,646
Auditors Remuneration and Exp.	649,000	649,000	600,000	563,500
Computer Expenses	1,035,000	1,021,192	719,288	236,852
Donations	1,000,000	845,505	1,479,078	540,966
Subscriptions & Newsletters	900,000	781,995	478,583	578,585
Entertainment Expenses	92,000	7,500	36,121	47,265
Guest House Expenses	900,000	852,990	642,723	712,402
Legal & Professional fees	920,000	879,540	184,100	256,632
Management Fees	27,000,000	24,462,103	22,825,866	24,574,340
Directors Expenses	3,000,000	2,717,449	2,427,116	2,432,484
Office Equipments, Repairs and Exp.	1,760,000	1,116,550	1,109,089	1,157,125
Motor Running Expenses	7,100,000	7,508,906	6,415,704	6,307,252
Postage, telegram, telex and Telephone	0		0	
	5,200,000	3,369,799	3,509,966	3,505,811
Printing & Stationery	1,438,000	1,413,093	1,151,385	1,160,555
Travelling & Accomodation	5,200,000	2,479,188	3,817,185	4,109,785
Marketing & NBI Office expenses	7,625,000	7,398,485	4,858,365	3,022,532
Security Services Hire	3,600,000	3,336,240	3,223,895	3,009,100
	68,684,000	60,412,942	54,568,885	52,712,832

**ESTABLISHMENT EXPENSES**

Depreciation	119,206,000	104,385,303	101,292,652	92,791,708
Insurance & Licences	14,375,000	12,223,284	8,217,174	10,324,476
Rent	690,000	473,443	472,140	437,839
Repairs & Renewal(HGS)	920,000	389,595	376,807	444,505
Provision Bad&Doubtful Debts		0	27,734,473	4,616,626
	<u>135,191,000</u>	<u>117,471,625</u>	<u>138,093,246</u>	<u>108,615,154</u>

FINANCE EXPENSES

Bank Charges	2,000,000	1,957,607	2,224,355	1,942,718
Exchange Loss(Operation)		1,581,712	(77,071)	87,443
Interest on bank o/d	2,400,000	115,397	603,128	36,513
Other Interest	0	(819,783)	(4,092,935)	(3,929,388)
	<u>4,400,000</u>	<u>2,834,933</u>	<u>(1,342,523)</u>	<u>(1,862,714)</u>

30,504,000

STAFF COSTS

Recruitment Expenses	460,000	348,825	203,618	459,450
Salaries & Wages	30,392,000	26,515,158	24,793,822	22,584,568
Staff Welfare	17,000,000	13,776,467	11,867,486	10,499,702
Work Permit/Dependent fees	29,000	0	0	0
	<u>47,881,000</u>	<u>40,640,449</u>	<u>36,864,926</u>	<u>33,543,720</u>

0

TOTAL EXPENSES(EXCLUDING EXCHANGE LOSS)

	<u>256,156,000</u>	<u>221,359,949</u>	<u>228,184,534</u>	<u>193,008,992</u>
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PROF \ (LOSS) BEFORE TAX &

EXCHANGE GAIN \ (LOSS)/LOAN INTEREST	327,247,000	273,122,091	267,027,919	165,439,248
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INTEREST ON LOANS	588,502,000	266,775,467	410,248,792	541,003,543
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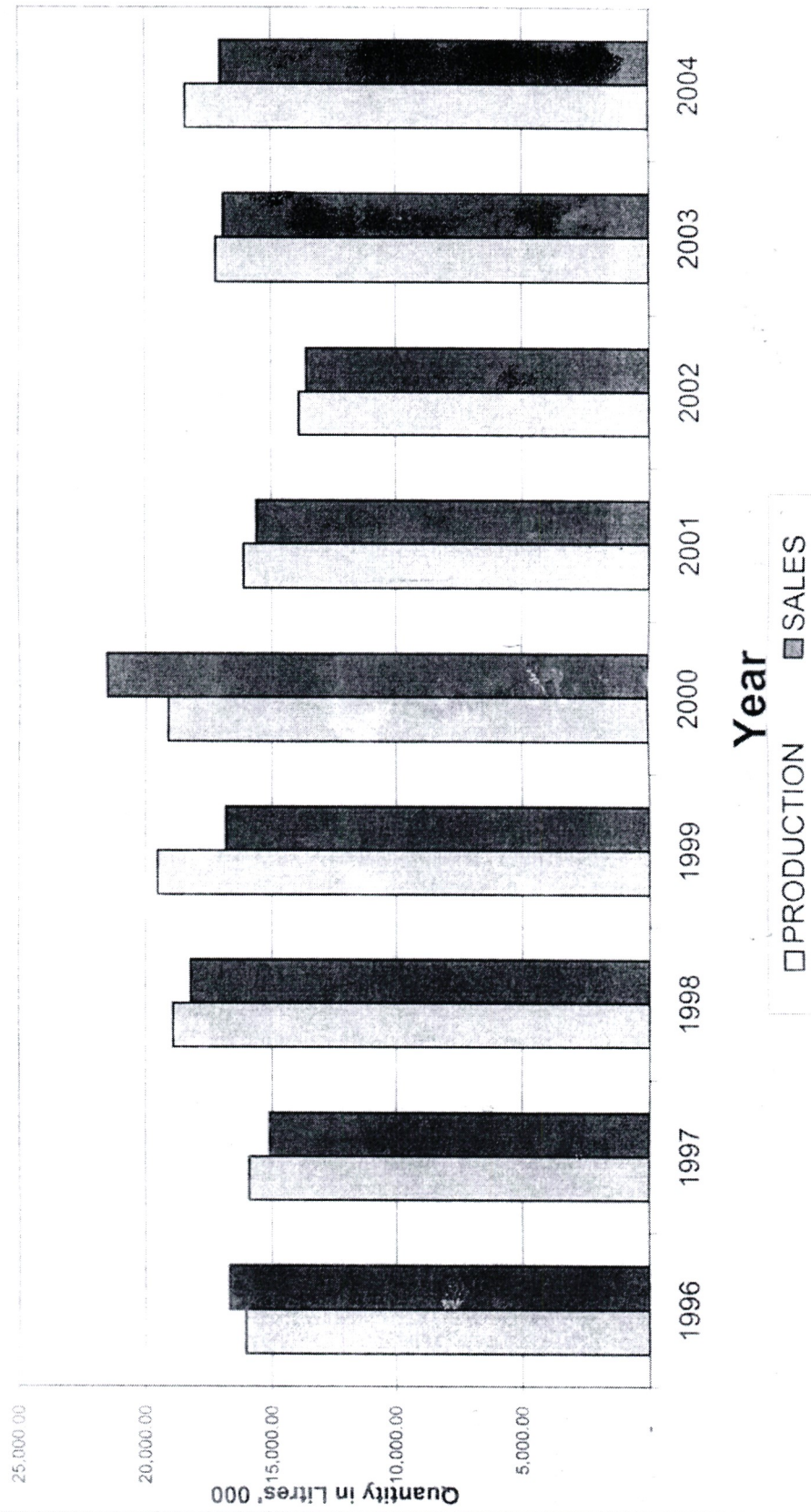
EXCH. (LOSS)/GAIN ON F.LOAN	0	(311,725,034)	(12,031,548)	70,232,048
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PROF(LOSS) AFTER EXCH LOSS

ON F.LOAN BUT BEFORE TAX	<u>(261,255,000)</u>	<u>318,071,658</u>	<u>(131,189,325)</u>	<u>(445,796,343)</u>
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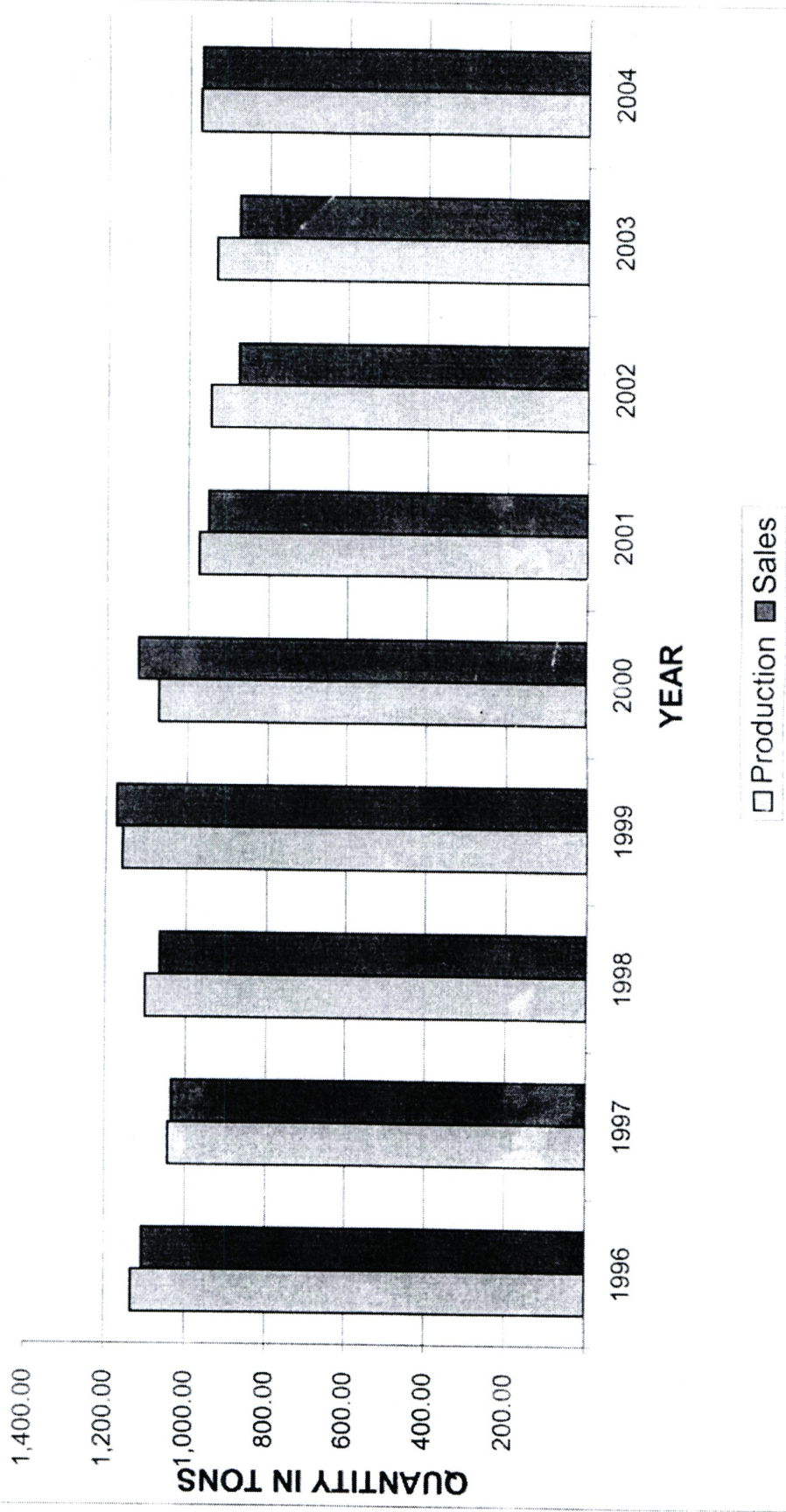


ALCOHOL PRODUCTION AND SALES TRENDS





YEAST PRODUCTION AND SALES TRENDS





REVENUE, GROSS PROFIT & NET PROFIT

