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SUNSET HOTEL LIMITED

KENYA NATIONAL ASSEMBLY
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MAIN BUILDING

**FINAL AUDITED ACCOUNTS
FOR THE YEAR ENDED 30TH JUNE 2004**

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NAIROBI

KENYA NATIONAL AUDIT OFFICE

REPORT OF THE CONTROLLER AND AUDITOR GENERAL ON THE
FINANCIAL STATEMENTS OF SUNSET HOTEL LIMITED FOR THE YEAR
ENDED 30 JUNE 2004



SUNSET HOTEL LIMITED

ANNUAL REPORT

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SUNSET HOTEL LIMITED

COMPANY INFORMATION

BOARD OF DIRECTORS

Mr. Evans Ogunyo CHAIRMAN
Mr. Patrick M. Nzioka (Managing Director-K.T.D.C)
Mr. Joseph Ochola
Mr. Walter Nyawanda
Mrs. Prisca Auma (Mayor -Kisumu M. Council)
Mr. Aduma Owour (Town Clerk- Kisumu M. Council)

COMPANY SECRETARY

Mrs Jane Kyaka

REGISTERED OFFICE

KENYA TOURIST DEVELOPMENT CORPORATION
UTALII HOUSE
UHURU HIGHWAY
P.O. BOX 42013-00100
NAIROBI

AUDITORS

KENYA NATIONAL AUDIT OFFICE
OFFICE OF THE CONTROLLER & AUDITOR -GENERAL
P.O. BOX 30084-00100
NAIROBI

BANKERS

NATIONAL BANK OF KENYA LIMITED
P.O. BOX 1152-40100
KISUMU

CO-OPERATIVE BANK OF KENYA
P.O. BOX 1151-40100
KISUMU

KENYA COMMERCIAL BANK
P O BOX 17-40100
KISUMU

SUNSET HOTEL LIMITED

DIRECTORS REPORT

The Directors submit their report and statement of account for the year ended June,2004.

1. PRINCIPAL ACTIVITY

The principal activity of the company is that of carrying out hotel business.

2. RESULTS

The results of the year are shown in details on page 4.

3.DIVIDEND

The directors do not recommend payment of a dividend.

4. RESERVES

The Directors propose to carry forward the balance of accumulated losses amounting to Kshs. 32,475,688.00

5. DIRECTORS

Mr.Evans Ogunyo CHAIRMAN
Mr. Patrick M. Nzioka (Managing Director-K.T.D.C)
Mr.Joseph Ochola
Mr. Walter Nyawanda
Mrs .Prisca Auma (Mayor -Kisumu M. Council)
Mr. Aduma Owour (Town Clerk- Kisumu M. Council)

6. AUDITORS

The Kenya National Audit Office continue in office in accordance with section 14(3) of State Corporations Act Cap. 446.

BY ORDER OF THE BOARD

Mrs Jane Kyaka
SECRETARY



KENYA NATIONAL AUDIT OFFICE

REPORT OF THE CONTROLLER AND AUDITOR GENERAL ON THE FINANCIAL STATEMENTS OF SUNSET HOTEL LIMITED FOR THE YEAR ENDED 30 JUNE 2004

I have audited the financial statements of Sunset Hotel Limited for the year ended 30 June 2004 in accordance with the provisions of section 14 of the Public Audit Act, 2003. I have obtained all the information and explanations which to the best of my knowledge and belief were necessary for the purpose of the audit. The financial statements are in agreement with the books of account.

Respective Responsibilities of the Directors and the Controller and Auditor General

As set out in the statement of directors responsibilities, the directors are responsible for the preparation of financial statements which give a true and fair view of the Hotel's state of affairs and its operating results. My responsibility is to express an independent opinion on the financial statements based on my audit.

Basis of the Opinion

The audit was conducted in accordance with International Standards on Auditing. Those standards require that the audit be planned and performed with a view to obtaining reasonable assurance that the financial statements are free from material misstatement. An audit includes an examination, on test basis, of evidence supporting the amounts and disclosures in the financial statements. It also includes an assessment of the accounting policies used and significant estimates made by the directors, as well as an evaluation of the overall presentation of financial statements. I believe my audit provides reasonable basis for the opinion.

Comments

1. Going Concern

The Hotel made a loss of Kshs.339,563 thus increasing the accumulated losses to Kshs.32,475,688 as at 30 June 2004 from Kshs.32,136,125 the previous year. Further, the Hotel's balance sheet reflected negative working capital of Kshs.13,054,014 and negative net worth of Kshs.6,540,943 as at 30 June 2004. It is clearly evident that the Hotel's performance is poor and shareholders funds have been totally eroded by the accumulated losses. Although during the year

the Hotel recorded increased sales of Kshs.45,149,503 an increase of over 30% from the recorded sales of Kshs.34,628,564 in 2002/2003, the improvement in sales was negated by an increase in operating costs up from 24,978,604 in 2002/2003 to Kshs.32,727,681 in the year under review. Further analysis of the financial statements for the year indicates that the Hotel incurred total expenditure of Kshs.16,230,235.65 in six (6) items against an approved budget of only Kshs.10,229,877 for the items, resulting in over-expenditure of Kshs.6,000,358.65. No approval was seen for the over-expenditure, and this is a clear indication of poor expenditure control by management. Evidently the Hotel is technically insolvent and its continued operations as a going concern is dependent on the continued support from the Government, parent company and its creditors.

2. Creditors and Accruals

The balance sheet creditors and accruals balance of Kshs.19,320,674 as at 30 June 2004 includes amounts of Kshs.6,181,105 in respect of Value Added Tax (VAT) and VAT penalties which the Hotel has not yet remitted to the tax authorities, hence breaching the law. Further, the balance includes an amount of Kshs.1,106,257.60 in respect of payroll deductions, which were not remitted to the respective statutory authorities. In addition, no detailed schedules supporting the deductions were availed for audit review and the accuracy of the liabilities could not therefore be confirmed.

3. Debtors

The balance sheet debtors balance of Kshs.6,727,672 as at 30 June 2004 includes debtors totalling Kshs.2,739,425.25 which were outstanding for more than six months. However, only an amount of Kshs.1,000,789 was provided for bad and doubtful debts. The basis for calculation of this provision was not however availed for audit review and its adequacy could not therefore be ascertained. Any additional provision that would have been necessary in relation to this uncertainty has not been incorporated in these financial statements.

4. Irregular Procurement of Goods and Services

4.1. Replacement of 59 Guest Room Doors

During the year under review, the Hotel invited four (4) quotations for replacement of 50 doors for guest rooms. The bids were analysed and the contract awarded to a contractor who was the third lowest bidder at a contract price of Kshs.15,570 per door. The contractor was however not able to perform, and the job was given to another firm which did not even quote for the job, but charged Kshs.18,500 per door. It is not clear and management has not explained how the firm was identified for the award or why fresh quotations were not invited. In the circumstances therefore it was not possible to ascertain whether the Hotel received value for its money.

4.2. Valuation of Assets

The Hotel management awarded a contract for the valuation of its assets to a firm of valuers at Kshs.208,000 through single sourcing contrary to public procurement regulations. In the circumstances, although it has been explained that the sourcing of the valuers was done by the parent corporation (KTDC), it was not possible to confirm that the Hotel obtained value for money for this contract.

4.3. Procurement of PABX Machine and Television sets

During the year under review the Hotel acquired and installed a PABX machine and 31 television sets at a cost of Kshs.506,900 and Kshs.539,016 respectively. Although quotations were invited and bids received for a variety of specifications and descriptions, it is not clear and management has not explained how the bids were analysed and suitable bidders identified in the absence of standard specification requirements. In the absence of proper technical specifications in the bidding process, it was not possible to ascertain whether the Hotel obtained value for its money in the procurement of the PABX machine, and the television sets.

5. Advance to Former Staff

A former Hotel employee who was transferred on 1st December 2003 to another unit operated by KTDC management, owed the Hotel Kshs.110,203 at the time of transfer. However the officer's services were terminated before the amount owed could be recovered. The Hotel Management has not explained how it intends to recover the outstanding amount of Kshs.110,203 from the former employee of the Hotel.

Opinion

Except for the foregoing reservations, in my opinion, proper books of account have been kept and the financial statements give a true and fair view of the state of the financial affairs of the Hotel as at 30 June 2004 and of the loss and cash flows for the year then ended and comply with the Companies Act, Cap 486 of the laws of Kenya.



E.N. MWAL
CONTROLLER AND AUDITOR GENERAL

Nairobi

12 October 2005

SUNSET HOTEL LIMITED

BALANCE SHEET AS AT 30TH JUNE 2004

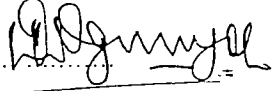
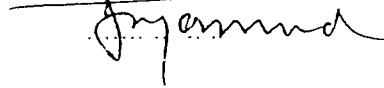
	NOTES	2,004 Kshs	2,003 Kshs
NON CURRENT ASSETS			
Property Plant & Equipment	2	<u>6,513,070</u>	<u>5,739,935</u>
CURRENT ASSETS			
Stocks	3	1,700,396	1,258,536
Debtors	4	6,727,672	6,630,114
Cash and Bank Balances	5	520,436	344,507
		<u>8,948,504</u>	<u>8,233,157</u>
CURRENT LIABILITIES			
Creditors and Accruals	6	19,320,674	20,220,735
Bank Overdraft	7	2,681,844	1,084,027
		<u>22,002,518</u>	<u>21,304,762</u>
NET CURRENT LIABILITIES		<u>(13,054,014)</u>	<u>(13,071,605)</u>
		<u>(6,540,943)</u>	<u>(7,331,670)</u>
FINANCED BY:			
Share Capital	8	12,000,000	12,000,000
Loan Account			
KTDC Long Term	9	11,465,352	11,465,352
KTDC Short Term Loan	9	2,469,393	1,339,103
Accumulated Losses	10	(32,475,688)	(32,136,125)
		<u>(6,540,943)</u>	<u>(7,331,670)</u>

DIRECTOR (Name)

EVANS O. OGUNWU

JAMES K. NYAUNDI

SIGNATURE

DATE

8/8/05
8/8/05

SUNSET HOTEL LIMITED

Statement of changes in Equity and Loans for the year ended June 30th 2004

	Share	KTDC long	KTDC Short	Retained	Total
	Capital	Term Loan	Term Loan	Earnings	
As at 1st July 2002	12,000,000	-	1,509,950	(33,434,761)	(8,459,460)
KTDC Loan repayment			(170,847)		(170,847)
Profit for the year 2003				1,298,636	1,298,636
Bal as at 30th June 2003	12,000,000	11,465,352	1,339,103	(32,136,125)	(7,331,670)
as at 1st July 2003	12,000,000	11,465,352	1,339,103	(32,136,125)	(7,331,670)
KTDC Loan			1,130,290	-	1,130,290
Loss for the year				(339,563)	(339,563)
Bal. as at 30th June 2004	12,000,000	11,465,352	2,469,393	(32,475,688)	(6,540,943)

SUNSET HOTEL LIMITED

TRADING PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 30TH JUNE 2004

	2004 Kshs	2003 Kshs
Sales	45,149,503	34,628,564
Cost of Sales	12,761,405	8,351,324
GROSS PROFIT	<u>32,388,098</u>	<u>26,277,240</u>
 EXPENDITURE		
Salary & Wages	8,166,845	5,985,535
Staff Expenses	3,148,511	2,702,132
Staff Travel	729,200	682,400
Property Upkeep & Expenses	1,469,485	980,916
Repairs & Renewals	2,872,771	1,890,292
Operating Costs	9,178,982	7,014,642
Office Expenses	1,796,053	1,417,177
Administration Expenses	545,735	782,925
Advertising & Promotion	1,676,120	1,331,136
General Charges	1,272,543	615,458
Interest & Other Charges	1,094,655	918,770
Bad Debts Written off.		
Depreciation	776,761	657,221
Total Expenditure	<u>32,727,661</u>	<u>24,978,604</u>
Net Profit/(Loss) for the year	<u>(339,563)</u>	<u>1,298,636</u>

SUNSET HOTEL LIMITED

TRADING PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 30TH JUNE 2004

	2,004	2003
	Kshs	Kshs
TURNOVER	<u>45,149,503</u>	<u>34,628,564</u>
Profit/(Loss) before Taxation	(339,563)	1,298,636
 AFTER CHARGING		
Depreciation	776,761	657,221
Auditors Fees	150,000	150,000
Bank Interest	338,194	232,716
Directors Emoluments	436,312	686,054
Land Rent & Rates	317,086	236,775
 TAXATION		
Loss after taxation	(339,563)	1,298,636
Retained Loss b/f	<u>(32,136,125)</u>	<u>(33,434,761)</u>
	<u>(32,475,688)</u>	<u>(32,136,125)</u>

SUNSET HOTEL LIMITED

STATEMENT OF CASH FLOW FOR THE YEAR ENDED 30TH JUNE 2004

	Ksh 2004	Kshs 2003
CASH FLOW FROM OPERATING ACTIVITIES		
Net Profit/(Loss) before tax	(339,563)	1,312,415
Add: Depreciation	776,761	657,574
Interest	658,343	232,716
Prior Year Adjustment	Nil	Nil
	<u>1,094,835</u>	<u>2,202,705</u>
ANALYSIS OF WORKING CAPITAL		
(Increase)/Decrease in Debtors	(97,558)	(2,447,666)
(Increase)/Decrease in Stocks	(441,860)	(68,160)
Increase/(Decrease) in Creditors	<u>(900,061)</u>	<u>2,715,939</u>
	(344,643)	2,402,818
Tax Paid		Nil
NET CASH FLOW FROM OPERATING ACTIVITIES	(344,643)	2,402,818
Interest	(658,343)	(232,716)
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of Fixed Assets	(1,549,897)	(1,355,983)
CASH FLOWS FROM FINANCING ACTIVITIES		
Advance from KTDC	2,079,909	Nil
KTDC Loan Repayment	<u>(949,619)</u>	<u>(170,847)</u>
Net Increase / (Decrease) Cash and Cash Equivalent	(142,188)	643,272
Cash & Cash equivalent at the beginning of the year	(739,520)	(1,382,794)
Cash & Cash equivalent at the end of the year	<u><u>(2,161,408)</u></u>	<u><u>(739,520)</u></u>
CASH BALANCES		
Bank Overdraft	(2,681,844)	(1,084,027)
Cash and Bank Balances	520,436	344,507
	<u><u>(2,161,408)</u></u>	<u><u>(739,520)</u></u>

SUNSET HOTEL LIMITED

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 30TH JUNE 2004

1. ACCOUNTING POLICIES

a) Basis of Accounting

The Financial Statements are prepared under the historical cost convention.

b) Depreciation

No depreciation is charged on the leasehold land. All other fixed assets are depreciated on the straight basis to write off the cost of assets down to their residual values over their expected useful lives at the the following rates:-

Building	2.5%
Plant & Machinery	12.5%
Furniture & Fittings and Office equipment	12.5%
Motor vehicle	25.0%

c) Stock

Stock is valued at the lower cost and net realisable value. The stores Inventory are costed using FIFO method. Stocks are held for sale, and as raw materials for Kitchen production and supplies.

d) Foreign Currency

Foreign currency transactions during the year have been converted at the approximate rate of exchange ruling at the time of transactions. Any gains or losses resulting there from have been taken direct to the Profit and loss Account .

e) Turnover

Turnover represents amounts received and receivable for services provided net of government taxes and levies.

SUNSET HOTEL LIMITED

2. PROPERTY PLANT & EQUIPMENT SCHEDULE FOR THE YEAR ENDED 30TH JUNE 2004

	LAND	BUILDING	PROPERTY, PLANT & EQUIPMENT	FURNITURE, FITTINGS EQUIPMENT	MOTOR VEHICLE	TOTAL
	Kshs	Kshs	Kshs	Kshs	Kshs	Kshs
COST						
As at 1.7.2003	178,013.00	9,927,656.00	4,416,907.00	3,842,932.45	528,700.00	18,894,208.45
Additions		631,855.00	34,750.00	883,292.20	-	1,549,897.20
As at 30-6-2004	178,013.00	10,559,511.00	4,451,657.00	4,726,224.65	528,700.00	20,444,105.65
DEPRECIATION						
As at 30-6-2003	-	6,435,130.00	3,677,089.30	2,660,855.15	381,200.00	13,154,274.45
Charge for the year	-	263,987.35	112,752.60	326,270.80	73,750.00	776,760.75
As at 30-6-2004	NIL	6,699,117.35	3,789,841.90	2,987,125.95	454,950.00	13,931,035.20
NET BOOK VALUE						
As at 30-6-2003	178,013.00	3,492,526.00	739,817.70	1,182,077.30	147,500.00	5,739,934.00
As at 30-6-2004	178,013.00	3,860,393.65	661,815.10	1,739,098.70	73,750.00	6,513,070.45

SUNSET HOTEL LIMITED

Cont. NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 30TH JUNE 2004

3. STOCKS & STORES	2004	2003
	Ksh.	Ksh.
Food Stores	102,018.47	125,508.36
Cellar Stores	79,751.76	34,495.25
Bar Stocks	186,081.87	146,945.65
Tobacco Store	46,931.50	35,504.30
Empties Stock	53,707.00	25,465.00
Operating Equipment Store	84,846.08	113,360.17
Consumable Stores	267,568.06	185,820.49
Stationary Stock	535,126.38	565,389.97
Fuel & Gas	306,663.42	51,819.46
Misc. Electrical Tools Store	221,801.74	158,327.71
	1,886,500.28	1,442,636.36
Less: Provision for Obsolete stock	(184,100.00)	(184,100.80)
	1,702,400.28	1,258,535.56

4. DEBTORS

	2004	2003
	Kshs.	Kshs.
Debtors & Prepayments	6,727,672.00	5,998,260.00
K.T.D.C Advance - Rehabilitation A/C	NIL	631,855.00
	6,727,672.00	6,630,115.00
Less: Bad debts written off	NIL	Nil
	6,727,672.00	6,630,115.00

5. CASH & BANK BALANCES

	2004	2003
	Kshs.	Kshs.
Cash control	305,435.85	129,506.80
PettyCash Control	180,000.00	180,000.00
Cash Float	35,000.00	35,000.00
	520,435.85	344,506.80

SUNSET HOTEL LIMITED

Cont. NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 30TH JUNE 2004

6. CREDITORS & ACCRUALS

	2004 Kshs.	2003 Kshs.
TRADE CREDITORS & OTHER PAYABLES		
Trade Creditors	7,967,986.40	8,041,468.32
Sundry Creditors	1,427,967.70	946,731.45
Vale Added Tax	6,181,104.79	7,343,695.84
Service Charge	224,973.45	118,443.45
Catering Levy Training Trustee	95,607.50	10,110.47
Deposits Payable	454,409.90	454,409.95
Payroll Control	24,948.70	33,647.95
P.A.Y.E	596,754.45	537,910.45
N.S.S.F	708.00	21,508.00
N.H.I.F.	5,267.00	1,270.00
COTU	12,498.00	12,058.00
Other Payroll Deductions	11,672.00	7,792.00
Local Authority Service Charge	66,700.00	66,700.00
Staff Insurance Deductions	-	4,169.60
Accrued Expenses	618,000.00	988,744.00
VAT Penalty	1,632,076.00	1,632,076.00
	19,320,673.89	20,220,735.48

	2004 Kshs.	2003 Kshs.
7. BANK OVERDRAFT		
Main Bank Account -NBK	16,283.65	192,679.80
Main Bank Account -CO-OP	2,404,074.05	891,347.10
Main Bank Account - KCB	261,486.35	-
	2,681,844.05	1,084,026.90

	2004 Kshs.	2003 Kshs.
8. SHARE CAPITAL		
Authorised , issued and fully paid 572,500 Ordinary Shares @ Kshs.20/=	11,450,000.00	11,450,000.00
(KTDC) 27500 Ordinary Shares @ Kshs 20/=	550,000.00	550,000.00
(Municipal Council of Kisumu)	12,000,000.00	12,000,000.00

SUNSET HOTEL LIMITED

Cont. NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 30TH JUNE 2004

	2004 Kshs.	2003 Kshs.
9. LOAN ACCOUNT		
(a) K.T.D.C. LONG TERM LOAN	11,465,352.00	11,465,352.00
(b) K.T.D.C. SHORT TERM LOAN	2,469,393.00	1,339,103.00
	<u>2,469,393.00</u>	<u>12,804,455.00</u>

10. STATEMENT OF RETAINED PROFIT/ (LOSS)

	2004 Kshs.	2003 Kshs.
Balance b/f	(32136125)	(33434761)
Profit /(loss) for the year	(339,563)	1298636
Retained Profit/ (loss) c/f	<u>(32,475,688)</u>	<u>(32136125)</u>

11. STAFF COSTS

The figure on staff is made up of the following:-

	2004 Kshs.	2003 Kshs.
SALARIES		
Administration	1,951,215.65	1,460,704.90
Rooms	1,020,208.95	857,417.25
Food	1,078,885.05	1,197,879.35
Bars	301,650.75	334,205.70
Maintanance	401,402.60	364,538.00
Casual Wages	2,842,750.15	1,164,552.60
Retirement Benefits:		
Staff Pension	NIL	NIL
NSSF Employee and Employer contribution	113,600.00	116,200.00
Gratuity	457,132.00	490,037.90
	<u>8,166,845.15</u>	<u>5,985,535.70</u>

12. TAXATION

No provision has been made for Corporation Tax in the current year due to loss brought forward.

SUNSET HOTEL LTD
TRIAL BALANCE AS AT 30TH JUNE 2004.

		DR	CR
		KSHS	KSHS
A.	SALES & OTHER INCOME		
	Accommodation		18,589,097.12
	Food-Resident		6,489,996.20
	Food-Casual		11,733,328.60
	Drinks		7,345,968.95
	Tobacco		228,893.45
	Laundry		236,111.40
	Telephone		188,107.45
	Shop		35,000.00
	Miscellaneous income		302,999.50
			45,149,502.67
B.	COST OF SALES		
	Food	7,360,311.09	
	Drinks	5,059,871.19	
	Tobacco	238,440.30	
	Telephone	102,781.92	
		12,761,404.50	
C.	SALARIES & WAGES		
	Administration	2,154,715.65	
	Rooms	1,020,208.95	
	Food	1,332,517.05	
	Bars	301,650.75	
	Maintanance	401,402.60	
	NSSF	113,600.00	
		2,842,750.15	
		8,166,845.15	
D.	STAFF EXPENSES		
	Meals & Allowances	944,065.18	
	Housing	1,628,714.70	
	Medical	453,398.00	
	Staff Welfare	78,223.00	
	Group Life Insurance	44,110.60	
		3,148,511.48	
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SUNSET HOTEL LIMITED			
		DR	CR
		KSHS	KSHS
E.	STAFF TRAVEL		
	Leave Passage - Management	-	
	Leave Passage - Other Staff	80,000.00	
	Transport Allowance	165,000.00	
	Travelling Expenses	81,600.00	
	Staff Transport	402,600.00	
		729,200.00	
F.	PROPERTY UPKEEP EXPENSES		
	Ground Rent	36,000.00	
	Rates	281,085.70	
	Insurance	291,444.20	
	Buliding Maintanance	842,035.40	
	Gardens & Ground	18,920.00	
		1,469,484.94	
G.	REPAIRS & RENEWALS		
	Glassware	143,984.22	
	Linen	377,213.01	
	Uniforms	570,466.90	
	Cutlery & Holloware	238,293.80	
	Crockery	5,148.00	
	Kitchen Utensils	76,663.00	
	Furniture & Equipment	185,600.52	
	Plant & Machinery	398,115.27	
	Motor Vehicle repairs	345,366.32	
	Miscellaneous Electrical Tools	531,920.01	
		2,872,771.05	
H.	OPERATING EXPENSES		
	Electricity	1,614,281.85	
	Fuel & Gases	2,030,965.93	
	Water & Sanitation	2,015,080.58	
	Laundry Expenses	287,132.41	
	Cleaning Expenses	420,813.36	
	Toilet Requisites	421,261.31	
	Kitchen Restaurant & Bar Sundries	358,041.09	
	Guest Supplies	662,258.61	
	Guest Entertainment	788,503.50	
	Vehicle Operating	450,953.17	
	Licences	129,690.00	
		9,178,981.81	
I.	OFFICE EXPENSES		
	Telephone & Postage	861,825.22	
	Printing & Stationary	863,741.34	
	Office Miscellaneous	30,900.00	
	Delivery Charges	39,586.35	
		1,796,052.91	
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SUNSET HOTEL LIMITED			
		DR	CR
		KSHS	KSHS
J.	ADMINISTRATION EXPENSES		
	Bank Charges	355,879.65	
	Legal Expenses	2,400.00	
	Audit Fees	150,000.00	
	Audit expenses	32,455.00	
	Loan Application Fees	5,000.00	
		545,734.65	
K.	ADVERTISEMENT & PROMOTION		
	Advertising	182,991.48	
	Entertainment	581,890.00	
	Agents Commission	911,239.00	
		1,676,120.48	
L.	GENERAL CHARGES		
	Flowers & Decorations	92,365.00	
	Donation & Subscriptions	680,346.35	
	Security Services	485,468.67	
	Other Expenses	14,363.20	
		1,272,543.22	
N.	DEPRECIATION & AMORTISATION		
	Land	NIL	
	Plant & Machinery	112,752.60	
	Furniture & Equipment	326,270.80	
	Motor Vehicle	73,750.00	
	Bulding	263,987.35	
		776,760.75	
O.	INTEREST & OTHER CHARGES		
	Dirctors' Fees	305,210.00	
	Directors' Expenses	131,102.00	
	Loan Interest	572,756.00	
	CLT Interest/ Penalty	85,587.00	
		1,094,655.00	
	CASH & BANK ACCOUNT.		
	Main Bank Account -Co - Operative Ban		2,404,074.05
	Main Bank Account -KCB		261,486.35
	Main Bank Account -National Bank		16,283.65
	Cash Control	305,435.85	
	Petty Cash Control	180,000.00	
	Cash Float	35,000.00	
		520,435.85	2,681,844.05

SUNSET HOTEL LIMITED		
	DR	CR
	KSHS	KSHS
TRADE DEBTORS & ACCOUNT RECIEVABLES		
Trade Debtors	6,092,002.30	
Sundry Debtors	563,976.95	
Staff Advances	163,482.70	
Prepayments	352,492.09	
Deposits	180,854.50	
Staff Imprests	47,500.00	
Suset SACCO	36,096.45	
Staff Insurance Deductions	2,056.40	
Staff Loan	290,000.00	
Diner Club	11,000.00	
Provision For Debtors		520,857.00
Provision for Sundry Debtors		479,932.00
Provision for Diner Club Deposits		11,000.00
	7,739,461.39	1,011,789.00
STOCKS AND STORES		
Food Stores	102,018.47	
Cellar Stores	79,751.76	
Bar Stocks	186,081.87	
Tobacco Stores	46,931.50	
Empties Stock	53,707.00	
Operating Equipment Stores	84,846.08	
Consumable Stores	267,568.06	
Stationary Store	535,126.38	
Fuel & Gas Stock	306,663.42	
Misc. Electrical Tools Stores	221,801.74	
Provision For Absolute Stock.		184,100.00
	1,884,496.28	184,100.00
TRADE CREDITORS & OTHER PAYAE		
Trade Creditors		7,967,986.40
Sundry Creditors		1,427,967.70
Vale Added Tax		6,181,104.79
Service Charge		224,973.45
Catering Levy Training Trustee		95,607.50
Deposits		454,409.90
Payroll Control		24,948.70
P.A.Y.E		596,754.45
N.S.S.F		708.00
N.H.IF.		5,267.00
COTU		12,498.00
Other Payroll Deductions		11,672.00
Local Authority Service Charge		66,700.00
Accrued Expenses		618,000.00
VAT Penalty		1,632,076.00
		19,320,673.89

SUNSET HOTEL LIMITED		
	DR	CR
	KSHS	KSHS
PROPERTY PLANT AND EQUIPMENT		
Land	178,013.00	
Building	10,559,511.00	
Plant & machinery	2,229,616.00	
Air Conditioners	1,891,993.00	
Lifts	330,048.00	
Furniture & Equipment	4,726,224.65	
Motor Vehicles	528,700.00	
	20,444,105.65	
Provision For Depreciation		
Land		NIL
Building		6,699,117.35
Plant & Machinery		3,789,841.90
Furniture & Fitting		2,987,125.95
Motor Vehicle		454,950.00
		13,931,035.20
SHAREHOLDERS FUND		
SHARE CAPITAL		
		12,000,000.00
Retained Earning/Loss	32,136,125.00	
SHORT & LONG TERM LIABILITIES		
KTDC Advance		2,469,393.00
KTDC Loan		11,465,352.00
	32,136,125.00	25,934,745.00
	108,214,396.41	108,214,396.41