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Kenatco Taxis Ltd

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ANNUAL REPORT AND ACCOUNTS

As at 30th June 1991.

KENYA NATIONAL ASSEMBLY
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KENATCO TAXIS LIMITED.

**REPORT AND ACCOUNTS FOR THE
YEAR ENDED 30TH. JUNE, 1991.**

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KENATCO TAXIS LIMITED.

REPORT OF THE DIRECTORS

The Directors have pleasure in presenting their Report and the Financial Statements for the year ended 30th. June, 1991.

1. **PRINCIPAL ACTIVITIES:**

The Company operates a fleet of taxis in Nairobi and Mombasa.

2. **RESULTS:**

An operating Loss of Kshs.1,572,077 was reported during the Financial Year ended 30th. June, 1991.

3. **DIVIDENDS:**

The Directors do not recommend the payment of a dividend.

4. **DIRECTORS:**

The Directors who served during the period were:-

Industrial & Commercial Development Corporation (Chairman)

Mr. J.P.N. Simba

Mr. E.N. Wainaina

Mr. W. Rono

Permanent Secretary, Ministry of Industry

5. **AUDITORS:**

The Auditor-General (Corporations) who is the Company's Auditor will continue in office in accordance with the Exchequer and Audit (Amendment) Act 1985 (Cap.412).

By Order of the Board
ICDC Management Services Division


SECRETARY

C.D.C. MANAGEMENT SERVICES DIVISION
SECRETARIES

REPORT OF THE AUDITOR-GENERAL (CORPORATIONS) ON THE ACCOUNTS OF
KENATCO TAXIS LIMITED FOR THE YEAR ENDED 30 JUNE 1991


I have examined the accounts of Kenatco Taxis Limited for the year ended 30 June 1991 in accordance with Section 29 (2) 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 and the accounts which have been prepared under the historical cost convention are in agreement therewith and comply with the Companies Act, (Cap 486).

Subject to the reservations here below, in my opinion, the accounts, when read together with the notes thereon, give a true and fair view of the state of affairs of the Company as at 30 June 1991 and of its loss and source and application of funds for the year then ended.

Budgetary Control

During the year the Company overspent its budget by Kshs.5,674,786 on some 11 items. It would appear that the Company did not exercise adequate budgetary control in that it failed to contain its expenditure within the approved budget thereby causing the Company to realise an operating loss of Kshs.1,572,077 for the year.

The debtors balance has increased by Kshs.2,806,378 (66.61%) from Kshs.4,123,349 in 1989/90 to Kshs.7,019,729 as at 30 June 1991. Further, the debtors balance of Kshs.7,019,729 includes figures of Kshs.249,204 and Kshs.114,834 brought forward from 1988/89 and 1989/90 respectively and a figure of Kshs.199,928 being the invoiced amount in 1990/91 in respect of transport charges recoverable from the Company's drivers. Although in my previous years' report I indicated that the total amount of Kshs.249,204 would be recovered from the drivers, no such recovery had been made in respect of the 1988/89 amount as at 30 June 1991.


A. J. OKOTH
AUDITOR-GENERAL (CORPORATIONS)

28 February 1991

KENATCO TAXIS LIMITED

PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED
30TH. JUNE, 1991.

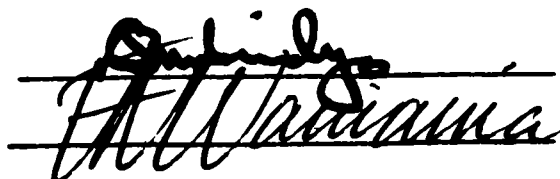
	<u>NOTES</u>	<u>1991 KSHS</u>	<u>1990 KSHS</u>
TURNOVER		37,654,536 =====	31,426,939 =====
OPERATING PROFIT/ (LOSS)	2	(<u>1,572,077</u>) =====	(<u>825,643</u>) =====
PROFIT/(LOSS) RETAINED FOR PERIOD 5	5	(<u>1,572,077</u>) =====	(<u>825,643</u>) =====

KENATCO TAXIS LIMITED

BALANCE SHEET AS AT
30TH. JUNE, 1991

	<u>Notes</u>	<u>1991</u> <u>KSHS</u>	<u>1990</u> <u>KSHS</u>
<u>Capital Employed:</u>			
Share Capital	4	5,000,000	5,000,000
Retained Profit/(Loss)	5	(2,554,038)	(981,961)
Long Term Loans	6	17,000,000	17,000,000
		<u>19,445,962</u>	<u>21,018,039</u>
<u>Represented by:</u>			
Fixed Assets	3	17,242,504	20,927,424
<u>Current Assets:</u>			
Stocks	7	2,895,058	2,756,849
Debtors	8	7,019,725	4,213,347
Bank Balance & Cash		468,762	266,318
		<u>10,383,545</u>	<u>7,236,514</u>
<u>Current Liabilities:</u>			
Creditors	9	2,088,994	2,365,461
Interest Payable	9	3,713,394	1,276,728
Loans Repayable within twelve months	6,		1,250,000
Bank overdraft		2,377,699	2,253,710
		<u>8,180,087</u>	<u>7,145,899</u>
Net Current Assets		2,203,458	90,615
		<u>19,445,962</u>	<u>21,018,039</u>
		=====	=====

DIRECTORS:



The accounts were approved by the Board of Directors on 30TH JANUARY 1992

KENATCO TAXIS LIMITED

STATEMENT OF SOURCE AND APPLICATION OF FUNDS
FOR THE YEAR ENDED 30TH. JUNE, 1991

	<u>1991</u> <u>KSHS</u>	<u>1990</u> <u>KSHS</u>
<u>SOURCE OF FUNDS:</u>		
Operating Loss	(1,572,077)	(825,643)
Adjustment for Cash Loss 1986 to 1989		(685,529)
Adjustment for items not involving movements of funds:		
Depreciation	5,335,148	5,364,490
	<u>3,763,071</u>	<u>3,853,318</u>
 FUNDS FROM OTHER SOURCES:		
Loans received	-	18,500,000
	<u>3,763,071</u>	<u>22,353,318</u>
 APPLICATION OF FUNDS:		
Purchase of fixed assets	(1,650,228)	(22,277,123)
Loans repaid	(1,850,000)	(2,750,000)
Dividends paid	-	(250,000)
Tax paid	-	(829,370)
	<u>(2,900,228)</u>	<u>26,106,493</u>
Increase/(Decrease) in working capital	<u>862,843</u>	(<u>3,753,175</u>)
 ANALYSIS OF CHANGE IN WORKING CAPITAL:		
Increase in stocks	138,209	475,125
Increase in debtors	2,806,378	192,829
Increase in creditors	(2,160,199)	(2,429,840)
Movement in net liquid funds	78,455	(1,991,289)
	<u>862,843</u>	<u>(3,753,175)</u>
	=====	=====

KENATCO TAXIS LIMITED

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 30TH. JUNE, 1991

1. Significant Accounting Policies :

a) Accounting Convention:

The accounts are prepared under the historical cost convention.

b) Turnover:

Turnover comprises the amounts receivable for services rendered.

c) Fixed Assets and Depreciation:

Fixed Assets are stated at cost less depreciation. Effective this year depreciation has been calculated on reducing balance method. Prior to this year, Depreciation was being calculated on a straight line basis at annual rates estimated to write off the assets over their expected useful lives:-

Motor Vehicle	25%
Workshop Equipment	12.5%
Furniture, Fittings and office equipment	12.5%

d) Stock:

Stock is stated at lower of cost or net realisable value.

2. Operating Loss Before Tax:

Operating loss before tax is stated after charging:

	1991	1990
	<u>KSHS.</u>	<u>KSHS.</u>
Depreciation	5,335,148	5,364,490
Interest payable	3,551,973	2,158,619
Auditors remuneration	70,000	70,000
Directors Emoluments:		
Fees	20,000	20,000
Other remuneration	45,319	31,065
And after crediting:		
Interest receivable	-	90,832

KENATCO TAXIS LIMITED

**NOTES TO THE ACCOUNTS (CONT.)
FOR THE YEAR ENDED 30TH. JUNE, 1991**

3. Fixed Assets:

	<u>Motor vehicles</u>	<u>Fur. & F. O/Equip.</u>	<u>W/Shop Equip. & L/Tools</u>	<u>Totals</u>
Cost:				
Cost at 1 July, 1990	31,980,529	595,416	352,250	32,928,195
Additions	1,370,440	186,683	93,105	1,650,228
Disposals	-	-	-	-
At 30.6.91	<u>33,350,969</u>	<u>782,099</u>	<u>445,355</u>	<u>34,578,423</u>
Depreciation:				
At 1 July, 1990	11,696,882	173,277	130,612	12,000,771
Charge for the year	5,219,829	76,102	39,217	5,335,148
At 30.6.91	<u>16,916,711</u>	<u>249,379</u>	<u>169,829</u>	<u>17,335,919</u>
Net book value 1991 30.6.91	16,434,258	532,720	275,576	17,242,504
Net book value 1990 30.6.90	<u>20,283,647</u>	<u>422,139</u>	<u>221,638</u>	<u>20,927,424</u>

Share Capital:

Authorised 250,000 ordinary
Shares of Shs.20/= each Shs. 5,000,000

KENATCO TAXIS LIMITED

**NOTES TO THE ACCOUNTS (CONT.)
FOR THE YEAR ENDED 30TH. JUNE, 1991**

Issued and fully paid
250,000 ordinary shares of
Shs.20/= each 5,000,000

5. Retained Profit/(Losses)

	<u>1991</u> <u>SHS.</u>	<u>1990</u> <u>SHS.</u>
At 1 July, 1991	(981,961)	529,211
Profit/(Loss) for period	(1,572,077)	(825,643)
Adjustment for cash loss (1986 to 1989)	-	(685,529)
	<u>2,554,038</u>	<u>(981,961)</u>

6. Long Term Loan:

ICDC Loans

a) Secured payable quarterly to 30th. June, 1990	-	1,250,000
b) Secured payable quarterly whose payment starts January, 1991. Repayment to be re-scheduled	17,000,000	17,000,000
	<u>17,000,000</u>	<u>18,250,000</u>
Less: Current portion included in current liabilities (payable within 12 months)	-	1,250,000
	<u>17,000,000</u>	<u>17,000,000</u>
	<u>17,000,000</u>	<u>17,000,000</u>

7. Stock:

Spares accessories and con- sumables	<u>2,895,058</u>	<u>2,756,849</u>
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8. Debtors:

Trade Debtors	5,383,734	3,551,313
Other debtors & prepaid expenses	1,635,991	662,034
	<u>7,019,725</u>	<u>4,213,347</u>
9. Trade Creditors	429,295	716,079
Other Creditors and accruals	5,373,093	2,926,110
	<u>5,802,388</u>	<u>3,642,189</u>

10. The Company is incorporated in Kenya under the Companies Act.

KENATCO TAXIS LIMITED.

DETAILED PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 30TH. JUNE, 1991.

	<u>1991</u> <u>KSHS</u>	<u>1990</u> <u>KSHS.</u>
Turnover	<u>37,654,536</u>	<u>31,426,939</u>
<u>Operating Expenses:</u>		
Wages	5,854,862	4,263,275
Fuels and Oils	6,016,399	3,901,421
Repairs and Renewals	5,989,699	4,303,191
Tyres and Tubes	899,225	654,641
Crew Travel	296,821	313,252
Clothing and Uniforms	449,078	371,873
Ferry and Toll Charges	162,222	60,047
Towing Charges	18,770	15,531
Licences	121,853	(179,154)
Insurances	260,297	(426,466)
Rent and Rates	860,771	849,670
Depreciation	5,259,046	5,290,063
Car Cleaning	11,727	5,189
Workshop Sundries	112,894	124,574
Private hiring	-	<u>1,618,272</u>
	<u>26,313,664</u>	<u>22,376,619</u>
Gross operating profit	11,340,872	9,050,320
<u>Administration Expenses</u>		
Salaries	5,231,779	4,378,552
Administration Travelling	148,701	193,785
Other Insurances	518,655	474,430
Advertising	371,953	184,101
Rent and Rates	286,924	278,689
Electricity	17,370	11,959
Postage	26,816	(48,357)
Telephone & Telegrams	649,601	(470,961)
Printing & Stationery	653,355	551,195
Depreciation	76,102	74,427
Trade licences	24,512	7,590
Computer charges	106,266	74,142
Office Cleaning & Maintenance	53,271	22,935
Repairs: Office furniture	44,608	69,340

KENATCO TAXIS LIMITED.

DETAILED PROFIT AND LOSS ACCOUNT (CONT.)
FOR THE YEAR ENDED 30TH. JUNE, 1991

	<u>1991</u> <u>KSHS</u>	<u>1990</u> <u>KSHS</u>
Staff Welfare	218,776	66,442
Public Relations	184,377	118,670
Directors Fees	20,000	20,000
Sitting & Travelling Allowance	45,320	27,972
Staff Training	132,420	21,285
Donations & Subscriptions	59,290	57,500
Water & Conservancy	2,242	869
Board Expenses	-	3,093
Dailies & Periodicals	4,248	3,340
Discount Allowed	1,105	2,020
Repairs: Workshop Equipment	63,781	23,415
Court Fines	3,290	24
Miscellaneous Adm. Expenses	845	1,053
	<u>8,945,607</u>	<u>7,186,146</u>
<u>Professional Expenses:</u>		
Management fees	200,000	200,000
Legal & Professional fees	39,881	93,480
Audit fees	70,000	70,000
	<u>309,881</u>	<u>363,480</u>
<u>Financial Expenses:</u>		
Bad debts	-	35,896
Loan interest	3,551,973	2,158,619
Bank charges	120,070	228,675
	<u>3,672,043</u>	<u>2,423,190</u>
Total Administration	<u>12,927,531</u>	<u>9,972,816</u>
<u>Other Income:</u>		
Interest receivable	-	(90,832)
Sundry	(14,582)	(6,021)
	<u>14,582</u>	<u>96,853</u>
Net Administration & Financial	12,912,949	9,875,963
Profit/(Loss)	(1,572,077)	(825,643)
	=====	



