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Annual Report and Accounts
1992/93

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Industrial and Commercial Development Corporation.

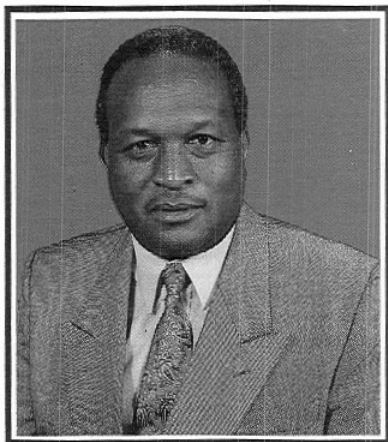
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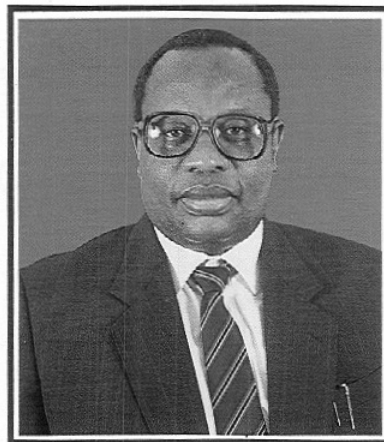
Cover Photo:-

AGRO CHEMICAL AND FOOD COMPANY LIMITED's factory at Muhoroni.
This Associate Company of ICDC produces bakers yeast, power alcohol,
rectified spirit and other products from Molasses

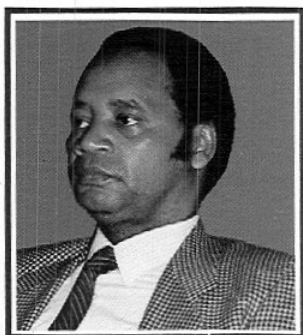
THE ICDC BOARD OF DIRECTORS



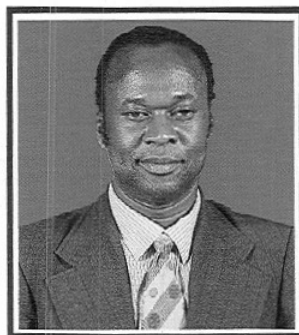
R. K. Chesire
Chairman



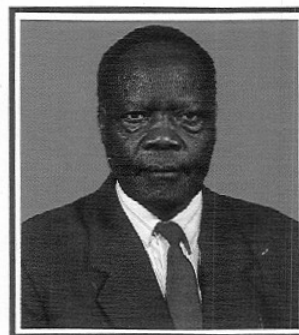
C.S. Mbindyo
Executive Director



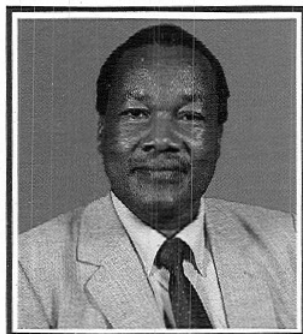
B.B.C. Kang'ela
*Alternate to the Permanent Secretary,
Ministry of Commerce & Industry*



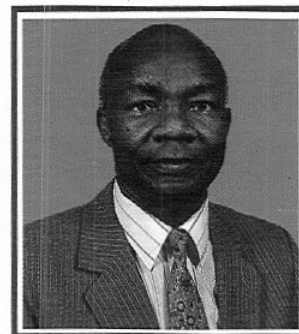
F.G. Makila
*Alternate to the Permanent Secretary,
Treasury*



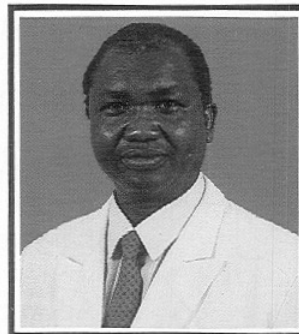
T.W. Wafula



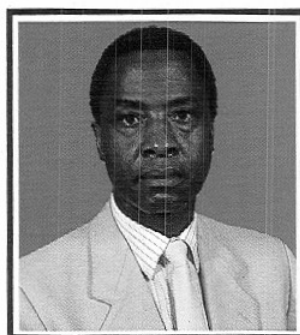
J. Oira



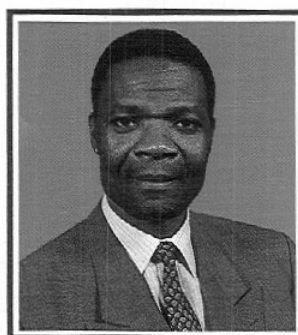
J.P.I. Bonyo



J.K. Chemnjor



G. Hanjari



S. Juma
Secretary

Industrial and Commercial Development Corporation.

Head Office

Uchumi House,
P.O. Box 45519,
NAIROBI
Telephone: 229213
Telex: 22429 ICDC KE
Fax: 333880

Directors

R. K. Chesire (Chairman)

C.S. Mbindyo (Executive Director)

Permanent Secretary,
Ministry of Commerce & Industry

Permanent Secretary, Treasury

T.W. Wafula

J. Oira

J.P.I. Bonyo

J.K. Chemnjor

G. Hanjari

Secretary to the Board

S. Juma

Chief Officers

Executive Director

C.S. Mbindyo

Corporation Secretary & Head of Administration

S. Juma

Financial Controller

H.G. Miriga

Chief Industrial Manager

G.A.G. Kimaru

Commercial Manager

G.K. Kimweli

Manager, Management Services Division

F.G. Gaciri

Investments Supervision Manager

B.J.M. Obiri

Field Offices

Mombasa, Nakuru, Kisumu, Kakamega,
Nyeri, Embu, Nairobi, Garissa, Kisii,
Machakos and Eldoret.

Auditors

The Auditor-General (Corporations)

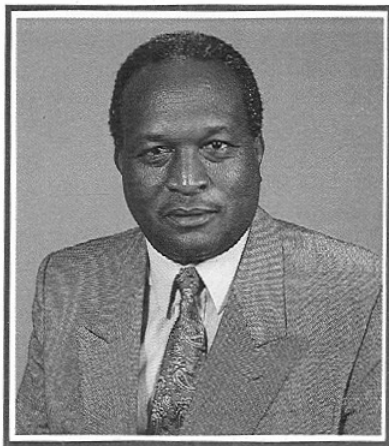
Bankers

Kenya Commercial Bank Limited
Moi Avenue, Nairobi

Commercial Bank of Africa Limited
Wabera Street, Nairobi.

Industrial and Commercial Development Corporation.

A.-Chairman's Statement



R.K. Chesire, Chairman

Economic Review

Global Scene

The recovery of global activity after the 1991 downturn remained hesitant and uneven. Growth declined sharply in many developed economies especially in Japan and Germany, although some industrialized countries had started to emerge from recession towards the end of the 1992/93 period.

The continued economic difficulties among most members of the Organisation for Economic Co-operation and Development (OECD) during the period were due to inadequate budgetary consolidation and structural rigidities. These left most countries in a weak position to cope with recent and continuing sluggishness of global economic activity.

The real Gross Domestic Product (GDP) of the OECD States improved from 0.2% in 1991 to 1.5% in 1992 with improvement being noticeable in the USA, Germany and Canada. For industrialized econo-

mies, employment growth dropped from 0.5% in 1991 to 0.1% in 1992. Unemployment rose from 7.1% in 1991 to 7.9% in 1992 while inflation declined from 3.5% in 1991 to 3.2% towards the end of 1992/93.

Performance of developing economies as a group improved in 1992, with real GDP rising from 4.2 in 1991 to 6.1% in 1992. However, inflation rose from 35.7% in 1991 to 38.7% in 1992. Overall, the World output grew by 1.8% in 1992 against a growth rate of 0.6% in 1991. The volume of World trade, however, grew by 4.5% in 1992 against a growth rate of 2.3% in 1991.

Domestic Scene

The Kenyan economy continued to experience serious economic setbacks during the period. Annualised inflation rose to 27.5% in 1992 compared to 19.6% in 1991. The acceleration in inflation reflected the impact of removal of price controls, the devaluation of the Kenya shilling, and the effect of the excess liquidity that prevailed in the economy.

However, towards the end of 1992/93, the inflation rate had started to retreat rapidly owing mainly to monetary and fiscal measures instituted by the Government. The domestic economy also experienced a drop in real GDP to below 1% moving from 2.3% in 1991 to 0.4% in 1992 in virtually all sectors. Agricultural production growth decelerated by 3.8% in 1992 against a decline of 1.1% in 1991 mainly due to adverse weather conditions and high cost of inputs among other factors. The manufacturing sector which was badly hit by both domestic and international macro-economic difficulties registered a dismal growth of 1.2% against 3.8% growth rate achieved in 1991. The building and construction industry achieved a negative growth of 2.7% in 1992 against a positive growth of 2.3% in 1991 while electricity and water growth dropped by 3.3% to 1.9% in 1992. There was also a decline in the tourism industry which saw bed occupancy dropping from 59.1% in 1991 to 48.2% in 1992.

Creation of jobs in Public and Private Sectors fell from 2.1% and 2.5% in 1991 to 1.2% and 1.7%, respectively, in 1992. The decline was due to the poor performance of the economy and the on-going restructuring of the Public Sector.

The Government was however, undertaking various economic and financial reforms to rejuvenate the economy in line with the International Monetary Fund (IMF) and World Bank Structural Adjustment Programmes (SAPS). These measures were geared towards overall easing of the adverse economic pressures on the economy. The outlook is, therefore, one of optimism despite the short term sacrifices that are pertinent to SAPs in a period of transition from an adverse to a gainful economic environment as is being experienced presently. The Corporation will also gear itself towards tapping all economic opportunities that are expected with economic revival, reforms and further liberalization.

Restructuring Programme

The restructuring of the Corporation continued during the year under review and a new charter to guide the Corporation's business into the future has already been approved by the Government.

Industrial and Commercial Development Corporation.

A.-Chairman's Statement-(Contd.)

Under its new mandate, the Corporation will re-orientate its operations towards the promotion of venture capital investments, quick investment rollover, maximisation of profits, self sustainability and payment of dividends to Government. Without compromising its commercial objectives, the Corporation will be seeking to play a prominent role in broadening the ownership base of enterprises, the development of capital markets and fostering entrepreneurship among Kenyans.

The Corporation's Performance

During the year under review, the Corporation's net assets employed increased by Ksh 199.9m or 10% from Ksh 1,977.3m to Ksh 2,177.2m. The net profit increased by Ksh 48.1m from Ksh 44.3m in 1991/92 to Ksh 92.4m in the year under review.

The increase in profits was mainly attributed to increased earnings of dividends and interest from our equity and loan portfolios, respectively. These earnings increased by Ksh 163.9m (50%) from Ksh 328.7m in the previous year to Ksh 492.6m in the year under review.

The receipt of dividends increased from Ksh 120.5m in the previous year to Ksh 165.1m in the current year. This was mainly because a number of our Subsidiary and Associate Companies were able to declare and remit higher dividends as a result of improved performance. The Corporation's collections on Small Loans also increased to Ksh 123.3m compared to Ksh 109.3m realised in the previous year. The large and medium loans yielded some Ksh 39.9m. The Corporation's liquidity position was however weakened by the heavy foreign and local debt obligations occasioned by the depreciation of the Kenya shilling against the hard currencies and the short-term effects of the economic reform programmes undertaken by the Government. Nevertheless, the Corporation was able to undertake the various activities outlined below;

(a) Small Loans Programme

Due to cashflow constraints, acceptance of new applications under the Small Loans Programmes remained suspended. Accordingly, the Corporation's lending activities were kept at low levels, and were limited to applications received before the suspension. A total of 133 commercial loan applications previously received and worth Ksh 14.1m were approved while disbursements amounted to Ksh 26.8m compared to Ksh 55.2m disbursed during the previous year.

Under the Small Industrial Loan Scheme, two loans worth Ksh 2.0m were approved while disbursements amounted to Ksh 5.7m compared to Ksh 9.4m disbursed during the previous year.

The Corporation continued to administer the Small Holder Irrigation Loans Scheme in partnership with the Ministry of Agriculture to full-time farmers in selected semi-arid areas. A total of Ksh 1.8m was approved for twenty six (26) applicants while Ksh 0.35m was disbursed. In an effort to enlighten traders on the role of the Corporation, our field officers participated in a number of courses and seminars organized by the Ministry of Commerce and Industry throughout the country.

(b) Privatization and Divestiture

During the year under review, the Corporation, in conjunction with the Parastatal Reform Programme Committee, continued with the privatization of various companies.

Divestiture from E.S.A. Limited, Yuken Textile Industry Limited, Tiger Shoe Company Limited and Nairobi Oil Products Limited was completed by the close of the year. There was also a very successful floatation of 40% of the shares of Uchumi Supermarkets Limited on the Nairobi Stock Exchange.

The Sale of the Corporation's share holding in a number of Companies was initiated and divestiture was at an advanced stage. The companies included Kicomi (1983) Limited, African Diatomite Industries Limited, Synthetic Fibres Kenya Limited, Kenya Cashewnuts Limited, Seracoatings Limited, Salt Manufacturers Kenya Limited and East African Fine Spinners Limited.

(c) New Projects and Rehabilitation of Companies

By the end of the 1992/93 period, all imported machinery and equipment for the Soya Oil and Food Industries Limited had been received and transported to a newly constructed go-down at the project site. The Corporation met all the costs related to the insurance, transportation and storage of the machinery and equipment amounting to Ksh 15.9m.

Industrial and Commercial Development Corporation.

A.-Chairman's Statement-(Contd.)

During the same period, two financially weak companies were supported by the Corporation in the form of loans to enable them procure raw materials and also pay salaries and wages. The companies which benefitted from this support were East African Fine Spinners Limited (Ksh 9.16m) and Synthetic Fibres Kenya Limited (Ksh 11.05m)

(d) Management and Technical Support

The Corporation continued to render management and technical support to East African Fine Spinners Limited, Kenatco Taxis Limited, Kenya Engineering Industries Limited, Pan Vegetable Processors Limited, Brollo Kenya Limited and Kenya Taitex Mills Limited.

Furthermore, property valuation services were offered to Uchumi Supermarkets Limited, Kenya Film Corporation Limited, Kisii Bottlers Limited, Pan Vegetable Processors Limited (in receivership), East African Fine Spinners Limited and Rift Valley Textiles Limited.

(e) Board Workshop

In August, 1992, the Directors attended a workshop organised by the Kenya Institute of Management at the Serena Beach Hotel, Mombasa. The Seminar was opened by the Assistant Minister for Industry, Hon. Lawi Kiplagat, and it covered various topics of policy interest to the Directors including privatization, the balance sheet and investment analysis, and public relations. The Directors also took sometime off to inspect machinery and site for the Soya Bean Oil Project.

(f) Nairobi International Show

During the five-day 1992 Nairobi International show, seventeen (17) subsidiary and associate companies exhibited their products at the Corporation's pavillion. Items displayed included thread and yarn, motor vehicles and motor cycles, furniture and electrical appliances, textiles and fishing nets, prefabricated metal houses, wines and spirits, power alcohol and bakers' yeast, dry cell batteries and mobile telephones.

(g) Donations

The construction of a centre for Human Resources and Development at Moi University, Eldoret, which is sponsored by both the Corporation and the Uchumi Supermarkets Limited, continued during the year under review. An additional disbursement of Ksh 4.3m was made towards this project, bringing the Corporation's total contribution to Ksh 11.7m.

Acknowledgements

I wish to express my appreciation to the Management and the Staff of the Corporation whose dedication to duty, hard work and prudent management of available resources made possible the satisfactory results recorded in this report. Thanks to my colleagues on the Board who extended their fullest co-operation to me, thus making it possible for the Board to deliberate fully, expeditiously and constructively on all matters brought before it and to formulate clear and workable policies to guide the Corporation in its operations. Thanks also to my able predecessor, Prof. David G Gatei, who had done much to strengthen the institution.

During the year, the Board lost one of its illustrious members, Mr. Japheth Chemnjor, who passed away after a short illness. I wish to put on record the Board's as well as my own grateful appreciation for his invaluable contribution in the service of the Corporation since his appointment in May 1988. He will be greatly missed.

The satisfactory results recorded by the Corporation were in no small measure due to the dividends received from some of its subsidiary and associate companies. To these companies, I extend my congratulations and encourage them to do even better in future. I am also grateful to the Corporation's bankers and other financial institutions, both local and offshore, for their valuable contributions to the Corporation.

Finally, I wish to express the Corporation's appreciation for the support and co-operation from the Government in general and particularly from its parent Ministry of Commerce and Industry, the Treasury and the Office of the President. In particular, I wish to express my most sincere thanks to H.E. The President of the Republic of Kenya, Hon. Daniel T. Arap Moi, for honouring me with the opportunity to serve the Nation as Chairman of I.C.D.C.

R.K. Chesire,
CHAIRMAN

Industrial and Commercial Development Corporation.

B.-Director's Report

I.-Financial Report

The Board of Directors has the pleasure of submitting the Annual Report together with the audited accounts for the Financial year ended 30th June, 1993. In accordance with Section 15(4) of the Industrial & Commercial Development Corporation Act (Cap 445).

The Corporation's gross income increased by Ksh 169.1m (48%) from Ksh 354.3m for the previous year to Ksh 523.4m for the year under review. On the other hand, the Corporation's gross expenses increased by Ksh 200.6m from Ksh 342.3m to Ksh 542.9m. This increase in expenses is mainly attributed to the increase in provision for losses by Ksh 151m and the rising costs of goods and services consumed by the Corporation in its operations. The increase in expenses was however, partly offset by gains in foreign exchange on loans onlent in foreign currency due to appreciation of the hard currencies against the Kenya shilling. As a result, the Corporation was able to realise a profit of Ksh 92.4m compared with the previous year's profit of Ksh 44.3m

The Corporation's cash position improved by Ksh 67.8m from an overdraft of Ksh 71.7m as at June 30, 1992 to an overdraft of Ksh 3.9m as at June 30, 1993. This improvement was partly due to increased collections on our equity and loans portfolios and partly due to delay in remittance of foreign loan instalments as a result of foreign exchange controls.

In spite of the continued profitability of the Corporation, its future challenges after the ongoing restructuring are enormous. There is therefore a need to improve the Corporation's financial base. In view of this, the directors do not recommend the declaration of a dividend.

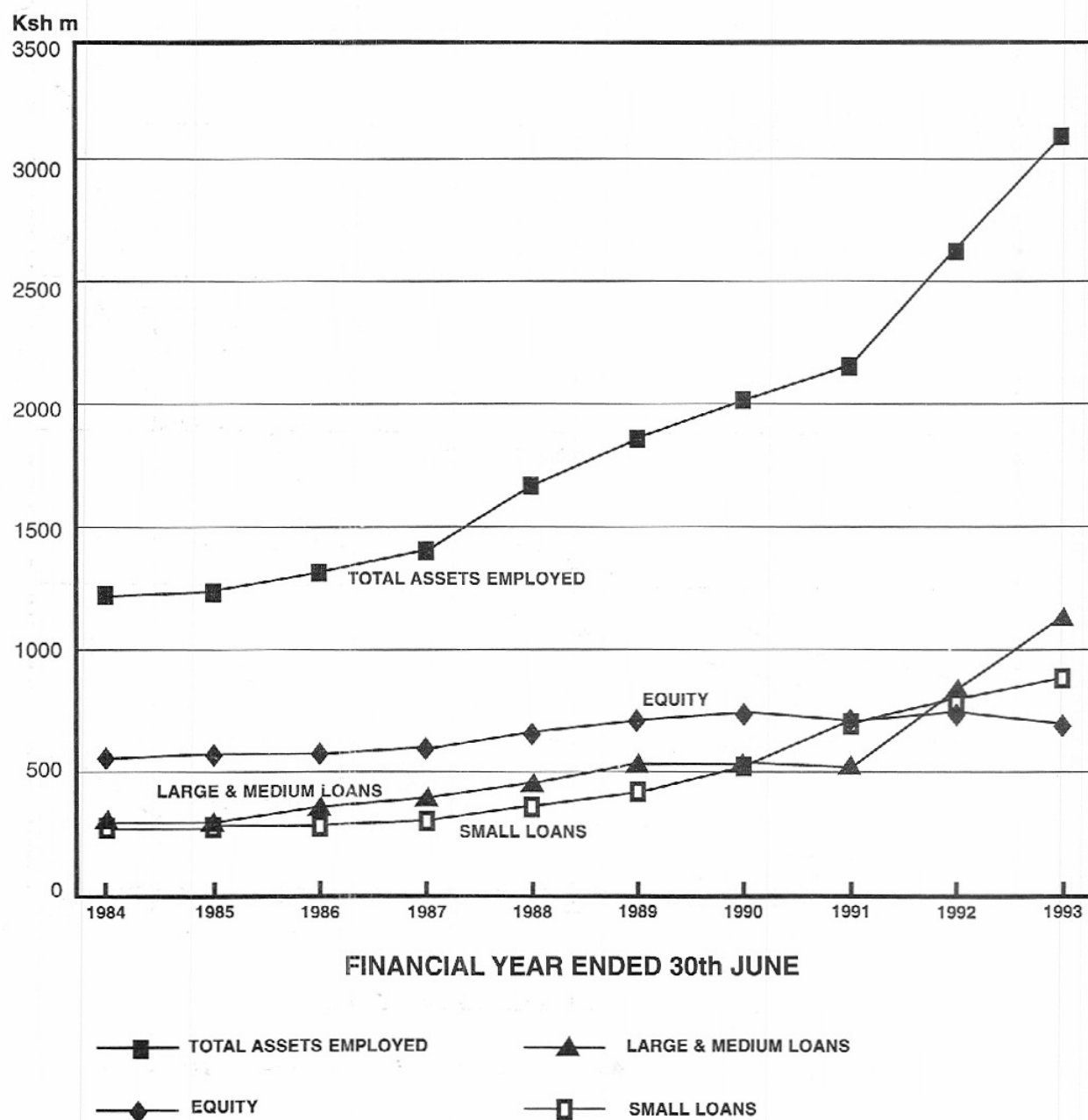
Industrial and Commercial Development Corporation.

II. Investment and Profits Review-1992/93

INVESTMENTS	AMOUNT AS AT 30.6.93 Ksh	AMOUNT AS AT 30.6.92 Ksh	INCREASE (DECREASE) Ksh	%
1. EQUITY				
(a) Subsidiary Companies	351,864,240	366,399,240	(14,535,000)	(4.0)
(b) Associate Companies	370,418,050	400,825,480	(30,407,430)	(7.6)
	<u>722,282,290</u>	<u>767,224,720</u>	<u>(44,942,430)</u>	<u>(5.8)</u>
2. LOANS				
(a) Large & Medium loans(including short- terms advances and interest due)	1,436,688,670	1,063,424,350	373,264,320	35.1
(b) Small loans (including interest due)				
(i) Industrial (including irrigation loans)	223,191,700	197,013,260	26,178,440	13.3
(ii) Commercial (plus staff car loans)	507,757,140	465,030,130	42,727,010	9.2
(iii) Property (plus staff house loans)	143,542,130	133,645,670	9,896,460	7.4
(iv) Machinery	31,587,930	30,241,410	1,346,520	4.4
	<u>2,342,767,570</u>	<u>1,889,354,820</u>	<u>453,412,750</u>	<u>24.0</u>
3. FIXED ASSETS	194,944,630	193,531,960	1,412,670	0.7
Total (1+2+3)	<u>3,259,994,490</u>	<u>2,850,111,500</u>	<u>409,882,990</u>	<u>14.4</u>

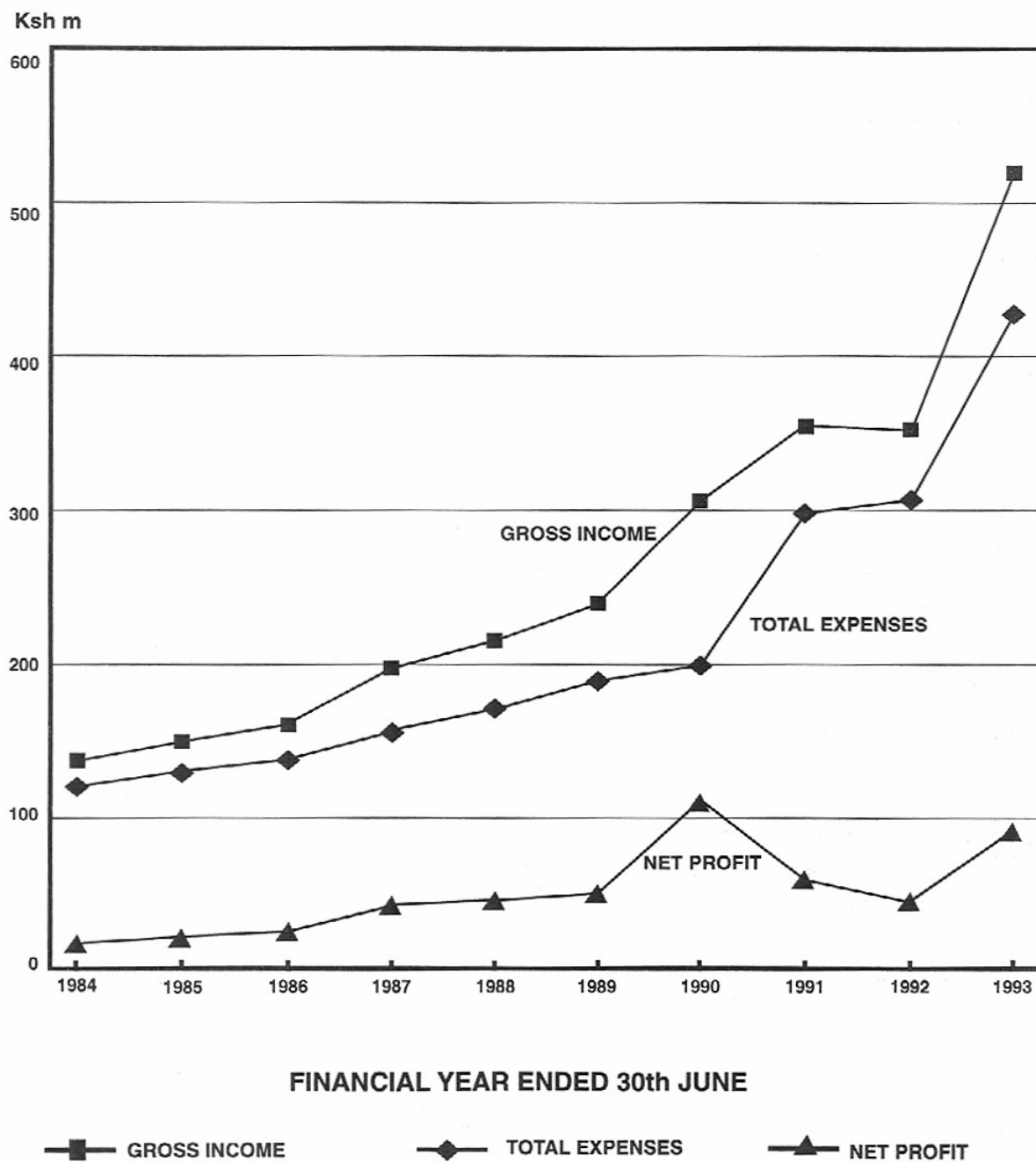
Industrial and Commercial Development Corporation.

INVESTMENT GROWTH



Industrial and Commercial Development Corporation.

PROFITS REVIEW



Industrial and Commercial Development Corporation.

Summary of ICDC Shareholding in Subsidiary and Associate Companies as at 30th June, 1993

	Total issued Capital (Ksh)	ICDC Shareholding (Ksh)	ICDC Shareholding (%)
1. African Diatomite Industries Limited	1,787,440	1,787,440	100.00
2. Agro-Chemical and Food Company Limited	60,000,000	16,900,000	28.17
3. Associated Battery Manufacturers (E.A.) Limited	25,650,000	7,592,400	29.60
4. Brollo Kenya Limited	16,666,660	6,666,660	40.00
5. Chloride Exide Kenya Limited	4,707,800	824,660	17.52
6. Carnaudmetalbox Kenya Limited	40,280,010	5,800,000	14.40
7. CPC Industrial Products Limited	34,938,000	6,216,520	17.79
8. Dawa Pharmaceuticals Limited	39,295,000	13,666,680	34.78
9. Development Finance Company of Kenya Limited	139,000,000	42,460,000	30.55
10. East African Fine Spinners Limited	30,460,500	22,674,796	74.44
11. East Africa Industries Limited	375,891,000	128,329,187	34.14
12. Eslon Plastics of Kenya Limited	10,000,000	1,660,315	16.60
13. Eveready Batteries Kenya Limited	8,653,000	2,152,000	24.87
14. Firestone East Africa (1969) Limited	41,420,000	8,284,000	20.00
15. General Motors Kenya Limited	30,633,000	14,535,000	47.45
16. ICDC Investment Company Limited	78,504,735	18,253,435	23.25
17. Industrial Development Bank Limited	257,600,000	31,200,000	12.11
18. Infusion Kenya Limited	12,800,000	1,699,840	13.28
19. Kenatco Transport Company Limited (in liquidation)	6,900,000	6,900,000	100.00
20. Kenatco Taxis Limited	5,000,000	5,000,000	100.00
21. Kenya Bowling Centres Limited	770,140	200,000	25.97
22. Kenya Cashewnuts Limited	17,000,000	4,118,100	24.22
23. Kenya Drilling Limited (in receivership)	9,113,940	9,113,940	100.00
24. Kenya Engineering Industries Limited	11,000,000	5,500,000	50.00
25. Kenya Film Corporation Limited	4,000,000	4,000,000	100.00
26. Kenya Fishnet Industries Limited	2,500,000	1,075,000	43.00
27. Kenya Flourspar Company Limited	76,712,000	10,003,245	13.04
28. Kenya Industrial Plastics Limited	999,000	333,000	33.33
29. Kenya National Properties Limited	31,300,000	11,109,960	35.50
30. Kenya National Trading Corporation Limited	32,000,000	32,000,000	100.00
31. Kenya Taitex Mills Limited	64,600,000	59,606,420	92.27
32. Kenya Wine Agencies Limited	240,000,000	144,000,000	60.00
33. Kicomi (1983) Limited (in receivership)	53,000,000	19,498,700	36.79
34. Kisii Bottlers Limited	30,333,320	8,000,000	26.37
35. Milling Corporation of Kenya Limited	17,000,000	8,500,000	50.00
36. Minet ICDC Insurance Brokers Limited	4,413,800	2,062,127	46.72
37. Motor and Pedal Cycles Limited	1,007,000	402,800	40.00
38. Mount Kenya Bottlers Limited	20,000,000	6,650,000	33.25
39. Mugitex Manufacturers Company Limited (in receivership)	1,200,000	500,040	41.67
40. Nairobi Oil Products Limited (in receivership)	8,500,000	2,499,850	29.41
41. NAS Airport Services Limited	16,000,000	4,261,120	26.63
42. Panafrika Paper Mills (E.A.) Limited	889,650,000	49,408,880	5.55
43. Pan Vegetable Processors Limited (in receivership)	15,000,000	15,000,000	100.00
44. Polysynthetics Eastern Africa Limited	12,858,000	5,787,000	45.01
45. The Raymond Woollen Mills (Kenya) Limited	84,000,000	9,000,000	10.71
46. Rehabilitation Advisory Services Limited	12,000,000	2,400,000	20.00
47. Rift Valley Bottlers Limited	10,005,200	4,698,760	46.96
48. Rift Valley Textiles Limited	200,000,000	159,800,000	79.90
49. Salt Manufacturers Kenya Limited	17,299,680	6,001,259	34.69
50. Sanyo Armco (Kenya) Limited	6,600,000	2,251,080	34.11
51. Seracoatings Limited (in receivership)	9,899,880	3,399,620	34.34
52. Small Enterprises Finance Company Limited	35,523,680	1,672,000	4.71
53. Sokoro Fibreboards Limited	13,112,300	3,385,800	25.82
54. South Nyanza Sugar Company Limited	353,969,680	13,500,000	3.81
55. Synthetic Fibres Kenya Limited (in receivership)	64,589,810	64,589,810	100.00
56. Uchumi Supermarkets Limited	200,000,000	15,000,000	7.50
57. Wananchi Sawmills (1974) Limited	4,291,860	1,944,480	45.31
TOTAL	3,790,436,435	1,033,875,925	
Directors' Valuation of ICDC's Shareholding		3,549,479,030	

Industrial and Commercial Development Corporation.

Summary of ICDC Shareholding in Subsidiary and Associate Companies as at 30th June, 1993

SMALL LOAN SCHEMES

During the financial year, 135 applications worth Ksh 16,150,000 were approved while Ksh 32,856,370 was disbursed to 266 applicants.

The following is a summary of movements on these loans during the year.

	Amount Ksh
Loans outstanding as at 1/7/92	762,048,700
Add: Loans issued during the year	32,856,370
Miscellaneous disbursements	1,759,480
Interest charged during the year	144,068,200
	<u>940,732,750</u>
Less: Repayments during the year	111,019,640
Loans outstanding as at 30/6/93.	<u>829,713,110</u>

SMALL INDUSTRIAL LOANS

Two loans amounting to Ksh 2 million were approved during the year while Ksh 5,700,000 was disbursed to 10 applicants.

	Amount Ksh
Loans outstanding as at 1/7/92	196,615,800
Add: Loans issued during the year	5,700,000
Miscellaneous disbursements	74,460
Interest charged during the year	37,819,470
	<u>240,209,730</u>
Less: Repayments during the year	18,047,370
Loans outstanding as at 30/6/93.	<u>222,162,360</u>

COMMERCIAL LOANS

During the financial year, 133 applications worth Ksh 14,150,000 were approved while Ksh 26,840,000 was disbursed to 256 applicants.

	Amount Ksh
Loans outstanding as at 1/7/92	456,910,910
Add: Loans issued during the year	26,840,000
Miscellaneous disbursements	1,685,020
Interest charged during the year	87,204,740
	<u>572,640,670</u>
Less: Repayments during the year	82,532,140
Loans outstanding as at 30/6/93.	<u>490,108,530</u>

Industrial and Commercial Development Corporation.

Summary of ICDC Shareholding in Subsidiary and Associate Companies as at 30th June, 1993

PROPERTY LOANS

There were no new property loan approvals during the year. However, Ksh 310,830 was disbursed toward the completion of a building whose loan had been approved in a previous year.

	Amount Ksh
Loans outstanding as at 1/7/92	78,280,580
Add: Loans issued during the year	310,830
Interest charged during the year	14,203,010
	<u>92,794,420</u>
Less: Repayments during the year	6,940,130
Loans outstanding as at 30/6/93.	<u>85,854,290</u>

MACHINERY LOANS

	Amount Ksh
Loans outstanding as at 1/7/92	30,241,410
Add: Loans issued during the year	5,540
Interest charged during the year	4,840,980
	<u>35,087,930</u>
Less: Repayments during the year	3,500,000
Loans outstanding as at 30/6/93.	<u>31,587,930</u>

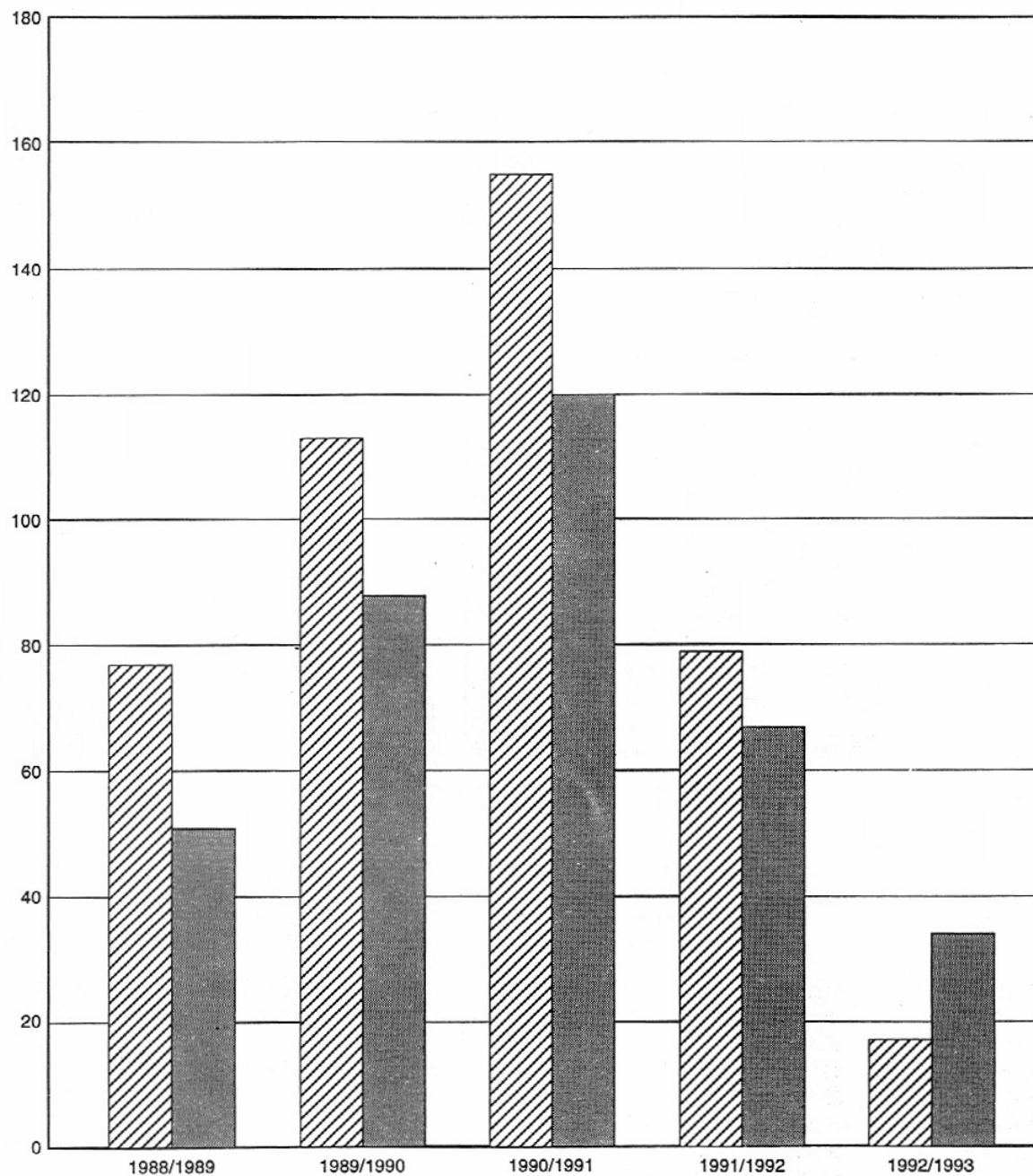


The proprietor of Bora Dry Cleaners in Nakuru has received ICDC funding under the Corporation's Small Industrial Loan Programme

Industrial and Commercial Development Corporation.

Small Loans Approved and Issued

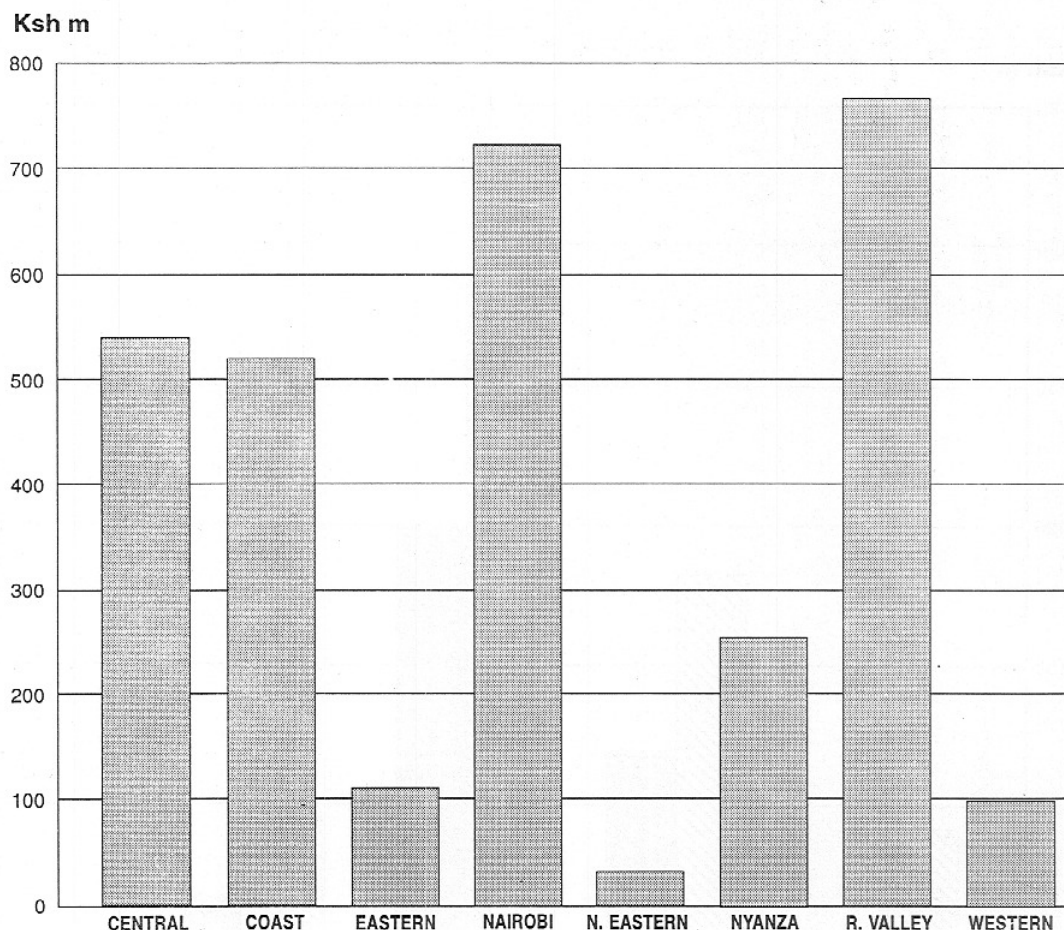
Ksh m



FINANCIAL YEAR ENDED 30th JUNE

Industrial and Commercial Development Corporation.

Regional Distribution of ICDC Loans and Equity Investments as at 30th June, 1993.



FINANCIAL YEAR ENDED 30th JUNE

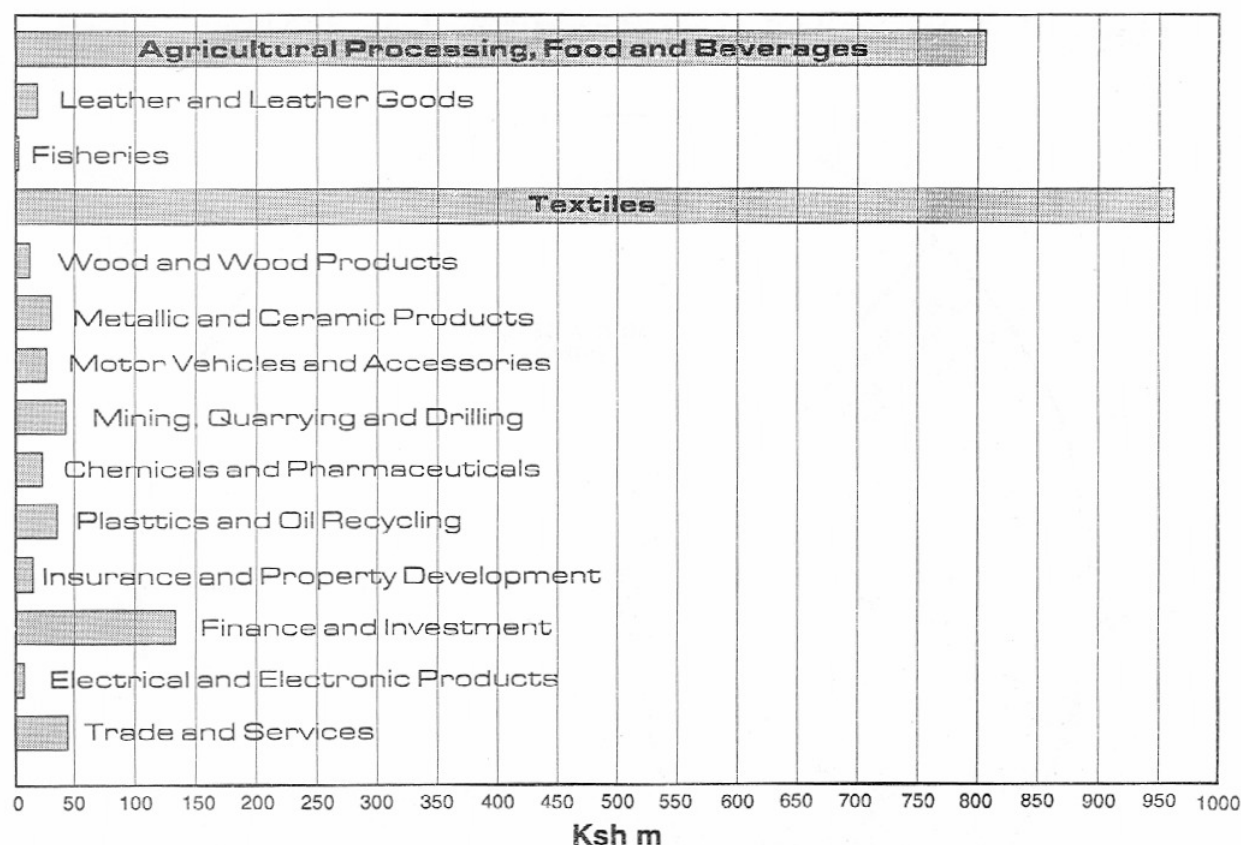
PROVINCE	COMMERCIAL LOANS Ksh	PROPERTY LOANS Ksh	SMALL INDUSTRIAL LOANS Ksh	MACHINERY LOANS Ksh	LARGE AND MEDIUM LOANS Ksh	EQUITY INVESTMENT Ksh	TOTAL Ksh
CENTRAL	41,997,290	31,042,030	29,425,550	0	301,406,170	137,707,270	541,578,310
COAST	18,091,000	6,275,510	2,102,860	0	479,629,900	16,757,960	522,857,230
EASTERN	86,463,390	9,001,090	17,938,380	0	0	0	113,402,860
NAIROBI	100,330,510	69,925,100	46,553,330	31,587,930	190,472,890	286,662,720	725,532,480
N/EASTERN	33,281,730	0	0	0	0	0	33,281,730
NYANZA	116,582,720	5,556,380	51,325,220	0	28,994,040	55,260,000	257,718,360
R/VALLEY	56,025,200	12,110,690	46,630,250	0	436,185,670	218,556,530	769,508,340
WESTERN	54,985,300	9,631,330	29,216,110	0	0	7,337,810	101,170,550
TOTAL	507,757,140	143,542,130	223,191,700	31,587,930	1,436,688,670	722,282,290	3,065,049,860

NOTE: All loans include accrued interest.

Commercial and Property Loans include staff car loans and staff house loans respectively.

Industrial and Commercial Development Corporation.

Sectoral Distribution of Equity Investments and Large and Medium Loans
as at 30th June, 1993.

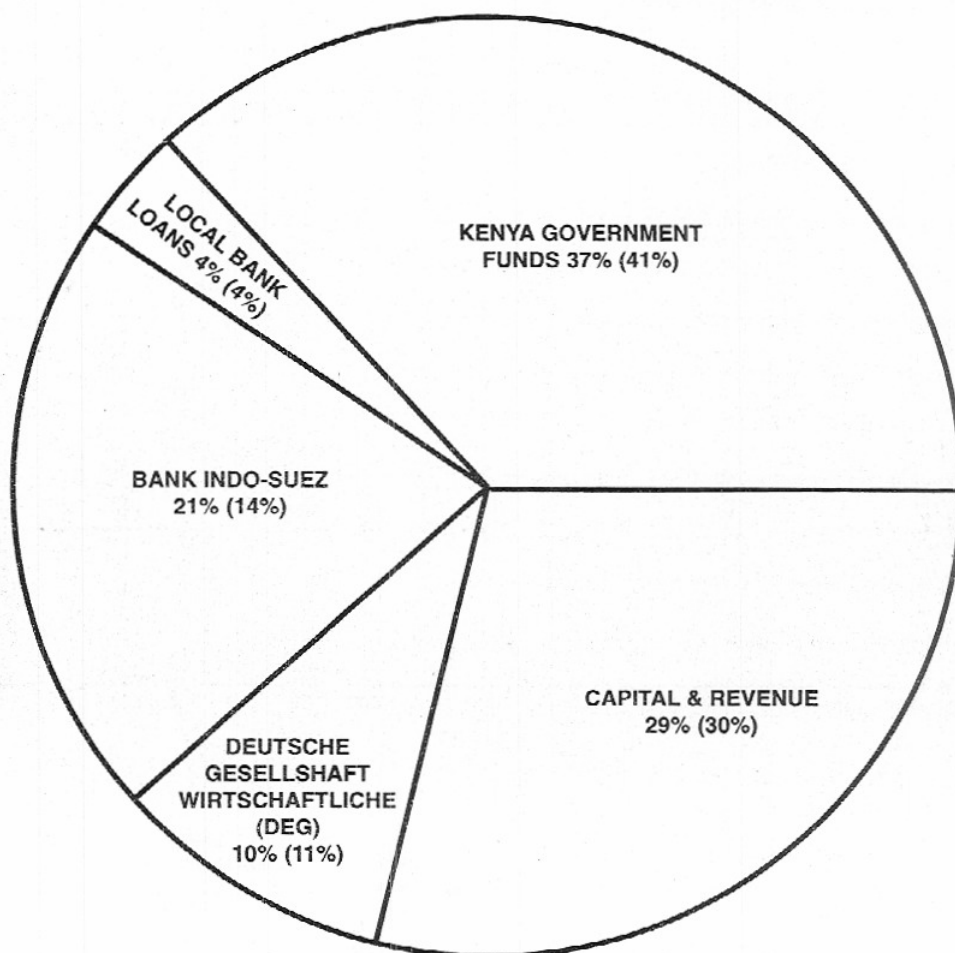


SECTOR	EQUITY INVESTMENTS Ksh	LARGE AND MEDIUM LOANS Ksh	TOTAL Ksh
Agricultural Processing, Food and Beverages ..	151,748,020	654,973,830	806,721,850
Leather and Leather Goods	500,000	18,521,860	19,021,860
Fisheries	860,000	0	860,000
Textiles	324,700,170	637,625,660	962,325,830
Wood and Wood Products	12,452,020	0	12,452,020
Metallic and Ceramic Products	16,801,660	13,495,670	30,297,330
Motor Vehicles and Accessories	26,604,790	0	26,604,790
Mining, Quarrying and Drilling	16,902,950	25,664,890	42,567,840
Chemicals and Pharmaceuticals	15,767,000	7,757,930	23,524,930
Plastics and Oil Recycling	7,149,000	28,749,710	35,898,710
Insurance and Property Development	15,755,200	(429,590)	15,325,610
Finance and Investment	108,306,650	24,965,990	133,272,640
Electrical and Electronic Products	5,705,730	0	5,705,730
Trade and Services	19,029,100	25,362,720	44,391,820
TOTAL	722,282,290	1,436,688,670	2,158,970,960

NOTE: All loans include accrued interest.

Industrial and Commercial Development Corporation.

Chart A: Total Funds Employed as at 30th June, 1993

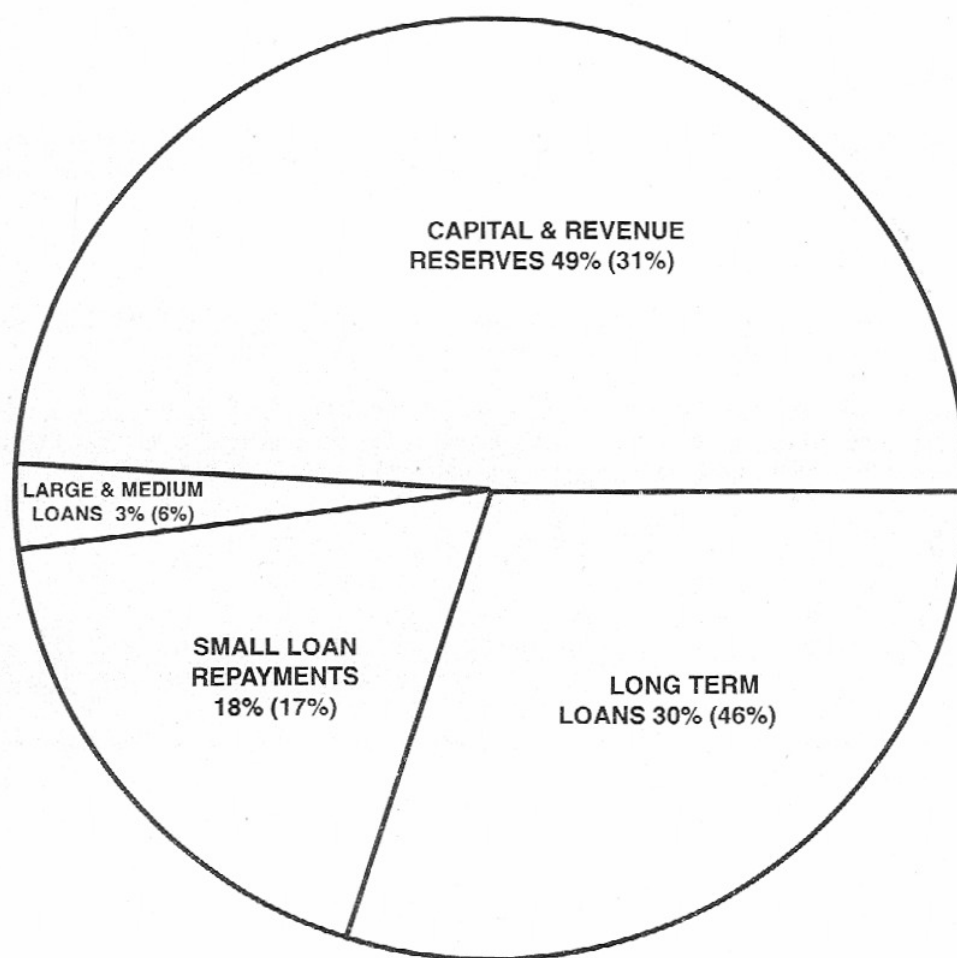


NOTE: Figures in brackets represent 1991/92 percentages for comparison

	1992/93		1992/93	
	Amount (Ksh m)	%	(Ksh m)	%
Kenya Government Funds	838	37	830	41
Local Bank Loans	84	4	84	4
Bank Indo-Suez	469	21	285	14
DEG Loans	218	9	227	11
Capital & Revenue Reserves	663	29	597	30
TOTAL	2,272	100	2,023	100

Industrial and Commercial Development Corporation.

Chart B: Sources Of Funds During 1992/93



NOTE: Figures in brackets represent 1991/92 percentages for comparison

	1992/93		1992/93	
	Amount (Ksh m)	%	Amount (Ksh m)	%
Capital & Revenue Reserves	342	49	193	31
Large & Medium Loan Repayments	21	3	36	6
Small Loans Repayments	123	18	109	17
Long Term Loans	204	30	285	46
TOTAL	690	100	623	100

Industrial and Commercial Development Corporation.

III. ORGANIZATION

THE BOARD

Mr. Reuben Chesire was appointed Chairman of the Board replacing Prof. David G Gatei. Mr. Japheth Chemnjor, who had been a Director since May, 1988 passed away after a short illness. His contribution to the Board will be greatly missed.

THE MANAGEMENT

During the year under review, Mrs Nelly Ngigi was replaced by Mr. Festus Gaciri as Manager in charge of Management Services Division after the former was appointed Managing Director of African Retail Traders Limited.

MANPOWER DEVELOPMENT

Some 135 members of staff attended various local courses including staff appraisal, project appraisal, computer applications and various other courses offered by the College of Banking.

In addition, Miss Catherine Kobuthi attended an eleven-week course on Women Mean Business at Durban University Business School in Britain while Mr. Wilfred W Ngoi proceeded to Paris, France, on a 12 month Investment Promotion Delegate Programme under the sponsorship of UNIDO.

STAFF ACTIVITIES

ICDC Choir

During the year, the choir won two trophies in the Nairobi Provincial Music Festival, one trophy in the National Music Festival and several certificates for second and third places in the various classes performed.

The Choir also entertained gatherings during the Co-operative Day Celebrations, the Freedom from Hunger Walk and several other State functions.

ICDC Football Team

The ICDC Football Team, otherwise known as "The Keys", won most of the matches in the Nairobi Provincial League. This placed the team in a strong position as a contender for entry into the Kenya National Football League.

Industrial and Commercial Development Corporation.

C.-Accounts

Report of the Auditor General

REPORT OF THE AUDITOR-GENERAL (CORPORATIONS) ON THE ACCOUNTS OF THE INDUSTRIAL AND COMMERCIAL DEVELOPMENT CORPORATION FOR THE YEAR ENDED 30 JUNE, 1993.

I have examined the accounts of the Industrial and Commercial Development Corporation for the year ended 30th June, 1993 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 by the Corporation and the accounts are in agreement therewith and comply with the requirements of the Industrial and Commercial Development Corporations Act, (Cap 445).

Subject to the matters referred to 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 Corporation as at 30th June, 1993 and of its profit and source and application of funds for the year ended on that date.

1. Government Grant and Loans

The Government grants and loans to the Industrial and Commercial Development Corporation amounted to Ksh 838,211,270 as at 30th June, 1993. As in the previous years, the Corporation has not, to-date, made any repayment in respect of the funds on the ground that the terms and conditions of funds have not been spelt out. I have, however, seen correspondence to the effect that arrangements are under way to allow capitalization of large proportion of the funds. I have also seen the proposed restructured Balance Sheet of the Corporation as recommended by the International Development Ireland Limited (IDI) who were appointed to restructure the Corporation on behalf of the Government. I noted that the restructured Balance Sheet had been approved in principle by the Treasury and that the Corporation's accounts have not yet been adjusted to reflect the recommended re-organization of those funds. However, until approval is obtained from the Government, I am unable to confirm whether or not the profit for the year and the prior years will require revision for accrual of interest payable on any of the funds that are finally agreed to be loans.

2. Managed Funds

As in the previous years, the Corporation has not made provision for losses against investments and loans made from funds received from Government that are managed by it on behalf of the Government and which amounted to Ksh 143,017,770 as at 30th June, 1993. The Corporation still considers itself an agent of the Government regarding these funds and has assumed that any loss which might accrue on the investments would ultimately not be borne by it. I have, however, noted the treatment and re-organization of those funds in the proposed restructured Balance Sheet of the Corporation but until the Government's approval on restructuring is obtained, I am unable to confirm whether or not the amounts classified as managed funds and shown in the Balance Sheet are fairly stated and whether or not the profit for the year and prior years will require adjustment to cater for any losses arising thereon.

3. Post Balance Sheet Events

I observed that under the Public Enterprise Reform and Privatisation Programme, the Corporation's shares in Kenya Cashewnuts Limited and Salt Manufacturers Kenya Limited were valued, disposed of to the existing shareholders in accordance with the pre-emptive rights and realized Ksh 29,073,786 and Ksh 27,007,020, respectively. However, African Diatomite Industries Limited was disposed of to the lowest bidder at Ksh 45m instead of the highest bidder at Ksh 67m as approved by the Parastatals Reform Programme Committee (PRPC) on the basis that the lowest bidder has the necessary technical and financial capability of sustaining and expanding the operations of the Company. However, this sale occasioned an apparent loss of Ksh 22m to the Corporation.

4. Staff and Chairman's Emoluments

During the year ended 30th June, 1993, the Corporation paid staff house allowance and other benefits outside the existing guide-lines. Further, the non-executive Chairman was paid house allowance of Ksh 11,935 per month contrary to the existing guidelines as stipulated in the Government Circular No. 1/87 Ref: OP/21/2A Vol. 31/85 dated 12 July, 1987. However, I have not seen the authority from the Minister and the State Corporations Advisory Committee sanctioning these payments.

A.J. OKOTH

Auditor-General (Corporations)

10 December, 1993

Industrial and Commercial Development Corporation.

Profit and Loss Account for the Year ended 30th June, 1993

	NOTE	1992/93 Ksh	1991/92 Ksh
INCOME	2	523,421,780	354,263,290
LESS:			
Interest Charges	3	86,621,910	65,302,640
Administrative Costs and Other Expenses	4	137,854,810	109,625,630
Loss/(Gain) on Foreign Exchange	4	(111,886,610)	(32,330,140)
		<u>112,590,110</u>	<u>142,598,130</u>
Profit before Provision for Loss		410,831,670	211,665,160
LESS:			
Provision for Loss	5	318,417,260	167,379,900
Profit before and after Taxation	6(a)	92,414,410	44,285,260
LESS: Dividend		0	10,000,000
Retained Profit for the year		<u>92,414,410</u>	<u>34,285,260</u>

STATEMENT OF RETAINED PROFITS

1st July as Previously Stated		444,770,230	411,646,290
Prior year Adjustment	6(b)	(44,667,410)	0
1st July as Restated		400,102,820	411,646,290
Retained Profit for the year		92,414,410	34,285,260
		<u>492,517,230</u>	<u>445,931,550</u>
LESS: Transfer to Capital Reserve	16	0	1,161,320
30th JUNE		<u>492,517,230</u>	<u>444,770,230</u>

Report of the Auditor - General (Corporations) page 17

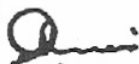
Source and of Funds page 20 to 21

The Notes and Schedules on page 22 to 34 form part of these Accounts

Industrial and Commercial Development Corporation.

Balance Sheet - 30th June, 1993

ASSETS EMPLOYED	NOTE	1992/93 Ksh	1991/92 Ksh
Shares in Subsidiary Companies	7	179,318,380	211,574,440
Shares in other Companies	8	333,199,970	362,333,220
Loans	9	668,809,000	720,343,680
Fixed Assets	10	194,944,630	193,531,960
Kenya Industrial Estates Loan	11	1,337,000	1,480,310
Advances	12	147,479,550	150,199,390
		<u>1,525,088,530</u>	<u>1,639,463,000</u>
CURRENT ASSETS			
Short Term Loans Receivable	13	19,150,340	20,863,940
Subsidiary Companies- Current account Debtors	14	131,432,700	89,282,710
		250,365,820	192,460,030
Current Portion of Loans Receivable	9	499,652,910	285,488,360
Bank Balances and Cash		25,923,190	210,000
		<u>926,524,960</u>	<u>588,305,040</u>
CURRENT LIABILITIES			
Short Term Loans Payable	18	50,912,340	25,863,940
Current Portion of Loans Payable	17	75,728,430	44,953,900
Creditors		105,511,300	72,933,920
Bank Overdraft		7,277,680	71,672,670
Dividend Payable		35,000,000	35,000,000
		<u>274,429,750</u>	<u>250,424,430</u>
NET CURRENT ASSETS		<u>652,095,210</u>	<u>337,880,610</u>
		<u>2,177,183,740</u>	<u>1,977,343,610</u>
FINANCED BY:-			
Grants and Loans from the Kenya Government	15	838,211,270	829,763,450
Capital Reserve	16	152,204,570	152,204,570
Retained Profit		492,517,230	444,770,230
Other Loans	17	694,250,670	550,605,360
		<u>2,177,183,740</u>	<u>1,977,343,610</u>



..... Chairman



..... Executive Director

The Accounts were approved by the Board of Directors on 10th December, 1993.

Report of the Auditor - General (Corporations) page 17

Source and of Funds page 20 to 21

The Notes and Schedules on page 22 to 34 form part of these Accounts



Industrial and Commercial Development Corporation.

Statement of Sources and Application of Funds for the year ended 30th June, 1993.

	1992/93 Ksh	1991/92 Ksh
SOURCES OF FUNDS		
From operations:		
Profit before Taxation	92,414,410	44,285,260
Adjustment for items not involving the movements of funds:		
Depreciation	7,621,870	5,474,610
Increase in Government Interest Payable	8,447,820	8,385,050
Amounts provided for loss on Equity Investment and loans	234,438,860	136,361,780
Profit on sale of fixed assets and Equity investments	(605,000)	(1,161,320)
TOTAL GENERATED FROM OPERATIONS	342,317,960	193,345,380
OTHER SOURCES		
Proceeds from loans:		
Kenya Government	0	0
Other long term loans	203,528,590	285,267,980
Reduction in Equity	275,000	0
Repayment of KIE loan	143,310	1,000,000
Repayment of loans:		
-Associate Companies		
-Small loans Repayments	11,112,880	25,878,810
	122,941,630	109,266,820
Repayment of Advances:		
-Associate Companies	6,269,970	6,278,030
-Subsidiary Companies	3,000,000	2,735,070
Disposal of Fixed Assets	0	1,321,370
Increase in Creditors	32,577,380	7,173,500
Decrease In Debtors	0	42,908,940
Disposal of Investments - Associate Companies	875,000	300,000
	723,041,720	675,475,900

Industrial and Commercial Development Corporation.

Statement of Sources and Application of Funds for the year ended 30th June, 1993.

APPLICATION OF FUNDS		1992/93 Ksh	1991/92 Ksh
Increase in Equity Investment	- Associate Companies	0	45,067,440
Increase in Loans	- Associate Companies	183,528,590	285,267,980
	- Subsidiary Companies	73,485,790	22,734,280
Increase in Advances	- Associate Companies	7,952,850	8,903,720
	- Subsidiary Companies	52,192,440	44,856,850
Increase in Subsidiary Companies Current Account		42,149,990	13,936,420
Long term loans Repayments		30,108,750	30,217,500
Purchase of fixed Assets		9,034,530	14,874,610
Small loans advanced and Interest Charged during the year		203,336,810	211,971,950
Increase in Debtors		57,905,790	0
		659,695,540	677,830,750
NET (APPLICATION)/SOURCE OF FUNDS		63,346,180	(2,354,850)
INCREASE/ (DECREASE) IN LIQUID FUNDS			
Increase/(Decrease) in Short term loans receivable		(1,713,600)	2,281,740
Increase/(Decrease) in Bank balances and cash		25,713,190	0
(Increase)/ Decrease in short term loans payable		(25,048,400)	18,018,270
Decrease/(Increase) in bank overdraft		64,394,990	(22,654,860)
		63,346,180	(2,354,850)

Report of the Auditor - General (Corporations) page 17

The Notes and Schedules on page 22 to 34 form part of these Accounts

Industrial and Commercial Development Corporation.

Notes to the Accounts - 30th June, 1993

1. PRINCIPAL ACCOUNTING POLICIES

The accounts are prepared in accordance with the historical cost convention including the revaluation of certain of the Corporation's fixed assets. The following is a summary of the more important accounting policies used:

(a) Consolidation:

In view of the nature of the Corporation's operations which include substantial holdings in Subsidiary and Associate Companies with dissimilar activities and different accounting periods, consolidated accounts are not prepared.

(b) Depreciation:

Amortisation and depreciation is calculated to write off the cost or valuation of fixed assets on a straight line basis over the expected useful lives of the assets concerned except for furniture and fittings where depreciation is based on the written down value. The annual rates for this purpose are:

Motor Vehicles	20%
Furniture and Equipments	10%
Computer Equipment	20%

Leasehold Properties are amortised by equal annual instalments over the lease term.

(c) Bad and Doubtful Debts:

(i) Large and Medium Loans:

Known bad debts are written off and specific provision made against those loans, including accrued interest, which are doubtful of recovery.

(ii) Small Loans:

Known bad debts are written off and specific provision made against those loans, including accrued interest, which are doubtful of recovery. In addition, a general provision is made on the balances remaining at the following rates:

Industrial	25%
Commercial	20%
Machinery	50%
Property	5%

(d) Investments:

Equity investments in Subsidiary and other Companies are shown at cost, and specific provision is made against those investments where the Directors are of the opinion that there has been a permanent diminution in value. In addition, a general provision is made on the remaining balances at 5% for Subsidiaries and 1% for other Companies. This does not take account of any appreciation in market value of individual investments. The policy for provision against bad and doubtful loans and current accounts in subsidiaries and other Companies is as for large and medium loans as stated in paragraph (c) (i) above.

(e) Managed Funds

No provision is made against investments and loans financed by Government funds received directly for such purposes, where the Corporation is merely a managing agent of such funds.

(f) Income:

Income earned is brought into the accounting period on the following basis:

- (i) Interest on loans, rents and management fees include income received and accrued during the accounting period.
- (ii) Dividends are taken into account when declared during the accounting period.

(g) Foreign Currencies

These accounts are presented to the nearest Ksh 10. Loan balances expressed in foreign currencies are translated to Kenya shillings at approximate rate of exchange ruling at the balance sheet date. Exchange rate difference arising are charged or credited to the Profit and Loss Account.

Industrial and Commercial Development Corporation.

Notes to the Accounts - 30th June, 1993-(Contd.)

	1992/93 Ksh	1991/92 Ksh
2. INCOME		
Dividends:		
Subsidiary companies	111,281,930	27,946,880
Other companies	135,329,480	80,786,350
Interest on loans and advances		
Large and medium size loans and advances	99,387,480	91,000,040
Small loans	146,575,470	128,955,620
Application fees	257,990	1,363,600
Management and other services	6,569,080	7,763,860
Rents	19,052,600	13,259,060
Profit on disposal of fixed assets and investments	600,000	1,161,320
Computer Income	1,016,660	1,614,890
Interest on short call deposits	1,774,820	4,320
Sundry income	1,576,270	407,350
	<u>523,421,780</u>	<u>354,263,290</u>

3. INTEREST CHARGES

Kenya Government loans	8,447,820	8,385,050
Other loans	78,174,090	56,917,590
	<u>86,621,910</u>	<u>65,302,640</u>

4. ADMINISTRATION COSTS AND OTHER EXPENSES

Staff costs	89,673,300	73,716,370
Directors' fees and other expenses	2,476,950	1,533,670
Rent and rates	2,248,430	2,298,370
Audit fees	450,000	348,330
Depreciation	7,621,870	5,474,610
Repairs and maintenance	1,590,970	1,728,120
Insurances	1,755,120	1,785,240
Printing and stationary	1,909,470	1,508,370
Water and electricity	2,053,410	2,121,770
Publicity and advertising	2,514,670	1,716,240
Telephone and telex	3,303,490	2,489,440
Travelling and subsistence	2,750,440	2,825,050
Motor vehicle operating expenses	2,733,160	2,330,380
Computer rental and other E.D.P. expenses	2,913,650	2,631,000
Other expenses	13,859,880	7,118,670
	<u>137,854,810</u>	<u>109,625,630</u>
Loss/(Gain) on foreign exchange	(111,886,610)	(32,330,140)
	<u>25,968,200</u>	<u>77,295,490</u>

Industrial and Commercial Development Corporation.

Notes to the Accounts - 30th June, 1993-(Contd.)

	1992/93 Ksh	1991/92 Ksh
5. PROVISION FOR LOSSES		
Specific Provisions:		
Small loans	88,338,460	59,041,810
Equity investment	16,759,160	27,723,440
Large and medium size loans and advances:		
Principal	86,287,950	26,344,320
Interest	125,810,600	49,058,420
Sundry Debtors	1,231,190	2,110,710
General Provisions:		
Small loans	302,180	2,559,970
Equity investment	(312,280)	541,230
	<u>318,417,260</u>	<u>167,379,900</u>

6. (a) TAXATION

There is no charge on taxation as profit for the year is adjusted in the tax computation to a loss due to the non-taxable nature of the bulk of the Corporation's income.

(b) PRIOR YEAR ADJUSTMENT

The adjustment of Ksh 44,667,410 relates to dividends from East Africa Industries which had earlier been capitalised but now reversed having been cancelled by the company.

	1992/93 Ksh	1991/92 Ksh
7. SHARES IN SUBSIDIARY COMPANIES		
Shares at cost (unquoted)	351,864,240	366,399,240
LESS: Provisions	172,545,860	154,824,800
	<u>179,318,380</u>	<u>211,574,440</u>
Directors' valuation of unquoted shares	<u>874,830,630</u>	<u>1,044,102,150</u>

8. SHARES IN OTHER COMPANIES

Shares at Costs:		
Quoted	33,574,650	30,574,650
Unquoted	336,843,400	370,250,830
	<u>370,418,050</u>	<u>400,825,480</u>
LESS: Provisions	37,218,080	38,492,260
	<u>333,199,970</u>	<u>362,333,220</u>
Market value of quoted shares	107,359,620	39,975,840
Directors' valuation of unquoted shares	<u>2,674,648,400</u>	<u>1,877,153,140</u>
	<u>2,782,008,020</u>	<u>1,917,128,980</u>

Industrial and Commercial Development Corporation.

Notes to the Accounts - 30th June, 1993-(Contd.)

	1992/93 Ksh	1991/92 Ksh
9. LOANS		
Large and Medium Loans:		
Subsidiary companies	304,048,340	230,562,550
Associate companies	539,414,850	366,999,140
	843,463,190	597,561,690
LESS: Provision for bad and doubtful debts	117,199,860	41,420,420
	726,263,330	556,141,270
LESS: Current portion of loans under current assets	305,615,080	176,019,510
	420,648,250	380,121,760
LESS: Loans from subsidiary and other companies	7,000,000	8,000,000
	413,648,250	372,121,760
Small Loans:		
Commercial	515,925,210	465,030,130
Property	136,403,400	133,645,670
Industrial	222,162,360	196,615,800
Machinery	31,587,930	30,638,860
	906,078,900	825,930,460
LESS: Provision for bad and doubtful debts	456,880,320	368,239,690
	449,198,580	457,690,770
LESS: Current portion of loans and current accounts shown under current assets	194,037,830	109,468,850
	255,160,750	348,221,920
TOTAL LONG TERM LOANS	668,809,000	720,343,680
TOTAL CURRENT PORTION OF LOANS	499,652,910	285,488,360

Industrial and Commercial Development Corporation.

Notes to the Accounts - 30th June, 1993-(Contd.)

10. FIXED ASSETS

	<i>Leasehold over 50 years Ksh</i>	<i>Leasehold under 50 years Ksh</i>	<i>Motor Vehicles Ksh</i>	<i>Furniture & Office Equipment Ksh</i>	<i>Total Ksh</i>
Cost or Valuation:					
1st. July 1992	179,204,930	734,530	13,098,270	20,518,430	213,556,160
Additions	505,440	0	3,952,230	4,576,860	9,034,530
Disposals					0
30th. June, 1993	179,710,370	734,530	17,050,500	25,095,290	222,590,690
Depreciation					
1st. July 1992	7,538,940	669,130	8,418,320	3,397,810	20,024,200
Additions	1,868,130	0	2,270,340	3,483,390	7,621,860
Disposals					0
30th. June, 1993	9,407,070	669,130	10,688,660	6,881,200	27,646,060
Net Book Value					
30th. June, 1993	170,303,300	65,400	6,361,840	18,214,090	194,944,630
30th. June, 1992	171,665,990	65,400	4,679,950	17,120,620	193,531,960

The revaluation of Uchumi House, a leasehold property over 50 years, was carried out on 30th June, 1989 by the Corporation's qualified valuation surveyors, based on an open market value. The value was stated at Ksh 150,000,000 and the surplus arising on valuation amounting to Ksh 68,005,890 credited to capital reserves.

Furniture, fittings and office equipments were also revalued on the same basis in 1991 resulting in a revaluation surplus of which Ksh 5,286,880 has been credited to capital reserve (note 16).

11. KENYA INDUSTRIAL ESTATES LOAN

	<i>1992/93 Ksh</i>	<i>1991/92 Ksh</i>
Balance 1st. July, 1992	1,480,310	2,480,310
Repayment during the year	143,310	1,000,000
Balance 30th. June, 1993	1,337,000	1,480,310

12. ADVANCES

Subsidiary companies	244,838,800	195,646,360
Other companies	71,121,430	69,459,810
Less provision for bad and doubtful debts	315,960,230	265,106,170
	168,480,680	114,906,780
	147,479,550	

Industrial and Commercial Development Corporation.

Notes to the Accounts - 30th June, 1993-(Contd.)

	1992/93 Ksh	1991/92 Ksh
13. SHORT TERM LOANS		
Short term bank loan obtained for on lending to Rift Valley Textiles Limited.	19,150,340	20,863,940

14. SUBSIDIARY COMPANIES CURRENT ACCOUNTS

Current accounts	320,751,430	198,260,210
LESS: Provision for bad and doubtful debts	189,318,730	108,977,500
	131,432,700	89,282,710

15. GRANTS AND LOANS FROM THE KENYAN GOVERNMENT

(a) 1st. July	795,634,160	788,769,740
Loans received during the year	0	0
Loan interest for the year	7,927,190	7,864,420
Transfer to other loans	0	(1,000,000)
	803,561,350	795,634,160
(b) Loan borrowed from KFW of Germany:		
Principal	26,031,500	26,031,500
Interest	8,618,420	8,097,790
	34,649,920	34,129,290
30th June	838,211,270	829,763,450

MANAGED FUNDS

Grants and loans include funds received and injected into the following companies being managed funds administered on behalf of the Kenya Government, and against which no provision for loss is made in accordance with the corporation's accounting policy stated in Note 1(e).

		1992/93 Ksh	1991/92 Ksh
African Diatomite Industries Limited	Equity	1,787,430	1,787,430
Kenatco Transport Company Limited (in receivership)	Equity	6,900,000	6,900,000
Kisumu Cotton Mills (1983) Limited (in receivership)	Equity	19,500,000	19,500,000
Milling Corporation of Kenya Limited	Equity	8,500,000	8,500,000
	Loan	9,676,500	9,676,500
Pan African Vegetable Products Limited (Liquidated)	Equity	17,070,390	17,070,390
Pan Vegetable Processors Limited	Equity	15,000,000	15,000,000
	Loan	15,000,000	15,000,000
	Advance	39,613,450	39,613,450
South Nyanza Sugar Company Limited	Equity	10,000,000	10,000,000
		143,047,770	143,047,770

Industrial and Commercial Development Corporation.

Notes to the Accounts - 30th June, 1993-(Contd.)

	Surplus on Revaluation of Property Ksh	Profit on Sale of Investment Ksh	Profit on Sale of Fixed Assets Ksh	Total Ksh
16. CAPITAL RESERVE				
1st July 1992	135,798,220	13,439,230	2,967,120	152,204,570
Revaluation during the year	0	0	0	0
Transfer from retained profits	0	0	0	0
30th June 1993	135,798,220	13,439,230	2,967,120	152,204,570



Dawa Pharmaceuticals Limited, an Associate Company of ICDC, is a manufacturer of human and veterinary drugs. A worker is seen carrying out laboratory tests.

Industrial and Commercial Development Corporation.

Notes to the Accounts - 30th June, 1993-(Contd.)

	1992/93 Ksh	1991/92 Ksh
17. OTHER LOANS		
Standard Bank Limited (2nd. Loan)	6,000,000	10,000,000
Indo Suez loan for Soya Oil Industries Limited	468,796,580	285,267,990
Kenya Commercial Bank Limited (Loan for Yuken Textiles Limited)	596,270	1,646,270
Kenya Commercial Bank Limited (Ksh 80m loan)	56,000,000	72,000,000
Kenya Commercial Bank Limited advance for SFKL and EAFS	20,000,000	0
Deutsche Gessellschaft Fur Wirtschaftliche Zusammenarbeit (Entwicklungsgesellschaft) MbH: (D.E.G.) :		
D.E.G.- First Loan (DM 15M) 1986/1996	56,411,250	64,470,000
D.E.G.- Second Loan (DM 15M) 1993/2003	161,175,000	161,175,000
Loan for Small Scale Irrigation Development Project	1,000,000	1,000,000
	<u>769,979,100</u>	<u>595,559,260</u>
LESS: Current portion of loans shown under current liabilities	75,728,430	44,953,900
	<u>694,250,670</u>	<u>550,605,360</u>

Share investment in subsidiary and other companies at cost of Ksh 55,584,580 are held at security for some of the above loans.

	1992/93 Ksh	1991/92 Ksh
18. SHORT TERM LOANS PAYABLE		
Kenya Commercial Bank Limited (Loan for on-lending to Rift Valley Textiles Limited	19,150,340	20,863,940
Rift Valley Bottlers Limited (Ksh 5m)	0	5,000,000
ICDC Investment Company Limited	6,762,000	0
Agro Chemical & Food Industries Ltd.	25,000,000	0
	<u>50,912,340</u>	<u>25,863,940</u>

19. CONTINGENT LIABILITIES

Guarantees in respect of subsidiary and
other companies

<u>33,729,000</u>	<u>46,956,000</u>
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20. COMMITMENTS

Commitments for further loans and investments:

Small loans	75,553,300	98,204,200
Large and medium loans	74,939,800	507,783,400
Equity investments	60,762,500	97,068,800
Rift Valley Textiles Limited Share Purchase Option	376,325,100	181,590,035
	<u>587,580,700</u>	<u>884,646,435</u>

Industrial and Commercial Development Corporation.

Shareholding in Subsidiary Companies 30th June, 1993

SUBSIDIARY COMPANIES

	1992/93 Ksh	1991/92 Ksh
Wholly Owned Subsidiary Companies		
African Diatomite Industries Limited	1,787,430	1,787,430
Kenatco Taxis Limited	5,000,000	5,000,000
Kenatco Transport Company Limited - (In Receivership)	6,900,000	6,900,000
Kenya Drilling Company Limited	9,113,940	9,113,940
Kenya Film Corporation	40,000	40,000
Kenya National Trading Corporation	200,000	200,000
Pan Vegetable Processors Limited	15,000,000	15,000,000
Synthetic Fibres Kenya Limited	64,589,810	64,589,810
	<u>102,631,180</u>	<u>102,631,180</u>
Other Subsidiaries		
East African Fine Spinners Limited	12,054,100	12,054,100
East African Fine Spinners Limited - Preference Shares	10,620,000	10,620,000
Kenya Taitex Mills Limited	59,604,000	59,604,000
Kenya Wines Agencies Limited	9,422,700	9,422,700
Rift Valley Textiles Mills Limited	157,532,260	157,532,260
	<u>249,233,060</u>	<u>249,233,060</u>
	<u>351,864,240</u>	<u>351,864,240</u>

Industrial and Commercial Development Corporation.

Shareholding in Associate Companies

30th June, 1993

Associate Companies	1992/93 Ksh	1991/92 Ksh
Agro Chemical and Food Company Limited	16,900,000	16,900,000
Associated Battery Manufacturers Limited	1,733,920	1,733,920
Brollo Kenya Limited	6,666,660	6,666,660
Ceramic Industries E.A. Limited - In Receivership		
-Ordinary Shares	0	5,924,500
-Preference Shares	0	2,000,000
Chloride Exide Kenya Limited	1,900,010	1,900,010
Carnaudmetal Box Kenya Limited	4,635,000	4,635,000
CPC Industrial Products Limited	6,216,520	6,216,520
Dawa Pharmaceuticals Limited	13,667,000	13,667,000
Development Finance Company of Kenya Limited	42,460,000	42,460,000
E.S.A.	170,000	245,000
Eslon Plastics Kenya Limited	506,000	506,000
Eveready Batteries Kenya Limited	4,887,050	4,887,050
East Africa Industries Limited	46,021,560	46,021,560
Firestone East Africa (1969) Limited	8,435,860	8,435,860
General Motors Kenya Limited	14,535,000	14,535,000
ICDC Investment Company Limited	30,574,650	30,574,650
Industrial Development Bank Limited	31,200,000	31,200,000
Infusion Kenya Limited	2,100,000	2,100,000
Bal C/Forward	232,609,230	240,608,730



Kenya Fishnet Industries Limited, an Associate company of ICDC, manufactures sports nets and fishing nets for all sizes of gills. The picture depicts workers at the Kisumu factory.

Industrial and Commercial Development Corporation.

Shareholding in Associate Companies-Cont'd 30th June, 1993

Associate Companies	1992/93 Ksh	1991/92 Ksh
Bal B/Forward	232,609,230	240,608,730
Kenya Bowling Centres Limited - 8% Preference Shares	200,000	200,000
Kenya Cashewnuts Limited	4,089,780	4,089,780
Kenya Engineering Industries Limited	5,500,000	5,500,000
Kenya Fishnet Industries Limited	860,000	860,000
Kenya Flourspar Company Limited	20	20
Kenya Industrial Plastics Limited	100,000	100,000
Kenya National Properties Limited	11,000,000	11,000,000
Kisii Bottlers Limited	8,000,000	8,000,000
Kisumu Cotton Mills (1983) Limited (In Receivership)	19,500,000	19,500,000
Milling Corporation of Kenya Limited	8,500,000	8,500,000
Minet ICDC Insurance Brokers Limited	4,755,200	4,755,200
Motor and Pedals Cycles Limited	402,800	402,800
Mount Kenya Bottlers Limited	6,650,000	6,650,000
Mugitex Manufacturers Limited (In Receivership)	500,000	500,000
Nairobi Oil Products Limited (In Receivership)	2,500,000	2,500,000
Nakuru Chrome Tanning Company Limited	0	200,000
NAS Airport Services Limited	3,116,300	3,116,300
Pan African Paper Mills (E.A.) Limited	7,337,810	7,337,810
Pan Vegetable Products Limited (In Receivership)		
-Ordinary Shares	15,805,390	15,805,390
-Preference Shares	1,265,000	1,265,000
Polysynthetics East African Limited	643,000	643,000
The Raymond Woollen Mills (Kenya) Limited	300,000	300,000
Rehabilitation Advisory Services Limited	2,400,000	2,400,000
Rift Valley Bottlers Limited	3,877,060	3,877,060
Salt Manufacturers Kenya Limited	6,001,560	6,001,560
Sanyo Armco Kenya Limited	818,680	818,680
Seracoatings Limited (In Receivership)	3,400,000	3,400,000
Small Enterprises Finance Company Limited	1,672,000	1,672,000
Sokoro Fibreboards Limited	3,385,800	3,385,800
South Nyanza Sugar Company Limited	10,000,000	10,000,000
Tiger Shoe Company Limited (In Receivership)	500,000	500,000
Uchumi Supermarkets Limited	3,000,000	3,000,000
Wananchi Sawmills (1974) Limited	1,728,410	1,728,410
SUB-TOTAL B	137,808,810	138,008,810
TOTAL A+B	370,418,040	378,617,540
GRAND TOTAL	722,282,280	730,481,780

Industrial and Commercial Development Corporation.

Large and Medium Loans as at 30th June, 1993

Subsidiary Companies

	<i>Principal Outstanding Ksh</i>	<i>Interest Earned Ksh</i>
Kenatco Taxis Limited- Ksh 17m	17,000,000	3,910,000
Kenya Drilling Limited	4,000,000	920,000
Kenya National Properties Limited - Ksh 15m	0	773,730
Pan Vegetable Processors Limited	15,000,000	3,450,000
Pan Vegetable Processors Limited - Ksh 5m	5,000,000	1,150,000
Rift Valley Textiles Limited - DM 1.7m Income Notes	64,578,390	5,241,290
Rift Valley Textiles Limited - Ksh10.5m	10,500,000	1,207,500
Rift Valley Textiles Limited	19,150,340	0
Rift Valley Textiles Limited - DM 8.9m	98,884,150	10,026,460
Synthetic Fibres Kenya Limited - Ksh 63.7m	63,741,330	14,660,510
Synthetic Fibres Kenya Limited - Ksh 22.5m	25,344,490	5,829,230
	<u>323,198,700</u>	<u>47,168,720</u>

Associate Companies

Associated Battery Manufactures Limited	0	32,080
Dawa Pharmaceuticals Limited	7,609,560	1,935,320
D.F.C.K. - Income Notes	15,000,000	1,200,000
- Loans	7,370,000	527,930
Kenya Engineering Industries Limited	2,000,000	460,000
Kenya Industrial Plastics Limited - Ksh 15m	5,250,000	1,367,360
Kenya Peanuts Limited	0	169,170
Milling Corporation of Kenya Limited - Ksh 6.5m	6,500,000	585,000
Milling Corporation of Kenya Limited- Ksh 3.175m	3,176,500	301,770
Motor and Pedals Cycles Limited	1,350,000	310,500
Mount Kenya Bottlers Limited	9,500,000	2,272,330
Seracoatings Limited	5,000,000	1,150,000
Soya Oil and Food Industries Ltd	468,796,580	0
Tiger Shoe Company Limited- Ksh 0.5m	500,000	115,000
Tiger Shoe Company Limited - Ksh 5m	5,000,000	1,150,000
Wormald Kenya Limited - Ksh 5m	2,362,190	730,820
	<u>539,414,830</u>	<u>12,307,280</u>

Industrial and Commercial Development Corporation.

Advances as at 30th June, 1993

	<i>Principal and Accrued Interest Ksh</i>	<i>Interest Earned Ksh</i>
East African Fine Spinners Limited - Ksh10m	9,957,640	2,028,690
East African Fine Spinners Limited - Ksh 6.6m	2,144,830	323,280
East African Fine Spinners Limited - Ksh 15.4m	21,429,800	3,550,410
East African Fine Spinners Limited - Ksh 10m	12,851,470	1,688,200
Kenya Drilling Limited	1,293,410	198,750
Kenya Drilling Limited - Guarantee Payments	13,476,540	1,465,960
Kenya Taitex Mills Limited - Ksh 1m	3,225,800	230,000
Kenya Taitex Mills Limited - Ksh 6.9m G.P.	21,264,480	1,579,160
Pan Vegetable Processors Limited - Ksh 5m	72,670,430	9,111,090
Synthetic Fibres Kenya Limited - Receiver/Manager	13,032,300	1,413,590
Synthetic Fibres Kenya Limited - Ksh 6.5m	1,691,160	231,040
Synthetic Fibres Kenya Limited - Advance for Raw Materials	69,289,670	9,808,680
Synthetic Fibres Kenya Limited - Ksh 1.5m	2,510,400	345,000
Kenatco Taxis Limited - Ksh 1.5m	870	0
	<u>244,838,800</u>	<u>31,973,850</u>

Associate Companies

Funguo Investments Limited	511,070	50,750
Funguo Investments Limited	272,250	57,500
Kenya Cashewnuts Limited - Ksh 10m	10,833,330	2,300,000
Kenya Engineering Industries Limited	5,117,100	575,000
Kenya Engineering Industries Limited - Ksh 1.5m	4,018,930	574,510
Kisii Bottlers Limited - Ksh 5m	8,091,800	1,150,000
Kisii Bottlers Limited - Underwriting Funds	17,966,050	0
Kicomi (1913) Limited -Ksh 2m	2,936,190	474,830
Motor and Pedals Cycles Limited	3,905,330	642,880
Seracoatings Limited	10,519,170	1,150,000
Tiger Shoes Company Limited	3,546,840	460,000
Tiger Shoes Company Limited - Raw Materials Facility	3,424,000	497,380
ICDC Investment Company Limited	630	0
	<u>71,142,690</u>	<u>7,932,850</u>