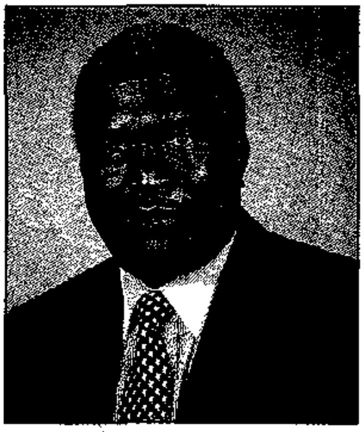
FUNGUA UCHUMI

TCDC

Annual Report & Accounts 1994/95

The ICDC Board of Directors

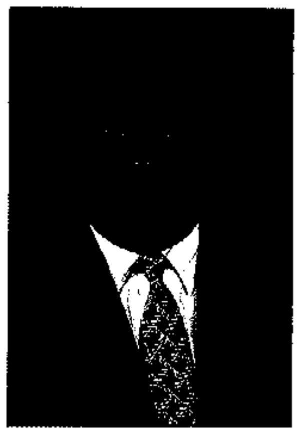
Industrial & Commercial Development Corporation



R.K. Chesire
Chairman

M. Kaittany
Executive Director

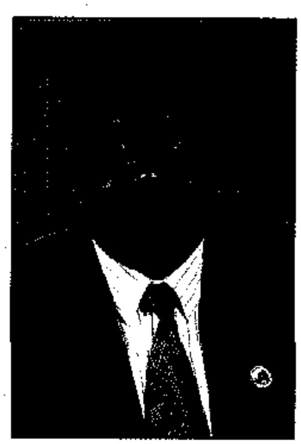
M.W. Ngari
Alternate to the Permanent Secretary, Ministry of Commerce & Industry



N.W. Kimani
Alternate to the Permanent Secretary, Treasury

I. Bett

Prof. A.G. Tumbo-Oeri



J.W. Masinde

I.B. Mogaka
Secretary

2007|0412

Industrial & 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)

M. Kaittany (Executive Director)

Permanent Secretary,
Ministry of Commerce & Industry

Permanent Secretary, Treasury

J.W. Masinde

Prof. A.G. Tumbo-Oeri

I. Bett

Secretary to the Board

I.B. Mogaka

CHIEF OFFICERS

Executive Director

M. Kaittany

Corporation Secretary & Head of the Corporate Services Division

I.B. Mogaka

Financial Controller & Head of the Accounts and Finance Division

B. Wata

Manager, Operations Division

G. K. Kimweli

Field Offices

Mombasa, Nakuru, Kisumu, Kakamega,
Nyeri, Embu, 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.

Contents

Industrial & Commercial
Development Corporation

A. – Chairman's Statement

R.K. Chesire, Chairman

ECONOMIC REVIEW

GLOBAL SCENE

During the year under review, the global economic performance was more favourable especially in the Organisation for Economic Co-operation and Development (OECD) countries. Their growth in output rose by 2.8% in 1994 up from 1.1% in 1993. The member states recorded 1.0%, leading to a rise in the world trade by 8.9% in 1994 with an increase in export and import volumes throughout the world. The growth rates of the economies differed from countries, and from regions to regions. The USA economy had recovered during the period under review to record a growth of 3.9%. Japan recorded 1.0% growth with inflation rate declining to 0.6%. Germany's growth rate was mainly boosted by the export sector to rise from negative 1.5% in 1993 to 2.8%. Among the dynamic Asian Economies, the real GDP growth increased to above 7.5% while that of China recorded 12%.

In Africa, most countries have continued to perform below expectation, as the growth rate recorded was below the expected 3.4%. This was due to obstacles to growth like large budget deficits, high and volatile rates of inflation, debt burden and excessive government intervention in the economies. The performance of these economies is likely to improve with the pursuit of the supported International Monetary Fund's (IMF's) Enhanced Structural Adjustment Facility (ESAF), which were in progress.

Domestic Scene

The Kenyan economy experienced some recovery during the period under review. The economy recorded a Gross Domestic Product (GDP) growth of 3.0% compared to a revised GDP growth of 0.2% in 1993. This recovery was attributed to two major reasons, namely, there was good weather resulting in good crop harvest which further improved the performance of the food manufacturing sector especially in the grain milling industry. Secondly, there was implementation of appropriate macro-economic reforms like liberalisation of the foreign exchange and trade regimes, deregulation of petroleum prices and others. These reforms resulted in a decline in the annual inflation rate, a drop in treasury bills yield from 70.0% in 1993 to 14.0%, Commercial Bank interest rates falling by over 8.0 percentage points, and an increase in imports of raw materials and machinery.

The major sectors of the economy recorded higher growths than during the slump experienced in 1993. The agricultural sector recorded 2.8% in real value added. The manufacturing sector which highly depends on the performance of the agricultural sector had good performance, especially in the food manufacturing sub-sector like grain milling. However, the manufacturing sector had other opposing forces especially with the liberalisation of the economy which introduced stiff competition

for domestically produced goods from finished imported goods which were much cheaper, hence threatening the future of some industries like textiles and clothing which had drops of 26% and 35% respectively.
During the period, annual inflation was reduced from 46% in 1993 to 28.8%. This decline was attributed to appreciation of the Kenya Shilling leading to: reduced import prices, pursuit of the measures to contain the expansion of the money supply; lowering of excise duties on agricultural machinery and tools, drinks and cigarettes; improved weather conditions which led to bumper harvest resulting in a decrease in basic food prices; and decreases in Commercial Bank and Treasury bills interest rates. The month-on-month inflation rate had attained a single digit level of 6.6% by December, 1994.

The foregoing global and domestic economic recovery provided a good environment for an organisation like ICDC. During this period the Corporation improved its operational and financial performance, with the reopening of its investments and lending programmes which had been suspended.

The Corporation's Performance

During the year, the Corporation's net assets employed increased by Ksh 260m (8%) from Ksh 3.11 billion to Ksh 3.37 billion . The net profit increased by Ksh 8.8 m (3.6%) from Ksh 244.4 m in 1993/94 to Ksh 253.2 m in the year under review.

Receipt of dividends declined from Ksh 286 m in the previous year to Ksh 186 m mainly due to lower dividend payout by associate companies and also due to the fact that a high proportion of dividends paid in the previous year were arrears relating to previous periods. Collections from Large and Medium Loans improved from Ksh 35.9 m to Ksh 89.3 m. The resources available to the Corporation nevertheless continued to improve as a result of the on-going privatisation programme and the Corporation was able to substantially step up the level of its activities as outlined below:

(a) Small Loans Programme

The Corporation's new lending schemes were launched in July, 1994 following the successful completion of the restructuring programme.

During the financial year under review, the Corporation received a total of 624 loan applications from its Regional Offices and Nairobi Area. Out of these, 233 cases amounting to about Ksh 163.9 m were approved while disbursements on 82 cases amounting to Ksh 74.8 m were made.

(b) Privatisation and Divestiture

The Privatisation and Divestiture programme has so far progressed well. As at 30th June 1995, the Corporation had divested from a total of twenty one of its companies.

During the year under review, the Corporation finalised the disposal of six companies through various ways which included pre-emption rights, competitive bidding and liquidations. These disposals were in respect of Kenya Fishnet Industries Limited and Sanyo Armco (K) Limited through pre-emption rights, Pan Vegetable Processors Limited, Seracoatings Limited and Kenya Taitex Mills Limited, which had previously been put under receivership, through competitive bidding. Motor and Pedal Cycles Limited was disposed off through liquidation.
The disposal of Sokoro Fibreboards Limited, Milling Corporation of Kenya Limited and Carnaud Metalbox Limited was also being actively pursued and was at an advanced stage of completion.

(c) New Projects and Rehabilitation of Companies

As at 30th June, 1995, the Corporation had received a total of 19 new project proposals for consideration under its Venture Capital Equity investment business. Out of these, appraisal was done and the Corporation invested in two projects namely, a cut flower project at Njatha-ini, Nairobi, for Ksh 16.9 m and a leather processing project in Embu District for Ksh 25 m.

At the same time appraisal of two projects involving a tea factory in Nandi District and a floriculture project in Uasin Gishu District were nearing completion. The two projects require ICDC funding of Ksh 10 m and Ksh 50 m, respectively. The Corporation was also considering a project for the construction of a sugar factory in Kericho District.

(d) Management and Technical Support

During the year under review, the Corporation rendered management and technical support to several companies which included Mount Kenya Bottlers Limited, Brollo Kenya Limited and Kenya Taitex Mills Limited (In Receivership). At the same time the Corporation offered company secretarial services to eighteen (18) companies associated with it. Valuation services were given to Synthetic Fibres Kenya Limited (In Receivership), Kenya National Properties Limited, Kenatco Taxis Limited and Rift Valley Textiles Limited.

Computer Consultancy and Bureau services were given to various companies that included ICDC Investment Company Limited, Uchumi Supermarkets Limited, Kisii Bottlers Limited, Kenatco Taxis Limited, Salt Manufacturers Kenya Limited and the Uchumi Co-operative Savings and Credit Society Limited.

(e) Board Tour

In early September, 1994, the Board of Directors went on a business tour of the Coast Province where besides paying courtesy calls on the District Commissioners of Kilifi and Kwale Districts, they inspected the site and the machinery of the proposed Soya Oil and Food Industries Limited.

(f) Nairobi International Show

In September/October, 1994, the Corporation participated in the Nairobi International Show and won the First Prize for the Best Financial Institution stand.

The Corporation provided exhibition facilities to seven (7) of its Subsidiary and Associate Companies to display their products. The Show Theme was "Intensify Rural and Industrial Development." The Corporation's emphasis was on its enhanced role in the country's financial sector with particular reference to the Show Theme.

(g) Donations

In exercising its social responsibility, the Corporation continued to contribute financially towards the construction of the Centre for Human Resources and Development at Moi University, Eldoret.

During the year under review, the Corporation released about Ksh 3.5 m to the project, bringing its total contribution to approximately Ksh 15.5 m.

In addition, ICDC contributed Ksh 50,000/= to the Baringo District Agricultural Show.

Acknowledgements

In July, 1994, the Corporation commenced its new operations following the restructuring exercise. It entailed careful planning, commitment, teamwork and sheer hard work to get the new programmes started. I wish to commend the Management team for their dedication in this endeavour. I am highly confident that with their continued teamwork and dedication, the Corporation can look forward to a bright future.

During the year under review, Messrs T.W. Wafula, J. Oira, J.P.I. Bonyo and Dr. G. Hanjari retired from the Board of Directors. I wish to take the opportunity of thanking them for the services they had all rendered to the Corporation. They left the Corporation a stronger institution.

At the same time, I wish to extend a warm hand of welcome to Prof. Tumbo-Oeri and Mr. Jonathan Masinde who joined the Board as Directors during the year under review. Their contributions will be a welcome asset to the Corporation in the days ahead.

Finally, the Corporation received invaluable support from its own parent Ministry of Commerce and Industry, the Office of the President, the Treasury and the Government in general during the year. My sincere gratitudes therefore go to the Government and, more particularly, to His Excellency the President whose leadership was a source of inspiration for us all.

R.K. CHESIRE
CHAIRMAN

B. – Director's Report

Industrial & Commercial Development Corporation

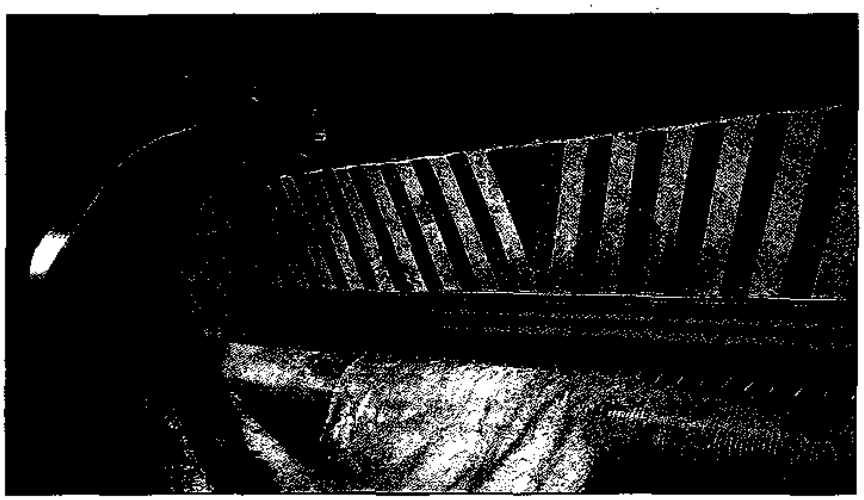
I. – Financial Report

The Board of Directors has the pleasure of submitting the Annual Report together with the audited accounts for the Financial year ended 30th June, 1995 in accordance with Section 15(4) of the Industrial & Commercial Development Corporation Act (Cap. 445).

The Corporation's gross income decreased by Ksh 158.5m (21%) from Ksh 755.7m for the previous year to Ksh 597.2m for the year under review mainly due to lower dividend earnings from associate companies. Expenses on the other hand decreased by Ksh 167.3m from Ksh 511.3m to Ksh 344.0m. As a result the Corporation was able to realize a net profit of Ksh 253.2m in the year under review compared with Ksh 244.2m in the previous year.

The Corporation invested some Ksh 224m in Treasury Bills, being part of the proceeds from the sale of companies and earned KSh 53.0m in interest. The bank overdraft decreased from KSh 31.4m to KSh 21.8m, thus improving the Corporation's cash position.

Inspite of the challenges the Corporation continues to face from the on-going economic restructuring process, its performance has continued to improve. In view of this, and in line with the Corporation's commitment to providing a return to the shareholders, the Directors recommend the declaration of a dividend of Ksh 30m to the Exchequer.

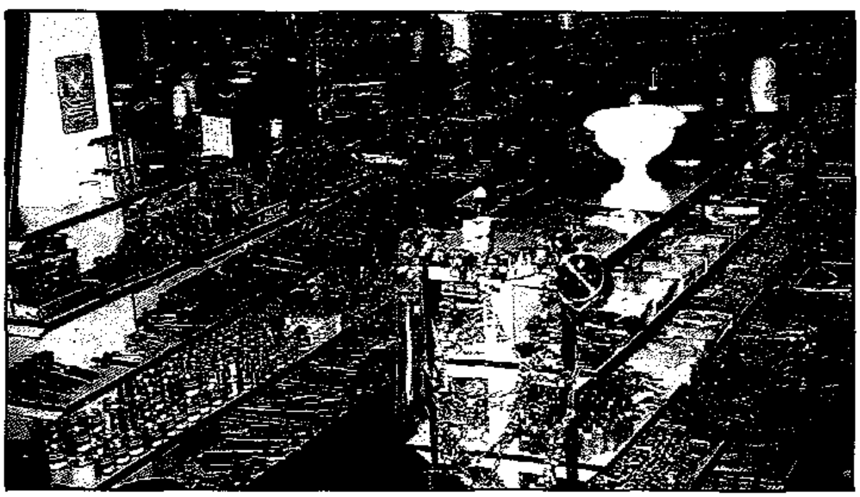


Njoka Tanners Limited based in Embu District is one industrial project that has benefited from the Corporation's New Venture Capital facility. The company processes hides and skins into either semi-finished or finished leather for both local and export markets. The picture above depicts the fleshing and trimming process in the factory.

II. Investment and Profits Review – 1994/95

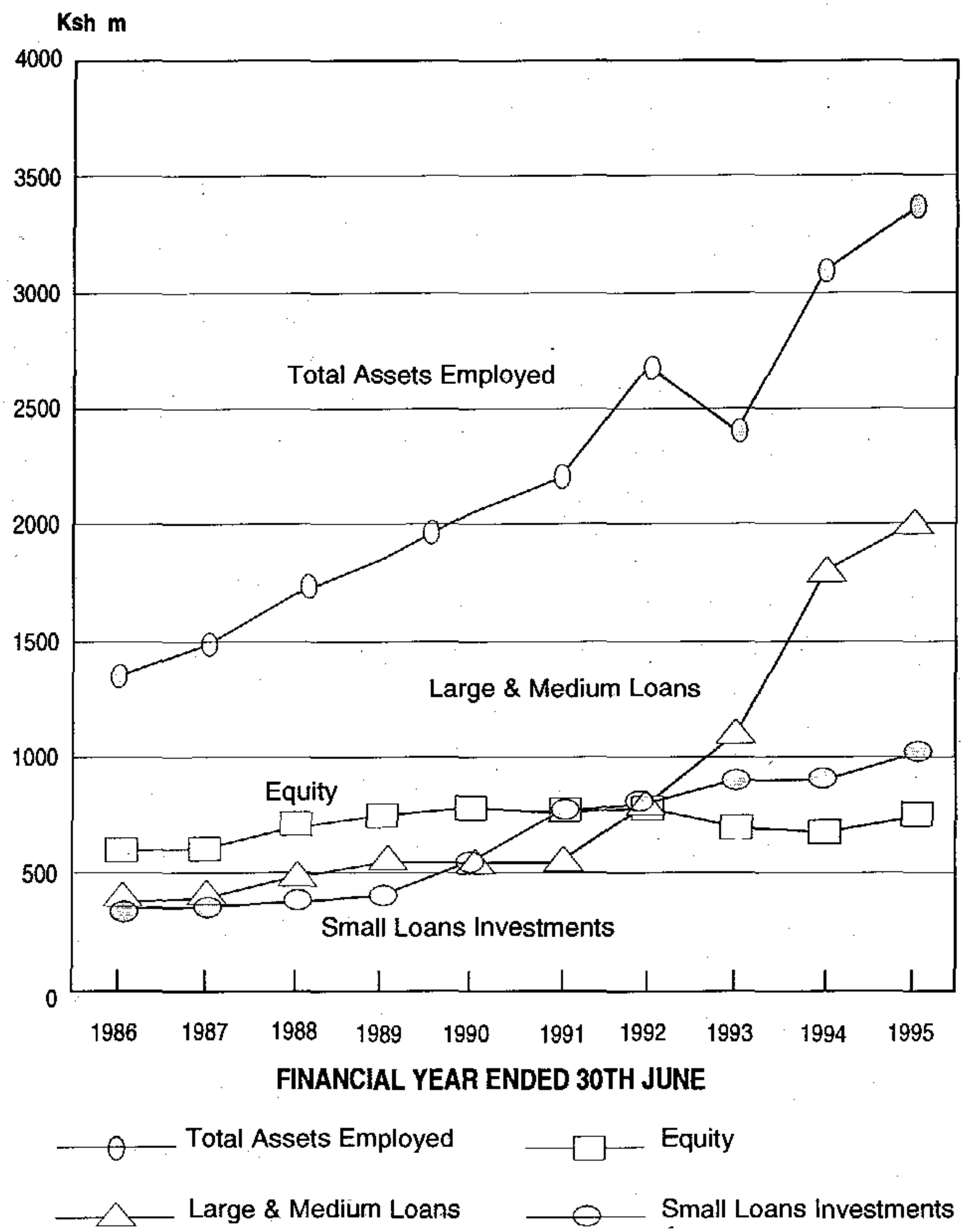
Industrial & Commercial Development Corporation

INVESTMENTS	AMOUNTS AS AT 30.6.95 Ksh	AMOUNTS AS AT 30.6.94 Ksh	INCREASE (DECREASE) Ksh	%
1. EQUITY				
(a) Subsidiary Companies	340,962,870	340,962,870	0	0
(b) Associated Companies	377,513,630	344,226,910	33,286,720	10
	718,476,500	685,189,780	33,286,720	5
2. LOANS				
(a) Large & Medium Loans (including Short Term Advances and Interest Due)	2,032,152,080	1,866,570,770	165,581,310	9
(b) Small Loans (including Interest Due)				
(i) Industrial (including Irrigation Loans)	263,094,370	233,329,940	29,764,430	13
(ii) Commercial (including Staff Car Loans)	562,676,730	503,257,590	59,419,140	12
(iii) Property (including Staff House Loans)	141,885,850	135,490,870	6,394,980	5
(iv) Machinery	45,204,350	38,416,910	6,787,440	18
	3,045,013,380	2,777,066,080	267,947,300	10
3. FIXED ASSETS	529,629,170	535,899,060	(6,269,890)	(1)
Total (1+2+3)	**4,293,119,050**	**3,998,154,920**	**294,964,130**	**7**

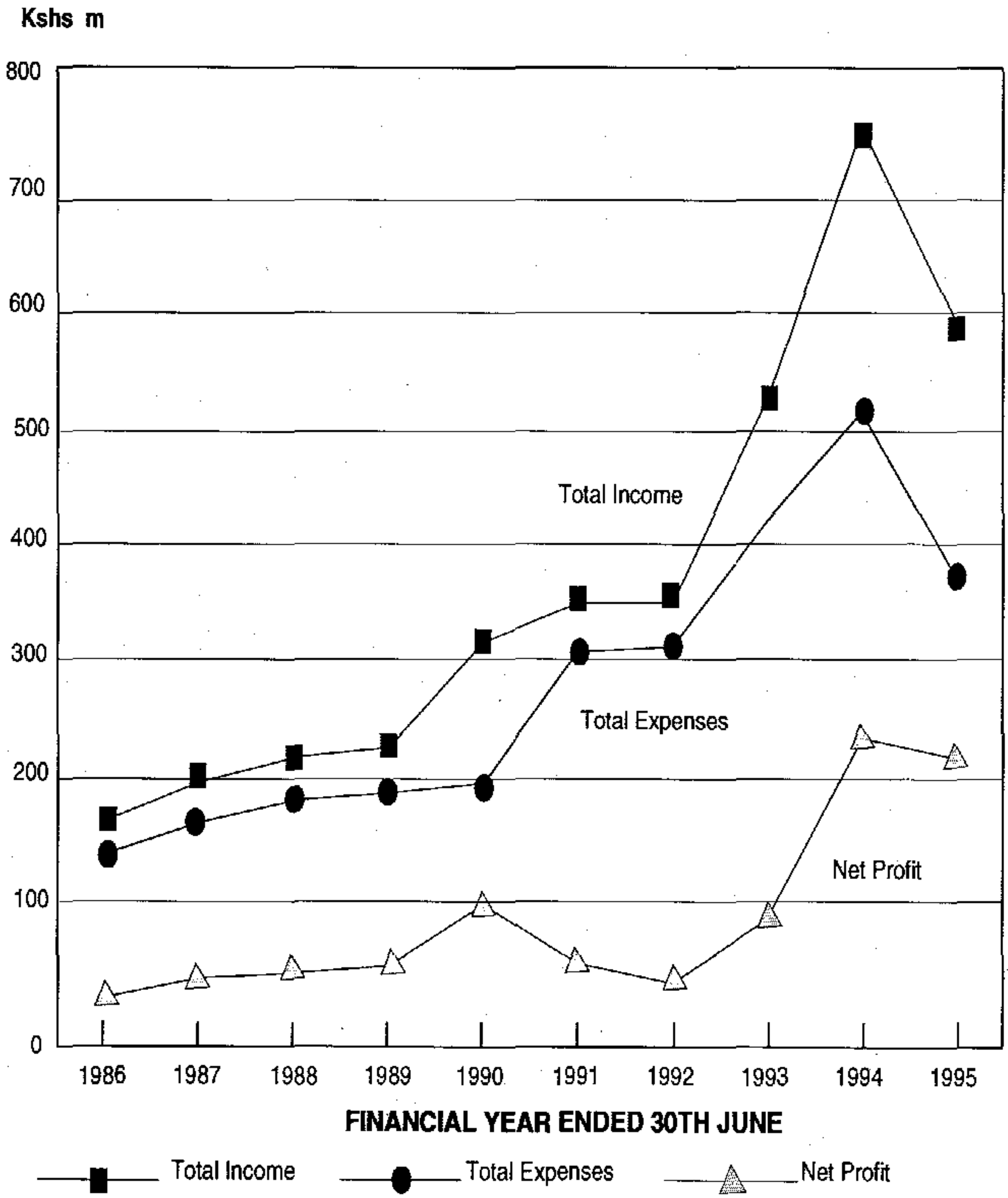


Through the ICDC Commercial and Industrial Loan Programme, some private entrepreneurs have been assisted to start or expand their businesses. The picture above depicts the hardware section of Kamindi Selfridges Supermarket in Kiambu which deals with a large variety of consumer products.

Investments Growth



Profits Review



Summary of ICDC Shareholding in Subsidiary and Associate Companies as at 30th June, 1995

Industrial & Commercial Development Corporation

		Total Issued Capital (Ksh)	ICDC Shareholding (Ksh)	ICDC Shareholding (%)
1.	Agro-Chemical and Food Company Limited	60,000,000	16,900,000	28.17
2.	Brollo Kenya Limited	16,666,660	6,666,660	40.00
3.	Carnaudmetalbox Kenya Limited	40,280,010	5,800,000	14.40
4.	Dawa Pharmaceuticals Limited	39,295,000	13,666,680	34.78
5.	Development Finance Company of Kenya Limited	139,000,000	42,460,000	30.55
6.	East Africa Industries Limited	375,891,000	128,354,720	34.14
7.	East African Fine Spinners Limited	30,460,500	22,674,100	74.44
8.	Eslon Plastics of Kenya Limited	10,000,000	1,660,320	16.60
9.	Eveready Batteries Kenya Limited	8,653,000	2,152,000	24.90
10.	Farm Fresh Commodities Limited	52,686,340	16,340,000	31.01
11.	General Motors Kenya Limited	30,633,000	14,535,000	47.45
12.	ICDC Investment Company Limited	78,504,735	18,253,430	23.25
13.	Industrial Development Bank Limited	257,600,000	31,200,000	12.11
14.	Infusion Kenya Limited	12,800,000	2,100,000	16.40
15.	Kenatco Taxis Limited	5,000,000	5,000,000	100.00
16.	Kenya Bowling Centres Limited	770,140	200,000	25.97
17.	Kenya Engineering Industries Limited	11,000,000	5,500,000	50.00
18.	Kenya Film Corporation Limited (In Liquidation)	4,000,000	4,000,000	100.00
19.	Kenya Flourspar Company Limited	76,712,000	10,000,000	13.04
20.	Kenya Industrial Plastics Limited	999,000	333,000	33.33
21.	Kenya National Properties Limited	31,300,000	11,000,000	35.14
22.	Kenya National Trading Corporation Limited	32,000,000	32,000,000	100.00
23.	Kenya Taitex Mills Limited (In Liquidation)	64,600,000	59,606,420	92.27
24.	Kenya Wine Agencies Limited	240,000,000	174,370,330	72.65
25.	Kisii Bottlers Limited	30,670,820	8,000,000	26.08
26.	Kisumu Cotton Mills (1983) Limited (In Receivership)	53,000,000	19,500,000	37.79
27.	Milling Corporation of Kenya Limited	17,000,000	8,500,000	50.00
28.	Minet ICDC Insurance Brokers Limited	6,182,800	2,270,320	36.72
29	Motor and Pedal Cycles Limited	1,007,000	402,800	40.00
30.	Mount Kenya Bottlers Limited	20,000,000	6,650,000	33.25
31.	Mugitex Manufacturers Co. Limited (In Receivership)	1,200,000	500,000	41.67
32.	NAS Airport Services Limited	16,000,000	4,261,120	26.63
33.	Njoka Tanners Limited	75,400,000	25,000,000	33.15
34.	Panafrican Paper Mills (E.A.) Limited	889,650,000	49,408,880	5.55
35	Pan Vegetable Processors Limited (In Receivership)	15,000,000	15,000,000	100.00
36.	Polysynthetics Eastern Africa Limited	12,858,000	3,857,400	30.00
37.	Raymond Woollen Mills (Kenya) Limited	84,000,000	9,000,000	10.71
38.	Rehabilitation Advisory Services Limited	12,000,000	2,400,000	20.00
39.	Rift Valley Bottlers Limited	10,005,200	4,698,760	46.96
40.	Rift Valley Textiles Limited	200,000,000	163,750,400	81.88
41.	Seracoatings Limited (In Receivership)	9,899,880	3,400,000	34.34
42.	Small Enterprises Finance Company Limited	35,523,680	1,672,000	4.71
43.	Sokoro Fibreboards Limited	13,112,300	3,385,800	25.82
44.	South Nyanza Sugar Company Limited	353,969,680	13,500,000	3.81
45.	Synthetic Fibres Kenya Limited (In Receivership)	64,589,810	64,589,810	100.00
46.	Uchumi Supermarkets Limited	200,000,000	15,000,000	7.50
47.	Wananchi Sawmills (1974) Limited	4,291,860	1,944,480	45.31
TOTAL		3,744,212,415	1,051,464,430	
Directors' Valuation of ICDC's Shareholding			2,572,829,580	

Small Loan Schemes

SUMMARY

During the financial year, 94 applications worth Ksh 103,961,430 were disbursed. The following is a summary of movements on these loans during the year.

		Amount Ksh
	Loans outstanding as at 1.7.94	910,495,320
Add:	Loans issued during the year	103,961,430
	Adjustments	(14,953,003)
	Interest charged during the year	127,244,600
		1,126,748,347
Less:	Repayments during the year	113,887,047
	Loans outstanding as at 30.6.95	1,012,861,300

INDUSTRIAL LOANS

		Amount Ksh
	Loans outstanding as at 1.7.94	233,329,940
Add:	Loans issued during the year	15,082,650
	Adjustments	(1,079,010)
	Interest charged during the year	33,783,010
		281,116,590
Less:	Repayments during the year	18,022,220
	Loans outstanding as at 30.6.95	263,094,370

COMMERCIAL LOANS

		Amount Ksh
	Loans outstanding as at 1.7.94	503,257,590
Add:	Loans issued during the year	80,702,790
	Adjustments	(12,407,407)
	Interest charged during thc year	73,678,050
		645,231,023
Less:	Repayments during the year	82,554,293
	Loans outstanding as at 30.6.95	562,676,730

Small Loan Schemes (cont'd)

PROPERTY LOANS

		Amount Ksh
	Loans outstanding as at 1.7.94	135,490,870
Add:	Loans issued during the year	8,176,000
	Adjustments	(1,466,586)
	Interest charged during the year	12,996,100
		155,196,384
Less:	Repayments during the year	13,310,534
	Loans outstanding as at 30.6.95	141,885,850

MACHINERY LOANS

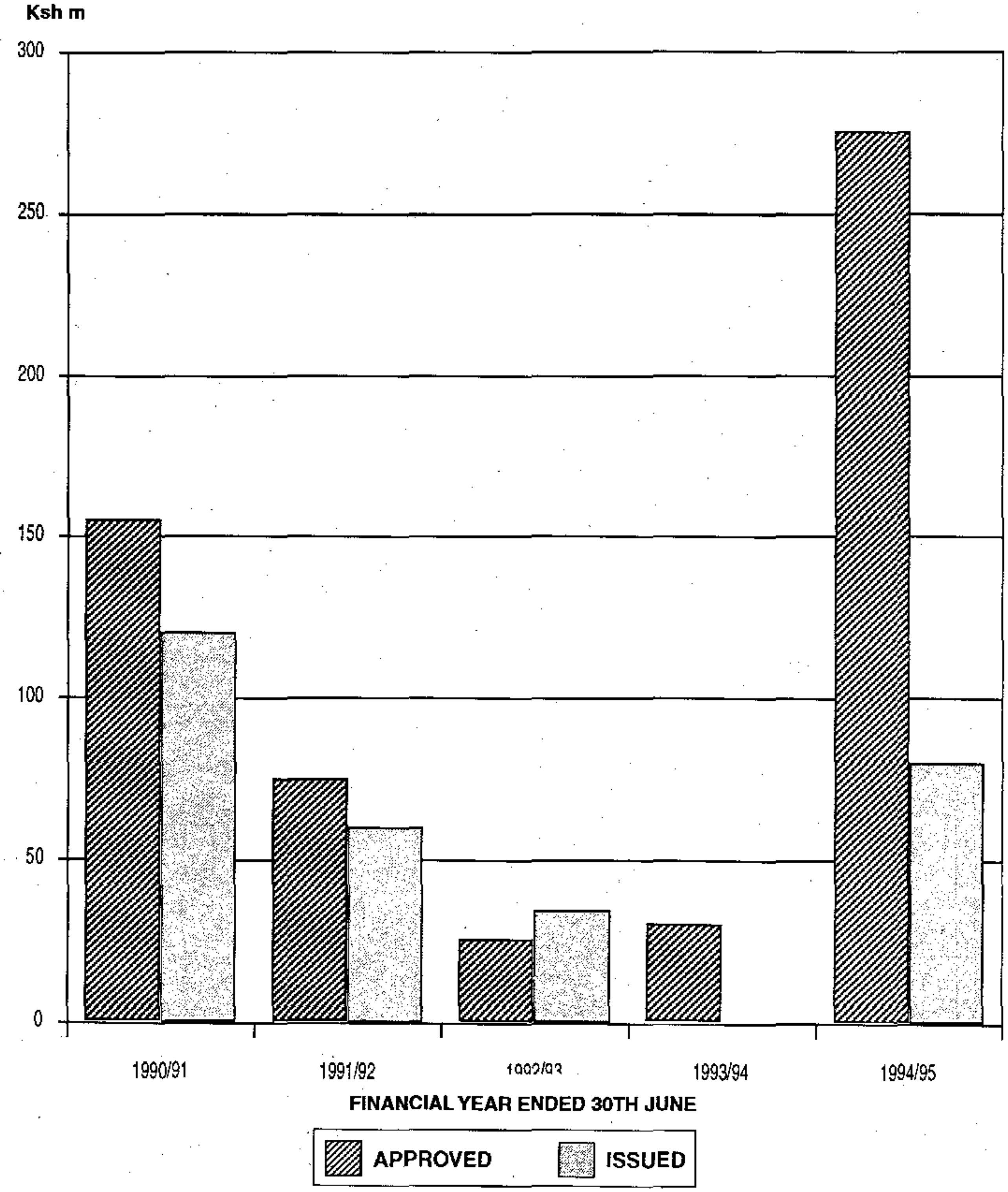
		Amount Ksh
	Loans outstanding as at 1.7.94	38,416,910
Add:	Loans issued during the year	0
	Adjustments	0
	Interest charged during the year	6,787,440
		45,204,350
Less:	Repayments during the year	0
	Loans outstanding as at 30.6.95	45,204,350

NOTE: Industrial Loans include Irrigation Loans while Commercial and Property Loans include Staff Car and Staff House Loans, respectively.

At Ongata Rongai the Filling/Vehicles Services Station depicted above has benefited from the ICDC Commercial Loan Programme.

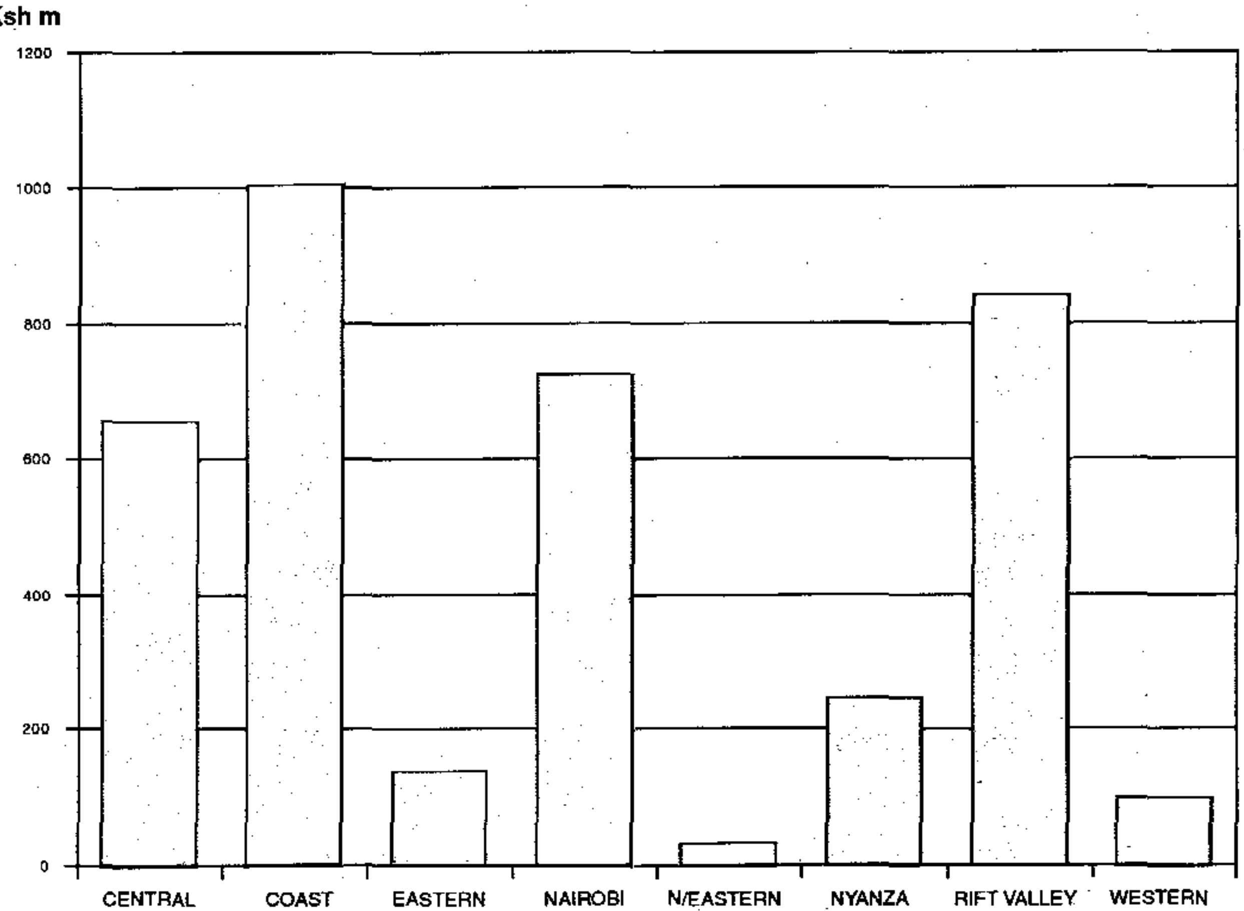
Small Loans Approved and Issued

Industrial & Commercial
Development Corporation



Regional Distribution of ICDC Loans and Equity Investments as at 30th June, 1995

Industrial & Commercial Development Corporation



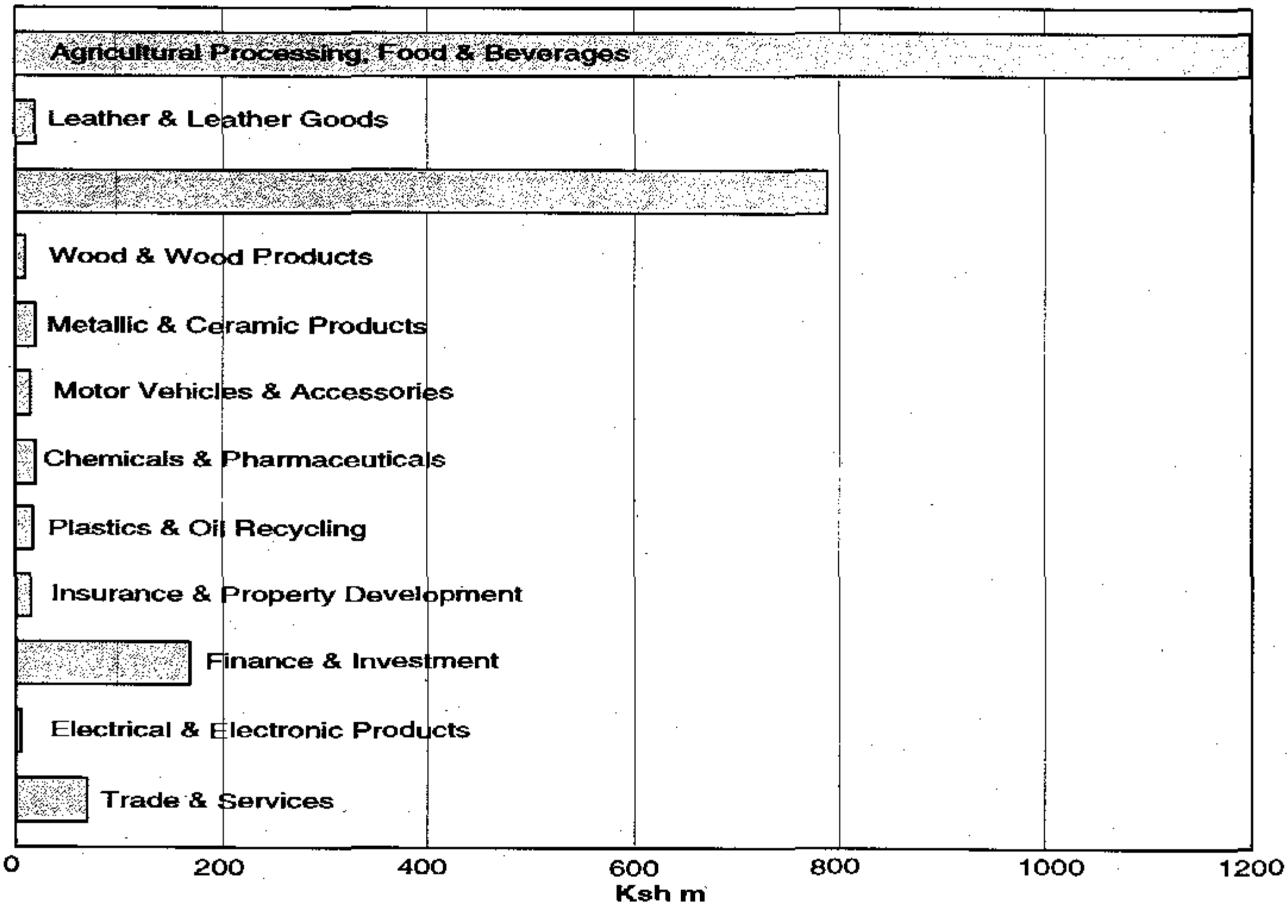
FINANCIAL YEAR ENDED 30TH JUNE

PROVINCE	COMMERCIAL LOANS Ksh	PROPERTY LOANS Ksh	SMALL INDUSTRIAL LOANS Ksh	MACHINERY LOANS Ksh	LARGE & MEDIUM LOANS Ksh	EQUITY INVESTMENT Ksh	TOTAL Ksh
CENTRAL	50,660,366	31,156,570	38,168,897	0	384,604,620	154,047,220	658,637,673
COAST	17,212,876	6,258,660	3,346,697	0	973,498,150	6,666,660	1,006,983,043
EASTERN	84,124,303	9,408,090	20,549,274	0	0	25,000,000	139,081,667
NAIROBI	114,809,688	67,929,420	43,904,766	34,780,640	181,704,610	282,259,300	725,388,424
N/EASTERN	35,907,807	0	0		0	0	35,907,807
NYANZA	139,,430,477	5,661,150	59,508,854	0	6,923,410	37,500,000	249,023,891
R/VALLEY	63,457,489	11,760,600	69,545,131	10,423,710	485,421,290	205,665,513	846,273,733
WESTERN	57,073,720	9,711,350	28,070,747	0	0	7,337,810	102,193,627
TOTAL	**562,676,730**	**141,885,850**	**263,094,370**	**45,204,350**	**2,032,152,080**	**718,476,500**	**3,763,489,865**

NOTE: All loans include accrued interest.
Commercial and Property Loans include Staff Car and Staff House Loans, respectively.

Sectoral Distribution of Equity Investments and Large and Medium Loans as at 30th June, 1995

Industrial & Commercial Development Corporation

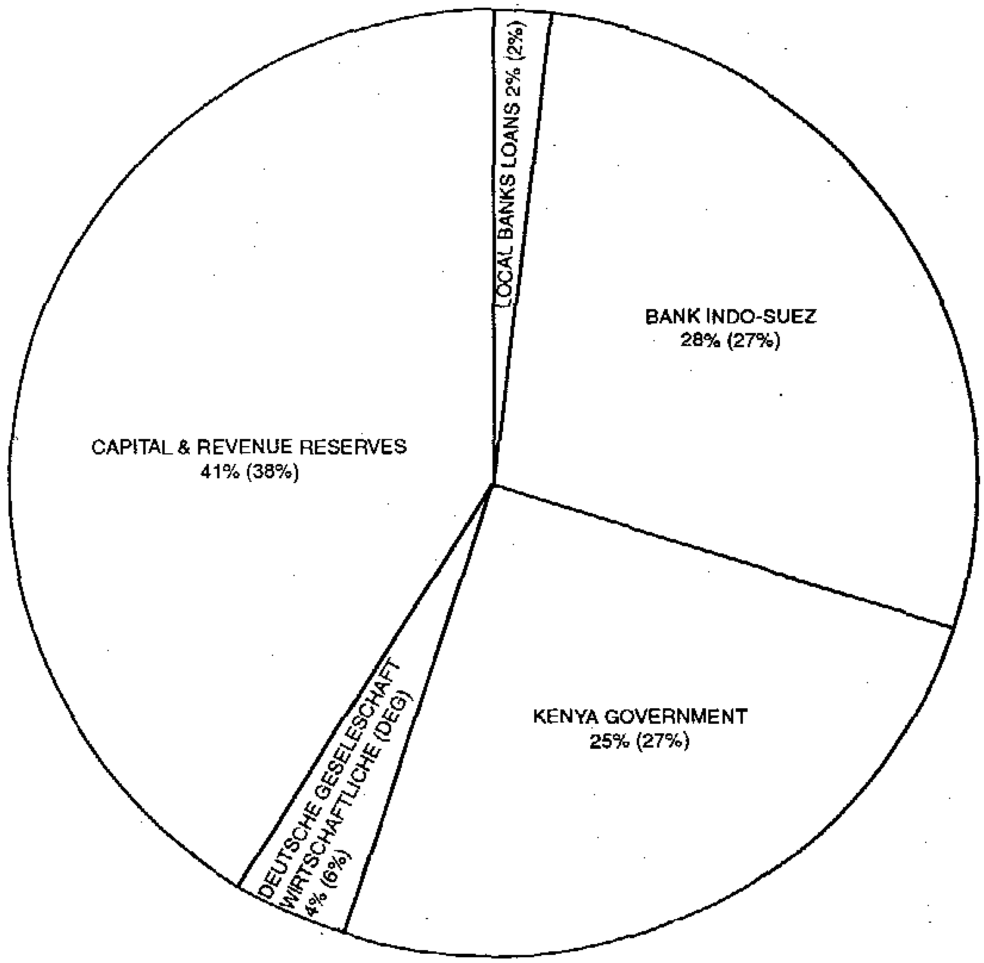


SECTOR	EQUITY INVESTMENTS KSh	LARGE AND MEDIUM LOANS Ksh	TOTAL Ksh
Agricultural Processing, Food and Beverages	157,781,710	1,058,426,000	1,216,207,710
Leather and Leather Goods	25,000,000	0	25,000,000
Textiles	324,700,170	445,026,160	769,726,330
Wood and Wood Products	12,452,020	0	12,452,020
Metallic and Ceramic Products	16,801,660	8,887,310	25,688,970
Motor Vehicles and Accessories	14,535,000	0	14,535,00
Mining, Quarrying and Drilling	20	0	20
Chemicals and Pharmaceuticals	15,767,000	6,610,600	22,377,600
Plastics and Oil Recycling	4,649,000	12,903,750	17,552,750
Insurance and Property Development	14,737,120	0	14,737,120
Finance and Investment	105,906,650	24,863,260	130,769,910
Electrical and Electronic Products	4,887,050	0	4,887,050
Trade and Services	21,259,100	32,815,280	54,074,380
TOTAL	**718,476,500**	**1,589,532,360**	**2,308,008,860**

NOTE: All loans include accrued interest.

Chart A: Total Funds Employed as at 30th June, 1995

Industrial & Commercial Development Corporation

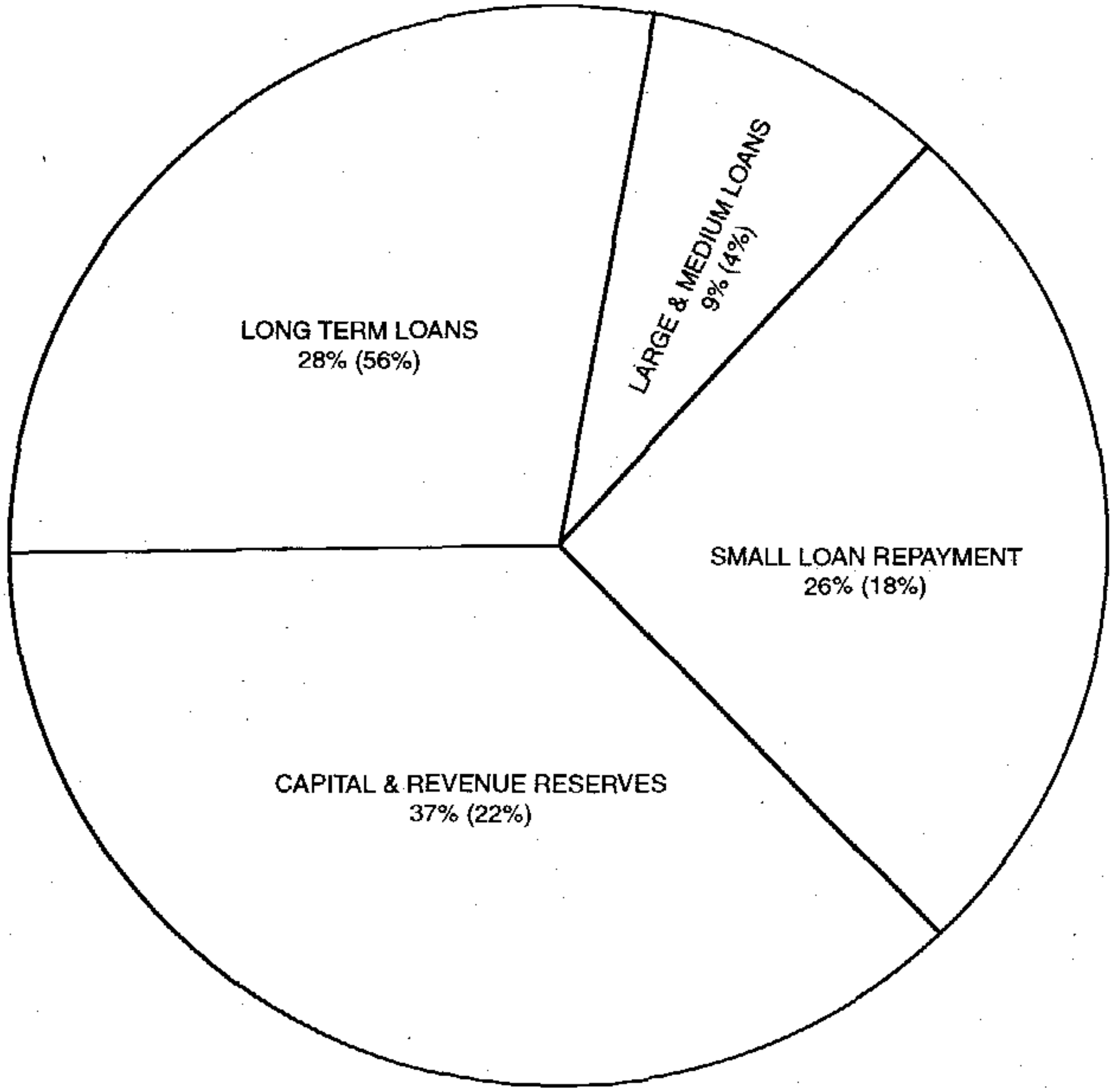


NOTE: Figures in brackets represent 1993/94 percentages for comparison

	1994/95 AMOUNT (Ksh m)	%	1993/94 AMOUNT (Ksh m)	%
Kenya Government Funds	855	25	846	27
Local Banks Loans	58	2	70	2
Bank Indo-Suez	959	28	850	27
Deutsche Gesell Shaft Wirtschaftliche (DEG)	140	4	178	6
Capital & Revenue Reserves	1,360	41	1,170	38
TOTAL	**3,372**	**100**	**3,114**	**100**

Chart B: Sources of Funds During 1994/95

Industrial & Commercial Development Corporation



NOTE: Figures in brackets represent 1993/94 percentages for comparison

	1994/95 AMOUNT (Ksh m)	%	1993/94 AMOUNT (Ksh m)	%
Capital & Revenue Reserves	146	37	158	22
Large & Medium Loan Repayments	36	9	27	4
Small Loan Repayments	103	26	128	18
Long Term Loans	109	28	393	56
TOTAL	**394**	**100**	**706**	**100**

III. Organization

THE BOARD

During the year, the Corporation experienced some changes in the membership of the Directorate. Prof. Tumbo-Oeri and Mr. Jonathan Masinde were appointed as Directors replacing Messrs T. Wafula, J. Oira, J.P.I. Bonyo and Dr. G. Hanjari.

THE MANAGEMENT

The period under review saw the departure of three (3) senior officers from the Corporation. These were Mr. Samson Juma, the Corporation Secretary, Mr. Humphrey Miriga, the Financial Controller and Mr. Francis Nyagari, the Chief Accountant. Their positions were filled by Messrs Isaac Mogaka, Ben Wata and Charles Mkamba, respectively. At the same time Mr. Bernard Murage was promoted to be Chief Internal Auditor, a position earlier held by Mr. Ben Wata.

MANPOWER DEVELOPMENT

A total of fifty four (54) employees underwent various training and personnel development programmes in various disciplines. These ranged from in-house courses in computer networking to local seminars in export documentation, information technology and operations of foreign exchange bureaux among others.

In addition, a Management Development course was organised and conducted by the Corporate Management Institute at Sarova Shaba Lodge in Isiolo for senior managers. The course was also attended by the Executive Director.

STAFF ACTIVITIES

ICDC Football Team

The ICDC Football team, christened "the Keys", was promoted to the National Super-two League as a result of its consistent good performance.

The Choir

During the National and Provincial Music Festivals, the choir entered various set pieces and African folk songs, and won several trophies and certificates.

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 1995.

I have examined the accounts of the Industrial and Commercial Development Corporation for the year ended 30 June 1995 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 Corporation Act, (Cap 445).

Subject to the matters referred to herebelow, 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 30 June,1995 and of its profit and source and application of funds for the year ended on that date.

1. Investment in Soya Oil and Food Industries Ltd.

In my report on the accounts of 1993/94 I expressed concern at the expenditure of Kshs. 850,180,990.00 incurred on Mombasa Soya Oil and Food Industries Ltd., even though the project had not taken off. Although the bulk of equipment and machinery needed for the project had been acquired, subsequent appraisal had indicated the project was economically not viable and recommended they be sold. Information available indicates that the Government accepted the recommendation that the equipment and machinery already acquired for the project be sold and proceeds used to pay off the liabilities incurred on the project which amounted to Kshs.958,844,400.00 as at 30 June,1995.

As indicated in the previous year the terms of the financial arrangement between the Government and the Corporation as regards this project are not clear and under the circumstances, I am unable to form an opinion as to how much of the amount of Kshs. 958,844,400.00 spent by the Corporation on the project is recoverable and if recoverable, when.

2. Donation

In 1989, at the request of the then Chairman of the Moi University Council, the Corporation resolved to construct a centre for Human Resources Development estimated to cost Kshs.15,000,000.00 at the Moi University Eldoret, as donation to the Institution. The cost of the building was to be financed jointly by the Corporation and Uchumi Supermarkets Ltd., which was then its wholly owned subsidiary, but which has since been privatised. A fixed sum contract of Kshs.18,502,447.00 was signed on 29 August 1990. Work on the project was to commence on 28 August 1991 and be completed in June 1992. The construction progressed slowly and stalled in October 1994, two years and four months after the expected completion time, thereby prompting the Corporation to terminate the contract on 30 November 1994. As at the time of determination of the contract, the work was about 80% complete and the Corporation had paid Kshs.7,883,879.00 to the contractor and other professionals.

The project was retendered and a second contract awarded at Kshs. 28,616,814.00 to complete the work thus raising the project cost to over Kshs. 36,500,000.00. The Contractor was to start the work on 13 March, 1995 and complete by August of that year. Available information however indicates that even at the time of signing this report, the project is still incomplete. Documents available further indicate that it is not within the mandate of the Corporation to undertake a project of capital nature for another State Corporation and designate the funds used thereon as donation. In the circumstance, I am unable to confirm that the funds that the Corporation has already spent and/or committed on the project, are covered by the laws and regulations governing operations of the Corporation. I have been informed that the first contractor has since taken the Corporation to court for breach of contract and that the Corporation has in turn put up a defence and a counter claim to the suit. The law suit has not yet been decided and until a ruling is made, the financial implications of the suit will remain unknown.

W.K. KEMEI
AUDITOR-GENERAL (CORPORATIONS)

26 June 1996

Balance Sheet as at 30th June, 1995

Industrial & Commercial Development Corporation

ASSETS EMPLOYED	NOTE	1994/95 Ksh	1993/94 Ksh
Shares in Subsidiary Companies	7	166,188,600	172,966,950
Shares in other Companies	8	347,266,430	314,208,610
Loans	9	1,090,968,670	998,744,890
Fixed Assets	10	529,629,170	535,899,060
Advances	11	142,497,550	148,700,770
		2,276,550,420	2,170,520,280
CURRENT ASSETS			
Short Term Loans Receivable	12	17,716,240	23,799,070
Subsidiary Companies – Current Account	13	148,941,220	116,253,740
Debtors		526,369,590	384,040,390
Current Portion of Loans Receivable	9	575,737,970	490,283,980
Short Term Investments		224,524,770	274,022,470
Bank Balances and Cash		4,396,630	1,357,410
		1,497,686,420	1,289,757,060
CURRENT LIABILITIES			
Short Term Loans Payable	17	22,267,950	48,799,070
Current Portion of Loans Payable	16	90,497,890	58,854,100
Creditors		197,625,840	169,755,850
Bank Overdraft		26,211,940	32,716,170
Dividends Payable		65,000,000	35,000,000
		401,603,620	345,125,190
NET CURRENT ASSETS		1,096,082,800	944,631,870
		3,372,633,220	3,115,152,150
FINANCED BY:			
Grants and Loans from the Kenya Government	14	855,106,900	846,659,080
Capital Reserve	15	751,052,350	491,507,430
Retained Profit		700,630,950	736,940,690
Other Loans	16	1,065,843,020	1,040,044,950
		3,372,633,220	3,115,152,150

.... CHAIRMAN

.... EXECUTIVE DIRECTOR

The Accounts were approved by the Board of Directors on 30th May, 1996

Report of the Auditor-General (Corporations) Page 18 to 19
Cashflow Statement Page 22
The Notes and Schedules on Page 23 to 35 form part of these accounts.

Profit and Loss Account for the Year ended 30th June, 1995

	Note	1994/95 Ksh	1993/94 Ksh
INCOME	2	597,289,210	755,729,500
LESS:			
Interest Charges	3	81,543,070	117,448,910
Administrative Costs and Other Expenses	4	169,063,450	196,864,860
Loss/(Gain) on Foreign Exchange	4	(37,661,070)	23,624,600
		212,945,450	337,938,370
Profit before Provision for Losses		384,343,760	417,791,130
LESS:			
Provision for Losses	5	131,100,870	173,367,670
Profit before and after Taxation	6	253,242,890	244,423,460
LESS: Dividends		30,000,000	0
Retained Profits for the year		223,242,890	244,423,460

STATEMENT OF RETAINED PROFITS

	Note	1994/95 Ksh	1993/94 Ksh
1st July as Previously Stated		736,940,590	492,517,230
Retained Profit for the year		223,242,890	244,423,460
		960,183,480	736,940,690
LESS: Transfer to Capital Reserve	15	259,552,530	0
30th JUNE		700,630,950	736,940,690

Report of the Auditor-General (Corporations) Page 18 to 19
Cash Flow Statement Page 22
The Notes and Schedules on page 23 to 35 form part of these accounts.

Cashflow Statement for the year ended 30th June, 1995

Industrial & Commercial Development Corporation

	Note	1994/95 Ksh	1993/94 Ksh
NET CASH INFLOW FROM OPERATING ACTIVITIES	20(a)	180,496,970	104,136,510
RETURNS ON INVESTMENTS AND SERVICING OF FINANCE			
Long Term Loans Repayments		(60,170,930)	(64,589,080)
Repayment of Loans:			
– Associate Companies		7,431,480	6,320,710
– Subsidiary Companies		15,000,000	850,000
– Small Loans		102,514,570	128,061,370
Repayment of Advances:			
– Associate Companies		13,579,970	12,332,890
– Subsidiary Companies		6,133,960	6,321,750
NET CASH INFLOW/(OUTFLOW) ON RETURNS ON INVESTMENTS AND SERVICING OF FINANCE		84,489,050	89,297,640
INVESTING ACTIVITIES			
Increase in Investments		(41,340,000)	0
Proceeds from Sale of Fixed Assets		769,000	1,212,600
Proceeds from Sale of Investments		53,652,790	236,817,380
Purchase of Fixed Assets		(6,568,630)	(12,017,290)
Small Loans Advanced and Interest Charged there on		(222,328,140)	(132,477,810)
Exchange Adjustments in Loans:			
– Associate Companies		(108,663,400)	(381,384,420)
– Subsidiary Companies		(18,236,170)	(5,400,000)
Increase in Advances:			
– Associate Companies		(11,443,700)	(24,536,380)
– Subsidiary Companies		(40,946,540)	(52,991,170)
Decrease in Loans – Subsidiary Companies		0	13,277,100
Exchange Adjustments in Loans		110,612,810	393,509,040
Repayment of KIE Loan		0	1,337,000
NET CASH INFLOW/(OUTFLOW) FROM INVESTING ACTIVITIES		(284,491,980)	37,346,050
INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS	20(b)	(19,505,960)	230,780,200

Report of the Auditor-General (Corporations) page 18 to 19
The Notes and Schedules on page 23 to 35 form part of these accounts.

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%

Leasehold Properties are armortised 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 Subsidiary Companies 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) Reserves:

Capital profits on the disposal of investments in Subsidiary and other Companies, and of fixed assets are appropriated to Capital Reserves in the year of disposal. Losses on such disposal are written off in Profit and Loss Account.

(g) 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.

(h) 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.

2. INCOME

	1994/95 Ksh	1993/94 Ksh
Dividends:		
Subsidiary companies	39,076,450	27,899,250
Other companies	175,139,410	204,944,440
Interest on loans and advances:		
Large and medium size loans and advances	112,581,050	130,786,440
Small loans	127,244,600	122,640,750
Application fees	5,222,170	66,850
Management and other services	11,197,420	10,119,240
Rents	25,539,300	20,965,900
Profit on disposal of fixed assets and investments	46,346,000	213,198,910
Computer Income	1,054,040	918,410
Interest on Deposits	53,055,460	22,789,740
Sundry income	833,310	1,399,570
	597,289,210	755,729,500

3. INTEREST CHARGES

	1994/95 Ksh	1993/94 Ksh
Kenya Government Loans	8,447,820	8,447,820
Other loans	73,095,250	109,001,090
	81,543,070	117,448,910

4. ADMINISTRATION COSTS AND OTHER EXPENSES

	1994/95 Ksh	1993/94 Ksh
Staff Costs	104,938,500	100,903,870
Directors Fees and other Expenses	2,405140	3,150,550
Rent and Rates	2,173,570	2,349,010
Audit Fees	560,000	340,000
Depreciation	12,440,680	10,341,200
Repairs and Maintenance	2,089,490	3,468,060
Insurances	2,977,010	2,519,390
Printing and Stationery	3,610,290	2,681,150
Water and Electricity	5,317,430	5,487,950
Publicity and Advertising	3,019,960	3,382,700
Telephone and Telex	5,161,320	4,515,280
Travelling and Subsistence	5,519,890	4,090,510
Motor Vehicle Operating Expenses	4,721,990	4,414,690
Computer Rental and other E.D.P. Expenses	2,705,180	2,278,610
ICDC Voluntary Early Retirement Scheme	967,940	32,361,900
Other Expenses	10,455,060	14,579,990
	169,063,450	196,864,860
Loss\(Gain) on Foreign Exchange	(37,661,070)	23,624,600
	131,402,380	220,489,460

5. PROVISION FOR LOSSES

	1994/95 Ksh	1993/94 Ksh
Specific Provisions:		
Small Loans	23,268,680	46,896,670
Equity Investment	8,132,000	534,220
Large and medium size loans and advances:		
Principal	15,615,000	15,423,990
Interest	50,703,760	82,722,720
Sundry Debtors	15,444,930	32,072,670
General Provisions:		
Small Loans	19,061,260	(4,282,600)
Equity investment	(1,124,760)	0
	131,100,870	173,367,670

6. 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.

7. SHARES IN SUBSIDIARY COMPANIES

	1994/95 Ksh	1993/94 Ksh
Shares at cost (unquoted)	340,962,870	340,962,870
LESS: Provision	174,774,270	167,995,920
	166,188,600	172,966,950
Directors Valuation of unquoted shares	508,794,400	508,794,400

8. SHARES IN OTHER COMPANIES

	1994/95 Ksh	1993/94 Ksh
Shares at Costs:		
Quoted	33,574,650	33,574,650
Unquoted	343,938,980	310,652,260
	377,513,630	344,226,910
LESS: Provision	30,247,200	30,018,300
	347,266,430	314,208,610
Market value of quoted shares	280,781,540	179,275,760
Directors' valuation of unquoted shares	1,783,253,640	3,462,234,980
	2,064,035,180	3,641,510,740

9. LOANS

	1994/95 Ksh	1993/94 Ksh
Large and Medium Loans:		
Subsidiary Companies	294,557,420	291,321,250
Associate Companies	1,010,210,480	908,978,550
	1,304,767,900	1,200,299,800
LESS: Provision for bad and doubtful debts	126,545,860	115,271,860
	1,178,222,040	1,085,027,940
LESS: Current portion of loans under current assets	313,436,960	332,917,580
	864,785,080	752,110,360
LESS: Loans from Subsidiary and other Companies	0	7,000,000
	864,785,080	745,110,360
Small Loans:		
Commercial	562,676,730	503,257,590
Property	141,885,850	135,490,880
Industrial	263,094,370	233,329,940
Machinery	45,204,350	38,416,910
	1,012,861,300	910,495,320
LESS: Provision for bad and doubtful debts	524,376,700	499,494,390
	488,484,600	411,000,930
LESS: Current portion of loans shown under current assets	262,301,010	157,366,400
TOTAL LONG TERM LOANS	1,090,968,670	998,744,890
TOTAL CURRENT PORTION OF LOANS	575,737,970	490,283,980

10. FIXED ASSESTS

	Leasehold over 50 years Ksh	Leasehold under 50 years Ksh	Motor Vehicles Ksh	Furniture & Office Equipment Ksh	Total Ksh
Cost or Valuation:					
1st July l994	517,784,200	734,530	18,398,980	26,095,250	563,012,960
Additions	0	0	4,728,020	1,844,610	6,572,630
Disposals	0	0	(1,169,910)	(462,300)	(1,632,210)
30th June, 1995	517,784,200	734,530	121,957,090	27,477,560	567,953,380
Depreciation:					
1st July 1994	4,324,190	669,130	11,542,270	10,578,310	27,113,900
Additions	6,286,980	0	2,425,230	3,728,480	12,440,690
Disposal/Adjustment	0	0	(1,169,900)	(60,480)	(1,230,380)
30th June, 1995	10,611,170	669,130	12,797,600	14,246,310	38,324,210
Net Book Value:					
30th June, 1995	507,173,030	65,400	9,159,490	13,231,250	529,629,170
30th June, 1994	513,460,010	65,400	6,856,710	15,516,940	535,899,060

The revaluation of Uchumi House, a leasehold property over 50 years, was carried out on 30th June, 1994 by the Corporation's qualified valuation surveyors, based on an open market value. The value was stated at Ksh 480,000,000 and the surplus arising on valuation amounting to Ksh 339,278,370 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 15).

11. ADVANCES

	1994/95 Ksh	1993/94 Ksh
Subsidiary Companies	317,061,060	282,248,490
Other Companies	54,337,130	65,219,740
	371,398,190	347,468,230
Less Provision for bad and doubtful debts	228,900,640	198,767,460
	142,497,550	148,700,770

12. SHORT TERM LOANS

	1994/95 Ksh	1993/94 Ksh
Short Term bank loan obtained for on lending to Rift Valley Textiles Limited	17,716,240	23,799,070

13. SUBSIDIARY COMPANIES CURRENT ACCOUNTS

	1994/95 Ksh	1993/94 Ksh
Current accounts	416,645,970	354,854,050
LESS: Provision for bad and doubtful debts	267,704,750	238,600,310
	148,941,220	116,253,740

14. GRANTS AND LOANS FROM THE KENYAN GOVERNMENT

		1994/95 Ksh	1993/94 Ksh
(a)	1st July	811,445,150	803,561,350
	Loan interest for the year	7,927,190	7,883,800
		819,372,340	811,445,150
(b)	Loan borrowed from KFW of West Germany		
	Principal	26,031,500	26,031,500
	Adjustment	43,380	0
	Interest	9,659,680	9,182,430
		35,734,560	35,213,930
30th June		855,106,900	846,659,080

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 losses is made in accordance with the Corporation's accounting policy stated in Note I(e).

		1994/95 Ksh	1993/94 Ksh
Kenatco Transport Company Limited (in receivership)	– Equity	6,900,000	6900,000
Kisumu Cotton Mills (1983) Limited	– Equity	19,500,000	19,500,000
Milling Corporation of Kenya Limited	– Equity	8,500,000	8,500,000
Milling Corporation of Kenya Limited	– Loan	9,676,500	9,676,500
Pan African Vegetable Products Limited (Liquidated)	– Equity	15,805,390	17,070,390
Pan Vegetable Processors Limited	– Equity	15,000,000	15,000,000
Pan Vegetable Processors Limited	– Loan	1,265,000	15,000,000
Pan Vegetable Processors Limited	– Advance	5,000,000	43,982,810
South Nyanza Sugar Company Limited	– Equity	10,000,000	10,000,000
		91,646,890	145,629,700

15. CAPITAL RESERVE

	Surplus on Revaluation of Property Ksh	Profit on Sale of Investment Ksh	Profit on Sale of Fixed Assests Ksh	Total Ksh
1st July	475,076,590	13,463,720	2,967,120	491,507,430
Adjustment	0	(7,610)	0	(7,610)
Transfer from Retained Earnings	0	257,570,930	1,981,600	259,552,530
30th June	475,076,590	271,027,040	4,948,720	751,052,350

The Ksh 259,552,530 transfer from retained earnings relates to the profit on sale of fixed assets and equity investments of Ksh 213,198,910 not transferred in the last audited accounts and Ksh 46,346,000 for 1994/95 now transferred in line with the Corporation's accounting policies.

The adjustment of Ksh 7,610 on profit on sale of investment is the difference between the opening balance brought forward from last year's accounts and the closing balance in Capital Reserve.

16. OTHER LOANS

	1994/95 Ksh	1993/94 Ksh
Standard Bank Limited (2nd. Loan)	0	2,000,000
Borrowing for Soya Oil Industries Limited	958,844,400	850,180,990
Kenya Film Corporation	887,860	0
Kenya Commercial Bank Limited (Advance for SFKL and EAFS)	11,260,660	15,226,440
Kenya Commercial Bank Limited (KSh. 80m Loan)	34,326,950	40,000,000
Kenya Commercial Bank Limited (Guarantee to Kisumu Cotton Mills (1983) Limited)	9,691,340	12,124,620
Deutsche Gessellschaft Fur Wirtschaftliche Zusammenarbeit (Entwicklungsgesellschatt) Mbh: (D.E.G.):		
D.E.G. – First Loan (DM 15M) 1986/1996	16,117,500	32,235,000
D.E.G. – Second Loan (DM 15M) 1993/2003	124,212,200	146,132,000
Borrowing for Small Irrigation Development Project	1,000,000	1,000,000
	1,156,340,910	1,098,899,050
LESS: Current portion of loans	90,497,890	58,854,100
	1,065,843,020	1,040,044,950

Share investments in Subsidiary and other Companies at cost of Ksh 55,584,580 are held as security for some of the above loans.

17. SHORT TERM LOANS PAYABLE

	1994/95 Ksh	1993/94 Ksh
Kenya Commercial Bank Limited – Loan for on-lending to Rift Valley Textiles Limited	17,716,240	23,799,070
Agro Chemical & Food Industries Ltd.	4,551,710	25,000,000
	22,267,950	48,799,070

18. CONTINGENT LIABILITIES

	1994/95 Ksh	1993/94 Ksh
Guarantees in respect of Subsidiary and Other Companies	36,534,700	36,534,700

19. COMMITMENTS

	1994/95 Ksh	1993/94 Ksh
Commitments for further Loans and Investments:		
Small Loans	141,700,500	62,488,300
Large and Medium Loans	10,000,000	74,939,800
Equity Investments	7,741,900	58,424,600
Rivatex Share Purchase Option	317,005,400	317,005,400
	476,447,800	512,858,100

20. NOTES TO THE CASHFLOW STATEMENT

		1994/95 Ksh	1993/94 Ksh
(a)	**Reconciliation of Profit before Taxation to Net Cash Inflow from Operating Activities:**		
	Profit before Taxation	253,242,890	244,423,460
	Depreciation	12,440,680	10,341,200
	Profit on Sale of Fixed Assets and Equity Investments	(46,346,000)	(213,196,920)
	Increase in Government Interest Payables	8,447,820	8,447,820
	Amounts provided for Losses on Equity Investments and Loans	99,858,280	108,372,010
	Increase in Creditors	27,869,980	64,244,550
	Decrease in Subsidiary Companies Current Accounts	0	15,178,960
	Increase in Debtors	(142,329,200)	(133,674,570)
	Increase in Subsidiary Companies Current Accounts	(32,687,480)	0
	Net Cash Inflow from Operating Activities	180,496,970	104,136,510

		1994/95 Ksh	1993/94 Ksh
(b)	**Analysis of Changes in Cash and Cash Equivalents during the year**		
	At 30th June	198,157,750	217,663,710
	At 1st July	217,663,710	(13,116,490)
		(19,505,960)	230,780,200

		1994/95 Ksh	1993/94 Ksh
(c)	**Analysis of Balances of Cash and Cash Equivalents as shown in the Balance Sheet and Notes**		
	Cash and Bank Balances	4,396,630	1,357,410
	Short Term Investments	224,524,770	274,022,470
	Bank Overdraft	(26,211, 940)	(32,716,170)
	Short Term Loans Receivable	17,716,240	23,799,070
	Short Term Loans Payable	(22,267,950)	(48,799,070)
		198,157,750	217,663,710

Shareholding in Subsidiary and Associate Companies as at 30th June, 1995

SUBSIDIARY COMPANIES	1994/95 Ksh	1993/94 Ksh
WHOLLY OWNED SUBSIDIARY COMPANIES		
Kenatco Taxis Limited	5,000,000	5,000,000
Kenatco Transport Company Limited – In Receivership)	6,900,000	6,900,000
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
	91,729,810	91,729,810
OTHER SUBSIDIARY COMPANIES		
East African Fine Spinners Limited – Ordinary Shares	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 Textile Mills Limited	157,532,260	157,532,260
	249,233,060	249,233,060
	340,962,870	340,962,870

ASSOCIATE COMPANIES	1994/95 Ksh	1993/94 Ksh
Agro Chemical and Food Processing Company Limited	16,900,000	16,900,000
Brollo Kenya Limited	6,666,660	6,666,660
CMB Packaging Kenya Limited	4,635,000	4,635,000
CPC Industrial Products Limited	0	6,216,520
Dawa Pharmaceuticals Limited	13,667,000	13,667,000
Development Finance Company of Kenya Limited	42,460,000	42,460,000
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
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
BALANCE C/F	214,152,920	220,369,440

ASSOCIATE COMPANIES (continued)

	1994/95 Ksh	1993/94 Ksh
BALANCE B/F	214,152,920	220,369,440
Kenya Bowling Centre Limited - 8% Preference Shares	200,000	200,000
Kenya Engineering Industries Limited	5,500,000	5,500,000
Kenya National Properties Limited	11,000,000	11,000,000
Kenya Flourspar Company Limited	20	20
Kenya Industrial Plastics Limited	100,000	100,000
Kisii Bottlers Limited	8,000,000	8,000,000
Kisumu Cotton Mills (1983) Limited	19,500,000	19,500,000
Milling Corporation of Kenya Limited	8,500,000	8,500,000
Minet ICDC Insurance Brokers Limited	3,737,120	4,755,200
Motor and Pedal 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
NAS Airport Services Limited	3,116,300	3,116,300
Pan Vegetable Products Limited (Liquidated)		
– Ordinary Shares	15,805,390	15,805,390
– Preference Shares	1,265,000	1,265,000
Pan African Paper Mills (E.A.) Limited	7,337,810	7,337,810
Polysynthetics East Africa 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
Sanyo Armco Kenya Limited	0	818,680
Seracoatings Limited	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
Uchumi Supermarkets Limited	3,000,000	3,000,000
Wananchi Sawmills (1974) Limited	1,728,410	1,728,410
Farm Fresh Commodities Limited	16,340,000	0
Njoka Tanners Limited	25,000,000	0
	377,513,630	344,226,910
TOTAL	718,476,500	685,189,780

Large and Medium Loans as at 30th June, 1995

Industrial & Commercial Development Corporation

	Principal Outstanding Ksh	Interest Earned Ksh
SUBSIDIARY COMPANIES		
Kenatco Taxis Limited – Ksh 5 Million	5,400,000	1,458,000
Kenatco Taxis Limited – Ksh 17 Million	16,150,000	4,360,500
Pan Vegetable Processors Limited – Ksh 2 Million	0	2,010,100
Pan Vegetable Processors Limited – Ksh 5 million	5, 000,000	1,350,000
Rift Valley Textiles Limited – Ksh 10.5 Million	10,500,000	1,207,500
Rift Valley Textiles Limited – DM 1.7 Million Income Notes	66,752,890	6,265,900
Rift Valley Textiles Limited – DM 8.9 Million	101,668,710	14,730,810
Synthetic Fibres Kenya Limited - Ksh 63.7 Million	63,741,330	17,210,160
Synthetic Fibres Kenya Limited - Ksh 22.5 Million	25,344,490	6,843,010
	294,557,420	55,435,980

	Principal Outstanding Ksh	Interest Earned Ksh
ASSOCIATE COMPANIES		
Dawa Pharmaceuticals Limited	5,109,580	1,501,020
Development Finance Company of Kenya Limited		
– Income Notes	6,230,000	1,200,000
– Loans	15,000,000	449,380
Kenya Engineering Industries Limited	2,000,000	540,000
Milling Corporation of Kenya Limited – Ksh 6.5 Million	6,500,000	585,000
Milling Corporation of Kenya Limited – Ksh 3.175 Million	3,176,500	301,770
Motor and Pedal Cycles Limited	1,350,000	364,500
Mount Kenya Bottlers Limited	7,000,000	2,127,360
Seracoatings Limited	5,000,000	1,350,000
Soya Oil and Food Industries Limited	958,844,400	0
Wormald Kenya Limited – Ksh 5 Million	0	182,480
Kenya Industrial Plastics Limited	0	203,750
	1,010,210,480	8,805,260

Advances as at 30th June, 1995

SUBSIDIARY COMPANIES	Principal Outstanding Ksh	Interest Earned Ksh
East African Fine Spinners Limited – Ksh 10 Million	4,617,790	3,900,570
East African Fine Spinners Limited – Ksh 6.6 Million	1,405,570	2,253,890
East African Fine Spinners Limited – Ksh 15.4 Million	15,436,550	4,167,870
East African Fine Spinners Limited – Ksh 10 Million	12,121,480	1,276,520
East African Fine Spinners Limited – Ksh 1 Million	999,000	0
Kenya Taitex Mills Limited – Ksh 1 Million	1,000,000	270,000
Kenya Taitex Mills Limited – Ksh 6.9 Million	6,865,900	1,853,790
Pan Vegetable Processors Limited – Ksh 5 Million	39,599,730	11,265,650
Synthetic Fibres Kenya Limited – Ksh 6.5 Million	1,004,520	271,220
Synthetic Fibres Kenya Limited – Advance for Raw Materials	42,646,440	11,514,540
Synthetic Fibres Kenya Limited – Ksh 1.5 Million	1,500,000	405,000
Synthetic Fibres Kenya Limited – Ksh 10 Million	9,528,650	3,667,500
Synthetic Fibres Kenya Limited – Receiver Manager	4,054,560	0
	140, 780,190	40,846,550

ASSOCIATE COMPANIES	Principal Outstanding Ksh	Interest Earned Ksh
Funguo Investments Limited – Ksh 0.35 Million	0	77,220
Funguo Investments Limited – Ksh 0.25 Million	1,500,000	406,660
Kenya Cashewnuts Limited – Ksh 10 Million	10,000,000	2,700,000
Kenya Engineering Industries Limited	2,500,000	675,000
Kenya Engineering Industries Limited – Ksh 1.5 Million	2,497,880	674,430
Kisii Bottlers Limited – Bridging Finance	(82,280)	850,590
Kisii Bottlers Limited – Underwriting Funds	7,197,180	0
Motor and Pedal Cycles Limited	2,795,120	754,680
Seracoatings Limited	5,000,000	1,350,000
	31,407,900	7,488,580

Distribution of Total Investments by Province as at 30th June, 1995

Industrial & Commercial Development Corporation