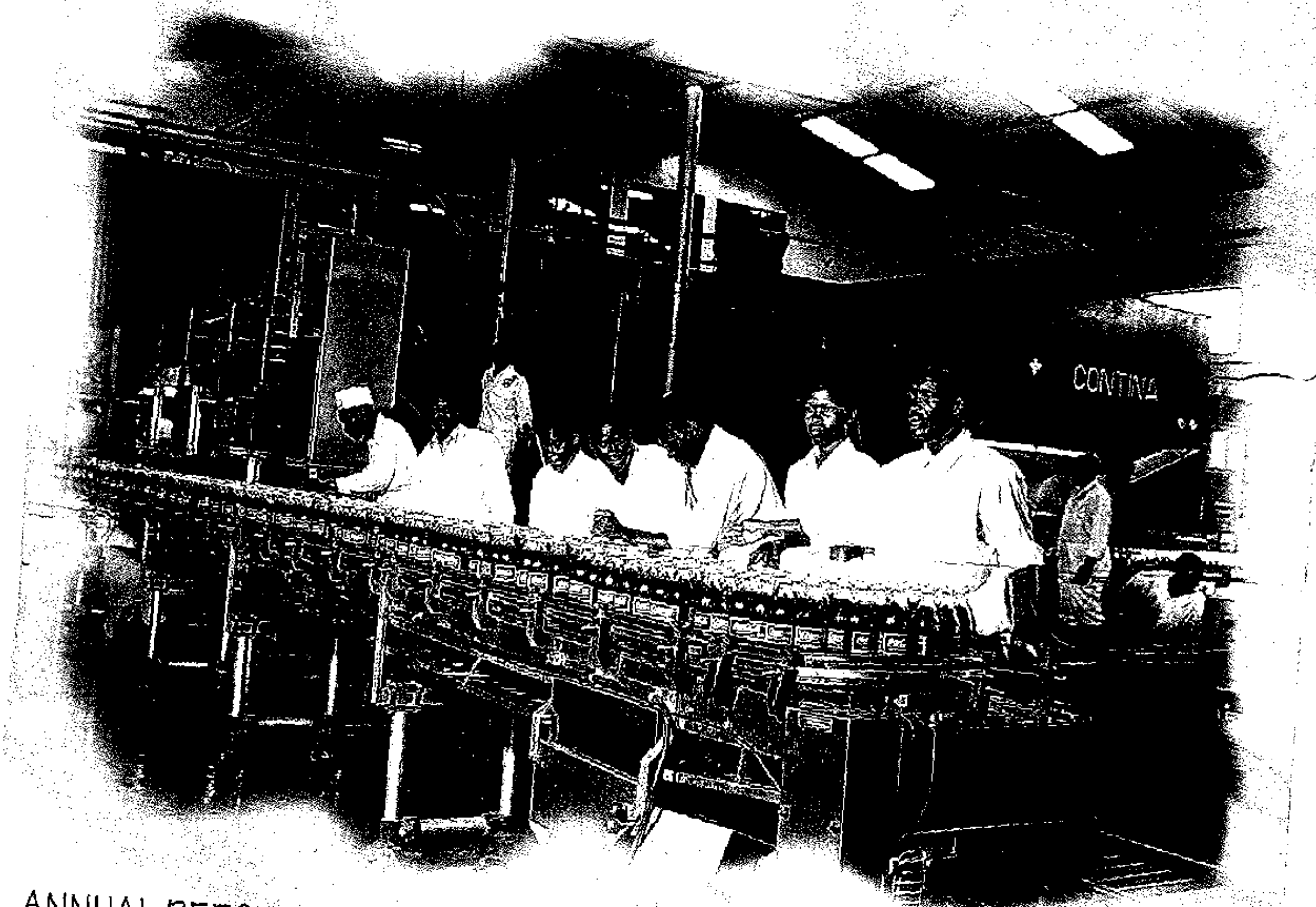
FUNGUA UCHUMI

ICDC

INDUSTRIAL & COMMERCIAL DEVELOPMENT CORPORATION



ANNUAL REPORT & ACCOUNTS
1999/2000

EQUITY CAPITAL
INDUSTRIAL LOANS
COMMERCIAL LOANS
MANAGEMENT SUPPORT SERVICES
CONSULTANCY SERVICES

Annual Report & Accounts 1999/2000

EQUITY CAPITAL

INDUSTRIAL LOANS

COMMERCIAL LOANS

MANAGEMENT SUPPORT SERVICES

CONSULTANCY SERVICES

FUNGUA UCHUMI

ICDC

Industrial & Commercial Development Corporation

2007/0427

EQUITY CAPITAL

INDUSTRIAL LOANS

COMMERCIAL LOANS

MANAGEMENT SUPPORT SERVICES

CONSULTANCY SERVICES

CONTENTS

Cover Picture:
Bottling process at
Kisii Bottlers Limited.

THE BOARD OF DIRECTORS

Prof. J. N. Mutio	Chairman
Mr. K.K. Bett	Executive Director
Eng. J.M. Masila	Alternate to the Permanent Secretary, Ministry of Tourism, Trade and Industry.
Mr. J. G. Mwangi	Alternate to the Permanent Secretary, Treasury.
Mr. Tirop Kosgei	Member
Mr. J.K. Mwirigi	Member
Mr. D.M. Rimber	Member
V.W. Mbogho (Mrs.)	Member
Mr. P. A. Ayata	Member
Mr. I.B. Mogaka	Secretary to the Board

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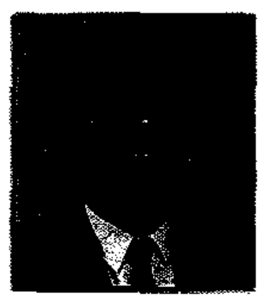


Mr. J.K. Mwirigi
Member

Mr. P. A. Ayata
Member

V.W. Mbogho (Mrs.)
Member

Mr. I.B. Mogaka
Secretary to the Board

CORPORATION'S INFORMATION

Head Office

UCHUMI HOUSE, AGA KHAN WALK,
P.O.BOX 45519, NAIROBI, KENYA.
TEL.254-2-229213, FAX 333880
Email: icdcitd@africaonline.co.ke

Chief Officers

K.K. Bett
Executive Director

I.B. Mogaka
Corporation Secretary

C.L. Mkamba
Financial Controller

W. Shimanyulla
Manager, Operations Division

Field Offices

Office	Telephone	Postal Address	Officer In Charge
Mombasa	011-220983	90641	Mr .L. Mumba
Meru	0164-31288	3089	Mr. M. Rinyiru
Eldoret	0321-33520	544	Mr. M. Ragama
Embu	0161-20259	351	Mr. R. Ochoi
Garissa	0131-2078	101	Mr. I. M. Yusuf
Kakamega	0331-30037	675	Mr. C. M. Khaoya
Kisii	0381-20179	571	Mr. E. Mochache
Kisumu	035-45071	2042	Mr. J. Anduvare
Nakuru	037-210250	647	Mr. E. Rotich
Machakos	0145-202205	1224	Mr. S. Kyania
Nyeri	0171-2438	506	Mr. J. Macharia

Bankers

Kenya Commercial Bank Limited,
Moi Avenue, Nairobi.

Commercial Bank of Africa Limited,
Wabera Street, Nairobi.

Development Bank of Kenya Limited,
Loita Street, Nairobi.

Auditors

Ernst & Young
Mamlaka Road, Nairobi.

CHAIRMAN'S STATEMENT

Introduction

It is with great pleasure that I present the ICDC Annual Report and Audited Accounts for the year ended 30th June 2000.

During the year under review, the Corporation recorded an improvement in performance, despite the slow growth in the national economy. This is attributed to the commitment and determination of the Board, Management and Staff of the Corporation.

Global Economy

The global economy in the year under review was characterized by an upsurge in growth and world output. This was largely due to the continued strong growth of the United States economy, recovery in Japan and strengthening growth in Europe.

Overall, among the Organization for Economic Cooperation and Development (OECD) member countries growth rose from 2.4% in 1998 to 2.8% in 1999. However, for the African continent, growth continued to be hampered by among other factors low export prices and adverse weather conditions.

Domestic Economy

The growth in the real Gross Domestic Product (GDP) decelerated to 1.4% in 1999 from 1.8% in 1998. The weak economic performance was attributed to various factors that led to inadequate and high cost of investment in domestic production. These include the prolonged drought that adversely affected agriculture, crumbled infrastructure, particularly roads, port and railway services and inadequate water and power supplies.

Notable declines were recorded in the key sectors. In agriculture, the growth fell to 1.2% in 1999, from 1.5% in 1998. Structural bottlenecks in production and marketing, dilapidated infrastructure, low commodity prices, inadequate rainfall, high cost of inputs and inefficiency of major marketing organizations were the main factors responsible for the decline in the sector's growth.

Manufacturing sector registered a growth of 1.0% in 1999 compared to 1.4% in 1998. This depressed performance resulted from investment constraints, increased competition from cheap imports, power and water shortages due to rationing, high overhead costs resulting from poor infrastructure and depressed domestic demand. The other factors that accounted for the poor performance in the sector were, the quota restrictions for Kenya garment exports to the United States and the ban on fish exports to the European Union that depressed the textiles and the fish industries respectively.

Growth in the finance, insurance, real estate and business services decelerated from 3.2% in 1998 to 2.0% in 1999. The low performance in the sector was attributed mainly to the high level of bad and doubtful debts following imprudent lending practices by some banks and the economic slowdown that reduced the capacity of businesses to service loans. Insurance firms also experienced losses due to huge court awards on injury and incidences of increased claims.

During the year, the macro-economic environment was characterized by a depreciation of the Kenya Shilling against major international currencies. This was more pronounced in the third quarter, dropping from a mean rate of KSh 63 to the US$ to KSh 75 to the US$. The depreciation was partly due to the decline in foreign exchange inflows from tea and coffee.

The interest rate on 91-day Treasury bills rose from 11.4% in June 1999 to 20.3% in January 2000 before declining gradually to 10.5% in June 2000. The increase in interest rates during the first half of the year reflected higher borrowing by the Government from the domestic money market to finance budget deficit. However, the trend reversed in the second half of the year.

Inflationary pressures eased in 1999. The average inflation rate was 3.5% compared to 6.6% in 1998. This decline was attributed to prudent fiscal and monetary policies, increased supply of foodstuff and lowering of VAT from 16% to 15%.

The investment/GDP ratio fell to 16% in 1999 from 17.4% in 1998. The continued decline in investment was attributed mainly to the poor infrastructure, high cost of borrowing and security concerns that have collectively reduced investor confidence in the economy.

a) Future Outlook

The slowdown in economic growth is expected to continue in the financial year 2000/01. This poor outlook is based on the adverse effects arising from the severe drought experienced in the country, the poor state of the physical infrastructure, particularly roads, the intensified electricity and water rationing in key industrial and commercial towns.

An upturn in the growth is however, likely in the subsequent period, arising mainly from improvements in weather conditions and enhanced investor confidence induced by the on-going structural and policy reforms, as well as the resumption of the support by Kenya's development partners.

b) The role of Development Finance Institutions (DFIs)

With the globalization of economies and trade, and increased competitiveness of economic activities, there are numerous investment opportunities in the country that urgently require financing. These include: rehabilitation of tourism facilities; rehabilitation and expansion of the industrial sector especially the collapsed industries in the key sectors of agro-processing, e.g. cotton ginneries, sugar, coffee, and tea factories, textile, leather, motor and pharmaceutical industries; privatization of the country's infrastructure in the power, energy, roads telecommunications and water sectors. These opportunities need to be urgently exploited if the Government's twin vision of industrialization and poverty reduction is to be turned into a reality.

In order to fully exploit the opportunities, investors must be able to access long-term credit facilities. The DFIs in partnership with the private financial sectors will be required to provide special financing and other support services which will stimulate private sector growth leading to creation of jobs and wealth, development of exports and expansion of indigenous skills.

The ICDC as a leading DFI will, besides its traditional resources mobilization operations (domestic and external) and investment financing, continue providing a response to the investment challenges, including: fostering interactions between foreign and domestic investors; playing an advisory and assistance role in entrepreneurship development; ensuring complimentarity in the diversity of its financial facilities in order to enhance the domestic financing of projects that often require substantial and diverse forms of assistance for their implementation; and fostering private/public sector collaboration in business development. The Corporation has formulated plans, programmes and projects targeted at the high potential growth sectors with synergistic linkages through other sectors of the economy.

Corporation's Performance

During the year, the Corporation's net assets employed increased by KSh 210m (4.2%) from KSh 4.099 billion to KSh 4.309 billion mainly because of capitalization of leasehold plots allocated to the Corporation for the development of equity projects, and decrease in short term loans payable. The net profit increased by KSh 11.3m (7.3%) from KSh 155.0m in the previous year to KSh 166.3m in the current year.

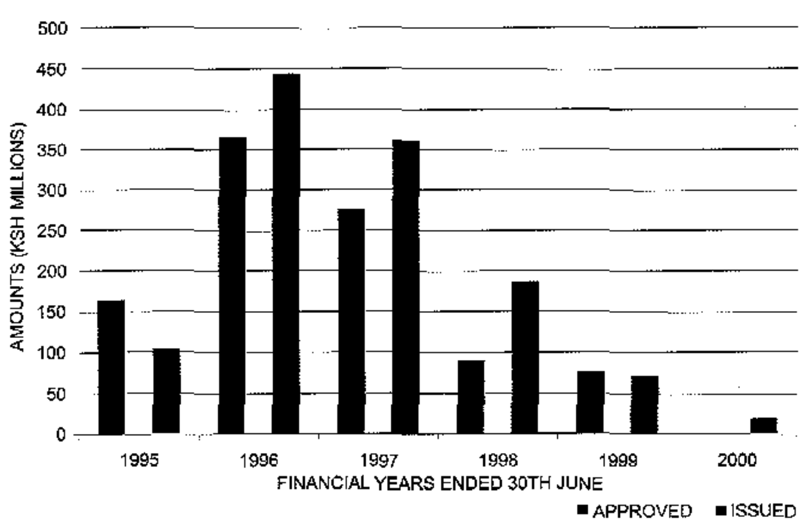
Receipts of dividends increased to KSh 242.6m compared to KSh 221.5m in the previous year. Collections from large and medium loans amounted to KSh 2.6m as compared to KSh 18m collected in the previous year, while receipts from small loans amounted to KSh 275.8m as compared to KSh 277.6m received in 1998/99. The Corporation continued to sustain a reasonable level of business activities despite the challenges experienced in the domestic economy.

Loans Programme

Due to cash flow constraints, the Corporation's lending activities were kept at low levels. Loans amounting to KSh 27.9m were disbursed to 24 clients. During the same period, debt collection was intensified.

ICDC/GMK/KBL Scheme

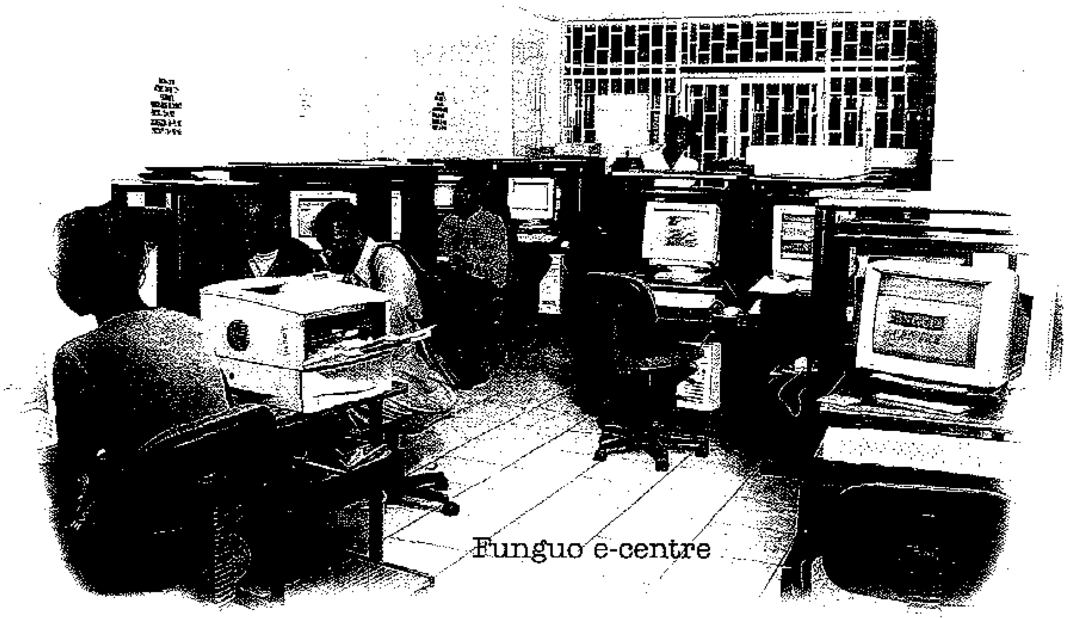
Under the above scheme the Corporation finances the purchase of trucks by Kenya Breweries Limited (KBL) distributors from General Motors (K) Ltd. with KBL guarantee. During the year under review, KSh1.6m was disbursed to one distributer.



Small Loans
Approved and Issued

New Products

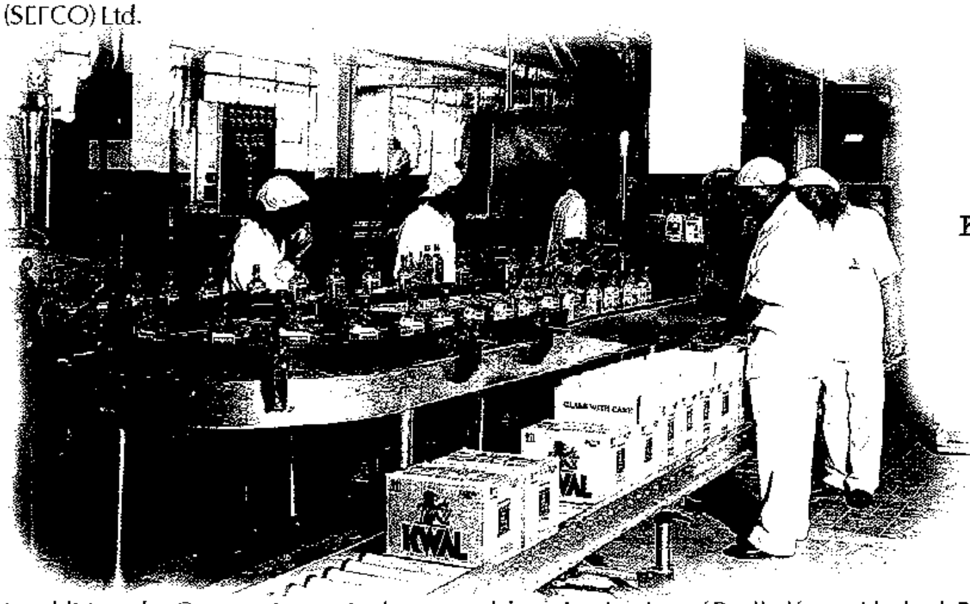
During the year, the Corporation started a new business line, Funguo e -centre, a cyber café that offers the following services: e-mail messages, internet surfing, scanning, secretarial services, web designing, mobile phones and accessories.



Funguo e-centre

Privatization And Divestiture

During the year under review, the Corporation divested from three companies namely: Infusion Kenya Limited, East Africa Industries Limited (now Unilever Kenya Ltd.) and Small Enterprises Finance Company (SEFCO) Ltd.



Kenya Wine Agencies Limited

In addition, the Corporation actively pursued the privatization of Brollo Kenya Limited, Polysynthetics East Africa Limited, Rehabilitation Advisory Services Limited, Dawa Pharmaceuticals Limited and Eslon Plastics of Kenya Limited.

The privatization process for Kenya Wine Agencies Limited (a subsidiary of KWA Holdings Limited) and Agro-Chemical and Food Company Limited commenced during the year. Kenatco Taxis Limited, Rift Valley Textiles Limited, and Farm Fresh Commodities Limited all in receivership are also set to be privatized.

Venture Capital

During the year, the Corporation disbursed a total of KSh 26.3m in equity and loan funds to Meatland Processing Company Limited, Kakamega and Mountain Region Poultry Farmers Company Limited, Nanyuki.

At the same time, a review of Venture Capital Business was carried out aimed at improving and strengthening the Corporation's investment portfolio. It included identification of priority local investment opportunities in various sectors, in line with the country's vision of industrialization and poverty reduction strategies.

For the Corporation to effectively exploit these opportunities, various lines of credit both local and foreign have been identified and are being pursued.

Meatland Processing Limited company (under implementation)

Management Support And Consultancy Services

The Corporation continued to provide company secretarial services, computer services, property management, valuation, feasibility studies, legal services, company rehabilitation, accountancy services and financial syndications to various companies. These services were rendered to 20 companies including ICDC Investment Co. Limited, Uchumi Supermarkets Limited, Mount Kenya Bottlers Limited, Rift Valley Bottlers Limited, Kisii Bottlers Limited and Dawa Pharmaceuticals Limited. The aforesaid services will continue to be rendered by the newly incorporated M/S Funguo Corporate Services Limited as the consultancy, professional and technical services arm of the Corporation.

Nairobi International Show

The Corporation participated at the Nairobi International Show, which ran from 27th September to 2nd October 1999 at Jamhuri Park. The following firms which have received financial support from the Corporation exhibited at the ICDC stand:

- M/s Azania Style, a fashion designer,
- M/s Real Music School, a Music instruction School,

Chairman's Statement (contd.)

- Snowball (K) Limited, dealing with fire extinguishers and fire fighting equipment,
- Tourist Maps (K) Limited, producers of all tourist maps,
- Kingi International, which deals in hair products,
- Kenatco Taxis Limited (In Receivership), offering taxi services,
- Rivatex Limited (In Receivership) dealing in textiles
- General Motors (K) Ltd., dealers in motor vehicles and accessories.

ICDC stand at the Nairobi International Show

Acknowledgement

My appreciation goes to all our Business clients, Associate and Subsidiary Companies, Bankers and all others who supported us.

I am grateful to the Board, Management and Staff of the Corporation for their dedication, determination and prudent management of available resources, which resulted in satisfactory performance recorded by the Corporation during the year under review.

My sincere appreciation also goes to the Corporation's parent Ministry of Tourism, Trade and Industry, the Ministry of Finance and Planning, Office of the President, and all the other Government departments for their understanding and co-operation throughout the year.

Finally, let us all re-dedicate our efforts with determination to face the challenges of the future.

Prof. J.N. Mutio
CHAIRMAN

DIRECTORS' REPORT

The Board of Directors has the pleasure of submitting their Report together with the Audited Accounts for the financial year ended 30th June 2000 in accordance with section 15(4) of the Industrial and Commercial Development Corporation Act (Cap 445).

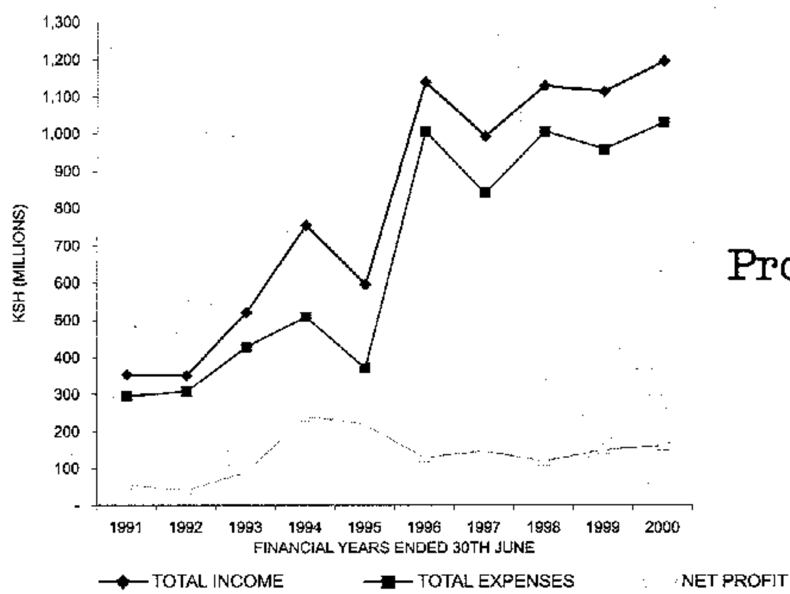
Activities

The Corporation's principal activities remained Commercial and Industrial lending, Joint Venture activities, Consultancy and related advisory services.

Financial Report

The Corporation's gross income increased by KSh 81.5m from KSh 1.117 billion in the previous year to KSh 1.198 billion in the current year. The increase in income realised was mainly due to higher profit on disposal of investment, which stood at KSh 164.4m in the previous year as compared to KSh 196.3m in the current year. On the other hand overall expenses increased by KSh 65m from KSh 965.2m in the previous year to KSh 1.031billion in the current year. As a result the net profit realised during the year increased by KSh11.3m to KSh 166.3m in current year as compared to KSh 155.0m in the previous year.

The corporation's profits trend for the last ten years covering 1991 to the year 2000 has been as shown on the graph below.



Profits Trend

Year 2000 Computer Compliance

The Corporation's computerised systems were year 2000 compliant.

As anticipated, the year 2000 bug did not create errors in the accounting procedures, or adversely impact operations and customer service.

The Board

The current members of the Board of Directors are shown on page 1. Mr. Z. Achira, representing the Permanent Secretary, Treasury, retired and Mr. J.G. Mwangi was appointed on 15th December, 2000 in his place.

Management

Mr. Charles Mkamba, the Financial Controller was seconded to Dawa Pharmaceuticals Limited as the Acting General Manager. Mr. Vincent Opanga, the Chief Internal Auditor was seconded as acting Managing Director of Rift Valley Bottlers Limited while Mr. Nicholas Kositany the Administration Manager was seconded to Kenatco Taxis Limited as the Receiver Manager.

Mr. Justus Mwania who was the Development Loans Manager retired from the Corporation after attaining 55 years.

Manpower Development

The Corporation, in its effort to ensure that members of staff are computer literate, organised for in-house computer training in which the Information Technology Department provided the resource personnel. A total number of 146 participants benefited from the course including staff in the Provincial Offices.

Other members of staff who attended short courses included: Messrs Isaac Mogaka and Charles Mkamba who attended Trustees Training held at Nairobi Safari Club. Vincent Wohoro, Mwanamaka Adari and W. Ngoi attended an economic management course entitled "Darkest before Dawn" held at Kenya School of Monetary Studies in Nairobi. Messrs I.Mogaka, J.Mwaura, N.Kositany and R. Kigundu attended a course on Retirement Benefits Scheme organised by Institute of Certified Public Secretaries of Kenya, (ICPSK). Wilson Kamau and Moses Owuor attended the 16th Annual Institute of Certified Public Accountants of Kenya, (ICPAK) seminar in Mombasa.

By order of the Board

Isaac B. Mogaka
CORPORATION SECRETARY

STATEMENT OF DIRECTORS' RESPONSIBILITIES

Year Ended 30 June 2000

The ICDC Act requires the directors to prepare accounts for each financial year, which give a true and fair view of the state of affairs of the Corporation as at the end of the financial year and of its operating results for that year. It also requires the directors to ensure the Corporation keeps proper accounting records which disclose with reasonable accuracy at any time the financial position of the Corporation. They are also responsible for safeguarding the assets of the Corporation.

The directors accept responsibility for the annual accounts, which have been prepared using appropriate accounting policies supported by reasonable and prudent judgements and estimates, in conformity with generally accepted accounting practice and in the manner required by the ICDC Act. The directors are of the opinion that the accounts give a true and fair view of the state of the financial affairs of the Corporation and of its operating results. The directors further accept responsibility for the maintenance of accounting records which may be relied upon in the preparation of accounts, as well as adequate systems of internal financial control.

Nothing has come to the attention of the directors to indicate that the Corporation will not remain a going concern for at least the next twelve months from the date of this statement.

DIRECTOR.......................... DIRECTOR..........................

Date 15/12/2000 Date 15/12/2000

BALANCE SHEET
30 JUNE 2000

Industrial and Commercial Development Corporation

	Note	2000 KSh	1999 KSh
Assets			
Non-current Assets			
Shares in Subsidiary Companies	2	**149,711,980**	149,671,980
Shares in Associated Companies	3	**355,360,190**	427,484,670
Investment properties	4	**276,452,390**	361,614,280
Government securities	5	**213,282,030**	-
Loans	6	**384,656,900**	729,331,490
Advances	7	**1,088,614,380**	1,072,647,460
Fixed assets	8	**784,723,630**	638,336,380
		3,252,801,500	3,379,086,260
Current Assets			
Short term loan receivable	9	**42,900,850**	36,802,130
Subsidiary companies' current account	10	**77,300,310**	53,767,400
Sundry debtors		**427,528,440**	769,350,490
Current portion of loans receivable	6	**980,907,080**	711,436,920
Government securities and short term deposits	5	**259,661,020**	-
Bank and cash balances		**54,716,410**	5,407,380
		1,843,014,110	1,576,764,320
Total Assets		**5,095,815,610**	4,955,850,580
Reserves And Liabilities			
Reserves	11	**2,091,887,530**	1,925,597,540
Capital Grant	12	**147,051,420**	-
		2,238,938,950	1,925,597,540
Grants And Non-current Liabilities			
Grants and loans	13	**1,508,654,270**	1,452,524,840
Other loans	14	**561,908,770**	720,432,440
		2,070,563,040	2,172,957,280
Current Liabilities			
Short term loans payable	15	**72,731,610**	148,946,910
Current portion of loans payable	14	**158,700,880**	179,042,400
Creditors		**401,704,340**	369,059,860
Bank overdraft	16	**28,176,790**	35,246,590
Dividend payable		**125,000,000**	125,000,000
		786,313,620	857,295,760
Total Reserves And Liabilities		**5,095,815,610**	4,955,850,580

The accounts were approved by the Board of Directors on ..15/12/2000...and were signed on its behalf by:-

.... CHAIRMAN

.... EXECUTIVE DIRECTOR

STATEMENT OF DIRECTORS' RESPONSIBILITIES

Year Ended 30 June 2000

The ICDC Act requires the directors to prepare accounts for each financial year, which give a true and fair view of the state of affairs of the Corporation as at the end of the financial year and of its operating results for that year. It also requires the directors to ensure the Corporation keeps proper accounting records which disclose with reasonable accuracy at any time the financial position of the Corporation. They are also responsible for safeguarding the assets of the Corporation.

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Nothing has come to the attention of the directors to indicate that the Corporation will not remain a going concern for at least the next twelve months from the date of this statement.

DIRECTOR................................ DIRECTOR................................

Date......15/12/2000...... Date......15/12/2000......

REPORT OF THE INDEPENDENT AUDITORS

To the members of Industrial and Commercial Development Corporation

We have audited the accounts on pages 15 to 18, which have been prepared on the basis of the accounting policies set out on pages 19 and 20. We obtained all the information and explanations which we considered necessary for our audit.

Respective responsibilities of the directors and the independent auditors

As stated on page 12 the directors are responsible for the preparation of accounts which give a true and fair view of the state of the affairs of the Corporation and of its operating results. Our responsibility is to express an independent opinion on the accounts based on our audit and to report our opinion to you.

Basis Of Opinion

We conducted our audit in accordance with International Standards on Auditing. We planned and performed our audit so as to obtain reasonable assurance that the accounts are free from material misstatement. An audit includes examining, on a test basis, evidence relevant to the amounts and disclosures in the accounts. It also includes an assessment of significant estimates and judgements made by the directors in the preparation of the accounts and whether the accounting policies are appropriate in the Corporation's circumstances, consistently applied and adequately disclosed.

1. The Soya Oil & Food Industries Limited project was financed by the Corporation through a loan contracted between the Corporation and Banque Indosuez. This loan is guaranteed by the Government of Kenya. Though the bulk of equipment and machinery needed for the project had been acquired, subsequent appraisal indicated that the project was economically not viable with a recommendation to sell the assets acquired. Information available indicates that the Government accepted this recommendation, and proceeds be used to pay off the liabilities and accumulated interest incurred on the project which amounted to KSh 1,132,338,990 as at 30 June, 2000.

   The terms of the financial arrangement between the Government of Kenya and the Corporation in respect of this project are not clear. There is a dispute between the two parties as to who is liable for this project (loan). The Government of Kenya is claiming from the Corporation an amount of KSh 528,642,669 which it has so far paid to Banque Indosuez in respect of this loan.
   Under the circumstances we are unable to form an opinion whether the amount incurred by the Corporation on the project amounting to KSh 1,132,338,990, is recoverable. However, the directors are of the opinion that the Government will assume this loss.

2. Included in the grants is an amount of KSh 82,665,620 received on behalf of Government of Kenya in relation to a bilateral grant given to the Government of Kenya in 1994 by the Belgium Government in respect of the Soya Oil & Food Industries loan. The Corporation has accounted for this amount as a grant from the Government of Kenya. We have, however, not confirmed this.

3. There is a proposal to the Government of Kenya to restructure the Corporation's balance sheet. This will include conversion of grants and loans from the Government and managed funds into equity. The directors are of the opinion that this will be approved and implemented by the Government.

4. Included in debtors and creditors is a net amount of KSh 84,365,495 (debtor) in respect of Exchange Risk Assumption Fund. We have not obtained confirmation for this amount from the Government/Treasury.

Opinion

In our opinion, subject to the matters referred to in (1) to (4) above, proper books of account have been kept and the accounts, which are in agreement therewith, give a true and fair view of the state of the financial affairs of the Corporation at 30 June 2000 and of the profit and cash flows for the year then ended and comply with the International Accounting Standards and the Industrial and Commercial Development Corporation Act (Cap 445).

Ernst & Young

Nairobi

19 December 2000

ERNST & YOUNG

BALANCE SHEET
30 JUNE 2000

Industrial and Commercial Development Corporation

	Note	2000 KSh	1999 KSh
Assets			
Non-current Assets			
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		786,313,620	857,295,760
Total Reserves And Liabilities		**5,095,815,610**	4,955,850,580

The accounts were approved by the Board of Directors on ..15/12/2000...and were signed on its behalf by:-

CHAIRMAN

EXECUTIVE DIRECTOR

PROFIT AND LOSS ACCOUNT
YEAR ENDED 30 JUNE 2000

	Note	2000 KSh	1999 KSh
Income	17	**1,198,587,110**	1,117,028,550
Expenses			
Administration and establishment	18	**355,771,830**	336,121,440
Provision for losses	19	**609,983,800**	581,462,130
		965,755,630	917,583,570
Operating Profit		**232,831,480**	199,444,980
Interest charges	20	**55,558,070**	84,554,530
(Loss)/gain on forex	18	**10,295,290**	(38,473,770)
Profit Before Taxation and Exceptional Items		**166,978,120**	153,364,220
Exceptional items	21	**(688,130)**	1,600,090
Profit Before Taxation		**166,289,990**	154,964,310
Taxation	22	**-**	-
Profit For The Year		**166,289,990**	154,964,310

Notes to the Accounts (contd.)

2. Shares In Subsidiary Companies

	2000 KSh	1999 KSh
Shares at cost (unquoted)	**269,623,740**	351,817,550
Less: Provision	**(119,911,760)**	(202,145,570)
	149,711,980	149,671,980
Directors' valuation of unquoted shares	**697,481,320**	697,481,320

3. Shares In Associate Companies

Shares at cost:-		
Quoted	**132,393,320**	122,973,860
Unquoted	**333,877,170**	366,447,170
	466,270,490	489,421,030
Less: Provisions	**(110,910,300)**	(61,936,360)
	355,360,190	427,484,670
Market value of quoted shares	**661,610,690**	676,264,570
Directors valuation of unquoted shares	**1,994,771,060**	1,535,262,440
	2,656,381,750	2,211,527,010

4. Investment Properties

Cost of land	**16,545,070**	16,545,050
Construction costs	**359,209,710**	345,069,230
	375,754,780	361,614,280
Transfers	**(99,302,390)**	-
	276,452,390	361,614,280

These are in relation to costs incurred in the development of Funguo Estate.

The amount transfered during the year relates to housing units sold to the Corporation's staff. The amount was transfered to staff loans. Though the majority of the remaining units had been allocated to other customers, the sale has not been recognised in these accounts because the process of the transfer of titles had not been completed by year end.

5. Government Securities And Short Term Deposits

	2000 KSh	1999 KSh
Treasury bonds	**304,688,610**	-
Current portion	**(91,406,580)**	-
	213,282,030	-
Fixed deposits	**168,254,440**	
Treasury bonds - current portion	**91,406,580**	-
	259,661,020	-

PROFIT AND LOSS ACCOUNT
YEAR ENDED 30 JUNE 2000

	Note	2000 KSh	1999 KSh
Income	17	**1,198,587,110**	1,117,028,550
Expenses			
Administration and establishment	18	**355,771,830**	336,121,440
Provision for losses	19	**609,983,800**	581,462,130
		965,755,630	917,583,570
Operating Profit		**232,831,480**	199,444,980
Interest charges	20	**55,558,070**	84,554,530
(Loss)/gain on forex	18	**10,295,290**	(38,473,770)
Profit Before Taxation and Exceptional Items		**166,978,120**	153,364,220
Exceptional items	21	**(688,130)**	1,600,090
Profit Before Taxation		**166,289,990**	154,964,310
Taxation	22	**-**	-
Profit For The Year		**166,289,990**	154,964,310

STATEMENT OF CHANGES IN EQUITY
YEAR ENDED 30 JUNE 2000

	Note	Capital reserves KSh	Capital grant KSh	Retained profits KSh	Total reserves KSh
At 1 July 1998		1,399,577,770	-	451,961,240	1,851,539,010
Prior year adjustment	23	-	-	(80,585,190)	(80,585,190)
Restated balance		1,399,577,770	-	371,376,050	1,770,953,820
Revaluation of properties		9,679,410	-	-	9,679,410
Profit for the year		-	-	154,964,310	154,964,310
Profit on sale of investments and fixed assets		164,435,210	-	(164,435,210)	-
Dividends		-	-	(10,000,000)	(10,000,000)
At 30 June 1999		1,573,692,390	-	351,905,150	1,925,597,540
At 1 July 1999		1,573,692,390	-	432,490,340	2,006,182,730
Prior year adjustment	23	-	-	(80,585,190)	(80,585,190)
Restated balance		1,573,692,390	-	351,905,150	1,925,597,540
Properties allocated by Government	12	-	147,051,420	-	147,051,420
Profit for the year		-	-	166,289,990	166,289,990
Profit on sale of investment and fixed assets		196,293,170	-	(196,293,170)	-
At 30 June 2000		1,769,985,560	147,051,420	321,901,970	2,238,938,950

CASH FLOW STATEMENT
YEAR ENDED 30 JUNE 2000

Industrial and Commercial Development Corporation

	Note	2000 KSh	1999 KSh
Net Cash Inflow From Operating Activities	24(a)	**1,045,415,290**	530,474,560
Returns On Investments And Servicing Of Finance			
Long term loans repayments		**(139,183,800)**	(100,509,200)
Increase in loans		**-**	163,937,260
Repayment of loans:-			
- Associate companies		**570,000**	570,000
- Small loans		**275,849,800**	277,636,350
Repayment of advances:-			
- Associate companies		**1,048,250**	9,839,820
- Subsidiary companies		**1,000,000**	7,649,490
Net cash inflow from returns on investments and servicing of finance		**139,284,250**	**359,123,720**
Cash Flows From Investing Activities			
Investment in properties		**85,169,890**	-
Increase in investments in shares		**(25,283,020)**	(173,677,260)
Increase in GOK loan		**48,370,590**	-
Increase in government securities		**(213,282,030)**	-
Proceeds from sale of fixed assets		**1,061,540**	1,033,730
Proceeds from sale of investments		**243,290,550**	158,572,430
Purchase of fixed assets		**(13,112,840)**	(15,382,360)
Small loans advanced and interest charged thereon		**(720,720,500)**	(688,069,640)
Adjustments in loans:-			
- Associate companies		**13,368,240**	(75,439,350)
- Subsidiary companies		**3,290,060**	(27,256,180)
Increase in loans:-			
- Associate companies		**(8,530,730)**	(70,956,400)
Increase in advances:-			
- Associate companies		**(11,140,690)**	(14,952,520)
- Subsidiary companies		**(8,453,770)**	(45,985,280)
Adjustments in ERAF		**(124,147,880)**	-
Adjustments in promotion expenses		**(16,543,680)**	-
Adjustments in loans		**(39,681,400)**	(100,609,540)
Net cash (outflow) from investing activities		**(786,345,670)**	(1,052,722,370)
Increase/(decrease) in cash and cash equivalents	24(b)	**398,353,870**	(163,124,090)

NOTES TO THE ACCOUNTS
YEAR ENDED 30 JUNE 2000

1. Significant Accounting Policies

(a) Basis of accounting

The accounts are prepared in accordance with the historical cost convention as modified by the revaluation of certain fixed assets.

(b) Consolidation

Consolidated accounts of the Corporation and its subsidiaries have not been prepared because the Corporation has no control over its subsidiaries as defined in the International Accounting Standard No. 27.

(c) Fixed assets and depreciation

Fixed assets are stated at cost or valuation, less accumulated depreciation.

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 purposes are:-

Motor vehicles	-	20%
Furniture and equipments	-	10%
Computers	-	33.3%

Leasehold properties are amortised by equal annual installments over the lease term.

(d) 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%

(e) 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 (d) (i) above.

(f) Managed funds

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

(g) 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 to Profit and Loss Account.

(h) 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.

(i) Foreign currency transactions

Transactions during the year are converted into Kenya shillings at rates ruling at the transactions dates. Assets and liabilities at the balance sheet date which are expressed in foreign currencies are translated into Kenya shillings at rates ruling at that date. The resulting differences from conversion and translation are dealt with in the profit and loss account.

(j) Taxation

Current taxation is provided for on the bases of the results for the year as shown in the accounts adjusted in accordance with the tax legislation. Deferred taxation is provided using the liability method, for all temporary difference arising between the tax bases of assets and liabilities and their carrying values for financial reporting purposes. Deferred tax assets are recognized for all deductible temporary difference, carry forward of unused tax losses and unused tax credits to the extent that it is probable that future taxable profit will be available against which the deductible temporary differences, unused tax losses and the unused tax credits can be utilized.

(k) Retirement benefit costs

Contributions to the employees defined benefit pension scheme are based on the periodic actuarial valuations and are charged against profits over the periods of the employee's service on a straight line basis. Any difference between the charge to the profit and loss account and the contributions paid to the pension scheme is included as an asset or liability.

2. Shares In Subsidiary Companies

	2000 KSh	1999 KSh
Shares at cost (unquoted)	**269,623,740**	351,817,550
Less: Provision	**(119,911,760)**	(202,145,570)
	149,711,980	149,671,980
Directors' valuation of unquoted shares	**697,481,320**	697,481,320

3. Shares In Associate Companies

	2000 KSh	1999 KSh
Shares at cost:-		
Quoted	**132,393,320**	122,973,860
Unquoted	**333,877,170**	366,447,170
	466,270,490	489,421,030
Less: Provisions	**(110,910,300)**	(61,936,360)
	355,360,190	427,484,670
Market value of quoted shares	**661,610,690**	676,264,570
Directors valuation of unquoted shares	**1,994,771,060**	1,535,262,440
	2,656,381,750	2,211,527,010

4. Investment Properties

	2000 KSh	1999 KSh
Cost of land	**16,545,070**	16,545,050
Construction costs	**359,209,710**	345,069,230
	375,754,780	361,614,280
Transfers	**(99,302,390)**	-
	276,452,390	361,614,280

These are in relation to costs incurred in the development of Funguo Estate.

The amount transfered during the year relates to housing units sold to the Corporation's staff. The amount was transfered to staff loans. Though the majority of the remaining units had been allocated to other customers, the sale has not been recognised in these accounts because the process of the transfer of titles had not been completed by year end.

5. Government Securities And Short Term Deposits

	2000 KSh	1999 KSh
Treasury bonds	**304,688,610**	-
Current portion	**(91,406,580)**	-
	213,282,030	-
Fixed deposits	**168,254,440**	
Treasury bonds - current portion	**91,406,580**	-
	259,661,020	-

6. Loans

	2000 KSh	1999 KSh
Large and medium loans:		
Subsidiary companies	**192,316,910**	284,692,030
Associate companies	**140,430,720**	156,655,020
	332,747,630	441,347,050
Less: Provision for bad and doubtful debts	**(156,854,820)**	(245,940,640)
	175,892,810	195,406,410
Less: Current portion of loans shown under current assets	**(123,124,960)**	(136,784,480)
	52,767,850	58,621,930
Small loans:		
Commercial	**1,933,944,290**	1,724,686,940
Property	**500,600,820**	426,090,420
Industrial	**780,628,930**	649,395,240
Machinery	**85,018,720**	91,171,870
ICDC/GMK/KBL	***28,934,910***	*34,973,600*
	3,329,127,670	2,926,318,070
Less: Provision for bad and doubtful debts	**(2,139,456,500)**	(1,680,956,070)
	1,189,671,170	1,245,362,000
Less: Current portion of loans shown under current assets	**(857,782,120)**	(574,652,440)
	331,889,050	670,709,560
Total long term loans	**384,656,900**	729,331,490
Total current portion of loans	***980,907,080***	*711,436,920*

7. Advances

Subsidiary companies	***48,880,050***	*251,426,620*
Other companies	**1,113,343,120**	1,117,467,230
	1,162,223,170	1,368,893,850
Less: Provision for bad and doubtful debts	**(73,608,790)**	(296,246,390)
	1,088,614,380	1,072,647,460

8. Fixed Assets

	Leasehold over 50 years KSh	Leasehold under 50 years KSh	Motor vehicles KSh	Furniture & office equipment KSh	Total KSh
Cost Or Valuation					
1 July 1999	612,378,990	734,530	38,633,080	48,468,570	700,215,170
Additions	154,000,000	-	-	13,112,840	167,112,840
Disposals	-	-	(4,104,260)	(850,000)	(4,954,260)
30 June 2000	766,378,990	734,530	34,528,820	60,731,410	862,373,750
Depreciation:					
1 July 1999	8,450,700	669,130	24,040,930	28,718,030	61,878,790
Charge for the year	8,579,360	-	5,018,210	6,583,700	20,181,270
Disposal	-	-	(3,984,940)	(425,000)	(4,409,940)
30 June 2000	17,030,060	669,130	25,074,200	34,876,730	77,650,120
Net Book Value					
30 June 2000	749,348,930	65,400	9,454,620	25,854,680	784,723,630
30 June 1999	603,928,290	65,400	14,592,150	19,750,540	638,336,380

The revaluation of Uchumi House, a leasehold property over 50 years, was carried out on 30 June 1998 by the Corporation's qualified valuation surveyors, based on an open market value. Other leasehold properties over 50 years, were revalued on 30 June 1999 by same valuers. The resulting surplus on revaluation was transferred to capital reserve (note 11).

Additions to leasehold property over 50 years relate to plots in Mombasa, Eldoret and Malindi which had been allocated to the Corporation by the Government in previous years. The properties were revalued, by the Corporation's Valuation Surveyors on 23 September 1999, 19 May 1994 and 4 December 1996 respectively. These amounts have been incorporated in these accounts as the directors are of the opinion that the figures are not materially different from those as at 30 June 2000.

9. Short Term Loans

	2000 KSh	1999 KSh
Short term bank loan obtained for on-lending to Rift Valley Textiles Limited	**42,900,850**	36,802,130

10. Subsidiary Companies' Current Accounts

	2000	1999
Current accounts	**512,724,080**	672,375,260
Less: Provision for bad and doubtful debts	**(435,423,770)**	(618,607,860)
	77,300,310	53,767,400

11. Reserves

	2000	1999
Capital reserves	**1,769,985,560**	1,573,692,390
Retained profits	**321,901,970**	351,905,150
30 June 2000	**2,091,887,530**	1,925,597,540

The details of these reserves are given on page 17.

12. Capital Grant

Capital grant relates to Mombasa, Eldoret and Malindi properties allocated to the Corporation by the *Government in previous years (note 8).*

13. Grants And Loans

		2000 KSh	1999 KSh
(a)	From Kenya Government		
	Grants:		
	1 July 1999 and 30 June 2000	**612,636,890**	612,636,890
	Loans:		
	1 July 1999	**802,070,870**	750,941,350
	Addition	**47,681,610**	43,202,330
	Interest for the year	**7,927,190**	7,927,190
		857,679,670	802,070,870
(b)	From KFW of Germany		
	Loans:		
	1 July 1999	**37,819,080**	37,296,450
	Interest for the year	**520,630**	520,630
		38,337,710	37,817,080
		1,508,654,270	1,452,524,840

Included in the grants from the government of Kenya is an amount of KSh 82,665,620 which relates to a bilateral grant given to the Government of Kenya in 1994 by the Belgium Government in respect of Soya Oil & Food Industries loans.

The addition to loans from the Kenya Government represents loan repayment made by the Kenya Government during the year in respect of Soya Oil and Food Industries Limited.

13. Grants And Loans (continued)

Managed funds

Grants and loans include funds received into the following companies being managed funds administered on behalf of the Government of Kenya, and against which no provision for losses is made in accordance with Corporation's accounting policy stated in Note 1(f):-

	2000 KSh	1999 KSh
Kenya Textile Mills Limited (in liquidation) - Equity	**42,000,000**	42,000,000
Rift Valley Textiles Limited (in receivership) - Equity	**43,400,000**	43,400,000
Kenatco Transport Company Limited (in receivership) - Equity	**6,900,000**	6,900,000
Kisumu Cotton Mills (1983) Limited (liquidated) - Equity	**19,500,000**	19,500,000
Pan African Vegetable Products Limited (in liquidation) - Equity	**1,265,000**	1,265,000
Pan Vegetable Processors Limited - Equity	**15,805,390**	15,805,390
South Nyanza Sugar Company Limited - Equity	**10,000,000**	10,000,000
	138,870,390	138,870,390

14 Other Loans

	2000 KSh	1999 KSh
Borrowing for Soya Oil and Food Industries Limited	**490,201,670**	532,719,160
Shelter - Afrique loan for Funguo Estate	**58,650,000**	109,350,000
Deutsche Gessellschaft Fur Wirtschaftliche Zusammenarbeit (Entwicklungsgesellschatt) Mbh: (D.E.G.):		
DEG put option conversion	**119,613,380**	190,646,280
D.E.G. - Second loan (DM 15M) 1993/2003	**51,144,600**	65,759,400
Borrowing for Small Irrigation Development Project	**1,000,000**	1,000,000
	720,609,650	899,474,840
Less: Current portion of loans	**(158,700,880)**	(179,042,400)
	561,908,770	720,432,440

15. Short Term Loans Payable

	2000 KSh	1999 KSh
Kenya Commercial Bank Limited - loan for on -lending to Rift Valley textiles Limited	**20,671,250**	30,263,730
ICDC Investment Co. Ltd - deposit	**4,767,130**	33,055,740
ICDC/GMK/KBL Scheme	**-**	41,468,200
KNP KSh 20m short term advance	**27,360,880**	22,464,630
ICDCI KSh 19.7m Rights Issue	**19,932,350**	21,694,610
	72,731,610	148,946,910

16. Bank Overdraft

The Corporation has an overdraft facility of KSh 40,000,000 and KSh 48,000,000 with Kenya Commercial Bank Limited and Commercial Bank of Africa Ltd respectively, which are secured by legal charge LR.No.Nairobi 209/7405, and LR No. MN/V/3711 Mombasa and shares in associated company.

17. Income

	2000 KSh	1999 KSh
Dividends:		
Subsidiary companies	**34,874,070**	34,874,070
Other companies	**180,558,650**	164,204,340
Interest on loans and advances:		
Large and medium size loans and advances	**124,254,300**	144,418,330
Small loans	**584,191,500**	533,233,170
Application fees	**(795,630)**	6,219,580
Management and other services	**12,205,310**	19,888,670
Rents	**44,566,090**	37,963,470
Profit on disposal of fixed assets and investments	**196,293,170**	164,435,210
Computer income	**3,215,820**	4,991,730
Interest on deposits	**14,003,490**	300,130
Sundry income	**5,220,340**	6,499,850
	1,198,587,110	1,117,028,550

18. Administration And Establishment Expenses

	2000 KSh	1999 KSh
Staff costs	**261,935,680**	224,651,200
Directors fees and other expenses	**4,577,830**	8,508,680
Rent and rates	**5,448,100**	4,791,170
Audit fees	**780,000**	780,000
Depreciation	**20,181,270**	17,501,660
Repairs and maintenance	**5,864,140**	9,356,880
Insurances	**6,691,710**	6,464,300
Printing and stationery	**3,977,290**	4,190,650
Water and electricity	**6,843,300**	5,633,280
Publicity and advertising	**2,655,500**	5,187,550
Telephone and telex	**4,664,530**	6,310,410
Travelling and subsistence	**5,083,270**	16,749,200
Motor vehicle operating expenses	**6,241,680**	6,246,650
Computer rental and other E.D.P. expenses	**1,942,560**	502,400
Legal charges	**300,110**	-
Uchumi House security	**3,244,750**	2,940,280
Irrecoverable taxes	**7,909,450**	2,683,290
Subscription	**956,090**	781,720
Uchumi house administrative expenses	**1,468,470**	1,350,600
Other expenses	**5,006,100**	11,491,520
	355,771,830	336,121,440
Loss/(gain) on foreign exchange	**10,295,290**	(38,473,770)

19. Provision For Losses

	2000 KSh	1999 KSh
Specific provision:		
Small loans	**577,263,570**	396,844,250
Equity investment	**49,473,940**	48,703,180
Large and medium size loans and advances:		
Principal	**3,231,520**	7,413,640
Interest	**44,846,330**	164,299,980
Sundry debtors	**9,977,610**	15,796,540
General provisions:		
Small loans	**(74,809,170)**	(51,595,460)
	609,983,800	581,462,130

20. Interest Charges

	2000 KSh	1999 KSh
Bank charges	**2,343,880**	1,332,080
Kenya Government loans	**8,447,820**	8,447,820
Other loans	**44,766,370**	74,774,630
	55,558,070	84,554,530

21. Exceptional Items

	2000 KSh	1999 KSh
Legal fee on DEG Put Option case	**-**	(3,213,750)
Donation to Moi University - Human Resource Development Centre	**688,130**	1,613,660
	688,130	(1,600,090)

22. 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.

A deferred tax benefit estimated at KSh 3,572,640 (1999 KSh 2,509,490) has not been recognised in these accounts as the directors are of opinion that it will reverse in the foreseeable future.

23. Prior Year Adjustment

Prior year adjustment relates to adjustment on interest expense in respect of Soya Oil & Food Industries Limited, provision for Exchange Risk Assumption Fund debtors and a deficit on actuarial valuation of the Staff Retirement Benefits Scheme as at 30 June 1999.

24. Notes To The Cash Flow Statement

	2000 KSh	1999 KSh
(a) Reconciliation of profit before taxation to net cash inflow from operating activities:-		
Profit before taxation	**166,289,990**	154,964,330
Depreciation	**20,181,270**	17,501,660
Profit on sale of fixed assets and equity investments	**(196,293,170)**	(164,435,210)
Increase in government interest payable	**8,447,820**	8,447,820

24. Notes To The Cash Flow Statement (continued)

	2000 KSh	1999 KSh
Amounts provided for losses on equity investments and loans	**562,112,760**	435,679,150
Increase in creditors	**32,644,480**	129,949,690
Increase in debtors	**470,413,620**	(62,699,590)
(Increase)/decrease in subsidiary companies current accounts	**(18,381,480)**	11,066,710
Net cash inflow from operating activities	**1,045,415,290**	530,474,560

(b) Analysis of changes in cash and cash equivalents during the year

	2000 KSh	1999 KSh
At 30 June 2000	**256,369,880**	(141,983,990)
At 1 July 1999	**(141,983,990)**	21,140,100
	398,353,870	(163,124,090)

(c) Analysis of balances of cash and cash equivalents as shown in the balance sheet and notes

	2000 KSh	1999 KSh
Short term investments	**168,254,440**	-
Investment in government securities	**91,406,580**	-
Bank and cash balances	**54,716,410**	5,407,380
Bank overdraft	**(28,176,790)**	(35,246,590)
Short term loans receivable	**42,900,850**	36,802,130
Short term loans payable	**(72,731,610)**	(148,946,910)
	256,369,880	(141,983,990)

25. Staff Retirement Benefits Scheme

The last actuarial valuation of the Staff Retirement Benefits Scheme done by Actuarial and Benefit Consultants Ltd. as at 30 June 1999 indicated that the Scheme had a deficit of KSh 76,916,000. This deficit has been accounted for in these accounts through prior year adjustment (note 23), as it relates to previous years. The Scheme is subject to an actuarial valuation every three years.

26. Contingent Liabilities

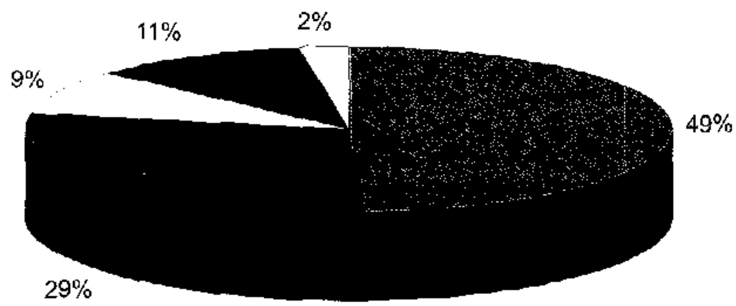
	2000 KSh	1999 KSh
(a) Guarantees to subsidiaries and other parties	**56,056,500**	97,681,500

(b) The Corporation has been sued by third parties for claims amounting to KSh 34,381,330 (1999 KSh 20,330,060) together with the interest thereon and costs of the suits. No provision has been made in these accounts for this amount as the directors are of the opinion that no liability will crystallise.

Sectoral Distribution Of Equity Investments And Large And Medium Loans

As At 30th June, 2000

The corporation has been investing in various sectors as shown on the chart below



Agriculture Processing, Food and Beverages

Textile

Trade and Services

Finance and Services

Others

NB

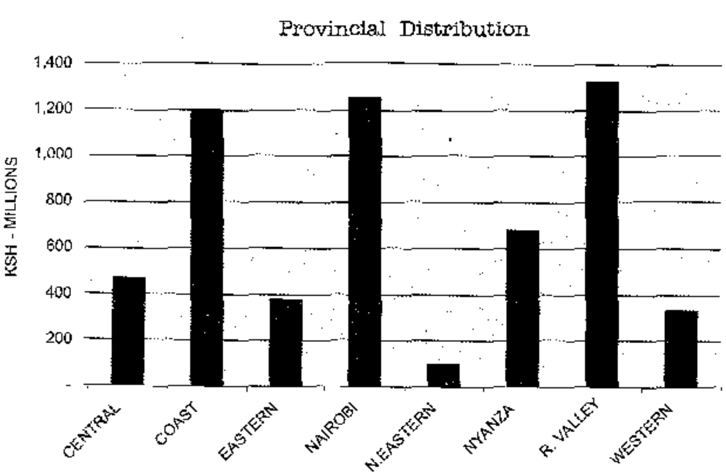
Others include

Leather and Leather goods
Wood and Wood Products
Metallic and Ceramic Products
Motor Vehicle and Accessories
Chemical and Pharmaceuticals
Plastics and Oil Recycling
Insurance and Property Developments
Electrical and Electronic Products.

Provincial Distribution Of ICDC Investments

As At 30th June, 2000

The Corporation has been investing in all parts of the republic. The regional distribution of the investments on provincial bases as at 30th June, 2000 is as shown in the diagram below



24. Notes To The Cash Flow Statement (continued)

	2000 KSh	1999 KSh
Amounts provided for losses on equity investments and loans	**562,112,760**	435,679,150
Increase in creditors	**32,644,480**	129,949,690
Increase in debtors	**470,413,620**	(62,699,590)
(Increase)/decrease in subsidiary companies current accounts	**(18,381,480)**	11,066,710
Net cash inflow from operating activities	**1,045,415,290**	530,474,560

(b) Analysis of changes in cash and cash equivalents during the year

	2000 KSh	1999 KSh
At 30 June 2000	**256,369,880**	(141,983,990)
At 1 July 1999	**(141,983,990)**	21,140,100
	398,353,870	(163,124,090)

(c) Analysis of balances of cash and cash equivalents as shown in the balance sheet and notes

	2000 KSh	1999 KSh
Short term investments	**168,254,440**	-
Investment in government securities	**91,406,580**	-
Bank and cash balances	**54,716,410**	5,407,380
Bank overdraft	**(28,176,790)**	(35,246,590)
Short term loans receivable	**42,900,850**	36,802,130
Short term loans payable	**(72,731,610)**	(148,946,910)
	256,369,880	(141,983,990)

25. Staff Retirement Benefits Scheme

The last actuarial valuation of the Staff Retirement Benefits Scheme done by Actuarial and Benefit Consultants Ltd. as at 30 June 1999 indicated that the Scheme had a deficit of KSh 76,916,000. This deficit has been accounted for in these accounts through prior year adjustment (note 23), as it relates to previous years. The Scheme is subject to an actuarial valuation every three years.

26. Contingent Liabilities

	2000 KSh	1999 KSh
(a) Guarantees to subsidiaries and other parties	**56,056,500**	97,681,500

(b) The Corporation has been sued by third parties for claims amounting to KSh 34,381,330 (1999 KSh 20,330,060) together with the interest thereon and costs of the suits. No provision has been made in these accounts for this amount as the directors are of the opinion that no liability will crystallise.

27. Commitments

	2000 KSh	1999 KSh
Loans and equity:-		
Small loans	-	14,779,000
Large and medium loans	-	14,112,360
Equity investments	-	10,000,000
Investment properties:-		
Kipevu Industrial Park Project	-	-
	-	38,891,360

28. Comparatives

Where necessary, comparative figures have been adjusted to conform with changes in presentation in the current year. In particular, the comparative figures have been adjusted to take into account the effect of the prior year adjustment.

29. Employees

The number of employees at the end of the year was 309 (1999 - 320).

30. Incorporation

The Corporation is incorporated in Kenya under the Industrial and Commercial Development Corporation Act (Cap 445).

31. Currency

The accounts are presented in Kenya Shillings (KSh), to the nearest KSh 10.

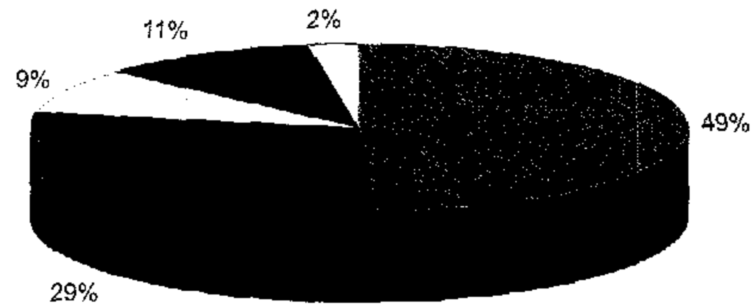
SUMMARY OF SHAREHOLDING IN SUBSIDIARY AND ASSOCIATE COMPANIES
AS AT 30 JUNE 2000

	Total Issued Shares	Number of shares Held by ICDC	ICDC shareholding (%)	Directors'/ Market Valuation of ICDC Shares KSh
(i) Quoted Companies				
ICDC Investment Company Limited	37,677,905	9,649,219	25.61	463,162,512
Uchumi Supermarkets Limited	60,000,000	4,669,369	7.78	198,448,183
				661,610,695
(ii) Unquoted Companies				
Kenatco Taxis Limited (In Receivership)	250,000	250,000	100.00	0
Kenatco Transport Co. Limited (In Liquidation)	345,000	345,000	100.00	0
Kenya National Trading Corporation Ltd	1,600,000	1,600,000	100.00	0
KWA Holdings Limited	96,000,000	69,748,132	72.65	697,481,320
Agro-Chemical and Food Company Limited	3,000,000	845,000	28.17	0
AON Minet Insurance Brokers Limited	618,280	123,656	20.00	97,628,333
Brollo Kenya Limited	3,334,000	333,333	10.00	7,223,657
Dawa Pharmaceuticals Limited	1,964,753	683,334	34.78	0
Development Bank of Kenya Limited	17,375,000	5,307,500	30.55	308,302,574
East African Coast Fisheries Limited	1,862,950	511,500	27.46	10,230,000
Eslon Plastics of Kenya Limited	2,000,000	332,063	16.60	6,719,616
Eveready Batteries Kenya Limited	210,000	52,227	24.87	573,627,172
Farm Fresh Commodities Limited (In Receivership)	526,864	163,400	31.01	4,809,259
Funguo Investments Limited	2,041,028	800,000	39.20	21,897,241
General Motors Kenya Limited	1,567,500	313,500	20.00	507,384,300
Heritage Woollen Mills (Kenya) Limited	755,625	264,395	34.99	0
Industrial Development Bank Limited	12,880,000	1,560,000	12.11	62,188,272
Kisii Bottlers Limited	3,833,850	1,169,878	30.51	50,422,524
Meatland Processing Limited	723,810	227,688	31.46	4,593,750
Mount Kenya Bottlers Limited	4,370,007	831,250	19.02	80,923,242
Mountain Region Poultry Farmers Limited	573,000	160,000	27.92	16,000,000
Njoka Tanners Limited	3,770,000	1,250,000	33.16	13,105,965
Panafrican Paper Mills (E.A.) Limited	59,310,000	3,293,925	5.55	173,557,426
Polysynthetics Eastern Africa Limited	128,580	38,580	30.00	4,128,949
Rehabilitation Advisory Services Limited(In Liquidation)	583,333	120,000	20.57	0
Rift Valley Bottlers Limited	2,501,183	1,109,348	44.35	0
Rift Valley Textiles Limited (In Receivership)	10,958,904	9,871,386	90.08	0
Simba Productions Limited	60,000	48,000	80.00	48,528,780
South Nyanza Sugar Company Limited	18,000,000	125,000	0.69	0
Trackspa Limited	57,277	14,000	24.44	3,500,000
Wananchi Sawmills (1974) Limited	250,000	111,113	44.45	0
Westlands Dairy Limited (In Receivership)	520,000	201,850	38.82	0
				1,994,771,060
				2,656,381,755

Sectoral Distribution Of Equity Investments And Large And Medium Loans

As At 30th June, 2000

The corporation has been investing in various sectors as shown on the chart below



Agriculture Processing, Food and Beverages

Textile

Trade and Services

Finance and Services

Others

NB

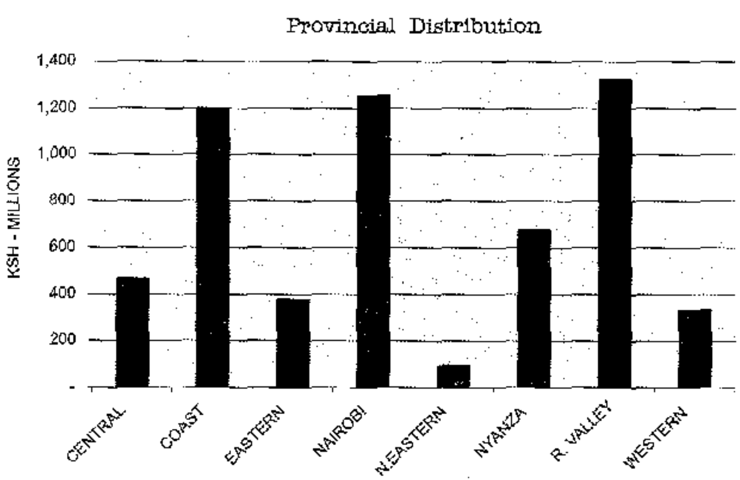
Others include

Leather and Leather goods
Wood and Wood Products
Metallic and Ceramic Products
Motor Vehicle and Accessories
Chemical and Pharmaceuticals
Plastics and Oil Recycling
Insurance and Property Developments
Electrical and Electronic Products.

Provincial Distribution Of ICDC Investments

As At 30th June, 2000

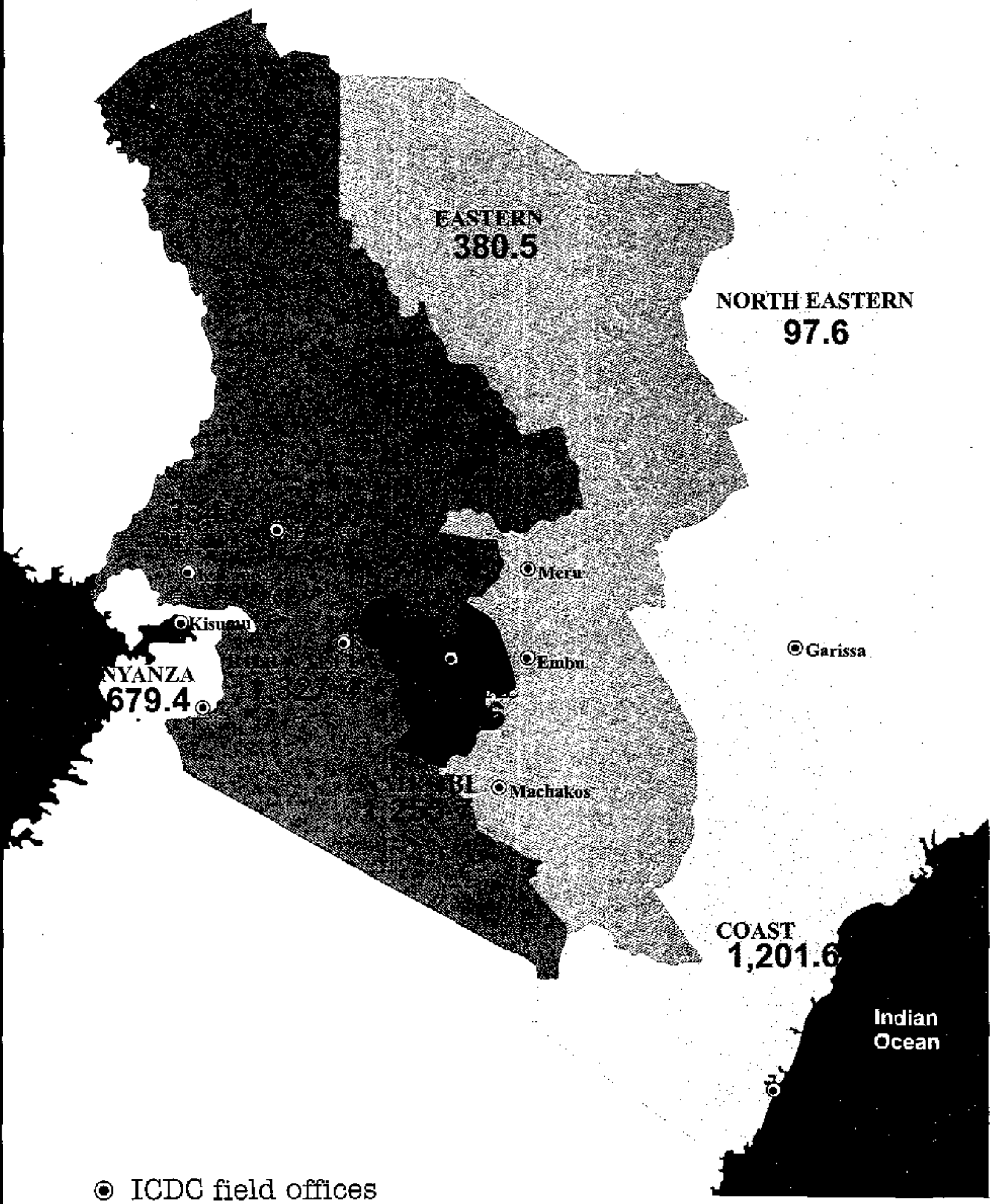
The Corporation has been investing in all parts of the republic. The regional distribution of the investments on provincial bases as at 30th June, 2000 is as shown in the diagram below



Distribution Of Total ICDC Investments by Province

as at 30th June 2000

Amounts in Kenya Shillings (Millions)



◉ ICDC field offices

ANNUAL REPORTS

ICDC INVESTMENT COMPANY LTD.

COMPANY
INTERIM REPORT AND FINANCIAL STATEMENTS

FOR THE HALF YEAR ENDED
31ST DECEMBER 2000

ICDC INVESTMENT COMPANY LTD.

INCOME STATEMENT
FOR THE HALF YEAR ENDED 31ST DECEMBER 2000

	Note	31.12.00 Shs.	31.12.99 Shs.
INCOME		93,018,163	63,097,803
EXPENSES			
Operating expenses		10,757,037	6,741,620
Administrative expenses		10,287,290	5,249,235
Other expenses		2,394,247	548,851
		23,438,574	12,539,706
OPERATING PROFIT	2	69,579,588	50,558,097
GAIN ON DISPOSAL OF INVESTMENTS		46,789,075	72,181,805
FINANCE COSTS	3	3,108,637	-
EXCEPTIONAL ITEM	5	-	20,862,733
PROFIT BEFORE TAXATION		113,260,026	101,877,169
TAXATION	6	600,159	1,683,467
NET PROFIT FOR THE YEAR		112,659,867	100,193,702
EARNINGS PER SHARE (Kshs.)	7	2.94	2.66

ICDC INVESTMENT COMPANY LTD.

BALANCE SHEET
FOR THE HALF YEAR ENDED 31ST DECEMBER 2000

	Note	31.12.00 Shs.	31.12.99 Shs.
ASSETS			
Non current assets			
Investment properties	9	180,000,000	180,000,000
Motor vehicle and equipment	10	9,130,730	5,007,409
Investment in subsidiaries	11	286,114,734	221,447,500
Investment in associates	12	1,023,625,683	631,026,316
Unquoted investments	13	203,707,642	505,776,928
Quoted investments	14	161,123,463	527,234,320
		1,863,702,252	2,070,492,473
Current assets			
Loans to related parties	15	6,560,399	42,950,761
Receivables and prepayments	16	308,530,157	90,426,462
Taxation recoverable		2,577,881	1,182,549
Bonds	17	5,625,000	6,750,000
Fixed deposits	18	-	30,000,000
Bank balances		47,599,951	53,740,788
		370,893,388	225,050,560
Total assets		2,234,595,640	2,295,543,033
EQUITY AND LIABILITIES			
Capital and reserve			
Share capital	19	191,819,790	188,389,525
Share premium		334,101,003	309,403,094
Revaluation reserves		1,035,930,060	1,314,277,572
Revenue reserves		483,428,866	390,066,475
		2,045,279,719	2,202,136,666
Non current liabilities			
Deferred tax liability		209,926	-
Current Liabilities			
Short term bank advance		59,000,000	-
Bank overdraft		970,507	-
Payables and accruals	20	3,339,022	1,058,607
Due to related parties	21	26,502,167	2,719,863
Unclaimed dividend		99,294,299	51,949,992
Proposed dividend		-	37,677,905
		189,315,921	93,406,367
		2,234,595,640	2,295,543,033

ICDC INVESTMENT COMPANY LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE HALF YEAR ENDED 31ST DECEMBER 2000

1. ACCOUNTING POLICIES

BASIS OF ACCOUNTING

The financial statements are prepared in accordance with and comply with International Accounting Standards.

The company prepares its finacial statements on the historical cost basis of accounting, modified to include the revaluation of equity investments and investment properties.

INVESTMENT PROPERTIES

Investment in properties are treated as long term investments and are carried at market value determined on periodic basis, by external independent valuers. Investmnet properties are not subject to depreciation. Increases in their carrying amount are credited to revaluation reserves in shareholders equity. Decreases that offset previous increases of the same asset are charged against revaluation, all other decreases are charged to the income statement.

On disposal of an investment property, the difference between the net proceeds and the carying amount is charged or credited to the income statement; any amounts in revaluation relating to that investment property are transferred to retained earnings.

MOTOR VEHICLE

Motor vehicle and equipment are stated at cost less depreciation.

DEPRECIATION

Depreciation is calculated to write off the cost of the motor vehicle and equipment in equal annual installments over their estmated useful lives.

The annual rates in use are:

Motor vehicle	20%
Furniture and office equipment	10%
Computers	33.3%

INVESTMENTS

Quoted investments are stated at the middle market value as at December 31st. The unquoted investments are stated at director's valuation using, in most cases, the share if net assets basis, based on the latest available audited financial statements. The difference between valuation and cost is transferred to revaluation reserve.

COMPARATIVES

Where necessary, comparative figures have been adjusted to conform with changes in presentation in the current period.

ICDC INVESTMENT COMPANY LTD.

STATEMENT OF CHANGES IN EQUITY
FOR THE HALF YEAR ENDED 31ST DECEMBER 2000

	Share capital Shs.	Share premium Shs.	Property revaluation Shs.	Quoted and Unquoted investment revaluation Shs.	Revenue reserve Shs.	Proposed dividend Shs.	Total Shs.
At 1 July 2000	191,819,790	334,101,002	119,793,645	1,105,005,316	370,768,999	76,727,916	2,198,216,668
Revaluation deficit	-	-		- 334,466,846	-		- 334,466,846
Revaluation surplus		-	-	145,597,945	-		145,597,945
Net Profit for the year		-			112,659,867		112,659,867
Dividend for 1999/2000 - final					-	- 76,727,916	- 76,727,916
Issue of share capital							-
(scrip dividend)		-		-	-		-
Share premium arising							-
from scrip dicidend		-		-	-		-
							-
	191,819,790	334,101,002	119,793,645	916,136,415	483,428,866	-	2,045,279,718

	Note	31.12.00 Shs	31.12.99 Shs
2 OPERATING PROFIT			
The operating profit is arrived at after charging:			
Directors' emoluments:			
Fees		615,000	2,202,919
Other		960,000	90,000
Auditors' remuneration		311,520	209,895
Depreciation		897,229	493,217
Management fees		-	54,782
Staff costs	4	5,710,963	1,913,030
and after crediting:			
Dividend income (gross) - quoted investments		39,987,893	26,191,392
- unquoted investments		48,882,905	25,820,064
Rent receivable		823,077	826,583

FINANCE COSTS

Interest on overdraft	1,836,597	-
Commitment fees	387,500	
Interest on term loan	884,540	-
	3,108,637	-

4 STAFF COSTS

Salaries	5,705,203	1,912,230
National Social Security Fund Contributions (NSSF)	5,760	800
	5,710,963	1,913,030

EXCEPTIONAL ITEM

The exceptional item relates to payments made to suppliers on account of guarantees on behalf of a former subsidiary, African Retail Traders (ART).

ICDC INVESTMENT COMPANY LIMITED

NOTES TO THE FINANCIAL STATEMENTS (Continued)

TAX EXPENSE	31.12.00 Shs	31.12.99 Shs
Current taxation based on adjusted profit for the period at 30%	600,159	1,683,467

EARNINGS PER SHARE

The earnings per share has been calculated on the profit after taxation of Shs. 112,659,867 (1999/2000- Shs. 100,193,702) and on ordinary shares in issue during the year of 38,363,958 (1999- 37,677,905)

DIVIDENDS PER SHARE

No dividends were declared for the half year.

An interim dividend of Sh. 1.00 per share amounting to sh 37,677,905 was paid for the half year 1999/2000

INVESTMENT PROPERTIES	31.12.00 Shs	31.12.00 Shs
At 1 July 2000 and 31 December 2000	180,000,000	180,000,000
Comprising		
At cost	81,226,550	81,226,550
At valuation - 1997	98,773,450	98,773,450
	180,000,000	180,000,000

ICDC INVESTMENT COMPANY LIMITED

NOTES TO THE FINANCIAL STATEMENTS (Continued)

10 MOTOR VEHICLE AND EQUIPMENT

	Motor Vehicle Shs	Furniture & fittings Shs	Computers Shs	Office Equipment Shs	Total Shs
COST					
As at 1 July 2000	3,943,260	2,967,079	1,359,682	1,031,691	9,301,712
Additions :	-	1,508,866	250,126	57,144	1,816,136
At 31 December 2000	3,943,260	4,475,945	1,609,808	1,088,835	11,117,848
DEPRECIATION					
At 1 July 2000	722,931	91,981	206,481	68,496	1,089,889
Charge for the year	394,326	213,804	235,320	53,778	897,229
At 31 December 2000	1,117,257	305,786	441,801	122,274	1,987,118
NET BOOK VALUE					
At 31 December 2000	2,826,003	4,170,159	1,168,007	966,561	9,130,730
At 30 June 2000	3,220,329	2,875,098	1,153,201	963,195	8,211,822

11 INVESTMENT IN SUBSIDIARIES

	31.12.00 Shs.	31.12.99 Shs.
Unquoted : At cost and directors; valuation		
Kenya National Properties Limited 100% owned (Cost Shs 114,735,000)	286,114,734	221,447,500

12 INVESTMENT IN ASSOCIATES

	Number of shares as at		% owned	Cost as at		Share of net assets	
	31/12/2000	31/12/1999	at 31/12/2000	31/12/2000	30/12/1999	30/12/2000	31/12/1999
UNQUOTED				Shs	Shs	Shs	Shs
Aon Minet Insurance Brokers Ltd	132,932	132,932	21.50	12,298,037	1,298,037	73,776,099	33,910,953
Kenya Wine agencies Ltd	25,373,936	25,373,936	26.43	17,234,745	17,234,745	233,897,364	255,008,057
Mt Kenya Bottlers Ltd	1,250,695	500,278	28.62	10,005,560	10,005,560	133,153,635	128,346,321
Nairobi Bottlers Ltd	878,286	878,286	27.62	56,894,560	56,894,560	265,306,172	213,760,985
Rift Valley Bottlers	2,538,399	1,647,733	48.09	58,381,415	31,661,435	60,899,275	-
				154,814,317	117,094,337	767,032,545	631,026,316
QUOTED							
Uchumi Supermarkets Ltd	14,136,060	10,003,880	23.56	278,910,622	96,437,853	256,593,138	-
						1,023,625,683	631,026,316

The market value of Uchumi Supermarkets as at 31st December 2000 was Shs. 692,764,940 (1999/2000 - 397,654,230)

ICDC INVESTMENT COMPANY LIMITED
NOTES TO THE FINANCIAL STATEMENTS (Continued)

13 UNQUOTED INVESTMENTS

	No. of shares as at 1/7/00	Additions in the period	No. of shares as at 31/12/00	Cost as at 1/7/00 Shs	Additions in the period Shs	Cost at 31/12/00 Shs	Directors' valuation 31/12/00 Shs	Directors' valuation 31/12/99 Shs
Associated Battery Mfg.(E.A.) Ltd	45,850	(45,850)	-	1,899,990	(1,899,990)	-	-	9,477,195
Dawa Pharmaceuticals Ltd	250,000	-	250,000	5,000,000	-	5,000,000	15,040,822	27,375,000
Eveready Batteries (Kenya) Ltd	21,259	-	21,259	4,030,400	-	4,030,400	77,635,742	70,862,625
Eslon Plastics of Kenya Ltd	146,561	-	146,561	427,120	-	427,120	9,875,263	3,649,369
General Motors Kenya Ltd	279,300	(279,300)	-	184,536,185	(184,536,185)	-	-	292,273,485
Heritage Wollen Mills Ltd	72,249	-	72,249	6,387,400	-	6,387,400	16,776,218	4,789,344
Kisii bottlers Ltd	666,664	-	666,664	5,333,320	-	5,333,320	18,933,258	36,099,856
Mather & Platt (Kenya) Ltd	10,139	-	10,139	2,118,455	-	2,118,455	1,799,673	1,799,673
Nas Airport Services Ltd	73,056	-	73,056	7,396,470	-	7,396,470	43,030,774	40,830,998
UAP Provincial Insurance Co. Ltd.	981,152	-	981,152	13,245,552	-	13,245,552	20,615,892	-
Rift Valley Bottlers ltd.	1,647,733	890,666	2,538,399	31,661,435	26,719,980	58,381,415	-	18,619,383
				262,036,327	(159,716,195)	102,320,132	203,707,642	505,776,928

ICDC INVESTMENT COM

NOTES TO THE FINANCI

14 QUOTED INVESTMEN

1. Barclays Bank of Kenya Ltd.
2. Brooke Bond Kenya Ltd.
3. British American Tobacco Ken
4. B.O.C. Kenya Ltd
5. C.F.C. Bank Ltd.
6. Crown Berger Kenya Ltd.
7. Diamond Trust Bank Kenya Lt
8. East African Cables Ltd
9. East African Packaging Indust
10. Express Kenya Ltd.
11. East Africa Breweries Ltd.
12. Firestone East Africa (1969) L
13. George Williamson (Kenya) Lt
14. Housing Finance Company of
15. Jubilee Insurance Company Lt
16. Kenya Power and Lighting Co.
17. Kenya National Mills Ltd.
18. Kenya Commercial Bank Ltd.
19. Kenya Airways Limited
20. Kenya Oil Ltd.
21. National Bank of Kenya Ltd.
22. Nation Media Group Ltd.
23. Rea Vipingo Plantations Ltd
24. Sasini Tea & Coffee Ltd.
25. Standard Chartered Bank Ken
26. Total Kenya Limited
27. Uchumi Supermarkets Ltd.

Total

REGIONAL INVESTMENTS
BAT Uganda Ltd.

NOTES TO THE FINANCIAL STATEMENTS (Continued)

14 QUOTED INVESTMENTS

	No. of shares as at 1/7/00	Additions in the period	No. of shares as at 31/12/00	Cost as at 1/7/00 Shs	Additions in the period Shs	Cost at 31/12/00 Shs	Market value at 31/12/00 Shs	Market value at 31/12/99 Shs
1. Barclays Bank of Kenya Ltd.	140,134	(70,000)	70,134	2,951,091	(1,474,135)	1,476,957	5,295,117	12,028,237
2. Brooke Bond Kenya Ltd.	28,970	-	28,970	5,428,024	-	5,428,024	2,810,090	3,012,880
3. British American Tobacco Kenya Ltd.	26,666	(10,247)	16,419	2,194,568	(269,484)	1,925,084	993,350	1,498,728
4. B.O.C. Kenya Ltd	18,000	-	18,000	271,625	-	271,625	850,500	1,161,000
5. C.F.C. Bank Ltd.	96,000	16,000	112,000	10,000	-	10,000	964,800	1,140,000
6. Crown Berger Kenya Ltd.	83,600	-	83,600	1,369,831	-	1,369,831	752,400	836,000
7. Diamond Trust Bank Kenya Ltd.	-	-	-	-	-	-	-	5,372,094
8. East African Cables Ltd	139,850	(89,850)	50,000	478,479	(307,410)	171,069	462,500	1,818,050
9. East African Packaging Industries Ltd.	-	-	-	-	-	-	-	153,264
10. Express Kenya Ltd.	-	-	-	-	-	-	-	352,944
11. East Africa Breweries Ltd.	485,691	500,000	985,691	25,381,504	39,355,130	64,736,634	73,433,980	27,006,070
12. Firestone East Africa (1969) Ltd	420,000	-	420,000	5,446,296	-	5,446,296	4,830,000	720,000
13. George Williamson (Kenya) Ltd.	4,675	-	4,675	1,307,510	-	1,307,510	453,475	434,775
14. Housing Finance Company of Kenya Ltd	122,291	-	122,291	1,625,043	-	1,625,043	672,601	1,284,056
15. Jubilee Insurance Company Ltd.	66,129	(66,129)	-	283,964	(283,964)	-	-	1,702,822
16. Kenya Power and Lighting Co. Ltd	137,126	-	137,126	11,367,084	-	11,367,084	5,485,040	8,089,137
17. Kenya National Mills Ltd.	79,180	-	79,180	898,715	-	898,715	554,260	752,210
18. Kenya Commercial Bank Ltd.	1,054,305	285,000	1,339,305	35,850,210	6,970,198	42,820,408	34,152,278	11,682,841
19. Kenya Airways Limited	181,620	302,598	484,218	2,043,225	2,449,169	4,492,394	4,357,962	1,416,636
20. Kenya Oil Ltd.	-	13,181	13,181	-	1,098,083	1,098,083	962,213	-
21. National Bank of Kenya Ltd.	351,835	-	351,835	7,395,164	-	7,395,164	1,108,280	1,759,175
22. Nation Media Group Ltd.	227,228	(153,228)	74,000	15,150,486	(10,216,517)	4,933,969	5,106,000	22,950,533
23. Rea Vipingo Plantations Ltd	9,600	-	9,600	94,083	-	94,083	29,760	46,080
24. Sasini Tea & Coffee Ltd.	356,526	(111,500)	245,026	1,335,808	(417,761)	918,047	8,330,884	16,043,670
25. Standard Chartered Bank Kenya Ltd.	179,437	(100,000)	79,437	4,073,990	(2,270,429)	1,803,561	567,975	6,734,888
26. Total Kenya Limited	33,000	(20,000)	13,000	770,066	(466,707)	303,359	715,000	1,584,000
27. Uchumi Supermarkets Ltd.	12,722,406	1,415,654	14,138,060	213,802,246	65,108,375	278,910,621	-	397,654,230
Total						125,726,767	152,888,463	527,234,320
REGIONAL INVESTMENTS								
BAT Uganda Ltd.	-	150,000	150,000	-	7,500,000	7,500,000	8,235,000	-
							161,123,463	527,234,320

	31.12.00 Shs	31.12.99 Shs
15 LOANS TO RELATED PARTIES		
Industrial & Commercial Development Corporation (ICDC)	-	37,950,761
Riva Flora Ltd	6,560,399	5,000,000
	6,560,399	42,950,761
16 RECEIVABLES & PREPAYMENTS		
Dividends receivable	68,705,617	40,779,179
Interest receivable	826,105	10,318,198
Other debtors and prepayments	246,137,205	46,467,854
Income tax recoverable	2,577,881	1,182,549
	318,246,808	98,747,780
Less: provision for bad and doubtful debts	(7,138,769)	(7,138,769)
	311,108,039	91,609,011
17 BONDS		
East Africa Development Bank Bonds	5,625,000	6,750,000
	5,625,000	6,750,000
18 FIXED DEPOSITS		
Development Bank of Kenya	-	20,000,000
Kenya Commercial Bank	-	10,000,000
	-	30,000,000

(b) Legal fees amounting to shs. 995,500 was paid to R. Simba & Co. Advocates, a firm related by common shareholding.

24 COUNTRY OF INCORPORATION

The company was incorporated in Kenya under the companies Act.

25 CURRENCY

The financial statements are presented in Kenya Shillings (Shs.)

	31.12.00 Shs	31.12.99 Shs
19. SHARE CAPITAL		
Authorised:		
60,000,000 ordinary shares of Shs 5 each	300,000,000	300,000,000
Issued and fully paid:		
38,363,958(1999 - 37,677,905) ordinary shares of Shs 5 each	191,819,790	188,389,525
20 PAYABLES AND ACCRUALS		
Rent deposits	635,063	435,353
Rent paid in advance	161,788	40,662
Sundry payables and accruals	2,542,171	582,592
	3,339,022	1,058,607
21 DUE TO RELATED PARTIES		
ICDC	2,112,190	2,435,645
K N P - legal fees paid on behalf of ICDCI	1,005,437	
K N P - revolving loan & advance	23,384,540	-
	26,502,167	2,435,645
22 CONTINGENT LIABILITY		
Suppliers credit guarantee on behalf of African Retail Traders Ltd.	-	25,000,000

23 RELATED PARTY TRANSACTIONS

The following related party transactions occurred during the half year:

(a) Rent and service charge amounting to shs. 1,037,016.40 was paid to International House Ltd.. a company related by common shareholding.

(b) Legal fees amounting to shs. 995,500 was paid to R. Simba & Co. Advocates, a firm related by common shareholding.

24 COUNTRY OF INCORPORATION

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25 CURRENCY

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