PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31ST DECEMBER 2017

	Note	2017 Shs	2016 Shs
Revenue		73,691,426	64,586,481
Cost of sales		(60,361,981)	(56,607,847)
Gross profit		13,329,445	7,978,634
Gain /(loss) on valuation of shares		18,500	(199,234)
Administrative expenses		(4,247,659)	(1,882,518)
Selling and distribution expenses		(932,903)	(110,827)
Establishment expenses		(73,529)	(77,376)
Finance costs	5	(530,185)	(413,651)
Profit before tax	4	7,563,669	5,295,028
Income tax	6	(1,829,020)	(1,531,920)
Profit and total comprehensive income for the year		5,734,649	3,763,108
Earnings per share information			
Basic earnings per share	17	0.44	0.29

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31ST DECEMBER 2017

	Share capital Shs	Revaluation reserve	Accumulated earnings Shs	Proposed dividend	Total Shs
Balance as at 1st January, 2016	57,228,746	414,437	(51,672,631)	55,000	6,025,552
Net Profit			3,763,108		3,763,108
Total Comprehensive Income	57,228,746	414,437	(47,909,523)	55,000	9,788,660
Transactions with owners					
Preference Dividends Final 2016-Proposed	-	-	(55,000)	55,000	-
Preference Dividends Final 2015-Paid	-	-		(55,000)	(55,000)
Transfer of Excess Depreciation	-	(51,805)	51,805		-
Balance as at 31st December, 2016	57,228,746	362,632	(47,912,718)	55,000	9,733,660
Balance as at 1st January, 2017	57,228,746	362,632	(47,912,718)	55,000	9,733,660
Net Profit	-	-	5,734,649	-	5,734,649
Total Comprehensive Income	57,228,746	362,632	(42,178,069)	55,000	15,468,309
Transactions with owners					
Preference Dividends Final 2017-Proposed	-	-	(55,000)	55,000	-
Preference Dividends Final 2016-Paid	-	-	-	(55,000)	(55,000)
Transfer of Excess Depreciation	-	(45,329)	45,329	-	-
Balance as at 31st December, 2017	57,228,746	317,303	(42,187,740)	55,000	15,413,309

Revaluation reserve arises from the revaluation of plant and equipment. This reserve is not distributable.

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31ST DECEMBER 2017

	Note	2017 Shs	2016 Shs
Cash flows from operating activities			
Profit for the year		7,563,669	5,295,028
Adjustments for:			
Depreciation of property, plant and equipment	10	1,843,409	616,410
(Loss)/(gain) on valuation of share		(18,500)	199,234
		9,388,578	6,110,672
Changes in operating assets and liability			
Decrease in inventories		(1,606,060)	420,531
(Increase) in trade and other receivables		(14,116,228)	(13,278,499)
Increase in trade and other payables		10,389,567	4,772,944
Cash used in Operations		4,055,857	(1,974,352)
Income tax paid		-	-
Net cash from Operating activities		4,055,857	(1,974,352)
Cash flows from financing activities			
Purchase of equipment		(6,968,275)	-
Dividends paid		(55,000)	(55,000)
		(7,023,275)	(55,000)
Net decrease in cash and cash equivalents		(2,967,418)	(2,029,352)
At the start of the year	14	(2,352,993)	(323,641)
Cash and cash equivalent at the end of the year	14	(5,320,411)	(2,352,993)

BALANCE SHEET AT 31ST DECEMBER 2017

	Note	2017 Shs	2016 Shs
CAPITAL EMPLOYED			
Share capital	7	57,228,746	57,228,746
Revaluation reserve		317,303	362,632
Accumulated losses		(42,187,740)	(47,912,718)
Proposed dividends		55,000	55,000
Shareholders funds		15,413,309	9,733,660
Non Current Liabilities			
Borrowings	8	56,271,926	56,271,926
		56,271,926	56,271,926
		71,685,235	**66,005,586**
Non current assets			
Property, plant and equipment	10	24,534,036	19,409,170
Investment	15	130,925	112,425
Deferred tax assets	9	20,921,165	22,750,185
		45,586,126	42,271,780
Current assets			
Current tax		392,000	392,000
Inventories	12	2,739,598	1,133,538
Trade and other receivables	11	59,560,537	45,444,309
		62,692,135	46,969,847
Current Liabilities			
Borrowings	8	5,320,411	2,352,993
Trade and other payables	13	31,272,615	20,883,048
		36,593,026	23,236,041
Net Current Assets		26,099,109	23,733,806
		71,685,235	**66,005,586**

The financial statements on pages 11 to 26 were approved for issue by the board of directors on 26th march 2018 and were signed on their behalf by:

Director **Director**

The directors submit their report together with the audited financial statements for the year ended 31st December 2017, which disclose the state of affairs of the company.

Principal activities

The principal activity of the Company is that of selling processed fruits, vegetables and other food products.

Results and dividends

The results of the company for the year are shown in the profit and loss account on page 11 and the appropriations there from in the statement of changes in equity on page 13. The directors recommend the payment of a dividend of Shs.55,000 to preference shareholders (2016: 55,000). The directors do not recommend the declaration of a dividend to ordinary shareholders.

Directorate

The directors who held office during the year and to the date of this report are set out on page 1.

Auditor

The company's auditor, Jessie & Associates, have expressed their willingness to continue in office in accordance the Kenyan Companies Act, 2015.

By order of the board

SAGE REGISTRARS

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Company Secretary

Nairobi 26th March **2018**