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**Kenana**

Kenana Sugar Company Limited

RENEWABLE GREEN SOURCE OF FOOD & ENERGY



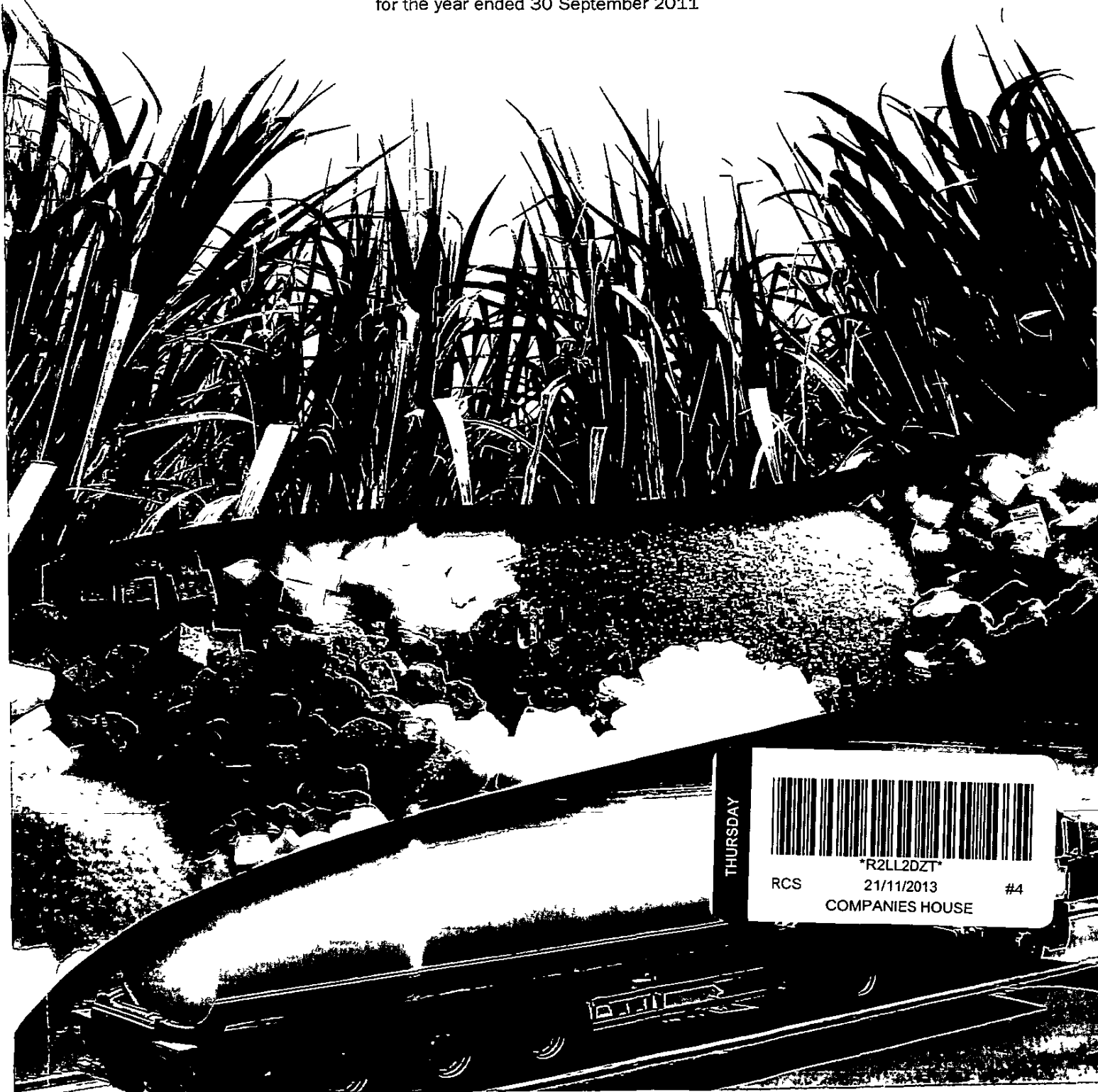
**كنانة**

شركة سكر كنانة المحدودة

مصدر أخضر متجدد للغذاء والطاقة

## Report and financial statements

for the year ended 30 September 2011



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**Kenana**  
Kenana Sugar Company Limited  
RENEWABLE GREEN SOURCE OF FOOD & ENERGY




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شركة سكر كنانة المحدودة  
مستثمر أخضر متجدد للغذاء والطاقة

## **Report and financial statements** for the year ended 30 September 2011



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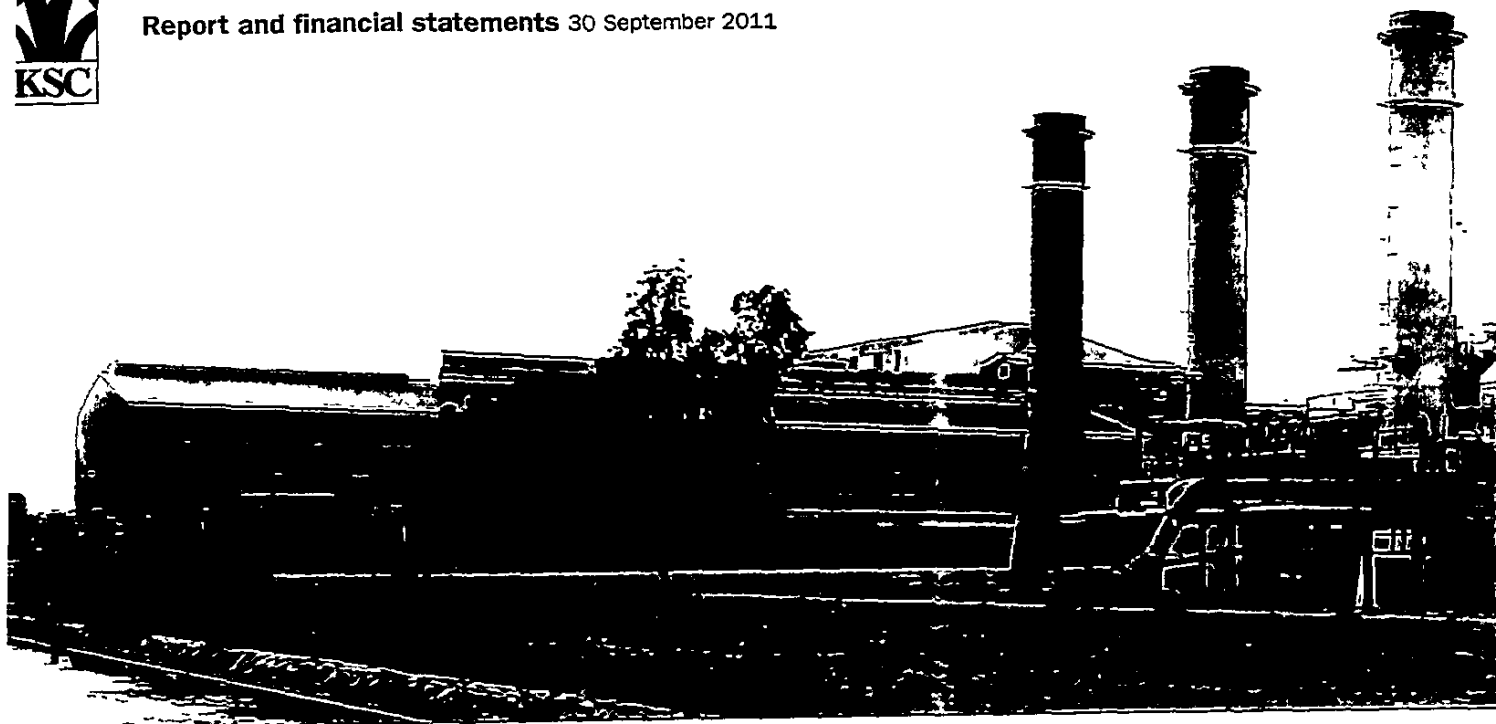
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## Directorate and Administration

### CHAIRMAN

**El Zubeir Ahmed El Hassan**  
Government of the Republic of Sudan

### Deputy Chairman

**Fawzi Abdel Hameed Al-Manie**  
Kuwait Investment Authority

### MANAGING DIRECTOR

**Mohamed El Mardi El Tegan**

### COMPANY SECRETARY

**Fareed Omer Medani**

### MEMBERS

**Dr. Mohamed Kheir El Zubeir**  
Government of the Republic of Sudan

**Shazali Mohamed Abdel Magied**  
Government of the Republic of Sudan

**Rahamatalla Ali Babiker**  
Government of the Republic of Sudan

**Sami Abdel Hameed El Hassan**  
Kuwait Investment Authority

**Mohsin Haji Mohamed**  
Kuwait Investment Authority

**Khalid Suleiman El Royih**  
Kuwait Investment Authority

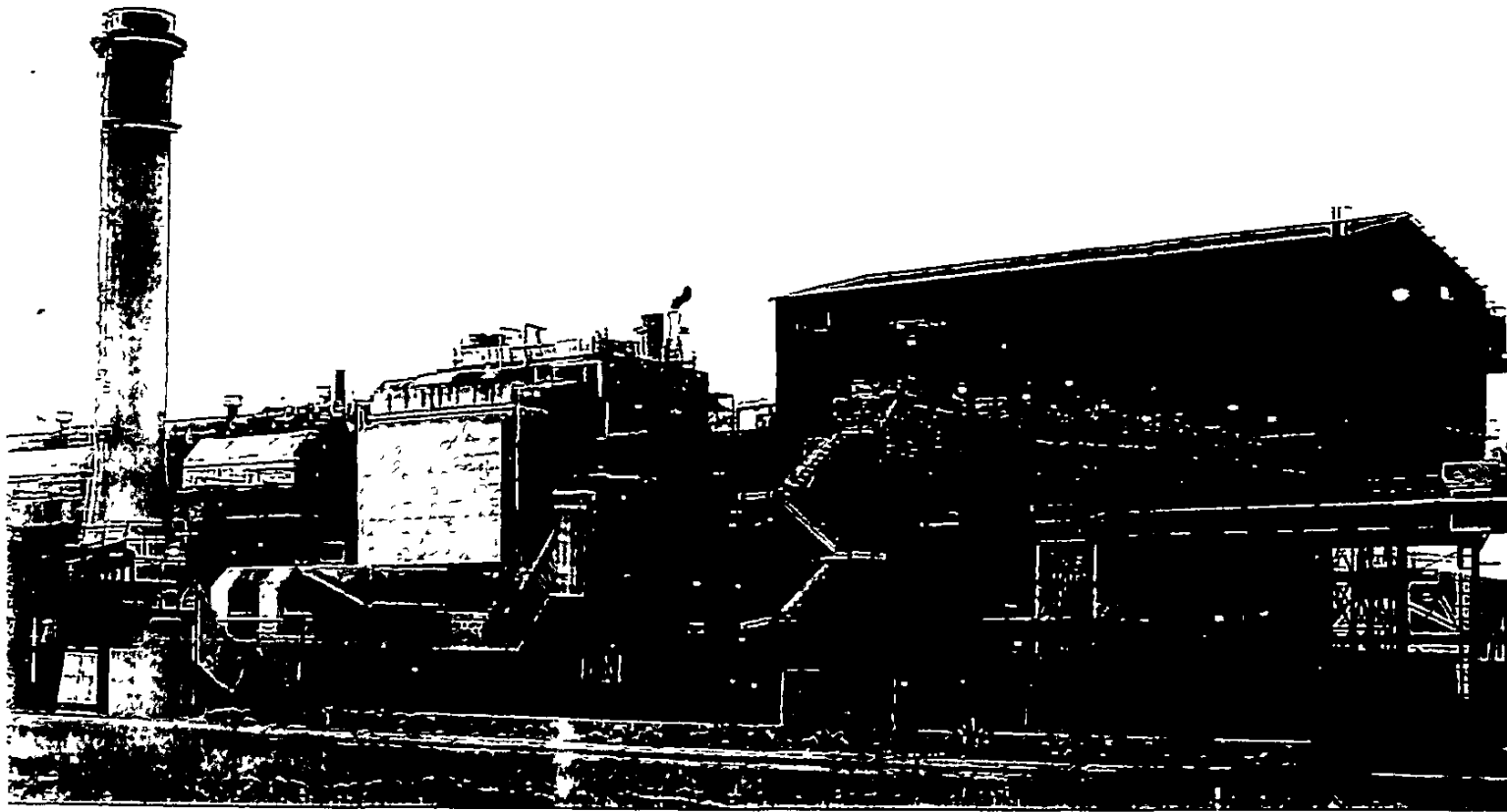
**Mohamed Ben Saad A-Shesary**  
Government of the Kingdom of Saudi Arabia

**Abdulrahman Abdulaziz Al-Shaye**  
The Arab Investment Company

**Suleiman Al Turki**  
Arab Authority for Agricultural Investment and  
Development

**Mussad Mohamed Ahmed**  
Industrial Development Bank

**Osman El Tom Mohamed El Hassan**  
El Nilein Bank



## Some facts and figures about Kenana

### Business Units

#### Sugar

##### Total Planted Area

100,000 Feddans (41,800 Hectares)

##### Total Annual Harvested Area

82,000 Feddans

##### Total Annual Harvested Sugar Cane

Approx 40 million metric tonnes

##### Daily Crushing Capacity

26,000 metric tonnes

##### Annual Sugar Production

400,000 metric tonnes for Domestic and Export markets

Irrigation Works consist of 6 (six) Pump Stations with a capacity of 42 cubic metres per second and a total lift of 46 metres above the White Nile level along 40 kilometres of Main Canal to the plantation area, fed by gravity along 400 kilometres of secondary canals following the contours of the Estate

##### Irrigation Requirements

400 Million Gallons of water per day

##### Estate Roads

328 km of major roads supplemented by a 1,500 Km network of infield roads

##### Animal Feed

##### Total Production Capacity

100,000 metric tonnes annually for Domestic and Export markets

### Produce Farm

Total products include Milk, Meat, Poultry, Fruits and Timber.

### Ethanol

Produced out of molasses Annual production 65 million litres for export and domestic market.

### Kenana Equipment

#### Manufacturing (KEM)

Production of Spare Parts, Agricultural Implements and Engineering Works

### Electricity Generation

71 Megawatts during crop

### Workforce

4,400 Permanent Employees

### Location

Near the town of Rabak - White Nile State, some 250 Km south of Khartoum

### Subsidiaries

Kenana Engineering & Technical Services Co Khartoum

Kenana Integrated Agricultural Solutions Co Khartoum

Kenana Fritzland Dairy, Khartoum

Kenana Sugar Free Zone Co Dubai



## Summary of Operations and Financial Status

		2001/02	2002/03	2003/04
1	Crushing Season (days)	171	170	176
2	Area harvested (feddans)	79,712	79,359	80,096
3	Cane harvested (MT/000)	3,615	3,828	3,905
4	Cane yield per feddan (MT)	45.34	48.24	48.80
5	Cane harvested per day (MT)	21,140	22,534	22,969
6	Harvesting mechanical (%)	63	62	61
	Harvesting hand-cut (%)	37	38	39
7	Net sugar recovery / cane crushed (%)	10.40	10.40	10.96
8	Sugar production (MT)	376,039	398,268	427,895
9	Production target (MT)	420,000	390,000	395,000
10	Selling Price (Domestic Quota) (SDG/MT)	1,131	1,131	1,204
11	Production costs (SDG/MT)	843	804	787
12	Turnover (SDG/000)	388,255	514,615	499,153
13	Operating profit (loss) (SDG/000)	69,365	106,043	88,679
14	Net finance charges (payable) received (SDG/000)	(1,723)	(2,404)	(1,649)
15	Net Profit (loss) for the year (SDG/000)	42,128	56,329	54,668
16	Sudanese pound exchange rate against US Dollar (US \$)	0.4	0.4	0.4
17	Dividends (US \$)	12,757,000	16,000,000	18,000,000



2004/05	2005/06	2006/07	2007/08	2008/09	2009/10	2010/11
164	173	162	179	166	141	<b>166</b>
79,370	78,771	78,606	79,256	79,672	80,490	<b>80,852</b>
3,686	3,792	3,712	3,853	3,386	2,950	<b>3,557</b>
46.44	48.14	47.2	48.4	42.5	36.7	<b>44.00</b>
22,476	21,919	22,914	21,586	20,398	20,922	<b>21,531</b>
60	61	70	100	100	100	<b>90</b>
40	39	30	-	-	-	<b>10</b>
10.67	10.55	10.91	10.33	9.55	9.36	<b>10.00</b>
393,002	400,209	405,040	391,121	323,254	276,110	<b>355,752</b>
400,000	400,000	400,000	413,000	413,000	406,000	<b>350,000</b>
1,279	1,323	1,400	1,400	1,400	1,520	<b>1,748</b>
849	861	972	883	911	1,093	<b>901</b>
631,489	605,805	652,393	720,099	825,812	1,155,384	<b>1,186,152</b>
90,063	62,575	66,406	135,589	143,158	65,658	<b>65,519</b>
(3,097)	(31)	(393)	(16,720)	(1,576)	(52,703)	<b>(75,627)</b>
69,865	55,579	42,384	122,126	130,542	65,658	<b>65,519</b>
0.4	0.5	0.47	0.46	0.43	0.42	<b>0.35</b>
18,000,000	20,000,000	25,000,000	25,000,000	20,000,000	20,000,000	<b>21,000,000</b>





Report and financial statements 30 September 2011

## Company Associates

### PRINCIPAL BANKERS

Bank of Sudan  
Bank of Khartoum  
Industrial Development Bank  
National Bank of Abu Dhabi  
British Arab Commercial Bank (London)

### REGISTERED OFFICE

Plot Number 846,  
Block 2, El Geraif Gharb,  
Khartoum, Sudan

### WEBSITE

[www.kenana.com](http://www.kenana.com)

### JOINT AUDITORS

Deloitte & Touche (Muscat)  
Mubarak Al Awad (Khartoum)

### LEGAL COUNSEL

El Karb & Medani (Khartoum)

### TECHNICAL CONSULTANTS

F C Schaffer & Associates (USA)

### INSURANCE COMPANIES

Sheikhan Insurance & Reinsurance Company  
United Insurance Company  
Reinsurer Munich Re (Germany)





## Chairman's report

In 2011, the global economy was featured by slow growth and rising risks which put several economies under pressure and changed the positions of leading industrial economies to 'instable' and 'high uncertainty'. Added to this, the social unrest and riots as a result of negative performance of those national economies on macro levels also had a negative impact.



Global activity has weakened and become uneven. Confidence has fallen sharply. While the latter half of 2010 saw growth in both advanced and emerging economies, the emerging economies did see a strong growth in the first half of 2011. Advanced economies were struggling early in the year – most notably USA. Wave of shocks hit the leading global economies – Japan was struck by the devastating great east Japan earthquake and tsunami which affected the global commodities, supply chain and unrest swelled in some oil producing countries. The bigger shock to the international economy originated from US federal debt ceiling negotiations and the political conflict which resulted from this new atmosphere, reflected negatively and led to downgrade of US sovereign credit rating by Standard and Poor in August for the first time in history. This act sent negative signals to the international financial markets, and volatility ensued in both financial assets and commodities markets, paving way for recession as result of the slowing down of global economies due to the Euro zone sovereign debt crisis – World output (GDP) in 2011 was 3.8% in comparison to 5.2% in 2010.

Efforts within the national level was exerted to confront the economic challenges resulting from the impact of separation of Southern Sudan with the loss of 75% of the petroleum proceeds, together with the impact of the global economic crisis putting more inflationary pressure caused by rising commodity prices on the national economy. This complex situation in turn encumbers the fiscal consolidation that will reduce the high public deficit and budget deficit and balance of trade gap the more manageable levels necessary to support to shorten and extend the term economic performance. The 2012 Government budget aims to solidify the fragile recovery and combating the inflation within a figure of 15 percent as compared to the figure of 17 percent for 2011. Through the adopted 3-year economic program the government is aiming to revive and activate the economy by closing the output gap and reducing disaster in the foreign financial sector, raising rate of employment and improving the investment disequilibrium environment by removing all administrative obstacles and substantiating the role of the Sudanese private sector to play a more active role in investment and also through reinforcing the country's infrastructure. Rate of growth through 2011 was 2.8% as compared to 5% in 2010.

## Chairman's report continued

World sugar markets have seen instability in prices for both raw and white. In February the raw prices reached 718.04 USD per MT i.e. similar to 1981 prices (i.e. quite on the higher side). However, since May the prices showed a continuous downward trend with average price of 572.81 USD per MT. The same pattern was also followed by the White sugar. From the point of view of sugar fundamentals, the price fall can be attributed to a large extent to a sharp increase in sugar availability following a record harvest in Thailand, and recovery in India of crop perspectives and return back to export market with total available quota of one million MT of white sugar. This put pressure on world sugar prices.

World production was 165.183 million tons – raw value, while world consumption was 163.989 tons – raw value with a deficit of 1.194 M tons raw value. Consumption growth rate was seen less than the 10 year average of 2.49%. The major factor was the slowdown in the global macro economies which hit the direct consumption in leading markets, notably in Middle East and Eurozone while demand still strong in Asian markets.

Low sugar stocks supported market values after two seasons of large deficits. Stock / consumption ratio reduced to the lowest level in 2010/11 for more than 20 years since 1989/90. International Sugar Organization statistical reports show that the ratio slightly improved to 34.84% in comparison to 34.56% in 2009-10.

Many factors in the international market affected the level of sugar market whether raw or white. Since August 2011 prices of sugar witnessed distinct fluctuations inspired by the global economic crisis particularly the situation in some peripheral economies of the Euro zone where, in spite of adoption of recovery plan – high public deficit and debt levels, coupled with anemic growth, has led to an increased vulnerability of the economy and which is disastrous in the financial markets. The direct impact of the international economy crisis was the construction of the continuation of the pressure on the prices of the raw and white sugar in spite of the decrease of global sugar stocks to lower than the security level. Prices of sugar in the international market witnessed a continuous decrease vis-à-vis October 2011 affected by the United States of America policies to raise the level of credit for the American government debt, besides the Eurozone debt crisis thus increasing level of uncertainty in the global economy.

Projection for International sugar market for 2011/12 reflects a statistical surplus in the sugar balance, total production estimated at 172.2 M metric tons with total consumption of 167.7 million tons of white sugar with 4.5 M metric tons as surplus.

Total sugar production in Sudan for Crop 2010/11 was 684,731 metric tons of white sugar exceeding budgeted production of 675,000 metric tons and a distinct increase from 2009/10 total production of 573,464 metric tons.



Kenana Sugar Company production for 2010/11. amounted to 355,751 metric tons (52% of total country production) In addition to the production of sugar from cane, Company got engaged in importation of raw sugar for refining at the factory refinery and also white sugar import to bridge the gap in Domestic market requirements Production achieved represent 29% increase from last year's production.

This year represents the fourth year of the Company 5 Year Plan Efforts continued in the transformation and consolidation programme with the objective to increase production, reduce cost and increase share value Diversification programme is progressing as per the plan, achieving increasing share in Company's revenue base, with ethanol ranking in top three of country's export products

Efforts undertaken to revitalize Kenana Friesland Dairy materialized with identification of a strategic partner who is willing to take shares and inject capital to modernize with objective to re-launch next year

Kenana's fully owned subsidiary, Kenana Engineering & Technical Services (KETS) and Kenana Integrated Agricultural Solution Co (KIAS) are gaining more ground and have become dynamic force in the business

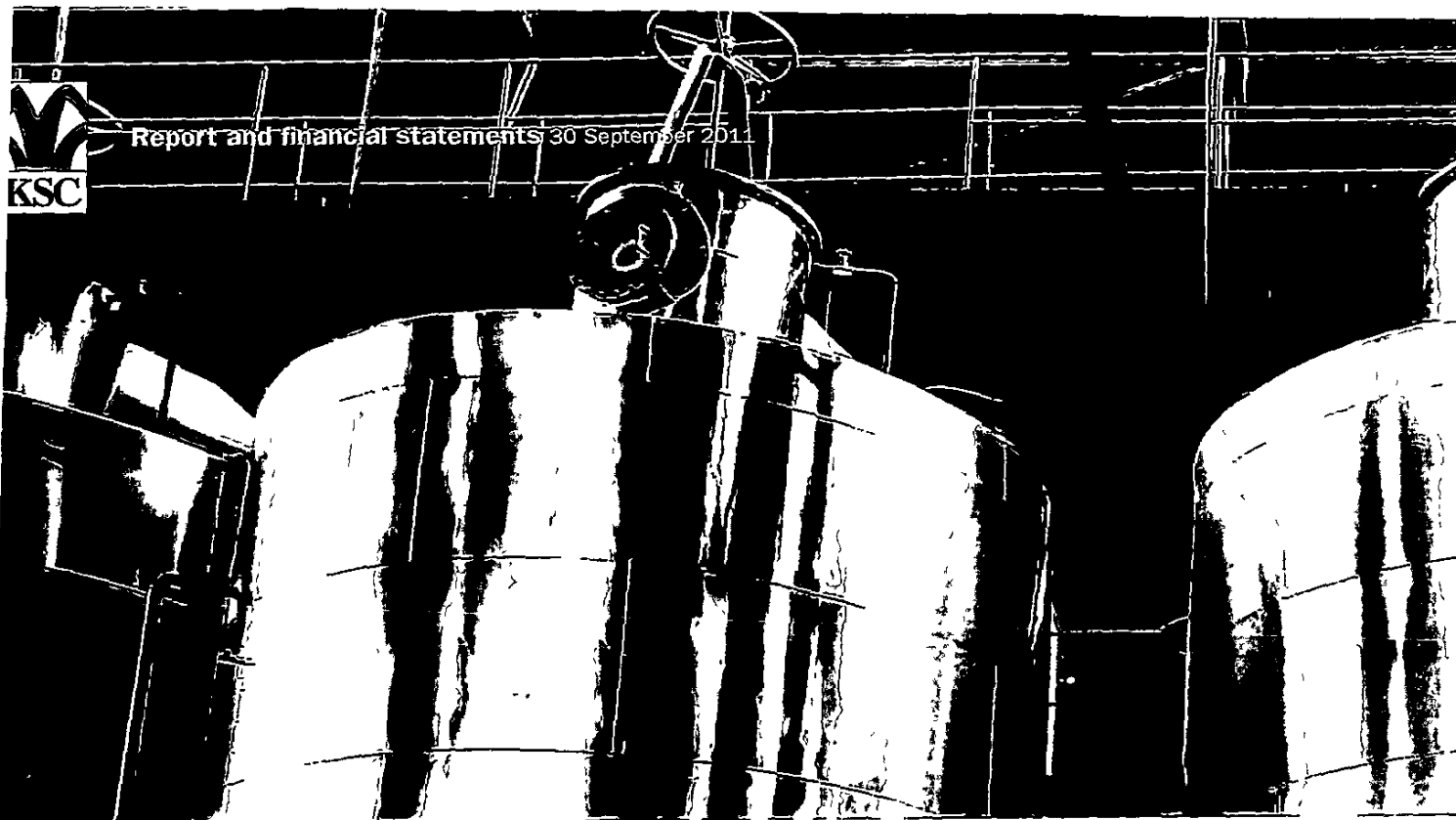
Projections for next crop 2011/12 suggests yet another successful crop which will add to our long list of records Productivity per feddan is now over 43 tons / feddan and has (for a long time backward) surpassed all international record productivity per feddan

The factory also was capable of maintaining a daily crushing rate surpassing 25,000 MT per day as a direct outcome to the improvement of the factory efficiencies.

Kenana 2020 Strategic Plan approved by Board of Directors in March 2010 is under full implementation The Strategic Plan has a series of focus areas with projects under Agriculture, Animal Production, Energy, Waste & Environment, Logistics, Engineering, Consumer products and food ingredients. Feasibility study has now been completed for a considerable number of projects which are being moved into fund raising stage

Lastly, I would like to express my deep gratitude to the Shareholders for their continued support to the Company and to the Government of Sudan who spared no effort to facilitate all our works and plans My appreciation also to the Board of Directors and its Executive Committee for their distinctive support to the Company, with which I am confident that Kenana will continue to achieve its goals and objectives, both qualitatively and quantitatively within Kenana Strategy 2020

Thanks also goes to the dedicated Management team and workforce, whose sincere and concerted efforts enabled Kenana to set an example as a leading enterprise within the inter-Arab investment in the agro industry sector and to the world as a conglomerate giant corporation



## Directors' report

The members of the Board of Directors submit their Report with the audited Annual Report & Accounts for the financial year ended 30th September 2011

### 1. Crop Season 2010/2011

#### 1.1 Sugar Business Unit

Crop harvesting operations started on 13th November 2010 and the production operations continued and concluded achieving successfully all production targets for the Sugar Business Unit departments as under

##### Cane production

- Achieved average cane productivity of 44 M.T /feddan which represents a high percentage increase of 20% compared to last crop (36.7 M.T /feddan)
- Total cane harvested 3,557,484 M.T. compared to last year 2,950,172 (20% increase)
- The factors for achieving this high cane productivity were:
  - Intensive managerial effort exerted in the field to arrest the effect of Boilers Control Room fire in the year 2008/09 and reversal of cane productivity back to normal cycle
  - Continued improvement of agricultural practices
  - Timely availability and application of basic production inputs
  - Comparatively high rates of rainfall which improved cane germination
  - Concerted efforts between Research & Development and Cane Production Depts with respect to controlled and well supervised agricultural research practices
  - Perfection of cane harvesting and transport operations.

##### Fleet management

Materials were availed and maintenance programmes were executed as scheduled. Accordingly the Fleet Management continued its efficient operations for all Business Units and other user departments at a better performance level compared to last crop season.



#### **Cane harvesting and transport**

- Daily average cane transport increased from 20,923 M.T last crop to 21,530 M T this crop
- Number of Fleet Transport Trucks decreased by more efficient shunting operations This resulted in increase of quantities of transported cane coupled with savings in fuel consumption

#### **Factory**

- Cane crushing operations were completed at high level of operational efficiencies at a daily average crushing rate of 21,366 M T compared to last crop.
- Total cane crushed amounted to 3,557,484 M.T this year compared to 2,950,172 M.T. last crop (20% increase).
- Total sugar production: 355,752 M T compared to 276,110 M T last crop (29% increase). Sugar extraction yield 10% compared to 9.36% last crop
- 20,500 M T of raw sugar was produced for export to E.U as per required specifications
- Produced 30,169 M T of refined sugar from imported raw sugar
- Molasses production 125,624 M T compared to 101,296 M T. compared to last year (24% increase)
- 4.3 Million small sugar packages of 5 and 10 Kg were made to meet local market demand

#### **1.2 Animal Feed Business Unit**

Production budgeted targets were not achieved in full due to interruptions in factory operations caused by re-allocating bagasse meant for animal feed production to power generation. This management decision was based on both furnace shortage and its cost increase.

Procurement of basic ingredients such as Sorghum, Oil Cake and Wheat Bran was curtailed due to high increase in the cost to avoid drop in profitability.

Actual production: 38,397 M T compared to last year 48,501 M T (20.8% reduction). However, sales revenues were increased this year to SDG 30.2 million compared to SDG 29.2 million last year.



## Director's report continued

### 1.3 Produce Farm Business Unit

Production comparison for this year with last year is as below

ITEM	2010/11	2009/10
Milk (MT)	2,602	2,595
Meat (KG)	8,481	497,686
Chicken (KG)	816,461	954,796
Fruits (KG)	168,452	191,200
Fruits Seedling (Each)	53,396	43,120
Ornament Seedling (Each)	91,401	42,199
Forests (Feddan)	31	386
Timber (M³)	2,623	2,423

Total Sales. SDG 14.3 million compared to last year's sales of 17.4 million. Drop in sales was due to suspension of bulls fattening caused by excessive price increases.

### 1.4 Ethanol Business Unit

Production started on 10th February 2010 using Company molasses as raw material, added to contracted quantities of molasses from Sudanese Sugar Company. Production amounted to 36,218,333 Litres compared to last year's production of 35,218,920 Litres (2.7% increase).

### 1.5 Kenana equipment manufacturing (KEM)

KEM succeeded to penetrate new markets for its products and technical services which was reflected in sales revenue increase to SDG 1,099,845 compared to last year's revenue of SDG 820,479.

KEM continued to produce agricultural implements and spare parts for local industries. Moreover, it participated with Kenana Engineering & Technical Services (KETS) in the formulation of a Data Base for Engineering Design aspects, Foundry and Metal Fabrication, Development of Agricultural Equipment and Implements. KEM continued its contractual reselling of Sudanese Sugar Company Mill Rollers.



#### **1.6 Marketing and sales**

The basic role of domestic sales continued as planned which participated positively towards the stability of the sugar local market

Animal Feed marketing efforts proved Company's competitiveness

Sale of Milk, Chicken and Forestry products were increased compared to last year

KEM products and technical services were successfully executed through new markets

Efficient export operations of Raw Sugar and Ethanol were conducted

#### **2. Financial indicators**

Sales volume reached SDG 1,186 million as compared to last year's SDG 1,155 million which represents 2.6 % increase

Cost of Sales SDG 790.1 million showing drop of 13.4 % compared to SDG 912.2 million of last year  
This was due to increase of imported white sugar sale which is characterized by its high cost

Gross Profit for the year SDG 396 million compared to SDG 243.1 million of last year which represents 62.9% increase

Net profit for the year SDG 65.5 million compared to SDG 65.6 million of last year

#### **3. General**

Industrial Relations were good, similar to previous year

Maintenance programmes for all Business Units were executed as planned and all next crop season's production inputs were secured which indicates success of crop season 2011/12

Kenana 2020 Investment Plan's Projects feasibility studies were started. Finance structure for some identified projects and the selection process of Shareholders for some projects has been effected

IPO project implementation process continued as planned





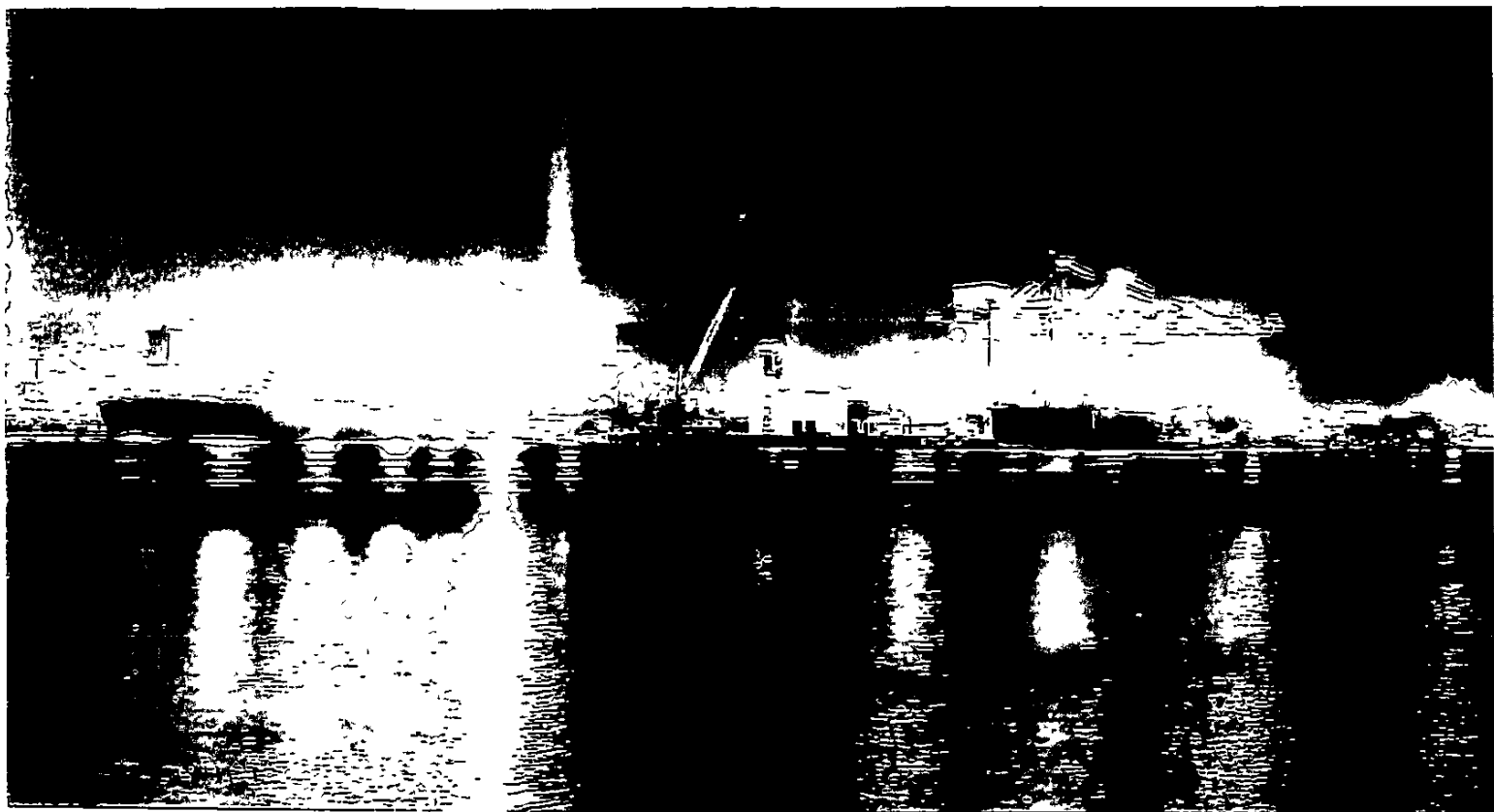
## Director's report continued

### 4. Share capital funding

The authorized share capital amounts to SDG 590,000 and the paid-up capital amounts to SDG 560,550 held in the following percentages as at 30th September 2011

	%
Government of the Republic of Sudan	35.33
Kuwait Investment Authority	30.64
Government of the Kingdom of Saudi Arabia	10.97
The Arab Investment Company	6.99
Industrial Development Bank	5.69
The Arab Authority for Agricultural Investment & Development	5.59
Consortium of Sudanese Commercial Banks	4.47
Sojitz Corporation	0.16
Gulf Fisheries Company	0.16
	<b>100.00</b>

The names of members of the current Board of Directors are shown on Page (1) of this Report.





Report and financial statements 30 September 2011

# Independent auditor's report to the Members of Kenana Sugar Company Limited

## Report on the financial statements

We have audited the accompanying financial statements of Kenana Sugar Company Limited ("the Company") which comprise of the statement of financial position as at 30 September 2011 and the related statements of comprehensive income, changes in equity and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory notes

## Management's responsibility for the financial statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with International Financial Reporting Standards, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error

## Auditors' responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the financial statements are free from material misstatement

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate for the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion

## Opinion

In our opinion, the financial statements present fairly, in all material respects, the financial position of Kenana Sugar Company Limited as of 30 September 2011, and of its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards

Deloitte & Touche (M E ) & Co. LLC  
Muscat, Sultanate of Oman  
23 February 2012

Mubarak El-Awad & Co  
Chartered Certified Accountants, Khartoum  
23 February 2012

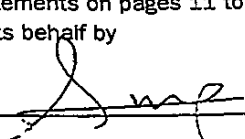
# Statement of financial position

at 30 September 2011

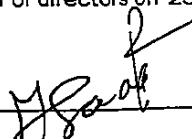
	Notes	2011 SDG '000	2010 SDG '000
<b>ASSETS</b>			
<b>Non-current assets</b>			
Property, plant and equipment	5	626,978	672,197
Intangible assets	6	8,118	8,073
Investments in subsidiaries	7	7,135	13,030
Investments in associates	8	242,300	220,682
Available-for-sale investments	9	2,203	2,003
Due from related party – long term	14	2,255	10,394
Biological assets – livestock and forests	10	13,035	13,284
<b>Total non-current assets</b>		<b>902,024</b>	<b>939,663</b>
<b>Current assets</b>			
Biological assets – growing cane	10	137,212	155,079
Inventories	11	349,420	219,550
Trade and other receivables	12	220,309	373,289
Held-to-maturity investments	13	16,055	15,383
Due from related parties	14	138,438	54,162
Cash on hand and bank balances	15	113,692	143,685
<b>Total current assets</b>		<b>975,126</b>	<b>961,148</b>
<b>Total assets</b>		<b>1,877,150</b>	<b>1,900,811</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Capital and reserves</b>			
Share capital	16	560	560
General reserve	17	49,277	46,001
Retained earnings		974,537	959,694
<b>Total equity</b>		<b>1,024,374</b>	<b>1,006,255</b>
<b>Non-current liabilities</b>			
Retirement benefit obligations	18	147,351	153,474
<b>Current liabilities</b>			
Borrowings	19	506,540	403,887
Due to related parties	14	18,970	6,517
Accounts payable and accruals	20	179,915	330,678
<b>Total current liabilities</b>		<b>705,425</b>	<b>741,082</b>
<b>Total liabilities</b>		<b>852,776</b>	<b>894,556</b>
<b>Total equity and liabilities</b>		<b>1,877,150</b>	<b>1,900,811</b>

The financial statements on pages 11 to 46 were approved by the board of directors on 23 February 2012 and were signed on its behalf by

Director



Director



The accompanying notes form an integral part of these financial statements



## Statement of comprehensive income

for the year ended 30 September 2011

	Notes	2011 SDG '000	2010 SDG '000
Sales	21	1,186,152	1,155,384
Cost of sales	22	(790,147)	(912,255)
Gross profit		396,005	243,129
Other operating income	23	39,203	121,043
Finance income	24	4,584	1,146
Services and other expenses		(55,459)	(46,191)
Other administration expenses		(123,752)	(116,121)
Selling and distribution expenses		(105,435)	(84,645)
Impairment of investment cost and due from a subsidiary		(14,000)	-
Finance costs	24	(75,627)	(52,703)
Profit before tax	25	65,519	65,658
Taxation	26	-	-
Comprehensive profit for the year		65,519	65,658
Dividends per share – proposed	27	SDG 0.1053	SDG 0.0846

The accompanying notes form an integral part of these financial statements

# Statement of changes in equity

for the year ended 30 September 2011

	Share capital SDG '000	General reserve SDG '000	Retained earnings SDG '000	Total SDG '000
<b>At 1 October 2009</b>	560	42,718	956,194	999,472
Dividends for the year ended 30 September 2009	-	-	(58,875)	(58,875)
Transfer to general reserve	-	3,283	(3,283)	-
Net profit for the year	-	-	65,658	65,658
<b>At 1 October 2010</b>	560	46,001	959,694	1,006,255
Dividends for the year ended 30 September 2010	-	-	(47,400)	(47,400)
Transfer to general reserve	-	3,276	(3,276)	-
Net profit for the year	-	-	65,519	65,519
<b>At 30 September 2011</b>	560	49,277	974,537	1,024,374

The accompanying notes form an integral part of these financial statements



# Statement of cash flows

for the year ended 30 September 2011

	2011 SDG '000	2010 SDG '000
<b>Operating activities</b>		
Profit before tax	65,519	65,658
Adjustment for		
Depreciation of property, plant and equipment	89,762	79,671
Amortisation of intangible assets	1,160	1,145
Loss / (gain) on disposal of property, plant and equipment	796	(1,096)
Impairment of investment cost and due from a subsidiary	14,000	-
Allowance for impairment of receivables	2,319	-
Provision for retirement benefit obligations	14,942	5,002
Finance income recognized in profit	(4,584)	(1,146)
Finance costs recognized in profit	75,627	52,703
Fair value adjustment on biological assets	(7,104)	2,131
Operating profit before working capital changes	252,437	204,068
<b>Changes in working capital:</b>		
Movement in inventories	(129,870)	(36,828)
Movement in actual costs of biological assets – growing cane	24,971	11,187
Movement in actual costs of biological assets – livestock and forests	249	(1,684)
Increase of trade and other receivables and cash margin deposits	174,254	(350,747)
Increase of trade and other payables	(150,763)	187,350
Movement in related party balances	(71,689)	(6,971)
Cash generated from operations	99,589	6,375
Payment of retirement benefit obligations	(21,065)	(10,023)
Net cash from / (used in) operating activities	78,524	(3,648)
<b>Investment activities</b>		
Purchase of property, plant and equipment	(48,304)	(87,795)
Purchase of intangible assets	(1,205)	(103)
Proceeds from disposal of property, plant and equipment	2,965	2,535
Increase in investments in associates	(21,618)	(62,035)
Increase in investments in subsidiaries	(100)	(160)
Increase in available-for-sale investments	(200)	(3)
Net decrease / (increase) in held-to-maturity investments	(672)	1,612
Finance income received	4,584	1,146
Net cash used in investing activities	(64,550)	(144,803)
<b>Financing activities</b>		
Dividends paid	(47,400)	(58,875)
Loan receipt – net	120,264	283,370
Finance costs paid	(75,627)	(52,703)
Net cash (used in)/ from financing activities	(2,763)	171,792
Net change in cash and cash equivalents	11,211	23,341
Cash and cash equivalents at the beginning of the year	25,686	2,345
<b>Cash and cash equivalents at the end of the year (note 28)</b>	<b>36,897</b>	<b>25,686</b>

The accompanying notes form an integral part of these financial statements

# Notes to the financial statements

## for the year ended 30 September 2011

### 1. General

The Kenana Sugar Company Limited ("the Company") is a limited liability Company registered and domiciled under the Companies Law of the Republic of Sudan with the certificate of registration number C/1151 dated 11 March 1975. The address of the Company's registered office is PO Box 2632, Khartoum, the Republic of the Sudan. The Company's principal activity is to grow and refine sugar cane and sell sugar and related by-products.

These financial statements are presented in Sudanese Pounds rounded to the nearest thousand (SDG '000) since that is the currency of the country in which majority of the Company's transactions are denominated.

### 2. Adoption of new and revised International Financial Reporting Standards (IFRS)

For the year ended 30 September 2011, the Company has adopted all the new and revised standards and interpretations issued by the International Accounting Standards Board (IASB) and the International Financial Reporting Interpretations Committee (IFRIC) of the IASB that are relevant to its operations and effective for the year beginning on 1 October 2010.

#### 2.1 Standards and Interpretations adopted with no effect on the financial statements

The following new and revised Standards and Interpretations have also been adopted in these financial statements. Their adoption has not had any significant impact on the amounts reported in these financial statements but may affect the accounting for future transactions or arrangements.

<b>Amendment to IAS 1 – Annual Improvement to IFRSs</b>	The amendment clarifies that an entity may present the analysis of other comprehensive income by item either in the statement of changes in equity or in the notes to the financial statements.
<b>Amendments to IAS 24 – Related Party Disclosure</b>	The amendments simplify the disclosure requirements for entities that are controlled, jointly controlled or significantly influenced by a government (referred to as government related entities) and clarify the definition of related party.
<b>Amendments to IAS 32 – Classification of Rights Issues</b>	The amendments address the classification of certain rights issues denominated in a foreign currency as either equity instruments or as financial liabilities.
<b>Amendments to IFRIC 14 – Prepayments of a Minimum Funding Requirements</b>	The amendments address when refund or reductions in future contributions should be regarded as available in accordance with paragraph 58 of IAS 19, how minimum funding requirements might affect the availability of reductions in future contributions, and when minimum funding requirements might give rise to a liability. The amendments now allow recognition of an asset in the form of prepaid minimum funding contributions.
<b>IFRIC 19 – Extinguishing Financial Liabilities with Equity Instruments</b>	The Interpretation provides guidance on the accounting for extinguishment of financial liability by the issue of equity instruments.





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### 2.2 Standards and Interpretations in issue not yet effective

At the date of authorisation of these financial statements, the following new and revised Standards and Interpretations were in issue but not yet effective

#### New Standards and amendments to Standards.

	Effective for annual periods beginning on or after
IFRS 7: Financial Instruments. Disclosures, amendments enhancing disclosures about transfers of financial assets	July 2011
IAS 12: Income Taxes, limited scope amendment (recovery of underlying assets)	January 2012
IAS 1: Presentation of Financial Statements, amendments to revise the way other comprehensive income is presented	July 2012
IAS 19: Employee Benefits, amended Standard resulting from the Post-Employment Benefits and Termination Benefits projects	January 2013
IAS 27: Consolidated and Separate Financial Statements, reissued as IAS 27 Separate Financial Statements (as amended in 2011)	January 2013
IAS 28: Investments in Associates, reissued as IAS 28 Investments in Associates and Joint Ventures (as amended in 2011)	January 2013
IFRS 7: Financial Instruments. Disclosures, amendments enhancing disclosures about offsetting of financial assets and financial liabilities	January 2013 and interim periods within those periods
IFRS 10: Consolidated Financial Statements	January 2013
IFRS 11: Joint Arrangements	January 2013
IFRS 12: Disclosure of Interests in Other Entities	January 2013
IFRS 13: Fair Value Measurement	January 2013
IFRS 7: Financial Instruments Disclosures, amendments requiring disclosures about the initial application of IFRS 9	January 2015 (or otherwise when IFRS 9 is first applied)
IFRS 9: Financial Instruments Classification and Measurement of financial assets (intended as complete replacement for IAS 39)	January 2015 (mandatory application date amended December 2011)

#### New Interpretations and amendments to Interpretations:

IFRIC 20 – Stripping Costs in the Production Phase of a Surface Mine	1 January 2013
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Management anticipates that the adoption of these Standards and Interpretations in future periods will have no material impact on the financial statements of the Company in the period of initial application except IFRS 9. The management is currently assessing this standard which may have an impact on the financial statements.

### 3. Summary of significant accounting policies

#### Statement of compliance

The financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") issued by the International Accounting Standards Board ("IASB") and interpretations issued by the International Financial Reporting Interpretations Committee ("IFRIC"). The Company also prepares consolidated financial statements available for shareholders as required by IAS 27 on consolidated and separate financial statements

#### Basis of preparation

The financial statements are prepared under the historical cost convention as modified by the revaluation of certain assets

The following accounting policies have been consistently applied in dealing with items considered material to the Company's financial statements

#### Property, plant and equipment

All property, plant and equipment are recorded at historical cost less accumulated depreciation and any accumulated impairment losses, except those held at 30 September 2000 when the historical cost was modified by a restatement of financial statements as per IAS 29 – Financial Reporting in Hyperinflationary Economies

Borrowing costs directly attributable to the construction of property, plant and equipment are capitalised as part of the cost of those assets

Depreciation is provided against all property, plant and equipment, except for freehold land, at rates calculated to allocate the cost, less estimated residual value, over its expected useful life

The estimated useful lives of the assets for the calculation of depreciation are as follows:

	Years
Permanent buildings and infrastructure	25
Other buildings, machinery, pumps, appliances and furniture and fittings	12
Agricultural and other equipment	5
Vehicles and other assets	4

Gains and losses on disposal of property, plant and equipment are determined by reference to their carrying amounts and are taken into account in determining operating profit. On disposal of revalued assets, amounts in the revaluation surplus relating to that asset are transferred to retained earnings

The carrying values of property, plant and equipment are reviewed annually and adjusted for impairment where it is considered necessary

#### Capital work-in-progress

Capital work in progress is stated at cost less any impairment losses. When commissioned, capital work in progress is transferred to the appropriate property, plant and equipment category and depreciated in accordance with depreciation policies

#### Intangible assets

Intangible assets comprise of computer software costs which are stated at cost less accumulated amortisation and any impairment losses. Amortisation is calculated to write off the cost of computer software on a straight line basis over its estimated useful life of 10 years

#### Impairment of tangible and intangible assets

At each reporting date, the Company reviews the carrying amounts of its tangible and intangible assets (or cash-generating units) to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any)



## Report and financial statements 30 September 2011

The loss arising on an impairment of an asset is determined as the difference between the recoverable amount and the carrying amount of the asset and is recognized immediately in the profit or loss.

Where an impairment loss subsequently reverses, the carrying amount of the asset is increased to the revised estimate of its recoverable amount and the increase is recognized as income immediately, provided that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognized earlier.

### Financial instruments

Financial assets and financial liabilities are recognised in the Company's statement of financial position when the Company becomes a party to the contractual provisions of the instrument

#### (i) Financial assets

The Company classifies its financial assets into the following categories: loans and receivables; held-to-maturity investments; and available-for-sale assets. Management determines the appropriate classification of its investments at initial recognition.

##### *Loans and receivables*

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They arise when the Company provides money, goods or services directly to a debtor with no intention of trading the receivable.

##### *Held-to-maturity*

Held-to-maturity investments are non-derivative financial assets with fixed or determinable payments and fixed maturities that management has the positive intention and ability to hold to maturity. Where a sale occurs other than an insignificant amount of held-to-maturity assets, the entire category would be tainted and classified as available-for-sale.

##### *Available-for-sale financial assets*

This category represents financial assets that are not loans and receivables or financial assets held-to-maturity.

Financial assets are initially recognised at fair value plus transaction costs. Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or where the Company has transferred substantially all risks and rewards of ownership.

Available-for-sale investments are initially recognised at cost, which includes transaction costs, and are, in general, subsequently carried at fair value. Available-for-sale equity investments that do not have a quoted market price in an active market, and for which other methods of reasonably estimating fair value are inappropriate, are measured at cost, as reduced by allowances for estimated impairment. Loans and receivables and held-to-maturity investments are carried at amortised cost using the effective interest method. Gains and losses arising from changes in the fair value of available-for-sale financial assets are recognised directly in equity, until the financial asset is derecognised or impaired, at which time the cumulative gain or loss previously recognised in equity is recognised in the profit or loss.

##### *Cash and cash equivalents*

For the purpose of the cash flows statement, cash equivalents include short term liquid investments which are readily convertible to known amounts of cash and which were within three months to maturity when acquired, less advances from banks repayable within three months from the date of the advance.

##### *Trade receivables*

Trade receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less allowance for impairment. An allowance for impairment of trade receivables is established when there is objective evidence that the Company will not be able to collect all amounts due according to the original terms of the receivables. The amount of allowance is the difference between the carrying amount and the estimated recoverable amount.

#### *Impairment of financial assets*

The Company assesses at each reporting date whether there is objective evidence that a financial asset or a group of financial assets is impaired. A financial asset or a group of financial assets is impaired and impairment losses are incurred if, and only if, there is objective evidence of impairment as a result of one or more events that occurred after the initial recognition of the asset (a 'loss event') and that loss event (or events) has an impact on the estimated future cash flows of the financial asset or group of financial assets that can be reliably estimated.

If there is objective evidence that an impairment loss on loans and receivables carried at amortised cost has been incurred, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows (excluding future credit losses that have not been incurred) discounted at the financial asset's original effective interest rate. The carrying amount of the asset is reduced through the use of an allowance account and the amount of the loss is recognised in the statement of comprehensive income. If a loan has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate determined under the contract.

As a practical expedient, the Company may measure impairment on the basis of an instrument's fair value using an observable market price.

For the purposes of a collective evaluation of impairment, financial assets are grouped on the basis of similar credit risk characteristics. Those characteristics are relevant to the estimation of future cash flows for groups of such assets by being indicative of the debtors' ability to pay all amounts due according to the contractual terms of the assets being evaluated.

When a receivable is known to be uncollectible, all the necessary legal procedures have been completed, and the final loss has been determined, the receivable is written off against the related allowance for receivables impairment. Subsequent recoveries of amounts previously written off are included in the statement of comprehensive income.

If, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised (such as an improvement in the debtor's credit rating), the previously recognised impairment loss is reversed by adjusting the allowance account. The amount of the reversal is recognised in the profit or loss.

In the case of equity investments classified as available-for-sale, a significant or prolonged decline in the fair value of the security below its cost is considered in determining whether the assets are impaired. If any such evidence exists for available-for-sale financial assets, the cumulative loss – measured as the difference between the acquisition cost and the current fair value, less any impairment loss on that financial asset previously recognised in profit or loss – is removed from equity and recognised in the profit or loss. Impairment losses recognised in the statement of comprehensive income on equity instruments are not reversed through the statement of comprehensive income.

#### **(ii) Financial liabilities**

##### *Bank borrowings*

Borrowings are recognised initially at fair value, net of transaction costs incurred. Borrowings are subsequently stated at amortised cost, any difference between the proceeds (net of transaction costs) and the redemption value is recognised in the profit or loss over the period of the borrowings using the effective interest method. Borrowings are classified as current liabilities unless the Company has an unconditional right to defer settlement of the liability for more than 12 months after the reporting date.

##### *Trade payables*

Trade payables are current and are stated at their nominal value.

#### **Investments in subsidiaries**

The investments in subsidiaries are stated at their acquisition cost less any accumulated impairment losses.



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### Investments in associated companies

Investments in associated companies are carried at cost less any accumulated impairment losses.

### Inventory

Raw materials, consumables, and sugar inventories are valued at the lower of cost and net realisable value. Cost is determined using the weighted average method. Costs represent the expenses incurred in bringing each product to its present location and condition as follows:

Raw materials and consumables	Purchase cost on a weighted average basis
Sugar and by-products	Cost of direct materials and labour plus overheads based on a normal level of activity

Net realisable value represents the estimated selling price less all estimated costs to be incurred in marketing, selling and distribution.

### Biological assets

#### Growing cane

Biological assets (cane plantations) and agricultural produce (harvested cane) are stated at their fair values less estimated point-of-sale costs.

The fair value of growing cane is determined based on the present value of expected net cash flows which is based on the estimated sucrose content at 30 September valued at the estimated sucrose price for the following season, less the estimated costs for harvesting and transport. The estimated sucrose content requires management to assess the expected cane and sucrose yields for the following season considering weather conditions and harvesting programs. In assessing the estimated sucrose price, management is required to assess into which markets the forthcoming crop will be sold and assess domestic and export prices as well as the related foreign currency exchange rates.

Immature growing cane is valued at cost as cost approximates fair value because little biological transformation has taken place since initial cost incurrence.

#### Livestock

Livestock are measured at their fair value less estimated point-of-sale costs, fair value being determined upon the age and size of the animals and market price. Market price is determined on the basis that the animal is sold to be slaughtered. Livestock held for sale are classified as consumable biological assets.

#### Forests

Forests have been stated at their fair value less estimated point-of-sale costs.

The fair values of the forest plantations are determined based on the prices existing in the market. The cost of replanting, infilling and upkeep are recognised as an expense in the statement of comprehensive income.

### Retirement benefit obligation

The Company provides for amounts payable under the Company's end of service benefits schemes applicable to employees' accumulated periods of service at the reporting date. The Company also provides for the statutory end of service benefits as required by the Labour Act 1997 and amended in March 2005. The Company has no legal obligation to pay further contributions, although, its current practice is to increase the historical amounts payable at rates of pay of employee's increase.

The end of service benefits schemes are currently accounted for as defined contribution schemes in line with past custom and practice. Contributions to the schemes are recognised as an expense as employees earn end of service benefits during their service lives with the Company. In addition, the impact of increases in rates of pay is recognised as they occur.

### Borrowing costs

Borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset are capitalised as part of the cost of that asset. Other borrowing costs are recognised as an expense in the period in which they are incurred.

### **Dividends payable**

In the Company's books of account, dividends distributed to the Company's shareholders are recognised as a liability in the period in which the dividends are approved by the Company's shareholders.

### **Revenue recognition**

Revenue comprises the fair value of the consideration received or receivable for the sale of goods and services in the ordinary course of the Company's activities. Revenue is shown net of value-added tax, returns, rebates and discounts.

The Company recognises revenue when the amount of revenue can be reliably measured, it is probable that future economic benefits will flow to the entity and when specific criteria have been met for each of the Company's activities as described below. The amount of revenue is not considered to be reliably measurable until all contingencies relating to the sale have been resolved. The Company bases its estimates on historical results, taking into consideration the type of customer, the type of transaction and the specifics of each arrangement.

#### **(i) Sale of goods**

Revenue from sale of goods is recognised when significant risks and rewards of ownership of the goods are transferred to the buyer.

#### **(ii) Interest Income**

Interest income is accrued on time basis.

#### **(iii) Dividend Income**

Dividend income is recognised when the right to receive payment is established.

#### **(iv) Long term contracts for the provision of services**

Revenue associated with long term contracts is recognised by reference to the stage of completion of the transaction at the reporting date. The conditions required for this treatment are that the stage of completion of the transaction, the costs incurred at the reporting date and the costs to complete the transaction can be measured reliably.

### **Research costs**

All costs relating to research are expensed – as an operating expense - during the period in which they are incurred.

### **Taxation**

In late 1999, the Company agreed with the Minister of Finance, on behalf of the Government of Republic of the Sudan to forfeit/give up the trade receivable due at that time from the Government in exchange for treating all business profit taxes that would have become payable by the Company for the ten year period ending 30 September 2011 as having been settled.

During the ten year period of the agreement, which commenced on 1st October 2001, the tax prepayment is amortised to the statement of comprehensive income at amounts equivalent to the tax that would otherwise have been payable on annual taxable profit. The amount at each reporting date to be carried forward as a prepayment against future taxable profits is re-assessed annually and any adjustment required (if any) is charged to the statement of comprehensive income in that year.

### **Foreign currency transactions**

The Company maintains its accounts in Sudanese Pounds (SDG), which is the functional currency of these financial statements. Transactions in foreign currencies are translated to the Sudanese Pounds at the rates of exchange issued by the Bank of Sudan at the beginning of each quarter in which they occur. Monetary assets and liabilities denominated in foreign currencies are retranslated at the rate of exchange ruling at the reporting date. All realised and unrealised exchange differences are recognised in the profit or loss.

### **Provisions**

Provisions are recognised when the Company has a present legal or constructive obligation as a result of past events, where it is probable that an outflow will be required to settle the obligation, and a reliable estimate of the amount of the obligation can be made.

#### 4. Critical accounting judgments and key sources of estimation uncertainty

In the process of applying the Company's accounting policies, management has made judgments, estimates and assumptions that may affect the reported amounts of assets and liabilities within the next financial period. Estimates and judgments are continually evaluated and are based on historical experience and other factors including expectations of future events that are believed to be reasonable under the circumstances. These are dealt with below.

##### (i) Critical judgments in applying the Company's accounting policies

The Company makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

##### *Recoverability of investment in Kenana Friesland Dairy Limited ("KFD")*

The Company's investment in its subsidiary, KFD, is under restructuring. Management have assessed whether its investment in KFD has suffered any impairment. The recoverable amounts of cash-generating units of KFD have been determined based on value-in-use calculations. These calculations require the use of estimates.

##### *Recoverability of investment in the White Nile Sugar Company Limited ("WNSC")*

The Company has invested in WNSC an upcoming project. Management have assessed whether the Company's investment in WNSC has suffered any impairment. At the reporting date, the project is still in the formative stages and management estimates that when fully operational, the Company's investment will be recovered. This estimation is based on the expected future cash flows from the project.

##### (ii) Key sources of estimation uncertainty

##### *Useful lives of property, plant and equipment*

Critical estimates are made by directors in determining the useful lives and residual values to property, plant and equipment based on the intended use of the assets and the economic lives of those assets. Subsequent changes in circumstances or prospective utilisation of the assets concerned could result in the actual useful lives or residual values differing from initial estimates.

##### *Biological assets*

In determining the fair value of biological assets, the Company uses the present value of expected cash flows from the asset discounted at the current market determined pre-tax rate. The objective of a calculation of the present value of expected net cash flows is to determine the fair value of a biological asset in its present location and condition. The Company considers this in determining an appropriate discount rate to be used and in estimating expected net cash flows. Management uses estimates based on historical data relating to yields, prices of made tea and exchange rates. The methodology and assumptions used for estimating both the amount and timing of future cash flows are reviewed to reduce any differences between estimates and actual experience.

##### *Impairment losses*

At each reporting date, the Company reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss. Where it is not possible to estimate the recoverable amount of an individual asset, the Company estimates the recoverable amount of the cash-generating unit to which the asset belongs. Any impairment losses are recognised as an expense immediately. Where an impairment loss subsequently reverses, the carrying amount of the asset is increased to the revised estimate of its recoverable amount. A reversal of an impairment loss, other than that arising from goodwill, is recognised as income immediately.

## 5. Property, plant and equipment

	Land, permanent buildings and infrastructure SDG'000	Other buildings, equipment, machinery, pumps, appliances and furniture SDG'000	Agricultural equipment and excavation machinery SDG'000	Vehicles and other assets SDG'000	Capital work-in- progress SDG'000	Total SDG'000
<b>Cost or restatement</b>						
At 1 October 2009	850,215	1,538,402	348,165	79,272	27,679	<b>2,843,733</b>
Additions	1,318	35,078	35,400	3,584	12,415	<b>87,795</b>
Disposals	(514)	(12)	(8,998)	(5,113)	-	<b>(14,637)</b>
At 1 October 2010	851,019	1,573,468	374,567	77,743	40,094	<b>2,916,891</b>
Additions	3,710	26,395	15,289	2,910	-	<b>48,304</b>
Transfers	-	8,803	-	-	(8,803)	<b>-</b>
Disposals	-	(2,447)	(9,470)	(1,231)	-	<b>(13,148)</b>
At 30 September 2011	854,729	1,606,219	380,386	79,422	31,291	<b>2,952,047</b>
<b>Comprising</b>						
Cost	274,110	641,277	195,300	44,087	31,291	<b>1,186,065</b>
IAS 29 restatement	580,619	964,942	185,086	35,335	-	<b>1,765,982</b>
	<b>854,729</b>	<b>1,606,219</b>	<b>380,386</b>	<b>79,422</b>	<b>31,291</b>	<b>2,952,047</b>
<b>Depreciation</b>						
At 1 October 2009	608,333	1,204,869	292,868	72,151	-	<b>2,178,221</b>
Charge for the year	10,361	43,798	19,885	5,627	-	<b>79,671</b>
Elimination on disposals	(33)	(11)	(8,497)	(4,657)	-	<b>(13,198)</b>
At 1 October 2010	618,661	1,248,656	304,256	73,121	-	<b>2,244,694</b>
Charge for the year	17,364	46,597	20,528	5,273	-	<b>89,762</b>
Elimination on disposals	-	-	(8,736)	(651)	-	<b>(9,387)</b>
At 30 September 2011	636,025	1,295,253	316,048	77,743	-	<b>2,325,069</b>
<b>Carrying value</b>						
At 30 September 2011	<b>218,704</b>	<b>310,966</b>	<b>64,338</b>	<b>1,679</b>	<b>31,291</b>	<b>626,978</b>
At 30 September 2010	232,358	324,812	70,311	4,622	40,094	672,197

Property, plant and equipment with a cost of SDG 193,510,516 (2010 SDG 170,181,584) were fully depreciated as at year end

Property, plant and equipment pledged by the Company to secure liabilities to third parties are as disclosed in note 19.



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### 6. Intangible assets

#### Computer software

	2011 SDG'000	2010 SDG'000
<b>Cost</b>		
At 1 October	11,498	11,395
Additions during the year	1,205	103
At 30 September	12,703	11,498
<b>Amortisation</b>		
At 1 October	3,425	2,280
Charge for the year	1,160	1,145
At 30 September	4,585	3,425
<b>Carrying value</b>		
At 30 September	8,118	8,073

### 7. Investments in subsidiaries

	2011 SDG'000	2010 SDG'000
<b>At cost</b>		
Kenana Engineering and Technical Services Limited	2,475	2,475
Kenana Friesland Dairy Limited	4,144	10,139
Kenana Sugar Free Zone Company Limited	256	256
Kenana Integrated Agricultural Solution	160	160
Kenana Agricultural Export Terminal Company Limited	100	-
	7,135	13,030

Company	Percentage holding	Country of incorporation	Principal activity
Kenana Engineering and Technical Services Limited	99%	Sudan	Provision of technical and engineering services
Kenana Friesland Dairy Limited	83%	Sudan	Manufacture of dairy products
Kenana Sugar Free Zone Company Limited	80%	UAE – Dubai	Logistics and marketing
Kenana Integrated Agricultural Solution	80%	Sudan	Provision of technical and agricultural services
Kenana Agricultural Export Terminal Company Limited	95%	Sudan	Terminal at Port Sudan to handle food products export & import and silos storage

The investments in subsidiaries are at cost less impairment as at reporting date.

## 8. Investments in associates

	2011 SDG'000	2010 SDG'000
White Nile Sugar Company Limited ("WNSC")	240,989	218,685
Mashkoor Sugar Company ("MSC")	709	1,395
Mahaseel Fund Management Company ("MFMC")	602	602
<b>Investments in associates</b>	<b>242,300</b>	<b>220,682</b>
The movement during the year was as follows		
At 1 October	220,682	158,647
Acquired during the year in WNSC	22,304	60,038
Acquired during the year in MSC	(686)	1,395
Acquired during the year in MFMC	-	602
<b>At 30 September</b>	<b>242,300</b>	<b>220,682</b>

The investments in associates are at cost and were not impaired as at the reporting period.

### White Nile Sugar Company Limited

Kenana Sugar Company Limited owned 30% of the total equity of WNSC as at 30 September 2011.

WNSC is a private limited liability company registered and incorporated in Khartoum in April 1999. WNSC's farms and factory located at White Nile Sugar, are under construction and it is expected to commence operations in the coming few months.

### Mashkoor Sugar Company

Kenana Sugar Company Limited owned 26% of the total equity of MSC as at 30 September 2011.

MSC is registered and incorporated in Khartoum and will be engaged in the manufacturing and selling of sugar.

### Mahaseel Fund Management Company

MFMC is a management company and Kenana Sugar Company Limited owned 30% of the total equity as at 30 September 2011. MFMC, registered and incorporated in Khartoum and is in the process of launching a fund in the field of agricultural.

## 9. Available-for-sale investments

	2011 SDG'000	2010 SDG'000
Unquoted at cost		
Bank of Khartoum Investment Property	-	2,000
Forat Investment Fund	2,200	-
Sahiroon Hospital	3	3
	<b>2,203</b>	<b>2,003</b>

### Forat Investment Fund

The fund represents an investment in water treatment plant of Khartoum Estate.

### Bank of Khartoum investment property

This related to the Company's participation in an investment property owned by the Bank of Khartoum. Kenana Sugar Company Limited had 200,000 shares of 10 SDG each. Kenana Sugar Company Limited owned 5.2% of the Bank of Khartoum investment property. The investment was liquidated during the year.

## Report and financial statements 30 September 2011

### 10. Biological assets

#### a) Livestock and Forests

	Forests SDG'000	Livestock SDG'000	2011 SDG'000	2010 SDG'000
At 1 October	4,000	9,284	13,284	13,731
Increases due to purchases	41	9,267	9,308	14,755
Decrease due to sales	(654)	(8,903)	(9,557)	(13,071)
	3,387	9,648	13,035	15,415
Changes in fair value	-	-	-	(2,131)
At 30 September	3,387	9,648	13,035	13,284

Significant assumptions made in determining the fair values of livestock and forests are

- The expected market price of livestock and forests will remain constant based on the average price for the last one year,
- The maturity period of the forest is 5 years. Immature forests are valued at cost, and
- Mature livestock are valued at market price and immature livestock are valued at cost

#### b) Growing Cane

	2011 SDG'000	2010 SDG'000
At 1 October	142,211	166,266
Additions at cost	208,273	161,506
Decrease due to harvest	(220,376)	(185,561)
	130,108	142,211
Value of Nyfour cane	-	12,868
Changes in fair value	7,104	-
At 30 September	137,212	155,079

Significant assumptions made in determining the fair values of biological assets and agricultural produce are

	2011	2010
Estimated yield (tons cane / feddan)	44 00	36 70

- The valuation is based on ex-factory selling price of SDG 1,748 per MT (2010 SDG 1,520) of sugar worked backwards to tones of sugar produced per tone of cane i.e. 1MT of cane produces 0.10 MT of sugar (2010 0.0936 MT of sugar)
- Every cane planted will be harvested within 12-14 months. New plant will last for 5 years at the end of which the cane will be uprooted and the cycle goes on
- The estimated sucrose content per tonne of mature cane (pol value) at various stages of growth will be between 9% and 11% (2010 9% and 11%)

## 11. Inventories

	2011 SDG'000	2010 SDG'000
Sugar	107,266	44,898
Raw sugar	1,302	3,642
Animal feed	9,391	14,986
Ethanol	8,103	2,956
Molasses	95	49
Spare parts, fuel and others	223,263	153,019
	<b>349,420</b>	<b>219,550</b>

Inventories pledged to secure liabilities to third parties are as disclosed in note 19

## 12. Trade and other receivables

	2011 SDG'000	2010 SDG'000
Trade receivables	38,701	38,143
Allowance for impairment of receivables	(8,812)	(6,493)
	<b>29,889</b>	<b>31,650</b>
Advances to suppliers	94,525	146,916
Advances to employees	7,840	10,619
Prepayments	8,215	5,638
Receivables from Government – imported white and raw sugar	73,228	100,431
Other receivables	6,612	22,528
Insurance claim receivable	-	55,507
	<b>220,309</b>	<b>373,289</b>

The movement in allowance for impairment of receivables is as follows

	2011 SDG'000	2010 SDG'000
At 1 October	6,493	6,493
Charge for the year	2,319	-
At 30 September	<b>8,812</b>	<b>6,493</b>

## Report and financial statements 30 September 2011

### 13. Held-to-maturity investments

	2011 SDG'000	2010 SDG'000
Held to maturity – at amortised cost		
Shahama investments	4,055	3,383
Bank of Khartoum deposits	12,000	12,000
	<b>16,055</b>	<b>15,383</b>

Shahama investments earned interest at an average rate of 14% -16% (2010 14% - 16% per annum) Bank of Khartoum deposits were being maintained as a security for the loan facilities and the targeted expected profit rates were 5% (2010 5% per annum)

### 14. Related party transactions

#### (a) Nature of related party relationships

Related parties comprise the shareholders, directors, key management personnel and business entities in which they have the ability to control or exercise significant influence in financial and operating decisions. The Company is related to

- i The Government of the Republic of Sudan by virtue of its shareholding,
- ii Kenana Engineering and Technical Services Limited, 99%,
- iii Kenana Friesland Dairy Limited, 83%,
- iv Kenana Sugar Free Zone Company Limited 80%,
- v White Nile Sugar Company ("WNSC"), 30 %,
- vi Kenana Integrated Agricultural Solution 80%
- vii Mashkoor Sugar Company 26%,
- viii Mahaseel Fund Management Company 30%,
- ix Kenana Agricultural Export Terminal Company Limited 51% (2010 – Nil) and
- x The Board of Directors, who have voting rights and key management personnel

#### (b) Due from related parties

	2011 SDG'000	2010 SDG'000
<b>Long term</b>		
Kenana Friesland Dairy Limited	2,255	10,394
<b>Short term</b>		
Kenana Engineering and Technical Services Limited	7,490	-
Kenana Sugar Free Zone Company Limited	127	7,635
Kenana Agricultural Export Terminal Company Limited	4,850	-
Kenana Integrated Agricultural Solution	51,036	9,113
White Nile Sugar Company Limited	74,935	37,414
	<b>138,438</b>	<b>54,162</b>

**(c) Due to related parties**

	<b>2011</b>	<b>2010</b>
	<b>SDG'000</b>	<b>SDG'000</b>
Kenana Fresland Dairy Limited	<b>46</b>	-
Kenana Integrated Agncultural Solution	<b>149</b>	-
Kenana Engineering and Technical Services Limited	<b>18,775</b>	6,517
	<b>18,970</b>	6,517

The Company transacts with its subsidiary companies and other companies related to it by virtue of common shareholding under normal terms in the course of business. During the year, the following transactions were entered into with related parties:

**(d) Sales**

	<b>2011</b>	<b>2010</b>
	<b>SDG'000</b>	<b>SDG'000</b>
The Government of Sudan	<b>583,190</b>	378,909
Kenana Fresland Dairy Limited	-	1,908
White Nile Sugar Company Limited	<b>26,175</b>	32,542
Kenana Integrated Agncultural Solution	<b>311</b>	83
	<b>609,676</b>	413,442

**(e) Purchases / expenses / services**

	<b>2011</b>	<b>2010</b>
	<b>SDG'000</b>	<b>SDG'000</b>
Kenana Fresland Dairy Limited	-	40
Kenana Engineering and Technical Services Limited	<b>25,867</b>	20,028
Kenana Integrated Agncultural Solution	<b>1,793</b>	142
	<b>27,660</b>	20,210

**(f) Compensation to key management personnel**

The remuneration of directors and other members of key management during the year was as follows:

	<b>2011</b>	<b>2010</b>
	<b>SDG'000</b>	<b>SDG'000</b>
Salaries and other benefits	<b>8,686</b>	7,326
Other emoluments and sitting fees	<b>1,251</b>	1,055

## Report and financial statements 30 September 2011

### 15. Cash on hand and bank balances

	2011 SDG'000	2010 SDG'000
Cash on hand	184	319
Bank balances	40,254	46,519
	<b>40,438</b>	<b>46,838</b>
Cash margin deposits	73,254	96,847
	<b>113,692</b>	<b>143,685</b>

### 16. Share capital

The authorised share capital consists of 590,000,000 ordinary shares of SDG 0.001 each

#### Subscribed and fully paid up Capital

	2011 SDG'000	2010 SDG'000
<b>560,545,000 Ordinary shares</b>	<b>560</b>	<b>560</b>

### 17. General reserve

The shareholders have resolved to set aside a general reserve of 5% from the Company's annual net profit. This reserve is under the Board of Directors' discretion, in accordance with its authorities as stated in Article 115 of the Company's Memorandum of Association.

### 18. Retirement benefit obligations

	2011 SDG'000	2010 SDG'000
At 1 October	153,474	158,495
Provision for the year	14,942	5,002
Payments made during the year	(21,065)	(10,023)
<b>At 30 September</b>	<b>147,351</b>	<b>153,474</b>

### 19. Borrowings

	2011 SDG'000	2010 SDG'000
Bank overdraft	3,541	21,152
Short term facilities	502,999	382,735
	<b>506,540</b>	<b>403,887</b>

The Company has obtained overdraft, short term loans and letter of credit facilities from local and foreign banks. Profit / interest is charged at rates ranging between 8% and 15% (2010: 8% and 15%) per annum. Borrowings are secured by trust receipts in favour of the banks, guarantee cheques from the Company, mortgage over plots of land, insurance over the inventories endorsed in favour of the banks, floating charge over Ethanol plant, pledge on fixed deposits maintaining minimum balance in the Company's current and saving accounts. Borrowings mature within one year and include past due amounts of SDG 41,721,742.

## 20. Accounts payable and accruals

	2011 SDG'000	2010 SDG'000
Trade accounts payable	87,021	201,668
Advances from customers	32,581	64,398
Taxes and customs duties on sales	50	934
Other payables	5,453	20,043
Dividends payable	41,548	31,349
Leave pay accrual	5,572	6,406
Accrued expenses	7,690	5,880
	<b>179,915</b>	<b>330,678</b>

## 21. Sales

Under the terms of the Sugar Sales Agreement of 1975 concluded between Kenana Sugar Company Limited and the Government of the Republic of The Sudan, one half of the sugar production each year shall be sold to the Government of Sudan. The Company has the unrestricted right to export the other half under guarantee of contracts and payment shall be made through letters of credit or by cash in US dollars before delivery. The Company also has the right to sell part of the export quota locally in foreign currency or in Sudanese Pounds (convertible to foreign currency).

The price formula for the calculation of the selling price of sugar sold to the Government is based on the budgeted total operating costs, finance costs and depreciation on property, plant and equipment, plus a profit margin.

The analysis of all categories of sales is as follows:

	2011		2010	
	Metric tonnes	SDG'000	Metric tonnes	SDG'000
Domestic market quota	150,000	262,200	150,000	228,000
Export quota (Government)	184,229	320,990	98,801	150,909
Export quota (others)	20,048	28,231	20,296	22,020
Imported white sugar	92,309	227,897	225,725	485,031
Refined sugar	48,136	105,142	57,380	87,097
Ethanol	32,054	70,520	37,777	61,612
Animal feed	45,406	28,337	64,000	26,718
Produce farm and forestry	n/a	14,335	n/a	17,376
Transportation, handling and storage	n/a	100,075	n/a	44,079
White Nile Sugar Company	n/a	26,175	n/a	32,542
Others	n/a	2,248	-	-
		<b>1,186,152</b>		<b>1,155,384</b>



# Report and financial statements 30 September 2011

## 22. Cost of sales

	2011 SDG'000	2010 SDG'000
Cost of cane	160,071	179,173
Harvesting and cane transportation	56,342	40,620
Factory processing	104,280	93,069
Imported white sugar	213,941	400,854
Sales from opening stock	16,556	4,942
Imported raw sugar	119,413	78,888
Others	95,161	89,854
Depreciation on property, plant and equipment	24,383	24,855
	<b>790,147</b>	<b>912,255</b>

## 23. Other operating income

	2011 SDG'000	2010 SDG'000
Government reimbursement against imported white and raw sugar	31,814	75,976
Dividends income from KETS	-	8,910
(Loss) / gain on disposal of property, plant and equipment	(796)	1,096
Investment income	728	1,193
Miscellaneous	7,457	33,868
	<b>39,203</b>	<b>121,043</b>

## 24. Finance income / (costs)

	2011 SDG'000	2010 SDG'000
<b>Income</b>		
<b>Bank deposit income</b>	<b>4,584</b>	<b>1,146</b>
<b>Costs.</b>		
Borrowing costs	(31,009)	(20,598)
Other finance charges	(12,283)	(15,959)
Adjustment for due from related parties balance	-	(3,500)
Net foreign exchange losses	(32,335)	(12,646)
	<b>(75,627)</b>	<b>(52,703)</b>

## 25. Profit before tax

The profit before tax is arrived at after charging / (crediting)

	2011 SDG'000	2010 SDG'000
Depreciation on property, plant and equipment (note 5)	89,762	79,671
Amortisation of intangible assets (note 6)	1,160	1,145
Directors' remuneration	1,251	1,055
Staff costs	184,062	165,091
Allowance for impairment of receivables (Note 12)	2,319	-
Impairment of investment cost and due from a subsidiary	14,000	-
Dividend income from KETS (Note 24)	-	(8,910)
Loss / (gain) on disposal of property, plant and equipment	796	(1,096)

## 26. Taxation

In late 1999, the Company agreed with the Minister of Finance, on behalf of the Government of the Republic of the Sudan to forfeit/give up the trade receivable due at that time from the Government in exchange for treating all business profit taxes that would have become payable by the Company for the ten year period ending 30 September 2011 as having been settled

During the ten year period of the tax agreement the tax prepayment is being amortised to the statement of comprehensive income in line with tax that would otherwise have been payable Year 2010/2011 is the 10th year of the arrangement. The amortisation of the tax prepayment charged to the statement of comprehensive income for the year was Nil (2010 nil).

## 27. Proposed dividends

Dividends proposed, but not approved or provided for in the financial statements at the end of the financial year, are as follows

	2011 SDG'000	2010 SDG'000
All shares	59,010	47,400

The Board of Directors proposed a dividend for the year ended 30 September 2011 of SDG 0 1053 (2010 : SDG 0 0846 per share), amounting to a total dividend of SDG 59,010,000 (2010 SDG 47,400,000) The proposed dividend is subject to the approval of the Annual General Meeting These financial statements do not reflect this dividend payable.

## 28. Cash and cash equivalents

Analysis of cash and cash equivalents

	2011 SDG'000	2010 SDG'000
Cash and bank balances excluding cash deposit margin	40,438	46,838
Bank overdrafts	(3,541)	(21,152)
	36,897	25,686

## 29. Capital commitments

Commitments at the reporting date were:

	2011 SDG'000	2010 SDG'000
Authorised and contracted for	52,873	60,004
Authorised but not contracted for	123,369	63,253
	176,242	123,257

## 30. Commitments and contingent liabilities

	2011 SDG'000	2010 SDG'000
Letters of credit	50,282	46,322
Letters of guarantees	1,841	-

## Report and financial statements 30 September 2011

### 31. Financial risk management objectives and policies

The Company's activities expose it to a variety of financial risks, including credit risk, effects of changes in foreign currency exchange rates and interest rates. The Company's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on its financial performance.

The Company regularly reviews its risk management policies and systems to reflect changes in markets and emerging best practices. Risk management is carried out by the management under the supervision of the Executive Committee and Board of Directors. Management in conjunction with these committees then identifies, evaluates and addresses risks accordingly.

The Board provides written principles for overall risk management, as well as written policies covering specific areas such as foreign exchange risk, interest rate risk, credit risk, use of non-derivative financial instruments and investing excess liquidity.

In addition, the Company has an independent internal audit department which reports directly to the Executive Committee. This department is responsible for the independent review of risk management and the control environment.

#### a) Credit risk management

Credit risk refers to the risk that counterparty will default on its contractual obligations resulting in financial loss to the Company.

Credit risk arises from cash and cash equivalents, deposits with banks, as well as trade and other receivables. The Company management assesses the credit quality of each customer, taking into account its financial position, past experience and other factors. Individual risk limits are set based on internal or external ratings in accordance with limits set by the Board. The utilisation of credit limits is regularly monitored.

#### Classification of credit risk bearing assets

The table below represents the Company's maximum exposure to credit risk.

	Fully performing SDG'000	Past due SDG'000	Impaired SDG'000	Total SDG'000
<b>At 30 September 2011</b>				
Trade and other receivables	212,094	-	8,812	220,906
Due from related parties	138,438	-	-	138,438
Due from related parties – long term	2,255	-	-	2,255
Cash on and bank balances	113,692	-	-	113,692
Held-to-maturity investments	16,055	-	-	16,055
<b>Total</b>	<b>482,534</b>	<b>-</b>	<b>8,812</b>	<b>491,346</b>
<b>At 30 September 2010</b>				
Trade and other receivables	367,657	-	6,493	374,150
Due from related parties	54,162	-	-	54,162
Due from related parties – long term	10,394	-	-	10,394
Cash on and bank balances	143,685	-	-	143,685
Held-to-maturity investments	15,383	-	-	15,383
<b>Total</b>	<b>591,281</b>	<b>-</b>	<b>6,493</b>	<b>597,774</b>

The customers under the fully performing category are paying their debts as they continue trading. The default rate is low.

The debt that is past due is not impaired and continues to be paid. The finance department is actively following up this debt.

The debt that is impaired has been fully provided for. However, the finance department is following up on the impaired debt, through pursuit of the debtors, debt collectors as well as through legal action.

**b) Market risk management**

**i) Interest rate risk**

Interest rate risk arises primarily from borrowings and cash and cash equivalents disclosed in notes 20 and 16. The Company's management monitors the sensitivity of reported interest rate movements on a monthly basis by assessing the expected changes in the different portfolios.

As at 30 September 2010, an increase/decrease of 3 percentage points on interest rates would have resulted in an increase/decrease in pre-tax profit of SDG 424,810 (2010-SDG 393,000 )

**(ii) Foreign currency risk**

The Company undertakes certain transactions denominated in foreign currencies, mainly the US Dollar, the Euro, Sterling Pounds, Japanese Yen and the South African Rand. This results in exposures to exchange rate fluctuations. The balances impacted in this regard are the balances due to foreign suppliers, balances due from foreign debtors, bank balances and various accruals denominated in foreign currency. Exchange rate exposures are managed within approved policy parameters utilising matching of assets and liabilities.

As at 30 September 2011, an increase/decrease of 5 percentage points on exchange rates would have resulted in an increase/decrease in pre-tax profit of SDG 15,829,606 (2010 - SDG 16,516,955)

**c) Liquidity risk management**

Liquidity risk is the risk that the Company will not be able to meet its financial obligations when they fall due. The Company's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or at the risk of damaging the Company's reputation.

The Company ensures that it has sufficient cash on demand to meet expected operational expenses, including the servicing of financial obligations; this excludes the potential impact of extreme circumstances that cannot reasonably be predicted. All liquidity policies and procedures are subject to review and approval by the board of directors.

The table below provides a contractual maturity analysis of the Company's financial liabilities

	1 - 6 months SDG'000	6 - 12 months SDG'000	Total SDG'000
<b>At 30 September 2011</b>			
<b>Financial liabilities</b>			
Account payables	83,326	83,327	166,653
Due to related parties	-	18,970	18,970
Borrowings	253,270	253,270	506,540
<b>Total financial liabilities</b>	<b>336,596</b>	<b>355,567</b>	<b>692,163</b>
<b>At 30 September 2010</b>			
<b>Financial liabilities</b>			
Account payables	159,196	159,196	318,392
Due to related parties	-	6,517	6,517
Borrowings	201,943	201,944	403,887
<b>Total financial liabilities</b>	<b>361,139</b>	<b>367,657</b>	<b>728,796</b>



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### d) Biological Assets – Financial Risk Management Strategies

The Company is exposed to financial risks arising from changes in sugar prices. The Company does not anticipate that sugar prices will decline significantly in the foreseeable future and, therefore, has not entered into derivative or other contracts to manage the risk of a decline in sugar prices. The Company reviews its outlook for sugar prices regularly in considering the need for active financial risk management. One half of the sugar production each year is sold to the Government of Sudan at cost, plus a profit margin.

### 32. Fair value of assets and liabilities

The management believes that the fair values of all financial assets and liabilities of the Company approximate their carrying amounts as stated in the statement of financial position.

### 33. Capital risk management

The Company's objectives when managing capital are:

- To match the profile of its assets and liabilities, taking account of the risks inherent in the business;
- To maintain financial strength to support business growth, and
- To safeguard the Company's ability to continue as a going concern so that it can continue to provide adequate returns to its shareholders and value to all other stakeholders.

The Company has a number of sources of capital available to it and seeks to optimize its debt to equity structure in order to ensure that it can consistently maximise returns to shareholders.

Capital adequacy is monitored regularly by the Company's management and quarterly by the Board of Directors. The capital structure of the Company consists of debt, which includes the borrowings, cash and cash equivalents and equity attributable to equity holders, comprising issued capital, reserves and retained earnings.

	2011 SDG'000	2010 SDG'000
Share capital	560	560
General reserve	49,277	46,001
Retained earnings	974,537	959,694
<b>Total equity</b>	<b>1,024,374</b>	<b>1,006,255</b>
Total borrowings and bank overdraft	506,540	403,887
Less: cash on hand and bank balances	(113,692)	(143,685)
<b>Net debt</b>	<b>392,848</b>	<b>260,202</b>
<b>Total</b>	<b>1,417,222</b>	<b>1,266,457</b>
<b>Gearing</b>	<b>27.72%</b>	<b>20.55%</b>

**Kenana Sugar Company Limited**  
RENEWABLE GREEN SOURCE OF FOOD & ENERGY



شركة سكر كنانة المحدودة  
مساهموا حاضرون متحدة للخدمات والطاقة

