The Limuru Tea Company Limited

2001 Annual Report & Accounts

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Corporate Information

BOARD OF DIRECTORS
R.A. Fairburn
M. Chopra
J.P. Mbogua
D.G. Stickler

COMPANY SECRETARY
C.A. Ouda, F.C.I.S., C.P.S (K)

REGISTERED OFFICE
Norfolk Towers, Kijabe Street
P.O. Box 42011 00100 Nairobi GPO
Tel: (02) 229951

AUDITORS
PricewaterhouseCoopers
The Rahimtulla Tower, Upper Hill Road
P.O. Box 43963 00100 Nairobi GPO

ADVOCATES
Hamilton Harrison & Mathews
ICEA Building, Kenyatta Avenue
P.O. Box 30333 00100 Nairobi GPO

REGISTRARS
The Co-operative Bank of Kenya Limited
Union Towers, Moi Avenue
P.O. Box 48231, Nairobi

BANKERS
Standard Chartered Bank Kenya Limited
Moi Avenue
P.O. Box 72585, Nairobi

Barclays Bank of Kenya Limited
Limuru Branch
P.O. Box 252, Limuru

INSURANCE BROKERS
Alexander Forbes Insurance Brokers Kenya Limited
Chester House, Koinange Street
P.O. Box 30076 00100 Nairobi GPO

AON Minet Insurance Brokers Limited
Minet ICDC House, Mamlaka Road, off Nyerere Road
P.O. Box 55289 00100 Nairobi GPO

Notice of Meeting

NOTICE IS HEREBY GIVEN that the SEVENTY SEVENTH ANNUAL GENERAL MEETING OF THE LIMURU TEA COMPANY LIMITED will be held in the boardroom of Brooke Bond Kenya Limited, Norfolk Towers, Kijabe Street, Nairobi on Thursday 9th May 2002 at 11.00 a.m. for the following purposes:

1. Alteration of the existing Articles of Association in order to comply with the requirements of the Central Depositories Act 2000.

   To consider, and if thought fit, approve the alteration of the existing Articles of Association pursuant to Section 13 of the Companies Act, by passing the following resolutions which shall be proposed as SPECIAL RESOLUTIONS to be inserted as Articles Nos 13(a) and 13(b):

   13(a) "That the provisions of the Central Depositories Act 2000 as amended or modified from time to time shall apply to this company to the extent that any securities of the Company are in part or in whole immobilised or dematerialised or are required by the regulations or rules issued under the Central Depositories Act to be immobilised or dematerialised in part or in whole, as the case may be, that any provisions of these articles that are inconsistent with the Central Depositories Act or any regulations or rules issued or made pursuant thereto shall be deemed to be modified to the extent of such inconsistencies in their application to such securities and that for the purposes of these articles of association, immobilisation and dematerialisation shall be construed in the same way as they are construed in the Central Depositories Act or any regulations or rules issued or made pursuant thereto".

   13(b) "That where any securities of the company are forfeited pursuant to these articles of association after being immobilised or dematerialised, the Company shall be entitled to transfer such securities to a securities account designated by the directors for this purpose".

2. To consider and confirm acceptance of the balance sheet and financial statements for the year ended 31st December 2001 and the reports of the directors and auditors thereon.

3. To re-elect a director.

4. To authorise the directors to fix auditors remuneration.

BY ORDER OF THE BOARD

COMPANY SECRETARY
15th April 2002

NOTE:

A member entitled to attend and vote at the above meeting may appoint a proxy to attend and vote instead of him/her. A proxy need not be a member of the company. A form of proxy is enclosed. Shareholders who will not be able to attend the meeting are requested to complete and return it, so as to reach the registered office of the Company at Norfolk Towers, Kijabe Street, PO Box 42011, 00100 Nairobi GPO not later than 11 a.m. on Tuesday 7th May 2002.

Five Year Record

Industry Statistics	2001	2000	1999	1998	1997
Kenya tea production ('000 Tonnes)	294.6	236.6	248.8	294.2	220.7
Mombasa auction average price (US cents per kg)	153	182	186	197	203
The Limuru Tea company Limited					
Tea Production (Tonnes)	723	605	627	914	620
Sales (Shs'000)	45,429	56,292	51,212	65,883	53,825
(Loss)/profit before tax	(3,991)	16,998	14,242	30,169	25,938
Tax credit/(charge)	1,008	(5,174)	(4,941)	(9,407)	(9,270)
(Loss)/profit after tax	(2,983)	11,824	9,301	20,762	16,668
Dividends		(11,000)	(6,000)	(17,000)	(13,000)
(Loss)/profit retained	(2,983)	824	3,301	3,762	3,668
Net asset investment (Shs'000)					
Fixed assets	16,737	17,518	19,142	18,508	17,233
Other net assets	13,658	23,338	21,887	13,220	10,733
	30,395	40,856	41,029	31,728	27,966
Financed by (Shs'000)					
Share capital	12,000	4,000	4,000	4,000	4,000
Reserves	17,858	34,842	34,018	24,717	23,966
Shareholders' funds	29,858	38,842	38,018	28,717	27,966
Deferred tax	537	2,014	3,011	3,011	-
	30,395	40,856	41,029	31,728	27,966
(Loss)/earnings per share (Shs)	(4.97)	19.71	15.50	34.60	27.78

NOTE:

a) The comparative figures for 1997 have not been restated for effect of adoption of International Accounting Standards.

b) The earnings per share for the other financial years have been adjusted for the effect of the bonus issue during the year.

Chairman's Statement 2001

The Limuru Tea Company Limited owns 275 hectares of tea land situated four kilometres to the east of Limuru Town. The company is an outgrower to Brooke Bond Kenya Limited, the largest private sector tea company in Kenya. Brooke Bond Kenya acts as The Limuru Tea Company Limited's agent in managing the estate, manufacturing, sales and marketing. The tea estate's green leaf is delivered to the nearby Mabroukie factory from where it is sold overseas via Mombasa.

The year 2001 was characterised by better tea growing conditions in Limuru with yields significantly ahead of 2000. Similar favourable conditions prevailed throughout the tea growing areas of Kenya which resulted in an all time record crop and a surplus of Kenyan teas in the market. Consequently, market prices were very depressed and the prices payable for green leaf were much lower than the previous year.

Our estate operations continue to be managed in line with the best practice throughout Brooke Bond Kenya and in 2001 produced 3,157,437 kilograms of green leaf, which in turn produced 723,053 kilograms of black tea. This was an increase of 20% over 2000.

Lower crop volumes are expected during the first quarter of 2002 due to drier weather conditions in the main tea growing areas of Kenya. Tea prices are unlikely to recover until the global surpluses generated during 2001 have moved through the supply chain. Although significant steps are being taken to improve the efficiency of the business, low tea prices and unreliable weather patterns, wage inflation, poor infrastructure and the strength of the Kenya shilling continue to be of considerable concern for the future.

R.A. Fairburn
CHAIRMAN

22nd February 2002

Report of the Directors

for the year ended 31 December 2001

The directors submit their report together with the audited financial statements for the year ended 31 December 2001, which disclose the state of affairs of the company.

INCORPORATION
The company is incorporated in Kenya under the Companies Act and is domiciled in Kenya.

PRINCIPAL ACTIVITIES
The principal activity of the company is the growing of green leaf tea.

RESULTS AND DIVIDENDS

	2001 Shs'000	2000 Shs'000
(Loss)/profit for the year	(2,983)	11,824
Dividends: - Interim (paid)	-	(5,000)
- Final (proposed)	-	(6,000)
(Loss)/profit retained	(2,983)	824

In view of the loss incurred during the year, the directors are unable to recommend any dividend.

AUTHORISED SHARE CAPITAL
During the year under review the Capital Markets Authority and Nairobi Stock Exchange approved the company's application to increase its Authorised Share Capital from Kshs.4 million to Kshs.12 million by the creation of 400,000 ordinary shares of Kshs.20/= each.

CAPITALISATION OF RESERVES AND BONUS ISSUE
On the recommendation of the directors, a resolution was duly passed at the 76th Annual General Meeting of the company on 8 May 2001, authorising capitalisation of Shs.8 million from the company's retained earnings. This was applied by way of a bonus issue of two ordinary shares for every one held at the close of business on 30 March 2001, following approval by the Capital Markets Authority and Nairobi Stock Exchange.

DIRECTORS
Members of the board of directors at the date of this report are listed on page 2.

Messrs S K Sinha and P J Stanning resigned from the board of directors with effect from 1 May 2001 and 1 September 2001 respectively.

Mr M Chopra was appointed a director in place of Mr S K Sinha with effect from 1 May 2001.

Mr R A Fairburn was appointed Managing Director with effect from 1 September 2001 and remains on the board in accordance with Article 100 of the company's Articles of Association.

Mr M Chopra retires in accordance with Article 101 of the company's Articles of Association, and being eligible, offers himself for re-election.

AUDITORS
The company's auditors, PricewaterhouseCoopers, continue in office in accordance with Section 159(2) of the Companies Act.

BY ORDER OF THE BOARD

C.A. Ouda
SECRETARY

22nd February 2002

Statement of Directors' Responsibilities

The Companies Act requires the directors to prepare financial statements for each financial year that give a true and fair view of the state of affairs of the company as at the end of the financial year and of its profit or loss. It also requires the directors to ensure that the company keeps proper accounting records that disclose, with reasonable accuracy, the financial position of the company. They are also responsible for safeguarding the assets of the company.

The directors accept responsibility for the annual financial statements, which have been prepared using appropriate accounting policies supported by reasonable and prudent judgements and estimates, in conformity with International Accounting Standards and the requirements of the Companies Act. The directors are of the opinion that the financial statements give a true and fair view of the state of the financial affairs of the company and of its loss. The directors further accept responsibility for the maintenance of accounting records that may be relied upon in the preparation of financial statements, as well as adequate systems of internal financial control.

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

R.A. Fairburn
CHAIRMAN

M. Chopra
DIRECTOR

22 February 2002

Report of the Auditors

to the members of The Limuru Tea Company Limited

We have audited the financial statements set out on pages 9 to 20. We have obtained all the information and explanations that to the best of our knowledge and belief were necessary for the purposes of our audit. The financial statements are in agreement with the books of account.

Respective responsibilities of directors and auditors

The directors are responsible for the preparation of financial statements as set out on page 7. Our responsibility is to express an independent opinion on the financial statements based on our audit.

Basis of opinion

We conducted our audit in accordance with International Standards on Auditing. Those standards require that we plan and perform our audit to obtain reasonable assurance that the financial statements are free from material misstatement. An audit includes an examination, on a test basis, of evidence supporting the amounts and disclosures in the financial statements. It also includes an assessment of the accounting policies used and significant estimates made by the directors, as well as an evaluation of the overall presentation of the financial statements.

Opinion

In our opinion proper books of account have been kept and the financial statements give a true and fair view of the state of the company's financial affairs at 31 December 2001 and of its loss and cash flows for the year then ended and comply with International Accounting Standards and the Kenyan Companies Act.

PRICEWATERHOUSECOOPERS

Certified Public Accountants
Nairobi

22 February 2002

Profit and Loss Account

	Notes	2001 Shs'000	2000 Shs'000
Sales	1	45,429	56,292
Cost of sales		(45,600)	(36,348)
Gross (loss)/profit		(171)	19,944
Other operating income	2	444	957
Administrative expenses		(6,366)	(6,763)
Other operating expenses		(678)	(797)
Operating (loss)/profit	3	(6,771)	13,341
Finance income	5	2,780	3,657
(Loss)/profit before tax		(3,991)	16,998
Tax credit/(charge)	6	1,008	(5,174)
Net (loss)/profit		(2,983)	11,824
		Shs	Shs
(Loss)/earnings per share			
- basic	7	(4.97)	19.71
- diluted	7	(4.97)	19.71
		Shs'000	Shs'000
Dividends:			
Interim dividends – paid in the year	8	-	5,000
Proposed final dividend for the year	8	-	6,000
		-	11,000

Balance Sheet

	Notes	2001 Shs'000	2000 Shs'000
CAPITAL EMPLOYED			
Share capital	9	12,000	4,000
Revaluation reserves	10	3,121	3,193
Retained earnings		14,737	25,648
Proposed dividends	8	-	6,000
Shareholders' funds		29,858	38,841
Non-current liabilities			
Deferred tax	11	537	2,014
Provision for liabilities and charges	17	7,259	2,220
		7,796	4,234
		37,654	43,075
REPRESENTED BY			
Non-current assets			
Property, plant and equipment	12	16,737	17,518
Current assets			
Inventories	13	40	203
Tax recoverable		3,849	3,200
Receivables	14	21,185	3,561
Cash and cash equivalents	15	5,407	24,582
		30,481	31,546
Current liabilities			
Payables and accrued expenses	16	9,564	5,989
Net current assets		20,917	25,557
		37,654	43,075

The financial statements on pages 9 to 20 were approved for issue by the board of directors on 22 February 2002 and signed on its behalf by:

R.A. Fairburn
CHAIRMAN

M. Chopra
DIRECTOR

Statement of Changes in Equity

	Notes	Share capital Shs'000	Revaluation reserves Shs'000	Retained earnings Shs'000	Proposed dividends Shs'000	Total Shs'000
Year ended 31 December 2000						
At start of year		4,000	3,265	24,752	6,000	38,017
Transfer of excess depreciation		-	(103)	103	-	-
Deferred tax on transfer			31	(31)		
Net gains not recognised in income statement		-	(72)	72	-	-
Net profit		-	-	11,824	-	11,824
Dividends:						
- Final for 1999 (paid)		-	-	-	(6,000)	(6,000)
- Interim for 2000 (paid)		-	-	(5,000)	-	(5,000)
- Proposed final for 2000		-	-	(6,000)	6,000	-
At end of year		4,000	3,193	25,648	6,000	38,841
Year ended 31 December 2001						
At start of year		4,000	3,193	25,648	6,000	38,841
Transfer of excess depreciation		-	(103)	103	-	-
Deferred tax on transfer		-	31	(31)	-	-
Net gains not recognised in income statement		-	(72)	72	-	-
Bonus issue of shares	9	8,000	-	(8,000)	-	-
Net loss		-	-	(2,983)	-	(2,983)
Dividends:						
- Final for 2000 (paid)		-	-	-	(6,000)	(6,000)
At end of year		12,000	3,121	14,737	-	29,858

Cash Flow Statement

	Notes	2001 Shs'000	2000 Shs'000
Operating activities			
Cash (absorbed by)/generated from operations	18	(14,837)	37,729
Interest received		2,780	3,656
Tax paid		(1,118)	(6,601)
Net cash (absorbed by)/ from operating activities		(13,175)	34,784
Investing activities			
Proceeds from disposal of plant and equipment		-	80
Net cash from investing activities		-	80
Financing activities			
Dividends paid		(6,000)	(11,000)
Net cash used in financing activities		(6,000)	(11,000)
(Decrease)/increase in cash and cash equivalents		(19,175)	23,864
Movement in cash and cash equivalents			
At start of year	15	24,582	718
(Decrease)/increase		(19,175)	23,864
At end of year	15	5,407	24,582

Accounting Policies

The principal accounting policies adopted in the preparation of these financial statements are set out below:

a) Basis of preparation

The financial statements are prepared in accordance with and comply with International Accounting Standards (IAS). The financial statements are presented in Kenya Shillings (Shs) and are prepared under the historical cost convention, as modified by the revaluation of certain property, plant and equipment.

b) Revenue recognition

Sales of green leaf tea are recognised when delivered to customers, and are stated net of charges paid to the manufacturers, selling agents and County Council Produce Cess paid to Limuru County Council.

Interest income is recognised as it accrues, unless collectibility is in doubt.

c) Translation of foreign currencies

Transactions in foreign currencies during the year are converted into Kenya Shillings at rates ruling at the transaction 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 in the year in which they arise.

d) Property, plant and equipment

All property, plant and equipment is initially recorded at cost and subsequently stated at cost, or at revalued amounts, less depreciation.

Development costs, which are capitalised, include direct costs and attributable overheads incurred in bringing crops into production which occur in the fourth year after planting. Fuel development is stated at valuation and subsequent replanting and maintenance expenditure is charged to the profit and loss account.

Increases in the carrying amount arising on revaluation are credited to a revaluation reserve. Decreases that offset previous increases of the same asset are charged against the revaluation reserve; all other decreases are charged to the profit and loss account. Each year the difference between depreciation based on the revalued carrying amount of the asset (the depreciation charged to the profit and loss account) and depreciation based on the asset's original cost is transferred from the revaluation reserve to retained earnings.

Other than freehold land and fuel development, depreciation is calculated on the straight line basis to write down the cost of each asset, or the revalued amount, to its residual value over its estimated useful life as follows:

Leasehold land – in equal instalments over the life of the lease.

Tea development – from year 4 onwards, a graduated scale is adopted that increases the annual depreciation charge from 0.6% in year 4 to 2% in year 10. The depreciation rate remains at 2% thereafter for the remaining part of the asset's useful life.

Buildings & farmworks – in equal instalments over the useful life of the assets, but not exceeding 40 years.

Vehicles and computers - over 4 years

Plant, fixtures and fittings - over 14.3 years

Freehold land is not depreciated as it is deemed to have an indefinite life.

Where the carrying amount of an asset is greater than its estimated recoverable amount, it is written down immediately to its recoverable amount.

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 reserve relating to that asset are transferred to retained earnings.

Notes Forming Part of the Financial Statements (continued)

5 Finance income

	2001 Shs'000	2000 Shs'000
Interest income	2,780	3,657

6 Tax

	2001 Shs'000	2000 Shs'000
Current tax	469	6,171
Deferred tax (Note 11)	(1,477)	(997)
Tax (credit)/charge	(1,008)	5,174

The tax on the company's (loss)/profit before tax differs from the theoretical amount that would arise using the basic tax rate as follows:

	2001 Shs'000	2000 Shs'000
(Loss)/profit before tax	(3,991)	16,998
Tax calculated at a tax rate of 30% (2000 :30%)	(1,197)	5,099
Tax effect of:		
Expenses not deductible for tax purposes	197	39
(Over)/under provision in prior years	(8)	36
Tax (credit)/charge	(1,008)	5,174

7 (Loss)/earnings per share

Basic(loss)/earnings per ordinary share of Shs 20 each were calculated on the net profit and on 600,000 shares in issue. The comparative figures have been adjusted for the effect of the bonus issue during the year.

There were no potentially dilutive shares outstanding at 31 December 2001.

8 Dividends per share

No dividends are payable for the year 2001 (2000: Shs 55 per share amounting to a total of Shs.11,000,000).

9 Share capital

	Number of shares	Ordinary Shares Shs'000
Balance at 1 January 2000	200,000	4,000
Issue of shares	-	-
Balance at 1 January 2001	200,000	4,000
Bonus issue of shares	400,000	8,000
Balance at 31 December 2001	600,000	12,000

The total authorised number of ordinary shares is 600,000 with a par value of Shs 20 per share. All issued shares are fully paid.

At the annual general meeting of 8 May 2001, the shareholders approved an increase in the authorised share capital from 200,000 to 600,000 ordinary shares of Shs 20 per share. At the same meeting, shareholders approved a bonus issue of the additional shares, to be satisfied by capitalisation of Shs 8,000,000 out of the balance standing to the credit of the retained earnings at that date.

10 Revaluation reserves

Revaluation reserves relate to surpluses arising from revaluation of property, plant and equipment. The movement in revaluation reserves are set out in the statement of changes in equity on page 11.

The revaluation reserves are non-distributable.

11 Deferred tax

Deferred tax is calculated, in full, on all temporary differences under the liability method using a principal tax rate of 30% (2000: 30%). The movement on the deferred tax account is as follows:

	2001 Shs'000	2000 Shs'000
At start of year	2,014	3,011
Income statement credit (Note 6)	(1,477)	(997)
At end of year	537	2,014

Deferred tax assets and liabilities and deferred tax credit in the profit and loss account are attributable to the following items:

	1.1.2001 Shs'000	Charged/ (credited) to P/L Shs'000	1.1.2001 Shs'000
Deferred tax liabilities			
Property, plant and equipment:			
-on historical cost basis	1,972	(83)	1,889
-on revaluation surpluses	857	(31)	826
	2,829	(114)	2,715
Deferred tax assets			
Provisions	(815)	(1,363)	(2,178)
Net deferred tax liability	2,014	(1,477)	537

Deferred tax of Shs 31,000 was transferred within shareholders' equity from revaluation reserves to retained earnings. This represents deferred tax on the difference between the actual depreciation on the property and the equivalent depreciation based on the historical cost of the property.

12 **Property, plant and equipment**

	Land & buildings Shs'000	Tea development Shs'000	Plant & machinery Shs'000	Motor vehicles Shs'000	Computer, fixtures & fittings Shs'000	Total Shs'000
Cost or valuation						
At start and at end of year	12,091	11,605	451	4,238	26	28,411
Depreciation						
At start of year	4,905	1,946	222	3,799	21	10,893
Charge for the year	242	195	2	341	1	781
At end of year	5,147	2,141	224	4,140	22	11,674
Net book amount						
At 31 December 2001	6,944	9,464	227	98	4	16,737
At 31 December 2000	7,186	9,658	229	440	5	17,518

In the opinion of the directors, there is no impairment of property, plant and equipment.

Land and buildings were last revalued during 1977 by Tysons Habenga (Africa), Chartered Surveryors, on the basis of open market value. The book values of the properties were adjusted to the revaluations and the resultant surplus, net of deferred tax, credited to revaluation reserves in shareholders' equity.

If property, plant and equipment were stated on the historical cost basis, the amounts would be as follows:

	2001 Shs'000	2000 Shs'000
Cost	15,964	15,964
Accumulated depreciation	(8,669)	(7,991)
Net book amount	7,295	7,973

13 **Inventories**

Stores, packaging material and other stocks (at cost)	40	203

14 **Receivables**

Receivable from parent company (Note 21)	21,185	3,463
Other receivables	-	98
	21,185	3,561

15 **Cash and cash equivalents**

Cash at bank and in hand	5,407	24,582

16 **Payables and accrued expenses**

	2001 Shs'000	2000 Shs'000
Trade creditors	2	2
Other creditors and accruals	9,562	5,987
	9,564	5,989

17 ***Provision for liabilities and charges** (Gratuity)*

	2001 Shs'000	2000 Shs'000
At start of year	2,219	-
Charged to income statement	5,040	2,219
At end of year	7,259	2,219
Less: non- current portion	(7,259)	(2,219)
Current portion	-	-

18 **Cash (absorbed by)/ generated from operations**

Reconciliation of (loss)/profit before tax to cash (absorbed by)/ generated from operations :	2001 Shs'000	2000 Shs'000
(Loss)/profit before tax	(3,991)	16,998
Adjustments for:		
Depreciation on property, plant and equipment (Note 12)	781	1,399
Loss on sale of plant and equipment	-	146
Interest income (Note 5)	(2,780)	(3,657)
Changes in working capital		
- receivables	(17,624)	17,728
- inventories	163	1,132
- payables and accrued expenses	3,574	1,764
- provision for liabilities and charges	5,040	2,219
Cash (absorbed by)/generated from operations	(14,837)	37,729

19 **Contingent liabilities**

The company had no contingent liabilities at 31 December 2001 (2000: Nil).

20 **Capital commitments**

The company had no capital commitments at 31 December 2001 (2000: Nil).

21 Related party transactions

The immediate parent company is Brooke Bond Kenya Limited, incorporated in Kenya. The ultimate controlling party is Unilever Plc, a company incorporated in the United Kingdom.

The following transactions were carried out with related parties :

	2001 Shs'000	2000 Shs'000
i) Sales of green leaf tea		
Parent company	45,429	56,292

Sales of green leaf tea to the parent company were at terms and conditions similar to those offered to other outgrowers.

ii) Charges payable

The company's turnover is derived from arm's length sales to the parent company, Brooke Bond Kenya Limited, net of agency commission payable to Brooke Bond Kenya Limited amounting to Shs 2,819,907 (2000: Shs 2,981,967) in accordance with similar outgrowers' contracts.

iii) Outstanding balances arising from sale and purchase of goods/services

	2001 Shs'000	2000 Shs'000
Receivables from parent company	21,185	3,463
iv) Directors' remuneration		
- fees	253	253
- others	-	-

22 Retirement benefit arrangements

The last actuarial valuation of the Brooke Bond Kenya Limited Staff Pension Scheme was carried out at 1 January 1999. At that date the valuation revealed that the present value of the scheme's funded obligations exceeded its assets by Shs 72,600,000, a deficit which was provided for in full by Brooke Bond Kenya Limited, the principal sponsor.

Principal Shareholders and Share Distribution Schedule

A. Principal Shareholders

The twenty largest shareholders of the company and their respective holdings as at 7th March 2002:

No.	Name	Number of Shares
1.	Brooke Bond Kenya Limited	311,994
2.	Mulchand Narshi Shah	65,644
3.	Kenya Commercial Bank Limited Staff Pension Fund Registered Trustees	57,942
4.	ICEA Limited "Life Fund A/C"	30,627
5.	Jubilee Insurance Company Limited	26,211
6.	Old Mutual Insurance Company Limited	24,507
7.	Stanbic Nominees Kenya Limited	14,856
8.	Stanbic Nominees Kenya Limited A/c SCKPF	11,349
9.	Vithaldas N Morjaria	4,575
10.	Millicent Ivy Morson	4,134
11.	Minesh Mulchand Shah	3,399
12.	Bijal Jiten Shah (Mrs)	3,000
13.	Indira Shah Mulchand	3,000
14.	Dr A N Amin & Mrs Kusumben Amin	3,000
15	Shantaben D Shah (Mrs)	2,589
16.	Jatashanker B Dave	2,400
17.	Pan Africa Insurance Company Limited	1,998
18.	Shashikant C Patel & Mrs Urmila S Patel	1,890
19.	Chandulal Shah & Mrs Shantaben Shah	1,800
20.	Rajanikant Chaturbhai Shah	1,500
20.	Gerald Deward Nevill & Mary Evelyn J Nevill	1,500

C. Distribution Schedule

Category	No. of Shareholders	No. of Shares
1 - 1,000 shares	46	18,105
1,001 - 5,000	16	38,765
5,001 - 10,000	-	-
10,001 - 100,000	7	231,136
100,001 - 500,000	1	311,994
Total	70	600,000

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AFFIX STAMP HERE

THE COMPANY SECRETARY
THE LIMURU TEA COMPANY LIMITED
P.O. BOX 42011
00100 NAIROBI GPO

THIRD FOLD

Tuck inside facing flap

FIRST FOLD