CAR & GENERAL

REPORT AND ACCOUNTS OF CAR & GENERAL (KENYA) LIMITED & SUBSIDIARIES
30 SEPTEMBER, 1993

CAR & GENERAL (KENYA) LIMITED
AND SUBSIDIARIES

CAR & GENERAL

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Report and Accounts of Car & General (Kenya) Limited and subsidiaries

30 September, 1993

2. Automobiles -- Kenya -- periodicals

CAR & GENERAL

DIRECTORS, OFFICIALS AND OTHER COMPANY INFORMATION

BOARD OF DIRECTORS

V.H. Gidoomal - Chairman
N.B. Jones*, FCA - Managing Director
N. Ng'ang'a, EBS
Harbans Singh, EBS
C.J. Gidoomal
* British

SECRETARY

G. Shah, ACIS

REGISTERED OFFICE

New Cargen House
Uhuru Highway
Nairobi

AUDITORS

Gill & Johnson
P.O. Box 40092
Nairobi

BANKERS

Standard Chartered Bank Kenya Limited
Stanbic Bank Kenya Limited

SUBSIDIARY COMPANIES	ACTIVITIES
Kamco Engineering Limited P.O. Box 20001 Nairobi	Stainless steel fabrication, and manufacture of commercial and domestic kitchen equipment.
Plastic Products (Kenya) Limited P.O. Box 78039 Nairobi	Manufacture of plastic containers and other allied products.
Car & General (Industries) Limited (Formerly Kamco Distributors Limited) P.O. Box 20001 Nairobi	Manufacture and sale of retread tyres, gumboots rubber soles, automotive and other rubber products.
Car & General (Trading) Limited (Formerly Car & General Properties Limited) P.O. Box 20001 Nairobi	Sale and service of power equipment, household goods, marine engines, motor cycles, commercial engines and general goods.
Car & General (Automotive) Limited (Formerly Kenya Components Limited) P.O. Box 20001 Nairobi	Manufacture and sale of brake linings, friction materials, gaskets, oil seals, spark plugs and sale of tyres. Automotive service by way of a car care centre.
Car & General (Weldtec) Limited P.O. Box 20001 Nairobi	Manufacture and sale of welding alloys and sale of welding equipment.

DIRECTORS, OFFICIALS AND OTHER COMPANY INFORMATION (Continued)

SUBSIDIARY COMPANIES (Continued)	**ACTIVITIES**
Car & General (Tanzania) Limited P.O. Box 1552 Dar es Salaam	Activities of the subsidiaries mentioned above.
Car & General (Uganda) Limited P.O. Box 207 Kampala	Activities of the subsidiaries mentioned above.
Kibo Poultry Products Limited (a subsidiary of Car & General (Tanzania) Limited) P.O. Box 742 Moshi	Day old chick farming.

NOTICE OF MEETING

Notice is hereby given that the fifty-fourth Annual General Meeting of the shareholders will be held at the company's registered office, New Cargen House, Uhuru Highway, Nairobi on Thursday 31 March 1994 at 12 noon for the following purposes:-

Agenda

ORDINARY BUSINESS

1. To confirm the minutes of the fifty-third Annual General Meeting held on Thursday 12 August 1993.

2. To receive the accounts for the year ended 30th September 1993 and the reports of the Directors and Auditors thereon.

3. To declare a dividend.

4. To re-elect Mr. N. Ng'ang'a, who, being eligible, offers himself for re-election in accordance with the company's articles of association.

5. To determine the Directors' remuneration.

6. To authorise the Directors to agree the Auditors' remuneration.

7. To note that the Auditors, Gill & Johnson, continue in office under the provisions of Section 159 (2) of the Companies Act.

SPECIAL BUSINESS

8. To consider and, if thought fit, pass the following resolutions as Ordinary Resolutions:

   (i) That the authorised capital of the company be increased to Sh 110,000,000 by the creation of 5,000,000 new ordinary shares of Sh 5 each to rank pari passu in all respects with the existing shares of the company.

   (ii) That it is desirable to capitalise the sum of Sh 16,878,500 being part of the amount standing to the credit of the company's reserve accounts, from either the capital reserves or revenue reserves as the directors shall deem fit and, accordingly, that such sum be set free for distribution amongst members on the register of members, at close of business on a day to be determined by the directors, who would have been entitled thereto if distributed by way of dividend and in the same proportion, on condition that the same be not paid in cash but be applied in paying up, in full at par, 3,375,700 ordinary shares of Shs 5 each to be allotted, ranking for all dividends declared after the 30th day of September 1994, and distributed, credited as fully paid up, to and amongst the members in proportion of one new share for every five ordinary shares then held. The day to be determined should be advised to the members through the press and shall be not more than thirty days after the receipt by the company of the necessary consent from the Central Bank of Kenya, Capital Issues Committee and the Treasury for which application has already been made. The directors are hereby authorised and directed to give effect to this resolution, and to deal with fractional shares in such manner as they shall deem fit.

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NOTICE OF MEETING (Continued)

9. Subject to the passing of the foregoing resolution, to consider and if thought fit, pass the following resolution as a special resolution:

> That the articles of association of the company be altered by the substitution for the existing Article 7 of the following:
>
> "The share capital of the company is one hundred and ten million shillings (Sh 110, 000,000) divisible into twenty two million (22,000,000) ordinary shares of Sh 5 each".

BY ORDER OF THE BOARD

G SHAH
Secretary

P O Box 20001
NAIROBI, Kenya
14 February 1994

NOTES:

1. A member entitled to attend and vote at the annual general meeting is entitled to appoint a proxy to attend and vote instead of him or her at such meeting and such proxy need not also be a member of the Company.

2. A form of proxy is enclosed which please complete and return to the registered office of the company so as to arrive not later than 12 noon on Wednesday 30 March 1994.

3. In the case of a corporation, the proxy may be under its common seal or under the hand of an officer or duly authorised attorney of such corporation.

CHAIRMAN'S REPORT

1993 has seen far reaching changes to the Kenyan economy. In a move towards a freer market, both foreign exchange and import regulations have been significantly relaxed. These reforms have had a considerable impact on the market place and, in particular, created a difficult and, to a degree, unpredictable climate during 1993.

The liberalisation of foreign exchange regulations saw the introduction of freer movement of foreign exchange following a 100% devaluation of the Kenya Shilling. The economy underwent a hyper-inflationary period resulting in interest rates rising well above 50% per annum, with financial institutions and individuals ploughing substantial funds into lucrative government treasury bills. The effects of this were two fold. Firstly, increased local currency funding was required to maintain pre-devaluation levels of trade, particularly in industries with a high foreign input. This was neither economically feasible (due to the high cost of funds), nor forthcoming from financial institutions imposing a credit squeeze. Secondly, prices increased considerably, resulting in a reduction of consumer purchasing power. In real terms, this resulted in a shrinking market.

In response to these adverse financial conditions (in particular the exorbitant interest rates), your company has sought to reduce its liabilities to local banking institutions. Bank funding has been reduced substantially during the course of the year. The company will continue to reduce its exposure to the banks in the current financial year. In addition, we have streamlined operations in terms of stockholdings, staffing and debtors in an attempt to optimise use of funds. We have largely succeeded in this task and would hope to improve on this further during the current financial year.

The relaxation of import regulations exacerbated difficulties for local industry, particularly in the manufacturing sector which hitherto had enjoyed a degree of protection. The market place became flooded with competitive low priced products of inferior quality. The market for quality branded products grew smaller. This posed a threat to your company's traditional lines which emphasise quality. As a result, your company embarked on a number of aggressive marketing campaigns. These have been largely successful and we expect improved performances in the current financial year as consumer awareness increases. We must, however, appreciate that current imports are posing a very serious threat to local industry, which is finding it difficult to compete on pricing.

Notwithstanding the difficult economic conditions, your company has returned a modest profit in the year 1992/93. As predicted in my report last year, the sectorisation of the Car & General Group has resulted in improved performance, and I am confident that this improvement will continue.

1. **Car & General (Trading) Limited** - With little locally added value, this division has been affected by the devaluation. In real terms, its funding has been halved, without proportionate increase in pricing (which would seriously affect demand). However, our trading sector has continued to perform well throughout Kenya, predominantly due to its strong marketing and product flexibility in reacting to changing market conditions. We expect our performance to improve as we refine and increase our product range.

2. **Car & General (Industries) Limited** - Import liberalisation has brought considerable competition in the tyre industry. Importation of new tyres had previously been prohibited. The price of cheap low quality tyres and, to an extent, high quality tyres, has adversely affected the retread market. Demand for retreads will remain subdued until the quality of these tyres has been exposed and, in the case of high quality tyres, the price regularised.

3. **Car & General (Automotive) Limited** - We have faced stiff competition from imported products. Ferodo has remained competitive and as we increase its product range, its performance will improve further. Stock imbalances at Payen have now been resolved and profits will be forthcoming henceforth. Champion has been severely affected by imported plugs. Aggressive marketing has partially restored our market position and we anticipate further increases in our market share in the current year.

CHAIRMAN'S REPORT (Continued)

4 **Car & General (Weldtec) Limited** - Despite cheap imports, our position in Kenya remains strong. In addition, we have considerably strengthened our position within the Uganda and Tanzania markets. Towards the end of the current financial year, we will seek entry into other markets in Africa. We see the performance of Eutectic division continuing to progress satisfactorily.

5 **Plastic Products (Kenya) Limited** - Reduced purchasing power has meant that demand for consumer household products (packaged in containers produced by us) has fallen. The market for our traditional plastic products has, therefore, decreased. However, we have diversified to satisfy current demand in other areas and look forward to a modest profit for the coming financial year.

6 **Kamco Engineering Limited** - We resurrected our stainless steel manufacturing unit during the course of the year. We are developing our product range and look forward to re-establishing ourselves as a force in this field.

7 **Car & General (Uganda) Limited** - Our performance continues to improve in both our trading and retreading operations. We have now re-possessed all our properties and are receiving a healthy rental income. We anticipate further turnover growth in the coming financial year.

8 **Car & General (Tanzania) Limited** - Trading conditions in Tanzania continue to be difficult. However, management has been strengthened. We have revived our Tanga operations. We anticipate growth in both our retread and trading operations.

9 **Kibo Poultry Products Limited** - These operations are continually being refined. We should reach maximum productivity during the current financial year. In terms of quality, we have established ourselves as market leaders.

Despite recent economic difficulties in Kenya and to a degree in Uganda and Tanzania, your board remains confident and is recommending payment of a dividend of 12% on the current issued capital, and the issue of a bonus share of one for every five shares held.

Generally, your board is optimistic in relation to your company's future prospects. Car & General (Industries) Limited is currently cause for concern and your board is seriously addressing this problem. In relation to the company's other subsidiaries, your board is convinced that satisfactory progress is being made and will continue to be made. Furthermore, your board is confident in the economy's stability. The effects of radical reform have now been digested and moves are already underway to adjust to the new system.

In conclusion, I must express my gratitude to my co-directors and all members of staff of the company for their dedication and support. I look forward to their continued support and further progress of the group.

V H GIDOOMAL
Chairman
Nairobi
14 February 1994

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REPORT OF THE DIRECTORS

The Directors have pleasure in presenting their annual report and group accounts for the year ended 30 September 1993.

DIRECTORS

The present directors are shown on page 2.

ACTIVITIES

The company acts as a holding company and derives its revenue from interest, management fees and the rents charged to its subsidiaries. During the year the company transferred the assets connected with trading activities to certain of its Kenyan subsidiaries. The activities of the subsidiaries are detailed on pages 2 and 3.

GROUP RESULTS

	KSh'000
The accounts show a profit after taxation and minority interest of	18,773
Less proposed dividend	10,127
Retained profit for the year	8,646

DIVIDEND

The Directors propose a first and final dividend of 12%.

AUDITORS

Gill & Johnson, having confirmed their willingness, continue in office in accordance with section 159 (2) of the Companies Act.

BY ORDER OF THE BOARD

G SHAH
SECRETARY
Nairobi
14 February 1994

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REPORT OF THE AUDITORS TO THE MEMBERS OF CAR & GENERAL (KENYA) LIMITED

We have examined the accounts on pages 10 to 23 and have obtained all the information and explanations considered necessary for our audit.

In our opinion:

1 Proper books of account have been kept by the company and the company's balance sheet is in agreement therewith.

2 The accounts, which comply with the Companies Act, give a true and fair view of the state of affairs of the company and the group at 30 September 1993 and of the profit and source and application of funds of the group for the year ended on that date.

GILL & JOHNSON
Certified Public Accountants (Kenya)

Nairobi

18 February 1994

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CONSOLIDATED PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 30 SEPTEMBER 1993

	Notes	1993 KSh'000	1992 KSh'000
TURNOVER		747,975	472,165
CONSOLIDATED PROFIT BEFORE TAXATION	2	32,881	13,303
TAXATION	3	13,706	4,245
PROFIT AFTER TAXATION	4	19,175	9,058
MINORITY INTEREST		402	152
PROFIT AFTER TAXATION AND MINORITY INTEREST		18,773	8,906
DIVIDEND	5	10,127	5,064
RETAINED PROFIT FOR THE YEAR	14	8,646	3,842
		KSh	KSh
EARNINGS PER SHARE	6	1.11	0.53

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CONSOLIDATED BALANCE SHEET
30 SEPTEMBER 1993

	Notes	1993 KSh'000	1992 KSh'000
FIXED ASSETS	7	517,853	394,319
CURRENT ASSETS			
Stocks	11	267,680	196,209
Debtors		139,950	114,150
Cash and bank balances		14,415	5,606
		422,045	315,965
CURRENT LIABILITIES			
Creditors		225,059	124,622
Bank advances (secured)		51,787	118,793
Taxation		16,150	2,952
Dividends - proposed		10,127	5,064
payable		6,093	5,249
Loans repayable within one year	12	13,500	222
		322,716	256,902
NET CURRENT ASSETS		99,329	59,063
		617,182	453,382
Financed by:			
SHARE CAPITAL	13	84,392	84,392
RESERVES	14	492,701	368,150
SHAREHOLDERS' FUNDS		577,093	452,542
LOANS	12	39,000	—
MINORITY INTEREST		1,089	840
		617,182	453,382

The accounts on pages 10 to 23 were approved by the board of directors on 14 February 1994 and were signed on its behalf by:

V.H. GIDOOMAL — Chairman

N.B. JONES — Director

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COMPANY BALANCE SHEET
30 SEPTEMBER 1993

	Notes	1993 KSh'000	1992 KSh'000
FIXED ASSETS	8	215,734	255,687
INVESTMENTS IN SUBSIDIARIES	9	12,223	9,103
SUBSIDIARY COMPANIES FUNDING	10	86,266	—
CURRENT ASSETS			
Stocks	11	—	169,395
Subsidiary companies current accounts	10	132,556	30,460
Debtors		4,823	87,544
Cash and bank balances		4,582	3,998
		141,961	291,397
CURRENT LIABILITIES			
Creditors		48,574	103,550
Bank advances (secured)		14,708	116,049
Taxation		6,585	2,720
Dividends - proposed		10,127	5,064
payable		6,093	5,249
Loans repayable within one year	12	13,500	—
		99,587	232,632
NET CURRENT ASSETS		42,374	58,765
		356,597	323,555
Financed by:			
SHARE CAPITAL	13	84,392	84,392
RESERVES	14	233,205	239,163
		317,597	323,555
LOANS	12	39,000	—
		356,597	323,555

The accounts on pages 10 to 23 were approved by the board of directors on 14 February 1994 and were signed on its behalf by:

V.H. GIDOOMAL — Chairman

N.B. JONES — Director

CONSOLIDATED STATEMENT OF SOURCE AND APPLICATION OF FUNDS FOR THE YEAR ENDED 30 SEPTEMBER 1993

	1993 KSh'000	1992 KSh'000
SOURCE OF FUNDS		
Profit before taxation	32,881	13,303
Adjustment for items not involving the movement of funds:		
Depreciation	17,352	13,806
Profit on disposal of fixed assets	(459)	(12,504)
Funds generated from operations	49,774	14,605
Funds from other sources:		
Loans received	5,000	—
Proceeds on disposal of fixed assets	2,597	31,943
INFLOW OF FUNDS	57,371	46,548
APPLICATION OF FUNDS		
Minority interest acquired	153	—
Purchase of fixed assets	20,400	14,826
Repossession costs	—	1,876
Loan repayments	222	966
Taxation paid	508	1,419
Dividends paid	4,220	3,842
OUTFLOW OF FUNDS	25,503	22,929
NET INFLOW OF FUNDS	31,868	23,619

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CONSOLIDATED STATEMENT OF SOURCE AND APPLICATION OF FUNDS (Continued)

	1993 KSh'000	1992 KSh'000
REPRESENTED BY:		
Movement in working capital:		
Stocks	71,471	6,950
Debtors	25,800	(31,290)
Creditors	(100,437)	13,248
Exchange rate adjustment	6,719	(590)
	3,553	(11,682)
Movement in liquid funds:		
Cash and bank balances	8,809	1,828
Bank advances	19,506	33,473
NET MOVEMENT IN WORKING CAPITAL	31,868	23,619

NOTES TO THE ACCOUNTS
FOR THE YEAR ENDED 30 SEPTEMBER 1993

1 ACCOUNTING POLICIES

BASIS OF ACCOUNTING

The group prepares its accounts on the historical cost basis of accounting modified to include the revaluation of certain assets.

DEPRECIATION

Properties are depreciated on the straight line method over the periods of their estimated useful lives.
Depreciation on other fixed assets is provided using the reducing balance method at the following annual rates:

Plant and machinery	12.5% - 20%
Moulds	33.3%
Office equipment	12.5% - 20%
Motor vehicles	25%

STOCKS

Raw materials, imported finished products and spare parts are stated at cost including duty, freight and clearance charges, where appropriate. Manufactured finished products and work in progress are stated at raw material cost, plus labour and attributable manufacturing overheads. All stocks are stated at net realisable value if lower than cost.

FOREIGN CURRENCIES

Foreign currency transactions are recorded at exchange rates prevailing at the time of originating entries. Foreign currency balances are translated at rates ruling at the year end. Except as indicated below, exchange gains and losses are taken to the profit and loss account. The exchange differences arising from the translation of foreign subsidiaries' fixed assets and reserves are dealt with as movements in those accounts.

TURNOVER

Turnover represents sales to third parties less returns and excludes Value Added Tax and branch transfers.

TAXATION

Current taxation is provided on the basis of results for the year as shown in the accounts, adjusted in accordance with the tax legislation.

Deferred tax is accounted for, under the liability method, to the extent that it is probable that timing difference will reverse in the foreseeable future.

NOTES TO THE ACCOUNTS (Continued)

1 ACCOUNTING POLICIES (Continued)

INVESTMENT IN SUBSIDIARIES
Investment in subsidiaries is stated at cost less amounts written off. The holding company accounts for dividends from subsidiary companies only when they are received.

CONSOLIDATION
The consolidated accounts include the accounts of Car & General (Kenya) Limited and its subsidiary companies, all made up to 30 September. Car & General (Weldtec) Limited, which was incorporated on 1 October 1992, has been consolidated for the first time.

Goodwill arising on acquisition of subsidiaries is written off to reserves.

2 CONSOLIDATED PROFIT BEFORE TAXATION

	1993 KSh'000	1992 KSh'000
The consolidated profit before taxation is arrived at after charging:		
Interest on Loans	11,866	—
Interest on bank overdrafts	15,056	32,202
Directors' fees	323	310
Directors' other emoluments	1,787	2,604
Depreciation	17,352	13,806
Auditor's remuneration	2,466	1,875
and after crediting:		
Profit on disposal of fixed assets	459	12,504
Foreign exchange gains	1,013	—

NOTES TO THE ACCOUNTS (Continued)

		1993 KSh'000	1992 KSh'000
3	**TAXATION**		
	INCOME TAX		
	Based on the chargeable profit for the year at 35% (1992 - 37.5%)	13,706	4,245

The tax charge is higher than expected mainly due to disallowable expenses and excess of depreciation over capital allowances.

4 PROFIT AFTER TAXATION

A profit of Sh 1,569,000 (1992 - profit Sh 10,311,080) has been dealt with in the accounts of Car & General (Kenya) Limited.

5 DIVIDEND

	1993 KSh'000	1992 KSh'000
The dividend is shown gross and comprises: Final proposed 12% (1992 - 6%)	10,127	5,064

6 EARNINGS PER SHARE

Earnings per share is based on the profit after taxation and minority interests divided by the number of issued shares at the end of the financial year.

NOTES TO THE ACCOUNTS (Continued)

7 FIXED ASSETS - GROUP

	Properties KSh'000	Other assets KSh'000	Total KSh'000
COST OR VALUATION			
At 1 October 1992	340,133	144,399	484,532
Exchange rate adjustments	119,202	4,806	124,008
Additions	—	20,400	20,400
Disposals	—	(3,431)	(3,431)
At 30 September 1993	459,335	166,174	625,509
COMPRISING:			
At valuation 1992	32,385	—	32,385
At valuation 1991	414,219	1,000	415,219
At cost	12,731	165,174	177,905
	459,335	166,174	625,509
DEPRECIATION			
At 1 October 1992	4,322	85,891	90,213
Exchange rate adjustments	—	1,384	1,384
Charge for the year	5,398	11,954	17,352
Eliminated on disposals	—	(1,293)	(1,293)
At 30 September 1993	9,720	97,936	107,656
NET BOOK VALUES			
At 30 September 1993	449,615	68,238	517,853
At 30 September 1992	335,811	58,508	394,319

PROPERTIES AT COST OR VALUATION:

	1993 KSh'000	1992 KSh'000
Freehold	11,630	11,630
Leasehold over 50 years unexpired	371,205	252,003
Leasehold under 50 years unexpired	76,500	76,500
	459,335	340,133

The exchange rate adjustments arise as a result of translation of Car & General (Uganda) Limited and Car & General (Tanzania) Limited fixed assets opening balances at closing rate. The rates of exchange applied were as follows:

		1993 KSh	1992 KSh
1 Tanzania shilling	=	0.1519	0.1041
1 Uganda shilling	=	0.0593	0.0285

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NOTES TO THE ACCOUNTS (Continued)

8. FIXED ASSETS - COMPANY

	Properties KSh'000	Other assets KSh'000	Total KSh'000
COST OR VALUATION			
At 1 October 1992	215,908	116,405	332,313
Transfer to subsidiaries	—	(101,553)	(101,553)
Additions	—	1,888	1,888
Disposals	—	(455)	(455)
At 30 September 1993	215,908	16,285	232,193
COMPRISING:			
At valuation 1991	215,908	—	215,908
At cost	—	16,285	16,285
	215,908	16,285	232,193
DEPRECIATION			
At 1 October 1992	4,318	72,308	76,626
Transfer to subsidiaries	—	(65,582)	(65,582)
Charge for the year	4,318	1,284	5,602
Eliminated on disposals	—	(187)	(187)
At 30 September 1993	8,636	7,823	16,459
NET BOOK VALUES			
At 30 September 1993	207,272	8,462	215,734
At 30 September 1992	211,590	44,097	255,687

PROPERTIES AT COST OR VALUATION:

	1993 KSh'000	1992 KSh'000
Freehold	11,630	11,630
Leasehold over 50 years unexpired	127,778	127,778
Leasehold under 50 years unexpired	76,500	76,500
	215,908	215,908

NOTES TO THE ACCOUNTS (Continued)

9 INVESTMENTS IN SUBSIDIARIES

	Holding	1993 KSh'000	1992 KSh'000
Car & General (Tanzania) Limited 520,000 shares of TSh 5 each at cost	100%	2,600	2,600
Car & General (Uganda) Limited 450,000 shares of USh 5 each at cost	100%	2,250	2,250
Kamco Engineering Limited 130,000 shares of KSh 20 each at cost	100%	2,600*	—
Plastic Products (Kenya) Limited 157, 757 shares of KSh 20 each at cost	84%	3,155	3,155
Car & General (Industries) Limited (Formerly Kamco Distributors Limited) 997 (1992 - 5) shares of KSh 20 each at cost	100%	20	—
Car & General (Automotive) Limited (Formerly Kenya Components Limited) 95,480 shares of KSh 20 each at cost	100%	1,098	1,098
Car & General (Trading) Limited (Formerly Car & General Properties Limited) 2 shares of KSh 20 each at cost	100%	—	—
Car & General (Weldtec) Limited 25,000 shares of KSh 20 each at cost	100%	500	—
		12,223	9,103

*KSh 2,600,000 represents a reinstatement of the cost of shares which had been previously been written off.

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NOTES TO THE ACCOUNTS (Continued)

10 SUBSIDIARY COMPANIES

	1993 KSh'000	1992 KSh'000
Car & General (Tanzania) Limited		
Current account	8,163	7,586
Car & General (Uganda) Limited		
Current account	12,792	11,165
Kamco Engineering Limited		
Current account	(6,990)	(8,257)
Plastic Products (Kenya) Limited		
Current account	1,185	4,191
Funding	1,000	—
Car & General (Industries) Limited (Formerly Kamco Distributors Limited)		
Current account	47,182	(435)
Funding	62,266	—
Car & General (Automotive) Limited (Formerly Kenya Components Limited)		
Current account	21,490	15,925
Funding	6,000	—
Car & General (Trading) Limited (Formerly Car & General Properties Limited)		
Current Account	42,924	—
Funding	15,000	—
Car & General (Weldtec) Limited		
Current account	4,640	—
Funding	2,000	—
Kibo Poultry Products Ltd (a subsidiary of Car & General (Tanzania) Limited)		
Current account	1,170	285
	218,822	30,460
Subsidiary companies funding	86,266	—
Subsidiary companies current accounts	132,556	30,460
	218,822	30,460

11 STOCKS

	Group		Company	
	1993 KSh'000	1992 KSh'000	1993 KSh'000	1992 KSh'000
Raw materials, spares and consumables	89,603	33,981	—	28,441
Work in progress	15,056	6,604	—	6,447
Finished goods	95,514	101,957	—	86,627
Goods in transit	63,528	49,173	—	47,880
Livestock	3,979	4,494	—	—
	267,680	196,209	—	169,395

NOTES TO THE ACCOUNTS (Continued)

12 LOANS (SECURED)

	1993 KSh'000	1992 KSh'000
GROUP AND COMPANY		
Stanbic Kenya Limited, interest at 35.5%	*47,500	—
Credit and Commerce Finance Limited, interest at 37%	5,000	—
Kenya Industrial Estates Limited, interest at 14%	—	222
	52,500	222
Less: due within one year, included under current liabilities	13,500	222
	39,000	—

* This amount is a conversion of an overdraft.

13 SHARE CAPITAL

	1993 KSh'000	1992 KSh'000
Authorised		
17,000,000 ordinary shares of Sh 5 each	85,000	85,000
Issued and fully paid		
16,878,496 ordinary shares of Sh 5 each	84,392	84,392

14 RESERVES

	Capital KSh'000	Revenue KSh'000	Total KSh'000
GROUP			
At 1 October 1992 as previously reported	332,185	35,965	368,150
Prior year adjustment (see note below)	(10,586)	10,586	—
As restated	321,599	46,551	368,150
Exchange rate adjustment			
Capital	122,624	—	122,624
Revenue	(8,736)	2,017	(6,719)
Retained profit for the year	—	8,646	8,646
At 30 September 1993	435,487	57,214	492,701
COMPANY			
At 1 October 1992	199,866	39,297	239,163
Reinstatement of cost of investment in Kamco Engineering previously written off	—	2,600	2,600
Loss for the year	—	(8,558)	(8,558)
At 30 September 1993	199,866	33,339	233,205

Note: The prior year adjustment relates to a correction of a misclassification of reserves in 1992.

NOTES TO THE ACCOUNTS (Continued)

15 CONTINGENT LIABILITIES

	1993 KSh'000	1992 KSh'000
GROUP		
Bills discounted and letters of credit	—	28,639
Sundry bank guarantees	28	1,844
	28	30,483
COMPANY		
Guarantees in respect of bank facilities for the subsidiaries	31,915	2,000
Bills discounted and letters of credit	—	28,639
Sundry bank guarantees	28	1,844
	31,943	32,483