Table of Contents

Corporate Information

Board of Directors

Naushad Noorali Merali, E.B.S.
Chairman

Hiroshi Yamazaki
Managing Director

Toshiyuki Yano
Technical Director

Mirabeau Humberto Da Gama-Rose
Non-Executive Director

James Kanyotu
Non-Executive Director

Secretary

Issa Abdalla Timamy
Certified Public Secretary

Auditors

PricewaterhouseCoopers
Certified Public Accountants
Rahimtulla Tower, Upper Hill Road
P.O. Box 43963, Nairobi

Principal Bankers

First American Bank of Kenya Limited
7th Floor, ICEA Building, Kenyatta Avenue
P.O. Box 30691, Nairobi

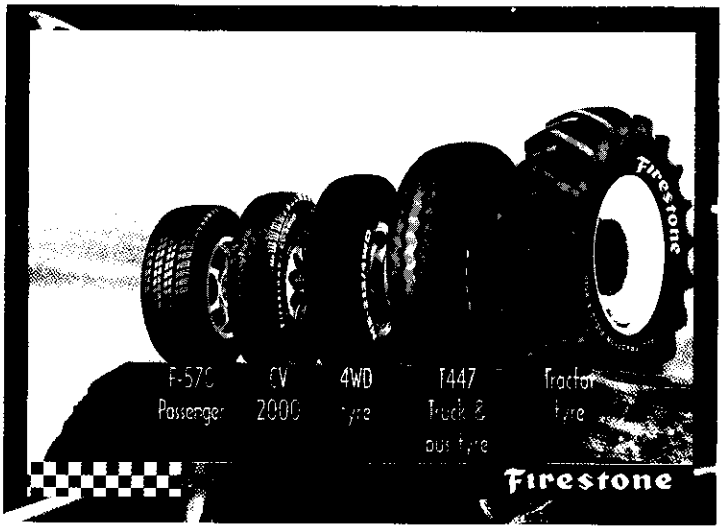
Standard Chartered Bank Kenya Limited
Stanbank House, Moi Avenue
P.O. Box 30003, Nairobi

Share Registrars

Barclays Advisory and Registrar Services Limited
Barclays Plaza, Loita Street
P.O. Box 30120, Nairobi

Registered Office

L.R. NO: 12081,
MOMBASA ROAD
P.O. Box 30429
Nairobi



2007/1018

Notice of Meeting

Notice is hereby given that the 32nd Annual General Meeting of the Members will be held at the Company's Sameer Industrial Park premises off Mombasa Road, Nairobi on Friday 30th March, 2001 at 11.00 a.m. for the following purposes:

1. To confirm the minutes of the 31st Annual General Meeting held on 31st March, 2000.
2. To receive, consider and if deemed fit, adopt the financial statements for the year ended 31st December, 2000 together with the reports thereon of the Directors and of the Auditors.
3. To confirm the interim dividend of Shs 0.50 per share paid in August 2000, and to declare a final dividend of Shs 0.50 per share.
4. To elect Directors.
5. To confirm the Directors' emoluments.
6. To appoint PricewaterhouseCoopers as auditors for the ensuing year and authorise the Directors to fix the auditors remuneration.
7. To transact any other business which may be transacted at an Annual General Meeting.

By order of the Board

Issa Timamy
Company Secretary
Nairobi

16th February, 2001

Notes
A member entitled to attend and vote at this meeting may appoint a proxy to attend and vote on his/her behalf and such a proxy need not be a member of the Company. The form of proxy is attached on page 31. The final dividend, if approved, will be paid on or about 12th April, 2001 to members on the register at close of business on 2nd April, 2001.

Ilani ya Mkutano

Ilani inatolewa hapa kuwa mkutano wa thelathini na mbili (32) wa kila mwaka wa wanachama utafanyika katika majengo ya kampuni ya Sameer Industrial Park, kando ya Mombasa Road, Nairobi, siku ya Ijumaa, tarehe 30 Machi, 2001 saa tano asubuhi kwa madhumuni yafuatayo:-

1. Kuidhinisha yaliyosemwa kwenye mkutano mkuu wa 31 wa kila mwaka uliofanyika tarehe 31 Machi, 2000.
2. Kupokea, kuchunguza na ikifikiriwa sawa kuidhinisha taarifa za fedha za mwaka uliomalizikia 31 Desemba, 2000 pamoja na taarifa za wakurugenzi na za wakaguzi wa hesabu.
3. Kuidhinisha malipo ya mgawo wa muda wa faida ya Shs. 0.50 kwa kila hisa yaliyolipwa Agosti, 2000, na kutangaza mgawo wa faida ya mwisho ya Shs. 0.50 kwa kila hisa.
4. Kuchagua wakurugenzi.
5. Kuidhinisha malipo ya wakurugenzi.
6. Kuteuwa PricewaterhouseCoopers kama wakaguzi wa vitabu vya fedha kwa mwaka unaofuata na kuidhinisha wakurugenzi kuamua malipo ya wakaguzi wa vitabu vya fedha.
7. Kushughulikia jambo lingine lolote linaloweza kushughulikiwa katika mkutano mkuu wa kila mwaka.

Kwa amri ya halmashauri

Issa Timamy
Katibu wa Kampuni
Nairobi

16 Februari, 2001

Maelezo zaidi
Mwanachama mwenye haki ya kuhudhuria na kupiga kura katika mkutano huu anaweza kuchagua wakala kuhudhuria na kupiga kura kwa niaba yake na wakala huyo si lazima awe mwanachama wa kampuni. Fomu ya wakala imewekwa ukurasa 31. Ikiidhinishwa, malipo ya gawio la faida ya mwisho yatalipwa tarehe 12 Aprili, 2001 au wakati karibu na hapo kwa wanachama walio katika kitabu cha orodha ya majina kufikia wakati wa kufunga biashara tarehe 2 Aprili, 2001.

N.N. Merali, EBS, Chairman

The Year 2000 did not show improvement in the domestic economy, with most sectors of the economy recording no growth.

We suffered from higher inflation and a rapid devaluation of the local currency, power rationing and reduced food supplies, amongst other economic afflictions. The regional economies are also experiencing difficult economic conditions, with the Uganda currency depreciating by 12% against the US Dollar.

However, with the possible resumption of aid, declining interest rates and recent improvements being recorded in certain sectors of the economy i.e. tourism and communications sectors, and the strong commitment towards the removal of trade barriers in the East African Community and Comesa, the Company's future performance holds promise of a more profitable year.

It is in view of this that we have continued to take positive and innovative measures in improving our quality and efficiency and strengthening our distribution network in the region in terms of prudent capital investment and sales and marketing initiatives.

The Company continues to be a significant contributor to Government revenues. In 2000, the Firestone Group paid Shs 672 million to the Treasury by way of taxes, duties, fees and levies.

Group Results

The progressive decline in the economy has dealt a severe blow to business in general and as a result has greatly weakened consumers' purchasing power. Consequently, the results of the Company for the year ended 31st December 2000 are lower than the previous year. Turnover at Shs 2.7 billion was 6% down from 1999 mainly due to sales price and product mix constraints, which when coupled with the enormous increases in energy costs and higher raw material costs, occasioned by increased world crude oil prices and a depreciating Kenya shilling, resulted in a reduction in gross margin.

Eldoret and Dar es Salaam depots were commissioned during the year and this also contributed to the higher operating costs. As a result, Group net profit after taxation at Shs 292 million was 25% lower than 1999.

The Board of Directors recommend a final dividend of Shs 0.50 per share which together with the interim dividend of Shs 0.50 per share paid in August 2000 brings the total dividend for the year to Shs 1.00 per share, which is at the same levels as in the previous year.

Manufacturing

We continued our thrust of strengthening quality control and cost efficiency activities in the factory. Most of the capital expenditure was on quality improvement projects such as post cure tyre inflating machine, dynamic balancer and tyre building machines. In addition, a substantial amount was spent in acquiring moulds for new product designs.

We have made strident efforts and achieved remarkable results in our cost control and reduction programmes. Even though energy costs increased by over 55% and raw material cost by 7%, we managed to hold unit factory cost at 1999 levels.

The Company has the capacity and cost efficiency to produce good quality tyres at competitive prices. I am proud to report that we have been successful in obtaining ISO 9002 certification, which emphatically endorses this view and will help us in marketing our tyres both in the domestic and international markets.

N.N. Merali, EBS, Chairman with the Managing Director, Mr. H. Yamazaki

Sales and Marketing

We did not achieve growth in unit sales because of the difficult economic situation, particularly in Kenya and Uganda. However we are confident that with the regional integration of the East African market, we will be able to achieve improved sales.

During the year, our Eldoret and Dar-es-Salaam depots became fully operational, we implemented the Franchise Dealer Scheme and strengthened our Fleet Sales through truck-forums and other related promotional activities.

We successfully launched two new products - the 70 series Passenger Steel Radial F570 tubeless tyre and the Truck Bias T447 tyre and have drastically improved our claim handling procedure resulting in higher levels of customer satisfaction.

Sameer Industrial Park

Sameer Industrial Park contributed Shs 24 million to Group Profits for the year compared to Shs 23 million the year before. The level of occupancy is at 96%.

A dividend of Shs 25 million has been declared out of the subsidiary's retained earnings to be paid to the parent company, Firestone East Africa (1969) Limited.

Firestone receives ISO 9002 certificate

The Future

As we look to the future, I wish to re-assure you that your Company is financially sound with prudent and conservative management of capital and assets. With our solid presence and strong distribution network in the East African region, we are strongly positioned to take advantage of the opportunities arising with the re-birth of the East African Community. With the commitment to the removal of trade barriers between these countries, we remain confident that the prospects of growth is assured in our export markets, both within the East African region and the Comesa countries.

We shall continue to remain focused on the challenges that lie ahead and to strive for excellence. We shall forge ahead with our innovative approach in making newer and better products and plan to launch two new products this year - a P131 design Rear Tractor tyre and a T447 design Light Truck Bias tyre.

In closing, I would like to thank my fellow Directors for their valued counsel, each and every one of our customers, Dealers and Distributors for their business support during the year and the Management and Staff for their resolve and commitment in a difficult year.

N.N. Merali, EBS
Chairman

N.N. Merali, EBS, Mwenyekiti

Mwaka 2000 haukuonyesha maendeleo katika uchumi wa nchi na sekta karibu zote za uchumi hazikurekodi ukuaji.

Tuliathirika kutokana na kupanda kwa gharama za maisha na kushuka kwa haraka sana kwa thamani ya pesa za nchini, ugawaji wa umeme na upungufu wa chakula, miongoni mwa mateso mengine ya kiuchumi. Uchumi za nchi jirani pia zinapitia hali ngumu za kiuchumi na pesa za Uganda zikishuka kwa asilimia 12 dhidi ya dola ya kimarekani.

Ijapokuwa, kukiwa na uwezekano wa msaada kuendelezwa tena, kupungua kwa viwango vya riba na maendeleo ya karibuni yanayorekodiwa katika sekta fulani za uchumi k.m. sekta za utalii na mawasiliano, na msimamo thabiti katika kuondoa vikwazo vya kibiashara katika jumuia ya Afrika Mashariki na Comesa, utendaji wa siku za mbeleni wa kampuni unatoa matumaini ya mwaka wenye faida zaidi.

Ni kutokana na hili, ndiyo tumeendelea kuchukua hatua halisi na za kiuvumbuzi katika kuendeleza ubora na ufanisi wetu na kuimarisha mfumo wetu wa ugawanyaji katika eneo hili kulingana na utegaji uchumi wenye busara na mauzo, na ari ya uuzaji.

Kampuni inaendelea kuwa mchangizi muhimu wa mapato ya serikali. Katika mwaka 2000 kundi la Firestone lililipa Shs. Milioni 672 kwa hazina ya kitaifa kama kodi, ushuru, ada na malipo.

Matokeo ya Kampuni

Upungufu unaoendelea katika uchumi umekuwa pigo kubwa kwa biashara kwa jumla na matokeo yake ni kuwa umepunguza sana uwezo wa kununua wa wateja. Kufuatana na hili, matokeo ya kampuni ya mwaka unaoishia tarehe 31 Desemba 2000 ni ya chini ya yale ya mwaka uliotangulia. Mapato ya Shs.bilioni 2.7 yalikuwa chini kwa asilimia 6 kutoka yale ya mwaka 1999 hasa kwa sababu ya bei za mauzo na vizuizi tofauti vya bidhaa, ambavyo vikiunganishwa na maongezeko makubwa katika gharama za nishati na gharama kubwa zaidi za malighafi, zilizosababishwa na bei za mafuta za ulimwengu zilizoongezeka na kupungua kwa thamani ya shilingi ya Kenya, kulikosababisha upungufu katika faida ya jumla.

Maghala ya Eldoret na Dar-es-salaam yalianzishwa katika mwaka na hili pia lilichangia katika gharama kubwa zaidi za uendeshaji. Matokeo ni kuwa, faida ya jumla ya kundi baada ya ulipaji ushuru wa Shs. Milioni 292 ilikuwa chini kwa asilimia 25 kuliko mwaka wa 1999.

Halmashauri ya wakurugenzi yapendekeza gawio la mwisho la Shs. 0.50 kwa kila hisa ambalo pamoja na gawio la muda la Shs. 0.50 kwa kila hisa lililolipwa Agosti, 2000 linaleta jumla ya gawio la mwaka kuwa Shs.1.00 kwa kila hisa ambalo liko katika viwango sawa kama mwaka uliopita.

Utengenezaji

Tuliendeleza msukumo wetu wa kuimarisha udhibiti wa ubora na shughuli za kudhibiti gharama za kiwandani. Karibu matumizi yote ya rasilimali yalikuwa ya kuendeleza ubora wa miradi kama vile mashine za kujaza upepo matairi, mashine ya kusawazisha nguvu za tairi na mashine za kuundia matairi. Na ziada, kiasi kikubwa kilitumiwa katika kununulia vielezo vya miundo mipya ya bidhaa.

Tumefanya juhudi kubwa na kupata matokeo ya ajabu katika mipango yetu ya kudhibiti na kupunguza gharama. Ijapokuwa gharama za nishati ziliongezeka kwa zaidi ya asilimia 55 na gharama za malighafi kwa asilimia 7, tuliweza kudhibiti gharama za kiwandani za tairi katika viwango vya mwaka 1999.

Kampuni ina uwezo na ufanisi wa gharama kutengenezesha matairi ya ubora mzuri kwa bei za mashindano. Nina fahari kuripoti kuwa tumefaulu kupata hati ya ISO 9002, ambayo kwa dhahiri inathibitisha msimamo huu na utatusaidia katika kuuza matairi yetu kote katika masoko ya nchini na ya kimataifa.

The opening of the Firestone Eldoret Branch

Mauzo na Uuzaji

Hatukukua katika mauzo ya kitengo kwa sababu ya hali ngumu ya kiuchumi hasa nchini Kenya na Uganda. Ijapokuwa, tuna imani kuwa kutokana na muungano wa eneo la soko la Afrika Mashariki tutaweza kufikia mauzo yalioongezeka.

Katika mwaka, maghala yetu ya Eldoret na Dar-es-salaam yaliendeshwa kwa ukamilifu, tulitekeleza mpango wa haki ya wauzaji na kuimarisha mauzo yetu ya magari kupitia kwa mabaraza ya wenye malori na shughuli nyingine zinazohusika na utangazaji.

Tulianzisha kwa ufaulu bidhaa mbili mpya-mfululizo wa 70 wa tairi la abiria la chuma lenye miali lisilokuwa na tyubu F570 na tairi linalopendelewa la lori T447 na tumeendeleza sana njia yetu ya kushughulikia madai kulikosababisha uridhikaji wa viwango vikuu wa wateja.

Sameer Industrial Park

Sameer Industrial Park imechangia Shs. Milioni 24 kwa faida za kundi kwa mwaka ikilinganishwa na Shs. milioni 23 mwaka uliopita. Kiwango cha umiliki kinabakia asilimia 96.

Gawio la Shs. Milioni 25 limetangazwa kutokana na mapato yaliyobakishwa ya kampuni yalipwe kwa kampuni mzazi, Firestone East Africa (1969) Limited

Siku za Mbeleni

Tunavyotazamia siku za mbeleni, nataka kuwahakikishia tena kuwa kampuni yenu ni thabiti kifedha yenye usimamizi wa busara na wa hadhari wa fedha na rasilimali. Pamoja na kuwepo kwetu kwa kutegemeka, na mfumo thabiti wa ugawanyaji katika eneo la Afrika Mashariki, tunashikilia nafasi imara ya kunufaika kutokana na nafasi zinazotokana na kuanzishwa tena kwa jumuia ya Afrika Mashariki. Kukiwa na ahadi ya kuondolewa vikwazo vya kiuchumi baina ya nchi hizi, tunabaki na matumaini kuwa matarajio ya ukuaji ni hakika katika masoko yetu ya usafirishaji, kote katika eneo la Afrika Mashariki na nchi za Comesa.

Tutaendelea tukibaki tumelenga kwenye majaribio yatakayo kuwepo mbele na kujitahidi kufanya vizuri zaidi. Tutaendelea mbele na njia yetu ya uvumbuzi katika kutengeneza bidhaa mpya na bora na tunapanga kuanzisha bidhaa mbili mpya mwaka huu-muundo wa tairi la nyuma la trakta P131 na muundo wa tairi la lori dogo T447.

Kwa kumalizia, ningependa kuwashukuru wakurugenzi wenzangu kwa ushauri wao unaothaminiwa, kila mmoja wa wateja wetu, wauzaji na wagawanyaji kwa usaidizi wao wa kibiashara katika mwaka na Usimamizi na Wafanyikazi kwa ushupavu na kujitolea kwao katika mwaka mgumu.

N.N. Merali, EBS, Mwenyekiti pamoja na Mkurugenzi

N.N. Merali, EBS
Mwenyekiti

Report of the Directors

to the members of the Firestone East Africa (1969) Limited

The directors submit their report together with the audited financial statements for the year ended 31 December 2000 which disclose the state of affairs of the group and the company.

Principal Activities
The principal activities of the group remained unchanged and comprise the manufacture, importation and sale of tyres and tubes and letting of premises in an export processing zone.

Results and Dividend
The net profit for the year of Shs 292,484,000 (1999: Shs 390,289,000) has been added to retained earnings.

During the year an interim dividend of Shs 139,171,200 (1999: Shs 139,171,200) was paid. The directors recommend the approval of a final dividend of Shs 139,171,200 (1999: Shs 139,171,200).

Financial Risk Management Objectives and Policies
The company's activities expose it to a variety of financial risks, including credit risk and the effects of changes in debt and equity market prices, 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 within the limited options available in Kenya to hedge against such risks.

The company has policies in place to ensure that sales are made to customers with an appropriate credit history.

Directors
The directors who held office during the year and to the date of this report were:

Mr. N.N. Merali (Chairman)
Mr. H. Yamazaki (Managing Director)
Mr. M.H. Da Gama-Rose
Mr. J. Kanyotu
Mr. T. Yano

In accordance with the Articles of Association, Mr. M.H. Da Gama-Rose retires by rotation and, being eligible, offers himself for re-election.

Substantial Shareholdings
The directors are aware of the following companies who held 5% or more of the issued share capital of the company:

Sameer Investments Limited
Bridgestone/Firestone Inc.

Audit Committee
In accordance with the requirement for companies listed on the Nairobi Stock Exchange, the company has appointed an Audit Committee comprising non-executive members of the Board and other professionals, who are independent of the day to day management of the company's operations. The Audit Committee will deal with all matters relating to the financial statements and internal control systems of the company in conjunction with the independent auditors.

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

By order of the Board

Issa Timamy
Secretary

16th February, 2001

Wakurugenzi wanawasilisha ripoti yao pamoja na taarifa zilizokaguliwa za kifedha kwa mwaka ulioishia na tarehe 31 Desemba 2000 ambayo inaarifu hali ya shughuli za kampuni na za kundi.

Shughuli kuu za Kampuni
Shughuli kuu za kundi hazikubadilika na ni utengenezaji, uingizaji wa bidhaa na uuzaji wa matairi, tyubu na ukodishaji wa majengo katika eneo la utengenezaaji wa bidhaanje (EPZ).

Matokeo na Faida
Faida ya jumla ya mwaka ya Shs 292,484,000 (1999: Shs 390,289,000)imeongezwa kwenye mapato yaliobakishwa.

Katika mwaka mgawo wa faida ya muda ya Shs 139,171,200 (1999: Shs 139,171,200) ililipwa. Wakurugenzi wapendekeza idhini ya mgawo wa faida ya mwisho ya Shs 139,171,200 (1999: Shs 139,171,200).

Malengo na Sera za Usimamizi wa Hatari ya Kifedha
Shughuli za kampuni zinaiacha wazi kwa hatari tofauti za kifedha, pamoja na hatari ya mkopo na athari za mabadiliko katika deni na bei sawa za soko, viwango vya ubadilishanaji wa fedha za kigeni na viwango vya riba. Mpango wa jumla wa kampuni wa usimamizi wa hatari unalenga kwenye kutotabirika kwa masoko ya kifedha na unatafuta kupunguza athari mbaya zinazoweza kutokea kwenye utendaji wake wa kifedha miongoni mwa uchaguzi mchache uliopo Kenya kujikinga kutokana na hatari kama hizo.

Kampuni imeunda sera kuhakikisha kuwa mauzo yanauzwa kwa wateja wenye historia ya mkopo ifaayo.

Wakurugenzi
Wakurugenzi walioshikilia afisi katika mwaka na mpaka tarehe ya ripoti hii walikuwa
Bw. N.N.Merali (Mwenyekiti)
Bw. H. Yamazaki(Mkurugenzi Msimamizi)
Bw. M.H.Da Gama-Rose
Bw. J. Kanyotu
Bw. T. Yano

Kufuatana na masharti na kanuni za kampuni, Bw. M.H. Da Gama-Rose anastaafu kwa zamu, na, kwa kuwa anastahili anajitolea kuchaguliwa tena.

Umilikaji wa Hisa Nyingi
Wakurugenzi wanafahamu kuhusu makampuni yanayofuata yanayomiliki asilimia 5 au zaidi ya rasilimali ya hisa zilizotolewa za kampuni.

Sameer Investments Limited
Bridgestone/ Firestone Inc.

Kamati ya Ukaguzi
Kulingana na hitaji la makampuni yalioorodheshwa katika soko la hisa la Nairobi,kampuni imechagua kamati ya wakaguzi wasiokuwa wanachama watendaji wa halmashauri na weledi wengine, ambao wako huru na shughuli za siku kwa siku za uendeshaji wa shughuli za kampuni.Kamati ya ukaguzi itashughulika na mambo yote yanayohusiana na taarifa za kifedha na mifumo ya udhibiti ya ndani ya kampuni pamoja na wakaguzi huru wa fedha.

Wakaguzi wa Hesabu
Wakaguzi wa hesabu wa kampuni, PricewaterhouseCoopers,wanaendelea kuwa wakaguzi kuambatana na sehemu 159(2) ya sheria za makampuni.

Kwa amri ya Halmashauri

Issa Timamy
Katibu wa Kampuni

16 Februari, 2001

Report of the Auditors

to the members of the Firestone East Africa (1969) Limited

We have audited the financial statements set out on pages 11 to 28. We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit. The company's balance sheet is in agreement with the books of account.

Respective responsibilities of directors and auditors

The directors are responsible for the preparation of financial statements which give a true and fair view of the state of affairs of the group and the company and its profit or loss. Our responsibility is to express an independent opinion on the financial statements based on our audit and to report our opinion to you.

Basis of opinion

We conducted our audit in accordance with International Standards on Auditing. 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 financial affairs of the group and the company at 31 December 2000 and of the profit and cash flows of the group for the year then ended and comply with International Accounting Standards and the Kenyan Companies Act.

PricewaterhouseCoopers
Certified Public Accountants
Nairobi

16th February, 2001

Ripoti Wa Wakaguzi

Kwa wanachama wa Firestone East Africa (1969) Limited

Tumekagua taarifa za kifedha zilizoonyeshwa katika ukurasa 11 hadi 28. Tumepata habari na maelezo yote ambayo kwa kadri tunavyojua na kuamini yalihitajika kutekeleza ukaguzi wetu. Taarifa za fedha zinakubaliana na vitabu vya hesabu.

Majukumu Binafsi ya Wakurugenzi na Wakaguzi wa Hesabu

Wakurugenzi wana jukumu la kutayarisha taarifa za fedha zinazotoa picha ya kweli na isiyo ya kupendelea ya hali ya shughuli za kampuni na za kundi pamoja na faida na hasara yake. Jukumu letu ni kutoa maoni yasiyo ya mapendeleo kuhusu taarifa za fedha kufuatia ukaguzi wetu na kuwajulisha maoni yetu.

Jinsi Tulivyofikia Maoni Yetu

Tulifanya ukaguzi wetu kwa kufuatana na viwango vya ukaguzi wa hesabu vya kimataifa. Viwango hivyo vinahitaji kuwa tupange na kutekeleza ukaguzi wetu ili kupata uhakika ufaao kuwa taarifa hizo za fedha hazina makosa. Ukaguzi unahusu upimaji ili kupata ushahidi unaothibitisha kiasi kinachoonyeshwa katika taarifa za fedha, pia kupima mbinu zilizotumika na makadirio muhimu yaliofanywa na wakurugenzi na pia utathmini wa wasilisho la taarifa za fedha kwa jumla.

Maoni

Kwa maoni yetu, vitabu vya hesabu vimewekwa kwa njia sahihi na taarifa za fedha zinaeleza kwa ukweli na bila ya upendeleo hali ya shughuli za kifedha za kundi na za kampuni kufikia tarehe 31 Desemba 2000 na za faida na mapato halisi ya kundi kwa mwaka ulioishia tarehe hio na zinakubaliana na viwango vya hesabu vya kimataifa na sheria za makampuni za Kenya.

PriceWaterHouseCoopers
Kampuni ya Wahasibu
Nairobi

16 Februari, 2001

Consolidated Profit and Loss Account

for the year ended 31 December 2000

	Notes	2000 Shs'000	1999 Shs'000
Sales	1	**2,686,256**	**2,843,187**
Cost of sales		**(1,745,727)**	(1,743,896)
Gross profit		**940,529**	**1,099,291**
Other operating income		**31,725**	27,931
Distribution costs		**(32,483)**	(45,166)
Administrative expenses		**(128,029)**	(118,236)
Other operating expenses		**(392,115)**	(335,574)
Operating profit	2	**419,627**	**628,246**
Finance costs	4	**(23,215)**	(51,301)
Profit before tax		**396,412**	**576,945**
Tax	5	**(103,928)**	(186,656)
Net Profit attributable to the shareholders	6	**292,484**	**390,289**
		Shs	**Shs**
Earnings per share			
- basic	7	**1.05**	1.40
- diluted	7	**1.05**	1.40
		Shs'000	**Shs'000**
Dividends:			
Interim dividends - paid in the year	8	**139,171**	139,171
Proposed final dividend for the year	8	**139,171**	139,171
		278,342	278,342

Report of the auditors - page 10.

Statement of principal accounting policies - pages 17 to 18.

The notes on pages 19 to 28 form part of these accounts.

Consolidated Balance Sheet

as at 31 December 2000

	Notes	2000 Shs'000	1999 Shs'000
CAPITAL EMPLOYED			
Share capital	9	**1,391,712**	1,391,712
Translation reserve	10	**(2,047)**	447
Retained earnings		**492,353**	478,211
Proposed dividends	8	**139,171**	139,171
Shareholders' funds		**2,021,189**	**2,009,541**
Non-current liabilities			
Deferred tax	12	**77,108**	113,062
Provisions for liabilities and charges	13	**52,144**	36,421
		129,252	149,483
		2,150,441	**2,159,024**
REPRESENTED BY			
Non-current assets			
Property, plant and equipment	14(a)	**995,134**	1,108,302
Investment property	15	**95,440**	95,440
		1,090,574	1,203,742
Current assets			
Inventories	17	**1,123,516**	1,157,180
Trade and other receivables	18	**392,671**	429,556
Cash and cash equivalents	19	**133,547**	58,444
		1,649,734	1,645,180
Current liabilities			
Trade and other payables	20	**550,205**	429,052
Current tax		**19,662**	12,547
Borrowings	11	**20,000**	248,299
		589,867	689,898
Net current assets		**1,059,867**	**955,282**
		2,150,441	**2,159,024**

The financial statements on pages 11 to 28 were approved by the board of directors on 16th February, 2001 and signed on its behalf by:

Mr. N.N. Merali, EBS, Chairman
Mr. H. Yamazaki, Managing Director

Report of the auditors - page 10.
Statement of principal accounting policies - pages 17 to 18.
The notes on pages 19 to 28 form part of these accounts.

	Notes	2000 Shs'000	1999 Shs'000
CAPITAL EMPLOYED			
Share capital	9	**1,391,712**	1,391,712
Retained earnings		**515,885**	524,392
Proposed dividends	8	**139,171**	139,171
Shareholders' funds		**2,046,768**	**2,055,275**
Non-current liabilities			
Deferred tax	12	**79,485**	113,062
Provisions for liabilities and charges	13	**52,144**	36,421
		131,629	149,483
		2,178,397	**2,204,758**
REPRESENTED BY			
Non-current assets			
Property, plant and equipment	14(b)	**955,972**	1,070,785
Other investments	16	**152,227**	152,984
		1,108,199	1,223,769
Current assets			
Inventories	17	**908,927**	1,053,236
Trade and other receivables	18	**640,721**	623,814
Cash and cash equivalents	19	**107,854**	31,014
		1,657,502	1,708,064
Current liabilities			
Trade and other payables	20	**551,410**	466,160
Current tax		**15,894**	12,616
Borrowings	11	**20,000**	248,299
		587,304	727,075
Net current assets		**1,070,198**	**980,989**
		2,178,397	**2,204,758**

The financial statements on pages 11 to 28 were approved by the board of directors on 16th February, 2001 and signed on its behalf by:

Mr. N.N. Merali, EBS, Chairman
Mr. H. Yamazaki, Managing Director

Report of the auditors - page 10.
Statement of principal accounting policies - pages 17 to 18.
The notes on pages 19 to 28 form part of these accounts.

Consolidated Statement of Changes in Equity

for the year ended 31 December 2000

	Notes	Share capital Shs'000	Retained earnings Shs'000	Translation reserve Shs'000	Proposed dividends Shs'000	Total Shs'000
Year ended 31 December 1999						
Balance at 1 January						
As previously stated		1,391,712	302,712	-	-	1,694,424
Prior year adjustment						
- deferred tax	12	-	63,552	-	-	63,552
- proposed dividend	8	-	-	-	194,840	194,840
As restated		1,391,712	366,264	-	194,840	1,952,816
Currency translation differences	10	-	-	447	-	447
Net profit		-	390,289	-	-	390,289
Dividends:						
- 1998 final paid		-	-	-	(194,840)	(194,840)
- Interim for 1999	8	-	(139,171)	-	-	(139,171)
- Proposed final for 1999	8	-	(139,171)	-	139,171	-
Balance at 31 December 1999		**1,391,712**	**478,211**	**447**	**139,171**	**2,009,541**
Year ended 31 December 2000						
At 1 January 2000						
As previously stated		1,391,712	414,659	447	-	1,806,818
Prior year adjustment						
- deferred tax	12	-	63,552	-	-	63,552
- proposed dividend	8	-	-	-	139,171	139,171
As restated		1,391,712	478,211	447	139,171	2,009,541
Currency translation differences	10	-	-	(2,494)	-	(2,494)
Net profit		-	292,484	-	-	292,484
Dividends:						
- 1999 final paid		-	-	-	(139,171)	(139,171)
- Interim for 2000	8	-	(139,171)	-	-	(139,171)
- Proposed final for 2000	8	-	(139,171)	-	139,171	-
Balance at 31 December 2000		**1,391,712**	**492,353**	**(2,047)**	**139,171**	**2,021,189**

	Notes	Share capital Shs'000	Retained earnings Shs'000	Proposed dividends Shs'000	Total Shs'000
Year ended 31 December 1999					
Balance at 1 January					
As previously stated		1,391,712	323,995	-	1,715,707
Prior year adjustment					
- deferred tax	12	-	63,552	-	63,552
- proposed dividend	8	-	-	194,840	194,840
As restated		1,391,712	387,547	194,840	1,974,099
Net profit		-	415,187	-	415,187
Dividends:					
- 1998 final paid		-	-	(194,840)	(194,840)
- Interim for 1999	8	(139,171)	-	-	(139,171)
- Proposed final for 1999	8	(139,171)	-	139,171	-
Balance at 31 December 1999		**1,391,712**	**524,392**	**139,171**	**2,055,275**
Year ended 31 December 2000					
At 1 January 2000					
As previously stated		1,391,712	460,840	-	1,852,552
Prior year adjustment					
- deferred tax	12	-	63,552	-	63,552
- proposed dividend	8	-	-	139,171	139,171
As restated		1,391,712	524,392	139,171	2,055,275
Net profit		-	269,835	-	269,835
Dividends:					
- 1999 final paid		-	-	(139,171)	(139,171)
- Interim for 2000	8	-	(139,171)	-	(139,171)
- Proposed final for 2000	8	-	(139,171)	139,171	-
Balance at 31 December 2000		**1,391,712**	**515,885**	**139,171**	**2,046,768**

Consolidated Cash Flow Statement

for the year ended 31 December 2000

	Notes	2000 Shs'000	1999 Shs'000
Operating activities			
Cash generated from operations	23	**795,994**	589,631
Interest received		**1,559**	1,362
Interest paid		**(17,869)**	(21,590)
Tax paid		**(132,767)**	(185,384)
Net cash from operating activities		**646,917**	384,019
Investing activities			
Purchase of property, plant and equipment	14(a)	**(106,982)**	(246,183)
Proceeds from disposals of plant and equipment		**5,885**	7,990
Rent received		**45,323**	34,327
Net cash used in investing activities		**(55,774)**	(203,866)
Financing activities			
Dividends paid		**(278,342)**	(334,011)
Net cash used in financing activities		**(278,342)**	(334,011)
Increase/(decrease) in cash and cash equivalents		**312,801**	**(153,858)**
Movement in cash and cash equivalents			
At 1 January		**(189,855)**	(5,371)
Increase/(decrease) in cash and cash equivalents		**312,801**	(153,858)
Exchange differences:			
Translation of net investment in foreign subsidiary		**(2,494)**	447
Other movements		**(6,905)**	(31,073)
At 31 December	19	**113,547**	**(189,855)**

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, which have been adopted with effect from 1 January 1999.

The financial statements are presented in Kenya Shillings (Shs) and prepared under the historical cost convention.

(b) Consolidation

The consolidated financial statements include the financial statements of Firestone East Africa (1969) Limited and its subsidiaries up to 31 December. All intra-group transactions are eliminated in full on consolidation and the unrealised profit on stocks held by the subsidiaries at the accounting date is also eliminated.

Income statements of foreign subsidiaries are translated into Kenya Shillings at average exchange rates for the year and the balance sheets are translated at year end exchange rates. Exchange differences arising from the retranslation of the net investment in foreign subsidiaries are taken to the translation reserve in shareholders' equity.

(c) Revenue recognition

Sales are recognised upon delivery of products and performance of services, and are stated net of VAT and discounts. Interest and rental income is recognised on an accruals basis.

(d) Translation of foreign currencies

Foreign currency transactions in Group companies are accounted for at the exchange rates prevailing at the date of the transactions: gains and losses resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies, are recognised in the profit and loss account. Such balances are translated at year-end exchange rates and differences arising therefrom dealt with in the profit and loss account.

(e) Investments

Non-current investments are shown at cost and provision is only made where, in the opinion of the Directors, there is a permanent diminution in value. Where there has been a permanent diminution in the value of an investment, it is recognised as an expense in the period in which the diminution is identified.

On disposal of an investment, the difference between the net disposal proceeds and the carrying amount is charged or credited to the profit and loss account.

(f) Property, plant and equipment

All property, plant and equipment is initially recorded at cost and is stated at historical cost less depreciation.

Depreciation is calculated on a straight line basis to write down the cost of each asset to its residual value over its estimated useful life as follows:

Leasehold land	-	over the remaining useful life of the lease
Factory and office buildings	-	25 years
Machinery and equipment	-	8 years
Molds, computers and software developments costs	-	3 years
Motor vehicles	-	4 years
Office furniture and fixtures	-	8 years

Depreciation is charged on additions from the month following that in which the asset concerned is brought into use.

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

	2000 Shs'000	1999 Shs'000
1 Sales		
Tyres & Tubes	**2,686,256**	2,843,187

2 Operating profit

The following items have been charged in arriving at the operating profit:

	2000 Shs'000	1999 Shs'000
Depreciation on property, plant and equipment (Note 14(a))	**219,115**	188,242
Staff costs (note 3)	**281,511**	348,185
Auditors' remuneration	**2,050**	1,865
(Parent company: Shs 1,550,000, 1999: Shs 1,550,000)		
Directors' remuneration:		
- fees	**2,496**	2,496
- other	**31,441**	34,816

3 Staff costs

The following items are included within staff costs:

	2000 Shs'000	1999 Shs'000
Termination benefits	**6,339**	39,416
Pension costs - defined contribution plans	**5,838**	5,503

	2000 Number	1999 Number
The number of persons employed by the company at the year end was:		
Full time	**651**	676
Part time	**18**	7

	2000 Shs'000	1999 Shs'000
4 Finance cost/(income)		
Interest income	**(1,559)**	(1,362)
Net foreign exchange loss	**6,905**	31,073
Interest expense	**17,869**	21,590
	23,215	51,301

	2000 Shs'000	1999 Shs'000
5 Tax		
Current tax	**139,882**	195,329
Deferred tax (Note 12)	**(35,954)**	(8,673)
	103,928	186,656

The tax on the group's profit before tax differs from the theoretical amount that would arise using the basic tax rate as follows:

	2000 Shs'000	1999 Shs'000
Profit before tax	**396,412**	576,945
Tax calculated at a tax rate of 30% (1999 - 32.5%)	**118,924**	187,507
Tax effect of:		
Income exempt from tax	**(15,481)**	(7,533)
Expenses not deductible for tax purposes	**2,740**	14,640
Effect of change in tax rate	**-**	(8,669)
Underprovision prior years	**578**	-
Deferred tax not booked	**-**	711
Other	**(2,833)**	-
Tax charge	**103,928**	186,656

Further information about deferred tax is presented in Note 12.

6 Profit attributable to the shareholders

Included in profit attributable to shareholders is Shs 269,835,704 (1999: Shs 415,187,000) which is dealt with in the financial statements of the parent company.

7 Earnings per share

The basic earning per share of Shs1.05 (1999: Shs 1.40) each are calculated by reference to the profit of the group after tax of Shs 292,484,626 (1999: Shs 390,288,561) based on 278,342,400 shares in issue. There were no potentially dilutive shares outstanding at 31 December 2000 or 1999.

8 Dividends per share

Proposed dividends are accounted for as a seperate component of equity until they have been ratified at the annual general meeting.

At the annual general meeting to be held on 30 March 2001, a final dividend in respect of the year ended 31 December 2000 of Shs 0.50 per share amounting to a total of Shs 139,171,200 is to be proposed. During the year an interim dividend of Shs 0.50 per share amounting to a total of Shs 139,171,200 was paid. The total dividend for the year is therefore Shs 1.00 per share (1999: Shs 1.00), amounting to a total of Shs 278,342,400 (1999: Shs 278,342,400).

Payment of dividends is subject to withholding tax at the rate of 5% and 10% depending on the residence of the respective shareholders.

9 Share capital

	Number of shares	Ordinary shares Shs'000
Balance at 1 January 2000 and at 31 December 2000	278,342,400	1,391,712

The total authorised number of ordinary shares is 300,000,000 with a par value of Shs 5.00 per share. All issued shares are fully paid.

10 Translation reserve

	2000 Shs'000	1999 Shs'000
Balance at 1 January	**447**	-
Currency translation differences	**(2,494)**	447
Balance at 31 December	**(2,047)**	447

The translation reserve relates to currency differences arising from the translation of net investment in foreign subsidiaries.

11 Borrowings (The Group and Company)

Total borrowings - current	**20,000**	248,299

The borrowings all of which are unsecured, are in respect of bank overdrafts.

	2000	1999
Weighted average effective interest rates:		
- bank overdrafts	**9%**	13%

The facilities expiring within one year are annual facilities subject to review at various dates during the year.

In the opinion of the directors, the carrying amounts of bank overdrafts approximate to their fair value. Fair values are based on discounted cash flows using a discount rate based upon the borrowing rate that directors expect would be available to the company at the balance sheet date.

In the opinion of the directors, it is impracticable to assign fair values to the company's long term liabilities due to inability to forecast interest rate and foreign exchange rate changes.

12 Deferred Tax

Deferred tax is calculated on all temporary differences under the liability method using a principal tax rate of 30% (1999: 30.0%). The movement on the deferred tax account is as follows:

	2000 Shs'000	1999 Shs'000
The Group		
At beginning of the year		
- as previously stated	**176,614**	185,287
- prior year adjustment on over-provision of deferred tax	**(63,552)**	(63,552)
- as restated	**113,062**	121,735
Income statement credit (Note 5)	**(35,954)**	(8,673)
At end of the year	**77,108**	113,062
The Company		
At beginning of the year		
- as previously stated	**176,614**	185,287
- prior year adjustment on over-provision of deferred tax	**(63,552)**	(63,552)
- as restated	**113,062**	121,735
Income statement credit	**(33,577)**	(8,673)
At end of the year	**79,485**	113,062

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

	1.1.2000 Shs'000	Charged/ (credited) to P&L Shs'000	31.12.2000 Shs'000
The Group			
Deferred tax liabilities			
Accelerated tax depreciation	123,516	(24,485)	**99,031**
Other deductible temporary differences	1,509	(1,509)	**-**
	125,025	(25,994)	**99,031**
Deferred tax assets			
Provisions	(11,963)	(5,308)	**(17,271)**
Other deductible temporary differences	-	(4,652)	**(4,652)**
	(11,963)	(9,960)	**(21,923)**
Net deferred tax liability	**113,062**	**(35,954)**	**77,108**

12 Deferred Tax (continued)

	1.1.2000	Charged/ (credited) to P&L	31.12.2000
	Shs'000	Shs'000	Shs'000
The Company			
Deferred tax liabilities			
Accelerated tax depreciation	123,516	(26,406)	**97,110**
Other deductible temporary differences	1,509	(1,509)	**-**
	125,025	(27,915)	**97,110**
Deferred tax assets			
Provisions	(11,963)	(5,308)	**(17,271)**
Other deductible temporary differences	-	(354)	**(354)**
	(11,963)	(5,662)	**(17,625)**
Net deferred tax liability	**113,062**	**(33,577)**	**79,485**

13 Provisions for liabilities and charges (Group and Company)

	2000	1999
	Shs'000	Shs'000
Gratuity Awards:		
At 1 January	**36,421**	35,225
Additional provisions	**15,723**	24,574
Utilised during the year	**-**	(23,378)
At 31 December	**52,144**	36,421

Provisions for gratuity awards are based on services rendered by employees up to 31 December 2000.

14 Property, plant and equipment

(a) Group

	Land & buildings Shs'000	Plant & machinery Shs'000	Vehicles & equipment Shs'000	Capital WIP Shs'000	Total Shs'000
Cost					
At 1 January 2000	311,573	1,379,814	293,761	18,987	2,004,135
Additions	-	-	24,620	82,362	106,982
Disposals	-	(549)	(32,821)	-	(33,370)
Transfers	3,072	63,515	-	(66,587)	-
At 31 December 2000	314,645	1,442,780	285,560	34,762	2,077,747
Depreciation					
At 1 January 2000	62,563	652,042	181,228	-	895,833
Charge for the year	10,674	143,288	65,153	-	219,115
On disposals	-	(315)	(32,020)	-	(32,335)
At 31 December 2000	73,237	795,015	214,361	-	1,082,613
Net book amount					
At 31 December 2000	**241,408**	**647,765**	**71,199**	**34,762**	**995,134**
At 31 December 1999	249,010	727,772	112,533	18,987	1,108,302

(b) Company

	Land & buildings Shs'000	Plant & machinery Shs'000	Vehicles & equipment Shs'000	Capital WIP Shs'000	Total Shs'000
Cost					
At 1 January 2000	281,692	1,379,612	283,858	18,987	1,964,149
Additions	-	-	18,401	81,677	100,078
Disposals	-	(549)	(32,821)	-	(33,370)
Transfers	2,387	63,515	-	(65,902)	-
At 31 December 2000	284,079	1,442,578	269,438	34,762	2,030,857
Depreciation					
At 1 January 2000	62,563	651,056	179,745	-	893,364
Charge for the year	9,120	143,286	61,450	-	213,856
On disposals	-	(315)	(32,020)	-	(32,335)
At 31 December 2000	71,683	794,027	209,175	-	1,074,885
Net book amount					
At 31 December 2000	**212,396**	**648,551**	**60,263**	**34,762**	**995,972**
At 31 December 1999	219,129	728,556	104,113	18,987	1,070,785

		2000 Shs'000	1999 Shs'000
15	**Investment property**		
	Investment property comprises rental property at the Sameer Export Processing Zone and is stated at cost	**95,440**	95,440

		2000 Shs'000	1999 Shs'000
16	**Other investments**		
	Other investments comprise investments in the shares of wholly owned subsidiary companies at cost as follows:		
	Sameer Industrial Park Limited	**120,000**	120,000
	Firestone East Africa (Uganda) Limited	**32,129**	32,891
	Firestone East Africa (Tanzania) Limited	**98**	93
		152,227	152,984

The details of the subsidiary companies are as follows:

Company	**Share Capital**	**Country of incorporation**	**Principal activity**
Sameer Industrial Park Limited	K.Shs 120,000,000	Kenya	Letting of premises as an Export Processing Zone
Firestone E.A (Uganda) Ltd	U.Shs 685,000,000	Uganda	Distribution of tyres and tubes
Firestone E.A (Tanzania) Ltd	T.Shs 1,000,000	Tanzania	Distribution of tyres and tubes

17 Inventories

	Group		Company	
	2000 Shs'000	**1999 Shs'000**	**2000 Shs'000**	**1999 Shs'000**
Raw materials (at cost)	**206,598**	380,407	**206,598**	380,407
Stores and supplies (at cost)	**63,798**	93,633	**63,798**	93,933
Work in progress (at cost)	**54,340**	30,460	**54,340**	30,460
Finished goods (at cost)	**798,780**	652,680	**584,191**	548,436
	1,123,516	1,157,180	**908,927**	1,053,236

18 Trade and other receivables

Trade receivables	**337,578**	392,241	**269,895**	375,116
Prepayments	**19,500**	11,367	**4,905**	7,761
Receivables from subsidiary (Note 24)	-	-	**328,582**	188,005
Dividend receivable from subsidiary	-	-	**25,000**	40,000
Other receivables	**35,593**	25,948	**12,339**	12,932
	392,671	429,556	**640,721**	623,814

19 Cash and cash equivalents

	Group		Company	
	2000 Shs'000	**1999 Shs'000**	**2000 Shs'000**	**1999 Shs'000**
Cash at bank and in hand	**133,547**	58,444	**107,854**	31,014

For the purposes of the consolidated cash flow statement, the year end cash and cash equivalents comprise the following:

Cash and bank balances as above	**133,547**	58,444
Bank overdrafts (Note 11)	**(20,000)**	(248,299)
	(113,547)	(189,855)

20 Trade and other payables

Trade payables	**467,275**	351,244	**429,589**	339,612
Amounts due to related companies (Note 24)	-	-	**49,989**	57,323
VAT payable	**22,784**	24,106	**22,784**	24,106
Accrued expenses	**60,146**	53,702	**49,048**	45,119
	550,205	429,052	**551,410**	466,160

21 Contingent liabilities

At 31 December 2000 the company had contingent liabilities in respect of bank and other guarantees and other matters arising in the ordinary course of business amounting to Shs 13,297,080 (1999: Shs 13,297,080).

22 Commitments

Capital commitments

Capital expenditure contracted for at the balance sheet date but not recognised in the financial statements is as follows:

	2000 Shs'000	**1999 Shs'000**
Property, plant and equipment:		
Authorised and contracted for	**159,780**	90,000

23 Cash generated from operations

Reconciliation of profit before tax to cash generated from operations:

	2000 Shs'000	1999 Shs'000
Profit before tax	**396,412**	576,945
Depreciation (note 14(a))	**219,115**	188,242
Profit on sale of property, plant and equipment	**(4,850)**	(4,216)
Interest income (note 4)	**(1,559)**	(1,362)
Investment income - rent received	**(45,323)**	(34,327)
Interest expense (note 4)	**17,869**	21,590
Changes in working capital		
- trade and other receivables	**36,885**	40,732
- inventories	**33,664**	(167,614)
- trade and other payables	**121,153**	(62,628)
- provision for liabilities and charges	**15,723**	1,196
Effects of exchange rate movement	**6,905**	31,073
Cash generated from operations	**795,994**	589,631

24 Related party transactions

The ultimate parent company is Sameer Investments Limited, a company incorporated in Kenya. There are three other companies which are related to Firestone East Africa (1969) Limited through common shareholdings or common directorships.

The following transactions were carried out by the company with related parties:

	2000 Shs'000	1999 Shs'000
(a) Sale of goods and services		
Subsidiary company:		
Firestone East Africa (Uganda) Limited	**327,004**	348,210
Firestone East Africa (Tanzania) Limited	**177,688**	-
(b) Purchase of goods and services		
Bridgestone/Firestone group	**173,713**	383,385

Sales and purchases to/from related parties were made at terms and conditions similar to those offered to/received from major customers/suppliers.

24 Related party transactions (continued)

		2000 Shs'000	1999 Shs'000
(c)	**Receipts from and payments on behalf of subsidiary company**		
	Sameer Industrial Park Limited	**49,989**	57,323
(d)	**Outstanding balances arising from sale of goods/services**		
	Receivables from :		
	Firestone East Africa (Uganda) Limited	**180,888**	178,962
	Firestone East Africa (Tanzania) Limited	**147,694**	9,043
		328,582	188,005

25 Country of incorporation and registered office

The company is incorporated in Kenya under the Companies Act and domiciled in Kenya. The address of its registered office is:

LR NO. 12081, Mombasa Road
P.O. Box 30429
NAIROBI

Group Five Year Financial Record

	1996 Shs'000	1997 Shs'000	1998 Shs'000	1999 Shs'000	**2000 Shs'000**
CONSOLIDATED PROFIT AND LOSS SUMMARY					
Turnover	3,617,715	3,449,463	3,280,145	2,843,187	**2,686,256**
Group operating profit	1,022,619	937,557	901,241	576,945	**396,412**
Taxation	(332,981)	(267,036)	(311,270)	(186,656)	**(103,928)**
Profit after taxation	689,638	670,521	589,971	390,289	**292,484**
Dividends (gross)	(463,904)	(463,904)	(417,514)	(278,342)	**(278,342)**
Retained profit transferred to revenue reserve	225,734	206,617	172,457	111,947	**14,142**
Earnings per share (Shs)	2.48	2.41	2.12	1.40	**1.05**
Dividend per share (Shs)	1.67	1.67	1.50	1.00	**1.00**
Shares in issue ('000s)	278,342	278,342	278,342	278,342	**278,342**
CONSOLIDATED BALANCE SHEET SUMMARY					
Non-current assets:					
Fixed assets	593,018	932,145	1,054,135	1,108,302	**995,134**
Investments	95,440	95,440	95,440	95,440	**95,440**
	688,458	1,027,585	1,149,575	1,203,742	**1,090,574**
Current assets:					
Stocks and work-in-progress	1,009,955	990,253	989,566	1,157,180	**1,123,516**
Debtors	334,751	365,373	470,288	429,556	**392,671**
Bank balances and cash	119,178	113,521	48,498	58,444	**133,547**
	1,463,884	1,469,147	1,508,352	1,645,180	**1,649,734**
Current liabilities:					
Bank overdraft	133,986	60,726	53,869	248,299	**20,000**
Creditors	367,406	486,179	526,905	465,473	**602,349**
Taxation	24,245	(13,388)	2,602	12,547	**19,662**
Dividends payable	148,449	278,342	194,840	139,171	**139,171**
	674,086	811,859	778,216	865,490	**781,182**
Net current assets	789,798	657,288	730,136	779,690	**868,552**
Non-current liabilities:					
Deferred taxation	-	-	(185,287)	(113,062)	**(77,108)**
NET ASSETS	1,478,256	1,684,873	1,694,424	1,870,370	**1,882,018**
Capital employed:					
Share capital	927,808	927,808	1,391,712	1,391,712	**1,391,712**
Retained profits	550,448	757,065	302,712	478,211	**492,353**
Translation reserve	-	-	-	447	**(2,047)**
SHAREHOLDERS' FUNDS	1,478,256	1,684,873	1,694,424	1,870,370	**1,882,018**

Note: The comparative figures for 1996 and 1997 have not been restated for the effect of adoption of International Accounting Standard (IAS).

Tu[illegible]

[illegible] Quality Control - [illegible]ic Balance[illegible]

1st stage building of passenger radial

Form of Proxy

I/We ....

of .... being (a) member/s of Firestone East Africa (1969) Limited,

do hereby appoint .... or

failing him/her, the duly appointed Chairman of the meeting to be my/our Proxy, to vote for me/us at the Annual General Meeting of the Company to be held at the Company's Sameer Industrial Park premises off Mombasa Road, Nairobi, on Friday, 30th March, 2001 and at any adjournment thereof.

As witness my/our hand(s) this .... day of .... 2001.

Signature ....

Unless otherwise indicated, the Proxy will vote as he/she thinks fit.

Notes: 1. To be valid this proxy must be deposited at the Registered Office of the Company not less than 24 hours before the time appointed for holding the meeting.

2. If the appointer is a corporation, the proxy must be executed under its common seal or under the hands of an officer or Attorney duly authorised in writing.

Fomu ya Uakilishi

Mimi/Sisi ....

wa .... nikiwa/tukiwa mwanachama/wanachama wa Firestone East

Africa (1969) Limited, namchagua/twamchagua ....
au akikosa yeye, Mwenyekiti aliyechaguliwa kuwa kama mwakilishi wangu/wetu, kupiga kura kwa niaba yangu/yetu kwenye mkutano mkuu wa mwaka wa kampuni utakaofanyika katika majengo ya kampuni ya Sameer Industrial Park, kando ya Mombasa Road, Nairobi, siku ya Ijumaa tarehe 30 Machi 2001 na kwenye uahirishwaji wake wowote.

Kama ushahidi wangu/wetu hii siku ya .... mwezi wa .... 2001.

Sahihi ....

Isipokuwa ikishauriwa vingine, mwakilishi atapiga kura anavyofikiria mwenyewe.

Maelezo: 1. Ili kuwa halali, fomu hii ya uakilishi lazima ifikishwe kwenye afisi ilioandikishwa ya kampuni kwa muda usiopungua masaa ishirini na nne kabla ya wakati uliochaguliwa wa kufanya mkutano.

2. Ikiwa mwanachama ni shirika, uwakilishi uwe kwenye muhuri wa kawaida au kwa idhini ya afisaa au mwanasheria alioidhinishwa kwa maandishi.

FOLD

The Secretary
Firestone East Africa (1969) Limited
P. O. Box 30429
Nairobi
Kenya

FOLD