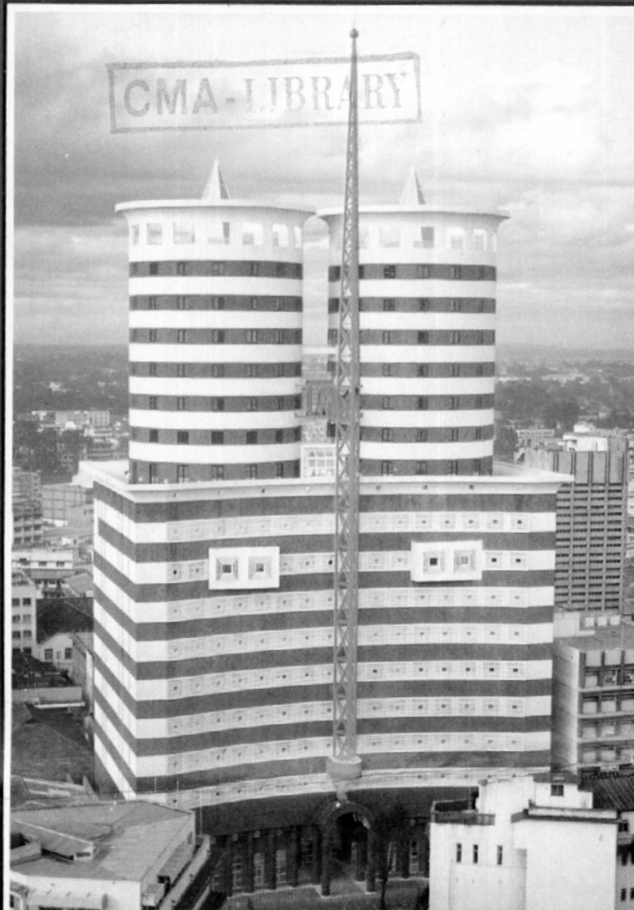


Annual Report and Accounts 1993

DIAMOND
TRUST

Notice of Annual General Meeting

Notice is hereby given that the Twenty-eighth Annual General Meeting of the Shareholders of Diamond Trust of Kenya Limited will be held at the Company's Registered Office, 8th Floor, Nation Centre, Kimathi Street, Nairobi, on Friday, April 22, 1994, at 11.00 a.m. to transact the following business:

1. *To confirm the Minutes of the Twenty-seventh Annual General Meeting held on April 23, 1993.*

2. *To receive, consider and, if thought fit, adopt the Accounts for the year ended December 31, 1993, together with the Directors' and Auditors' Reports thereon.*

3. *To confirm payment of the interim dividend of 15% on the Paid-up Share Capital of KShs.169.6 million made on August 31, 1993, and approve payment of a final dividend of 20% on the Paid-up Capital of KShs.169.6 million to Shareholders registered in our books as at April 25, 1994, on or about May 24, 1994, as recommended by the Board.*

4. *To elect Directors: In accordance with Articles No.93 and 94 of the Company's Articles of Association, Mr. Nurdin Gulamhussein Ajania and Mr. William Brian Robinson are due for retirement by rotation and, being eligible, offer themselves for re-election.*

5. *To approve the Directors' fees.*

6. *To note that the Company's Auditors, Messrs Kassim-Lakha Abdulla & Company, being eligible, continue in office in accordance with Section 159(2) of the Companies Act (Cap.486) and Section 24(1) of the Banking Act, 1989.*

7. *To note the Auditors' remuneration for the year 1993 and to authorise the Directors to fix the Auditors' remuneration for the year 1994.*

8. *To transact any other Ordinary Business of an Annual General Meeting.*

Special Business

9. *Mr. Christopher Henry Malavu retires by rotation in accordance with Articles No.93 and 94 of the Company's Articles of Association. Special Notice has been received by the Company pursuant to Section 142 of the Companies Act (Cap.486) that the following resolution be proposed in accordance with Section 186(5) of the said Act for the consideration of the Shareholders:*

   "THAT Mr. Christopher Henry Malavu (a Director retiring by rotation) who is over the age of 70 years, be and is hereby re-elected as a director of the Company".

Notice of Annual General Meeting
(continued)

10. *To consider and, if deemed appropriate, adopt the following which will be proposed as ORDINARY RESOLUTIONS:*

   a) *"THAT the Authorised Share Capital of the Company be and is hereby increased from KShs.200 million to KShs.500 million by the creation of a further 75,000,000 ordinary shares of KShs.4.00 each ranking pari passu as regards dividends and in all other respects with the existing ordinary shares of the Company".*

   b) *"THAT it is desirable to capitalize a sum of KShs.84.8 million being part of the amount standing to the credit of Revenue Reserves and accordingly that such sum be set free for distribution amongst the Shareholders of existing ordinary shares in the capital of the Company on the Share Register as at the date of the closure of the Register, on the condition that the same be not paid in cash but applied in paying up in full at par 21,200,000 of the unissued ordinary shares of KShs.4.00 each in the Authorised Share Capital of the Company, and that such 21,200,000 shares credited as fully paid-up be accordingly allotted to such Shareholders respectively in the proportion of one of such new shares for every two of existing 42,400,000 shares then held by such Shareholders respectively (fractions of a share to be disregarded) and that the shares so distributed shall be treated for all purposes as an increase of the nominal amount of the capital of the Company held by each such Shareholder and not as income and further that such shares shall rank pari passu for all purposes with the existing shares in the capital of the Company and the Directors be and are hereby authorised and directed to give effect to this Resolution".*

   c) *"THAT should any of the said 21,200,000 bonus shares not be issued by reason of fractions of a share being disregarded the Directors be and are hereby authorised to allot and issue the same to such persons and upon such terms and conditions as they may think fit".*

By order of the Board
Ruth Mugela (Mrs.)
Company Secretary
February 18, 1994
Nairobi

Note:

A member entitled to attend and vote at the above Meeting is entitled to appoint one or more proxies to attend and vote on his behalf. Such proxy need not be a member of the Company. A proxy form, which must be lodged with the Company Secretary, P. O. Box 61711, Nairobi, not later than 48 hours before the time for holding the Meeting, is enclosed.

Chairman's Statement

In retrospect, the year 1993 presented greater challenges and opportunities than the previous two years. The challenges arose out of the continuing impact of the factors which influenced the economy in 1992. The downturn in the economy continued and inflationary pressures affected business throughout the year. The impact of the significant increase in the money supply effected towards the end of 1992 began to be felt in 1993, resulting in a rapid escalation of the interest rates on the money market. Government paper was issued liberally at increasingly higher rates of interest. This, in turn, affected the interest rates on deposits and lendings in the market place, leading to a situation where the money market operations attracted a wide range of players including individual investors.

The donor community, including IMF and World Bank, continued with their insistence upon compliance with the prescribed conditionalities for economic and other reforms, and to withhold disbursement of balance of payments support. The Kenya shilling depreciated, steadily at first and then rapidly, fuelling the already high inflation. It is very much to the credit of the Finance Minister (Hon. W. Musalia Mudavadi) and the Governor of the Central Bank of Kenya (Mr. Micah Cheserem) that, at this critical juncture, they took a number of bold policy decisions to bring about deregulation of interest rates, liberalisation of the foreign exchange regime and import liberalisation. Following upon the signing of the treaty by the three heads of state establishing a Permanent Tripartite Commission for the promotion of co-operation between Kenya, Uganda and Tanzania in various fields including political, economic, social, cultural and security matters, active encouragement was given to the idea of fostering closer economic ties amongst the three East African neighbours.

In these rapidly evolving conditions, your Board saw possibilities for small term gains as well as long-term opportunities. Working closely with the Management, the Board decided to take account of both these perspectives. Your Company was thus able to benefit from the extraordinary situation by careful and prudent investment of surplus funds in Treasury Bills, retaining a judicious control of our rates on deposits and loans, and maintaining a pro-active presence on the lending scene.

Our Group pretax profit again increased, this time from Shs. 175.6 million in 1992 to Shs. 296.6 million in 1993, an increase of 69%. Growth was recorded in advances which crossed the Shs. 3 billion mark and reached Shs. 3,070 million compared with Shs. 2,472 million in 1992 while deposits rose to Shs. 3,994 million compared with Shs. 2,985 million the previous year, with the percentage increases working out to 24% and 34% respectively. Total assets reflected a growth from Shs. 3,928 million to Shs. 5,460 million, up by 39%. While the net pretax profit increase must be regarded as exceptional and unlikely to be reached or bettered in the future, the growth in the other sectors is satisfactory.

In light of the financial results achieved, your Company paid an interim dividend of 15 per cent on the Issued and Paid-up Share Capital of Shs. 169.6 million on August 31, 1993. Your Board is now recommending, subject to the necessary approvals being obtained, a final dividend of 20 per cent on the Issued and Paid-up Share Capital of Shs. 169.6 million to be paid on or about May 24, 1994, making a total payment of Shs. 59.36 million (1992 - Shs. 50.88 million).

Your Board is also recommending, subject to consent and approval of the Capital Markets Authority and Exchange Control, a Bonus Issue at the rate of one share for every two shares held in the Issued and Paid-up Share Capital of K.Shs. 169.6 million, such new issue to rank pari passu

Chairman's Statement

(continued)

in all respects with the existing shares in the capital of the Company except for the aforementioned final dividend and any further dividend paid prior to the Bonus Issue. When implemented, this will increase the Paid-up Share Capital to K.Shs. 254.4 million.

In our constant endeavour to enhance the quality of service to our customers, we are improving the physical environment of our branches. The beneficial impact of the move to the Nation Centre is already visible in terms of customer satisfaction, improved staff efficiency and increased business. Your Company has recently acquired a landmark building in Kisumu, which is being restored. The Kisumu branch will be re-located to this prestigious address and I am confident that our customers in Nyanza province and Western Kenya will benefit from the enlarged and extended services and facilities.

In the use of technology, we are steadily advancing in the computerisation and our aim is to complete installations this year in Nairobi Units and Head Office.

The Board and Management continue to devote considerable attention to the welfare and training of our personnel. Training on the job, and outside courses chiefly at the College of Banking and Finance and elsewhere are taken up regularly and are proving valuable in improving the technical skills of our personnel at all levels.

The outlook for the year 1994 must be influenced by the happenings which have taken place in 1993. We are all hopeful that the short-term painful adjustments of the Structural Adjustment Programmes will soon be behind us and that the beneficial effect of these programmes will become evident. We are also hopeful that the support pledged by the international community will be put on a more sure and stable footing, in the light of the expected implementation by the Government of the decisions touching upon economic, social and human issues. However, of greater concern must be the consequences of the prolonged drought, the lack of sufficiency of food, the serious unemployment and the host of problems created by the urban drift. These problems do not lend themselves to easy solutions and will remain to be effectively managed over a longer period, if they are not to neutralise the possible gains accruing from the other welcome initiatives taken by the Government decision makers.

Your Board and Management hope to continue to follow a policy of growth with prudence. In order to build on the recently expressed desire for closer co-ordination, at least in the financial sector, amongst Kenya, Tanzania and Uganda, the Central Bank has approved an investment by us of Shs. 25 million in each of Diamond Trust of Tanzania Limited (DTT) and Diamond Trust of Uganda Limited (DTU). Your Board is confident that these investments coupled with management back-up support from us will strengthen our regional links to enhance the level of our regional activities through our affiliates DTT and DTU. Both these companies are being restructured and capitalised to meet the new challenges.

The Central Bank has also recently granted permission to our subsidiary, Premier Savings & Finance Limited (PSF) to open a branch in Nairobi. With prospects of further rationalisation in the banking industry (and your Company becoming a bank), the possibilities of developing PSF as a financial institution for the promotion of small and medium-scale entrepreneurs will become a reality.

As always, it is a pleasure to record the gratitude of the Board to the depositors and borrowers who loyally supported the Company during challenging conditions. I would like to assure them that your Company constantly endeavours to improve the quality and range of financial services to all our esteemed customers.

The Management and staff have worked with commitment and dedication. On your behalf and on behalf of the Board, I thank them for their devoted services throughout the year.

My colleagues on the Board have given time, advice and guidance throughout the year, which has enabled the Company to steer a stable course during a turbulent year. I wish to thank them for their support.

Zaher K. Ahamed
Chairman
February 18, 1994

Report of the Directors

The Directors have pleasure in presenting their Report and Audited Accounts for the year ended 31st December, 1993.

RESULTS	***1993***	*1992*
	Shs.'000	*Shs.'000*
Group profit before taxation for the year	***296,603***	*175,591*
Taxation	***104,149***	*61,980*
Group profit after taxation	***192,454***	*113,611*

DIVIDENDS

An interim dividend of 15% on the Issued and Paid-up Share Capital of Shs.169.6 million (1992 15% on Shs.113,066,667) was paid on 31st August, 1993. It is proposed that a final dividend of 20% on the Issued and Paid-up Share Capital of Shs.169.6 million be paid on or about 24th May, 1994.

BONUS ISSUE

It is also proposed to recommend to the Shareholders, subject to the consent and approval of the Capital Markets Authority and Exchange Control, a Bonus Issue at the rate of 1 share for every 2 shares held, such new issue to rank pari passu in all respects with the existing shares in the capital of the Company except for the aforementioned final dividend and any further dividend paid prior to the Bonus Issue.

The proposed Bonus Issue will be implemented upon receipt of the necessary consent and approval and the implementation will be preceded by appropriate notification in the local press.

DIRECTORS

From the present members of the Board of Directors as listed, Mr. Nurdin Gulamhussein Ajania and Mr. William Brian Robinson retire by rotation under Articles No. 93 and 94 of the Company's Articles of Association and, being eligible, offer themselves for re-election.

In terms of Articles No. 93 and 94 of the Company's Articles of Association, Mr. Christopher Henry Malavu (a Director who is over the age of 70 years) is due for retirement by rotation and a Special Notice having been received pursuant to Section 142 of the Companies Act (Cap 486) it is proposed that he be re-elected as a Director under Section 186(5) of the said Act.

AUDITORS

The Company's Auditors, Messrs Kassim-Lakha Abdulla & Co., being eligible, continue in office in accordance with Section 159(2) of the Companies Act (Cap.486) and Section 24(1) of the Banking Act, 1989.

By Order of the Board
Ruth Mugela (Mrs.)
Company Secretary
February 18, 1994
Nairobi

Report of the Auditors to the Members of Diamond Trust of Kenya Limited

We have audited the accounts set out on pages 9 to 18. The accounts are in agreement with the books of account. We obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.

In our opinion proper books of account have been kept and the accounts give a true and fair view of the state of the financial affairs of the company and the group at 31st December, 1993, and of the profit and source and application of funds of the group for the year ended on that date and comply with the Companies Act (Cap.486).

Kassim-Lakha Abdulla & Co.,
Certified Public Accountants.
February 18th, 1994
Nairobi

Consolidated Profit and Loss Account

for the year ended 31st December 1993

	NOTES	1993 Shs.'000	1992 Shs.'000
Group profit before taxation	2	**296,603**	175,591
Taxation	3	**(104,149)**	(61,980)
Group profit after taxation		**192,454**	113,611
Pre-acquisition adjustment		**(3,559)**	-
		188,895	113,611
Minority interest		**1,104**	(4,512)
Profit attributable to Shareholders of Diamond Trust of Kenya Ltd		**189,999**	109,099
Dividends:			
Interim paid - 15% (1992 15%)		**25,440**	16,960
Proposed final - 20% (1992 20%)	4	**33,920**	33,920
		59,360	50,880
Retained profit for the year	12	**130,639**	58,219
Earnings per share	5	**Shs. 4.48**	2.57

Report of the Auditors - Page 8

The notes on pages 13 to 18 form part of these accounts

Balance Sheet of the Group

31st December 1993

	NOTES	1993 Shs.'000	1992 Shs.'000
ASSETS			
Cash and bank balances		**64,761**	48,081
Money at call and short notice		**278,500**	399,500
Treasury bills		**1,146,300**	385,700
Treasury bonds		**140,000**	85,000
Debtors		**44,766**	14,808
Investments	6	**62,321**	57,289
Fixed assets	7	**484,612**	304,631
Associated companies	8	**113,438**	118,318
Advances		**3,069,818**	2,472,376
Customers' liabilities for acceptances		**55,535**	42,249
		5,460,051	3,927,952
LIABILITIES			
Creditors		**504,237**	280,467
Taxation		**55,727**	34,339
Dividend - proposed final		**33,920**	33,920
Deposits		**3,993,791**	2,984,820
Liabilities for acceptances		**55,535**	42,249
		4,643,210	3,375,795
SHAREHOLDERS' FUNDS			
Share capital	10	**169,600**	169,600
Share premium		**16,320**	16,320
Capital reserve	11	**268,406**	139,065
Revenue reserve	12	**300,781**	170,472
		755,107	495,457
Minority interest		**61,734**	56,700
		816,841	552,157
		5,460,051	3,927,952

The accounts on pages 9 to 18 were approved by the Board of Directors on February 18, 1994, and were signed on its behalf by:

Z.K. Ahamed - Director — *N.G. Ajania- Director*

C.H. Malavu - Director — *N.S. Meruani - Managing Director*

Report of the Auditors - Page 8
The notes on pages 13 to 18 form part of these accounts

Balance Sheet of the Company

31st December 1993

	NOTES	1993 Shs.'000	1992 Shs.'000
ASSETS			
Cash and bank balances		55,990	41,245
Money at call and short notice		123,500	346,000
Treasury bills		975,000	335,000
Treasury bonds		140,000	85,000
Debtors		32,064	14,715
Investments	6	56,774	54,327
Fixed assets	7	341,338	195,615
Subsidiaries and associated companies	8	151,367	136,873
Advances		2,815,009	2,191,783
Customers' liabilities for acceptances		54,685	42,249
		4,745,727	3,442,807
LIABILITIES			
Creditors		441,606	254,442
Taxation		48,313	27,766
Dividend - proposed final		33,920	33,920
Deposits		3,520,285	2,655,883
Liabilities for acceptances		54,685	42,249
		4,098,809	3,014,260
SHAREHOLDERS' FUNDS			
Share capital	10	169,600	169,600
Share premium		16,320	16,320
Capital reserve	11	206,085	98,889
Revenue reserve	12	254,913	143,738
		646,918	428,547
		4,745,727	3,442,807

The accounts on pages 9 to 18 were approved by the Board of Directors on February 18, 1994, and were signed on its behalf by:

Z.K. Ahamed - Director — *N.G. Ajania- Director*

C.H. Malavu - Director — *N.S. Meruani - Managing Director*

Report of the Auditors - Page 8
The notes on pages 13 to 18 form part of these accounts

Consolidated Statement of Source and Application of Funds

for the year ended 31st December, 1993

	1993 Shs.'000	1992 Shs.'000
SOURCE OF FUNDS		
Group profit before taxation	296,603	175,591
Adjustment for items not involving movement of funds:		
Depreciation	7,743	4,141
Fixed assets adjustment	1,100	(116)
Profit on sale of fixed assets	(393)	(156)
TOTAL FUNDS GENERATED FROM OPERATIONS	305,053	179,460
FUNDS FROM OTHER SOURCES		
Share application money	0	3,020
Proceeds on sale of fixed assets	412	522
	305,465	183,002
APPLICATION OF FUNDS		
Dividend paid	28,001	27,643
Tax paid	82,761	71,668
Additions to fixed assets	48,231	68,241
Purchase of investments	500	32,413
Acquisition of minority holding	12,426	0
	171,919	199,965
Increase/(Decrease) in working capital (see below)	133,546	(16,963)
	305,465	183,002
ANALYSIS OF CHANGE IN WORKING CAPITAL		
Increase in advances	597,442	433,988
Increase in liquid and other assets	750,772	93,146
	1,348,214	527,134
Increase in deposits	1,008,971	472,249
Increase in liabilities	205,697	71,848
	1,214,668	544,097
	133,546	(16,963)

Notes to the Accounts

for the year ended 31st December, 1993

1. ACCOUNTING POLICIES

(a) GROUP ACCOUNTS

(i) Subsidiaries

The Group Accounts comprise a consolidation of the accounts of the Company and its subsidiaries, all of which are made up to 31st December, 1993.

(ii) Associated Companies

The Associated Companies' results have not been consolidated as the Directors are of the opinion that it would involve delay out of proportion to the value to the members of the Company. The disclosure requirements under Kenyan Accounting Standard 12, where the accounts of Associated Companies are not consolidated, are shown under Note 8.

The disclosure requirements under the Companies Act are shown under Note 2.

(b) INCOME

(i) Advances:

Interest on advances is on accruals basis.

(ii) Finance and Leasing Earnings:

Credit is taken in each accounting year for finance charges received and receivable after eliminating from the balance at the conclusion of each such year, the unearned finance charges calculated on a basis such as to allocate charges earned to the appropriate accounting period.

(c) FIXED ASSETS AND DEPRECIATION

Fixed assets are stated at cost or valuation less depreciation.

Leasehold land and buildings are stated at professional valuation carried out at 31st December, 1993. The basis of valuation is open market value.

Depreciation is provided on straight line basis by reference to the expected useful lives of the assets concerned. The rates used are as follows:

	Rates %
Furniture, fittings and equipment	10 - 25
Lifts	10
Motor vehicles	25

No depreciation is provided on leasehold land and buildings. The effect of the deviation from Kenyan Accounting Standard 5 is not material.

(d) INVESTMENTS

(i) The Company's quoted investments are shown in the Balance Sheet at their market value. The surplus or deficit arising with reference to the cost price has been dealt with through the Capital Reserves, in accordance with Kenyan Accounting Standard 14.

The market value of quoted investments is based on the closing middle price of the Stock Exchange quotation as at the date of the Balance Sheet.

(ii) The Company's unquoted investments are stated at cost.

(e) BAD AND DOUBTFUL DEBTS

Advances are stated after deduction of specific and general provisions. Specific provisions are made when, in the opinion of the Board, after evaluation of the individual advances, recovery is doubtful. General provisions are made for losses which although not specifically identified, are from past experience, known to be present in the aggregate advances portfolio.

(f) DEFERRED TAXATION

Provision for deferred tax is made only when the Directors consider that a tax benefit or charge is likely to crystallise in the foreseeable future.

(g) TRANSLATION OF FOREIGN CURRENCIES

Transactions 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.

Notes to the Accounts

for the year ended 31st December, 1993 (continued)

2. PROFIT BEFORE TAXATION

	1993	1992
	Shs.'000	Shs.'000
Group profit before taxation is stated after charging:		
Depreciation	7,743	4,141
Directors' emoluments:		
Fees	114	132
Other	1,773	1,668
Auditors' Remuneration:		
Current year	1,025	778
Underprovision in previous year	8	70
and after crediting:		
Income from quoted investments	1,396	476
Income from unquoted investments	5,143	1,684

3. TAXATION

Taxation is provided on the basis of the group profit for the year as adjusted in accordance with the tax legislation	104,149	61,980

4. PROPOSED FINAL DIVIDEND

The Directors have proposed a final dividend of 20% on the Issued and Paid-up Share Capital of Shs.169,600,000.

5. EARNINGS PER SHARE

The calculation of earnings per share is based on the profit attributable to Shareholders, Shs.189,999,000 (1992 Shs.109,099,000) and on 42,400,000 shares in issue at the balance sheet date.

6. INVESTMENTS

	THE COMPANY		THE GROUP	
	1993	1992	1993	1992
	Shs.'000	Shs.'000	Shs.'000	Shs.'000
Quoted shares and stocks at market value	26,433	24,486	31,980	27,448
Unquoted shares at cost	30,341	29,841	30,341	29,841
	56,774	54,327	62,321	57,289

In the opinion of the Directors the investments in unquoted shares are long term and are worth, at least, the net value reflected.

Notes to the Accounts

for the year ended 31st December, 1993 (continued)

7. FIXED ASSETS

THE COMPANY	Long and short term Leasehold Land and Buildings Shs.'000	Motor Vehicles Shs.'000	Furniture and Equipment Shs.'000	Total Shs.'000
COST OR VALUATION				
At 1st January, 1993	159,075	6,076	47,697	212,848
Additions	23,640	5,200	18,670	47,510
Revaluation adjustment	105,249	-	-	105,249
Disposals	-	(374)	(96)	(470)
At 31st December, 1993	**287,964**	**10,902**	**66,271**	**365,137**
DEPRECIATION				
At 1st January, 1993	-	4,784	12,449	17,233
Charge for the year	-	1,301	5,715	7,016
On disposals	-	(374)	(76)	(450)
At 31st December, 1993	**-**	**5,711**	**18,088**	**23,799**
NET BOOK VALUE				
At 31st December, 1993	**287,964**	**5,191**	**48,183**	**341,338**
At 31st December, 1992	159,075	1,292	35,248	195,615

THE GROUP	Long and short term Leasehold Land and Buildings Shs.'000	Motor Vehicles Shs.'000	Furniture and Equipment Shs.'000	Total Shs.'000
COST OR VALUATION				
At 1st January, 1993	266,475	7,477	51,338	325,290
Prior year adjustment	(1,398)	(13)	70	(1,341)
Additions	23,674	5,200	19,357	48,231
Revaluation adjustment	140,613	-	-	140,613
Disposals	-	(374)	(102)	(476)
At 31st December, 1993	**429,364**	**12,290**	**70,663**	**512,317**
DEPRECIATION				
At 1st January, 1993	-	5,665	14,994	20,659
Prior year adjustment	-	(267)	26	(241)
Charge for the year	-	1,648	6,095	7,743
On disposals	-	(374)	(82)	(456)
At 31st December, 1993	**-**	**6,672**	**21,033**	**27,705**
NET BOOK VALUE				
At 31st December, 1993	**429,364**	**5,618**	**49,630**	**484,612**
At 31st December, 1992	266,475	1,812	36,344	304,631

The figures shown in respect of land and buildings are based on professional valuation carried out by Mr. C. P. Robertson-Dunn TD, BSC (Lond), FRICS, MISK, Chartered Surveyor and Registered Valuer, on the basis of current open market value at 31st December, 1993.

Notes to the Accounts

for the year ended 31st December, 1993 (continued)

8. SUBSIDIARY AND ASSOCIATED COMPANIES

	THE COMPANY		THE GROUP	
	1993	1992	**1993**	1992
	Shs.'000	Shs.'000	**Shs.'000**	Shs.'000
(a) Subsidiary Companies:				
Shares at cost	**34,124**	14,198	-	-
Amount due from subsidiaries	**3,805**	4,357	-	-
	37,929	18,555	-	-
(b) Associated Companies:				
Shares at cost	**113,186**	113,186	**113,186**	113,186
Amount due from Associated Companies	**252**	5,132	**252**	5,132
	113,438	118,318	**113,438**	118,318
	151,367	136,873	**113,438**	118,318

(c) The following information is given in respect of Associated Companies (% holdings are shown on Page 20), whose results have not been consolidated.

	1993 Shs.'000 Group Share			1992 Shs.'000 Group Share		
	Cost of Shares Held	**Net Assets**	**After Tax Profit/ (Loss)**	Cost of Shares Held	Net Assets	After Tax Profit/ (Loss)
Combined Warehouses Ltd	**1,062**	**4,981**	**(8,297)**	1,062	13,278	(287)
Drumcon (1973) Limited	**80**	**919**	**91**	80	800	(57)
Industrial Promotion Building Limited	**111,204**	**358,751**	**(1,920)**	111,204	287,567	(9,021)
Agricraft Kenya Limited	**840**	**1,328**	**39**	840	1,481	24

The results of the Associated Companies are for the year ended 31st December, 1993, except for Agricraft Kenya Limited, whose results are for the year ended 30th June, 1993. Audited accounts have been used for Agricraft Kenya Limited while Management accounts have been used for the Subsidiaries and other Associated Companies.

	1993	1992
	Shs.'000	Shs.'000
(d) Loans to Associated Companies	**4,047**	4,546

Notes to the Accounts

for the year ended 31st December, 1993 (continued)

9. RELATED PARTY TRANSACTIONS

The information on related party transactions is as follows:-

			1993	1992
			Shs.'000	Shs.'000
NAME	RELATIONSHIP	TRANSACTION	LOAN BALANCE	
Freight Forwarders Kenya Limited	Investment	Secured Loan	9,904	29,474
Leather Industries of Kenya Limited	Investment	Secured Loan	92,273	83,078
Tourism Promotion Services (Kenya) Ltd	Investment	Secured Loan	72,250	41,804
Premier Food Industries Limited	Board Representation	Secured Loan	16,156	12,814
Allpack Industries Ltd	Investment	Secured Loan	31,000	21,000

10. SHARE CAPITAL

	1993	1992
	Shs.'000	Shs.'000
Authorised:		
50 million ordinary shares of Shs.4 each	200,000	200,000
Issued and fully paid:		
At 1st January, 1993 - 42,400,000 (1992 -28,266,667) ordinary shares of Shs. 4 each	169,600	113,067
Bonus Issue Nil (1992 - 14,133,333) ordinary shares of Shs. 4 each	0	56,533
At 31st December, 1993 - 42,400,000 (1992 - 42,400,000) ordinary shares of Shs. 4 each	169,600	169,600

Notes to the Accounts

for the year ended 31st December, 1993 (continued)

11. CAPITAL RESERVES

	THE COMPANY		THE GROUP	
	1993	1992	**1993**	1992
	Shs.'000	Shs.'000	**Shs.'000**	Shs.'000
At 1st January, 1993	**98,889**	98,889	**139,065**	133,512
Prior year adjustment	**-**	-	**204**	-
Surplus on revaluation of assets	**105,249**	-	**123,759**	4,611
Adjustment on market value of quoted shares	**1,947**	-	**3,640**	942
Capital reserve on consolidation	**-**	-	**1,738**	-
At 31st December, 1993	**206,085**	98,889	**268,406**	139,065

12. REVENUE RESERVES

	THE COMPANY 1993	THE COMPANY 1992	THE GROUP 1993	THE GROUP 1992
At 1st January, 1993	**143,738**	152,489	**170,472**	168,941
Prior year adjustment	**-**	-	**(330)**	(155)
	143,738	152,489	**170,142**	168,786
Retained profit for the year	**111,175**	47,782	**130,639**	58,219
	254,913	200,271	**300,781**	227,005
Less capitalization of reserves	**0**	56,533	**0**	56,533
At 31st December, 1993	**254,913**	143,738	**300,781**	170,472

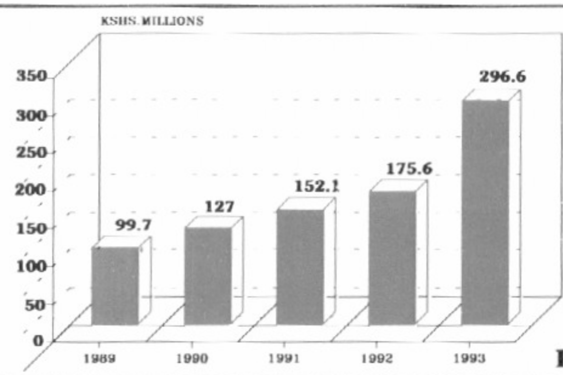
13. INCORPORATION

The Company is incorporated in Kenya under the Companies Act.

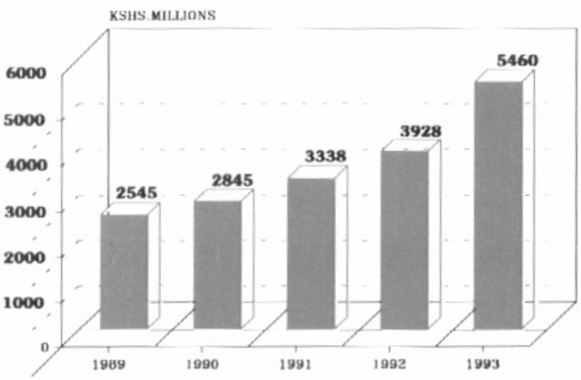
14. CURRENCY

These accounts are presented in Kenya Shillings (Shs).

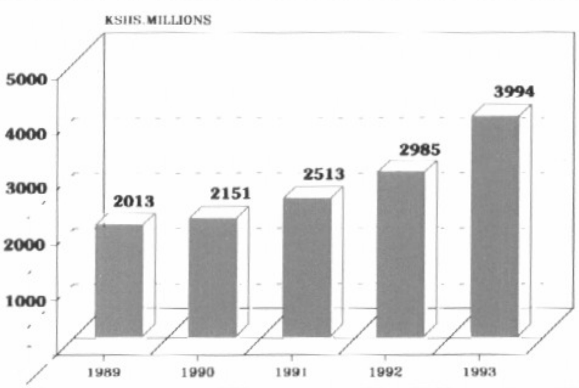
Financial Highlights



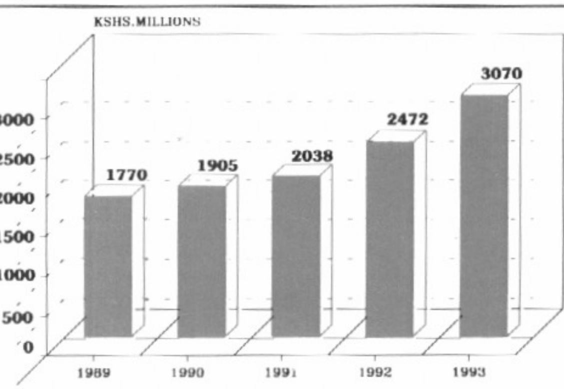
Profit Before Tax



Total Assets



Deposits



Advances

Subsidiary and Associated Companies

31st December, 1993

	HOLDING
SUBSIDIARY COMPANIES	%
The Diamond Trust Properties (Kenya) Limited	52.34
Premier Savings and Finance Limited	100.00
ASSOCIATED COMPANIES	
Agricraft Kenya Limited	20.00
Combined Warehouses Limited	44.10
Drumcon (1973) Limited	40.00
Industrial Promotion Building Limited	44.60
Services and Systems Limited	40.00

DIAMOND TRUST

Proxy form

I/we ....

of ....

being a member/members of Diamond Trust of Kenya Limited, hereby appoint ....

....

of ....

and failing him, ...

of ....

and failing him, the Chairman of the meeting as my/our proxy to vote for me/us and on my/our behalf at the Annual General Meeting of the Company to be held on the twenty-second day of April, 1994, at 11.00 a.m. and at any adjournment thereof.

As witness my/our hand this .... *day of* *1994*

Signature ....

Important notes

1. *If you are unable to attend this meeting personally, this Proxy Form should be completed and returned to the Company Secretary, P.O. Box 61711, Nairobi, to reach her not later than 48 hours before the time appointed for holding the meeting.*
2. *A person appointed to act as a proxy need not be a member of the company.*
3. *If the appointer is a Corporation, this Proxy Form must be under Seal or under the hand of an Officer or Attorney duly authorised in writing.*

Fold Here

Affix
Stamp

The Company Secretary,
Diamond Trust of Kenya Ltd.,
P. O. Box 61711,
Nairobi,
Kenya.

Fold Here